Greyston Bakery Case Study
A Benefit-Corporation

The Problem

Yonkers, New York, contains the largest concentration of poverty in affluent Westchester County. Despite its proximity to Manhattan, just two miles away, varying statistics suggest that a staggering 18.5 to 43% of the population in Southwest Yonkers is living below the poverty line. Comparatively, the population that is below the poverty line in northeastern Yonkers, the more affluent area, is anywhere between 1.3 and 11%. [1][2]

This disparity can be traced back to institutional segregation perpetuated by the city of Yonkers, which, under the National Housing Act of 1949, chose to build low-income housing in such a way that the southwestern corner of Yonkers was turned into a housing ghetto. This forced its children and workers, who were mostly African-American, into substandard schools and low-paying jobs that made it impossible for them to afford better housing.

Despite a lawsuit in the 1980’s accusing city officials of illegally perpetuating segregation, they fought tooth and nail to stop affordable housing from being constructed in other parts of Yonkers. It wasn't until 2007 that the city completed the last of its court-mandated low-income homes throughout the city. Though Yonkers is closer to desegregation, its southwestern corner remains impoverished. [3]

About Greyston Bakery

Greyston strives to be a force for personal transformation and community economic renewal in Yonkers. Greyston is known for their signature quote, “We don't hire people to bake brownies, we bake brownies so we can hire people.” By offering its residents employment, training, and necessary resources, its programs provide a path out of poverty. Greyston bakery is a profitable business, baking high quality products with a commitment to customer satisfaction. Grounded in a philosophy called PathMaking, Greyston creates jobs and provides integrated programs for individuals and their families to move forward on their path to self-sufficiency. [2]

Greyston is an integrated network of programs providing jobs, workforce development, low-income housing, supportive services, childcare, after-school programs, comprehensive HIV healthcare, tenant services, and community gardens. Greyston's programs assist individuals and families in visualizing and realizing their paths to self-sufficiency. The bakery is a 31-year-old successful social enterprise with a spiritually-rooted philosophy that fuels community development and a commitment to human growth and potential. [2] Greyston Bakery and all other programs are their own entity under the Greyston Foundation. In addition to employing previously unemployed people, the real social value...
of the bakery is that it accounts for 60% of the foundation's $16 million annual operating budget. These funds support all of the other programs that help 2,200 community members.

In the 1980s, founder Roshi Bernie Glassman recognized that employment was the gateway out of poverty and towards self-sufficiency. In 1982, he opened Greyston Bakery, giving the hard-to-employ a new chance at life. His open-door policy offered employment opportunities regardless of education, work history or past social barriers, such as incarceration, homelessness, or drug use. Out of this hiring policy a new and larger mission grew. Low-income apartments were built for the formerly homeless, providing housing for Bakery workers and their peers. Soon after, Greyston Child Care Center was founded to ensure that a lack of high-quality, low cost childcare wouldn't be a barrier to work. Greyston continued to expand in response to the AIDS epidemic and the recent recession.[2]

A lucrative partnership with Ben & Jerry’s Ice Cream gave the bakery the boost in demand that was necessary to fuel Greyston’s growth and enabled them to hire more of the area’s unemployed. Greyston manufactures and provides all of the brownies used by Ben & Jerry’s, such as in the company’s Chocolate Fudge Brownie ice cream. In 2012, Greyston partnered with the Whole Planet Foundation, an organization founded by the popular health food grocery Whole Foods Market. Greyston supplies Whole Foods with brownies, which donates a portion of its sales to the foundation’s efforts to alleviate poverty through microloans across the planet.[4]

**Legal Structure**

Greyston Bakery is one of the oldest social enterprises, dating back over 30 years to its founding in 1982. At the time, there were relatively few legal forms to choose from. Greyston’s founder wanted to prove to the world that formerly homeless individuals, with the proper training, could successfully manufacture a high quality product. Furthermore, he wanted to prove that this could be done profitably and competitively in the free market.

Greyston has always operated in a socially conscious manner, carefully considering stakeholders and the environment in business decisions. The fact that the bakery is fully owned as a subsidiary of the Greyston Foundation played a key role in upholding this consideration. In February of 2012, the same day the legislation became active in the state of New York, Greyston Bakery registered itself for the new Benefit Corporation legal form, further demonstrating the strength of its commitment to its mission.[5]

**Today**

Greyston continues to adhere to its philanthropic goals by baking its brownies with new solar panels donated by Green Mountain Energy, planting a rooftop garden to encourage healthy, sustainable living, and providing volunteer opportunities for its employees. [6] Greyston has grown into a $6.5 million company that is able to employ more than 150 people through all its subsidiaries and programs, serving 2,200 extended community members.

[1] city-data.com/poverty