

**Testimony Submitted for the Record
United States House of Representatives
Committee on Ways and Means
Subcommittee on Human Resources
Hearing on Improving Work and Other Welfare Reform Goals
Submitted on September 22, 2011**

**Submitted by
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Mr. Chairman, Ranking Member, and Members of the Committee, on behalf of Goodwill Industries International, Inc., I appreciate this opportunity to submit written testimony on improving Temporary Assistance to Needy Families (TANF).

Goodwill Industries® is comprised of 158 independent, community-based Goodwill® agencies in the United States. Collectively, Goodwill’s network of local agencies provides employment training, job placement services and other community services to nearly 2.5 million people annually. In addition, 170,000 people obtain meaningful employment as a result of Goodwill career services programs. Collectively, these employees earn \$2.7 billion in salaries and wages and contribute to their communities as productive, taxpaying citizens.

Goodwill Industries looks forward to working closely with Congress, the Administration and other stakeholders to improve the TANF program (TANF) through the reauthorization process. Nearly 160,000 TANF recipients received Goodwill services last year. In addition, state TANF administrators referred 110,000 individuals to local Goodwill agencies for help.

Since TANF was created in 1996, Goodwill Industries has provided more than 1.5 million TANF recipients with pre- and post-employment services, including skills training, job search assistance, job retention support, and other career programs tailored to their needs. Goodwill career counselors seek to develop individualized career plans that aim to help people find jobs and move up the career ladder. Recognizing that it’s not enough to just get a job, Goodwill agencies use a holistic “family strengthening” approach, and therefore provide or help provide access to a range of supportive services such as assistance with child care, transportation, and stable housing. The experience of our local agencies informs us that this strategy is very effective in helping people find a job, to remain attached to the labor force, and to advance in careers.

For example, the Goodwill headquartered in Louisville, KY is in its fourth year administering a TANF program to families in need. The program – known as the Power of Work program is funded by a grant from KentuckianaWorks and the Department of Community Based Services, and is aimed at moving families from temporary assistance into long-term work. Participants undergo an intensive, four week course in job preparation, including resume writing, mock interviews, and workplace etiquette and time management. A graduation ceremony is held at the end of the course – an occasion that, for many participants, marks their first graduation of any kind and provides them with a sense of accomplishment. “The face of TANF has changed,” says Kimberly Boyd-Lane, program manager at the Goodwill. “There are people with master’s degrees,

of all backgrounds, walking through our doors. If their basic needs of food, shelter and clothing are not being met, they are unable to concentrate on gaining and obtaining their goals.” By completing the Power of Work program, participants free themselves from the cycle of poverty and gain a better quality of life. As Boyd-Lane says, “They are not only getting a job, but getting into the field they’re meant to.” The experience of our community-based agencies informs us that this strategy is very effective in helping people find a job, to remain attached to the labor force, and to advance in careers.

Based on the experience of its network of local agencies in communities nationwide, Goodwill Industries International has the following recommendations:

Funding

The 2010 Census Bureau data recently revealed the largest number of poor people in the 52 years that poverty has been measured, 46.2 million, and the highest overall poverty rate, 15.1%, since 1993. The poverty rate for single mother families increased to 40.7%, the highest rate since 1997. A larger anti-poverty investment is urgently needed for the \$16.5 billion block grant.

Goodwill Industries appreciated the emergency TANF funding as it created incentives for states to aid more poor families. The TANF Emergency Fund expired on September 30, 2010 resulting in the dismantling of subsidized jobs programs and decreases in cash assistance. More resources are needed to increase access and reduce barriers at the state and local level and to raise sub-poverty benefit levels.

Congress should reinstate the TANF emergency fund and expand the Administration’s proposal to assist more families who are living in extreme poverty. In addition, Congress should address some of the structural flaws within the program during reauthorization this year.

Access Barriers

Goodwill agencies provide support services – including financial skills strengthening and services for youth and families – that enable people from all backgrounds and walks of life to obtain and maintain economic independence and an increased quality of life. Many of these individuals – particularly individuals with disabilities, limited English proficiency, or limited literacy – turn to Goodwill because they are ineligible for TANF assistance or have found it difficult to enroll and maintain enrollment in the program.

Goodwill urges Congress to consider strategies to increase access and reduce barriers especially for populations that have a history of unemployment rates that are higher than the national average. In addition, Congress should consider extending the 60-month lifetime limit to some of these harder-to-employ populations or waive the lifetime limit during emergency circumstances.

Education, Training, and Employment

Goodwill agencies take a holistic approach to providing job-training and other supports to people with barriers to employment. Many Goodwills run local one-stop centers through

the Workforce Investment Act (WIA) supported by the Department of Labor. States and localities have the option to include TANF programs in their centers and local Goodwills also offer these services, however more needs to be done to ensure that TANF is a true partner in the WIA system. As reported in a 2010 Government Accountability Office study, “several challenges including program differences between TANF and WIA and different information systems used by welfare and workforce agencies, inhibited state and local coordination efforts.”¹ Goodwill is pleased to see the strides that the Department of Labor (DOL) and Health and Human Services (HHS) have taken to overcome these challenges.

Goodwills have been successful in working with TANF recipients in part due to strong ties within their communities. A Washington-based Goodwill agency provides a Community Jobs program funded through the Washington State Department of Commerce. The Community Jobs program is a subsidized employment and training program for TANF recipients. Parents enrolled in the program are job-ready but still possess barriers to achieving independent employment in the community. Participation in the program involves 20 hours of work experience training at a nonprofit work site – Goodwill pays the participants’ wages during their training and is reimbursed for wages through the contract. In addition, participants must also participate in 10 hours in a job-training or educational activities, (i.e. activities such as GED or basic computer classes), and 10 hours of barrier removal (i.e. going to court, domestic violence classes, doctor appointments, etc.). Goodwill’s Community Jobs program is successful in part due to the strong community partnerships the agency has and the experience in providing other types of services to alleviate barriers to employment.

Goodwill recommends that TANF reauthorization include a focus on collaboration between DOL and HHS to share best practices and outcomes via the one-stop centers, TANF administrators, and other social service providers.

Research shows access to education is closely linked to economic security. Many community-based Goodwills are collaborating closely with community colleges to leverage their unique strengths and resources to develop and deploy local joint ventures that support career advancement, family and financial strengthening skills development with stackable credentials, and job placement with career navigation support.

Goodwill recommends that Congress maintain provisions that allow participation in post-secondary education to count as training.

Innovation and Capacity Building

Hard economic times have led to an increase in the number of families seeking assistance from Goodwill not only for employment assistance but also for low-priced clothing and household products. Goodwill agencies are innovative and sustainable social enterprises that support job-training, employment placement services, and other community

¹ Government Accountability Office, “Support for Low-Income Individuals and Families: A review of Recent GAO Work” February 22, 2010, pg. 10.

programs. Goodwill sustains its services by selling donated clothes and household items at Goodwill retail stores and online, providing contract services, and securing grants and donations from private and public sources. Eighty-four percent of collective revenues raised go directly toward supporting and growing critical community-based programs and services.

A challenge for many nonprofits to address the rising need of individuals seeking assistance is related to the capitalization costs of expanding infrastructure. Congress recognized the potential for a system of capitalizing new Goodwill facilities in Section 413(h)(3)(A) of the Social Security Act, which allowed HHS to grant \$10 million combined to two community-based Goodwills for the purpose of purchasing additional sites and the construction of new facilities. In exchange, the agencies were expected to demonstrate job placements for those leaving welfare to work with services funded by the proceeds from the new donated goods stores. A three-year evaluation of the grant showed that the agencies met and exceeded the placement quotas.

GII is requesting that Congress build on its success by capitalizing new Goodwill Job Connection programs in additional sites across the country. The purpose of the capitalization funds is to infuse capital into the network of Goodwills to accelerate its ability to build self-sustaining employment platforms in support of employment, training, and workforce development programs. Local Goodwills are established organizations with proven track records that have expressed their commitment to using federal capitalization funds to address the needs of their communities.

Goodwill believes that the capitalization model is an effective way for the federal government to address the immediate needs of communities in hard economic times through job training and placement programs while creating programs that will stand ready to address the changing needs of communities for the next 30 years and beyond.

Goodwill Industries urges Congress to support legislation that would allow self-sustaining social enterprises, like Goodwill, to continue to grow and meet the needs of their communities.

Conclusion

Thank you for taking the time to consider these recommendations. We look forward to working with Congress to consider changes to the TANF program that would result in providing improved supports for people who have low incomes. As our nation recovers from this economic downturn, Goodwill stands ready to leverage its existing infrastructure to supplement government programs that enhance the dignity and quality of life of individuals, families, and communities by eliminating barriers to opportunity and helping people in need to reach their fullest potential through the power of work.