

# GEORGIA WORKS!

*Where Work Works*

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December 2017

# Bill McGahan

- Graduated High School in Atlanta in 1980
- Worked in Downtown Atlanta 1984 - 1987
- 1988 to 2003 Investment Banker in NYC at Citigroup & UBS
- 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!
  
- October 2013 Opened 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

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- 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



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.

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

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

**VS**

**Labor Shortage in Many  
Industries**

# Georgia Works is Different than other Social Service Programs?

Run as a Business

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

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- 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....

– Etc..etc..etc..etc..etc.

# 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

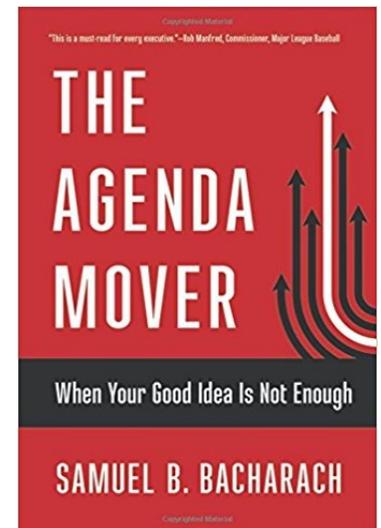
If the program will produce results

If Lives will be saved

# Execution is Undervalued

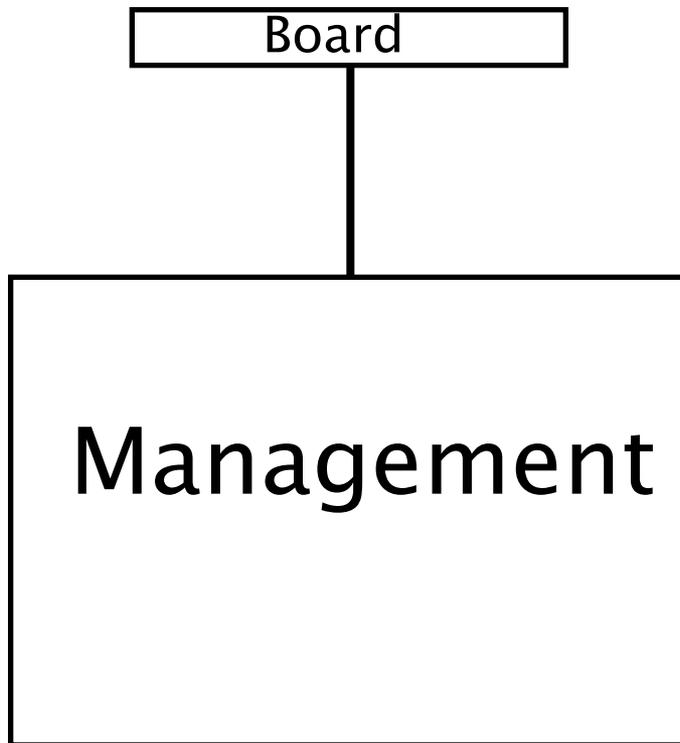
“A lot of people talk a good game. A lot of people have great ideas...Great ideas are the backbone of change and innovation. A great idea without execution, however, is hallucination. Your efforts at creating change and being innovative and entrepreneurial depend on your ability to go the distance and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

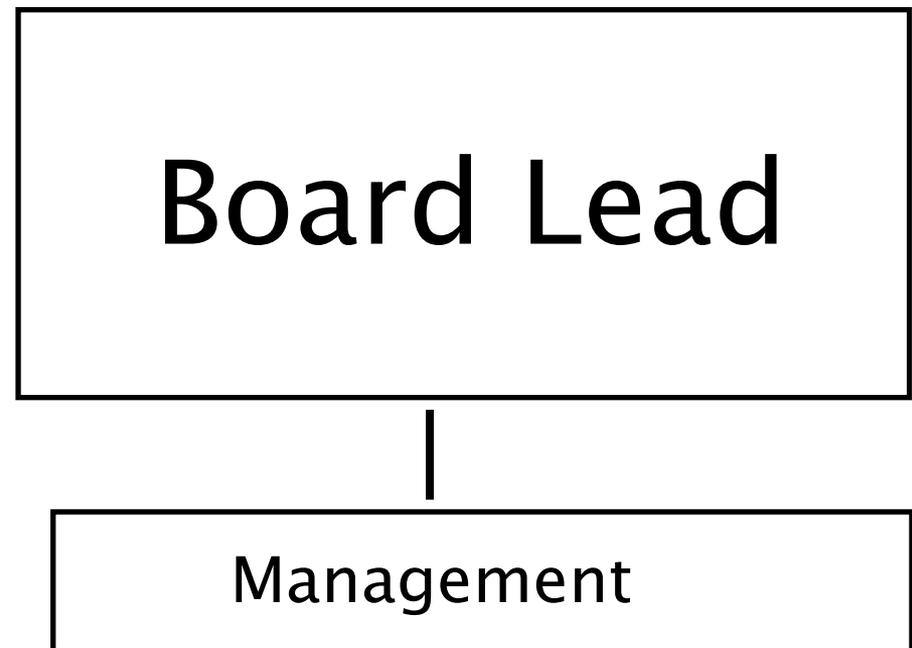


# Management Structure

Typical NFP



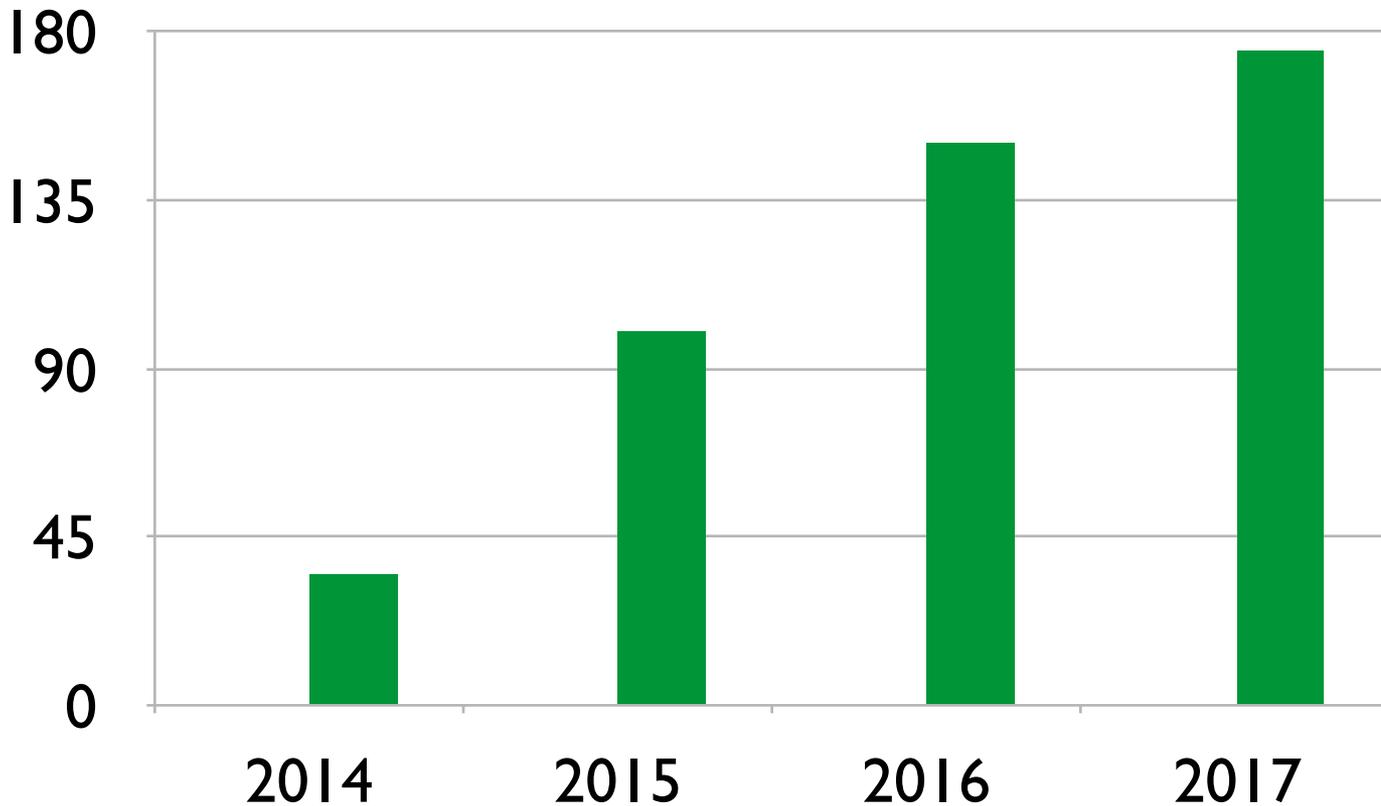
Georgia Works!



# Statistics

# Program Size at Year End

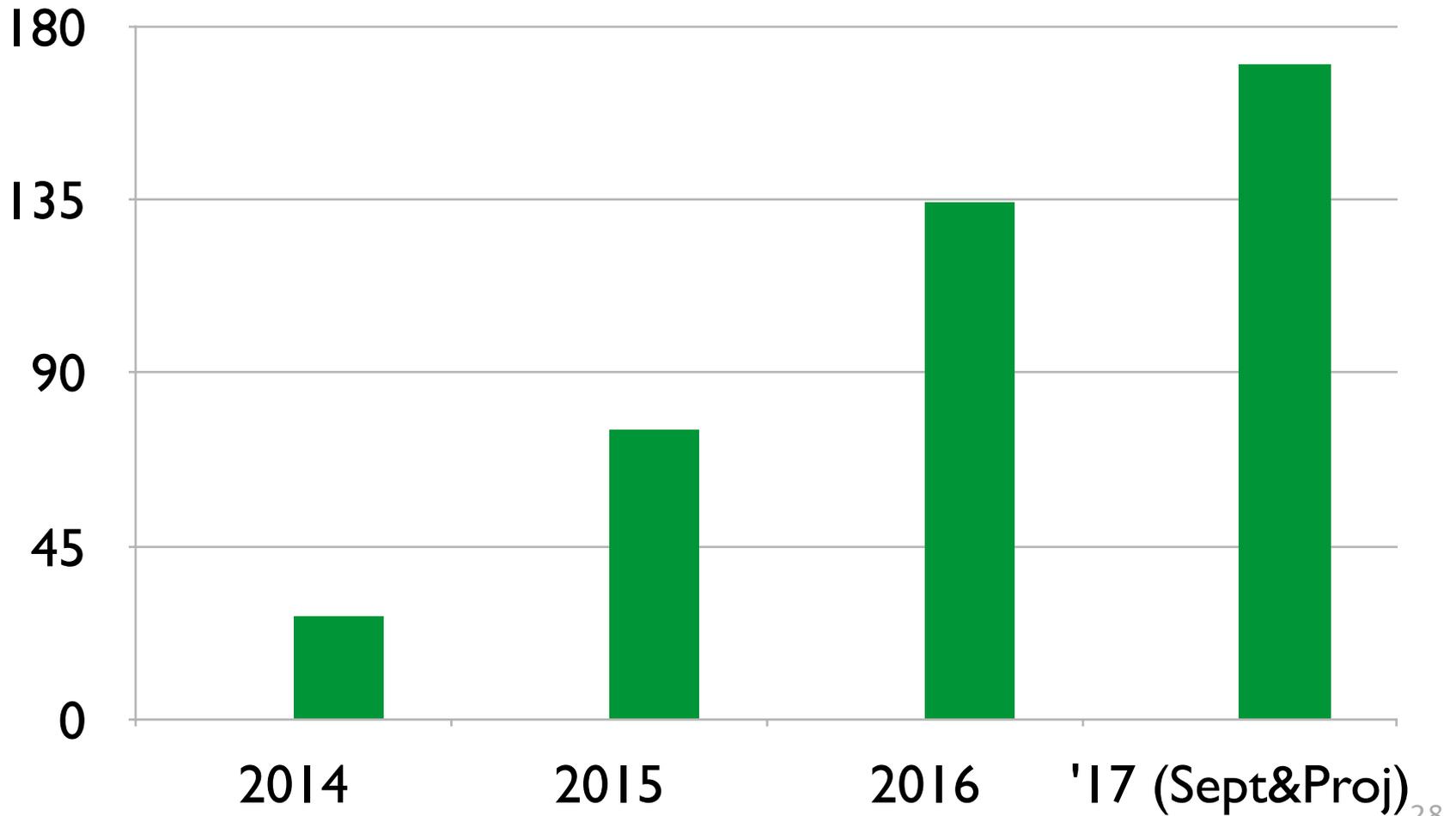
(Measured by # of Beds at End of Period)



# Number of Graduates

(per calendar year)

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



# Statistics

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- 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

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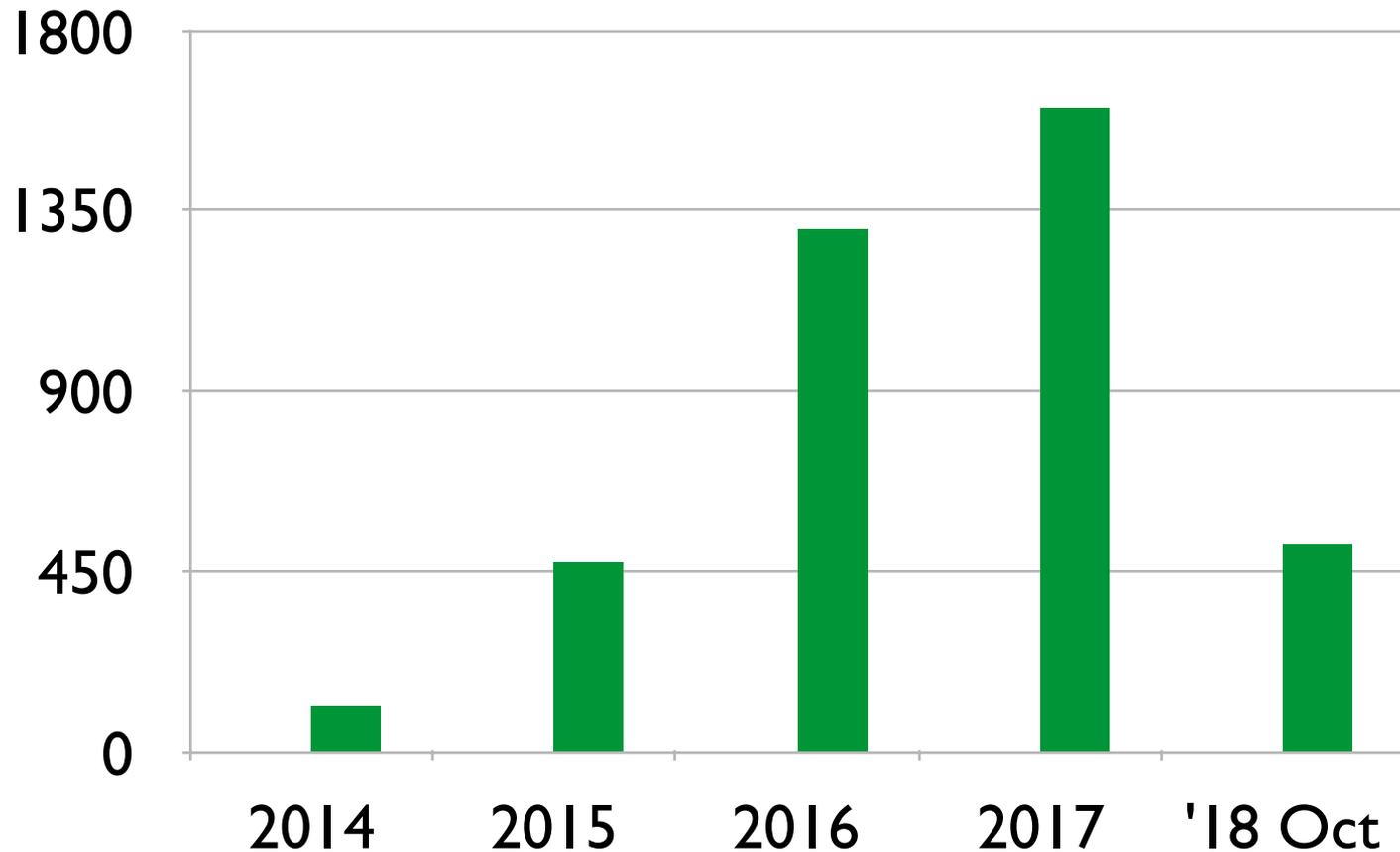
- Currently 90 to 100 men working for private businesses for 40 hours a week at \$11 an hour
- Have 35 to 40 Corporate Clients who use GW for staffing every day
- Represents \$40,000 a week in revenues to Georgia Works
- Represents \$2.1 MM in annual revenues
- Pays for virtually all the annual budget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

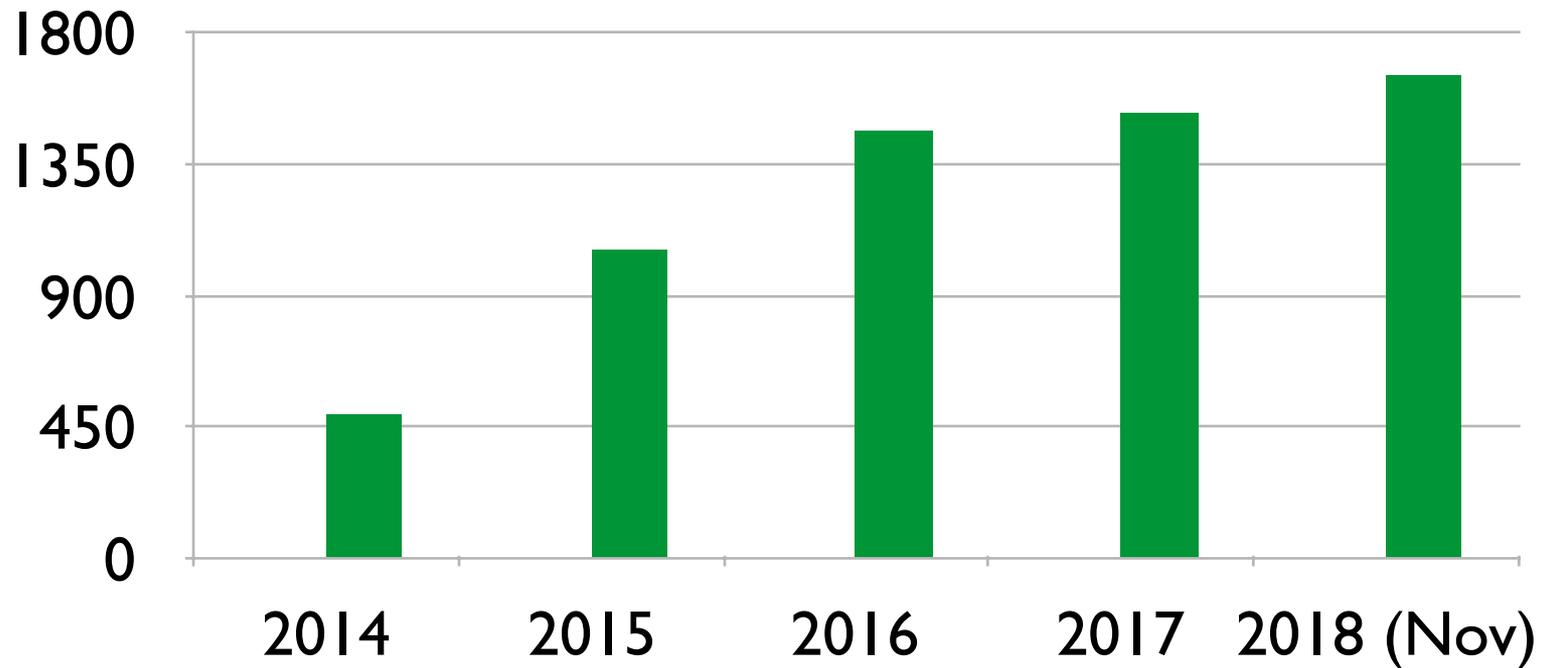
Men who make money too fast leave too quickly

40 hour work weeks pay out 44% of Gross to Clients

30 hour work weeks pay out 38% of Gross to Clients

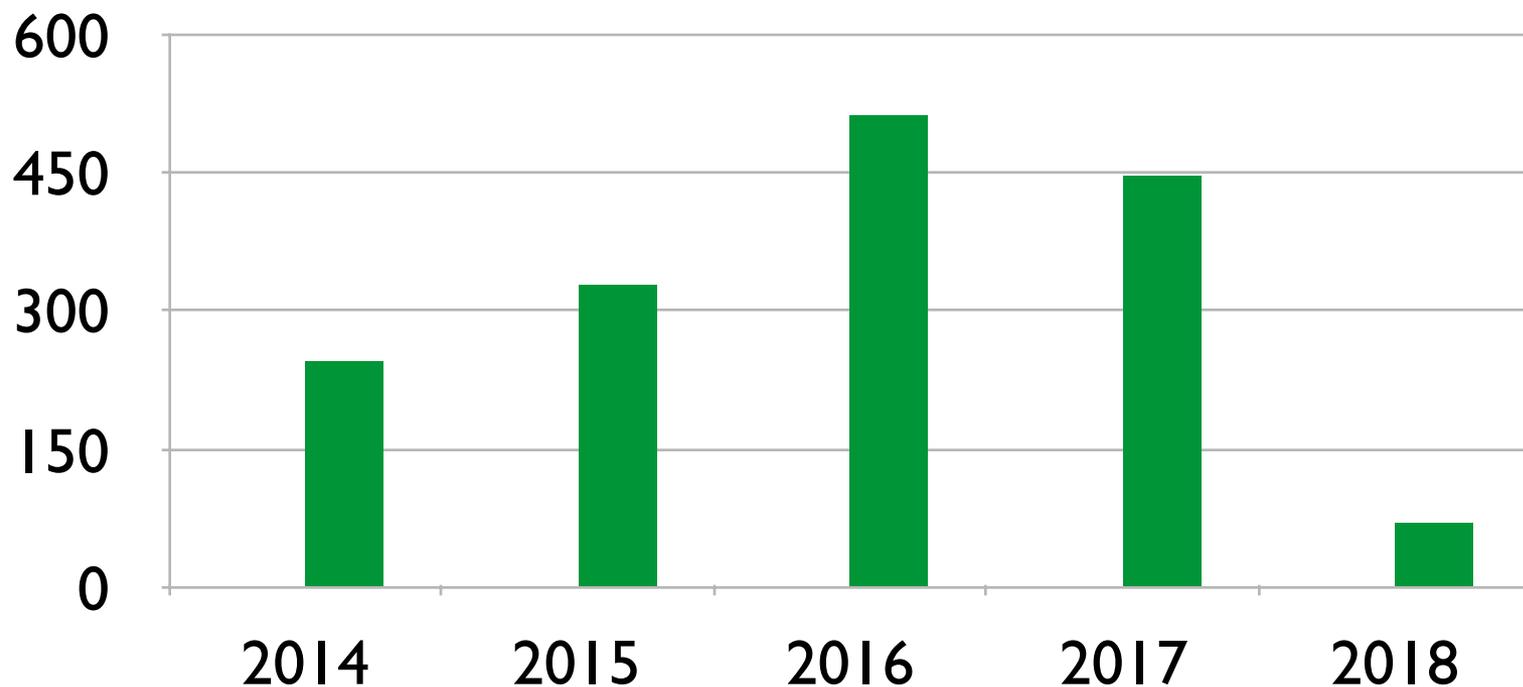
# Cash Balance

(000's of dollars, June FYE)



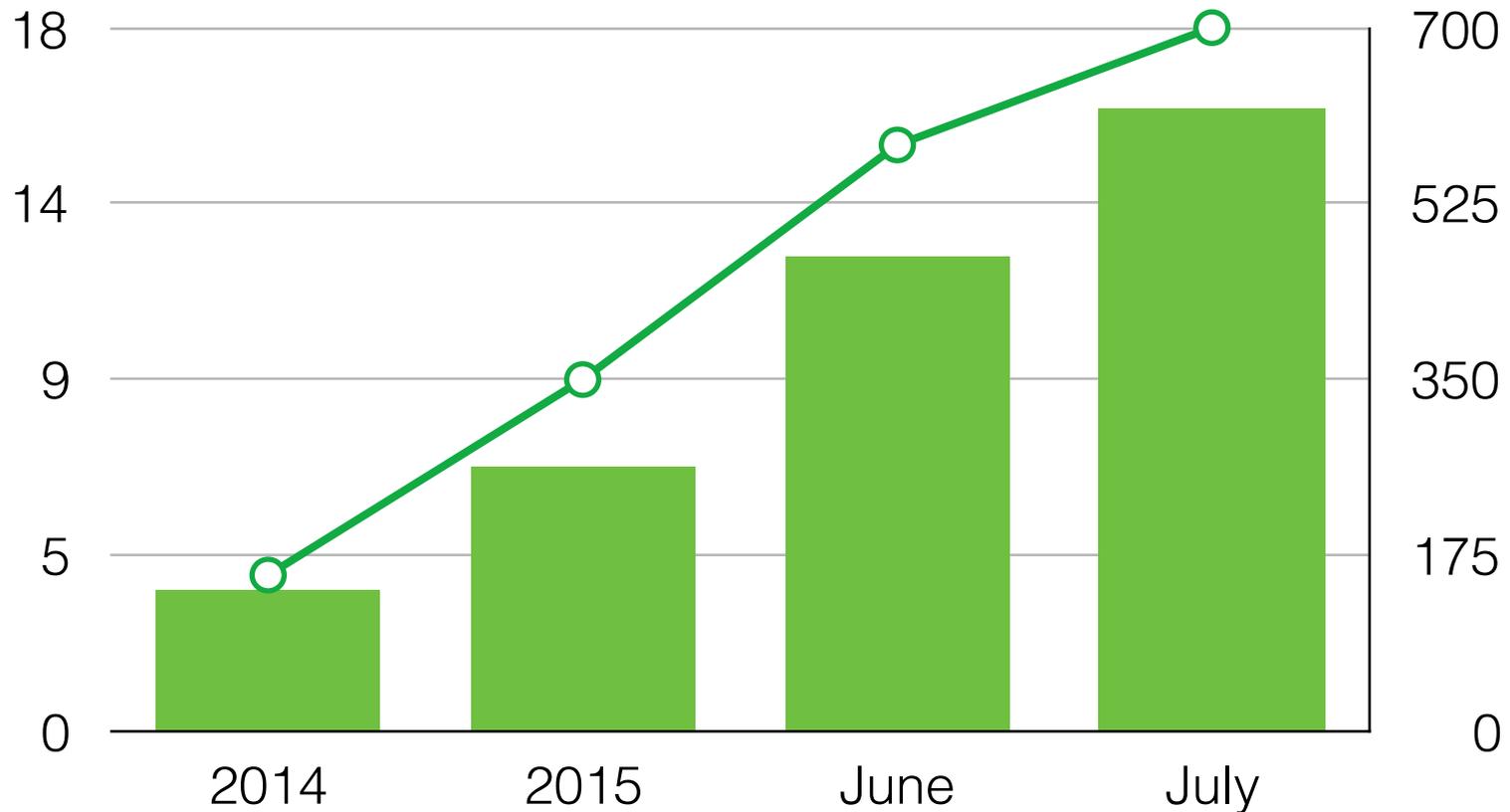
# Cash Used in Operations

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



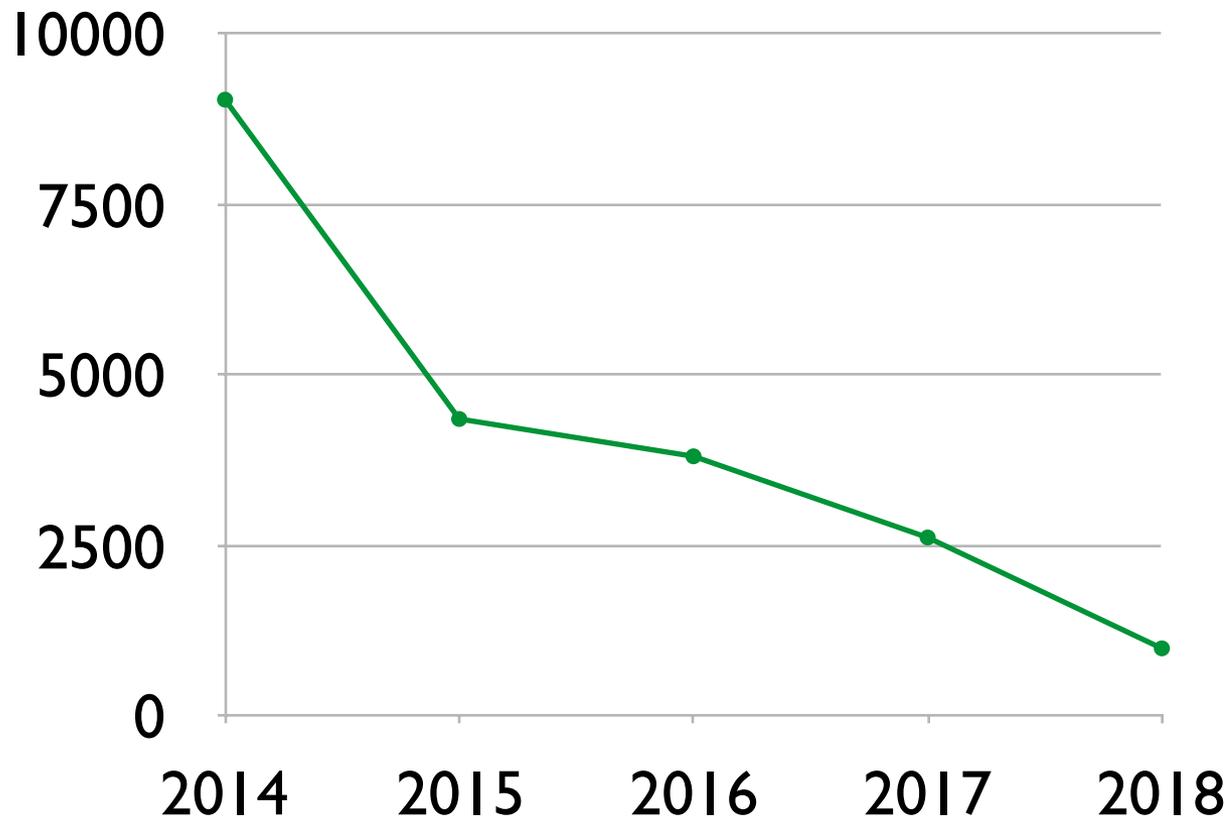
# Employees and Payroll

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



# Cost of Each Graduate

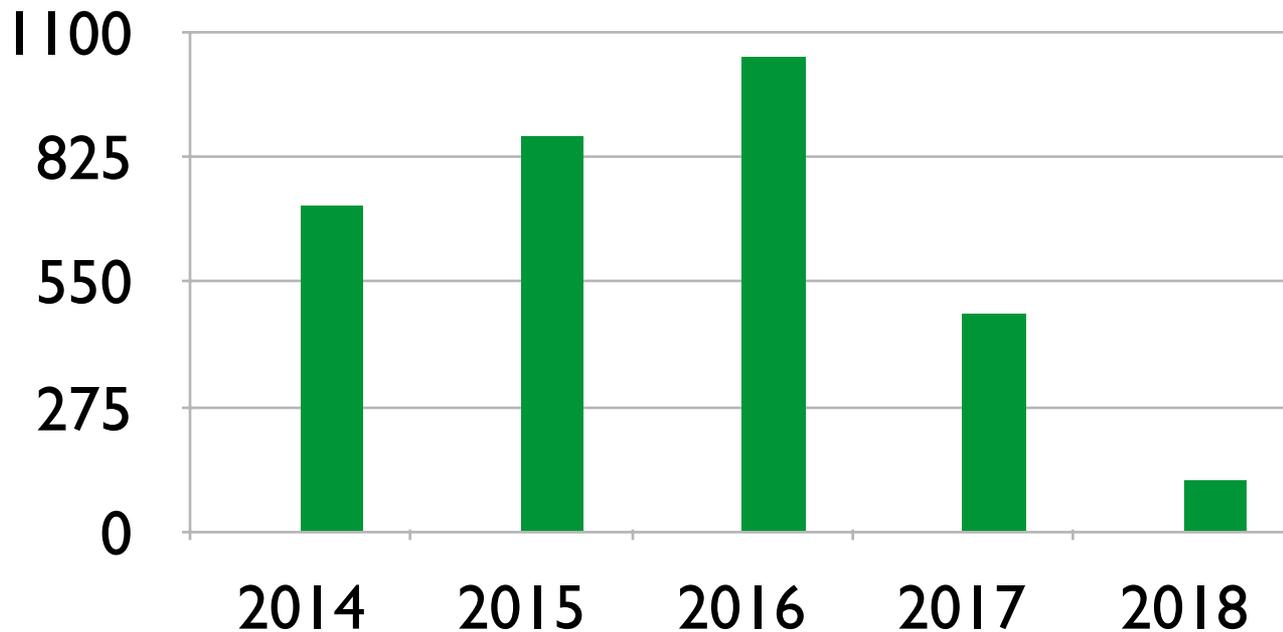
(# of graduates / Net Cash Used)



# 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

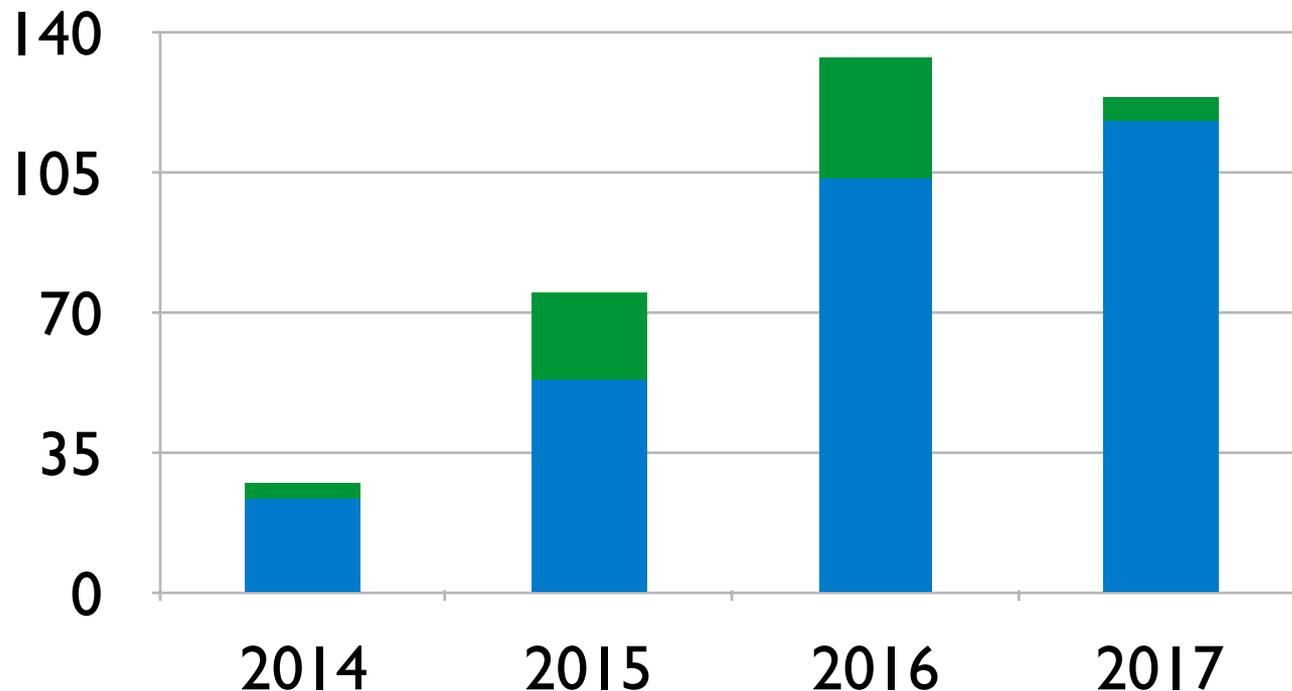
# Proof

# 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 less than \$2000 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 4 of 371 graduates have been re-arrested. Approximately 1%.

**Employers win Too**

# Benefits of Working With Georgia Works!

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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

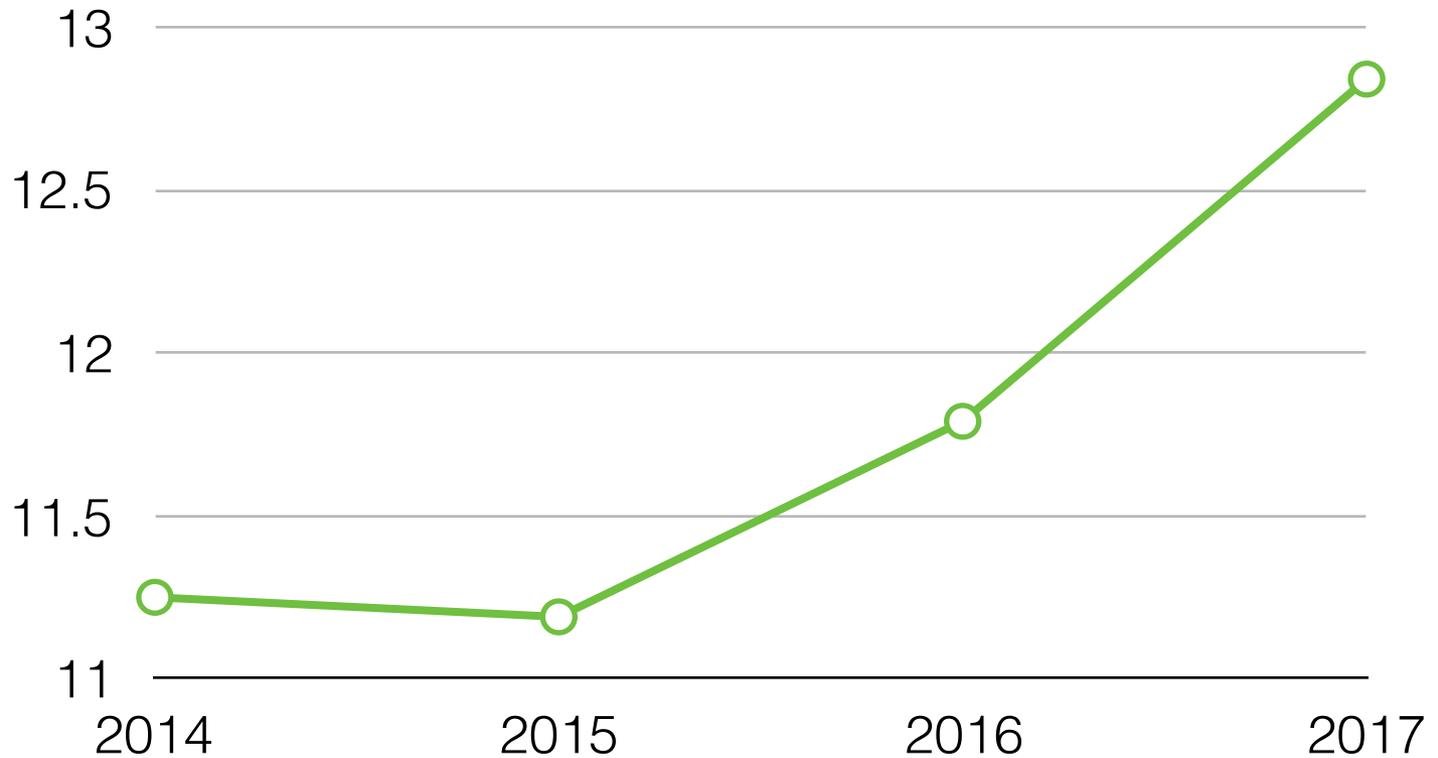
No Drama

Good Communication Skills

Looking for Potential Full-Time Employees

# Starting Wage for Graduates

(\$ per hour of work)



# Companies Working with Georgia Works!

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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