

Food as an Economic & Workforce Development Tool: Findings from an Exploratory Feasibility Study

PROJECT BACKGROUND

Across the country there is a growing convergence of interests among community stakeholders and local food systems around the use of the food sector as a vehicle for economic development. This provides a unique window of opportunity to meet several socio-economic and workforce development goals simultaneously.

Between September 2014 and September 2015 the Urban Economic Development Association of Wisconsin and consultant, Karen Fulbright-Anderson, identified a cross section of organizations that were using the food industry as a workforce and/or economic development tool; designed and implemented a survey of the leadership of these organizations; and conducted interviews with a subset of these leaders. [This document is an overview of findings.](#)



BACKGROUND OF RESEARCH PARTICIPANTS

Outreach & Survey Efforts

Contacted 50 nonprofit and for-profit organizations in the food sector engaged in economic and workforce development activities

Surveyed 17 of these organizations & conducted interviews with a subset of respondents

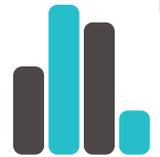


Survey Cohort

53% from nonprofits, 35% from for-profit, 12% from hybrid or social enterprise ventures

80% were located in Wisconsin

Most were engaged in multiple activities related to the food industry



What They Do

- 65% operate commercial kitchens that rent space
- 47% train clients in food industry and related skills
- 47% promote nutrition and wellness in underserved communities
- 41% operate a restaurant/catering business
- 35% produce/sell food items to generate revenue
- 35% train clients to develop a food-based business
- 35% link local farms to outlets for their products



Who They Serve

- Food entrepreneurs (71%)
- Women (65%)
- Single Parents (59%)
- People with physical and/or cognitive disabilities (53%)
- Workers over the age of 50 (53%)
- Youth from high-risk environments (47%)
- African-American males (47%)
- Low-income individuals (12%)
- Homeless individuals (5%)
- Immigrants (5%)
- Latinos (5%)
- Veterans (5%)
- Surrounding Community (5%)



What They Could Do

With increased Capacity & Resources, participants stated they could:

- Assist clients with finding jobs in the food industry
- Provide additional training in food industry-related skills
- Develop and operate a commercial kitchen that co-packs for food entrepreneurs



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OVERVIEW OF RESEARCH FINDINGS

While there are larger-scale efforts to support the food industry and entrepreneurs, it is still challenging for local nonprofits, government and other partners to accurately assess whether southeast Wisconsin's food sector can adequately serve as an economic and workforce development vehicle and enhance existing connections to local food producers.

Our findings indicate that while this is a promising tool that can meet several social and economic justice goals, efforts need to be made to further develop the kind of infrastructure and support that history has shown is needed to make progress in the community and economic development field.

BREAKDOWN OF RESEARCH FINDINGS

Skills Needed for Success

Food safety knowledge
Sales & marketing skills
Facilities & project management skills
Business skills such as accounting, financial forecasting, and meticulous record-keeping
Human resources such as skilled & reliable staff with a culinary and/or food science background



Where Challenges Arise

Balancing operational costs with the need to be affordable for clients
Generating sufficient income to offset expenses
Staff reliability and sustainability
Long-term funding sources for workforce training



Where Support is Needed

Access to affordable financial resources such as grant funds and low-interest loans
Technical support such as business planning, marketing, accounting services, fund development
Access to and ability to connect with others engaged in similar operations to share best practices, have open conversations and troubleshoot
Understanding by funders and supporters that it takes an average of 3-5 years for a food-based enterprise to become established on firm financial footing



RECOMMENDATIONS

Further develop and build an infrastructure that leverages economies of scale for activities that utilize the food industry for economic and workforce development

Identify and implement cost-effective solutions to address challenges related to distribution, purchasing, marketing, financing and technical assistance

Provide consistent, multi-year funding to intermediaries and/or nonprofits that focus on the hard-to-employ

Consider providing program-related investments and/or bridge funding to organizations engaged in this work

Connect those operating nonprofit-based food enterprises with technical assistance resources that support small businesses as the challenges experienced by both are similar

Further develop the support system that connects those operating nonprofit-based food enterprises, micro-level food entrepreneurs in the value-added space and local farmers to each other and technical assistance resources