

Social Innovation Fund Supports Social Enterprises Bringing Employment Opportunities to California

Manny knew it was time to make a change in his life the night he was pulled over for driving drunk on his way home from work. At the time he was a temp worker at the RDS Warehouse in Lake Forest, California, making \$8 per hour and struggling to make ends meet. He had heard about a job training program through an organization called Taller San Jose from a friend who was enrolled in their medical training program. But, he says, “It wasn’t until I got in trouble that I decided it was a good place for me.” The loss of his car and the realization that his current job was not sustainable in the long run was the incentive he needed to finally give the program at Taller San Jose a try.

Taller San Jose is a nonprofit organization that specializes in helping at-risk youth like Manny prepare for and achieve gainful and sustainable employment. Christa Sheehan, director of evaluation and advancement at Taller San Jose, explained that Taller focuses on young people between the ages of 18-28 that are “completely disconnected from the workforce and educational opportunities. They don’t know how to go about getting a job that is going to pay them a living wage. Taller’s mission is to connect those young people to pathways that will lead them to economic self-sufficiency.”

Taller San Jose is located in Orange County, a region best known for its wealth as featured on popular television. But the county seat where Manny is from, Santa Ana, is a different world. In 2000, the city was ranked as having the highest level of hardship out of all cities of its size in the United States by the Nelson A. Rockefeller Institute of Government. The institute made this assessment based on high unemployment rates, low educational attainment and income per person, and the large extent of overcrowded housing.¹ Young people in this environment struggle to find employment that will provide a living wage. Those with low levels of education, a criminal record, gang involvement, or who are pregnant or parenting struggle even more.

Social Innovation Fund partners with REDF to support social enterprises bringing employment opportunities to California

REDF provides funding and hands-on business assistance to California nonprofit social enterprises — nonprofit operated businesses selling in demand goods and services while intentionally employing people who would otherwise face bleak prospects of finding employment.

With a \$6 million Social Innovation Fund grant, REDF now supports a new portfolio of California organizations that have an exceptional track record of delivering real, effective solutions for workforce development.

In addition to Taller San Jose, social enterprise organizations receiving support from REDF and the Social Innovation Fund throughout the state of California include:

- Buckelew Programs
- Center for Employment Opportunities
- Chrysalis
- The Coalition for Responsible Community Development
- Community Housing Partnership
- Community Resource Center
- Goodwill of Silicon Valley
- Urban Strategies
- Weingart Center Association

¹ “Divided They Fall: Hardship in America’s Cities and Suburbs,” Nelson A. Rockefeller Institute of Government, 2007. Available at http://www.rockinst.org/pdf/cities_and_neighborhoods/2007-11-divided_they_fall_hardship_in_america%27s_cities_and_suburbs.pdf

Taller San Jose targets these youth, who are on the cusp of adulthood, and delivers a highly-focused program that helps them overcome their obstacles. Taller San Jose encompasses 16 – 20 weeks of hard skills training in construction, healthcare careers and business administration and 24 months of both life skills — such as case management and on-going personal development — and employability — including job preparation, placement and retention, and links to post-secondary training.

Taller San Jose understands that “people don’t learn how to work by sitting in a classroom.” Sheehan explained that “we figured out early on that to teach people how to work, you have to simulate the workforce.”

Taller San Jose matches each student with a case manager, who helps them identify their barriers to employment, and create a plan to overcome them. This may mean working towards a GED, getting their driver’s license, or obtaining health benefits or child care so that they can go to work consistently. The case manager maintains a relationship with that student over the next 2 years to ensure that they maintain employment and thrive in the workplace.

Training candidates must meet rigorous standards for program eligibility. They participate in an interview process, must pass a drug screen, comply with uniform standards, attend daily program trainings on time, and possess right-to-work documents. Taller San Jose pays its youth a \$100 weekly stipend during their 16-week training academy. Graduates experience improved workforce preparedness, increased life stability and, ultimately, economic stability.

Together, these program components produce excellent results. Taller San Jose places 70 percent of its graduates into employment at \$11/hour or more at the end of their training — and 80 percent of those placed retain that employment for 12 months or more. Only 8 percent of Taller’s students who have a criminal record re-offend, which is especially impressive when considering that the rate of recidivism for California as a state sits at 64 percent over a three year period.²

In 2010, Taller San Jose launched Hope Builders, Inc., a social enterprise and general contracting company that extends the agency’s mission by hiring the program’s graduates to complete remodeling and rehabilitation work throughout Southern California. A social enterprise is a business that seeks to create a “double bottom line,” meaning it provides both needed proceeds for the nonprofit organization that is running it, as well as generating a social good to their intended beneficiaries. In this case, Hope Builders creates jobs for youth, who have significant obstacles to employment, and gives them an opportunity to refine their skill set by working side-by-side with master tradesmen and aims to fast-track them to living-wage employment in the construction industry.

Manny benefitted from both Taller San Jose and Hope Builders. In 2008, he enrolled in Taller’s construction training program where he learned the fundamentals of the building trades such as electrical, plumbing, framing and drywall installation, and spent 3 hours a day improving his math skills. After graduating from Taller’s job training program, Manny was hired by Hope Builders, and gained hands-on job experience in a variety of construction projects while working alongside professionals in

² California Department of Corrections Outcome Evaluation Report, October 2012. Available at http://www.cdcr.ca.gov/adult_research_branch/Research_Documents/ARB_FY_0708_Recidivism_Report_10.23.12.pdf

the industry. Because of his hard work and reliability while employed by Hope Builders, Manny was recommended for a job at Portrait Homes, where he now works full time at a salary of \$30 per hour.

Hope Builders Inc. is a fairly new venture for Taller San Jose, and finding a balance between running a company that is profitable, while still keeping the focus on employing young people in need of experience has a unique set of challenges. In 2012, Taller San Jose was awarded a grant from the Social Innovation Fund and REDF to create a strategic business plan which will balance the dual goals of serving Taller's youth, as well as being a profitable and sustainable social enterprise. Last year, Hope Builders employed 12 young people, and has set a 3 – 5 year goal of employing 40 young people in need of mentoring and skill building, as well as a paycheck. The continued work of Taller San Jose and Hope Builders will allow other at-risk young people to overcome the hurdles they face, and obtain the skills and confidence that they need to find fulfilling and sustainable employment.