



The Impact and Opportunity of Our Nonprofit Sector

## A Case Study Analysis

Nonprofits drive change, innovation, connection, and the economy in ways that many people outside of the sector may not fully realize, and that many within the sector find challenging to articulate. Nonprofit organizations supported one in every eight Texas jobs, and made up 5.4% of the total U.S. Gross Domestic Product in 2018. Nonprofits do work that no other sector is willing or equipped to take on, yet these organizations are often viewed as less valuable than the public and private sector industry.

To highlight the true and significant impact of the nonprofit sector, the RGK Center for Philanthropy and Community Service at The University of Texas at Austin LBJ School of Public Affairs, United Ways of Texas, One Star Foundation, and the Center for Nonprofits and Philanthropy at Texas A&M University came together to tell the economic story of nonprofit organizations in Texas. These partners curated data, delineated common sector practices, and crafted case studies to serve as tools to help those in and outside of the sector understand and explain the economic impact of each organization and the sector as a whole.

The following case studies highlight different nonprofit organizations across the state of Texas. Each is organized to align with one or more of United Way's impact themes: Connection, Intersection, Innovation, Foundation. These studies aim to be useful in sharing the work of the nonprofit sector with nonprofit and community leaders, policy makers, engaged citizens, and students interested in careers in the nonprofit sector.



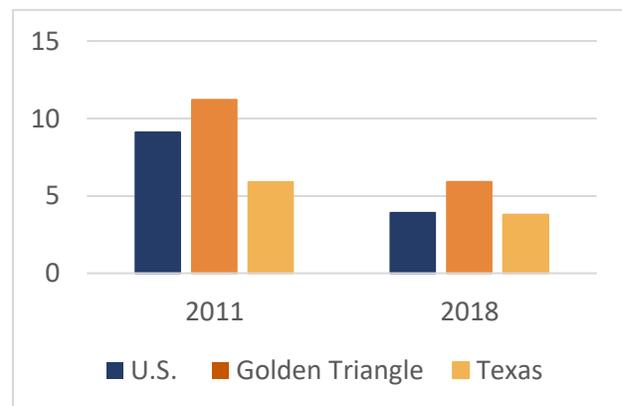
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### Digital Workforce Academy

Digital Workforce Academy (DWA), a nonprofit operating as the Golden Triangle Empowerment Center in Southeast Texas, is making economic impact by connecting individual work aspirations and industry needs in the oil and gas sector.

The Golden Triangle encompasses the Beaumont, Port Arthur, and Orange metropolitan areas. It got its name due to the wealth resulting from the Spindletop Oil Strike in Beaumont in 1901. The name holds true today as the area's oil refineries help refine \$11 million worth of oil per day. Despite the immense wealth from the area, Golden Triangle locals experience higher levels of unemployment than national and state averages.

Unemployment Rate Comparisons



Recognizing the need to retain local industry and address high unemployment rates, local government negotiated contracts with two of the major oil and gas companies. In exchange for multi-billion-dollar tax abatements, the companies were required to hire locally. However, this arrangement revealed a discouraging gap. Local residents were not equipped with the skills necessary to work in the refineries and the industry did not have infrastructure in place to train them on the job. Beaumont native and DWA founder, Melvin White, realized that someone needed to step up and address this challenge.

**Nonprofits have the unique ability to connect public need with private sector resources. They act as an intermediary that is trusted by locals in a way government, for various reasons, often is not.**

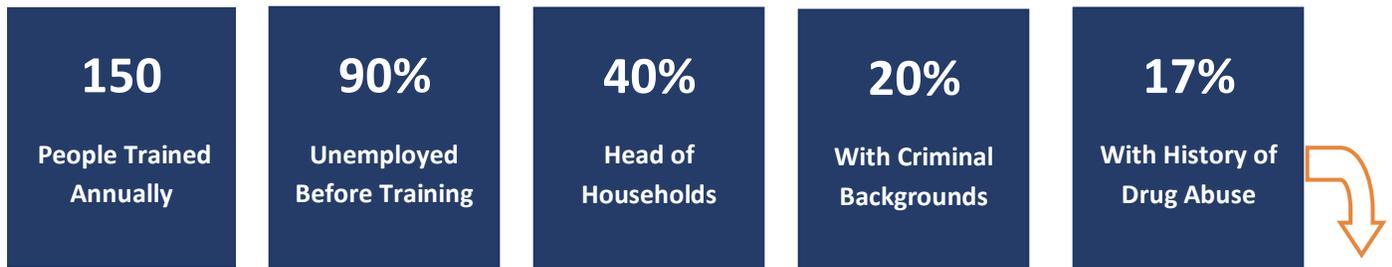
In 2007 DWA launched a successful pilot program, placing 45 people in oil and gas jobs. Within three months, all 45 were promoted and some even went on to become foremen. From 2008 to 2012 Digital Workforce Academy trained 605 individuals: 155 people who dropped out of high school, 133 people with criminal records, and 148 with a history of drug use. Out of this group, 426 completed training and 85% of them acquired employment. Since then, Digital Workforce Academy has trained an additional 572 individuals. In this new cohort, 95% completed training and are now employed or seeking employment.

As a nonprofit organization, DWA prioritizes human connection within broader goals of community and economic development. The local ties and expertise of Melvin White helped the organization navigate relationships with industry and individuals. Mr. White emphasizes the importance of grassroots marketing to gain the trust of potential trainees, some of whom are the most disenfranchised residents. Promises of opportunity and upward mobility have been made to this community before, but not delivered.



Through community meetings, events, and one-on-one conversations DWA slowly built up the trust to launch its pilot. A similar process was necessary to partner with the oil and gas industry and other education providers in the area. Oil and gas companies needed to know that DWA would provide the training and skills they were seeking. Local colleges and trade associations needed to see how DWA complemented their missions, adding value to those who needed it, rather than serving as competition. Building deep community trust is not a linear process and it took DWA many years to develop the relationships and connections it has today. DWA shows how the nonprofit sector can be nimble and responsive to opportunities that will maximize social and economic impact of underserved populations.

## Exploring the Economic Impact



For those with jobs prior to training the average hourly wage was \$11 per hour. The average hourly wage for people exiting training is \$18 per hour. This is a increase of \$14,560 annually. DWA spends \$2,500 per training participant at no cost to the individual. For some, \$14,560 is the difference between government assistance and self-sufficiency.



## Continuing the Work

Digital Workforce Academy is unique in that it takes the time to work with people and industry on a very personal level. DWA believes that it takes work on multiple fronts to build up social and economic resilience in a community. During its 11 years in the Golden Triangle area DWA formed partnerships with local higher education institutions and high schools to help community members continue education beyond the 10-week DWA training program.

The organization is also launching a new for-profit apprenticeship program that will subsidize the costs of continuing to provide free training for individuals in the Golden Triangle Empowerment program. DWA realizes that the work being done is too important to rely on the ebb and flow of external funding streams. Partnership with Texas Workforce Commission makes this an intersection of public, private and nonprofit sectors to reach people in a way that would not be possible by any one entity alone.

