Doe Fund Expands Its Scope

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From left to right: Maurice Hilliard, Courtney Sparkman, George McDonald, Armani Burkett and Sriram Rosario

Every day, hundreds of men wearing bright blue uniforms sweep the city's sidewalks as they attempt to transform their lives. They are part of the Doe Fund's signature Ready, Willing and Able program, which offers homeless men—many of whom are ex-convicts or former addicts—an opportunity to learn job skills and find permanent housing and employment.

At its gala later this month, the Doe Fund will launch a $20 million, three-year campaign to expand the men's ranks by 500 people, for a total of 1,483. It's the largest fundraising drive in the fund's 29-year history, and founder George McDonald believes the moment is ripe for a

renewed commitment by the city's philanthropic community to invest in programs that address economic disparities between blacks and whites. The fund will use the money to broaden its reach to help men in their late teens and 20s find meaningful employment.

"The problems of our discontented youth are literally coming to a head—look at Ferguson," said Mr. McDonald. "If we continue [as we are], we'll have a generation suffering from neglect that doesn't know the difference between right and wrong."

There are certainly more programs focused on the unemployment and incarceration risks black men, especially young ones, face. Among them are efforts like My Brother's Keeper, which the Obama administration started earlier this year, and initiatives started by former Mayor Michael Bloomberg. Mr. McDonald himself used his unsuccessful run for mayor last year to highlight the issue.

Doe's record has won praise. According to a 2010 study by Harvard University and Case Western Reserve University, men who complete the Ready, Willing and Able program, which can last from nine to 12 months, are 30% less likely to be arrested. In the program, participants must spend some time cleaning the streets before training for other jobs. The program isn't inexpensive, however. It costs $15,000 a person a year, but that provides a social savings of 20% by eliminating costs such as incarceration.

"I'm a fan of the program because it really looks at creating a work ethic," said Cheryl Wilkins, senior program manager at the Center for Justice at Columbia University. "They are giving them an opportunity to train for jobs that pay more than minimum wage."

Still, despite its success, the Doe Fund has faced financial problems. It has run a deficit for each of its last two fiscal years, and its net assets dwindled to $5.5 million for the year ended June 30, 2013, from $9 million a year earlier. It also ran a $3.5 million deficit in fiscal 2013 after posting a $3.9 million deficit a year earlier.

Mr. McDonald said that's because he invests donor funds in operations, not his organization's endowment. "I'm running a nonprofit, not a for-profit company," he said.

In certain ways, though, the Doe Fund resembles a family business. Mr. McDonald started the organization 29 years ago with his wife, Harriet, who is its executive vice president. His son John is its chief operating officer. Some nonprofit management experts view the arrangement as highly unorthodox, and the trio's combined pay of more than $1 million is seen as a little too generous by some.

Unusual, 'but it works'

Doe Fund Chairman Richard Schaps acknowledged the family ties at the top are odd. "Is it unusual? Yes, but it works," said Mr. Schaps, who is chairman of Van Wagner Communications.

"These are highly accomplished people. If they were entrepreneurs, they'd make a lot of money, but they don't measure success that way."

Mr. McDonald was handing out sandwiches to the homeless in Grand Central Terminal 30 years ago, when one of his regulars—a homeless woman known as Mama Doe—died in the cold. After that, the former garment-industry executive decided to make improving the lives of the homeless his full-time occupation.

"I knew that homeless people just wanted a hand up, not a handout," said Mr. McDonald.

The Doe Fund's methods have attracted corporate admirers. Investment firm State Street Corp. last year gave the Doe Fund $60,000, including $10,000 for its initiative for younger men. The Doe Fund's work to provide job training dovetails with State Street's philanthropic interest in workforce development.

"The Doe Fund is about taking people who are struggling and getting them ready to contribute to society," said Barbara Wentzel, senior vice president of the philanthropy committee at State Street. She said that State Street was impressed by the effort to reach out to younger men. "They are helping them acquire the skills they need to mature," she said.

GED prep

Mr. McDonald said the renewed focus on younger men is an attempt to get them on the right path now. Much of the younger men's program is similar to that of the older participants: They must clean the streets and learn a skill. But the younger men work only three days a week instead of five and spend the other two days taking classes they need, such as GED preparation, while still getting paid. They also must undergo therapy as part of their stint. "A lot of the older guys are looking for their second or third chance," said Mr. McDonald. "Let's get them started right."

Doe Fund participants say they don't know what they would do without the organization. Corey Faison, a 43-year-old who has been in and out of rehab and detox programs for his cocaine addiction, sought help in July as a "birthday present to myself."

Mr. Faison now lives at the Doe Fund's Harlem shelter and is working cleaning the streets. He is sticking with the program because he will eventually learn a skill. Plus, it offers him a sense of structure in his life without being stifling.

"I feel like they really have my back," said Mr. Faison. "I feel like they want me back in society."