

**Testimony Submitted for the Record
U.S. House of Representatives
Committee on Ways and Means
Submitted on April 5, 2011**

**Submitted by
Jim Gibbons
President and CEO
Goodwill Industries International, Inc.
15810 Indianola Drive
Rockville, MD 20855
Phone (301) 530-6500
Fax (301) 530-1516**

Testimony Submitted for the Record
U.S. House of Representatives
Committee on Ways and Means
Submitted on April 5, 2011

Mr. Chairman, Ranking Member, and Members of the Committee, on behalf of Goodwill Industries International, Inc.(GII), I appreciate this opportunity to submit written testimony on the implications of the Government Accountability Office's (GAO) recent report¹ which identifies opportunities to reduce duplication in a broad spectrum of programs, namely Temporary Assistance to Needy Families (TANF). Especially at a time when deficit reduction is a top national concern, this report has naturally raised questions about the extent to which these programs duplicate effort and how these programs could more effectively prepare people for employment.

GII is comprised of 158 independent, community-based agencies in the United States that assist people with employment challenges participate in the workforce. 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, those who lack education or job experience, or others who have challenges to finding employment.

Since TANF was created in 1996, Goodwill 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 meet their needs. Goodwill agencies use a holistic "family strengthening" approach, and therefore provide or assist in providing access to a range of supportive services such as assistance with child care, transportation, and stable housing.

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, 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. More than 300 people were placed last year. "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."

¹ See <http://www.gao.gov/new.items/d11441t.pdf>

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.

In 2010, the Goodwill Industries enterprise raised over \$4 billion through its retail, contracts, and mission services operations. More than 80 percent of collective revenues raised go directly toward supporting and growing critical community-based programs and services resulting in nearly 2.5 million people served by local Goodwill agencies, including more than 170,000 job placements. Goodwill is doing all it can to help people who have been affected by the recession.

Goodwill Industries’ is aggressively moving to increase its capacity to do more and provide increased services to those in need. Goodwill agencies are innovative and sustainable social enterprises that fund mission services by selling donated clothes and household items at Goodwill retail stores and online, and through contract services, private and public grants, and individual giving. Goodwill is working to expand our infrastructure by opening more stores and attended donation centers in order to create jobs and generate more privately raised revenues to invest in services. In addition, Goodwill is more committed than ever to partnering with stakeholders at the federal, state, and local levels by contributing the resources and expertise of local Goodwill agencies in support of public efforts and investments. A number of federal investments in job training programs— including TANF, the Workforce Investment Act’s Adult, Youth, and Dislocated Worker funding streams, and Vocational Rehabilitation – leverage Goodwill’s self-sustaining social enterprise and knowledge of serving the hardest to employ.

In regard to TANF, the experience of Goodwill’s workforce development professionals tells us that Congress should enact legislation that would improve alignment and collaboration among programs administered by the Department of Labor and the Department of Health and Human Services, and simplify access to services that help prepare workers to meet the needs of employers. Many local Goodwill agencies also inform us that fragmented programs and services coupled with insufficient and inconsistent funding make it difficult to sustain many local programs that depend on funds from numerous sources in addition to the private funds that Goodwill invests in its programs.

As this Committee considers recommendations for reducing duplicative programs and providing more effective services to low-income families, it is important to consider the opportunities that the reauthorization of TANF provides this year. Many Goodwills also 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 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 separate Government Accountability Office study, “several challenges including programs differences between TANF and WIA and different information systems used

by welfare and workforce agencies, inhibited state and local coordination efforts.”² 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.

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 entails 20 hours of work experience training at a nonprofit work site – Goodwill pays the participant’s wages during the training and is reimbursed for wages through the contract. In addition, the participant 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.

Goodwill provides 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.

Research shows access to education is closely linked to economic security. Many people who seek access to education are unable to pass entrance exams, meet developmental education requirements or complete pre-requisite courses. Some are unable to enroll in programs because of past academic failures or have outstanding fines and fees. As a result, a significant amount of financial and emotional investments are lost. Further, students often face challenges when seeking employment post-certificate completion with so many non-credit programs being

² Government Accountability Office, “Support for Low-Income Individuals and Families: A review of Recent GAO Work” February 22, 2010, pg. 10.

divorced from real job opportunities in the local labor market. So, even if an adult makes it through a certificate program, finding employment might be very difficult.

In 2009, Goodwill enrolled more than 1.9 million adults in training programs that help people to overcome the challenges described above. Nearly a quarter of those people served were between the ages of 16 to 24. To that end, GII has undertaken a strategic initiative, Community College/Career Collaboration (C4) to equip local Goodwills with resources and platforms to establish, foster and strengthen relationships with local community college systems with the ultimate goal of strengthening family economic security and supporting community economic development. This initiative provides the platform for community colleges and Goodwills to build on pre-existing relationships, extract effective practice, and replicate appropriate model components to increase the number of individuals accessing and completing locally relevant credentialing programs offered by community colleges.

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

Conclusion

GII thanks you for taking the time to consider these recommendations and looks 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 an economic crisis that many experts believe to be the worst since the Great Depression, Goodwills across the country stand 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.