



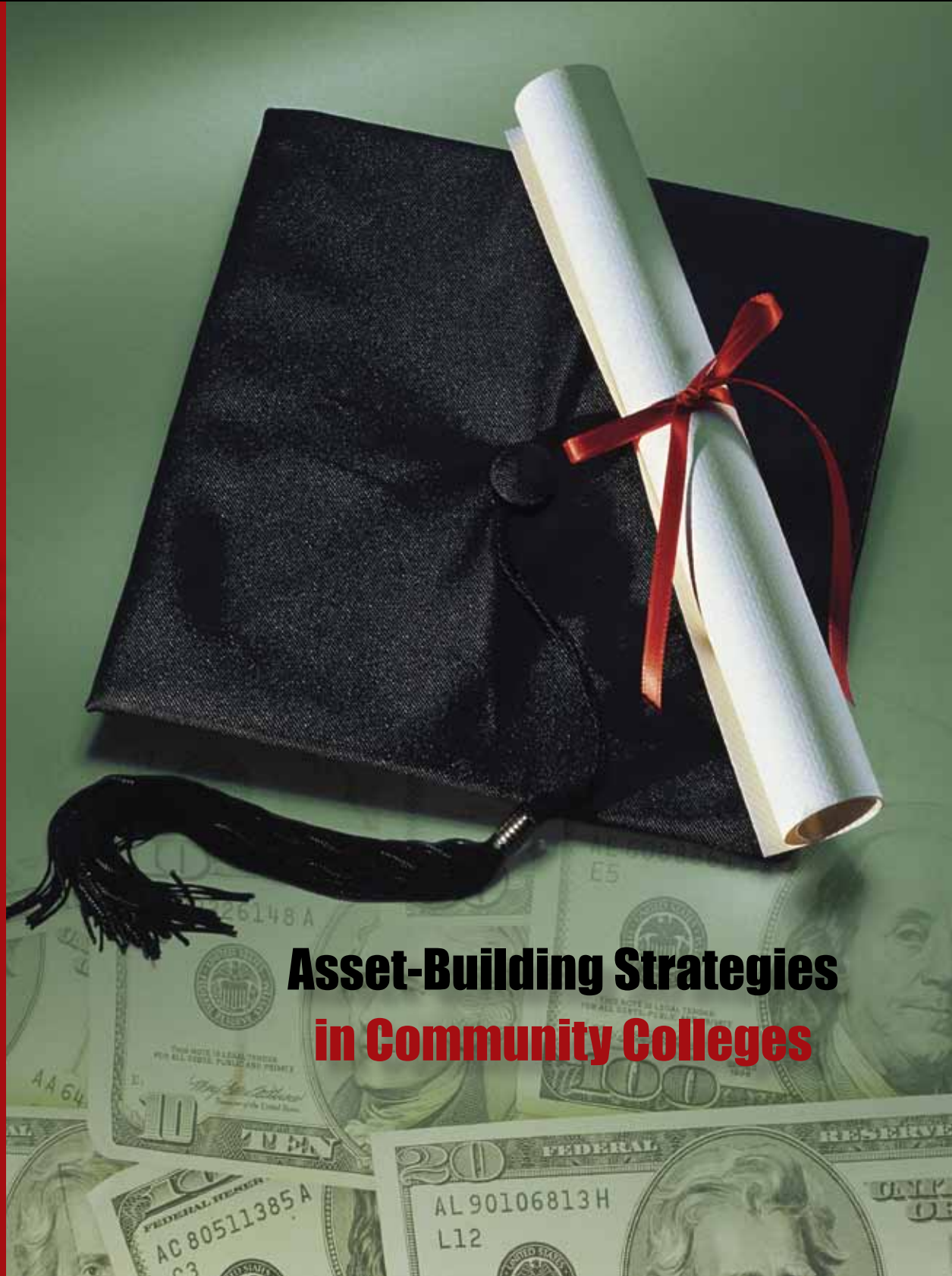
Banking and Community **Perspectives**

ISSUE 1 2012

FEDERAL RESERVE BANK OF DALLAS

*W*e can make
the college the hub for
family stability and
self-sufficiency and
create generational
change.

—Gladys Emerson
Vice President
Tarrant County College



**Asset-Building Strategies
in Community Colleges**



ISSUE 1 2012



Banking and Community Perspectives

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February 2012
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This publication and our webzine, *e-Perspectives*, are available on the Dallas Fed website, www.dallasfed.org.

The profile of an average college student today is not what you might think. The stereotypical image of a college student—right out of high school, living in the dorm, with parents footing the bill—is no longer the reality. Today, the typical college student is a working adult with one or more dependents and is juggling at least part-time work and full-time family responsibilities while pursuing college credit hours or a job-training certificate.

Community colleges are publicly funded two-year institutions that serve almost half the undergraduate students in the United States. In Texas, community colleges are the primary trainers and retrainers of the local workforce, producing 62 percent of all registered nurses and 84 percent of all first responders. The 50 Texas community college districts are a gateway for thousands of people who may not otherwise have access to the benefits of higher education.

As the economy continues to slowly improve, thousands of community college students are honing their job skills and increasing their opportunities for better-paying careers, sustainable homeownership and entrepreneurship. In this issue of Banking and Community Perspectives, we showcase a few of the many programs at community colleges that offer asset-building solutions to students so they can stabilize their finances, build confidence and stay focused on their college completion goals.

Alfreda B. Norman
Vice President and Community Development Officer
Federal Reserve Bank of Dallas

Asset-Building Strategies in Community Colleges

By Julie Gunter

The first community college in the United States was opened in 1901 in Joliet, Ill., for students who wanted to pursue a college education yet remain in the community. Over a century later, U.S. community colleges offer affordable access to education to millions of students in cities, small towns and many rural counties as well. Jill Biden, an English professor at Northern Virginia Community College and wife of Vice President Joseph Biden, has said, “No other system of higher education in the world does more to open doors for those who otherwise wouldn’t be able to afford postsecondary education. No other system offers second-chance opportunities to those who need to improve their job skills and employment possibilities.”

In Texas, community colleges are the primary trainers and retrainers of the local workforce. These colleges produce 62 percent of all registered nurses and 84 percent of all first responders.¹

Enrollment in Texas community colleges has increased almost 30 percent since the start of the recession in 2008 (Figure 1).² Faced with a tightening job market, high school graduates and adult learners alike are enrolling in record numbers in affordable community colleges with the hopes of acquiring new skills and improving their opportunities for better-paying jobs.

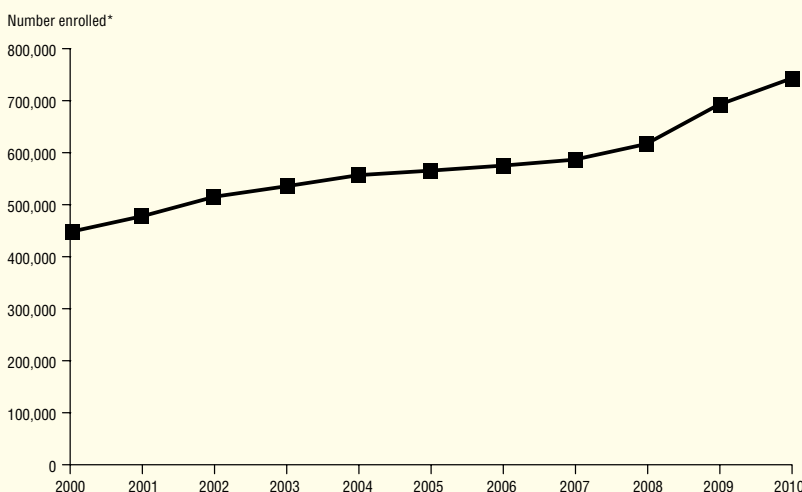
A common belief is that “you earn what you learn,” and indeed a report by the Texas Comptroller of Public Accounts in 2008 showed

‘No other system offers second-chance opportunities to those who need to improve their job skills and employment possibilities.’

**—Jill Biden, Professor,
Northern Virginia Community College**

Figure 1

Student Enrollment Climbs at Texas Community Colleges



*Data include students enrolled in credit courses only.
SOURCE: Texas Higher Education Coordinating Board.

By the Numbers:

Texas Community College Enrollment

- 52 percent of all Texas college students
- 55 percent of all Texas public college students
- 74 percent of all freshmen and sophomores in public higher education
- 75 percent of minority freshmen and sophomores in public higher education

Fall 2010 enrollment data
SOURCE: Texas Association of Community Colleges.





An art show is among the activities sponsored by the Women in New Roles program at Tarrant County College.

that workers with associate degrees earn \$340,000 more during their career than someone with only a high school diploma, and \$600,000 more than someone with no diploma.³

Obstacles to College Completion

While enrollment may be at record levels, completion rates are another matter. According to the latest report by the Texas Higher Education Coordinating Board, at least two-thirds of students, both full- and part-time, who were enrolled as of fall semester 2004 did not complete their degree or certificate program within six years.⁴ Sixty percent of community college students work more than 20 hours per week, over 25 percent work more than 35 hours per week and more than 23 percent have dependent children.⁵ Too often financial obligations and other challenges require them to increase their work hours and cut back on their education. A Public Agenda survey of 600 young adults ages 22 to 30 showed that the No. 1 reason these students left college early was the stress of work and study.⁶

Another reason for low completion rates at community colleges is the increasing number of students who are not ready for college when they graduate from high school. According to the Texas Higher Education Coordinating Board, 48 percent of students entering public

Texas-Specific Community College Statistics, 2010

Ethnicity	Number	Percent
White	296,185	41
Hispanic	251,981	35
African-American	92,658	13
Other	36,602	5
Asian	32,138	4
International	12,398	2
Total	721,962	

Age group	Number	Percent
Under 18	92,139	13
18 to 21	281,822	39
22 to 24	97,934	14
25 to 29	94,982	13
30 to 34	56,563	8
35 and over	98,503	14
Total	721,943	

NOTES: Total unduplicated enrollment in 2010, credit classes only. Percentages may not add to 100 due to rounding.

SOURCE: Higher Education Accountability System.

'We are showing great improvement in closing the gaps in student participation, but we need to put the same emphasis on success as we've put on access.'

**—Raymund Paredes,
Texas Commissioner of Higher Education**

community or technical colleges in Texas require some form of developmental education. These students may get discouraged taking noncredit remedial courses in reading, writing and math, and ultimately give up.

Raymund Paredes, Texas Commissioner of Higher Education, has said Texas needs a better balance between access and success. At a recent event hosted by the Federal Reserve Bank of Dallas,⁷ Paredes said, "We are showing great improvement in closing the gaps in student participation, but we need to put the same emphasis on success as we've put on access."

To address this challenge, community colleges in Texas are increasingly partnering with community development and other nonprofit organizations to offer asset-building services that help students overcome barriers and achieve their education goals.

A bridge program developed by Texas State University in San Marcos allows students to receive full credit while getting the needed tutoring and support. The program was recently recognized with a \$1 million Completion Innovation Grant awarded by Complete College America and funded through the Bill

and Melinda Gates Foundation. The program will allow students to complete remediation requirements in one semester while receiving college credit. Community colleges in El Paso, Houston, Killeen, San Antonio, South Texas, Tarrant County, Tyler and Waco will participate in the initiative.

A Winner in Tarrant County

Tarrant County College (TCC) has a number of programs aimed at increasing completion rates of its students, and one such program dates back over 30 years. TCC serves the Fort Worth and surrounding communities with five campuses. Addressing a growing and troubling trend of increasing numbers of female heads of households in poverty, the campus started its Women in New Roles (WINR) program in 1978. To date, WINR has assisted over 4,000 women with the transition of returning to school. The college-credit program is designed for women who may be attending college for the first time, a first-generation student or just someone wanting to reinvent herself and find a new direction.

WINR classes focus on self-awareness, communication skills, confidence building and leadership skills development as well as guided practice in interviewing and résumé writing. Intensive one-on-one advisement services are provided to the WINR students to assist with financial aid and career search. In addition to class time, WINR students interact through the Women in New Roles Network, Women's Symposium and Young Women's Leadership Track. Each month, someone from the local community is invited to present a seminar to the WINR students on topics such as business etiquette, career development, growth industries in today's economy and entrepreneurship.

A Hub for Family Stability

Tarrant County College administrators intend to serve their students while also reaching a broader audience in the community with the opening of the new Family Empowerment Center at the South Campus. Gladys Emerson, vice president of continuing education, says administrators were

well aware of the serious literacy deficiencies and other barriers associated with high school dropouts and single parents in the low-income communities of Tarrant County. Emerson explained: "We decided the college can be the catalyst for change by bringing all the resources and partners together in one place. We can make the college the hub for family stability and self-sufficiency and create generational change."

The new Family Empowerment Center will include representatives from United Way income stability programs such as financial education classes and volunteer income tax preparation services offered by Catholic Charities, job sourcing through the local Workforce Development Board and housing assistance programs offered through the Fort Worth Housing Authority.

"Getting an education is a great mystery for some families. We want to demystify the process," Emerson said.

Anchoring an Asset-Building Coalition in Midland

Midland College supports a booming economy based on the West Texas oil and gas business. Regardless of its strong economy, Midland leaders have long supported asset-building initiatives to help low-income families

Photo courtesy of Midland College Business and Economic Development Center



Midland College Community Services Director Alfredo Chaparro teaches financial education to a class of English-as-a-second-language (ESL) students.

Video Interview: Kelly Daves, WINR Graduate



Photo courtesy of Neha Sharma

Kelly Daves believes Tarrant County College's Women in New Roles (WINR) program helped build her confidence to pursue a degree and career in environmental science. To watch Daves describe the positive impact that the WINR program has made in her life, go to <http://presentations.dallasfed.org/cd/daves.flv>.

In 2007, Midland College became the first community college in the U.S. to sponsor an individual development account.

out of poverty. One of the first volunteer income tax assistance sites in the U.S. was started in Midland in the 1960s by Casa de Amigos, a nonprofit organization that serves low-income, primarily Hispanic families. In 2007, Midland College became the first community college in the U.S. to sponsor an individual development account (IDA) program. The college collaborated with Midland Community Development Corporation, a nonprofit developer of affordable homes, to create the IDA program Savings for Independence, which also involved partners such as the city of Midland, Community National Bank, Habitat for Humanity and Casa de Amigos. The program matched the savings of low-income participants who were saving to purchase their first home or start their own small business enterprise. To date, the program has assisted 76 families in the purchase of their first home and 22 entrepreneurs with investing in their own business.

In 2008, Midland College and the original partners who supported the IDA program joined with other organizations, such as the Midland Hispanic Chamber of Commerce, the Midland Ministerial Alliance and the United Way, to host the Midland Asset-Building Conference. As a result of the conference, the

Midland Asset-Building Coalition was formed to provide an investment network to strengthen and increase asset-building efforts for all low- to moderate-income families in Midland. Coalition efforts have included addressing the problem of payday lending. Numerous financial institutions have joined the coalition to achieve shared goals of increasing credit scores of Midland citizens, continuing the savings incentives programs and establishing financial literacy programs.

The Midland Asset-Building Coalition and Midland College started “El Sueño” (Spanish for “The Dream”), a program to provide credit and housing counseling. So far, 65 individuals have received housing counseling and 143 individuals have received credit counseling in the program. Midland College Community Services Director Alfredo Chaparro believes that credit building is the next big thing in asset-building programs.

“The cost of credit has a huge impact on a family’s finances,” he said. “We can work with a household for six months to a year and help them improve their credit score, and then they can qualify for a mortgage and save many thousands of dollars in interest over the life of the loan, not to mention enabling them to get affordable financing for other borrowing needs they may have.”

Photo courtesy of Brazos Valley Affordable Housing Corp.



Affordable Housing and Construction Job Skills

Blinn College, based in Brenham, Texas, traces its origins to the 1880s and has the distinction of sending more students to leading universities than any other two-year college in the state. In the summer of 2008, Blinn partnered with nonprofit Brazos Valley Affordable Housing Corp. (BVAHC) on a Construction Trades Training Project. Local workforce development leaders recognized a need for trained labor in the construction and energy industries and were able to leverage Workforce Investment Act funding to create a training program for students ages 17 to 24. Partners were recruited from Blinn, BVAHC and area school districts to identify qualifying students. After completing six hours of classroom training, students were given a

Additional Resources

Opportunity Texas, a joint statewide initiative of the Center for Public Policy Priorities and RAISE Texas, has the aim to increase college access and success by giving more students and families a chance to save and build assets. Opportunity Texas and the Texas Association of Community Colleges hosted a roundtable in 2011 on promoting college access and success and produced a primer on the topic based on presentations from the event (available on the Internet at www.opportunitytexas.org/images/stories/final%20proceedings%20doc%201-28-11.pdf). Another recent Opportunity Texas publication provides details of the state's efforts to increase college success rates, "Scaling for Success—Taking Developmental Education Reform Statewide." To learn more about Opportunity Texas initiatives, visit www.opportunitytexas.org.

RAISE Texas, the statewide asset-building coalition, recently held its fifth annual action summit. At the 2011 RAISE Texas Learning Forum, experts from Texas and the nation shared best practices for college savings programs. The summit featured RAISE Texas member updates on four asset-building campaigns: child savings and college savings accounts, community tax centers, matched savings programs and small-dollar consumer loan products. Presentations from both days of the summit and a special video, *Building a Savings Culture in Texas*, produced for the summit by the Dallas Fed's Community Development staff, may be viewed at www.dallasfed.org/cd/events/2011/11raise.cfm.

paid field internship with BVAHC, where each student gained 120 hours of hands-on training constructing a home.

The program used National Center for Construction Education and Research curriculum and the latest in energy-efficient building materials and methods. BVAHC provided the materials, specifications and a supervisory engineer on site. Additional support was provided by three area banks that sponsored the project. The city of Bryan contributed a portion of its allocated federal funds to be used as down-payment assistance for the purchase of the home by an eligible buyer.

According to Milton Radke, director of Blinn's A.W. Hodde Jr. Technical Education Center, students are enlightened to a lot more than just the technical skills by participating in programs such as the partnership with BVAHC.

"When you get right down to it, math and some of the sciences are keeping these young people from pursuing formal education after high school," Radke said. "Yet, when they learn how to apply some of these concepts in the construction training, we hear them say, 'Math makes sense to me now for the first time. I wasn't any good at math before; maybe I can make it in college now.'"

As the economy continues to slowly improve, thousands of community college students in Texas are honing their job skills

and increasing their opportunities for better-paying careers, sustainable homeownership and entrepreneurship. With the help of community college partners, students are building assets beyond their traditional college credits and also learning practical life skills such as budgeting, saving and credit management.

Notes

¹ Texas Association of Community Colleges, testimony before the state Senate Finance Committee, Feb. 8, 2011, www.tacc.org/documents/finalSFC_020611rvsd.pdf.

² Texas Higher Education Coordinating Board reported fall semester 2006 enrollment at 575,712 and fall 2010 enrollment at 743,252.

³ "Texas Works: Training & Education for All Texans," Texas Comptroller of Public Accounts, December 2008.

⁴ "Community and Technical Colleges 6-Year Graduation Rates of First-Time Entering Undergraduates—2004 Full-Time and Part-Time," Texas Higher Education Coordinating Board, www.thechb.state.tx.us/reports/DocFetch.cfm?DocID=2300.

⁵ "2007–08 National Postsecondary Student Aid Study: Student Financial Aid Estimates for 2007–08," by C.C. Wei, L. Berkner, S. He, S. Lew, M. Cominole and P. Siegel, National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education, Washington, D.C., 2009.

⁶ "With Their Whole Lives Ahead of Them: Myths and Realities About Why So Many Students Fail to Finish College," Public Agenda, New York, 2009, www.gatesfoundation.org/postsecondaryeducation/Documents/theirwholivesaheadofthem.pdf.

⁷ "The Education Equation Policy Forum," Austin, Texas, Dec. 9, 2010, www.dallasfed.org/news/ca/2010/10education.cfm.

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