

# JOURNAL OF HIGHER EDUCATION OUTREACH AND ENGAGEMENT

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## *Special Issue*

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**Some Unexpected Ways Universities can Prime the  
Community Economic Engine: Asset Building for the  
Working Poor and the University Back Office**

**Factors Influencing Civic Engagement at Australian and  
U.S. Research Universities: Two Illustrative Examples**

**Institutions of Higher Education as  
Engines of Small Business Development**

**Organizing Partnerships for Sustainable Community  
Economic Development: Lessons Learned from the  
University of Illinois—Chicago Neighborhoods Initiative**

**A Promising Tool For Helping Vulnerable  
Workers? An Exploration of the Use of Employee  
Assistance Programs (EAPs) to Help  
Low-Wage Workers on College Campuses**

**Just Good Business: Community Development  
within Colleges and Universities**

**East Baltimore Revitalization Project: Opportunities and  
Challenges in Transforming an Urban Neighborhood**

**The Cornell Urban Scholars Program:  
Cultivating New York City's  
Next Generation of Civic Leaders**

**The Next Wave: Building a University Civic  
Engagement Service for the Twenty-First Century**

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**Volume 10, Number 2  
Spring/Summer 2005**

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This publication was funded by the Annie E. Casey Foundation. We thank them for their support but acknowledge that the findings and conclusions presented in this report are those of the author(s) alone, and do not necessarily reflect the opinions of the Foundation.

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## ***A Note From the Editor . . .***

It all started with Paula.

On a quiet, nondescript workday in April 2003, while looking the other way, I received an unexpected e-mail message from Dr. Paula Dressel, a member of the editorial board of the *Journal of Higher Education Outreach and Engagement*. I had never met Paula personally, but I did know her to be a very conscientious member of the editorial board, and a tough critic of the articles I sent her! Paula was writing to inquire about devoting a special issue of the Journal to the topic of “Universities as Economic Engines, But With Attention to Communities Within.” At the time, unbeknownst to me, Paula was on leave from her faculty position at Georgia State University to the Annie E. Casey Foundation in Baltimore, Maryland. She had been working on the topic of universities as anchor institutions in their communities, and believed that this corollary subject was an important one, especially the dimension of it that related to the universities’ role as a good citizen in the community in which it resided. She wondered if this might be germane to the Journal’s readership. I decided to call a meeting of the editorial board as part of the 2003 Outreach Scholarship Conference in Madison, Wisconsin, in October 2003.

At this meeting, we decided that this was indeed an excellent idea, and the editor was given the green light to move forward with this project.

The first thing I decided was that it would be wise to bring in a guest editor, someone who was particularly knowledgeable and conversant on this topic. After a brief search I found Dr. David Maurrasse, and he graciously accepted this invitation. I knew David was the right choice for this, partly because of his excellent work in 2001 on *Beyond the Campus – How Colleges and Universities Form Partnerships with Their Communities*. On behalf of the editorial board and Journal readers generally, I want to thank David for this very generous contribution of his time and talents.

The idea of colleges and universities serving as economic anchors and engines in their states is not a new one. In a 1986 report entitled *The Higher Education-Economic Development Connection: Emerging Roles for Colleges and Universities in a Changing Economy*, prepared for the American Association of State Colleges and Universities, the Public Policy Center, SRI International, Menlo Park, California, said this:

...unless public colleges and universities develop for themselves appropriate and effective roles in economic development, many will find that state, community, and industry leaders will either begin to dictate potentially undesirable roles and restrictions for them or turn to other institutions to address their knowledge-related needs. (*p. ix*)

Many universities followed this advice and indeed began elevating the role of economic development in their strategic plans. In some cases this was in conjunction with the economic development initiatives of their governors and/or state legislatures, and in some cases it was the result of enlightened self-interest. In either event, the role of universities as vital components of state economic development plans was firmly planted and nourished.

What was not so widely acknowledged or accepted was the responsibility of colleges and universities to attend to the economic health and vitality of their own communities and neighborhoods. Often the good work that universities did “out in the state” was just that—out in the state. Efforts to reach out to adjacent communities were often spotty and serendipitous rather than intentional or strategic. This was the cause for dissonance among many on campus who sensed a betrayal of basic values and intent. It gave rise to initiatives that would enhance the value of the campus to the community in which it was located. Some of these initiatives are described in this special issue of the Journal.

On behalf of the editorial board I would like to extend a formal note of thanks to the Annie E. Casey Foundation for its support of this issue. In addition to allowing David to devote some of his time to this project, it has provided financial assistance in the editing and printing of this issue. We hope that the issue will contribute in a positive way to informing public and institutional policy concerning the responsibilities of civic engagement of colleges and universities and to encouraging additional contributions by higher education institutions to their own communities.

Comments and questions are encouraged.

Enjoy!

*Melvin B. Hill, Jr.*  
*Editor*

## ***A Note From the Guest Editor . . .***

We naturally think of institutions of higher education as places of teaching and learning. However, throughout the nation and world, the economic engine function of colleges and universities is becoming increasingly visible.

“College towns” have been around for centuries. Our contemporary version of institutions of higher education driving local economies can be found in even the largest of urban centers. In most major cities, colleges or universities are among the largest local employers. Even in New York City, the seventh and eighth most significant employers are New York University and Columbia University respectively. They contract with businesses of every imaginable type, and their faculty, staff, and students spend vast amounts of money in local areas.

These dynamics have naturally arisen out of the changing global economy, as we have been rapidly shifting toward knowledge as the core product in many industries—industries which are not driven by manufacturing or grounded in geography. Institutions of higher education touch every sector, and with their natural emphasis on knowledge, the pipeline between colleges or universities and industry is becoming less cluttered. We are seeing an increase in universities and their faculty sharing in patents and even universities themselves incubating an increasing number of businesses.

Businesses are beginning to deliberately set up shop in close proximity to institutions of higher education, as they presume access to a well-trained potential workforce. Indeed, employers can build strong relationships with institutions of higher education that can provide them a steady stream of interns and graduates for years. Whether they are from the local community or not, students sometimes develop an attachment to the location of their college or university, leading them to make a living nearby after graduation.

Ironically, in an economy that is becoming less reliant on geographical location, institutions of higher education are still grounded, or “sticky capital,” as I like to say. They don’t get up and go like other industries; they planted seeds quite a while ago in many locales, and they have subsequently developed deeper and stronger roots. Even in the face of the growing online higher education industry, an actual replacement for the campus-based approach does not appear to be on the horizon.

In fact, a visible trend in many urban areas is the capital expansion—a higher education sprawl of sorts—of colleges and

universities. The requisite growth of higher education, given the aforementioned external demands, has stimulated an explorer's mentality among college presidents, administrators, and trustees. Venturing into new frontiers for new buildings—spaces for research in growth areas, such as biotechnology—is in vogue. These new developments can bring more subcontracts, more jobs, more businesses, and overall greater local spending.

That institutions of higher education are among the key economic drivers in urban and other economies today is undeniable. However, economic driving is not always equitable. It is often not accidentally equitable, and usually requires a conscious commitment to ensure that the benefits of such large-scale economic development spread as much to those who are not already well positioned to enjoy the fruits of expansion.

This brings us to “engagement,” the focus of this journal. The marriage between engagement and economic driving is the topic of this particular issue. Through local engagement as a conscious commitment, the economy of higher education can make greater contributions to cities, regions, and neighborhoods. While the presence of an institution of higher education might carry opportunity, the “ivory tower” mentality can construct walls around it. Have you seen a dilapidated neighborhood in close proximity to a wealthy university? The spread of opportunity is not automatic. I imagine you've seen a university that is impenetrable to local high school students as well.

One very visible example of the limited dispersion of resources on campuses has been the precarious salary and benefits of employees, particularly in positions such as groundskeeping, food service, and entry-level clerical positions. Higher education has moved toward lower labor costs but has become willing to provide very high salaries and benefits at the top. Indeed, the tie between business and higher education is more than a partnership. Increasingly, institutions of higher education are businesses, operating like large corporations.

However, this trend simultaneously sprouts alongside the growing student activism to push universities and colleges to provide better salary and benefits packages to employees and break ties with companies thriving on sweatshop labor. It is also coexisting with a burgeoning national and international movement to encourage higher education–community partnerships that leverage resources to tackle critical social issues.

While these trends swirl throughout higher education and society, a certain cohesion is missing. For example, there is no national policy agenda to encourage higher education to apply its resources to improve localities and regions—a contemporary land grant. In general, government support for higher education has declined in the United States. One reason for the strengthened relationship between higher education and private dollars is the diminishing concept of “public” higher education.

These various angles around higher education and economies are explored in the pages that follow. Mel Hill, the editor, and I, as guest editor, wanted to put together an issue that explores the numerous different dimensions of institutions of higher education as economic engines. Overall, this issue is informative about a number of different practices and strategies to stimulate the economic power of colleges and universities to improve communities. This issue is also forward looking in that the intent is to spark thinking about what is possible.

I sometimes refer to institutions of higher education as “sleeping giants,” as it appears that so much of what can be done has only begun. When I walk on most campuses, I am surrounded by untapped potential—capital in every category—knowledge, human, economic, and beyond.

The conversation about how to tap resources in research and teaching, and through student voluntarism, we found, has been well under way. This work is critical. The additional contribution we wanted to make in these pages is further exploration around the economic engine function, which has not been as heavily theorized. In many ways, the economic engine function completes the picture of research, teaching, and service. And it is the combination of all of those dimensions, focusing on fulfilling the mission of institutions, but simultaneously looking to improve neighborhoods, cities, and regions, that can bring higher education to its highest potential relevance for contemporary society.

Enjoy this stimulating issue.

*David J. Maurrasse*

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Dr. David Maurrasse is the president and founder of Marga, Inc., New York and also holds a part-time appointment at Columbia University. He is the author of *Beyond the Campus: How Colleges and Universities Form Partnerships With Their Communities*. He is actively engaged in several projects of the Annie E. Casey Foundation, one of which is serving as the guest editor of this special issue of the *Journal of Higher Education Outreach and Engagement*.

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## **Some Unexpected Ways Universities can Prime the Community Economic Engine: Asset Building for the Working Poor and the University Back Office**

*Lawrence N. Powell*

### **Abstract**

This article demonstrates how the university back office can enable ambitious implementation partnerships between institutions of higher education and community-based organizations. It examines the Individual Development Account Collaborative of Louisiana, a \$4 million asset-building program operated by the National Center for the Urban Community at Tulane and Xavier Universities, which produced more than six hundred graduates in less than two years, most of them first-time home owners. The bookkeeping and administrative requirements imposed by governmental granting agencies often tax the capacity of even the largest nonprofits, which lack the sponsored research infrastructure that the Cold War university has developed in consequence of processing hundreds of grants and contracts annually. Small nonprofits are best at delivering services to local communities; Research-1 universities are practiced at managing large grants and contracts. The article concludes that the administrative side of such university-community partnerships deserves as much attention as their programmatic side.

**I**n its everyday operations Tulane University doesn't do targeted investments in disadvantaged communities. A tier-one private research university located in a tony area of uptown New Orleans, the institution has scant incentive to revitalize blighted areas not immediately contiguous to the main campus. Tulane's economic activities have substantial impact even so. At eight thousand employees, the university boasts the largest payroll among private employers in the metropolitan area, generating nearly half a billion dollars a year in salaries and benefits. It brings in an additional \$140 million annually in governmental grants and contracts. Tulane's real estate acquisitions—currently a \$150 million expansion of a nearby satellite campus, plus the purchase of valuable riverfront land near the convention center for a projected riversphere museum and research facility—prime the pump of local economic development. But as significant as

these economic benefits are, they don't reach the disadvantaged as directly as the university's ambitious community outreach initiatives. In fact, it is fair to call them trickle-down.

One economic intervention Tulane recently undertook, in partnership with Xavier University of Louisiana, the country's only black Catholic institution of higher education, has targeted nontraditional populations to great economic effect: the establishment and expansion of an asset-building program for the working poor called the Individual Development Account (IDA) Collaborative of Louisiana (IDACL). IDAs are matched savings accounts, sort of a poor man's IRA, that reward income-eligible participants who save toward the purchase of such allowable assets as homes, businesses, or postsecondary education; the only additional requirement is that participants receive financial education and work on repairing their credit; they also have to complete specific asset-training courses (on how to buy a home, for example) where appropriate.<sup>1</sup> The IDA reward structure is generous, ranging from a 2:1 to 7:1 match, with cumulative caps usually set in the low thousands during a participant's

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*“To the extent such synergy can be created, the grassroots economic development stimulated by IDAs unquestionably has the potential to transform lives and communities.”*

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enrollment. The program administered by Tulane—or, to be more exact, by the National Center for the Urban Community at Tulane and Xavier Universities (NCUC)—operates at the generous end of the spectrum, matching every dollar saved with four dollars of IDA money, up to a maximum of \$5,000. To date the IDACL and its predecessor organizations have produced nearly 800 IDA graduates, 445 of them new homeowners. Scattered across Louisiana's towns and cities, most of these graduates purchased their assets within two years of enrolling in the program—a pace that astonishes veterans in the industry. How to account for this overnight success? One explanation is the institutional support of higher education; another is the ability of participants in the state-funded programs to roll over preexisting savings accounts into IDA accounts, of which more later (*Yeoman 2004, 2-8*). It is hard to imagine the IDACL growing to scale so swiftly absent this preexisting bureaucracy. The intricacies of a large-scale IDA program can tax the capacity of all but the largest nonprofits, and it isn't

clear many of them are equipped to undertake initiatives of this scope and complexity. But because of the elaborate infrastructure built up during the last half century to manage science-based sponsored research activities, the Cold War university does enjoy this capacity (*Mohr and Gordon 2001, esp. 105–24*). Today institutions of higher education must show they possess appropriate financial management and tracking systems in order to receive federal tax dollars (*Harrell 2005a; OMB 2004, 2003*). The trick is figuring out how to leverage these management systems so that nonprofits can build their capacity by partaking of the university's. To the extent such synergy can be created, the grassroots economic development stimulated by IDAs unquestionably has the potential to transform lives and communities.

The Individual Development Account Collaborative of Louisiana is a good illustration of what the late Mitchell Sviridoff liked to call the paradox of small beginnings (*2004*). The seed got planted in 1998 as a small, experimental program in a New Orleans public housing community where Tulane and Xavier were jointly administering a \$10 million, five-year HUD grant to create a campus of learners. Called the Campus Affiliates Program (CAP), the grant was a sidebar to a Cooperative Endeavor Agreement between HUD Secretary Henry Cisneros, New Orleans Mayor Marc Morial, and Tulane University in which the university was named executive monitor for the city's troubled public housing agency. Tulane appointed its senior vice president and general counsel, Ronald Mason (currently president of Jackson State University), executive monitor.<sup>2</sup> Mason functioned as a quasi receiver, making wholesale staffing changes, streamlining financial operations, outsourcing the dysfunctional resident programming division to the Tulane-confected Institute for Resident Initiatives (IRI), and successfully applying for HOPE VI modernization grants to convert two of the city's most distressed public housing projects into mixed-income communities. About the only thing Mason failed to accomplish, due to insufficient authority, was build new housing. It would take another housecleaning at the Housing Authority of New Orleans (HANO) to accomplish that (*Russell 2004*).

Meanwhile, the CAP program focused on a single public housing development, C. J. Peete. It became the site for a bevy of social service and educational initiatives reflecting the diverse interests and talents of participating faculty, students, and staff. Tulane's School of Public Health and Xavier's School of Nursing collaborated on health fairs and screenings for the community.

Tulane Business School members set up a barter program that circulated its own community-based currency—“More Better Bucks”—and organized a community garden. Xavier’s Division of Education and its Office of Student Services operated after-school homework clinics in the C. J. Peete Community Center. There were peer-support mentoring programs for substance abusers and recreation programs for youth and senior citizens, complete with field trips. Hundreds of Tulane and Xavier students annually poured into the community, mixing with residents on terms of easy informality. Tulane’s Office of Service Learning sprang from this burst of CAP energy, as did its counterpart program at Xavier. So did some scholarly research. Sociologists from Tulane conducted annual surveys and ethnographic studies; one dissertation emerged from the experience. Psychologists studied the traumatic impact of community violence on the young; social work professors published articles detailing their experiences in public housing (*Maurasse 2001*).<sup>3</sup>

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*“Tulane’s Office of Service Learning sprang from this burst of CAP energy, as did its counterpart program at Xavier.”*

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CAP’s most concrete impact was its computer-based case-management system for placing welfare leavers in jobs. Staffed by master’s level interns from the Tulane School of Social Work, as well as job developers and case managers, many of them public housing success stories, hired from the community, the system functioned as an informal labor market, placing 1,140 HANO residents in jobs during CAP’s first five years, and an additional 223

residents of assisted housing in “better jobs” afterward. This case management system would form an essential pillar of the IDACL.<sup>4</sup>

As already mentioned, NCUC’s IDA program emerged from this mix of CAP activities. The brainchild of Lina Alfieri Stern of the Tulane Business School, the initial program involved no more than ten or so participants. It was inspired by the work of Michael Sherraden on how asset-based welfare could transform lives and end poverty if only the working poor were given the same government subsidies upper-income citizens receive in the form of mortgage interest deductions and tax-sheltered 401(k) retirement accounts. By the early 1990s a national movement had begun to coalesce around the concept of Individual Development Accounts (*Sherraden 1991; Oliver and Shapiro 1997*). The

Washington-based think tank Corporation for Enterprise Development, with major financial backing from the Ford Foundation, had launched a multiyear American Dream Demonstration (ADD) project to test whether the poor would or could save, proving beyond question that they could (Schreiner, Clancy, and Sherraden 2002). Other major foundations put a financial shoulder to the wheel. Lina Stern heard about IDAs at a small break-out session at a national conference. “The concept was elegant. It made perfect sense,” she remembered. “Helping people build assets. Providing them with financial education” (Stern 2004). Though not officially included in the study, her modest program was part of a burgeoning movement on behalf of new innovative social policy. When the ADD study was completed and Congress responded by enacting the Assets for Independence Act, appropriating \$125 million to be administered by the Department of Health and Human Services, Tulane’s own IDA program, still housed in NCUC, hastened to apply. In 2000 and 2001 it received two AFIA grants, one for \$155,000, the other for \$800,000 (Miller-Adams 2002).

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*“By the early 1990s a national movement had begun to coalesce around the concept of Individual Development Accounts.”*

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Now the program took on new life, reborn as the Greater New Orleans IDA Collaborative and guided by an advisory committee of program managers, home-buyer training and credit counseling agencies, and community development officers from several local banks.<sup>5</sup> Its citywide reincarnation, however, didn’t lead to immediate growth. Despite their apparent largess, AFIA grants are hard to administer. To receive federal funding, it is necessary to raise an equivalent amount in nonfederal funding—or be sufficiently well-off to front-finance operations until the match funding comes in, if it ever does. This matching formula makes it difficult for most nonprofits to budget operating costs or even maintain and hire a bare-bones staff. Then, if a program is so fortunate as to raise the entire match from the start, instead of watching it dribble in, as often happens, the AFIA formula restricts how much can be spent on operations. Current regulations require designating 85 percent of all IDA funds (the AFIA money plus the nonfederal match) for participant savings accounts and setting aside another 5.5 percent for financial literacy training

and credit counseling. This leaves only 9.5 percent for administrative costs, a risibly meager sum in view of the program's bookkeeping complexities, which can be daunting.<sup>6</sup> To comply with federal reporting requirements for tracking various categories of revenues and expenditure, it is almost mandatory that the funding sources be deposited in multiple grant accounts. Three are AFIA-related: one for the participant match, another for financial literacy training and credit counseling, and a third for administration. Finally, because private funders usually require that their grant dollars be used to help only certain kinds of participants—city employees or residents of certain neighborhoods, for example—local IDA programs often need to set up three additional accounts to mirror their AFIA counterparts, for a grand total of six accounts (*Morris 2004*). “That was some work setting up those accounts,” said Tanya O’Rourke, an accountant in the university’s Grants and Contracts Office. “We even drew up an instruction manual on what we did, listing the rules we had to follow. It was a challenge at the front end, but it made reporting easier at close-out” (*O’Rourke 2005*). Little wonder that the U.S. Department of Health and Human Services’ Office of Community Services, which administers the AFIA program, warns would-be applicants that “organizations need *additional resources* to cover administrative and other costs related to the program. . . .” (*DHHS 2004; emphasis added*).

A quick overview reveals the nightmarish difficulty of trying to run an AFIA grant without sufficient operating funds. It’s like beginning a large business with limited capital. The chief limitation is inadequate staffing—not just for bookkeeping but in case management as well. Unless small nonprofits are able to assign discretionary staff to help out with the IDA project, they’ll never have enough personnel to manage the program dollars. Or they might find themselves yielding to the rob-Peter-to-pay-Paul temptation of reassigning to their IDA project agency personnel already certified as working 100 percent on a preexisting governmental grant. Such practices often land small community-based organizations in hot water with external auditors, resulting in steep penalties and a loss of funding. “I don’t understand how small agencies can do it,” O’Rourke added. “They don’t have the system in place. I feel sorry for those who try it” (*2005*). But NCUC was able to leverage the back-office expertise of the university—and Tulane’s cradle-to-grave contract management approach to the nine hundred or so federal grants it processes

each year—to make the AFIA program work despite the constraints. It is hard to imagine any but large institutions doing the same.

NCUC's IDA program never blossomed until the vagaries of national politics showered states with an antipoverty windfall to finance work-transition programs for welfare leavers. The federal bonanza materialized when welfare as we knew it (AFDC) was converted from an entitlement program into a block grant (Temporary Aid to Needy Families, or TANF).<sup>7</sup> After the rolls

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*“With talk starting to fill the air about the blessings of an ownership society, state officials in Baton Rouge began looking favorably on the IDA concept.”*

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unexpectedly collapsed following the 1996 passage of the Welfare Reform Act, state governments, by prior approval, were allowed to keep the federal funding they would have received had the rolls remained at prereform levels. The only condition was that they expend the surplus to help welfare-eligible clients achieve self-sufficiency. Several states managed to use their antipoverty windfall to finance highway construction and tax cuts instead (DeParle 2004).

To its credit, Louisiana invested a substantial portion of its nonrecurring payout in expanding Head Start programs. With talk starting to fill the air about the blessings of an ownership society, state officials in Baton Rouge began looking favorably on the IDA concept. The National Conference of State Legislatures devoted almost a year to working closely with Louisiana officials to draft and enact legislation authorizing the use of TANF funds for IDA. When the Louisiana Department of Social Services finally released an RFP in 2002, NCUC applied for a one-year, \$2 million grant to establish a statewide IDA collaborative. The Department not only funded the proposal; it quickly offered to double the award as well as tack a year onto the grant period. Better yet, the award came without AFIA's formulaic strings attached. “I believe in miracles,” Lina Stern says. The generous funding made it possible to build an IDA program to scale on the platform of a university's research administration infrastructure. It was rechristened the IDACL, with participants in fifty-six of the state's sixty-four parishes. The geographical reach alone made it unique, since in the past money from federal programs like IDA usually went to the same four or five “entitlement” cities

in the state, leaving Louisiana's many small towns and rural communities (whose poverty is every bit as dire as that in New Orleans) on the outside looking in. The flexibility of the state funding enabled NCUC to build both a staff and an infrastructure capable of serving just about the entire state (*Wyatt 2005*).

The windfall was hardly an unmixed blessing. It's not easy to spend \$4 million in two years, let alone produce 500 IDA graduates—the contract deliverables set by the Louisiana Department of Social Services. The challenges seemed enormous at the time.

Thanks to a sufficiency of operating funds, some were quickly managed: assembling a qualified staff, negotiating contracts (never an easy matter when lawyers are involved), nailing down budgets (thanks to Tulane's budgeting expertise). But a more complex—and time-sensitive—challenge was deciding how to roll out a statewide program. The decision could affect whether we achieved our deliverables and met contract benchmarks. The central question was the most appropriate service delivery vehicle. Should we amalgamate with

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*“An added rationale for decentralizing frontline operations was to ensure that there would be a direct link between the client and specialized expertise.”*

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such statewide nonprofits as Associated Catholic Charities (ACC) and mediate our outreach and service delivery through their well-articulated bureaucracy? Or was it better to identify and recruit nonprofits around the state with track records of producing home owners, training disadvantaged entrepreneurs, and doing financial literacy training and credit counseling? Our banking partners, through their statewide branches, had a good feel for who these local agencies might be. We chose the decentralized option. Rather than impose a top-down bureaucracy, we would build our network from the ground up, bypassing ACC, for example, to work directly with one of their affiliates, Catholic Housing Services. There wasn't time to train a plethora of inexperienced nonprofits to deliver unfamiliar services, or sufficient money to lead even seasoned nonprofits to launch onto untested waters. An added rationale for decentralizing frontline operations was to ensure that there would be a direct link between the client and specialized expertise.

The process of identifying existing providers and producers proved more than invaluable; it was indispensable. The reconnais-

sance couldn't be done on the cheap. It required a huge expenditure of shoe leather on the part of the IDACL's statewide coordinator, Neill Goslin, who traveled around the state conducting, as it happened, capacity assessments of prospective partners. The feedback provided by those agencies—on the size of their caseloads, the extent of home buyer and entrepreneur training occurring in their hinterlands—helped us structure the division of labor into discrete fee-for-service activities, from recruitment and enrollment to account maintenance and financial literacy and home buyer training, and all stages of case management in between. It afforded an idea of how to allocate funds among regions of the state based on the past performance of their local providers. It enabled the identification of the strongest providers in each region should we need to call on them to provide case management assistance to smaller partners. We often had to turn to them for precisely this reason, giving the bewildered clients of local providers the guidance and supervision that overtaxed—or overwhelmed—local providers couldn't. At our periodical training symposia these stronger partners often acted as facilitators. They helped train the frontline staff in smaller agencies whose already overextended employees had often been further overcommitted by overeager executive directors seduced by the prospect of new money. (We designed a series of soft incentives—such as plaques and certificates—to keep these frontline staffers committed and engaged.) In a word, by constructing a network in which regional partners functioned as backups for weaker partners in their hinterland, NCUC was able to fashion a true collaborative—a decentralized network that radiated from a centralized hub through regional nodes to grassroots providers. It proved to be a dynamic system for building mutual capacity (*Goslin 2004*).

The statewide collaborative would never have achieved its dynamism without the determination of the participants themselves. The working poor are hard-bitten and sore. They are used to being hustled. Their neighborhoods swarm with check-cashing outlets, rent-to-purchase furniture stores, exploitative tax preparation companies, and other assorted financial predators (*Lord 2004; Caskey 1994*). They greeted the four-to-one IDA match with suspicion. It has to be a scam. Where's the catch? Disabusing them of that skepticism wasn't easy. Nor was it simple to keep them from getting discouraged by contract legalese and dropping out of the program altogether. This is when case management counseling becomes essential. Questions posed by clients had to be answered quickly; you couldn't put them off by referring them to

a bank officer, who lacked the time and interest to clear up their confusion. But once participants suspended their disbelief and got past their discouragement, the IDA program became a life-changing experience. Clients took to financial literacy classes and credit counseling sessions with the avidity of new converts. They worked two and three jobs to amass the necessary savings, or worked extra hours on an existing job. They scrutinized spending habits, scrubbed budgets, cut back on soft drinks and fast food. "The IDA program changed my life and the way I'm living now with my two children," one new home owner wrote the governor. "I worked three jobs while saving and now we're living our dream," wrote another. "I have become wiser about the purchases I make while shopping. The program has helped my daughter continue her education. I had to make major sacrifices to come up with the matching fund, but it is worth it," added a third. And so on and so forth (*Magee 2004; Tatum 2004; Wright 2004; Yeoman 2004*). It probably helped that clients had a short time period, often no more than eighteen months, to meet their savings targets and fulfill program requirements.<sup>8</sup> Moreover, the fact that clients were permitted to roll over preexisting savings accounts into IDAs enabled IDACL to focus on clients nearest to being mortgage ready. The combination of generous cash incentives, rollover authorization, and abbreviated program period concentrated participant attention and motivation in ways few would have expected. But Michael Sherraden had envisioned as much as early as 1991: "tangible assets . . . stimulate people to improve themselves" (*1991, 156*). The IDACL's experience in this arena certainly bears him out.

At bottom, it was this unleashing of participant energy and rekindled hope that prodded the network to improve service delivery. If a case manager in a small community fell down on the job, the client would quickly let us know, and straightaway we would work with regional partners to remedy the defect. If our own bureaucratic inefficiencies impeded progress, those same clients wouldn't stop badgering us until they were satisfied. "We had some very demanding clients," said Neill Goslin (*2004*). It is one of the paradoxes of social life in modern America that the black poor cling more tenaciously to the American dream than upwardly mobile African Americans who have already experienced its blessings (*Hochschild 1995*). That stubborn faith, often defying objective reality, doubtless explains the extraordinary determination with which the disadvantaged pursued the dream

of home ownership and business and educational opportunity when presented with a legitimate chance.

But the changes wrought by the IDA program were not just psychological; they were also economic. The 445 new home owners produced by the IDACL and its progenitor programs amassed an estimated total of almost \$38 million in residential property sales; add to this the nearly \$34 million in projected finance charges over the life of their mortgages, plus the \$4,000 in estimated closing cost fees generated by each of these sales, and

you have an economic ripple effect of significant proportions. There are economic multiplier formulas for calculating economic impact. Ours is based on a 19:1 ratio: that is, every dollar originating from an IDA account produces an additional \$19. The formula may be too generous. But reducing the multiplier by half, or even by 75 percent, still yields a sizable economic windfall, especially for disadvantaged communities. The social policy implications of these financial results

can't be oversold. Even as African Americans have narrowed the income gap with whites, the wealth differential between the races remains stubborn and stark, due to the accumulation of historic inequities. IDAs clearly have a role to play in leveling the playing field on which assets are won and lost (*Oliver and Shapiro 1997*).

In the end, however, it was imperative that this statewide collaborative be anchored in a major institution such as a university. Success depended not merely on the experience of local partners and the energy of participants. It also turned on Tulane's experience administering large grants and contracts, not to mention its wherewithal to handle large cash flows. IDA programs require more than front-financing as they await reimbursement from funding agencies for expenses already incurred; somebody—or some office—needs to ensure that those funding agencies are properly invoiced in timely fashion, which can't be done before certifying that each expenditure is allowable, every reporting requirement met, and all regulations complied with (*Rigby 2005*). Moreover, for large collaboratives such as the IDACL, it's useful

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*“If a case manager in a small community fell down on the job, the client would quickly let us know, and straight-away we would work with regional partners to remedy the defect.”*

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to have technological expertise at hand to establish and maintain a dynamic online case management system. For example, the Web-accessible online system operated by the Louisiana collaborative allowed partnering organizations to submit applications,

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*“By managing the onerous details for them, . . . the IDACL freed its nonprofit partners to do the things they do well . . .”*

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add case notes, produce monthly reports, and submit and track invoices for services rendered to participants. “Invoices were paid quickly,” said Kathy Wyatt, director of the Small Business Development Center at the University of Louisiana at Monroe, “and for a small organization with limited resources that’s very important” (2005). The online system also offered a forum for announcing training events and sharing learnings. It served as a one-stop site for downloading relevant documents and FAQs. And, like

everything else about the IDACL, it was continually tweaked, improved, and customized in response to input from the partnering agencies that used it.<sup>9</sup>

Finally, there was the challenge of closing a mortgage according to time-sensitive schedules. To process the IDA check, training certificates and bank statements had to be gathered. To ensure that clients weren’t being gouged with exorbitant finance charges, good-faith interest rate estimates had to be obtained. If the client was receiving a soft second mortgage or drawing on dedicated bond funds, more complex details needed addressing. And everything had to be synchronized with the title company or the lawyer handling the closing on a timetable made all the edgier by the high anxiety of first-time home buyers still struggling to believe the American dream was actually in reach. Following the closing, central office staff had to work with the university’s grants and contracts personnel to ensure the collection and proper filing of the HUD1 Settlement form. “You have to be willing to wear many different hats,” says program manager Donna Darensbourg (2004). Changing headgear on the fly can be stressful. Small nonprofits unable to stay on top of such myriad challenges risk getting buried in an avalanche of red tape and punitive audit findings. By managing the onerous details for them, through the grants and contracts mechanisms developed by the Cold War university over more than a half century of disbursing governmental

largesse, the IDACL freed its nonprofit partners to do the things they do well instead of performing the tasks they do poorly, if at all. It is a case study in how administrative mutuality can produce a whole greater than the sum of its parts.

Lee Benson, Ira Harkavy, and John Puckett have urged university-community partnerships to work with local communities to carry out an implementation revolution, now that power and resources are devolving back to states and municipalities. Theirs is a Deweyan challenge to academics to knock down the walls separating theory and practice, to change the world instead of merely understanding it. “No big problem that really matters (e.g., poverty, environmental degradation, illiteracy, hunger, poor schooling, urban crises) can be solved and understood without academics and practitioners working closely together,” they wrote (2000, 24). The kind of implementation revolution they envisioned—placing service-learners in the community or linking the research interests of scholars with, say, the nutritional needs of the disadvantaged—differs markedly from that launched by the IDACL. Ours, quite frankly, has been weaker on the academic but stronger on the administrative side. Perhaps this is how any academically initiated implementation revolution should begin: with much carrying of administrative water to help make an enterprise work, followed by careful analysis and evaluation to understand why the thing did—or did not—succeed. It is a sad truth, too little noticed or commented upon, that many attempts by universities to engage the urban community have been lackluster at best, utter failures at worst. Peter Szanton has enumerated their depressing record in his invaluable study, *Not Well-Advised* (2001). The differing cultures of academia and government often militate against real-world success. Scholars by temperament and training prize originality for its own sake and are quick to inflict insights that city officials and frontline bureaucrats never requested, much less know how to use. The only exceptions are hands-on efforts by scholars who work with local agencies to effect change recommended by their own studies (Szanton 2001). The statewide IDA collaborative delineated here falls in that category. It emanated not from a professor’s study but the back-office infrastructure of the modern university. And it derived its effectiveness from the latter’s institutional memory and experience at managing governmental money. Its strength was prosaic, bureaucratic, and routine, but no less valuable for being prosaic.

## Acknowledgments

The author would like to thank several readers for their assistance: Patrick Maney, Stanley Hyland, Neill Goslin, Eva Morris, Donna Darensbourg, Kim Bell, and Lina Alfieri Stern.

## Endnotes

1. Some programs allow participants to save toward home improvement or the purchase of an automobile. The IDACL has a small home-improvement IDA program. Support for these types of purchases, however, is not the norm.

2. Under pressure from the new Republican majority in Congress to place the Housing Authority of New Orleans in federal receivership, against the wishes of Mayor Morial, Cisneros viewed the Tulane arrangement as a way to propitiate both parties. It failed to appease key Republicans, however.

3. Research that came out of CAP included M. Dempsey, S. Overstreet, and B. Moely, "Approach and avoidance coping and PTSD symptoms in inner-city youth," *Current Psychology: Developmental, Learning, Personality, Social* 19 (2000): 28–45; S. Gallini and B. Moely, "Service-Learning and engagement, academic challenge, and retention," *Michigan Journal of Community Service Learning* Fall 2003: 5–14; S. Kreutziger, R. Ager, J. Lewis, and S. England, "A critical look at a contemporary welfare-to-work program in the light of the historic settlement ideal," *Journal of Community Practice* 9(2) (2001): 49–69; S. Kreutziger, R. Ager, E. Harrell, and J. Wright, "The Campus Affiliates Program," *American Behavioral Scientist* 42(5) (1999): 827–39; S. Overstreet, M. Dempsey, D. Graham, and B. Moely, "Availability of family support as a moderator of exposure to community violence," *Journal of Clinical Child Psychology* 28 (1999): 151–59; S. Overstreet and S. Braun, "A preliminary examination of the relationship between exposure to community violence and academic performance," *School Psychology Quarterly* 14(4) (1999): 380–96; S. Overstreet and S. Braun, "Exposure to community violence and post-traumatic stress symptoms: Mediating factors," *American Journal of Orthopsychiatry* 70(2) (2000): 263–71.

4. The case management system was also adapted to the competitive welfare-to-work program that NCUC administered for the city 1998-2003.

5. Members of the advisory committee included the local head of Neighborhood Housing Services, her counterpart at

Consumer Credit Counseling Services, and representatives from Hibernia National Bank, Whitney National Bank, the United Bank and Trust Company, and the Federal Reserve Bank of Atlanta. Later, representatives joined from Bank One and Fidelity Homestead Bank.

6. These are currently under review by the Department of Health and Human Services, but it will require an act of Congress to make changes in the rules.

7. Over the past decade or so, Washington has witnessed a block grant revolution, as entitlement programs such as welfare have devolved back to the states in the form of cash grants absent the usual restrictions on how the money can be spent. Some of these experiments are dubious at best, disastrous at worst. But the AFIA program is one federal program that might benefit from being block-granted back to the states.

8. Our experience with abbreviated time lines is at variance with the findings of the ADD study, which found that late enrollees in the program (that is, those whose enrollment period was foreshortened) experienced less success (*Schreiner, Clancy, and Sherraden 2002, 45*).

9. The system was designed and administered by Peter Mok and Ian Johnson. See <http://idacola.tulane.edu/>.

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### About the Author

Lawrence N. Powell is professor of history at Tulane University in New Orleans and a former Guggenheim Fellow. He has written and edited nine books and numerous articles. His most recent book is *Troubled Memory: Anne Levy, the Holocaust, and David Duke's Louisiana*, published by UNC Press in May 2000, which won the Lillian Smith Book Prize from the Southern Regional Council for the year 2000 and the Kemper and Leila Williams Prize for 2000 from the Louisiana Historical Association. It was also named by Booklist as one of the ten best Holocaust books of the year and was a finalist for the National Jewish Book Award in the category of the Holocaust. He was vice-chair of the Louisiana Coalition against Racism and Nazism (which he helped found) and a board member of the Amistad Research Center. At present he is the executive committee chairperson of the Southern Institute for Education and Research, serves on the Executive Committee and the Advisory Board of the Orleans Parish Workforce Investment Board, and is a board member of the Louisiana Endowment for the Humanities. For five years, until June 2005, he served as executive director of the Tulane-Xavier National Center for the Urban Community (NCUC).

Additionally, he was the chairman of the Amistad Center's 1989 National Civil Rights Conference and the 1996 Plessy Centennial Conference. In 1998 he received the George Washington Lucas Community Service Award from the New Orleans branch of the NAACP. In 1999 he was named Louisiana Humanist of the Year by the Louisiana Endowment for the Humanities.



## Factors Influencing Civic Engagement at Australian and U.S. Research Universities: Two Illustrative Examples

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### Abstract

The founding of the Australian system of higher education closely parallels the creation of public postsecondary education in the United States during the nineteenth century. Their subsequent histories reflect a growing recognition of postsecondary education's capacity to shape the economic prospects not only of individuals, but of entire nations. Less recognized are the ways individual institutions (which collectively constitute these systems) affect their local communities. In this article, we briefly outline the economic impact of postsecondary education in Australia and the United States and then describe how a research university in each country, the University of Pennsylvania in West Philadelphia and the University of Queensland, has served as a key anchor institution for its local area. A variety of factors are explored, including local context, funding sources, university leadership, and institutional mission.

### Introduction

The founding of the Australian system of higher education closely parallels the creation of public postsecondary education in the United States during the nineteenth century. Each country invested, in part, out of pragmatic and economic motives. As the two systems expanded in the twentieth century, particularly after World War II, they helped firmly establish an educated middle class, which enabled the countries to compete in the postindustrial global economy. These histories reflect a growing recognition of postsecondary education's capacity to shape the economic prospects not only of individuals, but of entire nations. Less recognized are the ways in which individual institutions (which collectively constitute these systems) affect their local communities. In this article, we briefly outline the economic impact of postsecondary education in Australia and the United States and then describe how a research university in each country, the

University of Pennsylvania in West Philadelphia and the University of Queensland, has served as a key anchor institution for its local area.

### **The Economic Purposes of American Higher Education: A Historical Overview**

Over the past two hundred years, America's postsecondary system has grown from a handful of small colleges to a diverse system of approximately four thousand public and private institutions. During this time, the economic purpose of American colleges and universities expanded from one principally aimed at serving local interests to encompassing state and national interests as well (*Benson, Harkavy, and Hartley, forthcoming*).

America's nine colonial colleges were founded to train the future civic and religious leaders of a particular locale. These institutions (little more than academies initially) were also viewed as a means of supporting the local economy. The Brown brothers who provided the funding for their namesake institution in Providence, Rhode Island, with a notable absence of lofty sentiment, appealed to local businessmen for support by arguing that "building the college here will be the means of bringing great quantities of money into the place, and thereby greatly increasing the markets for all kinds of the country's produce, and consequently increasing the value of estates to which the town is a market" (*Cochran 1972*). After the American Revolution, literally hundreds of colleges were founded in the next few decades by religious denominations whose ideals were coupled with the pragmatic desire to compete for members, financial support, and status. Colleges founded along the expanding frontier were also seen as cultural resources and economic assets, or at least portrayed as such by "real estate speculators" (*Brubaker and Rudy 1976*).

In the nineteenth century, the states became primary beneficiaries of higher education when Congress passed the Morrill Acts (1862 and 1890), which gave material resources to the states in the form of land. The land-grant colleges that were subsequently created promoted both the teaching of trades and the application of scholarship to the practical needs of the states. When Charles Van Hise became the president of the University of Wisconsin in 1903, he underscored the link between the university and the economic fortunes of the state and worked with former classmate Governor Robert L. Follette to make "the boundaries of the university . . . the boundaries of the state." The

Wisconsin Idea, as it came to be known, focused academic resources on materially improving the life of citizens of that state (Rudolph 1962, 355–72).

In the twentieth century, higher education's purpose broadened even further to serve national interests through the enactment of several key federal policies. Near the end of World War II, the U.S. government made an unprecedented investment in higher education through the Serviceman's Readjustment Act of 1944 (the G.I. Bill), which enabled 2.25 million veterans to attend colleges and universities across the country. The act was supported for a variety of reasons, chief among them the fear of a renewed economic depression spurred by a vast number of unemployed veterans. No one predicted the economic boom that resulted. Serendipitously, the veterans who attended college did so at precisely the time when manufacturing jobs began their decline only to be replaced by skilled (and higher-paying) labor. The G.I. Bill's inadvertent success provided convincing evidence of the efficacy of higher education as a means of remaining economically competitive. Subsequently, the recommendations of the Truman Commission on Higher Education in the 1950s led to the creation of a community college system, which increased access and provided vocational training. In 1958, in the midst of the Cold War, the National Defense Education Act created the first federal student loan program (Hansen 1991). Lyndon Johnson's War on Poverty produced the Basic Educational Opportunity Grant Program (the Pell grants). The proportion of high school graduates attending college reached 45 percent by 1970 and by the end of the twentieth century exceeded 60 percent.

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*“Over the past two hundred years . . . the economic purpose of American colleges and universities expanded from one principally aimed at serving local interests to encompassing state and national interests as well.”*

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The U.S. government also invested heavily in research. The National Institutes of Health achieved bureau status in 1943. Vannevar Bush, director of the Office of Scientific Research and Development during World War II, wrote an influential report for President Roosevelt, which prompted the Truman administration

to establish the National Science Foundation (NSF) in 1950. These federal agencies, along with the National Aeronautics and Space Administration (NASA), founded in 1958, invested heavily in research conducted at U.S. universities. The windfall had its price. Stuart Leslie (1993) argues persuasively that the capacious research and development grants doled out during the Cold War

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*“[A] liberal education is valued for its social development of citizens, but citizenship is closely linked to nation building, in both social and economic terms.”*

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constrained intellectual freedom by rewarding only a narrow band of research aimed at pragmatic and economic ends. By 1964, \$1.25 billion in federal funds had been allocated for academic research (Cohen 1998). The emphasis on “usable” knowledge continued throughout the twentieth century, fueled in part by the Bayh-Dole act of 1980, which allowed universities to keep the proceeds from commercialized products produced through research funded

by the federal government. According to recent statistics from the Association of University Technology Managers, commercialized intellectual property earned 142 colleges and universities \$959 million in 2002 alone (Foster 2004).

### **The Economic Purposes of Australian Higher Education**

Australian universities are overwhelmingly public institutions: of thirty-nine universities, only three are private organizations (AVCC 2004). The first university was established in Sydney in 1850, in the context of the discovery of gold and associated expansion, closely followed by the University of Melbourne in 1853. The University of Queensland, discussed below, was not established until 1909. These early Australian universities were based on their British counterparts, but rather than turning to the great universities of Oxford and Cambridge, Australian universities drew inspiration from the secular and pragmatic orientation of the universities of London and Scotland (Coaldrake and Stedman 1998, 8–11). Initially, their central task was building the British colony and their emphasis was, not surprisingly, on practical considerations such as engineering and the building of infrastructure rather than the pursuit of disinterested knowledge. The establishment of the University of Sydney, for example, was in

no small part motivated by the opening of the New South Wales bar and related requirements for legal training (*Coaldrake and Stedman 1998, 9*):

The need to find solutions pushed Australian education toward pragmatism rather than theory, and that tendency was assisted by the early universities, which saw themselves as creating a professional middle class to assist the development of the colonies, rather than as beacons of intellectual light and truth in the midst of a dark wasteland. (*Aitkin 1997, 40*)

An economic, or at least materialist, imperative has thus been central to the initial foundation of Australian universities.

As was the case in the United States, Australian universities helped produce an educated middle class. The social and cultural capital that is gained from higher education has been and continues to be closely linked to the distribution of economic capital, as well as avenues to pursue it (*Bourdieu 1986*). Following World War II, there was a tremendous expansion in enrollment in the Australian universities. Returned servicemen took the opportunity to participate in higher education as part of the Commonwealth Reconstruction Training Scheme (CRTS), while the booming economy magnified the demand for skilled labor. There was also a pressing need to train a large cohort of teachers to cope with the influx of school-age baby boomers. In this climate of increasing demand, two key reports on tertiary education set the scene for the rapid expansion of publicly funded education, and for a shift from primarily state to increased federal funding. The Murray report of 1957 (*Murray 1957*) argued that the expansion of access to higher education was in the national interest, while the Martin Report of 1964 (*Committee on the Future of Tertiary Education in Australia 1964–65*) presented a more comprehensive case for a national investment in tertiary education and an egalitarian principle of access. In both reports, a liberal education is valued for its social development of citizens, but citizenship is closely linked to nation building, in both social and economic terms (*Marginson and Considine 2000*). This general trend of access and equity culminated in the commonwealth funding of all higher education under Prime Minister Gough Whitlam in 1975, and higher education provision remained free in Australia until 1992, when the Higher Education Contribution Scheme (HECS) was introduced.

## Research on the Economic Benefits of Higher Education

Much of the research on the economic impact of higher education has tended to focus on the state or national level. A great deal of research demonstrates the economic value of higher education. Most notably, Gary S. Becker's analysis of earnings using U.S. 1950 census data provided convincing evidence that investment in a college education (tuition and earnings lost by stepping out of the workforce) yielded a 13 percent rate of return (1964). Subsequent analysts have translated these individual economic benefits into collective ones by measuring increased worker productivity, lower unemployment, and higher wages, all of which yield more tax revenues. Various international studies argue that investment in higher education reaps economic rewards, both individually and socially (Wolf 2002). In individual terms, Frank P. Larkins suggests that there are significant and direct economic benefits to be made by investing in higher education. For the individual, the benefits of higher education are economically measured as increased income, giving a private rate of return of 20.1 percent (although this is lower for the social sciences or humanities graduate). The social rate of return is between 12.1 and 8.7 percent (Larkins 2001). Such studies, however, also tend to mention that it is extremely difficult to quantify the social and cultural contribution of higher education. The emphasis on research that can be commercialized or applied and strategic research evident in recent policy directions also asserts an important role for Australian universities as economic drivers, in which knowledge functions as a commodity (Marginson 1997). This is reflected in the most recent financial statistics collated by the federal Department of Education, Science and Training, which show that in 2000 applied research accounted for 37.8 percent of research funds, pure basic research for 30.5 percent, strategic basic research for 37.5 percent, and experimental development for 7.7 percent. Similarly, education itself has become a saleable commodity, particularly in terms of the internationalization of education markets; the Australian Vice-Chancellors' Committee values Australian education exports at A\$5.6 billion (2004).

In a labor market characterized by short-term contracts and rapid change, higher education is increasingly regarded as crucial to national economic stability. The recent *Our Universities: Backing Australia's Future* released by federal Minister for Education Brendan Nelson (2003b) makes clear the importance of

universities as competitive players in a global knowledge economy in which information commodities and prosperity are closely linked and lifelong learning plays an important role in ameliorating workplace change.

While the connection between national prosperity and publicly funded education is a link that has been made in various forms for some years, for the past two decades the emphasis has been not only on economic output, but enabling this output by means of the internal restructuring of Australian universities in economic

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*“In a labor market characterized by short-term contracts and rapid change, higher education is increasingly regarded as crucial to national economic stability.”*

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terms, with a focus on businesslike managerial structures and market-like competition between universities (Marginson 1997; Marginson and Considine 2000). The restructuring of universities along economic lines began to be undertaken by the Hawke and Keating labor governments, in line with a general policy of neoliberal economic reform. The Dawkins reforms of the late 1980s, for example, introduced competition between universities, amalgamated universities, and colleges of technical and further education (TAFE) and reintroduced a user-

pays system (albeit a deferred one). Successive Liberal governments have further advanced these market tendencies.

In its most basic form, the neoclassical shift has entailed a shift from previous policies of equity and citizenship to the logic of the student and consumer and/or product, and education and knowledge as marketable commodities (Marginson 1997), as evidenced in the internationalization of education and the increasing importance of the commercial arms of universities (indeed, the focus of this year’s Research Week at the University of Queensland was on the commercialization of research).

More explicitly, a market depends on competition and a scarcity of resources, and the objectives of equity and marketization are obviously opposed. This produces some strange tensions in Australian universities: the vast majority of universities are commonwealth-funded public institutions subject to centralized policy decisions, while the neoclassical economic approach is characterized by an emphasis on diversity and competition. In the

context of such a quasi-market in higher education (*Marginson 1997*), federal government maintains an overt financial obligation to universities and a rhetorical commitment to the role of universities in the community (although the frequent elision of community interests with economic prerogatives is telling). Interestingly, the return to a community engagement agenda seems to have gained a particular currency in the mid-1990s in Australia. This raises questions regarding the deployment of community partnerships as a genuine attempt to ameliorate the neoclassical restructuring of universities, or a manifestation of this same push. Michael Daxner argues for a middle ground in which the university, as an “academic corporation,” must recognize the framework of stakeholders alongside the “non-functional” aspects of academia (*2001*).

State lawmakers in the United States have tended to characterize the benefit of higher education in rather stark economic terms. Indeed, a 2001 Higher Educational Issues Survey, based on interviews with sixty-four state legislative leaders from all fifty states, found that support for state funding of higher education is strong; however, it also reveals that legislators view these institutions primarily as a means of promoting state economic development (*Ruppert 2001*). A number of public institutions and systems have developed costly economic-impact studies to demonstrate the “payoff” on the investment lawmakers have made (*Potter 2003*).

### Whither the Local Community?

Lost in these larger discussions of state or national economic competitiveness is the very real impact that individual institutions (which constitute these “systems” of higher education) have on their local communities. Universities, even if they recruit students and faculty members nationally, are place-based: rooted in a particular locale. Critics have pointed out that the role of research universities as local institutional citizens has been less than exemplary. Universities in depressed urban settings barricade themselves behind iron gates. If economic “revitalization” occurs, it is on the university’s terms and is produced by displacing longtime residents and erecting a gentrified residential and retail moat around the campus to shield it from surrounding neighborhoods. Once this is accomplished, the façade alleviates the anxieties of prospective customers (students) and their parents, which boosts application numbers and increases selectivity and prestige. University lab schools allow faculty children to avoid

the disastrous public system of education. Faculty members engage in research in the community: it is their “laboratory,” and its proximity affords easy access to every kind of urban pathology. The theories derived from these studies are discussed and debated by erudite subdisciplinary associations at far-off conferences.

Happily, this bleak picture is fantastical (though it is an amalgam of elements we have seen on campuses). The point is that institutional economic self-interest has the capacity to horribly distort the civic mission of the university. Fortunately, many universities today have developed meaningful partnerships with local community-based organizations, municipal governments, and businesses to better serve the people who live there (*Maurasse 2001*).

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*“A number of public institutions and systems have developed costly economic-impact studies to demonstrate the ‘payoff’ on the [higher education] investment lawmakers have made.”*

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In many blighted urban areas, universities provide large, powerful, and stable economic centers that draw on local businesses and provide a sizable employment base. Richard Geruson noted a decade ago:

There are a variety of roles that educational and medical organizations are already playing in their local areas. The more obvious roles are those as consumer/spender in the community, in the short term and the long term; investor in physical and human capital; provider of services through community outreach involving students and staff. (*1994, 70*)

Harkavy and Zuckerman (*1999*) have underscored the extent to which “eds and meds” (universities and medical centers) serve as key (though often overlooked) fixed assets for their local communities. Their analysis of employers in the twenty largest U.S. cities found that 550,000, or 35 percent, of the 1.6 million people working for the top ten private employers in these cities work at eds or meds. They go on to argue that the purchasing power, hiring practices, and influence on local real estate could allow universities and medical complexes to play a central role in economic revitalization efforts. A report recently issued by Initiative for a

Competitive Inner City (ICIC) and *CEOs for Cities (2002)* notes that more than half of American colleges and universities are located in or near urban centers. These urban institutions employ two million workers, and two-thirds of these positions are administrative and support staff positions—not faculty positions—and therefore filled through local or regional searches rather than national ones. Collectively, these institutions have significant purchasing power:

In 1996, the latest year for which data is available, the more than 1,900 urban-core universities spent \$136 billion on salaries, goods, and services—nine times greater than federal direct spending on urban business and job development in the same year. (*ICIC and CEOs for Cities 2002, 2*)

In the section that follows we offer two examples of institutions that have renewed their commitment to serving their local communities and that illustrate burgeoning civic engagement initiatives in Australia and the United States.

### University of Pennsylvania

The University of Pennsylvania is a highly selective private research university located in West Philadelphia. Its twelve schools are located in 151 buildings on a 269-acre campus with open industrial space to the east and residential neighborhoods elsewhere. In 2003, Penn had more than 23,000 students, approximately half graduates and half undergraduates, and 2,400 standing faculty members. With 22,000 employees, including those from the university health system, Penn is the largest private employer in the city, with an operating budget of \$3.59 billion.

Penn had long served as an important employer in West Philadelphia. It also played a role as a cultural resource for the greater Philadelphia region. However, a number of factors impelled the University to pursue a more active partnership with other West Philadelphia organizations. Philadelphia was in decline during the latter half of the twentieth century. From 1950 to 1990, its population diminished from more than two million to fewer than 1.6 million residents. As in many older American cities, the rise of the new knowledge economy brought about a sharp decline in manufacturing jobs; knowledge work did not require an urban setting with its critical mass of workers. When jobs disappeared, people began leaving the city, and vacant homes and

storefronts marred an increasingly bleak urban landscape. The housing market weakened appreciably. In an effort to revitalize the area in the mid-1950s, Penn purchased and demolished the adjoining neighborhood of “Black Bottom,” which strained university-community relations for decades to come. As economic conditions declined, the area surrounding the university increasingly was plagued with crime.

In 1992, Penn’s Center for Community Partnerships (CCP) was founded by retiring president Sheldon Hackney. CCP was created to promote and coordinate student and faculty involvement in West Philadelphia. The use of the term “partnerships” in the center’s name represented an acknowledgment of Penn’s interdependence as one institutional citizen participating in the broader civic life of West Philadelphia. Internally, CCP’s creation symbolized a presidential commitment to realigning the efforts of the University to better serve its neighbors.

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*“... CCP’s creation symbolized a presidential commitment to realigning the efforts of the University to better serve its neighbors.”*

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In 1994, the Board of Trustees selected Judith Rodin to succeed President Hackney. Rodin had grown up in West Philadelphia and attended Penn graduate school. After a distinguished academic career culminating in her role as provost of Yale University, the board of trustees selected Rodin in part because of her commitment to improving Penn’s local environment. To achieve that far-reaching goal and to rejuvenate undergrad-

uate education, Rodin established the Provost’s Council on Undergraduate Education and charged it with designing a model for Penn’s undergraduate experience in the twenty-first century. The Council’s work emphasized the action-oriented union of theory and practice and “engagement with the material, ethical, and moral concerns of society and community defined broadly, globally, and also locally within Philadelphia” (*Provost’s Council on Undergraduate Education 1995, S-1*).

Since that time, CCP has helped to develop more than 150 service-learning courses taught by Penn faculty from diverse disciplines. The highly publicized murder of a student in 1996 convinced President Rodin that to enact change expeditiously, the university had to take the lead role. Rodin made significant

changes to the administrative structure of Penn. For example, the Board of Trustees created a standing committee on Neighborhood Initiatives. The position of Vice President for Government, Public and Community Affairs was created, to whom the director of CCP reported. An Office of Facilities and Real Estate Services was formed through the merger of two other offices to coordinate the purchasing, development, and sale or rental of off-campus real estate. Between 1998 and 2004, 386 Penn-affiliated households bought homes in University City, a section of West Philadelphia, and 75 percent had mortgages less than \$150,000. The Graduate School of Education began working with the Philadelphia School District and the Philadelphia Federation of Teachers to plan a new university-assisted elementary school. Monthly meetings were held between university officials and members of neighborhood organizations and civic groups to discuss ongoing plans. Open community meetings were also held to encourage dialogue.

In addition, Penn instituted an aggressive economic revitalization program:

- Penn actively sought to give their patronage to local suppliers. In 1996, Penn's purchases from West Philadelphia businesses came to \$20.1 million; by 2003 that amount had grown to \$61.6 million.
- Penn supported construction of a \$95 million Sansom Common retail and hotel facility and a multimillion-dollar biomedical research building that relied heavily on local and minority labor. In the short term 170 new construction jobs were created; later more than two hundred permanent jobs were filled by West Philadelphia residents.
- Penn also purchased dozens of nearby homes, refurbished them, and resold them at or below cost to ensure that local families were able to purchase them. It provided financial incentives for Penn faculty to purchase homes in the area as well.
- Crime reports from Penn's division of public safety indicate that overall crime has dropped 40 percent: robberies by 56 percent, assaults by 28 percent, burglaries by 31 percent, and auto thefts by 76 percent.

In 2004, President Rodin was succeeded by Amy Gutmann, a highly distinguished political philosopher whose scholarly work focused on the role universities can play in advancing democratic education and democratic societies. In her inaugural address on

October 15, 2004, President Gutmann presented a bold, comprehensive “Penn Compact” unprecedented in its intention to have Penn fulfill its responsibility “to serve humanity and society.” Among other far-reaching goals, she observed:

Through our collaborative engagement with communities all over the world, Penn is poised—and I think uniquely poised—to advance the central values of democracy in a great urban city: life, liberty, opportunity, and mutual respect. (2004)

Gutmann’s vision, if achieved, would entail the university’s transcending academic and disciplinary excellence and aligning the work of the institution with the needs of a diverse democracy. It would also mean recognizing and developing institutional policies to mitigate market forces that influence research and modify higher education (Bok 2003).

### University of Queensland

The University of Queensland is a public university with 38,139 students, including 10,313 postgraduates and 6,396 international students. The university’s 5,081 administrative staff and 2,078 academic staff support 4,000 courses and 380 programs; its total operating revenue was A\$814,450 million in 2002. University of Queensland assets include 1,940 hectares of land on which stand 692 buildings with an asset replacement value of A\$705 million.

Like Penn, the University of Queensland (UQ) has grappled with its relationship with its local community throughout its history. Its founding in 1906 was auspicious: a University Congress produced a draft bill for the establishment of UQ, and a single theme dominated the document: the usefulness of a university to satisfy the needs of the community. The University of Queensland was established by an Act of State Parliament on December 10, 1909. Its foundation four months later made it the first university in the state and the fifth in the nation. In 1911, eighty-three students (including twenty-three women) attended the first classes in Government House, George Street, Brisbane. In 1922, Sir Matthew Nathan reminded Queensland of how the university was benefiting the state, in terms of agricultural and industrial outcomes (Thomis 1985). During this period, community-based research had great popular appeal, providing justification for the existence of the university. Putting scientific and technological knowledge and skill to work on precise problems

of Queensland life was a virtue of the academic's performance; in this way, UQ was doing the job for which it was created (*Senate, 16 July 1920; cited in Thomis 1985*). In 1936, there was increasing pressure for the funding of pure research and knowledge. However, in March 1944, the *Courier-Mail* stated that many people were disappointed that the university had done so little to stimulate the general intellectual and cultural life of the state. A year later, the *Sunday Mail* argued that the university had maintained a "lofty indifference to the world" (*Thomis 1985, 222*).

In 1965, Opposition spokesman J. E. Duggan stated that the university's responsibility was to "train personnel to serve the economy and the requirements of industry" (*Thomis 1985, 222*). During this period, Vice-Chancellor Schonell encouraged staff to

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*"It has been critically important for UQ to remain sufficiently alive to changing social needs to deserve still the description 'a people's university.'"*

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involve themselves within the local community and to counteract the existing unfavorable publicity relating to Commemoration festivities. In 1981, the Business School established the Department of Management to respond to the needs of the local business community. This university-community relationship, reflecting a changing understanding of community in relation to economic goods, received a hostile reception from *Semper Floreat* (the student news-

paper) and some academic staff. In the late 1980s, there was growing pressure to make universities more accountable to society. Thomis warned that "members of the university community can expect to find themselves under continuing public scrutiny and with increasing need to justify their existence and activities to government and societies" (*1985, 392*).

Even within the current context of the marketization of education, UQ continues to develop its role within the local community and society, and to address major practical problems, such as the ongoing inaccessibility of universities to Aboriginal and working-class students. It has been critically important for UQ to remain sufficiently alive to changing social needs to deserve still the description "a people's university" (*Jones 1982*).

In response to this ongoing challenge and under the leadership of UQ President and Vice-Chancellor Professor John Hay, UQ's

current stated mission is “to create a community dedicated to achieving national and international levels of excellence in teaching, research and scholarship” and make “significant contributions to the intellectual, cultural, social and economic life of the State . . . and . . . nation” (*University of Queensland Senate 2002, 18*). This mission is developed through a rolling series of five-year plans that express the mission in terms of long-term strategic objectives and operational priorities in the areas of teaching and learning, research and research training, management and resources, and community partnerships.

The mission of UQ includes making a significant contribution to the intellectual, cultural, social, and economic life of the state of Queensland. Among its key operational objectives, one of the immediate priorities is to increase engagement in mutually beneficial partnerships with a particular focus on regional organizations. And within its commitment to community partnerships, its key strategic objectives include

- to develop closer and more numerous links with the community of which it is part;
- to collaborate in strategic activities for community benefit with industry, business, and professional groups and with instrumentalities at city, state, national, and international levels;
- to champion the role of education and research in underpinning the economic health and social well-being of local, state, national, and international communities;
- to build on the university’s strengths in the services it is able to offer the community, helping to find and promote innovative and sustainable solutions to community challenges.

In a direct expression of this mission, the UQ Senior Executive set about instigating a facilitating agency between the university and the west region of Brisbane via the newly established UQ Ipswich campus. The “UQ Boilerhouse” Community Service and Research Centre was launched in 1999 and established its goal to work in partnership with, and have support from, all UQ faculties. The Centre strategically integrates research, teaching, and learning in service and engagement to the needs and aspirations of the university’s local communities. The research, teaching, and learning programs and processes of mutual engagement have been directed toward the development, improvement, and enhancement of both the community and the university through applied scholarship. Over time, the Centre has

purposefully become a noncompetitive research, development, and facilitating agency, resourced and supported to develop as a university-wide entity “incubator” that helps strengthen the problem-solving work of the university. It has established itself as a new kind of Australian university-community organization.

The most significant engaged and strategic research, teaching, and learning project undertaken by UQ through the Centre has been the Goodna Service Integration Project. Following the murder of an Ipswich resident in 1999, the Centre facilitated regular and informal breakfast meetings involving key community leaders. These meetings focused on understanding and developing collaboration strategies for improved community well-being in the broader western region. This region is typical of numerous transitional peri-urban communities experiencing long-term and significant social, economic, and environmental challenges. In collaboration with UQ academics, the community leaders collaboratively created the Service Integration Project and its interprofessional leadership accredited and short courses.

Six years later, the academically based engaged learning courses continue to purposefully integrate research, teaching, and learning to collaboratively solve local city issues. Since the first breakfast meeting, the project has injected external funding of more than A\$1.2 million into the regional economy. (It is estimated that the Ipswich campus injects more than A\$20 million into the local economy.) The most recent (2001/02) data for the Ipswich Police District confirms that recorded crime in the region is decreasing (*Management Advisory Committee 2004*).

In terms of scholarship and developing new knowledge, the courses have been awarded the 2002 University of Queensland Teaching and Learning Student Enhancement Award and been a finalist in the 2002 and 2003 Australian Award for University Teaching. Most recently they have been recognized by Victoria’s Western Region Moving Forward project, Queensland Training Awards 2004, and were one of ten national projects featured alongside the Sydney Olympics, the response to the Bali bombings, and the National Illicit Drugs Strategy in the Australian Government’s *Connecting Government: Whole of Government Responses to Australia’s Priority Challenges* report. Finally, in 2004 the Centre’s role in informing and fulfilling UQ’s engaged scholarship agenda was acknowledged in the Australian Universities Quality Agency Review and the Vice-Chancellor’s UQ Ipswich Review.

**Analysis:** The University of Pennsylvania and the University of Queensland illustrate the promise and the continuing challenge of reorienting the mission of elite research-intensive universities to embrace civic engagement. As we have discussed, there are numerous factors that tend to militate against such efforts. In the United States, government and foundations have tended to reward research directed toward serving narrow national interests (e.g., defense) rather than solving local problems. In both countries, the notion of conducting community-based research remains contested by some faculty members who value “pure” over applied research. However, several factors have influenced local engagement.

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*“In both countries, the notion of conducting community-based research remains contested by some faculty members who value ‘pure’ over applied research.”*

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1. **LOCATION:** The evolving local context of these universities had significantly shaped the nature of civic engagement. Presidents Hackney and Rodin (and the board of trustees) were in many respects compelled to respond to the problems of urban West Philadelphia. By contrast, the University of Queensland’s oldest and most established campus (St. Lucia) is in a middle-class neighborhood, and community partnering is arguably less of an imperative than at UQ’s peri-urban campuses such as Ipswich and Gatton, where the university is actively involved in community consultation and development. For example, the Goodna Service Integration Project focuses on service provision, community-government relations, and community well-being in an area that is economically and socially marginalized. In short, civic engagement is in part a response to pressing need.
2. **WHOEVER PAYS THE PIPER CALLS THE TUNE:** Pragmatic and prosaic reasons for local civic engagement stem from the fact that universities must remain keenly attuned to the constituents that sustain them. Here some important differences emerge. UQ is heavily reliant on government funding and is subject to central policy directives. More recent initiatives have redirected attention to community-based research. However, the rationale for the policy

shift is to some degree economic. Unlike American institutions, Australian universities have a limited tradition of private bequests and donations. Today, in a context of neoliberal economic reform, Australian universities are increasingly turning to the community as a source of funding. Public universities are also being exhorted by the government to work with community in the context of the much discussed rolling back of the welfare state.

Penn is a private university. Its strategic decisions are shaped by the hypercompetitive higher education market in the United States and a desire to secure the best faculty and students. Tuition continues to be a large (if not the largest) single source of income for the great majority of American colleges and universities, even elite private universities with large endowments. Therefore, shifting perceptions of prospective students (and their parents) about safety at Penn and fears that these would translate into declining enrollment and retention prompted Penn's president and the board of trustees to enact Penn's agenda of engagement.

3. **UNIVERSITY LEADERSHIP AND INSTITUTIONAL MISSION:** The aforementioned contextual issues suggest that civic engagement is based on self-interest and self-preservation. However, we argue that at both institutions the engagement with community also expresses long-held institutional ideals. Organizational values and ideals also impel change. Penn might have erected iron gates and shut the community out (as one trustee suggested in the 1980s). However, Penn's legacy of pragmatism (as espoused by its founder, Benjamin Franklin) has throughout its history directed the institution's efforts toward the resolution of real-world problems. Successive presidents—Hackney, Rodin, and Gutmann—have expressed Penn's recent commitment to this democratic purpose through the creation of infrastructure (the Center for Community Partnerships) and by rhetorically underscoring Penn's mission to serve not only the world (as an elite research university) but the community of which it is a part. UQ's leadership has similarly, albeit more recently, made a commitment in terms of mission statement and strategic objectives, leadership, and infrastructure (the Community Service and Research Centre). For both institutions the engagement with community appears to

consist of an “enlightened self-interest,” coupled with a rhetoric befitting an Enlightenment vision of the university. For Penn, the motivating factor has been physical safety of staff and students and the threat of declining enrollment, whereas for UQ there has been significant emphasis on community partnerships in a context of decreasing funding and the necessity of diversified funding sources. Crucially, these are economic drivers. But there is also an abiding interest in fulfilling a larger, nobler public purpose. For the civic engagement effort in both these countries to prosper, there must not only be a need; there must also be a desire of individuals on campuses to take on this important work of maintaining these democracies.

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# Institutions of Higher Education as Engines of Small Business Development

*Rodney D. Green, Padma Venkatachalam*

## Abstract

Universities today exert an ever-increasing stimulus to small business development, contributing to national and local economic development as the general economy becomes increasingly knowledge-based. The transition to a knowledge-based economy, coupled with the passage of the Bayh-Dole Act in 1980, has resulted in stronger university-industry partnerships in technology transfer, promotion of business incubators, and entrepreneurship development. Today, over two-thirds of all licenses and options executed annually by academic institutions are conducted with small businesses; in 2002, academic discoveries led to the formation of 450 companies, and 569 products based on university research were made commercially available. At the local level, about 25 percent of business incubators are sponsored by universities, while institutions of higher education are also emerging as major players in local community revitalization and economic development through funding from federal agencies including HUD, Labor, Commerce, and the SBA.

## Introduction

Universities are crucial elements of the social fabric, playing a critical role in national and local economic development. Despite the nation's preoccupation with large corporations, small businesses often drive innovation and constitute the most dynamic sector of the American economy. Small businesses, however, face many challenges that make them risky undertakings; most firms fail within a few years of start-up. How have universities in the past helped strengthen and sustain this important sector of the American economy, and how can they augment this function? The two primary modes of intervention are technology transfer and community development.

## Technology Transfer

The traditional role of universities, especially the major research universities, has been to provide the development of knowledge and personnel training that can then be infused into

the economy. Universities typically experience internal tension as they balance one type of mission—generating pure knowledge and educating students for citizenship—with another: the applied aspect of technology transfer. In recent years, however, universities have almost universally placed increased emphasis on research funding from sources interested in workable, practical products. In part, this emphasis is due to the increasingly knowledge-based economy, which leads government and the private sector to increase their support for many kinds of research. The National Science Foundation (NSF) and the National Institutes of Health (NIH) have played a critical role here, while the more controversial military and security research emanating from the Department of Defense and other security agencies has helped universities expand their applied research functions. Similarly, direct support from such industries as information technology and pharmaceuticals has motivated expanded practical research initiatives. Increasingly, these research activities both feed the large corporate sector and stimulate new small businesses initiated by faculty or other entrepreneurs who link themselves to the university.

### Community Development

Knowledge creation and technology transfer constitute only one role that the university plays in stimulating small business. The physical presence of universities in distressed, undercapitalized communities has in recent decades led to university-community partnerships for the holistic revitalization of local areas. Universities often now see great opportunities to influence the communities and regions in which they are located through active engagement in community development and economic revitalization. Such contributions of universities to communities and economic development are widely recognized, and universities have come to be acknowledged as powerful engines of economic growth and development (*Appleseed, Inc. 2002*).

In part, this initiative comes from enlightened self-interest; in part, it has evolved from increasingly knowledgeable local stakeholders insisting on university accountability to the public, holding these mighty presences in the community responsible for the community around them. In part, federal stimulus for such partnerships has come from U.S. Department of Housing and Urban Development (HUD) and U.S. Department of Health and Human Services (HHS) revitalization programs as well as community-oriented requirements in NSF and NIH programs.

University-community partnerships generally include an important role for small business development, since economic development is central to any sustained community development effort. The specific roles for the university coming from this side of the economic development process include technical assistance to existing and start-up businesses through the Small Business Development Center (SBDC) program of the Small Business Administration (SBA), for which universities typically provide extensive matching support; business incubators, with technical assistance and some material support for innovative initiatives; and university-based purchasing by students, staff, and university units from local businesses. Thus, while this set of roles is not entirely divorced from the knowledge production and technology transfer function—incubator projects in particular bridge both roles—the role of the university as a powerful local institution with particular technical and financial strengths plays a central role in community economic development, complementing the university’s broader role as a key component of economic development at the national level.

### **Knowledge Creation and Technology Transfer: Traditional Roles Today**

Universities have long been considered society’s primary source for the creation and dissemination of knowledge. Even when, one hundred years ago, leaders of private colleges such as Johns Hopkins University and Columbia University spoke of an urban mission connected to their communities, and while land-grant schools spoke of the boundaries of the University of Wisconsin being the borders of the state,<sup>1</sup> the primary university function remained knowledge creation, in particular the generation of educated and skilled graduates for the national economy and culture. The universities effectively fulfilled this role through teaching and research, and continue to do so today with even greater effect.

The broadening of the role of universities—from generating educated graduates to powerful engines of economic development—emerged with the knowledge-based economy over the last three decades. The exponential growth rates in technology development, the information and communications technology revolution, and globalization and its associated competitive challenges transformed the world’s leading economies. Today the production, dissemination, and use of knowledge enhance economic growth,

job creation, competitiveness, and welfare more than ever. The knowledge-based economy reflects the accelerating importance of innovative ideas and technology embedded in services and manufactured products. As the World Bank has noted,

Today's most technologically advanced economies are truly knowledge-based. And as they generate new wealth from their innovations, they are creating millions of knowledge-related jobs in an array of disciplines that have emerged overnight: knowledge engineers, knowledge managers, knowledge coordinators. (1998/1999, 16)

Economics has long recognized, at least nominally, the importance of knowledge to economic development. Nineteenth century economist Alfred Marshall noted in 1890 that knowledge was the most powerful engine of production; Joseph Schumpeter similarly noted in the twentieth century the interconnection of entrepreneurship, innovation, and technical change (*Marshall 1920; Schumpeter 1934*). Standard neoclassical economic growth models, however, have tended to focus on the accumulation of physical capital and the growth of labor as the primary ingredients of economic growth; technological progress tends to be treated as strictly exogenous and is captured in residual parameters in the models. More recently, economists have introduced measures of ideas, research, and knowledge into the production function (*Romer, 1993*), thus modeling economic growth and productivity as functions of the rate of technical progress and the accumulation of knowledge. The World Bank notes that

... for countries in the vanguard of the world economy, the balance between knowledge and resources has shifted so far towards the former that knowledge has become perhaps the most important factor determining the standard of living—more than land, than tools, than labour. Today's most technologically advanced economies are truly knowledge-based. (1998/1999, 16)

Agreeing, Alan Greenspan, chairman of the Federal Reserve Board, stated that “over time and particularly during the last decade or two, an ever increasing share of GDP has reflected the value of ideas more than material substance or manual labor output” (2001). Similarly, the Progressive Policy Institute argues that the net stock of intangible capital (e.g., education and research and development) has grown faster than that of tangible capital (e.g., buildings, transportation, roads, and machinery). Moreover,

it argues, federally financed intangible capital has increased from 60 percent of the value of federally financed physical capital in 1970 to 93 percent today (*Progressive Policy Institute 2004*).

With these transformations, a variety of models of collaborations among universities, public research institutions, and private companies have emerged. For instance, the Southern Growth Policies Board reports on a variety of university-industry partnership activities, including technology transfer, industrial extension and technical assistance, entrepreneurial development, industry education and training partnerships, and career services and placements (*Tornatzky, Wagman, and Gray 2002*).<sup>2</sup> Similarly, Appleseed, Inc., in its seminal report on the economic impact potential of the eight Boston area research universities, claims that international companies are coming to the Boston region to take advantage of the research generated by these universities (*2002*)<sup>3</sup> while the universities are also playing an active role in the promotion of industry clusters (*Paytas, Gradeck, and Andrews 2004*), consistent with Michael Porter's 1998 study on the vital role that universities play in cluster-based economic development.<sup>4</sup> Paytas and colleagues (*2004*) expanded both Porter's insight and the findings of the Appleseed study in their review of eight universities across the nation that are stimulating industry clusters in their respective regions. The report found that, within a region, universities are best able to affect the growth of young, emerging clusters, although such cluster support requires a "broad commitment of significant university resources across a variety of departments aligned with the needs of the cluster" (*ii*).

Three types of university-industry partnerships have evolved within the traditional role of universities and influenced by the knowledge economy process. They are research and technology transfer, business incubation, and entrepreneurship development.

**Research and technology transfer:** University technology transfer activities include (1) research partnerships with industry; (2) patenting and licensing university intellectual property; (3) technical and managerial assistance programs; (4) business incubators; (5) research parks; (6) venture capital and start-up activities; and (7) continuing education (*Matkin 2000*). Universities were engaged in industry-based research and product development prior to the passage of the Bayh-Dole Act in 1980; nevertheless, the act was instrumental in strengthening and consolidating the university-industry relationship in the field of research and transfer of technology. Until the passage of this act, federal agencies retained the

intellectual property rights resulting from research that they funded, limiting the transfer of technology to businesses for commercialization. However, the Bayh-Dole Act and the subsequent policy regulations permitted universities and small businesses to take ownership of inventions made under federal funding and become directly involved in the commercialization of these inventions. The funneling of federal funds for research and development (R&D), combined with ownership rights over their inventions, provided universities with the opportunity to expand their

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*“The federal government encourages university-industry partnerships, often with a focus on the small business sector of industries, through a variety of specific federal programs.”*

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research activities in collaboration with companies.<sup>5</sup> U.S. academic institutions spent \$33 billion on R&D in 2002, of which federal agencies provided an estimated \$19 billion or about 58 percent, academic institutions about \$7 billion, state and local governments about \$2.2 billion, and industry \$2.1 billion, or 6.8 percent. Between 1972 and 2002, the average R&D growth rate of the academic sector was 4.5 percent. This R&D growth resulted in the increase in patenting by academic institutions from 250 in the 1970s to 3,200 in 2001 (*National Science Board 2004*). Academic R&D funding by the industrial sector grew faster than funding from any other source during the past three decades, evidencing the close relationship between university R&D and industry. Furthermore, federal regulation now provides that in the marketing of their inventions, universities must give preference to small business firms, provided such firms have the resources and capability for commercializing the inventions (*Rights to inventions 1999*). According to the National Science Board (2004), “University-industry collaboration and successful commercialization of academic research in the United States contributed to the rapid transformation of new and often basic knowledge into industrial innovations, including new products, processes, and services.”

The majority (over two-thirds) of licenses and options executed in 2002 by academic institutions (including universities, hospitals, nonprofit research institutions, and patent management and investment firms) were done with small existing companies

or start-ups, undoubtedly influenced by the Bayh-Dole Act's mandate that universities give preference to small businesses. In cases of unproven or very risky technology, universities often opt to make an arrangement with a start-up company because existing companies may be unwilling to take on the risk. Faculty involvement in start-ups may also play a key role in this form of alliance. The majority of licenses granted to small companies and start-ups are exclusive; that is, they do not allow the technology to be commercialized by other companies.

The Association of University Technology Managers (AUTM) notes that academic institutions reported 15,573 invention disclosures and 7,741 new U.S. patent applications filed (*AUTM 2003*). Of the 4,594 licenses and options executed in fiscal year 2002 by academic institutions, 68.2 percent of new licenses and options were with newly formed or existing small companies; of licenses to start-ups and existing small companies, 91 percent and 45.4 percent respectively were exclusive. In 2002, academic discoveries led to the formation of 450 companies; 83 percent of these were located in the same state as the academic institution. About 569 products based on university research were made commercially available to the public in the same year.

The federal government encourages university-industry partnerships, often with a focus on the small business sector of industries, through a variety of specific federal programs. These include the Small Business Technology Transfer Program (STTR) and the Small Business Innovation Research (SBIR) of the U.S. Small Business Administration. SBIR encourages small businesses to explore their potential for innovating new technologies often developed at universities, and it provides the incentive to profit from their commercialization. By reserving a specific percentage of federal R&D funds for them, SBIR protects small businesses and enables them to compete on the same level as larger businesses. SBIR funds the critical start-up and development stages and encourages the commercialization of the technology, product, or service. Since its creation in 1982, as part of the Small Business Innovation Development Act, SBIR has helped thousands of small businesses to compete for federal research and development awards, often in partnership with universities and sometimes under the leadership of key university faculty.

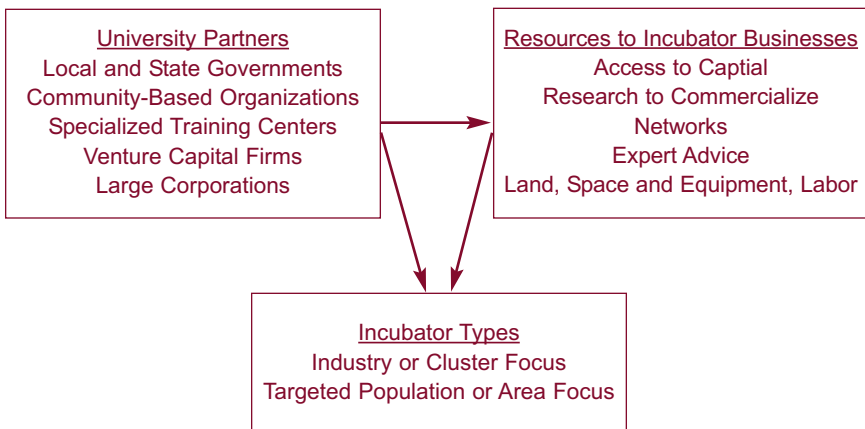
STTR is a small business program that extends funding opportunities in the federal innovation research and development arena. Central to the program is the expansion of the public/private

sector partnership to include joint venture opportunities for small business and the nation's premier nonprofit research institutions, including colleges and universities. STTR reserves a specific percentage of federal R&D funding to award to small business and nonprofit research institution partners. While R&D efforts may be beyond the means of many small businesses, and nonprofit research laboratories may focus on exploratory and theoretical research rather than practical applications, STTR attempts to combine the strengths of both entities by introducing entrepreneurial skills to high-tech research efforts. The technologies and products are transferred from the laboratory to the marketplace. The small business profits from the commercialization, which, in turn, stimulates the U.S. economy.

***Business incubation:*** A logical offshoot of growing technology transfer from universities and research institutions to small businesses is assisting these businesses with the commercialization of research efforts through business incubators. Business incubators nurture new and small businesses by supporting them through the early stages of development with a wide range of services, including the provision of management guidance, access to financing, technical assistance, and consulting tailored to young, growing

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**Figure 1. Relationships in a Workable University Engagement Model**



Source: ICIC and CEOs for Cities 2002

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companies. Incubators usually also provide clients access to appropriate rental space and flexible leases, shared basic business services and equipment, technology support services and assistance in obtaining the financing necessary for company growth.

As of 2001, there were over one thousand business incubators in the United States, compared to a total of twelve in 1980 (NBIA 2004). The incubation model has been adapted to meet a variety of needs, from fostering commercialization of university technologies to increasing employment in economically distressed communities to serving as an investment

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*“[A]bout 25 percent of American business incubators are sponsored by academic institutions.”*

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vehicle. Most American business incubators (about 90 percent) are nonprofit organizations focused on economic development; 47 percent of these incubators are “mixed-use,” assisting a range of early-stage companies, while 37 percent focus on technology businesses. In 2001 alone, American incubators assisted more than 35,000 start-up companies that provided full-time employment for nearly 82,000 workers and generated annual earnings of more than \$7 billion (Linder 2003).

Universities are the biggest sponsors of business incubators. According to the NBIA, about 25 percent of American business incubators are sponsored by academic institutions, 16 percent by government entities, 15 percent by economic development organizations, 10 percent by for-profit entities, and 10 percent by other types of organizations. Figure 1 shows the relationships in a workable university engagement model.

***Entrepreneurship development:*** Universities encourage entrepreneurship through academic programs, cocurricular activities, and community outreach. These methods of strengthening the small business sector represent an important model of university support for small business. The Ewing Marion Kauffman Foundation, the leader in the United States for entrepreneurship education, reports that the United States outranks all other developed countries on entrepreneurship (2004). American universities have been playing a major role in entrepreneurship development. With more college courses and programs in entrepreneurship than ever before, more than 1,500 colleges and universities offer

some form of entrepreneurship training—a trend that started in the early 1990s and continues to flourish (*FastTrac 2003*).

Indeed, the United States continues to be a leader in entrepreneurship education and training at the undergraduate and graduate levels. The recent development of joint programs between engineering and business schools and the increasing number of university incubators are just two signs of the appreciation developed in the United States for entrepreneurship education. (*Ewing Marion Kauffman Foundation 2004, 26*)

The Kauffman Foundation itself promotes university support of entrepreneurship through grant programs. In 2003, it provided \$25 million to eight universities to transform the culture of these schools by creating university-wide entrepreneurship programs that touch every student in the school. One of these eight schools, Howard University, implemented a university-wide requirement that freshmen participate in entrepreneurship training, including a Saturday “Entrepreneurship Boot Camp” designed to stimulate the spirit of entrepreneurship among the students. Other grant programs are more modest. Kauffman’s Entrepreneur Internship Program has provided \$10 million to 171 academic and support organizations to give college students hands-on experience working side-by-side with active entrepreneurs, while the Kauffman Collegiate Network encourages innovative approaches for making entrepreneurship a common and accessible experience for all college students through grant programs.

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*“Besides teaching enrolled students, higher education institutions also provide education and training to existing business owners and entrepreneurs through community-outreach programs . . .”*

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Besides teaching enrolled students, higher education institutions also provide education and training to existing business owners and entrepreneurs through community-outreach programs such as FastTrac, a curriculum designed to provide entrepreneurs with business knowledge, leadership skills, and professional connections in order to create or expand businesses. This program is provided by 270 partner organizations in 49 states (*FastTrac, FastTrac Fact Sheet*).

Many universities are combining campuswide initiatives with their SBA-sponsored Small Business Development Centers. For instance, at the University of Georgia, the SBDC approached the university's College of Veterinary Medicine, College of Pharmacy, Law School, College of Agriculture, and School of Psychology and created a partnership with the two former schools for this broader initiative. Both schools revised their curricula to include significant courses promoting entrepreneurship among the students, with considerable success in business creation in these professional fields (*Sanford 2004*).

Kauffman considers this approach—strengthening the U.S. economy through university-industry-government-entrepreneur collaborations—a model for the world economy, with the caveat that government pays inadequate attention to the entrepreneurship component of the equation (*Schramm 2004*).

### **Small Business Development Centers**

The U.S. Small Business Administration (SBA) administers the Small Business Development Center (SBDC) program to provide management assistance to current and prospective small business owners through a network of more than 1,100 service locations. Each state has a lead organization, frequently a university, that manages the SBDC program and provides program services through subcenters and satellite locations in each state. These service sites are located in colleges, universities, community colleges, vocational schools, chambers of commerce, and economic development corporations.

SBDCs, cooperative efforts of the private sector, the educational community, and federal, state, and local governments, offer one-stop assistance to individuals and small businesses by providing a wide variety of information and guidance in central and easily accessible branch locations. The SBDC program is designed to deliver up-to-date counseling, training, and technical assistance in all aspects of small business management, including finance, marketing, production, organization, engineering, and feasibility studies. Special SBDC programs and economic development activities include international trade assistance, technical assistance, procurement assistance, venture capital formation, and rural development. Since 1980, over nine million entrepreneurs have been served by the SBDCs. In fiscal year 2003 alone, SBDCs counseled and trained more than 687,000 clients (*SBA 2004*).

Howard University has operated the District of Columbia's SBDC since 1976 and has demonstrated through its work the value of such university support for small business development. Through tens of thousands of counseling sessions and thousands of training sessions, small businesses have achieved remarkable successes. Through the SBDC's efforts, millions of dollars of federal procurement contracts have been brokered and millions more in loan packages prepared. Businesses served range from gas stations, small trucking companies, and catering businesses to translation service providers, security services, retail operations, and professional service providers. Extensive partnerships with community development corporations, federal agencies, local businesses, and business organizations have enmeshed Howard University, with its extensive set of resources, in the economic life of its surrounding city. When combined with the new entrepreneurship initiative engaging thousands of students in entrepreneurship preparation, an even closer connection between the university and small business development is being fostered. Similar stories of university-led SBDC initiatives hold throughout the nation.

The Office of Small Business Programs (OSBP) in the Department of Labor makes a special effort through its minority colleges and universities program to enlist the assistance of hundreds of the nation's minority schools in obtaining procurement opportunities for small businesses, small disadvantaged businesses, women-owned small businesses, HUBZone businesses, and businesses owned by service-disabled veterans.

### **Economic Development and Revitalization**

Institutions of higher education are also playing an important role in the holistic revitalization of their communities. A college or university can be a major employer in its region, often one of the largest employers. Such institutions are a major source of income flow to localities and regions from spending streams from students, staff, and the institution itself. For instance, the economic impact of the eight universities in Boston on the regional economy is more than \$7 billion (*Appleseed, Inc. 2002, 6*). In Washington, D.C., Howard University similarly plays a major role in the economy, with 4,456 staff, 1,598 faculty, and approximately 10,000 students. About 40 percent of the students live in dormitories in the city, and about 38 percent of the off-campus students live in the Shaw neighborhood adjacent to the university,

constituting an important source of local demand (*Hammer, Siler, George Associates 1994; Howard University Office of University Research and Planning 2004*). The combined purchasing activities of this one university constitute an economic stimulus in the tens of millions of dollars in its locality (*Muhammad, Manong, and Green 2000; Hammer, Siler, George Associates 1994*). With over a dozen institutions of higher education in the Washington, D.C. area, the impact on small businesses from the local educational sector is profound. Since many students are from other states and other countries, universities constitute a significant “export industry” bringing in revenues to the locality.

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*“[T]he economic impact of the eight universities in Boston on the regional economy is more than \$7 billion . . .”*

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Several universities now have developed clear strategies to build strong relationships between student bodies and communities through a wide range of activities. Such activities may include student internships and placements, consultancy, workforce development, and service-learning. A prominent model of university-business relationship focusing on economic growth includes six activities: purchasing from local businesses, employing local residents, using university real estate development to anchor local economic growth, offering incubation services, building the local business capacity, and addressing local workforce needs through workforce development (*ICIC and CEOs for Cities 2002*). Strategies developed by several universities to build a relationship with local businesses have helped small businesses find steady customers and clientele and, through their growth, spur the economic revitalization of their respective communities.<sup>6</sup>

The U.S. Department of Housing and Urban Development has recognized for over a decade the importance of university-community partnerships. Through its Office of University Partnerships (OUP), many university-community partnerships that include important components of small business development have emerged. For instance, the University of Hawaii–Leeward Community College (UH-LCC) provides small business incubation services, including support for start-up and incubation of local professional services agencies that will provide technology services to local businesses and organizations in the communities

of the Waianae Coast, an isolated coast of the Hawaiian island of Oahu. The business incubator program is part of a Digital Technology and Telecommunications Institute that UH-LCC is helping to establish at Waianae High School. The program includes community access to digital media; video production services for local businesses that need assistance with the Internet; and public and cable television production. Waianae Coast Coalition, an active community organization of Waianae residents, pioneered the business incubation program with its Community Business Development Institute.

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*“[A]ctions and initiatives by institutions of higher education are driving both local revitalization efforts and surging local economic development.”*

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In the same vein, historically black colleges and universities (HBCUs) and other minority educational institutions have long had, and continue to have, a strong hand in economic revitalization of communities in their neighborhoods. The U.S. Department of Housing and Urban Development (HUD) administers a grant program that specifically targets HBCUs as innovators and supporters of community revitalization projects. Similar smaller programs exist for Hispanic-

Serving, Tribal, Alaska Native, and Native Hawaiian institutions of higher education. These programs are designed to assist HBCUs in expanding their role and effectiveness in addressing community development needs in their localities, including the facilitation of the establishment and expansion of microenterprises (OUP). Over \$75 million has been made available by HUD to HBCUs under this program. Howard University, for example, has accessed this program to help fund and strengthen its role in its surrounding community. Its endeavors have included the encouragement of small business development through a microloan program and community-based business training.<sup>7</sup>

The Community Outreach Partnership Centers (COPC) program of HUD’s Office of University Partnerships is open to all institutions of higher education and provides funds to four- and two-year universities and colleges to set up centers that will provide, among other community-based services, job training, financial assistance, and technical assistance to new businesses.

With federal support, foundation funding, and internal mobilization of resources, hundreds of institutions of higher education have moved into a more aggressive posture in support of small business development in their communities, whether through direct services to small businesses or through broader community revitalization initiatives. These efforts complement and help focus the direct economic impact of the universities as sources of demand for small business.

## Conclusion

Nationally, universities have played and continue to play an important role in the development of small business. The traditional strength of institutions of higher education is the generation and dissemination of new knowledge that can lead to important economic developments. They also train many of the skilled technicians and entrepreneurs who make an impact on the nation's economy. As the knowledge-based economy transcends the historical economy in which growth was based on physical capital and labor, this role can only grow in importance and global reach. Small businesses brought about directly by faculty members as well as by university-business collaborations will continue to influence the pace and quality of the U.S. and world economies.

Locally, deliberate as well as unplanned actions and initiatives by institutions of higher education are driving both local revitalization efforts and surging local economic development. These projects are often supported through federal grants, which provide the incentive for many universities to turn their attention to the communities in which they are located. Business development in these communities is a critical part of any urban revitalization process, and small business as the most flexible form of transformation will continue to be fueled by government initiatives.

Can universities do more without deviating from their fundamental missions? In fact, they are likely to be driven by real-world developments around them to undertake this strategy. Funding crises in both public and private higher educational circles are leading innovative administrations to seek more entrepreneurial methods for financing their institutions. At the same time, the world's leading economies are becoming more and more dependent on the skill, insights, and breakthroughs developed at universities. The path ahead is likely to be more of intersecting partnerships: universities with their surrounding communities,

universities with large and small businesses, and interuniversity partnerships to stimulate the knowledge base of the society. Close attention by institutions of higher education to the needs of the small business community in their neighborhoods and in their spheres of interest will be handsomely rewarded by broad economic and social progress in the coming decades.

## Endnotes

1. Seth Low, president of Columbia College (now Columbia University) from 1890 through 1901, argued that “the city may be made to a considerable extent, a part of the university.” In “The University and the Workingman,” Low noted that the “workingmen of America . . . [should know] that at Columbia College . . . the disposition exists to teach the truth . . . without fear or favor, and we ask their aid to enable us to see the truth as it appears to them” (*quoted in Bender 1987, 282*). Bender (*1987, 279–84*) and Harkavy (*1992*) offer further discussion of this broad vision.

2. The case studies of universities presented in the report include Georgia Tech, North Carolina State University, Ohio State University, Pennsylvania State University, Purdue University, Texas A&M University, University of Wisconsin, Virginia Tech, University of California at San Diego, University of Utah, Carnegie Mellon University, and Stanford University.

3. The universities studied in the Boston area include Boston College, Boston University, Brandeis University, Harvard University, Massachusetts Institute of Technology, Northeastern University, Tufts University, and University of Massachusetts–Boston. See <http://www.masscolleges.org>.

4. Porter defines industrial clusters as geographic concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions (such as universities and trade associations) in particular fields that compete but also cooperate.

5. *Working Together, Creating Knowledge: The University-Industry Research Collaboration Initiative* by Business-Higher Education Forum (*[Washington, D.C.], 2001*) presents an excellent summary of university-industry research collaboration practices and the problems associated with it. The Business-Higher Education Forum is a partnership of the American Council on Education and the National Alliance of Business. For details see <http://www.bhef.com>.

6. The study was based on a survey of twenty colleges and universities, including Howard University, Columbia University, Virginia Commonwealth University, Pennsylvania State University, Yale University, and University of Illinois.

7. Descriptions of the University of Hawaii–Leeward Community College and Howard University case studies are based on information at the Web site of the Office of University Partnerships, <http://www.oup.org>.

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# Organizing Partnerships for Sustainable Community Economic Development: Lessons Learned from the University of Illinois–Chicago Neighborhoods Initiative

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## Abstract

Urban universities are often characterized as economic engines—directly and indirectly serving the needs of the communities within which they are situated. However, the relationship between urban universities and their neighbors is often strained. Reflecting on the University of Illinois at Chicago’s Neighborhoods Initiative (UICNI) and its historical work in Chicago’s Pilsen and West Side communities, this article outlines how UICNI works with neighborhood groups by incorporating established principles of community organizing and building trust through innovative partnerships and projects that are mutually beneficial. The design of individual projects as well as the development of different techniques to encourage community involvement in planning is central to UICNI’s success. It is proposed that UICNI partnerships are beneficial to the university community (faculty, scholars, and research assistants) as well as for the external community.

## Introduction

Urban universities are often characterized as economic engines, directly and indirectly serving the needs of the communities where they are located. University development activities have contributed significantly to the economy of many low-income communities throughout the United States. Urban universities and the student populations they serve bring new resources into neighborhoods immediately surrounding the university.

Near any urban university, there is a plethora of small business enterprises ranging from fast food franchises to dry-cleaning establishments that cater to the needs of the university community. Likewise, the demand for affordable and accessible student housing creates and sustains a thriving rental market and spurs new residential development. In its relationship with its neighbors, however, the urban university is more often far from the peaceful refuge envisioned by the original architect of the modern research university

(Perry, forthcoming). While town-gown tensions exist in most university-community interactions, neighborhoods, particularly in low-income communities and in communities of color, are more likely to view the university as a burden and a threat than as a benevolent resource.

One of the most common sources of conflict between universities and the community relates to campus expansion. As universities grow and expand, they often focus on their own development agenda, seeking to retain control of the process and schedule of development. University real estate development often places the university at odds with the surrounding community (Mayfield, Hellwig, and Banks 1998). However, university development is not self-contained (Shils 1969). Action and decisions made by the university affect the university campus, as well as the neighboring community. Community concerns may be cast aside unanswered or ignored as the university moves forward with the goals of its development work. Although community members and researchers may sometimes believe that university activities can take place as wholly self-contained initiatives, Perry and Wiewel argue that such assumptions are unrealistic and wrong—that university activities must involve reflection, contemplation, and engagement of scholars with the community (forthcoming).

Although universities with an expansionist agenda often feel that their development activities “trickle down” to benefit the community; the community often views such development activities with suspicion. Luther, a newsstand attendant in Chicago’s Hyde Park neighborhood, describes the tension felt between the University of Chicago and community residents in Mitchell Duneier’s 1992 ethnography, *Slim’s Table*.

Those people sit in those Ivory Towers like Levi and Klienbard [a university vice president]. They think we don’t know. I read you, Klienbard. I read you in the University of Chicago papers. I look at that crime map they throw up there. [He is chuckling.] You think people aren’t observing. You think that people don’t know what is going on. (Ozzie, as quoted, 78)

These quotes communicate the discontent of people who live around the university. They raise a range of issues related to race and class bias, and police harassment. In general, however, most community residents react strongly to patronizing attitudes of university representatives. The consequences of university activities

may range from subtle rumblings about the university's presence, as seen in *Slim's Table*, to strong oppositions demonstrated by picketing and community attempts to thwart development efforts.

Similar tensions between university and community can be experienced in other areas—hiring and purchasing, as well as in the development of community capacity. In this area, the university's neighbors often feel that the university is simply not doing enough and is not a “good neighbor.” However, there is great potential for the university to incorporate a community perspective in its day-to-day work. If such a perspective is institutionalized, it can benefit the university's own development as well as the community at large (*Marcuse, forthcoming*). By choosing to actively engage with the community, universities can make real and sustainable contributions to the development of community capacity.

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*“[U]niversity activities must involve reflection, contemplation, and engagement of scholars with the community.”*

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This article highlights the University of Illinois at Chicago's Neighborhoods Initiative (UICNI), an innovative university-community program. Drawing on Chicago's rich history of community organizing, UICNI approaches its work with communities as an opportunity to build partnerships. UICNI's work with neighborhood groups incorporates established principles of community organizing and relationship building; UICNI creates innovative partnerships and projects that are beneficial for the university community (faculty, scholars, and research assistants) as well as for the external community. It is proposed that the design of individual projects, as well as the development of different techniques to encourage community involvement in planning, is central to UICNI's success.

### Chicago Neighborhoods, Settlement Houses, and Community Organizing

Chicago is unique in its history of social movements and community organizing. As the home of the twentieth-century settlement house movement led by social worker and activist Jane Addams, Chicago has a long tradition of organizing for social, economic, and political change. The Hull House mission was initiated in the late nineteenth century to bring together people in the

surrounding community, mostly recent immigrants from Italy, Ireland, Germany, Greece, Russia, and Poland, to join the social clubs and educational activities of the organization. Hull House became a community hub, providing kindergarten and day care for children of working mothers, employment information, an art gallery, libraries, and English and citizenship classes, as well as theater, music, and art classes (*Brown 2001*). Two of the original Hull House buildings are located on the UIC campus and serve as a testament to Addams's life and work.

Since the Hull House movement, Chicago has continued to be a leader in the field of community organizing and social action. Organizing institutions that are rooted in the traditions of the labor, civil rights, and women's movements—the Industrial Areas Foundation (IAF), United Power for Action and Justice, the Gamaliel Foundation, the National Training and Information Center, the Midwest Academy, and more—all have their roots in Chicago. Chicago is characterized by neigh-

borhood-based identities such as those institutionalized by Hull House, and by the revolutionary organizing that Saul Alinsky and the IAF led in the stockyard neighborhoods of Chicago over sixty years ago. Today Chicago has an abundance of community-based organizations that address diverse issues seeking to create socioeconomic and political transformation that benefits all citizens.

UICNI has pioneered a model in Chicago that is based on the previous work of UIC's Center on Urban Economic Development (CUED). CUED, one of seven affiliated research centers housed within the College of Urban Planning and Public Affairs, was created in 1978 to provide technical assistance and support community economic development through applied research. The focus of CUED's research is community driven, based on the needs expressed by community-based organizations to help them institute policies that benefit their communities. In 1993, when Wim Wiewel, executive director of CUED, became the director of the UIC Great Cities Institute, which houses UICNI, this successful organizing model gradually established itself as the standard for all UICNI projects.

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*“The focus of CUED’s research is community driven, based on the needs expressed by community-based organizations to help them institute policies that benefit their communities.”*

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## The UICNI Model

The UICNI model creates a place where community organizations and university faculty can come together to design and implement projects that are of direct benefit to the community and can benefit from faculty expertise. Projects typically include technical assistance in program development and implementation, applied research, and formal evaluations of ongoing community programs. UICNI is multidisciplinary, embodying a comprehensive approach to community development. Specifically, the UICNI model

1. builds partnerships with UIC units, faculty, and graduate students to carry out projects;
2. brings UICNI staff together with university faculty and community representatives to design and develop projects that are meaningful to both parties;
3. utilizes state funding to fund staff and overhead costs;
4. seeds projects and turns them over to university and community partners to be sustained;
5. combines resources of the numerous units and colleges (housing and economic development, education, transportation, and health);
6. supports demand-driven projects.

UICNI has created two advisory boards (collectively the Partners Council), one for its Community Health Division and one to advise on community and economic development programs. For the purposes of this article, we will focus on the community and economic development programs of UICNI. Through the Partners Council, university and community representatives provide advice, identify funding streams, and help shape UICNI's agenda. The Partners Council also provides a practical way to disseminate information about the university's research initiatives to a wide audience and is a forum for community organizations to air concerns and grievances about university activities in the community before differences of opinion become insurmountable obstacles to communication (*UICNI 1997*).

Community participation and extensive consultation helped shape UICNI's mission, program, and organizational structure. UICNI has a small staff that operates in a multidisciplinary way at a campuswide level, working to create new partnerships between community organizations and UIC faculty, units, and colleges. UICNI staff does not provide research or technical

assistance or conduct evaluations, but it is actively involved in advising faculty and representatives of community organizations in the design and development of projects and in implementation.

UICNI works with established research centers on campus such as CUED and the Voorhees Center for Neighborhood and Community Improvement (Voorhees). These centers provide technical assistance and conduct research for the community partners.

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*“ . . . UICNI’s mission is to improve and enhance the quality of life primarily in Pilsen and the Near West Side.”*

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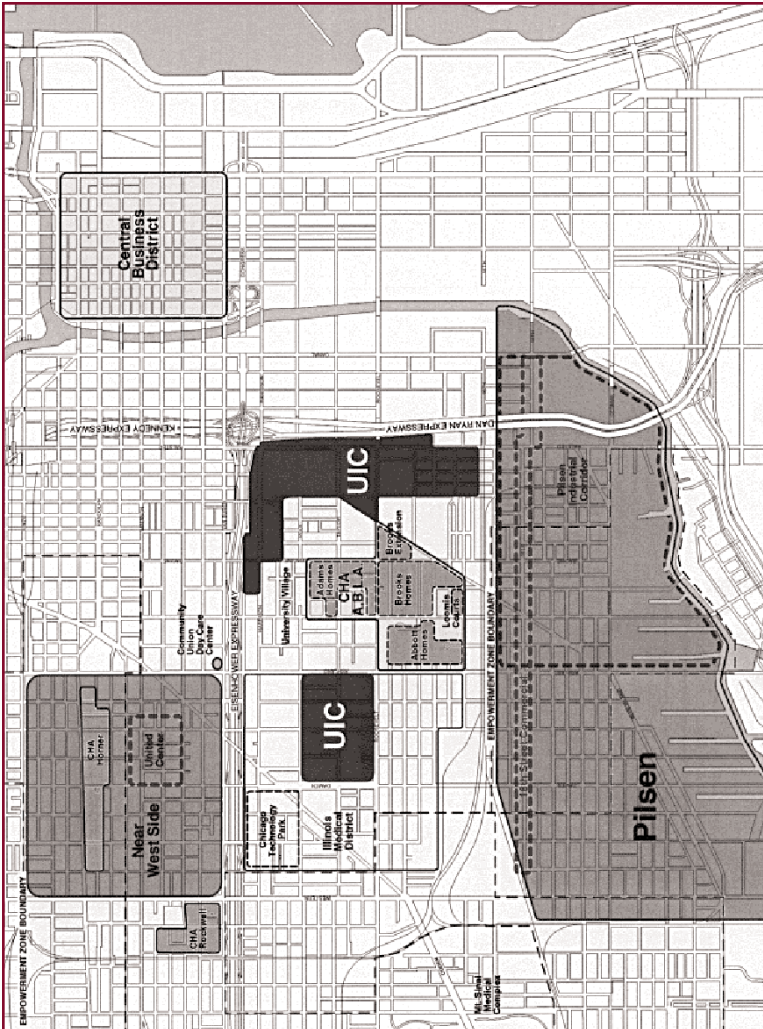
Since UICNI takes an incremental approach to its partnerships, it is flexible in its project capacity, depending on the availability of partners to do the work (*Wiewel and Lieber 1998*). Partnerships that prove successful continue after the initial project between the UIC faculty and community partners is completed. UICNI plays the key role of seeding projects. Therefore, UICNI’s capacity for programs is

much larger than is indicated by the size of its staff: two full-time academic professionals and two or three part-time graduate students.

### **Social Context of UICNI’s Community Outreach Program**

The UIC Great Cities Institute (GCI), where the UIC Neighborhoods Initiative is housed, is a practical example of UIC’s commitment to metropolitan communities. Great Cities fulfills its mission through civic engagement. Creating, disseminating, and applying interdisciplinary knowledge in community development, metropolitan sustainability, workforce development, and professional education, GCI works to improve the quality of life in metropolitan Chicago and other urban areas.

Following the Great Cities commitment, UICNI’s mission is to improve and enhance the quality of life primarily in Pilsen and the Near West Side. In addition to being the university’s immediate neighbors, these communities exemplify the promise and the pains associated with Chicago’s dramatic transformation. Chicago has moved from being the industrial, financial, and transportation hub of the Midwest to a financial, commodities exchange, service, and high-tech center (*Sassen 2004*). The new service-oriented economy calls for a new type of workforce: high-paid knowledge workers and low-paid service workers. The predominantly blue-collar and low-income Chicago neighborhoods that surround the

**Map 1: UIC, Pilsen, and Chicago's Near West Side**

central business district are struggling to cope with this transformation. This is especially true of the Near West Side and Pilsen (map 1).

While the demographics and economies of these two communities are similar in many ways, there are also significant differences. In table 1, some of the key descriptors of the Near West Side, Pilsen (i.e., Lower West Side), and the City of Chicago are detailed. The Pilsen neighborhood is part of the “Lower West Side” in the Chicago Community Area designation in the U.S. Census.

**Table 1. Selected characteristics of Pilsen (Lower West Side), the Near West Side, and City of Chicago**

	Pilsen (Lower West Side)	Near West Side	City of Chicago
<b>Median Age (years)</b>	26.0	28.0	31.5
<b>% over 18 yrs.</b>	66.9	76.1	73.8
<b>Race</b>			
% White	39.2	29.1	42.0
% Black/African American	2.2	53.2	36.8
% Other races	58.6	17.7	21.2
<b>Ethnicity</b>			
% Hispanic/Latino	88.9	9.5	26.0
% Not Hispanic/Latino	11.1	90.5	74.0
Total Number of Housing Units	14,410	21,408	1,152,868
% Occupied	88.8	84.9	92.1
<b>Economic Indicators, Population 16 years and over</b>			
% Unemployed	5.5	11.4	6.2
Median Household Income	\$28,724	\$34,538	\$38,625
<b>% Families in Poverty</b>	24.6	30.1	16.6
<b>% Individuals in Poverty</b>	27.0	37.5	19.6

*Source: (Metro Chicago Facts On-Line, 2004)*

The Near West Side is predominantly African American and has a greater percentage of families and individuals in poverty than the Lower West Side (Pilsen). In addition, gentrification has led to an increase in commercial activity, and high-end residential development has increased in the Near West Side. Pilsen, in comparison, is mainly Latino working poor, but it has thriving commercial corridors. Both communities are experiencing a physical transformation in the midst of a national crisis related to the undersupply of affordable housing. For the Near West Side, the dominant force is public housing transformation and the redevelopment of these communities into mixed-income and possibly mixed-race private-market developments. Pilsen is also experiencing increased gentrification as the community is affected by

market forces and their attendant consequences, including displacement, rezoned neighborhoods, and loss of housing that is affordable to low- and moderate-income families.

In the early 1990s, local institutions and organizations in these communities were fighting for their survival in the midst of this transformation. They did not have time to research, reflect, and adjust to these changes. They were reacting as best they could to the changing environment and pressures from funders, government, residents, their constituencies, and developers. It is within this context that the UIC Neighborhoods Initiative began its community outreach work. Since 1994, UICNI has functioned as a university partner, an information clearinghouse, and a provider of technical assistance and research, responding to critical community needs.

Because of UIC's central location in one of the largest urban areas in the country, it has attracted faculty that want to engage with the community. The UICNI partnership model relies on developing deep relationships between UICNI staff and faculty and individuals in community-based organizations and institutions (Wiewel and Guerrero 1997). The visible, active presence of community residents in UIC staff positions has provided UIC with a perspective and sensitivity to community concerns.

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*“The visible, active presence of community residents in UIC staff positions has provided UIC with a perspective and sensitivity to community concerns.”*

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The presence of UIC alumni in many of the community organizations and institutions has fostered these relationships. These alumni know the complexity of a large public institution like UIC and have deep relationships with the staff and faculty in the various UIC colleges and units, as many of them are former graduate student employees. Therefore, when UICNI engages in partnerships, it is viewed as a long-term relationship. Many UICNI, Voorhees, and CUED staff have community organizing backgrounds and utilize traditional organizing techniques like relationship building through one-on-one meetings, developing trust and mutual respect, and the sharing of common values based on a social justice perspective. The partnerships that UICNI is involved with are with the organizations and institutions that anchor the community, including neighborhood schools, libraries, community development corporations, economic development and workforce centers, and faith-based institutions.

**Table 2. Economic and Community Development Projects**

<b>Program</b>	<b>Objective</b>	<b>Funder/ Year</b>
UIC Hiring and Purchasing Community Linkage Program	Explore how job, procurement, and contract opportunities at UIC can be better linked to workers and businesses in target area. Increase contracts with businesses in target communities.	HUD COPC 1994-1996
Industrial and Commercial Design Workshop	Designs and plans to make physical improvements in Pilsen industrial and commercial areas ready for implementation & identify sources of financing to implement physical improvements.	HUD COPC 1994-1996
Great Cities/Great Careers	Develop a career training program for neighborhood youth, including work-study and jobs-skills training.	HUD JCD 1996-2001
Affordable Housing Fund	Provides resources for structural repairs for low-income residents in Pilsen & Near West Side.	HUD JCD 1996-2001
CDC Urban Fellow Program	Program for executive directors & board presidents to share experiences, broaden their vision, network, & develop new programs & policies.	HUD JCD 1996-2001
CitiLab	A studio project that provides designs & feasibility studies for community organizations in four communities.	HUD JCD 1996-2001
Community Development Curriculum	Series of classes & studios where students learn development finance & then apply what they learn through feasibility studies & development projects.	HUD JCD 1996-2001
Near West Side & Pilsen Commercial Development	To develop development project that will enhance and revitalize the Madison Street Corridor on the Near West Side & the Pilsen commercial area.	HUD JCD 1996-2001
West Side Consortium Day Care	To train qualified low-income residents to become home-based child care business operators and owners.	HUD JCD 1996-2001
Community Technology Centers	To buy computers and software and provide tech support and software classes in five community technology centers.	Illinois DCEO* 2002-present

\* *Department of Commerce and Economic Opportunity*

## Examples of Partnerships

Shortly after UICNI was founded, it received a Community Outreach Partnership Centers (COPC) grant from the HUD Office of University Partnerships (OUP) and began working with numerous partners on economic, commercial, and community development on the Near West Side and Pilsen communities. In 1996, UICNI received a Joint Community Development (JCD) grant. The JCD grant allowed UICNI to provide solid funding toward structural repairs for residents on fixed incomes and development dollars toward building or buying buildings for commercial development. For an overview of the most important economic development projects, see table 2.

There are several notable projects in table 2. The COPC-funded Hiring and Purchasing project sought to take advantage of UIC as a traditional economic engine to provide jobs for neighborhood residents and increase contracts with neighborhood businesses. Unfortunately, budget cutbacks at UIC and its affiliated hospital did not allow for total project success. However, this project did merit the attention of the Chancellor's Committee on External Affairs. As we write this article, UIC has developed the Lerner Program, which will circumvent the civil service process and employ local residents. UICNI continues to facilitate the partnership by introducing the staff responsible for this program to the community partners.

UICNI also worked with the UIC Department of Purchasing and several community partners in the adjacent neighborhoods over a two-year period to increase the number of contracts between local businesses and the university. Even though the Department of Purchasing conducted several workshops through UICNI community partners, the number of contracts procured by community businesses was minimal. There were several reasons for this. Most small businesses do not have the time or capacity to fill out the paperwork required to obtain state funds, and their cash flow limitations do not allow them to wait ninety days before being reimbursed by the university. In addition, the community partners did not have the capacity to organize the merchants, conduct ongoing technical assistance, and do the one-on-one organizing that a project like this requires.

The HUD/OUP Joint Community Development grant provided the Near West Side Community Development Corporation (NWSCDC) predevelopment funds to assist in the development of a commercial development project for the area. As a result,

NWSCDC was able to attract Walgreens as an anchor of a new commercial strip that had been vacant for thirty years, having lost almost all of its retail shopping during the 1968 riots. There is space for at least three small local retailers.

In Pilsen, UICNI partnered with the Eighteenth Street Development Corporation (ESDC) to promote further development of the 18th Street retail strip. UIC faculty conducted numerous structural reviews and preliminary cost estimates of local properties identified by ESDC and a market analysis of a high-end restaurant. Unfortunately, this project was unsuccessful due to board and staff attrition, lack of capacity, and change of strategic direction on the part of the board and staff at ESDC. They were never able to develop a project within the guidelines and timeline of the grant. Project funds are being returned to HUD.

The Westside Consortium Day Care project initially planned to buy a building to establish a day care training institute. After UICNI tried unsuccessfully to buy a building, the partnership decided to approach a local community college and the City of Chicago Department of Human Services to establish a training institute at the community college and use the development dollars to pay for project expenses. This proved highly successful and highlighted the need for flexibility in order to complete project goals.

The UICNI approach to working with community technology centers (CTCs) has followed the philosophy of seeding projects by partnering with community organizations and institutions. When UICNI was considering applying for a state-funded Eliminating the Digital Divide grant, UICNI staff discussed the possibility of developing a CTC in the community. After much discussion, UICNI staff decided to partner with existing CTCs instead. This proved highly successful because UICNI does not have to sustain the CTCs once the funding has ended. UICNI partners with existing CTCs and leverages funding to provide much-needed technical skills for the CTCs. As a result of this strategy, UICNI works with a network of six CTCs and is

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*“Within UICNI’s partnership model, the academic community and the external community can work collaboratively, and each partner can reap the benefits of the collaboration.”*

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expanding at the rate of two a year. However, UICNI does not have to worry about sustainability of the CTCs since they are independent of UICNI.

## **Conclusion**

The push to develop university-community partnerships comes from different sources. Some drivers are ideological and others pragmatic. At UIC, the university administration has made a serious and sustained commitment to engaged scholarship through its research centers and the Great Cities commitment. UICNI's work helps institutionalize and formalize the university's community outreach efforts. At the same time, UICNI does not rely solely on community partnerships or traditional methods of community outreach such as developing service-learning programs or focusing exclusively on service delivery to the community.

UICNI's community partnership model recognizes that university faculty and students and community residents collaborate on projects for different reasons. From a community's perspective, the focus of the partnership is often concerned with solving a particular community problem. However, from an academic (faculty or student) perspective, the specific project is often a piece of a larger intellectual inquiry. In working on a community partnership project, faculty or students may develop their research agenda, define a line of inquiry, and unearth a new way of understanding or conceptualizing a particular problem. Within UICNI's partnership model, the academic community and the external community can work collaboratively, and each partner can reap the benefits of the collaboration.

The UICNI model works with communities to participate as true collaborators. By working directly with community organizations, UICNI avoids building relationships with individuals who may not represent the community's issues appropriately. Negotiations and agreements are made with partner organizations, and organizational relationships are developed and sustained over time. UICNI assists both university faculty and representatives of community groups by providing mediators. The UICNI Partners Council provides the formal structure to offer advice to the university and to help manage information sharing and community participation.

UICNI has learned several important lessons through this unique approach to community-university partnerships.

1. In order to have successful long-term projects, relationships must be established at various levels of the participating partners. Because staff attrition cannot be prevented, relationships should be deep and wide.
2. Brokering partnerships and seeding projects allows a small staff to involve a large number of faculty and academic professionals with numerous community partners. In addition, this model provides an infrastructure to sustain long-term projects.
3. Long-term projects need flexibility in program implementation so that objectives can be adjusted as circumstances change. This necessitates strong relationships between university staff, funders, and community partners.
4. Trust is the key ingredient to successful partnerships. However, trust is not built overnight and takes time and hard work. Projects can be done without it, but such undertakings are difficult, slow, challenging, and very frustrating.

One of the major outcomes of UICNI's work over the past decade is the development of a repository of knowledge concerning the dynamic nature of social transformation in two Chicago neighborhoods, Pilsen and the Near West Side. This knowledge is disseminated through publications and research reports that are accessible to UICNI's community partners. In the final analysis, UICNI's work reinforces the university's and Great Cities' commitment that the future of UIC and the future of Pilsen and the Near West Side are intrinsically linked. In addition, UICNI activities and their outcomes demonstrate that it is possible to create genuine collaborations and sustainable partnerships between universities and communities based on trust, mutual respect, and a shared commitment to a better future for all community and university residents.

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# A Promising Tool For Helping Vulnerable Workers? An Exploration of the Use of Employee Assistance Programs (EAPs) to Help Low-Wage Workers on College Campuses

*Andrew B. Hahn*

## Abstract

Employee assistance programs, or EAPs, are an employee benefit designed to help workers meet their work and family needs. However, questions have been raised about the design, utilization, and scale of services that EAPs make possible for low-wage workers. This article explores whether on college campuses an EAP benefit can simultaneously meet the needs of faculty and professional staff as well as hourly workers in parking and security, janitorial and facility, and dining services. Findings derived from interviews and a literature review reveal many promising practices worthy of replication by colleges and universities; however, this investigation also revealed the limits of EAPs' usefulness for "working poor" service workers in higher education.

## Introduction

**T**his article explores employee assistance programs from the perspective of low-wage workers and then describes both the promise of and the barriers to more creative uses of employee assistance programs (EAPs) for these workers. It explores whether employee assistance programs for a heterogeneous workforce composed of service workers and faculty works well for all the workers.

On college campuses today, the share of minorities in the laborer class is five times the proportion in management. The U.S. Equal Employment Opportunity Commission (2002) reported that at colleges and universities, the share of laborers from ethnic or minority backgrounds is 60 percent. This includes Blacks (44%), Hispanics (12%), Asian Americans (3%), and American Indians (0.5%). In contrast, the share of minorities is 12 percent in the officials and managers class. In another category, service workers, the EEOC reports an overall minority level of 34 percent, with the proportion of Black service workers at 16 percent and Hispanics at 15 percent.

What do we know of these workers? Many of the minority workers are immigrants and recent arrivals to the United States. Others are members of groups who have traditionally faced economic hardship in American society. One common source of assistance for these campus workers is the availability of “employee assistance programs,” or EAPs, as part of a broad employee benefit package on campus.

In the *Chronicle of Higher Education*, Sunny Merik writes,

The way that colleges and universities treat their employees demonstrates—both to students and to society at large—their priorities and values far more accurately than official pronouncements, mission statements and recruitment brochures. . . . When academic leaders extol the virtues of social justice, they rarely have in mind the cooks and groundskeepers at their own institutions. (BI)

The present article examines a relatively unstudied feature of life in workplaces today, employee assistance programs (EAPs). The article explores benefits that in principle should be able to help workers, high-status and otherwise, deal with stresses—and challenges to productivity—related to family issues, work, financial problems, child care, the difficulties of caring for an elderly parent, coping with a disabled child, and more.<sup>1</sup>

The methodology used was the height of simplicity. I reviewed the literature on low-wage workers in the higher education sector, and I spoke in personal interviews to EAP vendors who sell their services to workplaces. I also interviewed “internal EAP” managers (those in college-operated EAPs rather than an outside firm) as well as general benefit managers. Additionally, I spoke to worker advocates, a few workers, and human resource trade groups, all from the Boston area. Given the competitive nature of the EAP field—private for-profit EAP firms compete for the business of colleges—and given that universities and colleges when describing their EAPs and/or workforce issues on campus seek privacy, none of the local colleges and universities or the EAP representatives interviewed are identified.

The article is organized around several key “learnings” that flowed out of the exploratory scan. But before presenting this overview of lessons, I present some background material on the topic and discuss briefly why I think this kind of inquiry is especially important for a sector that often espouses progressive values.

## Universities and Employee Assistance Programs (EAPs)

Universities and colleges have enjoyed the use of employee assistance programs (EAPs) to help meet the needs of their faculty and staff for well over three decades. Linda Stoer-Scaggs (1999) notes that EAPs in higher education began to develop in the mid-1970s through federal funding from the National Institute on Alcohol Abuse and Alcoholism (NIAAA).

The services provided by EAPs on campus are largely indistinguishable from the EAP services in other employment sectors: assessment, intervention, counseling, and referral to services aimed at a variety of issues, including stress management, emotional issues, depression, anxiety and panic attacks, grief or loss, relationship problems, family problems, chemical dependency, eating disorders, domestic violence, career frustration, child care needs, elder care resources, legal issues, financial concerns, nutritional questions, gambling, and work-life balance.

In other words, EAPs help workers balance work and family challenges, and they do this through services, follow-up, and case management. Campuses have the same rationale for EAPs as other workplaces: helping employees with personal or workplace problems that may affect job performance and productivity.

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*“EAPs help workers balance work and family challenges, and they do this through services, follow-up, and case management.”*

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According to Stoer-Scaggs (1999), the growth in EAPs has been a bit slower on campuses than in other settings. She attributes the slower growth pattern to the greater tolerance found in higher education for problem employees on the faculty and for the traditions of autonomy and nonhierarchical organization in colleges. She speculates that faculty and professional staff often attempt to address for themselves—or ignore—problems in workers, rather than utilize formal services connected to an EAP and housed in human resources departments. Of course, EAPs are not only for professional faculty and senior staff. Line staff are also participants in EAPs, but the differences between the two groups in work settings and culture have direct effects on the utilization of available EAPs among the hourly service workers and faculty alike.

Consider, for example, that deterioration in work site performance is less evident in a faculty member who can obscure these problems longer than a janitor who must be accountable on a daily basis for particular goals. A supervisor for the hourly worker is thus more likely to suggest the availability of needed services than the supervisor of a faculty member. The supervisors of faculty know less about those whom they supervise and, accordingly, “presenting problems” are less of a trigger for referrals to an EAP. It follows that if the EAP design on campus is tilted toward faculty, the EAPs will likely be weighted toward self-referrals and peer referrals, which, as noted, may not work as well for hourly employees. This presents a creative challenge for benefit planners in college settings, namely, designing EAPs so they work for all categories of workers.

A comment by a respondent in my interviews further demonstrates the challenge of designing EAPs for all workers. The respondent notes that whereas faculty members would be likely to call an 800 number or even trigger an assessment over the Internet under the auspices of their EAP, a recent immigrant might be intimidated by, or uninformed about, these approaches. Designing an EAP for a heterogenous workforce remains an important challenge connected to the promotion and utilization of EAPs.

I now turn to some of the key lessons from the scan of the field and the Boston area interviews.

### **Great Interest in Using EAPs to Meet the Needs of All Workers**

College-run “internal” employee benefit programs on campuses, as well as “external” EAP firms who contract to do this work with colleges, as well as the colleges and universities themselves, appear genuinely interested in deepening their work targeted toward low-income service workers. Meeting with these individuals yielded many requests for resources and best-practices models. As I interviewed people, they saw me as a resource and wanted more extensive assistance reaching out to low-income college workers. There were honest admissions that hourly wage earners who show up on time, do their work, and don’t complain are largely invisible to the administration. Nearly all the people interviewed felt that the key to progress in this area is to avoid an adversarial tone and instead work with senior human resources staff on college campuses to sensitize them to the issues and to arm them with new and creative ways to use EAPs, especially for low-income workers.

## **Better Dissemination of Creative Uses of EAPs to Assist Low-Wage Workers**

The literature review and personal interviews yielded information on both the services needed by hourly workers—or especially attuned to their needs—and information on what some campuses are actually doing using the employee benefit structure.

Exhibit 1 is a summary of an ideal comprehensive EAP for recent immigrants, low-wage workers, and others. This exhibit displays what such an EAP service should include to meet worker needs. I developed this exhibit after reviewing the literature and interviewing Boston respondents on pressing problems faced by low-income workers that impact their work productivity and challenge family life.

Exhibit 2 shows some “best practices” suitable for replication. These were drawn from the literature, especially reports from a clearinghouse project conducted by the New England Resource Center for Higher Education (NERCHE). NERCHE’s

### **Exhibit 1. EAP Services Beneficial to Low-Income Workers**

- Referrals to adult education, ESL, and job training
- Referrals to government programs such as public assistance or social services
- Referrals to sources of tax support and applying for the Earned Income Tax Credit Program (EITC) of the IRS
- Referrals on energy relief and winterization programs
- Referrals to housing assistance
- Referrals to criminal justice assistance and bonding insurance if in an offender status
- Work/family counseling services customized for different cultures
- Financial planning information and support to combat gambling
- Case management services that don’t rely on e-mail and understand the high geographic mobility of workers even within a local region
- Referrals to dependent care that have been screened for cultural relevance
- Transportation assistance

**Exhibit 2. Exemplary Approaches with Current or Potential Ties to EAPs**

- Harvard University offers a Bridges to Learning and Literacy Program. This initiative offers ESL, GED prep, and computer training to hourly workers. Another initiative is the Boston Health Care and Research Training Institute, which brings together eight major Boston region health care employers focused on building the skills of campus employees and upgrading them to work in the university-connected health care industry.
- The University of Hawaii runs the Blue Collar Supervisory Leadership Development program.
- Middlebury College offers an employee-mentoring project that crosses class and job classification lines.
- Massachusetts College of Art introduces new students to service workers during orientation.
- Emerson College English Exchange is organized around weekly dialogue sessions with workers and students on language, class, and social issues.
- Penn State University sponsors a Quality Worklife office, monitoring strategies and weekly staff assemblies.
- Santa Clara University brings together all sectors of the university community to focus on raising the prospects of the working poor on campus.
- Carnegie Mellon University revises its mission statement through a thoughtful and highly inclusive process and makes sure that the official mission statement addresses the richness of all people who work there.
- Brandeis University ESL initiative involves students as teachers of GED and ESL classes for campus workers. Classes are free and after work hours.
- Boston University and Middlesex Community College both have EAPs that are open to all benefited and non-benefited employees, as well as family members.
- Regis University (Colorado) has a Center for Service Learning that oversees a program for subcontracted custodians. ESL is taught by student volunteers who use the experience for credit in service-learning requirements.

*Source: Burack and Mullane 2004*

“reversing the telescope” project is premised on the idea that colleges and universities should not only tilt their telescopes toward the surrounding community; they should also look inward at their own employment practices (*Burack and Mullane 2004*).

Viewing both exhibits in tandem results in a simple conclusion: EAPs have a powerful potential role to play, but much work must still be done to adopt creative approaches and replicate exemplary practices demonstrated in other places.

### **Barriers to Using EAPs to Assist Low-Income Workers**

If as exhibits 1 and 2 show there is much that EAPs could do and models do exist, what are some of the barriers? The interviews revealed the promise but also the many pitfalls that stand in the way of using EAPs to better meet the needs of low-wage workers.

Expanding EAPs to better serve low-income service workers who work alongside professional employees is anything but a straightforward task. In fact, the changing workforce and demographics on campus pose challenges for every service offered by EAPs: mental health counseling, financial planning, legal assistance, Web access to family support resources, and so forth. Each of these benefits becomes especially challenging when dealing with recent arrivals to the United States as well as people with low literacy levels and other barriers. I present some examples of these challenges in the next sections.

***The challenge and opportunity of diversity:*** Robert Grossmark in “Cultural Diversity and Employee Assistance Programs” (1999) notes that, “Whether it is the consideration of the appropriate referral for psychotherapy for a person of color, the structuring of a management training workshop, critical incident debriefing, or assisting in a return to work plan, the issue of diversity is a constant presence for the EAP professional” (71). Countless examples could be cited for the role of culture, class, ethnicity, gender, and race on accessing, using, and benefiting from a range of EAP services. One example, again from Grossmark, is indicative of the critical role these factors play. He gives a simple example when discussing the design of a stress management workshop provided by an EAP in another industry for its employees.

It is essential to recognize who the employees are culturally. Just as stressors addressed with a group of managers would be different from the stressors addressed with a group of telephone response customer service representatives, the stressors of a White, single mother, customer service representative are distinct from those of a married Latina mother who is a department supervisor. (83)

One EAP owner working with colleges and universities agreed completely about the challenges posed by diversified college workforces. This informant said:

The bottom rung of workers is not being served well by EAPs. A nursing home came to us about Creole speaking employees from Haiti. Our EAP features on-line access to resources but of course, these populations didn't have access to the web. When I sought information from them in face-to-face meetings, they mistrusted our inquiries and inevitably saw a connection to their immigration status. Frankly, we don't know what they need: legal help, housing, tax assistance? This is true throughout our higher education clients and indeed throughout the industry.

Another EAP owner told the story of three women working on a team: one from Korea, a second from Cambodia, and a third from Vietnam. There was a great deal of strife and unhappiness on the team. It was revealed to the EAP counselor that two of the women ate with their fingers and then passed playing cards during lunch to the third woman, cards stained with their food. The woman who objected to this didn't understand her fellow workers' customs and was repulsed by the foods the other women ate. It all worked out after an intervention, but the EAP counselor reflected, "What do we know about these women and their cultures? We don't have the knowledge!"

***Confidentiality of information and deeper promotion of EAPs:***

On campuses the state of information collection regarding worker issues in general and EAP themes in particular (e.g., assessment of needs, evaluation of EAP utilization, and customer satisfaction with EAPs) is quite primitive. Colleges conduct relatively few studies of their workers' needs and uses of available services. As a result low or no expectations are set for utilization of work/family benefits especially targeted at low-wage workers.

Benefit managers on campus should have certain targets or employee groups in mind when reviewing whatever EAP utilization statistics are provided by their EAP on a monthly basis. The target in one university was 5 percent utilization of the EAP. Since the actual rate was far lower than this, the benefit manager expressed concern and the need to review utilization with the EAP provider. On the other hand, that same university could not adequately identify utilization by worker classification in the reports or even clusters of occupations on campus. It was not known if low wage workers were using the system and if so, for what.

In fairness, there are legitimate confidentiality considerations in tracking EAP services utilization, but ethical workarounds are available. Colleges are of course aware that informed consent for collecting information for groups of people—information that is not reported on an individual basis—is a tried and true strategy. Moreover, the EAP companies themselves, where EAPs are contracted, can be instructed to do more data collection, as a kind of buffer from the college. They can also be urged to provide more promotion of EAPs on campus, especially to low-wage workers. These promotion efforts must be targeted, culturally sensitive, and accompanied by incentive structures to get people to learn more about available services.

In summary, colleges and universities need to work with their EAP providers to focus on information systems, employee benefit planning from need assessments to utilization statistics, and aggressive outreach. The EAP company itself should be the driver with respect to information collection, but high expectations from the client university should set the tone. With anonymous responses and questions on job classification, as well as informed consent, some of the barriers to better data systems can be addressed, which can in turn lead to more aggressive use of available benefits for and among low-wage workers.

***Future innovation in EAPs depends in large part on money:***

The EAP industry fights to make a profit through the services it offers in a highly competitive environment. The costs of experimentation—which could lead to enhancements and exciting new benefits for low-income workers—are likely too large for the average EAP firm working under a traditional contract. One EAP respondent whom I interviewed is exploring an enriched EAP that seems highly responsive to the problems of low-wage workers in his various client sites. First, this particular EAP representative

is exploring working with his college clients to have a rainy day fund for emergency assistance. The fund could be used for paying an electric bill, fixing a broken headlight, paying for a day of day care—"little things" that get in the way of work and a healthy family life. The EAP provider appreciates the need for carefully thought-out guidelines and the challenge of limitless requests made to the "rainy day fund" but is nonetheless committed to offering this kind of financial assistance through university contracts.

Another feature of this proposed EAP for low-income workers is a strong debt and financial management component. Often mismanagement of personal finances is as much of a problem as lack of resources. The concept of credit and debt, for example, is a new one for many workers. This is easily addressed in EAPs.

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*"Many excellent single strategies used by colleges and universities are spread across the university with little campuswide communication and integration."*

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While this kind of innovation in EAP design is critical and rare, the unfolding of similar innovations will likely be held back by the economics of EAPs. Simply put, EAPs have become a commodity. EAP firms compete vigorously to win contracts by cutting the per worker costs used to structure a contract.

EAPs charge their clients by employee head count, and those figures have dropped to an average of \$1 to \$4 per employee per month based on level of service and other factors. In other cases, payroll companies or health providers basically throw EAPs into the mix of services for free in order to win contracts where the real money is, for example, health and disability insurance or payroll administration. To the extent that they wish to refocus EAPs toward low-wage workers, college and university benefit planners must become aware of the economics of EAPs and the need to fund these services more adequately.

EAPs face grave financial pressures. These pressures clearly suggest that innovations in the future, such as the preceding example, will be limited. Brokers are another barrier to innovation: brokers serve as the middleman between employers in need of an EAP (e.g., colleges) and EAP providers. My respondents explained that brokers are interested in the capitated costs and little else. Although targeting them for orientation and sensitivity to

the needs of low-income workers might help, it is unlikely to produce dramatic results. They promote a low-cost industry where experimentation is difficult.

***Fragmentation of approaches to assisting low-income workers:***

EAPs are rarely seen by campus administrators as one component in a larger comprehensive attempt to lift up the prospects of all low-wage service workers. Many excellent single strategies used by colleges and universities are spread across the university with little campuswide communication and integration. ESL classes for workers may be offered in one part of the university while the EAP remains unaware of this program. College scholarships for workers' children may reside in another part of the campus, but this fact may not be promoted by the EAP. This is not an insurmountable problem; the solution begins with recognition of the problem, communication about programs, and careful planning toward attainable goals.

## **Conclusion**

One growing challenge facing the higher education sector is how universities and colleges treat their low-wage workforces, who in turn contribute to the quality of life on campuses, productivity, and more. In this context, employee assistance programs or EAPs are an important but often unexamined tool that universities and colleges could use to assist these workers.

This article has described the EAP field and recommended numerous opportunities for reform of EAPs to make them work better for those at the bottom of the work pay scale. I have also reported on some of the challenges that will likely be confronted by college benefit administrators, such as funding, cultural diversity, and better management of information.

Universities typically espouse progressive social values. In this context, EAPs are an excellent vehicle for addressing unmet needs of the most vulnerable members of the university community. EAPs, however, will require numerous reforms before representing an effective solution to the problems encountered by low-income hourly campus workers. Administrators and advocates alike need to understand the opportunities for reform as well as some of the contextual issues that are likely to represent implementation pitfalls.

## Acknowledgments

I wish to recognize the Annie E. Casey Foundation's Ralph Smith, Paula Dressel, and consultant David Maurrasse, who supported the development of a longer paper on this subject of employee assistance programs in anchor institutions.

## Endnote

1. Some low-wage workers on campus may not be employees of the college or university. Instead these workers are leased from an outside employment firm that enjoys a contract from the college or university to supply workers to help with janitorial, dining, parking, or security services. My interviews in the Boston area revealed that these contract workers typically have access to employee assistance programs (EAPs) from the colleges. The colleges do not enforce formal screening processes for eligibility to their EAP services. The low-wage workers may also use an EAP offered through their own employer.

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# Just Good Business: Community Development *within* Colleges and Universities

*Cathy Burack*

## Abstract

Largely absent from college and university engagement efforts are the community members who work on our own campuses, often those in the lowest-paid positions, even though they are from the communities the campus purports to serve. This article represents the results of a project that scanned the civic microcosm of our colleges and universities to identify these underserved groups and their needs. Topics discussed include campus models already in existence, challenges facing this type of engagement, and strategies for linking efforts to aid this “community within” to campus civic engagement.

## Introduction

**M**uch attention has been paid to the ways colleges and universities engage with their external communities. However, institutional engagement efforts often overlook the community members who work on our own campuses, particularly those in the lowest-paid positions. With the support of the Annie E. Casey Foundation, the New England Resource Center for Higher Education (NERCHE) embarked on a project to systematically recognize this underserved “community within.” NERCHE conducted a “scan” of colleges and universities and convened meetings in which scholars, staff, students, and others discussed ways of identifying this community and encouraging campuses to support its members as an aspect of civic engagement.

## Origins of the Idea

Two key events helped shape the initial concept of the project. In 1999 the University of Michigan, with support from the Johnson Foundation, hosted a meeting at the Wingspread conference center in Racine, Wisconsin, that addressed the civic role of a particular type of higher education institution, the American research university. Building on that meeting, Elizabeth Hollander (executive director, Campus Compact) and Harry

Boyte (senior fellow, Hubert H. Humphrey Institute of Public Affairs, University of Minnesota) coauthored the Wingspread Declaration on Renewing the Civic Mission of the American Research University, which later became Campus Compact's President's Declaration. The declaration asks how a vision of public engagement might be made manifest and answers through an examination of each part of campus. The section on staff is as follows:

- A. Staff, in association with institutions, make visible their multiple (and now largely invisible) experiences, talents, and contributions to student learning and to the community-building process at institutions of higher education. Further, their rich contributions to the broader intellectual enterprise of our institutions become more visible and recognized.
- B. Staff build upon and receive recognition for the often extensive ties that many have with the local community, seeing such community knowledge and connection as a resource for community-university partnerships, for student learning, for engaged scholarship, and for the broad intellectual life of the institution.
- C. Staff gain a voice in governance, receive fair salaries and benefits, and are encouraged to participate in ongoing intellectual conversation and public life. The staff assist in the creation of multiple opportunities for staff development and continuing education.
- D. Faculty and others come to recognize that educating students for democracy is an institution-wide enterprise in which staff play key roles in providing opportunities for public work, dialogue with others far different from oneself, and democratic practice on campus. Staff are encouraged to work with faculty to examine and change the campus culture to support engagement. (*Boyte and Hollander 1999, 11–12*)

Here was a clear call to higher education to see staff as a campus resource in creating a democratic institution, consonant with other institutional efforts toward civic engagement. In 1998, NERCHE sponsored a symposium to celebrate its tenth anniversary. The theme of the symposium was community building, both inside and outside the academy. One of the speakers was Mel King (professor emeritus, MIT). In his remarks, he challenged higher education to address the needs of its own community with the same focus and intensity as it does with external communities:

I don't believe in this movement for community building if we don't have community building within the institution of higher education. For me, there are many, many examples of problems in the institution that replicate the problems in the very communities they would dare to think they can change and build. And if we aren't doing that on the inside, then I don't believe we can do it on the outside. . . . We want to talk about building relations to the outside, where better to begin than with the people who you come in contact with every day, who live in these communities on the outside? What kind of contact do you have with the person who does the maintenance? What issues and concerns do they have not only about what's going on inside the institution, but what's going on outside? There are many, many people who you could be building meaningful relationships with—people who are your workers and who are supporting you. (1999, 18)

Mel King pushed the audience to begin to think about concrete ways higher education could develop its community within, making it clear that unless internal constituencies were addressed, external community-building efforts were incomplete. The questions he raises are still relevant.

### **An Institutional Commitment—Laying the Groundwork**

In June 2003 and May 2004, NERCHE convened meetings with community-based scholars, staff, department heads, students, higher education leaders, and foundation representatives in a project intended to further refine the concept of community development within, identify stakeholders, foster collaborations, and continue to identify best practices. A variety of ideas and issues related to laying the groundwork emerged from these conversations.

***Defining the “community within” population:*** Defining our target population as “low-paid workers” was not enough. Without a sharper, more quantifiable definition, people were quick to apply their own lens to the project, for example, by defining the target as low-paid graduate assistants. In looking at Lawrence Katz's study of low-wage workers at Harvard University, we realized that low-paid campus employees are most easily broken into three general staff categories: parking and security, janitorial and

facility, and dining services. Though Katz recognized that there are other low-paid employees in secretarial, clerical, and laboratory positions on campus, these positions are most often salaried positions that have the potential for professional growth and development because of their clear connections to departments or divisions. Katz therefore concentrated his work on the full-time or part-time nonstudent employees paid by the institution on an hourly basis, not by stipend, subcontracted pay, or annual salary (2003). By defining members of the community within in a similar way, we can target staff who are in full-time or part-time positions at an institution, paid on an hourly basis, and not directly connected to the institutional mission.

***Help from the business sector:*** The concept (and related benefits) of strengthening communities from within is not limited to the academic arena and is, perhaps, best modeled in the for-profit sector. “The Corporate Social Responsibility Report,” published by *Business Ethics Magazine*, annually highlights corporations who recognize their employees not only as workers but as valuable members of their corporate, public, and private communities. Similarly, popular periodicals feature lists of the best companies to work for, most of which win this accolade because of their corporate commitment to their employees as people first and revenue generators second. Many of these companies’ publications proudly highlight their commitment to “work-life balance” and offer evidence of the many programs they support that help employees achieve it. Programs range from educational opportunities and professional development seminars to employee assistance benefits, child daycare initiatives, inexpensive legal assistance, flexible work schedules, and memberships in fitness centers, stress clinics, and weight-loss programs. By making this investment in their human capital, many companies have discovered the medley of professional and financial advantages that caring for their employees can make to their bottom lines, retention strategies, and corporate reputations.

***Help from the Annie E. Casey Foundation:*** The primary mission of the Annie E. Casey Foundation (AECF) is to foster public policies, human service reforms, and community supports that more effectively meet the needs of today’s vulnerable children and families. To that end AECF talks about the importance of “anchor institutions”—educational institutions, medical centers, and public utilities that are unlikely to move out of those communities where

they have significant infrastructure investments. Andrew Hahn and colleagues, in a report for AECF titled *Colleges and Universities as Economic Anchors*, make the case for encouraging institutions of higher education “to begin to think about their economic anchor roles in a cohesive and coordinated manner, that is, as an integrated cluster of activities and practices, and not as piecemeal and separate phenomena” (Hahn, Coonerty, and Peaslee 2002, 1). The report highlights colleges’ and universities’ roles as

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*“The concept . . . of strengthening communities from within is . . . best modeled in the for-profit sector.”*

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employer and workforce developer and identifies steps that they should take in these roles. These steps include incorporating job training and professional development programs in employee programs to ensure that residents are fully prepared for employment, providing needed services for employees from the neighborhoods, such as child care and transportation, and providing living wages and other

provisions that will build assets of local residents as part of a community economic strategy.

These influences of business sector notions about investments in human capital and AECF’s ideas about community development and higher education as anchor institutions factored into our thinking about definition and language. We settled on “community development within higher education” as the concept that best reflected the elements we felt were important. It both captures current notions of the roles of colleges and universities as employers and allows for a broader way of thinking about engagement.

***Culture and relationships:*** Any successful community engagement effort must be carried out in an environment of respect, which is formed at the level of human relationships. Relationships formed between workers and students can be especially potent. At the Massachusetts College of Art, the incoming students are introduced at orientation to the people who will be cleaning their residence halls and serving them meals. The fact that the workers are paid for their participation in the orientation is noteworthy. With this simple action—putting names to faces that may have otherwise remained anonymous—the college sets a tone of regard for the dignity of all members of the campus community.

Emerson College's English Exchange with its employees brings students and low-wage workers together for weekly dialogues across language, culture, class, and status. The program was initiated by a student who had become friendly, through hand gestures and smiles, with the Spanish-speaking janitor in her residence hall and recognized that a partnership could be mutually beneficial in her quest to learn Spanish and his need to learn English. During the 2002–2003 academic year, twelve students and ten employees participated in the program, and a grant won from Campus Compact by this student provided funds to help expand this program to an even broader set of interested students and staff. Similarly, a program at Regis University encourages a greater sense of justice and equality on campus among people of different communities by employing student volunteers working toward their ESL certification to teach ESL lessons for non-English-speaking workers (*Melissa Nix, message posted to Service Learning Network electronic mailing list, service-learning@csf.colorado.edu, March 2003*).

### Human Resources as a Starting Point

Many campuses offer quality programs and services that support lower-income employees on campus. Unlike service-learning programs or public service initiatives offered through campus offices such as the office of student affairs, programs that directly affect employees tend to be offered through the human resources department at each institution. This is an important distinction. In this organizational framework, employee issues and needs are not handled by those working with students and community outreach, but rather by a department that is often perceived as somewhat ancillary to the academic mission of the institution.

In many ways, having the human resources department handle employee-related issues and needs makes good sense. Not only do they have the best overall sense of what employee needs and issues might be, but they are in a good position to advocate, institutionalize, and assess policies and practices. Privy to confidential compensation information, the HR team is best able to target those on campus who are truly the lowest-paid members of the community, demand high standards of treatment for incoming contractors and subcontractors, and oversee benchmarking and compensation scales to ensure that, at minimum, a fair “living wage” is earned by all. As the department overseeing employee benefits, they have information appropriate for providing valuable

insight into the needs of staff. However, the human resources team has little contact with those who are traditionally the leaders in public service efforts on campus. It is therefore plausible that their recognition of employee needs rarely translates into a wider mobilization of students, faculty, and staff.

***Relevant HR benefits and programs:*** When scanning the landscape of American higher education to find current programs that embody the spirit of the community within project, HR-sponsored programs often jump to the forefront of the exploration. Programs such as the Bridges to Learning & Literacy Program at Harvard University offer ESL, GED preparation, and computer training to hourly employees twice a week as paid work time. The University of Hawaii's Blue Collar Supervisory Leadership Development Program offers management and supervision training programs to those on the bottom rungs of their profession, in hopes of empowering them to move upward. Middlebury College offers an employee mentoring program that partners lower-paid employees with higher-paid, more established professional role models in hopes of fostering informal professional development and coaching. Salem State College, Massachusetts, advertises certain fringe benefits such as free memberships in a local credit union, sliding-scale child care, a dependent care assistance and referral program, and reduced-price flu vaccines as particularly beneficial to the lower-paid workers on their campus. Yale University has recently embarked on a new venture to make low-interest loans available to faculty and staff who buy property within a certain radius of campus. The goal is not only to revitalize the surrounding area, but also to support faculty and staff in their home purchases (Lewin 2003, A18).

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*“When scanning the landscape of American higher education to find current programs that embody the spirit of the community within project, HR-sponsored programs often jump to the forefront of the exploration.”*

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As of this writing, programs generally are either educative and skill based or fall into the category of services. Most fall into the realm of human resources, but campus service directors and

service-learning faculty and students are also developing initiatives. Rarest yet most promising are programs born of partnerships between HR and faculty, students, and staff. For the community within conception of community development to truly support the lowest-paid members of an institution in the same spirit as other community outreach programs, we need to step beyond the HR benefit program model and think about how to (1) help campuses understand the value of supporting all members, even the lowest-paid members of their staffs and (2) institutionalize this commitment to include their own communities as part of their civic engagement agendas.

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*“[W]e need to . . . help campuses understand the value of supporting all members . . . and . . . institutionalize this commitment to include their own communities as part of their civic engagement agendas.”*

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## Challenges

**Current campus commitments:** One meeting participant who is part of a national higher education association commented, “Oh no—another constituency that needs attention!” This comment underscores a key challenge in introducing these ideas to campus leaders. Presidents, unit directors, and faculty already feel overburdened by the need to attend to new initiatives, especially given the tight resources at many institutions of higher education. Unless the community development from within model is conceived as inherent to learning on campus, it will be difficult to get campus administrators and faculty to see the benefits of this model and embrace it on their campuses. In asking campuses to go forward with new initiatives, we must acknowledge that they are already feeling considerable pressure in terms of funding and accountability measures. A key strategy, then, is to make sure that these initiatives and discussions are tied to those already existing at a given institution.

**Class and race:** Meeting participants made it clear that who you are—your role on campus—makes those that we have marked as “invisible workers” less invisible. For example, African American men on a white campus are very aware of the security staff on campus—who are not invisible to them. We need to be aware that

the workers we call invisible are not invisible to their own internal peer groups or to those administrators and professionals who regard them with awareness, commitment, and respect. While thinking about the importance of hiring diverse faculty and staff as a strategy, it is important to note class and race differences in framing the issue.

**Subcontractors:** A disturbing issue that surfaced in the discussions is that many low-wage workers on campuses are employed by subcontractors, rather than by the institution itself. The university has little jurisdiction over the employee policies governing subcontracted workers. Thus when colleges and universities make such investments as job training and tuition remission for their permanent staff, they render contract workers second- and third-class citizens of the institution. However clear the economic benefits of motivating low-wage workers to perform their duties satisfactorily, such larger issues regarding institutional responsibility to these community members will not be easily resolved.

**Unionized employees:** The role of campus unions was not investigated deeply. Unions might be in favor of these new efforts because they strengthen and provide additional services to employees. However, offering auxiliary services could also be seen as a way to distract unions from wage issues. There are already many complex time and labor issues “on the table,” and their complexity deepens when unions are involved. Some immediate issues to consider include:

- When do employees take advantage of services or support?
- If it happens during the work day, can they count the hours as work time?
- Who determines which employees are “in need”?

When companies recognized that turnover was costly to the organization, employee assistance programs (EAP) were introduced as a way to increase the retention of employees. Providing EAP services is not terribly expensive to the company, but it is a tangible way of demonstrating commitment to employees and their families (all family members are eligible). Some campuses, such as Boston University, have decided to include contracted employees in the EAP program, making it available to employees that aren’t even on their payroll. Unions might support similar initiatives spawned by such efforts.

**Links to service-learning:** While we have concluded that community development within is consistent with the mission of campus service-learning efforts—in fact, it can be a powerful component of a service-learning program—we are also aware of challenges. Student implementation of service-learning projects may yield mixed results; thus proposals for initiatives involving service-learning must include ways to ensure that they offer benefits and no harm to the campus employees they are meant to help.

### Small Steps

Change often occurs incrementally, and participants at the discussions offered strategies for moving recognition and support of the community within onto campus agendas. Ideas included:

- Find out more about lower-level staff. Campuses often know little about this campus population.
- Helping campuses conduct a “quality of life” survey for all employees may be a good next step in identifying the employee assistance needs on individual campuses. The survey results, rather than mandates from outside the institution, could then be the driver of new initiatives.
- At one campus students had great difficulty getting to the city immigration center (transportation issues, time constraints, scheduling problems) for a service-learning project. Campus officials worked hard to resolve these issues for students, but in fact many of the workers on campus needed the same support. Developing awareness of others on campus who may benefit from efforts that support students is a win-win solution.
- Students are important. There are ways to prompt students to initiate support for the community within from the ground level. It can also be tied into the living-wage campaigns that are surfacing across campuses.
- Is there a place for these efforts in the reauthorization of the Higher Education Act? For example, is it reasonable that federal work-study funds are paid only to those day care centers who care for the children of lower-wage workers? Are there other ways to siphon work-study funds to agencies or organizations that care for the specific needs of this population?
- Following standard research protocol may also be a good way for intermediary organizations to develop a strategy for large-scale implementation. This might include conducting a survey of randomly selected colleges, creating a target list of cam-

puses that might be open to change, developing a mobilization strategy, and formalizing assessment protocols to strengthen the argument for this type of change on other campuses.

- How do you influence a sector? There may be information available about sectoral employment and the ways that various industries have refined, upgraded, and changed a particular workforce.
- Use the rubrics created to assess diversity and its definition, depth, and breadth on campus as a way to assess this type of civic engagement work. Though this suggests a more institutionalized focus on campus, the rubrics are applicable for noninstitutionalized efforts. The benchmarks for diversity assessment include:
  1. goals (are the goals for diversity broadly and deeply understood and easily articulated by all constituents on campus?);
  2. resources (are adequate human capital, resources, and time resources dedicated to diversity?);
  3. capacity;
  4. leadership;
  5. centrality (how central are these efforts to the mission of the institution?).
- Develop a practitioner-focused document that talks in plain language about the community development within model and provides examples of ways to introduce this on a campus. This “tool kit” approach could include concrete suggestions: “bring residential life staff and facilities teams together at orientation, incorporate facilities team into new student orientation,” and so on. Start with campus examples that have been documented.

## **Conclusion**

Perhaps one of the most menacing developments looming on the horizon for low-wage workers on campuses is the plight of public higher education, which is suffering as a result of strained state budgets. Traditionally, public higher education has been the access point for economic and social mobility for low-wage earners and their children. As public support continues to dwindle, so do viable opportunities for these populations to escape poverty and social isolation. So, in a sense, a focus on the community within is a reaffirmation of one of the central components of public education’s mission. Higher education leaders’ adoption of a firm,

united position on issues of access and equity can enable all members of the internal campus community—much in need of a galvanizing moment in these dispiriting times—to see that their work stands for something larger than the bottom line.

As we move forward in our work with the community within project, it will be important for us to remember that we are asking campuses to reshape the way they currently view and talk about their commitment to social responsibility and civic engagement. In this shift toward greater intracampus awareness, new language will evolve and new service-learning philosophies will be embraced. We will strive to build healthier communities not from the outside in, but rather from the inside out.

Although examples have been cited, this is a relatively untapped subject, with room for great exploration and further discussion. Very little research has touched on the importance of building community from within, and few campuses seem to have truly incorporated the spirit of this project into their institutional outreach priorities. We believe this project has powerful potential for campuses and that it can serve as an excellent model for future community development projects.

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## About the Author

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# East Baltimore Revitalization Project: Opportunities and Challenges in Transforming an Urban Neighborhood

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Marsha R. B. Schachtel*

## Abstract

The East Baltimore Revitalization Project, a fifteen-year, \$800 million redevelopment initiative, seeks to transform a struggling area of the city near Johns Hopkins Hospital. A unique partnership of the Johns Hopkins University and Johns Hopkins Medical Institutions and the Annie E. Casey Foundation is supporting the City of Baltimore in this effort, which will focus on improving the lives of area residents as well as on traditional “bricks and mortar” activity. The article discusses both the opportunities and the challenges of the project, which is still at an early stage. The partners expect that the project will offer important lessons for rebuilding impoverished urban neighborhoods. It is also hoped that the project will provide a road map for crafting and achieving important benefits for neighborhood residents and the broader community, particularly in the form of jobs and workforce development.

## Introduction

Considered one of the best medical and research institutions in the nation, Johns Hopkins Hospital sits amid low-income, often struggling neighborhoods on the east side of Baltimore. The eighty-acre area to the north of the hospital is now being targeted for a drastic transformation. The East Baltimore Revitalization Project is anticipated to be a 15-year, \$800 million effort to rebuild that section of the city. At the heart of the project is a two-million-square-foot Life Sciences and Technology Park and related convenience retail outlets.

But the emerging story of the East Baltimore Revitalization Project will potentially be about much more than a large-scale university-community “bricks and mortar” partnership. Key institutional stakeholders—the Annie E. Casey Foundation, the City of Baltimore, and the Johns Hopkins University and Medical Institutions—expect that the project will also offer important lessons for rebuilding urban neighborhoods, particularly in cities

that have lost population and jobs. The partnership may provide a road map for both crafting and achieving important benefits for neighborhood residents and the community at large, particularly in the form of jobs and workforce development. This paper discusses how implementation is unfolding at this early stage of the project and identifies opportunities and strategies.

### The Opportunity

The East Baltimore Revitalization Project is distinguished from similar urban university-related technology parks by the simultaneous coordinated community development effort. The goals include the renovation or new construction of 1,200 mixed-income homes and apartments, improved parks and streetscapes, a new school and subway stop, and retail and other consumer services. Responsibility for this ambitious project lies with East Baltimore Development, Inc. (EBDI), a new nonprofit corporation created to work with local residents and key stakeholders to oversee both development and the efforts to provide community benefits. Forest City Enterprises–New East Baltimore Partnership, LLC was selected last December to lead the development of the project's 30-acre, \$30 million first phase, which includes one million square feet of life sciences space, 41,000 square feet of retail space, parking, and open space, and 850 mixed-income homes. Construction on the first commercial building is scheduled to begin in 2006.

Although the area is burdened with large numbers of abandoned houses, the neighborhood still has eight hundred families that must be relocated to allow development—both commercial and residential—to occur. These families are likely to be the most directly affected residents. EBDI is providing them with an array of relocation services and benefits to improve their lives and to provide them with an opportunity to move back to the community if they wish. Surrounding these eight hundred families is a swath of East Baltimore neighborhoods that are home to about thirty thousand people. All of the stakeholders expect that the revitalization project will produce collateral benefits and opportunities for broader neighborhood rebuilding and improved economic opportunity for these residents. Conversely, the health of the surrounding neighborhoods will significantly affect the prospects for the revitalization project's success.

Three key partners are supporting the newly formed EBDI's East Baltimore Revitalization Project: the Annie E. Casey

Foundation, Johns Hopkins University and Medical Institutions, and the City of Baltimore. The world-renowned Johns Hopkins University and Medical Institutions employ thirty thousand people in Maryland, including 14,500 who live in Baltimore City; add more than a thousand jobs a year to the state economy; and make annual purchases of \$3.5 billion for nonconstruction goods and services (*Bay Area Economics 2003*). They conduct more sponsored research than any other university except the University of California System, and they are the largest grantee of the National Institutes of Health. The university and the medical institutions are embarking on a ten-year, \$1.2 billion program of construction in East Baltimore.

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The Annie E. Casey Foundation is a national philanthropy headquartered in Baltimore that is devoted to improving outcomes for children and families. Founded in 1948 by Jim Casey, the founder of United Parcel Service, the Casey Foundation believes that children do better in strong families, and families do better when supported in their communities. The Foundation believes that place-based family strengthening should incorporate access to economic opportunity, social networks and supports, and trusted and appropriate services. The Casey Foundation’s long-term Making Connections initiative in ten cities is attempting to bring these important elements together to benefit families and neighborhoods.

The City of Baltimore, with a population of approximately 630,000, has three main points of emphasis for its economic development approach: creating a clean and safe city, promoting workforce development and education, and implementing an economic growth strategy. This strategy calls for:

- building on the city’s assets, particularly higher education institutions, industry clusters such as health care and life sciences, parks and other natural settings, architecture and historic structures, and neighborhoods;

- making targeted quality of life improvements that make the city a desirable place to live and work;
- ensuring that government is efficient and responsive (*Baltimore City 2002*).

### The Challenges

To place the specific challenges of the East Baltimore Revitalization Project in context, it is worth noting the broader challenges facing workforce development practitioners trying to improve conditions for low-income, low-skilled families. Based on national research and practice, we note that five overarching challenges are relevant:

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*“The long-term goal is to help workers and job seekers move along career pathways to better jobs with family-supporting wages and benefits.”*

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- **Place-based workforce development.** There are few examples of neighborhood-based efforts that achieve widespread—or “saturation”—impacts. Even the poorest neighborhoods have residents with differing workplace assets, skill levels, work experiences, aspirations, and barriers. It is not enough to establish only one workforce pathway, such as job-readiness preparation or health occupations training; many workforce connections need to be created (*Fleischer and Dressner 2002*).
- **Career advancement results.** Effective workforce development is not just about getting people into jobs, although this is obviously an important starting point. The long-term goal is to help workers and job seekers move along career pathways to better jobs with family-supporting wages and benefits. A workforce without adequate skills makes this goal more elusive, as does a lack of training models that involve the actual employer (*Rademacher 2001*).
- **Workforce/economic development links.** Ideally, investments in job and business growth need to be closely linked. Economic development, after all, generally depends on an adequate workforce. However, workforce and economic development proponents frequently have differing views of the working world. The two efforts have different sets of customers, and it is often difficult to coordinate the timing required to link the two kinds of development (*Jobs for the Future 2001*).

- ***Anchor institution/neighborhood links.*** Hiring neighborhood residents makes sense for both the anchor institution and the neighborhood. Work becomes more accessible to neighborhood residents, and the institution contributes to the overall well-being of the community. However, the neighborhood employee pool must be well prepared, or the institution will limit its local hiring. The reality is that some employers are not willing to invest in neighborhood-based workforce development approaches that take time. Community development requires a long-term partnership between the institution and the community (*ICIC and CEOs for Cities 2002*).
- ***Convening the workforce system(s).*** Workforce stakeholders are notoriously fragmented despite the efforts of many of the workforce boards that oversee public investments in the field. Major employers can play an important role in bringing the pieces of the public-private system together for a concrete purpose (*Giloth 2004*).

Although it is still in the early stages, the East Baltimore Revitalization Project has the potential to overcome some of these challenges as it proceeds. Changing workforce systems is not the primary goal of this university-community partnership; but recognizing these broad challenges up front is crucial during the development of strategies and in the recognition of likely implementation pitfalls.

We turn now to the East Baltimore project. A particular challenge to economic growth in that area is the low educational attainment of the population, fed by a more than 40 percent dropout rate among high school-age children (*Job Opportunities Task Force 2004b*). The workforce strategies adopted by the Baltimore Workforce Investment Board and incorporated into the city's economic development strategy include improving public schools, improving technology skills, and promoting basic academic and career-specific skills of emerging and incumbent workers (*Baltimore City 2002*).

As these institutions embark on this project, it is apparent that East Baltimore's human capital challenges are acute. A labor market analysis (*Friedman 2003*) studied 2000 Census data for the five census tracts surrounding the East Baltimore Revitalization Project and found that:

- median household income was \$17,500, with a poverty rate of 45 percent;

- in an area almost 100 percent African American, 11 percent of the black population age 16 and over is unemployed, and another 55 percent is not in the labor force at all;
- 54 percent of all East Baltimore black men and 44 percent of black women have only minimal skills (dropped out of high school); 34 percent of all East Baltimore black men and 36 percent of black women have basic skills (low-achieving high school graduates).

The numbers make plain the challenges facing the participating institutions as they look to hire appropriately skilled workers. Both for the well-being of the residents being relocated and for the long-term success of the Life Sciences and Technology Park, the project must invest in the community to help employers fill those jobs and to help residents build skills, have access to well-paying jobs, and start out on pathways toward financial self-sufficiency.

### Dual Strategy

To help EBDI achieve these broader goals, the anchor institutions have taken an active role in the community and in this new nonprofit's governance and work groups. The presidents of both the Annie E. Casey Foundation and Johns Hopkins University serve on the EBDI Board of Directors. In addition, the mayor's chief of staff chairs the Economic Inclusion Committee of the board. All three institutions are also directly involved in various aspects of the financing of EBDI and the East Baltimore Revitalization Project. For example, their contributions are making it possible to offer significant relocation assistance to home owners being forced out of their homes. EBDI case managers are creating family and individual support plans for each household being relocated. In EBDI's work with over 300 families to date, these plans have linked residents to a wide array of services, such as employment, medical and mental health, after-school activities, education, emergency assistance with food and utilities, credit and home ownership counseling, and substance abuse treatment.

In addition, staffs of the three institutions are working together to address nondevelopment issues that are viewed as critical to the project's long-term success. Senior staff from Casey, Hopkins, and EBDI have developed a set of eight strategies for creating jobs and making sure that East Baltimore residents are ready to compete for them. Many of the strategies build on citywide and regional initiatives and seek to give a preference of some kind to

East Baltimore residents. On the economic development side, EBDI will be building the region's institutional capacity to support economic inclusion, which will be useful to Hopkins and other developers and employers. The project will also focus on intense, high-level marketing of the Life Sciences and Technology Park and will work to develop more technology partnerships linking Hopkins and private industry. As an early indication of its commitment to the project, Hopkins has agreed to lease 100,000 square feet of space in the first 275,000-square-foot Life Science and Technology Park building.

On the workforce development side, a multistakeholder workgroup, the East Baltimore Workforce Alliance, has been established by EBDI to connect residents to jobs and training in specific marketplace sectors. The alliance believes that this approach has the best long-term chance of moving East Baltimore residents into careers with family-supporting wages and benefits. Given the current employment opportunities at Johns Hopkins and the projected jobs at the Life Sciences and Technology Park, the key employment sectors will be health care and construction, with biotechnology offering smaller, long-range opportunities.

The alliance seeks to:

1. connect residents to education, skill-building opportunities, and careers in health care, construction, and biotechnology;
2. build a neighborhood pipeline to entry-level job opportunities;
3. integrate financial planning and asset building as part of its workforce efforts;
4. provide special support to particular populations such as ex-prisoners.

In both health care and construction, there are regional, multi-institutional initiatives already under way. Over the last two years, Johns Hopkins Hospital, the University of Maryland Medical System, and four other hospitals in Baltimore have been working with the Casey Foundation, the Open Society Institute, the Abell Foundation, education and workforce training organizations, and the Mayor's Office of Employment Development as part of a newly formed Baltimore Healthcare Coalition. This coalition analyzes the demand for workers in health care, assesses the supply of workers and the availability of training, and implements strategies to link Baltimore residents to job openings. The coalition found that among just five hospitals in the city (representing 25

percent of the demand in the region), the rate of turnover yields an annual need for over three hundred skilled workers to fill seven different types of positions that have critical employee shortfalls: nursing assistants, nurse extenders, medical lab technicians, surgical technicians, pharmacy technicians, respiratory therapists, and radiology technicians (*Baltimore Healthcare Coalition 2004*). An assessment of the training available showed that more needs to be done to fill these positions, including:

- outreach and marketing to promote health care as a career;
- basic skills enhancement in reading, math, and the basic sciences;
- customized training for the selected positions;
- adding faculty in health education fields, especially for training nurses, nursing assistants, and nurse extenders;
- stronger linkages between the industry and high schools;
- career coaching for incumbent workers to promote job retention and workplace advancement.

Although some of this work is now under way through different organizations, no system had been in place to coordinate the changing needs of employers, assess the quality of existing training, and foster the development of a pipeline of future workers. Over the last year, the coalition began to make an impact. For instance, it helped redirect state training funds allocated to Baltimore so that they would be used to focus on training for these critical workforce shortages and applied for a Department of Labor grant to create a basic-skills institute for underserved populations, including immigrants, ex-offenders, youth, and the disabled. It also assembled \$875,000 in start-up funding from local foundations to institutionalize this work in a new nonprofit intermediary. Casey and Hopkins representatives expect that this health-care-focused groundwork will help some East Baltimore residents build skills and move into jobs at Hopkins and other local hospitals.

At the same time that the Baltimore Healthcare Coalition is seeking to connect more Baltimore City residents to jobs in health care, the Baltimore Workforce Investment Board is pulling together a similar effort in the construction sector in cooperation with developers, foundations, and education and training institutions. Supported by a grant from the Casey Foundation, the Job Opportunities Task Force has projected a significant demand for construction jobs in Baltimore over several years. Building by Johns Hopkins will account for the lion's share of this new development. This research estimated that there will be more than 1,120 annual

openings for electricians, carpenters, roofers, plumbers, and bricklayers—positions that pay between \$10 and \$23 per hour, provide benefits, and require only short- or moderate-term training (*Jacob France Institute 2004; Job Opportunities Task Force 2004a*). The region’s existing training programs for both entry-level and skilled workers are not enough; many of these openings are not being filled by Baltimore City residents. Contractors note that to meet their needs they must bring in itinerant workers from neighboring states or from out of the country. This new public-private effort seeks to build a large-scale construction pipeline that will include a preapprenticeship program to connect residents to jobs. The effort will include skills training, a comprehensive array of support services, and both placement and re-placement assistance for workers. The Casey Foundation, the Open Society Institute, and other local foundations supporting the EBDI project are contributing to this effort, and they hope to include an explicit focus on East Baltimore residents as part of what will, by necessity, be a regional initiative.

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*“Casey and Hopkins representatives expect that this health-care-focused groundwork will help some East Baltimore residents build skills and move into jobs at Hopkins and other local hospitals.”*

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Demand for jobs in the third sector, biotechnology, is growing more slowly. As a result of initial funding from Baltimore’s Empowerment Zone, the BioTechnical Institute of Maryland has provided training for laboratory jobs for several years, but the entry requirements are stringent. The alliance and its partners will explore creating a high school biotech preparation course to help more residents meet the entry requirements, particularly in math.

As Friedman’s analysis (2003) reveals, at least half of all East Baltimore residents face significant barriers to reaching even the first rung of the region’s most promising career ladders. Substance abuse, limited literacy, criminal backgrounds, and family instability hamper their ability to get and keep a job. The EBDI Family Advocates, working with members of relocating families who are interested in work, have found that the need for preemployment services is high. In response, the alliance is planning a neighborhood-based approach to preemployment. It would

build on the success of those community-based service providers that have delivered the largest number of candidates who are most job ready to Hopkins and other large employers. This will involve distilling service providers' experience into a curriculum and approach that can be duplicated by other organizations, as well as expanding services for special populations, such as those with low literacy and ex-prisoners. The plan dovetails with the Baltimore Healthcare Coalition's call for a basic-skills institute to improve job seekers' reading, math, and science capabilities.

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*“This will involve distilling service providers’ experience into a curriculum and approach that can be duplicated by other organizations . . .”*

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The alliance is particularly focused on the special challenges of ex-prisoners. A substantial portion of the nine thousand ex-offenders who return to Baltimore City each year (*Job Opportunities Task Force 2003*) end up in East Baltimore, where the majority of adult men have a criminal record. The alliance is working closely with Project BRIDGE, a public-private initiative backed by several nonprofit funders. While prisoners

are going through the prerelease transition, service providers meet with them to help connect them with a job and services on release.

The alliance also recognizes the importance of linking workforce development strategies to financial counseling for workers and initiatives that help them build their assets. EBDI is planning to work with partner institutions to offer asset-building activities, among them financial literacy counseling focused, in particular, on relocation benefits and home ownership; aggressive pursuit of Earned Income Tax Credit benefits; and the creation of Individual Development Accounts. The alliance has attracted national foundation funding through Living Cities for these efforts.

One of the alliance's functions is to bring together the region's leaders in workforce development in order to focus on the important work to be done in East Baltimore and on EBDI's development progress. The multistakeholder approach of the project aims to leverage existing resources and take advantage of lessons learned from previous efforts in community, workforce, and economic development. The challenges ahead—political, organizational, and economic—are enormous, but the scale of the work has elevated its priority among all of the stakeholders and perhaps its potential to succeed.

## Conclusion: Looking Ahead

The danger of reporting on emerging development projects that promise expanded social benefits for low-income communities is that difficult implementation work lies ahead. The East Baltimore Revitalization Project is unique in that, even at this stage, it combines the resources and knowledge of a major institution of higher learning, a national foundation, and local government. The potency of this three-way partnership has attracted additional partners to the project and helped establish an implementation vehicle in the form of EBDI.

Looking ahead, six more specific challenges related to the planned workforce interventions in East Baltimore need to be considered:

- **Timing and development.** Will residents be ready with the right skills to take the jobs when they become available? Conversely, will the right jobs be available for the residents who have been trained and prepared? Such timing, of course, is crucial. However, since the labor market is constantly in motion, ensuring that both trained workers and appropriate jobs are available at the same time is not easy.
- **Public school and literacy linkages.** The project is expected to create jobs over several years, but many current East Baltimore residents have poor academic preparedness. How can this “readiness gap” be closed in either the short or long term? Can new partnerships with public schools and literacy providers help build basic academic skills?
- **The role of community organizations.** East Baltimore has many nonprofit and civic organizations that play important roles. However, it does not have a partnership of such organizations capable of creating a pipeline to move workers lacking job-readiness skills into higher-skilled jobs. This project aims to build such a network. Public and private investors have not always favored this type of network, but it is necessary for long-term impact.
- **Keeping the partners at the table.** As is always the case with pioneering efforts, this unique partnership will make mistakes, run into unforeseen obstacles, and make less progress than is expected. In the face of this, the project must be able to keep the partners together and committed if economic development and social benefits are to be achieved.

- **Community resident partners.** The first group of residents to be relocated and to receive intensive services will be leaving the project area over the next several years. Although many will resettle in nearby areas of East Baltimore, logistical challenges of communication and transportation, among others, will hinder efforts to ensure their meaningful, ongoing participation. The project must continue to help foster resident participation and collaboration among the many community groups involved in East Baltimore.
- **Individual choice.** The experience of the Empowerment Zone in Baltimore (*Empower Baltimore Management Corp.* 2002) reemphasized the importance of being responsive to community needs and respecting each individual's right to choose whether to participate. Residents may choose to opt out, to not seek services or employment, or to take the relocation benefits to which a resident is entitled, choose an independent path, and perhaps cease subsequent contact. Measures of the project's accomplishment must be carefully calibrated to take such individual choices into account.

In conclusion, the East Baltimore Revitalization Project is providing valuable lessons in renewing and rebuilding low-income communities. In particular, key institutions such as universities, foundations, and cities will learn about building partnerships, linking economic and workforce development, connecting neighborhood-based projects to regional opportunities, and creating pathways that enable low-income families to get ahead. Even at this early stage, the East Baltimore Revitalization Project has the potential to help redefine the field of neighborhood-based economic and workforce development.

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## The Cornell Urban Scholars Program: Cultivating New York City's Next Generation of Civic Leaders

*Kenneth M. Reardon*

### Abstract

This article describes the origins, evolution, and development of a comprehensive civic engagement program designed to encourage Ivy League students to pursue public service careers with nonprofits and municipal government organizations serving New York City's poorest children, families, and neighborhoods. The article offers a detailed description of the various programs that constitute the Cornell Urban Scholars Program, which includes a high school leadership camp, a public-service-oriented alternative spring break, an undergraduate summer internship program, a graduate research fellowship in children, family, and community development policy making, a non-profit career fair, and a new refereed journal. The article also includes a preliminary analysis of the accomplishments and limitations of this new civic engagement effort. It concludes with a review of the major factors that have led to the program's initial success and ongoing sustainability.

### The Unintended Consequences of Globalization

As we begin the new millennium, record numbers of individuals are migrating from the developing nations of the southern hemisphere to Europe, the United States, and Canada in search of expanded employment and economic opportunities. The ties that have historically linked local businesses with neighboring communities have been weakening as global competition forces corporate executives to relocate their production facilities to communities offering the lowest costs. As businesses become less place-bound, workers are under increasing pressure to migrate from areas with declining employment opportunities to regions with expanding economic opportunities. This process of globalization has resulted in unprecedented movements of workers across national boundaries in search of living wage employment.

New York City has witnessed a dramatic population increase during the past ten years as a result of these powerful globalizing forces. The total population of New York City rose from 7 million to 7.7 million between 1990 and 2000. While a modest number

of these new residents relocated from other regions of the United States, the overwhelming majority are immigrants from the Caribbean, Central and South America, Eastern Europe, the Middle East, Africa, and Asia. Taking advantage of the liberalization of immigration laws that took place during the Kennedy Administration, these individuals have helped to revitalize many of New York City's older neighborhoods that had suffered significant out-migration and disinvestment between 1960 and 1980.

### New York City's Nonprofit Sector

While the strong work ethic, consumer purchasing, housing demand, and cultural practices of immigrant families have contributed to the revitalization of the local communities to which they have relocated, the human service needs of many new immigrants

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*“Ongoing devolution of responsibility for key educational, health care, housing, employment, and training programs by states and the federal government has placed new financial pressures on local nonprofits.”*

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present formidable challenges to local social service providers. Organizations such as Legal Services, the New York City Mission Society, the New York City Board of Education, Bellevue Hospital, Catholic Charities, and the Metropolitan Jewish Federation, which assist immigrants in acquiring visas and work permits, securing safe and affordable housing, enrolling their children in local schools, attaining living wage employment, and accessing quality health care are witnessing dramatic increases in their case-

loads. These and other organizations committed to addressing the organizing, advocacy, and direct service needs of these and other low-income families are struggling to carry on their work under increasingly challenging economic conditions.

State and federal funding for programs serving low-income individuals and families have, with the exception of Medicaid and a few other select programs, remained constant while the number of families served by local social service agencies continues to rise. Ongoing devolution of responsibility for key educational, health care, housing, employment, and training programs by states and the federal government has placed new financial pressures on

local nonprofits. Responding to the social service needs of immigrant families whose cultural backgrounds, languages, religious traditions and civic understandings are dramatically different from the majority of their existing staff represents a significant challenge for New York City's human services organizations. Many immigrants who have lived in countries with repressive political regimes have negative attitudes toward government programs, further complicating service delivery efforts, especially among those who may be undocumented. Increasing turnover within the senior ranks of the city's nonprofit sector threatens to undermine the work of these agencies. Having experienced its period of greatest growth as a result of President Johnson's Great Society Programs, Governor Nelson Rockefeller's ambitious urban development efforts, and Mayor John V. Lindsay's community planning and service initiatives in the 1960s, New York City's nonprofit sector has difficulty recruiting new staff, especially given the crushing loan burden with which many students leave college that makes their pursuit of public service careers difficult.

### **Origins of the Cornell Urban Scholars Program**

Concerned about the continued ability of the city's nonprofit service organizations to address the critical needs of the urban poor, Peter Sloane, president of the August Heckscher Foundation for Children, invited Cornell University to create a new public service program to increase the number of students committed to working with organizations serving New York City's most economically distressed neighborhoods. In the spring of 2001, I submitted a proposal on behalf of Cornell University to the Heckscher Foundation to support the establishment of the Cornell Urban Scholars Program (CUSP). This program was designed to encourage Cornell undergraduates to enhance their understanding not just of the causes of urban social inequality, but also of the contribution that NYC's nonprofit organizations were making to address the human consequences of persistent poverty. To achieve these objectives the program offers undergraduates the opportunity to complete an eight-week paid internship with the most innovative and effective nonprofit organizations serving New York City's poorest neighborhoods.

This new public service program was cosponsored by Cornell University's Department of City and Regional Planning, Public Service Center, and Cooperative Extension Service. In 2001, its first year, 129 undergraduates applied to participate, and

the 25 chosen students were given the opportunity to work at one of more than thirty nonprofit organizations and public agencies serving low-income children, families, and neighborhoods. The organizations participating that first year included settlement houses, senior citizen centers, charter schools, after-school programs, urban gardening groups, drug treatment centers, transitional housing facilities, environmental groups, direct action organizing projects, special needs housing sites, labor unions, community design centers, and community media projects.

By June, CUSP students were spending four days each week serving their placement organizations and one day per week participating in a reflective seminar taught by a Cornell University faculty member. Through the seminar, students had the chance to share their placement experiences with their colleagues, receive support in solving placement-related problems, discuss the structural causes of the social problems, and explore alternative policy solutions to these issues.

Feedback received from the first cohort of CUSP students was overwhelmingly positive. However, it was the passion, insight, and commitment to social justice that the students demonstrated at an informal reception at the end of the summer that highlighted CUSP's transformative impact. The Final Reception, which was initially envisioned as a social event and recognition ceremony organized for the students, agency supervisors, participating faculty, and donors, began with a panel presentation involving five students who shared their reflections on their experience. The students who constituted the panel described in eloquent terms the extraordinary obstacles that the people they were working with confronted during their daily struggle to raise their families in the city's poorest neighborhoods. The students discussed how much they had learned and how deeply they had been affected by the courage, determination, generosity, and humor of the low-income children and families with whom they worked. They described how inspired they were by the daily example of the paraprofessionals and professionals whom they were assigned to assist. They also talked about how the experience had made them more aware of their own privilege and obligation to actively support public policies to reduce inequality in our society. Moved by the students' discussion of their experiences and their agency supervisors' positive feedback on the students' performance, Peter Sloane ended the reception by inviting Cornell to develop a proposal for significantly expanding the program in its second year.

When the CUSP students returned to campus in the fall of 2001, they were invited to a dinner to discuss their ideas for improving the program. The students encouraged the participating faculty to develop a spring course to prepare students for their NYC service experience by introducing them to the city's changing demographics, political economy, nonprofit sector, and key public policy challenges. They also recommended the development of a fall course that would enable returning students to systematically reflect on the public policy implications of their NYC experiences by challenging them to write a publishable paper focused on the structural causes of urban poverty. Finally, they made a strong argument in favor of expanding the program to include graduate and professional students whose divergent opinions would challenge their analysis of existing conditions in New York City's poorest communities. During the dinner, the executive director of the Cornell Public Service Center proposed that we launch an alternative spring break in New York City to provide students with limited urban experience, who might be nervous about participating in a summer-long urban internship program, the opportunity to obtain field experience in a highly supportive context. The program development proposals generated by the 2001 Cornell Urban Scholars and the executive director of the Cornell Public Service Center were subsequently presented to the program's Academic Advisory Board, which included former students, participating faculty, and interested administrators. Their support for these proposals led to a successful second-year proposal to the Heckscher Foundation, which enabled CUSP to develop the more comprehensive program recommended by our students and staff.

### Expansion of the Cornell Urban Scholars Program

The second-year proposal, which the Heckscher Foundation chose to support in the fall of 2001, included the following new program components.

***Urban Immersion/Alternative Spring Break Program:*** This initiative was designed to provide forty freshmen and sophomores with limited urban community service experience the opportunity to spend seven days in NYC as part of a specially designed alternative spring break. The Urban Immersion Program was crafted to introduce the students to the work of several of NYC's most innovative human service organizations. Participating students would gain hands-on experience supporting the community-building

and social-change efforts of a variety of NYC-based social service organizations. They would also be given the opportunity to tour communities where innovative planning and development are taking place and meet with leaders of the nonprofit organizations leading such efforts. The primary objective of this program is to encourage students who have not been involved in public service activities before to do so as a first step toward their subsequent participation in our Summer Internship Program and a life of public service.

***Creating a stronger academic base for the Summer Internship Program:*** The second-year proposal also included a prefield preparation course for the undergraduates participating in the Summer Internship Program. CRP 331: Preparation for Urban Fieldwork in New York City was structured to introduce students to the principles of experiential education, field-based research methods, social inequality in NYC, and contemporary urban policy making. One of the key elements of this course was the development of individualized learning plans in which students identified the new knowledge, skills, and personal growth outcomes they were seeking to achieve through their public service experience in New York City. The proposal also included a postinternship research writing course to assist participating students in translating their detailed field notes and journal entries into a high-quality scholarly article exploring effective strategies for reducing the level of persistent poverty in New York City. CRP 332: Urban Policy Research Seminar was our effort to respond to the lack of attention given to critical reflection and policy making within many service-learning programs. While tens of thousands of U.S. college students have been involved in credit-based service-learning courses, these students have generated little, if any, new scholarship that critically examines the underlying causes of urban social inequality and explores alternative public policy solutions to foster positive societal change.

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*“[The] Urban Policy Research Seminar was our effort to respond to the lack of attention given to critical reflection and policy making within many service-learning programs.”*

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***Graduate Research Fellowship Program in Children, Family, and Community Development Policy-Making:*** The proposal also recommended the establishment of a new graduate fellowship program to engage Cornell's best students in participatory action research projects focused on the critical program development and policy-making issues confronting nonprofit organizations and public agencies. With funds provided by the Heckscher Foundation and the Cornell Graduate School, ten students would be awarded \$3,600 summer research stipends and \$1,000 housing allowances to enable them to devote eight weeks to a collaborative research project identified by a NYC-based nonprofit organization serving the urban poor. Successful Graduate Research Fellowship applicants were expected to make independent contact with a nonprofit organization, identify a policy-oriented research question of interest to both the agency and themselves, and formulate a preliminary mixed-method research design to address this question. While the initial proposal did not feature a prefield preparation course, students participating in the program were given the opportunity to participate in a biweekly research seminar conducted by a Cornell faculty member in New York City.

### Further Evolution of the Cornell Urban Scholars Program

To further develop and institutionalize this new public scholarship program at Cornell in the fall of 2002, the returning students were invited to a dinner meeting to discuss ways to further improve CUSP's evolving program. The students offered two suggestions for enhancing both the program's learning and service outcomes, which were incorporated into a third proposal that the Heckscher Foundation chose to fund: (1) development of a pre-field seminar for graduate research fellows and (2) support to expand a regional nonprofit and government service career fair.

***Development of a prefield preparation seminar for the Graduate Research Fellows:*** The former participants in the Graduate Research Fellowship Program recommended the development of a prefield preparation course designed to introduce the next cohort of graduate students to the principles, methods, and challenges of contemporary participatory action research. CRP 649: Participatory Action Research in New York City was developed as a two-credit course that presented a critique of positivist-oriented social sciences; an overview of the principles of participatory action research; an introduction to mixed-methods social science;

a presentation of the essential elements of research design; and a summary of the requirements of human subjects review. All of the graduate research fellows participating in CUSP were expected to complete this required prefield preparation class.

***Support to expand a regional nonprofit and government service career fair:*** CUSP students who returned from their New York City experience excited about the possibilities of pursuing a public service career encountered considerable difficulty securing current information regarding available entry-level positions in the nonprofit and public sectors. With encouragement from these students and from the staff at the Cornell Public Service Center and Career Services Center, CUSP included a request for \$10,000 to help expand the recently launched Nonprofit and Government Career and Information Fair. Mainly because of this support, the number of Cornell University, Ithaca College, and Tompkins Cortland Community College students participating in this annual spring event has risen to more than 1,000 students. The event now brings to campus more than eighty nonprofit and government agencies recruiting graduating students interested in full-time public service positions.

Ongoing support from the Heckscher Foundation enabled CUSP to incorporate these new elements into its ongoing program. In the fall of 2003, returning students were again invited to a dinner to discuss the future development of the program. Students attending this event made a single recommendation for CUSP's improvement. They encouraged CUSP to establish a scholarly publication that would serve as a forum for those involved in higher education's ever-expanding service-learning movement to share in analyzing and prescribing ways to address the consequences of our nation's increasingly uneven distribution of wealth, income, and power. Shortly after the dinner meeting, CUSP was asked by a member of Cornell University's Cooperative Extension staff to discuss an evolving issue confronting their Annual 4-H Career Exploration Program that brings six hundred high school leaders to campus each June to explore a wide variety of careers. Given the historical origins of the 4-H program in agriculture, the majority of the activities these high school sophomores and juniors were exposed to during their four-day visit to campus were farming related. However, the growing number of urban youth participating in this program were becoming increasingly frustrated by what they perceived to be irrelevant programs. With the encouragement of several former CUSP students, we agreed to

design and implement, in cooperation with the Family Life Development Center, a four-day youth empowerment program to expose urban youth leaders to the intellectual, career, and public service opportunities available within the fields of architecture, landscape architecture, historic preservation, and city and regional planning.

In the fall of 2003, a fourth proposal was submitted to the Heckscher Foundation to enable CUSP to develop a scholarly publication focused on social justice and to create a public service education program for high school students. With additional funds provided by the foundation, CUSP added the following program elements in the summer of 2004.

***New Urban Explorations: A journal of cooperative inquiry and action for social justice and the city:*** The *New Urban Explorations* journal was designed to be a refereed publication featuring articles jointly produced by local citizen leaders and university-based academics focused on all aspects of social inequality in the city—causes, consequences, and possible solutions. It is viewed as an important new outlet for research emerging from what Ernest Boyer described in 1994 as the “scholarship of engagement.” It is expected to feature cooperatively researched and written articles examining theoretical, methodological, analytical, policy, programmatic, and evaluation issues related to contemporary efforts to reduce the incidence of poverty in the major metropolitan areas of the United States. The title of the journal is taken from a path-breaking book by Benton MacKaye, *New Explorations*, which in 1928 called attention to the many unintended negative consequences of a market-driven economy and argued for public stewardship of the economy to avoid the worst environmental and social impacts of industrialization (1928, xvi). The journal plans to issue its first call for papers in October 2005, with an inaugural issue to appear in the summer of 2006.

***Summer Youth Empowerment Program:*** The Youth Empowerment Program was designed to introduce forty high school sophomores and juniors to the essential elements of cooperative community problem solving, planning, design, and development through an intensive four-day residential program on the Cornell University campus. Students would be introduced to the history of nonviolent social change, basics of direct action organizing, fundamentals of community research, and various group process

techniques. Students would be invited to identify and research a critical issue affecting the quality of life in their communities. The culmination of the program would be an intense “day of action” in which the students would present their research findings to the Quality Communities Subcommittee of the New York State Legislature. During the program, students would also be introduced to various resources and tools for selecting the right college or university and identifying available scholarships.

With the ongoing support of the Heckscher Foundation, CUSP was able to develop a detailed proposal and recruit an outstanding editorial board for its journal while also offering forty urban youth from Rochester, Syracuse, and Binghamton the opportunity to develop their leadership skills. CUSP’s strong performance in 2004 prompted the Heckscher Foundation to invite Cornell to submit a three-year funding proposal to encourage the program’s institutionalization.

### **Major Outcomes of CUSP**

CUSP has provided over 250 Cornell students with the opportunity to enhance their understanding of the origins, nature, and consequences of urban social inequality through paid internships and fellowships with nonprofit organizations and municipal government agencies serving New York City’s poorest children, families, and neighborhoods. The students who have participated in this unique public scholarship program come from a wide range of disciplines, including agriculture and life sciences; architecture, art, and planning; arts and sciences; engineering; hotel administration; human ecology; and industrial and labor relations.

Approximately 40 percent of the students participating in CUSP’s undergraduate programs are from underrepresented minority groups, including African Americans, Puerto Ricans, and Native Americans. Roughly 30 percent of the undergraduates who have participated in the program have accepted positions with nonprofit organizations following their graduation, including Teach for America, New York City Teachers Corps, AmeriCorps, and VISTA. An additional 20 percent of the undergraduates who have participated in the program have entered graduate or professional programs to continue their preparation for careers in public service.

Each year, eight to ten program participants use their CUSP experiences as the basis for either undergraduate honors or master’s theses. The program has also nurtured strong ties between the leadership of the twenty nonprofit agencies where students are placed

each year and various academic units engaged in research and professional education in fields related to the work of these agencies.

The involvement of the students' academic advisors and department chairs during the program's application and placement phases has led to the creation of an interdisciplinary group of faculty who can exchange their research, teaching, and outreach experiences in what has emerged as an informal learning community. The program has also offered public-service-oriented alumni the opportunity to work with Cornell's current generation of engaged scholars as placement supervisors, mentors, and coaches.

Finally, CUSP has been able to contribute, in significant ways, to the efforts of several poor and working-class communities located along the once-thriving Brooklyn waterfront to make compelling arguments in favor of inclusionary zoning to reduce displacement within a city-supported rezoning process. The housing and zoning research, organizing, and advocacy efforts of several CUSP interns and fellows enabled the North Brooklyn Clergy Cluster and the North Brooklyn Development Corporation to compel the City of New York's Department of Housing and Preservation to require developers of this area to make 25–28 percent of their residential housing units affordable to low- and moderate-income families.

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*“Roughly 30 percent of the undergraduates who have participated in the program have accepted positions with nonprofit organizations following their graduation . . .”*

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### Keys to Success

CUSP's early success can be attributed to a number of factors. Among them are:

1. The generous support of the Heckscher Foundation, which is deeply committed to enhancing the organizational capacity of the city's nonprofit organizations and nurturing the next generation of inspired nonprofit sector leaders;
2. A highly developed model of experiential education upon which CUSP's initial program design was based, and which built upon the path-breaking work of Cornell University's former Field and International Study Program;

3. CUSP's developmental approach to civic engagement, which introduces high school students to the concept, offers freshmen and sophomores a brief vestibule immersion experience in NYC, provides freshmen and sophomores with the opportunity to complete a highly structured internship program, and gives graduate students the chance to cocreate, in partnership with a community leader, a challenging community-based research project;
4. A broad-based network of Cornell alumni active within NYC's nonprofit network and willing to serve as agency placement supervisors and mentors to both interns and fellows;
5. The expertise of Cornell University's NYC Cooperative Extension Service staff, who were able to assist with program logistics, placement, and orientation;
6. The quality of the staff from the Cornell Public Service Center, who helped CUSP expand the number of students it served by complementing our Heckscher funds with Federal work-study resources, organizing the Alternative Spring Break component of our program, and launching, in cooperation with the Cornell Career Services Program, the Non-Profit and Government Service Career Fair;
7. The willingness of the faculty to critically reflect on each year's program using data provided by CUSP's participating students and staff in order to continually improve the program;
8. The ability of the Department of City and Regional Planning, as CUSP's administrative home, to make significant contributions on a regular basis to address unanticipated expenses.

### **Current Challenges**

As CUSP develops, it will continue to confront a number of program development challenges. For example, it will need to formulate an expansion strategy to accommodate a larger portion of the students who apply to the program each year. In addition, it will have to find a way to place financial support for the program onto the university's tightly controlled development agenda. Finally, it must discover more effective ways to challenge our students to both write about their experiences in the city and become more actively engaged in advocacy efforts to address the

structural causes of social inequality in the city. This is required if we are to develop the kind of civic leaders Cornel West described in the introduction to *Race Matters*.

Only a visionary leadership can motivate “the better angels of our nature” as Lincoln said, and activate possibilities for a freer, more efficient, and stable America—only that leadership deserves cultivation and support. This new leadership must be grounded in grassroots-organizing that highlights democratic accountability. Whoever *our* leaders will be as we approach the twenty-first century, their challenge will be to help Americans determine whether a genuine multiracial democracy can be created and sustained in an era of global economy and a moment of xenophobic frenzy. (7–8)

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## The Next Wave: Building a University Civic Engagement Service for the Twenty-First Century

*Gar Alperovitz, Ted Howard*

### Abstract

Historically, America's land-grant universities offered non-elites access to higher education while developing and disseminating new, practical knowledge (particularly agricultural science). In the late twentieth century, the historic land-grant mission was eclipsed by other institutional concerns. Efforts now are under way around the country to revive that tradition within higher education and make it relevant to the social and economic needs of citizens and communities in the twenty-first century. At the University of Maryland at College Park, the Engaged University Initiative is working to help refocus the institution's commitments and resources (human, intellectual, financial) to build toward a civic engagement service that will be relevant to land-grant universities nationally.

One of the federal government's important contributions to democratic life was the establishment of the nation's network of land-grant colleges through the Morrill Act of 1862. That act and subsequent legislation led to the creation of land-grant institutions in all fifty states and the District of Columbia, land-grants at historically black colleges, community colleges for Native Americans, and, more recently, sea-grant and space-grant institutions. When President Lincoln signed the Morrill Act into law, the country's first non-elite colleges were born. Their original mission was relatively straightforward: teach agriculture, military tactics, and the mechanic arts, as well as classical studies, so that members of the working classes could obtain both a practical and a liberal education. Two key elements of the land-grant model were the agricultural experiment station, which generated practical knowledge, and an extension service to disseminate the station's research, in particular to farmers who could then apply it to increase productivity on their land.

But at the heart of Senator Morrill's (and Lincoln's) purpose was a grander idea than merely expanding crop yields. The land-grant vision was of an institution that could be a training ground for democratic life and civic practice. If citizens are not only born but "made" (that is, developed through education, training, and

exposure to democratic values and ideas), then land-grant institutions, by offering access to non-elites, would serve to deepen political democracy and strengthen civic life in the nation. As George R. McDowell has written, “. . . the principle behind their establishment was without historical precedent. That principle asserted that no part of human life and labor is beneath the notice of the university or without its proper dignity. Both by virtue of their scholarly aims and whom they would serve, the land-grant universities were established as people’s universities. That was their social contract” (2001).

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*“In recent decades the contract between land-grants and society has been largely broken.”*

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In recent decades the contract between land-grants and society has been largely broken. The reasons are manyfold. Farmers, once the majority of the nation, now constitute less than two percent of the labor force. Agriculture has become mainly a corporate and industrialized sector, and our population has become urbanized and suburbanized; the traditional extension services no longer directly touch the lives of large numbers of citizens. As

the farming population dwindled, many of the “people’s universities” began emulating elite private institutions, chasing federal, corporate, and philanthropic research dollars and staking their reputations increasingly on graduate-level education (though the great majority of their students were undergraduates). Research conducted by faculty with little connection to the surrounding community or citizenry of the state, and without clear and obvious direct application and social benefit, became the norm. Much good work was done, but the honored tradition of public service, the transfer of useful knowledge, skills, and technology to citizens who could apply them in their own lives and communities, and a commitment to addressing, and even helping to solve, social problems directly in the institution’s own environment became marginalized. The vast majority of students and faculty no longer came in touch with the extension services that had once been at the heart of their institutions. And in the halls of state legislatures around the country, land-grant presidents began hearing the accusing question, “But what are you doing for the people of our state?” Perhaps there is more than one reason state funding support as a percentage of the budget of public universities has been declining for at least the past two decades (Selingo 2003). Given

this picture, it was only partly in jest that McDowell concluded his study by noting, “A common reaction to ‘I’m writing a book on the future of extension and land-grant universities’ was ‘Do they have a future?’” Indeed, he reports that a friend told him the book might well be an epitaph for the land-grant universities as instruments of social change in American society (2001).

The growing public sense that land-grants have lost their way—or at least much of what had once made them distinctive and important to American democracy—has not escaped the notice of many concerned university leaders. In the mid-1990s, a group of university presidents, in partnership with the National Association of State Universities and Land-Grant Colleges (NASULGC), convened the Kellogg Commission on the Future of State and Land-Grant Universities. A joint statement made by the leadership of the Commission in 1996 offered a dire assessment of that future:

We cannot sugar-coat the truth. Unprecedented problems confront our campuses. Institutions ignore a changing environment at their peril. Like dinosaurs, they risk becoming exhibits in a kind of cultural Jurassic Park: places of great interest and curiosity, increasingly irrelevant in a world that has passed them by. (*Kellogg Commission 1996, 1*)

To meet this challenge, the Commission called for a new covenant between land-grant universities and society “to breathe new life into their historic mission by going beyond extension to engagement.” As an engaged institution, a land-grant would respond to the current needs of its increasingly diverse student body, provide students with “practical opportunities” to prepare for the world they were about to enter, and “put its critical resources (knowledge and expertise) to work on the problems the communities it serves face.” (*Kellogg Commission 1999, 10*) This was essential not only to the future of land-grant universities themselves, but to the larger society:

The obstinate problems of today and tomorrow in our nation and world—poverty, family and community breakdown, restricted access to health care, hunger, overpopulation, global warming and other assaults on the natural environment—must be addressed by our universities if society is to have any chance at all of solving them. (*Kellogg Commission 2000, 20*)

## Elements of the New Land-Grant

In the near decade since the Kellogg Commission began its work—and in many cases beginning well before—the initial elements of a newly relevant land-grant model have begun to quietly emerge in institutions around the country. The progress has been halting in some cases, dramatic in others, bold and experimental in still others. In contrast to the emphasis on transferring “technical expertise” that was at the heart of the original agricultural extension programs, the emerging new model is in the main based on a collaborative approach to problem solving: a two-way street in which practitioners and community members contribute to shaping the research, teaching, and service agenda of the university. In some cases, a community advisory board or other formal mechanism helps ensure that the voice of the community is present. In others, land-grant faculty and staff actively work to engage community members in identifying issues for research and action, understanding the impact of alternative solutions, and designing and implementing plans that build on local assets and emphasize shared leadership and active citizen participation. At its best, the collaborative approach enables a land-grant to fashion an expanding civic, problem-solving extension portfolio relevant to the twenty-first century. To cite only a few examples:

- The University of Minnesota’s Center for Democracy and Citizenship sponsors numerous projects focused on “public work.” The Center’s Community Information Corps (CIC) has launched an initiative to bridge the digital divide of St. Paul’s West Side (largely immigrant) community. Over the past four years the CIC has worked with youth involved in various community action projects that demonstrate how technology can be used to enrich community and revitalize democracy. The university’s extension service offers a twelve-hour educational program for parents going through divorce; the program is delivered in sixty-five Minnesota counties, and some three thousand parents participate each year. Beyond specific projects and programs, the university has established the Council on Public Engagement (COPE), an institution-wide body charged with strengthening the public mission and practice across the full range of university activities in order to “enrich scholarship and research; enhance curricular content and process; prepare effective, productive citizens; address critical societal issues and solve public problems; and contribute to a democratic way of life” (Boyte 2004).

- Pennsylvania State University has established a community development extension program that focuses on improving community and economic decision making. The program provides research-based extension and outreach on municipal finance; economic development; land-use planning; and child, youth, and family well-being. Another outreach program aims to improve the environmental quality of a local watershed. The university recently also launched a new undergraduate minor in civic and community engagement, with students being given an opportunity to move beyond traditional service-learning through advocacy training.
- Oregon State University became the first research institution to redefine scholarship in ways that acknowledge and reward teaching, research, application, and service that are connected to problem solving and meeting community needs. Accompanying changes have elevated the position of field staff in extension offices to faculty status.
- Michigan State University's Community and Economic Development Program (CEDP) focuses on "engaging in responsive and innovative scholarship designed to improve the quality of life in distressed urban and regional communities" (CEDP). Among other activities, CEDP provides training to increase the capabilities of Michigan's community-based organizations. Within each of its targeted communities, the program maintains a resident community development professional who lives and works with community members.

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While we focus in this paper on land-grant models, there are also many related examples from other private and public universities. The University of Pennsylvania, for example, is internationally recognized for its Center for Community Partnerships (CCP). CCP works throughout West Philadelphia on a wide range of initiatives such as university-assisted community schools, public school reform, urban nutrition, and faith-based programs.

Portland State is a national leader in core curriculum reform as well as programs in community development and training to increase the capacity of community-based organizations. A few institutions, such as Trinity College, are pioneering efforts to invest portions of their endowment in targeted community revitalization.

### **Building a Comprehensive Land-Grant Model for the Twenty-First Century**

While there has been much progress and steadily growing interest in establishing a new social contract and vision, public land-grant universities are still very far from full engagement with their communities and states. And no land-grant has yet succeeded in developing a comprehensive, integrated strategy for focusing the institution's commitments and resources (human, intellectual, financial) in a clear and intentional way.

At the University of Maryland at College Park, many of our colleagues across disciplines and at all levels—senior administrators, faculty, staff, and students, along with key partners in the surrounding community of Prince George's County, have taken up this challenge. For the past several years, we have been striving to develop a comprehensive model of a civically engaged land-grant institution, one that we hope will have national relevance and application. The work is self-consciously attempting to build on the many hard-won lessons of colleagues at other land-grants, as well as at private and public research universities and liberal arts colleges. The Democracy Collaborative, whose mission is to advance a new understanding of democracy for the twenty-first century and to promote sustained and widespread democratic practice, coordinates the effort. The Collaborative's Engaged University Initiative plays the leading role in attempting to catalyze university-community partnership aimed at improving the quality of life for the citizens of Prince George's County (and over time, more broadly throughout the state). The initiative is committed to fostering these partnerships in ways that enhance the teaching, research, scholarship, and standing of the university itself.

Over the last thirty years, Prince George's County, Maryland—the home of the university—has experienced one of the most significant demographic transformations in the country, shifting rapidly from a largely poor farming and working-class white community to a suburban, white collar, predominantly African American community. Today the county is alternately described as the largest, most affluent, and best-educated predominantly African

American suburb in the country, on the one hand, and—on the other—as Washington, D.C.’s, “9th Ward.” This designation implies that it shares the constellation of economic and social problems that confront under-resourced inner-city communities around the country.

Prince George’s County is grand in scale, with nearly 820,000 residents of every ethnic, racial, and religious background; a rapidly growing population of new immigrants from Central America, Africa, and the Caribbean speaking more than a hundred languages; and a sprawling geographic area of almost five hundred square miles and twenty-seven different municipalities. Three problems in particular stand out. First, compared to surrounding counties with majority white populations, Prince George’s has had difficulty attracting sizable business investments. There is no question that this is in large measure due to the county’s racial composition. Second, in managing one of the larger public school systems in the nation, county educators struggle with inadequate resources to address the many realities of its diverse student population, including a large proportion of English as a Second Language students and special education learners, and a high level of transience and turnover among both teachers and students. Finally, in contrast to neighboring jurisdictions (particularly Washington, D.C., and Montgomery County, Maryland), Prince George’s has a relatively small number of nonprofit and community-based organizations, and the majority of those have small staffs, minuscule budgets, and relatively low capacity.

The University of Maryland has long enjoyed a relatively peaceful relationship with its home county, and fortunately, the university does not have to overcome a legacy of community antagonism that many other, particularly urban, institutions have faced. It also has had considerable positive interaction with the community and state: a 2001 survey identified 384 community-focused research and outreach efforts representing expenditures in excess of \$60 million, of which 48 percent “directly impacted” communities in Prince George’s (*Wellford, LaFree, and Morris 2001, 3*), and, with an annual budget of some \$1.1 billion, it is the largest employer and economic force in the county (*Wellford, LaFree, and Morris 2001*). Nonetheless, the university is not widely seen as deeply connected with or available to the vast majority of county residents. Indeed, many see it as distant and disengaged. This perception was highlighted in a 2002 issue of *Black Issues in Higher Education*, in which journalist Paul Ruffins wrote, “The question of how or how much a college or university could

or should make its presence felt in a local community is an ongoing issue in higher education across the nation. But it has particular relevance in Prince George's County, a largely African American jurisdiction bordering Washington, DC. All three of its public universities [Bowie State University, Prince George's Community College, and the University of Maryland at College Park] . . . have been accused of somehow being missing in action" (8).

The Engaged University Initiative is designed to move the institution well beyond a set of disparate research and service activities into a new, strategic civic engagement posture that helps shape curriculum, research, community outreach, university rewards and incentives, and financial decision making and procedures. In other words, we seek not a "program" of engagement but to help infuse the university's culture, practices, and structures with a new spirit. The process is one of learning and discovery, experimenting with and creating models on campus and in Prince George's County that show clear promise for replication throughout the state and nationally. Although the effort is embryonic and faces an array of obstacles, a number of elements have emerged as particularly important to this process, including four top priorities: (1) building authentic partnerships with the community; (2) organizing internally within the university; (3) leveraging university financial resources; and (4) enhancing academic research, teaching, and training.

### **Working in Partnership with Community-Based Organizations and Local Government**

Building authentic partnerships between the university, community groups, and local governments is the foundation of this work. We seek to create an environment in which the skills, knowledge, and resources of the university are made available to the community and the hard-earned wisdom and experience of community practitioners and public officials is welcomed and honored by the university. This has required a substantial investment of time and effort in learning to listen to one another, develop reciprocal relationships, and discover points of common ground and mutual interest. Fostering meaningful relationships between the university and the community also has meant placing a priority on such issues as inclusion, justice and equality, diversity, and the intersection of race, class, gender, ethnicity, and other dimensions of "difference." Central to the process has been an ongoing series

of “We’re Engaged!” meetings that bring together community and university leaders to exchange ideas, learn from one another, and create a sense of shared enterprise that is intellectually challeng-

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ing and exciting. To date, these meetings have attracted more than five hundred faculty, students, staff, and administrators from the university, as well as activists, teachers, journalists, political officials, and nonprofit leaders from the community. Each day-long meeting focuses on a particular theme, such as Conducting Community-Based Research; Bridging Race, Ethnicity, Class, and Gender Differences; and The Art of Democracy-Building, and includes working sessions to plan specific projects. Between formal meetings, efforts are made to nurture the evolving network and involve

its members in a range of activities: civil society lectures featuring prominent national speakers; faculty and student tours of the community to meet with local government and nonprofit leaders; and on-campus events with particular appeal to nonacademic participants, such as a day-long symposium on the fiftieth anniversary of the *Brown v. Board of Education* Supreme Court ruling that examined the impact of the *Brown* decision locally and the unfinished work of creating racial equality and equal opportunity in the county.

As a result of these exchanges, three key areas of need have been identified as initial areas of university-county collaboration: (1) improving the quality of public school education through increased parent and community involvement; (2) creating innovative approaches to community-based economic development, ranging from training in financial literacy to anchoring wealth and assets in the county in ways that generate jobs and products for local consumption; and (3) organizing venues that support imaginative forms of community cultural expression and give voice to the concerns of youth, new immigrants, people of color, the poor, and the disenfranchised. Demonstration projects involving university faculty and staff and community members are now under way in each of these areas.

## Internal Organizing and Building an On-Campus Constituency and Culture for Change

It is relatively easy to focus university action toward engagement when a favorably inclined president wants to do so. Our current president, C. Dan Mote, is one such leader, but he is an exception to the general rule. Moreover, presidents come and go at major universities, and important initiatives may not be sustained once the leadership of the university changes. We believe it is critical to develop within the institution a bottom-up organizing process that builds a positive culture for change and establishes a constituency that can help advance new efforts over time. This, in turn, helps create awareness within the administration (present or future) that it has campuswide backing and that it is in its interests to work with outreach programs. Beginning two years ago, the Engaged University Initiative began the systematic and intentional organizing of internal university constituencies and resources. The model is based on an approach familiar to community organizers, but not often employed in the academic world: treating the campus as a community that must be organized from the grassroots up in order to effect and sustain long-term change. This integrated program involves directed community-campus dialogues, networking faculty and staff who are supportive but also often highly isolated, stimulating relationships between the university and community organizations and leaders, identifying and enlisting the support of key university officials able to move resources and restructure institutional policies, and creating and brokering “hands-on” community-based initiatives.

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*“We believe it is critical to develop . . . [an] organizing process that builds a positive culture for change and establishes a constituency that can help advance new efforts over time.”*

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We are now working to ensure that the Engaged University Initiative is an integral part of the university’s upcoming 150th anniversary celebration—a year-long program that kicks off in fall 2005. A coordinating committee of campus representatives has produced a white paper outlining the themes and guiding principles and elements of the sesquicentennial, among which are: focusing the university’s educational programs on enlightened

citizenry and societal impact; reaffirming access and outreach as a land-grant institution; producing tangible benefits to the state, region, and nation; and connecting with and engaging in society.

### Leveraging University Financial Resources for Civically Engaged, Community-Based Development

Institutions of higher education have an obvious vested interest in building strong relationships with the communities that surround their campuses. They do not have the option of relocating and thus are of necessity place-based anchors. While corporations, businesses, and residents often flee economically depressed low-income urban and suburban edge-city neighborhoods, universities remain. At a time when foundations that help establish community-based projects are commonly unable to continue with ongoing involvement over long periods of time, universities are by their nature an important potential institutional base for helping community-based economic development in general and civically engaged development in particular.

In 1996, more than 1,900 urban-core universities in the United States spent \$136 billion on salaries, goods, and services—nine times the amount of federal direct spending on urban business and job development in the same year. These institutions collectively employ two million workers (only a third of these jobs are faculty; the remaining two-thirds are administrative and support staff positions) and are among the fastest-growing employers in the country, adding 300,000 jobs between 1990 and 1999. America's colleges and universities also hold more than \$100 billion in real estate (*Hahn 2002, 3*).

In recent years, a number of universities (though as yet few land-grants) have begun to focus a small part of their economic activity in ways designed to benefit their surrounding communities. Since 1996, Trinity College in Hartford has invested more than \$7 million of its endowment in neighborhood revitalization within a fifteen-square-block area of the campus; the effort is projected to generate more than \$100 million in new construction. The University of Pennsylvania shifted 9 percent of its annual purchasing, thereby injecting over \$57 million into the West Philadelphia economy. Howard University, collaborating with local civic and neighborhood groups and Fannie Mae, created 307 new housing units in its surrounding neighborhood, which in turn helped spawn commercial development and improvements in vacant and boarded-up properties. The Duke-Durham

Neighborhood Partnership Initiative has invested more than \$2 million in an affordable housing loan fund to promote home ownership and community stabilization. The University of Southern California has instituted a program to increase employment from neighborhoods immediately surrounding its campus, and in one recent period, one out of every seven applicants for staff positions was hired from the seven nearest zip codes (*Hahn 2002; ICIC and CEOs for Cities 2002*).

Within Prince George's County, the University of Maryland is an economic enterprise of considerable impact. Each year, a good part of its more than \$1.1 billion budget flows through and from the campus, including some \$140 million in purchasing and \$140 million in construction and real estate development (*Porcari 2005*). How might these resources be leveraged to meet the university's needs while making a significant contribution to local economic development and community well-being? In order to formulate an effective approach, the Engaged University Initiative, in consultation with senior university officials and local government representatives, is now undertaking a systematic review of the institution's programs of purchasing, hiring, workforce development, community outreach, and real estate development.

Linking the flow of university resources to community organizations and institutions requires a great deal of technical expertise and support, particularly given the relative lack of strength and experience among local community-based organizations. To some extent, we will need to build within the university a new capacity for working with the community to devise and implement new strategies capable of anchoring capital, building community assets, and stabilizing local economies. At the same time, the University of Maryland is fortunate to be home to many valuable resources appropriate to this endeavor, including a center for entrepreneurship, a center for smart growth, and design studios to help neighborhood groups shape economic development in their communities. In addition to its agricultural programs, the cooperative extension service provides financial counseling, encourages healthy lifestyles through better diet and nutrition programs, and offers other family services. Thousands of undergraduate students are residents of "learning-living" dormitories with programs of community service and engagement. The Consortium on Race, Gender and Ethnicity is a university-wide initiative that links research knowledge with promising community practices and policies on high school leaving, access to jobs

and education for welfare recipients, and racial disparities in relationship to civic engagement. Our colleges of education, arts and humanities, engineering, and social sciences all have substantial programs of community engagement and local capacity building.

In addition, the Democracy Collaborative has generated a substantial body of research and knowledge on the wide range of rapidly growing democratic, common asset, community economic development institutions. These various approaches (including community development corporations, employee-owned and locally anchored businesses, urban land trusts, co-ops, nonprofit businesses, and municipal enterprise) utilize strategies involving the ownership of assets to benefit different groups and small and larger publics. At a time when federal and state subsidies are being cut and charitable programs are proving insufficient to meet growing local needs, channeling university financial resources and expertise toward these place-based development models can help produce the kind of economic stability that is a requirement of strong, vibrant, healthy, and democratic communities. In spring 2005, the Collaborative is launching a Web-based national clearinghouse on these innovations and how universities might partner with them (<http://www.assetstrategies.org>).

### Enhancing Teaching, Research, and Training the Next Generation of Engaged, Democratic Citizens

In some visions, the engaged university seems almost like a social work or business development agency, with little or no relationship to its educational and research mission. We disagree. Indeed, we think both the educational and research functions of the university can be enhanced by civic engagement work—if, that is, the concept is taken seriously.

To begin with, there are many areas in which hands-on community engagement by students and faculty offers powerful learning experiences. Research programs—ranging from nutrition and health to environmental protection, from literacy and cultural history to economic development in complex social systems—can often be advanced powerfully by efforts in (and with) communities close at hand. In the new economic work we are developing, we are also continuously looking for opportunities to build significant educational, training, and research activities into the programs. But the issues involved go far beyond such matters. As noted at the outset of this paper, the original land-grant vision was much more than simply an idea about agricultural research

and extension. These institutions were meant to serve as intellectual and practical training grounds for non-elites to become more effective participants in the nation's political democracy. This mission has never been more important than it is today, at a time when public opinion polls consistently show that the great majority of Americans no longer believe their voice matters in government, when electoral participation (even taking into account the 2004 presidential election) is extremely low, and when millions of new immigrants, racial minorities, and disenfranchised populations remain detached from local and national decision making.

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*“The goal is to train new generations of scholars and practitioners who seek to connect democratic values and theory with practice and advocacy in communities at home and abroad . . .”*

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To help meet these challenges, the Engaged University Initiative has begun offering our first series

of courses in a new academic program, Democracy Studies and Civic Practice. An extraordinary number of democratic scholars and theorists are based at the University of Maryland, along with more than twenty centers, institutes, and programs in four colleges focused on democratic theory, civic education, community building, civic engagement, and political participation. The Democracy Studies and Civic Practice program draws on this broad range of expertise. The goal is to train new generations of scholars and practitioners who seek to connect democratic values and theory with practice and advocacy in communities at home and abroad, and thereby help produce engaged graduates who will move into new or continued work in government, community-based organizations, and social movements. Undergraduate and graduate students will receive interdisciplinary instruction in theoretical, comparative, historical, and policy perspectives on democratic governance and civic practice, as well as exposure to advocacy and activism. They also will gain hands-on experience through supervised practicum and internship experiences with local community-based organizations. A range of degree options is being developed, including undergraduate certificate and graduate certificate, a professional master's degree, and an interdisciplinary Ph.D.

## The Coming Challenge

Clearly, the challenges facing any attempt to bring the resources of land-grant universities to bear on the many economic, social, and democratic problems facing America are large. We at the University of Maryland—and our colleagues working on similar problems throughout the state and nation—are only at the beginning of a process to be measured in decades, not weeks, months, or even years. Still, we are encouraged by the gains that have been made at our own institution and elsewhere. We also think we have made progress in clarifying some key foundational principles for the next stage of development: (1) stressing partnership relationships; (2) building a long-term internal culture and constituency; (3) leveraging the university’s economic capacities; and (4) emphasizing teaching, research, and democratic citizen development as central to effective engagement work. These principles are important both for their own sake and for other reasons as well: public institutions in general and land-grant universities in particular clearly face extraordinary financial challenges in the years ahead. Average state contributions to the budgets of four-year public institutions fell from 43.7 percent in 1987 to 30.8 percent in 2001. They have no doubt continued to fall during the recent recession (*National Center for Education Statistics 2004*).

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One additional thought informs the current work: the idea of a “civic engagement service” that builds on the efforts under way throughout the nation is of particular interest. Ultimately, this would require national public support similar to that which the agricultural extension service has received. Thus a serious longer-term goal for the next wave of land-grant institutions is the development of sufficient experience and solid research, which ultimately might establish the basis for a comprehensive federal program of scale and impact appropriate to the challenges facing the nation.

Programs that not only meet the educational needs of the state, but also demonstrate the university’s positive impact on local economic, educational, and social development, are popular with elected officials. In our view, they are an important element in helping consolidate public understanding and bipartisan

political support for the university in the coming decades. In short, not only is engagement important to the future of democracy, it may well be critical to the future of the university itself.

### Acknowledgments

Steve Dubb provided research support for this article. Margaret Morgan-Hubbard, the director of the Engaged University Initiative, and Marie Troppe, assistant director, offered important comments on the manuscript. Much of the information concerning Prince George's County and various University of Maryland engagement activities was drawn from a forthcoming Democracy Collaborative report, *Building Trust-Effecting Change: University of Maryland/College Park and Prince George's County Working Together*.

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