

**President's Advisory Council
on Faith-Based and Neighborhood
Partnerships**

**A New Era of Partnerships:
Report of Recommendations to the President**

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Economic Recovery and Domestic Poverty

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Economic Recovery and Domestic Poverty

INTRODUCTION

Every day—in every part of America—faith-based and neighborhood organizations are serving the most vulnerable members of our Nation in both profound and ordinary ways.

Faith- and community-based social service providers are an integral part of our Nation's fabric. They provide warmth, food, housing, job training, mentoring, and hope to millions in every State, city, and town across America.

The impact of these organizations is enormous, whether funded by private or public dollars. For example, one of eight people living in poverty received services and support from Catholic Charities. The United Way has 1,279 offices located in every State and virtually every congressional district and works with 37,300 partner agencies across the country. The Jewish Federations of North America represent 157 Jewish Federations, which raise and distribute nearly \$3 billion annually for social welfare, social services, and educational needs, through a network of agencies that also receive over \$10 billion in governmental funds annually. Lutheran Services in America reports that its member agencies across the country worked with a budget of more than \$16 billion last year. Nonprofit networks, like Feeding America, serve more than 37 million people each year through some 61,000 local faith- and community-based charitable agencies.

Additionally, there are thousands of smaller nonprofits that are working at the community and neighborhood levels every day, whose combined impact cannot even be measured. But we know that without the compassion, innovation, and daring of these groups, this country would be a different place.

Faith- and community-based social service providers are serious, innovative, and—in fact, indispensable—partners for the U.S. Government in the economic recovery and in the fight against domestic poverty.

The principle behind our report underlines the assertion that the U.S. Government should see these capable institutions *as key partners in not only providing social services, but also in setting policy and helping model innovation to strengthen communities.*

Partnerships, especially during the economic recovery, that will protect those most in need are essential; *these partnerships need to be mutual and supportive.*

Nonprofits are being asked to deliver a higher level of services with fewer resources. For instance, Catholic Charities saw a 10-percent increase in demand for services in 2008; Feeding America saw an increase of more than 30 percent in just one year from the numbers

of those coming to their agencies for food assistance in 2008. 2-1-1, the health and human services information and referral line, operated in many states by United Way, saw more than a 40% increase in call volume during 2008 – the bulk of calls relating to basic human needs such as food assistance, utility assistance, and housing. At the same time, these and other charitable organizations are seeing income to provide their services decline from all avenues, private and public.

As nonprofit leaders, we realize that State and local governments also are facing tight budgets and funding shortfalls, and we are trying to do all that we can to help, however an assumption that nonprofits can meet the growing needs without greater government support is not feasible.

We were very heartened to learn that recent analysis by the Center on Budget and Policy Priorities shows that provisions in the American Recovery and Reinvestment Act of 2009 (hereinafter, the “Recovery Act”) are keeping more than 6 million Americans out of poverty and are reducing the severity of poverty for 33 million more.¹

But much more needs to be done.

We believe that this economic crisis gives those who serve the public—both government and nonprofit—an opportunity to work together and reinforce both the community fabric woven by our Nation’s nonprofit and faith-based groups and the social safety net held by health care, human services, and social service providers.

We also are committed to supporting the Administration in seeking an inclusive Economic Recovery that helps everyone, especially the most vulnerable and those most in need.

In this report, we suggest that *the commitment to prioritize the concerns of the poorest among us should become a principle of partnership between government and faith-based and neighborhood organizations.*

We would even go so far as to say that social policy must be made more accountable by practices and guidelines that would serve to *focus* our shared attention on those on the margins of society—those whom the 25th chapter of Matthew calls “the least of these,” and shared Jewish, Christian, and Muslim Scriptures often refer to as “the widow, the stranger, and orphan.” Rg Veda of the Hindu scriptures emphasizes the need “to strive at all times for the well-being of all the people” and many other sacred texts, and the moral traditions of our country share similar teachings about caring for the most vulnerable. In our partnerships with government, we will always seek to make sure that the question of the impact on the poor is being asked.

We stand ready to work with President Obama and his Administration toward a stable and inclusive Economic Recovery, toward the stated goal of cutting poverty in half by 2015, and toward ultimately building effective partnerships to end poverty in America.

¹ Center on Budget and Policy Priorities, *State-Level Data Show Recovery Act Protecting Millions From Poverty Act; Also Saving and Creating Jobs, Boosting Economy*, December 17, 2009.



Three Areas of Recommendation

Acknowledging that there are many areas and topics we could have explored, the Council offers recommendations in three areas.

First, we recommend a set of **principles of partnership** for an inclusive economic recovery. These include building an accountable partnership with our Nation's faith-based communities and neighborhood organizations focused on the goal of reducing poverty in half by 2015 and continuing to seek an end to poverty in America; reexamining how the poverty level is measured; and common sense proposals to help strengthen the effectiveness of social service nonprofits during the economic recovery.

Second, we recommend a series of changes that would **increase access to income-enhancing benefits** for those most in need. Faith- and community-based organizations are on the frontlines, striving to not only fill emergency gaps in income, food, and shelter, but also support families in their efforts to adapt to the realities and opportunities of a post-recession economy. Our organizations work in partnership with government to help low-income people access income-enhancing government benefits, such as the Earned Income Tax Credit; SNAP, the Supplemental Nutrition Assistance Program (food stamps); and various child nutrition programs. Yet, far too many eligible families and individuals do not receive the benefits to which they are entitled,² reducing the potential economic benefits for low-income communities, deepening the negative impacts of poverty on families, and making the work of faith and community-based organizations all the more difficult.

Finally, we turn to **jobs and education**, two of the most important ingredients for pulling families and communities out of poverty and giving people the tools for success. The Economic Recovery will depend on the ability of people, especially our Nation's youth, to have access to post-secondary education and job training opportunities in order to prepare for a new economy. Faith- and community-based organizations have unique positions as trusted partners to the community, to local businesses, but most important, to the individuals they assist and support every day. Therefore, we can play a key role in providing a bridge, especially for disconnected and disadvantaged job seekers, to education, training, and ultimately jobs with dignity.

² Jennifer Miller, Frieda Molina, Lisa Matus-Grossman, and Susan Golonka, *Building Bridges to Self-Sufficiency: Improving Services for Low-Income Working Families* (MDRC and the National Governors Association (NGA) Center for Best Practices: March 2004), at 14-15. See also Sheila Zedlewski, Gina Adams, Lisa Dubay, and Genevieve Kennedy, *Is There a System Supporting Low-Income Working Families?* Low-Income Working Families, Paper 4 (The Urban Institute: February 2006); Food and Nutrition Service, U.S. Department of Agriculture, *Reaching Those in Need: State Supplemental Nutrition Assistance Program Participation Rates in 2007*, November 2008; Food Research and Action Center, *Food Stamp Access in Urban America: A City-by-City Snapshot*, October 2008; Sandra Jamet with Laura Seidell, Ben Seigel, and Rebecca Ross, *Benefits and Low Wage Work* (Seedco: September 2003).

Overview of Recommendations

Principles of Partnership for an Inclusive Economic Recovery:

Recommendation 1: Build accountable partnerships between the Obama administration and faith- and community-based organizations directed toward the explicit and shared goal of significantly reducing and finally putting an end to poverty in America.

Recommendation 2: Utilize the knowledge, expertise, and on-the-ground experience of local faith- and community-based organizations to redefine the Federal poverty guideline so that it more accurately measures and responds to the needs of low-income people.

Recommendation 3: Provide greater flexibility for the coordination and integration of government funds designated for specific program activities.

Recommendation 4: Support faith- and community-based partnerships as a means to fill the gaps in providing essential services like transportation, housing, food assistance, job training, education, and health care for low-income families and individuals.

Recommendation 5: Ease the burden on nonprofit social service agencies by removing barriers to service provision such as matching fund requirements, burdensome reporting and regulations, and slow payments and reimbursements.

Strengthen Access to Benefits:

Recommendation 6: Create an interdepartmental taskforce to explore and oversee streamlining and consolidating the public benefits, eligibility, and application processes.

Recommendation 7: Expand single-site, multiple-benefit access programs, including those run through faith- and community-based organizations.

Recommendation 8: Invest in the development and distribution of software applications to facilitate access to multiple benefits through online applications.

Recommendation 9: Create incentives for State and local governments to maximize participation by eligible low-income families and individuals in income-enhancing benefits and to promote multiple-benefit access through faith- and community-based organizations.

Focus on Jobs and Education:

Recommendation 10: Incorporate supportive services with education and training opportunities, and ensure nonprofit accessibility and eligibility for Federal grant funding.

Recommendation 11: Focus partnerships between education and training institutions and faith- and community-based organizations to better serve disadvantaged, displaced, and disconnected job seekers and to align worker skills with employer needs.

Recommendation 12: Utilize faith- and community-based organizations to bridge the gap from secondary education to post-secondary institutions and job training programs with a particular focus on disconnected youth.

Recommendation 13: Encourage collaboration between faith- and community-based organizations, community colleges, and the private sector.

Principles of Partnership for an Inclusive Economic Recovery

Sustained economic recovery depends on the participation and prosperity of all citizens and the development of communities of opportunity. Low-income people and communities of color continue to be at the frontlines of the economic crisis. The Recovery Act presents a tremendous opportunity to maximize gains for those hit first and worst by the economic downturn and to put equity at the forefront of policy and resource decisions. This moment of unparalleled investment is also an opportunity to build stronger partnerships between the Federal Government and faith- and community-based organizations, to help speed economic recovery and set a new standard for the future.

Recommendation 1: Build accountable partnerships between the Obama administration and faith- and community-based organizations directed toward the explicit and shared goal of significantly reducing and finally putting an end to poverty in America.

Faith- and community-based organizations have for more than a century worked in successful partnerships with the Government to deliver social services and care to millions in need throughout our Nation.

We have partnered with government by providing high-quality care, services, and support to the most vulnerable and disadvantaged members of our society with a proven track record of success. However, our partnership with the Federal Government has not always been accountable to a long-term goal of permanent poverty reduction.

Our community is ready for a new accountable partnership with the Federal Government with the goal of not only providing high-quality services and care, but also toward the measurable outcome of significantly reducing poverty rates and finally putting an end to poverty in America.

Many in our community are committed to the goal, affirmed by President Obama, of cutting the poverty rate in half in 10 years. At the Compassion Forum on April 13, 2008, then candidate Barack Obama was asked whether, as President, he would commit to the goal of cutting poverty in half in 10 years. The President answered: *“I absolutely will make that commitment. Understand that when I make that commitment, I do so with great humility because it is a very ambitious goal. And we’re going to have to mobilize our society, not just to cut poverty, but to prevent more people from slipping into poverty.”*

We understand that government cannot—and should not—take up this task alone.

Our communities are committed to bringing our moral authority, financial resources, and networks of hundreds of thousands of experienced social service providers across America to this task. We seek to build a long-term and accountable partnership with the Obama administration to work together—and hold each other accountable—in taking steps to make poverty reduction a reality.

We invite the President and his Administration to work with our communities in establishing a new era of partnerships with faith- and community-based organizations dedicated to the measurable goal of reducing poverty by half in 10 years and ending childhood hunger by 2015.

Recommendation 2: Utilize the knowledge, expertise, and on-the-ground experience of local faith- and community-based organizations to redefine the Federal poverty guideline so that it more accurately measures and responds to the needs of low-income people.

Federal poverty measures shape our basic understanding of who lives in poverty in America. They compare an individual's or family's income with the amount believed necessary to meet a minimum standard of living. The official poverty measures, virtually unchanged since the 1960s, are deeply flawed. The standard is based on the cost of food and the assumption that individuals or families will spend one-third of all available income on food.

However, living costs and expenditures have changed dramatically since 1965. The modern American family spends just one-seventh of household income on food, whereas many other expenses, such as transportation, medical expenses, housing and childcare costs, have increased dramatically.

The inaccuracies of the Federal poverty levels have two major areas of impact on the work of faith- and community-based social service providers:

1. First, the Federal poverty guidelines impact the eligibility of those who can receive the social services our organizations provide. Poverty statistics directly affect the distribution of at least \$22 billion a year in Federal money, and over 50 federally assisted programs, for education, community development, basic nutrition and other purposes.³

We see the impact of the inaccuracies of these measures at our doorsteps, as our organizations are required to fill the gap to make up for the discrepancies of who is deemed eligible for benefits and who is in need of help. This is especially true in parts of the country where the cost of food, rent, and other basics are especially high, because the Federal poverty measures do not take these factors into consideration. For example, rents in Manhattan and in California are more than twice as high as rents in Southern and Plains States. But neither poverty index makes the distinction.

2. Second, the current poverty measures do not take into account the impacts of noncash benefits, like the Supplemental Nutritional Assistance Program, known as SNAP (food stamps), the Earned Income Tax Credit (EITC), and childcare supports. Such noncash benefits encompass many of the services and benefits to which we help provide access. The current measures do not show a reduction in poverty when successful policies are expanded or an increase in poverty when they are contracted. Therefore, it is very difficult to measure the impact our programs and services are having on alleviating poverty in our communities. Without accurate understanding of the impact of policy and programmatic interventions, the social service sector is left without an accurate landscape to evaluate the effectiveness of our work and our partnership with the U.S. Government.

This second point takes on a new importance in the context of the Economic Recovery. New initiatives in the Recovery Act designed to help those most hurt by the recession, such as expansion of the EITC, child tax credits, or SNAP benefits, cannot be measured for their impact on poverty rates.

³ According to the Congressional Research Service's 2007 analysis, at least 57 federally assisted programs used poverty levels, typically determined under the Department of Health and Human Services (HHS) poverty guidelines, in some way to determine program eligibility.



Changing the current poverty measures could be done through a new directive from the White House Office of Management and Budget (OMB).

Considering the direct impact the Federal poverty measures have on the work of nonprofit social service providers, the Council recommends that the President direct OMB to meet with leading faith- and community-based social service leaders to discuss how to implement a more realistic measure of poverty utilizing the knowledge and expertise those organizations bring to the table.

Background and Explanation:

There are two main Federal poverty measures, both of which are seriously outdated and do not allow for an effective measurement of people’s basic needs. The poverty guidelines issued by the Department of Health and Human Services (HHS) are used to determine eligibility for most Federal income-tested programs. The Census Bureau also issues poverty “thresholds,” which are primarily used for statistical purposes. Both are based on the “Orshansky Poverty Thresholds,” which were first utilized in 1964 and adopted by the Bureau of the Budget (now OMB) for use in all Executive Departments in 1965. The Orshansky model is based on data on the cost of the “economy food plan” and the finding that families and individuals spend one-third of their after-tax income on food.

Living costs and expenditures have changed dramatically since 1965. Expenses such as transportation, medical expenses, housing, and childcare costs have increased dramatically. There are several ways to reevaluate the measurement of poverty. One would be to update the Orshansky model to account for more recent living costs. Another would be to look at “relative” poverty, as is the case in some European countries that measure poverty by setting it as a percentage of median income that reflects income inequality. Other approaches that adjust for geographical, in-kind benefits and other variations are part of the debate.

There have been a number of attempts to revise the definition (1969, 1972, 1976, and early 1990s) but without sufficient impact. Poverty measurement continues to be inaccurate. Reluctance to make the needed changes may, too often, have been based on political rather than policy considerations. There may be concern that the adoption of a new and more accurate measurement would show many more people in poverty than are found by the use of current measurements. These are not legitimate reasons for leaving this problem unaddressed. The current definition of poverty leaves true needs unanswered and leaves our Nation without the best policies to end poverty.

We hope the Administration will utilize the on-the-ground knowledge of faith- and community-based organizations to revise the inadequate current set of poverty guidelines.

Recommendation 3: Provide greater flexibility for the coordination and integration of government funds designated for specific program activities.

Federal agencies should develop rules and regulations to encourage and facilitate coordination and integration of programs and services. Agencies also should be mandated to be receptive to waiver requests or petitions for rulemaking changes that are aimed at facilitating coordination and integration.

A prime example of this integration of government funds designated for specific program activities is the resources available to community nonprofits and faith organizations to address the foreclosure crisis. The Department of Housing and Urban Development (HUD) has encouraged partnership with faith- and community-based organizations through homeownership strategies, because they are often the best “early warning” system when families are facing financial difficulty. A number of Federal and State agencies and nonprofit organizations have developed foreclosure prevention programs to help homeowners who are having trouble with their home loans. Through this Federal funding, many families facing foreclosure get free housing counseling services by HUD-approved counselors, who have helped homeowners understand the law and their options, organize their finances, and represent borrowers in negotiations with their lenders. State Housing Finance Agencies have partnered with nonprofit counseling agencies, local governments, State housing departments, and lenders to provide comprehensive foreclosure prevention and mitigation strategies, such as MassHousing partnering with NeighborWorks.

Part of the Community Development Block Grant Program, the Neighborhood Stabilization Program (NSP), was established to stabilize communities that have suffered from foreclosures and abandonment. The NSP2 program includes \$1.93 billion authorized under the Recovery Act, to expand eligibility and provide grants to States, local governments, nonprofits, and a consortium of nonprofit entities on a competitive basis. This has been an important investment in positive steps to stanch the enormity of the impacts and challenges of the foreclosure crisis in communities across the country.



Background and Explanation:

In their efforts to improve the lives of low-income people and people of color, many faith-based organizations and community-based nonprofits take a comprehensive approach, offering an array of services and programs. This approach can include leveraging diverse resources from HUD, HHS, the Department of Transportation, the Department of Education, the Department of Labor (DOL), the U.S. Department of Agriculture (USDA), and others. It can improve access, and frequently also improve outcomes as people are better able to access the services and programs they and their families need. However, rather than facilitating efficient coordination, Federal programs tend to include restrictive rules, either prohibiting integration of funds or erecting significant barriers to effective coordination.

The Administration's development of comprehensive and crosscutting programs in the community, such as Promise Neighborhoods and Choice Neighborhoods, is a step in the right direction. They offer a comprehensive solution to the issue of concentrated poverty in America—with revitalized housing, high-performing schools, robust social services, and employment opportunities. These programs are based on the realities of individual and community life and all their complexities. People do not live their lives in individual silos of housing, transportation, or health care.

Faith- and community-based partnerships' place-based efforts seek to reflect this reality. Instilling openness to needed adjustments for comprehensive efforts, to granting waiver requests, and to seeking to foster the engagement of faith- and community-based partnerships in comprehensive initiatives, holds the promise of decreasing poverty and advancing equity.

Recommendation 4: Support faith- and community-based organizations as a means to fill the gaps in providing essential services like transportation, housing, food assistance, job training, education, and health care for low-income families and individuals.

Faith- and community-based organizations provide critical supports and services for low-income families and individuals. Drawing on their knowledge of local community needs and cultures, faith- and community-based organizations provide a range of services including transportation, housing, health care, job assistance and job training. In order to provide these services, public (local, State, and Federal) resources are leveraged with additional funds from private, individual, and philanthropic sources. Despite their best efforts, particularly in the current economic climate, many faith- and community-based organizations cannot meet all the needs of low-income families and individuals, nor provide enough assistance to help change life circumstances.

Federal funding allows these organizations to provide essential services to those in need. For instance, faith- and community-based organizations rely on government support to run several important transportation programs, including Job Access and Reverse Commute (JARC) program⁴ and Ways to Work that connect people to jobs outside transit services. These programs seek to fill the gap when public transit is not available. Without

⁴ JARC is a \$750 million program that was established to address the unique transportation challenges faced by welfare recipients and low-income persons seeking to obtain and maintain employment. Many new entry-level jobs are located in suburban areas, and low-income individuals have difficulty accessing these jobs from their inner city, urban, or rural neighborhoods. In addition, many entry level-jobs require working late at night or on weekends when conventional transit services are either reduced or do not exist. Many employment-related trips are complex and involve multiple destinations including reaching childcare facilities or other services. While States and public bodies are eligible designated recipients, subrecipients include nonprofit organizations. JARC provides capital planning and operating expenses for projects that transport low-income individuals to and from jobs and activities related to employment, and for reverse commute projects. See http://www.fta.dot.gov/funding/grants/grants_financing_3550.html and http://www.fta.dot.gov/documents/FTA_JARC_Fact_Sheet_Sept05.pdf for more information.



public transit or the services provided by faith- and community-based organizations (with government support) low-income individuals and families will lose a critical link to connect them to jobs, job training, educational opportunities, and needed medical services. Additional Federal resources are needed to fill the gap for these and other essential services to ensure that the basic needs of low-income families and individuals can be met.

Background and Explanation:

Low-income families and individuals face a range of challenges in this economy. There is far greater need for essential services to meet basic needs and provide the tools to make longer-term improvements to life's outcomes. Although faith- and community-based organizations work diligently to combine and leverage resources from public, private, and philanthropic sources, more is needed. Resources are needed to provide essential services, create new jobs, and better connect low-income families and individuals to opportunity.

For instance, faith- and community-based organizations that offer specialized transportation services (e.g., vanpools and reverse commute programs) that help low-income people and people of color get to work, find new jobs, and receive services are being cut or severely scaled back. Resources are needed to mitigate these service cuts. By increasing operating funds for programs provided by many faith- and community-based nonprofits, such as JARC and the Ways to Work programs,⁵ we can create and save thousands of jobs and connect low-income families, welfare recipients, and residents to jobs, services, and economic opportunity.

Recommendation 5: Ease the burden on nonprofit social service agencies by removing barriers to service provision such as matching fund requirements, burdensome reporting and regulations, and slow payments and reimbursements.

Nonprofit social service agencies that are serving those most in need during the recession are also themselves under tremendous pressures as demand for their services rise and their income and fundraising decline.

⁵ The Ways to Work program began in the mid-1980s as a program to help single mothers in Minnesota move off and stay off welfare. It has evolved into the Nation's largest and most successful alternative to predatory auto loans for working poor families. Since the mid-1980s, Ways to Work has helped more than 26,000 families stabilize or improve their financial situation through over \$45 million in loan funds used for a variety of work-related purposes. About 95 percent of all Ways to Work loans are made for the purchase of used vehicles. For many low-income and poor families, a car is an earning asset, a critical piece of their family's operating equipment. The program and loan office is hosted by community-based human service nonprofits that are members of the Alliance for Children and Families. The local nonprofit plays an important role in informing and connecting with local residents, providing the staff, office space, and supervision, as well as operational and loss reserve funding. See http://www.waystowork.org/pages/Print%20Pages/pr_p_home.html for more information.

The economic recession has had a dramatic impact on our Nation's nonprofit service providers, forcing them to lay off thousands of staff and shutter entire programs—the very programs that the most vulnerable members of our society need more than ever.

Therefore, we recommend a series of measures to ease the burdens on nonprofit social service agencies:

A.) Where allowable, temporarily suspend matching funds for certain government grants.

The nonprofit sector employs over 9.4 million workers and 4.7 million full-time volunteers nationally, which constitutes roughly 11 percent of the American workforce. With this many employees, it is critical that the Federal Government provide an adequate response to keep these entities financially secure and functioning. In recent years, nonprofit agencies have had to raise more and more unrestricted private dollars to meet match requirements, administrative fees, and licensing and permit fees. Another way to characterize this situation is that while nonprofits are tax exempt, they are paying a “tax” to accept and administer government funds.

Nonprofit agencies that operate programs in partnership with Federal and State governments continue to experience dramatic cost increases to run these partnerships. In the wake of the current economic downturn, these escalating costs make it difficult to continue current services and extremely challenging to take advantage of funding opportunities. Many government contracts are structured with the assumption that small nonprofits will be able to identify local resources to cover and support the administration of these partnerships in an increasingly unstable economic climate.

Background and Explanation:

The non-profit sector employs over 9.4 million workers and 4.7 million full-time volunteers nationally. This constitutes roughly 11 percent of the American workforce. With this many employees, it is critical that the federal government provide an adequate response to keep these entities financially secure and functioning. In recent years, non-profit agencies have had to raise more and more unrestricted private dollars to meet match requirements, administrative fees, and licensing and permit fees. Another way to characterize this is that while non-profits are tax exempt, they are paying a “tax” to accept and administer government funds.

Non-profit agencies that operate programs in partnership with federal and state governments continue to experience dramatic cost increases to run these partnerships. In the wake of the current economic downturn, these escalating costs make it difficult to continue current services and extremely challenging to take advantage of funding opportunities. Many government contracts are structured with the assumption that small non-profits will be able to identify local resources to cover and support the administration of these partnerships in an increasingly unstable economic climate.

B.) Eliminate burdensome reporting requirements.

The Federal Government should work to consolidate and simplify reporting requirements for funding under the Recovery Act. Recovery Act funds are urgently needed in local communities. However, nonprofits already managing multiple funding streams with competing requirements and multiple audits on different schedules are being required to produce additional documentation for the expenditure of these funds without any recognition of the increase in the administrative costs that are largely unfunded.



Background and Explanation:

With shrinking resources, too many nonprofits are being forced to cut staff and reduce programs all while attempting to satisfy burdensome reporting requirements. Nonprofits that do business with the Government have an exemplary track record of ensuring that funds go to people in need. However, government funding streams that do not recognize the cost to administer and deliver the services while simultaneously imposing significant requirements have placed agencies in a situation in which they are laying off staff in order to sustain the delivery of certain services.

The Government at all levels relies more and more on the “good will” of nonprofits in a continuing cost shift at a time when nonprofits are unable to raise sufficient funds to meet the demand.

C.) Ensure prompt payment to non-profits.

Federal funds, particularly Recovery Act funds, should include a “prompt pay” requirement from the States to their subcontractors. The Federal Government recognizes this requirement in its Federal contracting, and it is unreasonable that any organization should have to wait up to 9 months without payment. When payments are made, no interest is included. Many of these agencies use lines of credit that carry interest while waiting for payment. This interest then becomes an additional cost of doing business with the Government.

Background and Explanation:

As states continue to experience a budget crisis, more and more non-profits are bearing the brunt of the crisis. The effect on the non-profit community continues to be two-fold:

1. States and local municipalities are not paying current or recently ended contracts because of their own funding challenges, resulting in many nonprofits being owed substantial funds for services provided
2. Many nonprofits are experiencing significant reductions in State contracts for services that often result in the complete elimination of programs, especially prevention programs.

STRENGTHENING ACCESS TO BENEFITS

Faith- and community-based organizations are on the frontline striving to not only fill emergency gaps in income, food, and shelter, but also support families in their efforts to adapt to the realities and opportunities of a post-recession economy. Much of this work is undertaken in partnership with government including helping low-income people access income-enhancing government benefits, such as the EITC, SNAP (food stamps), veterans benefits, and various child nutrition programs.

Yet, far too many eligible families and individuals do not receive the benefits to which they are entitled,⁶ reducing the potential economic benefits for low-income communities, deepening the negative impacts of poverty on families, and making the work of faith- and community based organizations even more difficult. There are numerous barriers to access,⁷ including:

- Lack of information about who is eligible, the financial stakes, and how to apply;
- Complex and often inefficient application and enrollment procedures that are different for each benefit and require multiple visits to different government offices, long waits, and confusing eligibility documentation requirements;
- Stigma against public benefits as vestiges of welfare dependency; and
- Language and cultural barriers.

There is inadequate funding and capacity to meet the need for benefits, such as housing and child care subsidies outside of the three major entitlement programs (SNAP benefits, Medicaid, Medicare, and the State Children's Health Insurance Program (SCHIP); and the EITC).



⁶ Jennifer Miller, Frieda Molina, Lisa Grossman, and Susan Golonka, *Building Bridges to Self-Sufficiency: Improving Services for Low-Income Families* (MDRC and the NGA Center for Best Practices: March 2004), at 14-15. See also Sheila Zedlewski, Gina Adams, Lisa Dubay, and Genevieve Kennedy, *Is There a System Supporting Low-Income Working Families?* Low-Income Working Families, Paper 4 (The Urban Institute: February 2006); Food and Nutrition Service, U.S. Department of Agriculture, *Reaching Those in Need: State Supplemental Nutrition Assistance Program Participation Rates in 2007*, November 2008; Food Research and Action Center, *Food Stamp Access in Urban America: A City-by-City Snapshot*, October 2008; Sandra Jamet with Laura Seidell, Ben Seigel, and Rebecca Ross, *Benefits and Low Wage Work* (Seedco: September 2003).

⁷ Jamet, et al., 2003.

We urge the Administration to look to promising practices involving faith- and community-based organizations that are providing multiple-benefit access, and access to income support programs, through single-platform data collection, application, and benefit management technology, such as The Benefit Bank, EarnBenefits, eApp, and Single Stop USA programs.

The following recommendations are designed to enhance and facilitate the work of faith- and community-based organizations by increasing levels of access to existing income-enhancing government benefits for low-income families and individuals and capturing administrative efficiencies through the creation of a streamlined, people-centered multiple-benefit access system based in the community.

Recommendation 6: Create an interdepartmental taskforce to explore and oversee streamlining and consolidating the public benefits, eligibility, and application processes.

The overall structure of the benefits access system contributes to inadequate access and duplicative administrative costs. It is diffuse and generally designed to meet the short-term administrative needs of government bureaucracies – agency-centric rather than people-centric. The result is an overly complex system that is difficult to navigate for those most in need and on-the-ground faith and community organizations who serve them. In addition, many benefit eligibility rules exclude or severely limit the eligibility of non-custodial parents and single adults including legal immigrants, ex-offenders, returning veterans, and disconnected young adults.

We recommend the President establish an Inter-Departmental Task Force, including all the key agencies administering low income benefit programs such as Health and Human Services, Agriculture, Veterans Affairs, Treasury, and others, to explore opportunities for consolidating and simplifying benefits access. This could involve, for example, universal applications, multi-benefit access, and access to income support programs, through single platform data collection, application and benefits management technology, or administration through the income tax system.

EarnBenefits

<http://www.earnbenefits.org>

EarnBenefits uses a state of the art technology tool, *EarnBenefits Online*, and facilitated enrollment services to connect low income families and individuals to a range of income enhancing public and private benefits, such as tax credits, food stamps, health insurance, and no fee bank accounts. The program was initially launched in New York City in 2003 in partnership with the United Way of New York City and a network of over 20 faith and community based organizations.

EarnBenefits is now offered not only through local networks of community partners but through private employers, community colleges, local government agencies, and national intermediaries such as Catholic Charities USA.

In addition to New York, *EarnBenefits* is available in Connecticut, Georgia, Kentucky, Maryland, Oklahoma, and Tennessee, with additional States scheduled for launch in 2010 and 2011. Since its inception, *EarnBenefits* has screened and connected low income families to over 63,000 documented benefits totaling over \$69 million in value. *EarnBenefits* was developed and implemented by Seedco, a national nonprofit organization dedicated to promoting economic opportunity for low income people and communities.

The primary objective of *EarnBenefits* is to:

- Provide an online guide to both government and nongovernment programs that can help low-wage workers make ends meet and stay employed by connecting individuals and families to income-enhancing benefits.

EarnBenefits is specifically designed to work with clients in three stages:

- Marketing and education through user friendly materials and a public Website, <http://www.earnbenefits.org>
- Eligibility screening and facilitated access
- Benefits management and coaching once clients access work supports.

The Benefit Bank

<http://www.thebenefitbank.com>

In Ohio, there is a statewide effort that empowers faith and community based organizations to connect low and moderate income families with tax credits, student financial aid, and other work supports. The Ohio Benefit Bank is a public private partnership of the Ohio Governor's Office of Faith Based and Community Initiatives, the Ohio Association of Second Harvest Foodbanks, foundations, and multiple faith based, nonprofit, governmental, and private sector organizations. It provides low to moderate income Ohioans with free tax preparation, screens them for eligibility for supports, and helps them complete and submit applications electronically to public agencies.

The tool being used there is called The Benefit Bank (TBB). The tool has simplified the many complex tax and benefit forms, reducing them to simple questions written at a 4th grade level. Once the information is entered, the TBB tool uses the information to assess the person's eligibility for about 20 work supports across 4 categories: medical assistance, tax assistance, food assistance, and community supports. The counselor then helps the client complete and submit the appropriate benefit applications and tax returns using TBB.

The primary objective of TBB is to:

- Simplify and centralize the process of applying for State and Federal income benefits for low- and moderate-income individuals and families in order to bring people closer to financial stability and self sufficiency.

TBB ensures individuals and families are aware of State and Federal benefits at no cost to the client through its:

- Eligibility screening tool;
- "One-stop shop" reducing the amount of time needed to apply for benefits;
- Secure information storage; and
- Provision of counselor candidates, a computer, a printer, Internet access, and a telephone to any host organization that wishes to host TBB.

We further recommend the Inter-Departmental Task Force examine benefit eligibility and documentation requirements to achieve maximum alignment and consistency and ensure that certain key populations such as legal immigrants, non-custodial parents and disconnected young adults are not systematically excluded.

Recommendation 7: Expand single-site, multiple-benefit access programs, including those run through faith- and community-based organizations.

The limited government funding available to support benefits outreach and access initiatives is typically focused on specific single-benefit programs and does not promote multiple-benefit access.

We recommend the creation of a multiagency pooled fund to expand single-site, multiple-benefit access programs, including those run through faith- and community-based organizations. The pooled fund could represent agencies such as the Internal Revenue Service, the Department of Veterans Affairs, and USDA, as well as HHS and others. Funds would be used to:

1. Implement community programs providing application assistance for multiple-benefit and income supports through single-platform data collection technology; and
2. Build the necessary community-based volunteer and administrative infrastructure for single-site, multiple-benefit outreach and access programs.

The Strengthening Communities Fund administered by HHS represents one model targeted to small faith- and community-based groups. However, additional resources, such as a multiagency fund, will be needed for larger social service providers to expand single-site, multiple-benefit access.



Recommendation 8: Invest in the development and distribution of software applications to facilitate access to multiple benefits through online applications.

We recommend that the President encourage investment in the further development, evaluation, enhancement, and distribution of multiple-benefit and service access software technology appropriate for use by faith- and community-based counselors and the people they serve. Investment could be through the proposed Social Innovation Fund and other vehicles and should involve providing easier access to Federal, State, local, and private benefits.⁸ Innovation and improvements in technology are crucial for expanding benefit access. The current benefit access system is characterized by:

- Limited capacity for electronic submission of applications;
- Often duplicative collection of eligibility information;
- Single-benefit focus. (While impressive efforts have been made by Federal agencies to support outreach and enrollment efforts and to create incentives for State and local governments—such as the Temporary Assistance for Needy Families (TANF) contingency fund—many of these are designed for single benefits and do not encourage multiple-benefit access initiatives);
- Limited auto-enrollment for individuals and families clearly eligible for benefits and services; and
- Limited funding for technology support for faith and community-based organizations prepared to help low income families and individuals navigate these complex systems.

Examples of existing software technology include The Benefit Bank, EarnBenefits, RealBenefits, and eAPP.

We also recommend that Federal agencies build and strengthen the capacity of and create incentives for State agencies administering Federal entitlement benefits to accept electronic and online applications, both directly from individuals and families as well as through faith- and community-based organizations and other entities on behalf of families and individuals. Examples of existing Web-based portals are found in New York, Ohio, and Pennsylvania. In order to maximize the receipt of applications, we further recommend that these Web-based portals allow for transfer of data from other benefit access software systems that meet certain technical specifications, similar to the Internal Revenue Service specifications for receipt of online tax returns.

⁸ Examples of private benefits are utility and pharmaceutical discounts.

Recommendation 9: Create incentives for State and local governments to maximize participation by eligible low-income families and individuals in income-enhancing benefits and to promote multiple-benefit access through faith- and community-based organizations.

Although it is appropriate for all levels of government to take necessary steps to avoid fraudulent receipt of benefits, it is equally appropriate, but far less prevalent, for government to proactively pursue enrollment in multiple benefits among those who are eligible.

We recommend that Federal agencies reexamine existing regulations and eligibility rules and, where appropriate, enact regulatory changes that create flexibility for States to simplify the application and eligibility process for Federal entitlement benefits. For example, Arkansas now uses information it captures in SNAP applications to process applications for Medicaid. Wisconsin automatically transfers information from online applications into a State database that allows agencies to expedite additional benefits. We further recommend creation of incentives, similar to TANF Contingency Fund, and provision of technical support to States for engaging faith- and community-based organizations in the work of achieving increased levels of benefit participation as well as multiple-benefit access.



FOCUS ON JOBS AND EDUCATION

In the area of Education and Job Preparedness, employment training and secondary education are key and largely carried out by community colleges, training institutions, and unions. However, nonprofit partners like faith- and community-based organizations also serve significant roles in providing education and training of “hard” skills like those vital in providing case management and “soft” skills (also called “people” skills). Soft skills training is often the element that ensures the individual successfully completes a related program and sustains employment after placement.

Recommendation 10: Incorporate supportive services with education and training opportunities, and ensure nonprofit accessibility and eligibility for Federal grant funding.

The United States is currently experiencing the most severe and pervasive economic downturn since the Great Depression. Today’s students will have 10 to 14 different jobs by age 38. One in four workers have been at their place of employment less than a year and one in two have been at their job less than 5 years. Through 2014, more than half of all new jobs will require more than a high school diploma and 22 of the 30 fastest growing career fields will require some post-secondary education. The top ten “in-demand” jobs of 2010 did not exist in 2004.

These figures, coupled with national high school graduation rates that see only one in four entering freshmen graduating with a diploma, are of high concern for the future U.S. workforce. Now, more than ever, the key to attaining jobs, moving people out of poverty, and competing in a rapidly changing global market is post-secondary education and specialized job training. In 2005, before the recession, the National Association of Manufacturers reported that 90 percent of manufacturers were experiencing a shortage of qualified skilled production employees, but only 53 percent of Americans earn some degree or credential after high school and for low-income people that number drops to 25.

Supportive services are not only critical to an individual learning a new skill, but also to sustaining employment. Nonprofits offer a continuum of services, including case management, which increases the stability of the individual to sustain employment. Faith- and community-based organizations have existing relationships with low-income working individuals and families.

Therefore, the Council makes the following recommendations:

1. Federal grants should include funding for education and training opportunities that mandate the provision of supportive services and explicitly specify the eligibility of faith- and community-based organizations in grant guidelines, particularly those related to DOL One-Stop Career Centers.
2. Support for faith- and community-based organizations should be increased to serve specific populations, such as the disabled and disconnected youth and young adults, that are not typically engaged in technical or vocational training, post-secondary education, or the job market.

Recommendation 11: Focus partnerships between education and training institutions and faith- and community-based organizations to better serve disadvantaged, displaced, and disconnected job seekers and to align worker skills with employer needs.

The Federal Government should mandate the alignment of resources and partnerships between:

1. Faith and community nonprofits (who are closest to those who need job training and access to work opportunities);
2. Education and training institutions; and
3. Public and private employers.

These local collaborations can help to create jobs and connect and prepare workers, especially disadvantaged workers, with training and available job opportunities in both the public and private sectors.

At the same time that the Federal Government is testing a more comprehensive approach to reaching the disadvantaged with education and training for job readiness, it should strengthen partnerships between employers, community colleges, unions, and faith- and community-based organizations to create an accessible, integrated continuum of services and available opportunities. A comprehensive approach is far more likely to be successful because it can provide the myriad of services and supports that will best serve the disadvantaged throughout their education and training. To ensure an inclusive Economic Recovery, Federal programs that create jobs and support training must ensure that the most disadvantaged and disconnected are prepared for and placed in available workforce opportunities, particularly any new green jobs created and/or incentivized by economic stimulus funding.

We also recommend that the Administration direct DOL to increase the number of faith- and community-based organizations that are considered eligible training providers under Title I of the Workforce Investment Act of 1998. We further recommend that the Administration direct DOL to ensure that eligibility extends to the provision of training and support services for green jobs.

Pathways Out Of Poverty:

A Department of Labor Grant Program

<http://www.dol.gov/opa/media/press/eta/eta20100039.htm>

The Pathways Out of Poverty program administered by the Department of Labor integrates training and supportive services into cohesive programs that help target populations find pathways out of poverty and into economic self sufficiency through employment in the energy efficiency and renewable energy industries.

The program was appropriated a 2 year Recovery Act allocation of approximately \$150 million. Through the 38 grants awards, targeted populations receive recruitment and referral services; basic skills, work readiness, and occupational skills training; supportive services to help overcome barriers to employment; and other services at times and locations that are easily accessible. Through these programs, unemployed individuals, high school dropouts, and other disadvantaged individuals receive certifications and on the job training that lead to employment.

In order to serve the specific populations targeted by these grants effectively, the Department of Labor encouraged applicants to focus project efforts in communities located within one or more contiguous Public Micro Data Areas (PUMAs) where poverty rates were 15 percent or higher. PUMAs are geographic areas designated by the Census Bureau. All applicants were required to have experience serving economically disadvantaged populations.

The purpose of the Pathways Out of Poverty grants is to:

- Support programs that help disadvantaged populations find ways out of poverty and into economic self-sufficiency through employment in energy efficiency and renewable energy industries.

There are two types of award recipients for these grants:

- National nonprofit entities with networks of local affiliates, coalition members, or other established partners; and
- Local entities including nonprofit organizations, such as faith- and community based organizations, the public workforce investment system, the education and training community, labor organizations, and employer and industry-related organizations.

Recommendation 12: Utilize faith- and community-based organizations to bridge the gap from secondary education to post-secondary institutions and job training programs with a particular focus on disconnected youth.

The Federal Government should encourage and utilize faith- and community-based organizations to build bridges between secondary education and youth employment programs, post-secondary institutions, and vocational training programs, with a particular focus on disconnected youth who need targeted support, services, and opportunities. Interventions should be designed to increase their options and access to post-secondary education, to ensure their completion in tailored programs, and to equip them to both connect to the job market and successfully pursue long-term career pathways.

Therefore, the Council makes the following recommendations:

1. Support the development or expansion of educational “bridge” programs for disconnected youth and low-literacy high school graduates, to be operated by qualifying faith- and community-based organizations, and designed to directly deliver the remedial education necessary for success in post-secondary institutions, including traditional degree-bearing institutions and specialized vocational training programs. Identify the faith- and community- based organizations that operate existing, successful educational programs such as primary, secondary, or post-secondary institutions, and/or remedial education programs, and determine measures of support that would allow expansion of these services.
2. Pilot a mentoring program for disconnected youth and young adults modeled after the successful Mentoring Children of Prisoners program. In this program, young people who often “age-out” of a majority of federally funded supportive programs and services can obtain vouchers to participate in mentoring relationships that encourage post-secondary education through community colleges or 4-year colleges and universities or selected apprenticeships with skilled tradesmen.

These local collaborations can help to create jobs and connect and prepare workers, especially disadvantaged workers, with training and available job opportunities in both the public and private sector.

At the same time that the federal government is testing a more comprehensive approach to reaching the disadvantaged with education and training for job readiness, it should strengthen partnerships between employers, community colleges, unions, and faith and community based organizations to create an accessible, integrated continuum of services and available opportunities. A comprehensive approach is far more likely to be successful since it can provide the myriad of services and supports that will best serve the disadvantaged throughout their education and training. To ensure an inclusive economic recovery, federal programs that create jobs and support training must ensure that the most disadvantaged and disconnected are prepared for and placed in available workforce opportunities, particularly any new green jobs created and/or incentivized by economic stimulus funding.

We also recommend that the Administration direct the Department of Labor to increase the number of faith and community-based organizations that are considered eligible training providers under Title 1 of the Workforce Investment Act and ensure that eligibility extends to the provision of training and support services for green jobs.

Esperanza Academy Charter High School: Mentoring At-Risk Youth

<http://www.esperanza.us>

Esperanza Academy Charter High School in Philadelphia, Pennsylvania, was established in 2000, and serves 700 students per year through high quality education that empowers them for success in post secondary education and long term careers. Esperanza Academy serves 100% minority students, 18% of whom have limited English proficiency and 81% of whom are low income. Despite these factors, Esperanza Academy boasts an attendance rate of 90%, a graduation rate of 95%, and a college acceptance rate of 93%.

Esperanza Academy's success is due in large part to its unique, individualized approach to each student's education. Curricula are designed with career oriented tracks in entrepreneurship, technology, teacher education, journalism, and the arts. Additionally, to promote early connection to post secondary education, Esperanza Academy students can be dually enrolled at Eastern University or Esperanza College. Also, intensive tutoring services and mentoring are targeted to youth at risk of dropping out.

Esperanza Academy began its Student Mentoring Program in 2006 to pair at risk students with an adult mentor who provides support, resources, and guidance. At the beginning of each school year, students are identified for participation in the program based on low grades and demonstrated social and behavior issues. Adult mentors serve onsite within the school building to provide continuous one on one support and to help these students get back on track academically and socially. Based on the last exit survey conducted by the guidance department at the end of the 2007 to 2008 year, the mentoring program was deemed a success. Nearly all students believed the mentoring program added to their success as a student and helped them improve their grades. Students were also unanimous in responding that the mentoring program helped them make improvements behaviorally or socially and that they enjoyed the time spent with their mentors.

The primary objectives of Esperanza Academy's Student Mentoring Program are to:

- Ensure at-risk students successfully complete secondary school;
- Improve students' achievement in social, behavioral, and academic areas; and
- Help at-risk students explore career opportunities and successfully transition to post-secondary education.

The Student Mentoring Program achieves these goals through:

- Early identification of at-risk students for program participation;
- Individualized, one-on-one mentor support; and
- Continuous onsite mentor presence.

Esperanza College

Esperanza College is a 2 year, associate of arts degree awarding institution, credited by the Middle States Association of Colleges and Schools, and the only federally recognized Hispanic serving institution in Pennsylvania. Since its founding, Esperanza College has awarded over 200 graduates with an associate of arts degree in Business Administration, Early Childhood Education, or Community and Human Services.

The student body at Esperanza College is 100% first generation college students, 96% low income, over 90% Hispanic, and over half are working single parents. Additionally, a significant portion of Esperanza College students have limited English proficiency. Despite these challenges, Esperanza College has a 92.7% retention rate and a 64.1% graduation rate, which is almost double the national graduation rate for 2 year college programs and far exceeds estimates for other Hispanic serving institutions in the United States. Of its graduates, 60% transition to 4 year institutions.

The success of Esperanza College can be credited in part to intensive remedial education services provided concurrently with credit bearing courses. A majority of Esperanza College students enroll at a 9th grade reading level. To ensure their success, all students are required to take intensive academic English courses throughout their tenure, in addition to their regular coursework. All students must take math and computer literacy courses appropriate to their level of functioning. Tutors are onsite to provide additional individualized attention.



Recommendation 13: Encourage collaboration between faith- and community-based organizations, community colleges, and the private sector.

Collaboration between the Federal Government, faith- and community-based organizations, and local community colleges is necessary for increased enrollment rates, successful completion rates, and job placement. Faith- and community-based organizations bring the community and cultural knowledge, the credibility, and the relationships that can support the disadvantaged throughout the education and training process. Additionally, many organizations in the private sector, such as banks and corporations, have foundations and other programs that can be effectively leveraged for relevant job training and mentoring. The Federal Government can play a key role by convening relevant stakeholders and prioritizing collaborative projects in their funding sources.

Therefore, the Council makes the following recommendations:

1. Consider faith- and community-based organizations as truly equitable partners in all aspects of the Federal Government's strategy to increase the number of graduates from 2-year associate's degree programs, beyond the role of serving as community liaisons. Considering faith- and community-based organizations as partners is especially true as it relates to the President's American Graduation Initiative and Community College Challenge funding. Private nonprofits that have established successful 2-year associate's degree colleges should be included as equitable education providers and full partners, particularly when institutions established by private faith-based nonprofits and other private nonprofits are meeting all of the Administration's goals for strengthening post-secondary education. These organizations should be allowed to both participate in the arenas generally limited to community colleges and compete for funding opportunities made available to community colleges, despite the fact that they are not State entities.



2. Provide funding for mentoring programs that link leaders from faith- and community-based organizations with disadvantaged students seeking education and training. Funding should include resources for mentors to be able to provide some support for education and training costs. Make grants available to faith- and community-based organizations or community colleges to develop local taskforces that convene relevant stakeholders to develop and expand collaborative work focused on the recruitment and retention of disadvantaged students in post-secondary education.
3. Explore ways to encourage the private sector to volunteer and participate in community development, and connect the job seekers with employers, such as through Community Reinvestment Act recognition for banks and through matching fund programs in the private sector. Private sector employers could work with faith- and community-based organizations to provide knowledge of, and job training in, the growth-oriented sectors of the economy. They also could share knowledge and resources for education needed to encourage self-employment and self-reliance (such as microenterprise, wealth creation, debt reduction, and entrepreneurs⁹).

⁹ The National Business Incubation Association at <http://www.nbia.org> for more information.