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HELP of Southern Nevada analysis project

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HELP of Southern Nevada Analysis Project

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Department of Public Administration

Final Project for the Master's in Public Administration

In partial fulfillment of PUA 791 Topics in Public Administration

Dr. Christopher Stream

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EXECUTIVE SUMMARY

HELP of Southern Nevada, also referred to as HELP, is the largest non-governmental, non-faith based human service organization in Las Vegas. The organization would like to expand their services by operating a thrift store. The purpose of the thrift store would be to generate additional revenue, as well as help their current operating programs. In order to provide information in developing their thrift store model, the authors evaluate not-for-profit resale shops in the western region of the United States. Not-for-profit agencies that currently implement resale stores will be evaluated to provide data regarding common practices.

The methodology includes a survey instrument, literature review, and interviews with key stakeholders of HELP, and other similar organizations. Information obtained through this will be analyzed and the common practices will be recommended to the stakeholders of HELP. Issues that are evaluated pertain to the implementation and ongoing practices of current thrift stores. Interpretation of the descriptive data in this exploratory study provides conclusions of current thrift store operations. The recommendations will be helpful to the stakeholders of HELP and provide information that will be able to support their decision making in their proposed thrift store plan. The individuals at the organization who are assisting in the decision making process are; Fuilala Riley, HELP's Chief Operating Officer (COO), Shelly Cook, Chief Financial Officer (CFO), and Terrie D'Antonio, President/Chief Executive Officer (CEO).

HELP OF SOUTHERN NEVADA BACKGROUND

HELP of Southern Nevada is a 501 (c) (3) organization and was incorporated in 1970. Their services have grown exponentially since their inception, currently serving over 100,000 unduplicated people each year. Some of the social services include; providing food, clothing,

shelter, bus tokens, and rental and utility assistance. The target population that they serve is those that are of low income, homeless, and those that are in crisis.

In 1969, HELP began as the Voluntary Action Center through the efforts of the Junior League of Las Vegas and the Senior Citizens Resource Center at UNLV. As the community has continued its rapid growth, HELP of Southern Nevada has grown to help serve those in need. The agency focuses their programs and services to help individuals and families increase their self-sufficiency and become less dependent on government assistance.

The best measure of proximal and distal outcomes will be the grant support provided by government, foundations and charitable organizations to support the initial and subsequent development of the thrift store. Performance measures include the fundraising goal and results within the first fiscal year of operation.

The positive impacts on HELP's programs can be measured by the number of clients served. Positive impacts include; on-the-training, program savings by eliminating vouchers to other thrift stores by providing clothing and hygiene products, and increased number of volunteers and sponsors. Mid-range goals would include contributing to the increase of jobs available in Southern Nevada. The long-term goal is to develop the thrift store as a major source of revenue. In meetings with Fulala Riley, it was communicated that HELP desires their thrift store to be similar to the nationwide store known as Goodwill, to potentially have the ability to gain national recognition.

PURPOSE OF THE REPORT

The overall evaluation goal set forth is to provide HELP stakeholders with a benchmark from the evaluation of common practices of other not-for-profit agencies that operate thrift stores. There are a number of questions that HELP had to begin the process of starting up their

ideal thrift store. These questions pertain to revenue sources, preferential location ideas, size of operating facility, staffing of facility, target consumer, how to attract donors, donation inventory, and growth potential. To help answer these questions, individuals representing not-for-profit organizations running thrift stores were sent a questionnaire that focused on these above-mentioned topics. Each question asked was intended to provide the organization with recommendations based upon most common thrift store operations

METHODOLOGY

Data Collection

This study is a mixed methods exploratory study. While it is mainly qualitative the authors do provide descriptive quantitative data. Survey instruments used to collect the data include email, telephone, and in person on-site interviews and tours and an emailed questionnaire to a sample of thrift stores.

During discussions with Fuilala Riley, the authors discussed the goals and vision of what the organization of wanted to achieve with a thrift store operation. HELP indicated several areas of concern that they were looking for insight into including the size and location of their potential facility, staffing concerns, and distribution priority of donated goods to their existing programs.

The authors conducted an informative on-site interview and tour of St. Jude's Ranch in Boulder City, Nevada, with Christina Vela. This was completed to get a first-hand look at how a mid-size thrift store operates and how they handle staffing issues, donation collection, sorting, distribution issues, and donor retention and recognition issues.

The authors conducted a western region survey instrument consisting of Nevada, California, Idaho, Arizona, Utah, Colorado, and Oregon not-for-profit thrift stores. A western

region wide population was considered because it was felt that this would capture a wider range of thrift store practices as opposed to just selecting from Nevada stores. This population was compiled using the GuideStar website by searching with the term “thrift store” using the web site search feature. From this population the authors extracted a list of all organizations with email addresses, which would be the sample to receive the survey instrument. Only those organizations that had email addresses were considered due to time constraints and lack of any budget for physically mailed paper survey instruments.

A 16 question questionnaire regarding facility size, staff size, donors, and donations was created electronically using the Survey Monkey website so that a set of benchmarks could be compiled that would allow comparison of what other thrift stores practiced and dealt with regarding their thrift store operations. Most questions were created and selected based upon on-site expert interviews with Fulala Riley and Christina Vela, after they indicated that the subject matter was important to their operation. Refer to Appendix 1 to view the full survey instrument.

Of the 54 questionnaires that were emailed, 18 full responses and 1 partial response were returned for a 33.3% response rate. Using these responses from the returned questionnaires, the authors were able to code them numerically and compile them together in SPSS so that basic descriptive frequency statistics could be viewed and analyzed. Refer to Appendix 2 for the question coding and Appendix 3 for basic descriptive statistics.

Analysis

The first three questions deal with the number of donors, donor retention rates, and donor growth rate that the organization experiences. These were included in the questionnaire because responses would be used to set goals for HELP, pertaining to these topics. The first goal to be set would be how many donors they hope to have in “x” amount of years. The second goal

would be to get them thinking about how to implement strategies regarding donor retention on a quarterly, semi-annual, and annual basis. The third purpose is to set realistic goals on the growth of the thrift store and where they would like it to be in “x” amount of years. In our discussions with Fulala Riley, comparisons to Goodwill were frequent, and although these aspirations are admirable, starting small and examining what organizations more HELP’s size are capable of are much more practical. 78.9% of respondents indicated that they have over 500 donors, 26.3% indicated that they had a 76% to 100% donor retention rate (another 26.3% did not know their donor retention rate), and 63.2% of respondents indicated that their donor base was increasing. These questions are relevant on a monetary basis because with more people donating there is more potential for a greater number of donations which can create more opportunity for saleable or useable goods.

The next two questions are regarding donation size and donation acceptance methods. These questions are important because it will allow HELP to set a baseline of the typical donation sizes and allow them to set forth some expectations. 78.9% of responses indicated that the typical donation size is approximately a trash bag full of goods. Donation size is important to think about because with greater amounts of donations comes the need for greater amounts of sorting, prioritizing, and distribution. This can be translated into the need for a larger facility and more staffing which can ultimately translate into a higher overhead cost. Larger donation sizes also provide more opportunity for saleable and useable goods. The top two methods of donation acceptance were acceptance at the main facility during open hours and through pick up with appointment. 89.5% of respondents accept donations at their main facility during open hours and 63.2% will pick up donations by appointment.

How do you accept thrift store donations?		
Answer Options	Response Percent	Response Count
At your main facility during open hours	89.5%	17
At your main facility by drop off after hours	47.4%	9
Drop off locations in the community	21.1%	4
Pick up by appointment	63.2%	12
Pick up by prearranged drive-by day	15.8%	3
Collection events	31.6%	6
Other (please specify)	5.3%	1
<i>answered question</i>		19
<i>skipped question</i>		0

The donation acceptance methods will provide ideas to the organization about how they can collect their donations. More ways to donate goods to HELP could translate into a greater amount of donated goods, but it could also raise the cost of accepting donations, depending on the methods chosen. For example, if household pick-up donations are accepted, HELP would need to fund the vehicle and staff to make the pickup, instead of just relying on donors to drop off donations at a pre-set facility.

These are followed up by a question about surplus items and what is done with them. Surplus items can be defined as items that will not serve any purpose in the organization's thrift store. 68.4% of respondents trade or donate surplus items to other organizations.

What do you do with surplus items that you receive and are not in need of?		
Answer Options	Response Percent	Response Count
Storage	26.3%	5
Trash	15.8%	3
Recycle	47.4%	9
Trade / Donate to other organizations	68.4%	13
Don't have surplus items.	5.3%	1
Other (please specify)	21.1%	4
<i>answered question</i>		19
<i>skipped question</i>		0

It may be beneficial to use these surplus items in other programs that the organization has operating, or possibly create a relationship with another local not-for-profit agency to give these items to. These partnerships are further evaluated in the next two questions.

In talking with St. Jude's Ranch the authors found that partnering with other organizations and helping each other out can be beneficial. 78.9% of the respondents stated that they do partner with other local not-for-profit and for-profit agencies. Surplus items can be traded or donated to other organizations which can in turn lead to a return of the favor in the future. The authors ask how many other organizations are partnered with because it can motivate HELP to network with other agencies in finding out ways that other agencies can help one another achieve their goals. This is a helpful practice because it can save the organization money. An example that Christina Vela provided was that they might trade goods to another organization for the use of a delivery truck one day, hence saving the organization the cost of renting or buying a delivery truck, as well as building a social connection with the contributing agency and perhaps general public.

The authors ask a question regarding priority of distribution of items donated to the agency next. This is important because Fulala Riley indicated that they would like to use some of the donations to benefit HELP's other programs and not rely solely on selling everything that is donated to them. St. Jude's Ranch also indicated that it is to their benefit to try and use donated items for their own programs first as opposed to trying to sell them and possibly repurchase the same items at a higher cost in the future. 8 of the 19 respondents, or 42% indicated they had some sort of internal priority of distribution of items in place.

Donor recognition programs are important tools in donor retention and loyalty which is why question number 10 inquires on if there is a donor recognition program in place. It asks

“Does your organization have any policies implemented to “thank” those who donate to your organization?” St. Jude’s Ranch indicated that donor recognition is so important to retaining and increasing donations that they have a policy of thanking everyone that donates, no matter the size of the donation, in one way or another. This could be just a simple phone call or an invite to a special event giving thanks to the donor. Responses indicated that 89.5% of respondents do implement some sort of donor “thank you” policy, while only 10.5% do not. According to Weinstein (2009), “The most effective way to ensure continued support for an organization is to express gratitude promptly and appropriately for the donor’s investment in the organization’s mission and programs” (p.121), which further supports the importance of this concept. Once again, this concept refers back to the idea that with a greater number of donors, there is the possibility for a greater number of saleable and useable donations.

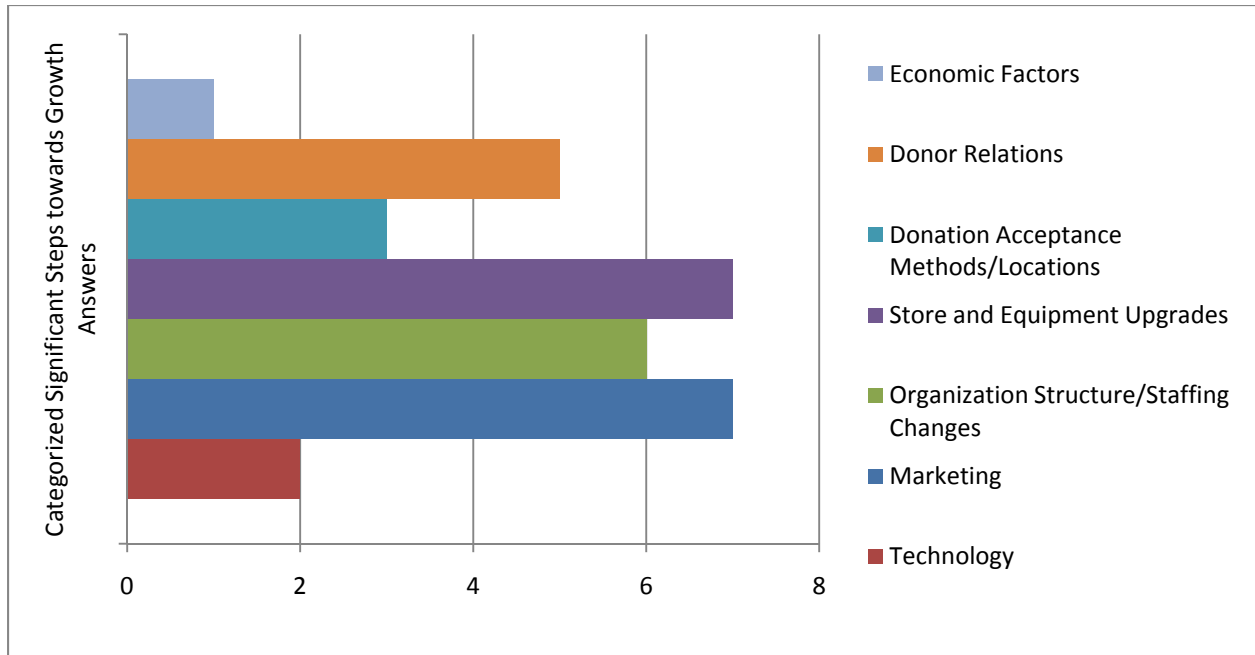
Facility size and staffing are the next two questions and these are significant because based upon the other goals set forth by HELP (pertaining to number of donations hoped to be received and growth rate) these questions give the organization an idea of what type of facility is needed, as well as the number of staff to operate it. The need for a larger facility and more staff could create higher operating costs, but it should not be underestimated either. Christina Vela indicated that staffing and the way that items flowed through their processing facility was a crucial factor in making sure that goods were always on the move and not sitting unproductively, waiting to be distributed. 16 of 19 respondents, or 84.2% had at least a 1:1 ratio of paid employees to volunteer employees. Only 15% had less volunteer employees than paid employees. Although the findings may not be generalizable past a structured hospital setting, Matthew A. Liao-Troth (2001) notes that there is a similarity of job attitudes and commitment to the organization between paid and volunteer employees (pg. 423). These types of findings make

it worthwhile to examine using a mix of volunteer and paid employees. The results from these questions can allow HELP to gauge what they may need to run their thrift store.

Target population can vary because of organization mission, thrift store purpose, and location. The authors ask what the target population is because different organizations focus on helping different groups of people. With that being said, it affects the types of donors they seek and the types of donations desired. The best comparison for HELP would be to focus on the organizations that are seeking clothing and personal item type donations.

Revenue goals and thrift store revenue percentage 83.3% of responses indicated that they had a revenue goal in mind for their thrift store. Returned survey instruments showed that the most frequent response for the organizations revenue from the thrift store was 11-15%, and 61.1% of the respondents' thrift stores only provided 20% or less of their organizations revenues. This is important for HELP to pay attention to because it would be detrimental to their operations if they relied too heavily on their new thrift store's revenues.

The significant steps toward growth is the last question and is a short response answer. This question is valuable because it gives the respondent the opportunity to let the authors know what they think was an important step contributing to the growth of their organization. The authors examined the responses to this question and then categorized and totaled the responses into the following chart (see chart on page 12).



The results show that store and equipment upgrades as well as better marketing techniques proved to be the most significant steps towards the responding organizations growth.

Limitations

Due to time constraints and no budget for mailing the survey instruments, the authors had to pick only those not-for-profit thrift stores with email addresses. The population was 910 total stores. The sample size was 54 stores from the population that had email addresses. Using the Survey System sample size calculator indicates that the confidence interval is 12.94. This confidence interval is high and perhaps in the future if revisited could be decreased by adding a physical paper mailed survey instrument to increase the sample size.

The survey instrument design has problems of its own. Some of the likert scales used in the survey instrument do not have enough options which can create some validity problems with the answers provided. Additionally, some of the short answers provided by respondents are vague and leave the authors with issues of interpretation, which can affect validity.

Due to these issues the authors feel that the survey instrument results do carry some measurement validity because the questions do measure what was sought out to be measured (common practices of thrift stores). No regression analysis or causal relationships were explored so internal validity is not applicable. However, the low confidence interval, and design flaws in some of the questions do reduce the amount of validity that the study contains.

Reliability will also be affected with this survey instrument. Answers returned could certainly be answered differently if retaken by the same agencies at a different time period. However, the respondents' answers are a sort of snapshot of their current operations under current economic and social conditions.

The results of the questionnaire do not create a generalizable model because of the relatively small sample size and response rate. With a larger sample and response rate the results could perhaps be generalizable in the examined western region.

RECOMMENDATIONS

These below recommendations are given based upon the survey instrument results of common practices, personal interviews, and additional readings. (Please refer to appendix 5 for the literature review).

Finding donors that are able to give to the organization are more likely to increase the quantity and diversity of items available for distribution. Based on the survey instrument results, it can be seen that majority of the other not-for-profit organizations have over 200 donors and a total of 78.9% have over 500 donors. HELP may not be able to accumulate this amount of donors in a short period of time, but it is suggested that a goal be set to increase the number of donors each year. A majority of the other not-for-profit organizations have stated based on

survey instrument results that their number of donors are either staying the same or increasing. Networking amongst different organizations is essential to receive different types of assistance.

Donors do not have to be defined solely as other businesses, as donors can also be defined as individuals or families. Often times, there will be drop boxes in shopping centers in which people are able to donate clothing and other personal items to. It does not require any supervision, as the boxes are locked and items become inaccessible once items are inserted into the box. By having accessible drop boxes such as these, it is likely to increase the number of donations. The survey instrument results indicated that majority of donors typically donate the size of a trash bag. According to Giving USA (2011), a report that is compiled by the American Association of Fundraising Counsel, it is stated that despite the poor economic time, donations totaled \$23.8 billion dollars in 2009. It is recommended that HELP create accessible donation opportunities to take advantage of these billions of dollars.

One way to effectively gain continued support is through proper donor acknowledgment. Donors should be promptly thanked in writing for all pledges and contributions. According to Stanly Weinstein, author of *The Complete Guide to Fundraising Management*, after seven days, acknowledgement letters have a greatly reduced impact (Weinstein 2009). It is suggested that HELP thank all donors within 48 hours of receiving the donation. It is also critical that HELP take the extra step to personally thank their larger and most frequent donors as a way to continue the support and show their appreciation. It's not necessarily about the size of the donation, but the continuous support over the years. While visiting St. Jude's Ranch, Christina told a story about a kid from the Bronx, NY who gave them ten dollars every month even though he was on a fixed income. They made sure to have something specially made for him as a way of showing

their gratitude for his continued support over the years (C. Vela, personal communication, January 14, 2011).

There are additional ways that can be implemented in order to receive donations. Some of these ways, as mentioned in the survey instrument are through dropping off at main facility of operation, arranged pick-ups, or collection events. Costs need to be factored into these other methods and although each of these methods may bring in donations, the most cost efficient ways are recommended to be chosen. A majority of the organizations arrange pick-ups or accept donations at their facility. It is recommended that HELP utilize the option of drop boxes, accepting donations at their facility, and collection events. If these methods are the most cost efficient and will allow them the opportunity to receive large quantities of donations, this is what is recommended.

Upon receipt of donations, there is always the chance that there are items in the “trash bag” that will serve no use to the thrift store. These items are defined on the survey instrument as surplus items. It must be decided upon what to do with these items, if they will serve no purpose in the mission of the thrift store. One suggestion that the authors found in a case study conducted in Oklahoma was a profitable way to get rid of donations that are useless for the thrift store. When donations are accepted that are not in good enough condition for resale, the thrift store compacts the goods into 600 pound to 1,600 pound bales and sells it to rag dealers for approximately 15 cents to 20 cents per pound. While this method will not generate large revenue, it is still providing additional income to help fund their programs (Stall-Meadows and Peek).

As mentioned earlier, there are currently many internal programs at HELP that are not only able to benefit from thrift store revenue, but can also benefit from the items. Once items are

collected, the distribution process must be determined as far as in distinguishing priority. HELP assists many low-income individuals with clothing and it may be beneficial that a portion of the donated goods assist these individuals. Currently, HELP partners with thrift stores by purchasing tickets for their clients to go and purchase clothing. This is an expense to HELP and by using a portion of the donated goods, it can either eliminate this expense or decrease it.

The most typical size of the operating thrift stores of other not-for-profit agencies are over 2,000 square feet. In personal communication with Fulala Riley, they currently have a building in mind, which would cost them \$0.88 per square foot. They estimated an annual operating cost of \$224,000 including occupancy, operating and salaries (F. Riley, personal communication, November 22, 2010). This cost could be decreased by eliminating the salaries of individuals. Instead of having a high number of paid employees, it is suggested that they incorporate more usage of volunteers, as this will be a huge cost savings for HELP. It is also recommended that some of the individuals in their programs that are looking for jobs can work at the thrift store for job experience and to enhance their skills. This not only would be benefit one of their current programs, but help their operations at the thrift store to be less expensive.

In meetings with HELP, it was mentioned that they would like their thrift store to one day like to be seen as the “Goodwill” type of store. Because HELP has not implemented their thrift store yet, this goal may be seen as slightly unreasonable. It is recommended to HELP that they find comparisons such as St. Jude’s Ranch, which they will be able to relate to better. This is not to say that they will never make it to their “Goodwill” dream, but it is more rational to set more reasonable goals. With that being said, goals do need to be distinguished pertaining to revenue and growth. Majority of the organizations, as seen in the survey instrument, have set forth these types of goals.

First and foremost, it is recommended that HELP distinguish how much revenue they anticipate to come from their thrift store sales. 50% of the respondents said that store revenue is currently fewer than 15%. HELP should set a revenue goal, but change accordingly based on how effectively operations are once implemented. Pertaining to growth, many of the respondents stated that their growth came from marketing, partnering with other organizations, creating good donation opportunities, and hiring the right people to run the store. These items are all crucial to take into consideration for the future. Currently, HELP needs to focus on setting their own foundation and ideas to evaluate what works for them. It is suggested they take into consideration what is being discussed in these recommendations and use them in their implementation process.

To further this research, it would be suggested to improve the design of the current survey instrument. Questions should be redesigned to generate responses that carry more validity. It would also be recommended that the sample size increase, which would improve the validity. Locations and demographical areas of other thrift stores should also be evaluated in order to provide information as to where it would be advised for HELP to operate their thrift store.

APPENDICES

Appendix 1: Survey Instrument

Thrift Store Best Practices

To better understand your organization's donors:

*** 1. Approximately how many donors give to your organization?**

0-50

51-100

101-200

201-500

Over 500

*** 2. What is your donor retention rate?**

0% to 20%

21% to 49%

50% to 75%

76% to 100%

Don't know

*** 3. Are the number of donors:**

Increasing

Staying about the same

Decreasing

Don't know

Thrift Store Best Practices

*** 4. What is the typical size of tangible donations your organization receives?**

- A grocery bag
- A bankers box
- A trash bag
- A truckload

*** 5. How do you accept thrift store donations?**

- At your main facility during open hours
- At your main facility by drop off after hours
- Drop off locations in the community
- Pick up by appointment
- Pick up by prearranged drive-by day
- Collection events
- Other (please specify)

*** 6. What do you do with surplus items that you receive and are not in need of?**

- Storage
- Trash
- Recycle
- Trade / Donate to other organizations
- Don't have surplus items.
- Other (please specify)

Thrift Store Best Practices

*** 7. Does your organization partner with other local non-profit agencies or other local businesses?**

Yes

No

Thrift Store Best Practices

*** 8. How many other businesses or NPOs do you partner with for donations?**

- 0
- 1-5
- 6-10
- 11-20
- 21+

Thrift Store Best Practices

*** 9. What is the priority for distribution of items? For example, if you have internal programs, do they get first pick of donated goods?**

*** 10. Does your organization have any policies implemented to “thank” those who donate to your organization?**

Yes

No

Thrift Store Best Practices

*** 11. What is the approximate square footage of your facilities where items are stored, sorted, and distributed?**

- less than 500 square feet
- 500 - 1000 square feet
- 1001-2000 square feet
- 2001-3000 square feet
- 3001-4000 square feet
- 4001-5000 square feet
- greater than 5000 square feet

*** 12. How many paid employees and volunteers are working in the facility? Please specify the number of each.**

	Paid Employees	Volunteers
Number of Employees	<input type="text"/>	<input type="text"/>

*** 13. What is the target population that your thrift store serves?**

Thrift Store Best Practices

*** 14. Does your organization set an annual thrift store revenue goal?**

- Yes
- No

*** 15. What is the approximate percentage of your revenue that is from thrift store sales?**

*** 16. What significant steps did your organization take to grow to the size you are now?**

Appendix 2: Coded questions “Cube”

Respondent	Q 1	Q 2	Q 3	Q 4	Q 5	Q 6	Q 7	Q 8	Q 9	Q 10	Q 11	Q 12	Q 13	Q 14	Q 15	Q 16
1	5	5	0	3			1	4		1	7			1	4	
2	2	1	1	4			1	2		1	7			1	9	
3	5	5	0	3			1	2		1	7			1	3	
4	5	4	1	3			1	0		1	7			1	5	
5	5	4	0	4			0	5		0	1			0	1	
6	5	3	1	3			0	5		1	2			1	14	
7	5	5	1	3			1	3		1	7			1	18	
8	5	1	0	4			1	5		1	7			1	3	
9	4	3	0	3			1	2		1	7			1	2	
10	5	4	1	3			1	3		1	4			1	3	
11	5	3	1	3			1	2		1	3			1	2	
12	5	4	1	3			1	2		1	4			1	1	
13	5	2	1	3			1	2		1	7			1	3	
14	4	4	0	3			0	5		1	4			0	12	
15	5	2	1	4			0	5		1	2			1	4	
16	1	2	1	3			1	2		0	2			0	2	
17	5	3	-1	3			1	2		1	3			X	X	
18	5	5	1	3			1	4		1	7			1	17	
19	5	5	1	3			1	2		1	1			1	6	

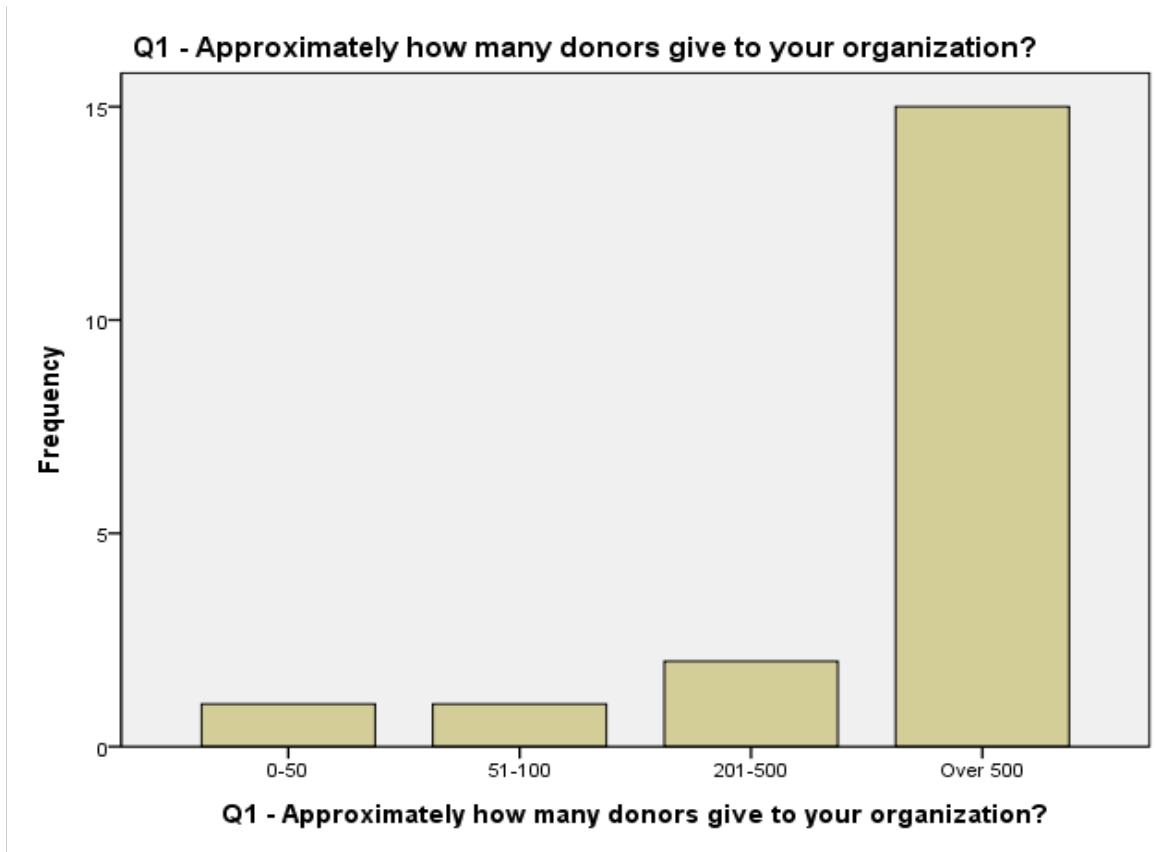
X= No response

Blank Cells are not coded questions.

Appendix 4: Individual Question Responses

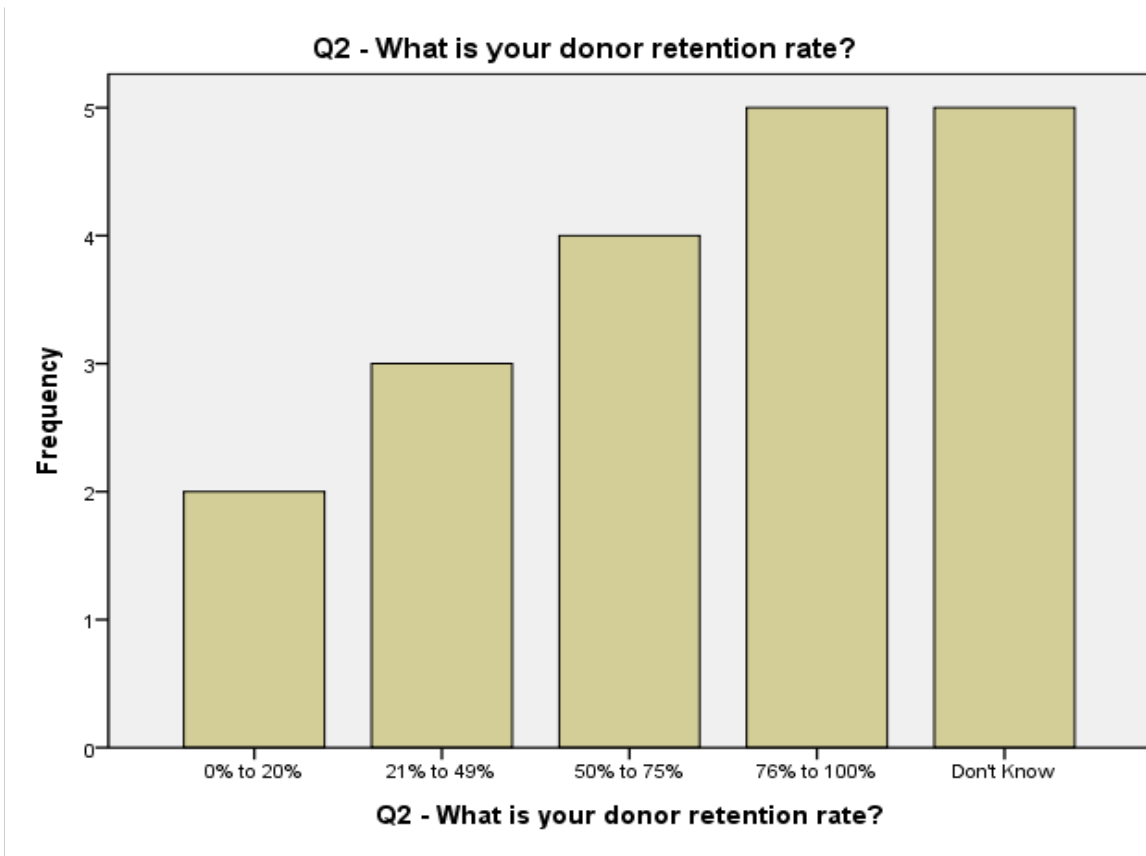
Question 1

Approximately how many donors give to your organization?					
Answer Options	Coding	Response Percent	Cumulative Frequency	Response Count	
0-50	1	5.3%	5.3%	1	
51-100	2	5.3%	10.6%	1	
101-200	3	0.0%	10.6%	0	
201-500	4	10.5%	21.1%	2	
Over 500	5	78.9%	100.0%	15	
				<i>answered question</i>	19
				<i>skipped question</i>	0



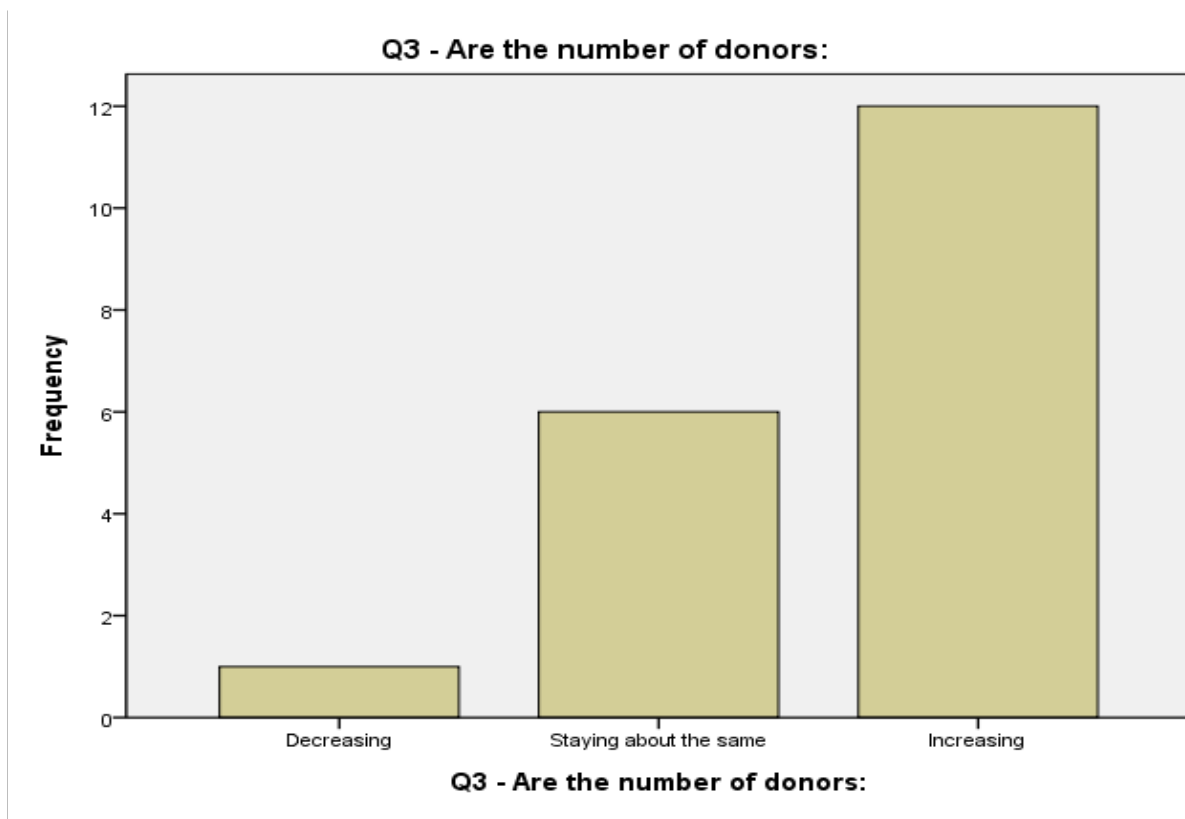
Question 2

What is your donor retention rate?					
Answer Options	Coding	Response Percent	Cumulative Frequency	Response Count	
0% to 20%	1	10.5%	10.5%	2	
21% to 49%	2	15.8%	26.3%	3	
50% to 75%	3	21.1%	47.4%	4	
76% to 100%	4	26.3%	73.7%	5	
Don't know	X	26.3%	100.0%	5	
				<i>answered question</i>	
				19	
				<i>skipped question</i>	
				0	



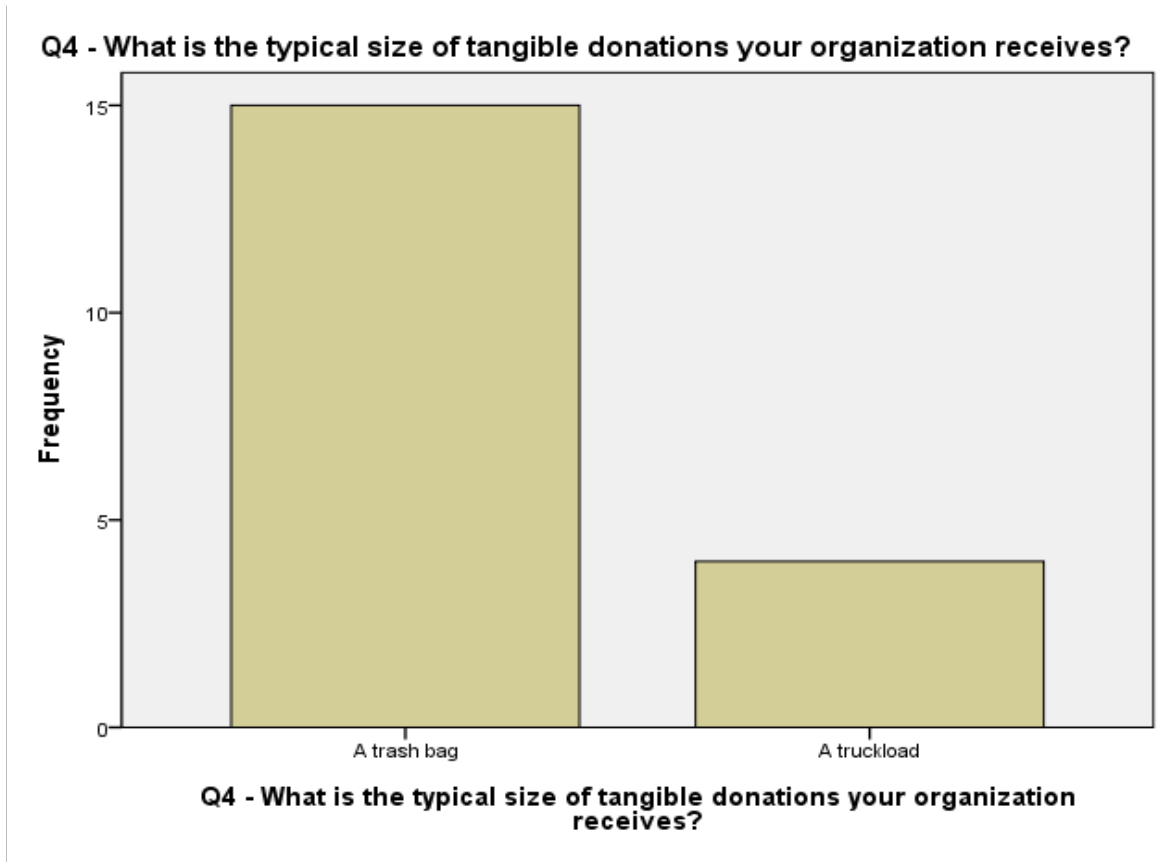
Question 3

Are the number of donors:				
Answer Options	Coding	Response Percent	Cumulative Frequency	Response Count
Increasing	1	63.2%	63.2%	12
Staying about the same	0	31.6%	94.8%	6
Decreasing	-1	5.3%	100.1%	1
Don't know	X	0.0%	100.1%	0
<i>answered question</i>				19
<i>skipped question</i>				0



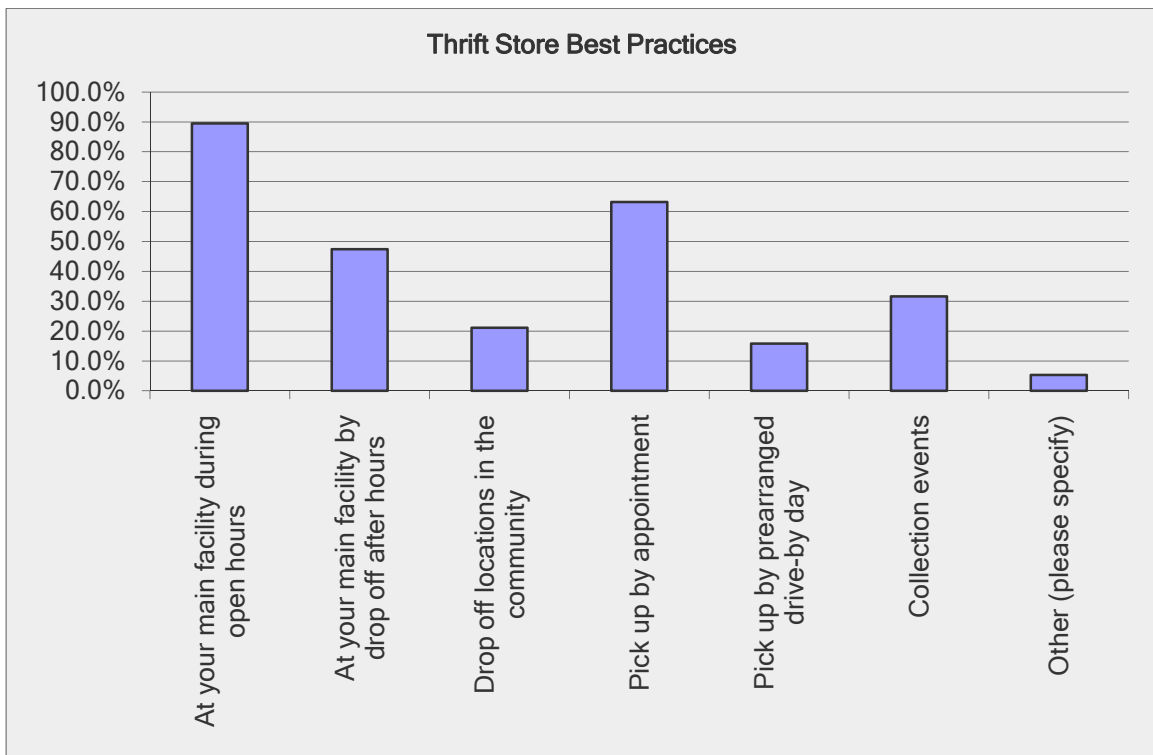
Question 4

What is the typical size of tangible donations your organization receives?					
Answer Options	Coding	Response Percent	Cumulative Frequency	Response Count	
A grocery bag	1	0.0%	0.0%	0	
A bankers box	2	0.0%	0.0%	0	
A trash bag	3	78.9%	78.9%	15	
A truckload	4	21.1%	100.0%	4	
				<i>answered question</i>	19
				<i>skipped question</i>	0



Question 5

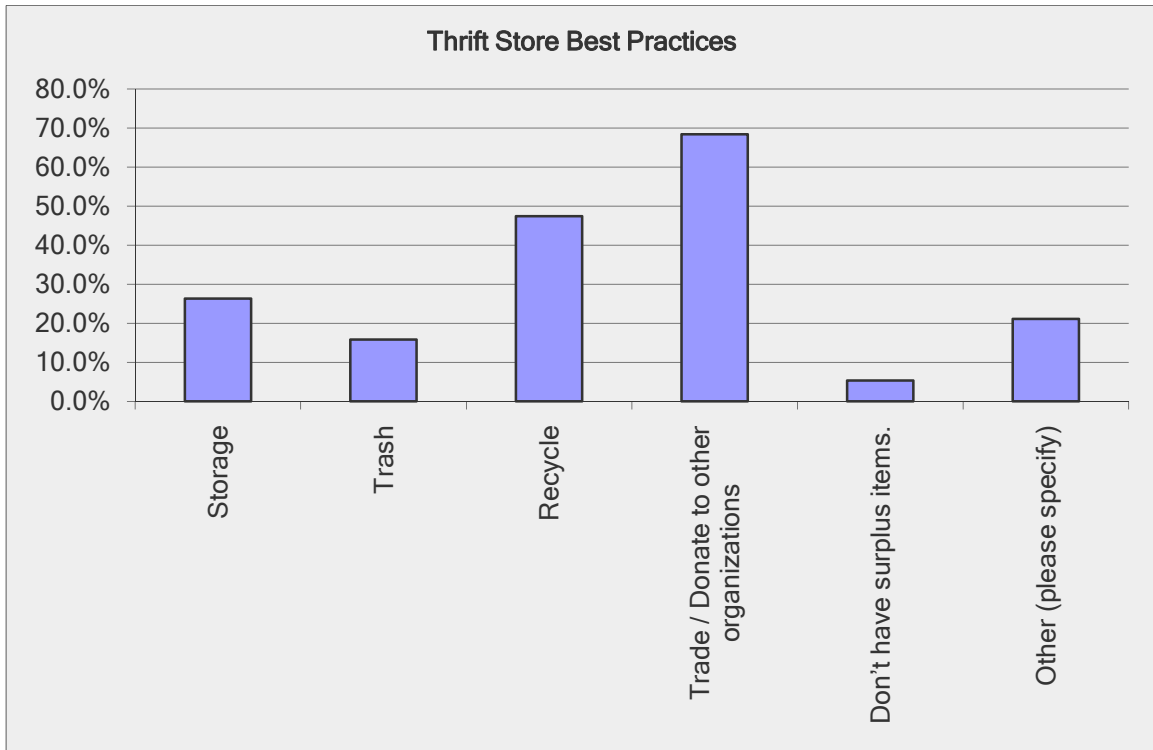
How do you accept thrift store donations?		
Answer Options	Response Percent	Response Count
At your main facility during open hours	89.5%	17
At your main facility by drop off after hours	47.4%	9
Drop off locations in the community	21.1%	4
Pick up by appointment	63.2%	12
Pick up by prearranged drive-by day	15.8%	3
Collection events	31.6%	6
Other (please specify)	5.3%	1
<i>answered question</i>		19
<i>skipped question</i>		0



**Open ended response: “mail-recycled cards”. This answer is in regards to a program where people can donate used holiday cards to be repurposed by the organization.

Question 6

What do you do with surplus items that you receive and are not in need of?		
Answer Options	Response Percent	Response Count
Storage	26.3%	5
Trash	15.8%	3
Recycle	47.4%	9
Trade / Donate to other organizations	68.4%	13
Don't have surplus items.	5.3%	1
Other (please specify)	21.1%	4
<i>answered question</i>		19
<i>skipped question</i>		0

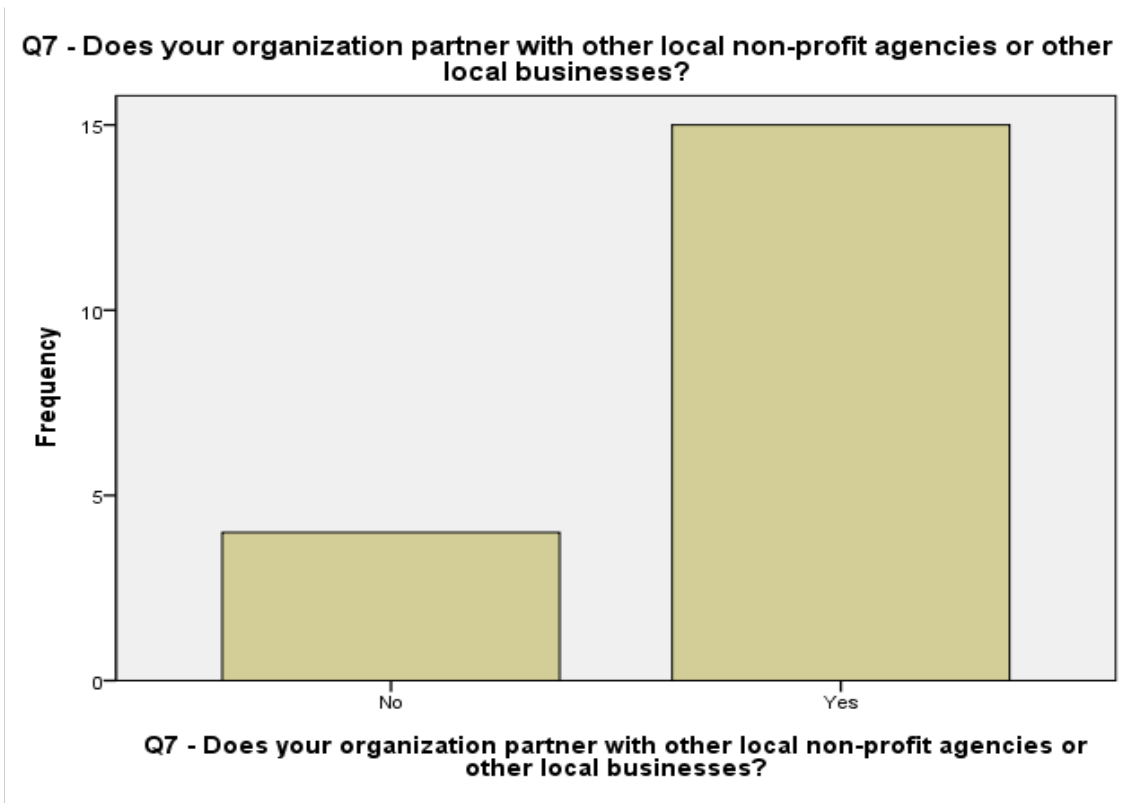


**Open ended responses:

1. Auction
2. Give to other charities
3. We develop third party markets - salvage. Very little goes to trash.
4. Sell to another organization.

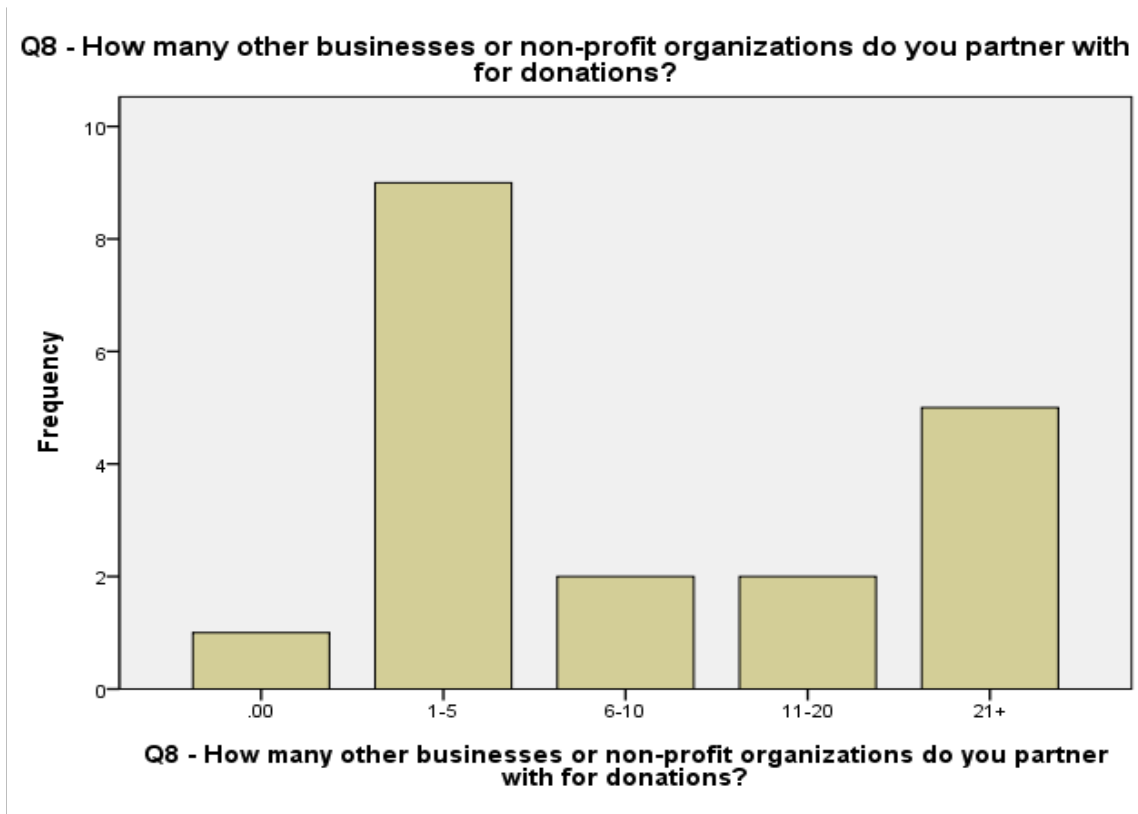
Question 7

Does your organization partner with other local non-profit agencies or other local businesses?				
Answer Options	Coding	Response Percent	Cumulative Frequency	Response Count
Yes	1	78.9%	78.9%	15
No	0	21.1%	100.0%	4
<i>answered question</i>				19
<i>skipped question</i>				0



Question 8

How many other businesses or non-profit organizations do you partner with for donations?					
Answer Options	Coding	Response Percent	Cumulative Frequency	Response Count	
0	1	13.3%	13.3%	2	
1-5	2	60.0%	73.3%	9	
6-10	3	13.3%	86.6%	2	
11-20	4	13.3%	99.9%	2	
21+	5	0.0%	99.9%	0	
				<i>answered question</i>	19
				<i>skipped question</i>	0



Question 9

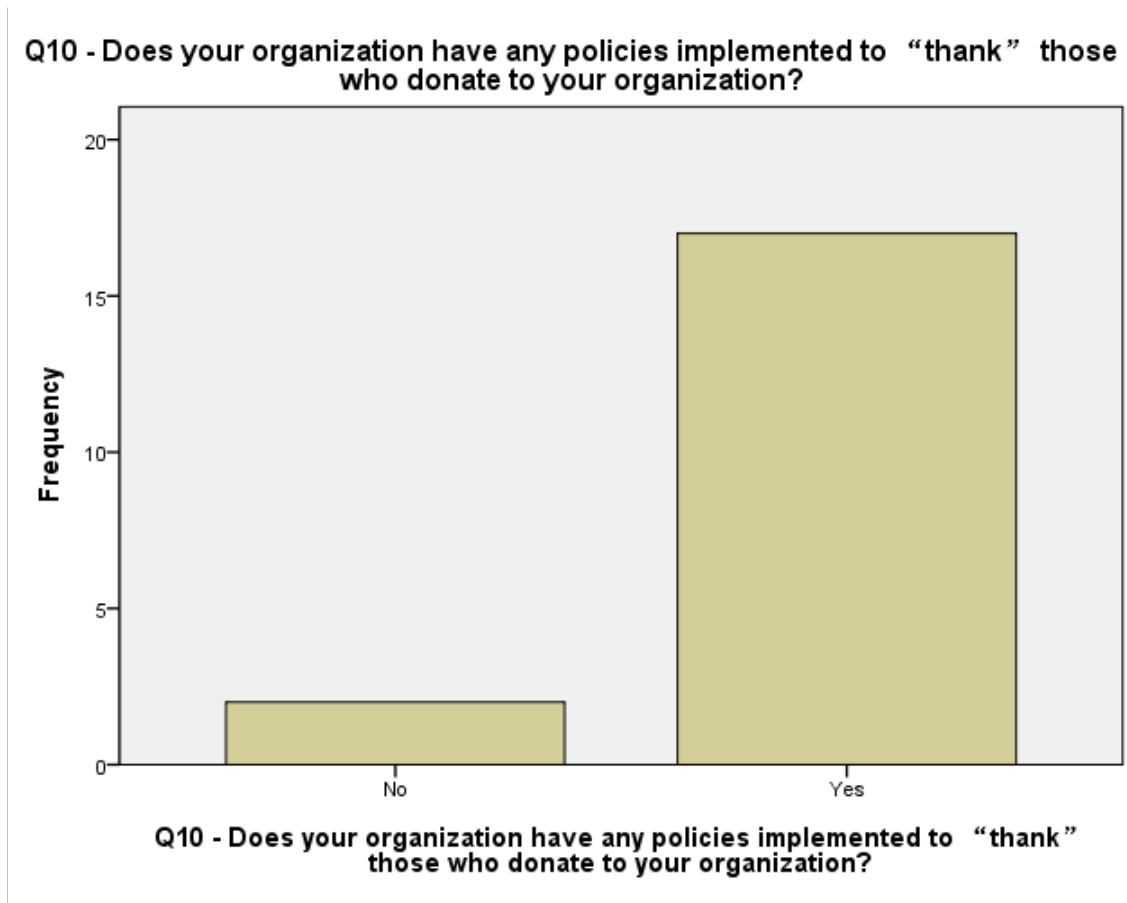
What is the priority for distribution of items? For example, if you have internal programs, do they get first pick of donated goods?

Answer Options	Response Count
	19
<i>answered question</i>	19
<i>skipped question</i>	0

Open-Ended Responses:
1. Construction program has option to take donated goods.
2. Internal programs have vouchers that they give to their participants. The voucher value is generally \$50. This system has been the best for several reasons, "clients" can shop on their own and can pick out items they need and there is an accounting for all the items.
3. Program needs serving clients Internal department needs Sale to public at Thrift Store
4. Community at Large
5. We do not have internal program. All donations are placed on the sales floor for customers.
6. Donations either go to the stores, some books get listed on Amazon and collectables get listed on Shopgoodwill.com
7. We are a supporting organization for another nonprofit and they get first pick.
8. Everything salable goes out. We give clients vouchers to shop for clothing, shoes, and household items off the sales floor.
9. priority: children placed on campus home needs gift shop donation to other organizations
10. Residential clients first, indigent non- residents and the general public
11. 90% given away free to people in need
12. Not necessarily; we offer free blankets and coats to our clients for free year round, and if an internal program is in need of a specific item, they can choose from the stock on hand.
13. We sell all except items the kids earn
14. animal items stay for the animals and items for events we need we keep
15. First come first serve
16. depends on item an what sells well in the store i.e. woman's suits or house wares, will donate men's apparel to another org.
17. We distribute to our sixteen stores.
18. We sell all items.
19. Internal programs do get priority, but not first pick.

Question 10

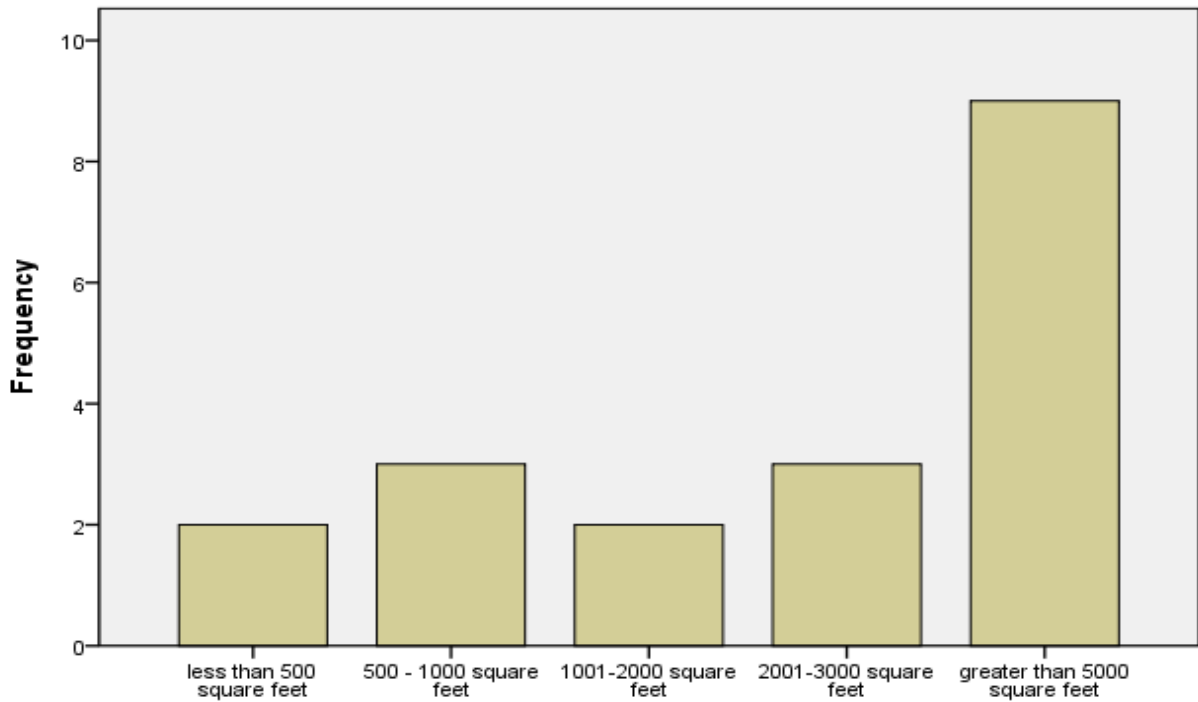
Does your organization have any policies implemented to “thank” those who donate to your organization?				
Answer Options	Coding	Response Percent	Cumulative Frequency	Response Count
Yes	1	89.5%	89.5%	17
No	0	10.5%	100.0%	2
<i>answered question</i>				19
<i>skipped question</i>				0



Question 11

What is the approximate square footage of your facilities where items are stored, sorted, and distributed?					
Answer Options	Coding	Response Percent	Cumulative Frequency	Response Count	
less than 500 square feet	1	10.5%	10.5%	2	
500 - 1000 square feet	2	15.8%	26.3%	3	
1001-2000 square feet	3	10.5%	10.5%	2	
2001-3000 square feet	4	15.8%	52.6%	3	
3001-4000 square feet	5	0.0%	52.6%	0	
4001-5000 square feet	6	0.0%	52.6%	0	
greater than 5000 square feet	7	47.4%	100.0%	9	
				<i>answered question</i>	19
				<i>skipped question</i>	0

Q11 - What is the approximate square footage of your facilities where items are stored, sorted, and distributed?



Q11 - What is the approximate square footage of your facilities where items are stored, sorted, and distributed?

Question 12

How many paid employees and volunteers are working in the facility? Please specify the number of each.								
Paid Employees								
Answer Options	0	1 to 5	6 to 10	11 to 20	21 to 30	Greater than 30	Response Count	
Number of Employees	2	8	3	2	1	3	19	
Volunteers								
Answer Options	0	1 to 5	6 to 10	11 to 20	21 to 30	Greater than 30	Response Count	
Number of Employees	0	4	4	6	3	2	19	
							Question Totals	
							<i>answered question</i>	19
							<i>skipped question</i>	0

Ratio of Paid Employees to Volunteer Employees

Number of Paid Employees	Number of Volunteer Employees -	Ratio
3	3	1:1
2	2	1:1
4	4	1:1
4	4	1:1
1	4	1:4
5	6	1:1.2
6	4	1: .67
2	2	1:1
2	3	1:1.5
6	5	1: .83
2	2	1:1
2	4	1:2
3	5	1:1.67
3	3	1:1
2	3	1:1.5
2	2	1:1
1	5	1:5
6	4	1: .67
2	6	1:3

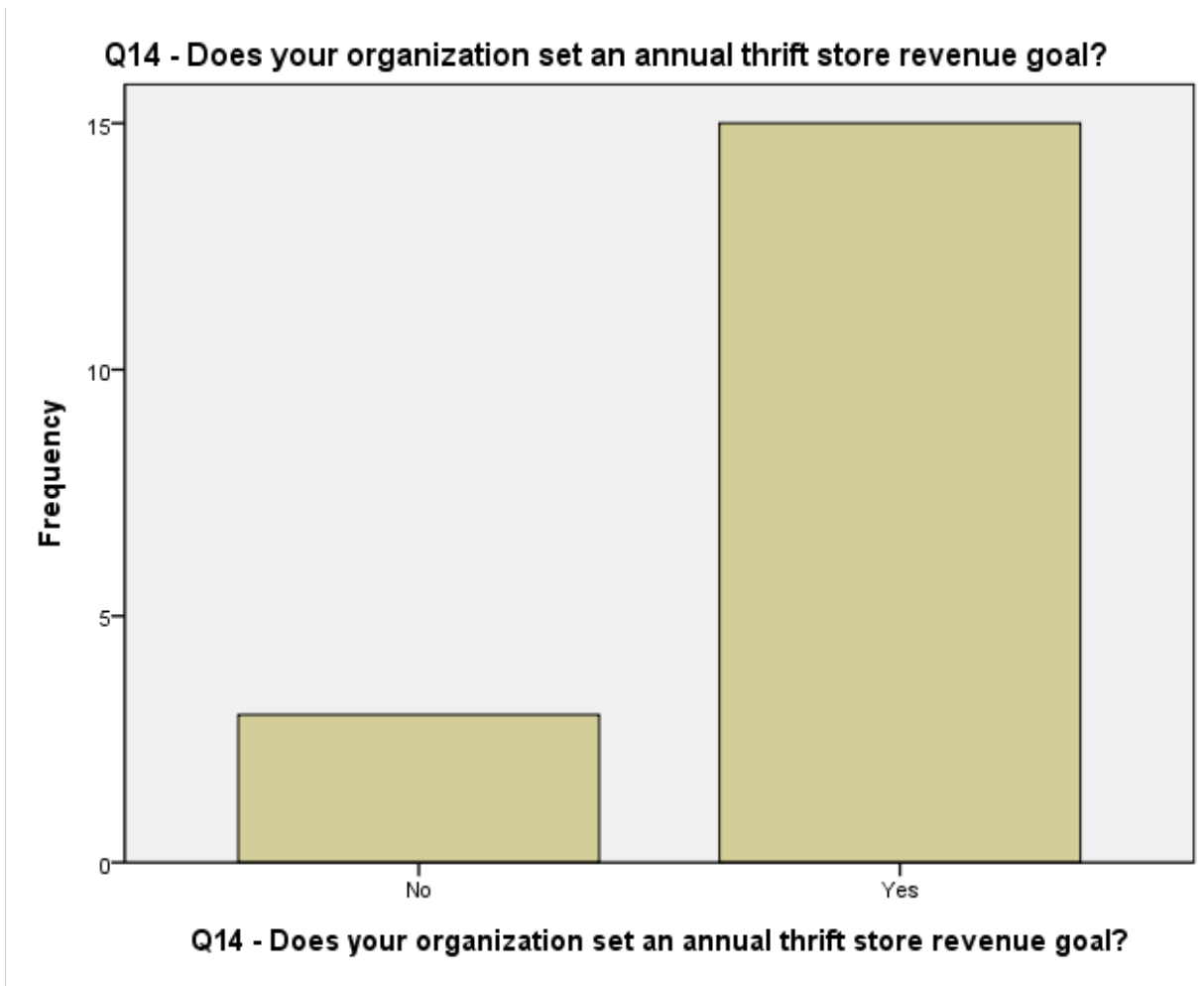
Question 13

What is the target population that your thrift store serves?	
Answer Options	Response Count
	19
<i>answered question</i>	19
<i>skipped question</i>	0

Open-Ended Responses:
1. public
2. ??
3. General Public
4. All Ages
5. We have six locations; Alamo, Antioch, Concord, Danville, Dublin and Walnut Creek. We serve more than 6,000 customers.
6. We feel that everyone is a potential customer.
7. 25,000 total county population plus tourist visitors from around the U.S.
8. victims of domestic violence and sexual assault
9. community, travelers, tour bus stop
10. Homeless and addicted
11. Low income families and the homeless
12. All populations; students, those who need help our donors.
13. People who bicycle
14. never tracked
15. Whole Community
16. depends on area of thrift store, there are 75 of them
17. Bargain conscious families
18. Geographic area
19. Working poor and treasure-hunters

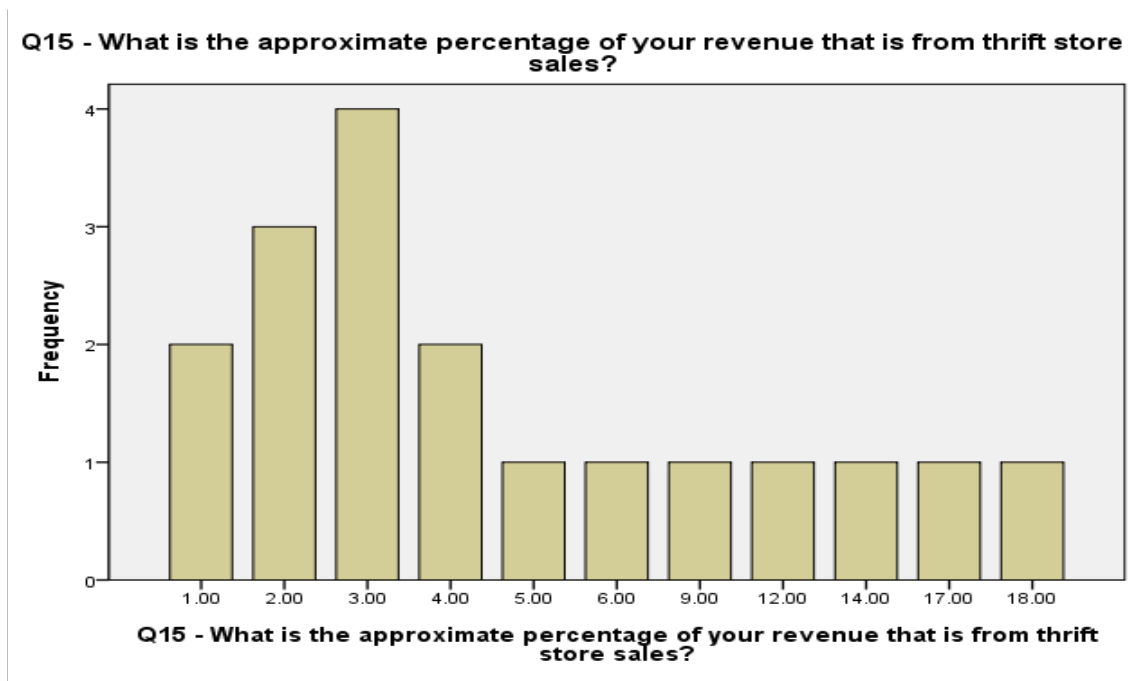
Question 14

Does your organization set an annual thrift store revenue goal?					
Answer Options	Coding	Response Percent	Cumulative Frequency	Response Count	
Yes	1	83.3%	83.3%	15	
No	0	16.7%	100.0%	3	
				<i>answered question</i>	18
				<i>skipped question</i>	1



Question 15

What is the approximate percentage of your revenue that is from thrift store sales?						
Answer Options	Coding	Response Percent	Cumulative Frequency	Response Count		
0-5%	1	11.1%	11.1%	2		
6-10%	2	16.7%	27.8%	3		
11-15%	3	22.2%	50.0%	4		
16-20%	4	11.1%	61.1%	2		
21-25%	5	5.6%	66.7%	1		
26-30%	6	5.6%	72.3%	1		
31-35%	7	0.0%	72.3%	0		
36-40%	8	0.0%	72.3%	0		
41-45%	9	5.6%	77.9%	1		
46-50%	10	0.0%	77.9%	0		
51-55%	11	0.0%	77.9%	0		
56-60%	12	5.6%	83.5%	1		
61-65%	13	0.0%	83.5%	0		
66-70%	14	5.6%	89.1%	1		
71-75%	15	0.0%	89.1%	0		
76-80%	16	0.0%	89.1%	0		
81-85%	17	5.6%	94.7%	1		
86-90%	18	5.6%	100.3%	1		
91-95%	19	0.0%	100.3%	0		
96-100%	20	0.0%	100.3%	0		
				<i>answered question</i>	18	
				<i>skipped question</i>	1	



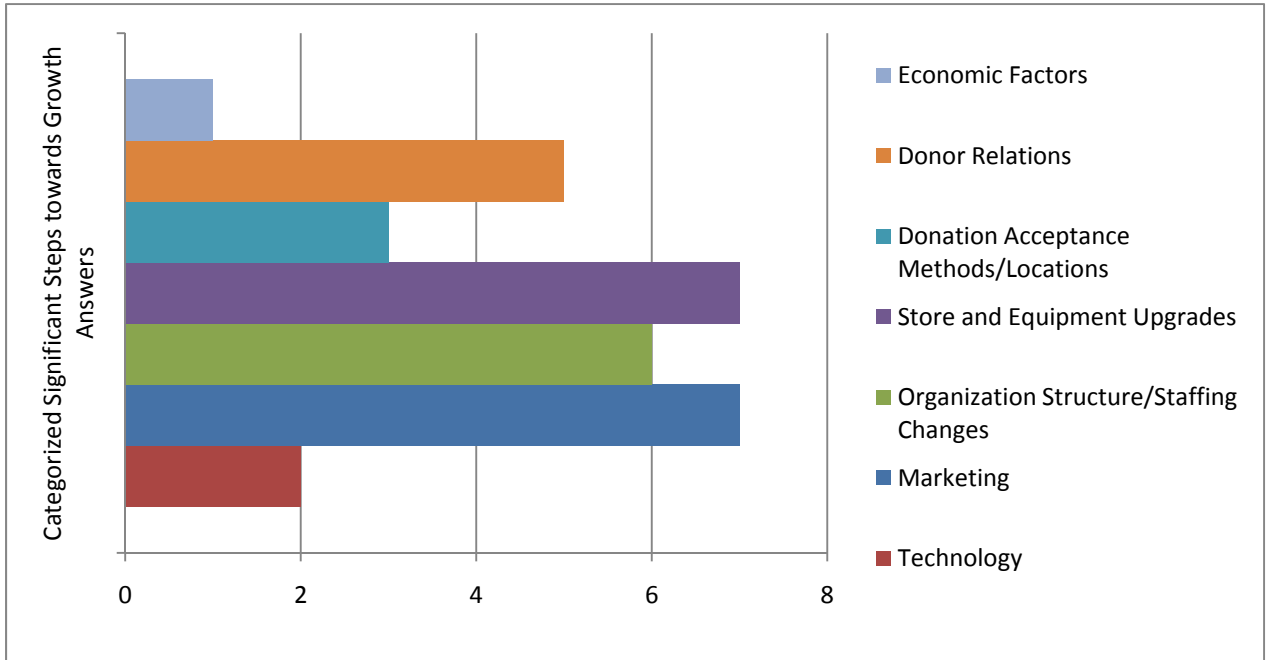
Question 16

What significant steps did your organization take to grow to the size you are now?

Answer Options	Response Count
	18
<i>answered question</i>	18
<i>skipped question</i>	1

Open-Ended Responses:
1. Online marketing, expo's, radio
2. Re-branding 3 years ago.
3. Actively solicit in-kind donations Develop Excellent Customer Service Develop Excellent Shopping Experience/Merchandising
4. Signage, Ads
5. Restructured organization, marketing, networking, hiring the right people.
6. Increase our donor base and open new stores
7. We found a large niche market in excess building materials and acquired the equipment and skilled labor to handle it.
8. Negotiated good lease price during economic downturn. Reinvested profits in store to buy a moving van, make improvements, and hire more staff.
9. Relationship building community awareness of our work clear and direct request for support through donations great process for tracking donors follow up and relationship with donor, policy for thank you's.
10. Committed to having a thrift store and hired person to operate it.
11. New facility (1997)
12. Hiring the right staff, making the store shopper friendly, offering pick up within 48 hours, opening a vintage section for higher end items.
13. Just took one step at a time since 1995
14. None
15. Gain a donation partner.
16.
17. Create convenient donation opportunities; operate clean bright friendly stores; all stores kept in good repair.
18. Marketing
19. Opened more stores, centralized processing, added trucks for pick-ups and call center

Categorized Question 16



Appendix 5: Literature Review

Previous research has been conducted among students as well as professionals who are seeking common practices for developing successful thrift stores. As mentioned earlier, Fulala Riley originally wanted a business plan which the authors were unable to do. However, it will be beneficial to look at other business plans for thrift stores as another way of creating new ideas for HELP. After looking at previous studies done on thrift store development, the authors will be able to provide further recommendations for HELP in addition to the survey instrument.

In one study, students from Athens, Ohio created a business plan to help start up a thrift store for Salvation Army. They focused on three target populations for the majority of their store sales. These three groups consisted of college students, mothers, and senior citizens. Athens, Ohio is home to a large number of college students who would potentially make up a large shopper and donor base. As mentioned in the business plan, vintage is a growing trend and providing cheap clothing to college students will gain customer loyalty among this target group. Another important reason to get college students involved is to receive furniture donations. Students generally tend to get rid of their furniture upon graduation which would be a great way for HELP to stock up on donations.

The second group the students chose to target was mothers in the area. They believe this is a good population to target since they shop for themselves as well as their children. According to a study they found on newmommie.com, shopping at thrift stores is an attractive alternative because it's cheap and children grow out of clothing so fast they rarely want to invest a lot of money on clothes. Additionally, mothers who tend to shop at thrift stores will often donate clothing back after their children grow out of them.

The third group the students chose to target was senior citizens. They believe this

population is crucial because they enjoy shopping for cheap antiques and little knick knacks which make up a large portion of thrift store donations. Again there is a belief that this group will donate back to the thrift store with clothing and furniture upon a change of living environment.

Overall, the business plan showed confidence that the high number of students in Athens would contribute to a large portion of their sales. Since college students have more money than the average person in poverty, they suggest the thrift store have slightly higher retail prices on trendy, vintage style clothing and invest extra money making the store look more appealing. They were confident this would not hurt sales because they are offering much cheaper prices on trendy “retro” items that would typically sell for much more at popular stores such as Urban Outfitters and American Apparel. They also suggest designer clothing and name brands be more expensive and keeping the non-name brands and more worn clothing at a much cheaper price. For example, they would price the donated items anywhere from \$.25 to \$5.00 according to the overall quality. Another incentive they include in the business plan is to have weekly sales that would attract shoppers from the three main target groups mentioned earlier. The store would have Sundays for mother’s day which would provide 50% off all children’s and women’s clothing. On Tuesdays, all students who present a valid college ID would receive 20% off the entire store, and Wednesday would provide senior citizens with 30% off. The Athens thrift store used this benchmark from other Salvation Army’s in the surrounding area that found this method to be very successful. The Athens Salvation Army thrift store also planned to install a donation bin out front for donations during non store hours and a comment drop box for any suggestions on improvements that could be made.

The business plan also looked at different methods to promote the thrift store as a way to reach out to shoppers and donors. Again they target the college population in Athens as well as the mothers and senior citizens. They suggest finding volunteer students to hand out leaflets on campus as well as putting flyers at the front desk of local retirement homes to inform the senior citizens. These flyers would include the weekly promotions and discounts they offer as an effective way to advertise the thrift store and bring in more business. Additionally, the Athens Salvation Army website would promote the weekly discount days.

The business plan also suggests forming alliances with other organizations for donations and volunteers. For example, they plan to work with a computer company as well as a Kinko's as a way to receive donations on computer equipment and free advertisement. They also found a grocery store to provide food for charity projects such as the Christmas baskets and a hardware store to donate products that would be useful around the store.

Our visit to St. Jude's Ranch in Boulder City also provides us with some insightful information for HELP. St. Jude's Ranch operates a successful gift shop year round as a way to bring in extra donations as well as a profit to benefit the organization. The Ranch is home to 66 children. According to Christina, each child cost them 88 dollars a day; however the county only pays in 44 dollars a day. In order to continue providing the quality of care they want to uphold, they must raise enough money daily for each child. Through the gift shop as well as other fundraising efforts, they have been able to sustain this throughout the recession and even start new programs. They use a majority of their in-kind donations for specific programs. For example, when items arrive the children have first pick for clothing and other needs for their everyday lives. Since they are living in housing provided by the Ranch, any furniture or items needed are offered to the families before being put up for sale. Once they sort through the

donations, the remaining items can be used for sale in the gift shop. Items that are high-end such as name-brand purses are put up for sale on e-bay rather than trying to sell them in the gift shop. Typically, people aren't looking to spend a lot of money on high-priced items when they shop in thrift stores so often time's eBay is the better fit. In addition to private donations, St. Jude's Ranch has partnered with casinos to receive items that are left in the lost and found.

Christina also discussed the importance of building relationships with other organizations. This is an effective way for everyone in the not-for-profit sector to help each other out. St. Jude's Ranch works with Big Brother Big Sisters by providing them with any extra donations they receive that become surplus and they have no use for. In return, Big Brother Big Sister has donated trucks so they don't have to spend money on renting them. In addition, Christina also mentioned how crucial it is to reach out to corporate America for help. More and more organizations want to get involved with fundraising and not-for-profit efforts. The day of the on-site visit, Ben N Jerry's held an event on their campus that provided new furniture, curtains, and other housing items for the children. This event brought media coverage to St. Jude's Ranch as well as Ben N Jerry's and helped benefit both organizations.

Recommendations from literature

In addition to providing HELP with results from the survey instrument, the authors have developed insightful recommendations for Fuilala Riley based on the previous research. Specific ideas were gathered from the business plan created for the Athens Salvation Army as well as the on-site interviews done in Las Vegas. In development of the thrift store, it is highly recommended that HELP integrate discount days for specific groups of people as a way to attract more customers. For example, it would be beneficial to reach out to students at UNLV for a number of reasons. The thrift store will be located very close to campus so it will be easy for

students to shop there. It will also be an affordable alternative from buying expensive trendy clothes, as we know many college students are on a tight budget. We also suggest HELP use prestige pricing such as marking up items that are name brand and seen as “trendy” by society. This will bring in extra revenue while still being more affordable than similar items sold at expensive stores. HELP could use the discount days to reach out to other target populations as well.

In addition to discount days for UNLV students, HELP should consider using campus as a way to reach out to students for volunteer work and donations. As mentioned in the lit review, many students leave behind their belongings after graduation. This would be a great opportunity to get large donations such as furniture and other household items that could be used for the housing for teens or sold in the thrift store. There is also an opportunity to gain volunteer work from students. Fraternities and sororities are constantly holding events and doing charitable work. It may be beneficial to reach out to these groups to see what additional help they could receive.

The authors also believe it would be helpful to advertise the thrift store with flyers on campus. In order to save money on advertisement, HELP should reach out to local places such as Kinko’s to get discounted or free print for flyers. These flyers could be passed out in the dorms, student unions, and classroom as a way to inform everyone about the students discount days.

The authors also gathered some helpful ideas from the visit to St. Jude's Ranch. As mentioned earlier, the importance of partnering with other organizations is crucial especially for the smaller not-for-profits such as HELP. It is suggested that HELP reach out to local casinos in an effort to gain donations from the lost and found. Not only will this bring in extra items for the

thrift store but also higher-end items that could potentially be sold on eBay for a higher profit.

Additionally, partnering with other local organizations, especially during events such as the holiday drive, could provide HELP with media coverage which will ultimately lead to more support in the future.

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