

# Asian *Asian* Neighborhood *Neighborhood* Design *Design*



Asian Neighborhood Design is one of the oldest and most complex organizations in The Roberts Enterprise Development Fund portfolio. In 1973 AND had its genesis in a movement of Asian American architecture, design and urban plan-

ning students at the University of California at Berkeley who wanted to raise the housing standards in poor Asian American enclaves. Over the years AND has evolved to encompass political activism, architecture, custom millwork, furniture design for low-income immigrants, and

carpentry and cabinetry training programs for people with barriers to regular employment. In this last endeavor AND has partnered with REDF to expand training opportunities and increase its cabinet making business.

Following is a cross-section of the men and women of AND:

### Maurice Lim Miller

Maurice Lim Miller's father, who was Chinese, and mother, who was Mexican, crossed the Mexican border so that he could be born a United States citizen. They returned to Mexico, where, by the time Lim Miller was



two, the parents had split up. Hoping for a better life, Lim Miller's mother moved him and his older half-sister to Northern California in 1955. "My mother had two kids and \$300 to her name when we arrived on a Greyhound bus," said Lim Miller, 52. "She had a Mexican third-grade education but she managed to learn bookkeeping on her own."

As Lim Miller's mother struggled to support the family, they moved from city to city between San Jose and Sacramento. His sister left school when she got pregnant and had her

first child at 17. "My mother made up her mind that I was going to be the one to go to college and get us out of poverty," he said. "She told me I had a choice: doctor or engineer. We weren't sure what engineers did but we knew they made money. When you're poor, you don't know about a lot of jobs."

Even though he hated engineering, Lim Miller toughed it out in the engineering program at the University of California at Berkeley. He worked briefly as an engineer for Union Carbide before being drafted and sent to Vietnam. In the States, he'd tried to connect with his native culture but because he looks more Asian than Latino, he was never really accepted in Mexican American communities. While serving in Vietnam, he found himself in the uncomfortable position of being "the good Asian" among troops that generally "considered Asians subhuman."

"Being in Vietnam politicized me about being Asian," he said. "I was pissed off all the time having to defend myself as an Asian."

When Lim Miller returned from service, he got involved in political activism in Chinatown. Before long, he was working with AND as the first instructor in the nonprofit's carpentry program.

"I was working primarily with Asian gang kids," he said. "I liked it that AND had a technical side and a social mission. The idea of taking some tangible skill and applying that to have some greater social impact was exciting."

In the 20 years that he's been with AND, Lim Miller has risen to become executive director of the organization. In January 1999, he was invited to sit with Hillary Rodham Clinton during the State of the Union Address where he and the rest of the nation heard President Clinton praise AND as a model of economic opportunity and multicultural cooperation.

Despite these lofty heights, poverty and its legacy are still close enough for Lim Miller to touch. Members of his extended family, still struggling with poverty, at times have lived with Miller and his wife and kids. At various periods, his sister's children have been on public assistance. And his mother, ground down by years of doing without, committed suicide.

"My mother always used to ask herself, 'Why aren't I rich?'" he said. "My family and my own experiences have shown me how important it is to know what opportunities

are out there. At AND, we never expect to do everything in people's lives but we do want them to see what is possible."

### Kevin Johnson

Kevin Johnson, 29, is one of 15 trainees in AND's four-month carpentry, cabinetry and construction program in San Francisco. For several weeks, his group has been doing finishing work on two Habitat for Humanity houses being built in the Mission District. He judges the program by the number of promises kept. Tim Chupein, the site manager, got him overalls and boots. He took Johnson down to Pleasanton and got him into a carpenter's apprentice class required by the union. This afternoon, Chupein is going to take him to Home Depot to get his tools.

"I'm a real skeptical person," Johnson said. "A lot of programs don't deliver when they say they will. Tim is real straight up. Everything they said they'd do, they did and they did it on time. And they expect you to be straight up. Tim looks you in the eye and tells you they don't take no mess. I liked him from the first day I met him – he talked from the heart."

Before his caseworker sent him to AND to talk to Chupein, Johnson didn't know what he was going to do with his life. "I was just floating around being bad," he said. "I wasn't really looking for no job."

Johnson, who has two small sons by different mothers, had tried living legally – he'd worked as a security guard and as a driver for a carpet company. But those jobs didn't pay much and he found them boring.

A former member of the Crips, he'd also tried living illegally. "I've done just about everything except child molesting, rape, murder and stealing cars," he said. "Doing bad was as natural to me as washing my hands before dinner – it was always in my face. I got tired of hurting people – especially myself. There's always that good part inside of you that's fighting for a chance."

From previous work experience, he has 700 hours registered in a little union book he

carries in his pocket. He already knew a bit about rough framing but he's developing a new range of skills at AND. "I can look at that wall and tell you everything inside it and how it got there," he said. "I can build this room. I can build this desk." When he leaves the program in another month, he will be able to go to the union hall and get jobs in the \$13 to \$14 an hour range. If he continues to upgrade his skills, in a couple years he will be able to command \$36 an hour as a master carpenter.

One day he wants to build a home for his sons. "Can't many guys go out and get some land and build their own house," he said. "I can tell them, 'This didn't come from a real estate office. This came from your daddy's sweat.'"

### Gilbert Chan

Gilbert Chan, 46, presided over AND's one foray into for-profit enterprise. In 1981 AND spun-off an architecture, construction and development company called Urban Design.

Chan, who is also considered house historian because he has been with AND almost since its beginning, says most people don't like to talk about Urban Design.

"There's a stigma that it was a big failure," he said with a wry smile. "But to be honest, it was wildly successful."

Between 1981 and 1986, Urban Design was rated one of the fastest growing companies in Northern California. By 1988, it had a staff of 70 and \$12 million of contracts spanning from Petaluma to Half Moon Bay.

*"The idea of taking some tangible skill and applying that to have some greater social impact was exciting."*

Then, in 1989, the real estate market crashed and took down Urban Design and just about every other small architecture company in the Bay Area.

"We had 12 projects in various stages of construction," he said. "All highly leveraged

deals. We couldn't sell them and we couldn't support the debt. Everything we learned then is reflected in the way we operate today."

When Chan returned to AND to run finances and operations, he was shocked by how disorganized the nonprofit's accounting and record keeping were. When he asked to see the receipts, he was given a handful of slips of paper. No one knew how to do a proper cash flow projection. The average receivable was five months old.

Chan said AND won't try to spin off Specialty Mill Products, its custom cabinetry division, because of the hard lessons gleaned from Urban Design's fate.

"We learned that once you spin it off, you create a different set of problems, goals and missions," he said.

Being involved with REDF has pulled AND further along on the path to financial sophistication. George Roberts, who put up \$1 million for AND to set up a cabinet making shop and training program in West Oakland, attached a big string to the money.

Roberts was willing to give AND half of what they needed for the expansion if the agency was willing to take out a \$1 million bank loan for the rest. Chan said he felt Roberts' offer moved the nonprofit to the next level of fiscal maturity: now that AND has to meet its commitment to the bank, there is greater pressure for the business to perform well.

"He said, you guys have got to learn how to run a business. You've got to be accountable. The only way you are going to learn fiscal responsibility is if you take out this loan."

Chan believes that ultimately the pressure to become more fiscally responsible will bolster AND's social mission.



"It's been a gradual and painful change for us," he said. "You have to have accounting systems and you have to have a chain of command. You've got to think this way if the mission of your business is to generate jobs and generate money to put back into the training."

### David Meiland and Latricia Andrews

David Meiland, 36, is site manager for the 65,000-square foot cabinetry shop and training program AND opened in a depressed West Oakland neighborhood in 1996. One of the most challenging parts of his job is getting funders to understand that just because a

person graduates from a four-month construction training program doesn't mean they are mentally ready to go to work.

"The way that results are measured really boggles me," Meiland said. "Funders want to see a direct line from training to job. That's not the way most human beings work."

Many of the people who come through AND's program come from families with multigenerational histories of public assistance. Meiland said that sometimes a single four-month program is not enough to transform the way someone sees his life.

"We don't get any credit for making incremental changes in people's lives that may pay off somewhere down the road," he said. "But I really do believe that for most people, in a few years the time they've spent at AND will matter, whether they start working right now or not."

Latricia Andrews, 25, is a cabinetmaker for the SMP production shop that takes up about half of the warehouse. Even among the

AND graduates who do go directly into jobs, Andrews is a star.

“I knew I wanted to make a change for me and my two kids,” said Andrews, who is the mother of a four-year-old and a seven-year-old. Her family had been living on public assistance; she’d occasionally braid hair for a little extra money. Her neighbor Jennifer Jacobs, the office manager for AND Oakland, told her about the training program. “I’d never been in a work environment before.”

At first, Andrews didn’t like the training. “I’m a lady,” she said laughing. “I didn’t want to break my nails carrying heavy things. But I got better and better at it. I started to look forward to getting up in the morning and coming in. And when we got to general construction, I loved that.”

Andrews did so well that when she graduated she was offered a staff job with SMP. She is in charge of the locker department. The company has several contracts to make gym

lockers for health clubs. She is also a trainer for AND.

“The trainees spend their third week with me,” she said. “I teach them how to put hardware on, how to hang doors, how to assemble lockers. I teach them everything I can get into them in that week.”

She likes being able to work so close to home and she gets along with her coworkers. And she’s gotten used to the wear and tear on her looks.

“You can’t come here with your hair pretty and your nails long. You’re going to get dirty. But it’s fun. Every day I may learn something different. I’m always proud of what I do. When I go to gyms, I tell people, I made those lockers on my job.”

Andrews makes \$10 an hour. Earning a paycheck has done more than help her put food on the table. “Working has changed the way I see my life,” she said smiling. “Now, I want to try so many things.”

# BOSS *BOSS* Enterprises *Enterprises*



**O**n an overcast March morning, three employees of BOSS Enterprises stand in the rubble strewn courtyard of a Lake Merritt apartment complex debating the fate of Sophia's knee, and, by implication, the fate of Sophia.

For the past several days the knee has been slipping in and out of its socket. Sophia, one of three carpentry apprentices in BOSS's tiny construction company, says it doesn't really bother

her. But the pops are loud and frequent enough to worry Tara Anderson, the lead carpenter at the work site. She and Nancy Hoeffler, BOSS Enterprise's finance manager, stare at Sophia's paint and mud-stained dungarees and fret. They think she should have some sort of surgery to correct the problem. Even though it is a cool day, Sophia's arms are bare and powdered with crumbled stucco. She crosses them against her sturdy torso and shakes her head no. Surgery

would mean months on disability, months of lost momentum.

Sophia, who is in her early 20's, is afraid of blowing another chance. Nearly a year ago, she graduated from Asian Neighborhood Design's Oakland carpentry program but she failed to find a job. Her left eye is milky as if somehow it slipped in its socket and the dark brown iris is a dim gray gleam on the flip side of the eyeball. Sophia, who receives public assistance and lives in BOSS transitional housing, said that after she left the AND program, she spent the next several months partying until she was stir-crazy and eager to work. Although she was happy with the skills she learned at AND, Sophia, who has been on public assistance all of her life, wasn't mentally ready to work. At BOSS Enterprises there is a structure and a purpose to her days. And she likes working with Anderson, a jovial twenty-something tomboy who is on the verge of wrecking her own knees with a constant regimen of soccer, basketball and snowboarding. They are an amiable odd couple, the skinny white supervisor with a puppy's energy and the soft-spoken black trainee with the hungry mind of a good student.

"At AND I learned the new carpentry – building and framing from the ground up,"

beneath the decks and under the stucco walls of several apartment units. She will take a long and tedious bus ride to Highland Hospital and hope that her doctor doesn't ask her to return for many physical therapy sessions.

Riding from the job site back to BOSS Enterprise's office at the edge of Berkeley's busy Fourth Street shopping district, Hoeffler, 34, muses over Sophia's determination.

"Sophia's concern is succeeding," she said. "We want her to succeed but should her success be in construction? With that leg, will she be able to work in construction in five years?"

Hoeffler quit a \$60,000 a year job with a silver recycling company to work for the struggling construction firm. She took a pay cut and came to BOSS because she wanted to worry about situations like this: should BOSS get Sophia a leg brace and a physical therapist and support her in her dream of becoming a construction worker? Or should they help her find work – perhaps in cabinetry or a machine shop – which would be easier on her knees?

"I want her to own her success," Hoeffler said. "If this won't be part of her lifelong journey, I don't want her to feel like a failure."

If Sophia's knee gives out, only one BOSS trainee will be left on the job. Another partic-

ipant has been out for several days with a torn ligament in his elbow. Although the remaining trainee and two master carpenters can manage the handful of small construction jobs BOSS Enterprises has on the books, the

company's fate as a social purpose enterprise is as shaky as Sophia's knee.

"We're not sure we're going to make it," said boona cheema, executive director of BOSS (Building Opportunities for Self-Sufficiency), the firm's parent agency. "I'm not convinced that if we want to move people out of poverty that profitability will be attainable in the time frame that businesses are supposed to become profitable."

BOSS, which began nearly 30 years ago as a one-room street outreach program for men-

*"Our mission has never changed: to end poverty and homelessness," cheema said.*

*"That's the glue that holds us together."*

Sophia said. "I like working with my hands. Here, I learn more, working on different sites and taking things apart and putting them back together. We tore down a garage port and rebuilt it, hung sheet rock and did the seismic upgrade."

Sophia says her doctor has already told her that surgery wouldn't do her any good, that all she needs is physical therapy to strengthen the muscles around the knee. In a few hours she will leave the courtyard, where she and Anderson are replacing the rotted wood

tally ill and disabled homeless people, provides economic development, housing, support services and community building for residents of Alameda County.

“Our mission has never changed: to end poverty and homelessness,” cheema said. “That’s the glue that holds us together.”

Over the years BOSS has been intimately involved in establishing programs and services to meet the changing needs of the poor. In the mid-1970’s that meant setting up shelters for single women and children. In the 1980’s it meant creating supportive housing for people with HIV. Today it means helping people earn a living wage.

But programming is only part of BOSS’s mandate. “We’re not comfortable just doing social service,” cheema said. “We’re out there organizing and advocating and doing policy work. We’re putting street heat on folks. BOSS is not just about creating housing or jobs. It’s about creating lasting social change.”

BOSS decided to start a construction company because it seemed like a good way to train people for high-paying jobs in the building trades.

“I know the struggles our families go through trying to live on \$20,000 a year,” cheema said. “We were trying to move people into the \$15 to \$20 an hour range. What we are finding is that people will get those skills and get into the higher end jobs but it’s going to take more than a few months. It’s going to take one or even two years before our participants are ready for that.”

In the three years since BOSS partnered with the Roberts Enterprise Development Fund to establish the construction company, the enterprise is on its second general manager. The company nearly went under when the last GM underbid a contract to renovate a medium-sized motel in San Francisco. The GM didn’t consider the trouble workers without cars would have getting from the East Bay to a job site in San Francisco. He didn’t factor in the learning curve for carpentry apprentices who were training on the job. The project ended up costing BOSS Enterprises \$11,000. When the GM left, he took his lead carpenter and his business contacts with him.

For a while, cheema and Winston Burton, BOSS’s economic development director, were managing the company themselves.

“It’s hard to find an excellent contractor who also knows how to manage an organization,” cheema says. “I didn’t realize how much of my time and energy was going to go into learning the business. Give me a break. I don’t want to wear a hard hat.”

Her dream was that BOSS Enterprises would follow the BOSS model: the program participants would become so skilled that



eventually they would be able to take over and run the company.

“There’s a real class issue in most organizations between staff and non-staff,” she said. “Our staff reflects those we serve: 60 percent have come out of poverty and homelessness. We’ve been able to do effective work with the people who usually never get a voice in the decision making.”

Out of 148 full-time employees, cheema said she could count the number of workers with advanced degrees on one hand. The BOSS workforce reflects a diversity of class and race and gender and sexual orientation and age and ability or disability.

“We really do think of ourselves as a community of people,” she said. “We are very open, very inclusionary. Our belief in people’s capacity to rise to the occasion and give back has paid off in the long run.”



### boona cheema

cheema, 54, is a small, intense and extravagantly lovely woman. The lavender liner that encircles her dark eyes, the bits of Indian gold and honey amber on her face and hands don't seem like ornaments but organic extensions of her beauty, like the tendrils that curl from a vine. She designed the elaborate tattoo that bracelets her right wrist; directly over the pulse point is a two-inch long red AIDS ribbon. "I want to be beautiful and political too," she laughed, looking at the design. She is perhaps BOSS's best example of someone rising from poverty to leadership.

She first came to BOSS, in 1971, as a welfare client, the wife of an impoverished student and seven and a half months pregnant with their son. Recently, she came across a \$200 a month pay stub from her first BOSS job — working as a street outreach counselor. Since then, she's been a shelter counselor, a shelter cook and coordinator of BOSS's multi-service center.

cheema said BOSS's board had a hard time deciding to trust her with the executive director's job — her predecessor was an attor-

ney. cheema, who has masters degrees in divinity and journalism and worked as a reporter in her native India, didn't have the right sort of credentials for the job but eventually the board decided to take a chance on her. She said she was glad the board struggled through the decision to hire her — someone who was not the obvious candidate but was grounded in the agency's work — because it prepared them to promote others from the communities BOSS serves.

During the 21 years she has piloted BOSS, the agency has grown from an annual budget of \$260,000 to \$7 million. The BOSS portfolio includes 24 sites and 130 funding streams.

"I've grown into the job," she said. "I did not come with a set of skills that could be applied to management. I was clueless."

Her own experience has helped BOSS foster a culture that gives people room to rise.

"You have to commit the resources and the time and the patience to grow somebody to a level of responsibility," she said. "You can't fire them the first time they relapse. It's about accommodation. You've got to accommodate growth."

### Nancy Jordan

She looks to Nancy Jordan, director of BOSS's housing program for people with HIV and AIDS, as an example of what can happen when an organization is willing to grow with the people it serves.

Jordan was nearly 50 and living in BOSS transitional housing for homeless women when her caseworker recommended her for a job as a shift worker in a BOSS shelter. Eleven years later, besides managing BOSS's four homes for people with AIDS, she is also a member of an Alameda County collaborative that oversees \$2.1 million in federal funding for youth and another collaborative designing case management for low income residents on the former Alameda military base.

"I get the biggest pleasure now in getting people into per-



manent housing and helping them find work,” said Jordan, who designed the HIV-AIDS housing programs. “This is not a job. BOSS is not about a paycheck. You have to really care about people’s futures to do this.”

Not long before BOSS hired Jordan, she had been an alcoholic speed freak living on the streets of Hayward and Fremont. She traveled a long way from her upper middle-class Catholic roots in Pennsylvania’s Main Line to sleeping in construction sites and stealing to feed a \$140 a day speed habit. Even though she loved her family, she left home at 19, following her older sister to San Francisco. She’d hoped to find a place where she could be comfortable being a lesbian; instead she fell in with a dangerous and destructive crowd. She lost touch with her family for three years. She was even arrested for felony armed robbery. “I was the driver,” she said.

On her 47th birthday she entered Orchid House in Oakland, a residential treatment program for female addicts. When she graduated from that program, she found housing through BOSS.

“I don’t know why I decided to quit using,” Jordan said. “You do get tired. I know there’s no way I could live like that, the age I am now. I’d be too scared.”

If Jordan was to turn in her jeans and Cal sweatshirt for Pendleton slacks and a twin set, she could easily pass for a society matron. At 60, her face is cracked and creased from years of exposure but her good bones endure. There was a time when she was obsessed with

all the years she’d wasted being wasted but she’s coming to peace with that.

“When I started working at the shelter, I realized that I got clean and sober so that I could make a difference in other people’s lives,” she said. “And I can see that I have been able to make a difference. You’ve got to count your blessings. I didn’t die. I wasn’t found on the street with a needle in my arm. I didn’t kill anybody. I managed to get back into my family and become an active member of my family. I have a good job. And I’ve never been healthier in my life.”

cheema said it would be practically impossible for a woman nearing retirement age to begin a career in management and advance to the level of responsibility Jordan holds. But the program design, policy development and high level administrative skills Jordan has developed at BOSS are readily applicable to executive positions in the for-profit sector. cheema’s dream is that one day BOSS would be able to create jobs for others like Jordan — and turn a profit.

“Our hope for the enterprise was to do something that would get people higher paying jobs and allow them to grow to the top just as they do in BOSS,” cheema said. “When we opened the first shelter, we had to figure it out. Same with a business venture. My son tells me it isn’t rocket science but some days it feels like that. I want to get to that ‘phew!’ period. Getting to where we can say, ‘Yes, we’re on our way’ takes longer than anyone thought.”

# CVE, Inc.

*CVE, Inc.*



**T**he shoulders of John Brauer's shirts are as sharp and white as the corners of a new envelope. The knots in his ties are perfectly triangulated silk cushions and, if he walked a bit faster, he could probably slice paper with the crease in his pants. Brauer, who has the erect, yet gliding, carriage of a ball-room dancer seems as freshly minted at 8 p.m. as he does at 8 a.m. It is easier to imagine Martha Stewart weeping in rapture over the crispness of his linen than it is to picture him mopping a floor or scrubbing a toilet. But Brauer swears that is how Community Vocational Enterprises,

the employment placement agency he has run since 1989, got its first janitorial contract.

"I didn't really know anything about cleaning and my wife would probably tell you that I still don't," Brauer said with the giddy laugh that occasionally cracks that formal surface. Not knowing how to do something has seldom stopped him. "In a way, perhaps because I don't have an MBA, I always think I can do it," he said. "It never dawned on me that I wouldn't make money."

When he took over CVE, he didn't have a lot of experience working with people with mental

illness. Although he'd earned a master's degree in clinical psychology, he'd spent most of his life managing a series of small businesses – a restaurant, a video store, a construction company.

"I love business-y stuff," he said. "And I come from a family that is known for working hard." At 15, he got his first job washing dishes at a fancy Italian restaurant in Walnut Creek, California. Within a few years, he was managing the place. Same thing with the con-

*"If you're going to move towards social entrepreneurship, you should be aware that your original culture will change. And change is hard."*

struction company. "I started as a flag person – you know, the person who stands on the side of the road with a flag, waving the traffic around the construction site? That was me. And I worked my way up to vice president of the company."

### John Brauer

Ten years ago he answered an ad for an assistant to the director of Community Vocational Enterprises, a tiny agency launched in 1987 by the San Francisco Department of Mental Health as a service for clients who were looking for work. "The first couple years, the emphasis was on job interviewing skills and finding the occasional odd job. Most of the people who passed through the office weren't getting work."

A few months after he began, Brauer was running CVE. "The woman who hired me didn't like the business side of things and she left," he said. Now he was free to create the company from the ground up. In most people, this sort of situation would inspire sheer terror. Brauer had never started a business and his experience with people with mental illness was limited to his educational internships. For the next several years, he made it up as he went along.

Besides placing people in existing jobs,

CVE needed to set up a business that could employ those who couldn't find outside work. Brauer was looking for clients at a day treatment center when the director told him she wished she could find someone to clean her site.

"That's how we got our first job," he said. "For about three months, I did the cleaning. We were just getting started so I didn't really have anyone to send. And I figured I couldn't teach someone how to do it if

I couldn't do it myself."

Today CVE's janitorial company, Industrial Maintenance Engineers (IME), employs approximately 26 workers at 20 sites around San Francisco. Under a business plan drafted with the help of a Farber busi-

ness intern, IME, which is in the second year of a four-year expansion cycle, is expected to increase its sales from \$170,000 annually to \$1 million by 2001. To help IME get there, REDF arranged for the company to get consulting help from ServiceMaster, one of the world's largest service organizations. About a year ago CVE hired Jo-Jo Sanchez, who had her own motivational speaking company, to run IME.

Clients who sign on with IME spend a year learning janitorial skills while on the job. Around month 10, they get help finding permanent jobs. Besides IME, which is the agency's largest business, CVE also runs two coffee bars, a clerical certificate program and a driver/messenger service. Approximately 28 percent of the agency's revenue comes from the businesses; the rest, from the Department of Mental Health, the Department of Rehabilitation and foundation grants. CVE's goal is to expand the janitorial business enough to flip those percentages.

For a number of years CVE used a fairly haphazard method of finding placements for its clients. "Our old way of job development: When you're out at lunch and you see a 'Help Wanted' sign, you ask about the position," Brauer said. "It was my idea and it wasn't very good. Instead of finding out what our clients wanted to do and could do, we were trying to force them into whatever work was available."

Another method that proved more trouble than it was worth: picking up piecemeal craft and clerical projects. One Christmas, CVE contracted to glue bay leaves to Styrofoam balls; another season, they were drilling holes in nutmegs and embedding dried roses and lavender in concrete blocks. Often, only a few clients – or staff members – could master the arcane skills needed to complete the projects. Brauer’s wife went into labor midway through a 500,000-piece rush collating job for an oil company. When he checked in with the office a few hours before deadline, he discovered that the workers had punched holes in the wrong side of two-thirds of the pamphlets. In order to keep the client, CVE had to pay to have the materials recopied and collated.

“We’ve done a million projects, most of which required a lot of staff time just to break even,” Brauer said. “The last straw was the bird seed project.”

CVE contracted with an agency that wanted stress balls – those squishy rubber orbs tense white-collar workers are supposed to clench to relax their hands – to give out at a convention. Brauer’s own office was the only space big enough to hold the buckets of birdseed, boxes of balloons and the air compressor needed for the project.

The operation was a logistical fiasco. “You had to fill three layers of balloons with bird seed to make one stress ball,” he said. “If everything worked, you should have been able to do 30 in an hour. We had people who could do one. But we’d made a commitment to the client and we had to deliver. We ended up putting the answering machine on night mode and the staff did most of the work.

“Making stress balls is hardly a transferable skill. My problem was I said, ‘Yes’ before I said, ‘What?’ When I started finding birdseed in my underwear, I realized it was time to get out of the project business.”

### Michele Tatos

Sometimes Brauer’s go-for-it attitude has paid off big. Nearly seven years ago, he took a flyer on Michele Tatos, an undergraduate business major from San Francisco State.

Tatos, who’d considered applying to law school and was volunteering at an adolescent day treatment center, had just been accepted into a MFCC program when she walked into CVE on an informational interview for a class. Brauer hired her to run CVE’s coffee bars and catering service.

“I don’t drink coffee and I don’t cook,” Tatos said laughing. “But the minute I walked in the door, it felt right. I loved working with the clients. And we needed someone to do business. I liked playing around with the financial statements.”

Instead of going to law school or getting a master’s degree in counseling, Tatos decided to go to night school for her MBA. Brauer let her use operations at CVE as the basis for some of her school projects. When Brauer approached the Roberts Enterprise Development Fund about investing in CVE, he turned to Tatos for help.

“John came back with his business plan all marked up with red ink,” she said. “He said,





'Jed Emerson laughed at me.' Jed made him pull all the numbers out of his head and put everything on paper. John said, 'I'm supposed to hire an MBA. You're pretty close.'

Today Tatos, 30, is director of business and finance for CVE. "Every time I think about leaving, they come up with something more exciting for me to do. There's so much more I can learn here and you couldn't pay for that. I love my job."

When CVE was accepted into REDF's portfolio, the people who worked there had to start thinking about the place more as a business than a social service agency. One of Tatos' new responsibilities was balancing the costs of doing both kinds of work.

"It was tricky," she said. "Staff didn't quite understand why I suddenly cared so much about numbers. At first, I was keeping everything private about the numbers. It was like I was a big meanie and no one else cared about the costs. Now, I give the business statements to everyone. When you tell people what you're doing and why, they're a lot more supportive."

Now that the organization was going to

be paying more attention to productivity, staff was expected to be more businesslike.

"When I used to work with clients in the coffee bars, I'd give them so many chances, but that's not realistic," Tatos said. "We've worked on developing standards that work for the business and for the clients. We're not helping anyone by giving them 25 chances because no one in the work community is going to do that for them. We're going to lose a contract if the client is not displaying appropriate work behavior."

Raising performance standards within CVE has helped the agency do better at finding the right jobs for its clients. Not long ago, Brauer turned down a contract to provide parking lot attendants for a large San Francisco hospital because he couldn't find any clients who were willing or able to drive cars. Once he might have picked up the contract regardless of whether it was right for CVE. On the other hand, he is proud that CVE's employment specialist Daryl Henline was recently able to find a position for a man who'd been cycling through the social service system for nine years.

The middle-aged client had gone through CVE's clerical training program but he couldn't pay attention long enough to master typing and filing. The man was very friendly but he had a problem staying focused and often wandered away. Henline figured out a position that would take advantage of the man's restless, gregarious nature. After nine jobless years, the client is working at a Bay Area airport.

"He meets passengers at the gate with a wheelchair and wheels them to their next destination," Brauer said. "They love him out there."

Brauer said that when CVE sharpened its focus on running the job placement service as a business, staff had to get more serious about making sure clients found work that would sustain them.

"The old social service mentality says that people aren't paid as well so you can't expect as much from them," Brauer said. "But we were operating under a different philosophy. If you're going to move towards social entrepreneurship, you should be aware that your original culture will change. And change is hard."

Vivian Imperiale, director of client services for CVE, spent 18 years working in real

estate and 12 years as a volunteer advocate for people with mental illness before joining the agency. She said the staff was not used to standards that are common in commercial offices.

“In the old days you might let a staff person come late or leave early without consequences,” Imperiale said. “You might let a client be disrespectful. It was smaller and familial to a fault. We didn’t criticize behavior.”

The changes affected workers at every level. The clerical program couldn’t train clients at the agency’s front desk anymore because CVE needed to present a professional face to new clients. And Brauer couldn’t act on every brainstorm and do the company’s books in his head.

“Now it is so different,” he said. “We have a business plan. We have a marketing study. I miss a little bit of the ‘Let’s just do it’ attitude.”

Even though the new organization has reined in his spontaneity, it has also meant more freedom for Brauer. For the first time in 10 years, he feels comfortable enough to take a long family vacation.

“I have a really tight group here and I trust them,” he said. “When you can trust your fellow employees, you can let it go.”

Not everyone was happy with the new system. “We’d had the same staff for years and years,” Tatos said. “When the shift happened, some people didn’t last. We had to fire some people. That’s not how we’d operated before. It was really hard for us. Before, change was not a part of our culture at all.”

Imperiale said that clients welcomed the more professional atmosphere. Instead of using social service terms like “hygiene”, now they talk with clients about “dressing for success,” the same as any other job placement agency. Instead of replicating day treatment models where clients sit and discuss their feelings – something they can find at mental health care agencies – they work on interviewing skills and awareness of work place issues like sexual harassment.

“We responded to what our clients said they wanted,” she said. “There is a professional air about the place and the people who work here and I feel really good about that. We don’t have any weak links now. Everything we do is related to getting you hired.”

The commitment to making CVE a successful social enterprise has led the agency to greater success in its primary mission: helping mentally ill people find good work.

“The businesses are a vehicle for us to help people,” Brauer said. “I really believe we are in the business of human potential.”

### David Alan Mors

David Alan Mors said that even though the services he received at CVE cost him nothing, the staff gave him all the attention and respect a paying customer would expect at any regular job placement agency.

“They were very organized and very professional,” Mors said. “You’re in this room with all these executives who are like angels trying to find you the right job. You didn’t feel

*“When I went to CVE, the first thing they saw in me was a possible applicant for a cool job,” Mors said. “They didn’t see a sick person. It’s very touching for me...you know, that these people are so genuine.”*

stupid or strange or needy at all. They made you feel very important and taken care of. You felt like you’d spent \$500 for a seminar at the Holiday Inn.”

Mors was amazed and relieved that the staff was more interested in what he could do than in what his problems were.

“It’s the first time in your rehabilitation – or coming out of this cloud of nightmare – where you don’t have to repeat all that you’ve

gone through,” he said. “They’re interested in what your skills are, not what makes you upset. It’s a wonderful question that they ask: ‘What do you want to see for your life?’ It makes you feel like you’re a whole person who has possibilities and promise.”

Mors, 35, had been interested in architecture and design since he was a boy growing up in Florida. Several years ago, he worked for a couple in Maine who let him arrange the interiors in their store and their house. This was something that he could put on his resume. Even though he suffered from crippling depression and anxiety attacks, he made the dean’s list at San Francisco’s City College, where he earned a certificate in furniture design.

“I wanted very badly to see what it was like to have a job like everybody else,” he said. “I wanted to be able to have money to take care of myself and go out to dinner and see friends. I’d worked in offices in between receiving my SSI. I’d do waiter jobs. I enjoyed the jobs because I enjoyed having someone say, ‘We like what you did here. We want you to stay.’”

When Mors met with Henline, CVE’s employment specialist, the two decided to focus on jobs that would combine his skills and interests.

“We had a very specific job search,” Henline said. “No less than \$10 an hour, part time, in San Francisco, ideally in a modern environment.”

Henline set up voice mail for Mors and helped him design his business card and rework his resume. Over several months, Mors went on about 25 interviews with no success. Sometimes he would get discouraged and Henline would let him take a week off from the job search – but he never stopped calling to see how he was doing.

“He’d call me from home sometimes at 8 o’clock at night because he’d have an idea,” Mors said. “When Daryl says something, he means it. He shows up. It was one of the first times I’d experienced somebody with that kind of integrity and devotion.”

One day, Mors and Henline got dressed

up and spent the day visiting different furniture companies in a large San Francisco showroom.

“Here we were, two guys in suits with umbrellas walking across this industrial wasteland and mud and train tracks South of Market to get to the Baker Hamilton showroom,” Mors said. “Daryl introduced me to a friend of his there. He let me talk to different people about furniture. Seeing all this stuff I’d studied out of books was fun. Daryl wasn’t testing me – he had fun seeing what I knew.

“Daryl was always looking at what was going to be fun for me and what the possibilities were,” he said. “At first I couldn’t deal with how open his mind was. He was so enthusiastic, I was like, ‘What is this guy on?’ I’d never had someone be so into a project for my sake. At first, it annoyed me, but it was inspiring too. I had so much support that there was no way I could give up.”

About a month later, Mors received an offer from a showroom specializing in high end Italian and Scandinavian furniture, sculpture and art glass. He works four days a week, making sales and consulting with designers. Some days, he’s left alone in charge of the showroom. After five months, he’s made a bonus and had his salary raised to \$13 an hour.

“It’s a really good place to be,” Mors said. “I fit with the people there. It feels really good to have a job that I’m good at.”

He can support himself on his salary and soon Henline will help him set up a budget to buy a car. Even though his file is no longer active, Mors knows he can call Henline if anything ever comes up.

“When I went to CVE, the first thing they saw in me was a possible applicant for a cool job,” Mors said. “They didn’t see a sick person. It’s very touching for me...you know, that these people are so genuine. I didn’t expect that because it’s about a job. This is powerful stuff. This is life changing stuff. That’s what it’s going to take to change the world: people reaching out to help each other.”



# Goodwill *Goodwill* Industries *Industries*



**A**lthough Goodwill Staffing Services is the baby in the Roberts Enterprise Development Fund portfolio, Goodwill Industries is the grandfather of social purpose enterprises.

“REDF focuses on organizations that use business enterprise to develop social results,” said John Latchford, who has dual roles as chief financial officer of Goodwill Industries of San Francisco and president of Goodwill Staffing Services. “That’s what Goodwill Industries has been about since the day it was founded.”

Nearly 100 years old, Goodwill Industries was founded in Boston by Reverend Edgar Helms, a Methodist minister who put disabled

people to work gathering, repairing and selling castoff clothing and house wares. He was one of the first to see that business could be more than a source of charity for those written off as unemployable – if properly designed, it could be their means to self-sufficiency. According to the Goodwill Industries International web site, Helms called Goodwill an “industrial program as well as a social service enterprise.”

Today Goodwill Industries is a \$1.4 billion nonprofit organization with 187 independent agencies in North America and associates in 34 countries.

“Goodwill Industries is an important example of what can happen for nonprofits that

pursue a social purpose enterprise strategy with passion and commitment,” REDF executive director Jed Emerson said. “They have taken the basic idea that people facing a variety of barriers to employment can contribute to their own advancement and created avenues out of poverty for hundreds of thousands of Americans. To the many smaller, evolving nonprofits struggling to make it work, they are proof that it can.”

While Goodwill is synonymous with drop-off centers and thrift stores, many members have developed programs that provide services to government and industry while offering alternative job training to their consumers. Among the newest is Goodwill Staffing Services (GSS).

Launched in January 1999, Goodwill Staffing Services is a joint project of Goodwill of San Francisco and Goodwill of the Greater East Bay. The agencies established a separate tax-exempt corporation to purchase a family-owned temporary staffing agency located in San Francisco’s Financial District and the city of San Mateo. Besides generating revenue for training programs at the parent agencies, the company is also meant to lead to more stable job opportunities for people seeking work through Goodwill Industries.

The latter objective will be achieved in a couple ways. Latchford said that Goodwill’s placement service could send trained consumers to GSS for tryouts on various job sites, in hopes that one of them might turn into a permanent job.

“This would be an opportunity to have them working side by side with other people who can model good work skills and behavior

for them,” Latchford said. While consumers are trying out different placements, they would continue to receive career development support from Goodwill.

Paul Wassem, General Manager and Vice-President of Goodwill Staffing Services, has a more ambitious plan in mind. He intends to shift the company’s focus: instead of placing temporary workers or relying on government contract work, he wants to lease GSS employees to mainstream companies. For example, a pizza company might contract with GSS to

dispatch all their delivery calls. GSS would then set up a call center staffed by GSS employees.

“Our goal is actually to become an employer,” Wassem said. “We want to be a contract supplier of people. I want graduates of Goodwill to stay with GSS.”

Wassem said that GSS could contribute to consumers’ long-term job success by managing their benefits and continuing to supervise their progress.

“The industry is massive,” he said.

“We can grow as much as the community and the market will let us grow.”

Besides creating job opportunities, Goodwill of San Francisco was interested in diversifying its revenue streams so that it wasn’t solely dependent on its stores. When the 1989 Loma Prieta earthquake destroyed Goodwill’s main store, the agency lost 40 percent of its revenue.

At the time, Latchford was chairman of Goodwill of San Francisco’s volunteer board of directors. “The sense of mission had been there for 60 years – the same programs, the same people. It was just good enough,” he said. “There was a sense within the staff and management that we were pretty viable. Overnight that went away. The earthquake woke us up:

*“Goodwill Industries is an important example of what can happen for nonprofits that pursue a social purpose enterprise strategy with passion and commitment.”*

we realized we might not be here tomorrow. The crisis gave us a sense of urgency.”

Since then, Latchford said, Goodwill of San Francisco’s business has grown 300 percent. Last year the agency generated revenues of \$27 million. About half of the 1,440 consumers it served found jobs.

Latchford, who used to run his own real estate and hospitality companies, said that Goodwill of San Francisco was able to grow because it brought in a board and staff that were focused on developing businesses to support the agency’s job training programs.

The agency looks carefully at development opportunities, balancing job creation with potential profits. Latchford said Goodwill of San Francisco will probably pass on a proposal to set up a grocery store on Treasure Island because the small number of jobs that the store would create wouldn’t offset the capital costs to start the business. Instead of trying to run Café Vasco, the coffee bar in the main San Francisco store, they leased the space to a restaurateur who agreed to accept interns from Goodwill’s hospitality training program.

“We realized we probably wouldn’t make any money trying to run it ourselves,” Latchford said. “This way, I get a rent check and three people get training at any one time.”

Latchford said he doesn’t think social purpose enterprises should become fixated on going to scale.

“You always have to start with your mis-

sion,” he said. “Businesses think they always have to grow, but that depends on what you mean to fulfill. Don’t take on more than you can fulfill. Not everybody needs to get to scale. It can be a goal, but it doesn’t have to be THE goal.”

Unlike the other members of the portfolio, Latchford thinks Goodwill has moved beyond the entrepreneurial stage.

“I’m not convinced that we are entrepreneurial,” he said. “What we do is good but in terms of developing new enterprises, I’m not sure we’d do that. We know what we do works. Most entrepreneurs develop because they know what doesn’t work.”

Although they initially considered setting up a new temporary agency, Goodwill San Francisco and Goodwill Oakland eventually realized that there were several benefits to buying a company that had already established credibility and a customer base.

Even though Goodwill is among the most corporate of all social service agencies, the negative images people sometimes associate with its mission created a number of issues when the two local groups bought the temp agency.

For starters, there was the Goodwill name. Although in recent years Goodwill San Francisco and Goodwill Oakland have opened large, classy thrift stores that on first glance resemble stores like Ross Dress for Less or Marshall’s, the Goodwill name didn’t carry the same cachet among people seeking office support as it did with shoppers.





For the time being, the temporary agency's existing client base will continue to receive communications on letterhead that stresses the familiar name, "TOD doing business as GSS."

"The company has been known as 'TOD' since the 1950's," Latchford said. "It has credibility in the marketplace. We didn't want to go through a culture shift with the client and say, 'You're not doing business with TOD anymore but with GSS.' Over time, as GSS becomes better known, that will change."

The two partner Goodwills felt it was important that GSS have an identity and a

culture independent of the social service agencies. That's why they didn't move the company into either of their offices.

"John and Roy DeForest (senior vice president of Goodwill Industries of the Greater East Bay) wanted GSS sheltered from the social, budget-driven culture of Goodwill," Wassem said. "We need to be value-driven. Every dollar at GSS comes from customers paying our invoices."

When TOD employees first found out Goodwill was their new boss, they were apprehensive.

"Their initial thought was, 'Oh no. I'm going to be working for a non-profit,'" Latchford said screwing up his face as if he'd smelled something nasty. "They thought that meant you work in a back room or you don't get any money or you're down on the street helping people."

After those initial interviews, Wassem brought the TOD staff to see Goodwill San Francisco's bright, airy digs near the city's Civic Center.

"The shift in their attitude was monumental," Latchford said smiling. "They saw they would be working for a much larger organization with business professionals. I don't think they anticipated what they'd see here."

Slowly over the next couple years, GSS will begin to integrate Goodwill consumers into its workforce. Although the company exists to serve Goodwill's mission, GSS's primary mission is to be a successful business.

"We are not a program," Wassem said. "We are a separate profit-seeking business that strives to meet a social need for the community."

# Juma Ventures

*Juma Ventures*



**A**s the glossy black coupe cruises through San Francisco's Mission District, the driver, a twenty-something blond woman in dark glasses, and the passenger, a wiry Filipino-American just a few years her junior, compare car models and insurance rates and commiserate over the city's exorbitant auto registration fees.

The trunk is full of tender cargo: Ben & Jerry's ice cream cakes ordered by friends and lovers in honor of Valentine's Day. Rebecca Juhl, a manager and Malek Nativad (*pseudonym*), a

shift supervisor, comprise one of half a dozen teams from Juma Ventures spending a Friday delivering these frozen tokens of affection.

The days around February 14th are like homecoming week for Juma Ventures, a youth employment program that runs two Ben & Jerry's shops, an ice cream catering service and Ben & Jerry's concessions at San Francisco Giants and 49ers home games. Once a year, workers and managers from every division of Juma pair up and drive all over the Bay Area dropping off Valentine cakes.

## Rebecca Juhl and Malek Nativad

Juhl tells Nativad that she grew up in DeKalb, Illinois, the town where barbed wire was invented. On his right biceps, just above a stylized pattern of barbed wire, Nativad wears a tattooed map of Mindanao, which he



explains is the Muslim part of the Philippines, where his father lives. These two share a passion for sports, movies and hard work.

Juhl, who worked for a while as a substitute teacher, is a refugee from the San Francisco public schools. Before joining Juma Ventures nearly two years ago, she considered getting her teaching credential.

"I didn't feel comfortable in such a rigid environment," she said. "This is different. In this job there's a certain level of professionalism and respect that gets lost in the school setting. If youth are open to keeping the job and learning the skills, that's their choice; whereas school is something they have to do.

"I get stimulated working with the youth," she continued. "As a manager, you really need to be willing to roll up your sleeves and work side by side. That's where the trust starts."

Juma Ventures was designed to help young people transition to adulthood while learning about work in a fun workplace – the ice cream stores the agency franchised from Ben & Jerry's. Most of the employees, who are between the ages of 14 and 24, are people of color. Many of them come from poor and troubled backgrounds. In addition to forming close relationships with adult managers, youth also learn marketable entry-level food service skills.

"This is not a mentoring program; it's a business," said Diane Flannery, CEO of Juma Ventures. "The mentoring grows out of working together."

Juhl, the manager of the Candlestick Park operation, uses the opportunity to schmooze Nativad, a star employee from the Ben & Jerry's shop in San Francisco's Marina District. While he is running a cake to an office at a community college, she explains that this is the second year of her campaign to draft him.

"I was without an assistant manager at Candlestick and I was trying to get Malek because he is so good," she said. "I'm totally trying to move in on him."

Even though with commission he could make up to \$21 an hour working at the baseball stadium, Nativad is reluctant to quit the shop because of Ian Fraser, his boss at the ice cream shop.

Nativad moves fast, hustling between the car and various offices, but he has a slow way of talking and one of those gradual smiles that takes time to develop, like a Polaroid.

"I love Ian," he said, his happiness coming into focus. "He is so fun to work with. He really cares about people. He gets really personal and when you're down, he gets down."

Nativad's workday begins at 3:45 a.m. when he gets up to drive from his home in the Mission to the Financial District where he starts at 4:30 a.m., preparing to open a Briazz Café. When his shift there ends, he heads down to the Marina where he works in the ice cream store from about 2 to 7 p.m. He works every day but Sunday, averaging 55 hours a week.

"I think it's awesome that you've been making this work," Juhl said. "A lot of my youth can't handle two jobs. How do you do it?"

"You have to like both of your jobs," he replied. "And you have to have a boss who will

work with you. Ian will give me any schedule I want. It's good that you show people you can work really hard; then, they'll work with you."

There was a time, Nativad said, when he was the kind of guy who stayed out until two in the morning and got out of bed at two in the afternoon. These days, he usually rents a movie and turns in early. He measures his good times in terms of how many hours he's worked and what he's learned on the job.

"Juma helped me a lot," said Nativad, who has alternated between the ice cream shop in the ritzy Marina neighborhood and one in the Castro, the center of San Francisco's gay community. "I was kind of shy but I got over that. It's different, serving 30 or 40 people, learning to handle the different personalities. I love working Gay Pride in the Castro. The people are great and you make like three times as much in tips. A lot of people in the Castro have worked for tips and they understand. And I like it when the managers aren't there. I like the independence. They have a lot of confidence in us."

Nativad is toying with the idea of going to college in the fall but school doesn't seem to excite him the way that working does. One day he hopes to open his own restaurant, featuring Filipino and Mexican cuisine. Even though he hardly ever goes out anymore and is trying to save his money, the two jobs don't pay enough for him to be able to afford to move out of his mother's house. After 2 1/2 years at Ben & Jerry's, Nativad is trying to figure out how to leave a job he loves.

"My coworkers are so much more fun at Ben & Jerry's but I have more room to move up at my job at Briazz," he said. "I think I've kind of maxed out at Ben & Jerry's."

This is the dilemma that plagues Flannery, Juma's CEO. Even though Nativad has a marginally better job at the cafe, without more schooling he's going to have a hard time moving from behind a counter into management.

"We thought when we started this that we'd get them some experience and then they'd move on," she said. "Our challenge is how do we get them to that level where they are making \$10 to \$15 an hour – which is what you need for a living wage in San Francisco."

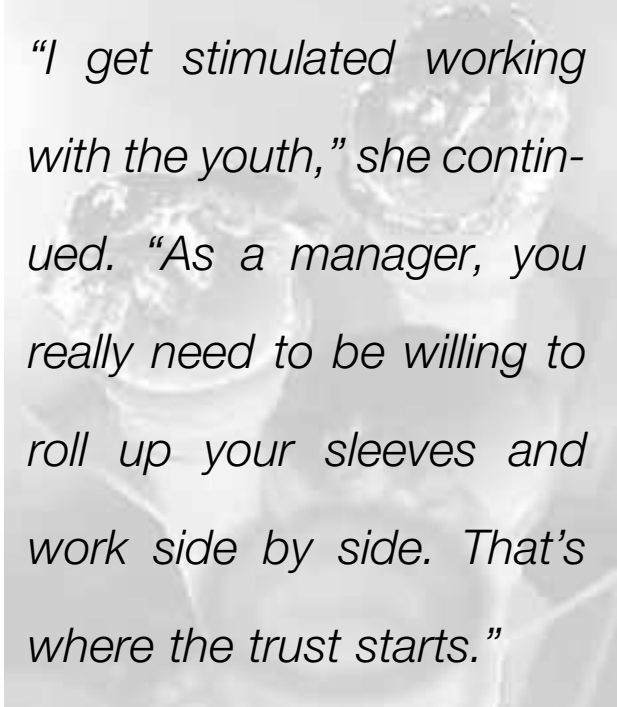
The program recently initiated a management internship program. For six months, two senior youth workers train as assistant managers. At the end of the intern-

ship, Juma's employment specialist will help them find management jobs in the retail mainstream.

## Diane Flannery

Flannery believes that in addition to education and health and housing, young people must have the means to support themselves. About 10 years ago she was executive director of Larkin Street Youth Center, a program for homeless and runaway youth in San Francisco. After years of running more traditional programs, she became frustrated with the limited services available for destitute youth. "I was interested in economic development and how to use business to move young people out of poverty."

Her last year at Larkin Street, Flannery started talking to the people at Ben and Jerry's Vermont headquarters. The ice cream moguls



*"I get stimulated working with the youth," she continued. "As a manager, you really need to be willing to roll up your sleeves and work side by side. That's where the trust starts."*

had begun franchising stores to nonprofit agencies and Flannery thought an ice cream shop might be a perfect vehicle for introducing young people to work. In 1995 the program opened its first Ben and Jerry's Scoop Shop on Chestnut Street in San Francisco's Marina District.

Flannery, who has a Ph.D. in organizational psychology, said that she found the

Juma businesses to be an effective way to work with youth dealing with a variety of difficult issues.

“The business becomes a container for the relationship,” she said. Youth employees work alongside adults for as many as 30 hours a week. “You have this tremendous opportunity to influence a young person while you are working with them. Things come out in work that might not come out in counseling or some artificial setting.”

Two teenagers recently told their managers they were pregnant. Not long ago, Laura Congdon, general manager of the stores, and Ian Fraser spent the night at the county jail waiting for the police to release one of their employees.

But such intense involvement comes at a cost. Congdon, who is available by pager and cell phone, trades off being on-call with other managers so that they each have at least one uninterrupted day off. What’s trickier is getting young workers to see the distinction between a friend and an empathetic supervisor.

“Someone tells you they’ve been abused or they’ve been raped – and both of those things have happened,” Congdon said. “They share something personal. Because we’re there, they are going to open up to us. But there’s a tension because you are their boss and what happens if you have to reprimand them?”

When managers become aware of a problem, they can refer youth to Juma’s workforce resources officers who make sure kids get the services they need.

But there are financial as well as emotional costs for that additional support. Flannery said that the \$1 million in sales Juma posted last

year covered goods and salaries for 55 to 60 youth employees and managers. Only about \$40,000 in profit was left for the training and workforce resources the young workers need.

“If we didn’t get foundation money, we couldn’t do this,” Flannery said. “If I were in the business to make money, I wouldn’t look at these kids as employees.”

Juma’s target population includes kids with a variety of fairly serious problems. Some of them have been in trouble with the law, many come from poor and broken families and most are behind in school. Few have any clear sense of how to behave in a service industry. Usually managers try to keep a mix of kids from the target population and those from the general population.

“That mix can stabilize your business and it gives you role models,” Flannery said.

Sometimes Flannery has had to pass on a great business idea because it would subvert Juma’s social mission. About three years ago she looked into the specialty license plates business.

“It would have been very lucrative but we didn’t want our kids to have ‘I made license plates’ on their resumes,” she said. “Because we had the dual goal, we had to pass.”





## Shannon Cunningham

Shannon Cunningham, 24, is a Juma Ventures alumnus who was able to move from entry-level job to first career stage during her time with the organization. When she came to Juma at 19, she was living with her boyfriend and had just discovered she was pregnant.

“I’d seen my peers on welfare and I didn’t want that,” Cunningham said. “I wanted a legitimate job, a secure job. I had few job skills but I decided my life is going to start now.”

Cunningham started out scooping ice cream at one of the shops. In a few months, she was promoted to supervisor. As her pregnancy progressed and it got harder for her to do the lifting and bending required in that job, she started looking around the organization for other positions. She landed a part-time job working with Juma’s enterprise director, Toody Maher. At that time, Maher and Flannery were the only people working in the Juma office; soon, they gave Cunningham additional hours to work as Juma’s receptionist.

Two weeks before her daughter Kaliya was born, Cunningham was named office manager at Juma. When she returned to work six weeks later, she brought her baby with her. Kaliya, who had a crib and a swing in the office, came to work with her mother for nearly a year. Cunningham is grateful that she could work and be with her child during those critical months in her development. She said she feels the years she spent working at Juma were nearly as critical in her own evolution from a struggling teenager to working woman.

“I learned most of my computer skills at Juma. Toody taught me how to write memos and all the details about professional presentation. Today, I refer to Diane as Kaliya’s godmother. It was really inspiring to be around all these women who kick butt in their careers.

“I learned to manage my life here. I learned to pay my rent and to take care of business at home so that I would be able to take care of business on the job.”

About a year ago Cunningham left Juma Ventures to be chief financial officer of the Center for Young Women’s Development, a youth-run nonprofit agency in San Francisco. She is saving money so that she can take an



unpaid internship in a computer graphics company. She plans to own her own business some day.

As she talks, she is sitting in the Juma Ventures office. This is the first time she’s been back for a visit in months and her old colleagues greet her with hugs and squeals of delight.

Cunningham feels she received an intense dose of the kind of mentoring and nurturing Juma hopes to offer all young employees.

“You might not see a future for yourself if you aren’t exposed to successful people – people who know what they want to do and are doing it,” she said. “The women here allowed me to be myself. It was a struggle but they worked with me. Just having someone stick it out with me kept me going.”

Cunningham, who is barely five feet tall, stands up on her three-inch platform sandals and prepares to go pick up her daughter at day care. Glancing around her old office, she beams.

“I live in a studio with my daughter. It’s small, but it’s all mine,” she said. “My daughter is happy and beautiful and I’m pretty happy too. Work has given me the freedom to give that to myself.”

# Rubicon Programs



**P**eggy Day, Rubicon's bakery manager, spread her arms and gazed out of her office, a cozy, glass-walled box at the edge of the production floor. "This is my domain," she said. Less than a year ago, Rubicon moved the five-year-old bakery from a 2,000-square foot annex in the social service agency's headquarters to its new 25,000-square foot home in a former potato salad factory.

Though no relation, Day has a pert look and sunny demeanor reminiscent of Doris Day. Like the movie icon, she gives off an air of con-

fidence, efficiency and kindness that is as soothing as the scent of warm cake batter that suffuses the Richmond, California bakery.

She strode onto the floor, pointing out the high-quality equipment that is the hallmark of a bakery that means to be an industry contender. The 140-quart mixer that is as big as a sitz bath. The vertical oven holding a wheeled rack of 32 cake pans. The mechanical press turning lumps of butter and flour into perfect tart shells.

Day, 60, is even prouder of the men and women responsible for the 500 cakes and tarts

Rubicon Bakery produces daily. Many employees are soothed by the orderliness of baking: if you are careful and follow the recipe, chances are things will go well. This can come as a relief to someone whose life has



been marked by chaos, uncertainty and disappointment.

“There’s a real pleasing result,” Day said. “And we do make beautiful products here.”

Watching a baker load a rack with tarts or a decorator piping bittersweet rosettes, it is impossible to tell who was ever homeless or who is in recovery. As they smooth frosting or weigh lumps of dough, their motions are neat and sure. Most of them are in counseling and are still trying to mend lives fractured by poverty, drugs, and crime.

“We have people who really want to be here,” she said. “They want to get a grip on

their lives. If you don’t have something to do every day, someplace to go, it’s hard.”

Rubicon is named for the river Caesar crossed when he set out on his greatest conquest. The agency provides a myriad of paths for people to journey out of poverty, homelessness and addiction.

“It’s a friendly place, a supportive place, a tolerant place but it’s still just the vessel that contains the people and the process,” said Rick Aubry, Rubicon’s executive director. “At what point are people ready to cross their personal rubicons and change their lives? We’re never sure but we know we need to be there when they are ready to make that leap.”

Frequently, informal mentoring blooms between bakery veterans and trainees who are getting used to being on the job. Because just

about everyone has some personal understanding of substance abuse – either his own or a relative’s – the subject is addressed more readily than it is in mainstream workplaces.

“Sometimes, we’ll just spontaneously have a meeting,” Day said. “As you’re working, you’ll start talking about what is happening in your life.”

### **Peggy Day**

Day didn’t realize that Rubicon’s bakery was part of a social service agency until she was in the midst of interviewing for the manager job.

It couldn't have been a more fortuitous opening. After 18 years spent running bakeries in Southern California, she was ready to return to the Bay Area to be near her grown children.

"I didn't know what Rubicon was all about until I talked with Carrie (Portis)," she said. "A large number of people who come through here are in recovery for alcohol or drug abuse. I told Carrie about my daughter. I saw that I could do something to help people who were going through what she'd gone through."

Several months earlier, Day's oldest daughter, Laura, died of a drug overdose at the age of 38. When Day heard about the people who worked for Rubicon, she felt an echo of her own family's story.

"Laura was a very talented pastry chef but her desire to stay in her field was defeated by her addiction," she said. "She got clean many times. And she gave me many gifts. She taught me about AA and NA. Compassion and kindness are the two most important things Laura taught me. It's so easy to be judgmental."

A bride in the 1950's, Day was a divorcee by the 1970's. "I thought I'd always be at home with my children, just like my mother and my sisters," she said. "I cooked. I upholstered. I made all of our clothes. That was what you did. It never occurred to me I'd ever work outside the home."

At 35, she began her baking career, making oversized cookies at a small shop in Sausalito. "You have to keep in mind this was Marin County in 1975," she said laughing. "The first question they asked me was, 'What's your sign?'" From there, she went on to run her own bakeshop in nearby Larkspur, before moving to Escondido where she worked for a large bakery that made croissants for fast food restaurants and cookies for mini-marts. From the time she started until she left 11 years later, the company's sales went from \$5 million to \$25 million a year and the number of workers she supervised rose from 50 to 250.

Many successful bakeries run 24 hours a day, seven days a week. Although Day wants to increase Rubicon's volume and create more jobs, for the sake of her workers it isn't

likely Rubicon will move to such a demanding schedule. Many of Rubicon's employees depend on public transportation and would have a hard time getting to work at odd hours. Some of them would have trouble finding childcare. And, Day said, graveyard shifts tend to make people more susceptible to substance abuse.

In the two years that she's been at Rubicon, Day's mission has been to get the bakery on solid financial ground. "When I first came here we were not clear about what it was costing us to run this business," she said. "The focus wasn't on the money; it was on training. I've been held to a budget all my life. Now Rubicon has a budget. We're getting a handle on it."

### Carrie Portis

Tall and harried, Rubicon enterprise director Carrie Portis rushed into the decorating room to retrieve some sample cakes for a sales presentation. She was running late and filling in for the bakery sales manager who quit a couple weeks earlier. The next morning, she met with a UC-Berkeley business major who might be interested in interning at Rubicon.

*"At what point are people ready to cross their personal rubicons and change their lives? We're never sure but we know we need to be there when they are ready to make that leap."*

Later that day, she schlepped a new product line — an array of miniature versions of Rubicon's most popular cakes — to the enterprise's monthly meeting with the Roberts Enterprise Development Fund. In between meetings, she had to consider trainees for the bakery, look for a new sales manager, worry about an employee who appears to be in a violent relationship and develop contracts for Rubicon's newest business, the home health care service the agency started at the end of 1997.

“I’m doing three or four jobs right now,” said Portis, 32. “I work by energy and I’m working a lot this week. If I didn’t really care much, I don’t know if I’d be able to do it. But I do care.”

A new hardcover copy of the latest hot foodie book, New York Times restaurant critic Ruth Reichl’s memoir *Tender at the Bone* sits in a bookstore bag on the corner of Portis’ desk, but she says she isn’t really all that interested in culinary matters. She can talk the talk (“Our carrot cake contains ginger – that’s a 90’s flavor. Our customers appreciate the lemon curd in our lemon chiffon cake.”), but what really engages her is the chance to devel-



op a workplace that could change people’s lives for the better.

As a girl growing up in Ontario, Canada, Portis sated herself with biographies of remarkable women like Helen Keller and Chicago schoolteacher Marva Collins.

“I was always struck by people who wanted to make a difference,” she said.

“That’s important to me – finding a way to do that.”

As she speaks of her sense of mission, her tone is neither cool with irony nor hot with righteousness. Even so, she recognizes that what feels natural – running a social purpose enterprise – is hardly normal for a Stanford MBA. Out of 364 members of the Stanford Business School class of 1995, Portis is one of only four who went into the nonprofit sector.

“I struggled in business school trying to decide what I was going to do with this MBA,” she said. After spending several years working with poor people at different San Francisco social service agencies, Portis decided business school was the best place to get the skills she needed to do economic development work. While at Stanford, she had a brief flirtation – a summer internship at Time Warner – with corporate life.

“I cannot sustain interest in those things for more than 45 minutes,” she said. Instead of opting to become one of a legion of corporate vice presidents, she decided to return to the nonprofit sector. She was consulting with one of the REDF’s grantees when foundation executive director Jed Emerson recommended her for the job at Rubicon.

Portis wasn’t 30 when Aubry put her in charge of the agency’s enterprise.

“I have a lot of trust being put in me by Rick and he’s given me a lot of autonomy,” she said. “I feel lucky that I came in when Rubicon was smaller; otherwise, there’s no way I’d have the job I have now.”

Aubry said it is critical for nonprofits to find managers with business skills when they decide to run social purpose enterprises.

“Every agency I’ve known that’s had a social worker running their business has tended to fail,” he said. “You can evaluate and screen for an MBA who is going to be patient and compassionate. You can’t screen for a social worker who might know something about running a bakery.”



In the three and a half years since she's been at Rubicon, Portis has started a home health care agency and increased the bakery's annual sales. Projections for the company indicate that it could grow to a \$10 million business with as many as 200 workers.

Today Rubicon is one of the largest suppliers of high-end cakes and tarts to Northern California groceries and supermarkets. The Rubicon icon is a chef leaping gaily while holding aloft a pie in one hand and a cake in the other. A legend in small type on the side of the box is the only clue to the bakery's larger agenda.

"We don't highlight our social mission when we market our products, even though it's why we're here," Portis said. "We don't hide it but it's not something that has significant value to our customers. They want a delicious cake they can confidently serve their friends and families. That is what we want our brand to represent."

In part, the bakery's losses are underwritten by the oldest Rubicon business, the buildings and grounds service run by Don Waxman. Rubicon Buildings and Grounds employs 70 mostly fulltime janitors and grounds-keepers and did \$3.5 million of business in 1998. Although Waxman's division is the agency's most successful business – and the biggest moneymaker in the REDF portfo-

lio, the bakery is the face of Rubicon. Behind the buttery tarts and the smooth chiffon cakes are thousands of messy, painful and ugly challenges that everyone involved with the bakery must address to keep that face attractive.

Because Rubicon, the social service agency, offers vocational counseling, mental health care services and affordable housing, Portis can leverage critical support to help keep bakery employees in their jobs. "All the things we do here at the bakery are wonderful but what makes a difference is what we can do to help people in their lives outside of here," she said.

### Mary Gaona

In the decorating room, half a dozen women in spongy white hairnets chat and tease and joke while turning naked cakes into elegant desserts. The dance of their cream and copper and coffee-colored hands – waving a palette knife, twisting and lifting a pastry bag, cradling a cake and dusting it with ground nuts – is as beautiful as any of the work that will leave this building in a Rubicon box.

Mary Gaona, 63, puts a small chocolate turtle cake on her turntable and, with a few passes of her palette knife, coats it in chocolate frosting. Spinning the turntable, she carves three circular wells in the top of the cake. She fills the wells with caramel and

uses the knife to stretch the caramel into a spider web design. This is her favorite cake.

"I could do turtles all day," she says, a smile crinkling her big brown eyes. While she works, she jokes with Cris Gonzalez.

"She's like the daughter I never had," Gaona says.

"She's like the mother I never wanted," Gonzalez cracks back.

Gaona, who was hired at Rubicon in the fall of 1998, completed a 6,000-hour baking course while serving a five-year sentence in a federal prison. Although she was well trained in baking for large, institutional settings, she has only learned the fine points of decoration since she's been at Rubicon.

"On a good day, I can do about 120 cakes," she says. A tiny, birdlike woman, she seems to swim inside her turquoise Rubicon tee shirt. Sometimes arthritis in her hands slows her down. "I tend to be a perfectionist. I'll take the top off and do it again if it doesn't look right."

Before she went to prison, Gaona worked as an optician. A violinist, she'd also run the

box office and worked as a stagehand in theaters. Nearly retirement age when she was paroled, she didn't know how she would support herself on the outside.

"I was really frightened," she says during a break. "It's very hard. I had nothing left. A lot of women who are in prison have a husband or a family waiting but not at my age. I felt really fortunate to get this job."

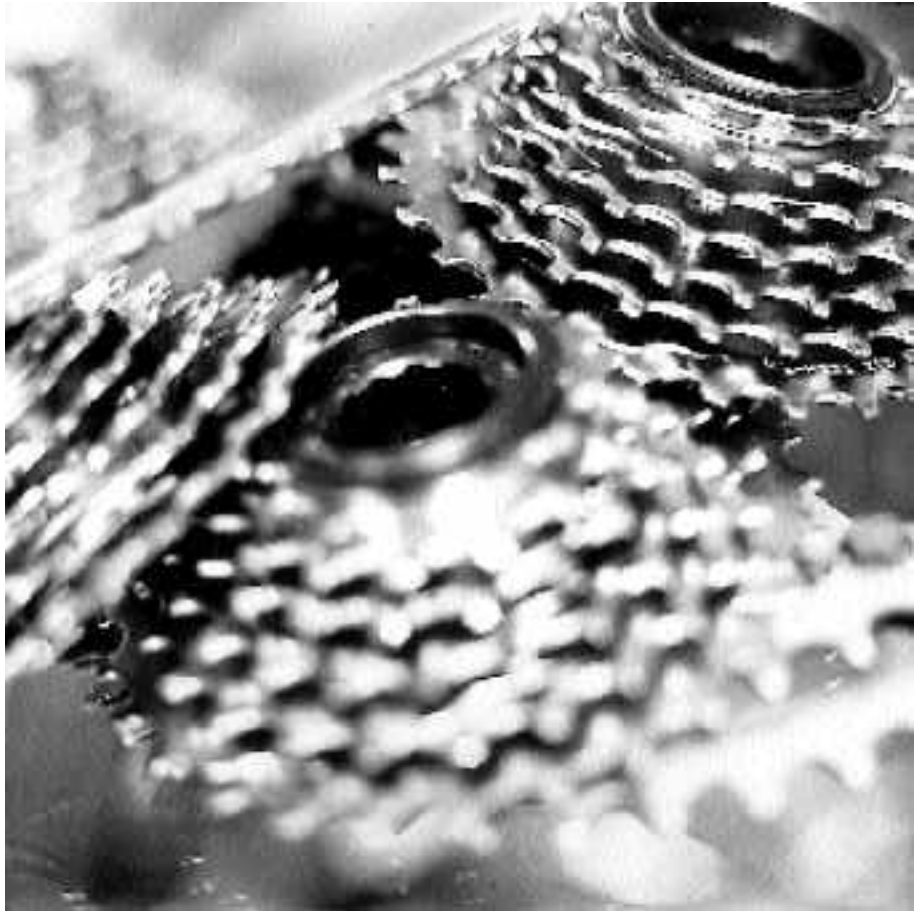
Gaona makes \$9.99 an hour at the bakery and receives medical and dental benefits. When she first got out of prison, she was living in a halfway house in Oakland where she shared a room with four to six other women. Now, she pays \$572 a month for a two-bedroom apartment owned and subsidized by Rubicon.

Having a place of her own, a living wage and honorable work are some of the things that make working at Rubicon precious to Gaona. But feeling like she belongs makes it more than just a job.

"It's almost like a family here," she says. "People are interested in each other. I know this doesn't happen in all places."

# Youth Industry

## Youth Industry



**L**aura McLatchy, executive director of Youth Industry, wagged her hand as if she was mixing an invisible bottle of salad dressing. “Combining business and social service is really powerful but the two don’t come together naturally,” she said. “It’s like oil and water: to maintain that dynamic tension, you’ve got to keep shaking the jar.”

As chief jar shaker, McLatchy, 34, watches over the five Youth Industry businesses: Pedal Revolution, a bike repair shop; Recycled Merchandise, a service that collects castoff clothing and housewares for resale; Nu2U and Nu2U2, two thrift stores; and Einstein’s Café.

The remains of McLatchy’s lunch, a tall can of Pringles and a warm bottle of blue Gatorade,

share desk space with a pile of financial reports. Her office is a warren of small rooms carved out of a former living space in a Mission District warehouse. There’s a footed bathtub and a pile of cycle and skateboard magazines in the bathroom next door. Out front, a desktop is wedged against an oven. One wall of the office is a window overlooking Pedal Revolution, a vibrant and orderly universe of new and used bicycles and bike parts.

The Recycled Merchandise collection center, as well as Nu2U and its newer, larger sister thrift shop, Nu2U2, are just a few blocks away. Einstein’s Café, a faithful copy of a popular Berkeley hangout featuring big leafy salads and sandwiches made with thick slices of homemade



whole wheat bread, is across town in San Francisco's Sunset neighborhood.

With the exception of a handful of top managers, all of the employees are homeless or recently homeless youth between the ages of 16 and 22. Literally hiring people off the street, the enterprise places "interns" in one of the businesses for six-month, fulltime jobs.

Making the jobs fulltime serves two purposes: 1) it helps kids save enough money to get a roof over their heads and 2) having a regular schedule gives some shape to their days.

New workers receive clothing vouchers redeemable at the thrift stores. At Ground Zero, Youth Industry's home base, there's a

shower and a closet full of free razors, soap, antiperspirant and other toiletries. And, to make sure no one has an excuse for oversleeping, Youth Industry issues battery-operated alarm clocks.

A challenge of working with youth who have so little and who frequently feel worthless is figuring out what kind of help is supportive and what kind creates dependency.

"If too much stuff is handed out, it's easy to stay in that mentality," said Vida Merwin, director of AMP, a Youth Industry program that matches interns with professional artists in required weekly art and music workshops. "When you have to take stock of your basic needs, it teaches you a greater sense of responsibility."

One Youth Industry benefit designed to foster independence is the housing loan program. The loan, a match for whatever the intern has saved, is paid back through payroll deduction.

Interns, who learn retail, food service or bike

repair skills, are paid between \$5.75 and \$7.50 an hour. For many of them, said McLatchy, this is their first shot at legal work.

McLatchy said the two oldest businesses, Pedal Revolution and Recycled Merchandise, cover their business and social costs and turn a profit. Nu2U and Einstein's Café almost cover both sets of costs and are close to breaking even. Nu2U2, which opened in February of 1999, is expected to be profitable by 2000.

"I don't like to consider a business profitable until it has covered its social costs," said McLatchy. Social costs for the enterprise, which trains around 100 youth a year, are about \$3,000 per intern.

Depending on one's perspective, Youth Industry's businesses are successful because of or despite their reliance on a highly unstable workforce. Many social service agencies that employ "at-risk" youth or adults try to maintain staffing equilibrium by hiring from the general population. Even though Youth Industry's interns are coping with rough issues – homelessness, addiction, gangs, sexual abuse – that make it hard for them to hold jobs, McLatchy feels the benefits of filling all available slots with the youth the enterprise is meant to serve outweigh the costs.

"It's a greater risk but the empowerment for these youth of seeing a peer who has been homeless make enough money to move into a place where he can have his own bed is worth it," she said. "Sometimes living inside is not one of their goals. And nothing we could say could convince them of that. But seeing a peer take that step is a powerful motivator."

Youth Industry offers an affirmative answer to those who doubt that a social purpose enterprise can ever cover both sets of costs and be profitable. But McLatchy thinks the enterprise also presents an important model to those who wonder whether it is necessary to establish a business simply to do job training.

"I think a subsidized program – where it didn't matter what you did – would be one of the worst things for our youth," she said. "They've already been told so many times that they're worthless. But here they see a direct connection between the work they do and the success of the business. When someone doesn't show up, it creates waves that hit everyone throughout the business. This is real. I've heard so many youth say, 'This is the first time I've known I'm needed.'"

*"Combining business and social service is really powerful but the two don't come together naturally," she said. "It's like oil and water: to maintain that dynamic tension, you've got to keep shaking the jar."*

The enterprise addresses the “dynamic tension” between mission and business by teaming each intern with a youth service worker and a business manager. Will Kendall, production manager in charge of back of the house operations at Nu2U2, and Merwin, who is also a part-time youth service worker, are two legs of one such team.

“Somebody’s got to focus on the youth and somebody’s got to focus on the business,” said Kendall. “It’s impossible to do both.”

On a sunny Friday afternoon in early spring, Kendall and six interns haul a couple of dozen 200-lb. bales of used clothes out of Nu2U2 and into the back of a huge moving van. It’s cumbersome, sweaty work but they seem to be having a good time as they stagger to the curb and dump the bales onto the lift at the back of the van. At one point, Kendall tickles a guy carrying a bale and makes him drop it. They all laugh.

Making the job so fun that interns want to keep coming to work is Kendall’s priority. He is sitting in the aerie that overlooks the sales floor. As he talks, his eyes keep darting back to the action on the floor, like a sports fan riveted to a game on television.

“I just like looking at the store,” he said. “I remember when there wasn’t anything here.”

Long aisles are filled with the ingredients – a pea-green Jackie Kennedy coat, jewel-

toned men’s dress shirts with embroidered plackets, a little girl’s Easter dress trimmed in daisies, sandals with black gingham-covered platforms – for some intrepid shopper’s future fashion masterpiece. A sweet-faced guy in neo-punk black and heavy eyeliner watches the register while a young woman with softly



matted white girl dreads works the floor. Tejano music, meant to appeal to the largely Latino neighborhood, plays on the store speakers.

Kendall, 27, started with Youth Industry in 1996 as assistant business manager of Nu2U. While training interns to sort and price merchandise or set up displays, he tries to instill them with confidence in their own marketing judgment. He measures his success as a trainer not just in sales but in how far his interns have gone after they’ve left.

Jessica is managing a San Francisco City Store at Pier 39. Nick, who is getting straight A's in college, returned to Nu2U2 as an assistant manager. Manuel is a silk screener at Ashbury Images. Gabriel is making \$14 an hour as a shipping clerk.

By letting interns be their tattooed, pierced, dyed, stud-ded, shorn selves, Kendall keeps them happy. By showing interns that their good attitudes translate into good customer service which, in turn, translates into better sales, he keeps the company happy.

"We don't let people come in here and just work," he said. The other evening after closing, he sat around for an hour talking about dating with Ducky and Steve, who are both in training to be assistant managers. Most mornings, he meets Ducky for breakfast. "We're going to be friends with them. We're going to talk with them. There's no way we can touch a lot of the stuff these guys are going through in six months, but we can start."

As much as Kendall is engaged in his interns' lives, he doesn't have the time or resources to help them deal with many non-work related issues. This is where Merwin comes in.

"We try to give everybody who comes through the door a job but that does take its toll on the business," she said. "Having someone in the fold of the business for 40 to 50 hours a week is a big commitment. And it's

not always doing someone a favor. If someone is fresh off drugs or still on drugs, working a fulltime job is going to be hard. If they lose the job, that's another failure."

Merwin, 28, meets with each of her interns once a week just to see how things are going on and off the job. Although many of them are resistant to counseling referrals, she can at least get them thinking about what services are available. She also serves as a buffer between the business manager and the intern.

A business manager might come to Merwin and ask her to find out why two interns are fighting. She can talk to the intern and get him to consider the consequences.

"You don't tell them what to do; you pose questions," she said. "You might say, 'You can't deal with your job right now but what happens if you lose your job?' or 'You can't get along with your coworker but if you don't, you might get fired. What will you do then?' We explore outcomes."

The business manager and the youth service worker have to work together to balance the enterprise's double bottom line.

Conflicts between what is best for the business and what is best for the intern usually arise over every day issues, like scheduling. Merwin said that sometimes a youth service worker has arranged for an intern to get counseling but the only time available conflicts with work. Or the youth service work-



ers might arrange a tenant law workshop for all the interns but only a few can be excused from work to attend.

“There are times when I feel frustrated with the way Youth Industry is set up because the business manager is forced to take the side of the bottom line over the youth,” she said. “This isn’t a function of any individual; it’s the dynamic of running a business.”

Although she had several friends who worked with Youth Industry, when Merwin first started at the nonprofit in 1995, she had a lot to learn about homeless young people.

“My impression was that living on the street was an adventure for them,” she said. “But I started to see people who had played out that drama and were ready to leave but there was no way out. No housing. No detox. No home to go back to.

“For a number of them, living on the street is a sign of self respect. Many were choosing to leave situations that were much more destructive than being on the street. Getting out of their homes was a survival instinct.”

At Youth Industry, Merwin has seen many young people move beyond that most basic instinct to the point where they can feel some ownership in the future. Like the store intern who decided her safety and self-respect were worth more than the big, fast money she used to make turning tricks. Or the guy who has given up his “no property, squatter identity” for a set of keys and a new set of options.

“He’s been vagabonding for years,” she said. “When he came here, he didn’t want to ‘blow’ money on rent. A couple months ago, he came looking for a housing loan. Now he’s paying \$400 a month for a room in a hotel. He’s like, ‘I can turn my light out. I can have friends over.’ He used to wear his house on his back – a big coat and layers of clothes and the same grungy pants every day. Now he has a fresh tee shirt on every day. He can dye his hair funky colors because he finally has a sink to do it in.”

Not everyone makes it. Merwin is still grieving for a young woman who worked her way up to assistant manager before her heroin habit crept up on her and drew her back to the street.

“We tried everything we could,” she said. “She was high as a kite on the job and threatening the other interns. We had to fire her. We got her into detox and she lasted twelve days...I saw her on the street the other day and she pretended she didn’t know me.”

Violence is the only thing that will get an intern banished forever. Merwin tries to keep the door open so that people can come back when they are ready. Walking from the Youth Industry office to nearby Café Nidal, the organization’s unofficial headquarters, she runs into another young woman who dropped out of the program. Merwin, who is expecting a baby in a month, compares bellies with the young woman who is also pregnant. There’s nothing caseworkerish about it.

*“If too much stuff is handed out, it’s easy to stay in that mentality. When you have to take stock of your basic needs, it teaches you a greater sense of responsibility.”*

## Jake Sinclair

Merwin, McLatchy and Kendall all believe the source of Youth Industry’s warm, accepting vibe can be traced directly back to the agency’s founder, Dr. Jake Sinclair.

“Jake was such a magnet,” Merwin said. “He drew people to the place in an incredible way. No matter who you are, he makes you feel important.”

It isn’t hard to imagine that somewhere in San Francisco’s Mission District, maybe in a coffeehouse or a back alley club, some kid with a guitar is working on a song called “The Ballad of Dr. Jake Sinclair.” Soap opera handsome with a name to match, his real life is the stuff of modern folk legend.

Verse one would be about a little boy and his two sisters who endured savage physical and sexual abuse at the hands of the adults in their home. He started running away from home at 14 but always ran back. Sinclair, 44, said that’s why he has enormous respect for

the street kids who would rather struggle on their own than return to dangerous and destructive households. Like many of the young people who come through Youth Industry, he did a lot of drugs. In the midst of an acid trip, he says he saw God.

*“The thing we do is believe in people for the long term and eventually, they may believe in themselves long enough to take hold of that faith and run with it.”*

“I became a dramatic and total Jesus freak,” he said. “I became happy and in the context of becoming happy I got it together and went to school.”

After graduating from UC-Berkeley and getting his medical degree from Northwestern University, Sinclair became a pediatrician. When he hit his mid-30’s, Sinclair and his sister decided to start a nonprofit that would nurture and shelter teenagers – the kind of place they’d needed when they were young.

“This was going to be our family,” he said. “For me, it was a mix of sincere motives and an attempt to heal myself.”

These days, Sinclair is semi-retired and working on a novel in the attic of the Mission District Victorian that he shares with his wife, Lee, a former member of a popular local rock band, and two large dogs. Ruddy, square-jawed and built like a speed skater, Sinclair appears hardy and goofy in black leggings and green quilted booties that look like oversized tea cozies.

In the stories Sinclair tells, the joke is usually on him and he is quick to laugh. He is also ready with praise for others. He proudly pointed out that the attic was built by “a sweet, exceptional kid” – a former Youth Industry intern who is now studying oceanography at UC-Santa Cruz. Of Laura McLatchy, he said almost exactly the same thing she said about him: “She’s my hero.”

Sinclair knows it can take a long time for a damaged kid to heal. He wants Youth Industry to be a crucible for that healing.

“The thing we do is believe in people for

the long term and eventually, they may believe in themselves long enough to take hold of that faith and run with it.”

An open Bible, its pages annotated in graceful inked cursive, sits by the sink. A month’s worth of Wall Street Journals, each folded and still wrapped in plastic, sprawls to one side of the door. “I guess you could say I’m not really into that right now,” he said.

Although he is frank about the many business mistakes he’s made – failing to check professional staff’s references, hiring kids strung out on drugs to do exacting screen printing work – Sinclair still doesn’t believe

entrepreneurs are grown in classrooms.

“People who get into this have been doing it their whole lives,” he said. “I don’t think you can train for it. I’m always at odds with the MBAs. Training makes sense in corporations but I think getting trained is the worst thing you can do in small business. Success in a small business is a combination of intuition, drive and roll-up-your-sleeves-and-dive-in willingness to work. If you try to analyze it or exercise principles, you’re going to use up too many resources recognizing you were wrong.”

Sinclair seems to favor the Ginger Rogers approach – moving backwards and in high heels to get from point A to point B. In order to finance the nonprofit, he decided to start a small business. About seven years ago he founded Physicians Choice Medical Group, an agency that contracts with hospitals to provide pediatricians and staff clinics after regular office hours.

“Being a doctor is easier than running a small business,” he said with a grim smile. “Now starting a nonprofit – that’s one of the meanest things you could do to yourself.”

As providence would have it, the business was a success. “It’s fortunate that I’m a doctor and can make money,” he said. By his own estimate, it cost him several hundred thousand dollars and countless volunteer hours to launch and sustain what is now Youth Industry.

The first year, the nonprofit was an ill-defined quasi-shelter art therapy program in a converted Mission District warehouse.

Sinclair and his sister spent several months living in the building, which now houses Pedal Revolution.

“We were such bleeding hearts set on helping these poor kids,” he said. “We had 30 or 40 kids in there, some of them as addicted to drama as anything else. It was like, do prostitution and speed all night and come crash here during the day. It was a mess.”

Hiring staff who seemed cool but didn’t understand good business practices caused him more headaches.

“My faith and my nature would say, ‘Believe in people and they’ll always come through’. To try to run a business around that is really tough.”

After several months of chaos, he figured out the critical missing element in services for homeless youth: jobs.

Greg Ellison, a childhood friend whose family has run successful for-profit thrift stores for generations, gave him invaluable advice on how to set up, design and run Nu2U and Recycled Merchandise. Sinclair said that the latter and Pedal Revolution, the two oldest and most successful enterprises, share a simple principal: “Go into a business with free stuff.”

The stores sell clothing collected door-to-door by interns in Recycled Merchandise. Donors, including the San Francisco Police Department, give Pedal Revolution bicycles.

Even with great advice and a successful formula, for the first couple years, most of the money to run the nonprofit was coming out of Sinclair’s pocket. In addition, trying to run the nonprofit and the medical business was wearing him out.



“I begged God to shut us down,” he said. Then his sister met Roberts Enterprise Development Fund executive director Jed Emerson one day when she was out walking her dog. Over the course of two years, that chance encounter led to Youth Industry’s partnership with REDF.

“We were running out of gas by the time they were ready to give us money,” he said.

The money didn’t come easy. Emerson, who was studying for his own MBA at the time, forced Sinclair to get serious about the financial aspects of the enterprise.

“We’re intuitive people and he likes business plans,” Sinclair said. “We were so disorganized. He forced us to organize our thinking. Business has its own jargon and we had to learn it. You’ve got to have the business plan and the financials have to be right. I have an idea and I just want to do it. Jed forced us to create a presentation that other people would accept.”

Emerson and Sinclair clashed over the creation of Einstein’s Café, which opened in 1998. Sinclair wanted to set up a business where kids could learn marketable food ser-

vice skills. Knowing that restaurants are perhaps the trickiest of all small businesses, Emerson resisted.

“Jed was like, ‘You’re a moron,’” Sinclair said with a smile. The smile grew broader. “I just wore him down.”

Although Einstein’s lost \$18,000 the first month, it seems to be turning the corner. The funky little café has caught on with students at nearby UC-San Francisco. Sinclair worked 53 days straight when it first opened, arriving at 5 a.m. to bake and mop and sweep.

“Out of all the businesses I’ve done, I’m most proud of that restaurant,” he said. “Here’s my favorite story of the week. There’s this girl, Tunisha, who came in the other day in her uniform. She’s studying to be a nurse’s aide. When she started at Einstein’s she was pregnant and she was so slow. Now she’s changed – she’s engaged and confident. She’s so proud and I’m so glad this place exists.

“I know it’s not just us. I know it’s a combination of things in her life. But that moment when I saw her in her uniform – every minute of aggravation was worth it.”

# The Roberts Enterprise Development Fund



**T**eam REDF resembles one of those television detective dramas in which a small band of hardworking souls who probably wouldn't be caught dead with each other off the clock are united in their passion to bring hope and justice to the poor and disenfranchised. The team's leader is a post-modern Mannix or Rockford, a visionary maverick bachelor dude who spends most of his time on the road or on the Internet, making connections and developing big ideas. Charming and unflappable as Mr. Steed, their deputy is as comfortable at the

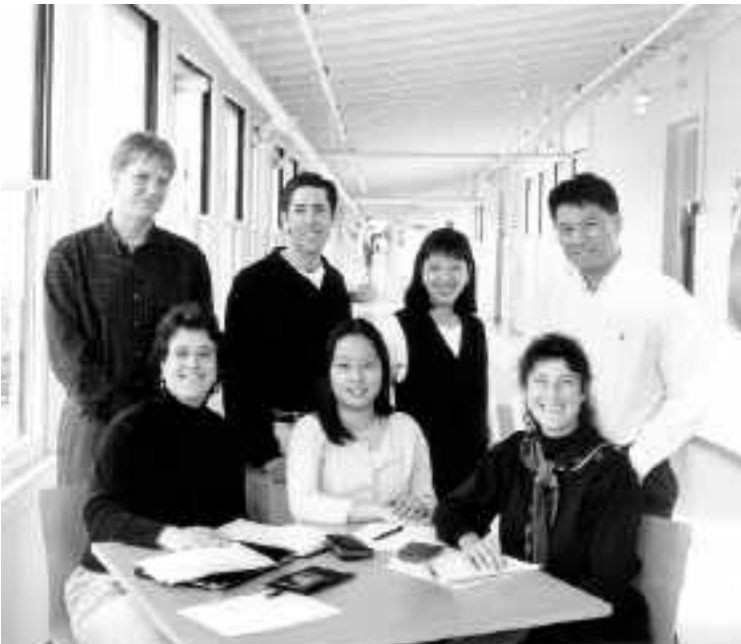
Harvard Club as she is in a homeless shelter. She is the anchor, engine and interpreter for all those big ideas.

Their comrade, a former hippie who got her business chops running her own small company and working for corporations, seems to divine as much from people's stories as she does from their spread sheets. Like The Pretender, she relies on empathy as much as intellect as she travels from site to site helping people solve their problems. As the "go-to" person for business advice, she is the bridge between the foundation and the portfolio. There is also a sweet



and photogenic German shepherd-Husky dog that is nearly as tall as the deputy. A team made in heaven or on a Hollywood sound stage. They might be called The Odd Squad.

Roberts Enterprise Development Fund executive director Jed Emerson, associate director Melinda Tuan and Keystone Community Ventures business advisor Cynthia Gair, bring a unique blend of skills, insights and talents to their work with the eight nonprofit organizations in the portfolio. Emerson, whose name is synonymous with REDF, established the various partner-



ships; these days much of his energy goes into writing and speaking about what they have learned while applying venture capital strategies to a socially conscious mission. He is the national face of REDF, but Tuan is the one who makes his best ideas reality.

“I’m like the cowboy/rabble rouser out there stirring stuff up and Melinda is the one who says, ‘What he really means is...,’” Emerson said in a fair imitation of Tuan’s measured, slightly amused tone. “The members of the portfolio know the degree to which Melinda is the one who makes this all come together. She is the organizational glue.”

Gair, who works for Keystone Community Ventures, a small nonprofit that offers business assistance and flexible loans to nonprofits that create jobs for poor people,

operates in a unique zone between REDF and the enterprises. When a portfolio business is struggling, REDF may send Gair to work with the group on a number of issues, including accounting, marketing, sales and management. If things are going well, a manager might call Gair for advice on expanding or diversifying the enterprise.

Temperamentally, the three are like a puka shell, a paper clip and a pea in a pod. One of the founders of the women’s folk and roots music label, Olivia Records, Gair, 49, is tickled by the Marilyn Manson tapes Emerson presses on her. In deference to Tuan, whose Christianity is central in her life, Emerson, 40, is a recovering blasphemer. And although Tuan, 30, is not a dog person – “I grew up with rabbits and fish” – she has learned to share an office with Emerson’s sidekick Pearl.

“It’s the most incongruous relationship,” Gair said laughing. “George (Roberts) and Jed. Jed and Mel. Mel and me. If you’d told me, you’ll be working this closely with these people and you’ll enjoy it, I’d have said, ‘You’re nuts.’ But it works.”

Gair thinks the team succeeds because, style differences aside, they share many core values: honesty, loyalty, hard work and a commitment to redressing social inequities. “We all have strong opinions but we also all have strong ethics,” she said. “We tend to agree on what is right and what is wrong.”

Once known as the Homeless Economic Development Fund, the foundation began a decade ago as George Roberts’ experiment in applying market forces to moving people out of poverty. The traditional charitable model – sending checks to good causes – didn’t engage the leveraged buyout mogul.

“George was interested in a free enterprise approach to social problems like homelessness,” Emerson said. “What could we do about homelessness that was not traditional welfare relief? He’s intrigued by the intellectual riddle – how do you use business to move people out of poverty? He’s using us to explore that question.”

Emerson had just left his post as director of Larkin Street Youth Center, a San Francisco program for homeless and runaway youth, when Roberts’ friend Lyman Casey, director of Pacific Foundation Services, tapped him to develop the fledgling foundation in 1989.

Embittered by his own experiences as a social worker and a frequent supplicant at foundation tables, Emerson decided to give it a shot. Initially, he didn't believe Roberts' idea – “putting a cynical, punk recovering social worker guy with no experience as a grant maker” in charge of developing social purpose enterprises with homeless service nonprofits – could work. But Emerson is a contrary sort: his first assignment — interviewing 125 “experts” who generally agreed it couldn't be done — seemed to convince him it would.

“It's a subversive act – taking capitalist operating systems and using them to deal with the shortcomings of the market system,” he said.

A self-described “punk philanthropist”, Emerson is so identified with that raw, chaotic underbelly music that his email moniker is “live4punk.” In the ideology that he has been developing over the past 10 years, he sees social entrepreneurship as the nonprofit world equivalent of punk: a subversive, creative and organic response to social deprivation that can't be manufactured in a recording studio or a foundation boardroom.

Like the purest expressions of punk, said Emerson, successful social purpose enterprises must rise up from communities and not be imposed from above. Like his favorite punk bands, Fugazi and Husker Du, many of the businesses in the portfolio have deeply personal, handmade origins. Youth Industry was born in a warehouse; Ashbury Images sprouted in a basement.

“I love that whole do-it-yourself thing,” he said. “You don't need the aristocracy to validate what you are doing.”

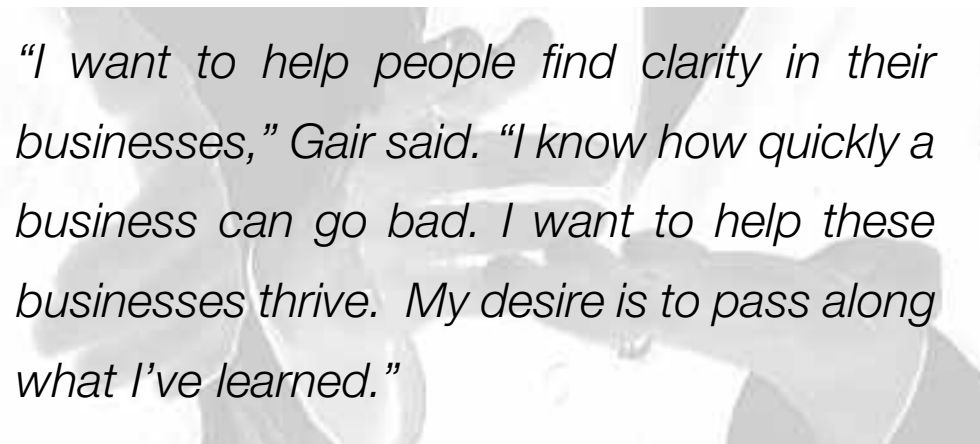
But in many quarters of the foundation world, REDF has been criticized for being *too* hands on.

“A lot of traditional funders feel we're way too engaged,” he said. “What we do has been viewed as suspect and questionable. Most funders thought social purpose enterprise was not only a bad idea, but that our foundation's approach was ill-conceived, immoral and wrong.”

In many ways, REDF is atypical. Unlike most foundations, Emerson doesn't have to report to a board; Roberts gives him discretionary authority. The money the foundation puts into groups is considered an investment, not a grant. These investments tend to be larger than most grants – on average \$150,000 per year – and are part of a long term funding relationship. The REDF team usually has much more engaged relationships with the members of the portfolio, meeting with them at least once a month, instead of the biannual check-ins at most foundations.

Rather than submitting a grant proposal, a group has to present a business plan to REDF. Few foundations support the nuts and bolts of nonprofit business development. REDF has invested in marketing studies, feasibility studies, accounting systems, fax machines, trucks, T-shirts, business managers.

In return, groups are expected to show a social return on the investment as well as make adequate progress toward profitability. They need to be able to account for how they've spent REDF's money. One of the most important lessons the foundation has learned is that it can take a social purpose enterprise from five to seven years to move into the



*“I want to help people find clarity in their businesses,” Gair said. “I know how quickly a business can go bad. I want to help these businesses thrive. My desire is to pass along what I've learned.”*

black. To help members of the portfolio achieve their goals the foundation keeps a close eye on their operations. Each group holds monthly Venture Committee meetings with REDF to track their progress and discuss strategies for improvement. Gair spends much of her time visiting the businesses to help staff and managers troubleshoot and set up good business practices.

Another key associate, Fay Twersky, a

partner in BTW – Informing Change, has spent the past two years working with Dayspring Technologies to develop a system to track the social benefits of the enterprises. Twersky is working with the groups in the portfolio to determine a means to measure

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how people’s lives are changed through their employment in the social purpose enterprises.

“What Fay does is crucial to what we do,” Tuan said. “She’s helping us measure the results of what we’re doing with the enterprises – and why we’re even doing it. Running social purpose enterprises is expensive and it’s high risk and in many ways, it’s untried.”

REDF is as much a laboratory as it is a funding agent. Twersky’s research is critical to the foundation’s assessment of its own processes, as well as those of the portfolio participants.

“Fay is helping the enterprises build their capacity to measure their own outcomes – which is our goal,” Tuan said. “She’s also helping us look at our effort to see if there is a significant social return on our investment.”

While most program officers spread their grants to many organizations, over the past five years, REDF has pared its portfolio from 30 groups to eight. By investing more money and technical support in a few groups, REDF hopes to give them the best possible shot at one day achieving independence from the foundation’s support.

Emerson describes most other founda-

tions’ work as “classical philanthropy”: instead of writing their own songs, nonprofits find out which numbers in the foundation songbook are in vogue – teen pregnancy, literacy, art therapy – and play what the program officers want to hear. Until recently, most of the foundation world has found his perspective hard to follow, let alone swallow.

But in post-welfare reform America, the independent sector is sniffing about in search of more effective forms of grant making. The high tech industry has spawned a wealthy young tribe of philanthropists who are intrigued by the idea of using social service agencies as launching pads for nonprofit social purpose enterprises. And foundations are as subject to cycles in fashion as the rest of American culture: social purpose enterprises, which last surfaced about 15 years ago, many under the sponsorship of Community Development Corporations, are “in” again. After 10 years out in the cold, REDF is on the verge of being hot.

A book the group published in 1996, *New Social Entrepreneurs: The Success Challenge and Lessons of Non-Profit Enterprise Creation*, outlining their experiences developing businesses to employ people considered unemployable, has become the foundation world equivalent of a Terry McMillan novel. More than 7,000 copies are in circulation and a digital version is available on the group’s web site. In the past year, Emerson has made dozens of speeches before foundation groups, nonprofit associations and business schools describing a new way of thinking about how to use money in a nonprofit setting.

And he can point to a powerful number as proof of the strategy’s viability: in 1998, of the 23 businesses in the portfolio, 74 percent were profitable or reducing their losses according to plan.

“We didn’t set out to be part of a national movement,” Emerson said. “We were just testing some ideas and this other stuff kind of happened around us.”

He believes the foundation has been as much a crucible for ideas as it has an incubator for social purpose enterprises. Its role in transfusing nonprofits with people with solid business skills – like Carrie Portis at Rubicon, Kriss Deiglmeier at Juma Ventures or Birdie Reznicek at Golden Gate Community, Inc. – has been just as important as creating valid

job training for the hardcore unemployable.

Although he is gratified that REDF's work is being recognized, Emerson, who has been called "the bad boy of the foundation world" isn't comfortable with the notion that he might be on the verge of trading in that role for that of golden boy.

"I'm not trying to build an empire or convince everybody of my own righteousness," he said. "Our role isn't so much holding the vision and leading the parade as it is helping people learn and providing platforms that allow local practitioners to go deeper in their own knowledge and expertise."

### Cynthia Gair

In working with the enterprises, business advisor Cynthia Gair finds the empathy she has for small businesspeople is as important as the other elements in her MBA tool kit. "Listening and watching," she said. "That's a lot of what I do."

She has experienced the gamut of attitudes and exposures to business. As the child of Americans working in Brazil, she developed a lifelong preoccupation with poverty and economic inequity. In her college years she was a hippie and a Marxist, a political activist in the anti-war and women's rights movements.

While living in Washington, D.C. in the 1970's, Gair's "anti-business" attitude began to change when she and a group of women friends founded Olivia Records, an independent label. "We had this idea that if women could form a business that would support them, their energy wouldn't be robbed by 'the man.'"

She smiles a little at the dated language, but the idea – that an economically marginalized group could use business to gain autonomy – informs the work she does today.

When she left the record company, Gair and a friend started Women in Distribution, a book wholesaler for independent publishers. Although the business grew, it was in an industry with low margins and it never broke even. It was a depressing experience for Gair but she came out of it determined to learn how business worked and maybe, someday, apply that knowledge to helping other small businesspeople succeed. She got an MBA and spent several years working for corporations

and a small venture capital firm and teaching economic development.

"I want to help people find clarity in their businesses," Gair said. "I know how quickly a business can go bad. I want to help these businesses thrive. My desire is to pass along what I've learned."

Working within the portfolio, her assignment could entail something small and technical, like running a quick spread sheet analysis to see what daily sales should be at Youth Industry's latest thrift shop, Nu2U2. Or it could be a process involving more time and interpersonal skill, like helping an older manager learn to work with a much younger new boss.

"I am a coach, a mentor, an advisor, a teacher, a hound, a nag," she said. "I'm various ones of those at various times."



### Melinda Tuan

It is Melinda Tuan who points out the size differences. "Jed is a big guy. Pearl is a big dog. I'm 5'1 3/4"

Emerson does have a foot of height and 10 years on Tuan but he makes it clear how lit-

tle this matters. “She’s very tough. She can bird dog people – myself included – like nobody’s business.”

Tuan doesn’t come off as tough – at least not in any obvious manner. She doesn’t yell. She doesn’t curse. She doesn’t swagger. And no, she doesn’t carry a big stick.

She traces her strength to her Christian faith. “I believe Jesus calls us to care for the poor,” she said. “I feel God has given me a lot of gifts – a stable family, a good education, a great job, a safe home. I’m drawn to what it means to care for people who’ve been left behind.”

Growing up in Hawaii where her father was a physics professor, Tuan started volunteering with a church group in programs serving homeless families. She continued to volunteer while a student at Harvard. She was struck by the inefficiency of so many of the programs.

“I saw so many nonprofits that were being run badly,” she said. “They were taking down their programs because they didn’t have the money or the skills.”

At REDF Tuan has an opportunity to bring the foundation’s money and her MBA skills and corporate and nonprofit enterprise experience to agencies looking for a more effective way to guide poor people to self-sufficiency. Her favorite part of her work is help-

ing members of the enterprises make their dreams come true – whether that means guiding someone to his dream job or shepherding a dream project to fruition.

Not too long ago, she attended the opening of Youth Industry’s second thrift store, Nu2U2. While working on the project, she’d witnessed Laura McLatchy’s ascension from retail division head to executive director. She found money for business intern Joanna Messing to spend a year opening the store. She saw a former street kid who’d worked at a Golden Gate Community Inc. business get a staff job as an assistant manager at Nu2U2.

“We all just felt like crying,” she said. “I was so happy REDF could help. Laura and Joanna were so thrilled with the new store. It was so beautiful. This is the way it should happen.”

As the “wheels” or “glue” at REDF, she plays a similar role with Emerson. “He is a visionary,” she said. “I’m not a vision person but I can make that vision happen.”

When he decided he wanted to establish a program that would send MBA students and graduates to intern as technical assistants to the enterprises, Tuan took the lead in establishing the Farber Interns and Farber Fellows programs. When he came up with the idea of bringing together a group of mainstream business people to network with the enterprises, he turned to her.

“I know it sounds hokey, but it’s my privilege to care for people, to match their skills with their passions,” Tuan said. “That’s my job.”

## Jed Emerson

Bright with zeal and dark with anger, Emerson is a classic enigma-charisma jelly-roll. He sees no division between who he is and what he does: the lights are on and he is open for business 19 hours a day, six days a week. At best, this means he brings an unusually high level of commitment to advancing the work and ideas of the foundation and its portfolio. But the dominant elements of his persona – the raucous, brash, wisecracking punk – are so large that they sometimes obscure the substance behind the stance.

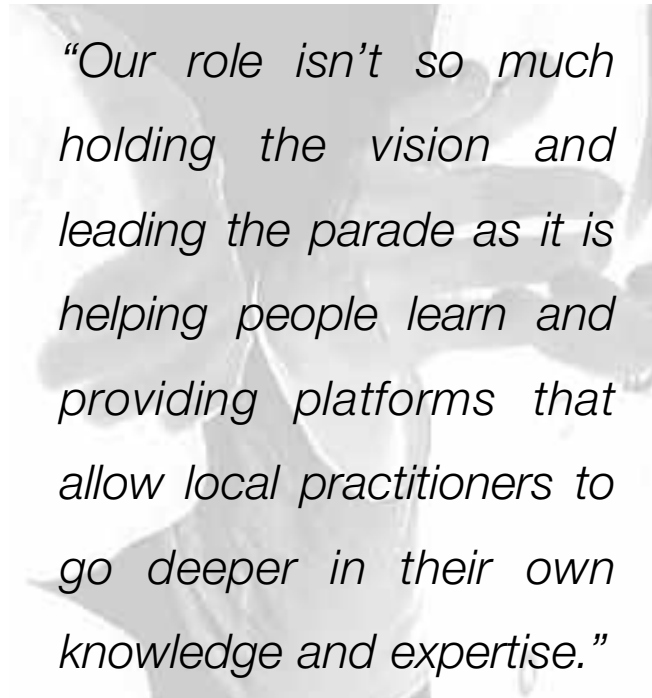
“If I’m in fight mode, I might come off like, ‘If you don’t get what I do, f—you and you’re wrong.’ In the flair of the hyperbole of the stand-up number, it sometimes comes off as disdainful or dismissive of others – more so than I intend.”



Aware that people don't always "get" him, he often inserts a reflexive refrain into his torrent of talk: "DoyouknowwhatImean?"

Emerson is known, locally and nationally, for being a loudly critical member of groups and institutions – the foundation world, the social work field, the left — that tend to claim the side of the angels.

"In the early years, I was extremely angry," he said. "I think I'm still angry. I was



*"Our role isn't so much holding the vision and leading the parade as it is helping people learn and providing platforms that allow local practitioners to go deeper in their own knowledge and expertise."*

feeling betrayed by the nonprofit community and betrayed by all these people who talk about the social agenda. At the end of the day, I think most of them were more concerned about their careers than social change."

From a distance, this can look like arrogance and spite. Up close, it looks more like heartbreak. Although more than a decade has passed since his own days as a social worker, he still doesn't seem to have recovered from his experience running Larkin Street.

When Emerson was recruited from New York City to be executive director of Larkin Street Youth Center, he was only 26. He inherited a program that was losing money and on the verge of imploding with political infighting. In his four-year tenure, the nonprofit weathered more disasters than most agencies see in a generation.

Within his first six months on the job, he

stabilized the group's funding. Then, a staff member fell asleep with a cigarette and died in the fire that consumed the youth shelter. They managed to rebuild, but in the meantime, Emerson went through three program directors before finding Diane Flannery, now CEO of Juma Ventures. One of his major donors and the city's former chief administrative officer were both indicted for patronizing a brothel with underage girls – many of whom were receiving counseling from Larkin Street. Worst of all, his favorite street kid committed suicide.

But the stuff that made the evening news was only part of it. There was the endless work of fighting for city and foundation grants or arguing with county social workers over services for the youth in his program.

"Political connections seemed to matter more than good programming," he said. "And I was fighting with these DSS workers who'd say, 'That kid has had a shot and if he's still on the street, it's his own damn fault.' I'd always been pro-union. I'd always been pro-social worker. I'd always assumed we were the good guys doing God's work.

"I guess I was becoming more real about the way the world works. I'm idealistic or stupid or naïve enough that I didn't get hip early on. I believed the rhetoric much longer than I should have."

Emerson's idealism is both nature and nurture. He is the son and grandson of Presbyterian ministers. His mother is a social worker. He grew up revering Martin Luther King Jr., John and Robert Kennedy and the Kent State Four. Smart and articulate, with boyish blond good looks, he could easily have become an Establishment insider. Even so, from very early on, he chose the side of the underdog. In many people with similar backgrounds, the desire to help the less fortunate is laden with a guilty awareness of noblesse oblige. But Emerson's sense of social mission seems driven by anger at injustice. Just once, while telling of the first time he really recognized what poverty means does he ever seem guilty about his own relative privilege.

When he was in seventh grade, he was part of a Westchester County, New York church

youth group that commuted into Spanish Harlem to tutor kids in a program run by the East Side Parish. For several weeks the young day-trippers from Cheever country had been showing up to help youngsters from nearby tenements with their homework. Emerson, who was 12 or 13, had been working with twin girls about three years his junior. One day, when the twins didn't show up, Emerson and a friend left the parish and wandered over to the housing project to find them.

"The elevator didn't work. There was this incredible stench in the stairwell and a guy was passed out in the hallway. It was stunning."

Eventually, they found the girls' apartment and their father let them in. "The walls were cinderblocks and the bed was a mattress on the floor with no box spring. They didn't have curtains – just fabric tacked up over the windows."

The girls' father showed Emerson their test booklets so that he could see they were doing well. "They were incredibly poor and incredibly grateful," he said. "It made me feel like such a little schmuck. I hadn't really thought about how significant what we were doing was in those kids' lives – or what kind of hope those girls represented for the rest of their family."

Through REDF, Emerson thinks he has found a more useful set of tools for fulfilling his sense of mission. In trying to understand social venture capitalism and make it work, he's committed an extraordinary amount of time and energy. Punctual as the taxman, he doesn't need a watch or an alarm – he's internalized the clock.

"Most of my days move from meeting to meeting or project, so once I wake up, the day just unwinds on its own," he said. "I don't really have to think about time because my time is so structured."

Waking between 3:30 and 4 six mornings a week, he sits up in bed and begins writing articles or emailing colleagues around the country. Many members of the portfolio are grateful that the Internet has replaced the telephone as his favorite early morning means of communication.

After a quick walk with Pearl, he is in the office or at meetings off-site from 6 or 7 a.m. until 4 p.m., when he and Pearl leave for another walk. Dinner, television news, a few beers, some more work and off to bed at 11 p.m.

He uses the language of marriage –

"mutual commitment," "long term relationship" – to describe connections within the portfolio. When he says "significant others", it isn't clear whether he's talking about spouses or the people he works with.

"I don't feel like I don't have a life because I work so much," he said. "This *is* my life. This is what I'm called to do."

Because Emerson is so emotionally invested in the work and because of REDF's high profile in what Roberts calls the "yard" of social entrepreneurship, he is terrified that the lessons they have spent a decade learning will be ignored or misapplied by enthusiastic neophytes. If a new crop of social purpose enterprises blooms and withers, he worries that a lot of the blame will land on REDF's doorstep.

"This is what scares me the most: I see where the field is right now. I see people running around launching stuff and selling things and they're in the market and they are saying, 'We know what we're doing. We're venture philanthropists or social entrepreneurs or whatever.' And I'm listening and I don't hear enough self-doubt in what people are trying to sell. That's terrifying. I've been doing this a long time and have spent a lot of George's money learning how and I still have serious questions and learn things every day. I'm here to tell you: Bringing this puppy to market is tough!"

If it hasn't been clear, Emerson would like people to know that he really is having the time of his life. How many times does a rank amateur get handed a few million dollars to turn a crazy dream into an improbable reality? How often does any dreamer get to travel the globe and realize a lot of other people share the same vision? How often is anyone lucky enough to find simpatico comrades on the road to realizing that dream?

"The process of growth and change is a challenge. It's phenomenal to be part of this whole thing and when you add in the national and international aspects, it's like, wow!"

"We can change the world—And I know cuz I see it every day in the work of our practitioners and REDF and others around the world!" Emerson sat back and grinned. "It's like that Jesus Jones song... 'Right here, right now, there is no other place I'd rather be. Right here, right now, watching the world wake up from history!' I mean, is this a blast or what?!"