

# 5

## **Working Around Homelessness, Substance Abuse, Disability**

Donors trying to create pathways to work for “the least of these” can’t ignore the homeless, addicted, or disabled. These populations face some of the very highest obstacles to self-reliance. How can a would-be worker obtain and maintain a job without consistent housing? Work is likewise hard to impossible for someone enslaved by drugs or alcohol. People with significant mental or physical disabilities may find it hard to get started, or to advance, at a job. Sometimes these afflictions overlap. A large

proportion of the homeless face substance addictions, and many experience mental illness. Similarly, substance abuse can lead to disability. These are difficult populations that philanthropists must have strategies to address.

### **Gospel Rescue Missions**

According to the National Alliance to End Homelessness, nearly 600,000 people experience homelessness on any given night in the U.S. Family meltdown, mental illness, or substance abuse is usually behind this end-state. The homeless person's primary concern usually is finding food and a place to spend the night. Employment falls further down the list. Not surprisingly, most homeless persons are unemployed.

Donors have been involved in combating homelessness through America's network of local gospel rescue missions since the late-1800s. There are 300 of these quietly effective facilities across the country. They provide a warm and safe place to sleep for the night, a hot meal, rehabilitation services for about 18,000 alcoholics and addicts every year, and faith-based instruction. Some also work to create clear pathways to employment.

For example, the Raleigh Rescue Mission, located in North Carolina's capital city, provides not only emergency services but also longer-term training and vocational opportunities to help the homeless establish a sustainable style of living. In New York City, the Bowery Mission offers the basics of food, shelter, and clothing for men and women coming off the streets, but doesn't stop there. It also has a residential recovery program that provides services to beat addiction, personal counseling and mentorship, and education and employment training.

The Union Gospel Mission in Spokane, Washington, offers vocational training as part of its recovery curriculum. UGM assesses each participant's skills and strengths, then puts him on a career path matching his vocational bent. Participants work 240 hours in unpaid positions at collaborating businesses, then use this experience to procure paid employment.

Rescue Ministries of Mid-Michigan, Wheeler Mission Ministries in Indianapolis, and Denver Rescue Mission are three more missions that offer vocational training. More gospel missions are moving beyond the traditional rescue function, and beyond even job-placement efforts, and pushing into active programming that prepares individuals with highly problematic employment histories for occupational success.

“If we don’t take the next step of helping mission guests be assimilated back into society, then we haven’t fully succeeded,” says John Ashmen, president of the Association of Gospel Rescue Missions, the largest and oldest network of faith-based shelters in the U.S.

Most cities have a local rescue mission that does wonderful, unsung work aiding some of our country’s most miserable people. One way that donors could have a quick impact is to provide funding that allows their local mission to offer some of the workforce-development components developed in places like New York, Spokane, Indianapolis, and Denver. Tapping into an existing, proven apparatus like America’s rescue mission network can be an efficient way to reap significant social dividends.

### **Social enterprising: Delancey Street, FareStart**

Three blocks north of AT&T Park, home to the 2014 world champion San Francisco Giants, sits a 360,000 square foot compound right on the Embarcadero waterfront. Sporting a beautiful view of the bay, the Delancey Street Foundation hums with activity. On the street side, visitors find a nicely appointed restaurant, complete with breakfast, lunch, and dinner menus. White-collar workers from nearby businesses sit enjoying delicious fare. Occasionally, the ding of a trolley car can be heard as it rolls by just outside the windows.

But something is different about this restaurant. All of the employees have troubled backgrounds, including homelessness, gang activity, substance abuse, and incarceration. Yet here they are, working side by side to make the restaurant a success. And the restaurant is only one of many microenterprises housed within DSF. Sometimes known as “Harvard for the underclass,” the Delancey Street Foundation works to elevate strugglers into the middle class by preparing them for the world of middle-class work, including encouraging traditional middle-class values.

Founded in 1971, DSF has graduated more than 18,000 participants. According to Mimi Silbert, DSF’s longtime president, the main goal is to transform residents from a self-focused attitude to a selfless one. That’s partly accomplished through the DSF model: the nonprofit relies almost exclusively on residents—those former gang members and drug addicts—to make the organization run, not paid staff. If that concept sounds crazy to you, you’re not alone. But the results have been impressive.

Rather than relying primarily on philanthropy or government for operating funds, DSF generates approximately 70 percent of its operating budget from its own social enterprises—the businesses operated

on-site exclusively by residents. In addition to the Delancey Street Restaurant, DSF has a coffee house called Crossroads Café that could be easily mistaken for a Starbucks or Panera Bread. (In fact, Pottery Barn CEO Howard Lester donated the furniture and dishes inside.) And in one corner there is a bookstore and a gallery with works of art created by residents.

Located in the very center of the DSF grounds is a 146-seat movie theater that is often rented by private parties for events. In addition, movie producers use the screening room to review their day's work for films shot in San Francisco. The theater lobby has a glass-enclosed bar often rented (with serving staff) for events.



All of the employees have troubled backgrounds, yet here they are, working side by side to make the restaurant a success.

In addition to these glitzy elements, DSF offers a plethora of practical services under its social-enterprise umbrella: moving services; automotive repair and detailing; catering; event and wedding planning; Christmas tree sales; commercial decorating; digital printing, banners, silk screen, and framing; upholstery and sewing; woodworking and furniture making; construction and property management; corporate transportation services including limos; and warehousing.

DSF's only major requirements for those who desire to enter the program are that they possess a strong motivation to change and be in reasonably good health. People who have already got their act together are sent elsewhere. "We have to feel that no one else will take them," says Silbert. DSF does ban sex offenders and those who require psychiatric medication.

Applicants can stop by the DSF location any time, day or night, but they are required to sit on a bench in a waiting room until the interview begins. It is intended to be a first screen for cooperation and self-discipline. Sometimes arrivals must wait for hours. Nearly nine out of 10 applicants to DSF come through the criminal justice system. Former prisoners are required to write a letter of introduction before they are evaluated for an interview.

"We do not talk about people's problems," Silbert says. "We believe in finding their strengths. Change is a verb. If you want to change, do.

Don't sit there and talk about how hard it was growing up. We know it was terrible, but there are people born without arms and legs and they figure out a way to live. So you're going to have to figure out a way to live, and we're going to teach it to you."

Once admitted, a resident commits to stay for at least two years. The average tenure is four years. The three "house rules" are no drugs or alcohol, no violence, and no threats. While at DSF, residents can receive the equivalent of a GED, along with specific training in marketable skills acquired through the social enterprises outlined above. Residents are also taught social skills. When residents are prepared to graduate from the program into the "real work world," they find a job off-site but continue to live on the DSF campus and pay rent until achieving full stability.

For training and instruction, DSF relies on an "each one, teach one" model. As soon as a resident can read at an eighth-grade level, he teaches someone who is reading at a sixth-grade level—and then on down the line. If a resident works in the kitchen as a prep cook, then he's training and mentoring a dishwasher. This approach ensures that while residents are acquiring technical capabilities they are also learning social cooperation and leadership.

In addition to its San Francisco anchor facility, DSF has five other locations: in Los Angeles; the San Juan Pueblo Indian reservation of New Mexico; Greensboro, North Carolina; Brewster, New York; and Stockbridge, Massachusetts.

Numerous examples of impressive social-enterprise-centered non-profits now exist. In addition to DSF and others already mentioned, we will discuss many more in subsequent pages. Another worth mentioning here because of its similarity to the Delancey Street Foundation is FareStart, located in Seattle. It operates a restaurant that employs homeless men and women. It is built around a 16-week training program in which students learn the culinary arts alongside experienced chefs, while producing as many as 2,500 meals each day. FareStart also has a barista training program specifically geared toward homeless young adults in Seattle. Along with its on-the-job training FareStart provides instruction in life skills, personalized guidance, and job placement services.

### **Social enterprise in NYC: the Doe Fund**

By sheer numbers, New York City has the largest population of homeless individuals in the U.S.—over 64,000 in 2013, according to the U.S. Department of Housing and Urban Development. Los Angeles is a close second at nearly 53,000 individuals. A big difference between the two,

of course, is weather: The homeless in New York City must deal with freezing temperatures for months at a time.

It was winter bitterness that gave birth to the Doe Fund. In the early 1980s when New York City was at an economic and social nadir, winter cold killed several homeless persons. In response, donors launched the Doe Fund, named for one of the women who froze to death, known only as “Mama Doe.” A single principle served as its lodestar: the homeless have “the potential to be contributing members of society.”

Work is what translates this into reality. Doe trains people to be useful, do for themselves, and achieve self-sufficiency. In most homeless shelters and addiction recovery centers, notes Doe staffer Alexander Horwitz, the goal is just to sustain life. “That’s not our objective. Our objective is to give these folks back their lives so that they can live independently and self-sufficiently.”

If a homeless individual wants to join the program, the first requirement is that he give up any sense of entitlement. At the Doe Fund, everything must be earned. To encourage a new identity, all individuals are referred to as “trainees” after they are admitted, rather than “homeless.”

The average length of stay for participants is nine months. The first requirement is that residents work at the shelter they occupy. Some prepare meals, learning cooking skills in the process. Soon they are enmeshed in the Doe Fund’s paid work program—called Ready, Willing & Able—which provides transitional jobs at wages between \$8.20 and \$8.95 per hour in areas like building maintenance, pest control, commercial driving, back office work. One of the Doe Fund’s biggest revenue-generating social enterprises is street cleaning in New York City. Doe’s “men in blue” clean 170 miles of streets each day, 365 days a year. “These are people who go from sleeping on the streets to cleaning them,” smiles Horwitz.

The daily structure and sense of accomplishment that work provides has powerful effects in bringing order to the lives of many Doe participants. This prepares them for outside employment and mainstream life in a way that free welfare services are unable to do. In addition, the in-house businesses give the nonprofit a steady revenue stream to help pay for its services.

Strugglers graduate from Ready, Willing & Able once they are drug free, have a private-sector job, an apartment, and are paying child support if needed. For job placements, the Doe Fund allies with nearly 400 private-sector small businesses, hospitals, and companies. “It was always our intention to avoid establishing a workforce of people who could not

get a job anywhere else,” co-founder and former businessman George McDonald told us. “We’ve always focused on transitioning into the larger American economy. We didn’t have to create any economic system for them to go into: We have the best one in the world.”

Seventy percent of Doe’s program staff are themselves graduates of its program. “These individuals have gotten married and had children and earn a very good living. They are the proof to other participants that change is possible,” says McDonald’s wife and co-founder, Harriet Karr-McDonald.

In addition to being homeless, Doe’s participants are overwhelmingly minorities, 70 percent have a criminal record, and 85 percent have been substance abusers. Yet more than 60 percent of the persons who enter Ready, Willing & Able graduate into independent life and employment. A 2010 Harvard study found ex-cons coming out of the program were 60 percent less likely to have another felony conviction within three years after leaving prison.

A third of the Doe Fund’s \$52 million annual budget comes from revenue generated by the social enterprises. Another third comes from government—a percentage that Karr-McDonald is always working to reduce. The final third originates from private philanthropy. With funds from grantors like the Robin Hood, Hecksher, Andrew Mellon, Edna McConnell Clark, May and Samuel Rudin, Starr, and Achelis & Bodman foundations, among other institutional grantors, along with around 55,000 individuals who have given money to the fund at some point in its history, Doe has grown and expanded into multiple locations, programs, and businesses.

One graduate, a multiple felon now pursuing a college degree, says his experience with the Doe Fund “was the first time that I was told what I could do for myself.” Could this guiding principle make Doe a model for future poverty alleviation? Co-founder Harriet Karr-McDonald says yes. “Work works. We believe that we can change the welfare paradigm in America through work and opportunity.”

### **More social enterprising: Homeboy Industries**

Another pioneering group successfully offering job training to tough populations through its own social enterprises is Homeboy Industries. Headquartered in downtown Los Angeles, Homeboy houses numerous social enterprises, including Homeboy Bakery, Homegirl Café, a catering business, a T-shirt silkscreen and embroidery operation, a gourmet food

truck, a diner, farmers’-market stands, and online stores. These businesses offer perches where persons needing job training can get experience. And their cash flow also helps subsidize the many services Homeboy offers to the difficult clients who come through its doors: substance-abuse support, legal help, mental health treatment, domestic violence cessation, a charter high school, even a very successful solar-panel installment training program.

The seeds for Homeboy Industries were planted two decades ago by a Jesuit priest, Father Greg Boyle. Assigned to Dolores Mission—a heavily Latino parish in one of the poorest and most violent communities in L.A.—Boyle grew tired of losing young people to senseless gang violence. He began to seek out gang members and offer spiritual direction, retreats, and personal prayers. Boyle also realized early on that getting kids out of gangs and helping them become productive members of society would require jobs. In 1988, while still pastor of Dolores Mission, he created “Jobs for a Future,” which grew into Homeboy Industries.

The program is particularly devoted to getting gang-bangers off the streets, training and rehabilitating them to the point where they can



We’ve always focused on transitioning into the larger American economy. We didn’t have to create any economic system for them to go into: We have the best one in the world.

get, and keep, meaningful employment. About a thousand former gang members and recently incarcerated persons come to Homeboy every month seeking services and job help. At any given time, up to 300 former gang associates are employed in one of Homeboy’s programs. Fully 85 percent of Homeboy clients are on parole or probation.

Homeboy works closely with Los Angeles businesses to channel people who come for help into private-sector jobs. Clients with bad records, weak skills, or poor work habits often start at one of the Homeboy’s own enterprises. There, participants learn how to show up on time, treat a customer with courtesy, and exhibit professionalism. Once they have established a good record and useful skill set there, the program helps place them in a market job.

While sales by the social enterprises generate close to \$5 million dollars of annual revenue to help underwrite programming, Homeboy still relies on more than \$8 million dollars of annual fundraising. Dozens of foundations and major individual donors provide support. More than a hundred foundations and individual donors made important long-term contributions to the growth of Homeboy Industries during their first 25 years, including the Annenberg, Robert Wood Johnson, Ahmanson, Weingart, Hilton, Keck, Irvine, Walmart, and Parsons foundations.

### **Work-friendly solutions to substance abuse: Step 13 and Teen Challenge**

Alcohol is our most abused drug—one fourth of U.S. adults report engaging in binge drinking during the past month, and an estimated 18 million Americans suffer from alcohol dependence. But 52 million Americans have also used prescription drugs for nonmedical reasons (6 million of them within the last month), and there are about 20 million annual users of marijuana today. In 2013, an estimated 2 million Americans used cocaine in 2013, 700,000 used heroin, and more than 500,000 took methamphetamine. These behaviors interfere with work in many ways.

For one thing, many employers now conduct drug testing on employees, especially in the lower-tier occupations that economic strugglers typically enter. Another barrier to work for drug users and alcohol abusers is simply the performance-damaging aspects of impairment. And then there is the fact that substance abusers often get snarled up in chaos, family breakup, and crime.

Work, however, can be an aid to walking away from all this. A satisfying job can push aside reliance on these compounds. That can be seen in two drug-rehab nonprofits that use reintegration into work as a strong part of their services.

Today, downtown Denver's Larimer Street is an eclectic assortment of restaurants, bars, and shops. That's a testament to the power of neighborhood revitalization, because three decades ago Larimer Street was a hub for drug dealers, prostitutes, and the homeless. The street was known as Denver's skid row.

It was in that turbulent atmosphere that Step 13 was born. A play off the traditional twelve steps of addiction recovery, Step 13 offers more than a typical recovery program. It requires work, and offers opportunities to succeed at it.

Step 13 was founded in 1983 by Bob Cote to help hard-core drunks and addicts transition away from life on the street, partly through the power of honest labor. A physically imposing, larger-than-life former boxer who passed away in 2013, Cote was himself a recovered alcoholic. He knew firsthand the torments of the men he was serving. And philanthropists impressed with his leadership—like Phil Anschutz, Steve Schuck, and the Daniels Fund—became generous supporters of his program.

As a residential program, Step 13 caters to males over the age of 21 who have lost everything due to their drug or alcohol addictions. Persons convicted of violent or sexual offenses are not admitted. Over the past three decades, more than 2,500 men have participated in the program, with an average enrollment time of nine months. They are taught to respect others, to work, and to sustain themselves.

The program provides training and job placement services, along with classes on such issues as budgeting, healthy relationships, cooking, and personal fitness. Residents are required to be out working or seeking employment during all weekdays. For those who can't find steady jobs, Step 13 hires them out as day laborers until they can land something more permanent. This program is known as StepWork.

Step 13 also offers in-house opportunities to acquire work skills, including their own social enterprises. One of the organization's best-known programs is DetailWorks—a car, truck, RV, and motorcycle detailing program staffed by shelter residents. Customers can either drop their vehicle off at Step 13's Larimer Street facility, or have Step 13 detailers come to them. A popular option created by the nonprofit allows baseball fans to leave their car at Step 13 for detailing while they catch a Rockies game at nearby Coors Field. In addition to getting back a slicked-up vehicle, they avoid the expensive stadium parking fees. Step 13 also accepts donated cars and trucks for rehab and resale.

As a residential program, Step 13 has a zero-tolerance policy for alcohol or substance use among enrolled men. This is enforced with daily testing. In addition, residents must support themselves either through an outside job, StepWork, or one of the social enterprises. Each man must pull his own weight.

There are no program costs for participants, but men must pay \$10 a day (or \$60 per week prepaid) to reside on the premises, and they buy their own food and cook in the communal kitchen. Men are also asked to handle routine maintenance at the facility. Monday through Thursday evenings, each man attends a mandatory meeting based on Alcoholics Anonymous.

In a partnership with Wells Fargo Bank, every participant opens a bank account. For some, this is the first one they've had. The organization conducts budgeting classes and teaches residents how to handle their earnings. This too helps connect the men to the world of success and self-sufficiency.

Step 13 serves about 80 men on any given day. "A lot of times, the identity of our men has come to be based not on who they are, but on what they've done in the past," says director Peter Droege (formerly of the Daniels Fund), who is the program's only paid staff member. "That's where we begin. Reminding them that success is about who they are today."

Many of these men's worldviews are also warped by entitlement payments, which can likewise come to define their lives, according to Droege. "Once they get onto an entitlement program, that's often their highest priority. They stand in lines, or limit their work hours, or adjust their behavior in order to maintain their entitlement. In that sense, entitlement is very similar to addiction."



The temptation of lifetime payments has convinced many Americans with disabilities to retreat into dependence on government checks when they could be supporting themselves and earning crucial social and psychological benefits of work as well.

Another drug rehabilitation program that uses workforce-readiness as an important part of recovery is Teen Challenge USA. It's a national program that offers teens, and also adults, residential rehabilitation. Founded in 1958 by Pastor David Wilkerson, Teen Challenge is one of the oldest faith-based addiction recovery programs in the country. Wilkerson's work in New York City convinced him that teens needed to make long-term commitments to wean themselves off drugs and alcohol. So he developed a residential program that would offer young people a combination of a strong sense of community, faith supports built on Bible study, and practical training in job skills that could support and stimulate the person occupationally.

Today, Teen Challenge is a network of over 1,100 centers worldwide. We had the opportunity to visit the Teen Challenge chapter headquartered

in Denver, Colorado. The men's program, 180 Ministries, is housed in a two-story building in south Denver where residents spend 12 to 18 months learning new skills and turning their lives around. Eighty percent of its referrals come through churches. The most commonly abused drugs here are prescription medicines.

As part of the 180 Ministries program, young men participate in a “work therapy” initiative, which places them in jobs across a network of businesses in the Denver area. Similar ventures offer addiction-recovery services and work to young women (the House of Promise) and to single mothers (New Hope House). Teen Challenge charges individuals around \$2,000 for treatment, but subsidizes those who can't meet the full bill. Local chapters rely on donations—from churches, individuals, businesses, and corporate partners. Foundation grants make up a final 10 percent of funding.

### Helping disabled veterans find work

As we explored briefly in Chapter 2, the U.S. has experienced soaring disability claims in recent years. In the face of many medical and pharmacological miracles that reduce disabling conditions, in the face of sharply reduced injury thanks to improved workplace safety, in the face of myriad legal, technological, and attitudinal changes that have made it easier for persons who are disabled to be active in mainstream society, we are nonetheless faced with a disability explosion today. Hard-won achievements have been tragically counterbalanced by the destructive economic incentives of disability transfers. The temptation of lifetime payments has convinced many Americans to retreat into dependence on government checks when they could be actively supporting themselves and earning the crucial social and psychological benefits of work as well.

This is expensive for taxpayers. But it is disastrous for the long-term well-being of the disabled. The unintended effect of just giving people money rather than helping them earn their own independence is to diminish many people—defining them by their weaknesses rather than by their capacities and potential.

One of the saddest places where this trend is evident is among veterans. Young men and women with above-average inherent capabilities (which, statistically, veterans are) and deep maturing experience (which many vets accumulate) should be valuable additions to the American workforce and society when they leave military service. But perverse disability incentives are now ensnaring many veterans and getting in the

way of their healthy reintegration. Nearly half of all post-9/11 veterans are now on track to claim disability payments when they leave the service, and they are claiming an average of nearly four maladies each. Among World War II troops, only one out of nine filed for disability, claiming less than two conditions on average. Those who deployed and those who stayed home, office-bound clerks and combat troops, men who faced bullets and men who repaired trucks—all types of vets are being swept up in this explosion of disability entitlements.

Daniel Gade, a West Point graduate who was awarded two Purple Hearts and lost a leg in Iraq, has noted that a disabled veteran in his early 20s can be eligible for \$3,000 to \$4,000 per month in disability payments, much of it tax free and much of it taken away if he finds work. Many of the entry-level jobs available to young people can't compare with that payment. And it can be received without labor, without any expectation or requirement for getting treatment that will improve one's condition and allow independence. This is an entitlement that will be paid for an entire lifetime.

As this book is written, The Philanthropy Roundtable is incubating a major experiment that seeks to create a healthier set of incentives for injured veterans. Among a group of several hundred veteran volunteers, it proposes to use donor support to turn our current disability compensation system on its head and then test the results. Instead of trickling out a lifetime of marginal monthly benefits, this experiment would front-load the process—spending generously on injured veterans as they leave the service to help them qualify themselves for their dream job and then expecting them to be contributing members of society instead of passive benefit collectors the rest of their lives.

With initial design support from the Anschutz, Milbank, Daniels, and Wilf foundations, this proposal will carefully track outcomes for vets. The front-loaded, work- and independence-based assistance will be compared to outcomes among vets drawing conventional disability benefits. Findings from the \$10 million donor-funded experiment could then be used to make the federal system for disabled veterans friendlier to work and self-reliance.

In the meantime, there are hundreds of small philanthropic programs that aim to help veterans transition in healthy ways into the civilian workforce. One successful example is the Entrepreneurial Bootcamp for Veterans with Disabilities, operated with extensive donor support by Syracuse University. Mike Haynie, a U.S. Air Force veteran and professor

of entrepreneurship at Syracuse's Whitman School of Management, founded the program in 2006.

EBV begins with a monthlong online course that teaches the basics of starting one's own business. This is followed by nine days of intensive classroom instruction. The participating veterans develop their own business plans and make presentations to a panel of business experts. Every aspect of creating, launching, and operating an entrepreneurial endeavor is covered. Graduates of the program then have access to a year's worth of free technical assistance from EBV trainers as they translate their effort into a real business.

It costs \$5,280 to put each veteran through this course. Participants attend tuition-free though, thanks to generous support from individual donors, corporations, and foundations. To date, 600 veterans have completed the program, spawning many successful ventures and careers, even from vets with the most serious injuries. The boot camp has now been expanded to eight partner universities across the country, with Syracuse University keeping a tight rein on the quality of the programming by training instructors and sharing curriculum.

Donors interested in a venture-philanthropy approach also have another top-notch model to draw inspiration from. The Call of Duty Endowment (CODE) largely is funded by Activision Blizzard, the video-game company responsible for the best-selling Call of Duty series. CODE funds over a dozen top-rated nonprofits scattered across the country to link returning veterans with employment opportunities. Its goal is to put 25,000 veterans into high-quality jobs before the end of 2017.

Robert Kotick, president of Activision Blizzard, wants his firm's charitable efforts for veterans to reflect the realities of work in the business economy and to center on ways of helping post-9/11 veterans find lasting, productive jobs. Nonprofits apply to CODE through an application that requires details on things like what it costs for them to place a veteran and the average quality of their placements (defined by starting salary, full-time vs. part-time, industry, job functions, and so forth).

After CODE culls the applications, staff pass the best ideas to an outside board of advisers who whittle the list down to finalists. The auditing-consulting firm Deloitte then goes on site for two to five days to verify the nonprofit's claims, interview leadership teams, investigate the organization's financial health, and check on operations. The average resulting grant is approximately \$400,000. CODE views the grant recipient as a business partner, and expects results from them on behalf of veterans.

Since CODE's founding in 2009, the organization has made \$4.1 million in grants to 22 different organizations. From the program's beginning, it has helped place thousands of veterans in jobs, at an accelerating pace in recent months. CODE supported 5,600 placements in 2014 alone. The average starting salary for these placements was \$45,000. In the early years, the cost-per-placement was around \$1,500; now it is under \$1,000.

"We feel that our process allows us to identify winners—nonprofits that are making an outsized impact," says CODE executive director Dan Goldenberg. This includes work with veterans with the most severe disabilities. In April 2014, for instance, CODE gave a \$250,000 expansion grant to the Veterans Staffing Network run by Easter Seals to assist wounded warriors emerging from Walter Reed Hospital and Fort Belvoir Community Hospital.



Goodwill Industries helps place more than a quarter of a million hard-to-employ people in private jobs every year. It estimates that the workers it assists in any given year increase their lifetime earning potential by \$15 billion.

Another nonprofit supported by CODE is the U.S. Veterans Initiative (U.S. VETS) headed by Vietnam veteran Stephen Peck. Ninety-two percent of the veterans placed in jobs by U.S. VETS are homeless, and many of them face physical and mental barriers. U.S. VETS tackles their issues in ways similar to how other top workforce-development organizations work: a mix of classroom instruction, interview training, case management, job fairs, and placement assistance. CODE made its initial \$500,000 gift to U.S. VETS in 2013.

Goldenberg thinks the most pressing need for the future is showing private companies why it is in their interests to hire vets. "All the talk of patriotic duty and how great veterans are, it's wonderful and it makes you feel good. But what's important at the end of the day is seeing that these people are embraced as valuable assets in our civilian economy, so they and their employers can flourish together," he says.

For more information on workforce opportunities for returning veterans, we recommend *Serving Those Who Served: A Wise Giver's Guide to*

*Assisting Veterans and Military Families*, a manual published by The Philanthropy Roundtable and written by its full-time program manager for veteran affairs, Thomas Meyer.

### **Putting persons with serious mental or physical disabilities to work: Goodwill**

An estimated 80 percent of individuals with severe mental or physical disabilities are not currently in the labor force. The obstacles to work faced by this cohort are perhaps the most difficult of any explored in this guidebook. Persons with serious afflictions, and combinations of physical and mental special needs, particularly need opportunities and assistance.

The good news is that philanthropists are making inroads in this area. (So too are some private companies that have established programs to hire and retain special-needs workers. Walgreens, for example, recently launched a nationwide push to train disabled persons for employment in its national chain of drug stores.)

The most common special-needs disabilities include autism, Down syndrome, mental retardation, cerebral palsy, and attention deficit/hyperactivity disorder. Sheltered workshops are one oft-used pathway to work for special-needs individuals. There are also efforts to integrate disabled workers into the regular workforce.

No group has done more to pioneer pathways to employment for special-needs men and women than Goodwill Industries. Goodwill operates as a network of independent local operations, organized and assisted by a national member-services center. In 2015 there were 165 of these independently run affiliates throughout the U.S. and Canada. They collect donated clothing, shoes, books, DVDs, furniture, and other household items, which they then organize, clean, rehabilitate, and sell through more than 3,000 retail outlets (plus an online auction site). Retail sales bring in close to \$4 billion for the organization.

In addition, Goodwill organizes workers—those with special needs, along with persons with criminal backgrounds, and other hard-to-employ individuals—into teams that provide industrial and service work on a contract basis. Goodwill outlets carry out maintenance, landscaping, recycling, document management, and other tasks on an outsourced basis. This work brings in about \$650 million of annual revenue.

Goodwill pours 83 percent of its earned revenues directly into programming. In addition to training and overseeing workers at its own stores and workshops, Goodwill helps place more than a quarter of a

million hard-to-employ people in private jobs every year. It offers special-needs individuals personalized job coaching, help completing high school, and other aid. Some affiliates even operate charter high schools, or assist in the earning of vocational credentials in areas like fire-fighting and nursing. Social and financial resources are also offered, like help locating housing, financial literacy classes, and guidance on avoiding domestic abuse. Goodwill estimates that the workers it assists and trains in any given year increase their lifetime earning potential by \$15 billion.

“We really look at our whole workforce as transitional,” says Midwestern Goodwill executive Kent Kramer. “They might be transitioning into a higher paying job within Goodwill, or outside Goodwill. Our overarching mission is to move people toward economic self-sufficiency and break the cycle of poverty for that individual, for that family. We do that through education. We’re proud that we offer employment opportunities to people no one else will.”

### **Coping with mental illness at Fountain House**

Only about 15 percent of people with serious mental illness are currently employed. This is an area dominated by government services and mandates, but private initiatives can make a difference here. Fountain House in New York City is an example. Created in 1948 by a group of patients recently released from a state hospital, the organization is built around giving the mentally ill the opportunity to work and live independently.

In addition to providing a “blanket” of community, education, fitness, and housing resources (500 people get temporary supported housing), Fountain House has a job-readiness component that has been a top priority since its founding. Through partnerships with various area businesses, it provides two job tracks. Transitional Employment offers temporary jobs of up to six months that allow members to build up their résumé. Supported Employment provides full-time or part-time positions that are ongoing. One ingredient in Fountain House’s recipe of success is that if one of their placements doesn’t show up for work, the organization will supply a replacement employee to fill the gap. That increases the willingness of employers to give the group’s members an opportunity.

Fountain House also encourages entrepreneurial thinking and small-business creation in its training. It has a microbusiness incubator, called Linking Lives Enterprises, that has created four social ventures: Jack Rabbit Deliveries, Bluebird Designs, Clever Cheetah Catering, and

Rock Dove Industrial Services. Each of these businesses is built around creating places for the mentally ill to work. Once members have developed a sufficient track record they are encouraged to find employment in an unsheltered environment.

One obstacle that must be overcome is the fact that most Fountain House residents are on government disability. If they attain full-time work, they will lose their benefits. “Often people are ready for a full-time job but are hesitant because they are terrified of losing their benefits,” reports Fountain House donor and board member Marlene Mieske. “Our goal is to help people attain independence, but it is an ongoing struggle with the way current government-benefit policies work.”

Mieske says that “Fountain House does not focus on them as victims. It really focuses on asking the question, ‘What are you going to do with your life?’” A psychiatric nurse herself, Mieske reports that most mental-health treatment programs are “just keeping people in a holding pattern. This is a program that moves people forward, if they’re able to move. People are moving and changing and having opportunities. The focus is really on not the illness, but their potential—to be people, to have jobs, to get education.”

Fountain House serves 1,300 members annually. It raises about \$4½ million a year in private support, primarily from individuals, and pulls in another million and a half of revenue through program fees, product sales, and such. Nearly \$11 million of government payments cover things like the supported housing.

“I’ve always felt we should make it more philanthropy and less government, because private philanthropy works in certain areas better than government,” says Mieske. “Our costs are controlled because the most basic element of the program is members helping other members. The staff is there mostly as facilitators. We even have a large art gallery, open to the public, which is run by the members, not by staff. Almost everything that works at Fountain House is a result of members pitching in and taking responsibility for operations.”

Fountain House has inspired similar organizations that serve more than 100,000 people annually. The group is willing to help founders create their own versions in additional cities and states.