

Greyston Bakery: Let 'Em Eat Cake

Jan. 11, 2004

(CBS) How did a bakery in Yonkers, N.Y. -- a small, slightly disheveled city next door to the Bronx -- end up not only making cakes for the rich and famous, but also supporting the poor and disenfranchised?

The Greyston Bakery is a social experiment that started more than 20 years ago with the goal of employing the chronically unemployed -- getting them off the streets and back into the work force.

The profits from the bakery, which does make a profit, are used to help fund day care centers, health clinics and counseling services.

Today, the Greyston bakery has become a role model for companies that want to inject some social action into their business. (Photo: CBS)

Today, the Greyston bakery has become a role model for companies that want to inject some social action into their business. **Correspondent Bob Simon** reports.

The Greyston Bakery is in an old building in a section of Yonkers where the well-heeled do not walk, where inside a few cramped rooms, the bakers make gourmet cakes which are served at the finest restaurants.

Chocolate cakes. Mousse Cakes. Lemon Cakes. They also bake wedding cakes, and cakes that have been served at the White House.

It's a \$5 million a year business. But the bakery doesn't hire people to make cakes. It makes cakes to hire people like Rodney Johnson, a former drug dealer. He got his GED in jail and his first legal job at Greyston.

The profits from the bakery -- which does make a profit -- are used to help fund day care centers, health clinics and counseling services. (Photo: CBS)

He was making \$5 an hour when he first started working at the bakery - a small sum compared to the \$2,000-3,000 on a good week that he was making in the streets.

How did he manage to stick with this job -- and why?

"I had a child. I wanted to show her something different," says Johnson, who adds that his drug dealing taught him some useful job skills. "When it comes to having a job to get done, you know, we try, at the bakery, we try to meet that quota. You know, in the streets, when I had "X" amount of drugs, I tried to meet that quota."

It's business. But Johnson says that at the end of the day, "I don't have to worry about police coming. I don't have to stash crack, run into buildings, things of that nature."

Johnson now makes cakes and brownies, and he says he owes much of his turnaround in life to Julius Walls, the CEO of the bakery, who gave him and others like him a chance.

Walls was studying to be a Catholic priest, but left that calling to have a family and enter the business world. He now calls Greyston his ministry, and he believes anyone deserves a chance to work.

"We get people who are straight out of prison," says Walls. "We have people who are just coming out of substance abuse programs and need an opportunity to make a go of their lives. We have people who are returning to work from the welfare rolls."

The bakery has a unique hiring policy. Every other Wednesday is open hiring day. Applicants gather outside the bakery. How do they decide whom to hire?

"It is somewhat by chance because we number the applications, and so whichever guy shows up first," says Walls.

Most new employees start out as apprentices, working on the brownie line, where the work is repetitive and the temperature can get up to 90 degrees. About half drop out, but the other half go on to get full-time jobs with decent pay and benefits.

Why run it for profit? Why not just run it as a charity?

"We understand that most people that come to work for us aren't gonna stay with us forever. And they're gonna have to go out and work for someone else," says Walls. "And we want them to understand what it means to have a real job."

The bakery employs some 65 people, like Dieulane Philogene, who left Haiti as a child and became a homeless teenage mother. She was 11 when she came to America, and she's been on her own since she was 14.

"At some point, I ended up being in a shelter and stayed there for about a good couple of months or so. And I didn't think that was a good thing for me either and I got pregnant and left school," says Philogene, who applied to Greyston and was told to keep in touch.

"And so I went to Greyston every morning, and I stood in front and waited until a position was given to me. And one day they told me they had a full week's work for me and oh, I was so excited!"

Today, Philogene works in accounting at Greyston and provides a stable home for herself and her two children. And Johnson, who's been at Greyston nine years, is the production manager of the entire bakery.

Does it make any difference that he's making very fine bakery products as opposed to doorknobs?

"There's a little more love and finesse put into a cake as opposed to a doorknob, unless it's an elegant doorknob for a mansion," says Johnson. "But I like cakes. Cakes are good. Cakes have been good to me."

Greyston's commercial line includes cakes with names like peanut butter explosion, Venetian wine cake, and their bestseller, triple chocolate mousse.

Walls showed Simon one cake, called a Lotus in Mud. "As in lotus flower in muddy waters," he says. "That's the lotus flower, hand made, butter cream. Again, made from scratch and made with real butter."

Greyston cakes are sold at gourmet food shops, on the Internet and at upscale restaurants.

Do these famous restaurants where Walls sell his cakes know who's making them?

"Some do. Some don't, don't know at all. I mean the most interesting thing about most famous restaurants, who I can't name, is because they actually put the cakes out and say they made them," says Walls.

If Greyston is an unusual place, it had an unusual founder. Bernie Glassman from Brooklyn was a Jewish aerospace engineer who said goodbye to all that, and became a Buddhist priest with a bent for social activism.

"I wanted to show that people that are homeless, if they're given the chance and the right training, could not only work in our labor force but can produce the high niche items of our society. They could produce items that only the French chefs could create," says Glassman. "We had a tremendous amount of obstacles [in the beginning]. Almost, we almost went broke a few times."

The bakery, which started in 1982, struggled for years until it struck up a deal with Ben and Jerry's, the Vermont ice cream company with a social conscience. Ben and Jerry's hired Greyston to make extra-thin brownies for ice cream sandwiches. It was the biggest customer a little bakery had ever had, and according to Ben Cohen -- the Ben in Ben and Jerry's -- there was a problem with the first batch of those extra-thin brownies.

"The brownies all stuck together. And they clumped into this 50-pound block of brownie. When we got these