FUNDING INIQUITIES IN HIGHER ED

HBCUs & MSIs vs PWIs

OVER 3 DECADES OF UNDERFUNDING

Federal Funding

- HBCUs receive just **0.5% of federal education funding**
- In 2020, HBCUs received an average of **$3,927 per student** in federal funding
- Top PWIs received **over $13,000 per student**, nearly three times the funding HBCUs received.

State Level

- Land-grant institutions, created by the **Morrill Acts of 1862 and 1890**, aimed to provide access for all communities
- **16 states** have collectively underfunded their land-grant HBCUs by **over $13 billion in the past 30 years.**

HBCUs and MSIs were founded to provide educational access for minorities

Research Grants

- From 2010 to 2020, HBCUs received just **0.4% of NIH research grants.**
- Majority of NIH and other federal research grants went to PWIs, allowing them to **build robust research infrastructures.**

Student Outcomes

HBCUs and MSIs have a **35% graduation rate**, compared to **60% at PWIs**

This reflects the challenges faced by students who often come from **low-income backgrounds** and **receive less financial aid**

Student Loan Debts

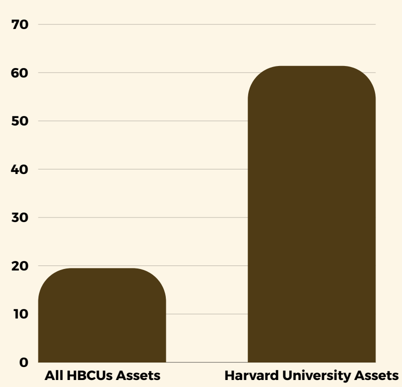
African American students **graduate with $7,400 more debt** than white peers, with HBCU and MSI students especially impacted.

25% of HBCU students borrow $40,000 or more, compared to **6% at non-HBCUs**. This is also **common at MSIs**

Endowment Gaps

The combined endowment o**f all 101 HBCUs** is approximately **$2 billion**

Ivy League PWIs, like Harvard University, have endowments exceeding **$40 billion**—more than **20 times the combined endowmen**t of all HBCUs.



Actionable Solutions

Direct resources to institutions serving **low-income and minority students**

Involve affected communities in designing funding policies to ensure they **address real needs and inequities.**

Tie funding to outcomes that are **transparent and measurable**, ensuring **accountability and continuous improvement.**

1. "Historically Black Colleges Are Critical for Equality and Need More Funding." Goldman Sachs, June 2023. Accessed 27 Oct. 2024.
2. Mendez-Carbajo, Diego. "Neighborhood Redlining, Racial Segregation, and Homeownership." Federal Reserve Bank of St. Louis, Sept. 2021.
3. "New Report Outlines How 'Equity-Based' Funding Could Close Higher Education Achievement Gaps." School of Education, UW-Madison, 2024. Accessed 27 Oct. 2024.
4. "The Economics of HBCUs | CEA." The White House, May 2024.
5. "UNCF Unveils 2024 HBCU Economic Impact Report Highlighting the Unmatched Contributions and Urgent Funding Needs of HBCUs." UNCF, Sept. 2024. Accessed 27 Oct. 2024.
6. "Where Is the Equity? How States Have Disproportionately Underfunded Historically Black Colleges and Universities." UAB Institute for Human Rights Blog, Oct. 2023.