EXPANDING OUR INFLUENCE

GOODWILL HOUSTON Annual 2013 Report
By building on the wisdom of generations and feeding off the energy of a diverse and dynamic population, Goodwill Houston is poised to impact the future.
The dictionary defines influence as “the capacity to have an effect on someone or something.” When I looked back over the year, this was an important distinction to make, because our stated goal was not to expand our influence. In fact, as 2013 began, our goal was to grow our capacity to serve. By focusing on the simple yet powerful principle of service, we achieved impressive results—and in doing so, we expanded our influence both locally and nationally.

On the retail side, we extended our footprint into rural counties surrounding Houston, the country’s fourth-largest city. We opened 4 new stores and hired approximately 25 new employees for each. At the end of the year, we had a record 49 stores and 50 attended donation centers, which contribute to Houston’s strong economy and create local jobs.

In the pages that follow, we further highlight our 2013 successes, which include the many ways our board members and leadership teams have served our local community, other Goodwills across the country, and Goodwill Industries International.

Merely having influence is not as important as using it well. At Goodwill Houston, we know that the real bottom line of our success is that we can be an influence for good in the lives of the people we serve.

This will be my last letter to you as Chairman of the Board of Directors of Goodwill Industries of Houston. After serving as Chair for the past eight years, I now pass on the gavel of leadership to my good friend Tommy Moore.

It has been my privilege to serve as the Chairman of this outstanding organization—and I’m proud of what we have achieved. Since 2006, we have grown from 13 to 49 retail stores, our retail sales have increased from $10 million to $59 million, and our net income increased from $168,000 to $7.3 million. Just as impressive, our expense-to-revenue ratio decreased from 90% in 2006 to 72% in 2013!

During these years, this Goodwill has been run like a well-oiled business, without ever losing sight of why we are here—to change lives through the power of work.

The past eight years have been a true test of leadership, and we’ve passed the test with flying colors. I want to express my deepest appreciation to Steve Lufburrow and his management team, as well as to my fellow board members. Because of their loyalty, hard work, and determination, Goodwill Houston is once again one of the most successful Goodwills in North America.

As I prepare to transition into my new role as Senior Board Chair, I leave this role confident that Goodwill Houston’s future is in good hands.

Thank you for the opportunity to serve.
“A gift to Goodwill is an investment in the future, because 95.5% of every dollar goes directly toward our mission.”
- Steven P. Lufburrow

**Donors**

**$200,000+**
- Sherry and Jim Smith

**$20,000 - $100,000**
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- Baptist Foundation of Texas
- The Ellwood Foundation
- George Lindahl II Family Foundation
- Houck Family Foundation
- Houston Jewish Community Foundation
- Isla Carroll Turner Friendship Trust
- John P. McGovern Foundation
- Lee Contracting, Inc.
- M.D. Anderson Foundation
- Margaret & J.A. Elkins, Jr. Foundation
- The Medallion Foundation Inc.
- Ram Investment Group, Inc.
- BOKF Foundation
- BSI
- Myra G. Burke
- Sue and Rusty Burnett
- Cadence Bank
- Kathy and Carlton Cook
- Lucille Cuce
- Deloitte, LLP
- Enterprise Holdings Foundation
- First Investors Financial Services, Inc.
- Debra and JH Itz
- Carol and Tommy Moore
- Sharon and Bill Morris
- Kathryn and Douglas O’Brien
- James Painter
- Palmetto Partners, Ltd.
- Spiders - Financial Support
- Contract Services
- Other

**$5,000 - $19,999**
- BOF! Foundation
- BSI
- Myra G. Burke
- Sue and Rusty Burnett
- Cadence Bank
- Kathy and Carlton Cook
- Lucille Cuce
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- Kathryn and Douglas O’Brien
- James Painter
- Palmetto Partners, Ltd.
- Schwab Charitable Fund
- Smithco Development
- Texas Capital Bank
- Wedemeyer Realty

**$1,000 - $4,999**
- Alonzo, Baccarisse, Irvine & Palmer, P.C.
- Alphieus Data Services LLC
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- Amegy Bank of Texas
- Andrew Delaney Foundation
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- Nancy C. Battle
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- Buck Keenan LLP
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- William P. Colhoun
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- Jim and Diane D’Agostino
- Dean & Draper Insurance Agency, Inc.
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- Myssy and John Duffie
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- Enervest, Ltd.
- Carolyn G. Fay
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- Fidelity Charitable Gift Fund
- Stella and Michael Fitzgibbons
- John T. Ferguson
- The Greater Houston Community Foundation
- Gulf States Toyota, Inc.
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- Heartstring Methodist Foundation
- Randy Helms
- Gayle and Richard Hightower
- David Huckin
- Jet Famoso LLC
- Johnson DeLuca Kurisky & Gould, P.C.
- Melinda and Bill Kacal
- Kent Kech

**$112,135,703**

**$88,113,176**

**$7,324,216**

**$2013 - 13 COMBINED STATEMENT OF ACTIVITIES**

<table>
<thead>
<tr>
<th>Activity</th>
<th>2012</th>
<th>2013</th>
</tr>
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<tbody>
<tr>
<td>Donated Goods Program (Retail)</td>
<td>$95,519,771</td>
<td>$112,135,703</td>
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<tr>
<td>Employment, Education and Training</td>
<td>$88,113,176</td>
<td>$104,811,487</td>
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<tr>
<td>Management and General</td>
<td>$7,406,595</td>
<td>$7,324,216</td>
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<tr>
<td>Fundraising</td>
<td>$13,867,056</td>
<td>$21,273,651</td>
</tr>
<tr>
<td>Contract Services</td>
<td>$21,273,651</td>
<td>$28,597,867</td>
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**$7,406,595**

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**$21,273,651**

**$28,597,867**
$100 - $999

DONORS (CONTINUED)

A.J. & Marjett Scheppe Foundation
Barbara and Roy Adams
A.I. & Manet Schepps Foundation
Dorothy and Donald Armstrong
Barbara and Roy Adams
A.I. & Manet Schepps Foundation
Bill and Paula Balfour
A. A. and Mary Chasnak
Janice Lahr
SAVING OUR
GLuint7 HEART
We turn your goodwill into good works. Every thread you donate weaves a stronger future; every cent you give changes a life.
EXPANDING OUR INFLUENCE

We know that strong partnerships enable us to impact the community and extend our reach.

Goodwill Houston is influencing the local community like never before. In 2013, we added 6 new programs, bringing our total number to 19. With these new additions, Goodwill was able to serve a record number of 10,359 individuals with job-related needs. Many of those individuals were placed into jobs that pay well above minimum wage.

Goodwill also continued to build on its mission to strengthen families and support veterans. Last year, we doubled our funding for the Supportive Services for Veteran Families program from $1 million to $2 million. We ended last year with 48 official partnerships in Houston. These partnerships give our clients the opportunity to obtain things like housing, food, high school diplomas, certifications, and licenses...all resulting in a restored life.

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People have been donating to Goodwill for generations because of the influence their parents or other family members and friends had on them to do so. They feel good when they donate but don’t know why.

BUSINESS OPERATIONS
(Stores & Donation Centers)

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Goodwill Houston is a national leader with 31 stores hitting the million-dollar mark in 2013. Currently, we are ranked number 13 in the country for donated goods revenue.

EXPANDING OUR INFLUENCE

After a period of incarceration left David on a hopeless six-month search for work, Goodwill helped him find the road to success. Now, as the manager of Goodwill Houston’s highest-grossing store, David sees opportunity. With one to two employees working under him and a steady stream of customers each day, he strives to positively influence as many lives as he can, leading and mentoring with passion, integrity and humility.

“I love my job. I really do. Most people wake up with a negative attitude about going to work. I wake up every day and wonder, ‘Whose life am I going to change today?’ Goodwill welcomed me, saw my true worth, and gave me an opportunity that changed my life. I want to give that same opportunity to as many others as I can.”

Robert Campbell
River Oaks Manager-in-Training
1 year at Goodwill

At 13 years of age, a house fire left Robert with severe burns that made returning to a normal lifestyle and finding work extremely difficult. When Robert was referred to Goodwill from the Texas Department of Assistive and Rehabilitative Services (DARS) after over 10 years of unemployment, he found exactly what he needed: meaningful employment, a strong network of encouraging supporters, and a mentor named David Braddon.

“My goal was always to be a store manager within one year, but training under David has shown me that the job is about so much more than the responsibilities – when you genuinely care about the employees and the customers, the work is so much more meaningful, and you become a better leader.”

David Braddon
River Oaks Store Manager
5 years at Goodwill

After a period of incarceration left David on a hopeless six-month search for work, Goodwill helped him find the road to success. Now, as the manager of Goodwill Houston’s highest-grossing store, David sees opportunity. With one to two employees working under him and a steady stream of customers each day, he strives to positively influence as many lives as he can, leading and mentoring with passion, integrity and humility.

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At Goodwill Houston, we keep good company. We’re lucky to work with the most selfless staff we could ever hope for.

PUBLIC RELATIONS & COMMUNICATIONS

Goodwill Houston was presented with unique opportunities this year that helped raise the awareness of our organization locally and nationally.

A few of these opportunities included:

01

We worked with Goodwill Industries International and Beyoncé’s team to produce a pre-concert video that featured our very own President and CEO Steve Lufburrow. The video showed Beyoncé encouraging concertgoers to donate to Goodwill.

02

Twelve of our veteran clients were able to share their stories with the largest nationwide history project – StoryCorps. These stories are housed in the Library of Congress and many were shared on NPR.

03

Proudly Serving, our 2012 Annual Report, won an Addy award from the American Advertising Federation.

04

Goodwill Houston was awarded the four-star charity rating from Charity Navigator and was recognized as a Winner of Distinction at the Better Business Bureau Awards for Excellence.

HUMAN SERVICES

We consider our employees to be our greatest influencers. With a growing business model, we saw our employee count increase from 1,300 in 2012 to 1,700 in 2013.

CHRISTY JAMES
Student & New Mom

When Christy ran away from Child Protective Services, she fell into prostitution as a means of surviving. After Elijah Rising rescued her, she needed to learn life and job skills to start fresh. After being referred to Goodwill and meeting Angel, a Senior Employment Specialist, Christy was able to receive help and support that she didn’t have growing up. Because she was given the opportunity to change her life, she can now give her daughter a much better future.

“I wouldn’t go back to my old life for anything. I have a daughter now, and she’s going to be different. All the stuff I wasn’t taught, I’m going to make sure I teach her. Anything is possible for us now.”

ANGEL CURRY
Senior Employment Specialist

1 year at Goodwill

Angel knew that working with Christy would require so much more than just finding her a job. Christy needed life and job skills, the chance to complete her education, and most importantly, a strong support system to help her regain her sense of confidence, self-esteem, and purpose.

“The first time I met Christy, I realized that my position here was more than just what my job title states. I’ve made a conscious decision to not only make sure that Christy is OK, but that her daughter Anaya is OK. Their futures are bright.”

1,700

At Goodwill Houston, we keep good company. We’re lucky to work with the most selfless staff we could ever hope for.
**FOUNDBATION BOARD OF DIRECTORS**

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John Vanderhider - Secretary
John Dunn - Treasurer
Anne E. Ginder - Director
Billy Stroba - Director
Steven F. Folsom - Executive Director

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"IF YOUR ACTIONS INSPIRE OTHERS TO DREAM MORE, LEARN MORE, DO MORE, AND BECOME MORE,

YOU ARE A LEADER."

John Quincy Adams