



**Goodwill**  
Industries of Kentucky

# Benefit Cliffs

Systemic Disincentives that Affect Kentucky

Employers and Families

# Your Goodwill Industries of KY: Providing Pathways out of Poverty

101-year-old non-profit, headquartered in Louisville, Kentucky-based board

## Holistic Approach:

- Assist people in recovery from addiction, unhoused, experience a disability or chronic poverty, formerly incarcerated
- Provide a community of support and resources to address all barriers
- Partner with community organizations to ease access to all needed services
- Assist with job placement and a career track

## Role of Goodwill stores:

- Create job opportunities to those with the most life challenges
- Generate funding for unmet needs



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# Goodwill by the Numbers

103 Kentucky counties

Goodwill stores:

- 67 stores in 45 communities
- Second-chance employer: 2,500 jobs to give people a place to start
  - 75% of our workforce come with significant barriers
- Keep 70M lb. of unwanted goods out of landfills each year

12 Opportunity Centers (resource centers) in 9 communities

Q1-Q3, 2024: placed 2,054 individuals in jobs with average wage of \$15.92/hour

- Nearly 3,200 individuals increased their self sufficiency scores



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# Goodwill by the Numbers

- Kentucky defines recidivism as an individual conviction within 2 years of release\*
- As of August, 2023, the current Recidivism Rate for Kentucky is 27.15%
- The average annual cost to incarcerate an individual is \$40,000
- Between 2021 and 2022, Kentucky's incarceration rate rose by 6.4%, the rate in change by male and female rose 5.9% and 10.4%, respectively

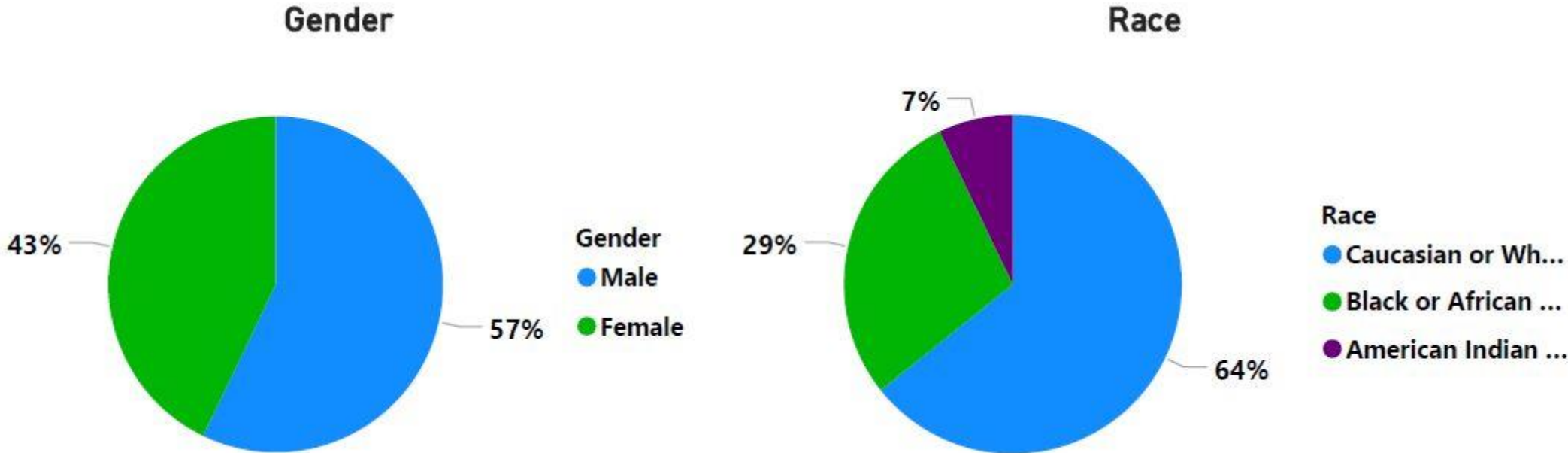
Recidivism data for our 2021 graduates

- Sample Size:** 372 Clients
- Clients With Records:** 206
- 2-year Recidivation:** 7 people – 3.4%
- 3-year Recidivation:** 14 people – 6.8%

### Potential Savings

By early 2024, of the 206 RISE graduates from 2021 with a previous charge, only 7 recidivated, or 49 fewer than would be expected, using Kentucky's average rate

Based on Kentucky's reported results, in theory, graduating from Goodwill's RISE program results in an annual savings of nearly \$1.96 million in incarceration costs alone



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*\*Per 24RS HB 5, Kentucky will begin measuring recidivism rate three (3) years after release.*

Participant Name : _____		DOB : _____		Date : _____		Circle One : Initial	Interim	Exit
Domain	1: Crisis	2: Vulnerable	3: Subsidized or Safe	4: Unsubsidized/Building Capacity	5: Empowered	Score		
<b>Housing</b>	Homeless, unsafe, wrap-around housing, or possible eviction	In decent temporary or wrap around housing; and/or current rent/housing payment is unaffordable.	Housing is safe but subsidized.	Housing is safe and unsubsidized.	Homeownership			
<b>Financial</b>	No income	Not earning enough income and/or spending too much money.	Can pay for food, housing, transportation, and childcare with financial help; spending aligns with income and assistance (subsidized)	Pays for food, housing, transportation and childcare and manages expenses without financial help but not currently contributing to savings or retirement account	Earning enough money to pay for basic expenses (food, housing, childcare, transportation) and contributing to savings or retirement account on an ongoing basis.			
<b>Food</b>	No sustainable access to food	Relies solely on food stamps and/or other public assistance to obtain food	Able to get and prepare food with a mix of income and public assistance	Always able to get enough food to feed self and/or family based solely on income.	Able to buy food as desired.			
<b>Dependent Care</b>	Needs dependent care but is not available and/or dependent is not eligible	Cannot rely on and/or afford dependent care	Help with dependent care expenses is available but limited	Reliable. Affordable dependent care is available, does not need financial assistance.	Able to choose and afford dependent care OR no dependent care necessary.			
<b>Education</b>	Limited academic skills, no high school diploma/GED.	Enrolled in academic and/or GED program.	Has high school diploma/GED.	Enrolled in Earn & Learn, credentialing or post-secondary education/training to improve job status and/or career opportunities.	Has completed education/training needed to improve job status or career opportunities.			
<b>Healthcare Coverage</b>	No medical coverage and has immediate need.	No medical coverage and has no immediate need or difficulty getting medical help when needed.	Enrolled in Medicaid or Medicare.	Enrolled in private insurance but medical needs may strain budget.	Has insurance that is affordable, adequate and able to meet medical needs with no strain to budget.			
<b>Transportation</b>	No access to transportation.	Transportation is limited and or unreliable. Bus stop is not close to work/home.	Transportation is made available through 3 <sup>rd</sup> party sources.	Transportation is available and reliable.	Automobile ownership.			
<b>Mental Health and Safety</b>	Considered danger to self or others, severe impaired functioning and/or feels threatened in current living situation.	Impaired functioning and temporary threat to safety in current living situation.	Moderately impaired functioning and adequate temporary safety with a plan for improvement in place.	Minor impaired functioning and adequate safe and stable living conditions.	No or few mental health symptoms and living well day to day; home is safe and stable.			
<b>Substance Use</b>	Daily alcohol and/or drug usage causes major interferes with day to day functioning.	Frequent usage of drugs or alcohol; with some interference with day to day functioning.	Excessive alcohol usage or used drugs at least one time within last three months.	No abuse of alcohol or drug use for last 6 months to one year.	No drug use or excessive alcohol abuse in last year or more OR No previous drug/alcohol abuse.			
<b>Legal Issues</b>	Outstanding civil or criminal warrants OR Non-compliant with civil or criminal orders.	Current civil or criminal matters pending in court.	Fully compliant with civil or criminal orders.	Successfully completed all terms of orders.	No active civil or criminal involvement for the past 12 months OR No previous civil or criminal involvement.			



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# Goodwill Community Partners

Goodwill opens our Opportunity Centers to a variety of community partners across the Commonwealth to address the needs of each community we serve in a tailored fashion

Some examples of those partners are as follows

- **Housing:** Center for Accessible Living, Coalition for the Homeless, St. John's Center, Salvation Army
- **Financial:** First Financial Bank, Park Community Credit Union, Woodforest Bank, Republic Bank
- **Food:** Dare To Care, Kroger, Catholic Charities, God's Pantry
- **Childcare:** YMCA, Headstart
- **Education:** Kentucky Community and Technical College System
- **Healthcare:** Kynect, Anthem, Humana, Passport, United Healthcare, Aetna, Wellcare, Norton,
- **Transportation:** TARC and public transit authorities where applicable, Cars to Work/Bikes to Work
- **Mental Health:** Seven Counties, Four Rivers, Brighter Futures, NAMI
- **Substance Use Recovery Treatment:** Isiah House, ARC, Bluegrass Recovery Center, Oxford House, Landmark Recovery, HOPE Center, VOA
- **Legal Issues:** Legal Aid Society, Legal Aid of the Bluegrass, AppalRed, Kentucky Legal Aid

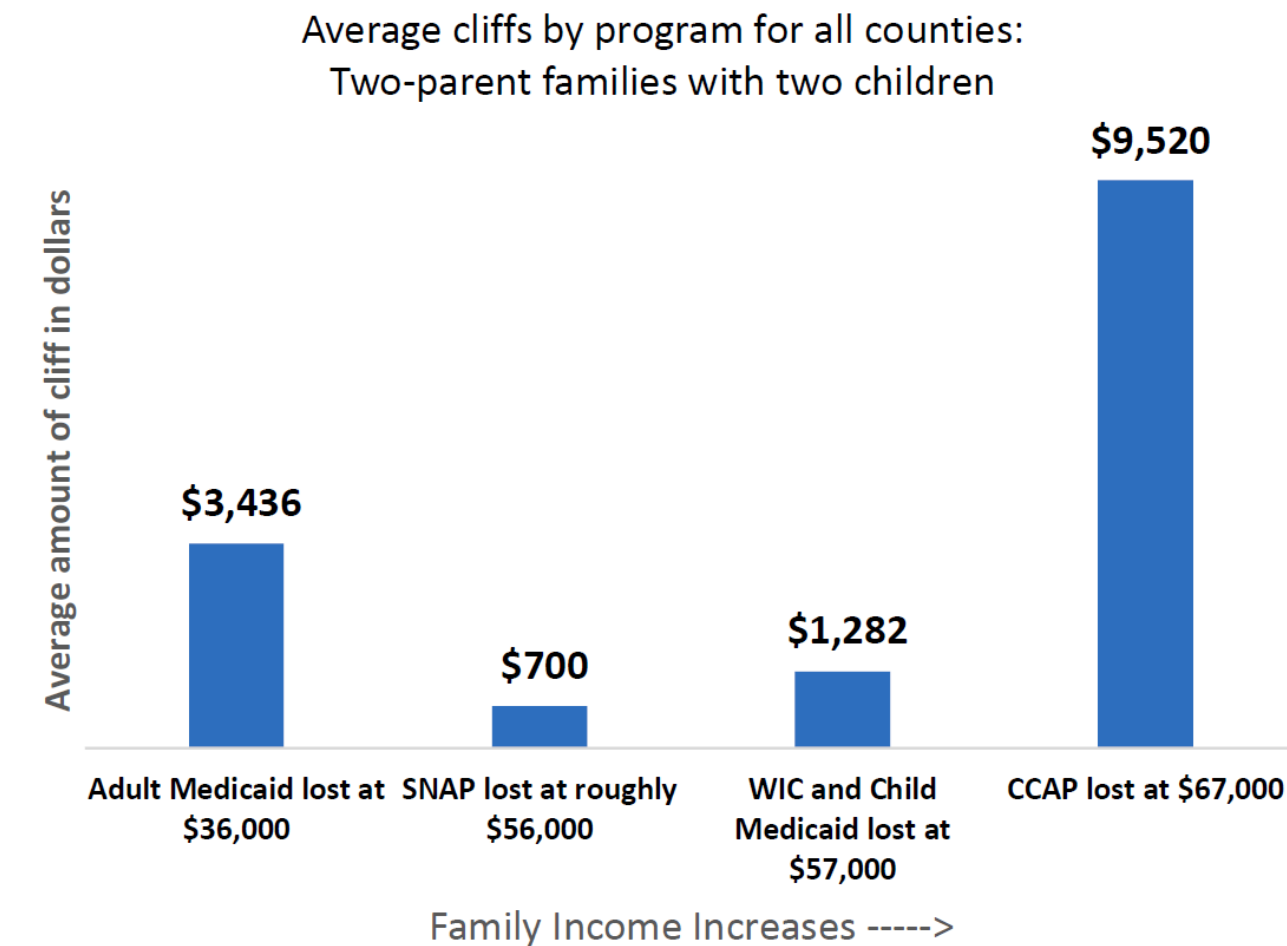
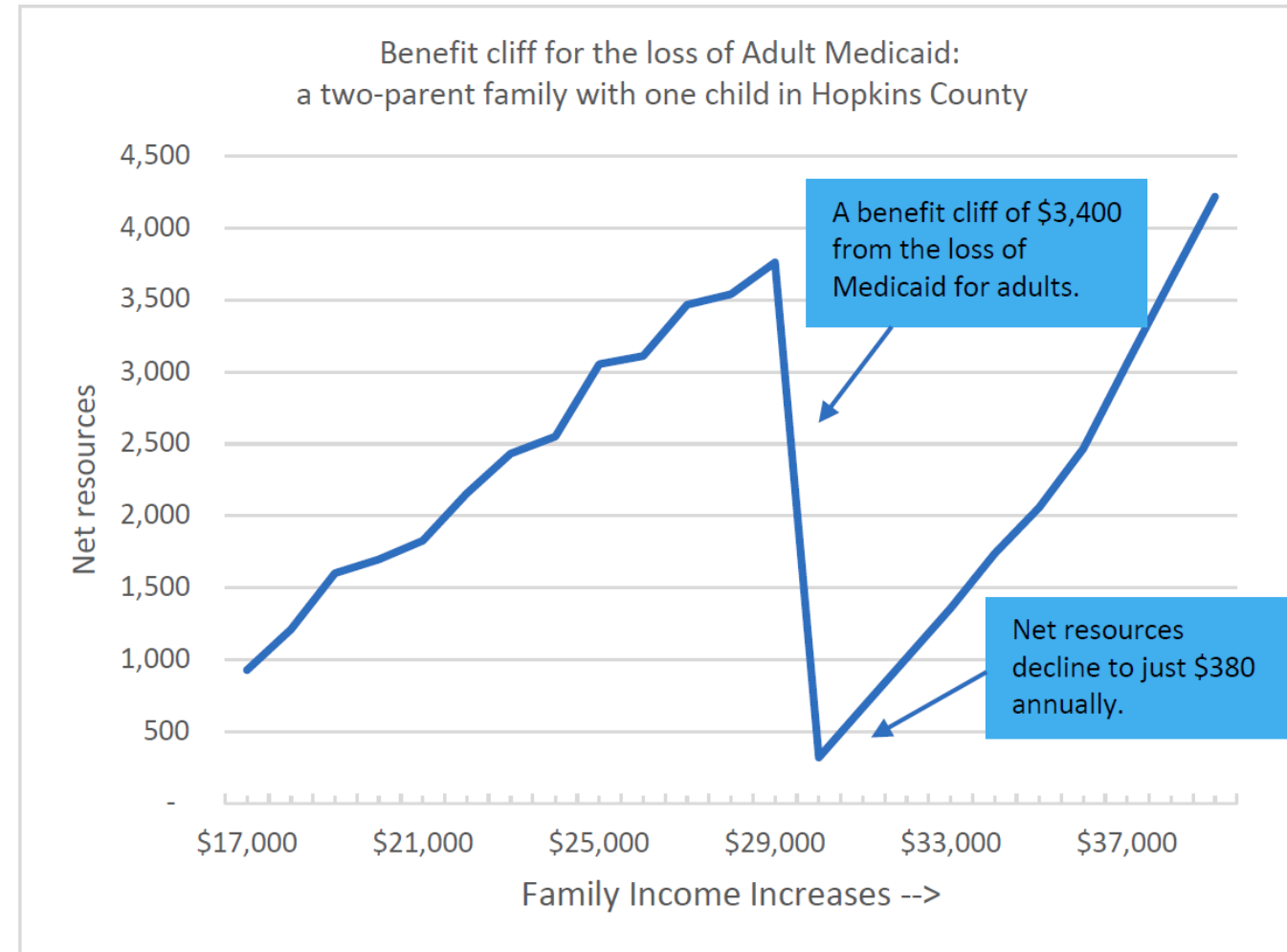


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KWIB secured state funding for two projects, both carried out by National Center for Children in Poverty (NCCP):

- Develop a benefits calculator, the Family Resource Simulator
- Recommend policy changes to address cliffs

In 2024 Goodwill of Kentucky published our Policy Brief, highlighting challenges our participants face when deciding between a better paying job and keeping government benefits they still need



# Takeaways from NCCP Report

- Those most at risk – 2-parent households between 100-200% of FPL.
- Most frequent effects of the cliffs:
  - Underemployment (decline hours, promotions, raises)
  - People trapped at lower income levels
  - Depression of Kentucky’s economic growth
- Cliffs, in order of \$ impact: losses of childcare subsidy, adult and children’s Medicaid, and SNAP.
  - Kentucky has already shifted the income limit for childcare subsidy, to prevent people losing that at the same time they lose SNAP
- Under-enrollment in benefits also contributes to family economic instability
  - 65% of eligible families receive SNAP benefits
  - 52.9% receive WIC
  - Only 21% of eligible families take advantage of CCAP



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# Childcare: Expensive & in Short Supply

## NCCP childcare recommendations:

- Incentives to childcare workers, particularly in subsidized settings
- Supports to childcare centers
- Provider reimbursement based on enrollment, not attendance
- Wait-lists for subsidized slots, for clarity
- Tax credits to employers who fund childcare
- Continue Employee Childcare Assistance Partnership, providing matching funds for employers who help to fund childcare
- Increase eligible families who use available subsidies



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# NCCP Recommendations Goodwill Supports

1. Lower copayments for subsidized childcare to no more than 3% of earnings until family earnings of \$17,000, and gradually increase to 7% of earnings until family earnings reach 85% of state median income (SMI)
2. Extend the exit income threshold for subsidized childcare to 125% of state median income (SMI)
3. Steeply increase copayments as earnings grow, for families between 85% and 125% SMI, to eliminate cliffs as they approach the exit threshold
4. Promote enrollment of families transitioning off Medicaid in silver-level qualified health plans, which require no premium contributions under 150% of FPL



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# Additional Notes

- Some NCCP recommendations can be implemented administratively, some are legislative changes
- Cabinet for Health and Family Services (CHFS) has estimated the additional cost for some recommendations
- Recommend quantifying ROI to Kentucky if recommendations were implemented
  - Childcare alone is estimated to be responsible for a 1-point drop in labor force participation, resulting in between \$2.1B-\$3.2B in lost economic activity annually
- Recommend obtaining further information from KWIB and CHFS



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Thank  
you!



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