

2007

## What's New? What's Not? The Kalamazoo Promise in the Context of Other Scholarship Programs

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### Citation

Miller-Adams, Michelle. 2007. "What's New? What's Not? The Kalamazoo Promise in the Context of Other Scholarship Programs." Presented at a Town Hall Meeting on Education & Michigan's Economic Future, Kalamazoo, MI, January 17.  
<https://research.upjohn.org/presentations/5>

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# What's New? What's Not? The Kalamazoo Promise in the context of other scholarship programs

Town Hall Meeting on Education &  
Michigan's Economic Future

Michelle Miller-Adams

January 17, 2007

# Kalamazoo Promise: Basic Principles

- An economic development initiative with a scholarship program as its centerpiece
- *Place-based* – recipients must reside in the district and attend/graduate from Kalamazoo Public Schools (minimum of four years)
- *Universal* – every student who graduates & meets residency/attendance requirements is eligible
- *Generous* – covers 65% to 100% of tuition and fees for up to 4 years of college; indefinite duration (guaranteed at any point for at least the next 13 years)
- *Flexible* – may be used at any of 44 public colleges or universities in Michigan, including vocational education programs; may be used anytime within 10 years of graduation.

# The scholarship field is huge, making generalizations difficult.

- In 2003-04, 1,276,000 undergraduates received private scholarships (excluding aid from government, employers, and colleges)\*
- Average scholarship amount was \$1,982\*
- Total amount of awards was \$2.53 billion\*
- FastWeb, considered one of the most reliable scholarship web sites, includes in its database 1.3 million scholarships worth over \$3 billion.


\* Source: National Center for Education Statistics (NCES), *National Postsecondary Student Aid Study (NPSAS)*

# General trends in financial aid

- College costs at 4-year public schools are up about 25% from 5 years ago.
- Federal grant aid has declined in value.
  - No increase in Pell Grant in the past three years.
  - In 1985-86, Pell Grant covered 57% of average costs at a 4-year public school; now covers only 33%.
- Private (non-subsidized) student loans are growing.
  - Constituted 20% of all loans in 2005-06, up from 4% in 1995-96
- Shift from need- to merit-based aid
  - Need-based aid grew 47% between 1995-96 and 2003-04, while merit-based aid grew 212%
  - Merit grants as % of all aid: 35% in 1995-96 v. 54% in 2003-04

# Merit-based aid

- Fourteen states have introduced broad merit scholarship programs since the early 1990s.
- Not means-tested; available to all who qualify
  - GPA cut-off, SAT/ACT scores, high school curriculum
- Funding comes from general funds, lottery revenues, or tobacco litigation settlement.
- Distribution of merit-based grants (both state and institutional) is skewed toward higher income students.



# The goals of scholarship programs can vary widely.

- To increase access to college for low-income students
- To reward outstanding achievement, special talents, or certain values
- To increase college attendance rates among a given population
- To increase the percentage of a state's residents with college degrees
- To strengthen a community's economic vitality and quality of life

# Scholarship funds may come from public sources...

- U.S. government
  - Federal Pell Grants & Supplemental Educational Opportunity Grants
  - Federal Academic Competitiveness Grant and National Science and Mathematics Access to Retain Talent (SMART) Grant
- State programs
  - Georgia HOPE Scholarships (funded by Georgia Lottery)
  - Oklahoma's Promise
  - Michigan Promise Grants (formerly Michigan Merit Scholarships)
- Municipal programs
  - College Bound (Hammond, IN - funded by casino tax revenues)



# ... or from private sources

## ■ Foundations

- ❑ Gates Millennium Scholars (Bill & Melinda Gates Foundation)
- ❑ Legacy Scholars (W.K. Kellogg Foundation)
- ❑ College for Everyone (Sen. John Edwards' Center for Promise & Opportunity)

## ■ Businesses

- ❑ Employer-sponsored scholarships

## ■ Individuals

- ❑ I Have a Dream Foundation
- ❑ Heyl Scholarships
- ❑ Kalamazoo Promise (donors are anonymous)



# Scholarships awards are usually based on merit and/or need...

## Merit-based

- Georgia's HOPE Scholarships
- Michigan Promise Grants

## Need-based

- Pell Grants
- I Have a Dream Foundation

## Merit & need-based

- Federal Academic Competitiveness and SMART Grants
- Oklahoma's Promise
- Gates Millennium Scholars
- Legacy Scholars

# ... but not always!

- College Bound (Hammond, IN)
  - home ownership requirement
- College for Everyone
  - residency and community service requirement
- Kalamazoo Promise
  - residency and KPS attendance requirement

*Grade point average? Not an issue. Family income?  
Irrelevant. Behavioral problems? Not a problem.*

- Pittsburgh Post-Gazette, 12/14/06

# Summary of scholarship programs

|                                | <i>Public Funds</i>   | <i>Private Funds</i>                            |
|--------------------------------|---|---|
| <i>Merit-based</i>             | HOPE Scholarships<br>Michigan Promise<br>Grants                             | Heyl Scholarships                               |
| <i>Need-based</i>              | Federal Pell Grants   | I Have a Dream<br>Foundation                    |
| <i>Merit / need-based</i>      | Oklahoma's Promise<br>Federal Academic<br>Competitiveness &<br>SMART Grants | Gates Millennium<br>Scholars<br>Legacy Scholars |
| <i>Non-merit or need-based</i> | College Bound<br>Newton Promise   | College for Everyone<br>Kalamazoo Promise       |

# Programs vary in the services they provide...

- Early intervention services (literacy, mentoring)
  - I Have a Dream Foundation
  - Legacy Scholars
  
- Tuition plus support services (college prep, advice)
  - Oklahoma's Promise
  - College for Everyone
  
- Tuition coverage only
  - Gates Millennium Scholars
  - Georgia's HOPE Scholarships
  - Federal Pell Grants
  - Kalamazoo Promise

# ... and in their generosity.

- Full v. partial tuition coverage
  - Pell Grant (\$400-\$4,050/year) v. Kalamazoo Promise (full tuition & fees = \$9,030/year at the U-M)
- Number of years of support
  - College for Everyone (1 year immediately upon graduation) v. Kalamazoo Promise (4 years anytime within a 10-year period)
- Choice of schools
  - Legacy Scholars (Kellogg Community College) v. Kalamazoo Promise (any of 44 public colleges or universities)
- “First dollar” v. “last dollar”
  - Kalamazoo Promise v. everything else
  - tradeoff between simplicity and efficient utilization of funds



# What's unique about the Kalamazoo Promise?

- Place-based economic development with educational opportunity as catalyst
- Anonymous donors, leading to community mobilization
- First-dollar scholarships in the interest of simplicity and ease of access
- Generosity & flexibility
- Universal access (within KPS)

# Why such a powerful demonstration effect?

*The Kalamazoo Promise suggests that two of the most important goals of individuals and communities in the 21<sup>st</sup> century do not compete with each other but are actually complementary and mutually reinforcing.*

- 1) Need for higher education/skills in a global economy
- 2) Challenge of urban revitalization





Please contact me with comments, questions, or suggestions:

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