

WORKFORCE DEVELOPMENT

In Cuyahoga County, nearly 6,000 nonprofits make up an ecosystem of social impact support. Workforce Development nonprofits play a vital role in this ecosystem, encompassing over 50 organizations that provide training for the workforce including activities that help people prepare for, find, secure, and retain employment. Workforce Development is a subset of the Community and Economic Development industry. 60% of these organizations have an operating budget less than \$200,000 or are operating as a church or religious institution—meaning they are not required to report deeper data to the IRS. This snapshot provides a glimpse into the Workforce nonprofit landscape throughout the county, with a deeper dive into the ~40% of organizations reporting comprehensive data.

WORKFORCE DEVELOPMENT NONPROFITS AT A GLANCE



2,981 WORKERS

264 BOARD MEMBERS

51

Workforce Development Nonprofits

1%

of the sector

28
years old

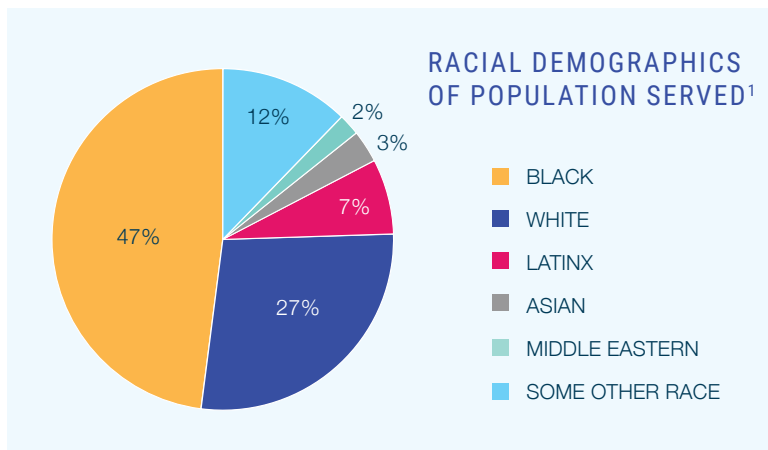
Average age of Workforce Development nonprofits

50% GENERAL WORKFORCE DEVELOPMENT

35% JOB TRAINING

8% JOB COUNSELING

4% JOB CREATION



¹This demographic data is from the Community and Economic Development Industry, of which Workforce Development is a small subset.

REVENUE BY STAFF SIZE

STAFF SIZE	# OF ORGANIZATIONS	% OF ORGANIZATIONS	MEDIAN REVENUE
0	5	25%	\$297,000
1-2	1	5%	\$83,000
3-5	4	20%	\$346,000
6-10	1	5%	\$1M
11-20	1	5%	\$234,000
21-40	1	5%	\$1M
41-80	2	10%	\$10M
81-160	2	10%	\$7M
> 160	3	15%	\$6M

WORKFORCE DEVELOPMENT NONPROFITS BY SIZE

60% of Workforce Development nonprofits have revenues under \$200,000. The remaining ~40% that are required to report deeper data tend to be larger in revenue size and expenses than other nonprofits in Cuyahoga County, with the median revenues being \$297,400 compared to \$172,000 for all nonprofits included in the study, and median expenses being \$224,000 annually. Compensation and operations make up a significant portion of Workforce Development nonprofits' expenses.

Of the 31 of Workforce Development organizations with budgets over \$200,000, 30% have staff sizes of two or less people.

WORKFORCE AND COMPENSATION

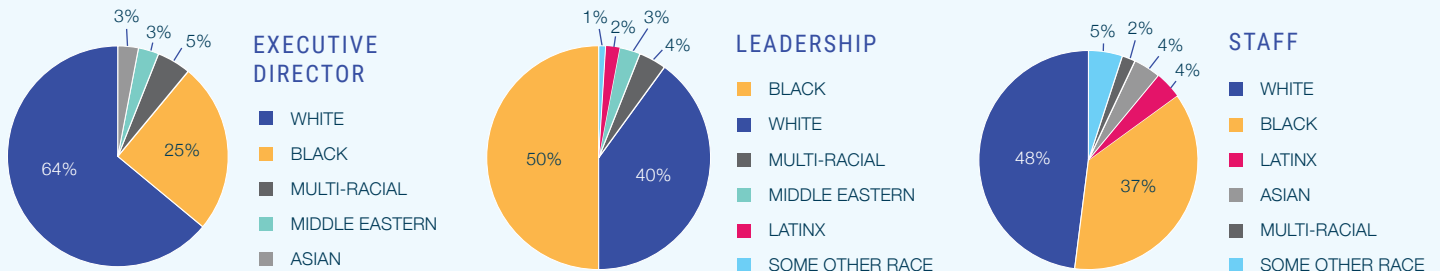
BREAKDOWN OF STAFF, COMPENSATION, VOLUNTEERS, AND BOARD MEMBERS BY LARGEST SUBGROUP

TYPE OF ORGANIZATION	TOTAL STAFF	TOTAL STAFF COMPENSATION	MEDIAN STAFF COMPENSATION	TOTAL VOLUNTEERS	TOTAL BOARD MEMBERS
General Workforce Development	55	\$239,100	\$4,500	195	61
Job Training	595	\$4M	\$17,800	192	105
Job Counseling	162	\$20,800	No Data Available	42	24
Job Creation	2,035	\$8.9M	\$28,600	178	63
ALL WORKFORCE DEVELOPMENT ORGANIZATIONS	2,981	\$16.8M	\$14,400	607	264

Demographic data was not available from a significant enough number of Workforce Development organizations in Cuyahoga County to report on in this brief. However, Workforce Development is a sub-industry of the broader Community and Economic Development nonprofit industry and there is data on the racial demographics of that industry.

DEMOGRAPHICS OF WORKFORCE DEVELOPMENT NONPROFIT EMPLOYEES

from the 2022 COVID-19 Nonprofit Recovery and Resiliency Survey



Compensation data is reported by organizations with annual revenues of \$200,000 or more and includes only full-time and year-round employees. The small sample size reporting this data limits a full picture of wages in this industry. In some subcategories, like Job Counseling, wages are much lower than others, while in others, like Job Creation, wages are 32% higher than the median across the sector as a whole. Demographic data was not available from a significant enough number of Black and Brown-led organizations to disaggregate pay by race.

MEDIAN STAFF SALARY: \$14,400

MEDIAN SENIOR LEADERSHIP SALARY: \$99,500

Story of Resiliency

“During the height of the pandemic individual contacts were up by 75%: mostly from current or past participants looking for connections to basic resources due to elimination of employment or significant reduction in hours. We added a new focus on digital inclusion/literacy and re-designed all workshops with virtual learning platforms; including new digital capacity assessments and providing equipment, training and ongoing support to ensure successful engagement, completion and placement.”

– Workforce Development Nonprofit Organization Leader, 2022



FINANCES

COVID-19 had significant impacts on the Workforce Development industry as a whole, and pandemic-related job loss hit more vulnerable populations the hardest—low-wage workers, people without college degrees, young workers, parents to young children, and people of color were disproportionately affected. Additionally, in the last two years 408,313 people have quit a job, 481,559 report needing training to get ahead, and over 76,000 retired earlier than expected in Northeast Ohio. Employment vacancies continue to be an issue as the economy and inflation fluctuates.

OVERALL FINANCES BY ORGANIZATION TYPE

TYPE OF ORGANIZATION	TOTAL REVENUE	TOTAL EXPENSES	TOTAL ASSETS
General Workforce Development	\$2.7M	\$1.5M	\$1.2M
Job Training	\$15.6M	\$8.8M	\$22.4M
Job Counseling	\$1.9M	\$413,200	\$1.9M
Job Creation	\$30.3M	\$24.4M	\$16.6M
ALL WORKFORCE DEVELOPMENT ORGANIZATIONS	\$59.2M	\$43M	\$43.5M





REVENUES

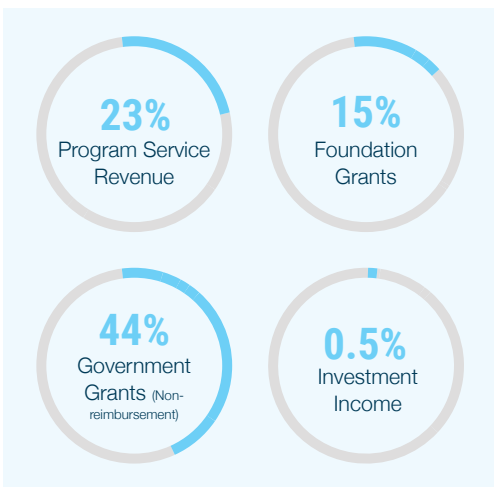
Workforce Development nonprofits play a significant role in the local economy, generating at least \$59M in annual revenue. While comprising only 4% of all Workforce Development organizations locally, job creation related nonprofits are the largest subgroup in the industry by both revenue and staff size. 23% of reporting Workforce Development nonprofits' funding comes from program services and 44% comes from government grants—this is eleven times the average for Cuyahoga County suggesting that government funding is largely available through grants as opposed to reimbursements for this industry. Job creation nonprofits are receiving more government funding than any other subgroup.

\$59.2M TOTAL REVENUE

\$297,400 MEDIAN REVENUE

GOVERNMENT GRANTS BY SUBGROUP

TYPE OF ORGANIZATION	GOVERNMENT GRANTS	GOVERNMENT GRANTS AS % OF TOTAL REVENUE
Organized Labor	\$8M	90% 
Job Creation and Workforce Development	\$15M	50% 
Job Training	\$3M	18% 
Employment	\$410,000	15% 



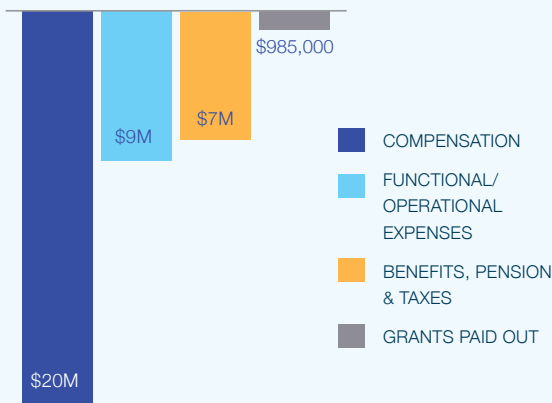
EXPENSES

While ~60% of the Workforce Development landscape are smaller nonprofits, those with budgets greater than \$200,000 annually have higher expenses than other nonprofits in Cuyahoga County, with a median expense amount per reporting organization of \$224,000, compared to \$154,000 for the entire nonprofit sector. Compensation and operational expenses make up a significant portion of Workforce nonprofit expenditures, with \$20M in compensation and \$9M in operations total.

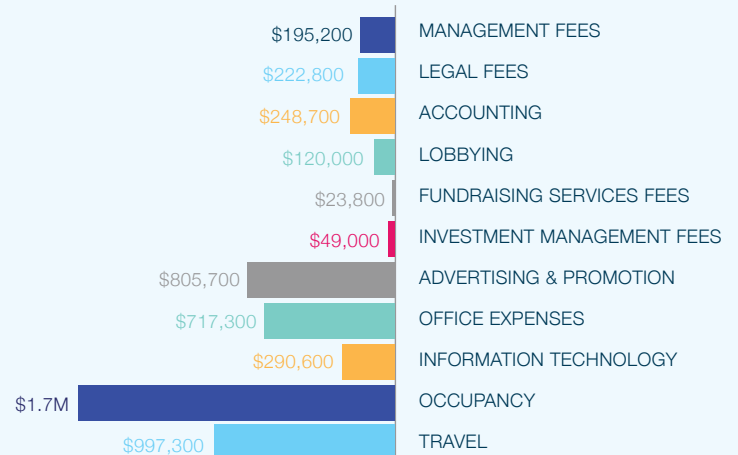
\$43M TOTAL EXPENSES

\$224,000 MEDIAN EXPENSES

TOP EXPENSE CATEGORIES



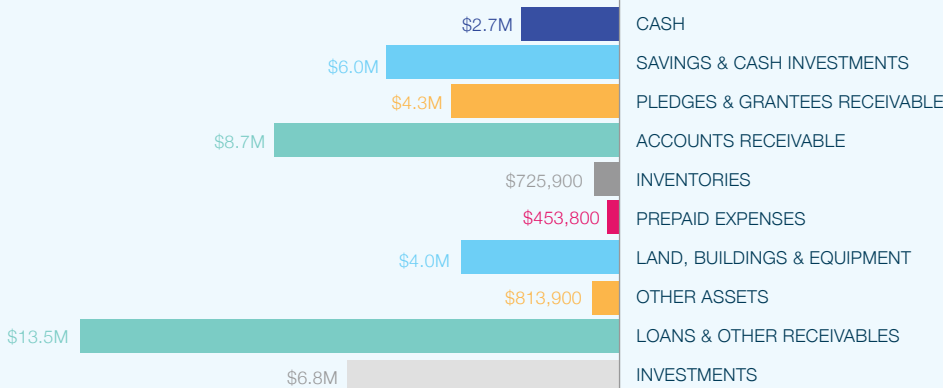
FUNCTIONAL/OPERATIONAL EXPENSE BREAKDOWN



ASSETS

Of the total \$51B in nonprofit assets locally, Workforce Development organizations hold just a tiny fraction (0.08%)—mainly in unrestricted funds. Job training and job creation hold a majority of these assets or \$39M in assets combined. A majority of their assets are money owed to them from others through loans and accounts receivable.

BREAKDOWN OF ASSETS



\$43.5M
TOTAL NET ASSETS

\$27.8M
UNRESTRICTED ASSETS

TOP 5 CAPACITY BUILDING NEEDS FOR WORKFORCE DEVELOPMENT NONPROFITS

2022	2023 AND BEYOND
 Marketing and Communications	 Diversity, Equity, and Inclusion
 Fundraising and Grant Writing	 Staff Salaries
 Staff Salaries	 Program Development
 Diversity, Equity, and Inclusion	 Evaluation
 Leadership and Management Development	 Facilities and Operations Costs

KEY FINDINGS:

- Few Nonprofits Provide Exclusively Workforce Services, While Need is High:** Only 51 nonprofit organizations focus primarily on Workforce Development in Cuyahoga County, and of these only a handful focused on Job Counseling, and Job Training. This is significant because Cleveland had the second highest working age adult poverty rate in the country before the onset of the COVID-19 pandemic. While the full economic impact of the pandemic remains unknown, many estimate the working age adult poverty rate in Greater Cleveland has likely grown due to significant inflation. In addition, data from another Northeast Ohio study collected in the last two years indicates a rapidly changing workforce: 408,313 people have quit a job, 481,559 report needing training to get ahead, and over 76,000 retired earlier than expected in Northeast Ohio. There is a significant need to boost the availability of programs preparing working age adults living in poverty for careers with living wages.
- Workforce Development Nonprofits Pay Among the Least:** The median wage for Workforce Development nonprofit staff is \$14,400/year, 35% lower than the median earnings of other nonprofit staff across the sector. The small sample size reporting this data limits a full picture of wages in this industry, however, the data does show wages vary significantly depending on what part of the Workforce Development ecosystem one works within. In some subcategories, like Job Counseling, wages are lower, while in others, like Job Creation, wages are 32% higher than the median across the sector as a whole. Out of all subgroups, job creation staff make a median salary over \$28,000 a year—the only subgroup to make more than the sector median.
- Workforce Development Organizations Receive Significantly More Government Grants than Others:** Of the 51 Workforce Development nonprofits in the county, they receive on average 44% of their revenues from government grants alone. This is a 1000% greater reliance on government grants than other types of nonprofits. This suggests there are significantly more government dollars available in the form of grants for workforce development to nonprofits than there are for other industries, and that there is less program service reimbursement revenue available.

This snapshot was developed as part of the Cuyahoga County Nonprofit Landscape Assessment, funded by the Funders Collaborative on Covid Recovery and available to the public. Visit sangfroidstrategy.com/cuyahoga for much more detail on Workforce Development nonprofits and the sector as a whole!