

Charlotte Nonprofit Impact Report: Workforce & Veteran Transition Programs

Compiled by The Philanthropic Collaborative
July 15, 2014



Prepared by The Philanthropic Collaborative

Executive Summary

Nonprofit organizations and their funders impact every sector of the economy, complementing the activities of for-profit businesses and contributing a wide array of direct and indirect benefits. This report looks at the nonprofit sector's role in the Charlotte economy, and focuses on a few programs that help job seekers find work and veterans transition successfully into civilian life. These programs are significant economic drivers in Charlotte, in the Carolinas, and nationwide.

Nonprofits Have Immediate Economic Impacts in North Carolina

At the most basic level, nonprofits are job creators – about ten percent of America works in the nonprofit sector.¹ In North Carolina, nonprofits have hired about 425,000 people, which is one out of every nine jobs in the state. To get a sense of scale, this is about the same number of people that work in the retail trade industry and manufacturing.²

Nonprofits hire 1 in 9 North Carolinians

Most people don't realize that nonprofits also contribute to the tax base. Though nonprofit organizations are tax-exempt, every nonprofit employee pays taxes – state income taxes, local and state sales taxes, and property taxes. According to the North Carolina Center for Nonprofits, the state's nonprofit employees earn more than \$15 billion in wages each year.³ These wages are in turn spent buying houses, cars, food, and all sorts of consumer items. As the dollars flow through the North Carolina economy, indirect economic impacts are calculated to be about \$37 billion annually.⁴ What's more, the sector's economic footprint is growing at about 12 percent every year.⁵

Addressing Local Challenges, Returning Investments, and Generating Savings

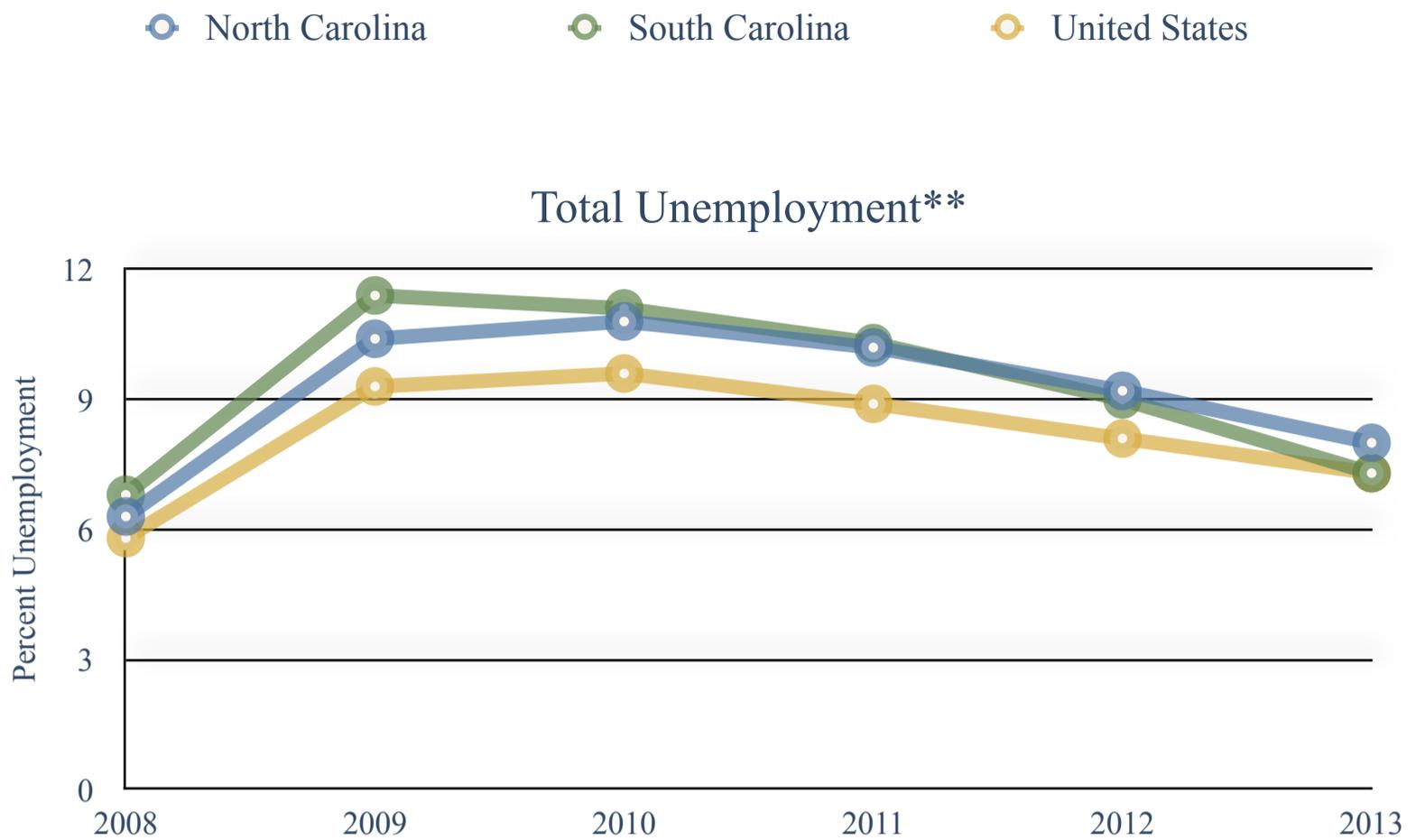
Over the longer term, nonprofits and philanthropy have much larger impacts as the programs they support begin to produce real economic and social benefits throughout communities. This is especially true of workforce development and veterans transition assistance programs addressing immediate challenges in the Charlotte area.

“Our nation is experiencing record levels of sustained, high unemployment, and unfortunately, the veterans who courageously served our country are bearing the brunt of this as they return from war and struggle to find jobs...”

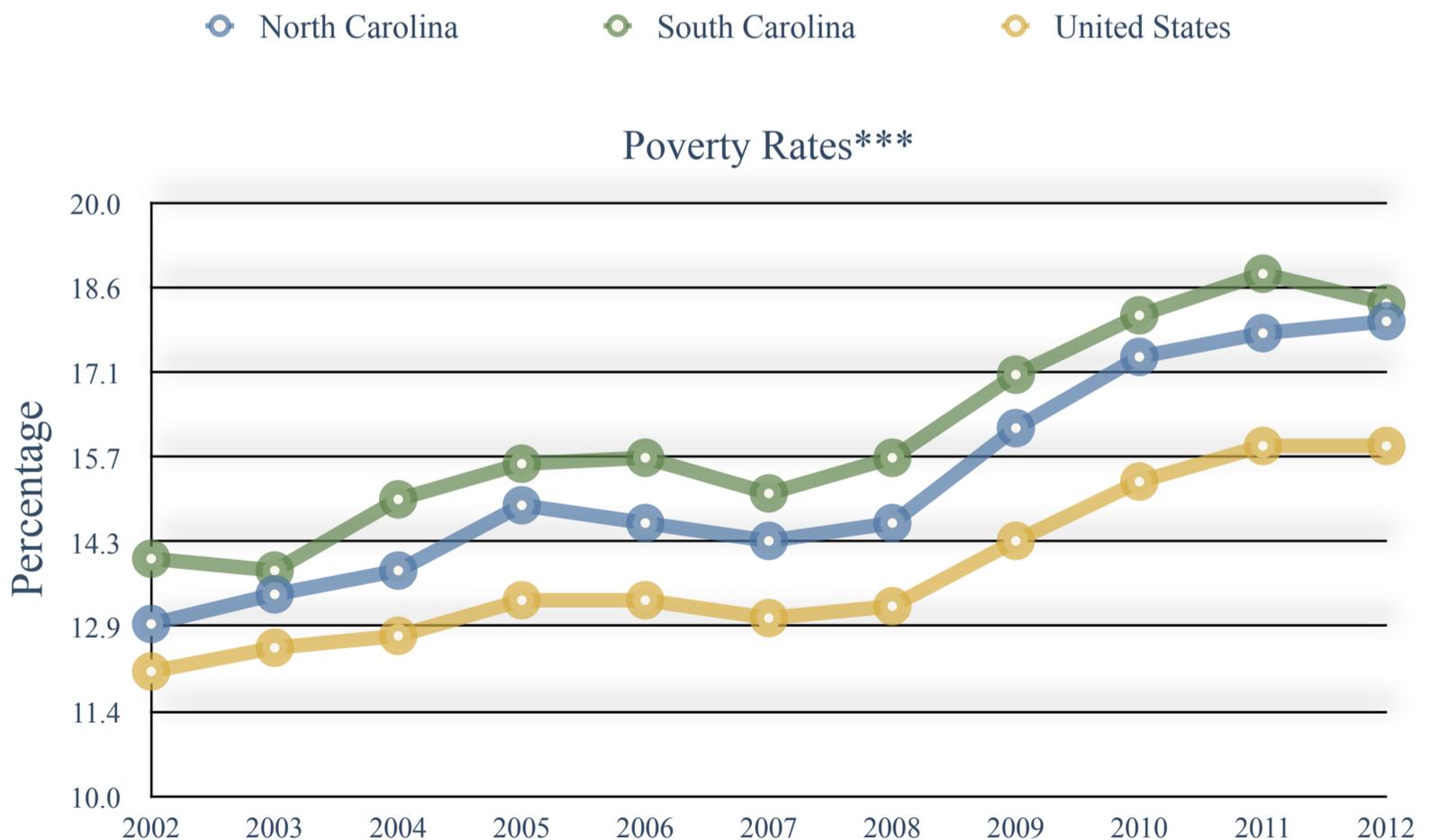
— Sen. Richard Burr (R-NC)*

North Carolina has one of the best business environments in North America.⁶ But many Carolinians are still having trouble finding work, especially the local veteran population.

The unemployment rate, while having improved from the depths of the recession, is still higher than the national average. Unemployment is of particular concern for the Charlotte area's veteran population of almost 150,000.⁷ Veteran unemployment is a staggering 19.3 percent for those aged 18 to 34, and 10.8 percent for those aged 35 to 54.⁸



Poverty in the Carolinas is also a continuing problem that has unfortunately been rising over the last decade. While bringing the poverty rate down presents several unique challenges that go beyond tackling unemployment, Charlotte area workforce development and veteran-focused nonprofits are addressing both of these issues in collaborative ways.



In addition to addressing these pressing societal needs, nonprofit workforce development and training programs are also good investments and proven economic drivers. The Philanthropic Collaborative (TPC) analyzed several foundation-supported nonprofit workforce training programs for their economic return on investment. One program they looked at was Computer C.O.R.E., which trains low-income adults in technological and workplace skills. The average hourly wage of incoming adults is \$8.49 prior to enrollment, and jumps to \$11.73 for those who graduate. A quarter of graduates receive subsequent promotions, and 45 percent go on to more advanced training or higher education. On average, the cost per-participant is \$1,000, compared to average annual salary increases of \$3,000 to \$4,000, for a return on investment of at least 3:1 in just the first year.⁹

Local Case Studies: Successes in Charlotte

To illustrate the economic impacts of the nonprofit sector in Charlotte, this report highlights case studies of three Charlotte-area nonprofits focused on workforce development and veterans reintegration. The organizations tell great stories about innovative programs, volunteers giving their time to help others, and successful collaborations across the sector. These case studies uncover real world economic impacts. And even though each program has its own methods for helping clients, success for all of them looks the same: Carolinians with improved lives.

Goodwill Industries of the Southern Piedmont

One of America's more well-known workforce training entities with proven economic results is Goodwill Industries. Goodwill provides services and support to help individuals and families gain the skills and confidence they need to pursue careers with long-term stability. Their programs also have significant economic impacts for the broader community. In a previous study, TPC analyzed one program at Goodwill of Greater Washington that trains 70 adults each year for careers in banking, at a cost of \$2,250 per student. The program provides intensive job training, one-on-one case management, job placement services, and follow-up support. After looking at the successful career placement and retention rates for these adults, the study calculated the rate of return for this one program to be about 20 to 1.¹⁰

Career training programs can produce a 20:1 return on investment

GISP: 467,000 hours of paid training, worth \$4.3 million in wages and benefits

In North Carolina, this same high rate of return can be expected of similar programs, such as the Operation Independence initiative created by Goodwill Industries of the Southern Piedmont (GISP). With a grant from Microsoft Corporation, Operation Independence was designed to provide employment and training assistance specifically to veterans and their families. Operation Independence has since been integrated into GISP's overall programming, which continues to provide a wide variety of individualized services for veterans. Throughout 2013, GISP provided a total of over 467,000 hours of paid training to individuals with employment barriers through its stores and other businesses, which translates into over \$4.3 million in wages and benefits.¹¹

Patricia is one of Goodwill's many success stories. A single mother of three, she abruptly lost her job of nine years. Patricia needed computer training to succeed in today's job market, but the class at the community college was too large and fast-paced. So she connected with the Basic PC Skills Training offered at Goodwill's Gaston County Job Connection.

Not only did Patricia learn Microsoft Word and Excel, she also learned how to use the internet in a job search and to develop a resume. Because of her training, she now works as a Customer Service Representative handling brokerage for a local company.

Charlotte nonprofits are also leveraging their resources for maximum effect by forging partnerships with other local organizations. For example, in 2011, Goodwill partnered with Jacob's Ladder Job Center and the Charlotte-Mecklenburg Workforce Development Board (now Charlotte Works) to jointly apply for, and ultimately receive, a \$100,000 grant from Foundation For The Carolinas to undertake a study of the local workforce development sector serving people with employment barriers. The study helped these organizations gain insight into what the sector could collectively do to better help disadvantaged individuals find and obtain meaningful employment.

Following the study, the leaders of eleven nonprofit workforce development organizations came together as a collaborative team to focus on strategies designed to enhance the sector's impact. The organizations include Goodwill, the Department of Social Services, Central Piedmont Community College, Charlotte-Mecklenburg Schools, Urban League, Center for Community Transitions, Charlotte Works, UNCC, Jacob's Ladder, Charlotte Area Fund and NC Department of Vocational Rehabilitation. Chaired by the President/CEO of Goodwill, this leadership group has met monthly for the past two years, with an initial focus on developing a common soft skills curriculum and coordinating job development activities across the organizations. Foundation For The Carolinas has helped fund and provide consulting support for the ongoing work of this collaborative group.

Some of Goodwill's other partners include Charlotte Bridge Home, the Ada Jenkins Center, Carolinas Refugee Resettlement Agency, Crisis Assistance Ministry, and United Way of the Carolinas. This collaboration will only expand with the 2015 opening of the new 160,000 square foot Goodwill Opportunity Campus in Charlotte. The new facility will provide disadvantaged jobseekers access to critical resources, services, and support, and will streamline the referral process to partner agencies as they will be co-located under one roof. The goal of this holistic approach is to provide a seamless continuum of support.¹²

Charlotte Works

Charlotte Works is another local nonprofit producing strong economic returns. Charlotte Works is a private/public partnership that brings together Charlotte-area educational, civic, and community resources to engage, empower, and employ Charlotte's workforce to meet the city's business needs. Charlotte Works designs customized programs for each job-seeker including coaching, training, and networking opportunities to help them meet the changing employment needs of Charlotte-area employers. Thanks to its network of partners, Charlotte Works has developed nearly 30 Shared Network Access Points (SNAP sites) within nonprofits, churches and other community locations where job-seekers can access online services and trained volunteers to help in their job searches.

Charlotte Works

- **97:** programs and services, of which 90% are delivered by community/corporate volunteers
- **\$269,000:** value of volunteer hours, which are direct taxpayer savings
- **63,025:** job-seeker visits to Charlotte Works

Charlotte Works also actively engages the business community. It offers employers a variety of no-cost, customized, business-focused resources including helping them address their hiring needs at all levels. In addition, Charlotte Works provides on-the-job training grant opportunities, hosts recruiter workshops, and supplies local labor market data and forecasts.

Charlotte Works' economic impact was clear during the 2012 to 2013 program year when they leveraged federal Workforce Investment Act (WIA) dollars to train 461 job-seekers. Of those, about 70 percent went on to find work and nearly 90 percent of those employed were retained for at least nine months.¹³ With an average weekly wage in Mecklenburg County of about \$1,300¹⁴, these successfully trained and placed workers are being paid more than \$360,000 in wages *every week*. Compare this to the \$1,336,216 in WIA training dollars that were invested over the year, and it is easy to see the huge return-on-investment.

One job-seeker who benefitted from Charlotte Works was Anthony, who at 53 was struggling to find work after returning to the U.S. from several years in Iraq with a private security firm. Charlotte Works helped Anthony in his job search, refining his resume and coaching him through the interviewing process. This assistance did not require a huge marginal financial investment, but rather leveraged Charlotte Works' expertise and trained volunteers. Anthony soon found employment as a program manager with V7 Corp, a local project management company, and through his employment, is now contributing back to the Charlotte economy.

“We looked at how do we fill the jobs that are needed when employers can't find people — how do we define and fill the skills gap?”

— Steve Partridge, President & CEO of Charlotte Works

WIA Job Training Results

- 461 job seekers trained
- \$360,000 in weekly wages for placed workers

On the changing job market, Anthony said, “I think people have to adjust to what’s out there. Before, there were so many jobs people could quit one job and go to another one, but it’s not like that anymore.” Luckily, Charlotte Works is there – helping the workforce to adjust.¹⁵

Charlotte Bridge Home

Charlotte Bridge Home is a recently formed Mecklenburg County nonprofit that guides veterans and their families making the transition from military to civilian life. This transition is often difficult, as veterans leave an existing network of formal and informal support while in uniform. As they enter a new community they face a number of challenges, now without that support, and these challenges may stand in the way of successful reintegration. In fact, almost two thirds of veterans – many with disabilities caused by their service – experience a difficult transition to civilian life. Finding employment is often cited as the biggest barrier.¹⁶

Charlotte Bridge Home takes a holistic approach to this challenge by identifying veterans' education, employment, and healthcare needs and then connecting them to available community, state, and federal resources. In this way, Charlotte Bridge Home works to make a substantial difference for veterans and their families. In 2013, they helped nearly 500 veterans and family members navigate the transition into civilian life.

Take the case of Barbara, a veteran exhibiting signs of post-traumatic stress disorder. Barbara lost her job, was evicted from her apartment, and was left to sleep on a family member's couch or in her car. After being introduced to Charlotte Bridge Home through the local news, Barbara was connected to resources that helped her obtain referrals for transitional housing, furniture storage, and mental health counseling. She is now in a permanent home and pursuing a medical assistant's degree – a job with an average annual salary of more than \$30,000.¹⁷

*“Charlotte Bridge Home is doing incredible work at the community level...and it is a model that can be replicated across the state and across the country as more of our servicemen and women return home” — Sen. Kay Hagan (D-NC)*****

Veterans are an underutilized pool of talent. 99% of post-9/11 veterans have a high school degree or equivalent.

Another success story is that of Adam. A helicopter pilot severely injured after being on the battlefield less than 90 days, Adam underwent nearly two years of intensive care and treatment before he was released to his wife and daughter. Unfortunately, Adam struggled with finding employment. Charlotte Bridge Home forged a connection with Bank of America, and Adam was ultimately hired for a position in mortgage processing – a job with an average starting salary of \$38,000 a year.¹⁸

Charlotte Bridge Home also shows how local nonprofits and philanthropy are collaborating to address the city's biggest problems. Through an initial grant from Foundation For The Carolinas, along with the Foundation's commissioning of the report "Coming Home: Support for Returning Veterans in Charlotte Mecklenburg," Charlotte Bridge Home has become a clearinghouse for veteran resources throughout the area. In 2012, 61 percent of Charlotte Bridge Home's funding came from foundations. Corporations and individuals also came to the table, contributing the balance of funds.

By 2013, Charlotte Bridge Home made 154 referrals to 48 organizations, and formed 127 community partnerships.

With these combined resources, Charlotte Bridge Home has spearheaded a community-wide planning effort by forming 127 partnerships and referring veterans to 48 different organizations. Charlotte Works is an example of that partnership and has sponsored a full-time employment specialist, focused on helping veterans find work, to be housed at Charlotte Bridge Home. And just last year, Charlotte Bridge Home launched an initiative called the Charlotte Alliance for Veteran Employment (CAVE). Charlotte Bridge Home assists CAVE members in understanding best practices related to successfully recruiting, hiring, and retaining veterans. The goal of this campaign is to enlist at least 50 companies that will collaborate to improve veteran employment across the community.¹⁹

Working Together for Maximum Impact

With the help of community partners, Goodwill Industries of the Southern Piedmont, Charlotte Works, and Charlotte Bridge Home are addressing the individual needs of Carolinians who come through their doors. These are only a few of the success stories coming out of Charlotte's strong nonprofit community, efforts buttressed by the vibrant philanthropic and business sectors. Together, they are improving the lives of Carolinians and making very real economic contributions to society.

References

1. Roeger, Katie L., Amy S. Blackwood, and Sarah L. Pettijohn. *The Nonprofit Almanac 2012*. The Urban Institute: 2012, 35
2. N.C. Center for Nonprofits. "Quick Facts: Nonprofits' Impact on North Carolina." Compiled May 12, 2014 using data from the N.C. Department of Commerce. Available at http://www.ncnonprofits.org/sites/default/files/public_resources/NPSectorFacts.pdf
3. ibid
4. ibid
5. ibid
6. Site Selection magazine's listing of the best business climates in North America.
7. Institute for Veterans and Military Families at Syracuse University. "The Landscape." *Syracuse University*. June, 2014. <http://vets.syr.edu>
8. ibid
9. Shapiro, Robert and Mathur, Aparna. *The Social and Economic Value of Private and Community Foundations*, The Philanthropic Collaborative. Available at <http://philanthropycollaborative.org/documents/FoundationStudy.pdf>
10. ibid
11. Goodwill of the Southern Piedmont Community Report, 2013. Available at <http://www.goodwillsp.org/wp-content/uploads/2014-Goodwill-SP-Community-Report.pdf>
12. ibid
13. Charlotte Works PY12-13 Annual Report
14. N.C. Labor & Economic Analysis Division
15. Frazier, Eric. "Mecklenburg's jobless rate continues to fall; professional services sector powers growth." *The Charlotte Observer* 28 May 2014. <http://www.charlotteobserver.com/2014/05/28/4937717/mecklenburgs-jobless-rate-continues.html#.U4cm7mzD-Ul#storylink=cpy>
16. Charlotte Bridge Home. "Coming Home: Support for Returning Veterans in Charlotte-Mecklenburg." PDF File. May 2012. Available at <http://www.ffc.org/document.doc?id=1831>
17. Charlotte Bridge Home. "End of Year Impact Report." 2013
18. Glassdoor, Inc. "Mortgage Processor Salaries in Charlotte, NC" www.glassdoor.com/salaries Accessed on July 1, 2014.
19. Cohen, Todd. "Charlotte Bridge Home works to assist returning vets." *Charlotte Business Journal* 2 August 2013. Available at <http://www.bizjournals.com/charlotte/print-edition/2013/08/02/charlotte-bridge-home-works-to-assist.html>

Pull-out References

- * "Senators Burr and Toomey Introduce Veterans Employment Bill" Office of Senator Richard Burr, June 2012. Available at <http://www.senate.burr.gov>
- ** Unemployment Rate chart source: U.S. Bureau of Labor Statistics.
- *** Poverty Rate chart source: US Census Bureau, Small Area Income and Poverty Estimates, December 2013.
- **** "Hagan Visits Charlotte Bridge Home To Discuss Veterans' Transition To Civilian Life." Office of Senator Kay Hagan, Jan 2013. Available at http://www.hagan.senate.gov/?p=press_release&id=1985



The Philanthropic Collaborative
601 13th Street NW, Suite 950 South
Washington, DC 20001
202-469-3160
www.philanthropycollaborative.org