



**Empowering a  
New Generation  
of Americans**

## **Board of Directors Retreat Package**

**Meeting #6**

**Saturday, September 14, 2024**

### **Mission**

**Empowering immigrants and others to  
become self-sufficient, productive and  
civically engaged.**



## **Board of Directors Retreat**

**Saturday, September 14, 2024 | 8:45 am – 2:30 pm**  
**Memorial West Hospital**  
**703 North Flamingo Road, Pembroke Pines, Florida 33028**

**8:45 am – Networking Breakfast**

**9:15 – Call to Order / Roll Call**

**9:20 – Chair Welcome**

**9:25 – Host Welcome Remarks**

**9:30 – CEO Report**

**9:40 - Mission Moment**

- Moving the Mission Forward: The Frederick A. DeLuca Foundation
- Building Generational Wealth: Emerging Entrepreneurs

**10:20 - 11<sup>th</sup> Annual Entrepreneur Summit**

**10:25 - Consent Agenda (Action)**

- Board Meeting Minutes 8/2024 (Pgs. 1-6)
- Governance Committee Minutes 5/2024 (Pgs. 7-8)
- Marketing Committee Minutes 5/2024 (Pgs. 9-10)

**10:30 – Strategic Plan**

1. Update: Accomplishments and Priorities
2. Workforce Demands and Realities of Today and Tomorrow – Panel Presentation (Reference Pgs. 23-47)
3. Public Policy and Advocacy Presentation and Discussion (Reference Pgs. 48-58)
4. Fund Development – Individual Giving Discussion (Reference Pgs. 14-21)

*Working Lunch will be at 12:15*

**2:00 pm Executive Session**

**2:30 pm Adjourn**

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**17 Active Boardmembers/9 Required for Quorum and Vote**

### **Dates to Remember**

11<sup>th</sup> Entrepreneur Summit – September 27, 2024

Next Board Meeting: November 19, 2024 at 8 am (virtual)

Board of Directors												
2024												
Board Members	Jan	Feb	Mar	April	May	June	July	August	Sept	Oct	Nov	Dec
ABBATE, Anthony (Tony)	P	P		P	P			P				
ALVAREZ, Maritza	P	P		P	E			P				
BARNARD, Maria	P	P		E	P			P				
BITTAR, Elsa	E	P		P	E			A				
CARDOZO, Carolina	P	P		P	P			E				
CUSHING, Giselle	P	P		P	E			A				
ESPINOZA, Boris	A	P		P	P			A				
FRANCO, Leslie	A	P		A	P			P				
HERZ, Dan	P	P		P	P			P				
NASSE, Jeffrey	P	P		P	A							
PARADOWSKI, Christina	P	P		P	P			P				
PALAU, Alexandra	P	P		P	E			P				
REYES, Christian	A	P		A	P			A				
RIVERA, Francisco	P	E		E	P			P				
RODRIGUEZ, Ana	A	P		P	P			P				
RODRIGUEZ, Lisette	P	P		P	P			A				
RODRIGUEZ, Lucia	E	P		A	E			P				
STONE, Angie	P	P		P	P			P				
Total Board Members	18	18		18	18			17				
Present: P	12	17		13	12			11				
Excused: E	2	1		2	5			1				
Absent: A	4			3	1			5				
Board Members Present at the Meeting	66% In Person	94% Zoom		72% Zoom	66% In Person/Zoom			65% Zoom	In Person		Zoom	In Person

\*In person

A	B	C	D	E	F	G	H	I	J	K	L	M
Board of Directors												
2023												
Board Members	Jan	Feb	Mar	April	May	June	July	August	Sept	Oct	Nov	Dec
ABBATE, Anthony (Tony)	P	P	P	E	P*	P			P	P	P	P
ALVAREZ, Maritza	P	P	P	P	P	E			P	P	P	A
ARGUELLO, Ana	A	A	A	A								
BARNARD, Maria	P	E	P	P	P	P			P	P	P	P
BITTAR, Elsa	P	A	P	A	P	A			P	P	P	E
CARDOZO, Carolina	P	P	P	P	P	P			P	P	P	P
CUSHING, Giselle	P	P	P	P	P*	P			P	P	P	P
ESPINOZA, Boris	P	P	A	E	P	P			P	A	E	P
FRANCO, Leslie	P	P	A	A	A	P			P	E	P	P
HERZ, Dan	P	P	P	P	P*	P			P	P	P	P
NASSE, Jeffrey	P	P	E	E	P	P			P	E	P	P
PARADOWSKI, Christina	P	P	P	P	P*	P			P	P	P	P
PALAU, Alexandra											P	P
REYES, Christian	P	P	A	A	P	P			E	A	A	A
RIVERA, Francisco	P	P	E	P	P	P			P	P	E	P
RODRIGUEZ, Ana	P	P	P	P	E	A			P	A	P	E
RODRIGUEZ, Lisette	P	P	P	P	P	P			E	P	P	E
RODRIGUEZ, Lucia	P	P	P	A	P	P			E	P	P	P
SCHEVIS, Daniel	P	E	P	A	A	A						
STONE, Angie	P	P	P	P	P*	P			P	P	P	P
Total Board Members	19	19	19	19	18	18			17	17	18	18
Present: P	18	14	13	10	15	14			14	12	15	12
Excused: E	0	2	2	3	1	1			3	2	2	3
Absent: A	1	3	4	6	2	3			0	3	1	2
Board Members Present at the Meeting	94% Zoom	73% Zoom	68% Zoom	52% Zoom	83% Hybrid	77% Zoom	Summer Break		82% In Person	70% Zoom	83% Zoom	72% In Person

\*In person

**Board of Directors**  
Meeting Minutes  
Tuesday, August 20, 2024 | 8:00 AM – Virtual

<b>Call to Order / Roll Call</b>	<b>Tony Abbate and Felina Furer</b>
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Began at 8:00am

<b>Chair Welcome</b>	<b>Tony Abbate</b>
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Tony Abbate shared a big thank you to Maritza Alvarez for hosting HUF's Board Retreat at Memorial West Auditorium. The retreat is a time for Board members to reconnect with each other, get re-inspired about HUF's mission, and plan for the next year.

Tony mentioned the "Puente al Futuro" event, that took place on May 30<sup>th</sup> at BBX Capital. HUF had 49 attendants and a high participation of Board members. This was a wonderful opportunity to share HUF's new workforce development strategy and engage potential partners in this conversation. HUF will be providing more details during the Board retreat.

He congratulated Giselle Cushing who is now the Regional Vice President for the Central Region at CVS/Aetna, and responsible for the insurer's commercial business across 17 states. She took over this role in April but there had not been a chance to congratulate her directly. He also congratulated Lucia Rodriguez who will start teaching in September at Boston University.

Finally, he wished a happy birthday to Lisette Rodriguez who celebrated her birthday on August 6<sup>th</sup>, Maritza Alvarez on the 9<sup>th</sup> and hoped Lucia Rodriguez has a wonderful birthday on August 31<sup>st</sup>. Michele Fernandez's birthday was on August 14<sup>th</sup> and Juliana Esguerra will also be celebrating her birthday on August 27<sup>th</sup>.

<b>CEO Report</b>	<b>Felipe Pinzon</b>
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Felipe Pinzon highlighted Michele Fernandez is HUF's new Director of Development. Michele's understanding of the organization's mission to empower the immigrant community aligns with HUF's values and goals. Michele has a master's degree in Nonprofit Administration and has worked for organizations such as the American Heart Association and Feeding South Florida. Everyone is thrilled to have someone of her caliber and experience joining the HUF family. Her proven track record in development and her deep understanding of relationship building and stewardship will be invaluable



Amparo Robinson and Andres Capriles attended the UnidosUS Education Summit. Due to their key roles in the Unity 4Teens program, they were invited to speak about the work HUF does and its 2Gen approach in Norwalk, CA.

Felipe thanked Giselle Cushing who introduced FPL & Aetna to HUF over the summer. He also presented the following updates:

- Once again, Tony Abbate is bringing the Rotary Club of Fort Lauderdale to HUF. Tony secured \$2,000.00 to replace outdated seating and install a shade sail. The club is going to send 10 volunteers to spend 4-6 hours installing the new equipment later this month.
- The Frederick A. DeLuca Foundation just approved a \$3.8 million grant over the next three years. This significant funding will be instrumental in executing HUF's strategic plan and vision. During the retreat, the team will provide more information on how the funding will be invested. Some areas for funding use will be Marketing, Fund Development, Human Resources, Data Management and the Miami Expansion. On the programmatic side, the funds will support HUF's new Workforce Development strategy, Entrepreneurship, and Housing, as well as Leadership Development. 10 days ago, HUF received year 1 funding of \$1.2M.
- HUF was also selected for Bank of America's (BOA) Neighborhood Builders. This program is one of the largest philanthropic investments into nonprofit leadership development in the nation, providing comprehensive leadership training for an executive director and an emerging leader on topics ranging from increasing financial sustainability and human capital management to strategic storytelling and the opportunity to join a national network of peer organizations. Each Builder is also awarded a \$200,000 grant over two years.
- UnidosUS Conference – Felipe thanked Francisco Rivera for representing HUF while representing the UnidosUS Board as well. During the conference, HUF participated in strategic conversations around data, workforce education, and housing. Felipe had the opportunity to meet with six affiliates and Secretary Becerra. It was a great opportunity to reconnect with funders and the Organization was able to secure sponsorships for the Entrepreneur Summit.
- The Kresge Foundation Symposium - The foundation has organized a few events to celebrate its 100th anniversary. The next event is a symposium, and HUF has been invited to speak and share the work we do in South Florida.
- Hispanic Women of Distinction Luncheon - The Gala luncheon honors 12 Latinas from Broward, Dade & Palm Beach counties and a Latina Pioneer. The luncheon benefits the Light of the World Clinic. Giselle Cushing, Carolina Cardozo, and Lisette Rodriguez will join HUF.

**Mission Moment****Elizabeth Dorante, Ingrid Ekblad,  
Arelis Dilone and Monica Bailey**

Ingrid Ekblad mentioned the Rotary Club/U4K Event: On Saturday, the Rotary Club will be working to beautify HUF's grounds. This marks the second grant and service they have provided to HUF. She gave special thanks to Tony for his continued support.

Elizabeth Dorante highlighted the following events:

- Active Youth Voice & Sports Day: Five middle schools held discussions with students to identify issues their schools were facing. The students then developed realistic solutions and presented them at Apollo Middle. Sports Day followed, featuring friendly competitions, lunch, and goodie bags. After receiving feedback from school administrators, students participated in various afternoon activities, including soccer, basketball, volleyball, an obstacle course, a social area, and a movie.
- The Back to School Extravaganza, organized annually by the CSC, has grown beyond its premises due to increasing demand. Now, CSC hosts two or three events at various sites where they typically fund programs, inviting community partners to lead different aspects of the event. This year, HUF participated in the event held at Miramar High School, where their after-school program operates. Around 2,500 backpacks were distributed, reaching approximately 1,000 families. HUF led the Kids Zone, managed Check-In and Passport Distribution, and secured tables and chairs for the Expo Area. Families had access to immunizations, physicals, backpacks, vendor goodies, shoes, undergarments, and food.

Yonela Carusi, Arelis Dilone, and Monica Bailey presented the Mission Moment: Youth FORCE (currently at five middle schools) & LEAP High (currently at three high schools). They presented two success stories to highlight the impact of the program on the youth served.

- Samarah, an eighth grader at Attucks Middle School who participates in Youth FORCE, was initially shy and introverted, struggling to ask for help. However, she developed a passion for giving back to her community and became actively involved in the Unity4Teens after-school program, often assisting the Site Lead with organizing program activities. Samarah participated in various activities, including homework support, culinary arts, and sports, among others.

The Success Coach provided learning sessions that enhanced Samarah's budgeting and goal-setting skills. Through her participation in the Youth FORCE Development program, Samarah developed leadership skills, leading her school guidance counselor to nominate her for the Junior National Young Leaders Conference in Washington, DC, on July 7, 2024. This opportunity has empowered her to positively impact her community and grow in her extracurricular activities.

Thanks to case management services, Samarah continues to excel academically, earning recognition from teachers and peers for her positive attitude and dedication. HUF provided her with clothes and supplies for the trip, along with emergency assistance for a past FPL bill and groceries.

Samarah has been selected as an ambassador for the National Junior Leaders Conference, receiving a scholarship covering full tuition for next year's conference. The family will only need to cover transportation costs. Her achievements have made everyone at HUF incredibly proud.

- Eric's story exemplifies the positive impact U4T LEAP High has on the lives of many youths. Initially, Eric, a student from Hollywood Hills, was quiet and hesitant to participate in after-school activities. Over time, he grew significantly, excelling in both academics and program activities. Inspired by the Robotics sessions, Eric built two impressive robots and showcased his technological talents during STEAM sessions.

With the guidance of his Success Coach, Seth Stecker, Eric focused on academic progress and career goals. He developed leadership skills and inspired other youths to volunteer at community events, such as Broward Reads for the Record. Through case management services, Eric participated in the Broward Aware Event, where he was nominated for and won an award for exemplary leadership, which was televised. Broward Aware is a comprehensive event promoting child safety and well-being in Broward County.

Principal Dr. Louis Kushner of Apollo Middle School, who joined the meeting, thanked Arelis Dilone and HUF for their partnership in supporting the youth in the community.

<b>Governance</b>	<b>Maria Barnard</b>
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Maria Barnard presented the following updates:

- Dr. Jeffrey Nasse has accepted the position of Chancellor of Pima Community College in Tucson, Arizona. He resigned from the board effective July 15<sup>th</sup>. HUF wished him well, and thanked him for all his contributions to HUF.
- Recruitment Efforts: HUF currently has 17 Board members and, as mentioned before, three Board members are terming off in December (Dan Herz, Lucia Rodriguez, and Angie Stone). Therefore, HUF is actively recruiting new members. We need to focus on identifying potential candidates, bearing in mind the demographic and expertise needs identified and presented several months ago.

Based on the needs of the Organization, these are the four areas, in order of priority, where needs were identified: Accounting, IT and Legal, Banking/Financial, and PP&A, and HR and Risk Management

In addition, based on the demographic analysis made in the first quarter of the year, and to close race gaps, HUF should work to recruit two Hispanics, two Black/African American, one White, and one other (preferably Asian or Native Hawaiian/Pacific Islander), but if we cannot find an “other”, then this additional individual should fall in the Black or White categories. She also mentioned HUF is also actively recruiting for our Finance committee, as it is down to five members.

## **Finance**

**Leonor Romero**

IRS: 990 Update: HUF is in the process of finalizing the review. It will be discussed at the September Finance committee meeting. It will be shared with the Board prior to the retreat. We hope to have this finalized prior to the November extension date.

## **Marketing**

**Kathy Gallego**

Kathy Gallego highlighted the 2024 Entrepreneur Summit is on Friday, September 27<sup>th</sup>. It will be held at the Levan Center at NSU. HUF has secured \$84K with an additional \$8K pending. Michele Rodriguez has been assisting Kathy in fundraising. HUF has five moderators and eleven panelists secured (Google, LinkedIn, Broward County, etc.) There is a marketing toolkit for the event available and a communication plan. She mentioned HUF hopes that all Board members attend and asked them to register for more information. To date HUF has 331 registered, surpassing the 300 goal. Many funders will be present at the event. This year HUF will have live onsite interpreting for the Spanish speakers.

- New Website Update: It is a large initiative and HUF has three company quotes. The Marketing committee will assist in making the final decision on which company to go with. The second week in December the new website should be live.
- 2023 Annual Report: This is the first year the report was done internally. Moving forward, HUF hopes to have the annual report out one month after the annual financials are approved.

## **Fund Development**

**Michele Fernandez**

The Miniaci Challenge Grant: HUF is tracking the performance of a three-year, dollar-for-dollar matching grant from the Rose Miniaci Family Fund of the Community Foundation of Broward. This grant started on July 1, 2023, and runs until June 30, 2026. It is designed to inspire giving from new donors, increase gift amounts from existing donors, and support the Board of Director giving and fundraising.

The three-year goal and maximum match amount for this grant is \$200,000. To date, HUF has raised \$90,850 toward the match, which includes funds that have already been received as well as pledges for future years. The goal for Year 1, which ended on June 30, 2024, was to raise \$50,000. HUF surpassed this goal, with \$73,050 raised. The goal breakdown was to secure \$20,000 in giving from new donors. HUF raised \$6,250 in this category. The Organization also had a goal of raising \$20,000 from existing donors. HUF raised \$63,050. Lastly, part of the goal was to raise \$10,000 in gifts generated by the Board of Directors and as of June 2024, HUF received \$3,000.

Overall, because HUF surpassed the \$50,000 Year 1 goal, the Organization received the full match amount for Year 1 of \$50,000. As of July 1, HUF entered Year 2 of the Miniaci Challenge Grant. This year's goal is to raise \$65,000 by June 2025. To date, HUF has raised \$22,400.

The goal for donations from new/first-time donors has increased and is now \$39,000. HUF has raised \$10,000 thus far. The goal for funds raised from existing donors has decreased and is now \$13,000. HUF has raised \$11,400. Lastly, the goal for giving by the Board of Directors has increased to \$13,000 and \$1,000 has been secured.

<b>Consent Agenda</b>
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<b>Tony Abbate</b>
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**Maria Barnard motioned to approve the consent agenda. A second was made by Dan Herz . Motion passed.**

<b>Executive Session</b>
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A session was held.

<b>Adjourn</b>
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At 9:15 am

**Next Meeting: Saturday, September 14<sup>th</sup> @8:45am at Memorial West Hospital**

**Governance Committee**  
Meeting Minutes  
Friday, May 3, 2024 | 9:00 AM

**Call to Order / Roll Call**

**Maria Barnard and Felina Furer**

Began at 9am

**Attending:** Angie Stone, Christina Paradowski, Giselle Cushing, Maria Barnard and Maritza Alvarez

**Excused:** Tony Abbate

**Absent:** Melida Akiti

**Approval of April 2024 Minutes**

**Maria Barnard**

**Giselle Cushing motioned to approve April 2024 minutes. A second was made by Angie Stone. Motion passed.**

**Strategic Plan Update**

**Juliana Esguerra**

Felipe shared that the purpose of collecting the demographic data was to identify and address gaps in representation. Juliana informed the committee about the 2023 client demographics: 78% identified as Hispanic, Latino, or of Spanish Origin. When analyzing program by program, Unity4Teens served the highest amount of non-Hispanic clients. Racially, 74.7% identified as Multiracial, 13.3% as White, 9.5% as African American, and 2.5% as other (American Indian/Alaska Native, Asian, Middle Eastern/North African, or Native Hawaiian/Pacific Islander). Regarding gender, 66% were women, with an increase in males being served compared to previous years.

Board members data showed that 78% are Hispanic and 89% identified as White. In terms of gender, 67% are females. Comparing clients to the Board, there are no gaps in ethnicity or gender. However, in terms of race, the board identifies predominantly as White, while the client base has a higher percentage of Multiracial individuals.

Maria Barnard emphasized the importance of striving for diversity on the Board to mirror client demographics. To achieve a Board that represents HUF's clients by 2025, the recruitment goal should be engaging 2 Hispanics, 1 White individual, 1 individual of another race (aspirational), and 1-2 Black or African Americans.

Regarding Board skill sets, only one person has accounting skills, two have an IT background, four have banking skills, and four have human resources/risk management skills. These are the top needs for conscious recruitment moving forward.

The client versus staff demographic analysis is very similar, with staff demographics closely reflecting the clients served. The only notable gap is the higher number of females working in and being assisted by the nonprofit sector. There is a need to hire more White staff members, particularly for the VITA program and Unity 4Teens/High Schools, and to ensure that the management team is diverse.

## Recruitment Updates

Felipe Pinzon

- Manny Alvarez: Maria Barnard and Angie Stone conducted an interview for the Finance Committee. Angie shared that the candidate was recommended by Leonor Romero and has previously been a resource for the CFO. It was determined that he would best serve as a subject matter expert on the committee rather than as a board member.

**Maria Barnard motioned to recommend Manny Alvarez to join the Finance committee. A second was made by Angie Stone. Motion passed.**

- Liza Robles: Maria Barnard and Christina Paradowski interviewed Liza who was introduced to HUF by Chuck Tatelbaum. The candidate is an attorney with Tripp Scott, primarily handling transactional work rather than court cases. Though new to board experience, she is very interested and passionate about the role, and understands the challenges faced by first-generation Americans. She is also very involved in the LGBT community. The partners she works with are highly engaged in the community and encourage her involvement.

**Maria Barnard motioned to recommend Liza Robles to join the Finance committee. Her participation on the committee will be monitored and, in the Fall, consider Liza for the board. A second was made by Giselle Cushing. Motion passed.**

Angie Stone reported that Maria Elena Ferrer requested to be removed from the Governance Committee due to starting a new business and not having the time to dedicate to HUF.

Felipe Pinzon had a conversation with John Guerrero, who expressed his honor at being considered as Emeritus board member. He will attempt to attend the May board meeting to accept the recognition.

## Adjourn

Ended at 10am

**Next Meeting: Friday, August 2<sup>nd</sup> @ 9am**

**Marketing Committee**  
Meeting Notes  
Friday, May 24, 2024 | 9:00 AM

<b>Roll Call</b>	<b>Kathy Gallego</b>
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Began at 9:00am

**Attending:** Elsa Bittar, Anthony Santana, Alexandra Palau, Francisco Rivera, Kathy Gallego, Maggie Martinez and Felina Furer

**Excused:** Lucia Rodriguez, Lesli Franco,

**Absent:** Ana Rodriguez, Maguana Jean, and Boris Espinoza

<b>Approval of April 2024 Minutes</b>	<b>Tony Abbate</b>
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Due to lack of quorum, minutes were not voted on.

<b>Past and Upcoming Events</b>	<b>Francisco Rivera</b>
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Upcoming Events

- May Board Event: Thursday, 5/30. An opportunity to share HUF's role in bridging current needs and future in the arena of Workforce Development.
- U4T Leap High College and Career Fair: Saturday 6/1. Great opportunity for kids to explore future career industries.
- U4K Graduation: Saturday 6/8. Francisco highly recommends attending the graduation and invited committee members to read to the Preschool.

<b>Marketing Strategic Plan</b>	<b>Kathy Gallego</b>
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- Communication Plan with Betty Cortina-Weiss, an expert storyteller, that works closely on contract basis with UnidosUS. Betty will be working on a timeline to provide a quote. She's an expert in storytelling.
- Website Documents for Vendors: Big thank you to Anthony Santana who created a comparison chart for the three vendors who submitted proposals.



- Matrix Comparison: Created by Anthony Santana created an excel document with HUF website scope comparison and vendor features comparison. Several items were not answered such as CRM integration, language translations, to mention a few. Achieve proposal is the most complete proposal out of the three submitted. Specific details still need clarification. Next steps include meeting with each vendor to present quote to Felipe.

<b>E-Summit</b>	<b>Kathy Gallego</b>
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- Save the date sent to the Marketing Committee: All committee members should have received the Outlook invite.
- Advisory Board: Looking for 5 members to assist with bringing up new innovative ideas. Connecting people to the event. We are looking to do things differently this year and also hope to have over 400 attendees.
- Organizing Committee: Coordinate logistics and implementing ideas from advisory committee.
- Promotional Event Flyer: The flyer will be designed and completed in both languages.

<b>Adjourn</b>
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At 9:24am

**Next Meeting: Friday, August 23<sup>rd</sup> @9am**



## Board Member Engagement

This form is designed to easily share connections in the community and board engagement activities in a simple, and easy modality.

[Click here to complete the Board Member Self-Assessment](#)



# ENTREPRENEUR SUMMIT 2024

**GET INFORMED. GET CONNECTED. GET INSPIRED.**

Network, learn, and be inspired at the 11th Annual Entrepreneur Summit—the ultimate **FREE** event for all entrepreneurs!

- Connect with leaders and fellow entrepreneurs.
- Learn from experts in your field.
- Discover strategies and tools to grow your business.



Friday, September 27, 2024  
7:15 AM - 2:00 PM



**Alan B. Levan**  
**NSU Broward Center of Innovation**  
3100 Ray Ferrero Jr Boulevard, 5th Floor  
Davie, FL 33314

**NOW AVAILABLE:**  
LIVE SPANISH TRANSLATION!

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Enterprises**



# ENTREPRENEUR SUMMIT 2024

INFÓRMESE. CONÉCTESE. INSPÍRESE.

Conéctese, aprenda e inspírese en la 11.ª Cumbre Anual de Emprendedores: evento **GRATUITO** para todos los emprendedores!

- Conéctese con líderes y otros emprendedores.
- Aprenda de expertos en su campo.
- Descubra estrategias y herramientas para hacer crecer su negocio.



Viernes, 27 de septiembre de 2024  
7:15 AM - 2:00 PM

**AHORA DISPONIBLE:**  
TRADUCCIÓN EN ESPAÑOL!



**Alan B. Levan**  
**NSU Broward Center of Innovation**  
3100 Ray Ferrero Jr Boulevard, 5th Floor  
Davie, FL 33314

**REGÍSTRESE**



[bit.ly/2024EntrepreneurSummit](https://bit.ly/2024EntrepreneurSummit)

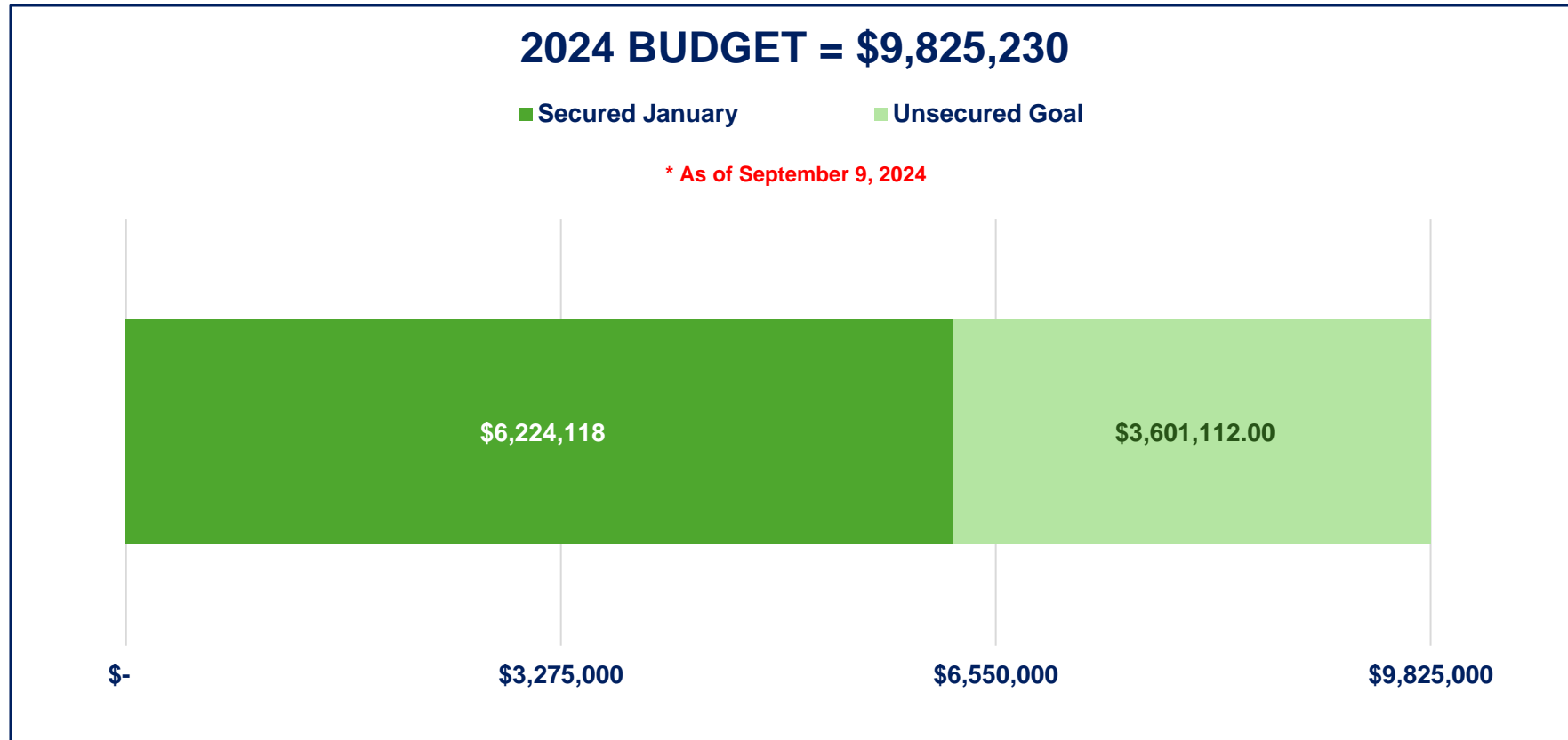
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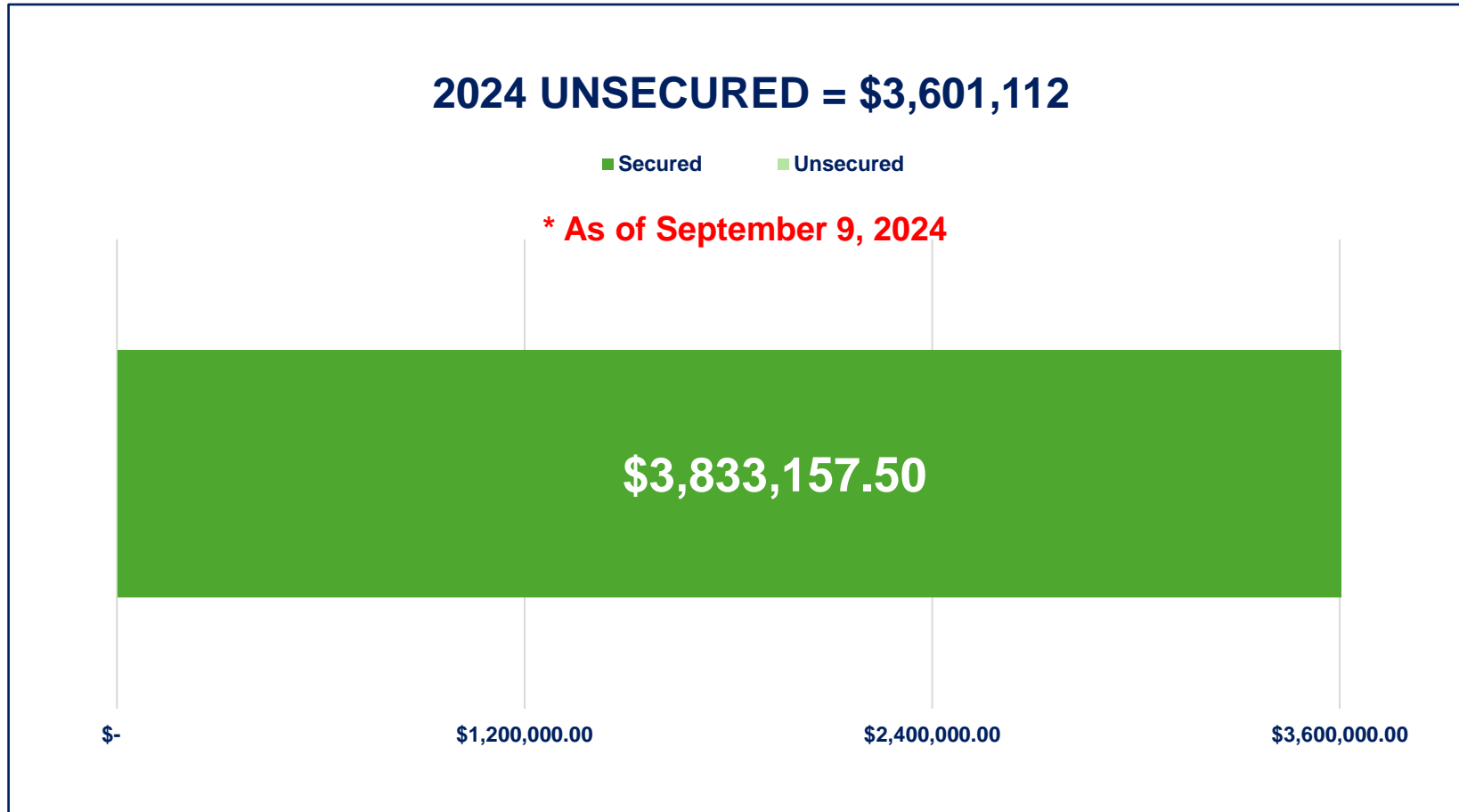
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**JM Family  
Enterprises**

# 2024 Development Dashboard



# 2024 Development Dashboard

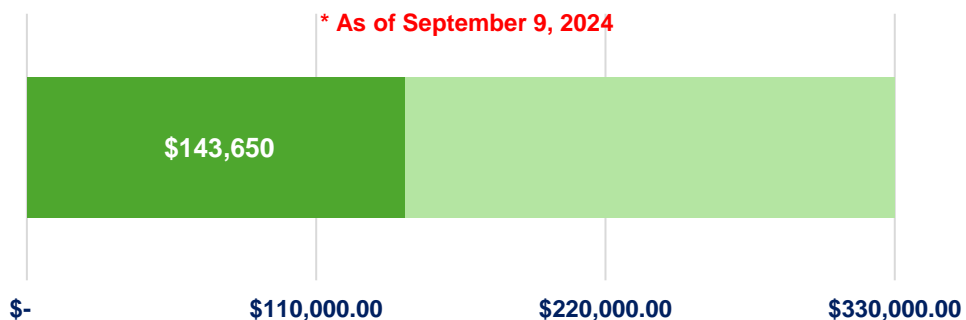


# 2024 Development Dashboard

## CORPORATE GIVING GOAL = \$330,000

■ Actual ■ Budget

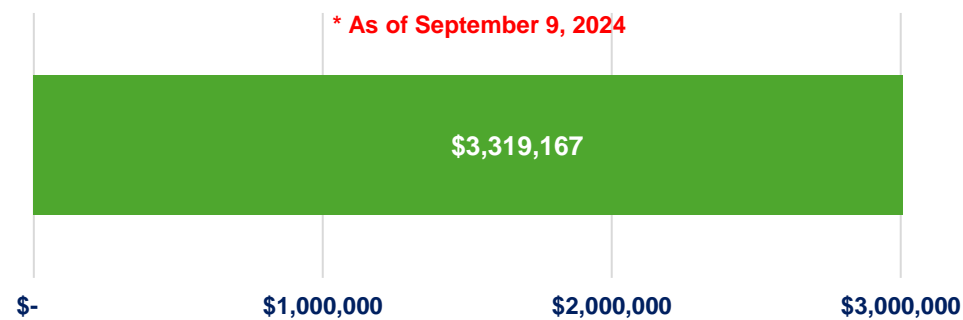
\* As of September 9, 2024



## GRANTS GOAL = \$2,894,112

■ Actual ■ Budget

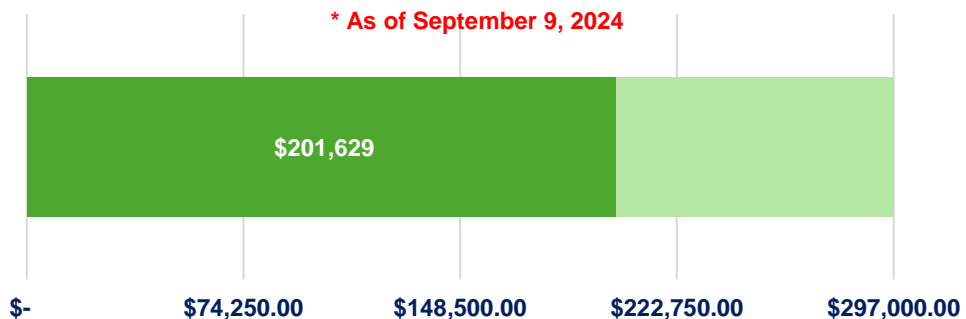
\* As of September 9, 2024



## INDIVIDUAL GIVING GOAL = \$297,000

■ Actual ■ Budget

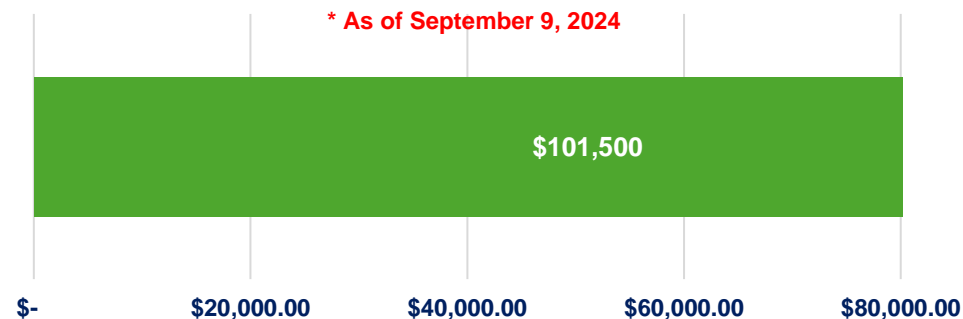
\* As of September 9, 2024



## EVENTS GOAL = \$80,000

■ Actual ■ Budget

\* As of September 9, 2024



# Miniaci Challenge Grant



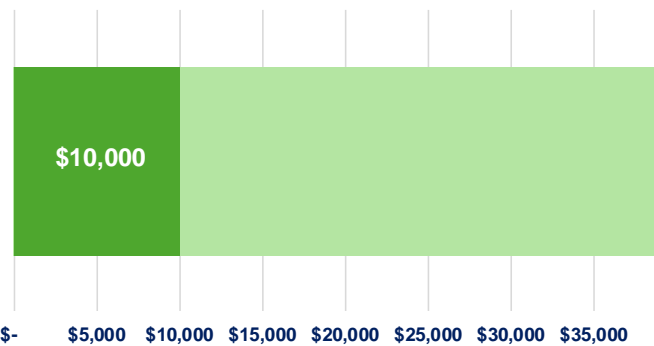


# Miniaci Challenge Grant



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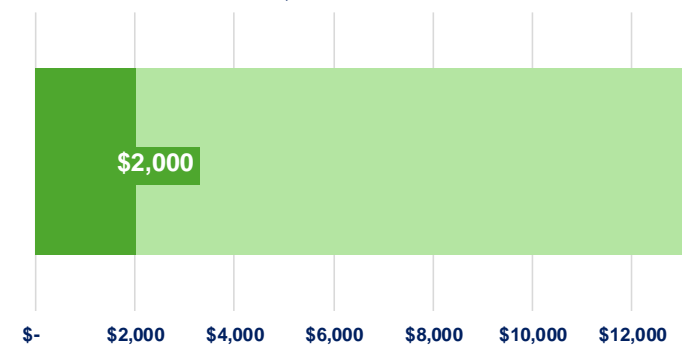
**NEW DONORS GOAL:  
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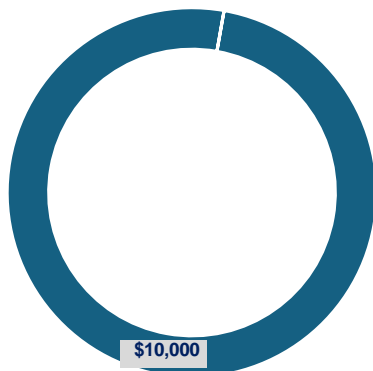


**BOARD OF DIRECTORS GOAL:  
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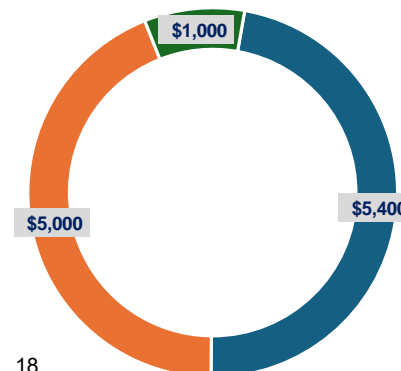
**NEW DONORS**

■ UKG



**EXISTING DONORS**

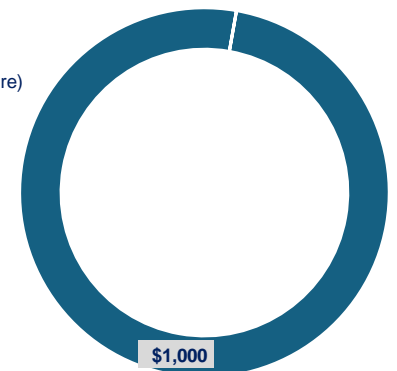
■ Bob Taylor (BBI)  
■ Maria Soldani  
■ Maria Soldani



18

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# Workforce Development Resources



# HARVARD

## MAGAZINE

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### FEATURES

## The Upward Mobility Problem

Most Americans earn less than their parents did. Can community colleges bridge the gap?

by Nancy Walecki

MAY-JUNE 2022





**Gary Jones with the truck he learned to operate at East Mississippi Community College | PHOTOGRAPH BY MATTHEW G. WOOD**

**“W**HEN I STARTED, I couldn’t even drive a stick, and now I’m shifting a ten-speed,” says Gary Jones with the sort of smile you hear before you see it. From eight in the morning to about four in the afternoon, the 31-year-old Jones is on the road, training for his Commercial Driver’s License (CDL) at East Mississippi Community College (EMCC). He spent this particular afternoon driving a semi-truck on the foggy highways connecting Starkville, West Point, and his native Columbus—a group of three towns in northeast Mississippi known as the Golden Triangle region. Maybe Jones



couldn't drive a stick-shift a few weeks ago, but now he can parallel park a big rig longer than a bowling lane.

Jones dropped out of high school to take care of his disabled mother and younger siblings. His mom required round-the-clock care, which meant he didn't have the time to work a steady job. "That's why I ended up selling drugs and taking the wrong direction," he says. "We had to take care of her, and I was trying to help my little brother and sister, help them stay in school." Jones was eventually arrested and went to prison for five years, during which time his mother passed away. He knew his criminal history could be a barrier to employment and didn't want his education to be another one, so just a few weeks after his release, he enrolled in the Mississippi Integrated Basic Education and Skills Training (MIBEST) program at EMCC. He says, "I really owed it to my mama, because she stayed in my ear about going to school and getting my GED and trying to do the right thing."

As part of MIBEST, a Mississippi Community College Board program that seeks to move low-wage and non-traditional students into higher-wage positions, Jones completed a GED and workforce credential concurrently (in his case, the CDL). Once he's a certified trucker, he can expect a starting income of about \$60,000, and maybe even more, as the United States expects to be short about 180,000 drivers by 2030. Beyond the numbers, though, Jones is just excited to be on the road. "I've been in prison for five years. I want to travel!" he laughs. "And I know it's gonna make me some money, too."

The upward trajectory of Jones's life is the stuff of American dreams. Thanks to counselors and teachers at EMCC, his family members cheering him on, and Jones's resolution "not to go back to the life I came from," he says now he's "living right, doing the right thing, and making honest money." He was dealt a bad hand and made something good out of it. But for many Americans who lack the support and information Jones had, that can feel almost impossible.

## **Parsing out the Problem**

A CHILD IN THE 1940s had about an 8 percent chance of going to four-year college—but a 90 percent chance of earning more as an adult than his parents did. A child born today, however, has about a 40 percent chance of attending

college, and a less than 50 percent chance of out-earning his parents, according to research by Ackman professor of public economics Raj Chetty. Now, only one-third of Americans believe that the current generation of children will grow up to be better off than their parents. As Rachel Lipson, director of Harvard's new Project on Workforce, puts it, "There is a long-running trend going on in this country where the idea that every generation is going to be better off than the last is just no longer the case. We're hitting a block in the road."



**Project on Workforce team, from left: Joseph Fuller, Robert Schwartz, Rachel Lipson, Peter Blair, and David Deming**

PHOTOGRAPH BY JIM HARRISON

The number of Americans attending four-year college continues to rise—and yet, countries such as Finland and Denmark send fewer students to their college-equivalents and exhibit *higher* rates of economic mobility than the United States. Attending four-year college is treated as the “north star or the metric of success” in this country, Lipson says, “because it’s viewed as the pathway to the American dream, that ladder to economic opportunity and a good job.” However, only 16 percent of Americans believe that a bachelor’s degree prepares students very well for a good job in today’s economy, and as of last year, only 48 percent of high schoolers said they planned to attend four-year college. In fact, one-third of them said that, if society considered it as valuable as a four-year degree, they would pursue a career or technical education—shorter, vocation-specific programs, often offered at community colleges and geared toward immediate employment.

Faith in four-year college as *the* path to success is waning, and researchers, policymakers, and students alike are asking: are there other ways to build a good life? At least in the short term, could providing more support to other postsecondary options, especially community colleges, move more lower- and middle-class Americans into good livelihoods? And what needs to change so that trajectories like Gary Jones's become standard, rather than exceptional?

THIRTEEN-HUNDRED MILES from where Jones wrangles 18-wheelers at EMCC, members of the freshly minted Project on Workforce are collaborating in Cambridge to figure out America's upward-mobility problem. A joint effort among the Harvard Kennedy School (HKS), Business School (HBS), and Graduate School of Education (HGSE), it aims to study, build, and scale up postsecondary pathways, beyond just the traditional four-year college route, that will lead more Americans into good jobs. To that end, the project applies expertise across management, public policy, and education to form a comprehensive view of challenges facing the workforce—and possible solutions.

The seeds for the project were planted about a decade ago during conversations between professor of management practice (and former CEO of Monitor Consulting, now Monitor Deloitte) Joseph Fuller, and his mentor, professor emeritus of practice in educational policy and administration (and former high-school principal) Robert Schwartz. They saw unemployment and wage stagnation as byproducts of a supply-and-demand imbalance: the American education system wasn't supplying students equipped with the skills employers were demanding. Academics and policymakers tend to tinker with the supply side of the equation, but Schwartz says, to move people into great livelihoods, "you really want to start with employers and work backward" from their demand-side requirements when designing courses and education pathways.

Hoping to shape those kinds of pathways, in 2019, the pair enlisted Rachel Lipson '12, M.B.A.-M.P.P. '18, as director and looped in faculty co-directors HKS's David Deming, Isabelle and Scott Black professor of political economy, and HGSE's Peter Q. Blair, assistant professor of education, who first learned about economics selling produce at the Nassau Straw Market (in the Bahamas), to lead the new Project on Workforce.

The project is both research- and impact-based. The team is building a body of research about America's current paths from education to employment, focusing particularly on low- and middle-wage workers and what can be done to smooth their transitions. But the goal is to put this research into action, collaborating with local and national organizations to broaden workers' employment pathways regardless of their degree statuses. In response to the pandemic, they partnered with 25 public and nonprofit organizations (including Massachusetts's public job center network) to build SkillBase, an aggregate of free online trainings for job seekers in such subjects as resumé writing and English business communication. They also direct some of their activities inward, toward Harvard, to build a generation of leaders more attuned to the challenges workers face. One of the project's most popular Harvard-facing events is its study group, which brings students from across the University together to brainstorm how to build a more inclusive future of work. In all its efforts, Lipson says the project works to "bridge research and real-world practice to break down some of the silos that have traditionally existed among educational institutions, employers, communities, and policymakers" on workforce issues.

By turning more attention to routes outside traditional four-year college, the project aims, according to its mission statement, to "chart the course for a postsecondary system of the future that creates more and better pathways to economic mobility." And in this work, its leaders hope to boost economic opportunity in the United States and, ultimately, make stories like Jones's the standard.

## Employing Talented "STARS"

"ANY SYSTEM IS PERFECTLY configured to generate the outcomes it generates," Fuller sometimes says to his puzzled M.B.A. students. It sounds like something the Caterpillar in *Alice in Wonderland* might say between puffs of hookah—but what he means is that results are only as good as the system generating them. "And our system generates unacceptable outcomes for a significant percentage of the population of aspiring workers," he says, "so the notion that we're going to fine-tune it to do a lot better just doesn't bear a logic test."

The system, or the standard-issue American pathway to a good living, goes something like this, according to Fuller. During K-12 education, students get



only limited exposure to the workplace or the skills they'll need to get there—and then are told that they need to go to a four-year college to have a good life. But only about 40 percent of high-schoolers go on to four-year college, including just 19 percent of Hispanic students, 26 percent of black students, and 11 percent of America's lowest-income students. The majority head straight into a job market where, particularly since the Great Recession, a bachelor's degree serves as the gatekeeper for about two-thirds of new jobs—and most of the best-paying ones.

Encouraging students to go to four-year college is not a bad thing (the student-debt problem aside), but the advice is rooted in a limited worldview, Fuller says. "One of the things that plagues the system is most people who shape policies, who work in the Capitol and in think tanks at Harvard, they all went to college. Their kids went to college. Their kids' friends went to college." He adds, "You get in that surround, and you can be empathetic to a kid of color or a high-school dropout, but you don't know any of them."

Four-year college as *the* path to success factors into United States policymaking as well. Title IV of the Higher Education Act of 1965, which stipulates guidelines for federal student loans and grants, describes education through the lens of four-year college. Students cannot take out loans for programs comprising fewer than 100 credit hours, courses must be taught by an accredited institution, and funds are distributed on the academic calendar, making it difficult for working learners to take classes over the summer, for instance. Fuller says, "Some of this stuff is so goofy you can't make it up."

Beyond policy, focusing almost exclusively on four-year programs has social ramifications as well. The minority of Americans who went to college espouse a narrative to the majority that can have the unintentional effect, he says, "of telling the kids who aren't going to go to [four-year] college, 'Well, you're a loser.'"

Peter Blair, who also serves as a faculty research fellow at the National Bureau of Economic Research (NBER), says that the U.S. job market needs to tap into the talent of "STARs"—individuals "skilled through alternative routes" outside traditional four-year college. One of Blair's NBER working papers found that 30 million American workers without four-year college degrees have the skills to move into jobs that pay an average of 70 percent more than their current earnings. Sought-after capabilities—ranging from

quantitative skills to in-demand “soft skills” such as problem solving and teamwork—can be cultivated in many places other than four-year colleges, such as in high-stress service-industry jobs, working as a caregiver, or juggling full-time employment with going back to school for a GED.

STARs are kept out of work that would suit them because of what Fuller calls “degree inflation.” Now, jobs require B.A.s for positions that, years ago, did not. For example, he found that 67 percent of job postings for new production supervisors in 2015 included bachelor’s degree requirements, even though only 16 percent of people then working as production supervisors had one.

Since people of color are far less likely to have a four-year education, “Nonessential degree requirements aren’t race-neutral,” wrote Blair in a June 2020 *Wall Street Journal* op-ed. Many companies are earnestly trying to diversify their workforces, but they’re going to fall short if they continue to have four-year degree requirements. It’s a bad deal for both employers, who are missing out on a group of highly skilled individuals, and STARs, who know they’re capable of the job. Blair estimates that 16 million STARs have the skills for high-wage work—but 11 million are currently underemployed in low- and middle-wage jobs.

Some hiring managers *are* starting to look past pedigree, according to Fuller’s recent research. Between 2017 and 2019, 31 percent of listings for high-wage jobs and 46 percent of middle-wage jobs lowered their degree requirements. Fuller estimates that of those degree resets, 63 percent are permanent adjustments. And, as pandemic-related labor shortages continue, employers have even more reason to re-evaluate and reverse their biases toward four-year degrees.

"You can get lost very easily  
if you drop off the four-  
year college path."

“We have so many jobs that may demand some kind of postsecondary credential but do not require a traditional four-year bachelor’s degree,” Lipson says, including careers such as registered nurse, dental hygienist, and electrician, all of which provide family-sustaining incomes and promotion opportunities. But according to Lipson, “We haven’t made the investment into building an ecosystem where people can access [those types of jobs] more easily.” She adds, “It’s been a problem in the U.S. that you can get lost very easily if you drop off the four-year college path.” If economic success is defined in binary terms, where someone either receives a four-year degree or not, people without a degree can be left wondering what success looks like for them.

As the United States looks to boost employment outcomes, the Project on Workforce members suggest directing more attention to some of the country’s most ubiquitous engines of economic mobility: community colleges. Expanding access to quality bachelor’s degree programs remains important, but Schwartz says we must also bolster community colleges because, “If we’re waiting around for four-year colleges and universities to solve the problem of stalled mobility for poor kids, it’s going to be a very, very, very long wait.”

## **“Podunk,” Mississippi**

“A LOT OF INDIVIDUALS who are not from here are routinely baffled by the level of skill and expertise that exists in northeastern ‘Podunk,’ Mississippi,” says Macaulay Whitaker, from her office in Columbus, about 20 minutes from EMCC, where Jones takes his truck-driving courses. 36-year-old Whitaker is chief operating officer of the Golden Triangle Development LINK (GTR LINK), a nonprofit that boosts economic opportunities and strengthens college-to-career pathways for Mississippians in the Golden Triangle region (tri-county population: 128,000).



**Fabian Ryan operating machinery at PACCAR's engine plant**

PHOTOGRAPH BY MATTHEW WOOD

Textiles, toys, and tubing alike once flowed from the region's factories, but by the early 2000s, many employers automated or outsourced their labor and closed their local operations. In one decade, the GTR lost 40 percent of its manufacturing jobs. Its unemployment rate rose to about 15 percent in 2007, well above the national average, while wages remained much lower. On the state level, Mississippi has the lowest state workforce participation rate in the country, with only 53 percent of working-age adults employed or actively



seeking employment, and a below-average high-school graduation rate. Facing these grim realities, GTR LINK sought to improve opportunities by attracting major advanced manufacturing and aerospace employers to the region and coordinating with local educational institutions to cultivate a skilled workforce. By virtue of the region's small population, GTR LINK is operating on a limited scale, but so far its tactics are working. Between its inception in 2003 and 2016, it's brought nearly \$6 billion in investments to the region and created about 6,000 family-sustaining jobs.

Whitaker is the first to admit that the GTR is still far from perfect, but in 2016, Fuller and his colleague William Kerr, D'Arbeloff-Class of 1955 professor of business administration, were impressed enough that they wrote an HBS case study on the ways GTR LINK improved upward mobility. They found that one way the program attracted and retained new employers was by generating a workforce with skills matching the companies' open positions. Local community colleges coordinated with employers and developed curricula around their skill needs, such as precision measurement and blueprint reading, and developed internship programs for students—ensuring both that the employers had the employees they needed, and that Mississippians who may otherwise have been un- or underemployed had a clear path to good jobs.

Six years after HBS studied the GTR's pipelines, community-college students like Fabian Ryan still benefit from them. Ryan works full-time as a janitor at a large steel mill during the day, and takes EMCC classes for his associate's degree in precision manufacturing and machinery at night.

"There are some rough points and some easy points," he says of balancing his steel-mill job with school. "Hard labor makes you really, really tired." When not at work or in one of EMCC's hands-on machinery classrooms, Ryan is completing an EMCC-facilitated internship at PACCAR trucks, one of the manufacturers that GTR LINK attracted to the region. He spends a few hours there each day learning what goes into building truck engines that weigh more than compact cars. It's a hypnotizing dance between intricate, high-tech machines. Ryan says, "Watching the spindles cut through some really tough metal—it's amazing."

This kind of work-based learning is what makes a workforce pipeline function, Fuller says. By integrating local employer needs into its curriculum

—in EMCC’s case, to the point of using the employers’ machines in the classroom—community colleges set students up for smoother transitions into a career. It’s very likely that, after his internship, Ryan will be hired at PACCAR. “I think I have a good foot in the door,” he says. He hopes to work there for the next few years and, at some point, buy a house with his fiancée. “I can’t really explain it in words,” he says, of how his life is different after enrolling at EMCC. “It’s definitely better than it was.”

## Community Centers, Nationwide

EMCC IS FAR from the only community college preparing students for good jobs with local employers. Virtually every community college has workforce development programs that equip students with the tools they need to succeed in the workplace.

Community colleges have an advantage over traditional four-year institutions because they are just what they sound like: colleges for a specific community. “They’re not just colleges,” says Harvard’s David Deming. “They’re community centers. People play on their fields, they’re the place where local political candidates might hold their debate.” They’re the one place where a student can get an associate’s degree in preparation for a four-year college *and* a working learner can get certified quickly in a sought-after skill. Deming says it would be a mistake to think of community colleges, and educational institutions in general, as “only places where people learn how to be workers. That said, it’s certainly one part of the job.”

Schwartz says “community colleges are where the infrastructure is” to equip students with work-ready skills. As community hubs, they’re well-positioned to facilitate job placements and work-based learning opportunities with local employers, as EMCC has. They also serve a cohort that’s especially unlikely to move up the income ladder— and nearly nonexistent at elite four-year institutions. Whether she’s at EMCC or Los Angeles City College, the average community college student is in her mid-20s, low-income, a working learner, and maybe a caregiver to a dependent. Fuller says that statistically, people are in “big trouble” if by 25 they have neither a B.A. nor a full-time job in a field with promotion potential (think: computer programming versus waitressing). After the age of 25, someone’s odds of rising out of low-wage jobs become progressively slimmer. But by providing education and

workforce training, community colleges equip these adults for upwardly mobile jobs with family-sustaining wages.

"I will build my empire  
from the rocks that were  
thrown at my face."

And they're not just doing that in rural, manufacturing-heavy regions like the GTR; community colleges are improving upward mobility even in metropolitan, high-tech Boston, and across the river in Cambridge where 80 percent of adults have bachelor's degrees. Boston's Bunker Hill Community College (BHCC) builds college-to-career pipelines around the city, customizing training programs with local companies like Wayfair and Bank of America, and preparing students left out of the four-year-college pipeline for good jobs.



**From left: BHCC's Sabrina Soltani and Kristen McKenna**

PHOTOGRAPH BY STU ROSNER

BHCC has been “life-changing” for students like 33-year-old Sabrina Soltani, who five years ago was living in a shelter in Springfield, Massachusetts, with her infant son Zeendean. “We were all alone with nothing to fall back on,” she says, but after two years in the shelter, Soltani moved to Boston and enrolled at BHCC where, in addition to her associate’s degree in computer science, she earned industry-recognized information-technology (IT) certifications in Cisco, Amazon Web Services, and Google. Now, Soltani says she can provide her son with “everything he needs, everything I need,” and she plans to get her bachelor’s and master’s and become a software engineer in Silicon Valley. She says, “My mantra to myself, every morning when I wake up is, ‘I will build my empire from the rocks that were thrown at my face.’”

## Funding Dreams

COMMUNITY COLLEGES provide life-changing opportunities for students like Soltani, but they do so on shoestring budgets. Finances got even tighter during the pandemic, as national community college enrollment dropped by about 15 percent for reasons still not entirely clear—likely some combination of remote-learning challenges, job loss, the childcare shortage, and other pandemic-induced setbacks. A loss of students meant a loss of revenue for community colleges, but even when money is available, grant stipulations make it difficult to deploy the funds where they are most needed, says BHCC dean of workforce and economic development Kristen McKenna. BHCC recently financed a new program that reskills workers displaced by the pandemic for in-demand jobs, such as those in healthcare or IT. The school considered applying for grants to underwrite it, but McKenna says it’s “just so cumbersome, and without [enough] staffing, it’s too much” to overcome funding obstacles while responding to an urgent community need.

Rachel Lipson notes that President Biden’s Build Back Better initiative, as originally proposed, included important wins for community-college students—including a 50 percent increase in annual spending on workforce development during the next five years. But even if those proposals are enacted, she says students need more “wraparound support”: funding for expenses that might prevent someone from completing her education, such as childcare, healthcare, and housing. “We have not paid enough attention to some of the other life challenges that can prevent someone from being able to continue in education,” Lipson says. “Sometimes things that may not seem



like a huge amount of money—like an unexpected medical bill or car repair or rent increase—can become the dealbreaker for someone being able to achieve their dreams and the career path they want.” Zach Scruggs, executive director of 2nd Chance Mississippi (a nonprofit that provides wraparound support for Mississippi community college students) says that their learners are often “one flat tire away from dropping out.”

Right now, most wraparound support is provided through smaller, one-off projects like 2nd Chance, which “works with community colleges to fill the voids not otherwise addressed by public or other funding,” according to its founder Richard Scruggs. They give students money for gas and childcare, for instance, and when classes went remote during the pandemic, donated a library of laptops students could borrow. Since its founding a few years ago, 2nd Chance has helped 1,350 Mississippians stay in school, even though its average grant is only about \$500 per student. “It’s a great example of a little money going a long way,” Zach Scruggs says. For student Shane Wiggins, who was intermittently homeless while finishing school, getting \$120 from 2nd Chance to cover his GED testing fees made all the difference. Now, he’s getting his associate’s degree with plans to teach and perform music professionally. A \$700 car repair meant that a welding student in Wesson, Mississippi could still get to campus, and for a student at Pearl River Community College, a new pair of glasses made it possible to succeed in class. Zach Scruggs says it can be “life-altering, to just have little things like that in the right place at the right time.” He adds, “Could federal money or state money easily do and take over what we’re doing? Absolutely... We hope that what we’re doing can serve as a template for that at some point in the future.”

If more students were able to stay in school, and that schooling led to a quality job, that might fill in some of the missing rungs in America’s upward-mobility ladder. Terri Clark, former dean of workforce and community development at Pearl River Community College, says, “There’s nothing sexy about adult workforce education. There just isn’t. But it is so very, very important. It’s transformational what an individual can experience by enrolling in a community college.”

“It’s tempting to only look at the Harvards of the world and to think as if we’re the only ones that have the answers,” said Peter Blair, who attended community college himself, at an April 2021 HGSE panel. “There’s a lot we do

really well, but we are part of a broader ecosystem of educators. Each of these sectors of the educational market has an important role to play.” And in educating many low- and middle-class Americans, community colleges—not elite four-year institutions—do the bulk of the work.

This spring, Gary Jones will be a CDL-certified truck-driver, but he says he’s not planning to stop there. Truck-driving will be his long-term career, but he’s tempted to go back to school for something else, maybe welding, on the side. He’s not done taking classes or getting degrees. “I’m still trying to figure out what the next one is gonna be,” he says, “but there’s gonna be another one.”

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*Staff writer Nancy Kathryn Walecki wrote about the Arnold Arboretum in the March-April issue.*

Published in the print edition of the May-June 2022 issue under the headline "Making It In America."

Read more articles by [Nancy Walecki](#) →

## Skills-Based Hiring Is Gaining Ground

Employers try a new hiring approach, with mixed results.

March 21, 2024 | [Theresa Agovino](#)



About 18 months ago, pharmaceutical maker Bristol Myers Squibb decided to bolster its commitment to developing cell therapies. However, there was an issue: Few individuals have experience working with this relatively new method, which draws certain cells from an individual, re-engineers them to fight diseases such as cancer, and then infuses them back into the patient.

That's why BMS started using skills-based hiring to bring people on board to work on the expanded effort. This method for finding talent focuses on individuals' abilities and competencies rather than their education and direct experience. It's a more expansive approach that considers individuals who don't fit the traditional template for a role yet have skills and other experience that can be applied to the job. It often eliminates four-year degree requirements to open up the potential pool of candidates to those who acquired their knowledge through less traditional paths.

**You have to be innovative in identifying skills.”**

**Céline Raffray**

Cell therapy “is not a capability that’s everywhere in the market because it’s so new,” says Céline Raffray, vice president of talent acquisition at New York City-based BMS. “You have to be innovative in identifying skills.”

Skills-based hiring has become increasingly popular amid the recent tight labor market, which is pushing companies to try unorthodox approaches to finding employees. In fact, 73 percent of employers used skills-based hiring last year, up from 56 percent in 2022, according to a survey of 3,000 international workers and employers by Amsterdam-based TestGorilla, a talent assessment platform.

## **Education Skepticism**

When college degrees are no longer mandatory, the labor pool is broadened to a more diverse group. That’s important with so many individuals reconsidering whether to go to college because it is costly and can leave them saddled with significant debt. Most U.S. residents don’t believe a college degree is worth the cost, according to a poll of 1,000 adults conducted last year by *The Wall Street Journal* and NORC at the University of Chicago. Over half of adults (56 percent) say a degree is a bad investment, up from 47 percent in 2017 and 40 percent in 2013.



# JOBS REQUIRING A COLLEGE DEGREE ON THE DECLINE



**17.8%**

of job ads in January  
2024 required at least  
a college degree.

**20.4%**

of job ads in January  
2019 required at least  
a college degree.

Source: Indeed, January 2024.

That belief is understandable. An analysis conducted by Indeed this year found that the number of job ads requiring at least a college degree fell to 17.8 percent in January 2024, from 20.4 percent five years ago. It also found that formal education requirements have declined in 87 percent of occupational sector

Of course, this doesn't mean degree requirements will completely vanish. Experts say that certain professions like doctors and lawyers will still need formal education, and there will always be roles that require specialized degrees. However, employers realize that certain skills, especially in technology, can be either self-taught or acquired through a trade school. Plus, skills-based hiring helps diversify workforces, which is important for many employers and their workers, especially younger ones.

Cory Stahle, an economist at Indeed, says skills-based hiring is also expanding because there are more tools than ever to test whether someone has the abilities they claim. He adds that AI will likely further propel the adoption of skills-based hiring.

“It could be that AI transforms and augments jobs in a way that leads employers to be able to hire people without college educations, because it can fill in gaps for workers without formal training,” Stahle says.

## **A New Mindset**

For all the advantages of skills-based hiring, the process can be challenging to implement. It requires a mindset change from people who have relied on degrees as a proxy for skills for years, if not decades. It also means that employers must thoroughly examine what skills are necessary for each role to decide if a degree is required, as well as rewrite job descriptions and postings to detail which capabilities are essential.

Just because you no longer have degree requirements doesn't mean you will change how you hire. There's no obligation to hire a candidate because they fill the requirements.”

**Matt Sigelman**

Only 1 in 7 jobs was filled using skills-based hiring last year, according to a study of about 11,000 roles at big companies by the Harvard Business School's Managing the Future of Work Project and the Burning Glass Institute, a workplace research organization.

“It's a lot easier to change policies than practice,” says Matt Sigelman, president of the institute. “Just because you no longer have degree requirements doesn't mean you will change how you hire. There's no obligation to hire a candidate because they fill the requirements.”

Sigelman says that sometimes a CEO will decide their company should adopt skills-based hiring, but their attention will shift to something else before the organization makes systematic changes to fulfill the directive.

## **Assessing Risks**

Aflac has used skills-based hiring very selectively and may implement it more widely next year after addressing some concerns and potential risks about the approach, says Jeri Hawthorne, CHRO of the Columbus, Ga.-based supplemental insurer. However, she sees two “barriers” to adoption.

# A NEW HIRING APPROACH



**73%** of employers used **skills-based hiring** last year, up from 56 percent in 2022.

Source: *The State of Skills-Based Hiring 2023*, TestGorilla

Hawthorne says the company needs time to outline what skills are necessary for each role and train interviewers to focus on capabilities rather than hallmarks like education and years of experience, which has been the norm.

Discerning equitable pay may also be an issue. For example, an employee who was required to have a college degree and a certain amount of experience for a job may balk when they learn someone who doesn't have a degree and who has less experience is earning the same amount of money. Hawthorne says that situation could lead someone to allege age discrimination.

"I'm calling them barriers," Hawthorne says. "I don't think they are deal breakers. I think there are obstacles that organizations need to heavily consider and to have good change management plans around before they rip the Band-Aid off and make these changes."

BMS's Raffray said the company spent considerable time and effort educating staff about the new approach. As part of the pilot program, BMS also set up a platform that makes it easier for its

employees to identify and apply for open positions. Raffray says BMS noticed there wasn't much internal movement at the company and hopes skills-based hiring will facilitate people changing jobs.

Raffray believes the early effort has been a success. The company has hired individuals who have experience creating other types of specialized drugs, and the skills-based approach has even shortened the time-to-hire by a few days. Last September, BMS expanded skills-based hiring to other departments, including human resources and IT.

BMS is considering other departments where the skills-based approach can be implemented, says Raffray, adding there will always be roles that require degrees and specialized knowledge. "There will always be places where you can't compromise," Raffray says.

## **AI Booster**

Indeed, IBM, a pioneer in skills-based hiring, still requires degrees for 50 percent of its roles. It started using the approach about seven years ago when it was having difficulty finding individuals to fill open positions, says Chris Foltz, chief talent officer at the Armonk, N.Y.-based tech company.

**The half-life of skills is expiring faster and faster. You have to continuously refine and upskill [talent]."**

**Chris Foltz**

Foltz says that besides looking at skills when hiring people, the company also wants to find individuals with a learning mindset.

"The half-life of skills is expiring faster and faster," Foltz says. "You have to continuously refine and upskill (talent). We're looking for talent that is eager to learn and excited to grow."

IBM's dedication to skills-based talent is essential now as it looks for individuals who can work in AI, a new field lacking individuals with vast experience.

"You have to have a broader aperture [for finding talent] because these skills are fresh, new, evolving, growing every day," Foltz says. "You want to be competitive in this talent market."

*Theresa Agovino is the workplace editor for SHRM.*



## **WHY FEWER EMPLOYERS ARE REQUIRING COLLEGE DEGREES**

In years past, having a college degree was required for almost every salaried job—and many hourly jobs, as well. Candidates who didn't have a degree often would lose out on opportunities and struggle to advance their careers.

Recently, widespread talent shortages and several other cultural shifts have prompted more employers to revisit that requirement.

About two-thirds of working-age adults (64 percent) do not hold a bachelor's degree, and undergraduate college enrollment fell by 8 percent from 2019 to 2022. The share of jobs that require a college degree fell to 44 percent last year, down from 51 percent in 2017, according to research from the Burning Glass Institute.

As a result, major employers such as Dell, IBM and Bank of America have eliminated the college degree requirement for many jobs, and many other businesses are following suit.

"College degrees are incredibly expensive, and the costs continue to rise," says Kim Jones, vice president of human resources at Toshiba America Business Solutions in Lake Forest, Calif., which employs more than 2,000 workers. "Many people are deciding not to sign up for lifelong student debt."

While Jones believes there is value in a traditional college education, not requiring a degree often makes workplaces more diverse. "Everyone doesn't need to have the same background," she said. "Diversity of thought builds strong teams and creates successful businesses."

At Boston-based Liberty Mutual, the college degree requirement was dropped for entry-level positions in 2017 to open the doors for people of different backgrounds.

“A college degree continues to be valuable, but it isn’t accessible to everyone, and we want to ensure equity in our hiring process,” says Maura Quinn, vice president of early career; diversity, equity and inclusion; and talent acquisition programs at the insurance provider, which boasts 35,000 U.S. employees. “There are many ways people can learn and build new skills, which is why we’ve expanded beyond four-year degree programs. Talent is everywhere, but opportunity is not.”

In the past, Leyda Lazo, SHRM-SCP, says she placed a significant emphasis on candidates having college degrees, but she recently changed her tune.

“Our organizational focus began to shift in 2018 as a result of our concentrated diversity and inclusion efforts,” says Lazo, an HR consultant at Human Capital Consultants International in Miramar, Fla., who oversees a team of 27 consultants. “We recognized that the requirement for a college degree might inadvertently exclude exceptionally talented individuals from underprivileged backgrounds who might not have had equal access to higher education opportunities.”

Compounding the issue has been the lack of available workers, which Lazo says convinced her to focus on candidates’ skills rather than degrees.

“The ongoing labor shortage has undoubtedly played a role in catalyzing our shift,” she says. “In sectors like logistics and transportation, there’s a distinct scarcity of skilled workers. Emphasizing skills over degrees enables us to bridge these gaps in a more expedient and effective manner.” — Kylie Ora Lobell



# **Public Policy and Advocacy Resources**



# Health Law and Ethics

## Lobbying and Advocacy for the Public's Health: What Are the Limits for Nonprofit Organizations?

### ABSTRACT

Nonprofit organizations play an important role in advocating for the public's health in the United States. This article describes the rules under US law for lobbying by nonprofit organizations.

The 2 most common kinds of nonprofits working to improve the public's health are "public charities" and "social welfare organizations." Although social welfare organizations may engage in relatively unlimited lobbying, public charities may not engage in "substantial" lobbying. Lobbying is divided into 2 main categories. Direct lobbying refers to communications with lawmakers that take a position on specific legislation, and grassroots lobbying includes attempts to persuade members of the general public to take action regarding legislation. Even public charities may engage in some direct lobbying and a smaller amount of grassroots lobbying.

Much public health advocacy, however, is not lobbying, since there are several important exceptions to the lobbying rules. These exceptions include "non-partisan analysis, study, or research" and discussions of broad social problems. Lobbying with federal or earmarked foundation funds is generally prohibited. (*Am J Public Health*. 1999;89:1425-1429)

Jon S. Vernick, JD, MPH

In the United States, many different types of organizations work to improve the public's health, including governmental agencies, community-based organizations, corporations, universities, and advocacy groups. An important category of such organizations is nonprofit groups—organizations that are not operated for the purpose of making a profit.

Nonprofit organizations enjoy certain benefits under the law that can make them a particularly effective platform from which to work for the public's health. The most prominent of these benefits is that qualifying nonprofit organizations are exempt from paying federal income tax. But the law also imposes limitations on the activities of nonprofit organizations if they wish to retain their tax-exempt status. One important limitation is that certain nonprofits are forbidden to engage in substantial lobbying activities.

For many nonprofits, however, understanding which activities are permissible advocacy for the public's health and which are the more restricted "lobbying" may be a matter of great confusion. As a result, these organizations may simply ignore the law, placing their tax-exempt status in jeopardy. Conversely, they may be reluctant to engage in perfectly legitimate activities rather than risk breaking legal rules that they understand imperfectly at best. This may make them less effective in accomplishing their public health goals. In addition, there has been a recent congressional focus on the political activities of nonprofits. This focus has produced several proposed or enacted changes to the lobbying rules.<sup>1-3</sup>

This article summarizes the law that applies to advocacy and lobbying by tax-exempt, nonprofit organizations, focusing on the 2 most common kinds of nonprofit organizations that advocate for the public's health—those designated under sections 501(c)(3) and 501(c)(4) of the US tax code. Because the law may differ depending on the source of an

organization's funding, the specific rules for lobbying with federal, foundation, or private support are also summarized. The application of these basic rules is illustrated with examples. With a better understanding of the rules that apply to nonprofit organizations, public health professionals should recognize that some lobbying is permissible and that much public health advocacy does not fit the legal definition of lobbying.

### Nonprofit Organizations

The law exempts from federal taxation the income of about 25 different kinds of organizations, which are described in title 26 of the US Code under section 501(c). Of these organizations, those qualifying as tax-exempt under sections 501(c)(3) and 501(c)(4) are the most common. Organizations covered by section 501(c)(3) include primarily educational, religious, and charitable institutions, "no part of the net earnings of which inures to the benefit of any private shareholder or individual."<sup>4</sup> There are 2 kinds of 501(c)(3) organizations: public charities and private foundations. Typically, universities, other educational organizations, hospitals, and churches are 501(c)(3) public charities. Private foundations include philanthropic organizations and other groups that do not derive a significant share of their revenues from public sources. Unless otherwise specified, for the remainder of this article, the term "501(c)(3) organizations" refers to public charities. Organizations under sec-

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*Note.* This article cannot provide a complete explication of all aspects of nonprofit lobbying law. It should therefore not be considered a substitute for outside legal advice.



tion 501(c)(4) are designed "for the promotion of social welfare . . . the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes."<sup>5</sup> These are often called "social welfare" organizations.

In many ways, 501(c)(3) public charities and 501(c)(4) social welfare organizations are quite similar. An organization that promotes public health goals may choose to be either kind of nonprofit. To qualify, the organization must complete an application to be reviewed by the Internal Revenue Service (IRS); once the application is approved, the organization's income is tax-exempt. (See Table 1 for a general comparison of public charities and social welfare organizations.)

There are also important differences between 501(c)(3) and 501(c)(4) organizations. Contributions to public charities are generally tax-deductible for the contributor, while those to social welfare organizations are not.<sup>6</sup> This may make contributions to public charities much more attractive for some donors. In exchange for this benefit, however, the law strictly limits the lobbying activities of public charities, while social welfare organizations, depending on the source of their funding, can engage in relatively unlimited lobbying. But just what is "lobbying"? To understand which activities are permitted for each kind of organization, it is necessary to first understand the legal definition of lobbying for nonprofits.

### What is Lobbying?

Although in common usage the word "lobbying" has a relatively broad meaning, the legal definition is quite specific. At the outset, the law distinguishes lobbying from intervening in a campaign to support or oppose a candidate for public office, or "electioneering." Public charities may engage in some lobbying (see below), but electioneering is prohibited (see next section).

Federal law and IRS regulations divide lobbying (as opposed to electioneering) into 2 main categories: direct lobbying and grassroots lobbying. Activities that do not meet the definition of either direct or grassroots lobbying are not considered lobbying under the IRS rules.

The IRS defines "direct lobbying" as any attempt to influence legislation through communication with legislators, staff persons, or any other government official who participates in the formulation of legislation, where the communication (1) refers to specific legislation and (2) reflects a view on the legislation.<sup>7</sup> Simply letting a lawmaker know your position on specific legislation, then, is direct lobbying.

**TABLE 1—Comparison of 2 Types of Nonprofit Organizations Described in Section 501(c) of Title 26 of the US Code**

	Public Charity [§501(c)(3)]	Social Welfare Organization [§501(c)(4)]
Purpose	Religious, charitable, scientific, literary, or educational	Promotion of social welfare
Organizational income	Exempt from federal taxation	Exempt from federal taxation
Contributions to organization generally deductible	Yes	No
Electioneering permitted	No	Yes
Lobbying permitted	No "substantial" lobbying	Relatively unlimited lobbying

Rather than an attempt to influence legislators directly, "grassroots lobbying" is "any attempt to influence any legislation through an attempt to influence the opinions of the general public or any segment thereof."<sup>8</sup> Grassroots lobbying must (1) refer to specific legislation, (2) reflect a view on the legislation, and (3) include a "call to action."<sup>9</sup>

These definitions require some elaboration. According to the regulations, "specific legislation" includes not only bills already introduced in a legislature but also specific legislative proposals that have not been formally introduced. It does not include broad discussions of possible solutions to problems. It also does not include communications that are addressed to something other than a legislative body, such as an executive agency, an administrative body, or a court. For example, discussions with the Environmental Protection Agency about rulemaking to implement existing legislation are not lobbying.

Unlike direct lobbying, grassroots lobbying communications must also include a "call to action" encouraging members of the public to contact a legislator or any other government official who participates in the formulation of legislation. Indirect ways of issuing a call to action include providing the name, address, or telephone number of a legislator; providing a copy of a petition or some other way for the recipient to communicate with a legislator; or even simply identifying a particular legislator as having a position on the specific legislation or as the recipient's representative.<sup>10</sup>

### How Much Lobbying is Permitted?

Nonprofit organizations may lobby. But under federal law, "no substantial part" of the activities of a 501(c)(3) public charity may consist of lobbying.<sup>11</sup> If a public charity engages in too much lobbying, it will be assessed an extra tax, it will lose its tax-exempt status, or both. The IRS will judge

whether a public charity has engaged in too much lobbying in either of 2 ways. Under the "no substantial part" test, the IRS looks at all the facts and circumstances surrounding the lobbying and determines whether the lobbying is substantial. Although the IRS does not specify a maximum amount, some commentators and courts have concluded that it is safe to devote about 5% of an organization's total efforts to lobbying.<sup>12,13</sup>

Instead of submitting to the "no substantial part" test, a public charity may choose to be governed by the lobbying limits contained in section 501(h) of the tax code—this is called making the 501(h) election. Electing charities must fill out a form notifying the IRS that they wish to be governed under this section, and then a sliding scale applies to the amount of permissible lobbying. For the first \$500 000 of an organization's tax-exempt expenditures, a total of 20% (\$100 000) may be spent on all lobbying; no more than 5% of the \$500 000 (\$25 000) may be spent on grassroots lobbying. As an organization's budget increases, the percentage that may be used for lobbying decreases, until a maximum of \$1 million in lobbying expenditures is reached.<sup>14</sup>

Obviously, it can be a real advantage for a public charity to make the 501(h) election. With the election, there is more certainty about what amount of lobbying is permitted, and generally a higher ceiling applies. In addition, certain nonmonetary expenditures, such as the time spent by organizational volunteers, are generally not included in the lobbying limits under the 501(h) election.

These lobbying rules apply to attempts to influence legislation. Electioneering—attempting to influence an election—is a different matter. Public charities are forbidden to "participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office."<sup>15</sup> For example, endorsing or publicly opposing the election of a particular candidate is not permitted; no sliding scale applies,

**TABLE 2—Summary of Lobbying Rules for Nonprofit Organizations Described in Section 501(c) of Title 26 of the US Code, by Source of Funds Used for Lobbying**

Source of funds	Public Charity [§501(c)(3)]	Social Welfare Organization [§501(c)(4)]
Private	No "substantial" lobbying May choose 501(h) election: of first \$500 000, may spend \$100 000 on all lobbying (\$25 000 maximum on grassroots lobbying)	Relatively unlimited lobbying related to nonprofit purpose
Federal grant or contract	May not lobby with federal funds	May not lobby with federal funds Organizations choosing to lobby may not receive federal funds
Foundation	Private foundations may not lobby or earmark funds for the lobbying activities of other organizations; they may fund through general support grants 501(c)(3) or 501(c)(4) organizations that choose to lobby	

and a public charity that engages in such activities risks losing its tax-exempt status.

Other activities, such as sponsoring candidate forums or issuing voter guides, depending on their form and content, may also qualify as electioneering. In general, to be permissible such activities must be non-partisan. Candidate forums to which all bona fide candidates are invited and that provide fair and impartial treatment without promoting one candidate's interests over another are not considered electioneering.<sup>16</sup> Voter guides that report how legislators have voted on selected issues may be considered electioneering unless the public charity follows a number of IRS guidelines.<sup>17</sup> This is a risky area of the law, however, and public charities are advised to proceed with caution.

By comparison, a 501(c)(4) social welfare organization may engage in relatively unlimited lobbying in areas related to its mission. Social welfare organizations may even intervene in political campaigns as long as this is not their primary purpose. For this reason, some public charities also have associated ("sister") social welfare organizations. This allows the public charity to shift some or all of its lobbying activities to its sister organization.

### ***What Activities Are Not Considered Lobbying?***

Activities that do not meet the IRS definition of direct or grassroots lobbying, as described above, do not count toward the lobbying limits for 501(c)(3) public charities. For example, a public charity could choose to place an advertisement in a newspaper indicating its support for specific pending legislation. Because that advertisement would be addressed primarily to members of the public,

without a "call to action" that advertisement would not constitute grassroots lobbying.

But some activities that do seem to meet the definition of lobbying nevertheless do not count against the permissible lobbying limits for public charities, because they fit within one of the recognized exceptions established by the tax code. One important exception, particularly for academic or research-oriented organizations, is "nonpartisan analysis, study, or research," defined as "an independent and objective exposition of a particular subject matter." Nonpartisan analysis, study, or research may support or oppose specific legislation "so long as there is a sufficiently full and fair exposition of the pertinent facts to enable the public or an individual to form an independent opinion or conclusion."<sup>18</sup> A biased or unsupported presentation of information would therefore not fit within this exception.

Nonpartisan analysis, study, or research need not be in the form of a written report; even verbal communications can qualify. In addition, to qualify, the communication must not be made solely to persons who are interested in only one side of a particular issue. For example, for a research report to qualify for the exception, it should not be sent only to those members of a congressional committee who supported a particular legislative proposal. Instead it should be sent to all members of the committee. Although nonpartisan analysis, study, or research may reflect a view on specific legislation, it may not directly encourage the reader to contact a lawmaker.<sup>19</sup>

Another important exception covers discussions of "broad social, economic, and similar problems." Because the definition of lobbying refers to "specific legislation," it is not lobbying to communicate with a law-

maker about matters of general concern, even if they are the sort of issues that might later become the subject of legislation. For example, it is not lobbying to communicate with a lawmaker about the importance of motor vehicle injuries as a public health problem. It would, however, be direct lobbying to express support to a lawmaker for mandatory seat belt use laws, even if such a bill were not currently pending before the relevant legislative body.<sup>20</sup>

Responses to requests for technical advice or testimony from lawmakers also do not count as direct lobbying. However, the request must be in writing on behalf of a full committee or subcommittee, not simply from a single lawmaker on his or her own behalf. For example, in response to a written request on behalf of a legislative committee for hearing testimony, a member of a 501(c)(3) public charity could support or oppose a specific bill before that committee without that action counting against the organization's lobbying limits.<sup>21</sup>

More permissive rules also apply to a public charity's communications with its own members and to so-called self-defense lobbying on matters related to the organization's existence or tax-exempt status. When a public charity communicates solely or even primarily with its own members, it may take a position on specific legislation so long as it does not directly encourage its members to lobby. For example, in its member newsletter a public charity could state its support for pending legislation and even provide the names of legislators who support or oppose the bill. This communication would not be lobbying unless the newsletter also encouraged members to contact one or more of those legislators.<sup>22</sup> Under the exception for self-defense lobbying, a public charity may communicate with legislators, but not the general public, about matters that might "affect the existence of the electing public charity, its powers and duties, its tax-exempt status, or the deductibility of contributions to the organization" without those communications counting toward the lobbying limits.<sup>23</sup>

### ***Where Does the Money Come From?***

The above rules apply generally to lobbying conducted by public charities and social welfare organizations with private funds, such as donations from individual citizens. Many nonprofit organizations that advocate for the public's health, however, derive an important share of their operating funds from grants and contracts provided by the federal government or private founda-

**TABLE 3—Examples of the Application of Lobbying Rules for US Nonprofit Organizations**

For each example, assume that ABC is a 501(c)(3) public charity whose only source of revenue is private funds, and whose president is Smith. HB 100 is a pending bill before a state legislature.

Action	Considered Lobbying?
Smith visits a legislator and expresses ABC's support for HB 100	Direct lobbying: a communication to a legislator expressing a position on specific legislation.
ABC endorses HB 100 in its member newsletter	Not direct lobbying: no communication with a legislator Not grassroots lobbying: no call to action
ABC places a newspaper ad saying that HB 100 represents an important issue and urging readers to tell their legislators how they feel about it	Not grassroots lobbying: no position taken on the bill
Smith is invited by a legislator to testify at a hearing about HB 100; at the hearing, Smith expresses ABC's support for the bill	Direct lobbying, unless request for testimony was in writing on behalf of the whole (sub)committee or otherwise fits an exception
HB 100 is enacted; ABC sues the relevant administrative official or agency, demanding full implementation of the new law	Not lobbying to seek enforcement of an existing law
Smith goes to Washington, DC, to urge Congress member Jones to introduce a federal bill just like state's HB 100	Direct lobbying: takes a position on specific legislation, even though no bill has yet been introduced in Congress
Smith then discusses with Jones the importance of public health; Jones introduces HB 101 to increase federal spending for public health	Not lobbying to discuss broad social or economic issues, even if the legislator later introduces a bill

tions. And the lobbying rules can change depending on where the money comes from (see Table 2).

Unlike 501(c)(3) public charities, private foundations may generally not engage in lobbying without incurring substantial penalties. This does not mean, however, that private foundations are unable to provide grants to organizations that lobby. In fact, foundations regularly fund such organizations.<sup>24</sup> Private foundations may provide general support grants to organizations that lobby as long as none of the foundation's funds are earmarked for lobbying, and they may even fund the nonlobbying portion of a specific project that includes both a lobbying component and other activities.<sup>25</sup> For the purposes of these rules, the definition of lobbying for public charities and private foundations is virtually the same.

There are also a variety of rules that restrict lobbying with federal funds.<sup>26,27</sup> For nonprofit organizations, the most relevant of these are embodied in "circulars" issued by the Office of Management and Budget (OMB). These circulars, though not precisely the same thing as a law or regulation, provide instructions about what kinds of costs can and cannot be charged to the federal government by a grantee. OMB circular A-21 applies to educational institutions and A-122 applies to all other nonprofit organizations. Both have

the same rules regarding lobbying. In general, costs associated with attempting to influence the introduction, enactment, modification, or signing of federal or state legislation, whether through contact with legislators or members of the general public, are "unallowable." As with the IRS lobbying rules more generally applicable to public charities, certain exceptions apply, such as responding to a request for technical or factual presentations by Congress or a state legislature.<sup>28</sup>

In 1995, a new restriction was added to federal law regarding lobbying by nonprofit organizations. The so-called Simpson Amendment forbids 501(c)(4) social welfare organizations that choose to lobby from receiving federal funds of any kind. That means that if a social welfare organization lobbies, even with private funds, it becomes ineligible to receive any federal funds.<sup>1</sup> Because the primary advantage of 501(c)(4) status is the ability to engage in relatively unlimited lobbying with private funds, the Simpson Amendment may be a real obstacle to social welfare organizations that rely on federal funds for other activities. However, to minimize the effects of the new law, social welfare organizations can still organize affiliated nonprofits to either engage in lobbying or receive the desired federal funds.

Table 3 provides a brief set of examples to clarify the application of the various lobbying rules and exceptions.

## Are Lobbying Restrictions Constitutional?

Some organizations that wish to enjoy the benefits of nonprofit status have been troubled by the lobbying restrictions imposed by Congress on 501(c)(3) public charities. One such organization, Taxation With Representation of Washington (TWR), wished to engage in substantial lobbying but nevertheless applied for 501(c)(3) status so that private contributions to the organization would be tax-deductible. When the IRS denied its application for public charity status, TWR brought a lawsuit in federal court arguing that the lobbying restrictions were unconstitutional. Specifically, TWR argued that the restrictions violated its free speech rights under the First Amendment and its equal protection rights under the Fifth Amendment.

In 1983, the United States Supreme Court upheld the constitutionality of the lobbying restrictions in the case *Regan [Secretary of the Treasury] v Taxation with Representation of Washington*.<sup>29</sup> Writing for a unanimous court, Justice Rehnquist first recognized that granting TWR public charity status despite its substantial lobbying activities would amount to a public subsidy of those activities. He then framed the issue in the case as "not whether TWR must be permitted to lobby, but whether Congress is required to provide it with public money with which to lobby." He determined that the law "does not deny TWR the right to receive deductible contributions to support its non-lobbying activity. . . . Congress has merely refused to pay for the lobbying out of public money," and he concluded that "this Court has never held that Congress must grant a benefit such as TWR claims here to a person who wishes to exercise a constitutional right."<sup>30</sup> TWR's ability to form a sister 501(c)(4) organization that could lobby (albeit without tax-deductible contributions) was also important to the Court's conclusion that the lobbying restrictions were not unduly burdensome.

The constitutionality of the Simpson Amendment, which prevents social welfare organizations that lobby with private funds from receiving federal grants, has also been questioned.<sup>31</sup> No cases challenging its legality have yet been decided.

## Conclusion

Nonprofit organizations, even public charities, may lobby, though the amount of lobbying permitted may be limited. Further restrictions apply to lobbying with federal or foundation funds. Nevertheless, much public

advocacy is not considered lobbying under the IRS rules, either because it does not fit the definition of lobbying or because it meets a recognized exception. By better understanding the rules applicable to lobbying, nonprofit organizations working to improve the public's health can maximize their effectiveness while minimizing the possibility of endangering their nonprofit status. In addition, nonprofits can be in a better position to appreciate the impact of any proposed new restrictions on their lobbying. □

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# Ergonomics and the Dental Care Worker

**Edited by Denise C. Murphy, DrPH, COHN**

**With foreword by William R. Maas, D.D.S., M.P.H., Chief Dental Officer, U.S. Public Health Service**

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# Knowing the Rules for Nonprofit Lobbying

*Please note that the information in this section comes from The Nonprofit Lobbying Guide by Bob Smucker (second edition, 1999) and the Internal Revenue Service's website.*

Nonprofit lobbying is designed to instigate policy change. Staff members at nonprofit organizations have a unique perspective about the needs of the people they serve, making them skilled problem-solvers who play a valuable role in shaping public policy. Unfortunately, myths about lobbying and advocacy prevent many nonprofit organizations from taking part in the public policy process. Contrary to what many people think, not only is nonprofit lobbying legal, Congress has recognized that lobbying efforts by nonprofit organizations represent a legitimate and important activity.

Because nonprofit organizations have such expertise on the issue of homelessness, who it affects, its causes, and its solutions, it is imperative that they be involved in the federal policy process and help to shape public policy. The only way to achieve this type of involvement is through advocacy and lobbying. As a result, you and your organization have a key role to play. Unfortunately, the rules and regulations governing lobbying can seem confusing and overwhelming to many people. This section of the toolkit is designed to help nonprofit organizations, designated as 501(c)(3) organizations by the Internal Revenue Service (IRS), understand what constitutes lobbying and how to measure and report on lobbying activities.

## Lobbying vs. Advocacy

Lobbying and advocacy are commonly confused with each other. One thing to keep in mind is that lobbying is a type of advocacy, but advocacy activities are not always lobbying.

It is very important to know the difference between lobbying and advocacy so that you can properly report activities and expenditures. **There is no federal limit on how much non-lobbying advocacy your nonprofit organization can do.**

According to the IRS, which oversees lobbying activities, **lobbying involves an attempt to influence specific legislation** at the local, state, or federal level. Lobbying activities include contacting any legislative Member, legislative staff, or government employee to influence him or her to propose, support, or oppose specific legislation, as well as trying to persuade the public to share your views on a particular legislative proposal. There are two main types of advocacy: non-lobbying advocacy and lobbying.

#### LOBBYING ACTIVITIES MAY INCLUDE THE FOLLOWING:

- Meeting with members of the Appropriations Committee in Washington, DC to ask them to support a proposed increase in funding for a specific federal program, such as the McKinney-Vento program;
- Calling congressional staff to ask a Member of Congress (Member) to write a letter to the chair of a key committee in support of passage of a specific bill; and
- Sending out an action alert to a coalition of homeless service providers asking recipients to write to their Member in support of a proposed increase in funding for a specific federal program.

**Advocacy, however, is focused on education about a specific issue** on behalf of the people your organization serves.

Lobbying is a small portion of the total amount of advocacy efforts made by many nonprofits. Most lobbying efforts are successful only when they are coupled with many other advocacy activities that allow policymakers to make informed decisions.

Many homelessness assistance programs rely on funding through numerous federal programs. In order to increase the amount and type of federal resources available, they work year-round on both lobbying efforts and non-lobbying advocacy efforts on behalf of the individuals they serve.

#### NON-LOBBYING ADVOCACY ACTIVITIES INCLUDE THE FOLLOWING:

- Distributing materials to congressional offices that describe the success of a federally funded program;
- Disseminating an analysis of a specific piece of legislation on your website or elsewhere with details of how it would affect people experiencing or at risk of homelessness;
- Inviting Members to visit a program so they can see first-hand how federal funding is used to end homelessness;
- Sharing with congressional offices how your organization uses federal funding and what it is able to accomplish with that funding; and
- Meeting with Members or their staff in response to a written request for technical assistance from a congressional body to provide information on how a particular piece of legislation will affect homeless people and local programs.

Providing technical assistance or advice in response to official written questions or inquiries from a congressional body (committee or subcommittee) is not considered lobbying, even if they ask for your position on a particular piece of legislation. For example, if the Senate Banking, Housing, and Urban Affairs Committee requests that your organization submit written or oral testimony about the impact of a piece of legislation on homelessness, that testimony will not constitute lobbying. However, responses to informal requests from the offices of Members of Congress are considered lobbying activities if you take a position on the legislation.



# Determining Lobbying Limits

While lobbying is an important activity for nonprofit organizations to undertake, federal tax law places limits on the amount of lobbying that an organization can do.

There are two main ways in which tax-exempt organizations can determine lobbying limits. The descriptions of each option below can help you assess which one might be the best fit for your organization. More information on both options can be found on the IRS website at <http://www.irs.gov/charities/article/0,,id=163394,00.html>.

Making an informed decision about which federal tax law your organization should use to track lobbying activities will help you to better understand what constraints and limits your organization must abide by in lobbying.

## OPTION ONE: "SUBSTANTIAL PART" TEST

Unless a nonprofit organization specifically elects to fall under different lobbying regulations, it must abide by federal tax law, which requires that no "substantial part" of a 501(c)(3) organization's overall activities consists of lobbying. This is commonly called the **substantial part test**.

The substantial part test **measures both your organization's time and expenditures** devoted to lobbying on behalf of your mission. This includes time and expenditures by both paid and volunteer workers. Unfortunately, the IRS has not been clear about defining how much time and money spent lobbying counts as "substantial."

**TIP** A common rule suggested by some lawyers and practitioners for organizations operating under this option is to **limit lobbying activities to 5 percent** of the organization's total amount of activities. However, be aware that the IRS has not officially backed the 5-percent rule.

This amount may seem small, but many organizations choose this option because their lobbying activities are very few compared to the many activities that serve other functions of the organization. After recognizing the difference between advocacy and lobbying, you may find that the amount of time and money your organization actually spends on lobbying is extremely insignificant.

## OPTION TWO: 501(H) EXPENDITURE TEST

Federal law gives nonprofit organizations a second method for determining limits on their lobbying activity. Unlike the somewhat vague substantial part test, the 501(h) law gives 501(c)(3) organizations the right to lobby with the security of knowing the very specific limitations they face for lobbying expenditures. By filing with the IRS, you can elect to fall under this law; in that case, your organization's lobbying limits are based solely on expenditures.

This option is widely known as the **501(h) expenditure test** and allows your organization to take part in a significant amount of lobbying under the guidance of precise regulations for calculating lobbying limits. Under this option, lobbying limits are calculated **based solely on how much money your organization spends on lobbying**; under this option, **the time your organization spends on lobbying activities is not factored in**.

Under the 501(h) expenditure test, if an activity does not cost anything, it does not count toward lobbying limits. For example, staff time costs the organization money and would be factored into the total allowance due to salary costs, whereas a volunteer's time would not be, because it does not cost anything.

The 501(h) expenditure test distinguishes between direct and grassroots lobbying activities. Organizations can spend as much as **20 percent of their entire budget on lobbying** (including direct lobbying, where you are the one taking action), and up to a **quarter of that total amount can be spent specifically on grassroots lobbying** (when you ask the public to take action).

**TIP** An organization can elect to fall under the 501(h) expenditure test by filling out the IRS Form 5768, which is available at <http://www.irs.gov/pub/irs-pdf/f5768.pdf>.

Under the 501(h) expenditure test, the limit on lobbying expenditures is based on the size of the organization and cannot exceed \$1 million total. The table below indicates the IRS' guidelines on lobbying limits under this option.

EXEMPT-PURPOSE EXPENDITURE	NONTAXABLE LOBBYING AMOUNT
Less than \$500,000	20 percent of exempt-purpose expenditures
Between \$500,000 and \$1 million	\$100,000, plus 15 percent of the excess of the exempt-purpose expenditures over \$500,000
Between \$1 million and \$1.5 million	\$175,000, plus 10 percent of the exempt-purpose expenditures over \$1,000,000
More than \$1.5 million	\$225,000, plus 5 percent of the exempt-purpose expenditures over \$1,500,000

Using this option, a 501(c)(3) organization with an annual budget of, for example, \$600,000 could spend up to \$115,000 on lobbying activities each year (\$100,000 for the first \$500,000 of the organization's budget, plus 15 percent of the remaining \$100,000 of the budget). Up to \$28,750 of that (25 percent of \$115,000) could be for grassroots lobbying.



## “Dos and Don’ts” of Lobbying

Below are a few key things that nonprofit organizations should and should not do in regards to lobbying and advocacy.

### DO:

- DO advocate. There are no limits on non-lobbying advocacy activities.
- DO lobby. Nonprofit organizations have a unique perspective and experience on the issue of homelessness, and they play a valuable role in shaping federal policy.
- DO determine how to measure your organization’s lobbying activities. Decide whether the substantial part or 501(h) expenditure test is best for your organization. This will depend on how much time and money your organization spends on lobbying activities.
- DO talk with all of your funders. Public and private foundations can fund lobbying projects but must follow certain rules. Each funder, including government entities, may also operate under more stringent rules than are required by the federal government. Talk with your funders and visit the Alliance for Justice at [www.afj.org](http://www.afj.org) for more information on foundation advocacy.
- DO conduct voter registration and “get out the vote” activities. People experiencing homelessness often have trouble registering to vote because they may not be familiar with the process or have the necessary documentation easily available. “Get out the vote” and voter registration activities do not count as lobbying, as long as your organization does not participate in a campaign for or against a specific candidate.
- DO work with the Alliance year-round on advocacy and lobbying campaigns.

### DON’T:

- DON’T think lobbying can be done only by professional lobbyists. Your lobbying activity can help result in better policy, making it easier for your organization to achieve its mission.
- DON’T use federal funds for lobbying at the state or federal level. A local funding match cannot be used for lobbying purposes either.
- DON’T ever participate as an organization in any political campaign on behalf of or in opposition to any candidate for public office. As a private citizen on your own time, you are perfectly within your rights to participate in such a campaign, as long as you are not representing your organization.

Because policymakers rely on 501(c)(3) organizations’ expertise to make decisions about policy, you can and should lobby. You should make informed decisions about how your organization is tracking its lobbying and advocacy activities and seek training about lobbying rules and regulations. Use the information in this section to help you begin to make these decisions.