Opportunities Explored:

Educational Institutions and Community Development

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Executive Summary

Introduction:
Community development corporations (CDCs) are uniquely positioned to combat poverty and improve the quality of life within communities. These community-based, nonprofit organizations work at the intersection of the nonprofit sector, government, philanthropic foundations, private businesses, and the citizenry to increase the physical and economic assets of communities. Limited funding, competition for resources, and economic transitions occurring in North Carolina (NC) gives cause to explore and strengthen working relationships between educational institutions and community organizations such as CDCs. The purpose of this report is: 1) provide the UNC Center on Poverty, Work and Opportunity (UNCCPWO) with information related to connecting academic skills and resources with the needs and efforts of organizations (with particular focus on CDCs) involved with community and economic development in NC, and 2) explore opportunities for working relationships between such organizations, UNCCPWO and NC educational institutions at large.

Research Methodology:
Qualitative information was gathered through 11 telephone interviews with executives of CDCs and similar community/economic development organizations operating in NC. Interviews were conducted by two Master of Public Administration students from The Evergreen State College in Olympia, Washington. Secondary information related to poverty, work, housing, and partnerships between CDCs and educational institutions was reviewed and incorporated.

Results:
All participating executives expressed interest in working with or continuing to work with educational institutions. Based on information shared by interview participants, research, resources/support, collaboration, and leadership are four areas academic skills and resources can connect with community/economic development efforts. Examples of beneficial skills and resources identified by organization leaders include: needs assessments, quantitative and qualitative data gathering, community organizing, marketing, educational workshops, regional or statewide conferences, technical support, informing local and state policy makers, and connecting students with organizations and communities through internships or volunteer opportunities.

Challenges:
Executives acknowledged a disconnect between educational institutions and the practical operating environment of organizations. Executives recognized timelines, needs, expectations and capacities vary widely across communities, organizations and educational institutions which can contribute to challenges in partnerships. In addition, many participants spoke to funding challenges strongly affecting the ability to partner with educational institutions and the quality of partnerships.

Recommendations:
Communication, respect and trust are central to the success of partnerships between community/economic development organizations and educational institutions. Each partner must: establish effective communication methods to capitalize on current and future opportunities; devote time and resources to pre-planning; establish a clear logistical framework for each partnership that encompasses needs, expectations, capacities and evaluation; place a priority on maximizing existing resources; coordinate and centralize the communication between educational institutions and community organizations; and use innovative thinking to maximize resources within partnerships.
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Introduction

The purpose of this project and report is to: 1) provide UNC Center on Poverty, Work and Opportunity (UNCCPWO) with information related to connecting academic skills and resources with the needs and efforts of organizations focused on community and economic development (with particular focus on community development corporations [CDCs] operating in North Carolina [NC]), and 2) explore opportunities for working relationships between such organizations, UNCCPWO and NC educational institutions at large.

CDCs are:

- Nonprofit organizations
- Entrepreneurially driven
- Often operated by small staffs

National Scope of 4,600 Existing CDCs*:

- Produced 1,252,000 units of housing
- Developed 126 million square feet of commercial space
- Created 774 jobs

*according to a 2005 NCCED study

CDCs are agile and opportunistic in pursuing revitalization...[and].. CDCs maintain strong links to their communities by involving residents in their governance and development activities”¹

CDCs are community-based, nonprofit organizations which began as an outgrowth of anti-poverty efforts in the late 1960’s.² CDCs continue to serve as a unique channel for citizen involvement, social programs and community enhancement. Many CDCs exist across NC and operate at the intersection of the nonprofit sector, government, philanthropic foundations, private business, and citizens. These organizations work mostly with low to moderate-income families and address a wide range of issues associated with poverty through programs and services related to: developing and rehabilitating affordable housing, economic development, community organizing, financial counseling services and an array of social services (such as childcare, workforce development, and family services).

Working relationships between educational institutions and community organizations such as CDCs serve as an opportunity to further increase the quality of life for low to moderate-income families through empowerment and community/economic development. There is just cause for further exploration of these working relationships in NC. Much of the existing literature is framed in a national context, there is limited funding available to support such partnerships, securing resources is competitive, and NC faces challenges related to poverty, work and housing. In order to maximize existing resources and overcome challenges within communities, we must turn increasing attention toward educational institutions and community based organizations to leverage their strengths and effect positive change.
NC is in economic transition and faces challenges associated with poverty, work and housing. The number of NC families living below the Federal Poverty Level (FPL) is above the national average (see chart to right). In addition, many working families who do not fall below the FPL have difficulty covering essential expenses. The loss of manufacturing and textile jobs in NC, which paid livable wages, has contributed to labor and economic changes. While new jobs have been created, many of the new jobs require more education or retraining and are in sectors such as the service industry that pay lower than average wages. Dependent upon future policy and economic changes, some predict “lower than average earnings” to continue in some industries through 2017. The current employment and economic transitions are compounded by the continued changes and effects associated with the subprime lending crisis.

While aggregate data and information is necessary to forecast, understand and address state and regional issues, many distinctive factors exist among individual communities. One striking distinction that requires consideration when addressing challenges associated with poverty, work and housing is that of rural and metropolitan communities. Working relationships between CDCs and educational institutions are one way to gain insight and address the many challenges that manifest for families and individual communities in times of economic transition.

### Subprime Lending Crisis in NC

The subprime lending crisis continues to impact NC. Recent reports of the U.S. Senate Joint Economic Committee indicated:

- $1,146,801,756 for the loss in home value, neighboring property values and property tax revenues for the 3rd quarter of 2007 through the 4th quarter of 2009
- Subprime mortgages in foreclosure increased by 13.3% from the 3rd to 4th quarter of 2007
- A total of 17,199 families homes were in foreclosure at the end of the 4th quarter of 2007

### 2008 NC Living Income Standard (LIS)

The NC Budget and Tax Center developed the Limited Income Standard (LIS), a measure to estimate the income working families with children need to pay seven essential expenses: housing, food, childcare, health care, transportation, other necessities and tax. LIS uses the lowest estimate for each essential expense and generally does not include supports such as food stamps or housing vouchers. According to the 2008 North Carolina LIS, the average NC family with children must earn $41,184 annually to afford basic expenses. The 2008 LIS annual income is 201 percent above the FPL.

- 37% of two to five person families fall below LIS
- 61% of adults in families falling below LIS work
- 60% of adults in families falling below LIS work full-time

In large part, CDCs target low-income working families.
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Research Design

Purpose:

- Provide UNCCPWO with information related to connecting academic skills and resources with the needs and efforts of organizations focused on community and economic development operating in NC (with particular focus on CDCs)
- Explore opportunities for working relationships between such organizations, UNCCPWO and NC educational institutions at large

Targeted Research Participants

2008 Grantees of the
NC Community Development Initiative
- Brick Capital CDC
- Cape Fear Regional CDC
- Cleveland County CDC
- Durham Community Land Trustees, Inc.
- East Carolina Community Development, Inc.
- EmPOWERment, Inc.
- Gateway CDC
- Haliwa-Saponi Indian Tribe
- HandMade in America
- Housing Assistance Corporation (HAC)
- Kingdom CDC
- Metropolitan Housing and CDC, Inc.
- Monroe – Union County CDC
- Mountain Housing Opportunities, Inc.
- Outer Banks CDC
- Northeastern CDC
- Passage Home, Inc.
- Prosperity Unlimited, Inc.
- Rebuilding Broken Places CDC
- Rocky Mount/Edgecombe CDC
- UDI
- WCIA

Targeted Strategic Investments Recipients

Community Housing Development Corporation of Mooresville/South Iredell
- Davidson Housing Coalition
- Goler CDC
- Liberty CDC
- NC Indian Economic Development Initiative
- White Oak Foundation

Methods:

- Interviews were sought from 28 community/economic development nonprofit executives. Researchers targeted 2008 grant recipients of NC Community Development Initiative, a statewide public-private partnership (see list to right)
- Gathered qualitative information through 11 telephone interviews conducted with executives of CDCs and similar nonprofit organizations
- Interviews were conducted by two students of The Evergreen State College Master of Public Administration program in Olympia, WA
- Researchers reviewed and incorporated secondary information from reports, academic journals, and web-sites
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Results

All executives who participated in telephone interviews expressed interest in working with or continuing to work with universities, community colleges and/or technical schools. Participants recognized partnerships and collaborations as beneficial for maximizing organizational resources and providing assistance to families residing in low to moderate-income communities. Many interview participants had previous experience working with academic institutions while others had none. Among both groups, some participants were uncertain as to specific skills and resources which might be available from academic institutions. Individuals with prior experience of working with educational institutions spoke to benefits, successes, and appreciation of the partnerships. Clear communication of expectations, needs and timeframes of projects were expressed as an essential aspect of past and future effective working relationships.

While many communities and organizations share general strengths and weaknesses, each leader spoke to different organizational and community strengths and challenges. Communication and respect were central themes in the information executives shared specific to partnering with researchers and educational institutions. Organization leaders identified specific academic skills and resources which can connect with the efforts of community and economic development. These skills and resources are listed below in the areas of research and resources/support.

*all quotes are from interview participants*

**Educational Institutions can Connect with Community Development through:**

**RESEARCH**
- Data collection and analysis
- GIS mapping
- Needs assessments
- Qualitative story telling
- Surveys
- Trend Analysis

**“Quantitative and qualitative data does not exist in NC around [our target population and issues] to generate dialogue with potential funders and with legislators”**

**“[Our community] cannot find anyone to perform a solid, concise needs assessment without being charged around $10,000 — not just for housing, but prescription availability, mental health services, substance abuse, transportation...”**

**“There are grants and information available that our staff are not as skilled at accessing...”**

**“It would be great if young people would come to teach other young people about the importance of money management”**

**“Most organizations don’t have the [people] power or resources to do research for themselves...”**

**“Universities, through providing that research, can offer best practices [and] expected challenges”**

**RESOURCES / SUPPORT**
- Community organizing
- Development of business proposals
- Financial analysis
- Financial literacy workshops
- Grant writing
- In-kind professional services (i.e. legal services, architecture, planning and design services)
- Marketing
- Program evaluation
- Prospect cultivation
- Technical skills
- Telling the organizations story to various stakeholders
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Results

Executives shared many challenging issues facing communities they serve. Issues discussed included but were not limited to: sharp increases in land prices, lack of financial education and good budgeting practices, the inability of working families to subsist on low wages, gaps in education, poor transportation, homelessness, domestic violence, gang activity, a NIMBY (not in my back yard) attitude, and the loss of jobs and various tax revenues from economic declines and industry closures. Many executives acknowledged the interconnections between these issues. Notably, some interviewees acknowledged issues outside of their organization’s mission as the most important challenges faced by their community.

The highly collaborative efforts of CDCs and similar organizations gives executives interviewed a heightened vantage point to assess their community’s needs. All organization leaders spoke to the necessity of collaboration. Thoughts shared regarding possibilities and benefits specific to collaboration with educational institutions are provided below. Additionally, a strong area of interest for many executives was community and organizational leadership and participants foresaw opportunities specific to students in this area.

*all quotes are from interview participants*

### Academic Skills and Resources can Create and Strengthen:

**“CDCs need to validate the impact of their work….Research done by universities would help”**

**“[There is an] overall lack of trust among the families in need [because of recent lending practices]...[we] need to provide information to [families] that there is help and they can trust [our organization]”**

### COLLABORATION

- Bridging the divide between communities and academia
- Connecting all levels of academic institutions: community colleges, vocational schools, junior colleges, private and public colleges, and universities
- Creating professional and academic interdisciplinary opportunities
- Giving additional legitimacy through academic backing
- Offering regional or statewide conferences highlighting academic partnerships with community/economic development organizations
- Providing diversity of thoughts and practices

**“We as an organization would learn…and grow…on their end, the university could learn about nonprofits”**

**“[I] would love to see the opportunity for students/interns to come in and create the new wave of leadership”**

### LEADERSHIP

- Creating volunteer and internship opportunities for students
- Informing public policy: locally, regionally, statewide
- Offering practical experience for students and future community leaders
- Presenting information to city council or commissioners
- Providing various stakeholders with current, accurate information relevant to low to moderate-income families and communities

**“I have 30 years of experience and want to capitalize upon it…from the standpoint of creating new leaders in the field, I would need to work with students”**
Challenges

Challenges Identified by Executives

- Funding
- General working environments of organizations and educational institutions differ
- Logistics (timing, communication, location)
- Practical and academic disconnect
- Relationships will vary widely among institutions and community/economic development organizations
- Understanding and meeting needs of each party

“There is a huge disconnect between practicum and intellectual theory”

“The differing natures of towns and counties are significant barriers/challenges, [For example] racial divide [and] urban vs. rural. So bringing regional/local biases to the collaboration table is a challenge”

“We have to jump on opportunities when they occur, and not work within an academic timeframe”

 “[We CDCs]…have to know what …[we]… need and understand what resources academia could bring to…[us]”

While leaders agreed that partnering with educational institutions offered benefits, they also saw inherent challenges in those relationships. One of the largest and most readily identifiable challenges was a set of logistical barriers that separate educational institutions and organizations. Educational institutions follow an academic calendar, whereas organizations have ongoing needs. When a semester ends and student support leaves the organization, the need that student addressed remains. This is problematic for organizations. Moreover, many organizations focused on community/economic development are in rural locations where ready access to educational institutions might be limited. Communication between educational institutions and organizations was also identified as a potential challenge, particularly if an honest and realistic assessment of each side’s needs and limitations was not made. Because each organization and educational institution varies in terms of their goals, the needs of each partnership will likewise vary. Those disparate goals can be problematic in assuring both sides have their needs met. Likewise, because the goals vary, each partnership must be addressed individually. There can be no “one size fits all” approach, as each partnership is driven by individual needs and expectations.

Several executives spoke to a perceived disconnect on the part of educational institutions in terms of what the practical realities are for organizations focused on community/economic development. There was a sense that schools might not understand the daily practicalities faced by organizations and schools are perhaps more concerned with meeting their own needs than bridging those gaps in understanding. The “ivory tower” concept was referred to several times, and one executive mentioned the propensity for academic institutions to remain insular by “staying on campus.” Overcoming this perception, then, is an important piece to establishing fruitful working relationships on both sides.
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Recommendations

Moving Forward
- Communicate
- Deliberate, thoughtful academic outreach to organizations
- Examine and acknowledge needs, expectations, limitations
- Maximize resources (institutional, community, organizational)
- Move beyond funding challenges with innovative thought
- Organizational examination of needs: develop a ‘dream list’

Executives revealed several key suggestions in order for partnerships between organizations and educational institutions to thrive. One of the most important concepts was **the need to communicate clearly on both sides**. For organizations who had successfully partnered with educational institutions in the past, a **clear acknowledgment of the needs and expectations of both sides prior to the partnership** beginning was one of the best markers of satisfaction. Another important aspect of communication is for both sides to **address the inherent limitations the partnership may have** due to different needs and logistical constraints. Conversations need to be re-visited to ensure both sides are satisfied with how the partnership progresses.

Educational institutions must consider the impact of their partnership with organizations in a deliberate manner. Some questions to consider are: **What are they offering beyond the ready support of people (i.e. volunteers/interns)? How are they building or sustaining the organization’s mission? What impact will the student’s/academic institution’s absence have when the partnership ends? How can the institution work with organizations in a way that sustains their mission beyond the scope of the project, and to be as minimally cumbersome as possible for organizations strapped for time and resources? How can institutions aim to support organizations on an ongoing basis to mitigate the logistical constraints of the academic calendar in juxtaposition to ongoing organizational needs?**

Organizations such as CDCs should create an exhaustive, creative list of their needs. A common theme among executives who had limited experience of partnering with educational institutions was they did not know how schools could help. Organizations should create a list and add to it on an ongoing basis. **Thinking beyond funding challenges, beyond logistical constraints, and with the idea that possibilities are endless**, organizations would be able to communicate more immediately and clearly with institutions that approach them with an interest in partnering. In doing so, partnerships are more likely to achieve a balance in meeting the needs of communities, educational institutions and organizations such as CDCs.

Characteristics of successful partnerships are...  
- A shared underlying philosophy of community development.
- A process of collaboration that embodies this shared philosophy.
- A working relationship that overcomes power, cultural, racial, class, and economic differences.
- Recognition and satisfaction of the mutual interests of all partners.
- Balancing advocacy, organizing, and political roles of partners.
- Institutional commitment and leadership involvement of all partners.
- Appropriate organization to best achieve the purposes of the partnership.
- Long-term and patient relationships that have institutional continuity.

Conclusion:

Organizations such as CDCs, in their efforts to serve low to moderate-income families and combat poverty, face limitations of time, money, and staffing capacity. The infusion of resources and skills from educational institutions could expand the efforts of community and economic development while simultaneously providing valuable research opportunities, growing students with applied learning, and developing new partnerships between organizations and schools. Like all partnerships, working relationships between educational institutions and organizations need to be tended with care and deliberation to flourish. Leaders of organizations welcome these partnerships, recognizing that institutional skills and resources could positively influence their impact on communities. To maximize the resources available through educational institutions, working relationships must be based on extensive pre-planning, clear communication, and understanding of expectations on both sides. In productive and deliberate partnerships, educational institutions and organizations such as CDCs can create a better tomorrow for the citizens of NC and strengthen organizational capacities.

Additional Resources:

- Association of American Colleges and Universities: Civic Engagement
- Campus Compact
- Center on Poverty, Work, and Opportunity
- Community Building Resource Exchange
- The Community Investment Network
- Corporation for National and Community Service
- Enterprise Community Partners
- Equity Trust, Inc.
- North Carolina Community Development Initiative
- Institute for Community Economics
- KnowledgePlex
- Learn and Serve America’s National Service Learning Clearinghouse
- National Community Reinvestment Coalition
- North Carolina Association of Community Development Corporations
- North Carolina Department of Commerce, Community Services
- North Carolina Housing Coalition
- North Carolina Housing Finance Agency
- North Carolina Institute for Minority Economic Development
- North Carolina Justice Center
- North Carolina Rural Economic Center, Inc
- Office of University Partnerships
- Resourceful Communities Program
- Southern Rural Development Initiative
- Urban Institute
Endnotes


4 (NC poverty rates exceed the national average. Chart was created by authors) U.S. Census Bureau. Housing and Household Income Statistics Division. www.census.gov/hhes/www/poverty/

(According to 2005 estimates: 14.9% of the NC population, 20.8% of children under 18, and 23.3% of children under 5 lived in poverty) U.S. Census Bureau. Small Income and Poverty Estimates. www.census.gov/hhes/www/saipe


