



GGCI

Social Impact Report 2006

What a Difference a Job Makes
The Long-Term Impact of Enterprise Employment

This report highlights:

Employment and Wages

Housing Stability

Recidivism

BACKGROUND AND METHODS

Founded in 1981, **Golden Gate Community, Inc.** (GGCI) is a nonprofit agency in San Francisco that operates social enterprises (businesses with financial and social goals). These enterprises employ youth and young adults recovering from homelessness, substance abuse and poverty. At-risk individuals employed in GGCI's social enterprises receive job training and one-on-one support from enterprise staff, case managers and mentors.

GGCI has employed 200 youth and young adults in its enterprises since tracking began in 1998. Enterprise employees learn practical business skills including apparel design and printing at Ashbury Images, bicycle sales and repair at Pedal Revolution and food preparation and catering at Grow Café. GGCI employs a modest number of individuals in its enterprises each year with the intention of working *deeply* with each enterprise employee to truly transform his or her life.

As a member of the REDF¹ Portfolio of social enterprises, GGCI takes part in an ongoing assessment process to measure the effects 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 data collected from 95 individuals interviewed between 1998 and 2005, this Social Impact Report highlights key findings regarding employment, hourly wage, housing stability and criminal conviction rates.

“GGCI gave me a chance. They opened the door for me and gave me an opportunity. I felt accepted, and it made me feel more responsible.”

.. Enterprise Employee

Prepared by:



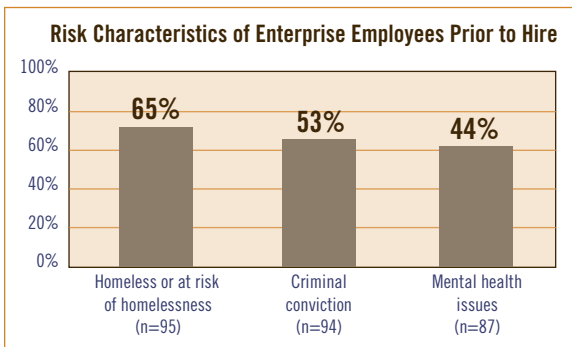
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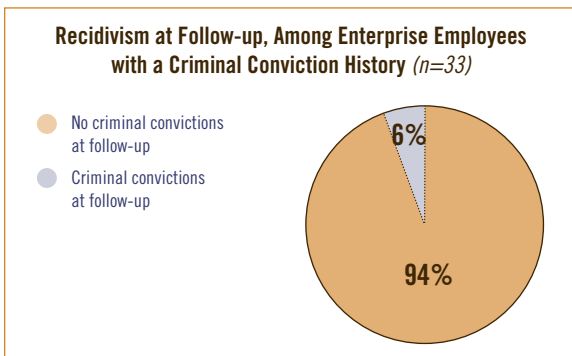
“At the time, I was out of work and GGCI helped me to get back on my feet and live in a manner that wasn’t desperate. I had never worked in my life, and it got me used to working.”

.. Enterprise Employee

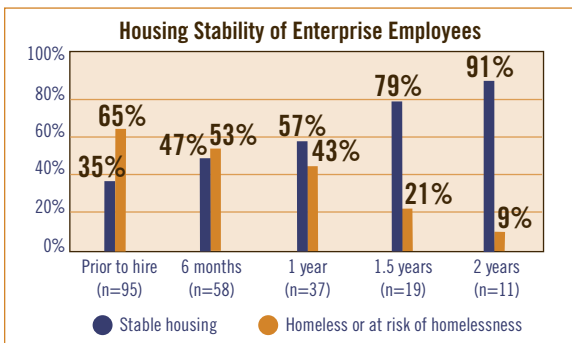
(Figure A)



(Figure B)



(Figure C)



DEMOGRAPHIC AND RISK CHARACTERISTICS OF ENTERPRISE EMPLOYEES

GGCI enterprises employ individuals who experience considerable risks prior to hire. Two-thirds of the enterprise employees (65%) have been homeless or at risk of homelessness, 53% have a history of criminal convictions and 44% have had mental health issues.² (Figure A) Almost all GGCI enterprise employees (83%) experience one or more of these risks before hire, often in combination with other significant barriers to employment such as poverty, substance abuse, low levels of educational achievement and extended periods of unemployment. For example, 19% of adults age 22 and older do not have a high school diploma or GED and 27% of all enterprise employees have been unemployed for at least six months before hire at GGCI enterprises.

GGCI’s enterprise employees are demographically diverse. Sixty percent are racial/ethnic minorities, with African Americans accounting for 25% of the enterprise employees, followed by Latinos and multiracial persons (15%, respectively) and Asians/Pacific Islanders (5%). About half of the enterprise employees (54%) are younger than age 22, and the majority are male (72%).

CRIMINAL CONVICTION RATES

Approximately one out of every two enterprise employees (53%) has been convicted of a crime prior to hire, yet only 6% of those with a criminal history are convicted of a crime during the two-year follow-up period.³ (Figure B) In comparison, within three years of their release from a correctional facility, 91% of California’s youth commit another offense and 67% of the nation’s adults are rearrested. The low recidivism rate among GGCI enterprise employees is saving society hundreds of thousands of dollars: in California, the cost for each juvenile offender who cycles through institutional facilities is \$48,400 per year and the average adult imprisonment cost reaches more than \$33,000 annually.⁴

HOUSING STABILITY

At each follow-up period, a greater proportion of enterprise employees live in stable housing. Prior to hire, 65% of enterprise employees are either homeless or at risk of homelessness, compared to only 9% at the two-year follow-up. Over time, the biggest reduction in unstable housing situations is among those who are literally homeless, including those living on the streets, in shelters or “sofa surfing” (moving from one place to another to live on a temporary basis due to the lack of a permanent or stable residence). While 19% of enterprise employees experience homelessness prior to hire, no enterprise employees are homeless at the two-year mark.⁵ (Figure C)

EMPLOYMENT AND WAGES

Nearly all enterprise employees are working at each follow-up interval, from 93% at six months to 91% two years after hire.

Throughout the follow-up period, about 20% of those working are simultaneously pursuing their education through academic or vocational training programs. (Figure D)

The employment retention among GGCI enterprise employees is especially impressive considering that large-scale national evaluation studies find far lower employment retention rates among disadvantaged adults.

Though not an exact comparison, one of these studies shows retention at 68% six months after hire and 54% at 12 months.⁶ While these rates decline substantially within one year of hire, GGCI's retention rates remain high throughout two years of follow-up.

GGCI enterprises follow a transitional employment model, meaning that enterprise employees are hired for short-term employment and then given support to find mainstream jobs in the community. **Within two years of hire, enterprise employees are gradually transitioning from the more "sheltered" social enterprises into community employment.** In the six months prior to the first follow-up interview, 74% are employed at a GGCI enterprise, 4% work at a job in the community and 22% work at both GGCI and community jobs. These figures shift substantially by the two-year follow-up point: 30% continue to work at GGCI jobs, 60% are employed in community jobs and 10% are working at GGCI and community jobs. (Figure E)

This trend is consistent with GGCI's goal of increasing individuals' ability to compete in the open job market.

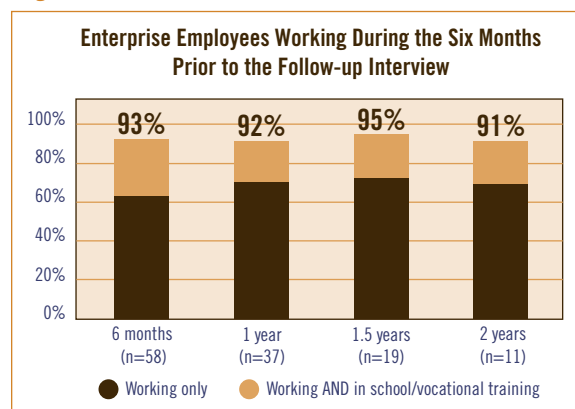
Over time, GGCI enterprise employees are generally earning higher average hourly wages in 2004 dollars (controlling for inflation).

The \$7.94 hourly wage at the time of hire exceeds both the federal and state minimum wages (\$5.15 and \$6.75, respectively). One-and-a-half years after hire, enterprise employees' average hourly wage jumps about 70% to \$13.40, surpassing the self-sufficiency standard for a single adult in the San Francisco Bay Area.⁷ (Figure F) Considering that approximately one in five enterprise employees (17%) has never had a job prior to hire at GGCI enterprises, the starting wage and progression in wage at follow-up are especially promising for future earnings potential.

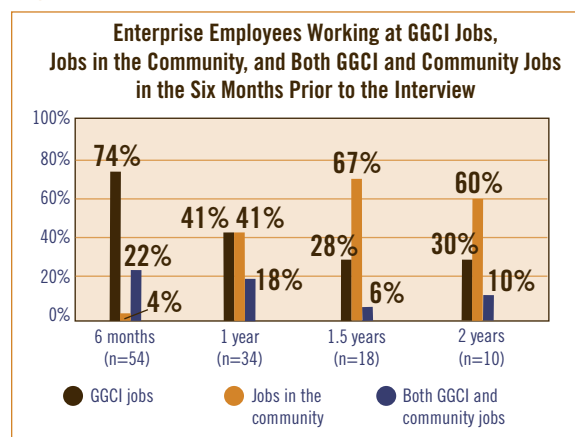
RECEIPT OF PUBLIC ASSISTANCE

GGCI enterprise employees are decreasingly reliant on public assistance benefits after hire. Prior to hire at GGCI enterprises, 23% of individuals receive some form of public assistance, including General Assistance (GA), food stamps, Temporary Assistance for Needy Families (TANF) and Supplemental Security Income (SSI). By the two-year follow-up, however, none of the enterprise employees receive public assistance.

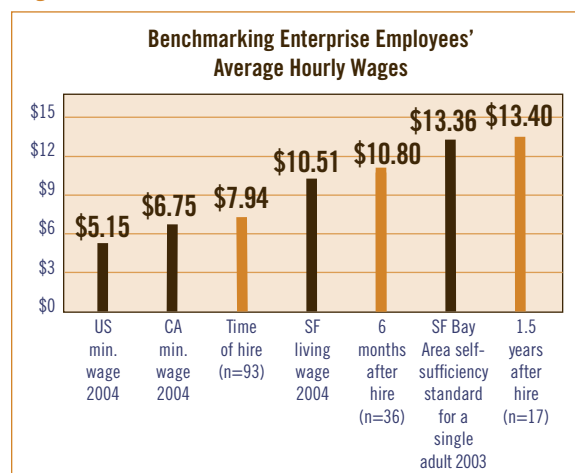
(Figure D)



(Figure E)



(Figure F)



“Transitioning from being a full-fledged drug addict, I was given the opportunity to be responsible, show up on time, learn new job skills and relearn communication skills. My coworkers helped me a lot and encouraged me.”

.. Enterprise Employee

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 the interview. Respondents are identified as having mental health issues based on their responses to questions about mental/emotional health issues as reasons for not working two weeks or more, mental/emotional health issues as a barrier to finding a job or participation in any type of mental health program/counseling.
- 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 Center on Juvenile and Criminal Justice (2002). *Aftercare As Afterthought: Reentry and the California Youth Authority*. San Francisco, CA. California Department of Corrections (2005). *Facts and Figures: Third Quarter 2005*. State of California.
- 5 The dramatic positive shift in housing stability is NOT related to sampling bias.
- 6 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*.
- 7 Enterprise employees’ average wages have been converted to 2004 dollars, and include base wage, tips and commission from GGCI jobs and community jobs. San Francisco Bay Area self-sufficiency standard available from: California Budget Project (2003). *Making Ends Meet: How Much Does It Cost To Raise A Family In California?* Sacramento, CA.
- 8 Not the enterprise employee’s real name.

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PROFILE OF AN ENTERPRISE EMPLOYEE

Amy⁸ grew up all around the Bay Area and Hawaii with her mother and brother. Her family life was often chaotic and marked by substance use. Amy’s own drug problems began in high school, when every day she was using speed, cocaine, alcohol, pot and/or hallucinogens. For several years, Amy struggled with drug-related problems—she lived on the street, suffered from major weight loss and illness, sold drugs for money, had trouble getting through high school and cycled in and out of treatment programs.

At age 21, Amy sought help to get sober, reconnect with her family and find a job and a place to live. She began to attend Narcotics Anonymous (NA) meetings, and after responding to a GGCI ad, she was hired as an enterprise employee. Working at Pedal Revolution for a year and a half, Amy says she was “retrained on how to show up on time, talk to people and learn quickly on the spot.” She enjoyed the mechanical work and training new enterprise employees. Though she was still challenged by “drug triggers,” she found support among her GGCI peers and her work schedule accommodated her NA meetings.

Amy now has a stronger foundation for the future—sobriety, work experience, stable housing and renewed family relationships. She is also attending college with the goal of becoming a medical doctor because of her passions for healing, human rights and working with underserved populations. She credits GGCI with awakening these ideals by leading through example, as “a place where people channel their frustration with the world into making it a better place.”

CONCLUSION

The findings from this social impact assessment show that Golden Gate Community, Inc. is helping at-risk youth and young adults make real progress in overcoming employment barriers in their lives. GGCI enterprise employment produces dramatic results among approximately 35 individuals trained and employed annually at the three enterprises.

Despite their disadvantaged backgrounds, almost all GGCI enterprise employees are working during the two-year follow-up period, and about 20% are also making progress towards educational goals. Enterprise employees are moving into community jobs, earning self-sufficient wages and reducing their reliance on public assistance. Over time, most obtain stable housing situations and few relapse into criminal behavior.

The life-changing effects experienced in just two years indicate that GGCI enterprise employment helps at-risk individuals rebuild their lives. As GGCI enterprise employees gain practical job skills and a new sense of worth, they are better equipped to realize their individual potential and contribute positively to their families and communities.

GGCI

3075 21st Street :: San Francisco, CA 94110-2626
415.920.9200 :: www.ggci.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