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## Nonprofit Groups Spin Off Green Ventures



Sally Ryan for The New York Times

Sweet Beginnings, a line of urban honey and natural body care products, is part of a growing trend among small businesses: for-profit ventures spun off by nonprofit groups that teach skills for green jobs.

By LIZ GALST  
Published: October 28, 2009

Mario Casasnovas was on the green roof of the Bronx County Building a couple of weeks ago, remembering the flowers there in the summer and offering some tips about handling the sedum that is the main plant on the roof.

“The roots from the clover,” a weed, “tend to wrap around the roots of a sedum,” he said, nine floors above the Grand Concourse, near [Yankee Stadium](#). “You’ve got to be careful not to pull out the sedum with the clover.”

Mr. Casasnovas, an employee of SmartRoofs L.L.C., was doing routine maintenance on the vegetative roof, which his company installed in June 2003. The company, based in the Bronx, is one of the few green roofers in the New York metropolitan area. But what makes SmartRoofs

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even more unusual is that it is part of a tiny but growing trend among small businesses: for-profit ventures spun off by nonprofit groups that teach the job skills necessary to join the nascent green economy.

SmartRoofs was developed by the nonprofit group [Sustainable South Bronx](#), which also runs the [Bronx Environmental Stewardship Training](#), one of the country’s first efforts to train people for green-collar jobs. The program now trains more than 60 low-income workers each year, using funds from a variety of sources, mostly outside government.

Only a handful of these small businesses exist across the country. “These social enterprises are early adopters of green industry,” Phaedra Ellis-Lamkins, chief executive of [Green for All](#), a national organization working to create green economic opportunities in disadvantaged communities, said via e-mail. “These ventures are paving the way for mainstream business to integrate the concept of green jobs into everyday practices.”

The nonprofit groups that have started these small businesses have done so primarily to advance their own missions. “This is an opportunity to move folks out of poverty into prosperity, while greening our planet,” said Michele McGeoy, executive director of [Solar Richmond](#), a solar jobs training program in the San Francisco Bay Area. “It’s a win-win situation.”

Solar Richmond offers a for-profit service that enables consumers to determine the economic feasibility of using [solar power](#) and helps them work with system designers and installers. “In essence, we help consumers decipher bids from contractors,” Ms. McGeoy said.

By spinning off these for-profit enterprises, nonprofit organizations benefit in ways that go beyond simply fulfilling their founders’ missions. The businesses create new revenue for the organizations, which had been entirely dependent on private foundations, individual donors and, in some cases, government grants.

“Right now, we’re covering about one-fifth of our operating budget through earned income,” said Rebekah Silverman, director for resource development at [Growing Home](#), an organic farm and jobs program in Chicago that trains about 30 homeless people and former criminal offenders each year. Growing Home sells its produce at farmers’ markets, through a community-supported agriculture program and through sales to local restaurants.

Similarly, [Women’s Action to Gain Economic Security](#), a nonprofit group in the San Francisco Bay Area, has figured out a way to defray some of its costs. The group helps low-income women build housecleaning cooperatives that use environmentally safe cleaning products and teaches the women the skills to run the cooperatives. It receives a fee from each co-operative it fosters. “The fee is structured as a percentage of sales,” said Hilary Abell, executive director of the group. “As the business grows, the fee goes up, because they can afford to pay us more.” In fact, the group’s Oakland-based co-op, with 35 worker-owners, is projected to earn \$1.2 million this year.

While some of these sponsoring organizations, like Growing Home, have kept their business ventures within their legal and accounting structures, several others have registered their new businesses as limited liability corporations. “The L.L.C. creates the opportunity for the business to grow, without putting our organization or our 501(c)(3) at risk,” should the company be sued, said Brenda Palms Barber, executive director of the [North Lawndale Employment Network](#) in Chicago. She was referring to the company’s nonprofit tax status.

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She is also the founder of the [Sweet Beginnings](#) line of urban honey and natural body care products in Chicago. Using 25 hives in the backyard of its quarter-acre headquarters on the city’s West Side, Sweet Beginnings L.L.C. began its honey business in 2004 with a \$140,000 grant for job training from the Illinois Department of Corrections. After earning \$28,000 in 2005, its first full year of operation, the company recorded sales of just over \$200,000 last year. Its customers include 11 area [Whole Foods](#) supermarkets and 21 other stores and boutiques. “We’re planning to scale up regionally, in stores that are growing a green consciousness,” Ms. Palms Barber said.

The L.L.C. designation also helps as Sweet Beginnings expands because it opens it up to new sources of financing, including aid from the [Small Business Administration](#) and angel investors that, she said, “aren’t available to nonprofits.”

While the weak economy is cause for concern among these businesses and their nonprofit founders, virtually every organization executive interviewed for this article was optimistic about business prospects and about the possibility of starting additional ventures.

“We still think it’s a good time to go ahead with this,” Ms. Abell said. Her organization has entered into what it calls a “collaboration” with a natural cleaning products supplier, Seventh Generation, and has started a new cleaning collective this year. “We’re thrilled to be able to create new jobs, especially in this economy,” she said.

Likewise, Sweet Beginnings is talking with Chicago officials about finding a larger site for a manufacturing center. Both Solar Richmond and the Sustainable South Bronx nonprofit group are involved in the early stages of creating new enterprises. “Whether it’s making a building energy-efficient, installing a green roof, or creating a green building product,” said Miquela Craytor, the executive director of the Bronx group, “the more sustainable ventures we’re able to start, the more individuals we’re able to hire, the more restoration of our environment.”

*This article has been revised to reflect the following correction:*

**Correction: November 2, 2009**

*An article on Thursday about nonprofit “green” organizations spinning off for-profit enterprises referred incorrectly to the status of one organization. As the article noted elsewhere, SmartRoofs is a for-profit enterprise developed by a nonprofit group; it is not a nonprofit itself.*

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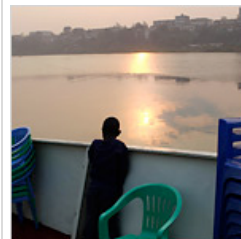
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