

## Providence Promise

*Overview: Providence Promise promotes high educational aspirations and more equitable opportunities for Providence Public School students by advocating for college savings accounts and family engagement, increasing financial literacy, and reducing the financial burden of higher education. Vision: To increase the K-12 and postsecondary success of Providence Public School and Charter School students and to help ensure a brighter future for the students, their families, and the community.*

Providence Promise's multi-pronged structure is designed to holistically address the challenges faced by Providence students in their pursuit of higher education.

- **Early Enrollment:** parents/guardians enroll their children by the time they enter the Public School system, except through 2019 when children from birth to grade nine are eligible.
- **College Savings:** upon enrollment, families open a 529 College Savings Account for each child and contribute an average of 1% of their gross annual household income into each child's account for a period of up to 15 years. Providence Promise provides an initial contribution of \$100 to each child's account, and also provides opportunities for families and children to earn additional incentives to build their college savings by achieving certain goals.
- **Family Engagement:** Providence Promise facilitates ongoing family engagement and financial literacy through school-based events, workshops, college visits, referrals to college access programs, and more. The family engagement program also includes a dedicated Parent Council comprised of parent leaders who inform program changes and future workshop topics, and help to plan events.
- **Reducing the Financial Burden:** Providence Promise will work with each student and their family to identify the higher education choices that best fit the needs and goals of each child and to assure that all accessible financial aid is secured, including funds that may be raised by Providence Promise. Providence Promise's current focus is on Early Enrollment, College Savings, and Family Engagement. Our long-term goal is Reducing the Financial Burden by funding the gap ("Gap Funding") between the cost of tuition, board, room, fees, and books net of financial aid. The sources of this Gap Funding are anticipated to come from:
  - The families who are currently saving on average one percent of their income for each of their enrolled children in their own 529 college savings accounts;
  - Donations of \$500,000 per year from the City of Providence; local individuals, businesses, institutions and foundations;
  - Bonus financial aid from participating higher education programs; and
  - The students when they complete their higher education programs who will pay an average of eight percent of their income for an average of nine years (i.e. an income share or pay-it-forward program). The student payments will never be more than what they would have paid if they had a traditional student loan – assuming interest rates comparable to a Stafford loan or the state's Student Loan authority.

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According to our market study and financial model, the program will ultimately become self-sustaining.

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