

Reducing Inequality through Universal, Place-Based College Scholarships:
Lessons from the Kalamazoo Promise

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Abstract: The Kalamazoo Promise, announced in 2005, is an innovative college-scholarship program available to every graduate of the Kalamazoo (Michigan) Public Schools. It is also the centerpiece of an economic development strategy to revitalize an urban community that has lost jobs and population over the past several decades. Programs such as the Kalamazoo Promise, which is being emulated in cities across the United States, open new avenues for the acquisition of human capital regardless of income level or academic achievement, while facilitating the creation of economic and social assets for the community. Following a brief explanation of the program itself, this paper examines the Kalamazoo Promise as a human capital-investment strategy and its usefulness as a mechanism for reducing inequality. I find that the Kalamazoo Promise and programs modeled on it hold great potential for reducing inequality, although not necessarily in expected ways. While full college scholarships in and of themselves open the path to free higher education for all youth in a community, the barriers to success remain high for economically disadvantaged and lower-achieving students. The more powerful influence of such programs on inequality comes from their role as a catalyst for change in the culture of the school district and for the alignment of a community's resources around the broader goals of the program.

Introduction

In November 2005, the mid-sized city of Kalamazoo, Michigan, became home to an unprecedented experiment in education-based economic renewal when it was announced that a group of anonymous donors had created the Kalamazoo Promise – a scholarship program that guarantees full college scholarships to every student who graduates from the Kalamazoo Public Schools (KPS). Embedded in the scholarship program is an economic development agenda that seeks to revitalize the city and the region through a substantial investment in the community's public school district and its students.

The Kalamazoo Promise differs from most other scholarship programs in that the allocation of funds is based not on merit or need, but on place. Beginning with the class of 2006 and continuing in perpetuity, every KPS graduate who has been enrolled in and resided in the district since Kindergarten receives a scholarship covering 100 percent of tuition and mandatory fees at

any of Michigan's 44 public colleges or universities. Graduates who have attended a KPS school and lived in the district for four years receive a scholarship covering 65 percent of these costs, with a sliding scale for those in between. There are almost no strings attached apart from the four-year minimum residency and enrollment requirement: students must maintain a 2.0 GPA in their college courses and make regular progress toward a degree.¹

Since its announcement, over 1,100 KPS graduates have utilized some portion of their scholarship, with 800 recipients currently enrolled at 19 institutions across the state. As of spring 2009, the donors had spent \$10 million, 45 percent of which had gone to local (Kalamazoo-based) post-secondary institutions. The public school district has seen an enrollment gain of 13 percent following decades of decline, with the new students bringing with them approximately \$10 million in per-pupil funding from the state.² The initial results of the program include many surprises, some positive for the local economy (approximately two-thirds of scholarship recipients have chosen to attend a local college or university, maximizing the local economic development impact), others less so (the program has had no discernible effect on the local real estate market). But there is no bigger surprise than what has happened outside Kalamazoo. Spurred in part by extensive national media coverage, scores of communities around the nation have created their own universal, place-based scholarship programs inspired by and modeled on the Kalamazoo Promise (Miller-Adams 2009b). This intensive pattern of replication begs the question "why?" The answer can be found in a set of challenges shared by many different kinds of communities and the unique tool for addressing them offered by Promise-type programs.

The assumption behind the Kalamazoo Promise is simple yet profound. By investing in the human capital of its young people, regardless of their academic performance or financial need, a

¹ Program details are available at <https://www.kalamazoopromise.com/>

² Data on the Kalamazoo Promise is available through the W.E. Upjohn Institute for Employment Research at <http://www.upjohn.org/promise>.

community can enhance its economic competitiveness, strengthen its school district, improve its workforce, and perhaps even increase its population, tax base, and real estate values.

Conceptual framework

The Kalamazoo Promise arrived on the scene at an auspicious moment. For decades, policymakers at all levels of government have experimented with diverse approaches to stimulating local economic development and increasing access to higher education. At the turn of the 21st century, both challenges seemed more pressing than ever. The changing nature of employment in the United States and increased global competition has deepened public understanding that higher education is essential for individual success in today's economy (see Friedman, Goldin & Katz). At the same time, cities, especially those in the industrial regions of the Northeast and Midwest, have struggled to maintain their economic vitality in the face of job loss, population decline, and the hollowing out of the urban core. Yet these two priorities are almost always presented as tradeoffs, with taxpayers, private donors, and philanthropic organizations asked to allocate scarce resources either to making a community more competitive economically or to investing more resources in education.

The Kalamazoo Promise represents an unprecedented joining of these two agendas and suggests that the best strategies for increasing educational attainment and promoting economic development are one and the same. By supporting and encouraging higher education for local youth, communities not only increase the human capital of their residents but also position themselves for greater competitiveness in the global economy.

On the Kalamazoo Promise web site, the motivation for the program is phrased simply but touches on both education and the economy:

1. Education is an important key to financial well being.
2. It allows Kalamazoo Public Schools to differentiate itself from other public and private school systems.
3. It provides a real meaningful and tangible opportunity for *all* students.
4. The Kalamazoo Promise will create opportunities for individuals who attend Kalamazoo Public Schools and their current and future families. It follows – and studies have shown – that there is a strong correlation between overall academic achievement and a community’s economic vitality and quality of life.³

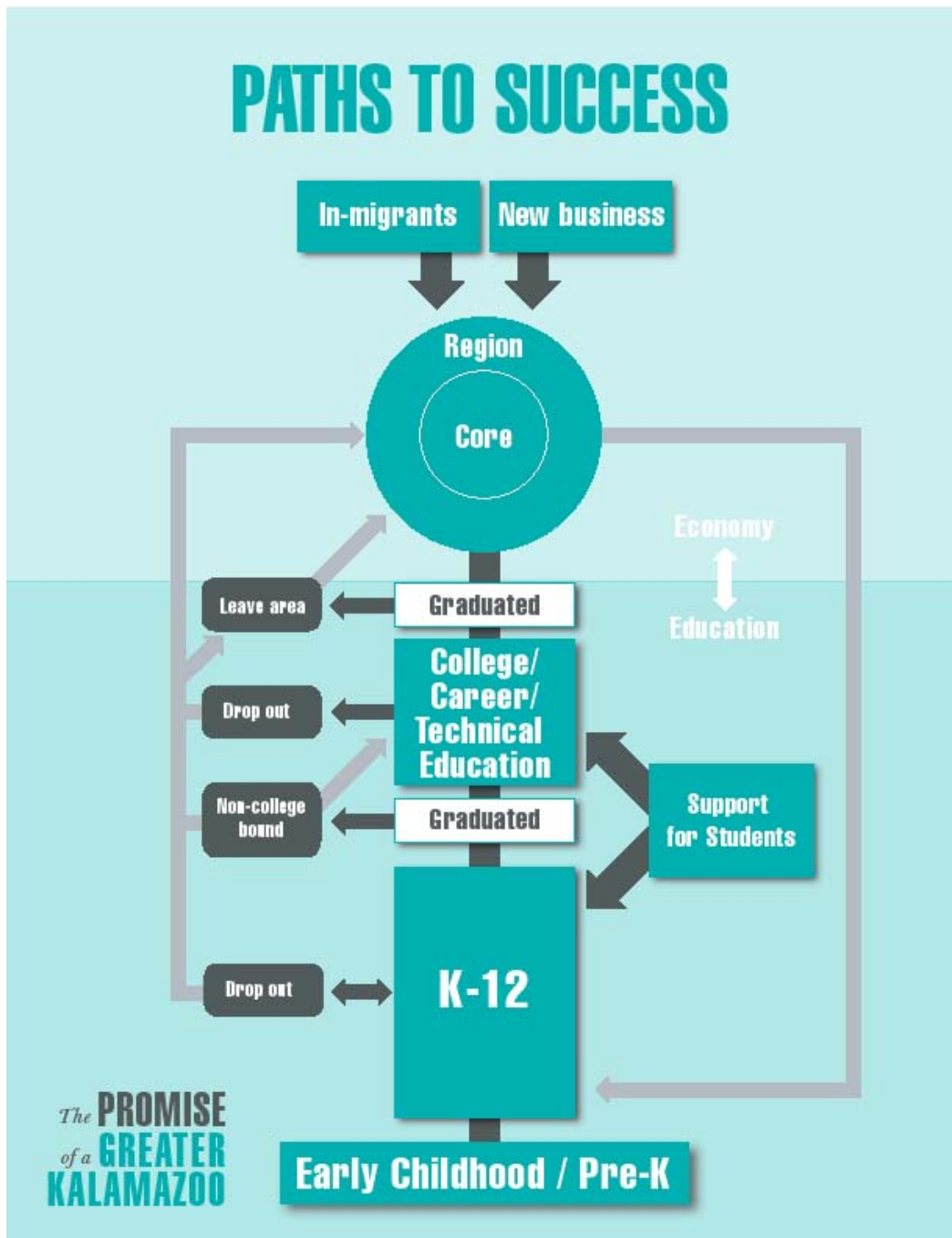
The program is designed to provide maximum benefit to long-term attendees of the district: “A desired outcome of the program will be to encourage families to make early decisions to enroll their students in Kalamazoo Public Schools, and to maintain that enrollment through graduation (ibid).”

The emphasis on long-term enrollment and a strictly enforced residency requirement support the idea that there is more to the Kalamazoo Promise than simply increasing educational opportunities for local students. Since the 1970s, Kalamazoo has experienced the same powerful trends witnessed in much larger urban areas, especially those of the upper Midwest and Northeast: deindustrialization, suburbanization, middle-class flight, and business consolidation. The result is a core city characterized by shrinking population, concentrated poverty, deteriorating infrastructure, housing segregated by race and income, school attendance that corresponds largely to these segregated housing patterns, and higher crime rates than in surrounding suburbs. A climate such as this requires a powerful intervention to reverse negative trends long under way. The Kalamazoo Promise is clearly meant as such a transformative

³ Frequently Asked Questions (FAQ), Kalamazoo Promise web site: <https://www.kalamazoopromise.com/>

investment – one that changes the incentives for diverse actors with attendant benefits for both educational attainment and the local economy.

Figure 1. “Paths to Success:” The interrelationship of education and the economy



Staff members at the W.E. Upjohn Institute designed the “Paths to Success” diagram on the previous page to represent the interrelationship between a community’s educational and economic systems, and to suggest what indicators should be used to measure the overall impact of the scholarship program.⁴ The diagram shows how the scholarship program affects each of the following spheres as well as the connections among them:

- ***Pre-K through 12th grade education.*** The Kalamazoo Promise and programs modeled on it begin with the individual student enrolled in the public school district (some programs outside Kalamazoo also cover private, parochial, and/or charter schools). The availability of full college scholarships to long-term residents creates a powerful incentive for families with school-age (or younger) children to move into the district. The guarantee of a scholarship is explicitly in place for every student enrolled in Kindergarten, which provides certainty that all students in the district at any given moment will have access to free post-secondary education. Expected outcomes as a result of this guarantee include increased K-12 enrollment, higher graduation rates, and a greater likelihood of high-school graduates going on to some kind of post-secondary institution. Strong incentives are also created for the school district and community support organizations to provide the resources necessary for all students to take advantage of the available scholarships. This includes not just efforts to ensure that lower-achieving students are able to gain admittance to and succeed in the post-secondary program of their choice, but also initiatives to keep higher-achieving students challenged and engaged. A related component is the need for effective, high-quality preschool and early childhood programs to ensure that all children start school prepared for success. Critical to all of these efforts are school- and

⁴ See [Mapping the Promise: Critical Pathways](http://www.upjohninstitute.org/promise/index.htm), a PowerPoint presentation by Randall W. Eberts, on W.E. Upjohn Institute web site: <http://www.upjohninstitute.org/promise/index.htm>

community-based strategies to support parents and families, and to create a culture of college-going for youth of all backgrounds. In Kalamazoo, the introduction of the scholarship program has served as the catalyst for a climate of high and rising expectations within the school district and the engagement of a broad range of community institutions around the goal of student success.⁵

• ***College, Career, and Technical Education.*** Depending on the availability of local higher education options, students may choose to pursue their post-secondary studies or training within or outside the region. (In the case of the Kalamazoo Promise, students who decide not to continue their education immediately after graduation have the option of doing so at a later date because their scholarships can be used anytime within ten years of graduation.) High rates of local college attendance have been seen with the first three classes of Kalamazoo Promise-eligible students – a pattern that strengthens the enrollment of local colleges and universities and keeps scholarship dollars within the region. Students who leave the area for college may choose to return while, conversely, students who attend a local post-secondary institution may move away after they graduate. In the aggregate, however, increased rates of high-school graduation and post-secondary attainment for local youth will increase the community’s stock of human capital and over time create a better-educated local workforce. Here, too, there is a strong incentive for post-secondary institutions to provide the support necessary for students – many of them first-generation college-goers – to succeed in their college or career/technical programs. The new opportunities provided by the scholarships may also serve as a catalyst for closer

⁵ See, for example, the district’s strategic planning expectations for the community, educators, parents, students, and support staff, available on the Kalamazoo Public Schools web site at <http://kalamazoopublicschools.com>.

integration of post-secondary institutions and K-12 schools, as well as deeper engagement of area businesses in helping students define their career pathways.

• ***Workforce and Economic Development.*** The scholarship program offers short- and long-term advantages to businesses in both the urban core and the broader region. Companies in either locale can use the program as an incentive to recruit or retain employees, since workers can opt to live within the school district's boundaries where their children will qualify for the scholarships. The scholarship is also an enticement for entrepreneurs, freeing up their children's college savings for business investment purposes. For businesses outside the region, the scholarship program provides the same tangible incentives, as well as an intangible but powerful signal that the community is one that values and invests in education. (The quality of the public schools is a critical factor in business location and expansion decisions.) As businesses relocate to or expand within the region, jobs and economic activity (e.g., home purchases, discretionary spending) will be created with benefits for both existing and new residents. College graduates who left the area to attend school or work in a larger city may choose to return, especially when they are ready to buy a home or start a family. Increased regional economic vitality should work together with the scholarship program to support population growth, which will in turn contribute to increased enrollment in the public schools.

A new model for human capital investment?

What differentiates the Kalamazoo Promise from other scholarship programs is its place-based focus (only students graduating from a given public schools district are eligible) coupled with universal coverage (*all* students graduating from that district are eligible provided enrollment and

residency requirements are met). It is this structure that points to the economic development implications of the program. Place-based economic development is nothing new. For half a century, cities, regions, and states have pursued strategies to increase the number of jobs available for residents, expand the tax base, and improve the quality of life. Since their large-scale adoption in the 1960s, local economic development policies have passed through three stages: Until the early 1980s, the focus was on strengthening a community's infrastructure to increase its appeal to outside investors. From the 1980s to the mid-1990s, the emphasis was on customized aid for specific businesses and industries, including the creation of business incubators, start-up support, and technical assistance. Beginning in the late 1990s, communities began to adopt more holistic approaches intended to make the entire business environment more hospitable. Greater support for the development of business clusters, an emphasis on workforce development and education, the creation of public/private partnerships, and attention to quality of life indicators are elements of this effort (World Bank). Local economic development efforts in Kalamazoo, carried out by a multiplicity of actors, followed this trajectory, from the construction of a downtown pedestrian mall in 1959 to the comprehensive, cluster-based strategy emphasizing knowledge-intensive firms advocated fifty years later (for a brief history of local economic development efforts in Kalamazoo, see Miller-Adams 2009a, Chapter 2).

The Kalamazoo Promise embodies an economic development strategy that emphasizes human capital and quality of life as critical factors in attracting and retaining businesses within a given community. Firms have become more footloose in recent years thanks to lower transportation and communication costs and the shift from manufacturing to service provision; as a result, business recruitment and retention efforts are easiest in a city that is home to the kind of workers businesses value. A Michigan-based consultant writing shortly after the Kalamazoo

Promise was announced recognized this important shift from past economic development approaches to a human capital-centered strategy:

Communities facing hard times have traditionally focused on such things as new public buildings, business parks, and the like as a means of enticing new employers and new residents to a community. Temporary tax breaks and incentives have also been tried frequently. Success has been limited. The Promise is different. The enticement of new residents to the community to take advantage of funding of their children's college educations is a strong one. Given tight labor markets across the nation, new companies are also likely to consider Kalamazoo as a place to do business as they see a rising population. The lure of more and more college graduates in the local labor force in coming years is also a powerful incentive to locate a business in Kalamazoo (Thredgold 2007).

The positive impact on the labor market is not solely a long-term proposition that rests on the eventual graduation from college of a steady stream of highly educated Kalamazoo Promise recipients. The program has served immediately to increase the aggregate level of Kalamazoo's human capital by making it a more attractive place for business to locate – in other words, it has helped create a community where a firm's workers and potential workers are more likely to want to live. In addition, it has made the community "stickier" for existing firms and residents through both the tangible benefits provided by the scholarship program and the less tangible but critically important boost to reputation, morale, and identity brought about by the program's creation.

If economic development is one of the underlying goals of the Kalamazoo Promise (a reasonable assumption given its structure and likely outcomes), why are college scholarships the cornerstone of the program? The short answer is that education is possibly the most important factor in a community's economic success. The longer answer rests on the premise that education increases an individual's productivity and that productivity is in turn the key to economic growth. Human capital can be defined as "the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social, and economic

well-being (OECD).” Most economists believe that the greater an individual’s human capital, the more productive he or she will be as a worker. This is what underpins the wider range of job choice and higher earning potential of the skilled or educated worker.

The benefits of education do not adhere only to the individual. The logic of capitalism requires that businesses seek to maximize productivity. One of the chief mechanisms for doing this is to assemble a well-trained and productive workforce. Because access to such a workforce is critical to business success, cities or regions rich in workers with high human capital are among the most appealing places for businesses to locate. Kalamazoo has always been such a place, as the figure below suggests, thanks to the longtime presence of a major pharmaceuticals company, other biomedical industries, and a large research university:

Table 1. Percentage of residents with four or more years of college

	1970	1980	1990	2000
City of Kalamazoo	17.0%	26.8%	29.8%	32.8%
City of Portage	16.9%	25.5%	31.3%	36.9%
State of Michigan	9.4%	7.2%	17.3%	21.8%
United States	11.0%	17.0%	21.3%	26.0%

Source: U.S. Census Bureau - All numbers are for population age 25 and above.

Local economic development officials have worked hard to retain the region’s intellectual and financial capital in the aftermath of corporate downsizing (especially the loss of the pharmaceuticals company’s headquarters and research divisions), pursuing a regional cluster strategy that focuses on the life sciences. The State of Michigan, too, has recently announced the goal of doubling the number of college graduates statewide in order to adapt to the decline of the

automotive industry and position the state for future economic success (Cherry Commission, State of Michigan). These efforts reflect the conviction that an educated workforce is essential for competitiveness in the global economy of the 21st century.

In exploring the connection between workers' skills and regional economic growth, Glaeser and Saiz (2003) have found that, apart from climate (which along with immigration is the strongest driver of metropolitan population growth in the United States), "skill composition may be the most powerful predictor of urban growth. This is both a boon to the skilled cities that have done spectacularly over the past two decades and a curse to the cities with less skilled workers that have suffered an almost unstoppable urban decline." (ibid:42). Glaeser and Saiz argue that human capital matters most in potentially declining places. Skills are most valuable in these settings because they help cities adapt and change in response to negative economic shocks. This finding has clear implications for urban policy: "City growth can be promoted with strategies that increase the level of local human capital (ibid:43)," including the provision of quality public schools. A high-quality educational system plays two roles, attracting educated workers to a community while producing more of them through graduation and access to higher education.

The Kalamazoo Promise and programs modeled on it are good examples of this dual dynamic. The availability of scholarships creates an incentive for workers and businesses who value education to move to or remain within the community. At the same time, it increases pressure on the public school district to educate and graduate students who are prepared to pursue some kind of post-secondary education. Over time, these two paths should converge to yield a more highly skilled local workforce.

Elaborating on the education-economy connection, Glaeser and Berry (2006) show that “smart” regions (those with a skilled workforce) experience higher rates of population and income growth than those without these assets. Their research found that regions where more than 25 percent of the population had college degrees in 1980 saw their population surge by 45 percent on average over the subsequent twenty years, while low-skilled metropolitan areas (those where fewer than 10 percent of adults had college degrees in 1980) grew on average by just 13 percent. In addition, even unskilled workers located in the “smart cities” earned significantly more than their counterparts in metropolitan areas with lower levels of educational attainment. And the gap in educational attainment between skilled and less-skilled areas has accelerated. One possible reason for the widening gap is that entrepreneurs of the past tended to hire large numbers of unskilled workers (think Henry Ford), whereas today’s most successful businesses rely on highly educated workers (think Bill Gates). In a virtuous circle in which smart places are getting smarter, regions with an initial advantage in human capital are better able to attract employers who provide jobs for workers with high levels of skills and education.

Other research has shown that an increase in a metropolitan area’s concentration of college-educated residents has a positive effect on employment growth (Shapiro 2006), while cross-national comparisons suggest that the educational level of the population is an important factor in a country’s competitiveness in the global economy. Within a community, the presence of institutions of higher education can also contribute to economic growth. Even if the direct impact on growth is debatable (Federal Reserve Bank of Chicago 2007), universities play a critical role in workforce development and as a resource for businesses seeking to develop or apply new technologies.

The Kalamazoo Promise fits readily within this landscape of education-based economic competitiveness and human capital investment. However, it represents a major innovation in that the mechanism through which it seeks to achieve these goals is a generous, open-ended investment in the educational opportunities of young people, many of them of low-income and minority status, who attend the school district that serves the region's urban core. This approach raises the critical question of whether the Kalamazoo Promise and the increasing number of programs modeled on it can serve not only to strengthen a region's economic competitiveness but also to reduce the high levels of inequality almost always found within declining regions.

The impact of Kalamazoo Promise-type programs on inequality

It should be stated at the outset that there is very limited hard data available regarding the inequality-related outcomes of the Kalamazoo Promise. The reason is the short time frame during which the program has been in effect with only three graduating classes having received the scholarship to date (other programs modeled on the Promise are even younger). School enrollment data does show a strong positive impact from the program (see below) and there is some evidence of an increase in high-school graduation numbers among African-American students. However, any assessment of the overall impact of the program on grade promotion, test scores, on-time graduation, college attendance, and college persistence will need to await the data that will be forthcoming over the next few years. But even without hard data, it is possible to set forth several of the mechanisms through which inequality of both opportunity and outcomes are likely to be reduced by the introduction of the Kalamazoo Promise. One of these mechanisms is direct while the other two are more subtle.

• ***Universal college access.*** By providing all graduates, regardless of academic merit or financial need, with full college scholarships, the Kalamazoo Promise undoubtedly creates greater equality of access to higher education. Immediately following the announcement of the program, a variety of critics spoke out with concern over who would benefit most from the program. Some advocates for low-income youth suggested that the greatest benefits would go to middle-income students who were already college bound, rather than lower-achieving students (many of them low-income and minority) who were academically and socially unprepared for post-secondary education. Conversely, other observers interpreted the choice of the Kalamazoo Public Schools (a district where 67 percent of students qualify for lunch assistance programs and only 40 percent are white) as the target of the program as evidence that it was designed to serve low-income, minority youth (Miller-Adams 2009a, Chapter 1). A related critique is that lower-achieving students, who tend to come from lower-income families, are more likely to attend a two-year community colleges, whereas higher-achieving students, who tend to be from higher-income families, are more likely to attend more expensive four-year universities – hence, the higher-income students will be receiving a larger financial benefit than those from poorer families (Dowd 2006). These criticisms have abated as it has become clear that both middle- and low-income students of the district are taking advantage of the program and that the critical factor in where a student attends college is his or her level of academic preparedness, not income level or race.

The Kalamazoo Promise has lowered dramatically one key barrier to college access for low-income students – the high and rising cost of college tuition and failure of federal needs-based aid to keep pace – but other barriers exist. These include the achievement gap by income and race that persists throughout the K-12 system, social and behavioral issues that impede

college readiness, and the absence of role models and support for first-generation college-goers in navigating the college application and financial aid system. The Kalamazoo Promise has the potential to address these barriers as well through changes in the culture of the school district and the broader community (see below).

The true test of the program as a tool for reducing inequality will come over time. Students already in high school when the scholarships became available had very few degrees of freedom to adapt their K-12 education and aspirations to the opportunities now available to them. Younger students have more time and more freedom. If a child from a poor family spends five, ten, or thirteen years in a school setting where she learns that she can attend the same college as her middle-income peer, this is virtually certain to change her expectations, goals, and attitude toward school. It is also likely to change her families' expectations (although reaching families is a more challenging proposition than reaching students). Equally important is the positive impact on teachers' expectations for their students, as demonstrated in a recent survey of teachers' attitudes following the introduction of the Promise (Jones). If that child goes on to receive the same college degree as her middle-class peer, she will have access to the better employment opportunities and higher incomes associated with a college degree, and the Kalamazoo Promise would indeed have served an equalizing role. For students who are not academically inclined, the Kalamazoo Promise also holds tremendous equalizing potential. If a student with weak academic skills or little interest in a traditional course of study can persist until high school graduation, he or she now has the option to attend a broad range of trade and technical training programs at no cost. These include even very short- or medium-term programs (such as a five-week hospitality academy or 33-week automotive technician academy), some of which yield secure, relatively high-wage employment opportunities. For students who complete this training and go on to

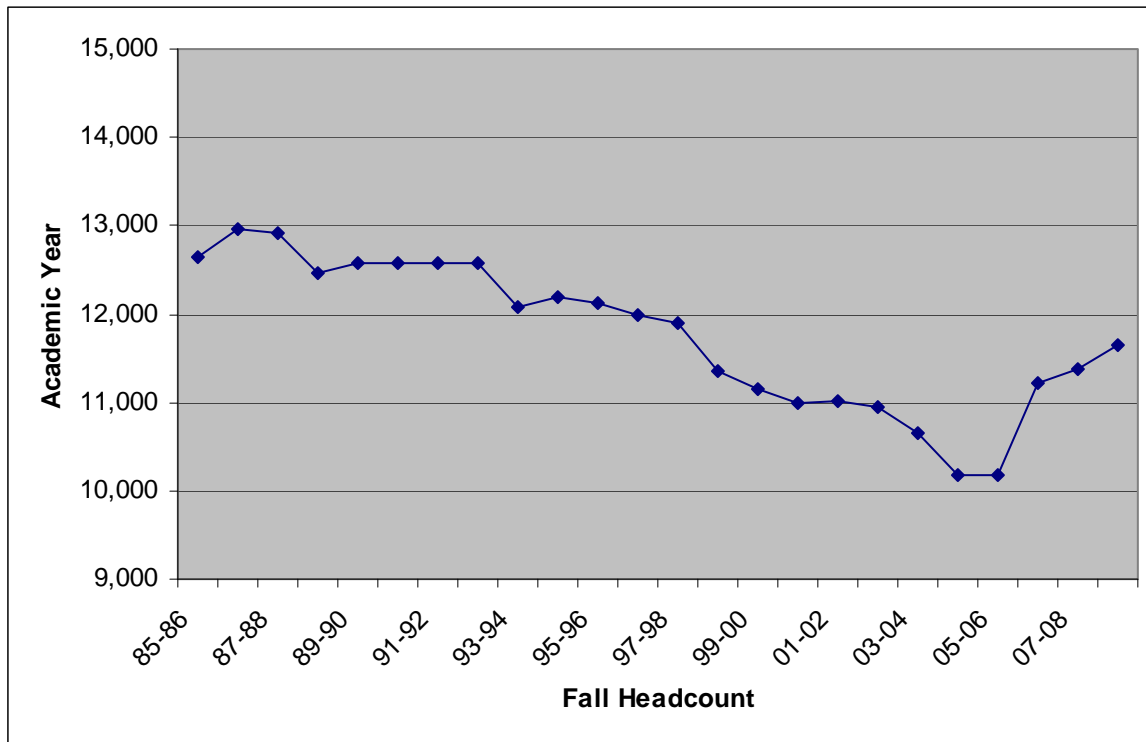
gainful employment the Kalamazoo Promise will have made a tremendous difference in their income and employment outcomes.

• ***Cultural change in the schools.*** As noted above, the universal availability of college scholarships through the Kalamazoo Promise reduces one of the most widely recognized barriers to college attendance for low-income individuals: the cost of tuition. While other, less obvious barriers remain, the Kalamazoo Promise has set in motion some dynamics that may reduce these as well. The Kalamazoo Public Schools district has responded to the introduction of the scholarship program with a publicly expressed and oft-reiterated commitment to making every child college ready by the time of graduation. This has involved the continuation of many longstanding efforts aimed at early literacy, more rigorous curriculum standards, and new testing requirements. But some additional efforts have been put in place as a direct result of the Promise, including a “college readiness” course for all 10th graders, more opportunities for credit recovery to make possible on-time graduation for more students and reduce the impetus to drop out because of missing credits, and greater attention to career awareness at the middle-school level. One important component of this effort is the creation of a set of strategic, year-by-year expectations to guide not just students and teachers, but also parents, school staff, and the broader community. These expectations were the product of an extensive community consultation process, and are being used to provide a common set of reference points around what it takes to produce “college-ready” high-school graduates.

Changes in the culture and expectations of the school district are being supported by structural developments that hold the potential to create a more productive learning environment.

Since the introduction of the Kalamazoo Promise, enrollment in KPS has risen by 13 percent, reversing a decades-long decline in enrollment (see Figure 2 below):

Figure 2. Twenty-year enrollment trend, Kalamazoo Public Schools



Source: Kalamazoo Public Schools

The enrollment increase helped underpin support for the construction of two new school buildings, the first in the district in almost 40 years. The opening of a new middle school, in turn, has required redistricting, as students now need to be divided among four rather than three middle schools. The administration and school board took the opportunity provided by this necessary effort to redistrict the two high schools at the same time in an effort to achieve greater socioeconomic balance within individual schools. The expected change in composition of the middle and high schools in terms of percentage of students qualifying for free and reduced-price lunch is shown in the table below:

Table 2. Projected impact of redistricting on low-income enrollment
(as defined by students qualifying for federal lunch assistance programs)

	2008-09	2009-10
<i>Middle schools</i>		
Hillside	52%	65%
Maple Street	72%	68%
Milwood	84%	71%
Linden Grove (new school)	n.a.	72%
<i>High schools</i>		
Central	53%	58%
Norrix	64%	60%

Source: Kalamazoo Public Schools

Projections do not account for grandfathering or schools of choice students.

Research shows that socioeconomic integration is among the most powerful tools for raising student achievement (see Kahlenberg 2006 and 2007; Miller-Adams 2009a, pp. 88-90).⁶ The Kalamazoo Promise is expected to make KPS more diverse in terms of the socioeconomic status of its students, but it is less certain that the influx of middle-class families will be robust enough to create a mixed-income school district. (To achieve a federally subsidized lunch rate of 50 percent or lower – the definition of a “mixed-income” school district -- would require the entry of more than 3,000 non-economically disadvantaged students. Since the Promise was announced, the district’s enrollment has risen by 1,482; however, the proportion of low-income students has risen as well, from 62 percent to 67 percent.)⁷ Most of the research on socioeconomic school integration has focused on the elementary school level where students remain in a single classroom over the course of the day. It is less clear that socioeconomic integration has the beneficial effects on learning suggested by the research in a middle- or high-school setting where students move from class to class and begin to be grouped by academic ability and interest. An equally important question is whether an influx of middle-income

⁶ Additional information about socioeconomic school integration can be found at <http://www.equaleducation.org>.

⁷ Some of the increase in the proportion of students qualifying for federal lunch assistance programs probably has to do with the extremely challenging economic climate of recent years.

families, even if one were to materialize, would change the composition of individual elementary schools. KPS has a system of in-district school choice, and middle-class students are currently concentrated in just a few elementary schools. As these fill up, parents will be required to look at other schools, but as with much about the Kalamazoo Promise, this is a long-term proposition. The administration has suggested that it may at some point undertake redistricting at the elementary school level. Such a process would undoubtedly be met with strong opposition from many parents and would require a high degree of political will to be implemented; it could, however, have an important impact on equalizing the learning environment across schools.

• ***Alignment of community resources.*** The benefits of a human capital investment strategy such as the Kalamazoo Promise do not adhere solely to the individual, but also affect the community in which he or she lives. Communities benefit in several ways. As KPS students graduate, go to college, and remain in or return to the region, a pool of highly educated workers is created. This pool should serve to attract new business and strengthen the ties of existing firms to the region. At the same time, new businesses are drawn to the region even before these workers materialize because of its higher national profile, quality of life amenities, and commitment to a strong educational system. If new business investment underpins an economic expansion, existing workers (including those now under- or unemployed) will have access to better jobs, which will in turn strengthen their economic self-sufficiency and contribution to the local economy, while easing the strain on social services and the nonprofit sector. One could even forecast the possibility of a population influx that leads to greater socioeconomic integration of low-income neighborhoods.

An exodus of young, educated workers is a critical concern both for the region and the state as a whole. Between 2000 and 2005, Michigan lost 22,000, or 2.2 percent, of its population of young adults ages 18 to 24. The *Kalamazoo Gazette* spoke for many when it commented in an editorial, “It makes us wonder what will become of all the promising young people graduating from Kalamazoo Public Schools with The Kalamazoo Promise college guarantee in their hands. If KPS grads are unable to find jobs here when they finish college, then the ultimate benefit of The Promise will go to the economies of other states (Kalamazoo Gazette 2006).” In its annual economic outlook for 2006, area economists agreed that retaining young people was a critical priority for the region and that doing so would require a deepening of the manufacturing-to-services transition under way (Miron 2005).

One strategy adopted by the community is to provide more support for recent graduates of local colleges and universities who often leave town for larger cities upon graduation. Several internship programs have been created or expanded to help retain educated young people. (These include the Monroe-Brown Internship Program, which provides paid summer internships to local college students and connects them with a network of local firms, as well as a new internship program created by Kalamazoo Valley Community College.) The assumption is that students may end up with job offers from the firms where they were interns, as often happens with similar programs in larger cities.

Another strategy is to position the community as one that is especially hospitable to entrepreneurs. Much of the effort in this area has focused on retaining the scientists who lost their jobs when the Kalamazoo-based pharmaceuticals giant, the Upjohn Company, merged with Pfizer and relocated its headquarters and research division. A business incubator, start-up services, and venture capital have supported a number of successful spinoff enterprises headed

by former Upjohn and Pfizer researchers. Some observers have called for similar strategies to support younger entrepreneurs, including recent college graduates.

A third strategy is to market the community to young people who were raised in or attended college in the region then departed for the enticements of bigger cities. (Chicago is the prime destination for area graduates.) Many of these individuals have since started families and, confronted with high housing prices and troubled public schools in the nation's major metropolitan areas, might consider a return to their home community. The message for this demographic group is that the community has changed since they lived here. "Our goal is to attract and retain our 20- and 30-somethings in a community dedicated to improvement and quality of life. We expect to create momentum, and help create new jobs, as we build on our community's most appropriate focus on education as the key to our future," wrote Blaine Lam in introducing his web-based campaign, "Share Kalamazoo."⁸ The school improvement efforts discussed above are critical to such a campaign; while cities have shown that they are able to attract young people regardless of the problems that plague many urban school districts, good public schools are a must if they are to retain these residents once they become the parents of school-age children.

And what of Kalamazoo's less-educated workers? Trapped in minimum-wage jobs, unemployed or underemployed, does the Kalamazoo Promise offer them something or does its value lie mainly in expanding the educational opportunities available to their children? Mattie Jordan-Woods, the head of the Northside Association for Community Development and an advocate for economic growth in Kalamazoo's low-income neighborhoods, stresses that there is nothing automatic about the scholarship program's impact on either parents or children: "The Kalamazoo Promise does one thing and one thing only. It provides scholarship dollars for any

⁸ For more on Share Kalamazoo, see <http://www.sharekalamazoo.com>

kid who is academically able to graduate [from high school] and go on to college. This creates new opportunities for low- and moderate-income people whose kids are doing well in school, but it does nothing by itself to bring up the academic competitiveness of kids who are struggling.”

Like others, Jordan-Woods believes that one-on-one tutoring programs, as well as strategies to address the social problems found in many households, are essential for this group of students. And indeed, the community has responded to the introduction of the Kalamazoo Promise with a plethora of mentoring and tutoring programs delivered through community-based organizations and churches. Jordan-Woods also stresses the importance of the physical environment in which low-income children grow up. “If you change the physical environment of a neighborhood through better housing, nicer buildings, and more playgrounds, businesses will invest because they want to be there,” says Jordan-Wood. And with businesses come jobs for the parents who live in that neighborhood. “When a majority of people [in a neighborhood] are working, it creates an expectation of what the neighborhood should look like.” It also raises children’s expectations about their own future. “When children see their parents and neighbors go to work every day,” continues Jordan-Woods, “it increases their appetite for education. Watching your mama get up and go to work, even if she earns only \$9.00 an hour, and not wait on the check every two weeks is going to make them want to go to college,” says Jordan-Woods. “They’ll want \$13.00 an hour; they’ll want something better.” By giving the children of low-income families the opportunity to increase their human capital at no cost, the Kalamazoo Promise improves the odds that the demonstration effect mentioned by Jordan-Woods will be meaningful for this younger generation.

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Kalamazoo has been characterized as a community rich in resources but poor in coordination, and the community has struggled since the Promise was announced to develop a coordinated community response to it. Yet the effective alignment of individuals and organizations around the broader goals of the Kalamazoo Promise – increased educational attainment, support for student success, vitality of the urban core, and a regional economic development strategy with education as its centerpiece – is essential if the program is truly to serve as an instrument for reducing inequality.

In thinking about the initial experience of Kalamazoo and other communities with programs modeled on the Kalamazoo Promise, three lessons surface:

- It is the universal reach of the Kalamazoo Promise, in contrast to other scholarship programs, that has generated strong support for it among diverse populations and made it a tool for comprehensive community transformation. More targeted approaches, such as a needs-based scholarship program or academic/social interventions for low-income or low-achieving students might have a more immediate impact on improving opportunities for economically disadvantaged youth. These approaches would not, however, yield the same positive changes in school culture and better alignment of community resources in support of student success.
- It is only through a process of community engagement and alignment that scholarship resources can be leveraged for deeper change. A scholarship program alone, no matter how generous, will not be sufficient to bring about the economic or social transformation of a community. The financial resources necessary for a universal, place-based scholarship must go hand in hand with the engagement and alignment of community stakeholders if a Promise-type program is to achieve its broader transformative potential.

- There are important intangible gains to be realized from Promise-type programs. The introduction of a universal, place-based scholarship program can help strengthen a community's identity as an education-rich region and a home to knowledge-intensive businesses. This potential, however, is based not on immediate and tangible economic results generated by the introduction of a scholarship program, but on the longer term alignment of the community around the linked goals of educational excellence, access to higher education, and economic competitiveness. Especially in light of the current economic crisis, expectation of gains from the program must be squarely focused on the medium and long term.

The unique combination of its place-based focus and universal coverage make the Kalamazoo Promise and programs modeled on it an innovative tool for simultaneously improving educational attainment and enhancing economic competitiveness. For such programs also to serve as effective strategies for reducing inequality, they must be accompanied by cultural change in the schools and community, and public enthusiasm or "buy-in" that extends across income groups.

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