A CLOSER LOOK

PUBLISHED QUARTERLY BY THE COMMUNITY AFFAIRS DEPARTMENT of the federal reserve bank of St. Louis A Closer Look takes topics from previous and current issues of *Bridges* and examines them from a local perspective.



...AT THE ST. LOUIS REGION

Contest Puts Social Issues, Entrepreneurship in Spotlight

In 2005, a partnership between The Skandalaris Center for Entrepreneurial Studies at Washington University in St. Louis and YouthBridge Community Foundation launched the Social Entrepreneurship and Innovation Competition (SEIC). The purpose of SEIC is to help social entrepreneurs develop and fund self-reliant ventures that deliver valuable public goods and services.

YouthBridge Community
Foundation pledged \$500,000
in funding over five years to
create the annual competition. Other funders have
included the Deaconess Foundation, the Incarnate Word
Foundation and the Lutheran
Foundation.

The underlying concept of SEIC is to advance a greater understanding of the role of entrepreneurship and enterprise creation in the non-profit sector.

Chris Miller, community outreach coordinator for the Skandalaris Center, says that one of the major hurdles the center faces is getting around the narrow definition that people seem to have about the word *entrepreneurship*. Typically, the concept is confined to bringing new commercial

products and services to the marketplace.

"Unfortunately, when people think of entrepreneurs, they generally think of the inventor in the garage or the businessperson in the boardroom," Miller says. "Experience has taught us that the entrepreneur is just as likely to be the social worker in the field, the scientist in the lab or the bureaucrat at her desk."

Entrepreneurship is a far broader process that includes a way of thinking, acting and seeing the world. It's about thinking outside the box, acting energetically and without fear of failure, and seeing the world in terms of opportunities, not obstacles.

"More than anything," Miller says, "entrepreneurship is about collaborating with others to create new value—be it monetary or social, physical or conceptual—that improves people's lives and moves the world forward. And it is this broader view of entrepreneurship that guides SEIC."

How the Competition Works

The entry process begins with the submission of an idea on IdeaBounce and the formation of a team. Idea-Bounce is the Skandalaris

Resources

The Skandalaris Center for Entrepreneurial Studies www.sces.wustl.edu

IdeaBounce

www.ideabounce.com

Coffee with the Experts

www.sces.wustl.edu/outreach/coffee.htm

YouthBridge Community Foundation www.youthbridge.org

Center's online site, where people make connections and post ideas about entrepreneurship for give-and-take discussion and refinement. Existing and startup nonprofits are eligible to compete. The idea founder and team can request assistance with their needs, such as team members, mentors and legal, financial and technical advice. Workshops and networking events are offered as part of the competition.

Ideas can be further refined through the "Coffee with the Experts" step. Here, the social entrepreneur can have a private conversation with a panel of experts to troubleshoot specific challenges. Throughout the competition, teams are evaluated and receive feedback from a panel of judges. Evaluations are based on: mission, purpose and approach; leader, team and organizational capacity; startup funding and a sustainability plan; and a social value measurement plan.

Winners receive up to \$65,000 in funding.

And the Winners Are ...

So far, there have been competitions in 2006 and 2007 with the 2008 contest currently under way. Several winners and the issues they tackled are featured on the back page.

Domestic Violence against Women

THE ISSUE

Domestic violence burdens society with tremendous costs, estimated to be \$67 billion. The usual method for dealing with the issue tends to focus on stopping physical assaults by separating one party from the housing unit. This approach does not address larger causal issues that could prevent patterns of abuse. Financial insecurity often means women must choose to stay in an abusive household or face transitional poverty and homelessness. Most organizations that provide support services to domestic violence victims do not have the expertise to help them overcome financial barriers. The lack of information undermines a victim's ability to make choices that help her become financially self-sufficient.

THE RESPONSE

Redevelopment Opportunities for Women (ROW), an organization whose mission is to economically empower women, created the REAP Training Institute to increase options for women in domestic abuse situations. REAP means Realizing your Economic Action Plan (REAP). The institute provides a financial literacy and economic self-sufficiency curriculum, training, certification and consulting to organizations that work with domestic violence victims. The idea is that teaching organizations to deal with issues of economic security is necessary to drive change and decrease the occurrence and cost of domestic violence in society. ROW was awarded \$35,000 to start the institute. www.row-stl.org

Youth Entrepreneurship

THE ISSUE

Teenagers become at risk for dropping out of school when they face barriers to a promising future. Frequently, youth lack career role models to demonstrate they can choose a successful career as an artist. Opportunities are needed to develop the talent and skills necessary to work as a professional artist while providing arts education and a meaningful work experience.

THE RESPONSE

St. Louis ArtWorks created Boomerang Press, an arts business venture employing youth as art apprentices. The enterprise conducts an after-school and summer program for at-risk teens, who produced a creative line of note and greeting cards with the help of adult artists and art educators. In 2008, product lines have been expanded to include calendars, note cards, holiday cards, card designs primarily for corporate clients, and commissions for most print needs, such as banners, posters and public works of art. ArtWorks was awarded



\$35,000 to start Boomerang Press. Recently, YouthBridge Community Foundation announced a separate \$150,000 grant to ArtWorks to expand Boomerang Press. www.stlartworks.org

Poverty Alleviation and Economic Development

THE ISSUE

Globally, the majority of people living below the international poverty line are women and children. When women are poor or undernourished, children and families also are deprived, resulting in a cycle of poverty that becomes virtually impossible to break. Craftswomen and artisans in lesser-developed nations live in a cycle of poverty. There is not an available or accessible source of credit to create or maintain a business. Even if a source of loan funds could be found, the products are not entirely suitable for sale in other markets and the connections to those potential markets are nearly impossible for them to establish.

THE RESPONSE

Nest is a nonprofit organization that helps women in lesser-developed countries start or further develop art- or craft-based businesses. Nest created a team of 45 experts in six countries who mentor craftswomen on product design. Then, Nest provides microloans for materials and overhead in tangent with establishing retail outlets, such as boutiques and an online marketplace. Nest was awarded \$25,000. http://shop.buildanest.com

Employment for Marginalized Populations

THE ISSUE

There are groups of women—such as ex-offenders, refugees and immigrants—who are stigmatized and socially marginalized at the bottom of society. A lack of self-esteem, job experience and social connection creates obstacles to obtaining and maintaining employment and economic stability. The groups frequently face overt discrimination in seeking access to the mainstream economic system. Jobs that provide a stable, living-wage income, that offer health insurance and that build marketable skills through ongoing training and educational opportunities are rare.

THE RESPONSE

Three St. Louis organizations collaborated to open One World Neighborhood Café (OWNC), a new catering business that provides the types of jobs necessary to resolve the issue. OWNC is a venture of the Center for Women in Transition, serving women convicted of nonviolent crimes; the Immigrant and Refugee Women's Program; and the refugee ministry program at Provident Inc. The business serves an international



menu of box lunches to groups hosting meetings and diversity training events. Nine box meals from five continents are available. The initiative has developed a strong brand identity that celebrates the benefits of racial and ethnic diversity. It was awarded \$30,000. http://oneworldneighborhoodcafe.com

Childhood Starvation

THE ISSUE

Haiti is the poorest nation in the Western hemisphere. Approximately 17 percent of the children suffer from early childhood malnutrition, resulting in heavy economic losses to the nation. Malnutrition prevents normal growth and development of children into adulthood, thereby also creating significant social costs. Traditional treatments include hospitalization, daily feeding programs and dry-ration donations. A food product was needed that would more quickly and effectively restore and maintain health through the toddler years and that would also set a new global standard for treating starving children. Investments in early-stage nutrition are critical to reducing poverty and improving economic growth.

THE RESPONSE

The goal was to locally produce, manufacture and distribute a high-protein, high-fat peanut butter paste called Mediki Mamba. A ready-to-use therapeutic food, Mediki Mamba allows Haitian children to quickly recover from malnourishment. Created by Meds and Food for Kids, Mediki Mamba represents an innovative approach that requires no cooking or preparation, does not spoil, is easily administered and tastes good. The peanuts are purchased from local farmers, manufactured using local labor and distributed through 12 partners. After winning an SEIC award of \$30,000, Meds and Food for Kids received a World Bank Development Marketplace award for \$198,020 to continue early childhood starvation solution building in Haiti. www.medsandfoodforkids.org



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