



HOT BREAD KITCHEN

INVESTING IN BREADWINNERS: 10 YEARS OF IMPACT

2008-2018

FOREWORD FROM OUR FOUNDER

January 2019

When Hurricane Sandy hit New York City in October 2012, Hot Bread Kitchen had been operating out of La Marqueta for only 18 months. In anticipation of the storm, we closed and sent everyone home, virtually unheard of in the 24-hour facility. As predicted, the city was battered: streets were flooded, tunnels and subway lines closed, and millions lost power. The New York Stock Exchange closed for two days (also unheard of) and public schools remained empty for nearly a week. But at Hot Bread Kitchen, because of geographic good fortune and local hiring, the lights and mixers in our kitchens were back on after 10 hours. People needed to work, and New Yorkers definitely needed to eat.

Kitchens are places of alchemy that feed the body, soul, and community. After Sandy, the powerful magic of what we had created in our kitchen became more apparent, and we realized the critical role that Hot Bread Kitchen plays in New York City. Our phone rang off the hook and we made space in our kitchens to accommodate chefs and bakers whose businesses were without power or suffered damage in the storm. Staff who lived within walking distance, including brand new trainees, worked triple shifts to meet demand and cover for colleagues who couldn't make it to work. Because bridges were closed, few of New York City's bakeries could deliver, so we sent whatever bread we could to Manhattan hotels to feed hungry visitors. We gave out food to our neighbors and even organized volunteers to help make hundreds of peanut butter sandwiches to deliver to displaced families and first responders.

The city was shaken and, there under the MetroNorth tracks in East Harlem, we found solace and optimism in each other. When we needed a break from the kitchen, we came together in our teaching classroom to share stories and warm bread. While exhausted, we felt fortunate to be able to help in the aftermath of the storm.

These magic moments of relevance and purpose have propelled our work for a decade. As you will read in *Investing in Breadwinners: 10 Years of Impact*, at Hot Bread Kitchen we witness this kitchen magic every day in large and small ways. ***Perhaps the most powerful evidence of alchemy, which is captured so poignantly in this report, is that our kitchens have spurred \$104 million of new economic impact in East Harlem and have changed the lives of hundreds of women who have gone through the training program by decreasing isolation, unlocking talent, creating a stronger sense of self and increasing stability for children and families.*** Our kitchens have seeded a pipeline of talent for the industry and we have created the space to launch 250 innovative food brands—36 of which have gone on to build their own kitchens.

Of course, magic doesn't happen without magicians, especially in the kitchen. Over 10 years, I have had the incredible opportunity to work with the most talented and mission-driven staff in the non-profit and food industries, each leaving their unique fingerprints on Hot Bread Kitchen. In addition to an A-Team staff, the impact of the last decade has been possible thanks to an innovative and committed board of directors, strategic funders, countless volunteers, and thousands of gluten-loving, mission-driven customers. A decade passed in a flash and, with this momentum and kitchen alchemy, I cannot wait to see what we achieve in our kitchens over the next 10 years, and then 40. Please savor this report with the joy and optimism that has gone into the creation of Hot Bread Kitchen.

With gratitude,



Jessamyn Waldman Rodriguez, Founder

ACKNOWLEDGEMENTS

This study would not have been possible without the women and entrepreneurs who are, and always have been, the reason Hot Bread Kitchen exists. Huge thanks to the 60 graduates of our culinary training program and 20 alumni of HBK Incubates who provided invaluable insights and feedback about the qualitative impact of our programs. Without them, there would be no impact to measure. We are grateful for their continued dedication to our work and for being members of the Hot Bread Kitchen community.

RESEARCHERS

Enormous thanks to Dana Archer-Rosenthal, a social impact expert and independant consultant who has spent her career supporting, strengthening, and deepening mission-driven nonprofit work. Dana led this impact study and was responsible for developing our interview protocol, methodology, and analysis. We would also like to thank all of the researchers who helped shape this study and conducted primary and secondary research, specifically: Grayson Caldwell, lead field researcher; Floee Skrzypek and Noah Best, primary research assistants; and the team of The School of International and Public Affairs (SIPA) at Columbia University graduate students and Hot Bread volunteers who conducted primary interviews.

STAFF

In addition to conducting interviews with our program graduates and incubator alumni, several Hot Bread Kitchen staff members provided critical context and background on the history of our organization. Special thanks to Jessamyn Waldman Rodriguez, Shaolee Sen, Jill Kaplan, Karen Bornarth, Kobla Asamoah, Kelsey Minten, and Kelli Kerkman for their support in this process, and to Margo Sivin and Jenny Kutner for designing and writing this final product.

PHILANTHROPIC SUPPORT

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Finally, to the funders who have worked with us to grow our mission over the years, we could not have completed this undertaking—or done any of the life-changing work we have done over the past decade—without your generosity. We thank you for your enduring support of Hot Bread Kitchen and your contributions to the women and entrepreneurs we serve.

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EXECUTIVE SUMMARY

FOR 10 YEARS, HOT BREAD KITCHEN HAS STRIVED TO PROVIDE A PATH TO FINANCIAL STABILITY IN THE FOOD INDUSTRY, WHERE WE SEE OPPORTUNITY FOR WOMEN WHO FACE ECONOMIC INSECURITY TO FIND MEANINGFUL CAREERS AND FOR ENTREPRENEURS TO LAUNCH SUSTAINABLE BUSINESSES.

Where there is continuous economic growth and gentrification—as there has been in New York City and cities across the United States—there is growth in the food industry. The Bureau of Labor Statistics predicts food preparation and serving positions will be among the occupations with the most job growth through 2026.¹ At the same time, commercial kitchens face challenges recruiting and retaining skilled entry-level workers: the culinary industry needs reliable, hardworking staff, but turnover rates are as high as 65 percent.

Sector-based job readiness programs like our culinary training have been found to increase the likelihood that trainees find work in the target sector when compared to control groups; some cases, they also have higher increased earnings and likelihood of receiving employer-sponsored benefits.² Similarly, research has shown business incubation can significantly improve small businesses' survival rate³; nonetheless, the Hot Bread Kitchen incubator is one of less than a dozen in New York City.

Until now, Hot Bread did not have a complete understanding of the benefits our graduates and alumni have actually been able to reap from the

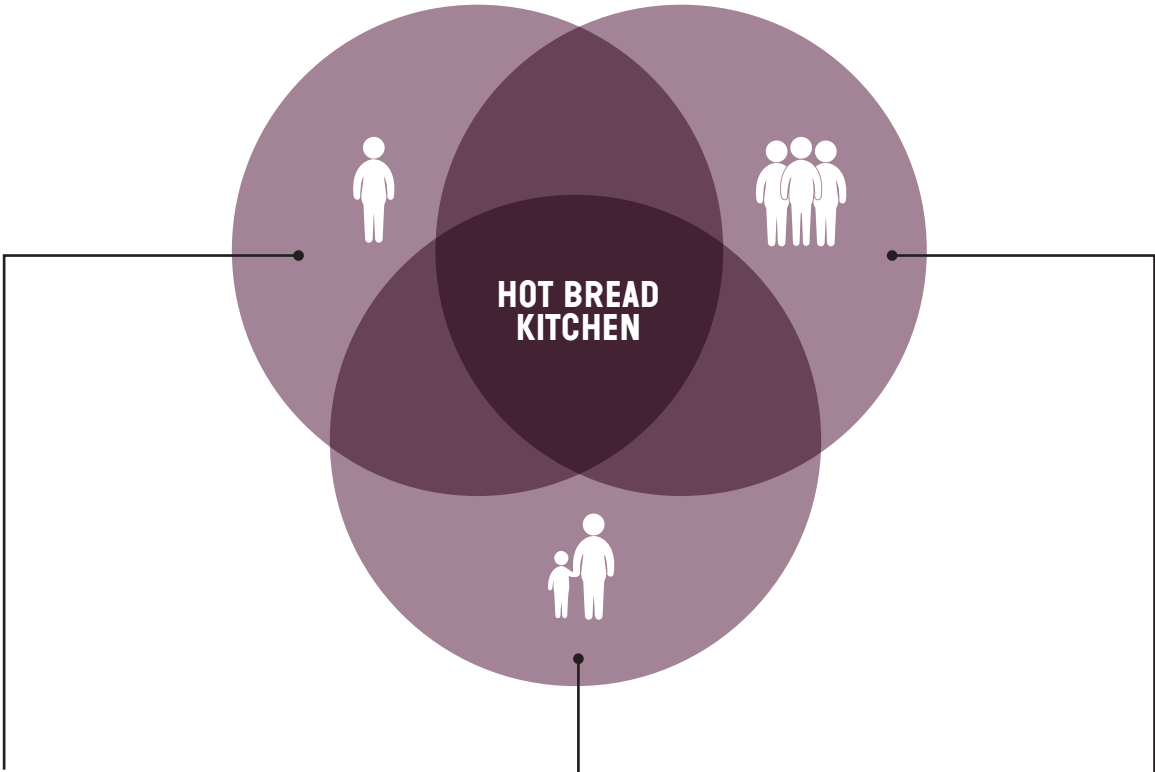
opportunities we have provided. With changes sweeping the workplace, the culinary sector, the labor market, and our own business model, our organization has been reflecting on the past decade of learnings—so we can know what we have accomplished, but also so we can figure out how to do more, better. This study is the culmination of our effort to understand where growth in economic opportunity has been for the women we have trained over the last ten years and the entrepreneurs we have supported since 2011.

We conducted this assessment to test several hypotheses, supported by interviews with 60 graduates of our culinary training program and 20 alumni of our culinary incubator. It was designed to capture the impact Hot Bread Kitchen has had on three levels: individual (culinary trainees and entrepreneurs who received assistance through our signature programs); household (trainees' and entrepreneurs' families/dependents); and community (East Harlem and/or the food manufacturing/baking industry). This study also captures the outcomes of the diverse, equitable business we have built, which has created financial, social, and economic benefits for stakeholders including: employees, funders & investors, community members, and New York City taxpayers.

ENDNOTES

¹US Department of Labor. Employment Projections. <https://www.bls.gov/emp/tables/occupations-most-job-growth.htm>
²Social Innovation Fund. WorkAdvance: Meeting the Needs of Workers and Employers. https://www1.nyc.gov/assets/opportunity/pdf/WA_Implementation_Review.pdf
³The Impact Of Business Incubators On Small Business Survivability. <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.598.6767&rep=rep1&type=pdf>

LAYERS OF IMPACT



Individual Trainee/Entrepreneur Level Impact

- We have created a workforce with the skills to thrive in the baking and culinary industries. Though traditionally male-dominated, these industries offer a viable career path with opportunities for advancement for low-income and immigrant women with limited English language skills and education, especially when compared to other female-dominated fields.
- Hot Bread's training, English as a Learned Language (ELL) offerings, and job placements improve women's well-being, sense of agency, confidence, acculturation (for recent arrivals) and ultimately, financial health.
- We build the skills of individual food entrepreneurs so that they can sustain employment for themselves and create jobs in their communities.

Family Level Impact

- The jobs for which we prepare women help families move out of poverty. This reduces their chances of experiencing housing instability, food insecurity, and/or material hardship.
- The jobs for which we prepare women help their families improve long-term financial stability and build wealth and assets.
- The children of the women we serve are more likely to succeed in school, go to college, and/or be employed.

Community/City/State Level Impact

- We have created a powerful, non-traditional model for job creation as well as local economic revitalization and redevelopment at La Marqueta in East Harlem.
- We have seeded an ecosystem of local businesses that generate greater local economic activity than large businesses.
- We are part of the value chain for New York State agricultural products, and are contributing to the resurgence of manufacturing in NYC and the prosperity of its culinary industry.
- We offer value to employers by providing a non-traditional pipeline of talent. We are creating a powerful counter-trend to the status quo in the culinary industry.

KEY FINDINGS

OPERATING A COMMERCIAL BAKERY AND SMALL BUSINESS INCUBATOR OUT OF LA MARQUETA CREATED OVER 200 JOBS IN UNDER TEN YEARS, GENERATING \$104 MILLION DOLLARS IN ECONOMIC IMPACT.

TRAINING PROGRAM

Women are working, and remain—for the most part—in the job placements facilitated by Hot Bread Kitchen.

- Jobs mostly offer them stable and predictable income and schedules.
- Earnings are in line with entry-level wages for the occupation.
- Women see a future for themselves in the field.
- Graduates are integrated into the formal economy of NYC, and have moved away from the informal and low-wage sectors that are categorized by violations of workers' rights and practices that create income volatility.

The impact of stable employment has immediate and future effects on children, other family members, and women's goals.

- Most Hot Bread Kitchen trainees and graduates are mothers, who are able to provide for their children and families in a way that they couldn't before.
- For some, this is a reversal of previous dynamics of relying on others for support.
- Women who completed Hot Bread Kitchen's training program were able to remit money abroad, save, and/or otherwise build wealth.
- Most graduates described plans for the future that involved continued education, career advancement, or business ownership.

CULINARY INCUBATOR

Access to space, markets, and networks of buyers allow small businesses to reach a more stable pace of growth.

- Most entrepreneurs used our incubator to pursue their businesses full-time, and were able to hire employees when they were members.
- Our commercial kitchen offers literal room to grow, as well as expertise related to growth.
- Entrepreneurs have an opportunity to build networks, benefitting from relationships with other businesses.
- Members of our incubator generally secured the capital they sought, however, they continue to face challenges accessing the capital they need.

Small business incubation cannot be one-size-fits all; our approach must be as unique as each business.

- As businesses grew and entrepreneurs required more space or production time, our incubator's pricing structure no longer made our kitchen a feasible workspace.
- Entrepreneurs who qualify as low-income or receive government subsidies come from wildly different backgrounds and have varying success securing capital and varying needs for small business support.
- Age factors significantly in the types of support (e.g. physical and technological) our entrepreneurs need.

SOCIAL ENTERPRISE

Collaboration between community-based organizations and local government can foster economic growth and opportunity.

- Our partnership with city agencies and City Hall provided Hot Bread Kitchen the chance to help rejuvenate an underutilized real estate asset in East Harlem.
- Focus on earned revenue and diversified economic base has allowed us to stay true to our mission while adapting our model.

MISSION MEETS MARKET

HOT BREAD KITCHEN’S BUSINESS HAS BEEN SELLING BREAD, BUT OUR WORK WILL ALWAYS BE CREATING ECONOMIC OPPORTUNITY.

We have provided pathways to prosperity for women facing economic insecurity, for culinary entrepreneurs, and for the East Harlem community we’ve called home since 2011. Since Hot Bread’s inception, our social enterprise bakery has served as the epicenter of our culinary training program and neighbor to our prospering culinary incubator. What began as a vision—to promote economic security through fair wage jobs, create career opportunities for immigrants, and change the face of a male-dominated industry—has become the reality our community fuels every day.

Ten years into building this multifaceted social enterprise, Hot Bread Kitchen has become a thriving workforce development program, entrepreneurial hub, and job creator, *generating \$104 million in economic impact in the New York City metro area.*

This direct and indirect economic impact of our first decade of operation can be measured in part by our sales, wages paid, jobs created, and earned revenue from bread sales and kitchen rentals. Since we moved to East Harlem in 2011, Hot Bread Kitchen has paid our employees and trainees over \$12 million in wages. We have employed uptown residents as well as our own graduates: in addition to paying over \$1 million in wages directly to low-income and foreign-born women who trained at our bakery, we have also hired 29 graduates of our workforce development program in permanent positions. We have brought vendors and 130 jobs to East Harlem; our incubator tenants have created over 370 part-time and full-time positions. Additionally, our bakery has generated nearly \$11 million in sales. Hot Bread Kitchen’s social enterprise is an example of the positive economic impact cities can have when they work with nonprofits to restore and revitalize underutilized real estate assets. Since moving our operations to East Harlem, we have transformed two nearly vacant, city-owned buildings below the railroad into a thriving corridor of food manufacturing, workforce development, and entrepreneurship.

\$104M

NEW YORK CITY
ECONOMIC IMPACT

\$15.5M

EARNED REVENUE

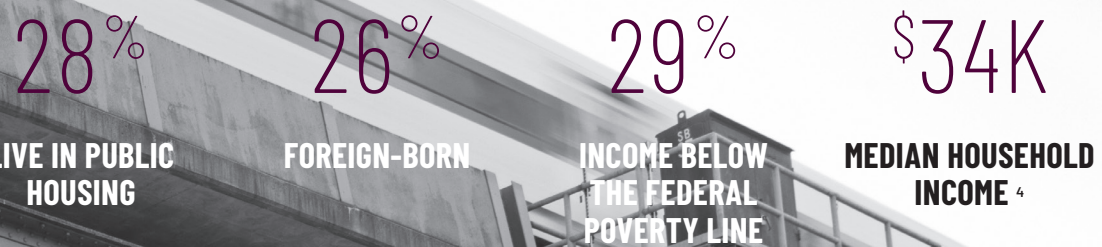
\$12.5M

WAGES PAID TO
EMPLOYEES AND
TRAINEES



REVITALIZING COMMUNITY AND ECONOMIC OUTCOMES IN EAST HARLEM

OUR EAST HARLEM COMMUNITY



FINDING A HOME UPTOWN

By 2010, Hot Bread needed new space to house its growing commercial bakery and culinary training program. At the same time, the New York City Economic Development Corporation (NYCEDC) and New York City Council were looking to revitalize La Marqueta, a once-flourishing neighborhood market in East Harlem. The market, located on Park Avenue beneath the MetroNorth railroad tracks, *sits in the center of a densely populated neighborhood with the highest concentration of public housing developments in Manhattan.*¹ East Harlem has a long history as a home to immigrant communities: more than a quarter of its residents are foreign-born and 46% are Hispanic or Latino.² In the last decade, the neighborhood has begun to see strong economic growth; the unemployment rate, however, remains high compared with the rest of New York City.³

TRAINING WOMEN, CREATING JOBS

Hot Bread Kitchen's commercial bakery makes and sells a line of global breads inspired by the community of women we serve. For a decade, the bakery in La Marqueta served as the epicenter of our enterprise and our only training ground. We provided 330 women the culinary skills they needed to start successful careers in the culinary industry and placed more than 130 of them in fair-wage food jobs with opportunities for advancement. As our social enterprise grew, we created more jobs at the organization, expanding our staff from 14 to over 40 in six years. Bread sales have supported the annual operation of our training program. A portion of those sales have been from Hot Bread Kitchen Almacén, our storefront inside La Marqueta, where we make our bread accessible to the neighborhood.

INCUBATING A FOOD CORRIDOR

Over the last seven years, Hot Bread Kitchen's small business incubator, HBK Incubates, has expanded into 3,000 square feet and brought over 230 businesses to La Marqueta. The incubator's growth has spurred local development while celebrating the neighborhood's rich cultural history. Alumni of the incubator have gone on to establish their matured food businesses in Harlem and other parts of New York City, driving additional economic growth throughout the city. HBK Incubates alumni have also moved into production spaces within La Marqueta, *once again bringing an array of global cuisines to an historic food corridor along Park Avenue.*



La Marqueta in its heyday, circa 1950s

RECIPE FOR SUCCESS: A MODEL FOR ECONOMIC VITALITY THROUGH COMMUNITY PARTNERSHIP

THE POWER OF (RE)INVESTMENT.

Opened by Fiorello LaGuardia in 1936, La Marqueta was once the bustling commercial heart of the community, home to over 300 predominantly immigrant vendors of food and dry goods. From the 1970s on, the market suffered from disinvestment and decline, and by the early 2000s had a fraction of the vendors it hosted in its prime. In an unprecedented effort to revive and rehabilitate the space, Hot Bread Kitchen collaborated with NYCEDC, City Council, and the Bloomberg Administration to bring our growing social enterprise and small business incubator to La Marqueta.

In collaboration with an array of partners, Hot Bread Kitchen has been able to create jobs, generate economic activity, contribute to community vibrancy, and sustain social impact in East Harlem. Our successes in boosting talent in New York City's labor market and cultivating small food businesses would not have been possible without philanthropic donors, who have collectively supported our work with private funding; corporate partners, grocers, and restaurateurs large and small that have purchased our bread; employers across the city who have hired our graduates; media that has uplifted our brand and mission; and cross-sector partnerships that have fueled our growth, including our work with the City.



Hot Bread Kitchen Almacén, 2018. Every afternoon at 2pm, Almacén has offered Pay-What-You-Can (PWYC) pricing, allowing community members of all backgrounds to enjoy fresh bread until the daily supply runs out. With nearly 6,000 PWYC transactions annually—and a line formed at Almacén around 1:45pm each day—Hot Bread has offered an average of \$42,000 in discounts each year since 2016.

PATRICIA E. HARRIS
CEO, BLOOMBERG PHILANTHROPIES

"Hot Bread Kitchen has unique expertise in workforce development and food production that's helped create jobs and launch businesses in East Harlem, showing the incredible power of public-private partnerships. We're proud to support this truly transformational work."

WES MOORE
CEO, ROBIN HOOD FOUNDATION

"Hot Bread Kitchen has been on the cutting edge of creating industry-driven, need-based workforce initiatives that are proven to lift low-income and immigrant New Yorkers out of poverty. As a social enterprise, they have attracted the revenue and stakeholder mix needed to sustain impact, and continue to produce the outcomes that serve as a model for philanthropy at work."

JAMES PATCHETT
PRESIDENT & CEO, NYCEDC

"Small businesses are the backbone of the city's economy. From West African stew to Indian street snacks, global cuisines are once again on display in this historic food corridor. With their thriving small business incubator and commercial bakery, Hot Bread's social enterprise at La Marqueta has spurred a rebirth of an East Harlem landmark."

CHRISTINE QUINN
NEW YORK CITY COUNCIL SPEAKER, 2006-2013

"Hot Bread Kitchen has grown so much. It has helped so many New Yorkers, predominantly women, get jobs that work around their schedules and their families. [Hot Bread Kitchen] is a critical example of creative economic development that is consistent and authentic. We just have to find more places to do it."

RISING EXPECTATIONS- AND MAKING IMPRESSIONS



"HOT BREAD KITCHEN TURNS WOMEN IN NEED INTO WORLD-CLASS BAKERS" –THE TODAY SHOW

"EMPOWERING NEW YORK CITY'S WOMEN ENTREPRENEURS" –HUFFINGTON POST

"FIGHTING INEQUALITY WITH BREAD" –CNN

"INCUBATOR LOOKS TO HELP WOMEN IMMIGRANTS START THEIR OWN FOOD BUSINESS" –ENTREPRENEUR MAGAZINE

YAHOO FOOD'S 2015 COOKBOOK OF THE YEAR "A BREAD COMPANY THAT'S HELPING TO EMPOWER WOMEN IN THE WORKFORCE" –RACHAEL RAY

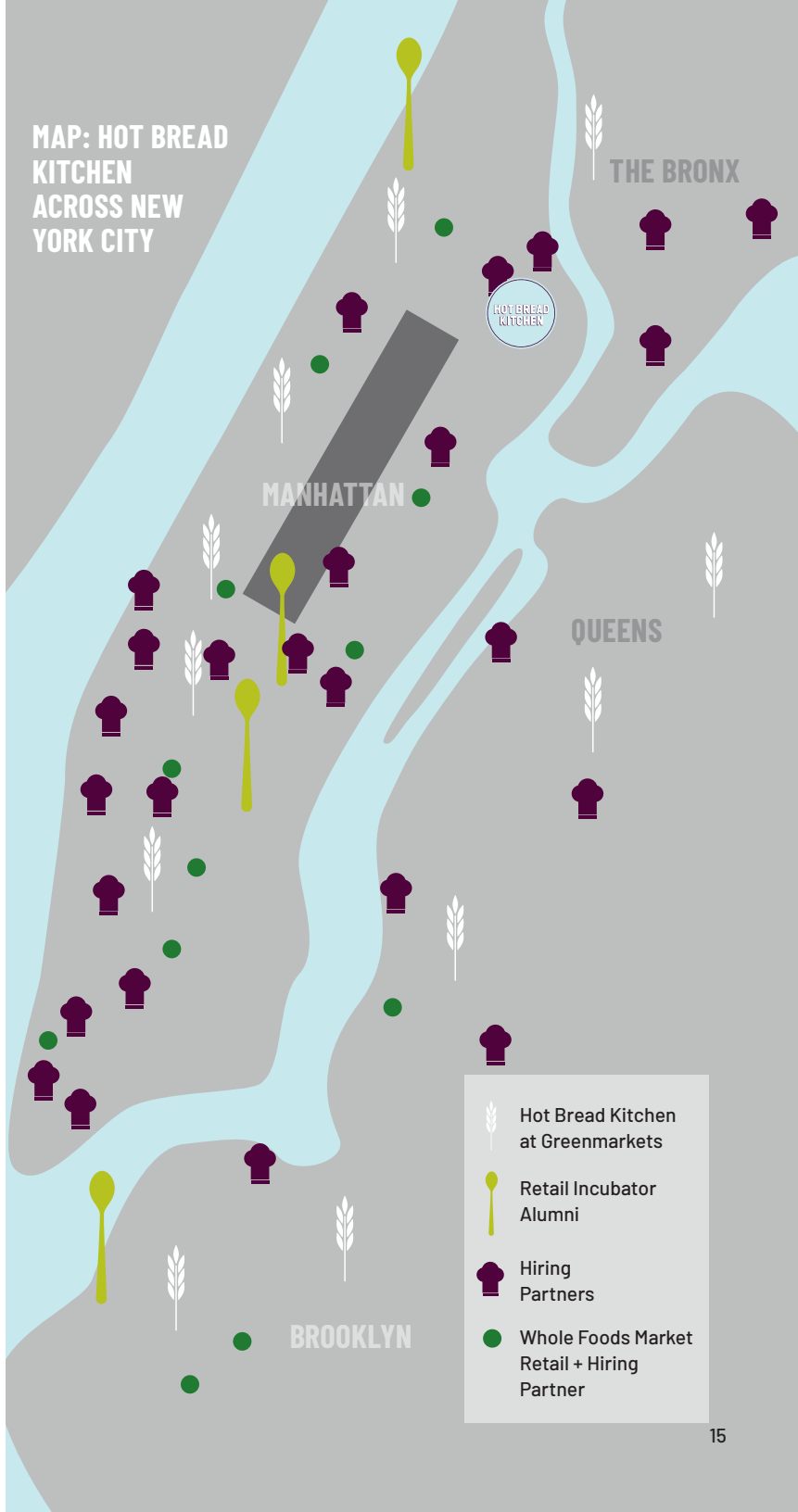
"ESSENTIAL NEW YORK BAKERIES" –EATER

"When I was volunteering at my kids' school I grabbed a newspaper and saw an article about Hot Bread Kitchen. I told my friend that I really liked the program and the next day I applied." – Babana, Dominican Republic, 2017

From our earliest days, Hot Bread Kitchen has had a presence in all corners of the New York City food scene:

- GrowNYC Greenmarkets, where we have had over one million transactions at markets across New York City
- Grocers, from neighborhood grocers such as the Park Slope Food Coop, to Whole Foods Market, where our breads are featured across East and West Coast, to online retailers such as FoodKick
- Restaurants and food service providers such as Union Square Hospitality Group, Chop't Salad, Red Rabbit, and Restaurant Associates at Google, which have accounted for over 50% of our bread sales

< As customers began to discover our organization organically, we were given opportunities to share our mission with the broader public. Media attention has helped us attract trainees, garnered support for our programs, and opened up opportunities for the Hot Bread Kitchen brand. Through sales, events, media coverage, and the publication of The Hot Bread Kitchen Cookbook, in 2015, Hot Bread Kitchen has achieved an estimated 1.3 billion media impressions over 10 years.



INVESTING IN BREADWINNERS

DREAMING,
PLANNING &
CHOICE

SENSE OF SELF

FAMILY & CHILDREN

SECURITY
& STABILITY

UNLOCKING
CAPABILITY

INSECURITY
& ISOLATION



**OVER 330 WOMEN TRAINED. 136 WOMEN PLACED
IN JOBS. 50+ COUNTRIES REPRESENTED.**

< At Hot Bread Kitchen, we have always stood behind our trainees and worked to support them as they chart their own paths to economic stability. We've learned those paths do not always run in straight lines and don't always shoot directly upward; women inevitably face challenges along the way. Over the years, we have refined our training program to account for those challenges, fulfill our trainees' most basic needs, and help them continue to move forward—to guide women from financial insecurity and social isolation to a concrete future of advancing as professionals, supporting their families, and fulfilling their dreams.

Launched as a social enterprise in the summer of 2008, Hot Bread Kitchen was created to help women who face economic insecurity start culinary careers. Our mission to provide culinary expertise and meaningful work experience has led us to train over 300 immigrant and US-born New Yorkers for professions in the food industry. Using our own bakery as a classroom, our signature workforce development program has given our trainees the space to unlock their existing talents and passion for the culinary arts, while also teaching vital technical skills, workplace norms, English as a learned language, and more. Historically, trainees spent anywhere from 6 to 15 months in the bakery, gaining the knowledge needed to become highly desirable candidates for kitchens and bakeries throughout New York. In addition to offering free culinary training—which can otherwise cost tens of thousands of dollars¹—Hot Bread Kitchen has assisted clients in finding and securing fair wage employment with access to benefits and opportunities for advancement.

To understand the long-term impact of economic empowerment, we interviewed graduates of our program and found the Hot Bread Kitchen experience goes far beyond learning how to make bread. We have worked to uplift each trainee's capabilities, develop her strengths and sense of self, and walk with her on the path to providing for her family and making her own choices. As conversations around the future of work prioritize continuous skill-building and training,² **we have continued to find women with a natural thirst for learning.** It has been our job to provide them with the opportunity to become empowered, successful workers. Hot Bread's goal is to provide a pathway that allows our trainees and graduates to determine their own potential, broaden their networks, and choose a career for themselves from an ever-expanding array of options.

01
INSECURITY &
ISOLATION



East Harlem, New York City

MORE THAN HALF OF NEW YORK'S MINIMUM
WAGE EARNERS ARE WOMEN. ³

Across the United States, women of all races make up the majority of the low-wage workforce, with Black and Latina women significantly overrepresented in low-paying jobs.⁴ Regardless of nationality, women's proportion of the country's low-wage workforce is higher than men's. US-born women make up 50.2% of low-wage workers—a proportion double that of US-born men⁵—and, although they make up a smaller share of the overall US workforce, foreign-born women's share of low-wage jobs (15.7%) is 1.6 times greater than foreign-born men's.⁶ Nearly 80% of women in low-wage jobs have a high school diploma or higher education; among women in the lowest-paying jobs, approximately the same percentage are over 20 years old.⁷

In New York City, a significant number of the women occupying low-wage jobs are from other parts of the world. More than half of the city's workforce is foreign-born,⁸ and immigrants, regardless of gender, dominate the city's informal sector. Work in the informal sector is characterized by unofficial pay arrangements that can be predictive of other labor transgressions: lack of workplace protections, minimum wage violations, and wage theft.⁹

WHEN STARTING WITH HOT BREAD KITCHEN

>60%
WORKED OUTSIDE OF
THE FORMAL ECONOMY OR
WERE UNEMPLOYED

56%
RECEIVED PUBLIC
BENEFITS

35%
WORKED IN LOW-WAGE
SERVICE SECTOR INDUSTRIES

NEW YORK CITY WOMEN WORKFORCE
PARTICIPATION

	Labor Market Participation Rate	Out of Labor Market	% Hot Bread Kitchen Trainees
Participation rates according to the US Census Bureau			
All women, ages 35–44	76%	24%	29%
White	75%	25%	2%
Black	81%	29%	44.3%
Latina	73%	27%	28.67%
Subgroups of foreign-born women in New York City according to Center for an Urban Future			
African	81%	19%	26.8%
Bangladeshi	49%	51%	6.1%
Mexican	58%	42%	5.4%

[^] Despite their overrepresentation in low-wage jobs with unreliable schedules and limited opportunity for advancement, US-born women of color and foreign-born women can and do encounter challenges to participating in the labor market across sectors; they also experience higher rates of unemployment than white women.¹⁰ Mexican and Bangladeshi women, for instance—who account for 15% of Hot Bread graduates—are twice as likely as white women to be outside the labor force.¹¹ The implications of these obstacles are staggering poverty rates. Over a three-year period from 2012–2014, 52% of women and 56% immigrants in New York were likely to experience poverty—rates significantly higher than men (39%) and the broader US-born population (41%).¹²



CLARISSE, BURKINA FASO, 2015

"When I arrived here I was hopeless. I thought as an immigrant I would never find my place here. ...Before Hot Bread Kitchen, I didn't even know where to begin."



SHARABIA, UNITED STATES, 2017

"I wanted to find a job that I actually liked rather than just working for the money. I didn't want to be miserable every morning."

02 UNLOCKING CAPABILITY

“I was surprised at how complete the program was... but trying to balance home activities [was the hardest part of training].”
—Olga, Mexico, 2015

A JOURNEY THAT PROVIDES MORE THAN LESSONS IN MIXING, SHAPING, AND BAKING.

In interviews with our graduates, we heard women say our program was a safe space to work, learn, and grow. In addition to developing culinary expertise in our program, trainees gained critical workplace skills; opportunities for personal character development; access to a network of alumni and employers; and improved English language proficiency.

Building skills has been a top priority among workforce development leaders, but a mere 8% of annual public investment—or \$49 million—is spent on occupational training.¹³ State-funded English language programs meet the needs of just 1% of the limited English proficiency population.¹⁴ Public funding for workforce development has long been mismatched to the nature and scale of needs within our industry. As a result, less than 3% of Hot Bread Kitchen’s funding has come from public sources.

Whether or not women came to Hot Bread with an existing passion for being in the kitchen, our graduates have tended to feel a connection to their work that makes them driven employees. The environment we have created with our trainees fosters connection that carries on after they leave the program: 85% of program graduates are still in contact with other women from the program. Just as many graduates cited the relationships they formed at Hot Bread Kitchen as one of the greatest benefits of their training.



MOUNIRATOU, BURKINA FASO, 2017

During her first 18 months in the United States, Mouniratou cycled between unemployment and low-skill jobs. Dependent on her husband’s income even when she had her own, Mouniratou was often making below minimum wage. She spent two weeks working as a cashier, but had a hard time communicating with customers in English. Then she got a job at a factory, where she spent four months making spoons and stools. The work was fine—reliable. But in December 2016, when New York’s minimum wage increased to \$11, Mouniratou was laid off.

Before she left the factory, a friend there told her about Hot Bread Kitchen, which interested her right away. By the time she graduated from Hot Bread Kitchen, she had a different outlook about her job prospects.

“I am not as afraid of losing my job. Now, I am more confident because I have some skills. People tell me that the more experience I get, the more I’ll earn.”

NOT EVERY WOMAN WHO ENROLLS IN OUR TRAINING PROGRAM FINDS HER PLACE IN THE CULINARY INDUSTRY.

The rate of women who complete Hot Bread Kitchen training has consistently hovered around 50%, with women leaving the program for a variety of reasons: other work opportunities; moving elsewhere; health issues; misalignment with job requirements; or an inability to meet scheduling demands. We know our training has historically been burdensome for parents, in particular. While the intensive nature of our program is a strength from a hiring perspective, it has also presented serious—and sometimes insurmountable—challenges for mothers who cannot find or afford adequate childcare.

50% OF WOMEN ACCEPTED COMPLETE THE PROGRAM

23% WOMEN WHO RESIGN FROM THE PROGRAM DUE TO CHILDCARE OR FAMILY

27% DO NOT MEET HOT BREAD KITCHEN’S CULINARY READINESS REQUIREMENTS

REASONS FOR WOMEN DROPPING FROM TRAINING PROGRAM (2017-2018)

Reason for Resignation from Program	Number of women
No show	15
Childcare/Family Obligations	14
Misaligned interests	10
Other Job	5
Health/Physical ability	4
Moved	2

Reason for Termination from Program	Number of women
Performance	27
Lack of English Proficiency	8
Attendance	7

03 SECURITY & STABILITY

“What Hot Bread Kitchen offers to immigrants is like a giant door that they open for people. They welcome you with open arms and show you everything... not only that, they find you a good job after.” —Kadiatou, Burkina Faso, 2016

CONTINUED SUPPORT FOR OUR GRADUATES—EVEN AFTER THEY HAVE STARTED STEADY, FULL-TIME JOBS—HAS BEEN INTEGRAL TO HOT BREAD KITCHEN’S TRAINING MODEL.

Perhaps the most critical lesson we have learned in the last ten years is how achieving financial security can impact women's chances of future success. Reaching economic stability is an enormous accomplishment—and not always easy to maintain. For households below 100% of the supplemental poverty measure, **65% rated financial stability as more important than moving up the income ladder.**¹⁵

To improve retention and assist our graduates on the road to economic stability, we have cultivated relationships with high road employers that promise fair, flexible, inclusive job opportunities. With the continued aid of our training team, 84% of Hot Bread Kitchen alumni are currently employed. Many graduates said their salaries provide enough to cover basic living expenses—so they can focus less on how to make ends meet. That has given our graduates the freedom to direct their energy into figuring out what they want their next steps to be.

STUDY PARTICIPANTS (AS OF 2018)

100% WOMEN WHO COMPLETE TRAINING WHO ARE OFFERED FULL-TIME JOBS

84% GRADUATES WHO HAVE JOBS WITH CONSISTENT SCHEDULES AND INCOME

35% AVERAGE WAGE BOOST FOR PREVIOUSLY EMPLOYED

25% MAIN HOUSEHOLD BREADWINNER

37 HOURS PER WEEK AVERAGE SCHEDULE

3+ AVERAGE YEARS IN JOB FOR PRE-2017 GRADUATES



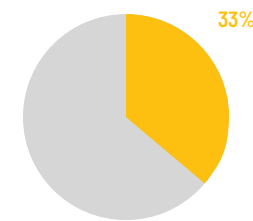
CLAUDETTE, JAMAICA, 2016

“For the first time in a very long time I am working at a structured job and receiving a salary on a biweekly basis, and I find that this type of discipline allows you to save and to address certain situations. The frivolity is gone.”

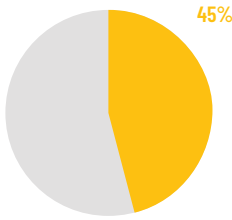
EMPLOYMENT PARTNERS

Over the past decade, Hot Bread Kitchen has opened our talent pipeline to over 60 food businesses across the city. We have partnered with like-minded employers to ensure our trainees were placed in meaningful apprenticeships and, eventually, fair-paying permanent positions. Thanks to past, present, and future employer partnerships, we have been able to offer our clients a well-rounded culinary training experience and connect businesses with their future employees.

Amy’s Bread	Fancy Pies LLC	MeyersUSA
Aramark - Fordham	Freehand Hotel	Milk Bar
Lincoln Center	FreshDirect	Mottley Kitchen
Arcade Bakery	Fuku Battery Park	Nuchas
Basbaas	Google	Ovenly
Bien Cuit	(Restaurant Associates)	Princi
BO’s Bagels	Grandaisy Bakery	Print Restaurant
Brooklyn Faire	Haven’s Kitchen	(Marin In NYC)
Casey’s Krunch LLC	Hot Bread Kitchen	Restaurant Daniel
Chip NYC	Husk Bakeshop	Runner & Stone
Choc O Pain	Il Buco Alimentari &	Russ & Daughters
Corner Slice	Vineria	Sadelle’s Bakery
Damascus Bakeries	Lafayette	Sadie Rose Bakery
Dig Inn	Le District	Samesa
Dough	Le Pain Quotidien	Sweetgreen
Eataly	Little Green Gourmets	Tarry Market
Ess-a-Bagel	Maialino	The Rounds
Facebook (Flagship Facility Services)	Maison Kayser	Union Square Cafe
Fairway Markets	Manhattan Country School, Inc.	Whole Foods Market
		Zaro’s Family Bakery



GRADUATES WHO HAVE AN EMPLOYER-SPONSORED RETIREMENT PLAN



GRADUATES RECEIVING EMPLOYER-SPONSORED HEALTH BENEFITS



BUILDING A SECURE FOUNDATION BUILDS FAMILIES.

The professional skills our graduates said they built in our program have been the seeds of stable home lives as much as they have been precursors to steady, fruitful careers. They have been the foundations of achievement for these striving women and for their children, who have seen the immediate and long-term benefits of growing up with working mothers or in dual-income households.

Our graduates have secured jobs that provide economic security as well as opportunities for advancement—a chance for mobility that gives women more options for how they spend their time and money. Nearly 90% of Hot Bread alumni said they provide regular or occasional financial support to family members, with two-thirds of women remitting money to loved ones abroad. Beyond the direct advantages of being able to provide for their families financially, the mothers who graduated from our program have also seen positive changes in their family dynamics, including reduced stress and more positive role modeling for their kids. As bakers and breadwinners, our graduates have long demonstrated the value of work and lifelong learning, both on the job and in their own homes.

2/3

GRADUATES WHO
REMIT MONEY ABROAD

80%

MOTHERS TALKED ABOUT
PROVIDING FOR THEIR
CHILDREN'S FUTURES
AND EDUCATION AS A
MOTIVATION (10% ALREADY
HAVE KIDS IN COLLEGE)

90%

GRADUATES WHO PROVIDE
REGULAR OR OCCASIONAL
FINANCIAL ASSISTANCE TO
FAMILY MEMBERS



LUTFUNNESSA,
BANGLADESH, 2012

Before she immigrated to the United States in 1996, Lutfunnessa was a political science teacher in Bangladesh. After she and her husband moved to Queens and had two children, she stayed at home to care for her son and daughter. She thought she might go back to work when her kids got older, but she wasn't sure what she would do—until she saw a flyer for Hot Bread Kitchen. After completing her culinary training, Lutfunnessa joined Hot Bread's bakery full-time, eventually becoming a supervisor.

Since her husband went on disability a few years ago, Lutfunnessa has become her family's primary breadwinner. She helps pay tuition for her kids, both of whom are in college, and has been saving money to move her family of four into a bigger apartment. What she wants—besides another bedroom—is for her kids to "get a good education... then they will get [a] good job."

"[My family] feels this work is great. Because I love this work, I love this job."

05 SENSE OF SELF



"It's not simple to be [a] woman in Africa. ...Hot Bread Kitchen rendered me independent. It made me proud of myself as a woman."
—Djeneba, Burkina Faso, 2016

"I have much more confidence in myself. Before Hot Bread Kitchen, I didn't have confidence. I always asked questions, but now I have confidence in what I do." —Yolande, Burkina Faso, 2017

"I hope to learn more, and one day, to become a boss. I am courageous and want to become more like my supervisors."
—Alimata, Ivory Coast, 2018

"Because we as humans in this society define ourselves by what is on paper, what it says about us. Now that I have the training I know my potential shines through."
—Sofia, Ethiopia, 2016



40% REPORTED SOME POSITIVE CHANGE IN THEIR SELF-RATED PHYSICAL HEALTH



56% REPORTED THEY WERE HAPPIER, LESS DEPRESSED, OR HAD IMPROVED MENTAL HEALTH



70% REPORTED INCREASED AUTONOMY & INDEPENDENCE



80% REPORTED INCREASED CONFIDENCE

< Social connectedness, freedom from discrimination and violence, and economic participation are considered to be social determinants of health for immigrant women,¹⁶ who make up nearly three-quarters of our graduates. Additionally, more employed female New Yorkers report their health as excellent, very good, or good than women who are unemployed or

not in the labor force.¹⁷ Our graduates have been living out these findings: we heard from them about the many benefits of employment, including improved health outcomes. Many of our trainees are demographically more likely to struggle with health issues; graduates told us, however, that their work and training have helped change that.

HOW DO YOU MEASURE THE IMPACT OF WORKFORCE DEVELOPMENT?

The impact of our workforce development program cannot be measured by job placement rates or number of graduates alone. In our interviews, women reported a host of positive changes to their lives and families beyond the impact of their paychecks: the confidence they demonstrate when they walk into a job interview or take on a new position; the security they feel in paying their bills and providing for their children; the clarity with which they see their own bright futures. We have found that as Hot Bread graduates enter the workforce, the stronger sense of self they develop during training indelibly alters the way they move through the world. We see this bear out in the number of Hot Bread Kitchen alumni who say they've experienced a positive change in their physical health, greater autonomy and independence navigating New York City, and newfound happiness about having a profession they love.



JESSICA, UNITED STATES, 2017

"The program strengthened my abilities, and [taught me] to never doubt myself. I get to be myself finally, I get to be more open. I feel stronger, more capable of handling any challenges that are thrown at me. Mentally, I've been so focused."

06 DREAMING, PLANNING & CHOICE

OUR GRADUATES WANT TO PROVIDE FOR THEIR FAMILIES, MAINTAIN STABLE HOUSEHOLDS, AND RUN THEIR OWN BUSINESSES.

Women's ability to acquire assets and build wealth is critical to escaping poverty and hardship long-term. Black and Latino households—of which a majority of our clients are a part—are two to three times more likely than white households to experience asset poverty, or the lack of a financial cushion to withstand financial crises.¹⁸ With the higher, more reliable wages our graduates have received after Hot Bread Kitchen, they are now saving at higher rates to stabilize their households.

What comes next for our graduates? Above culinary knowledge, job skills, work experience, and financial independence, our graduates demonstrated that they have acquired the asset of choice. Some women want to run their own bakeries. Some want to graduate from college or become pastry chefs. Others want to own homes; become naturalized citizens; visit their families abroad; or live closer to work so they can spend more time with their kids. When they first came through our doors, almost all of our trainees described lives with few options. *Years of hard work later, they have crafted for themselves new futures full of choice.*



BABANA, DOMINICAN
REPUBLIC, 2017

When her kids were young, Babana spent her days volunteering at their school and cleaning homes when she could. Without a reliable income, she was often strapped for cash. "I prayed to God to help me to support my kids and myself," Babana said. "And that if any opportunity was given to me that I would make the most of it."

That opportunity presented itself when she saw a newspaper article about Hot Bread Kitchen. Babana took full advantage of the program, driven by the desire to support her children's education.

"My kids have seen that I have worked hard and grown as a person. I serve as an example of the importance of education and doing what you love for a better life."

38%

GRADUATES WHO WANT
TO CONTINUE FORMAL
EDUCATION

15%

GRADUATES WHO WANT
TO PURSUE ADDITIONAL
BAKING/CULINARY TRAINING

WHAT'S COOKING: APPLYING WHAT WE'VE LEARNED



Graduation, Fall 2018

BY AUGUST 2018, HOT BREAD KITCHEN HAD TRAINED AND SUPPORTED OVER 330 WOMEN PURSUING THEIR CULINARY AMBITIONS.

As Hot Bread Kitchen graduates have blossomed in their careers, so too has our culinary training model. From feedback sessions and focus groups with our graduates and employer partners, we have learned that Hot Bread's holistic approach to job skills training is unique in both the workforce development ecosystem and culinary industry. As a result, we have iterated on our program model to teach a broader range of culinary and interview skills.

We have also seen the demand for good workforce entry jobs grow alongside employers' need for qualified

and skilled employees. To meet both needs, in 2018, we moved our training program from our bakery in East Harlem to the International Culinary Center (ICC) in Soho. Partnering with ICC has given Hot Bread the capacity to train larger cohorts of women in a fraction of the original time and cost. Moving forward, we project that working with the school—and deepening relationships with employment, community and philanthropic partners—will allow us to quadruple the number of skilled workers who graduate our workforce program and enter New York City's culinary talent pipeline each year.



WHAT'S NEXT

OPENING ADMISSIONS LOWERS BARRIERS

Since 2015, as we have worked to develop our admissions process and selection criteria, applications to our training program have increased by 419%. However, we find that culture, language, and other barriers prevent us from truly assessing candidates in our current admissions process. We plan to lower our own barriers to entry to see how many women we can get in the kitchen, so they can just start working—and so we can better assess what each applicant might need from our training. Opening our admissions process will give more women a chance. And if now isn't the time for them, they can come back and try again.

TRANSPORTATION SUPPORT IS A MUST

When we ask women if they would start and complete the program even if we didn't provide wages or stipends, the answer is yes. But one subsidy is non-negotiable for women who come to Hot Bread Kitchen: transportation. Our trainees need MetroCards to get to work, and we are dedicated to providing them. We offer trainees up to two months of unlimited public transportation access, as we have found this significantly increases their chances of completing training and getting through the first month of a new job.

BALANCE REQUIRES WORK

For many of the women who come to Hot Bread Kitchen, there is an opportunity cost to entering training. Who will look after their kids while they are in the kitchen? Who will care for their parents while they are acclimating to a new job? Our trainees'

many, many unpaid family responsibilities weigh heavily against commuting and spending hours at work. We know many women risk losing housing benefits or subsidies for their children when they start working—and we don't want them to have to make a tradeoff. Our new social work wraparound services have reshaped our intake process to consider trainees' life goals, socioeconomic challenges, and other barriers that get in the way of working.

WORKING IS LEARNING

Overwhelmingly, women who are successful in our program share two common traits: they have a hunger to learn and take pride in their work. As Hot Bread prepares women for the future—and as the texture of work changes across all sectors—we know lifelong learners like our trainees will prevail no matter what they do. By tying together craft, conscientiousness, responsibility, and skill in the kitchen, we have learned how to nurture an environment where women can gain knowledge, feed their passions, and feel proud of their labor.

FINANCIAL PLANNING REALIZES DREAMS

Securing a sustainable job with a reliable paycheck is the first phase of economic security. As we continue to increase the number of women we train, we are also increasing our capacity to support their financial wellness and give them the tools to actualize their goals. This year, we'll integrate a rigorous, hands-on financial health curriculum that ties paycheck-related spending and savings opportunities to individualized life goals.

INCUBATING WITH INTENTION

HOT BREAD KITCHEN'S CULINARY INCUBATOR HAS SUPPORTED WOMEN, IMMIGRANT, AND MINORITY ENTREPRENEURS LAUNCHING FOOD BUSINESSES IN NEW YORK CITY.

If not for our time in a shared commercial kitchen in Queens, Hot Bread Kitchen might not be the ever-evolving social enterprise it has become. In our early years, Hot Bread operated out of a production space for small food businesses—businesses like the ones we now support—and grew rapidly. In order to continue to grow, the organization needed support in the form of talent, its own space, a reliable revenue base, and connections to stakeholders who would take a chance on a big idea. In other words, we needed the same things any small business needs to succeed:

access to capital, access to markets, and access to networks.

In 2010, the City of New York released a request for proposals to open a small business incubator in East Harlem and selected Hot Bread Kitchen to manage the program. In 2011, we launched HBK Incubates with a mission of making business ownership more profitable for all New Yorkers. Since then, our incubator has provided entrepreneurs the opportunity to launch their food businesses in ways that drive positive economic outcomes for them and their families. We have always been committed to serving entrepreneurs who have traditionally lacked the resources and support to undertake small business ventures and have dedicated HBK Incubates to supporting women, immigrant, and minority entrepreneurs.

> Every entrepreneurial journey is different—however, HBK Incubates businesses have tended to follow a similar loose trajectory. Many of our entrepreneurs started by developing and selling products at home, growing until they required a larger, licensed commercial kitchen to sustain their businesses. They might have found our incubator in their search for space, but in joining us they also gained access to financial planners, buyers, and lenders. We have set up our incubator programming to give entrepreneurs the extra push their businesses have needed to make it to the next level—whatever that level may be.

228

BUSINESSES SERVED ALL
TIME

70%

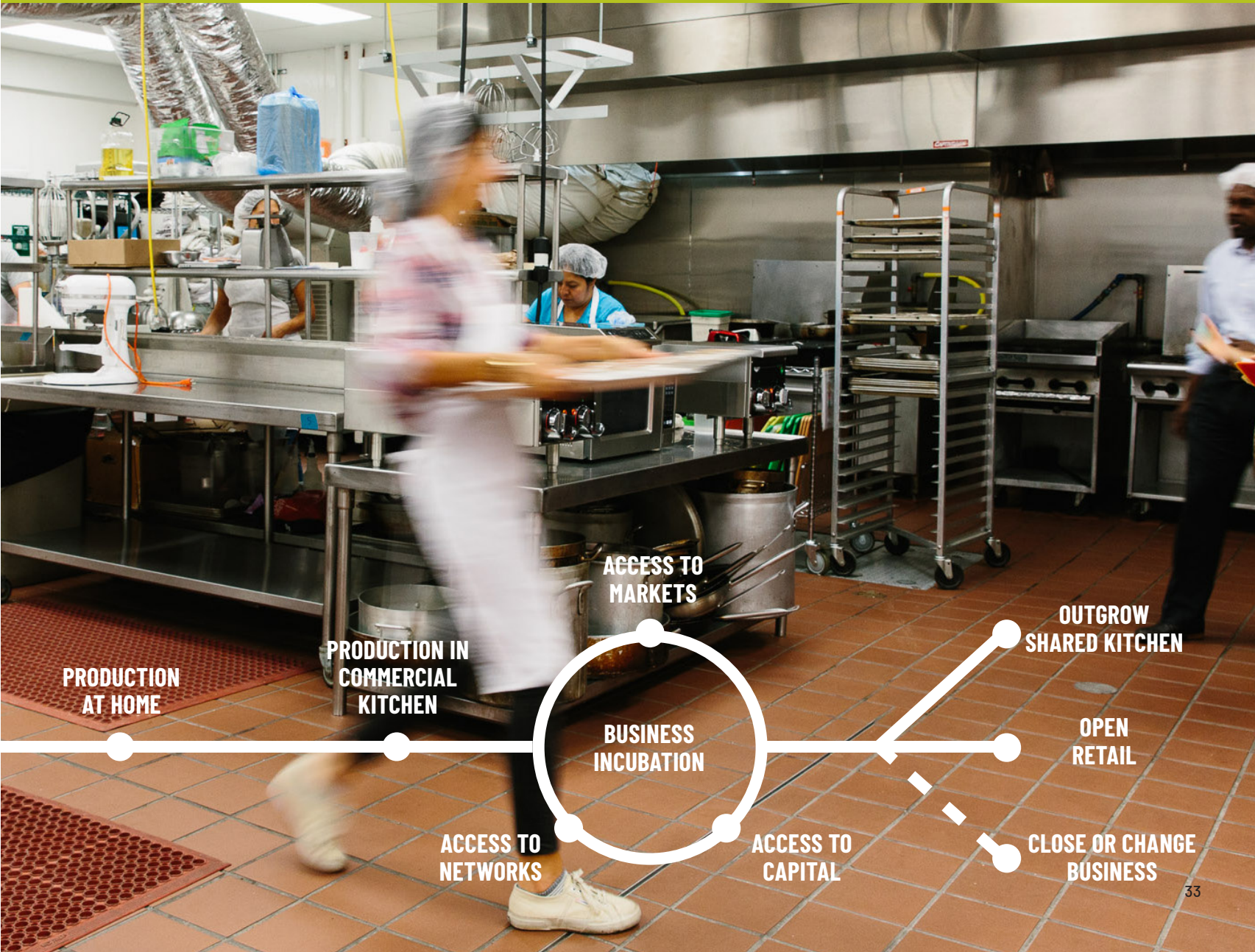
WOMEN-OWNED
BUSINESSES

53%

MINORITY-OWNED
BUSINESSES

30%

ENTREPRENEURS
RECEIVING PUBLIC
ASSISTANCE



THE SMALL BUSINESS ECOSYSTEM IN NEW YORK CITY



Incubator production

220K

SMALL AND MICRO-
BUSINESSES IN
NEW YORK CITY ¹

89%

BUSINESSES WITH FEWER
THAN 20 EMPLOYEES
(MICRO-BUSINESSES)

39%

INCUBATORS NATIONWIDE
ARE NONPROFIT ²



WOMEN ARE 53% OF
THE NEW YORK CITY
POPULATION, BUT ONLY
REPRESENT 40% OF THE
POPULATION OF PRIVATE
BUSINESS OWNERS



CITY-WIDE, WOMEN
OWN ABOUT 1/3 OF
MANUFACTURING
BUSINESSES, AND 1/3 OF
ACCOMMODATION AND FOOD
SERVICES BUSINESSES

FROM SURVIVING TO THRIVING.

Research has shown that, on average, only half of all new businesses survive their first five years.³ For businesses nurtured in incubators, the survival rate is 87% over that same period. Business incubation allows entrepreneurs to mitigate their risks so their ventures not only survive, but thrive. HBK Incubates' approach to mitigating risk has begun with space: we have offered small business owners affordable or subsidized rents at our commercial kitchen, giving them 24/7 access to a fully licensed production space at an affordable price. We have also provided business development support in the form of workshops, coaching, and introductions to sources of capital; connections to event organizers and buyers throughout the city; and inclusion in our culinary community, which has facilitated sharing of best practices and entrepreneur meetups. In a state where small business growth has stagnated in recent years, hundreds of New York City entrepreneurs have come to HBK Incubates to get the resources they need.



NYCHA PATHWAYS PROGRAM

In 2014, HBK Incubates partnered with the New York City Housing Authority (NYCHA) and New York City Department of Small Business Services (SBS) in an innovative effort to provide targeted small business support for entrepreneurs receiving public assistance.

Hot Bread Kitchen provided necessary support in an industry where the failure rate has stayed high, even for well-resourced entrepreneurs. By partnering with city agencies, we gained the ability to work with small business owners of all income levels and help them succeed.

"With the Food Business Pathways program, we've worked with public and private partners, including Hot Bread Kitchen, to create an effective path for the city's public housing residents to pursue their entrepreneurial dreams."

—Gregg Bishop, Commissioner of the New York City Department of Small Business Services

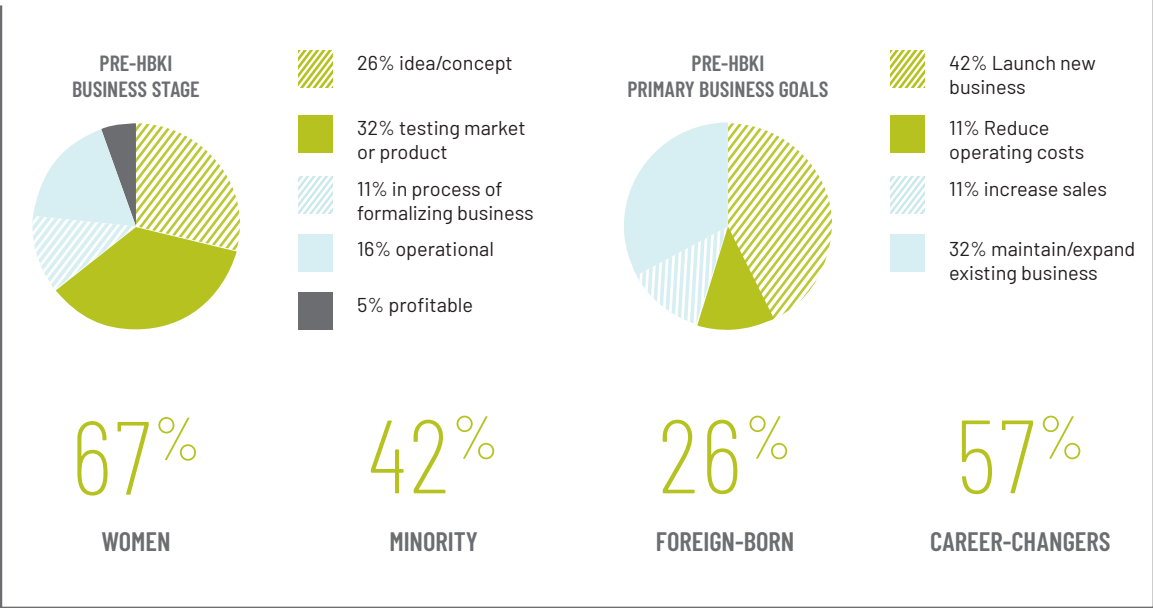
THE NEXT GENERATION OF FOOD ENTREPRENEURS: PROFILES OF 20 HBK INCUBATES ALUMNI

BEFORE JOINING HBK INCUBATES, MOST OF OUR ENTREPRENEURS OPERATED FROM THEIR HOMES.

Their businesses were growing slowly or were still just ideas; their professional backgrounds were in other industries; they weren't sure how to make their concepts profitable. Tenants said joining our incubator was a critical step for them toward sustainable entrepreneurship, offering room to grow as well as the expert guidance needed to grow thoughtfully. On average, our tenants spent two years in the incubator before moving on or determining for themselves that it is time for the next stage of their business development. Since 2011, 40 businesses have left HBK Incubates and moved into co-packing facilities, opened their own brick-and-mortar stores, or took their businesses in a different direction.

We conducted interviews with 20 of our former incubator members about the impact HBK Incubates has had on their businesses' trajectories, from their sales to buyer relationships to goals for the future. Before coming to HBK Incubates, seven of those businesses did not have sales and 14 did not use a commercial kitchen for production; 13 were based at owners' homes. Since they joined HBK Incubates, each of these business owners has continued on their own paths and contributed in their own way to the New York City food industry.

WHERE THEY STARTED



THE STATE OF NEW YORK'S SMALL BUSINESSES

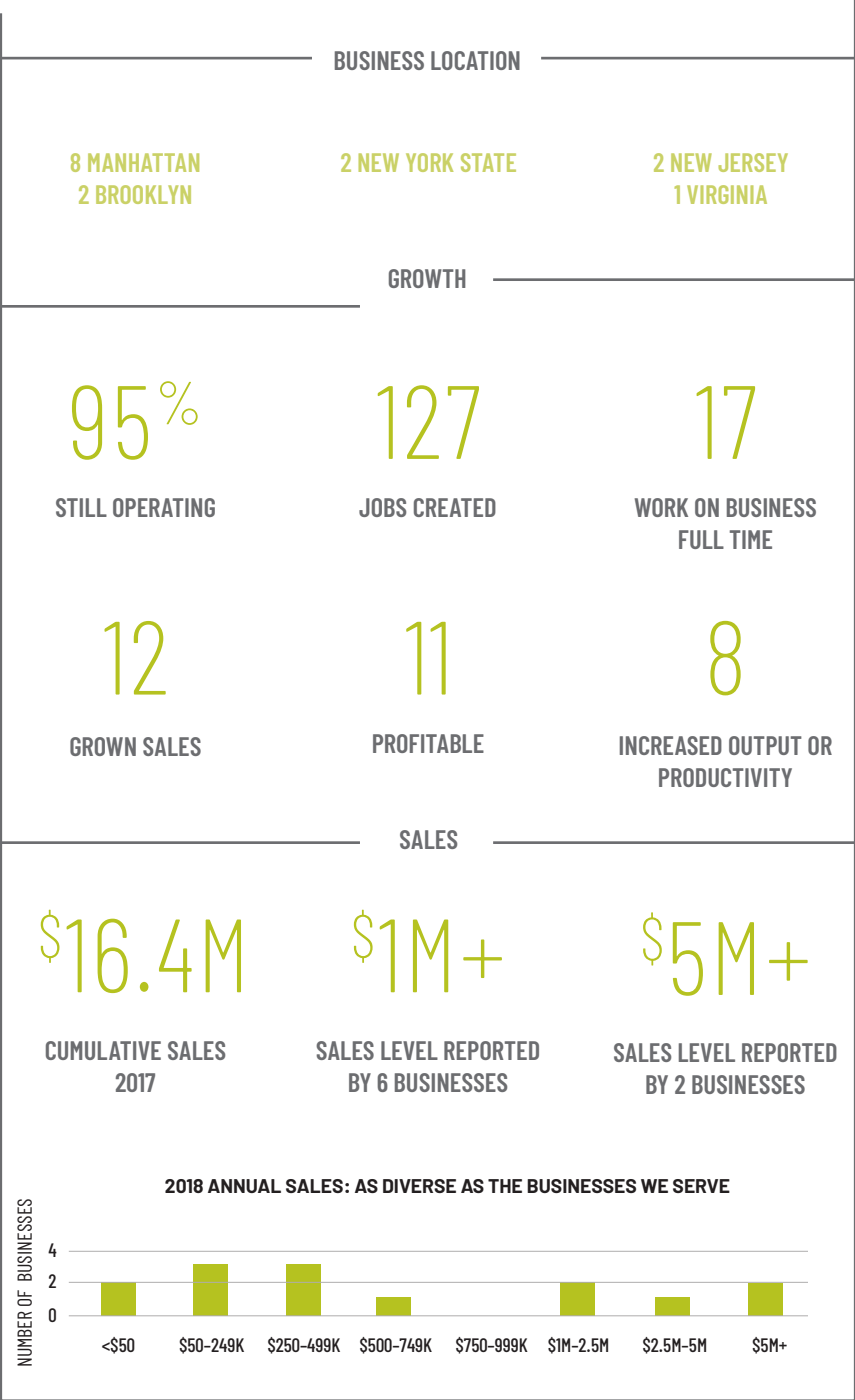
70%
HAVE REVENUE UNDER \$1 MILLION

75%
ARE NOT GROWING

50%
BUSINESSES THAT CLOSE WITHIN FIRST 5 YEARS

Annual Report On
The State Of Small
Businesses, Empire State
Development 2018

BUSINESS SNAPSHOT: A LOOK AT 20 ALUMNI



ACCESS TO CAPITAL



Incubator production

HBK INCUBATES HAS HELPED BUSINESS OWNERS SEE THEIR VISIONS THROUGH WITHOUT GOING INTO DEBT OR DEPLETING THEIR LIFE SAVINGS.

In a capital-intensive industry, HBK Incubates has given entrepreneurs space and support to prove their concepts before they are forced to take on high-cost debt or cede control to equity partners. Small businesses’ ability to access capital is associated with continued business growth, so our goal has been to alleviate the first one to three years of risk for new businesses. Ten of our surveyed alumni sought capital, largely from nontraditional banks or merchant capital.

More than an influx of cash, our alumni told us they needed room—physically and financially—to experiment, grow, pivot, and learn. **The first and arguably most crucial form of support HBK Incubates has offered is affordable, fully licensed culinary production space. Of the alumni we interviewed, 68% said having access to a commercial kitchen was the greatest benefit of joining HBK Incubates.**

Indeed, incubator tenants nationwide have listed access to kitchen space and equipment as their greatest need.⁴

Low-cost production space hasn't been enough to make a food business thrive, though. HBK Incubates has considered “access to capital” to include entrepreneurs’ ability to understand their own financials and plan accordingly, along with their ability to secure loans and grants. While in our incubator, half of our alumni met with our program team and business advisor to do cost analysis, business planning, and sales strategy to ensure they were financially prepared for market demands. Often, our financial advising has meant connecting businesses with funders to secure loans; sometimes, it has meant counseling owners to pass on loans they weren't financially equipped to take. We have worked to ensure our tenants and alumni become empowered to make decisions about their financial futures that won't break the bank or put them out of business.

THE STATE OF NEW YORK'S SMALL BUSINESSES

10%

HIGH CREDIT RISK

47%

FACED FINANCIAL CHALLENGES

50%

BUSINESSES WITH CASH BUFFER LESS THAN ONE MONTH

Annual Report On The State Of Small Businesses, Empire State Development 2018 & Cash is King Small Business Report, JPMorgan Chase & Co Institute

HOT BREAD KITCHEN BUSINESSES

10/11

INCUBATOR ALUMNI WHO SOUGHT CAPITAL GOT IT

\$3–200K

RANGE OF LOANS ACCESSED

TYPES OF LOANS
MICROLENDERS, COMMUNITY
LENDERS, MERCHANT
CASH ADVANCERS, PRIVATE
INVESTORS, FRIENDS
AND FAMILY



JESSICA SPAULDING HARLEM CHOCOLATE FACTORY

Jessica Spaulding, who was born and raised in Harlem, spent two years at HBK Incubates. She said the incubator was the “sole factor” that led her to pursue her dream of launching her business, Harlem Chocolate Factory, which she hoped would give her autonomy and independence financially. While she was at HBK Incubates, Jessica won the New York Startup Business Competition and secured a \$15,000 loan from Accion, a nonprofit that supports underserved small business owners. She was able to use that money to open her own brick-and-mortar storefront in her neighborhood. However, since she left our incubator, Jessica has struggled with a challenge small business owners confront all the time: securing additional, much-needed capital.

“There is no access to capital for people who are already poor. If you do not already have wealth, you will not have access to capital. HBK Incubates provided a place to produce product and got me to a place where I can cut costs down, but the system is bigger than [one incubator]. Not having collateral or a co-signer basically locks you out of the system of receiving capital.”

ACCESS TO NETWORKS + MARKETS



Buyer's Showcase at the Incubator

BUSINESSES CAN'T THRIVE WITHOUT SALES.

Businesses can't grow sales without access to markets—and they can't access markets without having connections. While affordable space and capital helped most of our tenants get their ventures off the ground, HBK Incubates has always been committed to increasing entrepreneurs' access to networks and markets.

Our semiannual buyers' showcases has been a chance to promote new sales opportunities and business connections. Alumni noted that HBK Incubates showcases distinguish us from other incubator options they explored: 59% of business incubators do not provide support finding buyers.⁵ Tenants who connected with buyers have seen significant growth in sales, profits, and productivity to meet market demands.

Alumni who have accessed the New York City culinary community have also had a better chance of growing their teams successfully. One-third of alumni we surveyed said they found employees through word-of-mouth recommendations and by tapping into the incubator network. Although they listed talent acquisition as a top challenge upon leaving the incubator, another one-third of our alumni listed the relationships, partnerships, and mentorship they found at HBK Incubates to be the greatest benefit of the program.



SALES

91% sell at farmers markets
89% sell at community events
86% sell at small grocers
75% sell online

*US Kitchen Incubators
An Industry Update, 2018,
E Consult Solutions*

ACCESS TO MARKETS: A LOOK AT 20 ALUMNI



9 IN COPACKING SPACE
9 IN PRODUCTION SPACE
4 BRICK-AND-MORTAR



11 HAVE MORE THAN HALF
OF CUSTOMERS IN NEW
YORK CITY



10 SHIP PRODUCTS
NATIONALLY OR
INTERNATIONALLY

70%

MAINTAIN RELATIONSHIPS
FORMED WHILE AT
HBK INCUBATES

INCUBATOR SERVICES

FOOD SAFETY GUIDANCE

- > Guidance through creating a scheduled process or Hazard Analysis and Critical Control Points (HACCP) plan
- > Support through health permitting and inspection process

BUSINESS ADVISING

- > Cost analysis, business planning
- > Development of sales strategy
- > Referrals to partner services
- > Workshops and classes

OPERATIONAL SUPPORT

- > Recipe scaling and ingredient sourcing
- > Space build-out
- > Assisting with equipment, service provider referrals

MARKET ACCESS ACTIVITIES

- > Pitch prep
- > Refining labels
- > Introduction to buyers
- > Participation in Buyer's Showcase



JEN AND JEFF MARTIN
CO-FOUNDERS, PIPSNACKS

"Hot Bread Kitchen's Incubator gave us a shot when we needed one and provided a positive, clean, functional space to start our business. Separately, Hot Bread made our initial introduction to Whole Foods where we're now distributed nationally. It's hard to say what our trajectory would have been without them, but I definitely think it would have been different."

WHAT WE'VE LEARNED FROM OUR ENTREPRENEURS + LOOKING FORWARD



In conversations with our entrepreneurs, two questions keep coming up:

- 1) How do I know if my business is growing in the right way?
- 2) How and where do I find skilled employees?

We are still learning how best to answer these questions and meet our community's needs. As we continue to grow and improve our incubator, we are adjusting our programming to preempt the most common challenges small business owners face.



WHAT'S NEXT

STANDARDIZING BUSINESS MODELS

Beyond receiving start up assistance, food businesses can take a variety of paths or business models to get to the next level. For us, getting to the next level in supporting these ventures means developing standardized stages of business growth based on data, anecdotal experience, and the knowledge within our network. We have seen retail brands start at one Whole Foods Market location and go national; we have also seen the pitfalls of rapid growth, inability to keep up with demand, and loss of major customers. By defining the stages of small business growth more clearly, we can more effectively tailor our incubation and focus our energies on what we know works at a given stage.

SOLVING FOR NEXT LEVEL PAIN POINTS: 1) HIRING EMPLOYEES

Hiring employees requires small business owners to spend far more than the new hire's salary. Worker's comp, benefits, and payroll are all added costs that many of our entrepreneurs simply cannot afford—and those are costs they would only have to pay after finding skilled employees, a challenge on its own. We are working to link the pipeline of culinary talent

we have built with our training program to our pipeline of food entrepreneurs, removing some of the sting of expanding a business. Offering operational and employment supports for growing businesses will allow entrepreneurs to focus on what they do best: making and selling delicious products.

2) SPACE AS A TIPPING POINT

For most of our incubator alumni, deciding to leave Hot Bread Kitchen was not so much a sign of enormous business success as it was a financial necessity. Many businesses that matured in our incubator have left because they reached a shared space tipping point: they were not big enough to afford their own leases but were too big to pay for our shared kitchen at an hourly rate. Offering more space options that get businesses out of kitchen limbo would prepare them to leave the incubator only when they are truly ready. We are reimagining our incubator kitchen as a space that can accommodate many different types of small businesses—from those who need a shared work station five hours per week to 4-person teams that pay monthly rent for a larger, more permanent space.

HOT BREAD KITCHEN'S INCUBATOR COMMUNITY

KEISHA, SANAIA APPLESAUCE

"It is impossible to imagine that our first year could have been as successful as it's been without Hot Bread Kitchen. From hands-on help in getting up and running in a commercial kitchen, to 24/7 access and invaluable introductions to wholesale buyers, being accepted to the Hot Bread Kitchen program was like winning the lottery for a small company like ours."



ULRIKA, UNNA BAKERY

"After 2.5 years in the kitchen I learned that being an entrepreneur is a roller coaster. One day you are on top of the world and the next you have no idea why you started it. It really helped me working alongside other startups in the incubator. It's a tight knit community and sharing your ups and downs with someone who is in the same situation helped me to keep going."



Melanie, Mini Melanie



Jomaree, Tobin, and Eddie, Hella Cocktail Co.



Susan, Little Red Kitchen Bakeshop

100% SAY THE INCUBATOR HELPED THEM
ACHIEVE THEIR BUSINESS GOALS

90% SAY THE INCUBATOR HELPED THEM
ACHIEVE THEIR PERSONAL GOALS

20 ALUMNI LOOK AHEAD: RANKED CHALLENGES



JESSIE, JESSIE'S NUTTY CUPS

"Now I have a much clearer idea of where I want my business to go. While I feel like I can still do everything, I know where I want to focus my energy."



Hiyaw, Taste of Ethiopia



Isabel, Little Green Gourmets



Brian, Mr. Bing

MISSION MEETS MARKET

METHODOLOGY & ENDNOTES

OVERVIEW AND GOAL OF STUDY

Our team performed analysis of Hot Bread Kitchen’s economic impact in order to capture the broader meaning of the jobs created at La Marqueta to the economy of the New York City region. We conducted our analysis using the US Department of Commerce Bureau of Economic Analysis (BEA) Regional Input-Output Modeling System (RIMS) II Direct Effect Type I multipliers. We chose this methodology because it is widely used by government officials and policy makers, researchers, students, and planners to estimate the potential impacts of economic activities on regional economies. RIMS II relies on the same foundational concepts and Department of Commerce Input-Output tables as the other prevalent input-output models (e.g. IMPLAN, REMI) but is simpler to use, as it relies on a limited number of inputs, in combination with the multipliers, in order to produce a static estimate of impact. In contrast, other systems produce more dynamic models that require more user inputs and assumptions. Also, RIMS II is lower-cost and publicly-owned, compared to privately-owned models.⁵ The Bureau of Economic Analysis does not endorse the resulting estimates of our analysis.

Type I multipliers are calculated to capture the inter-industry effect of increased purchases and spending in a target industry that is projected to experience an increase in production of goods and services. We chose to use Type I multipliers to provide a more conservative estimate of Hot Bread Kitchen’s impact and avoid a common mistake of using Type II multipliers: not excluding changes in wages experienced by households already living and working in the region.

We applied multipliers retroactively to understand the annual and cumulative impact of the increase in employment at La Marqueta on the New York City micropolitan statistical area. We express this impact in terms of total earnings and total employment.

DATA COLLECTION PROTOCOL

The two inputs for our estimate were number of jobs and total wages paid. For the purposes of the analysis, we classified jobs created on the site in one of three ways, and aligned these categories with the most relevant detailed industry classification available in the RIMS II data set (in parentheses):

- 1) Bakery and production jobs in Hot Bread Kitchen’s own bakery, including Bakers in Training and permanent bakers, as well as supporting staff including packers, porters and managers (311810: Bread and bakery product manufacturing);
- 2) Food manufacturing jobs in incubator businesses during their time of membership in the HBK Incubates program, and by permanent tenants of the commercial kitchen space (311990: All other food manufacturing); and
- 3) Administrative and management jobs in Hot Bread Kitchen’s headquarters (550000: Management of companies and enterprises).

The sources of data for jobs and wages are: Hot Bread Kitchen payroll records for years 2011-2017; quarterly reports submitted by HBK Incubates member businesses during their membership in the program; estimates of average annual wages paid by food manufacturing businesses (NAICS code 311), based on the Quarterly Census of Employment and Wages for the New York City region.⁶

Wages for Hot Bread Kitchen employees include employer-sponsored health insurance, per the definition of the BEA RIMS II methodology; this information was not available for food manufacturing businesses. The RIMS II methodology’s estimates of job impacts includes both full- and part-time jobs, with no distinction between the two; thus our inputs were a count of the number of people employed during a given year, regardless of full-time or part-time equivalency.⁷

DATA ANALYSIS PARAMETERS AND PROTOCOL

The geographic unit for the analysis is the New York City region, which includes the five boroughs of New York City; Bergen, Hudson, Middlesex, Monmouth and Passaic Counties, in New Jersey; and Rockland and Westchester Counties, in New York. This was selected as the most appropriate unit of impact given that the majority of workers employed by Hot Bread Kitchen and La Marqueta businesses live and work, and the assumption that the majority of sales occur within this same region.

Data on employment and wages for each year from 2011 to 2017 were multiplied by the direct effect multipliers for employment and earnings, respectively (see table below).⁸ The interpretation of the earnings multiplier of 1.7014 for the bread and baking manufacturing industry is that for every \$1 of additional wages paid by Hot Bread Kitchen.

FIGURE 1: ECONOMIC IMPACT

Detailed Industry	Direct Impact, Cumulative Wages (2011-2017)	Direct Impact, Jobs (2017)	Direct Effect Earnings Multiplier (\$)	Direct Effect Employment Multiplier (Jobs)	Total Impact, Earnings (2011-2017)	Impact (Jobs) 2017
Bread and Bakery Product Manufacturing	\$8,164,000	109	1.701	1.348	\$13,890,000	147
All other food manufacturing (average wage, prorated for FT and PT)	\$53,075,000	409	1.761	1.583	\$88,390,000	647
Management of companies and organizations	\$1,467,000	15	1.373	1.709	\$2,014,000	26
Totals	\$62,705,000	533			\$104,293,000	820

MISSION MEETS MARKET: ENDNOTES

¹NYC Small Business Services. East Harlem, Manhattan Commercial District Needs Assessment. <https://www1.nyc.gov/assets/sbs/downloads/pdf/neighborhoods/n360-cdna-east-harlem.pdf>

²NYC Small Business Services. East Harlem, Manhattan Commercial District Needs Assessment. <https://www1.nyc.gov/assets/sbs/downloads/pdf/neighborhoods/n360-cdna-east-harlem.pdf>

³ NYC Small Business Services. East Harlem, Manhattan Commercial District Needs Assessment. <https://www1.nyc.gov/assets/sbs/downloads/pdf/neighborhoods/n360-cdna-east-harlem.pdf>

⁴ Office of the New York State Comptroller. Economic Snapshot of the East Harlem Neighborhood. <https://www.osc.state.ny.us/osdc/rpt9-2018.pdf>

⁵ Bureau of Economic Analysis, US Department of Commerce. RIMS II: An essential tool for regional developers and planners. Available at: https://apps.bea.gov/regional/pdf/rims/rimsii_user_guide.pdf

⁶ New York State Department of Labor. NAICS Based Industry Employment and Wages. Available for download at: <https://labor.ny.gov/stats/lsqcew.shtm>

⁷Bureau of Economic Analysis, US Department of Commerce. RIMS II: An essential tool for regional developers and planners. Available at: https://apps.bea.gov/regional/pdf/rims/rimsii_user_guide.pdf

⁸For examples of how this and similar methodologies are applied, see: Bureau of Economic Analysis (<https://apps.bea.gov/regional/rims/rimsii/Basic%20Example.pdf>); New York State-New York City Regional Food Hubs Task Force (https://www.agriculture.ny.gov/FHTF_report_FINAL.pdf)

INVESTING IN BREADWINNERS
METHODOLOGY & ENDNOTES

OVERVIEW AND GOAL OF STUDY

Over the past 10 years, Hot Bread Kitchen staff has worked continually to refine our culinary training program by incorporating feedback from employers in the food and culinary industry. These inputs have allowed us to tailor our training program based on two hypotheses:

- 1) A combination of on-the-job skills training, contextualized education in English and math, and job placement support can help women find and keep jobs in the food and culinary sectors; and
- 2) There are multiple benefits that women experience as a result of gaining stable employment in the food and culinary industries and these benefits extend to their families as well.

To date, our staff has spent significant time and effort understanding the needs of employers, as well as examining what makes a successful candidate for Hot Bread Kitchen’s culinary training program and, ultimately, a successful employee. Because of our frequent touchpoints with trainees (while they are in the program) and employers, we are able to regularly gather data that help us to refine our first assumption about training, and accordingly, make changes to the way in which we recruit, train and place women.

Before embarking on this study, we had never had the opportunity to ask our graduates about the longer-term impact that employment has had on them and their families. From anecdotes shared with us by our graduates, we have been able to gather some amazing stories about the ways our program has changed women’s lives and about their subsequent employment experience. However, we had never captured these data systematically or in such a way that it could be analyzed. The culinary training program study was conducted to gather data that would help us verify or reformulate our second hypothesis, about the longer-term impacts of our program on women and their families. The survey also provided us with an opportunity to gather an additional set of critical

insight from our beneficiaries themselves to further inform program changes.

INTERVIEW PROTOCOL

Data collection was done using an interview protocol developed with several guiding principles and goals. First, it was designed to allow participants to speak for themselves, in their own voices, language, and vocabulary, so as not to bias responses towards the researchers’ ideas of likely or desirable responses. Second, the goal was to generate a rich set of data that could be used qualitatively and could be coded for qualitative analysis; accordingly, the interview protocol was designed with primary, open-ended questions to let the interviewee tell her own story, and a set of follow-up questions designed to ensure that a consistent set of data was collected from all interview subjects. Finally, it was designed to allow ample opportunities for interviewees to provide feedback on the program and their experiences.

Our research team conducted data collection using an interview protocol developed with three guiding principles and goals. First, it was designed to allow participants to speak for themselves, in their own voices, language, and vocabulary, so as not to bias interviewees’ responses. A second goal was to generate a rich set of data that could be used anecdotally and could be coded for qualitative analysis. To facilitate such responses, the interview protocol was designed primarily with open-ended questions to let the interviewees tell their own stories; we also designed a set of follow-up questions to ensure that a consistent set of data was collected from all interview subjects. Last, the interview protocol was designed to allow ample opportunities for interviewees to provide feedback on the program and their experience.

Our interview protocol was influenced by several existing methodologies that have been used in the social impact sector; the two most relevant and influential are summarized on the following pages.

FIGURE 1: TRAINING INTERVIEW PROTOCOL

Generative Question	Supplemental Questions	
What were you doing in the year before you came to Hot Bread Kitchen?	-How long had you been living in the US? -What did you do in your home country? -Who were you living with? -Were you working outside your home? -What was your annual income? -How many hours a week did you work? -How much did you earn per hour?	-If unemployed: how many weeks were you unemployed for? -Why were you interested in the training that HBK offers? -How did you hear about the program? -What experience did you have with baking? -What community did you live in? -Did you feel comfortable navigating NYC?
How would you describe your experience as a baker in training at Hot Bread Kitchen?	-What did you learn while you were in training? -What, if anything, surprised you about the training you received? -What was hardest for you during training? -What was the most important or useful part of the program?	-Was there anything that made it hard for you to complete the program (e.g. schedule, childcare)? -What impact do you think Hot Bread Kitchen had on your ability to advance in your career?
Can you describe what you have been doing since you graduated from Hot Bread Kitchen?	-What was your first job after Hot Bread Kitchen? -What was your title? -How much did you earn? -Did this job include health benefits? -How many hours a week did you work there? -How long did you work there? -Did you get a promotion? -Did you get another job after that?	-Is that your current job? -If not current job, ask same questions about title, company, How long have you been working in your current job? -Have you been promoted? -What is your current wage? -What is your work schedule? -How many weeks in the past year did you work? -What skills are most important in your job? -What is the environment at your job?
What changes has your family/ household experienced since you graduated?	-Where are you living? -Who are you living with? -Is your husband/partner working? How much do they earn? -Who looks after your children when you are working? Is this different than while you were in training? -How have you changed how you spend or save your money? -Do you receive public benefits?	-Do you have any debt? Has this increased or decreased since you started working? -Do you give money to family members? -Do you save money? -Are you involved in your children's school? Is this different than before? -What plans or goals do you have for your family in the future?
What personal changes have you experienced, if any?	-Do you feel different or changed? How? -How do you feel about your home and community in NYC?	-What would you like to do next? -What are your aspirations for yourself? For your career?
What is the biggest change you've experienced?	(no follow up questions)	
What feedback or recommendations do you have for Hot Bread Kitchen?	-What do you wish you had learned that you didn't? -What is the best part of the program?	-What part of the program do you think needs improvement? -What type of support would be most helpful to you from Hot Bread Kitchen to advance your career?
Is there anything else you want to share about yourself or your experience before, during or after the program?		

1) LEAN DATA

This methodology was developed by Acumen Fund, with support from Rockefeller Foundation, to help social enterprises understand the impact that their products and services have on their customers. The key principles of Lean Data are: 1) human-centered, taking into account needs and feelings of participants; 2) focused on listening to respondents, and letting those responses guide further iterations of programs or products; and 3) low-cost, using technology where possible. Lean Data surveys are limited to between 5 and 7 key questions that are most central to what a social enterprise wants to learn about its clients and its product. Questions are written to be non-leading and non-biased, and can capture either qualitative or quantitative data.¹⁹

2) QUALITATIVE IN-DEPTH INDIVIDUAL IMPACT ASSESSMENT PROTOCOL (QUIP)

The QuIP methodology was designed to capture self-reported changes and establish probable causality linking those changes to a specific program or intervention without the use of a control group. Data collected through QuIP is intended to complement qualitative data collected through more routine monitoring and evaluation efforts. Key features of QuIP interviews and studies are: 1) interviews are conducted by non-biased interviewer with limited knowledge of the program or intervention; 2) questions are generic and touch on the major topics or areas of inquiry without leading respondent to a specific answer; 3) broad, open-ended generative questions are asked first, and can be followed up with supplementary questions to probe further on topics raised by the interviewee and/or areas of particular interest to interviewer. Narrative data captured during a QuIP interview are coded into quantitative responses that can be analyzed as part of a data set.^{20 21}

DESCRIPTION OF STUDY SAMPLE

Primary data was collected from graduates of the culinary training program through interviews conducted between May and July 2018. Interviews were conducted by graduate-level research assistants and Hot Bread Kitchen staff. For the most part, interviews were conducted by people who were proficient in the native language of the interviewee. The interviewee was given the option to speak in her native language, English, or both. Interviews generally lasted between 30 minutes and 1 hour, and were transcribed and recorded.

Any woman who graduated from the culinary training program, between its inception in 2009 and early 2018, was considered eligible for the study. We began with a potential full sample size of 101 subjects. Research assistants and Hot Bread Kitchen staff made multiple attempts to gain participation in the study. Outreach attempts were made via phone, email, text message, social media, and by contacting graduates at their job locations. All graduates were offered a \$25 gift card in exchange for their participation.

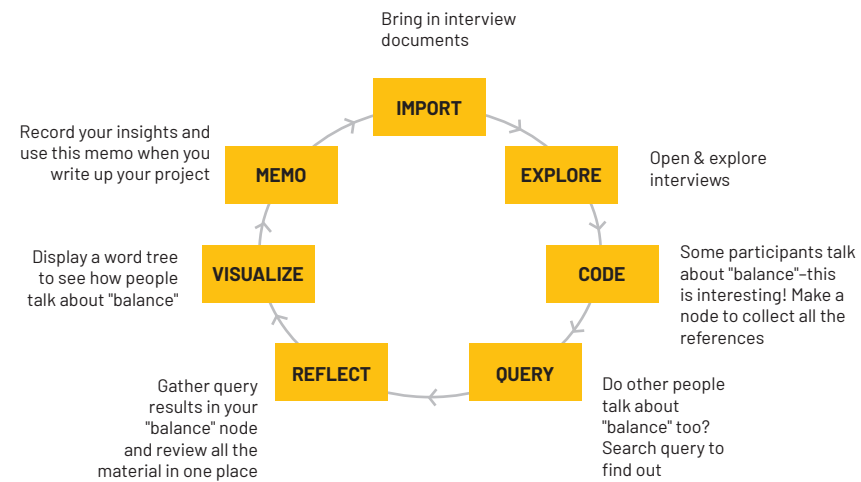
Of the 101 graduates, 59 agreed and 4 declined to participate. Research assistants and staff were unable to make contact with the remaining 38, despite multiple attempts. A sample size of 59 out of 101 provides a confidence level of 95% with between a 7 and 8% margin of error.²²

Foreign-born women are slightly overrepresented in the study sample, when compared to the total population of program graduates. Otherwise, the study sample is representative of the total population of program graduates to date.

FIGURE 2: DEMOGRAPHICS

	Total sample (n=101)	Study Participants (n=59)	Study Non-participants (n=42)
% US-born	25%	19%	26%
% foreign-born	75%	81%	64%
Average age	38.5	39	38
Marital status at program start	33% Single/Never Married 52% Married 15% Divorced/Separated	34% Single/Never Married 56% Married 10% Divorced/Separated	33% Single/Never Married 44% Married 24% Divorced/Separated
Year of graduation	2017 (mode) 2015 (average)	2017 (mode) 2016 (average)	2017 (mode) 2015 (average)
# of countries represented (foreign-born only)	24	19	15
Top 5 countries of origin	Burkina Faso Morocco Bangladesh Mexico Dominican Republic/Ivory Coast (tied)	Burkina Faso Ivory Coast Bangladesh Mexico Morocco	Morocco Dominican Republic Togo Pakistan Mexico

FIGURE 3



DATA ANALYSIS PROCESS

Every interview was transcribed by the research assistant who conducted it. The transcripts were then uploaded to NVivo, a qualitative data analysis software, where they were coded for a variety of key quantitative and qualitative themes the research team selected. NVivo was a useful tool for this study, as it facilitated analysis of unstructured data sets and easily allowed for numerous references in narrative text to be coded according to theme. The Hot Bread Kitchen staff could then observe the variability of responses within each theme (e.g. all references to household composition) or by respondent. NVivo also has tools to help summarize coded data, such as charts and word clouds. Figure 3 illustrates the iterative process used for this study detailing NVivo's multiple functions for classifying and analyzing data.

Once an initial round of coding had been conducted on all interview transcripts, a team of Hot Bread Kitchen employees went back to review all transcripts to select excerpts related to major themes and topics of interest. Some such themes include: pre- and post-training employment status and wages; personal goals; and training program experience. Based on the team's initial review, we developed additional coding to capture key statistics that supported the major themes that emerged. After several rounds of iterative coding and review had been conducted, the full data set in NVivo was screened to determine response rates to each question or data point. Only questions or data points with a response rate of 50% or higher were included in this report; thus, the sample size for each question's response rate varies, but always includes more than 29 respondents. Accion and the Opportunity Fund employed a similar iterative methodology and standard for response rates in their longitudinal survey of small business borrowers in the United States, conducted by Harder+Company.²³

INVESTING IN BREADWINNERS: ENDNOTES

¹Price Tags for Culinary Schools Across the Country. <https://www.eater.com/2013/4/25/6444399/the-price-tags-for-11-culinary-schools-across-the-country>

²Workforce Agenda for New York City 2018. https://thehub.workforceprofessionals.org/wp-content/uploads/2018/09/Workforce-Agenda-for-NYC_Exec-Summary_Sept2018.pdf

³National Women's Law Center. Women and the Minimum Wage, State by State <https://nwlc.org/resources/women-and-minimum-wage-state-state/>

⁴National Women's Law Center. Low-Wage Workers are Women: Three Truths and a Few Misconceptions <https://nwlc.org/blog/low-wage-workers-are-women-three-truths-and-a-few-misconceptions/>

⁵National Women's Law Center. Underpaid and Overloaded: Women in Low Wage Jobs. https://nwlc.org/wp-content/uploads/2015/08/final_nwlc_lowwagereport2014.pdf

⁶National Women's Law Center. Underpaid and Overloaded: Women in Low Wage Jobs. https://nwlc.org/wp-content/uploads/2015/08/final_nwlc_lowwagereport2014.pdf

⁷National Women's Law Center. Low-Wage Workers are Women: Three Truths and a Few Misconceptions <https://nwlc.org/blog/low-wage-workers-are-women-three-truths-and-a-few-misconceptions/>

⁸CUF: Center for an Urban Future (2016). A City of Immigrant Workers: Building a Workforce Strategy to Support All New Yorkers. <https://nycfuture.org/pdf/A-City-of-Immigrants.pdf>

⁹National Employment Law Project (2010). Working Without Laws: A survey of employment and labor law violations in New York City <https://s27147.pcdn.co/wp-content/uploads/2015/03/WorkingWithoutLawsNYC.pdf>

¹⁰ Center for an Urban Future (2016). A City of Immigrant Workers: Building a Workforce Strategy to Support All New Yorkers. <https://nycfuture.org/pdf/A-City-of-Immigrants.pdf>

¹¹ CUF: Center for an Urban Future (2016). A City of Immigrant Workers: Building a Workforce Strategy to Support All New Yorkers. <https://nycfuture.org/pdf/A-City-of-Immigrants.pdf>

¹² Robin Hood Poverty Tracker. <http://povertytracker.robinhood.org/>

¹³ The City of New York. Career Pathways Progress Update. <https://www1.nyc.gov/assets/careerpathways/downloads/pdf/Career-Pathways-Progress-Update.pdf>

¹⁴ CUF: Center for an Urban Future (2016). A City of Immigrant Workers: Building a Workforce Strategy to Support All New Yorkers. <https://nycfuture.org/pdf/A-City-of-Immigrants.pdf>

¹⁵ US Financial Diaries Project. <https://www.usfinancialdiaries.org/>

¹⁶ Delara, M. Social Determinants of Immigrant Women's Mental Health, <https://www.hindawi.com/journals/aph/2016/9730162/#B25>

¹⁷ NYC Community Health Survey, Self-reported health status by Sex and Employment status, 2016 (Age adjusted): <https://a816-healthpsi.nyc.gov/epiquery/sasresults.jsp>

¹⁸ Prosperity Now Scorecard: <http://scorecard.prosperitynow.org/2016/measure/asset-poverty-rate>

¹⁹ For more info, see Acumen Fund: <https://acumen.org/lean-data/>

²⁰ For more info, see Centre for Development Studies: <http://www.bath.ac.uk/cds/documents/quip-briefing-paper-march-2015.pdf>.

²¹ For more info, see Social Performance Task Force: https://sptf.info/images/pn2_quip.pdf

²² See Qualtrics Sample Size Calculator: <https://www.qualtrics.com/blog/calculating-sample-size/>

²³ For more information, see <https://us.accion.org/wp-content/uploads/2018/04/Methods-Section.pdf>

INCUBATING WITH INTENTION

METHODOLOGY & ENDNOTES

OVERVIEW AND GOAL OF STUDY

Since inception, the Hot Bread Kitchen Incubator has provided space and support to 228 food businesses and entrepreneurs, with a focus on supporting businesses owned and operated by women and minorities (M/WBEs). The incubator does not require businesses to be certified by the City of New York's M/WBE Program; however, we do rely on the City's guidelines for identifying M/WBEs: "At least 51% of the business is owned, operated and controlled by a US Citizen(s) or US permanent resident(s) who are women and/or members of designated minority groups including: Black, Hispanic, Asian-Pacific, Asian-Indian."

Businesses and entrepreneurs come to the incubator for a variety of reasons, some of which include making and selling different types of products and food-related services and/or looking for and receiving different types of support while in the program. Entrepreneurs spend varying lengths of time in the program while working on their businesses. This presents a challenge to collecting a standard set of data and drawing conclusions about the incubator's impact. Hot Bread Kitchen collects data from incubator members on sales and number of employees during their tenure in the incubator as a condition of their membership; however, to date, we had not consistently and systematically followed up with former members to understand their trajectory after leaving the incubator. For these reasons, we chose to narrow our data collection to one subset of incubator members: those who have formally left the program and become "alumni." The three main questions we wanted to answer in talking to these alumni businesses were:

- What has your business's trajectory been since leaving Hot Bread Kitchen Incubates?
- What has been the economic impact of incubating your business at Hot Bread Kitchen, specifically with regard to achieving your personal and professional goals?
- How did your time as a member at Hot Bread Kitchen's incubator shape your path as an entrepreneur?

INTERVIEW PROTOCOL

Hot Bread Kitchen staff and consultants developed an interview protocol to gather a uniform set of data from alumni businesses. The interview was structured

to garner information about three distinct periods in the entrepreneurs' experience: before joining the incubator; the time spent in the incubator; and the period of time since leaving the incubator. The interview also touched on topics and themes that are commonly tracked and measured as markers of small business success: sales; job creation; and access to capital. The interview protocol was designed with primary, open-ended questions to let the interviewees tell their own stories, and a set of follow-up questions designed to ensure that we collected a consistent set of data from all interview subjects.

Where possible, we borrowed or adapted questions from existing studies on small business and reporting frameworks for measuring the impact of investments in small- and medium-sized enterprises. The primary references are described below:

ACCION AND OPPORTUNITY FUND SMALL BUSINESS LENDING IMPACT STUDY

This is a first-of-its-kind study to understand the longitudinal impact of two of the United States' preeminent mission-based small business lenders. Unlike other studies by these and other organizations that have looked at the outcomes of small business lending—for example, loan performance—this study sought to uncover the longer-term impact of a loan on entrepreneurs' experience as business owners.⁶

IRIS (GLOBAL IMPACT INVESTING NETWORK)

IRIS is the catalog of generally accepted performance metrics that leading impact investors, including foundations, use to measure social, environmental, and financial success of their investments. The IRIS catalog is designed to identify and centralize the most common and relevant metrics from disparate industries, in an attempt to bolster credibility of impact performance measurement efforts. IRIS metrics are aligned with existing third-party frameworks for certification, assessment and reporting; for example, B Impact Assessment, for Benefit Corporations; and the Aspen Institute Network for Development Entrepreneurs Small and Growing Business metrics.⁷

Generative Questions	Clarifying Questions	
Before formally joining the incubator, did you receive any support or training from HBK Incubates? or other small business support programs?	-Did you participate in Prep for Success? Business Bootcamp? (at HBK) -What phase of business were you when you received those services?	
What was your business like before you started at HBK Incubates?	-Business stage? (idea/concept, in the process of formalizing business, testing market/product, operational, profitable) -Entrepreneur type (Focused and Growing, Stable and strategic, off balance and seasonal, retrenching, slowly growing and optimistic) -Did you have sales? -Location (neighborhood)? -Other incubator space -Other commercial kitchen (more or less expensive?) -Home-based	
What was the primary reason you joined HBK Incubates?	-Looking for commercially-licensed space for food production -Looking for mentorship -Looking to grow business -Looking for specific technical assistance (specify) -Other?	
What was your primary goal for your business when you joined the incubator?	-Launch a new business -Increase sales -Reduce operating costs -Open Brick and Mortar	-Maintain existing business -Increase profit -Add employees -Other (specify)
What were your secondary goals, if applicable?	-Launch a new business -Increase sales -Reduce operating costs -Open Brick and Mortar	-Maintain existing business -Increase profit -Add employees
When you began working at the incubator, what personal goals you were hoping to achieve?	-Improve work/life balance -Flexibility, autonomy, independence -Career change/switch	-Increase income, savings, etc. -Create more opportunities for family -Other?
What was your experience during the incubator? What services and features of the incubator did you utilize?	-Guidance through creating a scheduled process or HACCP plan or referral to Cornell Food Venture Center -Referrals to business services (workers comp insurance, external partners [Start Small Think Big, etc.]) -Guidance and support through permitting and inspection process -Meetings with the program team or business advisor to do cost analysis, business planning, develop sales strategy, etc. -Meetings with program team or Hot Bread staff to scale operations - recipe scaling and ingredient sourcing, space build-out, assisting with equipment, service provider referrals -Meetings with program team/Hot Bread Staff for access to market activities - working on pitch, refining labels, introduction to buyers, participation in Buyer's Showcase -Attended workshops or classes -Wholesale prices on Hot Bread breads	
Did you have employees prior to joining HBK Incubates? If so, how many?	-# Full-time? -#Part-time?	
Did you hire any employees while you were an incubator member? Have you hired since graduating from incubator? How many do you currently have employed?	-Full-time? Part-time? -How do you find new employees? -What types of roles have you created and filled (food prep/manufacturing, sales, social media)? -Do you offer benefits to your employees? If so, what benefits?	
Do you work on your business full time?	-When did you transition to working full-time on your business? (pre-incubator, during incubator, post-incubator) -When did you start paying yourself a salary? How much? -Did you have another job/career? (within food/outside of food sector) -Does this represent a career switch?	
Where are you located now?	-Current location/neighborhood -Moved to a co-packing space -Brick and mortar (Stand alone, food hall)	-Moved to their own production space -Shared commercial kitchen -Another incubator

How has your business changed since leaving Hot Bread Kitchen's Incubator?	-Went out of business -Sales decline -Decreased profit -Increased output or productivity	-Sales growth -Increased profit -Changed product or focus/pivot
What are your estimated annual gross sales for each year that you have been in business? How has this changed since graduating from Hot Bread Kitchen's Incubator?		
Is your business currently operating at a profit?	- Operating at a loss - Profitable	- Break-even - If profitable: when did you achieve profitability?
Do you sell your products locally in NYC? In NYS?	-# of NYC-based customers/clients and estimated annual sales -# of NYS-based purchasers/clients and estimated annual sales - What % of your buyers are in NYC? NYS? - Do you ship your products? If so, where?	
Do you buy products/materials from other local businesses?	- Yes - Hardware/equipment - Other inputs - How does having local vendors affect your business?	-No - Raw materials
Are there any relationships that you formed at HBK and have maintained?	- Buyers - Employees - Investors	- Sellers - Other partners - Mentors
What challenges have you experienced as a business?	- Licensing/permitting; scheduled process/HACCP - Legal incorporation and taxation - Access to capital - Ingredient sourcing; sudden increase in prices - Finding employees - Financial Analysis/Budgeting - Managing relationships with co-founders or management team - Start-up costs - incorporating, getting permit, getting insurance/workers compensation - Cash flow/Inadequate time/resources to scale efficiently	
How have you overcome those challenges? What resources did you draw upon?		
Have you sought access to capital?	- Yes - If no: how have you financed growth/expansion? - If yes: what type? (debt, equity, working capital) - If yes: from who?	-No - Protecting intellectual property - Finding customers - Marketing/branding - Sudden loss/shutdown of major customer
What are your current business goals? How have they changed since graduating from incubator?	-Launch a new business - Increase sales - Reduce operating costs - Open Brick and Mortar - What goals remain that you previously had?	- Maintain/Expand existing business - Increase profit - Add employees - Other (specify)
What was the greatest benefit HBK Incubates provided you with?	- Economic opportunity - Relationships - Mentorship	- Education - Licensed commercial space
Do you think HBK Incubates helped you in achieving your business goals?	- Yes/No - To what extent?	
Do you think HBK Incubates helped you in achieving your personal goals?	- Are these goals different from your business goals? If so, how?	
What feedback or recommendations do you have for Hot Bread Kitchen?	- What do you wish you had learned that you didn't? - What is the best part of the program? - What part of the program do you think needs improvement?	
Is there anything else you'd like to add that we didn't talk about?		
For businesses no longer operating: How do you think your business's trajectory/ outcome would have been different without HBK Incubates?	- Would you have pursued entrepreneurship without HBK Incubates? - Did you incur debt related to your business? - Do you think this would have been greater if not for HBK? - How much money did you invest in your business?	

DESCRIPTION OF STUDY SAMPLE

Of the 228 food businesses incubated at Hot Bread Kitchen to date, any business that completed the incubator program between its inception, in 2011, and early 2018 was considered eligible for the study, for a potential full sample size of 40 subjects. Research assistants and Hot Bread Kitchen staff made multiple attempts to gain participation in the study. Outreach attempts were made via phone, email, and text message. Of the 40 alumni, 20 agreed to participate and 1 declined. Research assistants and staff were unable to make contact with the remaining 19, despite multiple attempts.

We collected primary data from alumni of the incubator program through interviews and online surveys administered between August and November of 2018. Interviews were conducted by college-level research assistants and Hot Bread Kitchen staff and generally lasted between 30 minutes and 1 hour. Research assistants transcribed and coded these interviews into a Google Form that allowed for closed, multiple choice responses and open-ended, freeform responses. We developed an online survey version of the interview after an initial round of outreach and interviews, in order to boost participation rates and accommodate entrepreneurs’ busy schedules. The online surveys took between 20 and 30 minutes to complete. The interview protocol and online survey collected identical information, with some additional clarifying questions added into the online survey. Of the 20 participants, 13 took part in interviews, and 7 completed the online survey.

DATA ANALYSIS PROCESS

Interviews were transcribed by the research assistants or staff who conducted them. The data collected and coded from in person interviews and data collected through online surveys were merged into a master Microsoft Excel spreadsheet to allow for basic analysis and summation of the data. Additionally, a team of Hot Bread Kitchen employees reviewed the initial 10 interview responses to identify common themes that emerged from the conversations to in an effort to track the development of the report narrative. Only questions or data points with a response rate of 50% or higher are included in this report; thus, the sample size for each question's response rate varies, but always includes upwards of 10 respondents.

INCUBATING WITH INTENTION: ENDNOTES

¹ New York City. Small Business First. <https://www1.nyc.gov/assets/smallbizfirst/downloads/pdf/small-business-first-report.pdf>

² E Consult Solutions. US Kitchen Incubators, An Industry Update. <https://econsultsolutions.com/wp-content/uploads/2016/03/U-S-Kitchen-Incubators-An-Industry-Update-Final.compressed.pdf>

³ Small Business Association. Small Business Facts. <https://www.sba.gov/sites/default/files/Business-Survival.pdf>

⁴ E Consult Solutions. US Kitchen Incubators, An Industry Update. <https://econsultsolutions.com/wp-content/uploads/2016/03/U-S-Kitchen-Incubators-An-Industry-Update-Final.compressed.pdf>

⁵ E Consult Solutions. US Kitchen Incubators, An Industry Update. <https://econsultsolutions.com/wp-content/uploads/2016/03/U-S-Kitchen-Incubators-An-Industry-Update-Final.compressed.pdf>

⁶ For more information, see: <https://us.accion.org/impact-study/>

⁷ For more information, see: <https://iris.thegiin.org/about/faq#what-is-iris>



THANK YOU TO OUR TRAINING PROGRAM GRADUATES

Adela	Dolly	Latifa	Noorjahan
Adjaratou	Ela	Lutfunnessa	Olga
Adjovi	Fabiola	Lynette	Oumou
Aida	Fanny	Manu	Parvin
Alimata	Francis	Maria	Patricia
Babana	Hawa	Marie	Saba
Barbara	INCI	Meledje	Sanata
Chanayra	Imane	Misbah	Saoudata
Clarisse	Irene	Monirum	Seynabou
Claudette	Irlanda	Mouniratou	Shadaya
Dania	Jessica B.	Naffissatou	Shameem
Diahara	Jessica S.	Naima	Sharabia
Diarraba	Kadiatou	Namizata	Sharmin
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Djeneba	Kouyo	Nancy R.	Yolanda

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Katie, Haven's Kitchen Sauces	Jeff, Pipcorn
Jomaree, Hella Cocktails	Keisha, Sanaia Applesauce
Jessica, Jessie's Nutty Cups	Hiyaw, Taste Of Ethiopia
Pilar, Kickshaw Cookery	Melissa, Topsy Scoop
Hannah, Little Boo Boo Bakery	Ulrika, Unna Bakery
Isabel, Little Green's Gourmet	Eugene, Wooly's
Susan, Little Red Kitchen Bake Shop	



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