

The Economic Value of the San Diego Promise Program





THE SAN DIEGO PROMISE PROGRAM is a student success initiative that provides up to two years of free tuition at San Diego City, San Diego Mesa, and San Diego Miramar Colleges. Launched in 2016 by the San Diego Community College District (SDCCD), the program aims to eliminate financial barriers to community college education. Designed as a “last-dollar” scholarship, San Diego Promise covers costs that remain after federal and state financial aid have been applied. The program is primarily geared toward first-time, full-time college students, but has expanded over time to welcome adult learners and veterans as well.

Beyond financial relief, the program fosters a supportive learning environment designed to maximize student equity, retention, and degree completion. San Diego Promise students are paired with individual academic counsellors and peer mentors who provide personalized guidance and support. The San Diego Promise is more than free tuition—it creates opportunity. The program opens the door to higher education for San Diego students and provides the support they need to persist, complete college, and transition into meaningful careers. In doing so, San Diego Promise helps students build stronger futures and helps the county grow a more skilled workforce.

By investing in Promise students, the San Diego Promise Program 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 study analyses the economic impact created by San Diego Promise and the benefits it creates in San Diego County and the broader community. It focuses on two types of analysis:

- **Alumni impact analysis:** The added income generated by San Diego Promise students now working in San Diego County.
- **Investment analysis:** The return on investment for students, taxpayers, and the community over time.

All findings are based on San Diego Promise student and financial data from Fiscal Year (FY) 2024-25.



San Diego County, California

San Diego Promise strengthens the county’s future by investing in students, families, and a more equitable economy.



Alumni impact analysis



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

Alumni impact



The San Diego Promise Program promotes economic growth in San Diego County by offering a clear and affordable pathway from high school to higher education. The program opens doors for students to earn a degree or certificate, transfer to a four-year institution, or enter the workforce with valuable skills. By design, the program benefits not only its students, but also the broader county economy through those students' long-term success.

The academic and career support San Diego Promise provides generates a distinct impact—one that builds steadily over time. Since the program's launch in 2016, students have received financial and advising support to pursue their studies at SDCCD. Many of these students have since graduated and joined the county workforce with stronger qualifications, improved job prospects, and higher earnings potential.

In FY 2024-25, San Diego Promise alumni working in San Diego County generated **\$3.5 million** in added income to the county economy—the equivalent of supporting **28 jobs**. While this early return may appear modest, it reflects only the first waves

Alumni impact created by
San Diego Promise in FY 2024-25



Added income
\$3.5 million

OR



Jobs supported
28

Phillip's Promise-engineered pathway

Phillip Kist made the most of his time at San Diego Miramar College as part of the inaugural class of the San Diego Promise program in 2016. "They're giving me an incredible opportunity, so I decided to do the best I could and stock up on classes," he said at the time. "This program has helped a lot and provided the motivation to succeed." Indeed, it did. Phillip, an alumnus of University City High School, took classes at City, Mesa and Miramar colleges, earning an associate degree for transfer in mathematics from Miramar College in 2019 before transferring to San Diego State University. He landed a job as a junior civil engineer in New York while still an SDSU senior, then graduated with a bachelor's degree in civil engineering in 2021. Three years later, the Metropolitan Transportation Authority hired him as a drainage engineer for the Metro-North Railroad, where he's worked out of Grand Central Terminal for about 18 months. "I don't know if I'd be here without the Promise. If so, it certainly would have been more of a struggle," Phillip said.



of program alumni. Founded only 10 years ago, the San Diego Promise is built for long-term impact. Over the coming decades, a growing stream of alumni will enter the county workforce, driving county economic growth. San Diego Promise is still in its early years, but its trajectory is clear. As more students complete their education, their earnings will increase, their contributions to local businesses will expand, and their overall impact on the county's economy will multiply. This early outcome signals long-term promise—not just for students, but for the future of San Diego County's workforce and shared prosperity.

The San Diego Promise story: Filling the gaps

Assembly Bill (AB) 19 was signed by Governor Jerry Brown in October 2017, establishing the California Promise initiative in the California Community College (CCC) system. This bill specifies that first-time students in CCCs who are able to maintain a 12 or higher unit load and who submit a financial aid or Dream Act application would be eligible to have their tuition fees waived. The legislation aims to close equity gaps while increasing associate degree conferrals and transfers to four-year universities.

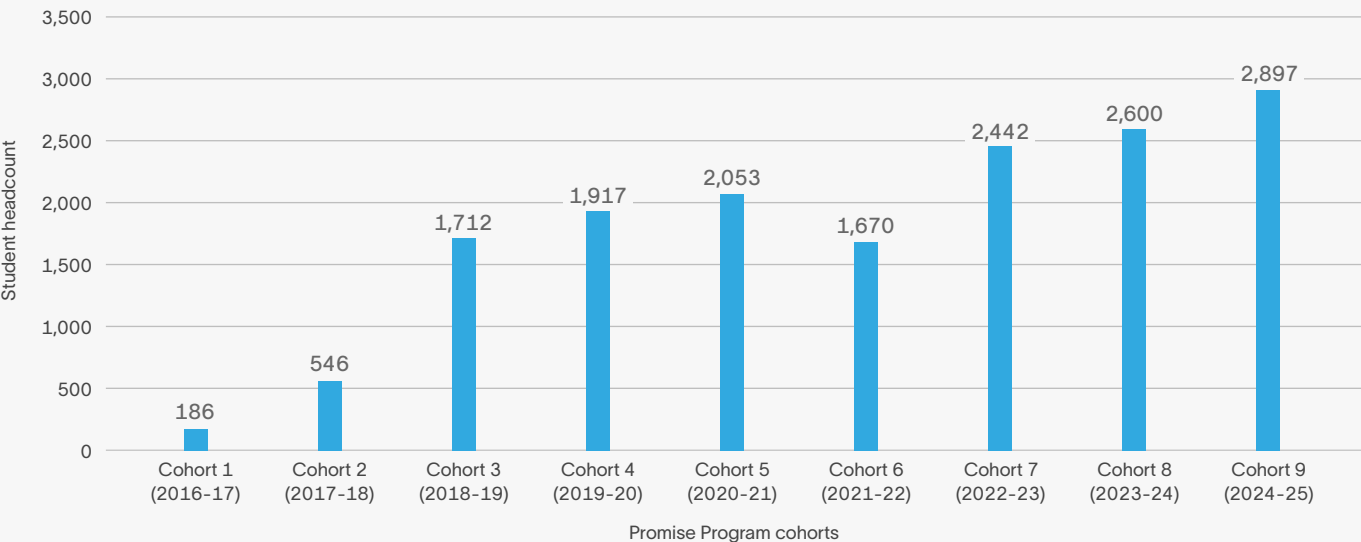
After a small pilot program in 2016, the San Diego Promise Program expanded in 2017 with the intention of providing affordable opportunities for first-time college students to attend classes at City, Mesa, and Miramar Colleges. The San Diego Promise Program

allows qualifying students to receive tuition and book waivers for their first two years of enrollment with the SDCCD.

While the passage of AB 19 opened the door to this critically important program, recent studies on College Promise programs demonstrate that some of the requirements outlined in AB 19 may be prohibitive to students realizing their academic goals. For example, full-time requirements are generally implemented in good faith to increase student success and quicken time to degree completion; however, this leaves part-time students, who comprise 68% of SDCCD's total credit college population in the dust. The need to develop student support and program criteria that are responsive to the Promise student population has become more

urgent as proposed changes to Pell grant funding increase the threshold for full-time status, further burdening students who struggle to maintain a full-time unit load because of work or familial obligations.

Overall headcount for the San Diego Promise Program has grown over time, and the program has been expanded due to the efforts of practitioners and donors providing access for students who are not fully supported by AB 19 funds such as part-time students. The SDCCD has worked closely with private donors to increase support for students traditionally excluded from AB 19 funding, an effort that is ongoing.



Investment analysis



An investment analysis measures how San Diego Promise delivers long-term value for students, taxpayers, and the broader society. The analysis compares what each group invests with what they receive in return—through higher earnings, increased tax revenue, and improved social well-being. As with the economic impact analysis, this analysis considers only FY 2024-25 activities.

Student perspective



In FY 2024-25, SDCCD served 4,932 San Diego Promise students. As a “last-dollar” scholarship, San Diego Promise covers any remaining tuition costs after financial aid and other scholarships are applied—making tuition free for all San Diego Promise students. The program also covers additional expenses such as mandatory health fees regardless of students’ income.

Out-of-pocket expenses, as calculated in this analysis, include more than just 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 San Diego Promise students in FY 2024-25 is estimated at a present value of \$24.7 million, equal to \$3.3 million in out-of-pocket expenses and \$21.3 million in forgone time and money.

San Diego Promise students see a high rate of return for their investment



Average annual return for San Diego Promise students
15.6%



Stock market 30-year average annual return
10.9%

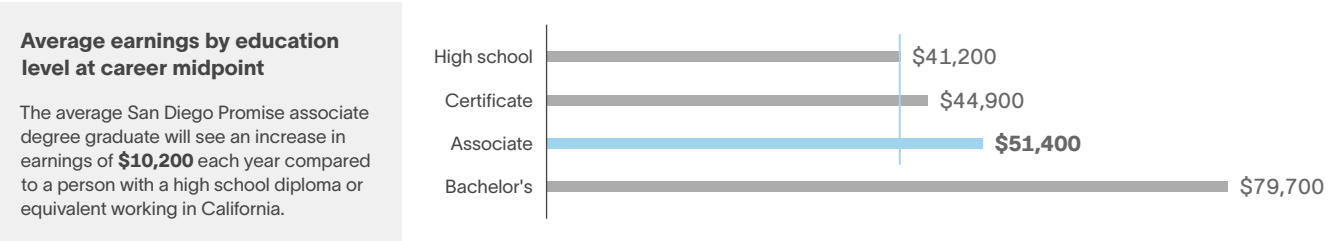


Interest earned on savings account (national deposit rate)
0.5%

Source: Forbes’ S&P 500, 1994-2025;
FDIC.gov, January 2024



In return for their investment, San Diego Promise students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average San Diego Promise associate degree graduate from FY 2024-25 will see annual earnings \$10,200 higher than a person with a high school diploma or equivalent working in California. Over a working lifetime, the benefits of an associate degree over a high school diploma will amount to an undiscounted value of \$479,400 in higher earnings per graduate. The present value of the cumulative higher future earnings that San Diego Promise's FY 2024-25 students will receive over their working careers is \$173.2 million.



Source: Lightcast employment data

The students' benefit-cost ratio is 7.0. In other words, for every dollar San Diego Promise students invest in an education at SDCCD in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$7.00 in higher future earnings. Annually, the San Diego Promise students' investment in SDCCD has an average annual internal rate of return of 15.6%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 10.9%.

Amya's Promise-fueled exploration

The San Diego Promise program let Mesa College student Amya Jones explore an area of study she might not otherwise have pursued at a traditional four-year college. "As a fashion major it can be really difficult because you don't necessarily need a degree to be successful, but with the San Diego Promise program, I was given more confidence to go after it," she said. "Joining the Promise program made it less stressful financially for me. Less stress allowed me to focus more on my studies."

Amya graduated with an associate degree in business administration and management before going on to earn a Bachelor of Business Administration in business marketing and fashion merchandising from California State University, Long Beach. For anyone considering the San Diego Promise, she related "there's nothing to lose" by applying to be a part of the program.



Taxpayer perspective



San Diego Promise delivers meaningful returns—not only for students, but also for taxpayers. In FY 2024-25, state and local taxpayers invested \$14.9 million in the San Diego Promise Program. The investment is expected to generate more public revenue than the cost of the program, demonstrating a positive return for taxpayers.

As San Diego Promise students earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2024-25 students' working lives, the state and local government will have collected a present value of \$71.5 million in added taxes.

In addition to higher taxes, benefits to taxpayers will also consist of savings generated by the improved lifestyles of San Diego Promise students and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes, and on average, San Diego Promise students rely less on public services such as health care, income assistance, and the justice system. Improved health will lower students' demand for national health care services. San Diego Promise students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. In addition, costs related to the justice system will decrease. Altogether, the present value of the benefits associated with an education through San Diego Promise will generate \$13.6 million in savings to state and local taxpayers.

Total taxpayer benefits amount to \$85.1 million, the present value sum of the added tax revenue and public sector savings. Taxpayer costs are \$14.9 million, equal to the amount of state and local government funding San Diego Promise received in FY 2024-25. These benefits and costs yield a benefit-cost ratio of 5.7. This means that for every dollar of public money invested in San Diego Promise in FY 2024-25, taxpayers will receive a cumulative present value of \$5.70 over the course of the students' working lives. The average annual internal rate of return for taxpayers is 9.2%, which compares favorably to other long-term investments in the public sector.

Social perspective



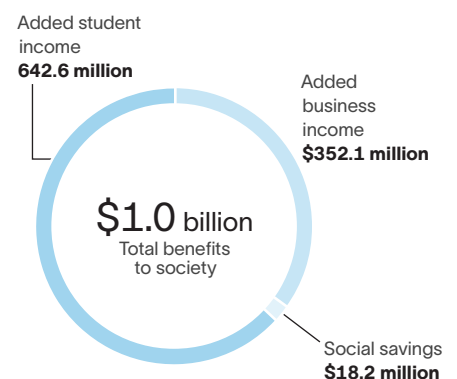
The San Diego Promise Program generates broad benefits that extend beyond individual students and taxpayers; strengthening the overall economy and prosperity of California communities.

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

San Diego Promise also supports healthier, more secure communities. As discussed in the previous section, education is statistically correlated with a variety of lifestyle

For every dollar of public money invested in San Diego Promise, taxpayers will receive a cumulative value of **\$5.70** over the course of the students' working lives.

Social benefits in California from San Diego Promise



Source: Lightcast impact model



changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Health care savings include avoided medical costs associated with smoking, obesity, substance abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims.

Altogether, the social benefits of San Diego Promise equal a present value of \$1.0 billion. These benefits include \$642.6 million in added student income, \$352.1 million in added business income, as well as \$18.2 million in social savings related to health, the justice system, and income assistance in California.



Summary of investment analysis results

The results of the analysis demonstrate that the San Diego Promise Program generates substantial benefits for all three major stakeholder groups—students, taxpayers, and the broader society. As shown, San Diego Promise students receive a great return for their investments in an education through SDCCD. At the same time, taxpayers’ investment in San Diego Promise returns more to government budgets than it costs and creates a wide range of social benefits throughout California.

Summary of investment analysis results



Student perspective

Present value benefits

\$173.2 million

Present value costs

\$24.7 million

Net present value

\$148.5 million

Benefit-cost ratio	Rate of return
7.0	15.6%



Taxpayer perspective

Present value benefits

\$85.1 million

Present value costs

\$14.9 million

Net present value

\$70.2 million

Benefit-cost ratio	Rate of return
5.7	9.2%



Social perspective

Present value benefits

\$1.0 billion

Conclusion

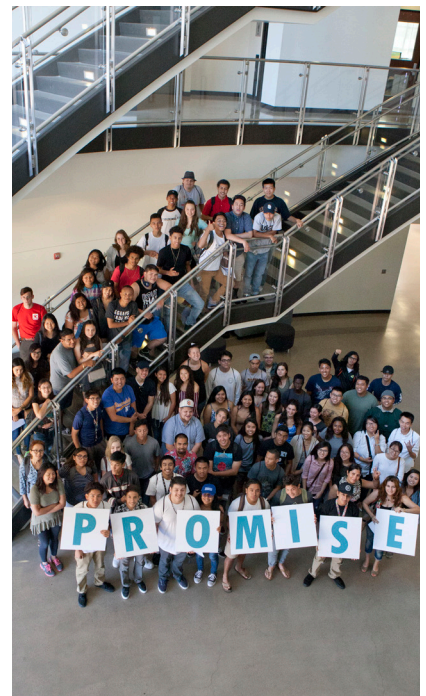
The San Diego Promise Program is more than a scholarship—it's a long-term investment in the people, potential, and prosperity of San Diego County. By opening doors to higher education and supporting student success, the program helps build stronger futures and grows the county economy.

The net impact of San Diego Promise's former students currently employed in the county workforce amounted to **\$3.5 million** in added income in FY 2024-25. Over the coming decades, a growing stream of alumni will enter the county workforce, driving county economic growth.

The results of this analysis demonstrate that San Diego Promise creates value from multiple perspectives:

- **For students:** A projected lifetime earnings boost of nearly \$480,000, in an undiscounted value, per graduate demonstrates that San Diego Promise creates real, long-term financial value and opportunity.
- **For taxpayers:** A return of \$5.70 for every \$1 invested by state and local taxpayers shows that program support more than pays for itself.
- **For society:** An estimated present value of \$1.0 billion in total community benefits reflects the broader impact of education on health, stability, and economic growth across California.

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



About the study

Data and assumptions used in the study are based on several sources, including the FY 2024-25 academic and financial reports from San Diego 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..

Jerusalen's Promise-fueled path

Born in Ixtlahuaca de Rayón, near Mexico City, and raised in a low-income household in City Heights, Jerusalen Davila wasn't expecting to go to college right out of high school. But at San Diego City College, the San Diego Promise gave her something more than free tuition — it gave her a foothold.

"The San Diego Promise gave me the financial security and the mentors I needed," said Jerusalen, a Hoover High School graduate. "When I got to City, there were people who were willing to help me, there were spaces that welcomed me. I felt welcomed. I had a support system in place already, and I had individuals I could reach out to."

She leaned into that support system, joining the Puente Project, EOPS, First Year Services and the Dreamer Resource Center. She joined City College's Honors Program and made the Dean's List all three years she attended. That foundation carried her far. After earning an associate degree in sociology, Jerusalen transferred to UC Berkeley for a bachelor's degree in Chicano/Chicana Studies and is now a second-year doctoral student at UCLA on a full-ride scholarship.

Now 27 and living in Culver City, Jerusalen is turning her own experience into a career built around helping others navigate the path she once walked. As a graduate researcher, she works with high school students in Koreatown and South Los Angeles on the finer points of college applications, and she mentors undergraduates at UCLA. She hopes to build a career in academia — and hasn't ruled out one day returning to teach, or becoming an administrator, at City College. In the meantime, she's taken part in more than a dozen conference presentations focusing on her research into the challenges facing undocumented students. Her focus includes undocumented college students, Latine college students, community colleges, transfer students, and college access.

A decade after she first walked onto City College's downtown campus, the San Diego Promise still shapes how she sees herself and her work.



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.

