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**The New Rules of the
Game for Upskilling
Workers**



Case Studies

CareerEdge Funders Collaborative in Bradenton, FL

In the wake of the 2009 recession, the Manatee-Sarasota region of Florida was suffering from an unemployment rate of nearly 13 percent. The region of just over 300,000 people was reeling from the effects of the economic recession, and existing workforce development efforts struggled to keep pace with the scope of the economic downturn. Searching for solutions, community leaders learned of a new collaborative workforce model being promoted by the National Fund for Workforce Solutions (NFWS), a collective of companies, communities and philanthropies working to implement demand driven workforce solutions. The new model, which viewed job seekers, employees, and employers as customers, focused on both supply and demand components of workforce development. NFWS was looking for communities to invest seed funding in that were willing to implement, test, and refine this innovative, dual-focused approach.

Funding is the Impetus for Action

In 2010, the Bradenton Central Community Revitalization Agency (CCRA) and the Gulf Coast Community Foundation applied for and received \$450,000 in seed money from NFWS to develop and implement a workforce collaborative in its region. The region had an advantage in that it was a “Knight City”—one of 26 communities where brothers John S. and James L. Knight owned newspapers, and therefore a permanent beneficiary of the Knight Foundation’s philanthropy. The Knight Foundation had been a supporter of NFWS’s new initiative, and once seed funding was awarded, the Foundation approached local leaders and volunteered to invest an additional \$1 million toward the workforce collaborative if a commitment from community institutions could be secured.

The CCRA agreed and contributed \$200,000 toward the effort, followed shortly thereafter by another \$200,000 pledged by the Bradenton Downtown Development Authority. With these funds in place, the Knight Foundation became additional contributors to the local effort. Seeing this well-capitalized, community-wide effort, the Gulf Coast Community Foundation and Bank of America also agreed to become initial funders. In 2010, with just under \$2 million raised, the Manatee-Sarasota Workforce Funders Collaborative was launched.

CareerEdge is Launched

The Manatee-Sarasota Workforce Funders Collaborative, today known as CareerEdge Funders Collaborative, or CareerEdge, began by focusing on achieving two tangible goals: helping low-skill/low-wage workers advance into higher-skill/higher-wage careers, and providing employers with the workers needed to grow their businesses. Different from publicly funded workforce boards, which are mandated to spend resources mainly assisting job-seekers, CareerEdge’s resources of private, unrestricted capital afford it the ability to work directly with employers. Far from replacing the local workforce board, CareerEdge works closely with it to serve the needs of employers that the workforce board could not.

The workforce challenges faced by the Manatee-Sarasota region predominantly affected adult workers. Consequently, CareerEdge developed a program to mutually benefit adult workers and employers alike. In the aftermath of the recession, which caused significant layoffs in the construction and manufacturing industries, CareerEdge decided to focus its efforts on the

healthcare industry as it remained one of the few growing local business sectors. At the outset, CareerEdge partnered with area hospitals to develop a creative way to overcome the existing nursing shortage.

In an attempt to upskill existing lower-wage, entry level hospital employees, CareerEdge awarded hospitals grants to incentivize them to invest in their workforces. Hospitals embraced the opportunity to leverage their resources with CareerEdge grant funding, and as part of their eligibility requirement, began developing and offering English and GED classes to lower-wage employees. This effort afforded well-performing, entry-level hospital employees the opportunity to advance their careers in nursing, while simultaneously freeing up their previous positions for new entrants into the workforce.

The funding hospitals received from CareerEdge was awarded conditionally, requiring adherence to prescribed metrics that were measured by Capital Analytics, a third party evaluator. These metrics included:

- Return on investment
- Wage increases
- Degrees completed
- Retention levels
- Promotions earned
- Turnover rate of trained employees versus non-trained employees.

Initially skeptical about how grant recipients would react to the stringent reporting requirements, CareerEdge Executive Director Mireya Eavey explains, “I found that employers receiving grant awards had no complaints about the reporting requirements,” she said, “because they found value in measuring the return on investment from the matching funds they contributed to the program, as well. Because CareerEdge and grant recipients both have skin in the game, the reporting requirements offered valuable information to all parties.”

Economic Development Organizations Benefit

CareerEdge’s success has been attributable in part to relationships with regional economic development organizations. Although not funders of CareerEdge, local EDOs have worked in partnership with the organization since its beginning in 2009. For example, in 2012, the Economic Development Corporation of Sarasota connected CareerEdge with area employers who requested that a manufacturing skills gap analysis be conducted for the region. The results of the study indicated that the region was expected to have a deficit of 2,500 skilled manufacturing jobs by 2016. CareerEdge addressed this shortfall by issuing requests for proposals to regional manufacturers for grant funding allocations in support of workforce training efforts. Far from a hand-out, CareerEdge required manufacturers to articulate their funding needs, as well as their own financial commitment to the cause. To date, 68 percent of the funding awarded to worker training programs has come directly from the financial commitments of local employers.

Upon receiving the findings of the 2012 manufacturing skills gap analysis, CareerEdge also saw the need to meet with and persuade the Sarasota County Technical College to develop training classes to equip machinists and welders with high-tech knowledge. With

CareerEdge serving as a facilitator, these new classes were developed in collaboration with local employers, who provided industry-specific insight to school administrators.

Once in effect, the results of these classes showcased how a proactive, demand-driven approach to workforce development benefitted both local employers and workers. From 2011-2014, the number of individuals participating in career training increased over 80 percent. This eased labor-shortage concerns while also expanding employment by opening up entry-level positions to new workforce entrants. Since August 2013 CareerEdge has provided over \$320,000 in manufacturing grants to seven regional manufacturers, thus preventing the predicted workforce skills deficit. In fact, according to Eavey, “Due to CareerEdge’s targeted interventions, employers have reported a noticeable increase in employee retention and promotion potential.”

Investment and Results

CareerEdge’s success is attributable to its broad network of community support. To date, a dozen private and three public entities have contributed over \$5.4 million to fund its operations. They include:

- Bank of America
- Charles and Margery Barancik Foundation
- Gulf Coast Community Foundation
- John S. and James L. Knight Foundation
- Jane’s Trust
- Jobs for the Future
- JP Morgan Chase & Co.
- National Fund for Workforce Solutions
- Microsoft
- United Way Suncoast
- The William H. Donner Foundation, Inc.
- Scheidel Foundation

These funds are leveraged by over \$3 million in investment from private sector grant matches that fund workforce training programs. Proving that its financial model is stable, CareerEdge now receives 95 percent of its funding from private sources. This, coupled with the diversity of revenue streams, helps to ensure CareerEdge will be sustainable for years to come.

The success of CareerEdge in retooling and retraining the Manatee-Sarasota workforce can be seen in data collected from the local workforce. To date, CareerEdge clients have received over 2,000 raises, average hourly pay increases of \$2.42, over 540 promotions, and \$15,200 in bonuses. Additionally, over 3,100 people have received training, 1,200 new jobs have been created, and over \$23 million in wage increases have been added to the local economy.