

February 5, 2009

Dear Senator _____,

Any stimulus package passed by Congress needs to do two things for our nation's economy: jump-start job creation and spending in the short term, and lay a foundation for continued growth. Although some members of Congress have claimed otherwise, increasing Pell Grants for millions of struggling college students will do both of these things.

The administrative structure of the Pell Grant program is already in place, including a system for quickly and efficiently disbursing funds. Pell Grant stimulus funds will have an immediate impact on the economy, as students use them to pay for books, food, housing, computers, transportation, and other essentials, as well as tuition. Also, enabling more students to attend and stay in college will lead to the creation and maintenance of jobs at institutions of higher education that might otherwise be cut.

While a Pell Grant increase will certainly pump cash into the economy now, this investment will also pay dividends on a national scale long after the money is spent. A skilled, educated workforce is absolutely critical for a sustained economic recovery. The U.S. used to lead the world in educational attainment, but we are now falling behind. To compete in the global economy and create leaders in business, research, and innovation, we need more people going to and getting through college than ever before.

Given the high costs of attending college, Pell Grants are crucial to maintaining access to higher education. The federal Advisory Committee on Student Financial Assistance estimates that financial obstacles prevent roughly half of college-qualified high school graduates from attending four-year institutions, and a quarter from attending any college at all. Pell Grants are the best tool the government has to lower this cost barrier. For college-qualified students with the most limited resources, a Pell Grant increase would help encourage college enrollment and completion, and limit the amount of debt they would have to take on.

A Pell increase will also facilitate retraining for workers without college degrees whose jobs are in jeopardy or already gone. More than a third of current college students are over the age of 24. In a recession, vocational training can relieve pressure on the economy by reducing the number of jobless Americans who are looking for work and preparing unemployed and underemployed workers to find good jobs. College enrollment typically surges during periods of high unemployment, and we have already seen massive increases in applications in 2008. This trend is likely to continue as long as the downturn lasts, but it does not guarantee that those who enroll will be able to afford to complete their course, certificate, or degree. Increasing Pell Grants is an effective way to encourage and enable vocational training and retraining.

[David Leonhardt's cover story](#) in last weekend's *New York Times* Sunday Magazine points specifically to education as "the lifeblood of economic growth" because "countries that educate more of their citizens tend to grow faster than similar countries that do not." A strong body of research has found that economic growth tends to follow educational gains, and that people with more education are generally healthier, more civically engaged, and more productive, as well as higher earners. That means they spend more and pay more in taxes, while saving the government money on public assistance programs and prisons.

With economists predicting the longest recession since World War II, investing in our long-term competitiveness with short-term spending on student aid is a responsible way to protect and create American jobs. The money will go to people who actually need it, be spent right away, preserve a critical part of our infrastructure, and help position our country for a prosperous future. As you debate what the stimulus package should include, we respectfully request that you consider these facts, and we urge you to retain the Pell grant increase provision.

Sincerely,

American Association of Collegiate Registrars and Admissions Officers
American Association of State Colleges and Universities
American Association of University Women (AAUW)
Campus Progress
Consumers Union
The Greenlining Institute
National Association of Student Financial Aid Administrators
National Center for Public Policy and Higher Education
National Consumer Law Center (on behalf of our low-income clients)
State Higher Education Executive Officers
The Center for Law and Social Policy (CLASP)
The Project on Student Debt (an initiative of the Institute for College Access & Success)
U.S. Public Interest Research Groups
United States Students Association