

What's Next
A Fresh Approach to Food Stamps
By Suzie Boss

Stanford Social Innovation Review
Fall 2013

Copyright © 2013 by Leland Stanford Jr. University
All Rights Reserved

By SUZIE BOSS

SOCIALLY RESPONSIBLE BUSINESS

Donations on Tap

► When it's time to settle the bill at Cause DC, a bar and restaurant in Washington's popular U Street nightclub district, patrons get to make one last menu choice: Which of four featured nonprofits do they want to benefit from their entertainment experience?

Cause DC opened in late 2012, creating a buzz with its unusual business model: It gives away a

business models vary widely. The Oregon Public House, located in a gentrifying neighborhood of Portland, operates as a nonprofit. The two-story, brick-walled space, built as an Oddfellows Hall in 1909, was painstakingly rehabbed by volunteers. A pub operates on the ground floor, and an upstairs ballroom is rented out for special events.

Sweat equity and a long-term lease allowed the Oregon Public House to open debt-free. During opening weekend in May, the place was packed with diners who were tucking into

appeal to twenty-somethings out for a night on the town. "We don't want people to say, 'Oh, it's a nonprofit bar, but the food's not any good.' Our staff is very good at what they do," Vilelle says. (Yelp reviews back up his claim.) The chef sources most food locally, and specialties like African chicken groundnut stew make for "an adventurous menu," Vilelle notes.

Unlike the Oregon Public House, Cause DC is a for-profit venture. Actually, it's a pair of ventures. One LLC owns the property; another operates the bar and restaurant, leasing the space at a subsidized rate. The founders recruited impact investors to buy into the idea. "They're making a real estate play that allows us to make an impact," says Vilelle, who began to develop the business after returning from a Peace Corps stint in Togo.

Like a set of rotating taps, the array of nonprofit organizations that benefit from these establishments' generosity changes frequently. At Cause DC, would-be beneficiaries use a streamlined online application process, and an advisory board chooses a slate of recipients each quarter. The board favors organizations that are "innovative and working at root causes," Vilelle explains. Recent beneficiaries have included international NGOs like One Acre Fund and local nonprofits with a focus on arts or youth mentoring.

Cause DC predicts that its annual donations will reach \$100,000 once it recoups its startup costs. Oregon Public House expects to generate \$120,000 annually for charities, and it plans to cut checks for

them every month. "The whole point is to raise money for charities, not to be just another nice pub," says Ryan Saari, founder of the Portland bar "We want to get the money out to them fast." Both organizations plan to publish reports on their donations online.

These socially minded bar-keeps eagerly share what they're learning with anyone who asks for advice. Vilelle estimates that he has fielded at least 20 calls from interested entrepreneurs around the world.

Perhaps the most valuable benefit of the philanthropub model is the way that it matches good causes with potential supporters. "Younger people aren't your big-check philanthropists," Vilelle says. "Here's an opportunity for them to get involved in the things they want to support just by doing what they already do." Cause DC customers who write an email address on their receipt will get an update on what the beneficiary organization has accomplished with its donation. "That's positive reinforcement," Vilelle adds. ■

FOOD

A Fresh Approach to Food Stamps

► Every Friday afternoon throughout the growing season, families stop by Zenger Farm on the outskirts of Portland, Ore., to pick up their weekly share of fresh-picked organic produce. Depending on what's ripe, their baskets might include fava beans or fennel, tomatoes or turnips—10 items or more in all.



Diners at Cause DC, a bar and restaurant in Washington, get a side of philanthropy with their order.

portion of its profits to worthy organizations. Other "philanthropubs" have opened in Houston and Portland, Ore.; another is rumored to be in the works in Melbourne. Cause DC cofounder Nick Vilelle doesn't mind the competition. "If someone steals the idea, that's fantastic," he says. "The more, the better." Even comedian Stephen Colbert has chimed in, giving a "wag of the finger" to what he described as a new trend of "drunk donating."

Although all of these establishments aim to do good, their

cheeseburgers and other pub grub. Proceeds from just the first two weeks of operation enabled the pub to give away \$2,000 to eight nonprofits.

Cause DC has somewhat more upscale ambitions. Vilelle and his cofounder, Raj Ratwani, recruited an experienced business manager and a veteran chef to design a menu that would

Traditionally, community-supported agriculture (CSA) programs like this one have required customers to shell out hundreds of dollars at the start of a season. That up-front commitment helps small farmers make ends meet, but it's a deal breaker for less affluent customers. Yet more than half of the customers at Zenger Farm are low-income. Instead of paying in advance for all 23 weeks of the season, they pay \$25 each Friday by swiping their SNAP benefit card. SNAP stands for Supplemental Nutrition Assistance Program; it's known, more colloquially, as the food stamp program.

Across the country, efforts to unite CSA and SNAP are sprouting up at farms that sell direct to customers. "We get calls every week from farmers who want to be able to do this," says Bryan Allen, assistant farm manager at Zenger Farm. "It's definitely on their radar."

A commitment to food justice helps to explain that interest, but simple economics plays a big role, too. One in seven Americans receives SNAP benefits. These consumers are developing a taste for fresh produce, with a push from the US Department of Agriculture (USDA) to expand SNAP recipients' access to farmer's markets. From 2007 to 2011, SNAP purchases at farmer's markets grew from \$1.6 million to more than \$11 million. SNAP recipients can spend that money on CSA programs only at farms that register to accept SNAP payments. (According to a USDA spokesperson, the agency doesn't have a count of authorized CSAs.)

Zenger Farm, a nonprofit farm and education center, began piloting a SNAP program in 2011. To share lessons with other farms, it has published an online guide to best practices. In

February, it held a webinar that drew nearly 100 attendees from across the country.

One lesson that people at Zenger Farm have learned is that they need to educate consumers about the CSA model. "The first year we tried this, we didn't have an up-front conversation with [SNAP] customers," Allen says. As a result, 35 percent of participants dropped out during the growing season. That's a big hit for a small farm. The following year, Zenger Farm took more time to explain its model and also began requiring SNAP users to put down a \$50 (two-week) deposit. Customers get the full deposit back if they collect at least 21 of their 23 weekly shares. After the deposit was introduced, the dropout rate fell to 15 percent.

Before farmers can accept SNAP payments, they have to meet certain eligibility criteria. They also have to be ready to live with a slower cash flow. According to current federal rules, SNAP funds can't be used to pay for food in advance. USDA guidelines explain the reasoning behind this pay-as-you-go rule: "Because SNAP clients have limited means and resources, they can neither afford nor risk payment for an entire growing season at the season's start."

That's debatable, Allen argues. "Low-income people are certainly capable of budgeting their own money," he says.

In any event, low-income consumers seem to enjoy the chance to try the novel items that show up in their CSA baskets. Recipe swapping is a common practice among CSA customers, who often welcome help in figuring out what to do with a rutabaga or a celeriac. "There's a lot of community-building at the farm around preparing fresh food," Allen notes. ■

GOVERNMENT

Crowdsourcing the Past

► In a 1918 letter home from the front lines of World War I, a US Army soldier told his family, "Some day some one will tell the story as it should be told." Nearly a century later, his eyewitness-to-history account has been transcribed for posterity through the efforts of a 21st-century army of citizen archivists.

The Citizen Archivist Dashboard is a crowdsourcing project of the National Archives and Records Administration (NARA). Using a Web 2.0 toolkit, volunteers are helping NARA with the painstaking process of turning 10 billion pages of historical documents—many of them written in longhand—into searchable, digitized data that users can access online.

"It's all about providing the greatest possible access to the records," says Pamela Wright, chief innovation officer for NARA. "When people are looking for that needle in the 10-billion-straw haystack, we want to make sure they can find it."

The dashboard went live at the end of 2011, and right away the public started using it with an enthusiasm that took NARA by surprise. "We started with 300 documents that needed to be transcribed, including 1,000 handwritten pages. Within two weeks, we ran out of documents," Wright says. "Not only was everything transcribed, but the documents in languages other than English were translated. And the quality was good. We were stunned."

Since then, citizen archivists have gone online to tag historic photographs, transcribe ship's logs and old weather reports, and edit Wikipedia articles that cite National Archives sources. NARA

continues to upload new "missions," as the agency calls them, to keep volunteers engaged.

"This is all hugely important," says Jackie Dooley, president of the Society of American Archivists. "No archive has enough staff to work at such a level of detail." Professional archivists tend to work on collections "at more of an aggregate level," she explains. "Being able to provide keyword searching of transcribed content greatly increases the level at which people can find relevant materials."

Citizen archivists aren't in it for the glory. For the most part, Wright says, "we don't even know who they are." From anecdotal information, she knows that their ranks include genealogists and military history buffs, as well as professional scholars.

"There are a lot of buffs out there," Dooley says. "They have a personal passion for this material." One of the best illustrations of the citizen archivist trend, she says, is the tremendous outpouring of volunteer time that has gone into Trove, a digital newspaper project that's run by the National Library of Australia. Since that project launched in 2009, some 30,000 volunteers have corrected 40 million lines of scanned and digitized text.

Creators of the Citizen Archivist Dashboard selected its tools with an eye toward ease of use by nonprofessionals. The dashboard incorporates existing Web 2.0 tools, such as Flickr for photo sharing, along with tools designed just for this project. The transcription tool was developed in-house. When you click on an object to transcribe, two windows open. The top one displays the original document. On the bottom window, users enter their response to a straightforward question: "What do you see?" In a demonstration

of the “wisdom of crowds” idea, users can improve quality by editing each other’s work.

“We wanted it to be simple enough for a high school student to use,” Wright explains. In fact, she hopes to find a way for students to earn service-learning credits for their contributions.

NARA, for its part, has earned not only an expanded social media following—its Tumblr site, called Today’s Document, has 100,000 followers—but also formal recognition. In 2012, the Citizen Archivist Initiative received the Walter Gellhorn Innovation Award from the Administration Conference of the United States.

Wright, the agency’s first innovation officer, plans to keep looking for opportunities to engage with the public. Those opportunities won’t all take place online. One idea in the pipeline is to create real-world innovation hubs where students with fluency in digital tools can work with older volunteers on archiving projects. Older volunteers, in return, might offer tips on a quickly vanishing skill: the ability to read cursive handwriting. ■

ECONOMIC DEVELOPMENT

An Arab Spring for Entrepreneurs?

► In what may be a first for the Arab world, an eco-friendly laundry is setting up shop in Tunisia. In the mountainous Khroumiri region, artisans are reviving the craft of Berber carpet making, and they’re using an improved loom design and a fair-trade marketing plan to do it. Meanwhile, a technology innovator is helping hospitals throughout Tunisia to digitize patient records.

In the wake of the Arab Spring, a new spirit of entrepreneurship is taking hold in this



North African country. Through a project called Souk At-tanmia (Arabic for “marketplace for development”), 71 budding businesspeople are accessing startup funding and technical help to turn raw ideas into commercial reality.

Investing in small and medium-sized enterprises is new territory for the African Development Bank (AfDB), which is spearheading the project. But fresh ideas were in order after the Arab Spring. “Right after acquiring freedom in 2011, people’s biggest priority was how to create more jobs,” says Emanuele Santi, AfDB’s country economist for Tunisia and founder of Souk At-tanmia. “They were protagonists of their own destiny during the revolution. Now they want to be protagonists in building a new Tunisia.”

Entrepreneurs don’t succeed on the basis of optimism alone, of course, especially in a country like Tunisia—where, Santi says, “creativity has been repressed for decades.” That’s why Souk At-tanmia has created what he describes as “an entire value chain of partners.” Among the 20 partners that AfDB has recruited are Microsoft and other multinationals, the Millennium Development Goals Achievement Fund, and various NGOs.

An employee stands ready to help patrons at EcoLav, a laundry enterprise that opened early this year in a suburb of Tunis.

“Souk At-tanmia has managed to unite a multitude of actors from public, private, and civil society to support entrepreneurs across the country,” says Carrie Beaumont, program manager for Mercy Corps Tunisia, a humanitarian organization that provides coaching and support for early-stage entrepreneurs. Most young entrepreneurs, for example, are inexperienced at making a pitch. “Banks complain that they do not receive good applicants,” Beaumont notes. Without external support, “many projects may not succeed,” she says.

With Souk At-tanmia, anyone with an idea was able to apply for the first round of funding, which occurred in 2012. The call for proposals spread widely through a large SMS campaign; Tunisiana, a local telecom provider, sent 5 million messages to promote the initiative. “It was revolutionary,” Santi says. “Still, we weren’t sure anyone would come forward.”

He needn’t have worried. Entrepreneurs, using an electronic submission process, uploaded some 2,000 proposals. A screen-

ing process then narrowed the pool to 300. Evaluators gave priority to projects that would boost employment, especially for young people and women. “Innovation was important, but not the main goal,” Santi says. “Our focus was primarily on projects with high potential to generate jobs.”

The British Council, another Souk At-tanmia partner, coached appli-

cants in the pool of 300 on business planning and helped them prep for the next stage of evaluation. In January, a panel of 28 experts picked 71 finalists. Each finalist received a grant of 15,000 euros (about \$20,000) and was paired with an appropriate mentor.

The first entrepreneurs to emerge from Souk At-tanmia are a diverse bunch: About a third of them are women, more than half are young people, and 62 percent hail from regions known to have low levels of economic opportunity.

For many grant recipients, this experience was their first encounter with traditional banking. Yet 60 percent of these ventures were able to raise additional capital after becoming finalists. “Banks were confident about giving the green light, because they saw the support structure,” Santi says. “They weren’t financing just anyone. They could see that these entrepreneurs have the assistance they need to succeed.”

People in other African countries have approached AfDB with requests to start similar programs for their fledgling entrepreneurs. So Santi’s next challenge is to help those countries apply the lessons that are still emerging in Tunisia. ■