



The State of  
American Philanthropy

Giving for  
Workforce  
Development &  
Workers' Rights

# Table of Contents

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## ABOUT THE STATE OF AMERICAN PHILANTHROPY

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Executive Summary .....	1
Introduction .....	4
The Lay of the Land .....	6
Who's Giving .....	6
Who's Getting .....	8
Getting and Giving: A Deeper Dive. ....	12
The Big Issues & Beyond. ....	14
Funder Trends & Strategies. ....	16
Perspectives on Equity. ....	19
A Closer Look at Funder Types. ....	22
Private & Family Foundations. ....	22
Corporate Giving. ....	23
Community Foundations. ....	24
Major Donors. ....	25
Associations & Intermediaries .....	27
Fundraising Now. ....	30
An Analysis of Opportunities & Challenges. ....	33
Resources. ....	38

# EXECUTIVE SUMMARY

Improving the lives and livelihoods of U.S. workers is an interest that many philanthropic organizations share. But there are substantial philosophical differences at play in their starting points for thinking about jobs and prosperity, which affects how funders employ their resources.

The differences in foundational beliefs between two distinct areas of philanthropic support for better jobs – workforce development and workers’ rights funding—are not always clear-cut. Nonetheless, the distance between the two is a defining characteristic of a funding field that spans private foundations, community foundations, grantmaking intermediaries, individual donors and corporations. This brief discusses funding for both of those priorities and the places where they intersect. Key takeaways include:

## Who’s Giving

- There has always been substantial separation between the funding ecosystems for workforce and workers’ rights causes, though many funders support both. However, calls for more integrated and holistic funding are on the rise.
- Workforce development funding, which sits alongside substantial public resources allocated for training, adult education and related vocational education, comes from a range of sources: private foundations, corporations, community foundations, individual donors and more.
- Workers’ rights funding is a less crowded space, with liberal-leaning foundations both large and small providing the majority of support. Individual donors and corporations are much less prominent. Many community foundations are very active on workforce development in their regions.
- Several major funders like the Ford Foundation, the W.K. Kellogg Foundation and the James Irvine Foundation see workforce development and workers’ rights as complementary and fund both approaches.

## Who’s Getting

- Across both workforce and workers’ rights, local and regional programming tends to be funders’ focus –for services like job training or activities like ground-level organizing—but grantees receiving the most funds tend to be national organizations or networks engaged in local or regional work in a variety of places, or in support of local collaboratives and projects.
- Workers’ rights funding is mostly concentrated on a set of labor movement nonprofits including the National Domestic Workers Alliance (which took in \$60 million from 2014 through 2018), Restaurant Opportunities Centers United, the Jobs With Justice Education Fund and the National Day Laborer Organizing Network.
- Top workforce grantees like Jobs for the Future (which took in roughly \$100 million from 2014 through 2018), Third Sector New England and the National Skills Coalition often play consulting, capacity-building and networking roles to serve local nonprofits, federally funded workforce programs, employers and jobseekers themselves.

## The Big Issues & Funding Trends

- In workforce development, factors tied to the supply and demand dynamics of the labor market are an overarching consideration, though what was previously an almost singular focus on changing workers is beginning to evolve toward one in which employer practices and issues of job quality are considered.
- Workers' rights funders seek policy shifts as well as a rejuvenation and reimagining of labor organizing, toward the goal of changing power dynamics inherent in the prevailing economic and political order. Equity and intersectionality are crucial, since the low-wage workforce looks very different today than it did when union power was at its height.
- Since the post-2008 recession, many workforce funders have been placing more emphasis on how their money aligns with public funding via the Workforce Innovation and Opportunity Act (WIOA), and upon employer engagement, in addition to worker-centric approaches like skills training.
- COVID-era strategizing around essential work and workers has taken on prominence for workers' rights funders, as has a focus on racial justice, direct cash aid to essential workers and transnational work.

## Equity in the Sector

- Although both workforce and workers' rights organizations tend to serve groups facing equity barriers, there is continued need for funder attention to questions of systemic bias and the lived experiences of leadership.
- There is increasing interest in funding BIPOC-led workforce organizations, though much of the workforce infrastructure at large has yet to meaningfully interrogate its stance on equity.
- Given their progressive bent, workers' rights organizations and their funders have often taken more explicit stances on intersectionality and restorative justice.
- Many such funders are taking steps and providing resources to address broader systems of oppression, such as combating violence toward women and LGBTQIA people in the workplace.

## Fundraising Now

- Nonprofits that focus on workers' rights and workforce development saw contributions rise in 2020, often by healthy margins. That trend is continuing into 2021.
- In an era that increased public attention to racial injustice in job opportunities and worker rights in general, many nonprofits that focus on work issues are trying to figure out how they can sustain increased giving as the pandemic fades.

For funders interested in the world of work, this is a time of vast challenges, but also of significant opportunity. As crises like COVID-19 and the continuing struggle for racial justice coincide with skyrocketing economic inequality and faltering confidence in free-market capitalism, the biggest risk for funders may be failing to adapt.

For workforce development, scaling an unwieldy and parochial job training infrastructure is one challenge, as is the question of how to change or influence employer behavior—the demand side of the equation. For

workers' rights funders, maintaining and extending the political staying power of an emergent new labor movement (within 501(c)(3) bounds) is a paramount challenge. That includes finding new ways to resource key non-union nonprofit organizations and to deliver direct aid to low-wage workers and their families. In both arenas, empowering those previously unheard in labor debates is both a key challenge and opportunity.

# Introduction

Although work, employment and prosperity have been areas of interest for philanthropy since the beginning of time, the question of how best to bolster stable livelihoods and workers' rights is a matter of practical and political contention today. Funders differ on the means, and many differ on the ends. In the United States, that makes for a complex picture that is growing ever more varied as new programs emerge to counter the effects of crises like the post-2008 recession and COVID-19.

Despite all that, the fundamental challenge facing both workforce and workers' rights funders in the U.S. is relatively straightforward. That is, regardless of economic expansion or contraction, the current status quo leaves too many working Americans with too few opportunities, poor job security, inadequate protections and meager compensation that often does not amount to a living wage. According to the Bureau of Labor Statistics, about 38.1 million people, or 11.8% of the nation's population, lived below the official poverty level in 2018 (In 2018, the official poverty line for individuals was \$12,140 and for a family of four, \$25,100). Although the poor were primarily adults who had not participated in the labor force during the year and children, [7 million individuals were among the “working poor” in 2018.](#)

There are two generally predominant schools of thought in the funding world about how to confront those problems. The first, which tends to motivate much of the funding for the range of activities often labeled workforce development, centers the idea that there aren't enough “good jobs” that offer adequate pay and a stable livelihood, and where such opportunities do exist, employers often have a hard time filling them with

qualified candidates. In this worldview, factors like automation and globalization have rendered middle-class prospects inaccessible to large swaths of the population, and the solution is to provide job training so workers can move up the ladder.

Funders with this mindset tend to support efforts toward re-skilling or upskilling so that workers can qualify for “future of work” positions—jobs in health and home care, various tech specializations and the like. Corporate philanthropy plays an understandably important role in this space, often backing workforce initiatives in line with firms' employment needs. In addition, workforce development is often a local phenomenon, wherein community foundations and other regional funders operate alongside much larger allotments of government funding.

This “traditional” worldview around workforce issues does not inherently reject the notion that low-paying jobs should exist in society. Individual workforce funders may do so, but the overall thrust of workforce funding—both private and public—tackles employment issues through the lens of a supply-and-demand-driven market for talent, where some unlucky jobseekers will inevitably fall through the cracks.

The other school of thought, which underlies much of what this paper discusses as workers' rights funding, does not accept the premise that “bad jobs” are inevitable. In this worldview, dichotomies like “skilled/unskilled” (and, indeed, “middle-skill”) are arbitrary, since all employment calls on workers to bring a certain set of skills to the table, even if they are skills unconnected with formal education or credentialing.

For workers' rights funders, inadequate skills aren't the main reason that so many Americans are saddled with jobs that offer low pay and limited opportunities for advancement. Deeper issues of political economy and power play a larger part. Wealth and income inequality have been on the rise for decades, driven in part by policy norms that undermined workers' political power and drove wealth upward. For many of these funders, left-leaning foundations in particular, pursuing economic justice is the path forward.

Philanthropic funding has bankrolled a constellation of labor movement nonprofits that have galvanized worker organizing in recent years. Those groups, like the National Domestic Workers Alliance (NDWA), the National Employment Law Project (NELP) and Restaurant Opportunities Centers United, often advocate for populations that are underrepresented or simply excluded in the traditional labor union system, such as many women of color. This movement and advocacy ecosystem is still quite small, its growth hindered in part because, unlike unions, workers' rights nonprofits don't have revenue from formal dues and often rely on charitable contributions to fund their work.

As this brief explores in depth, the roles of philanthropic funders vary greatly on workforce development and workers' rights, with some backing one arena to the exclusion of the other, and with a few backing both. The role of public-sector resources is also a major distinguishing factor between workforce and workers' rights funding. Federal and state governments are usually the primary funders of local workforce development and training organizations, with some additional funding coming from private philanthropy, while workers' rights organizations are mostly privately funded.

Recent trends have professionals in both camps moving toward a more holistic funding vision, in which job quality and even labor organizing can coexist with training and retention initiatives. Nevertheless, the ideological divide between the skills training and worker power mindsets remains a difficult one to bridge.

# The Lay of the Land

## Who's Giving

There has long been a substantial degree of separation between the funding ecosystems for workers' rights and for workforce development. And while it makes less sense in the current climate to consider the two arenas in complete isolation, the pictures of who is giving in each are quite distinct. This bifurcation notwithstanding, there has been a recent uptick of interest in finding ways to fund both priorities, particularly within the context of "job quality" conversations that stress the need for job security, livable wages, safe working conditions and decent benefits.

Job creation (often involving employer-side strategies and policies), as well as workforce development, attract the largest amounts of philanthropic dollars over worker rights by a wide margin. According to data from Candid, total philanthropic funding for job creation and workforce development in the U.S. from 2014 through 2018 totaled approximately \$2.14 billion. That encompasses 10,913 grants from 2,201 grantmakers, which went out to a total of 3,006 recipients across the country.

Top grantmakers for that time period included both endowed foundations like the W.K. Kellogg Foundation, the Bill & Melinda Gates Foundation, the Lilly Endowment, the James Irvine Foundation and the Rockefeller Foundation, as well as corporate grantmakers like the JPMorgan Chase Foundation and the Walmart Foundation.

Helping to equip workers with the skills and education for better-paying jobs is a popular charitable exercise, and as those numbers show, the range of funders involved in this work is vast. For

## Top 10 Workforce Development & Workers' Rights Funders 2014 - 2018<sup>1</sup>

Grantmaker	Dollar Value of Grants Awarded
W.K. Kellogg Foundation	\$290.88M
JP Morgan Chase Foundation	\$243.88M
Lilly Endowment	\$219.10M
Ford Foundation	\$183.23M
Kresge Foundation	\$131.71M
James Irvine Foundation	\$119.22M
Gates Foundation	\$100.06M
Chicago Workforce Partnership	\$85.75M
WalMart Foundation	\$83.06M
Citi Foundation	\$10.74M

Source: Candid

many funders, workforce development objectives overlap with priorities around higher and vocational education, further expanding the number and diversity of grantmakers that can be said to fund in this space.

Overall, a good number of large, national private foundations include workforce development in their portfolios. So do major donors who made their wealth in business, some of whom express an affinity with efforts to "help people help themselves" in a capitalist economy. In the same vein, corporations play an enormous role in the workforce space, often aligning their philanthropy with skills development strategies and nonprofit programs that benefit their own employee pipelines.

In addition to national firms and funders, the workforce development giving space also encompasses thousands of local and regional



funding sources, including smaller donors and community foundations. These players often give toward bolstering the effectiveness of workforce initiatives in their own cities and communities, backing nonprofits working alongside local workforce development boards, worker centers and community development organizations.

**Top 5 Funding Priorities:  
Workforce Development & Workers'  
Rights 2014 - 2018 <sup>2</sup>**

Subject	Amount Funded
Job Creation & Workforce Development	\$2.14B
Job Training	\$1.47B
Entrepreneurship	\$1.23B
Organized Labor & Labor Rights	\$877.64M
Job Counseling	\$514.95M

Source: Candid

Public sector funding—whether from the federal government or states and localities—is integral to the workforce development field. Signed by President Barack Obama in July 2014, the Workforce Innovation and Opportunity Act (WIOA) was designed to improve upon the previous federal Workforce Investment Act of 1998. In addition to state-level funding sources, federal funding via WIOA supports local workforce development boards. To get a sense of the magnitude of federal spending next to philanthropy’s outlays, consider that in fiscal year 2020 alone, the Department of Labor’s discretionary budget stood at \$10.9 billion, with approximately \$3.2 billion funding the Employment and Training Administration (ETA), which oversees federally funded training and apprenticeship programs.

Even so, as a percentage of GDP, U.S. public spending on job training, hiring initiatives and related issues—including unemployment insurance—pales in comparison to that of other wealthy countries in the OECD. After reaching a high point of 1.2% of GDP in 2009, U.S. spending declined to roughly 0.25% of GDP in 2018. For comparison’s sake, France spent around 2.66% of GDP in 2018 and Canada spent 0.7% of GDP. State-level spending on workforce development did increase during the post-2008 expansion, but the overall numbers there are still quite low. Philanthropic support for workforce nonprofits often involves supplementing those public funds, filling gaps and backing more innovative or experimental approaches.

Workers’ rights and labor movement philanthropy, on the other hand, is a far less crowded space. Traditionally, philanthropy played only an incidental role in the world of organized labor, but that has changed with the rise of nonprofit workers’ rights advocacy groups. Many of those national and regional organizations are reliant on charitable funding and must fundraise in lieu of union dues. Only a few grantmakers—mostly established foundations—support these labor movement nonprofits on a regular basis. For the most part, organizing for workers’ rights is of little interest to billionaires and other big donors, and draws next to no money from the corporate world. There are some prominent exceptions to that fact, as well as a regular stream of non-transparent funding through DAF sponsors like Fidelity Charitable, Schwab, Tides and others.

According to Candid data, philanthropic funding for organized labor and workers’ rights in the U.S. from 2014 through 2018 amounted to \$877.64 million. The Ford Foundation has long been one of the lead foundations supporting workers’ rights and labor-movement funding, alongside other liberal mainstays like Kellogg, the Open Society Foundations and the Marguerite Casey Foundation.

Smaller progressive funders working both nationally and regionally often dedicate a portion of their grantmaking to workers' rights nonprofits. The James Irvine Foundation is an example of a major player on the regional level (California). A handful of giving vehicles associated with living donors, like the Omidyar Network and the NoVo Foundation, have also provided key support to workers' rights groups.

Though the list is not exhaustive, the following are some other funders that have supported labor and workers' rights, either now or in the recent past. Grantmakers include the Nathan Cummings Foundation, the MacArthur Foundation, the Charles Stewart Mott Foundation, the Joyce Foundation, the Marguerite Casey Foundation, the Bauman Foundation, the Robert Wood Johnson Foundation, the California Wellness Foundation, the JPB Foundation, the Libra Foundation, the General Service Foundation, the Heising-Simons Foundation and the Hill-Snowdon Foundation.

Note that the majority of foundation support for workers' rights advocacy comes in the form of grants to nonprofit organizations that often work toward similar movement objectives as unions, but are not unions themselves. Unions generally operate under the 501(c)(5) section of the tax code, and as a result are ineligible for grant support from 501(c)(3) funders. Similarly, a 501(c)(3) workers' rights organization like the National Domestic Workers Alliance is precluded from collecting

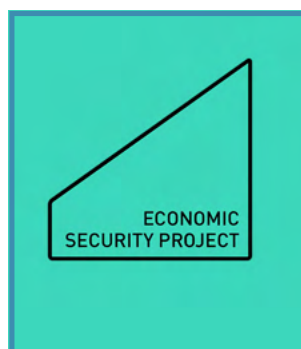
union dues—though there are efforts underway to explore other means of revenue diversification.

The two arenas aren't mutually exclusive. Some foundations backing workers' rights also fund workforce initiatives—major examples being places like Ford, Kellogg and Irvine—and overtures to more conciliatory versions of worker organizing aren't unheard of among funders in the world of work. Rob Hope, a senior initiative officer at the San Francisco Foundation and director of ReWork the Bay, referred to a “growing recognition that this notion of a skills gap is not the right way to think about economic mobility,” and that “people are looking at what other levers they can pull.”

## Who's Getting

The majority of philanthropic money for both workforce development and workers' rights flows to nonprofit programming on the local or regional level. State and federal advocacy is an important component of this funding area, but for the most part, even major national workforce nonprofits—like Jobs for the Future—and workers' rights groups—like the National Domestic Workers Alliance—shape much of their work around ground-level impact or movement building.

Broadly speaking, the nonprofits receiving workforce development money tend either to focus their efforts on a particular geographic locale, around specific industries or skill sets, or around



*“The United States has some of the lowest levels of social and economic mobility. Your zip code where you're born is one of the most important determinants in your long-term earning potential which directly contradicts that anyone can make it and anyone can get to the top. If we really are going to tackle poverty and economics here in this country, we need to change our policies on this.”*

—Taylor Jo Isenberg, executive director, Economic Security Project

particular communities. Workforce development boards and American Jobs Centers—which get most of their funding from public sources—are a classic example of the place-based approach. Philanthropy-backed nonprofits often work in similar ways, seeking to boost skills and access to jobs in specific communities. They’re not always solely focused on workforce development, often offering services like skills training alongside other types of community programming. To take a few examples, one local nonprofit serving a workforce role is Instituto del Progreso Latino, serving Latinx communities in Chicago. Another is Los Angeles’ network of WorkSource centers.

**Top 10 Workforce Development & Workers’ Rights Grant Recipients 2014 - 2018<sup>2</sup>**

Recipient	Dollar Value of Grants Received
Year Up	\$125.94M
Community Foundation for Southeast Michigan	\$113.15M
Jobs for the Future	\$99.61M
National Domestic Workers Alliance	\$59.14M
After School Matters	\$47.64M
Robert Enterprise Development Fund (REDF)	\$43.02M
Foundation for Detroit’s Future	\$42.25M
National Employment Law Project	\$41.02M
Marriott Foundation for People with Disabilities	\$40.78M
New Venture Fund	\$35.66M

Source: Candid

Some of the top workforce development and labor rights grant recipients include Year Up (\$125.94 million in total grant receipts 2014–2018), Community Foundation for Southeast Michigan

(\$113.15 million), Jobs for the Future (\$99.61 million) and the National Domestic Workers Alliance (\$59.14 million). Those four grantees demonstrate how diverse the nonprofits getting this money can be. They also illuminate a key dynamic: Many of the larger organizations receiving workforce development money play consulting, capacity-building and networking roles to serve smaller local nonprofits, federally funded workforce programs, employers and jobseekers themselves.

Jobs for the Future, for instance, operates or supports an array of work across the country including an effort to implement new apprenticeship and work-based learning programs; a “Pathways to Prosperity Network” designed to better connect education and workforce systems on the regional level to serve youth; and policy advocacy and knowledge-sharing among D.C. staffers.

Other top grant recipients for the time period, such as the Community Foundation for Southeast Michigan, operate in specific geographic locales to boost economic prosperity. There are also organizations like Year Up, which advocates for effective skills training across the country, focusing on young adults and closing the opportunity gap.

Local and regional service providers are vital to the workforce ecosystem. Nonprofits serving particular geography are an important and large (in number) part of the workforce subcategory. JobTrain, serving low-income people in Silicon Valley, is one example, backed by the Irvine Foundation and others. They also include local nonprofits with a specific programmatic focus, like apprenticeships, summer jobs, re-skilling or

entrepreneurship. Often, local community foundations play a coordinating role (see some examples in the Community Foundations section of this brief). In yet other cases, companies act as both grantmaker and grantee, funding and sponsoring initiatives like Boston insurer John Hancock’s MLK Scholars Program. Through that program, John Hancock sponsors around 600 summer jobs each year at its home office and at partner nonprofits.

Community colleges, vocational schools and other credentialing institutions are also important grant recipient categories, one where workforce philanthropy overlaps with funding for higher education. Finally, corporate grantmakers and private funders like the Markle Foundation have backed digital tools and platforms to serve jobseekers and boost digital inclusion, a priority that has grown even more pressing during the COVID-19 pandemic. Tech giants like Google and Microsoft, as well as major financial firms, have been frequent supporters of those strategies.

The situation regarding workers’ rights and labor grantees is decidedly different. Union membership peaked in 1954 at around 35% of the workforce, and

union membership dues funded a great deal of collective bargaining and worker rights activity. After decades of manufacturing erosion and government outsourcing social services to nonprofits, worker rights organizing in these two sectors with extraordinarily high rates of union membership have seen their ranks decimated, while service economy and office jobs have seen relatively little worker organizing over the last half-century. At the same time, increasingly conservative labor policy at federal and state levels, and in numerous court decisions, have handicapped unions’ abilities to organize new workplaces and collect dues.

As a result, an important source of revenue for the broader worker power movement has been steadily decreasing. Although a few unions operate 501(c)(3) arms capable of absorbing philanthropic grants, most existing unions cannot take charitable money. As a result, much of philanthropy’s outlay for workers’ rights goes to a set of national nonprofits, relatively new, which are sometimes said to comprise a “new labor movement.”

According to Candid, between 2014 and 2018, the National Domestic Workers Alliance (NDWA) received a hefty \$60 million from philanthropy to

Year	Dollar Value of Grants	Grantmakers	Grants Awarded	Recipients
2014	\$894.96M	4,849	15,043	4,583
2015	\$1.164B	6,464	21,377	3,853
2016	\$1.56B	6,477	22,986	6,444
2017	\$1.76B	6,465	19,412	6,545
2018	\$2.12B	7,524	21,885	7,312

Source: Candid

support organized labor and labor rights causes. Grantmakers' total spending for both categories was \$877.64 million in that period. Other top recipients include Restaurant Opportunities Centers United, Inc. (\$24.08 million), the Jobs with Justice Education Fund (\$15.83 million), the National Day Laborer Organizing Network, or NDLO (now NDLO) (\$15.91 million) and the Workers Defense Project (\$9.20 million). Family Values at Work is another large 501(c)(3) player in this space. The organization is both a

grantmaker and a grant recipient, having been seeded by funders like Ford and Annie E. Casey in 2003. From 2014 through 2018, Family Values at Work received \$26.23 million in philanthropic support for its organized labor and labor rights work.

Their aims and tactics differ from those of workforce grantees, but these organizations also tend to operate across expansive geographies, sometimes with local chapters or organizing groups. NDWA, for example, supports direct organizing projects on the ground, engages in policy advocacy for laws such as a "bill of rights" for domestic workers, and hosts an innovation arm called NDWA Labs focused on digital solutions for workers and select private sector collaborations. NDWA also engages in intersectional campaigns to support its constituents, such as immigrant rights organizing and a campaign to fight human trafficking.

Restaurant Opportunities Center United (ROC United) has taken a similar multifaceted approach that includes location-specific organizing for a living wage, job protections and racial equity goals. Like the NDWA, it has been involved in several strands of work that reach beyond the traditional

definition of labor organizing, like a free-to-attend professional skills development institute and a COVID-19 direct relief fund for restaurant workers.

One Fair Wage, which originated at ROC United and has since split off as a separate organization, has carried on much of the policy work that ROC previously engaged in, leaving the parent organization to concentrate on training and career issues for restaurant workers. As the name suggests, One Fair Wage places a focus on reforming national and state wage laws to eliminate the sub-minimum wage for tipped workers. One Fair Wage campaigns in specific states as well as on the national level, and is an important advocacy voice for restaurant and gig workers to raise the federal minimum wage.

The Jobs with Justice Education Fund is a c3 affiliate of Jobs with Justice, a coalition of local chapters—similar to ROC's network structure—that facilitate grassroots organizing as well as research and policy advocacy.

Another category of workers' rights organizations—think tanks and advocacy organizations—often emphasize policy advocacy over on-the-ground organizing work, but do engage in or support that work in many ways. The Economic Policy Institute is the most notable national think tank with a labor rights focus. The National Employment Law Project (NELP) is another major grant recipient. Nonprofits with an organizing focus, like the NDWA and One Fair Wage, also engage in policy and research work.

Another grant recipient melding organizing and policy work is the Center for Popular Democracy, which operates across a network of 53 affiliate organizations and in 34 states. Alongside a 501(c)(4) arm, CPD works to build the progressive organizing base in the places where it works, shift

policy and mobilize voters. Some of its main funders include Ford, Robert Wood Johnson, the Foundation to Promote Open Society and the JPB Foundation.

## Giving & Getting Deeper Dive

The world of work is vast, and the range of nonprofits that serve workers is diverse. However, when it comes to philanthropic giving, several, significant external factors impact how much money is flowing and to which nonprofits.

Workforce and workers' rights funding may be somewhat distinct, but in this case, many of the same factors affect both arenas.

Geography is one of those factors. In workforce development, funding often tracks with relative geographic prosperity, meaning there is more such funding available in New York or the Bay Area than in smaller cities and rural places. Workforce funders may also target specific geographies in their giving. JPMorgan Chase, for instance, concentrates its workforce philanthropy on urban centers where it has significant ground operations, a common pattern among corporate funders. The Lilly Endowment is an example of a private foundation whose workforce funding centers a single state. Its presence significantly alters the 501(c)(3) landscape in Indiana.

Geography is also a prime consideration for workers' rights funding, even though many of the highest-profile funders are national in scope. In this case, the policy environment in particular states is the operative concern. With its relatively labor-friendly government, California is a state where pro-labor philanthropy can make significant headway, often in direct collaboration with public officials. The Irvine Foundation has sought to capitalize on friendly regional politics in its labor



*"We motivate [the workers] a lot to do this, to organize. We motivate them to lose that fear, and we teach them the tools to organize. But the companies also have their own strategies that make it hard to go against them. [...] They will create pressure and start claiming that these workers are insubordinate to their supervisors, or create such pressure that the workers will resign. And these are all methods of retaliation."*

—Axel Fuentes, executive director, Rural Community Workers Alliance

advocacy work, pursuing projects like a push to address cases of wage theft in collaboration with local worker centers and the state's labor commissioner. On the other hand, state governments that are hostile or unresponsive to a workers' rights agenda can have a chilling effect on grantmaking, often simply because fewer nonprofit workers' advocates operate in those states.

Responding to Inside Philanthropy's survey of sector professionals, a fundraiser from North Carolina made pointed reference to geographic challenges, referring to "anemic institutional investment across the South," alongside an "outdated, paternalistic funding model steeped in disparities in power and privilege" in which "funders fundamentally [work] against the best interests of a much more progressive nonprofit ecosystem."

Industry is another determining factor. Corporate workforce funders tend to back skills, training and tools that align with their interests. Thus, workforce nonprofits focused on certain industries like tech

and banking get more funding than others. In comparison to fashionable career paths like software development, decent-paying jobs in the skilled trades and even nursing suffer from a relative lack of corporate workforce backing. The same is true for funding from major donors. After all, billionaires who've made their fortunes in industries like finance or tech far outnumber those from industries like construction.

There is also an increasing chorus of calls in the workforce world for employers to change practices. According to Kelley Gulley, director of the Irvine Foundation's Better Careers initiative, "There's been greater attention to the role of industry, and a more industry-forward approach. An interest not just in brokering connections and access to those jobs, but in diversifying those workplaces." Nevertheless, nonprofits in the training-focused workforce field tend to favor two distinct priorities which can both be thought of as changing the worker versus changing the employer. The first is giving people who are thought of as the hardest to employ a set of general skills and readiness training so they can accept multiple forms of paid work.

### Funder Spotlight



The Markle Foundation was established in 1927. Since then, its work has evolved into a present focus on harnessing the power of information technology to solve public problems. This has manifested in several partnership-oriented workforce initiatives including Skillful, a tech-centric, place-based training initiative focused on workers without college degrees, as well as Rework America, which has drawn commitments from a wide range of nonprofits and major corporations toward skilling to fill digital roles.

Depending on the nonprofit or program, this can apply to youth, rural people, the formerly incarcerated or any other group with disadvantages in the labor market. The other distinct priority is training or retraining people with a discrete set of skills that will let them fill jobs in current demand by employers. These include digital roles as well as jobs frequently referred to as "middle-skill" positions, like nursing assistants, and home care and construction workers.

Another strain of workforce-related funding, which also segues with community development and other economic development work, is philanthropic support for entrepreneurship. For some funders, like the mostly private foundations behind the New Economic Initiative in southeast Michigan, the overall goal is regional (or national) economic development; thus, fostering opportunities for entrepreneurs to start new businesses can be both a workforce development goal and an equity one. Individual donors can also be important supporters of entrepreneurship strategies, i.e., at universities they support. As it relates to supporting small businesses, entrepreneurship as a jobs strategy is popular in the sector. Several philanthropy professionals pointed to support for small business as an equity strategy in Inside Philanthropy's recent survey.

Somewhat similar dynamics are at play in the realm of workers' rights. There, industry distinctions have less to do with where the money comes from than who is receiving it—domestic workers have an advocate in NDWA, and restaurant workers in ROC United. Similarly funded nonprofits do not yet exist for, say, app-based delivery workers or warehouse workers, although One Fair Wage, in addition to restaurant workers, advocates on behalf of all workers relying on tips, including delivery

workers and rideshare drivers, which are a growing part of the “gig economy.”

Even though agricultural workers still face daunting challenges to earning a living wage and securing workplace protections (undocumented immigrants make up a large percentage of the agricultural workforce in many areas), agricultural labor has a long history of associated organizing. While some iconic labor organizations in that space (United Farm Workers, for instance) are unions, philanthropic funders like Ford, Kellogg, the Marguerite Casey Foundation and the Foundation for a Just Society have long backed nonprofits advocating for the rights of agricultural laborers. Overall, industry distinctions are less of a challenge in the labor rights policy arena, since many of the protections that leading nonprofits are pushing for will benefit low-wage workers across the board.

Several other factors affect which funders back which nonprofits. One is whether a nonprofit’s programming leans toward “non-ground-level” work—which could include policy and funding infrastructure—versus direct service to workers. On a continuum of most traditional to most progressive, direct support for workforce development is the “safest” and most traditional approach, followed by infrastructure and policy, and culminating with support for movements.

For workers’ rights funders, the question becomes whether to take an oppositional stance toward corporate power, or a more cooperative one. Even progressive labor movement backers like Ford and Kellogg aren’t strictly oppositional in their approaches, since many of them fund workforce development alongside workers’ rights. The current attitude among grantmaking professionals at these

and similar funders appears to favor some “blending” or collaboration between workforce and workers’ rights portfolios and grantees, the end goal being higher “job quality.” But it is still unclear how keen grantmakers will be to back organizing, even as longstanding assumptions about corporate prerogatives and the free market erode and calls for more aggressive pro-worker policies gain ground.

**Funder Spotlight**  
**amalgamated**   
FOUNDATION

The Amalgamated Foundation was established by the Amalgamated Bank in 2017 and has become a hub for a variety of progressive funding efforts. During COVID-19, the foundation hosted several innovative response efforts including its Frontline Workers Fund and People’s Bailout Fund to back grassroots organizing. It also hosts the Families and Workers Fund supporting direct pandemic relief and, over time, economic justice advocacy.

## The Big Issues and Beyond

For workforce development funders, factors tied to the supply and demand dynamics of the labor market are an overarching consideration. On the supply side, funders back strategies to better align the workforce with the skills, training, credentials and access necessary to find and retain “good” (better paying) jobs. On the demand side, philanthropic funders and employers themselves seek ways to shift corporate practices related to hiring and retention. Increasingly, “job quality” has become an element of those discussions, a term funders and advocates have been using with greater frequency to bridge the division between workforce development and workers’ rights, and between the needs of employers and the needs of workers.



Skills development and training has always been a key priority for workforce funders. However, as the information economy evolves and various classes of jobs disappear overseas or to automation, that work has become even more crucial. In particular, many workforce funders have paid increasing attention to the so-called “skills gap” between unfilled “middle-skill” positions in industries like healthcare and tech, and a workforce lacking the necessary training and/or credentials.

Related to the skills gap is funder attention to an oft-discussed “future of work” in which digital skills and networking—along with more flexible definitions and structures of employment—gain greater ground (i.e., the rise of the app-based gig economy). Tech firms and big givers associated with tech have been some of the most consistent supporters of future-of-work initiatives, but they are not the only ones. Regional and local grantmakers, including in struggling post-industrial places like the “Rust Belt,” are also funding in this space.

Educational pipelines to decent employment and cradle-to-career initiatives are other major recipients of workforce dollars. Some important dynamics there include the roles and practices of higher education—including vocational and community colleges—as well as the efficacy of industry apprenticeships. Increasingly, as terms like “cradle-to-career” indicate, some funders are

situating their support for youth-centered career building as one part of a broader holistic or intersectional model for youth and family well-being.

The COVID-19 pandemic accelerated the need for programming to tackle the digital divide between tech-savvy workers prepared for remote positions, and workers without access to or training for digital careers.

For funders of workers’ rights, the situation of the labor market is less important than the power dynamics inherent in the prevailing economic and political order. Beneath the veneer of the post-recession, pre-COVID economic expansion, millions of Americans struggled to get by. According to research by Brookings published in late 2019, 44% of workers in the U.S. aged 18 to 64 earned low hourly wages, amounting to over 53 million people.

The pandemic changed the fortunes of many low-wage workers from bad to worse, eliminating millions of jobs and forcing millions of “essential workers” to risk their health in workplaces without adequate protections. Vast disparities between the haves and the have-nots have stoked populist sentiment, giving a boost to new dynamics in election campaigns and fueling a critique of the super-rich that seems louder than it has been since the protest movement heyday of the 1970s.



*“I think worker voice definitely affects job quality, which is an important issue for me. On some level worker voice has to do with basic ideas of fairness and justice. And sometimes it’s just good business. I think companies run better when the people who do the work have input into how things are done. When investigating problems in the workplace, you get such different answers when you ask people at every level.”*

—Amanda Cage, president and CEO, National Fund for Workforce Solutions

Most nonprofit labor advocates are aiming for policy change at the federal, state and local levels, a goal that reflects the objectives of their funders. Guaranteeing a living wage is one part of that picture and has been for some time. So is the call for better workplace protections and policies like paid sick leave, maternity/paternity leave, childcare and other benefits—the need for which grew even greater during the pandemic. Hazard pay, the right to return to work, and the right to adequate personal protective equipment are some other issues advocates have backed more forcefully beginning in 2020.

Beyond specific policy reforms, workers’ rights and labor advocates seek an employment environment that affords to workers equal dignity and the chance for advancement. That includes eliminating gender- and race-based wage gaps. All of these threads intersect in debates about how to improve job quality.

Another place where attempts to create and sustain “good jobs” meets other goals for social and environmental change is the green jobs movement, a thread many philanthropic funders have picked up on. Green industries like renewable energy generation and electric transportation are among the fastest-growing in employment terms, and funders like the Energy Foundation have sought to spur that growth. Here as elsewhere, though, a growing awareness of intersectionality framed by Green New Deal policy proposals makes “green jobs” hard to define in that many kinds of jobs, from engineering to education, can be considered integral to a sustainable economy and society.

While workforce and workers’ rights organizations have traditionally taken very different ideological and programmatic approaches, there has been some

movement from grantmakers over the past several years to attempt to bridge that gap. According to Sarah Oldmixon, a co-director at Workforce Matters, “Many workforce grantmakers are integrating workers’ rights, equity, and job quality goals into their grantmaking strategies. They increasingly recognize that their investments in job training give them leverage to nudge employers to pay good wages, adopt high-road employment practices and examine where race- and gender-based disparities may be showing up in their industry. There’s growing consensus that philanthropy shouldn’t be in the business of subsidizing training for companies that treat workers as a liability instead of an asset.”

## Inside Philanthropy August 2020 Survey

*“[We need to] pursue policies that result in real economic development to provide employment opportunities and equip those in poverty with job skills to take advantage of those opportunities, so as to give them a chance to work themselves out of poverty.”*

—Program services manager, Fort Worth, Texas

## Funder Trends & Strategies

For workforce development and workers’ rights—and where the two intersect—there has been significant evolution in funder strategies over the past two decades, and especially since the Great Recession. COVID-19 and its aftermath is likely to galvanize continued evolution, some of which is already underway.

Philanthropy has always played a role in local and sector-specific workforce development. The basic flow of money from corporations and foundations to workforce development nonprofits and educational institutions to support specific

programs and populations is still alive and well. However, there has been a significant evolution toward funding that better complements existing public-sector investment in workforce programs.

“Over the last decade, there’s been much more focus on how foundations think about how their money aligns with or doesn’t align with other public funding, and the role of policy in how [workforce] agencies get funded,” said Amanda Cage, CEO of the National Fund for Workforce Solutions. “In 2008, that wasn’t happening. People [...] weren’t thinking about interventions that would be really meaningful coupled with a federal response.”

According to one donor who responded to Inside Philanthropy’s survey of sector professionals, considering funders’ role in a larger ecosystem is a key area for improvement. “Funders need to not see themselves in isolation, but understand their role in the governance system—including businesses, government entities, local nonprofits, etc.”

## Affinity Group Spotlight

**forge** | FUNDERS ORGANIZED FOR RIGHTS IN THE GLOBAL ECONOMY

FORGE is a collaborative of philanthropic donors that “work to support reforms that are grounded in the rights and power of communities and workers, strengthen accountability, and seek to address underlying flaws in the financial system.” In doing so, FORGE and its partners aim to help end the “economic race to the bottom and growing inequality, the erosion of democracy and the climate crisis.” FORGE supporters include the Ford and Laudes foundations, Humanity United and OSF.

Debate is ongoing in the workforce community over just how effective the federal government’s WIOA policy has proven since 2014, and just how different it is on the ground from the legislation it replaced. Nevertheless, the adoption of a more systemic view among many workforce funders has powered strategy shifts, including toward local and national collaborations (the National Fund for Workforce Solutions is one example of that trend) and toward areas that public workforce dollars typically do not fund, like research and the development of digital platforms, i.e., to aid jobseekers. Policy advocacy on the state and federal level is another strategy that is gaining steam among some workforce funders.

For some workforce funders, an up-to-date approach means finding out which industries and employers are in need of which jobs in “real time,” as opposed to funding programs for the general development of work skills.

Finally, many workforce funders are placing more emphasis on employer engagement, a trend that tracks with the increasing strategic sophistication of corporate philanthropy writ large. “It can’t just be the burden of workers to be responsible to make workplaces better or to be responsible for skilling their way into a decent job,” said Cage of the National Fund for Workforce Solutions. “How does philanthropy help firms understand that this is a strategy for recruitment, retention and economic development—and activate employers to make jobs better?”

That is one place where policy funding comes into play. The perceived necessities of competition can oblige smaller companies with basically good intentions to pay employees poorly. They might

also lack the organizational capacity to make overtures toward workforce development the way a Walmart or a JPMorgan Chase can. When the policy context changes—in the form of, say, an increase to the minimum wage or mandated worker protections—firms are obliged to change practices across the board.

Though they, too, have evolved over time, grantmaker strategies on workers' rights also revolve around a core dynamic: making it possible for labor movement nonprofits and labor-friendly progressive policy groups to advance their missions.

In the first case, many funders back labor movement nonprofits engaged in organizing on behalf of worker demographics unrepresented under the National Labor Relations Act of 1935, which set rules for union-based collective bargaining and solidified what is now often perceived as an out-of-date and hobbled union landscape. A few examples of new labor movement organizations include the National Domestic Workers Alliance and the National Day Laborer Organizing Network. There are a handful of other nonprofits advocating for low-wage workers in other industries. One prominent example is food service industry workers, represented by nonprofits like Restaurant Opportunities Centers United and One Fair Wage.

In the policy realm, most big funders' emphasis also lies upon national organizations associated with the new labor movement like the National Employment Law Project. Policy advocacy also takes place at think tanks that prize economic justice, like the Economic Policy Institute and PolicyLink.

Beyond that basic flow of operating support, several strategic focus areas are gaining momentum, spurred on in many cases by the pandemic. For instance, workers at Amazon and other hubs of "essential" work have been organizing (or attempting to) with greater energy since COVID-19 began. According to Manisha Vaze at Funders for a Just Economy (FJE), "thinking about new ways collective bargaining is actually happening and building countervailing power is a really exciting space" for workers' rights funders at the moment.

Vaze also pointed to funders strategizing around the reinvigorated racial justice protest movement, including in ways that impact worker organizing. Once again, policy is a focus of those conversations. In many places large proportions of essential workers are BIPOC. Although the 2020 racial justice protests centered on inequities in policing and the criminal justice system, the pandemic economy has highlighted the intersectional ways a variety of inequities impact people of color.

## Advocacy Spotlight



Originally a campaign at Restaurant Opportunities Center United (ROC United), One Fair Wage has since split from ROC to become its own entity. The national organization, which includes 200,000 service workers and over 800 restaurant employers, works to advance policies and current standards within the service industry with the aim of ensuring all workers are paid at least the full minimum wage. According to One Fair Wage, "The subminimum wage for tipped workers, still \$2.13 an hour at the federal level, is a legacy of slavery that disproportionately affects women and people of color."

From the [Essential Workers' Bill of Rights](#) that federal legislation worker advocates have played a role in supporting, to local energy around moving money out of heavy-handed policing and enforcement strategies that may, for instance, serve to suppress strikes and other labor protests, the movement for racial justice intersects heavily with the push for greater worker power.

Another rising strategy among workers' rights funders is transnational and global work, which seeks to center the reality of a globalized economy in economic justice conversations and push for fair labor practices across borders. OSF in particular has stepped up in this area recently. One new hub for those efforts is Funders Organized for Rights in the Global Economy, or FORGE, founded as both an affinity group and a pooled funding vehicle. Grantmakers involved include the Ford Foundation, Humanity United, Laudes Foundation (formerly the C&A Foundation), OSF, the True Costs Initiative, Wellspring Philanthropic Fund, the Wallace Global Fund and the Omidyar Network.

### Program Spotlight



Ford's Future of Work(ers) program is the foundation's response to the evolving nature of work, economic inequality and the widening income gap. The program's strategy largely focuses on challenging inequality and protecting the rights of all workers, particularly for vulnerable groups such as women, people of color, low-income workers, people with disabilities and LGBTQ+ workers.

From 2014 to 2018, Ford awarded \$220.72 million in Future of Work(ers) grants, of which, \$195 million was dedicated to work in the U. S.

Finally, a strategy that has become more popular in the age of COVID is direct cash aid to essential workers—immigrants in particular—disbursed through a wide variety of labor movement nonprofits. The pandemic has seen key workers' rights nonprofits debut and ramp up direct aid projects to benefit the people they serve. They include relief funds hosted by One Fair Wage and ROC United, as well as efforts like a relief partnership between the Restaurant Workers Community Foundation and Southern Smoke, which raised over \$7 million and distributed \$5.4 million over the course of 2020.

### Perspectives on Equity

The working world has never been a very equitable place, despite legislation and company policies intended to make it more so. Even as the U.S. workforce grows more diverse, systemic inequities tracking with factors like race, gender, LGBTQ status and ability remain prevalent and entrenched. In addition to the ethical indefensibility of realities like gender or racial pay gaps, workplace inequities are also a drag on the economy itself. [A recent report](#) by a coalition led by the National Fund for Workforce Solutions and funded by JPMorgan Chase estimated that racial income inequities alone cost the U.S. economy a massive \$2.3 trillion a year.

Though women, people of color, many LGBTQ people and others already faced headwinds before COVID-19, the pandemic highlighted and exacerbated those inequities by, for instance, exposing many workers of color—a large proportion of whom are essential workers—to greater chances of infection, or relegating some women income earners to a disproportionate level of childcare and household duties.

Where both workforce development and workers' rights are concerned, equity issues are somewhat baked into both endeavors already. Because they tend to cater to lower-income populations, workforce development nonprofits already serve high numbers of women and people of color. Nevertheless, while their work may gravitate toward people facing systemic inequities, workforce nonprofits have not traditionally taken explicit steps to center the experiences of those people and embrace their leadership.



*“History has shown us that those with power will fight—by derailing our progressive agenda and using violence— to maintain white supremacy and capital. And history has also shown us that bold action, escalation, culture shift, and people power can and will prevail.”*

—Manisha Vaze, director, Funders for a Just Economy, Neighborhood Funders Group

That may be starting to change. According to Loh-Sze Leung, a co-director at Workforce Matters, “There definitely has been an uptick in interest in identifying and funding BIPOC-led organizations and organizations led by people with lived experience. I think there’s also interest in investing in capacity-building to build the bench of people of color in leadership positions.” Leung also pointed to a recognition that the leadership of workforce organizations tends to be less reflective of the people being served than many staff and direct service positions.

In January 2021, Workforce Matters published a [racial equity framework](#) for workforce development funders, detailing how funders “hold unique power to disrupt systemic racism” in the

field. The framework encourages funders to “harness grantmaking resources and leverage relationships to re-envision workforce programs, replace unfair employment practices, and influence policy changes to remove barriers to economic advancement.”

While many workforce organizations have yet to meaningfully interrogate their stances on equity, workers' rights nonprofits associated with the new labor movement have almost all adopted strong positions on equity and justice. To an even greater degree, the nature of the work often lends itself to equity concerns. In today's economy, disempowered workers tend to be disproportionately women and people of color, such that a nonprofit like the National Domestic Workers Alliance, by advocating for a particular group of low-wage workers, finds itself fighting for the interests of (predominantly) women of color.

Workers' rights funders also tend to be heavily progressive, and with that comes the contemporary progressive movement's concern with intersectionality and restorative justice. Even when they're not aimed at particular groups of disadvantaged workers, policies like a fair minimum wage, paid sick leave, or family leave end up acting as equity measures because they establish a floor below which workers from disadvantaged groups are more likely to fall.

That said, both workforce and workers' rights funders—as well as those filling both roles—can find themselves funding certain demographics over others by virtue of factors like geography or industry. The recent workforce initiatives of JPMorgan Chase, for instance, benefited primarily Black and Latinx communities during the time they were concentrated in cities like Detroit and Chicago.

In the same way, the James Irvine Foundation’s workforce development and workers’ rights funding benefits a higher proportion of immigrant workers than similar efforts elsewhere, because of California’s numerous low-income immigrant communities. One corollary to funders’ differing geographic priorities is philanthropy’s general lack of attention to rural workers and rural problems in general, a disparity that persists.

The intersectional aims of many funders in the workers’ rights space (and some in the less-progressive workforce arena) are pushing many toward workplace concerns that speak to broader systems of oppression. One example is workplace violence directed toward women and LGBTQ people. That is an issue that Vaze of FJE says has gained greater traction among FJE’s members lately. Note that the NoVo Foundation’s 2020 departure from multi-year funding in that space was a blow, considering NoVo has also been a dedicated workers’ rights grantmaker overall.

According to Vaze, there is currently a great deal of funder attention toward standards to protect BIPOC and immigrant workers. But while there are funders in this space dedicated to other groups of people facing discrimination or inequitable access to jobs, there are fewer backers of specific work to benefit groups like transgender and gender non-conforming people and disabled people. There are a number of workforce organizations on the local level that seek to serve people with disabilities, some examples being Bridges from School to Work in Chicago and the Institute for Career Development in New York City. The Kessler Foundation, focused primarily on people with disabilities and with significant interest in workforce issues, is one grantmaker with that focus.

“There is a lot of work to do around intersectionality,” Leung said, though she did point to more recognition among funders. “I think this does in part come out of a growing recognition of the importance of targeted universalism—that we have to do a better job of developing targeted strategies to address the realities of different groups in working to achieve common goals.”

## Funder Spotlight



RALPH C. WILSON, JR.  
FOUNDATION

Founded after the passing of the Buffalo Bills owner, this spend-down foundation is a potent force in southeast Michigan and western New York: two regions hit hard by the demise of the traditional American factory job. Along with grants focused on K-12 education, Wilson has been a major supporter of regional efforts to galvanize entrepreneurship and economic development. Grantees include the New Economy Initiative, the Community Foundation for Southeast Michigan, as well as Launch NY and Invest Detroit.

# A Closer Look at Funder Types

## Private Foundations

As discussed in the Who's Giving and Who's Getting sections, funding from private foundations makes up a much larger percentage of workers' rights funding than it does workforce development funding, reflecting the greater diversity of funding streams available to workforce groups—including billions from the federal government.

Some of the top private foundations in the workforce development and workers' rights spaces include Kellogg, Lilly Endowment, Ford, Irvine and Weinberg—leading funders in many program areas.

The W.K. Kellogg Foundation has long funded both workforce and workers' rights causes as part of its mission to uplift children and families. Its current racial equity lens has it supporting training and career initiatives for youth in communities of color, as well as movement building and policy to advance the rights and power of low-wage workers in those communities. Kellogg's total grantmaking in this space from 2014 through 2018 was \$290.68 million, putting it near the top of the list.

The Lilly Endowment is one of several top funders in this space that concentrates its funding on a single geographic region—in this case, the state of Indiana. That fact can often obscure Lilly's sheer financial heft: From 2014 through 2018, its work-related grantmaking totaled \$164.5 million. Unlike the other big regional funder on this list, Lilly's grantmaking is concentrated around workforce, education and training initiatives and does not include significant workers' rights or economic justice policy funding. However, Lilly does focus

some of its workforce grantmaking on communities of color, in Indiana and, in some cases, further afield. For instance, Lilly funds work by the UNCF to help Black students access education and training.

The Ford Foundation funds workforce and workers' rights causes in tandem through its Future of Work(ers) program. Ford holds the distinction of being the biggest grantmaker in that space overall with \$79.36 million in grants. Along with smaller progressive legacy funders, Ford has played a crucial part in bankrolling the new labor movement ecosystem. Ford has also been a leading light on these issues during the pandemic, helping rally diverse funders behind the Families and Workers Fund, for instance.

The James Irvine Foundation has grown into a leading player in this space. Part of the reason why its level of focus, both geographic—it funds only in the state of California—and topical. Beginning in 2016, Irvine shifted toward a sole focus on “a California where all low-income workers have the power to advance economically.” Its grantmaking encompasses both workforce and workers' rights strategies and emphasizes partnerships between the nonprofit sector and state government. Though the foundation's “Fair Work” and “Better Careers” programs are separate, Irvine sees the strategies as two sides of the same coin. According to Manisha Vaze at FJE, “Irvine's switch to really focusing on economic justice power, job quality and workforce had huge ripple effects, given their funding in the context of a state like California. It's exciting to see how folks are following suit as Irvine looks for co-investors.”

The Harry and Jeanette Weinberg Foundation also focuses its work on several priority cities and



regions, but its focus remains upon workforce-oriented strategies like job training, financial literacy and youth employment and career support. Its total grantmaking in this space from 2014 through 2018 was \$53.72 million.

## Corporate Funders

Corporate grantmakers are integral to the workforce development funding ecosystem, but play little to no role in the nonprofit push for workers' rights and labor organizing. Writ large, the workforce development funding of specific firms tends to reflect their industry or customer base. JPMorgan Chase, for instance, backs workforce initiatives in the urban areas where its branches are concentrated, while Google.org tends to prefer projects using digital platforms and boosting STEM skills. The largest corporate funders have increasingly embraced more "strategic" philanthropy over the past two decades, aligned with their unique assets on the ground or in the digital realm. Their workforce funding often reflects that.

As the nation's biggest big bank, JPMorgan Chase has helped establish a trend over the past several years in which major financial institutions heavily embrace workforce and skilling initiatives, often prioritizing urban communities of color. From 2014 through 2018, the bank committed over \$205 million to a fight against urban poverty that includes workforce funding, community development support and financial empowerment. CEO Jamie Dimon has also led calls for corporate social responsibility, in particular, the Business Roundtable's much-discussed "redefinition of the purpose of a corporation" in the fall of 2019.

Walmart is the nation's largest employer and has acquired a less-than-sterling reputation for its

employment practices, including the fact that it pays many workers at levels considered below a living wage. Perhaps to offset that fact, the retailer's philanthropy emphasizes workforce development and diversity in the "retail talent pipeline."

Walmart's total workforce grantmaking totaled \$66.53 million from 2014 through 2018 (Walmart's profits in 2018 were over \$500 billion).

**Program Spotlight**



Citi Foundation

Citi's Pathways to Progress initiative has invested around \$200 million to "prepare 500,000 young people ages 16-24 in cities around the world for today's competitive job market." In the U.S., it reportedly benefitted approximately 100,000 Black and Latinx youth over three years. In 2020 Citi announced an additional \$100 million investment in the program, which includes increased efforts on employment skills building and entrepreneurship programs serving communities of color in the U.S.

Like JPMorgan Chase, Citi has resourced plenty of workforce and skills development work over the past several years. Citi funds workforce development, both in the U.S. and abroad, through its Pathways to Progress initiative, which it launched in 2014, through which it has disbursed over \$194 million. In September of 2020, Citi committed another \$100 million toward a "new iteration" of Pathways to Progress that will focus its domestic grantmaking on career pathways for young people of color.

Microsoft's corporate grantmaking flows through Microsoft Philanthropies, which funds work and opportunity programs in the U.S. and abroad. Microsoft's workforce-oriented funding is diverse,

encompassing skills development, the use of tech tools, employee engagement and a community engagement component in Washington State focused on the future of work.

In late 2017, Google announced a \$1 billion commitment to education, economic opportunity and inclusion over the following five years. Google.org has been giving out roughly \$200 million per year across its focus areas, with economic opportunity grants going to tech-enabled skill-building, labor market access and economic security work.

## Community Foundations

Community foundations are often important funders of local workforce development infrastructure. Their role in workers' rights advocacy is much less prominent, although there are many exceptions to that rule.

On the workforce side, geographic community foundations often act as funding hubs for local nonprofits and educational institutions that provide job training and skills development services. They are frequently involved in local or regional collaborative efforts which may put them in partnership with a coordinating nonprofit or even with local or state government.

For example, the Community Foundation of Greater Greensboro, in North Carolina, worked

with the local chamber of commerce and the local United Way to convene the Eastern Triad Workforce Initiative. That program supports apprenticeships and on-the-job training and received a grant of public funds from the state legislature to get off the ground. Another local example was the Secure Jobs Initiative, a two-year pilot spearheaded by Fairfield County's Community Foundation in Connecticut. More intersectional than the North Carolina example, this initiative sought to connect formerly homeless families with a variety of supports including job training. The community foundation subsequently worked with the Melville Charitable Trust—a major regional player in homelessness philanthropy—to replicate the model more broadly.

Although not every geographic community foundation boasts a workforce fund or initiative, many of them do, and those lacking a dedicated program still act as conduits for workforce funding. The same cannot be said for workers' rights. In general, the affluent local donors who tend to give through community foundations do not significantly support labor organizing. However, some community foundations in heavily liberal regions have leaned into workers' rights.

One example is the East Bay Community Foundation, headquartered in Oakland, California. EBCF's Inclusive Economy giving supports progressive organizing groups that have



*“As the cost-of-living in the Bay Area increases dramatically every year, income inequality is on the rise. It has become increasingly difficult for many Bay Area residents, especially people of color, immigrants, and formerly incarcerated individuals, to afford to stay in the region. [...] There is a shortage of quality, living wage jobs in the Bay Area, especially within reasonable commutes of the neighborhoods where low-wage workers live.”*

—Rob Hope, Director, ReWork the Bay

successfully pushed for local and state-level policies including minimum wage campaigns, a local ordinance to protect hotel workers from theft and sexual assault, and the California Domestic Workers Bill of Rights (AB 241).

Serving some of the same neighborhoods, the San Francisco Foundation also supports worker organizing through grants to groups like the East Bay Alliance for a Sustainable Economy, which backed the above hotel measure. SFF is also a key partner in ReWork the Bay, a funding collaborative that applies progressive principles to economic mobility funding in its region. ReWork the Bay typifies the kind of line blurring currently taking place between some equity-minded workforce programming and more hard-hitting worker power organizing. SFF's involvement reflects its generally left-leaning donor base and larger community.

Demographic and identity-based community foundations also play a role in funding for the world of work. Women's foundations, many of them centered on particular geographies, have long helped channel money to skills training and career initiatives for women and girls. Increasingly, many women's funds and foundations have embraced more intersectional and progressive lenses in their grantmaking, galvanizing support for workers' rights. The Ms. Foundation for Women, for instance, supports groups like Mujeres Unidas y Activas and the Garment Worker Center in California, and Florida's Miami Workers Center. The New York Women's Foundation funds local workers' rights organizations like Brandworkers and the Center for Frontline Retail.

Besides women's community foundations, community funders focused on specific racial/ethnic groups and on LGBTQ people do

channel some money to workforce, especially workers' rights causes. The Latino Community Foundation is one example, supporting grassroots labor organizing in California. LGBTQ-focused community and public funders like the Astraea Lesbian Foundation for Justice and the Stonewall Community Foundation also support some economic justice work.

## Inside Philanthropy

### August 2020 Survey

*“Community development as a whole, is incredibly effective with holistic approaches that work on affordable housing, workforce development, social justice, the social determinants of health, but as a sector receives little love. Not as easy to explain as Feeding America or saving the oceans. But critical to local economic ecosystems and to helping those in historically disinvested communities.”*

—Fundraiser, Katonah, New York

Another interesting example is the Restaurant Workers Community Foundation, an industry-specific community foundation “created by and for restaurant workers.” The organization is among the first of its type in the U.S.—using a community foundation model to benefit a particular group of workers—and like many of its geographic community foundation peers, it has also been active in the field of COVID-19 relief for its constituents. Also of note is the community foundation's modest corporate support, despite the fact that it backs labor advocacy groups.

## Major Donors

As is the case with corporate funders, major donors tend to favor workforce development and largely skip over workers' rights and labor movement strategies. That said, there are a few exceptions to that rule. In terms of grantee budgets, workers'

rights nonprofits do receive small donations, but their budgets tend to reflect a continued dependence on larger progressive grantmakers. Organizations engaged in workforce development are more popular with well-off donors on the local level. That support often comes in the form of donations to educational institutions or community development organizations.

The following are a few of the most significant major living donors in the workforce and workers' rights space, including several that do fund economic justice advocacy and organizing.

Bill and Melinda Gates are longstanding giants in the world of U.S. education philanthropy, and much of the Bill & Melinda Gates Foundation's work-oriented grants flow through educational institutions. Its total grantmaking in this arena

from 2014 through 2018 was \$179.57 million.

More recently, Gates debuted a smaller U.S.-focused economic mobility and opportunity program that includes a "work and opportunity" component.

There, Gates is charting a course that straddles workforce development and workers' rights in some ways. That is, it includes some traditional workforce elements like job training alongside a focus on job quality and employer responsibility.

Steve and Connie Ballmer maintain a regional focus on Washington state, Los Angeles County and southeast Michigan. In those areas, the Ballmer Group has taken on a fairly sophisticated and multifaceted approach to anti-poverty work, with workforce development as a major component. The Ballmers don't fund overt workers' rights organizing, but some of their grants probe the boundary, such as partnerships with the progressive L.A.-based Liberty Hill Foundation and the Los Angeles Black Worker Center. Systems change is another pillar of the Ballmers' work-related giving. One example is a Cleveland-based project looking at how transportation and city planning policy fosters economic inequity by distancing low-wage workers from their jobs.

Pierre and Pam Omidyar, via the Omidyar Network, debuted a "Reimagining Capitalism" grantmaking program in 2020 that is overtly dedicated to building worker power, at least in part. Along with donations to progressive economic justice think tanks, Omidyar is supporting places like the NDWA, the LIFT Fund, the Workers Lab and the Worker Defense Project. One area of interest for the Omidyar Network is helping donation-dependent 501(c)(3) and 501(c)(4) labor organizations explore new revenue models to sustain their operations—a vital concern.

## Funder Spotlight



The Omidyar Network launched its Reimagining Capitalism focus area in 2020. Joining its Responsible Technology and Pluralism programs, Reimagining Capitalism is addressing the systemic obstacles—such as structural racism, colonialism and paternalism—that stand in the way of equity in the current economic landscape.

According to Omidyar, "a reimagined capitalism and a new economic paradigm must place individual, community, and societal well-being at the center, enabling everyone to meaningfully participate in our economy, democracy, and society."

Before donors like the Omidyars entered the scene, George Soros was one of the only living billionaires backing workers' rights. The level of that giving through the Open Society Foundations has risen over the past several years as OSF backed many of the same new labor movement grantees as Ford. That includes outfits like ROC, NELP and NDWA, as well as think tanks like the Economic Policy Institute. OSF has also been leading the charge on global labor movement and workers' rights grantmaking. Memorably, staff at OSF themselves voted to join a union in 2016, an unusual move indicative of attitudes at this staunchly progressive grantmaker.

The work-related giving of Wendy and Eric Schmidt (former Google CEO) through outlets like Schmidt Futures isn't quite on the scale of some of the other names on this list. Still, it is an interesting example of a major donor who wants to pursue more innovative economic opportunity strategies than what's typically on offer—but without fully diving into workers' rights like Omidyar.

Peter and Jennifer Buffett have long been quiet supporters of workers' rights nonprofits like the NDWA and Jobs With Justice via the women's-rights-focused NoVo Foundation. From 2014 through 2018, NoVo's workers' rights funding totaled \$57.14 million. The couple's controversial

decision to cut back on NoVo's grantmaking after COVID-19 hit was a prime demonstration of how vulnerable human rights nonprofits can be in the face of donor pivots, a vulnerability that certainly applies to the workers' rights nonprofit ecosystem.

## Associations & Intermediaries

On the national level, infrastructure and philanthropy-serving organizations with a specific focus on the world of work have been sparse until recently. No single major philanthropic affinity group speaks across workforce and workers' rights in the same way that such PSOs exist for other funding priorities. Even considering those two buckets separately, funding infrastructure is still in a state of evolution.

The Great Recession and its aftermath saw several key infrastructural efforts take shape. The National Fund for Workforce Solutions, for instance, formed just prior to the 2008 crash and soon drew support from major workforce funders and corporations. The National Fund engages in research, strategy development and as a funding intermediary for a network of local and regional workforce funder collaboratives. Located across the country—particularly in the nation's eastern half—these collaboratives are diverse in their makeup. They often consist of partnerships between regional funders, including community foundations, as well as anchor nonprofits and, at

### Major Donor Spotlight: MacKenzie Scott

MacKenzie Scott is a newcomer to this space and still something of a wildcard. Her initial batch of grants included unrestricted money for the NDWA and One Fair Wage, making her the second prominent billionaire after Omidyar to dive into workers' rights in 2020. Scott's second round of grants included plenty of local charities, CDFIs and educational institutions whose work involves or dovetails with workforce development. But it's still too early to assess Scott's long-term funding approach.

times, public sector partners. Several examples include the Fund for Our Economic Future in Ohio, New York City Workforce Funders, ReWork the Bay and New Orleans Works.

Another national PSO serving workforce funders is the more informal Workforce Matters. A funder network, Workforce Matters has also been a part of post-Great Recession conversations in the space, which have highlighted the need for more nuanced and equity-minded workforce funding that asks more of employers. Leading grantmakers involved with Workforce Matters include some of the same funders that back the National Fund: firms like JPMorgan Chase and Walmart, as well as philanthropies like the Lumina Foundation and the Bill & Melinda Gates Foundation.

Workers' rights and labor organizing are sparsely funded philanthropic causes overall, and their PSO infrastructure isn't extensive. One of the more prominent national efforts is Funders for a Just Economy (FJE), a national funder network under the auspices of the Neighborhood Funders Group. Leading grantmakers involved with FJE include Ford, Kellogg and Irvine, as well as the Hill-Snowdon Foundation and the Wellspring Philanthropic Fund. Also involved are several regional and community funders like the San Francisco Foundation and Woods Fund Chicago. FJE's progressive agenda brings an intersectional power-building lens to bear on economic questions, centering labor organizing, services like worker centers, policy advocacy and social justice.

The Partnership for Working Families is structurally similar to the National Fund in that it comprises a network of local and regional groups, this time in the worker power and job quality space. The Partnership got its start in 2006 as a means to

boost regional economic justice organizing. It is, for the most part, organizer-serving rather than philanthropy-serving, and draws support from unions as well as workers' rights philanthropies.

## Collaboration Spotlight



We The Action is a collaboration of over 40,000 lawyers and more than 400 nonprofits. It has donated over 100 million in volunteer services to date, focusing on immigration, voting rights, fair elections and civil rights.

In the employment arena, We The Action's active projects range from unfair employment practices against LGBTQ+ people to legislative advocacy to drive long term systemic changes in the federal government's diversity and inclusion policies.

The post-Great Recession era (and, indeed, the COVID-19 era) have prompted the formation of numerous collaborative funds and intermediary efforts aiming to serve working people. The LIFT Fund got its start in 2011 with support from the AFL-CIO and a cadre of workers' rights philanthropies. Its funding supports innovations in the field of worker organizing to boost the power of both the new labor movement as well as more traditional union spaces.

Similarly, the Workers Lab awards social impact grants to innovative ideas that help build worker power. Both began before COVID-19, but the pandemic's convulsive effects on the world of work have spurred on both organizations as the conversation around essential workers and work continues to develop.

The Families and Workers Fund is a pooled fund designed in 2020 with COVID-19 response in mind. At the end of 2020, the fund's haul stood at around \$30 million, with contributions from typical economic justice funders like Ford—where the idea originated—as well as an array of major donors including MacKenzie Scott, Pierre Omidyar, Jeff Skoll and Eric Schmidt. In collaboration with workers' rights organizations, the fund's primary activity in 2020 was relief to workers, often in the form of direct cash. But economic justice advocacy operated a number of funder working groups on issues like tax policy and the “transformation of work,” and also makes grants to advocate for tax is another priority, especially as the Biden administration begins its confrontation with COVID. The Families and Workers Fund is located at the Amalgamated Foundation.

While its focus isn't strictly on workers' issues, the Economic Opportunity Funders affinity group (formerly known as GIST) is another place where funders interested in workforce development and workers' rights come together. EOC operates or has policies that favor working families through its EITC Pooled Fund.

## Program Spotlight



The James Irvine  
Foundation

### FAIR WORK INITIATIVE

The main objective of the James Irvine Foundation's Fair Work Initiative is to help California's low income workers “have a seat at the table on the economic decisions that affect their lives and livelihoods.” Reducing wage theft, access to rights and benefits and connecting workers to essential information and services are just a few of the initiative's goals. Current grantees include the Partnership for Working Families, Jobs with Justice Education Fund, and the Los Angeles Alliance for a New Economy.

# Fundraising Now

Nonprofits that focus on workers' rights and workforce development saw contributions rise last year, often by healthy margins. That trend is continuing into 2021. The pandemic, along with a new emphasis on racial justice, has raised awareness and concern about the many millions of people in the United States who are still unemployed and struggling, especially low-income workers and people of color.

On the workers' rights front, the Rural Community Workers Alliance—a tiny nonprofit in Milan, Missouri, with an annual budget of \$109,000—is a particularly successful example. As the coronavirus spread, “a lot of workers here were really scared and afraid,” said Executive Director Axel Fuentes, the organization's only employee until this year. The meat-processing companies, Fuentes says, “asked workers to stay on the job, but were not doing anything to keep them safe, not even giving out masks or hand sanitizer.”

Rural Community Workers Alliance advised workers to ask their companies for basic protections, but their entreaties were ignored until a nonprofit legal group that took steps to file a lawsuit. The threat of legal action, he says, finally compelled his local meat-processing facility to start following safety guidelines issued by the Centers for Disease Control. With a small increase in donations last year, Fuentes recently hired a part-time employee to help with communications. If the organization's fundraising returns keep growing, he wants to hire another employee.

Another group focused on labor and employment policies that has experienced a big surge in giving is the Center for Law and Social Policy. Last year

individual donors made gifts totaling \$400,000, many of them matched by donations from their employers, far exceeding the nonprofit's goal of \$100,000. Foundation grants totaled another \$9.5 million. Virtual meetings played a role in many grantmakers' giving decisions, and the center plans to continue holding them for the foreseeable future.

Like other workplace organizations, the Center for Law and Social Policy has been trying to figure out how it can sustain increased giving as the pandemic fades. “Donors' support makes a huge difference,” said Akosua Meyers, the center's director of development. On entrenched inequities in employment, Meyers said, “Racial issues are systemic and not quickly changed. How do we keep this momentum when we are outside the immediate crisis?”

We The Action, a group organizing 40,000 lawyers who've donated more than \$100 million worth of legal aid, supports the Service Workers Legal Clinic founded by the National Legal Advocacy Network and One Fair Wage. “What we are hearing from lawyers is they want to be part of urgent, necessary issues like unemployment insurance,” said Katie Waldo, head of community impact at We The Action.

The fundraising outlook for workers' causes—both for rights and workforce development—may be shifting in wide-reaching and as-yet uncertain ways. “We still don't know how the world will re-open in the coming year, and there could be curveballs we didn't see coming,” said Andrea Kippur, development director of the National Fund for Workforce Solutions, which partners with employers to improve jobs and equip workers for success, among other work. “We're focusing on



how to be nimble, responsive and adaptive to a changing world, something that will be necessary beyond the pandemic,” Kippur says.

The National Fund for Workforce Solutions raised \$9.5 million in the fiscal year ending September 30, up from \$7 million before the pandemic. The fund learned some valuable lessons from the pandemic, Kippur said. For example, companies that offer childcare, mental health support, living wages, consistent scheduling and paid time off weathered the health crisis much better than employers who don’t provide those benefits, Kippur says. That is proof, she said, that employee-friendly programs merit philanthropic funding and other investments—before the next national crisis occurs.

Another workforce development group looking beyond the pandemic is the National Skills Coalition, a D.C.-based nonprofit that pursues

federal and state policies to promote high-quality skills training for job seekers. Created by a group of foundations, the organization joins others reporting a rise in corporate support. Recently, for example, the National Skills Coalition announced a new \$2.9 million grant from Walmart to pursue an inclusive economic recovery over the next two years. The grant, which nearly doubles Walmart’s previous investment in the charity, will be used to promote digital literacy, which both the retail giant and the National Skills Coalition regard as critical to the re-employment and advancement of millions of workers, including those disproportionately impacted by the pandemic.

The National Skills Coalition’s chief executive officer, Andy Van Kleunen, said he is also heartened by the White House’s recently announced infrastructure plan. “In [President] Biden’s plan, there is \$100 billion for workforce development, and we have been advocating for this,” he said. “Now, we have to try and make sure Congress goes for it.”

Workforce development organizations tend to receive a significant amount of money from government grants and contracts, while those protecting workers’ rights tend to rely on charitable giving to a greater degree. While the number of organizations that do both are relatively small, there are some notable examples that draw on diverse philanthropic support, one being [Rework the Bay](#) in the San Francisco Bay Area.

Jobs For the Future (see Who’s Getting section) raised \$60 million last year, with a quarter of that amount coming from the government. Public funds accounted for far more of its previous year’s budget (60%).

## Regional Funding Spotlight



ReWork the Bay is a good example of where regional philanthropic collaboration in the world of work may be heading. Its approach spans workforce and workers’ rights priorities, granting money to labor organizing as well as equity- and justice-minded “systems change.” ReWork the Bay is hosted by the San Francisco Foundation and has brought together a broad range of funders representing corporations as well as private foundations. According to Jidan Terry-Koon, a director at the San Francisco Foundation, ReWork has been “ahead of the curve,” co-creating with grantees and partners to ensure that worker organizing groups remain at the center of gravity for the effort.

YouthBuild Boston, a 30-year-old charity that develops career skills of young adults, looks to the Department of Labor and other government sources to provide 60% of the money it raises every year. It has no individual donors. YouthBuild Boston's Director of Development Arleaya Martin says she hopes the nonprofit's work will attract more donors interested in racial justice. "We serve 16- and 17-year-olds who have already dropped out of school. We have not given up on them," she said. "We try to provide them with a high school degree while putting them into construction and other workplace experiences. There is a positive path forward."

Another workforce group, San Francisco's Jewish Vocational and Career Counseling Service, works with area employers to help low-income people. The charity, which experienced a small increase in contributions last year, offers career training for healthcare and technology positions. It also provides job search assistance to people lacking resumes and professional networks, and offers a high school "bridge" program for people who don't attend college but need to learn financial management and other life skills. When the pandemic hit, the organization was forced to offer virtual training, but quickly realized that many low-income students couldn't participate because they lacked the necessary technology or faced other barriers. The charity helped many students stay in the program after creating a COVID Response Fund that raised more than \$1 million, said Rachael Brown, its chief development officer.

Looking ahead, Brown said, "We don't want to just go back to the way the world was. We hope to build a more equitable job market. Hopefully, there will be less of a sharp divide around who's at greatest risk, who is most negatively impacted."

Like other charities in workforce development, Year Up saw donations surge last year from companies concerned about racial equity and from people whose employers matched their gifts. The charity, a national organization headquartered in Boston, offers six months of job training to people aged 18 to 26, followed by another six months in a short-term position. It raised more than \$80 million last year. Increased corporate support "is a rising trend," said Susan Murray, Year Up's lead fundraiser. The most notable example, she adds, was Amazon's Black Employee Resource Group. Unsolicited, the Amazon group ran an employee giving drive that generated more than \$1 million for Year Up in 2020. "It brought in an amazing group of new donors," Murray said, "and a lot of the gifts were more than \$1,000." For Year Up, she said, "it's exciting."



*"For the majority of American workers, the goal of just being economically secure has become out of reach. In most industries, the more people who are knocked down by the economy the more people there are for bosses to use to undermine other workers. I don't think there's any industry where bosses haven't figured out a way to use people who are more desperate to undermine wages and benefits."*

—Gordon Lafer, Associate Professor at the University of Oregon Labor Education and Research Center

# An Analysis of Opportunities & Challenges

This is a challenging time for grantmakers interested in the world of work. From the pitfalls of globalization and automation to governmental policy that too often fails to protect the lives and livelihoods of low-wage workers, the big-picture factors standing in the way of workers' rights and workforce development goals are many. But at the potential risk of oversimplification, it may be useful to boil down these diverse challenges into a few main problems philanthropy is trying to solve on the national level.

In the workforce development realm, scalability and employer behavior stand out as funders' foremost challenges. Even though they receive considerable federal funds, fields like skills training and job placement operate on the hyper-local level, engaging individual companies and individual jobseekers. That limits the number of people those programs can help, even if they are being administered equitably and effectively, which is not always the case. And as observers like political economist Gordon Lafer have long argued, skills training alone, even if it were funded on a much larger scale, does little to compel employers to provide good jobs—or even to keep jobs in the country.

On top of that, both privately and federally funded workforce development infrastructure is designed according to an individualistic, meritocratic model that fails to account for demographic disparities in access to quality jobs. Taking these factors into account, it can be notoriously hard for well-meaning workforce funders to get a lot of bang for their buck.

Workers' rights nonprofits also face problems of scale and effectiveness, but theirs is less a question of successful service delivery than of political staying power. Dependent on grantmakers in a way traditional unions are not, labor movement nonprofits need to ensure their own sustainability and then find ways to make headway in policy environments where corporate interests have long held sway.

In a sense, both workers' rights and workforce development funders are confronting the repercussions of decades of pro-market dogma, which pivoted the political focus from labor to capital while trusting in the power of expanding markets to secure Americans' economic prospects. History has not borne out that vision. While philanthropy isn't big enough to solve the problem itself, funders are leaning into emergent strategies to increase effectiveness of private grantmaking.

In terms of gaps in funding, one of the most glaring is philanthropy's overall failure to invest in workers' rights and labor movement organizations. Only a handful of large foundations provide much of the funding for the worker organizing field nationally. And yet, those organizations have "punched above their weight," as Andre Oliver, director of the James Irvine Foundation's Fair Work initiative, put it. In California and elsewhere, Oliver said, the impact of those nonprofits "belies often modest budgets and staff, demonstrating that the workers' rights ecosystem warrants significantly greater investment." As a result, Irvine has focused on providing core support.

More specific funding gaps in the workers' rights field include inadequate money for Black-led organizing, rural organizing, and a workforce approach in the workers' rights space—that is, a decent career pipeline and training for people who want to be organizers. Traditional unions sustain themselves with dues and often train their members in collective bargaining and other labor tactics. In addition to sustaining the more recent crop of labor nonprofits more generally, philanthropy can bolster the field's effectiveness by funding those training pipelines.

Grantmakers like those involved with Funders for a Just Economy have also felt an increased urgency to put workers' rights advocacy into better conversation with other intersectional justice work. For example, Vaze pointed to “what we were awakened to with Me Too, involving expanding the analysis around workplace violence to understanding systemic gender-based violence... which impacts workers across all sectors.” Philanthropy, she said, largely doesn't have a strategy to build around that, and the loss of a major funder like NoVo from that space has impacted how economic justice funders are carrying the torch.

The Trump presidency and COVID-19 led more liberal funders to think and fund more intersectionally than they used to, spurring some innovation among activists and encouraging collaboration. As Oliver said, “In response to COVID, we're seeing renewed attention to the value of alignment and collaboration across the workers' rights space, including the importance of a public narrative centered on workers and work today.” But the danger is that with a more labor-friendly federal administration in place, and an end to the pandemic, funders may return to piecemeal

approaches. As one respondent to Inside Philanthropy's survey put it, “You can't have a healthy child without safe housing, you can't have good jobs without effective transportation, you can't have affordable rental housing in overpriced urban centers.”

## Inside Philanthropy

### August 2020 Survey

*“If the workers of the US were paid living wages, the need for philanthropy would be dramatically reduced, and the accumulation of wealth that begets institutional philanthropy would be eliminated in any case. That is a real movement towards justice.”*

—Fundraiser, Wilmington, North Carolina

Workforce development, on the other hand, faces a different set of challenges with regard to funder practice. Unlike most workers' rights advocacy, workforce initiatives enjoy support from within the corporate sector and from prominent businesspeople. There is much greater potential for, as Oldmixon put it, “workforce development organizations to be advocates with companies for job quality, for philanthropy to raise its expectations of the business community as a partner in recognition of the contribution philanthropy makes to job training.” In other words, if philanthropy is helping to pay for employee training, it can speak more forcefully to how those employees are treated once hired. That applies to internal conversations at firms, as well.

Cage made the related point that funders can better resource “culture change” within workforce development organizations themselves. That could mean working more holistically with grantees like community colleges and workforce boards to better use local data or to address equity concerns.

Before the pandemic – and especially during and after COVID-19 – digital skills acquisition was a crucial need that funders were already backing, but not at the level necessary. According to Irvine’s Gulley, there has been “a lot of innovation from the standpoint of finding ways to get folks who are not usually online to now train, engage and learn online.” She said that in undertaking that work, grantees are discovering some unexpected challenges. For example, the formerly incarcerated at times lack even basic digital skills, putting them further behind in their search for employment after they reenter society.

On a similar note, Oldmixon pointed out that COVID-19 has exacerbated the workforce challenges of many young people, whose “transition to what’s next has been disrupted. As we move forward, there needs to be deep and thoughtful investment in how to re-engage young people.” Similarly, women’s careers have often taken a greater hit during the pandemic in comparison to their male counterparts. Funder attention to both of those equity issues, in addition to racial equity, will be necessary in the post-COVID economy.

Despite the magnitude of these challenges, gaps and needs, funders are moving in some encouraging directions. On the workers’ rights side, there has been an uptick of interest in new revenue models

for labor movement organizations, an effort that segues nicely with those nonprofits’ interest in securing the precarious finances of low-wage workers in general. Through projects at places like the Workers Lab, the LIFT Fund and the NDWA, workers’ rights funders are supporting innovative approaches, including tech solutions like NDWA’s Alia, an online platform that pools money to buy benefits for house cleaners who usually lack them. The Omidyar Network has shown a particular interest in this area.

In addition to specific labor-movement-based strategies, increased momentum currently exists around direct cash programs designed to benefit low-wage workers, including experiments with guaranteed income. Grantees like the Workers Lab have been working in that space during COVID-19; through initiatives like the Economic Security Project and Mayors for a Guaranteed Income, tech leaders like Jack Dorsey have joined more typical labor movement funders to back advocacy and experimentation. More funder attention could pay policy dividends down the road, establishing the kinds of income floors that low-wage workers desperately need.

Another promising avenue for workers’ rights philanthropy is the move to an approach involving global analysis and funding. Kellogg has long been a player in that space, and OSF has made a point of

## Funder Spotlight



For over 45 years, the Ms. Foundation for women has been on a mission to “build women’s collective power in the U.S. to advance equity and justice for all.” On the anniversary of the Lilly Ledbetter Fair Pay Act, Ms. Foundation president and CEO Teresa Younger remarked, “In 2020, women worked at least three months longer than men to earn the same wages and, in 2021, the date of pay equity for women will be delayed even longer,” citing the COVID-19 pandemic as “just part of the problem.” The foundation has long supported organizations advocating for pay equity and labor rights in the U.S.

entering it more recently, funding transnational efforts to shine a light on the global workforce that supplies consumer goods to American markets.

Finally, and perhaps most crucially, philanthropic leaders can find ways to prop up, within the law, the movement infrastructure that benefits worker organizing efforts, including new ones at places like Amazon. Where possible, funders can support capacity building and organizer training that seeds public opinion and worker movements that unions can build upon, as they do the most to build countervailing worker power on the ground. But as always, they must do so within the rules barring nonprofit involvement in overt workplace-specific union organizing activities.

In the workforce development sphere, increased conversation around job quality represents one of the most promising trends—one that was mostly absent prior to the Great Recession. It’s a fraught space, where only some advocates believe true progress can be made. But according to Cage, there has been a trend in which more corporate givers are “making sure their internal investments and initiatives are matching and mirroring what they’re doing in terms of their philanthropy” when it comes to workforce issues and job quality.

During 2020 especially, Cage said, many employers “have become more aware of the financial situation of their workforce, how precarious people’s personal lives are.” One example is Prudential’s work around financial wellness programs, as well as employer-facing work at the Weinberg Foundation to tackle the digital divide. The National Fund for Workforce Solutions is also working with the Gates Foundation to better understand what factors motivate employers to create better-quality jobs.

“In philanthropy, there’s been evolution to the employer side of the equation, a focus on what employers can do to change dynamics,” Cage said. That represents at least some evolution from the pre-2008 era of workforce funding, when many philanthropies focused on numbers of job placements alone, neglecting the issue of job quality.

Another site of evolution in workforce funding has been the degree to which philanthropy understands its impact alongside public spending. Rather than just funding a program or project in isolation, some of the most effective local workforce funders are the ones taking the time to understand where their money will fill gaps between government-funded work, or where it can help service providers innovate. That might involve using data more effectively to understand whether or not existing workforce programs are actually achieving results, as Oldmixon pointed out.

## Affinity Group Spotlight



**PARTNERSHIP**  
for  
Working Families

The Partnership for Working Families is a network of local and regional groups advocating for economic equity through community organizing, civic leadership, and policy reform. The partnership has affiliates across the country, including Warehouse Worker Resource Center, Pittsburgh United, and Community Labor United. Large institutional funders supporting the organization include the Arca, Ford, and Kellogg foundations, as well as, the Rockefeller Family Fund and Open Society Foundations.

Funders can also collaborate with state and local officials where they work, finding ways to inject philanthropic dollars into projects where public dollars are already flowing. Irvine has been a pioneer in this public-adjacent regional approach, spurred on by a labor-friendly policy environment in Sacramento. And in Connecticut, the Melville Charitable Trust—a housing-focused grantmaker—has been working with other local foundations to fund around the state governor’s workforce plan.

Racial equity in workforce development also stands as a good opportunity for high-impact funder engagement. In 2020, the national reckoning around racial justice saw companies make bolder statements and commitments around racial equity. Oldmixon reported that in many cases, companies turned to foundations, and to their own philanthropic arms, for guidance on racial equity grantmaking. Given the fact that many corporate equity commitments involve workforce development, this marks a promising avenue for funders to make their voices heard.

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# Thank You

*Thank you to these individuals who were interviewed:*

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<sup>1</sup>Based on available grantmaker data from Candid. Excludes federal funding, funding by higher education institutions and major donor advised funds (DAFs.)

<sup>2</sup>Based on available grant recipient data from Candid. Excludes government organizations and higher education institutions.

## Feedback?

The State of American Philanthropy is an ongoing project, each SAP brief will be updated periodically to integrate new information, additional data and evolving perspectives. If you have comments or information you'd like to share with us, please email us at [managingeditor@insidephilanthropy.org](mailto:managingeditor@insidephilanthropy.org).