



OUTCOMES MEASUREMENT REPORT
(Jan. 1st, 2016 – Dec. 31, 2016)

A decorative graphic at the bottom of the page consisting of several overlapping, semi-transparent, light blue and grey geometric shapes that resemble a stylized, multi-faceted block or a series of connected planes. The year "2016" is printed in a bold, dark blue sans-serif font on the right side of this graphic.

2016

Goodwill Industries of South Central California: 2016 Outcomes Measurement Report

The foundation of Goodwill's mission is the fundamental belief that people want to work to provide a better life for themselves and their families. Slogans such as "We Believe in the Power of Work" and "A Hand-Up, Not a Hand-Out" were created as a communication tool to help the public understand that Goodwill supports an individual's right to work and prosper regardless of his/her barrier to employment.

To continue to serve this mission, Goodwill refined the focus of the Transitional Employment Plan (TEP, created in 2012) to increase its effectiveness. Due to changes in the retail job market (depressed wages, reduction in hours worked) it was determined that balancing the need for sustained long term employment within Goodwill is as important as "Promoting out" into other workplaces unless the "promote out" was a considerable increase of salary/benefit/growth for the employee. In October 2015, a new strategic plan was approved supporting a philosophy of workforce development, for 2016, "promote out" metrics were removed in favor of metrics measuring the economic stability and continuing development of staff, including decreasing turnover and raising wages. Also, going forward the term "Transitional Employment Plan" will not be used.

In 2016, Goodwill hired 138 local individuals – 57.2% of which had a documented, declared barrier to employment. The average wage of those 138 individuals was \$11.65 and 93.9% of them worked in "full-time" jobs at one of Goodwill's 11 retail and/or warehouse locations. Goodwill was able to promote 33 individuals throughout the year. Each internal promotion resulted in an average annual wage increase of 14.1% and each promoted employee took an average of 9.5 months to receive his or her internal promotion.

Internal Training Participants also skyrocketed as the Mission Services and HR department added internal supervisory training classes and financial literacy classes. Total internal training classes included 351 participants in 2016. Over 90% of supervisory staff (supervisors, assistant managers, & managers) have been through formal class training.

In addition Goodwill increased its value to the community by expanding services to those outside of Goodwill who also needed assistance in increasing their employment skill set. Mission Services cemented their relationship with the Department of Rehabilitation (DOR) and placed more participants than ever before, providing valuable assessment services. Success in the quality of services provided led DOR to make a request to provide services in Visalia, CA. With the permission of Goodwill Industries of the San Joaquin Valley, placement & assessment services commenced in May of 2016.

Goodwill also continued its partnership with the Transition to Independent Living (TIL) program at Taft College. The TIL program is a post-secondary educational experience for adults who have developmental/intellectual disabilities. The program provides instruction, training, and support and career skills necessary for students to live a productive and normalized lifestyle. Through regular employment and a Chevron grant funded program, Goodwill employs several TIL students who are a valuable part of the Taft team.

Goodwill's primary focus in 2017 will continue to be "employment," with added workforce development features. The following report analyzes how well Goodwill delivered its mission services to the individuals it served throughout the year.

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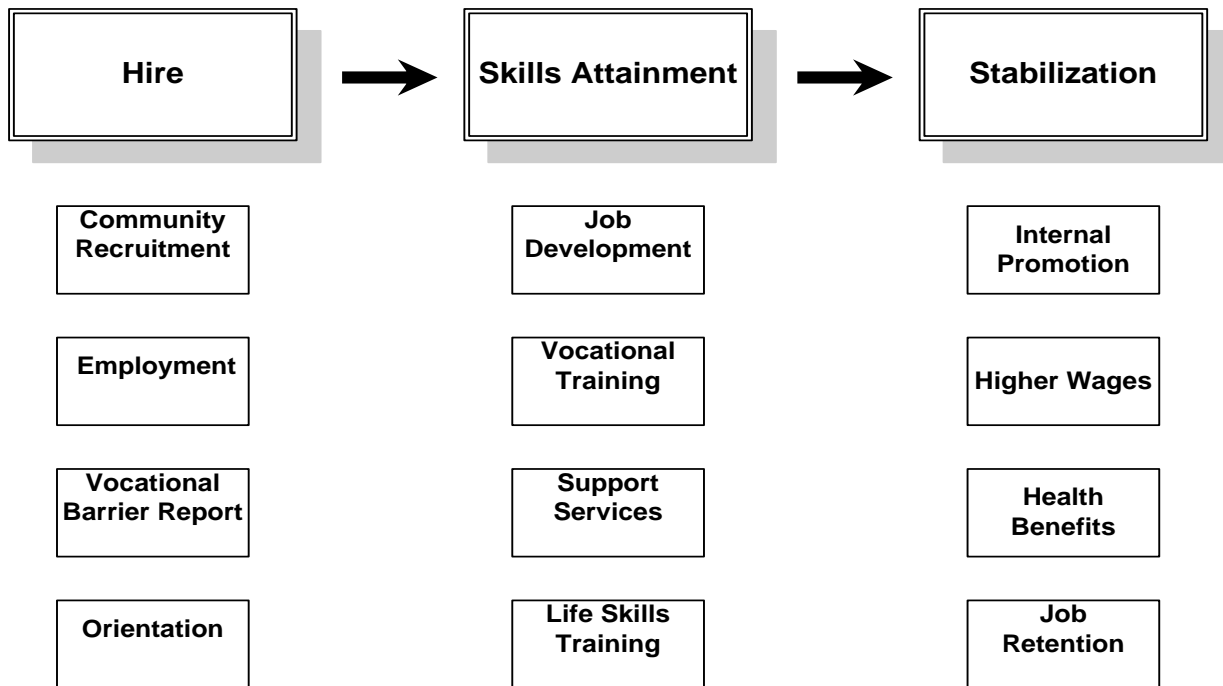
I. Introduction:

In 2016, Goodwill, in response to changes in the job market, changed its focus from transitional employment to long term skills attainment. This program will focus on economic stabilization of employees and skills attainment. The program was designed to maximize public benefit while minimizing public cost – as Goodwill received no federal, state, or grant monies to subsidize the program. Instead, Goodwill self-funded the program by reselling the public’s donated goods. Below is a story that reflects the effectiveness of the program.

II. Effectiveness:

In 2016, Goodwill hired 138 local individuals (3.6% were hired from community referral agencies). Of those 138 individuals, 15 had a declared vocational disability and 64 had a declared vocational disadvantage, meaning 57.2% of all Goodwill employees hired in 2016 had a declared, documented barrier to employment. At the end of the calendar year, 33 Goodwill employees had received an internal job promotion resulting in an average annual wage increase of 14.1% per promoted employee; and it took each promoted employee an average of 9.5 months to receive their promotion.

The overall effectiveness of Goodwill’s Transitional Employment Program was measured by a set of key metrics comprised of several components which corresponded to the major theme: “Hire, Promote Up, and Promote Out.” A flow chart of these components is below:



Under each component, key metrics were established, tracked, and reported to the Goodwill Board of Directors on a quarterly basis. The final Board Report from 2016 is displayed on the next page:

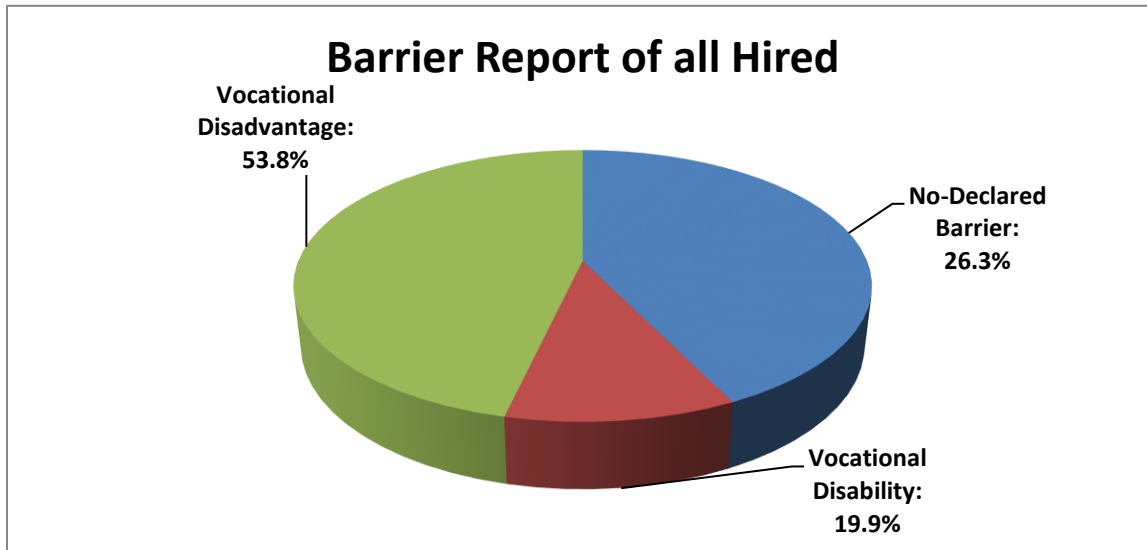
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WORKFORCE DEVELOPMENT (WFD)					
Hiring	Q1	Q2	Q3	Q4	2016
Total Hired (#)	24	46	25	43	138
Avg. Wage of all Hired (\$/hr)	\$ 13.21	\$10.96	\$11.44	\$10.97	\$11.65
Allocated Full-Time Positions (%)	100.0%	98.0%	77.7%	100.0%	93.9%
Interviewed from Referral Agency (#)	6	3	0	0	9
Hired from Referral Agency (#)	2	3	0	0	5
Referral Agency Interview-to-Hire Ratio (#)	3.0:1	1.0:1	#DIV/0!	#DIV/0!	1.8:1
% of Total Hired from Referral Agency (%)	8.3%	6.5%	0.0%	0.0%	3.6%
Vocational Barrier Report	Q1	Q2	Q3	Q4	2016
Hired w/ Declared Barrier to Employment (%)	58.3%	71.7%	52.0%	44.2%	57.2%
Hired w/ Declared Disability (#)	5	6	1	3	15
Hired w/ Declared Disadvantage (#)	9	27	12	16	64
Current Workforce	Q1	Q2	Q3	Q4	2016
Avg. Wage of all Current Employees (\$/hr)	\$ 11.33	\$ 11.71	\$ 11.64	\$ 11.54	\$ 11.56
Turnover Rate Annualized (%)	32.3%	61.5%	29.5%	21.6%	36%
Total Work Hours Provided (#)	121866	120532	114800	106307	463505
Internal Job Promotion Rate (%)	24.1%	40.2%	39.5%	35.4%	34.8%
Internal Promotions w/ Wage Increase (#)	3	14	5	11	33
Avg. Wage Increase (\$/yr)	\$2,733	\$4,911	\$5,296	\$3,287	\$4,057
Avg. Wage Increase (%/yr)	7.6%	21.8%	15.5%	11.7%	14.1%
Avg. Length of Time (months)	6.6	10.2	13.3	7.8	9.5
Vocational Training and Support Services	Q1	Q2	Q3	Q4	2016
External Referrals (#)	3	0	0	0	3
Internal Training Participants (#)	29	60	127	135	351
Assessments/IDPs Created (#)	197	0	0	0	197
EXTERNAL MISSION SERVICES (EMS)					
Success Center	Q1	Q2	Q3	Q4	2016
Sign-Ins at Success Center (#)	161	N/A	N/A	N/A	161
Hours at Success Center (#)	205.8	N/A	N/A	N/A	206
Workshop Participants (#)	24	N/A	N/A	N/A	24
DOR Services	Q1	Q2	Q3	Q4	2016
Client Community Placements (#)	11	10	16	17	54
Avg. Wage (\$/yr)	\$19,601	\$18,703	\$16,405	\$14,631	\$17,335
Avg. Hours (#/wk)	27.10	33.92	28.35	26.72	29.02
90 Day Retention (%)	100.0%	100.0%	100.0%	67.9%	92%
Situational Assessments Performed (#)	6	9	7	11	33
Trial Work Experience Performed (#)	0	7	0	5	12
Community Service Participants	Q1	Q2	Q3	Q4	2016
Community Service Participants (#)	19	39	61	39	158

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II. a) Effectiveness: Hire

Relying mostly on self-referred walk-ins, Goodwill was not able to ensure that more than 70% of all employees hired in 2016 had a declared, documented barrier to employment (see below).



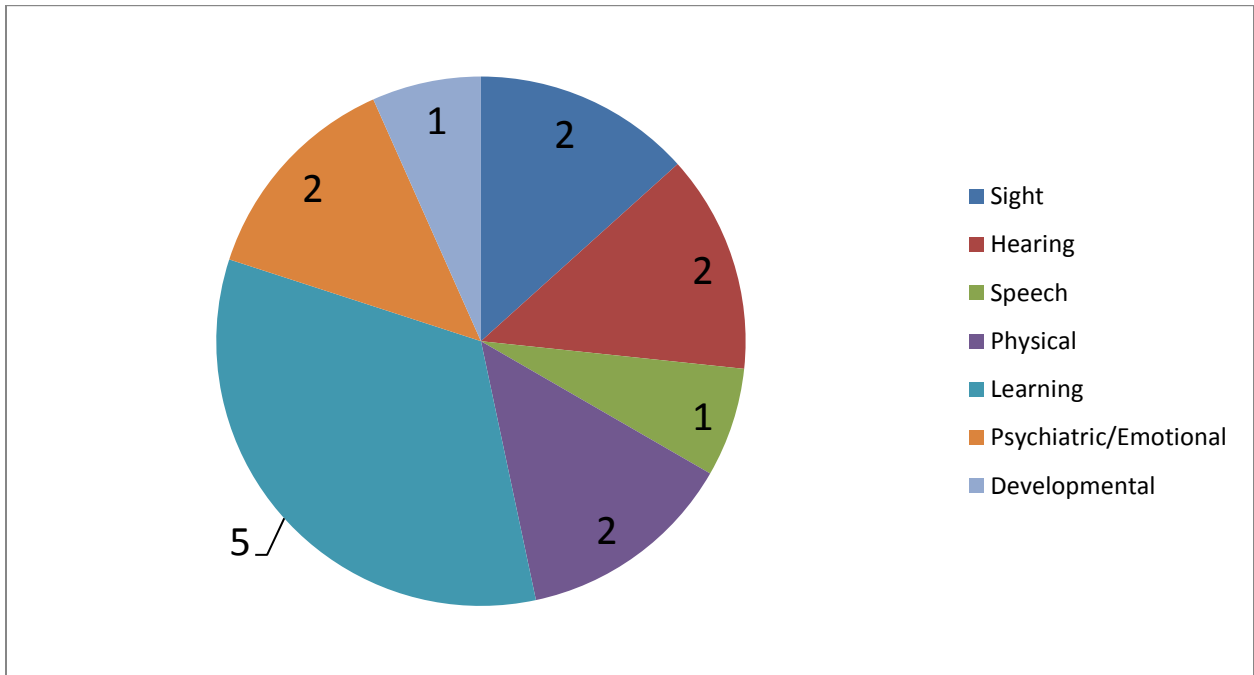
Aside from tracking barriers to employment, Goodwill also tracked the specific vocational disabilities and disadvantages that their employees declared. The tables below and pie graphs (on next page) depict this information and demonstrate Goodwill’s commitment to its mission.

Disability	
2	Psychiatric/Emotional
2	Sight
2	Physical
5	Learning
2	Hearing
1	Speech
1	Developmental
15	Total

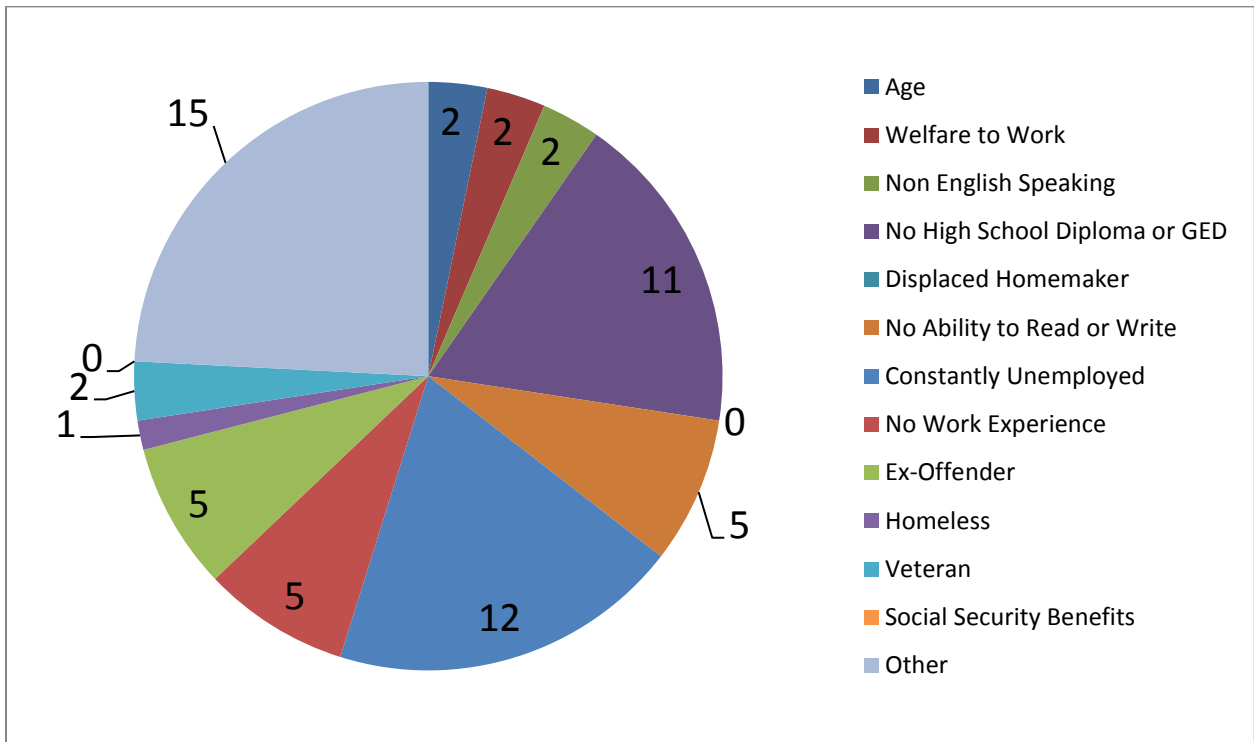
Disadvantage	
12	Constantly Unemployed
5	Ex-Offender
5	No Work Experience
2	Welfare to Work
11	No High School Diploma
2	Age
2	Veteran
5	No Ability to Read or Write
2	Non English Speaking
1	Homeless
2	Emancipated Foster Youth
15	Other
64	Total

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VOCATIONAL DISABILITY



VOCATIONAL DISADVANTAGE



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In 2016, the average wage of all hourly Goodwill employees hired was \$11.65 (California minimum wage was \$10.00); and 93.9% of all hourly Goodwill employees hired were “full-time” status (35 hours or more per work week).

Apart from the 138 employees hired, Goodwill also provided community service/volunteer hours to 158 local individuals.

2016’s % of individuals hired with a barrier dropped below 70% for the first time in several years. Goodwill staff is projecting that the changes in the labor market have driven people without barriers to Goodwill as an employment source. Applications per job opening have been extremely high as changes in the retail environment and oil industry have continued to degrade. In 2016, Goodwill staff is aware of closures or job cuts at retailers in our area including Sears, Macy’s, K-mart, Sports Chalet, Sports Authority, Tuesday Mornings, & Mimi’s. Recently Forbes published an article ranking Bakersfield 148 out of 150 metro areas for finding jobs. Bakersfield outperformed only two cities, Fresno, CA & Detroit, MI.

In 2017, Goodwill will continue to focus on hiring individuals with barriers to employment, with the goal of maintaining a workforce of 70% having a declared, documented vocational disability or disadvantage. Goodwill will also stay committed to ensure that all full-time, hourly employees become eligible for company benefits after their first 2 months of employment. Finally, Goodwill will continue to be an asset to the community by providing a much needed resource for court-ordered community service and/or volunteer hours.

II. b) Effectiveness: Skills Attainment

The ultimate goal of Goodwill’s new Strategic Model is to hire people with barriers to employment, increase their vocational and life skill set, and provides a stabilizing workplace environment. In 2016, we started the process of offering internal trainings that address vocational and life skills. Staff set an internal goal to add one vocational skill training and one life skill training in 2016. It was determined that the most pressing vocational need was supervisor training for supervisors, assistant managers, and managers. The most pressing life skill need was financial literacy. Both classes were offered exclusively to employees.

Vocational Training:

- Supervisory Training
 - Topics Covered: 15 (over 13 classes)
 - 2016 Participants: 243

Life Skill Training:

- Financial Literacy
 - Topics Covered: 14 (over 6 classes)
 - 2016 Participants: 108

Note: The Participants are measured by each separate individual per class. For example, an employee that takes 5 separate classes is counted as 5 participants. This is because each the variety of training offered was a different skill set training each time.

In 2017, Goodwill’s goal is to add one life skill training and one additional vocational skill training. An employee survey will be performed in the first quarter to assist in the creation of new trainings.

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II c). Effectiveness: Stabilization

Effectiveness

In 2016, hundreds of Goodwill employees received 463,505 hours of on-the-job training scattered across 10 retail stores and the warehouse/administrative office.

On-the-job training and job development services were all a part of Goodwill’s strategy to increase the overall skill set of its employees with the goal of being able to promote them within the agency.

In 2016, Goodwill had an ‘Internal Promotion Rate’ of 34.8%; meaning Goodwill had 95 internal job openings (above minimum wage) available throughout the year and 33 of those positions were filled internally.

33 Goodwill employees received an internal promotion with a wage increase in 2016. The average annual wage increase for each promoted employee was 14.1% which equated (on average) to an extra \$4,057 per year. The table on the next page displays the detailed wage increase information of each promoted employee (names kept confidential) in 2016:

Internal Promotions						
Last Name	First Name	Date Promoted	Current Annual Wage	New Annual Wage	Wage Increase (\$/yr)	Length of Time (Months)
Employee	A	1/16/16	\$29,120	\$29,120	\$0	11.0
Employee	B	1/23/16	\$19,851	\$23,920	\$4,069	12.3
Employee	C	3/19/16	\$19,851	\$23,920	\$4,069	3.3
Employee	D	3/5/16	\$19,500	\$19,851	\$351	1.4
Employee	E	4/2/16	\$17,550	\$19,851	\$2,301	4.3
Employee	F	4/16/16	\$15,600	\$20,241	\$4,641	25.2
Employee	G	5/11/16	\$32,136	\$33,280	\$1,144	9.5
Employee	H	5/5/16	\$19,851	\$24,440	\$4,589	3.0
Employee	I	5/5/16	\$20,241	\$24,440	\$4,199	10.4
Employee	J	5/10/16	\$19,890	\$20,241	\$351	5.1
Employee	K	5/30/16	\$24,648	\$27,560	\$2,912	8.2
Employee	L	5/30/16	\$32,448	\$50,000	\$17,552	11.1
Employee	M	6/18/16	\$29,994	\$30,680	\$686	34.8
Employee	N	6/18/16	\$19,500	\$24,398	\$4,898	0.6
Employee	O	6/22/16	\$19,851	\$26,520	\$6,669	6.0
Employee	P	6/18/16	\$28,226	\$43,805	\$15,579	5.1
Employee	Q	6/20/16	\$33,280	\$35,360	\$2,080	1.0
Employee	R	6/13/16	\$23,920	\$30,826	\$6,906	1.0
Employee	S	7/9/16	\$29,120	\$33,280	\$4,160	6.7
Employee	T	8/17/16	\$42,432	\$50,000	\$7,568	26.6
Employee	U	7/9/16	\$29,120	\$33,280	\$4,160	6.7
Employee	V	10/19/16	\$19,851	\$24,440	\$4,589	1.2
Employee	W	10/29/16	\$29,994	\$35,984	\$5,990	12.4

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Employee	X	10/14/16	\$19,890	\$20,241	\$351	5.0
Employee	Y	11/9/16	\$19,500	\$21,174	\$1,674	9.6
Employee	Z	12/17/16	\$60,000	\$75,000	\$15,000	9.8
Employee	AA	11/15/16	\$21,819	\$24,440	\$2,621	7.5
Employee	BB	12/10/16	\$45,000	\$49,000	\$4,000	7.1
Employee	CC	12/12/16	\$24,877	\$28,080	\$3,203	8.4
Employee	DD	12/12/16	\$22,913	\$24,960	\$2,048	11.4
Employee	EE	12/19/16	\$84,000	\$85,000	\$1,000	8.6
Employee	FF	12/10/16	\$38,064	\$42,000	\$3,936	0.8
	Avg		\$28,501	\$32,979	\$4,478	9.5
	Min		\$15,600	\$19,851	\$0	0.6
	Max		\$84,000	\$85,000	\$17,552	26.6

Efficiency

The efficiency of Goodwill's performance can best be measured by tracking how long it takes Goodwill employees to promote up within Goodwill, raise their average wage, and retain their jobs.

In 2016, Goodwill promoted 33 total employees. The average length of time of those 33 promotions was 9.5 months. The fastest an employee received an internal promotion was 0.6 months; and the longest time it took an employee to receive an internal promotion was 26.6 months.

Part of the new strategy is to lower the turnover rate and steadily increase the average wage of all retail employees as they become more productive through training and experience. The average wage of all employees increased from \$11.33 at the beginning of the year to \$11.54 at the end of the year. It should be noted that rising wages when viewed year over year will be driven primarily due to the mandatory minimum wage increasing.

The average turnover rate per the National Retail Federation is approximately 65% (part time and full time). Our turnover rate was significantly under the national average. Part of this is due to our overwhelming preference for full time employment. The second is lack of better available options. The retail environment has been weak in our service area. Major retailers such as Sears, Macy's, K-mart, Sports Chalet, Sports Authority, have either closed or cut staff in 2016. Recently Forbes published an article ranking Bakersfield 148 out of 150 metro areas for finding jobs. Bakersfield outperformed only two cities, Fresno, CA & Detroit, MI.

Current Workforce	Q1	Q2	Q3	Q4	2016
Avg. Wage of all Current Employees (\$/hr)	\$ 11.33	\$ 11.71	\$ 11.64	\$ 11.54	\$ 11.56
Turnover Rate Annualized (%)	32.3%	61.5%	29.5%	21.6%	36%

At the end of 2014, Goodwill set a goal to decrease the average amount of time it takes to promote employees internally from 8.3 months to 8.0 months. This goal was not achieved with an average of 9.5. GISCC will continue to strive to get closer to the 8.0 mark.

IV. Other Services:

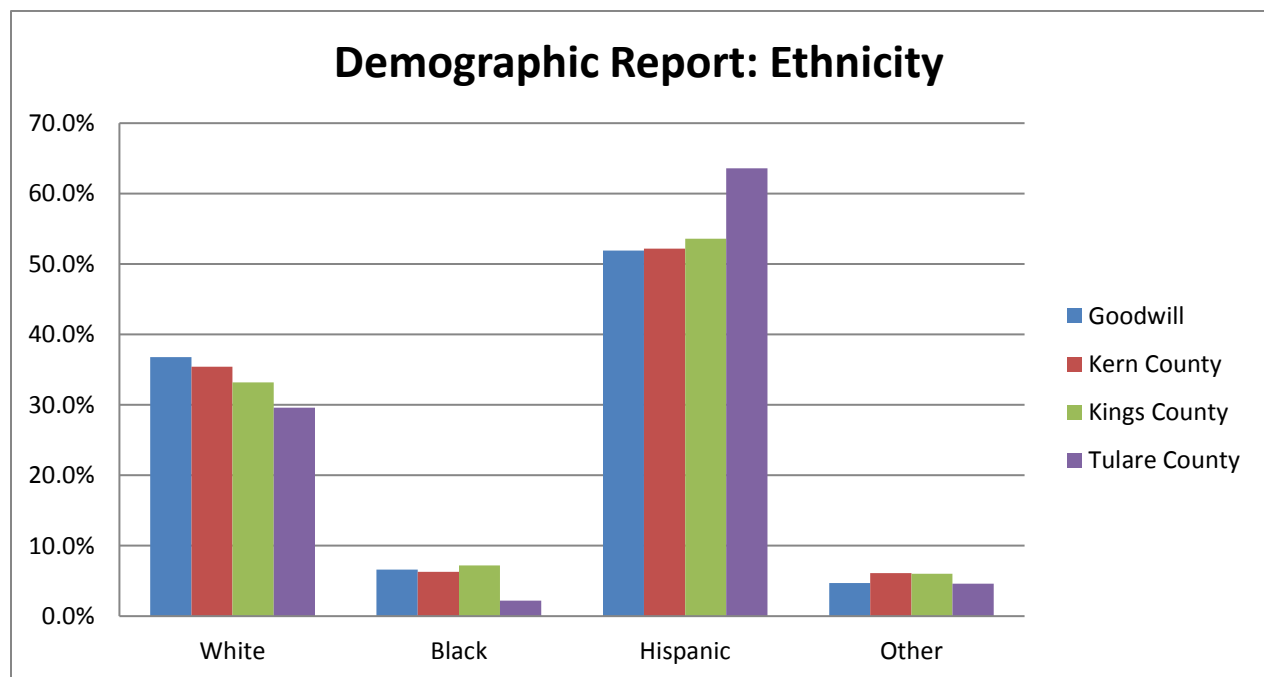
DOR Placements and Assessments: In 2016, Goodwill focused on expanding our relationships with the California Department of Rehabilitation (DOR). DOR is an employment and independent living resource for people with disabilities. Goodwill provides placement services for DOR, and added work trial and assessment services in 2016. External placements totaled 54 people in 2016, compared to 63 in 2014, a decrease of 46%. However, assessment and trial services were established, assisting 33 people and 12 people, respectfully. Total people served totaled 99, an increase of 57.1%. Billing for the year from DOR totaled \$238,935.

Success Center: In 2016 the Success Center was closed to be converted to a training center for DOR participants and Goodwill employees. So far all internal trainings are offered in the former success center. However in the one quarter that it was open it helped 161 people over a period of 206 hours. It also provided workshop services for 24 people.

TIL Program: The TIL program is a post-secondary educational experience for adults who have developmental/intellectual disabilities. The program provides instruction, training, and support and career skills necessary for students to live a productive and normalized lifestyle. Through regular employment and a Chevron grant funded program, Goodwill employs several TIL students who are a valuable part of the Taft team. Through employees and community service participants (CSP's), GISCC helped 17 people through this program.

V. Service Access:

In December 2016, Goodwill reviewed its 258 employees (78 male, 180 female) to comply with the 2016 Equal Opportunity Employment (EEO-1) Report. The following table plots Goodwill employees' ethnic breakdown and compares it to the overall ethnic breakdown of the two counties it currently serves.



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*Note: Kern County and Tulare County demographic information obtained from latest U.S. Census Bureau figures.

Overall, Goodwill continued to do a strong job of providing services to individuals mirroring the ethnic makeup of its service region. All company job openings are posted in English and Spanish and Goodwill will target community referral agencies which primarily provide support services to Hispanic or African American individuals or families.

VI. Conclusion:

In 2017, Goodwill will expand its Mission Services through additional trainings in the vocational and life skills area. 2016 was also a year of growth for the Mission Services department as evidenced in the expanding services provided to the Department of Rehab, one of Goodwill's most important partnerships. On the hiring front, we continue to see the trends established in 2016, unless a major change in the local economies occurs.