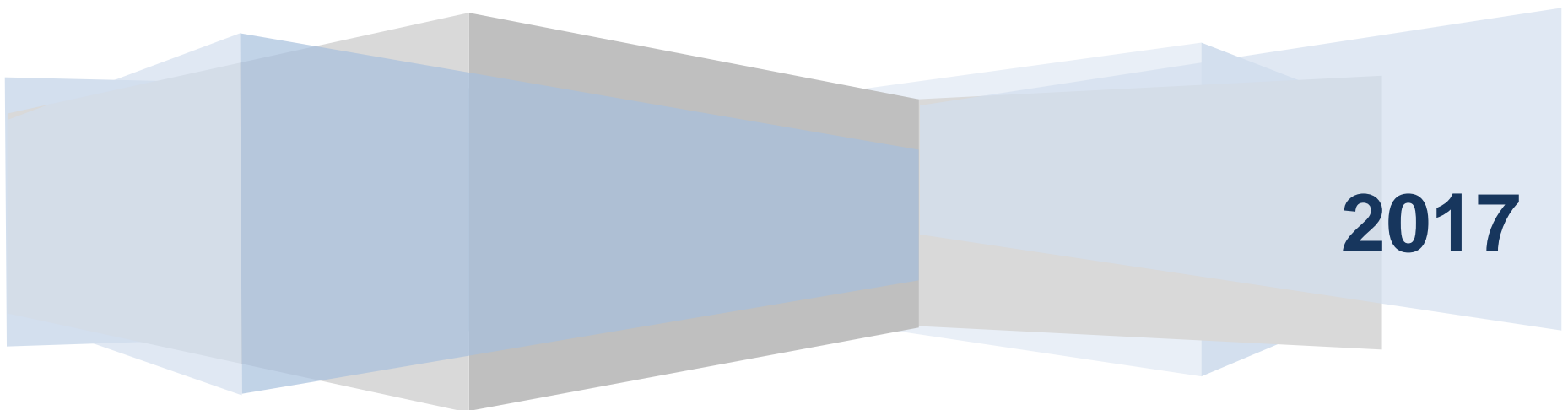




## OUTCOMES MEASUREMENT REPORT (Jan. 1st, 2017 – Dec. 31, 2017)



## Goodwill Industries of South Central California: 2017 Outcomes Measurement Report

### **Executive Summary:**

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. The 2017 OMR continues those changes

In 2017, Goodwill hired 109 local individuals – 63.3% of which had a documented, declared barrier to employment. The average wage of those 109 individuals was \$12.32 and 95.8% of them worked in "full-time" jobs at one of Goodwill's 12 retail and/or warehouse locations. Goodwill was able to promote 30 individuals throughout the year. Each internal promotion resulted in an average annual wage increase of 41.1% and each promoted employee took an average of 8.8 months to receive his or her internal promotion.

Internal Training Participants decreased in 2017 as resources were shifted to other areas to offset state mandated costs. Total internal training classes included 89 participants in 2017.

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 completed their first year providing services in Visalia. Demand from DOR has been increasing however they have not raised their payment rates since 2009, which has prevented further growth in this area.

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". The following report analyzes how well Goodwill delivered its mission services to the individuals it served throughout the year.

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## Goodwill Industries of South Central California: 2017 Outcomes Measurement Report

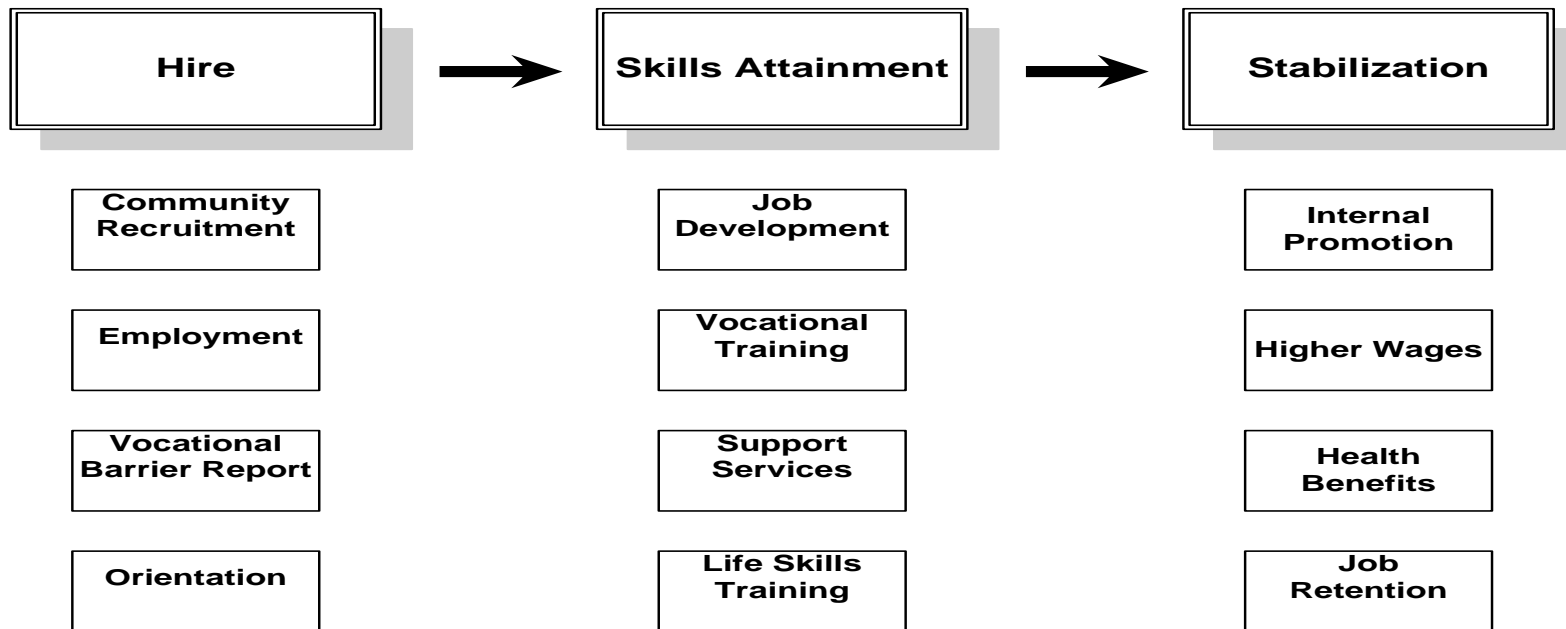
### I. Introduction:

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 2017, Goodwill hired 109 local individuals (only 1.8% were hired from community referral agencies). Of those 109 individuals, 11 had a declared vocational disability and 54 had a declared vocational disadvantage, meaning 59.6% of all Goodwill employees hired in 2017 had a declared, documented barrier to employment. At the end of the calendar year, 30 Goodwill employees had received an internal job promotion resulting in an average annual wage increase of 41.1% per promoted employee; and it took each promoted employee an average of 8.8 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 2017 is displayed on the next page.

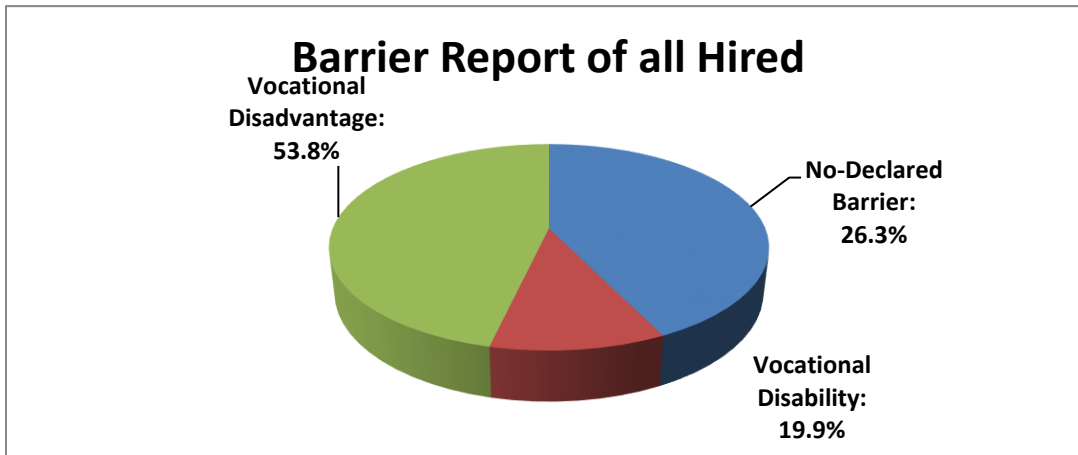
## Goodwill Industries of South Central California: 2017 Outcomes Measurement Report

<b>WORKFORCE DEVELOPMENT (WFD)</b>					
<b>Hiring</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>2017</b>
Total Hired (#)	24	23	30	32	109
Avg. Wage of all Hired (\$/hr)	\$ 11.69	\$11.00	\$10.69	\$10.97	\$11.09
Allocated Full-Time Positions (%)	100.0%	100.0%	83.3%	100.0%	95.8%
Interviewed from Referral Agency (#)	0	1	0	1	2
Hired from Referral Agency (#)	0	1	0	1	2
Referral Agency Interview-to-Hire Ratio (#)	#DIV/0!	1.0:1	#DIV/0!	1.0:1	1.0:1
% of Total Hired from Referral Agency (%)	0.0%	4.3%	0.0%	3.1%	1.8%
<b>Vocational Barrier Report</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>2017</b>
Hired w/ Declared Barrier to Employment (%)	41.7%	65.2%	66.7%	62.5%	59.6%
Hired w/ Declared Disability (#)	1	0	4	6	11
Hired w/ Declared Disadvantage (#)	9	15	16	14	54
<b>Current Workforce</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>2017</b>
Avg. Wage of all Current Employees (\$/hr)	\$ 12.35	\$ 12.22	\$ 12.50	\$ 12.19	\$ 12.32
Turnover Rate Annualized (%)	57.7%	46.7%	48.7%	40.4%	48.4%
Total Work Hours Provided (#)	96405	94209	97606	102360	390579
Internal Job Promotion Rate (%)	44.2%	56.8%	46.6%	33.2%	45.2%
Internal Promotions w/ Wage Increase (#)	3	9	10	8	30
Avg. Wage Increase (\$/yr)	\$3,556	\$4,993	\$10,813	\$7,128	\$6,622
Avg. Wage Increase (%/yr)	11.5%	14.9%	86.2%	51.9%	41.1%
Avg. Length of Time (months)	12.2	16.2	3.1	3.9	8.8
<b>Vocational Training and Support Services</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>2017</b>
External Referrals (#)	3	0	0	0	3
Internal Training Participants (#)	29	60	0	0	89
Assessments/IDPs Created (#)	197	0	0	0	197
<b>EXTERNAL MISSION SERVICES (EMS)</b>					
<b>DOR Services</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>2017</b>
Client Community Placements (#)	8	20	14	15	57
Avg. Wage (\$/yr)	\$16,674	\$16,756	\$13,265	\$13,476	\$15,043
Avg. Hours (#/wk)	25.00	27.49	23.19	24.48	25.04
90 Day Retention (%)	50.0%	73.6%	57.4%	65.0%	61.5%
Situational Assessments Performed (#)	3	12	14	15	44
Trial Work Experience Performed (#)	3	8	8	5	24
<b>Community Service Participants</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>2017</b>
Community Service Participants (#)	36	28	69	13	146

## Goodwill Industries of South Central California: 2017 Outcomes Measurement Report

### 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 2017 had a declared, documented barrier to employment (see below).



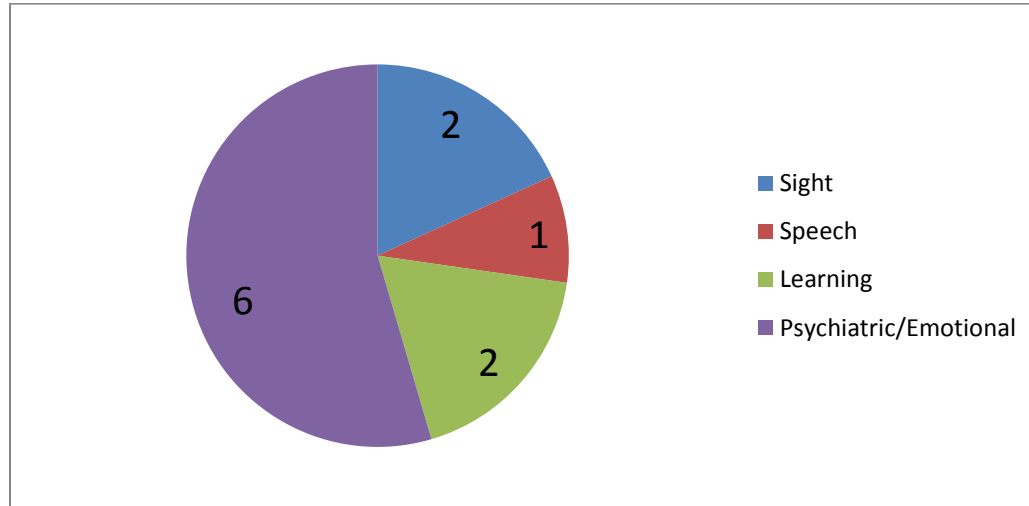
Aside from tracking barriers to employment, Goodwill also tracked the specific vocational disabilities and disadvantages that their employees declared. The tables below and pie graphs (on next page) depict this information and demonstrate Goodwill’s commitment to its mission.

Disability	
6	Psychiatric/Emotional
2	Sight
2	Learning
1	Speech
11	<b>Total</b>

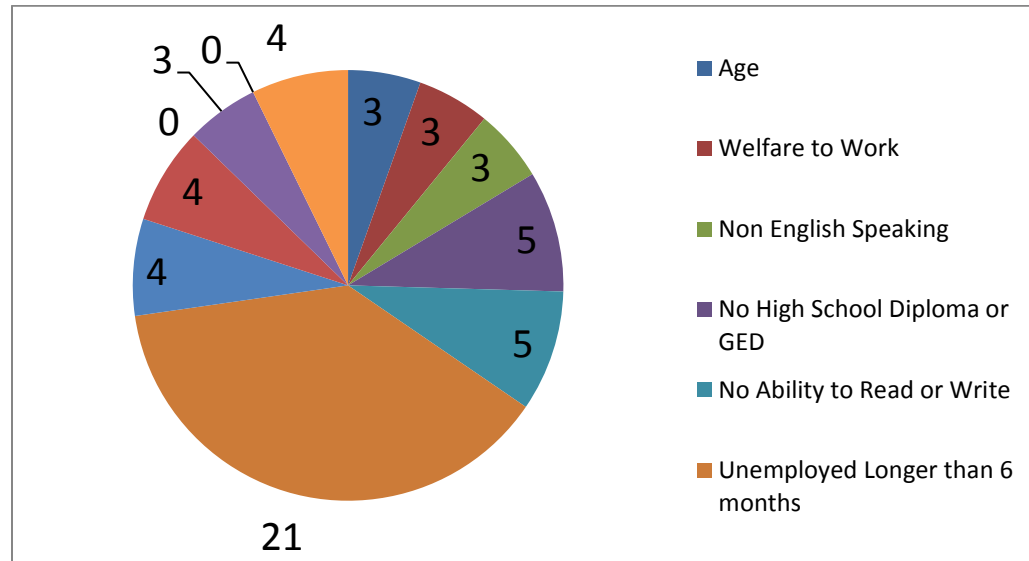
Disadvantage	
21	Unemployed Longer than 6 months
5	No High School Diploma/GED
5	No Ability to Read/Write
4	No Work Experience
4	Ex Offender
3	Non English Speaking
3	Welfare to Work
3	Age
3	Veteran
4	Other Disadvantage
54	<b>Total</b>

**Goodwill Industries of South Central California: 2017 Outcomes Measurement Report**

**VOCATIONAL DISABILITY**



**VOCATIONAL DISADVANTAGE**



## **Goodwill Industries of South Central California: 2017 Outcomes Measurement Report**

In 2017, the average wage of all hourly Goodwill employees hired was \$11.09 (California minimum wage was \$10.50); and 95.8% of all hourly Goodwill employees hired were “full-time” status (35 hours or more per work week).

Apart from the 109 employees hired, Goodwill also provided community service/volunteer hours to 146 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 & 2017, 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, & Wal-Mart.

In 2018, 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. The most pressing life skill need was financial literacy. Both classes were offered exclusively to employees.

#### **Life Skill Training:**

- Financial Literacy
  - Topics Covered: 14 (over 6 classes)
  - 2017 Participants: 89

*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.*

### **II c). Effectiveness: Stabilization**

#### **Effectiveness**

In 2017, hundreds of Goodwill employees received 390,579 hours of on-the-job training scattered across 12 retail stores and the warehouse/administrative office.



## Goodwill Industries of South Central California: 2017 Outcomes Measurement Report

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 2017, Goodwill had an ‘Internal Promotion Rate’ of 45.2%; meaning Goodwill had 66 internal job openings (above minimum wage or 30 hours per week) available throughout the year and 30 of those positions were filled internally.

30 Goodwill employees received an internal promotion with a wage increase in 2017. The average annual wage increase for each promoted employee was 41.1% which equated (on average) to an extra \$6,622 per year. The table on the next page displays the detailed wage increase information of each promoted employee (names kept confidential) in 2017:

<b>Internal Promotions</b>											
Last Name	First Name	Current Hours (per/wk)	Current Hourly Wage	Current Annual Wage	Date Promoted	New Hours (per/wk)	New Hourly Wage	New Annual Wage	Wage Increase (\$/yr)	Wage Increase (%/yr)	Length of Time (Months)
Employee	A	40.0	\$17.30	\$35,984	1/7/17	40.0	\$21.00	\$43,680	\$7,696	21.4%	14.7
Employee	B	40.0	\$12.05	\$25,064	3/11/17	40.0	\$13.00	\$27,040	\$1,976	7.9%	34.3
Employee	C	37.5	\$10.50	\$20,475	3/20/17	40.0	\$11.75	\$24,440	\$3,965	19.4%	9.6
Employee	D	40.0	\$14.82	\$30,826	4/8/17	40.0	\$21.63	\$44,990	\$14,165	46.0%	9.8
Employee	E	40.0	\$18.00	\$37,440	4/10/17	40.0	\$19.00	\$39,520	\$2,080	5.6%	4.8
Employee	F	40.0	\$17.26	\$35,901	4/8/17	40.0	\$20.19	\$41,995	\$6,094	17.0%	36.1
Employee	G	40.0	\$22.00	\$45,760	4/8/17	40.0	\$28.85	\$60,008	\$14,248	31.1%	10.9
Employee	H	37.5	\$10.50	\$20,475	5/20/17	37.5	\$10.68	\$20,826	\$351	1.7%	17.4
Employee	I	40.0	\$22.50	\$46,800	6/1/17	40.0	\$24.04	\$50,000	\$3,200	6.8%	40.0
Employee	J	37.5	\$10.50	\$20,475	6/6/17	40.0	\$11.75	\$24,440	\$3,965	19.4%	5.1
Employee	K	37.5	\$10.50	\$20,475	6/6/17	40.0	\$11.75	\$24,440	\$3,965	19.4%	5.1
Employee	L	40.0	\$15.00	\$31,200	6/3/17	40.0	\$20.19	\$42,000	\$10,800	34.6%	12.8
Employee	M	20.0	\$10.50	\$10,920	7/18/17	40.0	\$10.50	\$21,840	\$10,920	100.0%	0.1
Employee	N	20.0	\$10.50	\$10,920	7/1/17	37.5	\$10.50	\$20,475	\$9,555	87.5%	6.0
Employee	O	40.0	\$13.50	\$28,080	7/8/17	40.0	\$21.00	\$43,680	\$15,600	55.6%	13.3
Employee	P	20.0	\$10.50	\$10,920	8/19/17	37.5	\$10.50	\$20,475	\$9,555	87.5%	1.3
Employee	Q	20.0	\$10.68	\$11,107	9/25/17	40.0	\$10.50	\$21,840	\$10,733	96.6%	2.0
Employee	R	20.0	\$10.50	\$10,920	9/13/17	40.0	\$10.50	\$21,840	\$10,920	100.0%	1.6
Employee	S	20.0	\$10.68	\$11,107	9/25/17	40.0	\$10.50	\$21,840	\$10,733	96.6%	1.1

## Goodwill Industries of South Central California: 2017 Outcomes Measurement Report

Employee	Total	20.0	\$10.50	\$10,920	9/25/17	40.0	\$10.50	\$21,840	\$10,920	100.0%	1.2
Employee	U	20.0	\$10.50	\$10,920	9/25/17	40.0	\$10.50	\$21,840	\$10,920	100.0%	1.1
Employee	V	20.0	\$10.50	\$10,920	9/13/17	40.0	\$10.50	\$21,840	\$10,920	100.0%	1.6
Employee	W	37.5	\$10.50	\$20,475	10/14/17	40.0	\$11.75	\$24,440	\$3,965	19.4%	5.4
Employee	X	37.5	\$10.50	\$20,475	11/11/17	37.5	\$10.68	\$20,826	\$351	1.7%	1.5
Employee	Y	20.0	\$10.50	\$10,920	11/15/17	40.0	\$10.50	\$21,840	\$10,920	100.0%	2.1
Employee	Z	20.0	\$10.50	\$10,920	11/15/17	40.0	\$10.50	\$21,840	\$10,920	100.0%	2.1
Employee	AA	20.0	\$10.50	\$10,920	11/10/17	37.5	\$10.50	\$20,475	\$9,555	87.5%	1.8
Employee	BB	37.5	\$10.68	\$20,826	11/11/17	40.0	\$10.50	\$21,840	\$1,014	4.9%	8.0
Employee	CC	40.0	\$16.00	\$33,280	11/25/17	40.0	\$19.00	\$39,520	\$6,240	18.8%	16.6
Employee	DD	20.0	\$10.50	\$10,920	12/8/17	40.0	\$10.50	\$21,840	\$10,920	100.0%	0.8
	<b>Avg.</b>	<b>30.8</b>	<b>\$12.63</b>	<b>\$21,211.49</b>		<b>39.6</b>	<b>\$14.11</b>	<b>\$29,117</b>	<b>\$6,622</b>	<b>41.1%</b>	<b>8.8</b>
	<b>Min</b>	<b>20.0</b>	<b>\$10.50</b>	<b>\$10,920.00</b>		<b>37.5</b>	<b>\$10.50</b>	<b>\$20,475</b>	<b>\$351</b>	<b>1.7%</b>	<b>0.1</b>
	<b>Max</b>	<b>40.0</b>	<b>\$22.50</b>	<b>\$45,760.00</b>		<b>40.0</b>	<b>\$13.80</b>	<b>\$60,008</b>	<b>\$14,248</b>	<b>100.0%</b>	<b>40.0</b>

### **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 30 total employees. The average length of time of those 30 promotions was 8.8 months. The fastest an employee received an internal promotion was 0.1 months; and the longest time it took an employee to receive an internal promotion was 40.0 months.

Part of the new strategy is to lower the turnover rate and steadily increase the average wage of all retail employees as they are become more productive through training and experience. The average wage of all employees decreased from \$12.35 at the beginning of the year to \$12.19 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 & 2017. WalletHub published a study ranking Bakersfield #166 out of 182 metro areas for finding jobs in 2018. It should be noted that Stockton ranked #169 and Fresno ranked #175.

## Goodwill Industries of South Central California: 2017 Outcomes Measurement Report

Current Workforce	Q1	Q2	Q3	Q4	2017
Avg. Wage of all Current Employees (\$/hr)	\$ 12.35	\$ 12.22	\$ 12.50	\$ 12.19	\$ 12.32
Turnover Rate Annualized (%)	57.7%	46.7%	48.7%	40.4%	48.4%

At the end of 2017, 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 8.8. GISCC will continue to strive to get closer to the 8.0 mark.

### **IV. Other Services:**

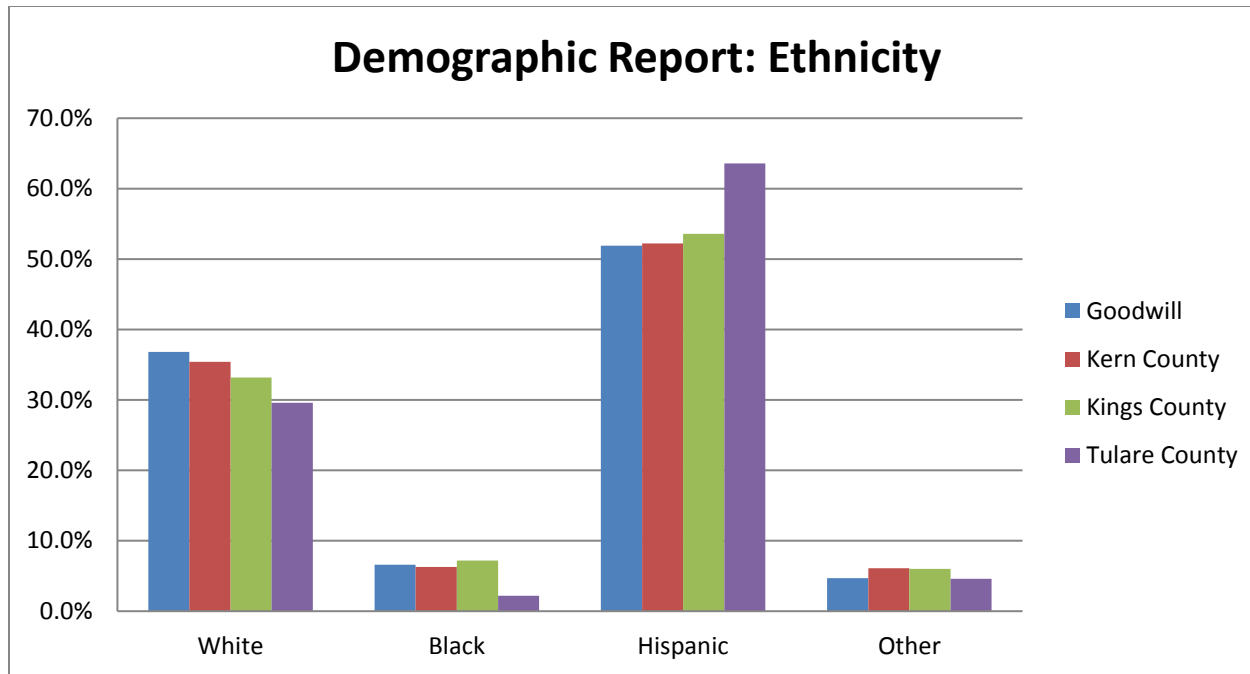
DOR Placements and Assessments: In 2017, Goodwill focused on expanding our relationships with the California Department of Rehabilitation (DOR). DOR is an employment and independent living resource for people with disabilities. Goodwill provides placement services for DOR, and added work trial and assessment services in 2016. External placements totaled 57 people in 2017, compared to 54 in 2014, an increase of 6%. However, assessment and trial services grew significantly, assisting 44 people and 24 people, respectfully. Total people served totaled 125, an increase of 26.2%. Billing for the year from DOR totaled \$281,100.

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 21 people through this program.

### **V. Service Access:**

In December 2017, Goodwill reviewed its 236 employees (74 male, 162 female) to comply with the 2017 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.

## Goodwill Industries of South Central California: 2017 Outcomes Measurement Report



\*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 2018, Goodwill will continue to focus on retail as the primary vehicle for serving the mission. Mission Services will be eligible for larger expansion after the end on the California Minimum Wage increases. On the hiring front, we continue to see the trends established in 2016, unless a major change in the local economies occurs.