

Proposal K

	Rate	From	To
- Bracket One	0.65%	\$0	\$15,000,000
- Bracket Two	0.35%	\$15,000,001	\$60,000,000
- Bracket Three	0.10%	\$60,000,001	\$1,000,000,000

In the current structure, the amount of dues that the smallest Goodwill pays as a percentage of Earned Revenue is 18.0x than the largest Goodwill. This Proposal reduces this difference to 3.9x.

This Proposal is for Members who feel the current structure is grossly inequitable but feel that a ‘same rate’ structure goes too far. For those who like inequity, this Proposal still requires the smallest Goodwill to pay a 6.5x higher rate than the largest on their next dollar of Earned Revenue.

This Proposal also raises the cap on Earned Revenue. Each Member belonging to a Member Organization should reserve some portion of every dollar earned to support that Member Organization. Or put differently, tell me the appropriate number where dues no longer apply. Why?

In this Proposal, dues are a mere 10 cents for every \$100 in Earned Revenue over \$60M. Truth be told, this rate and threshold is arbitrary, but importantly it is not zero.

Caps on Earned Revenue also make it inevitable for inequity to worsen over time.

What about a dues structure that incentivizes growth? Well, any regressive tiered-rate dues structure disingenuously incentivizes growth because a territory with a small number of households will not have a realistic path to ‘dues-free’ brackets.

Next, a cap is unnecessary to prevent the ‘runaway train’ of GII dues but is a sure way to all but codify inequity. Instead, simply implement a “**GII Dues Cap and Rebate**” program, where any dues collected above CPI growth is rebated on a pro rata share back to Members. Cap the dues, not the revenue.

Let’s keep it revenue-neutral, so that together, we can immediately move to the topic of ‘what we want from our dues.’ Equity first, value second.

Lastly, let’s agree that while dues are assessed on Earned Revenue, Members in fact pay dues with Operating Margin (revenue – expenses). And each type of revenue at Goodwill has had structurally different operating margins on a historical and consistent basis. Therefore, this proposal additionally **excludes** from the definition **Program Services and Schools revenue and discounts Business Services revenue by 50%** since it has been 35% as profitable as DGR revenue.

In the end, this is not the fairest proposal but it’s the next best thing. It’s the PPP - the pragmatist’s preferred proposal. And it is my first choice.

"GII Dues Cap and REBATE" Program	2024	2025	2026	2027	2028
Dues - Proposed Structure - High Growth (7.0%)	\$26,960,397	\$28,399,766	\$29,905,456	\$31,499,383	\$33,169,187
Dues Growth %		5.34%	5.30%	5.33%	5.30%
Dues - Proposed Structure - CPI Growth (3.0%)	\$26,348,414	\$27,138,867	\$27,953,033	\$28,791,624	\$29,655,372
Dues Growth %		3.00%	3.00%	3.00%	3.00%
Dues Rebate Pool (if any)*	\$611,983	\$1,260,899	\$1,952,424	\$2,707,759	\$3,513,815
Example of REBATE - Portland, OR	2024	2025	2026	2027	2028
Dues - Proposed Structure - High Growth Scenario	\$412,039	\$433,082	\$455,363	\$478,964	\$503,968
Portland Dues as a % of Total Dues Paid	1.53%	1.52%	1.52%	1.52%	1.52%
Portland Dues - REBATE	\$9,353	\$19,228	\$29,729	\$41,173	\$53,388

EXPENSE-TO-REVENUE RATIO (E/R) - NORTH AMERICA

Revenue Type	2021	2019	2018	2017	2016	Avg	Max	Min	2022 Revenue	% of Total
Donated Goods Retail	75.30	82.77	82.97	83.85	82.96	79.67	83.85	75.18	\$ 5,997,061,230	79%
Business Services	91.31	91.58	91.81	93.39	93.30	93.22	95.20	91.31	\$ 733,297,198	10%
Program Services	113.66	119.38	115.05	116.20	117.50	117.51	122.21	111.78	\$ 610,817,116	8%
Schools	96.70	102.29	107.41			102.13	107.41	96.70	\$ 81,679,289	1%
Other Operating Revenues	77.40	122.09	118.21	105.91	109.94	108.88	122.09	77.40	\$ 67,645,362	1%
Foundations	50.91	88.56	97.22			78.90	97.22	50.91	\$ 34,851,611	0%
G&A Revenues	9.21	9.93	9.93	10.29	10.80	10.35	10.90	9.21	\$ 35,981,809	0%
Operating Total	88.98	96.87	97.52	98.10	98.50	95.49	98.50	88.98	\$ 7,561,333,615	100%
Grand Total	85.42	95.78	97.36	98.01	98.36	94.90	98.36	85.42		

Business Services Op. Margin as a % of DGR Op. Margin	35%	49%	48%	41%	39%	35%	49%	20%
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NOTE: 2020 data is excluded due to impact of pandemic.

Bracket Ranges		Dues Percentage
\$0	\$15,000,000	0.65%
\$15,000,001	\$60,000,000	0.35%
\$60,000,001	\$1,000,000,000	0.10%

Equity Ratio - REVISED (Dues Percentage of Lowest Earned Revenue Goodwill to Dues Percentage Highest Earned Revenue Goodwill)					
Proposal K UNDER LOW (3%) GROWTH:	3.9	3.9	3.9	3.9	3.9
Proposal K UNDER HIGH (7%) GROWTH	4.0	4.0	4.1	4.1	4.2
EXISTING STRUCTURE UNDER LOW (3%) GROWTH	18.0	18.0	18.0	18.0	18.0
EXISTING STRUCTURE UNDER HIGH (7%) GROWTH	18.7	19.4	20.1	20.9	21.7

PROJECTED CHANGE IN TOTAL DUES - 7.925% Growth in 2023	2024	2025	2026	2027	2028
3% Growth 2024 - 2028	-\$162,219	-\$167,085	-\$172,098	-\$177,261	-\$182,578
7% Growth 2024 - 2028	\$219,466	\$620,463	\$1,052,092	\$1,541,468	\$2,063,817
ZERO Growth 2024 - 2028	-\$440,964	-\$733,400	-\$1,023,031	-\$1,312,829	-\$1,613,757
NEGATIVE 2% Growth 2024 - 2028	-\$627,752	-\$1,083,175	-\$1,533,155	-\$1,985,275	-\$2,422,113
PROJECTED CHANGE IN TOTAL DUES - ZERO Growth in 2023	2024	2025	2026	2027	2028
3% Growth 2024 - 2028	-\$862,103	-\$887,966	-\$914,605	-\$942,044	-\$970,305
7% Growth 2024 - 2028	-\$521,088	-\$167,756	\$232,114	\$657,514	\$1,115,367
ZERO Growth 2024 - 2028	-\$1,102,272	-\$1,377,328	-\$1,657,941	-\$1,949,575	-\$2,239,809
NEGATIVE 2% Growth 2024 - 2028	-\$1,263,433	-\$1,694,418	-\$2,121,851	-\$2,529,998	-\$2,934,732