

A photograph of three Black students in a classroom. A young man in the background is leaning over a desk, looking at a document. A young woman in the middle ground is also looking at the document. A young man in the foreground is out of focus, looking towards the other two. The background is a bright, slightly blurred classroom.

Predominantly Black Institutions

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The Postsecondary National Policy Institute (PNPI) provides current and prospective policymakers with a substantive and collegial foundation on which to build federal higher education policies that drive positive outcomes for students and their families.

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Summary

Predominantly Black Institutions (PBIs) are mainly public two-year institutions that serve 6.8% of the entire Black postsecondary student population in the U.S. Since receiving federal recognition in 2008, these institutions have qualified for formula and competitive grants to achieve the mission of serving student populations that have historically been disenfranchised from the U.S. higher education system.

History of Predominantly Black Institutions

In 2008, Congress formally recognized PBIs as an important subset of the U.S. higher education system when it authorized a program of support for these institutions. It defined PBIs as having:

- At least 1,000 undergraduate students;
- An undergraduate enrollment that is at least 50% low-income or first-generation;
- An undergraduate enrollment that is at least 50% degree-seeking;
- A low expenditure per full-time undergraduate student in comparison with other institutions offering similar instruction; and
- At least 40% of enrolled students identifying as Black Americans.¹

To be eligible to receive a grant, a PBI must submit data that allows the U.S. Department of Education (ED) to designate it as such. Currently, there is no independent designation of PBIs. Only those institutions awarded grants or that apply to be recognized under the eligibility criteria are included on the [official PBI list](#).²

In FY 2023, a total of 69 PBIs were recognized as meeting the general PBI eligibility requirements, meeting the 2023 Title III PBI definition, and/or currently holding an open PBI grant. Of the 69 PBIs, 28 met all three criteria, 35 met at least two, and six met only one eligibility requirement (e.g., Arkansas State University Mid-South did not meet general eligibility or Title III PBI definition requirements in 2023, but does currently have an open PBI grant).³

Current Legislation for Predominantly Black Institutions

There are three mechanisms designated in the Higher Education Act amendments of 2008 for distributing funds to PBIs: two in Title III and one in Title VII. Title III, Part A, Section 318 established a formula grant for PBIs to strengthen institutions' efforts to serve low- and middle-income Black Americans and expand higher education opportunities for those students. Title III, Part F, Section 371 established a competitive grant for PBIs, and Title VII, Part A, Subpart 4, Section 724 established a formula grant for five specific PBIs to strengthen graduate education. The last grant disbursed through Title VII for PBIs was in 2011. Table 1 details each part of the HEA that applies to PBIs, showing the purpose, eligibility, and current funding allotments for specific programs.

¹ Eligibility requirements are based on [Title III, Part F, Section 371](#) of the Higher Education Act.

² An estimate of under 100 was derived, taking into account the number of undergraduate students, the share of undergraduates that were Black American students, and the percentage of undergraduate students receiving Pell Grants reported to IPEDS.

³ A full list of institutions and the various eligibility requirements can be found on the Department of Education's [2023 Eligibility Matrix](#).

Table 1: HEA Titles That Apply to PBIs

HEA Title & Section	Purpose	PBI Eligibility	Most Recent Funding Amount
Title III, Part A, Section 318	“Strengthen eligible institutions to plan, develop, undertake and implement programs to enhance the institution’s capacity to serve more low- and middle-income Black American students; to expand higher education opportunities for eligible students by encouraging college preparation and student persistence in secondary school and postsecondary education; and to strengthen the financial ability of the institution to serve the academic needs of these students.”	1. All Institutions that meet the requirements outlined in the previous section. 2. Institutions receiving assistance as Historically Black Colleges and Universities are not eligible.	FY23: \$22.3M
Title III, Part F, Section 371	Support PBIs in establishing or strengthening programs in: <ul style="list-style-type: none"> ▪ Science, technology, engineering, or mathematics (STEM) ▪ Health education ▪ Internationalization or globalization ▪ Teacher preparation ▪ Improving educational outcomes of Black American males 	1. All Institutions that meet the requirements outlined in the previous section. 2. Institutions receiving assistance as Historically Black Colleges and Universities are not eligible.	FY23: \$12.7M
Title VII, Part A, Subpart 4, Section 724	Improve graduate education in STEM, health professions, or other scientific disciplines where Black students are underrepresented.	Five specifically named institutions in the statute	FY11: \$2.5M

The formula funds in Title III, Part A are disbursed to eligible institutions using a formula similar to that used to distribute funds among Historically Black Colleges and Universities (HBCUs). The formula has [three factors](#): the number of Pell Grant recipients, the graduation rate, and the number of graduates continuing on to graduate or professional schools. To receive these formula funds, institutions must first apply and be designated a PBI, and, if approved, are invited to submit a grant application and project plan. In FY23, 39 PBIs received formula grants ranging from a minimum of \$250,000 to a maximum of \$1,855,953 with an average grant of \$571,795.

Institutions may use funds under the formula grant for activities that include:

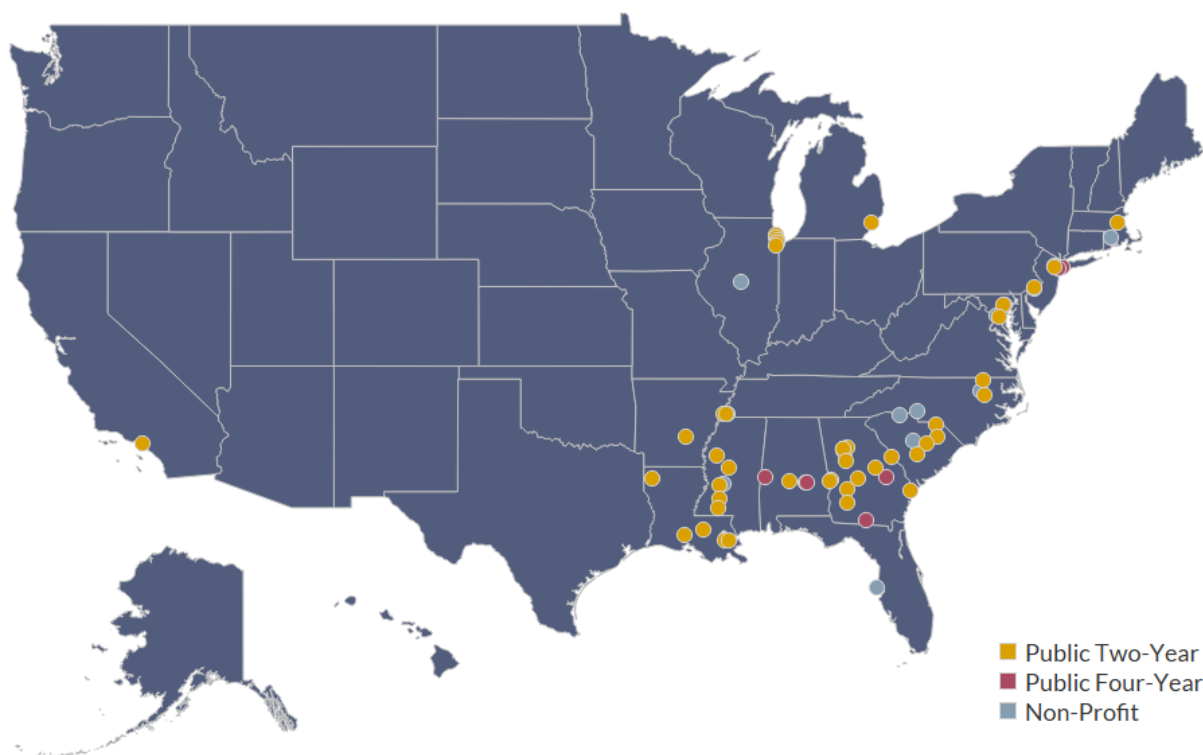
- Academic instruction in disciplines in which Black Americans are underrepresented;
- Establishing or enhancing a program of teacher education designed to qualify students to teach in a public elementary school or secondary school;
- Establishing community outreach programs that will encourage elementary school and secondary school students to develop the academic skills and the interest to pursue postsecondary education;
- Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;
- Construction, maintenance, renovation, and improvement in classrooms, libraries, laboratories, and other instructional facilities, including the integration of computer technology into institutional facilities to create smart buildings;
- Support of faculty exchanges, professional development, and fellowships to assist faculty in attaining advanced degrees in their field of instruction;
- Development and improvement of academic programs;
- Purchase of library books, periodicals, and other educational materials, including telecommunications program materials;
- Tutoring, counseling, and student service programs designed to improve academic success, including innovative, customized courses—which may include remedial education and English language instruction—that help retain students and move them rapidly into core courses and through program completion;
- Education or counseling services designed to improve the financial literacy and economic literacy of students or students' families;
- Funds management, administrative management, and acquisition of equipment for use in strengthening funds management;
- Joint use of facilities, such as laboratories and libraries;
- Establishing or improving an endowment fund; and
- Creating or improving facilities for internet or other distance learning technologies, including purchase or rental of telecommunications technology equipment or services.

The PBI competitive grant funds in Title III, Part F are disbursed to eligible institutions following a two-stage application process: they first must apply to be a recognized PBI, and then they must apply for the grant itself by providing a program plan. Grants are awarded for one-, two-, or three-year periods. In FY23, 22 PBIs received competitive grants ranging from a minimum of \$164,882 to a maximum of \$600,000 with an average grant of \$576,013. All grants in FY23 were non-competing continuations of previous grant application years.

Types of Institutions⁴

There are PBIs in 19 states and the District of Columbia. PBIs are clustered mostly in the South and Southeast, though Illinois has the second highest concentration of PBIs. Georgia by far has the greatest number with 16, followed by Illinois with seven and Mississippi and South Carolina both with six. Georgia's 16 PBIs comprise 23.2% of all PBIs, and their total enrollment of 110,783 in fall 2021 comprised 34.9% of all PBI enrollment. While PBIs are present in multiple regions of the country, their concentrations reflect the distribution of Black Americans in this country. Figure 1 shows the geographic distribution of PBIs by institutional sector.

Figure 1: Map of PBIs

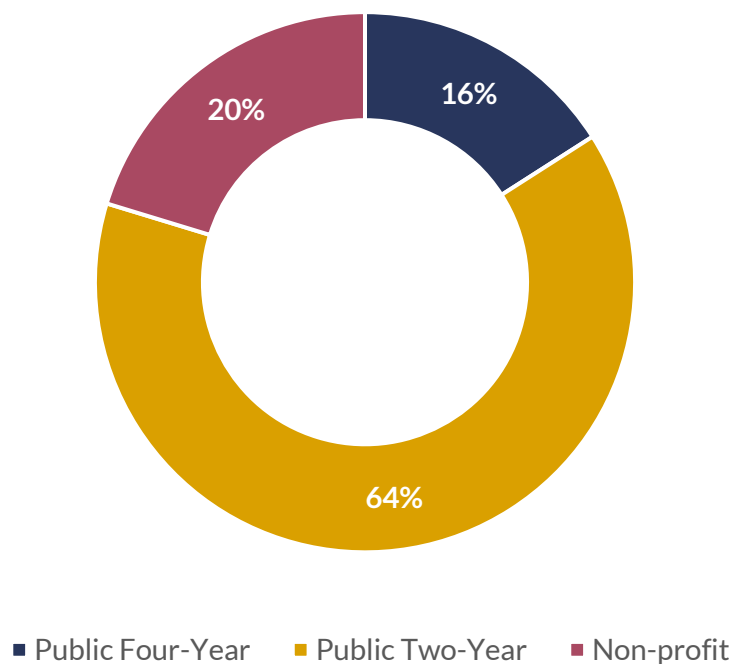


Source: Author's analysis of IPEDS.

Though PBIs share considerable similarities given that their PBI status is derived from shared enrollment and demographic benchmarks, there is diversity within the sector with regard to institutional type. Of the 69 PBIs, 11 are public four-year institutions, 44 are public two-year institutions, and 14 are private non-profit. Figure 2 shows the distribution of PBIs by sector: A clear majority are public two-year institutions.

⁴ Institution, enrollment, financial aid, and student outcome data come from the author's analysis of the Integrated Postsecondary Education Data System (IPEDS) unless otherwise noted.

Figure 2: PBIs by Institutional Sector



Source: Author’s analysis of IPEDS

Enrollment⁵

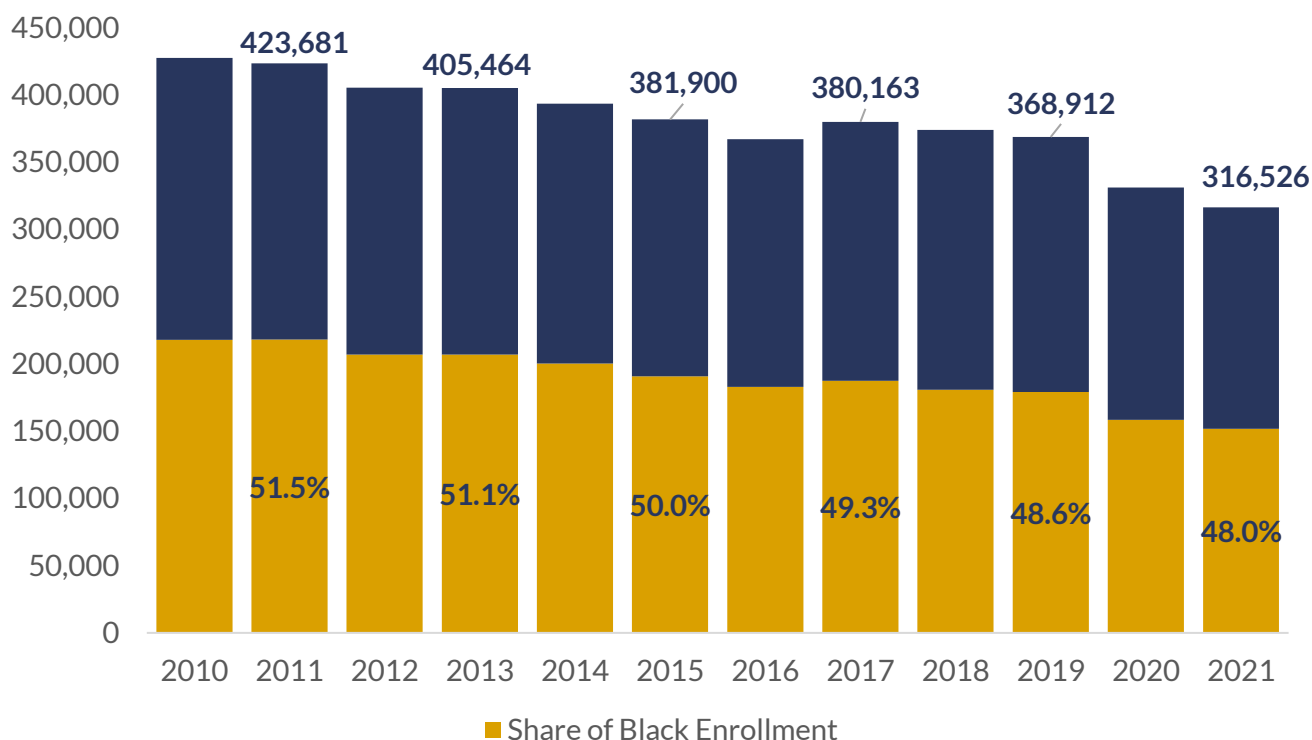
In fall 2021, the 69 designated PBIs enrolled a total of 316,526 students, including graduate and professional students, 151,879 (48%) of whom were Black. In 2021, PBIs educated 6.6% of all Black students enrolled in postsecondary education. In the past decade, the 69 current PBIs saw a 25.9% decline in total enrollment, largely due to PBIs being overrepresented in the public two-year sector.⁶ During that time, Black enrollment at these PBIs decreased by 30.3%, while Black enrollment across all postsecondary institutions declined by 21.4%. Of the total enrollment at PBIs, 18.9% (or nearly 70,000 students) were enrolled exclusively in courses delivered via distance learning in fall 2019. Non-PBI institutions had slightly lower online enrollment, with 17.2% of students enrolled exclusively in distance learning in fall 2019.⁷ Figure 3 shows PBI enrollment since 2010 and the share of that enrollment that identified as Black.

⁵ For all longitudinal analyses of enrollment, financial aid, and student outcomes, the institutions designated as PBIs in 2023 are included for all years.

⁶ Enrollment at public two-year institutions declined 35% over the past decade (see Digest of Education Statistics [Table 303.25](#)).

⁷ Data for fall 2019 were used due to the COVID-19 pandemic resulting in abnormally high online enrollment beginning with fall 2020.

Figure 3: Total Fall Enrollment in PBIs and Share of Black Student Enrollment



Source: Author’s analysis of IPEDS, 2010–2021.

Though by definition PBIs have a high share of Black student enrollment, they also have considerable racial/ethnic diversity. In fall 2021, PBI students were 27.5% white, 10.9% Hispanic or Latino, 4.5% Asian, 3.3% two or more races/ethnicities reported, 2.4% non-residents, 0.4% American Indian/Alaska Native, and 0.3% Native Hawaiian/Pacific Islander.

Finance and Federal Financial Aid

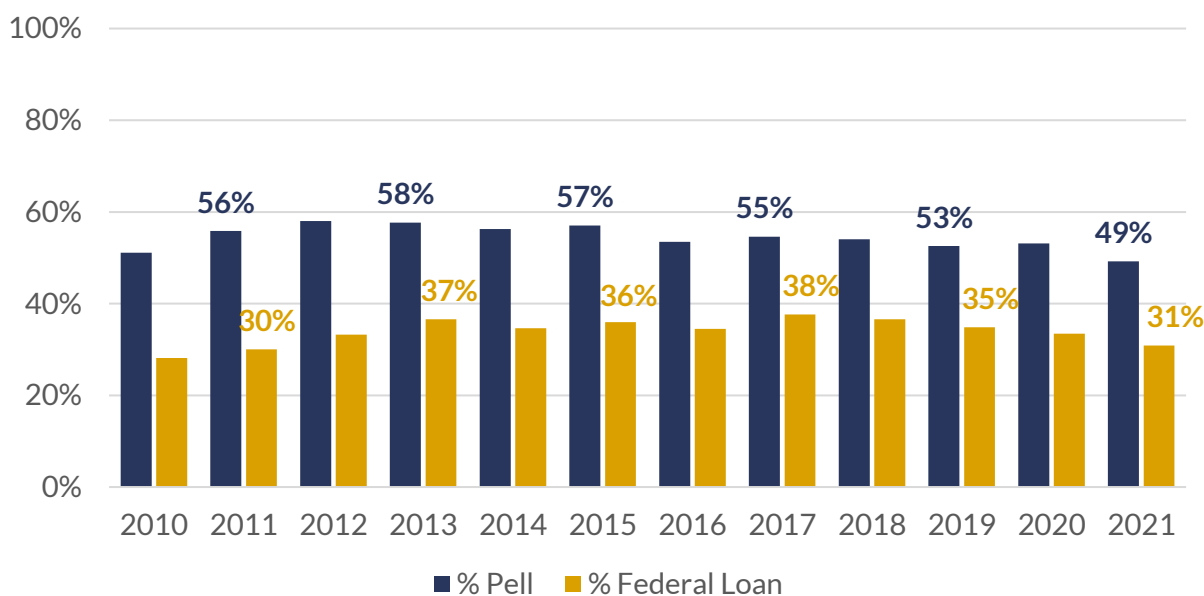
Federal Financial Aid to Students

The share of PBI students who are Pell Grant recipients has declined nearly 10 percentage points (to 49% in 2021) since a height of 58% in 2012.⁸ Until the most recent year, over half of students attending PBIs have consistently demonstrated financial need in paying for college. Among all institutions in 2021, 32% of students were Pell Grant recipients (32% of public four-year students, 29% of public two-year students, 31% of non-profit students, and 52% of for-profit students). Compared to public and non-profit institutions, Pell students are overrepresented in PBIs, underscoring the importance of PBIs for increasing access to education for lower income students.

⁸ This follows the trend of all public and nonprofit two-year institutions, of which PBIs are most likely to be.

The share of PBI students that borrowed federal student loans has remained relatively constant, with a slight decline in recent years to 31% borrowing in 2021. In the past decade, roughly one-third of PBI students borrowed federal student loans each year. Among all institutions in 2021, 30% of undergraduates borrowed federal student loans (31% of public four-year undergraduates, 11% of public two-year undergraduates, 46% of non-profit undergraduates, and 58% of for-profit undergraduates). Figure 4 shows the share of Pell Grant and federal loan recipients at PBIs for the past decade. In 2021, the average Pell Grant received by a PBI undergraduate was \$5,004, while the average federal loan received by a PBI undergraduate was \$5,470.

Figure 4: Share of Pell Grant and Federal Loan Recipients at PBIs Over Time



Source: Author's analysis of IPEDS, 2010–2021.

At PBIs in 2021, 1.8% of the undergraduate student population were veterans who received funds through the federal G.I. Bill, with the average amount received being \$4,382. The share of G.I. Bill recipients at PBIs is slightly lower than the national rate (2.4%), but considerably lower than for-profit institutions (7.6%), which is the sector with the greatest share.

Federal Student Debt

Table 2 shows an analysis of the College Scorecard data on federal student loan debt. PBIs match closest to the median debt in the public two-year sector. Upon entering repayment, PBI students typically have \$7,750 in federal loan debt; this amount increases to \$12,558 for degree completers. PBI students have higher rates of default (12.3%) than those at most institutions, with the exception of other public two-year institutions, and often struggle to make progress on their loans.⁹ Two years after entering repayment, students at PBIs are five percentage points below the national rate when it comes to making progress on their loans.

⁹ Making progress is defined as paying enough in monthly payments that the principal amount of the loan is decreasing.

Table 2: Student Loan Debt and Repayment Status by Institutional Sector

	PBIs	Public Four-Year	Public Two-Year	Non-profits	For-Profits	All Institutions
Median Debt After Entering Repayment – All Students	\$7,750	\$13,748	\$6,443	\$16,093	\$9,773	\$12,000
Median Debt After Entering Repayment – Completers	\$12,558	\$19,976	\$10,149	\$24,224	\$13,000	\$18,526
Median Debt After Entering Repayment – Pell Recipients	\$9,113	\$14,750	\$7,000	\$18,000	\$9,859	\$12,531
Share of Students in Default Two Years After Entering Repayment	12.3%	6.2%	12.7%	7.0%	11.1%	9.1%
Share of Students Making Progress Two Years After Entering Repayment	10.8%	25.1%	17.3%	21.6%	12.3%	18.4%
Share of Students Paid in Full Two Years After Entering Repayment	2.8%	9.5%	4.3%	8.5%	2.5%	5.8%

Source: Author’s analysis of the College Scorecard.¹⁰

When considering data on debt and default, it is important to note that PBIs often serve lower income populations who may have more difficult financial situations after graduating, and they serve a large share of Black students who tend to have worse labor market and wealth outcomes for a variety of systemic reasons. Considerable research has examined the racial disparities in student loan debt, with the Education Trust pointing to existing wealth gaps in other areas of life as a key driver in the Black student debt crisis.¹¹ Compounding this, analysts at the Brookings Institution found that white students are much more likely to receive wealth transfers from family after graduation compared to Black students, regardless of socio-economic status, allowing them to pay down student debt.¹²

¹⁰ Though the College Scorecard pulls from national data sets, it is technically an unaudited data source. These data only represent undergraduate federal student loans and excludes Parent PLUS loans. Data are for two-year pooled fiscal year cohort.

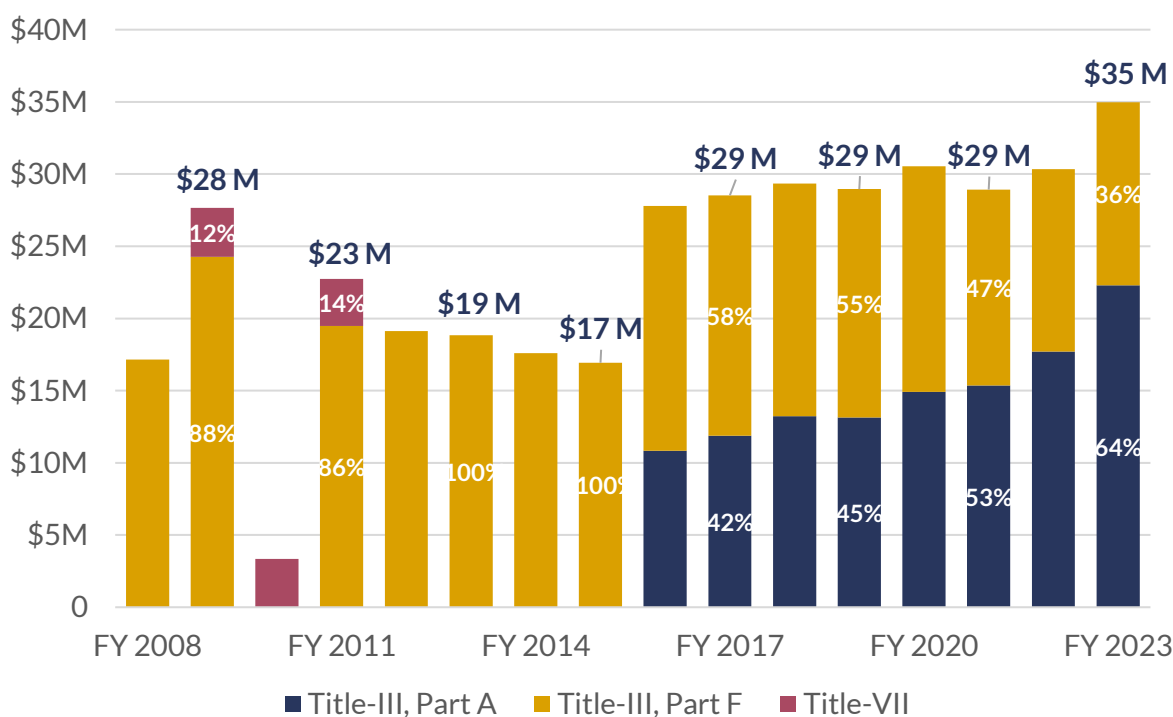
¹¹ See the report by [Addo and Darity, Jr. \(2020\)](#).

¹² See the report by [Perry, Steinbaum, and Romer \(2021\)](#).

HEA Funding

PBIs that have successfully applied for and received PBI status by ED are eligible to apply for two grant programs under Title III of the HEA: Title III, Part A and Title III, Part F. The first grant awards to PBIs were disbursed in FY 2008.¹³ Figure 5 shows total HEA funding to PBIs by Title since these grants were available, adjusted for inflation using the Consumer Price Index (CPI). In FY 2023, PBIs received a total of \$35 million in grant funding, 64% of which was distributed through formula grants and 36% of which was distributed through competitive grants. Since the implementation of the current funding options in FY 2016, total grant amounts have increased slightly, while the share of grant funding through formula grants has increased considerably (25 percentage points).

Figure 5: HEA Funds to PBIs Over Time by Title



Source: [ED Program Awards Data](#). Amounts adjusted to 2022 dollars using the CPI.

¹³ These funds represent all grants disbursed and, unlike the enrollment and financial aid data in the previous sections, are not necessarily connected to the current 69 PBIs.

Higher Education Emergency Relief Funds

The COVID-19 pandemic impacted thousands of higher education institutions, including PBIs. In response to financial concerns for both students and institutions, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act, more commonly known as the CARES Act, in March 2020. The CARES Act authorized \$14 billion for the [Higher Education Emergency Relief Fund \(HEERF\)](#),¹⁴ with \$1 billion directed to Minority-Serving Institutions (MSIs), including PBIs, through existing programs in Titles III and V. The HEERF also included \$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 late December 2020, President Trump signed the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act into law. The CRRSA Act authorized \$21.2 billion for higher education through the Higher Education Emergency Relief Fund II (HEERF II). The same PBIs that received CARES Act funds were also eligible to receive CRRSA Act funds.

The American Rescue Plan (ARP) provided nearly \$40 billion for colleges and universities, particularly many under-resourced institutions that educate students whose communities were most acutely affected by the pandemic. More than \$13 billion went to MSIs, including PBIs, Hispanic-Serving Institutions (HSIs), and Asian American and Native American Pacific Islander-Serving Institutions (AANAPISIs).

As of February 2023, 64 PBIs had received \$103.4 million in HEERF (I, II, and III) assistance through Title III, and 5 PBIs had received \$5.1 million in HEERF assistance through the Strengthening Institutions Program (SIP) and 6 PBIs had received \$6.9 million in HEERF assistance through the Supplemental Assistance to Institutions of Higher Education (SAIHE) program.¹⁵

Outcomes and Impact

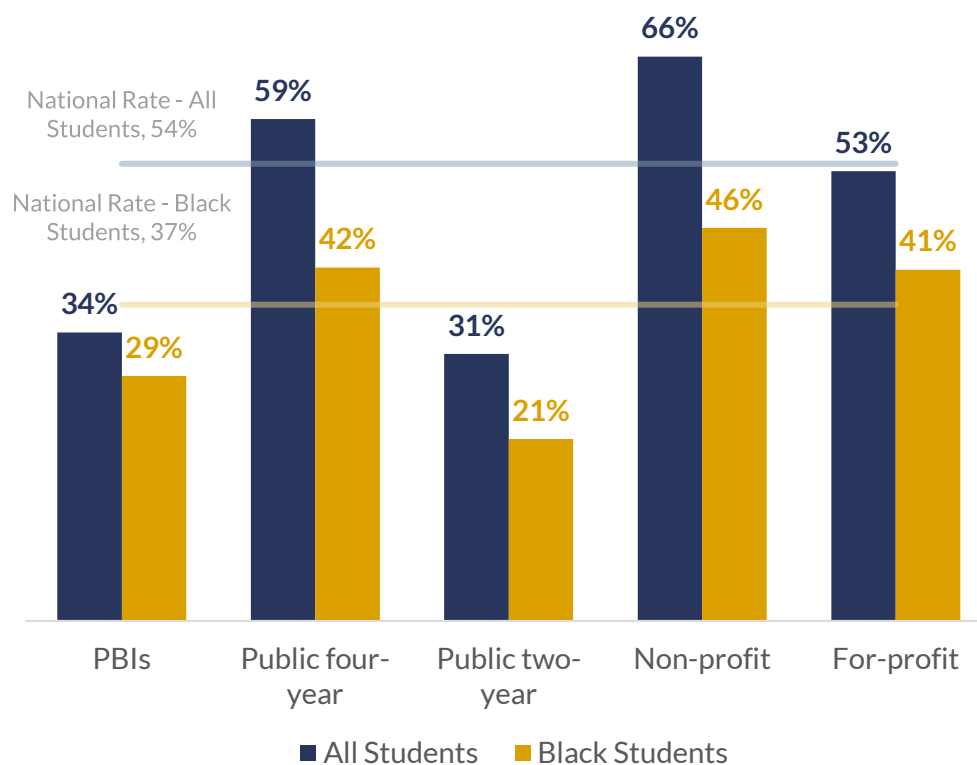
Given that PBIs are predominantly two-year institutions, they confer greater shares of associate degrees than bachelor's degrees. Despite enrolling just 6.6% of all Black college students, PBIs produce 13.6% of all associate degrees received by Black students. However, PBIs confer just 3.6% of all bachelor's degrees received by Black students.

Though PBIs tend to graduate students at a lower rate than the national 150% time graduation rate, they tend to perform better than the public two-year sector as a whole and among Black students specifically. Figure 6 shows graduation rates in 2021 of first-time, full-time students by institutional sector.

¹⁴ For a more detailed analysis of HEERF funding, see PNPI's [COVID-19 Primer](#).

¹⁵ For more information, see the Department of Education's [Education Stabilization Fund Transparency Portal](#).

Figure 6: Average Graduation Rates at 150% Time by Sector, 2021¹⁶



Source: Author's analysis of IPEDS.

In general, PBIs struggle with challenges similar to those faced by HBCUs and other MSIs, given that their students share many of the same characteristics and experience many of the same barriers (e.g., they are low-income, first-generation, or underprepared academically). Overall graduation rates at PBIs and graduation rates for Black students at PBIs are lower than at non-PBIs.¹⁷

Table 3 shows the average earnings of students 10 years after entering postsecondary education. PBI students earn, on average, around the same as students in all public two-year institutions, though their median earnings are slightly lower. Compared to all institutions, PBI students typically earn \$8,900 less per year ten years after entering postsecondary education. Employment discrimination against Black people, and particularly Black women, likely affects these disparities in earnings of PBI students.¹⁸

¹⁶ 150% time means six-year graduation rate for four-year institutions and three-year graduation rate for two-year institutions. These rates are for first-time, full-time students. A rate in 2021 represents a cohort of four-year students entering in 2015 and a cohort of two-year students entering in 2018.

¹⁷ Tiffany Jones, [SEF Presentation](#) at PNPI's MSI Seminar in Atlanta, GA (October 2014).

¹⁸ See the report by [Frye \(2019\)](#).

Table 3: Earnings 10 Years After Entering Postsecondary Education, by Institutional Sector

	Mean Earnings 10 Years After Entry	Median Earnings 10 Years After Entry
PBIs	\$34,726	\$32,921
Public 4-Year	\$48,567	\$47,362
Public 2-Year	\$34,615	\$36,651
Non-Profit	\$51,274	\$50,428
For-Profit	\$35,296	\$34,345
All Institutions	\$43,649	\$42,001

Source: Author’s analysis of the College Scorecard.

Conclusion

PBIs are part of a changing higher education landscape—one in which the federal government recognizes institutions that are serving historically disenfranchised communities at an increasing rate. Nearly 7% of all Black students are enrolled at PBIs, despite PBIs only accounting for 1.6% of all postsecondary U.S. enrollment. Nearly half of students at PBIs receive Pell Grants and tend to be the first person in their family to attend college. Given the percentage of Black students they serve, PBIs will continue to play an important role in higher education’s goal of reducing disparities in opportunity for Black students.

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