

INVESTMENT CASE STUDY: FIRST STEP STAFFING



THE CHALLENGE

15,000 EXPERIENCE HOMELESSNESS

Each year, 15,000 Philadelphians experience homelessness, according to the City of Philadelphia's Homeless Services Department.

THE OPPORTUNITY



FIRST STEP STAFFING TO REPLICATE PROVEN MODEL

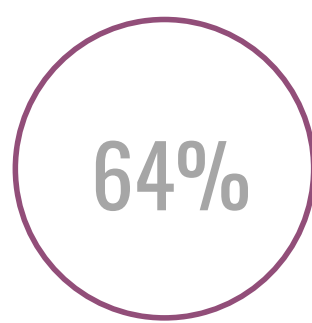
First Step Staffing (FSS), an Atlanta-based non-profit staffing agency founded in 2007, is committed to employing individuals experiencing homelessness. In 2017 alone, FSS created 3,384 jobs by purchasing a for-profit company in Atlanta and converting the jobs for their client population - prototyping a successful model with the potential for replication in other U.S. cities. FSS provides additional wraparound services and, consequently, pathways for clients to secure permanent jobs and housing.

A SOLUTION

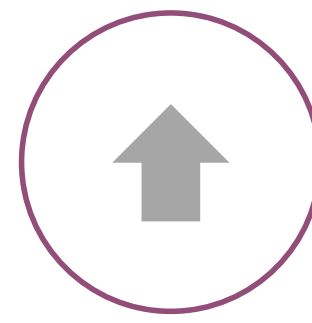
FIRST STEP STAFFING EXPANDS TO PHILADELPHIA WITH LOCAL STAFFING COMPANY ACQUISITION



FSS acquired Philadelphia branch of Overtime Staffing, including 700 jobs in 2018



FSS converted 64% of acquired jobs to opportunities for clients experiencing homelessness



FSS achieved 100% customer retention, added 14 new customers, and increased sales



FSS earned \$17M in revenue in their Philadelphia location alone in 2018

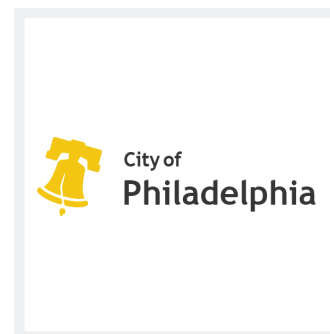
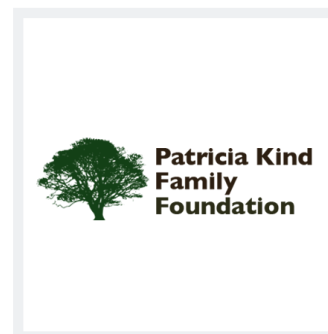
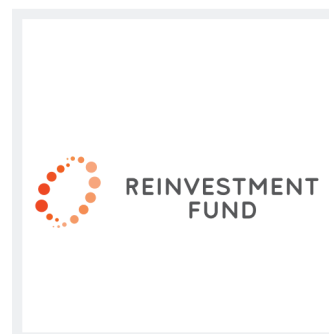


FSS built local wraparound services, such as transportation, to support client success

THE INVESTMENT

A \$6.33 MILLION COLLABORATIVE INVESTMENT

The First Step Staffing solution was possible with a unique collaboration of local investors - including foundations, a CDFI consortium, angel impact investors, and the City of Philadelphia.



CAPITAL STACK

\$280,000 GRANTS

\$4,850,000 CDFI DEBT

\$950,000 SUBORDINATED LOANS

\$250,000 CITY CONTRACT

THE INTENDED IMPACT

SHORT- AND LONG-TERM POSITIVE IMPACT INTENDED FOR DIVERSE RANGE OF STAKEHOLDERS

The \$6.33M investment intends to generate measurable impact, as well as a partial financial return on investment. The intended impact includes:



INDIVIDUALS WITH BARRIERS

Reliable income, stability, career skills, self esteem, new relationships, pathways to permanent employment



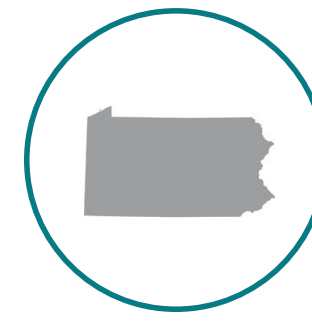
EXTENDED COMMUNITY

\$14M in 2018 paid wages and future wages to ripple into local community and business



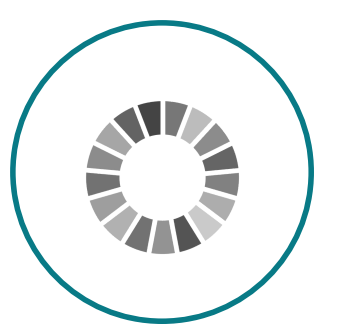
CITY OF PHILADELPHIA

Potential to ease costly services, create tax payers, attract new business and investments



EXTENDED REGION

Potential to model a solution that could be scaled and/or replicated in the region and Pennsylvania



UN SDGs

Potential to model a business and investment solution that advances UN SDGs in cities