April 30 (Bloomberg) -- Blackstone Group LP’s foundation is funding a $50 million program to spur entrepreneurship, the largest project since its creation after the private-equity firm’s 2007 initial public offering.

The Blackstone Charitable Foundation is starting the five-year Blackstone LaunchPad effort with a $2 million grant to Wayne State University and Walsh College, two Detroit-area schools, the New York-based firm said today in a statement. LaunchPad is a job-creation and training program in collaboration with the University of Miami, which will move staff to Michigan to run the program.

Blackstone Chairman Stephen Schwarzman, who helps guide the foundation, is targeting one of the nation’s most economically depressed areas with the grants as the U.S. economy stabilizes and equity and debt markets recover. Michigan, hurt by job losses in the auto industry, had the highest unemployment rate in the nation last month at 14.1 percent, according to the U.S. Labor Department.

“It’s important to start this in an area that can benefit from new ideas and new approaches,” Schwarzman said in an interview. “As more money goes into an area, there’s a chance to turn this thing around, and we’d like to be a part of it.”

Blackstone-controlled Vanguard Health Systems last month agreed to buy the non-profit Detroit Medical Center for $417 million and committed to invest $850 million in capital improvements over the next five years.

Employment Trends

Job growth may resume in Michigan for the first time in a decade after sales tax receipts rose 4 percent in the first quarter and income taxes went up last month, State Treasurer Robert Kleine said this week at the Milken Institute Global Conference in Beverly Hills, California.
The gains show the states most affected by the longest recession since World War II may be starting to rebound. The U.S. economy added the most jobs in three years last month.

Blackstone, the world’s biggest private-equity firm, owns Sea World Parks & Entertainment, Freescale Semiconductor and Hilton Worldwide as part of its $28 billion in private-equity assets. Blackstone last week posted its fourth-straight profit and marked up the value of its private-equity holdings by 16 percent.

“We can feel this turnaround in the economy,” Schwarzman said. “It’s certainly visible over the last month or two.”

Blackstone LaunchPad is poised to start about 20 small companies at each campus per year through business plan programs and mentoring. The effort may move to other schools around the country if it’s successful, he said.

Shares Surge

Blackstone, founded by Schwarzman and Peter G. Peterson in 1985, went public in June 2007, weeks before financial markets collapsed in a global credit crisis triggered by record U.S. subprime mortgage defaults. Blackstone shares have gained more than 60 percent in the last year as private-equity deal-making resumed. Blackstone rose 34 cents to $14.55 yesterday in New York Stock Exchange composite trading.

Peterson, a former U.S. commerce secretary and chief executive officer of Lehman Brothers, used $1 billion of his personal proceeds from the IPO to start the Peter G. Peterson Foundation.

His foundation, headed by former U.S. Comptroller David Walker, focuses on educating the public and elected officials about the dangers to the U.S. economy posed by government deficits, unchecked spending and insufficient savings.

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