

REDF

Investing in Employment and Hope

A business approach to expanding employment opportunities

WWW.REDF.ORG

To change
a life,
start with a job.



Agenda

- Role & value of social enterprise
- Results/outcomes
- The role of business

If you don't have a job you don't have hope. If you don't have hope, what do you really have?

-- George R. Roberts, REDF's founder



What is social enterprise?



What is a Social Enterprise?

Social enterprises leverage a business approach to address a social mission.

Social Enterprises are NOT...

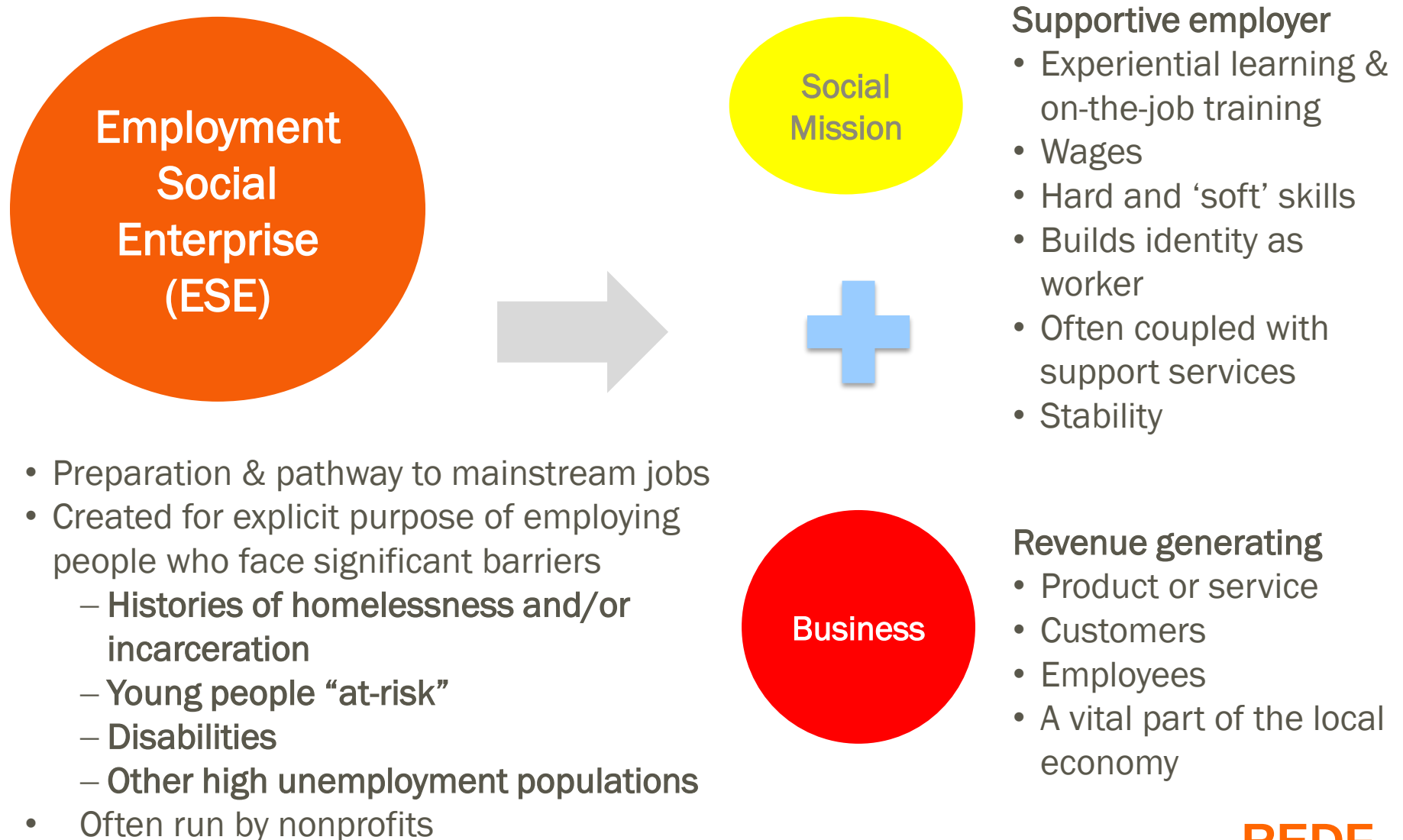
Any nonprofit doing innovative work

Any business with a charitable campaign

Social enterprise focused on employment

The social enterprises REDF works with are mission-driven businesses focused on hiring and assisting people who face barriers to work.

Social enterprise: social and business mission



Distinctive features

- **Earn and reinvest their revenue** to help provide more people with jobs to build skills and a career path.
- **Help people who are willing and able to work**, but have the hardest time getting jobs.
- In doing so, they **enable people to realize their full potential** through a **more financially sustainable and cost-effective model** than many workforce development programs.
- Use a **demand-driven** approach to meet employer needs.

Value to people/society

- Chronic joblessness negatively impacts individuals, families, and communities.
- Economic and social benefits flow to all of us when more people are working.



What does the evidence tell us?



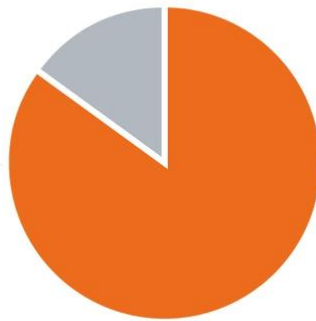
Mathematica Jobs Study: who is employed

PEOPLE ENTERING THE SOCIAL ENTERPRISES (SEs)



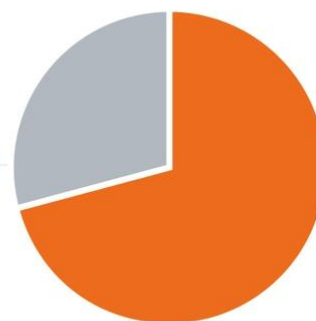
25%

never had a job



85%

didn't have stable
housing the year prior



71%

of monthly income came
from government benefits,
23% came from work

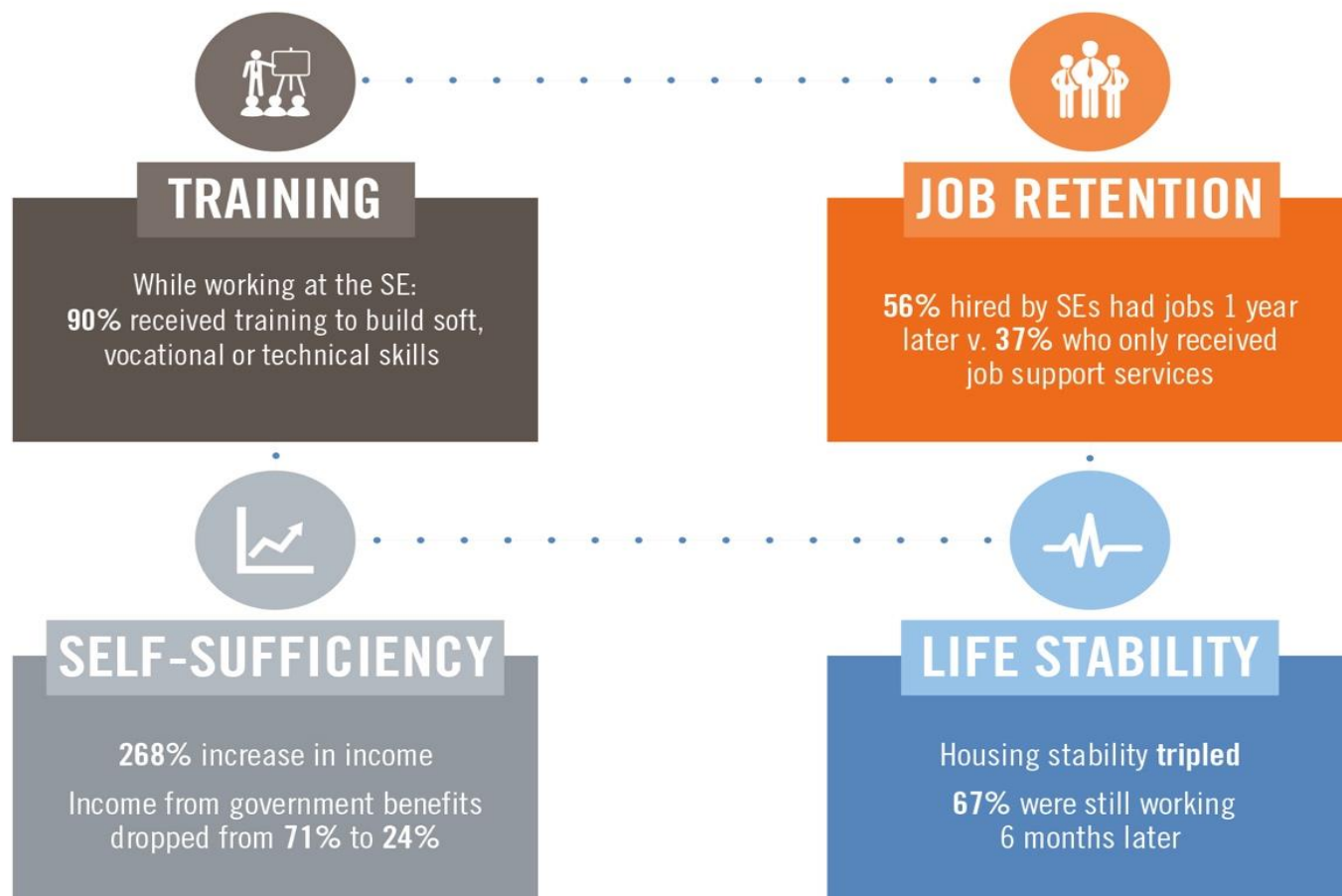
Health and social service support

Life stability supports while working at the SE

- Assistance with food security [28%]
- Avoid relapse of behavior (drug use or criminal activity) [25%]
- Domestic abuse services [16%]
- Physical health services [15%]
- Substance abuse services [12%]
- Disability assistance [11%]

Findings: employee outcomes

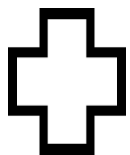
HOW DO SOCIAL ENTERPRISES (SEs) BENEFIT INDIVIDUALS?



Cost benefit analysis

Benefits and costs were calculated using estimates from a “fixed effects” analysis

Data was gathered from the SE workers about the year prior to entering the SE and the year after entering the SE



Health



Housing



Criminal
Activity

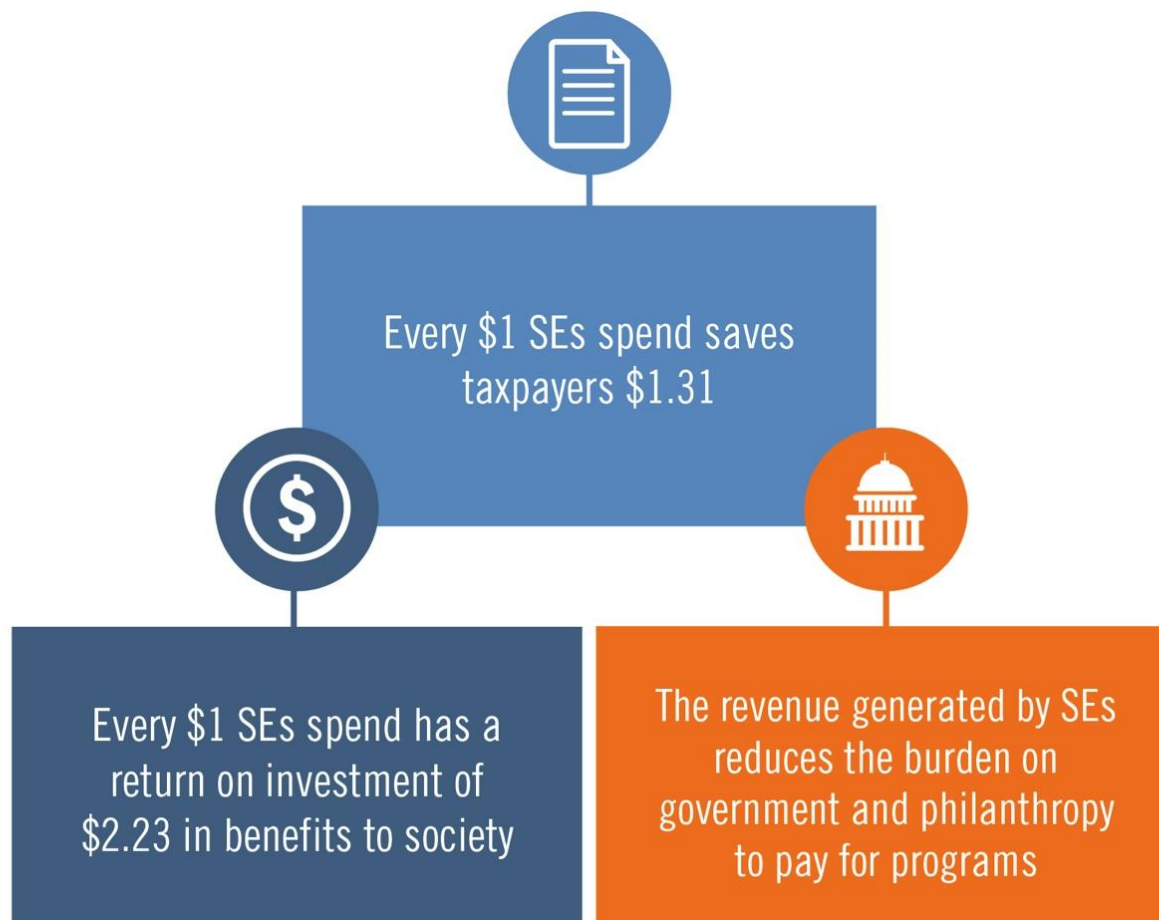


Wages
Earned



Gov't
Transfers

HOW DO SOCIAL ENTERPRISES (SEs) BENEFIT SOCIETY?



What is REDF?



Funder and field builder



- California-based nonprofit
- Provides capital and technical assistance
- Similar to a venture capital firm, but seeks social rather than financial returns
- Pioneer in measuring social impact
- Committed to sharing learnings and building a vibrant ecosystem



REDF's mission

To create jobs and employment opportunities for people facing the greatest barriers to work.



REDF's values

We believe the opportunity to work should be available to everyone, everywhere. We know the power jobs can have in transforming lives and communities.





9,500 PEOPLE GOT JOBS

60 SOCIAL ENTERPRISES

\$140M REVENUE

REDF's current investments: 2011 - 2015

Current Portfolio



Neighborhood
and Community
Beautification



Maintenance work crews



Desk clerk staffing



Thrift stores, contract
assembly, e-commerce,
mattress recycling, car
detailing



Ballpark
concessions



Mattress
Recycling



2,500 + people
employed



Street cleaning
Staffing services



Pest control services



General contracting/
construction



Thrift stores

Demographics

Average age
39.7

Male
78%



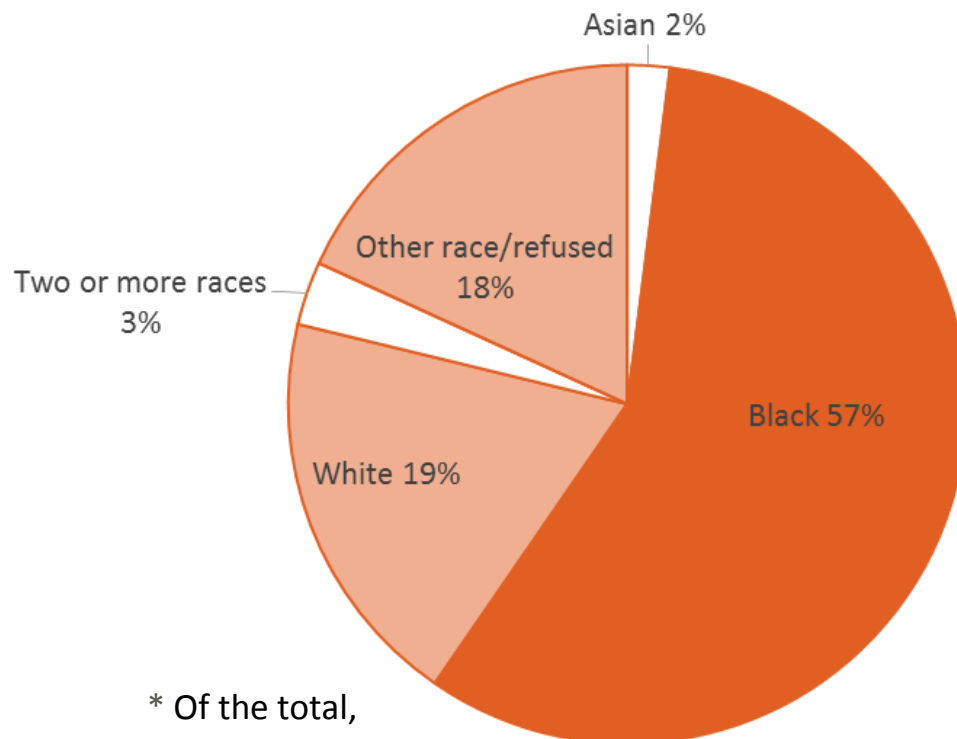
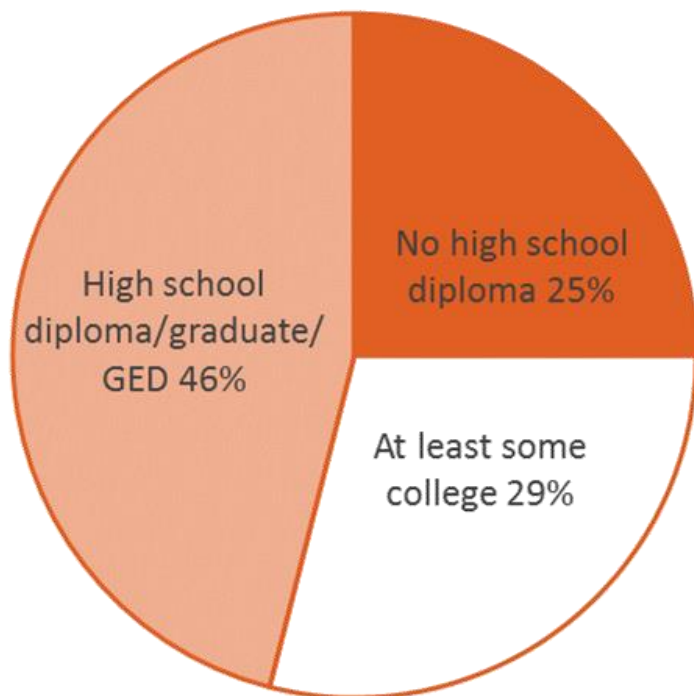
Married
8%



With dependents
27%



Veteran
4%



* Of the total,
16% are
Hispanic/Latino

What is the role of the business community?



What is needed to scale social enterprise impact

1

Market for goods & services and to hire prepared people

2

Funding for capital needs

3

Talent to run social enterprise

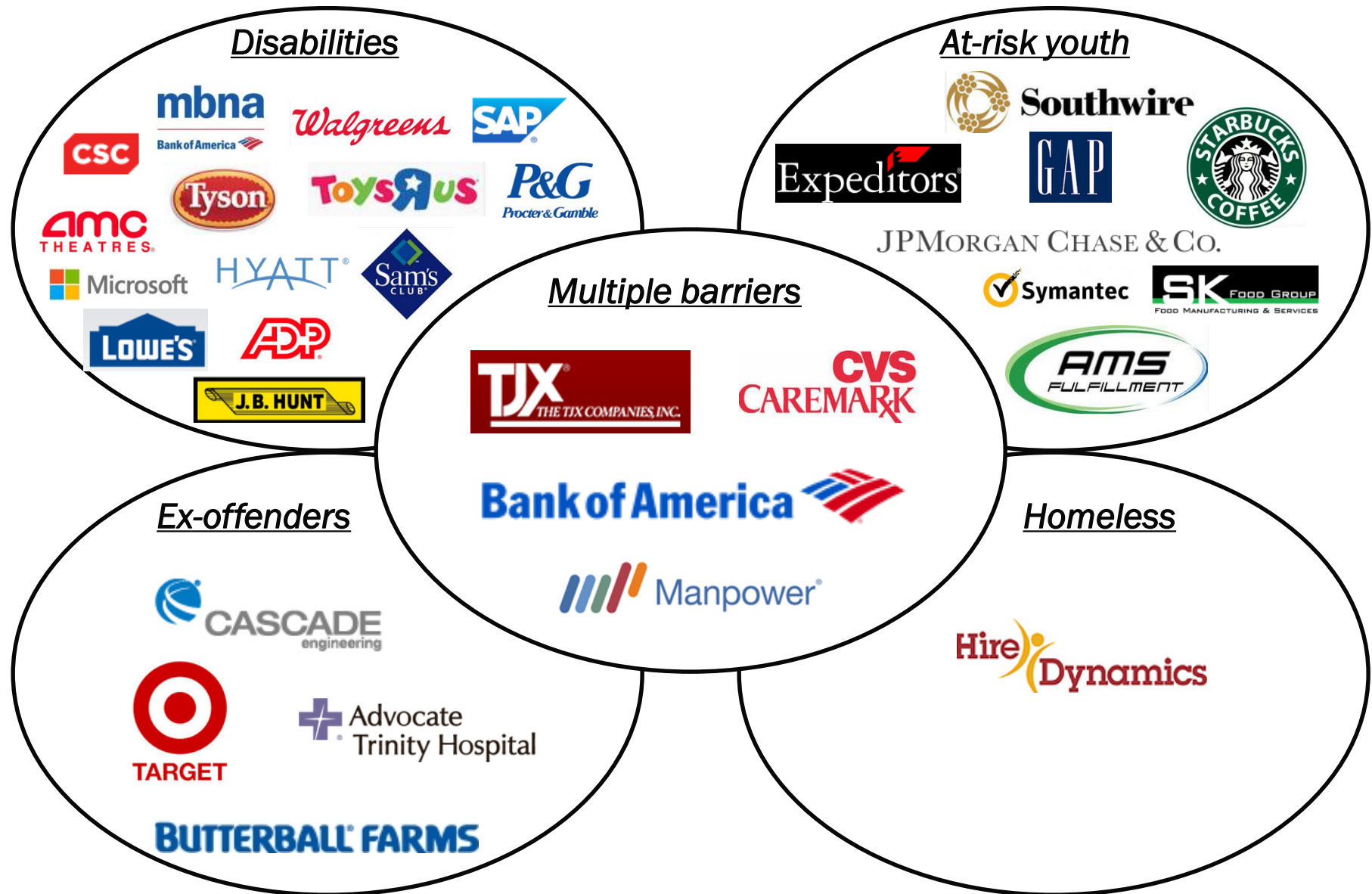
4

Policy to ensure a conducive environment

5

Know-How on what works best

Some companies are already hiring from and supporting REDF's target population in the U.S.



Corporate models for employing individuals who face barriers



1 Partnerships with local service agencies

Nonprofit / Public Agency Partner(s)

Employer

Nonprofit / Public Agency Partner(s)

- Employer provides high quality jobs and advancement opportunities for a significant number of individuals facing barriers, partnering with nonprofit/public agencies to handle recruitment, training and support of target employees
- Companies pursuing this model include:

Walgreens



2 In-house social enterprise

Nonprofit / Public Agency(ies)

Nonprofit / Public Agency(ies)

- Employer manages most of the recruitment and employment of individuals facing barriers on its own, working with nonprofit/public agencies to receive candidate referrals and, in some cases, additional employee supports
- Companies pursuing this model include:

mbna
Bank of America

CASCADE
engineering

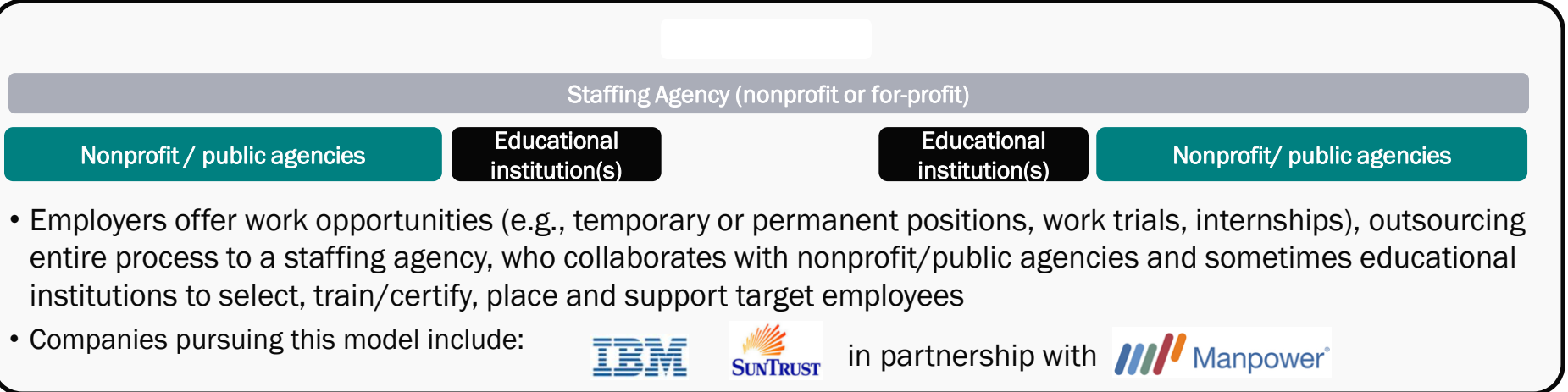
TIMPSON

In some cases, additional services provided

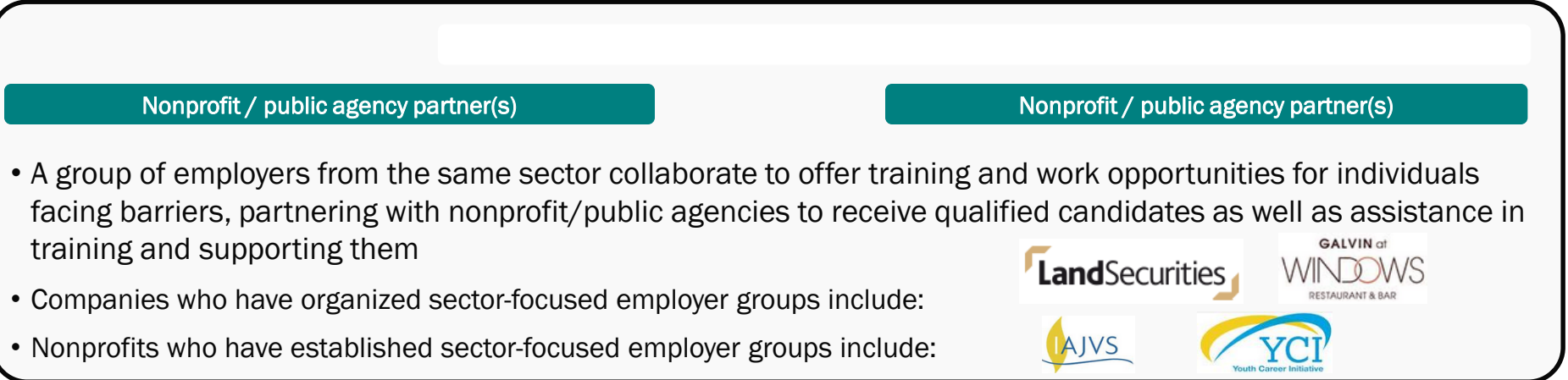
Corporate models for employing individuals who face barriers (continued)



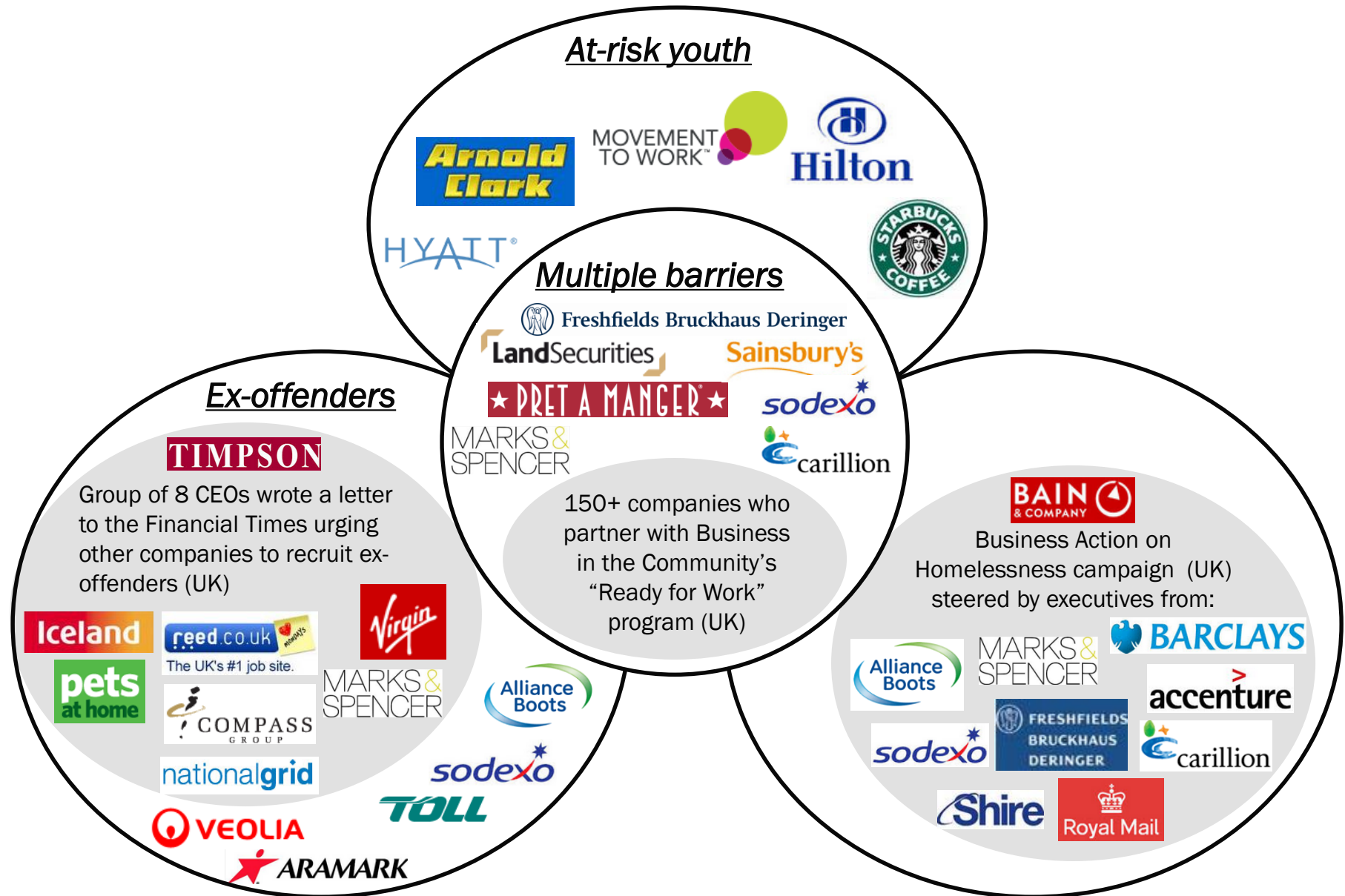
3 Outsourced staffing



4 Sector-focused employer group



Internationally, employers are bolder and do more about hiring people who face barriers – particularly formerly incarcerated



The business case for hiring workers who face barriers

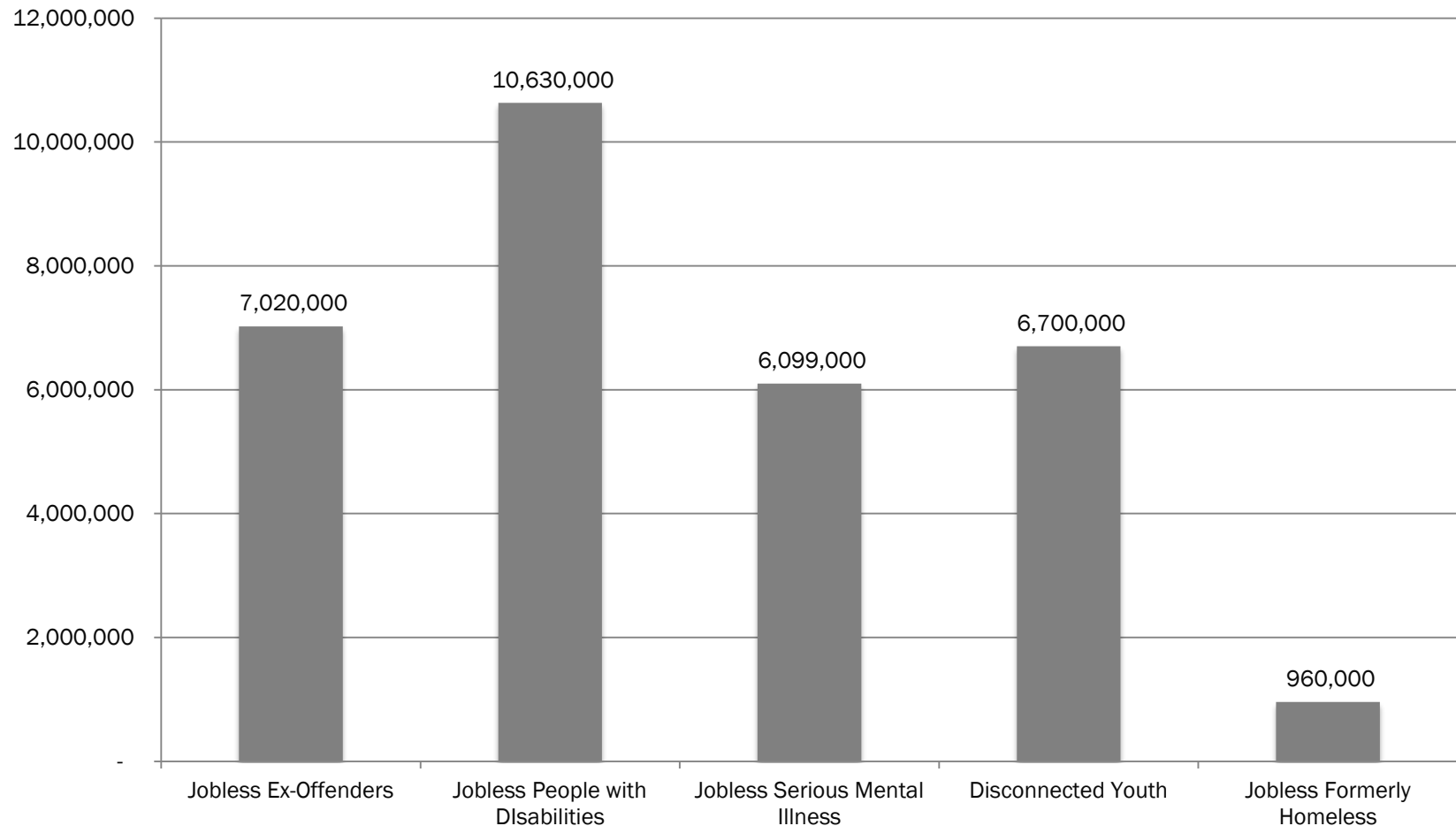
Key Benefits to Employers

Stronger, more loyal workforce	Greater employee loyalty and retention
	Access to larger pool of talent from which to recruit
	Equal or better employee performance
	Greater employee diversity
	Increased engagement and skill development of existing employees
Positive financial impact	Reduced recruitment and training costs
	Hiring tax credits
	Wage and training subsidies
Enhanced reputation for social responsibility	Raised awareness among potential employees
	Improved relationships with customers, suppliers and partners

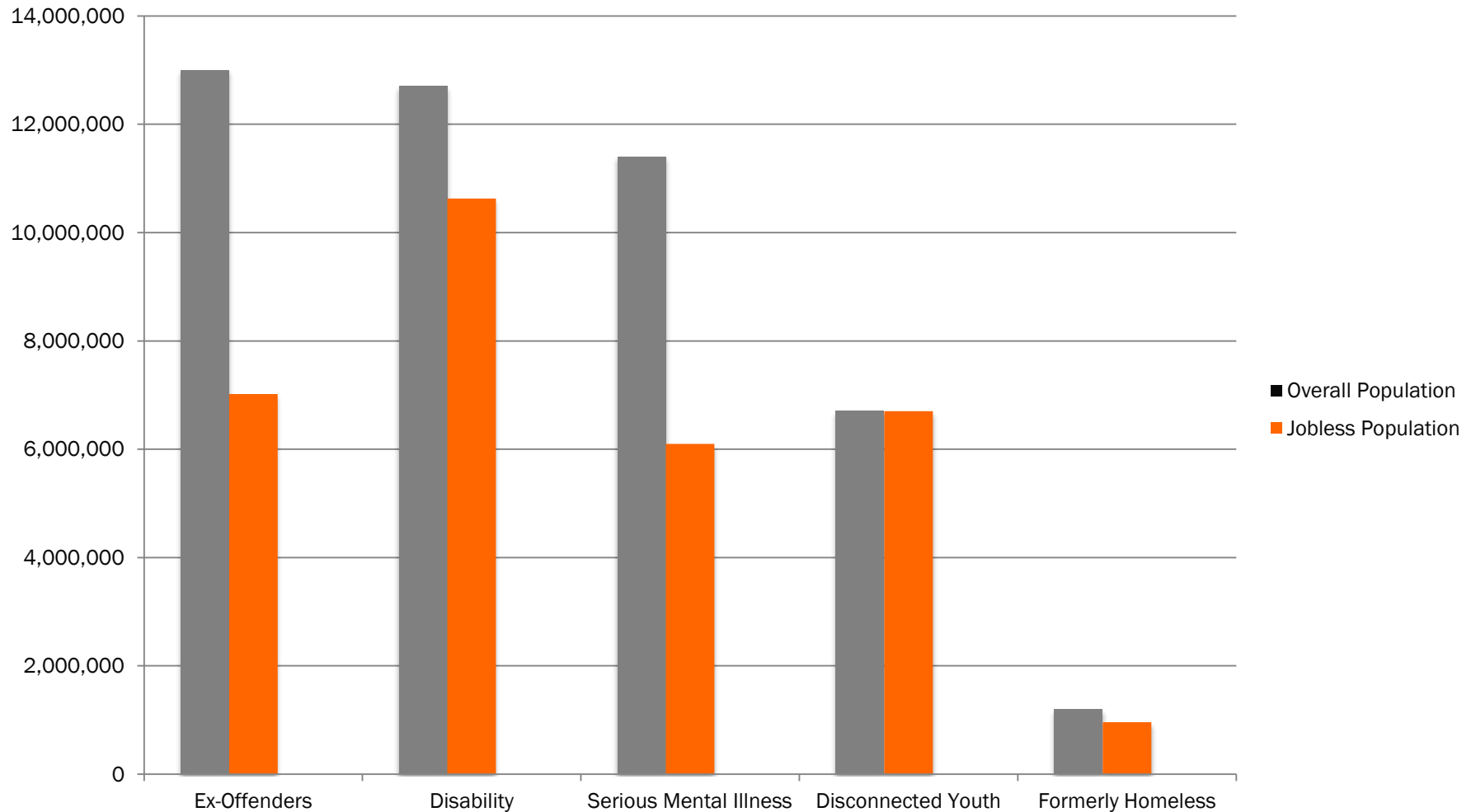
What's next: growing the impact



Target Population: Total 21 million

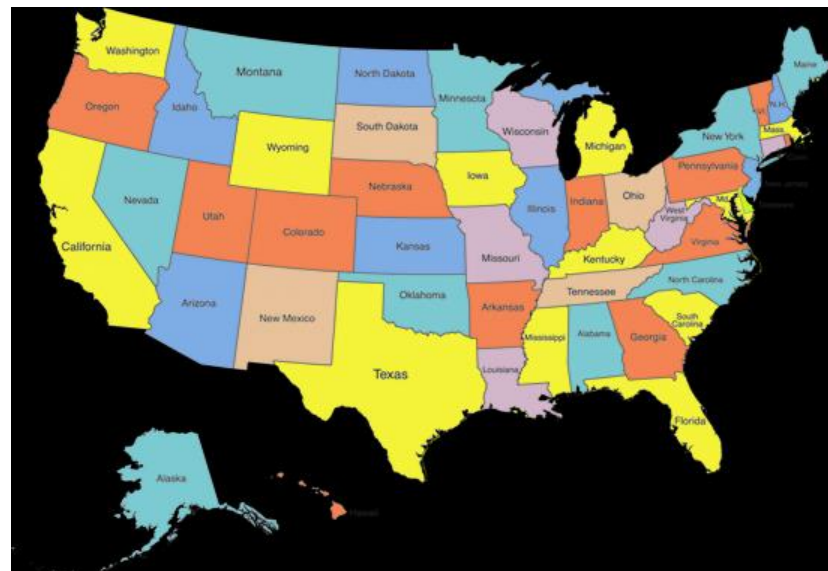


Target population: jobless rates 50 – 80%



+ 50,000 people employed nationally

- Social enterprise partnerships with
 - Mainstream employers for procurement and hiring
 - Academic/social supports/mentorship for upskilling and job retention
- Right capital + business advice available at right time
- Ecosystem with supportive laws, rules & practices
- A growing field in many locales



Examples: about 200,000 total employed



The Doe Fund



Building the field

At the intersection of business, jobs & opportunity



Network to build the field

SE4Jobs: National **practitioner** working group that brings together social enterprise leaders to learn from each other and work together on sustainability and growth of employment social enterprises, such as:

- Benchmarking success; communicating with clarity; increasing job retention; accessing funding; educating policymakers.

Please join the community: SE4Jobs@REDF.org

REDFworkshop.org: a unique website platform that connects an engaged **network of social enterprise stakeholders** to share best practices and challenges and build new partnerships

- Brings together entrepreneurs, employers, business leaders, government officials, investors, social enterprise leaders and others who want to influence the field, learn, connect and have greater impact

Please join the community: www.REDFworkshop.org

QUOTES FROM SOCIAL ENTERPRISE EMPLOYEES

“People notice how hard I work. They are proud of me.”

“I’m looking forward to paying taxes for the first time.”

“I have a roof over my head, my bills are paid. At the end of the day I can say, I did that.”

“I have something to focus on. I feel useful. A part of something, and that makes me feel good. ”

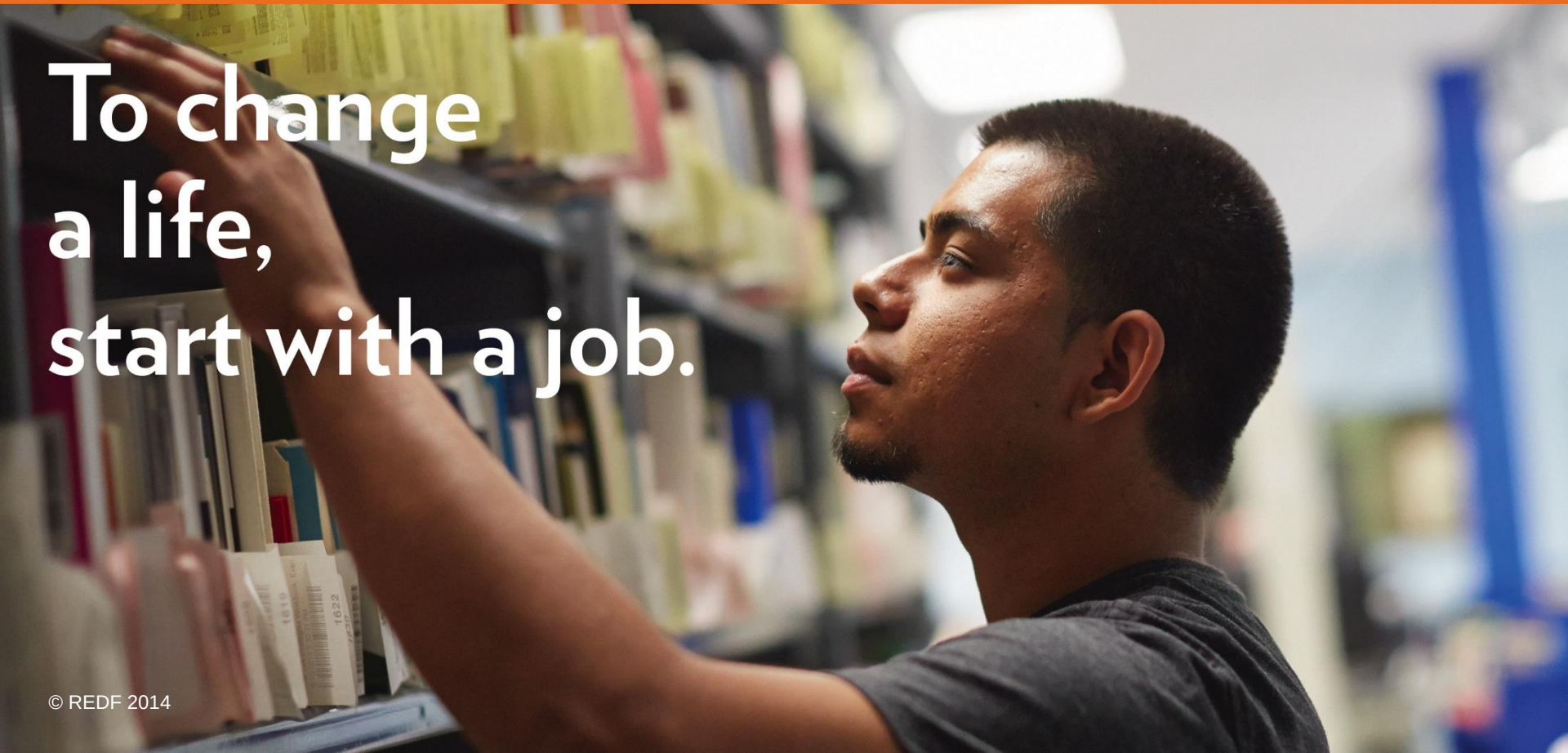
“I have more confidence in myself, I feel like a better person.”

REDF

Investing in Employment and Hope

Name Carla Javits
Title President and CEO
cjavits@redf.org
www.redfworkshop.org

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A photograph of a man with short dark hair and a goatee, wearing a dark t-shirt, reaching up to a high shelf in a warehouse or industrial setting. The shelves are filled with various items, including boxes and papers. The background is slightly blurred, showing more of the industrial environment.

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