



Philanthropic Partnerships: A Scholarship Model for a New Century

**Michelle Miller-Adams, PhD
Grand Valley State University**

**Shelley Strickland, PhD Candidate
University of Michigan**

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Presentation Overview

- *The Kalamazoo Promise*
 - A New Scholarship Model
 - Overview of Initial Impact
 - The Challenge of Community Alignment
- *A New Philanthropic Model*
 - Donors as Change Agents
 - Privately Funded Scholarships
 - Implications for Partnerships
- *Replicating the Promise*
- *Q&A, Discussion*

The Kalamazoo Promise: A New Scholarship Model

- A departure from traditional models
- Full college scholarships for every graduate of the public school district
- Funded by anonymous donors
- Flexible and generous terms of use
- National replication / adaptation

Objective: Educational attainment + Economic development



The Kalamazoo Promise: Potential Impact

- Scholarships as a catalyst
- Change incentives for a broad range of actors (e.g., teachers, families, realtors, etc.)
- Leads to creation and/or development of human, economic, and social capital for the city and the region

A financial investment that creates new assets for the community.

THE POWER OF A PROMISE

EDUCATION AND ECONOMIC RENEWAL IN
KALAMAZOO



MICHELLE MILLER-ADAMS

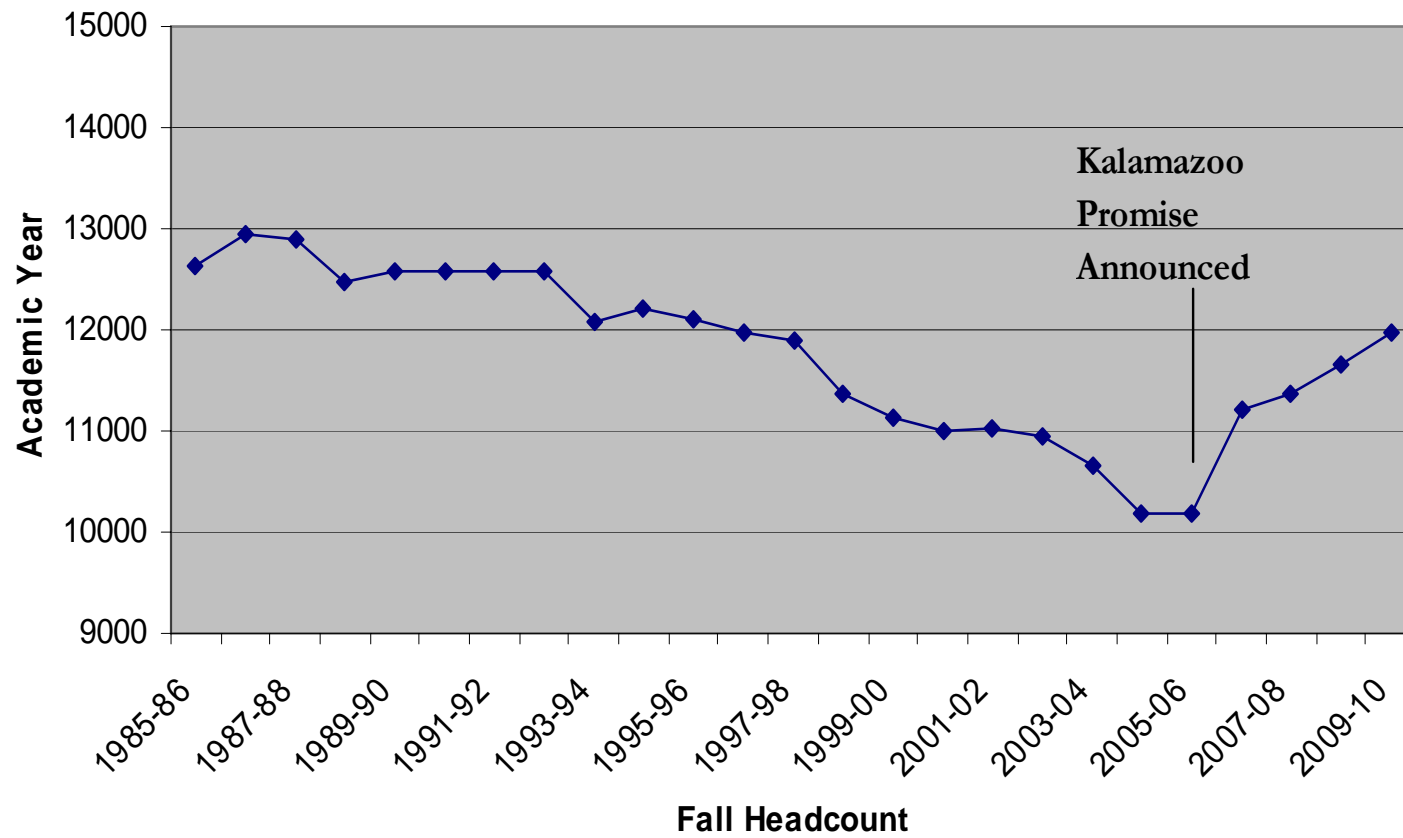
The first comprehensive account of the Kalamazoo Promise, based on three years of research.

Published by the W.E. Upjohn Institute for Employment Research, 2009.

The Kalamazoo Promise: Initial Impact on School District

- Dramatic increase in enrollment
 - Low-income population has risen: 62% to 67%
 - Arcadia Elementary: 69% v. 70% for all elementary schools
- Building of two new schools (1st in 37 years)
- Redistricting & its impact on socioeconomic balance
- Cultural shift in KPS

25-year KPS enrollment trend



The Kalamazoo Promise: Initial Impact on Students

- Scholarship usage
 - 1,522 students have received scholarships
 - 1,103 are currently enrolled
- Ninety percent of recipients attend four schools:
 - Kalamazoo Valley Community College (38%)
 - Western Michigan University (29%)
 - Michigan State University (13%)
 - University of Michigan (10%)
- Persistence rates as of 9/09
 - Class of 2006: 83% university, 26% community college
 - Class of 2007: 84% university, 34% community college
 - Class of 2008: 84% university, 50% community college

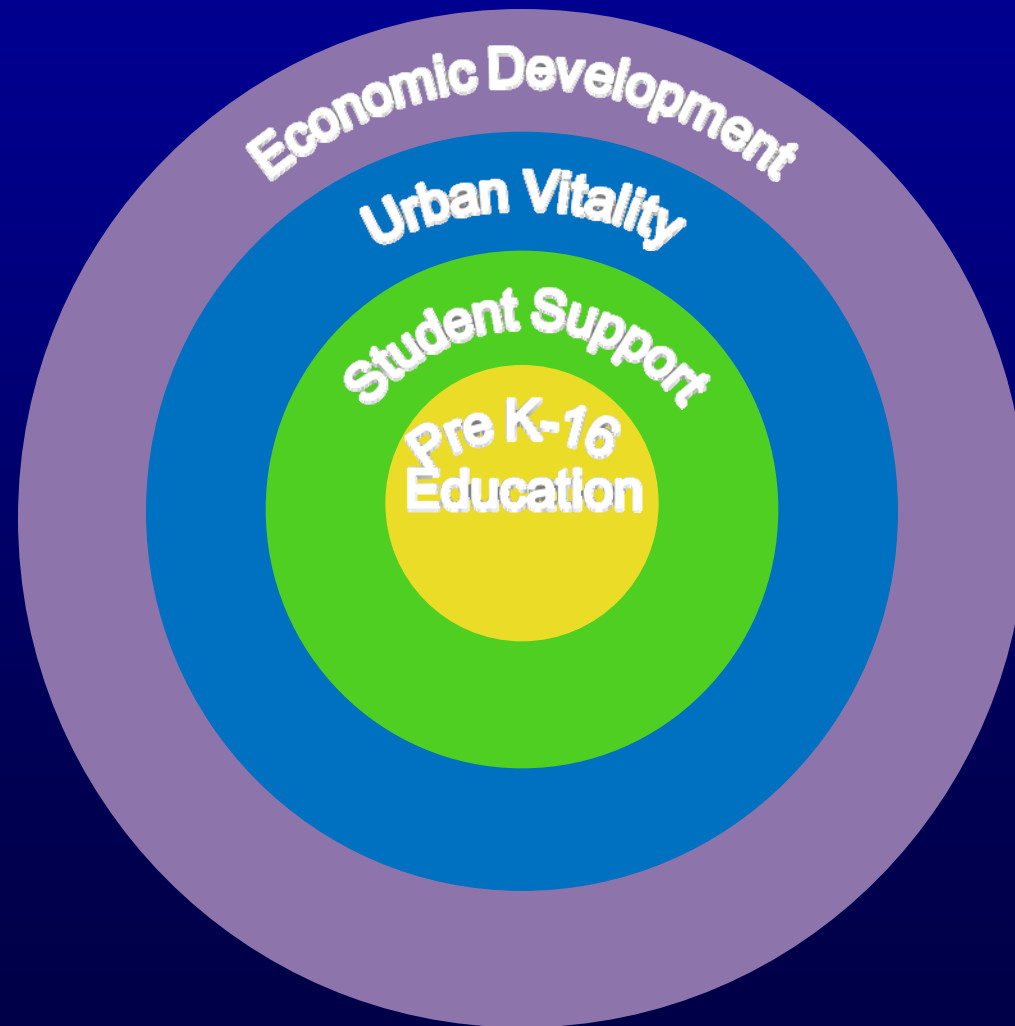
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
KPS Graduates	517	579	549	515
Eligible for Promise	409	502	475	455
■ % of graduates eligible	79%	87%	87%	88%
Used Promise 1 st semester post-graduation	303	359	370	370
■ % eligible who used Promise 1 st semester post-graduation	73%	75%	78%	81%
Have Used Promise	339	414	388	370
■ % eligible who have used Promise at any time	83%	83%	82%	81%



The Kalamazoo Promise: The Challenge of Community Alignment

- The Kalamazoo Promise is a human capital investment strategy; benefits flow to community as well as individual
- Community-based strategies as a response
 - Ensuring that every student is “college-ready”
 - Investing in pre-K education
 - Enlisting / engaging parents
 - Creating career paths that strengthen local economy
 - Strengthening alignment around broad goals of the Kalamazoo Promise

The Kalamazoo Promise: Four Strategic Priorities





Philanthropy: the underpinning element

- Learning from the Kalamazoo Promise requires a rethinking of our assumptions and often our misunderstandings about philanthropy and privately funded scholarships.

Donors as Change Agents

- New “Golden Age of Philanthropy”
- “Transformational” donors
 - research an organization
 - create rather than simply support projects
 - seek out institutions to support
 - legacy during lifetime
 - innovative approaches to societal issues

Donors as Change Agents

- Current scholars: economic concepts of philanthropy are incomplete, inconclusive or incorrectly prioritized
- Call for new models and new interdisciplinary avenues of research
- The dominant utility theory does not fully account for the unpredictable human dimension; giving is not fully rational

Donors as Change Agents

- The distinction between the public or private benefit to donors becomes blurred with the Kalamazoo Promise, just as the lines between public and private monies blend

Privately Funded Scholarships

- Philanthropy is integral part of U.S. economy
- Predicting philanthropy's role in the economy is critical, especially if replacing public funding
- Donors hesitant on crucial pipeline funding because ambiguous and hard to measure
- The Gates Millennium Scholarship program still doesn't compare to federal, state and institutional aid in size

Privately Funded Scholarships

- The I Have A Dream (IHAD) scholarship program
 - Begun by New York philanthropist Eugene Lang
 - Financial, academic and social support to public school sixth graders
 - ~200 US sites place philanthropists as mentors
- Involvement is non-traditional, but giving is still for traditional direct services
- Becomes as much about donors' needs and expectations as students'



Implications for Partnerships

The Kalamazoo Promise creates a new paradigm for scholarship support:

- ❑ Systemic change
- ❑ Influence the system by impacting individuals
- ❑ Individual assistance but community responsibility for success
- ❑ Anonymous donors requires community engagement

Implications for Partnerships

- Blurring sectors, with an increasing emphasis on public-private partnerships
- “Promise Zones” and other Promise-type programs require an understanding of philanthropic potential
- While the Promise represents a new paradigm in scholarships, it is likely not the last of innovations in financial aid.

The Kalamazoo Promise: a new scholarship model

- Old paradigm / New paradigm:
Merit or need-based aid / Universal
- Old paradigm / New paradigm:
Aid is enough / Intervention
- Old paradigm / New paradigm:
Donors direct / Donors divest
- Old paradigm / New paradigm:
Simple is simplistic / Simple can be successful

Replicating the Promise

- Universal coverage = tool for community transformation
 - Tradeoffs with more targeted approaches
- Scholarship money alone does not lead to cultural, economic, or social transformation
- Community engagement and alignment are essential

Replicating the Promise

- Philanthropy can make a positive difference
- Private & public funds can complement one another
- Immediate gains are intangible, related to identity, reputation, and mobilization
- A long-term commitment and horizon are required



For more information:

<http://www.upjohninstitute.org/promise/index.htm/>

<http://www.kalamazoopromise.com/>

Comments, Questions, or Suggestions:

Michelle Miller-Adams

<http://www.michellemilleradams.com>

Shelley Strickland
srstric@umich.edu