



Creating Jobs & Building Communities

A Review of the Economic Impact of Foundations and Eight Short Case Studies

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This report is proudly sponsored by The Philanthropic Collaborative (TPC). TPC represents key participants in the world of philanthropy—foundations, charities and elected officials. The Collaborative’s mission is to ensure policymakers fully understand the important role foundations play in improving America’s communities and, specifically, how foundation giving generates substantial and widespread economic and social benefits for all Americans. To learn more about TPC, please visit our website at www.philanthropycollaborative.org

“By supporting programs that provide jobs, job training, education and many other types of assistance, private and community foundations provide concrete resources that make an important and measurable difference...”

Mayor William Bell, Durham, NC

EXECUTIVE SUMMARY

Foundations work toward a mission of improving conditions in communities across the country through education, grantmaking, and fresh approaches to society’s problems. Some foundations view their grants as investments in support of specific economic outcomes. Others work to create new programs and new models for change. Across the board, foundations use their resources to fund charities and activities that have both a substantial impact on present day problems and lay the groundwork for meaningful progress in the persistent effort to improve the human condition.

FOUNDATIONS ARE A NATIONAL ECONOMIC FORCE

Successful foundations have made grants in communities, created jobs, and worked to improve financial security for Americans since the late 19th century, filling the gaps left by government programs and the private sector. Andrew Carnegie, who is widely considered to be the father of modern philanthropy in the United States, wrote “The Gospel of Wealth” in 1889, where he concluded that a wealthy man should “consider all surplus revenues which come to him simply as trust funds, which he is called upon to administer, and strictly bound as a matter of duty to administer in the matter which, in his judgment, is best calculated to produce the most beneficial results for the community...”¹ His treatise laid the basis for the creation of The Carnegie Foundation, founded in 1905 and chartered a year later by an act of Congress, and the first private family foundation (the Russell Sage Foundation) in 1907.² By the time the Rockefeller Foundation was formed in 1913, the modern philanthropic movement in the United States was well underway.³

Over the years, foundations and the organizations they support have become a direct economic force in their own right. In 2007, the work of private and community foundations supported more than 9.2 million jobs nationwide⁴; in 2005, the nonprofit community as a whole provided 12.9 million jobs, or approximately 9.7 percent of the country’s workforce⁵. These jobs offer competitive wages and benefits—and even in the depths of the most recent recession, as job losses in the for-profit sector mounted, the nonprofit sector continued to hire workers.

They also contribute to the creation of jobs and economic growth, as the country struggles with the continuing jobless recovery, with the most recent estimates projecting an unemployment rate of more than 9 percent through 2011⁶, foundations are continuing to forge a non-partisan path, promoting effective programs that create jobs and expand economic opportunity.

1 (Carnegie)

2 (National Philanthropic Trust)

3 (The Rockefeller Foundation)

4 (Shapiro and Aparna)

5 (The Independent Sector)

6 (Congressional Budget Office)

Foundations Offer New, Responsive, and Flexible Solutions to Social Problems

Foundations nationwide are supporting programs on their own and through charities that help people to launch sustainable, socially responsible enterprises that will employ workers and grow over time. They are funding programs that help people find careers paying a living wage for the first time, and are laying the groundwork for financial security. And they are funding new programs that help communities leapfrog over entrenched social problems, while providing an economic boost to local residents.

“Foundation giving is literally planting the seeds of change... Lincoln’s philanthropic community is a critical component to our high quality of life.”

Mayor Chris Buetler, Lincoln, NE

They are able to do this because foundations can take risks to explore and find solutions to social problems that for-profit business and government cannot. Foundations can target their resources to flexible, responsive and creative solutions to social problems, not simply alleviating symptoms—a critical combination for programs tackling unemployment and other economic security issues. They have a

wide range of options when deciding what issues to address, what strategies to employ and how to fund programs that strengthen local economies, create jobs and maximize potential partnerships between nonprofits, the private sector and government agencies. While government and for-profit businesses are more prone toward short-term results, to meet the immediate needs of voters and shareholders, and customers, foundations have the flexibility and responsibility to take a longer, more sustained view and learn from their mistakes along the way.

Foundations Make A Difference: Funding Creative Programs That Boost The Economy

Four of the programs highlighted in this report have applied foundation funding toward helping grow for-profit businesses that support a nonprofit mission, cementing their role as economic drivers in their communities. MOO Milk, in Augusta, Maine and Community CROPS, in Lincoln, Nebraska, are both leveraging foundation funds to launch for-profit businesses designed to revitalize locally owned farms. Triangle Residential Options for Substance Abuse (TROSAs), in Durham, North Carolina, has spent the last twenty years building a series of for-profit businesses to fund programs helping people conquer their addictions, while Taharka Brothers, in Baltimore, is using foundation funds to help build an ice cream business that is ready to spread a message of civic involvement and social change.

Two of the programs reviewed use their funds to help people move out of poverty and into the middle class. One small and one large, People Helping People in Salt Lake City has an annual budget of less than \$500,000, while SkillWorks in Boston has a 10-year budget of \$25 million. Although these programs approach the problem of workforce development in very different ways, they both use their foundation funding to help people find jobs paying a living wage. Two other programs, NeighborWorks Montana and NeighborWorks Great Falls, use their foundation dollars to help leverage Federal funding for a revolving loan fund and other financing options that help people responsibly buy an affordable home, many of them for the first time, and move towards financial stability. And Summer Night Lights, in Los Angeles, California, set out to create a program that would reduce gang violence in the city’s worst neighborhoods, and ended up both drastically reducing crime rates and providing more than 1,000 jobs each summer, most of them for teenagers.

All of these programs approach problems facing their communities in different ways. They have different levels of funding, staffing requirements, and areas of focus. They are all examples of how foundation support is being used to create jobs and boost small businesses, move people out of poverty and build toward financial security.

“We are at our very best when philanthropy and government partner together as we have around [Summer Night Lights].”

Mayor Antonio Villaraigosa, Los Angeles, CA

Foundations Offer Government a New Opportunity for Partnership

Time and time again, foundations have proven to be indispensable laboratories of innovation that have spurred effective responses to tough social problems. Every dollar granted by private and community foundations produces more than \$8 in direct economic benefits to cities and communities in America—an enviable rate of return.⁷ Local public-private partnerships funded by foundations can serve as models for solving larger programs. Foundations nationwide are committed to working with state, local and Federal officials to envision and develop new solutions to address entrenched problems, create jobs, and maximize the potential partnerships for appropriate collaborations between foundations, charities, the private sector, and government at all levels.

Working together, the opportunities are limitless.

AMERICA'S ECONOMIC RECOVERY

In December of 2007, the country entered the most severe recession since the Great Depression. In 2008 and 2009, the U.S. labor market lost 8.4 million jobs, or 6.1 percent of all payroll employment.⁸ In January of 2011, the unemployment rate was still 9 percent and 13.9 million Americans were unemployed.⁹ In addition, there were 11.2 million people who were either working part-time because they cannot find full-time work or who had given up looking.¹⁰ The number and percentage of Americans in poverty rose substantially in 2009, driven by deep job losses and record levels of long-term unemployment. The most recent data indicates that one in seven Americans and one in four children under the age of six are living in poverty.¹¹

“During these times of high unemployment and economic uncertainty, it is extremely satisfying to know there are entrepreneurial philanthropic organizations willing and able to step forward and assist with training and professional development.”

Mayor Ralph Becker, Salt Lake City, UT

The Recession Ends, But the Recovery is Slow

Despite billions of dollars in stimulus funding and tax relief, America's economy continues to struggle. Politicians and policy makers continue to search for new ways to help create jobs and support economic growth—an effort that is growing increasingly urgent. As workers and the business community adjust to slower-than-hoped-for job creation to continue through 2011, philanthropists, foundations and the nonprofit community continue to work together to create effective economic stimulus programs at the state and local level by funding programs creating jobs and expanding economic opportunity.

The recession officially ended in June 2009, when the economy started to grow again. Gross domestic product grew at 3.7 percent in the first quarter of 2010, fell during the second and third quarters, and then grew at a rate of 3.2 percent in the fourth quarter of the year.¹² Experts believe that GDP will expand in 2011, with the Federal Reserve estimating growth between 3 and 4 percent in the 4th quarter of 2011,¹³ but the Congressional Budget Office projected that unemployment will remain over 9 percent for most of the year—confirming the view that America is in a jobless recovery, similar to the recoveries after the recessions of 1990 and 2001.¹⁴ The most recent jobs report underscores that conclusion. In January of this year, the economy created only 36,000 jobs¹⁵, far less than expected and significantly less than the 300,000 new jobs needed each month to make a difference in the unemployment rate.¹⁶ Even before these lackluster numbers were announced, Federal Reserve Chairman Ben Bernanke went on record saying “until we see a

7 (Shapiro and Aparna)

8 (Economic Policy Institute)

9 (Bureau of Labor Statistics)

10 (Shierholz)

11 (Economic Policy Institute)

12 (Bureau of Economic Analysis)

13 (Clarke)

14 (Congressional Budget Office)

15 (Bureau of Labor Statistics)

16 (H. Shierholz)



sustained period of stronger job creation, we cannot consider the recovery to be truly established.”¹⁷

Charities Face Reduced Resources and Increased Demand

Charities are different than for profit companies, where an economic slowdown often means less demand for services. For charities, the recession and widespread job losses have led to a steadily increasing demand for their services, even as donations and other sources of income decline. Donations to the nation’s biggest charities dropped 11 percent in 2009, the biggest decline in twenty years.¹⁸

Despite tougher economic conditions, nearly 75 percent of the nonprofit organizations surveyed by the Center for Civil Society Studies reported being able to maintain or actually increase the number of people they served in 2009 by launching new fundraising efforts, cutting administrative costs, sharing resources with other nonprofits, freezing salaries, delaying hires and relying more heavily on volunteers.¹⁹ Another study, by the Nonprofit Finance Fund, showed similar results. More than 40 percent of the charities surveyed reported expanding the programs they offered, and 17 percent reported expanding the areas where they provided these services. However, 26 percent of charities reported freezing hiring and salaries, 14 percent reported reducing staff or salaries, and half reported they were collaborating on programs with other organizations with similar missions.²⁰

A steady stream of government funding has helped many charities have been able to weather the recession better than the for-profit sector. However, as states begin to propose cuts in order to balance their budgets and federal funding begins to dry up in light of the latest deficit projections, that trend may be harder to maintain, especially for human service organizations. More than 25 percent of the charities surveyed by the Nonprofit Finance Fund had received government stimulus funding, and almost half of those charities said they did not expect to be able to replace that funding once it ran out.²¹ A study by the Urban Institute reported that in 2009, more than half of human service charities reviewed faced reduced revenues from state government agencies, donations and investment income. To stay afloat, charities froze salaries and used cash reserves if they had any available.²²

With A Long Recovery Ahead, Foundations Help Fill the Gap

While politicians and policy makers debate the best way to move forward and charities face reduced individual donations and government funding, foundations have developed focused, coordinated programs around economic revitalization. Despite a more than 17 percent drop in foundation assets in 2008, total giving dipped by only 10 percent in 2009, to \$42.9 billion—a level of giving that was maintained because funders decided to reduce operating expenses or exceed payout requirements to continue supporting critical programs.²³

A 2009 survey by the Council on Foundations found that more than 80 percent of foundations funding assistance for people affected by the recession would maintain or increase their level of grantmaking. More than a third said they were increasing their support for basic needs programs, such as those focusing

17 (Puzzanghera)

18 (Barton and Hall)

19 (Salamon, Geller and Mengel, *Recession Pressures on Nonprofit Jobs*)

20 (Nonprofit Finance Fund)

21 (Nonprofit Finance Fund)

22 (Boris, de Leon and Roeger)

23 (Lawrence and Mukai)

on food, emergency shelter, or utility payment assistance. Almost 40 percent reported they planned to maintain or increase the value of their grants.²⁴ In fact, the Foundation Center found that thirty-six states plus the District of Columbia saw an increase in donations from foundations in 2009. South Dakota showed the fastest growth in giving, while Washington State led in the overall increase in grant dollars and New York reported the largest amount of total foundation giving.²⁵

Foundations have given more than \$480 million to help charities nationwide address the impact of the recent recession, responding strongly, quickly and effectively to the crisis at hand.²⁶ Examples include the Charles Stewart Mott Foundation, which has provided \$6.6 million since 2007 for workforce training, education, and social support services for the unemployed in Detroit, a city that continues to struggle with high unemployment.²⁷ The Ewing Marion Kauffman Foundation has intensified its programs for new entrepreneurs, who account for the majority of net new job creation nationwide, by tens of millions of dollars since the beginning of the recession. They expanded their successful Urban Entrepreneur Partnership (UEP) program to include Detroit in 2009, where working with the New Economy Initiative it helps minority-owned auto parts manufacturers and suppliers transform their plants to serve other industries. They also launched the FastTrac Launch Pad initiative in New York and Detroit, helping business owners struggling to stay afloat strengthen their businesses.²⁸

More than 40 percent of the 719 foundations responding to a September 2010 survey by the Foundation Center have made specific grants and other support to address problems related to the economic crisis since it began in the fall of 2008.²⁹ While the majority of these funders indicated they provided support for basic safety net services, foundations also made grants to support of job training, 'bridge financing' (to help grantees weather short-term cash crunches, seize immediate growth opportunities, or maintain steady operations while waiting for pledged funds to arrive), business development, and support for strategic partnerships and mergers.³⁰

Foundations Are a Vital Part of America's Economic Engine

Despite the widespread public perception that for-profit businesses are the exclusive drivers of the American economy, and that foundations quietly make grants, solicit contributions, and provide charity services, America's foundations actually support millions of jobs and are a vital part of America's economic engine. In 2010, there were more than 120,000 foundations nationwide with invested assets representing approximately 5 percent of America's GDP,³¹ and every dollar they granted to charities and other programs produced more than \$8 in direct economic benefits to cities and communities nationwide.³²

TOTAL NONPROFIT EMPLOYMENT NATIONWIDE RESPONSIBLE FOR 12.9 MILLION JOBS

A recent study by The Philanthropic Collaborative estimated that in 2007, 9.2 million nonprofit jobs (primarily in education, health care, and human services), were linked to the activities of private and community foundations- helping generate nearly \$512 billion in household income.³³ The Urban Institute, reviewing data from 2005, found that all nonprofits were responsible for 12.9 million jobs in 2005, or approximately 9.7 percent of the country's workforce and 8 percent of America's wages.³⁴

From 1995 to 2005, nonprofit employment grew by approximately 16 percent—more than three times faster than employment in the overall US economy.³⁵ Despite the recession, nonprofit employment has continued to rise, making it a unique economic driver in the struggling economy. An analysis by the Johns

24 (The Council on Foundations)

25 (The Council on Foundations)

26 (The Foundation Center)

27 (Charles Stewart Mott Foundation)

28 (Ewing Marion Kauffman Foundation)

29 (Lawrence, Moving Beyond the Economic Crisis)

30 (Lawrence, Moving Beyond the Economic Crisis)

31 (National Center for Charitable Statistics)

32 (Shapiro and Aparna)

33 (Shapiro and Aparna)

34 (The Independent Sector)

35 (Wing)

Hopkins Center for Civil Society indicates that nonprofit employment grew by an average of 2.5 percent per year between the second quarter of 2007 and the second quarter of 2009, the worst part of the recent recession.³⁶

Nonprofit employment is growing even in states like Michigan, which is surprising considering how hard the state has been hit by the recent recession. Michigan's unemployment rate is currently 11.7 percent, the 4th highest in the nation³⁷, but this number rises to 21 percent if you include the number of people who are underemployed or who have given up looking for work altogether.³⁸ The state's poverty rate is 16.2 percent³⁹, and lost a total of 366,000 jobs from March of 2007 through March of 2009.⁴⁰

During that same time period, nonprofit employment in Michigan increased by 1.3 percent per year. The 374,537 nonprofit employees in Michigan earned nearly \$14.5 billion in wages in 2009, approximately nine percent of the state's total payroll. They contributed \$90 million in state and local taxes for Michigan's state and local governments and nearly \$438 million in federal tax revenues.⁴¹

Michigan is not unique in this respect. The Center for Civil Society Studies found that nonprofits serve as a "counter-cyclical" economic driver, with most nonprofits actually adding workers during periods of economic downturn, primarily because these programs depend on a diverse set of funding streams (government funding, foundation grants, and other private sources).⁴² In 2005, federal, state, and local governments supported charities with an estimated \$323 billion in funding, which is almost one third of charities' total revenues.⁴³

Maine, Maryland, and Texas all reflect the trend seen in Michigan. In Maine, nonprofit employment grew by nearly 2 percent between the fourth quarter of 2007 and the fourth quarter of 2008, hitting 82,800 jobs at the end of that year and making the nonprofit sector the second largest employer in the state.⁴⁴ Maryland has seen similar growth, with nonprofit employment increasing by 2.7 percent between the fourth quarters of 2007 and 2008, totaling 256,618 jobs at the end of 2008. Nonprofits were responsible for all of the state's private employment growth between 2007 and 2008, and employed approximately 10 percent of workers statewide.⁴⁵ In Texas, nonprofit employment grew by 3.1 percent between 2007 and 2008, adding over 12,022 jobs statewide and contributing to the sector's 403,000 workers receiving \$16.8 billion wages in 2008.⁴⁶ Every one of the 21 states studied by the Center for Civil Society Studies found that nonprofit employment actually increased from 2007 to 2009, the worst part of the recession.⁴⁷

An informal survey of nonprofits in New York, Washington DC, and New Jersey found a similar trend for 2009, with more than 60 percent of the nonprofits in those regions reporting no layoffs during that year. In New York, 24 percent reported hiring new staff, while 34 percent and 21 percent reported new hires in New Jersey and Washington, respectively.⁴⁸

In addition, foundations and nonprofits provide a ray of hope in a difficult economy for people over the age of 50, one of the most difficult age groups to employ. As of September 2010, almost 15 percent of the unemployed (2.2 million people) were over the age of 55, and nearly half of them were unemployed for more than six months. In August, the average person over the age of 50 spent almost 10 months looking for work before finding a job, the longest stretch of any age group.⁴⁹ However, a 2008 study of people who had launched "encore careers"—the majority of whom are over the age of 50—demonstrated that more than 13 percent were employed by nonprofit groups. What's more, this appeal of a second career in the nonprofit

36 (Johns Hopkins Center for Civil Society Studies)

37 (Bureau of Labor Statistics)

38 (Bureau of Labor Statistics)

39 (American Community Survey)

40 (Bureau of Labor Statistics Online Database)

41 (Salamon, Lessans Geller and Wojciech Sokolowski)

42 (Salamon and Lessans Geller, Nonprofits and Recession: New Data From Maryland)

43 (Blackwood and Wing)

44 (Salamon and Lessans Geller, Maine Nonprofit Employment Update)

45 (Salamon and Lessans Geller, Nonprofits and Recession: New Data From Maryland)

46 (Salamon and Lessans Geller, Texas Nonprofit Employment Update)

47 (Johns Hopkins Center for Civil Society Studies)

48 (Joslyn)

49 (Rich)

sector applies across gender and class lines.⁵⁰

NONPROFIT EMPLOYERS PROVIDE FAIR WAGES AND BENEFIT OPTIONS

Millions of Americans have found that the nonprofit sector provides a career track that both benefits their communities and provides a living wage for their families. In addition to the micro- and macro-economic effects, these jobs emphasize the dignity of work, provide opportunities for personal fulfillment or at least place people on a path toward that end, and can even ignite an entrepreneurial spirit that inspires the creation and growth of new companies.

Salaries

Although many people assume wages offered by nonprofits to be lower than wages offered by for-profit companies, a 2002 study by the Center for Civil Society Studies noted that nonprofit workers receive wages commensurate to those earned by for-profit workers in the same fields. This study found that in nine fields—job training, nursing home care, family services, elementary and secondary education, college education, hospitals, residential care, home care, and child care—nonprofit wages at non-managerial levels were actually four percent higher than wages at similar for-profit providers.⁵¹ This finding was echoed in a 2008 study by the Department of Labor. Perhaps to be expected, the Department of Labor study also found that once workers reach higher managerial levels, for-profit wages outpace their nonprofit cohorts.⁵²

And, of course, employment leads to increased tax revenues for states, cities, and local governments. A recent study by The Philanthropic Collaborative estimated that the \$511.9 billion in household income generated by private and community foundation funding in 2007 led to additional Federal tax revenue of \$61.9 billion, state tax revenue of \$44.7 billion, and local tax revenue of \$38.8 billion.⁵³

Benefits

Small nonprofits face many of the same challenges as America's important small businesses, yet a pair of studies by the Center for Civil Society Studies in 2009 found these nonprofits are still able to offer comprehensive retirement and health care benefits to their employees.

More than two-thirds of the organizations studied reported offering some type of retirement benefit plan to their employees, which is actually higher than the proportion of comparably sized for-profit firms. And the majority of nonprofit employees who are offered retirement plans participate in them.⁵⁴ In all, health benefits were offered by 80 percent of the nonprofits surveyed, and just like the for-profit sector, the larger the nonprofit, the more likely the employees were to have health insurance.⁵⁵

FLEXIBILITY, RESPONSIVENESS, CREATIVITY: FOUNDATIONS AND JOB CREATION

Foundations support the employment of millions of people and invest—through their grants and investment activities, they inject billions of dollars in the economy every year. They also have a unique ability to identify and nurture innovative programs creating new jobs and making significant contributions to local economies. Because foundations deploy private dollars, they are able to take risks that for-profit businesses, who are beholden to shareholders, and governments, as stewards of taxpayer dollars, cannot justify.

For over a century, foundations have funded innovative ideas that have grown into many American institutions we take for granted today. The Carnegie Foundation funded America's first public libraries, building more than 1,600 libraries in any community willing to donate the land and agree to dedicate annual funding to maintain the building.⁵⁶ The Rockefeller Foundation funded the work of Dr. Max Theiler, who developed a safe, standardized vaccine for yellow fever.⁵⁷ In 1941, the Commonwealth Fund granted \$1,800 in research

50 (Peter Hart Research Associates)

51 (Salamon, What Nonprofit Wage Deficit?)

52 (Butler)

53 (Shapiro and Aparna)

54 (Salamon, Geller and Mengel, Escalating Pension Benefit Costs—Another Threat to Non Profit Survival?)

55 (Salamon, Geller and Spence, Health Care and Nonprofits: The Hidden Dimension of America's Health Care Crisis)

56 (The Carnegie Foundation)

57 (Nobelprize.org)

funds to Dr. George N. Papanicolaou, who was working on an early screening test for cervical cancer—a test that led to the Pap smear, which has saved millions of women from a once deadly disease.⁵⁸ In 1948, the Sarah Mellon Scaife Foundation invested \$35,000 to develop a laboratory for Dr. Jonas Salk, who announced the discovery of the polio vaccine less than 10 years later.⁵⁹ The work of the Dorr Foundation in the 1950s established that painting a white shoulder line on highways would decrease car accidents, a now universal system accepted across the States.⁶⁰ The Robert Wood Johnson Foundation helped launch the 911 system with a \$15 million grant in 1973.⁶¹

Foundations can and do provide funds for creative and cutting edge solutions to social problems, rather than simply fund programs alleviating a few symptoms, tackling unemployment and other economic security issues. And regardless of their core mission, successful foundations create new knowledge, helping to drive innovation and economic growth. The programs detailed below are just a few examples of programs that are flexible, responsive and creative in their use of resources, providing social benefits beyond the immediate impact of their grants and serving as economic drivers in their communities.



Creating Jobs in Rural Communities: Community Crops And Moo Milk

Both Community CROPS and MOO Milk are working to support agricultural businesses in rural communities, at a time when the number of local and family farms is shrinking rapidly. In very different ways, these programs are using their foundation funding to support for-profit businesses that advance their social mission: to maintain local agricultural enterprises and help make small, family owned farms into sustainable and profitable businesses.

Community CROPS—Lincoln, NE

The most recent data indicates that large farms account for nearly 85 percent of all agricultural production, but just 12 percent of all farms nationwide.⁶² Community CROPS began in 2003, offering classes and low-cost garden space in one community plot for people who wanted to grow their own vegetables, and hands on help for those just learning how to garden. In 2005, Community CROPS started their Community Supported Agriculture (CSA) program, which sold farm shares to approximately 50 families and launched the Sunset Community Training Farm at the request of program participants. The four-acre training farm helps enrollees learn how to grow and sell produce and livestock commercially or to local vendors.⁶³

Over the years, Community CROPS has expanded dramatically, fueled by legal immigrants and refugees (who make up roughly 60 percent of the program’s participants) and local farmers working to ensure their farm either becomes or remains a sustainable business.⁶⁴ The program offers a nine-week course including beginning farmers’ workshops, classes with experienced growers and business experts, and plenty of one-on-one help for participants. A nominal fee for community garden space is charged to those who can afford it, and enrollees receive free plants and seeds for their plots, as well as free use of any equipment they need on-site.⁶⁵ The program’s 10 employees serve more than 180 families at 16 community garden sites, five to eight families at the training farm and allow farmers in the program to sell their crops through their CSA program and at a local farmers market.⁶⁶

58 (Philanthropy New York)

59 (Philanthropy New York)

60 (Schindler)

61 (Diehl)

62 (Hoppe and Banker)

63 (Community CROPS)

64 (Waltke)

65 (Waltke)

66 (Lincoln Journal Star)

Foundation Support: Critical To Early Success and Expansion

Community CROPS currently receives funding from the Community Health Endowment, the Lincoln Community Foundation, the Cooper Foundation, the Foundation for Sustainability and Innovation, and the Nebraska Community Foundation's Wealthspring Fund. The program director, Ingrid Kirst, started as a Community CROPS volunteer in 2003, and became the program director in 2005. "Foundations were instrumental in the beginning of Community CROPS," said Kirst. "Our community garden programs were initially funded by local foundations."⁶⁷

"The Lincoln Community Foundation (LCF) was pleased to support Community Crops with a grant to support training, mentoring and education for individuals in Lincoln, Nebraska, especially our new immigrants and refugees," said Barbara Bartle, President of LCF, "This LCF interest, along with micro-lending, program related investments and a military initiative, illustrates the importance of philanthropy in helping with the economic recovery and jobs programs."

The support of private and community foundations was critical to the creation of the training farm, which quickly became one of the most popular parts of the program. "Without foundation support [from Heifer], there is no way we could have started the training farm program," said Kirst. "We used that funding for staff and supplies, and it also made it possible for us to go to national trainings, so that we could meet others working with immigrant and refugee farmers, and share ideas."⁶⁸ Lincoln Mayor Chris Buetler also recognizes the important contribution of foundations. "Foundation giving is literally planting the seeds of change in Lincoln. Without foundation support, initiatives like Community CROPS that create meaningful change would not develop and grow. Lincoln's philanthropic community is a critical component to our high quality of life."

Success and Growth: Expansion of the Training Farm

The training farm was a success, said Kirst, but the site only had four acres of tillable land and no full time staff, which sharply limited the number of families that could participate. Currently, families participate in the program for three to four years before striking out to grow on their own land. "We wanted to expand the farm and dedicate a staff member to it full time," said Kirst, who is currently in the process of looking for a site that is has at least 20 acres of tillable land. "But in order to do that, we needed to find some additional funding."

To this end, Kirst and her staff decided to double the size of their CSA from 50 to 115 shares in 2009. "It was a significant expansion, but we knew there was a demand," Kirst said. The increase in CSA revenues was enough to pay the families participating in the program wholesale rates for their produce, and help fund the additional staff needed for the training farm.⁶⁹

Kirst is ready to grow the program—she'd like to see Community CROPS sites all over Nebraska—but knows it needs to be done carefully. "It takes a long time to get our program participants ready to grow on their own. We want to expand, but the most important thing to us is being able to grow responsibly," Kirst said. "I want to make sure that anything new that we add is funded on an ongoing basis."⁷⁰

Economic Impact: New Funds for Programming, and Viable Family Farms

With an initial investment of \$1,000 for equipment, Community CROPS estimates that families can make up to \$25,000 per acre per year. Community CROPS estimates that a standard lot (5000 square feet) can produce several hundred pounds of spinach and lettuce, over 1,000 pounds of tomatoes, several hundred bunches of radishes, and a few hundred pounds of baby spinach.⁷¹

And although Community CROPS is still dependent on USDA funding, foundation support, and private donations, the program has been able to earn approximately 20 percent of their \$250,000 annual budget by selling produce from the training farm and program enrollees participating in the CSA and farmers market.⁷²

67 (Kirst)

68 (Kirst)

69 (Kirst)

70 (Kirst)

71 (Community CROPS)

72 (Kirst)

MOO Milk—Augusta, Maine

In 2009, when HP Hood dropped 10 organic milk producers in Washington, Aroostook, Penobscot, and Kennebec counties, the farmers were worried about their future. Over the past decade, Maine has lost more than 200 dairy farms, with only 300 remaining statewide⁷³, and there are less than 2,000 organic dairy farms in the entire country.⁷⁴ But instead of switching to non-organic milk products, or going out of business entirely, the farms decided to chart their own path.

Working with the Aroostook Farm Bureau, the Maine Organic Farmers and Gardeners Association (MOFGA), and the Maine Department of Agriculture, the group of 10 farmers created Maine's Own Organic Milk Company (MOO Milk), incorporating the company as an L3C in Vermont that year.⁷⁵ The L3C is a new kind of business structure created to make it easier for both philanthropists and commercial interests to invest jointly in for-profit ventures oriented to charitable activities. Like organizations exempt under 501(c)(3), the L3C must have charitable or educational activity as its main purpose, but unlike traditional charities, it can make and distribute its profit. Although Maine now offers the L3C form, it did not do so when MOO Milk was organized, which is why it was created in Vermont instead of Maine.⁷⁶

At its inception, the company raised \$50,000 from Stonyfield Farm's founders, a number that rose to \$500,000 by the end of 2010. Smiling Hill Farms, which agreed to process MOO Milk's products, purchased new organic milk processing equipment, and Oakhurst Dairy donated a filling machine (worth approximately \$100,000) to package the milk. The Maine Department of Agriculture and MOFGA also made small planning grants.⁷⁷

Foundation Support: Funding Program Growth

The unique nature of the L3C structure allows the company to procure non-traditional sources of funding capital, including program related investments (PRI). PRIs allow foundations to recoup their original investments plus a return, which means they can recycle returned funds through multiple programs.⁷⁸ MOO Milk Executive Director Bill Eldridge is actively seeking additional foundation partners, but the newness of the form has resulted in predictable reluctance from foundations because IRS has yet to make a formal ruling on whether L3Cs are automatically eligible for program related investments (PRIs). PRIs allow foundations to recoup their original investments, which means they can recycle funds through multiple programs, providing maximum benefit at minimum cost.⁷⁹

Despite the caution of some, the Calvert Foundation made a modest investment in MOO Milk this past year. "They [the Calvert Foundation] did their due diligence, and they were comfortable with what they found," said Eldridge. MOO Milk is also working with Coastal Enterprises Inc. of Wiscasset, Maine to figure out other ways for foundations to support the company. The company's goal is to line up \$500,000 in foundation funding this year.⁸⁰

Success and Growth: After a Bumpy First Year, Sales on Track to Double in 2011

Production began in January of 2010. "At the beginning, we had a surplus of supply, and not enough market," said Eldridge. "But I have to tell you that even in that first month, we were actually selling a lot of



73 (Mack)

74 (Canfield)

75 (Canfield, Maine dairy farmers put new organic milk on market)

76 (The Herald-Sun)

77 (Quimby)

78 (Zouhali-Worrall)

79 (Zouhali-Worrall)

80 (Eldridge)

milk through outlets that didn't have an established market for organic milk. That's when I knew this was going to work."⁸¹

By all accounts, the company had a tough first year. The cartons MOO Milk was using to package their milk leaked, which forced the company to find a quick fix (they put bubble wrap on the bottom of the carton carriers)⁸², and their total sales were less than half of what was needed for the company to be profitable.⁸³ The company then experienced a series of production problems suspending milk production in August of 2010. They lost four of the original 10 members, threatening their ability to produce enough milk to stay in business and forcing them to send half empty trucks on the 1,000 mile trip to their processing facility.⁸⁴ MOO Milk was so low on funds at one point they couldn't afford to keep processing the milk they had.⁸⁵ Even after raising approximately \$100,000 in new investment funds, mechanical problems at the processing facility kept them off line for another four days.⁸⁶

Dogged determination and help from local vendors kept them in business. When MOO Milk was priced 30 cents higher than other organic milk products, Hannaford stores (a New England grocery chain) cut their own profit so MOO Milk products could compete on an even footing.⁸⁷ As the market for their milk continued to catch up with their production capacity, MOO Milk found a unique way to sell their excess milk, developing a partnership with Good Shepherd and Wayside Kitchen Food Programs to supply fresh organic milk to the food pantries, shelters, soup kitchens and other institutions they serve by allowing donors to purchase milk directly from MOO Milk at wholesale prices and then donate it.⁸⁸ "They get a tax break, and we can sell the milk," Eldridge said. "And with about 40 percent of the food kitchen customers being children, it's a good solution for everyone."⁸⁹

Despite the unexpected problems, MOO Milk ended the year in good shape. To date, MOO Milk products have been carried in 76 Hannaford stores, 16 WalMart Super Centers, 15 Whole Foods, and many other independent grocery and natural food stores—approximately 250 stores in New England.⁹⁰

The company's financing has started to stabilize as well. An anonymous investor cosigned for a \$250,000 line of credit for the company, and MOO Milk is working with Coastal Enterprises, Sunrise County Economic Council, and the Finance Authority of Maine to put together a term loan for 2011.⁹¹ MOO Milk had \$750,000 in sales in 2010, unveiled most of their proposed product line, and is on track to do over \$1.5 million in sales in 2011. The company is preparing to take on as many as four new farmers in 2011, with a 2012 goal of \$3 million to \$4 million in sales.⁹²

Economic Impact: Jobs Up and Down the Supply Chain And A Projected Profit For Farmers

MOO Milk is structured to maximize payments to the participating farms and their owners. The farms collectively own 45 percent of the voting units of the company, elect three of the seven board members, and are guaranteed 90 percent of the profits. The remainder of the company is owned by investors, founders and strategic partners.⁹³ Farmers are paid a base price of \$24 per 100 pounds of milk a week after they ship milk and receive an additional payment the month following shipment after all expenses have been paid. The long-term goal is to pay farmers \$40 per 100 pounds of milk provided.⁹⁴

Right now, Eldridge estimates the company supports about 40 jobs up and down the supply chain, a number that he expects to increase as the company grows. The collaborative has also preserved hundreds

81 (Eldridge)

82 (Schivera)

83 (Mack, Yankee ingenuity gets milk machine back in operation)

84 (Schivera)

85 (Bangor Daily News)

86 (Mack, MOO Milk to suspend production)

87 (Mack, MOO Milk poised for expansion in 2011)

88 (Bangor Daily News)

89 (Eldridge)

90 (Eldridge)

91 (Mack, MOO Milk poised for expansion in 2011)

92 (Eldridge)

93 (MOO Milk)

94 (MOO Milk)

of acres of farmland that may have otherwise fallen out of production.⁹⁵ An analysis of the company's first year by Competition Forum found that MOO Milk is creating a "ripple effect of job creation and tax revenue [that] helps the entire state." The study noted, "a successful [company like] MOO Milk will accomplish much more over time than a one-time donation to a nonprofit. And, if [a] foundation had supplied PRI funds instead of a start-up grant, MOO Milk would [be able to] eventually repay the foundation and those funds could be redistributed to produce even more public good."⁹⁶

Eldridge is bullish on the company's future. "We're not quite through the rough patches yet, but we're on our way," he said. "It [the company's success] just says that we have a product that is good tasting milk, and a social mission that people can get behind."⁹⁷

Building A Business and Changing Lives: Trosa and Taharka Brothers

At their inception, both TROSA and Taharka Brothers were modeled on the kind of therapeutic community used by the Delancey Street Foundation, a residential program for substance abusers in San Francisco. Over time, however, the two programs took very different paths. For the most part, TROSA has stayed true to its original goals, while Taharka Brothers has changed its business model and moved towards a different kind of community involvement. Both programs are still using for-profit businesses to promote the nonprofit goals of personal empowerment and civic involvement.

TROSA—Durham, North Carolina

Kevin McDonald, a recovering addict who spent 12 years at Delancey Street, started Triangle Residential Options for Substance Abuse (TROSA) in 1994 with \$18,000 and 15 program enrollees. After a brief stint where program enrollees earned their keep by peeled potatoes, McDonald began sending his residents to North American Van Lines for training, sending them out as temporary workers for local moving companies. In late 1994, McDonald was able to purchase a license to operate a moving company of his own, and TROSA Moving was created.⁹⁸ The company generated less than \$50,000 during the first year, but is currently a \$5 million dollar business licensed in 48 states, making it the 6th largest moving company in the Research Triangle Park area.⁹⁹ "I didn't know I couldn't do it," said McDonald. "So I did."¹⁰⁰



For the first month at TROSA, residents get up at 6:30 am and aren't released until 11:00 pm, spending their day at work, in group therapy, and in seminars. After the first month, residents can send and receive mail. After three months, they can make phone calls. At six months, they get a portable CD player and a watch. After a year, their family can visit them, and two months after that, they can visit their families. Residents enroll in job placement classes after a year and a half, and start looking for a job shortly afterwards. Residents aren't paid for their work during their two-year stay—they are provided with a full scholarship that covers room and board, access to medical care, education, and clothing and other sundries. They leave with a car (or free transportation to work if they can't drive) and money in a savings account.¹⁰¹ It costs about \$29,000 to put each resident through TROSA.¹⁰² Program graduates can access low-cost community housing renovated and owned by TROSA, where currently about 100 graduates are living.¹⁰³

95 (Eldridge)
96 (Artz and Sutherland)
97 (Eldridge)
98 (Boschee)
99 (TROSA, Inc)
100 (McDonald)
101 (Otterbourg)
102 (Neff)
103 (TROSA Inc)

Foundation Support: A Productive Partnership

When TROSA started there was no formal fundraising apparatus, making the program's business operations critical to its survival. "When we started, our board was just people from the community that wanted to help other people. And there was no staff except me," McDonald said. "It was the Wild West—we were just going day to day, trying to keep things going."¹⁰⁴

After a pushing through a slow start, TROSA now receives support from foundations in North Carolina and across the country. "I didn't do any fundraising. I didn't know any rich people." McDonald said. "But our foundation partners have been incredible, [especially] the Triangle Fund, [and] the Stewart Fund—they've both just been tremendous." TROSA also used a recent foundation grant from the Kate B. Reynolds Charitable Trust to hire the program's first nurse practitioner; something that McDonald says has been invaluable.¹⁰⁵

Durham Mayor William V "Bill" Bell agrees that foundation support is vital: "By supporting programs [like TROSA] that provide jobs, job training, education and many other types of assistance, private and community foundations provide concrete resources that make a vital and measurable difference for the City of Durham and its people."¹⁰⁶

Success and Growth: Keeping What Works, Dropping What Doesn't

In addition to the moving company, TROSA also operates a lawn care company, a frame shop, a furniture shop, a temp agency serving the temporary labor needs of local businesses, a Christmas tree business, and a grocery store. There were also many ideas that didn't work—a telemarketing business, a tool distribution business, a painting business, and a plant nursery all failed to take off.¹⁰⁷

The program currently serves more than 400 people through its intensive two-year residential substance abuse treatment program, taking on enrollees that are among the most difficult substance abusers to treat. Half of the residents have not finished high school, approximately 90 percent have criminal records, and the majority of them have long-term addiction problems spanning more than 15 years.¹⁰⁸ The goal is to have every resident stay two years and learn three job skills.¹⁰⁹

McDonald closely modeled TROSA's original programming on the Delancey Street Foundation in San Francisco. Over the years, McDonald kept the parts of the Delancey Street model that he liked and dropped the ones he didn't. Delancey Street has no paid staff except their president; TROSA has approximately 50 paid staff, 50 percent of whom are program graduates. Delancey Street lets residents stay as long as they like; TROSA encourages residents to leave after two years.¹¹⁰ McDonald has also taken steps to move the program past the traditional therapeutic community model, using a new program to address Post Traumatic Stress Disorder and provide specific help for residents with psychiatric issues.

Economic Impact: Over \$5 Million in Revenue A Year, More Than 1,000 People Back at Work

Since the program began in 1994, there have been approximately 1,100 graduates (a 30 percent graduation rate), and all but one of them left the program with a job. In addition, in 2009, the businesses produced over 50 percent of the income needed to fund TROSA's nearly \$10 million budget, with the remainder made up from \$3 million in donated products from the private sector, \$1 million in private contributions, and \$533,860 in government funding.¹¹¹

At one point, McDonald's goal was to make the program entirely self sufficient, but that goal has changed. "I wanted to make us self-supporting, but the businesses we have are seasonal," McDonald said. "That makes it hard to get a steady stream of income all year. Plus, we have to be able to make sure that people can take advantage of the classes and therapy—I want them to get the best of everything that is here."¹¹²

104 (McDonald)

105 (McDonald)

106 (Bell)

107 (Gray)

108 (Otterbourg, Working to Stay Clean)

109 (Gray)

110 (Gray)

111 (TROSA, Inc)

112 (McDonald)

Just like any other small business, TROSA has been affected by the recent recession. The moving company had a 25 percent dip in business as a result of fewer corporate and residential moves, and in response, the program froze the salaries of its 50 paid employees.¹¹³

The pressure of fundraising and making the program's businesses profitable haven't eased over the years. "Every year is a survival year," McDonald said. "I'm so grateful to all of them [donors] but we're a damn good cause. We're the real deal. I believe that."¹¹⁴



Taharka Brothers Ice Cream—Baltimore, MD

Taharka Brothers Ice Cream is a unique company that hires urban young men, brings them together, and teaches them business strategy and entrepreneurship. These young men run and manage this ice cream company and all of the profits are filtered back into the Foundation that made it possible. But founder Sean Smeeton didn't always sell ice cream. Taharka Brothers actually began as the Sylvan Beach Foundation—a program, like TROSA, based on the Delancey Street Foundation. Through the program, which started in 1993, residents recovering from drug addictions ran a lawn care service and a fertilizer company. That was until ice cream came into the picture in 1999¹¹⁵. Nine years later, the Sylvan Beach Café was renamed Taharka Brothers,

a company that now has a retail shop in the Mount Washington neighborhood, two vending carts that are used in the summer, and an ice cream factory in Hampden.¹¹⁶

Foundation Support: Critical to Early Success

Foundation support was critical to the early success of Taharka Brothers. The company's ice cream factory, built in 2009 with the help of a \$50,000 loan from the Abell Foundation, gave them five times the production capacity¹¹⁷ and helped them expand to more than 20 retail outlets, as well as local restaurants like Roy's, Sotta Sopra, Crush, Salt, Dogwood, The Ambassador, City Café, Renaissance Hotel, Eatonville and Busboys and Poets. "Without support from our foundation partners [the Aaron and Lily Strauss Foundation, the Marmot Foundation, the Annie E. Casey Foundation and the Abell Foundation]," Smeeton said, "the business wouldn't be where it is today...[their support helped us] make an ice cream company into a force for social change."¹¹⁸

Success and Growth: Changing Course But Maintaining the Mission

Even in its early years, Taharka Brothers was a vibrant part of the community, winning the "Best of Baltimore" award in Baltimore Magazine in 2002, and a similar award in The City Paper in 2006.¹¹⁹ In 2007, after gang related violence touched one of the company's shops and facing numerous troubles keeping the business solvent, Smeeton decided to change direction.¹²⁰ He sold the shop on West Preston Street, ended Sylvan Beach's residential program for at-risk young men and changed the company's impact model.¹²¹ The old model, Smeeton said, used the company as a vehicle to transform the lives of at-risk youth. The new model was designed to use the company to develop young urban leaders, giving them a launch pad to transform their own community. Smeeton began to bring in new staff—young men from Baltimore aged 18 to 21—that might have a better chance of making the company a success.¹²²

Economic Impact: New Jobs And A Plan for the Future

The company has a core staff of six, and employs an additional 15 people during the summers. Their

113 (Otterbourg, Non profits face double whammy)
114 (McDonald)
115 (Smeeton)
116 (Walker)
117 (Walker)
118 (Smeeton)
119 (King)
120 (Walker)
121 (King)
122 (Smeeton)

revenue—\$250,000 in 2010—wasn't enough to cover expenses. "We were losing money, and it was impossible to get investors because we were a nonprofit," Smeeton said. "So we decided to spin off the ice cream company and get B-Corp (Benefit Corporation) status. We wanted to access capital that we couldn't get as a nonprofit, but we wanted to do it in a way that was true to our original mission."¹²³

Benefit Corporations are a new business model certified in only two states—Maryland and Vermont. Unlike traditional corporations, which have a strict profit motive, B-Corps are designed to create a positive impact on society and the environment, and have to consider how their decisions affect workers, community, and the environment. Just like L3Cs, Benefit Corporations that pursue charitable, exempt purposes can access foundation funds through program related investments.¹²⁴ And with a Benefit Corporation charter, a company's social mission will continue even after the company is sold by the original owner. Taharka Brothers was one of the first companies to apply for the new status.¹²⁵

Smeeton has big plans for the company. "We want to use the company as a vehicle of social change - leveraging the social nature of ice cream and the influence of our young leaders to bring people together ... [and] create a place where people can gather to learn," Smeeton said. "The impact model isn't how big we get—it's the extent to which we can influence change in the city."¹²⁶ And he's eager to take the best of what business has to offer, while holding on to the social mission that got him started.

"I want the company to make millions," said Smeeton. "But I want to make sure that we build a company that is also a vehicle for change. That's the goal."¹²⁷

Creating a Path Out Of Poverty: People Helping People and SkillWorks

People Helping People and SkillWorks both have the same goal: to help low income workers develop skills and find jobs that provide a path out of poverty for their families. The programs, however, have charted two very different paths to get there.

SkillWorks is designed to be replicated. The program is a road map for employers, nonprofits, and policy makers seeking to develop workforce development programs in other states. It has lofty aspirations, and a budget to match. People Helping People, on the other hand, is not intended as a model for programs nationwide—it's designed to work for a very specific population in a very specific community. Despite their different paths, both programs have made real progress towards the goal of putting people to work in jobs paying a living wage.

People Helping People—Salt Lake City, UT

People Helping People was formed in 1993 to support and promote self-sufficiency for single mothers in the early stages of welfare reform. The program's clients fell into two categories: the chronically poor, who had spent years and often grew up on welfare, and lacked the job skills needed to succeed in the workforce; and women who were unexpectedly forced to rejoin the workforce, either because of divorce or because staying at home was no longer economically feasible.¹²⁸ More than 15 years later, households headed by single women are still one of the most economically vulnerable groups nationwide; in 2008, 22.4 percent of all households headed by a single woman with children were under the poverty line.¹²⁹

123 (Smeeton)

124 (Savalia)

125 (Haber)

126 (Smeeton)

127 (Smeeton)

128 (Mims)

129 (Community Action Partnership of Utah)



In the beginning, People Helping People partnered with Utah’s Office of Family Support, and served 50 women a year in Salt Lake County. It started with 30 volunteers and no paid staff.¹³⁰ Women enrolled in a 6-month program pairing enrollees with professionals who served as mentors, and attended courses taught by life skills coaches every other Saturday. In the first three years of operation, People Helping People reported staggering results, with 65 percent of program enrollees leaving welfare and entering the job market.¹³¹ The number of women who successfully made it through the training doubled by 1997, and their state funding grew to \$95,000 in 1999.¹³²

In 2008, People Helping People developed a partnership with the Church of Jesus Christ of Latter Day Saints (LDS). They worked jointly with the LDS Employment Resources Services Centers to host an Employer Open House and Seminar introducing low-income, single mothers to community resources and local and national employers. Companies featured at the Seminar included Smith’s Food and Drug, Wells Fargo Bank, Mountain America Credit Union, Rocky Mountain Power, USANA and Key Bank.¹³³

Foundation Support: The Flexibility to Provide Services to A Broader Population

Although the program received state funding from 1997 through 2003, People Helping People is now fully funded through private donations. “It’s important for people to realize that we were initially funded through a government program that was fee-for-service, but we decided that it was too restrictive as far as who we could serve,” said Founder and Executive Director Kayleen Simmons. “There are lots of women who are low income who don’t qualify for government assistance for some reason, or who are unwilling to enroll in government assistance programs. And [with private funding], we could reach the women that really wanted to be a part of it.”¹³⁴

The support People Helping People receives from foundations is an important part of the program’s success. “Some foundations are very serious about the contributions they make, and the foundations that are the most helpful are the ones that are hands on. We’ve had a great experience with the Daniels Fund, the Sorenson Legacy Foundation, the Bamberger Memorial Foundation, the Marriner Eccles Foundation, and the George and Dolores Dore’ Eccles Foundation,” said Simmons. “And [the foundations understand that] our program is pretty unique.”¹³⁵

Salt Lake City Mayor Ralph Becker said foundation support for organizations providing training and professional development is invaluable: “During these times of high unemployment and economic uncertainty, it is extremely satisfying to know there are entrepreneurial philanthropic organizations willing and able to step forward and assist with training and professional development. Organizations like People Helping People and the foundations that support it are critical to certain underserved populations potentially missed by state, county and city programs.”¹³⁶

Economic Impact: Hundreds in the Workforce And Out of Poverty

A review of graduates demonstrates People Helping People’s long-term success, with 81 percent reporting they are totally self-sufficient. Over 70 percent of graduates have jobs that offer health insurance, and over 80 percent have received a raise in the past year.¹³⁷

Despite their strong record of results and the steady increase in enrollment, their budget has remained relatively barebones at approximately \$250,000, another \$250,000 in in-kind donations, and only three paid staff members. People Helping People’s growth is dependent, Simmons said, on volunteers.

“The workshops are easy to scale up. I can talk to two people, or I can talk to 2,000. All you need is a big enough space,” said Simmons. “But the size of the mentoring program has stayed about the same, and that’s not because of funding—that’s because it’s dependent on the volunteers we have participating. Without the volunteers, we couldn’t run our program.”¹³⁸

130 (Guidestar)

131 (Wright)

132 (Sahm)

133 (The Salt Lake Tribune)

134 (Simmons)

135 (Simmons)

136 (Becker)

137 (People Helping People)

138 (Simmons)

Success and Growth: From 50 Women a Year to Over 800

During the 2009 fiscal year, over 800 women participated in a seminar, signed up for a monthly Employment Tips Flyer or participated in bi-monthly Saturday morning workshops. Approximately 90 women graduated and entered the workforce.¹³⁹ Currently, People Helping People serves about 300 women every year through their workshops and 150 women through one-on-one mentoring. All of these women were under the poverty line—an annual income of \$18,310 for a family of three—when they entered the program.¹⁴⁰ “The only route out of poverty is an adequate income,” said Simmons. “It’s just that simple.”¹⁴¹

SkillWorks—Boston, MA

“People had been frustrated with the fractured funding around workforce development for a long time,” said SkillWorks Director Loh-Sze Leung. “In 2001, the foundation community [led by The Boston Foundation and then-director of grantmaking Angel Bermudez] decided to see if they could help fill some of that gap.” Enter SkillWorks (formerly The Boston Workforce Development Initiative), an innovative collaboration between local and national foundations, the City of Boston, and the Commonwealth of Massachusetts. SkillWorks is addressing an increasingly wide skill gap between unskilled and semi-skilled job seekers and workers and employers who need a skilled workforce. SkillWorks is a multi-year initiative helping low income individuals gain the skills they need to advance into family-supporting employment while at the same time helping businesses find skilled workers.



Foundation Support: Hands On Involvement And Clear Public Policy Goals

The funding collaborative capitalizes on the best practices and unique strengths of Boston’s workforce development system. The first phase of the program, which lasted from 2003 to 2008, started with a goal to raise \$15 million over five years from a wide coalition of funders, including The Boston Foundation, the City of Boston, the Commonwealth of Massachusetts, the Hyams Foundation, State Street Foundation, the Rockefeller Foundation, the Robert Wood Johnson Foundation, and the Annie E. Casey Foundation.¹⁴² This \$15 million was then designated to help more than 3,000 low-income workers get jobs paying a living wage. SkillWorks also worked with businesses and workforce development providers to improve the skills of Boston’s workers and to promote changes in public policy that would help low-income individuals find jobs that could sustain their families.¹⁴³ “No one had put together this kind of funder collaborative in workforce development before,”¹⁴⁴ said Leung. “The hands-on involvement of all the funding partners was critical to the initiative’s development.”¹⁴⁵

Success and Growth: New Funding, New Partnerships, New Goals

SkillWorks and their public policy partnership, the Workforce Solutions Group, have played a significant role in increasing the overall funding for workforce development in Boston and across the state, successfully making the case that funding worker training is critical for business growth and competitiveness. Their efforts have helped bring in an additional \$18 million for the state’s Workforce Competitiveness Trust Fund (WCTF). In addition, SkillWorks was also a critical to the development of the \$50 million National Fund for Workforce Solutions, a five year effort to place at least 50,000 Americans in career-oriented jobs and

139 (People Helping People)

140 (Simmons)

141 (Simmons)

142 (SkillWorks)

143 (SkillWorks)

144 (Leung)

145 (Leung)

help 1,000 employers recruit and train new employees, all based on the Boston model championed by SkillWorks.¹⁴⁶

“Our funders let policymakers know that businesses and private institutions have some skin in the game, and want to be partners in doing this work effectively,” Leung said. When asked how she sees the program changing and growing over the next five years, Leung pointed to SkillWorks’ unique approach, which blends the provision of services with public policy advocacy. “Involvement in public policy and systems change is how SkillWorks is bringing the lessons we’re learning to scale,” Leung said. “That’s where we think we can make the most difference in the long-term. It’s the combination of practice and policy, and giving one group of funders the opportunity to be involved in both discussions, that makes our initiative unique.”¹⁴⁷

Participating employers hired hundreds of workers, and also improved how they dealt with low-income adults, to the benefit of both employers and employees. One of the most important employer participants, Partners Health Care, began to fund their own training program based on the SkillWorks model, providing \$1 million a year.¹⁴⁸

An evaluation of SkillWorks first five years by Abt Associates noted a few challenges that still needed to be addressed. The percentage of workers that made progress toward a family sustaining job was lower than SkillWorks had originally projected, and it took a much longer time than initially anticipated for low-skilled individuals to complete the training they need to advance.¹⁴⁹ “We’ve been able to clarify SkillWorks’ goals after the first phase,” said Leung. In 2009, SkillWorks made the necessary adjustments, entering the second phase of the program. Phase II, planned to last from 2009 until 2013, will provide \$10 million to help improve connections between Massachusetts’ community colleges and other post-secondary institutions to the workforce development system. “We’re now focusing more intently on what’s necessary for career advancement, which in Massachusetts really requires some type of post-secondary credential or degree,” said Leung. “Our grantees in Phase II are all working toward that goal.”¹⁵⁰

Economic Impact: Hundreds in the Workforce With Good Paying Jobs

During the first five years, the program funded by SkillWorks trained almost 3,000 workers, the majority of whom had no post-secondary education. Twenty percent had no high school degree, and more than half spoke English as their second language. At the end of the first phase of the program, over 630 people had been placed in jobs, 60 percent of them in the health care industry. Approximately 200 participants had received promotions, and 120 individuals had completed college.¹⁵¹

Building Homes, Building Wealth: NeighborWorks Great Falls / Montana

The NeighborWorks programs in Montana helps people take one of the most important steps on the path out of poverty—purchasing your first home. With research showing that families who own their own homes are more stable and more financially secure than families who rent, the importance of building this lifetime asset goes far beyond four walls. NeighborWorks Great Falls (NWGF) is dedicated to rebuilding the historic neighborhoods in Great Falls and giving hard-working families the chance at home-ownership. NWGF fosters partnerships between residents, financial institutions, the private sector and the government.” NW Great Falls runs a construction program that builds or renovates approximately 10 houses a year. Last year, an increase in Federal funding made it possible for them to build and renovate 21 homes, something that supported 42 construction jobs. NW Great Falls also sponsors a mutual self-help program, which helps families build their own homes. “Everyone in the program works on everyone else’s house,” Rice said, “and no one moves in to their home until all the homes are completed.” Last year, they completed 10 homes through the self-help program.¹⁵²

146 (Minzer, Glen and Vaughn)

147 (Leung)

148 (The Boston Globe)

149 (Minzer, Glen and Vaughn)

150 (Leung)

151 (Minzer, Glen and Vaughn)

152 (Rice)

NeighborWorks Montana (NW Montana) was founded in 1997 as a project of Neighborhood Housing Services of Great Falls. The statewide program started with one partner, the North Central Rural Conservation and Development Office, serving 10 counties. Today, NW Montana has 27 partners across the state providing homebuyer education, homeownership planning, credit repair, rental counseling, and financial fitness classes. The program also offers foreclosure prevention assistance, reverse mortgage counseling for seniors, and loans for down payments and closing costs.¹⁵³

NW Montana also runs a revolving loan fund, which consists of a mix of Federal and city funds, helping program enrollees buy their homes. “Basically, we’re helping people get into their homes,” said Executive Director Shelia Rice. “They’re responsible for their payments on their first mortgage, but their second mortgage is deferred at no interest, and when they sell the house, we get a share of the equity they’ve built up, plus the original principal.”¹⁵⁴ Furthermore, the program offers amortizing mortgages, a product designed for families who are caught in high rent markets and cannot save for a down payment. The loan program has a default rate of just over 1 percent.¹⁵⁵ NW Montana also runs a loan pool, as a Federal Community Development Financial Institution (CDFI) used to finance rental projects. Individuals can use the funds for acquisition, pre-development, or long-term cost. To date, the program has developed 213 units, supporting approximately 200 jobs over the past two years.¹⁵⁶

Foundation Support: Leveraging Foundation Dollars for Additional Support

Both NW Great Falls and NW Montana have operating budgets of approximately \$1 million, without including their construction budget, lending funds, and Federal match dollars, and both programs receive approximately \$50,000 to \$100,000 from foundations each year.¹⁵⁷

Support from foundation partners is critical, Rice says. NW Montana just received \$225,000 from the Paul G. Allen Family Foundation, and \$100,000 from the Northwest Area Foundation that they will put towards the Federal matching requirement for Individual Development Accounts (IDAs). IDAs are matched savings accounts that help people purchase lifetime assets, like homes.

“That’s the magic of foundation funding. We can use it for match dollars, and that automatically increases the value of the donation,” said Rice. “The [O.P and W.E.] Edwards Foundation just gave us a grant that we will put towards match funds—and in addition to that, we’re going to use it to leverage other private funds. By the time we’re done, we will have increased the value of that dollar four times over.”¹⁵⁸

Success and Growth:

Serving Families Statewide, Putting Thousands In New Homes

The program serves families all over the state: in 2009, NW Montana served families in 53 out of 56 of the state’s counties. Rice, who joined the program in 2003, wanted to make homebuyer education and homeownership planning services available to every family in the state. Her goal was to ensure every family could access the services within a month of requesting them and find a service provider within an hour’s drive.¹⁵⁹ NW Montana achieved that goal in 2008.

In 2009 alone NW Montana provided 1,890 families with financial counseling and assisted 220 families in purchasing their homes, either through counseling or financial assistance with a down payment, closing costs, or financing.¹⁶⁰

Economic Impact: Helping Families Build Wealth For the First Time

Although the NeighborWorks programs in Montana have supported hundreds of construction jobs over the years, the real economic benefits come from the long-term results of helping Montanans purchase their first home and begin building wealth. Families who are homeowners will have assets 12 times greater than

153 (NeighborWorks)

154 (Rice)

155 (NeighborWorks)

156 (Rice)

157 (Guidestar)

158 (Rice)

159 (Dangler and Gass)

160 (NeighborWorks)

a family who rents a home, and research demonstrates that their children are more likely to graduate from high school, less likely to rely on public assistance programs, and experience fewer behavioral problems than children in families who rent.¹⁶¹

Safer, More Productive Communities: Summer Night Lights

The Summer Night Lights program was an unexpected success in areas of Los Angeles that were not accustomed to good news. In Los Angeles, there are 12 neighborhoods where rates of violent gang-related crime are at least 400 percent higher than the city's average: 77th II, Baldwin Village / Southwest, Boyle Heights / Hollenbeck, Cypress Park / Northeast, Florence-Graham / 77th Division, Newton, Pacoima / Foothill, Panorama City / Mission, Ramona Gardens / Hollenbeck, Rampart, Southwest II, and Watts / Southeast.¹⁶² In 2007, Mayor Antonio Villaraigosa established the Office of Gang Reduction and Youth Development (GRYD) in an effort to reduce the rates of gang violence in these areas. Each GRYD area faced serious socioeconomic challenges, with unemployment rates as high as 30 percent and poverty rates as high as 40 percent.¹⁶³

A review of the targeted areas identified the need for readily accessible public space for families with children and teenagers. In an effort to lower housing costs, neighborhood residents shared apartments and bedrooms with their extended family, making it extremely difficult for teenagers to find privacy. One evaluation reported that "School personnel and service providers conveyed the frustrations expressed by youth that stem from the lack of privacy at home and the stress associated with living spaces occupied by multiple individuals...[Because there is no place else to go] many young people resort to hanging out in front of their apartment buildings and in the streets, increasing their exposure to drugs and negative peer networks."¹⁶⁴ Local parks were not only in disrepair, they were dangerous, with the initial GRYD evaluations indicating that criminal activity was particularly entrenched around the parks in their neighborhoods.¹⁶⁵

The Los Angeles Summer Night Lights program was launched as part of the GRYD program in 2008 in eight parks citywide—Hubert Humphrey Park in Foothill, Jim Gilliam Park in Southwest, Ramon Garcia Park and Ramona Gardens in Hollenbeck division, Cypress and Glassell parks in Northeast division, Mount Carmel Park in 77th Division and Ross Snyder Park in Newton Division.

The program provides sports activities, sets up dances, shows movies, and hosts marble tournaments in eight parks in areas with high rates of gang-related violence. It runs for two months every summer, during which park hours were extended to midnight Wednesday through Saturdays, and hosts hundreds of local residents. From the beginning of the program, there was an increased police presence at parks participating in the programs, and intervention workers negotiated ceasefires, so that gang members could attend events even if the park was in a rival gang's territory.¹⁶⁶ "When you walk into the park during an SNL night," GRYD Deputy Mayor Guillermo Cespedes says, "Everyone is having a great time, eating, taking part in a recreation activity... engaging in peace."¹⁶⁷

Foundation Support: A True Public Private Partnership

The program began with a budget of \$1 million in private donations, including funding from the Weingart Foundation, secured by Reverend Jeff Carr and GRYD Deputy Mayor Guillermo Cespedes. Fred Ali [from the Weingart Foundation] and his board recognized the power of this initiative early on, said Los Angeles Deputy Mayor for Strategic Partnerships Aileen Adams. He saw the transformative change that it could bring and was instrumental in gathering other philanthropic leaders to help us build the program. Currently, foundation funding supports 50 percent of the Summer Night Lights budget.¹⁶⁸ Both Adams and Summer Night Lights Program Director Alicia Avalos stated that the flexibility in foundation funding was critical to the program's success. "The foundation funds are flexible, and that makes a huge

161 (Habitat for Humanity, New York City)

162 (City of Los Angeles)

163 Review of GRYD Needs Assessments; <http://mayor.lacity.org/Issues/GangReduction/index.htm>

164 (Advancement Project)

165 Review of GRYD Needs Assessments; <http://mayor.lacity.org/Issues/GangReduction/index.htm>

166 (Uranga)

167 (Cespedes)

168 (Adams)

difference,” said Avalos. “This wouldn’t be possible without the support of the private sector.”¹⁶⁹ Los Angeles Mayor Antonio Villaraigosa agrees. “It is only through public/private partnerships that we are able to build effective violence reduction programs like Summer Night Lights. As providers and supporters of crucial services in our City, we are at our very best when philanthropy and government partner together as we have around this initiative.”¹⁷⁰

Success and Growth: Program Participation Grows, Crime Continues to Drop

At first, Summer Night Lights wasn’t intended to be a major component of the GRYD program. However, the first year of the program was so successful that GRYD dedicated more and more resources to the program.¹⁷¹ While the program was running in 2008, there was only one gang-related homicide in the areas surrounding those parks, compared with seven over the same period in 2007. Overall violent gang related crime in the areas surrounding the Summer Night Lights sites dropped 17 percent and aggravated assaults dropped 23 percent, a feat which city officials say helped led to the safest summer in Los Angeles since 1967.¹⁷²

In 2009, the city doubled the size of the program, providing services in 11 parks, four housing developments, and one school site. The budget nearly tripled, to \$2.8 million, and the city ramped up the staff time dedicated to it accordingly. The program, which received approximately half of its funding from the city in 2009, provided basketball and soccer tournaments, movie screenings, and workshops in dancing, acting, hip-hop, fashion, t-shirt printing, and music and makeup design. In addition to recreational activities, the program also began to offer mentoring programs, counseling programs, and meals. Summer Night Lights also hired a total of 160 young people to help staff the program.¹⁷³ Once again, crime rates around the parks tumbled.¹⁷⁴

The program added another eight sites in 2010, bringing the total budget to \$5.4 million (including \$2.1 million in private contributions) and the number of sites participating in the program to 24.¹⁷⁵ That summer, there were hundreds of thousands of program participants. As the program grows, were getting more efficient, said Adams. Last year, Summer Night Lights was budgeted at \$225,000 per park. In 2011 [when the program expands to 32 parks], it’s going to cost under \$200,000.

The program has been an extraordinary success, and has become an unexpected and significant time commitment for staff members. An external evaluation, by the Urban Institute and Harder + Company, reported that it was often difficult for staff to balance the time commitment required for Summer Night Lights with their other duties.¹⁷⁶ “It’s a strain,” said Adams. “But the quality of the Summer Night Lights program hasn’t suffered.” Avalos points out that the Summer Night Lights program is part of the city’s overall summer violence reduction strategy, which starts with a gun buy-back program that takes place in May during Mother’s Day weekend.¹⁷⁷

Economic Impact: Safer Streets and New Jobs For Teens

In 2010, the city hired 1,000 people, most of them youth, to help manage the activities at the parks, and credited the program with a 40 percent drop in serious gang related crime and a 57 percent drop in gang-related homicides in the areas surrounding the Summer Night Lights sites.¹⁷⁸ Teenage employees are given leadership training that includes instruction on how to run the program’s different activities, as well as a \$3,500 stipend for the summer, and are automatically put into a job bank run by the city that notifies them as jobs become available.¹⁷⁹

“Our Summer Night Lights employees are part of the city family,” said Avalos. “They go through an intensive training, to make sure they’re ready for the summer. And after the summer is over, we continue to reach out

169 (Avalos)

170 (Villaraigosa)

171 (Dunsworth, Hayeslip and Lyons)

172 (Villacorte)

173 (Villacorte)

174 (Pyke)

175 (Gold)

176 (Dunsworth, Hayeslip and Lyons)

177 (Avalos)

178 (City of Los Angeles)

179 (Avalos)

to them... We've hired 'Youth Squad' members as interns for our offices, and as part of the team working on the census last year."¹⁸⁰

Despite the challenges, the city is confident it can keep up the rapid rate of SNL's expansion, with the goal of expanding the program to 50 parks by the end of the Mayor's term in 2013—and a commensurate increase in the number of people hired to support the program. "In 2008, people told me that they didn't want Summer Night Lights in their community because they thought it was only going to bring gangsters and problems to the parks," said Avalos. "Now people are saying, 'We need this in our neighborhood.' It's for every member of the community. Everyone feels safe enough to come to the park."¹⁸¹

FOUNDATIONS ARE A RESOURCE FOR POLICY MAKERS AND INNOVATORS

As policymakers continue to address the economic crisis facing our country, they have an incredible resource in the form of foundations, both large and small. Foundations are a critical component of our economic engine and have experience addressing the knottiest problems facing our society. The eight programs highlighted in this report are just a few examples of how foundation funding is used to create jobs, lay the groundwork for financial security, and promote social change.

Researchers David Hammack and Helmut Anheier note that foundations consistently tackle problems of a scope that far outweighs the resources they bring to bear. The true value of foundation work, they argue, is that "foundations can help give credibility, value, and attention to particular ideas... foundations [can] bring people and institutions together, to encourage dialogue, to mediate, to seek consensus."¹⁸² In playing the dual roles of broker and gatekeeper, Hammack and Anheier argue, foundations shape American society.

Innovative approaches to these critical partnerships include the Cities of Service project, which includes over 100 cities and 49 million Americans, and whose funders include the Rockefeller Foundation and Bloomberg Philanthropies. It is currently the country's standard of excellence for service oriented public-private partnerships, with each city developing and implementing a high-impact service plan.¹⁸³ These cities have committed to "accelerate the service movement at the most local level, connecting local needs to the supply of willing volunteers in innovative and impactful new ways, thus creating a new chapter in America's longstanding history with service."¹⁸⁴

Over the years, foundations have proven to be indispensable laboratories of innovation that have spurred flexible, creative responses to tough social problems—solutions that fill a social need, strengthen local economies, and maximize partnerships between nonprofits, the private sector, and city and state agencies. New, productive relationships with policymakers, based on the three-legged stool of local government, nonprofits, and philanthropic organizations, along with continuing innovative approaches derived from independent action can amplify the benefits of foundation work nationwide and, contribute to jump-starting some of the jobs we need for our economic recovery.

180 (Avalos)

181 (Avalos)

182 (Anheier and Hammack)

183 (Cities of Service)

184 (Cities of Service)

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STATE BY STATE ECONOMIC STATISTICS

The following section highlights recent job and economic statistics for the nonprofit sector in selected states. The information was compiled from The Foundation Center and Johns Hopkins Nonprofit Economic Data Project from a series of reports analyzing diverse datasets on nonprofit organizations in the following states:

California	Michigan
Colorado	North Carolina
Connecticut	Ohio Nonprofit
Florida	Pennsylvania
Georgia	South Carolina
Illinois	Texas
Indiana	Virginia
Maine	West Virginia
Maryland	



California Nonprofit Employment:

- The nonprofit sector accounts for 1 out of every 17 workers—more than are employed by the state government or in the state’s construction industry.¹
- **The 889,614 nonprofit employees in California earned approximately \$28 billion in wages in 2000.**¹
- Nonprofit employment is not restricted to any one region of California; rather it is distributed broadly throughout the state.¹
- **California was the largest recipient of foundation grants in 2008, receiving \$3.6 billion from foundations.**¹¹

I Dewees, Sarah, Lester Salamon. California Nonprofit Employment. Nonprofit Economic Bulletin. Baltimore: Johns Hopkins University, 2001.

II “The Foundation Center’s Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008.” The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



Colorado Nonprofit Employment:

- The combination of the paid and full-time volunteer workforce makes Colorado’s nonprofit sector the third largest industry in the state in terms of employment.¹
- The workforce of Colorado nonprofits alone represents a significant 5.6 percent of the total Colorado workforce or 1 out of every 18 workers, more than the state’s banking and insurance industry.¹
- Colorado’s charitable nonprofit sector generated \$13.1 billion in revenues, and spent over \$4.2 billion in wages and compensation. Moreover, throughout the \$4.2 billion in wages and compensation paid, Colorado’s nonprofits generated at least \$240 million of sales in income tax revenues for Colorado governments.¹
- The nonprofit sector accounts for more than five percent of the state’s gross state product.¹
- Between 1992 and 2005, Colorado nonprofit expenditures grew by 60 percent after adjusting to inflation. **In that time period, nonprofit employment grew by 39 percent, adding over 34,600 jobs to the state’s total.** This was nearly twice the 22 percent employment growth rate achieved by the for-profit sector during this period.¹
- **In 2008, foundations made \$408 million worth of grants in the state of Colorado.**¹¹

I The Colorado Generosity Project. Return on Investment: The Economic Impact of the Nonprofit Sector in Colorado. Johns Hopkins University, Corona Research, Inc., the Colorado Nonprofit Association, 2008.

II “The Foundation Center’s Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008.” The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



Connecticut Nonprofit Employment:

- The nonprofit sector accounts for nearly 1 out of every 10 workers—more than are employed by the state government or in the state’s entire construction industry.¹
- **The 156,880 nonprofit employees in Connecticut earned over \$5 billion in wages in 2000.**¹
- Nonprofit employment is not restricted to any one region of Connecticut; rather, it is distributed broadly throughout the state.¹
- **In 2008, foundations made \$233 million worth of grants in the state of Connecticut.**^{II}

I Dewees, Sarah, Lester M. Salamon. Connecticut Nonprofit Employment. Nonprofit Employment Bulletin. Baltimore: Johns Hopkins University, 2002.

II “The Foundation Center’s Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008.” The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



Florida Nonprofit Employment:

- **With nearly \$630,000 workers, Florida’s nonprofit sector is the fourth largest employer in the state.**¹
- Generating \$48.1 billion in revenues, expending over \$44.5 billion, and holding nearly \$76.2 billion in total assets in 2005, the Florida nonprofit sector has a substantial financial footprint.¹
- Between 2002 and 2005, nonprofit employment in Florida grew twice as fast as the state’s public sector employment and nearly as fast as for-profit employment.¹
- Nonprofit expenditures grew by 97 percent adjusting for inflation between 1992 and 2005. This rate exceeded the growth in U.S. nonprofit expenditures (70 percent) and the growth in U.S. gross domestic product (GDP).¹
- **In 2008, foundations made \$362 million worth of grants in the state of Florida.**^{II}

I Salamon, Lester, Stephanie Lessans Geller, S. Wojciech Sokolowski. Florida’s Nonprofit Sector: An Economic Force. Nonprofit Economic Bulletin. Baltimore: Johns Hopkins University, 2008.

II “The Foundation Center’s Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008.” The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



Georgia Nonprofit Employment:

- The nonprofit sector accounts for nearly 1 out of every 20 workers, more than six times as many people as the state’s paper and allied products industry.¹
- Nonprofit employment in Georgia is not restricted to one region. Nonprofit employment accounts for an even larger share of total employment in some areas outside of Atlanta—such as southeastern and southwestern regions of the state.¹
- **Georgia was the ninth largest recipient of foundation grants in 2008, receiving \$657 million from foundations.**^{II}

I Salamon, Lester, Stephanie Lessans Geller, S. Wojciech Sokolowski. Georgia Nonprofit Employment. Nonprofit Employment Bulletin. Baltimore: Johns Hopkins University, 2004.

II “The Foundation Center’s Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008.” The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



Illinois Nonprofit Employment:

- The charitable nonprofit sector accounts for 1 out of every 13 workers.^I
- **The 441,814 charitable nonprofit employees in Illinois earned over \$15.8 billion in wages in 2003, or over 6 percent of the state's total.**^I
- The nonprofit sector account for a higher share of Illinois' total private employment in rural areas than in urbanized ones.^I
- Nonprofit job growth is not confined to a few areas of Illinois. Rather, in most regions of the state, nonprofits added jobs at a rate significantly above that of the for-profit sector.^I
- **Illinois was the tenth largest recipient of foundation grants in 2008, receiving \$639 million from foundations.**^{II}

I Salamon, Lester, Stephanie Lessans Geller, S. Wojciech Sokolowski. Illinois Nonprofit Employment: An Update. Nonprofit Employment Bulletin. Baltimore: Johns Hopkins University, 2005.

II "The Foundation Center's Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008." The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



Indiana Nonprofit Employment:

- The nonprofit sector accounts for 1 out of every 12 workers—more than are employed in the state's construction industry.^I
- **The 228,000 nonprofit employees in Indiana earned about \$6.6 billion in wages in 2003.**^I
- Nonprofit employment is not restricted to any one region of Indiana, but is distributed broadly throughout the state.^I
- Overall wages for nonprofit employees in Indiana increased faster than those employees in for-profit or government organizations.^I
- **In 2008, foundations made \$438 million worth of grants in the state of Indiana.**^{II}

I Gronbjerg, Kirsten, Erich T. Eschmann. Indiana Nonprofit Employment, 2005 Report. Indiana University School of Public and Environmental Affairs, 2005.

II "The Foundation Center's Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008." The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



Maine Nonprofit Employment:

- **Nonprofit employment in Maine continued to grow in 2008, increasing by nearly 2 percent between the fourth quarter of 2007 and the fourth quarter of 2008. By contrast, for-profit employment in Maine decreased by 3.3 percent during the same period.^I**
- As a result of continued growth, Maine's nonprofit workforce grew to \$82,823 jobs by the end of 2008. This represented 13.9 percent of all jobs in Maine or about **1 out of every 7 jobs.**^I
- The nonprofit industry is **the second largest industry in the state** in terms of employment, behind only retail. Maine's nonprofits employ nearly 15 times as many workers as the state's agriculture industry.^I
- **The nonprofit sector generated over \$3.1 billion in wages in 2008 or more than 14 percent of the state's total payroll.**^I
- Between 2000 and 2008, nonprofit employment in Maine grew by 26 percent. In contrast, the for-profit sector experienced a 5 percent decline in total workers over the same period.^I
- **In 2008, foundations made \$79 million worth of grants in the state of Maine.**^{II}

I Salamon, Lester, Stephanie Lessans Geller, Kasey L. Mengel, S. Wojciech Sokolowski. Maine Nonprofit Employment Update. Baltimore: Johns Hopkins University, 2010.

II "The Foundation Center's Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008." The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



Maryland Nonprofit Employment:

- **Nonprofit employment in Maryland continued to grow in 2008, increasing by 2.7 percent between the fourth quarter of 2007 and the fourth quarter of 2008.^I**
- Nonprofit employment accounted for all of the state's private employment growth between 2007 and 2008.^I
- Maryland's nonprofit workforce grew to 256,618 jobs in Maryland or about 1 out of every 10 jobs and about 12.5 percent of total private employment in the state.^I
- The nonprofit sector is **the second largest industry in the state in terms of employment**, behind only retail trade. Maryland's nonprofits employ more than five times as many workers as the state's information industry, including telecommunications and information services.^I
- **In 2008, foundations made \$572 million worth of grants in the state of Maryland.**^{II}

I Salamon, Lester, Stephanie Lessans Geller. Nonprofits and Recessions: New Data from Maryland. Nonprofit Employment Bulletin. Baltimore: Johns Hopkins University, 2010.

II "The Foundation Center's Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008." The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



Michigan's Nonprofit Employment:

- **The 347,537 nonprofit employees in Michigan earned nearly \$14.5 billion in wages in 2009, which translated into an estimated \$90 million of personal income tax revenues for Michigan's state and local governments.¹**
- The nonprofit sector accounts for a significant share of total private employment in both urban and rural areas of the state.¹
- Between the end of the previous recession in 2001, and the peak prior to the recession in 2007, nonprofit employment grew by 17.4 percent.¹
- Nonprofit employment in Michigan has continued to grow by an average of 1.3 percent per year between the second quarters of 2007 and 2009.¹
- Michigan's nonprofit employment increased as a share of private employment from 8 percent in 2001 to 12 percent in 2009.¹
- **In 2008, foundations made \$564 million worth of grants in the state of Michigan.¹¹**

I Salamon, Lester, Stephanie Lessans Geller, S. Wojciech Sokolowski. Michigan Nonprofit Employment. Nonprofit Employment Bulletin. Baltimore: Johns Hopkins University, 2010.

II "The Foundation Center's Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008." The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



North Carolina's Nonprofit Employment

- The charitable nonprofit sector accounts for nearly 1 out of every 18 workers in North Carolina.¹
- **The 212,814 charitable nonprofit employees in North Carolina earned over \$6.6 billion in wages in 2003, or nearly 6 percent of the state's total.¹**
- The nonprofit sector accounts for its largest share of total private employment in Western North Carolina, where it averages 9 percent.¹
- **Over the past eight years, nonprofit employment grew by 35 percent**—six times the growth rate achieved by the for-profit sector. Moreover, during the recent economic downturn, for-profit jobs declined while nonprofit jobs continue their upward trend.¹
- **North Carolina was the eighth largest recipient of foundation grants in 2008, receiving \$683 million from foundations.¹¹**

I Salamon, Lester, Stephanie Lessans Geller, S. Wojciech Sokolowski. North Carolina Nonprofit Employment. Nonprofit Employment Bulletin. Baltimore: Johns Hopkins University 2005.

II "The Foundation Center's Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008." The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



Ohio Nonprofit Employment:

- The nonprofit sector accounts for **1 out of every 12 workers**—more than three times as many people as are employed by state government and more people than are employed in many major industries.^I
- Nonprofit organizations account for over 11 percent of private employment.^I
- **In 2008, foundations made \$450 million worth of grants in the state of Ohio.**^{II}

I Salamon, Lester, Stephanie Lessans Geller, S. Wojciech Sokolowski. Ohio Nonprofit Employment. Nonprofit Employment Bulletin. Baltimore: Johns Hopkins University, 2004.

II “The Foundation Center’s Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008.” The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



Pennsylvania Nonprofit Employment:

- The nonprofit sector in Pennsylvania accounts for 1 out of every 9 workers—close to twice as many workers as the states metal, machine manufacturing and steel industry.^I
- **In the city of Philadelphia, nonprofits account for a striking 27 percent of all private employment.**^I
- The 634,098 nonprofit employees in Pennsylvania earned over \$21.1 billion in wages in 2003, or nearly 11 percent of the state’s total.^I
- The nonprofit sector accounts for almost as large a share of Pennsylvania’s total private employment in rural areas as it does in urbanized ones.^I
- **Over the past eight years, nonprofit employment grew by 25 percent—more than three times the 7 percent growth rate achieved by the for-profit sector.**^I
- **In 2008, foundations made \$293 million worth of grants in the state of Pennsylvania.**^{II}

I Salamon, Lester, Stephanie Lessans Geller and S. Wojciech Sokolowski. Pennsylvania Nonprofit Employment. Nonprofit Economic Bulletin. Baltimore: Johns Hopkins University, 2010.

II “The Foundation Center’s Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008.” The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



South Carolina Nonprofit Employment:

- The nonprofit sector accounts for 1 out of every 25 workers—more than twice as many as are employed by the federal government in the state and 10 percent more than the employment in the textile manufacturing industry.^I
- The nonprofit sector employment represented 4.1 percent of South Carolina’s workforce in 2000.^I
- **The 76,174 nonprofit employees in South Carolina earned approximately \$2 billion in wages in 2000.**^I
- **In 2008 foundations made \$138 million worth of grants in the state of South Carolina.**^{II}

- I Dewees, Sarah, Lester Salamon. South Carolina Nonprofit Employment. Nonprofit Employment Bulletin. Baltimore: Johns Hopkins University, 2001.
- II “The Foundation Center’s Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008.” The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



Texas Nonprofit Employment:

- **The nonprofit sector employs more than eight times as many workers as the state’s utilities industry and nearly five times as many workers as the state’s oil and gas extraction industry.**^I
- **The 403,196 nonprofit employees in Texas earned nearly \$16.8 billion wages in 2008, which translates to roughly \$1.6 billion in state and local tax revenues.**^I
- The nonprofit sector accounts for a significant share of total private employment in both urban and rural areas of the state.^I
- Despite the ongoing recession, nonprofit employment in Texas grew by 3.1 percent between 2007 and 2008, adding over 12,022 jobs to the state’s total workforce.^I
- **Texas was the fifth largest recipient of foundation grants in 2008, receiving \$1 billion from foundations.**^{II}

- I Salamon, Lester, Stephanie Lessans Geller. Texas Nonprofit Employment Update. Nonprofit Economic Data. Baltimore: Johns Hopkins University, 2010.
- II “The Foundation Center’s Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008.” The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



Virginia Nonprofit Employment:

- **With nearly 350,000 workers, Virginia's nonprofit sector is the second largest employer among Virginia's industries.^I**
- Generating \$30.7 billion in revenues, expending over \$27.4 billion, and holding over \$66.7 billion in total assets in 2005, Virginia's nonprofit sector has a substantial footprint.^I
- Virginia nonprofit expenditures grew by 32 percent after adjusting for inflation between 1998 and 2005. This rate exceeded the growth in U.S. nonprofit expenditures (23 percent) and the growth in U.S. gross domestic product (GDP) (21 percent).^I
- Between 1995 and 2005 **nonprofit employment in Virginia grew nearly three times faster than public employment and nearly twice as fast as for-profit employment.^I**
- **Virginia was the seventh largest recipient of foundation grants in 2008, receiving \$696 million from foundations.^{II}**

I Salamon, Lester, Stephanie Lessans Geller, S. Wojciech Sokolowski. Virginia's Nonprofit Sector: An Economic Force. Baltimore: Johns Hopkins University, 2008.

II "The Foundation Center's Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008." The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.



West Virginia Nonprofit Employment:

- **The nonprofit sector accounts for 1 out of every 12 workers—nearly two and a half times more than the state's entire mining industry.^I**
- Nonprofit employment is not restricted to any one region of West Virginia and is distributed broadly throughout the state. Even in rural regions of the Eastern Panhandle and the state's southeast corner, nonprofit organizations account for a substantial five percent of total employment.^I
- Nonprofit wages are on par with or higher than those of for-profits in the industries where both sectors are active.^I
- **In 2008, foundations made \$55 million worth of grants in the state of West Virginia.^{II}**

I Dewees, Sarah, Lester Salamon. West Virginia Nonprofit Employment. Nonprofit Employment Bulletin. Baltimore: Johns Hopkins University, 2001.

II "The Foundation Center's Statistical Information Service: Foundation Giving Per Capita and as Share of Gross State Product, 2008." The Foundation Center. 17 February 2011. <http://foundationcenter.org/findfunders/statistics/pdf/01_found_fin_data/2008/03_08.pdf>.

Foundation Giving by State

State	Amount in Thousands	Rank	Amount Per Capita	Rank
Alabama	173,265	35	37	36
Alaska	29,698	50	43	41
Arizona	257,239	30	40	44
Arkansas	371,983	28	130	20
California	6,611,328	2	180	12
Colorado	578,865	22	117	22
Connecticut	810,353	19	231	7
Delaware	971,458	14	1,113	1
District of Columbia	430,087	25	727	2
Florida	1,341,831	11	73	33
Georgia	816,791	17	84	29
Hawaii	96,474	41	75	31
Idaho	80,568	44	53	39
Illinois	2,109,774	6	164	15
Indiana	1,073,335	13	168	14
Iowa	223,955	31	75	32
Kansas	174,418	34	62	35
Kentucky	120,909	39	28	51
Louisiana	176,679	33	40	43
Maine	133,877	38	102	26
Maryland	879,531	16	156	16
Massachusetts	1,436,493	10	221	8
Michigan	1,463,273	9	146	18
Minnesota	954,364	15	183	10
Mississippi	103,580	40	35	48
Missouri	812,311	18	137	19
Montana	37,516	47	39	45
Nebraska	654,393	20	367	5
Nevada	385,787	27	148	17
New Hampshire	74,218	45	56	37
New Jersey	2,506,698	4	289	6
New Mexico	84,727	43	43	42
New York	7,358,900	1	378	4
North Carolina	1,673,744	7	181	11
North Dakota	19,627	51	31	50
Ohio	1,326,184	12	115	23
Oklahoma	395,577	26	109	24
Oregon	350,102	29	92	28
Pennsylvania	1,485,594	8	119	21
Rhode Island	193,609	32	184	9
South Carolina	140,518	37	31	49
South Dakota	37,450	48	47	40
Tennessee	465,936	24	75	30
Texas	2,465,093	5	101	27
Utah	149,720	36	55	38
Vermont	36,983	49	60	36
Virginia	553,477	23	71	34
Washington	3,375,257	3	515	3
West Virginia	66,427	46	37	47
Wisconsin	606,700	21	108	25
Wyoming	95,147	42	179	13

Source: The Foundation Center, 2010. Due to rounding, figures may not add up. Based on all grants of \$10,000 or more awarded by a national sample of 1,490 larger U.S. foundations (including 800 of the 1,000 largest ranked by total giving). For community foundations, only discretionary grants are included. Grants to individuals are not included in the file.



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