



REDF

An investment that works.

2018 IMPACT REPORT

THE TURNING POINT TO SUCCESS

JOHN IS RELEASED FROM PRISON AFTER SERVING 10 YEARS.

THE ODDS ARE AGAINST HIM. 76.6% OF PEOPLE RELEASED FROM PRISON ARE REINCARCERATED WITHIN FIVE YEARS.

- He wants to support himself and his family, but with limited skills and a record, employers won't hire him.
- He deals drugs to survive. Starts using again.
- He becomes homeless and loses his connection to his wife and son.
- John spirals into addiction, commits new crimes to feed it, and violates parole.
- He returns to prison.
- With no positive male role model, his son drops out of school, joins a gang, and begins down the same path that landed his father in prison.



THE ODDS ARE IN HIS FAVOR. JOHN'S PAROLE OFFICER CONNECTS HIM TO AN EMPLOYMENT SOCIAL ENTERPRISE.

- After so many years of struggle, at first, he's unsure he can overcome his past.
- The social enterprise provides John with a job, a regular paycheck, skills training, counseling, and housing assistance.
- People at the social enterprise believe in his abilities and potential. And soon, John does too.
- The social enterprise helps him find a permanent job where he excels. He is quickly promoted.
- John reconnects with his wife and son, and begins building a better life for himself and his family.

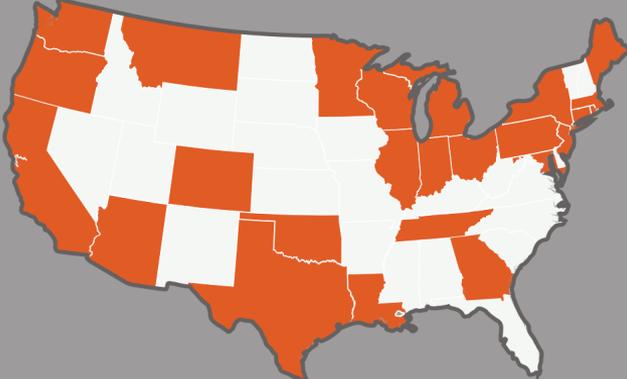
NEARLY 10 MILLION AMERICANS WANT TO WORK, BUT FACE BARRIERS TO EMPLOYMENT.¹ Employment social enterprise is a proven model that breaks through those barriers, empowering people with the jobs, training, and support they

need to succeed. It's an approach that returns \$2.23 to society for every dollar invested and a solution that is ready to scale.² REDF is making that happen.

¹ Kevin C. Corinth, "Barriers to Work and Social Enterprise: Estimating the Target Population." AEI, July 2017.

² Nan Maxwell, Dana Rotz, and Adam Dunn. "Economic self-sufficiency and life stability one year after starting a social enterprise job." Mathematica Policy Research, 2014.

106 EMPLOYMENT SOCIAL ENTERPRISES IN 25 STATES



NATIONAL IMPACT

REDF provides the capital, knowledge, and networks to fuel the growth, excellence, and impact of employment social enterprise across the U.S. REDF is working to build a better, more inclusive society where all people have the jobs and support they need—and the pride, purpose, and path to self-sufficiency they've earned.

SUCCESS STORY MARSHELLE



Today, Marshelle is thriving in her first full-time job as an employee of the City of Austin. She is proud of the life she leads, the work she does, and how far she has come.

Introduced to drugs, alcohol, and abused as a young child, and with a history of incarceration, Marshelle's barriers to employment were great.

Goodwill Staffing Group empowered her to change her life, providing support, training, and a paying job that helped Marshelle develop her skills, bolster her confidence, and propel her success.

Goodwill Central Texas, Austin, TX (Member of REDF's National Portfolio)

2018 IMPACT HIGHLIGHTS

REDF-SUPPORTED EMPLOYMENT SOCIAL ENTERPRISES:



ASSISTED, TRAINED, AND EMPLOYED **9,029 PEOPLE**



GENERATED **\$289M IN REVENUE** TO INVEST IN PEOPLE AND JOBS³



COVERED **105% OF THEIR COSTS**



INCREASED PROFITS BY **19% YEAR-OVER-YEAR**



LEVERAGED REDF'S INVESTMENT BY A **FACTOR OF 64**

EMPLOYEES AT REDF-SUPPORTED SOCIAL ENTERPRISES:

100% FACED SIGNIFICANT BARRIERS TO EMPLOYMENT. 90 DAYS AFTER GRADUATING

71% WERE IN PAID EMPLOYMENT.

COLLECTIVELY EARNED

\$70.3M IN WAGES AND WORKED ALMOST 3 MILLION HOURS.

ON AVERAGE, MADE MORE THAN

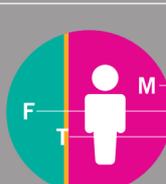
123% OF MINIMUM WAGE IN THEIR FIRST JOB AFTER SOCIAL ENTERPRISE, EARNING FROM \$7.25/HR TO \$32/HR.

³ \$289M in revenue = \$247M in earned revenue and \$42M in grants, contributions and subsidies.

WHO ARE EMPLOYMENT SOCIAL ENTERPRISES HELPING?⁴

RACE AND ETHNICITY:⁵

- BLACK OR AFRICAN AMERICAN: 45%
- LATINO OR HISPANIC: 24%
- WHITE: 21%
- ASIAN: 2%
- MULTI-RACIAL: 2%
- AMERICAN INDIAN/ALASKA NATIVE: 1%
- HAWAIIAN/PACIFIC ISLANDER: 1%
- OTHER/DIDN'T SAY: 4%



GENDER:

- MALE: 71.5%
- FEMALE: 28%
- TRANSGENDER: 0.5%



PRIOR EDUCATION:

- NO HIGH SCHOOL DIPLOMA: 31%
- HIGH SCHOOL DIPLOMA: 44%
- SOME COLLEGE: 17%
- COLLEGE DEGREE: 6%
- OTHER: 2%



EMPLOYMENT BARRIERS:

- INCARCERATION: 74%
- UNSTABLE HOUSING AND HOMELESSNESS: 53%
- MENTAL ILLNESS/SUBSTANCE USE DISORDER: 39%
- OPPORTUNITY YOUTH: 35%

AVERAGE AGE:

33

⁴ Demographic data comes from our national portfolio grantees and is representative of REDF's other grantees.

⁵ Returning citizens face formidable barriers to employment and therefore make up a significant portion of social enterprise employees. Though African Americans and Hispanics comprise approximately 32% of the US population, they account for 56% of all incarcerated people in 2015. Source: "Criminal Justice Fact Sheet," NAACP.

REDF – SUPPORTING GROWTH AT EVERY STAGE

CAPITAL AND TECHNICAL ASSISTANCE



Center for Employment Opportunities (CEO) employs people with histories of incarceration to provide maintenance and beautification services for municipal agencies. In 2011, REDF catalyzed their expansion outside of New York to Oakland, California, providing funding and helping broker a contract for services with the California Department of Transportation. This partnership has fueled additional growth for CEO throughout California.

With a second grant in 2016 and ongoing technical support, CEO expanded to **22 sites in 8 states**. As new locations opened, REDF helped CEO maintain and improve program quality.

Today, REDF is working with CEO to increase the number and type of businesses that purchase its services. It's a partnership that is delivering results. **In 2018, with REDF's support, CEO employed 1,977 people.**



Kitchens for Good (KFG) employs individuals overcoming barriers to employment in their catering and contract meal social enterprise. In 2017, KFG participated in the San Diego Social Enterprise Accelerator, a joint program of REDF and the San Diego Workforce Partnership.

While in the Accelerator, KFG received a strategic grant from REDF to double the size of their kitchen and increase their capacity to fulfill contracts and train more people.

Later that same year, KFG received a \$70k loan from REDF's Impact Lending practice to support additional catering and event staff. **In 2018, with REDF's support, KFG employed 101 people and earned \$1.7M in revenue.**

GROWING THE FIELD

1,170 PEOPLE EMPLOYED

REDF BUILDS PARTNERSHIPS.

REDF developed and manages LA:RISE, a pioneering public-private collaboration of **26 social enterprises**, workforce agencies, service providers, and employers. In 2018, LA:RISE expanded to all of Los Angeles County.

REDF SHARES KNOWLEDGE.

REDFworkshop is an online platform that provides social enterprise practitioners around the country with the tools, resources, and connections they need to grow their businesses and increase their impact.

18k UNIQUE USERS

18 EMERGING SOCIAL ENTERPRISE LEADERS

REDF ACCELERATES.

Now in its third year, REDF Accelerator provides intensive training to start-up and growth-phase social enterprise leaders, helping them strengthen their businesses, support their employees, and develop a powerful peer network.

REDF INFLUENCES.

REDF shares expertise and stories of impact to build support for social enterprises. In 2018, REDF staff presented at conferences across the country, our digital content reached **1.7 million** viewers on social media, and our media coverage reached a cumulative audience of **74 million**.

75.7M TOTAL AUDIENCE

TESTIMONIALS



"The Citi Foundation strives to partner with cutting-edge organizations to support catalytic innovations that are shifting the status quo. REDF's holistic approach to scaling the field of employment social enterprise inspired us to make a major investment in their national strategy. From technical assistance to policy reform and valuable public-private partnerships, REDF's model ensures long-lasting impact for individuals facing barriers to employment."

– **BRANDEE MCHALE**, President, Citi Foundation



"REDF's commitment to ensuring their social enterprise partners succeed and its regional and national reach allow us to amplify our impact as a funder. I have been impressed with REDF's ability to address income security for people who are often most vulnerable to the long-term health effects of trauma. Every dollar invested in REDF not only leads to jobs and income, but also addresses some of the key social determinants of health."

– **PADMINI PARTHASARATHY**, Program Director, California Wellness Foundation



"I have been involved with REDF for over 20 years, and as a long-time investor in domestic and international social enterprises, I am proud to serve as the Vice Chair of REDF's Board of Directors because of the organization's impressive track record of innovation, leadership, and impact. The employment social enterprise field is starting to scale, and REDF is accelerating that growth."

– **STUART DAVIDSON**, Managing Partner, Labrador Ventures

SUCCESS STORY GARRICK



Garrick has a college degree and a supportive family, but has struggled with mental illness for much of his life.

Time spent prioritizing his health created gaps in his work history, which made it tough for him to secure steady employment.

Chrysalis helped Garrick use his background to find his dream job. Today he works to connect LA's unsheltered citizens to vital resources and supportive services.

Chrysalis, Los Angeles, CA (Member of REDF's National Portfolio)