INSIGHTS INFORMING THE CONCERNS OF POST-9/11 VETERANS AND FAMILIES

Case Study:
Three Hots and A Cot
THREE HOTS AND A COT CASE STUDY

1. Organizational Overview

History

Three Hots and a Cot (3HAC) began in 2009 as the compassionate response of JD Simpson, Lynette Simpson, and the couple’s friend Richard Cislak, to the problem of homelessness among veterans. Because of their concern, they called the staff of the national office of the Veterans Administration who told them that there was an especially great need for a center to help homeless veterans in Birmingham, Alabama.

In response to the information about the need in Birmingham, the founders moved there later that year from their homes in Virginia. They began soliciting donations and purchased their first house for $1.00. They renovated the house themselves with the help of volunteers and, in the latter part of 2010, began housing homeless veterans in the same building where they were living and making their offices. Since then, their donor base has grown among individuals, non-profits, and corporations. The most stable part of their funding comes from a contract with the VA for providing beds to those referred by the VA. They now operate 8 houses (two transitional and six independent living), provide a sixteen-week course on life skills and provide referrals and transportation to a variety of social service agencies, including those at the VA. Responding to requests from other locales, they are working on plans to create similar, but legally and financially separate, programs in Arizona and Florida. To date they have provided housing for over 500 homeless veterans.

Mission Statement

3HAC’s Mission Statement is as follows: “Provide services for homeless veterans while transitioning into affordable housing. This will include lodging, meals, access to medical, dental, counseling, job placement, and other social services as needed by the participant. Identify and provide services to veterans who are in danger of becoming homeless.”

Organizational Structure

Overall, 3HAC is what those in the field of organizational design call an “organic” organization (as opposed to a “mechanistic” or “bureaucratic” one). Roles are fluid and overlapping. A number of those interviewed said, “We all do everything,” or “We do whatever needs to be done.” The boundaries of personal and professional lives are deliberately blurred or erased. “Passion”—the watchword used by most people interviewed—provides abundant motivation, long hours and inspiration for others to donate or volunteer. Notably, more than 50% of the positions listed on the organizational chart were
“currently unfilled roles being performed by the CFO, COO, or CEO.”

In legal terms, 3HAC is a 501(c)(3) overseen by a Board of Directors comprised of 13 members with backgrounds or active membership in for-profit, government, and non-profit sectors. More than half of the board has served in the United States Armed Forces. In addition to the Board of Directors, 3HAC also has an Advisory Board comprised of 24 other members from local businesses and religious groups.

The staff is comprised of the 12 individuals listed on their organizational chart along with a variety of part-time volunteers. Even among those on the organizational chart, most are paid on a contract rather than salary basis (or paid only by receiving room and board). The one full time salaried employee is Vick Springston, VP of Operations.

Reporting directly to the CEO are the CFO, and COO, as well as a VP of Marketing and the VP of Operations. Reporting to the VP of Operations are the House Managers, who typically are former residents who demonstrated strong interpersonal skills and manage the day-to-day operations of the two transitional houses.

**Programming**

3HAC staff pride themselves in not applying a “cookie cutter” approach but responding to the needs of each individual both as they first present themselves and as their needs evolve over time.

When a homeless veteran walks in, services begin with the basics: a shower, a clean set of clothes, a meal, and a place to sleep. During admissions, 3HAC requests basic information about their history and current needs, and asks them about their goals. This goal setting process is iterative, repeated periodically with the assumption that veterans’ needs and goals inevitably evolve once they have food, clothing, shelter, and time to settle in. Part of the process of “settling in” seems to be revealing their vulnerabilities with greater honesty. Rich Cislak, one of the co-founders, describes the struggle to get veterans who have been living on the street to be honest with 3HAC staff and honest with themselves:

*First, you interview them. You get their story. You learn from the very beginning they’re going to tell you what they want you to learn. Probably 80% not true, 20% true. Once you sit down and get to know them, you really understand why they’re there—whether they’re there for help or just to use you. It comes out. Most of them have been on the street for so long, that they’re going to try to get away with anything they can.*

*We learned at an early stage, they’re not going to get away with anything. We weren’t going to let them come in just for a place to sleep and a meal and go back to doing the things they were doing. If they don’t want help, they have to go somewhere else. We told them that. We decided that we were going to be straight up and honest. If you’re lying to us, we’re going to tell you you’re lying to us. It has worked.*

After the initial intake, 3HAC begins their own programming and provides referrals and transportation to training done by other agencies. The core of the training provided in-house at 3HAC is a sixteen-week cycle [Figure 1] of soft skill training conducted by one outside instructor and one facilitator from the organization itself. Clients join this cycle at whatever point they arrive at 3HAC.
The program includes work with a self-help curriculum called “Master Your Goliaths,” written by Dr. David Dyson, who also teaches in the program. Dr. David Dyson started his own agency, Life Leaders, in 1992, with a mission to help people learn “best-self leadership” and to write “plans for life” (as quoted in 3HAC materials). CEO JD Simpson explains how they came to use the program and how it works:

Dr. David Dyson came to us and said, “This is what our veterans need. Change who you are.” I said, “It doesn’t do any good for me to help you with your addiction to get you an income, put you back on the streets, or put you in a house, or have you make up with your wife if the root cause of what’s causing it [still exists]. I’m not a psychoanalyst but some day you have to wake up and look in the mirror and say, “What did I do wrong or what do I need to fix in myself to stop it from happening again.” Cause if I just give you a job and help you with your addiction issues, then it’s just a Band-Aid. If the relationship was a problem—and I don’t ask them what it was. I ask them to look in the mirror and you tell me what you need and let’s work on that. I’ve been doing it for seven weeks now and we’ve seen an incredible change just in the first program we’ve run.

Figure 1. Sixteen week training cycle required of all residents at 3 Hots and A Cot (3HAC)

<table>
<thead>
<tr>
<th>Topic</th>
<th>3HAC Facilitator</th>
<th>Instructor</th>
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</thead>
<tbody>
<tr>
<td>Life Leaders Orientation (personal, professional, leadership development, and public service.)</td>
<td>JD Simpson (CEO)</td>
<td>Dr. David Dyson, Director of Life Leaders Program</td>
</tr>
<tr>
<td>Goals - 7 Areas of Life</td>
<td>JD Simpson (CEO)</td>
<td>Dr. David Dyson, Director of Life Leaders Program</td>
</tr>
<tr>
<td>Resolutions</td>
<td>JD Simpson (CEO)</td>
<td>Dr. David Dyson, Director of Life Leaders Program</td>
</tr>
<tr>
<td>Attitude &amp; Ability Part 1</td>
<td>JD Simpson (CEO)</td>
<td>Dr. David Dyson, Director of Life Leaders Program</td>
</tr>
<tr>
<td>Attitude &amp; Ability Part 2</td>
<td>JD Simpson (CEO)</td>
<td>Dr. David Dyson, Director of Life Leaders Program</td>
</tr>
<tr>
<td>Belief &amp; Trust</td>
<td>JD Simpson (CEO)</td>
<td>Dr. David Dyson, Director of Life Leaders Program</td>
</tr>
<tr>
<td>Life Leaders Workshop/Graduation</td>
<td>JD Simpson (CEO)</td>
<td>Dr. Dyson</td>
</tr>
<tr>
<td>Resume 101 &amp; Interview Skills</td>
<td>Rich Cislak (CFO)</td>
<td>Larry Linley, Alabama Career Center Veteran Specialist</td>
</tr>
<tr>
<td>Interview Skills</td>
<td>Rich Cislak (CFO)</td>
<td>Larry Linley, Alabama Career Center Veteran Specialist</td>
</tr>
<tr>
<td>Foodborne Illnesses</td>
<td>Vick Springston (VP Operations)</td>
<td>Health Department</td>
</tr>
<tr>
<td>Drugs - Truth &amp; Effect</td>
<td>Vick Springston (VP Operations)</td>
<td>Univ. Alabama Birmingham</td>
</tr>
<tr>
<td>Health - Hygiene, Hep &amp; HIV</td>
<td>Vick Springston (VP Operations)</td>
<td>Univ. Alabama Birmingham</td>
</tr>
<tr>
<td>Anger Management</td>
<td>Rich Cislak (CFO)</td>
<td>Samford University</td>
</tr>
</tbody>
</table>
Alcoholics Anonymous (AA) and Narcotics Anonymous (NA) meetings occur at the 3HAC facilities but are conducted by outside facilitators to allow participants to speak frankly without fear of reprisal from within the organization for reporting any relapse. Job placement services are led by Larry Linley, a Local Veteran Employment Representative (LVER) from the Alabama workforce development system. This work is detailed in the later section, Employment and Education.

Transportation to outside services is provided by van. In some cases clients have been given bikes to allow them to get to regular appointments or jobs.

Currently 3HAC is building a new center for training, support services and administration to be called “The Foxhole.”

Veteran Populations Served
3HAC serves all veterans who are homeless, regardless of their gender, era, or discharge classification.

When homeless veterans are accompanied by a spouse and/or children, the spouse and children are housed along with the veteran. While 3HAC aspires to have separate houses for families, currently families are placed in houses with single veterans.

Funding Sources and Strategies
As detailed in Figure 2 below, currently, the largest percentage of funding of 3HAC comes from grants (35%). Beyond this, the second largest and most stable source of funding is their contract with the VA that compensates for each night they provide a bed for a veteran referred by the VA (26%). After this, come corporate donations (11%), with Home Depot as their largest benefactor, followed by individual donations (10%). All these are fueled positive media attention and speaking engagements (most frequently by the CEO and his son) at local churches and community centers.

<table>
<thead>
<tr>
<th>Funding source</th>
<th>Percentage of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>35%</td>
</tr>
<tr>
<td>VA contract to provide beds</td>
<td>26%</td>
</tr>
<tr>
<td>Corporate donations</td>
<td>11%</td>
</tr>
<tr>
<td>Individual</td>
<td>10%</td>
</tr>
<tr>
<td>Other fundraisers</td>
<td>5%</td>
</tr>
<tr>
<td>Program fees (rent provided by those who can pay)</td>
<td>7%</td>
</tr>
</tbody>
</table>

*Data provided by Rich Cislak, CFO/Treasurer (email 9/1/14)

3HAC also receives a variety of in kind donations. They are frequently given homes or used cars. The homes typically need extensive renovation and, at the insistence of their Board, they have recently
stopped accepting real estate until they can secure the funding needed to improve and maintain them. In 2013 their real estate assets were valued at over $1.2 million (Three Hots and a Cot Balance Sheet, 2013).

Sometimes, the in kind donations are challenging in their scale – 1100 dozen eggs, or a semi-trailer full of coconut M&M’s. Donations such as these are taken to the Christian Service Mission – a local agency that will take large numbers of such items and distribute them among those non-profits that can use them, reciprocating Three Hots’ donation later with a gift of others’ excess goods.

Figure 3 below illustrates how funding is used. Of note here is that payroll is currently only 12% of the entire budget.

<table>
<thead>
<tr>
<th>How the money has been used</th>
<th>Percentage of budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>44%</td>
</tr>
<tr>
<td>Renovations</td>
<td>26%</td>
</tr>
<tr>
<td>Transportation</td>
<td>14%</td>
</tr>
<tr>
<td>Payroll</td>
<td>12%</td>
</tr>
<tr>
<td>Administration</td>
<td>4%</td>
</tr>
</tbody>
</table>

*Data from “Three Hots & A Cot Expenses: Where the Money went in 2013”

2. Measurement and Data Supporting Effectiveness & Impact

Types of Data Routinely Collected

In general, data collection at 3HAC focuses on the veteran’s perceptions of their own needs and goals, and what services they have received or are receiving, as they progress towards the goal of independence in residence and employment. The most detailed data seems to be collected and maintained as hard copies by the House Manager.

3HAC program materials say that “The successful outcome for the individual veterans is stable and affordable housing. If they fall back into previous bad habits and a life on the streets then 3HAC was not successful. The measurement for each veteran is either a zero or 100%.”

Initial data collection is done with a Contact Information Form, asking basic background information regarding branch of service, disability status, and what assistance they need. They do not ask about clients’ criminal record with one exception – JD Simpson explains, “The only thing I ask is, ‘Are you a sex offender?’ – that’s because I’m 75 yards from a high school.” As mentioned previously, data collection is done periodically during a resident’s stay, so that services can be adjusted as clients’ goals change from short term (food, a shower, and a bed) to longer term (reconciliation with family, addiction treatment, and/or gainful employment). Once a veteran has begun their stay they use the following forms to collect data on a client’s progress: Training Attendance, Case Management Visit, and Veteran’s Need Assessment.

Data collected by 3HAC about its overall operation include the following benchmarks:

- Clothes closet inventory levels (to determine whether there are the right types and sizes of
available clothing)
• Training session attendance (to determine which classes are in greatest demand)
• Available housing (to determine the number of single, family, and shared units needed and available)
• Donation records
• Volunteer records
• Grant submission success rates
• Fundraising event records; speaking engagements
• Successful completion rates in transitional housing
• Long term stability of independent living
• Veterans’ current income level at entry vs. achieved level of income over time

Data Analysis and Reporting
Data analysis and reporting at 3HAC seem to be developing from informal systems to more formal ones as need demands and time allows. A master spreadsheet tracks data on each veteran that 3HAC has had contact with. 3HAC aims to maintain long-term contact to track clients’ progress after they leave the program but say that sometimes individuals fall in and out of contact.

Financial records of income, assets and liabilities are maintained and reported on an annual basis to the 3HAC Board.

Examples they give for successful completion are as follows:

• Veteran has reconciled with immediate family and moved in with family
• Veteran has completed rehab, able to manage income, and afford/maintain housing
• Veteran has increased income level to afford and maintain housing
• Veteran has been diagnosed with either physical or mental limitation to prevent independent living and 3HAC is able to place the veteran into a stable assisted living facility
• Veteran has relocated to another transitional housing facility approved by the VA. Some will move for medical or family reasons

How data are used for getting to impact
In keeping with the organic, client-centered character of their organization, 3HAC members stress that the data collected is continually used to improve both their service to an individual client and to their programs more generally. Program materials provided stress that, “What we do is never going to be static – as the veterans’ needs change, what we offer has to change with that identified need.” They emphasize the flow of information from those in closest contact to the clients to the administrative levels rather than the other way around. Data on their successes are also used in their promotional materials and speeches to leverage further support.

Formal Evaluation Activities (internal and external)
3HAC complies with the reporting requirements of the VA for their contract and maintains financial records required by grant applications and for reports to their Board. Otherwise, evaluation activities are informal and aimed at the immediate needs of the veterans.
3. Strategic Themes
Reintegration with Family

While the staff of 3HAC stressed the unique circumstances that lead each individual veteran to be homeless, nearly everyone seems to agree that, while many veterans come with addiction or mental health issues, nearly all homeless veterans have become estranged from family members. This is understandable, given that typically family members are veterans’ last line of defense from life on the streets. In this way, reintegration with family is recognized as a crucial issue for homeless veterans.

3HAC’s approach to the reintegration of the veteran with their family most frequently begins by working with the local church if the family has one. Otherwise, they try to use the resources of the local Vet Center.

According to Chuck Augustine, the chaplain who is the point person for counseling at 3HAC, counseling related to family issues at 3HAC takes a variety of forms. Individual counseling is done on an informal basis with house managers or members of the leadership team (who do not have formal training in counseling) or with a chaplain or a retired Air Force colonel who is a counselor. Regarding counseling or quasi-counseling work in groups, AA meetings and NA meetings are done on-site by outside personnel, and residents also can go to PTSD support groups or Peer to Peer Support meetings at the local veteran center. Counseling with family members is offered by a Vet Center or the family’s local church. If the house manager identifies a veteran who needs help above and beyond what 3HAC is able to provide they work with VA hospital in getting the veteran and appointment with VA doctor.

According to Chaplain Augustine, all residents receive some services at 3HAC and about 70% are also in regular programs at VA or Vet Center. Approximately 25% are in a personal treatment program with a psychologist or psychiatrist.

At the top of the list for improving counseling services is continuing to develop a network of counselors who will work on pro-bono or on a sliding scale and having a designated well-suited location for counseling services—something that the “Foxhole” training center will provide once it is completed. Regarding how they intend to improve these services, Lynette Simpson, Board Secretary and COO says, “In the 5 year plan, we want to not just address the homelessness but before they’re on the street; before their family says ‘enough.’”

When asked about their plans for preventative services JD Simpson, CEO says this:

*The homeless prevention program is still confined to our outreach efforts and word of mouth on who we can help to prevent them becoming homeless. Once we have the Foxhole [training center] open we will be able to really expand on this initiative. Most of the issues [pushing veterans towards homelessness] are financial—with limited resources any small thing can lead to a spiral effect with a limited budget and in turn lead to homelessness. There are also addiction and relationship issues we will get involved with in providing resources to them. For now some of the things we do are:*

- Help with home repairs and renovations without charge
- Assist with car repairs
• Help with clothes closet
• Help with food pantry as we have available resources
• Direct them to resources that they may need - Vet Center, Social Agencies, Food Pantries, etc.
• Offer counseling on financial hurdles, budgeting, family counseling, jobs search, resume prep...

Often times if we can intervene when there is a speed bump - we can help them before it becomes a mountain they cannot get over. As I said - this is limited now - once we have the Foxhole where there is a location and space for them to come to and we get the word out to the streets we are here - we will be able to do much more.

Employment and Education
As 3HAC administration and staff talk about the hierarchy of needs for the homeless veterans who come to them, employment and education needs seem to come after the need for addiction treatment and mental health services, and alongside on-going efforts at re-integration with family. In the case of employment services, 3HAC’s point person is Larry Linley, Local Veteran Employment Representative (LVER) at the Alabama Career Center. Linley says that typically veterans first need to be involved in a treatment plan such as the Outsource Substance Abuse Course (OSAC), which has once a day meetings for 30 days and then once a week meetings for 4-8 weeks, before they can begin the search for employment.

As with many issues faced by their veterans, with employment services 3HAC has opted to not “re-invent the wheel” and create job placement services themselves but to refer clients to those already have experience in that specialty.

Mr. Linley explains his work this way: “It’s my job to go to the employer and say, ‘I’ve got a veteran that is ready to go to work but he has some barriers.’ He may have a hearing impairment or a sight-impairment, or whatever the case may be. We have means and methods of working with that employer for trying to offset some of those expenses.”

Offsetting expenses for employers who hire veterans is done through the VA’s Special Employer Incentives Program (SEI) providing reimbursement of up to 50% of the veteran’s wages or salary during the SEI program, which typically lasts up to six months. Reimbursements can include expenses incurred for the cost of instruction, necessary loss of production due to training status, and supplies and equipment necessary to complete training. In addition to these reimbursements, employers receive a $1,000 tax credit for hiring recently deployed and now discharged veterans.

Linley stresses that they try to help veterans find employment that has a possibility for advancement, “We try to work with larger industries. A lot of these guys have forklift experience. I don’t say we don’t go to the fast food industries because we do, but we try to place them in a place that can provide a career, a stable work site...” Of their results, Linley says, “We had a 33% employment rate out of this program. Which is pretty darn good. That’s a pretty good number.”

Community Connectedness
Community Connectedness refers to the degree to which or methods by which an organization’s program and service delivery model supports a comprehensive reintegration strategy through connection to the web of various social supports provided by the broader community. The strength of 3HAC’s connections to the community mean that 3HAC staff do not have to become expert in all fields, but only that they know to whom to refer veterans. As CEO, JD Simpson told us, “I figured out that I don’t need to be the whole wheel. I can be the hub.”

To this end, 3HAC’s core service is providing a home. Here, 3HAC makes an intentional distinction between a house and a home; with a house being a building, and a home having all of the associations of safety, positive social connection, caring, being known, etc. While they provide the 16-week life skills course, 3HAC it is not an organization with highly trained and specialized counseling staff. For this, they maintain an extensive network of connections with sites that do have highly trained personnel and provide support and transportation to connect veterans with these agencies: the VA; its social and medical services; churches; and other veterans groups.

Along with the support they give veterans, another aspect of 3HAC’s community connectedness is the education they do for the public about the challenges faced by veterans. Staff noted that their relationships with local police have given them an opportunity to informally educate the police about PTSD, which in turn, seems to have resulted in them taking special care when dealing with the clients of 3HAC.

Related to this, 3HAC has developed a strong relationship with one individual – Larry Linley of the state workforce development system – who they work with regarding employment placement. By concentrating their tasks with particular individuals, those individuals build a base of knowledge and understanding of the special needs of veterans.

While this sort of community education about the situation and needs of veterans seems to be more informal than an explicit part of their program, it seems to also happen as part and parcel for their outreach for donations. Because of the deep passion and strong story telling skills of the core team, this group seems well suited for communicating about veterans’ needs.

A great deal of 3HAC’s lifeblood comes in the form of non-monetary donations: cars, food, clothing, and sweat equity. In this way their connections to the community are vital. The types of organizations that support them fall into five categories:

- Civic groups (e.g. Disabled American Veterans, churches, Elks club—23 in total listed in their materials)
- Businesses (e.g. banks, Home Depot, car dealerships—27 in total listed in their materials)
- Charitable foundations (e.g. The Home Depot Foundation, Community Fund of Greater Birmingham—10 in total)
- Government offices and elected officials (e.g. US Senators and members of Congress, US Dept. of Veterans Affairs—11 in total)
- Non-profits (e.g. Habitat for Humanity, Positive Maturity—8 in total)

Sometimes, in kind donations can’t be used as given, but call for some local trading; these in-community connections are also vital. JD Simpson explains:
I got a call from someone who had 40 cases of frozen chickens they wanted to get rid of. I was available so I went down in my truck and picked up 40 cases of frozen chickens. Well, then I traded those chickens with Christian Service Mission for some other stuff they had. They give me diapers, hamburger meat, cleaning goods. It’s a co-op trade for the non-profit world...

Veteran Programming Differentiation

Ninety-one percent of the clients are male, and 9 percent are female. The majority of those served at 3HAC come either from the Vietnam War (33%) or are post-9/11 veterans (35%), although they have had residents whose service dates back to World War I (5%).

JD Simpson, CEO and Co-Founder of 3HAC says that the line of distinction between the veterans they serve is that between those who served post-9/11 (35%), and those older veterans who either served in Vietnam (33%) or the Cold War (27%). His view is that the difference is more “in attitude, while the needs are essentially the same.”

Lynette Simpson, referring to the older veterans, says that, “Guys who have been on the street for 10 years or so, needed a home, needed someone to care, to remember how to be part of a family, life skills. One guy was afraid to live inside. After all, buildings blow up.”

3HAC’s approach to differentiating treatment is not based on the differences they tend to see between these two groups of older veterans and younger veterans, as much as attempting to differentiate on a person-to-person basis. While all residents go through the same 16-week training program described above, the more intensive interventions—whether for dealing with physical disabilities, psychological issues, drug treatment, or employment—are done by outside providers on an individual basis.

Regarding the narcotics abuse among the younger veterans, JD Simpson elaborates: “It’s not I.V. medication but prescription drug abuse that they’ve gotten at the VA. The drug system at the VA is...a big bureaucracy. We’ve had guys with as many as 58 prescribed medications come to the house...It wasn’t anyone’s fault—the system didn’t work. I don’t think a lot of the addiction is intentional, but it’s reaching for something.”

Women Veteran Efforts

JD Simpson says that the problem in finding support for programs specifically serving the 9% of their clients who are female is that “not enough people see the need that is out there.”

Lynette Simpson, Board Secretary and COO, says that women in their program are a mixture of both post-9/11 and older veterans, saying that they tend to have greater involvement with drugs than the men, but fewer complaints of PTSD. Ms. Simpson says, “It’s there but it’s less visible.”

Currently, women are placed in the same houses as men. In cases where there are multiple women in a house they are placed adjacent to each other. To address security concerns, JD Simpson says that all houses have security cameras and that that it would be visible if a male were to cross through the doorway to a female’s room. He says that for females they also make a point of “not putting them in front of the kitchen list,” (lest the males begin to expect them to cook). Sexual harassment training, he
says, is done “on a whim,” when staff perceive that there may be a need or when specific issues or conflicts arise.

In contrast to other organizations surveyed in this study, 3HAC does not find a great need for separate facilities for females. JD Simpson, says, “They’re usually ok [with living together with the men].”

The one problem that JD Simpson did report having come up in mixed housing was when a woman, who had previously supported herself as a prostitute, continued to practice the trade with men in the house. In this case, the staff came to see that the woman perceived this as the only option for supporting herself, provided counseling that helped her find other employment. JD Simpson explains, “If we had a knee-jerk fraternization policy, that would not have solved the problem. The issue was a mental health issue that she thought that that was her lot in life.”

Currently, 3HAC is working on creating a house exclusively for women.

Transition to Civilian Life

One of the things that bothers me are those TV commercials where the guy is walking through the airport and everyone applauding. You know, that’s great. Everybody loves that. It brings a tear to everybody’s eye. What it doesn’t show is how many of those guys who are walking through are going to commit suicide; how many are going to try; how many are going to end up on the street; and how many are suffering from PTSD. And because of that—America has such blinders on. They see the glory; they see the uniforms; they see the heroes. But they don’t see the damage inside. I think that is our biggest issue. (Lynette Simpson, Co-Founder, COO & Board Secretary)

When asked about the patterns that lead a veteran to be homeless, the depictions described by 3HAC staff and administration involve a break from the veteran’s social support network of friends and family, albeit one often connected to one or more of the following factors: psychological issues (PTSD, depression), substance abuse, and/or loss of employment.

JD Simpson tells the story like this:

These guys come from Woodline High School which is 75 yards from here. They see what they see over there and they do what they do over there. And it sucks. They get back here. They don’t want to go to work but they have to. The medical community throws drugs at them, and changes their medications and tries to medicate the issue away...The wives don’t understand, or the husbands, in some cases. It’s addiction, it’s illness, it’s relationships. It’s all of that.

When asked how long post-9/11 veterans are typically home before they end up at 3HAC, JD Simpson says,

Less than a year. Normally the wife’s not going to put up with the crap. She’s been much more independent while he’s been gone and she will tolerate some with some but not much. A lot of times the job that they once had is not there anymore. Not finding people at the job receptive—feeling alienated at the job. If they’re coming back they’re feeling...
like they’re competing with people 5-10 years younger. We have much more self-gratification concept in our lives than we had 20 years ago...The younger generation is much more, “This isn’t what I wanted!” More of the blame game. It’s happening faster.

Independent Sector Involvement

Corporate donations account for the third largest source of income for 3HAC, making up 11% of their total income according to Rich Cislak, CFO and Treasurer. In addition to this, corporations such as Home Depot sponsor events that enlist volunteers for intensive renovation efforts.

The range of motivation for helping 3HAC seem to include a sense of altruism, publicity for one’s organization or business, tax deductions, a sense of indebtedness for veterans and the example of sacrifice provided by the nearly unpaid full-time staff members at 3HAC.

Media

In its short history, 3HAC has received considerable media attention having been featured on the following:

- CNN – Anderson Cooper 360
- ABC, NBC, CBS, FOX Affiliates in Birmingham, AL
- Independent TV coverage – Birmingham and Tuscaloosa, AL
- Multiple radio stations in AL and FL
- Birmingham News
- Huntsville Times
- Trussville Tribune
- Birmingham Metro Magazine
- WELD magazine
- DAV national magazine
- “Numerous other local papers”

In addition to this, they also have a small presence on Facebook (77 likes), a more popular following on Twitter (737 followers) and the CEO blogs on their website.

Outreach to the media is handled by Outreach Director Mary Springston and CEO JD Simpson. Simpson has been standing in since their Vice President for Marketing moved on.

Simpson says that their approach is to continually reach out to media about what they’re doing at 3HAC, but that since developing these relationships, the media have begun coming to 3HAC for comments on veterans’ issues not directly involving 3HAC. Simpson explains what he envisions as they move ahead and some of the constraints on their marketing program with his typical “do what you can” outlook:

I plan to keep this going as much as possible by continually reaching out to anyone who will listen. Would love to have a budget item for marketing - the bill boards, the radio spots, and all that. But for now - we pay the bills and buy gas - everything else - we keep yelling to the world hoping someone is listening. Probably not the most professional business plan option out there - but it is all I have for now. One day I will have us a
4. Key Learnings and Reflections
Catalysts of Impact
When interviewing administration and staff at 3HAC, person after person stated that what drives 3HAC is “passion.” Many spoke of the passion of the founding team, and particularly the passion of JD Simpson, Co-Founder, President and CEO.

The passion of the founders isn’t hard to see. As JD Simpson tells it, because his family was from Birmingham, it was the one place that he was not willing to re-locate to, when he, his wife, Lynette, and friend, Rich Cislak called the VA and asked where they were needed. The answer, of course, came back as “Birmingham,” and the three agreed to go. (Indeed, along with passion, moving to a high need area also undoubtedly fueled the buy-in 3HAC has received from the public).

By all accounts, their personal economic situations were precarious, their skill set was at times ill-suited for the jobs at hand, and their plan was vague. And by all accounts the founders made a commitment of time, energy, and, essentially everything they had. The work they were engaging in—renovating dilapidated houses—had to have been hard, hot and dirty.

All this makes up the inspiring story of 3HAC. While the administration and staff cite “passion” as the key ingredient for 3HAC’s successes, what also seems important is the ability of some key people at 3HAC to tell this story.

There is an organization called Ignite Good that has made a study of how stories have been used to fuel social movements across history, and advises organizations on what they can learn from their example. Todd Schechter, Co-Director of Ignite Good says that when looking at organizations and movements that have used stories as catalysts says that they typically involve four key elements:

1. A character (Either a person or a community)
2. A challenge that the character or community faced
3. A choice or an action taken in response to the challenge
4. And an outcome that gives hope to others

In interviewing JD Simpson, nearly every answer he gave began or ended with a person story of challenges faced by veterans or by those of his staff. He is a powerful storyteller. He conveys a genuine wealth of feeling about his work and the people he serves—love and sacrifice and anger at having to do the work he does. He tears up when talking about the injustices endured by veterans. He curses, often humorously, increasing the feeling that he is showing you his “behind the scenes” self and giving it to you straight. And all of these vivid, rich, inspiring stories exemplify the elements of stories Todd Schechter says pull people to action.

While we would agree with the staff and administration’s assertion that “passion” has been a powerful motivating force for building involvement around 3HAC, there are other organizations that also have passion but use it less productively because they lack the ability to tell stories. What is different at 3HAC
is that they have been able to articulate the passion of its team through storytelling in a way that motivates people to join or to contribute, and this has been a component in their organizational growth.

Barriers to Impact
Paradoxically, the barriers to impact that 3HAC faces are rooted in its strengths. Its reliance on passion and sacrifice, a can-do culture, and the ability of a charismatic leader who can articulate that passion through stories, also serve as limiting factors.

3HAC seems to be at an important point of transition in its development, moving from early to mid-stage organizational maturity. The organizational structures and culture that served it remarkably well as a start-up have become strained as they have expanded to 8 functioning houses with a new training center being built.

Passion and self-sacrifice
While passion and self-sacrifice of the founders have inspired the same among both the staff and volunteers, and motivated an outpouring of in-kind donations, they have been less successful in securing stable funding. Everyone interviewed agreed that they need more money, and while most organizations list money at the top of their list of needs, 3HAC, with a mostly volunteer staff, seems like they have squeezed by further than most. Here’s how Rich Cislak, Executive VP, CFO and Treasurer describes the payroll:

*Only Vick—he draws a salary. He’s VP of operations. I make 15K per year. That’s it. Everyone else—maintenance workers—we’re paid as contractors. The house managers they get $500 per month. They don’t have other jobs. They work 24/7. Most of the people who work for us are previous residents. Our contract workers—the guys who work on the house, they make $1000 (2 people) to $1600 (1, who is the crew chief) but they get room and board. (Two houses have house managers). There are three contractors who do maintenance work. We have 3 VISTA workers. They make $900 and we pay for one. They’re on their third year. That is our biggest obstacle—paying people. Everyone works 100 hours per week; it’s non-stop. You try to give them whatever they can.*

As Lynette Simpson points out, what is needed is not just money but long-range funding rather than their current reliance on the “soft money” of grants and donations. “We have a lot of community support,” she said, “but it’s a lot of brick and mortar stuff; its stuff they want to see. Because we don’t have the funding, we can’t have adequate staffing. We need to get the Foxhole open for training and office space.”

A can-do culture (rather than a professional one)
3HAC has benefited greatly from its can-do culture. This culture has allowed them to plow ahead without waiting to hire the right person or for someone on staff to get the right degree. It also inspires others to find a way to do what they can—donate, volunteer, or, in the case of the homeless veterans, to take charge of their own situations.

That said, as the organization gets larger, there seems to be more need for more organizational framework and professionalism; for there to be individuals with knowledge of their field who can

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specialize in what they know best. JD, the CEO says, “Money is going to come. The biggest barrier is knowledge and communication about what we’re doing. If I knew how to write a grant…”

While the “everybody does everything” approach is well suited for a start-up, as an organization grows the CEO’s responsibilities grow, too, making it less optimum for him to spend time picking up donations or painting new buildings. The same goes for others with other job descriptions. For the organization to continue to grow there will need to be greater focus on detailed job roles and functions.

Reliance on a charismatic leader
When asked about challenges JD Simpson said: “I need communication. I need someone, besides me, to stand in front of the Birmingham news and say, ‘This is what 3 Hots does.’”

In sum, the challenges that 3HAC are facing have to do with building organizational capacity in ways that do not put greater load on the staff but rather lighten this load. Currently, the staff of 3HAC seems to be giving 110% doing marketing, soliciting donations, trying to get VISTA volunteers, writing grants and so on. They are moving ahead with their plans for a separate organization modeled after “the mothership” in Alabama but functioning as a separate legal entity. A similar proposal has been discussed for Florida. While these efforts are proceeding, they are challenged by a lack of a stable funding stream. Reaching the limits of how many hours the current group of people can work in a day, the question is no longer whether they can work more but whether they can find more sustainable systems.

Ongoing Efforts to Enhance Impact
Looking ahead, 3HAC holds the following as its priorities for the future (“Sustainability and Expansion, Aug, 2014”):

The Foxhole Training and Administration Center:
The next milestone for 3HAC will be the renovation of a building owned by 3HAC that will serve as “The Foxhole,” their center for training and administrative offices. Currently they need $75,000-100,000 to complete this project.

Payroll
In the document, Sustainability and Expansion (2014), they write, “We currently operate with ONE paid staff member, a half dozen contractors, and a half dozen volunteers. We need a minimum staff of 6-8 people with payroll, benefits, and insurance packages totaling $350,000 per year. We could fill several roles as we do now with volunteers. A dream package would include a full time staff of 17 to offer all the services we need but would have an annual cost of $850,000.”

Northwest Florida Transitional Home
3HAC is currently working with elected officials and community organizations to create a 10-15 bed transitional facility in Florida for homeless veterans. The projected capital cost is $250,000 with an annual operating budget of $125,000 to include one paid full-time staff and 1-2 volunteers.

Alabama Veterans Dormitory
This project is in the planning phase and is intended to create a 15-20 bed dormitory as alternative housing for veterans in treatment programs through the court system. The projected capital cost is $250,000 with an annual operating cost of $175,000 to include two paid full time staff and two
Arizona Fort Comfort
The intent is for this to be a 40-acres veteran’s community on Route 66 near Seligman, AZ. Two board members currently own this property and have agreed to make it available for no cost once funding is in place for its development. Lynette Simpson explained to us their vision and how it developed:

As we grew, Senator McCain had wanted us to come out to Arizona to expand. Florida was wanting us to expand....As to what we hope [the Arizona facility] will be, it will be affordable housing, for veterans, their families, for widows, sort of a safe community where they can come and have affordable housing. Laundry facilities will be there, rec facilities. We want to have a restaurant and a gift shop to sort of help get the funding in. We called it Fort Comfort, out of like 50 names we chose coming back, because that’s what we want them to have. We want to provide comfort, and Fort because of the area. So that’s where the concept came from. It’s a long way in the process. We’re anxious to break ground and everything, but there’s so many puzzle pieces that needs to come together before we can do that. Kind of what we envisioned, ideally, was to have this community little town within itself. Maybe one of the retired veterans out there is a barber, or is a licensed doctor, or anything like that to where we could be as self-sustaining as possible. That’s what we would hope to do. If we end up with a lot of kids then maybe a small school, but we’re talking years down the road, nothing we could do anytime soon.

Professionalization of the Organizational Culture
Along with the programmatic changes listed in the items above, Chairman of the Board, Major General (Ret.) David Burford spoke to us about ongoing efforts to professionalize the organizational culture of 3HAC, explaining that so far this has meant increasing their sophistication in relation to real estate transactions, banking, finding secure and dependable funding, and archiving institutional knowledge, processes, and practices:

When they made me the chairman, I tried to give them as much of a business makeover as I could. One of the issues was they had all these properties...I asked them about the titles to the house. Well, it turned out the titles aren’t clear. My brother’s a real estate attorney, so I said, “How about clearing up these titles, and let’s get clear title of these properties.” Because we could paint these things, replace the kitchen, and Joe Smith, grandma’s long lost nephew could come in and say, “Oh, that’s my grandma’s house. I’m taking it back.” So I didn’t want that to happen because I figured it would be tragic.

We’re starting to professionalize a little bit. I opened an account at Ameriprise, so if someone were to bequeath us a stock portfolio, we’d have a place to park it, and perhaps live off the proceeds, or put that in our O&M operations costs and not have a place to park it. Just talking to bankers. One of my best friends is an executive vice president at Regents Bank...He gives us financial advice about what the market’s doing, and where to go, and what not to do. Tom Cosby, a very prolific fundraiser here in Birmingham is a close friend of mine, so I just ask him for advice, not ask for money, but just tell us how to look for money, who we should be talking to and how do we get it. I
think one of the bigger problems here is a dependable, continuous funding stream. That worries me. That’s my biggest concern.

That and what I call succession planning. If I got hit by a bread truck, or JD got hit by a bread truck, do we know who’s going to take his place and how that’s going to work? That’s already written in draft form, and that’s a military look at some of this too. What’s your campaign plan for five years? What’s your leadership plan? Who’s the platoon leader? Who’s the squad leader? A couple of weeks ago, I described that to him. I said, “You know, if you and I were not to be able to ever come here again, will this continue?” That’s a really important question. They do not have to know how to do the job, but they’d have to find out how to do the job if we’re not here one day. That’s kind of what’s going on in the book [referring to the manual that 3HAC had prepared for the GWBI visit]. This is exactly with I had in mind.