

Catholic Campaign for Human Development

Economic Development Grants

Social Purpose Enterprises

What is a Social Purpose Enterprise?

REDF, formerly known as the Roberts Enterprise Development Fund, defines a social purpose enterprise as a revenue-generating venture founded by a nonprofit to create jobs or training opportunities for very low-income individuals, while simultaneously operating with reference to the financial bottom-line.

Social Purpose Enterprises focus on the development of a business that has an integral, on-the-job training component that opens up the possibility of placement in other mainstream businesses once workers have acquired certain skills. Economic Development Institutions that organize community members experiencing multiple barriers to employment may develop these businesses in order to create jobs and promote participatory control and decision-making.

“Justice will never be fully attained unless people see in the poor person, who is asking for help in order to survive, not an annoyance or a burden, but an opportunity for showing kindness and a chance for greater enrichment [and] helping entire peoples which are presently excluded or marginalized to enter into the sphere of economic and human development.”

—Pope John Paul II,
Centesimus Annus,
1991, #58.

Why does CCHD fund Social Purpose Enterprises?

- Those involved with social purpose enterprises often refer to a “double bottom line” defined by the Social Enterprise Alliance as: “the definitive benchmark for a social purpose business venture—the simultaneous creation of both a financial and social return on investment.”
- The principle that a business should create both an economic benefit and a social benefit is well grounded in Catholic social teaching. As the U.S. bishops advised in the first paragraph of their 1986 pastoral letter: “Our faith calls us to measure this economy, not only by what it produces, but also by how it touches human life and whether it protects or undermines the dignity of the human person.”
- CCHD supports social purpose enterprises because they provide a way for the poor and disenfranchised to work their way back into the economic mainstream with a good paying job, ongoing training, and paths to career placements.

Recently, CCHD funded Social Purpose Enterprises that:

- **Created 32 full-time jobs in five different communities.**
- **Pay an average of nearly \$10/hour with health benefits.**
- **Provide training and entry into the hospitality, food preparation, construction, and retail industries.**

The Café Reconcile Story

A Recipe for Hope in New Orleans

Café Reconcile provides at-risk youth an opportunity to learn life and interpersonal skills and operational training for successful entry into the hospitality and restaurant industries while also serving as an economic development cornerstone for the blighted and declining but slowly returning Central City neighborhood.

Café Reconcile was conceived in the mid-1990s in the Central City neighborhood at a time when the most visible economic activities seemed to be illegal drugs and prostitution. Largely born of the work of the late Fr. Harry Thompson, SJ, and Mr. Craig Cuccia, executive director, Café Reconcile's youth workforce development program was created following the purchase of a five-story building in the community in 1997. With start-up funding from CCHD, the program was launched in 2000 to provide practical, on-the-job training, experience, and life skills to local hospitality school students and other residents, helping them to acquire expertise in restaurant service and management.

Though the Café originally opened housing a modest candy shop in a renovated corner of the once derelict building, by the start of 2006, it was recognized as one of the city's Top Ten soul food

Restaurants, with no meal priced greater than \$8.00 and more than 300 youth having completed the training program. Many have moved on to careers in the city's top restaurants, and some continue as employees of the Café.

Hurricane Katrina and the subsequent flooding did not devastate the Central City neighborhood to the same extent as some other areas of New Orleans, allowing Café Reconcile to reopen less than two months after the hurricane. Café Reconcile is expanding its catering operation, developing a family learning center, and working on the model for a "business incubator" to bring new jobs to the area.

For more information, go to www.cafereconcile.org.

"I'm proud of myself! My momma did the best she could, but the drugs got in the way. I had to do this to better me, and I did it on my own!"

—A Recent Café Reconcile Graduate

Interested in learning more about starting a social purpose enterprise? Check out these organizations:

REDF (formerly the Roberts Enterprise Development Fund)
www.redf.org

Social Enterprise Alliance www.se-alliance.org

Social Venture Network www.svn.org

To learn more about the CCHD Economic Development Program goals, criteria, and funding guidelines, visit:

<http://www.usccb.org/cchd/edgrant.shtml>