

LINC Commission Meeting

March 18, 2013



Students at Maplewood Caring Communities in the North Kansas City School District select a free book as part of Family Reading Night. Books were donated by the Mid-Continent Public Library.

Photo: Jeff Hill, LINC Site Coordinator.



LINC
Local Investment Commission
www.kclinc.org

Local Investment Commission (LINC) Vision

Our Shared Vision

A caring community that builds on its strengths to provide meaningful opportunities for children, families and individuals to achieve self-sufficiency, attain their highest potential, and contribute to the public good.

Our Mission

To provide leadership and influence to engage the Kansas City Community in creating the best service delivery system to support and strengthen children, families and individuals, holding that system accountable, and changing public attitudes towards the system.

Our Guiding Principles

1. **COMPREHENSIVENESS:** Provide ready access to a full array of effective services.
2. **PREVENTION:** Emphasize “front-end” services that enhance development and prevent problems, rather than “back-end” crisis intervention.
3. **OUTCOMES:** Measure system performance by improved outcomes for children and families, not simply by the number and kind of services delivered.
4. **INTENSITY:** Offering services to the needed degree and in the appropriate time.
5. **PARTICIPANT INVOLVEMENT:** Use the needs, concerns, and opinions of individuals who use the service delivery system to drive improvements in the operation of the system.
6. **NEIGHBORHOODS:** Decentralize services to the places where people live, wherever appropriate, and utilize services to strengthen neighborhood capacity.
7. **FLEXIBILITY AND RESPONSIVENESS:** Create a delivery system, including programs and reimbursement mechanisms, that are sufficiently flexible and adaptable to respond to the full spectrum of child, family and individual needs.
8. **COLLABORATION:** Connect public, private and community resources to create an integrated service delivery system.
9. **STRONG FAMILIES:** Work to strengthen families, especially the capacity of parents to support and nurture the development of their children.
10. **RESPECT AND DIGNITY:** Treat families, and the staff who work with them, in a respectful and dignified manner.
11. **INTERDEPENDENCE/MUTUAL RESPONSIBILITY:** Balance the need for individuals to be accountable and responsible with the obligation of community to enhance the welfare of all citizens.
12. **CULTURAL COMPETENCY:** Demonstrate the belief that diversity in the historical, cultural, religious and spiritual values of different groups is a source of great strength.
13. **CREATIVITY:** Encourage and allow participants and staff to think and act innovatively, to take risks, and to learn from their experiences and mistakes.
14. **COMPASSION:** Display an unconditional regard and a caring, non-judgmental attitude toward participants that recognizes their strengths and empowers them to meet their own needs.
15. **HONESTY:** Encourage and allow honesty among all people in the system.



Monday, March 18, 2013 | 4 – 6 pm
Kauffman Foundation
4801 Rockhill Rd.
Kansas City, Mo. 64110

Agenda

- I. Welcome and Announcements**
- II. Approvals**
 - a. January minutes (motion)**
- III. Financial Literacy – Community Initiatives**
 - a. Kristin Wing and Margo Quiriconi – The Women’s Foundation of Greater Kansas City**
 - b. Jason Wood – United Way of Greater KC**
 - c. Paul Wenske – Federal Reserve of Kansas City**
- IV. Superintendents’ Reports**
- V. LINC Finances**
 - a. A133 Audit**
- VI. Early Education**
 - a. Kansas City Public Schools proposal**
 - b. Other**
- VII. Adjournment**



THE LOCAL INVESTMENT COMMISSION – JAN. 28, 2013

The Local Investment Commission met at the Kauffman Foundation, 4801 Rockhill Rd., Kansas City, Mo. Chairman **Landon Rowland** presided. Commissioners attending were:

Sharon Cheers
Jack Craft
Herb Freeman
Anita Gorman
Bart Hakan

Rosemary Lowe
Margie Peltier
David Ross
Marge Williams

Rowland reported on the ruling of Jackson County Circuit Judge **John Torrence** in favor of the Health Care Foundation of Greater Kansas City's suit against HCA. Rowland introduced **Mark Flaherty**, general counsel for the Health Care Foundation, who reported on the community effort to ensure the commitment of HCA health resources for indigent care following the sale of Health Midwest to HCA.

A motion to approve the Nov. 19, 2012, LINC Commission meeting minutes was passed unanimously.

David Ross presented the LINC FY 2012-2013 budget on behalf of the LINC Finance and Audit Committee, which recommended the budget be approved.

A motion to approve the LINC Fiscal Year 2012-2013 budget was passed unanimously.

Superintendents' Report

- **Bob Bartman** (Superintendent, Center School District) reported on the district's efforts to respond to changing student and family demographics.
- **John Ruddy** (Assistant Superintendent, Fort Osage School District) reported on the district's efforts to respond to changing student and family demographics, and to respond to community concerns about school safety.
- **John Tramel** (Director of Family Services & Caring Communities, Independence School District) reported on the progress of building a new elementary school in western Independence.
- **Paul Fregeau** (Assistant Superintendent, North Kansas City School District) reported on the district's efforts to respond to community concerns about school safety and on the April 6 LINC Chess tournament at North Kansas City High School.
- **Pamela Pearson** (Executive Director, Genesis Promise Academy) reported on the school's partnership with LINC to provide adult GED classes.

Gayle A. Hobbs introduced the 2012 LINC in Review slide show, and presented a draft of the LINC Briefing Book, which includes sections on 2012 Goals, Major Initiatives, 2012 Changes and Expansion, State Relations, Personnel, Operations and Finance.

LINC chess coordinator **Ken Lingelbach** introduced a presentation on LINC chess. A video on LINC's chess activities in the North Kansas City School District was shown. North Kansas City High School student instructors **Ty Williams**, **Trenton Walters**, and **Brandon Williams** reported on their experience of the LINC chess program and the opportunities for chess to play a role in academic achievement and personal growth.

Rowland reported on a request to allow the children of U.S. military veterans to participate in the LINC Before & After School programs without charge.

A motion to approve the policy change regarding program tuition fees was passed unanimously.

Brent Schondelmeyer reported LINC has produced educational poster sets and booklets for Black History Month. This year's edition – the fourth – focuses on the American Civil War and is produced in partnership with the Kansas City Public Library and the Black Archives of Mid-America in Kansas City. Black Archives Executive Director **Doretha Williams** reported the archives has produced study guides and organized history tours to complement the materials.

Rowland announced that LINC Commissioner **Adele Hall** has died.

Sharon Cheers reported on a series of Kansas City Public Schools public meetings on the repurposing of closed schools.

The meeting was adjourned.

Tuesday, Feb 19, 2013

Foundation combats poverty and job problems among women

By DIANE STAFFORD - The Kansas City Star

Lack of transportation. Lack of education. Lack of affordable child care help and elder care help. These and other barriers to good employment contribute to high levels of poverty for women in the Kansas City area.

Researchers affiliated with the Women's Foundation of Greater Kansas City have spent hundreds of hours poring over 2010 census data, holding focus groups and talking to community leaders to produce three reports that delineate those economic ills and suggest remedies.

Last fall, the organization released two reports, "Her Reality" and "Her Voice," which conveyed statistics and emotion. This week, the third and final report, "Her Future," calls for specific actions to improve the financial status of women.

The need is great. Of the 45,000 poverty-level households in the Kansas City area, half are headed by women with children in the home.

"These women — most of whom have little or no schooling — and their dependent children live on a median income of \$21,516," the report said. "To survive is to work."

Yet weekly child care rates in the metro area range from \$110 to \$193. Add in transportation costs, or lack of access to available jobs, and the employment problem becomes nearly insurmountable.

To that end, the Women's Foundation is committed to working with nonprofit organizations, foundations, employers and educators to talk about the barriers and suggest specific actions.

For example, said Kristin Wing, a foundation member, "we're talking to businesses about helping their low-wage employees get a better grip on financial literacy. Maybe we can put together a tool kit to help. Our advocacy committee is reaching out to human resource officials and CEOs."

Another discussion with businesses, Wing said, will be about transportation solutions, particularly since public bus service in the metro area often doesn't reach available jobs.

"Maybe more businesses can provide transportation vouchers or run a van to get employees to work," she said.

The report divides recommendations into five areas: basic survival, financial literacy, career development, support for working women, and targeted help for immigrants and refugees.

It offers suggestions for actions that can be taken by individuals, businesses, educational institutions, nonprofit organizations, elected officials, and funders or donors.

One example, in the area of career development, encourages one-on-one mentoring of low-wage women workers, both by individual volunteers and by businesses with formal programs.

All three reports are on the Women's Foundation website at www.wfgkc.org.

To reach Diane Stafford, call 816-234-4359 or send email to stafford@kcstar.com.

REAL SOLUTIONS

Economically self-sufficient women can lead the nation's next chapter of economic growth. Investing in women means investing in our economy. The economics of being a woman can and will add up. Kansas City's 1,000,000 plus women and girls deserve nothing less.

WORK SUPPORTS

A variety of supports can help women balance work and family responsibilities. This is especially important for low-income working mothers who typically face steep work-related costs. Subsidized child care, paid sick leave, assistance with transportation costs and public assistance (through programs such as Temporary Assistance for Needy Families, tax credits and Food Stamps) can help women get jobs and keep them as well as seeking additional education opportunities.

Child Care. Accessible and affordable child care and after-school programs are essential supports for families in the Kansas City region given that over 70 percent of families with children under six years of age and 76.6 percent of families with children six through seventeen years of age have both parents in the workforce. Twenty percent of children under six years of age and 21 percent of children six to seventeen years of age live with a single, working mother.

According to the Metropolitan Council on Early Learning, the average weekly cost of center-based infant care was \$193, for toddlers \$168 and for school age children \$110.

Some families are eligible to receive child care subsidies. In Missouri, the eligibility requirement for low-income families is currently at 127 percent of the federal poverty level (\$18,885 for a family of three) with transitional assistance up to

139 percent (\$20,063 for a family of three). Missouri is currently ranked 48th in the nation for child care subsidy eligibility. In Kansas the current eligibility level for low income families is 185 percent of federal poverty levels (\$33,873 for a family of three). Kansas is 30th in the nation for child care subsidy.

Subsidies available to all families in the form of tax deductions or credits fall far below child care costs. Under the federal Dependent Care Tax Credit, benefits cap out at \$1,050 for one child and \$2,100 for two or more; families that do not owe taxes cannot claim these credits. Pre-tax accounts offered by some of the Kansas City region's employers allow families to set aside up to \$5,000, but any benefit derived from these accounts must be deducted from the federal Dependent Care Tax Credit.

Neither Kansas nor Missouri has a state tax credit for child care. Kansas did have a child dependent care credit, but this was eliminated by the tax bill passed in the 2012 legislative session.

Transportation is another cost that can eat into the incomes of working women. In the Kansas City region, 23.8 percent of women and girls age 16 and older spend 30 minutes to an hour commuting to work by primary mode of transportation.

Low-income workers have complex transportation needs that are not always adequately addressed

by public transportation. Some jobs are not accessible by public transportation because of their non-traditional hours and location. Single women with children can face an even greater challenge because of the additional need to take children to and from child care and school before and after work.

Assistance to Low-Income Working Mothers. Temporary Assistance for Needy Families (TANF) is one source of income and support for low-income families, both those who are working and those who are not. Currently, the maximum monthly TANF benefit is \$292 per month for a family of three living in Missouri and in Kansas the benefit is \$429 per month.⁴ In addition to the monthly benefit, women receiving TANF are also eligible for child care and housing subsidies, Supplemental Nutrition Assistance Program (SNAP) and health insurance through Medicaid.

Supplemental Nutrition Assistance Program (SNAP). Female-headed householders have the highest participation in SNAP. Of SNAP (Food Stamps) households in the KCMSA, 56 percent are female-headed households, 34.3 percent for married couple households and 9.8 percent male households.

⁴ The TANF support in Kansas is around \$429 per month depending on what county of residence.

BACKGROUND

For 20 years, the WFGKC's focus has remained constant: We seek to understand the needs of Kansas City's women and girls and respond to those needs through thoughtful planning, purposeful action and engaged philanthropy. As a result we have developed a great knowledge of the needs, concerns and priorities of women and girls in our region.

In 2009, the WFGKC recognized the need for targeted advocacy in the area of advancing economic self-sufficiency for Kansas City's women and girls. Our efforts have focused on financial literacy, career development and supports for working women. We established an Advocacy Committee to increase awareness of the important issues our research uncovered. We are diligently working to



identify better solutions to the challenging economic conditions faced by women and girls in our community—and advocate for initiatives and programs that will create and sustain systemic change. We believe that positive change for women and girls results in stronger individuals and families, thus ultimately strengthening our entire community.

The WFGKC recognizes that there are multiple strategies for achieving systemic change: community development, legislation, media outreach, coalition development, public education, grant-making, and corporate engagement. Our grant-making targets the issue of economic self-sufficiency, and all proposals and grants must be directed at promoting this achievement. We also know that strategies are intertwined, and needs and responses must continue to evolve. By focusing on targeted grant making, continual research, and ongoing advocacy, we believe we are well positioned to continue to work in a way that responds to input from multiple community stakeholders.

We are continually seeking better ways to facilitate improved conditions for women and girls in our region. The WFGKC has identified key stakeholders in the Kansas City community who have a vested interest in helping women and girls. Those stakeholders include educational institutions, elected officials, employers, individuals, and

non-profit organizations. *Her Future* includes action steps that can be implemented for each group in key areas that challenge women and girls in forging a path to economic self-sufficiency: basic survival, financial literacy, career development, supports for working women, and immigrant and refugee population needs. These action steps can be helpful for a CEO or HR professional to secure a productive workforce, improve revenue stream, and increase engagement in the community. We have learned that education is important but the kind of education is even more critical. Educational institutes can and should provide specific career training and increase mentoring opportunities in order to improve graduation rates. We urge our elected officials to look at policies through a gender lens and learn how they can drive thoughtful and impactful legislation. Non-profit organizations now have solid data as they review current program curriculum and apply for funding. In addition, the WFGKC is developing fact sheets, presentations and other helpful content for those who are interested in learning more about women and girls in Kansas City.

Economically self-sufficient women can lead the nation's next chapter of economic growth. Investing in women means investing in our economy. The economics of being a woman can and will add up. Kansas City's 1,000,000 plus women and girls deserve nothing less.

BASIC SURVIVAL

Shelter, food, transportation and access to health care are primary human needs for basic survival. Since 2008, 3,000,000 more women have joined the poverty ranks across the United States. In Kansas City, 83,596 more women live in poverty today than in 2008. Females in our area experienced greater growth in poverty than did males during this time, with Johnson County (KS), Platte and Clay Counties (MO) experiencing the highest growth. Sixty-six percent of the households living in poverty are headed by women and nine in ten of those households include related children.

What you can do if you are an individual:

- Volunteer through a non-profit organization as a mentor
- Make a charitable contribution to an organization serving women and girls in poverty
- Lead a collection of supplies, food and other assistance for families living in poverty
- Partner with faith, corporate or civic groups for job coaching programs
- Begin a dialogue in your workplace regarding affordable on-site child care for employees
- Provide your professional expertise, free or on a sliding scale
- Follow proposed legislation impacting women and girls

What you can do if you are a business:

- Ensure women and men are paid equally for the same work
- Develop and implement policies that address women-specific barriers to employment and financial success (affordable childcare, flexible schedules, benefits, etc.)
- Make a charitable contribution to an organization serving women and girls in poverty
- Establish a mentoring program for female employees
- Provide access to educational and training programs that enable low-wage earning women to move to higher skilled jobs

What you can do if you are an educational institute:

- Train school staff to identify and refer children who are potentially or currently in need
- Teach school children about the social needs issues and gender discrepancies in their communities
- Provide volunteer opportunities for students with organizations that focus on basic needs

What you can do if you are an organization:

- Ensure that current programming addresses the basic needs of area women and girls



VISION

All women and families have a warm roof over their heads, enough food on the table, decent clothing on their backs, immediate therapy for medical needs, readily available transportation, and safe, affordable child care. Human security is the norm and ALL women can be active, contributing members of society.



- Collaborate with community support networks to assist struggling families
- Provide “group poverty simulations” during civic, faith and cultural group meetings
- Connect women and girls with community resources to increase their economic security

What you can do if you are an elected official:

- Review policies to understand how they will affect women and girls
- Champion legislation that strengthens the “safety net”

- Minimize housing costs through government subsidies, tax breaks or social housing projects
- Set the minimum wage at a level that is fair and livable

What you can do if you are a funder:

- Collaborate with other funders, non-profit organizations, businesses and government organizations to promote women and girl’s economic security through opportunities to build income and assets throughout their lifetime
- Educate policymakers and opinion leaders about the effect of caretaking roles on earnings, education and career development over a woman’s lifetime
- Advocate with policymakers so they adopt, sustain and expand policies that support women’s economic security (such as Earned Income Tax Credit TANF, matched savings accounts and poverty metrics that capture the actual cost of living for all types of families)
- Advocate with key policy-makers for the enactment and enforcement of laws that ensure pay equity for women, increase the minimum wage, and implement a living wage
- Work with employers to actively recruit women into male-dominated jobs that pay well compared with female-dominated jobs with lower pay



FINANCIAL LITERACY

Financial illiteracy is an issue facing many women today. Even if basic needs such as shelter, steady income and health care are met in the short term, new challenges often prevent women from reaching a state of economic security and financial self-sufficiency. Predatory lending and educational programs are often marketed specifically to attract financially needy populations. While predatory lenders often offer hope of relief from creditors, better jobs or higher earnings, in reality they only serve to increase personal debt. In addition, challenging life and/or financial situations often keep women from completing or maintaining goals, and from sustaining or advancing education and work related opportunities. Without the ability to save and budget, even small challenges can render huge financial impacts.

These things, coupled with a lack of basic financial knowledge and skill, a lack of readily available financial mentors, and sometimes foreign language and immigration status, act as barriers that threaten women's financial security and often prevent them from being financially self-sufficient. As individuals, business owners, community and spiritual leaders, financial experts, elected officials, etc., we can all play a very influential role in resolving this issue first by increasing awareness and then by taking affirmative actions in each of our areas of influence to end this situation.



VISION

Women have the knowledge to choose educational programs that will advance their careers and offset their educational financial investment. They avoid pursuing degrees or training certificate programs that do not pay well or offer few advancement opportunities, and that will only serve to get them into greater debt. They acquire financial information and education (especially related to the use of credit,

interest rates, loans, payday lending fees, etc.) to make informed decisions regarding the use (or avoidance) of high-risk financial products. They can manage lifestyle changes that impact their earning potential and financial situation. When seeking financial self-sufficiency they have access to others willing to serve as "financial mentors" without language, culture, and immigration barriers.

KEY ISSUES IN THE AREA OF FINANCIAL LITERACY

KEY ISSUES	DESCRIPTION PROVIDED IN FOCUS GROUP ANALYSIS
Predatory practices by educational institutions	Consumers may become indebted when pursuing a degree or training/certificate program. They believe that the end result will be a better paying job or advanced qualifications, only to learn later that this is not the case.
Finance/lending and business practices	Information related to credit-related practices of all types is lacking – credit cards, interest, credit scores, payday lending and late fees. Access to banks limited.
Aging related-planning for finances	Women are not prepared for handling aging from a financial perspective, and voiced lack of knowledge about life-cycle changes and how they impact earning and finances.
Lack of sustainability support creates a barrier to maintaining and continuing achievement in education and/or work-related opportunities.	Challenging life and/or financial situations often keep women from completing or maintaining goals, or from sustaining or advancing education and work-related opportunities. Participants talked about how women may begin studies at a university, or start their own business, but when challenging situations arise that require advanced knowledge of finances or creative problem solving, they have no framework or resources for ongoing assistance.
Lack of general support systems	There is a lack of role models and mentors available to women. Language barriers and documentation issues present real challenges.

What you can do if you are an individual:

- Increase your and others’ awareness of important issues that affect the financial status of women and girls in the community
- Support government programs (and vote for public officials) that advocate for, adopt, sustain, and expand policies that support low-wage-earning women’s economic security
- Mentor a woman who needs help learning and practicing sound financial strategies
- Support and volunteer for organizations that address financial literacy and that take actions towards eradicating it

What you can do if you are a business:

- Gain personal awareness of the important issues affecting the financial status of women and girls in our community, and determine what role both you and your business can play in increasing financial literacy
- Support elected public officials and government programs seeking to address this issue
- Increase awareness of financial literacy with your employees and offer education and resources to those who could benefit from it
- Empower low-wage earning women to move to higher skilled jobs by providing access

to educational and training programs

What you can do if you are an educational institution:

- Determine ways that your business can help at-risk low-wage earning female customers make sound financial decisions regarding the purchase of your products or services
- Increase funders’, faculty and students’ awareness of important issues affecting the financial status of women and girls in our community
- Advocate for, adopt, sustain, support and expand policies that support a low-wage earning woman’s economic security and expand protections

against predatory practices by “educational” organizations and financial lenders

- Expand financial literacy data collection on women and girls of all ethnicities to better understand their varied needs
- Design and offer educational programs that teach personal financial principles and products to students
- Help faculty and employees to become financially literate

What you can do if you are an organization:

- Increase awareness of important issues that affect the financial status of women and girls in our community as supported by research
- Assist women and girls to increase their economic security by connecting them with business and community resources that focus on asset building and financial literacy
- Provide financial literacy programs
- Support mentoring matches with financial literacy as a focus

What you can do if you are an elected official:

- Increase awareness of issues that affect the financial status of women and girls
- Add financial literacy to your platform
- Advocate for, adopt, sustain, support and expand policies that support a low-wage earning woman’s economic security and expand protections against predatory practices by

“educational” organizations and financial lenders

- Expand regional data collection on women and girls of all ethnicities so that barriers to financial literacy and financial security

What you can do if you are a funder:

- Support programs that offer financial literacy to women and girls
- Support programs that provide financial literacy and information in an easily understood manner to people of varying literacy skills or English fluency
- Encourage partnerships and collaborations among policymakers, opinion leaders and funders about the most creative solutions to the persistent challenge of financial literacy among women and girls



The impact of poverty was exemplified in the following quote, from a participant in the agency leader focus groups:

“...if somebody hasn’t had their basic needs met. I don’t have a place to live or I live in a very unsafe place. I don’t have food to eat. I mean when I think about financial literacy, I know all of the women I work with, they really need that information but you’re talking about people that have, [but] they don’t even have money. To talk about a bank account, it just like goes [hand gesture-poof!] because they don’t have a regular paycheck. They don’t, you know, unless you have those things in place, you can’t even necessarily focus on self-esteem if you don’t have a house to live in or safe parents that are parenting you or those kinds of things, so it’s almost like you have to really start at the very basic level.”

FINANCIAL LITERACY

The WFGKC is actively addressing issues related to financial literacy. The findings from this study should reinforce this vision, as the needs identified in this area are robust and ever-present. Table 3, below, provides an overview of the current issues identified in the financial literacy domain.

TABLE 3: DESCRIPTION OF KEY ISSUES IN THE AREA OF FINANCIAL LITERACY

KEY ISSUES	DESCRIPTION PROVIDED IN FOCUS GROUP ANALYSIS
Predatory practices by educational institutions	Consumers may become indebted when pursuing a degree or training/certificate program. They believe that the end result will be a better paying job or advanced qualifications, only to learn later that this is not the case.
Finance/lending and business practices	Information related to credit-related practices of all types is lacking – credit cards, interest, credit scores, payday lending and late fees. Access to banks limited.
Aging related-planning for finances	Women are not prepared for handling aging from a financial perspective, and voiced lack of knowledge about life-cycle changes and how they impact earning and finances.
Lack of sustainability support creates a barrier to maintaining and continuing achievement in education and/or work-related opportunities.	Challenging life and/or financial situations often keep women from completing or maintaining goals, or from sustaining or advancing education and work-related opportunities. Participants talked about how women may begin studies at a university, or start their own business, but when challenging situations arise that require advanced knowledge of finances or creative problem solving, they have no framework or resources for ongoing assistance.
Lack of general support systems	There is a lack of role models and mentors available to women. Language barriers and documentation issues present real challenges.

CAREER DEVELOPMENT

The focus group findings represent a wide range of issues related to career development. For many women, these needs vary depending on life stage. To support women in their career development, women need to know that they have options and to think about building a career versus just having a job. In addition, women

must be aware that career-related needs may change over time and they must have supports in place when the pathway is not straightforward. From the focus group discussion a number of ideas to support a woman’s career development were presented. For example, older women expressed a clear and pressing need for computer or technology support classes, and assistance in navigating online job application processes.

Other identified issues were the strong need for mentors of girls and young women as they begin to think about career paths, assistance in navigating the education system and support and guidance for women interested in starting their own businesses. Interestingly, mentoring could play a powerful role in assisting with many of the issues described in Table 4 and throughout this report.

TABLE 4: DESCRIPTION OF KEY ISSUES IN THE AREA OF CAREER DEVELOPMENT

KEY ISSUES	DESCRIPTION PROVIDED IN FOCUS GROUP ANALYSIS
Accessibility of quality education	A lack of support for girls seeking higher education or career specific education was described. Multiple participant groups talked about the complexity of applications and forms and the challenges of navigating the educational system. There may be limited adult availability in these girl’s lives to help with this process.
Technology divide	Older women and immigrant populations identified that employment and educational opportunities are often accessed through technology, and they either have limited access to computers, can’t navigate through the forms, have language barriers, or don’t know how to electronically “tell their stories.”
Informed understanding of career requirements	Young women lack relational role models for what it takes to get to certain careers. There is a disconnect between what a young girl wants to be in her professional life and her knowledge, aptitude and preparedness as she is growing up.
Need for current income and support	Young women are not accessing college or higher training because they do not have an income stream, financial resources or family support that allows them to take time off for education. Further, some girls have parents who can not afford to help, are not educated or do not value education.
Job versus career	Women who need job training are funneled into entry level jobs with non-transferable, temporary skill sets.
Stage-dependent employment	Women’s jobs are often secondary to current caretaking roles. Many participants are trying to “get through this phase,” then believe they will plan for the next phase in the future. There are certain jobs that may be more appropriate for certain times in your life. For example, a job while children are young, a job that allows for time to care for aging parents, etc.
Concrete goal setting	Participants felt overwhelmed by goal setting and did not display basic knowledge of how to establish realistic goals and plans.
Mixed educational messaging	Agency leaders and consumer participants believe education is important. However, it is also clear that the type of education a woman receives is critically important. The debt to earnings ratio of an education is an important consideration.
Lack of access and availability to ESL and GED courses-especially in Spanish	Participants talked about ineffective ESL classes, lack of transportation to classes and lack of support for GEDs (difficulty accessing geographically, unrealistic scheduling and not enough GED classes in Spanish).

TABLE 5: SUPPORTS FOR WORKING WOMEN

KEY ISSUES	DESCRIPTION PROVIDED IN FOCUS GROUP ANALYSIS
Caregiving	At multiple points in their life women need assistance with family caregiving responsibilities—and resources remain scarce and difficult to access.
Infant/Child Care	Availability, accessibility and cost of child care were all described; as were lack of quality child care, and cultural differences in child care practices.
Elder Care and age-related needs	There is limited assistance for caring for elderly parents or a spouse and a lack of preparedness on the part of the community (in terms of available resources) for aging residents. Just as the community is not prepared, individual women are not prepared—and the new realities that come with aging often propel individuals into financial and other crises.
Transportation	Public transportation is sorely lacking, bus schedules are erratic, weather contributes to difficulties using public transit and women have safety concerns. Citizenship status and documentation issues make auto ownership and licensing difficult. Several participants in the agency leadership group cited lack of transportation as the most significant barrier for clients.
Lack of community networks	In multiple ways, and across multiple domains, participants reported that there is a lack of supportive networks for women in the community.

The following quotes are related to work supports and are from participants from the consumer focus groups.

“They changed me to the second shift and I had to leave the child care and I told them I lost child care. Now that I am needing to go back to school and studying and I need child care; they have taken all my benefits away. They are saying that I’m not even a citizen.”

“Pay for the babysitter, pay for your gas to get down there, pay for lunch, pay for parking. Yeah, it’s just, what’s the point? Yeah. So we just got another credit card.”

“The only way you can work a full-time job is if you have a mother, a father, an aunt, or an uncle who basically does it [helps out] for you. So it takes at least three or four people to raise your child. And that way you’ve got someone you trust picking the kid up, taking them back to their, you know, their activities or wait for them.”

**TABLE 4: FEMALE POPULATION AND GROWTH BY RACE/ETHNICITY
IN WFGKC TARGET AREA, 2000-2010**

Race/Ethnicity	Cass County, MO			Clay County, MO		
	2000	2010	% Change	2000	2010	% Change
White	40,103	46,750	16.6	87,567	99,504	13.6
African/American	554	1,735	213.2	2,431	5,782	137.8
Hispanic/Latina	866	1,933	123.2	3,265	6,474	98.3
Asian	233	369	58.4	1,298	2,414	86.0
American Indian	231	274	18.6	453	582	28.5
Hawaiian	NA	NA	NA	93	305	228.0
Other	189	668	253.4	1,073	1,905	77.5
Race/Ethnicity	Jackson County, MO			Platte County, MO		
	2000	2010	% Change	2000	2010	% Change
White	236,024	230,526	-2.33	34,180	39,623	15.92
African/American	82,194	86,953	5.79	1,228	2,593	111.16
Hispanic/Latina	16,351	27,258	66.71	1,065	2,146	101.50
Asian	4,385	5,775	31.70	584	1,104	89.04
American Indian	1,606	1,707	6.29	164	225	37.20
Hawaiian	573	815	42.23	80	157	96.25
Other	1,073	1,905	77.54	361	542	50.14
Race/Ethnicity	Ray County, MO			Johnson County, KS		
	2000	2010	% Change	2000	2010	% Change
White	11,292	11,369	0.7	211,109	240,396	13.9
African/American	145	104	-28.3	5,783	11,826	104.5
Hispanic/Latina	115	224	94.8	8,317	18,843	126.6
Asian	NA	NA	NA	6,497	11,771	81.2
American Indian	62	NA	NA	779	1,048	34.5
Hawaiian	NA	NA	NA	85	142	67.1
Other	NA	NA	NA	3,031	6,424	111.9
Race/Ethnicity	Leavenworth County, KS			Wyandotte County, KS		
	2000	2010	% Change	2000	2010	% Change
White	27,877	30,799	10.5	46,661	43,460	-6.9
African/American	2,562	2,501	-2.4	24,180	21,317	-11.8
Hispanic/Latina	1,100	1,707	55.2	11,498	19,671	71.1
Asian	431	569	32.0	1,307	1,924	47.2
American Indian	171	229	33.9	579	622	7.4
Hawaiian	NA	52	NA	NA	84	NA
Other	376	391	4.0	806	9,355	1060.7

EDUCATION, EMPLOYMENT AND INCOME

POVERTY

Most troubling is the number of female-headed households in the Kansas City region that are living below the poverty threshold. In the KCMSA, 8.8 percent of all households are living in poverty, or about 45,000 households. Of those poor households, one-half are headed by a female, of which nine in ten include related children under 18 living at home. Only 5 percent of married couple households with related children under 18 are living in poverty. Female-headed households have a 29 percent poverty rate; the poverty rate for female-headed households

with children is 37.1 percent; and for male-headed households with children 10.4 percent. Women age 65 years and older are more likely than men of the same age to be living in poverty.

A closer look at poverty in the WFGKC target region (Table 6) shows that more than 80,000 women over 18 years of age are living in poverty compared with more than 50,000 males over 18 years of age.

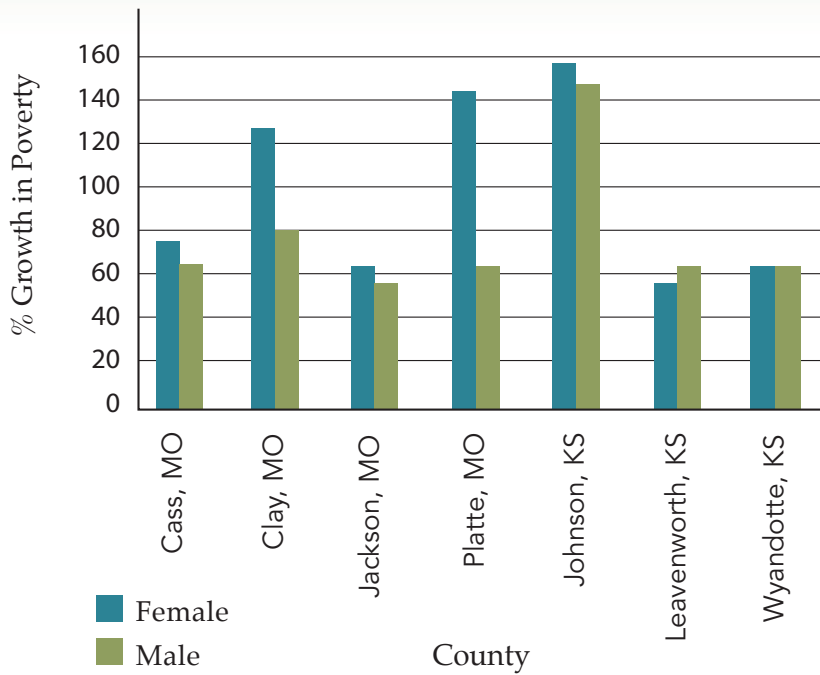
While the 2008 recession has been called the “mancession³,” females in the WFGKC target region experienced greater growth in poverty than did males. As shown in Figure 3, the growth of females living in poverty was higher in five of the counties. Johnson, Platte and Clay counties experienced the highest growth of females living in poverty than the other WFGKC target region counties.

TABLE 6: INDIVIDUALS 18 YEARS AGE OR OLDER LIVING IN POVERTY BY GENDER IN THE WFGKC TARGET REGION BY NUMBER AND PERCENT OF TOTAL COUNTY POPULATION, 2010

County	Female			Male		
	# in Poverty	Total County Population	%	# in Poverty	Total County Population	%
Cass, MO	3,015	37,180	8.1%	1,868	34,667	5.4%
Clay, MO	6,765	83,258	8.1%	4,767	77,178	6.2%
Jackson, MO	39,910	262,954	15.2%	27,767	237,975	11.7%
Platte, MO	2,911	31,603	9.2%	1,359	31,991	4.2%
Ray, MO	827	8,817	9.4%	624	8,668	7.2%
Johnson, KS	14,719	207,094	7.7%	9,291	161,956	5.7%
Leavenworth, KS	2,307	25,904	8.9%	1,569	22,781	6.9%
Wyandotte, KS	13,142	57,767	29.4%	9,009	54,921	19.6%
TOTAL Population >=18 yrs. age living in poverty		83,596		56,254		

³The term “mancession” was coined by an economics professor in the Spring of 2009 to describe the growing gap between male and female unemployment (<http://www.thedailybeast.com/newsweek/2009/07/15/what-mancection.html>).

FIGURE 3: PERCENTAGE GROWTH IN POVERTY BY GENDER IN THE KCMSA TARGET AREA, 2000-2010



EDUCATION AND EARNINGS

Education is often the ticket to increased economic opportunity. Over an adult’s working life, high school graduates can expect, on average, to earn \$1.2 million; those with a bachelor’s degree \$2.1 million; and people with a master’s degree \$2.5 million. In the Kansas City region, the number of women who have a bachelor’s degree or

higher is slightly less than the national percent (25.5 versus 27 percent). One quarter of women over 25 years of age—238,969 women—in the region have no education or training beyond high school, leaving them in an economically vulnerable state. Table 7 provides the educational attainment data for males and

females over 25 years of age in the Kansas City region.

For women over 25 years of age in the KCMSA, 39 percent are living in poverty who have a high school diploma or less, compared to 11 percent living in poverty if they have some college, an associate’s, bachelor’s or higher degree.

TABLE 7: EDUCATIONAL ATTAINMENT OF FEMALES AND MALES OVER 25 YEARS OF AGE, KCMSA, 2010

Educational Attainment	Female	%	Male	%
Less than High School	54,917	5.9%	66,346	8.0%
High School Graduate, GED or alternative	184,052	19.6%	177,089	21.4%
Some College, no degree	173,275	18.5%	150,605	18.2%
Associate’s Degree	297,188	31.7%	221,023	26.8%
Bachelor’s Degree	143,831	15.4%	133,940	16.2%
Graduate of Professional Degree	83,666	8.9%	76,965	9.3%

TABLE 8: OCCUPATION FOR CIVILIAN-EMPLOYED POPULATION, 16 YEARS AND OLDER BY PERCENT MALE/FEMALE, KCMSA, 2010

Occupations	% Male	% Female
Management, Business, and Financial occupations	55.8%	44.2%
Computer, Engineering and Science	73.5%	26.5%
Education, Legal, Community Service, Arts and Media	32.2%	67.8%
Healthcare practitioner and technical occupations	21.8%	78.2%
Service occupations	41.5%	58.5%
Sales and office occupations	39.0%	61.0%
Natural resources, construction and maintenance	95.5%	4.5%
Production, transportation, and material moving occupations	75.8%	24.2%

More than 100,000 children, ages 0 to 17, live with a single mother who works. That's 20 percent of all children in the region. For 70 percent of families with children under six years of age and for 76.6 percent of families with children six to seventeen years of age, all parents are in the workforce.

TABLE 9: MEDIAN EARNINGS BY EDUCATIONAL ATTAINMENT FOR POPULATION OVER 25 YEARS OF AGE, KCMSA, 2010

Educational Attainment	Male Earnings	Female Earnings
Less than high school graduate	\$20,917	\$14,756
High school graduate (includes equivalency)	31,781	21,534
Some college or associate's degree	40,419	28,640
Bachelor's degree	58,994	37,631
Graduate or professional degree	75,173	50,030

Women make up 49.2 percent of the Kansas City region's civilian employed workforce. More than 100,000 children, ages seventeen years or less, live with a single mother who works. That is 20 percent of all children in the region. For 70 percent of families with children under six years of age and for 76.6 percent of families with children six to seventeen years of age, all parents are in the workforce.

Table 8 outlines the types of occupations held by men and women in the Kansas City region. Women, 16 years and older hold more than 50 percent of the jobs in the following occupation categories: education, legal, community

service, arts, and media; healthcare practitioner and technical; service occupations; and sales and office occupations.

Males in the Kansas City region have higher median earnings than females. The average median earnings for males of all educational levels are almost 1.4 times higher than females (\$42,072 versus \$30,366). The wage gap is greatest at higher educational levels where the median earnings for females with a bachelor's degree is \$21,363 lower and for a graduate or professional degree is \$25,143 lower than males with the same educational attainment.

The median income for female-headed households with children is \$21,516, while it is \$57,896 for married couple households with children and \$36,568 for male-headed households with children.

The earnings associated with higher levels of education are significant. In the Kansas City region, median earnings for women with a bachelor’s degree are nearly 2.5 times higher than for women who did not complete high school and 1.75 times higher than for women who have a high school diploma (Table 9).

As Table 10 illustrates, the wage gap persists even when women enter more lucrative professions such as science and math, and achieve advanced degrees.

For all occupation categories listed in Table 10, the median income for women is less than men with the exception of the natural resources, construction and maintenance occupations. In some cases the wage gap is significant. The wage gap

ranges from \$5,507 for those in the service occupations to \$38,149 for those in the healthcare practitioner and technical occupations.

Nationally, on average, full-time working women earn just 77 cents for every dollar a man earns, a wage gap that exists regardless of personal choices like education or occupation. Over the course of her career, a woman with a college degree will earn hundreds of thousands of dollars less than a man who does the same work. The Wage Project estimates that over the course of her lifetime, a woman will earn \$1 million less than a man simply because she is a woman. For women who graduate from professional schools, that number can climb to \$2 million. This substantial gap is more than a statistic — it has real life consequences. When women, who make up nearly half the workforce, bring home less money each day, it means they have less for the everyday needs of their families, and over a lifetime of work, far less savings for retirement.

Nationally, on average, full-time working women earn just 77 cents for every dollar a man earns, a wage gap that exists regardless of personal choices like education or occupation. Over the course of her career, a woman with a college degree will earn hundreds of thousands of dollars less than a man who does the same work.

TABLE 10: OCCUPATION BY GENDER AND MEDIAN EARNINGS IN THE PAST 12 MONTHS (IN 2010 INFLATION-ADJUSTED DOLLARS) FOR THE CIVILIAN-EMPLOYED POPULATION, 16 YEARS AND OLDER, KCMSA, 2010		
Occupations	Male	Female
Management, Business, and Financial occupations	\$61,194	\$41,684
Computer, Engineering and Science	62,691	55,290
Education, Legal, Community Service, Arts and Media	49,947	36,815
Healthcare Practitioner and Technical occupations	80,614	42,465
Service occupations	20,595	15,088
Sales and Office occupations	37,567	26,332
Natural Resources, Construction & Maintenance	35,267	36,227
Production, Transportation, and Material Moving occupations	32,371	21,053

Total Tax Refunds to Clients

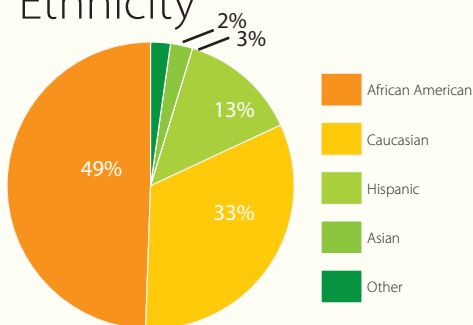
\$60,722,122

10-year total



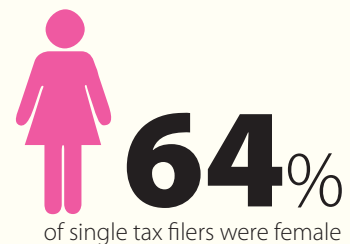
2012 Program Data

Ethnicity

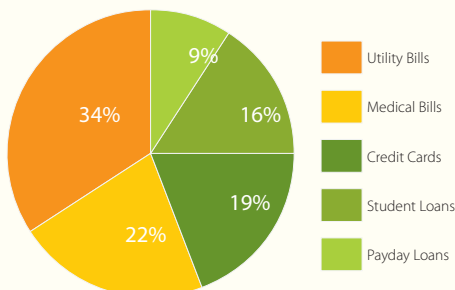


Key Sites

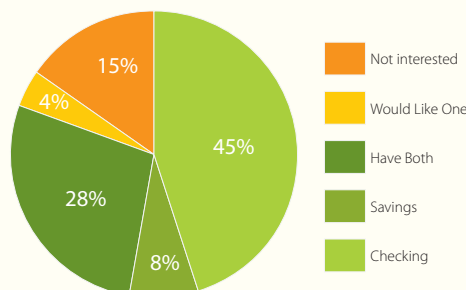
1. KCK Community College
2. Full Employment Council
3. AIM IRS Kansas City, MO
4. El Centro/Catholic Charities
5. El Centro Johnson County



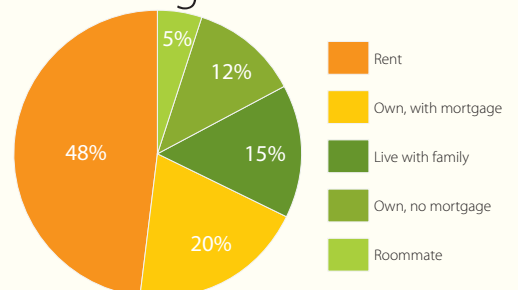
Use of Funds



Bank Accounts



Housing



Finance and the American poor

Margin calls

Life on the edges of America's financial mainstream

Feb 16th 2013 | ATLANTA

ONLY one thing is worse than the financial industry dangling inappropriate products in front of poor customers, and that is not providing them with financial services at all. In December the Federal Deposit Insurance Corporation (FDIC) released a survey that found roughly one in 12 American households, or some 17m adults, are “unbanked”, meaning they lack a current or savings account.

The survey also found that one in every five American households is “underbanked”, meaning that they have a bank account but also rely on alternative services—typically, high-cost products such as payday loans, cheque-cashing services, non-bank money orders or pawn shops.

Not all the unbanked are poor, nor do all poor people lack bank accounts. But the rate of the unbanked among low-income households (defined in the FDIC survey as those with an annual income below \$15,000) is more than three times the overall rate. The proportion of poor Americans without an account compares particularly badly with other rich places (see chart).

The unbanked usually have no alternative but to use cash for all their transactions. Without an account to put pay-cheques into, they have to use cheque-cashers. This does not just mean incurring a fee; carrying large amounts of cash also increases the risk and harm of theft. To pay their utility bills the unbanked need either a non-bank money order, for which they have to pay a fee, or a place that accepts utility payments in cash.

When they need credit, the unbanked turn to payday lenders or, if they have a car, to car-title loans secured by their vehicles. Payday lenders say that high volumes—estimated at \$29.8 billion for storefront payday lenders and \$14.3 billion for online lenders in 2012—demonstrate high demand. Critics retort that much of that volume comes not from a broad customer base, but from customers taking out additional loans to cover the original debt. A study by the Centre for Financial Services Innovation, a campaign group, found that the average payday customer takes out 11 loans a year; the annual interest rate can exceed 400%.

Lawmakers are taking an increasingly dim view of this: 18 states and the District of Columbia outlaw high-rate payday lending. The nascent Consumer Financial Protection Bureau (CFPB) has held a public hearing on the subject, boosting speculation that the federal government may start regulating payday lending.



Clamping down on payday loans would make more sense if regulators had not made it harder for retail banks to serve low-income Americans. The Durbin amendment—passed as part of the Dodd-Frank act in July 2010—capped interchange fees, the commission that merchants pay, on debit cards. One year earlier Congress passed the Credit Card Accountability, Responsibility and Disclosure Act (Credit CARD Act), which reduced interest-rate increases and late fees on credit cards. The CFPB is also looking at overdraft fees. Add in persistently low interest rates, which have eaten into banks’ net interest margins, and the economics of banking the poor is far less attractive than it was.

Michael Poulos of Oliver Wyman, a consultancy, says that “before the crisis, almost every bank account made money. Big accounts made money on the spread, and small accounts made money on incident fees. You made money on all the accounts with interchange fees. All of that is either severely curtailed or completely gone.” Oliver Wyman reckons that US banks now lose money on 37% of consumer accounts.



For those concerned that their low net worth bars them from the banking system, there are two reasons for hope. The first is that lenders and credit bureaus are starting to use a broader range of data to determine the creditworthiness of prospective borrowers. Many of the unbanked have no credit histories. But data from rent, mobile-phone and utility bills give lenders a way to find lower-risk borrowers.

The second reason for optimism is an increasingly competitive market in pre-paid cards. Once simply reloadable proxies for cash, many of these cards now offer much the same features as bank accounts.

Consider the Bluebird card, a joint venture between Walmart, America’s largest but decidedly downmarket retailer, and American Express, a decidedly upmarket credit-card firm. Among other things, Bluebird offers direct-deposit facilities (including an option where you can take a picture of a pay-cheque with your smartphone) and fee-free sub-accounts (so that a parent can give a child a card with preset spending limits). Pre-paid cards are not perfect: their fees can be sizeable and opaque, and they offer limited consumer protection. But they are convenient and a growing part of America’s consumer-finance landscape.

The share of unbanked households using pre-paid cards rose from 12.2% in 2009 to 17.8% in 2011. The Mercator Advisory Group forecasts a compound annual growth rate of 21% for the pre-paid card market to 2015, by when it expects the total dollar amount Americans load onto cards to be around \$390 billion, more than ten times as much as in 2006.

The banks may yet follow suit. Michael Barr of the University of Michigan suggests that big banks should start offering basic accounts—offering electronic payments rather than cheque-writing, for instance—that operate with either pre-paid cards or debit cards. Overdraft-proofing the debit cards and eliminating paper cheques would reduce cost and risk. Such accounts may offer banks only modest revenue, but that is still better than none.

2011 FDIC Survey of Banks' Efforts to Serve the Unbanked and Underbanked



December 2012

I. Executive Summary

This report presents the results of the 2011 FDIC Survey of Banks' Efforts to Serve the Unbanked and Underbanked (Bank Survey). As mandated by Federal law, the FDIC surveys insured depository institutions every two years to assess their efforts to bring individuals and families who have rarely, if ever, held a checking or a savings account at an insured depository institution, into the financial mainstream.¹

Accordingly, the primary purpose of the Bank Survey is to understand the efforts being undertaken by the retail banking industry to provide financial products and services to unbanked and underbanked consumers. The findings help inform financial institutions, policymakers, community organizations, and other stakeholders interested in expanding financial products and services to unbanked and underbanked consumers.

The Bank Survey was voluntary and consisted of an Internet-based questionnaire administered to a nationally representative random stratified sample of 707 retail bank headquarters, with 567 banks (80 percent) responding. Through the survey design, banks are grouped into one of three asset size categories: the largest 25 banks (with assets greater than \$38 billion), the smallest institutions (with assets less than \$1 billion), and midsize banks (with assets between \$1 billion and \$38 billion). Data was collected from November 2011 through February 2012.

The survey questions identify the extent to which insured depository institutions offered basic and auxiliary financial products and services, developed and marketed products, used retail strategies, and provided financial education and outreach activities to expand financial services to unbanked and underbanked consumers. The survey also asks about challenges and obstacles that might affect the ability of banks to offer financial services to the underserved.

Key Findings

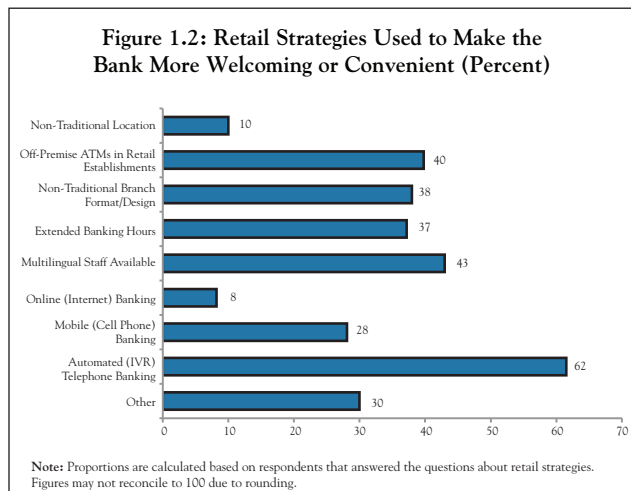
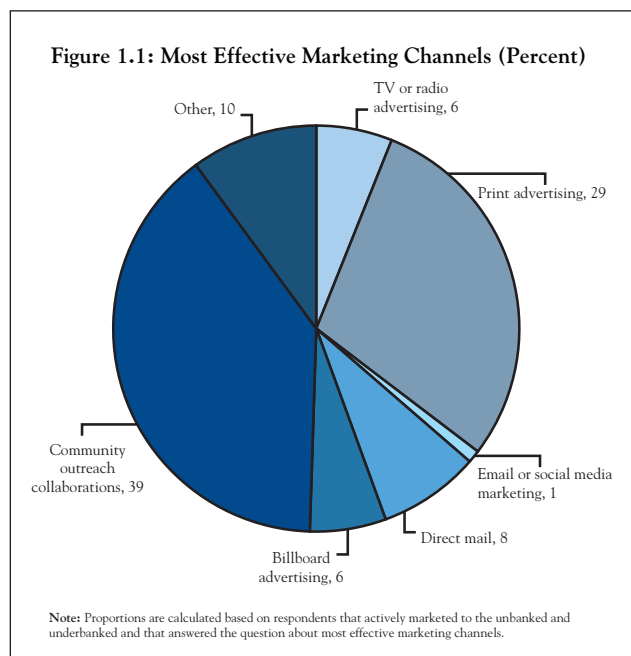
Product Development, Marketing, and Advertising

Four out of ten banks develop products and services for underserved consumers. Developing and actively marketing specialized products, services, or programs that are customized to meet the needs of unbanked and underbanked consumers are important steps banks can take to encourage full participation in the financial mainstream.

¹ The Survey was mandated by Section 7 of the Federal Deposit Insurance Reform Conforming Amendments Act of 2005. The FDIC retained Gallup, Inc. to help administer the survey of banks. Gallup, Inc. collected the survey results and reported findings which did not have bank-identifier information to the FDIC.

Almost 43 percent of banks were actively involved in developing products and services for underserved consumers.

Banks see community partnerships as an important strategy to reach underserved consumers. When asked to identify both the most effective marketing channels for reaching these consumers and retail strategies used, banks tended to identify community outreach collaborations and automated telephone banking, respectively. In addition, about half of banks reported using community partnerships specifically to promote accounts to underserved consumers.

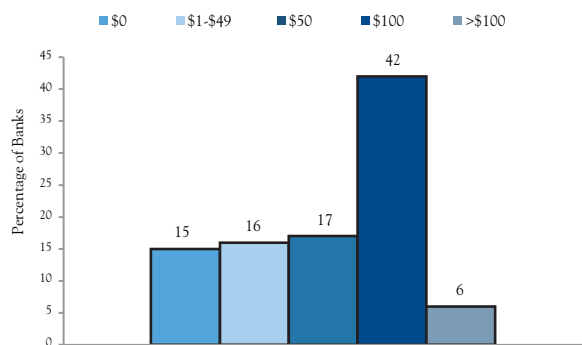


Basic Financial Products and Services

Almost half of all banks required an initial deposit of \$100 or more to open a basic checking account. On the most basic or entry-level checking account, 6 percent of banks required a minimum opening balance of more than

\$100 and 42 percent required precisely \$100 on accounts without direct deposit. Forty-eight percent of banks required \$50 or less to open such an account.

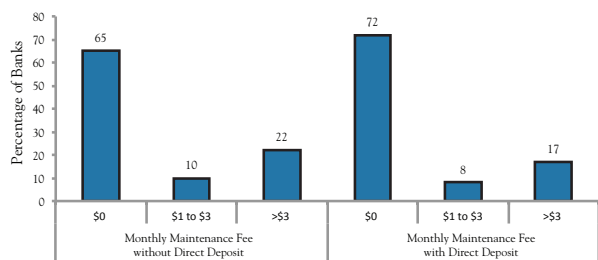
Figure 1.3: Minimum Opening Balance Requirement (Percent)



Note: Proportions are calculated based on all banks where balance requirements are for accounts where paycheck direct deposit is not in use. No respondents reported a minimum opening balance of between \$50 and \$100.

Nearly two-thirds of banks charged no monthly maintenance fees on basic checking accounts, though one in five charged more than \$3 per month on accounts without direct deposit. Regardless of whether a bank had products and services that specifically targeted unbanked and underbanked consumers, respondents were asked to indicate the features and fees for their most basic or entry-level checking accounts. Sixty-five percent of banks charged no monthly maintenance fees, 10 percent charged fees of between \$1 and \$3, and 22 percent charged fees in excess of \$3. On checking accounts with direct deposit, 72 percent of banks charged no maintenance fee. Among those that charged a fee, the median monthly amount was \$5 for accounts with and without direct deposit.

Figure 1.4: Monthly Maintenance Fees for Basic Entry-Level Checking Accounts (Percent)



Note: Proportions are calculated based on all banks.

The median charge for overdraft payments and on checks and other items rejected for nonsufficient funds were both \$28. In the large majority of cases, banks charged the same amount for overdraft payments or when items were rejected due to nonsufficient funds.

Two out of ten banks offered a “second chance” account to individuals that do not qualify for a basic checking account. The survey found that 21 percent of banks offered a “Stepping Stone” or “Second Chance” account to individuals not qualified for conventional accounts.

Few banks offered a card-based “checkless” checking account as their most basic, entry-level account. Among all banks, 21 percent offered electronic (card-based) accounts as their most basic transaction account product. Fewer—less than 1 percent of banks—offered a strictly card-based, electronic account (i.e., an account that does not allow at least some paper checks to be written).

Banks required a median minimum initial deposit of \$100 to open a basic savings account, though most banks did not charge a monthly maintenance fee if minimum average balance requirements were met. The median minimum average balance to avoid a monthly fee was \$100. If the minimum average balance requirement was not met, the median monthly maintenance fee was \$2.50.

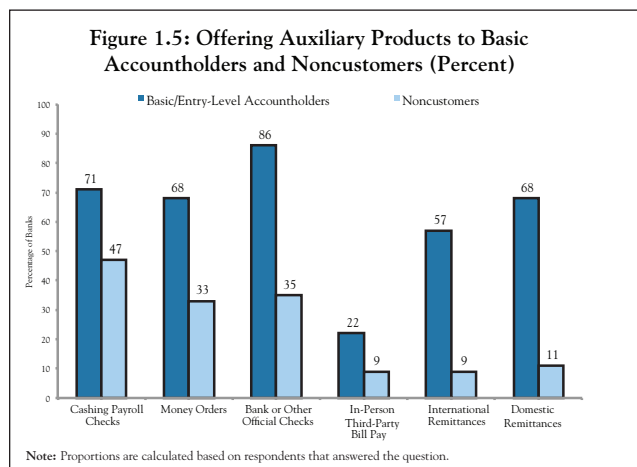
More than eight out of ten banks offered specialty savings products, such as youth savings accounts. A majority of banks (87 percent) offered at least one of the following specialty savings products: Individual Development Accounts (IDAs), specialized savings clubs, workplace-based savings, or youth (minor) savings accounts. Youth accounts dominated, with 82 percent of financial institutions offering this savings product. Forty-one percent of banks offered specialized savings clubs, while 9 percent of banks offered workplace-based savings accounts and close to 4 percent offered IDAs.

Most banks accepted non-traditional forms of identification to open accounts. A majority of banks accepted a non-US passport or some other nontraditional form of identification (ID) from prospective customers. Among respondents, 58 percent of banks accepted a non-US passport, 40 percent accepted ID from a foreign consulate, and 73 percent accepted an Individual Taxpayer ID Number (ITIN) as an alternative to a Social Security Number at account opening.

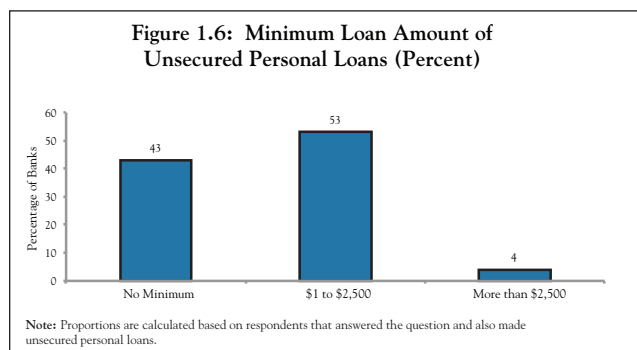
Auxiliary Products

Most banks offered check-cashing, bank checks, money orders, and remittances for existing accountholders, but not for others. The most commonly offered auxiliary products to both basic accountholders and noncustomers were payroll check cashing (71 percent for accountholders and 47 percent for noncustomers), bank or other official checks (86 percent for accountholders and 35 percent for noncustomers), and money orders (68 percent for accountholders and 33 percent for noncustomers). Compared to these commonly offered auxiliary products, domestic and

international remittances were offered less frequently. Sixty-eight percent of banks offered domestic remittances to basic accountholders and 57 percent offered international remittances to basic accountholders, but only slightly more than 11 percent offered domestic and 9 percent offered international remittances to noncustomers.

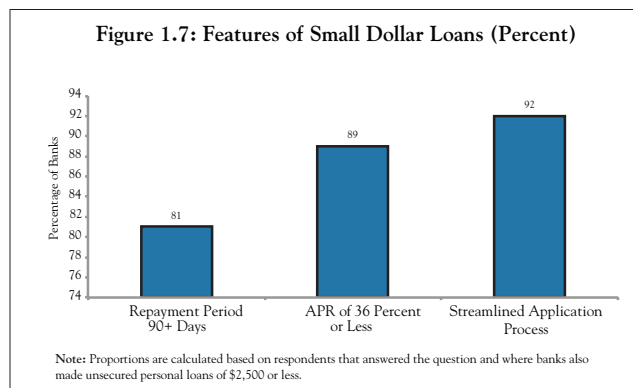


Eight out of ten banks offered small (under \$2,500) unsecured personal loans. The survey finds that 88 percent of all banks offered unsecured personal loans. Among these banks, 43 percent offered unsecured personal loans with no minimum loan amount and an additional 53 percent offered unsecured personal loans with a minimum loan amount of \$2,500 or less, which are referred to collectively as small dollar loans in this report.



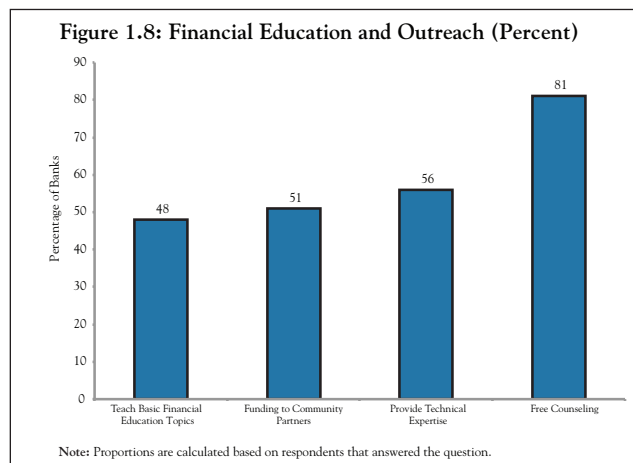
Banks offering small dollar loans tended to do so with repayment terms of 90 days or more, with annualized rates of 36 percent or less, and with loan approvals in less than 24 hours. Among banks that offered small dollar loans, a large majority offered loans with a repayment period of 90 days or more, an annual percentage rate (APR) of 36 percent or less, and streamlined underwriting to make a loan decision within 24 hours. Eighty-one percent of banks with small dollar loans indicated that the associated repayment period was 90 days or more. The APR (including upfront fees) was reported to be below 36 percent at nearly 89 percent of these banks. In addition,

most banks could approve a small, unsecured loan in less than 24 hours.

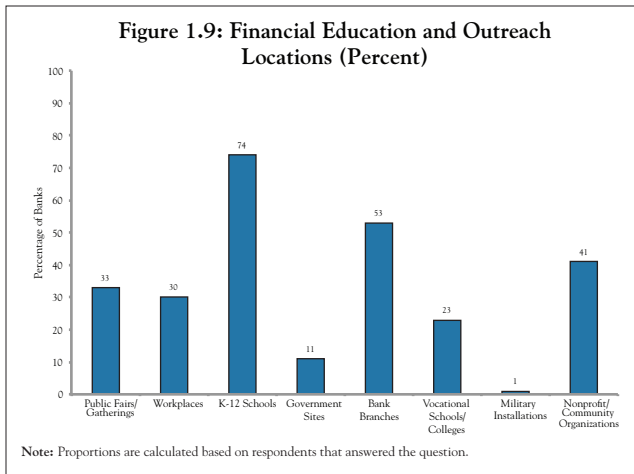


Financial Education and Outreach

Eight out of ten banks reported providing free counseling to underserved consumers. The survey asked banks if they provided financial education and outreach activities, including teaching basic financial education, funding community partners, providing technical expertise, and offering free counseling. Free counseling was the most frequently used and most highly rated activity targeted to unbanked and underbanked consumers. Overall, 81 percent of banks said they offered free counseling to underserved consumers and 58 percent rated this activity as very effective or effective. The most common locations were K-12 schools, with 74 percent of banks providing financial education and outreach activities at these sites.



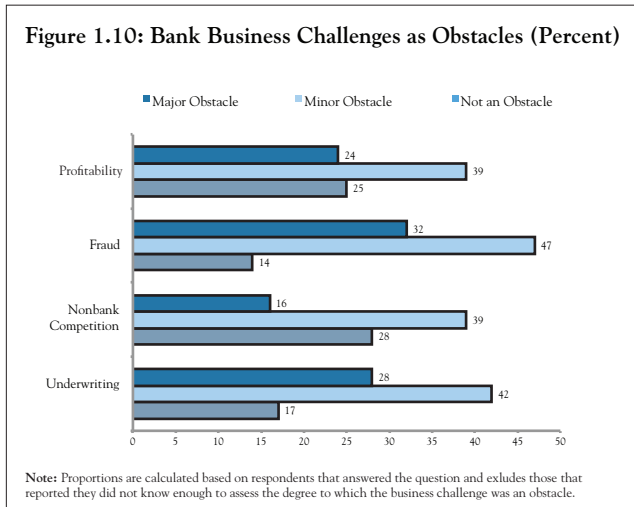
Roughly half of all banks used other strategies beyond free counseling to promote financial education, including teaching basic financial education, providing technical expertise, or funding community partners. Almost one-third of all banks (30 percent) participated in all four financial education and outreach activities included in the survey.



Challenges as Obstacles in Offering Financial Products and Services to Underserved

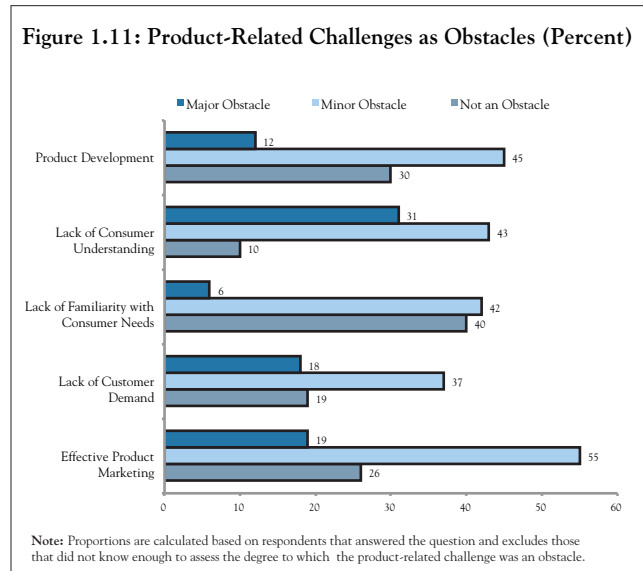
Banks were asked about bank business, product-related, and regulatory challenges as obstacles to reaching unbanked and underbanked consumers.

About one-third of banks identified fraud as the largest perceived major business-related challenge for banks in serving the underserved. Behind fraud (32 percent), underwriting (28 percent) and profitability (24 percent) were also cited relatively frequently as major obstacles. Only 16 percent of banks cited nonbank competition as a major obstacle.

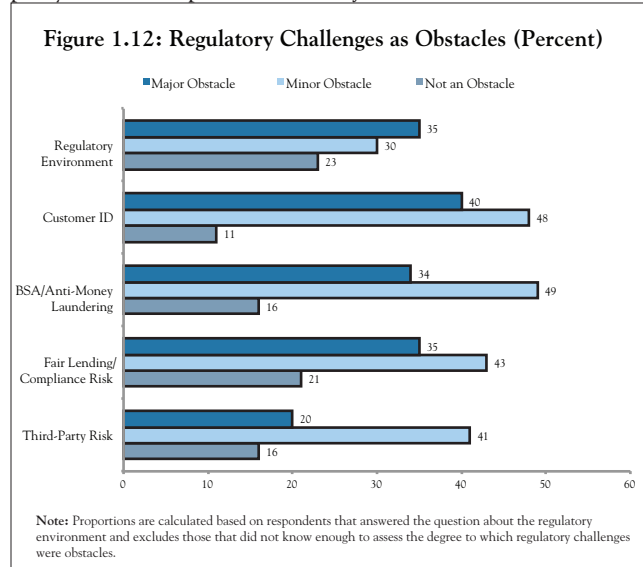


Thirty percent of banks reported that consumers' lack of understanding of financial products and services was a major product-related challenge. Among the other product-related challenges, relatively few banks stated that lack of familiarity with financial or banking needs of underserved consumers (6 percent), developing products that meet the needs of the underserved (12 percent), effectively marketing products to the underserved (19 percent), and lack of consumer demand (18 percent) were

major challenges in offering financial products and services to unbanked and underbanked consumers.



One in three banks (35 percent) cited regulatory requirements as a major obstacle in serving unbanked and underbanked consumers and an additional 30 percent cited them as a minor obstacle. Thirty-four to 40 percent of these banks reported that BSA/anti-money laundering (34 percent), fair lending/compliance risks (35 percent), and customer ID concerns (40 percent) were major obstacles in offering financial products and services to underserved consumers. In contrast, a relatively smaller proportion of banks (almost 20 percent) stated that third-party relationship risk was a major obstacle.



Results by Asset Size

The full report and appended tables provide additional findings and also disaggregate results for the largest 25 banks (with assets in excess of \$38 billion), midsize banks (with assets in excess of \$1 billion but less than \$38 billion), and the smallest banks (with assets of less than \$1 billion). In some respects, the results do not vary significantly among the three groups. However, the report does show that each group has some relative strengths to draw on in their efforts to meet the needs of underserved consumers, including the following examples:

- The largest banks tended to have lower initial deposit requirements on basic checking and savings accounts and accepted a broader range of foreign identification for account opening;
- Small and midsize banks were more likely not to charge maintenance fees on basic checking and savings accounts, had lower required account balances to avoid certain fees, and charged lower fees when they applied;
- The largest banks were more likely to engage in a greater range of educational and outreach activities;
- The largest banks were more likely to report actively marketing products or services customized to the needs of the unbanked and underbanked and to offer a wider array of auxiliary products and services;
- Small and midsize banks were more likely to make unsecured personal loans in amounts under \$2,500, to charge less on the auxiliary products and services they did offer, and to make funds available on the same day when cashing checks.

Opportunities to Expand Access to Mainstream Financial Services

Based on the Bank Survey results, we identify five opportunities banks could explore to expand access to mainstream financial services:

1. Expand Offerings of Basic, Low-Cost Checking and Savings Deposit Accounts

The Bank Survey finds that on the most basic checking deposit account without direct deposit that 48 percent of banks had minimum opening balance requirements of \$100 or more and 22 percent had monthly maintenance fees of more than \$3. For basic savings accounts, the median opening and average balance requirement to avoid a fee was \$100.

To broaden economic inclusion efforts, banks should consider offering low-cost electronic, card-based

transaction deposit accounts that do not allow overdraft and NSF fees. The survey found that around one in five banks offered electronic, card-based accounts and some evidence that those accounts which were strictly card-based and electronic (no paper check writing feature) had lower average opening balance requirements and monthly maintenance fees. The design of such accounts also reduces the overdraft risk banks face with accounts that permit check writing and may make it possible to eliminate NSF and overdraft fees, further reducing costs for consumers. These accounts may be even more attractive to consumers when paired with basic savings accounts with low minimum balance requirements.

2. Offer Additional Transaction Services to Underserved Households, Including Noncustomers

Consumers' use of nonbank financial services providers to meet their needs points to market opportunities for depository institutions. Some consumers, for example, use money orders in lieu of cash or checks to pay monthly rent or utility bills. Yet, one in three banks did not offer money orders to accountholders and two-thirds did not offer this product to noncustomers. In addition, unbanked consumers frequently need a way to cash checks. And consumers, especially those with family outside the US, often use nonbank financial services providers to make domestic or international remittances. The survey found that 71 percent of banks cashed payroll checks for basic accountholders and 47 percent offered this service to noncustomers. Moreover, one-half and two-thirds of banks offered international and domestic remittance products, respectively, to accountholders, but only nine and eleven percent of banks offered international and domestic remittance products, respectively, to noncustomers. Banks seeking to expand financial services to underserved consumers could consider offering a broader range of auxiliary transaction services to accountholders and noncustomers.

3. Enhance Small-Dollar Loan Product Marketing

Most banks (82 percent) offered unsecured personal loans with a minimum loan amount of \$2,500 or less, with many setting no minimum loan amount. However, 20 percent of households that obtained credit from payday lenders and almost 18 percent from pawn shops did so primarily because they thought that banks did not offer small-dollar loans.² While some proportion of borrowers that obtain small dollar credit from nonbank providers may not qualify for bank loans (about one-third of banks reported that underwriting was a major obstacle in offering financial products to unbanked and underbanked consumers), the gap between the small-dollar loan availability reported by

² See the 2011 FDIC National Survey of Unbanked and Underbanked Households Report at <http://www.economicinclusion.gov>.

banks and perceived by consumers suggests that banks could improve marketing of these products.

4. Utilize Partnerships with Community Organizations to Promote Checking and Savings Account Ownership

Community outreach through collaborations with community groups was identified as the most effective strategy for developing relationships with these populations. Despite this recognition, only about half of all banks reported using partnerships with organizations to promote opening checking or savings accounts. These findings suggest that banks may benefit from expanding collaborative efforts to promote access to mainstream deposit accounts.

5. Consider Expanding Retail Strategies to Build Relationships with Unbanked and Underbanked Consumers

The most frequently chosen retail strategies to make branches more convenient or welcoming to consumers were automated telephone banking, multilingual staff, and off-premise ATM locations. Banks engaged in these strategies generally reported that they were very effective or effective tools for developing a relationship with unbanked and underbanked consumers. Banks that have not deployed certain retail strategies (e.g., 63 percent of banks do not offer extended hours or services on weekends) should consider whether adding such options could better position the institution to build relationships with underserved consumers.

Sunday, Feb 17, 2013

Worlds away from universal preschool

By JOE ROBERTSON
The Kansas City Star

Every day for a week last August, little Ainsley Griner ran to the mailbox, looking for the letter her mother dreaded.

The letter, Sara Griner knew, might bring happy news that Ainsley, then 4, had a precious seat in one of the Shawnee Mission School District's free pre-kindergarten classrooms.

But she feared a return to waiting lists.

As national discourse, fueled by President Barack Obama's new campaign for universal pre-kindergarten, begins anew with billion-dollar questions to be answered, know this:



Parents such as the Griners want preschool — badly.

More than 1,000 children across the Kansas City area sit on public preschool waiting lists, a survey by The Star shows.

“You don’t want your child behind,” Sara Griner said.

“You want them emotionally and socially ready for kindergarten.”

School districts find that too many children aren’t coming in ready.

The Star’s survey found that area school districts estimate on average that more than a third of their incoming kindergartners have less than the expected skills for beginners.

The percentage of children who are not ready rises to more than 50 percent in districts with poorer populations where more than 70 percent of the children qualify for free or reduced-price lunches.

School superintendents across the area who have been working with their boards to expand preschool programs know that families on tight budgets, if left on waiting lists, are less likely than more affluent neighbors to enroll in high-quality private preschool options.

Costly choices torment families like the Griners. Sara and her husband, Andrew, are raising four children on his salary as an occupational therapist.

Parents like them know the private school options and have pondered day care centers. They have figured and refigured private preschool costs against family budgets.

The previous school year, when Ainsley didn't get in the public preschool, Griner teamed up with other mothers to bring their children together regularly in one another's living rooms to create some sort of preschool experience.

But Griner wanted her daughter in school, with real teachers.

When the letter from the school district finally appeared, Ainsley and her brother Caleb, then 6, came running with it from the mailbox.

"They already had it opened when they got back to the house," Griner said.

They huddled head to head on the couch, looking in as their mother unfolded the letter and began to read.

At that moment Griner and her children let out what could be a soundtrack to play behind the Missouri and Kansas legislative chambers as lawmakers weigh the costs of pre-kindergarten schooling on already underfunded education budgets.

As school districts such as Kansas City Public Schools put out the call for whole community collaboration.

And as researchers battle again over what studies really show that we get and don't get with these heavy investments of public dollars.

It's the sound of Griner and her children leaping and squealing.

The letter confirmed what the Shawnee Mission School District says the Griners should have already understood when they had filled out pre-enrollment paperwork the previous spring:

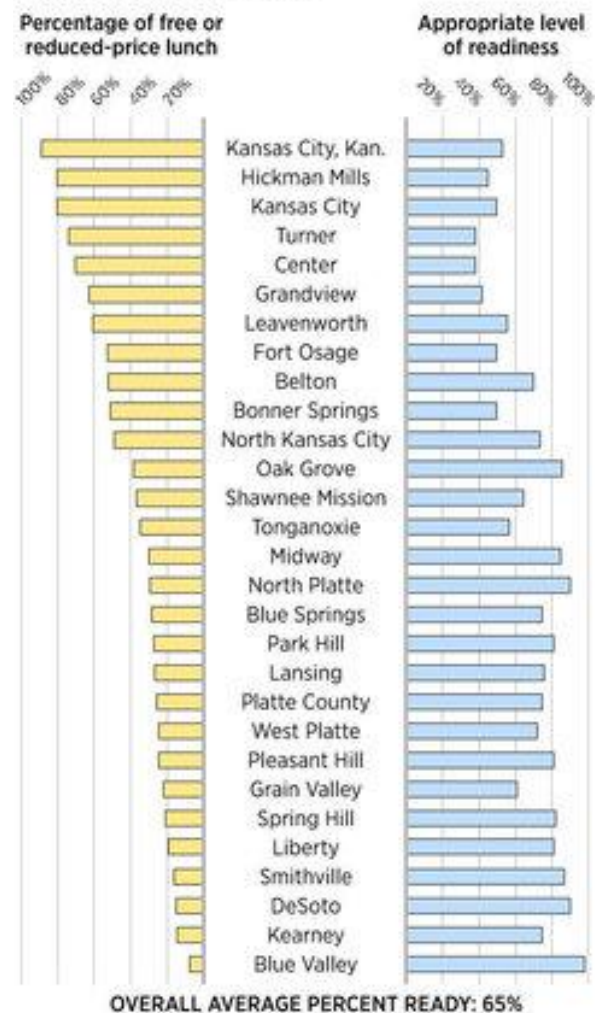
Ainsley was in.

Roughly \$8,000 a child.

That's how much services cost annually for the kind of preschool programming Kansas City children were getting Friday morning at the Metro YMCA Head Start at 3827 Troost Ave.

KINDERGARTEN READINESS

The estimated percentage of kindergartners who entered the school year at an appropriate level of readiness, compared to each district's overall percentage of students who qualify for free or reduced-price lunches. The readiness figure is only an estimate based on diagnostic tests that vary from district to district. Some school districts did not think their assessments allowed for an estimate on readiness. Those districts included Gardner-Edgerton, Independence, Lee's Summit, Olathe, Raymore-Peculiar and Raytown.



THE KANSAS CITY STAR



If you offer publicly funded preschool to everyone — whether through public schools, centers or partnerships with private schools — the experience in universal preschool states such as Oklahoma and Georgia suggests that 70 percent of families with preschoolers will probably take you up on it, said Jim Caccamo, director of the Department of Early Learning for the Mid-America Regional Council.

That means universal programming for 3- and 4-year-olds in Missouri would run between \$800 million and \$1.2 billion.

“That’s big enough to choke a horse,” Caccamo said.

Kansas City Public Schools, in announcing an ambitious vision to create a district-community network to reach 6,000 preschoolers in its neighborhoods by 2015, put its price at \$40 million.

Missouri Sen. Joseph Keaveny hasn’t yet figured the fiscal note that would be tied to his legislation that proposes letting school districts count their preschool enrollment in the daily attendance counts that determine state funding allotment.

“But it will be expensive,” said Keaveny, a St. Louis Democrat. “No doubt in my mind.”

That’s why Caccamo wants communities to think of expanding universal early childhood programming in manageable bites. In a process. They would be creating education systems equivalent in size to many entire school districts, he said.

Many families with preschool-age children would leap at the chance, and educators charged with preparing children for the rising standards driving U.S. schools describe early childhood programming as an essential foundation in getting all children reading at grade level by the third grade.

“We must capture our scholars earlier, before they enter kindergarten, to move from a state of remediation to a state of readiness,” Kansas City Superintendent Steve Green said.

But questions continue to rise as a wide-ranging body of research splits opinions on whether the return on the investment has proved worth the heavy costs.

The staff at MARC’s Head Start offices know well much of the competing analyses. Now more than four decades old, Head Start has provided multiple opportunities for researchers studying the lifelong effects of the federal program spawned during President Lyndon Johnson’s War on Poverty.

“We’re the nation’s laboratory,” said MARC Head Start program director Liz Smith.

A body of research derived from long-term control group studies, cited by the Center for American Progress, outlines the increased risks vulnerable children face without “high-quality early childhood intervention.”

An “at risk” child who misses out on such interventions, the center reported, is 25 percent more likely to drop out of school, 40 percent more likely to become a teen parent, 60 percent more likely to never attend college and 70 percent more likely to be arrested for a violent crime.

Early childhood advocates also rely on the work of University of Chicago economics professor James Heckman, who projected that dollars spent on early childhood programming brought the greatest return of education dollars. Early programming’s links to less dependency and more productivity later in life ultimately bring \$7 in return for every \$1 spent on quality early childhood programs, he said.

The link, though, isn’t always clear.

A U.S. Department of Health and Human Services impact study on Head Start released in December mirrored results found in several studies of early childhood programs in which the immediate gains in academic and social skills that children gain over their peers largely dissipate by the third grade.

The control groups in the HHS research essentially caught up with Head Start children.

Similar results had been seen in other studies, the report said. In many of those older studies, the researchers noted, advantages of Head Start students that dissipated in elementary school re-emerged later in life. Head Start alums, compared to their peers, tended to experience more success in later schooling and earn higher wages.

At the state level, Missouri and Kansas have struggled to maintain investments in early childhood programming as economically stressed legislatures hammered out budgets in recent years.

While Missouri kept up funding for the First Steps program for children with disabilities, it trimmed what had been a \$34 million appropriation for the Parents as Teachers program by more than half since 2008 and cut an additional \$3 million from the \$16 million the state had allotted to the Missouri Preschool Project to help districts serve at-risk families.

Over the past five years, Kansas has maintained about \$30 million funding combined for its program for at-risk 4-year-olds, a pre-kindergarten pilot program and Parents as Teachers.

“We’ve added no new slots,” said Gayle Stuber, Kansas’ early childhood coordinator. “We’ve not been able to add new programs.”

Across both states, state programs are reaching less than 15 percent of children, and Head Start is reaching a little more than 10 percent.

That leaves gaps that school districts are trying to bridge, Stuber said.

“But it’s difficult. They have to stretch (their budgets). They have so many choices.”

The Raymore-Peculiar School District wants to help parents such as April Weydert.

She and her 5-year-old son, Landyn, are two years along on the Cass County school district’s waiting list for its pre-kindergarten program.

Their last chance will probably come in May, when she hopes to get at least three months of preschool before kindergarten this fall.

She and her carpenter husband, a carpenter, have looked “from Lee’s Summit to Belton” for an affordable preschool in the meantime, but \$180 for three days a week is more than they can manage, she said.

She has two younger children with her and Landyn at home. She would have to get a job to supplement her husband’s income to pay for preschool, but then she would also be paying for day care for her younger children.

Universal pre-kindergarten “would be helpful to a lot of people,” she said, “so we aren’t struggling.”

The fact that Raymore-Peculiar is providing any free pre-kindergarten classrooms beyond federally funded Head Start and special education classrooms is unusual.

The district has been carving \$100,000 out of its general coffers to provide pre-K for 50 to 60 children each year for eight years.

“We’ve found that the potential impact of early childhood education is huge,” said Kevin Daniel, Ray-Pec’s assistant superintendent for academic services. “We would like every 4-year-old in Raymore-Peculiar to have access if parents want access. But the delta from where we’re at to where we want to be is broad.”

How to get there?

Obama is pledging more federal dollars, though he has not said yet where they would come from.

The Kansas City district wants to collaborate with community centers, church programs, YMCAs and other groups to rally resources and community investment.

Ray-Pec may approach its voters to consider a tax increase.

And while Keaveny knows that his two bills to make pre-K part of Missouri’s basic education funding are a long shot, they are getting a hearing and “they are going to start the discussion.”

The conversation is definitely on, Daniel said. The question now is “Do we have the will to get it done?”

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February 14, 2013

When Families Fail

By [DAVID BROOKS](#)

Today millions of American children grow up in homes where they don't learn the skills they need to succeed in life. Their vocabularies are tiny. They can't regulate their emotions. When they get to kindergarten they've never been read a book, so they don't know the difference between the front cover and the back cover.

But, starting a few decades ago, we learned that preschool intervention programs could help. The efforts were small and expensive, but early childhood programs like the Perry and Abecedarian projects made big differences in kids' lives. The success of these programs set off a lot of rhapsodic writing, including by me, about the importance of early childhood education. If government could step in and provide quality preschool, then we could reduce poverty and increase social mobility.

But this problem, like most social problems, is hard. The big federal early childhood program, Head Start, has been chugging along since 1965, and the outcomes are dismal. Russ Whitehurst of the Brookings Institution summarizes the findings of the most rigorous research: "There is no measurable advantage to children in elementary school of having participated in Head Start. Further, children attending Head Start remain far behind academically once they are in elementary school. Head Start does not improve the school readiness of children from low-income families."

Fortunately, that is not the end of the story. Over the past several years, there's been a flurry of activity, as states and private groups put together better early childhood programs. In these programs, the teachers are better trained. There are more rigorous performance standards. The curriculum is better matched to the one the children will find when they enter kindergarten.

These state programs, in places like Oklahoma, Georgia and New Jersey, have not been studied as rigorously as Head Start. There are huge quality differences between different facilities in the same state or the same town. The best experts avoid sweeping conclusions. Nonetheless, there's a lot of evidence to suggest that these state programs can make at least an incremental difference in preparing children for school and in getting parents to be more engaged in their kids' education.

These programs do not perform miracles, but incremental improvements add up year by year and produce significantly better lives.

Enter President Obama. This week he announced the most ambitious early childhood education expansion in decades. Early Thursday morning, early education advocates were sending each other ecstatic e-mails. They were stunned by the scope of what Obama is proposing.

But, on this subject, it's best to be hardheaded. So I spent Wednesday and Thursday talking with experts and administration officials, trying to be skeptical. Does the president's plan merely expand the failing federal effort or does it focus on quality and reform? Is the president trying to organize a bloated centralized program or is he trying to be a catalyst for local experimentation?

So far the news is very good. Obama is trying to significantly increase the number of kids with access to early education. The White House will come up with a dedicated revenue stream that will fund early education projects without adding to the deficit. These federal dollars will be used to match state spending, giving states, many of whom want to move aggressively, further incentive to expand and create programs.

But Washington's main role will be to measure outcomes, not determine the way states design their operations. Washington will insist that states establish good assessment tools. They will insist that pre-K efforts align with the K-12 system. But beyond that, states will have a lot of latitude.

Should early education centers be integrated with K-12 school buildings or not? Should the early childhood teachers be unionized or certified? Obama officials say they want to leave those sorts of questions up to state experimentation. "I'm just about building quality," Education Secretary Arne Duncan told me. The goal is to make the federal oversight as simple as possible.

That's crucial. There's still a lot we don't know about how to educate children that young. The essential thing is to build systems that can measure progress, learn and adapt to local circumstances. Over time, many children will migrate from Head Start into state programs.

This is rude to say, but here's what this is about: Millions of parents don't have the means, the skill or, in some cases, the interest in building their children's future. Early childhood education is about building structures so both parents and children learn practical life skills. It's about getting kids from disorganized homes into rooms with kids from organized homes so good habits will rub off. It's about instilling achievement values where they are absent.

President Obama has taken on a big challenge in a realistic and ambitious way. If Republicans really believe in opportunity and local control, they will get on board.

Tuesday, Feb 19, 2013

Preschool is an investment in America

By MARY SANCHEZ
The Kansas City Star

Compared with our counterparts in the developed world, the United States is a wealthy nation of dummies and dropouts. A few years ago, American 15-year-olds were ranked 17th in science and an unimpressive 25th in math when compared with their peers in other countries.

Does it have to be this way? Of course not. In fact, for decades, experts in early-childhood education have argued that a relatively direct way to improve school achievement is to enroll all children in preschool.

President Obama made a pitch for just such a program in his State of the Union Address, but he might as well have requested the moon, lassoed and gift-boxed.

Obama's plan is to get states to expand offerings for prekindergarten through federal matching dollars, incentives and grants. Such programs have long been linked to improved high school graduation rates. Yet only 28 percent of America's 4-year-olds were enrolled in a state-funded preschool program in the 2010-2011 school year, according to the National Institute for Early Education Research.

Note that Obama didn't say preschool attendance should be mandatory. Big Brother is not issuing a mandate to gather up all the 3- and 4-year-olds and march them off to classrooms for indoctrination. But the family values crowd won't believe that for a minute. For decades, they have promoted the idea that government-sponsored early-childhood education is a threat to family, faith and civilization. They are not going to let Obama's program get through Congress without a fight.

On the right, proposals to expand preschool programs have long been met with twisted conspiracy theorizing about how the rights of parents will be undercut. As historian Rick Perlstein noted recently in *The Nation* magazine, President Richard Nixon bowed pressure from a well-orchestrated letter-writing campaign by evangelical and fundamentalist Christians in 1971 and vetoed popular, bipartisan legislation that would have created preschool programs. In his veto letter, Nixon claimed the bill would have promoted "communal approaches to child rearing over against the family-centered approach."

The same rationale will be wheeled out to oppose Obama's new initiative. Unfortunately, bizarre attitudes like this are ingrained in the dysfunctional approach America takes to education in general. We view it as a birthright lottery. Children lucky enough to be born to

better-educated, middle-class parents get the best slots in the best-performing schools. Other children ... well, they attend different schools.

Shortly after Obama fleshed out the plan in an appearance at an early-learning center in Georgia, House Speaker John Boehner slammed it, saying federal involvement in such schooling was "a good way to screw it up." Rep. John Kline, a Minnesota Republican, argued that more research was needed to determine if programs such as Head Start, which enrolls more than 1 million low-income children, are effective.

The research has been done. A 2009 policy paper by the National Institute for Early Education Research concluded, "When the public funds programs for the poor rather than for everyone, the majority of voters may be unwilling to pay for a high-quality program for a small portion of the population, despite its relatively low total cost."

In other words, if the program is for the poor kids, a lower-quality program is too often deemed good enough. Make a program available to everyone's kids and its quality improves. Other research has shown that expanding prekindergarten offerings would benefit children at all class levels.

For decades, families with the resources to do so have solved the problem of poor school quality simply by moving to another area with better schools. This "every child for him- or herself" approach to education has resulted in even greater disparities in school quality, and it must not be allowed to undermine this latest proposal.

We all pay for the costs of not educating all children well. America needs the brainpower, talents and labor of all its children. Savvy business owners know that to get the most out of a workforce, you invest in it at all levels — not just in management but in the worker bees as well.

The business of running a nation is no different. It's time to invest.

To reach Mary Sanchez, call 816-234-4752 or send email to msanchez@kcstar.com.



BUILDING BLOCKS

An Examination of the Collaborative Approach Community Schools Are Using To Bolster Early Childhood Development

Reuben Jacobson • Linda Jacobson • Martin J. Blank



Report Summary

Increasingly, school systems and communities are adopting the community schools approach as a core education reform strategy. In these places, new bridges are being built with the early childhood education system.

With rising interest in early childhood issues within the community schools field, along with growing national attention to 0–8 strategies and reading by third grade, the Coalition for Community schools sought to learn more about how community schools are working to make connections with the early childhood field.

In spring 2011, a Coalition team conducted site visits to four communities (Cincinnati, OH; Evansville, IN; Multnomah County, OR; and Tulsa, OK) that have been implementing the community school strategy for at least six years and have strong or emerging relationships with the early childhood community. Multnomah County and Tulsa were both already participating in an Institute for Educational Leadership-sponsored project, funded by the Kellogg Foundation, to increase linkages between early childhood programs and the school system through community schools. Cincinnati and Evansville have both been creating their own strategies to bridge the two systems.

Researchers conducted semi-structured interviews and focus groups with over 100 key stakeholders across the four sites, including superintendents, community leaders, principals, parents, initiative leaders, funders, community partners, and others. Interviews were augmented by observations of approximately 15 meetings, site visits to over 10 community schools and early childhood facilities, and an analysis of pertinent documents. In addition, the Coalition administered a survey to 17 experienced community school initiatives to capture the broader scope of engagement with early childhood issues across the field.

This report summary provides an overview of community schools, demonstrates the need to invest and link to early childhood programs, describes the case study sites, and offers cross-site lessons.

What Is a Community School?

A community school is a place and a set of partnerships connecting school, family, and community. A community school is distinguished by an integrated focus on academics, youth development, family support, health and social services, and community development. Its curriculum emphasizes real-world learning through community problem-solving and service. By extending the school day and week, it reaches families and community residents. The community school is uniquely equipped to develop its students into educated citizens ready and able to give back to their communities.

A Collaborative Approach: Community Schools

Leaders in a growing number of communities throughout the United States are addressing the challenge of preparing young people for college, career, and citizenship through the community schools strategy. The schools use an approach that brings the assets of the community and the school together in a coherent, joint effort to help students succeed.

Community schools address both the academic and out-of-school factors that influence student achievement, attendance, health, and other important outcomes through partnerships among schools, community-based organizations, higher education institutions, local government, faith-based institutions, and neighborhood groups. Many begin by focusing on the needs of young children and then support students through to college and career.

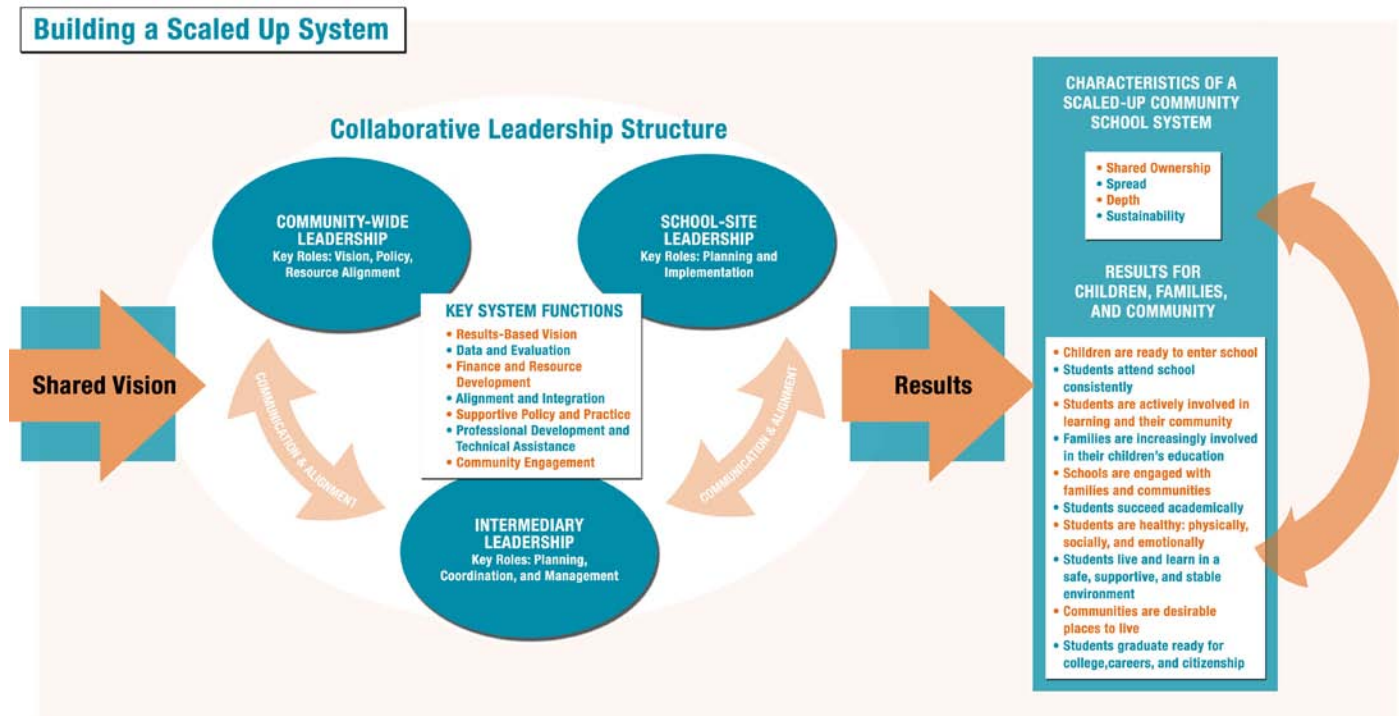
As bridging entities, *community schools are uniquely well-positioned and organized to support and strengthen linkages with early childhood opportunities.*

Community Schools Built On Theory of Action

Community schools are built on a well-defined theory of action. A system of community schools (Figure 1) starts with a shared vision to achieve a set of results. The results vary from community to community but most often include: children ready to enter school, students successful in school, families increasingly involved in their children's education, and more. A successfully scaled-up system of community schools also operates with its own set of results organized around shared ownership among stakeholders, spread and depth of the work from the earliest years through college and career, and sustainability that maintains and strengthens the community school initiative. Both sets of results are mutually reinforcing and lead to more and more effective community schools.

A collaborative leadership structure helps translate vision into action and results. It typically includes a community-wide leadership group that is responsible for setting the vision, creating supporting policy, and developing and aligning resources. The leader-

Figure 1: Community School System Theory of Action



ship group often includes the school district, unions, higher education institutions, non-profit organizations, community members, public agencies, philanthropies, and businesses. At the school site, a leadership team made up of educators, community partners, families and residents, and other local stakeholders work to implement the strategy at the neighborhood level. The school-site leadership team is responsible for planning and implementing strategies within the school. A resource coordinator at the school works with school partners to support learning, aligning the work of partners with the mission of the school and helping bridge the transition into school for young children.

Essential to all systems of community schools is an intermediary entity that plans, coordinates, and manages the initiative. Working to connect the community-wide and school-site leadership groups, the intermediary must be a trusted, legitimate, and credible entity with the capacity to support the initiative. The intermediary entities work across seven functions (see text box “Community School Functions”) to move the initiative forward.

Systems of community schools have the potential to align the work of early childhood organizations and school districts. They provide an opportunity for leaders of both arenas to work together to problem-solve, identify resources, increase access and quality, strengthen transitions, and, most important, improve outcomes for children.

Community Schools Increasingly Focused on Early Childhood

Increasingly, the community schools field is focusing on early childhood. Our survey of the 17 most developed community school initiatives indicate that 88 percent engage in early childhood work. All of these initiatives can point to early childhood opportunities in at least some community school buildings. In some cases, communities are focusing on early childhood issues only in selected schools while, in others, they are focusing on early childhood strategies across multiple schools. For example, 60 percent of the communities engaged in early childhood are focusing on 0–8 alignment; 54 percent have made reading by third grade a priority; 47 percent are emphasizing early chronic absence; and 27 percent are strengthening transitions to elementary school.

Community School Functions

- ▶ **A Results-Based Vision** to fuel the initiative and motivate scale-up efforts.
- ▶ **Data and Evaluation** to track key indicators of student progress and collect data on community assets to support the school’s mission.
- ▶ **Finance and Resource Development** to ensure that existing school and community resources are identified, coordinated, and used to leverage new dollars, fund continuous improvements, and sustain expansion.
- ▶ **Alignment and Integration** to ensure that the school and its community partners are lined up and heading in the same direction at the community and school-site levels.
- ▶ **Supportive Policy** to ensure that the policies of school districts’ and partner agencies’ support community schools and that community leadership responds to school-site needs.
- ▶ **Professional Development and Technical Assistance** to instill a community school culture within everyone working with students and in the larger community by transmitting values and attitudes, assumptions, and expectations consistent with a community school’s vision.
- ▶ **Broad Community Engagement** to create the political will to fund and sustain scale-up by developing a broad-based commitment to community schools and ensuring that youth, families, and residents are fully heard.

Even though early childhood is a growing component of community schools work, respondents indicated that it still represents less than 25 percent of their total work, although two communities indicated it was more than 25 percent of their work.

Consistent with the findings from the case studies, 70 percent of community school initiatives have representation from the early childhood community on their collaborative leadership structures. An early childhood coalition or collaborative exists in 82 percent of the communities. Community school staff members sit on the early childhood collaborative in 76 percent of these communities; in the three communities where community school staff members do not already sit on the early childhood collaborative, two communities have indicated that they plan for more involvement in the future. In addition, 79 percent of communities indicated that the district with which they work most closely¹ has already developed an early childhood plan, demonstrating the importance that school districts now attach to early childhood issues.

The Imperative and Challenge of Linking School and Early Childhood Systems

Without question, a continuum of academic and non-academic support throughout a child's life gives the child the best opportunity for success. Strategies to link early childhood and the K–12 system are built on the increasing recognition that “[t]he advantages gained from effective early interventions are best sustained when they are followed by continued high quality learning experiences,”² as Professor James Heckman has argued.

Regrettably, such recognition comes at the same time that more children are living below the poverty line. Nearly 21 percent of children across the country live below the poverty line, and estimates show that 42 percent of children come from low-income families.³ The recession and the rising poverty that has come with it have had a tremendous impact on schools and children in urban centers, rural communities, and, increasingly, in suburban communities that are ill-equipped to respond to new social service needs.

1 Some community school initiatives, such as Multnomah County and Tulsa, work with several districts which is why the question asked them to focus on the district they work with most closely.

2 Heckman, James J., 2008. “Schools, Skills, and Synapses,” IZA Discussion Papers 3515, Institute for the Study of Labor (IZA).

3 See <http://www.nccp.org/topics/childpoverty.html>.

In a reform environment that demands schools to focus on instruction and teacher quality, schools must also address non-school factors associated with poverty. Out-of-school factors such as low birth-weight; inadequate medical, dental, and vision care; food insecurity; environmental pollutants; family relations and family stress; and neighborhood characteristics all influence school success.⁴

Young children are particularly at risk. The data on chronic early absence suggest that, in some locations, approximately 10 percent of all students are chronically absent in kindergarten and first grade.⁵ Moreover, 83 percent of low-income students are not reading adequately by the end of third grade.⁶

Increasing poverty and deteriorating state budgets are undercutting children's early childhood opportunities. The National Women's Law Center reports that “families were worse off in 37 states than they were in 2010 under one or more child care assistance policies” such as income eligibility, waiting lists, copayments, and reimbursement rates for child care assistance.⁷ The report adds that, overall, it is harder for families to provide their children with the early learning experiences they need.

At the same time, despite recent growth in state prekindergarten programs, only 4 percent of 3-year-olds and 27 percent of 4-year-olds are enrolled in state-sponsored preschool programs. Forty states fund preschool, but, for the first time since the National Institute for Early Education Research began compiling data, total state spending and cost per pupil has decreased.⁸ The nation's oldest early childhood program, Head Start, serves approximately two-fifths of eligible 3- and 4-year-olds.⁹

4 Berliner, D.C. (2009). *Poverty and Potential: Out-of-School Factors and School Success*. Boulder and Tempe: Education and the Public Interest Center & Education Policy Research Unit. Retrieved from <http://epicpolicy.org/publication/poverty-and-potential>.

5 Chang, H.N., & Romero, M. (2008). *Present, Engaged, and Accounted For: The Critical Importance of Addressing Chronic Absence in the Early Grades*. National Center for Children in Poverty, Mailman School of Public Health, Columbia University. New York.

6 *Early Warning! Why Reading by the End of Third Grade Matters*: Annie E. Casey Foundation.

7 Karen Schulman, Helen Blank. (2011). *State Child Care Assistance Policies 2011: Reduced Support For Families In Challenging Times*. National Women's Law Center. Washington, DC.

8 Barnett, W. Steven, Epstein, Dale J., Carolan, Megan E., Fitzgerald, Jen, Ackerman, Debra J., and Friedman, Allison H. (2010). *The state of preschool 2010: State preschool yearbook executive summary*. New Jersey: The National Institute for Early Education Research.

9 National Women's Law Center calculations, January 2012

Linking school efforts with a disparate set of early childhood providers poses a major challenge. The early childhood system is in fact a mix of supports for children and their families (i.e., Head Start, prekindergarten, child care centers, family child care providers, and family friend and neighbor care as well as an array of health, social, and family services and parenting, home visiting, and family support programs). This patchwork makes it difficult to build bridges at the community and school-site level.

Nevertheless, school districts and local, state, and federal governments are increasingly emphasizing the importance of high-quality early childhood opportunities as a way to prepare students for elementary school and to improve outcomes throughout students' lives. The U.S. Department of Education (ED) in collaboration with the U.S. Department of Health and Human Services (DHHS) recently awarded nine state grants for the Race to the Top Early Learning Challenge that focuses on improving access to high-quality early learning opportunities for low-income children. The collaboration has also created the first Office of Early Learning, housed in the Office of Elementary and Secondary Education. The new Office of Early Learning will be responsible for the Challenge grants and other aspects of early learning across ED and will work with the DHHS, which is responsible for the major federal early childhood programs, and with other departments.

Even with increased attention to early childhood education and development, schools and districts seeking to create a more seamless 0–8 approach to learning face several questions. How do schools work with and help support their early childhood communities? What roles do schools play directly in providing early childhood services? How do schools and early childhood providers collaborate for successful transitions into kindergarten? How do the school and early childhood systems interact with other systems such as health care? How are decisions about expanding access and improving quality made at the local and state levels? How do early childhood providers and schools maximize community resources? How do they collect and share reliable data? What supports are available to families throughout a child's education experience?

Community Schools: A Bridge to Early Childhood

Community schools that are linked to early childhood learning opportunities offer great promise to create a system of educational and other supports for young children that prepare them for a successful transition into school. The lessons from Cincinnati, Evansville, Multnomah County, and Tulsa will inform efforts to build more effective 0–8 systems of learning and support for students, to ensure reading by third grade, and to help students and their families succeed.

CINCINNATI, OH: Cincinnati Community Learning Centers

Cincinnati's Community Learning Centers (CLC) Initiative started in 2001 when the Board of Education adopted a vision for district-wide redevelopment of all schools as centers of their communities. A \$1 billion Facilities Master Plan approved by the voters in 2002 promised that each school would become a community learning center. CLCs act as hubs for community services, providing access for students, families, and the community to health, safety, and social services as well as to recreational, educational, and cultural opportunities. All 55 district schools are on some stage of the community school continuum, and 31 have resource coordinators. The agencies that provide services at CLCs are organized into what are known as "partnership networks." The networks are made up of agencies with similar missions in a variety of categories, e.g., health, mental health, college access, after school, mentoring, tutoring, and early childhood. Each partnership network has a dedicated network leader who facilitates collaboration, builds capacity, and provides ongoing support for implementation at the site level. These leaders meet together as a Cross-Boundary Leadership Team.

- ▶ **Focus on Early Childhood:** Cincinnati's CLCs are increasingly including early childhood into their strategy. Most prominently, many new CLCs are creating early childhood spaces in the school building and working to support early childhood providers with the same types of supports delivered in the CLC from kindergarten through 12th grade. The Early Childhood Partnership Network is increasingly involved in these efforts.

EVANSVILLE, IN:

Evansville Community Schools

The Evansville Vanderburgh School Corporation (EVSC), a school district in southwest Indiana, has taken the lessons from one community school to scale across the district. Community schools are now a central component of the district's strategy, and each of the district's 38 schools is on some stage of the community school continuum. EVSC's mission is to establish school sites as places of community to support successful youth and family development and to provide equity and excellence for all students. A School-Community Council, including the school system and 70 community partners, is a central forum for setting the vision and aligning resources for the community school strategy. Within the district, an Associate Superintendent for Family, School, and Community Partnership, supported by a Director of Full-Service Community Schools, coordinates the work of the "big table" and its teams. Together, they keep the school district connected to the community's needs and resources, braid together funding streams, and coordinate the work of partners. Each school's site council is made up of parents, school staff, and representatives from community agencies and meets monthly to discuss needs specific to each school.

- ▶ **Focus on Early Childhood:** Evansville has made early childhood and family, school, and community partnerships key focus areas of the district's strategic plan. EVSC's Director of Early Childhood helps align supports for young children. EVSC is also co-locating education providers in the Culver Family Learning Center, a repurposed building that supports early childhood learning opportunities in conjunction with the community school strategy.

MULTNOMAH COUNTY, OR:

Schools Uniting Neighborhoods Community Schools

A unique partnership of city, county, state government, and six local school districts started the Schools Uniting Neighborhoods (SUN) Community Schools initiative in eight schools in 1999. Responding to community demand and based on the initiative's results, the partnership has now opened over 60 community schools across the six districts. With Multnomah County acting as managing partner, SUN Community Schools bring together schools, community leaders, agency professionals, families, and residents to plan the best ways to support youth through education, family involvement, the provision of services, and the use of community buildings. The SUN Coordinating Council is the governance body for the system. It includes representatives from SUN partner organizations, such as the Director of the Multnomah County Department of County Human Services, high-level school district administrators, the Director of the City of Portland Children's Levy, the Director of Portland Parks and Recreation, community partners, and others.

A full-time SUN Manager at each school, funded by the partners, is responsible for coordinating the work of the school and community partners through a school-site operating team and site advisory structure. SUN Managers are employed by community-based organizations with long-standing credibility with the school.

- ▶ **Focus on Early Childhood:** Multnomah County has focused on early childhood for many years. Its Parent Child Development Services (PCDS) program relies on the Parents-as-Teachers model, home visits, and school-based playgroups. SUN schools also participate in IEL's Early Childhood-Community Schools Linkages Project, piloting a strategy to link early childhood learning and schools in four pilot schools. Through the Linkages Project, SUN supports school readiness and success by promoting coordinated transition to school, engaged families, regular attendance in the early grades, and community engagement in the science of early learning. In addition, SUN participates in a County-wide Early Childhood Council, a volunteer committee representing programs and agencies that serve 0–8 children. SUN provides the council a way to work with schools that are already designed to support students and their families.

TULSA, OK:

Tulsa Area Community Schools Initiative

The Tulsa Area Community Schools Initiative (TACSI) was established through the Tulsa Metropolitan Human Services Commission (MHSC) in 2007 and is administered by the Community Service Council of Greater Tulsa (CSC). TACSI provides leadership and influence to engage local communities in creating and sustaining community schools. TACSI is guided by a community steering committee comprising representatives of the initiative's two school districts, funders, CSC staff, local government, and higher education institutions. The TACSI Resource Center at CSC staffs a Management Team with leaders from the two school districts (Union and Tulsa) and other stakeholders. The structure ensures focused, accountable leadership within the community and key institutions for implementing and grounding TACSI in developing evidence-based conditions for learning.

TACSI schools focus on seven core components: early care and learning, health/health education, mental health/social services, youth development/out-of-school time, family/community engagement, neighborhood development, and life-long learning.

- ▶ **Focus on Early Childhood:** Oklahoma has a strong history of support for early childhood demonstrated by its funding of a state-wide preschool program for 4-year-olds. The CSC houses the Child Care Resource Center (CCRC), which helps parents find programs that meet their needs and is the only project in the state that helps early care and learning programs gain accreditation from the National Association for the Education of Young Children (NAEYC). TACSI also participates in IEL's Early Childhood-Community Schools Linkages Project and pilots a strategy to link early childhood learning and schools within four pilot schools. A Linkages Leadership Team is made up of representatives from CSC, Educare and the Community Action Project, both school districts, practitioners, coordinators, and the Oklahoma Department of Human Services.

FINDINGS

Overall, the case studies in this report show that community schools offer a vehicle for supporting development of a 0–8 early childhood system. With their relationships across sectors and their emphasis on using a place-based strategy, community schools are working with early childhood providers, including school districts, to strengthen ties to schools, enrich transitions, and improve outcomes for young children.

1. Community school systems engage in a wide-variety of activities to strengthen connections to school.

Community schools are:

- **Implementing transition programs that support children and families as they move into elementary school.** Tulsa has created transition teams comprised of early childhood and school staff to share information about students so that needed supports are not lost with a change in school. Multnomah County has created summer transition programs in partnership with participating school districts so that children have early exposure to the elementary school setting.
- **Aligning curriculum and pedagogy through joint professional development for early childhood and school staff as well as for opportunities for collaboration.** Tulsa's transition teams are sharing pedagogical practices among staff so that kindergarten teachers can ease the transition into school by creating recognizable practices.
- **Engaging parents through programs that bring parents of young children into the school building, offering them and their families services and supports, and conducting home visits.** Multnomah's Parent Child Development Services programs use the Parents-as-Teachers model as well as home visit and school-based playgroups for family caretakers and early-childhood providers. One school invited Burmese immigrant parents to hold parenting classes in the building, providing a connection to the school for parents and their young children.
- **Creating a continuum of services by offering supports for young children and their families that they are accustomed to in early childhood programs, especially Head Start.** In Tulsa, preschool teachers who share information with

community school K–12 teachers learn about the supports available in the community school and can help guide parents by using family supports included as part of Head Start to the correct resources.

- **Extending expanded learning opportunities beyond the traditional school day to young children who are not traditionally served by after school providers.** All the study communities are working to increase expanded learning opportunities, especially after school, for young children. In Tulsa, the community school intermediary created a list of such opportunities that are age-appropriate for their community school resource coordinators.

2. Community school systems provide a platform for strengthening the connection between the early childhood and school communities. Well-implemented community school strategies, activities, and structures garner credibility for the schools and create opportunities for partnerships with the early childhood community, local governments, and other partners.

Each study community has a collaborative leadership structure, including representatives from school districts, that addresses pressing community challenges and opportunities, including early childhood work. Existing relationships between school systems and community partners in Multnomah County and Tulsa enabled the communities to engage in the Early Childhood Community Schools Linkages Project. These partners incorporated the project’s goals to improve transitions into elementary schools as part of their initiative’s vision for child success from birth through college and career. In Cincinnati, schools are creating space for young children in elementary schools and are supporting children and families through the resources of other community partners.

3. Each of the communities has a city- or county-wide early childhood collaborative that is connected to the community school collaborative leadership structure. Partnering

with the early childhood collaborative enables community schools to align strategies and focuses on providing supports for young children.

Each community school initiative has cross-pollinated staff and missions with their local early childhood collaborative. In each site, the community school intermediary sits on the local early childhood collaborative. For example, in Multnomah County, a representative from SUN sits on the Early Childhood Council; in Evansville, the school district is part of the city-wide Early Childhood Development Coalition. In some sites, representatives from the early childhood community also sit on one of the community school initiative’s collaborative bodies.

4. Intermediaries represent an important resource for bringing together early childhood and school partners at the community level.

In Multnomah County and Tulsa, the intermediaries have staff capacity to bring together stakeholders from the school and early childhood communities to work together and align strategies. They host a Linkages Team that includes key stakeholders from the early childhood and school communities, key partners, and support staff. In Evansville, the district uses its capacity for this purpose.

5. Community school coordinators represent an important resource for bringing early childhood and school partners together at the school-site levels.

At the school-site, coordinators work with early childhood providers and community partners to support school linkages. They create a successful transition and maintain a continuity of support for children and their families. For example, the resource coordinator at Cincinnati’s Oyler CLC organized meetings of the school, a new early childhood provider, parents, and community partners that support young children in order to discuss implementation of a new early learning center in the school. In Evansville, coordinators support summer transition programs.

6. Participation in the community school system provides early childhood providers access to a larger set of resources.

In Tulsa, early childhood providers may use school-based health clinics. In Cincinnati and Tulsa, parents of young children participate in adult education classes at the school site. In Cincinnati, the Cross-Boundary Leadership Team enables school and early childhood providers to select from a range of services provided by community organizations in the areas of health, mental health, arts, youth development, and more.

7. In some community school settings, co-location of school and early childhood providers means that the school and providers share resources work together toward a common vision and align strategies.

Community schools in Evansville are co-locating several early childhood providers in the Culver Family Learning Center where providers share resources such as a family play space and a parent education center. In Cincinnati, the director of the early childhood center at Riverview, a prekindergarten–12 school, meets almost daily with the school’s Resource Coordinator and participates in the school’s Parent Teacher Association and on its Local School Decision Making Committee.

8. Data help focus community schools and early childhood providers on specific challenges, such as early chronic absenteeism, and lead to shared solutions when discussed in a collaborative setting with several stakeholders and several resources.

In Multnomah County, SUN shared data on the absence of early childhood education in several school districts with over 100 stakeholders, thereby encouraging the districts to create new strategies to address this alarming result. In Tulsa, school and early childhood educators share data about specific children to ease transitions into elementary school.

9. Collaborative leadership structures with a shared vision of providing more opportunities for early childhood experiences can help reduce competition among early childhood providers, including the school district, especially as districts increasingly are using resources for more early childhood slots.

When districts are deeply engaged but not necessarily in charge of the collaborative, they have the opportunity for all providers to work together to provide high-quality early learning opportunities and supports for young children. In Cincinnati, schools may select from a set of early childhood providers that participate in the Cross-Boundary Leadership Team. In Evansville, several early childhood providers, including the district, share space and resources at the Culver Family Learning Center.

The report’s case studies illustrate how community schools are serving as the vehicle for strengthening the connection between early childhood opportunities and school systems. They include stories from the field and describe the collaborative leadership structures that help facilitate and sustain the work. Each case ends with its own set of lessons, many of which are raised in the cross-site lessons described above. The cases show that community schools that work with the early childhood community are moving in the right direction. Working in partnership, with the deep engagement of schools, the study communities are providing a continuum of support that will help students be successful from birth through college and career. ■

The communities studied in this report have expanded their early childhood work since our site visits (read the epilogue to learn more). The Coalition for Community Schools has also started a new early childhood project in partnership with the Family and Works Institute. This project is training family engagement staff partnering with community school initiatives on Ellen Galinsky’s Mind in the Making and the Seven Essential Skills framework. There are also new reports on the Early Childhood/Community School Linkages pilot project. You can learn more about all these resources at www.communityschools.org/earlychildhood.

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