



**Goodwill Industries at work**

**Economics Cycles and Donations**

**Civic Duty Volunteering Experience**



Just as the moon's gravity causes enormous tidal movements within the vast oceans that affects all living creatures along the shorelines, global economies are also subject to vast economic cycles of boom and bust that touches all of us in one way or another. Whether you are living paycheck to paycheck, receiving a transfer payment from the government due to unemployment, or have the luxury of being surrounded by material things as the result of lavish consumption spending, the effects of the economic cycles are seen and felt by everyone. One unique business that sees the effects of economic recessions felt by each of the groups listed is the non profit organization Goodwill Industries. Many see Goodwill Industries as simply a chain of thrift stores and donation sites. However, the Goodwill is also heavily involved with helping the unemployed and individuals seeking to improve their job skills. After volunteering with the Goodwill in their donation sorting, retail, and job connection departments, I've seen first hand how this unique organization is able to ride the tidal waves of the economic cycles yet continue to help communities whether the tide is coming in or pulling out.

Because most people are familiar with Goodwill Industry's retail chain thrift stores, this is where I will begin my experience. In case you have not had the chance to see a Goodwill store, the experience isn't much different from what you might expect from a discount department store with one big exception, rock bottom retail prices. The majority of the items sold at a Goodwill store are apparel, mainly women's apparel. In fact, over 60 percent of their inventory consists of women's clothing from pants, shirts, dresses, shoes, and even undergarments. The inventory does include men's clothing, though in much smaller proportions, and other products sold vary from children's toys, books, and furniture, to electronics and small appliances. All of their products are sold

far below market value prices. Of course the Goodwill's entire inventory is supplied by public and private donations. Since the inventory consists of second hand items, do not expect to find many items that are still covered by manufacture's warranties. Even though the stores sell a variety of products, many people would consider most, if not all, of the items as inferior goods, and the retail numbers would support it. As the economy slumps, more consumers from many socioeconomic statuses increase their spending at Goodwill stores, and as the economy improves the stores' sales decrease. Of course, the term "inferior good" does not mean these second hand items are less worthy of ownership. As I explain next, when the economy takes a turn for the worse, the items people decide to donate may surprise you.

Goodwill Industries relies on public and private donations to keep its operations going, and my experience volunteering in the donations receiving and sorting department showed that when the economy is in a recession, people will donate almost anything. I have seen brand new dresses and unopened linen, as well as new video games and other electronics. Of course I have also seen donated trash, literally. Despite certain items, donating to the Goodwill not only helps consumers in the retail stores but the people donating also benefit. Most donations can be included in an itemized tax write off, and the donation process allows people to recycle items that would otherwise be trashed and taken out of the economic monetary cycle. Although I have seen many things come into the donation center from bras to umbrellas, not all donated items can be or should be sold in the retail stores. Severely damaged, broken, and unwashable stained clothing cannot be sold. Typically large items such as large appliances or mattresses are not sellable. Most items that cannot be sold in the retail stores are sold to salvage companies that

extract raw materials from the products. Those raw materials are then sent back to product manufacturers as a factor of production to produce more goods for consumers. Although it may seem like Goodwill Industries has many avenues of revenue and profit since it does not produce its own goods and requires little overhead to operate, its sole mission is non profit. In fact 84 percent of Goodwill's revenue goes toward its other mission, helping to support employment and training programs for the local community.

Although volunteering with Goodwill's Job Connection center was not quite as dirty, sweaty, or as busy as helping out in their donation centers, it was equally important and touched people on a more personal level. As the economy slows and unemployment rises, the demand for further job training and searching facilities increases, and the Goodwill provides both. Individuals have access to computers and the internet, and they can take courses to improve computer skills, interviewing and other interpersonal skills, and meet with prospective employers during local job expos hosted by Goodwill Industries. The centers also provide assistance for those with disabilities and anyone needing help with creating or critiquing resumes. Ultimately, most of these important services are provided to job seekers free of charge, thanks largely to the operations of the Goodwill's retail stores and the donations of households. Essentially, households provide the factors of production that keep Goodwill's services going.

Global economic cycles are both unavoidable and impact everyone in our modern world. From individuals wanting to donate for tax purposes or good conscience, to consumers seeking bargain basement deals, to job seekers, Goodwill Industries has come up with a system that seems to benefit all parties whether the economy is inflating or deflating.