

Employer Contributions

The employers who benefit from workforce programs can also provide sources of funding that can be considered for blending, braiding, or sequencing. Some organizations and agencies [receive funding for their operating budget from the employers who eventually hire program participants](#). Others negotiate agreements with employers to cover necessary expenses, [such as paying program participants a subsidized wage](#).

Employers will often require clear program metrics and deliverables to justify return-on-investment for their dollars. This funding source also typically requires substantial upfront work. As one program director noted in a recent interview, “One of my biggest regrets is giving away services for free from the start. Businesses got used to the free employees and training we provide them. When I went back and suggested that they contribute to program costs, I had very little success. We had already proved that we could fund the program without them.” Compliance requirements for these funds are contingent on the agreement that the organization reaches with the employer.

Common ways that employers contribute funds include:

Approach	Often Used With	Description
Grant/Gifts	Braiding or Sequencing	<p>Funding provided directly to the workforce or community based organization. Sometimes funds are provided as a gift and may be used to cover any type of programmatic or operational costs. Other times, funds are specific to a program, industry or sector and may require a focus on particular occupations or populations.</p> <p>For example, a variety of banks such as JP Morgan Chase or Bank of America have made strategic contributions to workforce development and education. Many workforce agencies leverage these dollars alongside other funding to maximize the impact of their programming.</p>

<p>Cost Coverage</p>	<p>Braiding or Sequencing</p>	<p>Employers directly cover the cost of certain expenses, such as uniforms, tools, training or supportive services that will be incurred as part of the program. For example, in the building trades, unions will sometimes provide for this need.</p>
<p>Fee for Service</p>	<p>Braiding</p>	<p>Employers may pay a workforce agency for customized labor market data, on placement of an individual into a hard to fill role or when an individual is retained for a specific period of time. Such payments must be treated as program income (20 CFR § 684.870) if any of the services provided used federal funds in their design or execution.</p> <p>Fee for service models sometimes occurs through a separate entity which is created or supported by a workforce agency for this purpose. One example would be “hire, train, deploy” firms that assist workers to gain access to certain jobs while supporting employers by providing training and ensuring quality. Talent Path is an example of this model in the IT field. Of note, setting up these programs often requires funding such as those listed above.</p>