

**Inland Empire Learning Session:
The Power of Social Enterprise**

June 22, 2020



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Director, Center for Social Innovation

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Bitty and Beau



<https://www.youtube.com/watch?v=6NstsV63Bq4>

Panelists



Jonathan
Weldy



Joseph
Williams



Greg Ericksen

REDF's MISSION

REDF invests in and advises high-impact social enterprises to employ and empower people overcoming barriers to work.



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REDF'S FOUNDER

“If people don’t have a job,
they don’t have hope.
And if you don’t have hope,
what do you really have?”

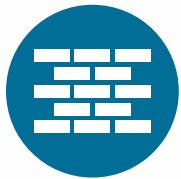
— **George R. Roberts,**
REDF Founder and Chairman



CHALLENGE



- Nearly 10 million Americans are excluded from the workforce.



- Traditional workforce development systems don't address serious employment barriers.



- Unemployment rates among those facing barriers are as high as 80%.



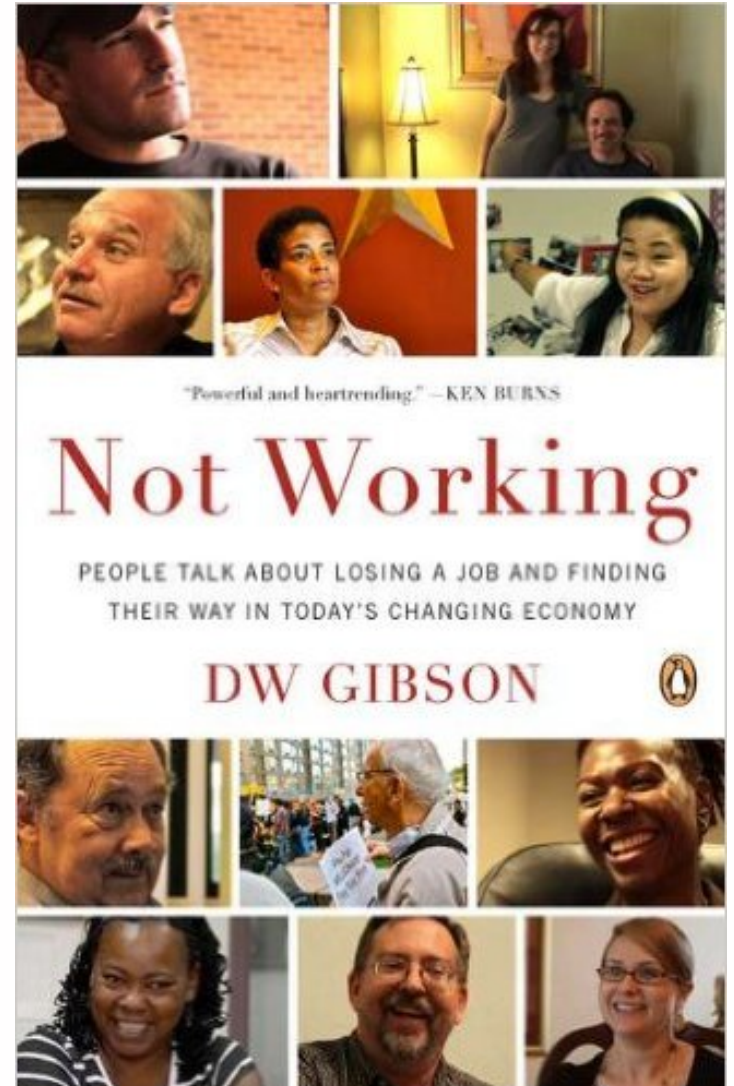
- Persistent unemployment exacerbates poverty, violence, inequity and limited economic mobility.



- When people do not work, we all pay the price.

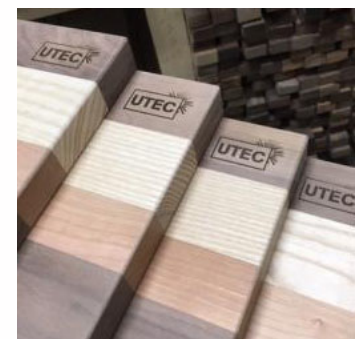
“A JOB IS SO MUCH MORE THAN A PAYCHECK.”

- Pride
 - Security
 - Self-worth
 - Purpose
 - Joy
 - Identity
- Stability
 - Energy
 - Creativity
 - Responsibility
 - Connections
 - Dignity



SOCIAL ENTERPRISE – A KEY PART OF THE SOLUTION

- Self-sustaining businesses earn revenue and reinvest in hiring and supporting more people.
- Sell products and services in the competitive marketplace and hire employees who would otherwise not have much hope of finding/keeping a job.
- Improves lives, strengthens families and communities, and helps spending for government programs go further.
- For 20+ years, REDF has helped social enterprise businesses increase their effectiveness and scale their impact so that more people have the opportunity to work and build a stable future.
- We all benefit from living in a society where everyone has the opportunity to contribute.



SOCIAL ENTERPRISE SOLUTION



CHALLENGE:

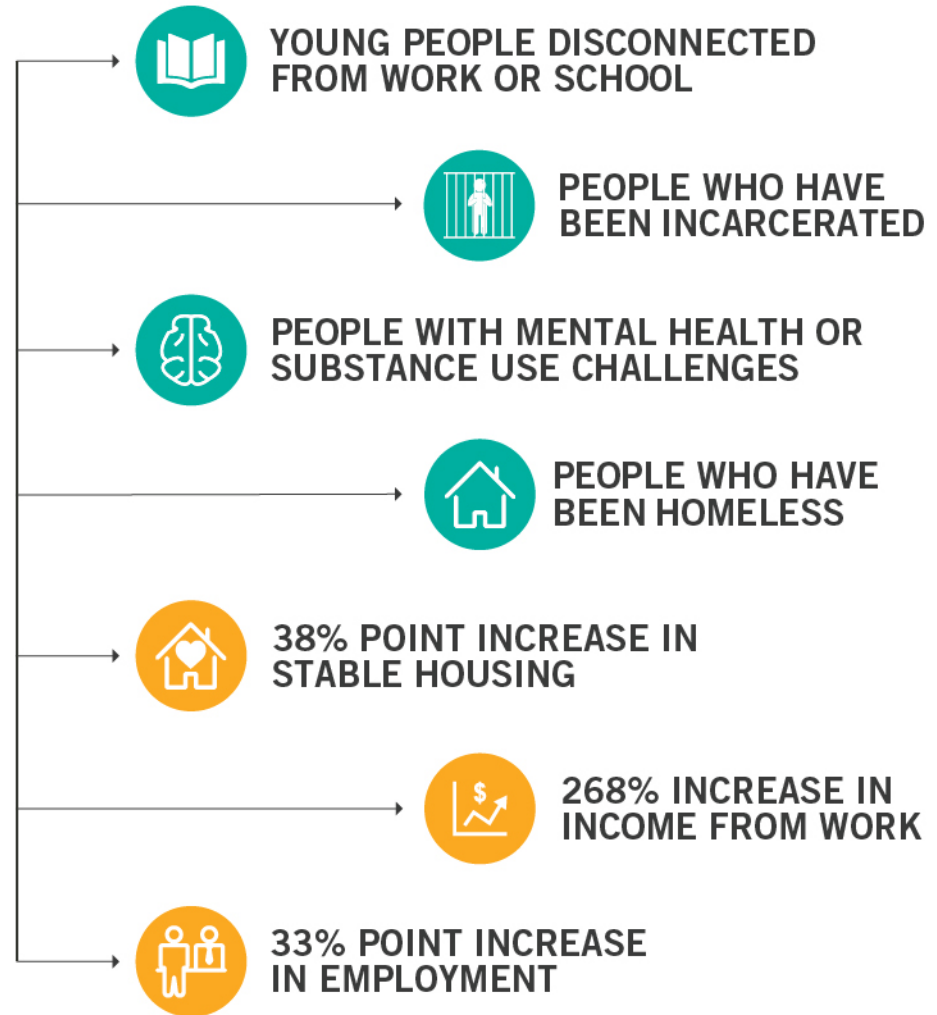
Despite historically low unemployment levels, millions of people still face formidable obstacles getting into the workforce, and staying employed.



SOLUTION:

Social enterprise: mission-driven businesses that provide paying jobs and supportive services to people overcoming serious employment barriers. REDF is the only venture philanthropy in the U.S. that invests exclusively in these businesses. It's an approach that works! Returning \$2.23 to society for every dollar invested.

¹Nan Maxwell, Dana Rotz, and Adam Dunn.
"Economic self-sufficiency and life stability one year after starting a social enterprise job." Mathematica Policy Research, 2014.



WHAT IS SOCIAL ENTERPRISE?

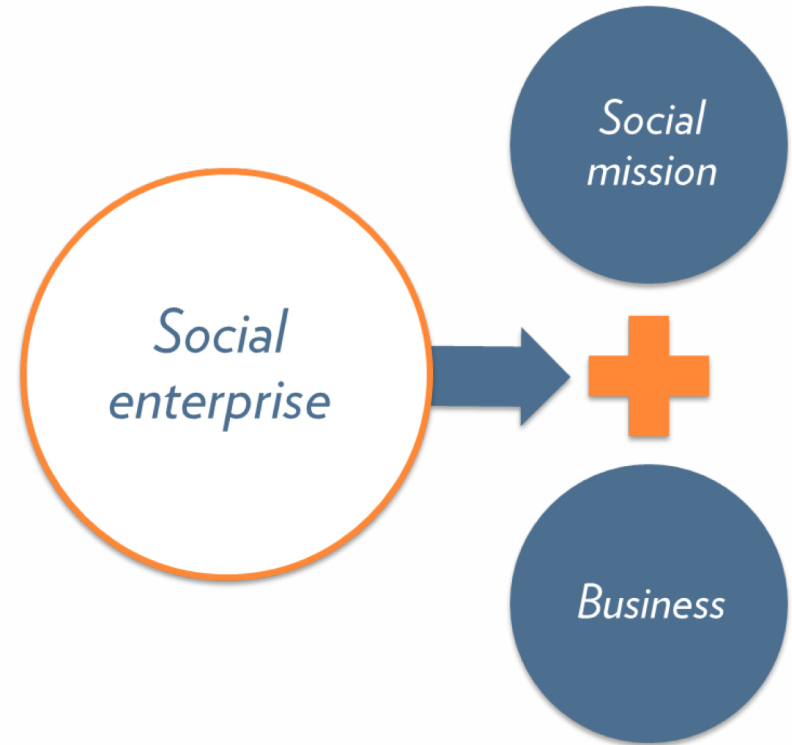
- LA County Master Agreement Definition

Social Enterprise shall include non-profit and for-profit businesses whose primary purpose is the “common good” and which, “use the methods and disciplines of business and the power of the marketplace to advance their social, environmental and human justice agendas, wherein the organization that applies commercial strategies to maximize improvements in human and environmental wellbeing,” that may “include maximizing social impact rather than profits for external shareholders” and has been certified as a social enterprise as provided for in this chapter.”

LA County Code 2.205.010 July 12, 2016

- Social enterprises are *not*

- Any non-profit doing innovative work
- Any business with a charitable campaign





REDF Definition

Social enterprises are mission-driven businesses that leverage a business approach to *hire and assist people who face barriers to work*

Employment social enterprises are nonprofit organizations providing transitional paid work experience through a revenue generating model

e.g. Food Service



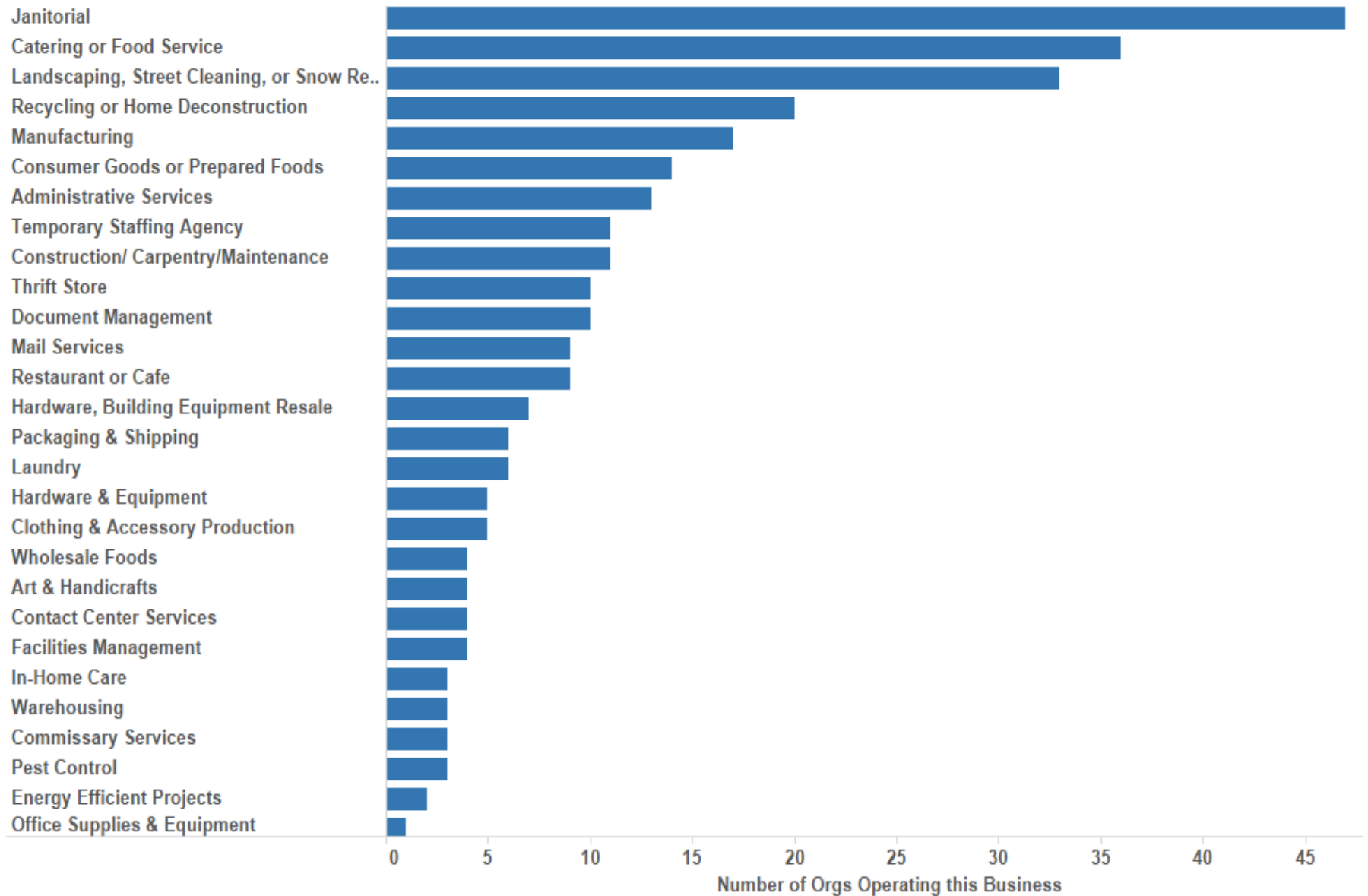
- Bakery
- Café Service
- Catering

e.g. Street Maintenance



- Janitorial
- Neighborhood Improvement
- Graffiti Abatement

SOCIAL ENTERPRISES OPERATE A VARIETY OF BUSINESSES



SOCIAL ENTERPRISE MODEL – HOW IT WORKS



1

Recruitment,
Assessment,
and Soft-skills
Training



2

Social Enterprise (Transitional)
Employment



3

Job
Placement

Job Coaching
and Supports

Job
Development
and Placement

Retention
Services

SOCIAL ENTERPRISE – WHO IT HELPS



Young people disconnected from work or school



People who have been justice impacted

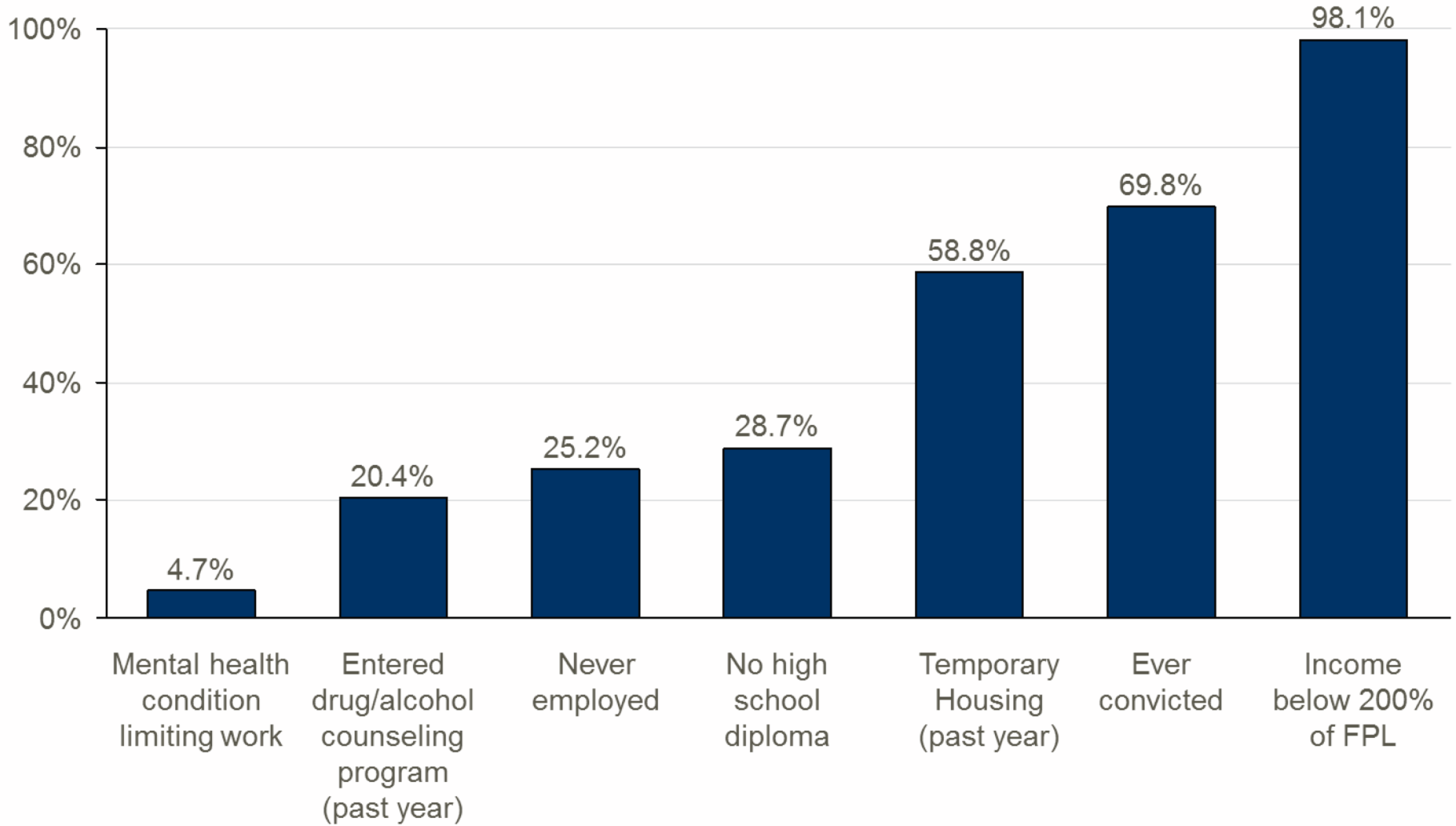


People who face housing insecurity



People with mental health or substance use challenges

WHO DOES SOCIAL ENTERPRISE BENEFIT?



Source: Mathematica Jobs Study (2015)

SOCIAL ENTERPRISE – WHO IT HELPS

BEFORE SOCIAL ENTERPRISE



25%
never had a job



71%
of monthly
income came
from gov't benefits

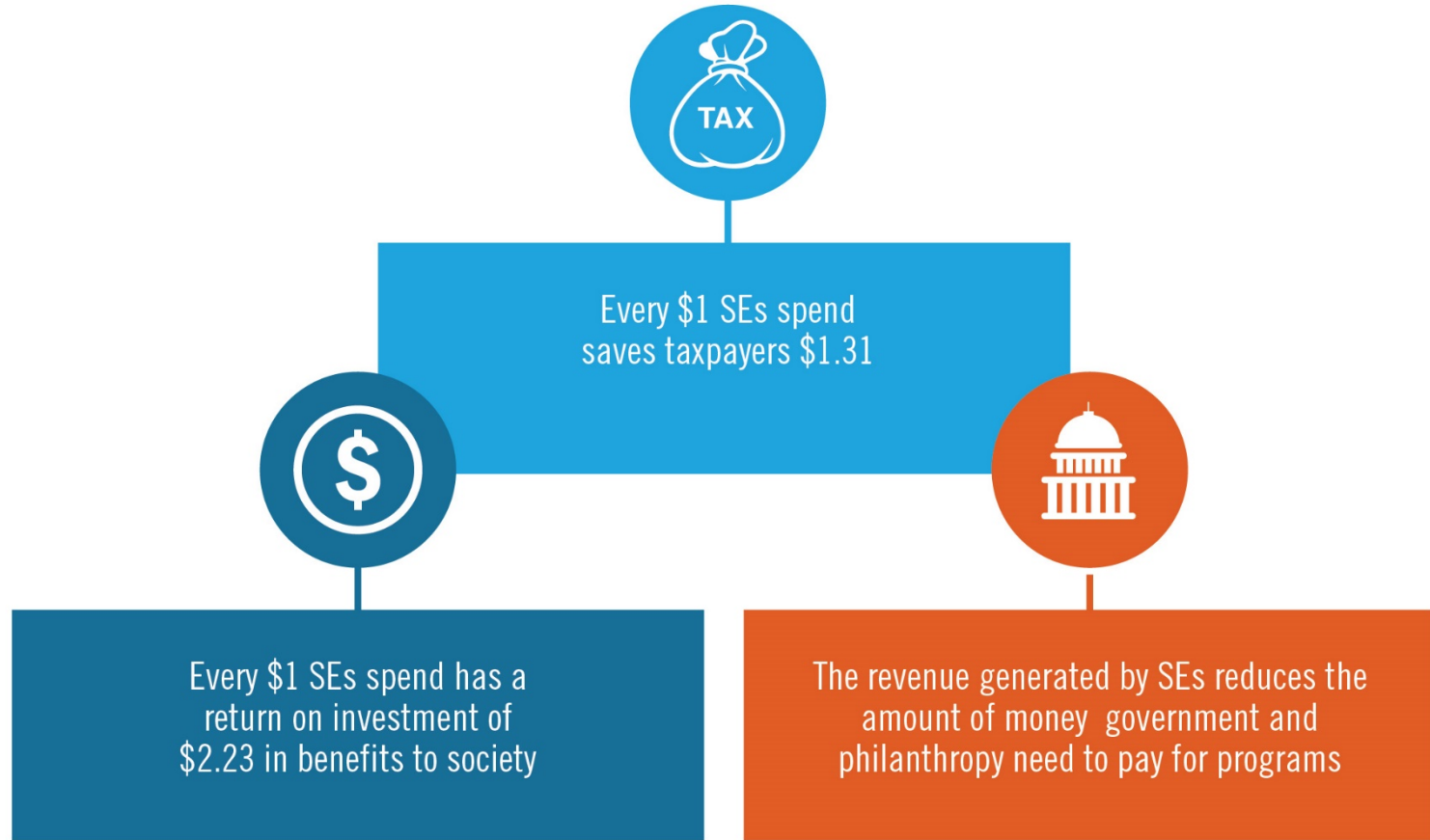


85%
unstable
housing/prior
year

ONE YEAR LATER



IMPACT ON SOCIETY



Housing

- Emergency shelters can cost \$2616-3829 per person, per month
- Transitional housing can cost \$3241-4744 per person, per month
- Fair market rents cost \$1199-1744 per person, per month

Criminal activity

- The average year of imprisonment in California costs taxpayers approximately \$30,000
- Each arrest costs taxpayers \$19,566

Substance abuse

- Substance abuse issues are associated with losses of approximately \$18,000 per person, per year

Source: Mathematica Jobs Study (2015)

WHAT REDF DOES



INVEST
capital



ADVISE
businesses



INFLUENCE
policy



DEVELOP
social enterprise leaders



BUILD
public-private partnerships



SHARE
knowledge and experience



CONNECT
the field



17 Social
Enterprises in
National Portfolio



49 Social Enterprises
awarded 2018-2019
Project Grants



8 Social Enterprises
received loans through
REDF Impact
Investing Fund (RIIF)

ADVISORY SERVICES

From in-depth analysis to help shape and define the enterprises' long-term strategy, to meticulous measurements of outcomes, REDF provides tailored, coordinated business and capacity-building assistance to help our social enterprise partners thrive.

Examples of our services include:

Business Growth

- Business Development
- Market Analysis
- New Business Feasibility Analysis
- Strategy

Employee Outcomes

- Employee Supports Strategy
- Program Design
- Recruitment and Placement Strategy

Sustainability

- Data Capture and Analysis
- Hiring Support
- Operations Mapping
- Systems Implementation Support

BUILD PUBLIC-PRIVATE PARTNERSHIPS



STRATEGY: REGIONAL PARTNERSHIP BUILDING



- ① Engage businesses, government, philanthropy, and community organizations to build regional partnerships with **practices** and **champions** supportive of social enterprise; Develop the evidence base



- ② Develop **partnerships** to support social enterprise **growth** and **success**; Advise employers on **hiring, retention, promotion** of target population



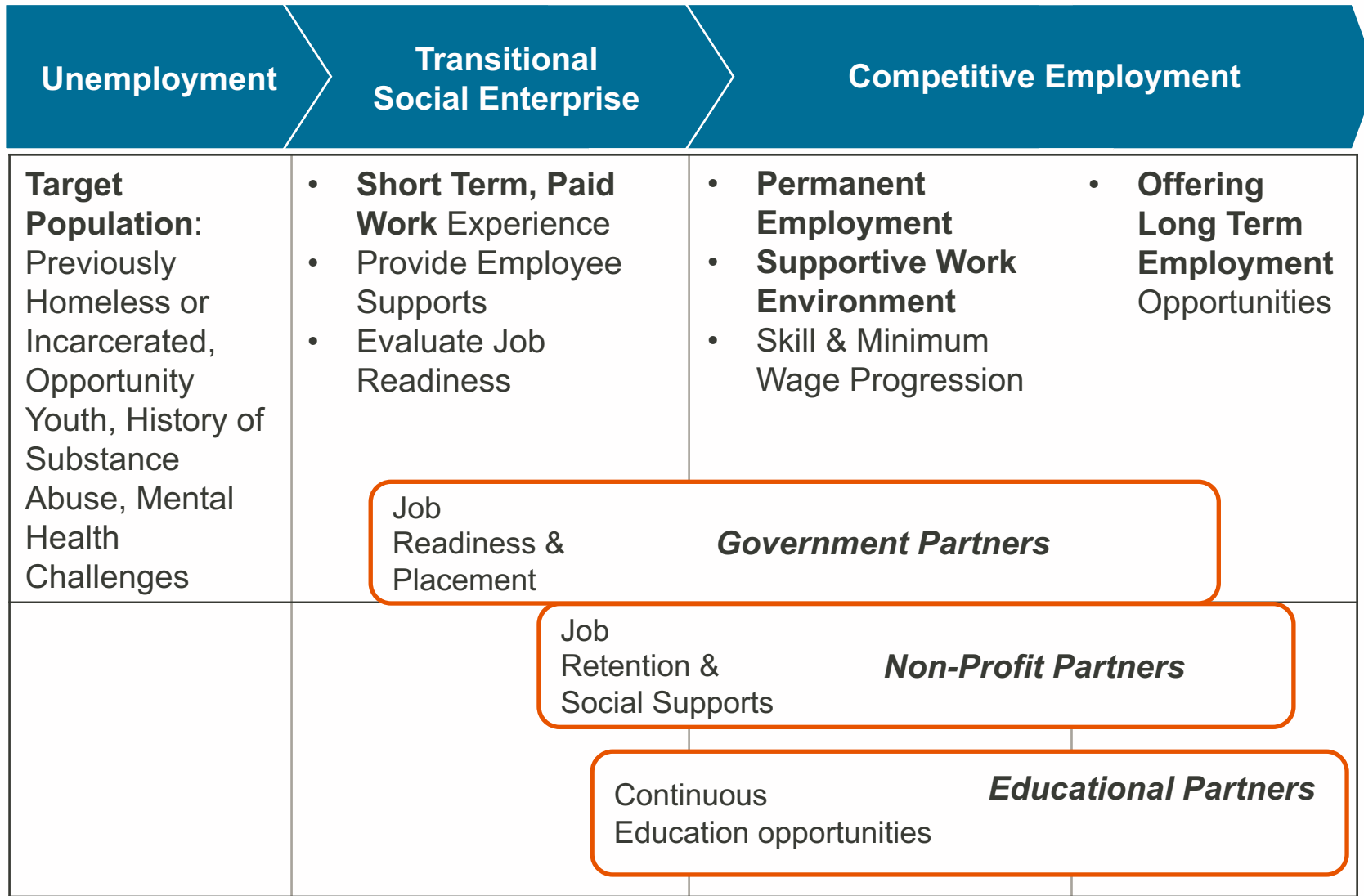
- ③ Identify specific **local policy** and **hiring** and **procurement** opportunities

FRAMEWORK: REGIONAL PARTNERSHIPS

Employment Continuum

Employment Partners

Support Partners



LA:RISE MODEL



1. TRANSITIONAL EMPLOYMENT:

Transitional employment at the social enterprise allows participants to build their skills and confidence in a supportive environment while they are earning a paycheck.

2. SUPPORT SERVICES:

It's that unique combination of a paying job and support services that makes the difference. Services might include help with childcare, housing, transportation, financial literacy, or mental health counseling.

3. JOB READINESS:

We assess each participant's job readiness and provide customized support to foster positive job placement outcomes. This support includes interview prep, job search, resume building, computer proficiency and strengthening communications skills.

4. COMPETITIVE EMPLOYMENT:

Participants transition into unsubsidized competitive employment or pursue vocational opportunities which may include diesel mechanic training, truck driving school, administrative and computer literacy, culinary training, and/or training to become a Certified Nursing Assistant (CNA).

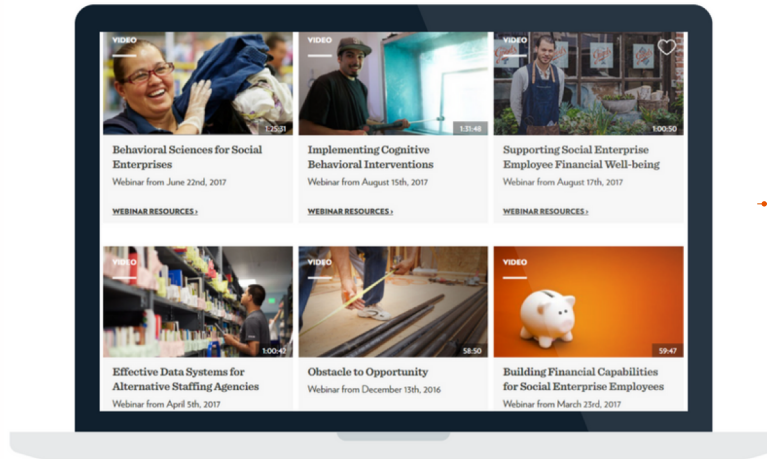
5. RETENTION:

To bolster long-term success, support continues after a participant is placed into competitive employment.



SHARE AND CONNECT

REDF workshop



3,280 members from all  **50** states

20+ YEARS OF IMPACT



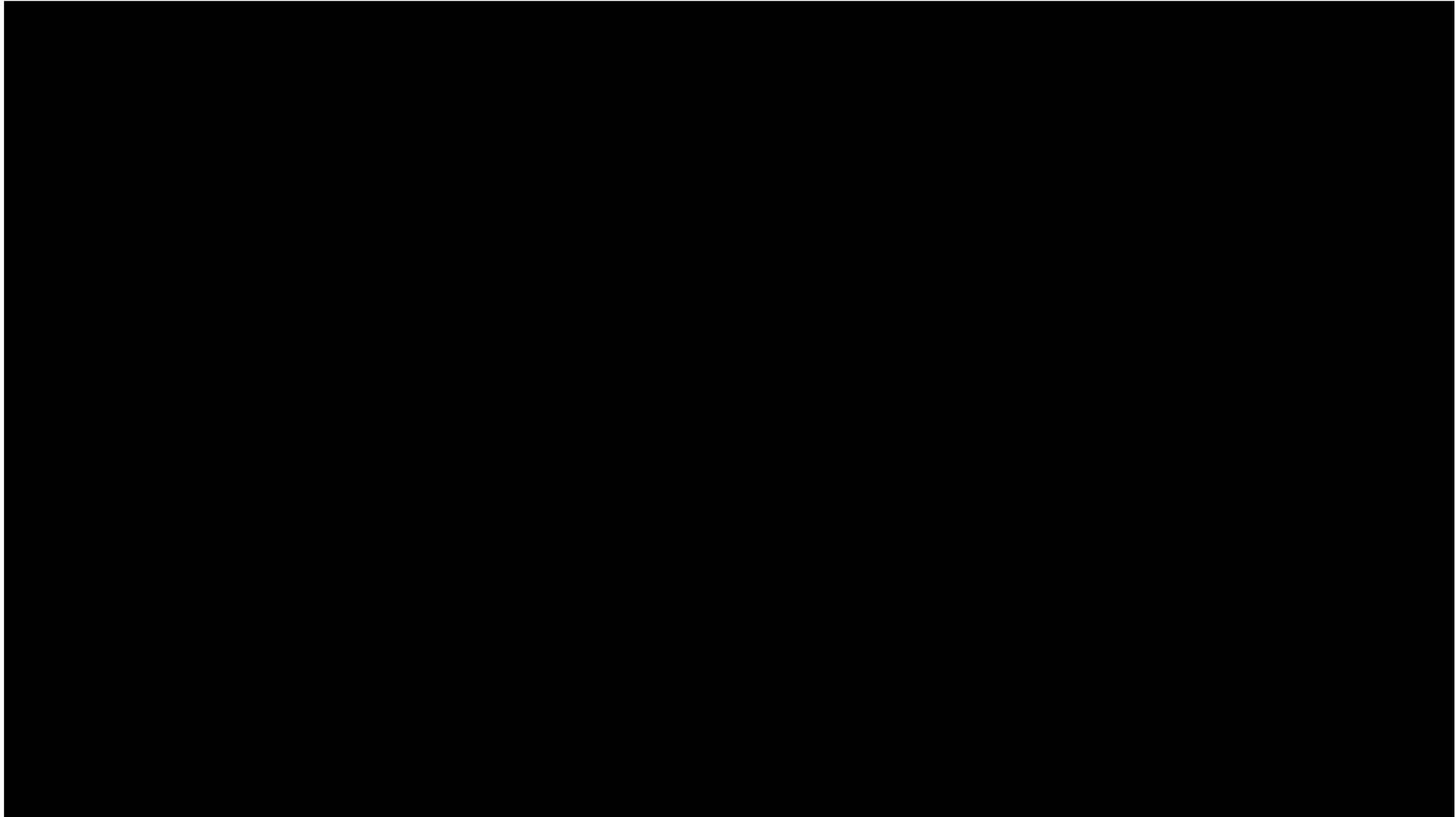
REDF's Impact Since 1997

- 45,825 people employed direct
- \$992 million in earned revenue
- 215 Social Enterprises supported in 32 states

REDF's 2019 Reach

- 10,020 people employed
- \$272 million in earned revenue
- 134 Social Enterprises supported in 32 states

SUCCESS STORIES: ANTHONY



Brainstorm Session

Q&A

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