



REDF

Investing in Employment and Hope

Social Impact Report 2010:

People Who Face Barriers to Employment
are Willing and Able to Work



REDF Social Impact Full Report 2010

REDF is dedicated to using data and evidence to improve its practice and the field of social enterprise. Our measurement and evaluation work includes tracking of social enterprise employees over time, development of Social Return on Investment methodology and reporting, and other efforts that capture development of non-profit capacity and other key indicators. In 2011, REDF will launch a rigorous evaluation effort to strengthen further its learning on how social enterprises and the jobs created by social enterprise impact people's lives.

Social Impact Report 2010: People Who Face Barriers to Employment are Willing and Able to Work

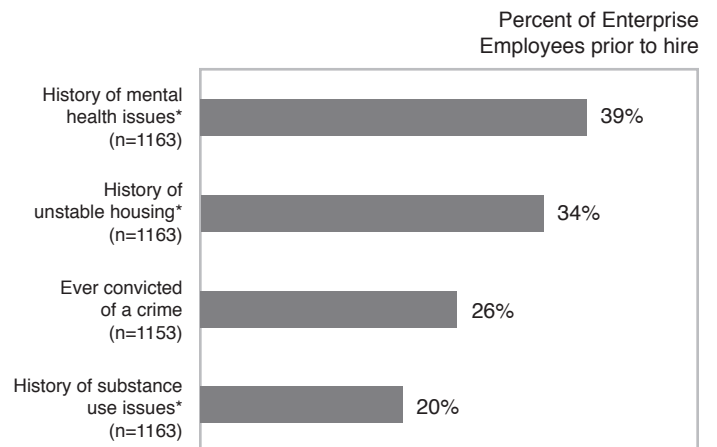
Unemployment rates among people who face barriers to work are staggeringly high. For example, studies have shown unemployment rates of up to 90% among people with severe mental health issues¹, and unemployment rates of 60 - 80% among people recently released from prison². Social enterprise offers a model for employing people who face these barriers, offering an opportunity to work and a pathway to long-term employment.

Social enterprise employees hired between 1998 and 2008 faced numerous barriers to employment. Nearly 40% had a recent history of mental health issues, while more than a third had a history of unstable housing (34%), and 1 out of 4 had a criminal conviction (26%).

REDF's Social Impact Report 2010 reports on one aspect of this work, highlighting key findings based on data collected by BTW *informing change* from 1163 individuals employed in social enterprises between 1998 and 2008. These individuals were interviewed when hired into a social enterprise and then tracked for up to 24 months after hire; the methodology section of this report provides further details on this process.

More information on REDF's measurement and evaluation work and use of data is available at www.redf.org.

Barriers to employment



* "History" refers to the time period within one year prior to hire.

The number of people responding to each question is indicated by (n= number of survey respondents).

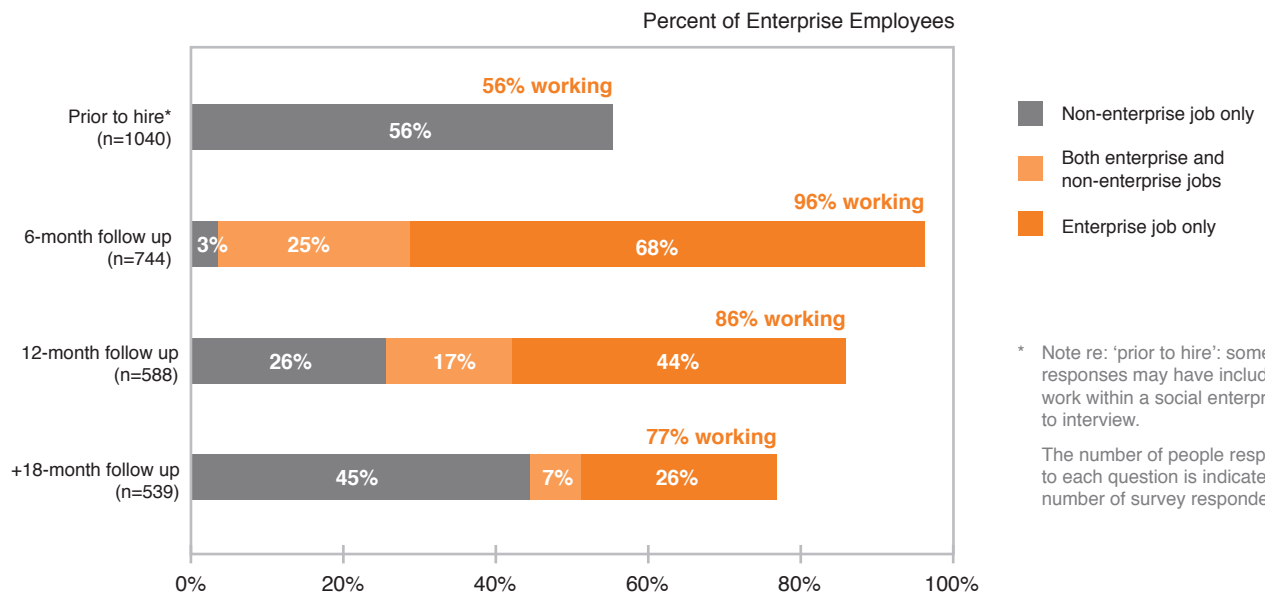
1 Substance Use and Mental Health Services Administration (SAMHSA). 2010
2 Petersilia, 2007

Social enterprise employment helps people who face barriers enter the workforce

Our findings show that people who face barriers to employment can work; and that social enterprise can provide an entry point to longer-term employment. Supporting new social enterprise employees through the early months of working can have a significant impact on long-term employment.

- People who are employed at any job 6 months after hire in a social enterprise were nearly twice as likely to be employed 18-24 months after hire compared to those not working 6 months after hire indicating that supporting employees through this early stage was critical to long-term employment³.
- This finding is consistent with recent reviews of the literature on work experience programs⁴ and transitional jobs programs⁵ reporting that programs with supported work of 6-12 months have the strongest evidence of successful long-term employment outcomes.
- Over time, the proportion of REDF social enterprise hires who were able to move into other employment increased (as shown in the bar graph below).
- Unemployment levels increased during the follow-up period, but remained below unemployment levels prior to hire.
- Among those interviewed 18-24 months after hire, 77% reported working in the previous 6 months; 59% had worked within the previous month.

Percentage reporting working in the previous 6 months



3 From analysis of those employees interviewed at all time periods (n=254); difference is statistically significant with a p-value of <.05.

4 Sattar, 2010

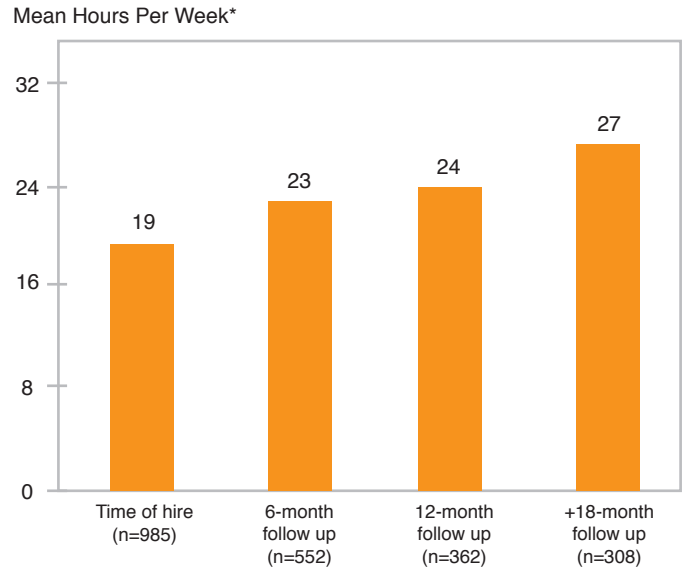
5 Bloom, 2010

How much are social enterprise employees working?

The number of hours worked per week in REDF social enterprise jobs was similar to those found in a wide array of transitional jobs programs, in which paid work experience is combined with receipt of social services and other program elements. A recent review of transitional jobs programs reports paid work experience ranged from 20-32 hours per week for people who face a range of barriers, including people receiving Transitional Aid for Needy Families (TANF) and people on parole.⁶

Hours worked per week on average began at 50% time, or 19 hours per week. Weekly hours increased over time but remained under full time, averaging 27 hours per week at 18-24 months after hire. Many social enterprises begin by hiring people on-call or part-time, and increase hours over time. In some cases, accommodation of disabilities or other factors means a full-time job may never become the goal. In other cases, working less than full-time may be temporary goal given mandatory parole, or as an accommodation for health challenges. However, for some people hours worked may have been less than employees were willing to work due to shifts available. REDF is continuing to work with its portfolio organizations to match hours worked with each social employee's needs.

Average hours worked per week among those employed



* Average hours per week includes hours from enterprise and/or non-enterprise jobs.

Wages and Income

Most social enterprise employees earn close to local minimum wage when hired. For those who remain employed, hourly wages increase nearly 1/3 over the next 18-24 months. Hours worked also increases over time, resulting in significantly higher income from employment.

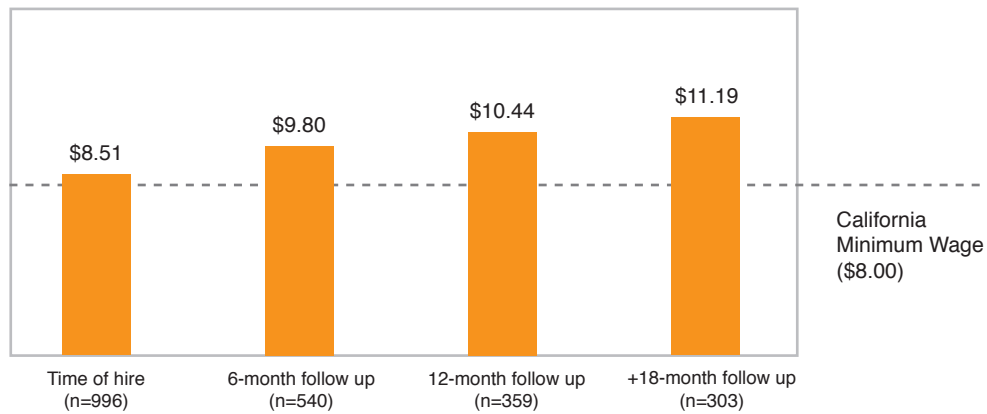
- Between time of hire and 18-24 month follow up, average wages increased by almost one-third (31%). Enterprise employees' average hourly wage increased from \$8.51 at time of hire to \$11.19 at 18-24 months after hire. Some of this increase was associated with movement into non-enterprise jobs offering higher wages.
- Over time, both hours worked and wages per hour increased, leading to dramatically increased income from employment among those working 18-24 months after hire. For those interviewed 18-24 months after hire who were working, monthly income from employment increased an average of \$454 per month⁷, an increase of 90%.

⁶ Bloom, 2010

⁷ From analysis of those employees interviewed at all time periods (n=254).

Average hourly wage among those employed

Mean Hourly Wage Adjusted to 2008 Dollars*



* The average hourly wage includes earnings from enterprise and/or non-enterprise jobs.

Methods and Limitations

Face-to-face survey interviews were conducted with social enterprise employees at time of hire and up to two years after hire between 1998 and 2008. The majority of interviews were conducted by BTW informing change staff. Roughly 1/3 of all employees hired in REDF social enterprise between 1998-2006 participated in baseline interviews. There was significant loss to follow up over time (approximately 50% of those who participated in baseline interviews were not interviewed at 18-24 months). Challenges finding people over time is not unusual with a population having an experience of homelessness and/or instability, and this loss limits the interpretation of results, in particular as those lost to follow up may be different from those participating in follow up interviews. Analysis was conducted to compare the characteristics at time of hire between those interviewed at 18-24 months after hire and those who were not able to be found for interviews. Those lost to follow up were more likely

to have unstable housing or histories of homelessness at baseline. All data were self-reported survey responses.

BTW and REDF produced several products over the years based on these data, including a series of Social Impact Reports in 2005 and 2006. In 2009, extensive analysis was conducted by BTW with input from REDF based on all social enterprise employee interview data collected from 1998 - 2008. Analysis was conducted in two ways: using a cohort approach, which included all data available at all time points, and a panel approach, using data from the subset of employees interviewed at all time points. This document, written by REDF based on BTW data, presents data from both analyses, identifying the type of analysis as relevant. Questions on findings can be addressed to REDF (www.redf.org; amartin@redf.org).

Lessons Learned and Next Steps

REDF has been helping create and support social enterprise for over a decade. We have learned a lot about how to help non-profits create and run enterprises dedicated to creating jobs for people who face serious barriers to employment. The data reported here demonstrates that many people who might be seen as impossible to employ are actually both willing and able to work. Jobs in REDF portfolio social enterprises have provided a path to higher wages

and continuing employment. Beyond increased income and stability, many social enterprise employees report that working allows them to contribute to and be a part of the broader society.

However, these data also demonstrate some limitations and areas for further work. Here we briefly highlight these limitations and the steps we are taking to address them:

Challenge:

The study methodology used in our Social Impact reports, while appropriate for initial research, is limited by lack of a comparison group and the difficulty of tracking people over time.

Solution:

REDF will launch a rigorous evaluation study in 2011, including collecting data on comparison groups. Strengthening tracking and follow up will be a crucial part of this study design.

Challenge:

Data collection through traditional survey research creates a lag time during which organizations and funders cannot learn from the information being gathered.

Solution:

REDF is supporting current portfolio organizations with a web-based performance management system and training to help each organization gather and use data in real time. REDF also convenes staff from its portfolio organizations in a learning circle to allow for on-going training and sharing of lessons across organizations, and is developing dashboards on employee tracking to enhance performance.

Challenge:

Wages among those working show an enormous increase over time, nearly doubling between the time of hire and 18-24 months later and higher than minimum wage. However, these higher wages still fall below calculated 'living wages' for the Bay Area, where living expenses are high.

Solution:

REDF is working with its portfolio organizations and experts to design stronger services that help with the transition to non-social enterprise employment, with a focus on permanent and better-paying jobs that will further increase income and quality of life for employees over time.



Challenge:

Hours worked vary across populations, and data in the report did not include analysis of the ‘fit’ between hours worked and the specific employee; for some, working less than full-time may have been a choice and appropriate for their needs; for others, the hours worked per week may have been less than they wanted to work and had a negative impact on their income.

In addition to these efforts, REDF collects and uses information on non-profit organizational development, financial strength, and numerous other factors that contribute to strong social enterprises. REDF is also currently launching a new round of its Social Return on Investment (SROI) work, which combines analysis of outcomes with financial data;

Solution:

In 2011, REDF will be working with its portfolio and experts to help strengthen the definition of what a social enterprise job is for specific people and their circumstances, incorporating considerations of people’s needs, limitations on earned income given particular disability benefits, and building opportunities for those who can to work more hours per week.

SROI II will launch its pilot in 2011 and result in a cloud-based integrated system for capturing and analyzing SROI information for dissemination to the field.

Please visit our website, www.redf.org, to learn more about our work and on-going dedication to learning what works.

“When I get up to go to work I feel like I am a part of society and I have something to do. It’s opened up doors so I know I can work now.”

– **Social Enterprise Employee**

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