

July 15, 2011

The Honorable Barack Obama
President of the United States
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

Throughout your presidency you have shown a strong commitment to increasing our nation's college completion rates and have made great strides toward advancing this goal. As you negotiate with Congress on a debt ceiling package, we urge you to honor this commitment by protecting the maximum Pell Grant and avoiding any eligibility cuts that would be harmful to students. Cutting Pell Grant awards or eligibility will reduce access to college, undermine the economy, and lower college completion rates when we need to be raising them.

As you know, Pell Grants make college possible for over nine million Americans. They enable the neediest among us to get the postsecondary education required to increase their earning potential and keep America competitive in the global economy. Even after the significant increases in the maximum grant that your Administration secured, the maximum Pell Grant will cover less than a third of the cost of attending a four-year public college next year—the smallest share in the history of the program. Furthermore, Pell Grant recipients are already more than twice as likely as other students to have student loans. Make no mistake: cutting Pell Grants at this time—either through a reduction in the maximum award or through harmful eligibility changes—will reduce the number of people who can attend college and earn a degree.

The recent increase in the cost of the Pell Grant program is no reason to make damaging permanent changes to this successful and vital program. Fully 40% of the recent rise in Pell costs is because of the economic downturn, not policy changes. When millions of Americans lost their jobs and saw their incomes decline during the recession, the Pell Grant program responded as it was designed to—ensuring access to education and training when jobs were scarce. Another 22% of the increase was due to the year-round Pell Grant program, which was ended under the FY2011 budget agreement, reducing program costs by \$40 billion over 10 years. Because of this change and with the economy continuing to recover, program costs have stabilized. In fact, the Congressional Budget Office projects that Pell Grant costs will grow less than 1% a year in the next two years and only 2% a year over the next ten years. After adjusting for inflation, spending on Pell Grants is projected to decline in each of the next two years.

At a time of record income inequality and unemployment, Pell Grants are one of the keystones of economic mobility and opportunity in this country. Cutting Pell Grant awards or eligibility would be pennywise and pound-foolish. We urge you to honor the values you have articulated for the nation and protect educational opportunity in the current deficit reduction package.

Sincerely,

All Education Matters
American Association of Collegiate Registrars
and Admissions Officers
American Association of University Women
American Federation of Teachers
American Medical Student Association
American School Counselor Association

American Student Association of Community
Colleges
ASPIRA
Business-Higher Education Forum
Campaign for College Affordability
Campaign for College Opportunity
Campus Progress Action

Center for Law and Social Policy
Children's Defense Fund
College Summit
Community College League of California
Corporate Voices for Working Families
Crittenton Women's Union
Democrats for Education Reform
Dēmos: A Network for Ideas & Action
The Education Trust
Forum for Youth Investment
Generational Alliance
Green Dot Public Schools
The Greenlining Institute
Hispanic Association of Colleges and
Universities
The Institute for College Access & Success
Institute for Higher Education Policy
Jobs for the Future
KIPP Foundation
League of United Latin American Citizens
MomsRising
NAACP
National Association for College Admission
Counseling
National Association for Equal Opportunity in
Higher Education
National Association of Student Financial Aid
Administrators

National Association of State Student Grant and
Aid Programs (NASSGAP)
National Black Law Students Association
National College Access Network
National Consumer Law Center (on behalf of its
low-income clients)
National Council for Community and Education
Partnerships (NCCEP)
NCLR (National Council of La Raza)
National Education Association
National Organization for Portuguese Americans
National Skills Coalition
Neighborhood Economic Development
Advocacy Project
Public Advocates
Rebuild the Dream
Rock the Vote
Roosevelt Institute Campus Network
Single Stop USA
Thurgood Marshall College Fund
UNCF
U.S. Public Interest Research Group
United States Student Association
Women Employed
Workforce Strategies Initiative at The Aspen
Institute
Year Up
Young Invincibles