

**Joint Written Testimony Before the House Ways and Means Committee**  
**October 29, 2008**  
**Reverend Donald Roberts, President and CEO of Goodwill Industries of Manasota, and**  
**Sandra Purgahn, President and CEO of Goodwill Industries of Acadiana**

Mr. Chairman, Ranking Member and Members of the Committee, we appreciate this opportunity to submit written testimony outlining our experience in addressing the needs of our local communities, and how those strategies can help the nation address the severe unemployment outlook and spur job growth.

As you may know, Goodwill agencies located on Main Streets across the country see firsthand the impact of the current economic crisis and are uniquely able to tailor their programs to respond to local needs. Goodwill Industries International has submitted separate written testimony which describes the broad activities of Goodwills nationwide. We would like to describe to you the success of our specific programs that resulted from a federal welfare-to-work grant, and how that 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 us 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, our most valuable role is through our job training and placement activities. The Goodwill Job Connection concept was initially developed by Goodwill of Manasota in 1988, and was recognized by the American Rehabilitation Association with its "Employment for Tomorrow Award" in 1994. As described in an evaluation of our program submitted to the Administration for Children and Families, our Job Connection model provides services in convenient locations situated throughout Goodwill community service areas, and are paid for through the donated goods business. Once the new infrastructure is built and operational, these Job Connection services 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, on a timely basis, at no

cost to the consumer. In summary, Goodwill can support its own Job Connection programs with the proceeds from its donated goods stores.

Nevertheless, our challenge is related to the capitalization costs of infrastructure to grow our donated goods business, particularly the cost of site acquisition for new donation centers and stores, so that we can meet new and emerging needs in our communities. 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 our agencies (\$7 million to Manasota and \$3 million to Acadiana) for the purpose of purchasing additional sites and the construction of new facilities. In exchange, our Goodwill agencies were expected to demonstrate job placements for those leaving welfare to work with Job Connection programs funded by the proceeds from our new donated goods stores. A three-year evaluation of our grant showed that we met and exceeded our placement quotas. The dollars invested by Congress more than ten years ago have created 150 sustainable jobs within Goodwill with an annual payroll of \$3.5 million – in 10 years that translates into payroll of \$35 million and we are still going. It also resulted in training and placing hundreds of persons into unsubsidized employment through our Job Connection services, which includes job training and placement services – and that number grows every year without any additional federal subsidies and will continue to grow as long as the business continues.

The major target population for Goodwill of Manasota's "Hand-Up" services resulting from our welfare-to-work grant include persons with disabilities, senior citizens, ex-offenders and immigrants with English as second language. The major target population for Goodwill of Acadiana's "Hand-Up" services has been largely women with families moving from welfare to work and a younger population.

The benefits of capitalization can vary based on the needs of the community being served. In addition to our traditional Job Connection services, Goodwill of Manasota created a "Good Partner Coaching" program whereby each Goodwill client/employee is assigned a personal or family coach whose job is to provide financial planning services, address the educational needs of both parents and their children, and provide training to enhance employment opportunities. For our most vulnerable clients, we start with their G.E.D. while providing them with "Opportunity Wages" during their work with Goodwill, and eventually place them in employment outside Goodwill.

Additionally, Goodwill of Manasota is able to provide “Goodhomes” services leading to home ownership for those in our program based upon the concept that a steady paycheck, which often results from vocational training and transitional employment, and a mortgage, the American dream of home ownership, are the two key elements for family stability and economic security.

Goodwill of Acadiana has expanded its services by building certain skills for our clients. For example, we provide work skills such as resume preparation, interviewing, and vocational counseling, as well as life skills such as budgeting and conflict management. Other priorities include computer literacy, interpersonal skills, and educational skills such as G.E.D. preparation and literacy classes. Goodwill of Acadiana’s work has often focused on proving a realm of services that allow a single parent to manage work and parenting. Our welfare-to-work grant also has allowed Goodwill of Acadiana to expand its scope of services to youth aging out of foster care who otherwise are at-risk for interactions with our criminal justice system.

The benefits of capitalization go well beyond our Job Connection programs. The welfare-to-work grant provided to each of our agencies in 1997 resulted in immediate benefits to the local economy as we constructed new facilities and began employing those we serve in our new donation centers and in our job training centers and stores. In addition, Goodwill activities are consistent with the nation’s commitment to recycling as we divert millions of pounds of recycled goods away from landfills and back into the economy. By moving our clients/employees into jobs, there is the tangential benefit of taxable income generated to support our federal and local governments.

We believe that we must be accountable to the nation’s taxpayers who expect their monies to be used in the most effective way possible, not only to simply fund programs but also to build the infrastructure to sustain those programs well into the future. Therefore, we urge Congress to learn from our experience and consider making capitalization a permanent program for addressing the workforce issues facing our nation. The one-time infusion of capital can lead to a lifetime of services for the hardest-to-serve populations.