

Trickle Up: A Case Study on Community Benefits of Workforce Development

Executive Summary

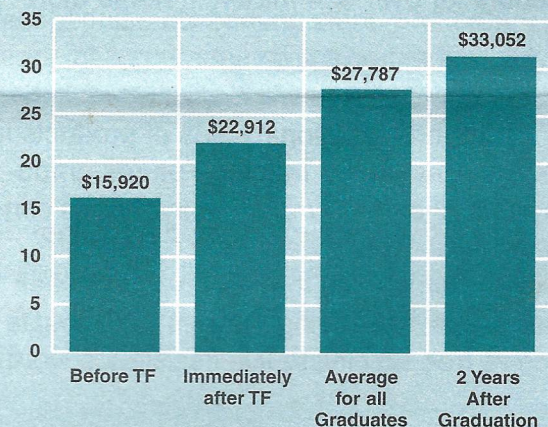
"Trickle Up: A Case Study on Community Benefits of Workforce Development" shows how one high-performing workforce development initiative, Northern Virginia Family Service's Training Futures program, has led to a steady flow of benefits back to the community that embraced this program. Over three-fourths of Training Futures graduates successfully reach the mainstream of America's economic life. The impact of their success trickles up to benefit taxpayers, the regional economy, and local employers.

A high-performing workforce development program like NVFS Training Futures succeeds in propelling low-income families into the economic mainstream. The majority of Training Futures' adult trainees are stuck in dead-end retail and service jobs that pay an average wage of \$7.96 an hour with no benefits. Since two-thirds of these trainees are parents supporting children, most are struggling to raise families on an annual income of \$16,000.

Training Futures graduates reported that their earnings increased by an average of 75% — compared to jobs immediately prior to enrolling at Training Futures. Instead of annual incomes of \$16,000 before Training Futures, they now earn an average of \$28,000. The average salaries of those who graduated at least two years ago have doubled to \$32,000. Nearly 400 employed Training Futures graduates from the past 6 years will earn \$4.6 million more for their families in 2003 than they would have earned if they had remained in the same low-wage jobs prior to Training Futures.

CHART 1

GRADUATES' EARNINGS DOUBLE AFTER TWO YEARS



Training Futures benefits taxpayers by rapidly converting public assistance recipients into community contributors.

Taxpayers will save \$138,000 in public assistance payments in the year 2003 alone, as the 2002 graduating classes moved off public assistance and onto private payrolls.

During Training Futures' 7-year history, 189 Northern Virginia residents who reported receiving public assistance payments when they entered Training Futures have graduated. As a result, government agencies have reduced public assistance payments by \$663,000, while these former public assistance recipients have achieved their dream of getting and keeping good jobs at good wages.

Moreover, Training Futures' nearly 400 successful graduates will contribute an estimated \$1.6 million back to public agencies in 2003 from increased payroll, income, real

estate and sales tax revenues that trickle back into public coffers.

The success of Training Futures graduates also benefits the regional economy. Only 8% of trainees owned their own homes before starting Training Futures. Now, 33% of graduates own homes. Approximately 126 families have leveraged higher incomes after graduating from Training Futures to purchase homes. These graduates now account for over \$20 million in home mortgages.

Local merchants will realize an estimated \$1.6 million in additional sales of products in 2003 purchased by Training Futures graduates with their \$4.6 million in increased consumer spending power. Employers also benefit. Companies that sponsor two-week internships for Training Futures participants receive free administrative assistance worth

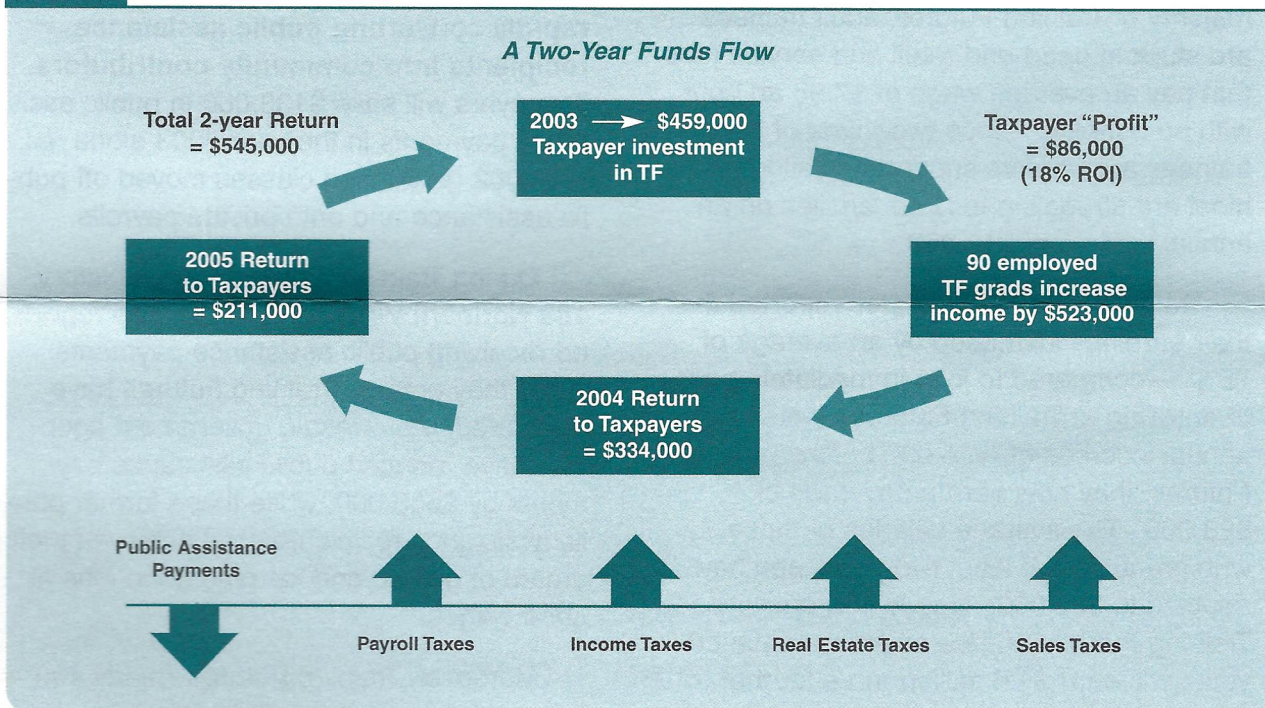
\$65,000 per year, and reap even greater benefits when they hire well-trained Training Futures graduates for full-time jobs.

The bottom line: Taxpayers actually earn a “profit” on public money invested in successful workforce development programs like Training Futures. Public funding of \$459,000 for Training Futures in 2003 will generate a return of all of this original funding back to public agencies within two years, plus an \$86,000 surplus. Within two years, public investment in Training Futures generates an 18% return, a rate of return higher than most individual investors earn on their stockmarket mutual funds.

“Living poor in America slowly beats your dreams down. I came to Training Futures to lift my dreams back up,” said one recent Training Futures enrollee when she

CHART 2

HOW TAXPAYERS “PROFIT” ON INVESTMENT IN TRAINING FUTURES



Within two years public agencies not only generate an 18% “profit” for public finances from Training Futures, but also achieve an extraordinary social benefit by increasing private sector earnings by over \$1 M for more than 100 low-income families.

started the program. When communities lend a helping hand to lift up those who have stumbled or are stuck, we are all lifted up by this collective act of grace.

About Northern Virginia Family Service (NVFS)

Our mission is “to empower individuals and families to improve their quality of life, and to promote community cooperation and support in responding to family needs”. NVFS is a private, non-profit human service organization dedicated to helping individuals and families find new paths to self-reliance and brighter futures. Northern Virginia Family Service offers a constellation of inter-related programs that provide life-changing opportunities for those most in need. For more information about Northern Virginia Family Service, call (703) 385-3267 or visit our website at www.nvfs.org.

About NVFS Training Futures

Training Futures is a training program of Northern Virginia Family Service that brings together low-income Northern Virginia adults who yearn for a better life for their families through better jobs, and area businesses that need technology-savvy administrative staff. Through its 22-week training design, Training Futures prepares graduates for a variety of entry-level office jobs, including administrative assistant, customer service, receptionist, accounting clerk, and data entry, giving graduates maximum flexibility and marketability.

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To request a copy of the full 20-page publication from which this executive summary was drawn, contact NVFS Training Futures at (703) 913-5478.

An Inspiring Story from One Training Futures Graduate

Keeping a Promise to Myself

“I was raised in a home of emotional and psychological abuse. You see, my parents are alcoholics, but I survived. At the age of 16, I got pregnant and married my next abuser. I gained the courage to leave after the birth of my 3rd child. I became a hairdresser and survived as long as I could. I realized that to get a decent job I would have to learn office skills. I made a promise to myself that I would go back to school one day. I am here today at this graduation of Training Futures keeping that promise to myself I faced many personal adversities while at Training Futures. But I survived each and every one with the support and tremendous caring from each staff member as well as all my fellow trainees. I was in a city of Angels...They have instilled and reconfirmed my hunger to achieve and be a success.”

Before this graduate enrolled in Training Futures, she made \$7 an hour to support her children. In her current job, she now earns 2 1/2 times that amount for her family, \$35,500. When she first applied at Training Futures, she wrote this definition of success: “Simple, when my children look at me with pride. When they learn by my example of hard work, patience, and my will-to-achieve a better life and follow my example and achieve a successful life also”. By completing Training Futures and transforming her life, she has not only kept a promise to herself, but she also extended this commitment to her three children.