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How do Promise programs benefit communities?

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Promise programs benefit communities by attaching residents more securely to them.

The long-term availability of a scholarship opportunity, as well as any school-improvement effects that come with it, make communities more desirable places to live and increase the costs of moving away. There is some evidence that Promise programs have reduced out-migration, increased housing prices, and led scholarship recipients to remain in or return to the local area—all especially important dynamics for declining regions. But this evidence comes from a handful of studies of relatively generous Promise programs and may not be applicable to the Promise movement overall.

Policy Considerations

- Promise programs are more likely to keep families from leaving a community than attract new families to move in, but retaining existing residents is vital to community development.
- Generous Promise programs can boost housing prices, new construction, or both, depending on zoning, but increases in property tax revenues should be allocated with equity impacts in mind—investing resource gains back into schools can increase equity and inclusion while strengthening a key community asset.
- Promise programs can retain graduates locally after college, but better local job opportunities make this more likely; working with local employers to ensure there are good jobs for students will improve community development.

What We Know

The Promise movement has its roots in philanthropic efforts to provide scholarship resources to local students. The current phase of this effort began in 2005 with the Kalamazoo Promise.¹ Since then, over 200 local and community college-based programs have been created, some by philanthropists, others by public-private partnerships, and a few with public resources alone.² What they have in common is a desire by community leaders to increase the educational attainment of residents while promoting the civic and economic development of their area.

¹ Miller-Adams, M. (2009). [The power of a promise: Education and economic renewal in Kalamazoo](#). W.E. Upjohn Institute for Employment Research.

² Ibid.

There is considerable evidence for how financial and other support for postsecondary students benefits individuals, increasing not only their earnings but leading to a myriad of other positive outcomes, from better health to stronger civic participation. Understanding how Promise programs affect entire communities is more challenging because other factors, from general macroeconomic conditions to state and local policies, play an important role. Additionally, while Promise programs directly target students, they have indirect effects on everyone else in the broader community, adding complexity to any analysis of impact.

Nonetheless, researchers have thought carefully about a framework for examining how Promise programs can provide economic benefits to entire communities.³ Some of these benefits can occur nearly immediately while others take longer to be observed. All these potential outcomes, however, depend on program characteristics; programs that cover a greater share of students (for example, by having fewer eligibility requirements) and those that provide more generous or flexible funding are likely to have greater community impact. This insight has influenced the relatively few studies to date that have examined the effect of Promise programs on migration, housing, and workforce development.

Migration. Because many Promise programs have residence-based eligibility, economic theory suggests that some people may be enticed to move

into an area (or decide against leaving that area) to gain (or keep) access to the scholarship benefits. Unsurprisingly, these forces should be greater for families with school-age children. Two relatively early studies focused on the migration impacts of the Kalamazoo Promise. The first found that new student enrollment in the Kalamazoo Public Schools District surged in the year after the Kalamazoo Promise was announced but that gains in enrollment in subsequent years were increasingly driven by greater retention; that is, fewer students were leaving than before.⁴ A second study, which looked at the nuances of where students were coming from, found that while approximately 60% of new students came from a neighboring district, one-quarter came from out of state; moreover, exit rates persistently fell by one-third.⁵ This implies that migration and housing were likely more affected than labor markets, as many families may have changed residential locations within the metro area without having to switch jobs.

A pair of subsequent studies expanded the scope of this research by examining the impacts on migration across multiple (relatively generous) Promise programs: one study focused on eight programs while the second analyzed three.⁶ Rather than looking only at migration among enrolled students, both these analyses focused on all residents of the broader community. For the first study, the findings indicated sharp reductions in outmigration over at least the three years after program announcement,

³ Miller-Adams, M., & Smith, E. (2018). *Promise scholarship programs and local prosperity* (Policy Paper 2018-019). W.E. Upjohn Institute for Employment Research.

⁴ Bartik, T. J., Eberts, R. W., & Huang, W. J. (2010). *The Kalamazoo Promise, and enrollment and achievement trends in Kalamazoo Public Schools* (Conference Papers, June 16). W.E. Upjohn Institute for Employment Research.

⁵ Hershbein, B. J. (2013). *A second look at enrollment changes after the Kalamazoo Promise* (Working Paper No. 2013-200). W.E. Upjohn Institute for Employment Research.

⁶ Bartik, T. J., & Sothterland, N. (2015). *Migration and housing price effects of place-based college scholarships* (Working Paper No. 2015-235). W.E. Upjohn Institute for Employment Research; Leigh, E.W., & González Canché, M.S. (2021). *The college promise in communities: Do place-based scholarships affect residential mobility patterns?* *Research in Higher Education*, 62, 259–308.

“ The breakthrough component of Say Yes Buffalo is the transparent, collaborative governance structure that guides all efforts and reports on progress to the public at large. This collaborative approach recognizes that Erie County, the city of Buffalo, and the Buffalo Public School District all hold pieces of the puzzle, that the solutions reside between and among these systems, and that improving academic outcomes for urban youth with scale demands a cross-sector, cross-government approach. ”

Say Yes Buffalo

although changes in in-migration were less conclusive. The declines in out-migration were larger for households with children, as expected, and concentrated around Promise-eligible zones. Quantitatively, these migration changes imply the metro area's population, three years after the program began, was 1.7% larger than it would have been without the program, predominantly because more families stayed. For an area of 100,000 people, this amounts to an additional 1,700 individuals, which is a sizable effect. The second study had roughly similar findings, although with the additional nuance that migration impacts—especially retention—were more concentrated among higher-income residents.

Housing. These migration impacts—which, again, are estimated from atypically generous programs and thus will not generalize to all Promise programs—suggest that housing markets could also be affected. Moreover, even families whose migration decisions are unaffected could still affect local housing: a family that expects to save several tens of thousands of dollars in lower tuition for their children may decide, for example, to move to a bigger house or nicer neighborhood within the Promise-eligible zone. More generally, houses within the zone should become more valuable because they come with the scholarship amenity, and this could be reflected in prices, in construction of new

housing, or both. These channels would be expected to increase an area's property tax revenue, allowing for greater provision of public services (or tax cuts). However, greater price appreciation, rather than new construction, could also make housing less affordable for many families.

One study of the Say Yes to Education programs in both Syracuse and Buffalo found suggestive evidence that, after the program took effect, house prices in the Syracuse eligibility zone increased relative to those in neighborhoods just outside the zone. Buffalo, however, saw little relative price change, although changes in the quantity of housing weren't analyzed.⁷ A separate, broader study of eight Promise programs—still disproportionately generous ones—found that, within three years of program announcement, housing prices rose 7%–12% in eligible areas relative to the immediately surrounding areas. These gains were concentrated in the top half of the housing price distribution and in neighborhoods that contained schools with higher standardized test scores.⁸ This pattern suggests that higher-income families anticipate greater value from the Promise scholarship, perhaps because their children are more likely to both go to college and go to more expensive institutions.⁹ Still, since the value of the scholarship is more likely to capitalize into housing prices for these families, their net benefits are reduced more than for lower-income families, making the ultimate distribution of benefits

⁷ Sohn, H., Rubenstein, R., Murchie, J., & Bifulco, R. (2017). *Assessing the effects of place-based scholarships on urban revitalization: The case of say yes to education*. *Educational Evaluation and Policy Analysis*, 39(2), 198–222.

⁸ LeGower, M., & Walsh, R. (2017). *Promise scholarship programs as place-making policy: Evidence from school enrollment and housing prices*. *Journal of Urban Economics*, 101, 74–89.

⁹ Bailey, M. J., & Dynarski, S.M. (2011). *Inequality in postsecondary education*. In G.J. Duncan & R.J. Murnane (Eds.), *Whither opportunity? Rising inequality, schools, and children's life chances* (pp. 117–132). Russell Sage.

by socioeconomic status unclear. Much likely depends on peer effects—how student learning is affected by the presence of other students—as well as how communities choose to allocate the additional tax revenue: more services for lower-income students, general school funding increases, or lower tax rates.

Workforce Development. As noted above, Promise programs can increase the educational attainment and career opportunities of students. Communities as a whole will benefit to the extent that these individuals either stay nearby or return to the local community after their education. This decision, in turn, is likely affected by the availability of local, high-quality job prospects.

Few studies have examined this potential effect, as the needed data are hard to come by. One study focused on Kalamazoo found that graduates, by the time they reached their mid-to-late 20s, were 11 percentage points more likely to reside within 10 miles of downtown Kalamazoo. These individuals were also more likely to be earning above \$35,000 annually than earlier cohorts at the same age.¹⁰ A study on Knox Achieves found that the last-dollar program led to higher rates of associate's degree attainment starting 4 years after high school, but no changes in earnings as late as 9 years after high school.¹¹ This mixed body of early evidence underscores the need for more research on workforce returns to Promise programs, and in particular the role of program design and aid generosity.

Recommended Reading

Iriti, J., & Miller-Adams, M. (2015). *[Promise monitoring and evaluation framework](#)*. W.E. Upjohn Institute for Employment Research.

This tool, developed with support from Lumina Foundation, proposes a theory of change for how Promise Programs change outcomes in a variety of areas and suggests potential indicators for program stakeholders to track. Indicators span three spheres, including Community and Economic Development. A list of indicators can be downloaded [here](#).

McMullen, I., & Hershbein, B. J. (2021, July). *[Beyond degrees: The Kalamazoo Promise and workforce outcomes](#)* (Policy brief). W.E. Upjohn Institute for Employment Research.

This brief summarizes a study on how the Kalamazoo Promise affected the employment and earnings of graduates by the time they reached their mid-to-late 20s, as well as how close they remained to Kalamazoo.

Miller-Adams, M., Hershbein, B. J., Timmeney, B., & McMullen, I. (2017). *[Promise programs database](#)*. W.E. Upjohn Institute for Employment Research..

This annually updated Upjohn Institute database focuses on local—rather than statewide—Promise programs, including over 200 as of 2022. Users can filter programs based on characteristics, compare programs, or request a spreadsheet file containing over 80 detailed characteristics for each program.

Miller-Adams, M., & Smith, E. (2018). *[Promise scholarship programs and local prosperity](#)* (Policy Paper No. 2018-019). W.E. Upjohn Institute for Employment Research.

The authors lay out a framework and survey evidence for how well-designed Promise programs can affect community development and promote broad-based prosperity. This highlight links to both a full-length policy paper and a four-page brief.

¹⁰ Hershbein, B. J., McMullen, I., Pittelko, B., & Timmeney, B. F. (2021). *[Beyond degrees: Longer term outcomes of the Kalamazoo Promise](#)* (Working Paper No. 21-350). W.E. Upjohn Institute for Employment Research.

¹¹ Carruthers, C. K., Fox, W. F., & Jepsen, C. (2022). *[What Knox achieved: Estimated effects of tuition-free community college on attainment and earnings](#)*. (Working paper).