

Pouring Hope One Cup at a Time: H.O.M.E. Page Café and the Free Library of Philadelphia

Charles Harrison 07 January 2011

Summary

H.O.M.E. Page Café, in the main branch of the Free Library of Philadelphia, is a public–private partnership that upends the image of homelessness through social branding. The innovation of the H.O.M.E. Page Café lies in the combination of its branding, operations, and location. The Central Branch of the Public Library system in Philadelphia has come to be viewed as a refuge for homeless individuals. By employing formerly chronic and transient homeless individuals as well as at-risk youth to serve the public, H.O.M.E. Page Café helps them acquire skills and, in the process, subverts social stigmas associated with homelessness and restores the image of libraries as a haven for knowledge and a center for community growth. The social net present value of H.O.M.E. Page Café is one justification for the innovation to be scaled.

The Problem

The Central Branch of the Free Library of Philadelphia system is located on Benjamin Franklin Parkway—a tourist attraction and scenic boulevard that runs through the cultural crux of Philadelphia. This area is a dream come true for those who love historic buildings, public parks, museums, and fountains.

By the early 21st century, the Central Library became a paradoxical illustration of the city's best and worst aspects—a *mélange* of potential and despair. The building could be understood as the product of intersecting historical forces that include the aesthetic ideals and increasing technological abilities of architects and engineers, the aspirations of civil servants, and the dreams of community. The building itself, like the books it houses, was intended to enlighten and uplift the general public, but became to be a haven for the homeless (Free Library of Philadelphia 2002).

In close proximity to the library, various organizations fight against poverty and homelessness by distributing food at no cost and facilitate the process of obtaining state identification—both contributing to the problem the library faced regarding homeless persons. In the early 2000s, the library found itself in a quagmire that stemmed from homeless persons violating the library's Standards of Acceptable Behavior when they used its facilities as a daytime shelter. Common issues the library faced included violence, sexual activity, and improper bathing. Homeless persons using these (and many other

bathrooms) is not a new phenomenon, but the library had to come up with a new solution.

The Background

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Today's myths about homelessness fortify notions, running back to the 1840s, that homeless individuals are mentally ill and chronically incompetent (O'Connor 2001, 28). Worse, the very presence of chronically homeless individuals in the streets reminds us that not everyone can make it (Jones 2008, 17). If you're unlucky enough to fall through the social net because of divorce, unemployment, loss of health benefits, or mental illness, you too could join these nameless poor who, pushing shopping carts, enshrouded in the shadows of despair.

Homelessness in Philadelphia has risen unabated for many years. In 2005, approximately 15,000 people accessed shelters (Center for Urban Community Services, Data Summary, p. 2). (Although the most visible segment of the homeless population in Philadelphia lives on the streets, they are at most 10 percent of the total homeless population.) For homeless families and individuals, entry to the emergency housing system begins at intake centers, which place individuals either into treatment centers or emergency housing. The shelter system is over-capacity, and there is great demand for permanent supportive housing units; most programs have very few

vacancies, and not-for-profit sponsors maintain extensive waiting lists (Center for Urban Community Services 2007, 2-12).

Demographically, Philadelphia's homeless are over 80 percent African American and about 15 percent Caucasian. Children in families constitute approximately a third of the shelter population on any given night. Persons under the age of 18 are the most common shelter users. Many families that enter shelters are single-parent households (96 percent female-headed) (Center for Urban Community Services 2007, 4, 7, 41). The tipping points to homelessness for these individuals and families vary greatly. They include poverty resulting from a lack of sustainable employment and/or minimal government assistance; lack of affordable housing and/or inadequate housing assistance; lack of affordable health care; domestic violence; mental illness; and substance abuse (Culhane et al. 1996, 332).

The Solution

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In 2006, the main branch of the Free Library of Philadelphia system contacted Project H.O.M.E. and obtained a contract with the City of Philadelphia to employ members of Project H.O.M.E. as attendants in the library's restrooms. The attendants were responsible for ensuring the restrooms remained clean and patrons did

not violate the library's Standards of Acceptable Behavior. The solution worked very well and strengthened the relationship between the Free Library and Project H.O.M.E. The library's burden of handling its homeless patrons was mitigated, and Project H.O.M.E. was not only able to put members of its transitional community to work as restroom attendants, but also found a unique point of direct contact for outreach services. Attendants were able to easily share information about Project H.O.M.E.'s services with homeless individuals using the library's restrooms.

Project H.O.M.E. (Housing, Opportunities for Employment, Medical Care, Education) is a Philadelphia non-profit founded in 1989 by Sister Mary Scullion and Joan Dawson-McConnon to provide supportive housing, employment, education, and health care to enable chronically homeless and low-income persons in Philadelphia to break the cycle of homelessness and poverty (Project H.O.M.E. 2006, *About*). Under their leadership, Project H.O.M.E. has grown from an emergency winter shelter to 447 units of housing and three businesses that provide employment to formerly homeless persons. Project H.O.M.E. coordinates street outreach, working with the City and four other agencies, for people living on streets throughout Philadelphia; provides permanent supportive housing and comprehensive services to formerly homeless residents, plus 144 units of mainstream affordable housing; provides

comprehensive community development in the St. Elizabeth's/Diamond Street neighborhoods of North Philadelphia (including the Honickman Learning Center and Comcast Technology Labs); and offers education and advocacy to promote more just and humane public policies.

Typically, homeless relief solutions are singular, one-shot, and insular. Charities provide food, medical, or shelter services that are limited in scope. For example, medical clinics offer immediate and routine care to the indigent, but fail to provide the long-term stabilization services most homeless require (Rescue Mission of Trenton n.d.). Services aimed at getting homeless persons off the streets during the coldest nights of the winter season then release them once temperatures thaw (National Coalition for the Homeless 2010). Over time, Project H.O.M.E. has developed procedures to ensure that residents have regular opportunities to participate in leadership, contribute their perspectives, and express their needs (Hall 2006, 26-27), all of which facilitate individual, community, and economic growth (Free Library of Philadelphia 2010).

Only within this broader understanding of homelessness and with an acceptance of the reality that we in America can be downwardly mobile too can we understand the real social innovations of the H.O.M.E. Page Café. These innovations are not only operational; they are artistic. In a beautiful building from the Gilded Age, the formerly

chronic homeless—the marginalized—serve us Starbucks coffee and the best of cakes and soups in a post-structuralist designed café.

To start the venture the Library had to request appropriate zoning from the City of Philadelphia's Department of Licenses and Inspections. This process went smoothly because of Project H.O.M.E.'s outstanding reputation. Project H.O.M.E. meanwhile had to find funding for the creation of a café area in a hallway. Ultimately, they received a capital grant from the Bank of America.

The café is not a part of Project H.O.M.E.'s program services; it operates as an independent, for-profit venture. The café had to independently acquire coffeehouse equipment and find vendors for products to sell. Project H.O.M.E. was able to make a deal with Starbucks whereby they exclusively sold their coffee (with a profit margin) and Starbucks provided the equipment for the café (which would have cost at least \$50,000). Project H.O.M.E. then negotiated a deal with the well-known local Metropolitan Bakery to become a wholesale producer of their breads and confections, which are made with locally sourced ingredients.

The café solution has evolved into a model of excellence for addressing homelessness and the issues around it. Project H.O.M.E. provides its café employees with management and training skills, thereby meeting internationally established criteria for developing

innovation. Researchers at the World Bank have made three recommendations for building worker and manager skills for innovation and development:

1. Strengthen enterprise-based training;
2. Improve vocational training, and
3. Strengthen business and management education, including the management of research and commercialization (Froumian et al. 2007, 137-139).

Core to the café's innovation is its ability to simultaneously facilitate the opportunity for their unique employees to cultivate inspiration, confidence, and skills, and to upend social stigmas associated with homelessness—stigmas that have become transposed on public libraries.

Limitations on Replicability

Despite the H.O.M.E. Page Café's success and merits, establishing additional outlets at other libraries either within Philadelphia's Free Library system or outside Philadelphia may encounter barriers.

Project H.O.M.E.'s mission is to empower "people to break the cycle of homelessness, address the structural causes of poverty, and attain their fullest potential as members of society" (Project H.O.M.E. 2006, *About*). Concentrating on making H.O.M.E. Page Café a profitable venture or franchising its operations could detract from Project H.O.M.E.'s efforts, as an umbrella entity, to both respond

to a need identified by the Library and to help promote employment opportunities for residents and teens.

Further, H.O.M.E. Page Café is an innovation that grew specifically out of the main library's problem of handling issues relating to managing the use of its public restrooms. While other libraries may also face complexities of attracting patrons and securing comfortable environments for them, it's not clear that a café would be the best solution in each case.

Finally, the higher costs associated with running the café and paying employees at least minimum wage and of securing an interface with Project H.O.M.E. are disincentives to rapid expansion. H.O.M.E. Page Café does not share profits with the Free Library; the library subsidizes the café's operations by providing space to Project H.O.M.E. (In exchange they receive an amenity, have a "direct line" to homeless services, and are creating opportunity, which is what the Library is all about.)

Social Net Present Value

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Attributing a financial value to any project is complex because valuation methodologies are not always perfect predictors of long-term organizational output (Long 1987, 553). Additionally, it may be advantageous for some organizations to measure activities and outputs rather

than outcomes or impacts (Ebrahim, 2010). The café is de facto not structured to be immediately profitable. Beyond income and profit, the café is focused on providing its employees with training and work skill development opportunities. Furthermore, the very premise of the café's existence was to build on the success of the restroom attendance contract to create further venues for formerly homeless and socially-at-risk youth to interact with the general public in a safe and welcoming environment.

Nevertheless, managers of Project H.O.M.E. and its café were kind enough to give us access to contribution margin figures for the café. The figures we calculated represent the café's current net present value (discounted at the long-term 10-year composite treasury rate of 3.66 percent on August 2, 2010--roughly equivalent to \$ 28,276).

While the current net present value of the café is negative, H.O.M.E. Page Café's managers believe the operations will return a profit next year. The optimism is well-placed given the café's sales, cost of goods sold, and labor costs for the past two years. Thus, the café might well have a positive cash value if it were to be spun off from Project H.O.M.E. or sold to a third party. Still, to truly value the café's contributions, we must look at the café's innovations: the intangible contribution to the poverty debate; supplying individuals with hope they would otherwise not have; and upending the negative connotations of homelessness (see Gair 2002, detailing

the Roberts Foundation's approach to calculating social return on investment).

Consider the benefits employees obtain from their training. Our interviews revealed that employees who had worked at the café during the first year of operations were able to go on to better-paying, full-time jobs in the regular work force. In addition, at least one employee had been admitted to college. Basic calculations showed that each employee (5 at the time of the interviews) contributes roughly \$4,000 a year directly in cash back to Project H.O.M.E., leaving employees cumulatively with approximately \$140,000 per year in disposable income. Considering that employees have been able to convert the confidence and social skills they acquire while working at the cafe into college entrance, a very conservative contribution of \$40,000 can be added, thus increasing the café's current social net present value to \$145,000.

In addition, our interview and follow-up communications with library management revealed that since the café began operations, the library has seen an increase in the number of patrons to 30,000. Assuming very conservatively (and extrapolating from the sales figures), 10 percent of this extra flow can be attributed to patrons feeling more comfortable using the library because the problems with the restrooms have been addressed, and a further 5 percent of this extra flow could be attributed to the ability to enjoy the use of the café. Attributing a nominal value to each additional patron in

terms of project earnings for the library (increased fines, greater willingness to support allocations for library expenditures, increased attendance at library-sponsored events, etc.), we added \$30,000 to the café's value, bringing the café's total social net present value to \$175,000.

Few who have visited the H.O.M.E. Page Café and understand Project H.O.M.E.'s mission would disagree that the café generates two additional social returns: (1) branding effects associated with placing a positive spin on homelessness and formerly homeless individuals, and (2) residual effects from Project H.O.M.E. individuals serving in the restrooms and attending to their cleanliness and safety. Of course, quantifying these contributions is highly speculative. But, taking the 10 percent estimated increase in patron flow resulting from cleaner and safer restrooms and assuming that resulting positive effects create synergies that improve Project H.O.M.E.'s brand value, we can surmise that use of the café and restrooms and improved goodwill toward the library lead to enhanced goodwill for Project H.O.M.E. We guesstimate that this enhanced goodwill may result in increased donations and easier access to grants in the long term. Thus, it would not seem unreasonable to value this synergetic effect as equal to the café's direct social net present value of \$175,000.

Finally, quantifying the branding effects associated with placing a positive spin on homelessness and formerly

homeless individuals would require a marketing survey. Here we conducted informal interviews with a handful of friends and colleagues and obtained feedback from fellow members in the Social Innovations seminar at the Fels Institute of the University of Pennsylvania. We were able to assess immediate positive impact from the visualizations offered through the H.O.M.E. Page Café's graphics and branding design and in the essential communication of its vision. This branding effect can only enhance Project H.O.M.E.'s goodwill, resulting in increased donations and easier access to grants both in the short and long term. Again, it would not seem unreasonable to attribute a net present value contribution of \$175,000 to Project H.O.M.E. from H.O.M.E. Page Café branding effects.

Thus, a reasonable estimate for the H.O.M.E. Page Café's social net present value (SNPV) is \$525,000. The formula used to arrive at this calculation is:

SNPV Café = (wealth generated by individuals working in café + café branding effects + improvement to library ambience + increases in library attendance + residual effects from restroom attendance) + (current cash flows + discounted projected cash flows).

The analysis encourages replicability. While limitations on expansion (especially in direct operating costs and in the need to rely on grants, subsidies, and non-rent-based

operating space) are real, H.O.M.E. Page Café management has begun steps toward providing café services to buildings neighboring the library. More importantly, as a driver of policy change, Project H.O.M.E. has set the tone. Through its advocacy and outreach, Project H.O.M.E. provides even the chronic homeless with the hope of a better future. Those hopes culminate in productive jobs that are not merely vocational. The training obtained through the café proves to be the foundation for continued educational opportunities and provides a platform from which the managers and the organization can innovate for further social good. A reflection of this “social good” can be found in the stories of the café’s employees.

Conclusion

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The light that shines through high-placed windows in H.O.M.E. Page Café emanate along the ceiling walls, sparkles off the marble floors and well-kept tables. The pastry stands to reflect the images of patrons enjoying lattes, coffees, and confections. The employees—formerly homeless, as announced by the informational brochures in well-placed markers on the café’s tables—work a brand that includes designs created by one of the best graphics arts schools in the country. The employees exude the certainty of hope and direction that we gain only when we

are employed at a task that is meaningful to us.

Even as these employees internally struggle sometimes with some of their interactive tasks, they express a meaning of purpose that transcends the coffee service. Theirs is a statement of presence, as if to say not only to the patrons but to the currently homeless who enter the library to access the internet or who use the restroom facilities, "We made it: After all our years of suffering in the streets from our addictions to drugs and self-inflicted isolation, we made the step forward into not only earning a living wage but to making a greater contribution. We live by example. We are not only the pillars of a doorway to your freedom; we are their very embodiment. Even if you fell off our social net, you too have a chance to be a part of a dream that is better than the despair you face when you return out into the streets tonight."

Through the café, both Project H.O.M.E. and the Free Library have gained access to a new dialogue with the community. That dialogue is only partially quantifiable. Nonetheless, the café says to us who have not experienced homelessness that when we see homeless persons in the streets we need not think that theirs is a point at the end of the road. In other words, enjoying coffee and cake at the café works to transform our perception of the homeless from that of potential humans to one of humans with potential. The café allows us to think that all homeless people—even those chronically so—are experiencing only a transitional point in their path of

existence. That, ultimately, is the unintrusive message of the café: Being homeless does not mean living on a dead-end street.

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