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2024 National Policy Recommendations

Employment Social Enterprise: An Evidence-Based Solution

Employment Social Enterprises (ESEs) are businesses achieving transformative social impact – providing jobs, training, and support to people breaking through barriers to employment. ESEs operate in 48 states and the District of Columbia, and there are nearly 800 ESEs nationwide.

ESE employees are those who the traditional public workforce system often does not serve or serve effectively, including individuals who have experienced incarceration, homelessness, or mental health and/or substance use challenges. ESEs help their employees stabilize their lives through supportive services, build marketable skills, and develop a work history. The ESE model leads to greater economic security and mobility for its employees and yields a social return on investment of [\\$2.23 in benefits for every \\$1.00](#) invested.

ESEs businesses stimulate the national economy, combat multi-generational poverty, and address economic and racial disparities. REDF recommends the following to enhance economic opportunity and create an economy that works for *all* Americans.

Recommendation #1 – Strengthen SNAP E&T in the 2024 Farm Bill Reauthorization

SNAP E&T has historically been under-utilized, but a renewed focus on the program amid greater urgency for job training for SNAP participants has created new momentum for states seeking to build robust E&T programs with a third-party reimbursement model. ESEs are especially aligned to the SNAP E&T third-party reimbursement model because they serve eligible clients, generate eligible non-federal funds, offer employment services, and have administrative capacity. We recommend the following standalone bills be adopted into the Farm Bill reauthorization:

- Training & Nutrition Stability Act ([H.R. 3087](#))
- Revitalize and Expand SNAP Education and Training for America’s Future Act ([H.R. 487](#) and [S. 2287](#))
- SNAP E&T Data and Technical Assistance (DATA) Act ([H.R. 7572](#))
- The RESTORE Act ([S. 1753](#) and [H.R. 3479](#)).

Recommendation #2 – Strengthen WIOA Training and Support Provisions for Sidelined Populations

ESEs connect diverse talent to economic opportunity, and local workforce development boards should be incentivized to invest in these businesses. By simply defining ESEs statutorily in WIOA, Congress could encourage investments in hiring and training individuals overcoming



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barriers to employment. We recommend the following changes to WIOA in its next reauthorization, including in the A Stronger Workforce for America Act ([H.R. 6655](#)):

- Define ESEs in WIOA
- Streamline eligibility determinations
- Include the creation of the Workforce Development Innovation Fund ([S. 4008](#))
- Include the Enhanced Workforce Data Quality Initiative (WDQI) Program

Recommendation #3 – Include ESE partnerships in infrastructure programs such as those in the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA).

To stimulate the economy, fill the talent gap, reduce recidivism, and curb substance abuse disorder and homelessness, while ensuring that motivated Americans are included in our workforce, it is essential that the national leaders use the generational opportunity provided by the IIJA and IRA to eliminate barriers to employment and support increased access to jobs by partnering with ESEs on infrastructure and energy projects. Leaders [need](#) to provide clearer programmatic guidance, e.g., local hire provisions, extensive technical assistance, e.g., incentive innovation, and targeted funding, e.g., prioritize competitive funding that focuses on workforce development particularly for underrepresented populations. Additionally, State transportation agencies need to use their [504\(e\) allowances](#) that were expanded with IIJA. The 504(e) funding allows for pre-apprenticeships, apprenticeships, and career opportunities for on-the-job training, which are critical activities for ESE employees.

About REDF

REDF (Roberts Enterprise Development Fund) invests in employment social enterprises (ESEs) – businesses that provide jobs, training, and support to people breaking through barriers to employment. REDF partners with these businesses and the entrepreneurs who lead them – providing capital, capacity, and community – to amplify their transformative impact. Since 1997, REDF has invested in 266 ESEs in 38 states and DC. Collectively these partnerships have helped 100,000 people enter the workforce and generate more than \$2 billion in revenue that is reinvested in employee success—creating a ripple effect that strengthens families and communities and helps build an economy that works. For everyone.