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FOR IMMEDIATE RELEASE

Governor Newsom, California Lawmakers Approve \$25 Million to Launch CA:RISE

The first statewide program of its kind in the U.S., the new California Regional Initiative for Social Enterprises will supercharge the power of California's employment social enterprises to advance economic inclusion and mobility for people overcoming barriers to employment.

SACRAMENTO (July 1, 2022)—The \$308 billion state budget approved by Governor Gavin Newsom and the California legislature yesterday includes funding for a transformative new initiative for accelerating economic inclusion and growth across California.

With [approved funding of \\$25 million](#) in the 2022-2023 state budget, the new [California Regional Initiative for Social Enterprises \(CA:RISE\)](#) will invest in and scale employment social enterprises (ESEs) statewide, creating a stronger and more inclusive economic and workforce development system for the Golden State. The funding was requested by [Assemblymember Kevin McCarty](#) (D-Sacramento) and supported by the venture philanthropy [REDF](#) (the Roberts Enterprise Development Fund), with the goal of leveraging California's innovative ESEs to help many more Californians overcome barriers to employment.

“As a sponsor of the original bill to launch CA:RISE, we at REDF are absolutely thrilled for this investment in the proven power of employment social enterprise to create a more equitable and prosperous economy for all Californians,” said Manie Grewal, REDF’s Head of Policy. “We thank Assemblymember Kevin McCarty, Governor Gavin Newsom, Speaker Anthony Rendon, Pro Tem Toni Atkins, Assembly Budget Chair Phil Ting, and Senate Budget Chair Nancy Skinner for their vision and leadership in making CA:RISE possible, and we look forward to continuing our work to strengthen California’s ESEs as leaders and changemakers in inclusive hiring and workforce development. Because of CA:RISE, these community-embedded businesses will expand their reach and impact, and many more Californians will have the opportunity to get good jobs, grow their skills, and thrive.”

ESEs are revenue-generating, mission-driven businesses—either for-profit or non-profit—that provide paying jobs, training, and targeted wraparound services to people overcoming workforce barriers, including people with histories of incarceration, homelessness, mental illness, or addiction, and youth who have been in foster care or disconnected from school or work. Many ESE leaders share the lived experiences of the people they employ.

CA:RISE will provide funding and technical assistance to California’s ESEs and connect them with local public partners, training providers, and private sector employers to significantly expand opportunities for people who are typically not served through traditional workforce systems. CA:RISE is modeled after the successful and nationally recognized [Los Angeles Regional Initiative for Social Enterprise](#) (LA:RISE), a pioneering partnership between the City and County of Los Angeles workforce agencies that were at the forefront of investing in employment social enterprises to [provide](#) transitional employment to over 6,000 Angelenos facing workforce barriers, and help more than 3,000 participants secure permanent jobs or enroll in educational programs. We are grateful to Mayor Eric Garcetti, the Los Angeles City Council, the City of Los Angeles Economic and Workforce Development Department, the Los Angeles County Department of Workforce Development, Aging and Community Services, the Los Angeles County Board of Supervisors, and the Los Angeles County Homeless Initiative for continuing to invest in the power of ESEs to solve our most pressing social issues.

Together, California’s 200 ESEs currently employ roughly 10,000 people each year, serving communities across Los Angeles, the Inland Empire, the San Francisco Bay Area, the Central Valley, and beyond. Nearly 75 percent of ESE employees are justice-impacted individuals, and approximately 71 percent identify as Black or Latinx. [Independent research](#) verifies that the on-the-job experience that ESEs provide their employees more than doubles job retention and significantly increases wages and total incomes. In turn, these gains support economic security and asset-building, particularly for communities of color, and reduced rates of homelessness, recidivism, and incarceration.

“I’m proud CA:RISE was adopted in the California State Budget. 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, who requested the funding. “It’s an investment in revenue-generating jobs and businesses, in developing our workforce, and ensuring that all Californians get a fair chance at economic opportunity.”

“From bakeries and coffee shops to construction, maintenance, and tech firms, employment social enterprises are leaders in meeting employees where they are and helping them take steps toward a better future,” said Grewal. “These businesses offer important services in their communities while providing vital upskilling opportunities and supports designed for people who would otherwise be excluded. Everyone, from employees to businesses to whole communities, is stronger for it. We couldn’t ask for a better investment in California.”

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ABOUT REDF

REDF 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 more

than 238 ESEs in 33 states and DC. Collectively these partnerships have helped 84,000 people enter the workforce and generate more than \$1.3 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.

For more information, visit www.redf.org.