

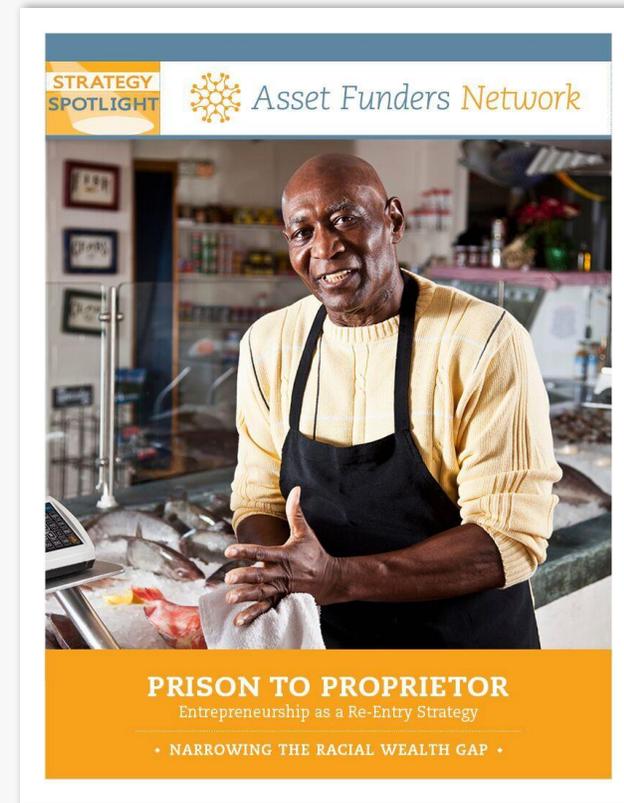


# PRISON TO PROPRIETOR

## Entrepreneurship as a Re-Entry Strategy

---

**SEPTEMBER 14, 2016**  
**1:00PM EASTERN**

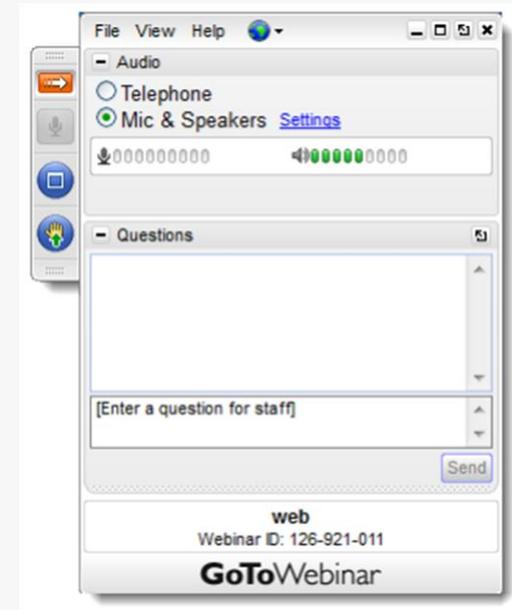


**Read the Brief:**  
**ASSETFUNDERS.ORG**

# WEBINAR CONTROL PANEL

## PARTICIPATE

*During the presentation –*  
Type your question in the  
**QUESTIONS BOX**  
to be addressed during  
discussion breaks or  
during Q/A





**Asset Funders Network** (AFN)  
is a membership organization of

**national,  
regional, and  
community-based  
foundations  
and grantmakers**

advancing **economic opportunity** and **prosperity** for low  
and moderate income people through philanthropy.



## AFN EMPOWERS

foundations and grantmakers to leverage their resources to make more **effective and strategic funding decisions**, allowing each dollar invested to have greater impact.

# DISCUSSION AGENDA

➤ **WELCOME**

**ABBY HUGHES HOLSCLOW**  
ASSET FUNDERS NETWORK



➤ **PRESENTATION OF FINDINGS  
& PROGRAM HIGHLIGHTS**

**JOYCE KLEIN**  
FIELD AT THE ASPEN INSTITUTE



➤ **PROGRAM PROFILE:  
A LOOK AT A PROGRAM IN PRACTICE  
WITH HIGHLIGHTS FROM THE PRISON  
ENTREPRENEURSHIP PROGRAM**

**BERT SMITH**  
CEO,  
PRISON ENTREPRENEURSHIP  
PROGRAM

➤ **PHILANTHROPIC PERSPECTIVE:  
FUNDERS OF MICROENTERPRISE  
STRATEGIES TO SUPPORT  
FORMER OFFENDERS**

**THERESA BEDEAU**  
VICE PRESIDENT  
COMMUNITY DEVELOPMENT BANKING  
CAPITAL ONE BANK

➤ **MODERATED Q/A**

# INTRODUCTIONS



*Moderator*

**ABBY HUGHES  
HOLSCLAW**

Director, Member  
Engagement  
ASSET FUNDERS  
NETWORK



*Presenter*

**JOYCE KLEIN**

Director, Economic  
Opportunities Program  
FIELD AT THE  
ASPEN INSTITUTE



*Presenter*

**BERT SMITH**

CEO, PRISON  
ENTREPRENEURSHIP  
PROGRAM



*Funder Respondent*

**THERESA BEDEAU**

Vice President,  
Community  
Development Banking  
CAPITAL ONE BANK

# Prison to Proprietor: Entrepreneurship as a Reentry Strategy



**FIELD**

at the Aspen Institute

*Advancing microenterprise through knowledge and innovation*

# Your perspectives:



I am a:

- Funder/investor
- Practitioner
- Researcher/policymaker
- Other



Increasing support for business development and ownership is a valuable reentry strategy that can:

- build employment skills
- support attitudes and connections that support post-release success
- increase post-release income and reduce recidivism.

# Key topics for discussion



1. The role of business development and ownership for the reentering individuals
2. Strategies – case studies of effective programs
3. Recommendations for funders

- High incarceration rates among people of color.
- Impact on children

**ESTIMATED MINOR CHILDREN WITH PARENTS IN FEDERAL OR STATE PRISON BY RACE, 2007**  
PERCENT OF ALL CHILDREN WITH INCARCERATED PARENTS



**SOURCE:** Glaze, Lauren E., and Laura M. Maruschak. Parents in Prison and their Minor Children. "Table 2. Minor children in the U.S. resident population with a parent in state or federal prison, by race and Hispanic origin, 2007." U.S. Department of Justice, Bureau of Justice Statistics. Revised March 30, 2010.

# Reentry and recidivism trends



FIELD  
at the Aspen Institute

- In 2014, about 636,300 formerly-incarcerated individuals reentered communities.
- High rates of recidivism.
- Obtaining employment soon after release crucial to reducing recidivism.



# Labor market challenges facing the formerly incarcerated



- Legal limitations on certain forms of employment.
- Business practices/stigma regarding the formerly incarcerated.
- Greater competition for lower-wage jobs.
- Low wages and poor quality of available jobs.
- Poor or damaged credit.

## Immediate post-release needs include:

- Stable housing
- Wage employment or another formal means to earn income
- Accessing mental health or substance abuse treatment
- Gathering documentation
- Building/rebuilding credit and financial capability.



Entrepreneurship and business ownership can serve as pathways to labor market participation and economic opportunity.

- Build job-readiness and employment skills.
- Develop new networks and connections.
- Build character, skills and attitudes to support post-release success.
- Access skills and resources to support business ownership.

- Pre-release programs: designed for incarcerated individuals preparing for reentry
- Post-release programs: targeted specifically to the formerly incarcerated
- Microenterprise organizations: serve a broad population that include formerly incarcerated

# Pre-release programs



**FIELD**  
at the Aspen Institute

- Use the frame of entrepreneurship to develop personal and employment-related skills and attitudes, as well as a business idea.
- May also include financial capability.
- Link to post-release programming.
- Examples: Mercy Corps Northwest's Lifelong Information for Entrepreneurship (LIFE) and Prison Entrepreneurship Program (PEP)
- Short-term outcomes are wage employment and low recidivism rates.

AN EVALUATION OF  
**LIFE** found that **LIFE**  
participants were 41%  
less likely to recidivate  
than the control group.

# Targeted post-release programs



- Serve individuals who have been out of prison for varying lengths of time.
- Varying degrees of focus on business start or development vs. broader employment and life skills.
- Example: Defy Ventures

- Defy Ventures
  - Founded in 2010.
  - Started as a brick and mortar classroom model; developed online learning platform in 2014.
  - Platform has allowed for scale and sustainability, expanding Defy across the country and within prison systems.
  - Mainly supported by individual and foundation funding, recent support from corporate funding, and fee-based income.

“THE ABILITY TO MAINTAIN CORE PIECES OF ENTREPRENEURSHIP, employment, and character training, while also testing new ideas from the ground up that scale its model to serve formerly-incarcerated individuals, is why Capital One supports Defy Ventures.”

THERESA BEDEAU  
CAPITAL ONE BANK

- Organizations may serve formerly incarcerated as part of their broader population; degree of service can be hard to track.
- Some have developed or are seeking to develop more targeted programs.
- Targeted programs and services involve collaborations in order to meet the broader needs of the formerly incarcerated.
- Examples: Rising Tide Capital, Kiva.

- Rising Tide Capital
  - Rising Tide provides business acceleration services to low-and moderate-income entrepreneurs through its Community Business Academy.
  - 12% - 15% of Rising Tide's clients self-identify as formerly incarcerated.
  - Rising Tide is actively seeking partnerships with halfway houses and parole systems while also tailoring its programs to fit the needs of the formerly incarcerated.
  - Has not as yet received dedicated funding to serve this population.

# Lessons learned



- Pre-release programs help change individuals' beliefs and perceptions.
- The cohort and mentorship models effectively improve engagement.
- Programs engage volunteers at various commitment levels.
- Tailored programs are highly selective and intensive with structured curriculum.
- Post-release, the formerly incarcerated need access to a broad range of services.
- Case management and program coordination are crucial elements to effective programs.
- Successes are measured by increased employment and low recidivism.
- Programs address barriers in accessing credit and capital.

# Program Overview



# Our Results

## ***EMPLOYMENT***



**PEP**  
***100% employment  
within 90 days of  
release from prison***

**NATIONAL**  
***Only ~60% within  
12 months***

## ***ENTREPRENEURSHIP***



**PEP**  
***280+ businesses  
launched***

***At least 6 with \$1MM+  
in annual sales***

***> Half create multiple  
jobs***

## ***RECIDIVISM***



**PEP**  
***3-year recidivism  
< 7%***

**TEXAS**  
***~24% in 3 years***

**NATIONAL**  
***~50% in 3 years***

# Our Impacts

## ***FAMILY RELATIONSHIPS***



***Hundreds of  
families restored,  
new ones formed  
every day***

## ***ECONOMIC BENEFITS***



***1,500 men graduated***



***Earning ~ \$35 mm per year and  
Spending ~ \$25 mm per year***



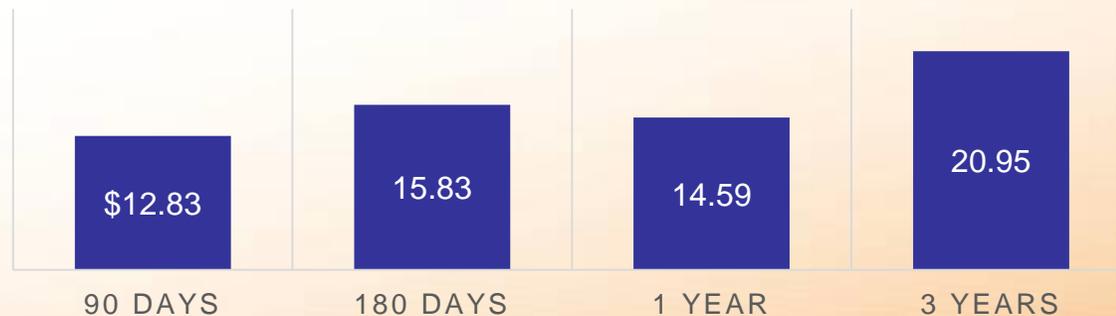
***Taxpayers Saving ~ \$20 mm  
per year***

# Other Impacts: *Financial Stability*

After 90 Days:

- ✓ **87%** have a **checking account**
- ✓ **81%** have a **savings account**
- ✓ **Only 5%** have taken a **payday loan**
- ✓ With **steadily increasing income:**

## HOURLY WAGE



For grads released  
> 3 yrs ago, **54%**  
report earning >  
**\$42,000** per year

# PEP Proprietors in Action!

## Gerald

Vision Janitorial Services  
Fort Worth, TX

OVERVIEW ENDORSEMENT REPAYMENTS LENDERS 149 CONVERSATIONS 28



### Personal Story

I grew up in Fort Worth, Texas as one of four brothers with a single mom. Our life was not easy,

### PAYING BACK

A loan of \$3,000 helps me to buy equipment and a used van to start my janitorial business.

54% Repaid



You've loaned: \$10

Repayment Term: 24 monthly payments  
Grace Period: N/A  
Listed: Jan 8, 2015  
Disbursed: Jan 28, 2015  
Paying Back: Jan 29, 2015

### About Vision Janitorial Services

Industry: Cleaning Services  
Years in Operation: New Business  
Website: [vision-janitorial.org/](http://vision-janitorial.org/)  
Badges:



## Clarence

The Shine King  
Arlington, TX

OVERVIEW ENDORSEMENT REPAYMENTS LENDERS 170 CONVERSATIONS 46



### Personal Story

Hello, my name is Clarence Campbell. I am 42 years. I currently own a shoe shine and all around leather care business called "The Shine King." I have two stands now, but I have the

A loan of \$5,000 helps me to build three stands and purchase the supplies to get them running.

75% Repaid



You've loaned: \$25

Repayment Term: 24 monthly payments  
Grace Period: N/A  
Listed: Jun 6, 2014  
Disbursed: Jul 21, 2014  
Paying Back: Jul 22, 2014

## Kevin

Uptown Transportation  
Richardson, TX

OVERVIEW ENDORSEMENT REPAYMENTS LENDERS 111 CONVERSATIONS 82



### PAYING BACK

A loan of \$5,000 helps me to purchase second vehicle so that I can grow my business.

83% Repaid



You've loaned: \$300

Repayment Term: 24 monthly payments  
Grace Period: N/A  
Listed: May 21, 2014  
Disbursed: Jun 10, 2014  
Paying Back: Jun 11, 2014

### About Uptown Transportation

Industry: Transportation  
Years in Operation: New Business  
Website: [uptowntransportation.net](http://uptowntransportation.net)

## Mark Dynasty Construction



# Funding strategies

1. Build program capacity and practice.
2. Create the base for public investment.
3. Identify and address policy barriers.





- Dedicate funding to pre- and post-release programs.
- Ensure adequate support for necessary case management and program coordination.
- Support pre- and post-release financial capability and savings programs.
- Invest in field-building activities.
- Fund social enterprise components that can enhance and scale program services for greater sustainability.

# Funding strategies: Creating the case for public investment



- Invest in evaluation that documents the return on investment in entrepreneurship programs for the formerly incarcerated.
- Support education and advocacy efforts that help to make public officials and agencies aware of these programs, funding streams, and policies needed to support them.
- Connect post-release entrepreneurship to the pay-for-success movement.

TODAY, **LIFE** IS FULLY FUNDED by the Oregon Department of Corrections, with the exception of post-release stipends, which are funded by individual donor support.

# Funding strategies: Identifying and addressing policy barriers



- “Ban the box” in publicly funded micro and small business lending programs.
- Identify the challenges and strategies for integrating entrepreneurship programs and support within the probation and parole systems.

# Concluding thoughts



- Funders can play an important role in providing a second chance for the formerly incarcerated.
- Business ownership and self-employment can help the formerly incarcerated:
  - build confidence and become self-empowered;
  - connect with the labor market;
  - achieve long-term self-sufficiency; and
  - lower recidivism.

“THE ENTREPRENEURIAL, re-entry planning and life skills that women learn in the LIFE program help to build resiliency and empower them to create productive lives for themselves, their families and communities.”

JOHN HAINES  
EXECUTIVE DIRECTOR  
MERCY CORPS NORTHWEST

**PHILANTHROPIC PERSPECTIVE:  
Funders of Microenterprise  
Strategies to Support Former Offenders**



**THERESA BEDEAU**

**Vice President  
Community Development Banking  
CAPITAL ONE BANK**

# QUESTIONS & DISCUSSION



*Moderator*

**ABBY HUGHES  
HOLSCLAW**  
Director, Member  
Engagement  
ASSET FUNDERS  
NETWORK



*Presenter*

**JOYCE KLEIN**  
Director, Economic  
Opportunities  
Program  
FIELD AT THE  
ASPEN INSTITUTE



*Presenter*

**LAVI MOHAN**  
Research Associate,  
Economic  
Opportunities  
Program  
FIELD AT THE ASPEN  
INSTITUTE



*Presenter*

**BERT SMITH**  
CEO, PRISON  
ENTREPRENEURSHI  
P PROGRAM



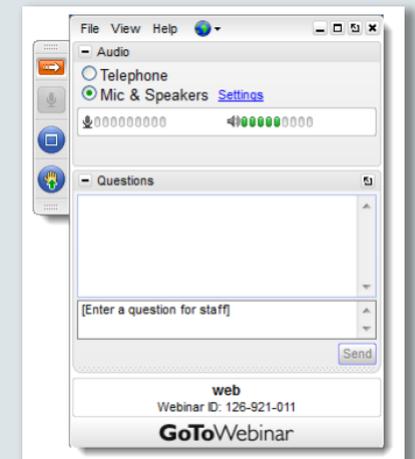
*Presenter*

**THERESA  
BEDEAU**  
Vice President,  
Community  
Development  
Banking  
CAPITAL ONE BANK

## CONTROL PANEL

### QUESTIONS

Click the **QUESTIONS**  
box to share a question  
for the presenters.



Thank you for attending today's  
**Asset Funders Network**  
presentation

---

## **PLEASE FILL OUT OUR SURVEY**

The survey will pop up on your screen momentarily  
and will also be sent to you via email

**WE VALUE YOUR TIME,  
AND YOUR RESPONSES WILL INFORM  
OUR FUTURE PLANNING**

---

**THE WEBINAR HAS CONCLUDED**

---