



### **Interview of Brenda Palms Barber**

#### **CEO, North Lawndale Employment Network (Chicago, IL)**

Interviewed by Steve Dubb, Research Director, The Democracy Collaborative

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*Brenda Palms Barber is Founding Executive Director and CEO of the North Lawndale Employment Network, a position she has held since 1999. Under her leadership, the Network, which focuses on reintegrating former offenders into the workforce, has grown to have a budget of \$1.5 million and employ a staff of 13. The North Lawndale Employment Network has developed a social enterprise called Sweet Beginnings, LLC, which is an urban honey farming and natural skin care manufacturing business that trains and employs former offenders and others with significant barriers to employment, providing jobs and income for its employees, with profits contributing to the bottom line of the nonprofit organization.*

#### **What were the origins of the North Lawndale Employment Network? Could you discuss how you became involved?**

The North Lawndale Employment Network (NLEN) was really started by a community movement. The conversation was facilitated by the Steans Family Foundation, which decided to invest its assets into one neighborhood and one community. Rather than save the world, they decided to go deep into focusing on one community for ten years and see what kind of positive impact they could have on the conditions of North Lawndale. When they met with community leaders and residents they asked them what were the most pressing issues. Two bubbled up quickly: housing and employment. Since there were a number of housing efforts already under way, the Steans Foundation decided to focus on employment. Because a number of local agencies were already providing some degree of employment services in addition to their core business, participants in the conversation determined that it would be best to create a network of organizations that already provide employment services, rather than form a new organization. Further, they decided to create NLEN to help build capacity of these agencies in North Lawndale that were providing employment services. They also gained significant interest from City Hall, which was willing to support a training program through a welfare-to-work contract. This planning process occurred more than a year prior to my arrival at NLEN.

Eventually, the leadership group managing the development of the network decided the time had come to hire an executive director. They had over sixty applicants and conducted eleven interviews, but they didn't select any of those candidates. They decided to take the search national. At that time I was working in Denver, Colorado, as a program officer and associate director of the Denver Workforce Initiative at the Piton Foundation in partnership with the Annie E. Casey Foundation, located in Baltimore. My work addressed employment barriers for people in low-income communities, and, in particular, looked at how they access informal networks to gain employment leads. Ultimately, I was working to eliminate – or at least reduce – poverty.

Prior to the invitation to interview, the Steans Foundation had asked me to conduct a workshop for the North Lawndale group, and I did one on informal networks in low-income communities and how to link to jobs. I was really taken by this group of people trying to wrestle with the issues of unemployment in a long-suffering economically disadvantaged community.

So when they called and asked me to put my hat in the ring and apply for the job as executive director of the new organization, I said I was not sure, but that I would give it a try. I initially didn't think I was a strong competitor for the job. I was a Northwest suburban girl. I was born in Tacoma, Washington. I had lived in Tucson and Denver, but I had a small-town-girl feel and didn't think they would see me as a good fit culturally. I doubted whether they would think I was able to be effective in urban Chicago. But I went in for the interview. I toured the community of North Lawndale and was then interviewed by a six-member panel. I shared my experiences and hopes, and listened to their dreams and visions of a thriving, economically strong community where residents work and can care for their families. I left the interview impressed with the group and inspired by the thought of working with and impacting this very special community. And so, three weeks later when they offered me the job, I accepted.

**Could you discuss the organization's early development? Could you explain how the organization has changed since you became executive director eleven years ago?**

When I accepted the position, I didn't know that the 501(c)3 tax classification letter from the Internal Revenue Service was not even in place yet. NLEN was clearly still a movement. Today, we are a well established, 501(c)3 nonprofit in good standing.

I recall my former boss in Denver asking me, "Are you sure you want to move to Chicago in February?" It was a huge leap of faith. I'm really glad I took that leap. I saw the North Lawndale community group as stakeholders and trustees, and my role was to help them realize the vision they had established for North Lawndale.

There were some challenges, although their strategy seemed right – creating a network to build capacity. It was clear that no local organization's real focus was employment. It was an add-on for all of those that offered those services. The neighborhood had an unemployment rate that was three times higher than the City of Chicago. In the civil unrest of 1968 after Rev. Martin Luther King Jr. died, North Lawndale was devastated. There were fires and destruction that led to many businesses leaving the community. North Lawndale was once a thriving commercial, industrial, and residential community – Sears Roebuck was based there, with several other corporate headquarters. But after the civil unrest in 1968 they left. The community has never fully recovered.

There are lots of issues. Unemployment is one of them. It was clear that the nonprofits there had a heart for service. But they weren't doing employment in a direct way. So I spent my first couple of years working with existing groups to build their capacity. I was able to secure grants through NLEN and give sub-grants to other agencies. But ultimately, if the subcontracted agencies didn't perform, it would impact my ability to raise additional revenue. So eventually we ended up transitioning toward a direct service model.

After talking with community folk, we started to hear a theme. “My husband is coming out of prison – I really want to find a job for him.” Or, “My son is coming out of prison. He needs a job.” The impact of incarceration has been huge in this community. It isn’t just that it is one of the ten most challenged neighborhoods in the state. It became clear that there was something else driving this unemployment. I commissioned a study – with the help of a local foundation – to figure out what was the impact of incarceration locally. It was a landmark study called *Drugs, Crime and Consequences*. To do this, we worked with two police districts (10 and 11) and the Illinois Dept. of Corrections to collect data. In 2001, asking them to pull data on former offenders from the North Lawndale zip code was like asking them to go to the moon. But in two years we were able to collect that data. That was when we learned that 57 percent of adults in North Lawndale had some kind of criminal background. It was shocking. So we realized that you can’t help people get jobs in North Lawndale without adjusting programs to meet the specific needs of people with criminal backgrounds. That led us to create our first training program, which is our flagship program that we now call “U-Turn Permitted,” in recognition of our belief that people can turn their lives around.

So we set out to create a community-level, community-driven response to the training needs of former offenders. There were other organizations offering trainings. But we were accessible. We met with former offenders – sort of a one-stop approach. We found a community church to help, United Baptist Church, and the Annie E. Casey Foundation gave me a \$200,000 grant to launch the program. We were off and running. That program continues to this day.

That changed NLEN to a direct service provider. We knew we were ultimately accountable for our participant outcomes. In the other model, we had to assume all responsibility and accountability but with little control. We also received WIA funding for a youth prevention program.

But then when 9-11 happened, there was another big jolt for my agency. Prior to 9-11 we were doing a pretty OK job equipping our clients to be competitive in the labor market, getting and keeping their jobs. After 9-11 things changed significantly because of what was called the Patriot Act. It forced a variety of employers to start doing background checks. People with backgrounds who had held jobs for years were suddenly dumped back into the labor market because their employers found out that they had a record. Before, employers may have suspected an employee might have a record, but they were willing to look the other way, if the employee was performing well. There were so many former offenders losing their jobs we began to see a huge influx of people looking for jobs. We were overwhelmed by the demand for jobs and the lack of jobs. That led to the demand for Sweet Beginnings.

**Could you tell us a bit about the demographics of North Lawndale and the surrounding area that you serve?**

Roughly, we have about 40,000 people that live in the community. Of that, 60 percent are female head of households. Their average income is about \$20,000 a year. That’s because you have a lot of single-headed households, but you also have a high elderly population. The high school

dropout rate is 70 percent. There are some really good efforts that are starting to affect that, but it is right now still between 70 and 75 percent. Unemployment continues to be around 26 percent. It is predominately African American – about 92-93 percent. And second to that you have a growing Latino presence and probably about one percent white.

**Could you discuss the formation of your social enterprise Sweet Beginnings? How did the business get its start?**

As a first time executive director I had the privilege of participating in a program designed to build capacity of new executive directors. It was nearly a year-long program. One key issue was that nonprofits should be sustainable. They asked us: “What is your sustainability plan?” NLEN didn’t have one, and it was clear we needed one. North Lawndale clearly had challenges related to employment. Nearly everyone expected me to fail, since there had been several efforts that failed before. Because I was an outsider, people thought maybe I was coming in for just a couple of years and then head out. That, too, had happened before in the neighborhood. I wasn’t trying to leave. I knew that having a sustainable nonprofit organization would be hugely important. How do you do that? You need to diversify your funding streams.

One way is an earned income strategy. I spoke with my board about how to support the nonprofit through a business strategy. We spent time thinking about what kind of businesses we could launch into that would allow our clients a viable work experience regardless of the formal academic training or achievement. At the same time, however, this issue came up around the time of 9-11 and this great loss of jobs in our neighborhood. And another issue – one of the bigger reasons that men and women with criminal backgrounds have difficulty getting jobs besides low skills and education – is the stigma of having been incarcerated. So we decided that we needed to prove to the hiring community that people who come through NLEN are not high-risk employees. These individuals have demonstrated that they have a good worth and good work ethic. They want to work. They just want a job.

As an employer, we decided we would absorb the perceived risk and do it through an enterprise. We thought about a landscaping business. But we knew there were already a number of large and small landscaping businesses in our neighborhood. What would be our competitive advantage? We rejected that idea. We thought about a home delivery service, where we would go to the local store or pharmacy and bring your groceries or prescription to your front door. But on second thought who is going to feel comfortable having a former offender deliver groceries to their home?! I thought about a temp agency, too, but the profit margins were too low to have a sustainable business.

One day, we were discussing potential business ideas and a friend of mine mentioned, “I have a friend who is a beekeeper.” She told me that although she didn’t know much, she knew that it was a profession that is passed on by word of mouth. As I learned more, I found out that with beekeeping there is the ability to teach people with a wide range of learning styles. The more I met with beekeepers, the more I thought about connecting former offenders with urban agriculture and working with nature. But many people were skeptical.

I had breakfast with a good friend of mine, Paula Wolff at Metropolis 2020, a Chicago-based policy think tank. I wanted to talk to her about the idea. Like so many others, I expected her to say something like, “What are you thinking?” But she listened, and paused, and said, “Well, what a sweet beginning for those people.” Right away, I knew, “That’s the name.” We talked with the Illinois Department of Corrections about the idea and in time they awarded NLEN with a \$140,000 seed grant, with the caveat that the business would agree to hire former offenders. After two years piloting the social enterprise it was time to revisit the business plan. The Boeing Company *Employee Volunteer Council* spent a year working with the NLEN Board and staff to develop a comprehensive business plan for the next two years.

**Could you discuss the performance of Sweet Beginnings? How has it done in terms of income generation?**

The idea was launched in 2003. We spent 2004 and 2005 in farmers markets – we were kind of testing the idea of “If you build it, they will come.” In other words, “Will people buy honey produced by former offenders?” So we ran a pilot and tested the feasibility. We learned that people loved honey, loved local honey, and especially loved local urban honey. You have this wonderful mix of floral nectar types in urban honey. We knew that the quality of our honey was excellent. We had chefs from local high-end restaurants buy the honey. We knew we were on to something.

That’s when in 2006 we went into a serious business. That’s when I learned that the profit margins on honey were thirteen percent, which makes it hard to be sustainable. So that’s why we began to focus on cosmetic products where the profit margins are 60 to 80 percent. There the profit margin is sufficient to have a stable business.

So it is a lot more than beekeeping. You have manufacturing. We are doing shipping and receiving. There is manufacturing production, sales, marketing, website management, customer relations, and everything else that is involved in any business. So Sweet Beginnings was born. We’ve been operating for three years – we are generating a little over \$200,000 in sales. We are at a point where we are hiring a professional sales team to provide sales training. We are talking to UPS to create a training program around shipping and handling.

We have also purchased manufacturing machinery. We used to hand-make everything. Now we are looking at increasing our volume. The demand is growing, so we have to build our capacity. It is exciting to see this idea taking a foothold in the marketplace. We are distributing our products in about eleven local Whole Foods stores – the first market to pick up our product. Whole Foods is no joke in terms of the scrutiny of our products. When they learned about us, they said, “You’re one of the cleanest cosmetic lines we carry.” They also love the social purpose. But we had to focus on a quality product. You have to have that. People like the idea of contributing to a social purpose, but helping former offenders is not on many people’s top ten causes list: we are not saving puppies or children. If helping former offenders doesn’t move you, we don’t want that to matter. We want you to love our beeline products and love our honey.

The other things people will ask is how do the former offenders like bees? Their job prospects are so dim that they are willing to work with bees, even if they are afraid of them. Twenty-five percent of their time is spent working in the apiary and the other 75 percent is spent on the production side.

**Is there flexibility for those who are afraid of working with bees to spend 100 percent of their time on the production side?**

Yes, we do have that flexibility for those who cannot work with bees for whatever reason, including allergies. We want to assign work projects where our employees will experience the greatest success during their 90 day employment experience with Sweet Beginnings. Working with bees is not for all!

**Could you explain the process of creating a new social enterprise, from capital formation to finding qualified management to the recruitment and training of employees?**

We've been really fortunate. Our first grant of \$140,000 was from the Department of Corrections. The second was a grant for \$96,000 through the City of Chicago – the Mayor's Office is very interested in our work. After that, we inspired the City to think about funding social enterprises more broadly. We were able to get a \$200,000 transitional jobs grant to support our worker wages – and then, after that, I have also had some success raising dollars from local and national foundations including the WK Kellogg Foundation, Oprah's Angel Network, The Garfield Foundation, and the Field Foundation, to name a few. There were those with doubts initially, but our social enterprise is seen as a viable solution to a huge social issue. Our results in reducing the recidivism rate is impressive– we're at 170 people having gone through Sweet Beginnings and we have a recidivism rate of less than four percent.

In terms of staffing, we are way under-staffed. We have a board of managers who are wonderful thought leaders and volunteers. The chair of my board of managers was formerly on the Board of Ben & Jerry's Ice Cream. Jennifer Henderson is her name – she gets the triple bottom line and ensures we do not lose focus. I also have a phenomenal person who does marketing, Phil Adams. And our beekeeper, John Hanson, has been beekeeping for over 30 years. He used to head the Illinois Beekeepers Association. Such a thing exists and we are now members! And we have another gentleman, Michael Johnson, a Kellogg (Northwestern business school) grad and a business owner himself; he provides great insight and helps us with our numbers. And we have our CFO. And I have a business general manager, Holly Blackwell. I recruited her from Whole Foods, where she was a buyer. We hire former offenders in supervisory positions, to be team leaders. One team leader for the past 18 months has been Kelvin Greenwood.

**As I understand it, Sweet Beginnings has a few core employees, but the majority of its employees are there for only a transitional period that typically is 90 days or less. How is this challenge of constant retraining met?**

It definitely creates an inherent tension for us. We want to give former offenders opportunities to work. How do you take this to scale? One way to do that is to turn over employees every 90 days. Of course, because we stagger entry dates, really it is every 30 days that we get new workers.

Once we are bringing in more sales and grossing more than a half million, we want to be able to extend that workforce stay from the 90-days, which is subsidized, to at least six months. A big driving issue is the subsidy. The limitation on the subsidy payments is the 90-day period. Many of our workers need more time on the job before they are ready to transition out successfully into the workforce.

So the 90-day period can be a limitation, but here's what we can do. We know that 90 days is the traditional probationary period to allow a person to prove him- or herself on any job. So, although our 90-day cycle is challenging, it works on a lot of levels, in terms of our social purpose especially. But in terms of the business it's tough. You're hiring and bringing in new people every 30 days. Once we become more financially sustainable we want to extend it to six months, but it is fulfilling its purposes right now.

**How does placement of employees after the transitional period work? Where do those who “graduate” from Sweet Beginnings go afterward?**

Most of the folks go into either manufacturing or the service sector. Most of our placements are entry-level jobs and these sectors are most very receptive to people who have had brushes with the law. In general, about 75 percent of the people we hire go on to unsubsidized employment. Of the other 25 percent, roughly 10-15 percent go on for additional skills training. They may go on to a technical or vocational school, sometimes they go on to secure an associate's degree, and others go on to try to get work on their own independently. We have a few folks like that Clarence Little, launched his own landscaping and snow removal business. We are very pleased to contract with him to do our landscaping. So that is a smaller percent. And a little less than four percent return back to prison.

When we talk about education, some of our folks have gone on to work in other social enterprises as well. There is one guy I think of who was not hired as a team leader with us, but he did very well. Because his housing was still questionable and the other nonprofit could offer him stable housing and a job in green construction, he took that opportunity. And he was later hired with them as a team leader. And that's happened with a few of our other guys as well.

**Have you given any thought to “franchising” the Sweet Beginnings model? If so, what would be required to duplicate the model in other cities?**

That is a great question. It is the next big phase of growth to us, when you talk about taking it to scale. According to the Pew Center and the Urban Institute studies on incarceration in the U.S. and locally, we know there are roughly 700,000 men and women coming out of prison every year. That, coupled with state deficits sadly says that we have to come up with a better system for how these people reenter and reintegrate, because incarceration is expensive. That is why we

really do want to pollinate this model across the country. We see it happening in a couple of ways. Through the Garfield Foundation, they have given me a grant to codify the model. What are the tools to make this a successful replication model?

The demand is huge. When can we bring Sweet Beginnings to Detroit? To New Orleans? Someone from the Bureau of Indian Affairs asked, “How can we get Sweet Beginnings for the Navajos on the Reservation?” What we are trying to do is make sure we have a solid business model and we also understand the relationship between the nonprofit organization and the for-profit subsidiary. You can’t do this work without both.

When workers exit Sweet Beginnings, they still are part of NLEN. Every individual is assigned a coach. They go through U-Turn Permitted, they are assigned a coach, and those interested apply for Sweet Beginnings. It is a competitive process, and the coach informs them if they got a job or not. If not, they can explain why and they work on those things. Those hired, once they exit Sweet Beginnings, they still retain their relationship with their coach. We also have three business development specialists whose job is to cultivate job opportunities. We are there for them. There has to be a symbiotic relationship between the nonprofit and for-profit. We see this as a two- or three-year process. We are still improving our internal capacity. We are looking for training partners that we want to bring on board.

Another part of this model and what it would take is a relationship with a community college, so we have established a relationship with Wright College (one of the City Colleges of Chicago). The beekeeping courses that we offer are taught by John Hanson, so he became certified to teach on behalf of Wright College here onsite at our agency. These individuals who were, most of them, very unsuccessful academically, will get a continuing education credit. We think that is a key component for a successful replication. We are doing the work. I want to come up with a nice toolkit. We also have attorneys on board who are helping us think what this franchise model would look like – McDonald’s is one of their clients. We are fortunate to have some of the best thinkers.

The short answer of where the Sweet Beginnings model applies, of course, is much simpler. Wherever there are vacant lots and high numbers of former offenders, and a community that cares about these people, we can make Sweet Beginnings happen.

**Could you discuss your Building Beyond: Green Pathways to Success program? What is the program? How has it developed?**

This program is designed to introduce green collar jobs and what that means to a very Afro-centric community that has been disconnected from these new jobs. It is a skills training program that certifies them in weatherization, so they can secure good jobs after a year of our program.

It’s a new program for out-of-school, at-risk young adults between ages 17 and 22. It’s very exciting. We have a good track record with local unions, and both union and nonunion construction owners who are looking for workers. We are also working with CEDA (Community and Economic Development Association of Cook County) to do weatherization for the elderly.

About 22 participants have gone through the program so far. We are just going into our second year.

**Shifting gears and thinking nationally, social enterprise and green jobs are enjoying increased visibility in the United States. What do you see as steps that groups like yours need to take nationally to build on this new visibility?**

We do have to continue working at it – it is always really at the bottom. As long as I have impactful numbers and data, and show how we are saving the state money in incarceration costs, and then you continue to keep the stories out there and look at different angles to tell your story. For us, it has been helpful to talk about the impact of the bee on our ecosystem. But it is connected to reentry and incarceration and green is being used in nontraditional ways. It is also important about talking to policy makers about how they fund social enterprises. There is this new L3C [low-profit limited liability company] model – making it easier for nonprofits to try to fulfill a social good through a social enterprise and how to fund that without it being a tax problem. That would make it easier for funders to support us. It would be interesting at some point to have a convening. We're members of the Social Venture Network and there is the Social Enterprise Alliance. We've done a lot regionally – it would be great to bring these best practices together to have conversations about funding, about scaling up, about measuring impact. We feel we are very pioneering. That triple bottom line – how do you manage that and grow, it's difficult. To have a forum on which to talk to a national level would be really cool. And out of that you could develop more recommendations for policy that would support this kind of work.

**What are NLEN's main priorities going forward?**

We are in the middle of starting our strategic planning process for the next three to five years. We serve people from all over the city, but we are still focused on addressing the needs of our community. What we anticipate is becoming a little bit more of an incubator. There is another social enterprise we are beginning to help launch called UrbanPonics, which will grow food to address food deserts like North Lawndale and also create jobs and improve nutrition. How cool to have these greenhouses grow crops in the neighborhood that are not contaminated. To avoid contamination, we are using hydroponics. We are working in partnership with a couple of different universities to develop that. We are becoming this green economic engine in the community where they were lacking jobs. We tried to work with employers and deal with the issue of stigma, but we recognized that the jobs still are not there. So I am focused on using a job creation strategy.

The other focus is going to be launching an entrepreneurial center for former offenders, because I think we learned a lot about how to launch a business and we know the population – so have a micro-lending center for people want to launch their own businesses. Another leg would be technical assistance and consulting support to other communities.

**If you had to highlight a few key accomplishments of NLEN's work to date that you are most proud of, what would they be?**

I am really proud that we have unpacked the impact of incarceration in our community. And we forced systems that didn't traditionally talk to each other to do it, such as the police and the Department of Corrections. And we hopefully became a model for other communities. Although there are other communities like ours, very few can say that 57 percent of the adults have had some involvement in criminal justice and then back that up with data. We also lifted the importance that three-quarters of the offenses were nonviolent or drug related. This isn't the same in every neighborhood. In another neighborhood, Englewood, a much higher percentage of the crimes were for violent offenses, such as murders. The recidivism rate in North Lawndale is very high because people serve two-to-three years, get out, commit another crime, and go back. In our little North Lawndale neighborhood we had heads of police departments, corrections, parole, state, city, and university folks all here once we released this report to talk about what we could do to change the relationship between corrections and the community. I am honored by that body of work.

Secondly, a key accomplishment would have to be launching Sweet Beginnings. Choosing to use my frustration in way that fostered creativity and a response to the need to create jobs for this population in North Lawndale.

**Anything else you would like to add?**

I honestly think the success of the work we have achieved so far, rests on the shoulders of hundreds of people. I love the fact that foundations seeded this work – their dollars allowed that our innovative spirit. They have helped us move toward a sustainable model through this earned income strategy. I have really found a tremendous amount of support – the city, the state, who would have thought that the Illinois Department of Corrections would be a significant contributor? But they are. So we stand on many shoulders. It also helps to have to a really committed and smart staff.

*For more information, please see the website of the North Lawndale Employment Network at [www.nlen.org](http://www.nlen.org)*