**RECENT PROMISE CITY RESULTS**

**In a** [**paper**](http://research.upjohn.org/up_workingpapers/229/) **released on June 25, 2015, the Kalamazoo Promise college scholarship program is estimated to increase college completion by one-third.  The college completion effects of the Promise would be expected to significantly increase future earnings. Based on predicted future earnings effects, the annual rate of return to the Promise’s tuition subsidies is over 11%.**

This [paper](http://research.upjohn.org/up_workingpapers/229/) is the first to examine the effects of the Kalamazoo Promise on post-secondary outcomes. The paper was written by [Brad Hershbein](http://www.upjohn.org/about-us/who-we-are/research-staff/brad-j-hershbein), [Marta Lachowska](http://www.upjohn.org/about-us/who-we-are/research-staff/marta-lachowska), and [me](http://www.upjohn.org/about-us/who-we-are/research-staff/timothy-j-bartik), all economists at the Upjohn Institute.

Among the estimated effects of the Promise are the following:

* **The Promise is estimated to increase enrollment in a 4-year college by about one-third, from 40% for the comparable group in the pre-Promise period to 53% for the eligible group in the post-Promise period.**
* **The Promise is estimated to increase the receipt of any post-secondary credential (certificate, associate degree, bachelor’s degree) from 36% of comparable KPS graduates in the pre-Promise period, to 48% for Promise-eligible KPS graduates in the post-Promise period.**
* **The Promise is estimated to increase the percentage of KPS graduates getting a bachelor’s degree from 30 percent of comparable KPS graduates in the pre-Promise period, to almost 40% for Promise-eligible KPS graduates in the post-Promise period, an increase of about one-third in the number of BA/BS graduates.**

The Promise effects are not restricted to more advantaged groups. Promise effects appear to be similar for KPS graduates from low-income families compared to KPS graduates from middle-income families. Because baseline college success for students from low-income families on average is smaller, the relative effects of the Promise on college success are higher for low-income students. For example, the Promise is estimated to boost the number of low-income students attending a 4-year college by over 50%, over twice the percentage effect observed for middle-income students.  The Promise had at least as great and sometimes greater effects for non-white students compared to white students.

The [**Kalamazoo Promise**](http://topics.mlive.com/tag/Kalamazoo%2520Promise/index.html) "significantly" increases college graduation rates and offers a substantial return on the dollars spent, according to the first major study of the scholarship program's post-secondary outcomes.

**The biggest finding: Promise-eligible students are a third more likely to graduate college within six years of finishing high school compared to their pre-Promise peers**.

The researchers also estimate **The Promise yields an estimated $4.60 in benefits for every $1 invested. That means the $66 million spent so far on the program has an estimated return on investment of more than $300 million,** based on the projected increase in wages over 30 years for students who wouldn't have graduated college otherwise.

<http://www.upjohn.org/research-highlights/kalamazoo-promise-boosts-college-completion>

A[**new evaluation**](http://www.denverscholarship.org/sites/default/files/multi_file/subsection/download/2015%20Econ%20Impact%20Study.pdf) of Denver's Promise Scholarship program shows encouraging results as students are able to leverage additional dollars to fund their college education and become contributing taxpayers. And now, the program is expanding its emphasis on career technical education pathways in hopes of improving success for the lowest-performing students.

**The Pell Institute for the Study of Opportunity in Higher Education, based in Washington, and Development Research Partners of Jefferson County, Colorado, released a study Monday that determined the**[**Denver Scholarship Foundation**](http://www.denverscholarship.org/)**'s work adds $6-8 million in additional earnings to the regional economy each year.  Every dollar spent on a student who graduates with support from the foundation, researchers found, yields nine times that amount in the local, state, and federal taxes.**

The foundation, which blends private and public resources, provides college counseling at "future centers" in Denver public high schools, gives about 1,600 college scholarships to qualified students each year, and offers ongoing counseling once students get to college to help them get to the finish line.

**About 76 percent of scholars are persisting or have graduated since the program was established in 2006, "**We have a model that actually moves poor kids to and through college, which is unique," said Nate Easley, the executive director of the foundation, in a phone interview.