

## **Economic Environment Survey of Employment & Training Providers**

### **Executive Summary of Responses**

In September 2009, the Chicago Jobs Council (CJC) conducted a survey of employment and training service providers to understand how provider organizations are being affected by the current economic environment, and to get a sense of what the employment and training service delivery landscape may look like after one-time federal recovery funds are expended. Executive directors, presidents and other leadership of 228 organizations (non-profit, for-profit, government and community colleges) were surveyed yielding a total of 43 responses (19% response rate).

Three key themes emerged from survey responses:

#### **1) The current funding environment is extremely volatile.**

The vast majority of respondents are facing reductions in State and private foundation funding, as well as from other sources such as individual donors and members. Long delays in payments from the State also add another significant layer to the current economic challenges for these agencies. Providers are coping with current funding reductions as well as trying to anticipate and plan for future reductions. Providers report that both funding cuts and instability are resulting in staff reductions, program closures, cutbacks in client services and numbers of clients served, as well as negatively impacting organizational operations and infrastructure.

More than half of the respondents (23) have received American Recovery and Reinvestment Act (ARRA) funding related to employment and training services. Providers were divided in their perception of the extent to which these stimulus funds would be helpful in off-setting cuts.

Respondents commented:

- “The lack of funding has greatly impacted our ability to continue to deliver service to our community in the form of job training programs. The agency has laid off its entire full time staff and closed all but 2 programs, and works with volunteers and 1 half-time paid person.”
- “...We have [received ARRA funding] and, as a result, we have been able to hire staff in one of our community centers. However, the funding is very restrictive and is requiring us to use the funds in areas that we don’t believe are optimal.”
- “This year looks fairly stable. But I don’t know where employment and training funding ... will come from next year. There is stimulus ARRA funding but it is generally for new programs and with time limitations...The economic climate makes simply surviving a real concern just about every day. It is difficult to be creative and to think expansively when you’re sometimes not sure how the bills are going to be paid.”

#### **2) Increased funding can mean additional capacity challenges for organizations.**

The programming and administrative demands of ARRA funding and attached requirements can be challenging to the internal capacity of some organizations. Over 70% of survey respondents receiving ARRA funds (related to employment and training) have needed to increase staff and/or staff-time (both paid and unpaid) in response. For most of these providers, ARRA funding has meant implementing new programs and initiatives, most of which are time-limited. While some providers are well positioned for the launch and expansion of programming, others lack existing

program models, agency partners, experienced staff, administrative support and other internal infrastructure to manage requirements attached to ARRA funding.

Respondents commented:

- “We’ve been so stretched initiating these new [ARRA funded] components that we haven’t had much time to develop a ‘vision’ related to these components.”
- “Our organization was extremely fortunate because we were already executing a very successful youth work experience program... The program model fit perfectly with the ARRA summer youth employment requirements. Many agencies began ‘chasing ARRA dollars’ but didn’t have the internal infrastructure to quickly ramp up a program, this includes securing confirmed internship or work experience sites.”
- “Some of our new funding, including the stimulus grant, is dedicated to staff salaries only, with no overhead included. So every new position costs us money, which we must generate from unrestricted sources – very challenging!”

A recent survey conducted by the Chicago Metropolitan Agency for Planning (CMAP) for the Regional ARRA Coordinating Council reinforces this finding of increased capacity challenges<sup>1</sup>. CMAP survey respondents indicated that, related to meeting ARRA funding administrative requirements, areas of concern include amounts of paperwork, unique reporting requirements, staff availability, time, and number of reporting requirements. Respondents also indicated an interest in outside capacity building, technical assistance and collaboration in order to meet demands.

### **3) Organizations are responding to current challenges and opportunities with creativity.**

Providers’ responses to the current environment are varied and innovative. Some examples of approaches that surveyed organizations are adopting are below:

- restructuring existing and creating new programming not only to take advantage of funding opportunities, but to better respond to the shifting needs of clients (both job seekers and employers)
- creating new joint ventures and collaborations to leverage opportunities and fill gaps
- restructuring staff (in addition to lay-offs, shifting job descriptions and using more volunteers) and cutting operational costs (subleasing office space, relying on donated supplies) to get by on less
- re-strategizing around organizational mission and fundraising efforts
- generating program related earned income from social ventures to rely less on government and private foundation funding

Additionally, organizations are strategically planning ahead and thinking creatively in order to sustain new programs and staff once ARRA funds are expended.

---

<sup>1</sup> CMAP did a survey for the Regional ARRA Coordinating Council for the purpose of determining areas of potential coordination and need for support. The survey results were not public, but are on file with CJC.