

**A Workforce Development Triad:  
Federal Education Tax Credits,  
Community-Based Organizations,  
and Community Colleges**

**A Report by FutureWorks**

**For the Annie E. Casey Foundation**

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## I. Overview

In the fall 2005 FutureWorks was commissioned by the Annie E. Casey Foundation to analyze and understand how community-based organizations (CBOs) expand the use of the Federal Hope and Lifetime Learning tax credits by low-income adults and families by encouraging them to attend college. FutureWorks also sought to develop tools and strategies for increasing low-income filers' use of the education tax credits. This project has resulted in two reports. This report looks at how CBOs that serve low-income clients might leverage the education tax credits as a workforce development tool by better connecting them to postsecondary education in order to improve their economic opportunities. The education tax credits can be used only at accredited postsecondary educational institutions eligible to participate in the federal Title IV student financial aid programs; therefore, their potential as a workforce development tool lies in the CBO ability to connection to colleges and vocational schools. A companion report provides tools and strategies specifically designed to improve and increase tax filing for the education tax credits at free tax preparation sites that serve low-income clients (*What Are They and How Do I Use Them?: Strategies and Tools to Increase and Improve Filing of the Federal Hope and Lifetime Learning Education Tax Credits by Low-Income Filers*).

Unfortunately, the percentage of adults and families nationwide who actually qualify and take a federal Hope and Lifetime Learning Tax Credits is around 5%. Despite the dedication and assistance from nonprofit community organizations around the United States, our analysis suggests that few economically disadvantaged adults are eligible to benefit from the federal Hope and Lifetime Learning education tax credits. Data from the Annie E. Casey Foundation's National Tax Assistance for Working Families Campaign sites bears this out: just 4.5% of all reported returns claimed an education tax credit in the 2005 tax year. A major catalyst in helping lower-skilled, economically disadvantaged adults improve their economic opportunity has been nonprofit community-based organizations (CBOs). CBOs have traditionally provided economically disadvantaged communities with free or subsidized tax assistance, housing

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assistance, language skills, basic education and skills training, and job placement.<sup>1</sup> CBOs have also been at the forefront in providing their constituents with counseling services, case management as well as access to a wide array of community resources. These efforts have been instrumental in enabling economically disadvantaged adults to improve their economic opportunity.

However, CBOs are just one part of a strategy to help economically disadvantaged, lower-skilled adults improve their economic status. Community colleges also have a role to play. Community colleges offer an array of certificates and degrees across many academic disciplines. Moreover, community colleges have the capacity, resources, and infrastructure needed to assist adults as they pursue additional education and training. Together, community colleges and CBO partnerships can provide a seamless continuum of educational and training services to community residents.<sup>2</sup> Over the last decade, workforce development practitioners, educators, community development planners, policymakers, and others have advocated for the development of partnerships between community colleges and community-based organizations. Several community college and CBO partnerships have been formed around the country. These partnerships vary in mission, structure, and goals. All of them though are aimed at helping lower-skilled, economically disadvantaged adults improve their economic opportunity.

As part of FutureWorks' effort to better understand how CBOs can and are assisting adults and families with tax assistance, financial planning, and education and skills training, etc., we conducted a literature review of community college and CBO partnerships. Specifically, we identified various community college-community-based organization partnerships to gain a better understanding of the types of partnerships that exist. In addition, we wanted to understand how community college and CBO partnerships were formed, their purpose, how they sustain themselves, and what were their outcomes in terms of helping lower-skilled, economically disadvantaged adults obtain access to additional education and/or training. Finally based on our review of the literature, we compiled a list of lessons learned from community college and CBO

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<sup>1</sup> Santiago, San Jorge. "Community Colleges and Community-Based Organizations: A Collaborative Approach." November 1999. The Institute for Community and Workforce Development, Northern Essex Community College. Lawrence, MA.

<sup>2</sup> Ibid 1.

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partnerships. The goal is that these lessons will serve as a resource to community-based organizations, community colleges, and others interested in forming or supporting a community college and CBO partnership.

## **II. Review of the Literature**

Increasingly lower-skilled workers are finding it more difficult to move up a career ladder or improve their economic opportunities in today's highly competitive economy. The good paying jobs that provide benefits often require postsecondary education or highly specialized skills. As a result, community organizations across the country have attempted to respond to the changes in the economy by providing community residents with assistance in improving their education and skill levels as well as their economic opportunities. This can include providing residents with access to language classes, basic education and skills training, employment assistance, case management, counseling as well as tax preparation and help with applying for financial aid/scholarships. In addition to the educational and economic services and supports, some community organizations work in collaboration with postsecondary institutions to identify sectors such as health care, information technology, and manufacturing which has the potential to help economically disadvantaged, lower-skilled workers advance along a career pathway or ladder. However, the outcomes of these efforts on average have been modest as too few participants of career ladder programs are unable to advance very far along a career pathway because they are unable to obtain a post-secondary education certificate or diploma.<sup>3</sup>

In order to address this challenge, community, workforce, and education practitioners along with others have focused on establishing stronger community college and community-based/nonprofit partnerships. These practitioners argue that in order to help lower-skilled, economically disadvantaged adults increase their economic opportunity and upward job mobility, it is important for them to have access to a

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<sup>3</sup> Fitzgerald, Joan. 2006. Moving Up in the New Economy: Career Ladders for U.S. Workers. Cornell University Press. New York, New York.

continuum of education and training services.<sup>4</sup> Community colleges and CBO partnerships can be ideal because each brings their own unique strengths and challenges to the partnership. CBOs tend to have closer ties to the local community and are accessible to lower-skilled adults who tend to lack ties to educational institutions and training programs.<sup>5</sup> However, CBOs and other nonprofit organizations often lack the capacity needed to develop successful education and training programs and do not have strong ties to employers.<sup>6</sup>

On the other hand, community colleges have the resources and capacity needed to meet the educational needs of community residents. Community colleges have an advanced curriculum and offer a number of certificate, degree, and non-degree programs. In addition, community colleges generally have stronger ties to employers and to 4-year post-secondary educational institutions. Despite these strengths, community colleges are not as effective in serving individuals who need additional developmental skills training or social service support or who are unfamiliar with a college environment (see Table 1).<sup>7</sup>

**TABLE 1: Strengths and Challenges of Community Colleges and Community-Based Organizations**

<b>Institution</b>	<b>Strengths</b>	<b>Challenges</b>
<b>Community Colleges</b>	<ul style="list-style-type: none"> <li>• Faculty and classrooms</li> <li>• Provide certificates and degrees</li> <li>• Strong ties to employers</li> <li>• Articulation agreements w/ 4-year institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Lack strong ties to neighborhood</li> <li>• Less access to social services</li> <li>• Less flexible</li> </ul>
<b>Community-Based Organizations</b>	<ul style="list-style-type: none"> <li>• Strong ties to neighborhood</li> <li>• Offer basic skills, education, ESOL, GED, etc.</li> <li>• Links to social services</li> <li>• Case management/ counseling</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of capacity</li> <li>• Weak ties to employers</li> <li>• Limited curriculum</li> </ul>

<sup>4</sup> Ibid 1.

<sup>5</sup> Workforce Strategy Center. “Building Community College/CBO Partnerships. A Report to the William and Flora Hewlett Foundation. 2002.

<sup>6</sup> Ibid 5.

<sup>7</sup> Ibid 5.

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In a thorough report on community college and CBO partnerships, Brandon Roberts defines the key motivations for community colleges to partner with CBOs in order to serve lower-skilled, economically disadvantaged adults.<sup>8</sup> In his analysis he provides the following five reasons:

- 1) Community colleges are under-enrolled and therefore benefit from developing a pipeline of new students from diverse communities.
- 2) Developing occupational programs can be a good source of revenue for community colleges and they provide a needed benefit to lower-skilled adults striving to succeed in the workplace.
- 3) Community colleges need to be responsive to the needs of employers.
- 4) Increasing pressure to meet the growing needs of diverse populations and to produce better results (i.e. increase enrollment, higher graduation rates, etc.).
- 5) Community colleges believe they are well-positioned to address the growing inequality among U.S. workers.

Roberts' report also discusses the motivations for CBOs to enter into partnerships with their local community college. Four reasons are given:

- 1) Community organizations understand that education and skills training are the keys to helping their constituents obtain better paying jobs.
- 2) Community organizations workforce development efforts are increasingly being recognized by employers.
- 3) Resources from welfare reform are sufficient and flexible enough to finance and support innovative training efforts.
- 4) Philanthropic organizations are devoting more attention and resources to workforce development.

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<sup>8</sup> Roberts. Brandon. 2002. "The Best of Both: Community Colleges and Community-Based Organizations Partner to Better Serve Low-Income Workers and Employers." Public/Private Ventures. New York, New York.

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Although Roberts provides several important reasons which may explain why community colleges and community organizations are motivated to partner with each other, a few of his explanations are worth discussing in greater detail. First, he contends that resources from welfare reform have begun to dry up as the federal government has shifted priorities and financial resources. This has increased the competition among organizations going after the limited amount of workforce development funding, especially funding to support community college and CBO partnerships. Therefore, the community colleges and CBOs are likely to be more effective if they partner with one another. This is a critical factor because financial resources are needed to support programs and initiatives that support economically disadvantaged working adults.

The second point is that the U.S. economy has slowed down quite a bit from its peak in March 2000. Therefore competition for jobs in certain sectors of the economy has risen, placing greater pressure on community organizations to partner with community colleges in order to help lower-skilled, economically disadvantaged adults access postsecondary education. This is particularly important during a time of stagnant wages for most entry-level service jobs, higher energy costs, and with the precipitous rise in housing prices over the last 5 years. This has been particularly challenging for economically disadvantaged, lower-skilled adults living in metropolitan areas with high living costs such as cities in the Northeast (e.g. Boston, New York, and Washington D.C.) and West (Seattle, San Francisco, Los Angeles, and San Diego). The grim economic opportunity faced by many urban and rural lower-skilled residents across the country has shifted the focus of many community organizations and community colleges. They are increasingly focusing on develop an integrated partnership that stresses economic self-sufficiency and financial literacy and has linked that to education and skills training.

The Annie E. Casey Foundation was particularly interested in community college-CBO partnerships around workforce development, postsecondary education, and tax assistance. Unfortunately our literature review produced few examples of community college-CBO partnerships focused specifically on tax assistance, postsecondary education, and workforce development. This could be due to the fact that the literature has not caught up with the trend of more community college-CBO partnerships focusing

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on both improving the economic opportunities of economically disadvantaged adults via tax credits and financial literacy and linking that to post-secondary educational or workforce development opportunities. As a result, the discussion of community college-CBO partnerships in this report will be limited to a general discussion of the overall findings regarding these types partnerships rather than providing specific examples of community college-CBO partnerships focused exclusively on tax preparation and financial literacy and how they are linked to educational and workforce development opportunities. However, we conducted primary research for the case studies that will appear towards the end of the report. We include information on workforce development, postsecondary education, and tax preparation assistance in these case studies on community college-CBO partnerships.

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### III. Lessons Learned

A review of the literature on community college and CBO partnerships points to a number of challenges and successes in developing and sustaining a partnership. A study conducted by the Workforce Strategy Center which analyzed 11 community college and CBO partnerships around the country found that most of these partnerships diverged quite a bit from the old model of collaboration where one institution or agency was primarily responsible for all aspects of program operation. The *Building Community College/CBO Partnerships* report found that partnerships were built on a framework that consists of three key aspects. First, all of the community college and CBO partnerships analyzed focused on educational and career pathways. Each program developed a sophisticated education and training model based on a curriculum that builds upon each other sequentially (e.g. basic education, entry-level training, and advanced skills training).<sup>9</sup> Second, the community college/CBO partnerships focused on providing college credit for basic skills training. Some of the partnerships provided participants with college-credit for completing entry-level training while others were in the process of figuring out a way to offer college credit for basic skills training. Finally, the most prevalent model for operation among community college and CBO partnerships was a model that clearly defined and delineated the roles and responsibilities of each organization. This was usually done through a signed contract or memorandum of agreement.

In the development of a community college and CBO partnership, one of the key catalysts has been an outside organization. In the case of the Workforce Strategy Center (WSC) study, they found that either a foundation or community coalition played a key role in initiating the partnership. For example in Chicago, WSC found that a new information technology initiative among Westside Technical Institute at Daley College and Instituto del Progreso was jump-started by the local chamber of commerce. In addition to having a respected outside funding agency or community coalition be the catalyst in initiating a community college and CBO partnership, Roberts in his report on community colleges and CBOs mentions two important overarching stages that

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<sup>9</sup> Ibid 5.

contribute to the success of a community college/CBO partnership: 1) developing a partnership and 2) operating a partnership.

In the process of developing a partnership it is very important to *gain the support of the top leaders*. As Roberts found in his study, in each of the more mature partnerships, leaders from the respective institutions publicly supported the partnership. This helps to build support for the partnership and contributes to its visibility. A second important factor in developing a partnership is having *access to resources*. New partnerships often need a significant amount of financial capital and staff support upfront to get the collaborative off the ground, without it, new initiatives are unlikely to survive. Too often new partnerships and initiatives are started but lack the organizational capacity needed to lay the necessary groundwork early on and over time for the partnership or initiative to be successful at reaching its goals. Third, Roberts argues that it is also important to *have a long-term plan about how the community college/CBO partnership will support itself*. This long-term plan should include all potential funding sources; consider staffing needs over time, the ability to partner with other organizations, etc. By doing this, it will help ensure the long-term sustainability of the partnership. Finally, as was mentioned earlier, *defining the roles and responsibilities of each organization* is one of the most important steps in implementing a successful initiative.<sup>10</sup>

**Table 2. General Roles and Responsibilities of Community Colleges and Community-Based Organizations**

	<b>Roles and Responsibilities</b>
<b>Community Colleges</b>	<ul style="list-style-type: none"> <li>• <b>Provide classroom and lab space</b></li> <li>• <b>Responsible for faculty/instructors</b></li> <li>• <b>Provide course credit</b></li> <li>• <b>Provide advanced education and skills training.</b></li> <li>• <b>Offers degrees and certificates</b></li> </ul>
<b>Community-based Organizations</b>	<ul style="list-style-type: none"> <li>• <b>Recruitment and selection of participants</b></li> <li>• <b>Case management and counseling</b></li> <li>• <b>Basic skills and education training</b></li> <li>• <b>Employment placement and post placement support</b></li> <li>• <b>Fundraising</b></li> </ul>

<sup>10</sup> Roberts, Brandon. 2002. "Career Advancement for Low-Income Workers Through Community College and Community-Based Organization Partnerships." KnowledgeWorks Foundation. Cincinnati, OH.

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The second overarching stage in developing a successful partnership is based on how the partnership operates. According to Roberts, *communication* among all the actors involved in the partnership is critical. It is important for each organization to have a designated liaison that can communicate for and represent the institution. Once a partnership is formed, each partner must *be prepared to make changes* in how they operate. Changes in the operation or program component of a partner organization may be necessary in helping the partnership be effective and run smoothly. Third, it is important to monitor and document outcomes. This will allow a partnership to measure its success overtime.<sup>11</sup> Finally, just about all the literature on community colleges and CBO partnerships mentions the need for these partnerships to achieve scale by developing a sustainable partnership that is *innovative and comprehensive* and challenges some of the older ways in which community colleges and CBOs operated. This can include numerous activities such as helping pre-college and college working adults with tax preparation. Community college and CBO partnership could also provide college credit for basic or entry-level training and education programs or institutionalize counseling services at every level of community colleges to make sure that every student has available support when pursuing career training.<sup>12</sup>

**In an effort to illustrate examples of community college-CBO partnerships around workforce development, postsecondary education, and tax assistance we conducted three case studies on the following organizations that have been able to establish partnerships with an array of organizations. The case studies are on Instituto del Progreso Latino located in Chicago, the Southern Good Faith Fund in Arkansas, and the Central New Mexico Community College in Albuquerque, New Mexico. These three are rare examples and are not the norm. Finally, these case studies were conducted at one point in time and that these three partnerships are dynamic and are constantly changing and evolving.**

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<sup>11</sup> Ibid 8.

<sup>12</sup> Ibid 8.

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## IV. Case Studies

We present case studies of three organizations that have attempted to integrate free tax assistance, workforce development, and postsecondary education through their own services and through partnerships. The three are:

- Instituto del Progreso Latino
- The Southern Good Faith Fund
- Central New Mexico Community College (CNM)

All three organizational examples are similar to each other in that they all are examples of partnerships between community colleges and communality-based organizations that are focused on workforce development, postsecondary education, and tax assistance. However, they also differ in their model, roles, and responsibilities. For example, Instituto del Progreso Latino and CNM both partner with organizations that focus almost exclusively on tax preparation. The advantage of this type of model is that it leverages each organizations comparative advantage (e.g. Instituto with workforce development and the Center for Economic Progress with tax assistance). The disadvantage is that the two components may get siloed and not integrated as fully so that it might benefit the clients. The Southern Good Faith Fund has taken on the tax preparation itself. The organization brings together partners that can fill the other roles in workforce development and postsecondary education.

All three of these case studies demonstrated that community college-community-based organization partnerships that integrate workforce development, postsecondary education, and tax assistance take time and energy, which makes them rare. In many cases community colleges and CBOs tend to work independently of each other and do not work together as true partners. In relation, a significant finding in the lessons learned section indicated that these partnerships are often spawned only after the intervention of a third party. Given the difficulty of these types of partnerships and the time and resources it takes to plan and maintain them, we suspect that more and better integration of workforce development, postsecondary education, and tax assistance will have to be spurred by third party involvement.

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## **Instituto del Progreso Latino**

Instituto del Progreso Latino (Instituto) is a community-centered nonprofit organization that was established in 1975 to meet the needs of Latino immigrants. Instituto focused early on in helping immigrants learn English, find employment, accustom their children to the U.S. educational system, and adjust to life in Chicago.<sup>13</sup> Over the last thirty years, Instituto has evolved into a mature organization that serves over 6,000 participants a year. Instituto primarily focuses on providing participants with increasing their employment opportunities, basic education (e.g. obtaining a high school degree or GED), improving their English language skills as well as helping them become U.S. citizens.

Currently Instituto has developed a comprehensive strategy that is aimed at helping families within their target community increase their capacity for self-sufficiency; works with industry partners to meet labor shortage demand; and attempts to create equitable access to education and skills training for careers.<sup>14</sup> Instituto has five primary focus areas:

- 1) Helping workers gain higher skills and better employment opportunities;
- 2) Increasing the English fluency and literacy among adults;
- 3) Increasing civic involvement;
- 4) Investing in youth services; and
- 5) Celebrating and maintaining cultural activities.

### ***Workforce Development/Postsecondary Education***

Among these five areas, Instituto has been especially successful in building working adults' skills and providing them with access to post-secondary education and employment. Unemployed adults are eligible to enroll in Vocational English as a Second

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<sup>13</sup> Instituto del Progreso Latino. 2006. [www.idpl.org](http://www.idpl.org)

<sup>14</sup> Ibid 1.

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Language (VESL) classes, skills training, and job placement.<sup>15</sup> Instituto has attempted to create a pipeline for economically disadvantaged residents by developing a pre-training program for participants that are in need of English language or basic skills. The pre-training program offers participants VESL classes, GED prep, and basic skills. Instituto offers these 14-week classes in three locations that are accessible to community residents.

Instituto has also worked diligently over the years to establish partnerships with over 70 businesses in the area and in 2005, 500 individuals were placed in jobs.<sup>16</sup> The organization has also developed a long-term relationship with Daley Community College which was well-documented in the Workforce Strategy Center report *Building Community College/CBO Partnerships*. The two have teamed up to offer economically disadvantaged community residents with manufacturing and computer technology training. The partnership between Instituto and Daley Community College consists of two programs—a manufacturing program and a computer technology training program. The manufacturing training program is a 16-week metalworking program offered at West Side Technical Institute, a part of Daley Community College. The program is eligible for adults who score at least an 8<sup>th</sup> grade reading and math level. The program's goal is to help adults become certified in metalworking. All participants enrolled in the 16-week program receive 480 hours of instruction. Once they complete the program participants receive a Certificate of Metalworking from Daley Community College and receive 5 college credit hours.

The computer training program is designed to prepare community residents for a number of occupations. Most recently, the program has focused on training residents for jobs at a Ford Motor Company and at Silverline Windows. In 2004-05 fiscal year, Instituto engaged approximately 5,000 people and enrolled 2,000 in training. They were successful in placing 325 participants at Ford and 230 at Silverline Windows.<sup>17</sup> The partnership between Instituto and Daley Community College has been successful because they both have agreed upon the roles and responsibilities for each institution. Instituto is responsible for several components of the partnership. The organization is charged with recruiting and selecting neighborhood residents and enrolling them in pre-training

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<sup>15</sup> Ibid 1.

<sup>16</sup> Ibid 1.

<sup>17</sup> Ibid 1.

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preparation. Instituto also assists program participants with case management, job placement, post-placement and advancement support. Finally, Instituto is the fiscal agent of the program and is responsible for raising money to support the operation of the program as well as all the participants' tuition costs to attend Daley Community College. Daley Community College's role in the partnership is to provide the classroom and lab space. Daley Community College also provides the skills training and awards college credit and credentials.

### ***Tax Assistance***

Another area that Instituto has recently begun focusing is on helping neighborhood residents improve their economic opportunity through tax assistance and financial education. Instituto is working closely with the Center for Economic Progress (CEP), a nonprofit Illinois-based organization with a mission to increase economic opportunities for low-income families, children, and individuals by improving access to public, private, and non-profit programs and services.<sup>18</sup> According to CEP, through their direct services, public education, and advocacy, the Center is able to challenge the barriers facing its constituency, thus encouraging self-sufficiency and promoting economic prosperity. One of the ways that CEP does this is through the Tax Counseling Project, the nation's largest free statewide tax preparation service for working families and individuals.

Under the Tax Counseling Project, Instituto has partnered with CEP to be a tax preparation site. Instituto works with CEP volunteers and community residents to provide free tax preparation assistance for families with incomes of \$38,000 or less and individuals with incomes of \$15,000 or less. In 2006, Instituto provided tax services to 1,790 individuals, over 91% of them were Latino.<sup>19</sup> The total value of the Federal Earned Income Tax Credit (EITC) was \$1,057,599 and the total amount of federal and state funds returned was \$2,845,370.<sup>20</sup> This is money that residents use to purchase goods

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<sup>18</sup> Center for Economic Progress. 2006. [www.centerforprogress.org](http://www.centerforprogress.org)

<sup>19</sup> Center for Economic Progress. Tax Counseling Project: 2006 Stat Sheet-Pilsen Instituto del Progreso Latino. 2006. <http://www.centerforprogress.org/2006%20Statistical%20Profiles/2006%20Stat%20Sheet%20-%20Pilsen.pdf>

<sup>20</sup> Ibid 7.

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and services within their community as well as to help them pay off their bills or other debts. Instituto hopes to continue working with CEP to expand the number of economically disadvantaged families and individuals who participate in the free tax preparation program. In addition, Instituto and CEP are focused on continuing to assist working families with financial literacy (such as having a bank account, balancing a budget, etc.) and with money saving strategies.

### ***Conclusion***

Overall Instituto del Progreso Latino has been a successful community organization for over 30 years. A key ingredient of the organization's success has been their ability to partner with outside organizations and institutions from both the public and private to provide their clients with workforce development services, postsecondary education, and tax assistance. Instituto has also tried to be innovative in the programs and services that they provide so that they are able to provide their neighborhood constituents with the best opportunities to improve their economic and educational opportunities. As mentioned earlier this has included not just providing individuals with skills and educational training, GED/ESL classes, connecting them to employment opportunities, and with tax preparation and assistance but with the integration of these programs with other organizations to ensure that they are sustainable and effective. Over time, Instituto has proven that comprehensive strategies combined with strategic partnerships can result in positive outcomes for economically disadvantaged families and low-skilled adults.

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## **Southern Good Faith Fund**

The Southern Good Faith Fund is a non-profit organization and an affiliate of Southern Bancorp. Founded in 1988, the Southern Good Faith Fund's mission is to increase the incomes and assets of economically disadvantaged and low-skilled residents of the Delta in Arkansas and Mississippi, a region that suffers from high unemployment and low wages.<sup>21</sup> The Southern Good Faith Fund focuses on providing residents of the Delta with a number of services including tax preparation, workforce development, asset development, and small business development. In addition the Southern Good Faith Fund is engaged in shaping public policy to improve the education and economic opportunities of economically disadvantaged, low-skilled individuals. The Southern Good Faith Fund has been successful because of their ability to develop partnerships with outside organizations and provide their target population with a comprehensive set of services.

### ***Tax Preparation***

In 2004 the Southern Good Faith Fund teamed up with the First Bank of the Delta to sponsor their first tax preparation site in Helena, Arkansas. The Volunteer Income Tax Assistance (VITA) site provided just over 100 residents living in Phillips County with free tax preparation which resulted in close to \$153,000 in federal income tax refunded.<sup>22</sup> Tax filers were also provided with information regarding the Southern Good Faith Fund and Southern Bancorp's services including their IDA program, asset building products and services that are geared to helping economically disadvantaged adults purchase a home, enroll in post-secondary education, or start a small business.

### ***Asset Development***

The Southern Good Faith Fund is especially interested in helping their target population increase their assets. As a result they have developed an asset building and individual development account (IDA) strategy. The primary way the Southern Good

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<sup>21</sup> Southern Good Faith Fund. 2006. [www.goodfaithfund.org](http://www.goodfaithfund.org)

<sup>22</sup> Ibid 1.

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Faith Fund helps economically disadvantaged adults build assets is by helping them save enough money to afford to buy a home, pursue a post-secondary education, and by becoming a small business owner. Over the last 7 years the Southern Good Faith Fund has helped over 265 participants purchase an asset, over 320 participants save money through an IDAs resulting in more than \$1 million in accrued matched savings.<sup>23</sup> In order to be eligible to participate in the IDA program, participants must complete free financial education courses and save at least \$20 a month to receive the \$3 match for every \$1 that they save up to a maximum of \$2,000.<sup>24</sup>

The majority of participants enrolling in asset building services are African-American (88%), female (83%), and over 84% of all participants have a monthly household income below \$2,000.<sup>25</sup> Of all the assets purchased as of 2005, 87 (33%) used their savings to do a home renovation, 78 (29%) participants used their savings to attend post-secondary education, 56 (21%) bought a home, and 44 (17%) opened their own business.<sup>26</sup> The small business component has become so successful that the Southern Good Faith Fund has dedicated a significant amount of resources to helping small business owners develop and grow their businesses. As of mid-2005, almost 4,000 participants have received training, technical assistance, counseling, and resources from the Southern Good Faith Fund's Business Information Center.

### ***Workforce Development/Postsecondary Education***

The Career Pathways Program is a collaborative workforce development initiative among the Southern Good Faith Fund, Southeast Arkansas Community College, the Association of Two-Year Colleges, the Arkansas Adult Education program, the Arkansas Department of Higher Education, and the Arkansas Transitional Employment Assistance Board. The Career Pathways program helps adult students, especially those that are economically disadvantaged, enroll in and complete a post-secondary education. Over 90% of participants are between the ages of 18-35 years of age, 97% are female, 81% are

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<sup>23</sup> Southern Good Faith Fund. *Building Communities. Changing Lives*. 2004-2005 Annual Impact Report.

<sup>24</sup> Southern Good Faith Fund. *Changing Lives Newsletter*. 2006.

<sup>25</sup> Ibid 3.

<sup>26</sup> Ibid 3.

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African-American, and 67% have incomes below \$5,000 a year.<sup>27</sup> The program is particularly focused on helping adult students be successful by providing them with access to academic, financial, and social support services. The Career Pathways program has three major areas:

- 1) Continuing Training and Employment;
- 2) Innovative Curriculum to Improve Student Success; and
- 3) Intensive Student Support Services

The continuing training and employment component of the Career Pathways program includes well-designed pathways of noncredit and college credit programs. Under the Career Pathways program five high-demand occupations have been mapped to show the potential career pathways that an individual could progress along. The majority of each allows participants to earn college credit that can count towards the completion of a college-level degree. The program also works closely with local employers in an effort to understand changes in the labor market and ensure that participants will be prepared to fill occupations that are in high-demand.

The second aspect of the Career Pathways program is the development of an innovative curriculum. The goal of this component is to help adults who need developmental education needed to become “college ready.” There is also a fast track developmental component that targets students who are interested in one- or two-year certificate and degree programs but need more developmental education before enrolling in a post-secondary program (e.g. Nursing Assistant Certificate of Proficiency).

The final component of the Career Pathways program is the intensive student support services. Recognizing the fact that one of the main challenges facing adult students in earning a post-secondary certificate or degree is the lack of support, the Career Pathways program focuses on recruiting students, providing them with a student support consultant who helps students assess their financial aid needs as well as child care, transportation, and other support. Students also have access to academic monitoring which keeps track of their academic progress and helps them coordinate the needed

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<sup>27</sup> Southern Good Faith Fund. *Career Pathways Impact Report*. 2005

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academic services. As of the 2<sup>nd</sup> quarter in 2005 more than 650 students have graduated from the Career Pathways program.<sup>28</sup>

### ***Public Policy***

A unique characteristic of the Southern Good Faith Fund is the fact that the organization strives to develop public policy within the state of Arkansas that supports their mission and goals. According to the Southern Good Faith Fund "the Public Policy program provides a unique complement to [our] other programs. It enables us to have a broader and more systematic impact on improving the incomes and assets of working families by changing public policy to support these goals." One way that the Southern Good Faith Fund has been able to accomplish this is by combining the knowledge gained through their own research and experience. The Public Policy program attempts to develop public policy that supports the following:<sup>29</sup>

- Expands access to quality education and training opportunities to help adults have the skills, training, and education needed to obtain high quality jobs;
- Focuses on increasing the number and quality of jobs throughout the state of Arkansas; and
- Strives to increase the awareness and strengths of development assets for working adults.

In addition the Southern Good Faith Fund produces policy reports based on the organization's research and analysis to make recommendations and influence the policy making process within the state of Arkansas. The Arkansas Assets Coalition is a good example of their work. The Southern Good Faith Fund program organized and staffs the Arkansas Assets Coalition, a coalition focused on increasing IDAs statewide. The Coalition has met with the Arkansas Department of Economic Development to encourage them to consider using Community Development Block Grant funds for IDAs.<sup>30</sup>

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<sup>28</sup> Ibid 6.

<sup>29</sup> Southern Good Faith Fund. 2006. [www.southerngoodfaithfund.org](http://www.southerngoodfaithfund.org)

<sup>30</sup> Southern Good Faith Fund. *Building Communities. Changing Lives.* 2004-2005 Annual Impact Report.

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## *Conclusion*

The Southern Good Faith Fund in partnership with Southern Bancorp has been successful at establishing sustainable collaborations with a number of public and private organizations throughout the state of Arkansas. The Career Pathways program is just one example of how the Southern Good Faith Fund was able to establish partnerships with workforce and postsecondary education entities to create a stronger connection and pipeline for low-income individuals to access credentials and career advancement. This partnership embodies the commitment and dedication of the Southern Good Faith Fund to improve the economic and educational opportunities of economically disadvantaged individuals and families.

Another key ingredient of the Southern Good Faith Fund's success has been their ability to be innovative, comprehensive, and strategic in their approach to improving the economic and educational opportunities of their target population. In terms of innovation they are one of just a few organizations that are able to provide noncredit Employability Certificates or a college credit Nursing Assistant Certificate of Proficiency to adult students who are pursuing a one- or two-year nursing and allied health pathway. Moreover, the Southern Good Faith Fund has established bridge programs to help adult students who need additional developmental education before being ready to enroll at a post-secondary educational institution.

The Southern Good Faith Fund has been comprehensive in their approach to economic development by helping their target population build assets by saving more money to afford post-secondary education, purchase a home, or open a small business. One way they have done this is by providing economically disadvantaged individuals and families with free tax assistance. Through their VITA site, the Southern Good Faith Fund tries to ensure that all eligible tax filers take advantage of federal tax credits such as the earned income tax credit (EITC), higher education tax credits, etc. The organization also has developed IDAs combined with economic skills training to help economically disadvantaged individuals improve their situation.

Finally, the Southern Good Faith Fund has been strategic through their use of public policy. The Public Policy program has been instrumental in supporting the Southern Good Faith Fund's efforts throughout the state of Arkansas. It has also been

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used effectively to raise awareness about the challenges facing economically disadvantaged, low-skilled adults within the state. Overall, the Southern Good Faith Fund has been able to leverage their partnerships to reach their goals and continue to do so as the organization moves forward to address new challenges confronting residents living in the Delta region.

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## Central New Mexico Community College

Central New Mexico Community College (formerly known as the Albuquerque Vocational Institute) is the second largest post-secondary institution in the state of New Mexico. CNM consists of more than 25,000 students and more than half are from an ethnic minority group (53%). A significant proportion of CNM student's are from economically disadvantaged backgrounds and first generation college students. In addition nearly 65% of students have an annual income of less than \$20,000 and 32% of students have children living with them.<sup>31</sup> This situation makes it difficult for some students to attend college full-time and is a reason why nearly 75% of all students are employed while they attend classes.<sup>32</sup>

Aware of the reality that today's students must overcome in order to be successful in college, the leadership of CNM developed a comprehensive strategy to increase retention and graduation rates. Central to their strategy was an aggressive effort to reach out to a diverse pool of potential students, enhance current students' college experience, and provide a support network that would increase CNM students' success in earning a college certificate or degree. CNM and the CNM Foundation, a non-profit tax exempt entity affiliated with CNM, realized early on that they would need to develop collaborative partnerships and programs with a multiple number of public and private partners in the community and across the CNM campus. This led CNM to become involved in Tax Help New Mexico, New Mexico Assets Consortium, and New Mexico Project for Financial Literacy as well as with the Annie E. Casey Foundation funded Center for Working Families (CWF) program on campus. Overall, these partnerships and programs have resulted in a number of positive outcomes for students, especially those who are financially disadvantaged and are in need of financial assistance, tutoring, personal development, financial aid planning, money management, financial aid workshops, and could benefit from having access to an achievement coach. "With much effort and innovative planning, we have assembled a collection of support systems and partnerships that we believe are supplying at-risk students key resources to help them

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<sup>31</sup> *Central New Mexico Community College: A Snapshot of Student Support Services and Programs*. 2005.

<sup>32</sup> *Ibid* 1.

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succeed in their educational pursuit,” said Robin Brulé, executive director of the CNM Foundation.

This case study will provide a brief description of each of the four major components of CNM’s recruitment and retention strategy.

### ***Tax Help New Mexico***

In 1975 CNM first became a volunteer Income Tax Assistance (VITA) program where they began providing tax assistance for the elderly and economically disadvantaged. When CNM’s tax assistance program first began it was focused on “a practical means of giving accounting students work experience in tax preparation while serving a community need.”<sup>33</sup> Over the last thirty years CNM has expanded their efforts to help both students and community residents in financial need by improving their economic and educational opportunities. Today, Tax Help New Mexico is a free tax preparation service that files tax returns electronically for individuals whose household incomes is less than \$37,000 or who are over the age of 65. It has been estimated that approximately 70 percent of New Mexicans are eligible for the program, but a mere 6.5 percent use it. Even with the low take up, in 2005 CNM students and Tax Help New Mexico partners helped generate over \$21 million in tax refunds to residents in the state of New Mexico and there are more than 50 tax site locations across the state.<sup>34</sup> The average return was \$1,600 and has helped bring money into the community. Analysts working closely with Tax Help New Mexico have estimated that the money returned into the economy from tax refunds is turned over two-to-three times before leaving the state.<sup>35</sup> In other words tax refund beneficiaries use their money to purchase goods and services within the state of New Mexico.

There are three aspects of Tax Help New Mexico that helps it be a successful program. First, CNM has worked closely with the college’s accounting program to integrate tax preparation into the students’ curriculum. As a result CNM students get first

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<sup>33</sup> Tax Help New Mexico’s *Tax Help* brochure. 2005.

<sup>34</sup> The Annie E. Casey Foundation. 2006. Family and Economic Success. [www.aecf.org/initiatives/fes/newmexico/nm2.htm](http://www.aecf.org/initiatives/fes/newmexico/nm2.htm).

<sup>35</sup> Ibid 3.

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hand real world experience with preparing and filing taxes and earn college credit while doing so. In addition students have the opportunity to get an Internal Revenue Service (IRS) certification and many graduates of CNM's accounting program have gone on to work for the IRS and the New Mexico Taxation and Revenue Department. Most recently in an effort to reach as many communities as possible, CNM and Tax Help New Mexico and their partners have begun targeting high school students to volunteer in their community as tax preparers. High school students have the opportunity to earn college credit for their training and learn about service to their community by volunteering. At the moment, the Tax Help New Mexico program is at three Albuquerque high schools and is looking to expand elsewhere.

The second major aspect of CNM and Tax Help New Mexico's program is to provide thousands of tax filers with information about post-secondary education. The leadership of CNM and Tax Help New Mexico understand that residents of New Mexico, especially those most economically disadvantaged, could potentially increase their economic opportunity by gaining additional training or education. As a result, at all Tax Help sites on CNM campuses (5 campuses) which serve thousands of tax filers annually, they distribute college catalogs and schedules. CNM tax sites have individuals on hand to answer any questions tax filers may have about enrolling in college, taking credit and non-credit classes, and general questions regarding financial aid and tuition. The hope that over time, this strategy will lead to more economically disadvantaged residents enrolling at CNM or another post-secondary institution or earning their G.E.D.

A third major aspect of Tax Help New Mexico is its focus on expansion throughout the state. There are currently 26 tax sites throughout New Mexico which are located in various institutions ranging from high schools to community centers. Tax Help New Mexico has been successful at expansion because the program has gained the support of U.S. Senator Jeff Bingaman and Lt. Governor Diane Denish. Senator Bingaman and his staff has been able to get the Public Service Company of New Mexico, a public utility company providing gas and electricity, to distribute announcements about Tax Help New Mexico in their monthly billing statements to customers as well as information regarding free G.E.D. classes and testing sites. Lt. Governor Denish has helped Tax Help New Mexico promote its program statewide in English and Spanish

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through public service announcements. As part of their efforts to expand Tax Help New Mexico has also been successful in gaining financial support from the Public Service Company of New Mexico, the Annie E. Casey Foundation, the McCune Foundation, and the Albuquerque Community Foundation. So far, Tax Help New Mexico has been able to reach over 26,000 customers and is working with the New Mexico Assets Consortium to build the assets of the economically disadvantaged.

### ***New Mexico Assets Consortium***

The New Mexico Assets Consortium is a statewide asset development network of community organizations that is focused on helping economically disadvantaged residents build social, personal, and financial assets. The New Mexico Assets Consortium led by the New Mexico Community Action Agencies specializes in re-integrating communities, providing comprehensive financial literacy training, and tax preparation services just to name a few. Perhaps the most innovative aspect of the New Mexico Assets Consortium is its focus on helping eligible individuals save more of the tax refund money by opening individual development accounts (IDAs). IDAs help economically disadvantaged individuals save by providing matching dollars to every dollar saved by an individual. In New Mexico, for every dollar an IDA eligible individual saves, public and private institutions provide four dollars. Each IDA savings plan supports local economic development by allowing each eligible individual use IDAs for first time homeownership, business creation or expansion, post-secondary education, and most recently for the purchase of a vehicle for residents living in rural areas of the state. It is estimated that there will soon be roughly 522 IDA plans in the state which will generate over \$2.6 million in savings and asset purchases.

Before an economically eligible individual is able to open an IDA account, they must first complete a financial literacy course, build or rebuild credit, and develop an effective plan to purchase and maintain an asset. Some IDA participants have used the savings accounts to attend college and pay for essential educational supplies such as books and laptops. More importantly, students who are enrolled at CNM also have access to ongoing financial literacy assistance through the New Mexico Project for Financial Literacy.

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### ***New Mexico Project for Financial Literacy***

The New Mexico Project for Financial Literacy (NMPFL) is a nonprofit network of financial planners from the New Mexico Financial Planning Association. Many of these trainers are certified financial planners, certified public accounts, or hold another credential with the financial planning community.<sup>36</sup> According to NMPFL, their mission is to identify financial literacy training needs and opportunities, locate collaborative partners, design and develop programs, consult and team with agencies and nonprofits, and to train tools and techniques of financial literacy.<sup>37</sup> CNM has partnered with NMPFL to provide students with financial literacy and counseling. The New Mexico Project for Financial Literacy provides a 20-hour financial literacy course to help individuals with the following:

- Avoid loans, fees, and practices that are exploitative, fraudulent, and predatory;
- Develop critical thinking skills to support financial decision making; and
- Use debt wisely in acquiring assets.

The free financial planning service provided by NMPFL has helped numerous CNM students afford to stay in school as well as help them increase their economic opportunities.

### ***CNM and Center for Working Families***

The aforementioned projects and programs are just a few examples of how CNM and the CNM Foundation have been able to establish collaborative partnerships with community organizations throughout New Mexico in an effort to improve the educational and economic opportunities of adult economically disadvantaged individuals. More importantly these efforts are focused on increasing the recruitment, retention, and graduation rates of students enrolled at CNM, especially working adult students with families. The CNM Foundation provides additional support to CNM students by

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<sup>36</sup> New Mexico Project for Financial Literacy. 2006.

<sup>37</sup> Ibid 3.

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providing Opportunity Scholarships. This scholarship program provides financial support to students, many of whom are Center for Working Family students, for unexpected expenses that may keep them from dropping out of classes by allowing them to focus on their studies.<sup>38</sup> Opportunity Scholarships have been used to pay for testing and certification fees, child care expenses, transportation, healthcare costs, and daily living expenses.<sup>39</sup>

In addition to the Opportunity Scholarships, CNM and the CNM Foundation as well as the Casey Foundation funded initiative Center for Working Families provide services and supports to help students succeed. The Center for Working Families began in January 2005 at CNM and has been successful at being an umbrella of numerous services. The Center for Working Families (CWF) provides services and supports to students in four broad areas:

1) *Income and Work Supports*

The income and work supports component of CWF focuses on helping students gain access to the public benefits that they qualify for. CWF provides students with public benefits screening, assistance with applying for public benefits such as childcare, TANF, Medicaid, and housing. CWF also provides students with assistance with applying for financial aid and in applying for scholarships inside CNM as well as outside the college. Finally, CWF helps students gain access to public transportation through Job Access or the Transit Department.

2) *Financial Services and Asset Building*

CWF provides students with 10-week financial literacy courses and one on one financial literacy help, which is provided by the NMPLF. Students under CWF also have access to IDAs through the New Mexico Assets Consortium, are able to get assistance with setting up checking and/or savings accounts, gain access to free tax preparation services in partnership with Tax Help New Mexico as well as gain access to their credit report and learn how to budget.

3) *Workforce Supports*

Students are provided with a number of workforce supports including career interest and inventory workshops, transferable skills workshops, resume building, interview skills, job search assistance, etc.

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<sup>38</sup> The CNM Foundation. 2005.

<sup>39</sup> Ibid 8.

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#### 4) *Academic Supports*

CWF provides students with academic coaching, help with developing an academic plan and assistance with study and test taking skills.

Overall CNM, the CNM Foundation and all of their partners have been successful at building and maintaining effective collaborative programs and projects. This comprehensive effort has helped thousands of New Mexicans improve their educational and economic opportunities.

#### ***Conclusion***

This case study demonstrates how a community college along with its partners is able to build sustainable partnerships that are focused on two primary objectives—improving the educational and economic opportunities of economically disadvantaged residents. The CNM Community College-community partnership collaborative model is an example of how organizations are able to implement *economic* strategies such as tax preparation, financial literacy, individual development accounts, and financial aid and scholarship assistance to first improve the economic situation of economically disadvantaged working adults and combine these efforts with workforce and postsecondary educational support service strategies to help them improve their educational and skill levels. In addition the collaborative established among CNM Community College and their partners is highly integrated which allows various programs, projects, and initiatives to build off of each other and create synergy. For instance CNM in partnership with Tax Help New Mexico has been able to allow high school tax preparation volunteers to earn college credit. This program serves many purposes: 1) it gets high school students involved with their communities in doing something positive; 2) it increases the number of tax filers that otherwise might have been harder to reach and provides them with educational information about obtaining a GED and/or post-secondary education; and 3) it allows high school students to gain ‘real world’ experience and college credit which can help them build confidence and get them interested in pursuing a post-secondary education.

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The other strength of the CNM Community College and community organization collaborative is its ability to provide a number of wrap around services and supports to the most vulnerable students. Oftentimes community colleges struggle to recruit and retain the most economically disadvantaged populations, especially working adults with families. The model established by CNM and its partners is focused on identifying students' needs early and help them gain access to the resources they need in order to be successful at completing their degree or certificate. The comprehensive strategy increases the financial well-being and financial knowledge for students, increases their educational and skill levels, and when the time comes, helps them transition into the workforce.