

Panera's successful pay-what-you-can cafe in Dearborn inspires others

By Sylvia Rector
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The plan went like this: The menus at Panera Cares Café in Dearborn wouldn't list prices, only suggested donations, and rather than handing money to a clerk, customers would drop their coins and bills into donation bins at the counter.



They could pay the full suggested price. Or pay more. Or pay less -- even

nothing -- if that's all they could afford. But it would be a place where everyone who needed a meal could get one.

The unspoken question was, could the café sustain itself -- pay its bills and cover its costs -- when its survival depended on customers doing the right thing? Or would people choose to eat for little or nothing, even when they could afford to pay?

In many ways, "it was a test of humanity," says Ron Shaich, president of the Panera Bread Foundation and executive chairman of the Panera company. "We didn't know if people would help each other or take advantage."

Now, after assessing the café's first year of performance, the foundation has its answer.

Not only will it continue the Dearborn Panera Cares Café and others in Clayton, Mo., and Portland, Ore., it plans to launch more locations in other cities, adding to a growing number of pay-what-you-can cafés being opened around the country by churches, community groups and other benefactors.

"To put it simply, these are nonprofit community cafés of shared responsibility," Shaich says. "They will only survive and self-sustain if people in those communities do their part."

Getting that message out to the public is key to the café's success.

It's done through signs in the dining room and through employees, who embrace the café's social mission.

"We try to build relationships with people," says Colleen Kincaid, who manages the café at 22208 Michigan in Dearborn.

"We rely on those repeat customers -- people getting coffee on the way to work or coming in for dinner with their families. In order for this to work, people have to do the right thing. ... You give what you have, and if you have a little bit of extra change, you might toss it in. It's hard to ask in a society where we're more used to taking."

But given the chance, many people will gladly help. "We get customers who realize what we do, and because of it, they frequent here," Kincaid says. "The bulk of customers start out just coming in to eat, and after a while they start to buy in."

To discourage abuse of the system, people are asked to take only one free meal per day. And "if they come in a couple of times a week, we ask that they volunteer," she says. "It helps them not feel like they're taking advantage."

As signs in the café say, "We are not about a handout. We are about a hand up for those who really need it."

The company estimates that about 20% of patrons give more than the suggested donation, about 20% give less or nothing, and about 60% leave the suggested amount.

A clerk adds up each order and tells customers the suggested amount. If the customer is using a credit card, the clerk asks how much to charge.

On average, the cafés are breaking even, taking in about 80% of the retail value of the food, which is enough to pay expenses, says Panera Cares project manager Kate Antonacci.

"That's the only way they will stay open. These are not free cafés. ... Once (customers) really understand what we're trying to do, that leaving just a quarter more will help the person behind them, people will understand that this is an easy way to help somebody out."

Panera decided to try a community café because it wanted a more direct connection to people who needed food assistance. Its Operation DoughNation program, among others, already was donating \$100 million to \$150 million worth of unsold baked goods a year to food rescue groups.

Shaich and others in the company spent more than nine months visiting soup kitchens, community cafés and other meal providers as they tried to decide how Panera should proceed. What they often saw were places "that did not uplift you at all," Antonacci says.

"If there's one thing that Panera does, it's offer food in a dignified way. That's how we decided to go into existing (Panera) locations and use our full menu. ... If Panera's name was to be on it, it was important that you have an experience like you would at any Panera café."

Along the way, they consulted with Denise Cerreta, who opened a community café in Salt Lake City in 2003 and now runs the One World Everybody Eats Foundation, advising others on how to open pay-what-you-can cafés.

The idea "is definitely gaining momentum," Cerreta says. Almost two dozen cafés are operating around the country, two or three more are opening soon, and up to 30 more are in the planning stages, she says. In the past year, many more religious groups have gotten involved, she adds.

Customers like Jae Komnencic, 39, of Dearborn praise the café's work. "They help support the community. That's the No. 1 reason I come here," she says. "The employees are also superb. They're all so nice to everyone. ... We always pay more when we come here to help support people who need it."

To customer Eric Falkiewicz, 44, of Dearborn, the café is a safe and comfortable place to study, meet people and -- occasionally -- eat when he doesn't have much money.

"I'm a fulltime student, I don't have a job. ... Sometimes I can pay full price, and sometimes I can't. It's nice to know you can come somewhere like this and they don't judge you. I'm very grateful for this place."

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