

EMPLOYMENT FOR ALL FUND



SUMMARY

To advance Californians' economic stability and mobility, the **Employment for All Fund** will make financial and technical assistance investments in the growth and outcomes of mission-oriented businesses, referred to as employment social enterprises,¹ which provide employment, on-the-job training, and specialized supports to people who face high barriers to work. To provide the outcomes data that will enable these businesses to maximize their results and enable government and private funders to make decisions based

on evidence, the Employment for All Fund will also invest in the development and implementation of data systems. Outcomes will be determined by the Fund's governing agency, including increases in employment and incomes; growth in living wage jobs and asset building; program costs compared to the results achieved; and increased workforce participation by those who have experienced incarceration, homelessness, and/or other significant barriers to employment.

BACKGROUND

Despite the state's low unemployment rates, an estimated one million Californians face high barriers to employment, making it a challenge to provide a decent life for themselves and their families.² Many face serious obstacles like histories of incarceration, homelessness, mental illness, and substance abuse that impede their entrance into the workforce and limit economic stability and mobility. Moreover, institutionalized discrimination has resulted in a disproportionate impact on African American and Latino Californians. There is a proven bipartisan solution to employ people overcoming these barriers: employment social enterprise. Employment social enterprises are businesses with a clear social mission, selling products and services to the market and reinvesting their profits in helping people. **There are**

more than 150 employment social enterprises in California, and these businesses provide paid employment, on-the-job training, and specialized services that help employees stabilize their lives, build skills, and develop a work history. Supportive services like financial literacy, housing, and counseling help people overcoming challenges find lasting, competitive jobs. Independent evaluation confirms the impact of employment social enterprise: longer job retention than traditional workforce programs, higher wages and tax payments, and reductions in publicly-funded entitlements. Spending for government programs goes further, and people reintegrating into the community after incarceration or homelessness get and keep jobs—a **return on investment for society of 123%**.³

¹ Defined in the Welfare and Institutions Code Section 18926.7

² Kevin C. Corinth, "Barriers to Work and Social Enterprise: Estimating the Target Population." AEI, July, 2017.

³ 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.

SOLUTION

The State can simultaneously improve workforce development and job creation efforts through the Employment for All Fund. The Fund will invest in grantees that have proven expertise in identifying, funding, and building the data and program capacity of employment social enterprises. The Employment for All Fund will have an allocation of \$50 million to provide awards on a competitive basis to private and/or public entities who will then, through a separate competitive application process, identify employment social enterprises that can grow, and deliver even stronger results, leading to greater economic stability and mobility for those otherwise unlikely to gain and maintain employment. Three year commitments, dependent upon annual progress, will be made to accomplish the following:

- **Results** Invest into evidence-based employment social enterprises that deliver measurable results, while building out data systems to improve results and the ‘social return’ on dollars invested over time.
- **Scale** Reward employment social enterprises that have advanced beyond the start-up stage,

are showing signs of effectiveness, and have the potential for greater scale.

- **Leverage** Expand the pool of working capital by leveraging public sector dollars to non-governmental revenue one to one at a minimum.

Some of the design elements of the Employment for All Fund will build on the federal Social Innovation Fund (SIF), an evidence-based program with a holistic approach. Over a seven year period, the SIF drove \$1 billion of support to economic opportunity, health, and youth development by deploying \$352 million in federal investments and leveraged match of another \$707 million from the private sector to fund initiatives of almost 500 nonprofits in 46 States. The SIF was widely lauded for expanding the social sector evidence base and fostering significant private-public partnerships.

The Employment for All Fund will support an evidence-based service delivery model to create jobs to help address some of California’s most pressing challenges.

SUPPORT

REDF (Roberts Enterprise Development Fund) (sponsor)
AC Strategic Solutions
Alameda Point Collaborative
Bread Head
Center for Employment Opportunities
Chrysalis
Community Housing Partnership
Conservation Corps North Bay
Data 360
Doing Good Works
Family Harvest Farm
Farming Hope
Goodwill of Silicon Valley
GPS Social Enterprises
Home Start, Inc.
Homeless Garden Project
Homeward Bound of Marin

Inherent Knowledge Social Purpose Corporation
Juma Ventures
Kitchens for Good
Man on A Mission Consulting
Mission Edge
Momentum Solutions
Neighborhood Industries
New Door Ventures
POP Enterprise
Rise Up Industries
Rising Sun Center for Opportunity
Shared Harvest Fund
Solidarity
Step Up On Second
With Love Market and Cafe
Youth Action Project