



When non-profits cash in

Conference explores concept of social entrepreneurship

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Non-Profits Cashing In

Coffee With a Conscience employee Amanda Tollefson gives a customer change Wednesday at the coffee shop located at the Milwaukee Public Library downtown. The shop is an example of a non-profit organization generating revenue from a business enterprise.

It goes to the heart of your ability to bring about lasting change.

- Steve Case,

Founder of America Online and philanthropist

Girl Scout cookies may be the best-known example. National Geographic magazine is another. So, too, is Coffee With a Conscience in Milwaukee.

All three are business ventures that help fund non-profit organizations. This blurring of two worlds - one focused on making money, the other on spending it - is seen as the best hope for freeing non-profit groups from the relentless pressure to raise money.

"It goes to the heart of your ability to bring about lasting change," said Steve Case, co-founder of America Online Inc. "Right now, competition for philanthropic dollars is rising faster than the dollars themselves."

Case was the keynote speaker Wednesday at a national conference of the Social Enterprise Alliance, a group created to encourage non-profit organizations to be more entrepreneurial.

The Case Foundation gave \$125,000 for the conference, which brought more than 500 people to downtown Milwaukee. Other sponsors included the Calvert Foundation, an affiliate of the family of socially conscious mutual funds, the UPS Foundation and the Helen Bader Foundation of Milwaukee.

The idea of non-profit organizations setting out to make money isn't new. Thrift stores and museum gift shops, for example, are common. But more non-profits are trying to figure out how make a buck - as opposed to raise a buck.

"There's a growing recognition that a new approach is necessary," Case said in an interview. "The notion of social enterprise is beginning to move from the fringes to become more of a mainstream phenomenon."

Coffee With a Conscience, which runs two coffeehouses in the Milwaukee area, is one local example of social enterprise. The business, which also sells gift baskets, was started by the Wisconsin Women's Business Initiative Corp., a statewide economic development organization.

Coffee With a Conscience also serves as a laboratory for the organization's training program on starting small businesses, providing lessons on such basics as inventory management and accounting.

Social enterprise also includes businesses started with the idea of doing good. Newman's Own, a food products company started by actor Paul Newman, is a well-known example. The company's profit goes to charitable organizations.

Legacy Bank, a community bank founded by African-American women in Milwaukee, is another example of a for-profit company started with a social goal. The Helen Bader Foundation was an investor in the bank, said Kathryn Dunn, the foundation's community investment officer. The foundation is working to encourage social enterprise in Milwaukee.

One challenge is that social enterprise involves risk, and that requires changing the mind-set of non-profit organizations. The groups also don't have an easy way to raise money for business ventures.

The Case Foundation is moving beyond giving traditional grants, instead making loans or investments in social enterprises.

Case, a famed entrepreneur, acknowledged that he can help provide visibility and recognition to the movement. That's what brought him to Milwaukee, he said.

"The principal contribution I can make, or I think I can make, is to widen the circle of people who are familiar with these concepts," he said.