NEW COMMUNITY CORPORATION:
An Integrated Approach to Workforce Development

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An Historical Overview of the Origins of New Community
Identifying the Elements of New Community's Success

"Dream a dream and make it happen."
—Florence Williams

On July 12, 1967, John Smith, a Newark cabdriver, was allegedly beaten by local police. The resulting protests outside of the Newark Fourth Police Precinct building turned into five days of violence. The summer riots caused the death of 26 people, 1,000 injuries, over a thousand arrests and property damages of some $15 million. The violence demonstrated the racial tensions which existed in the city, and highlighted the lack of services in Newark's Central Ward. Responding to this environment, a group of Central Ward residents founded New Community Corporation in 1968.

Father William Linder, a priest stationed at Queen of Angels Parish, was one of New Community's founding members. Describing the isolation which the Central Ward community faced, Linder recalls, "We didn't know what would happen. We thought that they might put a fence around the Central Ward, turning Newark's inner city into a kind of concentration camp." Father Linder, later ordained Monsignor, has served as New Community's Director for the past twenty-seven years. "We grew by responding to crisis," explains Monsignor Linder. "Where we saw a need, we tried to do something about it."

In the wake of the 1967 summer riots, a group of concerned residents of the predominately African-American Central Ward began to meet to determine how they might positively respond to the needs of the community. Also in attendance were 15 Catholic priests from the archdiocese. Many of the residents were members of Queen of Angels Catholic Church where William Linder was stationed. (During the summer disturbances, the church provided food and shelter to riot victims.) The group continued to meet regularly for three years. Unity among them was fostered by shared religious values and a common goal of improving the standard of living within the Central Ward neighborhood and fighting the social conditions within the city which had led to the sharp decline of basic services from which the area suffered.

The shared religious values that the group held were based on a general Christian belief of human equality and a faith in God that the group's undertakings would be successful. These values and the involvement (not always warm) of the Catholic church have played an important role throughout New Community's history. Joe Chaneyfield, another original New Community member, has cited the importance of faith as a source of strength for the organization's founders. "The king of kings picked these people. If God himself didn't stir us, this wouldn't happen." (Koechlin, 1989)[1] Chaneyfield currently serves as the Vice President of the NCC Board of Directors.

Although a belief in social equality stemming from a Catholic/Christian context has played an important role in New Community's organizational development, it would be a mistake to categorize the role of the Catholic church as a constant one. Queen of Angels parish was a pivotal institution. St. Rose of Lima parish is today a part of the "New Community Network."[2] However, the relationship between NCC and the Archdiocese of Newark has not always been friendly. In the late 1960s, the Archdiocese lent little approval, and no financial support, to New Community's efforts. This relationship has evolved over time. Currently, the Catholic church and other religious orders provide a source of staffing as well as financial contributions.[3]

The first priority area which founding board members assigned for themselves was the development of affordable housing in Newark's Central Ward. New Community's original Board of Directors included Willie Wright, Timothy Still, Elma Bateman, Arthur Bray, Robert Curvin, Kenneth Gibson, Mgr. Thomas Carey, Chaneyfield and Linder. (Chaneyfield, Bateman and Linder remain active members of the Board.)[4] Undertaking housing development proved to be difficult. Contractors typically provided exorbitant estimates, if they would agree to work in the Central Ward at all. Frustrated with uncooperative, even hostile, developers, the group determined that they would become involved in all aspects of the planning and construction process.

What began was a slow process of learning, from design and architectural layout plans, to the basics of plumbing and electrical systems. Gayle Chaneyfield, daughter of Joe Chaneyfield and a current member of the Babyland Board of Directors, recalls seeing a model of the first housing development, New Community Homes, as a child. When she was informed that her father and neighbors were going to build new homes, "I thought he was crazy," she recalls. "Building housing was something rich people did." Gayle Chaneyfield was not alone in this belief.

Learning the different elements of construction, finding a minority-owned New York architectural firm and builders willing to work with the residents, and putting the various pieces of the final financing package together took time. A $37,000 grant from the State of New Jersey funded training of residents in planning and architecture, who met on Saturdays for two years. An advisory council of community members was established to approve all major decisions. Homescourt took seven years to complete. Madge Wilson, now the Director of New Community's New Beginnings Health Spa, recalled the insistence on building a mid-rise, not a high-rise structure. "We wanted to make sure that the water and the light fixtures would work. We wanted the people that would live there to have a say in the design of the building." The opening of the complex in 1975 gave New Community an important source of credibility, among neighborhood residents as well as financial supporters.

As additional housing projects were completed, the number and skill level of NCC staff increased. Today, New Community owns and operates eleven housing complexes in Newark (five senior housing developments and six family developments). In addition, NCC also operates two buildings in nearby Jersey City, and affordable housing units in Englewood and Eatontown, New Jersey.[5] The number of housing units has created a certain economy of scale. Contractors have become more willing to work with NCC -and may provide services at favorable rates, given the amount of business that NCC may represent.

Identifying the Elements of New Community's Success

During the following 20 years, New Community continued to meet its goals. In addition to housing, the CDC has built and operates a nursing home (the Extended Care facility), childcare centers (Babyland Nursery, Inc.), as well as job-creating commercial developments such as a shopping center, with one of the highest grossing per square foot Pathmark Supermarkets in the region. The self-determination exhibited during the construction of NCC Homes has remained part of NCC's corporate philosophy, one that has been described as a "ceaseless dedication to self-control" (Guskind and Pierce, 1993). Self-reliance, coupled with NCC's many accomplishments, has caused people to "refer to us (New Community) as some kind of cult," states Florence Williams, NCC Director of Human Services. A sense of dedication and service to the community have also remained a part of the corporate philosophy.

Cecilia Faulks is the Director of the NCC Human Resources Department. In 1973, she began as NCC's first full-time employee. Faulks runs an orientation session for new employees approximately once a month. During the session, she teaches about the history of the corporation and tries to convey New Community's ideology. She instructs new employees concerning the importance of three elements: working together, providing service to the community, and self-reliance and doing one's best. Often, orientation sessions either start or finish with a prayer. "We ask ourselves, what is the New Community employee? We hope that there will be a sense of obligation" and commitment, and that this ideology will be "reinforced by our supervisors" in their regular interaction with individual employees.

The success of the CDC has been based on more than stubborn self-reliance. Current staff also describe the importance of being able to identify and take advantage of new opportunities. Williams described this approach: "It is important to recognize changes in the external environment" and to respond to them effectively. The "external environment" consists of the current political atmosphere (locally, at the city and state level, as well as at the federal level), the changing array of available support services, and available financial support opportunities. Florence Williams further notes that "the organization grew up by learning the importance (of being) opportunistic," identifying the resources and the partners that would contribute to the success of NCC's programs. "When I speak to (staff at other CDCs), I tell them find the sources of local financial support, develop a relationship and then show them your successes."

Sister Catherine Moran has worked in the Social Services and Human Services Departments of New Community for the past ten years. She believes that New Community relied upon partners outside of the Central Ward of Newark throughout its early history, that the staff and early supporters of the organization were engaged in "networking" before there was a conscious articulation of the term. "Operation Housewives" provides one example of how resources and support from outside of Newark proved to be essential. In 1968, Mary Smith, the founder of Babyland Nursery, Inc., began to speak at church groups and other gatherings in the suburbs outside of Newark. She and ten other women hoped that they would be able to broaden an understanding of the reality of inner-city living conditions and gather financial and volunteer support from other communities. Although their message was not always welcomed, a number of women from suburban areas worked as "Operation Housewives" volunteers. These women, along with women from the Central Ward, operated a thrift shop to raise funds to open the first Babyland nursery which was established in 1969.[6]

In the case of New Community, one important source of local financial support has been the Victoria Foundation, located in Montclair, New Jersey. In addition to the

Victoria Foundation, early financial support was raised from the New Jersey Department of Community Affairs, Engelhard Industries and the New Community Foundation. The NC Foundation was formed in 1969 with a $13,000 seed loan from the New Jersey Department of Community Affairs. The Foundation was established to raise $1 million to support New Community's first housing development project. Several members of the first NC Foundation were also members of the New Jersey Junior Chamber of Commerce (the New Jersey "Jaycees"). Following the successful completion of initial affordable housing projects, the Foundation became dormant in the mid-1970s. [The NCC Foundation was re-established in 1992. Its present role is highlighted in Section V.]

In 1971, New Community received a $200,000 grant from Engelhard Industries. To further demonstrate their commitment and determination to provide for themselves, the Board requested that the grant amount be made into a loan. NCC utilized the loan money to help finance land acquisition; the CDC raised additional funds and re-paid the loan within a year. While highly unusual, the request to alter the grant to a loan (and its successful repayment) resulted in a stronger sense of accomplishment and ownership following the completion of the first housing development, NCC Homes.

A third element significant to the growth and current organizational sophistication of NCC has been the recruitment and development of a skilled staff. Florence Williams acknowledges the ability to recruit the right staff as a key ingredient to New Community's achievements. Kathy Spivey, Director of the Department of Workforce Development, agrees that it is important to attract committed and talented people to the corporation. "We always seem to hire people who are able to wear multiple hats." Williams cites the existing resources and skill level at New Community as one attraction for talented personnel. In addition, the opportunity to feel that one's work makes a significant and direct impact has also attracted new employees. Staff commonly cite the satisfaction of working with an organization capable of producing recognizable social benefits as a primary reason for working with NCC.

More critical than staff recruitment is the importance of staff development. Spivey and Denise McCoy, Administrative Assistant to the Director of Operations, credit New Community's efforts to promote leadership and self-learning skills among its staff, citing the development courses provided and the regular review of individual employees' career goals with their supervisors. By promoting job development opportunities, NCC functions to some extent as a kind of "incubator" for its personnel, providing them with the necessary tools to "graduate" to other employment positions, should the opportunity arise. In their assessment of national "best practice" among community revitalization efforts, Ross Gittell and Margaret Wilder conclude that New Community's staff development efforts have been critical to the CDC's increased organizational capacity (Gittell and Wilder, 1995). [Additional information concerning staff development courses and New Community's approach to the "life-long learning" of its employees is included in Section IV.]

As New Community moves toward its thirtieth year and continues to expand, there is some concern that the next generation of Central Ward residents may not continue to feel connected with the organization. "Like many large bureaucracies, as NCC has grown, it has become increasingly difficult for the organization to stay in touch with members of the community, particularly when compared to the contact that was common in the early days of the organization." (Gittell and Wilder, 1995) In some respects, residents who were not involved in the formation of the CDC may feel disconnected from past accomplishments or intimidated that they might not be able to duplicate them, according to Ms. Chaneyfield. The sheer size of the corporation may also make it increasingly difficult for residents to feel that they have some representation.[7] "It's important to focus on the interrelationships" between the different components of New Community, says Chaneyfield. She credits the current leadership of the organization with attempting to "keep small" while continuing to grow. However, she feels that greater outreach and more extensive development of staff leadership may be needed.

A primary vehicle for community outreach and resident input is provided by the tenant associations. Each housing development has its own Tenants Association with elected officers. The Tenants Associations meet monthly. Officers also meet on a regular and as needed basis with their site manager, as well as with the Director of Management (Vanessa Street) and the Director of Operations (Richard Rohrman).

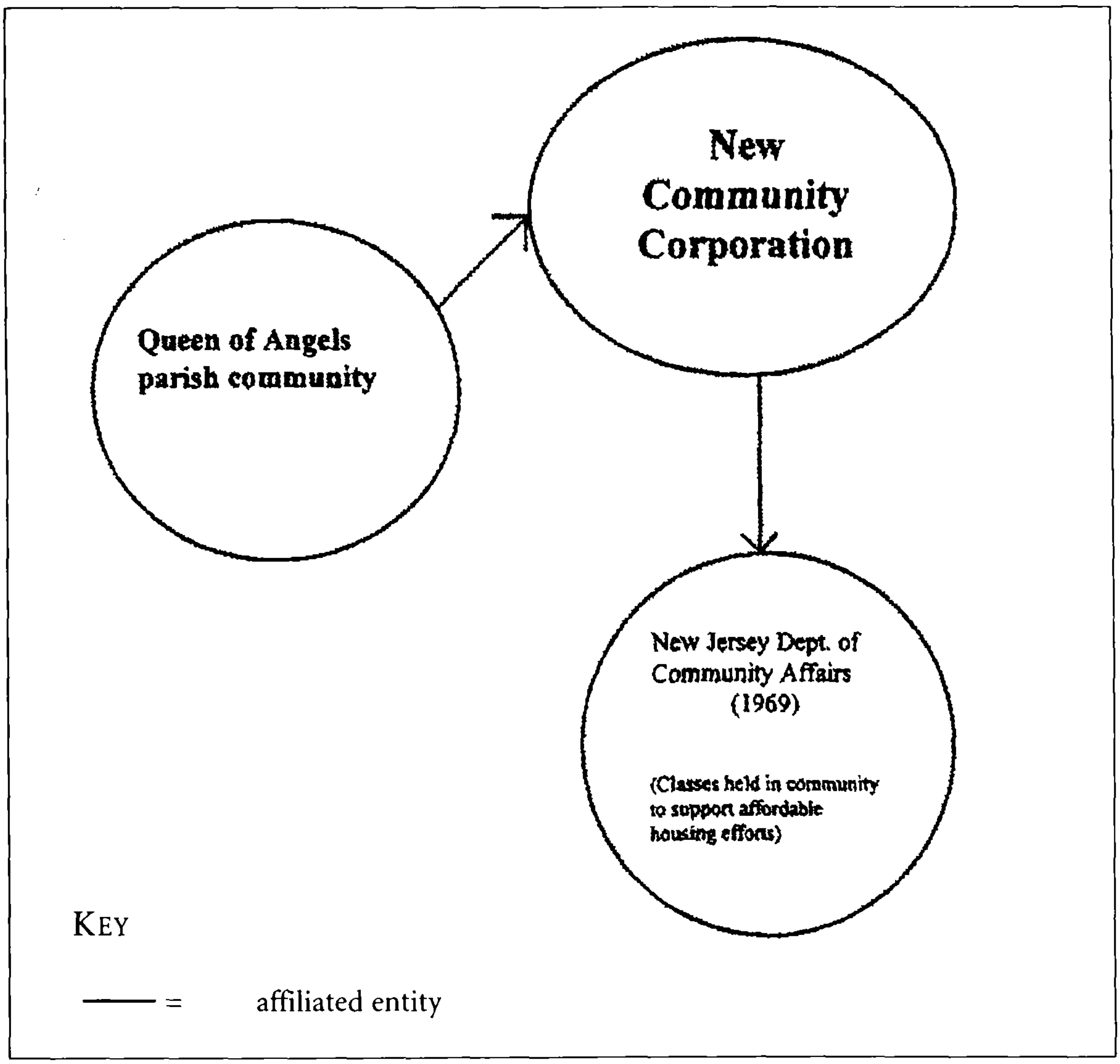
Primarily, tenants associations discuss grounds management, renovation, code re-authorization procedures and other items of concern related to a particular housing development. The meetings provide a "democratic forum" for the development of mutually agreeable time frames for any necessary physical improvements. McCoy recalled an instance when tenants of a particular complex wanted a new floor to be carpeted rather than tiled, as had been scheduled initially. The desired change was put into effect. Tenants may also discuss other issues of concern such as crime and education. As residents of the Central Ward, and residents of New Community housing, tenants are granted "first consideration" (McCoy) for all of the services which New Community provides.

In summary, the growth of New

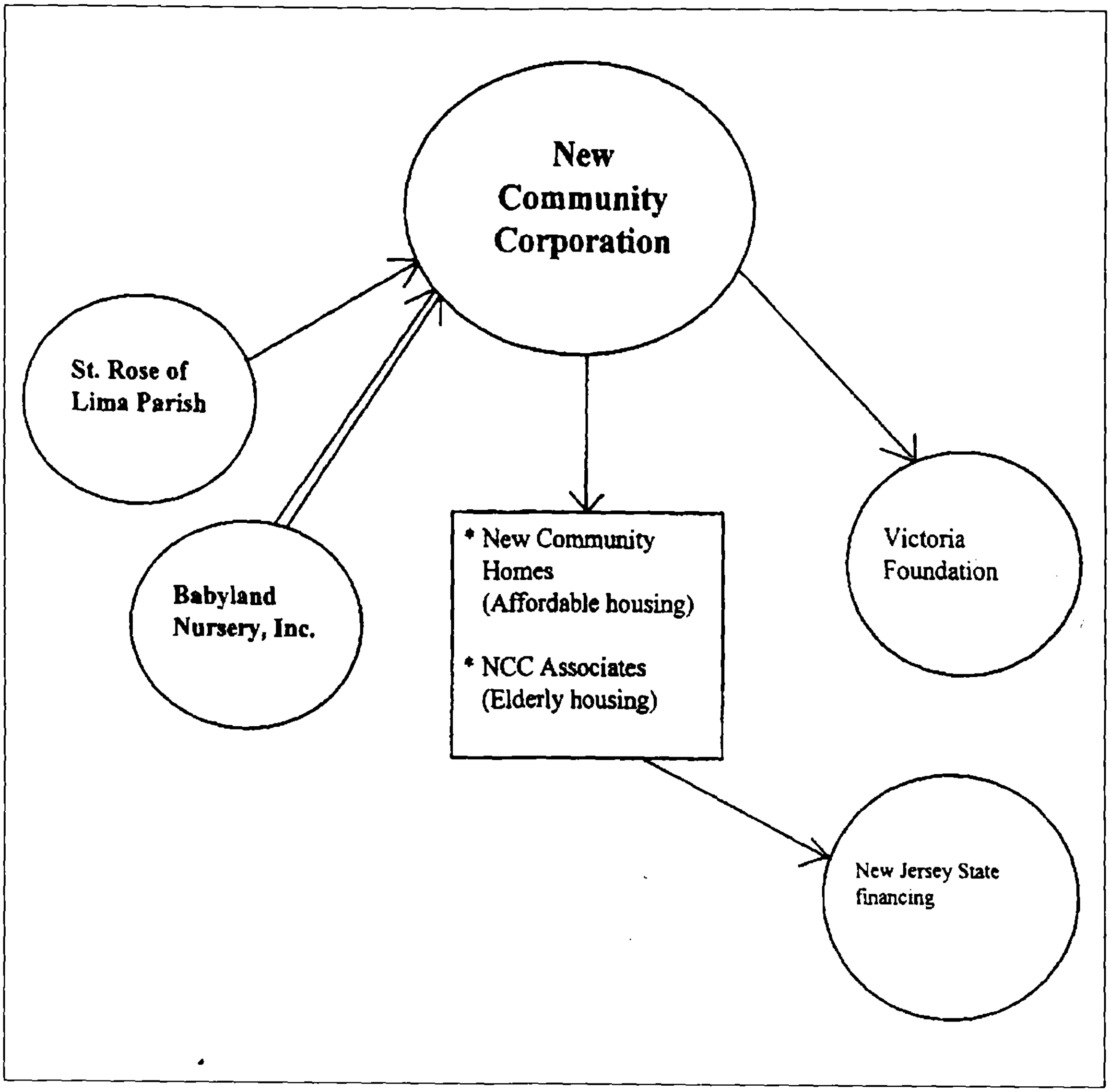
Community may be attributed to (and has been fueled by) three elements: 1) a corporate philosophy which advocates self-determination; 2) the development of advantageous external relationships which have provided financial (and, in some cases, political) support; and, 3) the development of a dedicated, skilled staff. The following charts depict the evolution of New Community's employment training programs, and some of their more significant partners, at four different stages over time.

New Community Corporation at Four Stages of Its Evolution

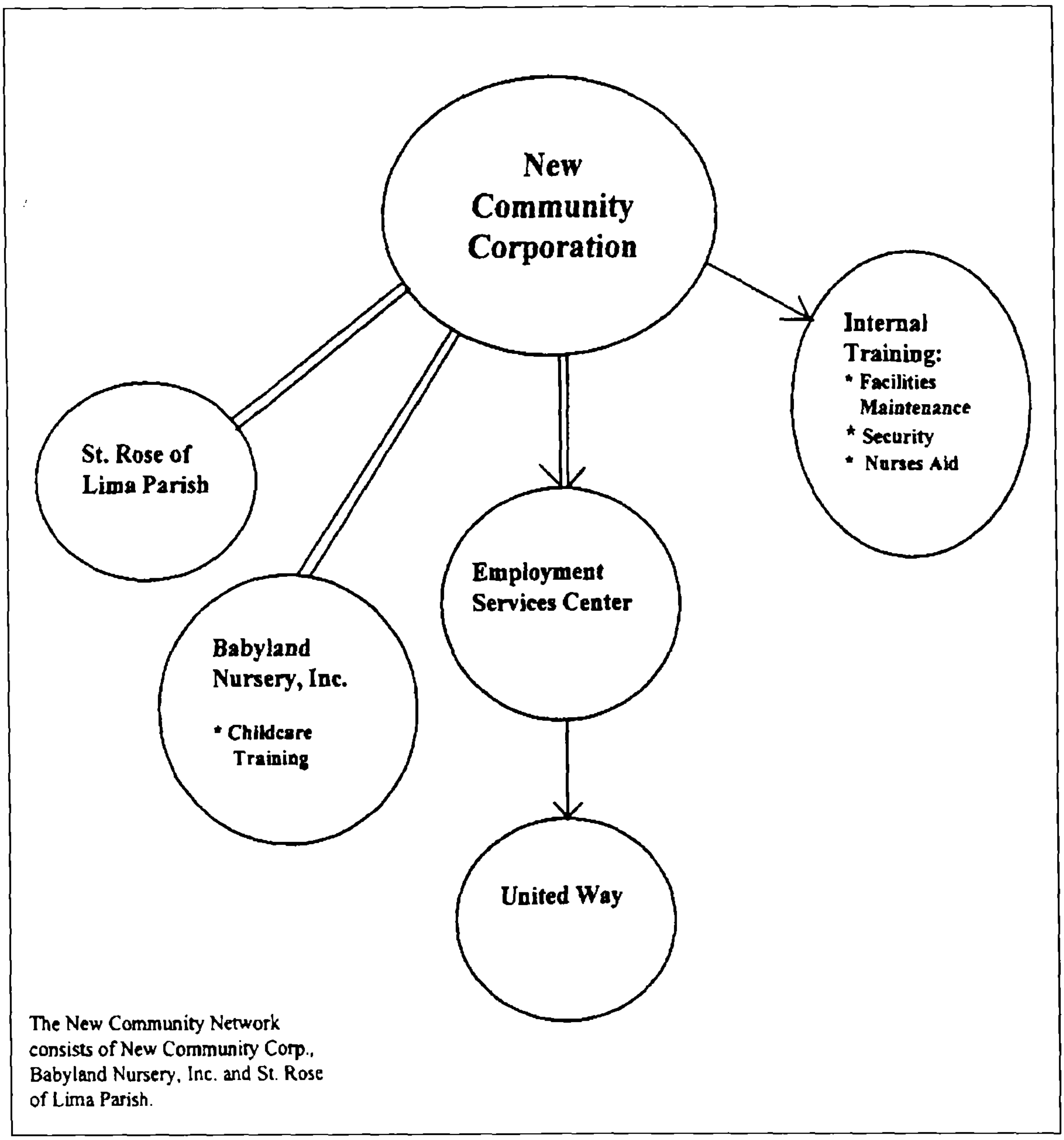
Stage One—1968



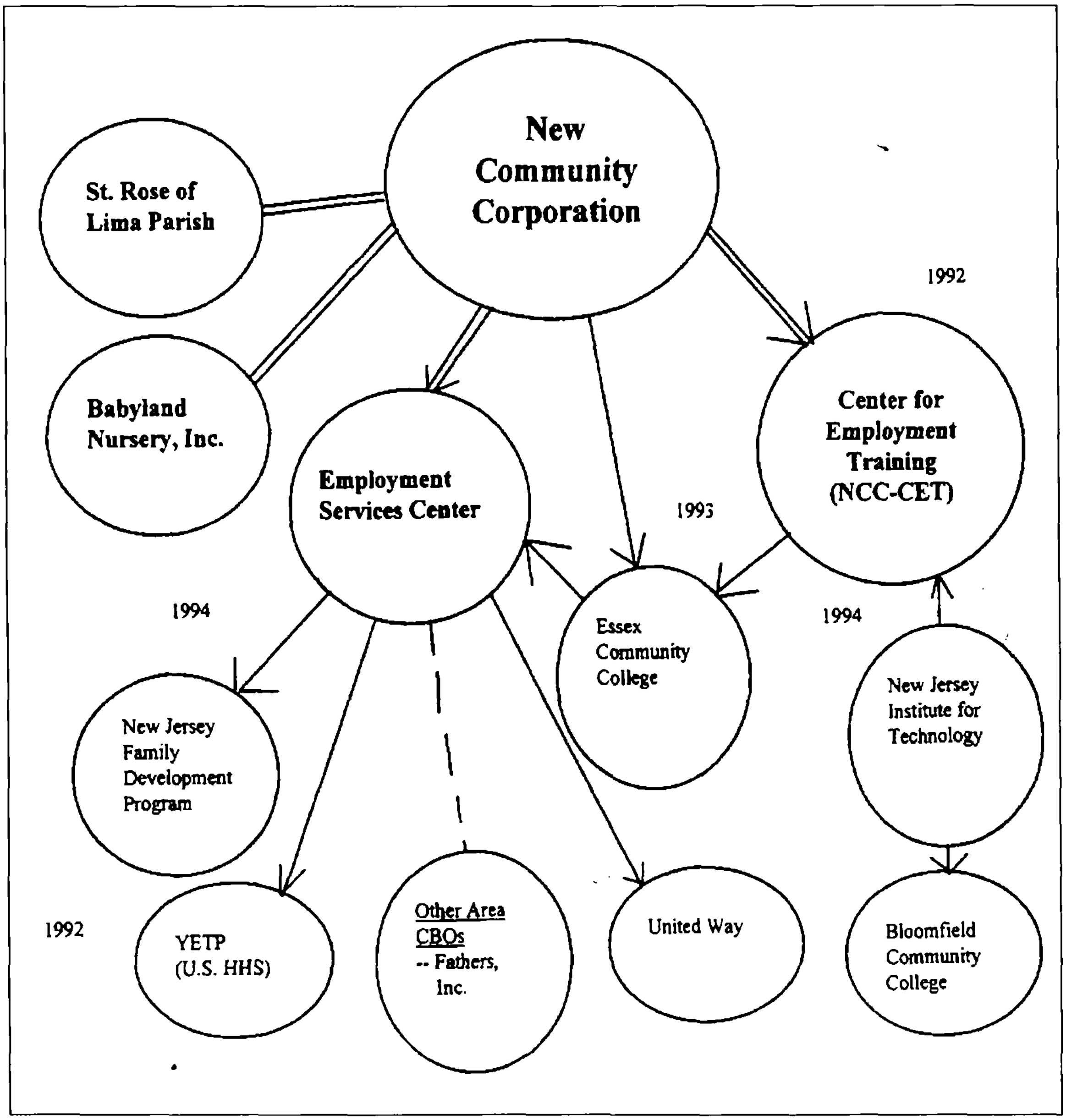
Stage Two—1978



Stage Three—1984



Stage Four—1994



NCC Employment Services Center
Ten Years of Achievement

The Employment Services Center (ESC) was established in 1984 by John and Mary Bims. Current Employment Services Center staff credit the couple's dedication and sense of mission as the essential ingredients which enabled the Center to build its programmatic foundation. The couple, originally from West Orange county in New Jersey and employees of the Archdiocese of Newark, sold the bulk of their possessions in order to raise the initial money to start the Center. Their commitment to improved social justice was inspired, at least in part, by religious faith (again, demonstrating the role of such faith in the growth of NCC).[8]

The first ESC office was located at 15 Hill Street, on the floor level of one of NCC's housing developments. This location made ESC's resources easily accessible to Hill Street residents. The location choice was important to the program's early success. ESC now operates two offices, including an office on Halsey Street in downtown Newark, in addition to the Hill Street location.

Severe unemployment in Newark has been a continuing concern for the past thirty years, following the decline of the city's robust industrial economy in the post World War Two era, from which it has never fully recovered. The 1990 rate of un-employment in Newark was 10.3%, compared to a rate of 5.0% for the State of New Jersey. Among African-American males in the city, the unemployment rate was 18.4%. In 1995, nearly 17 percent of the city's workforce were without a job (a rate three times the national average.) Against this backdrop, the Employment Service Center has demonstrated a remarkable rate of placement. During the later half of the 1980s, ESC placed approximately 900 Newark residents on an annual basis. During the early 1990's, the annual rate of placement declined, as a result of a slower rate of economic growth and activity.

McCoy estimates that the placement rate slowed down by approximately 100 placements annually from the maximum number reached in 1989, to approximately 500 annual placements throughout the early 1990s. In 1994, 478 clients found employment. An article in NCC's newspaper, the NCC *Clarion*, credits ESC with placing some 10,000 residents in permanent jobs during its 10 year history.

In 1989, the Employment Services Center was comprised of John and Mary Bims, Amanda Harrow, the current Director of the Youth Employment Program, and Mike Jackson, an employment counselor. Tanya McCoy, the current Executive Director, joined ESC in 1989. ESC currently has ten staff people: three job developers/employment counselors, an additional employment counselor, two staff dedicated to working with the State of New Jersey's Family Development Program (Deneane Owens and Robin Jones), an Executive Director (McCoy), a Youth Employment Program Director (Amanda Harrow), and two administrative staff workers. All staff participate in a three day training seminar conducted by Adkins Life Skills in New York City. The seminar reviews counseling skills for working with the unemployed and other clients seeking employment from disadvantaged areas. New Community supplies the tuition for the training.

Relationship with Area Employers

ESC's Job Developers (Felicia Hankerson, Haneef Rashada, and Mike Jackson) maintain communications with approximately 1,000 employers in the general Newark area. They are responsible for identifying and meeting with area employers and marketing ESC services. Employers may utilize ESC services free of charge and, while ESC is not able to guarantee the success of its placements, the Center has earned a reputation for the quality of its job readiness training programs and the ability to recommend appropriate candidates for advertised positions. According to Felicia Hankerson, Senior Job Developer, area employers (particularly those with whom ESC enjoys a long-standing relationship) have developed a sense of confidence in New Community and the quality of NCC candidates.

The Employment Services Center has worked with and placed applicants at the following companies: the World Trade Center, the Port Authority of New York/New Jersey, Prudential, Viacom, Continental Airlines, ADP, Blue Cross/Blue Shield, CIT Financial Systems, Macy's, Pathmark Stores, Inc., National State Bank, Drew Chemicals, Hartz, and New Jersey Cable Television.[9] Several of the aforementioned corporations have had on-going relationships with New Community which extend beyond their interaction with ESC. A few, including Prudential and Hartz, are members of the

NCC Foundation. [The function of the NCC Foundation is described in Section V.] Prudential has also supported NCC staff development courses through both financial and in-kind contributions. A certain "buoying" effect apparently results from the degree to which New Community is successfully engaged in other endeavors.[10]

ESC Job Development Officers rotate their schedules in order to visit assigned area employers regularly, and spend two afternoons per week interviewing prospective new employers. Monday afternoon is reserved for telephone networking, follow-up placement correspondence with employers and a small number of cold calls to selected, potential employers. Job Developers also interact with employers by requesting written evaluations concerning individuals who have been placed. A company log is maintained for each employer to track the number of placements and the post-placement progress of candidates

Perhaps one disadvantage of rotating the job developer schedule is that no one staff person is assigned to a particular account. Employers are divided into the categories of "DW" (driver/warehouse), "HP" (human services/professional), "RS" (retail/service), and "OB" (office/building services). For example, the staff person assigned to conduct "HP" calls in a given week may contact Continental Airlines. A different staff person may call Continental after 60 to 90 days to update information about new positions.

One of the most striking elements of the manner in which ESC operates is the efficiency with which staff continually monitor job listings and placement information in order to ensure their accuracy. Prior to the adoption of an electronic data base of job opportunities, job cards were cross referenced between Development Officers at Halsey Street (Hankerson and Rashada) and Hill street (Jackson) by phone check and fax, multiple times each day. A computerized system was introduced at ESC during the fall of 1995. Employment Counselors keep a daily log of the activities of each client. Counselors and Job Developers are also required to maintain weekly and monthly reports recording placements made and employer contacts. ESC receives approximately 100 job orders per week, including job orders placed from within New Community Corporation itself.

Currently, ESC follows up with its placements after five to six weeks. Follow-up inquiries take the form of a one page written survey asking the employer to rate the individual's attitude, dependability and related attributes. Phone inquiries are made to employers only in the case where a written form has not been returned. Additional follow-up continues to take place, although in a less systematic manner. Conversations concerning past placements occur as part of the job developers' phone inquiries to companies concerning possible new positions. Such a call normally takes place every two to three months, so that the status of an employee will be confirmed within 90 days of his/her placement.

Funding support for the Employment Services Center is received from the United Way, the U.S. Department of Health and Human Services, and the state of New Jersey. No fees are charged to employers utilizing the service or to clients. ESC primarily markets its services to Central Ward residents through advertisements in the NCC *Clarion* and by relying on word of mouth. However, services are also publicized via other local papers and radio, and may be utilized by any Newark or Northern New Jersey resident. Records have not been maintained to determine what percentage of assisted job applicants live in the Central Ward and/or NCC housing.

Programs Offered at ESC

In addition to job placement, the Employment Services Center operates a welfare-to-work program sponsored by the New Jersey Family Development Program (FDP) and a Youth Employment Training Program (YETP). Employment Counselors also assist their clients in obtaining support services, including day care, health care, and affordable clothing and furniture. The Employment Center's Referral Directory lists area services such as dental and health care, child care, clothing, counseling programs, legal services and job training opportunities (including programs not offered by NCC). Counselors often make phone calls on behalf of their clients in order to learn more about the availability of services or needed items.

The Family Development Program (FDP) began in 1993 with a grant from the New Jersey AFDC Family Development Program to assist women who were transitioning from public assistance to permanent employment. In 1994, the state grant required that 313 clients receive assistance. All participants received vocational assessment counseling, educational assessment and job readiness training. In addition, each woman also received job search and job placement assistance. Approximately one-third of the women received basic education and preparatory services; between forty and fifty received vocational training. The total grant amount for 1994 was $333,111. The FDP program award was also renewed for 1995.

The Youth Employment Training Program (YETP) was originally designed as a three year program and received funding from the U.S. Department of Health and Human Services in 1992. (A United Way grant for Hudson and Essex Counties extended funding for the program through March 1, 1996.) The program serves individuals aged 16 to 21 years old who did not finish their high school education. In 1992-93, 40 young people participated in the program; 29 graduated. In 1993-94, 40 students again participated, and 17 graduated. Of the 30 participants who began the 1994-95 program, 20 remained enrolled as of summer 1995.

Participants complete five weeks of world-of-work/job readiness classroom instruction and counseling, followed by thirty-five weeks of on-the-job training. Amanda Harrow is the YETP Director; she also serves as an instructor and counselor during the classroom portion of the program. She describes the initial five-week training as an intensive period; regular attendance is mandatory (participants may not miss more than two sessions except in rare instances). She discusses various life stages with her students and works with them in an attempt to encourage future planning and the formation of career goals. During this period, students may also participate in a "cultural exposure" field trip. These field trips include visits to historically Black universities, such as Howard University, Chaney State, Morgan State, Lawson State, Clark University and Spellman University. In April 1995, students also visited Washington D.C. and the birthplace of Martin Luther King.

The on-the-job training portion of the program consists of rotating shifts of several weeks of work at different New Community entities. For example, a participant may spend several weeks as a driver, a security guard, or with facilities maintenance.[11] Vocational skills training and GED preparation are also part of the program. Students work twenty hours a week (Monday-Thursday) and spend Friday in class at ESC or on a field trip.

While participating in the program, students receive $5.05/hour. In addition to this wage, the on-the-job training component provides a major incentive to students to "stick it out" through five weeks of classroom instruction. Ms. Harrow cited the difficulties typical of programs where individuals who have not previously succeeded in a classroom environment are expected to complete additional classroom work. The program's reputation may also serve as a motivational factor. Students have generally heard of the successes of previous graduates (through friends, relatives or neighbors).

Relationship with Other Newark CBOs and Community Colleges

The Employment Services Center regularly interacts with area community based organizations, social service organizations and community colleges. In particular, several area agencies refer their clients to ESC, including the Urban League, Young Fathers, Integrity House, Newark Employee Services, the Mayor's Office of Employment and Training, and Project CORE (a program for ex-offenders operated by Rutgers University). These relationships are informal in nature and referrals are made on an as-needed rather than regular basis. Job Developers regularly attend area job fairs and related functions and have developed these relationships through their continued contact with community-based organizations (CBOs)/social service agencies.

Two of these relationships have recently developed a more routine and formalized nature. In 1994, Young Fathers negotiated a contract with ESC to provide job development and referral training, and GED preparation. As part of the contract agreement, ESC instructors provide two ten week sessions of classes at the Young Fathers facilities. (The arrangement was renewed in 1995, with a session beginning in April.) Young Fathers and ESC staff have met approximately four times annually since the program began. ESC also has a service contract with Training, Inc. of Essex County College, to provide mock-interview sessions for their graduates. (Training, Inc. is a non-profit training organization with offices in a number of U.S. cities including New York, Boston and Chicago. Its Newark office is operated in conjunction with Essex Community College, and provides courses in CAD/CAM, security and basic office skills.)

One area in which the Employment Center might be able to strengthen its internal management processes, concerns improved tracking of the number of job placements. The establishment of a computerized, network system in the fall of 1995 should greatly enhance the ability of staff to maintain client and employer information. Prior to that, the only written records of placement figures were based on summaries from hand written logs of ESC job developers. Annual figures were produced for reports to the United Way and the Victoria Foundation. Furthermore, ESC records do not readily indicate the number of people who received some form of counseling, but who were not placed in a job. McCoy estimates that the Employment Center assists between 3,000 to 4,000 persons annually with job readiness assistance and referrals to other programs. However, as the written logs maintained by staff do not correlate with these categories, these estimates may be difficult to confirm.

Reporting procedures concerning post placement folow-up might also be improved. In addition to sending written inquiries regarding employees after 45 days, request might also be made after a longer period of time (e.g., 90 day,s six months, one year). ESC's statement that 90% of its placements find long-term employmentis based primarily on its 45 day period written evaluations.

New Community has recently developed its Management Information Department from one to three staff. A database is being developed for ESC in order to facilitate the maintenance of client and employer information. Albert Galloway, the Coordinator for Stadd Development, is currently working in conjunction with Management Information staff to design a customized database program.

[redacted]

NCC—Center for Employment Training
New Community Corporation Adapts A National Employment Training Model

"It's relatively easy to get a person a job. We're looking to give them the opportunity (to develop) a career."
— Roger Keaton

In 1992, the New Community Executive Committee decided that NCC would initiate a formalized job training program, in addition to the job placement and related programs offered by the Employment Services Center. As noted in the previous sections, New Community was no stranger to the world of job training, and had, in fact, been providing training in construction, facilities maintenance, home health care, childcare, and security to its employees for several years. Training typically had occurred at a given New Community facility, with internal staff providing the instruction (as in the case of Facilities Maintenance) or through the use of instructors hired from another institution. (Such was the case for Babyland Nurseries which contracted with Essex Community college instructors to provide daycare training.)

Following its 1992 decision, the Executive Committee began to examine different model training programs. Executive Committee member Florence Williams first learned about the San Jose-based Center for Employment for Training (CET) while working as the Assistant Commissioner of Human Services for the state of New Jersey. She was impressed with their program results. The Center for Employment Training was founded in 1967 by Russell Tershy and Reverend Anthony Soto as the Center for Industrial Training in Santa Clara County. Its initial mission was to provide factory training for a population of predominately Mexican-American farm workers. By 1976, the organization had expanded to include six training sites; by 1980, fourteen training centers had been established. CET's expansion was fueled by grants from the U.S. Department of Labor. CET operates 26 programs across the U.S., and has six affiliate programs (including New Community) on the East Coast.

The Center for Employment Training "training model" is characterized by a number of important elements. Among them, the model features an open/entry open exit policy, which ideally permits students to begin training immediately upon enrolling in a CET program, rather than waiting for the beginning of a new course. Training should be designed to allow students to receive work skills immediately, and at the same time that basic educational skills are taught. In addition, students are not required to demonstrate a particular educational level prior to beginning their training. Each program should allow for a degree of flexibility, and be customized to fit the needs of the individual student. Importantly, training should be provided by industry instructors. Likewise, the members of a center's advisory board (Industrial Advisory Board, or "IAB"), should be private sector personnel from significant area industries.

The year 1992 marked the beginning of when "we started calling a horse a horse," Williams says, when the various training programs offered to New Community employees were given the label "employment training." The success of the San Jose model played a major role in determining that NCC would proceed with a replication effort in Newark. In April 1993, New Community entered an agreement with the Center for Employment Training to use the trademark CET name and adapt the training model. By November, NCC-CET was ready to offer its first training programs.

Initial funding for training facilities and computer lab was received from the Victoria Foundation, New Jersey JTPA funds, and the Ford Foundation (which supplied a $600,000 grant). In exchange for paying a fee to CET, New Community receives technical assistance from CET's national headquarters in San Jose and from CET's Regional Office in New York. NCC-CET has a current staff of fourteen, including two part-time positions. These positions include five full-time and one part-time instructor, one job developer, a job counselor, and administrative staff.

Training is currently offered in the following areas: Nurses Aide, Home Health Aide, and Community Health Worker. Instruction ranges in duration from six to twelve weeks. In addition, training is also offered in Commercial Foods, Facilities Maintenance and Child Care Associate. (Each of these programs encompass 23 weeks of training.) In 1995, an Environmental Technology course was also offered (lasting for 33 weeks). Individual students enrolled in the programs may also participate in adult basic education classes, including GED preparation. Forty-two students completed training during the first year of operation. For the period of January to June, 1995, 116 students graduated. As of July, 1995, 65% had been placed into employment positions. (Thirty five home health care graduates received state certification and have started permanent employment.)

NCC-CET's Industrial Advisory Board is comprised of members from Prudential, New Jersey Transit, the Newark Airport, Blue Cross/Blue Shield, Titterboro Airport (which houses its vehicles in a Newark facility), and a few Newark small businesses. The IAB serves as an important resource and acts as a bridge between the training organization and area corporations. Ideally, the IAB provides forecasting information concerning changing employment trends, and functions as a source of mentor relationships and student placements.

NCC-CET's first year of operation could be described as a year of setting down roots and overcoming initial obstacles, what NCC-CET Director Roger Keaton described as a "shake down year." During 1993-1994, NCC-CET accomplished several important ground-breaking tasks: the office moved from its temporary home at the Employment Service Center to its current address on Central Avenue, established the training facilities, and began to offer courses.

One of the next training areas that NCC-CET would like to offer is supermarket career training. Pathmark Stores, Inc. has expressed an interest in working with NCC-CET in the formation of such a program. Along with NCC, Pathmark Stores, Inc. is the co-owner of the Pathmark Supermarket located at the NCC/Pathmark Neighborhood Shopping Center on Bergen Street in the Central Ward.[12] The future program would include training in areas related to supermarket floor operations such as check-out, refrigeration, and store displays. Keaton would like to create an model supermarket, with check-out registers and a refrigeration unit, in order to provide the course. Graduates will be placed in one of two dozen Pathmark stores found in a twenty mile radius of the Central Ward. Additional training areas that NCC is exploring include custodial employment, auto repair and insurance claims processing. The auto repair course would incorporate the maintenance of NCC vehicles as the work-place portion of the training.

New Community's Relationship with the Center for Employment Training (CET)

While New Community has clearly adopted certain aspects of the CET model, it has just as clearly had to respond to the demands and conditions of Newark and northern New Jersey. Keaton clarifies the distinction between New Community and other CET sites. "We are a choice (or stand-alone) replication site" (versus a "full replication" site).[13]

Despite this distinction, NCC-CET's staff receive regular input from the CET Regional Office in New York. The Regional Office reviews NCC's curriculum, Industrial Advisory Board operations, and other aspects of the program. During the first year and half of operation, CET's Regional Director for Replication in New York (then Gene Hernandez) "checked in periodically" with NCC-CET's first Director, Larry Leverett. Furthermore, Leverett attended national CET meetings approximately every six months, including a national conference in Virginia. Hernandez also participated in the senior level interviewing and hiring process. Roger Keaton became the Director of NCC-CET in April, 1995, when Leverett left to become the Superintendent of Schools of a southern New Jersey school system. Keaton succinctly describes the Regional Office's role: "It's their job to keep us in line." He anticipates that he will "keep in touch more" with the CET Regional Office than his predecessor, citing it as a valuable technical assistance resource. Approximately six New Community staff people have attended orientation/training at the CET national headquarters in California.

According to Keaton, CET site directors meet about every six months at a different CET location. Conference meetings of directors within a given region are also held about as frequently. As a recently installed site director, Keaton spent ten days in June 1995 in San Jose, touring the main CET office as well as other California sites. CET's week-long orientation includes a detailed review of the various elements of the "CET model." New staff and directors are required to observe several different training classes. In July, 1995 New Community hosted a conference of East Coast CET offices which was also attended by CET staff and directors from other parts of the country. The conference was funded by CET and included Russ Tershy and Lee Foley (a CET lobbyist in Washington, D.C.) as featured speakers. As a result of the conference, Keaton looks forward to developing NCC's relationships with other regional offices, particularly the CET in Camden, New Jersey. In the fall of 1995, New Community hosted an additional CET conference attended by senior personnel from CET centers around the country.

New Community has earned a reputation for conducting business in its own particular way. Catherine McFarland, Executive Officer at the Victoria Founda-tion, commented that she was initially skeptical as to how two organizations with long histories and strong corporate identities (as well as very different constituent communities) might combine their programs. When New Community decided to enter into an agreement with CET, it was agreed that NCC would "put its own mark" on the model, according to Williams. Kathy Spivey describes the New Community-CET relationship as one of give and take. "Both New Community and CET have had something to learn (from one another)," she commented.

During its first two years of operations, NCC-CET modified the CET model in at least one respect. Generally, the training courses did not offer a "pure" open entry/ open exit policy. In part, it has been difficult to offer on-going courses due to legal requirements of the state of New Jersey. Harry Maroulakos, Assistant Director of Training, explained that the completion of an established number of weeks of training is required in order for graduates to receive certification and in order for NCC-CET to comply with funding requirements. This is particularly true with respect to the nurses aid courses. Other funding limitations necessarily impose restrictions on course duration.

In late 1994 and early 1995, senior level NCC staff reviewed the progress of the IAB and determined that steps should be taken to strengthen its role and require more active participation of its members. As of May 1995, the IAB was meeting approximately every two months; however, Keaton predicted that the IAB would start to meet more regularly. IAB members will be asked to devote eight to ten days a year to attend meetings and provide volunteer time in the classroom. "We are looking for people who are committed" to the program, says Keaton. Membership will also periodically rotate in order to "keep things fresh and moving." In addition, Keaton would like to promote a role for community participation in the IAB.

NCC-CET's Training Relationships

NCC-CET has developed institutional partnerships with a number of local community colleges and vocational institutions in order to provide its training courses. These partners include the New Jersey Institute for Technology (NJIT), Essex County Community College, Essex County Vocational School, Bloomfield Community College, Montclair College and Fairly Dickerson University. In addition to training instructors from these institutions, courses are often supplemented with sessions lead by working professionals in a given field.

In 1994, NJIT solicited New Community to participate in its Environmental Technology training course. NJIT received funding from the U.S. Department of Defense to provide the course and sought the cooperation of a community-based organization to perform the function of student recruitment. The program took place from February to May, 1995, and was divided into two parts. During the first eight weeks, students received intensive training in math and science. This instruction was provided by NCC-CET staff and Bloomfield Community College instructors at the NCC-CET facility. The second portion of the training consisted of thirteen weeks of instruction in an extensive array of topics of environmental concern, including lessons in relevant areas of law and chemistry. This portion of the course was taught by NJIT staff, and one part-time NCC-CET instructor, in addition to a rotating roster of visiting professionals. In total, participants were exposed to almost forty different instructors, according to Dr. Peter Lederman, the Director of the Center for Environmental Engineering and Science at NJIT. Instructors rotated on a weekly basis, depending upon the subject matter presented.

Throughout the training, NJIT and NCC instructors worked together on a daily basis. Administrative staff between the two agencies interacted on at least a weekly basis, and often more frequently, in order to review class schedules and additional information. Dr. Lederman characterizes the two organizations as having a "very close" relationship. In addition to instructor collaboration, staff occasionally share information concerning internship positions. To date, additional funding has not been raised to repeat the Environmental Technology course.

NCC-CET also enjoys a good, working relationship with Essex County College in operating the Child Development Associate training course. The course depends upon a three-way partnership among CET, Babyland Nursery, Inc. and Essex County College. Essex County College has a contract with NCC-CET to provide instructors. While the basic skills training that other NCC-CET trainees receive and additional classroom instruction are provided at NCC-CET's Central Avenue location, on-site training occurs at Babyland facilities. During the first year of this partnership (1994), forty students participated in the training. Approximately twenty students subsequently began employment with Babyland. The remaining half were placed in other day care programs. This even division of placements within and beyond the NCC Network was part of the program's design.

Previously established ties between New Community Corporation and local community colleges assisted in the formation of NCC-CET's working relationships. For example, Essex County College instructors (Prof. M. Ragio, in particular) have had an on-going relationship with New Community and have been providing instructors to Babyland for the past ten years. Prof. Peter Samba of Essex County College is also a member of New Community's Board of Directors. Bloomfield Community College and New Community have a working relationship which predates the Environmental Technology course. Senior level staff from Bloomfield College participate on NCC's Board of Directors.

Training Opportunities Offered Outside of New Community

In a few limited instances, New Community has also supported the training of employees at programs outside of the NCC Network, in cases where specialized training is required. New Community operates two franchises at the Pathmark/ NCC Neighborhood Shopping Center: Mailboxes, Etc. and

Dunkin' Donuts. (Dunkin' Donuts opened in September 1990, while Mailboxes, Etc. opened in November 1992. In addition, NCC also owns and operates the World of Foods which opened in October 1990. The World of Foods is a food court offering a variety of international foods in a fast-food environ-ment, in addition to a catering service.)

Managers at Dunkin' Donuts and Mailboxes, Etc. have attended national training centers operated by both corporations (in Massachusetts and California, respectively). Mandatory managerial training at the corporate center is part of the franchising agreement for both of these national chains. New Community Corporation has provided the tuition and transportation costs for this training. Prior to the development of commercial foods training at NCC-CET, a small number of employees from the World of Foods attended catering training sessions when World of Foods began its catering operations. Again, NCC provided tuition for this one-time program.

Working Closely with Trainees: A Profile of the Community Health Worker Training Program

The Community Health Worker Training (CHWT) program provides students with instruction in managed care, pre-natal and post-natal care, domestic violence, HIV/AIDS, and sickle cell anemia, among other related topics. Graduates are trained to provide health counseling and referrals for social service, public health and medical facilities. The success of the program may be measured by the quality of the jobs obtained by graduating students. In the past two years, the course has been offered three times. All thirty five participants graduated. Notably, all have begun full time employment. None have received starting salaries of less than $19,000.

Initial funding for CHWT was received from the Robert Wood Johnson Foundation. The Johnson Foundation is the nation's largest private foundation supporting health care initiatives. Subsequent funding has been received from the Pfizer Foundation and Project Hope. (The Pfizer Foundation is an affiliate of Pfizer Incorporated, a New York-based, research and health care company which sells pharmaceutical products in 140 countries. Project Hope supports health care programs in different parts of the world, particularly in developing countries. The non-profit organization is located in Milburn, Virginia.) The Community Health Worker Training program is currently administered by Human Services staff under the supervision of Florence Williams.

Ms. Williams strongly believes that the amount of direct interaction with each program participant has had a tremendous impact on their performance. Each CHWT participant receives individual job development and job placement counseling. Job counselors typically interact with students throughout the course. Instructors and counselors are asked to submit monthly progress reports throughout the training period in order to more formally monitor class (and staff) performance. Acceptance into the program is a competitive process, and each participant receives a personal interview before she/he may begin the training.

A comparison of the CHWT and the Environmental Technology training programs underscores the importance of student-counselor interaction throughout the training process. According to Dr. Lederman, students in the Environmental Technology program generally did not receive on-going counseling throughout the eight month training period. He believes that a lack of regular interaction with program staff may have hindered the progress of several students. While a few individuals received reimbursement to help meet transportation expenses, students generally did not ask for assistance in completing assignments or meeting childcare responsibilities. (One trainee, for example, brought his small child with him on a job interview. He did not get the position.) The direct counseling provided to participants in the CHWT was missing.

In retrospect, Dr. Lederman also observed that the Environmental Technology program's initial curriculum may have been overly ambitious. While participants were asked to take a test demonstrating an eighth grade science and math competency, for many the first eight weeks went beyond a comprehensive review. The length and demands of the training program were considerable. Dr. Lederman suggested that twenty one weeks of intensive instruction was too onerous for many of the students, given daily work and family pressures, as well as lack of prior success in a classroom setting.

In addition, the success of the CHWT program (in terms of finding good jobs for its graduates) has been aided by the participation of professional instructors from the health care industry. Such participation, commented Williams, has proved to be critical. After observing the quality of their students, several instructors have made job positions available. One speaker at a CHWT graduation was sufficiently impressed with the qualifications of the students, that he notified area colleagues concerning their availability. The result was more job opportunities than there were graduates. This has been the case with each of the three training program offered to date.

Bringing It All Together—
The Formation of the Department of Workforce Development

"Workforce development is our future."
—Kathy Spivey

The proceeding sections have described the three distinct operational areas which have evolved at New Community Corporation to provide employment training, adult basic education, welfare to work, and job placement services. These three areas consist of the internal training activities of NCC programs, the Employment Services Center, and, most recently, the NCC-Center for Employment Training. In addition to specific internal job training programs, staff development courses (such as written and oral communication, computer literacy, and career counseling) are also offered to New Community employees.

Following its establishment in 1993, the NCC-Center for Employment Training adopted a number of the internal training programs operated by New Community. These programs included facilities maintenance, nurses aid, and child development training. Despite the greater degree of centralization, however, the three operational areas remained disconnected. Staff in the Human Services Department, for example, did not communicate as a matter of program design with NCC-CET. Nor were NCC-CET staff typically aware of resources concerning area employers that were available at the Employment Services Center. It was very easy, says Roger Keaton, for the "left hand to not know what the right hand was doing."

In October of 1994, New Community Corporation began a six month "design team" effort to re-examine its employment training activities. The Design Team's goals were to evaluate the different training programs and determine areas of duplication where participants might "fall through the cracks." The six month effort resulted in the establishment of the Workforce Development Department in April, 1995.

With the formation of a new corporate

department, New Community changed the role of employment training and staff development from one of a significant side-act to center stage. Bill Tracy, former Director of the New Jersey State Board of Employment and Training, is an active consultant with several New Jersey non-profits. Mr. Tracy acted as a facilitator throughout the Design Team process. He observed that "Monsignor Linder is committed to making employment training a cornerstone" of New Community's mission. Kathy Spivey, the Director of the new department, put it more simply: "Workforce development is our future."

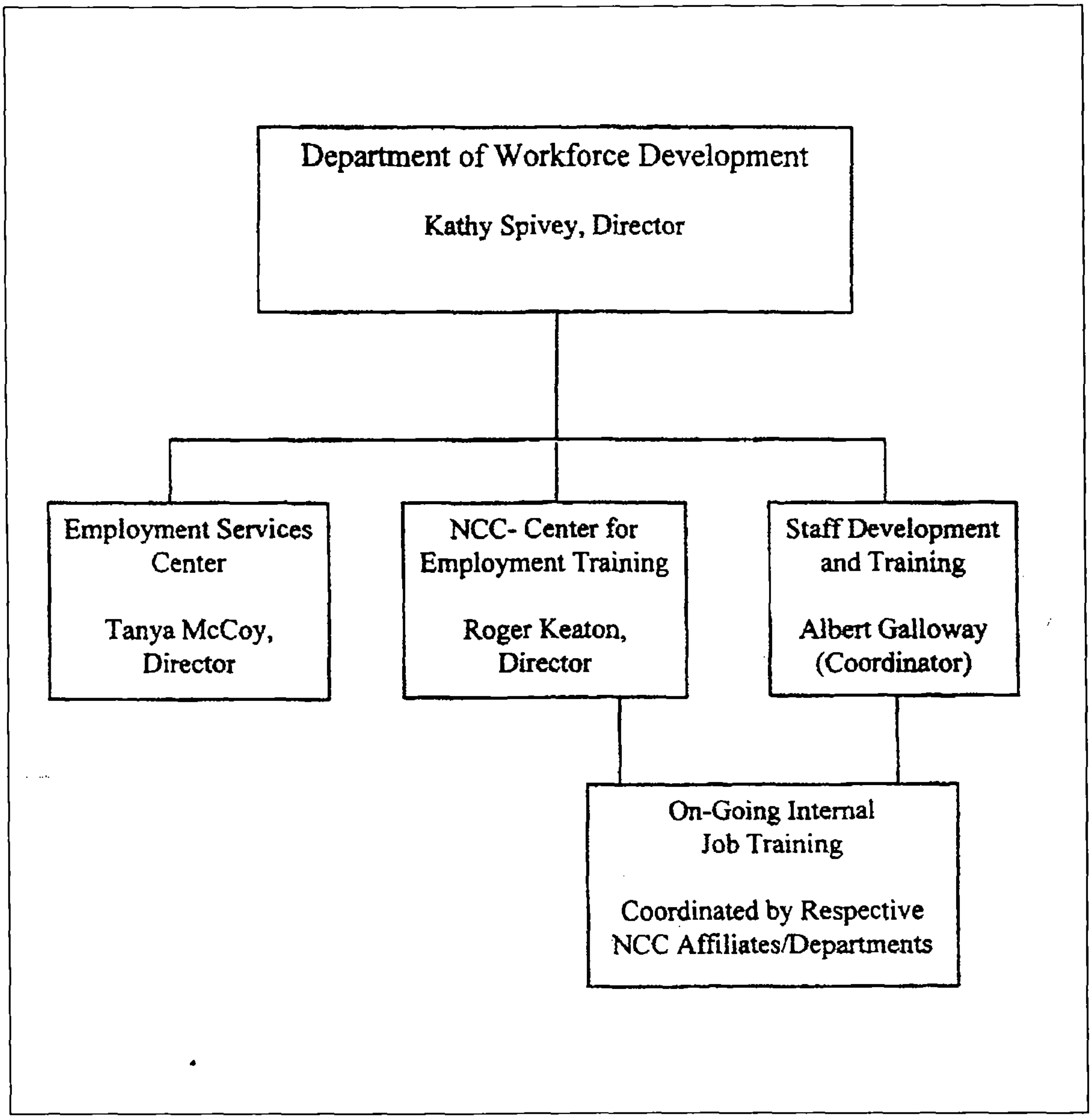
In terms of New Community's organizational structure, the Department of Workforce Development encompasses the Center for Employment Training, the Employment Services Center, and staff training and development courses. These relationships are depicted on the following page. NCC-CET has been designated as the primary employment training vehicle for all of NCC's programs (including internal training). Directors of each area operational area report to the Department Director and interact with each other on a more regular basis. The result is a more integrated approach to workforce development.

The design team has continued to meet as the Workforce Development "Executive Team," comprised of ten members: Cecilia Faulks (Director, Human Resources), Florence Williams (Director, Human Services), Ray Codey (Director of Development), Mort Goldfein (Director of Community Investment), Rona Parker (Director of Public Affairs), Karen Marsh (of the Extended Care Facility), Richard Rohrman (Director of Operations), Tanya McCoy, Bill Tracy, and Kathy Spivey. The team meets monthly with the NCC Board of Directors.

Changes in the relationship between the Center for Employment Training and the Employment Services Center demonstrate the impact of NCC's new organizational structure. In 1993, NCC-CET and ESC had separate contracts with the State of New Jersey Family Development Program (FDP) to provide basic skills/vocational education and job readiness counseling, respectively. By contrast, in 1994, ESC was the primary contractor with the State of New Jersey, while NCC-CET served as a sub-contractor. The same arrangement was put in place for 1995. The changes, observed Keaton, resulted in the FDP program operating "much more effectively."

Roger Keaton and Tanya McCoy work together to coordinate their respective staffs. The two directors meet with Kathy Spivey on a weekly basis, and meet with each other regularly. The frequency of such meetings sharply contrasts the earlier arrangement between the two entities. YET Director Amanda Harrow estimated that ESC and CET staff met formally with each other only four to six times annually prior to Workforce Development's formation. Spivey observed

Job Training/Job Placement Programs in 1995



that it took a few months for staff to become accustomed to the new arrangement. The Design Team effort, she commented, has been "very positive" in terms of "breaking down barriers" between organizational units, and establishing "common ground." Eventually, the Employment Services Center and NCC-CET will be housed at the same location.[14]

Increased coordination has also resulted between NCC-CET and staff development efforts. NCC-CET offers three programs which may be taken by training participants and NCC staff simultaneously. These include computer literacy (currently offered on Tuesday/Thursday from 4:30 to 6:30) and adult basic education/GED preparation (offered on Monday, Wednesday, Thursday from 4:30 to 6:30). These courses have open and on-going enrollment. A third course, geared for building supervisors, will focus on general construction skills, including masonry, plumbing and electrical work.

One of the primary goals of Workforce Development has been to make it easier for training students to interact with in-take counselors, class instructors, and job developers. To help meet this goal, staff at ESC, NCC-CET and Human Services were organized into Unit Teams during the fall of 1995. Four Unit Teams have been established: Youth, Community Health, the General Population and Staff Development. The teams range in size from three to six staff people. The General Population "team" is the largest and includes the FDP program and general assistance (for clients "off the streets.") Both Keatón and Williams observed that this "cluster of jobs" strategy is in keeping with the spirit of the CET training model. More importantly, regular interaction with students should contribute to greater program results, as has been the case with the Community Health Worker Training program described in Section Three.

The Design Team process provided senior level staff the opportunity to weigh the matter of promoting more job development opportunities outside of New Community (rather than placing the majority of people within NCC, as has traditionally occurred). Bill Tracy recalled the discussions concerning external and internal placements of training graduates. "Monsignor Linder," he jokingly observed, "would like to employ the entire city of Newark." Following the six month design process, the matter of external and internal job placements appears to have been settled. NCC has determined that it has the organizational capacity to play the role of both employer and job trainer.

A critical function of NCC-CET's Industrial Advisory Board concerns the development of employment opportunities for training graduates. Following the recommendation of the Design Team, the role of the IAB has been expanded to serve all of New Community. A second, parallel board, the Internal Committee, has also been created in order to oversee information concerning job growth and placement opportunities within New Community. Kathy Spivey explained that these two boards will provide a kind of "checks and balance" in order to ensure that neither internal nor external job opportunities are overemphasized. Finally, the six month restructuring process is also noteworthy in that it is indicative of the organizational sophistication of New Community Corporation itself, as demonstrated by the multiple-month duration of the process, and the extensive organizational self-assessment and consensus building efforts among senior staff that it involved.

Two organizational priorities emerge as a result of the formation of the Workforce Development Department. First, it is clear that New Community is positioning itself as a "one-stop shop." Ideally, a person from the Central Ward or another Newark neighborhood seeking assistance from NCC will be referred to the most appropriate "point of entry" (GED instruction, job placement or a specific training program), regardless of which New Community office he/she initially encounters. Second, the corporation's growing emphasis on "life long learning" is highlighted. The aim of the Office of Workforce Development is not to simply place an individual into any job. The aim is to provide continued advancement and educational opportunities following employment. The goal is to "develop people," commented Spivey.

"Lifelong Learning:" Providing Career Development and College Education

New Community defines "lifelong learning" as a continuous process of career development and education. As part of its mission, the CDC explicitly states the provision of career information and training opportunities to Newark and Essex County residents, as well as New Community staff. Materials produced to accompany the announcement of the Workforce Develop-ment System (on April 26, 1995) indicate that "this restructuring will afford us the opportunity to maximize the potential of NCC as a lifelong learning lab. Corporate employment currently exceeds 1,400 individuals engaged in a variety of activities. Using this 'engine of employment' as a structured work-based learning environment provides a unique means to help both current employees and trainees achieve the skills necessary for career mobility in a changing economic climate."

More recently published materials outline four areas of knowledge and skills "required for career success." These include basic academic skills, workplace communication skills, information technology skills and occupational skills. Kathy Spivey was the director of staff development programs before assuming the responsibility of Director of Workforce Development. The current Coordinator of Staff Development is Albert Galloway (formerly an ESC job developer).

The courses and seminars offered to New Community staff include: English as a Second Language, computer literacy, public speaking, reading for success, written communication, conflict management, self-development, time management, and conversational Spanish. Many of the courses are taken in part during the work day, and are supplemented with instruction during an individual's own time. The goal is to provide instruction for each employee in three to five new skill areas on an annual basis.

In the past, classes have been taught by staff and volunteer instructors. True to the spirit of "doing for one's self," recent efforts have been made to increase the number of NCC personnel available to assume the duty of teacher. According to Galloway, all of the classes for 1996 will be taught by New Community employees.

In order to encourage staff to take advantage of career development courses, employees meet regularly with their assigned supervisors in order to review their career goals and skills development. Supervisors are required to sign course documentation before an employee may enroll in a course. Supervisors themselves are required to take a Supervisory Training course. The course is taught by Sister Catherine, Kathy Spivey and Cecilia Faulks.[15]

Staff development curriculum is often developed in response to an acknowledged gap between existing staff skill levels and job demands in the region. Instruction in computer literacy class began when it was noticed that the majority of NCC's staff did not command a working knowledge of computer operations. Furthermore, it was recognized that computer skills were in demand in terms of regional employment. Similarly, NCC decided to expand its on-going security training when it was determined that there was a growing demand for security positions (with favorable starting hourly wages) in the area.

The availability of career development classes have enabled NCC employees to develop skills that they might not have otherwise acquired at a different job. Upon leaving New Community, employees often find that they are quickly given responsibilities and are promoted. As NCC improved its internal development programs, staff began to earn a reputation for commanding desirable professional skills. In the last three to four years, the development of staff skills has received increased importance within NCC. The emphasis on promoting career development may in fact encourage an employee to leave. As Madge Wilson explains, the objective is to begin work in the most advantageous position, whether inside NCC or elsewhere. As a CDC activity, New Community may be described as consciously promoting or "exporting" qualified staff. The scale of the New Community Network staff roster enables NCC to act as a kind of "seeder" of the Newark area labor force (or pockets of it). Furthermore, departing staff are encouraged to remain in contact with New Community, possibly sending notification of other job openings and remaining a part of the "NCC community."

At least four corporations have contributed to on-going staff development courses: Prudential Insurance, Public Service Electric and Gas (PSE&G), Johnson & Johnson and Hoechst Rousell. Hoechst Rousell is a New Jersey pharmaceutical company. PSE&G is the largest public utility in the state and serves most of northern New Jersey. NCC staff have also been able to enroll in staff development courses offered by Johnson & Johnson and PSE&G.[16]

In addition to work place skills, NCC has created the "Clouds and Horizons" program. "Clouds and Horizons" is a college level course developed and taught by Reverend Thomas Peterson, the Chancellor of Seton Hall University. Rev. Peterson is a member of the NCC Education and Training Com-mittee, and volunteers his time. The first course provided an historical and multi-cultural survey. It was offered in January 1995 and ran for eighteen weeks. Twelve staff graduated, and received three college credits at Seton Hall. A second course, "Clouds and Horizons II," was offered in late fall, 1995.

Partial tuition reimbursement is available to staff at Bloomfield College and Essex County College. New Community's Credit Union also operates a program that allows employees to have a small portion of their check withheld and saved for tuition use.

Both Peterson and Linder are committed to the expansion of "Clouds and Horizons." Kathy Spivey explains that she sees al connection between Babyland, St. Rose School, and New Community's efforts to promote adult learning. Through these different entities, the New Community Network provides educational programs at all stages of life, from St. Rose School elementary school, now to the college level. In the future, NCC would like to offer an even greater number of educational opportunities. "We'll need a whole campus before we're over," Spivey added.

Establishing quantitative measures to evaluate the outcome of "life long learning" may prove difficult (given the interrelated nature of NCC programs and the extent to which the terminology "life long learning" may be loosely defined). In addition to simply "bean counting" the number of staff who participate in development courses, it might be of value to compare supervisor notes to determine if patterns exist among NCC staff as to which groups most frequently participate in courses and/or request assistance (female v. male, age group). An assessment of the criteria used by the IAB in determining the future growth of employment sectors (including projected salary levels) could also serve as another potential area of program evaluation.

Finally, Roger Keaton estimated that in 1994, ESC sent approximately 10 to 15 people a month to CET for training, and that approximately 200 people utilized both centers. Comparing these figures with subsequent years might provide an additional indicator of the success of the Workforce Development model (assuming that an increase in the number of clients utilizing both services is indicative of the model's successful operation).

"Life Long Learning in Action": A Profile of Denise McCoy

Denise McCoy has been a NCC employee for four and a half years. She has lived in Newark's Central Ward all of her life. She feels that her story provides a good example of the kind of career development that New Community tries to encourage of its staff. "There are excellent opportunities to learn here, to grow and move around," she said. It's up to the individual person "to take advantage of those opportunities." McCoy began her employment with NCC as a secretary in the finance department. She was promoted to the operations department and then promoted again (with accompanying raise) to her current position of Assistant to the Director of Operations. "When the Director (Richard Rohrman) is away, it's up to me to hold down the fort." She is responsible for overseeing requests from the tenant associations of NCC housing and has had to learn skills ranging from real estate finance to ordering plumbing supplies. McCoy states that she had thought of herself as a leader in her previous work with the New Jersey Division of Youth and Family Services, but that she never had the chance to assume any kind of leadership role prior to working for NCC. NCC has provided her with positions of "increased levels of skill and responsibility."

In January 1995, McCoy was selected to be one of twelve participants in the first "Clouds and Horizons" course. "It was an honor" to be chosen to participate in the class. She found the college level course to be a challenge, "a personal learning experience as well as an educational experience." She plans to attend the second "Clouds and Horizons" course in the fall of 1995, for which she will receive six credits at Seton Hall University. She has also decided to take weekend classes at Bloomfield College. Her eventual goal: a degree in field management.

McCoy stressed the importance of a second generation of leaders at New Community to continue the work of their predecessors, to "carry the dream." We need to "take the ball and grow with it." After she is stopped on the street or in the Pathmark supermarket by a thankful neighbor, McCoy feels a renewed sense of energy and commitment.

Frequently Asked Questions About The Youth Opportunity Movement

Q. What is the Youth Opportunity Movement?

A. On one level, Youth Opportunity is the partnership-building network that helps communities access all of their resources to help at-risk youth. It provides the chance for every American--employers, individuals and young people--to reach into the community and help out-of-school youth succeed. It is because of this involvement at the grassroots level that Youth Opportunity is a movement rather than simply a program or initiative.

On another level, the U.S. Department of Labor awards Youth Opportunity grants to qualifying communities. This seed money enables communities to establish "one-stop" service centers where youth can access a wide range of services. In order for this to be successful, partnerships must be created among government, businesses, schools, faith-based and civic organizations.

Q. How is the Youth Opportunity Movement part of the President's New Markets Initiative?

A. The economy is booming, and unemployment is low. However, though millions of Americans are enjoying economic success, not everyone is sharing in the prosperity. President Clinton launched his New Markets Initiative to expand our thriving economy into pockets of poverty and unemployment that remain. Our young people form a major source of human capital for the next century, and we cannot afford to leave this source untapped.

Unlocking the talents of youth is good public policy. It is good business. And it is vital to tapping into new markets throughout the United States. Human capital is as critical to our success as investment capital. Businesses having trouble finding skilled workers can testify to that -- and so can disadvantaged communities.

Q. What is the mission of the Youth Opportunity Movement?

A. The mission of the Youth Opportunity Movement is that all youth, particularly those most in need, will acquire the necessary skills and work experience to grow into successful adults and explore careers, further education and training. Ultimately, Youth Opportunity Movement is designed to offer young people particularly those mos need, the opportunity and the tools to compete successfully in the global economy of the century.

Q. Why this approach?

A. Research shows that an effective strategy to help at-risk youth find employment m address personal, societal, academic and professional challenges. Job training al is not enough; in order to get and keep a job, young people need "hard" car oriented skills, such as computer training, as well as "soft" attitudinal skills, suc how to nail an interview.

Q. Why is a Youth Opportunity Movement needed?

A. More than 15 million young people between the ages of 16 and 24 are currently of school, 10 million of whom have a high school diploma or less. These 10 mill young people in particular face serious obstacles, because research shows that l educated youth have more difficulty finding employment and are more likely experience social problems such as crime, drug and alcohol abuse, teen pregna and welfare dependency.

Q. How can I get more information?

A. There are many ways to get involved in the Youth Opportunity Movement. For m information please access the Youth Opportunity web site: **www.yomovement.o** or call **(202) 219-6871**.

For more information on how to become involved in the Youth Opportunity Movement, please access the Youth Opportunity web site: www.yomovement.org, or call (202) 219-6871

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Youth Opportunity Movement Founders:
In Their Own Words

"Joblessness is equal not only to poverty, crime and illiteracy, it is equal to slavery. The Youth Opportunity movement is a chance to break these invisible chains and do what we can to reclaim our greatest resource, our young people, 15 million who are at risk of being lost. It is my responsibility as an American citizen and as a parent to join this call to action. I thank Secretary of Labor Alexis Herman for creating this opportunity to build this partnership with the private sector."

Debbie Allen

"After enrolling my son in an after school tutoring program, his attitude towards learning began to change and his academic performance improved. So, when I learned about the mandatory retention policy, I knew I had to do whatever I could to help other Bay Area children. I wanted to give them equal access to the same type of program that helped my son."

Barry Bonds

"When communities are impoverished the cycle of poverty makes it more difficult to get an education and to stay in school. I was blessed because my mother promoted my education and because my father said 'reach for the stars.' Many of our young people are not so lucky. By reaching out to a young person who may be at risk, you are giving them an invaluable gift: the opportunity to unlock their potential."

Giselle Fernandez

"It pains me to see young adults mishandle their magnificent potential life force, and succumb to peer pressure, economic pressure, isolation, and helpless resignation, at a time when they should be experiencing the prime years of life. I am thrilled that President Clinton is allocating over $1 billion to the Youth Opportunity movement, which will target the 15 million 16-24 year olds facing these limitations. With these Youth Opportunity grants Secretary of Labor Alexis Herman intends to involve all of us so that we can contribute and empower our communities to instruct, guide, and create opportunities for the most valuable and powerful human resource: our youth."

Jenny Gago

"My mother, my mentor, my teachers and peers; each offered their own bra support that carried me through my youth and, in many ways, continues to guide me For too many kids, outlets where they can garner consistent, significant support are e severely lacking or altogether non-existent. As adults, we all share the responsibili offer our involvement when traditional means of support are not enough. That's wh honored to be associated with the Youth Opportunity movement. It gives us all the ch to contribute; to give something back."

Eriq La Salle

"We simply cannot ignore that a growing number of young African-American are being set adrift to fend for themselves in an environment decimated by illite joblessness, poverty, drugs, crime and violence. We are all paying the price as these tr destroy families and communities and ultimately erode the codes of behavior that unde a civilized society. We pay with a dwindling pool of laborers who posses the skills ne to sustain a healthy information-based economy. Most of all, we pay in the lost pote of individual talents and collective synergy."

Bobby Austin, President, C
The Village Foundation

"I grew up in East LA with a lot of kids who were talented, smart and had dre What they needed were skills to make the most of their skills. Hopefully, the Y Opportunity Movement will give today's young people the skills every kid needs to set dreams in motion."

Edward James Olmos

"I commend the President for highlighting the need to invest in communities ac the country. We face enormous problems in building healthy communities and Govern cannot solve them alone. In one of the richest states in the nation, it is tragic that more 7 million Californians lack health insurance. Here in Los Angeles over one third o people are uninsured."

"As the largest foundation in California dedicated solely to health issues, and as of the larger private foundations in the United States, The California Endowment is a of the critical importance of jobs and economic opportunity for the overall health of communities. That is why I am pleased to announce the California Endowme committing $15 million toward youth and job related programs as part of our ov commitment to improving the health of California's under served communities."

Lew Reid, Interim CEO,
California Endowment

"In this information age, network administrators are essential to the success of almost all businesses, academic institutions and government, yet most organizations simply can't find people with the skills to meet the demand." Cisco is pleased to expand the reach of the Networking Academy program and to continue investing in individuals to ensure all have an equal opportunity to develop the skills needed for the jobs of the 21st century."

John P. Morgridge, Chairman
Cisco Systems

"Children in every community deserve to be cared for in a safe, nurturing and stable environment. To that end, The Enterprise Foundation is providing homebuyer assistance to women offering in-home childcare in South Central Los Angeles. This gives women the opportunity to build a business while also providing a valuable family asset."

Bart Harvey, Chairman, CEO
The Enterprise Foundation

"PDQ understands that the entry-level people of today can be tomorrow's innovators. Hiring 100 young people this year ensures we'll meet our clients demands for skilled entry-level workers. I am proud that PDQ can hire the young people of Los Angeles now and help them grow."

Patty DeDominic, CEO
PDQ Personnel Services

"When I was younger I had a Big Sister. The big thrill each year was when she took me to Radio City Music Hall to see the Rockettes. That was very special to me, and why I now participate in programs such as Working Playground, teaching New York City kids how to dance. To me, Youth Opportunity means looking for the ways you can make a difference by giving something back to the kids in your community."

Rosie Perez

" . . .It is our duty to find ways to voluntarily create healthy and safe communities. In partnership with the government, we can accomplish great things. . .reduce problems. . .re-invent government and bring hope to all our citizens. . ."

Tom Ruppanner
United Way

"Ms. Foundation searched for organizations that trusted girls to design and leadd programs, and then to reach out and share their knowledge with their peers. The Collaborative Fund helps girls create opportunities for themselves, their families and communities.

From the start, the foundation took girls leadership seriously in the conception and design of the collaborative programs. Now we can move forward with confidence that girls will be involved and will benefit".

Marie Wilson, President
Ms. Foundation

"We all recognize how difficult it is for kids to succeed, especially when confronted daily with gangs, drugs and negative messages. That's why I'm involved with A World Fit For Kids!, a unique mentoring organization that trains teens to be coaches and mentors for younger children. We believe teens can overcome life's roadblocks and achieve their dreams if they are given proper support and training. I think a lot of people would like to help kids, but they don't know how. Each of us can be a hero and make a difference. The Youth Opportunity movement is a great place to start."

Kevin Sorbo

Investing in Youth and Expanding the Economy: A Partnership with the Private Sector

In July 1999 President Clinton and Secretary Herman kicked-off the Youth Opportunity Movement, a national partnership between the Federal Government, private sector companies, private foundations and youth role models from the sports and entertainment world to help out-of-school youth succeed. Since July, over 30 businesses, 12 foundations and 25 celebrities have announced meaningful commitments to help young people acquire the necessary skills and work experience to grow into successful adults and explore careers, further education and training.

PRIVATE SECTOR COMMITMENTS

Businesses have partnered with local youth programs in the YO! Movement to hire and mentor youth, to provide supportive services such as child care and health care, and to provide local programs with technology and business-related training curriculum.

Daimler Chrysler will lead a community investment effort targeting Detroit's east-side schools, community-based organizations, neighborhoods and its residents, employees and employers. The effort is designed to revitalize the area surrounding DaimlerChrysler's manufacturing and assembly plants. Detroit's **Youth Opportunity Demonstration Project** with the US Department of Labor is located in the target area and is a significant component of program development for out of school youth seeking job and career opportunities.

The **Ford Motor Company** has committed to providing the Ford Academy of Manufacturing Sciences Program curriculum (containing seven full courses) to all 11 Youth Opportunity sites nationwide. Ford will host training seminars for site faculty and staff to conduct needs assessments and implementation plans; sponsor two 2-day teacher training sessions to train teachers and coordinators; and work closely with the youth sites to assist in the implementation of the curriculum. The Ford Academy of Manufacturing Sciences Program is a series of semester long courses that provide students with science, math, technology, communications and human relations skills for the workplace of the 21st Century.

The **United Auto Workers and General Motors** have committed to enter into a partnership with the Detroit Youth Opportunity site.

CVS will work with the Youth Opportunity sites in their 24 state regions east of the Mississippi to provide work experience, apprenticeships, access to CVS regional learning centers, and mentoring by CVS employees for opportunities as pharmacy and photo technicians and other careers in their retail businesses.

Sears Roebuck and Company has entered into a national partnership with Job Corps that encompasses all 119 Job Corps Centers around the country. Sears will work with Job Corps Centers on curriculum development to provide Job Corps students with opportunities for careers in automotive, retail sales, business and clerical operations and facilities management. Sears employees will also mentor Job Corps students.

The **New York City Financial Services Partnership for Youth** is growing out of a 11-year e with Republic National Bank to train out-of-school youth for jobs in financial services; the Partnership comprises of over 12 banks and financial institutions. This unique coalitic committed to, as part of the Youth Opportunity Movement, providing out-of-school youth classroom training, paid internships, mentors and a variety of personal and career develop activities to prepare young people to acquire and retain a permanent job and career in the fina services industry. Participants in the coalition include the Federal Reserve Bank of New Y Republic National Bank, Fleet Bank, Deutsche Bank, Amalgamated Bank, Banco Popular, I Leumi, City and Suburban Federal, Safra National Bank, and the Bank of New York.

The **Prudential Insurance Company of America** will provide a $2.5 million four-year gra launch a Young Entrepreneur Program, a pilot program that is being administered by the Associ for Enterprise Opportunity (AEO). This grant will support the creation of a new comprehen entrepreneurial development and job creation program for young people between the ages of 1 in Newark, NJ and Philadelphia, PA.

Prudential Insurance will also ensure that affordable child care is provided for participan Youth Opportunity grant programs in Los Angeles, Houston, Chicago, Boston and Denver, and provide those sites with the curriculum for the Prudential Young Entrepreneurs Program.

AT&T committed a $100,000 grant to develop an Academy of Information Technology, a 9th – grade curriculum in information technology to be delivered in conjunction with existing high sc programs, and established a new partnership with the Department of Labor's Edison Job C center to sponsor internships for graduates who meet technical certifications and provide t months of experiential training through a Minority and Women Owned Business Enterprise. A also announced their corporate mentoring program with Newark, NJ students, "Leade Conversation for the Next America" whereby students will engage in online discussions policymakers across the country to discuss leadership, economic opportunities, education anc skills for the 21st Century. In addition, AT&T announced its Learning Network Program, which offer free online basic technical training, and provide links to fee-based online learning cou some of which offer credits and or certificates.

Bell Atlantic and **Ford Motor Company** have partnered to help create the Youth Autom Training Center (YATC) in Newark, NJ. The Bell Atlantic Foundation announced a $70,000 to fund the creation of an interactive "distance learning" classroom at the New Commu Corporation's new workforce development center in Newark, NJ so it can interact with N Youth Automotive Training Center. This new commitment builds upon Ford's existing commit to the YATC which will reach $1 million. NCC recently announced the YATC, an innov partnership with Ford Motor Company, Bell Atlantic, and Hillside Auto Mall. The program, w will soon become an official training program for Ford, offers at-risk youth job trainin automotive careers. This past September, YATC was granted candidacy status in its effort to acc the center as a training program. This candidacy status will allow YATC's student to apply for Federal PELL grants to help YATC pay for the program. Ford will use YATC as a prototype for community-based organizations and local auto dealers to train and certify technicians in urban areas.

Toyota Motor Sales USA will provide up to $1 million over three years to Los Angeles area nonprofit organizations which will referring qualified 18 to 22 year olds to the Los Angels Urban League Automotive Training Center. Toyota pledges to hire some of the graduates of that program.

Cisco Systems will expand the Cisco Networking Academy information technology training course offerings from the current level–in 15 different empowerment zones and enterprise communities–to at least 35 of those economically disadvantaged areas. The Los Angeles based company will partner with each of the Department's current Youth Opportunity grant communities if possible as well as selected Job Corps centers, and will also develop a web-based placement system to allow students to be matched with employers. Cisco will recruit employers through an information campaign to customers, partners and the general business community, with the potential to reach 65,000 people in the first two years.

The **Fluke Corporation** will provide all the above-mentioned Cisco Networking Academies with test tool equipment valued at $750,000.

The **United Parcel Service** will hire 2,000 out-of-school youth by the end of the year 2000, and become a partner with all 11 existing Department of Labor Youth Opportunity communities. The partnerships will include human resource expertise, curriculum development for training programs, and mentoring.

Shell Oil will double the size and scope of its Watts/South Central-based Youth Training Academy with an additional half-million dollar investment.

KCBS-TV of Los Angeles will commit the equivalent of $500,000 in air time to promote youth programs, including extensive airing of Department of Labor Youth Opportunity Movement public service announcements. The news division will commit to news coverage of issues related to out-of-school youth challenges.

The **Los Angeles Dodgers** will host job fairs to connect youth with employers and launch a mentoring relationship with the Los Angeles Youth Opportunity grant organization and other youth in Northeast Los Angeles.

Tower Health and Pro Patient Plus will open a minimum of five clinics in inner city Los Angeles, partner with the Los Angeles Youth Opportunity grantee, and hire at least 25 youth in the next year.

PDQ Careers.Com of Los Angeles will hire 100 at-risk youth in the Los Angeles area.

McDonald's Corporation will hire 200 more Los Angeles area out-of-school youth.

State Farm Insurance of California is designing a job training program; providing internships and work-site mentoring, job shadowing for 100 to 200 youth; providing employment curriculum design and professional skills workshops, donating computers and providing funding for the FAME Renaissance Business Incubator Program in California.

Occidental Petroleum Corporation is partnering with the Los Angeles Youth Opportunity grant program with an initial grant of $5,000, and enlisting employees to volunteer to help customize programs such as counseling and mentoring. The company is also donating surplus office equipment.

Xerox Corporation is providing job shadowing and paid internships for 50 youth in a partnership with the Los Angeles Youth Opportunity grant program.

Act 1 Personnel Services of Torrance, California is partnering with the Los Angeles Youth Opportunity grant program to provide skill assessments and counseling.

Starks and Associates of Upland, California will hire five out-of-school youth.

Megatoys, a small Los Angeles toy manufacturer, will hire three to five targeted youth this year as part of their new partnership with the Youth Opportunity Movement.

MRA Managed Care Solutions of Long Beach will hire three out-of-school youth.

bd Systems Inc. of Torrance, California will hire three out-of-school youth.

Flanigan Farms of Culver City, California will hire two out-of-school youth.

Western Badge and Trophy Company of Los Angeles will hire two out-of-school youth.

EA International Technical Services of Tustin, California will hire some out-of-school youth.

Founders National Bank is partnering with the Los Angeles Youth Opportunity grantee to design a curriculum on working in the financial industry.

FOUNDATION COMMITMENTS

Private foundation commitments to the YO! Movement range from offering capacity-building and organizational development for youth programs, to providing mentoring and leadership development activities for youth and supportive services to help young people access housing and health care.

The **Victoria Foundation** will commit **$ 3 million** to fund Newark, New Jersey youth serve organizations to build the capacity of community-based organizations and advance youth leadership.

The **Amelior Foundation** and the **MJC Foundation** will commit an increase in funding to **$500,000** for job training and scholarships to youth in Newark and will establish a Sports Business Academy facility at the Nets Arena in New Jersey.

The **Fund for New Jersey** will commit **$ 100,000** to fund the Heldridge School at Rutgers University to help create youth councils in Newark, Essex County and other New Jersey areas. The practical guide " Youth Can Work" was produced by the Heldridge School with support from the Fund and **Shearing Plough Foundation.**

The **Jacobs Family Foundation** committed $5 million to build a San Diego Youth Opportunity Center, which will house a youth mall, Homey's Youth Foundation and the Institute for Responsible Fatherhood. Funds have also been provided for internships. This is part of the Market Creek Plaza project for the City of San Diego.

The **California Endowment** has pledged to invest $15 million in out-of-school youth activities.

Ms. Foundation for Women is committing $2 million nationally through its Collaborative Fund for Healthy Girls/Healthy Women, to support evaluation activities to document and disseminate best practices in the field of girl's programming.

The **Enterprise Foundation** and **FreddieMac Foundation** have announced a $4 million commitment to participants in its Family Child Care Home Ownership Program in Los Angeles, to make home ownership easier for young people.

The **United Way of the Bay Area** and the **Barry Bonds Family Foundation** have announced a $1 million "Link and Learn" initiative to fund computer learning centers in San Francisco and Oakland to help out-of-school youth.

ENTERTAINERS AND ATHLETES

More and more youth role models from the entertainment and sports industries are working with the Department of Labor and the private sector partners to produce public service announcements (PSAs), make appearances, and work with young people to expand the scope of the Youth Opportunity Movement. To date, the following celebrities have taped PSAs: **Keyshawn Johnson** from the NY Jets; **Eriq La Salle** from E.R; actor, **Edward James Olmos**; "Mr Cub" and Baseball Hall of Famer, **Ernie Banks**; TV talk show host, **Starr Jones**; actor, **Diego Serrano**; actress, **Jenny Gago**; actor **Esai Morales**; actress and choreographer, **Debbie Allen**; former Los Angeles Dodger, **Lou Johnson**; TV News Anchorwoman, **Giselle Fernandez;** disabled writer, director, and film producer **Jenni Gold,** actress **Dahlia Victoria;** Touched By an Angel actor **Alexis Cruz;** Native American actress and member of Native American Prevention Coalition for Youth **Jeri Bruno-**

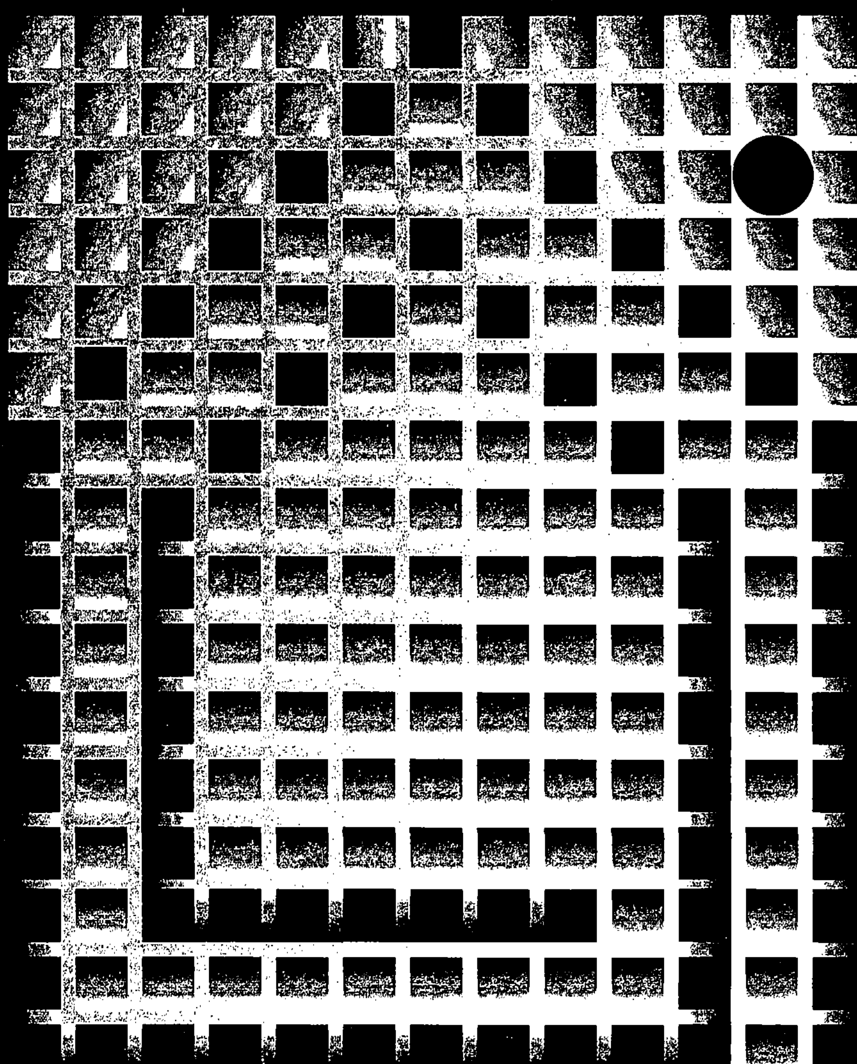
Sampson; and the music group **Boyz II Men**.

In addition, several more celebrities have lent their images and quotes of support: **Magic Johnson**, basketball star entrepreneur; **John Mackey**, National Football League Hall of Famer; **Rosie Perez**, actress; **Andrew Shue,** actor; Los Angeles Laker, **Rick Fox**; actor, **Kevin Sorbo**; and entrepreneur, **Stedman Graham**.

###

JOBSPLUS

Mobilizing Public Housing Communities for Work ORIGINS AND EARLY ACCOMPLISHMENTS OF THE JOBS-PLUS DEMONSTRATION



MDRC

Labor

Felipe Floresca <FFLORESCA@doleta.gov>
06/19/2000 05:14:04 PM

Record Type: Record

To: MaryEllen C. McGuire/WHO/EOP

cc:
Subject: Re: NonProfit Task Force

Attached are the four DOL nominations. They represent a cross-section of partnerships with other federal agencies, foundations, corporations, labor unions and faith-based organizations. There are some unique approaches.

>>> <MaryEllen_C._McGuire@who.eop.gov> 06/19 5:35 AM >>>
REMINDER: Submissions of model relationships to be considered for inclusion in the Nonprofits and Government Task Force's Report are due by close of business today, June 19th. We can not guarantee that submissions received after today will be considered.
---------------------- Forwarded by MaryEllen C. McGuire/WHO/EOP on 06/19/2000 05:34 AM ---------------------------

MaryEllen C. McGuire
06/13/2000 09:57:39 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: NonProfit Task Force

Just a reminder, agency nominations for model nonprofit/agency relationships are due Monday, June 19th. If you would like to sit on the panel that will choose amongst the nominations please email me by Wednesday, June 14th. Thanks to all of those who have already been in touch.
---------------------- Forwarded by MaryEllen C. McGuire/WHO/EOP on 06/08/2000 03:05 PM ---------------------------

MaryEllen C. McGuire
06/02/2000 09:48:19 AM

Felipe Floresca <FFLORESCA@doleta.gov>
06/20/2000 08:38:09 AM

Record Type: Record

To: Eugenia Chough/OPD/EOP, J. Eric Gould/OPD/EOP, MaryEllen C. McGuire/WHO/EOP

cc:
Subject: Re:

Let me know if DOL's nominations I submitted yesterday need a different format.

>>> <Morgan-Hubbard.Margaret@epamail.epa.gov> 06/19 5:59 PM >>>

Here are two models. A third is still in the works, awaiting a stamp of approval. I may not be able to send it until tomorrow. Regards, Margaret

(See attached file: Region5nonprofitmodel1.wpd)(See attached file: TAGmodel.wpd)

Margaret Morgan-Hubbard
Director, Office of Communications
US EPA
1200 Pennsylvania Avenue, NW
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Phone: 202-564-7846
FAX: 202-501-1751

- best.wpd

Labor

DOL BEST PRACTICES NOMINATIONS
WHITE HOUSE TASK FORCE ON NON-PROFITS

NOMINEE **JOBS-PLUS**

TYPE **NATIONAL FEDERAL & FOUNDATION CONSORTIUM**

BACKGROUND Established in 1994 as a national consortium of federal agencies and private foundations: U.S. Department of Labor (DOL), U.S. Department of Housing & Urban Development (HUD), U.S. Department of Health & Human Services (HHS), The Rockefeller Foundation, James Irvine Foundation, Joyce Foundation, Northwest Area Foundation, Annie E. Casey Foundation and Surdna Foundation. This consortium has pooled over $ 25 million and served over 1,500 public housing residents.

Jobs-Plus is about transforming public housing into working communities by addressing a fundamental necessity of the life of its residents - getting and keeping a job. Operating in seven cities (Baltimore, Chattanooga, Cleveland, Dayton, St. Paul, Seattle and Los Angeles), the consortium focuses on three components: employment-related activities and services; enhanced financial incentives to work; and community support for work network.

STRUCTURE A national collaboration with the Manpower Demonstration Research Corporation (MDRC) serving as the management agent. MDRC is responsible for establishing demonstrations in each of the seven cities, providing technical assistance and evaluating programs. MDRC is a national nonprofit organization founded in 1974 by The Ford Foundation and several federal agencies including DOL and HUD. It has offices in New York City and San Francisco.

ATTRIBUTES **Jobs-Plus** has a clear and consistent mission that keeps its overall priorities clear in developing demonstrations in seven cities. Demonstrations are carefully developed in Housing Authorities and stresses - providing better services for public housing communities; leveraging resources with local partners; improving the effectiveness of Housing Authorities to serve its residents; and developing research partnerships between its Federal and foundation partners.

Labor

NOMINEE **NEW COMMUNITY CORPORATION**

TYPE **LOCAL FAITH-BASED COMMUNITY DEVELOPMENT CORPORATION**

BACKGROUND Established in Newark (NJ) in 1968 as a local self reliance organization growing out of the Queen of Angels Roman Catholic parish. Monsignor William Linder, its founder, has served as the Director of the New Community Corporation for 32 years. It
Started with an infusion of support from the U.S. Department of Labor, U.S. Department of Housing & Urban Development, The Ford Foundation, Victoria Foundation, State of New Jersey, City of Newark, Catholic Charities, Prudential Corporation, others.

New Community Corporation (NCC) has been often identified as the most successful community development corporation (CDC) in America. Based in the Central Ward, NCC promotes economic development through housing creation, job training, small business development and an array of local human services. With assets of $ 200 million, NCC employs 1,350 in housing, job training and human service programs. It is responsible for creating over 2,500 affordable housing units; 7 day care centers serving 700 children; and an local business strip which includes a supermarket, shopping center, nursing home and several job training centers.

STRUCTURE A sophisticated local CDC that has developed a number of subsidiaries over a period of thirty years (in four stages) including:
New Community Homes, NCC Associates (Elderly housing), Employment Service Centers, Babyland Nursery, Inc., and New Community Foundation.

ATTRIBUTES **New Community Corporation** has developed credibility and trust by providing genuinely valued services (as defined by local partners and community residents). It has provided services consistently and with a clear sense of purpose. The success of NCC is built on stubborn self reliance and the ability to take advantage of opportunities. With an uncanny skill of recognizing changes in local politics and economy, NCC constantly reinvents itself to provide better services; leverage more and more public and private resources; and broker venture opportunities with other local entities through community entrepreneurship.

Labor

NOMINEE	**AMERICA WORKS PARTNERSHIP**
TYPE	**NATIONAL LABOR UNION-AFFILIATED ORGANIZATION**

BACKGROUND

Since 1995, The America works Partnership (AWP) has been Implementing its Working Together For Jobs (WTJ) program with funding from the U.S. Department of Labor (DOL), U.S. Department of Housing & Urban Development (HUD) and various AFL-CIO building trade unions. This program is active in over 30 cities nationwide.

Working Together For Jobs brings together unique local partnerships adapted to each host community to bring sustainable, living wage career opportunities to disadvantaged individuals and to stimulate economic development in low-income communities. To date, WTJ has placed over 75% of all its graduates in living wage construction jobs.

STRUCTURE

A national Board of Directors that includes officers from International Union of Painters & Allied Trades, United Brotherhood of Carpenters and Sheet Metal Workers International Association. Alaska Governor Anthony Knowles, U.S. Senator George Voinovich of Ohio and Mayors Dennis Archer of Detroit and Willie Brown of San Francisco also sit on the board with leaders from non-profit organizations like the National Urban Fellows, McAuley Institute and National Community Reinvestment Coalition.

ATTRIBUTES

America Works Partnership has a very solid structure which allows for external assistance and partnerships through existing local union building trade joint apprenticeship and training committees in all the cities that AWP runs programs. Because of its relationship with national labor leaders, it is able to leverage resources and tap into the existing local apprenticeship infrastructure. This provides the Working For Jobs programs to leverage local resources and to be readily replicated its model of "linking jobs to training and community development"in the construction industry.

Labor

NOMINEE	**YOUTH OPPORTUNITY MOVEMENT**
TYPE	**NATIONAL FEDERAL PUBLIC-PRIVATE COALITION**

BACKGROUND

In 1998, Labor Secretary Alexis Herman created the Youth Opportunity (YO) Movement as a viable way to build on U.S. Department of Labor (DOL) funds of $ 1 billion for "out-of-school youth". The YO Movement is a call for action. It provides opportunities for foundations, corporations and private citizens (entertainment/sports celebrities) to invest in local community solutions to address out-of-school youth.

YO Movement strives to galvanize investment. Corporations provide jobs, internships, apprenticeships and mentoring opportunities; as well as in-kind services (i.e. curriculum design, donated computer equipment, space, etc). Foundations provide funding to the local programs of their choice for capacity-building, technical assistance, leadership development and innovative research. Celebrities volunteer their time to promote the movement through public service announcements and public appearances.

STRUCTURE

Since it is a movement and not a government program, the YO Movement is a national coalition of DOL with corporations, foundations and private citizens. Its cohesiveness is based on the commitments of members to local communities. Members like United Parcel Service, Ford Motor Company, Sears Roebuck, Annie E. Casey Foundation, Ford Foundation, Charles Stewart Mott Foundation and Magic Johnson, Edward James Olmos, and Boyz II Men have pledged their support.

ATTRIBUTES

YO Movement is unique in that as a Federal agency - the U.S. Department of Labor - acts as a non-intervening catalyst. Its role is to create a ground swell to support the employment and social needs of out-of-school youth. By bringing the plight of these youth into the public arena, it has generated leadership within the corporate, foundation and celebrity communities.

As an innovative practice, DOL has reinvented government to create new channels of support for public-purpose programs.

DOL Felipe Floresca

Survey Questions for Federal Departments and Agencies

Introduction

A. Define your relationship to nonprofits - in what ways does your agency interact with nonprofit organizations?

The United States Department of Labor (DOL) interacts with nonprofit organizations in three basic ways: (1) provides grants; (2) develops working partnerships; and (3) conducts technical assistance and evaluations.

Technical Assistance/Training

A. What types of technical assistance/training do you provide nonprofit organizations (e.g., management support)?

DOL provides nonprofit organizations with technical assistance of four basic types: (1) assistance toward ensuring that grantees execute their funded programs; (2) assistance in becoming involved in the local workforce system mandated by the Workforce Investment Act (WIA); (3) assistance in interpreting local labor laws and standards; and (4) assistance in building the organizational capacity of nonprofit organizations.

B. Who provides the assistance? Provide some examples of technical assistance providers who your agency views as models for successful TA design and delivery. What are some of the characteristics that make these providers successful? What are the limits of these providers?

DOL provides technical assistance and also contracts with external organizations. A perfect example is the work that the National Welfare-to-Work Partnership. As a technical assistance provider, the Partnership has drawn on thousands of corporations and small businesses to train and hire former welfare recipients.

C. What types of technical assistance or training are not currently being provided but should be?

More technical assistance concentrating on having nonprofit organizations to operate more like business ventures. DOL is looking at how to learn from the best practices of foundations with their "venture philanthropy" approach.

D. If applicable, list other ways your agency improves the efficacy of the nonprofit organizations it works with?

DOL acts as a catalyst to create partnerships, both national and local, between different types of nonprofit organizations; including community-based organizations (CBOs), community development corporations (CDCs), workforce investment boards (WIBs), advocacy groups, chambers of commerce, trade associations, private foundations, intermediary organizations, community colleges and universities, labor unions and faith-based organizations.

Relationship With NonprofitsA. What types of services do nonprofits that you partner with provide (health, human services)?

DOL grantees provide services in employment, training, skills development, job creation and related supportive services (child care, transportation, financial literacy, etc).

B. Are there any model relationships that are particularly effective in achieving the critical goals of your department/agency?

Labor Secretary Alexis Herman created the Youth Opportunity (YO) movement to address the needs of America's youth; especially out-of-school youth. As an initiative, not a government program, the YO movement combines three P's — Public awareness, Partnerships and Programs.

C. Can you identify any significant obstacles that hinder more effective relationships between federal agencies and nonprofits?

The combination of government regulations and administrative guidelines can stymie innovative and creative relationships being pursued by government with nonprofit organizations.

Public Policy

A. Do you have a working relationship with nonprofits when it comes to developing public policy (e.g., regulatory and budgetary matters)?

DOL utilizes a process of open public dialogues to both inform and receive suggestions and comments from nonprofit organizations about the American workforce and workplace.

B. If so, please provide some examples of collaborative activities and describe what worked well and why you think it worked well.

A prime example is the "Futurework" dialogue involving trends for the 21st century labor market and workplace. Community-based organizations, foundations, universities, advocacy groups, chambers of commerce, private employers, trade associations and labor unions have all contributed to a national dialogue.

C. If not, what are the barriers to developing a working relationship with nonprofits on public policy matters?

D. What do you think can be done to hurdle the barriers or strengthen the relationships with nonprofits when developing public policy?

Relationships can be strengthened by continuing to have nonprofit organizations invited to participate with federal agencies in major White House initiatives — new markets, community empowerment, livable communities, bridging the digital divide, etc.

Foundations

A. Do you have a working relationship with foundations or other private donors?

Partnerships with foundations have been created and are ongoing. Foundations are viewed as important partners to help grow the capacity of DOL grantees and complement their programs. Secretary Herman convened a foundation roundtable in November, 1999 with the leadership of twenty foundations in support of the YO movement and has foundations as active partners with the President's new markets initiative.

B. If so, please provide some examples of collaborative activities and describe what worked well and why you think it worked well.

A combination of independent, corporate, community, operating and leadership foundations have dedicated resources to support youth services as part of the YO movement. Some of the foundations include Annie E. Casey Foundation, California Endowment, Enterprise Foundation, Ford Foundation, Charles Stewart Mott Foundation, Ms. Foundation for Women and San Diego Foundation.

C. If not, what are the barriers to developing a working relationship with foundations and other donors?

D. What do you think can be done to hurdle these barriers or strengthen relationships with foundations and other donors?

Relationships can be strengthened by having the White House convene a conference as a follow-up to the October, 1999 conference on philanthropy. This conference would invite more of cross-section of different types of foundations:

- **independent (established larger foundations)**
- **corporate (combination of internet-derived and securities/bank-derived)**
- **community foundations and funds**
- **operating**
- **leadership (foundations founded by entertainment and sports celebrities)**
- **infinity groups**

Resources

A. What resources do you provide to the nonprofit community (e.g., grants, in-kind services- if possible give amounts)?

DOL provides grants and in-kind services to the nonprofit community. The primary agency is the Department's Employment and Training Administration (ETA) which allocates major funding through the welfare-to-work, youth opportunity and dislocated workers programs. It should be mentioned that although these programs provide funding to nonprofit organizations, the bulk of DOL funding is based on a State/local formula (with funds going to state and municipal government).

B. How can nonprofits find out about the resources that you make available to them?

Besides the traditional announcements in the Federal Register, DOL maintains a web site. Additionally, local Department offices and one-stop centers provide information.

C. Do you provide any support services to help nonprofits comply with cost principles and administrative requirements (e.g., Circular A-122, Circular A-133)? If so, what are these?

D. What steps is the department/agency taking to comply with the new Federal Financial Assistance Management Improvement Act, particularly in regards to streamlining grant applications and reporting requirements?

In both instances, technical assistance is provided by the Department through conferences, workshops and telephone consultations.

Communication

A. How do you reach nonprofits to inform them of departmental/agency information? Do you have any form of regular communication? If so, what form does it take?

DOL's one-stop centers represent a very viable way to reach the nonprofit community.

B. Does your web site provide information specifically for nonprofits to use? If so, what are some examples of how your web site responds to nonprofit needs? Does your department/agency participate in the Nonprofit Gateway <**http://www.nonprofit.gov**>? If so, what types of resources does it take to keep information current?

DOL's web site is used extensively by the nonprofit community. America's Job Bank and America's Talent Bank are used by nonprofit service providers and employers to serve local skill and job seekers.

C. What changes would you suggest to improve communications with nonprofits?

Since the internet is not available to every local community, it is important to promote innovative ways to bridge the digital divide. A White House task force can help coordinate federal agency involvement.

Competition

A. To what extent does the department/agency require nonprofit participation in the delivery of services?

DOL is mandated by the Workforce Investment Act (WIA) to work with State/municipal government to ensure that the nonprofit community is a core component of the new local workforce investment system being put into place across the nation. By July, 2000, each governor will have submitted a comprehensive workforce investment plan which includes workforce investment boards and youth councils.

B. Please provide examples of contracts/grants/services that your agency formerly provided through nonprofit contractors/grantees but that are now provided by for-profit grantees/contractors. Why did this change occur?

With the enactment of the Workforce Investment Act (WIA), a formula-driven grant/contract process is in place. DOL provides formula funding to State/municipal

government. At the discretion of State/municipal government, for-profit organizations have received grants and contracts.

This change (mandated legislatively by WIA) is following a policy pattern of "devolution" throughout the federal government.

Malcolm FYI M.E.

U.S. Department of Labor

Employment and Training Administration
Office of Employment and Training Programs
200 Constitution Ave, N.W. Room N4703
Washington, D.C. 20210

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The New Landscape for Nonprofits

by William P. Ryan

Harvard Business Review

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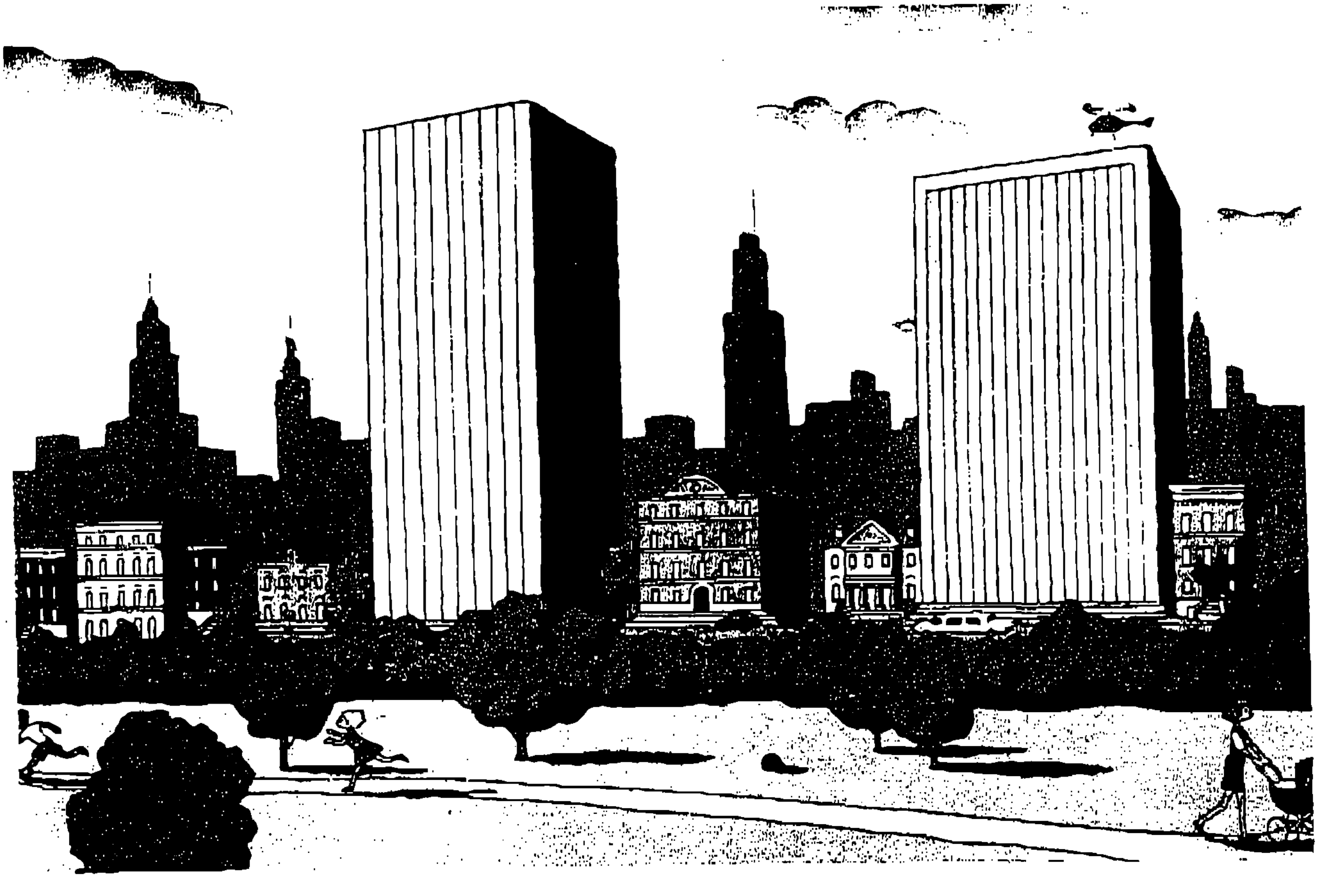
The entry of for-profits into social services raises fundamental questions about the mission and future of nonprofits.

THE NEW LANDSCAPE FOR NONPROFITS

by William P. Ryan



On September 15, 1996, just months after President Clinton made good on his 1992 promise to reform welfare, the front page of the *New York Times* carried an article that sent shock waves through the nonprofit community. Lockheed Martin IMS – a division of the defense giant Lockheed Martin – Electronic Data Systems, and Andersen Consulting were each preparing to bid for the management of $563 million in welfare operations in Texas. True, most nonprofit leaders were already accustomed to the idea of profit-seeking hospitals, proprietary day-care centers, and for-profit trade and technical schools. But the entry of

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ARTWORK BY YAN NASCIMBENE

a player like Lockheed Martin into the new welfare-to-work arena would further blur the lines between the nonprofit, for-profit, and public sectors. Lockheed Martin was moving out from behind the scenes – where it had designed computer systems to help public agencies administer government programs – and treading on nonprofit turf. Although in this particular case the bidding process broke down, Lockheed Martin has won more than 20 contracts and currently provides four states with case management, skills training, and job placement assistance – the same kinds of services that government agencies had contracted to nonprofits for years.

The real message is that just about everything affecting the provision of social services has profoundly changed.

The news provoked accusations of "poverty profiteering." To nonprofit observers, Lockheed Martin's crossover proved that for-profits would do anything for a buck, including reinvent themselves as providers of social services. Companies that treated the social services as a business proposition – or so the argument went – merely underscored a fundamental difference: nonprofits and their government funders invest in people, and for-profits invest in profits. Yes, Lockheed Martin had crossed the line between the sectors, but the line remained.

That interpretation, however, missed the bigger story. The real message of Lockheed Martin's move into nonprofit work is that just about everything affecting the provision of social services – the government agencies that award contracts, the political environment in which they operate, and the preferences of clients – has profoundly changed. To simply attribute these new developments to the entrepreneurial initiative (or greed) of a few companies misses the significance of the new competitive realities at hand.

Through their involvement in welfare-to-work programs, corporations are reframing the debate about the appropriate roles of nonprofits and for-profits. In the process, they are bringing to light some pressing questions about the provision of social services today. Does the presence of for-profits on nonprofit turf inevitably threaten the existence of nonprofits? If nonprofits choose to compete with for-profits as providers of social services, can they develop enough capacity to be effective? Are the traditional nonprofit goals of social advocacy and community building compatible with the goal of competing successfully in the marketplace? And perhaps most problematic, Is the common interest best served when nonprofits aim to compete on for-profit terms?

Nonprofit stakeholders will be sorting out these questions for years. But the greatest peril is not that nonprofits may ultimately be driven out of the social service marketplace. Rather, the danger is that in their struggle to become more viable competitors in the short term, nonprofit organizations will be forced to compromise the very assets that made them so vital to society in the first place.

This much is already clear: however the struggle between providers ultimately plays out, the nonprofit sector cannot return to a halcyon time when charities were "uncontaminated" by the market. That, at least, is the sentiment I hear in my work as a consultant to the nonprofit sector and in my interviews with 30 participants in the social service environment. I interviewed both for-profit executives who are expanding their companies into social service markets and the investors who analyze these companies' performance and prospects. In addition, I talked with leaders of nonprofit organizations that collaborate with for-profit companies in joint ventures. Overall, the interviews demonstrate that the debate over the roles of for-profits and nonprofits has been drawn too narrowly. The point is not whether nonprofit organizations can survive opposition from for-profits. In fact, many are adjusting to the new competitive environment quite well. The real issue is whether nonprofits can adapt *without* compromising the qualities that distinguish them from for-profit organizations.

Indeed, nonprofits are now forced to reexamine their reasons for existing in light of a market that rewards discipline and performance and emphasizes organizational capacity rather than for-profit or nonprofit status and mission. Nonprofits have no choice but to reckon with these forces – forces that were unleashed and that continue to be shaped not by the private sector but by government itself.

Why Are These Changes Occurring?

For most of this century, society's caring functions were the work of government and charities. Government provided some services, and philanthropists filled in the gaps. Since the Great Society days of Lyndon Johnson, nonprofits and government have worked together in a deliberate partnership.

Under this arrangement, public agencies awarded contracts to nonprofit providers in large part because of what they were: reputable, committed, like-minded community institutions. Until fairly recently, many public agencies effectively prohibited for-profits from competing for those contracts precisely on the grounds of what they were: profit-seeking, socially suspect, self-centered businesses. With the notable exception of liberal holdouts like San Francisco, which have politically influential nonprofit communities, most agencies are now beginning to reverse these policies. Government agencies are outsourcing a greater proportion of work, and they are awarding contracts to providers not because of what they are but because of what they can do. Many government officials are becoming purposefully neutral about the role of for-profits. Nonprofits are no longer considered automatically entitled – or even best qualified – to provide social services in the United States.

Nonprofits are no longer considered automatically entitled – or even best qualified – to provide social services in the United States.

Outsourcing Is Growing Fast

The greatest change in service delivery comes from a change in the public sector. Over the past two decades, government officials have taken to heart the central tenet of the "reinventing government" movement – that is, setting policy and letting others deliver the services. Thus, although big government may be fading away as public policy shifts from big spending on social services, it is still outsourcing to private providers, which creates abundant opportunities for those that know how to take advantage of them. One analyst at SunTrust Equitable Securities believes that "the growth of outsourcing is unstoppable."

Indeed, more than half of all government spending already goes toward the purchase of goods and services in the private marketplace. The practice enjoys nearly unanimous political support. On the right side of the political spectrum, free market adherents praise the benefits of competition among providers, while other conservatives tolerate outsourcing as a necessary way station on the road to a much smaller welfare state. On the left side of the spectrum, liberals find the policy of outsourcing to small, community-based organizations appealing because they hope to empower marginal groups to deliver services from within the community. Moreover, politicians of all persuasions can use outsourcing to satisfy the public's conflicting demands for more services and a smaller public workforce. The fact that most politicians cannot estimate the costs and benefits of outsourcing only proves that the commitment to outsourcing is often more emotional than rational.

Whatever the justification, there is more outsourcing today than ever before, and for-profit executives are bullish about their prospects for growth in social services. Outsourcing has expanded the scope of the social service marketplace. And although nonprofit observers are inclined to look for clues about their future environment by tracking the moves of competitors like Lockheed Martin, savvy for-profits are following the public agencies that influence market trends. These corporate pioneers understand that the real news is not the appearance of a few high-profile for-profit players on the field but rather the underlying changes that have made their entry and rapid growth possible. While many nonprofits are still reeling from cutbacks on social spending, for-profits are celebrating the fact that government outsourcing is still growing in so many areas.

For-profit companies have documented this rise in government spending. Maximus, for example, a provider of welfare-to-work services, informs investors in its prospectus that the administration of social programs is a $21 billion market. SunTrust Equitable Securities also understands the economic potential of providing social services. It recently published a report on government spending in child welfare, juvenile corrections, and special education entitled "At-Risk Youth...A Growth Industry." Understandably, nonprofit providers find the juxtaposition of social problems and the profit motive profoundly troubling – for clients, to be sure, but for themselves as well. The perspective raises unsettling questions for nonprofits. Can they compete? And at what cost?

Government Is Adopting a Business Mind-Set

The real opportunity for for-profits, however, does not come from increased outsourcing alone. The real revolution is that the social service market is now accepting providers that have a decided for-profit bent. In marked contrast with earlier years, when for-profits were excluded from the social services – frowned upon as unfit partners for government – the public sector now sees business not as a pariah but as a role model. This radical transformation in public-sector attitudes has spurred – even dared – for-profits to move into the social-services-delivery system. (See the exhibit "Who Are These Companies?")

The new tolerance of for-profits undoubtedly reflects an increasingly conservative political climate that values the power of markets and the profit motive to create efficiency. It also underscores the new culture of performance among public managers – a culture that has its roots in business principles and concepts. The language of the "reinventing government" movement self-consciously reflects this business worldview. Businesspeople cannot fail to notice that the same government managers who once treated them as outcasts now share their language and mind-set. Government officials now talk about performance contracts that have provisions for risk sharing, pay-for-performance, and bonuses – another welcome development among for-profits. Unlike more traditional cost-reimbursement contracts, which protect providers of services by covering their costs regardless of outcomes, performance contracts shift the risk to providers, which only get paid for successfully completed assignments. Although few social-service contracts are totally performance-based, the tougher spirit of the new approach gives for-profits an edge in the bidding process. For-profits can use their generally greater supplies of working capital to assure governments that they can cover the risk if they fail to deliver on their contracts. The implications for nonprofits, which cannot follow suit, are disturbing. As Holli Ploog, a senior vice president at Lockheed Martin, has argued, "Small players...do not have the ability to indemnify the state the way a large corporation would. The larger states want to make sure they can hold you accountable and can dip into your pockets if there's a problem."[1] Clearly, for-profits already have a strategy for competing in a market-

Who Are These Companies?

In addition to Lockheed Martin, here are some examples of for-profits doing work in the social services.

America Works
New York, New York
America Works is a job placement specialist with contracts in several locales, including New York City and Indianapolis, Indiana. Its services help people cope with the pressures and demands of the real world. Although clients are dropped from the program for tardiness and unexcused absences, those who persevere get assistance with résumé writing and interview skills, and support in resolving workplace issues such as how to deal with a new boss and how to find child care.

Children's Comprehensive Services
Nashville, Tennessee
With revenues of more than $90 million in 1997, CCS is one of the largest and fastest-growing for-profit social service providers in the at-risk youth market. Founded in 1985, it provides treatment and education services to youths with emotional, behavioral, and learning problems. CCS offers its services in both residential and nonresidential settings – for example, it organizes an Outward-Bound-style "therapeutic wilderness" program for juvenile offenders.

Maximus
McLean, Virginia
David Mastran, a former official at the U.S. Department of Health, Education, and Welfare, founded Maximus in 1975. It has served as a management and information-systems consultant to hundreds of local, state, and federal human-service agencies in the United States and several other countries. In addition to providing job training, Maximus offers training in so-called soft and life skills. In other words, it teaches people everything from how to dress well to how to manage a household budget. Today Maximus operates welfare-to-work programs in 18 jurisdictions. Its 1997 revenues totaled $128 million.

Youth Services International
Owings Mills, Maryland
YSI operates detention programs for adjudicated youth by operating "boot camps," which subject juvenile offenders to an intense, physically demanding regimen. It also runs reform schools and sex offender programs. With contracts in 13 states, YSI's revenues in 1997 totaled $108 million. Founded by Jiffy Lube entrepreneur and one-time delinquent youth W. James Hindman, it will become a wholly owned subsidiary of Correctional Services Corporation of Sarasota, Florida, under a deal announced in September 1998.

driven world. Now nonprofits must analyze whether and how the changing marketplace can work to their advantage.

What Business Brings to the Table

The changing landscape of social services has been influenced by expanding markets and a new business zeitgeist. In addition, both for-profits and nonprofits attribute the recent growth of for-profits to four interdependent factors: size, capital, mobility, and responsiveness.

Big is beautiful. Size confers several benefits on an organization: economies of scale, opportunities to manage risk across contracts, the ability to compete for contracts that require a wide range of services, and even the ability to recruit good employees with the promise of advancement in a growing organization. Moreover, the larger companies become, the easier it is for them to expand. Lockheed Martin and other corporate giants boast of their ability to launch an entire operation – with new offices, staff, technology, and programs – within a few weeks of signing a contract. Size has enabled for-profits to make aggressive acquisitions in the youth-services field. In the first quarter of 1998, for example, Youth Services International acquired providers with annual revenues approaching $200 million. By contrast, many nonprofits believe that their mission of serving a local community is completely at odds with national expansion. Their intentions may be praiseworthy, but the competitive ramifications of their decision to stay small are not trivial.

Government once frowned upon for-profits as unfit partners; now the public sector sees business as a role model.

Capital means capability. Throughout my interviews, for-profit and nonprofit experts highlighted the importance of capital for delivering social services. For-profits seem to have a decided advantage in this area. Maximus's 1997 initial stock offering, for example, raised more than $66 million. Res-Care, a provider of services to at-risk youth, has raised more than $120 million since 1996. Similarly, Youth Services International and Children's Comprehensive Services each raised close to $40 million during the same period. Backed by this capital, these for-profit companies were able to expand into new markets. They invested in new services, equipment, and facilities; acquired smaller organizations; and covered expenses through periods of low cash flow. Nonprofits generally lack such funds; they have to supplement their contract fees with philanthropic grants.

Those grants, however, are usually earmarked for specific purposes – to deliver certain services, not to build up capacity. Moreover, according to the Foundation Grants Index, general operating grants, which function like working capital for many nonprofits, have been drying up since the early 1980s. Further aggravating the situation is the fact that nonprofit stakeholders often view money invested to build competitive capabilities as money diverted from social service clients. In the interest of protecting clients and donors, for example, watchdog groups like the National Charities Information Bureau expressly fault nonprofit organizations that accumulate substantial reserves.

Mobility matters. Mobility gives for-profits advantages that most nonprofits, mainly single-site operators, lack. Large for-profits have the luxury of choosing the markets in which they want to work because profits are high and their services are well suited to government needs or because the contracts will be relatively easy to administer. At the same time, they can and do quickly pack up and leave markets when conditions become unfavorable. By contrast, single-site nonprofits must contend with local policy and contract practices whether they like them or not. Many nonprofit leaders see their mission as one of developing long-term community resources. These nonprofits would not expand to a more favorable environment even if they could. Consequently, if government contracts don't pay well enough to cover the services that these single-site nonprofits want to offer, they have little alternative but to limp along.

Responsiveness is rewarded. Government outsourcing forces providers to deal with two clients: the individual clients they serve and the government clients who award them contracts. Because for-profits are dedicated to the bottom line, they can respond very quickly to their government client. When public policy switches from talk therapy to pharmacology, for example, or from community-supervised rehabilitation of youths to incarceration, for-profits implement the new policies without deliberating over the impact on society. Nonprofits, by contrast, consider not just the government but society to be their client. As a result, they often disagree openly with government policies – as many did with welfare reform – and may therefore be slower to implement government policies they don't believe in.

Who Performs Better?

For-profits obviously have an advantage in acquiring new contracts, but do they actually perform better? Research on this question has not yet yielded a definitive answer. Some studies – in child and home care, for example – conclude that there are no overall significant differences in performance between the for-profit and nonprofit sectors, even though there appears to be some correlation between better-paid employees and more satisfied clients. Moreover, despite the fact that government agencies have been awarding more contracts to for-profits – seeming to express their satisfaction – little is known about the satisfaction of the actual client: the beneficiary of the services.

In the absence of hard evidence, nonprofits are no longer given the benefit of the doubt. In fact, the capacity and effectiveness of nonprofits are increasingly doubted; in *Holding the Center: America's Nonprofit Sector at a Crossroads*, nonprofit expert Lester Salamon termed the phenomenon a "crisis of effectiveness." It seems naïve to believe, however, that for-profits in search of profitable business opportunities will voluntarily serve the interests of the common good. In any case, government officials are not waiting around for more evidence on which type of organization does the better job. In the short term, they will almost certainly award their contracts according to narrow criteria that tend to favor for-profit providers. This much is sure: as long as government agencies demand the kind of contracts that can best be executed by well-capitalized, technologically sophisticated companies like Lockheed Martin, nonprofits will be at a decided disadvantage.

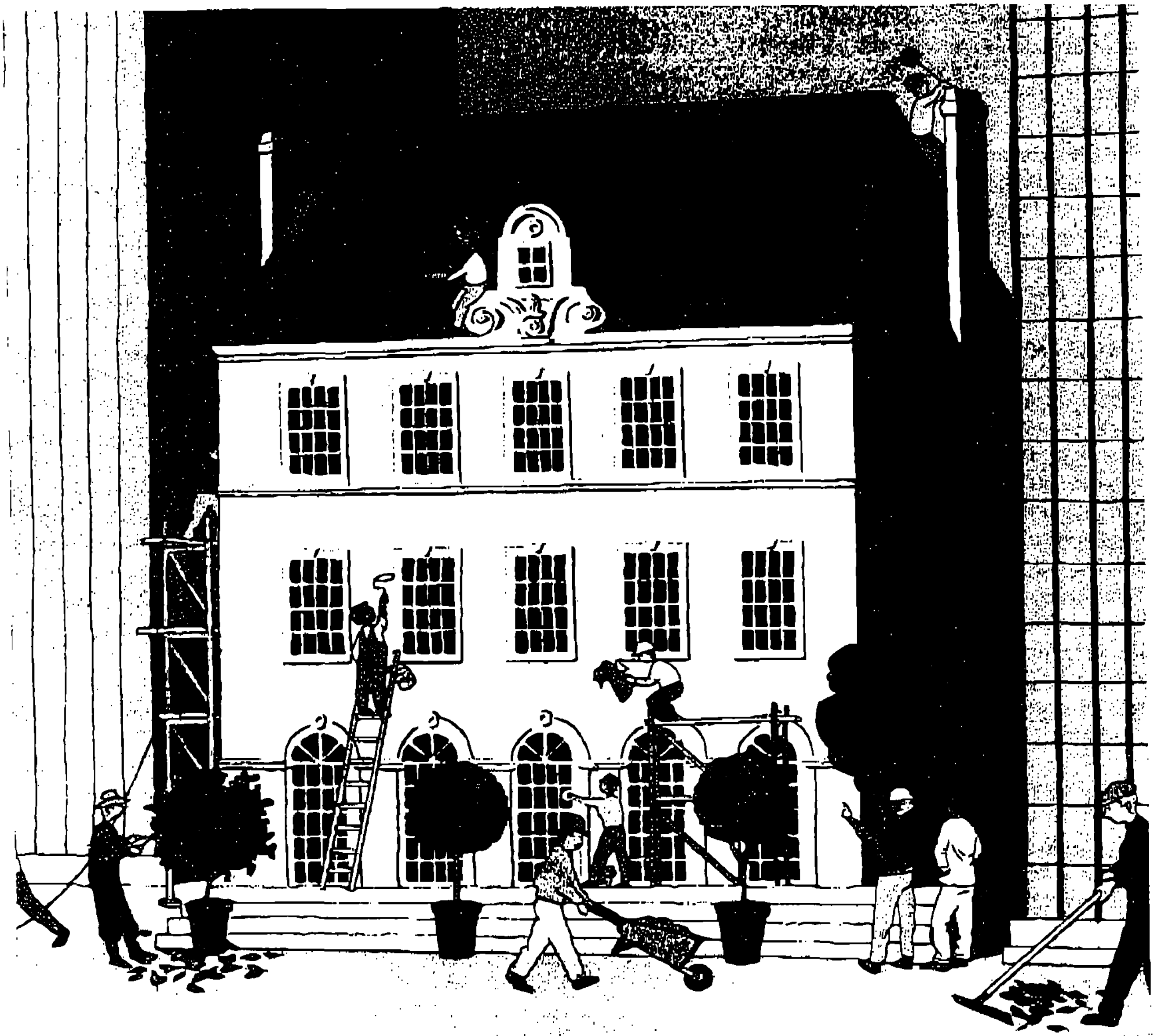
Believing that for-profits in search of business will voluntarily serve the public good seems naïve.

How Nonprofits Are Responding

Nonprofit organizations have adapted to new marketplace realities in various ways, ranging from subcontracting to partnership to outright conversion to for-profit status.

Consider "single signatory contracts," which allow government agencies to execute a master contract with a single provider. Essentially, the government outsources the outsourcing: the provider delivers the services and manages the service delivery system. Under this kind of arrangement in Dade County, Florida, for example, Lockheed Martin hired nearly 30 agencies to supply various welfare-to-work services – including transportation, child care, mental health services, and treatment for drug and alcohol abuse, not to mention job readiness, skill training, and job placement services. The administration of this project – the creation of subcontracts, the billing, and the management of information across systems – is itself daunting. Government agencies don't want the burden, and many nonprofits are incapable of handling it. Therefore, for-profits that are already experienced in managing complex projects, generally corporations with excellent management-information systems, will fully assume the role when and if the price is right. Ironically, for-profits need good nonprofits with programmatic expertise and access to hard-to-reach neighborhoods in order to deliver on these contracts. Many nonprofits are happy to subcontract for for-profits because this piggybacking allows them to participate in huge contracts they could not handle alone. Such collaboration will go a long way to ensure that even small nonprofits continue to have substantial opportunities to provide social services.

Even more striking, perhaps, are the nonprofits that have been willing not only to go along with for-profits but to seize the initiative. Consider the YWCA of Greater Milwaukee. Large and sophisticated by any nonprofit standard, this YWCA concluded that it could not go it alone. To handle the demands of a comprehensive, $40-million welfare-to-work contract, it created a for-profit limited liability corporation with two for-profit partners. According to its executive director, Julia Taylor, if the group had chosen *not* to compete for the new welfare-to-work contract, it would have lost up to 40% of its public funding, which was being reorganized into the welfare program. The YWCA of Greater Milwaukee needed scale and managerial capacity to compete for the contract, so it sought two for-profit partners. The new company, YW Works, provides services from 7 A.M. to 7 P.M., staffs a 24-hour resource line, provides transportation assistance, emergency loans, and job-site clinicians, and has better assessment and placement programs



To respond to new marketplace realities, nonprofits will have to reconfigure their operations and organizations.

with improved information technology. In short, YW Works provides almost every service needed to help someone find a job.

Abraxas, a nonprofit organization with a 25-year track record in the field of at-risk youth, went even further. CEO Arlene Lissner wanted to increase the organization's access to capital. She assessed Abraxas's future and estimated that the risks of staying independent were greater than the risks of being acquired by a for-profit. Specifically, Lissner believed that a conversion deal would enhance Abraxas's access to capital while preventing it from being driven out of the market by a larger competitor. She concluded that only an outright acquisition by a hand-selected for-profit could ensure Abraxas's survival. Her board agreed, so they hired SunTrust Equitable Securities to find for-profits that might want to acquire the organization. Nine for-profits were interested in this win-win situation: a new infusion of capital and scale for Abraxas and a demonstrated program capacity and scale for the for-profit. Abraxas struck a deal with Cornell Corrections, a leading prison-management company. Lissner was given a seat on the Cornell board, and the Abraxas Group, as it is now called, retained its own identity, staff, and board.

Lockheed Martin, YWCA, and Abraxas are examples of organizations that took action in response to market changes. Together, they show how providers are struggling to adapt to a marketplace that wants it all: the complex project-management skills of a for-profit and the grassroots strengths of a community-based nonprofit. For-profits stand to gain by playing in the new environment: they can grab contracts, market share, and profits. But nonprofits face a risk. The new marketplace will force them to reconfigure their operations and organizations in ways that could compromise their missions. How big is this risk? To answer that, we must revisit both the mission of nonprofits and the needs of the community. Nonprofits now find themselves in a world in which they share the same territory with for-profits, sometimes as competitors and sometimes as collaborators. The distinctions between these organizations will continue to be blurred. It is precisely this blurriness that could endanger the nonprofits as they are forced to adapt – and perhaps abandon – the very qualities that enabled them to advance social causes in the first place.

Nonprofits now share territory with for-profits, sometimes as competitors and sometimes as collaborators.

What the Future Holds

Despite their gains, for-profits will not threaten the existence of nonprofits by achieving a wholesale takeover of social services in the United States. Many nonprofits will remain large enough – and smart enough – to be viable competitors. For-profit investment analysts, therefore, rightly caution investors not to underestimate the clout of nonprofits protecting their turf. Notwithstanding their greater capabilities and resources, for-profits will generally have to fight for market share, and they won't always win. In some jurisdictions, policymakers will inevitably conclude for political and policy reasons that they simply cannot afford to be neutral about for-profits; the environment will be unwelcoming for at least some for-profit players. Furthermore, an economic slowdown with less government spending would likely force some of today's for-profit providers to retreat to their home turf. For a wide array of reasons, then, for-profits are here to stay but not to dominate.

A large-scale exodus of for-profits, however, is unlikely. As their industry reports and market analyses argue, for-profits can count on favorable demographics and increased public spending in selected markets, which will ensure them a role in the delivery of social services. And even though the growing visibility of for-profits in social services will likely lead to greater public scrutiny – and perhaps even to a temporary backlash – an abrupt reversal of public policy is implausible. In fact, complaints about the tensions between the needs of the clients and the profit motive, along with occasional high-profile scandals, may lead to better contract standards and enforcement, not to a radical rejection of for-profits. And as the field increasingly learns to discriminate between "good" and "bad" for-profits, respectable for-profits will continue to gain legitimacy.

Although there will not be any immediate large-scale, for-profit takeover, a creeping takeover is, in some ways, worse. A sweeping takeover by for-profits would at least alert society and policymakers to the fact that for-profits are beginning to play a substantial role in the provision of social services. This is not inherently right or wrong, but there are hazards associated with the change, and the future of nonprofits may be at stake. Some observers already see a conflict between the provision of service and the quality of service by for-profits. Consider the welfare-to-work provider who places someone in the first available job instead of holding out for a job that is likely to lead to more rewarding and remunerative work. For-profits are more likely than nonprofits to advocate public policies that favor profitability in the short term rather than policies that help communities over the long term. If for-profits operate juvenile detention centers, for example, they may advocate get-tough juvenile sentencing policies to increase business. Both the juveniles and their communities, however, might fare better with a more community-based approach.

The issue, then, is this: How does society fare when nonprofits attempt to adapt in order to compete? In this respect, there are four basic questions that we must ask.

Who provides better service? Although nonprofit providers can no longer say, "We're the only ones to provide this service," they may still be the best providers. Many nonprofits have more expertise and experience in delivering social services, and they have effective and refined program strategies. Nonprofit employees, moreover, often believe that they bring special values and commitment to their work that few for-profits demonstrate. They feel they care more: they are willing to spend more time, have more patience, and interact more humanely with clients.

Now nonprofits have to worry about whether these values are consistent in a marketplace where performance-based contracts are the norm. Some providers have already felt the pressures of managed care – physicians and therapists are often forced to limit the amount of time spent with patients, the options they present to patients, and the use of special technology and other resources. With their similar focus on productivity and results, performance-based contracts are likely to create similar conflicts.

Who offers unsubsidized services? Unlike their for-profit counterparts, nonprofit providers usually reinvest their surplus revenues into more services for the community. Typically, nonprofits either provide services to individuals who are ineligible under government contracts, or they improve services for those who are eligible. A nonprofit provider of welfare-to-work services, for example, might fulfill its obligations under a government contract and then use the surplus to offer more than the government is willing to provide. Or it may provide additional training to people already placed in entry-level jobs, thus helping them move into higher-paid jobs that could lift their families out of poverty. These "extra" programs honor both the letter and the spirit of the contracts. In this way, nonprofits deliver not only on their contracts but also on their missions.

Nonprofits that must compete with for-profits on price, however, are in danger of ending up with smaller surpluses to extend their services. According to many nonprofit managers, this problem will be compounded by a second one: whenever for-profits and nonprofits compete for government contracts, for-profits will end up seeking the clients who are easier to serve. One result may be that nonprofits will find themselves with a greater proportion of the harder and more expensive cases, with few surplus revenues to spend on the services they have traditionally offered. Although it is true that nonprofits can use private donations and foundation grants to extend the depth and reach of their services, such funding may not be enough to cover an overextended nonprofit completely. So a few nonprofits have spun off revenue-generating businesses to supplement their incomes. Given the demands of any start-up business, however, this path entails a new set of risks. In other words, nonprofits dedicated to "filling in the gaps" are going to find their jobs harder in the new environment.

Who promotes civic virtues? Nonprofits argue that even if they offer the same services as for-profits, they provide an additional benefit: an opportunity for citizens to become engaged in community affairs. By providing a venue for volunteers and trustees to contribute their time in service or governance, nonprofits contribute to a healthy civil society and democracy. This is a job that the market and for-profit providers are simply not equipped to handle. But even this fundamental quality is endangered when a nonprofit seeks to become a more competitive provider. In most cases, nonprofits are not being funded to strengthen society but to provide social services. As the market pressures them to become more competent at jobs such as project management and more attentive to the strategic demands of their industry, how committed can they remain to this civic dimension? Some observers note that the makeup of hospital boards has already begun to change in response to competitive pressures. Well-intentioned, community-minded individuals are no longer good enough. To be effective, boards need businesspeople with the ability to understand and govern a complex industry. To be sure, some sophisticated nonprofits can remain dynamic civic resources and effective, competitive providers. But clearly, managing the tensions in the two roles is presenting new risks and challenges.

Do we need advocates? Many nonprofits see their mission as more than the delivery of services. They also act as educators, advocates, and vigorous agents of social change, challenging society to respond to human problems in new ways – particularly through public policy. The mission of most nonprofit job-training and placement providers, for example, is not simply to offer high-quality services to clients but also to help them out of poverty and into self-sufficiency. This goal is likely to require a policy agenda in addition to service delivery. Indeed, nonprofits have long struggled to reconcile their service delivery functions with their larger missions. It can be difficult for those holding public contracts to criticize the policymakers who issued their contracts.

Nonprofits are likely to find this balancing act especially difficult in a more competitive environment.

Nonprofits will be forced to reconfigure their operations in ways that could compromise their missions.

Many will be competing with for-profits that have no policy conflicts and that are eager to supply whatever the government wants. Fortunately, many communities have attracted advocacy-only nonprofits that are free of these conflicts. But their resources may not offset the decline in the advocacy capabilities of those nonprofit providers that have traditionally combined both roles.

This vulnerability comes at exactly the moment when the entry of for-profit providers should prompt nonprofits to be more vigilant in monitoring government management of contracts. Although social service clients can be short-changed by poorly run or corrupt nonprofits, they may face greater risks when social services and the profit motive come face-to-face. Some of the most sensational abuses in recent years – in for-profit juvenile detention centers in Louisiana and at for-profit psychiatric facilities – suggest what the worst-case scenario looks like. Designing and enforcing contracts that promote efficient services while protecting the individual client's need for humane and high-quality service is an enormous challenge. Both nonprofit and for-profit providers tend to agree that government contract administrators are not yet up to the challenge. Many agencies and their employees are still in the early stages of a transition from "rowing to steering," in the slogan of the reinventing government movement. Their staffs are often overextended and trained as providers, not as contract administrators. The job of lobbying for better government funding, staffing, and enforcement – and the design of standards that will protect clients' interests – is by nature a nonprofit job. If nonprofits are consumed by the challenges of becoming competitive providers, that job may be in jeopardy.

Is Winning Losing?

Social services in the United States are in a period of transition. The demands of a new marketplace are offering opportunities to for-profits but creating hazards for nonprofits. Resourceful nonprofits, especially the larger ones, will very likely get the capital and technology they need to deliver what the new government contracts demand. But because their government partners have changed the rules of the game so dramatically, nonprofits may be retreating from their mission in order to gain market share. Thus, nonprofits can win and lose simultaneously. Can nonprofits win contracts and still be responsive to their clients and communities? Unlike their for-profit counterparts, nonprofits may conclude that winning isn't everything.

1. Nina Bernstein, "Giant Companies Entering Race to Run Welfare Programs," *New York Times*, September 15, 1996, p. 1.

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What We Do

The Management Assistance Group (MAG) provides individualized, in-depth support to nonprofit groups that are grappling with organizational problems, challenged by change or growth, or striving to become stronger.

We work exclusively with groups committed to a just, humane and sustainable society, whose values we share.

We strengthen them in a variety of ways:
We help them to define their goals, improve their fund-raising strategies, combat staff burnout and inspire board members to higher levels of activity. We help them to cope with crises, plan for transitions and make the most of limited resources. We help them to determine when new staff, systems or management positions are required. In other words, we do whatever is needed, in strict confidence, to help groups improve their effectiveness and achieve their goals.

We work most often with fundamentally sound organizations, which seek our help when they are experiencing rapid growth, dislocation or internal stress due to changes in leadership or direction, or confusion about shifting roles and responsibilities; a group does not have to be in crisis to benefit from our services.

We work not only to address immediate challenges, but to delve beneath assumptions and identify underlying problems. We help each group to design solutions tailored to its particular needs, and we provide the open, straightforward communication, guidance and follow-up needed to make concrete changes. We stress the importance of rigorous, ongoing self-examination, leaving our clients with the tools and the competence to manage and redirect themselves.

Since 1981, we have assisted nearly 1,000 organizations working for social and economic justice, civil rights and civil liberties, environmental protection, citizen empowerment, strong families and communities, security and peace. We now assist about 75 groups a year. Groups typically hear about us from organizations we have helped or from their funders.

▲ OVER ▲

The issues MAG helps social purpose organizations to address include:

Purpose and priorities.
Many of the difficulties groups experience can be traced to the absence of a clear and fully understood purpose or tangible goals. We help groups to define their mission, refocus programs to adapt to changing conditions and develop clear priorities.

Organizational structures.
When an organization grows or changes, new structures and systems may be needed to address changing realities or to better coordinate activities; what worked when a group was small may not work once it has expanded to include multiple departments and programs. We help organizations adapt by clarifying lines of authority, defining roles and responsibilities and identifying new staff needs or reorganizing to integrate activities more effectively.

Managerial styles.
There is no one "right" leadership style, but an organization's senior people must develop the skills, understanding and sensitivity to manage successfully. MAG works closely with leaders to develop effective ways to supervise and motivate staff members, delegate authority, improve performance and achieve the right balance between independence and accountability.

Financial management.
We help groups to master the sophisticated planning, budgeting and management techniques needed to stretch limited resources.

Fund-raising.
Building a diverse and stable funding base is one of the biggest challenges nonprofits face today. We illuminate institutional obstacles to fund-raising, and guide groups towards the development of successful, diversified fund-raising plans that make better use of staff, board members and volunteers.

Working relationships.
All organizations experience breakdowns in communication or encounter barriers to smooth functioning. We help groups to deal with issues that underlie staff conflicts, overload and turnover by working to improve internal communication, manage conflict, and build and nurture relationships based on trust.

Board development.
As organizations move from one phase of development to another, their boards may also need to assume new or expanded responsibilities. We help a group to delineate an appropriate role for its board, to increase and improve board participation, and to build a stronger relationship between the board and staff.

Planning.
An organization may recognize the importance of strategic planning yet not know how to effectively approach it. We help design and facilitate productive, efficient planning processes, which enable groups to think rigorously and strategically about where they are and where they want to go, and to set sound courses for the future.

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PURPOSE

MAG's purpose is to help build a just, caring and peaceful world — in which people are responsible for themselves, their communities and their environment — by strengthening the leadership, management, structure and clarity of mission of organizations that are working to fulfill these goals.

CORE VALUES

- We care deeply about the organizations, causes and people we serve, and we let it show. We regard the boards and staffs we work with as partners in the change process.
- We cherish full and open communication, within MAG and with the organizations we serve.
- We value management and structure not for their own sakes but as tools for improving effectiveness and advancing mission.
- We call it as we see it, never ducking an issue.
- We strive to learn from our mistakes and keep growing.

GOALS

- To go beneath an organization's visible difficulties, and pinpoint the full range of underlying issues.
- To not only diagnose the issues, but also to help the organization make appropriate changes by designing tailored, workable remedies.
- To help the group understand why change is needed so that staff and board embrace and own the necessary adjustments.
- To help ensure that the organization actually implements these changes to develop the strength and staying power needed to achieve its mission and goals for society.