WE ARE
GOODWILL
of Silicon Valley

2017 Annual Report
WE ARE
Goodwill of Silicon Valley

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2017 was a challenging year for our organization. San Jose and surrounding cities had their second minimum wage increase in 1½ years as we experienced an increase of $3.2M on an annualized basis. The prospect of another large increase beginning in 2018 resulted in our decision to close our mattress recycling business and car detailing/washing operations. Those operations had employed over 80 people annually, with most coming from our homeless veterans and re-entry programs. We took additional steps to soften the impact of further minimum wage increases that will take place in the next 2 years. They included reorganization of our supply chain, increasing the pay of our production personnel, developing a plan to lower turnover, and reorganizing our board to take better advantage of their skill sets. We are confident that these steps will better position Goodwill of Silicon Valley for future opportunity and mission expansion.

Our 2017 Mission Services organization continued to have great success. We increased people served to 17,000 and achieved our 3 year goal in the first year. We expanded our mission to the Gilroy area with the opening of our new Gilroy job center which provides job search assistance, resume coaching, and interviewing skills assessment.

While 2017 did not measure up to our past financial performance, we did prepare the organization for future opportunity despite the financial headwinds we face. Our balance sheet is strong and we are debt free. We are in a great position to weather the large payroll increases over the next couple of years. Additional work will be done in 2018 to make us more efficient and focused on our operations and mission. Our team looks forward to overcoming the challenges of the future.

Michael E. Fox, Jr.
President & Chief Executive Officer

Jim Cunneen
Board Chair

Goodwill of Silicon Valley has been serving Santa Clara County since 1928
WE ARE

2017 GWSV Board of Directors

Officers
Jim Cunneen – Board Chairman
Michael E. Fox, Jr. – President & Chief Executive Officer
Inder Sidhu – Vice Chairman
Phillip Boyce – Immediate Past Chairman
Jim Campagna – Treasurer
Jessica Welker – Secretary

Directors
Dale Achabal, Ph.D – Member
Erik Hallgrimson – Member
Victor Gomez – Member
Lydia Ortega, Ph.D – Member
Dave Sanders – Member
Christopher Schumb – Member
Brian Shetler – Member

2017 Senior Leadership Team

Michael E. Fox, Jr. – President & Chief Executive Officer
Christopher Baker – Chief Financial Officer
Don Aguilar – Vice President of Human Resources
Trish Dorsey – Vice President of Mission Services
Josh Altieri – Director of Marketing
Stephen Borasi – Director of Retail
Johnny Cochran – Director of E-Commerce
Ryan Gleason – Director of Operations
Cynthia Harvey – Director of Contracts & Maintenance
Jose Montes – Director of Loss Prevention
John Seaman – Director of Workplace Safety
Thank You to Our Generous 2017 Donors

• Arguendo Guanlao, Jr.
• Martin McVeigh
• International ProInsurance Services, LLC.
• Christine Kerr
• Goodwill Industries International, INC.
• Adobe Systems
• Claudine Nagamine
• Inder Sidhu
• Jim Cunneen
• Jessica Welker
• Jim Campagna
• Christopher Schumb
• David Sanders
• Dale Achabal
• Erik Hallgrimson
• Victor Gomez
• Lydia Ortega
• Brian Shetler
• Don C. Watters
• Paul K. Joachim
• eScrip
• Marina Koifman
• Mikayla Pratt
• Roshni Cooper
• Kathy Sloan
• Leslie Guinnane
• Patricia Yeung
• Patrick Gartland
• John Frenzel
• Josh Altiere
• Douglas Standing
• Catherine Lavin
• Albert Cerussi
• Rahim Ladak
• Laura Patten
• Sean Collins
• Yuan Yao
• Manjeet Dhindsa
• My Kristine Lu
• Ernest Ortiz
• Facebook, INC.
• Larry Pratt
• John B. Tanner
• George Winter
• Max Steinke
• Andrew Ritger
• Thao Tran
• Steve Hunt
• Cheryl Downing
• Michael E. Fox, Jr.
• Michael Konevecki
• Jack Baker
• Bozzuto Insurance Services
**Veterans Individualized Placement (VIP) Program**
We work with veterans that are facing homelessness by facilitating employment readiness and job placement. Each veteran partners with a member of the Goodwill support team to develop and execute a job placement plan. These job seekers are provided with housing assistance, food, transportation, and other basic needs during and after the job search phase.

**Veterans Family Services (VFS) Program**
Veterans and their families that are homeless or facing homelessness are invited to Goodwill for help. Our support team works with them to facilitate a plan to secure and sustain safe housing. We do this by providing financial assistance, location of appropriate housing, and case management.

**New Opportunity Work (NOW) Program - Phase I**
While in custody awaiting trial or completing their sentence at the county jail, Goodwill staff facilitates employability workshops and Moral Reconciliation Therapy for those that have self-identified as wanting to start a new life upon release. These workshops prepare the individual to transition back into employment in a positive and productive fashion. Many of the workshop attendees join the NOW Program Phase II upon release.

**New Opportunity Work (NOW) Program - Phase II**
Goodwill assists those that are starting over after having been involved in the criminal justice system. Upon enrollment into this program, these job seekers are placed into immediate paid employment as they work on their progression toward obtaining employment within our community. During this transition period, Goodwill support staff works with each person on an individualized basis to facilitate Moral Reconciliation Therapy, mentoring, and ultimately placement into a job that has promise.

**Employment Readiness Program**
Goodwill uses its social enterprises to offer transitional employment opportunities for people that are struggling to obtain employment. While in the paid work program, these job seekers also participate in paid workshops that address cognitive behavior and employability skills training. The support team works individually with each job seeker to assist in the transition to mainstream employment within our community.

**After-School Programs**
Goodwill manages after-school programs at four high schools in San Jose. We work with at-risk students to help them achieve their goal of earning a high school diploma. These programs also engage the students in activities that enrich their experiences such as learning a second language, fitness activities, music, robotics, and much more. Hot meals are available to these students as well. Goodwill is on campus at these schools every afternoon during the school week.

**GoodHealth**
This program is designed to strengthen independent living skills for high school students that live with developmental disabilities. While this is the focus, we are also able to engage these students into activities that they may not otherwise experience such as attending a prom, a day at the bowling alley, being entertained by dancers, and more.

**Autism Advantage**
Improves the quality of life of people with disabilities by supporting and developing their abilities through social acceptance, advocacy, and employment. Our training, recruiting, and support programs help people on the spectrum become more self-aware and apply their wonderful skills in the modern workplace.

**Transition Youth with Disabilities Programs**
These programs address the primary barriers to successful employment for transitioning age youth with disabilities. As a key component to this program, we also connect with and provide support to the family to ensure all challenges are addressed. In addition, with our partnership through the Department of Rehabilitation (DOR) and the East Side Union High School District (ESUHSD), we are able to provide support to students that enables them to successfully transform from high school to post secondary education or directly into the world of work.
Goodwill of Silicon Valley’s Mission Services Department operates an array of programs which provide services to the general public, here are the 2017 highlights:

- **2,123** Therapy Sessions provided in our Wellness Center
- **15,018** high school students attended the After School Program
- **20** students from Autism Advantage Program got employed AND together combined they are earning **1.4 million** in annual salaries
- **101** people with disabilities were served
- **156** Job Placements from NOW Program

**Launched WorkConnect Employment Resource Center (Gilroy Store)**

- **90** Families of Veterans received housing services
- **1,008** Enrollments into NOW Program
- **253** people received services in our Wellness Center
- **350** people placed into jobs via Mission Services Department
- **109** Training to work in Constructional Training Program feeder into Labor Union
- **7,061** Classes conducted in the county jail
- **173** people received services AND **43** people obtained employment via WorkConnect
- **55** A+ Computer Training Certifications AND **88%** of graduates got jobs
- **30** people with disabilities got placed into jobs
WE ARE

Jose

Dr. Gurneet C.

Rubi

Rebekah

GOODWILL
of Silicon Valley
Employment Readiness Program
Success Story

Before coming to Goodwill of Silicon Valley, I was in a very dark place, living a life that led me to decide whether to live or die. I chose to seek help which led to a transitional program. I did not know which way to go especially in a big city like San Jose. A friend of mine who was already enrolled in Goodwill’s Employment Readiness Program (ERP), suggested that I check it out. At the time, all I heard was JOB OPPORTUNITY! While attending ERP, I had many possibilities and attended many workshops while working as a Customer Service Specialist at a Goodwill Store. Even though I was afraid of learning the register, my manager always believed that I could do it. If it had not been for my manager and ERP Support Specialist, Andrea, I am not sure that I would have had the confidence. Through customer service hands on training, workshops, and coaching, I learned patience and communication skills that I apply daily in my current job. Goodwill’s ERP helped me move forward in life, and because of this experience, my eyes were opened to things that I could do!

Currently, I am looking at becoming a mechanic while still working full-time. If it had not been for Goodwill, today, I would not be where I am in life.
Thank you, Goodwill and Andrea K.

~ Jose
Retail Success Story

Goodwill gave me a chance when others would not. After making bad choices in my youth, I found it hard to get a job. Rejection after rejection started to take its toll on me and any hope that I had for my future. Then one day, I saw the Goodwill Milpitas Store’s opening and hiring signs, so I thought that I would go ahead and give them a try. I was so happy and thrilled when they gave me the job! With no prior experience and a history of bad choices, they were willing to take a chance on me. For that I am grateful!

It has been 3 years, and I am working in a job that I love with a company that does so many wonderful things for so many people. I am honored to be a part of the Goodwill of Silicon Valley!

~ Robin

Autism Advantage Success Story

I found the program helpful and would recommend it. It helped me with public speaking, social skills, and resolving conflict, while allowing me to think about things that I do not normally think about. Also, I appreciated the encouragement and assistance with healthy eating.

Today, Robert is working at drchrono as a software engineer.

~ Robert
Veterans Program Success Story

I am a United States Army Veteran enrolled in the Veterans Individualized Placement Program (VIP) at the Goodwill of Silicon Valley. Prior to enrolling in the program, I was homeless, jobless, and had lost all hope. After attending the orientation and meeting with my VIP Case Manager, Steve Munoz, he said, ‘I think that I have found you a job.’ I thought to myself, ‘no way, could this be possible? Not that fast!’ Steve had set up an interview and provided transportation for me. I was hired on the spot! Next, I was introduced to Goodwill’s Business Developer, Karl Darr, who helped organize and devise a successful plan to begin my career and provide for my future. He stressed the importance of being transparent and honest about my past which ensured the best plan for my future. Having a criminal background and history of drug addiction made the idea of a prosperous future seem unimaginable. Together, we developed a plan that set up progressive steps in small attainable goals that I would need to work towards to be successful.

Currently, I am enrolled and taking classes at NPower Technology School while working part-time at the Palo Alto Goodwill Store. Also, I have been working with a Goodwill Housing Specialist and will be moving into my own apartment this month. My gratitude for these men at Goodwill’s VIP Program is boundless. They saw something in me that I did not see in myself. They helped to restore my dignity! From the bottom of my heart, THANK YOU SO MUCH!

~ Shawn
United States Army Veteran – OIF Expeditionary Forces & OIF III

Wellness Center Success Story

Goodwill has provided me with great training during my tenure in graduate school. I received credits for my practice hours in therapy while obtaining licensing as a psychologist. In 2013-2015, I had been a trainee at Goodwill, but returned in 2017 as a post-doctoral trainee and employee! Recently, I completed my requirements and I am on my way to becoming an official licensed psychologist.

~ Dr. Gurneet C.
Youth Program
Success Story
As a sibling of four, with a single mother in a low-income neighborhood, the odds were against me and my success. Compared to my siblings who graduated high school and went to prison, I found the drive to succeed academically which led me to great opportunities and to give back to the community. Through GoodHealth at the Goodwill of Silicon Valley, I have obtained an internship as a health educator for special needs students which allows me this opportunity to give back. Because of my experience, I can relate to my students that come from similar backgrounds. These students have their own unique hardships such as cognitive and behavioral development setbacks. Nevertheless, these students receive opportunities through GoodHealth by Goodwill of Silicon Valley to help them manage their lives as an individual and community member through engaging lessons and community events. During these moments, I have seen students’ excitement when they have the courage to participate in class, a soccer tournament, or a school dance. Seeing a student, that I had presumed lacked motivation, burst out of their shell and score a goal in front of a large crowd, demonstrates to me that they have the will to succeed if they have a supportive environment.

Although there may be odds against us, it does not have to define us! My upbringing did not define me or my worth and similarly, my students’ disabilities do not define them or their potential contribution. GoodHealth and Goodwill of Silicon Valley reflect my passion and perseverance.

~ Rubi

NOW Program
Success Story
For years, I lived in a fog of addiction, jail, and institutions. Everyone knew me by my street name and not my real name because I felt undeserving of my real identity. I always thought less of myself and always settled for less as well. I had dreams of a good life that I thought I would never have. Then one day, as I sat in a prison cell, I vowed to do my best at anything from that point on.

My life has changed in such a drastic way. Now, I am an active member in my families’ lives, and I have become determined and willing to do whatever it takes to keep this life that I have worked so hard to achieve. I am not afraid anymore, and I do not live in fear of what might happen next. Today, my name is Rebekah Machado and I would not want it any other way!

~ Rebekah
## Goodwill of Silicon Valley 2017 Financials

### Public support and revenue:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail programs</td>
<td>$ 29,656,055</td>
<td>$ 28,862,673</td>
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<tr>
<td>Donated goods</td>
<td>5,624,164</td>
<td>7,841,673</td>
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<tr>
<td>E-commerce</td>
<td>4,581,445</td>
<td>4,733,294</td>
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<tr>
<td>Grants and contributions</td>
<td>4,083,112</td>
<td>3,831,359</td>
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<tr>
<td>Operations programs</td>
<td>4,043,322</td>
<td>4,197,884</td>
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<tr>
<td>Contract and business service programs</td>
<td>1,939,889</td>
<td>1,868,615</td>
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<tr>
<td>Rent income</td>
<td>364,375</td>
<td>326,765</td>
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<tr>
<td>Investment income, net</td>
<td>246,901</td>
<td>110,696</td>
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<tr>
<td>Miscellaneous</td>
<td>244,816</td>
<td>342,144</td>
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<tr>
<td>(Loss) gain on sale of property and equipment</td>
<td>(2,798)</td>
<td>2,135,483</td>
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</table>

### Total public support and revenue 50,781,281 54,250,586

### Expenses:

#### Program services

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td>Retail programs</td>
<td>34,069,792</td>
<td>31,171,218</td>
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<tr>
<td>Cost assigned to donated goods sold</td>
<td>5,813,660</td>
<td>7,664,903</td>
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<tr>
<td>Vocational school programs</td>
<td>5,137,236</td>
<td>4,859,923</td>
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<tr>
<td>Contract and business service programs</td>
<td>2,241,523</td>
<td>2,249,142</td>
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</table>

### Total program services 47,262,211 45,945,186

#### Supporting services

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management and general</td>
<td>3,626,571</td>
<td>4,073,297</td>
</tr>
<tr>
<td>Fundraising</td>
<td>60,428</td>
<td>57,445</td>
</tr>
<tr>
<td>Total supporting services</td>
<td>3,686,999</td>
<td>4,130,742</td>
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### Total expenses 50,949,210 50,075,928

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets before pension plan investment gain (loss)</td>
<td>(167,929)</td>
<td>4,174,658</td>
</tr>
<tr>
<td>Pension-related changes other than net periodic benefit costs</td>
<td>177,504</td>
<td>(145,168)</td>
</tr>
</tbody>
</table>

### Change in net assets 9,575 4,029,490

### Net assets, beginning of year 28,388,346 24,358,856

### Net assets, end of year 28,397,921 28,388,346
## Store Locations

<table>
<thead>
<tr>
<th>Location</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almaden</td>
<td>3060 Almaden Expressway San Jose, CA 95118</td>
</tr>
<tr>
<td>Alum Rock</td>
<td>3020 Alum Rock Avenue San Jose, CA 95127</td>
</tr>
<tr>
<td>Campbell</td>
<td>60 South San Tomas Aquino Road Campbell, CA 95008</td>
</tr>
<tr>
<td>Cupertino</td>
<td>1125 De Anza Boulevard San Jose, CA 95129</td>
</tr>
<tr>
<td>Gilroy</td>
<td>845 First Street Gilroy, CA 95020</td>
</tr>
<tr>
<td>Hollister</td>
<td>1703 Airline Highway Hollister, CA 95023</td>
</tr>
<tr>
<td>Milpitas</td>
<td>311 West Calaveras Boulevard Milpitas, CA 95035</td>
</tr>
<tr>
<td>Morgan Hill</td>
<td>17630 Monterey Road Morgan Hill, CA 95037</td>
</tr>
<tr>
<td>Mountain View</td>
<td>855 East El Camino Real Mountain View, CA 94040</td>
</tr>
<tr>
<td>Palo Alto</td>
<td>4085 El Camino Way Palo Alto, CA 94306</td>
</tr>
<tr>
<td>San Carlos</td>
<td>1691 West San Carlos Street San Jose, CA 95128</td>
</tr>
<tr>
<td>The Loft</td>
<td>1691 West San Carlos Street San Jose, CA 95128</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>2800 El Camino Real Santa Clara, CA 95051</td>
</tr>
<tr>
<td>Santa Teresa</td>
<td>7098 Santa Teresa Boulevard San Jose, CA 95139</td>
</tr>
<tr>
<td>Silver Creek</td>
<td>1640 East Capitol Expressway San Jose, CA 95121</td>
</tr>
<tr>
<td>Snell</td>
<td>461 Blossom Hill Road San Jose, CA 95123</td>
</tr>
<tr>
<td>Sunnyvale</td>
<td>151 East Washington Avenue Sunnyvale, CA 94086</td>
</tr>
<tr>
<td>Willow Glen</td>
<td>1579 Meridian Avenue San Jose, CA 95125</td>
</tr>
<tr>
<td>Winchester</td>
<td>1303 South Winchester Boulevard San Jose, CA 95117</td>
</tr>
</tbody>
</table>

## Attended Donation Sites

<table>
<thead>
<tr>
<th>Site</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budd</td>
<td>2341 South Winchester Boulevard Campbell, CA 95008</td>
</tr>
<tr>
<td>Calaveras</td>
<td>25 North Milpitas Boulevard Milpitas, CA 95035</td>
</tr>
<tr>
<td>Cambrian</td>
<td>14900 Camden Avenue San Jose, CA 95124</td>
</tr>
<tr>
<td>Cottle</td>
<td>Cottle Light Rail Station @ Cottle &amp; Highway 85 San Jose, CA 95119</td>
</tr>
<tr>
<td>Crown</td>
<td>6477 Almaden Expressway San Jose, CA 95120</td>
</tr>
<tr>
<td>El Camino Express</td>
<td>715 Sunnyvale - Saratoga Road Sunnyvale, CA 94087</td>
</tr>
<tr>
<td>Elk’s Lodge</td>
<td>1680 Martin Avenue Santa Clara, CA 95050</td>
</tr>
<tr>
<td>Indian</td>
<td>Blossom Hill Light Rail Station &amp; Highway 85 San Jose, CA 95123</td>
</tr>
<tr>
<td>Lakewood</td>
<td>1119 North Lawrence Expressway Santa Clara, CA 95051</td>
</tr>
<tr>
<td>Lark</td>
<td>14800 Winchester Boulevard Los Gatos, CA 95030</td>
</tr>
<tr>
<td>Los Altos</td>
<td>2175 Grant Road Los Altos, CA 94022</td>
</tr>
<tr>
<td>Narvaez</td>
<td>Capitol Expressway &amp; Narvaez @ Bus Station Park N Ride San Jose, CA 95136</td>
</tr>
<tr>
<td>Our Lady of Peace</td>
<td>2800 Mission College Boulevard Santa Clara, CA 95054</td>
</tr>
<tr>
<td>Palo Alto High School</td>
<td>50 Embarcadero Road Palo Alto, CA 94301</td>
</tr>
<tr>
<td>Park N Ride</td>
<td>Santa Teresa Light Rail Station San Jose, CA 95119</td>
</tr>
<tr>
<td>Princeton</td>
<td>3510 Homestead Road Santa Clara, CA 95051</td>
</tr>
<tr>
<td>Safeway</td>
<td>840 East Dunne Avenue Morgan Hill, CA 94022</td>
</tr>
<tr>
<td>Valley Fair</td>
<td>3071 Stevens Creek Boulevard Santa Clara, CA 95050</td>
</tr>
<tr>
<td>West Valley</td>
<td>5245 Prospect Road San Jose, CA 95129</td>
</tr>
</tbody>
</table>
Transforming Lives Through the Power of Work in Santa Clara County Since 1928

1080 North 7th St.
San Jose, California  95112
Phone: (408) 998-5774
Fax: (408) 283-0201
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www.shopgoodwill.com