Major Milestone Timeline

1982
Founded at Greyston Mansion (For Profit Entity)

1992
Established Greyston Foundation (Nonprofit Entity)

2004
Moved into New Bakery

2012
Become NYS 1st Benefit Corp
Bakers on a Mission

Guiding Principles

Open Hiring
Open Hiring is a policy which offers employment opportunities regardless of education attainment, work history, or past social barriers, such as incarceration, homelessness, or drug use.

PathMaking
PathMaking is both a philosophy and a program which reflects Greyston’s core belief that individuals can be supported to achieve “wholeness“ (self-sufficiency) that comes from having a well-balanced, satisfying and integrated personal, spiritual, and professional life.

“I was illegal since I was a teenager. Now to be legal and working on credit, bank accounts and stuff like that, it means a lot. It feels like I am part of society now. Before, I did not feel like that." - Dion Drew
Ben & Jerry’s Partnership

• Brownie Artisans for Ben & Jerry’s for over 20 years

• Produce over 5,000,000 lbs of brownies per year (conventional and fair trade)

• Suppliers for both domestic and international operations
Diversified Revenue Stream
2013

Total 2013 Revenue = $17 Million

- Bakery Sales - 65%
- Service Fees - 12%
- Government Grants - 8%
- Private Donations - 7%
- Rental Income - 5%
- Other - 3%

Greyston - Confidential
Expenses by Activity - 2013

Total 2013 Expenses = $17 Million

- Greyston Bakery - 62%
- Human Services - 15%
- Child Care - 8%
- Housing - 4%
- Workforce Development - 1%
- Community Gardens - 1%
- Administrative & Fundraising - 9%
How We Measure Impact
Select Programs

• **Bakery**
  – Number of jobs created, dollars back into the community
  – Savings to NY State from reduced recidivism

• **Child Care**
  – Number of children receiving quality, early childhood education
  – Reduction in public assistance costs resulting from parents being in the labor force

• **Workforce Development**
  – Number of persons trained and placed in job opportunities
  – Number of persons employed beyond six months

• **Community Gardens**
  – Pounds of produce grown annually
  – Number of persons in the community educated about healthy eating and locally grown food
Impact Investing Example

• Faith-based Organization with Socially Responsible Investing Program
  – Makes loans to nonprofits to support social justice mission

• Lent Greyston Bakery $250K to fund the acquisition of a new wrapping machine for product line expansion
  – Benefit Corp. designation “fit” with program despite for-profit status

• Low interest, unsecured debt financing
  – No collateral required
  – Willing to be subordinated to all other lenders

• Metric for Investment: number of new jobs created
“Robin Hood does not fund poetry. Its grants create poetry.”

Michael M. Weinstein
Chief Program Officer
WHY WE DO METRICS

1. TURNS VECTOR INTO SCALAR (a.k.a. apples to oranges)
2. ACCOUNTS FOR COUNTERFACTUALS
3. ACCOUNTS FOR DISPLACEMENT, SORT OF
4. ESTIMATES RATE OF RETURN: RELENTLESS MONETIZATION
5. PROVIDES NIFTY DIAGNOSTICS
WHY WE DO METRICS

- ACT 1 -

VECTOR to SCALAR

RELENTLESS MONETIZATION

TRAIN 20 CARPENTERS

GRADUATE 45 STUDENTS

SCREEN 200 ADULTS FOR HEPATITIS C

BENEFIT/COST RATIO
WHY WE DO METRICS

ACT 2

Counterfactuals

60,000 tax filers
$125 million tax refunds

$85 million occurs without Robin Hood

$40 million true impact occurs only because of Robin Hood’s grant

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FIGHT POVERTY LIKE A NEW YORKER
WHY WE DO METRICS

- ACT 3 -

Displacement

Hair Stylists Mary and Todd
WE TRAIN TODD

NET POVERTY-FIGHTING
ZERO!

MARY employed

TODD unemployed

MARY unemployed

TODD employed
WHY WE DO METRICS

ARITHMETIC: Middle School Grant

1 - Poverty-Fighting Benefits (B)

45 x P.D.V. ($6,500/year for 20 years)

# of additional graduates above counterfactual (staff estimate)

Earnings boost (above counterfactual) (research literature)

1.8 QALYs x $50,000/QALY

Health status boost (above counterfactual) (consultant)

0.6 Robin Hood Factor

Staff estimate

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**WHY WE DO METRICS**

**ACT 4**

1. Poverty-Fighting Benefits ($B$)
   
   \[
   45 \times \text{P.D.V.} \left( \frac{$8,500 \text{/year}}{20 \text{ years}} \right)
   \]

2. \( B = $5.2 \text{ million} \)

3. Costs = $0.8 \text{ million (grant)}

4. \( B/C = 7:1 \)
WHY WE DO METRICS

- ACT 5 -

Diagnostics

If estimated B/C is LOW
Why?
are we missing something?

If estimated B/C is HIGH
are we exaggerating something?
or are we onto something replicable?
WHY WE DO METRICS

Repeat after me

Never, ever make grants on the basis of arithmetics alone
EARLY CHILDHOOD

EXAMPLE: BENEFITS

- High School Graduation: Impact on Earnings and Health
- Juvenile Delinquency
- Child Abuse
- Parenting Skills
- Parenting Earnings
- Fees for Child Care
Explanation:
We estimate the benefit of high quality pre-kindergarten programs by estimating their impact on the rate of high school graduation among enrollees and, through that mechanism, the impact on future earnings and health. We also estimate the impact of high quality pre-K programs on juvenile delinquency, child abuse, parenting skills, parental earnings and fees that parents no longer need to pay for child care. As outlined below, we estimate the total benefit of pre-K programs on poor New Yorkers from all enumerated impacts to be $45,000 per student.

High school graduation- Earnings impact
First, we estimate the impact of high quality pre-kindergarten programs on high school graduation rates. We start by assuming a counterfactual graduation rate of 50 percent (NYCDOE, 2009): 50 percent of the black and Hispanic students who apply to pre-kindergarten programs funded by Robin Hood (mostly black and Hispanic students) would graduate high school in the absence of our programs. Next, we assume that high quality pre-kindergarten programs of the type of Robin Hood funds boost the odds that students eventually graduate from high school by 30 percent.
EARLY CHILDHOOD

EARLY CHILDHOOD, HIGH QUALITY PRESCHOOL

Explanation Continued:
High school graduation- Earnings impact
The 30 percent figure emerges from sophisticated longitudinal studies of three high quality pre-K programs: Abecedarian (Campbell et al., 2010), Perry (Schweinhart et al., 2005) and Chicago (Reynolds, et al., 2010) studies.

We then estimate the impact of academic progress on earnings. From Levin et al. (2007), we infer that 65 percent of students living in poverty and who graduate high school do not enroll in college. They earn $6,500 a year more than do high school dropouts on average. Of the 35 percent of high school graduates who do enroll in college, 60 percent do not graduate college and will earn $11,500 more per year on average than do high school dropouts; 15 percent of those who enroll in college earn an A.A. degree, earning $19,000 more per year on average than do high school dropouts; and 25 percent of those who enroll in college earn a B.A. degree, earning $39,000 more per year on average than do high school dropouts.
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E A R L Y C H I L D H O O D , H I G H Q U A L I T Y P R E S C H O O L

Explanation Continued:
High School Graduation: Health impact
We estimate that high school graduation boosts the future health status of students by 1.8 QALYs, an estimate based on the work of Muenning, found in Levin et al., (2007). Robin Hood assigns a value of $50,000 per QALY. The overall benefit of preschool on high school graduation and subsequent higher educational attainment is $43,800, calculated as follows:

Present discounted value of $(0.50 \text{ baseline high school graduation rate} \times 0.30 \text{ increase in high school graduation rate} \times 0.65 \text{ do not go on to college} \times 6,500 \text{ earnings increase}) + (0.50 \text{ baseline high school graduation rate} \times 0.30 \text{ increase in high school graduation rate} \times 0.35 \text{ do go on to college} \times 0.60 \text{ will not get a degree} \times 11,500 \text{ earnings increase}) + (0.50 \text{ baseline high school graduation rate} \times 0.30 \text{ increase in high school graduation rate} \times 0.35 \text{ do go on to college} \times 0.15 \text{ earn an AA degree} \times 19,000 \text{ earnings increase}) + (0.50 \text{ baseline high school graduation rate} \times 0.30 \text{ increase in high school graduation rate} \times 0.35 \text{ do go on to college} \times 0.25 \text{ earn a BA degree} \times 39,000 \text{ earnings increase}) = $1,658 \text{ at present value, assuming the children are 4 years old, that earnings benefits begin at age 20, with real growth estimated at 3 percent and discounted at 5 percent, is $30,434, rounded to $30,400.}

(0.50 \text{ baseline high school graduation rate} \times 0.30 \text{ increase in high school graduation rate} \times 1.8 \text{ QALY} \times 50,000 \text{ per QALY}) = $13,500 \text{ estimated health benefits arising from improved educational attainment} = $30,400 + 13,500 = $43,900 \text{ total estimated earnings and health benefits arising from improved educational attainment due to high quality preschool}
**Early Childhood**

**Detailed Metric**

(XX children enrolled in a high quality preschool) * (XX percent of children attend a high quality preschool solely because of this program) * $45,000 value of preschool)

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**Early Childhood, High Quality Preschool**

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Explanation Continued:

The overall benefit of decreased juvenile delinquency is $2,550, calculated as follows:

Present discounted value of ((0.09 baseline juvenile delinquency rate) * (0.35 avoid juvenile delinquency due to preschool) * ($20,000 estimated future earnings) * (0.22 estimated earnings increase due to avoided juvenile delinquency) = $139, at present value, assuming the children are 4 years old, that earning benefits begin at age 20, with real growth estimated at 3 percent and discounted at 5 percent, is $2,550.

Child abuse

We estimate a 50 percent reduction in child abuse due to high quality preschool, based on Reynolds et al., (2010) (which reports that rates of child abuse fall to 5 percent from 10 percent). We estimate that the value of preventing child abuse (in terms of health status and healthcare costs) is about $24,000, based on the findings of Aos et al., (2004). This estimate captures the present discounted value of future improvements in health status and reductions in future medical outlays. Note that we apply this estimated benefit to a reduction in future abuse even though we may not have information on whether a 'case' of abuse has already occurred for which future remediation is not possible.
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Explanation Continued:

Child abuse
To complete the calculation below, we assume a counterfactual rate of child abuse of 12 percent (based on the Aos et al., (2004) meta-analysis) in an urban, low-income population.

The overall benefit of decreased child abuse is $1,440, calculated as follows:

\[ \text{((0.12 baseline child abuse rate) } \times \text{ (0.50 estimated decrease in child abuse rate) } \times \text{ ($24,000 value of avoiding child abuse)) } \times \text{ ($45,000 value of preschool)} \] = $1,440

Improved parenting
We estimate that the future health status of children rises by an average of 0.02 QALY if their parents acquire improved parenting skills. The estimate is based loosely on an estimate for the impact on children of reduced domestic violence (Muennig, 2005). While in most cases the decrease in domestic violence (D.V.) may only be tangentially related to improved parenting, the D.V.-based estimate serves as a useful proxy until we find a better estimate.
EARLY CHILDHOOD, HIGH QUALITY PRESCHOOL

Explanation Continued:
Improved parenting
We estimate that about 33 percent of parents will improve their parenting skills due to a strong parenting intervention, based on Webster-Stratton's (2005) findings. Robin Hood assigns a value of $50,000 per QALY.
The overall benefit of improved parenting is $330, calculated as follows:
\[(0.02 \text{ estimated QALY value of improved parenting}) \times (0.33 \text{ parents improve}) \times ($50,000 \text{ per QALY}) = $330\]

Child care fees saved
Parents with incomes under the poverty line pay no child care/preschool fees if they are lucky enough to get into a subsidized slot. But, in New York City, only 30 percent of eligible families find available slots. (Kolben & Holcomb, 2008). Thus, 70 percent of eligible families in poverty pay for preschool/child care. Families who do not receive a subsidized slot must pay between 1 and 10 percent of their gross income for child care. Assuming average earnings of $20,000 (based on Levin et al., 2007) and assuming the family pays 5 percent of earnings on child care, the expected outlay per year will be $1,000.
The estimated amount of child care fees saved is $700, calculated as follows:
\[(0.70 \text{ eligible families do not receive subsidy}) \times ($1,000 \text{ cost saved due to Robin Hood funding}) = $700\]
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EARLY CHILDHOOD, HIGH QUALITY PRESCHOOL

(XX children enrolled in a high quality preschool) * (XX percent of children attend a high quality preschool solely because of this program) * $45,000 value of preschool

Explanation Continued:
Parents more likely to work
We estimate that enrollment in pre-K programs increase employment of parents by 6 percent. Matthews (2006) reports that families in poverty receiving subsidies for child care are between 12 to 15 percent more likely to work. In New York City, 46 percent of families in poverty are employed (The New York City Commission for Economic Opportunity, 2006). An increase of 12 percent over the 46 percent rate means that about 6 percent more families would be employed due to free, full day, high quality preschool.

We estimate the average earnings of parents whose children attend our grantees’ program at about $20,000, based on earnings estimates from Levin et al., (2007), roughly split between those with a high school degree and those without. We apply these earnings to the percentage of newly employed parents just for the preschool year.

The estimated benefit of increased probability of employment is $1,200, calculated as follows:
((0.06 increase in number of working families) * ($20,000 estimated average earnings) = $1,200

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Detailed Metric

EARLY CHILDHOOD, HIGH QUALITY PRESCHOOL

(XX children enrolled in a high quality preschool) \times (XX percent of children attend a high quality preschool solely because of this program) \times $45,000 value of preschool

Explanation Continued:

Overall benefits
We estimate that the overall benefit of high quality preschool on children and families is about $45,000 calculated as follows:

$43,900 present discounted value of earnings benefits and education-related health benefits + $2,550 earnings benefits of decreased juvenile delinquency + $1,440 overall estimated benefit of decreased child abuse + $330 in QALY benefits of improved parenting + $700 in saved child care fees + $1,200 estimated increase in parental employment = $50,120, reduced by 10 percent to account for possible double-counting across benefits = $45,100, rounded to $45,000

References:
References Continued:


EARLY CHILDHOOD

(XX children enrolled in a high quality preschool) \times (XX percent of children attend a high quality preschool solely because of this program) \times $45,000 value of preschool

EARLY CHILDHOOD, HIGH QUALITY PRESCHOOL

References Continued:


EARLY CHILDHOOD

(XX children enrolled in a high quality preschool) * (XX percent of children attend a high quality preschool solely because of this program) * $45,000 value of preschool)

References Continued:

