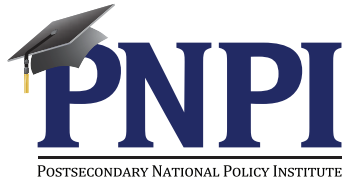




Historically Black Colleges and Universities

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Historically Black Colleges and Universities

Historically Black Colleges and Universities (HBCUs) are institutions of higher learning established prior to 1964 with the education of Black Americans as their primary mission. Many were founded and developed in an environment of post-slavery segregation when most postsecondary institutions were not open to people of color.ⁱ

In 1862, the U.S. Congress passed the Morrill Land-Grant Act giving federal land to states for the purpose of opening colleges and universities to educate farmers, scientists, and teachers. Of the institutions of higher education created under this significant investment at the federal level, only one, Alcorn State University in Mississippi, was open to Blacks and thus designated as a Black land-grant college. Not until 1890, with the passage of the second Land-Grant Act, were states required to open their land-grant institutions to Black students or allocate monies to Black institutions that could serve as alternatives to their white counterparts. This led to the creation of 16 exclusively Black institutions, most of them public schools. Throughout the years that followed, the Freedmen's Bureau, Black churches, and the American Missionary Association founded many of the additional institutions that would later become HBCUs.

Over time, enrollment at HBCUs increased, as did financial support from the government and private foundations. Still, finances were a challenge for these institutions until they received federal designation and support in 1965 under the Higher Education Act (HEA).

The Higher Education Act and HBCUs

When the Higher Education Act was first authorized in 1965, its institutional aid programs were authorized with the support of HBCUs specifically in mind. Today, HBCUs are funded under Title III, Parts B and D, and Title VII of the Higher Education Act.

Title III-B authorizes both mandatory and competitive funds for undergraduate, graduate, and professional programs at eligible institutions "to strengthen academic, administrative, and fiscal capabilities."ⁱⁱ It establishes a rationale for the program, defines a number of terms used in the program, authorizes grants to undergraduate and certain professional or graduate programs at HBCUs, provides a formula for allocating funds among institutions, and includes reporting and auditing requirements.ⁱⁱⁱ

Part B authorizes grants to several graduate programs under the Strengthening Historically Black Graduate Institutions Program to establish and strengthen their facilities, financial resources, and student services specifically related to graduate education. According to statute, only 24 institutions are eligible to receive grants through this program.^{iv}

Part D of Title III of the HEA authorizes the HBCU Capital Financing Program. Under this program, HBCUs have access to low-cost capital to finance (or re-finance) the "repair, renovation, and construction of classrooms, libraries, laboratories, dormitories, institutional equipment and research instrumentation."^v

Title VII of the HEA authorizes funding for 18 HBCUs to receive funding to “improve graduate education opportunities at the master’s level” in STEM fields. The 18 institutions permitted to receive funding to improve master’s education programs in STEM fields are eligible to use these funds to:

- Purchase, rent, or lease scientific or laboratory equipment;
- Build, maintain, renovate, or improve educational facilities;
- Purchase library books, periodicals, scientific journals, or other academic resources;
- Provide scholarships, fellowships, and other financial assistance;
- Establish or improve their development office or an endowment;
- Acquire real estate;
- Strengthen funds management and management information systems;
- Improve the financial literacy and economic literacy of students and their families;
- Fund professional development of faculty and staff; and
- Tutor, counsel, and design other student service programs to improve academic success.

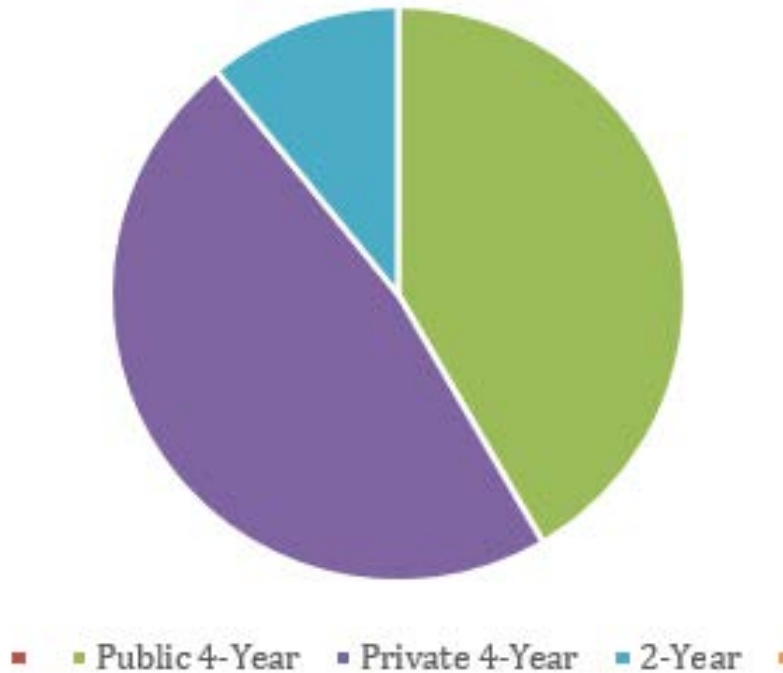
In particular, the findings and purposes of the law acknowledge that HBCUs have contributed to the effort to attain equal opportunity in postsecondary education for Black, low-income, and educationally disadvantaged Americans; that state and federal governments discriminated in the allocation of land and financial resources to support Black public institutions under the Morrill Act of 1862; that the current state of Black colleges is partly attributable to this discriminatory practice; and that financial assistance, especially for physical plants, financial management, academic resources, and endowments, are necessary to rectify past practices and help decrease future dependence on federal funds.

Types of Institutions

While HBCUs are connected in mission and history, they are not a monolith. There is incredible diversity within the sector with regard to institution type. Of the 101 HBCUs, 90 are four-year institutions, and 51 are public. Of the 51 public HBCUs, 21 are land-grant institutions (see Figure 1).^{vi}

There are HBCUs in 19 states, along with the District of Columbia and the Virgin Islands. HBCUs are clustered mostly in the South and Southeast with Alabama, Georgia, and North Carolina having the highest concentration of these institutions. Because many HBCUs were founded after the Civil War during widespread segregation, they are clustered where the need for institutions that were willing to serve Black students was greatest.

Figure 1: HBCUs by Level & Control



Source: Integrated Postsecondary Education Data System Data Center available at <https://nces.ed.gov/ipeds/datacenter/Data.aspx> (last accessed 1/19/2022).

Enrollment

In the 2019–20 academic year, HBCUs enrolled a total of 279,157 students,^{viii} 204,202 (73%) of whom were Black. HBCUs educated 9% of all Black college students in 2020, down from 18% in 1976. Over that time period, Black enrollment at HBCUs increased by 17%, but total Black enrollment in postsecondary education more than doubled, from 1.0 million to 2.3 million. Of the total enrollment at HBCUs, 12% (or nearly 42,000 students) were enrolled exclusively in courses delivered via distance learning.^{ix}

While they were originally founded to educate Black students, the student bodies of HBCUs have become more racially diverse over time. During the 2019–20 academic year, non-Black students made up 27% of enrollment, up from 15% in 1976. Still, the vast majority of students (73%) served by HBCUs are Black.^x In addition to serving a high proportion of students of color, HBCUs also serve a high percentage of low-income students. About 60% of undergraduate students attending HBCUs receive Pell Grants.^{xi}

Title III-B HBCU Funding

HBCUs in good standing (not under any formal sanction from their accrediting body) receive an annual allocation through Title III of the Higher Education Act (HEA) to support their programming efforts. This formula takes into consideration three factors:

- The number of Pell Grant recipients at an institution,
- The number of graduates, and
- The number of graduates who go on to graduate or professional school.

In the 2021 fiscal year allocation under Title III-B, HBCUs received \$337,619,000 in total Title III funding, which went to 97 institutions. Awards ranged from \$250,000 to nearly \$10 million with an average of just under \$7 million.^{xii}

HBCUs can use Title III-B funds for the following purposes:

- Student services;
- Faculty and staff development;
- Purchasing or renting educational and laboratory equipment;
- Constructing or renovating instructional facilities;
- Tutoring or counseling students to improve academic success;
- Establishing or enhancing a program of teacher education designed to qualify students to teach in a public elementary or secondary school;
- Establishing community outreach programs that encourage elementary and secondary students to develop academic skills and interest to pursue a postsecondary education;
- Education designed to improve the financial literacy and economic literacy of students and families;
- Acquiring property to improve campus facilities; or
- Using up to 20% of the grant award to establish or increase an institution's endowment.

The Future Act, passed in 2019, created an additional permanent funding stream for HBCUs through Title III of the HEA. The 2021 fiscal year allocation for this funding stream was \$80,155,000 across 97 institutions. Awards ranged from \$250,000 to nearly \$1.7 million with an average of \$826,000 million.^{xiii}

Other HEA Funding to HBCUs

HBCUs are also funded under other programs contained in the HEA. Twenty-four institutions received \$84,000,000 through the Strengthening Historically Black Graduate Institutions Program in fiscal year 2020.^{xiv} An additional \$10,000,000 was approved for the 18 institutions permitted to receive funding through Title VII in fiscal year 2020.^{xv}

Additionally, as of January 2021, 50 HBCUs have received 113 loans through the HBCU Capital Financing Program. Currently, 87 loans, totaling \$2.23 billion, remain outstanding.^{xvi} An omnibus spending bill, passed in late 2020, included the HBCU Capital Finance Debt Relief Act, which relieved \$1.3 billion in loans issued to HBCUs under the HBCU Capital Financing Program.^{xvii}

Like all institutions of higher education that participate in the federal student aid programs, HBCUs also derive significant revenues from the Pell Grant and federal student loan programs. In 2019–20, students enrolled at HBCUs received approximately \$760 million in Pell Grants and \$1.1 billion in federal student loans.^{xviii}

The CARES and CRRSA Acts

The COVID-19 pandemic impacted thousands of students and institutions, including HBCUs. In response to financial concerns for both students and institutions, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act, more commonly known as the CARES Act, in March 2020. The CARES Act authorizes \$30.75 billion for an [Education Stabilization Fund](#), including \$14 billion in the [Higher Education Emergency Relief Fund \(HEERF\)](#).

Of the \$14 billion higher education allocation, \$12 billion is divided into two grants, both of which are issued directly to institutions: emergency financial aid grants for students and institutional grants. The [methodology](#) for institutional allocations primarily focuses on an institution's Pell Grant recipient enrollment. At least 50% of an institution's allocation must go toward emergency financial aid grants for students, and no more than 50% of an institution's allocation can go toward institutional costs.

An additional \$1 billion is directed to Minority Serving Institutions (MSIs), including HBCUs, through existing programs in Titles III and V. All institutions that would be eligible to participate in any of the MSI programs in the Higher Education Act are eligible to receive these funds. The HEERF also includes \$350 million directed to institutions that received less than \$500,000 in overall CARES Act funds through the Fund for the Improvement of Postsecondary Education (FIPSE). In a letter to institutions, the Department specified that institutions may use these funds for emergency student grants to cover any component of cost of attendance or for institutional costs, such as lost revenue, reimbursement for expenses, technology costs, faculty and staff training, or payroll needs. Unlike the largest portion of the HEERF, this allocation does not require institutions to spend half of their funds on student emergency grants, though they may if they choose.^{xvi}

To access these funds, institutions must submit a funding certification agreement through the Department and agree to specific reporting requirements. As of February 2021, 96 HBCUs had received \$577 million in CARES Act assistance through Title III and 3 HBCUs had received \$350,000 in CARES Act assistance through FIPSE.

Additionally, the CARES Act sets into law several federal student loan provisions that affect students enrolled at HBCUs: a temporary suspension of federal student loan repayment; interest rates on federal student loans set to 0%; and a pause on garnishing wages and collecting upon defaulted student loans. In January 2021, the acting Secretary of Education continued the extension of these provisions through September 30, 2021.^{xvii}

Furthermore, the CARES Act empowers the Secretary of Education to suspend payments institutions receiving a grant through the HBCU Capital Financing Program are required to make.

Given the need for further financial assistance to colleges and universities, President Trump then signed the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) into law in late December 2020. The CRRSA Act authorizes \$21.2 billion for higher education through the Higher Education Emergency Relief Fund II (HEERF II). These funds are to be used for emergency financial aid grants to students with exceptional need, such as those receiving Pell Grants, and to cover institutional costs associated with responding to the pandemic. Institutions that received aid under the CARES Act are not required to submit an additional application to access these funds, though institutions that were eligible to receive CARES Act funds, but did not, must apply to receive these funds. The same HBCUs that received CARES Act funds are eligible to receive CRRSA Act funds. In early February 2021, the Department began disbursing this aid to institutions.

The CRRSA Act was signed in an omnibus spending bill that included funding authorization for fiscal year 2021. Included in that bill was the HBCU Capital Finance Debt Relief Act, which relieved \$1.3 billion in loans issued to HBCUs under the HBCU Capital Financing Program.^{xviii} While technically not a part of the CRRSA Act, this legislation is often referred to as part of the CRRSA Act, given that each was passed in the same bill.

Impact of HBCUs

The unique role that HBCUs have played in the education of Black students and students from other underrepresented groups cannot be overstated. Despite enrolling just 9% of all Black college students, HBCUs produce 15% of all bachelor's degrees earned by Black students, 17% of all bachelor's degrees in engineering earned by Black students, and 26% of all bachelor's degrees in mathematics earned by Black students.^{xxiv}

While some HBCUs have graduation rates that exceed the national average for African Americans at all institutions of higher education, overall, HBCU graduation rates are lower than non-HBCU graduation rates.^{xix} Notably, research indicates that HBCU graduation rates compare favorably with other non-HBCU institutions when student-level factors are taken into consideration (e.g., low-income students, first-generation students, and students whose pre-college education was inadequate). A 2012 report from the United Negro College Fund states that "... were HBCUs and non-HBCUs to enroll demographically identical populations of students, HBCUs would retain and graduate students at higher rates than their counterparts."^{xx} This same research suggests that when SAT scores and Pell status are controlled for—indicators which many argue are proxies for socioeconomic status and academic preparedness—HBCU retention rates are on par with or even surpass non-HBCUs.^{xxvi}

Differences among students might indeed explain the disparities in both graduation and retention rates given that HBCUs and non-HBCUs are not serving identical student populations. Researchers have found that academic preparedness and socioeconomic status account for over 50% of students' likelihood of persisting into the second year of college. These same factors also account for 64.7% of students' likelihood of graduating. This is important to consider because HBCUs primarily serve low-income, first-generation students.^{xxviii} It is important to note that two-thirds of HBCUs have raised the graduation rate for their students over the last decade with a quarter seeing increases of more than 10%.^{xxix}

In addition to HBCUs' demonstrated success in graduating students who major in engineering and mathematics, a 2011 study indicated that Black graduates of HBCUs have a career advantage over Black graduates of other colleges in terms of employment rates, salary, and other measures of career success (for example, doctors or lawyers who worked in low-income communities got additional credit for their success in the metric). Furthermore, HBCU students report more frequent and favorable relationships with their professors, earn higher college grades, report greater gains in critical and analytical thinking, and are more likely to earn a graduate or professional degree than their Black peers at predominantly white institutions.^{xxx} Scholars cite the mission and history of HBCUs as the reason for these greater impacts on graduates.

Challenges Facing HBCUs and Their Students

While there are positive impacts associated with attending HBCUs, these institutions and their students face challenges as well. Among those challenges are low retention and graduation rates and high debt burdens for their students and their students' families. Most recently, students attending HBCUs have been particularly impacted by the COVID-19 pandemic.

As mentioned earlier, research indicates that when socioeconomic status and academic preparedness are taken into consideration, HBCU graduation rates equal or surpass those of their predominantly white institutional peers. Without this consideration, HBCU graduation rates are more than 21 points lower than their peer institutions, and retention rates are 9 points lower than those of non-HBCUs.^{xxxi}

Students of color are more likely than white students to take out student loans to fund their education, and typically borrow more than white students. As a result, students attending HBCUs often have higher loan balances than students attending non-HBCUs. Students who attend HBCUs are also more likely to have a parent borrow a Parent PLUS loan to fund their education. Parents at HBCUs with PLUS loans tend to have lower income than PLUS borrowers at non-HBCUs, which can lead to a parent paying off the student loans they took out for their children late into their retirement years.^{xxxii}

In Close

The benefits of HBCUs cannot always be quantified. Ultimately, student voices are a key piece of the HBCU story. The excerpt below from an HBCU grad and current high school counselor shows why:

“It is very empowering to find yourself in a situation where you are in the majority. All of a sudden, you are no longer a Black person, you are a person. You do not question whether or not the treatment you received and/or the grade you were given were a result of race because race becomes a non-issue. You are exposed to a spectrum of people of color who are successful, which is contrary to the portrayal of minorities, specifically African-Americans, in the mainstream media... You find yourself surrounded by professional, credentialed people of color, Ph.D.s, professors, deans, administrators, scholars, etc., who are brilliant and worldly.”^{xxv}

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ⁱ [NCES Fast Facts on HBCUs](#)

ⁱⁱ [Government Publishing Office: Higher Education Act](#)

ⁱⁱⁱ [Title III Part B Sections 1060, 1061, 1062, 1063, 1063a, 1063b, and 1063c.](#)

^{iv} [Title III Part B, Strengthening Historically Black Graduate Institutions Program, Section 1063b](#)

^v [Historically Black College and University Capital Financing Program](#)

^{vi} No HBCUs are organized as for-profit.

^{vii} Author analysis of data from the Integrated Postsecondary Education Data System Data Center available at <https://nces.ed.gov/ipeds/datacenter/Data.aspx> (last accessed 1/19/2022).

^{viii} Author analysis of data from Integrated Postsecondary Education Data System Data Center available at <https://nces.ed.gov/ipeds/datacenter/Data.aspx> (last accessed 1/19/2022).

^{ix} Author analysis of data from Integrated Postsecondary Education Data System Data Center available at <https://nces.ed.gov/ipeds/datacenter/Data.aspx> (last accessed 1/20/2022).

^x Author analysis of data from Integrated Postsecondary Education Data System Data Center available at <https://nces.ed.gov/ipeds/datacenter/Data.aspx> (last accessed 1/19/2022).

^{xi} Author analysis of data from Integrated Postsecondary Education Data System Data Center available at <https://nces.ed.gov/ipeds/datacenter/Data.aspx> (last accessed 1/20/2022).

^{xii} [Title III Part B, Strengthening Historically Black Colleges and Universities Program, U.S. Department of Education](#)

^{xiii} [Title III Part B, Strengthening Historically Black Colleges and Universities Program, U.S. Department of Education](#)

^{xiv} [Title III Part B, Strengthening Historically Black Graduate Institutions Program](#)

^{xv} [Master's Degree Programs at Historically Black Colleges and Universities](#)

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^{xvii} [Loan Forgiveness "Transformative" for HBCUs, Inside Higher Ed.](#)

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^{xix} [Department of Education: Letter Sent to College Presidents. April 30, 2020.](#)

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^{xxi} CRRSAA: Higher Education Emergency Relief Fund (HEERF II), <https://www2.ed.gov/about/offices/list/ope/crrsaa.html> (last accessed 1/26/2022)

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^{xxiii} HBCU Allocations for Section 314(a)(2) of the CRRSAA, <https://www2.ed.gov/about/offices/list/ope/heerfiihbcuallocations.pdf> (last accessed 1/26/2022)

^{xxiv} [National Center for Science and Engineering Statistics, 2019 https://nces.nsf.gov/pubs/nsf21321/data-tables](#) (last accessed 1/22/2022)

^{xxv} At four-year institutions, for the cohort of students entering college in 2011, the 150% graduation rate for HBCUs was 36%. For Black students at all four-year institutions, the 150% graduate rate was 40%. For the 2014 cohort entering two-year HBCUs, the 150% graduation rate was 21%. For Black students overall, it was 25%. For more information, visit College Navigator and the NCES Digest.

^{xxvi} [Understanding HBCU Retention and Completion, United Negro College Fund.](#)

^{xxvii} [Understanding HBCU Retention and Completion, United Negro College Fund.](#)

^{xxviii} [Understanding HBCU Retention and Completion, United Negro College Fund.](#)

^{xxix} Author analysis of data from Integrated Postsecondary Education Data System Data Center available at <https://nces.ed.gov/ipeds/datacenter/Data.aspx> (last accessed 1/20/2022).

^{xxx} Tiffany Jones, SEF Presentation at PNPI's MSI Seminar in Atlanta, GA (October 2014).

^{xxxi} [Understanding HBCU Retention and Completion, United Negro College Fund.](#)

^{xxxii} [Fewer Resources, More Debt: Loan Debt Burdens Students at Historically Black Colleges and Universities](#)

^{xxxiii} [HBCU Grads Share Their Stories of Campus Life](#)