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**FOR IMMEDIATE RELEASE**

**New CA:RISE Bill Would Scale Employment Social Enterprise to Build a More Inclusive Economy for all Californians**

*Introduced by Assemblymember Kevin McCarty, AB 2670 would expand a proven model for advancing economic inclusion and mobility for Californians facing barriers to employment—benefiting workers, businesses, taxpayers, and communities statewide.*

SACRAMENTO, CA (February 23, 2022)—Introduced by [Assemblymember Kevin McCarty](#) (D-Sacramento) and sponsored by the venture philanthropy [REDF](#) (the Roberts Enterprise Development Fund), a new bill to establish the California Regional Initiative for Social Enterprise (CA:RISE) would invest in and scale employment social enterprises statewide to create an inclusive and integrated economic and workforce development system for California.

The CA:RISE program proposed via Assemblymember McCarty's [AB 2670](#) would accelerate economic recovery, inclusion, and mobility by significantly expanding the strength and impact of California's innovative employment social enterprises (ESEs) through investment, capacity-building, and public-private partnership.

"The opportunity presented by AB 2670 to scale the proven power and impact of employment social enterprise across the state is tremendously exciting," said Manie Grewal, REDF's Head of Policy. "This legislation would be a watershed measure for moving California toward a more inclusive economy, tapping a large but often overlooked talent pool to support economic recovery and growth, while helping to address our state's profound economic and racial disparities."

CA:RISE is modeled after the successful and nationally recognized [Los Angeles Regional Initiative for Social Enterprise](#) (LA:RISE), an innovative partnership between the City and County of Los Angeles workforce agencies and employment social enterprises that [has provided](#) transitional employment to over 5,000 Angelenos facing workforce barriers, and helped more than 3,000 participants secure permanent jobs or enroll in educational programs.

CA:RISE will expand on this success by building a statewide network of ESEs to connect Californians not served by the existing workforce system with quality employment through private and public job opportunities. CA:RISE will also provide a range of critical business

development services, including capital and technical assistance, to invest in building sustainable ESEs.

“This re-entry employment development program is exactly what we need to help those who were formerly incarcerated and homeless find employment,” said Assemblymember Kevin McCarty. “These individuals are ready and prepared to work but due to their background, face steep barriers to stable employment. It’s time we change that.”

Numbering around 200 in California, ESEs are businesses achieving transformative social impact—providing paying jobs, training, and supportive services to people overcoming workforce barriers. Millions of Californians face these obstacles, including youth who have been disconnected from school or work, and people with histories of incarceration, homelessness, mental illness, or substance abuse.

Offering a second or even first chance for many, ESEs help their employees stabilize their lives, build skills, and develop a work history, while increasing labor market participation, closing wage gaps, and helping communities of color, in particular, to build assets. Nearly [75%](#) of ESE employees are justice impacted and [71%](#) are Black or Latinx, due to the well-documented history of racial inequities in the justice system.

ESEs also decrease taxpayer costs and address structural inequities by reducing incarceration, homelessness, and recidivism, while increasing individual earnings. All told, 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](#).

“The California Future of Work Commission’s [final recommendations](#) call for the State to extend financial and technical assistance to ESEs by the end of this decade,” said Grewal. “Passing AB 2670 and establishing CA:RISE will give us the jumpstart we need to build a more equitable and inclusive workforce and economy, now, for the benefit of all Californians.”

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## **ABOUT REDF**

REDF (the Roberts Enterprise Development Fund) is a pioneering venture philanthropy accelerating a national movement of employment social enterprises—businesses achieving transformative social impact by investing the money they make into helping people striving to overcome employment barriers get jobs, keep jobs, and build a better life. Independent research shows this approach works. It leads to greater economic security and mobility and a significant rate of return to society—\$2.23 in benefits for every \$1 invested.

For more information, visit [www.redf.org](http://www.redf.org).