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Nimble Capital for an Agile Workforce

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Foundations represent a significant source of capital that can be deployed—either through grantmaking or through the strategic investment of their endowments—in a variety of charitable ways, including for workforce development initiatives. In 2014, the nearly 87,000 foundations operating in the United States drew on assets of more than $865 billion to distribute in excess of $60 billion in grants (Foundation Center 2014). However, we could find no recent, comprehensive analysis regarding how these institutions contribute to job skills training, entrepreneurship, vocational education, microfinance, and similar activities that constitute the field of workforce development. In this chapter, we examine the funding provided by the nation’s largest foundations (as measured by their level of grantmaking) to support workforce development efforts.

PHILANTHROPY’S NICHE

Philanthropic funding is a critical source of capital in the community and economic development field generally, and the qualities that make it invaluable to the broader nonprofit sector also apply to those putting the “work” into workforce development. First, foundations can seed innovation and test promising solutions in an effort “to figure out what strategies work best to solve social problems” (Merisotis 2015). Foundations can take risks that other sources of capital, such as the government and the private market, cannot (Abramson, Soskis, and Toepler 2014), provided it is not prohibited by the organization’s mission or
board. For an issue as complex and multifaceted as workforce development, flexible funding could be the difference between a good idea in theory and a good idea in practice. Once put into practice, foundations often have the resources to assess how effective an idea truly was, and some then fund its advocacy should it stand up to rigorous evaluation (Hacke, Wood, and Urquilla 2014; Markley et al. 2016).

In a less tangible but equally important way, foundation support can also lend legitimacy to workforce development efforts. Mosley and Galaskiewicz (2015) note that “philanthropic foundations play important symbolic and leadership roles in public policy debates by conferring legitimacy upon specific social problems and policy solutions” (p. 1225). Attention paid by the philanthropic sector to workforce issues can thus have a validating effect on efforts more broadly. Biswas (2007) believes that program-related investments can serve as a “stamp of approval” that can be used by an individual recipient to leverage additional investments. In essence, philanthropic backing provides “street credibility” on both a macro- and a micro-level.

Apart from providing legitimacy and their ability to innovate, foundations are also known for convening across sectors—public, private, nonprofit, and philanthropic (Department of Housing and Urban Development 2016; Hacke, Wood, and Urquilla 2014). Cross-sector collaboration can be pivotal for the success of workforce development efforts, as these can involve employers, training providers, academic institutions, and social service agencies. Equally important may be foundations’ ability to provide opportunities for intrasector conversations. For example, industry partnerships, through which employers in the same industry communicate their local training needs to inform worker training in a region, depend heavily on such within-sector cooperation.  

**PHILANTHROPY’S INVOLVEMENT IN WORKFORCE DEVELOPMENT**

Foundations and government agencies (local, state, and federal) collaborate on workforce development initiatives in many instances. Abramson, Soskis, and Toeppler (2014) apply several of the roles mentioned above to public-philanthropic partnerships when they suggest
that foundations can pilot new government programs or help fund existing ones, build public-sector capacity, capitalize on their cross-sector convening power, fund research and analysis of government programs, and evaluate public policy. Foundation support has jump-started both large and small workforce development efforts, and some, such as the National Fund for Workforce Solutions (Clark 2016), have taken on lives of their own. A recent report by the Department of Housing and Urban Development (2016) notes that “philanthropy and the government sector have the potential to be extremely effective partners, with each bringing a unique skill set that complements the other. By working together, the public sector can accelerate and support the innovative practices that philanthropy often leads and help communities adapt to new challenges and opportunities” (p. 56). As providers of capital that can take risks, foundations are well positioned to provide first-in money, but the public sector might be better resourced to provide continuing financial support for proven solutions.

An alternative to collaboration is substitution. Abramson, Soskis, and Toepler (2014) note that during the recent recession, government officials “often quite explicitly claimed that philanthropic dollars should fill the gaps left by government retrenchment” (p. 60). However, the substitution of philanthropic for public-sector capital could diminish resources for the workforce development system as a whole, and efforts would not benefit from the unique advantages that both sectors bring to the table.

Employers play an important role in workforce development, but corporate capital is not always deployed to improve outcomes for disadvantaged workers. In their review of surveys conducted in the mid-1990s, Lerman, McKernan, and Riegg (2004) find that less-educated workers are less likely to receive employer-provided training than their more-educated counterparts. The same is true for those earning the lowest wages, and—when employer-provided educational assistance is excluded—workers 25 and younger and 55 and over. Carnevale, Strohl, and Gulish (2015) suggest that because the majority of employer-provided formal training is directed toward workers with at least a bachelor’s degree, it “typically complements, rather than substitutes for, a traditional college education” (p. 5).

Whether acting as a partner or as a substitute for public or private capital, philanthropy’s greatest contribution to workforce development
funding might be as a guarantor of social equity. Funding from foundations can target those underserved by the employer-provided training ecosystem or with access to fewer publicly funded opportunities in an era of waning federal support. Philanthropic investment can target both the labor force (i.e., supply-side solutions) and employers (i.e., demand-side practices). Regarding the former, foundations can support programs that directly connect workers to jobs, educational systems that lay the foundation for skills development, or programs that tackle issues — unrelated to skills — that nonetheless act as barriers to employment (e.g., transportation, child care) (St.Clair 2017). They might also support specific populations that have not historically experienced equitable labor market outcomes. Demand-side efforts can include encouraging industry agreement on the skills workers need to succeed in a given field, providing a road map for educators and workforce development practitioners (Ross et al. 2016). They may also include promoting a shift in hiring practices from a focus on educational attainment to skills and competencies. This could provide employment opportunities to segments of the labor force often overlooked by employers today (Blivin and Wallerstein 2016; Canner et al. 2015; Ross et al. 2016). Foundation grants can help employers test the effectiveness of these new hiring practices and, if they stand up to rigorous evaluation, encourage their widespread adoption (Ross et al. 2016).

Philanthropic capital deployed to support workforce development efforts can change the economic trajectory of low-income or less-educated workers and their families. Markley et al. (2016) write that place-rooted foundations can be motivated to promote equitable economic development not only by their vision of an economy that works for everyone but also because such work has downstream impacts on program participants and their communities: “Directing the foundation’s energy and resources toward improving economic outcomes is viewed as a way to address root causes rather than repeatedly treating the symptoms of a desultory economy” (p. 96). By supporting workforce development efforts, both place-based foundations and those with a broader scope can improve the economic health of employers and workers alike.
DEFINING WORKFORCE DEVELOPMENT

The results presented in this chapter are based on an analysis of a grant-level database acquired from the Foundation Center. The database used in this study is drawn from the Foundation Center’s FC 1000 data set, which includes grants of at least $10,000 made by the 1,000 largest U.S. foundations in any given year, as determined by their grant-making volume, between 2008 and 2014. Included are grants from independent and corporate foundations, operating foundations that make grants, and, where available, grants from community foundations’ unrestricted and donor-advised funds. In addition to identifying the grant maker and the grant recipient, the database includes fields with a short description of the grant and one or more codes that specify the primary subjects of the grant and its recipient.

For this study, the definition offered by Sobel Blum and Shepelwick (2017) is probably the most in line with how we approached our analysis: “Workforce development consists of a range of strategies to develop talent and skills, connect employers and workers, and facilitate career mobility” (p. 4). Guided by this definition, we used a grant’s codes and description to determine whether it should be classified as supporting workforce development. After a review of the 850 subject codes used by the Foundation Center to characterize grants and recipients, we selected the 19 that best align with what we consider workforce development activities. They cover topics such as job training and retraining, job counseling, entrepreneurship, microfinance, vocational and adult education, ESL and second language acquisition, vocational rehabilitation, and sheltered employment. We also developed a list of roughly 40 terms that we associate with workforce development, including apprenticeship, internship, summer job, work study, skills gap, training program, job search, microenterprise, and adult literacy. Because we followed a fairly strict conception of workforce development, we excluded grants with subject codes or keywords associated with job quality and conditions, labor standards, labor rights, organized labor, paid leave, unemployment insurance, antidiscrimination, and legal services. Through experimentation and subsequent validation using random samples of grants, we developed a systematic way
to use the subject(s) of the grant, the subject(s) of the recipient, and the presence of keywords in the description to determine whether the grant should be included in this analysis. We additionally reviewed all grants of $1 million or more that we considered only peripherally related to our definition of workforce development, and we manually reclassified these large grants as appropriate.

No research is without its limitations, and a few are worth noting here. First, the overall data set from which workforce development–related grants are drawn captures 40–50 percent of all philanthropic giving. Notably absent are grants made by small foundations and grants under $10,000 from large foundations. Also missing are grants that are not funneled through corporate foundations but are made directly by corporations themselves. For these reasons, the estimates that follow should be considered conservative and representative of giving from the largest domestic foundations only. Second, while used intensively for this study out of necessity, the grant and recipient subject codes are not always consistently applied. Any grant that is miscoded by the Foundation Center is misclassified in this analysis unless, in some cases, its description includes one of the keywords. Finally, others may have defined workforce development and its associated activities differently; a broader definition than ours might, for example, have included “integrative human service supports” (Giloth 2000, p. 342), and the subsequent analysis using such a definition would have led to quantitatively and qualitatively different conclusions.

FINDINGS

Overall

Between 2008 and 2014, the largest foundations in the United States made 24,633 grants totaling roughly $2.6 billion to support workforce development activities. For grants where information was provided, nearly two-thirds of the volume was directed to specific projects or programs, and another 14 percent provided general support for the recipient organization. Grants for organizational capacity building, continuing support, and capital/infrastructure accounted for another 12
percent in total; little funding was directed toward individual development (e.g., scholarships, internships) or research and evaluation.\textsuperscript{9}

With the exception of 2009, a year in which both overall and workforce development grant making from these foundations dipped substantially, philanthropic funding for workforce development occupied a fairly narrow range annually, from roughly $358 million to $419 million (Figure 3.1). Between 2012 and 2014, the number of grants fell sharply, but grant volume remained relatively flat, suggesting a preference for larger grants in recent years; in fact, the median grant size grew from less than $31,000 to more than $38,000 between 2012 and 2014.\textsuperscript{10}

By comparing these levels with total grantmaking, we can conclude that workforce development did not represent a top priority for the largest foundations collectively during the study period. Workforce development grants constituted a very small share of total grant volume awarded to U.S.-based recipients by these foundations, ranging from 1.4 to 1.9 percent annually between 2008 and 2014.\textsuperscript{11} Using data from the same source, but with a more restrictive definition, Mosley and Galaskiewicz (2015) find that grants related to workforce development represented between 1 and 2 percent of total giving from the largest foundations between 1993 and 2001, providing some support for the magnitude of our findings and suggesting general consistency across decades.

**Figure 3.1 Workforce Development Grantmaking by the Largest Foundations**

\begin{figure}
\centering
\includegraphics[width=\textwidth]{chart.png}
\caption{Workforce Development Grantmaking by the Largest Foundations}
\end{figure}

\textit{SOURCE: Authors’ analysis of FC1000 data from the Foundation Center.}
Foundation involvement in workforce development initiatives adds value beyond the dollar values of the grants themselves. With that in mind, our research suggests that the volume of workforce development grants distributed by the philanthropic sector is minimal relative to government spending. Workforce development funding from the federal government is difficult to pin down and depends on the programs included and the years analyzed, but it exceeds foundation funding by a wide margin. The $404 million in 2014 grant volume represents just over 5 percent of the more than $7.5 billion enacted in the 2015 federal budget for various U.S. Department of Labor and U.S. Department of Education programs considered by the National Skills Coalition to represent “investments in the skills of America’s workforce.”\textsuperscript{12} Even if we double the workforce development grant volume analyzed in this research, under the aforementioned assumption that our data set represents only 40–50 percent of total philanthropic grantmaking, the federal government is still a much larger source of funding. However, should federal support continue to decline, as it has in recent years for select programs that support worker training, career and technical education, and adult education (National Skills Coalition, n.d.), foundations may find themselves playing an increasingly important role.

**Workforce Development Grantmakers**

Roughly 70 percent of workforce development funding came from independent foundations, a level that is in line with this category’s contribution to overall charitable giving.\textsuperscript{13} Likewise, 11 percent of workforce development grant volume originated with community foundations during the study period, comparable to their 10 percent contribution to overall giving by large foundations. Notable differences arise in the relative contributions by corporate and operating foundations, however. Operating foundations play an important role in overall grantmaking (11 percent) but a negligible one in terms of supporting workforce development (less than 1 percent).\textsuperscript{14} Corporate foundations, on the other hand, accounted for roughly 10 percent of overall charitable giving between 2008 and 2014 but contributed over 18 percent of workforce development grant volume during that time. Porter and Kramer (2002) note that corporate philanthropic activity can be strategically directed to improve the “competitive context” in which a cor-
<table>
<thead>
<tr>
<th>Name</th>
<th>Metro area</th>
<th>Grant volume ($ millions)</th>
<th>Number of grants</th>
<th>Median grant-made ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Irvine Foundation</td>
<td>San Francisco-Oakland-Hayward, CA</td>
<td>105.5</td>
<td>183</td>
<td>250,000</td>
</tr>
<tr>
<td>Ford Foundation</td>
<td>New York-Newark-Jersey City, NY-NJ-PA</td>
<td>102.8</td>
<td>242</td>
<td>244,000</td>
</tr>
<tr>
<td>Bill &amp; Melinda Gates Foundation</td>
<td>Seattle-Tacoma-Bellevue, WA</td>
<td>102.6</td>
<td>91</td>
<td>415,000</td>
</tr>
<tr>
<td>W. K. Kellogg Foundation</td>
<td>Battle Creek, MI</td>
<td>100.3</td>
<td>253</td>
<td>250,000</td>
</tr>
<tr>
<td>Wal-Mart Foundation, Inc.</td>
<td>Fayetteville-Springdale-Rogers, AR-MO</td>
<td>70.8</td>
<td>261</td>
<td>32,000</td>
</tr>
<tr>
<td>Ewing Marion Kauffman Foundation</td>
<td>Kansas City, MO-KS</td>
<td>70.0</td>
<td>302</td>
<td>52,000</td>
</tr>
<tr>
<td>JPMorgan Chase Foundation</td>
<td>New York-Newark-Jersey City, NY-NJ-PA</td>
<td>65.2</td>
<td>633</td>
<td>45,000</td>
</tr>
<tr>
<td>Harry and Jeanette Weinberg</td>
<td>Baltimore-Columbia-Towson, MD</td>
<td>63.4</td>
<td>329</td>
<td>65,000</td>
</tr>
<tr>
<td>Foundation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goldman Sachs Foundation</td>
<td>New York-Newark-Jersey City, NY-NJ-PA</td>
<td>51.8</td>
<td>100</td>
<td>338,000</td>
</tr>
<tr>
<td>Annie E. Casey Foundation</td>
<td>Baltimore-Columbia-Towson, MD</td>
<td>47.7</td>
<td>361</td>
<td>63,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2,591.3</td>
<td>24,633</td>
<td>31,000</td>
</tr>
</tbody>
</table>

SOURCE: Authors’ analysis of FC 1000 data from the Foundation Center.
poration operates—for example, by increasing the local availability of skilled labor or by growing the size of the market for its products or services. These considerations for corporate philanthropy could also be related to the disproportionate role corporate foundations play in workforce development funding.

A relatively small number of foundations conduct a large proportion of workforce development grantmaking. In fact, the top 10 foundations listed in Table 3.1 accounted for some 30 percent of all large foundation grantmaking in this space. The top 28 grantmakers by volume distributed more than half of the $2.6 billion granted during the study period. Some, like the Bill & Melinda Gates Foundation, ranked among the top 10 by making few, very large grants. Others, like the JPMorgan Chase Foundation, made significantly more grants for distinctly smaller amounts. Still, workforce development grantmaking is not the purview of a niche group of funders, as 317 large foundations made workforce development grants totaling at least $1 million during the study period.

Grant Recipients

Nonprofit organizations attracted the lion’s share of workforce development grant volume (86 percent of the total) during the study period, followed distantly by government agencies (6 percent) and religious institutions (5 percent). Where the target population was specified for the grant recipient, we find that a substantial share of workforce development grant volume was directed at economically disadvantaged populations (25 percent), those involved in academic pursuits (both students and instructors) (21 percent), children and youth (18 percent), specific ethnic and racial groups (13 percent), and people with disabilities (10 percent).

Using subject codes provided in the data set, we can also classify workforce development grants by the primary focal area of the grant recipient. Organizations that fall under the admittedly broad category of “employment” attracted 16 percent of overall workforce development grant volume, followed by organizations that focus on entrepreneurship (10 percent), and universities (6 percent). Recipients primarily classified as providing vocational rehabilitation and job training each received roughly 5 percent.
Nearly 6,900 organizations received a workforce development grant during the study period. The typical recipient secured a single grant and received grant capital of roughly $64,000. Table 3.2 lists the 10 organizations that received the greatest volume of workforce development grant funding during the study period. Relevant grants to these organizations totaled $307 million during the study period, or about 12 percent of the volume captured in this analysis. Eight of these 10 have headquarters in the Boston; New York; or Washington, DC, metro areas, but most operate in a number of additional metro areas or conduct research or policy work with a national reach.

### Regional Distribution

Having discussed the scale of workforce development grantmaking, the most active funders, and the characteristics of the recipients, we close by addressing how the grants were distributed across the metropolitan landscape between 2008 and 2014. In recent work on grant-
### Table 3.3 Workforce Development Grant Volume by Metro Area of Recipient: 2008–2014 (2014 $)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Metro area</th>
<th>Grant volume ($ millions)</th>
<th>Number of grants</th>
<th>Median grant received ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>New York-Newark-Jersey City, NY-NJ-PA</td>
<td>379.5</td>
<td>2,652</td>
<td>51,000</td>
</tr>
<tr>
<td>2</td>
<td>Washington-Arlington-Alexandria, DC-VA-MD-WV</td>
<td>302.3</td>
<td>1,656</td>
<td>39,000</td>
</tr>
<tr>
<td>3</td>
<td>Boston-Cambridge-Newton, MA-NH</td>
<td>266.4</td>
<td>1,402</td>
<td>38,000</td>
</tr>
<tr>
<td>4</td>
<td>San Francisco-Oakland-Hayward, CA</td>
<td>167.3</td>
<td>1,939</td>
<td>33,000</td>
</tr>
<tr>
<td>5</td>
<td>Chicago-Naperville-Elgin, IL-IN-WI</td>
<td>108.8</td>
<td>1,392</td>
<td>38,000</td>
</tr>
<tr>
<td>6</td>
<td>Los Angeles-Long Beach-Anaheim, CA</td>
<td>95.2</td>
<td>900</td>
<td>38,000</td>
</tr>
<tr>
<td>7</td>
<td>Detroit-Warren-Dearborn, MI</td>
<td>78.4</td>
<td>286</td>
<td>55,000</td>
</tr>
<tr>
<td>8</td>
<td>Minneapolis-St. Paul-Bloomington, MN-WI</td>
<td>63.8</td>
<td>1,246</td>
<td>30,000</td>
</tr>
<tr>
<td>9</td>
<td>Pittsburgh, PA</td>
<td>63.5</td>
<td>444</td>
<td>73,000</td>
</tr>
<tr>
<td>10</td>
<td>Baltimore-Columbia-Towson, MD</td>
<td>63.3</td>
<td>587</td>
<td>41,000</td>
</tr>
</tbody>
</table>

SOURCE: Authors’ analysis of FC 1000 data from the Foundation Center.
making by large foundations for the broader community and economic development field, Wardrip, Lambe, and de Zeeuw (2016) find significant regional variation in grant receipt. Some metro areas received a significantly higher level of grant volume from large foundations than did others. Is the same true for workforce development?

In short, it is. Nearly 37 percent of total workforce development grant volume went to recipients located in just three metro areas: New York; Washington, DC; and Boston. Recipients in six metros accounted for just over half of the total workforce development grant volume: the aforementioned three, along with San Francisco, Chicago, and Los Angeles.

The volume of workforce development grants attracted by recipients in New York, Boston, and other metro areas among the top 10 on this measure (see Table 3.3) is not reflective of the experiences of the typical region. Recipients of workforce development grants were located in 316 metro areas, and the typical metro received 10 grants totaling just over $600,000. Notably, another 65 metros did not directly receive even a single workforce development grant from these large foundations during the study period, and none of these regions had a population over 300,000 in 2014. Additionally, only 3 percent of the funds analyzed in this study flowed directly to nonmetro areas, even though these regions constituted over 14 percent of the nation’s population.

There are various reasons that workforce development grant capital from the largest foundations would be more likely to find its way to larger metro areas and less likely to land directly in smaller metros and nonmetro areas. At the risk of stating the obvious, larger regional economies employ more workers and typically have a more robust nonprofit sector, both of which create opportunities for attracting and deploying workforce development grants. Further, as we have shown, the foundations most active in this arena are generally located in major metropolitan areas, where national nonprofits able to capitalize on large grants are also concentrated. Many of these large nonprofits conduct nationally relevant work that benefits the workforce development field broadly; others redistribute grants from their headquarters to other regions where affiliated offices are located. Lastly, workforce development efforts in smaller metro areas surely attract grants from smaller foundations not captured in this analysis. It is clear that the largest foundations distribute a substantial share of their workforce development grants directly to recipients in large metro areas. However, for the aforementioned rea-
sons, we cannot accurately quantify to what extent smaller economies benefit indirectly from this grantmaking activity, nor do we know the level of support they receive from the rest of the philanthropic sector.

**IMPLICATIONS AND FUTURE RESEARCH**

Large domestic foundations are an important source of support, both financial and otherwise, for local and national workforce development initiatives. Grants from these foundations averaged around $370 million annually between 2008 and 2014. Collectively, workforce development grantmaking does not appear to constitute a top priority for large foundations, nor does it rival the magnitude of public funding. However, foundations engaged in this field play an important role in advancing efforts in communities across the country.

For a number of reasons stated above, the estimates provided in this analysis are likely conservative. The data set we used captures neither grants of less than $10,000 nor grantmaking by small foundations. Further, we used a fairly restrictive definition of workforce development. Lastly, grants that may appear tangential to workforce development efforts can be nonetheless important in improving the odds of success for low- and moderate-income or less-educated participants in the labor market. Traditional workforce development activities may be “an important component of a broader strategy” that includes income supports, services such as child care and transportation, benefits such as health insurance, and high-quality education (Holzer 2008, p. 28). Our analysis is less expansive.

This chapter scratches the surface of foundation involvement in workforce development activities and raises a number of questions that should be answered in future research. First, building on an earlier study of philanthropic support for the broader community and economic development field (Wardrip, Lambe, and de Zeeuw 2016), it would be interesting to know whether the characteristics of metro areas are related to their ability to attract funding. Are places with greater workforce challenges more likely to benefit from philanthropic largesse, or are demand and supply unrelated?
It would also be interesting to investigate whether better-resourced communities experience improved economic or social outcomes relative to lesser-resourced peer regions. It is not clear whether, at current levels, foundation support is sufficient to have impacts that would be observable at the scale of the metropolitan economy.

Lastly, when funders “evaluate, document, and communicate” their successes and failures (Giloth and Gewirtz 2009, p. 118), they lay the foundation for more effective future investments. Research that promotes peer learning and knowledge sharing can only strengthen the field and lead to improved outcomes for workers, employers, and their communities.

Notes

We thank Crystal Bridgeman, Karen Brown, Karen Leone de Nie, Eileen Divringi, Sarah Oldmixon, Keith Rolland, Theresa Singleton, Sarah Steinberg, and Noelle St.Clair for thoughtful feedback on an early draft of this chapter; and Reina Mukai at the Foundation Center for assisting with data use and interpretation. Their comments led only to improvements in this piece, and we take responsibility for any remaining errors. The views expressed in this chapter are ours and do not necessarily reflect the views of the Federal Reserve Banks of Philadelphia or Atlanta or the Federal Reserve System.

1. See the National Fund for Workforce Solution’s discussion of industry partnerships at https://nationalfund.org/initiatives/industry-partnerships/
2. More information on Foundation Center data is available at http://data.foundationcenter.org/about.html.
3. More information on the Philanthropy Classification System used by the Foundation Center is available at http://taxonomy.foundationcenter.org/subjects.
4. Others may not have included entrepreneurship (and access to associated capital) in the definition of workforce development. We chose to do so because entrepreneurial skills training is listed as an eligible activity in the Workforce Innovation and Opportunity Act, and, though it does not represent a primary focus of the public workforce investment system, we agree that entrepreneurship has the potential to be “an important workforce development (and hence self-sufficiency) option” (Harper-Anderson and Gooden 2016, p. 239).
5. The Philanthropy Classification System defines sheltered employment as employment in a protected environment for workers with disabilities who cannot secure competitive employment, as well as work activity centers that offer personal development for those with limited production capabilities.
6. Nearly 40 percent of the grant volume classified in this study as funding workforce development activities was included because the primary subject of the grant itself
was in our list of relevant subject codes. For another one-third, no information was provided on the subject of the grant, but the primary subject of the recipient was related to workforce development. For most of the remainder, the grant description included one of our terms, and either the grant or the recipient was assigned a secondary subject related to workforce development.


8. The full value of any multiyear grant was assigned to the year in which it was made, so the results reflect the value of large foundation grants committed, but not necessarily distributed, during the study period. Dollar values are adjusted to 2014 using the Personal Consumption Expenditures Price Index produced by the Bureau of Economic Analysis, Table 1.1.4. Price Indexes for Gross Domestic Product.

9. Where more than one grant strategy code was provided, the primary one was used to classify the grant.

10. Correspondence with Foundation Center staff suggests that 2014 grants that were not available when the data set was finalized may be added in the future. Should any meet our criteria for workforce development, both the number and volume of grants in 2014 would increase.

11. Authors’ calculations using workforce development grant volume as the numerator and total grantmaking to U.S. recipients as reported in the Foundation Center’s FC 1000 data set as the denominator. FC 1000 totals are from Foundation Center (2014) and correspondence with Foundation Center staff.

12. Authors’ calculations using data available through the National Skills Coalition’s Interactive Federal Funding Tool, available at http://www.nationalskillsguildition.org/federal-policy/federal-funding-tool. We include the Department of Labor and Education programs itemized by the National Skills Coalition with the exception of Pell Grants. Other analyses take a broader view of workforce development and report higher federal funding, albeit in earlier years (Center for Law and Social Policy 2013; GAO 2011).

13. The distribution of overall grantmaking by foundation type was calculated using data from Foundation Center (2014). The Council on Foundations describes an independent foundation as a private foundation that, unlike the family and corporate varieties, is not governed by its benefactor, the benefactor’s relations, or a corporation. Definitions of various foundation types are available at www.cof.org/content/foundation-basics.

14. Operating foundations generally fund their own charitable activities, so these figures include only operating foundations that also make grants. More information on what distinguishes an operating foundation from other private foundations is available from Foundation Source at https://www.foundationsource.com/learn-about-foundations/what-is-a-private-foundation/.

15. Metro areas used in this study reflect the definitions published by the Office of Management and Budget (2013).

16. The population served by the recipient was unclear for about a quarter of grant volume. Where more than one organization or population code was provided, the primary one was used to classify the grant recipient.
17. Grants to universities are a subset of grants to recipient organizations involved in higher education more broadly, and these grants were included in this analysis as long as the grant was related to workforce development. Nearly 80 percent of the workforce development grant volume to recipients in higher education (including community colleges, four-year institutions, and other universities) was for program development, intended to support specific workforce development–related projects. Research and evaluation and individual development (e.g., internships, scholarships) combined to account for roughly 11 percent of the grant volume directed to recipients involved in higher education.

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Carnevale, Anthony P., Jeff Strohl, and Artem Gulish. 2015. College Is Just the Beginning: Employers’ Role in the $1.1 Trillion Postsecondary Education and Training System. Washington, DC: Georgetown University, Center on Education and the Workforce, McCourt School of Public Policy.


