

**Who Ever Thought Need-Based
BEOG/Pell Grants Would Produce
Greater Equality in
Postsecondary Educational
Opportunity?**

W. Lee Hansen
Professor Emeritus, Economics
University of Wisconsin-Madison
September 18, 2007

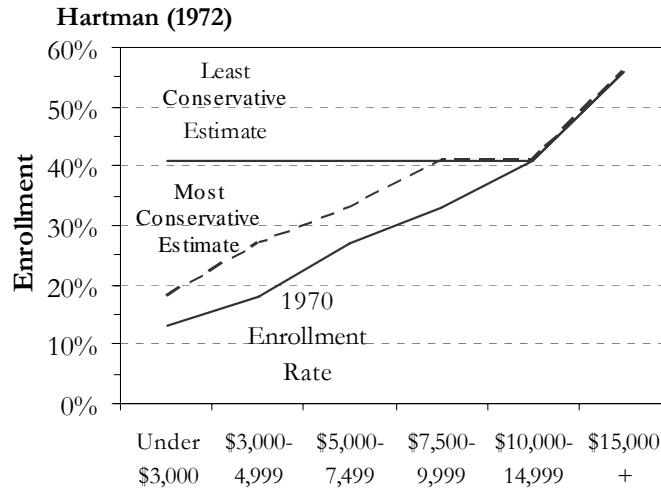


“No qualified student who
wants to go to college should
be barred by lack of money.”

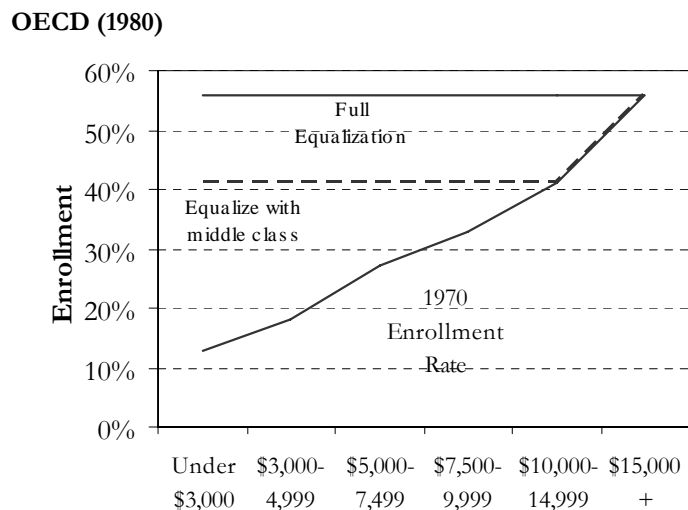
*--President Richard Nixon, 1970 Presidential
Message on Higher Education*



Assessments of BEOG Effects; A Graphical Representation



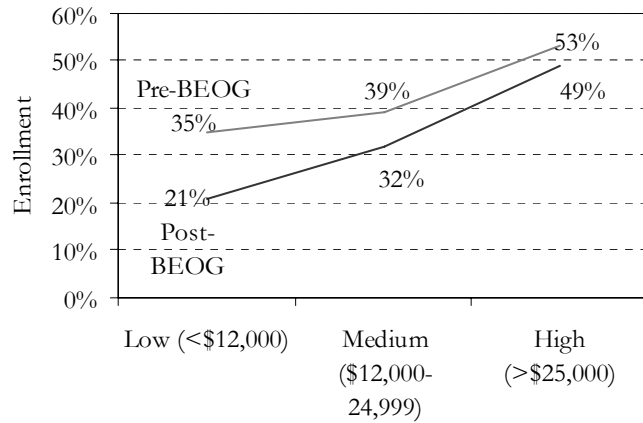
Assessments of BEOG Effects; A Graphical Representation



Assessments of BEOG Effects; A Graphical Representation



Leslie & Brinkman (1988)



Assessments of BEOG Effects; A Graphical Representation



Hansen (1982)

Year	Enrollment Rates	Ratios
1972	< Median = 35.8 > Median = 49.2	0.727
1978	< Median = 32.2 > Median = 45.8	0.703



Did BEOG/Pell program fail because of:

- Inadequate funding?
- Lack of focused targeting?

Note: BEOG/Pell spending, 1973-2005 amounted to a quarter trillion dollars (in constant 2005 dollars). Total federal spending amounted to almost \$1.5 trillion in constant 2005 dollars.



Lessons Learned

- Analysis: Simple is better
- Conduct reality check
- Don't overestimate effect of money transfers
- Don't expect loans to perform miracles
- Don't neglect non-financial barriers

Who Ever Thought Need-Based BEOG/Pell Grants Would Produce Greater Equality in Postsecondary Educational Opportunity?



For Reflection: Has BEOG/Pell grant program provided financial aid grants to those who would have gone to college anyway?