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## Mapping the Promise: Critical Pathways

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# Mapping the Promise: Critical Pathways

Town Hall Meeting on Education &  
Michigan's Economic Future

Randall W. Eberts

January 17, 2007

# Kalamazoo Promise: Basic principles

- **First and foremost**--An economic development initiative centered on student scholarship
- *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.

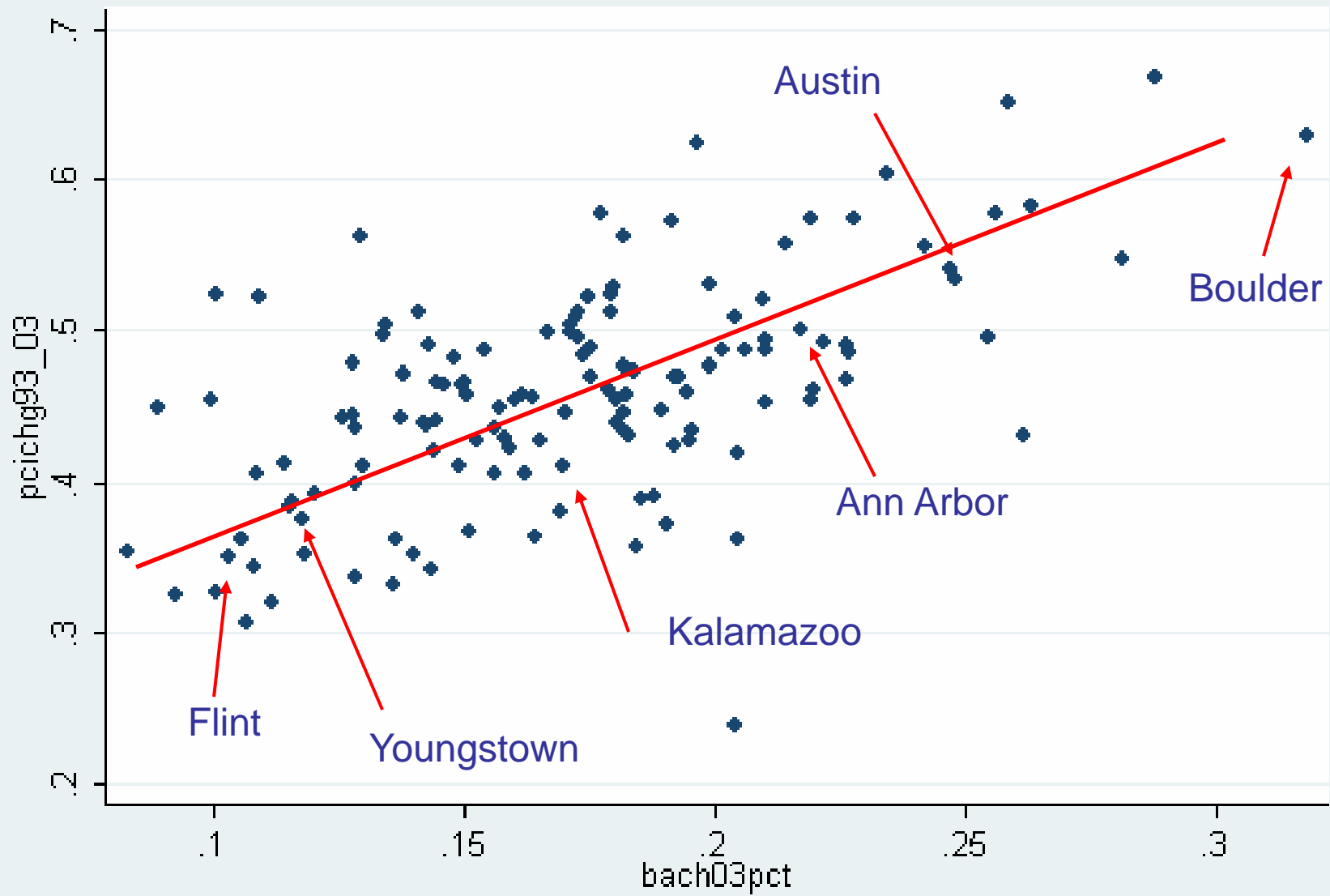
# Benefits to Students

- Employment prospects are greater for those with BA degrees
  - BA degree 3.6% unemployment rate (2003)
  - HS degree 5.2%
  - LT HS 8.5%
- Earnings are higher
  - 73% higher with BA degree than HS degree
  - The gap has grown by 70% since 1980

# Benefits to the Region

- A 1% point increase of college graduates in a region's workforce increases wages by 1.3% (Moretti, 2004)
  - Affects the wages of high school dropouts (1.9%) more than the wages of other college graduates (0.4%)
- A 1% point increase in share of college graduates increases the number of patents by 0.9% (Glaeser, 2003)
  - Reflects the ability of skilled workers to produce and use technology
- Skills may be a crucial part of the reinvention process of cities and regions (Glaeser, 2003)
  - Particularly important for regions with declining industries
- An increase in percentage with BAs of one standard deviation (about 23 ppt) increases per capita income by 1.4 percent

# Per Capita Income Growth and College Degree



# First level Effects

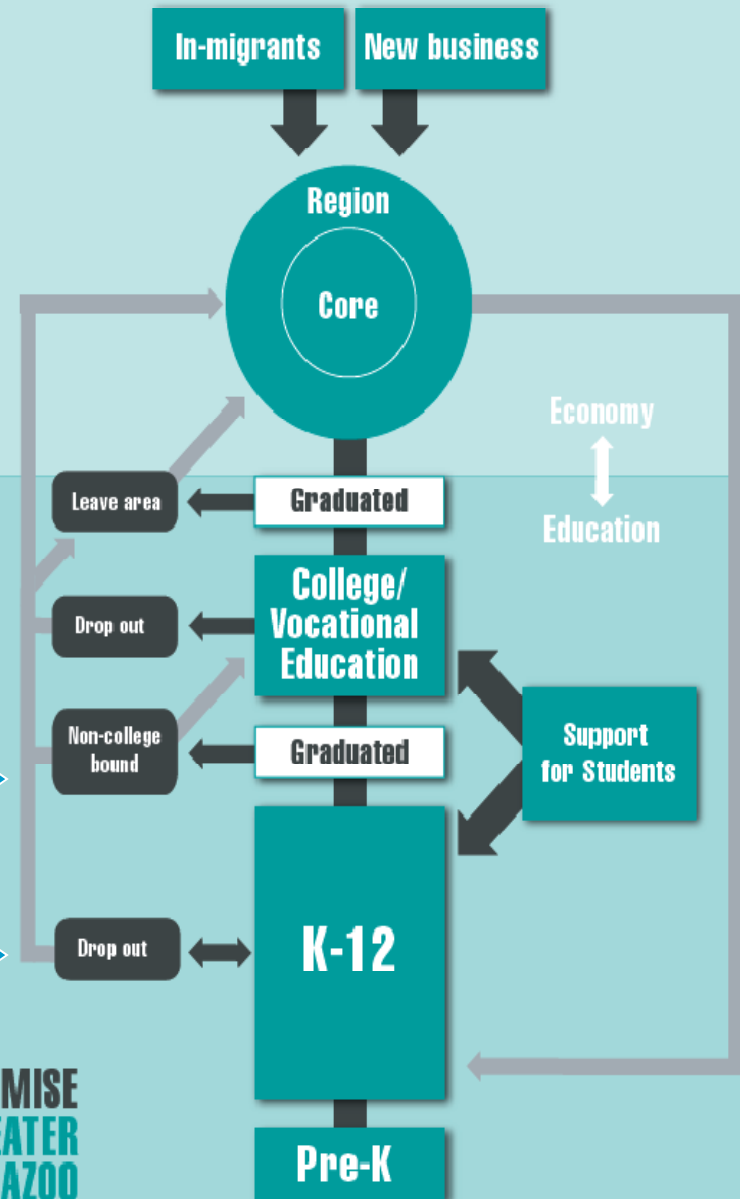
- Increase the percentage of people with college degrees
  - Scholarship reduces the financial barriers to a college education
  - Creates an environment attractive to people and firms that value education

## Critical Steps

- Reduce dropout rates
- Increase student retention
- Increase graduation rates

50% of 9<sup>th</sup> graders  
in KPS graduate

## PATHS TO SUCCESS



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of a GREATER  
KALAMAZOO



## Critical Steps

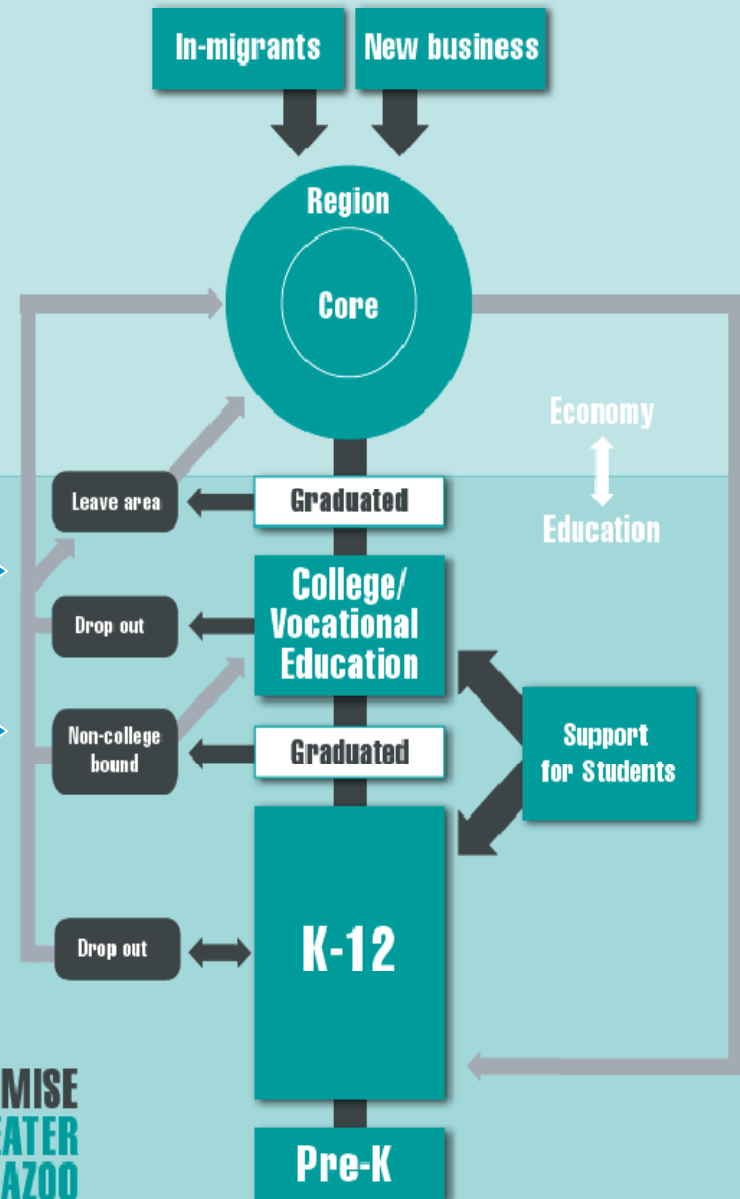
- Increase college applications
- Increase college enrollment
- Increase college retention

Nationally, 31% entering college complete an AA and 55% a BA

KPS Class of 2006:

- 68% of graduates entered college
- 63% under the Promise

## PATHS TO SUCCESS



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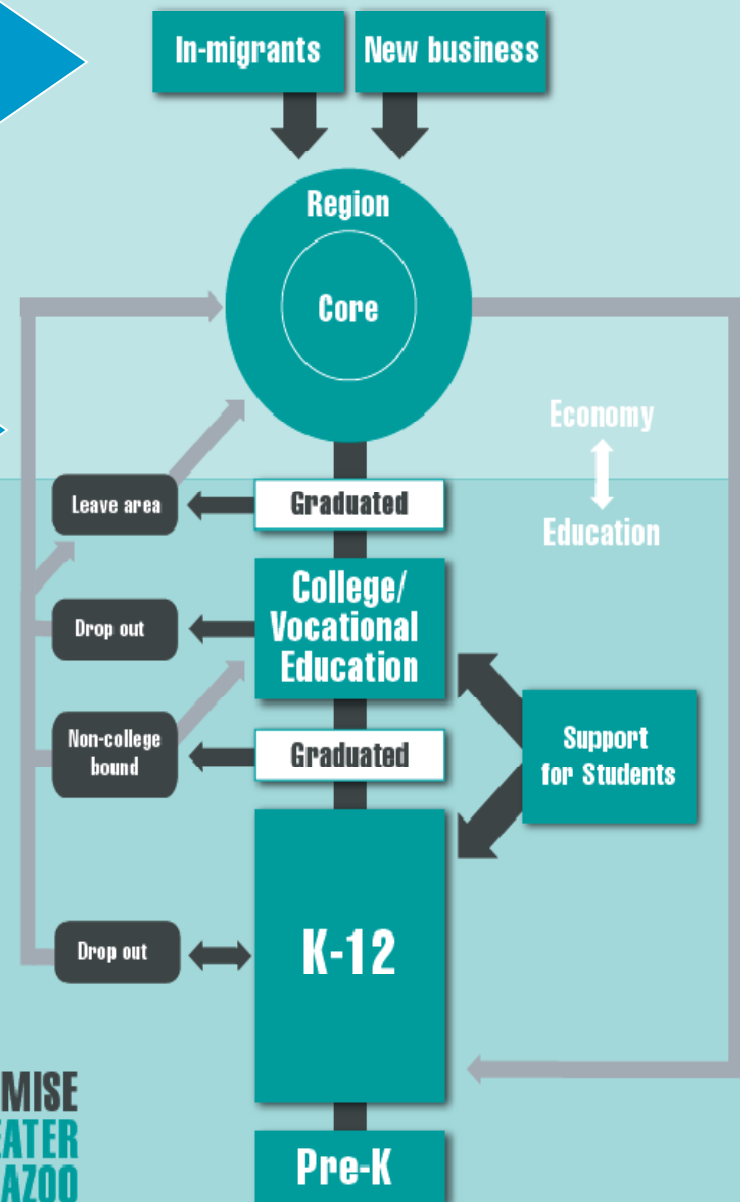
## Critical Steps

- Attract and retain college graduates

Nationally, 11% of 20-24 year olds leave the county in which they live

Through migration the Kalamazoo area lost 8% of its 1995 17-25 year olds who eventually held a BA or higher in 2000

## PATHS TO SUCCESS

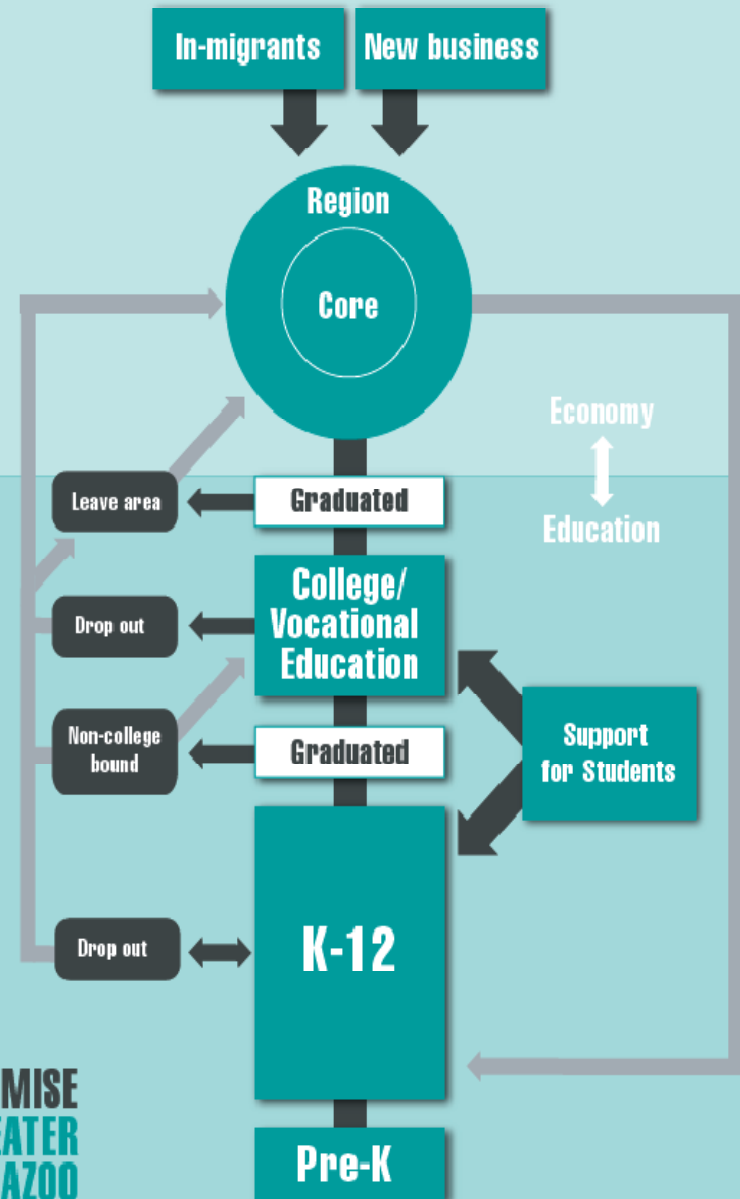


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of a GREATER  
KALAMAZOO

How can the Promise affect these critical steps?

Suggest possible impacts by looking at the recent experience of KPS before and after the Promise and from evaluations of state-level scholarship programs, such as the Hope Scholarship in Georgia

## PATHS TO SUCCESS



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# Possible Impact of the Promise

	Before Promise		After Promise		% change	County
	Initial Parameters	Outcome	Assumed impact	Outcome		25-34 year olds
% of 9 <sup>th</sup> grade cohort in KPS						
with some college		34.0%		52.5%		
with Associate Degree		4.1%		5.3%		
with Bachelor's Degree		13.1%		20.8%	60%	
Graduate w/ BA from transfer	0.13	18	+0.030	26	44%	
Graduate w/ BA from 4-yr	0.55	113	+0.025	183	62%	
Graduate with Assoc. Degree	0.31	41	+0.030	53	29%	
Enroll in 2-yr college	0.27	135	-0.044	158	17%	
Enroll in 4-yr college	0.41	205	+0.044	318	55%	
Enroll in college	0.68	340	+0.07	525	10%	
% 9 <sup>th</sup> grade to graduation	0.50	500	+200	700	40%	
KPS fall 9 <sup>th</sup> grade 2002-03		1000		1000		

# Possible Impact of the Promise

	Before Promise		After Promise		% change	County
	Initial Parameters	Outcome	Assumed impact	Outcome		
% of 9 <sup>th</sup> grade cohort in KPS						25-34 year olds
with some college		2		52.5%		
with Associate Degree				5.3%		
with Bachelor's Degree				20.8%	60%	
Graduate w/ BA from transfer	0.13	15	0.030	26	44%	
Graduate w/ BA from 4-yr	0.55	15		183	62%	
Graduate with Assoc. Degree	0.31	15	0.030	53	29%	
Enroll in 2-yr college	0.27	15	0.030	158	17%	
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National survey results

KPS experience

KPS experience

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Graduate with Assoc. Degree	0.31	41	+0.030	53	29%	
Enroll in 2-yr college	0.27	135	-0.044	90	-33%	
Enroll in 4-yr college	0.41	205	+0.044	249	21%	
Enroll in college	0.68	340	+0.07	410	21%	
% 9 <sup>th</sup> grade to graduation	0.50	500	<b>+200</b>	700	40%	
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KPS  
experience

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Georgia  
Hope  
evaluation



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Georgia Hope evaluation

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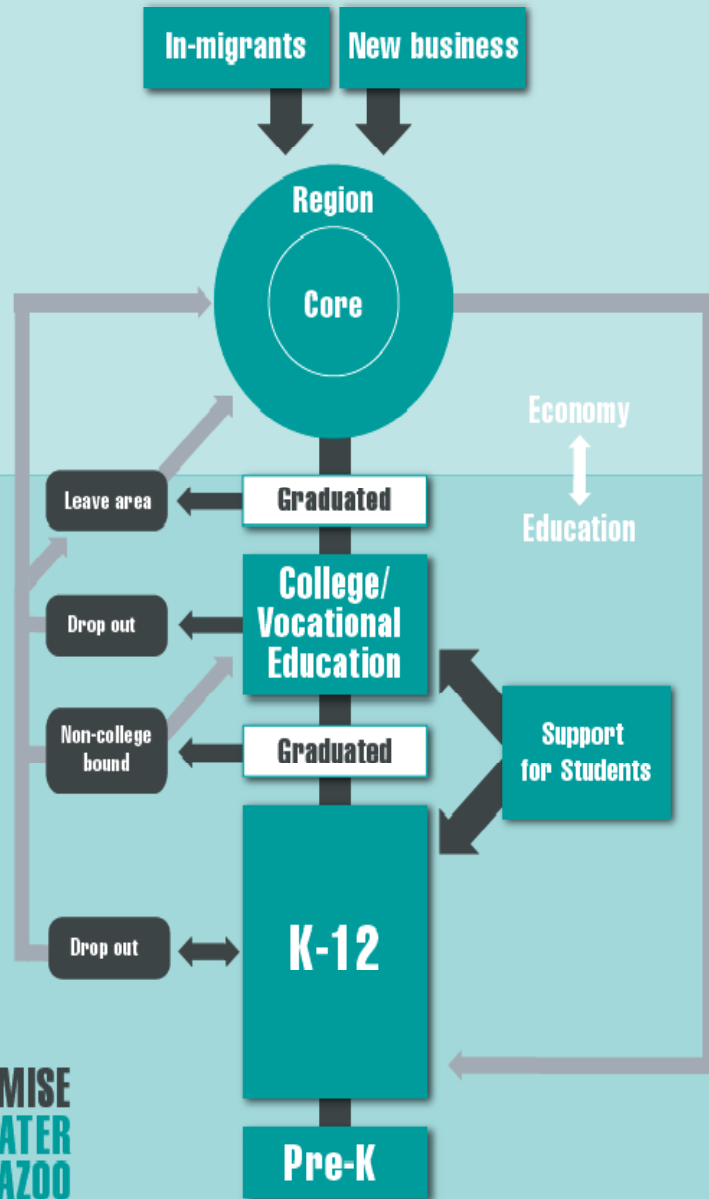
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# Raises our Ranking

- Increasing the percentage of BAs for ages 25-34 from 22.2% to 24.4% raises our ranking from 122<sup>nd</sup> out of 359 metro areas in 2000 to 84<sup>th</sup>
- Eliminating the 8% BA drain from the area would further increase our ranking from 84<sup>th</sup> to 61<sup>st</sup>

# PATHS TO SUCCESS



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## Secondary Effects

Increased in-migration of people with higher education and the desire to live in a community that places a high priority on education

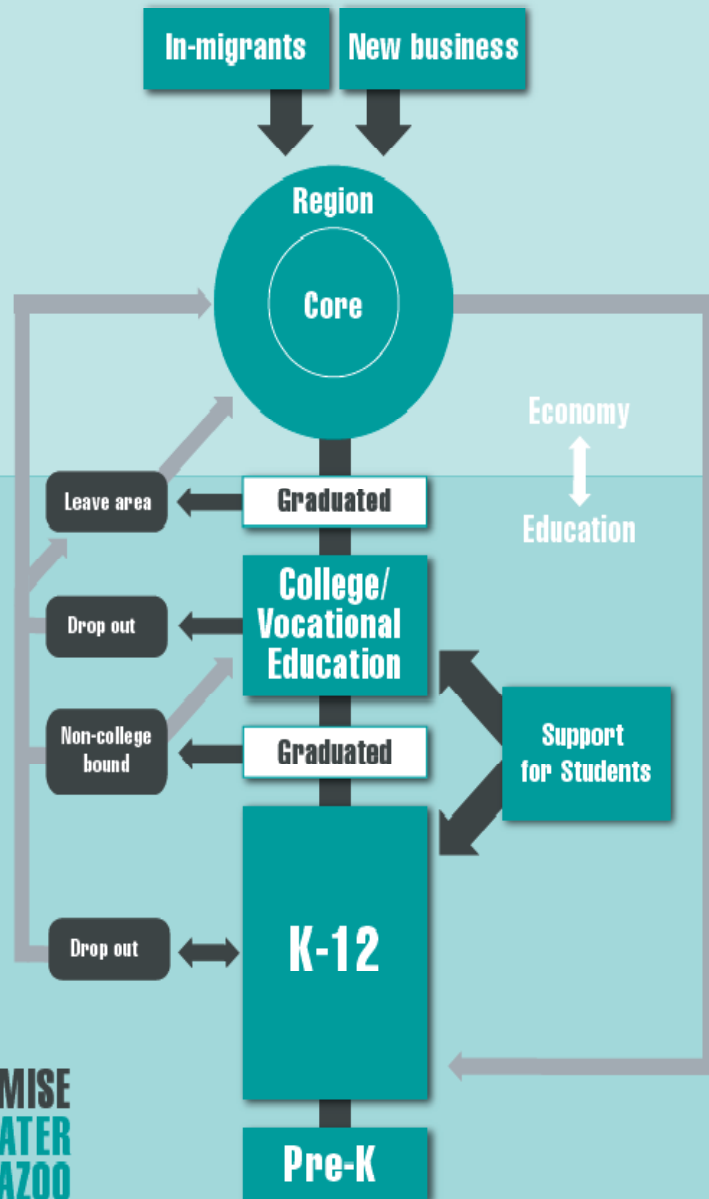
- Increase in housing values
- Greater resources in area
- Focus on development of the urban core
- Benefits the entire region

Increase in discretionary dollars in the region

Greater demand for local higher education institutions

Improvement in local educational institutions from increased resources and better alignment with goals and objectives

# PATHS TO SUCCESS



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KALAMAZOO

## Community Engagement!!

Fulfilling the Promise  
will not happen on its own ...

Need support for students to:

- Understand the benefits of a college education
- Prepare for college while in K-12
- Meet the rigors of college education

Need employers to see the benefit of a well-educated labor force and create high-end jobs in the local area

# Scorecard

## Students:

### A. Progress throughout K-16

1. Grades
2. Test performance (MEAP, etc.)
3. Expected grade progression
4. Dropout rate
5. Application to college rate
6. Acceptance to college rate
7. Graduation rate
8. College entrance rate
9. College retention
10. Major and coursework
11. Graduation Rate
12. Location of first job (earnings, etc.)

### B. Community/school support

1. Parental attitude/support
2. Community organizational support

## School:

1. Enrollment (new students, exits)
2. Resources (state foundation aid, other sources)
3. Teacher turnover
4. Teacher applications
5. Teacher composition
6. Attitude/policies toward pursuing the Promise

## Urban Core:

1. Downtown Development  
residential/commercial
2. Vacancy rates
3. Tax revenues

## Community:

1. House Sales
2. Vacancy rates
3. New housing starts
4. Time on listings
5. Origin of new residents
6. Tax base effects
7. Population change

## Region:

1. Population change
2. Employment change (job creation)
3. Type of jobs available
4. industrial mix
5. entrepreneurial activity





Please contact me with comments, questions, or suggestions:

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