

Executive Summary

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The Economic Value of Seattle Promise





SEATTLE PROMISE is a college tuition and student support program offered through a partnership between Seattle Colleges, Seattle Public Schools, and the City of Seattle.* The program was launched following the passage of the Families, Education, Preschool, and Promise (FEPP) Levy in 2018, with additional support and oversight from the Seattle Department of Education and Early Learning (DEEL).

Seattle Promise delivers more than free college—it creates opportunity. The program opens the door to higher education for Seattle public high school graduates and provides the support they need to persist, complete college, and transition into meaningful careers. In doing so, Seattle Promise helps students build stronger futures and helps the city grow a more inclusive, skilled, and locally rooted workforce.

By investing in students, Seattle Promise returns value to the broader community. Former students contribute to the local economy, meet the needs of employers, and help fuel long-term growth. The program also helps reduce public costs through lower reliance on social services, higher tax contributions, and improved health and civic outcomes.

This report analyzes the impact of Seattle Promise on students, the City of Seattle, and the broader community. It focuses on two types of analysis:

 **Alumni Impact Analysis** — the added income generated by Seattle Promise students now working in the City of Seattle.

 **Investment Analysis** — the return on investment for students, local and state taxpayers, and the community over time.



Seattle Promise strengthens Seattle's future by investing in students, families, and a more equitable economy.

All findings are based on student and financial data from Fiscal Year (FY) 2022-23, and results are presented in three key areas:

FOR STUDENTS AND FAMILIES: A HIGH-VALUE INVESTMENT

Seattle Promise students benefit from increased future earnings, access to college without the burden of tuition, and personalized support that helps them stay on track.

* For the purposes of this analysis, the City of Seattle is comprised of the following ZIP codes in King County: 98101, 98102, 98103, 98104, 98105, 98106, 98107, 98108, 98109, 98112, 98115, 98116, 98117, 98118, 98119, 98121, 98122, 98125, 98126, 98133, 98134, 98136, 98144, 98146, 98154, 98164, 98174, 98177, 98178, and 98199.



Jonathan's Promise-Fueled Path

Jonathan graduated high school amidst the chaos and uncertainty of 2020 — the height of the COVID-19 pandemic and the pivot to online learning. He credits Seattle Promise with providing him with structure and space to explore his academic interests without taking on debt.

"Seattle Promise gave me the freedom to actually explore what I wanted, what I like, and what I'm interested in," which ultimately led him down the path to Biology at North Seattle College and later, the University of Washington.

Looking back on his undergraduate education, Jonathan expresses gratitude for the role that Seattle Promise played in helping him find his path. "If it weren't for Promise, I probably wouldn't have found my interest in research."

In FY 2022-23, students invested time and some out-of-pocket expenses—including books and fees—and in return, they are projected to collectively earn \$59.1 million of cumulative higher future earnings over their working lives. That's an average annual return of 21.1% for Seattle Promise scholars, more than double that of the U.S. stock market's 30-year rate of return of 10.1%—making Seattle Promise a powerful and affordable pathway to economic mobility.

FOR TAXPAYERS: A SMART PUBLIC RETURN

Seattle Promise students' education is funded through a combination of local and state dollars. In FY 2022-23, state and local governments invested \$6.2 million in the program. The return on that investment includes \$13.6 million in projected tax revenue and public sector savings—more than doubling the value of the original contribution. This includes added tax revenue from graduates' higher earnings and a reduced need for public services. For every public dollar spent, state and local taxpayers receive a cumulative present value of \$2.20 over the course of students' working lives.

FOR A STRONGER SEATTLE AND BEYOND: BROAD COMMUNITY BENEFITS

The impact of Seattle Promise extends far beyond individual students. With increased productivity and stronger earnings, Promise alumni from FY 2022-23 are projected to contribute \$177.0 million to Washington's economy over their careers.

This growth supports local businesses, strengthens the regional workforce, and improves quality of life across communities. An additional \$4.8 million in public and private sector savings further reflects the long-term value of this investment in people and potential. In total, the broader community of Washington will see a present value of \$181.8 million in benefits.

As this report shows, Seattle Promise is a proven model for how cities can build stronger futures by supporting students today.

ALUMNI IMPACT ANALYSIS



The alumni impact analysis estimates the economic contribution that Seattle Promise students make to the City of Seattle once they enter the workforce. By calculating the added income generated by their increased skills, education, and productivity, this analysis captures how investment in students creates ripple effects in the local economy over time.

Seattle Promise promotes economic growth in the City of Seattle by offering a clear and affordable pathway from high school to higher education. The program opens doors for students—particularly first-generation and underserved populations—to earn a degree or certificate, transfer to a four-year institution, or enter the workforce with valuable skills. By design, Seattle Promise benefits not only its students, but also the broader city economy through those students' long-term success.

The academic and career support Seattle Promise provides generates a distinct impact—one that builds steadily over time. Since the program's launch in 2018, students have received financial and advising support to pursue their studies at Seattle Colleges. Many of these students have since graduated and joined the workforce with stronger qualifications, improved job prospects, and higher earning potential.

In fiscal year (FY) 2022-23, Seattle Promise alumni working in the City of Seattle generated **\$163,000** in added income to the local economy—the equivalent of supporting **two jobs**. While this early return may appear modest, it reflects the first wave of program participants. Seattle Promise began as a pilot in just six high schools from 2018 to 2019 and only expanded to all 17 Seattle public high schools in 2020. Most alumni counted in this year's analysis come from these initial cohorts.

Another key aspect to consider is that many Seattle Promise students start at Seattle Colleges before transferring to four-year universities to earn bachelor's degrees. For example, a 2018 high school graduate might have completed their Associate's in 2020 and their Bachelor's in 2022, resulting in about one year of potential career experience for this report. As such, a substantial number of participants are still in their degree programs and not yet part of the workforce. Students graduating high school from 2019 to 2022 represent the next wave of impact, building the credentials that will lead to even greater contributions to Seattle's economy.

Seattle Promise is still in its early years, but its trajectory is clear. As more students complete their education—whether into a career or through a transfer pathway—their earnings will increase, their contributions to local businesses will expand, and their overall impact on the city's economy will multiply. This early outcome signals long-term promise—not just for students, but for the future of Seattle's workforce and shared prosperity.

INVESTMENT ANALYSIS



An investment analysis analyzes how Seattle Promise delivers long-term value for students, taxpayers, and the broader community. The analysis compares what each group invests with what they receive in return—through higher earnings, increased tax revenue, and improved community well-being. As with the economic impact analysis, this analysis considers only FY 2022-23 activities.

For Students and Families: A Smart Investment in Their Future



In FY 2022-23, 1,417 students enrolled in the Seattle Colleges and were eligible for Seattle Promise scholarships. As a “last-dollar” scholarship, Seattle Promise covers any remaining tuition costs after financial aid and other scholarships are applied—making tuition free for all Promise students. For students with demonstrated financial need, the program also helps cover additional expenses such as fees, books, and supplies through an additional Seattle Promise Equity Scholarship. Students without demonstrated financial need may still pay for these costs out of pocket, which averaged less than \$150 per student for the year.

Out-of-pocket expenses, as calculated in this analysis, include more than tuition—they reflect students’ estimated spending on required materials such as books and supplies. These costs are common for most college students, even when tuition is fully covered.

In addition to these out-of-pocket costs, students also invest their time—often giving up income they could have earned by working instead of attending school. Taken together, the total investment by Seattle Promise scholars in FY 2022-23 is estimated at a present value of \$4.9 million, equal to \$1.1 million in out-of-pocket expenses and \$3.8 million in forgone earnings.

In return for the time and money they invested in college, Seattle Promise students can expect to earn significantly more over the course of their careers. On average, students who earned an associate degree in FY 2022-23 are projected to make

Seattle Promise scholars see a high rate of return for their educational investment



Average annual return for Seattle Promise scholars

21.1%



Stock market 30-year average annual return

10.1%



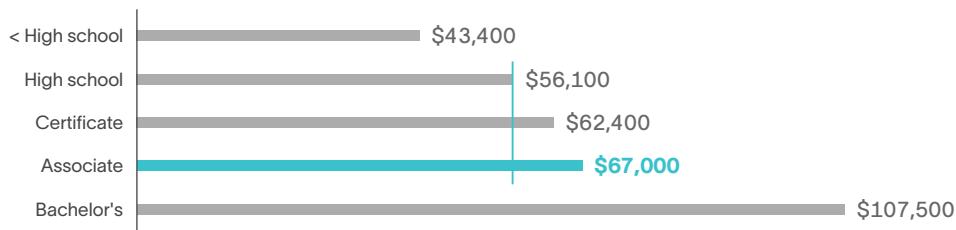
Interest earned on savings account (national deposit rate)

0.5%

Source: Forbes’ S&P 500, 1994-2023; FDIC.gov, March 2023

Average earnings by education level at career midpoint

Seattle Promise Associate Degree Graduates Earn **\$10,900** More Annually Than High School Graduates.



Source: Lightcast employment data

\$10,900 more per year than someone in Washington with only a high school diploma. Over a lifetime, that adds up to more than an undiscounted value of \$520,000 in higher earnings per graduate.

Across all Seattle Promise students served in FY 2022-23, these higher lifetime earnings are expected to total \$59.1 million in today's dollars.

That's a strong return on investment. For every \$1.00 students invested in their education—whether they spent it on books, supplies, or simply gave up wages while attending classes—they'll see an estimated \$12.00 back in the form of higher future earnings. This is known as a benefit-cost ratio (\$59.1 million/\$4.9 million), and in this case, it shows that the education students receive supported through Seattle Promise leads to real financial value over time. This translates to an average annual internal rate of return of 21.1%, which is more than double the long-term 30-year average rate of return of the U.S. stock market (10.1%). Investing in college through Seattle Promise pays off.

For Taxpayers: A Positive Return on Public Investment

 Seattle Promise delivers meaningful returns—not only for students, but also for taxpayers. In FY 2022-23, state and local taxpayers invested \$6.2 million in scholarships for Seattle Promise students, with \$3.7 million coming directly from the City of Seattle. This investment is expected to generate more public revenue than the cost of these scholarships, demonstrating a positive return for the community. Here's how these returns take shape:

As Seattle Promise scholars advance in their careers, they contribute more in taxes to state and local governments through increased earnings and spending. Employers also contribute more tax revenue due to higher productivity and business activity. Over the course of their working lives, Promise students served in FY 2022-23 are expected

Seattle Promise alum, Alex Roque, reflects on her journey to UW via Seattle Promise

During a difficult period, Alex says it was her Seattle Promise advisors that helped get her through. "They gave so much care to my situation at home," she recalls. "It gave me peace of mind. Not just to me, but to my entire family—to know that I could focus on what mattered and that my higher education was paid for. I'm genuinely, endlessly grateful for the program."

With the extra support of Promise and the community she built around her, Alex flourished. She finished out her two years at Central strong, even giving the college's Class of 2022 commencement address.

Then with the help of Path to UW, a partnership between Seattle Promise and the University of Washington, she transferred and ultimately earned her bachelor's in Law, Societies and Justice. Along the way, she even made the prestigious Husky 100, an honor recognizing students making the most of their time at UW. She reflects humbly on her college experience, "all that I am – my skills, my dreams and my drive to fight for social justice – were formed by and for my community."



to generate a present value of \$11.1 million in additional tax revenue for Washington, including approximately \$5.9 million for the City of Seattle.

In addition to higher tax revenues, the program reduces public spending by improving scholars' long-term outcomes. On average, Promise graduates rely less on public services such as healthcare, income assistance, and the justice system. These improved outcomes are expected to generate \$2.5 million in savings for state and local taxpayers, including \$1.5 million in benefits for the City of Seattle taxpayers.

Together, these added tax revenues and public savings total \$13.6 million in benefits to state and local taxpayers. For the City of Seattle alone, total benefits are estimated at \$7.4 million. This translates to a benefit-cost ratio of 2.2 for state and local taxpayers (\$13.6 million/\$6.2 million), meaning that for every dollar of public money invested, taxpayers will receive a cumulative present value return of \$2.20. For City of Seattle taxpayers, the benefit-cost ratio is 2.0 (\$7.4 million/\$3.7 million), reflecting, for every dollar invested, a return of \$2.00 over the course of students' working lives for every dollar invested.

In practical terms, Seattle Promise is a sound public investment. The value of these benefits—higher tax revenues and lower public costs—grows steadily over time. The internal rate of return is estimated at 4.2% annually for state and local taxpayers and 4.1% for the City of Seattle, both of which are comparable to other long-term investments in the public sector.

The analysis demonstrates that the public funds invested in a Seattle Promise student's education—funded in part by the Families, Education, Preschool, and Promise (FEPP) Levy—generate a positive financial return that exceeds the initial cost. For every dollar contributed by state and local taxpayers through the levy and other funding sources, the community receives double in return through increased tax revenues and public savings. This strong benefit-cost ratio confirms that the levy investment in Seattle Promise not only supports students but also pays off by delivering measurable economic value to taxpayers and the City of Seattle.

For a Stronger Seattle and Beyond: Shared Economic and Community Benefits

 Seattle Promise generates broad benefits that extend beyond individual students and taxpayers, strengthening the overall well-being and prosperity of Washington communities.

One key benefit is the expansion of the state's economic base. As Promise scholars build their careers, their higher earnings contribute significantly to Washington's economy. These gains, along with increased business output generated by a more skilled workforce, foster growth and shared prosperity across the state.

Seattle Promise also supports healthier, more secure communities. Higher levels of education are associated with improved health outcomes, stronger employment stability, and increased civic engagement. These outcomes can lead to reduced demand for services like healthcare, income assistance, and the justice system—evidence of how

Community benefits in Washington from Seattle Promise

Added student income
\$136.6 million



Source: Lightcast impact model

opportunity and support lead to more stable, thriving lives and stronger communities. These positive shifts represent real value for communities.

Altogether, the social benefits of Seattle Promise are estimated at a present value of \$181.8 million. This includes \$136.6 million in increased earnings for students, \$40.5 million in added business income, and \$4.8 million in community-wide benefits related to health, justice, and economic stability.



**Present value benefits
\$181.8 million**

* Due to data limitations, all costs related to Seattle Promise and its students were not collected and thus it is not appropriate to calculate return on investment measures.

Summary of investment analysis results

STUDENTS & FAMILIES	STATE TAXPAYERS	CITY OF SEATTLE TAXPAYERS
Present value benefits \$59.1 million	Present value benefits \$13.6 million	Present value benefits \$7.4 million
Present value costs \$4.9 million	Present value costs \$6.2 million	Present value costs \$3.7 million
Net present value \$54.2 million	Net present value \$7.4 million	Net present value \$3.7 million
Benefit-cost ratio 12.0	Rate of return 21.1%	Benefit-cost ratio 2.0
		Rate of return 4.1%



Lightcast provides colleges and universities with labor market data that help create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and résumés. Hundreds of institutions use Lightcast to align programs with regional needs, drive enrollment, connect students with in-demand careers, track their alumni's employment outcomes, and demonstrate their institution's economic impact on their region. Visit lightcast.io/solutions/education to learn more or connect with us.

Conclusion

Seattle Promise is a smart investment in Seattle's future.

Seattle Promise is more than a scholarship—it's a long-term investment in the people, potential, and prosperity of Seattle. By opening doors to higher education and supporting student success, the program helps build stronger futures and a more inclusive local economy.

This report shows that the returns are real, measurable, and lasting—doubling every public dollar invested in scholarships:

- **For Students:** A projected lifetime earnings boost of over \$500,000, in an undiscounted value, per graduate demonstrates that Seattle Promise creates real, long-term financial value and opportunity.
- **For Taxpayers:** A return of \$2.00 for every \$1 invested by the City of Seattle—and \$2.20 for state and local taxpayers combined—shows that providing scholarships more than pays for itself.
- **For the Broader Community:** An estimated present value of \$181.8 million in total community benefits reflects the broader impact of education on health, stability, and economic growth across Washington.

As the program continues to grow and more students graduate, the impact of Seattle Promise will only deepen. For Seattle, investing in students today means shaping a more inclusive, skilled, and economically vibrant tomorrow.



About the study

Data and assumptions used in the study are based on several sources, including the FY 2022-23 academic and financial reports from Seattle Promise, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness.