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FACT SHEET – FUNDING HIGHER EDUCATION

THE COST OF HIGHER EDUCATION HAS SKY-ROCKETED

- Since 1980, college costs have been rising at twice -- and sometimes three times -- the rate of inflation.
- Tuition at both private and public four-year colleges is 115% higher, in inflation-adjusted dollars, than it was just 20 years ago.
- Tuition, room and board now cost an average of \$9,719 a year at a public four-year college -- or nearly \$40,000 for four years. At a private four-year college, the average cost of tuition, room and board is now \$22,541 a year -- or more than \$90,000 for four years

FAMILY INCOMES AND STUDENT AID HAVE NOT KEPT PACE

- The average incomes of families with college-age children have been essentially stagnant since 1980 (increasing just 20% in inflation-adjusted dollars).
- Twenty-five years ago, the maximum Pell Grant covered more than 80% of the average cost of attending a public four-year college, and about 40% of the cost of attending a private college. Today, the maximum Pell Grant covers only 39% of the average cost of attending a four-year public college, and only 15% of the cost of attending a private college. The average Pell Grant, adjusted for inflation, has not increased at all in ten years.

STUDENT AID IS NOW MOSTLY LOANS AND THEREFORE DEBT IS HIGH

- Most of what we call student aid today consists of loans, not grants. About 60% of student aid is now in the form of student loans, compared to 40% in 1980.
- Federal student aid, which 20 years ago was a grants-based system, is now a loan-based system. Pell Grants today account for only 10.7% of all student aid, but Federal student loans account for 51.4% of all student aid.
- Students graduating with four-year degrees today owe an average of \$28,000 -- without even counting what their parents owe.

CONGRESS MUST PASS A SIGNIFICANT INCREASES IN FEDERAL STUDENT AID

- In the next 10 years, more than 14 million undergraduate students will be enrolled in America's colleges and universities, and one out of every five of those students will be from families with incomes below the poverty line.
- We must pass legislation to double the funding for Pell Grants, from this year's funding level of \$7.6 billion to \$15 billion, and also legislation to double total Federal spending on aid to post-secondary students from \$13 billion to \$26 billion.
- We must also pass legislation to cancel the education debts of graduates who enter public service. There are few programs in existence to cancel student loans for public service, and these programs receive very little funding. The Perkins loan cancellation fund, for example, received only \$30 million in funding last year.

WE CAN AFFORD TO SPEND MORE ON HIGHER EDUCATION

- This country spends almost \$300 billion a year on the military, and \$125 billion on welfare for wealthy corporations -- but the Federal Government spends only \$13 billion a year on aid to postsecondary students and contributes less than 15% of the operating costs of our nation's colleges and universities.
- If we can afford to give the Pentagon a \$22 billion increase in its budget -- as we did this year -- surely we can afford to increase student aid for higher education by \$13 billion. If we can afford to give the wealthiest people in this country hundreds of billions of dollars in tax breaks, surely we can afford to increase Pell Grants by \$7.4 billion.