

Seattle Economic  
Development  
Commission

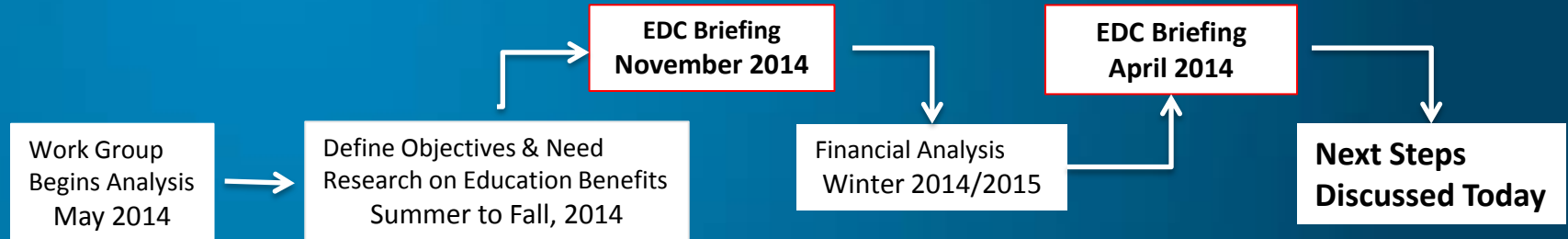
# The Seattle Grant:

Local Financing Initiative for  
Postsecondary Attainment

EDC Discussion  
April 7, 2015



# IMPROVE SOCIAL MOBILITY THROUGH ACCESS TO COLLEGE AND CAREER



## EDC Commissioners:

Chancellor Jill Wakefield, Seattle Colleges  
Ana Mari Cauce, Interim President, UW  
David Freiboth, – Executive Secretary Treasurer,  
King County Central Labor  
Charissa Raynor, Executive Director,  
SEIU Healthcare NW Training Partnership  
Maud Daudon, President & CEO, Greater Seattle  
Chamber of Commerce

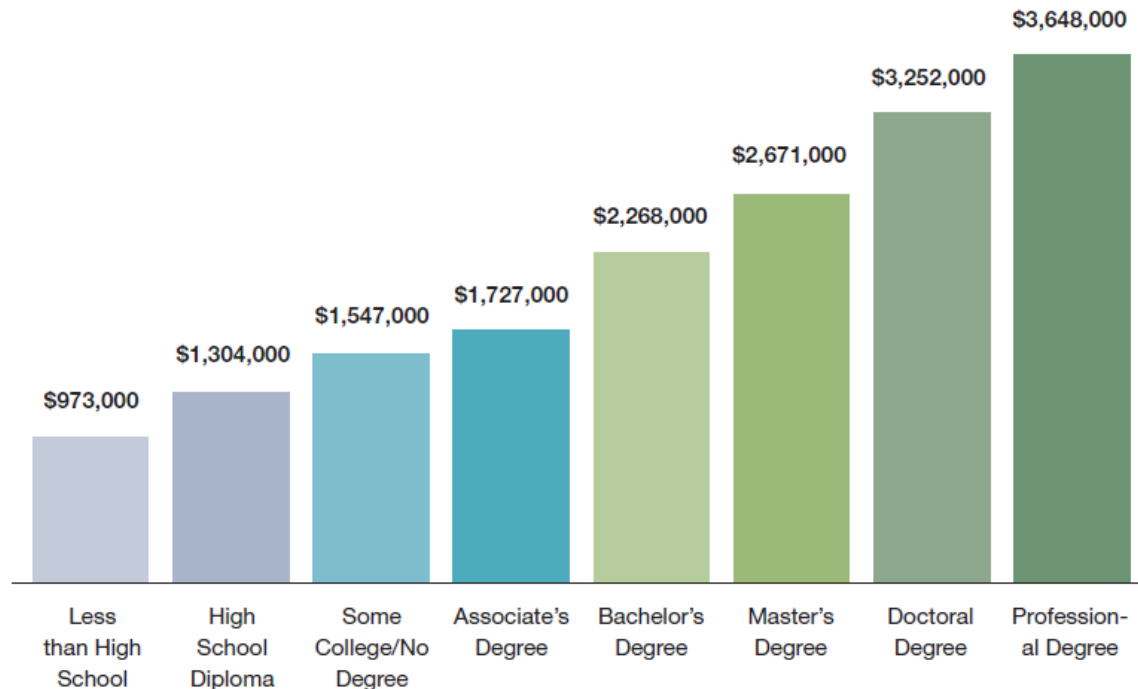
## Staff:

George Allen, Seattle Chamber of Commerce  
Carol Diem & Nevena Lalic, UW  
Bruce Genung, Seattle Colleges  
Malcolm Grothe, Seattle Colleges  
Matt Helmer, Seattle Jobs Initiative  
Randy Hodgins, UW  
Victor Kuo, Seattle Colleges  
Kay Lewis, UW  
Bridgid McDevitt, Seattle Colleges  
Nancy Yamamoto, City of Seattle

# IMPACT OF POSTSECONDARY EDUCATION

On average, people with higher levels of educational attainment earn more over their lifetimes, and as education levels increase, average income increases with them...

**FIGURE 1:** MEDIAN LIFETIME EARNINGS BY HIGHEST EDUCATIONAL ATTAINMENT, 2009 DOLLARS

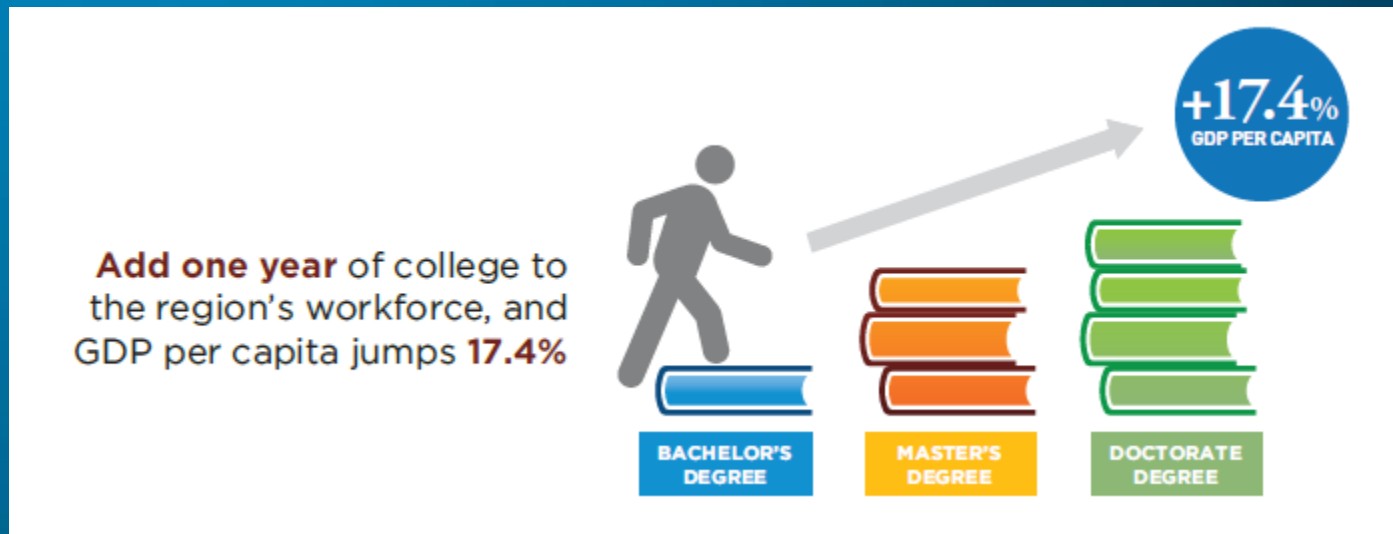


"The College Payoff: Education, Occupations, Lifetime Earnings," Center on Education and the Workforce  
<https://cew.georgetown.edu/wp-content/uploads/2014/11/collegepayoff-complete.pdf>

# IMPACT OF POSTSECONDARY EDUCATION

Education increases regional prosperity:

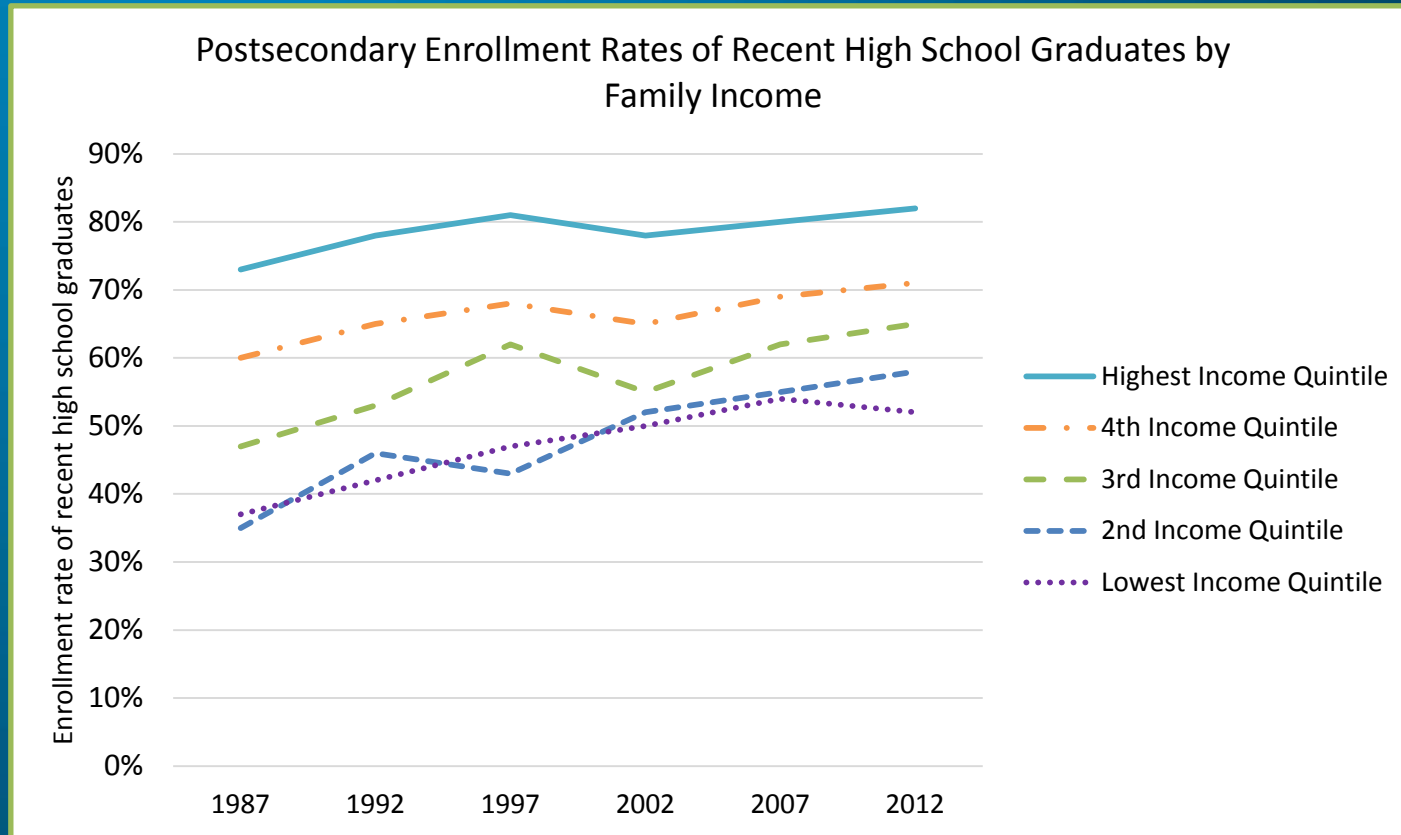
Add one year of college to the region's workforce, and GDP per capita jumps 17.4%



"A Matter of Degrees: The Effect of Educational Attainment on Regional Economic Prosperity," The Milken Institute,  
<http://www.milkeninstitute.org/publications/view/564>

# Cost of college prevents students from attaining higher education

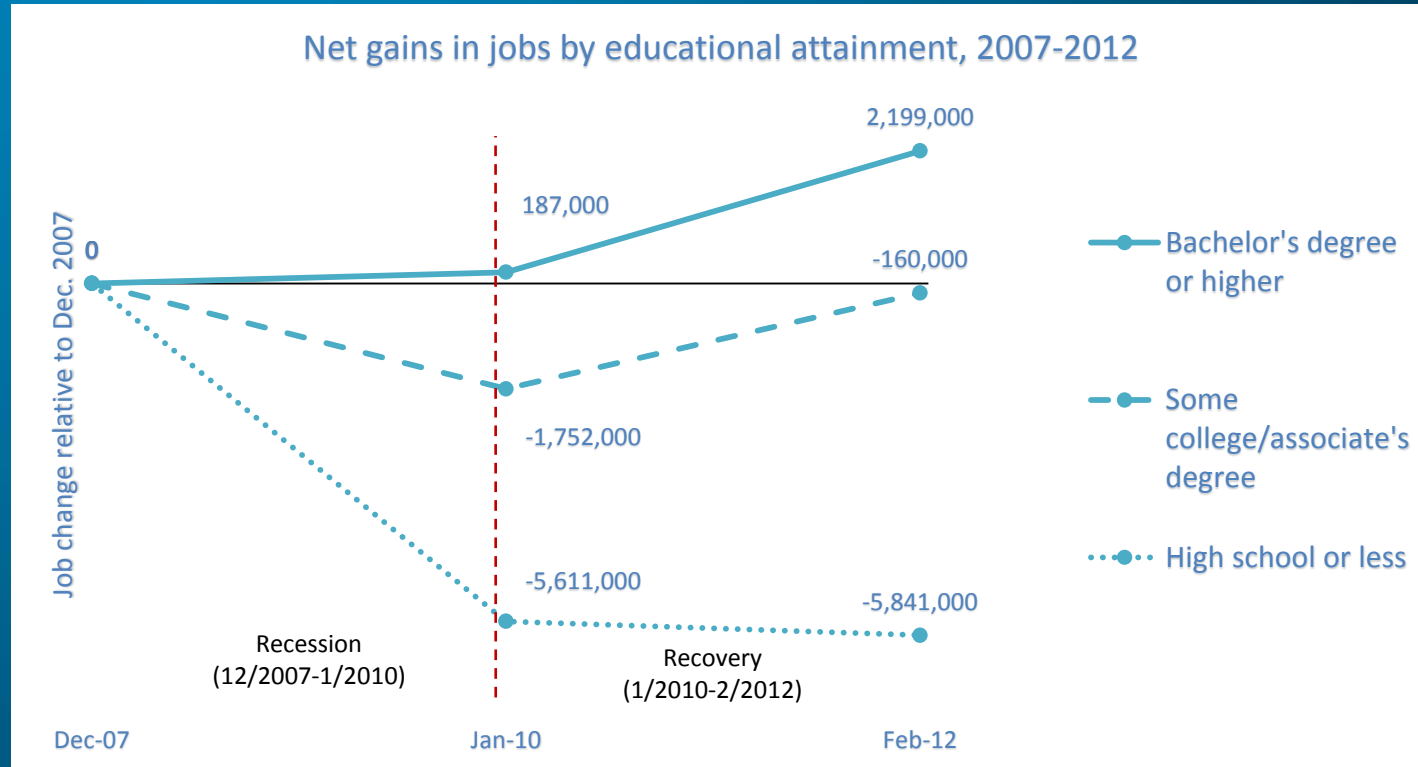
## High cost of attendance dissuades students from applying



Source: Baum, Ma, and Payea (2013), *Education Pays 2013: The Benefits of Higher Education for Individuals and Society*, The College Board.

# Higher education leads to upward social mobility

As education levels increase, so do job and income stability

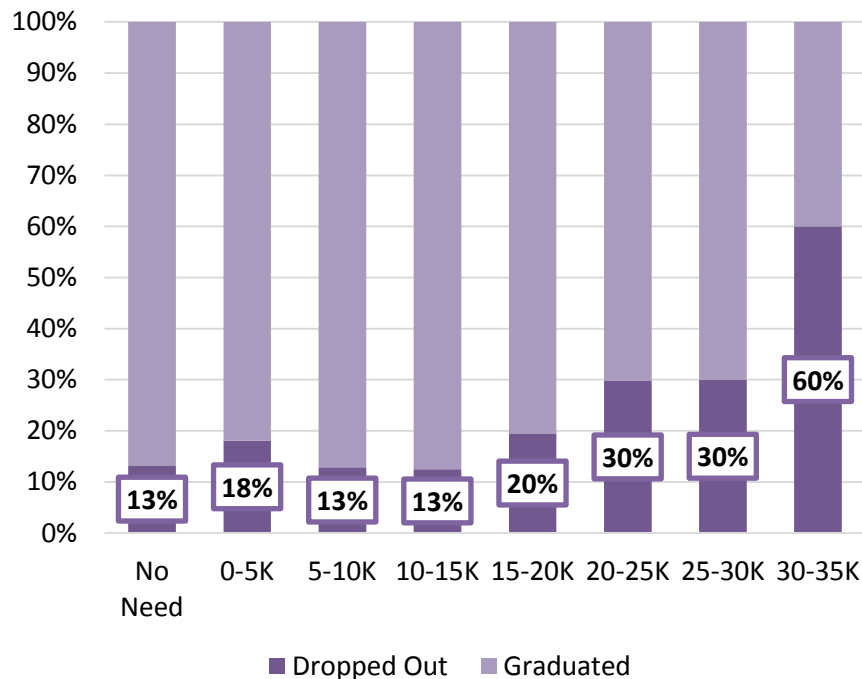


Source: Carnevale et al., 2012, "The College Advantage: Weathering the Economic Storm," Center on Education and the Workforce.

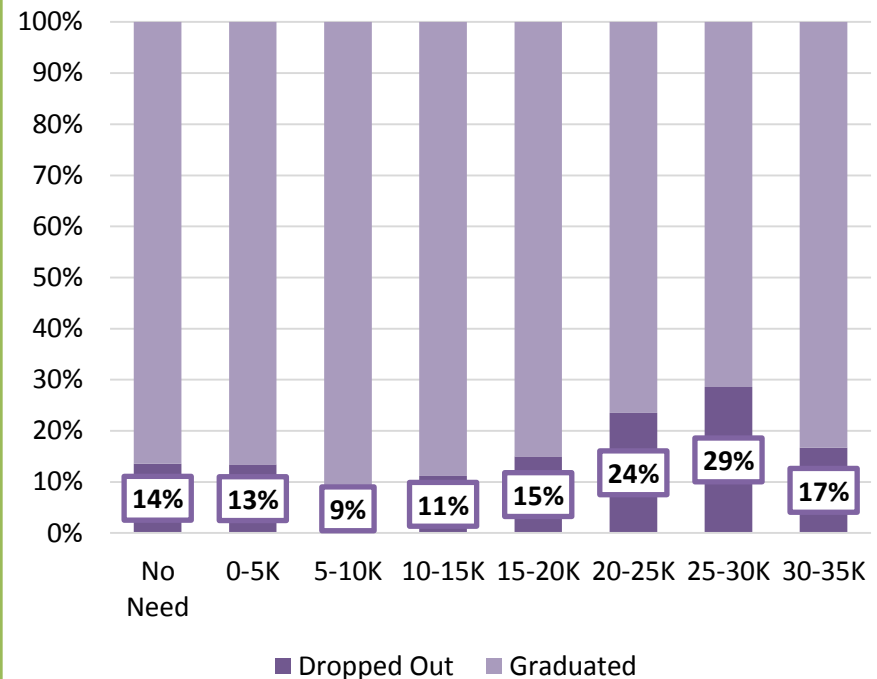
# IMPACT ON STUDENT SUCCESS – UW Data

Yet those for whom higher education might provide most upward mobility face a challenge: Dropout rates increase dramatically with unfunded need, for both resident freshmen and transfer students at the UW

Resident Freshmen Dropout Rates  
by Level of Unfunded Need



Resident Transfer Dropout Rates  
by Level of Unfunded Need

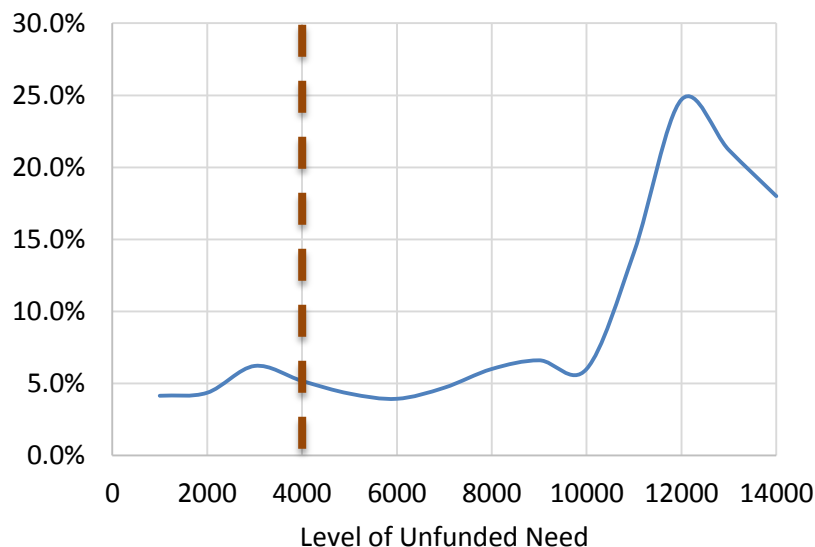


# IMPACT ON STUDENT SUCCESS – UW Freshman Data

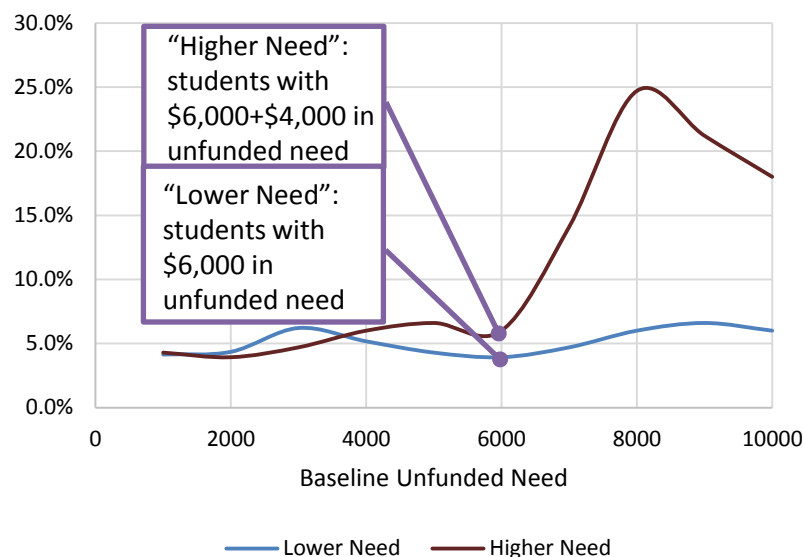
Would additional financial aid (grants) help? We tested a hypothetical – what if we gave students an additional \$4,000 grant?

Preliminary analysis indicates that such a grant would significantly reduce the odds of the neediest students leaving the institution after 1 or 2 years of student and may also improve their GPA & ability to graduate on time.

First Year Freshmen Attrition  
by Level of Unfunded Need



First Year Freshmen Attrition  
by Level of Unfunded Need and Need Gap



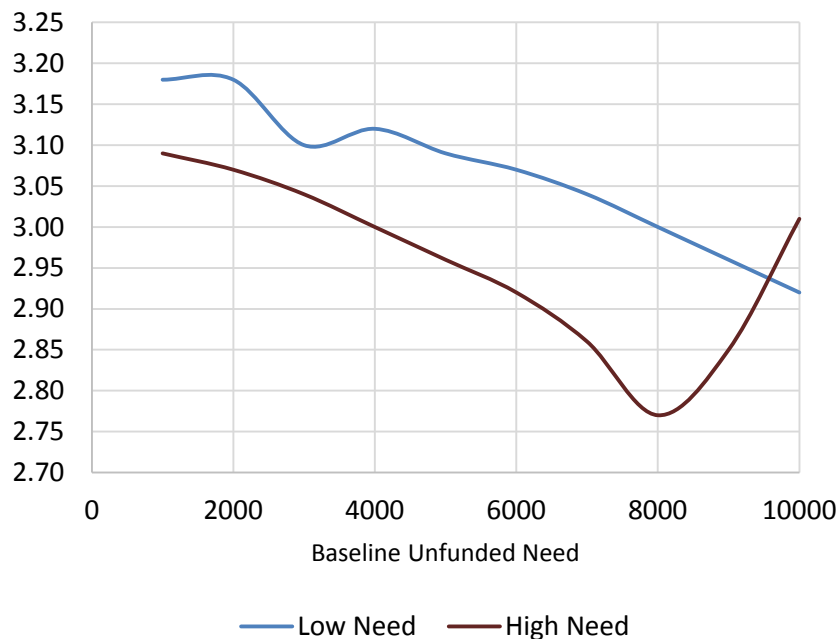


# IMPACT ON STUDENT SUCCESS – UW Freshman Data

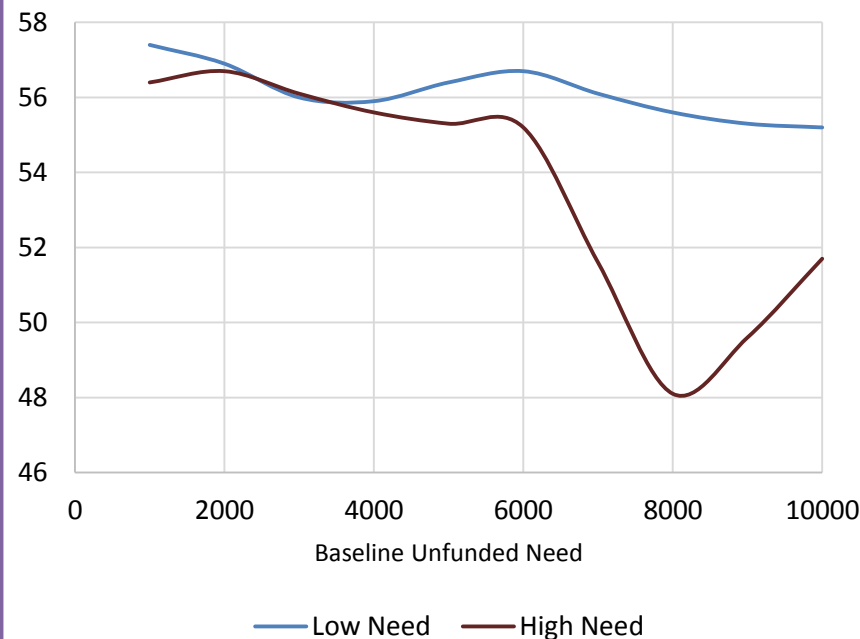
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Freshmen First Year GPA  
by Level of Unfunded Need and Need Gap



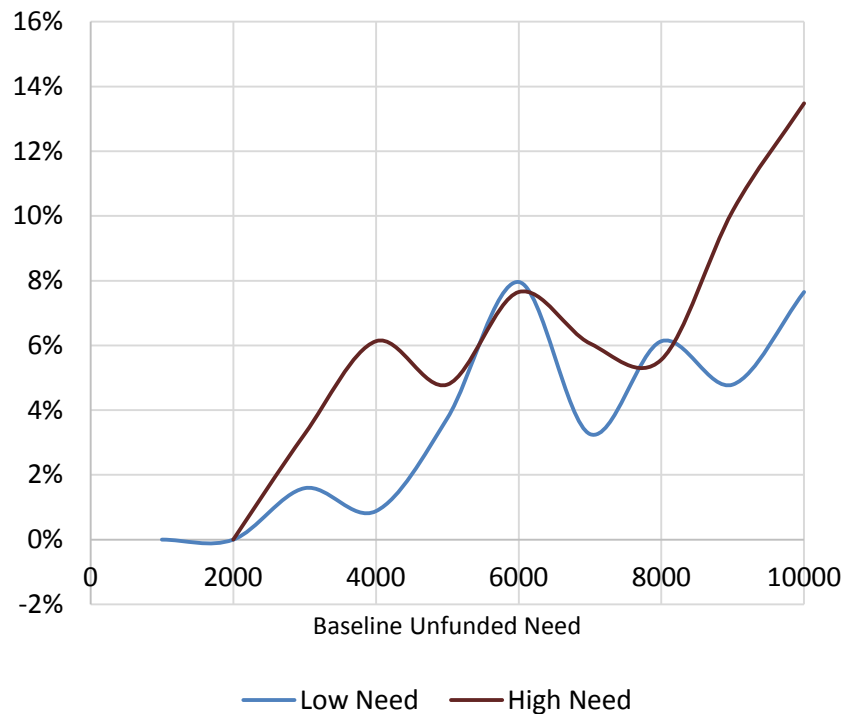
Freshmen First Year Credits  
by Level of Unfunded Need and Need Gap



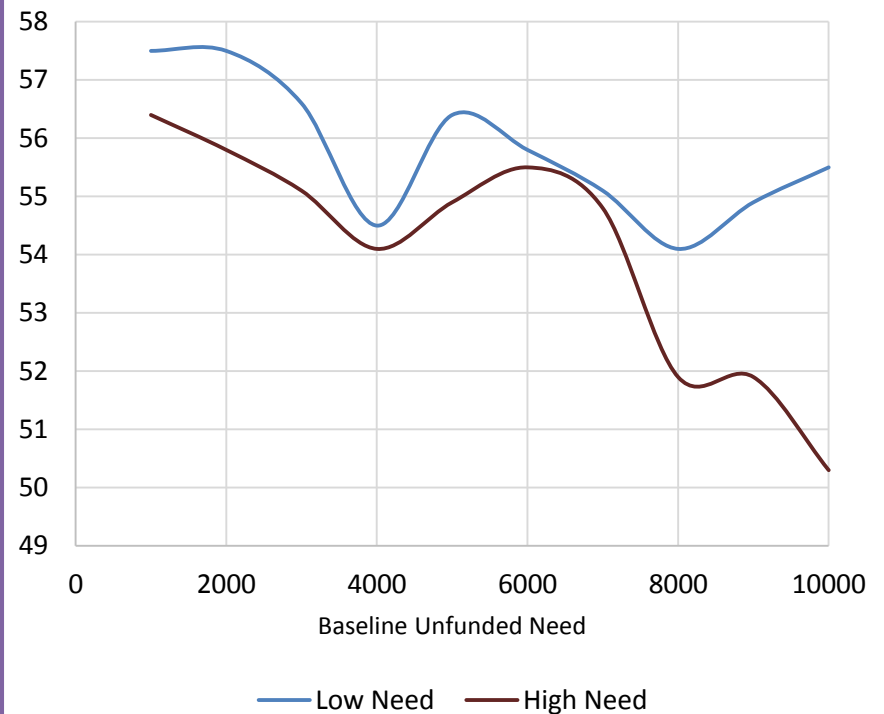
# IMPACT ON STUDENT SUCCESS – UW Transfer Data

These trends and outcomes are also true for high-need transfer students...

Transfer First Year Attrition  
by Level of Unfunded Need and Need Gap



Transfer First Year Credits  
by Level of Unfunded Need and Need Gap



# IMPACT ON STUDENT SUCCESS – Adult Learners

## Evidence-based Strategies that Boost Completion, for Adult Learners:

### CUNY Strategies<sup>1</sup>

- Tuition and fee waivers, public transportation, and free use of textbooks
- Taking developmental courses early; advising to graduate in 3 years
- Comprehensive advising, career services, and tutoring
- First year blocked or linked courses, with seminars on goal-setting

### Other Promising Strategies<sup>2</sup>

- Intensive navigation
- Structured pathways
- Developmental acceleration (course restructuring and mainstreaming)
- Contextualization of basic skills instruction
- Online Learning, especially for experienced students
- Social supports: college know-how, work and family demands, social supports

1. MDRC 2015. Doubling graduation rates: three-year effects of CUNY's Accelerated Study in Associate Programs (ASAP) for Developmental Education Students. The CUNY ASAP program was cited in the White House "America's College Promise Proposal" January 9, 2015.
2. Some elements from Community College Research Center (CCRC) at Teachers College, Columbia University (2011). Introduction to the CCRC Assessment of Evidence Series.

# FINANCIAL ANALYSIS – MODELING ASSUMPTIONS

## Assumptions:

### High School Component:

- Graduate of Seattle Public Schools
- With either family income below median or free/reduced lunch eligible
- Enrolled at 1 of 9 Seattle colleges or universities
- Fixed grant amount of \$4K annually, up to \$20K maximum

### Adult Component:

- Resident of the City of Seattle
- First-time degree seeker
- Enrolled in 1 of 9 Seattle colleges or universities
- Fixed grant amount of \$4K annually, up to \$20K maximum

# COST ESTIMATE:

**Table 5 Summary of Scholarship Cost Estimates (\$) for High School Program**

Year	Below median	Free or reduced-price lunch
2017	2,101,309	1,637,903
2018	3,542,844	2,761,532
2019	4,874,618	3,799,607
2020	6,059,453	4,723,148
2021	7,062,712	5,505,156
2022	7,518,462	5,860,398
2023	8,105,916	6,318,300
2024	8,767,843	6,834,250
2025	9,670,181	7,537,594
2026	10,284,435	8,016,385

**Table 6 Summary of Scholarship Cost Estimates (\$) for Adult Program**

Year	10%	20%	30%	40%	50%
2017	4,246,483	8,492,965	12,739,448	16,985,931	21,232,414
2018	7,060,068	13,235,418	18,526,052	22,931,968	26,453,166
2019	8,136,932	14,069,356	18,073,601	20,425,996	21,402,871
2020	9,225,532	14,932,065	18,008,481	19,228,646	19,251,414
2021	9,666,636	14,503,937	16,253,770	16,216,667	15,311,637
2022	9,354,424	12,707,148	12,823,665	11,471,529	9,680,689
2023	9,085,041	11,266,317	10,412,735	8,625,863	6,892,747
2024	8,855,471	10,118,284	8,734,773	6,950,361	5,563,787
2025	8,666,947	9,221,897	7,602,504	6,021,689	5,015,517
2026	8,516,842	8,533,764	6,864,533	5,554,687	4,868,358

# PROPOSED NEXT STEPS

Over the next two months, continue researching where an investment can have the greatest impact:

- On expected retention & completion;
- And the differences between high-school & adult populations;

Prepare a report for the EDC's adoption in June, that:

- Consolidates our findings and research on the scale of the need and expected impact of local financing;
- Recommendations on where we can initially focus (i.e. a demonstration project)
- What outcomes are expected and the measures for evaluation.

## Key Questions for EDC Commissioners:

*Commissioner's advice and recommendations for next steps.*

*What are some key components of a report...*

- *What would make a compelling case for you and your stakeholders for local financing?*