

Pell Grants: Overall Student Eligibility Increased After Free Application for Federal Student Aid Simplification

GAO-26-107928

Q&A Report to the Ranking Member, Committee on Education and Workforce, House of Representatives

April 14, 2026

Why This Matters

The federal Pell Grant program is the largest source of federal grant aid supporting students' access to higher education. The program was first authorized in 1972 and is administered by the Department of Education. About 7 million undergraduate students received a total of nearly \$40 billion in Pell Grant awards in school year (SY) 2024–25.

Pell Grants are a type of need-based aid that help primarily undergraduate students from lower-income families pay for college expenses, including tuition, fees, room and board, books, supplies, and transportation. Eligibility for Pell Grants is determined when students complete and submit the Free Application for Federal Student Aid (FAFSA), the federal government's gateway to accessing federal grants, work-study, and loans.

Congress passed the FUTURE Act in 2019 and the FAFSA Simplification Act in 2020 to make it easier for students to apply for federal aid, and subsequent changes shortened the FAFSA. In this report, we refer to these changes as "FAFSA simplification." The changes went into effect for aid applications submitted for SY 2024–25. We were asked to examine how student eligibility for Pell Grants changed after FAFSA simplification. This report provides information on changes in Pell Grant eligibility overall and by a variety of student or family characteristics after FAFSA simplification.

Key Takeaways

- Our analysis of Education data found overall student eligibility for Pell Grants among those who completed the FAFSA (Pell eligibility) increased after FAFSA simplification. Eligibility for the maximum Pell Grant award (maximum Pell) also increased. In SY 2024–25, 6 percent more students (about 570,000 students) were eligible for Pell Grants, and 31 percent more students (about 1.9 million students) were eligible for the maximum Pell than in SY 2023–24.
- Much of the overall increase in Pell eligibility after FAFSA simplification was among students in the household income ranges between \$60,001 and \$125,000. In addition, our analysis suggests that the number of students in the household income ranges between \$40,001 and \$80,000 who were eligible for the maximum Pell more than doubled in SY 2024–25 compared with SY 2023–24.
- The number of students who reported no assets (including those who were not required to report assets) increased by about 2.4 million in SY 2024–25 compared with SY 2023–24. Ninety-one percent of these students were Pell eligible in SY 2024–25, and 85 percent of those were eligible for the maximum Pell (compared with 88 and 75 percent, respectively, in SY 2023–24).

- Eligibility for a Pell Grant and the maximum Pell increased for students with at least one other family member in college. Specifically, 60 percent of these students were eligible for Pell Grants in SY 2024–25, compared with 55 percent in SY 2023–24. Of those students, 77 percent were eligible for the maximum Pell award in SY 2024–25, compared with 48 percent in SY 2023–24.
- More than 90 percent of students in certain vulnerable populations, such as those who were homeless or were in foster care, were eligible for a Pell Grant in SY 2024–25, according to Education data.

How is student eligibility for Pell Grants determined?

Pell eligibility is determined when students complete and submit the FAFSA. The FAFSA uses financial and other information that students and parents report on the application to calculate the amount of federal aid for which a student is eligible. For the purpose of this report, we refer to all applicants who complete a FAFSA as “students.”

The Pell Grant amount for which a student is eligible can vary according to several factors. These include household income and financial assets they report on the FAFSA, their family size, whether they are considered a dependent or independent student, and other factors.¹ Dependent students are typically those under age 24 who are unmarried and have no dependents. Their eligibility is based on both their own and their parents’ information. Independent students are generally age 24 or older, married, or veterans, or they have dependents. Their eligibility is based primarily on their own and, if applicable, their spouse’s information.

Students from the lowest-income households are generally eligible to receive the maximum Pell. For the three most recent school years (2023–2026), this amount was \$7,395 per year.² The proportion of college costs covered by the maximum Pell has generally declined over time, according to analysis by the Congressional Research Service (CRS). For example, CRS reported that the maximum Pell award in the mid-1970s covered about 80 percent, on average, of the cost of tuition, fees, and room and board at a public 4-year college. This proportion declined to about 40 percent in the early 1990s and about 30 percent in SY 2022–23.³

The actual Pell amount a student receives may vary from the amount for which the FAFSA determines they are eligible.⁴ This is because colleges are required to factor in the cost of attendance and the student’s enrollment status (full-time vs. part-time) before finalizing a student’s Pell amount.

In addition to Pell Grants, the FAFSA is also used to determine eligibility for other types of federal aid that can help students pay for college, including other grants, work-study programs, and loans.

How did the FAFSA change for the 2024–2025 school year?

Multiple federal laws directed Education to implement significant changes to the FAFSA. These changes included simplifying the process of applying for federal aid and making that aid more predictable.⁵ Education rolled out the new FAFSA in late 2023 for aid applications submitted for SY 2024–25 and announced that changes to eligibility criteria and aid calculations would expand Pell Grant access to more students.⁶ Key changes include the following.

Simplified form. Education (1) reduced the number of questions on the FAFSA from more than 100 to as few as 18 for some applicants and (2) simplified the questions’ language. Past research suggests that the length and complexity of

the FAFSA form reduced completion rates among students, including those who would have been eligible for a Pell Grant.⁷ In our prior work, we reported that lower-income students who do not complete a FAFSA enroll in college at lower rates or miss out on federal grants when they do attend college.⁸

Automatic transfer of tax information. The new FAFSA automatically imports relevant Internal Revenue Service (IRS) information from students' or parents' tax returns.⁹ Previously, students and parents either manually entered this information or used an IRS tool to transfer tax information into the FAFSA. However, Education has noted that the IRS tool was difficult for applicants to use.

Renamed and modified formula. Education made a variety of changes to the formula for determining student aid eligibility, including eligibility for Pell Grants. For example, Education changed the name of the metric for determining aid eligibility from Expected Family Contribution to Student Aid Index (SAI), in accordance with requirements in the FAFSA Simplification Act. The SAI represents a student's estimated level of financial need. It is not a dollar amount the student will receive, nor the amount a student's family is expected to be able to pay for college.¹⁰ Generally, the lower the SAI, the higher the level of financial need, and the higher the Pell amount for which the student is eligible. Key changes to the formula with potential effects on students' Pell eligibility include:

- Increasing the income protection allowance, which is the portion of income excluded from the FAFSA formula. This allowance was designed to exclude income for basic living expenses from the formula and is based on a student's dependency status and family size.
- Increasing the adjusted gross income threshold from \$50,000 to \$60,000 for reporting assets on the FAFSA. Students with adjusted gross incomes under this threshold are generally not required to report assets on the FAFSA.
- Removing consideration of the number of family members in college from the calculation of aid eligibility.
- Removing exemptions for reporting family farm and small business assets on the FAFSA. However, Education added back these exemptions with the 2026–27 FAFSA, in accordance with recently enacted legislation. It also included a new exemption for family-owned commercial fisheries (see below).¹¹

Automatic Pell eligibility tied to federal poverty level. The new FAFSA includes criteria for automatic eligibility for the maximum or minimum Pell Grant, even if a student would not otherwise have qualified for either based on their SAI. Criteria for the automatic maximum Pell include student or parent adjusted gross income being at or below 175 or 225 percent of the federal poverty level,¹² depending on the student's dependency status, family size, and state of residence.¹³ Criteria for the automatic minimum Pell include a higher income threshold—at or below 275, 325, 350, or 400 percent of the federal poverty level depending on the factors above.

Reduced barriers for certain student populations identified by the FAFSA. Certain students, including students who are homeless or at risk of homelessness and students in the foster care system, are generally no longer required to reverify their status each year they complete the FAFSA. The process could be burdensome for some students. For example, we previously reported that annual reverification can make it difficult for homeless youth to obtain the documentation needed to determine their status.¹⁴ In addition, incarcerated students, who previously were ineligible for Pell Grants, are now eligible.¹⁵

Other recent legislative changes.

In addition to changes following the FAFSA Simplification and FUTURE Acts, Education has made further changes to the FAFSA in accordance with recent legislation that may affect Pell Grant eligibility (see text box).¹⁶

Recent Legislative Changes to the FAFSA That May Affect Students' Pell Grant Eligibility

The Department of Education has made a variety of changes to the Free Application for Federal Student Aid (FAFSA) in accordance with Public Law 119-21—commonly known as the One Big Beautiful Bill Act (OBBBA)—which may affect some students' Pell Grant eligibility. For example, on the school year 2026–27 FAFSA, Education restored the small business and family farm asset exemptions. The FAFSA Simplification Act had eliminated these exemptions, and Education removed them from the school year 2024–25 FAFSA. The OBBBA made additional changes to the eligibility formula. One of these changes might exclude certain students with high family asset amounts from qualifying for a Pell Grant even if their household incomes might have otherwise been low enough, according to an organization with expertise in federal student aid.

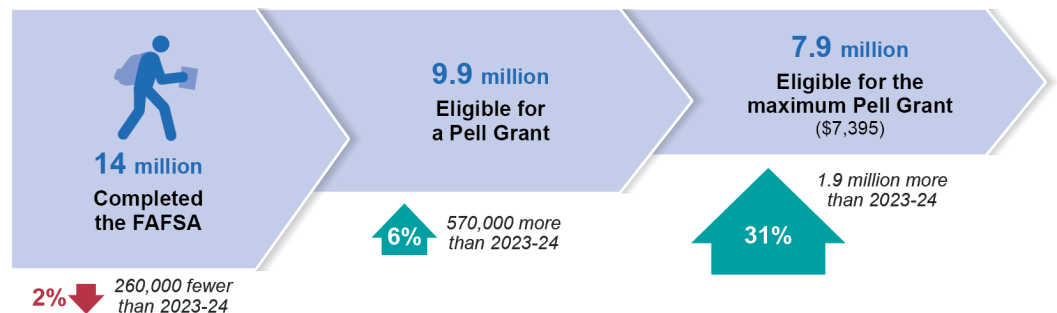
Source: GAO analysis of information from the Department of Education. | GAO-26-107928

This report examines Pell eligibility in SY 2023–24 and SY 2024–25 (the latest available data) and does not consider the potential effects that recent legislative changes may have on Pell eligibility. The changes in Pell eligibility we observed in the data for SY 2024–25 may not be representative of future FAFSA cycles. For more information about our methodologies, see How GAO Did This Study below.

How did overall student eligibility for Pell Grants change after FAFSA simplification?

We found that after FAFSA simplification, Pell eligibility increased by about 570,000 students, and eligibility for the maximum Pell increased by almost 2 million students, based on our analysis of Education data (see fig. 1).¹⁷ Our analysis also found that this increase occurred even though fewer students completed the FAFSA for SY 2024–25. Thus, the proportion of students who completed the FAFSA who were eligible for Pell Grants also increased to 71 percent in SY 2024–25, up from 65 percent in SY 2023–24. We previously reported that delays and barriers associated with the new FAFSA rollout contributed to fewer students submitting a FAFSA for SY 2024–25 compared with SY 2023–24.¹⁸

Figure 1: Pell Grant Eligibility in School Year 2024–25 Compared with School Year 2023–24



Source: GAO analysis of Department of Education Free Application for Federal Student Aid (FAFSA) data. | GAO-26-107928

Note: Data for the 2024–25 FAFSA school year are as of March 31, 2025, and data for the 2023–24 FAFSA school year are as of March 31, 2024. Data for both school years include undergraduate students whose FAFSA applications were completed and processed. Numbers are rounded to the nearest hundred thousand or ten thousand. For school year 2023–24, about 14.2 million students completed the FAFSA, about 9.3 million students were eligible for Pell Grants, and about 6.0 million students were eligible for the maximum Pell award.

In addition to more students being eligible for Pell Grants and the maximum Pell in SY 2024–25, the proportion who were eligible for the maximum Pell grew substantially. Specifically, 80 percent of Pell-eligible students were eligible for the maximum Pell in SY 2024–25, compared with 65 percent in SY 2023–24. Partly because of this increase, the average Pell award across all eligible students increased by \$278 from SY 2023–24 to 2024–25.¹⁹ Because more than half of Pell-eligible students were eligible for the maximum award in both years, the median Pell award remained unchanged at \$7,395 (the maximum Pell).

In addition, the proportion of Pell-eligible students who were eligible for smaller Pell Grants (ranging from \$740—the minimum Pell award in SY 2024–25—to \$1,000) more than doubled from about 1 percent in SY 2023–24 to over 2 percent in SY 2024–25. According to Education officials, this change may indicate that students who previously would not have been eligible for a Pell Grant are now eligible for the minimum Pell Grant following FAFSA simplification.

Certain changes from FAFSA simplification, such as the increased income protection allowance and the expanded criteria for automatic minimum or maximum Pell, may have contributed to these increases in Pell eligibility.

How did overall Pell eligibility change for students in different income ranges after FAFSA simplification?

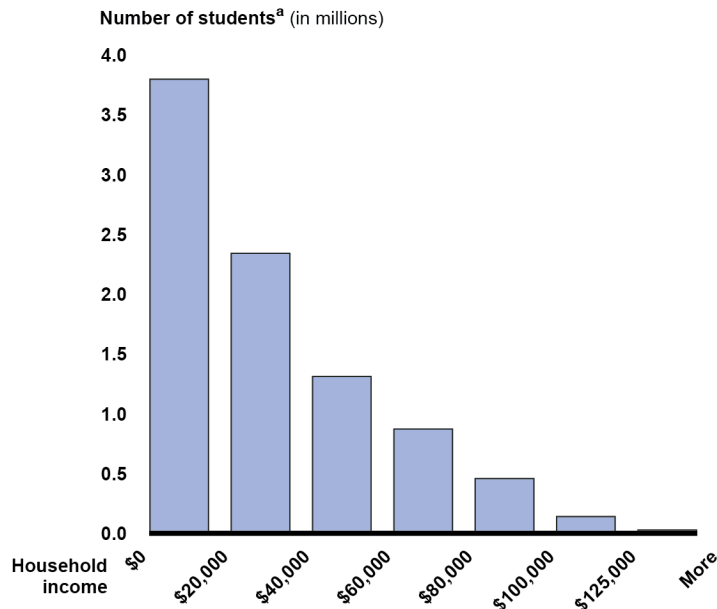
After FAFSA simplification, eligibility for Pell Grants and the maximum Pell increased substantially among students in the household income ranges between \$60,001 and \$125,000 and between \$40,001 and \$80,000, respectively. However, most students eligible for Pell Grants and the maximum Pell in each year had lower household incomes.

Our analysis was based on income data across a variety of income ranges (of roughly \$20,000 increments). These data were transferred directly from the IRS during students' completion of their 2024–25 FAFSA (for more information about the income ranges we analyzed, see appendix).²⁰ According to Education data, Pell eligibility was determined using these federal tax data for 91 percent of students. For the remaining 9 percent of students (about 0.9 million students), Pell eligibility was determined using other income information.²¹ This could occur when a student's or parent's household income changed (e.g., from the loss of a job or change in marital status) more recently from the amount reflected in available tax data. Because the data Education provided does not include information about the household income used to determine eligibility for these students, we excluded them from our analyses of income ranges.

Much of the increase in Pell eligibility after FAFSA simplification was among students with household incomes between \$60,001 and \$125,000.²² At least 350,000 more students in this income range were eligible for Pell Grants in SY 2024–25 than in SY 2023–24, based on our analysis of Education data.²³ This represents at least 61 percent of the overall 570,000-student increase in Pell eligibility. The percentage of students in this income range who completed the FAFSA and were eligible for a Pell Grant also increased from 38 percent in SY 2023–24 to at least 55 percent in SY 2024–25.²⁴

Similar to SY 2023–24, most Pell-eligible students in SY 2024–25 had household incomes below \$60,001.²⁵ Specifically, of the 9.9 million Pell-eligible students in SY 2024–25, at least 7.4 million (75 percent) had household incomes below \$60,001 (see fig. 2). In addition, the vast majority of students with household incomes below \$60,001 who completed the FAFSA were determined eligible in each year.²⁶

Figure 2: Number of Students Eligible for a Pell Grant in School Year 2024–25, by Income Range Based on Federal Tax Data



Source: GAO analysis of Department of Education Free Application for Federal Student Aid (FAFSA) data. | GAO-26-107928

Notes: Data are as of March 31, 2025, and include undergraduate students whose FAFSA applications were completed and processed. Students who did not file income taxes, for reasons such as having low income, appear in the \$0–\$20,000 household income range. The counts shown in the bars only include students whose Pell eligibility was based on income data transferred from the Internal Revenue Service during students’ completion of their 2024–25 FAFSA.

^aFor about 0.9 million students, Pell eligibility was determined using other income information. This could occur when a student’s or parent’s household income changed (e.g., from the loss of a job or change in marital status) more recently from the amount reflected in available tax data. Because the data Education provided does not include information about the household income used to determine eligibility for these students, we excluded them from the counts in the income ranges.

Our analysis also suggests that the most substantial change in eligibility for the maximum Pell was the increase among students with household incomes of \$40,001–\$80,000.²⁷ Excluding the population of students determined eligible for Pell Grants based on other income information, our analysis suggests that at least 1.3 million students with household incomes of \$40,001–\$80,000 were eligible for the maximum Pell in SY 2024–25.²⁸ This is more than double the 554,000 students eligible for the maximum Pell in this income range in SY 2023–24.²⁹ The new FAFSA criteria for automatic maximum Pell may have contributed to this increase in maximum Pell eligibility.³⁰ In addition to this growth, our analysis also found that similar to SY 2023–24, most of the students eligible for the maximum Pell in SY 2024–25 had household incomes below \$40,001.³¹

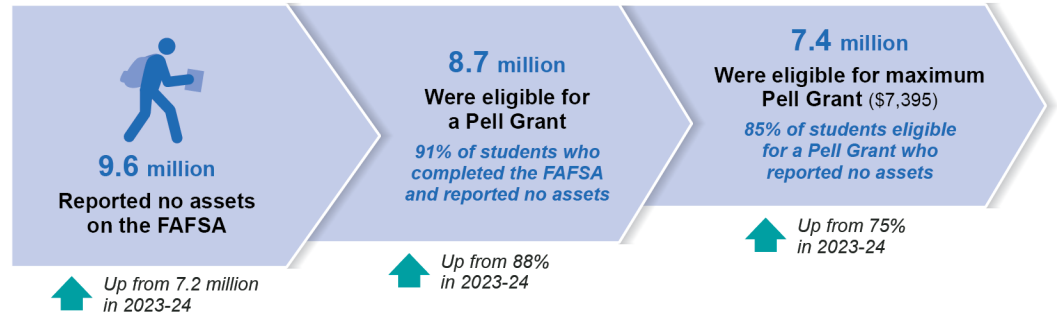
How did overall Pell eligibility change for students in different asset ranges after FAFSA simplification?

After FAFSA simplification, the number of Pell-eligible students increased in some asset ranges and decreased in other ranges. There was a notable increase of Pell-eligible students reporting no assets (including those who are not required to report assets on the FAFSA). About 2.4 million more students reported no assets in SY 2024–25 compared with SY 2023–24, based on our analysis of Education data.³² Assets reported in the FAFSA include cash accounts and investments, but do not include retirement accounts or a family’s primary residence.³³

In addition to the increase in students reporting no assets, greater proportions were eligible for a Pell Grant and eligible for the maximum Pell in SY 2024–25 than in SY 2023–24 (see fig. 3). As a result, about 2.6 million more students with

no reported assets were eligible for the maximum Pell award in SY 2024–25 than in SY 2023–24.

Figure 3: Pell Grant Eligibility for Students with No Reported Assets in School Year 2024–25 Compared with School Year 2023–24



Source: GAO analysis of Department of Education Free Application for Federal Student Aid (FAFSA) data. | GAO-26-107928

Note: Data for the 2024–25 FAFSA school year are as of March 31, 2025, and data for the 2023–24 FAFSA school year are as of March 31, 2024. Data for both school years include undergraduate students whose FAFSA applications were completed and processed. Numbers are rounded to the nearest hundred thousand. Students are considered as having reported “no assets” if they either reported \$0 in assets or they were not required to report assets.

A factor that likely contributed to the large increase in the number of students who reported no assets is that fewer families were required to report assets after FAFSA simplification. For example, the income threshold for needing to report assets after FAFSA simplification increased from \$50,000 to \$60,000. This means that a family with \$55,000 in assets who would have needed to report assets in SY 2023–24 generally did not need to do so in SY 2024–25. Further, families do not need to report assets if they qualify for the automatic maximum Pell Grant based on having an income below a certain percentage of the poverty line, according to federal criteria.³⁴ For example, a family of six with an income of \$65,000 who had \$10,000 in assets would not report any assets since the family would be below 175 percent of the poverty line.

The large increase in the total number of students who reported no assets in SY 2024–25 was accompanied by a similar decrease in the number of students reporting \$1 to \$25,000 in assets (about 2.4 million students). This may have resulted from many of these families being below the asset reporting thresholds for SY 2024–25.³⁵ There was also a slight decrease in the number of Pell-eligible students who reported between \$25,001 and \$250,000 in assets, while the percentage of FAFSA-completing students in this group who were Pell eligible increased slightly.³⁶

In addition to the increase in students reporting no assets, Education’s data also showed an increase in Pell eligibility for students at the highest asset ranges. We found that the number of Pell-eligible students who reported over \$250,000 in assets increased from about 20,000 in SY 2023–24 to about 69,000 in SY 2024–25. Of these students, about 31,000 were eligible for the maximum Pell in SY 2024–25 (see text box), which was more than triple the about 9,000 in SY 2023–24.

Minimum and Maximum Pell Award Eligibility for Students with High Assets

Of the about 37,000 Pell-eligible students reporting over \$500,000 in assets in school year 2024–25, the vast majority (96 percent or greater) were eligible for the minimum or maximum Pell award. The median Pell award eligibility for these students was the minimum award of \$740, which means that at least half of students in this asset range were eligible for the minimum Pell award. Additionally, 46 percent of Pell-eligible students in this asset range were eligible for the maximum Pell award. This may be because both the automatic maximum and minimum Pell Grant criteria do not take assets into account. To be eligible for any Pell award between the maximum and minimum, a student would have needed to go through the student aid index calculation, which generally takes assets into consideration.

Source: GAO analysis of Department of Education Free Application for Federal Student Aid (FAFSA) data. | GAO-26-107928

While the increase in Pell eligibility for this population was substantial, only about 4 percent of students who completed the FAFSA and reported over \$250,000 in assets were eligible for the maximum Pell in SY 2024–25. Education officials told us that the vast majority of the students eligible for the maximum Pell in this asset range had incomes low enough for them to qualify for the automatic maximum Pell criteria. Education officials also told us that some students in this asset range could potentially have low incomes due to specific tax-filing scenarios.

How did overall Pell eligibility for students with other family members in college change after FAFSA simplification?

Overall Pell eligibility increased among students with other family members in college after FAFSA simplification, based on our analysis of Education data. Specifically, 60 percent of these students who completed the FAFSA in SY 2024–25 were eligible for a Pell Grant, compared with 55 percent in SY 2023–24. In addition, 77 percent of Pell-eligible students with family members in college were eligible for the maximum Pell in SY 2024–25, compared with 48 percent in SY 2023–24.

The number of family members in college is no longer considered in the new FAFSA formula, which raised questions for some stakeholders about potential decreased Pell eligibility for some students (see text box). However, the overall increases in eligibility among these students in SY 2024–25 suggest that other changes to the formula may have had larger effects.

Other Family Members in College

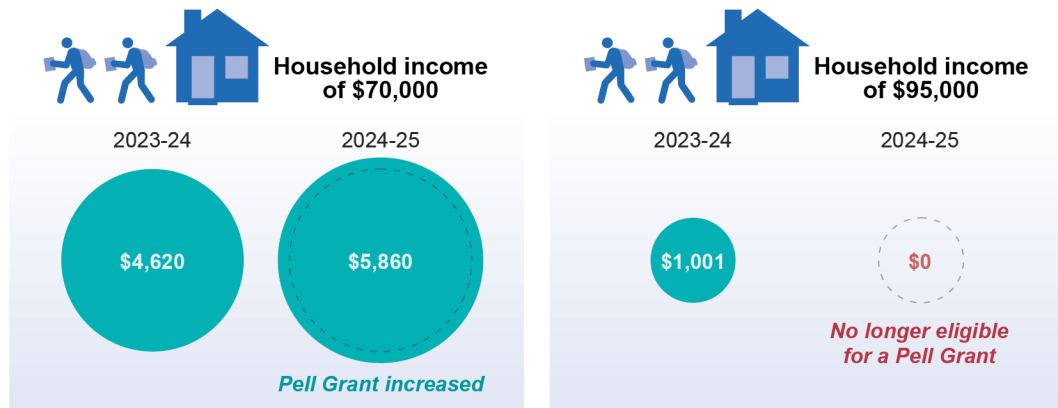
Prior to FAFSA simplification, the old formula used the number of other family members in college reported on the FAFSA, if any, as part of the Pell Grant calculation. This feature of the formula was often referred to as the “sibling discount” because having other family members in college effectively reduced a student’s Expected Family Contribution (EFC). Generally, the more family members in college, the lower a student’s EFC and the higher their Pell Grant eligibility. Representatives we spoke with from two organizations with expertise in federal student aid issues suggested that removing this consideration from the formula might result in some families no longer being eligible for Pell Grants or being eligible for a smaller Pell Grant.

Source: GAO analysis of Department of Education documentation related to the Free Application for Federal Student Aid (FAFSA) and interviews with stakeholders. | GAO-26-107928

Although Pell eligibility for students with other family members in college increased overall, there are some circumstances in which such students may have been negatively affected under the new FAFSA. For example, we found that a hypothetical student in a family of four with another family member in college and a household income of \$95,000 may have been eligible for a Pell Grant in SY 2023–24 but not in SY 2024–25 (see fig. 4).³⁷ However, a similar hypothetical student with a household income of \$70,000 may have been eligible for a larger Pell award under the new FAFSA.

Figure 4: Changes in Pell Grant Eligibility for a Hypothetical Student with Another Family Member in College in School Years 2023–24 and 2024–25

Pell Grant award eligibility for a student in a family of 4 with 2 children in college



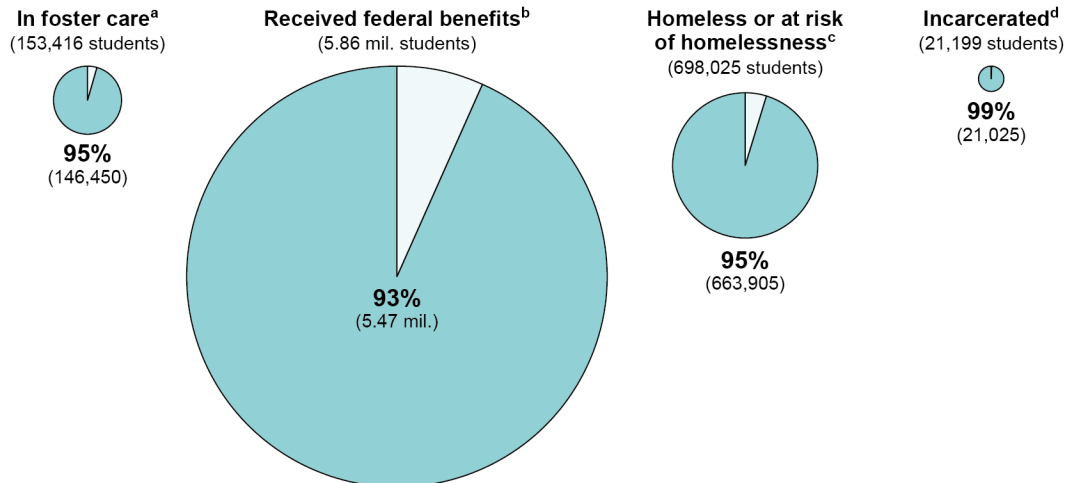
Source: GAO analysis of Department of Education Free Application for Federal Student Aid (FAFSA) data. | GAO-26-107928

Note: Pell Grant eligibility estimates are based on a family scenario of a student in a family of four with two students in college at the same time and household assets of \$10,000.

How many students in vulnerable populations identified by the FAFSA were Pell eligible after FAFSA simplification?

The vast majority of students in vulnerable populations identified by the FAFSA were eligible for a Pell Grant in SY 2024–25. These populations include students who were in foster care, were homeless or at risk of homelessness, received means-tested federal benefits, or were incarcerated (see fig. 5). Most of these Pell-eligible students were also eligible for the maximum Pell.³⁸

Figure 5: Pell Grant Eligibility for Certain Student Groups Identified by the FAFSA in School Year 2024–25



Source: GAO analysis of Department of Education Free Application for Federal Student Aid (FAFSA) data. | GAO-26-107928

Note: Data for the 2024–25 FAFSA school year are as of March 31, 2025. Data include undergraduate students whose FAFSA applications were completed and processed.

^aData include students who indicated that at any time since turning age 13, the student was in foster care.

^bData include students who indicated that they or someone in their family received federal means-tested benefits from any of the following federal programs: earned income credit, federal housing assistance, free or reduced-price school lunch, Medicaid, refundable credit for coverage under a qualified health plan, Supplemental Nutrition Assistance Program, Supplemental Security Income, Temporary Assistance for Needy Families, and Special Supplemental Nutrition Program for Women, Infants, and Children.

^cData include students who indicated that they were unaccompanied and either homeless or self-supporting and at risk of becoming homeless.

^dData include students who had a paper FAFSA sent to a specific mailbox for incarcerated students, or a college financial aid advisor flagged the student as incarcerated.

The FAFSA includes questions to identify students in these groups because students in some groups are considered independent, and students in one group are not required to report assets. For example, an unaccompanied student who is experiencing homelessness would be considered independent for the purposes of the FAFSA. In addition, a student who received federal means-tested benefits is not required to report household assets.

Changes to the questions used to identify and define these groups on the new FAFSA likely resulted in more students being identified as belonging to some groups in SY 2024–25 compared with SY 2023–24. For example, the new FAFSA form includes a question about federal means-tested benefits that covers nine benefits programs, compared with six programs on the SY 2023–24 form. As a result, more students were identified as having received these benefits in SY 2024–25.

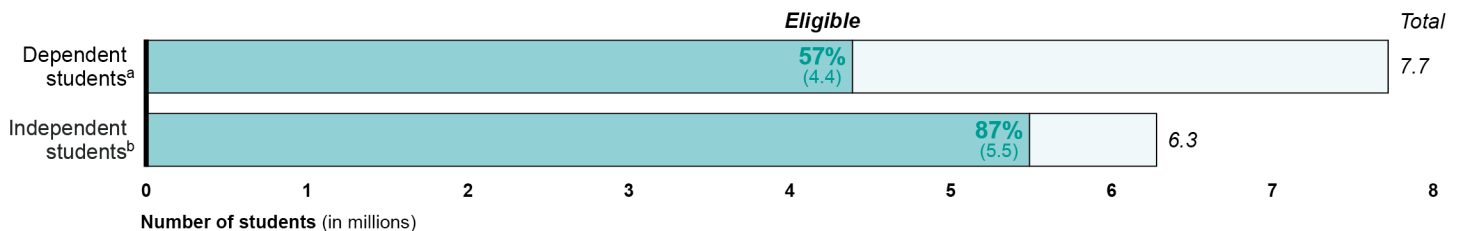
How did students’ Pell eligibility by dependency status and race and ethnicity groups change after FAFSA simplification?

The majority of students in every dependency and race and ethnicity category were eligible for a Pell Grant in SY 2024–25. Additionally, the majority of these Pell-eligible students were eligible for the maximum Pell. Dependent and independent students’ Pell eligibility increased in SY 2024–25 compared with SY 2023–24. We are unable to make comparisons between years for race and ethnicity because the data for SY 2023–24 are limited.

Dependency Status

More than half of dependent students and more than three-quarters of independent students who completed the FAFSA in SY 2024–25 were eligible for a Pell Grant (see fig. 6). Additionally, most Pell-eligible dependent students (73 percent) and independent students (86 percent) were eligible for the maximum Pell.

Figure 6: Pell Eligibility by Dependency Status in School Year 2024–25



Source: GAO analysis of Department of Education Free Application for Federal Student Aid (FAFSA) data. | GAO-26-107928

Note: Data for the 2024–25 FAFSA school year are as of March 31, 2025. The data include undergraduate students whose FAFSA applications were completed and processed.

^aDependent students are typically those under age 24 who are unmarried and have no dependents. Their eligibility is based on both their own and their parents’ information.

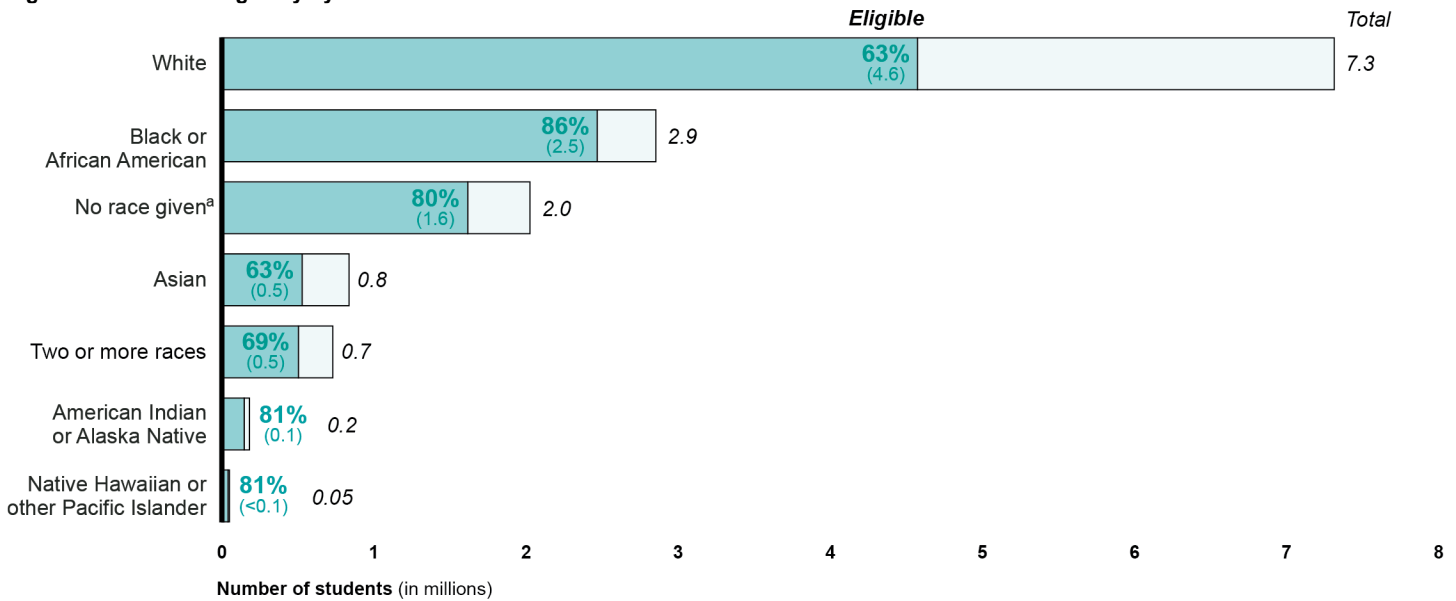
^bIndependent students are generally age 24 or older, married, veterans, or have dependents. Their eligibility is based primarily on their own and, if applicable, their spouse’s information.

In SY 2023–24, about half of dependent students and most independent students were Pell eligible, and more than half of these Pell-eligible students were eligible for the maximum Pell.³⁹

Race and Ethnicity

The new FAFSA includes a required question about race that gives students the option to choose from five racial categories or to decline to answer the question. Most students (86 percent) provided information about their race in SY 2024–25 (see fig. 7).

Figure 7: Pell Grant Eligibility by Race in School Year 2024–25



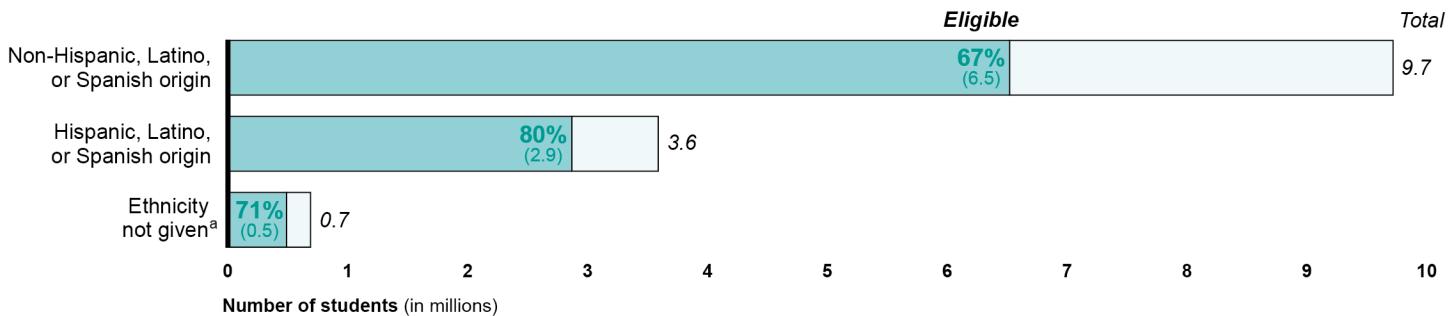
Source: GAO analysis of Department of Education Free Application for Federal Student Aid (FAFSA) data. | GAO-26-107928

Note: Data for the 2024–25 FAFSA school year are as of March 31, 2025. The data include undergraduate students whose FAFSA applications were completed and processed.

^aFourteen percent of students did not provide information about their race.

The new FAFSA also includes a required question about ethnicity that gives students the option to choose from two ethnic categories or to decline to answer the question. Most students (95 percent) provided information about ethnicity in SY 2024–25 (see fig. 8).

Figure 8: Pell Grant Eligibility by Ethnicity in School Year 2024–25



Source: GAO analysis of Department of Education Free Application for Federal Student Aid (FAFSA) data. | GAO-26-107928

Note: Data for the 2024–25 FAFSA school year are as of March 31, 2025. The data include undergraduate students whose FAFSA applications were completed and processed.

^aFive percent of students did not provide information about their ethnicity.

Students were not required to respond to a question about race and ethnicity in the SY 2023–24 FAFSA. As a result, data on student race and ethnicity prior to SY 2024–25 were limited, and we are unable to make any comparisons to SY 2023–24.

Agency Comments

We provided a draft of this report to Education for review and comment. Education provided technical comments, which we incorporated as appropriate.

How GAO Did This Study

We reviewed relevant federal laws and Education policies, procedures, and guidance to understand how changes to the FAFSA form and formula could affect students' Pell eligibility.

To assess the extent to which Pell eligibility has changed since FAFSA simplification, we analyzed aggregated federal financial aid data for undergraduate students. Education provided these data for FAFSA cycles corresponding to SY 2023–24 (the last year under the old formula) and SY 2024–25 (the first year under the new formula).⁴⁰

For SY 2023–24 and SY 2024–25, we analyzed numbers of FAFSA completers, numbers and percentages of Pell-eligible students, and the distribution of Pell amounts. This included the number and percentage of students eligible for the maximum Pell award (\$7,395). In addition, we analyzed Pell eligibility in SY 2023–24 and SY 2024–25 by a variety of student characteristics (see appendix), including:

- household income;
- household assets;
- number of other family members in college;
- status as a member of a specific group identified by the FAFSA, including students who are in foster care, are homeless or at risk of homelessness, received federal means-tested benefits, or are incarcerated;
- status as a dependent or independent student; and
- race and ethnicity.

We assessed the reliability of the data used for our analysis through error checking, reviewing system documentation, and conferring with Education officials on the quality of the data. We found data provided by Education to be sufficiently reliable for the purposes of this report but note certain limitations. In particular, the SY 2024–25 data on students' household income that Education provided indicates that Pell eligibility was determined using data transferred automatically from the IRS to the FAFSA for most (about 91 percent) students. For the remaining students (about 9 percent or 0.9 million students), Pell eligibility was determined using other income information. This could occur when a student's or parent's household income changed (e.g., from the loss of a job or change in marital status) more recently from the amount reflected in available tax data. Because the data do not include information about the household income used to determine eligibility for these students, we excluded them from our analyses of income ranges.

Further, Education's SY 2024–25 income data do not include separate counts of students determined eligible for the maximum Pell based on their IRS income data and those determined eligible based on other income information. As a result, we conducted additional analysis to examine eligibility for the maximum Pell by household income range. Specifically, we excluded the count of students whose general Pell eligibility was determined using other income information from the total number of students eligible for the maximum Pell in each of the household income groups in Education's data. We then compared these counts with the overall number of students eligible for the maximum Pell in SY 2024–25 and the number of students eligible by income range in SY 2023–24.

We also analyzed changes to the FAFSA formula to examine their potential effects on Pell eligibility for students with multiple family members in college.

To supplement our analyses, we interviewed officials in Education's Office of Federal Student Aid and representatives of five organizations with expertise in

federal student aid issues. We selected these organizations as key groups that participate in or have researched issues related to the FAFSA process.

Our analyses represent a snapshot of changes to Pell eligibility after FAFSA simplification in SY 2024–25, which may have been an atypical year due to being the first year with the FAFSA simplification changes in effect. Further, with additional changes to the FAFSA to comply with recent legislation, the changes in Pell eligibility we observed in the data for SY 2024–25 may not be representative of future FAFSA cycles.

We conducted this performance audit from November 2024 to April 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix I

Table 1: Pell Grant Eligibility by Dependency Status, Household Income, and Household Assets in School Year 2024–25

	Students who completed the FAFSA	Students eligible for a Pell Grant	Students eligible for the maximum Pell Grant
Total	13,988,159	9,871,898	7,911,280
Dependency status			
Dependent students ^a	7,712,196	4,386,016	3,207,215
Independent students ^b	6,275,963	5,485,882	4,704,065
Household income^c			
\$0–\$20,000 ^d	3,800,305	3,798,106	-
\$20,001–\$40,000	2,409,475	2,341,942	-
\$40,001–\$60,000	1,609,656	1,312,184	-
\$60,001–\$80,000	1,048,194	872,880	-
\$80,001–\$100,000	803,346	457,965	-
\$100,001–\$125,000	813,605	141,161	-
\$125,001+	2,583,804	27,886	-
Non-IRS income information used to determine eligibility	919,774	919,774	-
Household assets^e			
\$0 ^f	9,578,707	8,671,246	7,403,204
\$1–\$25,000	2,448,392	943,903	401,688
\$25,001–\$50,000	345,230	74,380	29,338
\$50,001–\$150,000	525,020	84,667	33,747
\$150,001–\$250,000	234,483	28,660	12,110
\$250,001+	856,327	69,042	31,193

Source: GAO analysis of Department of Education Free Application for Federal Student Aid (FAFSA) data. | GAO-26-107928

Note: Data for the 2024–25 FAFSA school year are as of March 31, 2025. The data include undergraduate students whose FAFSA applications were completed and processed.

^aDependent students are typically those under age 24 who are unmarried and have no dependents. Their eligibility is based on both their own and their parents' information.

^bIndependent students are generally age 24 or older, married, veterans, or have dependents. Their eligibility is based primarily on their own and, if applicable, their spouse's information.

^cThe school year 2024–25 data on students' household income that Education provided to us were based on data transferred directly from the Internal Revenue Service (IRS) to the FAFSA. However, according to Education, some students' Pell eligibility was determined using other income information. This could occur when a student's or parent's household income changed (e.g., from the loss of a job or change in marital status) more recently from the amount reflected in available tax data. The data Education provided do not include information about the household income used to determine eligibility for these students. As a result, we presented Pell eligibility by income range based on the IRS income data and included a separate row with the count of students whose eligibility was determined using other income information. We also excluded these students from the counts of students who completed the FAFSA by income range. The data Education provided for school year 2024–25 also do not separate counts of students determined eligible for the maximum Pell based on their IRS income data from those determined eligible based on other income information. Because of this, we did not present data on the number of students eligible for the maximum Pell by income range.

^dThis table includes students who did not file income taxes, for reasons such as having low income, in the \$0–\$20,000 household income range.

^eAssets reported in the FAFSA include cash accounts and investments, but do not include retirement accounts or a family's primary residence.

^fThis category includes both students who reported having \$0 in assets and those who were not required to report assets.

Table 2: Pell Grant Eligibility by Dependency Status, Household Income, and Household Assets in School Year 2023–24

	Students who completed the FAFSA	Students eligible for a Pell Grant	Students eligible for the maximum Pell Grant
Total	14,248,319	9,302,456	6,041,843
Dependency status			
Dependent students ^a	7,948,864	4,052,341	2,144,016
Independent students ^b	6,299,455	5,250,115	3,897,827
Household income			
\$0–\$20,000 ^c	4,122,245	4,103,780	3,689,903
\$20,001–\$40,000	2,924,515	2,590,454	1,788,851
\$40,001–\$60,000	1,819,333	1,475,274	493,124
\$60,001–\$80,000	1,197,189	774,156	60,981
\$80,001–\$100,000	880,980	277,277	6,828
\$100,001–\$125,000	848,296	70,471	1,194
\$125,001+	2,455,761	11,044	962
Household assets^d			
\$0 ^e	7,185,767	6,329,478	4,755,245
\$1–\$25,000	4,817,954	2,732,029	1,223,499
\$25,001–\$50,000	459,729	106,629	26,114
\$50,001–\$150,000	651,556	93,068	22,138
\$150,001–\$250,000	273,800	21,255	6,012
\$250,000+	859,513	19,997	8,835

Source: GAO analysis of Department of Education Free Application for Federal Student Aid (FAFSA) data. | GAO-26-107928

Note: Data for the 2023–24 FAFSA school year are as of March 31, 2024. The data include undergraduate students whose FAFSA applications were completed and processed.

^aDependent students are typically those under age 24 who are unmarried and have no dependents. Their eligibility is based on both their own and their parents' information.

^bIndependent students are generally age 24 or older, married, veterans, or have dependents. Their eligibility is based primarily on their own and, if applicable, their spouse's information.

^cThis table includes students who did not file income taxes, for reasons such as having low income, in the \$0–\$20,000 household income range.

^dAssets reported in the FAFSA include cash accounts and investments, but do not include retirement accounts or a family's primary residence.

^eThis category includes both students who reported having \$0 in assets and those who were not required to report assets.

List of Addressees

The Honorable Robert C. “Bobby” Scott
Ranking Member
Committee on Education and Workforce
House of Representatives

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. We are sending copies of this report to the appropriate congressional committees, the Secretary of Education, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

GAO Contact Information

For more information, contact: Melissa Emrey-Arras, Director, Education, Workforce, and Income Security, emreyarrasm@gao.gov.

Media Relations: Sarah Kaczmarek, Managing Director, Media@gao.gov.

Congressional Relations: Dave A. Powner, Acting Managing Director, CongRel@gao.gov.

Staff Acknowledgments: Michael Kniss (Assistant Director), Edward Bodine (Analyst in Charge), Brady Anderson, Jessica Ard, and William Colvin. Additional contributors were Jose Altamirano, Isabella Anderson, James Bennett, Elizabeth Calderon, Alison Cashin, Dan Concepcion, Gina Hoover, and Layla Moughari.

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Related GAO Products

Department of Education: Gaps in Federal Student Aid Contract Oversight and System Testing Need Immediate Attention. [GAO-25-107396](#). Washington, D.C.: September 3, 2025.

FAFSA: Education Needs to Improve Communications and Support Around the Free Application for Federal Student Aid. [GAO-24-107407](#). Washington, D.C.: September 24, 2024.

Department of Education: Preliminary Results Show Strong Leadership Needed to Address Serious Student Aid System Weaknesses. [GAO-24-107783](#). Washington, D.C.: September 24, 2024.

Endnotes

¹Household income refers to adjusted gross income and for purposes of Pell eligibility is defined at 20 U.S.C. § 1070a(a)(2)(A). It includes income from parents, spouses, and students, depending on a student's dependency status.

²The maximum annual Pell Grant award is determined by the appropriation act applicable to that year. For the purpose of this report, we refer to relevant FAFSA cycles, commonly called award years, in terms of their corresponding school years (for example, the FAFSA for school year 2023–24).

³Congressional Research Service, *Federal Pell Grant Program of the Higher Education Act: Primer*, R45418 (Washington, D.C.: Nov. 6, 2024).

⁴In some cases, students who are eligible for a Pell Grant do not receive an award, such as if the student decides not to enroll in college.

⁵Education implemented portions of the FUTURE Act alongside the FAFSA Simplification Act when modifying the FAFSA form and process. Pub. L. No. 116-91, 133 Stat. 1189 (2019); Pub. L. No. 116-260, div. FF, tit. VII, 134 Stat. 1182, 3137-201 (2020). The FAFSA Simplification Act originally had a general effective date of July 1, 2023, but at the request of Education, Congress passed an extension, postponing the effective date to July 1, 2024. FAFSA Simplification Act Technical Corrections Act. Pub. L. No. 117-103, div. R, tit. VII, 134 Stat. 49, 819-21 (2022).

⁶In September 2024, we testified on a variety of challenges associated with Education's rollout of the new FAFSA. These included significant delays, technical issues, insufficient testing, and poor communication with students and colleges. We recommended that Education overhaul the submission process for parents and spouses without Social Security numbers, improve call center translation services, and communicate timely information to students and time frames to colleges, among other actions. Education has taken some steps toward addressing these recommendations, such as expanding language support on the Federal Student Aid website. To fully implement our recommendations, Education should develop a comprehensive plan for providing FAFSA applicants with timely updates on the status of their application and increase capacity to meet demand at the Federal Student Aid Information Center call center, among other actions. See GAO, *FAFSA: Education Needs to Improve Communications and Support around the Free Application for Federal Student Aid*, [GAO-24-107407](#) (Washington, D.C.: Sept. 24, 2024) and *Department of Education: Preliminary Results Show Strong Leadership Needed to Address Serious Student Aid System Weaknesses*, [GAO-24-107783](#) (Washington, D.C.: Sept. 24, 2024).

⁷See Education Northwest, *What Does the Research Say About Barriers to FAFSA Completion and Strategies to Boost Completion?* (Portland, OR: January 2017) and Cody J. Davidson, "Increasing FAFSA Completion Rates: Research, Policies and Practices," *Journal of Student Financial Aid*, vol. 43, issue 1, article 4 (2013).

⁸[GAO-24-107407](#).

⁹The FUTURE Act requires that, as a condition of eligibility for most federal student aid, individuals must affirmatively approve the disclosure of tax return information from the IRS to Education.

¹⁰See U.S. Department of Education, Federal Student Aid, *The Student Aid Index (SAI) Explained*, accessed on January 9, 2026, <https://studentaid.gov/sites/default/files/sai-explained.pdf>.

¹¹Public Law 119-21—commonly known as the One Big Beautiful Bill Act—requires updates to the SAI asset calculation to exclude the current net worth of a family-owned business with 100 or fewer full-time (or full-time equivalent) employees. The updates also exclude the net worth of a farm on which the family resides and the net worth of a commercial fishing business (and related expenses) owned and controlled by a family.

¹²The federal poverty level applicable to SY 2024–25 was \$27,750 in adjusted gross income for a family of four in the 48 contiguous states and the District of Columbia. When a student's parents are married, 175 percent of this adjusted gross income is about \$49,000. When a student has a single parent, 225 percent of this gross adjusted income is about \$62,000.

¹³Eligibility for the maximum and minimum Pell awards can be determined without reference to the SAI using specific criteria for dependent and independent students. The maximum Pell criteria also include students or parents who were not required to file a federal tax return because their income was below IRS thresholds. For more information about the maximum and minimum Pell criteria, see U.S. Department of Education, *Federal Student Aid, 2024-2025 Federal Student Aid Handbook, Chapter 3* (Washington, D.C.: Jan. 5, 2024).

¹⁴GAO, *Higher Education: Actions Needed to Improve Access to Federal Financial Assistance for Homeless and Foster Youth*, [GAO-16-343](#) (Washington, D.C.: May 19, 2016).

¹⁵The provision of the FAFSA Simplification Act that expanded eligibility for Pell Grants to incarcerated students was implemented in SY 2023–24.

¹⁶For more information, see U.S. Department of Education, *(APP-25-23) 2026–27 FAFSA Form and Pell Grant Eligibility Updates*, accessed January 9, 2026, <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2025-08-15/2026-27-fafsa-form-and-pell-grant-eligibility-updates>.

¹⁷Data for the 2023–24 FAFSA school year are as of March 31, 2024, and 2024–25 FAFSA school year data are as of March 31, 2025. Data for both school years include undergraduate students whose FAFSA applications were completed and processed. See appendix.

¹⁸See [GAO-24-107407](#).

¹⁹The average Pell award increased from \$6,409 in SY 2023–24 to \$6,687 in SY 2024–25.

²⁰Education provided us with household income data for students completing the FAFSA for SY 2024–25 that were based on data transferred directly from the IRS, when available, to a student's FAFSA. Student applicants are required to consent to the transfer of their tax information when completing the FAFSA to be eligible for most federal student aid. According to Education, the automatic inclusion of federal tax information from the IRS significantly improves data authentication and should reduce or eliminate the issue of applicants misreporting income on the FAFSA.

²¹The percentage of students whose eligibility was determined using other income information was substantially higher among those in higher household income ranges. In particular, 68 percent of students with household incomes above \$125,000 (according to their IRS income data) had their Pell eligibility determined using other income information. This is in comparison to the 9 percent of students whose eligibility was determined using other income information across Pell-eligible students in general.

²²In addition, the number of students eligible for Pell Grants with household incomes over \$125,000 increased from about 11,000 in SY 2023–24 to at least 27,000 in SY 2024–25. However, a small percentage of students completing the FAFSA in this income range each year were determined eligible. In SY 2024–25, about 1 percent of students in this income range were eligible for Pell Grants, which is up from 0.4 percent in SY 2023–24.

²³Because some portion of the 9 percent of Pell-eligible students for whom we do not have income data might have had household incomes in this range (based on the other income information used to determine their eligibility), the increase from SY 2023–24 to SY 2024–25 may be higher. Throughout this section, we use “at least” to indicate that the number we present may be lower than if we had income data for all students.

²⁴Because the 9 percent of students whose Pell eligibility was determined using other income information are excluded in the counts of Pell-eligible students by household income range, we also excluded them from the counts of total students completing the FAFSA by income range.

²⁵We included students who did not file income taxes, for reasons such as having low income, in the \$0–\$20,000 household income range.

²⁶In SY 2024–25, at least 95 percent of students completing the FAFSA with incomes below \$60,001 were Pell eligible. In SY 2023–24, 92 percent of students completing the FAFSA in this range were Pell eligible.

²⁷We conducted additional analysis to examine eligibility by household income range because Education's data for SY 2024–25 did not separate counts of students determined eligible for the maximum Pell based on their IRS income data from those determined eligible based on other income information.

²⁸Our count represents a minimum. For example, if the other income information used to determine maximum Pell eligibility for the excluded students placed them in this income range, then the count would be higher.

²⁹We conducted additional analysis that assumed all of the 0.9 million students whose SY 2024–25

Pell eligibility was determined using other income information were eligible for the maximum Pell and had their eligibility based on household incomes below \$40,001. If these assumptions were true, the increase in the number of students eligible for the maximum Pell in this income range would have been greater than that of the \$40,001–\$80,000 income range. However, the percentage increase in maximum Pell eligibility between the two years for the \$40,001–\$80,000

income range in this hypothetical scenario would still have been much larger than for those with incomes below \$40,001.

³⁰The new FAFSA criteria for automatic maximum Pell may have contributed to the increase in maximum Pell eligibility for those with household incomes between \$40,001 and \$80,000. This is because the poverty line thresholds fall below \$80,000 in household income for most families. Per Education’s guidance, the criteria for the automatic maximum Pell grant use an income threshold of 175 percent of the poverty line for a student or parents who are not single parents, and 225 percent of the poverty line for single parents. The poverty line thresholds for a non-single parent with a family size of seven or fewer would be below \$80,000. The poverty line thresholds for a single parent with a family size of five or fewer would be below \$80,000.

³¹Based on our additional analysis, depending on how many of the 0.9 million excluded students had maximum Pell eligibility based on household incomes below \$40,001, the percentage of maximum Pell-eligible students in this income group could range from 71 percent to 83 percent of the total 7.9 million students eligible for the maximum Pell in SY 2024–25. In SY 2023–24, 91 percent of the 6.0 million students eligible for the maximum Pell had household incomes below \$40,001.

³²This includes both students who reported having no assets and those who were not required to report assets.

³³See the definition of assets at 20 U.S.C. § 1087vv(f).

³⁴The criteria for the automatic maximum Pell Grant use an income threshold of 175 percent of the poverty line for a student or parents who are not single, and 225 percent of the poverty line for single parents.

³⁵There was a decrease of about 2.4 million FAFSA-completing students who reported \$1–\$25,000 in household assets, and a decrease of about 1.8 million students eligible for a Pell Grant in this asset range.

³⁶The number of Pell-eligible students who reported between \$25,001 and \$250,000 in household assets decreased by about 33,000, but the Pell eligibility percentage for this income group increased from 16 percent to 17 percent.

³⁷This family scenario is based on a student in a family of four with two students in college at the same time and household assets of \$10,000.

³⁸In SY 2024–25, 89 to 99 percent of the Pell-eligible students in these groups were eligible for the maximum Pell. Similarly, in SY 2023–24, 88 to 99 percent of these students were eligible for a Pell Grant, and 83 to 98 percent of those who were Pell-eligible were eligible for the maximum Pell.

³⁹In SY 2023–24, 51 percent of dependent students who completed the FAFSA and 83 percent of independent students were eligible for a Pell Grant. Of these Pell-eligible students, 53 percent of dependent students and 74 percent of independent students were eligible for the maximum Pell.

⁴⁰Education extracted 2024–25 FAFSA data from the FAFSA Processing System and 2023–24 data from the Central Processing System. The FAFSA Processing System replaced the Central Processing System prior to the start of the 2024–25 award year. Data for the 2024–25 FAFSA school year are as of March 31, 2025, and data for the 2023–24 FAFSA school year are as of March 31, 2024. Data for both school years include undergraduate students whose FAFSA applications were completed and processed.