

CVE, Inc.

Social Impact Report 2006

What a Difference
a Job Makes

*The Long-Term Impact of
Enterprise Employment*

This report highlights:

- Employment and Wages
- Monthly Income from Work
and Public Assistance
- Recidivism

BACKGROUND AND METHODS

Since 1986, **CVE, Inc.** (Community Vocational Enterprises) has assisted individuals with mental health disabilities in developing the skills and confidence to secure and maintain meaningful employment. At CVE's social enterprises—businesses owned and operated by the nonprofit organization—low-income San Francisco residents facing serious employment barriers receive on-the-job training through paid work. Revenue from these enterprises furthers CVE's social mission by contributing to job development and retention programs and support services within the agency.

CVE has employed over 700 individuals living with chronic mental illness in its enterprises since tracking began in 1998. At CVE's janitorial business, clerical business and coffee bars, enterprise employees learn and apply practical job skills in areas including janitorial services, computers, customer service and food preparation.

As a member of the REDF¹ Portfolio of social enterprises, CVE actively engages in an ongoing assessment process to measure the impact of social enterprise employment on its target population. Third party evaluation staff from BTW Consultants conduct six-month follow-up interviews with enterprise employees for up to two years after hire. Based on interview data collected from 250 enterprise employees between 1998 and 2005, this Social Impact Report highlights key findings across several outcome areas including employment, hourly wage, monthly income and criminal conviction rates.

As this report shows, CVE has assisted individuals living with mental health disabilities in overcoming significant employment barriers. Overall, enterprise employees are maintaining employment during the follow-up period, advancing economically and making real progress in stabilizing their lives.

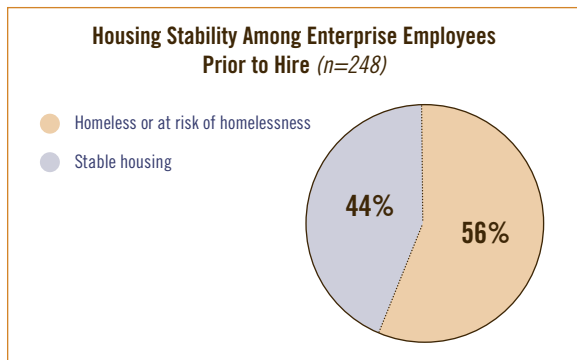
Prepared by:



Published by:

REDF

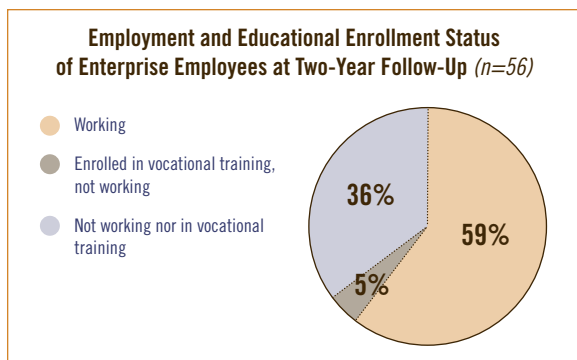
(Figure A)



(Figure B)



(Figure C)



DEMOGRAPHIC AND RISK CHARACTERISTICS OF ENTERPRISE EMPLOYEES

CVE enterprises employ at-risk individuals, all of whom live with chronic mental health issues. In addition, 56% of enterprise employees have been homeless or at risk of homelessness, and 30% have been convicted of a crime prior to hire.² (Figure A) These employees often face other significant obstacles to employment such as poverty, low levels of educational achievement and extended periods of unemployment. For instance, 20% of adults age 21 and older do not have a high school diploma or GED and 34% of all enterprise employees have been unemployed for at least six months prior to hire at CVE enterprises.

Enterprise employees at CVE are demographically diverse. Sixty-three percent are racial/ethnic minorities, with African Americans accounting for 29% of the enterprise employees, followed by Latinos (16%), Asians/Pacific Islanders (12%), multiracial persons (5%) and Native Americans/Alaskan Natives (1%). The majority of enterprise employees (66%) are male and nearly two-thirds (61%) are age 40 or older.

CRIMINAL CONVICTION RATES

While nearly one out of three CVE enterprise employees (30%) has been convicted of a crime prior to hire, none of those with a criminal history is convicted of a crime during the two-year follow-up period.³ (Figure B) This finding is remarkable considering that 67% of adult inmates released from state prisons are rearrested within three years. With an average annual cost of \$33,000 to imprison each adult offender in California, the lack of recidivism among CVE enterprise employees translates into significant savings for society.⁴

KEY FINDING REGARDING EMPLOYMENT AND EDUCATIONAL ENROLLMENT STATUS

Two years after hire, the majority of enterprise employees (64%) are either working or pursuing vocational education: 59% are working and 5% are enrolled in a vocational training program. (Figure C) Furthermore, throughout the two-year follow-up period, most enterprise employees are working and some of these employed individuals are simultaneously enrolled in academic or vocational training programs.

CVE's enterprise employment retention rates are considerably higher than those found by national evaluations of similar programs for disadvantaged adults. While not an exact comparison, one of these studies shows retention at 68% six months after hire and 54% at 12 months.⁵ In comparison, 96% of CVE enterprise employees are working at the 6-month follow-up and 83% at the one-year mark.

EMPLOYMENT AND WAGES

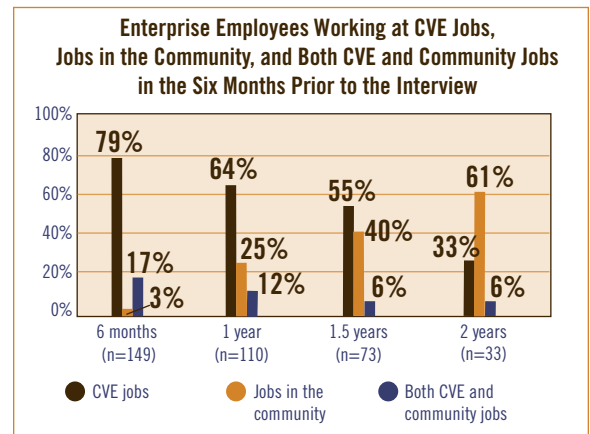
CVE enterprises follow a transitional employment model, meaning that enterprise employees are given support and encouragement to move into the general marketplace of employment when they are ready. Among those working in the six months prior to the first follow-up interview, most employees (79%) are still at CVE jobs, a few work at jobs in the community (3%) and the rest (17%) are employed at both CVE and community jobs. **Within two years of hire, enterprise employees gradually transition from the more “sheltered” social enterprises into community employment.** By the two-year follow-up point, 33% are working at CVE enterprises, 61% are in community jobs and 6% work at CVE enterprises and community jobs. (Figure D)

Enterprise employees’ average hourly wage in 2004 dollars (controlling for inflation) steadily increases over time. The average starting hourly wage of \$7.05 at CVE enterprises is greater than the federal and state minimum wages (\$5.15 and \$6.75, respectively). Between the time of hire and the two-year mark, enterprise employees’ average wage increases 36%, to \$9.60 an hour.⁶ (Figure E) At each follow-up interval, individuals working in community jobs earn at least 25% more per hour than those working at CVE enterprises. The CVE enterprise management is intentional in this regard, as they want enterprise wages to be competitive and fair, but not so high that they discourage employees from seeking community employment.

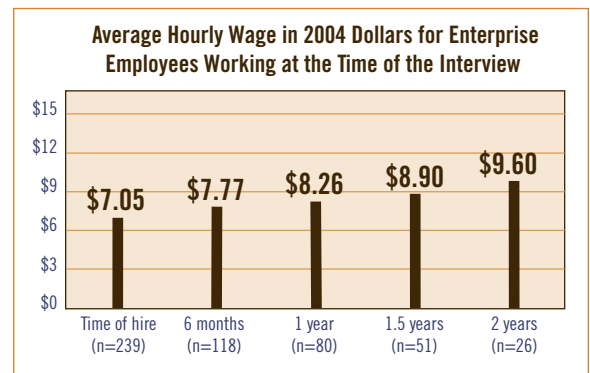
AVERAGE MONTHLY INCOME FROM EMPLOYMENT AND PUBLIC ASSISTANCE

Enterprise employees’ average monthly income increases more than 75% between the time of hire (\$594) and two-year follow-up (\$1,049), and the proportions of income from work and public assistance shift considerably after hire.⁷ Work accounts for only 20% of enterprise employees’ income prior to hire, and for approximately 65% of income at each follow-up point. (Figure F) Public assistance benefits, most commonly Supplemental Security Income (SSI), continue to be an important source of CVE enterprise employees’ income over time. In particular, SSI is a lifeline for individuals with psychiatric and other disabilities who primarily work part-time and need help supplementing their incomes to meet basic needs.

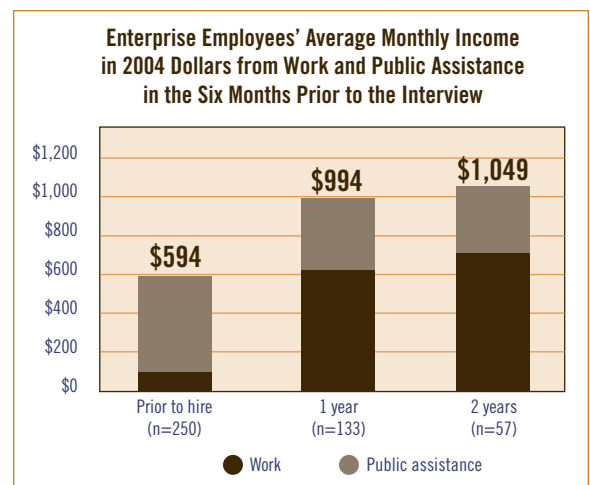
(Figure D)



(Figure E)



(Figure F)



“It has been a miracle working again. It brought me out of isolation and back into the world.”

.. Enterprise Employee



Mary Ann, CVE's office manager, began working at CVE's clerical enterprise in 2003.

FOOTNOTES

- 1 Formerly known as The Roberts Enterprise Development Fund.
- 2 Respondents are identified as homeless or at risk of homelessness based on their responses to questions about where they are living, their use of housing services and barriers to finding a job in the six months prior to interview.
- 3 Includes criminal convictions reported during the six months prior to *any* follow-up interview, among those with a history of criminal convictions prior to hire and at least one follow-up interview. The decrease in criminal convictions is NOT due to sampling bias: the proportion of follow-up interviewees with a criminal conviction history is equivalent to the proportion with a conviction history at time of hire.
- 4 U.S. Department of Justice: Bureau of Justice Statistics (2002). *Two-Thirds of Former State Prisoners Rearrested for Serious New Crimes*. California Department of Corrections (2005). *Facts and Figures: Third Quarter 2005*. State of California.
- 5 Abt Associates (2002). *AECF Jobs Initiative: Evaluation of the Capacity Building Phase April 1997–March 2000*. MDRC (2005). *Promoting Work in Public Housing: The Effectiveness of Jobs-Plus*.
- 6 Enterprise employees' average wages have been converted to 2004 dollars, and include base wage, tips and commission from CVE jobs and community jobs.
- 7 Work income includes earnings from odd jobs (e.g., handiwork, selling crafts, etc.). Sources of public assistance income include Supplemental Security Income (SSI), food stamps, Temporary Assistance for Needy Families (TANF) and General Assistance (GA). Data on other sources of income are not collected, and are not included in this calculation.

Photo This Page: Cindy Bott
Cover Photo: Jenny Thomas Photography
Design: Mission Minded :: www.mission-minded.com

PROFILE OF AN ENTERPRISE EMPLOYEE

Mary Ann and her five siblings were raised by their mother and stepfather in the Noe Valley neighborhood of San Francisco. Although Mary Ann remembers having a relatively uncomplicated childhood, things changed when she became pregnant and got married at the age of 16. She soon dropped out of school, increasingly used alcohol and barbiturates, experienced violence in her relationship and ended her brief marriage. Into her adult years, Mary Ann was in a series of troubled relationships and her addiction to heroin and speed often left her without a job or money. Prostitution, credit card theft and other crimes landed her in prison multiple times, causing her to rely heavily on her mother to raise her son.

After completing her last prison sentence, Mary Ann was determined to make positive changes in her life. She went into a shelter, started treatment and eventually transitioned into a residential treatment program to address her substance abuse and mood issues. Following a referral from her case manager, she began working at CVE's clerical enterprise in 2003.

Mary Ann has gradually begun to rebuild her life. Despite her "lack of confidence from hopeless years on the street," she is succeeding at work and making progress in her recovery. Mary Ann continues to attend 12-Step meetings, receive therapy and take medications for depression and anxiety. She is in a steady relationship, living in stable housing and working on accepting her relationship with her son. Now the office manager at CVE, Mary Ann describes her employment experience as "tremendously flexible and supportive, allowing me my shortcomings. It has kept my spirit intact."

CONCLUSION

Community Vocational Enterprises believes that *everyone* should have the opportunity to work—even though the chronically mentally ill are often considered to be "unemployable"—and it has turned this belief into action, with impressive results.

The social impact findings indicate that, in spite of the challenges they face prior to hire, most CVE enterprise employees are working during the two-year follow-up period and some are pursuing academic or vocational goals. Over time, many move into community jobs, earn higher wages and receive proportionally less of their monthly income from public assistance benefits. Individuals with a criminal conviction history do not recommit crimes.

CVE's employment opportunities, training and support are assisting individuals with mental health disabilities in becoming valuable members of the workforce. Employment is not only an important *outcome* of CVE's approach, it is also a *means* by which individuals gain dignity and acceptance as contributors to society.

CVE, Inc.

1425 Folsom Street :: San Francisco, CA 94103-3701
415.544.0424 :: www.cve.org

REDF

P.O. Box 29566 :: San Francisco, CA 94129-0566
415.561.6677 :: www.redf.org

BTW Consultants, Inc.

2550 9th Street, Suite 113 :: Berkeley, CA 94710-2552
510.665.6100 :: www.btw.informingchange.com