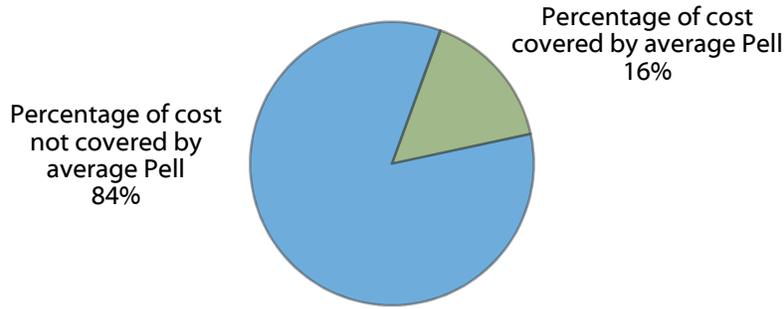


The Federal Pell Grant Covers Less Than One-fifth of Average Public Four-year Costs

Percentage of Average Cost of Two Semesters Full-time Attendance at a Texas Public Four-year University Covered by the Average Texas Pell Grant (AY 2015–2016)



Change from Previous AY in Average Texas Pell Grant and in Average Cost of Two Semesters of Full-Time Attendance at In-State Public Four-Year Universities (current dollars)

Award Year	Change in Average Pell Grant in Texas	Increase in Cost in Texas	Increase in Cost in U.S.
2010-2011	\$98	\$40	\$652
2011-2012	-\$271	\$737	\$795
2012-2013	\$12	\$951	\$638
2013-2014	\$66	\$311	\$419
2014-2015	\$11	\$410	\$167
2015-2016	\$20	\$465	\$396

The buying power of the federal Pell Grant, the largest grant program in the U.S. and in Texas, has declined over the last three decades. Designed to be the foundation of need-based grant aid, only undergraduates with significant financial need receive the Pell grant; however, in Award Year (AY) 2015–2016, the average Pell grant in Texas covered only 16 percent of the average cost of attendance (COA; tuition, fees, room, board, and other basic expenses) for eligible undergraduates at public four-year universities in Texas. While the average Pell grant tends to increase from one year to the next, these increases generally fail to keep pace with increases in the cost of college.

The maximum Pell grant for AY 2015–2016 was \$5,775 and will increase to \$5,815 for AY 2016-2017. This \$40 increase is based on the Student Aid and Fiscal Responsibility Act (SAFRA), which provides for automatic changes to the maximum Pell grant based on changes in the Consumer Price Index (CPI), a common measure of inflation. Pell grant awards are determined according to a schedule that takes both COA and expected family contribution (EFC) into account. Pell grants awards increase for higher COAs and lower EFCs and decrease for lower COAs and higher EFCs. There is also a set maximum EFC beyond which a student cannot qualify for a Pell grant regardless of the COA; for AY 2015-2016, the maximum eligible EFC is \$5,198.

Sources: Cost of attendance: U.S. Department of Education, National Center for Education Statistics, IPEDS Data Center (Author's calculation: Total cost of full-time undergraduate attendance weighted by FTE undergraduate enrollment) (<http://nces.ed.gov/ipeds/datacenter/>); Pell: U.S. Department of Education, Federal Student Aid Data Center, Programmatic Volume Reports (<http://studentaid.ed.gov/about/data-center/student/title-iv>); Maximum Pell: U.S. Department of Education, Federal Student Aid (<https://studentaid.ed.gov/sa/types/grants-scholarships/pell>).

