

Panera Bread lets diners 'pay what you can'

The café chain now has three 'Panera Cares' locations where people pay as much or little as they can afford. After one year, the idea seems to be working. 'People ... do the right thing,' says the company's founder.

By Gregory M. Lamb, Staff Writer / May 17, 2011

After a year, Panera Bread's experiment with "pay what you can" restaurants seems to be working. The cafe chain now has three locations using the donations-only model (Clayton, Mo., Dearborn, Mich., and Portland, Ore.), out of its nearly 1,500 locations nationwide.

"We were doing this for ourselves to see if we could make a difference with our own hands, not just write a check, but really make a contribution to the community in a real, substantive way," Panera founder and Chairman Ronald Shaich told

The Associated Press. The program, which Panera calls "Panera Cares," is an example of a "community kitchen," the AP says, in which for-profit companies act in part like nonprofits.

Most patrons, it finds, drop the entire retail cost, or more, into the voluntary donation box, in essence subsidizing a meal for someone who can't pay the full amount. Panera says about 60 percent leave the suggested amount; 20 percent leave more; and 20 percent leave less. The largest single payment so far? One person paid \$500 for a meal.

Few people seem to be taking unfair advantage of the system. Most know that wouldn't be fair. Not paying when you could "is like parking in a handicapped spot," Mr. Shaich says.

"The lesson here is most people are fundamentally good," he says. "People step up and they do the right thing."

The cafes, which serve soups, sandwiches, and baked goods, look just like other Panera stores. But there are donation boxes instead of cash registers, though employees can process credit card payments as well.

The company also participates in more conventional charity programs, such as donating unused baked goods to churches, schools, and hunger relief organizations, says a story in at



Cleveland.com. "Before a cafe even opens, we have organizations set up to receive day-end donations. Not a single item goes to waste," says Panera regional marketing director Cara Sutch.

At the Portland, Ore., cafe, Carl von Rohr bought a bowl of potato soup and a cup of coffee and paid a dollar more than the suggested donation price (the retail price), says a story in the Portland Tribune.

"I'm willing to give this concept a try," Mr. von Rohr said. "You walk [outside] and there are a number of people asking for money, and you never know what they're going to do with it. You put in the extra money here, and you know they're feeding people with basically healthy food."