

The American Recovery and Reinvestment Act

Building a Strong, Competitive 21st Century Economy

MAKING COLLEGE MORE AFFORDABLE

A well-trained, college-educated workforce is key to a strong American economy and middle class. The economic crisis, combined with rising tuition prices and declining state support for higher education, threatens to put college out of reach for many students – forcing them to take a semester off or even skip college. Allowing students to be priced out of a college education will only further weaken our workforce and our economy. Economists, the business community, scientists and others agree that making strategic investments in education is a smart move to grow our economy and regain our competitive edge in the 21st century global economy.

The American Recovery and Reinvestment Act will help college students and families pay for college by significantly boosting federal student aid. It builds on the groundwork laid by the 110th Congress to make college more affordable and accessible for all qualified students. The legislation will:

Boost the Pell Grant scholarship to its highest amount ever

- Increase the maximum Pell Grant Award by \$500 to \$5,350 for 2009-2010 and to \$5,550 for 2010-2011. When combined with other increases enacted during the 110th Congress, the maximum Pell Grant award will have increased by \$1,500 – or 37 percent – since the 2006 – 2007 school year;
- College and universities create jobs, support taxes and generate spending on goods and services. Increasing the Pell Grant scholarship will help more students stay in college, and more new students enroll in college – which in turn will help colleges and universities keep more jobs on the payroll and continue to serve as local economic engines.

Expand Work Study and service opportunities for students

- Provide \$200 million for work-study programs to create opportunities for an additional 133,000 students to get paid for work in a field related to either their major or community service.

Stabilize state budgets for higher education

- Provide funding for postsecondary education through the State Stabilization Fund which will allow states to, among other options, retain or hire faculty and staff, maintain or expand enrollment, repair, renovate and modernize campus facilities, and pay for other costs associated with the evolving needs of higher education in the current economy