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Agencies target hard-core unemployed, spin off profits

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MT. ORAB - Gary Mullen is a carpenter whose work disappeared during the recession.

He's a former drug and alcohol abuser, too, who went through almost five months of treatment with social service agency Talbert House in this Brown County town.

He now works 30 hours a week for the agency in its in-house business, DocuPro, a document conversion and destruction business in the back of Talbert House's storefront on North High Street.

"I am able to support myself," said Mullen, 50, who earns minimum wage, \$7.75 an hour, to run a shredder and is learning to scan paper documents into the company's computer. "The good things I learned in treatment are still going on in this job."

The practice of social enterprise - agencies starting up subsidiary companies to create jobs for hard-to-employ former clients and find new sources of revenue - is not new. Yet the idea is catching on in a bigger way in current economy to help agencies combat shrinking and often iffy sources of money.

Nationally, more than half, 54 percent, of nonprofits working in social services operated a similar in-house business, according to the Center for the Advancement of Social Entrepreneurship, and 60 percent of these agencies say they plan to launch another social enterprise in the next three to five years.

"Some people need work histories," said Andrea Milani, director of Talbert House's Brown County Recovery Services, which treated 300 people for drug and alcohol abuse and 700 for mental health issues last year.

Other job providers say the chronically unemployed need help to reach full employment. Teaching-oriented workplaces such as DocuPro - Talbert House's first social enterprise venture - work as entrance ramps into the job market. DocuPro plans to grow from four employees to as many as 15 within a few years.

Then, there's the need for revenue to invest back into the agency.

Bolstered by start-up money for equipment from the Health Foundation of Greater Cincinnati, DocuPro expects to break even in its first year with revenues of \$125,000, Milani said.

"In our area, mental health, (social enterprise) is getting more and more common," said Janice Bogner, health foundation program officer. "Traditional funding from the government is flat or declining, but demand for our services is up."

Brighton Center, the largest social service agency in Northern Kentucky, which serves 72,000 people in 35 programs, has expanded its Clothing Closet in Newport. A used clothing store that sells donated items, Clothing Closet turned \$75,000 back into Brighton Center's Community Investment Department - about 16 percent of its budget.

"We're very interested and looking at social enterprise opportunities for the agency," said Wonda

Winkler, Brighton's associate operating officer. "It's an idea that provides more diversified funding in these uncertain times."

Two other agencies have been involved in social enterprise for a long time.

One is Power Inspires Progress, a nonprofit that operates Venice on Vine Pizza in Over-the-Rhine and Venice Catering. Both offer training and jobs for ex-convicts and people without high school diplomas.

"Nonprofits step in when the market fails," said Rina Saperstein, Power Inspires Progress executive director.

Easter Seals Work Resource Center operates Building Value, a three-prong business that consists of salvage services, recycling and retail of used household building items - such as entire kitchens, bathroom sinks, mantles and light fixtures - out of its store on Spring Grove Avenue in Northside.

More than 100 people earned wages and received job training, and 4,000 tons of materials have been recycled.

Building Ability is a work-based social enterprise for people with severe disabilities who are interested in learning basic woodworking skills; it uses scrap materials donated to Building Value or salvaged by a Building Value team. About 10-12 people are employed in wood working and another 10-16 in Building Value. Another 50 people work in Easter Seals' packaging business in its Walnut Hills headquarters in jobs that last six months to a year and prepare inexperienced workers for the market.

"Nonprofit is a tax status, not a business strategy," said Lisa FitzGibbon, president and chief executive of Easter Seals Work Resource Center. "It's all about generating revenue to plow back into the agency to further its mission."
