

Rehabilitation Enables Dreams

Rehabilitation Enables Dreams (RED) is a Georgia-based \$200K annual revenue charity that transforms the lives of justice involved young adults through a 12-month diversion curriculum.

Presented by The USIT Foundation in Spring 2021

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Charity Summary

Charity Overview

- **Founded in 2016, RED runs a 12-month program designed to reduce recidivism**
 - RED participants have a 5% 3-year recidivism rate, 10x lower than Georgia's current 3-year recidivism rate.
 - RED's current revenue totals \$192k, which exceeds its \$160k in annual expenditures.
 - RED's program consists of 12 modules (civic and social literacy comprises 70% of module cost), GED assistance (4% of total programming cost), record restriction (10%) and various program activities (33%).
- **Charity is data focused and responsive to changes in best practices**
 - RED keeps track of recidivism, education, and employment rates as well as participant learning and satisfaction with each of its modules before and after the program.
- **RED has recently gained traction both within District Attorneys' offices and with large sponsors**
 - RED has recently partnered with the NFL alumni organization to source mentors as it expands.
 - RED has secured contracts with three counties that will pay for RED in the next calendar year.

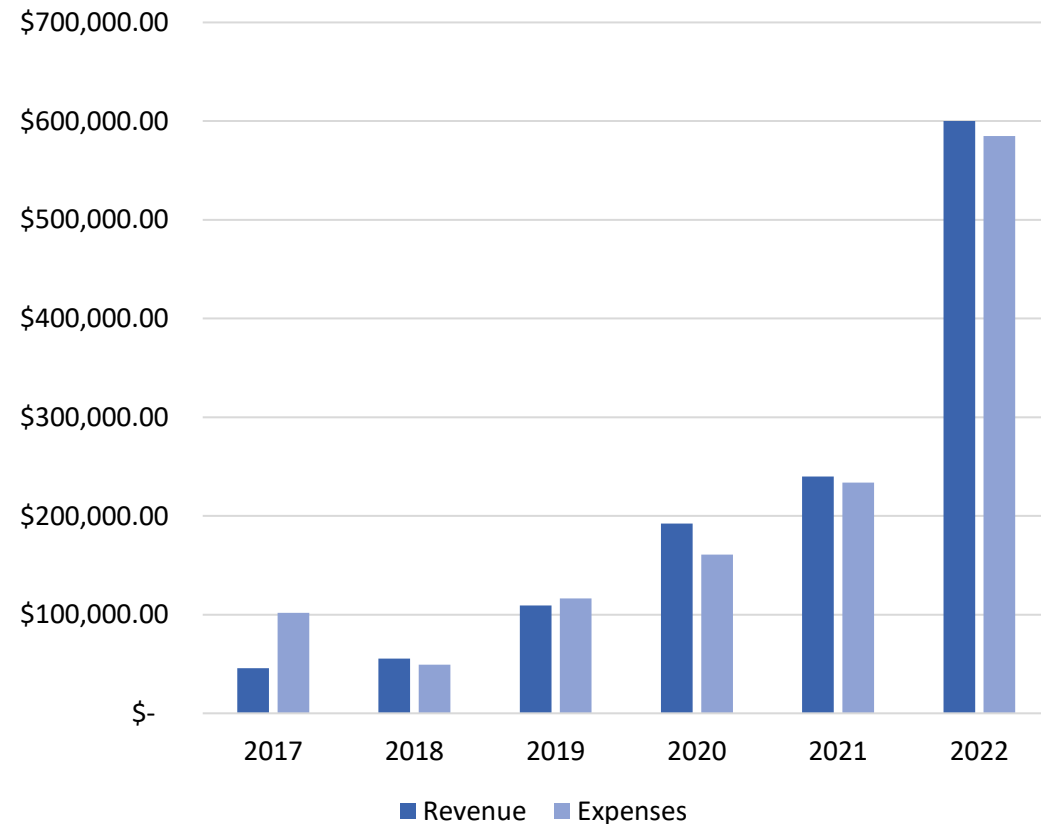
Donation Thesis

- **RED is currently primed for massive growth over the next 1-3 years**
 - It is expanding from 1-2 classes of 25 to 4 classes next year, with a goal of being in 6 jurisdictions by 2023. It is also in talks with several southeastern states for expansion of its digital program.
- **RED is the best criminal justice outcome for its target demographic and the community**
 - The SROI for incremental capital deployed over incarceration is 40.1x. The SROI for incremental capital deployed over accountability courts, the next best Georgia alternative, is 25.3x.
- **The USIT Foundation has an opportunity to partner with the organization**
 - The fundamentals of this organization are sound. The management team is knowledgeable and friendly.
 - A \$25k donation can go towards funding individual expense items or towards funding a new cohort.

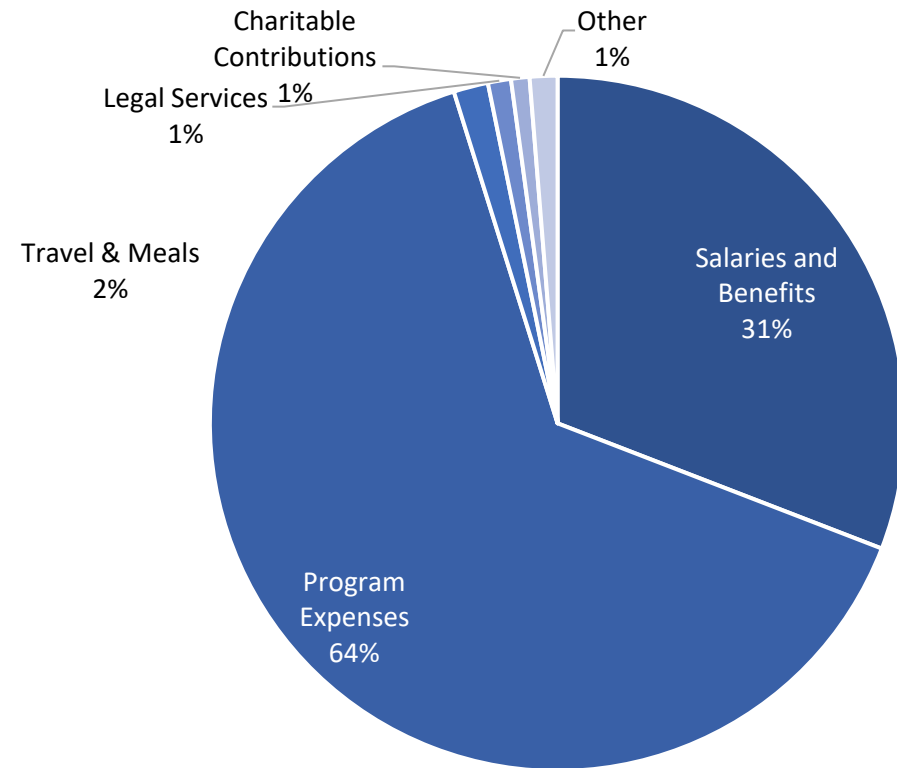
Financial Snapshot

Yearly revenues and expenses have been matched and rising over time

Revenues and Expenses over Time



2021E Organizational Budget



Program Summary

RED's main components are its educational modules and mentorship program

Educational Modules

- Its 12-month curriculum represents the primary driver of the behavioral changes in participants.
- Cohorts meet once a week in person, and they participate in both a community service event and a prosocial event once a month.
- RED provides 12 modules covering social, civic, and financial literacy as well as how to get a job/GED and seek out further educational opportunities.

Mentorship Program

- RED's mentorship program allows for the trust to develop that makes the 12-month curriculum stick.
- Trust and relatability are key. Participants are able to relate to their mentors as role models.
- Mentors are interviewed by Zeus Luby, Director of Mentorship, for their fit within the program. They then meet with their mentees once a week from the first month onwards.

Theory of Change Summary

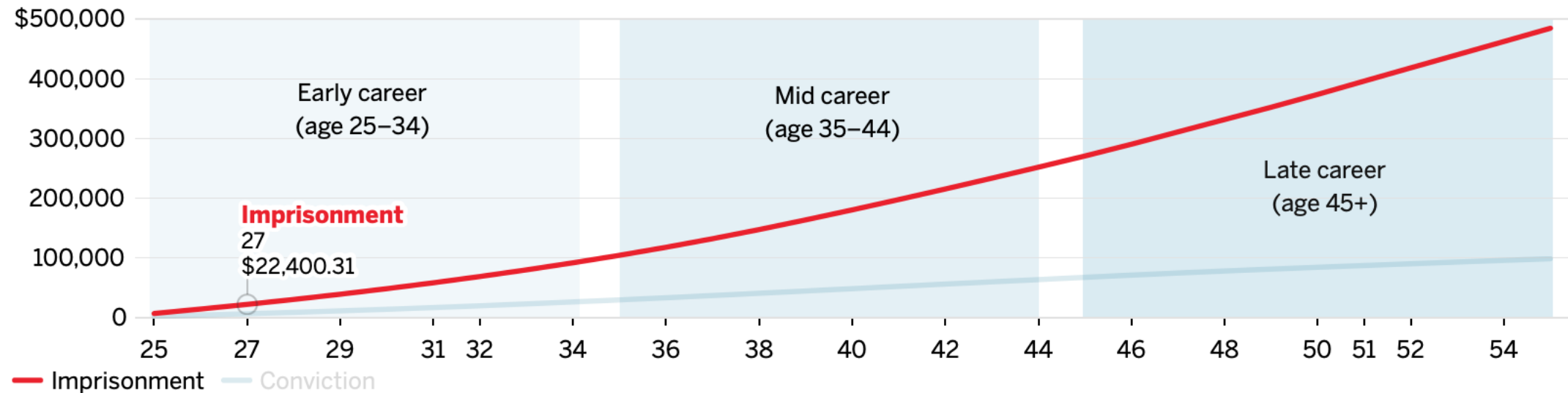
| Inputs | Activities | Outputs | Outcomes | Impacts |
|---|--|--|--|--|
| <ul style="list-style-type: none"> • Mentors • Curriculum • NFL Alumni Association • Job Rise • Lion Life (GED) Community • District Attorneys • Judges/Courts | <ul style="list-style-type: none"> • GED Assistance • Record Restriction • Voter Registration • Group Socials • Mentor Meetings • Social, Civics, and Financial Lessons • Annual Flag Football Tournament | <ul style="list-style-type: none"> • 25 people in each cohort go through the 12-month program • 4% drop out of program • 10 GEDs per cohort • 25 records restricted per cohort | <ul style="list-style-type: none"> • Recidivism rate of 5% in 2020, 3-year recidivism rate 0% in previous three cohorts • 85% increase in employment relative to pre-arrest rates • 47% increase in educational attainment • 13% enrolled in post secondary education • 22% decrease in unbanked population | <ul style="list-style-type: none"> • Reduced recidivism, permanent increase in earnings, lowered jail population, increased tax revenue, increased life expectancy, increased employment • Lowered social costs • Positive generational impact to children involved |

Control Group

Convictions have cumulative negative impacts over an individual's lifetime

People Who Have Been Convicted or Imprisoned Lose Up to Half a Million Dollars in Earnings Over the Course of a Career

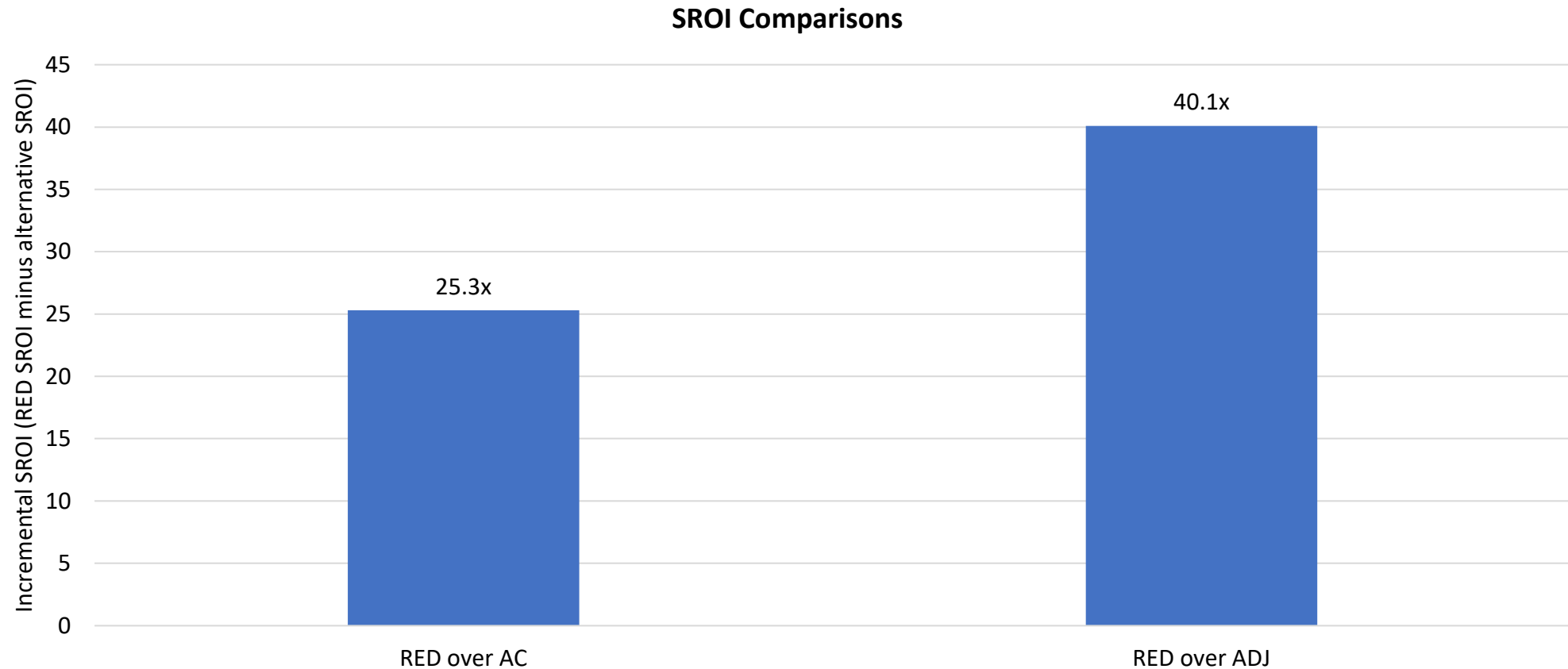
Lost earnings (cumulative)



Source: Brennan Center for Justice (2020)

Incremental Impact of Diversion

RED compared to Georgia Accountability Courts (AC) and Adjudication (ADJ)



Note: Calculations were internally conducted by the PIT team and assumptions can be found in the SROI section of this presentation.

Key Risks and Mitigating Factors

| Risk | Mitigants |
|----------------------------------|---|
| <i>Replicability</i> | <ul style="list-style-type: none">• Mentoring and programming will still be executed by RED as it expands, and all changes to the program must be approved by stakeholders• Will see more proof points as RED expands to three new counties next year |
| <i>Geographic Expansion</i> | <ul style="list-style-type: none">• New locations are geographically close• Demographics are similar• The curriculum is rapidly adaptable to the small differences in demographics• Components of the curriculum are executed by local courts systems to achieve a high level of specificity and program tailoring |
| <i>Cherry Picking of Cohorts</i> | <ul style="list-style-type: none">• The Assistant District Attorney selects program participants• RED participants are not meaningfully demographically different from their non-RED counterparts in the counties in which RED operates• RED still yields a 25.3x return over Georgia Accountability Court, which is subject to the same participant selection process as RED |

Charitable Vertical: Recidivism

Diversion Programs & Accountability Courts

Issue Overview

Trends and costs of recidivism in Georgia

- Georgia has an incarceration rate **31% higher** than the national average and a probation rate 321% higher than the national average. In Georgia, **2/3 of people released from prison are rearrested within three years.**
- There are economic losses even if every Georgian with a criminal record never reoffends. **They are blocked from 1/4 of available jobs**, federal aid, and housing assistance, even after they are off parole.
- Georgia's annual spending on adult corrections had doubled, from \$492 million to more than \$1 billion in the last two decades. Despite this substantial investment, the state's recidivism rate has remained virtually unchanged for 10 years.
- Every percentage point reduction in recidivism results in savings of \$6-7 million in reduced costs to the state.

Sources: Georgia Opportunity FactSheet (2014), Georgia Reentry Prison Initiative (2014), Report on Georgia Council of Criminal Justice Reform (2018), Pew Center on the States (2007)

Issue Overview

Total addressable need for RED's services

- 2.6 million people have a criminal record on file in Georgia
- Approximately 40% of the prison population is made up those who have committed misdemeanors
- Juveniles have a recidivism rate almost twice that of the general incarcerated person, at 50% over a period of 3 years
- 44% of arrested Georgians are under 29 years of age

Sources: Georgia Prisoner Reentry Initiative (2014), Georgia Opportunity Factsheet (2014)

Response to Issue

Comparables: government-run diversion programs and Accountability Courts

- Most diversion programs are government-run, but have many fewer touchpoints with participants and experience higher recidivism rates, which are not published for the most part
 - Participants often must pay several thousands of dollars to participate in these programs, which is a limiting factor for the economically disadvantaged
- Georgia created 213 Accountability Courts starting in 2012 to provide alternative sentencing for nonviolent offenders
 - Served 1,707 participants from 2012-2018
 - Costs \$1,933 to the participant, and \$15,523 to the state over a period of two years

| | 3-Year Recidivism | Graduation Rate |
|----------------------|----------------------|--------------------|
| RED | 5% | 95% |
| Accountability Court | 38% | 40% |
| Adjudication | 50% | -- |

Sources: Criminal Justice Coordinating Council (2017)

Response to Issue

Government-run diversion comparable programs

| | Second Chance Program | Washington County Diversion Program | Texas Juvenile Justice Department | Achieve Inspire Motivate Court | Young Adult Court |
|-----------------------------|--|--|---|---|---|
| Location | Tuscaloosa, Arizona | Vermont | | Dallas County, Texas | San Francisco |
| Cost to Individual | \$1,000 (out of pocket) + \$100 for each month more than 12 months | | | \$500, excluding expungement services | |
| Program Cost | | \$272,032 | | | |
| Length | 3-12 months | | | 9-18 (substance abuse) months | 12-18 months |
| Participants | | 403 | 1,006 daily population | Up to 100 first time felony offenders | 120 misdemeanor and felony offenders since 2015 |
| Completion Rate | | 75% | 77% | | 65% |
| Cost per Participant | | \$675 | \$11 | | |
| Recidivism Rate | | 20% | 51.6% recidivate, 7.2% re-incarcerated in 3-year period | | 15% |
| Description | Four tracks ranging from 3-12 months based on individual risk and needs; each require 40 hours of community service. | Program completion is determined by case manager and Community Restorative Panel. Once contract is complete and individual doesn't recidivate, court will expunge case in two years. | | Twelve weeks of skills building (2 hours twice a week) in addition to drug and alcohol treatments, court visits with judge, and six-months of cognitive behavioral therapy. | |

Note: Figures for comparable charities were calculated using publicly available expense and recidivism data.

Response to Issue

Non-profit-run diversion comparable programs

| | Café Momentum | PACE Center for Girls | JEVS Human Services (The Choice is Yours) |
|--|--|---|---|
| Location | Dallas, TX | 22 locations across FL and GA | Philadelphia, PA |
| Description | Provides a 12-month paid internship, where the interns work at the restaurant. They work through issues like anger management and trauma recovery as well as gain valuable life skills like financial literacy and career exploration. | Provides non-residential, prevention, intervention, and diversion services for at-risk girls and young women ages 12 to 17. | Diversion program for first-time, nonviolent felony drug offenders facing one-to-two-year prison sentences. Expungement is offered upon completion. |
| Individuals Served (Cumulative) | 750 (since 2015) | 40,000 (since 1985) | <i>Note: TCY is a smaller program within the larger organization, so specific data is not broken out.</i> |
| Revenue (2018) | \$3,167,154 | \$14,045,010 | \$68,348,541 |

Note: Figures for comparable charities were calculated using publicly available expense and recidivism data.

Discussion of Root Causes

RED management's philosophy on the causes of criminal activity

- RED believes that the crimes its students committed were ones of survival
 - The circumstances around which its students grew up made criminal activity seem like the only option
 - Growing up in unstable environments makes someone more likely to act out
- The pendulum has swung hard towards punitive instead of rehabilitative policy inside the US prison system
- There is a loss of humanity in the criminal justice system, and punitive approaches result in undue damage

Program Activities

Description of activities, cost breakdown, administration, and growth plans

RED Programming

Timeline, educational content, and efficacy measurement

- 12-month program that begins between January 1st and January 31st
 - The digital program will allow for flexibility with dates
- Program designates a month for each module: Orientation, Personal Assessments, Know Your Rights (when mentor is assigned), Your Voice Matters, Anger Management, Emotional Intelligence, Substance Abuse, Finance and Banking, Employment Training, Employment Search, and Record Restriction
- RED provides GED tutoring and preparation through its partnership with Lion Life
- Students meet with their mentor once a week, meet with their cohort once a week, and participate in a prosocial event and a community service event once a month
 - Students normally complete the curriculum throughout the week by themselves as homework
 - During COVID, the digital program was completed entirely online
- Program participants are surveyed before and after each module as to the module's relevancy and efficacy
 - Intake and outtake forms are used to obtain data on program efficacy from a more empirical basis

RED Digital Programming

Charity digital expansion still in its early stages

- Municipalities and jurisdictions will be able to purchase licenses of the RED digital program for eligible users starting July 2020
- The RED digital program is delivered through a cloud-based platform that allows individuals to use the program from anywhere across the country at their own pace
- Each user will be matched with a mentor, who will be trained by RED certified personnel
 - On the back end, the mentor can track the mentee's progress
 - There are pre- and post-tests for the entire curriculum
- The program has the following features: GED Pre-Testing, Tutoring, and Testing, Social, Civic, and Financial Training modules, Emotional Intelligence Training, Anger Management, Substance Abuse Awareness, Employment Search & Placement, Secondary Education Opportunities, On-Demand Mentor/Mentee communication, Video Lessons and Explanations, Integrated Gamification, and Record Restriction (Expungement)
- While the general format of the program will remain the same from county to county, the time taken on each module may vary based on need. For instance, the Know Your Rights sections resonated more deeply in DeKalb county than it may have in other counties, so more time was spent on that section for DeKalb participants. This will be altered based on feedback RED receives from participants. When the curriculum expands, the operators of the programs will be people within the county, not RED employees/volunteers.

Cost Breakdown

Line by line cost projections

RED Projections for One Cohort Programming with Staffing

| Programing | Unit | Amount | Wages per Week | Yearly Amount | Total | |
|-------------------------|---------|--------------------|----------------|-----------------|---------------------|-------------|
| Programing Instructor | \$25.00 | 20 | \$500.00 | \$26,000.00 | \$32,500.00 | |
| Program Curriculum | \$25.00 | 5 | \$125.00 | \$6,500.00 | \$8,125.00 | |
| Program Restriction | 25 | \$500.00 | \$12,500.00 | 1 | \$12,500.00 | \$12,500.00 |
| Program Activities | 25 | \$150.00 | \$3,750.00 | 12 | \$45,000.00 | \$45,000.00 |
| Transportation | 25 | \$250.00 | \$6,250.00 | 1 | \$6,250.00 | \$6,250.00 |
| Civic Literacy Modules | 10000 | | | | \$10,000.00 | |
| Social Literacy Modules | 3500 | 2 months | \$7,000.00 | | \$7,000.00 | |
| Remainder of Modules | 1000 | 7 modules left | \$7,000.00 | | \$7,000.00 | |
| GED | 10 | \$500.00 | \$5,000.00 | | \$5,000.00 | |
| Total | | | | | \$133,375.00 | |
| Operations | \$20.00 | 40 | \$800.00 | \$41,600.00 | \$52,000.00 | |
| Admin | \$15.00 | 20 | \$300.00 | \$15,600.00 | \$19,500.00 | |
| Development/Marketing | \$15.00 | 30 | \$450.00 | \$23,400.00 | \$23,400.00 | |
| Total | | | | | \$94,900.00 | |
| Reserves | | | | | \$10,000.00 | |
| Projected Costs | | Programming | Office | Reserves | Total | |
| | | \$133,375.00 | \$94,900.00 | \$10,000.00 | \$238,275.00 | |

Note: The program is completely free to the student and either paid for by RED or paid for by the county. This is significant because most diversion programs cost the participant money, meaning that wealthier individuals are overrepresented in most diversion program populations.

Program Administration

RED plans to leave a high degree of flexibility for content personalization

- As RED expands, it will oversee the following:
 - Curriculum creation and maintenance
 - Mentor selection and training
- In-person meet-ups (in courthouses once a week) will be facilitated by specific counties
 - Covered under in-kind contributions and expenses in RED's organizational budget

Growth Plans

Services are high in demand, physical and digital expansion well under way

- Have contracts to move into 4 counties, including Dekalb, in 2022
 - All counties except Dekalb (RED's original location in which it has operated for five years) will pay for the RED program
- Intend to physically move into the 6 counties making up the greater Atlanta area by 2023
- RED's digital program is up and running
 - Can be used in counties outside of Atlanta, GA
 - Expansion will not be on an aggressive proactive basis, but RED will provide licenses if counties reach out
 - RED is willing to license this program to any of the 150 counties in GA
- *What is the charity planning to do with more money?*
 - If the USIT Foundation gives the charity more money, RED intends to serve another cohort on a pro bono basis

Theory of Change

RED seeks to restore the rehabilitative mission of the criminal justice system

Rehabilitation in the Criminal Justice System

RED addresses the core need for rehabilitation

- A broken criminal justice system is worth addressing because:
 - The drain on the US economic system from incarceration just in reduced wages could give every homeless person in America a house worth \$500K with money left to spare
 - It leads to 28% of African American children growing up with an incarcerated father
 - Rehabilitative solutions would yield less crime with a more educated and prosperous populace
 - The US has the largest prison industrial complex in the world and its reach is creeping everywhere
- This solution works best when justice-involved individuals are targeted at a young age
 - RED works specifically with those ages 17-28 in the defining period of their adult lives
 - It provides a cheaper, more comprehensive solution and with better results than any other option available in GA
- Alternative ways to address rehabilitation
 - There have been options such as accountability courts, electronic monitoring, and interventions for youth (under 17) offenders, but these are both less effective than RED and, with the exception of electronic monitoring, cost more

Sources: Brennan Center for Justice (2020), University of Wisconsin-Platteville (2019), Stanford Public Policy (2018), NBER (2013),

SROI Calculation

All calculations were internally conducted by the Philanthropy Investment Team based on raw data provided by PEP and third-party data sources

Assumptions

RED vs. Accountability Court

Reduced Recidivism

| | |
|---|--------------|
| Reduced incarceration cost per 1% reduction in recidivism | \$ 6,500,000 |
| Accountability Court recidivism rate | 38% |
| RED recidivism rate | 5% |
| RED Improvement in recidivism | 33% |
| Number of people comprising 1% of the prison population | 207.00 |
| Number of students | 118 |

Avoided Future Crime and Victimization Costs

| | |
|---|-----------|
| Incremental value of avoided future crime and victimization (Accountability Court over Incarceration) | \$ 6,665 |
| Baseline incarceration recidivism rate | 50% |
| Improvement of Accountability Court over baseline | 12% |
| Improvement of RED over Accountability Court | 33% |
| Incremental value of avoided future crime and victimization (RED over Accountability Courts) | \$ 18,329 |
| # of students per class | 118 |

Record Expungement

| | |
|--|----------|
| Increased per student income | \$ 6,190 |
| Increased GDP | \$ 1,153 |
| Increased tax revenues | \$ 750 |
| Reduction in government assistance | \$ 1,380 |
| Percent of students with multiple offenses | 58% |
| Number of students | 118 |

GED Attainment

| | |
|--|--------------|
| Increased per student income | \$ 8,500 |
| Economic value of a human life | \$ 7,000,000 |
| Median lifespan in US | 78.70 |
| Economic value of a human life (yearly) | \$ 88,945 |
| Lifespan difference between a HS dropout and a HS graduate (years) | 9.00 |
| Number of students | 118 |
| Difference between incarcerated GED/HS attainment and RED | 12% |

Earnings over Incarcerated Period

| | |
|--|-----------|
| Median earnings prior to RED | \$ 20,000 |
| Percentage employed prior to RED | 0% |
| Percentage employed post RED over Accountability | 17% |
| Assumed length of incarcerated period (years) | 2 |
| Number of students | 118 |

Accountability Court Costs Avoided

| | |
|--------------------------------|--------------|
| Cost of program to participant | \$ 1,933 |
| Cost of program to State | \$ 15,523.00 |
| Number of students | 118 |

Costs

| | |
|---|---------------|
| RED program cost per cohort | \$ 133,375.00 |
| Administration costs per year (4 cohorts) | \$ 94,900.00 |
| Number of cohorts | \$ 5.00 |

SROI Analysis

RED vs. Accountability Court

Unit Economics

| | | |
|--------------------------------|----|---------|
| Per Person Lifetime Benefit | \$ | 159,250 |
| Per Person Lifetime Investment | \$ | 6,284 |

SROI

| | | |
|---|-----------|-------------------|
| Reduced Recidivism Total Lifetime Benefit | \$ | 1,222,754 |
| Avoided Future Crime and Victimization Costs Total Lifetime Benefit | \$ | 2,162,793 |
| Record Expungement Total Lifetime Benefit | \$ | 10,703,174 |
| GED Attainment Total Lifetime Benefit | \$ | 3,386,182 |
| Earnings over Incarcerated Period Total Lifetime Benefit | \$ | 371,481 |
| Accountability Court Costs Avoided | \$ | 2,059,808 |
| Cumulative Total Lifetime Benefit | \$ | 19,906,191 |

Total Uncertainty factor 1.00

Total Adjusted Return Calculation **\$ 19,906,191**

Cumulative Total Lifetime Cost **\$ 785,500**

| | |
|-------------|--------------|
| SROI | 25.3x |
|-------------|--------------|

Assumptions

RED vs. Incarceration

Reduced Recidivism

| | |
|---|--------------|
| Incarceration savings per 1% reduction in recidivism | \$ 6,500,000 |
| Incarceration recidivism rate | 50% |
| RED recidivism rate | 5% |
| Improved recidivism rate over incarceration | 45% |
| Number of people comprising 1% of the prison population | \$ 207 |
| Number of students | 118 |

Avoided Future Crime and Victimization Costs

| | |
|---|-----------|
| Incremental value of avoided future crime and victimization (Accountability Court over Incarceration) | \$ 6,665 |
| Baseline incarceration recidivism rate | 50% |
| Improvement of Accountability Court over baseline | 12% |
| Improvement of RED over Incarceration | 45% |
| Incremental value of avoided future crime and victimization (RED over Accountability Courts) | \$ 24,994 |
| Number of students per class | 118 |

Record Expungement

| | |
|------------------------------------|----------|
| Increased per student income | \$ 6,190 |
| Increased GDP | \$ 1,153 |
| Increased tax revenues | \$ 750 |
| Reduction in government assistance | \$ 1,380 |
| Number of students | 118 |

Foster Care Costs Avoided

| | |
|---|----------|
| Cost of foster care per day | \$ 27.26 |
| Percentage who are primary caregivers to children | 17% |
| Days in a year | 365 |
| Assumed length of incarcerated Period (years) | 2 |
| Number of students | 118 |

GED Attainment

| | |
|--|--------------|
| Increased per student income | \$ 8,500 |
| Economic value of a human life | \$ 7,000,000 |
| Median lifespan in US | 78.70 |
| Economic value of a human life (yearly) | \$ 88,945 |
| Lifespan difference between a HS dropout and a HS graduate (years) | 9.00 |
| Number of students | 118 |
| Difference between incarcerated GED/HS attainment and RED | 12% |

Earnings over Incarcerated Period

| | |
|---|-----------|
| Median earnings Prior to RED | \$ 20,000 |
| Percentage employed prior to RED | 47% |
| Percentage employed post RED | 87% |
| Assumed length of incarcerated Period (years) | 2 |
| Number of students | 118 |

Incarceration Costs Avoided

| | |
|---|-----------|
| Cost of Adjudication | \$ 20,000 |
| Cost of Parole | \$ 511.00 |
| Cost of Prison | 21000 |
| Assumed length of incarcerated Period (years) | 2 |
| Number of students | 118 |

Costs

| | |
|------------------------------------|---------------|
| RED Program Cost per Cohort | \$ 133,375.00 |
| Administration Costs for 4 cohorts | \$ 94,900.00 |
| Number of Cohorts | \$ 5.00 |

SROI Analysis

RED vs. Incarceration

Unit Economics

| | | |
|---------------------------------------|----|---------|
| Per Person Lifetime Benefit | \$ | 252,168 |
| Per Person Lifetime Investment | \$ | 6,284 |

SROI

| | | |
|---|-----------|-------------------|
| Reduced Recidivism Total Lifetime Benefit | \$ | 1,667,391 |
| Avoided Future Crime and Victimization Costs Total Lifetime Benefit | \$ | 2,949,263 |
| Record Expungement Total Lifetime Benefit | \$ | 14,069,851 |
| GED Attainment Total Lifetime Benefit | \$ | 2,247,086 |
| Earnings over Incarcerated Period Total Lifetime Benefit | \$ | 3,010,311 |
| Foster Care Costs Avoided Total Lifetime Benefit | \$ | 384,405 |
| Incarceration Costs Avoided Total Lifetime Benefit | \$ | 7,192,742 |
| Cumulative Total Lifetime Benefit | \$ | 31,521,049 |

Total Uncertainty factor 1.00

Total Adjusted Return Calculation **\$ 31,521,049**

Cumulative Total Lifetime Cost **\$ 785,500**

| | |
|-------------|--------------|
| SROI | 40.1x |
|-------------|--------------|

Other SROI Considerations

Items excluded from SROI calculations

- Improved financial knowledge
- Lowered substance abuse
- Value of community service
- Improved anger management and EQ
- Knock-on benefits to subsequent children
- Increased healthcare coverage

Financials

Further information on what goes into the charity's financial picture

Further Details on Funding

Expansion to donor- and county-funding

- Prior to 2021, RED was primarily funded by the founder's yearly \$125k check to the charity. Beginning 2021, RED began to receive small amounts of funding from two foundations as well as organic hits to its website. It also hosts a yearly kickball fundraiser during non-COVID times that raises \$25k from the community.
- In RED's first three years, it was fully self-funded. Last year, 25% of expenses was covered by donors, and this year (2021), it is projected that 75% of expenses will be covered by donors.
- Starting next year (2022), RED will be funded for its programming expenses in Cobb County, Gwinnett County, and Douglass County by the counties themselves. This will make up 50% of its revenue (categorized as in-kind donations) in 2022.

Items from Financials

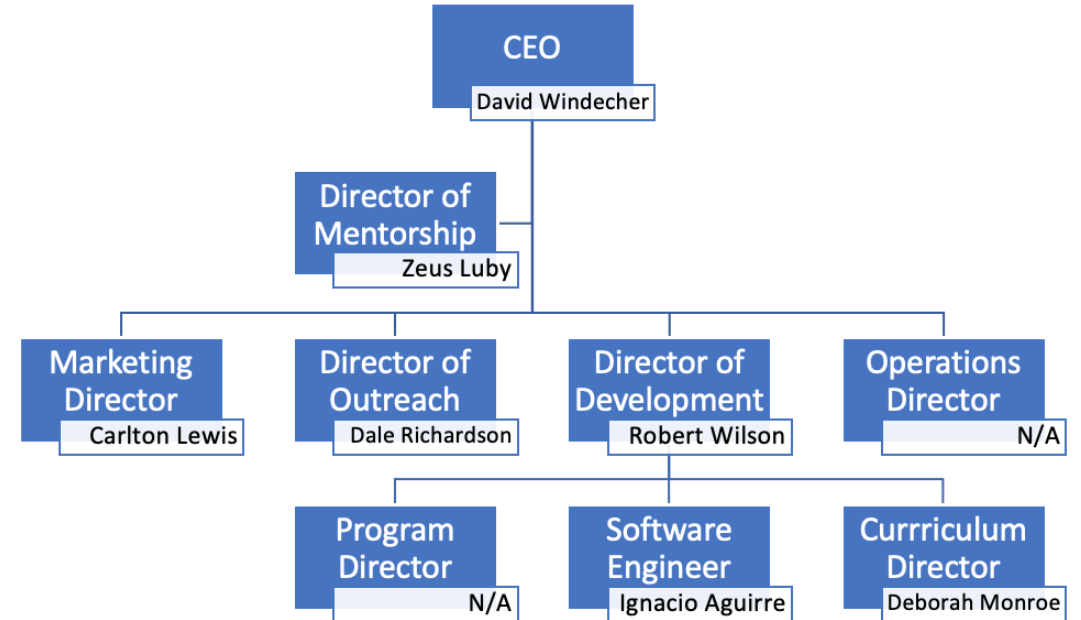
Remaining questions about line items

- Questionable or interesting items from financials:
 - RED tripled its revenue year-over-year from 2020 to 2021 and expects to do it again in 2022
 - Beginning in 2022, RED will start paying its full-time staff living wages
 - Previously, wages were under \$5k per year. They will go up to \$28k per year.
 - Why is funding from localities categorized as in-kind revenues and expenses on RED's internal budget?
- Other outstanding questions
 - How far developed are the business deals between RED and the Southeastern states for RED curriculum? What is the likely timeline for the digital programming rollout?
 - What is the relationship between RED and the Windecher Law Firm?

Additional Information

Management Structure

- Entrepreneurship Program Coordinator: Manuel Hernandez
- Director of Development: Robert Wilson
- Director of Mentorship: Zeus Luby
- Program Director
- Software Engineer: Ignacio Aguirre
- Curriculum Director: Deborah Monroe
- Operations Director
- Marketing Director: Carlton Lewis
- Secretary: Allie Wagner



Board Structure

Board of Directors

- David Winchester: CEO/Founder
- Marion Bunch: Chairman of the Board
- Brad Griffin: Curriculum Committee
- Zeus Luby: Mentor Program Director
- Skip Blankley: Media Director
- Karen Jones: Public Relations Director
- Karsten Mock: Grant Initiatives Director
- Manny Arora: Curriculum Committee
- Wofai Offem: Treasurer
- Allie Wagner: Secretary
- Robert Wilson: Curriculum Committee
- Rick Lara: Curriculum Director

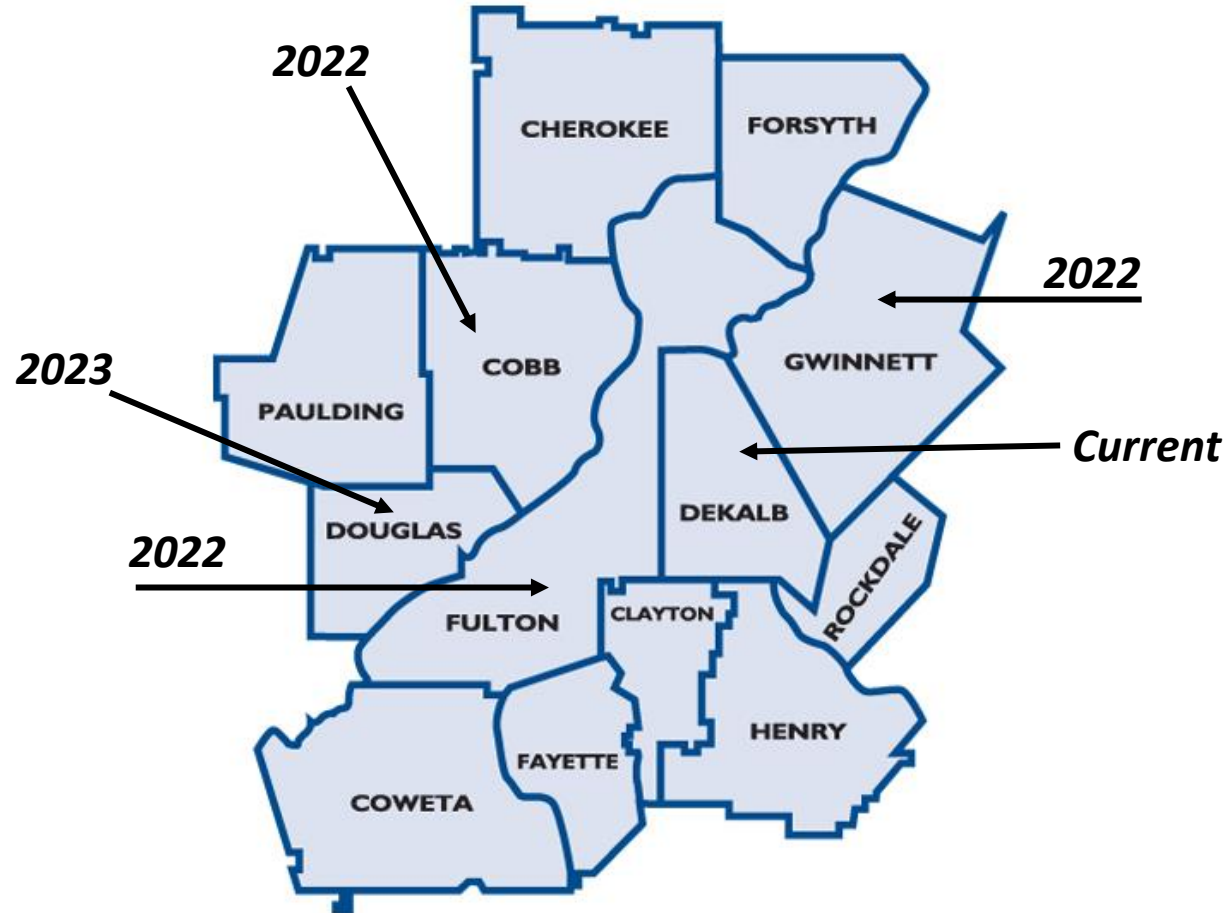
Board of Advisors

- Lisa Moultrie
- Reid Craft
- Carlton Lewis
- Ignacio Aguirre
- Tim Perry
- Ashley Robinson
- Martha Scarborough
- Brody Smithwick
- 65-75% of the board has had criminal justice interactions
- Many of the advisors are involved in the legal community because when the David (founder) founded the charity, he utilized his network for the skeleton framework of the organization.

Videos and Pictures of Events

- RED Spotlight video by Upworthy with over 1 million views:
<https://fb.watch/4RqnpByGG8/>
- Andre Jones, former RED participant:
<https://www.facebook.com/249718132083718/videos/3256098927775853>

Map of Relevant Operating Counties



- Map is of Atlanta metropolitan area
- RED already operates in DeKalb County
- It expanding to Cobb, Fulton, and Gwinnett Counties in 2022
- RED plans to expand to Douglas and Hall Counties in 2021

Summary of Diligence Activities / Notes

- Talked to management, CEO, Director of Development, Director of Mentorship, and Director of Outreach
- Reviewed curriculum of the charity
- Reviewed Georgia Report on Accountability Courts, several NBER reports on effects of incarceration, and reports on effects of incarceration and its knock-on effects
- Reviewed RED's intake and outtake forms and operational budget estimates
- Reviewed numbers from charity regarding program operations

Relevant Links

- RED [Folder](#)
- [Accountability Courts Impact Report](#)
- [Intake Form Data Evaluated](#)
- [Exit Form Data Evaluated](#)
- [Call Notes – Founder](#)
- [Call Notes – Director of Development+Director of Mentorship](#)
- [Call Notes – Director of Outreach+Background on RED](#)
- [Stanford Record Expungement Study](#)
- [Brennan Center Lost Earnings Study](#)
- [Website](#)
- [FAQ sheet](#)

The USIT Foundation

usitfoundation.org | texasusit.org

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The USIT Foundation

About the USIT Foundation

The USIT Foundation is the 501(c)(3) parent organization of the University Securities Investment Team, the largest student-run investment fund at The University of Texas at Austin. Comprised of alumni who started their investing journeys with the team, the USIT Foundation works closely with student leadership in the contexts of investing, data science, and philanthropy.

The USIT Foundation supports and advises the USIT student organization and marshals and engages its alumni to promote personal and professional growth through active charitable giving. In Spring 2020, the alumni of the USIT Foundation initiated a philanthropic Giving Pledge to commit time and resources to better our communities.

Philosophy and Approach

The USIT Foundation is committed to evidence-based philanthropy and continuously builds upon a model of effective, responsible capital deployment. In its months-long competitive annual process, the Foundation identifies and performs deep diligence, including client testimonials, data room modeling, and impact stress testing, on charities. In the 2020-21 academic year, the Foundation plans to provide \$70,000 in donations to several charities that operate within the three observed impact verticals, with the initial donation opening the door for years-long engagement and follow-on investments.



Education

Ensuring that students of all ages receive high-quality, equitable education while community members are properly supported.



Justice & Opportunity

Breaking down systemic barriers to assist the reentry transition and reduce nationwide recidivism.



Healthcare

Reducing healthcare burdens through preventative measures, early childhood development interventions, and elderly care.

Philanthropy Investment Team

History

The Philanthropy Investment Team was formed in Spring 2020 at The University of Texas at Austin by request of the University Securities Investment Team (USIT) Foundation and Alumni Network, which wished to establish a partnership with the student organization to source charitable investment opportunities.

This fund generates ideas and performs diligence on charities that merit a donation with a value investing framework. Through the primary and secondary research of undergraduate Analysts, the Philanthropy Investment Team is developing a model of impact measurement, both for initial investment diligence and subsequent staged donations. Experimental in nature in its inaugural year, the Philanthropy Investment Team ultimately seeks to donate \$70,000 by Fall 2021 at the discretion of the Giving Committee. Its funds are replenished yearly, comprising 1% of the total Annual Gross Income of the Alumni Network.

Analyst Contact

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Portfolio Manager Contact

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