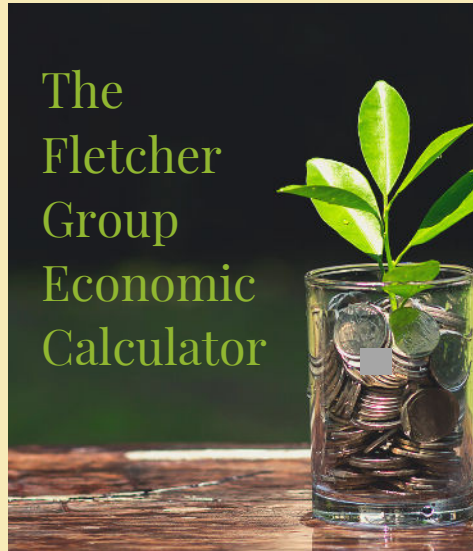


# RECOVERY

*The official newsletter of the  
Fletcher Group Rural Center Of Excellence*



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## A NEW TOOL TO HELP YOU SUCCEED

*by Founder and Chief Medical Officer Dr. Ernie Fletcher*

Recovery housing provides numerous personal, social, and economic benefits, but quantifying them has heretofore been difficult, if not impossible. Thankfully, that's about to change.

The new *Fletcher Group Economic Calculator* accurately quantifies and documents both the costs and benefits of your recovery home, making it easier than ever before to demonstrate your value to stakeholders, government officials, and funders.

Applications include grant proposals, retrospective analyses, planning for financial outlays, and projected ROI (Return On Investment). An important bonus: Reports can be customized to your location—rural or urban—and the specific services you offer.

If this exciting new tool can help in any way, please [click here](#) or sign up for technical assistance on our website at [fletchergroup.com](http://fletchergroup.com).

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## WHY THIS TOOL

For those of us who work in recovery the benefits go without saying. We know from research—as well as personal experience—that recovery housing reduces substance use and criminal justice involvement, increases employment and income, lowers social and economic costs such as healthcare and criminal justice costs, and improves mental and physical health.

That being said, funders naturally want to make sure their money is well spent and nothing does a better job of that than actual numbers. That's where the Fletcher Group Economic Calculator comes in.

### Game-Changing Technology

Although there are limits to knowing what the future holds, the Fletcher Group Economic Calculator is remarkably adept at accurately identifying and quantifying both the near-term and long-time costs and benefits associated with recovery housing.

### Based On Real-World Experience

Our vast experience working with recovery home operators combined with the due diligence of our seven-person research team makes us confident that the new Economic Calculator will become an indispensable tool in recovery homes across America. Its value is further enhanced by the fact that it can be easily customized to each home.

### Data Unique To You

For example, the data revealed for a single house in a rural area with a handful of beds may look substantially different from that of a large urban program encompassing multiple homes and hundreds of residents.

### So Many Applications

Whether you're applying for a grant, answering questions from a stakeholder, or convincing a government or philanthropic funder to support you, the Fletcher Group Economic Calculator can meet your needs with unprecedented ease and efficiency. (See the next page for a complete list of potential applications.)

### Time-Sensitive

One important additional benefit is the calculator's ability to provide data along a variety of timelines. For example, grant applications often want information



To watch Dr. Madison Ashworth's webinar in which she introduced the new Fletcher Group Economic Calculator, simply...

[CLICK HERE](#)



regarding a specific timeline and may stipulate a number of deadlines. The Fletcher Group Economic Calculator can help you with that and with many other specific forms of information that you can disseminate and share in a multitude of different settings.

### All Together Now

In other words, the cost-benefit data now available to help you make your case can be trusted and acted upon with complete confidence by everyone you work with.

# SO MANY BENEFITS!

Because recovery housing has so many benefits, a detailed cost-benefit analysis can greatly increase your chances of success when seeking support. It can also help you efficiently allocate resources when contemplating a financial outlay such as renting or purchasing land, a building, or equipment.

"Let's say you already have one house, but are thinking of adding another to serve more people," says Fletcher Group Research Associate Madison Ashworth. "Our Economic Calculator can give you a variety of expansion scenarios including what kind of building is best, who and how many it might serve, how it meets your community's needs, and—most importantly—whether it's worth the investment."

## Grant Applications

Many recovery homes and programs need grant money to survive, but writing a grant proposal is never easy. What helps (and not just a little) is providing universally understood metrics that accurately quantify your home's net economic benefits and the grantor's potential Return On Investment (ROI).

"With the Economic Calculator you can show funders the exact benefits their money can achieve," says Ashworth. "There's nothing more important in terms of what they want to hear and what will influence their decision."

## Community Support

"There's a whole suite of community benefits that come from helping those with a Substance Use Disorder," says Ashworth. "The Economic Calculator breaks out the most important ones so recovery home operators can persuasively address each and every stakeholder, from concerned healthcare worker to skeptical criminal justice leader. Reliable, fully transparent numbers get everyone on the same page and help build the strong relationships and enduring community trust that's essential to success."

## Money Matters

"It might be the economist in me," says Ashworth. "But I do believe that—for most people—money talks. They want to see the dollars and that means the cost dollars as well as the benefit dollars. And then they want to see the math that shakes out when the two are put together."

## Likely Application

According to webinar attendees

83% Apply for grants

75% Engage stakeholders

69% Engage community

65% Document outcomes

62% Develop programs

60% Expand programs

## Different Forms of ROI

One important distinction is between Start-Up and Operating costs. Figuring the ROI for the latter can be tricky because it involves the long-term success rate of residents. "And the only way of knowing that," says Ashworth, "is to track your residents over time."

But what if you're starting a new home from scratch? "In that case, we base the estimate on data and what we know anecdotally."

## Honesty Pays

The important thing is to be as transparent as possible.

"If someone questions your success rate, tell them exactly how you came up with it. You can then run different scenarios in the calculator using different rates. They'll appreciate your honesty and your willingness to hear them out and work with them."



# HOW IT WORKS

The Economic Calculator considers a number of fixed costs and avoided costs. **Facility Costs** include Start-Up expenses such as land purchases and construction while **Operating Costs** include such things as rent, food, and staffing. To calculate **Avoided Healthcare Costs** we start by estimating the healthcare costs per resident per year and adjust that estimate by state since healthcare costs vary widely by region." **Avoided Criminal Justice Costs** are derived from Bureau of Justice and National Center for Drug Abuse statistics that consider personnel wages, capital outlays, and expenses incurred by police, judicial/legal, and corrections departments. **Avoided Productivity Costs** are estimated by dividing the nation's total annual productivity costs due to SUDs by the number of people who have them. That number (\$9,443) is then adjusted depending on the average income and earning levels in your area. For example, a productivity cost of \$10,409 in an urban setting might be \$7,307 in a rural area. **Avoided Mortality/Morbidity Costs\*\*** are estimated using a value referred to by researchers as "VSLY" for "Value of a Statistical Life Year." If it sounds geeky it may be because it's trying to do something a bit weird: ascribe a dollar value to one year of life.

## The Numbers We Need From You

To provide accurate cost and benefit estimates the Fletcher Group will need from you the key inputs listed in the highlight box to the right. Once we have those numbers and a few other details, we'll run the calculator and email you a report (usually within 48 hours) containing the following information.

- Total Costs
- Total Benefits
- Net Benefits (Total Benefits minus Total Costs)
- Net Benefits across a range of success rates
- Start-Up Return On Investment
- Operating Return On Investment
- Total Return On Investment
- Total Return On Investment across a range of success rates

We're of course happy to explain any categories and numbers you have questions about and advise you on how best to use the information to gain the support you need to continue your good work.

\* We'll be happy to go into the formula in greater detail when you contact us.

\*\* Morbidity refers to illness while mortality refers to death.

## WHAT WE'LL NEED FROM YOU

To get started, we'll need the following:

- Your estimated start-up costs
- Your estimated annual operating costs
- Your state and whether you qualify as "rural" (to know, visit [data.hrsa.gov/tools/rural-health](https://data.hrsa.gov/tools/rural-health))
- Your estimated success rate (the percentage of your residents who go on to long-term recovery)
- Your "time horizon" (for example, the life of the grant you may be applying for)

It's also helpful to know to whom and how you plan to present the information and what deadlines you're under.

## HOW TO GET STARTED

[CLICK HERE](#)



OR SCAN THIS CODE

