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The Nonprofit Quarterly Summer 2009

Tempest Tossed

Volume 16, Issue 2

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THE Nonprofit QUARTERLY

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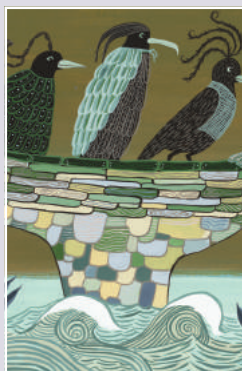
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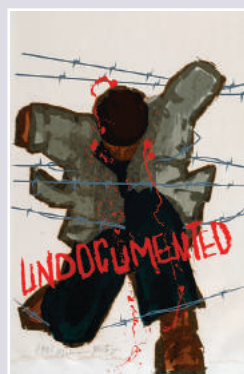
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The *Nonprofit Quarterly*’s overarching editorial goal is to strengthen the role of nonprofit organizations to activate democracy.

NPQ believes that open societies require venues for individuals to undertake public projects together that are larger than friends and family but smaller than the state and that range from community arts to environmental advocacy. Nonprofits naturally fill this role, particularly when their efforts engage the ideas, energy, and speech of members of their community. *NPQ* believes that in a democratic society the essential role of nonprofit organizations is rooted in the First Amendment and the Universal Declaration of Human Rights, not in the tax code or the market economy.

We live in a world that needs more of what nonprofits can achieve. We know that our communities hold untapped courage, compassion, and support and that nonprofits are uniquely positioned to build relationships and understanding. *NPQ* is committed to provide a forum for the critical thinking and exploration needed to help nonprofits stay true to this democratic calling—and to achieve their potential as effective organizations alongside their constituencies.



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Welcome

THE TITLE FOR THIS ISSUE IS “TEMPEST TOSSED,” which, as some of you may know, is part of the evocative statement of welcome and U.S. national identity at the base of the Statue of Liberty. The title is particularly apropos not only because this issue focuses on the intersection of immigration and nonprofits but also because much of the nonprofit sector may feel tempest tossed at this point.

NPQ is proud to focus on immigration, which combines a human-rights emphasis with a community-building sensibility. And indeed, the history of the nonprofit sector is bound up with immigration—both forced and freely chosen—because the history of this country is as well. Immigrants have come to the United States in waves, fleeing repression or pursuing a dream. But perversely and almost from the start, those that came to the United States first considered those that came after them as interlopers, invaders, layabouts, and anarchists. As we looked for graphics to illustrate this issue, we found many political cartoons from the last century portraying Irish, Italians, Chinese, Japanese, and Africans as dangerous, dumb, and diseased.

Today's conservative talk radio offers the same messages. Immigrants are potential terrorists and people looking for a handout; they are the “other than us” folk that threaten our “American” way of life. *NPQ* can provide an effective counterweight to xenophobia-filled airwaves and policies that force communities into underground isolation through thoughtful action in our programming, our advocacy, and our alliances.

Thus, the focus of this issue—which attempts to provide *NPQ* readers with an understanding of the state of immigration policy in the United States as well as its effects and what nonprofits can do in response.

In the end, *NPQ* sees understanding and working on this issue as core to embracing universal human rights and to a community-building strategy. The settlement houses, our founding institutions, understood this idea. In the names of our grandparents and grandchildren alike, we need to revisit this principle.

This issue features other important articles as well. Woods Bowman addresses nonprofit fears of filing for Chapter 11 and Bill Traynor offers a fresh take on grounded leadership.

Finally, we'd like to extend our deepest thanks to everyone who contributed to this issue. The W. K. Kellogg Foundation and Carnegie Corporation of New York generously provided the funding for our immigration coverage, and the Barr Foundation supported Bill Traynor's article “Leadership in a Connected World.” And our deepest thanks to this issue's authors and artists, many of whom are first generation in this country, and to our exalted research interns Andrea Goezinne and Regina Tavani.

As always, we welcome your feedback.



THE Nonprofit QUARTERLY

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Ruth McCambridge, Executive Director

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The Nonprofit Ethicist

By Woods Bowman

Dear Nonprofit Ethicist, After months of sleepless nights, I recently resigned from my position as the board chairman of a faith-based nonprofit. After being invited by a friend, I joined the board last year. I was elected without formal notice and was never invited to a board meeting or a meeting with the director. I am a former executive director of a nonprofit and the office manager of several organizations, so I know how the process should go. This organization is a faith-based crisis pregnancy center but is more along the lines of a pro-life organization.

I ended up being nominated for the position of secretary and treasurer, which I believed was easy enough for such a small agency. But what I uncovered blew me away. The nonprofit had not done an audit in 20 years, it owed the Internal Revenue Service money, and it had taken out a small line of credit—to meet payroll—that has never been paid off. A slew of past directors had

mismanaged funds. The present director regularly used an ATM card to make withdrawals for petty cash, but no one had tracked the transactions.

Long story short, I was afraid. I informed my friend of the discrepancies and made a formal report for public record. My friend quit immediately. While I felt guilty because I had uncovered the wrongdoings, my husband advised me to stay on to try to fix the mess.

I did—and every step of the way met resistance. I encountered cheating on time logged, lying to donors, an inability to meet payroll, and staff members coming and going as they pleased. I tried to get the nonprofit free outside help, but it didn't want to change. I ended up quitting.

Can you give advice on the dos and don'ts of joining a nonprofit organization's board and explain the laws and rules that must be adhered to? Apparently, many faith-based nonprofit organizations intentionally break the law, contradicting the heavenly rules that they have chosen to abide by. Individuals who decide to

participate in these kinds of activities are ultimately responsible for the executive director's and the board's decisions, and if they break the law, should know the penalties that lie ahead.

Disillusioned

Dear Disillusioned, First, these informal corner-cutting kinds of behavior are not uncommon among small nonprofits. And for your organization, a lack of systems was the modus operandi that worked—even if just barely. To put a good face on it, sometimes small groups are so focused on mission that they let the details of governance slide. But as you note, they sometimes justify their conduct citing a religious agenda, which is not ethically OK. They should know better.

You were the organization's worst nightmare. You not only highlighted its gaps but were openly scandalized by them, so it's not surprising that they circled the wagons. Your values were different.

Government oversight varies by state, but it tends to focus on criminally fraudulent activity, which is defined by a higher standard of malfeasance than you describe. This looks more like garden-variety negligence (except that the organization owed the IRS).

In an average case of mismanagement, the biggest risk is that board members could be held personally liable for their organization's debts to the IRS. Also, federal law places board members at risk of fines for paying insiders—which include the executive director, his immediate family, board members, and others who exert organizational control—more than “reasonable compensation.” The law does not define “reasonable,” but it outlines procedures that are presumed to produce a reasonable result. Look up “intermediate sanctions” on Wikipedia. It includes a hot link to the Federal Register.

So what should you do before you join a board? Examine the organization's culture concerning the issues that matter most to you. Before joining a board, do administrative “due diligence”: (1) Ask for an audit or, if an audit is not required in that state for an organization of that size, certified financial statements. (2) If a nonprofit's gross receipts are in excess of \$25,000, the organization should file a 990 Form with the IRS every year. Read the most recent filing, which will contain useful information about conflicts of interest and the like that do not appear in an audit. (3) Ask for copies of board minutes for the past two years. This documentation provides a wealth of insight. Incomplete or sloppy minutes suggest poor record keeping. (4) If an organization has paid staff, ask to see the most recent payroll tax deposit slip. If a nonprofit is not paying its taxes on time, ask for directions to the nearest exit.

Dear Nonprofit Ethicist,
I serve on the board of a nonprofit human-services organization that has a budget of \$3.6 million. The current president and CEO wants to retire in 18 months, by which time she will have reached 20 years as head of the organization. During her tenure, the organization has been successful in its mission and fundraising. And she is well known and loved in the community. She has asked for a “retirement package” of more than \$1 million. The organization has never encountered this kind of request. Is a retirement package of this size—or any size, for that matter—common in nonprofits? We are nervous about the possible public-relations implications.

Confused Board Member

Dear Confused,
This is a jaw-dropper, alright. Although one can find examples of large retirement packages in mega-nonprofits, such as hospitals and universities, they always attract criticism. In an organization of your size, a \$1 million retirement package is insane. No other word adequately describes it.

Even if the board wants to give her a “golden handshake” for her years of service, it should keep in mind that federal law requires all compensation—including retirement packages—to be “reasonable,” which means that a board cannot pay more than similar organizations pay for similar service in similar circumstances. Your organization's board should survey similar organizations, document its findings, and use the information to determine the size of the package. The full board should vote on the package, and no one with a conflict of interest should be allowed to participate.

Failure to follow these steps could result in the IRS forcing restitution

and imposing fines, called excess benefit taxes, on the individuals involved. The law also forbids indemnification (i.e., the organization cannot make the individuals whole). For further information about the law regarding nonprofit compensation, see my comments to Disillusioned above.

You can tell your executive director, “We think you are worth \$1 million, but our hands are tied.” If you feel bold, tell her that her request is insane.

Just one final comment: sometimes nonprofit boards back themselves into a corner when they neglect to establish a retirement savings arrangement for employees and are then faced with an impending retirement of a beloved leader—sometimes into near destitution. This should act as a warning to boards—in the case of retirements foresight is morality.

WOODS BOWMAN is a professor of public service management at DePaul University.

To write to the Ethicist with your query, send an email to ethicist@npqmag.org.

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Nonprofits in the Age of Obama:

The “State of the Village”

Part Two

by Ruth McCambridge

Editors’ note: Over a three-year period, the Nonprofit Quarterly has committed to following 30 nonprofits as they negotiate this economically and politically tumultuous environment. This series of articles provides early alerts on trends among nonprofits.

In this, part two of the series, NPQ focuses on organizations in the child-care sector.¹ The first section explores three child-serving organizations’ financial concerns and ability to serve constituencies. Immediately following is an interview with Eric Karolak of the Early Care and Education Consortium, a national network of child-care centers. Third is a letter by Kathleen Enright of Grantmakers for Effective Organizations urging foundations to become involved in reforming government contracting.

DURING THIS QUARTER, WHAT STOOD OUT IN the *Nonprofit Quarterly*’s interviews with nonprofit organizations were the challenges for child-serving groups, so we have focused here on a few organizations and their relationships with government

RUTH MCCAMBRIDGE is the *Nonprofit Quarterly*’s editor in chief.





funding. Two characteristics link the three organizations featured in this article:

- all serve young children;
- all contract with government to a degree that overshadows other monies.

As we talked with the executives of these organizations, several issues emerged that make their financial management problematic:

- reimbursement rates that remain flat over years as operating costs rise;
- late payments on contracts; and
- a general lack of capitalization.

Additionally, where groups depend on fees from parents, enrollment has declined. Here we provide the stories of these groups as well as additional information on the extent to which the financial problems they face are common.

Badlands Head Start and Early Head Start

Belle Fourche, South Dakota

Serving approximately 1 million children each year nationwide in more than 18,000 programs, Head Start is 43 years old, an incalculably valuable legacy program of the War on Poverty. In terms of the relationship between nonprofits and government, that era was distinctive because of federally funded programs' emphasis on engaging low-income community members in the governance and delivery of programs.



For Badlands Head Start, even managing an influx of new money is a challenge.

According to the National Head Start Association, "Head Start provides comprehensive education, health, nutrition, and parent involvement services to low-income children and their families." The organization's outcomes are documented through several evaluation research studies conducted over the years in diverse geographic and demographic settings. Still, during

the George W. Bush administration, the program was up for federal reauthorization, and then President Bush fought against its continuation. In 2007, Head Start was finally reauthorized, albeit with numerous costly and unfunded regulatory mandates. Then in 2008, after five years of flat funding (constituting a real decline of 11 percent) the program's funding was reduced by \$10.6 million. Not an enormous cut proportionately, but in a budget worn thin, it was painful nonetheless.

Finally in 2009, Head Start not only received a \$234 million increase in its appropriation but was also awarded \$2.1 billion of American Recovery and Reinvestment Act money to be used over a two-year period for various purposes, including the establishment of new programs.

Still, even managing this influx of new money is a challenge. The New America Foundation describes the mix of new money as complicated. "Untangling the amount of money that goes to different purposes can be confusing," Sara Mead wrote on the New America blog.² Some of the money is for onetime use, and some will be part of the ongoing yearly appropriation.

Nonprofit organizations—some that are either wholly dedicated to running Head Start programs or others that run a Head Start program as part of an array of community services—are adjusting to these changes. Many of the sponsoring nonprofits are relatively small and grassroots oriented.

In 1993, Badlands Head Start and Early Head Start began in the Shannon and Bennett Counties of South Dakota. Both counties contain the Pine Ridge Indian Reservation of the Oglala Sioux Nation. Both counties are rural and economically poor, but Shannon County has often earned the distinction of being the poorest or second poorest economic county in the country.

According to Doug Jacobson, Badlands' executive director, Badlands Head Start is not the only Head Start program serving Shannon County.

“Oglala Lakota College has the tribal Head Start program,” Jacobson says. “We are funded by the nontribal channel of Head Start, while they get their money through the tribal funding channel. The agreement we’ve had with the Oglala Lakota Sioux Nation is that Oglala Lakota College provides Head Start services through center-based programming, and we provide services to remote and isolated families in home-based settings.”

In 1994, Badlands Head Start eventually expanded to include programming for four northern-tier counties along the North Dakota and Wyoming borders. These counties are characterized by a Caucasian ranching culture, and the program now serves 194 children through seven offices in an area that extends from the North Dakota border to the Nebraska border. In every location, this organization has waiting lists of children indicating a need larger than the organization has the capacity to fill.

When Jacobson came aboard five years ago, the agency was undergoing a transition from a startup to a more mature and structured entity. This kind of change is never easy, but Jacobson has a history of facing challenges. “After serving in Vietnam, I joined my father and brother in farming,” he recalls.

My dad, brother, and I had 3,000-row crop acres in central Minnesota. The second year I farmed was the wettest year on record; the fourth year brought the earliest killing frost on record; the sixth was drier than during the Dustbowl years; the eighth was the tightest cost-price squeeze; and the ninth year delivered five inches of rain in two hours’ time, a total hail-out of the crop, a tornado that went through the building site, and a fire that burned down the main barn.

Well accustomed and committed to the rigors of rural life, Jacobson took leadership at Badlands Head Start and, with it, the job of improving the systems of the organization so that it could meet

existing accountability requirements (Head Start has 6,000-plus regulations). Jacobson had more to attend to than an administrative overhaul on top of running a far-flung array of early-childhood sites. Nationally, Head Start, which was up for reauthorization, was under continuous attack by the Bush administration, which attempted to block funding. Then the number of federal regulations grew, prompting some to believe that it was a strategy to smother even the hardest providers. Finally the much-fought-for 2007 reauthorization act was passed, which brought a sense of stability but also changes in governance and accountability.

Badlands’ board of directors and policy council have hunkered down to ensure that this small organization can meet every requirement.

Badlands’ board of directors and policy council have hunkered down to ensure that this small organization can meet every requirement, with members sometimes driving three and a half hours one way to attend once-a-month evening meetings. All six counties served are represented on the board, which is only one of two governing bodies. Jacobson notes that the policy council, which is made up of parents, is part of what makes Head Start so unique and effective. He believes that the reauthorization act has weakened its authority, and this worries him. But so far, he says, “We’ve never had an impasse. Considering both governing bodies have blossomed into being very assertive, that’s amazing.”

The \$200,000 that this organization will get through the ARRA Cost of Living Adjustment (or COLA) and quality improvement Head Start funding appropriation is a complicated mix of temporary and permanent dollars, including some in both categories that are mandated for staff salary increases and other employee-retention incentives. A portion of these increases is tied to quality-improvement efforts. The program has also applied to receive dollars to expand programming

and address health and safety capital improvements. But at the end of all of this, the organization may have little liquidity. This is because of its singular dependence on federal dollars and the fact that Head Start does not allow organizations to build reserves from their federal grants. “We have got to have zero dollars at the end of each fiscal year,” Jacobson says. “On August 31, we have got to have committed 100 percent of the funds we receive for that year, and we have 90 days to finish spending those last funds.” This lack of liquidity can cause real difficulties when, for example, the price of gas goes up.

“Collaborate wherever you can to . . . be more effective in providing services.”

—Doug Jacobson, executive director, Badlands Head Start

Once every three years, Head Start’s federal review process sends a team of experts to review every conceivable aspect of each Head Start program, and not all reviewers are familiar with such an intensely rural setting. “When we get the federal reviewers out here, we have to take them out to outlying sites,” Jacobson says.

I might have to get them up so they can be ready to leave at 6:00 in the morning in order to be in a classroom setting by 9:30. Between here and there, they may see one town of approximately a dozen people. It’s grassland, most of it, other than some irrigated land. You’re driving through areas of gullies, and if you went down into one of those gullies, they may or may not ever find you down there. With 28 vehicles covering 300,000 miles per year in this rural area, gas price increases to \$4 per gallon terrify me. I can’t plan for that in my budget.

The reauthorization act actually instructs that there needs to be a focus on services to rural America, but I think that at the national level they’re still struggling to understand what that means. For example, I did submit to the

reauthorization act clarification question Web site a question regarding our ability to pitch in to provide emergency transportation during a weather emergency. We had a very rural and economically depressed area in Shannon County where the electricity was out for 10 days due to a blizzard. Technically, I would now be breaking the rules to provide transportation during a blizzard that cuts the power to people who are already extremely isolated.

One of the other commands of the Head Start act is that we be involved in community-wide disaster planning. Well, you can’t be involved in disaster planning if you’re not willing to put some resources into disaster action. Under the current rules, we can’t do it. They don’t understand: you get a blizzard in an area like that, it’s life-threatening for people. And we’ve got to be able to respond if we are to be a part of formulating community-wide disaster response plans.

But in the face of so much complexity, Jacobson is calm. “The philosophy I follow is focus on the process, not the goal; you’ll get there,” he explains. “One can cut down a forest if you focus on one tree at a time. Don’t look at the whole forest or you’ll stop. It took three years to secure this administrative building we are in now. Be creative and absolutely collaborate wherever you can collaborate to make your funding go further and be more effective in providing services.”

Imua Family Services

Maui, Hawai‘i

The 62-year-old Imua Family Services functions out of a humble location on the island of Maui, which is home to several nonprofits. Serving Maui and Lāna‘i, Imua—which, roughly translated, means “moving forward”—was originally founded to provide physical therapy to children and adults who suffer from the crippling effects of polio.



Delayed Payments to Nonprofits Worsen

Given increasingly constrained state budgets, the problem of late payments by state agencies may have worsened. A recent survey of 96 organizations by the Alliance for Children and Families found that in 19 of 30 states in which its member nonprofits did business, delayed payments were a problem.[†]

In California alone, estimates are that the state owes nonprofits nearly \$2 billion for services already rendered, and while New York has a prompt-pay law in effect, the comptroller's office estimates that state agencies are late in processing contracts for nonprofits 68 percent of the time. This delay leaves agencies not only unpaid but also working without a contract even when there is an assumption of an ongoing agreement. Since 2002, this is an increase from 15 percent of the time.

Other studies report that nonprofit executives have taken out personal loans so their nonprofits can make payroll as they wait for governments to pay. Nonprofits experiencing payment delays must divert scarce organizational capacity in juggling payments to employees, vendors, creditors, and others as they await government payments. The resulting erosion of organizational productivity inevitably impedes the delivery of service to those most in need.

[†]Varina Winder, *Some States Are Delaying Payments to Nonprofits*, Alliance for Children and Families, April 30, 2009 (www.alliance1.org/Public_Policy/nonprofit_issues/Prompt_Payment.pdf).

[†]Debra J. Groom, "New York's Nonprofits Are Squeezing Nonprofit Agencies and Forcing Cutbacks," *the Post-Standard*, April 18, 2009 (www.syracuse.com/news/index.ssf/2009/04/new_yorks_late_payments_are_sq.html).

Imua Family Services was first organized as the Maui branch of the Hawai'i Chapter of the National Society of Crippled Children and Adults, later known as the Easter Seals Society. In 1979 the directors of the Maui Branch of Easter Seals voted to disassociate from the Easter Seals Society. The independent nonprofit agency was then named the Society for Crippled Children and Adults of

Imua has to shoulder four months of incurred costs—as much as \$800,000—until it is reimbursed in late September.

Maui County. Years later the organization changed its name to Imua Family Services to better identify the breadth of services provided to the Maui and Lāna'i communities.

True to its name and like many organizations in the field, Imua's mission has evolved with the times and with medical science to address a fuller spectrum of special needs of young children. According to Executive Director Karen Jayne, identifying and addressing special needs early on in development has a proven long-term positive effect on the children Imua Family Services is mandated to serve.

In this context, the word *mandated* is important because the preponderance of the agency's activities are federally mandated services through a contractual relationship with the state of Hawai'i. Imua Family Services' early-intervention program for children from birth to age three is a state-funded program regulated under Individuals with Disabilities Act (or IDEA) and the No Child Left Behind Act. The federal government allows states to interpret the law based on what best fits their communities. But since services are mandated by the federal government, every child with developmental delay must be supported at no cost to the family.

"We have to meet very stringent time lines," Jayne says. "And I don't disagree with that in the least. The very nature of the service—and what's

happening to the children in this age range—makes it urgent to provide service quickly and effectively. Every minute that the child loses can have serious long-term effects. So that means the time lines must be rigid. We can't waitlist, we can't refuse service, and the clock starts ticking from the moment the child's referred."

The problems come in the contract reimbursement. Jayne estimates that the contract covers only 80 percent of the cost of service. The organization makes up the rest by draining its surplus built up through other revenue sources and fundraising activities. This, of course, leaves the organization capital poor. On top of that, timing is an issue. "All services are provided up front, because it's a reimburse contract," Jayne says. "So we provide service, we bill the state, and the state reviews the billing and then pays. This payment process can take anywhere between 45 and 240 days." At the end of the state's fiscal year, payments of contracts are often slow; and this year, with the state in the red, things are slower than usual.

At this point, Imua Family Services' cache of reserves is so low that it has to use debt to create cash flow.

Imua has just been informed that the state of Hawai'i will not pay the agency until late September for work conducted between mid-May through August, which leaves the agency with four months of incurred costs with no payment. The dollar figure is somewhere between \$700,000 and \$800,000. Again, the agency is not allowed to stop or slow its work.

This is by no means an irresolvable problem, but it requires collective and regulatory action. Recently, interviewee Mark Weiner of CJE Senior-Life in Chicago, Illinois, noted that a stipulation on Medicaid funds included in the stimulus package has eased his management worries immensely. "The state wasn't paying us," Weiner says. "So if you had asked me two months ago, the

Government Funding Impedes Profitability

In the article "Truth or Consequences: The Implications of Financial Decisions," author Clara Miller suggests that of all funding sources, government tends to leave you least liquid and profitable. "If your organization's primary source of revenue is government, you are going to be half as profitable as organizations whose primary source of revenue comes from service fees or private contributions. And when it comes to cash availability, this disparity becomes even more discouraging."*

*Clara Miller, "Truth or Consequences: The Organizational Importance of Honesty," the *Nonprofit Quarterly*, vol. 14, no. 2, Summer 2008 issue.

state was four to five months behind and owed us about \$4.2 million. That was really problematic for us because our line of credit was at \$5 million, so we were getting nervous. But because of the economic stimulus bill, in order for the State of Illinois to get money, the state had to commit to being no more than 30 days behind in paying Medicaid."

Jayne reports that even in better times she constantly works the numbers and always looks four to eight months ahead to ensure sufficient cash reserves to meet payroll. Now she faces a degree of difficulty that promises many sleepless, spreadsheet-filled nights. Imua has an annual budget of approximately \$3.4 million, with most income coming from state contracts. At this point, its cache of reserves is so low that it has to use debt to create cash flow. "The total loan limit that's set by the board is generally about 70 percent of the receivables," Jayne says. "We are fortunate to have a very good relationship with our bank. But it can get pretty stressful, because no matter how good your relationship is, they can always say no." In this case, Jayne worries that if things

at the state level get worse, the agency could need more than the board-established ceiling.

The Importance of Meeting Payroll

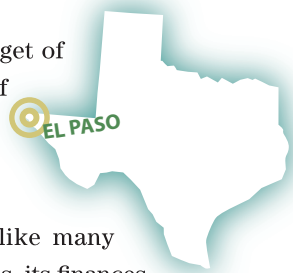
Imua's services—many of which are home based—require a full complement of professional, well-trained, culturally competent staff, which is hard to manage when turnover rates are high. Jayne estimates that Imua's salary base for therapeutic staff is roughly 30 percent below the nationwide average for such highly trained professionals—even in areas where the cost of living is relatively high. This creates recruitment challenges that the agency has worked hard to overcome. Over the past few years, by coupling salary with a generous benefit package and recognizing and rewarding staff work and commitment, Imua has reduced its staff turnover rate from 50 percent a year to 35 percent. Missing payroll would, of course, undo these efforts—not to mention the fact that children and families would suffer from a lack of timely services. So, for Jayne, making payroll is a nonnegotiable and a constantly moving target.

"I don't know that you can measure the amount of time spent dealing with cash, whereas if you just had consistent payment, a lot of that distraction would go away," she says. Ultimately, if cash flowed as it should, the organization could focus where it should: on children and their families and on providing service to the Maui and Lānaʻi communities.

YWCA El Paso del Norte Region

El Paso, Texas

With an annual budget of \$30 million, a staff of 550, and its own foundation, this YWCA might seem fairly robust. But like many smaller organizations, its finances are plagued with problems brought on partly by a board vote five years ago to delay



a capital campaign. Additionally, in 2007, the agency added some \$325,000 in salaries to comply with the first of three mandatory increases in the federal minimum wage. By 2008 the cumulative second-year impact of the wage increase rose to \$775,000, and this figure will reach a cumulative total of more than \$2 million in additional annual salaries at the end of the three-year, three-step process. All but \$11 million of its annual budget is state-funded child-care contracts. In short it has grown and stored up money in a largely inaccessible endowment while running several programs with below-cost reimbursements (through

If cash flowed as it should, the organization could focus where it should: on children and their families and on providing service to the Maui and Lānaʻi communities.

contracts and fees). This has created predictable problems, including repeated deficits, cash-flow difficulties, and deferred-maintenance problems.

Sandra Braham, the current CEO, takes some responsibility for the organization's lack of liquidity. For several years prior to taking executive leadership three years ago, Braham was a board member. In that role, she helped pass budgets that appeared balanced but that did not address prior years' deficits (which the organization incurred largely because of noncash depreciation, which was annually budgeted). Because of the size of the agency and its history, the downward trend in covering the organization's depreciation was not immediately alarming.

Braham was the second successor to an executive who had been at the agency for nearly 40 years. During that time, the culture of the organization was financially frugal but programatically prolific. Programs flowered, but staff salaries were depressed and the organization built nominal reserves. Over time the organization began to run deficits that were covered by what was budgeted for depreciation. When a tract of valuable donated land was sold for \$5.5 million,

the profits were put into the foundation, making it largely inaccessible for immediate needs. As a result of the downturn, foundation funds have shrunk considerably: from \$10 million to between \$7 million and \$8 million.

Between the long-term executive and Braham, the former CFO stepped in to lead the organization, and as Braham describes it, the CFO's response to the agency's lack of financial robustness was to further cut expenses. This lack of investment contributed to the organization's deficit and declining infrastructure in two major divisions: health and wellness and child development. Budget cuts in the child development division increased staff turnover and decreased

As a result of the downturn, foundation funds have shrunk considerably.

revenue from fees. Aging fitness equipment in the health and wellness division led to frequent breakdowns and created a need for capital investment. Given these units' space utilization and size of payroll, space and administration allocations for these two divisions were the highest in the agency. And the aging technology infrastructure was insufficient to manage such large operations.

Likening it to a "whack a mole" situation, Braham explains the approach to reducing certain programs' year-upon-year deficits to improve the agency's balance sheet and cash position. First, the organization had to spend. With the help of foundation funding, the organization increased its investment in its fitness facilities and made long-overdue capital improvements. These investments allowed it in turn to increase fees, which drove up membership. In half a year's time, the organization reduced the child-care division's deficit by increasing the number of center directors, establishing an enrollment-based incentive plan, and raising entry-level salaries. It also increased fees to cover a portion of the additional cost. But driven by the failing economy, Braham

Declining Child-Care Enrollment

Susan Wilkins, the executive director of the Association for Supportive Child Care in Arizona, notes a declining enrollment dynamic similar to that at YWCA El Paso del Norte Region. "Not only are child-care providers hurting because their [subsidized care] rates were recently cut by 5 percent, but we're seeing a huge reduction in the number of families that are using formal child-care arrangements because of the economy," Wilkins says.

At a time when people are having a hard time, they might turn to their grandmother or their aunt or their sister or somebody to help them care for their children rather than going to a formal child-care arrangement.

So we're seeing a huge increase in the number of unregulated providers, and regulated child-care providers calling us through child-care resource and referral, telling us they're desperate for children. So there's a world of hurt out in the child-care field, and programs—some are starting to close; some are starting to lay staff off—it just depends on the economy of their situation, their environment.

noticed in late 2008 that child-care enrollment decreased in after-school programs and in child development. "We have 52 after-school sites and 14 child development centers," Braham says.

El Paso has worked to improve its position from that of a low-wage town. But with the downturn in the economy, what we have been hearing from families is that people are less able to afford full and sometimes even partial out-of-pocket expenses for child care. The alternative may be an empty house or older sibling or family member. At the same time, we have waiting lists of up to 1,500 families for the subsidized spots.

And in Texas, because rates are adjusted to the local economy, those fully subsidized spots are reimbursed at below the cost of service. As a result, a program in El Paso gets far less than a program in, say, Austin. Braham estimates that the YWCA subsidizes the state subsidies to the tune of approximately \$300,000 a year on child care alone.

It will be interesting to watch how the YWCA will handle its complicated financial picture. Its current-year budget—which showed the organization running a \$76,000 surplus—was dependent on the sale of a property. Since the organization had an existing agreement on the property that would have brought the agency almost \$600,000, it was perhaps not completely outlandish to budget this way. But after the buyer's federal funding fell through, the sale fell apart as well. This and the decline of principal in the endowment leave the organization with quite a hole to fill.

Because of state budget constrictions and a reduction in parents' ability to pay, the child-care crisis (outside the Head Start network) could worsen in 2010. Add to this situation contracting problems that cause cash-flow issues and staff turnover, and you have a tangle of management challenges that threaten to distract providers from their real work: the care and preparation of young children.

Where Is the Nonprofit Economy Headed?

As always, to some extent the answer to the question of where the sector is headed depends on a nonprofit's field of work, its geography, and its level of influence, among other factors. But there is a more general answer. Unfortunately, every indication is that nonprofits will fare even worse economically in 2010 than they did in 2009.

Foundation budgets are more than likely to be reduced, as are many United Way campaign results. The stimulus money will have largely passed through the system, and the national deficit will loom as a political issue. State budgets are

likely to be more hard hit, extended joblessness may well depress individual giving and people's ability to pay fees to nonprofits that charge them, and, finally, constituent need may be greater and more acute. The Alliance for Nonprofit Excellence report "Downstream and in Demand: Mid-South Nonprofits and the Economic Crisis" states that client profiles have changed, expanding not only to include those not previously in need of service but also in terms of acuity of need.³ The Spring 2009 issue of *NPQ* noted this trend, but as the Alliance report states, "Respondents noted two specific recent trends. First, more 'severe,' 'dramatic,' and 'urgent' needs for services are observed, e.g., health conditions, co-occurring disorders, dangerous living conditions, and extreme hunger. A second and related pattern is that a wider array of services is being demanded."

This last observation conforms with what we have heard in our interviews. Fewer resources coinciding with increased need and a delay in accessing help means that people will approach caregivers in more immediate and acute need just when the wherewithal to meet those needs may be limited.

ENDNOTES

1. For part one of this series, see "High Anxiety," the *Nonprofit Quarterly*, vol. 16, no. 1 Spring 2009 issue (http://www.nonprofitquarterly.org/index.php?option=com_magazine&Itemid=26).
2. Sara Mead, "Getting the Ball Rolling on Head Start Stimulus \$\$," the New America Foundation blog, April 3, 2009 (<http://www.newamerica.net/blog/topics/stimulus>).
3. *Downstream and in Demand: Mid-South Nonprofits and the Economic Crisis*, the Alliance for Nonprofit Excellence, July 1, 2009 (www.npexcellence.org/documents/DownstreamReportFINAL.pdf).

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An Interview with Eric Karolak

Editor's note: To determine whether there were indeed negative trends in enrollment of self-paying parents for child-care programs, the Nonprofit Quarterly interviewed Eric Karolak, the executive director of the Early Care and Education Consortium, an alliance of the nation's leading child-care and early-learning providers. Karolak confirmed the trend on a national basis. With all the discussion of reductions in charitable dollars and government dollars, little attention has been given to fees paid by the users of services, though this constitutes a hefty proportion of the nonprofit economy. We will follow this issue carefully as we continue to report on nonprofits' well-being during this project.

AS THE EXECUTIVE DIRECTOR OF A CHILD-CARE network, Eric Karolak is active in national advocacy for early-education programs. Having sensed shifts in the child-care community, NPQ asked how these developments might put some child-care programs at risk.

It's problematic to collect information about a practice community that is so diverse and diffuse

"There are clear indications of the effects of the recession on child-care programs."—Eric Karolak

and that includes small home-based day-care and large center-based programs as well as a mix of nonprofit and for-profit players, some with strong national brands. "The metrics in our field are not the greatest," Karolak observes.

[These national metrics are] pretty poor; and that's compounded by the fact that, like politics, all child care is local. Each locality

is experiencing a different mix of factors on a different mix of child-care facilities. So it's very difficult to talk about this quantitatively in either a broad-brush manner or a way that will necessarily resonate with everyone. The public-transit industry can tell you how its ridership changes month to month, but we don't have anything comparable in child care. Still, there are clear indications of the effects of the recession on child-care programs. Quite simply, in many neighborhoods and communities, as employers cut back the hours that they employ people or [they] lay off parents, [and] that is affecting child-care demand.

Self-paying parents are the ones first affected, says Karolak, confirming other anecdotal reports. "They may have their hours reduced, one parent may be laid off, or they may just be more worried about those possibilities, so they tighten their belts. Some of the stories that we have collected and shared online are rather dramatic: for instance,

parents having to choose one child over another in terms of who can access care and what kind of care. It's an enormously difficult spot for many working parents."

Of course, many facilities feature a mix of private-paying parents and those receiving child-care assistance, a combination that makes the whole enterprise work. So what happens to private-paying families can affect the level of quality all receive or affect availability of the program altogether. Karolak projects a likely second wave of enrollment declines for families that receive state and federal support for access to child care. "As state budgets are affected by declining tax revenue, there's a tightening of state budgets," he says. "There are at least 48 state budgets with enormous gaps that we know are only going to increase. It's likely to get worse before it gets better, because typically state budgets lag behind the national economy."

This situation, warns Karolak, may have a decimating effect on access to quality programs.

In Ohio, for instance, there is a wonderful program—the Early Learning Initiative, or ELI—that provides full-day, full-year early-education programming that meets the needs of working families. This is a program with high standards that produces consistently higher scores on kindergarten readiness assessments, higher outputs in terms of what children are capable of doing as they arrive at the schoolhouse. Facing a \$3.2 billion budget gap, Governor Ted Strickland recommended eliminating ELI, which enrolls 12,000 children annually. Providers and other advocates mounted a strong grassroots lobbying campaign and were able to save ELI from elimination. This means that thousands of children will lose this vital path out of poverty.

It's illustrative of the kind of difficult decisions that states across the country are facing and, to my mind, the wrong decisions they are making given the range of choices that will have



long-term impacts not only for the child heading to school in the next year or two, but down the road as well.

Karolak says that in this downturn, the early-childhood field is at a defining moment. It comes after years of stagnant government funding, and Karolak urges his colleagues to act.

The stimulus bill that was passed in February 2009 included a total of \$5 billion for various early-education programs, including Head Start, and that was a huge important step. But after about seven years of nearly flat funding, the problem is that the baseline is really off. In the president's FY2010 budget proposal, there is no additional money for child care.

We need to face facts and say this isn't good enough. We need to not just tread water but to go beyond the emergency stopgap funding in the recovery act and build those increases into the baseline funding for the Child Care and Development Block Grant. We've had downturns before; they've come and gone. This community needs to exert strong leadership that knows the value of advocacy and doesn't sit and wait for things to happen but seeks to influence the landscape that we'll all be presented with six and 12 months down the road.

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Government Contracting: The Business of Foundations

A Letter from Kathleen Enright

Editors' note: *The Nonprofit Quarterly is pleased to reprint this timely and important letter by Kathleen Enright, the executive director of Grantmakers for Effective Organizations, urging foundations to pay attention to the sometimes-serious contracting problems between state administrations and nonprofits. In our interviews for the Nonprofits in the Age of Obama series, this issue has come up repeatedly. Look for more from NPQ on this subject in the near future.*

Government Funding of Nonprofits: A Force for Good?

Dear Grantmaker,

The economic stimulus package of 2009 is about to open a valve that will unleash serious dollars into communities. Nonprofits are so starved for resources that even the strongest organizations are struggling. The prospect of new dollars flowing to these organizations is a good thing, isn't it?

Given that government often constructs contracts and grants in ways that weaken recipient organizations, the situation is not so clear. Here are some facts to illustrate the point:

- Government agencies almost universally under-reimburse for the services provided by nonprofit organizations. It's the nonprofit equivalent of losing money on every person served and attempting to make it up on volume.
- Nonprofits are ill equipped to float the costs of services until reimbursement arrives up to nine months later, exacerbating already serious cash-flow challenges. At the same time, nonprofits aren't attractive borrowers for traditional lenders because they are so undercapitalized.
- Unlike their corporate counterparts, nonprofits are typically required to return unused funds at the end of the contract period, hamstringing their ability to build a healthy reserve.
- Antiquated application and reporting processes eat into organizational capacity before the work begins.

Bolstering, not Weakening, the Nonprofit Sector

The potential for new government dollars to further weaken an already fragile nonprofit sector is troublesome—especially considering that monies often used to subsidize government contracts are also scarce.

As a grantmaking community committed to the health and vitality of the nonprofits we support, it's in our best interest to advocate for governmental procurement practices and grantmaking systems that are fair and equitable. The good news is reform efforts have already yielded positive results.

Spurred by a coalition of nonprofits led by the Providers Council and supported by the Boston Foundation, the Massachusetts Executive Office of Health and Human Services commissioned a study

**"The potential for new government dollars to further
weaken an already fragile nonprofit sector is troublesome."**

—Kathleen Enright, GEO



to assess the financial health of the state's human-service providers. The headline of the study: cost reimbursement contracts were hurting providers' financial health, with most providers running deficits. Providers had no room to adjust budgets as contracts were renewed. In some cases, budgets had not been updated to reflect current costs of services in 10 years.

In 2008, in response to these findings, Massachusetts passed a bill to give more leverage to human-service providers in setting rates for their work. The bill included opportunities for regular reviews and cost-of-living adjustments.

Led by the Donors Forum and supported by the Wallace Foundation, a coalition of nonprofits in Illinois is in the early stages of a similar effort in that state.

We all have an opportunity to demonstrate leadership to broaden the capacity of the organizations we rely on. Some possibilities include the following:

- Convene grantees that are likely recipients of new government dollars to hear their thoughts on the current system and which reforms would most benefit them. Share what you hear with your colleagues in the donor community.
- Make sure that your organization consistently pays the full cost of services when giving project grants. Consider providing general operating support to help key grantees absorb the unreimbursed portion of government contracts until the situation can be corrected.
- Help grantees understand the full cost of delivering programs by providing them with access to financial capacity building. Similarly, help them understand the financial and programmatic consequences of accepting funds that do not cover the full cost of providing services.
- Support the work of local conveners, such as state associations of nonprofits that have advocated for changes beneficial to nonprofits. These infrastructure organizations can't educate lawmakers effectively without substantial financial support from the grantmaking community.
- Commission a study similar to the one conducted in Massachusetts to support reform efforts by making the negative consequences of the current system clear.
- Talk with local and state agencies about which reforms—if any—are possible.
- Help educate public officials and policy makers about the unintended consequences of current practices.

Systems change is possible only through collective action. If we all contribute in the way that makes most sense for us, broad-scale change can quickly be within our reach.

***Kathleen Enright*, Grantmakers for Effective Organizations**

Immigration and Nonprofits

by Rick Cohen

An essential component
of nearly every definition
of a healthy, sustainable
community is its
inclusiveness.

THIS ISSUE OF THE *Nonprofit Quarterly* examines how nonprofits of all kinds are affected by—and how they can confront—the challenge of serving immigrants in the face of punitive local and state ordinances, hostile public attitudes, and a still-unsettled national immigration reform picture. In this issue and on *NPQ*'s Web site, we offer various perspectives on how nonprofits deliver on their missions on behalf of immigrant constituents and communities.

Why devote the bulk of an issue to immigration issues? Two overarching perspectives should motivate nonprofits—and for that matter, all Americans—to pay attention and get involved.

Immigration: A Human-Rights Issue

This nation's policies—or confusion, ambivalence, and inaction—concerning immigrants coming to the United States constitute a human-rights issue and a scandal. A multipart *Washington Post* series on conditions in this nation's 23 overcrowded immigration detention centers revealed that, over the course of five years, 30 out of 83 deaths were attributable to centers' medical services (or

lack thereof),¹ 15 out of the 83 were attributable to suicide, with a ratio of mental-health staff to mentally ill detainees of 1:1,142 (compared with 1:400 in the Bureau of Prisons).²

This isn't Guantánamo ostensibly holding people thought to be terrorists. This is how the nation sorts through potential refugees and asylees from Mexico, Honduras, Ghana, Lebanon, Somalia, Korea, and elsewhere. They are not terrorists but political and economic refugees looking for a better life. Between 2004 and 2007, more people died while being held by U.S. Immigration and Customs Enforcement (ICE) than those who died in Abu Ghraib and Guantánamo combined.³ Our nation's treatment of immigrants has earned us the critical scrutiny and condemnation of not just immigrant-rights organizations but also of Human Rights Watch, whose 2009 report on ICE detention of women ought to motivate nonprofits to support changes to U.S. immigration policies and programs.⁴

Creating Healthy Communities

How the United States—and perhaps more directly states and localities—treats immigrants is a bellwether for the kinds of communities our society is committed to building. An essential component of nearly every definition of a healthy,

RICK COHEN is the *Nonprofit Quarterly*'s national correspondent.

The Wasp



A STATUE FOR *OUR* HARBOR.

Some localities are smart enough to recognize that immigration is a building block for sustainability.

sustainable community is its inclusiveness, its ability to welcome diversity, its approach to social equity for people from different social classes and ethnic and racial backgrounds.

Some localities are smart enough to recognize that immigration is a building block for sustainability. Waterloo, Ontario, Canada, for example, launched an Immigrant Employment Council aiming to “(1) promote immigrant well-being, (2) contribute to a prosperous regional economy, and (3) build healthy, vibrant and inclusive communities,” recognizing that attracting and retaining immigrants is important for community progress.⁵ In the United Kingdom, it is built into the government’s Sustainable Communities Plan standards:

Sustainable communities are places where people want to live and work, now and in the future. They meet the diverse needs of existing and future residents, are sensitive to their environment, and contribute to a high quality of life. They are safe and inclusive, well planned, built and run, and offer equality of opportunity and good services for all.⁶

The asset-building strengths of immigrant communities, including those of multiple immigrant populations, can be seen in U.S. neighborhoods as well. For example, the Mission District of San Francisco—50 percent Latino and 11 percent Asian/Pacific Islander—has spawned a variety of positive initiatives capitalizing on the inherent strengths of these populations. The Mission Asset Fund (Fundo Popular de la Misión)⁷ capitalizes and expands on the traditional lending of new immigrants who typically make economic progress through informal lending circles that because of their informality, leave participants without access to mainstream credit (because of a lack of credit scores).⁸ MAF, the Levi Strauss Foundation, the F.B. Heron Foundation, the Gerbode Foundation, the Evelyn & Walter Haas, Jr. Fund, and banks such as California Bank are mainstreaming a traditional asset-building practice among immigrant communities. Asset building in immigrant communities does not require losing ethnic identities—our immigrant melting

pots may be more “patchwork quilts” or “mixed salads”—but capitalizing on the strengths and values that motivated immigrants to come to the United States in the first place.

Sometimes, communities simply fail to see the community-building strength and potential of immigration not just within immigrant communities but also for immigrants and so-to-speak long-standing native-born communities. A community dialogue about immigration in Minnesota revealed important community-building dynamics that benefit all kinds of communities, with strong suggestions about how to build on immigrant beliefs and values:⁹

- According to one participant, “It’s sometimes forgotten or not taken into account, but immigrants are really helping fuel the engine of our Minnesota economy.”
- The mayor of the town of Austin, Minnesota, talked about education: “There’s an excitement and energy in our schools. Our programs are growing. I would much rather have the challenges of people coming into our community, and assimilating them rather than a community that’s slowly dying.”
- The report cited the director of the state’s Office of Minority and Multicultural Health that “the key . . . is to build upon a community’s assets and strengths, instead of focusing on deficits and weaknesses. Many immigrants, for example, come to the United States with cultural practices and a traditional diet that are healthier than those of most Americans.”

A research fellow at the University of Minnesota’s Center for Democracy and Citizenship summarized the challenge for immigrants and non-immigrants alike if they hope to succeed in building vibrant communities: “[Pakou] Hang suggested, Minnesotans must begin to know one another—to reach across fences and cultures to introduce ourselves to neighbors, no matter what continent they come from, what ethnic group they are, or how long they’ve been in the United States. Likewise, she urged Minnesotans to listen to immigrants’ stories—and to tell their own. ‘We are a country of immigrants,’ she said. ‘We don’t know our stories. We don’t know who we are.’”



But that dialogue has not taken hold in some communities where ignorance and misperception, rather than interaction and engagement, rule. For example, in a St. Louis suburb, Valley Park undertook an expensive multiyear effort in the federal courts to defend an ordinance prohibiting businesses from hiring undocumented immigrants (even though 90 percent of the community is white and less than 3 percent of the population is Latino),¹⁰ and Shenandoah, Pennsylvania, has been the site of repeated anti-immigrant pep rallies in the wake of an all-white jury's acquittal of two high-school football players who stomped a Mexican immigrant to death.¹¹ These events indicate that anti-immigrant sentiment is pernicious and debilitating to successful, livable communities. Quality communities welcome and support immigrants rather than make them the scapegoats for problems with which they have little or no conceivable connection.

Here's why this issue is important to all NPQ readers—and what nonprofits might do to present a human-rights and community-building

alternative to this nation's current attitudes and policies.

Threats to Immigrants Are Threats to the Nonprofit Sector

According to their missions, most nonprofits typically serve people in need, or at least they try to. Sometimes, however, nonprofits fail to keep pace with changing demographics or get caught by surprise when organizational mission conflicts with hostile public attitudes or laws and statutes. These issues aren't intellectual discourses; for nonprofits on the front lines, they are real, concrete, and sometimes quite threatening.

Just ask the organizations that provide services and advocacy for immigrants.

The border-patrolling Minutemen group shows up regularly to protest nearly anything connected to "illegal immigrants," for example, denouncing the Utah Department of Transportation's decision to opt out of local police enforcement of federal immigration laws as pandering. The Minutemen took the opportunity to "shout . . . at Latino

Nonprofits fail to keep pace with changing demographics.

The nonprofit sector
must see the needs
of immigrants as a
humanitarian issue.

construction workers at the Matheson Court House [in Salt Lake City], telling them to go back to their home countries . . . [and telling] police to go arrest the workers because they were not legal.”¹² The police politely rejected the Minute-men’s illegal-by-ethnicity charges.

In the small town of Austin, Minnesota, members of the National Socialist Movement—that’s neo-Nazi for most of us—showed up to protest “illegals.” The neo-Nazi organizer of the rally explained the rationale for his gathering: “I am here because I am sick and tired of illegals taking American jobs. They come and come and come, and no one does anything about it.” One of his supporters in the crowd agreed, “This has nothing to do with racism . . . [only] strictly about legal versus illegal immigrants.” Perhaps he innately knows the documentation people carry but suggested that the presence of illegals has caused “a great retirement community [to] turn into a community where my wife and kids are scared to go to the park.”¹³

Imagine living your life with such threats to your daily existence: to face not only the wrath of neighbors but the constant danger of separation from loved ones after an immigration raid.

Described as a “no-traffic-light town” in rural northeastern Iowa, Postville at one time boasted Guatemalan, Mexican, and Somali eateries on its main street given the presence of immigrants who worked in the town’s meat-processing plant. On May 12, 2008, 500 ICE agents conducted the then-largest immigration raid in U.S. history in search of undocumented workers and arrested 389 people. Men and women were deported or put in jail, some women were allowed to stay to care for children, though they have to wear electronic ankle bracelets.

The town is now a disaster area, with shuttered stores, scores of unemployed, and local churches and nonprofits scrounging to provide aid, housing, and lawyers to the victimized workers and families.¹⁴ Postville is not alone. In New Bedford, Massachusetts, a 2007 ICE raid on a leather-goods factory netted 360 undocumented workers, and as in other cases, the business shut down, disgoring immigrant and non-immigrant workers alike.

Individual immigrants face the same dynamic. In Bellevue, Washington, ICE agents raided a mobile home park in search of Peruvian and Mexican undocumented immigrants, barging with guns drawn into the homes of immigrants such as Filipino-American Dana Ayala, a U.S. citizen, and her husband, Jesse Ayala, a Mexican immigrant with green-card status, in search of “illegals” (the home contained none).¹⁵ Blanket raids on factories and shops that employ immigrants and on lower-income communities where immigrants tend to live look like racial profiling rather than carefully constructed criminal prosecutions. The victims are generally not the employers, who can sell out and recoup value from their properties, but rather the documented and undocumented immigrants who lose their livelihoods as well as the communities that house them, which often descend into economic turmoil.

Something is significantly wrong with this system. While the nation struggles with comprehensive immigration reform—the slowest-moving issue on the national political landscape—the nonprofit sector must see the needs of immigrants, regardless of their legal status, as a humanitarian issue.

The touchstones for a broad nonprofit agenda on behalf of the humanitarian interests of immigrants in this nation can and should involve the following considerations.

Confronting Punitive Local and State Laws

Localities with punitive local and state ordinances directed against “illegal immigrants” have garnered extensive newspaper coverage of the Virginia suburbs surrounding Washington, D.C., and in Hazleton, Pennsylvania. The local laws passed in these communities, ostensibly directed at undocumented—or what the mainstream press refers to as “illegal” immigrants—were frequently aimed at immigrants regardless of legal status. For example, Hazleton’s 2006 Illegal Immigration and Relief Act Ordinance—on paper aimed at the problem of housing overcrowding in immigrant living conditions—was clear in its true purpose, which in the mayor’s words, was to make Hazleton “the toughest place on illegal immigrants in America.” The message to Latinos was clear: they weren’t welcome, and the mayor boasted of

seeing Latino immigrants leaving “en masse” in the middle of the night.¹⁶

In Virginia, the virulent anti-immigrant hostility is frequently directed at Latino day laborers who gather at official or known locations to be recruited by building contractors and others for short-term work assignments. Herndon, Virginia, for example, became a focal point for the day-laborer issue when a liberal city council approved a nonprofit establishing a formal workers’ center to take the place of the local 7 Eleven as the gathering place for day laborers awaiting work assignment. Once the conditional use permit was passed, the conservative Judicial Watch announced its intention to sue the municipality for “aiding illegal immigration,” the Minutemen set up shop to photograph and monitor alleged illegal activity, and voters elected an entirely anti-immigrant mayor and city council to oppose the center.¹⁷ Although the most recent state legislative session in Virginia had much less than 110 anti-immigrant bills introduced in 2008, one that passed was H.B. 2473, which prohibited loitering at libraries and was aimed at libraries where day laborers congregate waiting for work.¹⁸

On humanitarian and social-justice grounds, nonprofits have to fight against punitive anti-immigrant legislation and ordinances—just as quickly as the anti-immigrant wing of American politics mobilizes for legislation along the lines of the Hazleton and Herndon statutes.

Hostility to Immigrants As the New Racism

Localities and states consider a dizzying array of legislation aimed at “illegal immigrants.” It isn’t hard to scratch beneath the surface and find the motivation is against immigrants, against racial or ethnic identities, regardless of immigration status.

To many, anti-immigrant attitudes constitute the “new racism” in American society, a somewhat indulged racism because some proportion of U.S. immigrant populations are here having crossed the border or having stayed in the country in violation of current rules. It’s easy to be anti-immigrant when one tosses around the “illegal” pejorative. This is especially true in times of economic distress, when the tendency of many societies is to

find victims to blame or penalize.

Even in the 2009 stimulus legislation, some anti-immigrant sentiments bubbled up. Anti-immigrant groups were quick to suggest that “illegal immigrants” would receive 15 percent, or 300,000, of the 2 million jobs estimated to be created in the American Recovery and Reinvestment Act.¹⁹ In the stimulus package, immigrant opponents pushed for the inclusion of the E-Verify system in the stimulus package, despite lots of evidence—even from conservative opinion sources such as the *Wall Street Journal* editorial page—that E-Verify would be unenforceable and counterproductive.²⁰ Although several anti-immigrant provisions in the stimulus bill were ultimately defeated in Congress, at least one survived: restrictions on H-1B visa holders working for entities receiving Troubled Asset Relief Program, or TARP, funds. The potential result was a reverse migration of H-1B employees who are a major positive force in the nation’s economic progress and revival.²¹

The nation’s economic vortex makes the anti-immigrant agenda increasingly popular. In distressed Oakland County, Michigan (near Detroit), local officials and union leaders have joined forces—using the emotional issues of the economy and returning veterans, to oppose businesses that hire purported undocumented immigrants.

“It impacts safety for citizens because we have no knowledge of criminal activity or affiliations of these illegal workers, you name it,” said a county executive. “Is it right that our returning soldiers, law-abiding citizens, and even those citizens who have paid their debt to society after incarceration should have to compete against those who are working in our country illegally? This is not the American way.” Joining the politicians and union officials on the dais was a representative of the anti-immigrant advocacy group the Federation for American Immigration Reform.²² Noting the tendency to blame immigrants and minorities when times are tough, the *Detroit News* called the Oakland County plan “mean-spirited,” an apt description for the animus behind these efforts.²³

It is not hard to see past the public scorn for illegal immigrants as antagonism toward

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immigrants regardless of the documents in their pockets.²⁴ No matter the venue or context, racism is always abhorrent. In the nonprofit and philanthropic sectors, the challenge is always to confront and overcome racism. Nonprofits have to think of themselves as a societal vanguard willing to challenge racism. And today, that means that nonprofits have to stand up against the use of immigration as a virulent form of racism in our society.

The Diversity of Immigration

One thinks of certain regions as intense concentrations of immigrant populations, but the reality is that documented and undocumented immigrants are spread across the nation. There is no option for nonprofits to avoid responding to immigrants and advocating immigrant needs.

Note, however, that localities that initiate anti-immigrant programs and laws do not always contain large immigrant populations. According to the Progressive States Network's classification of immigration laws along a continuum of "integrative" to "punitive," only 11 percent of undocumented immigrants live in the states that have passed punitive anti-immigrant laws, compared with 42 percent residing in states with laws that aim to integrate immigrants into the mainstream.²⁵ The theory that a community has to be a hotbed of documented and undocumented immigrants to provoke an anti-immigrant backlash is clearly false.

Despite press coverage that tends to emphasize Mexican and Central American immigrants, the immigrant population comprises more than Hispanics, and it varies by geography. Most people have begun to grasp the diversity of locales where immigrants and refugees are located.²⁶ But it applies even to the hot-button question of where undocumented immigrants live.

A Pew Research Center report on undocumented immigrants makes this point succinctly: "Unauthorized immigrants living in the United States are more geographically dispersed than in the past and are more likely than either U.S.-born residents or legal immigrants to live in a household with a spouse and children. In addition, a growing share of the children of unauthorized

immigrant parents—73%—were born in this country and are U.S. citizens."²⁷ While the empirical and visible majority of undocumented immigrants is Hispanic (76 percent), including 59 percent from Mexico alone (because of its shared border with the United States), 11 percent of undocumented or unauthorized immigrants are from Asian nations.

The long-standing portals for immigration to the United States—New York, California, Florida, New Jersey, Texas, and Illinois—continue to receive an influx of undocumented immigrants, but significant numbers have also moved to other states, particularly Georgia, North Carolina, and other southeastern states. In other words, nonprofits throughout the country have to recognize that they are not isolated from the challenge of serving the immigrant community, including in regions that have little tradition and even less infrastructure for understanding and addressing immigrant needs.

And the needs vary by type of immigrants, challenging what many people think they intuitively "know" about immigrants in the United States.

- Although Mexicans comprise the largest number of undocumented immigrants residing in the United States, between 2000 and 2008 the largest proportional increases among the top 10 undocumented immigrants' original countries were Honduras (81 percent) and Brazil (72 percent).²⁸
- While the focus of immigrant discussions is often on adults—the workers allegedly taking American jobs, a myth of the first order—the most vulnerable immigrants are often children, many hundreds of thousands residing in a small number of states: 1.4 million first-generation immigrant children in five states alone (California, Texas, New York, Florida, and Illinois, with half the children in California having immigrant parents in 2007).²⁹
- Sometimes "immigrants" are political refugees, including not just well-known refugee populations from Cuba after the revolution or from Vietnam, but of more recent vintage and who fall through the cracks of public policy attention. Between 2005 and 2007, the largest numbers of refugees admitted to the United

States came from, in rank order, Somalia, Burma, Russia, Cuba, and Iran.³⁰

- While Mexican Americans constitute the largest number of foreign-born residents of the United States, the next five, in rank order, are those from the Philippines, India, China, El Salvador, Vietnam, and Korea.³²

If an immigrant wants to come to the United States legally on a temporary visa, the most attractive visas (H-1B specialty occupations and the E1 and E2 traders and investors visas) go to those from a mix of nations that is different from the “immigrant problem” nations: 40 percent of all H-1B visas went to people from India, 10 times as many as those that went to Mexicans or Chinese; the nations with the largest number of E1 to E3 visas were Japan, Germany, and the United Kingdom.³³

The Nonprofit Sector Responds

One of the strengths of the nonprofit sector is that through community-based organizations, it is capable of responding to diverse populations and of resisting the tendency to lump everyone into unmanageable stereotypes. As a result, impressive organizations have carried out programs of service and advocacy for nonprofits across the nation—and many are represented in this issue of *NPQ*.

Building the capacity of these organizations is crucial for the nation to make headway on integrating immigrants. This issue of *NPQ* does not lay out a “solution” to comprehensive immigration reform. As the 2008 presidential election made clear, our nation’s top political leaders are pretty hamstrung in fashioning—or sometimes even talking about—a framework that is politically salable and pragmatically operational. But this special issue promotes models of what the nonprofit sector should do—even without a comprehensive national solution waiting in the wings.

A nonprofit agenda writ large that encompasses the interests of all nonprofits committed to human rights and livable communities might include several complementary and strategic approaches:

Building on immigrant assets. What many people fail to recognize about immigrant populations is that they bring great assets. Powerful research such as Jason Riley’s *Let Them In*³⁴



makes a persuasive case that immigration is a huge plus for the United States—and a reason why other nations that have restricted immigration have suffered slow or no growth. To think about immigrants and immigrant organizations as deficits misses the contribution of immigrant-focused and immigrant-led organizations in their communities—not just for their members but for their communities.

Building community economic development. This has to be the most obvious widespread strategy: integrating immigrants into community contexts and creating dynamics that welcome and support rather than penalize and victimize immigrants.

Building networks of support. *NPQ*’s recent issue on the national nonprofit infrastructure as well as special reviews of nonprofits tackling issues such as entrenched community poverty attest to the importance of national and regional networks to support smaller, community-based nonprofits.³⁵ The evidence is that these networks are certainly important for immigrant communities and the nonprofits that support them. Organizations such as the National Association for Latino Community Asset Builders, the National Alliance of Latin American and Caribbean Communities, and the National Coalition for Asian

The most obvious strategy for reform is to integrate immigrants into community contexts.

Pacific American Community Development consistently demonstrate their value to immigrant-focused members. The foundation community can provide crucial resources to community-based members of these and other networks.

Mobilizing immigrant young people. According to the National Center for Children in Poverty, “One out of every five children under the age of 18 in the United States was estimated to have at least one foreign-born parent, and one in four poor children had at least one foreign-born parent.”³⁶ The vulnerability of immigrant children in our communities is a challenge to the nonprofit sector’s ability to respond to multiple needs from populations with which the sector may not typically connect. At the same time, nonprofits should encourage the civic and community engagement of young immigrants and share responsibility for building healthy communities.

Addressing disparities in services, resources, and coverage. A recent statement by Senator Max Baucus about immigrants and comprehensive health reform was a head turner. “We aren’t going to cover undocumented workers because that’s too politically explosive,” Baucus noted.³⁷ The punitive anti-immigrant strain in U.S. politics too often shows itself in disparities in health coverage and other critical indicators. For health coverage, the data is compelling: While Latino adults are only somewhat more likely to lack health insurance than whites (34 percent compared with 28 percent), 70 percent of Latino noncitizens lack health insurance. It is a story of vulnerable children as well: 74 percent of Latino children in noncitizen families are uninsured, compared with 17 percent of white children.³⁸ The most obvious disparity between many immigrant groups and non-immigrants is in the area of wealth and income. For all immigrant groups in the United States, poverty rates are 1.5 times higher than for non-immigrants.³⁹ Ensuring that documented and undocumented immigrants do not get stuck as a new underclass is an obvious agenda for the nonprofit sector.

Fighting for employment rights and training. Amid a prolonged recession, nonprofits can help immigrants find jobs and ensure that day laborers’ rights are protected. Frequently,

immigrant workers are deprived of wages by their employers, subject to financial charges of which they were never notified, paid less than minimum wage, and prevented from organizing. The growth of workers centers around the country run by nonprofits—replacing the street corners where day laborers wait for short-term jobs—is worth the support of nonprofits concerned about workforce conditions.⁴⁰ That should also mean standing up against counterproductive ICE raids against purportedly undocumented workers.

Creating new avenues of foundation funding. Some foundations have taken the initiative to support immigrant organizing and immigrant-rights work. Some champion foundations have supported particular immigrant populations. But this support must be more widespread within philanthropy and geography. Despite strong support of Vietnamese-American civic organizations from the Ford Foundation, the McKnight Foundation, the Barr Foundation, and others, 2007 funding for a sample of these organizations was a bit more than \$700,000, compared with 2005 and 2006 funding of \$1.4 million. The Otto Bremer Foundation, the McKnight Foundation, the Bush Foundation, the California Wellness Foundation, and the California Endowment have been strong funders of specific immigrant organizations or communities. Community foundations such as the Boston Foundation, the Saint Paul Foundation, the Denver Foundation, the Chicago Community Trust, the San Francisco Foundation, and the Seattle Foundation all serve as supporters of immigrant civic organizations, but foundation connection to immigrant organizations remains narrow at the local level.

The Ultimate Solutions

In May the White House, together with a bipartisan group of congressional leaders, was supposed to hold a discussion on immigration reform, but that meeting was rescheduled and postponed indefinitely.⁴¹ Representing a state with a large immigrant population, Senate Democratic Majority Leader Harry Reid of Nevada ranks immigration reform as one of his three top legislative priorities (along with health-care reform and energy) and

believes that legislation can be passed in 2009 with the help of some Republicans to replace the dozen or so Democratic senators who may oppose a bill.⁴² Somehow, the White House doesn't seem to share Senator Reid's enthusiasm, and who knows where the House of Representatives will come out.

In 2007 a bipartisan immigration reform bill cosponsored by Democratic Senator Ted Kennedy of Massachusetts and Republican Senator John McCain of Arizona (with the encouragement of then-President George W. Bush) was defeated by a wide margin in the Senate. The bill would have created a guest-worker program and a path toward citizenship for undocumented immigrants already in the United States. While we wait for word from the White House regarding the program that President Barack Obama will support, *NPQ* is reluctant to lay out a definitive plan. But an advocacy agenda based on principles of human rights and social justice could include the following measures:

- protecting immigrant workers' rights, including minimal wage, health, and safety standards, particularly for day laborers;
- supporting the creation of well-run and well-funded labor centers linked to on-site services for immigrant children and families;
- encouraging the mainstream financial sector to help documented and undocumented immigrants establish bank accounts and access to other financial services;
- providing avenues for documented and undocumented immigrants to access health, education, employment training and placement, and other services without fear of harassment (and without subjecting sponsoring nonprofits to penalties);
- funding community development corporations to rehabilitate and manage affordable housing for immigrant populations;
- protecting immigrant communities against subprime and predatory lenders that target specific ethnic and racial groups;
- expanding English-language instruction and interpretation services; and
- funding lawyer support through legal aid and legal services to provide representation to immigrant families and workers.

While these responses would be welcome, the underlying problem remains. In a total population of 307 million, the United States has an estimated 12 million undocumented or unauthorized immigrants (4 percent of the population, 5.4 percent of the workforce, and 6.8 percent of students enrolled in elementary or secondary schools)⁴³ caught in a precarious "Don't ask, don't tell" legal limbo. Subject to deportation though many have U.S.-born children, most of these Americans would like to see U.S. immigration law changed so that they can establish a legal right to stay in the country. The major proposals for immigration law reform include guest-worker programs, increases in the allowable numbers of legal visas for migration to the United States (reducing pressures for "illegal" entry), and pathways for undocumented immigrants already in the country to pursue lawful permanent resident status or full citizenship (what some opponents derisively call "amnesty"). Supporters of similar legislation are eager to see what the Obama administration's proposal might really contain.

The key role for nonprofits? Support reasonable reform and counter the anti-immigrant rhetoric and fear mongering by educating nonprofit boards and communities, and tell local and state legislators and members of Congress that immigration reform should be higher on the national-priority agenda.

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State Immigration Policy Issues

by Dan Petegorsky and Kalpana Krishnamurthy

The policy debate on immigration has deep implications for the nonprofit sector.

FULFILLING HIS EARLIER PROMISE TO PURSUE comprehensive immigration reform this year, President Barack Obama began the process by scheduling a mid-June meeting with members of Congress. Though ultimately postponed, the meeting was intended as a first step toward addressing the issue in legislation. For immigrant communities across the country, the conversation can't start soon enough.

For nonprofit organizations, the conversation about immigration is critical. Demographic, economic, and social forces will continue to bring immigrants of all backgrounds to our country, and U.S. immigration law and policy will either help or hinder new immigrants from fully contributing to our communities. As immigrants and refugees change the face of our cities and rural

areas, their concerns and needs will become the concerns and needs of community-based nonprofits. Whether debating harshly punitive measures or comprehensive reform, the policy debate on immigration has deep implications for the nonprofit sector.

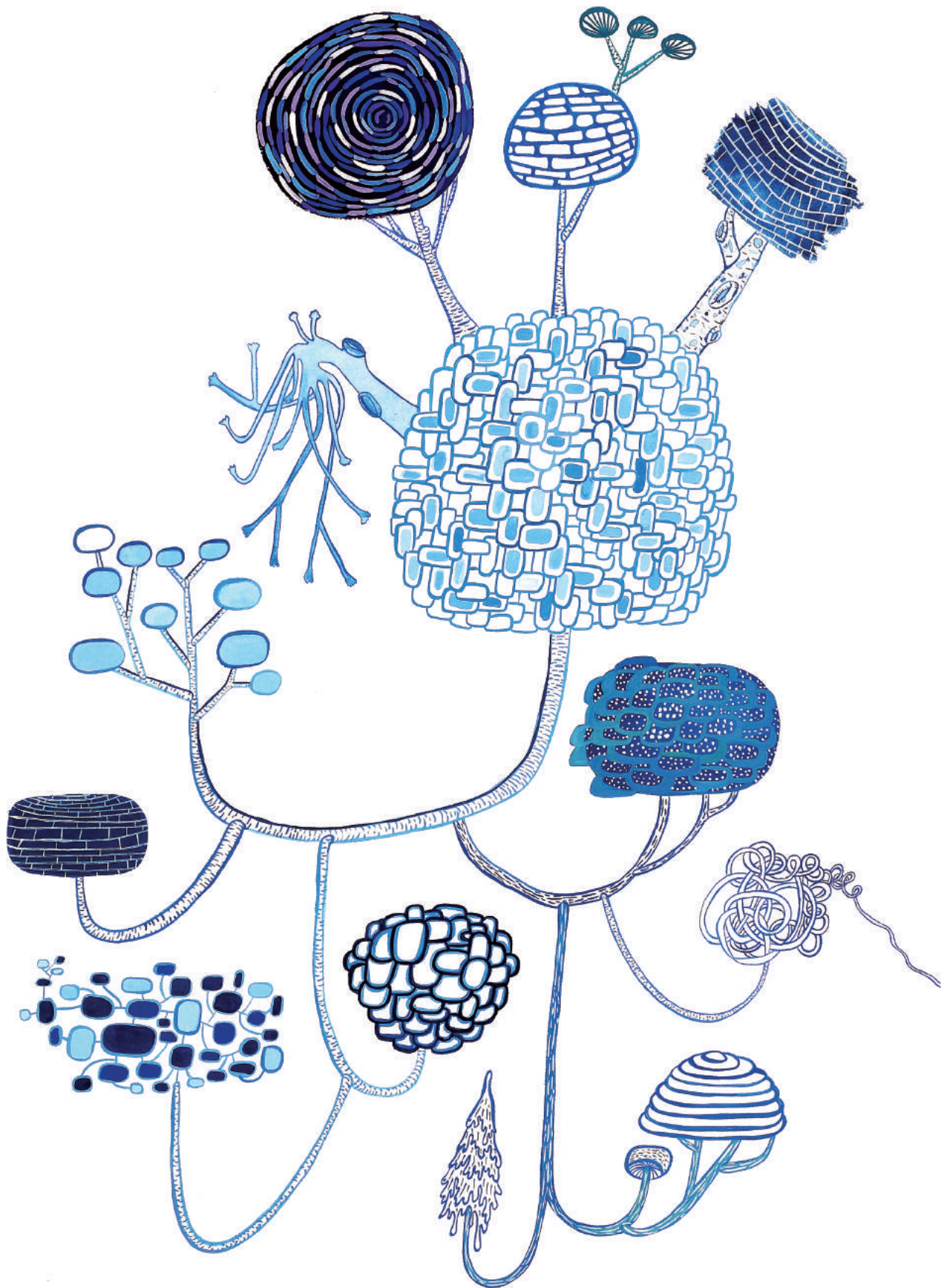
A Challenging Climate

Since the collapse of comprehensive immigration reform in the summer of 2007, immigrant communities have faced challenges on multiple fronts. They've had to bear the brunt of both the meltdown of the economy and the impact of "enforcement only" policies at both the state and federal levels in the absence of comprehensive reform. In response, nonprofit service providers, community organizers, and policy and legal advocates have had their hands full addressing a rapidly escalating set of needs with tightening resources.

Policy Battles in the States

States, counties, and municipalities have been exceptionally active in taking up literally thousands of proposed laws aimed at immigrants. According to the National Conference of State Legislatures, during the first quarter of 2009

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**The failure of federal
immigrant reform
has added impetus to
organized hate groups.**

alone, more than 1,000 bills were introduced in legislatures. This number has kept pace with the record number in 2007 and 2008 sessions.¹ Thus far, several dozen have been enacted, along with more than 450 enacted in 2007 and 2008, covering areas such as voting, access to public benefits, health, education, and employment.

Some of the most popular laws—those aimed at requiring a photo ID in voting or registering to vote, for example—targeted noncitizens but ultimately turned away more citizens from the polls than noncitizens, especially among populations that have difficulty obtaining birth certificates or other required documents, such as the elderly. In an extremely unfortunate ruling, the U.S. Supreme Court upheld one of the most draconian such laws in Indiana, even though “Indiana Secretary of State Todd Rokita . . . conceded the state . . . never presented a case of ‘voter impersonation,’ which the law was designed to safeguard against.”²

Before the legislation took effect, the courts struck down more extreme laws. Among those were a Hazelton, Pennsylvania, law that would have fined landlords for renting to illegal immigrants, and in Columbia County, Oregon, a ballot measure that would have imposed fines on businesses hiring undocumented workers.³

Elsewhere, however, local laws targeting undocumented workers that were passed in recent legislative sessions have taken or will soon take effect. A general crackdown in Utah, for example, has created widespread fear among immigrants in the state; S.B. 81 will take effect July 1.⁴

Organized Hate Groups

In addition to state and local laws, the failure of federal reform has added impetus to organized hate groups and media demagogues seeking to capitalize on public fear. This fear mongering reached its height during the swine flu epidemic and is escalating once again in the wake of President Obama’s nomination of Sonia Sotomayor to the Supreme Court. Radio talk-show host Michael Savage “speculated that terrorists are using Mexican immigrants as walking germ

warfare weapons.” It would be easy,” he noted, “to bring an altered virus into Mexico, put it in the general population, and have them march across the border.”⁵ G. Gordon Liddy referred to the Spanish language as an “illegal alien.”⁶

As a result, even as nonprofits and churches struggle to provide services to immigrant families, they and their constituents can face often intense harassment. In many parts of the country, the climate of fear and intimidation for Latinos today is not unlike what African, South Asian, and Muslim immigrants and supporters faced in the wake of September 11.

The Southern Poverty Law Center has recently noted that systemic discrimination against Latinos constitutes a “civil rights crisis. . . . And as a result of relentless vilification in the media, Latinos are targeted for harassment by racist extremist groups, some of which are directly descended from the old guardians of white supremacy.”⁷

The Impact of Economic Meltdown on Immigrant Communities

In the recent economic downturn, two key sectors that relied most heavily on immigrant labor—housing construction and hospitality—have been most heavily hit. This trend was identified early on and affected both documented and undocumented workers: a 2008 Pew Hispanic Center report indicated that “due mainly to a slump in the construction industry, the unemployment rate for Hispanics in the U.S. rose to 6.5% in the first quarter of 2008, well above the 4.7% rate for all non-Hispanics.”⁸

This phenomenon is not limited to the United States and affects not only employment and migration patterns in host countries but, equally important, remittances to countries of origin, which have declined rapidly.⁹

Along with increasing enforcement along the border, these collapses have not only cut off avenues of employment for families already living in the United States but also resulted in a strong decline in those seeking to cross the southern border. Recent figures, for example, show that about 226,000 fewer people emigrated from Mexico to other countries during the year

that ended in August 2008 as compared with the previous year.¹⁰

Workplace Raids

While the worldwide economic slump has been the primary cause of this slowdown, in recent years the U.S. Immigration and Customs Enforcement Division (ICE) of the Department of Homeland Security (formerly INS, the Immigration and Naturalization Service) had also conducted a series of highly visible raids across the country. These included, for example, a widely publicized June 2007 raid on a fresh fruit-processing plant in Portland, Oregon, and, in May 2008, on an Iowa kosher meat packing plant.¹¹

The raids had devastating effects on local communities. Many families have members who are citizens and others who are either legal residents but not yet citizens or are undocumented. The arrests and deportations following the raids tore families apart, frequently separating minor children from parents and caregivers, creating crises for schools, and so on. Churches and legal advocates have stepped in to aid families affected by the raids.¹²

Beyond employment and ICE enforcement, however, the economic meltdown has had a disproportionate effect on immigrant communities—and not primarily among new arrivals, but rather among longtime inhabitants: those who had finally begun to realize the American dream of homeownership and middle-class standing. As recently documented in a compelling report by the Pew Hispanic Center, along with African Americans, Latino families were especially targeted for subprime loans (even where they qualified for traditional loans) and thus are at much greater risk of home foreclosure than are white families.¹³

Federal Policy Shifts

With a new administration in Washington, expectations for major shifts in policy and enforcement have been heightened. While detention and enforcement remain highly problematic, we have seen significant progress in other areas.

The Obama administration's record on enforcement has been mixed.¹⁴ The first large ICE raid to

take place under President Obama and Department of Homeland Security Secretary Janet Napolitano took place near Bellingham, Washington.¹⁵ Immigrant-rights groups responded strongly and quickly, and the administration issued an almost apologetic response, ultimately suggesting that future actions would target employers more than workers.¹⁶ But federal policies and actions have continued to threaten jobs for undocumented workers. On May 19, for example, CAUSA (Oregon's largest immigrant-rights coalition) reported that in mid-March "managers at Meduri Farms' four locations in Salem and Dallas informed some 250 workers that they might lose their jobs. The cause wasn't the bad economy. It was an I-9 check conducted by ICE."

Steps Forward

For all these challenges, the new climate in Washington, D.C., and the shift in administrations have already resulted in significant policy shifts that will change the lives of hundreds of thousands of immigrants. Renewal of funding for the Children's Health Insurance Program, for example, contained an important change: now states can cover legal immigrant children together with pregnant women rather than only citizens.¹⁷

At the state and local level, Progressive States Network reports many positive new laws and procedures have been passed and implemented alongside punitive ones.¹⁸ These include creation of statewide "New Americans Councils" to facilitate immigrant integration; expanded resources for naturalization assistance; and improved access to English-language classes for adult learners.¹⁹

In Washington State, for example, after key organizing by OneAmerica and allies, Governor Christine Gregoire signed an executive order in 2008 establishing a New Americans Policy Council to study immigration integration in the state, and the legislature allocated significant new funds for immigrant integration.

In many states, advocates have worked to pass versions of the Development, Relief and Education for Alien Minors Act (or the DREAM Act) to allow children of undocumented immigrants

ICE raids have had devastating effects on local communities and immigrant families.

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who have successfully graduated from local high schools to attend state colleges and universities paying in-state tuition. But again, these efforts have been waylaid by budget battles alongside general anti-immigrant fervor. With most states now confronting intractable budgetary problems, programs serving immigrants—whether documented or undocumented—provide easy targets for the chopping block.

Community organizations have also been successful in K–12 education, especially in advocating with school boards, district administrations, principals, faculty, and staff to better address the needs of immigrant children. Parent-organizing groups such as Oregon's Salem/Keizer Coalition for Equality have secured additional funding for dual-language programs as well as an understanding of how policies and procedures have disproportionate effects on Latino children.

Similar work around the country has focused on the criminal-justice system, which has also ill served immigrant communities. A recent study by the National Council of La Raza shows the harm caused by incarcerating Latino youth as adults and points to model alternative programs, such as the Southwest Key Program.²⁰

Equally important are policies in the making right now. The Agricultural Job, Opportunity, Benefits, and Security Act (or AgJOBS) has been reintroduced in Congress. In the past, this has split immigrant-rights proponents when the job portion of a bill has been cut off from a path to citizenship. This time around, the bill includes a path to citizenship. As the National Immigration Forum puts it, "AgJOBS is a win-win piece of legislation benefiting workers, employers, and the economy at large. It is the result of a delicate and historic agreement between farm-worker advocates and unions and the agriculture industry. It serves as a model for how business and labor can come together on a solution to put in place rules on immigration without undermining American workers."²¹

The Importance of Civic Engagement

Over and above the economic factors on the ground, political factors have shifted considerably in ways that may especially affect the national

policy debate. In 2008 the most strident national candidates did not fare well. Colorado Congressman Tom Tancredo, for example, was one of the first to drop out of the race for the Republican presidential nomination and did not seek reelection to the House, while other state and federal candidates were defeated at the polls.

Equally important, in 2008, Latinos—especially in key swing states—increased their overall vote share and voted far more strongly Democratic than they had in 2004. As a result, the extremist anti-immigrant forces in the Republican party are likely to be marginalized politically as the GOP seeks to recover from its 2008 losses and regain ground within Latino communities. This dynamic has now resurfaced in relation to the Sotomayor nomination.

Across the country, Latino and other immigrant community organizations and labor unions have devoted increasing energy and resources toward civic engagement programs. The Funders' Committee for Civic Participation has recently profiled the model efforts of the Illinois Coalition for Immigrant and Refugee Rights,²² and California's Mobilize the Immigrant Vote (MIV) is another model program. In 2004, MIV began as the first-ever statewide campaign in California to organize a multiethnic coalition of community-based organizations working within immigrant communities and building their capacity to register, educate, and mobilize constituents for electoral participation.

Looking Ahead

Looking beyond the immediate horizon, other major developments may affect immigrant communities over the coming years.

- The 2010 Census is approaching and will have significant consequences, including the representation of key constituencies as they are drawn into legislative and congressional districts. Groups such as the Asian Pacific Islander Community Leadership Foundation (ACLF) have partnered with the Census to ensure accurate counting within their communities.²³
- The Supreme Court has just decided one key voting rights case²⁴ and will soon rule on

several other cases affecting civil rights, with potentially major implications for immigrant communities.²⁵

- If in fact Congress opens paths to citizenship for undocumented immigrants, organizations working in immigrant communities will need to scale up enormously to take advantage of the opportunity. In the Pacific Northwest, groups such as PCUN (Pineros y Campesinos Unidos del Noroeste, Oregon's farm-workers' union) and its sister organizations have planned for this eventuality, which will require vast new resources.
- The conversation about immigration reform also has the opportunity to address issues of equality for members of the lesbian, gay, bisexual, and transgender immigrant community. Democratic Senator Patrick Leahy of Vermont has introduced the Uniting American Families Act, a bill that would allow American citizens and legal immigrants to seek residency in the United States for their same-sex partners, just as spouses now petition

for foreign-born husbands and wives. The bill will affect some 36,000 same-sex couples.²⁶

For additional resources, see *Crossing Borders*, *Crossing Barriers* and the Bridge Project's Web site.²⁷

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Building Economic Power in Immigrant Communities: Lessons from the Field

Editors' note: With a rapidly burgeoning Latino and Hispanic population in new corners of the United States, a host of new challenges has emerged. One such hurdle is how to build economic sustainability within immigrant communities. The following case studies were originally published in *Best Practices in Latino Asset Building* and were written by Analisa Nazareno.¹

Burgeoning Immigrant Communities

by Noel Poyo

THE GROWTH OF THE LATIN/HISPANIC POPULATION in the United States has been much publicized in recent years. Perhaps more striking than the growth in the overall number of Hispanics in the United States is the extent of the dispersion of Latino communities throughout the entire country, including regions that 20 years ago had few Hispanics.

In large part, immigration has driven the dramatic growth of the Hispanic population in states such as North Carolina and Minnesota (which between 2000 and 2006 experienced 54.9 percent growth and 35.3 percent growth, respectively). New immigrants, particularly those that are low income by U.S. standards, always face challenges in a new country and community. While the United States has a long history of community-based organizations that have helped to acclimate immigrants economically and socially, little infrastructure exists to serve and support these “emerging” Latino communities.

The lack of community-based infrastructure leaves new immigrants to discover risks the hard way—unknowingly breaking local regulations by opening a restaurant without a health permit, for example, or by falling prey to predatory market actors such as payday lenders. The National Association for Latino Community Asset Builders (NALCAB) works to support the development and expansion of community-based infrastructure that helps Latinos—and particularly immigrants—build family wealth and community assets.

The following article highlights the Latino Community Credit Union (LCCU) of North Carolina and the Latino Economic Development Center (LEDC) of Minnesota, two of the nation's most successful and innovative community-based organizations that have provided Latino immigrants with the knowledge and financial tools necessary to build wealth. Their approaches are

The lack of community-based infrastructure leaves new immigrants to discover risks the hard way.

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**"We get paid, and
there's no place for us
to deposit our money."
—Luis Pastor, CEO, LCCU**

Making Financial Services Available: LCCU, North Carolina

By Analisa Nazareno

THE FASTEST-GROWING CREDIT UNION IN THE nation—the Latino Community Credit Union—came to life as a response to the robberies, home invasions, and murders that had wreaked havoc in the immigrant community in Durham, North Carolina. "It's Friday night, and we work hard. We get paid, and there's no place for us to deposit our money," says Luis Pastor, the credit union's CEO. "There was a criminal element that knew that immigrants kept their money at home, under their mattresses, in coffee cans in the freezer, or in boxes in a closet," says John Herrera, a Latino activist and the current chairman of LCCU's board of directors. "And they found that it was very easy to invade their homes and rob them. . . . They knew that immigrants, because they feared the police, did not report these crimes." In some cases, immigrants were shot, killed, or paralyzed over a few hundred dollars.

But with the advent of LCCU—known by its Spanish-speaking customers as the *Cooperativa Comunitaria Latina de Crédito*—which opened its first branch on June 26, 2000, in Durham. Nine years later, the *Cooperativa* has opened four more branches in Charlotte, Raleigh, Greensboro, and Fayetteville. Today, the credit union has more than 50,000 members with more than \$52 million in deposits. "The word has gotten out that we have 50,000 people who don't carry cash with them anymore," Herrera says. Latinos and other immigrants in North Carolina now have access to affordable financial services and tools to help them improve their economic well-being. "Our mission is to build wealth and to promote the culture of savings, not just to provide a safe place to keep your money and to save at a good price," he says.

To that end, the *Cooperativa's* bilingual staff offers the standard services of a credit

union—checking, savings, consumer and home loans, credit cards, and money transfers—to all members at one rate and regardless of credit standing. "Instead of different needs or different products, it's the different approach," Pastor says. "At the end of the day, the needs and products are the same. All of us need a checking account. All of us need a money market account. We need access to safe money and a mortgage and credit cards. The products are the same. What we do different is the approach."

Pastor says the approach for North Carolina's Latino market needs to be different because members' circumstances and perspectives are different. Some 95 percent of LCCU's members are immigrants, and 75 percent previously never held a savings account. The average age of members is 28. The average level of education is no greater than seventh grade. Most speak only Spanish. The documentation and minimum deposit requirements are simplified: a minimum \$10 deposit, a \$20 membership fee to its sister organization—the Latino Community Development Center—and a government-issued identity card from any country.

Regardless of credit standing, members pay the same interest rates and earn the same interest rates on loans and deposits, Pastor says, because members decided on this non-discriminatory approach. "This is a great selling point for us: explaining to all our members that it doesn't matter your level of education, your economic level, or your experience. You are going to be treated as a first-class member," Pastor emphasizes. "You're going to pay the best interest: our one interest rate for that type of loan. And we pay the same rate for all of our accounts. It doesn't matter if you start with \$500 or with \$50,000; it's the same rate for the money market. And everybody understands these terms."

All workers at *Cooperativa* must be able to speak English and Spanish and understand the needs of immigrants, Pastor says. "Everybody working here needs to know what it's like not to be living in your environment," Pastor says. "If you know what it's like, it's easy to understand the fears that people have." If you live

in daily fear of deportation, he says, “Do you open an account? Or do you put your money in your pockets? They have their money in their pockets, because they want to make sure that if something happens, they’re able to go back to their country immediately. You want to feel this security, even if it means that at any moment you could be robbed.”

In 1996, activists concerned about the high rate of robberies in the Durham immigrant first sought the help of bankers, police officials, and politicians. “Very little progress was made in the sense of coming up with a solution, in translating documents, or in hiring bilingual tellers,” Herrera says. “A lot of bankers did not jump on the wagon because they said, ‘There’s no market. These are low-balance accounts. We’re going to lose money on these folks. They don’t even speak English.’” Finally in May 1999, Latino community leaders met with credit union activists with Self-Help Credit Union, the State Employees Credit Union (SECU), the North Carolina Minority Support Center, and the North Carolina Credit Union Division to discuss the crisis. “We

were just trying for a bilingual branch of any kind, just to get something started,” Herrera says. “But they asked us what it was that we needed and wanted. And we said, ‘We want to control our own financial future. We want our own financial institution. That would be the real solution to the problem.’”

Finding these key partners, reaching out to them, and getting technical and financial assistance proved the key steps in developing a solution to the immigrant community’s disenfranchisement. “They said, ‘We don’t know your community and your culture,’ but they offered us the rest,” Herrera says. “They taught us the ropes of managing and developing a financial institution. They said, ‘This is not going to be a hit-and-run relationship but a long-term one.’ And they have been with us every single day until we could do it on our own.” With the help of SECU’s CEO, Jim Blaine, who currently sits on Cooperativa’s board of directors, the credit union’s founders garnered \$5 million in deposits from other credit unions and institutions for initial capital. Many of the deposits were low-interest or zero-interest

“We said, ‘We want to control our own financial future.’”

—John Herrera,
chairman, LCCU board
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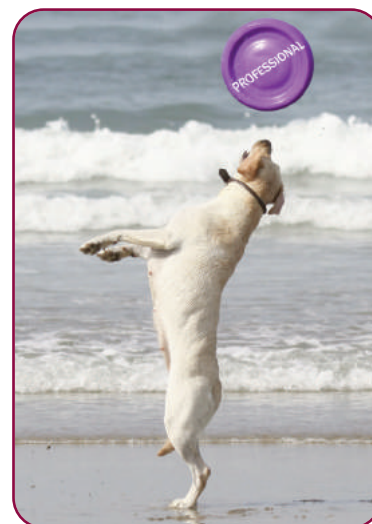
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**"You have to be
competent, bilingual,
bicultural."**

**—Ramón León,
executive director,
LEDC**

loans to build the credit union's assets during the first few years.

For the first year, the credit union's board set a goal of 500 members, with a growth rate of 500 members each year. At the end of the first year, the Durham branch exceeded that goal for a total membership of 1,139, with some members driving from as far away as Charlotte to apply for loans and make deposits. "Ever since, we haven't stopped growing," Herrera reports. "We realized the need and the untapped market and opportunities there are for economic empowerment and building wealth for our community." From day one, the credit union has spent no money on advertising and has relied on a network of churches, Latino leaders, and patrons to recruit members. Nevertheless, LCCU has become renowned throughout the state, getting invitations from police departments and civic leaders to open branches in those communities.

LCCU's board has plans to open five more branches throughout North Carolina. To fund the Cooperativa's expansion, the credit union received \$1.85 million from the U.S. Treasury through its First Accounts program. It also has received funding allocations from the state legislature through the North Carolina Minority Support Center. "We can say to the state legislature, 'You are promoting economic development through homeownership, and we will help with that,'" Herrera says. The largest single deposit to help fund the expansion of the Cooperativa throughout the state, though, comes from Durham-based Duke University, which last year announced it would deposit \$5 million over a five-year period. "We targeted Duke University," Herrera says. "We said, 'Look, you are employing a lot of immigrants. And one way to support them and help them if you want a stable, loyal labor force is to help them buy their own home. Help them become homeowners so they don't have to rent. Their kids will do better in school. The more stable people are, the lower the crime rate, the less expensive it is to live in the city.'"

Though bankers in North Carolina initially balked at the idea of providing services specific to immigrants, large banks such as Wachovia

and Bank of America now have deposits with the Cooperativa. "Why? Because they see what we see, which is that we are the first point of entry for consumers into the banking system," Herrera says. "Our future will be that we will have to compete someday." Bankers are just now learning through the Cooperativa what the credit union's founders have always known, which is that immigrants make their loan payments on time and consistently because they are motivated and hungry to achieve financial stability. The average home loan for the credit union is \$95,000, and the default rate is nearly zero percent. The overall loan portfolio default rate is 0.7 percent. "Banks salivate over this," Herrera says. "But how you do it is the tricky part. You have to be competent, bilingual, bicultural. You need a multilingual staff. It's very expensive, and that's why not everybody is doing it."

For now, Pastor says, there is little competition in North Carolina. "There is a huge need," he notes. "And if you want to focus on a community that nobody wants to serve, it's very easy. You're going to find thousands."

From Organizing to Economic Development: LEDC, Minnesota

By Analisa Nazareno

NOT LONG AGO, THE LATINO IMMIGRANTS of South Minneapolis toiled silently, barely noticed, rarely heard, and often abused by their employers. When crime hit their corners and social injustices occurred, few spoke out. But during the 1990s, that began to change, when dozens of members of the Sagrado Corazón de Jesús congregation met periodically in the church basement to talk about social justice. Soon after, the congregation formed an economic development committee. "I knew the power of businesses and how they can be used for the benefit of the community," says Ramón León, one of the few business owners at the time. "So I decided to join the group and to use it to fight social injustices." It was a strategy that eventually transformed the lives of thousands, revitalized a blighted neighborhood commercial corridor, earned Latinos the respect and

Socially Responsible Economic Development: The Mercado Central

The leaders of the Latino Economic Development Center (LEDC) embrace the asset-based community development principles espoused by Northwestern University professor of education and social policy John McKnight. Initially, they relied on the curriculum to organize the members of the Sagrado Corazón de Jesús congregation and to devise the cooperative model for the Cooperativa Mercado Central. They also used the curriculum to train business development specialists and the concepts to guide prospective entrepreneurs in practicing socially responsible business development. The key concept in asset-based community development that has proved most useful for LEDC organizers is the idea of focusing on a community's strengths rather than its weaknesses. "We did capacity and talent inventories [in the community]," says Ramón León, the executive director of LEDC. "And we learned that we had a lot of talent that we weren't taking advantage of because there were so many barriers that we didn't know how to overcome. Some of those barriers were language, not knowing the system, and not knowing where the resources were. But after doing the capacity and talent inventories, we said, 'OK, let's stop complaining and let's get to work. Let's show what our strengths are.'"

To achieve their goals of creating economic power in the Latino community, organizers turned to partners for technical and financial assistance. First, they sought training to learn about the nuts and bolts of business creation. For that, they approached the Neighborhood Development Center, which offered its first Spanish-language entrepreneurship classes in 1996. Classes were held at facilities owned by the Whittier Community Development Corporation, another key partner. Later, as they envisioned the Mercado, they turned to Neighborhood Development Corporation (NDC) and the Whittier CDC for assistance. Together, they sought out a developer.

A local housing organization, Project for Pride in Living, stepped up to lead the \$2.5 million renovation project. "If you are a group of immigrant businesspeople or prospective businesspeople, and you want to create a market that costs \$3 million to develop, you can't do it on your own," says John Flory, who until 2002 was a Whittier CDC business development specialist. "You have to have partners."

In creating the cooperative, Mercado leaders set membership criteria that would promote viable and socially responsible business development. "First of all, to be admitted into the Cooperativa and to have a business in the Mercado Central, you need to become a member and you have to buy shares," León says. "You have to go to micro-entrepreneur class, and you need some money. You need some expertise in the business you want to run and you have to have some knowledge of how to run a business. And you have to at the very least acknowledge the vision of the Mercado Central, which is a social-justice mission."

Initially, cooperative members relied on NDC for its entrepreneur training. Since 1996, León estimates that 2,000 Latinos have taken business-education classes either through NDC or LEDC. The group offers business development consultation, as well as loan package preparation services for members, acting as middlemen for NDC and the Minnesota Consortium for Community Developers, which offer business loan funds.

In addition to paying dues, LEDC members are asked to contribute to a fund, which awards \$3,000 scholarships to immigrant college students who may not have access to government funds for assistance. "We are focused on building a socially responsible business community," León says. "Some people have said, 'OK, you are helping people to get rich and that's it.' No. We are trying to prevent the abuses we were subject to in our home countries by educating [immigrants] on how to become good business owners."

admiration of city leaders, and inspired other immigrant groups in the community to follow their lead.

With the help of organizers from Interfaith Action and community development specialists from the Neighborhood Development Center, the Whittier Community Development Corporation, and Project for Pride in Living, members of this congregation renovated a dilapidated shopping center and created a business incubator cooperative called the Cooperativa Mercado Central. "There were several items in place that helped make this happen," says León, who is now the executive director of the Latino Economic

Development Center. "The Mercado Central is in reality many things. It is economic development. It is community organizing. It is housing development. It is leadership. It is all of these combined." In 1999 the Mercado opened with 47 businesses. Soon, many of the startups in that incubator—such as Tortilleria La Perla, Taqueria La Hacienda, and Cafeteria La Loma—became million-dollar revenue generators. By 2002, Latinos in Minneapolis owned 602 businesses that took in more than \$85 million in annual sales, according to the 2002 Economic Census.

In 2002 the leaders of the cooperative also incorporated the Latino Economic Development

**"The city of Minneapolis
has recognized the
Latino community
as an asset."**

—Ramón León

Center to meet the growing demand for business development education, consultation, and incubation among Latinos in the region. "Minneapolis did not have a Latino business community before 1995," says John Flory, the special projects director at LEDC. "In 1992, there were just four Latino businesses. And so, in a relatively short period of time, there was an explosion of small-business development. The Mercado Central was the catalyst for that business development."

Today, LEDC has 225 members whose businesses span a range of goods and services, from crafts to cakes, from taxi driving to tax preparation. And leaders of the organization juggle various projects throughout the state, seeking to replicate the success of the Mercado. In St. Paul, LEDC's leaders started the community-organizing activities that led to the creation of Plaza Latina, a smaller Mercado on that city's east side. Currently, LEDC is training four business development specialists to work with Latinos in rural communities surrounding Minneapolis and St. Paul. One of these trainees collaborates with Latinos and other immigrants in the nearby Willmar community to develop a project called the Willmar Area Multicultural Marketplace.

Perhaps the greatest monument to the young organization's activism is the 2006 opening of the Midtown Global Market, an international, food-oriented shopping center with about 60 businesses in the renovated former Sears Tower, which is located eight blocks from the Mercado Central. LEDC is one of four partners—along with the African Development Center, the Neighborhood Development Center (NDC), and the Powderhorn/Phillips Cultural Wellness Center—with a 25 percent ownership stake in the 65,000-square-foot, \$18 million Midtown Global Market.

The story of the Midtown Global Market began with Latino immigrants organizing to protect the economic power that they had achieved through the Mercado Central.

In 2003, LEDC organizers learned that a national retailer seeking to open a Latino-goods grocery store in Minneapolis had plans to renovate the vacant Sears building using government tax credits. By that time, partly because

of Mercado merchants' and LEDC's efforts, Latinos in Minneapolis had an estimated buying power of more than \$300 million, according to Bruce P. Corrie, an economics professor at Concordia University in St. Paul. "We organized the Latino businesses and we told them what was happening," León says. "And they said, 'Well, wait. We revitalized this corridor, and now this giant comes along and wants to take our customer base. That's not fair.'" So LEDC embarked on a yearlong campaign to educate the community about the success of Latinos in revitalizing Lake Street and to convince city council members to reconsider their plans. Barely a year into its incorporation as a non-profit organization, LEDC reached out to old and new friends to devise a viable development plan for the property. "When I went to these community organization meetings, they asked us, 'Why should we support more Latino businesses? You have enough,'" León recalls. "And I said, 'We should protect what we have right now, because if a giant comes through, those businesses are going to be killed, and we will go back 10 years.'"

LEDC succeeded in swaying city leaders to create a venue for locally owned independent businesses.

"The city of Minneapolis has recognized the Latino community as an asset of the community rather than as a burden because of our economic development efforts," León says. "So they passed an ordinance to protect immigrant families and to separate the police from federal immigration officers, even going against the governor on this issue. And that's because of economic development. They thank us for being here to revitalize the Lake Street Corridor. And while that is a success that can't be seen, it can be felt."

ENDNOTES

1. NALCAB, *Best Practices in Latino Asset Building* (www.nalcab.org/webdocs/Best-Practices-in-Latino-Asset-Building.pdf).

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Immigrant Integration *and* Asian-American Community Development

by Lisa Hasegawa and Gen Fujioka

DURING XU LIN'S FIRST YEAR IN Philadelphia high school, he was assaulted so often he lost count of the incidents. Lin was 16 and spoke little English. He recalls that, as a recent immigrant from China, he had no understanding of the dynamics of his racially mixed neighborhood or what to do about the violence. When he was attacked by white teens in the neighborhood, the police would not take a police

report. Teachers did nothing to prevent racial name-calling or attacks in school. In his second year, an outbreak of attacks in school sent several Chinese students to the hospital. "That is when,"

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ILLUSTRATION BY CYNTHIA TOM, BOARD PRESIDENT FOR AAWAA
(ASIAN AMERICAN WOMEN ARTISTS ASSOCIATION)

THE NONPROFIT QUARTERLY 47



Asian immigrants
continue to face a range
of overt and covert
discriminatory barriers.

Lin recalls, “we had to organize. We learned to complain. We learned to work together.” Lin and his classmates met with counselors, the principal, and others. Their persistence led the school to increase security and to provide a school bus to shuttle students around the worst trouble spots in the neighborhood.

In the eight years since Xu Lin’s arrival, more than 2.5 million Asian immigrants have been lawfully admitted into the United States.¹ In addition, it is estimated that 1.3 million undocumented Asian immigrants reside in the country, many of whom are recent arrivals.² Over the next 20 years, the U.S. Census Bureau estimates that the Asian population will increase from 4 percent to 7 percent of the total national population, with most of that increase a result of immigration.³

If Lin’s experience upon arriving to the United States was extreme, other Asian immigrants continue to face a range of overt and covert discriminatory conditions and barriers.⁴ As a consequence, many Asian immigrants remain marginalized. The poorest quarter of Asian Americans and Pacific Islanders continue to be substantially poorer than non-Hispanic whites.⁵ Lower-income Asian immigrants are more likely to live in substandard housing, work in low-wage jobs, operate marginal microbusinesses, and lack access to adequate health care. They are cab drivers, restaurant workers, laborers,

and home-care aides. Their experiences and challenges are often eclipsed by the relative success of professionals and higher-profile entrepreneurs of Asian descent.⁶

The challenge of immigrant integration, bringing new arrivals into what President Barack Obama describes as “one American family,” has long been a central concern for Asian and Latino and, more recently, African-American community-based organizations.⁷ Now research indicates that the social implications of the success or failure of immigration integration efforts extend far beyond the impact on immigrants themselves.

In “E Pluribus Unum: Diversity and Community in the Twenty-First Century,” *Bowling Alone* author Robert Putnam argues that the nation’s growing diversity tends to suppress public engagement among minority and majority populations. Based on a large-scale national survey, Putnam indicates that while over the long term immigration and ethnic diversity bring positive benefit, in the short and medium term, diversity creates a general decline in social capital. “People living in ethnic[ally] diverse settings appear to ‘hunker down’—that is, to pull in like a turtle,” writes Putnam.⁸ The results are declines in public participation, voting, volunteerism, even donations to charitable causes. According to Putnam, as neighborhoods become more diverse, residents become more mistrustful of their neighbors. Instead of celebrating diversity, they “huddle unhappily in front of the television.”⁹

As with his other writings, Putnam’s latest conclusions have stirred controversy and criticism. But as Xavier de Souza Briggs notes, while we may disagree with some of Putnam’s conclusions, the research provides “good enough” evidence that increased diversity is associated with declining social engagement. Briggs, formerly at MIT and now with the Obama administration, concludes that the evidence should compel public and private actors to “be more purposeful about forging interethnic bridges, and function at a much larger scale to address growing diversity.”¹⁰

Putnam’s own conclusions are not fatalistic. He argues that active intervention to build community and engagement can overcome the tendency

to withdraw. He argues for expanding programs that foster interethnic interaction, English-learning opportunities and affirmatively growing “bridging” forms of social capital.¹¹

Building Supportive Communities

For the past 10 years, a network of nonprofit organizations has worked to engage Asian-American immigrants, Native Hawaiians (who are indigenous, not immigrant), and Pacific Islanders in building community capacity to address unmet needs. The National Coalition for Asian Pacific American Community Development (CAPACD) is a member-based network involved in a wide range of community development activities in 18 states and more than 25 metropolitan areas. Collectively, its members have developed more than 5,000 units of affordable housing in cities such as Seattle, San Francisco, Los Angeles, Boston, Chicago, and New York. Member organizations also provide training for new workers, micro-enterprises, and small businesses and have built neighborhood health clinics and youth centers to serve otherwise unmet needs in Asian immigrant, Native Hawaiian, and Pacific-Islander communities.

With the delivery of linguistically and culturally accessible services as a starting point, CAPACD and its members also recognize the need for advocacy that services alone cannot address. Restrictive immigration policies continue to separate families and push tens of thousands into abusive conditions. Racial and sexual harassment remain ongoing scourges. Programs providing English skills training and other forms of assistance to immigrants are chronically over-enrolled and frequently threatened with cutbacks by unsympathetic elected officials. When facing such hostility or adversity alone, most immigrants tend to withdraw or, as Putnam would say, “hunker down.”¹²

To counter this inclination, CAPACD and its members provide support to start-up immigrant-led organizations addressing immediate needs while also seeking to engage those organizations in advocacy for broader reform. Bringing community organizations together in common-cause links local experience to systemic problems.

This work of framing and “connecting the dots” is critical groundwork to forge a common agenda with other communities of color and low-income groups.

From support for national campaigns to support for immigration reform to local tenants organizing to improve housing conditions, CAPACD promotes advocacy from the ground up. CAPACD’s technical assistance program emphasizes a peer-to-peer approach that supports the sharing of culturally relevant program models between communities—often bridging the lack of shared competencies that immigrant-serving organizations may experience at a local level. Similarly, CAPACD has mobilized and supported local community leaders to inform and participate in CAPACD’s advocacy at a national level and, most recently, in its regional and statewide initiatives in California. In each of these contexts, CAPACD provides immigrant communities with a forum to find their own voice.

Building Bridges between Communities

But what is the role of a race-specific organization such as CAPACD in the goal of building cross-racial identification and solidarity? Mutual assistance within specific ethnic communities is generally considered more likely to build the “bonding” form of social capital than the more transformative “bridging” form. “Asian Americans helping Asian Americans” may be a model for racial self-help, but not for broader change. More challenging are examples where stronger group identification can result in increased inter-group competition (e.g., redrawing of the districts of elected officials to favor one ethnic group or another). Would the strengthening of a national formation of an Asian and Pacific-Islander coalition undermine the aim of establishing a more universal identity?

Putnam himself offers part of an answer to this question. He notes the value of organizations based in immigrant communities that engage members. “Ethnically-defined social groups (such as the Sons of Norway or the Knights of Columbus or Jewish immigrant aid societies) were important initial steps toward immigrant civic engagement a century ago,” Putnam writes. “Bonding social

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LTSC's collaborative approach has built goodwill and fostered partnerships.

capital can thus be a prelude to bridging social capital, rather than precluding it.”¹³

In Putnam's view, bringing immigrant communities into the civic dialogue, even dialogues organized by ethnicity, can be a necessary step toward building a more perfect union.

Organizing Asian immigrant, Native Hawaiian, and Pacific-Islander communities in particular may demand the development of values and tools that foster bonding and bridging social capital in the context of great internal diversity. As has often been noted, “Asian-Pacific Americans” as a racial classification is more a political concept than a culturally or historically rooted identity.¹⁴ Consequently, CAPACD's membership includes organizations that collectively cover a dozen languages and are rooted in the experience of immigrants from the breadth of Asia and across the Pacific to Guam, as well as Native Hawaiians. Within our members' lifetimes and personal experience, wars were fought and atrocities committed in the name of ethnic and religious identities contained within the definition of “Asian-Pacific Americans.”

Given these sometimes harsh histories and experiences, sharing knowledge or resources among CAPACD members requires overcoming significant ethnic and cultural differences to build trust and a common agenda. Neighborhood and community projects offer one setting for diverse populations to work through those differences and to build trust based on shared aspirations.

An example of such bridge building is the work of one of CAPACD's founding members, Little Tokyo Service Center (LTSC), based in Los Angeles's historic Japantown. In the course of developing housing and community space in Japantown, LTSC cultivated real estate development expertise and a solid track record. Then, with the support of CAPACD, LTSC obtained a start-up grant to provide technical assistance to other community-based organizations. LTSC then partnered with organizations with roots in the city's Chinatown, Thaitown, Koreatown, and Filipino community to build affordable housing in other neighborhoods. Most recently, LTSC has begun to provide technical assistance to organizations in

the predominantly Latino East Los Angeles area and another based in the African-American community of South Los Angeles.

A differentiating element of LTSC's approach toward technical assistance is that the organization trains staff of its partner organizations and shares the development fees from the projects. This collaborative approach has built goodwill and fostered partnerships for other joint activities, such as a multiethnic small-business support program. Through such partnerships between LTSC and community-based organizations, more than 400 units of affordable housing in nine neighborhoods have been built or are in the process of being constructed.

Finding Shared Values

CAPACD members have gained more experience with cross-racial and multiethnic projects to build not only housing but also community facilities to provide direct services and to engage in shared advocacy. Recently, CAPACD partnered with the National Council of La Raza and the National Urban League to expand foreclosure prevention outreach and counseling. As a result of this shared work, CAPACD has organically developed a sense of shared values and aspirations.

A recent initial survey of CAPACD members indicates the potential and support for growing cross-racial and multiethnic collaborations. The survey asked directors and staff of a dozen member organizations in California to rank priorities for CAPACD's future work. The organizations surveyed included agencies that historically served Chinese, Japanese, Filipino, Thai, Korean, Vietnamese, and Hmong immigrant communities.

The survey found that, after addressing concerns about organizational resources, among a field of 36 options, respondents indicated broad support for three substantive priorities, which are quoted here verbatim: (1) “help develop the next generation of API (Asian and Pacific Islander) community development leaders;” (2) “connect newer organizations in underserved communities with more experienced groups for support and technical assistance”; and (3) “build alliances with other communities of color to create more

inclusive housing and community development policies.” The second and third priorities reflect strong support for the kinds of “bridge building” activities proposed by Putnam and others. Arguably the first priority does as well, because within the Asian-American community, younger leaders come increasingly from formerly underrepresented communities.

The aforementioned survey offers only an initial indication of interest. But even if the results indicate only a kernel of support for bridge-building efforts, the experience of CAPACD’s members suggests that there are promising opportunities to grow cross-ethnic and cross-racial collaboration within immigrant-serving community development organizations.

Even if there is the desire to build partnerships, few paths exist to do so. Too few community development programs affirmatively support community-building collaborations. Indeed, the goal of community building has largely dropped off the agenda. Affordable-housing programs increasingly favor larger “plain vanilla” projects rather than smaller projects that are scaled to address community-based initiatives. Community planning processes that could foster engagement have been devalued. In the zero-sum struggle for funding, programs such as the Community Development Block Grant often instill competition and a turf-war mentality rather than collaboration among communities at the local level.

Today, after helping to ease the conflict in his high school, Xu Lin, who is now attending college, works for a founding member of CAPACD, Philadelphia Chinatown Development Corporation, as a youth organizer. “Too many youth drop out or join gangs to protect themselves,” he says. “We need to do more to help them learn the skills to make things change.”

The struggle of low-income immigrant communities to gain a foothold and overcome treatment as “outsiders” is a critical first step toward creating the ideal of an inclusive community. In this unique historical moment, building social networks to include those efforts in a larger cross-racial dialogue could be a lasting legacy of our collective efforts.

ENDNOTES

1. The Department of Homeland Security, *Yearbook of Immigration Statistics*, Table 2, 2008. For the sake of brevity, this article considers refugees together with immigrants, although a more thorough discussion would distinguish between the two.
2. Jeffrey S. Passel and D’Vera Cohn, *A Portrait of Unauthorized Immigrants in the United States*, Pew Hispanic Center, 2009.
3. The Pacific-Islander American population is also expected to increase over the same period, although less as a result of immigration given that many Pacific-Islander Americans are citizens by birth.
4. Margery Austin Turner and Stephen L. Ross, *Discrimination in Metropolitan Housing Markets: Phase 2. Asians and Pacific Islanders*, the Urban Institute, 2003 (the national survey finds significant rates of discrimination against Asians and Pacific Islanders in housing markets).
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6. For additional discussion of unmet Asian immigrant needs, see the Urban Institute, *Building Capacity: The Challenges and Opportunities of Asian Pacific American Community Development*, 2000, 1.
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8. Robert Putnam, “E Pluribus Unum: Diversity and Community in the Twenty-First Century,” *Scandinavian Political Studies*, vol. 30, no. 2, 2007, 1371–74.
9. *Ibid.*, p. 151.
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Youth Leadership: The Engine of Immigrant Civic Participation

by Mari Ryono

ACCORDING TO PEW RESEARCH CENTER estimates, in 2008, young voters between the ages of 18 and 29 made up 18 percent of the electorate. Young leaders were key foot soldiers for partisan and nonpartisan civic engagement campaigns across the country. In several 2008 elections, Latino and immigrant voters were viewed as having made the decisive difference and thus have been taken more seriously than previously. So how should we understand the intersection of these two much-discussed groups? What role did immigrant youth play in civic engagement efforts in 2008 and what lessons do their efforts provide for how nonprofits can successfully engage immigrant youth during and between elections?

In 2008, one theme shared by immigrant organizations across the country was the pivotal role of immigrant youth in linking their communities to the mainstream U.S. political process. This article explores the role of immigrant youth in civic engagement from the point of view of four nationally recognized nonprofit organizations.

Youth As a Crucial Bridge for Immigrant Civic Engagement

According to the Center for Immigration Studies, immigrants account for one in eight U.S. residents; and according to U.S. Citizenship and Immigration Services, in 2008 more than 1 million immigrants became new citizens. But the country's newest citizens face many barriers to full participation in voting and broader civic engagement activities, including a lack of understanding of the U.S. political process, language barriers, discrimination, workplace exploitation, and poverty.

In 2008 immigrant youth emerged as the engine for many immigrant civic engagement initiatives across the country. As one looks closely at those who made phone calls, walked through precincts, and participated actively in immigrant communities with multiple ethnicities, the hard work of immigrant youth abounds. Their bilingual/multilingual and multicultural capacities allowed immigrant youth to reach out to young and older immigrant voters and eligible U.S.-born children of immigrants. The following stories of four organizations share best practices

in how nonprofit organizations can effectively engage immigrant youth in voting and the political process.

Deep Education: NAKASEC Best Practices

In 1994 the National Korean American Services and Education Consortium (NAKASEC) was founded to empower and improve the lives of Korean Americans in the goal of building a national movement for social change. Two of its key programs include the Immigrant Rights Project and Civic Engagement and Voter Empowerment Project. In February 2009, NAKASEC—along with nonprofit organizations and allies across the country—played an instrumental role in winning the renewal of the State Children's Health Insurance Program (or SCHIP), including for immigrant children.

For more than a decade, NAKASEC affiliate organizations in Los Angeles and Chicago have led multifaceted nonpartisan voter engagement initiatives. One distinguishing feature of the organization's model is the holistic empowerment approach; it works with Korean Americans at every level to learn about the political process, become citizens, register to vote, learn about ballot measures, vote, assist in exit polling, engage their elected officials, and become year-round civic leaders. "One of NAKASEC's top priorities for 2008," notes HyunJoo Lee, NAKASEC's national organizing coordinator,

was that our members and youth leaders understood the political process and the mechanics of the system, always from the perspective of immigrant communities. A significant achievement was producing a bilingual guide to civic engagement for our communities. It included sections on how government works, the federal budget, voting rights in the United States, the mechanics of voting, the specific steps in

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In 2008, immigrant youth played a pivotal role in linking their communities to the mainstream political process.

In NAKASEC's view,
"deep education"
is key.

the U.S. presidential election, and campaign finance laws.

In NAKASEC's view, "deep education" is key, particularly with immigrant youth whose parents may be unfamiliar with the U.S. political process. "Beyond tools and educational sessions, we also did things such as pairing youth volunteers with veteran older leaders who could share their experiences precinct walking, phone banking, and fielding tough questions from our constituency," Lee says. "Our youth volunteers were our most passionate. Given the education we did on the political process and the connections we made with our issue campaigns, our 2008 youth civic leaders are continuing as critical public-policy advocates." Whether nonprofit organizations want to lead voter engagement programs or increase their constituencies' civic awareness, NAKASEC offers lessons for educating immigrant youth leaders.

Putting an Immigrant Community on the Map: VAYLA-NO's Best Practices

The Vietnamese American Young Leaders Association of New Orleans (VAYLA-NO) is a youth-led, youth organizing and development, and community-based organization in New Orleans. It is dedicated to the empowerment of Vietnamese American and underrepresented youth through services, cultural enrichment, and social change. In 2006, on the heels of Hurricane Katrina, young community leaders founded VAYLA-NO to create a voice and address the needs of the local community. Committed to youth development, community empowerment, higher education, and cultural awareness, VAYLA-NO is composed of young leaders and high-school and college students who want to empower others educationally, mentally, physically, and spiritually.

"Vietnamese Americans were one of the first communities to move back to New Orleans following Hurricane Katrina," says Minh Nguyen, the executive director of VAYLA-NO.

There were plans to build a landfill in our community, and we knew we had to get engaged to stop that. Young leaders play a critical role

in our community because they are bilingual. Since 2006, our young leaders have registered voters, become poll monitors and poll commissioners, and ensured that New Orleans Vietnamese American voters took to the polls. Young leaders succeeded in translating the voter registration form into Vietnamese, which is now being used in several counties in Louisiana. We faced some challenges when some established older leadership did not want to recognize the young leaders, but through intentional relationship building and dialogue, we've been able to build more understanding. One successful message is that "we are the future." Our elders will not be able to lead forever, and we need to ensure that the next generation is trained and effective.

The Vietnamese community is being heard more than ever before in New Orleans. Congressional and city council members now listen to us and attend our meetings. The civic engagement leadership of young Vietnamese-American leaders was critical to this change in recognition.

A member of the Vietnamese American community in southern Louisiana, Anh Joseph Cao even ran and successfully won a seat in the U.S. House of Representatives, becoming the first Vietnamese American congressperson in the United States.

Connecting Indigenous Leaders with Nonprofit Organizations: ICIRR Best Practices

The Illinois Coalition for Immigrant and Refugee Rights (ICIRR) is dedicated to promoting the rights of immigrants and refugees to full and equal participation in the cultural, social, and political life of society. In partnership with its member organizations, ICIRR educates and organizes immigrant and refugee communities to assert their rights; promotes citizenship and civic participation; monitors, analyzes, and advocates for immigrant-related issues; and informs the general public about immigrant and refugee contributions. As part of the New Americans Democracy Project (NADP), ICIRR ran the New Americans Vote 2008 campaign to register and

turn out the vote of immigrants. The organization's efforts represent an integrated campaign to increase civic participation through voting, citizenship, and volunteerism to build power within the immigrant community.

"Youth were the most important component of our electoral program in 2008," says Juan Jose Gonzalez of ICIRR's NADP. Homegrown talent was the theme.

In the past, we had brought in youth from outside our community, but we quickly realized that they were not effective. We had 20 NADP fellows in 2008. They were placed in both social-service as well as community-organizing nonprofit organizations. Since these fellows came from immigrant communities, were personally affected by the issues ICIRR works, and had a deep commitment to social justice, they were highly effective.

We trained these 20 fellows and allies across the country in our 2008 boot camp. The Democracy Project Fellows model increased the capacity of nonprofits in Illinois in a way that would never have been possible otherwise. Even more rewarding is that many of these fellows were hired as permanent staff by their 2008 host nonprofit organizations.

Youth Leaders Turned Electoral Leaders: CHIRLA Best Practices

Formed in 1986, the Coalition for Humane Immigrant Rights of Los Angeles (CHIRLA) advances the human and civil rights of immigrants and refugees in Los Angeles; promotes harmonious multiethnic and multiracial human relations; and, through coalition-building advocacy and other efforts, empowers immigrants and their allies to build a more just society.

In 2008, CHIRLA contacted a total of 8,611 through phone banking and door knocking and tens of thousands more through its media campaign. "Our youth leaders were the driving force of our civic engagement programs," says Horacio Arroyo, CHIRLA's regional organizer and civic engagement coordinator. In 2008, CHIRLA worked with the Wise Up program that consists of youth

clubs at eight local high-school campuses and coordinated with the California Dream Network college and university campuses.

"Our immigrant youth were fueled twice as much to get out the vote in 2008," Arroyo says.

They were not only passionate about such issues as access to college for undocumented immigrants, but they were also motivated to change the conditions they saw their parents facing. We were proud that our civic engagement volunteers and leaders came from our base. We didn't organize high-school youth for 10 years to let them miss out on the historic 2008 elections. One of our best practices is that we developed our current grassroots youth leaders to be civic engagement leaders; they recruited volunteers, ran phone banks, and turned out voters by precinct walking.

This movement-building approach paid off. These youth leaders are now developing plans to engage local voters in our public-policy campaign and continue to recognize the importance of electoral-movement building as a key strategy to advance ongoing issues that affect youth. During and after Election Day, the students continue to get calls from other high schools who want to start Wise Up clubs on their campuses and have now added two additional high-school clubs for a total of 10.

Conclusion

In the 2008 elections, immigrant youth played a critical role in voter engagement efforts, and they continue to play a leadership role in their organizations. It is worth noting that the majority of the nonprofit staff members quoted in this article are themselves under 30 years old. Understanding the critical role of young immigrant leaders and gleaned lessons from organizations such as NAKASEC, VAYLA-NO, ICIRR, and CHIRLA offer insight for all nonprofit organizations on engaging immigrants and youth in the civic process.

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**"One of our best practices
is that we developed
our current grassroots
leaders to be civic
engagement leaders."**

**—Horatio Arroyo, regional
organizer, CHIRLA**

Undocumented but Undaunted:

Immigrant Youth at Work in the Nonprofit Sector

by Tam Tran and Prerna Lal

As undocumented immigrants, many young people can be derailed from pursuing their dreams.

NOE NEVER DOUBTED THAT HE WAS A U.S. citizen. Growing up in New Haven, Missouri, Noe was an exemplary student and athlete. He made the honor roll every semester, ran for the cross-country team, and was a member of the student council and the Future Business Leaders of America. The world was his oyster, and Noe seemed headed for success until he applied for the U.S. Marine Corps. When he went to enlist, U.S. Immigration and Customs Enforcement handcuffed and shackled his feet, informing Noe that he had used a Social Security number belonging to someone else. For the first time, it dawned on Noe that he might not be a U.S. citizen after all. He was indeed undocumented and had no memory of Mexico, a country he had left at the age of three.

Within the United States, 2.8 million undocumented youth can fall prey to this scenario. Every year, an estimated 65,000 students who graduate from high school lack legal citizenship. Many of

these graduates immigrated to the United States with their families at young ages. They grew up as Americans and, every morning in class, pledged allegiance to the U.S. flag. They learned about the country's ideas of freedom and liberty valued by the founding fathers. These young adults watched the same cartoons, listened to the same music, and fell for the same fashion trends as their American peers. And now they want to go college just like their friends. But as undocumented immigrants, many of these young people can be derailed from pursuing these dreams.

Status-quo U.S. immigration laws currently seek to deport award-winning young student artists like Meynardo Garcia,¹ keep aspiring artists such as "Moreno"² in the closet, render young adults with "legal" parents stateless, and close the doors of opportunity to countless others after high school simply because they do not have a nine-digit Social Security number and a green card. These immigrant youth were brought to the United States by their parents and have grown up American; they want to go to college and contribute to society but cannot because of their legal status. For most of them, the only way to adjust their status is through the DREAM Act.

First introduced in 2002, the bipartisan federal legislation known as the Development, Relief,

TAM TRAN is an undocumented student, organizer, and documentary filmmaker. She graduated from UCLA in 2006 where she was part of IDEAS, a support and advocacy group for undocumented students. **PRERNA LAL** is a postgraduate student and one of the founders and administrators of DreamActivist.org.



**The DREAM Act would
give undocumented
youth the right to
self-determination.**

and Education for Alien Minors (DREAM) Act would provide a path to legal residency for young people brought here as children who fulfill certain requirements, such as graduating from high school, attending college, or serving in the military and maintaining good moral character. The bill fell short by just eight votes of reaching cloture in 2007 but has since been revived—and with growing support.

Currently, many undocumented youth feel completely hopeless: assuming that going to college or joining the military are not even options because of the financial and legal obstacles involved. The DREAM Act would give undocumented youth the right to self-determination: to choose their futures. Giving DREAM Act students a path to citizenship would strengthen the immigrant-rights movement by legalizing a politicized, college-educated group of immigrants who have valuable skills to contribute to the fight for comprehensive immigration reform.

It has been three months since the reintroduction of the DREAM Act, and the legislation has accrued 22 cosponsors in the Senate,³ more than 70 in the House⁴ and a stream of endorsements from officials, including the president, the vice president, and the secretary of the Department of Homeland Security.⁵ Nontraditional sources of support have also come from labor and faith-based groups as well as big business.

Even Microsoft can see the benefits of undocumented students. “The DREAM Act reinforces and protects America’s substantial investments in the education of its youth, and ensures that America will reap the benefits of those investments,” wrote Fred Humphries, the managing director of U.S. government affairs at Microsoft in a letter to Democratic Senator Richard Durbin of Illinois and Republican Senator Richard Lugar of Indiana. “The DREAM Act rewards those who place high value on education, on hard work, and on service to country. Opening the door to the best intellectual resources our country can muster is essential to our future strength.”

Microsoft is not alone in recognizing the talent and potential of undocumented students; 18 other businesses in New York, including the News Corporation (owner of Fox Broadcasting), have endorsed the DREAM Act.

Students at the University of Florida; Wayne State University; the University of Washington; the University of Texas at Austin; the University of Michigan, Ann Arbor; Temple University; and other colleges throughout the United States have passed resolutions in favor of the DREAM Act. Presidents at Harvard, Stanford, the University of California, Berkeley, and other top universities have declared support for the legislation. Even city councils are not far behind, having passed resolutions in Philadelphia, New York, Los Angeles, and Oakland.

The Role of Nonprofits in Immigrant Employment and Integration

Given the grassroots energy and drive for the DREAM Act from nontraditional sources such as big business, where do nonprofit organizations fit into the equation of providing professional development and integrating immigrants?

In this article, we trace the lives of undocumented immigrant students who have worked in nonprofits to gain professional experience. Through advocacy work for the DREAM Act, these immigrant several undocumented students have become lifelong organizers and gained important skills that are beneficial to nonprofits by helping serve the needs of communities previously marginalized and underserved. Nonprofits have benefited from these relationships as well. With the economic downturn, escalating costs, diminishing resources, and increasing competition have created immense quandaries for the nonprofit sector. Nonprofit support for the DREAM Act and undocumented student advocacy ensure sustained civic and nonprofit sector participation from the immigrant community.

This year, before Tam began graduate school, she participated in a national program that provides internship opportunities to youth interested in working in the nonprofit sector. Tam spent a year at a labor-rights organization in downtown Los Angeles, where her responsibilities included working on issues that affect undocumented immigrant youth. Her activities included outreach to teachers, counselors, administrators, and students at the high-school and college level as well as educating community organizations about the growing population of undocumented immigrant youth and

the obstacles posed by illegal status. During her internship, Tam heard many stories from undocumented students. Many young immigrants recalled having discovered their undocumented status when inquiring about their Social Security number to their parents so that they could fill out their college applications, only to find out that they never had one and could not obtain one. While a Social Security number is not necessary to apply to college, undocumented students are discouraged to discover that they do not qualify for financial aid or loans, which does require one. And when these students realize that their legal status bars them from working to pay for their education or from obtaining a driver's license to commute to school, attending college seems nearly impossible. And without a way to legalize their status even when they do complete their degrees, the inability to make use of an education renders the whole idea of obtaining one pointless.

As a recent graduate from the University of California at Los Angeles, Tam didn't find it difficult to understand the challenges that these undocumented youth had experienced. As with the stories of many undocumented youth in America, Tam's immigration story begins with her parents. Her father escaped as a "boat person," the term given to the thousands who fled from Vietnam during the late 1970s. As it waited out at sea, her father's boat was rescued by a German ship. He later sponsored his wife's journey to Germany, and the couple began a family there. Tam and her brother spent their early years in Germany until 1989, when the family moved to the United States. That same year, her father's older sister obtained her U.S. citizenship to sponsor the journey of the rest of her siblings to America from Vietnam. Tam's father decided that the family should move to the United States to join the rest of the family. Upon arriving in the United States, Tam's family applied for political asylum. After waiting for 12 years, the courts denied their request. Because they were able to prove fear of persecution, the family was not ordered to Vietnam; instead the family was given a deportation order to Germany and had to leave within 30 days. But when Tam's father went to the German consulate to request passports, he was told that his family was ineligible for travel documents because they were

not German. Without a country to return to and after exhausting the process of legalization, Tam's family had run out of options. The family's only option was to continue to call the United States its home, even though it was not wanted there.

While Tam's family story has its own unique characteristics, the general narrative of immigrants getting trapped in the bureaucracy of our nation's broken immigration system is not. Many undocumented youth have similar experiences of navigating the process of getting an education and a job to give back to the community in which they grew up.

When she was six years old, Brenda immigrated to the United States from Jalisco, Mexico. She grew up in South Central Los Angeles and now lives in the Bay Area after completing her degree in architecture from the University of California, Berkeley. She currently volunteers at a bilingual school in the Bay Area, where she acts as the bookkeeper and administrative assistant, and her ability to speak Spanish and English makes her a unique asset. Previously, Brenda interned at another Bay Area nonprofit whose focus is economic development. During her college years, she was involved with a nonprofit that focuses on minority student issues. Brenda discovered that nonprofits were one type of institution in which she could successfully gain work experience.

As an undergraduate, Brenda heard about a Chicano-Latino co-op purchased by a think tank in Berkeley. After the purchase was made, students began living there. Brenda explained her situation to the think tank, and it offered her room and board in exchange for community-service hours. During her junior year, the company offered her an internship, and for the next three years, she conducted public-policy research for the think tank. Because she was a student, the company was able to compensate Brenda through scholarships for her work in her second and third years.

Brenda continues to gain work experience at nonprofits and the preparation to legally work in her field. For now, working as an architect is not possible because firms are adamant about checking an employee's legal work eligibility. As she waits for immigration reform that will enable her to adjust her status, she seeks a job that can give her more direct experience in the architecture

Without a country to return to and after exhausting the process of legalization, Tam's family had run out of options.

**U.S. laws contain
numerous contradictions
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field. Now 26, Brenda feels like time is passing her by. “I don’t really want to be in this place for more than six months,” she says. “I have more talents that can be put to better use. I want to pursue something more professional, something that’s more than just typing and answering phones. I need people that are willing to hire me.”

Brenda’s long-term goal is to start her own urban-planning company. She is working on a business plan to create a company in the Bay Area with a colleague from the University of California, Berkeley, who is a Chinese immigrant born in Brazil and is also undocumented. If the volunteer hours at various nonprofits in the Bay Area don’t seem to have an end in sight, Brenda hopes to somehow finance an MBA as the next step in pursuing her dream.

Because of the experiences of many undocumented youth, it is not surprising that many have become interested in giving back to their community. These young immigrants have dealt with cultural identity issues and have faced injustices in attempting to integrate into institutions such as universities. And many nonprofits have discovered a need for employees that are college-educated, have had direct experiences with and as immigrants, and have been politicized through their college years because of their immigration experience. Yet because of restrictions in hiring workers without legal status, neither nonprofits nor undocumented youth can truly exploit what should be a mutually beneficial relationship.

During Tam’s final year at the University of California, Los Angeles, she took documentary film classes after becoming interested in expressing her ideas through a visual medium. After graduation, her skills as a filmmaker conveniently became a way for her to make a living. She began working side jobs, including filming events and making wedding videos. The organization with which she interned in downtown Los Angeles also hired her as an independent contractor to make a video about the organization. Through the filmmaking network in Los Angeles, she discovered that many filmmakers made a living as independent contractors independent of their citizenship status.

Immigrants in Limbo

U.S. laws contain numerous contradictions in their

treatment of immigrants. Certain institutions are open to undocumented immigrants, and others are available as long as immigrants pay into a system but lack access to the rights, which is essentially taxation without representation. Undocumented immigrants, for example, can pay taxes through an Individual Tax Identification Number (ITIN).⁶ Undocumented immigrants obtain this nine-digit number not through the Social Security Administration but through the Internal Revenue Service. While an ITIN allows immigrants to pay taxes, the card states that an ITIN is not to be used to gain employment legally. Yet how else—if not through a job—would someone pay taxes?

At the age of 16, Prerna was set to follow the Indian stereotype of becoming a computer engineer. She signed up for forensics through the Bay Area Urban Debate League. As a relative newcomer to the country, she learned speech and debate alongside other disadvantaged minorities, which gave her greater insight into U.S. history and the social injustices around her. Buoyed by the program, Prerna increasingly took an active role in civil-rights issues, landing her squarely in public-interest organizations.

In her final year of high school, her non-immigrant student visa extension was rejected by U.S. Citizenship and Immigration Services because her petition for permanent residency (I-130, or green card status) was pending, and she was rendered “illegal.” She could not drive, work legally, or establish credit, and she was not allowed to leave the United States. And because she was queer, marrying her partner would not guarantee legal residence. Immigration attorneys and counselors claimed she could obtain permanent residency through her parents, but because of massive administrative backlogs, she was denied permanent residency under the same petition that had been used as an excuse to reject her student visa extension. Spurred by these injustices, Prerna became the first member of her family to pursue a career in public interest.

Throughout college, Prerna could not work legally for pay, but that never prevented her from volunteering. She worked as a policy debate coach for the Bay Area Urban Debate League, served in student government, and organized marches and

rallies for various issues. Because of the stigma of being undocumented, she resisted public assistance—even when she broke her hand. At the time, she commuted two hours a day, including riding her bike 20 miles each day to volunteer for the National Lawyer's Guild Prison Law and American Civil Liberties Union's lesbian, gay, bisexual, and transgender Know Your Rights Project.

Graduate school was no different. She qualified for paid teaching-assistant positions but could not receive pay for her work. Again, this did not prevent her from volunteering her time and gaining experience. The pattern of not being compensated for her labor continued even after she earned her master's degree.

After the failure of the DREAM Act in 2007, Prerna was recruited by Brave New Films for its A Dream Deferred blogging endeavor and was even promised a stipend. The project failed to materialize. Undaunted, Prerna, along with several other undocumented students, went on to create DreamActivist, a resource and action network for undocumented students. The organizers funded the network out of their own pockets.

Since the introduction of the DREAM Act in 2001, undocumented youth have fought to pass the legislation. This year marks the 20th anniversary of Brenda's and Tam's arrivals in the United States. Until the act passes, Brenda, Tam, and Prerna will continue to defer their vocational dreams.

Because of the work of DreamActivist, the network has spread to more than 25 states in the past year. With more than 30,000 members participating in social networking sites such as Facebook, migrant youth have moved to the forefront of the debate. The students at DreamActivist are often invited to share their stories and expertise at panels across the country. Despite these successes and accolades, Prerna is still not compensated for her work as a systems administrator, programmer, and blogger for the United We DREAM coalition. And she continues to defer her dream of being an attorney because she has no way of paying for law school.

It is critical that undocumented labor is not exploited under the pretext that it is unlawful to compensate undocumented students for their work. Doing so serves only to perpetuate a cycle

of exploitation, a practice common throughout the history of immigration in this country. America wants and needs undocumented immigrants but is unwilling to pay them for the work they do.

These stories reveal the ingenuity, drive, and tenacity of undocumented immigrant youth. In some cases, these youth gain admission to college and even complete graduate school. But because they are prevented from gaining legal permanent residency or citizen status, these immigrants are thwarted in their personal achievements as well as their potential contributions to society. The lesson for the nonprofit sector isn't hard to discern. As a nation, we are squandering an important asset: the talent and energy of young immigrants, who through no fault of their own cannot realize their dreams because of the lack of a path for legal status. In the absence of comprehensive immigration reform, the DREAM Act appears to be a productive, popular, and pragmatic means of helping young immigrants realize their dreams.

ENDNOTES

1. "Deporting Our Picasso (Update on Meynardo Garcia)," A Dream Deferred blog (<http://adreamdeferred.org/blog/39659-deporting-our-picasso-update-on-meynardo-garcia>).
2. "Moreno—I Dream of Art" entry, DreamActivist Web site (<http://dreamactivist.org/our-stories/queer-undocumented-students-await-dream/moreno-i-dream-of-art/>).
3. DREAM Act of 2009 as introduced in the Senate, S. 729, the Library of Congress (<http://thomas.loc.gov/cgi-bin/query/z?c111:S.729>).
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As a nation, we are squandering an important asset: the talent and energy of young immigrants.

Immigration and Philanthropy: A Conversation with Geri Mannion and Taryn Higashi

by Joyce Baldwin

"[Donors] see our
overall work as
promoting justice
and fairness."

—Taryn Higashi,
cofounder, Four
Feedoms Fund

Editors' note: Joyce Baldwin recently interviewed Geri Mannion and Taryn Higashi, the cofounders of Four Freedoms Fund. In 2003, Mannion, the program director of the U.S. Democracy and Special Opportunities Fund at Carnegie Corporation of New York, and Higashi, then the executive director of Unbound Philanthropy, joined forces to launch Four Freedoms Fund (FFF), a funding collaborative housed at Public Interest Projects.

Five years later, the collaborative has provided \$25 million to support 85 grassroots efforts in 33 states and has developed a unique collaborative working style that maximizes funders' ability to support local and state efforts that are connected to a national campaign, all aimed at helping immigrants become citizens and actively participate in our democracy. In the following interview, Mannion and Higashi discuss the work of FFF, some of the lessons learned from the collaborative approach, and goals for the future.

Joyce Baldwin: What is the core intention of Four Freedoms Fund?

Taryn Higashi: The foundations that are investing in immigrants and civic integration do so as part of their bigger mission. At Carnegie Corporation, the goal is strengthening U.S. democracy and civic participation for the whole country. For me, at Ford—and now at Unbound Philanthropy—it is to advance human rights and social justice for all communities. In fact, while all of the donors to FFF may come to

the collaborative fund because it relates to their foundation's specific program objectives, they see our overall work as promoting justice and fairness for everyone in the United States.

JB: How would you characterize philanthropic support for immigrant policy in the United States today?

TH: In the 15 years I've been involved in immigration-related grantmaking, there has been a great deal of growth in the amount of money going into the field, the number of foundations funding, and the expertise and collaboration among foundations, but there are still many gaps in geographic coverage and issue coverage.

Joyce Baldwin has written extensively about immigration issues for Carnegie Corporation of New York.

Geri Mannion: In the last decade, the demographic changes in the country, especially as immigrants migrate to new destination states in the South, Midwest, and West, have made it more imperative that funders—whether national or local—consider who the newcomers in their communities are and their needs.

In addition, since 9/11, with concerns about national security and increases in [racial] profiling, especially among Arab, Middle Eastern, and other people of color, there has been a need for philanthropy to provide support for many of the legal and advocacy groups that can help ensure that individual legal rights aren't abused. More recently, increased anti-immigrant rhetoric has motivated many legal residents to become naturalized citizens. Since 9/11, the naturalization process has also become much more complicated and expensive; applicants therefore need more help from legal and social-service groups in moving through that process, so there is an opportunity, especially in the new destination states, to provide English-language training, education in civics, and help with applying for naturalization. The opportunity to help immigrants integrate socially, politically, and economically is huge. Local foundations can play a central role in helping these newcomers and their families become American.

JB: *Why is this an opportune time for funders who are considering getting involved in this area to join in the effort?*

TH: It is a great time for new funders to get involved. A good deal of time and philanthropic money has already been spent on laying the groundwork and doing research to clarify goals—for example, to define what would comprise workable immigration policies at the federal level and effective integration policies at state and local levels—and to understand public opinion on these issues. Immigrant-serving organizations and networks have been created, and a few generations of leaders have emerged and built relationships with one another and have gone through several cycles of learning. Therefore, in almost any funding area of the immigration and civic

integration field that you invest in—immigration policy, immigrant education, immigrant health, immigrants and economic development, for example—new funders in this area are building on a strong base of knowledge and experience. In addition, there is an opportunity to share experiences and best practices with other funders that have done similar work.

Yet while much has been started, nothing is yet at scale, and the issues and context of the immigrant experience in the U.S. are constantly changing. That means there is a great deal of space for replication and refinement, building on the investments that have already been made. Plus, with the Obama administration, which is so international in focus and so welcoming and supportive of the diversity created by immigration, there is an opportunity for the immigrant integration and rights field to join in helping move policies in a wide number of issue areas that will benefit the larger public good.

From all accounts, the new administration will also tackle federal immigration reform in its first term. If successful, there will be more than 12 million immigrants and their families who will become eligible for legalization. This will be a huge opportunity to help them become full participants in our economy and community and to help these newcomers get on the path to citizenship.

JB: *How does FFF increase your funding ability?*

GM: FFF has a fabulous staff, and in many ways this is a very efficient method for large foundations to make grants in the states and at the local level. Our staff, headed by Magui Rubalcava Shulman, is highly experienced; all of the staff members have worked in civil rights, social justice, and/or in philanthropy. Public Interest Projects, which houses Four Freedoms Fund, also houses other funder collaboratives that work on social-justice issues, such as human rights and affirmative action. The staff of the other funding collaboratives can be called upon for expertise and help as needed. All of FFF's staff are exceptionally dedicated; they ensure that appropriate due diligence is conducted in reviewing proposals. They also

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**—Geri Mannion,
cofounder, FFF**

A Model Capacity-Building Program

When Taryn Higashi was at the Ford Foundation, she convinced the organization to invest more than \$3 million to make a commitment beyond its usual allocation to immigration and integration. This funding launched a capacity-building initiative at Four Freedoms Fund (FFF). "Monona Yin and I worked together at Ford to develop it," Higashi explains. "She was so committed to it that she joined FFF to run our capacity-building initiative, and it has been a huge success and very influential. Within Ford, other programs are looking at the model to replicate it and learn from it in their respective fields, and FFF has continued to raise money to expand and extend this initiative."

Key to the success of the program has been the willingness of nonprofits to self-assess. "They're very willing to share intimate details of what it means to run their organizations," Geri Mannion says. "Even though, in some respects, they would be rivals for the same amount of money, they realize that by doing this, all the leaders of nonprofits are learning together." In addition to meetings, all capacity-building participants take part in monthly phone calls, an especially important connection following the recession. They have also run recession management seminars, bringing in experts to talk to the groups.

The groups openly share details of their financial outlook, staffing issues, and what needs to be done for a nonpartisan civic engagement campaign. "It's a learning community," Mannion says. "They're able to bring in the Nonprofit Finance Fund, which Carnegie Corporation helped support, to provide tutoring and help them with their financial outcomes. It's been influential in helping them to get to the next level of institutional strength. We're trying to see whether we can raise additional funding for the capacity building that would allow them to continue to have these conversations and learn from each other and really grow their organizations."

Mannion notes that a funder collaborative is able to fund only if it raises money itself. "We always have to worry, especially with this recession, if we are going to be able to raise enough money to keep the programs going. If comprehensive immigration reform becomes a reality, and there is an ability to legalize folks, we want to be able to raise even more funds to help people through those next levels of legalization, naturalization, and integration."

work closely with the grantees so the funders are kept up to date about the progress and challenges.

JB: *How is a funder's relationship with grantees and other grantmaking organizations affected by its participation in FFF?*

TH: When we created FFF, there was some concern in the field that all the foundation money available to support work on immigration and civic integration would go through that fund and organizations would not have an opportunity to develop a direct relationship with Carnegie Corporation, Ford Foundation, and the other funders.

That has not been the case at all. FFF supports groups at the state level directly, which the large national funders could not do; most of the donors fund national groups working in this area directly; we see all of this as complementary. In addition, there was some concern that the larger funders would dominate the decision making. But the fund is made up of donors who are very respectful. Everyone's voice is heard; everyone has an equal vote, whether they represent one of the major foundations, such as Ford, or a small family foundation with regional focus, such as the Hagedorn Foundation in Long Island.

JB: *In what ways have you built the capacity of nonprofit groups that work to provide services to immigrants and advocate on behalf of them?*

GM: One of the striking features of FFF is the attention we give to building the capacity of our grantees. Under the direction of Monona Yin, FFF has crafted an amazing array of tools and support that nonprofits need to grow and be effective. Support has helped the larger, anchor immigrant coalitions to spend time together assessing the health of their organizations, sharing best practices, and having honest conversations about the challenges of their day-to-day work. The capacity-building program ensures they have access to technical assistance providers, such as the Nonprofit Finance Fund, to help them to understand the steps to financial health and for diversifying their funding base. Other groups, such as the Alliance for Justice, provide assistance and training to help with understanding the limits and the opportunities for undertaking advocacy, such as with nonpartisan voter engagement work and support for leadership development, including executive director coaching. Our grantees also get training in communications, e-advocacy and list building, nonpartisan voter engagement, etc. This kind of support has made a big difference, especially as [these groups] struggle to get through the recession. We are now planning to use webinars and other technologies to increase the number of grantees that can access these tools and supports [see "A Model Capacity-Building Program" at left].

JB: *Do you have an example of how funders learn from one another?*

TH: Darren Sandow of the Hagedorn Foundation, for example, helped us see that we needed to do much more to counter the racism and hate in the immigration debate. He works in a place where extremist nativist groups have been successful in distorting the immigration debate. Victims of hate crimes (and their families) have been irreparably damaged. A generation of young people in some areas of Long Island has grown up exposed to hate-based ideology; some teenagers have even been charged with hate crimes against Latino immigrants. Listening to Darren speak about the problems and the Hagedorn Foundation's attempts to fund solutions and then seeing how the extremist groups blocked efforts to reform local or federal immigration laws convinced me to invest more funds to expose and stem the hate. It's an intentional strategy.

GM: For me, because of my long experience in funding nonpartisan voter engagement work and my experience as former cochair of FCCP [Funders' Committee for Civic Participation], I was able to illustrate the importance of integrating civic engagement activities with the immigrant-rights focus. I was able to introduce funders in one area to another; now there's a lot of synergy and collaboration among the immigrant integration funders and the civic engagement funders. FCCP also works very closely with GCIR [Grantmakers Concerned with Immigrants and Refugees], which provides support and technical assistance to funders from the national to local level, and vice versa. We also have all learned about the importance of ensuring that strong communications and capacity-building strategies are part of any grantmaking strategy, regardless of goal or issue.

JB: *Are there other ways that working together collaboratively makes the whole bigger than its component parts?*

TH: FFF has allowed us to work on multiple fronts simultaneously. If we were just individual foundations working in isolation on immigration

and integration, we would replicate efforts, not be able to meet key needs promptly, and would need a tremendously long time to get to where we are now. Collaboration allows us to coordinate grantmaking across foundations and to work on multiple fronts simultaneously because we can use our understanding of how our different foundations have the staff, money, and capacity to do different things. When Carnegie Corporation organizes a meeting on religious leaders and immigration, for example, we all get invited and feel like we're part of that important alliance-building strategy. Even if our money isn't going to that particular project, it's something we've all agreed is a priority. And collectively, we get to move it forward.

GM: Each of our foundations has its own particular focus, as Taryn says. Together we really can think through our strategies and internal issues and say, "I'll support the policy development work; you support the enforcement." So we're able to move the money in a much more strategic way. It's not always perfect, but it is the best funder collaborative that I have been a part of. I also think it's been better for the immigrant-serving grantee community. Together, we have been much more able to cover the needs in a large number of states; we have also ensured that our collective grantees working at the national level (which we predominantly fund directly) are connected to our grantees in the field, and vice versa. This has led, with some fits and starts, to a much more coordinated and effective grantee cohort—or at least we think so.

JB: *Would you elaborate on that?*

GM: Taryn and I have worked well together for more than 10 years, so we had that familiarity. We had been working closely together before 9/11, and then after that tragedy and what occurred afterward related to immigrant rights, we saw how we needed to act much more proactively, more quickly, and in a more constructive way given that there was so much to do and there was so much need. We were also interested in supporting Muslim and Arab communities who were really feeling the impact of the security policies put in place after 9/11. We saw

"Collaboration allows us to coordinate grantmaking across foundations and to work on multiple fronts."

—Taryn Higashi

"We are constantly trying to figure out how to raise additional funds to meet emerging needs."

—Geri Mannion

the real urgency to do something as funders in a much different way, and we've set up an ethos at FFF that is very much about being strategic, efficient, and supportive of the grantee cohort but, at the same time, ensuring our foundations' grant funds are spent effectively and efficiently.

JB: *What about work with non-immigrant allies, such as groups that are concerned with social justice issues but not necessarily with immigration issues?*

TH: That's an important new direction. Some of us are investing more money in work focused on non-immigrant allies. We all want to do more informed and useful grantmaking to bring immigrant communities and advocates into the broader movements for social justice. One of the most promising efforts that FFF has helped to develop is the nascent Welcoming America campaign, where community organizers and other advocates concentrate on getting to know long-term residents in a town and bring them together with new immigrants so that they can build relationships and identify shared concerns and interests. The campaigns, now in 14 states, work to encourage community problem solving. We also have invested in alliance building between the immigrant communities and traditional civil-rights groups, among others.

JB: *What new directions is FFF pursuing?*

GM: We are constantly trying to figure out how to raise additional funds to meet emerging needs. One of the new thrusts is to learn more about how to invest well in new-destination communities—such as in the South and parts of the West and Midwest. Those communities have changed enormously over the past decade; there have been stresses in areas such as interethnic/racial relations, on social services, and in the schools. We need to see how we can invest in those states, but in a way that leverages funds already in place. We really want to partner with local and/or state funders in mapping these possible new funding directions. And obviously with the recession, we may have fewer funds to invest, so we are trying to be sure we fund in new places responsibly.

JB: *As the immigration issue evolves, what are other upcoming issues that need to be addressed?*

TH: Regardless of outcome of the national immigration reform debate, there is strong consensus that (1) immigration enforcement is here to stay and (2) the immigrant rights field faces opportunities and challenges in influencing the policies and practices of immigration enforcement to ensure that they are fair, proportional, and humane as well as in compliance with civil rights, human rights, and constitutional protections. Through GCIR, FFF, and the U.S. Human Rights Fund, we can connect those interested in these issues with organizations and model programs they could emulate or, if they are a funder, to support and/or replicate. GCIR especially is incredibly helpful in talking to new funders about how to support this work; they have a wide range of resources available on their Web site that will help both funders and nonprofits to see what already is in place in more established gateways (www.gcir.org). Other issues that require more attention are the need to reform immigration policy with sensitivity to the unique situation of women, uniting them with their families and keeping them safe; treating fairly immigrants who are facing criminal charges; and ending discrimination in immigration law that negatively impacts gay, lesbian, bisexual, transgender, and HIV-positive people. It is necessary to develop effective communications and public education about the most complex immigration issues and about the necessity of protecting civil, human, and constitutional rights of all immigrants at all stages of the immigration enforcement process.

GM: There is also a huge need in new-destination communities for even simple programs like English-language tutoring and ensuring people are protected as workers by being paid properly and having safe work environments. Issues that traditionally have been addressed by social-service providers also need attention. That includes spousal abuse; many immigrant women do not feel comfortable coming forward about abuse because of their immigration status. In the wake of raids, there is also a growing need for a network of social agencies and others to respond to issues,

such as what happens to children separated from their parents in the aftermath of a raid and how families get basic services, such as shelter and food and appropriate legal help.

There is also a great need to support advocacy groups that can educate policymakers at all levels about issues impacting immigrants. And it is important to encourage alliance building so that local leaders feel comfortable about speaking out in support of immigrants. There is also just a lot of plain misinformation about immigrants. The majority of immigrants without legal status want to become legal; but unless there is what is commonly known as comprehensive immigration reform, they can't fix their status even if they marry an American citizen, have American-born children, or pay for the best lawyers. There is nothing they can do until the law changes. They will continue to live in fear, in the shadows, unable to contribute economically or civically to their communities. There are many entry points for funders who have not worked on these issues. Regardless of what issues they are working on in their communities, they need to take into account whether the demographics of their communities have changed in the last 10 years and whether they are addressing these changes and the community needs.

TH: Another underfunded area that is absolutely critical is providing legal services for immigrants, in immigration and other civil-law proceedings—and also funding advocacy to give judges the ability to exercise discretion in deciding immigration cases. This is an area where there is positive, forward momentum, and corporations, law firms, and judges are involved. There is also foundation leadership that has piloted innovative projects to increase the availability, quality, and cost efficiency of providing legal services to immigrants.

JB: *Does the work of FFF help strengthen and energize our democracy?*

GM: This is an opportunity to work on an important national issue that impacts every sector of society. And it is something our nation has done all through its history. Just as the nation overcame

The Freedom from Fear Prize

In 2009 the Council on Foundations awarded Geri Mannion and Taryn Higashi the prestigious Robert W. Scrivner Award for Creative Grantmaking for their work in founding Four Freedoms Fund. With the \$10,000 that accompanies the award, they have established the Freedom from Fear Prize. The prize will honor individuals who in their everyday lives “commit extraordinary acts of courage in defense of immigrant and refugee rights.” Contributions can be made by logging on to the Public Interest Projects Web site (www.publicinterestprojects.org). The W.K. Kellogg Foundation and the founders of Unbound Philanthropy have made commitments to match funds raised for the prize.

“Data shows that helping immigrants become legal and productive citizens is a plus for the nation.”

—Geri Mannion

xenophobia and anti-Catholicism at the turn of the 20th century, as the Irish, Italian, Poles, and other Europeans were immigrating to the U.S., and addressed the racism of the Chinese Exclusion Act, we will also help this current wave of immigrants to settle and integrate into our communities.

And if we want to make sure people are integrated fully—economically, socially and politically—then this is an issue that all nonprofits and funders need to consider. As leaders in philanthropy, we should be thinking of advocating for immigrants as one of the important public issues of the day because it is a necessary component of making our nation live up to its best intentions and to its best values. Data shows that helping immigrants become legal and productive citizens is a plus for the nation. They will contribute economically, pay taxes, and increase workers' rights so all workers will have protections and not be exploited. Not having a cohort of workers who live in the shadows will also raise wages for *all* workers. Good immigrant integration policies and comprehensive immigration reform generally offers a tremendous number of benefits for the country as a whole.

For more information on Four Freedoms Fund and its funders, see www.fourfreedomsfund.org.

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Supporting Immigrant Youth: Removing Obstacles and Building on Strengths

by Cynthia García Coll and Flannery Patton

Immigrant-heritage children and adolescents are the fastest-growing segment of the youth population in the United States.

AS NONPROFITS ACROSS THE COUNTRY tighten their budgets and try to meet growing community demands, there are surprising lessons to be learned from immigrant communities. Despite stereotypes to the contrary, immigrant children and adolescents have shown astonishing resilience in outcomes despite their low levels of traditional networks and support (i.e., low family socioeconomic status, low English-language proficiency, and low levels of parent education). It is clear that to succeed against the odds, immigrant youth have tapped into distinct community resources.

While ethnic-based organizations make up a relatively small segment of the nonprofit community, one would be hard-pressed to find a nonprofit that does not work with or on issues relevant to immigrant youth. Nonprofits fill various integral roles within immigrant communities—from educational institutions to civil-rights and advocacy groups, from arts and cultural-heritage organizations to religious charities. The success stories of

immigrant youth have vast implications for how nonprofits can better capitalize on communities to foster success among American youth.

Currently, immigrant-heritage children and adolescents—who are foreign born themselves or U.S.-born to foreign-born parents—are the fastest-growing segment of the youth population in the United States. Frequently, nonprofits view immigrant populations as accumulations of deficits, but for immigrant youth, nonprofits should also see the assets that can be built on and developed. In this article, we raise these questions for nonprofits concerned about immigrant youth:

- Which strengths do immigrant youth demonstrate in schools and in their communities?
- What are the institutional and contextual supports that foster this success?
- Which nonprofit programs and practices are most effective in fostering success among immigrant youth?

As nonprofits across the United States set out to reexamine organizational priorities and as they restructure programs to adapt to shifting budgets and community demands, there has never been a better time for the research community and the nonprofit sector to share knowledge and ideas concerning this significant population of American youth.

So what do we know about this demographic?

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Despite being more likely to grow up in low-socioeconomic status families, immigrant youth show positive outcomes in many areas of development.

Positive Trends in Youth Development

From recent research on immigrant youth, one of the most compelling trends is the *immigrant paradox*: despite being more likely to grow up in low-socioeconomic status families with little English proficiency and of having parents with low levels of education, immigrant youth show positive outcomes in many areas of development. But with each generation, outcomes *decline*; by the third generation the positive academic and behavioral outcomes frequently decline to the levels of their native-born, low-socioeconomic status peers.

Many immigrant adolescents initially perform at equal or higher levels in school than do their native-born peers (as measured by GPA and test scores). Again, these outcomes result despite the fact that their families are poorer and less acculturated. Even more striking are these young people's positive attitudes and behavior. Immigrant adolescents—who are more likely to attend some of the worst-performing schools in the nation—are more likely to report that they “like school,” that their “teachers are good,” and that “school is important to their future” than are native-born students.

In addition, immigrant adolescents are more likely to attend classes and spend substantial time on their homework than do their native-born peers. Moreover, research consistently shows that immigrant youth are significantly *less* likely to engage in risky and delinquent behavior than are their native-born peers. Specifically, immigrant adolescents and young adults are less likely to smoke, to use illegal substances, to binge drink, to engage in violent delinquency and property delinquency, or to be arrested or incarcerated than are their later-generation peers.

For a few reasons, these findings are useful for the nonprofit community. First, by furthering their understanding of resilient immigrant youth, nonprofits can contribute to a more positive perception of immigrant children and adolescents. Second, these findings have vast implications for the ways in which immigrant youth—despite many obstacles—have tapped into community and family resources to achieve success. By understanding how immigrant youth capitalize on resources to achieve success, institutions can prioritize programs and goals to more effectively

support positive development across immigrant generations. In short, there is something good happening in immigrant families; we need to learn from these examples so that as these children acculturate, these positive dynamics can continue.

Building Ethnic Community Capital

Several lines of research suggest that community capital plays a large role in the educational and behavioral trajectory of an immigrant child. Communities with tightly woven ethnic social networks and shared knowledge about school systems and opportunities for educational advancement are protective and catalyzing forces in the academic and behavioral development of immigrant youth.

Research suggests that community capital works in several ways. At the most basic level, when community members are well connected through local institutions and shared goals, they form a strong safety net for children and adolescents in the community. A strong social fabric better enables adults to monitor their children and reinforces family and community values throughout the community.

Recent ethnographic research on several Chinese immigrant communities provides an example of how this community capital operates. Brown University's conference on the immigrant paradox presented work on the ways in which Chinese immigrant parents band together to prepare children for each educational transition.¹ Parents share knowledge on the best school systems, the expectations of schools, and the necessary steps to advance within the American educational trajectory. They not only share knowledge about these systems but also extend the system through self-organized after-school and weekend enrichment programs, test preparation courses, and the organization of community-based scholarship funds. They receive support from community nonprofits such as the Chinatown Consolidated Benevolent Association and the Jinying (Zhongshan) Merchants Association Chinatown in Los Angeles.² These communities may not have many high-socioeconomic status households or easy access to high-performing community schools, but they gain a solid footing from understanding the routes and mechanisms

Immigrant Children in the United States: Paradoxical Findings

Several statistical indicators bear out the paradox of the conditions, challenges, and aptitude of today's immigrant children in the United States.

- Twenty-three percent of all children in the United States are children of immigrants, the fastest-growing component of the nation's child population.*
- According to research, 1.8 million undocumented young people are under the age of 18.**
- One out of every five children in the United States has an immigrant parent. A total of 18 percent of U.S. children speak a language other than English at home, and the number increases to 72 percent of children in immigrant families.[§]
- Forty-four percent of immigrant children are in households with parents who are English-language learners, and 16 percent are in households with parents who have mixed English-language skills rather than fluency in English.^{§§}
- The percentage of immigrant children with only English language—learner parents (by parents' country of origin): Mexico, 64 percent; Central America, 52 percent; Indochina, 53 percent; Somalia, 63 percent.
- Fifty-nine percent of immigrant children have at least one U.S. citizen parent (but 34 percent of children have parents who are English-language learners only).
- Seventy-seven percent of immigrant children have a parent who has lived in the United States for 10 or more years.

But in terms of various indicators, immigrant children show more positive developmental outcomes than do U.S.-born children.

- Twelve percent of immigrant children (79 percent foreign born) test positive on the Clinically Significant Behavior Programs scale), compared with 30 percent of other low-socioeconomic status minority children.[†]
- Forty percent of foreign born adolescents (of immigrant parents) are more

likely to have abstained from sex, alcohol, and illegal substances, compared with 23 percent of U.S.-born peers in native families.^{††}

- In a national study of postsecondary outcomes, both low-socioeconomic status Mexican young adults from immigrant families (62 percent) and low-socioeconomic status Chinese, Filipino, and Korean young adults from immigrant families (91 percent) were more likely to attend college than are low-socioeconomic status native-born whites (51 percent).[‡]

Endnotes

*Donald J. Hernandez, *Generational Patterns in the U.S.: American Community Survey and Other Sources*, paper presented at National Conference on Children & Adolescents from Immigrant Families, March 6–7, 2009 (www.brown.edu/Departments/Education/paradox/documents/Hernandez.pdf).

**William Perez, *Academic Resilience and Civic Engagement Patterns of Undocumented Latino Students*, 2009 (www.brown.edu/Departments/Education/paradox/documents/Perez.pdf).

[§]*Children of Immigrant Children*, the Future of Children Web page, October 5, 2004 (www.futureofchildren.org/newsletter2861/newsletter_show.htm?doc_id=241921).

^{§§}Donald J. Hernandez, *Generational Patterns in the U.S.*

[†]Cynthia García-Coll, Flannery Patton, Hillary Yang et al., *The Immigrant Paradox: Is Becoming American a Developmental Risk?* (www.brown.edu/Departments/Education/paradox/documents/GarciaColl.pdf).

^{††}Jon M. Hussey, Denise D. Hallfors, Martha W. Waller, et al., *Journal of Immigrant and Minority Health*, vol. 9, no. 2, April 2007 (www.springerlink.com/content/k1t3200585g77032/fulltext.html).

[‡]Lingxin Hao and Yingmi Ma, *Postsecondary Educational Paradox among Immigrant Youth: Patterns and Explanations* (<http://brown.edu/Departments/Education/paradox/documents/Hao.pdf>).

to higher education and a strong network of social ties within the community.

Community-based nonprofits have historically played—and continue to play—a large part in creating this kind of community capital. The following programs have been most effective.

Ethnic-based parent groups. The creation of community-planning groups, parent coalitions, parent information sessions about educational opportunities for children, and parent-organized tutoring and college preparation programs.

Community-based cultural-heritage programming. The development of cultural-heritage programming that is specific to ethnic groups

within the community. This includes festivals and fairs, language classes, cultural dance and performance groups, and publicly available cultural resource centers.

Continuing-education programs for parents. Research suggests that immigrant parents of school-age children who continue their education can better support their children through educational transitions. Programs that support parents in continuing their education—through information sessions, funding opportunities, and enrollment assistance—connect parents within the educational community and expand community knowledge surrounding the American

In a certain respect,
“becoming American”
places immigrant youth
at developmental risk.

educational system and higher education. At Dorcas Place—a community literacy nonprofit that works primarily with immigrant adults—programs such as Bridge to College provide immigrant parents with the financial incentive (e.g., a semester free at a community college) and assistance with admissions and financial aid to successfully reenter the educational system.³

Supporting Cultural Bonds

Among first-generation immigrant families, evidence suggests that less-acculturated children and adolescents show more positive outcomes than do more acculturated youth. In other words, children and adolescents who speak only English and who have been in the United States for a longer period of time indicate more negative outcomes across a variety of developmental areas. In a certain respect, “becoming American” places immigrant youth at developmental risk.

There is no one simple explanation for this finding, but it’s clear that immigrant youth do best when they share cultural resources and languages with their parents. It is natural that immigrant children and parents acculturate at different rates; attending U.S. schools facilitates a rapid learning curve in a child’s adaptation to American youth culture and attainment of English-language proficiency. While in many respects, this is an inevitable and positive process, the problem arises when children *lose* proficiency in their parents’ culture and language and *gain* a new cultural framework. The loss of a shared family cultural framework—and in many cases, a shared language—can create growing distance, misunderstanding, and conflicts between immigrant parents and their children. In an interview study of immigrant parents and their children in Rhode Island, many parents discussed their fears that they were losing a connection with their children or that their children had pushed away from them as they acculturated to American peer groups. Parents sensed that their children had become embarrassed by their parents’ language and culture because it made them stand out in school.

With growing distance and conflict in the parent-child dynamic, immigrant children and adolescents are at risk of losing access to a critical family-based resource: their parents’ strong

educational values and expectations. In national and regional data, high educational expectations among immigrant parents have been well documented. In our recently published volume *Immigrant Stories*, we discuss how immigrant parents of Cambodian, Dominican, and Portuguese backgrounds place a strong focus on the educational goals of their children. Parents of these heritages expect that their children will not only attend college but also enter fulfilling vocations as physicians, engineers, and lawyers, for example. This is best understood considering that many immigrant parents come to the United States with the educational goals of their children in mind. When immigrant parents and their children lose these shared values and successful routes of communication—primarily shared through maintaining fluency in the native language—this strong asset is diminished.

These findings support the creation of programming to aid youth not only in their adaptation to American classrooms and communities but also in forming strong and lasting connections to their family’s culture and language. Consider the following kinds of programs as positive support systems.

Parent-child English as a Second Language programs. Programs that offer simultaneous language classes for parents and their children promote a greater sense of collaboration and common ground within the language-learning process. An example of how such simultaneous programming might function is English for Action, a Rhode Island-based nonprofit that focuses on English skills as a means to civic and personal empowerment. At English for Action, parents participate in dynamic English-language classes while their children attend reading and writing courses in neighboring classrooms. English for Action also encourages community organizing through the inclusion of community projects (neighborhood watches, recycling campaigns, and so on) and civic engagement (e.g., lobbying for community issues) as part of the curriculum.⁴

Cultural awareness children’s programming. Ethnic-based out-of-school programs promote the maintenance of home language and cultural traditions and foster pride and a connection to cultural history and community

Table 1: Immigrant vs. U.S.-Born Children: Developmental Indicators

Immigrant Children	U.S.-Born Children
82% live in two-parent families	71% live in two-parent families
95% have a father who is employed	95% have a father who is employed
62% have a mother who is employed	75% have a mother who is employed
32% have a father who isn't a high-school graduate	9% have a father who isn't a high-school graduate
20% live in official poverty	15% live in official poverty
47% live 200% below the poverty line	33% live 200% below the poverty line
Among uninsured immigrant children, 45% have no regular source of medical care	Among uninsured U.S.-born children, 77% have no regular source of medical care
12% test positive on the Clinically Significant Behavior Programs scale	12% of middle-class white children and 30% of low-socioeconomic status minority children test positive on the Clinically Significant Behavior Programs scale
40% have abstained from sex, alcohol, and illegal substances	23% have abstained from sex, alcohol, and illegal substances

Sources: Donald J. Hernandez, *Generational Patterns in the U.S.*; Jon M. Hussey, Denise D. Hallfors, Martha W. Waller, et al., "Sexual Behavior and Drug Use Among Asian and Latino Adolescents: Association with Immigrant Status," *Journal of Immigrant and Minority Health*, vol. 9, no. 2, April 2007 (www.springerlink.com/content/k1t3200585g77032/fulltext.html); Cynthia García-Coll, Flannery Patton, Hillary Yang et al., *The Immigrant Paradox: Is Becoming American a Developmental Risk?* (www.brown.edu/Departments/Education/paradox/documents/GarciaColl.pdf); Sylvia Guendelman, Helen Halpin Schaffler, and Michelle Pearl, "Unfriendly Shores: How Immigrant Children Fare in the U.S. Health System," *Health Affairs*, vol. 20, no. 1, January/February 2001.

networks. These types of programs enable children to engage with their communities in novel ways and can open communication between older members of the neighborhood and youth. One example of this type of programming comes from work done in conjunction with the John Nicolas Brown Center. Local graduate students developed an oral history project in the largely Portuguese and Cape Verdean neighborhood of Fox Point in Providence, Rhode Island, where elementary and middle-school students interviewed longtime residents, photographed community landmarks, and created a community exhibit capturing the cultural history of the neighborhood.⁵

Encouraging bilingualism and biculturalism. We know that immigrant children and adolescents show the most positive outcomes when they are fluent and comfortable in their homes as well as in the mainstream language and culture. Programs and institutions should thus encourage and institutionalize biculturalism and bilingualism.

Encouraging Peer Groups

There is some evidence that regardless of the student demographics in the schools they attend, immigrant children are more likely to befriend other immigrant children than are later-generation immigrant-heritage students. This kind of self-segregation may be perceived as worrisome by preventing access to English language or

mainstream cultural resources. But according to research, as in the case of maintaining cultural bonds in the family, having a high percentage of co-generational friends is a strong support for immigrant youth and may partially explain the first generation's advantage in academic success.

Immigrant peers reinforce the educational focus of families and the high expectations for academic success and behavior stressed within immigrant families and communities. Co-generational peers provide a continuation of family values, whereas native youth can provide a contradiction. This is further evidenced by the fact that immigrant youth are more likely than native-born youth to report that their friends help them with homework or encourage them to do well in school. The protective effect of co-generational peers may be especially salient in underperforming schools, where the peer culture may devalue striving in school and where academically focused students may be ostracized by peers.

Youth programming is already a large component of many community-based nonprofits. There are a couple of ways to strengthen such programming to benefit immigrant youth.

Peer tutoring and ethnic-based educational programs. Connecting immigrant youth at each stage of schooling (at elementary, middle, and high-school levels) through educational programs and peer-to-peer tutoring fosters collaboration

Immigrant programs should encourage and institutionalize biculturalism and bilingualism.

There is now tremendous opportunity for the nonprofit sector to learn from immigrant communities.

and group investment in educational goals. It can also reinforce peer-to-peer educational supports within immigrant communities. The Greater Boston Chinese Cultural Organization provides a vast network of resources for Chinese Americans in the Boston metropolitan area, such as local after-school programs that combine Chinese language and cultural appreciation classes with tutoring in math, science, and English.⁶ These classes bring Chinese children and adolescents together in a cultural community as well as through shared educational goals, making it a powerful support for immigrant youth.

Ethnic-based leadership clubs. Membership and leadership are significant to positive adolescent development. This is especially true for immigrant youth, who—as they navigate between home and mainstream cultures and language—feel isolated in schools or their community. At the Brown University conference, William Perez of Claremont University noted the propensity of even undocumented Latino youth to be highly engaged in community-service activities that help other undocumented youth and that contribute to high levels of civic engagement.⁷

Capitalizing on Positive Trends

As financial resources are stretched in communities throughout the country, the need for effective nonprofit policy has never been more pressing. While the challenge is great, there is good reason to be hopeful when it comes to nonprofits' ability to continue to effectively support the successful trajectories of American youth. Research on resilient trends in immigrant youth populations confirms that financial resources are far from the only—or even the most important—resources in American communities.

There has never been a better or more necessary time for nonprofits to capitalize on the positive and protective processes already operating in American communities: the formation and maintenance of dense social ties, the transmission of community-held information between residents, the celebration and sharing of community heritage, and the reinforcement of positive, educationally focused youth networks.

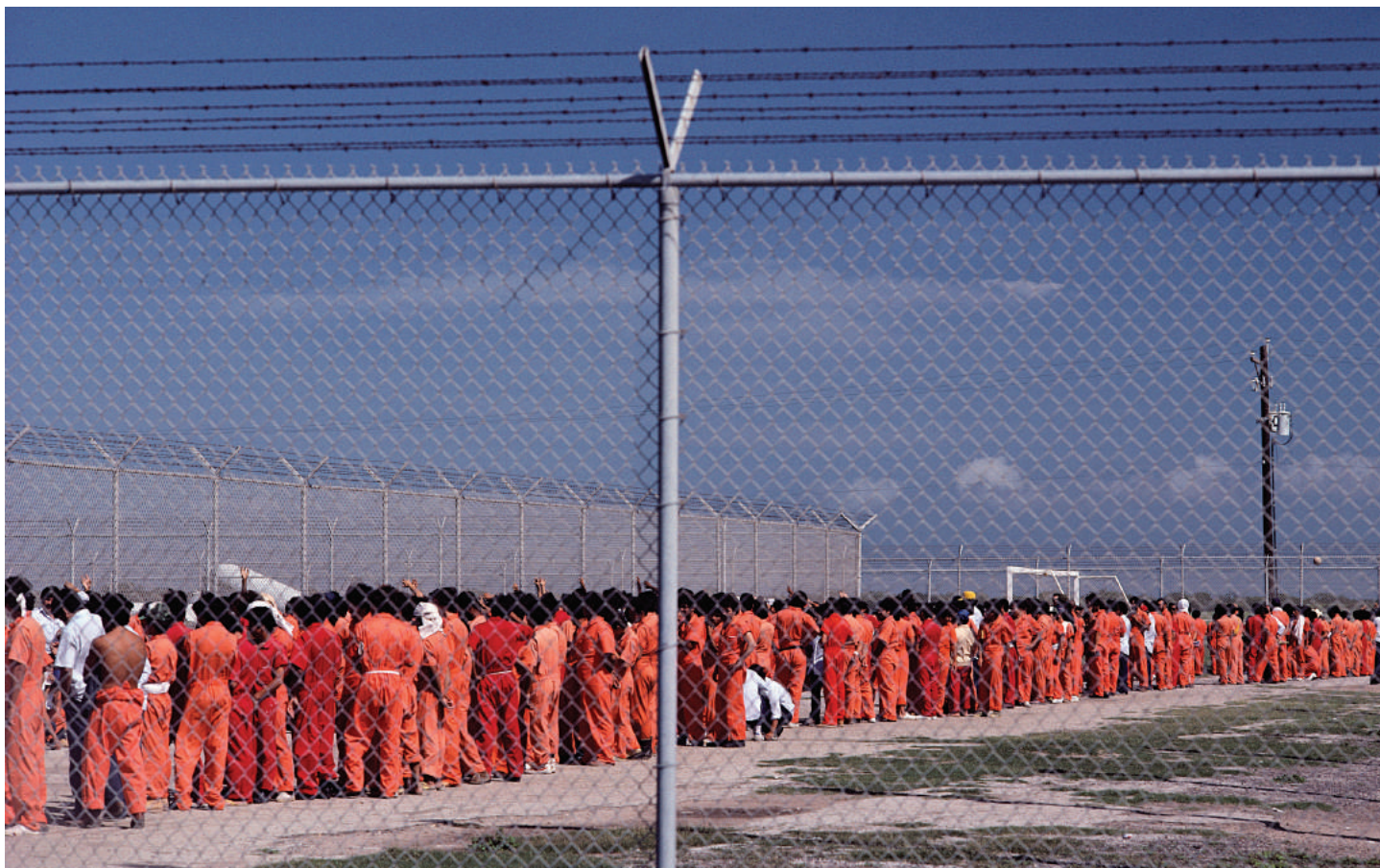
Highlighting the strengths of immigrant children and adolescents is not to ignore the

enormous obstacles that many immigrant children face; nor is it to ignore the immigrant children and adolescents who slip through the cracks of our schools and communities. While foreign-born youth are showing surprising resilience, the rapidly declining outcomes of their later-generation youth is certainly cause for concern. Rather, by focusing on resilience in immigrant youth, we not only affirm these youth as a positive and permanent addition to the United States but also better understand how to support each generation of immigrant youth. Nonprofits have historically played—and continue to play—an integral role in supporting immigrant communities and the lives of immigrant children and adolescents. There is now tremendous opportunity for the nonprofit community to learn from these communities. Together they offer a compelling model to cultivate resilience from economic hardship and optimism out of tremendous obstacles.

ENDNOTES

1. *The Immigrant Paradox in Education and Behavior: Is Becoming American a Developmental Risk?*, presentation delivered at A National Conference on Children & Adolescents from Immigrant Families, March 6–7, 2009 (www.brown.edu/Departments/Education/paradox/agenda/).
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Immigration Reform: Political Calculus *versus* Transformative Opportunity

by Eva Paterson, Claudia Peña, and Miguel Gavaldón

IN 2006 THE EQUAL JUSTICE SOCIETY (EJS), a national strategy group that heightens consciousness on race in the law and popular discourse, engaged the issue of immigration reform with this question: “Immigration and African Americans: conflict or common interest?” Our response has been “both” rather than “either/or.” But why should anyone other than immigrants care about immigration reform? The fact of the matter is, if you are an advocate for racial

or economic justice, you should care about immigrants’ rights. If you are an advocate for workers, women, children, lesbian, gay, and transgender groups, immigrants’ rights should matter to you.

EVA PATERSON, Esq., is the president and cofounder of the Equal Justice Society. **CLAUDIA PEÑA, Esq.**, is the Judge Constance Baker Motley Civil Rights Fellow at EJS. **MIGUEL GAVALDÓN** is the director of development at EJS.

EJS's platform falls
short of fully respecting
human rights.

Here's why.

While the Obama administration has promised immigration reform, President Barack Obama has thus far provided no evidence that his platform will look much different from the "comprehensive immigration reform"—known as the Comprehensive Immigration Reform Act of 2007—proposed during the George W. Bush administration, which failed to garner support from both right-wing nativists and leftist immigrants' rights advocates. But the draconian immigration enforcement provisions of the legislation survived nonetheless, further trampling civil rights and due process, with policies such as mass raids and deportation, family detention and racial profiling, and the undermining of rights for all workers.

In June 2009, several organizations largely in Washington, D.C., launched the Reform Immigration for America Campaign.¹ As with the Obama administration, these organizations appear to advocate a form of comprehensive immigration reform, which also does not differ much from the platform proposed during the Bush administration.

While the campaign's adeptness at political calculus (that is, what is perceived to be politically feasible) is clear, based on our review of the campaign's Web site and materials, EJS is concerned that this campaign may *not* advance progressive values. The campaign's platform falls short of fully respecting the human rights

of immigrants and does not adequately address the labor rights of immigrant and native-born workers.²

The Reform Immigration for America campaign has preemptively paved the way for legislation based on concessions to powerful corporations and appears to give up on the potential for immigration reform to become a powerful vehicle for alliance building with African Americans and other native-born communities of color as well as labor, socially conscious business entrepreneurs, and other constituencies.

Drawing on racial justice and civil-rights lenses, we offer two key principles regarding immigration reform that we hope the Obama administration and the Reform Immigration for America campaign will take into account: (1) the protection of workers' rights and (2) an end to draconian immigration enforcement.

Protect Workers' Rights

How often do we hear, "Immigrants take our jobs"? Then we hear people blaming immigrants for being willing to be paid less than domestic workers and to tolerate poor working conditions. Immigrants are simply doing what most of us do: trying to get by and ultimately thrive. It is the combination of policies surrounding immigrant labor, and the lack of enforcement of U.S. labor laws, that harms domestic workers.

One policy that creates significant problems for immigrant and native workers is the implementation of guest-worker programs, which comprehensive immigration reform proponents continue to support. Guest-worker programs provide permits for temporary workers without affording the additional benefits normally granted to immigrants (i.e., family reunification, access to social services, and a path to citizenship). Guest-worker programs have been likened to indentured servitude because they tie employment access and legal status to a particular employer.

In temporary-worker programs, employer abuses are common and widespread. These programs only provide U.S. corporations with a steady stream of vulnerable and disposable workers who have no right to unionize, demand



fair working conditions, or gain access to affordable legal representation. Because guest workers are unfamiliar with U.S. labor law—and thus vulnerable to exploitation—employers take advantage of them by paying them less, working them more, and failing to offer basic worker-safety protections. This behavior drives down labor standards for all workers, often resulting in a “race to the bottom” for immigrants’ and citizens’ wages and working conditions.

When there is no pool of vulnerable workers whom employers can exploit, employers must follow the labor laws that unions and advocates have fought so hard to guarantee. If employer sanctions are repealed, employer verifications eliminated, and every worker has the right to organize, employers would have nothing with which to threaten immigrant workers. Thus, immigrant workers could join forces with domestic workers to increase benefits for all employees.

End Draconian Immigration Enforcement

Imagine this scenario: You and your two children are asleep. Suddenly, you awake to hear a loud banging and then, “Open the door—police!” Groggy, you open the door, with your children crying in the hallway, and suddenly you are frisked. When asked to produce documentation, you cannot and are subsequently thrown into a van. After a day or two at a detention center, you are deported to your home country. Phone calls with your children—who remain in the United States—make you more determined than ever to return and continue to pursue the American dream.

Immigration enforcement in the United States has become a system of draconian measures. Home and workplace raids occur frequently, and collaboration between local law enforcement and ICE (U.S. Immigration and Customs Enforcement) has only increased the high level of fear and insecurity in immigrant communities. ICE and, increasingly, local police departments openly use racial profiling methods to target “suspected” undocumented immigrants.

Despite the vast resources allocated to immigration enforcement, migration to the United States has not declined. Indeed, over the years the numbers have increased. Instead of employing

these disruptive, ad hoc, and largely inefficient enforcement measures, the United States should focus on the root causes of the immigration problem: forced migration and unauthorized immigration status. Despite the fact that efforts at “comprehensive immigration reform” have not minimized the number of undocumented people in the United States, immigration reform allocates billions of dollars to support the continuation of enforcement.

Principles and Politics

Drafting a platform for immigration reform is a political minefield. The organizers of the Reform Immigration for America campaign deserve congratulations for countering the xenophobia and racism that underlie so much of the opposition to immigration reform. They should also be applauded for ensuring that President Obama keeps his commitment to immigration reform.

Nonetheless, we challenge our colleagues in the mission to reform immigration policy to engage in a discourse that is firmly grounded in human and civil-rights principles as well as committed to just working conditions for all. With the support of progressive communities across the nation and around the world, we believe that President Obama as well as immigrant organizers in Washington, D.C., and elsewhere are ready to step up to that challenge.

ENDNOTES

1. The campaign’s Web site describes the effort as a project of the Tides Advocacy Fund (www.reformimmigrationforamerica.org/blog/about/). The link to the agenda of the campaign’s June 3–5 summit conference connects to the Web site of the Center for Community Change (www.communitychange.org/our-projects/firm/summit/when).
2. The campaign’s platform “Immigration Reform in the 111th Congress: Principles of Immigration Reform” is available at www.immigrationforum.org/images/uploads/Campaign/CAbbott/PrinciplesCampaignLaunchFinal.pdf.

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Drafting a platform for immigration reform is a political minefield.

Chapter 11: Why Not?

By Woods Bowman

THE TV SERIES *I Shouldn't Be Alive* tells the stories of people who miraculously survived near-death experiences in remote, unforgiving environments. I would like to see an episode about nonprofit organizations that have survived existential crises. This article tells the story of one such survivor, which reorganized after filing Chapter 11 bankruptcy. It also explains the mechanics of bankruptcy and how to determine whether Chapter 11 bankruptcy can work for other nonprofits. Of course, this article should not be construed as offering legal advice; retain a lawyer for that.

Nonprofits have an aversion to using bankruptcy as a tool. While nonprofit organizations constitute 30 percent of all corporations, they represent only 1 percent of corporate bankruptcy cases. I suspect the gap is indicative of their morality rather than their durability. Nonprofits are so anxious about reputation that they prefer risking liquidation to admitting financial distress. But consider the organization described in this article as an example of the opposite conclusion: after it reorganized under Chapter 11, the nonprofit experienced no reduction in gifts, grants, or contracts. The lesson is this: nonprofits should get over the stigma of bankruptcy and do whatever it takes to keep serving their communities.

Digging a Financial Hole at Helping Hand

Helping Hand was a social-service and job training agency with a history of management problems.¹ Ten years prior, it foolishly accepted a gift of real estate that was contaminated with toxic chemicals, setting in motion lengthy litigation over cleanup costs. The CEO and CFO who made the fateful decision to accept the property went to jail for skimming from sales of other donated assets. Later, Helping Hand paid too much for its building headquarters, which was too big for its needs and drained its resources. The COO was married to the CFO, making financial control impossible. There is more, but you get the idea.

When Helping Hand began to hemorrhage money, the board hired a fundraising consultant. The consultant's plan was never implemented because a key facet called on board members to raise money. The board tried to find a merger partner but failed because pending lawsuits posed liability questions on top of a huge backlog of unpaid bills. United Way notified Helping Hand that it was in danger of losing its annual grant because its finances did not meet acceptable standards. Meanwhile, unbeknownst to the board, the CEO and CFO suspended monthly payment of payroll taxes and deposits into employee pension plans

despite the fact that this money was being deducted from paychecks.

Distressed nonprofits that do not pay payroll taxes are liable for steep interest and penalties, and without realizing it, they dig themselves into a hole that may become too deep for Chapter 11 rescue. Further, board members may be personally liable for such debts. When an annual audit of Helping Hand revealed unpaid obligations, the board fired the CEO, COO, and CFO, and I was brought in as the interim CEO. By this time, Helping Hand was deep in debt to the government and more than 200 other creditors.

In the for-profit world, creditors can petition a bankruptcy court to liquidate a corporation while it still has sufficient assets to satisfy their claims. Or, if creditors believe that better management can turn the company in arrears around, they may ask the court for permission to take operational control. But the Internal Revenue Code bars a distressed nonprofit's creditors from initiating proceedings and seizing operational control.

The Road to Chapter 11

Helping Hand's lawyers recommended that it voluntarily file for reorganization bankruptcy (popularly known as Chapter 11). The immediate effect of initiating a Chapter 11 case is to block creditor lawsuits seeking payment and to suspend

Table 1: Calculation to Determine Whether Filing Chapter 11 Makes Sense

	Total
Cash inflow (do not include "net assets released from restrictions")	
<i>subtract</i>	
Borrowed cash (line of credit drawdown)	
Large onetime gifts	
Restricted gifts & grants	
Increase in unpaid bills (current liabilities)	
Cash outflow	
<i>add back</i>	
Expenditures on capital assets	
Payment of obligations incurred prior to this time period	
Debt service actually paid	
<i>equals</i>	
Recurring operating surplus net of debt service	X

those in progress. Utility companies and vendors are barred from suspending service for past debts. Chapter 11 gives organizations breathing space to renegotiate leases, mortgages, and contracts before their terms expire. A Chapter 11 filing can also reduce outstanding indebtedness by court order instead of repayment.

Unfortunately for Helping Hand, taxes could not be reduced through Chapter 11 and the litigation was expensive, so the board hesitated. Legal fees must be paid in full before other claims are paid even in part. Law firms specializing in bankruptcy are few, but many large firms have a bankruptcy practice and can be approached for pro bono services. Helping Hand's lawyers declined to represent it pro bono, so it searched for alternatives.

A banker on the board offered one of his turnaround specialists pro bono to put together an "assignment for the benefit of creditors," also known as "composition of debts," or a "workout." This procedure attempts to obtain creditor agreement to reduce all debt proportionately, which is the norm in bankruptcy court. But without judicial involvement, voluntary

agreement is hard to obtain, especially from secured creditors.

Helping Hand's bank, which was also the holder of its mortgage, proved uncooperative. Finally, the board had no choice but to file a Chapter 11 petition (i.e., to declare bankruptcy). It was able to obtain pro bono legal services from a firm specializing in bankruptcy litigation.

A bankruptcy judge has the power to discharge an organization's debts, with certain exceptions. But first, the organization must submit a new business plan that demonstrates it is likely to produce a cash surplus while servicing a reduced debt load. For the court to accept a plan, all creditors must be treated equally, and at least half of them—accounting for at least two-thirds of the debt—must consent by a formal vote.

If creditor agreement is not obtained informally before filing, a reorganizing nonprofit runs the risk of having the court appoint a creditors' committee to help develop a plan. Not only does this procedure take more time, but the law allows a creditors' committee to hire counsel and auditors—at the organization's expense. And in case you're wondering, donors have no standing in bankruptcy court.

Glossary of Terms

Business plan: "A document that describes an organization's current status and plans for several years into the future. It generally projects future opportunities and maps the financial, operational, and marketing strategies that will enable the organization to achieve its goals" (Financial Web, www.finweb.com).

Chapter 11: A section of the U.S. Bankruptcy Code that gives businesses, including nonprofits, protection from creditors while they devise a repayment plan, which may involve debt forgiveness and renegotiated leases, mortgages, and contracts. It is also known as reorganization bankruptcy.

Discharge: An order given by a bankruptcy judge forgiving debts, with certain exceptions. Debts for fraudulent or illegal actions and taxes are not dischargeable.

Distress: Also known as insolvency, a condition where persons and organizations cannot pay their debts and could not pay, even if they sold all their assets. For nonprofits, it is indicated by negative unrestricted net assets.

Liquid: possessing sufficient cash and near-cash assets to pay current bills—but not necessarily enough to service long-term debt.

Liquidate: to cease operations and sell all remaining assets.

Pro bono: Free legal service. But clients may be responsible for pay filing fees and other ancillary costs.

Helping Hand's attempt to secure an agreement out of court was not wasted effort, however, because it was a dress rehearsal for presenting a formal reorganization plan to the court. It was able to file a "prepackaged" bankruptcy, or a "prepack." (This is the tactic Chrysler and GM just used.) When creditors learned that the matter was headed to court, the holdouts quickly agreed to the plan. Previously, they had been uncooperative

Housing Crisis Hits Nonprofits at Home, by Rick Cohen

The roots of the nation's current economic vortex lie in the housing market, spurred by unthinking or unscrupulous subprime mortgage lenders. This fact should come as no surprise, because housing markets around the nation are tanking, and housing and community development nonprofits (CDCs) are among the burgeoning number of nonprofits filing for bankruptcy protection under Chapter 11 or other provisions of the code.

CDCs and other nonprofit developers are not flooding bankruptcy courts. They are currently a tiny proportion of the 28,000 business bankruptcies declared in 2007, the 43,000 in 2008, and the 20,000 in the first quarter of 2009, but the real estate downturn will not spare nonprofits in the industry. Four instances of nonprofits filing for bankruptcy over the past 16 months are described below.

Patterson Park Community Development Corporation. In East Baltimore, the Patterson Park Community Development Corporation (PPCDC), established in 1996, has pursued a strategy of buying homes to control and stabilize a declining housing market, rehabbing and selling some, and renting others. Ten years later, with some 150 scattered-site rental homes and between 100 and 200 other houses in various states of disrepair in PPCDC's portfolio, Baltimore's housing bubble began to deflate. The organization began to sell off properties, lay off staff, and restructure finances. But by January 2009, the organization had defaulted on \$900,000 in loans. A month later, it filed for Chapter 11 protection. Its financial condition? According to the *Baltimore City Paper*, its last filed 990s were for July 2006 through June 2007, which showed an operating loss of \$1.6 million (topping the previous year's deficit of \$1 million) on an operating budget of \$14.7 million.¹

Charleston Affordable Housing. In 1998, Charleston Affordable Housing (CAH) won an Excellence for Affordable Housing award from the MetLife Foundation for the Cathy Project: 10 affordable duplex housing units for single-parent families.² Nine years later, the South Carolina organization ground to a halt after losing a \$1.3 million suit brought by a contractor due to a failed apartment development. With a crippling judgment hanging over the organization, CAH slowly disintegrated and, in 2009, finally declared bankruptcy, owing as much as \$10 million to creditors.³

Cape Ann Housing Opportunity. One bad real estate project undid Cape Ann Housing Opportunity (CAHO) in Gloucester, Massachusetts. The collapse of the \$36 million, 116-unit development led CAHO early in 2009 to file for Chapter 7 bankruptcy. When the project's condominiums didn't move in the market, the Massachusetts Housing Investment Corporation foreclosed on the project after \$2 million in losses on the Pond View Village development; during a recession, the condominium market in Gloucester just wasn't there for such a large project. Unlike the other bankrupt developers described here, CAHO had less than \$500,000 in debts to creditors but had assets of only \$50,000 left in its coffers.⁴

Greater Miami Neighborhoods. In early 2008, when Greater Miami Neighborhoods (GMN) filed for Chapter 11 bankruptcy, the shock throughout Miami-Dade County was palpable. GMN was one of Florida's—and the nation's—most admired affordable-housing developers. Since its founding in 1985, GMN was involved in the construction and rehabilitation of some 6,000 affordable units. But growing real estate costs, increasing competition, and plummeting market demand drove GMN out of business. At the time of the bankruptcy filing, it had assets of perhaps \$10 million but liabilities of as much as \$50 million, including nearly \$6 million owed to U.S. Bank and \$1.7 million to Prudential Insurance. GMN's remaining rental units were then sold, the bulk of which went to a Boston affordable housing developer, others to Enterprise Community Investment (an affiliate of Enterprise Community Development, the national intermediary that helped create GMN almost 25 years ago) in Columbia, Maryland, and the Urban League of Greater Miami, at least saving the organization's primary mission-related resource even though the organization collapsed.

No Bankruptcy Outcome

As organizations traverse Chapter 11 bankruptcy, their experience varies immensely, largely based on the willingness of creditors to cede demands to allow an organization and its mission to survive and reemerge. From the outside, there are often signals about the degrees of successful reorganization.

because they were afraid that, without court supervision, all creditors would not be treated equally and the bank was concerned that federal regulators would look askance at a voluntary write-down. The court-approved deal included replacing 80 percent of the board, which gave it instant credibility with creditors.

Research on for-profit bankruptcies

shows liquid organizations have the best shot at restructuring their debt out of court via a workout. Illiquid organizations with large cash flows use prepacks, while illiquid organizations with weak cash flows use Chapter 11 reorganization.² These patterns are probably characteristic of nonprofit bankruptcies too.

When Is Chapter 11 Right?

Before an organization jumps headlong into a Chapter 11 filing, it should do a back-of-the-envelope calculation to determine whether debt relief might work (for a template, see Table 1 on page 79). The main issue in reorganization is how much debt an organization can service going forward. The object of

In the case of the Patterson Park CDC, the volunteer-based Patterson Park Neighborhood Association has taken on some of the community improvement activities that the CDC used to run, including a neighborhood homes tour, but leadership is concerned about how the PPCDC rental portfolio will be sold off, what kind of landlord will get the properties, and how they will be managed. The neighborhood association director describes the CDC as “no longer really in existence,” which suggests that the PPCDC restructuring is really going to be an asset monetization and disposition process.⁵

The demise of Charleston’s first nonprofit affordable housing developer is particularly tragic, as it is attributable to one bad project with one unrelenting development partner. As of April 2009, the executive director was quoted in the press as being on the job, unpaid, and basically running an asset management operation. “A big section of my house is the office now,” she told the press, though she hoped that with a good outcome in bankruptcy court, “the phoenix rises from the ashes.”⁶ But while she still operates the remnants of the organization, the executive director hopes to be reimbursed for her out-of-pocket expenses, making her one more creditor to be satisfied in the bankruptcy.

As with Charleston Affordable Housing, it was one bad project that killed Cape Ann Housing Opportunity. CAHO defaulted on \$8.5 million of the \$9.2 million it owed to the Massachusetts Housing Investment Corporation (MHIC), and MHIC foreclosed on the 33 unsold condominiums (there were also eight Section 8 rentals in the Pond View Village project, one of three projects that MHIC financed for CAHO). But by all appearances, the demise of CAHO was long in the works, it last submitted its annual financials to the Massachusetts attorney general’s office in 2005, and Chapter 7 seems to have been the logical, if not the only, recourse available.

In the case of Greater Miami Neighborhoods, the success of the reorganization is the preservation of the assets as affordable housing for thousands of Miamians. In selling six housing projects containing 846 apartments to Preservation of Affordable Housing (POAH), run by Amy Anthony, the former secretary of community development in Massachusetts, the reorganization’s disposition succeeded in protecting and preserving housing affordability. It is an example of the complexity of saving nonprofit assets during bankruptcy reorganizations. The GMN sale to POAH required the financial participation

of Prudential Mortgage Company, the Florida Housing Finance Corporation, Miami–Dade County, and the Local Initiatives Support Corporation (or LISC) to make the deal work.⁷ GMN may have filed for reorganization, but as the POAH press release notes, GMN is really simply “winding down.”

The legal and financial dynamics in Chapter 11 reorganizations or Chapter 7 dissolution proceedings are only part of the story. What’s really important is the fate of the families and neighborhoods that depended on these organizations and how their interests are protected. Bankruptcy may be new territory for nonprofits to navigate and learn, but it is critically important when circumstances out of their control lead to severe financial conditions that cannot be solved without major reorganization or other efforts.

Endnotes

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2. Charleston Affordable Housing: The Cathy Project, the Enterprise Foundation, 1998.
3. David Slade, “Nonprofit Files for Bankruptcy Protection,” the *Post and Courier*, February 14, 2009 (www.postandcourier.com/news/2009/feb/14/nonprofit_files_bankruptcy_protection71755); David Slade, “Lawsuit Grounds Housing Group: Nonprofit Loses Court Cases over Partnership Debts,” the *Post and Courier*, November 26, 2007 (www.postandcourier.com/news/2007/nov/26/lawsuit_grounds_housing_group23287).
4. Kathy McCabe, “A Grand Vision Fades: Developer of Mixed-Income Housing Village Files for Bankruptcy,” the *Boston Globe*, January 25, 2009 (www.boston.com/news/local/articles/2009/01/25/a_grand_vision_fades).
5. “Q&A: Patterson Park Neighborhood Association,” the *Baltimore Sun* (http://weblogs.baltimoresun.com/business/realestate/blog/2009/05/qa_patterson_park_neighborhood_association.html).
6. John P. McDermott, “Charleston Affordable Housing Still on Hold,” the *Post and Courier*, April 13, 2009 (www.postandcourier.com/news/2009/apr/13/charleston_affordable_housing_still_on_h78400).
7. Preservation of Affordable Housing press release, February 20, 2009 (www.poah.org/pdf/news_releases/R%20Florida%20Purchase%20Press%20Release%20021909.pdf).

the calculation in Table 1 is to determine whether the organization without debt could produce recurring cash surpluses. If the number X in the lower-right corner is positive, it is likely that a Chapter 11 filing can restore the organization to financial health without a major change in how it operates.

“Total” is the sum of data from the

most recent complete fiscal year plus year-to-date. If the number X is negative, the only way an organization can survive, even by filing Chapter 11, is through a major revision of its business plan, which may involve rethinking mission, types of service, service-delivery methods, and financing.

As Helping Hand’s board considered

reorganization bankruptcy, it worried about the reaction of donors and United Way, as well as of government agencies with which it had contracts. But once it faced a choice between filing for Chapter 11 and turning out the lights, it took a candid and aggressive approach with its community partners by seeking their counsel before reorganization and

keeping them fully informed during the process.

Helping Hand explained to United Way and donors that its debt load was so heavy that, without using Chapter 11, future funds would be used mostly to retire old debt, not to deliver new services. These donors came to accept that Chapter 11 would reduce Helping Hand's debt load and allow contributions to be spent on delivering new services. They remained loyal, and there was no substantial reduction in contributions during or after reorganization.

Helping Hand survived independently for a few years after reorganization, but it still had nearly \$2 million in tax liabilities that could not be discharged by reorganizing. Although it was able to meet its obligations, its growth prospects were hampered by debt, and it eventually merged with an organization that had initially rejected

its overtures. The merger partner agreed to assume the debt because Chapter 11 resolved all the legal issues that had originally scared it away.

Although Helping Hand's future was touch and go for a while, the story has a happy ending. All distressed nonprofits should consider reorganization bankruptcy. Liquidation is not necessarily the easier or safer course. When the trustees of Wilson College attempted to shut down the institution, alumni persuaded the Pennsylvania attorney general to sue, after which point a judge ordered the school reopened, two trustees removed, and barred the college from paying the trustees' legal fees.³

If Chrysler and General Motors can do it, why can't nonprofits?

ENDNOTES

1. For the purposes of this article, the organization studied has been given the pseudonym

Helping Hand. Although some facts are on the public record, others are known only to a small group—hence the pseudonym.

2. Sris Chatterjee, Upinder S. Dhillon, and Gabriel G. Ramirez, "Resolution of Financial Distress: Debt Restructurings via Chapter 11, Prepackaged Bankruptcies, and Workouts," *Financial Management* vol. 25, no. 1, 1996, 5–18.

3. Alexander V. Zehner, Pa. Ct. Common Pleas, Orphan's Court Division, 1979. See also, Joseph P. O'Neill and Samuel Barnett, *Colleges and Corporate Change: Merger, Bankruptcy and Closure*. Princeton: Conference-University Press, 1980.

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Are there big changes occurring in the nonprofit environment? The fall edition of the *Quarterly* will explore such stuff as potential changes in the relationship between nonprofits and government. Don't miss it!

Vertigo and the Intentional Inhabitant: Leadership in a Connected World

by Bill Traynor

Editors' note: The organization discussed in this article is located in Lawrence, Massachusetts, a historic industrial town that traditionally has a large and diverse immigrant population. Its nickname, in fact, is "immigrant city." It also has the highest unemployment rate in the state, which in July 2009 was 17.3 percent (an increase from March 2009, when it was 13 percent) and has suffered severely from housing foreclosures. In other words, it is a city rocked by changes but where resident-driven action thrives.

ACCORDING TO SOME OBSERVERS, "the world is flat," and the traditional functions of leadership are on the decline. And in connected environments such as networks, the function of leadership is anything but traditional. The network to which I am connected—Lawrence Community Works (LCW)—is a case in point. We are far from a "pure" network, but we have many characteristics of a connected environment. And over the years, we have intentionally used network-centric thinking to guide our efforts. Over these years, I have grappled with finding a way to lead when many of the traditional levers of power and decision making were neither handy nor useful.

Foundations and fellow practitioners often ask me to reflect on this challenge, and in these situations my mind immediately goes to this memory.

I remember the first time I drove in the desert in the Southwest. Being from New England—where windy roads and trees

provide only a glimpse of the sky and far-away horizons—I was rattled by the desert: the size of the sky and the enormity of the space. I had a mild panic attack—a case of vertigo—in the car. I literally had to stop and get out of the car, put my feet on the ground, and walk around to get accustomed to the environment. Slowly, I was able to absorb the dimensions and the perspectives of the desert, find a point of reference, and get back in the car and drive toward my destination with some comfort and confidence.

Still, as I walked around, random thoughts moved through my brain. "This is huge," I thought. "There is no mastering this. Things are too big, too far, too flat, too beige. I am so small. I am stuck. I am trapped." But walking helped. Walking put my feet on the ground and gave me the vantage point that I needed. Walking, feeling, breathing, touching. It was the tactile connection that I needed to recompute my environment and get my bearings. And things did come into focus. The rules of this "place" were

Vertigo (from the Latin *vertigin-*, *vertigo*, "dizziness," originally "a whirling or spinning movement," from *vertō* "I turn") is a specific type of dizziness, a major symptom of a balance disorder. It is the sensation of spinning or swaying while the body is actually stationary with respect to the surroundings. The effects of vertigo may be slight. It can cause nausea and vomiting and, in severe cases, it may give rise to difficulties with standing and walking.

Source: Merriam-Webster Online Dictionary (<http://www.m-w.com/dictionary/vertigo>).

different certainly, but it was a place, with dimensions that could be understood and that had ground, air, plants, and things that I knew. And when I was walking, feeling, breathing, touching, I was there. I was inhabiting.

Vertigo is a state caused by being out of balance in relation to your environment. Moving from a traditional environment to a network or connected environment can cause a kind of vertigo, because the environment is so radically different. It operates by different rules and responds to different stimuli. Armed only with the perspectives and skills honed in traditional settings, one who tries to lead in a network environment can find the task unsettling and disorienting.

It's about the Space

So what's so different about a network environment?

First, like the desert sky analogy, a network environment *is dominated by space, and so it is the space that should dominate your attention*. In a connected environment, the leader has to understand that the power of these environments comes from the space, not the forms that populate the space. Therefore, the critical function of a network's leader is the recognition of—and the creation preservation, and protection of—space. Think of pool or chess or constant-motion sports such as soccer and hockey. In all these environments, space—and the mastery of space—generally determines the outcome.

What is meant by *space* in this context? Well, it's time and opportunity mostly, as well as accessibility, flexibility, and options. It is the time for unfolding, time for adaptation, time and opportunity for intentional and random bumping and connecting, time for creation and time for response, time for listening and reacting, and time for deconstruction. It is the space in between, around, behind, on top of, and underneath all the action, the commitments, the transactions; all these things are forms. When the space closes, networks die, because in the clutter of commitments, expectations, structures, programs, partnerships, and so forth, there is no more space for adaptation or response. Demand (i.e., what people want and would create) is now just an artifact. The appetite for listening, responding, and creating has evaporated.

At LCW, we try to build language, tools, and systems to help us recognize, create, preserve, and defend space. We try to resource the demand environment in many different ways so that we can improve on resourcing real-life opportunities rather than concepts and ideas that

we or funders devise. We try to keep all our teams and committees loose and flexible, with leadership moving from person to person so that we can focus on “what we do” rather than “who we are.” This creates space for experimentation and allows things to grow and to go away when they aren't useful anymore. We try to do the routine things as efficiently as possible so that we can save time for the complicated stuff. Over the past several years, I have found that there are three ways to create and preserve space in a network environment.

First, it is important to keep moving the creative, adaptive edge of the network outward so that the universe of the network expands in three dimensions, even as it populates with forms. The principal challenge here is capacity, as an ever-expanding network requires ever-expanding resources. At LCW, we have developed strategies so that exponential growth in the network won't necessarily mean exponential growth in the paid capacity we need to manage the network. As we grow, our goal is to have our cost per member decrease steadily.

A few years ago, we initiated what we called our “sustainability mission.” The principal strategy to emerge was the creation of MemberLink, a layer of stipended member-volunteer and development programs, whereby members take on aspects of the stewardship of the network. Now we have about 30 MemberLink-type opportunities, such as Reviviendo Fellowships, NOF Internships, the Network Guides Program, the NeighborCircle Facilitators, the Movement City Residency Program, and the FAB Peer LeadersMembers can enroll in each of the MemberLink opportunities only for one term, which is usually one year. The idea is to have opportunities that members can cycle through and that can change with changing demand.

The second way is to achieve efficiency by creating an efficient demand environment. This happens when you achieve the rapid creation *and* rapid deconstruction of forms, programs, commitments, organizational structures, and so on so that new space is always being created. In the creation, the key is making sure that only those things that truly have value get resourced (i.e., fed) by the environment and that they truly earn their way in the environment. At LCW, we call this *resonance testing*. This is a discipline more than a process. It is a discipline exercised by staffers who listen to ideas and demand from members. Their job is to “stay close to the demand” and “resource the opportunity” and not leap to judgment about whether an idea is good or bad.

It might work this way: A member has an idea that we need a club for 10-year-old girls because they are especially vulnerable and need their own space. Staff is asked to challenge that member organization to pull together others who might agree and provide the space and time for the club to happen. If a group assembles, staff is asked to challenge the group to put on an event and to bring some girls together to do something fun and helpful. If the event takes place, staff might work with the group on a short series. In other words, we resource the *specific demand* rather than jump to program development before an idea has proven its value to other members.

The collateral benefit of this process is that we learn by doing—through experimentation. In the girls' club example, we have learned by moving this idea through three to four life cycles in a span of a few months. Alternatively, if we had taken the initial idea, handed it to resource development, spent six months talking and raising money, we would not have learned anything; and it's possible that whatever demand existed would have

evaporated. Of course, it is equally important to end things that no longer work or have resonance and to end them quickly. The environment has to “starve” the bad ideas and activities that don’t have genuine value.

The third way is to shrink or contract routine and recurring actions to their simplest and most efficient forms—everything from operating systems to routine functions, such as providing food for meetings and creating newsletters. These things should be efficient but are not, mostly because of human problems, such as poor communication, resistance to compliance, forgetfulness and so on. Because of this, “efficiency” in these areas is less a system-building challenge than a habit-building one. One management tool we have developed to help us is FOLKS Protocols. These binders for staff and key leaders break down all the network’s routine and predictable functions into a simple one-page description of what the task is, how to do it, whose role it is to do what, and so on. This tool is designed to help us make progress in the third way of creating and preserving space: by shrinking routines. FOLKS is our network management motto and stands for the following:

F (form follows function): We want to build only the level of structure and formality that we need to do the job—no more and no less. If we overbuild, it will require more resources to support and be that much harder to deconstruct.

O (open architecture is best): We try to build forms (i.e., committees, teams, and processes) that are flexible, informal, provisional, have provisional leadership, and are always open to new people. These forms are more in sync with a network environment.

L (let it go): If it isn’t working or if there is no demand, you have to let it go and let it go quickly. That goes for an idea you might have and for which you can’t

get interest or for a program you have run for five years that no longer sells.

K (keep it simple): We need to keep simple things simple so that we have the time and energy for the complicated stuff. Anything that can be routine should be. A five-minute problem shouldn’t take 15 minutes.

S (solve the problem): In a flexible environment, we need to move through stuck places a hundred times a day. Everyone needs to make “solving the problem” the most important rule of engagement with one another.

Not a Form, but an Environment

Environments are dynamic; transition as the constant state for living things is the rule, not the exception. But in the moment, this idea is unsettling. So all of us try mightily through form to pin the “now” to the wall long enough to revel in our mastery of the moment. But things that are pinned to the wall dry up, shrivel, and die. That is the way of living things. That is the way of “now.”

My understanding is that, simply stated, environments perform at least two functions: they feed things, and they starve things. And with this concept, I have found some ideas about how to lead. At LCW, our team intentionally created an environment that felt substantially different—that is, better—than the general environment for getting involved in Lawrence. So, years ago, we set about using new language; experimenting with new ways of doing things and creating new, fresh rooms for people to come together, feel productive, and get to know, rely on, and trust one another. We tried to foster “habits of engagement” to feed the natural generosity and respect that we know that all people carry with them. We also aggressively starved some of the behavior and habits that dominated the rooms in Lawrence. At the beginning, this caused problems, particularly among the

experienced “community leaders” who were used to dominating rooms with mastery of Roberts Rules or other forms of traditional leadership. Our task was to create forms that focused on creating space and habits surrounding that process so that a culture could ultimately develop and continue to feed the right stuff and starve the bad stuff. Some of these things are just intuitive: that all people appreciate and relax in environments that are fun and have food. So, early on, we made a commitment to both.

We also looked at trying to create rooms that were more productive and less focused and reliant on structure and positional leadership. So we started to experiment with and name our concepts of “form follows function” and “open architecture,” as we described above. The idea was to move process and create habits of process that were more reliant on relationship and more consistent with transition, change, and adaptation. We have found that, by and large, where an environment is flexible, adaptable, and informal, it is also more productive and feels better to most people.

There are adjustments, however. In these rooms, we had to find ways to explore and recast the function of leadership and to reinforce habits of leadership that are more consistent with a connected environment. For instance, in 2004, we began to experiment with and recognize “weaving” as the principal and highest form of leadership in the network. We developed training curriculum and protocols based on dialogue and debriefing so that we could dig into the process of engaging and connecting people to one another. We created the Reviviendo Weaver Award that we presented to a member at our gala annual meeting and also presented a leader of the month award at board meetings. Now “weaving” is a core part of the learning and teaching of our Guided program.

The Intentional Inhabitant

In connected environments, leaders know that networks are always teetering on the edge of balance, requiring many small adjustments to achieve a measure of dynamic stasis. I have found that a network leader has to be in constant motion, paying attention to the habits and the small stimuli needed to incessantly reconstitute balance and motion. One must learn to feel the current of change, look for and recognize resonance, and deploy oneself not as prod, but as a *pivot* for the many moments of change that are called for every day.

I have learned that one can't possibly do this alone. In fact, in this process there is no "alone." If this is all madness—which it feels like a lot of the time—a leader is not a mad scientist on the outside pulling levers and pushing buttons, but rather a *mad inhabitant*, an intentional inhabitant, who deploys himself as a key variable to influence the environment from the inside. This is a critical cognitive and functional shift in leadership. *A leader has to genuinely participate in the environment to deploy himself appropriately.* The challenges of this way of being are profound, and these challenges start with fundamental reflection on who you are as a person and how you move through the world: how you exhibit fear, react to change, deal with letting go of power and ego; how you listen and observe, and the keenness of your instincts for both conceptualizing and synthesizing; and how you hold onto or let go of strongly held convictions about what is right and what will work. All these things are rooted in the essence of who we are as people.

So to do this well, does one have to achieve some high level of enlightenment? Not having achieved that myself. I would say it would probably help! But even if complete self-awareness is beyond most of us, it is nonetheless critical to

approach this role from the inside out and to see self-knowledge as a critical element of the leadership development process. Again, this is not something that one can do alone. Being a part of a team of people all of whom at least recognize the importance of the self-awareness process and, ideally, who share a language and the space to challenge one another is critical.

Time and time again, I have been challenged, for example, about my instinct to create logic models and narratives about a situation or person—a great skill, no doubt, unless and until one starts to ignore evidence that contradicts the model. I have also been challenged to reflect on my tendency toward being solitary, especially when I feel overwhelmed and afraid or when something has gone wrong that I think I need to fix. In these moments, I have been challenged to get help from others in a way that, to this day, can feel uncomfortable. I have been challenged to let go of structure and formality as the path to clarity and progress. This idea has been so central to who I was for so long, it's astounding to me every time I choose to let go and let it unfold, to see the power that flows into the room from others who want that same clarity and progress and who are also willing to give up closely held convictions to achieve that together. These types of challenges are about behavior, but also rooted in deeper self-awareness, and so the process is long and hard.

The leader of a connected environment is engaged from the inside out. To be sure, I still have moments of vertigo—it is inescapable, it seems to me—because the environment is always shifting. But most of the time now, I can trust that my feet will find some ground eventually, and my faith is reinforced by knowing that the payoff for hanging through these moments is so worthy. The mistakes that I make now are when (1) I do not have the emotional energy to be truly engaged, (2) I

have moments where I forget what I have learned, or (3) I fear and react against the imperative of letting go. In these moments, I pull in, try to prod, feel like a victim, and let my ego rule the day. In these moments, I am lucky that I am a part of a team of people at LCW and with colleagues around the country. Increasingly we struggle together and are intentional about supporting one another—through forgiveness and truth telling—so that we can continue to build connected environments that feed the world by feeding the best of what it is to be human.

BILL TRAYNOR is the executive director of Lawrence Community Works and a Lawrence native.

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Updating the Leadership Agenda: An Essential Step for Success in Executive Recruitment

by Tim Wolfred

Editors' note: This article is adapted from *Managing Executive Transitions: A Guide for Nonprofits* by Tim Wolfred of CompassPoint Nonprofit Services (www.compasspoint.org) and published by the Fieldstone Alliance.

TODAY, A SHIFT IN EXECUTIVE LEADERSHIP may be more charged than usual and more often delayed. Some long-serving executives who have neared retirement now say they may have to stay on longer. As a result, nonprofits may have to arrange for executives who extend their tenure while also considering organizational priorities for future leadership. This article outlines how organizations can use periods of transition to craft a leadership agenda that is true to their missions, that can engage existing staff members, and that help recruit the most well-suited incoming executives.

Executives give several reasons for extending their tenure—and sometimes more than one:

- “I’ve got to see my agency through this financial crisis and restructuring.” A variation on this statement is, “I’m the one who can bring in that stimulus money, and I’ve got to stay until that funding is nailed down.”
- “Because of the decline in the stock market, my retirement savings have shrunk dramatically. I’ve got to save more before I’m comfortable leaving this job.” A variation on this statement

is, “This executive job is extremely stressful, I know I need to get out of it, but I can’t until I know which jobs I could take. And I’m not clear on these options yet.”

It’s all reasonable on the surface. But while delaying executive departure has the potential of benefiting a nonprofit, it can also do harm.

Once a leader declares interest in leaving an organization, a nonprofit board must consider the prospect of an executive’s waning energy or a growing mismatch between an executive’s capacity and the skills needed in the job. The declaration heightens a board’s responsibility to pay attention not only to supporting an executive but also to preventing him from staying too long and risking organizational stagnation and decline. As the literature on executive transitions indicates, a nonprofit board’s responsibility is to help a leader devise a plan that works best for an organization and that is fair and respectful of a leader’s contributions.

Here are some suggestions for boards that face delayed executive departures:

1. Strategies for executive fatigue and burnout. If a board agrees that an

executive should stay beyond a previously planned departure date, it should monitor the executive’s stamina for leading and managing and look for burnout. If exhaustion is an issue, the board can take the following measures:

- help an executive restructure his job, perhaps by instituting a four-day workweek or by encouraging the delegation of some tasks to others; and
- encouraging an executive to work with an executive coach.

2. Strategies for skills mismatch.

If a mismatch in skills is apparent or if a board believes that an executive should leave on schedule, it should ensure that an executive is treated as fairly as possible by offering a retirement package, by providing job coaching, or by moving him to another position or onto retainer to consult with his successor. While often frowned upon, these last two options are legitimate if structured to support the work of the agency and the incoming executive.

In the end, however, when a leadership turnover has been scheduled, the same principles for managing executive transitions apply in turbulent times as in “normal” ones. And for some agencies, the future is sufficiently uncertain that characteristics such as agility, persuasive power, and strategic thinking should be considered even more desirable

Figure 1: Creating the Leadership Agenda and Candidate Profile

Step 1: Gather Data

Sources of input:

- Staff
- Board
- Current executive
- Funders
- Peer organizations
- Other

Step 2: Analyze Data

Analyze findings from these perspectives:

- Organization strengths and achievements
- Administrative and program systems capacity needs
- Unmet client needs
- Industry scan
 - Emerging program innovations
 - Revenue trends

Step 3: Define Leadership Agenda

Define the *vision* for the organization: its aspirations for improved client and community impact over the next three to five years

Set strategic directions (as informed by the organizational vision)

Specify board development changes needed to achieve strategic directions

Specify programmatic and administrative changes needed to achieve strategic directions

Schedule the changes to be addressed as one of the following:

Priority upgrades during phase two of the executive leadership transition
or
Upgrades the new executive will take on as priorities during phase three of the executive leadership transition

Step 4: Establish Performance Priorities

Based on the results of Step 3, establish performance priorities for the new executive
(Presented to the newly hired executive in Step 3)

Step 5: Create Candidate Profile

Identify the following profile requirements needed in the new executive

- Skills
- Experience
- Attributes

characteristics for an interim executive—if you use one—and for a more permanent executive hire.

Starting with a Leadership Agenda

Turbulent times can pose more of a moving target than do periods of calm; but to hire the right person as your next staff leader, you have to be clear about your organization's strategic vision, goals, and the internal capabilities that must be built to enable these goals. Without an understanding of where you're going and what you need to get there, you have a pilot with no flight plan.

When many external variables are in flux, your planning may take shape as a set of broad goals and conditional strategies. New leadership at a midsize arts institution in decline, for example, may face more conditional factors than would an executive at a federally qualified health center (where the level and kinds of finance streams and partners may support longer-term planning). Still, however planning is accomplished, an organization's vision and capacity-building goals are referred to as a *leadership agenda*.

Crafting a leadership agenda need not take a lot of time. At CompassPoint's Executive Transitions program, for example, when a board and staff are well organized into a committee to take on the effort, creating a leadership agenda can be done within a month's time. At maximum, developing a leadership agenda should take no longer than two months.

Gathering Data

In creating a leadership agenda, gathering and analyzing data (steps 1 and 2 are similar to the first stages of a strategic planning process (see Figure 1). A nonprofit gathers information from key stakeholders regarding client needs, program adjustments recommended to

meet those needs, and revenue sources to support the work.

Five segments of an organization's stakeholders should be tapped: a nonprofit's board, the departing executive, staff, funders, and peer agencies. Some committees may also want to check on client satisfaction with services and for ideas on new services. Some organizations may have other important audiences, such as a volunteer corps, that are essential to nonprofit operations.

To gather this information, questions for stakeholders should focus on acknowledging an agency's achievements and strengths, how current services could be improved, identification of critical unmet client needs, organizational constraints to improving performance and expanding services, and potential sources of support for program upgrades.

Funder input. Funding officers in the foundations, corporations, and

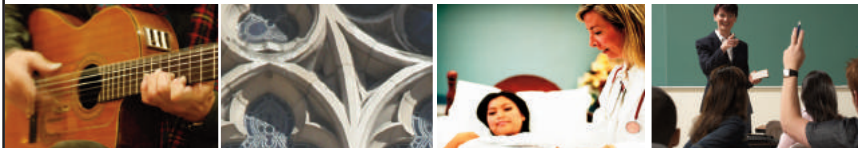
government agencies that support your work will likely have the broadest view of the particular fields of service in which you operate. The foundation

that funds a youth development organization, for instance, will likely know about innovations in the youth development arena and how shifting revenue

CompassPoint's Sample Staff Survey

- A. What do you perceive as three of the departing executive's greatest achievements during his tenure as executive director?
- B. What elements of his leadership style as executive director do you most appreciate and would like to see carried forward by his successor?
- C. What are *your* top three on-the-job achievements over the past 12 months? (*Future planning involves assessing capabilities throughout the organization, so we're interested in individual staff members' views on their own recent successes.*)
- D. What three changes at the agency would most help you to be more effective *in your specific job*? (*Your responses are important to identifying agency improvements that would help us be more effective in serving our clients.*)
- E. What three changes at the agency would help it be more effective in pursuing its mission?
- F. What three skills or capabilities do you bring to your job that contribute to our agency in meeting its goals?
- G. What are the top three skills that the next executive director will need to be successful?
- H. Additional comments:

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Mission Youth Services' Leadership Agenda

Vision

Mission Youth Services will expand on its highly regarded academic support programs and will have a successful youth empowerment program that trains neighborhood adolescents in methods for solving community problems.

Strategic Directions

- Expand the current two-site after-school tutoring program into additional school-based sites.
- Expand the youth-organizing program from its current small corps of teenagers addressing one community issue to one with a larger enrollment of teenagers organized to advocate for solutions to a broader array of neighborhood problems.
- Increase Mission Youth Services' board of directors' community representation to better represent the demographic diversity of the Mission neighborhood.
- Increase program revenues from private-donor sources.

Immediate Capacity Upgrades

- Arrange for an orientation of entire Mission Youth Services staff and board to the concepts underpinning a youth empowerment program and to program examples from other youth development agencies.
- Compile into the agency's current database all the existing information held by the executive director and board members on donors to Mission Youth Services over the past five years.
- Research potential sources of foundation grants for the proposed Mission Youth Services youth empowerment program.
- Document the agency's procedures for recruiting, orienting, deploying, and retaining volunteer tutors who serve in Mission Youth Services' after-school tutoring program.

Capacity Upgrades by the Incoming Executive Director

- Identify and install a fundraising software product for tracking private donors; transfer existing donor information to the new system.

- Support the board's executive committee in creating a plan to increase the demographic diversity of the board.
- Consider remodeling the agency's current administrative workspace or move offices to create a more productive work environment.
- Build the grant-writing skills of the current development associate to reduce the grant-writing demands on the executive position.

Board Development Needs

- Create a board recruitment plan with goals to increase representation from the neighborhoods served by the programs of Mission Youth Services, to expand the demographic diversity of the board, and to bring on fundraising expertise.
- Create mechanisms to support the participation on the board of lower-income parents of program youth; for example, the provision of child-care resources while parents do board work.
- Make board meetings more productive and rewarding for members; consider coaching on how to run productive meetings.

First-Year Performance Priorities for Incoming Executive

- Open a Mission Youth Services after-school tutoring program in two additional public schools.
- Convert the "youth-organizing program" into a "youth empowerment department" at Mission Youth Services that has at least 25 youth enrolled who begin to address two local community needs.
- Acquire grants from at least two new foundations to support the youth empowerment department.
- Increase the number of private individual donors to Mission Youth Services by 50 percent.
- Increase the visibility of Mission Youth Services' programs with the government officials representing the neighborhoods of Mission Youth Services.

streams might threaten financial viability or provide opportunities for program expansion. Your nonprofit's managers and fundraising staff will have contact information for primary funders. Committee members can spread the calls to these funders among them. One member should gather all the interview results into a report.

Staff input. Among internal stakeholders, the incumbent executive will

have the strongest viewpoint on future service opportunities and on needed internal capacity building. An organization should also tap staff members for their views. Organizations often use a staff survey to gain staff perspectives on future goals, internal capacity needs, and the leadership profile of an incoming executive. To promote candor, survey responses are anonymous. CompassPoint's transition consultants

routinely use the sample staff survey template on page 89.

The survey attempts to balance staff input on what's right with an organization and with the current executive with input on what needs to change. All organizations have room for improvement in how they deliver programs. In the nonprofit world, where funding for administrative systems such as human resources management and technology support is

hard to come by, requests and complaints about infrastructure tend to dominate staff responses.

This creates a conundrum. You want the process to respond to these issues without unnecessarily overcorrecting a weakness, sully the previous executive's name, or undercutting management in general. So it may be wise to hire a consultant to conduct interviews and manage a response to "problems" that emerge. Some organizations try to hire the "opposites" of previous managers to change a more systemic problem. This tendency is well worth avoiding.

Crafting the Agenda

After gathering information from multiple perspectives, the committee should meet to analyze the data and arrive at the following:

- a vision for what the agency should look like in three to five years;
- a set of strategic directions that flow from that vision;
- the needed improvements to program and administrative systems to pursue strategic directions;
- board development needs; and
- the resulting first-year performance priorities for the next executive.

Mission Youth Services' sample leadership agenda appears on page 90.

A Candidate Profile

With the leadership agenda in hand, the transition and search committee can craft a candidate profile. This profile expresses the must-have skills, experience, and attributes of an incoming executive to successfully pursue the strategic directions and capacity-building priorities in the leadership agenda.

Beyond its utility in focusing the recruitment activities, the profile, with skills sorted between required and preferred, eases the committee's work of selecting candidates during the screening

Mission Youth Services' Candidate Profile	
<p>Attributes</p> <ul style="list-style-type: none"> • Demonstrated commitment to our core youth development mission: to build the academic skills of young people and to give them skills for improving the quality of life in their community. • A deep understanding of the challenges of low-income, urban communities. • An aptitude for bringing together diverse people and ideas to create collaborative projects. • A visionary entrepreneur who has taken nonprofit agencies into new arenas. • A charismatic person with energy and vitality who can motivate staff members to achieve their personal best. 	<p>with persons of diverse racial and ethnic backgrounds, socioeconomic status, age, and sexual orientation.</p> <ul style="list-style-type: none"> • A record of successful fundraising from public and private sources to support nonprofit agencies. • Excellent written and oral communication skills. • A bachelor's degree.
<p>Required Skills and Experience</p> <ul style="list-style-type: none"> • Five years of experience in a senior management position in a community-based nonprofit agency, including budget development and financial management. • Three years of experience in youth development work or inner-city community organizing. • Significant experience working collaboratively 	<p>Desired Skills and Experience</p> <ul style="list-style-type: none"> • A history of leading organizational growth, facilitating higher levels of mission achievement. Skills include strategic planning and management of complex internal operations and external relations. • Experience in community organizing with youth and young adults. • Experience and familiarity with the needs and institutions of the Mission District that Mission Youth Services serves or nonprofit work experience in a similar inner-city environment. • Experience with the government and funders of Mission Youth Services. • Fluency in Spanish and/or in relevant Asian languages.

process. Without up-front agreement on the priority skills, the committee will struggle to choose among strong candidates with disparate profiles.

The candidate profile for Mission Youth Services provides an example generated from its leadership agenda (see box above).

The Payoff of Leadership Planning

Expending the time and effort to arrive at a cogent leadership agenda can be daunting, but the payoff is huge. When you spend the time thinking about what your organization can and should do to most effectively serve its community, your efforts build excitement and engagement for a mission-driven staff

and board. It sharpens your picture of what you need in your next staff leader. And it draws talented candidates who gravitate to and are inspired by the strategic vision and goals you have set for your organization.

TIM WOLFRED, PSY.D., leads Compass-Point's Executive Transitions program, which he established in 1998. For more information on his book *Managing Executive Transitions: A Guide for Nonprofits*, see www.managingexecutivetransitions.com.

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Tactical Mapping: How Nonprofits Can Identify the Levers of Change

by Douglas A. Johnson and Nancy L. Pearson

IN THE FOURTH CENTURY B.C., CHINESE military strategist Sun Tzu said that good strategy is based on three sources of knowledge: knowing your adversary, knowing yourself, and knowing the terrain. It is relatively easy to understand what Sun Tzu means by knowing your adversary. As we analyze ourselves and our allies, we perhaps do less than we should to understand our capability to act. But when adversaries don't fight the battle on a particular geographic field but instead within complex social structures, how does one understand the terrain?

"Tactical mapping" is a method for visualizing the terrain and, once the terrain is understood, serves as a planning tool for building more comprehensive strategies and for coordination with allies.

Human Rights Tactical Mapping

Tactical mapping is a method of visualizing the relationships and institutions that surround, receive benefit from, and sustain human-rights abuses (although this article focuses specifically on human rights, tactical mapping can also be used for a range of issues on which nonprofits work). The emphasis is on relationships between people and institutions (rather than on concepts or "causes" of human-rights violations). Through these

relationships, decisions are made, incentives are given or taken away, and actions are taken. Diagramming these relationships thus creates a picture that represents a social space.

When this diagram is sketched out, it becomes possible for actors to select appropriate targets for intervention and to map actors' possible tactics to influence issues of concern. Thus the map generates a process flow to plan and monitor how a tactic might function and which relationships it should influence to effectively intervene. Because multiple groups can use the diagram to map their respective targets and interventions, the tactical map becomes a coordinating tool that creates a more comprehensive strategy than is possible when groups act independently. Below we provide a brief overview to help illustrate and conceptualize the various relationships contained in a tactical map.

The Development of Tactical Mapping

The tactical mapping technique is part of the New Tactics in Human Rights Project initiated by the Center for Victims of Torture (CVT). The project has developed several practical resources for human-rights advocates, including an online, searchable database, "tactical notebooks," training sessions, and more

(see "New Tactics in Human Rights Resources" on page 93).

In 1998, with support from the Organization for Security and Co-operation in Europe (OSCE), CVT assembled a working group of experts to consider the persistent nature of torture. The group began by focusing on the relationship between torturer and victim and how the dynamics of this dyad are embedded, sustained, and protected. The group considered the relationships of the victim and those of the perpetrator for possible avenues of intervention. It identified and diagrammed more than 400 relationships, from those at the local to those at the international level (see figure 1 on page 94, which illustrates some of these relationships).

After diagramming these relationships, the working group made a list of current tactics to prevent torture and used the diagram to understand whether these tactics prevented the "primary relationship" of torture. Amnesty International's method of sending letters to heads of state, for example, presumes a set of relationships and a head of state's ability to have impact all the way down the line to the police station. By following this chain of relationships, the group speculated on where its force could be undermined, and it considered additional, reinforcing tactics to target

those points of breakdown.

The tactic of on-site police inspections (which International Committee of the Red Cross and the Committee for the Prevention of Torture use), for example, operates within a different set of institutional relationships in the target country. The working group followed various tactics from their points of intervention, the relationships they affect, and the chain of relationships they must affect to disrupt the torture dyad. This process of following the tactic's impact within the system was termed *tactical mapping*.

By diagramming these vast relationships, it became clear that human-rights abuses are sustained by complex systems of relationships that reinforce one another and support the role of the abuser. Some of these relationships are hierarchical or structured; others are informal. Each of these relationships is a potential site for intervention to prevent torture that requires its own tactic to have the greatest effect.

As the group examined the tactics in use, it also became clear that most human-rights organizations use only one or two primary tactics. In addition, implementing a new tactic often involves a steep learning curve and significant investment in staffing; organizations lack experience on how to measure tactics' effectiveness, and funds are often tied to the tactics for which the organization is known. Thus, institutional investments are usually directed at doing what we do more effectively rather than at learning new tactics.

This problem is compounded by developing interventions with little coordination between organizations. In any complex system, limited tactics can affect only narrow targets. Without coordinated effort, other parts of the system are free to use their resources to protect the target under pressure. The working group came

The New Tactics in Human Rights Project has created several resources to warehouse and generate successful tactics to create change across a vast array of human-rights issues. One major initiative has been the project's online database. Currently housing roughly 160 different tactics, the database is a resource for those seeking ideas and insight from other human-rights practitioners.

Additional resources include the workbook *New Tactics in Human Rights: A Resource for Practitioners*, which is available in print and online, and a collection of "tactical notebooks," which contains in-depth case studies by practitioners on various tactics. An overview of tactical mapping information is available on the New Tactics website* and is available in several languages, including Spanish, French, and Turkish. In more than 20 countries, New Tactics resources have been used in training sessions as well as in online panel discussions with experienced activists and by more than 60 local groups that have received technical and financial assistance.

*See the New Tactics in Human Rights Web site at www.newtactics.org/en/tactical-mapping.

to believe that this dynamic helps explain the persistent nature of torture.

If human-rights abuses don't yield to a single tactic and if most organizations can employ only one or two tactics, combating human-rights abuses requires a larger, collaborative strategy to disrupt the system of relationships in which these abuses are embedded. The tactical mapping process also provided insight into how a more coordinated strategy can emerge when we understand how tactics relate synergistically or conflict with one another.

The process of mapping the tactics in play exposed large areas of the map unengaged in the struggle to prevent torture (such as among the families, friends, and social networks of perpetrators) and where new methods could stimulate more extensive pressure. The group hypothesized that every relationship within the tactical map was a potential target to launch an initiative but that not all tactics were appropriate for each actor. This called for a wider selection of available tactics and was a major impetus for the development of the New Tactics in Human Rights Project.¹

The working group's initial map was generic and focused on torture in police

stations. But later, a tactical map was drawn for an individual country to help campaign organizers shed light on the region's distinctive relationships. The emerging map diagrammed the formal, organizational relationships that might sustain the use of torture. Again, it is important to look at the informal network of friends, family, social clubs, religious institutions, and other relationships that might create change. These aspects may vary if, for example, torture takes place in military institutions, as it does in a number of countries.

Nevertheless, large parts of the map are relevant for understanding many torture scenarios. Whether the torture occurs in a police station, an army barracks, a military camp, or elsewhere, the government's international obligations and international relationships, the structure of government authority, and formal and informal social relationships in a particular culture are all relevant. In a given country, the lines of authority vary depending on which control structures are the primary culprits in the use of torture. This insight makes large parts of the map significant in understanding these differing scenarios (see figure 2 on page 95).

Figure 1: Social Political Context in Which Issue Operates

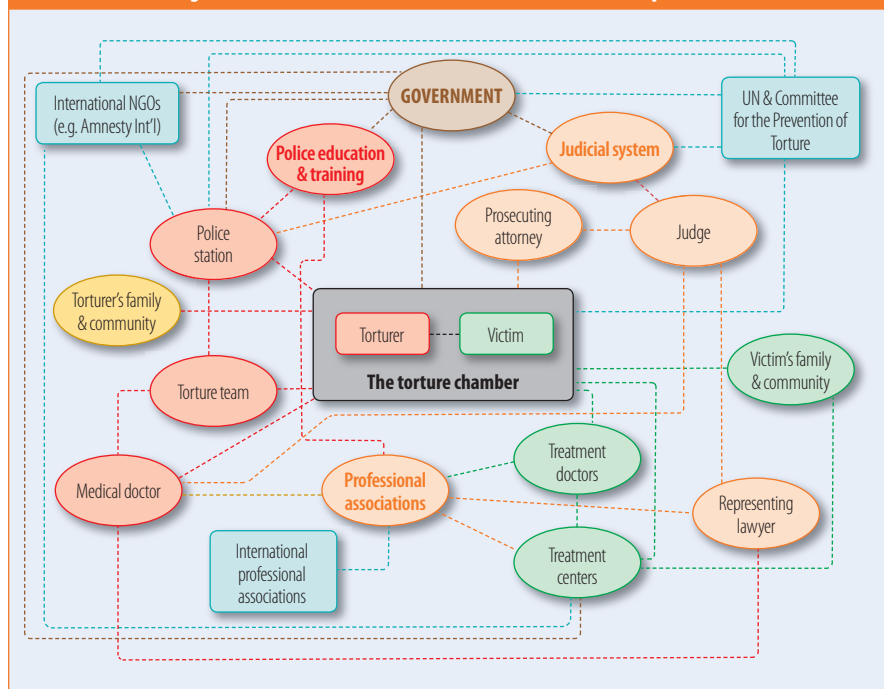


Figure 1 maps the different kinds and levels of relationships identified in the original CVT–New Tactics tactical map. Relationships range from the “torturer–victim” relationship and relationships that surround it, including those internal to a region, such as a country’s judicial system and police institutions, as well as connections external to a region, including associations, nongovernmental organizations, and intergovernmental systems.

This initial work demonstrates the tool’s potential in planning an anti-torture campaign. The mapping exercise demonstrates that many tactics currently in use require a lengthy chain of impact to be effective; this raises questions about how robust they are. The map also analyzes the presumed effect of tactics. The mapping process suggests that, by understanding causal links, more can be done to improve the effectiveness of tactics. Finally, the map itself permits creative brainstorming on new tactics, which can stimulate local action.²

In various training workshops with human-rights participants, the tactical mapping tool has identified relationships and developed tactics to address a spectrum of human-rights violations.³

How Does Tactical Mapping Work?

The tactical map helps gain a deeper understanding of issues, such as the following:

- the complexity of relationships involved in the issue;
- potential target points for intervention;
- potential allies and opponents;
- the improvement of tactics planning (current and potential);
- the ability to track the effectiveness of tactics to move strategy forward;
- the ability to enhance strategic and tactical adjustments; and
- the coordination of allies and their tactical contributions.

Note that the figures in this article provide a sample of the mapping process by illustrating relationships at various levels of interaction. The mapping process, for example, begins by identifying the direct “face to face” contact in the identified center relationship. It is important to begin with a concrete relationship that best represents the problem (see figure 2). After mapping face-to-face contacts, identify relationships that are

further away but that have an interest, investment, or impact on the center relationship at the local, national, regional, and even international levels (see figure 3 on page 96).

The process begins by understanding the relationship(s) that an issue or “campaign” seeks to change (such as the relationship between a torturer and a victim), then diagramming the relationships in which this strategic target is embedded. The tactical mapping tool uses a series of symbols comparable to a flowchart or organizational diagram. Participants have sketched maps in an afternoon or more extensively over weeks to plan a national campaign. The Helsinki Citizens’ Assembly (hCa) in Turkey has created the most extensive mapping to date. Over an 18-month period and in consultation with the New Tactics Project, hCa convened government agencies and nongovernmental organizations to develop a comprehensive STRA-MAP (or strategic map) concerning torture in Turkey.⁴

Although the generic map provides insight, the real value of the method is its application to particular problems, countries, and locales. The more knowledge individuals bring to the process of diagramming the relationships, the more profound are their insights about the problem and solutions. As the information is gathered, especially for a local or national campaign, campaign leaders should create a “database” (which may range from simple forms such as index cards to complex computer programs) to monitor the spectrum of relationships at each node in the map that offers the potential for intervention. The nature of the relationship should also be noted: Is it one of influence or one of command and control? Is it one of regard or animosity and competition?

As the tactical map has grown and developed, its contributors have added color-coded lines to illustrate the nature

Applications of Tactical Mapping

Tactical mapping can be used to think about the following questions:

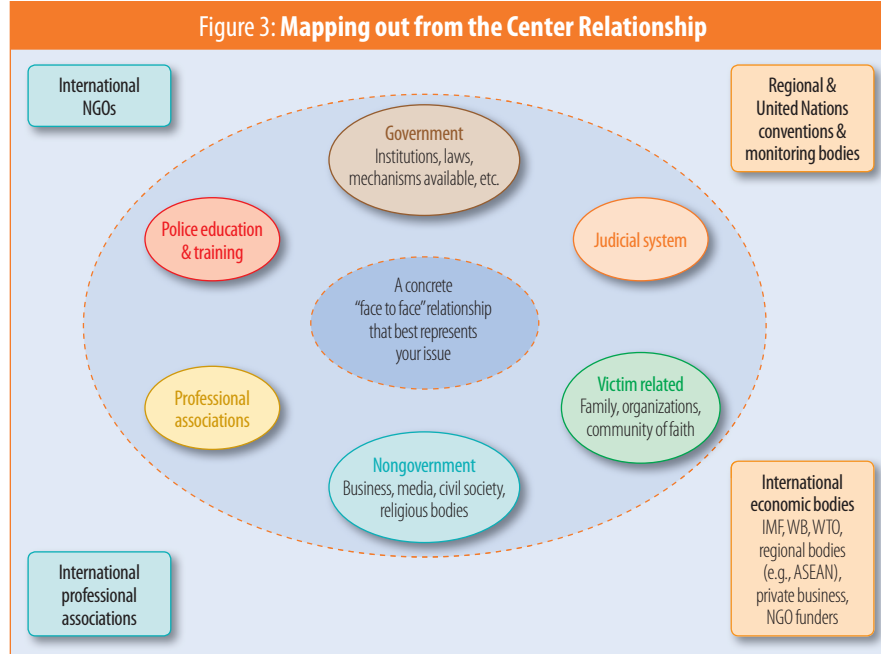
- Which key relationships need to be affected to move your issue and strategy forward?
- Which tactics are currently at play or available?
- How do these tactics affect the context, organizations, key relationships, etc., you want to target?
- Which key institutions, social groups or relationships are unaffected by current tactics?
- Which tactics might be used to engage the areas currently unaffected?
- Can potential allies be identified for building a more comprehensive and effective strategy?

prisoners were treated.

The ability to redraw the visual map based on changes discovered through data gathering helps monitor areas of progress and new opportunities or threats to a campaign against torture. When a map depicts different levels of detail, the coordinating group can monitor the major intervention systems, and organizations can take responsibility for a particular area of the map. In the case of the interior ministry example, a more detailed map of the ministry and its surrounding web of relationships would be a next step for planning a tactical intervention.

Modeling Problem Development

As we act in the world, we begin to change it. Sometimes an action hardens the opposition; sometimes it helps convert an individual to protect human rights. In some cases, only the people at an institution change; in other cases, institutions develop new mandates and policies. The tactical map focuses on individuals and institutions, not concepts. These ideas change during a campaign and simply



The second task is to map relationships that affect the center but don't have a direct relationship with the "center" relationship (see ovals). The third task is to map the international or external relationships that affect the center relationships (see rectangles).

by virtue of the passage of time. Understanding the individuals and the nature of their relationships with others requires investigation, research, and tactical flexibility.⁵

To be most useful, a tactical map must be dynamic and constantly updated to derive the insight to plan and monitor strategies and tactics. From a research standpoint, the tactical mapping process provides concrete, reusable information in existing and future contexts. The following are some of the applications of a dynamic map:

- It serves as a documenting tool to monitor the implementation of a specific tactic, enabling the actors to identify points of strength and weakness to deploy resources and activities dynamically.
- By providing a repository of relational networks and associated tactics that other actors can use in similar situations, the mapping tool serves the larger context of generating strategic thinking within the human-rights community at large.

By identifying the complex relationships involved in human-rights issues, organizations benefit greatly from such research systems. By coupling this information with a tactical mapping tool, civil-society organizations, international organizations, and governments can better use the data to develop more comprehensive strategies to combat human-rights abuses.

Once the tactical map diagram is "complete," it can then "map tactics" and create understanding about which relationship(s) each tactic is expected to affect and how.

The process of mapping relationships and identifying current and potential tactics creates a diagnosis of the situation in a given context, including the key relationships surrounding human-rights abuses, the impact of existing tactics, and additional targets in need of intervention. Consider that a torturer is connected organizationally, professionally, and socially. In order to create change within these various relationships, it is important to understand

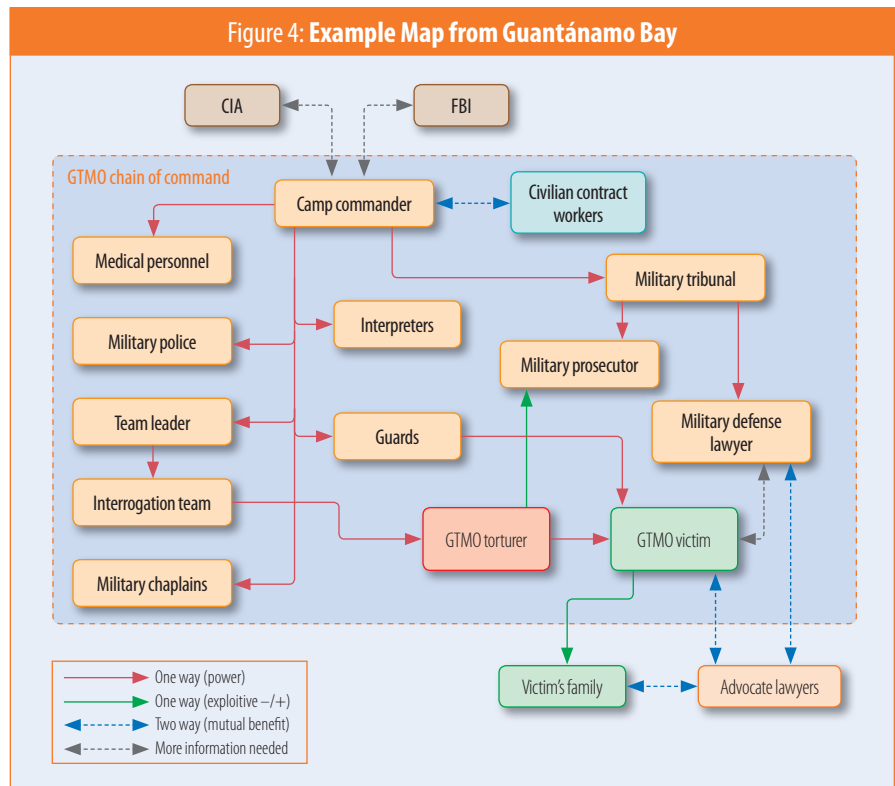
which individuals or organizations can do so already or be put in place to do so. A tactic, for example, may target the torturers' membership in a police union or association, which may in turn provide an opportunity to work through professional associations that reach across national boundaries, thus exerting pressure from within and outside.

Mapping these relationships can be done with simple tools at the grassroots level: with a stick to outline relationships in the dirt, with Post-its, or on paper with colored pens. A class of students at the University of Iowa, for example, used a Post-it method to highlight concern about a sexual harassment incident on campus. The tactical map tool provides an excellent medium for seasoned human-rights advocates and students in analyzing their terrain to determine options for action.

The development of more technological tools, such as database systems, to house the research collected and feed this wealth of information into a tactical mapping program would greatly increase the adaptability and response time for significant change in the human-rights arena.

Each of these contexts requires ongoing research to understand the systems and people involved in human-rights abuses—and that means those who make bad decisions as well as those who could protect human rights. Certainly, activists on the ground have begun to collect this information. Building collaborative partnerships with sociologists, political scientists, and other academics can help enhance this research. New Tactics is especially interested in documenting tactical interventions and evaluating their results so that others can gain insight into possible interventions for their own settings.

In our experience, the tactical mapping approach has proved effective



In November 2006, the Center for Victims of Torture gathered representatives from 13 organizations to use the tactical map tool regarding the situation of U.S. torture at Guantánamo Bay. This “first level” aspect of the tactical map features colored lines to identify relationship dynamics.

for human-rights practitioners as they gain a new perspective to develop strategic efforts to end human-rights abuses. The process offers greater clarity about the situation being mapped, anticipates potential responses, identifies areas for additional attention and collaboration, improves coordination, and provides an effective tool for assessment and evaluation.

Examples of the Tactical Mapping Tool

As part of a New Tactics–National Endowment for Democracy–sponsored grant, two organizations used the tactical map tool to expand their understanding of an issue and to collaborate with other organizations.

During a training conducted by Liberia National Law Enforcement Association (LINLEA) in 2006, the organization introduced the New Tactics tactical mapping method to explore a postconflict issue in Liberia: “mob justice.”

Key factors identified by the trainees as contributing to mob justice included lack of trust and confidence by a great percentage of the citizens on the effectiveness of the criminal justice system of Liberia. Many citizens would prefer taking the law into their own hands instead of turning over suspects to the police because they feel that the police [are] ineffective (the police lack logistics and adequate training), or even if the suspects are arrested and turned over to the courts there are delays in court trials, and most often suspects are released after bail. In addition citizens are charged with exorbitant court fees, which discourage[s] many persons from pursuing court cases. It was also noted that the corrections component was not providing the necessary rehabilitative programs for inmates when incarcerated in prisons.⁶

Figure 5: Minnesota Health Provider Network for Refugees

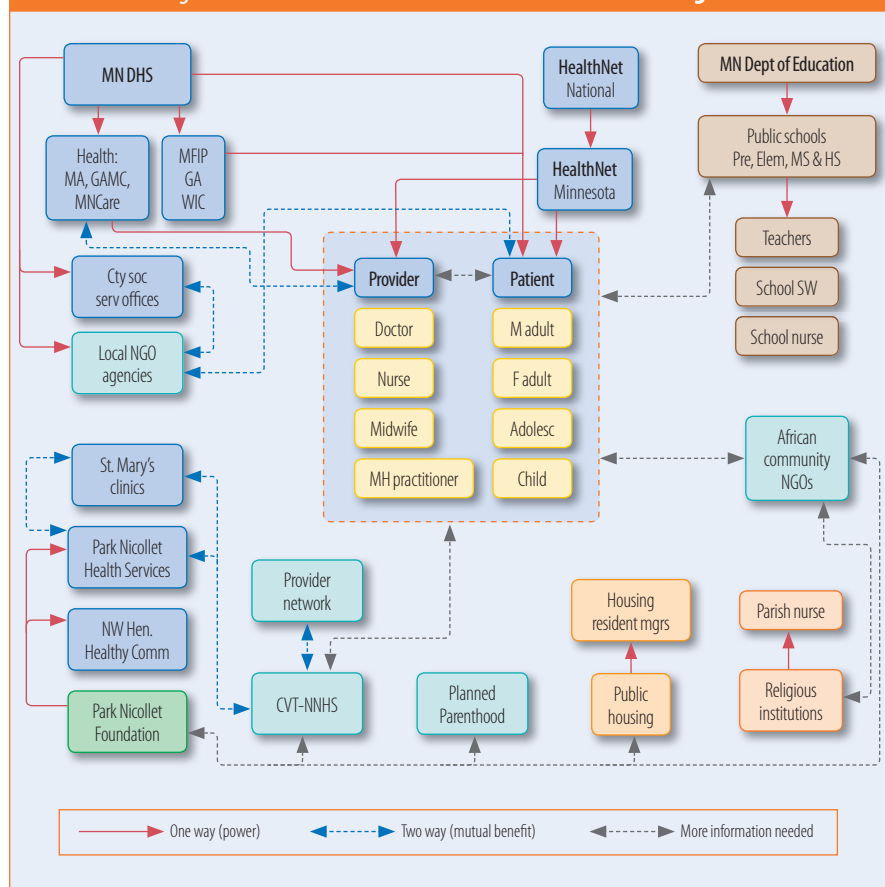


Figure 5 provides an example of how to use tactical mapping to depict a state-level organization's internal and external relationships.

By using the tactical mapping method, the trainees identified several activities for tactical intervention, including the following:

- training, developing, and professionalizing the Liberia criminal-justice system;
- providing community education and awareness on the concept of the rule of law and the dangers of mob justice;
- building effective community structures, such as neighborhood-watch teams, to promote crime prevention and the rule of law;
- training of community members to monitor and report mob action and human-rights violations;
- introducing and developing models of community policing; and
- prosecuting perpetrators of mob justice.

The EvAran, Mongolia, project team used the tactical mapping tool to examine torture in Mongolia. By drawing a picture of the sociopolitical framework of torture, the first mapping workshop yielded positive results and proposed future collective action. During the course of consultations with more than 25 organizations, the organization used the tool to address other human-rights issues. In September 2006, the EvAran project team organized a workshop to introduce the tactical mapping technique to the broader human-rights community.

The participants of the mapping workshop included human-rights practitioners and private attorneys engaged in a public-interest litigation case to seek compensation for environmental and livelihood damages caused

from extractive mining practices. From the workings of the mapping workshop, it became evident that one of the main causes for difficulties in the overall litigation process—apart from corrupt local administration that back[s] mining companies and low community awareness to collectively claim rights—was lack of judicial precedent and reference tools for the defense to quantify damages endured from environmental degradation and loss of livelihoods for the herder community. The following tactics were proposed for serious discussion after the workshop: (a) engagement of specialists from the state professional inspection agency and other relevant authorities to develop guidelines for environmental assessment of exploration damages; and (b) organization of a roundtable meeting to sensitize the judiciary on human rights of herder groups.⁷

This application of the tool explored possibilities for future collaboration of civil-society actors to promote and protect the human rights of herder groups at extractive mining sites and resulted in the development of tactics that had not been considered to uphold these rights.

In November 2006, CVT and New Tactics gathered a group of representatives of 13 U.S.-based organizations working on the issue of U.S. torture at Guantánamo Bay. We provided a draft tactical map based on our knowledge of the situation. This saved group time and made it possible to more deeply examine different areas of the map where other organizations had greater expertise and knowledge. The participating organizations gained additional benefits, including the following:

Gathering collective information. The process revealed new information

and relationships that enriched the map and knowledge among the group.

Discovering common targets and tactics. Two groups had a grant by the same foundation to write about the impact on Guantánamo prisoners (from the legal and medical/psychological perspectives). They collaborated and wrote a comprehensive report that has been one of the few resources cited and used on Capitol Hill. Two other groups that had planned action in Washington, D.C., on the same day worked together to expand the scope of each group's action.

Building new collaborations. Several organizations forged stronger alliances that led to new campaign actions.

In July 2007, CVT's New Neighbors, Hidden Scars project used the tactical map tool to examine and evaluate the progress toward building an effective health-provider network for refugees in a Minnesota community (see figure 5 on page 98). As the project neared its end, the visual tactical map tool provided focus on the remaining steps required for bringing together health-care providers and refugee groups to deliver better health-care services to the refugee community.

Over the course of just a few years, the tactical mapping tool has provided numerous organizations with a fresh outlook on how to prevent torture. It provides not only a means to visualize the web of relationships in which human-rights abuses occur but also concrete new tactics to combat these violations. By starting from a place of knowledge gathering and visualization, the tactical mapping tool has provided human-rights activists with a new vantage point to understand their opponents and to support the victims of human-rights abuses.

ENDNOTES

1. See the New Tactics in Human Rights Web site at www.newtactics.org.

2. "A Case in Point: Using the Tactical Map" on the New Tactics in Human Rights Web site provides examples that illustrate the points of tactical intervention (www.newtactics.org/sites/newtactics.org/files/tools/a_case_in_point_en_1-16-09.pdf).

3. Two examples are available on the New Tactics in Human Rights Web site: a tactical map on domestic violence developed at the Asian New Tactics cross-training workshop in August 2005 (see www.newtactics.org/sites/newtactics.org/files/resources/Sample_Map.JPG) and its application in Nigeria to address campaign plans on the treatment of wives and widows (see www.newtactics.org/en/node/5671, and for the full Nigeria report, see www.newtactics.org).

4. For more information and an online version of the map—currently only in Turkish—see www.stramap.org/tr/anasayfa.aspx.

5. Douglas A. Johnson, "The Need for New Tactics," New Tactics in Human Rights, September 2004 (www.newtactics.org/sites/newtactics.org/files/resources/Need_for_New_Tactics_Article.pdf).

6. The LINLEA example was quoted and summarized from the final grant report provided to New Tactics in September 2006.

7. The example was summarized from the final grant report provided to New Tactics, September 2006.

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The Take-Away

by the editors



Nonprofits in the Age of Obama: The “State of the Village,” Part Two

by Ruth McCambridge

This series of case-based articles—which is scheduled to extend for three years and will act as an early-sensing mechanism on the state of nonprofits—documents the effects of a troubled economy and a new presidency on nonprofits of all sizes, types, and geographies.

The first installment of this series ran in the Spring 2009 issue of *NPQ*. This second installment features three child-serving agencies in Hawai‘i, Texas, and the Badlands and their challenges, including difficulties with late payments and other contracting issues, constrained state budgets, and declining enrollments among fee-paying parents.

An Interview with Eric Karolak

Because state budgets tend to lag trends in the national economy, things could get worse before they get better, says the executive director of the Early Care and Education Consortium.

Government Contracting: The Business of Foundations—A Letter by Kathleen Enright

The CEO of Grantmakers for Effective

Organizations identifies various problems with state nonprofit contracting policies that leech the capacities of community groups. Enright urges foundations to make it their business to help reform these contracting practices.

Immigration and Nonprofits

by Rick Cohen

Nonprofits can’t turn a blind eye to the immigration issue. While the nation waits for long-promised reform of immigration policy, nonprofits have a responsibility to the documented and undocumented immigrants living in the United States.

How nonprofits address the immigrant issue will speak volumes about these organizations’ commitment to fairness, social justice, and human rights.

State Immigration Policy Issues

by Dan Petegorsky and Kalpana Krishnamurthy

State and local laws have taken sharp aim at immigrant communities, driving them out of their newly settled homes, thwarting their integration, and denying them economic and social improvement.

In turn, some nonprofits have risen to the challenge and advocated on behalf of immigrant communities, particularly in the areas of immigrant children’s health and education. But now nonprofits need to be more central in the conversation about immigration reform.

Building Economic Power in Immigrant Communities

by Noel Poyo and Analisa Nazareno

In various corners of the United States,

financial institutions are helping immigrants build financial security. At the Latino Community Credit Union in North Carolina, for example, immigrants no longer have to save their earnings under their mattresses. They now have a safe place to build financial assets over the long term. Noel Poyo and Analisa Nazareno detail how these asset-building institutions have given immigrants economic clout in their communities.

Immigrant Integration and Asian-American Community Development

by Lisa Hasegawa and Gen Fujioka

According to research, even in communities with growing diversity, the short-term effect of multiplicity is not necessarily immigrant integration and acculturation, but rather immigrants’ tendency to remain marginalized.

The authors explore how organizations such as the National Coalition for Asian Pacific American Community Development help immigrants gain a foothold in a new environment and overcome “outsider” status.



Youth Leadership: The Engine of Immigrant Civic Participation

by Mari Ryono

The 2008 presidential election brought

new groups into the electoral process, and immigrant youth was one such constituency. Viewed through the lens of four nonprofit case studies, this article explores some of the lessons of the election—and how immigrant youth leaders integrated their communities into the electoral process.



Undocumented but Undaunted: Immigrant Youth at Work in the Nonprofit Sector

by Tam Tran and Prerna Lal

Among the 12 undocumented immigrants in the United States, many are children who have spent the bulk of their lives in this country. These immigrants hope to attend college, pursue meaningful vocations, and achieve success, just like their native-born peers. Instead, they remain in undocumented limbo as they await changes to U.S. immigration policy. Tam Tran and Prerna Lal detail the lives of these young adults and their obstacles to pursuing the American dream.

Immigration and Philanthropy: A Conversation with Geri Mannion and Taryn Higashi

by Joyce Baldwin

Four Freedoms Fund, a funding collaborative launched by Geri Mannion and Taryn Higashi, has harnessed the power of a collective approach to philanthropy.

The result is the ability to coordinate grantmaking across foundations and to build the capacity of grantees. Mannion and Higashi explain how the funding collaborative has magnified FFF's impact, targeted efforts to better the lives of

immigrants, and made individual foundations more agile.

Supporting Immigrant Youth: Removing Obstacles and Building on Strengths

by Cynthia García Coll and Flannery Patton

Recent research indicates that immigrant children demonstrate greater success—along a wide spectrum of factors—when they remain connected with their native culture, language, and family structure. So if the process of “becoming American” places immigrant children at developmental risk, how can nonprofits encourage immigrant integration while preserving immigrants’ native culture?

Tactical Mapping: How Nonprofits Can Identify the Levers of Change

by Douglas A. Johnson and Nancy L. Pearson

How does a complex system change? You have to know how it works. The Center for Victims of Torture has developed a visual methodology to unpack the dynamics of torture. By understanding the social environment in which the perpetrators of torture draw their strength and legitimacy, CVT’s tactical mapping method enables organizations to identify the web of relationships that supports torture and to choose the strategies to intervene.

Immigration Reform: Political Calculus versus Transformative Opportunity

by Eva Paterson, Claudia Peña, and Miguel Gavaldón

Despite the efforts of some groups to advocate for reform—and to hold the Obama administration to its promise to institute such reform—groups such as the Reform Immigration for America Campaign fall short. The campaign’s efforts largely capitulate to big-business

interests at the expense of true reform and the protection of all workers’ rights. The authors envision a more sweeping reform agenda that is based on human rights and social justice.

Chapter 11: Why Not for Nonprofits by Woods Bowman

Nonprofits tend to question the morality and fear the stigma of declaring bankruptcy, but for some organizations and their stakeholders, declaring Chapter 11 may be the best option. In this article, Bowman weighs the arguments for declaring Chapter 11.

Updating the Leadership Agenda: An Essential Step for Success in Executive Recruitment

by Tim Wolfred

Executive transitions can be stressful in the most serene of times, but when all “Hades” has broken loose in your funding environment, the stakes are higher for organizations to choose new leadership properly. A foremost expert on nonprofit executive transitions provides valuable advice on clarifying your “leadership agenda” early in the transition process.

Vertigo and the Intentional Inhabitant: Leadership in a Connected World

by Bill Traynor

This article discusses a new approach to leadership that takes the dynamic and constantly circulating engagement of constituents as the avenue to achieving powerful community progress. While author Bill Traynor has decades of experience in community organizing, he continues to learn—about himself and the challenges and power of leading in vertigo.

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now time to close the deal.

The program of the Washington event was to be a mix of outcome-driven results celebration and cameo appearances by the leading lights in the new field. Since most of these leading lights looked alike (a common problem in charity circles), Jennifer had to bring visible new faces into the mix to achieve the right image. Thembe Samal fit the bill after having started a single-parents sewing enterprise with Somali immigrants that turned into a five-city anticolonial empire based in the newly important Chicago.

The key news that would attract national attention was the announcement of recipients of the \$50 million. This was the shining star to get front-page coverage on every news Web site around the country. The proposal process was intense, rigorous, and complex. The criteria had been developed by a team of young Obama administration officials (drawn from the ranks of the new social entrepreneurs' organizations), who then turned over the judging to a group of foundations. They knew the new language and the new theory, and most important, they already knew what worked and who worked it. These dollars would be limited to effective programs capable of going to scale to attack the country's toughest problems.

At charity meetings across the country, the intensity of interest in the \$50 million was palpable. Nonprofits formed coalitions, collaborations, team proposals, and new ideas to aggressively attack the toughest U.S. problems. The online process was tricky and required some of the best minds that had ever spent hours registering with Grants.gov. In cubicles and basement offices all over the United States, development professionals entered the words, the hopes, and the dreams that could change their organizations forever.

Like many competitive programs that

promote their existence by boasting how many applications they are forced to decline, the social innovation fund broke new ground by attracting just more than 10,000 proposals. In a competition for \$50 million, with an estimated preparation time of 225 hours per proposal, the total effort to get some part of the \$50 million surpassed \$55 million: a net loss of \$5 million.

Security was tight, but the bright fall day in Washington had the feel of a crisp \$100 bill outside the U Street Youth Center where the ceremony was held. Samal had a prominent place on the program, but Jennifer worried about an embarrassing glitch: Samal's organization would receive no funds, while other program speakers' organizations

Entrepreneur Thembe Samal
was known for speaking brutal truths
in uncomfortable settings.

were due to receive million-dollar grants. At that point, nothing could be done, although Jennifer and Ian promised to go to bat with the national foundations and ensure that Samal's organization would ultimately receive even more money than this inaugural class of social-innovation grantees.

It was standing-room only at the youth center's gymnasium—especially since the folding bleachers had broken the day before in the half-open position. Samal's job was to introduce Michelle Obama, and there were nervous glances as she approached the microphone.

Samal was known for speaking brutal truths in uncomfortable settings, so the worry was not misplaced. Samal grabbed both sides of the podium and began her remarks. "Ain't I a social entrepreneur?" she asked. "Ain't I one of those who is involved in organizations all over the

country to do the daily work of supporting, encouraging, and animating our communities?"

Samal paused, and you could have heard an iPhone rattle next to foundation Lexus keys from the back of the room. "I don't have an Ivy League degree, and I don't have a federal grant," she continued. "What I have is a community that wants to change things and people who are willing to invest their own money, sweat, and ideas *not* to build a franchise, *not* to go to scale, *not* to glorify the head of the organization, and definitely *not* to garner the feel-good recognition by those with connections. What's happening here is actually kind of fake.

"But ain't I a social entrepreneur?" she repeated. "Ain't I the same as those who a hundred years ago started Hull House and the NAACP and the Red Cross and the Salvation Army and domestic violence shelters and folk schools and community clinics and nature centers? Didn't all these people start with a dream and an inspiration and a drive to do something together that they couldn't do apart? You don't have to be a community organizer to know what it takes to organize a community. Every nonprofit in the country is doing this in its own way. Ain't they social entrepreneurs and innovators, too? No matter. We'll just get on with our work—same as always."

ENDNOTES

1. This title takes a page from Sojourner Truth, who delivered her epic speech "Ain't I a Woman?" at the 1851 Women's Convention in Akron, Ohio.

PHIL ANTHROP is a consultant to foundations in the G8 countries.

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Ain't I a Social Entrepreneur?¹

by Phil Anthrop

THE BEST-RECOGNIZED SOCIAL entrepreneurs in the country created the Committee for Effective Funding (CEF) meeting in Washington, D.C. These innovators became the best recognized through no small efforts of their own to issue promotional materials, organize conferences, write articles, and seek funding for the development of the new field of social entrepreneurship.

CEF issued a proclamation with its goals for this new era of philanthropy and governmental social investment. The manifesto text itself was admittedly blurry, but between the lines the intent was clear: more money was needed for “social innovation-oriented” groups publicly recognized as social entrepreneurs.

Stephanie Jennifer was one of the public faces of the campaign—and an attractive one at that. As the founder of a nascent service organization to transform at-risk youth into risk-averse young adults, she expanded the organization from an idealistic vision to an educational

powerhouse and created intense competition for a limited number of highly sought-after positions. The organization’s claim to fame: the number of Ivy League job applicants it rejected.

Ian Smith-Davis, formerly of Wall Street, took up the cause alongside Jennifer and recruited former colleagues at

**Stephanie Jennifer expanded the
Committee for Effective Funding
from an idealistic vision to
an educational powerhouse.**

Lehman Brothers and Goldman Sachs to underwrite lavish think-tank retreats, assembling former Clinton-era officials and new-tech philanthropists to create a *new new* way of giving back and transforming society.

Knowing that the new Obama administration represented a distinct opportunity, CEF had access to the eyes and ears of the new administration.

In the critical first months of the administration, Jennifer was everywhere.

And by ensuring that everyone knew she had been involved in the Obama campaign, she was in great demand from every foundation that wanted an inside connection.

Planning the announcement of the recipients of the \$50 million social entrepreneur fund required lots of scheduling and, most important, coordination with the schedule of First Lady Michelle Obama.

If all went according to plan, it would be possible to steer large sections of federal funds as well as foundation and corporate grants through marketing, celebrity connections, and old-fashioned salesmanship. Like being the fastest-growing sport, being the *new new* charitable thing had obvious benefits. Staying at the crest of the wave required a Washington meeting with all the pieces in one place. With CEF having created the new field of Social Innovation and having defined its boundaries and marshaled its resources and media attention, it was

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