



GEORGIA WORKS!

Where Work Works

October 2017

Bill McGahan

- Graduated High School in Atlanta in 1980
- Worked in Downtown Atlanta 1984 – 1987
- 1988 to 2003 Investment Banker in Manhattan
 - Citigroup Managing Director – Co-head 100+ person group
 - UBS Vice Chairman – Global Management Committee
- 2006 Moved Back to Atlanta
- 2009 Retired and Focused Work helping poor in Central America
 - From Houses to Homes
- 2013 Focused Work helping Homeless in the United States
 - Georgia Works!

Agenda

1. Philosophy of Georgia Works!
2. The Program
3. Statistics
4. Proof: Outcome and Performance Measurements
5. Employers Win Too
6. Other Stuff

Georgia Works! Changes Habits to Improve Lives

- The goal of Georgia Works! is to graduate self-sufficient men who can support themselves in permanent housing
- Not a hand out
- A program that offers men an opportunity to work, get paid, and change their habits and their mind-set from dependency to self-sufficiency



The greatest wealth creating engine ever created is the United States Economy. But it is cold and unforgiving. Georgia Works! eliminates barriers and re-engages homeless men and returning citizens back into the economy.

**Problem:
Thousands of Unemployed
Able-Bodied Men**

VS

**Labor Shortage in Many
Industries**

Georgia Works has one goal:

Help the men who need help
the most to become
productive members of
society by getting a full time
job and a place to live.

Georgia Works is Different than other Social Service Programs?

- Run like a Business
- Clear Objectives
- Measurable Outcomes
- Detailed Performance Metrics
- Self-Sustaining Social Enterprise
- Brings Capitalism to Homelessness
- Our most valuable asset is the labor of our men
- Staff must be Responsive and Innovate
- Requires Clients to take Personal Responsibility
- Each Problem has a solution. Find it. Fix it.

Premises:

- All people can change. All people can learn
- No one in our program has their act together
- We get into a person's "business"
- Men are ashamed of themselves
- Men are in denial
- Men sometimes have no idea why things are not working
- If you show that you care they will let you "in"
- If you do not judge them they will open up about their problems
- Believe in them before they start believing in themselves
- If you teach them, they will learn
- If you love them, they will change
- Change their hearts, change their minds, change their actions

What is Georgia Works?

Georgia Works Combines Three Things:

1. A Facility that houses and feeds people
2. Intensive Case Management
3. Private Staffing Business

That Commitment Is The Start To A Change

- Six to Twelve month multiphase program of life skills and work training to overcome barriers to self sufficiency.
- Services include:
 - Transitional jobs
 - Transitional housing
 - Case management
 - Relapse prevention
 - Adult education and computer skills
 - Life Skills training
 - Financial management
 - Career development



Robust/Busy Schedule

- Days begin at 5:30 am with chores
- AA/NA meetings on-site every morning and night
- 8 am Mandatory Community Meeting
- Daily Meetings with Case Managers for Pre-Program Clients
- Weekly Meetings with Case Managers for most Clients
- 40 Hours of Paid Work Per Week
- 4:30 Daily Classes
 - GED Class
 - “Men Making Better Decisions”
 - Conflict Resolution and Anger Management
 - Financial Management
 - Personal Healthcare
 - Relationships
 - Fatherhood
 - Employment 101
 - Computer Skills

Who Is in Georgia Works?

- Men only (the vast majority of the problem)
- 70% felons (drugs, forgery, and assault mostly)
- 100% have prior arrests
- No Sex Offenders
- 66% from the state of Georgia
- 34% from Atlanta

Not for everyone, just most!

We Achieve our Goal by doing two things:

- Help Men Overcome Barriers
- Help Men Change their Habits (the more difficult problem)

Homeless and Returning Citizens Face Many Obstacles:

- No Money
- Past Criminal Record
- No Identification
- Past Due Child Support
- Wage Garnishments
- Past Due Fines
- No Bank Account
- Poor Credit
- Poor formal education and no diploma
- Oftentimes poor eyesight/dental pain
- Etc....

It would take any of us a year to get out of this hole, but....

There is also an underlying Cause of the Homelessness:

- Drug Addiction
- Alcohol
- Anger Problem
- Abandonment Issues / Foster Children
- Depression
- Undiagnosed Mental Condition–Bipolar/Schizophrenia
- Undiagnosed Learning Issue – Dyslexia, etc..
- Speech Impediment
- PTSD
- Exposure to Traumatic Situations
- Physical or Sexual Abuse
- Poor Role Models, Horrible Neighborhoods, etc..
- Problem with Women
- Dependency Mindset / Poor Work Habits
- etc.....etc....etc.....etc....etc....

Important Rules

- Everyone must work
- No handouts from the government (or anyone else)
- Must be clean from alcohol and drugs
 - If you use, you leave
 - Go to rehab, come back after (at least 30 days)
 - Start program over from the beginning
- No one can work more than 40 hours per week
- No clients get paid directly by businesses
- Clients move out the day they get a full time job
- Case Managers “Run the Show” (not staffing business) and can limit how much a client can work
- Never more than 25 Clients per each Case Manager
- Never Rush Case Managers to Graduate Clients

Financial Deal We Offer Program Participants

- Take no public assistance or handouts
- Work 40 hours
- Get paid \$7.40 per hour
- \$296 gross pay
- \$100 for Room and Board
- \$50 into “forced savings” (after 30 weeks = \$1500)
- \$146 Weekly Stipend paid following Wednesday

When a man graduates:

- All have a full time job
- Starting wages of \$12 to \$18 an hour
- All leave Georgia Works! the day they go on payroll of employer
- All go to private housing (no government assistance)
- All pay their own rent
- Case Managers work with each client to obtain housing
- Various Real Estate strategies

After Care Strategies

Georgia Works Keeps Tracks of Graduates:

- After-Care Case Manager
 - Visits employers, apartments, homes
 - Group Dinners quarterly
- Incentives
 - \$25 gift card for taking a drug test after 6 months
- Through employers
 - 80% of graduates are employed by staffing customers

Real Estate Strategies:

- Men move to “dorm rooms” in facility across the street (10 rooms available) – \$100 a week
- Men move into their homes that rent rooms (\$500 a month)
- Georgia Works “master leases” apartments and subleases them.
 - Two bedroom apartments lease for \$1200 a month
 - Four men pay \$300 to \$350 a month (cover utilities)
 - Men get their own rooms/places after 90 days

Biggest Challenges Faced:

- Management of the Program
- Consistent/Effective Sales Effort
- Other Business Issues (A/R Collections, Insurance, etc)

Not the Issues:

- Funding
- If Homeless People Want the Program
- If the program will produce results
- If Lives will be saved

Execution is Undervalued

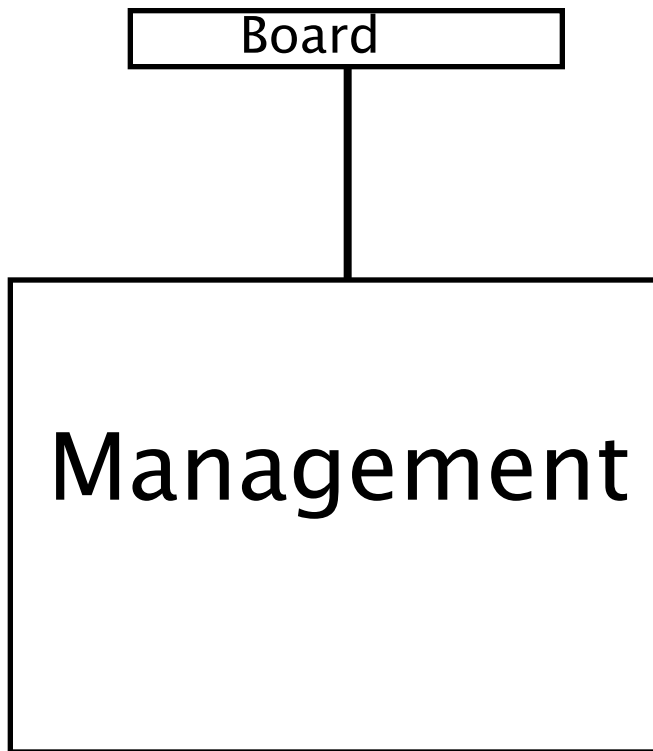
“A lot of people talk a good game. A lot of people have great ideas...Great ideas are the backbone of change and innovation. A great idea without execution, however, is hallucination. Your efforts at creating change and being innovative and entrepreneurial depend on your ability to go the distance and achieve results. “

Creativity and good ideas are abundant. Everyone's had a brilliant idea. While creativity isn't scarce, what is in short supply are the people who have the skills to turn creative, innovative ideas into concrete realities.

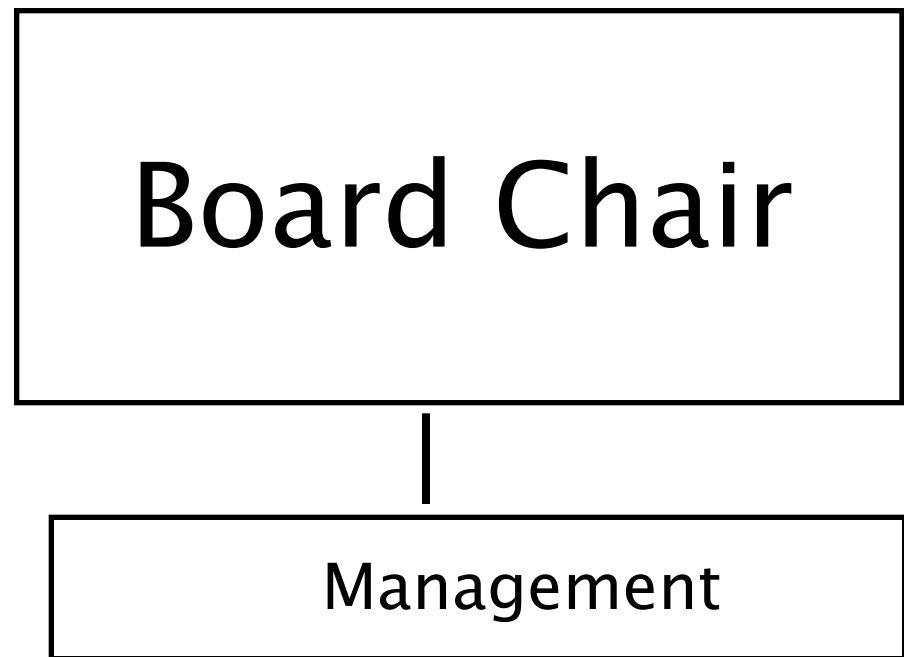


Management Structure

Typical NFP



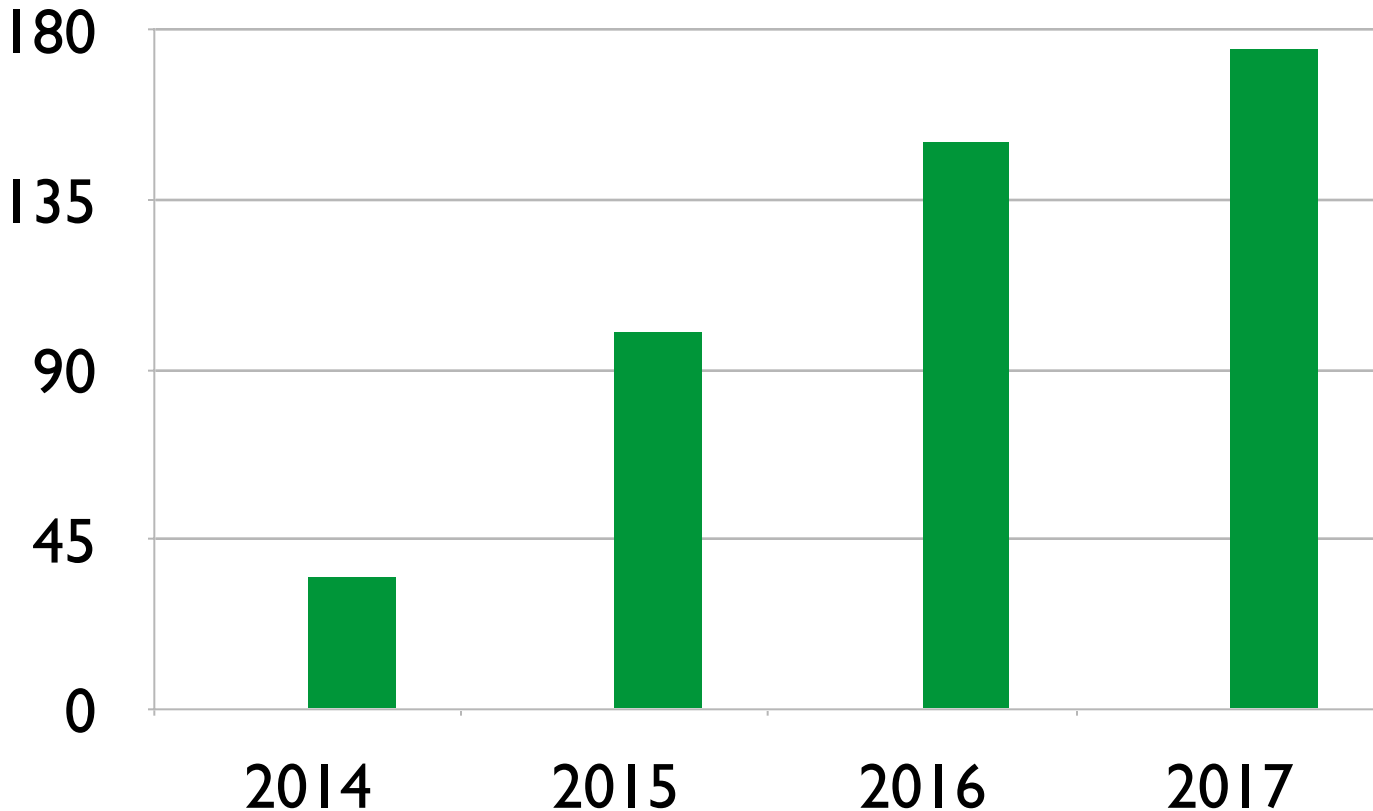
Georgia Works!



Statistics

Program Size at Year End

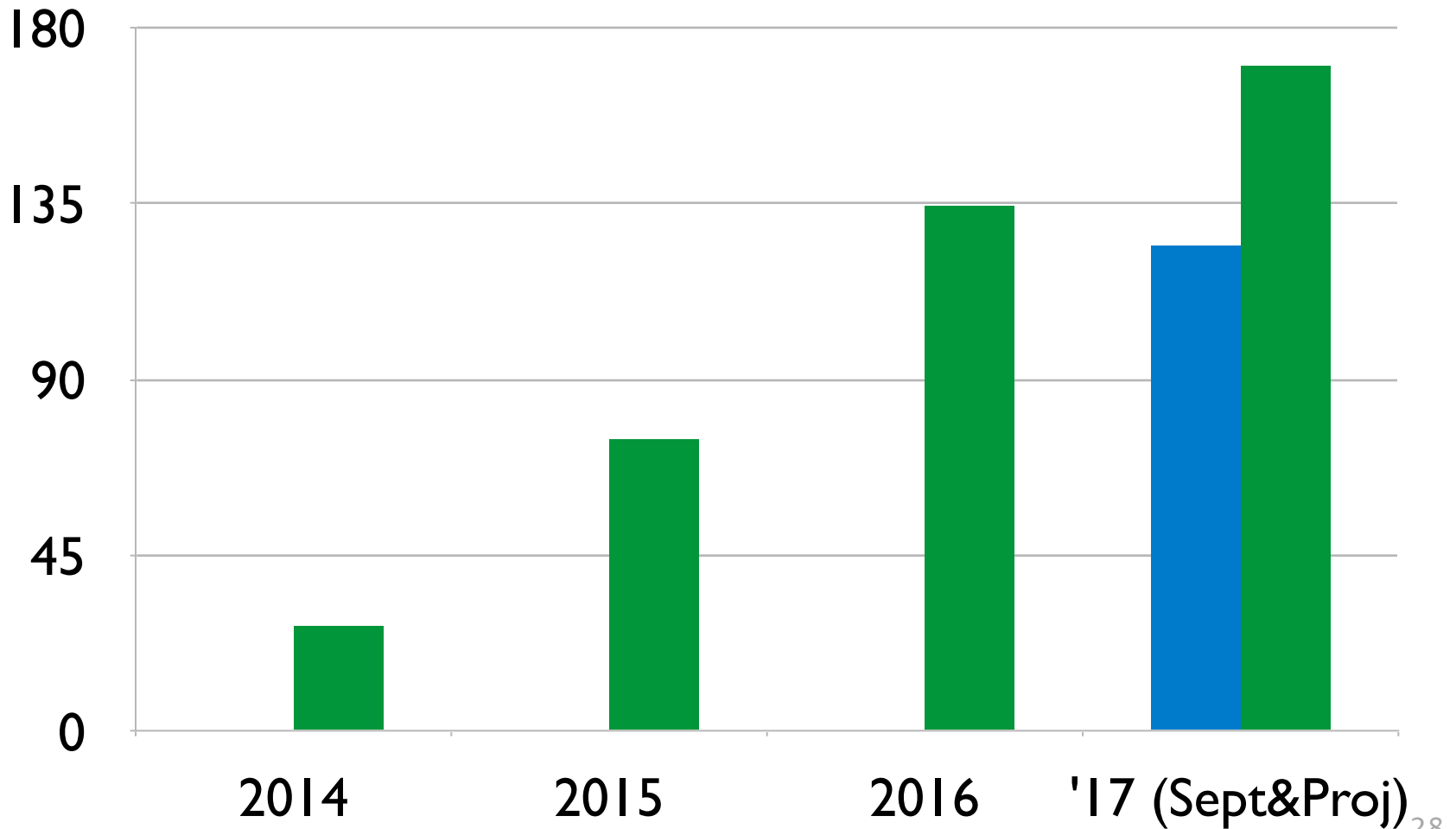
(Measured by # of Beds at End of Period)



Number of Graduates

(per calendar year)

360 Graduates in Total (as of 9/30/17)



Statistics

- 150 Men currently in program
- 66% of men make it through the pre-program (first 30 days)
 - Many who are not initially successful return
- 70% of men after the pre-program make it to self-sufficiency
- 95% of men are in contact with their children and are current on child-support
- Many men get married soon after graduating Georgia Works!



Georgia Works! Effectiveness Is Efficient

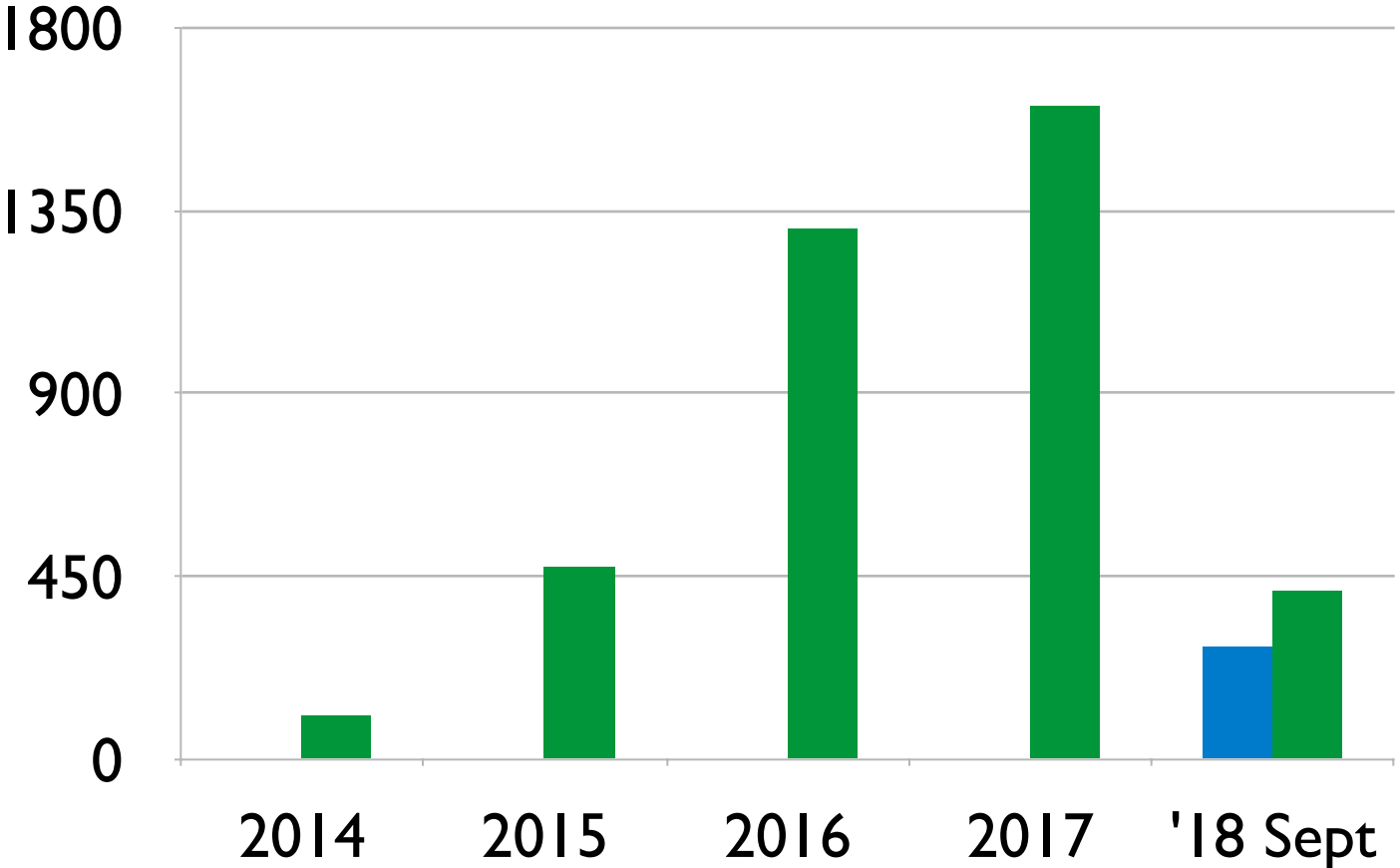
- Currently 90 to 100 men working for private businesses for 40 hours a week at \$11 an hour
- Have 35 to 40 Corporate Clients who use GW for staffing every day
- Represents \$40,000 a week in revenues to Georgia Works
- Represents \$2.1 MM in annual revenues
- Pays for virtually all the annual budget of Georgia Works



Ga Works Staffing Revenues

For Periods Year Ended June 30th

(\$'s in thousands)



Expenses

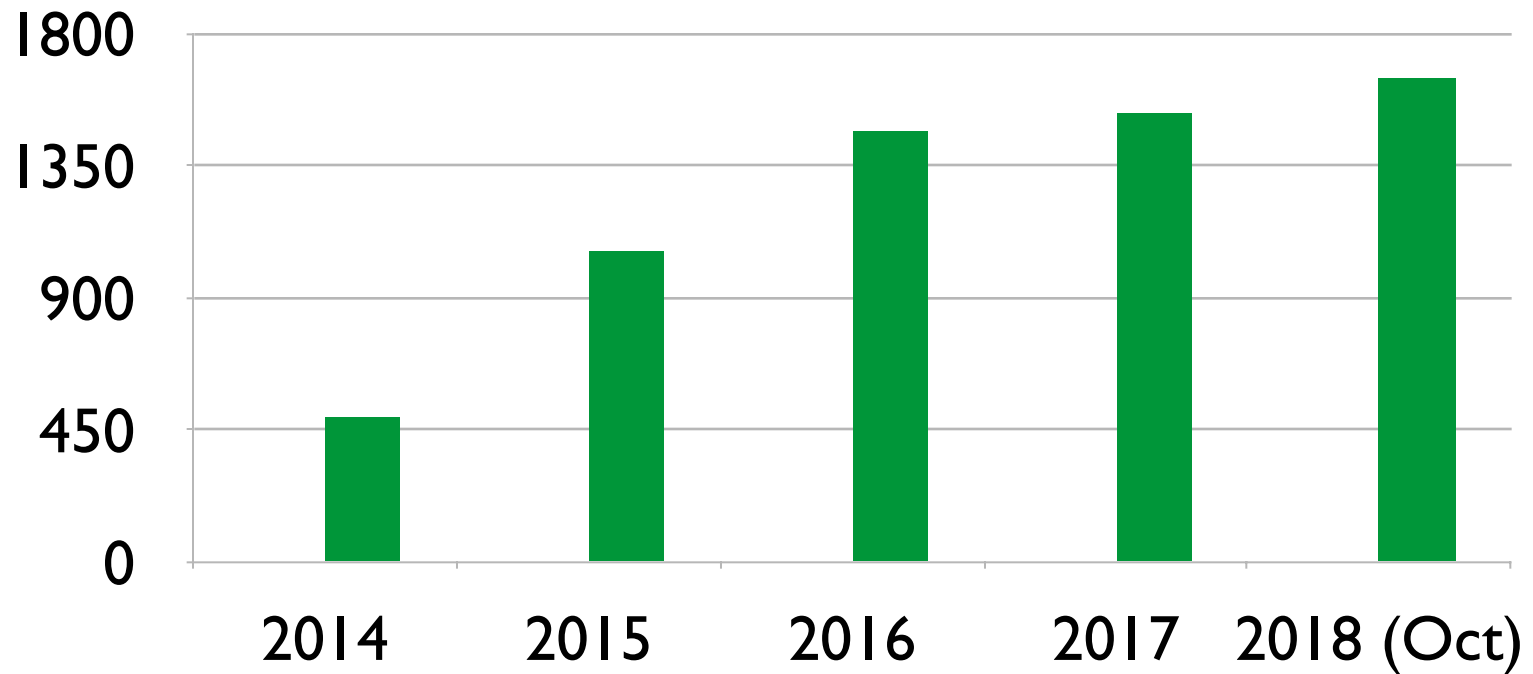
- Annual Cash Expenses of Approx. \$2 million
- Monthly Expenses of Approx. \$170,000
 - \$65,000 in Stipends/Savings to Clients
 - \$50,000 in Salaries for Staff
 - \$32,000 in Rent (includes food)
 - \$6,000 insurance
 - \$13,000 Drug Testing, Uniforms, Fees, etc..

The Benefit of Limiting the Work Week to 40 hours

- Changing Habits takes time
- Men who make money too fast leave too quickly
- 40 hour work weeks pay out 44% of Gross to Clients
- 30 hour work weeks pay out 38% of Gross to Clients

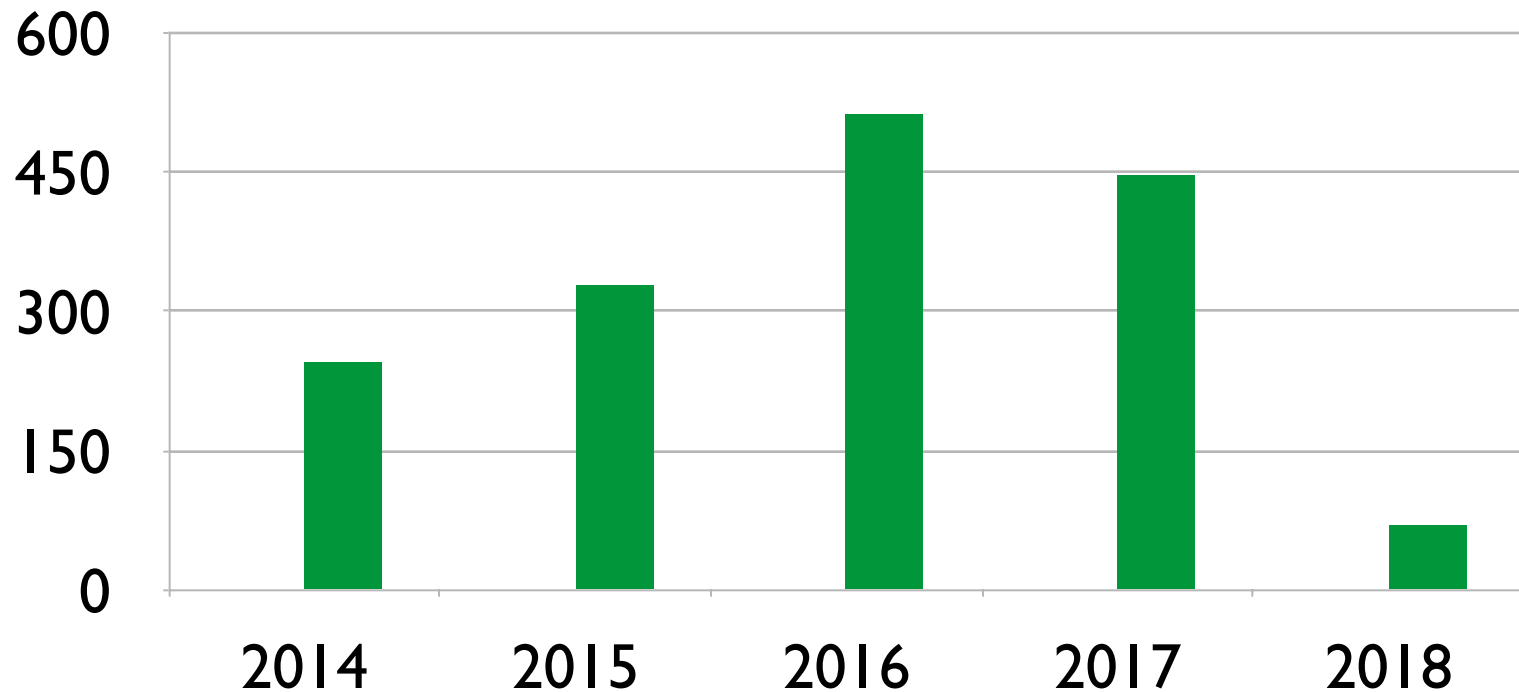
Cash Balance

(000's of dollars, June FYE)



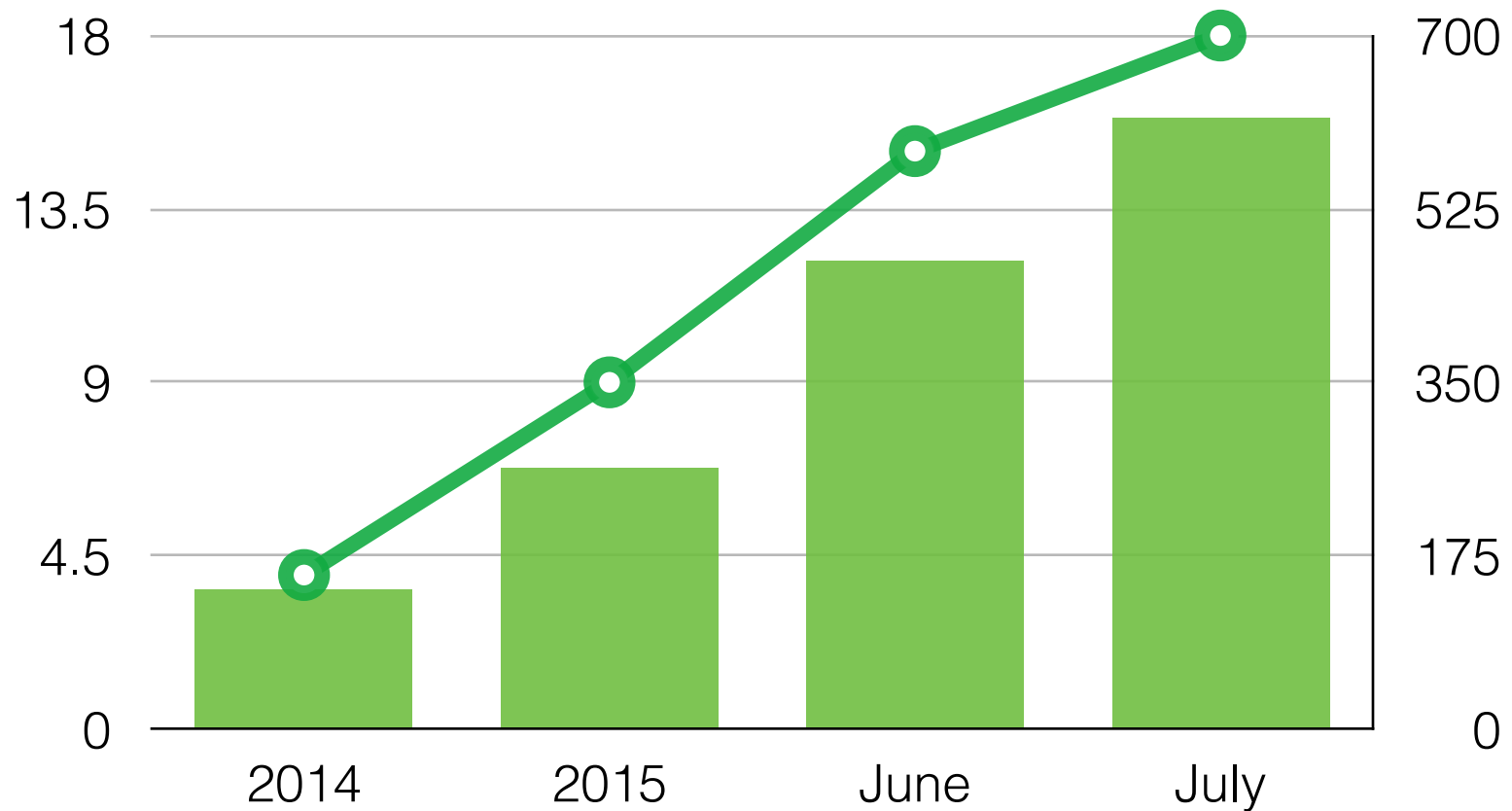
Cash Used in Operations

(Fiscal Year Ended June - \$'s in 000's)



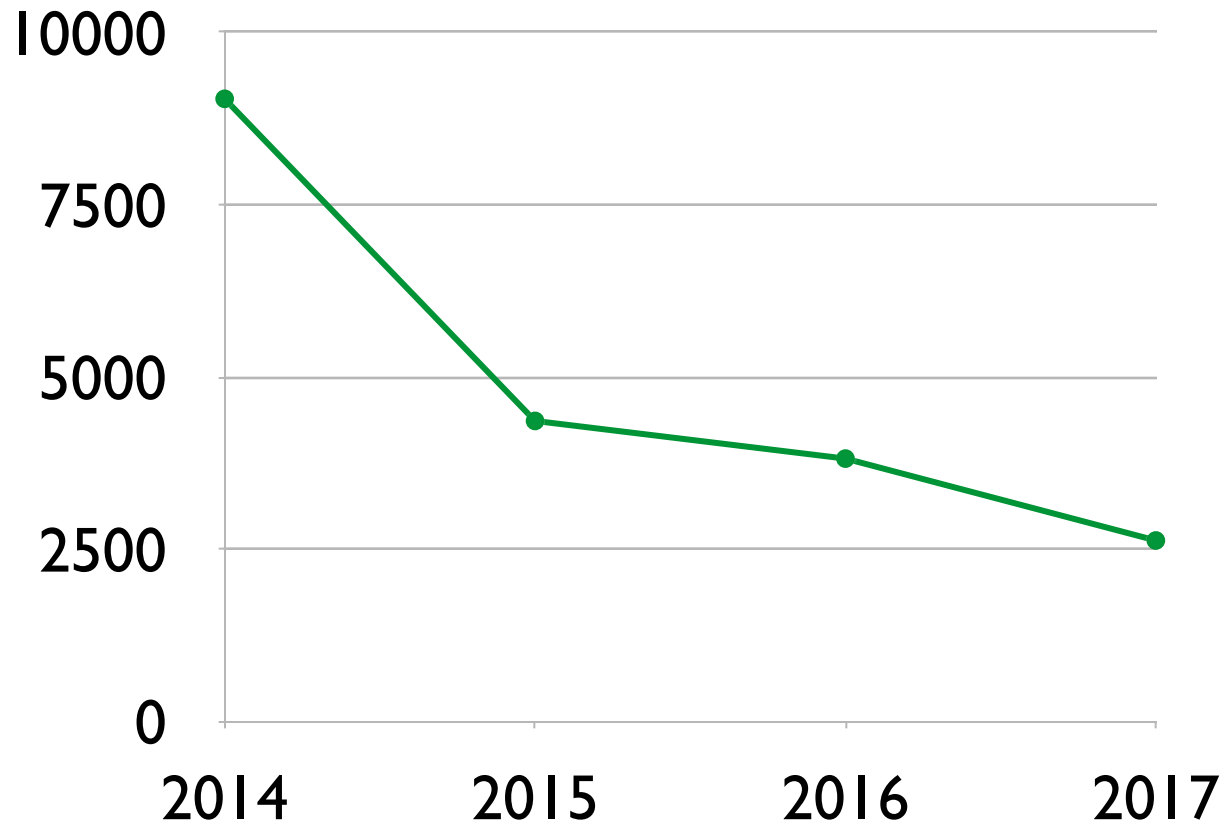
Employees and Payroll

Left Scale and Line = # employees
Right Scale and Bar Graphs = Payroll



Cost of Each Graduate

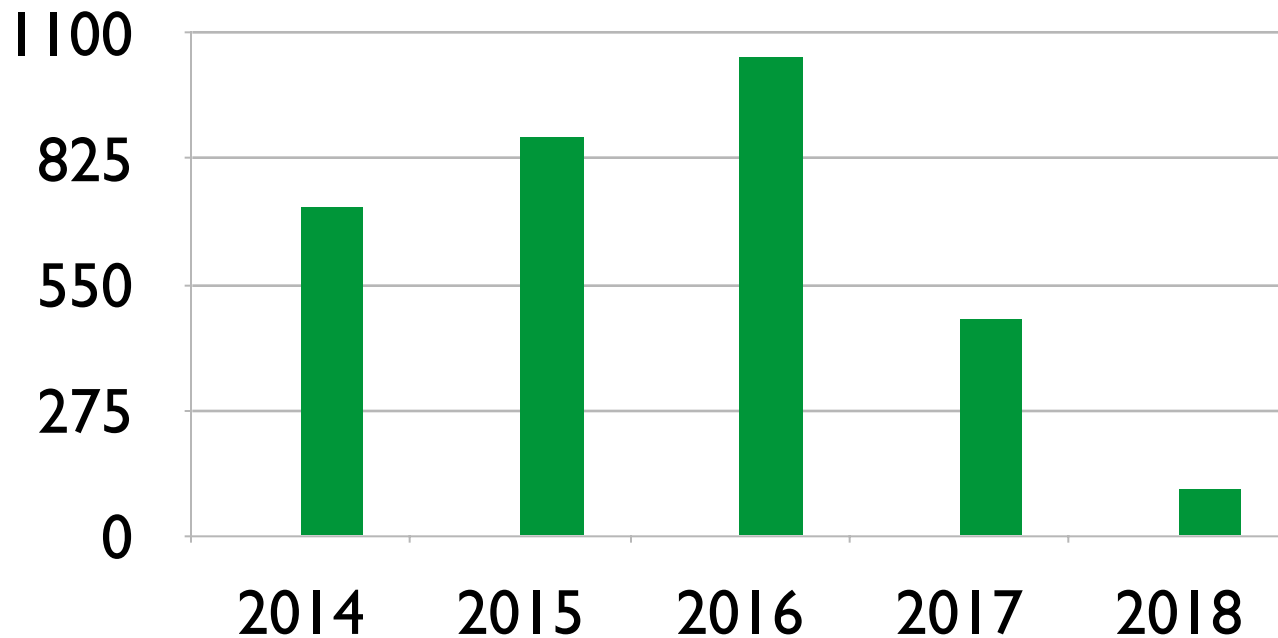
(# of graduates / Net Cash Used)



Cash Donations

For Periods Year Ended June 30th

(\$'s in thousands - Total of \$3.1 million)



Foundation Support

Total Donations \$3.1 million

Top 10 donors \$2.9 million

- Whitehead Foundation \$1.35 million
- McGahan Family Foundation – \$425k
- Kendeda Fund – \$325k
- Mule Family – \$250k
- United Way of Greater Atlanta – \$225k
- Patterson Family Foundation – \$100k
- Tull Foundation – \$75k
- Ellis Foundation – \$70k
- William Josef Foundation – \$50k
- Rich Foundation – \$50k

Appeals to Non-Traditional Donors

- Some Traditional donors have fatigue
- Appeals to those who want work requirement
- Appeals to those who want to decrease dependency
- Appeals to those who want programs that address:
 - Personal Responsibility
 - Family Formation
 - Fatherhood

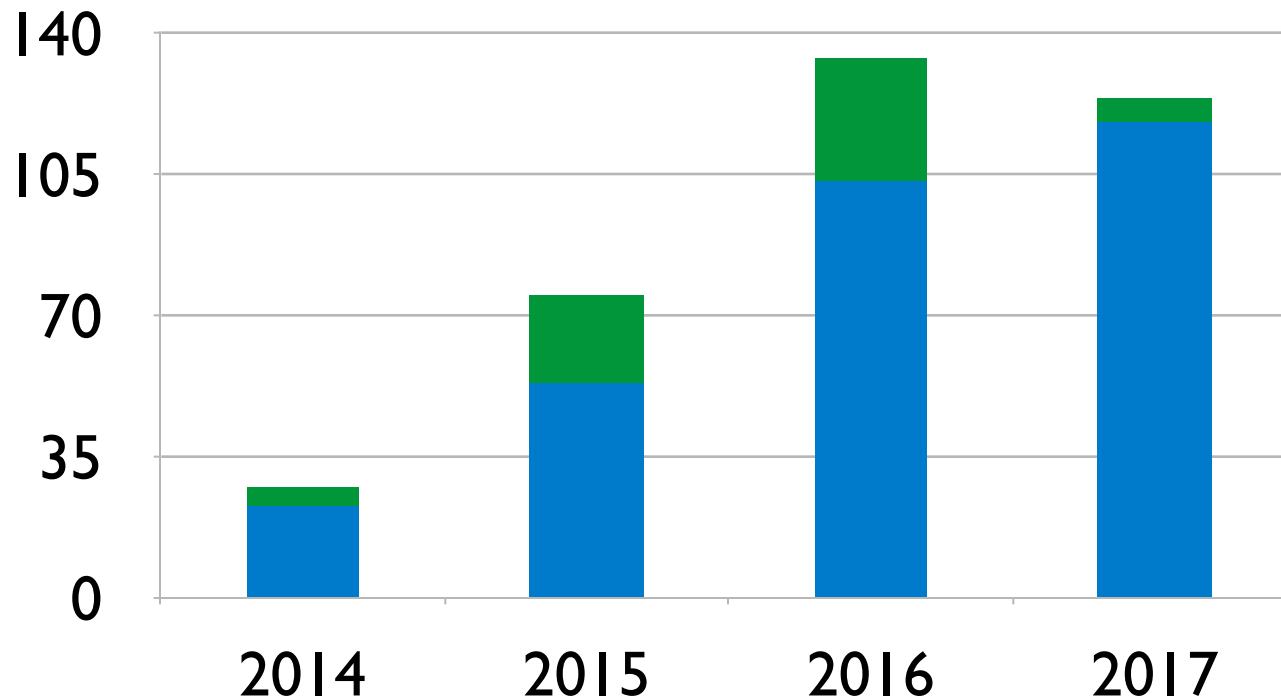
Proof

Georgia Works Results

(# successful graduates / # graduates)

81.5% of 360 Graduates Remain Successful

85%/71%/77%/95% Per Year



In Atlanta, Georgia:

- Cost Georgia Works \$2,500 to make a man a self sufficient tax-payor.
- Cost the State of Georgia \$22,000 to incarcerate a man for a year.
- Cost the City of Atlanta \$44,000 in services for each homeless person.

Proven Results

- Study by Georgia Tech showed for every \$1 invested in Georgia Works! there is a \$6 to \$11 return to the community
 - Mostly due to reduction in recidivism
 - Many “benefits” unquantifiable
- Second Study by Georgia Tech showed millions in savings in prison costs and ER visits

Employment Leads to the Virtual Elimination of Recidivism

- According to Pew Research, 47% of Felons are re-arrested within 5 years
- According to the Bureau of Justice Statistics, 77% of Felons are re-arrested within 5 years

- At Georgia Works! just 3 of 360 graduates have been re-arrested. Less than 1%.

Employers win Too

Benefits of Working With Georgia Works!

When Employers Contract with Georgia Works! they get Men that are:

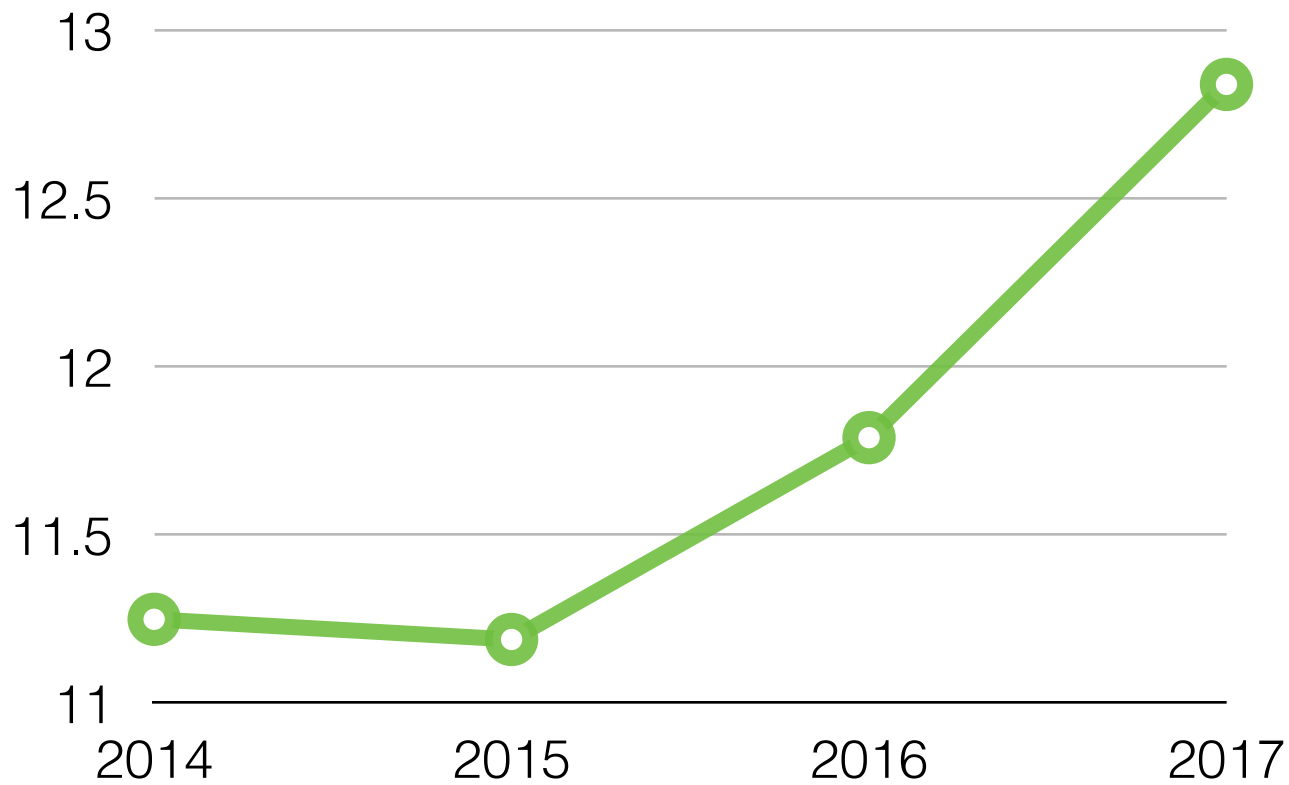
1. Eager and On Time
2. Drug and Alcohol Free
3. Trained to do the job
4. Transportation provided by Georgia Works!
5. Fully insured Labor by Georgia Works! for Workers Compensation and General Liability
6. Flexible hours and staffing levels to fit Employers Needs

Labor Needs of Employers

- Clean from Alcohol and Drugs
- Reliable
- Flexible
- Skills to Fit the Job
- Hardworking
- No Drama
- Good Communication Skills
- Looking for Potential Full-Time Employees

Starting Wage for Graduates

(\$ per hour of work)



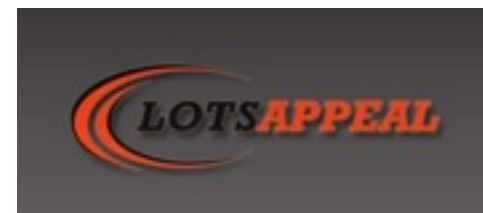
Companies Working with Georgia Works!



THE RITZ-CARLTON®



Shamrock Gardens



Other Stuff

Congressional Testimony

- October 2015 – House Budget Committee – Restoring the Trust for America’s Most Vulnerable
- June 2017 – House Oversight and Government Reform – Criminal Justice Reform and Efforts to Reduce Recidivism

“Georgia Works! is one of the most important Atlanta projects of the last decade. Hundreds of men and hundreds of children, neighbors and friends benefit from this incredible program.”

— Former Atlanta Mayor Shirley Franklin

“Thank you Georgia Works!
for giving people a chance,
because sometimes that is
all they need.”

– Georgia Governor Nathan Deal