



THE
KRESGE
FOUNDATION

Human Services/
Social Investment Practice
Joint Request for Information

Human Services / Social Investment Practice Request for Information

Overview

Goal/Purpose: The Kresge Foundation seeks to gain a stronger understanding of the current and unmet demand for grant and non-grant forms of capital to support social and economic mobility through workforce development and minority entrepreneurship. Depending on what we learn, the Foundation may pursue grant and/or PRI opportunities or inform practitioners about emerging workforce development financing efforts.

Description: Through a Request for Information (RFI), we seek to learn more about:

- Capital solutions that advance and incentivize *high road business practices* (HRBP)
- Opportunities for financing *inclusive talent pipelines*
- Catalysts and investment strategies that advance *minority entrepreneurship*

Background: Kresge's Human Services and Social Investment teams have been exploring ways to broaden our awareness of the use of and need for capital to advance social and economic mobility through HRBP, inclusive talent pipelines and minority entrepreneurship. We anticipate that information gathered through this RFI will help us: 1) understand efforts in the field that use different capital solutions to advance workforce development and entrepreneurship, and 2) potentially advance a limited number of ideas for grants and/or PRIs.

Target organization types: Entrepreneurial support organizations, community development finance providers, economic or workforce development boards, chambers of commerce, workforce intermediaries, public-private partnerships, sector partnerships, entrepreneurs.

Target geographies: Our primary interest is in cities in Michigan and the Southeastern United States, including Florida, Louisiana, Mississippi, North Carolina and Tennessee; however, we will seek responses nationwide.

Responses are due by 12 p.m. (EST) February 21, 2020 to workforce@kresge.org.

Request for Information

Introduction

The Kresge Foundation works to build and strengthen pathways to opportunity for people with low incomes in America's cities, seeking to dismantle structural and systemic barriers to equality and justice.

Kresge's Human Services Program, in partnership with its Social Investment Practice, seeks to advance social and economic mobility and reduce racial inequities.

Through this request for information, we want to better understand the range of capital barriers impeding workforce and entrepreneurship efforts that advance social and economic mobility and reduce inequities in income and wealth.

Specifically, we seek information from the field in the following areas:

- Capital solutions that advance and incentivize high road business practices
- Opportunities for financing inclusive talent pipelines
- Catalysts and investment strategies to advance minority entrepreneurship as a mobility pathway for families and communities

Depending on what we learn, the Foundation *may* make grants and/or program-related investments, pursue partnerships with respondents or other investors, and develop and share learnings with the field.

Background

The [Human Services Program](#) and [Social Investment Practice](#) seek to advance social and economic mobility and reduce inequities in income and wealth. We believe a range of levers can support human capital development in ways that address income and wealth gaps as well as the needs of businesses within a community. These levers include strategies that advance and strengthen high road business practices, inclusive talent pipelines and support minority entrepreneurship.

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New approaches to human capital development are necessary, as federal investment in workforce development is at a 40-year low.¹ While human capital development has traditionally been addressed at the direction of and with investment by state and federal entities, the business community is increasingly interested in leading these efforts. Small- and medium-sized businesses recognize their role in creating shared prosperity as well. The Main Street Alliance highlights the need to treat "all employees with dignity, a livable wage and good working conditions," and has a policy agenda supporting this aspiration.²

¹ Cielinski, Anna. Center for Law and Social Policy. "Federal Investment in Employment and Job Training Services Has Declined Over the Last 40 Year." December 2017.

<https://www.clasp.org/sites/default/files/publications/2017/12/12.15.17%20Federal%20Investment%20in%20Employment%20and%20Job%20Training.pdf>

² Main Street Alliance. "About Us." <https://www.mainstreetalliance.org/about>

As part of our work, we seek to expand and incentivize high road business practices, (e.g. living wages, benefits, scheduling and other practices that help families live and thrive). Additionally, we believe, under the right conditions, entrepreneurship can build inclusive prosperity.³ The Federal Reserve Bank of Atlanta has documented many alternative capital models for workforce development efforts.⁴ Through this RFI we seek to identify practitioners who are attempting to implement one or more of these models, better understand the capital barriers they face and if or how the philanthropic community can invest.

Request for Information

Kresge's approach utilizes a full range of capital solutions to address complex social challenges. We seek information and concepts that demonstrate use of, or the need for, both grants and non-grant forms of capital to advance one or more of the three identified topics. The Foundation welcomes information from organizations and/or partnerships that have significant experience raising and deploying capital in low-income communities as well as those that are newer to community investment.

Each response should include:

- 1) **Contact information:** Organization/ partner names and contact information
- 2) **Priority Area** (Note: Respondents may select more than one area):
 - High road business practices
 - Inclusive talent pipelines
 - Minority entrepreneurship
- 3) A **narrative description** of no more than 3 pages, single spaced, providing information about how your approach will advance social and economic mobility and address racial inequities. This narrative should include the following information:
 - **Organizational background:** Overview of the organization (e.g. contextual information, mission, service array, population of people engaged)
 - **Asset and problem statement:** Describe the assets within the community and the community-specific problem the work seeks to address
 - **Proposed solution/ theory of change**
 - **Cities and/or neighborhoods impacted**
 - **Description of how efforts will address racial inequities**
 - **Capital barrier:** A description of specific capital barriers, grant or non-grant, that are impeding the work or contributing to the identified issue.

Please note that Kresge has not set aside of a specific level of funding, nor committed to providing grant, loan, guarantee or other investment to RFI respondents. However, information gathered through this process will help determine if and how the Foundation may invest resources.

Submission Guidelines

Information should be submitted by 12 p.m. (EST) on Friday, February 21, 2020 to workforce@kresge.org. Please use the following subject line: *RFI: Organization Name*. In the

³ Prosperity Now. "Three Strategies for Advancing Equitable Business Opportunities for Black Entrepreneurs." 23 January 2018. <https://prosperitynow.org/blog/three-strategies-advancing-equitable-business-opportunities-black-entrepreneurs>

⁴ Federal Reserve Bank of Atlanta, Center for Workforce and Economic Opportunity. "Resources." <https://www.frbatlanta.org/cweo/funding-workforce/resources.aspx>

content of the email, please include contact information, including name, email and telephone number. We request one pdf document per submission that consists of the information outlined in the “Request for Information” section above.

About the Kresge Foundation, Human Services Program and Social Investment Practice

The Kresge Foundation was founded in 1924 to promote human progress. Today, Kresge fulfills that mission by building and strengthening pathways to opportunity for low-income people in America’s cities, seeking to dismantle structural and systemic barriers to equality and justice. Using a full array of grant, loan, and other investment tools, Kresge invests more than \$160 million annually to foster economic and social change. For more information visit Kresge.org.

The Human Services Program is laser focused on achieving person-centered systems change that accelerates social and economic mobility for children and families using a racial equity lens. To accomplish this primary goal, we work with local, state, and national partners who are reimagining support systems and co-creating solutions with children, families and community partners to meet them where they are and provide the support they need to build well-being and reach their full potential.

The Social Investment Practice works to expand opportunity, strengthen neighborhoods and improve quality of life in America’s cities by ensuring access to capital. We use loans, deposits, equity and guarantees to support organizations and efforts that advance the goals of our programs. We seek to attract capital from other sources, including financial institutions, private investors, other foundations, donors and government agencies, and strive to bring together potential partners and serve as project ambassadors. Because our goal is advancing social good, we take more risk than private-sector financiers when there is commensurate opportunity for impact.

Key Terms

High road business: business that see their employees, the communities in which they operate and the products and services they provide as equally important to their financial success. High Road Business Practices include paid sick days, family medical leave insurance, diverse hiring, fair wages, retirement plans and other workplace practices and policies that attract and retain productive, loyal employees

Talent pipeline: place-based workforce approach whereby business leaders, educators and training providers, and workforce intermediaries partner to identify and cultivate career pathways to meet economic development needs⁵

Minority entrepreneurship: firms owned, operated and/or governed by people of color

⁵ Federal Reserve Bank of Dallas and Center for Public Policy Priorities. “Regional Talent Pipelines: Collaborating with Industry to Build Opportunities in Taxes.” December 2016. Adapted from pg 8. <https://www.dallasfed.org/-/media/Documents/cd/pubs/pipelines.pdf>

Frequently Asked Questions

1. What is the purpose of this request for information?

The purpose of gathering this information is to better understand the range of capital barriers, both grant and otherwise, faced by workforce and entrepreneurship efforts working to advance social and economic mobility and reduce inequities in income and wealth. We also expect to share our learnings with the field and hope to determine if there are aligned opportunities to invest.

2. What kind of entities should reply to this request? Can governments or nonprofits respond?

We expect a wide range of entities may have information and ideas pertinent to this request, including entrepreneurial support organizations, community development financial providers, economic or workforce development boards, chambers of commerce, workforce intermediaries, public-private partnerships, sector partnerships and entrepreneurs.

3. Can we schedule time to talk with the Foundation?

In order to ensure that everyone has equal access to information, we will not be taking individual calls. The FAQ will be updated regularly and posted on <https://kresge.org/library/request-information-human-services-and-social-investment-practice>

4. Can entities submit joint responses?

We welcome information submitted as a partnership and understand it may take multiple entities to achieve impact on a single idea.

5. Will you be making grants and/or social investments in response to this request?

It should be noted that at this time, there is no specific commitment on behalf of the Foundation to make grants, loans, guarantees, or other forms of Program Related Investments (PRIs) available. Information gathered through this process will help determine if and how the Foundation may commit resources.

6. Is Kresge targeting specific geographies with this request?

Our primary interest is in cities in Michigan and the Southeastern United States, including Florida, Louisiana, Mississippi, North Carolina and Tennessee. For more information, about grants recently rewarded by the Foundation, see:

Grants awarded page: <https://kresge.org/grants>

Social Investments made page: <https://kresge.org/social-investments>