

Goodwill Hunting Goes Upscale

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Grandma's Goodwill store is long gone.

The sun streams in through the glass façade of the Rocky Hill store, highlighting rows of blue shopping carts and casting bright patches across racks of neatly arranged clothing. The faint smell of fresh linen lingers in the air.

An Elie Tahari black cocktail dress (with its original price tag of \$348) is tucked between hangers on a round rack. With a little online research, store manager Ken Johnson locates it at Neiman Marcus and marks it at the bargain price of \$45. It sells in half an hour.

The Rocky Hill store looks much like a Marshalls or a T.J. Maxx store. Two years ago, it became the first Goodwill in Greater Hartford to be remodeled, according to Joe Galasso, vice president of retail operations at Easter Seals Goodwill in New Haven. Such remodeling, begun nearly a decade ago, is part of the changing face of Goodwill, which, according to philanthropy experts, is cutting-edge in its marketing.

"Years ago, people had the indication of the thrift store being smelly or a place they wouldn't want to go shopping," said Galasso, who oversees the charity's stores in Greater Hartford. "They had a negative image of Goodwill, and we are trying to change that."

No longer a railroad-salvage type outlet of mismatched display cases, Goodwill is not alone in its effort to move away from close-to-trash status. The push for quality is a national phenomenon, according to Stacy Palmer, editor of "The Chronicle of Philanthropy."

The Pension Protection Act, signed into law by President Bush this month, tightens rules on clothing and household item donations. The bill stipulates that people donating items to charity can only receive tax deductions if the goods donated are in at least fair and usable condition.

"There's stuff that's inappropriate to give to charity," Palmer said. "They have been trying to get this kind of legislation passed for a number of years."

Goodwill has also taken other steps to generate higher-quality donations by appealing to a broader market, including middle- and upper-class consumers.

"Our buyers are really sophisticated," said Joan Dornbach, vice president of marketing and public relations at Goodwill Industries of Orange County, Calif. "They are not coming to the Goodwill for junk."

The Orange County Goodwill was responsible for launching Shopgoodwill.com, an auction site much like eBay

that has produced more than \$33 million in sales since it started in 1999. Its most expensive item, a silver, pear-shaped guitar, sold last month for \$10,001, a price far too high for an in-store sale, Dornback said.

Shopgoodwill.com helps expand the breadth of customers reached, which at stores is usually about three to five miles, she said. "We realized we could target a larger market and maybe a market that wouldn't typically come into our store."

Of the 170 Goodwill organizations in the U.S. and Canada, more than 100 participate in the online auction, contributing items for bidding, she said. The site has grown at a rate of 34 percent year over year.

Though the Connecticut-operated Goodwill stores do not contribute to the online auction, Johnson still uses the Internet to help boost sales, checking eBay bids to price inventory. The Internet has helped Johnson value items like a Louis Vuitton purse he sold for \$250 and a knee-high rusty cast-iron bird bath priced at \$49.99. A numbered and signed Orrefors candy bowl sold for \$75, and a blue-frame Trek Cruiser Classic bike, online for \$249.99, sold in-store for \$119.

Johnson says such valuable donations are anomalies to the everyday usable items dropped off, though the quality of donations in general has increased significantly over the years.

There is a danger that non-profits will become too retail savvy, said Dennis Young, professor at the Andrew Young School of Policy Studies at Georgia State University.

It's a contentious issue in philanthropic circles: Some believe non-profits run the risk of being clumped in with other retailers like Marshalls and T.J.Maxx by looking too much like them.

"Nonprofits have come to more of the realization that they are competing," said Eugenia Ramsey, president of the National Center on Nonprofit Enterprise. "It's kind of a complicated noisy marketplace out there, and they have to concentrate on getting their message out."

And the message isn't just about selling items; it's the mission to help the disabled and special-needs people in the community - written in bold letters across the span of a wall in the Rocky Hill store.

The message is too often overlooked by customers, said assistant manager Dianne Casey.

"People complain about this being \$12.99," she said holding up the tag on a white satin comforter with large blue flowers on it. "If they knew this all costs money, they'd understand," she said of Goodwill's job-training and -placement programs. When Goodwill first began in 1902, it accepted furniture that was repaired by disabled employees and resold, Galasso said. Goodwill no longer repairs donated goods, though it continues to employ and train disabled workers.

The money made in Goodwill stores is critical to support these programs.

Earlier this year, a customer purchased \$800 worth of Gibson china for \$100, Johnson said. The dealer who purchased the 10-place green-patterned china set told Johnson the set was drastically under-priced.

With better online research, the store might have charged more, but Johnson doesn't get too hung up on the occasional price slip. "You got a bargain today," he told the customer, "and I got \$100 for Easter Seals."

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