



# NY NJ

4-21 27th Avenue  
Astoria, NY 11102  
Tel: 718 728-5400

May 31, 2017

To our Customers, Supporters, Partners, Donors, and Friends –

I am writing to share with you an important update on Goodwill Industries of Greater New York and Northern New Jersey, Inc.

While most know Goodwill NYNJ for our familiar retail operations, many may not know that our longstanding mission is to empower individuals with disabilities and other barriers to employment to gain independence through the power of work. Over the last several months, Goodwill NYNJ has undertaken a comprehensive strategic and financial review to answer critical questions about our future. This process involved a broad array of voices and included a comprehensive, top-to-bottom look at the organization's programs, retail footprint, administration and finances.

As the environment for brick-and-mortar retail becomes more competitive and costs continue to rise, we determined that the organization faces a significant structural operating deficit. Without further action, this deficit will grow to unsustainable levels, and the future of Goodwill NYNJ could be at risk.

To address this challenge, Goodwill NYNJ today began implementing a plan called **Vision 2020** that will guide our organization through the next several years – and set us on a more sustainable path forward. This plan has three key focus areas: **ensuring fidelity** to our mission in everything we do; **restructuring** our retail portfolio; and **reducing** overhead costs to be lean and efficient.

As part of this plan, we have made the difficult decision to close five of our 40+ stores between now and the end of 2017. Four are in New York — in the Bronx, Binghamton, Rotterdam, and Herkimer. We will be putting the Harrison building on the market and will close that store when it sells. Retail, of course, will remain a vital part of our model, including our new flagship location in North Plainfield, New Jersey, opening in June; however, we must adapt to market realities and focus our retail footprint where it can drive our social enterprise.

We will discontinue programs that, while incredibly meaningful unto themselves, are not geared toward helping people with disabilities and other barriers to employment find work or are unsupported in our organization. While not taken lightly, this is critical to ensuring that every program we invest in is both mission-aligned and has the resources to sustain its operations. Wherever possible, we will find other providers to help continue these services with the government partners.

And finally, we will cut overhead costs across the organization, including reductions in administrative headcount, reducing executive compensation and ending the employer retirement match. These efforts help ensure that the entire organization is running as efficiently as possible, with an ultimate eye on increasing our impact.



[www.goodwillnynj.org](http://www.goodwillnynj.org)  
empowering individuals since 1915



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These are very difficult decisions, and no matter how strong the business case, affect us all. We are deeply committed to doing the right thing for every member of our community – working closely with partner organizations to continue service where possible and supporting the people who depend on us in any way that we can in the coming weeks and months.

As we gradually make these important changes, we will continue to responsibly and transparently look at opportunities to strengthen our organization for the long term. An important aspect of our Vision 2020 plan includes adapting our workforce development efforts to meet the changing needs of the retail industry. We are working with our newly formed retail advisory council and other partners, such as the Fashion Institute of Technology, to develop new training programs that will enable retail staff to develop new skills and advance their careers, not only at our own stores, but at other retailers.

Along with the senior leadership team, I am deeply appreciative of your trust and support for the vital work of our organization throughout its 102-year history. Together, we have an incredible opportunity to build a strong and lasting organization that will serve our community in meaningful ways for generations to come.

Sincerely,

Katy Gaul-Stigge  
President and CEO

