

# Panera Cares, nonprofit outpost of chain, to open soon

By [Jenn Abelson](#) | GLOBE STAFF DECEMBER 25, 2012



Essdras M Suarez/Globe Staff

**Panera Cares Community Cafe, a nonprofit outpost of the national bakery and sandwich chain, is set to open in Boston in January.**

There is no cash register at the Panera cafe near Government Center in Boston. There are no prices either — just suggested donations and bins to leave money, if you can afford to.

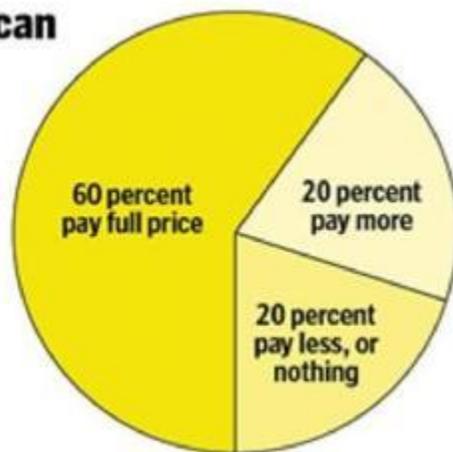
This is Panera Cares Community Cafe, a nonprofit outpost of the national bakery and sandwich chain that is set to open in Boston in January. The idea, according to Panera founder and co-chief executive Ron Shaich, is to provide a place where everyone can eat with dignity, regardless of their ability to pay for a meal.

The restaurant, at 3 Center Plaza, is the first of its kind in Boston and only the fifth for the company. In other states, including Oregon and Missouri, Panera converted existing Panera Bread shops into Panera Cares cafes. In Massachusetts, executives decided to build from the ground up in a prime location — across from City Hall and around the corner from the New England Center for Homeless Veterans.

“Nobody thought this could be done. I love figuring it out and seeing how it could work,” Shaich said in a recent interview at the 3 Center Plaza cafe. “It’s a powerful study of humanity — will people do the right thing?”

## Pay what you can

At Panera Cares cafes, customers are asked to pay what they can afford. Overall, the nonprofit restaurants bring in 70 to 75 percent of what they would by charging standard prices.



SOURCE: Panera Bread Co.

So far, at other cafes people are doing just that. The nonprofit restaurants bring in 70 to 75 percent of the retail value of the food served, said Kate Antonacci, project manager of Panera Cares, which is run by Panera Bread Foundation, a charitable organization.

To achieve that, it’s estimated 60 percent of patrons give the suggested donation (the full price charged for food at other Paneras), roughly 20 percent offer more money, and another 20 percent leave less, or nothing at all.

The concept was born during the tough days of the recession. Shaich saw a television story about a cafe in Colorado that fed everyone at whatever price they could afford, which he said inspired him to find ways for Panera to address “food insecurity” in a way that went beyond providing excess supplies to food banks.

By May 2010, the first Panera Cares had opened in Clayton, Mo., a suburb of St. Louis. For the first one and others since then in Dearborn, Mich., Portland, Ore., and Chicago, Panera Cares sought locations that are easily accessible by public transportation and that attract economically diverse customers.

To keep costs down, baked goods and take-home bread loaves from the previous day are brought in from other Panera Bread stores. Suggested donations for these items are lower than the regular prices at other shops. Bagels for the Government Center cafe will be baked fresh, however, and sandwiches will be assembled with freshly made bread.

Panera’s vendors contributed to the effort, giving about \$80,000 worth of free furniture and lighting, along with cameras and coffee. The rest of the money needed to open the store, an estimated \$1 million, is being absorbed by Panera Bread’s corporate operations.

“It is a community cafe of shared responsibility,” Antonacci said. “One of the goals of this charitable program is to help ensure that everyone who needs a meal gets one and to raise the level of awareness about food insecurity in the country.”



ESSDRAS M SUAREZ/GLOBE STAFF

### **Panera conducted a group interview at its store scheduled to open across from City Hall.**

Conscious capitalism — a movement that encourages businesses to do well by doing good — has gained traction in recent years among companies such as Whole Foods and the Container Store. And there is growing evidence that consumers embrace the idea of shared social responsibility.

Researcher Ayelet Gneezy, in a study published in *Science Magazine* in 2010, examined how people responded to different pricing mechanisms involving a charitable component. The most money was generated from people who were asked to pay what they wanted for souvenir photos and told half the revenues would go to charity. The \$6,224 collected dwarfed the \$1,823 in sales from people who paid fixed prices, without a charitable contribution.

“If you allow consumers to express what they care about and give them the freedom to express preferences, it’s a win-win situation,” Gneezy said. “Panera is leveraging exactly on this notion of shared responsibility — that we all share responsibility to help those in need.”

Panera also offers a volunteer program for those who are unable to pay for a meal. A meal voucher is given in exchange for helping out at the cafe for an hour.

The store in Boston has been ready for weeks, but Panera has held off on opening because hiring, which began in the summer, has taken longer than expected. The general manager of the Panera Cares cafe in Chicago was just tapped to run the Boston shop, and interviews for other employees are still underway.

The company is looking for people who have food service experience and a commitment to the cafe's mission. Every employee must take a pledge that includes the promise to "inspire others through my actions to accept their responsibility to make a difference in the world we all share."

Catherine D'Amato, chief executive of the Greater Boston Food Bank, said Panera Cares is a fascinating concept.

"Some people will latch on to this very easily, and others will think this is the most foreign concept they have ever seen and don't want to be in there with a homeless person," D'Amato said. "But I do think there is a readiness for this concept to be tested. Boston is a center for innovation. I think they've got something there."