



Support for Pell Grants and Stafford Loans

The National Council of Teachers of English supports FY 2013 appropriations for the proposed maximum grant level of \$5,645 per year under the Pell Grants Program to provide low-income students access to higher education.

The current educational environment stresses the importance of standards and assessments that prepare students to be college-ready. Preparing students to be college-ready, however, means little if they cannot afford to attend.

Pell grants, which are awarded as federal aid to undergraduates who demonstrate financial need, are the most important financial support for low income students' pursuing higher education. Especially because African American and Latino students are more likely than white students to qualify for Pell grants, these grants are a cornerstone of ensuring equitable education access in this country.

A Pell grant covers less than one-third of the cost of attending a public four-year college. According to The Institute for College Access and Success (TICAS), this makes the current Pell grant level of \$5,500 per year "the lowest in history¹." To cut or flatline the level of Pell grant funding is not sustainable for students and, considering the grant's impact on the poor, puts the burden of budget cuts on these poor students and citizens.

Furthermore, we must consider the investment that Pell grants yield. Maintaining this funding for educational access for low-income students is not a short-term cost but a long-term investment. A college education is the most significant factor in lifting people out of poverty. Higher education gives citizens the skills to be successful in a globally competitive market. It thus enables them to be better civic participants, both as critical and knowledgeable thinkers and as taxpayers.

The National Council of Teachers of English supports maintaining interest rates of 3.4 percent for Stafford Loans.

Unless Congress votes to extend the 3.4 percent rate, it doubles as of July 1, 2012. A rate hike would affect over 7.8 million undergraduates with an additional \$2,800 owed on average over a 10-year repayment period. If students need to borrow the maximum of \$8,000 in the first two years and \$5,500 in each year thereafter for a total of \$23,000, they will pay an additional \$5,000. With rising tuition costs and a tight job market, poor students especially need maintenance of the current rate so that they can finish college and pay their debt in a reasonable time.

President Obama, Senator Jack Reed, and Representative Joe Courtney have all introduced proposals to freeze the rate. This freeze is necessary to meet our nation's goal of more college graduates well prepared to support themselves and contribute to society.

¹ http://ticas.org/files/pub/Overall_Pell_1-pager_2-15-12.pdf; Calculations by TICAS on data from the College Board, *Trends in College Pricing 2011*, Table 5a and FinAid.org, Pell Historical Figures.