

# **Social Enterprises Offer Multiple Chances for Proven-Risk Young Adults**

Gregg Croteau & Dawn Grenier 04 December 2017

## **Executive Summary**

UTECH is a nonprofit organization that serves proven-risk young adults, defined as those with histories of incarceration or serious criminal and/or gang activity.

UTECH works in Lowell and Lawrence, MA, both characterized by income inequality and significant gang activity. UTECH helps proven-risk adults transition from criminal activity to sustainable employment, including attainment of their high school equivalency and other credentials.

As part of its strategy to ensure that our young adults have multiple chances over multiple years, UTECH has developed social enterprises in food services, woodworking, and mattress recycling. We believe that the business side of each social enterprise must work around the programming side in order to achieve our triple bottom line of Youth Outcomes, Financial Value, and Community Impact.

## **Social Context**

UTECH is a community-based nonprofit that serves young adults from Lowell and Lawrence, two smaller cities in the Merrimack Valley region northeast of Boston. Both cities have low rates of high school completion and high poverty and unemployment rates, compared with Massachusetts' averages. Each city also has 25 to 30 active gang sets, both national and localized, which is well above average for cities of comparable size.

About 150 young adults each year are served through UTECH's intensive model outlined in this article. Last year, 93 percent of these young adults had a criminal record and 69 percent lacked a high school credential at the time of enrollment in our program. More than a third were also young parents.

Disengagement from school, exposure to violence, poverty, race, and being a young parent can all correlate with a young person's increased likelihood of being involved with the criminal justice system. This has notable consequences for criminal justice; as a Mass Inc. policy brief summarized, "Young adults ages 18 to 24 are the most likely demographic to find their way into Massachusetts prisons and the quickest to return to them upon release" (Forman and Yee, 2015).

## **Solution and Success**

UTECH social enterprises are designed with two primary objectives: to operate in a way that prioritizes

programming needs, particularly through multiple chances to engage and re-engage, and to generate revenues that offset operating costs. Each enterprise aligns with an industry area that is “CORI-friendly,” or accessible to workers with criminal records, and offers opportunity for real career growth without post-secondary education. The social enterprise work includes:

- **Mattress Recycling:** This high-volume, low-skill warehouse process is an ideal point of entry for young people who first need to focus on positive work habits rather than specific hard skills. This social enterprise collects mattresses from individual and institutional (eg, colleges, hospitals) customers, deconstructs them into component materials, and recycles up to 85 percent of the materials to reduce landfill waste.
- **Food Services -- Café, Catering, and Retail Food Production:** Teaches youth the skills necessary for successful employment in culinary and event management positions. One of UTEC’s two commercial kitchens prepares catering for onsite and offsite orders and preps meals for the retail Café UTEC, onsite at the UTEC program center. The second commercial kitchen focuses on food manufacturing and packaging for high-volume customers.
- **Woodworking:** Teaches youth basic safety and tools skills, modeling and construction skills, and custom

woodworking using re-purposed materials.

Paid work experience through the social enterprises is just one component of UTEC's integrated model. During the orientation and acclimation period, young people work with a Transformational Beginnings Coach to prepare for enrollment, with particular focus on assessment activities (i.e. educational testing and mental health assessment).

Then young adults move into the full model, with education and civic engagement opportunities, in addition to paid on-the-job experience in social enterprises including food services and woodworking.

Work experience first emphasizes life skills such as positive communication, teamwork, and conflict resolution. Industry-specific skills are assessed as youth move through the multi-tiered program. The ongoing one-on-one relationship with a Transitional Coach helps the young adults to create a service plan and overcome any barriers that might prevent consistent participation (i.e. housing, child care, public benefits, and legal assistance among others).

Young people dealing with these barriers often disengage from programming, and UTEC works hard to bring them back through staff follow-up. Social enterprise employment allows young people to leave and return to employment safely during this transitional period -- much different from high-stakes external job placement that

typically has little tolerance for rehiring an employee who has been a "no-show." As young people stabilize over time through our other supports, UTEC social enterprises remain an open door for employment and building up the positive work habits required by other employers.

Finally, as young people prepare for external employment, they work with the Pathways Coordinator to refine their job search skills and identify the next steps. The Pathways Coordinator stays in touch with young people for two years after they leave UTEC, to ensure they have support when needed and to track long-term progress.

## **Measuring Success**

UTEC has established three outcomes to define the "social and economic success" of our mission statement: Reduced Recidivism; Increased Employability; and Increased Educational Attainment.

Our intensive approach demonstrates success in these areas. In UTEC's FY2017:

- 99 percent of UTEC enrolled young people had no new convictions;
- 90 percent of UTEC enrolled young people had no new arrests; and
- 32 percent of young people who attended HiSET classes earned their credential during this fiscal year.

Even more significant, these positive effects endure. Of

UTEC participants who completed programming two years ago:

- 94 percent had no new arrests since leaving UTEC; and
- 78 percent are currently employed and/or enrolled in post-secondary education.

## **Differentiation: Criteria for Program Success**

Social enterprises are at the heart of UTEC's program, and each social enterprise must accommodate five key elements to align with priorities for program outcomes:

**Extending the clock:** Traditional short-term job training programs simply don't allow enough time for transformation. UTEC's social enterprise model allows UTEC to extend the clock for training, while still empowering young people with paid work experience.

**"Our business. Our rules.":** At UTEC, a primary assumption is that proven-risk young people need multiple chances to succeed. Young people with no work experience and proven risk factors are unlikely to succeed in traditional employment right away. For each social enterprise, UTEC has set up the business so that staff can manage the operations, as well as the rewards and consequences for young adult participants.

**Presence as priority:** UTEC recognizes that many of the most significant challenges of its target population are

tied directly to life skills, personal presence, and relationship management. UTEC commits significant time and energy toward developing the social and community skills that many target youth lack upon enrolling in programming. Without these life skills, proven-risk young adults struggle to engage peers, providers, and potential employers, and they remain unlikely to establish positive employment histories as stepping stones to success.

**Crews to prioritize teamwork:** UTEC implements enterprises that enable the work crew to have an average of eight young adults working at a time with consistent, non-seasonal work cycles. The combination of labor-intensive work and a group setting is essential for young people who need to practice teamwork and communication, and who will benefit from these opportunities to develop positive peer relationships.

**Line of sight supervision:** Enterprise operations must also be relatively contained; the crew size requirement ensures that a single staff member can supervise an entire crew. This ratio also allows for one-on-one conversations with youth to talk about their progress, their plans, and any performance issues that arise.

## **Financial Model**

Social enterprises currently generate about 15 percent of UTEC's annual operating budget, a proportion that is expected to continue to grow over the next three years.

Underwriting costs with grants and contracts, as well as individual and corporate giving, is consistent with the program-first approach.

UTEC implements four main strategies for the business side of its social enterprise operations to ensure that enterprises are fiscally feasible and meet the program criteria outlined above. Each enterprise must: (1) Fulfill a market need, (2) Identify an anchor partner to provide both guidance and some business generation, (3) Identify a range of customers, and (4) Find public and private partners who are willing to help, from business development to technical assistance to policy advocacy that supports social enterprises.

## **Social and Policy Implications**

The corporate triple bottom line framework typically measures social, environmental, and financial benefits. UTEC defines the triple bottom line differently for its social enterprises:

1. Youth Outcomes: recidivism, employability, and education
2. Financial Value: unrestricted earned revenues to support UTEC's model
3. Community Impact: positive contribution to the local economy, in addition to environmental benefits through our sustainability.

UTEC's program model aligns with best practices emerging in young adult justice and reentry fields. Based on this, UTEC was highlighted in the first ever National Institute of Justice environmental scan of programs that "address the development needs of young adults involved in the criminal justice system," released in July 2016.

UTEC outcomes also represent a cost savings. The Massachusetts Department of Correction spends more than \$53,000 annually to incarcerate an individual (MA Department of Correction, FY14) while UTEC provides positive outcomes for approximately \$22,000 annually per participant, including a job of 20 or more hours per week.

## **Scaling through Dissemination**

Our success with a challenging population centers on providing multiple chances to young people who are entering the workforce from corrections. UTEC's social enterprises offer a critical opportunity to combine best practices for young adult justice and workforce development. Rather than seeking to replicate our efforts in other service areas, UTEC is working to document our findings and create a national teaching and learning center for other organizations. We see opportunities to share our programmatic and business criteria with other nonprofit social enterprises as the way to best support public and private investment.

Our triple bottom line approach offers positive framing for

public policy and value to taxpayers. When proven-risk young adults succeed through UTEC, the community sees the greatest positive impact on public safety, public health, and economic development.



Photo Caption: UTEC's Woodworking social enterprise produces cutting boards from reclaimed hardwoods. Cutting boards are available in selected Whole Foods Market locations in Massachusetts and are available

nationally through [www.preserveproducts.com](http://www.preserveproducts.com)

Photo Credit: Teri Bonatti

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## **Author Bios**

### **Gregg Croteau, MSW**

Gregg Croteau, MSW was hired by UTEC's founding teens as its first executive director, in February 2000. He has overseen the development of UTEC's theory of change and the implementation of the social enterprise model.

### **Dawn Grenier**

Dawn Grenier directs public and private grant fundraising at UTEC in support of social enterprise operations and all the program components within the agency's integrated model. For more information about UTEC, visit [www.utec-lowell.org](http://www.utec-lowell.org).