A project of the Atlanta Wealth Building Initiative

and

The Community Foundation for Greater Atlanta
The Project

• Atlanta Wealth Building Initiative and its first business, Atlanta Lettuce Project

• Ellen Macht, Project Manager, responsible for managing all aspects of the project

• Consultant to The Community Foundation for Greater Atlanta
The Community Foundation for Greater Atlanta

• Founded in 1951

• Serves Metro Atlanta including the City of Atlanta and 23 surrounding counties

• One of largest community foundations in the U.S. with $929 million in assets

• Working with more than 974 individual funds

• TCF and our donors, $107 million in grants in 2014

• Staff of 32
Top facts about the Metro Atlanta economy

- Population – Metro Atlanta has more residents than 24 states
- Unemployment rate of 6.5%, above the national rate of 5.5%
- Top jobs drivers of Metro Atlanta’s economy
  - Healthcare/social assistance
  - Professional
  - Scientific/technical (new economy jobs)
  - Administrative jobs (service related, low paying)
- About 29% of metro Atlanta’s population is under the age of 20; the 65+ population has doubled since 2010 (will be 30% of population by 2030)
- More than 13% of metro Atlanta’s population was born in a different country
Top factors that catalyzed TCF’s interest in social enterprise

- 23 year history of working in Metro Atlanta’s neighborhoods
- An obvious need for sustainable economic development, it’s all about jobs
- Different model needed to break the cycle of poverty; another tool in the toolbox
- Ability to leverage all core assets in the community and work together on these issues, a public-private partnership
  - Business Sector
  - Government Sector
  - Foundations
  - Placed based institutions – education, healthcare
  - Nonprofit Sector
Opportunity – Atlanta Wealth Building Initiative

• Build up low-income communities by creating jobs and wealth

• Leverage the purchasing power of education and medical institutions, the Anchors, by giving them what they need
  o $4.5 billion in purchasing power for goods and services
  o Want to source local products and services to boost sustainability metrics
  o Locate operations in common communities of focus
  o Utilize Anchor assets to leverage knowledge, expertise, networks

• Create social enterprises to provide goods and services

• Provide workforce development and training

• Establish ongoing workforce coaching
First business: Atlanta Lettuce Project

• Anchors and others said – need for local, safe, reliable, high quality produce at competitive prices

• Establish social enterprise in low-income community to provide year round reliable supply

• Leverage core assets of partners – Anchors, business

• Create living wage jobs and hire from the surrounding neighborhoods

• Provide workforce development opportunities

• Community engagement at the appropriate time
Market and business opportunity analysis

• Feasibility study completed with help from Emory University business students and faculty
• Researched market needs, competitive analysis, potential growing methods, available financing, necessary relationships
• Surveyed Anchors for actual demand needs, surveyed retail grocery stores for interest in local grower
• Met with 100 people in local businesses, government, nonprofits, universities, hospitals, and other organizations to inform decision making
Market and business opportunity analysis - Demand

- Strong Metro Atlanta market – annual lettuce demand exceeds $156 million pounds each year
- Per capita consumption - 28.4 pounds
- Rise of local food movement – know where your food comes from
- Continuing trends in demand for fresh, healthy, nutritious products, especially produce
- Increasing demand by Anchor constituencies for local, fresh produce in food service operations
- More than 1,100 retail grocery stores and 45 wholesale produce distributors
Market and business opportunity analysis - supply

- Little local supply - 98% of lettuce consumed is trucked 2,500 miles from CA and AZ
- Local farmers grow minimal amounts of lettuce in spring and fall
- Researched
  - Legal and operating structure for business and employees – Co-op or simple corporation
  - Land opportunities – low income neighborhood
  - Management needs and capabilities – who would run the business
- Determined best growing method and supplier
  - To meet demand needs year round, controlled environment agriculture – hydroponic growing in greenhouses
  - Best builder for structure
Analysis results – Business case

- Strong demand exists for locally grown, fresh healthy lettuce and herbs with little local supply
- Leverage local core assets to provide financial expertise and support, sales talent, workforce development
- Strong private investor support. Raised approx. $800,000 in seed money from donor advised funds to research and support start up. Identified land, leased under favorable terms from TCF board member
- Business is viable but must have experienced management to steer organization and develop hard to place employee team
**Competition and gaps in the market**

- **Economic and community development activity**
  - City of Atlanta and county governments – few resources
  - Local and national real estate developers – active commercial condo, apt, and office building market
  - Entrepreneurial focus on tech start ups, small businesses

- **Competition for resources**
  - Government funding focus on sports stadium and Atlanta Beltline Project
  - Private investment focused on real estate development and technology start ups
AWBI and Atlanta Lettuce Project focus

• Jobs, jobs, living wage jobs, building wealth
• Earnings where possible will be spent in the surrounding neighborhoods
• Little business investment in unskilled or hard to place employees
• ALP will locate in low income neighborhood just outside downtown Atlanta and provide approx. 25 jobs
• Will be one of largest employers in the community
• Will provide financial literacy and job skills training, coaching
• Taking vacant lot and creating a small business hiring from surrounding neighborhoods
Taking action – Atlanta Lettuce Project

- Worked with Anchors to meet their demand needs – LOIs for initial output
- Hired consultant with business and financial expertise to manage the project
- Raised $800,000 in initial start up capital, grants from donors
- Created advisory committee, provides network, business advice, support
- Engaged greenhouse and packing facility provider
- Leveraged business, financing, economic development support in Metro area
- Minimal PR until funding is committed
Eight wealth-building capitals needed to be successful with this type of project

**Individual**

Soft and hard skills training and coaching for hard-to-place employees who will ultimately own business

**Intellectual**

Innovative business model, scalable and replicable, encompasses employee ownership in addition to growth in job

**Social**

Leveraging business, education, healthcare, agriculture, planning, government and financial networks for betterment of community
Eight wealth-building capitals, continued

Cultural

Working as community partner to engage with local CDC and city planning unit

Natural

Environmental stewardship of scarce resources – uses less water, no pesticides, less land, less waste

Built

Built on vacant land provided by TCF board member, enhances neighborhood
Eight wealth-building capitals, continued

Political

Leveraging local, state, federal, business political capital to support project – inclusive table is essential to success

Financial

Building wealth where it might not ever exist through good, sustainable jobs and ownership, financial capital should be explored early in process
Additional demands on TCF

- Social enterprise project of The Community Foundation for Greater Atlanta
- Inclusive table of staff, donors, board
- Requires TCF leadership oversight and fundraising support, consultant handles most of daily involvement
- Ongoing, possible PRI for TCF beyond minimal staffing support
- Initiative will be owned by AWBI, independent organization
Atlanta Lettuce Project is self-sustaining

- Sustain itself through operations
- Expand and engage community activity
- Scalable and replicable
- Ultimately will be owned by employees
Lessons learned

• Determine, and as best possible, lock in the demand for your products and services upfront
• Business analysis is key.
• Leverage networks available to you
• Make corrective changes as needed and don’t look back
• It never goes quite as you expect it to or on the timetable you anticipate
Atlanta Wealth Building Initiative –
Atlanta Lettuce Project

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