



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

TAB M

May 19, 2022

## Earn to Learn Participation Intent

Earn to Learn is a 501(c)3 non-profit entity that supports Pell Grant-eligible students with scholarship funds and success coaching. To participate, students save a portion of their own funds, up to \$500 per year, which the program matches with grant funding on an 8:1 basis, up to \$4,000 per year. To participate, students must complete personal finance coursework and engage in ongoing personal finance, college, and career readiness training.

In 2021, Senator Mitt Romney and Senator Kyrsten Sinema (AZ) introduced the Earn to Learn Act which would provide federal funding to expand the program. In the meantime, Earn to Learn is engaged in private fundraising to support a multi-state pilot program with state commitments to share in the scholarship match. The program is seeking a letter of commitment from the Utah System of Higher Education to participate upon confirmation of a dollar-for-dollar philanthropic match for a project period of up to four years.

### **Commissioner's Recommendation**

The Commissioner recommends the Board direct the Commissioner to sign a letter of intent to participate in an Earn to Learn pilot program in Utah upon confirmation of philanthropic match, state funds availability, and final Board approval of program design.



WE ENVISION A WORLD  
WHERE EVERY STUDENT  
THRIVES IN EDUCATION  
AND LIFE

# Earn to Learn: Building Wealth for Low-Income Families through Post-Secondary Education Completion with Little to No Student Loan Debt

## INTRODUCTION

A postsecondary education has never been more critical - yet far too many students continue to feel it is ever more out of reach. Approximately two out of every three jobs now require some form of education beyond high school, making the completion of a 2-or 4-year degree (or even a certificate program) a prerequisite in many job fields. Unfortunately, fast-rising tuition, housing and other education-related expenses are outpacing financial aid and federal assistance programs, such as federal Pell Grants. Combined student-loan debt nationally has reached a staggering \$1.7 trillion. Burdened by this debt, an entire generation of graduates is challenged in being able to build wealth by purchasing a home, starting a business, saving for retirement, and otherwise, investing in their own future. A postsecondary education feels financially unattainable for more and more prospective students.

Equally worrisome, college access remains deeply uneven across socioeconomic groups. The rising cost of a college education is having a disparate impact on the most vulnerable and at-risk populations. Significant opportunity gaps persist in the percentages of Black, Indigenous and People of Color (BIPOC) students who attend and complete a postsecondary degree, and these same communities of color have higher rates of student debt relative to their white peers. The dynamic has had a pernicious effect by simultaneously aggravating poverty and limiting economic mobility among underserved demographics.

What is needed is a transformational approach to financial aid via a model that improves college access and completion, enables students to graduate with little or no debt and utilizes education as the means to narrow the racial wealth gap and help break the cycle of intergenerational poverty.

## OUR APPROACH

Established in 2013, Earn to Learn is a 501(c)3 non-profit that operates the largest and most successful college matched-savings scholarship program in the country. Earn to Learn combines student savings with scholarships, financial education, success coaching and workforce readiness training to help low-to moderate-income students complete a college education and graduate without accumulating debt. This is how it works:

- Earn to Learn is open to all students who are Pell Grant-eligible (low-to- moderate-income), including adult learners,
- Each student saves a portion of their own funds, \$500 per year,
- This is matched with grant funding on an 8:1 basis or \$4,000 per year,
- The Earn to Learn scholar completes financial education coursework to access the matching funds and the success coaching model, which includes ongoing personal finance training, college readiness, and career readiness training,
- Most Earn to Learn scholars graduate with little or no student-loan debt, and
- The business community is supporting this initiative and offering highly paid jobs to Earn to Learn graduates.

Earn to Learn scholarship funds can be applied to **Unmet Need** – tuition, books, fees, student housing, transportation, childcare, and other living expenses. Unmet Need is a major driver of attrition – Earn to Learn fills gaps to help students complete their studies – without incurring crippling student loan debt. Earn to Learn is intended to complement, rather than replace, Pell Grants and other forms of traditional financial aid that are proving insufficient to cover the total cost of college attendance.

## OUR RESULTS

Over the course of nearly a decade in Arizona, the public private Earn to Learn model has achieved exceptional results (detailed report card attached). The following are highlights of the outcomes among Earn to Learn scholars:

- Approaching 80% of students graduating within six years of starting their program
- Near 90% of students continue their education after their first year
- 63% are first generation students,
- 84% are BIPOC students; and
- 72% are STEM scholars, meeting highly paid workforce needs.
- All graduates have little to no student loan debt

## EXPANSION - EARN TO LEARN MULTI-STATE PILOT

Earn to Learn seeks to expand its program across multiple states and a larger student population by privately raising funding to support a multi-state, multi-year philanthropically funded pilot. Our goal is to partner with philanthropy to support up to 20 states replicating Earn to Learn in order to provide 25,000 college scholarships for low-to moderate-income students of all ages.

Participating states/partners must execute a Letter of Commitment (LOC) that establishes their commitment to provide a local funding match. The following states have already executed LOCs or are actively exploring executing an LOC: Texas; California; Florida; Mississippi; Michigan; Louisiana; Nevada; Utah; Hawaii, Kansas; and Washington. Based on recent conversations, there is a high probability that LOC's may be executed with South Carolina, Indiana, Kentucky, Ohio, and Oregon, among others.

In 2021, the Earn to Learn Act was introduced by U.S. Senators Mitt Romney (R-UT) and Kyrsten Sinema (D-AZ) and Congresswoman Susie Lee (D-NV) and Congressman David Schwikert (R-AZ) in the U.S. House of Representatives. The bill would make this proven and innovative matched-savings program available to low- and moderate-income students nationwide. The Earn to Learn Act would create a federally funded program housed in the U.S. Department of Education and supporting approximately 250,000 scholarship opportunities nationwide over a five-year period.

## CONCLUSION:

The racial wealth gap and systematic inequities in poverty alleviation remain among our nation's longest-standing challenges. Postsecondary education can be part of the solution – but only if it is affordable, accessible, and equitable. Earn to Learn has a nearly decade-long track record making college possible for underrepresented students - including those from low-income households who are first generation and minorities. The Earn to Learn Act has been introduced to make this program available to students, including adult learners, across the country. While federal legislation works through Congress in the coming years, a philanthropically funded, multi-state pilot will help scale Earn to Learn and fund an estimated 25,000 scholarships for deserving students with states matching dollar-for-dollar the investment from the private sector and philanthropy. **We invite you to partner with us to expand a program that works to break the cycle of intergenerational poverty, build equity, improve postsecondary retention and graduation, meet workforce needs, greatly reduce student-loan debt, and narrow the racial wealth gap in America.**

