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Supporting the Core Mission by Paring Costs

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Caroline Ellis
Editor, *Communities & Banking*
Federal Reserve Bank of Boston
600 Atlantic Avenue
Boston, MA 02210
(617) 973-3187
caroline.ellis@bos.frb.org

For free subscriptions, contact:
Public and Community Affairs
Federal Reserve Bank of Boston
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Supporting the Core Mission by Paring Costs

The last few years haven't been easy for small businesses or nonprofits. Everyone is being asked to do more with less. Yet controlling costs has become increasingly difficult as health-care premiums skyrocket, utility rates spike, and recession-related obstacles repeatedly challenge organizations.

The solution that one New England nonprofit financial intermediary has found may provide insight. By examining its business infrastructure processes, outsourcing noncore competencies such as IT and human resources, and shopping around, the organization has been able to devote more resources to the programs that benefit clients, employees—and the environment.

Key Learnings

At Boston Community Capital (BCC), seven new practices have made a big difference in efficiency: shopping for services, focusing on specific staff needs, outsourcing, using a *professional employer organization*, reevaluating existing services, enlisting help from all staff members, and getting creative about compensation.

Shopping Around

In a decade of consecutive double-digit increases in health-care premiums, Boston Community Capital has maintained consistent health coverage levels for employees while keeping overall costs down. Average costs for family health coverage have remained unchanged since 2006. While rising premiums prompted many employers to reduce benefits immediately and shift additional costs to workers, BCC decided first to survey employees and find out which benefits mattered most. It then shopped for plans providing that coverage at lower cost. The downside was the need to switch health plans three times in five years. But each time, the level of service was maintained. No one had to switch doctors or lose coverage for a previously insured service.

Focusing on Internal Needs

Whether shopping for health insurance or a new phone system, it often pays to order “off the menu” instead of choosing the standard options. BCC discovered that lower copayments for emergency room visits were increasing its insurance premiums. But the employee survey showed that emergency room visits were uncommon, so BCC decided to self-insure the copayment. Now it reimburses employees for the added cost if they do need to visit an emergency room. That change meant the existing coverage could be kept at the prior year's cost levels with minimal expense to the organization.



Outsourcing

In many cases, a small business can obtain better service by outsourcing noncore functions. For example, instead of hiring an in-house IT system administrator for a 20-employee organization, BCC hired an IT consulting and network-services company. For less than the cost of a full-time staff member, the contract provides 24-hour access to remote support professionals and a technician onsite two days a month. In addition to handling routine system administration and back-up, the consulting company has helped to develop a comprehensive, tailored technology plan, a disaster recovery system, and a business continuity strategy. BCC gets access to expertise at the chief information officer and chief technology officer level—and to consultants with expertise in network security, database management, and business technology consulting on an as-needed basis.

Other functions that can be successfully outsourced include payroll and benefits administration, marketing, public relations, event planning, and even financial modeling for new business units.

A Professional Employer Organization

Professional employer organizations (PEOs) can provide outsourcing of payroll, workers' compensation, human resources, and employee benefits administration. The PEO enters into a joint employment agreement with smaller businesses. It becomes the employer of record for its client company's employees, and "leases" those employees back to the client organization (in this case, BCC) for a service fee. By pooling the workers from hundreds of smaller businesses to create a much larger company, PEOs operate with economies of scale that allow them to provide small entities with access to the employee benefits and human resources infrastructure of a large company, but at much lower cost.

In 2008, after looking into the model, Boston Community Capital decided to enter a partnership with the nation's largest PEO because of its track record and range of services. Although payroll costs remained at 2007 levels, the relationship allowed BCC to offer employees a more extensive health and benefits package, on par with those offered at *Fortune* 500 companies. The desired health benefits were retained while overall health insurance costs were kept at 2006 levels. The PEO also offered individual employees optional benefits, such as

tuition reimbursement, online classes, and discounts on goods and services. BCC itself was able to purchase new computers for staff at prices 20 percent less than what it had been able to find elsewhere.

A PEO can offer small companies more human resources services than they could otherwise afford. BCC's part-time HR employee now has access to a team of specialists with expertise in benefits, payroll, recruiting, safety, training, and human resources. In addition, the PEO assumes or shares responsibility for government compliance and employer liability management. For example, it assists with unemployment claims, safety and drug-free policies, and Fair Labor Standards Act audit training. The PEO's deep knowledge is important as it helps to ensure that in-house policies are up to date and in sync with work-related laws.

Reevaluating Services

It makes business sense to review existing systems and services periodically and look for opportunities to improve them. Technologies change, as do an organization's needs. When BCC's 401(k) plan reached \$1 million under management, it became eligible for new plans with broader choices, better service, and more guidance for individual staff on how to meet personal retirement goals. Two subsequent reviews led to reductions in asset-management fees and participant fees—while access to financial planners and investment options increased.

Not all reviews lead to a vendor switch, however. The result of a survey of employees' phone-service preferences was an upgrade at minimal cost. The ongoing service costs remained constant while employee satisfaction with the phone service increased dramatically.

Enlisting Everyone

To make significant changes, it is critical to get everyone involved—soliciting ideas, brainstorming solutions, and sharing results. When BCC set out to be greener, for example, it recruited people from all areas of the organization to strategize. It set goals for reducing energy consumption and paper use and for increasing recycling of paper and plastic. The Green Committee communicated the goals to other staff through a series of meetings, flyers, and e-mail announcements, and it benchmarked progress against the goals on an ongoing basis.

In 2008, paper consumption was reduced by 28 percent from 2006 levels. The cost saving was enough to permit a

shift to 100 percent post-consumer recycled paper for the majority of copying and printing needs. In the same period, electricity usage went down 23 percent.

Meanwhile, employees who were applying green thinking in the office began to talk to one another about behavior changes one could make outside the office, spreading the benefits beyond the organization.

Getting Creative about Compensation

To encourage behavior changes—and to share knowledge about them—BCC instituted a "green benefit," reimbursing each employee up to \$700 for environment-friendly changes made in their lives. To date, employees have been reimbursed for home energy audits, mass transit costs, energy-saving light bulb purchases, the cost of shares in community-supported agriculture (CSA), and more. The total expense for the benefit is relatively small, but its effectiveness has been impressive, and employees have made changes they otherwise might not have considered. Similarly, a "health and wellness benefit" reimburses staff for traditional and nontraditional activities and services that lead to whole body health—including acupuncture, weight loss, and smoking-cessation programs. It even covers running-race fees, sports equipment to start a new physical activity, prenatal yoga classes, and massage. Again, the overall cost is small, but the benefit in terms of employees' health and overall satisfaction has been tremendous.

The Way Forward

As mission-driven organizations face difficult economic times, they need to examine their bottom lines and consider how to reduce costs. Thinking creatively about business costs can mean freeing up the resources to pursue the Mahatma Gandhi credo that motivates BCC, "become the change we want to see in the world." Boston Community Capital believes its efforts to reduce the costs of doing business have helped it to emerge not only leaner, but also stronger to carry out its service to communities.

Jessica Brooks is director of development and communications at Boston Community Capital. Judy Currier, infrastructure project manager, oversees BCC's human resources and benefits administration as well as special projects such as the Green Committee.

THE STIMULUS and New England State Governments

Because they are required to balance their budgets, state governments nationwide are responding to recession-induced budget gaps by cutting services, increasing taxes, and drawing down their reserves. They are also receiving relief from American Recovery and Reinvestment Act (stimulus) funds.*

Although the New England states are not the hardest hit, all six state governments saw tax revenues drop sharply in fiscal year 2009 and reduced their services and spending, drew down reserves, enacted tax increases, and used general-purpose stimulus funds to offset part of the gaps. (See “New England States’ Policy Responses.”)

Because the Recovery Act was enacted when FY2009 was two-thirds over, more stimulus funds are available in FY2010. That is fortunate because New England state government budget gaps are also larger. (See “Budget Shortfalls or Gaps.”)

ARRA funds for states stimulate the overall economy by reducing actions like tax increases and cuts in spending and services that state governments would otherwise take to balance their budgets. Thus the stimulus helps preserve jobs and maintain household incomes. However, general-purpose ARRA funds only partly offset the shortfalls and are scheduled to phase down in FY2011, even as state budget gaps remain substantial. School districts in many states, for example, have sent teacher layoff notices for the 2010-2011 school year because state and local revenue collections remain weak and much of the education-related general-purpose stimulus funds have been spent.

* Katharine Bradbury, “State Government Budgets and the Recovery Act,” <http://www.bos.frb.org/economic/ppb/2010/ppb101.htm>.

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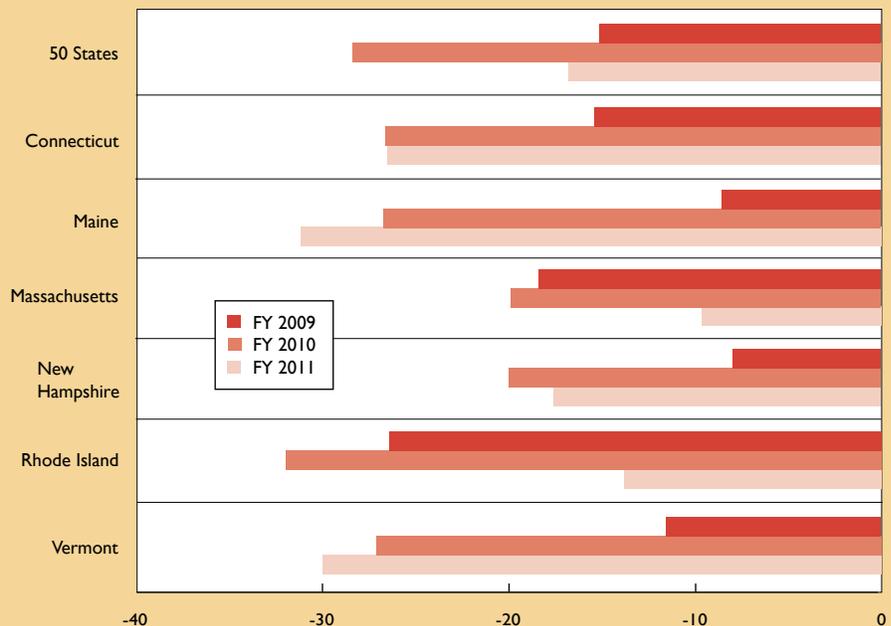
New England States' Policy Responses and Budget Shortfalls (millions of dollars)

	FY2009				FY2010			
	Gaps addressed to balance budget	Spending cuts	Balance draw-downs	General-purpose ARRA grants	Estimated gaps	Spending cuts	Enacted (net) tax increases	First 9 months ARRA
50 states	109,900	31,318	27,159	28,056	196,200	55,655	23,912	46,216
CT	2,700	341	99	403	4,700	53	808	545
ME	265	74	79	186	849	232	17	235
MA	5,200	1,271	1,391	781	5,600	2,424	890	1,571
NH	250	81	86	56	310	n.r.	151	208
RI	872	214	43	184	990	416	66	193
VT	141	68	-2	70	306	98	37	144

Notes: n.r. = not reported
ARRA data reflect general purpose fiscal assistance, defined as the sum of FMAP and SFSF from Recovery.gov agency reported data. The first nine months for FY2010 is actual distribution between 6/26/2009 and 3/26/2010.
Balances include ending balance and balances in rainy-day and budget stabilization funds.
Sources: The Fiscal Survey of States, Recovery.gov for ARRA; Center on Budget and Policy Priorities for gap estimates.

Budget Shortfalls or Gaps

Percent



Note: FY2009 and FY2010 are gaps as percent of general fund. FY2011 is shortfall as percent of FY2010 budget.
Source: E. McNichol and N. Johnson, “Recession Continues to Batter State Budgets,” Center on Budget and Policy Priorities, February 25, 2010.

LIVABLE COMMUNITIES

A Blueprint for the Future



Artist's rendering of the future on Quinnipiac Street. Image: Lazarus & Sargeant Architects

Unightly even on a sparkling day, the moribund intersection of Quinnipiac and North Cherry Streets in Wallingford, Connecticut's town center could use more than a makeover. There is little commerce, little foot traffic, few amenities. It is, in short, emblematic of many town centers across New England. The shops have moved to malls, the shoppers have followed, there are few housing options, and little public transit.

But there are possibilities. A train station is only several hundred yards away. New Haven is less than 20 miles to the south, Hartford about that far to the north. And most important, there is demand for workforce housing in a state that has little and has produced even less in the last decade.

Those possibilities need a link to probability, and U.S. Senator Christopher J. Dodd has offered one to all the Wallingfords across the country that want to resuscitate neighborhoods using a smart-growth formula that more and more people seem to appreciate—business leaders, municipal officials, cabinet secretaries, governors, and members of Congress.

The Livable Communities Act, introduced in fall 2009, builds on the smart-growth efforts of the past and promises to put meat on the bones of an expanding,

coordinated, community development centered policy initiative emanating not only from Washington but from statehouses nationwide.

The Proposal

The Livable Communities legislation is based on a proven formula. First give localities—either municipalities or counties or regions—government grants to plan ways to marry housing creation with transit and energy-efficient designs in walkable locations, and they will grab the opportunity. Then offer grants to help them complete the projects, and they will do that, too.

Why? Because they not only need expanded housing options for municipal workers, families, elderly residents, and others, but they also recognize the back-to-the-future potential of old-fashioned community development, the kind that enables people to walk to work, live above the store, and travel by train or bus rather than gas-guzzler.

Developments from Portland, Oregon, to Charlotte, North Carolina, have reduced traffic congestion and auto emissions while expanding housing affordability. Homes are located near public transit, where density is more easily accepted, and residents also

enjoy smaller, more affordable units and lower heating costs.

Housing is key. As Senator Dodd noted in July 2009 at a hearing of the Senate Banking Committee, "We must improve and expand bus and rail service, providing new choices for families who would no longer have to drive to work and creating space on the road for those who do. And we need to build more and better housing options near transit stations." Department of Housing and Urban Development (HUD) Secretary Shaun Donovan, Department of Transportation (DOT) Secretary Ray LaHood, and Environmental Protection Agency (EPA) Administrator Lisa Jackson attended the hearing and supported the thrust of the legislation. It seemed uniquely promising for a marriage of priorities that three cabinet-level officials who are seldom at the same hearings were all present.

Why Now?

There are many reasons why diverse constituencies are coming together now. Consider the following factors:

- **Growing concern about global warming** and high energy costs, and the realization that lowering both can make housing more affordable. The average

family spends 32 percent of its income on housing and 19 percent on transportation. According to a 2007 study published by Reconnecting America, auto-dependent families spend 25 percent on transportation, whereas families in transit-rich areas spend only 9 percent on transportation. Similarly, the average suburban family uses 240 million BTUs annually for housing and transportation; a family in energy-efficient suburban housing uses 164 million BTUs; and one in an urban, energy-efficient, multifamily home uses only 62 million.

- **The desire to increase population in responsible-growth locations,** expand the tax base, and provide labor for business growth. Connecticut, among other states, has suffered an outmigration of 25-to-34-year-old workers, making it difficult for businesses and government to find the skills needed. To attract young adults back to home after college, to support commercial growth in town centers, and to boost property tax revenues, states and municipalities are creating a range of housing options that haven't been built in recent years.
- **The need to stimulate the economy.** States in the Northeast and Midwest, in particular, have experienced anemic growth in population and economic activity, which has contributed to fiscal weakness. There is evidence that construction can stimulate an economy—1.2 to 3.1 jobs are estimated to be created per housing unit constructed. An expanded economy can also help to boost local and state tax revenues.
- **State initiatives paving the way.** Connecticut's HOMEConnecticut program and the 40R zoning law in Massachusetts provide localities with incentives to zone for housing density—and, thus, affordability—in town centers, near transit and other smart-growth locations. Meanwhile, states such as North Carolina, New Jersey, and California have passed statutes requiring either affordable housing or a plan for affordable housing at all new stations and transit facilities. States are clearly interested, and Livable Communities could help.
- **Federal support.** As a precursor to the Livable Communities Act, HUD, DOT, and EPA have already begun cooperating on the Partnership for Sustainable Communities, a program funded at \$150 million in the HUD appropriations bill. It will offer planning grants

to municipalities and regions to create developments offering affordable, energy-efficient housing near transit.

Living in a transit-rich neighborhood saves up to 10% of a family's budget.

The Livable Communities bill would take the Partnership for Sustainable Communities a step further by offering regions \$400 million in planning grants over four years, and \$3.75 billion in challenge grants to bring the plans to fruition.¹ It envisions helping counties, regions, or groups of towns to create communities with affordable rentals, condos, townhouses, and starter homes. Constructing those new homes near a bus route or rail station, or in a town center where people can walk to work, their doctors, places of worship, shops, libraries, and the like optimizes the legislation's coordinated goals for transportation, energy, the environment, and housing. Rehabbing an old manufacturing or commercial facility that is currently not on the tax rolls would be icing on the cake.

Wallingford and Beyond

In Wallingford's case, the town is already using the state's HOMEConnecticut program to create a higher-density zone. There will be 370 high-density homes (one-fifth affordable for people at 80 percent of the area median income), shops, and numerous amenities within a few blocks of the train station. The Livable Communities Act could help Wallingford and surrounding towns with that project, marrying it to the proposed Springfield-New Haven commuter rail line, which ultimately would connect Wallingford to Boston and New York. If the Springfield-New Haven route could receive a portion of the \$8 billion high-speed rail funding that President Obama has offered, it could provide a backbone for economic growth, to say nothing of a more livable community in Wallingford.²

"The lack of good transit options costs families more than just inconvenience," Senator Dodd says. "In large part due to congested roadways and the lack of affordable housing and transit options, Connecticut ranks 49th in the country in keeping our young people in state. Meanwhile, living in a transit-rich neighborhood saves money—on average, as much as 10

percent of a family's budget. This is particularly important for those living on fixed incomes or struggling to get by in a tough economy. Improving transportation isn't just about making a daily commute easier. It's about empowering people."

In Connecticut, many people do need economic empowering. Four in 10 households spend more than 30 percent of their income on housing, few by choice. That leaves little for necessities and the discretionary spending that can fuel an economy. The bill could help to strengthen New England in general. The region as a whole is like Connecticut in that the projected aging of the population has threatened to undermine its economic future. According to Connecticut's budget agency, the state's current level of 4.5 workers per 65-or-older resident will fall to 2.6 by 2030 unless demographic trends are reversed. Such a 42 percent reduction in working-age individuals relative to an elderly population in need of services could easily overburden state revenues and lead to a rapid decline in the quality of life.

By providing \$400 million in planning grants over four years, and \$3.75 billion over three years in grants to help get projects done, the bill would offer the crucial carrot not only for housing-transit-environmental coordination, but also for regional cooperation. The home rule traditions of New England—where towns jealously guard their autonomy even if that means inefficient service delivery and higher costs—are well known. But they should bow to planning and development that saves money and provides a housing-transit infrastructure that can help all residents in an era of \$3-plus gasoline, skyrocketing heating oil, and property taxes that the aging population can't afford. Timing is everything, and this moment looks like a very good one to make communities more livable.

David Fink is communications and policy director at Partnership for Strong Communities, based in Hartford, Connecticut.

Endnotes

¹ As of this writing, the Department of Housing and Urban Development was working with Congress to come up with a modest appropriation request it could support in the context of budget deficits.

² Wallingford has applied to the state for approval of its Incentive Housing Zone and has had drawings made of what the future might look like. The city believes that the zone's density, once approved, will appeal to developers.

Town-Gown Cooperation in Community Development

by Yesim Sungu-Eryilmaz
and Rosalind Greenstein

More than 50 percent of all degree-granting public and private institutions are in central cities, according to a 2002 report by the Initiative for the Competitive Inner City. Until recently, most urban colleges and universities remained enclaves of intellectual pursuit, seldom collaborating with surrounding neighborhoods and host cities to address urban problems.¹ Now universities are adopting a perspective that puts more focus on surrounding communities.²

Both external and internal developments inspired the change. Externally, economic and social changes in cities and neighborhoods encouraged universities to enhance the neighborhood and promote urban revitalization. Internally, colleges and universities realized that improving the quality of life in neighboring communities promotes a positive image and furthers universities' ability to recruit students, faculty, and staff.

Unlike corporations that can just leave a distressed area, most colleges and universities' fixed assets make them unlikely to relocate. In fact, colleges and universities are among the largest landowners and developers in their cities and exert a powerful influence.³ Consider that at the end of fiscal year 1996, the book value for urban institutions' land and buildings was almost \$100 billion, including \$8 billion in purchases from only the prior year.⁴ And the importance of universities to local economies is well known. Among the most significant economic impacts are enhancing the industry and

technology base, employing large numbers of people, and generating revenue for local governments through expenditures on salaries, goods, and services.

Partnering for Common Goals

Active involvement from the community is critical to success. To spur economic and community development, urban colleges and universities have developed ongoing relationships with municipal governments and community-based organizations (CBOs). Many universities also have established



offices of community affairs or community engagement. The offices are typically led by someone from the community rather than someone from academia. They serve as both university portal and community liaison.

Meanwhile, local governments recognize the importance of colleges and universities as anchor institutions in economic and community development, and are being increasingly proactive. For example, the Boston Redevelopment Authority now has a person whose role is to be a liaison with institutions of higher education.

As formal partnerships have increased,



Northeastern University's Davenport Commons project presents a model of community housing. Photograph: Mary Knox Merrill

higher-learning institutions have provided practical, technical assistance, such as neighborhood planning or capacity-building for community-based organizations. For example, Pratt Institute's Center for Community and Environmental Design has developed long-term relationships with several New York City CBOs, facilitating a collaborative planning process with community partners, and helping to develop joint agendas driven by local stakeholders.⁵

The University of Pennsylvania's Center for Community Partnerships has integrated academic work with the needs of the West Philadelphia community

through academically based community service (ABCS). ABCS is rooted in problem-oriented research and teaching.⁶ The university offers approximately 160 such courses in areas including the environment, health, education, and the arts.

Other university initiatives intended to support community development include skills training (generally in classes for residents), professional services (such as visiting nurses or legal clinics), information technology (such as shared databases or training for CBO staff), and technical assistance to small businesses. Funding comes from sources such as the Office of University Partnerships

at the U.S. Department of Housing and Urban Development (HUD).

In some cases, colleges and universities are involved in developing retail stores and housing, enhancing historic landmarks or parks, improving local schools, and even providing sanitation and security services. Their activities usually have an immediate impact on the neighborhood and on the city.

One example is Howard University in Washington, DC, which bought and held nearby blighted property for decades. In 1997, it launched a massive revitalization initiative. The initial plan was to rehabilitate 28 vacant houses and build new housing

The Changing Landscape of Community Development

Linking Research with Policy and Practice in Low-Income Communities

The Community Affairs Officers of the Federal Reserve System invite paper submissions for the seventh annual Federal Reserve Community Affairs Research Conference, to be held April 28-29, 2011, in Arlington, Virginia. The goal of the conference is to highlight new research that can directly inform community development policy and practice in the wake of the deepest recession since the pre-War period. Weblink: www.frbsf.org/community/2011ResearchConference.

on 17 additional vacant lots. Since then, Howard has expanded its plans to include rehabilitating a former bread factory into university offices and a community center, renovating a neighborhood hospital, opening a neighborhood security office, adding amenities to street and alley resurfacing, redeveloping open space, launching a major telecommunications infrastructure project, and boosting homeownership for Howard employees and local residents.

In Boston, Northeastern University's Davenport Commons project presents a model of community housing for both local residents and students.⁷ It consists of 125 units of housing for students and staff, 60 affordable owner-occupied units, and 2,100 square feet of retail space. The development process was complex, involving community members, the university, and the City of Boston. Community members were concerned about a range of issues including the physical design and the threat of gentrification. Eventually, the university partnered on the project with Madison Park Development Corporation, a community development corporation, and with two local developers.

In another example, the early 1980s saw Worcester's Clark University establish a revitalization partnership with local residents, businesses, and churches. The Main South Community Development Corporation partnership (now the University Park Partnership) was formalized in 1995. Clark University holds a seat on the board of directors. Today there is a broad-based strategy emphasizing the development of neighborhood amenities and the expansion of economic opportunities for residents and local businesses. In 2004 the partnership was awarded the inaugural

Carter Partnership Award, the nation's most prestigious recognition for collaborations between universities and communities.⁸

Opportunities

The evolving town-gown partnership presents new opportunities and challenges. Some local governments and nearby residents may mobilize to counter university activities because of social and economic concerns, quality of life in the neighborhood, or the planning and design process. Understandably, partnerships have the most potential for success when they balance academic and community needs through a participatory and inclusive planning process.

Members enter a partnership with interests that are important to them but not necessarily to others. Nevertheless, institutions, municipalities, and neighborhoods are recognizing that they are part of a large, complex system and that their fates are intertwined. Universities contribute to the economy, civic life, and the built environment by attracting human capital and technological innovation and by boosting the skills of the workforce. The city and neighborhood in turn support the university's ability to function by offering the public services and social and cultural amenities that help to keep people and jobs in the area.

Successful collaboration requires a sufficient investment of time and resources from each stakeholder to create lasting change. Ongoing communication and long-term relationships can generate goodwill in the neighborhood, support from the public sector, and a sense of cohesion and cooperation within the university itself.

Today, many universities and similar

anchor institutions understand their important role in urban economic and community development and are demonstrating just how well enlisting diverse views can further their own goals and those of the world around them.

Yesim Sungu-Eryilmaz, a research associate at Cambridge-based Lincoln Institute of Land Policy from 2004 to 2009, focuses on strategies and collaborations that balance economic and community development goals in urban areas.

Rosalind Greenstein served as founding chair of the Lincoln Institute of Land Policy's Department of Economic and Community Development until 2009. She works on multi-stakeholder urban policy issues.

Endnotes

¹ This article is an outgrowth of the Lincoln Institute of Land Policy's City, Land, and the University program, launched in 2001, and the report *Town-Gown Collaboration in Land Use and Development*, available at www.lincolnst.edu.

² Although we focus on urban institutions, rural colleges and universities also play a role in community development. In Maine, for instance, it was the institutions of higher education that ensured that broadband came to remote areas.

³ David Perry and Wim Wiewel, *The University as Urban Developer* (Armonk, New York: M.E. Sharpe and the Lincoln Institute of Land Policy, 2005).

⁴ Initiative for a Competitive Inner City and CEOs for Cities, *Leveraging Colleges and Universities for Urban Economic Revitalization: An Action Agenda* (Chicago: CEOs for Cities, 2002).

⁵ Avis Vidal, Nancy Nye, Christopher Walker, Carlos Manjarrez, and Clare Romanik, *Lessons from the Community Outreach Partnership Center Program* (Washington, DC: Urban Institute, 2002).

⁶ Elizabeth Strom, "The Political Strategies behind University-Based Development," in David Perry, Wim Wiewel, and Carrie Menendez, "The City, Communities, and Universities: 360 Degrees of Planning and Development" (working paper, Lincoln Institute of Land Policy, Cambridge, Massachusetts, 2009): 116-130.

⁷ Allegra Calder, Gabriel Grant, and Holly Hart Muson, "No Such Thing as Vacant Land: Northeastern University and Davenport Commons," in Perry and Wiewel (2005): 253-267.

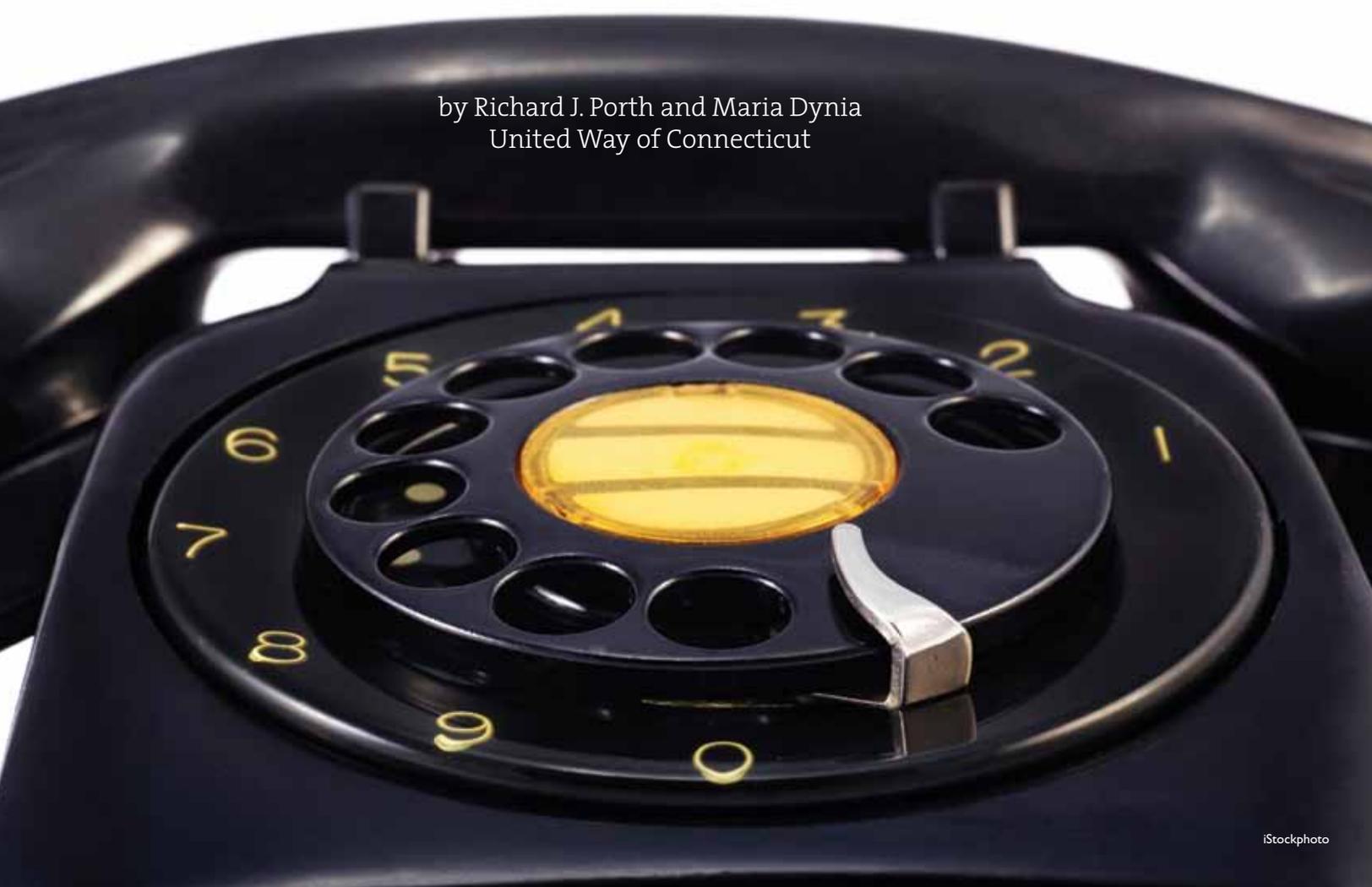
⁸ John Brown and Jacqueline Geoghegan, "Bringing the Campus to the Community: An Examination of the Clark University Park Partnership after Ten Years," in *The Impact of Large Landowners on Land Markets*, ed. Raphael W. Bostic (Cambridge, Massachusetts: Lincoln Institute of Land Policy, 2009).

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DIALING 211 IN CONNECTICUT

During these challenging times, it is important that people know where to turn for help. In Connecticut, residents have found help for more than 30 years by dialing 2-1-1. A centralized information and referral service, 2-1-1 is funded by the State of Connecticut and local United Way organizations and administered by United Way of Connecticut. (See “United Way of Connecticut: Background.”)

by Richard J. Porth and Maria Dynia
United Way of Connecticut



A call to 2-1-1 gets people connected to health and human services assistance quickly. Most states have some form of 2-1-1, including every New England state. Use of Connecticut's has been increasing.

The Economic Downturn

Use of 2-1-1 is a barometer of the times. In 2009, 2-1-1 handled more than 360,000 calls and offered nearly half a million requests for services, an increase of 8 percent and 6 percent respectively over 2008. The web site received more than 525,000 visits, an increase of 46 percent.

More and more, callers seek help with basic needs, such as paying for utilities or finding housing, financial assistance, food resources, and public assistance programs. In 2009, requests for such basic-needs services rose, sometimes dramatically, accounting for 41 percent of all requests. The largest increases were for housing, financial assistance, and public assistance. Requests for utility assistance topped the list but saw a smaller increase. (See "United Way 2-1-1 Top Five Requests for Service.")

Although 2-1-1 receives calls from people of all ages and income levels, 2009 saw a striking increase in callers who were homeless or unemployed. Calls from people experiencing homelessness increased 27

percent over the previous year (15,200 in 2009 versus 11,950 in 2008). Calls from those who were unemployed doubled to 20,000 in 2009. In addition, 26 percent of callers to 2-1-1 in 2009 were first-time callers, probably the result of not only increased 2-1-1 visibility but also greater need for services and more middle-income families.

Not surprisingly, the increase in calls coincides with other developments. Consider the following economic and social indicators in Connecticut:

- the unemployment rate, which continues to hover at around 8 percent;¹
- the percentage of individuals living below the poverty level, which increased from 7.9 percent in 2000 to 8.5 percent in 2008;² and
- the 18 percent increase in enrollment in key safety-net programs, as reported by the Connecticut Department of Social Services (now at nearly 924,000 residents).³

The DSS program seeing the largest increase in enrollment is the federally funded, state-administered Supplemental Nutrition Assistance Program (SNAP)/ Food Stamp program. More than 295,600 Connecticut residents were receiving SNAP benefits in 2009, an increase of 32 percent over the prior year and 58 percent over the

previous five years. The increase in enrollment is partly due to a widening of SNAP eligibility criteria. Even so, food stamp use nationwide is at record highs.⁴

In 2009, 2-1-1 received about 20,000 requests for information for food resources, an amount similar to that in 2008. However, referrals for SNAP/Food Stamp benefits almost doubled. More than 14,000 referrals were made for SNAP/Food Stamp assistance, compared with 7,600 the previous year. More than 40 percent of 2-1-1 callers seeking SNAP/Food Stamp benefits were first-time callers. Nearly one-quarter of the callers for the benefit were unemployed.

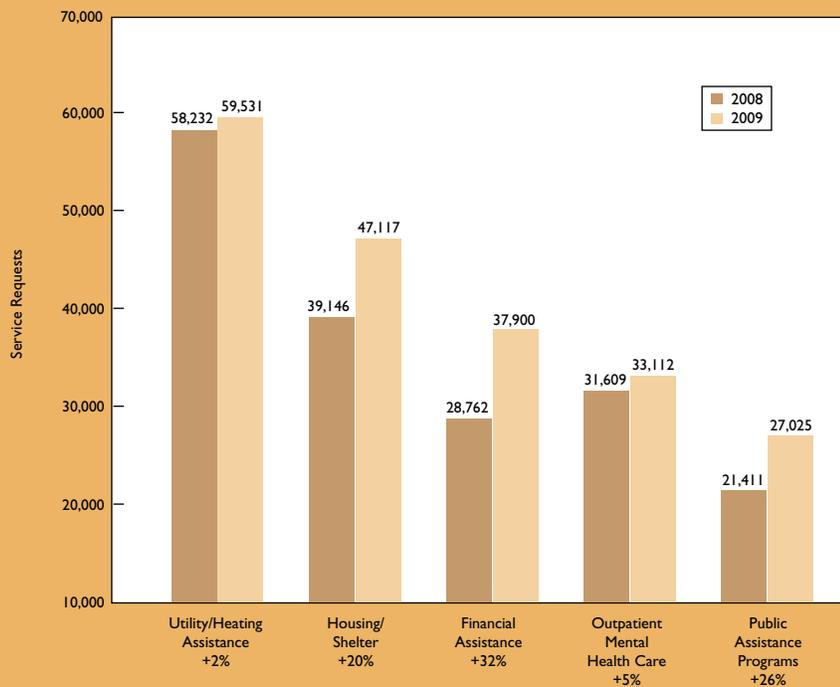
Reducing Homelessness

In January 2009, the annual point-in-time count of the homeless population by the Connecticut Coalition to End Homelessness (CCEH) found more than 4,100 homeless people, including 800-plus children. By November, the average shelter bed usage was over 107 percent. Additionally, CCEH found that the homeless were increasingly people who had jobs. In fact, 78 percent of the families surveyed reported having some source of income. To create viable alternatives to temporary shelter and to relieve an overcrowded shelter system, the federal American Recovery and Reinvestment Act (the "stimulus") awarded Connecticut \$17 million dollars for the Homelessness Prevention and Rapid Re-Housing Program (HPRP).

United Way 2-1-1 received a portion of the federal stimulus funding to assist with this effort since it is uniquely positioned to link those at risk of homelessness with HPRP. In 2009, 2-1-1 received more than 47,000 requests for services related to housing and shelter, an increase of over 20 percent from the previous year. The callers—among whom 15,000 were experiencing homelessness—were most often looking for emergency shelter, affordable housing, rent payment assistance, and food.

United Way 2-1-1, working with CCEH and the Connecticut Department of Social Services, has established a Homeless/Housing unit where trained specialists screen callers for eligibility, refer those who are not eligible to other services, and connect eligible callers directly to the HPRP program. HPRP then conducts further screening and may provide rental assistance and more permanent housing options. Although the program is slated to be funded for three years, recent demand may exhaust the

United Way 2-1-1 Top Five Requests for Service Connecticut, 2008 and 2009



Source: United Way 2-1-1, <http://www.211ct.org>.

funding sooner. As of this writing, more than 2,000 people have been referred to HPRP.

Benefits Assistance Made Easy

One of the more ingenious tools for helping residents find the benefits that can move them toward self-sufficiency is the 2-1-1 Navigator. Understanding who qualifies for various state and federal programs can be challenging for both human services providers and their clients. So United Way developed the 2-1-1 Navigator, an online tool that screens instantly for eligibility in various state and federal benefit programs. Located at <http://navigator.211ct.org>, the 2-1-1 Navigator includes a survey with a few basic questions about income and household makeup. A list of the programs for which a resident or a client may qualify is then immediately generated. Twenty-four different state and federal programs are listed, including the Earned Income Tax Credit, the Child Dependent Care Tax Credit, Medicare, SNAP/Food Stamps, utility assistance, and child-care subsidies.

Since its inception in 2007, an estimated 26,000 individuals and human services providers have used the 2-1-1 Navigator. In 2009, it averaged approximately 1,000 inquiries per month, with about 15 percent originating from State of Connecticut web sites and about 25 percent more coming from providers working with clients.

Although a plethora of state, municipal, and community programs exist to help people in need, those programs cannot work effectively unless the people who need them can find them. United Way 2-1-1 provides that assistance and makes sorting through the maze of programs and services easier. In 2009, as the economy continued to decline, United Way of Connecticut worked to meet the increase in demand for information. In 2010, it is continuing to look for ways to increase its visibility to ensure that state residents get connected to the services they need.

Richard J. Porth is president and chief executive officer of United Way of Connecticut, where **Maria Dynia** is manager of research and evaluation. They are based in Rocky Hill.

United Way of Connecticut: Background

United Way of Connecticut helps meet the needs of Connecticut residents by providing information, education, and connection to services. Funded by the State of Connecticut and individual Connecticut United Way organizations, it provides toll-free, call-center access to health and human services information through 2-1-1, as well as specialized services in child care, child development and disabilities, and Connecticut's child health insurance program (called HUSKY).

- **United Way 2-1-1** is available 24 hours a day, seven days a week. Callers reach degreed, multilingual call specialists who help them sort through their challenges and provide the best assistance and referral for their situation. 2-1-1 utilizes a constantly updated computerized database of approximately 4,800 health and human service providers offering 48,000 services. It is available to everyone, regardless of income or age, whether they need help or want to give help through donating or volunteering. The resource database is also online at www.211ct.org.
- **2-1-1 Child Care** provides referrals to licensed child care, assistance with finding quality care, information to help unlicensed providers to become licensed, and child-care training for parents and providers. 2-1-1 Child Care received 30,000-plus calls and more than 74,000 visits to its web site in fiscal year 2009.
- **Child Development Infoline (CDI)** helps families concerned about a child's development get information, support, and referrals. It serves as the access point for state programs related to early childhood development. In fiscal year 2009, CDI helped more than 20,000 parents, doctors, and child-care providers with child development assistance and support.
- **HUSKY Infoline (HIL)** provides information about the state's health insurance program for children and families. HIL handled more than 60,000 incoming and 44,000 outgoing calls, helping 51,000-plus families understand the HUSKY application process, eligibility requirements, and the benefit package—and advocating on their behalf.
- **Care 4 Kids** administers the state's child-care subsidy program for low-income families and provides customer service for the program. It interfaces with providers and families from application and determination through to completion. Care 4 Kids handled more than 280,000 customer service calls from parents and child-care providers in 2009.

Endnotes

- ¹ Connecticut Department of Labor, *Labor Market Information*, January 2010, <http://www1.ctdol.state.ct.us/lmi/LAUS/lmi121.asp>.
- ² U.S. Census 2000 and American Community Survey 2006-2008.
- ³ Connecticut Department of Social Services, *More Residents Turning to State for Help, Pushing Up DSS Caseloads by 18%*, January 2010, <http://www.ct.gov/dss/cwp/view.asp?Q=453332&A=2345>.

- ⁴ Jason DeParle and Robert Gebeloff, "Food Stamp Use Soars, and Stigma Fades," *New York Times*, November 28, 2009.

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The Future of Homesharing



Homesharing is a commonsense approach to helping people stay in their homes while helping others find affordable housing. Although the nonprofit infrastructure that assists with screening and matching potential homesharing candidates has declined in the United States more than 60 percent since 1986, the recent economic downturn has brought a resurgence of interest both here and abroad. Homesharing doesn't require ongoing subsidies or expensive construction or rehab. It is just neighbors helping neighbors—and helping themselves at the same time.¹

HomeShare Vermont Home Providers Assess the Model

Survey Questions	Home Providers' Answers (percent)
You feel safer in your home.	82
You feel less lonely.	77
You feel happier.	82
You enjoy your home more.	68
You worry less about money.	36
You sleep better.	50
You eat better than before.	36
You call your family less often for help.	50
You have more energy.	55
Household chores are completed more regularly.	59
You feel healthier.	55

Source: HomeShare Vermont Survey, 2008.

Doubling the Benefits

Homesharing benefits two groups at once: those needing affordable housing and those needing a live-in person. Although sometimes it is simply a roommate situation and “match-ups” don't differ from other roommate-matching services, it usually has a service component. Someone looking for an affordable room offers assistance in addition to or instead of rent. The assistance might be for elders or people with physical or mental disabilities who want to continue to live at home. Some programs are targeted to helping the homeless find housing.

The ability to provide affordable housing makes the model work especially well in regions with tight housing markets. Consider that, of the new homesharing arrangements that HomeShare Vermont started in fiscal year 2009, the average rent was only \$159 per month. Moreover, only 61 percent of those offering a room charged any rent at all: 25 percent of the arrangements were service only, no rent or utilities; 22 percent asked for a contribution toward the utility bills.

Although getting some rental income is nice, surveys from HomeShare Vermont clients who need in-home help show that there are other benefits for people who share living space. (See “HomeShare Vermont Home Providers Assess the Model.”)

The Art of the “Match”

The key to successful homesharing is the match. The match must ensure that the needs of both parties are met and that there is not an imbalance. For instance, the person who needs a place to live must also be able to provide the rent and/or services expected. Many would-be tenants would

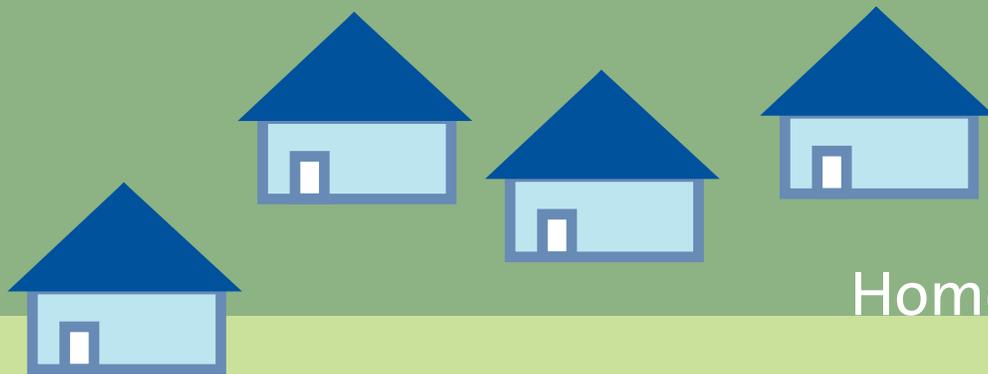
never commit to 30 hours a week of service, for example, no matter how attractive the home. Getting both partners to have reasonable expectations can be difficult.

Although many people can find homesharing situations on their own, having a third party such as a nonprofit to recruit good candidates, provide screening, and offer potential matches can greatly facilitate the process. Screening varies by organization but often includes in-home interviews, personal references, landlord references, criminal background checks, and abuse registry checks.

Getting two strangers, often from different cultures or generations, to live together successfully under one roof is not easy. Simple things, such as location, rent, gender, smoking, and pets, will likely eliminate the vast majority of situations for one party or the other. Then there is lifestyle, schedule, interests, and personalities. It is therefore critical to have a big enough pool of potential sharers—a requirement that makes the program more difficult to run in rural areas, where there is lower population.

Although the concept of sharing housing with nonrelatives is not new, the United States is credited with creating the intergenerational homesharing model. It started out as a service offered by nonprofits in the early 1980s, with a focus on helping elders to remain at home. It was later adapted to serve a broader population, including families, the homeless, and those with special needs.

In 1986 there were 169 homesharing programs nationwide, springing up in places with tight housing markets, mostly on the East and West Coasts.² A review of the 2009 National Shared Housing Resource Center (NSHRC) directory shows that only 65



by Kirby Dunn
HomeShare Vermont

formal homesharing programs exist today and that many of those serve just a single community or geographic area.

But although until the downturn U.S. interest in homesharing was declining, it has been increasing abroad. That is according to a report from the first World Homeshare Congress, which met in Paris in July 2009.³

Renewed Interest

An 80 percent decrease in U.S. programs is certainly demoralizing, but reasons for optimism exist. Many of the current programs have been around for years, are strong, have adapted to changing times, and are meeting important local needs. One could argue that the weak programs failed and the strong carried on. Certainly, many U.S. programs have never been stronger.

Moreover, the organizational numbers don't count how many people are sharing homes without the help of an organization. Many people benefit from the services of a third party to help them find, screen, and match up with a homesharer, but others are able to arrange homeshare matches on their own using the Internet. The National Shared Housing Resource Center offers useful publications on its web site, including a do-it-yourself manual to help people homeshare if there isn't an organization in their community. The growth in online classified ads makes finding a roommate easier and cheaper than ever. And given the many baby boomers who were accustomed to sharing housing in college and the increasing numbers of nontraditional households, homesharing may now be a naturally occurring phenomenon.

Other manifestations continue to emerge. For example, as attendees at the



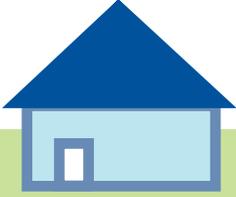
Shared housing can be a win-win for two people. Photograph: HomeShare Vermont

World Homeshare Congress learned, potential homesharers can turn to a new for-profit service in London to find a match and a Vermont blog to share experiences. In Spain and Germany, programs associated with universities are used to provide student housing. Some programs with elders involve a formal educational component, in which students get academic credit based on their homesharing experience. Both here and abroad, homeshares that serve international students also provide opportunities to practice the language. Several programs overseas are 100 percent government sponsored. And leaders of a program in Paris are currently considering ways to promote the concept as a type of community service

similar to AmeriCorps—or even as an alternative to military service. Such innovations, in turn, give Americans ideas for expanding the model.

The circumstances of life in the United States today—the recession's lingering impact, the aging of the population, high heating and housing costs, the decrease in average household size, the increase in house size—are reasons that homesharing ought to have more appeal. The value of sharing space with another person is further bolstered by studies demonstrating the negative effects of social isolation on both physical and mental health, especially among the elderly.

So why aren't programs springing up everywhere? There are a number of reasons,



HomeShare Vermont helps housing partners find the right “match.” Photograph: HomeShare Vermont

including the fact that no national organization has taken on homesharing as a service and there is no dedicated funding. The program is not easily compartmentalized into typical funding priorities. For example, it doesn't involve housing construction or serve a single target population. Whereas many nonprofits have one group they focus on (the homeless, elders, persons with disabilities), homesharing success requires that the needs of two parties be met. Matches often cross generations, incomes, or abilities, and a narrowly targeted nonprofit may have trouble thinking beyond its primary

client. It might, for example, want to keep disabled seniors in their homes but not be concerned with helping low-income college students find affordable housing.

Another roadblock is potential liability. People must be 100 percent trustworthy to share space, so many nonprofit boards walk away after considering not only the funding and the fit, but also the liability.

However, World Homeshare Congress participants have agreed to spread the word, pursuing the development of standardized evaluation materials, researching best practices, sharing screening and marketing

materials, and seeking third-party accreditation for homesharing programs. The second World Homeshare Congress is already in the works for 2011. In the United States, however, expansion will require a concerted effort to communicate the concept's value as an important piece of the puzzle in tight housing markets.

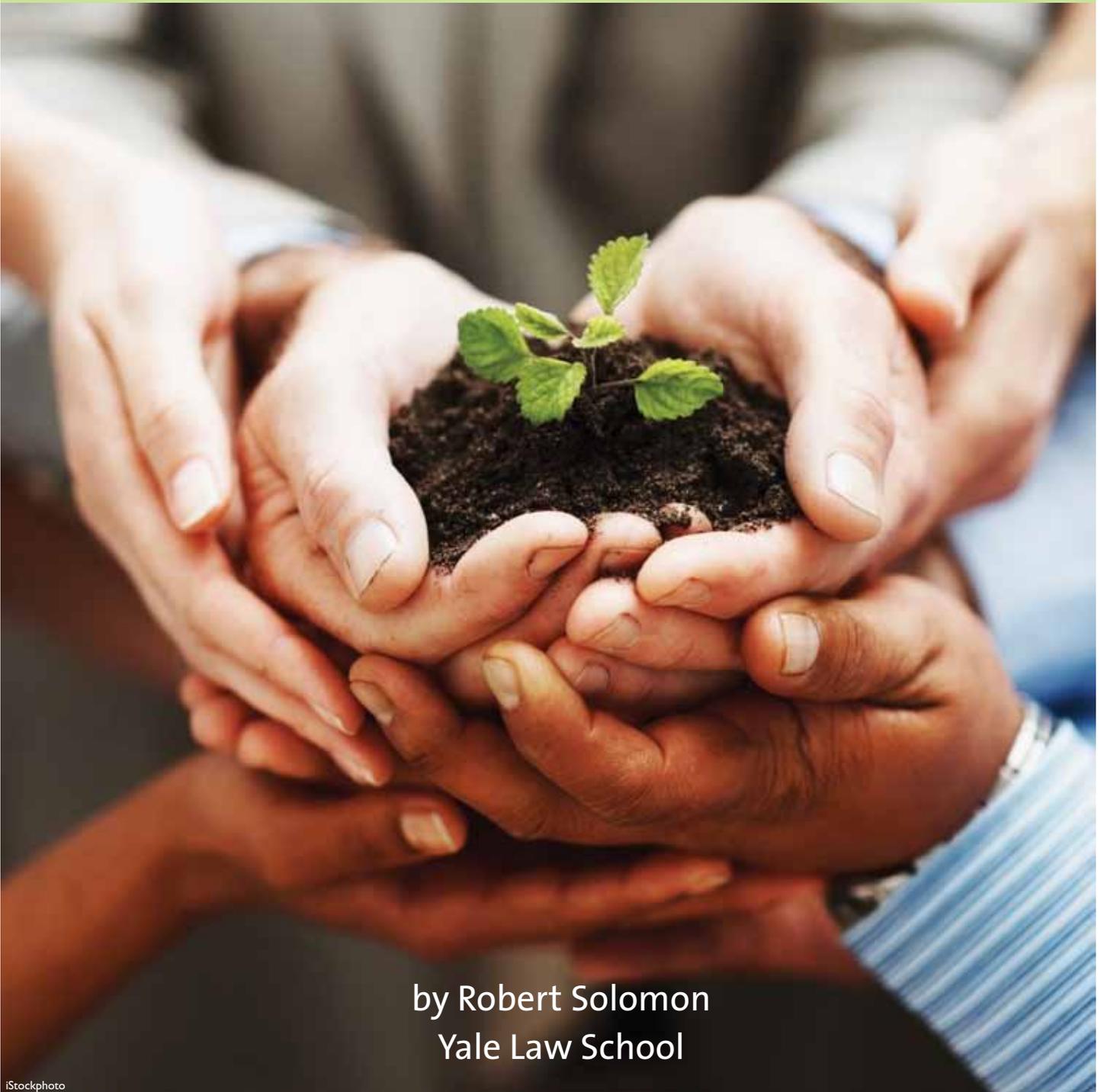
Kirby Dunn is the executive director of HomeShare Vermont, which is based in South Burlington. As a National Shared Housing Resource Center regional coordinator, she was invited to give a keynote address at the first World Homeshare Congress in Paris.

Endnotes

- ¹ In New England, formal homesharing programs now exist only in Vermont and Connecticut. See www.NationalSharedHousing.org/directory.html, which lists U.S. shared housing programs by state. The directory includes match-ups as well as very different shared residences, such as boarding houses.
- ² Nicholas L. Danigelis and Alfred P. Fenger, *No Place Like Home* (New York: Columbia University Press, 1991).
- ³ The World Homeshare Congress was hosted by Homeshare International, www.homeshare.org, and attended by representatives of nine countries.

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Law Students Nurture Low-Income Communities



by Robert Solomon
Yale Law School

When Yale Law School faculty member Jerome Frank first proposed the idea of clinical legal education in the article *Why Not a Clinical Lawyer-School?* in 1933, Dean Charles Clarke replied that it was hard enough to attract excellent teachers without requiring that they have practical experience, too. Nevertheless, 33 years later, Yale started the Danbury Prison Project, which became the model for an in-house clinical program consisting of a seminar and client representation supervised by law school faculty.

Next came the mental disabilities clinic, with students representing patients, often to gain their release from state mental hospitals. The model was similar to other efforts providing basic legal services to low-income individuals.

Then in 1985, students sponsored a homelessness conference, which led to the development of the Homelessness Clinic in the 1986 spring term. Students went to shelters to meet prospective clients. Before long, they were raising a critical policy question: Why were students in the mental disabilities clinic seeking deinstitutionalization, often to the streets, when students in the homelessness clinic were trying to find shelter for the same people? That inquiry resulted in a joint class and the creation of a core group of students intent on finding ways to house homeless people.

Filling a Gap

Soon Professors Robert Cover and Michael Graetz were discussing a void in the clinical program. As Graetz relates, they were concerned with the typically adversarial nature of law practice in the clinical law curriculum: “We considered it both educationally and socially important to institute a policy component into clinical legal education. We had three major educational goals. First, we wanted to broaden the clinical law experience to include transaction-oriented lawyering skills. Second, we wanted to attract students with business skills ... to the clinical law experience in order to introduce them to public-spirited legal work. Finally, we

wanted to bridge the gap between the academic and clinical curricula.”¹ The idea was that drawing in students with different perspectives would foster a valuable policy discussion.

A nice surprise was that the clinic also drew students from Yale’s other professional schools, including Management, Environmental and Public Health, Forestry and Environmental Science, and Architecture.

These discussions resulted in the Workshop on Shelter for the Homeless, first offered in fall 1986, an endeavor that became the Housing and Community Development Clinic and, more recently, the Community and Economic Development Clinic. In spring 2005, the school offered a separate clinic on community development financial institutions (CDFIs) to accommodate student demand to participate in work being conducted in the banking arena.

The transactional clinics did indeed foster a different policy discussion. The transactional clinic was attractive to law students who were not interested in representing individuals in poverty cases and, but for the transactional offering, might not participate in a clinic at all. A nice surprise was that the clinic also drew students from the university’s other professional schools, including the School of Management, Environmental and Public Health, Forestry and Environmental Science, and Architecture. Over the years, medical, nursing, divinity, and graduate students also

have participated. The Community and Economic Development Clinic appears to be the most interdisciplinary law school clinic in the country.

The interdisciplinary makeup of the class has enhanced the dialogue in rich ways, adding planning, business, and health perspectives to development issues, along with markedly different approaches to ethical issues. The transactional and policy work has been a magnet for law students with a market perspective, some with backgrounds at large consulting companies or at domestic or international nongovernmental organizations.

Over 23 years, the clinic has moved from housing work into a more expansive vision, responding to the needs of community organizations, accepting opportunities, and providing a model for other law schools interested in public service in lower-income communities. Yale has represented local organizations in their efforts to develop a supermarket in an underserved area, several day-care centers, a commercial strip, farmers’ markets, a Laundromat, and several housing developments, including low-income and elderly housing and an AIDS residence.

But in an effort that probably exceeds Jerome Frank’s wildest expectations, the law school represented the City of New Haven in obtaining a \$25 million settlement from a bank that was demutualizing and then helped the City create a tax-exempt foundation to organize a community development bank.²

A Community Development Financial Institution

The law school’s banking effort began when New Haven Mayor John DeStefano requested a meeting to discuss the proposed demutualization and merger of a local bank. The case presented novel issues of asset ownership and depositor rights. This led to questions concerning the federal government’s requirement that depositors vote to approve demutualization and the bank’s application for a waiver of that requirement.



Student work included conferring with the Federal Deposit Insurance Corporation and the Connecticut Banking Commissioner, drafting a first-impression objection to the FDIC on the waiver, making presentations to the client, drafting testimony for a public hearing, preparing financial analysis of the merger and its effect on New Haven, analyzing the effect of lawsuits and potential lawsuits against the bank, and forming and evaluating settlement possibilities.

The students prepared a presentation for the banking commissioner, memos analyzing proposed executive compensation for the restructured bank, and a formal objection to the FDIC, opposing the merger. This presettlement work was compressed into a single academic term, with weekly meetings of the entire bank group and more frequent meetings of subgroups. Ultimately, the parties settled for \$25 million, to be paid to an independent tax-exempt entity designated by the City of New Haven.

The settlement raised difficult tax and foundation problems and provided rich experiences for students. The City wanted to form a foundation to receive the bank funds, with the expectation that the foundation would invest a substantial portion in a for-profit community development bank. Yale Law School Professors John Simon and Michael Graetz were consulted on program-related investment and tax-exempt supporting organization questions, and tax specialists at the law firm of an alumnus provided banking and tax expertise. Ultimately, the decision was made to apply for tax-exempt status as a Section 509(a)(3) organization supporting the community development activities of the City of New Haven. The tax-exemption was granted on November 3, 2005.

The work, however, was just starting. Students next gathered into three groups—CEO and board search, structure, and business plan—and did an intensive study of existing community development banks and other models, including credit unions and venture capital funds. They traveled to North Carolina to study Self-Help, an



innovative credit union, to Chicago to study Shore Bank, to Milwaukee for Legacy Bank, and to Washington, DC, for City First. Guests who made presentations to the class included a former Comptroller of the Currency, the CEO of City First, and two representatives of Shore Bank. Students researched federal and state charters, bank organization, bank-chartering processes, collateral nonprofit activities, bank holding companies, potential products, financial structures, and other critical issues.

In the 2005 spring term, the foundation formed a bank organizing group for a nonprofit community development financial institution, with students involved in every aspect of the charter application.³ The Connecticut Department of Banking granted a temporary charter in 2009, one of the first steps in the regulatory process before an institution can open for business as a bank.

Creating a bank is complex and well beyond the practice of transactional programs at most law schools, often for pedagogic reasons. Pedagogical tension is a reality, and some schools resolve it by limiting transactional work to replicable events such as incorporation and tax exemption. Others limit the work to small business advice or more routine real estate transactions.

Nevertheless, it is possible and beneficial to represent clients in complex and even unconventional projects that challenge students. And while many initiatives push the envelope, representation of community development corporations and small

businesses continues to allow students a wealth of transactional experience.

For schools that are interested in doing something similar, it is worth noting that adjunct faculty play a key role. Outside resources can provide critical assistance in highly specialized areas whether the experts come from other schools at a university or are local attorneys or alumni with expertise in affordable housing development, small business representation, real estate transactions, banking, legislation, and public policy. Ultimately, collaboration can provide an extraordinary educational experience for students and a valuable legal service to lower-income communities.

Robert Solomon is a clinical professor of law at Yale Law School in New Haven, Connecticut.

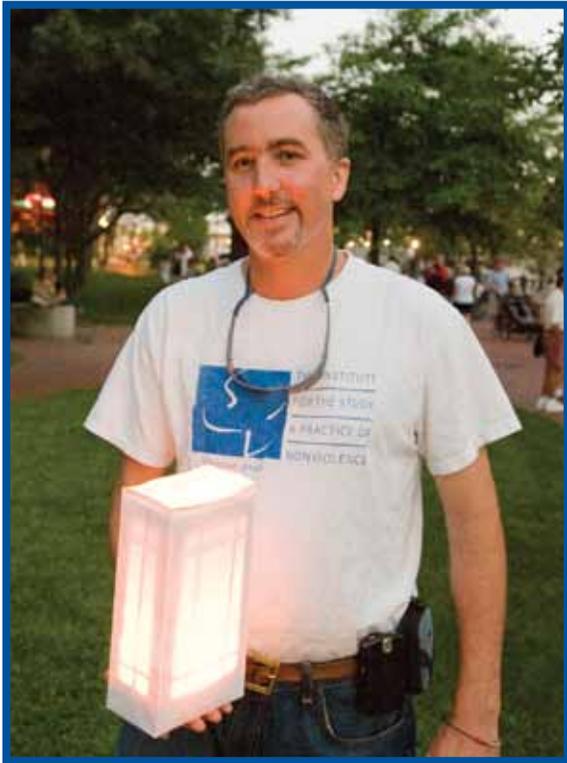
Endnotes

- ¹ Michael Graetz and Robert Solomon in *Homes for the Homeless: A Handbook for Action*, ed. Adam Berger (Durham, North Carolina: Carolina Academic Press, 1990).
- ² Peggy Delinois Hamilton, "Starting a Community Development Bank: A New Haven Story," *Communities & Banking* (spring 2006), <http://www.bos.frb.org/commdev/c&b/2006/spring/communitybank.pdf>.
- ³ See <http://www.cdfi.org/index.php?page=info-1a> for more details on community development financial institutions.

Teny O. Gross

Institute for the Study and Practice of Nonviolence

Every Life Should Be Purposeful



Lighting a candle in the darkness. Photograph: ISPN

In 1989, Teny Gross, a former Israeli army sergeant, was attending Tufts University when racial tensions erupted in Boston. A man called Charles Stuart staged his wife's murder and initially convinced police that the killer was a young, black male. Stereotyping opened old wounds, and urban youth reacted angrily. Gross hooked up with Reverend Eugene Rivers and others who walked the trouble spots and calmed the waters. A coalition of police, hospitals, schools, clergy, and street workers came together, working to identify the few hard core offenders and turn them from violence. The murder rate went from 152 in 1990 to 31 in 1997, earning the collaboration the name "The Boston Miracle." Then in 2001, Gross became the first employee of Providence's Institute for the Study and Practice of Nonviolence, where today he oversees five programs and a staff of 33. The institute teaches the Martin Luther King Jr. method of nonviolence, while continuously refining the street-worker model and replicating it around the world.

What led you to violence prevention?

I had the right baggage. My work with Israelis and Palestinians. My Christian-Jewish family from Serbia and Croatia. A grandmother lost to the Holocaust. As a high school student, I was stunned that such a highly civilized country as Germany could become so violent so quickly. All my subsequent studies confirmed for me that civilization is fragile, whether I studied the Greeks, the Romans, Machiavelli's short-lived Florentine Republic, the Enlightenment, the American and English revolutions. In 2000, when I was attending Harvard Divinity School, I asked some Harvard students, "Does it ever occur to you that you might not always live in freedom?" They said, "Never." September 11 shook that certainty.

Antiviolence work for me is about the health of a democracy. America incarcerates one-quarter of the world's jail population. Out of 2,225 kids on life without parole worldwide, all are American. We have a civil war rate of homicide. If you consider pure numbers of violent acts, American inner cities are failed states. That's why I got involved.

How did the Charles Stuart case affect you?

I was upset. I wanted to drive with cops and see how people got treated. But I said to myself, Life is too short to play Gotcha. So I looked for someone doing something positive. With Reverend Rivers, I walked the inner city, keeping eyes open, listening, learning, and being accessible to kids.

The Boston Miracle was simply hard work and the realignment of resources. Law firm Hale & Dorr got involved, the Federal Reserve, the City of Boston, the police gang unit, probation officers, youth workers, clergy. Out of the 60,000 kids who initially were treated as a potential problem, we found that 1,200 were gang members and only 300 hard core. Suddenly, the problem became manageable. We said to the hard core, "You can reenlist in school, get help finding a job, but if you say no and violence breaks out, you'll get arrested and sanctioned severely." We developed a cadre of practitioners who shared information about everything that was going on so we could deal with violence before it erupted.

In Providence, we now respond to hospitals 24/7 for every shooting and stabbing. The street workers' relationship with

the police is way more sophisticated. We've trained people in Brockton, Fall River, New Bedford, New Haven, Richmond, and California. Belfast. Five Central and South American countries, including Guatemala and Brazil. We supported the relaunch of SafeStreet Boston with our hospital approach.

Describe the hospital approach.

Hospital security staff, social workers, police, community people call us immediately after a shooting or stabbing. It's fine with me to get called by them all. It's my Hobbesian side: systems fail. I don't rely on only one system.

The street workers know who is who. Suppose gang rivals are at the hospital. We deal with them and let the medical staff focus on treatment. The community presence we provide changes the atmosphere. We aren't predisposed to see the victim as being at fault. We see through the victim's eyes and translate what's going on for other workers.

If victims are in any shape to talk, we talk: (a) to show kindness, (b) because we have to be opportunistic. The traumatic moment is a moment of clarity for a person. For example: You've been selling drugs, you don't think anything's going to happen. Suddenly, you're in the hospital, it hurts, you're crying. It's a key moment for the victim. We show up immediately and provide a friendly face from the community. Little gestures can change lives. I've worked with gangs for 19 years, so I'm not naive. But it's amazing what you can get with kindness, with being interested in a person. Young people don't mind criticism, as long as it comes from a place of love.

How do you teach nonviolence?

We offer practical tools for handling life's inevitable conflicts. The program is based on Martin Luther King Jr.'s work. You have to teach nonviolence repeatedly to counter the constant barrage of violent messaging from our culture. Failed environments provide daily dosages of violent learning.

So we use dosages, too, starting in third grade. We counter the violent messages on TV homicide shows and on radio shows that insult elected officials in dismissive, violent language. In our small, obstinate way, we talk about seeing things through an opponent's eyes. People who have empathy, don't kill. The gang members I know always

have a Shakespearian debate going on in their heads about their actions. Adults with positive messages can strengthen one side of that "To Be or Not To Be."

The National Network for Safe Communities, on which I serve, is really the Boston Miracle on steroids. It's determined to offer enough positive messages to kids to meet ambitious goals. I'm pushing for halving the national homicide rate by 2019.

Do you ever feel that you'll always swim upstream?

Yes. But it's the most worthy challenge I know. Consider first that the urban failed state creates injustice. It is unjust that so many mothers lose children to violence in a wealthy country. Second, it costs too much: just 240 of the 16,000 annual homicides rack up \$2 billion annually in costs for police, hospitals, burials, investigations, trials, jail. Not to mention the loss of tax revenue and income. We're making change. My worst enemy is the view that things won't change.

How do you convince people that change can happen?

I start with the frog analogy. If you boil the frog gradually, it won't jump out and save itself. America gradually got used to violence. A dramatic goal like cutting homicides in half can help us jump out of the pot.

Additionally, I tell people to look at the heroes doing the impossible: Geoffrey Canada of Harlem Children's Zone; Pittsburgh's Bill Strickland, who wrote *Make the Impossible Possible*; Dr. Paul Farmer in Haiti; Wendy Kopp from Teach For America. They may be exceptional, but that's not the point. They're innovators. They're just pointing out that we can get great results from kids we've given up on. Our Institute doesn't give up. We just graduated four street workers from Rhode Island College's case management program. People who'd been to jail and never thought they'd see college. Change can happen.

Describe your five programs.

First, the nonviolence training program teaches the philosophy of absorbing hostility and thinking through how to act. We teach it to eight-year-olds, teenagers, juveniles in jail, the police academy, anyone.

Second, street workers—both former gang members and victims. They mediate conflicts large and small in schools

We want to see life become purposeful for these kids. We want to get the spark back into their eyes.

and wherever the kids are. They're in the hospital, in the court, helping with job placements. They work to reattach kids to their families and to society.

Third is the Beloved Community Summer Jobs Program. When I arrived, there were only 300 summer jobs in Providence. I said, "That's a joke. A city this size should have 3,000." Small as we were, the Institute hired nine. We now work with 40 businesses and nonprofits to hire 100 kids. They're kept busy all summer. They get paid through grants from our partner companies, where the kids work four days a week. On Fridays, we bring them in and teach nonviolence, job readiness, life skills. Mayor David Cicilline is committed to youth, and now there are nearly 1,000 summer jobs in Providence.

Fourth is the victim center, where clinical social workers and case managers support families that have experienced homicide or shootings.

Finally, in February 2009, we started the Juvenile Reentry Program for young offenders. We teach nonviolence in the jail, build relationships, and work with kids when they come out.

We get as many people as possible involved—doctors, Brown University students, Bryant College, Providence College, Johnson & Wales, Community College of Rhode Island, Butler Hospital, Bank of Rhode Island, DCI Design Company. We want to teach the world how to develop our valuable yet neglected human capital.

At the end of the day, the goal is to help youth become productive members of society?

Yes, but it's not just about providing skills for Dunkin' Donuts or keeping kids from selling drugs. No. We believe that all people want to have a purpose, and we want to see life become purposeful for these kids. We want to get the spark back into their eyes.

The Power of Small

The Origins of Johnny Money



Because I spent much of my early life in Africa, having been born and raised there, I have long felt frustration at the enormous amount of funds wasted by nongovernmental organizations and numerous elected governments on initiatives that create dependence instead of self-sufficiency. Over time, my concerns about the disconnect between funding goals and performance reality influenced both my reengagement with Africa and my efforts to help disadvantaged high school students in the United States.

I came to the conclusion that it was not useful to rail about \$3 trillion in African aid getting spent wastefully and much better to figure out a new approach, one that would help people help themselves. To start, I conferred with colleagues at the University of Pennsylvania's Wharton School. We thought it might be possible to attack some of the problems in Africa by helping create entrepreneurial businesses that would be profit making. Maybe they would not make a lot of profit, but in Africa, even \$5,000 per year in profits can catapult someone into the upper middle class.

What we learned from helping to create small-scale businesses in Africa and then scaling them up led to our wondering whether some of the same principles might apply in underserved parts of the United States—and whether a game especially designed for high school students could play a role.

First, Africa

To build self-sufficiency for people in Africa by helping them create their own businesses, a group of us developed the Wharton Societal Wealth Program. We focused on small projects that we thought could have a big impact, and we were open to all ideas. In one successful case, we gave business-planning support and technical advice to an animal-feed producer to make high-quality, lower-cost feeds in northwest Zambia, a region badly hurt by the high unemployment that followed the collapse of copper prices and copper mining.¹

The idea was to use the University of Pennsylvania Veterinary School's modern computer programming to calculate optimal mixes for chicken feed in hopes that an improved and less expensive product would expand local chicken production in Zambia and help to curb the growing malnutrition. The project started in 2003 with six men mixing feed by hand in a shed on a cement floor. Distribution was not designed to replicate the conventional large-scale, high-volume model but instead to tap a regional network of small feed producers. With the use of new Swiss machinery, the project has expanded and now produces 1,200 tons of feed per month. Thanks to lower prices and quality improvements, 1,500 new Zambian farmers are raising enough chickens to deliver more than 50 million daily protein portions per annum.

Not Just Africa

With several projects underway in Africa, we began to think about equally deprived U.S. communities in places like Camden, New Jersey, which is across the Delaware River from Wharton. What struck us most about the struggling pockets of America was that their young people often dropped out of—or even graduated from—high school without any understanding of what goes on in a business. How could they get or hold jobs without some business knowledge? We saw that in New Orleans after Katrina,

there was 80 percent unemployment among young black mothers alone. Something had to be done.

When we mulled over ideas to help underserved communities, our thoughts often turned to a former colleague, D. Bruce Merrifield. During the Reagan administration, Merrifield was both Assistant Secretary of the Department of Commerce for Technology and Undersecretary of Economic Affairs. As such, he was always finding ways to lend capital to promising new businesses in underserved areas. But one of his major concerns was, like ours, the lack of a basic understanding of business among high school graduates, especially in poor urban and rural areas.

A few years ago, the group at Wharton learned that the National Federation of Independent Businesses (NFIB) was seeking solutions to this same problem and was in the process of developing a game

to enable high school students to simulate setting up, designing, and running a small retail business.

From discussions with Merrifield and other experts, and with support from the William F. Holekamp Fund for building on societal entrepreneurship projects, the Wharton Societal Wealth Program teamed up with NFIB and its Young Entrepreneur Foundation. We advised on the development of a business-simulation game called Johnny Money. The game allows players to “start” a business online and teaches key concepts—for example, how companies decide on products and inventory, how they manage cash flow, marketing and employee morale, how they make profit estimates.

Anyone can play Johnny Money without charge at <http://game.johnnymoney.com>. Players are asked to identify themselves as students, teachers, or just people interested in learning more. Teachers can

An increased understanding of what is involved in running a business will help students to be more employable.



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Johnny Money and Me

by Eric Mendes, Federal Reserve Bank of Boston

From smart phones to laptops, the Internet, and other technological advances, it is clear that technology has become an integral aspect of our daily lives. So it is not shocking that another aspect of life—education—is making its move toward the Internet. Johnny Money is one of the newest online games designed to educate users.

Johnny Money is a Flash-based game intended to help its audience understand the complexities of running a business. The game itself is designed to appear very web 2.0. The site features numerous gradients (gradual changes in color), slick animation, objects that appear to cast shadows (also known as drop shadows), and even some reflections. It has a fluid and easy-to-use interface that draws its audience in.

Johnny Money requires that you sign up online before you play. This allows the user to create multiple “businesses” without fear of losing past games or anything that has been saved. After the initial sign-up, the user is taken through the business-guidance process, which includes determining whether to sell Surf & Skating equipment or to take the Gifts & Gadgets route.

The user then creates a name for the store, decides whether it is a sole proprietorship or a group venture, and also determines whether or not the store will need a small business loan. Johnny Money guides the user through with accommodating audio and small helpful bubbles of extra information. In an effort to give users full control over their ventures, Johnny Money allows them to design their own company logos using a mix of different colors, shapes, and icons. This process is easy and straightforward and should not take more than 10 minutes. Afterward, the user can pick up to three products to stock on the store’s shelves.

In the same way that worms rise to the surface after a rain shower, all the intricacies of running the business come to light as one plays through the game’s simulated 24-month time span. At the end of each month, the user is presented with the monthly report. This report details the business’s current value, account balance, credit score, and how well each individual product sold during the course of the month. Each report is accompanied by a helpful graph detailing the company’s progress. The game also includes an employee-morale chart, another realistic touch.

Throughout the business simulation, numerous random events test users’ ability to think on their toes. For instance, during my simulation, a hurricane damaged my store and most of my inventory. Thankfully, I had purchased insurance, but it was still shocking to have it occur. I had to deal with leaky roofs, damaged shelves, and even the upheaval of a presidential disaster tour. All things considered, Johnny Money provides a foundation of the principles of running a business with appeal for every age.

Eric Mendes, a student at the University of Massachusetts, tested the Johnny Money game as an intern in the Public and Community Affairs Department of the Federal Reserve Bank of Boston.

take students through the game, pausing it after each episode for discussion and explanations, or they can let students do it themselves. It usually takes less than an hour. Students learn to make increasingly savvy decisions and can restart the business if it fails. After playing Johnny Money, students have some idea of what it means to be in a business. If they become successful entrepreneurs down the road, so much the better, but at the very least, a much increased understanding of what is involved in running a business will help them to be more employable.

Johnny Money is currently used only in the United States, but within four years we hope to see it in schools internationally, wherever English is taught. A Spanish version also is in the works. Today the game has recorded 3,600 teacher accounts and 80,000 student accounts. As many as 153,000 “businesses” have been set up. Although the game is so far getting the most action in Florida, Georgia, North Carolina, South Carolina, Pennsylvania, Ohio, Nebraska, and Michigan, the need for high school students to understand the working world better is acute in parts of every state.

As popular as Johnny Money has become in certain regions, more work is needed to demonstrate that the idea of creating something big by starting with something small, which we tested in Africa, is having a desired impact in America. Questions about increased levels of employment in the areas where students have played the game—or increased interest in math—are among the questions slated for the next round of research.

Ian C. MacMillan is the academic director of the Sol C. Snider Entrepreneurial Center and the Dhirubhai Ambani Professor of Innovation and Entrepreneurship at the University of Pennsylvania’s Wharton School. He is co-director of the Wharton Societal Wealth Program.

Endnote

¹ James D. Thompson and Ian C. MacMillan, “Business Models that Generate Societal Wealth by Creating New Markets,” *Long Range Planning*, forthcoming.

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Connect-Ability



Creating Systemic Change for the Disabled

In late 2005, the State of Connecticut received a federal grant to identify and remove barriers to employment for residents with disabilities. The grant enabled the creation of an initiative called Connect-Ability. Managed by the Connecticut Department of Social Services and funded by a Medicaid Infrastructure Grant from the Centers for Medicare & Medicaid Services, Connect-Ability helps people with disabilities find employment information and connect with resources that can get them prepared for the workforce. The initiative has meant that discussions about employment are now part of all efforts to integrate people into their communities. The key is Connect-Ability's comprehensive approach, which includes a technical assistance center that has served more than 1,000 employers and individuals so far.

Progress

Connect-Ability is the state's premier resource center for disability employment information—a single point of entry for employers, employees, and job seekers.¹ It has a track record of close collaboration with employers to remove barriers and ensure an adequate, accessible infrastructure. The Connect to Work Center, a service of the Department of Social Services Bureau of Rehabilitative Services in Hartford, houses Connect-Ability.

How does Connect-Ability work? After a planning session identifies barriers—say, transportation to employment, concerns about disclosing the disability,

a need for special training or for guidance on interviewing and creating resumes—the Center will analyze the problem and develop recommendations. In the process of implementing, monitoring, and evaluating solutions to individual problems, the Connect-Ability program is also creating permanent changes that can benefit others.

Persons with concerns about the effect that work will have on benefits also can access the Work Incentives Planning and Assistance (WIPA) program operated by the Connect to Work Center. Through WIPA, they can request individualized benefits advice. A Community Work Incentives Coordinator (CWIC) explains how they

could manage employment for greater independence without loss of essential benefit supports.

CWICs provide specific information on the incentives available to support people through the transition to work, doing a thorough review of potential benefits and previously untapped services that can help maximize independence. And they offer examples of how others with disabilities have built a financial future, sometimes through a combination of earnings and benefits, sometimes through earnings alone. Follow-up services after clients return to work are also provided.

Ongoing Efforts Needed

Unfortunately, many individuals with disabilities remain unemployed or minimally employed. Although differences in data-collection methodologies currently limit what reporting can be done, the Social Security Administration presents the following picture:

- Some 48,813 Connecticut residents receive Supplemental Security Income benefits because of a disability. Of those, 4,183 (8.6 percent) also earn money through employment. Of the individuals with earnings, 1,410 (33.7 percent) earn in excess of the *substantial gainful activity* (SGA) amount (\$1,000 in 2009, \$1,640 for individuals who are blind). SGA is used to determine initial eligibility for Supplemental Security Income and continuation of benefits for Social Security Disability Income (SSDI) when a person returns to work.
- More than 70,000 individuals received SSDI in Connecticut in 2007; of those, 540 (0.8 percent) had benefits withheld because of substantial work activity in a month, and 464 (0.5 percent) had benefits terminated because of a successful return to work.

Connect-Ability is the state's premier resource center for disability employment information.

Connecticut's Medicaid Buy-in—a medical assistance program for employed persons with disabilities—has a database showing that, with almost 5,000 workers participating, only 15 percent were earning an amount in excess of the 2009 SGA threshold of \$980. The majority of the Medicaid Buy-In participants still rely on other entitlements to supplement their earnings. Clearly, more effort is needed to help individuals with disabilities achieve self-sufficiency.

Connecticut's 2006-2016 plan for jobs—and its newer plan for using stimulus money from the American Recovery and Reinvestment Act (ARRA)—will work to improve workers' skills in technology, boost youth and adult education and training programs, and increase employers' and job seekers' awareness of the state's continuing

job-creation efforts. The 2006-2016 plan focused on sectors deemed most critical to the state's economy: for example, insurance, aerospace, and high-tech engineering (ranging from manufacturing to medical specialties). There was a sense that employment in tourism and recreation could be counted on for the target period and that mathematical, communications, and computer-related businesses also would create significant numbers of jobs. The "green" economy, with its focus on energy efficiency and alternative energy, was on the radar screen then, too.

The plan for using the ARRA reflects strong collaboration among the agencies that support people with disabilities. Several key features include the following:

- The ARRA provides work activities for youth who are disconnected from education and training programs, including youth with disabilities.
- An estimated 40,000 to 45,000 jobs could be added or saved over the next several years. Targeted jobs are middle-skill and may include electrician, automotive mechanic, general maintenance and repair workers, licensed and vocational nurses, and carpenters.
- Service funding will increase for both employers and job seekers. The Connecticut Department of Labor and Connect-Ability are marketing to employers the range of incentives available to those who hire people with disabilities: for example, on-the-job training opportunities and tax credits.
- The state's ARRA plan cites a successful partnership with Walgreens as an example of leveraging business and state agency resources to increase employment and training opportunities for people with disabilities. In the case of Walgreens, a goal of ensuring that people with disabilities make up 30 percent of the company's Connecticut workforce has already been exceeded.

Connect-Ability's new tools and resources for job seekers with disabilities and employers are enabling a more inclusive work environment in Connecticut. The initiative also has disseminated information on new incentives available through the Ticket to Work program for people with disabilities, which was recently redesigned to expand services.²

The redesigned program offers greater flexibility and more choice for persons seeking a

return to work. For example, the program's so-called "early milestones" (part-time work, greater self-sufficiency) allow a mix of benefit payments and earnings in recognition of the incremental nature of the road to self-sufficiency. Ticket to Work's Employment Networks (ENs)—community organizations contracted to provide employment supports and services under the program—now earn milestone payments earlier in the process, more often, and at a higher rate. Additionally, Social Security will pay a State Vocational Rehabilitation Agency and an EN for providing sequential services and ongoing support to beneficiaries. The new rules promote better alignment of the many Social Security work initiatives designed to help those with disabilities.

Finally, there is outreach. Information on the tools and resources available in Connecticut is disseminated through a comprehensive marketing and media campaign focused on stories about real people who hold jobs despite having disabilities. In addition, Connect-Ability hosts an annual employment summit to give positive reinforcement to leading employers for hiring, promoting, and retaining individuals with disabilities.

People with disabilities can and do hold jobs, but everyone has different needs and interests. The Connect-Ability marketing campaign features one person who is deaf and works as a senior systems administrator at the U.S. Coast Guard Academy in New London and another who refused to let being a paraplegic keep him from owning and operating his own trucking company in Guilford. But whatever the disability or the interests, opportunities exist, and Connect-Ability can help people figure out how to make their goals a reality.

Kerri Fradette is the public relations consultant for Connect-Ability at the Connecticut Department of Social Services Bureau of Rehabilitation Services. She is based in Hartford.

Endnotes

¹ See <http://www.cms.hhs.gov/TWWIIA> on the Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA), a major federal initiative giving individuals greater access to employment supports and improved work incentives that allow continued access to benefits while employed.

² See the Social Security Administration, <http://www.ssa.gov/work>, and the National Center on Workforce and Disability, <http://www.onestops.info>.

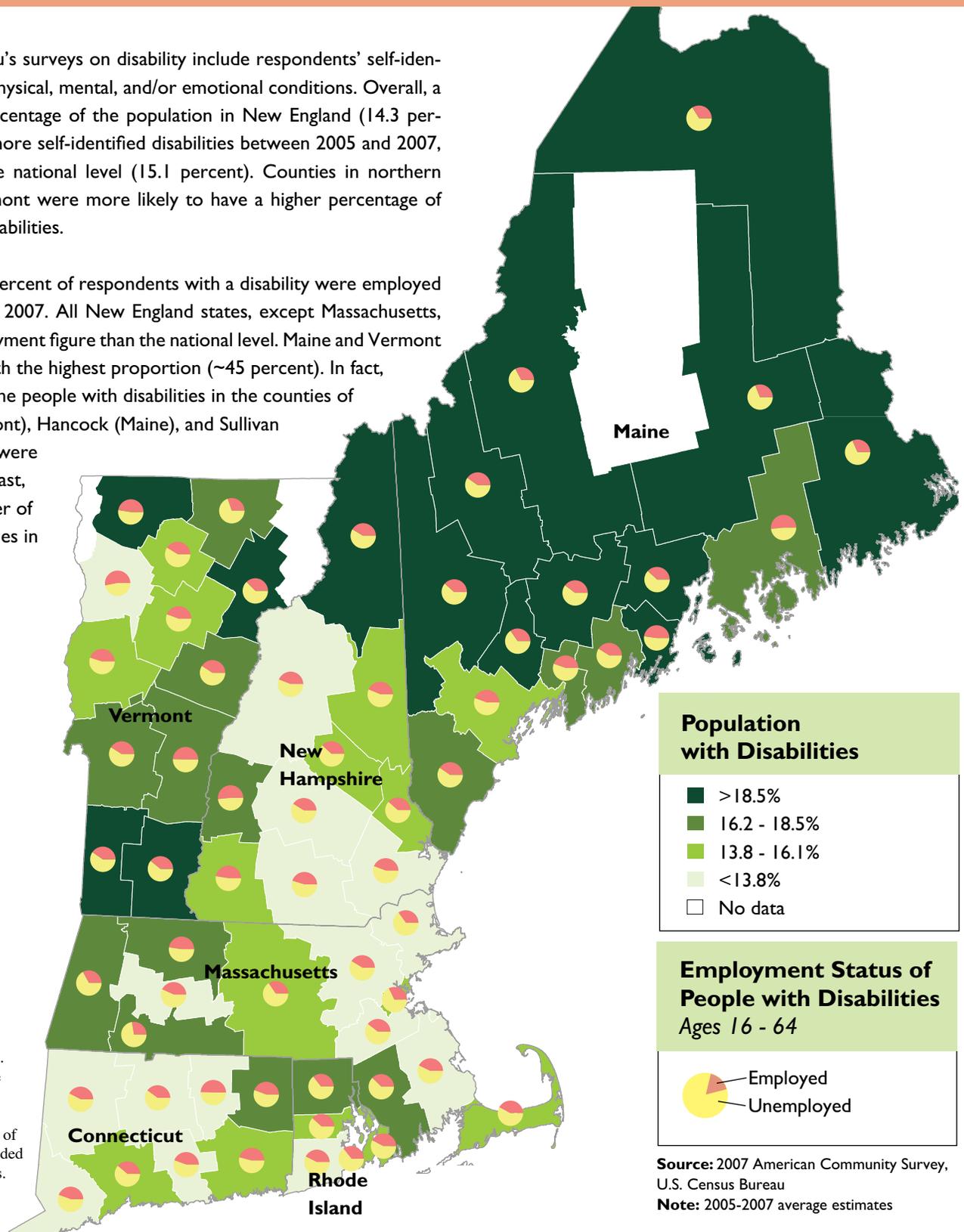
Mapping New England

Disability and Employment in New England, by County

The Census Bureau's surveys on disability include respondents' self-identified long-lasting physical, mental, and/or emotional conditions. Overall, a slightly smaller percentage of the population in New England (14.3 percent) had one or more self-identified disabilities between 2005 and 2007, compared with the national level (15.1 percent). Counties in northern Maine and in Vermont were more likely to have a higher percentage of population with disabilities.

Nationwide, 36.7 percent of respondents with a disability were employed between 2005 and 2007. All New England states, except Massachusetts, had a higher employment figure than the national level. Maine and Vermont again stood out with the highest proportion (~45 percent). In fact, more than half of the people with disabilities in the counties of Chittenden (Vermont), Hancock (Maine), and Sullivan (New Hampshire) were employed. In contrast, only about a quarter of those with disabilities in Hampden County (Massachusetts) were employed.

Map: Kai-yan Lee
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