

3

Teaching the Skills of Life Transformation

Very often, the biggest gaps that separate strugglers from people who are successful fall in the area of “soft skills”—the nuts and bolts that make it possible for a worker to be effective on the job: showing up on time, listening well to instructions, being reliable, keeping one’s temper even when pressed, having a positive attitude, dressing appropriately, using work-appropriate language, accepting constructive criticism, not blaming others for failures, finishing work on time.

Strugglers often must learn these traits in the workplace because they didn't master them at home. That's why charitable programs put an emphasis on social skills, timekeeping and scheduling, emotional self-mastery, and avoiding negative influences. The organizations featured in this guidebook strengthen these soft skills by not only teaching them through coursework but also by demanding them in practice—putting program participants on a tight schedule, requiring respect, demanding promptness and completion of assignments. The best programs tend to be tough and taxing, with instructors sternly challenging slack or anti-social behavior.

A job applicant whose soft skills are evident will be taken seriously by companies, Donn Weinberg stresses, even if his technical skills are rusty. “What employers need is someone who is ready to work—ready with the soft skills that then allow them to absorb the hard skills,” he says. “When you're at the job, it's not about you. It's about the customer or satisfying the boss, which means you have to really listen and understand.”

In this chapter, we'll plumb the most promising techniques for effectively instructing those who lack these basic necessities. Character training, classroom instruction, hands-on experience, entrepreneurial challenges, practical follow-up—these are combined in programs that lead people from previous failures in the job market to steady work. Successful models typically have intensive, highly structured programs. They place serious demands on participants, including a willingness to flunk out non-cooperators. Highly developed job-placement services, and ongoing reinforcement and support from program staff and alumni are usually central.

At their core, most of these organizations are structured around a simple concept: If you're currently living off someone else, crave an escape from low-income misery, want to do things you and your family will be proud of, and are willing to work hard, then we'll help you find a job and establish a career. If you think you can get these things without thoroughly (often painfully) changing the way you have lived up until now, sorry—come back and see us when you are committed to true life transformation.

Cincinnati Works

Founded in 1996 by David and Liane Phillips, Cincinnati Works has become a model for similar programs in other places. After retiring early as managing director of a large accounting firm and then feeling

a religious call to attack poverty in his hometown, Dave intensively researched and planned a program with his wife that they believed could move people from public assistance into work and self-sufficiency.

The Phillipses funded the initial stages themselves, then joined two other individual donors plus the Mathile Family Foundation, the Farmer Family Foundation, and the United Way of Greater Cincinnati in providing a three-year opening grant. Over the years, support from corporations like Western & Southern and JPMorgan Chase has also been important.

Cincinnati Works starts its “members” in a required class which teaches work ethics, problem-solving, personal budgeting, life values, self-confidence, employer expectations, and finally the techniques of applying and interviewing for jobs. Then the nonprofit offers intensive job-search and placement help. CW partners with over 70 employers in the area who open a wide range of job opportunities to graduates. The group makes around 600 job placements each year

After a member lands a job, CW staff continue to consult with both the worker and the employer for at least one year. Retaining a job, they emphasize, is almost as important as getting it in the first place. “One Job, One Year” and “Call Before You Quit” blare posters in the group’s headquarters.



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In addition to providing members with practical things like job training, child care, and transportation help, CW offers specialty services. Individuals with difficult backgrounds can get behavioral counseling, legal advocacy, mentoring, chaplain services, and anti-violence training. A study by the University of Cincinnati concluded that being a CW member reduced an individual’s probability of felony indictment by almost 50 percent.

The final step in the CW process is advancement. Once a member has held the same job for a year, staffers create a plan to improve skills, education, or behavior such that the member can increase his or her

earning power—with the goal being 200 percent of the poverty level, with health benefits. The average hourly pay of members is now two dollars higher than the state minimum wage.

And between 70 and 80 percent of Cincinnati Works members retain their job for at least a year. That is much better success than government job-training programs offer. Economist Diana Furchtgott-Roth notes that only 45 percent of graduates of the largest federal job-placement effort, the WIA Adult Program, manage to get and hold a job for more than six months. Only 20 percent of federal Job Corps graduates were employed after six months. Of all the individuals coming out of Cincinnati Works from 2005 to 2012, fully 84 percent are currently working.

In addition to boosting the jobless and underemployed, Cincinnati Works has been lauded by the *Harvard Business Review* for providing employers with a valuable source of stable entry-level workers—reducing the job turnover of some companies by half. And CW's services are provided entirely free to both individuals and employers. The privately funded nonprofit relies on 106 volunteers plus donors who cover the salaries of 27 employees. The program has been studied widely and replicated in Texas, Kentucky, Indiana, elsewhere in Ohio, and other places, with groups in more than a dozen other cities planning now to emulate its job-readiness services.

WorkFaith Connection

Some residents of Houston who were impressed by the results of Cincinnati Works offered to finance a similar organization in their city. With launch funding from Houston Endowment, the Fondren Foundation, the Loper Family Foundation, the YMCA of Greater Houston, and several smaller family foundations, plus a replication manual produced by the American Institute for Full Employment, WorkFaith Connection was created in 2007 with a faith-based approach to the life change that prepares the way for job readiness. The group collaborates with local homeless shelters and addiction centers to locate clients. It now has two locations in Houston and is scheduled to open a third in 2016.

“We’re looking for people who have shifted from a heart of entitlement to a heart of gratitude,” says WorkFaith Connection CEO Sandy Schultz. “It really doesn’t matter what their past included. It matters where they are today. Once they make that switch, then that place of gratitude is what prepares them to receive guidance from us and to be good employees in the workplace.”

Applicants first experience WorkFaith Connection through a two-and-a-half hour orientation meeting on Wednesdays. Their first official day of class is the following Friday, when they embark on an eight-day training camp that provides a toolkit for success, including skills in computers and finances, plus mentoring from a coach. The coursework provides a safe environment for workers-in-training to learn how to fall and then get back up.

Standards at WorkFaith Connection are high. Participants are expected to show up on time. They are given one pass for tardiness, but they have to explain to the class why they were late. “It’s much easier to take your medicine at WorkFaith Connection and learn those lessons now than to lose a job,” Schultz notes.

After completing the boot camp, WorkFaith Connection works with applicants on job placement and retention. The organization partners with many companies, typically in the range of 50 to 150 employees. Hiring managers at the partner firms say WFC graduates arrive with positive attitudes, and often high resilience, because they have learned to overcome serious obstacles in their lives. Houston’s strong local economy provides steady demand for the services of WFC. The organization also enjoys solid support from local churches and donors.

Ralph Marek, co-owner of the Houston-based residential and commercial construction company Marek Brothers, has been a solid supporter of WorkFaith Connection for years. When he and his two siblings founded their company decades ago they made a pledge: if each managed to achieve a net worth of \$1 million, they would create a foundation specifically geared toward lifting the poor out of poverty through employment. Today, the Marek Family Foundation fulfills that vision through \$1.5 million in annual giving.

Marek sees WorkFaith Connection as an ideal combination of Christian service and economic sense. “Our family roots are in being poor, so we formed our foundation to help the poor, and the way you help the poor is by getting them employed,” Marek says. Through the end of 2015, the Marek Family Foundation has invested about a million dollars in WorkFaith Connection, in steadily increasing grants.

Others like investment-company partner Robert Zorich support WFC by hiring graduates of the program. Zorich is also a donor and member of the group’s board of directors. His foundation made its first grant of \$10,000 to in 2008 and has since committed another \$630,000 through 2015.

In less than ten years, with an annual budget that is still less than a million and a half dollars per year, WorkFaith Connection has exerted a notable influence on a major U.S. city. Since its first class of graduates in 2007, WFC has made 3,322 job placements in Houston. The average starting wage of its graduates is nearly \$12 per hour, with an expectation of reaching \$15 to \$17 per hour with health insurance benefits.

Cara Program

One of the pioneering dependency-to-work nonprofits in the country is Chicago's Cara Program. Founded in 1991 by IT entrepreneur and philanthropist Tom Owens, Cara's mission is to locate impoverished men and women who are motivated to change, and propel them into the world of success and self-sufficiency.

Owens was moved to create Cara when he discovered that none of the many job programs at Chicago homeless shelters were successful at paving the way to long-term work. At best, job placements would be stopgap measures, seldom lasting more than a year. There were no support networks to help new workers remain at work, and no longer-term paths to sustainable incomes.

"I realized that most of these people had the capability of returning to a full life. All it would take is a little bit of money and some connections in order to spur them into it," Owens says. "I thought it was a tragedy that human capital went to waste in such a terrible environment."

Owens began devising a strategy to change tragedy into triumph. He realized that attitudes must be changed while new skills are being learned. Those principles formed the basis of the organization that would become the Cara Program.

Today, Cara is serving hundreds of Chicago residents each year who would otherwise be unemployed. It runs on a weekly class schedule of career and life-skills training. A unique element of the program is that participants don't officially graduate until they have reached the one-year mark of their job placement.

To prepare strugglers for competitive jobs, Cara operates two entrepreneurial businesses of its own that allow participants to gain the skills and track record needed to enter the open job market. The first business, Cleanslate, is a neighborhood beautification program that focuses on litter abatement, landscaping, and snow removal in 20 communities across Chicago. The second, TCP Staffing, is a temp agency offering short-term workers for administrative tasks, customer service, custodial positions,

and other jobs. Combined, these enterprises raise close to \$3 million in annual revenue for the Cara Program and generate hundreds of temporary and transitional jobs.

In 2014, the organization placed 311 clients in permanent jobs and 377 clients in temporary or transitional jobs. At one year, these employees had an average job retention rate of 78 percent, and earned an average wage of \$10.66 per hour, more than \$2 per hour higher than the minimum wage in Illinois.

Since its launch, the Cara Program has shifted 3,000 workers into stable, long-term employment. The Owens Foundation continues to be a top supporter, along with the Weinberg Foundation, which most recently committed a 2013–2016 operating grant of \$450,000.

Cara specializes in entry-level jobs, and this presents challenges according to CEO Maria Kim. “The criteria for an entry-level employee in 2014 is very different than it was even five years ago,” she says. “We’ve had good fortune working with manufacturing firms for general labor positions in the past. But with the advancement of robotics within the manufacturing sector, those jobs no longer require big, burly guys (who might have had a checkered past) to move goods around. They require a junior engineer who can handle the robotics of the machine.” Adapting to the changing landscape of entry-level work will require creativity on the part of charities and philanthropists in the future.

StepUp Ministry

Most of the initiatives that have succeeded at drawing struggling adults into the work force have been conceived and designed by business people. The next entity to be profiled, however, was created by a church. StepUp Ministry was built on the ideas of several members of White Memorial Presbyterian Church in downtown Raleigh, North Carolina, and funded from the church outreach budget. The organization officially incorporated as a 501(c)(3) nonprofit in 1989.

Originally, StepUp Ministry provided transitional housing for families who were homeless or at risk of becoming homeless. Eventually, that mission transformed into a jobs-training approach. In 2004, a major grant from the White Memorial Community Fund laid the foundation for StepUp’s current two-pronged approach that combines job workshops and life training.

The program begins with a weeklong, 32-hour classroom instruction period where students learn the ins and outs of how to find and keep

employment. The complementary life-skills instruction continues for a full year. It is designed to help workers maintain stability in their homes and in jobs, and emphasizes the long haul.

StepUp Ministry CEO Steve Swayne has a keen interest in analytics, accountability, and understanding the circumstances that pull adults into poverty. By using careful tracking mechanisms, his program is able to document participant progress from joblessness to employment and practical hope.



The attitude we look for is “I don’t just need food or transitional housing. I need to change what I’m doing so that everything improves.”

“Our goal is to be transparent and accountable, and always show donors concrete, up-to-the-minute results,” he says. “The nonprofit sector as a whole could benefit from placing more emphasis on the veracity and reliability of our results. Data ought to be the determining factor in the long-term planning of any organization.”

StepUp’s own results are impressive. With an operating budget of \$1.4 million in 2013, the ministry made 363 job placements. Of that total, 57 percent were ex-offenders, 27 percent were homeless, and 25 percent had a history of substance abuse.

Sheldon Fox, owner of an accounting firm in Raleigh, first encountered StepUp Ministry as a volunteer. He helped strugglers create sustainable personal budgets and then make financial plans for the future. The satisfactions of that experience led Fox to provide substantial financial support, and then embark on a six-year tenure on the board of directors, including a stint as chairman.

“The program is very efficient and effective,” says Fox. “StepUp has been committed to getting better and better over time.” The ministry recently expanded to Greensboro, where it made 181 job placements in 2013, and is now seeking to bring its training to other parts of North Carolina.

Life Learning Center

As a successful real-estate developer, Bill Butler created more than 18 million square feet of office and retail space and managed 32 hotels across the U.S. But Butler is interested in far more than real estate. He also

wants to improve his home community, and particularly to change the lives of its less fortunate residents by teaching self-sufficiency.

When Butler investigated existing social-service efforts he found that many offered short-term help but no permanent solutions to poverty. “I wanted to find a constructive pathway to change, sustainability, dignity, and contribution,” he says. He sought solutions with the same methodical determination that drives his real estate ventures, and in 2006 created what he called the Life Learning Center in his home region of northern Kentucky, across the Ohio River from Cincinnati.

“The Life Learning Center is for the person who is ready to do something drastically different in all aspects of life,” Butler says. “The attitude we look for is ‘I don’t just need food or transitional housing. I need to change what I’m doing so that everything improves.’ The center strengthens individuals so they are ready for real and lasting change, and we only admit candidates who are willing and able to commit.”

Applicants begin the process with a one-hour interview and assessment that includes a drug screening. After gaining admission, individuals go through an introductory class on Wednesday, and then are enrolled in a series of seminars that provide guidance on building productive habits and character traits, good relations with other people, healthy patterns at home, and so forth. Each participant also works one-on-one with a life coach during this time. Job-skills classes are taken in parallel. And the training culminates in a job-placement search.

The entire curriculum is 16 weeks. Two thirds of participants are employed by the time they finish the program, and most hold onto their new posts for at least a year. The nonprofit accepts no government funds, relying entirely on private support. In 2015, the organization moved into a spectacular new headquarters in a restored foundry. The renovated building offers a mix of classroom space, lecture halls, library, computer lab, training rooms, childcare facilities, a cafeteria, and a fitness center.

STRIVE

Put together two Manhattan banker/donors disturbed by a chronic lack of employment among many inner-city residents, and an East Harlem ex-convict and drug addict who got clean and then earned a master’s degree from Columbia University. The result? An unusual job-training program built on (very) tough love. It’s called STRIVE, and it has proven effective among economically struggling populations.

One third of STRIVE clients are former prisoners, about a third have no high-school diploma or GED. Yet two thirds of its graduates are placed in jobs, at pay averaging 150 percent of their state minimum wage. And more than 70 percent of these workers stick in their new employment. Meanwhile the average cost per job placement for STRIVE is less than \$2,000.

As with the other private job programs profiled in this chapter, these outcomes completely eclipse results from typical government-run job programs. The U.S. Department of Labor's Job Corps program, which serves similar persons, costs almost eight times as much per participant, even though only a fifth of its alums are employed after six months.

One big difference, Manhattan Institute scholar Kay Hymowitz has noted, is that STRIVE builds “the all-important ‘soft skills’”—respect, punctuality, initiative, honesty, reliability—in a determinedly no-nonsense way. Uncooperative attitudes and excuses for failure are broken down by the STRIVE instructors, all of whom are themselves people who have triumphed over corrosive street habits. The result of their strict demands, in-your-face intensity, and follow-up and support (graduates are monitored for at least two years after graduation and assisted as needed) is creation in the participant of a new “understanding of the manners and values of an alien mainstream work world.”

STRIVE's successes have allowed it to spread to more than two dozen cities. About 50,000 difficult clients have been trained under its auspices, a number that rises every year. Since its founding, STRIVE has enjoyed philanthropic support from a range of donors like the Clark, Abell, and Annie E. Casey foundations. The Harry and Jeanette Weinberg Foundation has been a stalwart backer from early on. And current donors include Walmart, the Blackstone Group, and the Rudin Foundation. Each chapter is mostly funded by local philanthropists.

America Works

Labor experts will tell you that the biggest general difference between government job-training programs and nonprofit counterparts is that the privately run efforts put a much heavier emphasis on actually getting a job—any job—and holding it. Government programs offer lots of incentives for course-taking, school enrollment, and credential punching, but rarely demand that the participant go into the job market and actually take a position. The private programs, on the other hand, have found that real work of any sort usually leads to more and better work in the future. The fact that

good non-government efforts turn roughly twice as large a fraction of their participants into long-term workers suggests they are right about this.

That said, it is nonetheless true that all of the programs profiled above still rely on various form of instruction and social training of enrollees before they introduce them into the job market. There is a viewpoint, however, that even this training is much less important than just going to work and then learning on the job. Call this the “work first, train later” philosophy.

America Works is a nonprofit founded in 1984 that now operates in nine states across the nation. The America Works program involves just two to four weeks of job-readiness training, and matching of participants to actual jobs begins very early. Within a month in most cases the candidate has been placed in a job and expected to show up. Once work has begun, training, classes, mental health services, and so forth sometimes continue, but work gets priority.

The group’s literature explains what it calls “The Work First Theory,” engrained in the organization by founder Peter Cove.:

America Works believes that work should be the central focus in social policy. This is why we work to place clients into jobs rapidly. Gaining employment is the surest path to independence because work socializes and integrates those who are disadvantaged.... The clients’ success in the workplace will make them more successful in the classroom, leading to a better and independent life.

Rather than building elaborate preparation processes into its operating procedures, America Works focuses on the outcome of getting a person to work as soon as possible.

America Works partners with a large network of employers who are seeking customer service reps, health-care aides, drivers, security guards, maintenance workers, receptionists, data-entry specialists, food preparers, machinery operators, and similar jobs. AW matches the hard-to-employ individuals who enter its doors, most often coming from government welfare or social-service agencies, with these often-hard-to-fill jobs. The nonprofit doesn’t get paid unless its candidate succeeds in the position for an agreed period—typically 3–6 months. So it is entirely a performance-based model.

America Works has found jobs for 300,000 individuals since its beginning, many of them long-term welfare recipients, people living in shelters, released prisoners, young people aging out of foster care, and so forth. The nonprofit has carved a deep niche for itself in “performance-based”

contracting with government agencies. This means it only gets paid if the hard-to-place job seeker sent by the government agency actually gets a job and then holds it for an agreed period. Studies have given the group high ratings for getting workers with these backgrounds to hold jobs for at least six months. One New York State Department of Labor examination found that 88 percent of people placed by this “work first” nonprofit remained off the welfare rolls three years later.

A driving obstacle: What to do about transportation

A prerequisite for securing and maintaining a job is a reliable means of getting to work on a timely basis. Yet economic strugglers often lack transportation options. Poor persons who lack cars or access to good public transportation can face serious barriers to long-term work.

A 2011 study from the Brookings Institution found that 7.5 million households in major metropolitan areas had no access to a privately owned vehicle. A majority of these people were lower income. Among all low-income households, roughly one-in-four have no car.



The federal Job Corps program costs almost eight times as much per person, even though only a fifth of its participants are employed after six months.

While vehicle-less households tend to cluster near public-transit corridors, many still face challenges in reaching jobs efficiently. Several worthy nonprofits are working to overcome this problem. Vehicles for Change, which serves the Maryland-Virginia-Washington, D.C. region, solicits donations of used cars, and then rehabs the vehicles into viable options for the working poor. The Milwaukee-based Ways to Work takes a financing approach: the nonprofit provides low-cost loans to the poor in order to make car ownership feasible. The Lift Garage is a relatively new nonprofit that offers low-cost car repair. A valuable side-effect of this service is that the group is able to simultaneously train previously unskilled persons in the field of auto mechanics.

Another way donors prevent transportation problems from blocking workforce development is to be sure their organizations are located near transit hubs. WorkFaith Connection, for instance, consciously located

their offices adjacent to a major bus stop. After a good experience using transit to become trained for work, it is easier for graduates to master the connections needed to get to actual jobs.

REDF helps strugglers by creating businesses

Some of the finest programs for helping people with poor work histories transition into successful employment have taken a more direct route: They create sheltered businesses where strugglers can master the necessary skills right on the job, while earning some pay, and creating value that helps fund the overall program. Their central premise is that work (rather than social work) is the best anti-poverty strategy.

A pioneer in this area was the Roberts Enterprise Development Fund, now known merely by the initials REDF. Founded in 1997 in the Bay Area of California, it was a philanthropic innovation of George Roberts and his wife, as their contribution against burgeoning homelessness in their region. They felt that an employment-centered, business-building solution would be much more effective than just offering handouts. And as one of the country's top venture capitalists (co-founder of Kohlberg Kravis Roberts & Co.), Roberts knew something about how to create new enterprises. The sector REDF helped invent is sometimes referred to as venture philanthropy.

At first, REDF gave grants to existing nonprofits that tried to help homeless people get jobs. Seeking better outcomes, Roberts decided to start offering “equity-like grants and business assistance” that would create freestanding small businesses where “people facing the greatest barriers to work”—those living on the street, convicts, school dropouts, the mentally ill, alcoholics, etc., who would otherwise depend on hand-to-mouth charity or government assistance—can get a foot on the employment ladder.

The entities REDF funds are expected to be business-like in their operations, paying careful attention to efficiency while offering useful services or products that will generate revenue streams that can be reinvested into training their employees. The businesses—sometimes called social enterprises—aren't intended to make significant profits; indeed most lose money. Success is not measured by REDF solely through financial returns, though, but also in terms of human progress and improved behavioral patterns.

Today it is not unusual for successful business people to orient their philanthropy toward market-based solutions to social problems. Roberts was early to the party. When he gave a million dollars to one social enterprise so it could set up a cabinetmaking shop where minorities could be trained, he insisted the organization take out a bank loan to

cover the other half of the project's costs—because the pressure of their commitment to the bank would keep them focused on running the operation like entrepreneurs rather than like a giveaway.

Ultimately, Roberts told us in an interview, “We’re trying to get people into some kind of a job, rather than sitting idly. The expectation is that they can eventually move from the nonprofit sector to a more mainstream job. Success is regular work with health insurance and enough money to have an independent place to live. That is what we shoot for.”

“The premise here is that work should be available to everyone, everywhere,” says Carla Javits, who has served as REDF’s executive director since 2007. “If people want to work and are able, we should find a way for them to work.” Here are examples of some social enterprises that have recently been supported by REDF:

- Chrysalis runs a maintenance and property-management service for buildings in the Skid Row section of Los Angeles, as well as street-cleaning crews who contract with merchants in the Fashion District.
- Community Housing Partnership has a growing business providing lobby services to landlords in San Francisco.
- 360 Solutions provides pest-control in southern California.
- The Center for Employment Opportunities has maintenance contracts that keep its workers busy in Oakland and San Diego.

Mathematica Policy Research recently studied seven of REDF’s social enterprises and their alumni. In the year before their sheltered work experience, only 39 percent of participants had managed to work for six continuous months. In the year after their REDF experience, however, fully 67 percent worked for at least six continuous months. Not surprisingly, their housing situation was consequently more stable. The total income of participants didn’t change, but they drew less on government transfers and relied more on their own earnings.

In 2004, REDF converted itself from a family foundation into an independent nonprofit. The aim was to attract funding from other philanthropists that would allow the group to expand its footprint and methods. That happened, with grants coming from partners like the Woodcock, Kresge, Weingart, and Kellogg foundations. REDF also formed working alliances and offered assistance to other nonprofits and venture philanthropies, including New Door Ventures, Juma Ventures, and the Women’s Bean Project.

Since its formation, REDF has supported 50 social enterprises that have employed more than 8,700 people with little previous success in the workforce. These individuals have earned more than \$140 million, and 70 percent still held their jobs a year after starting. Workers in REDF-supported social ventures saw an 85 percent decrease in their reliance on government assistance. REDF's goal is to help create an additional 2,500 jobs in the near future by expanding beyond the eight counties it currently operates in (half in the Bay Area, half in greater Los Angeles).

Roberts says the REDF model could be replicated in other areas of the country as well. "There is no reason the 25 largest cities in the country can't apply this," he states. "We'd be happy to help. Let's assume each of those 25 cities have 1,000 people a year go through their programs. That's a quarter of a million of our poorest people redirected in 10 years. Individual donors can make a meaningful change."

Faith-based mentoring from Jobs for Life

Workforce development can be delivered with a faith-based component. This offers two advantages. One is that the faith element is often helpful at getting at deeper issues of missing self-respect or confidence or accountability that often interfere with work. Another advantage is that local churches can supply funds, volunteers, and space necessary to get started.

Jobs for Life is an umbrella group for a network of churches and nonprofit organizations that break down work barriers (as well as racial barriers) all across the country. It began in Raleigh, North Carolina, in the late 1990s when an African-American pastor who needed his parking lot paved formed a friendship with a white contractor. The two began meeting weekly for lunch, and soon discovered overlapping problems: the contractor had trucks sitting idle due to lack of drivers, while the pastor had many unemployed men in his community. That led to the idea of forming an alliance between businesses and churches, and JFL was born.

Today, the Jobs for Life curriculum is available in 275 cities. It is a 16-week course that pairs participants with a one-on-one mentor. Each class provides two hours of instruction in soft skills, discussion of the importance of work in daily life, and exercises in character development. A significant benefit of JFL is the low cost per-person served—\$188 in 2013—thanks to its church-sponsored and volunteer structure.

“We have designed it so that the financial requirement is minimal,” says Daniel Alexander, the group’s regional director for the southeast. “The time and relationship investments are bigger—which we believe is the right emphasis, because the personal touch is how people find hope and jobs.”

JFL is a rare effort to draw on the largely untapped potential of the local church to transform the lives of the jobless. “We have this huge opportunity to mobilize the church—this extraordinary resource—that’s been just giving stuff away,” says David Spickard, CEO of Jobs for Life. “We’ve all been in the welfare mentality to outsource the poor to other programs, instead of creating a relationship-based helping network.”



Of America’s 460,000 churches, 62 percent give away food, but only 2 percent encourage work as a more permanent, effective, and dignified means of alleviating poverty.

To underscore his point, Spickard points to statistics showing that of America’s 460,000 churches, 62 percent give away food, but only 2 percent encourage work as a more permanent, effective, and dignified means of alleviating poverty. Jobs for Life is working to “flip the list” and put work first. Most of the grunt duties in its model can be carried out by local churches, leading Spickard to call the program “a church-equipping” ministry.

Churches pay to join the network and can then access the teaching materials through an online portal. Jobs for Life takes a localist approach. Pastors and volunteer businessmen on the ground are given wide leeway to adjust the curriculum from Raleigh to the needs and peculiarities of their own city.

As a Christian organization, Jobs for Life seeks to strengthen the character of participants at the same time it is offering practical skills. “It’s their identity that really needs to be addressed,” says Spickard. “It’s about character and it’s about community.”

About 20 percent of JFL’s revenue comes from fees paid for its curriculum; the other 80 percent of its national budget comes from philanthropic supporters, including the Cary Oil Foundation, the Kharis Foundation, and Nashville’s Memorial Foundation.

More faith-based training: Belay Enterprises

Belay Enterprises was launched in Denver in 1995 in the hope of financing microenterprises in the same way that small loans to local entrepreneurs have been used to spur economic activity in developing countries. The founders quickly discovered, however, that microfinancing wasn't as effective in the U.S. as abroad, partly because their dollars didn't stretch nearly as far. So the organization transitioned to a different model: incubating businesses as a way of helping hard-to-reach members of their community get jobs.

Bud's Warehouse was the first incubated business of Belay Enterprises. It offers, in a 20,000 square foot building, a variety of new, used, and antique home improvement supplies. All of the electrical fixtures, lumber, windows, and so forth are donated. Bud's employs men coming out of prison, or addiction, or homelessness, to clean, sort, refurbish, and stock materials, which are then sold to the public at around half of retail prices.

In addition to Bud's Warehouse, Belay Enterprises has founded and incubated five other social enterprises during its two decades of operation. Baby Bud's is a thrift store specializing in infant supplies. Freedom Cleaning provides commercial services to local churches and businesses. Good Neighbor Garage is a car recycling program. New Beginnings is a custom woodworking shop. Purple Door Coffee employs as servers youths who have been homeless. Each firm is incorporated as its own LLC.

Belay Enterprises was created by an evangelical Christian nonprofit called Mile High Ministries. Its largest initial funders were Cherry Hills Community Church, the United Way, the Tocqueville Society, the Anschutz Foundation, and the Adolph Coors Foundation. Five years into its operations, Belay Enterprises was financially stable thanks to revenue generated by the businesses it created. Belay relies on philanthropy to help cover the startup costs of new ventures until they are operating stably, but then they are expected to be self-supporting.

"We love going to donors and telling them that they're basically making an investment in the organization," says director James Reiner, "and that we won't be returning to them year after year asking them to sustain a business. We're aiming toward getting 80 percent to 90 percent of our budget covered by revenue."

Belay Enterprises uses faith to build cohesion, effort, and responsibility among employees of its enterprises. Each Wednesday morning at Bud's Warehouse, for example, staff members convene for a morning

“hood check.” Everyone around the table shares developments in their lives, and asks for prayer. Employees hold one another accountable.

“We’re an operation built on second chances,” Reiner says. “Grace and forgiveness permeate this place. When people experience that, they want their lives to change too. Most of our people have not had positive relationships or had people care about them, so this new community at work is a huge propeller to success. Helping people develop their faith allows them to see that there are bigger things than their problems.”

For soft skills, Reiner has found that the best training is on-the-job. “We give classes on anger management, for instance. But it’s best when they actually struggle with a conflict situation on the floor and we can walk them through that and help them learn from it,” he says.

Belay Enterprises aims to have new entrants complete all of its programs, work at one of their incubated businesses for more than one month, and use that experience to graduate to a market job in the community. They achieve this with between 30 and 45 percent of the individuals who come to them for help.

Christian commerce in Milwaukee

A similar faith-based model is employed at an organization launched around the same time as Bud’s, but in Milwaukee. The Community Warehouse feels like a neighborhood home improvement store. Beneath the surface, though, it’s a nonprofit that changes lives.

Community Warehouse was launched in 2002 to provide low-income people with affordable building materials. Contractors, retailers, distributors, manufacturers, and other businesses donate their unused building supplies to the group. It then sells them for about a quarter of the regular retail value.

The Community Warehouse hires “second-chance” workers—men and women who have had troubling holding work in the past. They sort, price, and display the donated goods in neat rows, help customers on the shop floor, and work the cash registers. Eight years after creating this successful jobs program, the nonprofit established its Milwaukee Working division to create even more full-time opportunities where job-challenged men and women could experience the dignity of work.

Milwaukee Working trains and mentors workers who deliver a variety of services to for-profit businesses. These include tasks like pick-pack-and-ship, sorting operations, and electronics disassembly for recycling. One of its most successful ventures is Milwaukee Working Marketplace, which sells used items—mostly books, DVDs, and small power tools—on Amazon.

In its woodshop, MW assembles home-improvement products for sale at Community Warehouse: bathroom vanities, kitchen cabinets, pre-hung doors. It disassembles old basketball courts and wood floors, repurposing the lumber for reuse and resale. Its building disassembly crew extracts recyclable materials from old structures prior to demolition, again to repurpose them. It collect unwanted pallets from local businesses, repairs them, and sell them to customers throughout the Milwaukee market.

Sales revenues from these enterprises provide wages for the workers while they learn skills in carpentry, computers, customer service, and logistics. The Community Warehouse and Milwaukee Working provide large doses of Christian support and love to participants as they train. And they draw them into the mainstream commercial work.

Alicia Manning at the Lynde and Harry Bradley Foundation comments that “we support these groups because they help people build the capacity to work, support their families, and become part of the broader economy.” Along with Bradley, about 50 other companies, religious organizations, and foundations, plus 75 or so individual donors, help defray the administrative costs of the nonprofit.

Sector-specific training: BioTechnical Institute

Another model that donors might consider is one that trains the disadvantaged to fill gaps in specific sectors of the economy. Health care is a top example. Today there are shortages in many places of health attendants of various sorts, and the U.S. Bureau of Labor Statistics estimates that an additional 5 million jobs will open in health and social-service occupations between 2012 and 2022. Linking Americans currently disconnected from the workforce with these jobs begging to be filled could yield a double success.

The nonprofit BioTechnical Institute of Maryland is doing just that in Baltimore—a city with a poverty rate of 25 percent. Dr. Margaret Penno, then a researcher at Johns Hopkins University, founded the organization in 1998. She had firsthand experience with the problem of high turnover in entry-level biotechnology jobs. Training individuals who lack a college degree but have the ability to learn necessary skills seemed the natural solution.

“The biotech industry in Baltimore was growing and they needed good people,” says BTI director Kathleen Weiss. “The economic argument was that non-degreed individuals are going to stay longer. And you don’t necessarily have to pay them as much as a college graduate.”

BTI started with one program to train lab associates—a nine-week curriculum of lectures and hands-on exercises. Staff soon discovered that a pre-training program was needed to refresh the math and technical skills of applicants. With critical support from the Annie E. Casey Foundation and East Baltimore Development Inc., BTI launched BioSTART, a 10-week program that offers basic technical background, training in professionalism, and essential skills for the lab.

“What we try to instill in people is that they are now professionals. When they put that lab coat on, they are putting that professionalism on.”

We had an opportunity to visit BTI’s training facility. Thanks to philanthropic support, it has a major asset on site: a full-scale laboratory with all the requisite equipment and a staff of trained biotechnologists. After successfully completing BioSTART, participants are placed in a 100-hour internship in this working lab. BTI covers the cost of the internship. Participating employers often end up hiring the lab’s interns.

BTI’s average applicant is an African-American woman in her 30s who is a single mother. “People come in our doors with a lot of baggage: often unemployed or under-employed,” Weiss says. “Their self-esteem may not be so good. So what we try to instill in people in the pre-training is that they are now professionals. When they put that lab coat on, they are putting that professionalism on. And it’s transformative.”

Applicants must have at least a high-school diploma. After they graduate from BTI, they are eligible for 6 credits toward an associate degree in biotechnology from Baltimore City Community College. To date, BTI has produced 322 graduates, who have enjoyed a job placement rate of 76 percent. Their average starting salary is \$25,000.

In addition to philanthropic support, BTI has an earned-revenue component through a social venture known as BioSciConcepts. The BTI staff offer fee-based workshops geared toward professionals in the technology world. Topics are wide ranging and include an introduction to cell culture and an exploration of molecular biology. Revenue generated from BioSciConcepts helps fund BTI’s programs to equip struggling workers for job success.

Critical early support for BTI came from the Baltimore-based Abell Foundation, which funds workforce development as one of its core areas. Other mainstay supporters include the Charles Bauer, Casey, Weinberg, and Wells Fargo foundations.

Other sector-specific job feeders also operate in Baltimore. The Baltimore Alliance for Careers in Healthcare, for instance, seeks to channel at-risk workers into short-staffed health-care occupations in the area. Similar nonprofits that train disadvantaged workers while simultaneously helping solve labor-market imbalances in their home areas also exist in other cities. There is room for much philanthropic invention on this front.

Supporting business growth in poor neighborhoods

Encouraging the success of businesses in troubled communities is another way philanthropists can boost the hard-to-employ. Two examples of philanthropic aggregators that help donors fulfill that vision in different regions are Pacific Community Ventures and Rising Tide Capital.

Pacific Community Ventures was created by former Silicon Valley executives wanting to invest in business creation in poor communities. PCV's services include various forms of "advice and capital to help small businesses succeed." Specifically, they advise potential founders of small businesses, provide loans, share information on best practices, and evaluate financials.

"I co-founded PCV in 1998 when I realized that small businesses could transform communities if they had the same advice and capital that was being made available to venture-backed technology startups," states entrepreneur Bud Colligan. In 2013, PCV connected 256 small firms across 11 states with expertise from its lineup of advisers. The total number of jobs in PCV companies rose 22 percent that same year.

A similar model exists on the East Coast. Rising Tide Capital is based in Jersey City, New Jersey. It is built on the notion that neighborhood revitalization begins from within—by tapping into the entrepreneurial talent and ambition that already exists in the community.

RTC provides budding local entrepreneurs in lower-income districts with three types of capital: financial, social, and knowledge. The help is delivered through two primary programs. The Community Business Academy is a 12-week course held on Saturdays and weeknights after the workday has ended. Its coursework, offered twice per year, trains participants in the basic principles of business management.

The second program, called Business Acceleration Services, provides more focused one-on-one training and seminars for those seeking to

open a new business or expand an existing one. RTC's typical entrepreneur is a 40-year-old mother of two children, a minority, with a household income of less than \$35,000.

By investing in entrepreneurs, RTC believes it reaps several layers of good results: A better life for the entrepreneur. Jobs for others in the community. And new enterprises that bring services or products the neighborhood was missing. Entrepreneurial philanthropists could extend these benefits to new places by building on these examples.

Common traits of outstanding work programs

We can identify some common traits in the effective work-bolstering charities described in this chapter. Here are eight:

1. Focus on participants anxious to change their lives

People firmly set in a dependence mindset or in self-destructive behaviors will rarely be changed even by the best programs. There are plenty of strugglers hungry for dramatic change in their lives; find them and assist them in making the hard adjustments.

“We can help someone get a job who wants a job, regardless of their past. But we can't make somebody want a job,” says Sandy Schultz of WorkFaith Connection. “If someone doesn't want to be here and doesn't want employment, there is little we can do for them.”

2. Offer practical training that fills a marketplace need

Training must prepare workers for actual jobs that are unfilled locally today, not imaginary future jobs. “The Achilles' heel in workforce development has been insufficient focus on preparing people for real, existing work in our employer community, and sometimes a failure to be sure people are ready for those jobs” says Carla Javits of REDF.

3. Always think about what employers need

The most successful organizations keep an ear cocked for what employers want. Improving an employer's bottom line via productive workers, reduced training costs, and reduced turnover will bring job-offering companies flocking; they can't hire strictly out of charity.

“Effective employment programs are like brokers,” explains Donn Weinberg of the Weinberg Foundation. “Employers can't find enough good people on their own, and they come to trust these programs to deliver a flow of reliable candidates. The reputation of the

employment program is based on making sure that their training is relevant and works.”

4. Emphasize job retention and advancement

Employment-challenged populations—high-school dropouts, single mothers, minorities, etc.—experience significantly less job stability, retention, and movement up the ladder than other groups. Adroit training groups realize the gravity of this. They make job placements but don't stop there—showing workers how to hold onto work, scout opportunities for advancement, and prepare themselves to step up.

“For many folks, it's not just about getting a job. It's about keeping a job over the long term,” says Maria Kim of Cara. Incentives to ensure that graduates of workforce programs stay in touch are useful in this regard. The Women's Bean Project—a social enterprise based in Denver—pays its graduates \$50 to check in every six months. Today, the organization's alumni follow-up rate is 80 percent, compared to an abysmal 20 percent when they simply said “please” without the financial enticement.

5. Recognize spiritual and psychological needs

Work involves a lot more than economics, particularly among struggling populations. One of the many reasons private nonprofits are better mechanisms for pulling disconnected persons into the workforce is because they have greater freedom than government entities to work with the whole human—including spiritual, moral, and psychological dimensions, self-image, and character development. Agencies of the state cannot push people in these areas, but voluntary groups, varying to reflect the range of human needs, can pull levers that would be inappropriate for a government agency. They can apply insights of responsibility, right conduct, personal value, religious faith, and the like. The result: changed hearts, changed minds, changed behavior, changed outlooks on life.

6. Provide missing community and social structure

A community that supports strivers, that elevates hard work and success, that redirects failure, can make all the difference. Job strugglers often have fewer people and networks in their life they can fall back on. Nonprofit programs that offer consistent tough love can help in this area.

7. Try to find models that earn your group revenue

Although not mandatory for success, a model that brings in revenue will make a program much more sustainable and expandable. Donors are attracted to nonprofits that have earnings, not only because that makes them stronger financially but because it is a market signal that their product is valued by customers willing to pay for it.

8. Operating businesses can be helpful

There are benefits beyond the cash flow in operating a revenue-generating business under the nonprofit infrastructure. These ventures give strugglers a safe place to learn work skills, providing a valuable track record of employment that can then be taken to the next job opportunity. And they become laboratories where charities learn what really works and what doesn't.