

Goodwill

“A Hand Up, Not a Hand Out”

An Interview with Jenny Taylor

MAY 2020

*Subsidized employment programs use public funds to create or support jobs for people who can't find employment in the regular labor market. These jobs are often called “transitional” because they are temporary until program participants can find permanent unsubsidized work. The largest subsidized employment programs in the United States have operated during periods of economic distress, most recently during the Great Recession in 2009-2010. These programs help to ensure that people can continue to earn wages for productive work while also helping to stimulate the economy. **Many have argued** that subsidized employment programs **should be a major component** of economic stimulus in the coming months if the unemployment rate remains high.*

MDRC has been studying subsidized employment programs since its founding over 45 years ago. This series profiles a few of the innovative programs that have participated in our studies using a question-and-answer format.

Goodwill Industries of North Georgia participated in **MDRC's Enhanced Transitional Jobs Demonstration**, as well as the U.S. Department of Health and Human Services' **Subsidized and Transitional Employment Demonstration**. Its program targeted noncustodial parents (usually fathers) — parents who do not live with their children — who were unable to meet their child support obligations because they were unemployed. We interviewed Jenny Taylor, Goodwill's Vice President of Career Services.

Does your subsidized employment program target a particular type of job seeker? If so, who is targeted and why?

The first programs we delivered were in 1925 in Atlanta. The subsidized employment programs back then were focused on textile mill workers whose plant had closed and who needed reskilling and upskilling, which was offered through our agency while folks earned a paycheck helping process donations to Goodwill. The phrase attributed to our founder was “a hand up, not a hand out.” Later, the focus shifted to veterans injured during WWII and people with disabilities, which continued through to the 1990s when our organization began to assist people receiving public benefits in the welfare-to-work era, low-income residents, and the like. In more recent decades we have expanded to provide services to returning citizens (people who are returning to the community from incarceration), noncustodial parents, opportunity youth, youth aging out of foster care, refugees, people experiencing homelessness, people chronically unemployed, and those in multigenerational cycles of poverty.

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TO IMPROVE SOCIAL POLICY

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Why we serve the populations we do is directly related to the charge given to us by our founder, Edgar J. Helms: “Friends of Goodwill, be dissatisfied in your work until every...person in your community has an opportunity to develop to his fullest usefulness and enjoy a maximum of abundant living.” To us this means identifying those with the greatest barriers to employment — those who experience disparate impacts relative to their peers in unemployment, living wages, and economic mobility — and prioritizing services for them to increase equity and inclusion.

What kinds of work do your participants do and what kinds of skills do they learn?

In our stores, they learn customer service, retail, eCommerce, shipping and receiving, and in the leadership track, some learn management, public speaking, and supervisory skills. In our workforce development vocational training programs, we focus first and foremost on essential skills: how to show up on time, every day, ready to work. We also offer industry-recognized credentials for welding, logistics/supply chain management, forklift operations, driving (obtaining a commercial driver’s license), heavy equipment operation, highway construction, flagging, meeting OSHA standards,¹ First Aid/CPR, apartment maintenance technician jobs, technology careers (Salesforce administration, ServiceNow administration, Scrum, web coding, and/or NorthStar certification), Serv-Safe, health care environmental services, floor technician jobs, advanced manufacturing jobs, and call center jobs. In addition, we provide basic digital literacy training and financial wellness coaching. We partner with other agencies to deliver English as a Second Language, GED preparation, and other adult basic education to our program participants as part of their “Individual Career Plans.”

The subsidized employment programs are offered in a contextualized learning environment, where participants practice the skills they learn in the classroom by engaging in work activities with employers in their field of study. A typical eight-week program may have 200 hours of classroom time and 120 hours of paid work activity.

Your program has been able to place people into jobs very quickly. How are you able to accomplish that?

We accomplish rapid attachment to work in two ways. First, we arrange placements into our social enterprise to get participants into subsidized, transitional jobs in our Goodwill donated-goods retail stores, as well as arranging placements with other partner nonprofit agencies. This allows us to get job seekers into paid work activities within three to five business days of their program enrollment, leading to high rates of participation and engagement. Having the social enterprise placements also allows us to assess program participants’ motivation to work (which is the only criteria for entrance to our programs) and their employability as compared with competitive standards. We use this information to form their Individual Career Plans and the customized interventions and case management needed for each person. Second, not long after the placement into our social enterprise, we begin to prepare participants for interviews with employers who are aligned with their vocational training program and skills. (Goodwill handles payroll, workers comp, and liability.) This gives both the potential employer and the participant a chance to try out the job and each other at low risk to determine whether it is a good fit.

Using this subsidized, transitional jobs model and the “Employment Outcomes Professional” selling strategy to attract and retain new employer partners has allowed us to have more than 5,000 employer partners who hired 25,688 job seekers through our agency last year.

How is your program funded and what would it take to operate on a larger scale?

Many organizations come to us to learn how we have managed to braid and leverage funding from multiple funding sources. Our budget for workforce development is \$18 million annually. We have diversified our funding streams

¹ Occupational Safety and Health Administration.

based upon both population served and the industry sectors for which we provide training. The largest source of funding is the earnings from our social enterprise — roughly \$11 million of the store revenue is dedicated to our mission programming. The balance of funding comes from public sources (federal sources including the U.S. Department of Labor-Employment and Training Administration and the Veterans Administration; state/federal sources including Temporary Assistance for Needy Families, Supplemental Nutrition Assistance Program Employment and Training, and Vocational Rehabilitation; federal/county sources including Workforce Innovation and Opportunity Act and Community Development Block Grant funds), and private sources (corporate, community, and family foundations; United Way; and employer wage reimbursement).

To operate on a larger scale, our plan is threefold: (1) increase fundraising efforts through individual giving (we have not historically done any public appeals or courted high-net-worth individuals); (2) increase our revenue through expansion of our technical assistance and consulting to help others replicate our successful model and use the funding for more mission-based programming; and (3) explore Pay for Success / Social Impact Bonds.

How has your program been affected by COVID-19?

To do our part to flatten the curve, we elected to close our retail thrift stores and our walk-in career centers to the public starting March 24, before the Georgia governor's shelter-in-place orders began in early April. We allowed our program participants who were already enrolled in workforce development programs to continue, as we saw that the alternatives for them would be less safe than our facilities, which immediately implemented the use of personal protective equipment, social distancing, and additional sanitizing of the environment.

We had already begun delivering virtual career services five years ago in order to expand access and reach to job seekers in rural areas, those who lacked transportation, and those who would encounter difficulty visiting our brick-and-mortar career centers during operating hours. So, we were well positioned to ramp up the offerings and services available virtually through web-based technology (careerconnector.org).

The closure of our stores resulted in a massive hit on our primary funding source, but fortunately, we are an organization that has acted with significant discipline over the last decades in putting our positive financial margins into investment funds for operating reserves. Consequently, we have not had a single lay-off of our 3,400 employees and all have kept their health insurance and other benefits since we closed, despite a 98 percent reduction in our agency revenue since the start of the pandemic.