

**T**he high profile *mêlée* in Washington, D.C. over federal funding of faith-based groups for social service activities has, on the one hand, cast a positive light on the critical day-to-day work of congregations of all faiths in our communities and elevated the term “faith-based” to the level of common parlance. On the other hand, the policy debate has also raised fears and created confusion over issues of religious freedom, civil rights, and governmental accountability for the welfare of at-risk populations.

#### RELIGION & COMMUNITY ECONOMIC DEVELOPMENT

While the policy debate is currently only about faith-based social services, the outcome of the debate has the potential to impact the community economic development industry. The Bush administration has plans to expand its faith-based initiative, potentially allowing faith-based groups to compete for government community development funds. Further, the attention the policy debate has given faith-based groups may embolden them to engage more readily in community efforts in ways they never

have before. Faith-based communities may be on the brink of changing the face of the community economic development field.

Certainly, faith is not a new idea to community organizing and social and economic justice efforts. The bond between religious faith and community economic development is historic and powerful. Since community economic development has become professionalized in the last three decades, faith-based groups have been recognized as a critical segment within the field. The National Congress for Community Economic Development, the trade association of community economic development organizations, reports

as much as 14% of their membership characterizes themselves as “faith-based.” Statistics aside, the religious community, including spiritual leaders, lay people, congregations, and other faith groups, contribute daily to both secular and religious community development corporations (CDCs) in critical and often complex ways.

#### CEI'S FAITH-BASED HISTORY

Coastal Enterprises, Inc. (CEI), a community development corporation and a community development financial institution, is a secular, private nonprofit, but has deep

Faithworks, a faith-based nonprofit organization in downtown Lewiston, is a “job shop” assembly operation performing mostly contract work. Employees are called as work occurs. It is also a nontraditional and flexible supported work environment that eases the transition for people facing multiple barriers to work. As Faithworks executive director Paul Rubin points out, Faithworks is the “first step in getting people back into the workforce.” CEI financing helps Faithworks provide employment for 700 welfare-dependent people and other low-income neighbours. Photo Credit: Faithworks.



# FAITH-BASED COLLABORATION

Connections that Work for Communities

by Ron Philips, with the  
assistance of Liza Hetherington

faith roots. CEI, which serves the state of Maine, formed in 1977 with backing provided by the state and local faith-based groups. CEI's mission is to help people and communities, especially those with low incomes, reach an adequate and equitable standard of living, working, and learning in harmony with our natural environment. Over the years, CEI has invested or leveraged over US\$325 million in 1,200 Maine small business ventures, community facilities, and affordable housing projects. This financing activity, combined with technical assistance to businesses and workforce development, has resulted in the creation or retention of more than 11,000 jobs. CEI's mission and economic outcomes, which provide hope and opportunity for marginalized Mainers, resonate strongly with the theologies and philosophies of many religious groups.

In part, CEI's faith roots are personal. After earning a Masters in Divinity at Union Theological Seminary in New York City, I came to Maine to start my ministry. I altered my plans, however, when I encountered the limited incomes of many Mainers who lacked acceptable standards of housing and employment, and had no recourse within societal structures to overcome the barriers of economic exclusion. The opportunity to do community economic development and lift these systemic barriers permanently became my vocation, and flowed naturally from my theological training, my experience in the 1960s civil rights movement, and my work with local and national religious groups on social justice. My faith informed my decision to start CEI, and my faith and ministerial training also inspired my efforts to work in collaboration with other people of faith who joined me in forming the organization.

The most significant professional influence on my decision to do community development in Maine was my work at the Interfaith Center on Corporate Responsibility (ICCR) in New York. ICCR, which is sponsored by the National Council of Churches, raises "corporate responsibility" issues on behalf of religious investors who manage church endowments and other religious funds. ICCR demonstrates that

money can have collective moral power.

Part of our decision to make CEI a secular organization, despite the religious faith of myself and my founder-colleagues, including several clergy, was based on financial considerations. Historically, religious groups have been ineligible for certain kinds of public money; foundation and government funds are more readily available to secular nonprofits. The current policy debate could change this long-standing limitation on faith-based organizations, and perhaps even compel nonprofits such as CEI to rethink their secular identity.

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#### **CEI & THE FAITH-BASED COMMUNITY**

While CEI is not by definition or function a faith-based organization, we constantly collaborate with the religious community and highly value these partnerships. Because faith-based groups are often at the heart of communities in Maine, involving them in community economic development efforts adds efficiencies. While working with any type of organization can have positive and negative aspects, working with faith-based groups is ultimately rewarding.

#### **Faith-Based Qualities: Persistence & Community Knowledge**

Persistence stemming from the conviction of religion is one of the greatest assets faith-based groups bring to the difficult and often demoralizing work of community economic development. People whose faiths convince them of the urgency of working for economic justice offer incredible energy and creativity. In CEI's case, our organization might never have been launched without the persistence and spiritual conviction of people and groups of faith. My own confidence in our endeavour was often tested during CEI's start-

up phase, and I relied heavily on others' faith in the cause. Faith can inspire a group to surmount what appear to be impossible barriers. Habitat for Humanity, for example, has the seemingly unachievable mission to eradicate poverty housing across the globe. Only a group motivated by faith would have the sheer pluck to take on such a daunting mission.

Faith groups are also invaluable to community economic development because they are deeply rooted in the community. In Maine, local ecumenical collaborations or individual congregations are behind many

programs that provide needed safety net social services in an area. All across the state, food pantries and daycare centres operate in church facilities. Faith groups have a heightened awareness of the social ills of their communities and the inspiration to make life better for their suffering neighbours. CEI benefits by accessing the community knowledge base within local congregations, which is critical to effective community development work.

#### **Faith-Based Partnerships: Issues & Outcomes**

While religious groups have qualities that make them perfect partners in community development enterprises, CDCs must skillfully develop these partnerships. Local congregations, particularly in Maine, with its small, largely rural population, typically do not have the financial resources or expertise themselves to engage independently in the hard work of economic development. These groups may be wary of being drawn into efforts that stretch their resources. Organizations such as CEI must recognize and develop partnerships that suit the talents and capacities of faith-based groups.

At CEI, we have naturally fostered an informal reciprocal information and referral relationship with many faith-based groups. When CEI proposes a new project, we often consult with local religious leaders to make sure our work is consistent with community values. Churches and synagogues often act as brokers, referring people to CEI for services such as individual business loans or employment training. Our work sometimes complements what faith groups do. For example, CEI's business development work with refugees augments the resettlement program run by Catholic

Faith-Based Resources: Deep & Diverse  
CDCs benefit by recognizing the diversity of resources that faith-based groups can offer at all levels of development work. Individual congregations are often struggling financially to fund their local programs. But these groups can provide other critical resources to the community development effort: along with spiritual inspiration and grassroots community knowledge, they also offer leadership and volunteer power. Local congregations are often an ideal place to garner the "people power," in whatever

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Charities. Further, the numerous ties that CEI staff and trustees have to faith-based groups such as the Maine Council of Churches, the Bangor Theological Seminary, and the Jewish Community Alliance of Southern Maine, as well as individual congregations, create a comprehensive and highly useful network.

Faith groups are not always daunted by the formidable challenge of creating their own community economic development initiatives. Sometimes, religion can inspire even small groups to do the complex work of economic development. In these cases, CDCs can offer supportive services. For example, when the small congregation of Trinity Episcopal Church launched a bold effort to create work opportunities for the chronically unemployed and underemployed in an economically devastated area of Lewiston, Maine, CEI offered loans and other ongoing assistance. Eventually Trinity was able to spin off the project into Faithworks, a faith-based nonprofit that is both a viable business and a ministry for its workers. Regardless of whether CEI is playing a primary or a supporting role in a development project, CEI's mission is fulfilled.

form needed, for community economic development projects.


Above the local level, however, religious groups may offer financial assistance to CDCs in various forms. Many religious judicatories at the national or regional levels may have funds to invest in religious or secular groups doing community development. Such faith-based funders want their investments to be used effectively, whether the recipient organization is secular or religious.

In the early '90s, CEI recognized that religious community money, in large and small amounts, could be leveraged for economic development. CEI helped start a special fund comprised of investments from religious groups and used to finance affordable housing projects. The Genesis Community Loan Fund is now an independent organization in Maine, which continues to use faith-based financial resources to support economic development in Maine.

#### THE FUTURE OF FAITH-BASED DEVELOPMENT

We at CEI are committed to working with faith-based groups. The benefits are nu-

merous, and the drawbacks are no more problematic than those encountered in other community collaborations. The major challenge of engaging faith-based groups is encouraging them to see their own potential to contribute to the work of systemic change through economic development. Congregations often feel overwhelmed by the social service projects they so doggedly undertake to care for the people who fall through the social safety net, and often do not realize the diverse resources they still can offer community development organizations.

Faith-based groups, due to the new policy climate in Washington, may have an enhanced role in community development. Therefore, CDCs should consider the ways they can work with the religious community, not only to leverage new opportunities, but also because these partnerships work well. The result may be increased capacity in all organizations to better serve their communities. 

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