

What to Know as Trump Freezes Federal Funds for Harvard and Other Universities

President Trump is trying to influence which colleges receive federal financial support, a practice that began around the time of World War II.

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New York Times

The showdown between the Trump administration and institutions of higher learning intensified on Tuesday, when [President Trump threatened Harvard University's tax-exempt status](#) after the school refused to accept his administration's demands on hiring, admissions and curriculum.

His threat, and the stakes involved, highlighted not only the billions of dollars in government funding that colleges receive every year but how that practice started and what all that money goes toward.

When did colleges and universities begin receiving substantial federal funds?

Around the time of World War II, the U.S. government started funding universities for the purpose of aiding the war effort, funneling money toward medical research, innovation and financial aid for students.

The relationship between the federal government and higher education soon became symbiotic. As the government counted on universities to produce educated and employable students, as well as breakthrough scientific research, universities came to rely on continued funding.

In 1970, the government dispersed about \$3.4 billion to higher education. Today, individual colleges depend on what could be billions of dollars, which mainly go toward financial aid and research. Harvard alone receives \$9 billion.

What does the government money fund, and what kinds of programs will lose out if it is cut?

The funding freezes have caused work stoppages, cut contracts, [imperiled medical research](#) and [left students](#) in limbo. Reductions can also affect hospitals that are

affiliated with universities, like the Dana-Farber Cancer Institute and Boston Children's Hospital, both of which are affiliated with Harvard.

Universities have stressed that losing federal funding would jeopardize dozens of medical and scientific studies, including those on cancer and diabetes.

After the Trump administration froze \$1 billion for Cornell, [the university said that affected grants included](#) “research into new materials for jet engines, propulsion systems, large-scale information networks, robotics, superconductors, and space and satellite communications, as well as cancer research.”

When Mr. Trump pulled \$790 million from Northwestern, the university said that the freeze would hinder its research on robotics, nanotechnology, foreign military training and Parkinson's disease.

The University of Pennsylvania, which had \$175 million in federal funding suspended, said that faculty across seven different schools were affected. Their contracts, according to [a statement by Penn's president](#), included research on preventing hospital-acquired infections, drug screening against deadly viruses and protections against chemical warfare.

Don't universities have their own money that could pay for this?

Yes and no. Most universities are funded by tuition and fees, private donations including endowments, research grants, and state and federal funding. But much of that money comes with guardrails.

Harvard had an endowment fund of \$53.2 billion in 2024, far more than any American university.

But that endowment fund does not serve as an A.T.M. for the school.

Many funds have specific restrictions that dictate how and when the money can be used. At Harvard, for example, 70 percent of the annual distribution of the endowment is allocated to specific programs or departments by donors. Endowments could be directed solely to the T.H. Chan School of Public Health, or specifically for graduate fellowships. There can also be legal restrictions on the funds, as well as rules on how much can be used for discretionary spending.

So, now what?

[Harvard became the first university](#) to refuse to comply with Mr. Trump's demands, citing their severe restrictions, including those on freedom of expression. In response, federal officials responded by freezing more than \$2 billion in grants. But Harvard's rejection of Mr. Trump's demands could mark an inflection point in his attack on U.S. academia.

“If Harvard had not taken this stand,” Ted Mitchell, the president of the American Council of Education, told The New York Times, “it would have been nearly impossible for other institutions to do so.”

University administrators nationwide, having watched Columbia concede to Mr. Trump to avoid losing \$400 million in federal funding, will now wait to see how Harvard and its president, Alan M. Garber, proceed in their fight against the Trump administration. It’s unclear what actions the Trump administration may take next, though possibilities include investigating Harvard’s nonprofit status and canceling more visas of international students.