



Goodwill Industries International® Job Creation Principles

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In the current severe recession, more than seven in ten low income, disabled Veterans, other adults with disabilities, migrant or seasonal farm-workers, and disconnected youth are out of work. In past recessions, it has required on average 18 months of GDP growth before employment levels begin to increase and people with barriers to employment have been among the last to be hired, if they are hired at all. As a result, they are likely to continue to be jobless for at least another year. Most of these individuals lack a recent, full-time job history or sufficient skills to be hired for the few available jobs. They are also less likely to be candidates for employment through any of the employment programs currently being discussed for job creation legislation. Many such individuals lack a high school diploma and have no pathway toward either a post-secondary degree or a livable-wage job. In the current economic crisis, their prospects are often desperate. But in the longer term they are virtually guaranteed to struggle to ever earn a family-supporting income.

As North America's leading nonprofit provider of employment training, job placement services and other community programs for people who have a disability, lack education or job experience or are facing economic challenges, Goodwill Industries® is able to see first-hand the impact that the economy has had on these individuals.

Community-based Goodwill agencies generate opportunities for people to achieve economic stability and build strong families and vibrant communities by offering job-training, employment placement services, and other community-based programs for people with barriers to employment. Collectively, Goodwill agencies provided employment training, job placement services, and other community services to over 1.5 million people in North America in 2008.

For many such individuals who are hard to employ, their short term prospects could be greatly improved and, as the job market recovers, their future job and income opportunities could be greatly enhanced if any job creation legislation were to include the recommendations outlined below.

Transitional Jobs Program: Goodwill Industries International encourages legislation and federal funding for short-term paid employment opportunities that combine skill development and supportive services to help steer individuals quickly into the labor market. Transitional jobs provide career onramps that nurture individuals who need the opportunity to develop their talents and become tax-paying citizens. In addition to providing income for work performed and relevant on-the-job experience, program participants would benefit from workforce development services and educational support, helping ready them for future success in a rebounding and transforming national economy and in tomorrow's global workforce.

An intensive, up-to-eighteen-month, transitional jobs program might include the following features:

- Up to one half time of work, supported by a federally financed "career transition stipend", through placement with a private company, a non-profit organization, or a public agency. Public agency activities could involve large scale public works. Non-profit placements might include national service activities promoting livable communities.
- Up to one half time of classroom-based or worksite-based education and training aimed at in-demand careers and industries. A publicly financed "education and training stipend" would be provided. Training could incorporate adaptation of workplace-based accommodation devices and techniques for individuals with disabilities. Classroom-based education could also be designed to lead to a GED, skill credentials, or be conducted through an articulation agreement with a post-secondary institution.
- Transportation, child-care, and other "wrap around" services could be provided.
- Eligibility would be based upon definitions for target populations (Vets, individuals with disabilities, disconnected youth, etc.) in current federal law, so long as such individuals were currently unemployed and exhibited significant skills deficits.
- Grants of no less than \$1 million to administer such transitional jobs programs made by the Secretary of Labor with funds provided by job creation legislation within the Workforce Investment Act pilots and demonstrations account.

- Eligible recipients of such grants would be non-profit organizations with a demonstrated history of successfully providing employment, training and work experience placement services to one or more of the targeted populations in at least two cities, counties or states, and which have demonstrated an ability to act as fiscal agent for public grant funds.

Sectoral Strategies: Goodwill Industries believes that one of the goals of job creation legislation should be to promote economic development, entrepreneurial endeavors and employment opportunities in innovative and high-growth employment sectors that provide opportunities for career advancement. Businesses need qualified applicants and for incumbent workers to upskill to equip them to address evolving business demands. Persons served and employed by Goodwill need skills to help them earn family-sustaining wages. Sector programs offer this opportunity and reinforce the notion that business is a top-priority customer.

The use of Business Advisory Councils (BAC) is one strategy used by Goodwill to accomplish this approach. Such councils provide guidance and counsel to program staff in the development of such services as skills training and job readiness services, and often provide mentoring, internships, and apprenticeships to program participants. BACs are true partnerships which have allowed many people with significant employment barriers to find and keep jobs with needed supports from the agency, while satisfying employers who seek job-ready employees. Several Goodwill one-stop centers report using a BAC or entities modeled after the BAC to engage employers. These BACs have created significant opportunities for the one-stop center, providing them with greater access to employment opportunities for their job seekers.

For example, we believe that “green collar” jobs represent an enormous opportunity for our nation to restore its standing as a leader in the development of technological solutions that employ thousands in innovative fields or industries that support such innovation. We commend Congress for including the Green Jobs Act in the comprehensive energy bill that passed in December 2007, and urge Congress to fund the Green Jobs Act at its full authorized level. While jobs in the renewable energy and energy efficiency fields are certainly key fields within the green jobs sector, we believe that more could be done to entice industries to “go green” and thus employ workers in other green collar jobs or industries that support a green economy. In addition to preserving our current energy sources and developing alternative and renewable energy sources, efforts should be supported to apply “green” thinking to employment outside of often-cited job classifications. Work tasks and functions in the majority of jobs today can be modified or altered to be performed in a more sustainable manner and WIA should support employers attempting to adopt and apply green principles to their workplace and work functions.

Sectoral strategies used in job creation legislation should be given the following considerations:

- Promote language that expands the definition of what is a green job to include recycling, computer refurbishing, and green building construction – that preserve other precious resources and our environment.

- Adopt models of sectoral partnerships similar to the Business Advisory Council to facilitate business engagement in workforce development services in the local community.
- Allow entrepreneurial training as an allowable funding activity.

Incentives for Collaboration: Goodwill's multifaceted model – operating businesses to raise revenue to support employment services while employing program participants in the context of those businesses – has provided local agencies with a good degree of flexibility, resources, and partnerships with other community-based organizations to ensure access to holistic supports people need to succeed in the workforce. This allows local Goodwill agencies to collaborate with and support One-Stop partners and community colleges among others, while playing an integral role in ensuring that local One-Stop Career Centers are providing the full array of WIA services to youth; and core, intensive, and training services to dislocated workers and adults in communities from coast to coast.

Furthermore, although local Goodwill agencies have contracts to provide job training and employment services in their communities, local Goodwill agencies often supplement the workforce system by investing a multitude of internal and external resources toward supporting the specific needs of disadvantaged job seekers and hard-to-serve populations. Such resources and supports include: individualized service; specially trained staff; customized workshops and courses, partnerships with community-based organizations, and investing their own human and fiscal resources.

A key contributing factor to workers gaining family sustaining careers is technical/hard skill development. Unfortunately, many of these workers have been unsuccessful in both accessing and completing industry-recognized credentialing/certification options due to an array of barriers. Community college and Goodwill joint ventures are expanding; they support career advancement with family and financial strengthening, skills development with stackable credentials, and job placement with career navigation support. Co-enrollment partnerships between Goodwill Industries and the nation's community colleges represent a historic and timely opportunity to chart a national strategy to help thousands of low-income adults nationwide achieve extraordinary job and college attainment results.

Job creation legislation should foster collaborations by creating incentives for business partnerships to include the private, public and nonprofit sectors, such as business-driven on-the-job training that targets low-wage earners for jobs in emerging sectors and non-traditional work opportunities. Furthermore, such legislation should encourage partnerships between community colleges and community-based nonprofit job training programs (community-based organizations) to work together to help low-income adults secure higher-paying new jobs and long-term career advancement by rapidly progressing towards a college credential.

Capitalizing Capacity: Goodwills located on Main Streets across the country are uniquely able to tailor their programs to respond to local needs. However, the current economic crisis has unfortunately led to a huge increase in the number of service requests placing a strain on many of our community-based agencies. In 2008 alone there was an increase of over 300,000 in the number of individuals receiving employment training, job placement, and other services from 2007. One constant challenge is related to the capitalization costs of infrastructure to grow the donated goods business, particularly the cost of site acquisition for new donation centers and stores, so that Goodwills can meet new and emerging needs in their communities.

A proven model of capitalization could be expanded to address the current spike in unemployment and promote job growth. The fundamental assumption tested by our welfare-to-work grant was that the building of new facilities is a long-term investment in job placement as opposed to the short-term investment associated with traditional programs that simply focus on hiring personnel. The fact that the one-time capital infrastructure investment provided to two of our community-based agencies by the U.S. Department of Health and Human Services (HHS) in 1997 has continued to reap benefits for job placement and training every year since demonstrates that this model works for both the short-term and long-term.

Although Goodwill is often recognized simply for its donation centers and donated goods stores, which provide affordable products to customers and prevent unwanted items from being disposed of in landfills, Goodwill's primary benefit to communities is achieved through the job training and placement activities – the bulk of which are privately funded through Goodwill's stores and other innovative business activities. By selling donated goods in its retail stores and online, Goodwill creates thousands of jobs and millions of dollars in revenue that funds job training and other programs, and contribute sound investments in the economic health of local communities nationwide. Eighty-four percent of collective revenues raised go directly toward supporting and growing critical community-based programs and services. Once the new infrastructure is built and operational, the services provided are not dependent on external subsidies for either staff or referrals. The flexibility inherent in this approach allows Goodwill to serve anyone in need without consideration of eligibility criteria and other legislative barriers to helping "hard-to-serve" people with employment barriers, on a timely basis, and at no cost to the consumer. In summary, Goodwill can support its own job creation programs with the proceeds from its donated goods stores.

Job Creation Incentives: As Congress considers job creation proposals it is important to remember that nonprofits not only provide valuable training and services to many who are struggling during these rough economic times, but nonprofits are employers as well. As employers, nonprofits experience the same higher costs and limited options as their for-profit counterparts, and are struggling to maintain their service programs with severely reduced revenues. Congress must ensure that any job creation incentives to small and medium sized businesses are equivalent to those provided to nonprofit employers. As job placement providers, Goodwill agencies have struggled with paperwork and other requirements associated with the Work Opportunity Tax Credit making it a

tough incentive to use when working with other employers. Any job creation tax credits should consider the experiences of agencies like Goodwill when considering implementation of the credits.

For over a century, Goodwill has answered the call to meet community needs through innovation and social enterprise. We are committed to making an even greater positive difference in communities across the continent. Because Goodwill generates opportunities for people to achieve economic stability and build strong families and vibrant communities by offering job training, employment placement services and other community-based programs for people who have disabilities, lack education or job experience, or face employment challenges, it is *uniquely positioned to address the nation's growing skills and resource gap.*