



Goodwill Industries International, Inc.

Annual Report



Values

- Respect
- Stewardship
- Ethics
- Learning
- Innovation



Vision

We at Goodwill® believe that every person has the opportunity to achieve his/her fullest potential and participate in and contribute to all aspects of life.

Mission

Goodwill Industries® enhances the dignity and quality of life of individuals, families and communities by eliminating barriers to opportunity and helping people in need reach their fullest potential through the power of work.



Dear Goodwill stakeholders,

What a remarkable year 2010 was for the Goodwill enterprise! We're growing rapidly and we have no plans of slowing down.

Many components make up Goodwill, from our well-known retail stores to job training and career services, but all of our work boils down to a single objective: to help people earn jobs, support their families and strengthen their communities.

In this Annual Report, you'll read highlights of our work during 2010 in the areas of mission growth, business growth, protecting and growing the Goodwill brand, and influencing public policy. You'll also read stories of remarkable people who excel in the world of work thanks to the services they received from Goodwill.

As shoppers and donors, volunteers and business partners, you've helped us stay true to a mission that's almost 110 years old. We invite you to learn more about how you help build stronger communities just by supporting your local Goodwill.

Sincerely,

Jim Gibbons
President and CEO
Goodwill Industries International, Inc.

Top 10 Accomplishments of 2010

1. More than 2.4 Million People Benefited from Goodwill Services

The Goodwill enterprise served more than 2.4 million people in 2010, an increase of 26 percent, and placed approximately 170,000 people in good jobs, an increase of 7 percent over 2009. These individuals earn an estimated \$2.7 billion in wages. Every 42 seconds of every business day in 2010, a person served by Goodwill earned a good job. Every 13 seconds, another person accessed Goodwill opportunities to build careers and strong families.

2. Goodwill Increased College and Career Success

Leveraging its own resources with an investment from the Lumina Foundation for Education, Goodwill launched the Community College/Career Collaboration(C⁴) initiative. This is a partnership between Goodwill Industries International and the American Association of Community Colleges, the Aspen Institute, Jobs for the Future, and three pilot community college collaborations with Goodwill that present successful, replicable models for collaboration. The project's purpose is to assist thousands of individuals who lack college degrees or career credentials by providing them with easy access to education, job-specific training and supportive services. The project engaged more than 30 Goodwill agencies and community colleges to more effectively leverage each entity's strengths and capabilities.



Goodwill Industries International received two platinum Ava Awards for the video "Goodwill: Building Job Opportunities, Stronger Families and Vibrant Communities," which showcases Goodwill's mission of helping people transform their lives and strengthen their communities through education and career services. [View the award-winning video.](#)





3. Goodwill Launched the Donate Movement

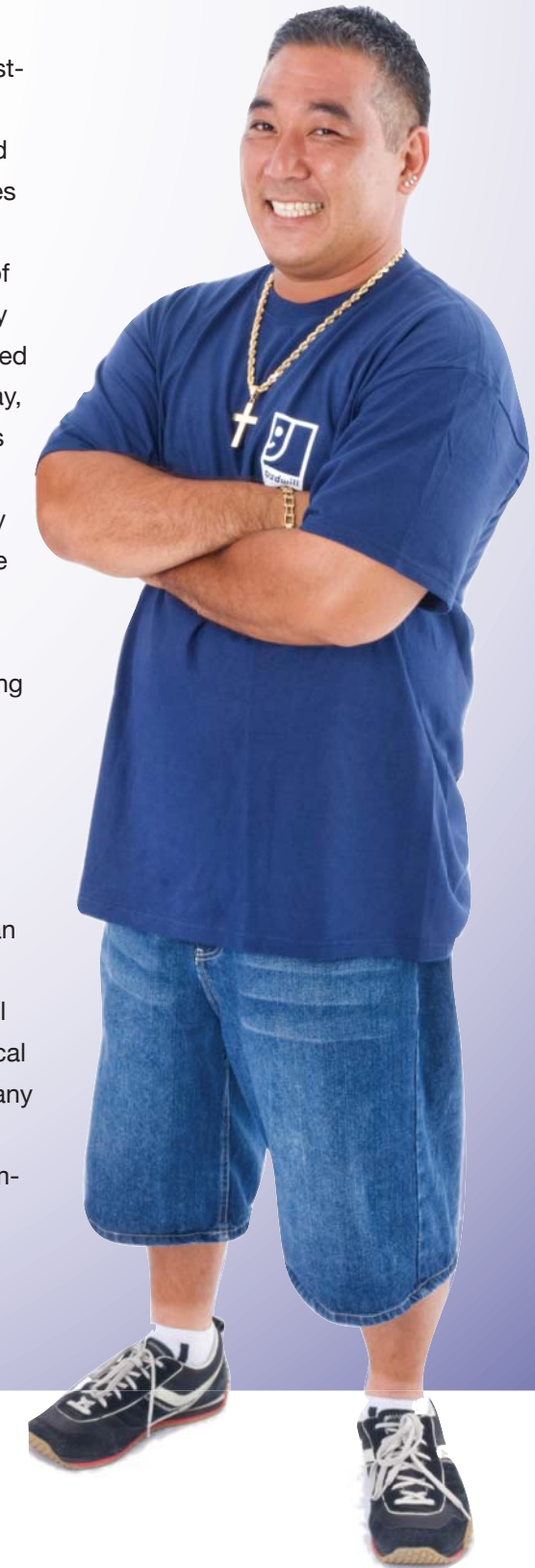
Launched in June of 2010, the Donate Movement is a corporate social responsibility platform and public awareness movement powered by Goodwill that focuses on the positive impact donating has on people and the planet. Since its launch, the Donate Movement has provided an enormously successful platform for Goodwill and its corporate partners to raise consumer awareness of the power their donated goods can have in strengthening communities. As an ultimate outcome of the movement, Goodwill aims for the donate “D” icon to become a universally recognized symbol stamped on donateable items — comparable to the recycling symbol — that reminds consumers to donate their gently used goods when they are no longer needed. Levi Strauss & Co. joined Goodwill in launching the Donate Movement and has shown its commitment to environmental sustainability by incorporating donation language in Levi’s jeans and the donate icon into its ‘Care Tag for Our Planet’ marketing and outreach. To help consumers understand the impact their donated goods make on people’s lives, Goodwill created the Donation Impact Calculator. Since its launch, more than 264,000 calculations have been made on the patent-pending tool, located at donate.goodwill.org. This first-of-its-kind online tool allows consumers to calculate how many hours of job training and other Goodwill services their donations help provide to people in their own communities. The launch of the Donate Movement received accolades and was awarded the Gold Award in the community relations category from the League of American Communications Professionals 2010 Magellan Awards.

4. Goodwill Advocated for Legislation on Capitol Hill

Goodwill’s influence in U.S. federal policymaking was stronger than ever in 2010. At the request of key House and Senate Committee staff, Goodwill provided legislative specs on a range of subjects regarding Workforce Investment Act reauthorization, including improving one-stop delivery of services to people with disabilities, development of a workforce innovation fund, and improved performance measures and transitional jobs. A Goodwill Industries International representative delivered testimony to the House Subcommittee on Commerce, Manufacturing, and Trade regarding a discussion draft of legislation that would fix problems created by the Consumer Product Safety Improvement Act. Attendance at Goodwill’s annual advocacy event increased by 57 percent over 2009, resulting in 288 meetings on the Hill in just one day, including representation of 30 program participants from Goodwill agencies across the country. By the end of 2010, nearly 100 members of Congress or congressional staff had visited local Goodwill agencies. The public policy team also continued to provide resources that help local agencies and state associations influence state-level policy development. In Ottawa, Canada, Goodwill CEOs gathered for meetings with Canadian legislators, setting groundwork for potential procurement legislation that would ensure the hiring of people with disabilities.

5. *shopgoodwill.com*® Reached \$100 Million in Sales

In 2010, *shopgoodwill.com*, the first and only Internet auction site run by a nonprofit organization, earned \$100 million in support of the Goodwill mission. Since 1999, *shopgoodwill.com* has enabled Goodwill to give more than 33,000 people the tools they need to find employment and care for their families. After more than 10 years in operation, the site has helped Goodwill create jobs so people can earn paychecks and fuel the economy in their local communities. More than 576,000 registered users from all 50 states and many other countries browse, bid and buy on the auction site. There were more than 30,000 items posted on the site at any given time in 2010, and consumers have bought more than 5.6 million donated items to date.



Lorie Marrero joined Goodwill as the official spokesperson for the Donate Movement. To coincide with the launch event, she appeared in a number of public service announcements to emphasize the importance of donations, stating that “Just as there are things you recycle, there are things you donate.” [View the PSAs.](#)



6. Goodwill's Grants Grew to More Than \$70 Million

In 2010, Goodwill Industries International administered 25 grants among 90 local Goodwill agencies. Goodwill Industries International's combined federal and private grants grew by \$12 million in 2010. Government grants were up 10.4 percent, which represents the bulk of the agency's grant revenue. Among Goodwill's grant-funded programs:

- **GoodGuides®:** This national mentoring program gives youth structured, supportive relationships with trusted adult mentors. The GoodGuides program was made possible through a \$19.1 million grant from the U.S. Department of Justice, which was dispersed to 56 independent agencies across the country. The overall goal is to help youth build career plans and skills, and prepare for school completion, post-secondary training and productive work. GoodGuides created 160 jobs, served 5,024 youth ages 12 to 17, and engaged 3,749 volunteer mentors in 38 states. Each of the 56 participating Goodwill agencies partners with juvenile justice departments, one-stop career centers, faith- and community-based organizations, Workforce Investment Boards, and local educational institutions/agencies to build a network of support for both youth and their families.
- **Goodwill Goes Green:** Goodwill advanced its holistic career development framework with six local organizations deploying this initiative focused on supporting the emerging green economy. Goodwill Goes Green was funded by a \$7.3 million grant from the U.S. Department of Labor through the American Recovery and Reinvestment Act (commonly known as the Recovery Act of 2009). It is a national model implemented in six diverse, high-need communities to help job seekers obtain training and secure green jobs.
- **GoodProspectsSM:** Goodwill received an additional Recovery Act grant of \$3 million from the U.S. Department of Labor to expand virtual career exploration capacities in seven Goodwill organizations across eight states. GoodProspects enables these agencies to reach underserved populations through acquisition of additional computer technology for career exploration and development, particularly in the health care field. GoodProspects also promotes professional development training for career development facilitators and instructors within the agencies and other community-based organizations. With the grant funds, Goodwill began developing goodprospects.goodwill.org, an online community to support virtual career exploration, allowing users to connect with others looking for jobs, get help from Goodwill job coaches and virtual mentors, share their experiences with others, and explore careers.
- **Beyond Jobs:** Goodwill received a \$2.5 million grant from the Walmart Foundation to implement and administer a program that provides a holistic integration of career services with family and financial strengthening strategies for single mothers and their children. Goodwill empowers single mothers with all the tools they need to find employment, succeed in the workplace and support their families in the five key markets of Atlanta, Boston, Detroit, Long Beach, and New York City, through 2012. The funding has already assisted single mothers with job training and placement at select locations.



7. Goodwill's Social Enterprise Continued to Grow

Despite a historic economic downturn affecting retailers nationwide, donated goods retail revenue grew by almost 12 percent, well above the national average seen by for-profit retailers. In addition, Goodwill's revenue from commercial services and business development was up 6.5 percent; this includes the means by which Goodwill creates jobs through contracts with businesses and government to provide a wide range of commercial services, including packing and assembly, food service preparation, document imaging and shredding, groundskeeping and administrative support. The revenue for AbilityOne funding was up 10 percent, and total revenue grew 9.9 percent. Goodwill channeled 84 percent of its total revenue into education, career services and other critical community programs.

8. Goodwill Implemented Green Practices at International Office, Expanded Electronics Recycling Partnership

Goodwill has been an entrepreneurial leader, environmental pioneer and social innovator for nearly 110 years. In 2010, Goodwill Industries International increased its Energy Star Portfolio Manager rating from 43 in 2006 to 63 in 2010, resulting in a decrease of 17.5 percent in overall energy consumption. Goodwill Industries International also entered into a two-year, fixed-cost contract to purchase 100-percent wind power Green-e-certified renewable energy certificates, resulting in reduced carbon dioxide emissions as well as estimated savings of more than \$8,000 annually. In recognition of these initiatives, Goodwill Industries International was certified as a Green Business through Montgomery County's Green Business Certification program.

The Dell Reconnect partnership expanded from 99 to 108 participating Goodwill agencies and more than 2,200 collection sites, reaching 43 million households in 40 U.S. states and two Canadian provinces. More than 95 million pounds of computers and related equipment were collected in 2010, generating more than \$10 million in revenues for Goodwill and employing more than 250 people in green jobs. Goodwill also helped launch pilot recycling initiatives for televisions, mattresses and plastics. As a result of these efforts, Goodwill won *SmartCEO* magazine's EcoCEO Award in the implementer category for medium-sized business and nonprofits.





9. Goodwill Engaged in Valuable Partnerships to Promote Its Mission

Goodwill developed and managed seven unique national and international partnerships in 2010. The semi-annual Goodwill Sale with Bon-Ton generated an average of 42,000 shoppers and donors per spring and fall sales. Donations of clothing and textiles totaled more than 8 million pounds. FLW Outdoors continued to be an important partner, contributing approximately \$1 million of in-kind advertising, marketing and media services. As a result of the FLW partnership, Goodwill's brand reached 76 million Americans. In New York City, an event with eco-friendly home care company, method, featured a mobile laundry room housed in a glass truck that gave New Yorkers an easy way to clean out their closets and donate to Goodwill. Among the flurry of earned media and celebrity donations, a five-minute segment on *The Early Show* generated significant brand exposure for Goodwill. In Canada, TABI International continued to support Goodwill, and a new national partnership with Sears Canada reached at least 30 million people through marketing and cross-promotion. Other key partnerships in 2010 included a back-to-school donation drive with *Family Circle* magazine, which reached 20 million readers and garnered approximately 10 million pounds of clothing donations, as well as donated goods partnerships with Burlington Coat Factory and Jo-Ann Fabric and Craft Stores.

10. Goodwill CEO Appointed to White House Council

President Barack Obama named Goodwill Industries International President and CEO Jim Gibbons to the newly established White House Council for Community Solutions. The council will focus on developing ways to enlist more Americans and leaders across sectors to help affect change that builds healthy communities and makes progress on the nation's biggest goals in education, youth development and employment as well as provide advice to the President on solving specific community needs. Gibbons is one of 25 leaders on the council from nonprofits, corporations and foundations, all of whom are committed to social innovation and civic engagement.

Meet the 2010 Graduates and Achiever of the Year

For more than a century, Goodwill has been helping people find jobs, support their families, and feel the satisfaction that comes from working. Goodwill empowers people through a variety of job training programs, employment placement services and other community-based programs.

The 2010 Kenneth Shaw Graduates of the Year and the 2010 Achiever of the Year are just a few of the millions of people who look to Goodwill for career services and related support. To hear more stories of success from the people we serve, visit the My Story blog at www.goodwill.org/my-story.

Achiever of the Year

Richard Lopez

Goodwill Industries of Central Texas



Richard Lopez believes his four children and 13 grandchildren would have had very different lives had he not found Goodwill Industries of Central Texas (Austin). Today, Richard's family sees him as a role model and understands his journey was not without obstacles.

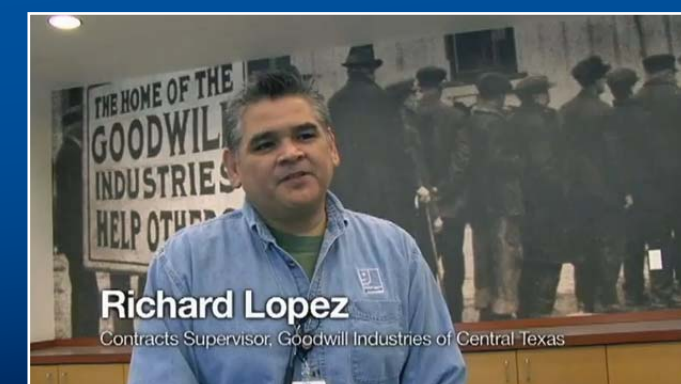
Richard remembers stealing money from his parents at age 9 to buy cigarettes, and by 12 he was buying drugs. By age 17, he was selling drugs and already an alcoholic.

When he was 36, he and his wife decided to get sober for the sake of their children, and they did just that.

Keeping a job was Richard's biggest challenge; he worked 16 different jobs in four years before he approached the Austin Goodwill's Commercial Services Division. After only four months as a mailroom clerk, he was promoted. He soon took on the role of mentor for new employees. After several years, he was promoted to contracts supervisor, a position in which he thrives today.

"I was living in the projects and, with Goodwill's encouragement, I was able to buy my first home," he says.

[View the video](#) to hear more of Richard's story.





Goodwill's MyStory blog and podcast, which delivers first-person success stories of program participants, volunteers and staff, won the 2010 Excellence in New Communications Award from the Society for New Communications Research, 2010 IABC/DC Metro Silver Inkwell Award from the International Association of Business Communicators and the 2010 APEX Award of Excellence.

Kenneth Shaw Graduates of the Year

Sandra Martin *Goodwill Industries of Southwest Florida*

Years ago, Sandra Martin overheard someone tell her daughter that she'd end up taking care of Sandra for the rest of her life. In that moment, Sandra decided her blindness wasn't going to stand in the way of her independence.

With few job skills, she learned to use the Job Access with Speech (JAWS) program and became computer literate for the first time in her life. After searching for a job for five years with no luck, she was referred to Goodwill Industries of Southwest Florida (North Fort Myers). A Goodwill employment consultant helped her develop a résumé that showcased her computer proficiency and her valuable volunteer experience.

Within a few months, Sandra was hired as an outreach coordinator for Visually Impaired Persons (VIP) of Southwest Florida, where she works 25 hours a week alongside her guide dog, Anna.

"My biggest obstacle was getting someone to believe in me — that I could do a good job and be a benefit to the workplace," she says.

"That's where Goodwill came into the picture."



Autum Beel

Seattle Goodwill Industries

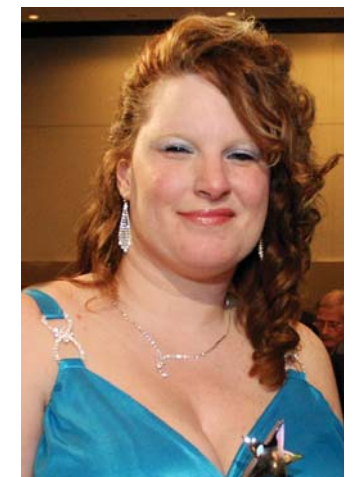
Autum Beel wears a constant smile, day in and day out, while she is working. What you don't see when you look at her on the job are the personal struggles, setbacks and readjustments she endured to become successful after her life of addiction.

Autum began using crystal meth when she was 13. As a teenager, she ran away from home and sank deeper into her addiction. After living on the streets for several years and giving up her children, she vowed to change her life.

Autum, then 30 years old, hadn't worked in years, so she enrolled in the retail and customer service training program at Seattle Goodwill Industries (WA). After training, a senior job placement specialist helped her prepare for an

interview. After she landed a cashier's position, a Goodwill case manager followed up with her to offer support. Within months of gaining employment, she had her own apartment and her children were living with her.

"The day I walked into Goodwill changed my life," she says. "Before I knew it, I was a whole new person."



[View the video](#) to hear more of Sandra's story.



[View the video](#) to hear more of Autum's story.





CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2010

(with comparative totals as of December 31, 2009)

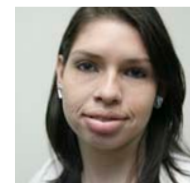
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	2010 TOTAL	2009 TOTAL
ASSETS					
Cash and cash equivalents	\$1,374,484	\$ —	\$ —	\$1,374,484	\$1,799,932
Investments	5,497,424	4,318,258	1,186,202	11,001,884	7,572,466
Accounts and notes receivable	703,111	—	—	703,111	826,448
Pledges receivable	—	40,269	—	40,269	47,505
Grants receivable	5,195,134	—	—	5,195,134	2,443,477
Prepaid expenses and other assets	486,611	—	—	486,611	523,885
Property and equipment	8,627,902	—	—	8,627,902	8,916,335
TOTAL ASSETS	\$21,884,666	\$4,358,527	\$1,186,202	\$27,429,395	\$22,130,048
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts payable	\$5,215,327	\$ —	\$ —	\$5,215,327	\$2,934,164
Accrued expenses	1,812,035	—	—	1,812,035	1,403,655
Deferred revenue	322,467	—	—	322,467	548,435
Capital lease obligations	66,715	—	—	66,715	101,815
Bonds payable	1,800,000	—	—	1,800,000	2,100,000
Interest rate swap agreement	60,169	—	—	60,169	—
Security deposit	21,883	—	—	21,883	21,883
Guarantee reserve	—	—	—	—	15,502
TOTAL LIABILITIES	9,298,596	—	—	9,298,596	7,125,454
NET ASSETS	12,586,070	4,358,527	1,186,202	18,130,799	15,004,594
TOTAL LIABILITIES AND NET ASSETS	\$21,884,666	\$4,358,527	\$1,186,202	\$27,429,395	\$22,130,048

Goodwill Industries International, Inc., (GII) was established in 1902 and incorporated in 1920 to improve the quality of life of people with disabilities and other disadvantages such as welfare dependency, illiteracy or lack of work experience. Each local Goodwill Industries is a separate 501(c)(3) corporation. The Goodwill enterprise is composed of Goodwill Industries International (GII) and members and affiliates in the United States, Canada and 14 other countries worldwide. All Goodwill agencies are local, independent, community-based, nonprofit corporations that provide career services, job training, placement and employment for people with disabilities and other disadvantages. Through a member agreement with the local agencies, GII represents the enterprise before the federal government and national and international organizations. GII provides Goodwill agencies with various services, including consulting for workforce development, retail, and commercial operations, financial and management information, education and training, public relations, and legislative information.

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Year ended December 31, 2010

(with comparative totals for the year ended December 31, 2009)

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	2010 TOTAL	2009 TOTAL
REVENUE AND SUPPORT					
Federal awards	\$29,430,113	\$ —	\$ —	\$29,430,113	\$15,856,085
Membership dues	17,172,054	—	—	17,172,054	16,670,380
Contributions	1,683,567	3,768,514	—	5,452,081	4,897,141
Program service fees	2,094,709	—	—	2,094,709	1,763,206
Investment income	122,199	30,837	—	153,036	159,397
Rental	297,239	—	—	297,239	297,240
Participation fees	196,553	—	—	196,553	60,625
Legacies and bequests	166,930	—	—	166,930	39,892
Other income	16,325	—	—	16,325	36,210
TOTAL REVENUE	51,179,689	3,799,351	—	54,979,040	39,780,176
Net assets released from restriction — satisfaction of purpose restrictions	1,083,919	(1,083,919)	—	—	—
TOTAL REVENUE AND SUPPORT	52,263,608	2,715,432	—	54,979,040	39,780,176
EXPENSE					
PROGRAM SERVICES					
Sponsored programs and grants	30,571,540	—	—	30,571,540	18,196,519
Direct services to membership	12,562,942	—	—	12,562,942	12,566,588
Support services to membership	4,989,756	—	—	4,989,756	4,375,749
TOTAL PROGRAM SERVICES	48,124,238	—	—	48,124,238	35,138,856
MANAGEMENT AND GENERAL SERVICES					
General and administrative	3,612,653	—	—	3,612,653	3,423,233
Resource development	473,040	—	—	473,040	340,932
TOTAL MANAGEMENT AND GENERAL	4,085,693	—	—	4,085,693	3,764,165
TOTAL EXPENSE	52,209,931	—	—	52,209,931	38,903,021
CHANGE IN NET ASSETS FROM OPERATIONS	53,677	2,715,432	—	2,769,109	877,155
NET GAIN ON INVESTMENTS	421,152	59,505	(78,894)	401,763	641,313
JOINT VENTURE EXPENSES	15,502	—	—	15,502	(10,737)
UNREALIZED LOSS ON INTEREST RATE SWAP AGREEMENT	(60,169)	—	—	(60,169)	—
LOSS ON SALE OF PROPERTY AND EQUIPMENT	—	—	—	—	(29,617)
CHANGE IN NET ASSETS	430,162	2,774,937	(78,894)	3,126,205	1,478,114
NET ASSETS, BEGINNING OF YEAR	12,155,908	1,583,590	1,265,096	15,004,594	13,526,480
NET ASSETS, END OF YEAR	\$12,586,070	\$4,358,527	\$1,186,202	\$18,130,799	\$15,004,594





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Deloitte & Touche LLP
Houston, TX



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Rockville, MD

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Goodwill, The Amity Group
Hamilton, ON

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Rochester, NY

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Evelyne Villines
Des Moines, IA

Bill Wood
Laguna Beach, CA

**Included in the Standing Committees are:
Executive Committee(1); Audit Committee(2);
Finance and Administrative Services Committee(3);
and Compensation Committee(4).*

