

Employment Social Enterprise

Results of a recent study on economic self-sufficiency and life stability



In July 2021, RTI International (Research Triangle International) conducted a study on behalf of REDF (Roberts Enterprise Development Fund) evaluating four Employment Social Enterprises (ESEs) located across the country, including Central City Concern's social enterprise programs, Clean Start and Central City Staffing.

CCC is pleased to share the results of the study, demonstrating the many benefits experienced by clients in both CCC's Clean Start and Central City Staffing programs.

WHAT IS AN EMPLOYMENT SOCIAL ENTERPRISE (ESE)?

ESEs are mission-driven businesses focused on hiring and assisting people who face barriers to work. They have both a business and a social mission. By developing workers' skills, ESEs aim to help workers achieve sustained employment, earn more money, and improve the quality of their lives, in ways such as attaining stable housing and having employer-sponsored health care

HOW THE STUDY WORKED

CCC was one of four ESEs studied. People participating in CCC's Clean Start and Central City Staffing (the "ESE group") were compared to other people (the "comparison group") who were very similar to them, except that they did not work for an ESE. The comparison group consisted of people who attended a CCC employment orientation and opted for other employment services through the CCC Employment Access Center to assist them in finding employment in the community.

Propensity score matching¹ was used to ensure that the comparison group was as similar to the ESE group as possible. All study participants were surveyed at intake, as well as 18 months later, when their ESE work and training had been completed. The ESE group was also given a perceptual feedback survey² approximately a third of the way through their ESE training and employment, and an exit survey for when they left or completed the program.

¹ Propensity score matching is a statistical technique used in quasi-experimental design studies to control for selection biases and equate a treatment group and comparison group at baseline.

² The perceptual feedback survey focused on the way ESE workers perceived their ESE experience and how prepared they felt for future work. Survey questions focused on topics such as general satisfaction and sense of belonging.

CCC FINDINGS 18 MONTHS AFTER INTAKE

Employment

CCC had the most pronounced result in employment among the four ESEs studied. Eighteen months after intake, there was a 17-percentage point difference between the ESE group and the comparison group. Those in the CCC ESE group also had higher wages, total income and ratio of wage to total income. The results for wage and the ratio were statistically significant. Social enterprise participation at CCC had a positive effect on currently having insurance and having employer-sponsored insurance.

Housing

CCC social enterprise programs showed consistent benefits for workers' housing stability, with a 24-percentage-point difference between the ESE group and the comparison group for those currently living in stable housing. 74% of the ESE group were currently living in stable housing. Furthermore, a greater share of the CCC ESE group compared with the comparison group experienced stable housing at any point during the prior 18 months, and a lower share experienced temporary housing at any point during the prior 18 months.

Arrests

The CCC ESE group was 7 percentage points less likely to have been arrested in the last 18 months than the comparison group.

Return on Investment

Of all four ESEs studied, CCC had the highest return on investment, meaning for every dollar spent, the return on investment to society as a whole (including the worker, the ESE and the taxpayer) was \$1.98.

GENERAL FINDINGS FOR ALL ESES STUDIED

- **The ESE group continued to have a higher employment rate and income than the comparison group did.** Additionally, the researchers found that ESE employment benefited members of all race/ethnic and gender groups.
- **When the COVID-19 pandemic began, all workers in the study had completed their ESE work and training.** However, for many study participants, the COVID-19 pandemic started during the 18-month follow-up period. Both ESE and comparison group members experienced job losses during this time. Even during the pandemic, however, the ESE group continued to have a higher employment rate and income than the comparison group.
- **The members of the ESE group were more likely to have employer-sponsored health insurance and less likely to report that their physical or emotional health limited the work.**
- **ESE participation benefits society as a whole.** The return on investment for each dollar spent employing ESE workers was 13 percent.

This study examined the impacts of four ESEs, each of which provided different kinds of employment and training to those with various employment barriers. Given the differences in training and the barriers the workers faced, it is not surprising that results across ESEs are not identical. Future research could examine the benefits of services and work for those facing specific kinds of barriers and those facing multiple barriers. However, overall, findings pertaining to economic self-sufficiency were consistent across all ESEs and are consistent with past evaluations of ESEs.

Having steady work can help a person stabilize their life by obtaining secure housing, avoiding arrest, and having a greater sense of well-being. ESE employment and training may help people become more aware of and able to pursue educational opportunities to further enhance their skills.



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