

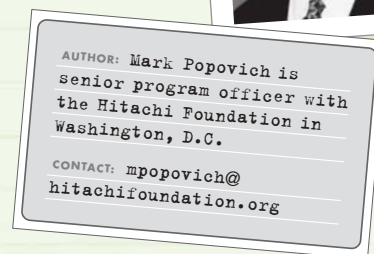
# “We can do more together than we can do apart”

The new National Fund for Workforce Solutions unites funders to improve learning and market-training outcomes for low-income individuals

An interview with MARK POPOVICH



In 2007, four very different foundations—the Annie E. Casey, Ford, Harry and Jeanette Weinberg, and Hitachi foundations—along with the U.S. Department of Labor created a unique vehicle to accelerate innovation in the nation’s workforce development efforts. The National Fund for Workforce Solutions is a pooled grant-making fund, managed by the participating foundations with support from Jobs for the Future and the Council on Foundations. With existing commitments of \$20 million (the Knight Foundation recently joined the collaborative), the Fund aspires to attract \$30–40 million over five years. Grantmakers for Education asked Hitachi Foundation’s Mark Popovich to describe its goals and strategies. More information about the Fund is at [www.nfwsolutions.org](http://www.nfwsolutions.org).



**q: What are the workforce development challenges facing the U.S.?**

**a:** The demographics are striking. The vast majority of the workers we will have in 2025 are already in today’s workforce. To meet the challenges ahead, the skill development of existing workers must be better addressed. Also, the projected workforce is characterized by more ethnic minorities, women and immigrants. And, while immigrants are often well educated, there is a growing percentage with very limited formal education and basic literacy skills in their language of origin.

Employers exist in a competitive global market. To compete—even to survive—they are constantly pressured to deliver quality and value. Changes are affecting all sectors, but we see these pressures most dramatically in manufacturing, where margins are low and quality requirements are tight. Manufacturers also require new skills from their workforce, and most are frustrated that they are not finding the qualified workers they desperately need. Employers also struggle with addressing some needs of lower-income workers, including transportation, child care and adult literacy.

Employees have a driving interest in increasing their wages and advancing, but there are limited opportunities for skill development. When people invest in themselves to pursue higher education or a credential, they too often find that the available programs may not reflect real workplace requirements. In addition, lower-income workers often have more than one job as well as pressing family care responsibilities. Participating in a training program is a real challenge.

Finally, our existing training efforts—second-chance education development programs (such as adult literacy) and workforce development

systems (such as workforce training)—operate in silos and often have restricted funding streams. There are few incentives for and lots of barriers to cooperation. There is little funding for innovation.

**q: What are the goals of the National Fund for Workforce Solutions?**

**a:** The mission is to improve learning and market-training outcomes for low-income individuals by increasing the quality of jobs and capacities of workers. We’re working to promote change at three levels: individuals, institutions and systems. Our efforts also include public policy advocacy and national and local evaluations. The Fund’s donors are committed to expanding opportunities for economically isolated and lower-wage people.

**q: What makes the Fund unique?**

**a:** Over the years, some foundations interested in workforce development have aligned and funded similar programs and supported peer learning and capacity-building across grantees. Many of us reached the same conclusion: We can do more together than we can do apart. The Fund is helping us move beyond alignment and coordination to collaboration and joint funding.

According to the Foundation Center, all of philanthropy committed only \$113 million to “employability” programs in 2005 (a small fraction of \$2.7 billion granted for economically distressed communities). The Fund is a highly-leveraged strategy to promote change in the field and to bring new resources to bear. The Fund supports funding collaboratives at the local or regional level, requiring a four-to-one match. At The Hitachi Foundation, we also know that

employers invest over \$100 billion annually to training and development. We have a goal of showing how more of that budget can be invested in lower-wage workers and that doing so will benefit the business bottom-line, workers and our communities.

The Fund also models the goal of “category busting.” This is an unusual collaboration, with funders representing all different categories and support from the U.S. Department of Labor.

**q: How can local funders work with the collaborative?**

**a:** We are recruiting commitments to the Fund, and local funders can form funding collaboratives and are the actual applicants. We also are moving toward a “request for proposals” process, so other funders can contact the National Fund about getting on the radar and preparing to apply.

**q: Why should education grantmakers be paying attention to the National Fund’s efforts?**

**a:** We share interdependent development and opportunity missions. To reach these goals, improvement in K-12 education is essential—but not sufficient. As Steve Gunderson of the Council on Foundation emphasizes, life-long learning and basic and applied skills are essential elements of both education and workforce preparation.

The National Fund welcomes opportunities to work with education grantmakers to find areas for collaboration and to identify synergies between workforce development and education investments. Funders—and the systems we hope to improve—need to work together. ■