Human Services
Kresge’s Human Services Program supports CLUES, an organization that provides services, such as early childhood education, to the Latino community in Minnesota’s Twin Cities area.
Kresge’s Human Services team thinks a lot about “expanding opportunity for low-income people in America’s cities.” Our grantees in the human services field have seen the pathways to opportunity become more challenging. Over the last 40 years, opportunity has stalled, with the greatest impact on both the working class and those living in poverty.

The changed opportunity landscape means that despite personal drive, determination and talents, a high-performing child living in a low socioeconomic status will fare worse than a low-performing child from a high socioeconomic status when it comes to college completion. This means that where you live can determine whether you have a chance to move up the ladder of opportunity.

Human services organizations have also encountered increasingly greater challenges over the last decades. Beyond the growing inequality of opportunity, these organizations have had to adjust to the changing face of America, which is rapidly diversifying. At the same time, government funding for safety net programs has not fully recovered from the Great Recession. Despite these challenges, many human services organizations have been able to creatively approach their missions.

In 2015, we increased our focus on these innovative organizations — the ones who are changing the game when it comes to human services. We’ve worked with traditional organizations implementing out-of-the-box strategies, such as Crittenton Women’s Union in Boston. We’ve also supported nonprofits that operate nontraditionally, such as Community Solutions, which functions in cities across the country.

These bright spots represent the next generation of human services organizations. By combining the forces of strategic grant making with our expanded social investment toolbox, our program seeks to support these organizations’ work in a way that creates more opportunity for vulnerable populations. We identify and fund creative solutions that can be scaled and replicated for maximum impact, ultimately bringing vulnerable people into the economic mainstream.

These next-generation human services organizations are teaching our program team about what is possible when innovation is embraced.

To solve the opportunity problem, human services organizations must shift their focus from pure transactional delivery of services and instead engage in a multisector, multidisciplinary and multilevel approach to bring people out of poverty. By adapting their modus operandi, human services organizations can rebuild an ecosystem of opportunity that offers people living in poverty the essential supports required to achieve well-being and lead self-sufficient, self-determined and productive lives. The Kresge Human Services team is eager to support this transformation.

David Fukuzawa
Managing Director
Health and Human Services Programs
Reducing Poverty. Really.

Crittenton Women’s Union Develops A New Way

Almost five years ago, LaShauna* lived in subsidized housing in the Roxbury Section of Boston, Mass., with her three children. As a single mother, she couldn’t work, go to college and take care of her kids at the same time. She was on the edge of poverty with seemingly no way to stabilize her life.

On a train, LaShauna found a flyer about Crittenton Women’s Union. A Boston nonprofit dedicated to breaking the cycle of poverty, the organization offers a new and cutting-edge Career Family Opportunity program built around intense mentoring and coaching designed to help single parents organize their lives and move from poverty to self-sufficiency.

With the aid of her mentors at Crittenton, LaShauna embarked on a customized five-year plan. Along the way, she learned to set goals, prioritize and make progress.

Expanding Opportunity

President and CEO Dr. Elisabeth Babcock describes Crittenton as “an economic mobility action tank” dedicated to helping low-income women and their families reach economic independence. The organization will soon expand its services beyond Boston with the support of a $400,000 grant from the Kresge Human Services Program.

“In addition to serving 1,400 clients a year with transitional housing, job readiness training, parenting and other programs, we also do research and development designed to create new programmatic pathways out of poverty and use our applied learning to make backward change through public policy and new approaches to inform the field,” Babcock says.

The work — and the science it’s based on — is relatively new, she says. Crittenton’s efforts have proved that supporting and guiding parents as they develop skills to obtain economic and personal stability “gives them the tools to break their families free from the powerful grip of poverty and its imprint on children.”

Each person who enters Crittenton’s Career Family Opportunity program is evaluated based on individual circumstances and assigned a mentor who provides coaching through what Babcock says are “pillars” on the bridge to success. Those include family stability, well-being, money management, education and career path.

The mentor helps participants steer through bureaucratic mazes and makes referrals to social services specialists in the same way a primary care physician might send a patient to medical specialists.

“It’s a very different model than case management,” says David Fukuzawa, managing director of Kresge’s Health and Human Services Programs. “The mentor becomes an active advocate, advisor and supporter.”

Because some single parents lack family or community support, Crittenton encourages single moms to connect with others in similar circumstances. At any given time, Crittenton might be counseling 400 people. Some newcomers may need “a lot of support — three or four times a week,” says Sarah Bellemore, a Career Family Opportunity program coordinator. Others might check in by phone weekly.

Since the program started in 2009, 98 percent of those enrolled have stayed with it. In addition, 71 percent of participants have experienced income gains and 83 percent have earned college degrees.

Bellemore says the program matches participants’ savings at a rate of two-to-one. A single parent who saves $4,000 over five years would exit the program with $12,000. That incentive alone is enough to help participants come on board and stay the course — even those like Pam*, who are intimidated or doubtful that they have it in them to make it through.

“It was mind-boggling,” Pam says, recalling her orientation to the program. “They covered everything: job-readiness, computer skills, college prep.”

*Last names omitted to protect privacy.
In Human Services, for example, this means being "I didn’t know what to do. There were huge barriers. "It’s remarkable when you look back," says LaShauna. "You have to crawl before you can walk."

All of Kresge’s program teams actively seek to support as for LaShauna, she now has a college degree and a conclusion of the five-year program. She is also working a model for the type of change that Kresge’s Human Services grant-making program area aims to effect.

"I have big plans for the future and my head is held more flexible environments and institutions to help individuals with low incomes thrive," he explains. toward a master’s degree in business administration.

"It’s remarkable when you look back," LaShauna says. "I didn’t know what to do. There were huge barriers. You have to crawl before you can walk."

Really Reducing Poverty
With successes like that, Crittenton Women’s Union is a model for the type of change that Kresge’s Human Services grant-making program area aims to effect.

"We’ve been supporting these kinds of organizations — we call them ‘exemplars,’” Fukuzawa says. "They are really reducing poverty as opposed to only providing a safety net. A lot of people would say, ‘Isn’t that what everyone does?’ But it isn’t."

All of Kresge’s program teams actively seek to support innovation in their respective fields, and to use all of the tools of philanthropy as they do, Fukuzawa says.

"In Human Services, for example, this means being more influential on policy and regulatory changes that can improve the delivery of services and create more flexible environments and institutions to help individuals with low incomes thrive," he explains.

That coincides with what Fukuzawa says has been dramatic change in the human services sector in recent years.

"There’s a heightened emphasis on adaptation, resilience and connectedness in the sector, which is moving from a focus on volume to an eye for value — from process-driven production to human-centered performance, from siloed approaches to those that are more collaborative and integrated," Fukuzawa says. "The pioneers in the human services sector are confronting the multiple challenges of demographic change, increasing inequality and polarized politics by focusing on outcomes, through the use of science."

As Fukuzawa explains it, people living in poverty or close to it often find that one problem cascades upon another to create a situation that is worse than the sum of its parts.

"Their car breaks down. They can’t get to work. They lose their job. They lose their home," Fukuzawa says. "That’s what happens to a lot of good people.

"They get sick. Or their child gets asthma because they’re living in a terrible, drafty, moldy old house. And they can’t get to work because the kid can’t breathe or has to go to the hospital. They can’t pay the medical bills. They go broke. All of those things are the ongoing reality of many people who are at the edge.

Breaking the Cycle
Traditionally, human services organizations have focused on addressing immediate needs, such as shelter, clothing and food. What appeals to Kresge about Crittenton is how it goes beyond the basics, with the goal to bring people out of the poverty cycle — for good.

As one of the largest providers of services to homeless families in Massachusetts, Crittenton operates a supportive housing program for 400 formerly homeless single-parent families in addition to its other services. Because of its successes, Crittenton was selected by the U.S. Department of Housing and Urban Development to pilot a 1,000-family, five-year randomized control trial of how it delivers services. It’s also the backbone entity for two national learning communities — one focused on improving economic mobility and the other on outcome evaluation.

"Crittenton Women’s Union is a national leader in advancing strategies that support women with low incomes and their children as they move to economic independence and well-being," Fukuzawa says.

One of them is Charrel*, who worked with a Crittenton mentor to focus on school and career. She’s since become a certified paralegal.

Another is Mary Jane*, who turned to Crittenton after the economy crashed in 2008. Until then, she lived paycheck to paycheck, working one or two jobs to make ends meet. Then she got laid off, and she and her eight-month-old son became homeless.

Before long, “everything started rolling in a positive way for me,” she says. “Crittenton brought out the strong points in me and gave me the support I needed.”

As for LaShauna, she now has a college degree and a job to support her family. She has saved for a down payment on a house. One of the program’s objectives is that each participant have $10,000 in the bank by the conclusion of the five-year program. She is also working toward a master’s degree in business administration.

"People really want to succeed. It isn’t some big character defect!”

And having to rely on social support is not easy, Babcock says.

“The pathway to family economic stability has drastically changed over the past 25 years,” she says. “In past generations, unskilled workers willing to work hard could often obtain jobs that paid solid wages, but the labor market has become increasingly bifurcated. Almost all jobs that pay families sustaining wages now require postsecondary education, and the increased competition for unskilled jobs left at the bottom of the wage scale are driving those wages further down.

"Stress on families at the bottom of the wage scale has increased, along with unmanageable debt, unstable housing and family homelessness and a host of attendant medical, social and developmental consequences."

"I was scared and I needed help," she says. "I wanted to go back to school for a degree in the health care field. But I was worried about housing and not knowing what would happen to me and my son down the road."

With Crittenton’s assistance, Mary Jane moved into an apartment, applied to college and secured financial aid to study medical information management.

"I have big plans for the future and my head is held high," she says. "I know I am moving in the right direction. It’s been a long road from homelessness to greater stability, and this is just the beginning."

HUMAN SERVICES PROGRAM

"Their car breaks down. They can’t get to work. They lose their job. Their home. That’s what happens to a lot of good people."

— David Fukuzawa, The Kresge Foundation
Social Investing: Putting People to Work
Goodwill Mission and Job Creation Services

Single mother of four Ebonee Scott was out of work. Unable to find a job that would pay enough for her family to live on, she moved in with her mother. Then she saw an opening for a position at Goodwill Industries of the Southern Rivers in Columbus, Ga. She was hired and eventually promoted. Now she’s retail store manager in Albany, Ga.

“Working at Goodwill has changed my life for the better,” Scott says. “I was able to move out of the housing projects, get off government assistance and provide for my kids.”

At the 165 Goodwill organizations across the country, more than 100,000 employees like Scott develop skills while earning a living wage with a full package of benefits. But Goodwill leaders saw a need to do more. By expanding their retail presence, they could invest more deeply in creating new jobs and providing supportive services for people with disabilities and economic disadvantages in their communities. Those store leaders went to Goodwill Industries Inc., the stores’ umbrella organization, for help getting investments.

Goodwill in turn connected with Kresge. The foundation’s Human Services Program authorized a planning grant of $150,000 in 2012 so Goodwill could assess how it could pull together a pilot fund to invest in its member organizations.

When the evaluation was complete, the foundation made a low-interest $3.3 million loan in 2013 through its Social Investment Practice. Combined with investments from the Annie E. Casey Foundation and the Ford Foundation, the pilot fund totaling $10 million launched Goodwill Mission and Job Creation Services Inc.

With the long-term financing and a low 2 percent interest rate, Goodwill had the capital and flexibility it needed to expand the retail operations that support its social enterprises, employment and job training activities. The idea was to foster job creation in a few areas, see how it worked and if successful, replicate it in other stores around the country.

“Goodwill Industries International committed loans totaling $8.7 million to create or expand 27 Goodwill stores and 12 attended donation centers,” says Goodwill International President and CEO Jim Gibbons. “The Kresge Foundation’s planning grant and program-related investment were essential.”

At the end of 2015, the program was responsible for creating 581 Goodwill job openings, including 70 in management. The program also supported more than 6,100 community job placements. With an average hourly wage of $11.79 and typical work week of 34 hours, those employees combined earned more than $95 million. The funds also provided more than $400,000 in emergency loans to Goodwill employees, who are current in their payments.

“Goodwill incubates job opportunities for people with disabilities or in vulnerable situations in their lives,” says Kresge Human Services Program Officer Michael Shaw. “Not only has it been great for the stores and great for the communities they serve, but it’s been great for us in terms of a solid investment. It’s proven that human services organizations can accept debt risk in order to expand and improve on their mission.”

One of those Goodwill helped find work was Tonya Jones, who survived vocal cord cancer when she was 25. Having retired, Jones was attempting to reenter the workforce and realized her altered voice was hindering her search. She turned to Goodwill for help.

“When I walked in there … I was accepted,” she says. “I began to feel that hope growing inside me.”

Goodwill coached her and sent her notices for job fairs and openings.

“I did meet someone through one of those job fairs … and I was given the position I have now,” says Jones, a volunteer coordinator for Georgia Cares, a nonprofit serving the elderly and disabled. “I am so grateful.”

“Goodwill Industries helped Tonya Jones (left) find a job in retirement. Top, Goodwill provides job training and placement services.

“The Kresge Foundation made a low-interest $3.3 million loan in 2013 through its Social Investment Practice. Combined with investments from the Annie E. Casey Foundation and the Ford Foundation, the pilot fund totaling $10 million launched Goodwill Mission and Job Creation Services Inc.”

“It’s proven that human services organizations can accept debt risk in order to expand and improve on their mission.”

—Michael Shaw, The Kresge Foundation
The Kresge Foundation’s $3.3 million loan to Goodwill Industries demonstrates that putting money in motion to effect societal change can benefit both funder and investee.

Goodwill wanted to offer loans to its community-based stores to pave the way for expansion of local social services and employment opportunities. But there wasn’t always an available source of capital to fund it.

“If they were a small business, they’d go out and get a Small Business Administration loan or a bank loan or credit union loan,” says Michael Shaw, Human Services program officer at The Kresge Foundation. “But SBA loans are not available for nonprofit entities. And lots of credit unions and banks don’t see the return on an investment like this worthy of the risk.”

The Kresge Foundation made it happen by starting with a grant from its Human Services Program, which has had a long relationship with Goodwill. Kresge’s Social Investment Practice stepped up next with a six-year loan at an interest rate of 2 percent. That was combined with investments from the Annie E. Casey Foundation and the Ford Foundation.

Here’s how it came together:

1. In 2011, Goodwill Industries was exploring ways to accelerate the funding available to local Goodwills in the business of growing social enterprise revenue and creating jobs. That was prompted by the development of a new strategic focus at Goodwill to expand capital sources.

2. A year later, Kresge supported Goodwill with a $150,000 planning grant through its Human Services Program to research capital aggregation strategies and the feasibility of a loan fund.

3. In 2013, Kresge’s Social Investment Practice gave Goodwill a low-interest $3.3 million loan. Kresge was one of three program-related investors in the initial $10 million loan fund.

Goodwill Industries was able to offer loans to its community-based stores to pave the way for expansion, create jobs and expand services.

NUTS & BOLTS

Human Services Grants

Removing the Barriers to Economic Stability

The goal of the Human Services Program is to help agencies adjust to economic challenges and enhance the services they provide. Our investments focus on advancing the effectiveness and resilience of human-serving organizations and leveraging the effectiveness of networks. We support innovation and advance efforts that offer evidence-based models on how to increase organizational effectiveness and resilience.

Arizona Community Foundation (Grantmakers Income Security Taskforce)
Phoenix, AZ
$50,000

The Aspen Institute, Inc.
Washington, D.C.
$150,000

Be The Change Inc. * (Opportunity Nation)
Boston, Mass.
$25,000

Center for Law and Social Policy*
Washington, D.C.
$172,151

Center on Budget and Policy Priorities
Washington, D.C.
$24,700

Center on Budget and Policy Priorities
Washington, D.C.
$1,800,000

Coalition to End Childhood Lead Poisoning (Green and Healthy Homes Initiative)
Baltimore, Md.
$50,000

Comunidades Latinas Unidas En Servicio
St. Paul, Minn.
$65,000

Corporation for Enterprise Development
Washington, D.C.
$680,000

Council on Foundations, Inc.
Arlington, Va.
$46,250

Crittenton Womans Union
Boston, Mass.
$400,000

Eastern Michigan University Foundation
Ypsilanti, Mich.
$361,000

First Place for Youth
Oakland, Calif.
$600,000

Funders Together to End Homelessness
Boston, Mass.
$50,000

The Greater New Orleans Foundation
New Orleans, La.
$1,800,000

Intercultural Development Research Association
San Antonio, Texas
$100,000

Jewish Vocational Services
Boston, Mass.
$500,000

Larkin Street Services
San Francisco, Calif.
$20,000

Larkin Street Services
San Francisco, Calif.
$600,000

Legal Services Corporation
Washington, D.C.
$100,000

LIFT
Washington, D.C.
$500,000

Massachusetts Housing and Shelter Alliance, Inc.
Boston, Mass.
$350,000

Mission Economic Development Agency
San Francisco, Calif.
$1,000,000

National Legal Aid and Defender Association
Washington, D.C.
$200,000

Neighborhood Reinvestment Corporation
Washington, D.C.
$350,000

NeighborWorks Capital Corporation
Silver Spring, Md.
$150,000

Grants Awarded
35
Total Awarded
$15,071,621
Network Impact
Jamaica Plain, Mass.
$124,520

New Venture Fund
Washington, D.C.
$300,000

Pine Street Inn
Boston, Mass.
$200,000

Rockefeller Philanthropy Advisors, Inc.* (Global Impact Investing Network)
New York, N.Y.
$20,000

Sargent Shriver National Center on Poverty Law (Shriver Center)
Chicago, Ill.
$900,000

Stewards of Affordable Housing for the Future
Washington, D.C.
$810,000

Third Sector Capital Partners, Inc.
Boston, Mass.
$800,000

United Way Worldwide
Alexandria, Va.
$250,000

University of Michigan
Ann Arbor, Mich.
$150,000

U.S. Department of Education
Washington, D.C.
$250,000

Yale University
New Haven, Conn.
$400,000

YouthBuild USA, Inc.
Somerville, Mass.
$100,000

*Denotes cross-team grant
+Denotes 2015 amendment to a previously awarded grant
Right, top to bottom: Lawrence Tech University’s new Detroit Center for Design + Technology groundbreaking; Common Market, Philadelphia, Pa.; and the Los Angeles Alliance for a New Economy.

Left, top to bottom: Georgia State University in Atlanta; Crittenton Women’s Union in Boston, Mass.; and the Los Angeles Alliance for a New Economy.