



IMPACTREPORT 2016-2020

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1 LEADERSHIP REPORT

A legacy of impactful change has been built by The Clothing Bank's vision to inspire, skill and support unemployed South Africans to eradicate poverty in their lives.

Our collaboration with key stakeholders has seen us witness fundamental shifts in the lives of the individuals we serve. These lives have been transformed by our shared intention to connect unemployed South Africans to the economy, through income generating opportunities. By accessing and redistributing excess merchandise found within the supply chain, together we are helping our beneficiaries create sustainable businesses that support the green economy.

Through our heuristic approach to learning, we have created an ecosystem that lowers anxiety, encourages emotional healing and results in healthy life choices.

Our comprehensive training programme includes finance, business and life skills modules that support our philosophy of working with the heart, head and hands. This ecosystem is underpinned by a culture driven by our SISTER values of: service; integrity; sustainability; teamwork; excellence and respect. The results of these have proven that our methodology enhances social and financial inclusion.

People living in poverty face many wicked problems but their resilience and willingness to learn and grow inspires us to continually seek solutions to eradicate poverty. We work with a dedicated team who are fervent about their contribution to positively impacting lives.

Our impact report recognises and honours every contribution made by our many stakeholders. We are eternally grateful. Together we can build a better world.

Tracey Chambers (CEO) and Tracey Gilmore (COO)



BACKGROUND

The Clothing Bank was established in 2010 to solve two problems. Firstly, **fashion retailers produce millions of tons of waste each year**. This waste is merchandise that has been returned by customers or hasn't sold in a season, and retailers don't have the resources or systems to process this waste efficiently, so it often goes to landfills. Secondly, **millions of children are being raised in poor households - unemployment rates are stubbornly high and levels of entrepreneurship are low**.

The Clothing Bank Group believes that with the right support structure, everyone can create their own wealth by becoming self employed. It has two programmes, The Clothing Bank (TCB) and The Appliance Bank (TAB), that inspire, skill and support unemployed South Africans to start small businesses using waste donated by retail partners. Through an integrated and nurturing learning eco-system of heart, head and hands, The Clothing Bank empowers these women and men to become financially and socially independent, resulting in families being able to eradicate poverty.



Once selected by TCB, unemployed mothers (exclusively) join the two-year training programme and very quickly start a small business by trading in the clothing they source from retail partners. The programme is practical and experiential because you can't learn business in a classroom. TCB creates a nurturing and supportive environment, that builds self-belief so that women become successful business owners. The developmental approach is holistic and deals with all facets of her life, as a healthy woman, with a healthy mind and a healthy family, she will run a healthy business.

TAB runs a two-year programme that upskills unemployed men to run sustainable businesses that sell and repair small household appliances*. TAB uses the electrical waste donated by electrical retail partners to teach these men new electrical skills. Programme participants learn that pivotal to running a sustainable business, is managing their finances, both business and personal. This empowering experience fosters a renewed sense of dignity, respect for others and respect for self.

Since establishment in 2010, TCB and TAB have supported over 4700 South Africans to start businesses. Strategic retail partners have donated over 8 million items that have enabled these business owners to collectively generate over R190 million in profits.

The Clothing Bank Group's multi-award winning national programme is rolled out accross 5 branches in Cape Town, Johannesburg, Durban, East London and Paarl supporting 1 000 mothers and 150 men each year.

Everyday, South Africans are faced with the economic injustices of the past-present.



29.1% of South Africans are unemployed¹.



In July 2020, 62.1% of children in South Africa were classified as multidimensionally poor².



At the beginning of 2020, it was estimated that due to the COVID-19 pandemic, extreme poverty in South Africa will increase by 9%³.

2 POWER PARTNERS

"The biggest attractor was the prospect of a win-win for us and the organisation whilst genuinely making a life-changing, empowering impact on needy women. The Clothing Bank has made it possible for us to make a difference in a different way than before. It's targeted on women, true empowerment and lasting impact, hopefully, to future generations through the women in the programme."

Zinzi Mglodela - Woolworths, Director

The success of both TCB and TAB is built on the power of strategic partnerships with the retail sector. This unique model demonstrates what can be achieved when the public and private sector collaborate in a shared value partnership. The TCB and TAB programmes afford retailers the opportunity to solve both an economic and environmental problem. TCB and TAB's national footprint provides retailers with a simple, no cost solution for their waste, whilst at the same time creating an opportunity for them to make a difference to the future of South Africa by lifting people out of poverty and building an entrepreneurial culture.

All of South Africa's major listed clothing and general merchandise retailers are contracted power partners and have donated in excess of over 8.4 million items from 2016 to 2020.



Strategic funding partners, service providers and fellowships for the period 2016 to 2020 include:



3 APPROACH

The TCB and TAB teams and partners are driven by their vision to inspire and skill unemployed South Africans to eradicate poverty in their lives. It is supported by their belief that every human has the potential to be successful, and that creating an ecosystem that supports and challenges individuals to become self employed, is the key to unlocking that potential.

Motivated unemployed women (100% are mothers) and men are recruited into the two year programme. **Personal growth** is experienced through life coaching and life skills training. A safe space is created for healing and as their confidence and resilience grows, they become more response-able when faced with challenges and opportunities. As their growth journey continues, they become role models in their communities.

Supported by business mentoring, financial skills, computer training and practical business trading, business owners develop the **professional skills** and confidence to run a sustainable business. The programmes are carefully designed to create opportunities for “I can” moments at every step of the journey that cultivate an entrepreneurial mindset. Business owners earn an income quickly and learn and practice healthy money management habits, which results in lower debt levels, savings and **financial independence**.

The supply of waste product to the programme by retail supply partners has a powerful **environmental impact** by diverting waste from landfill, whilst at the same time, supporting retailers to be active and responsible corporate citizens.

The Theory of Change shows the unique pathways to realising the vision of connecting unemployed South Africans to the economy. It describes what TCB and TAB strive to achieve, and provides the blueprint for how they gauge progress towards their impact goals.



“Now I am confident, I aspire. I set myself goals and push myself hard to achieve them... I am encouraged and empowered to ‘exercise my potential.’”

Priscilla Ntsie, TCB Business Owner

Priscilla, like many other TCB business owners, succeeded by using her **heart, head and hands - a holistic approach that leads to inspired, skilled and response-able South Africans who eradicate poverty in their families, and contribute to a healthy planet.**



Heart

“I believe I can and I am motivated to change...”

IMPACT 1
PERSONAL
GROWTH



Head

“I have enough knowledge to do this...”

IMPACT 2
PROFESSIONAL
DEVELOPMENT



Hands

“I know I can because I have done it...”

IMPACT 3
FINANCIAL
INDEPENDENCE



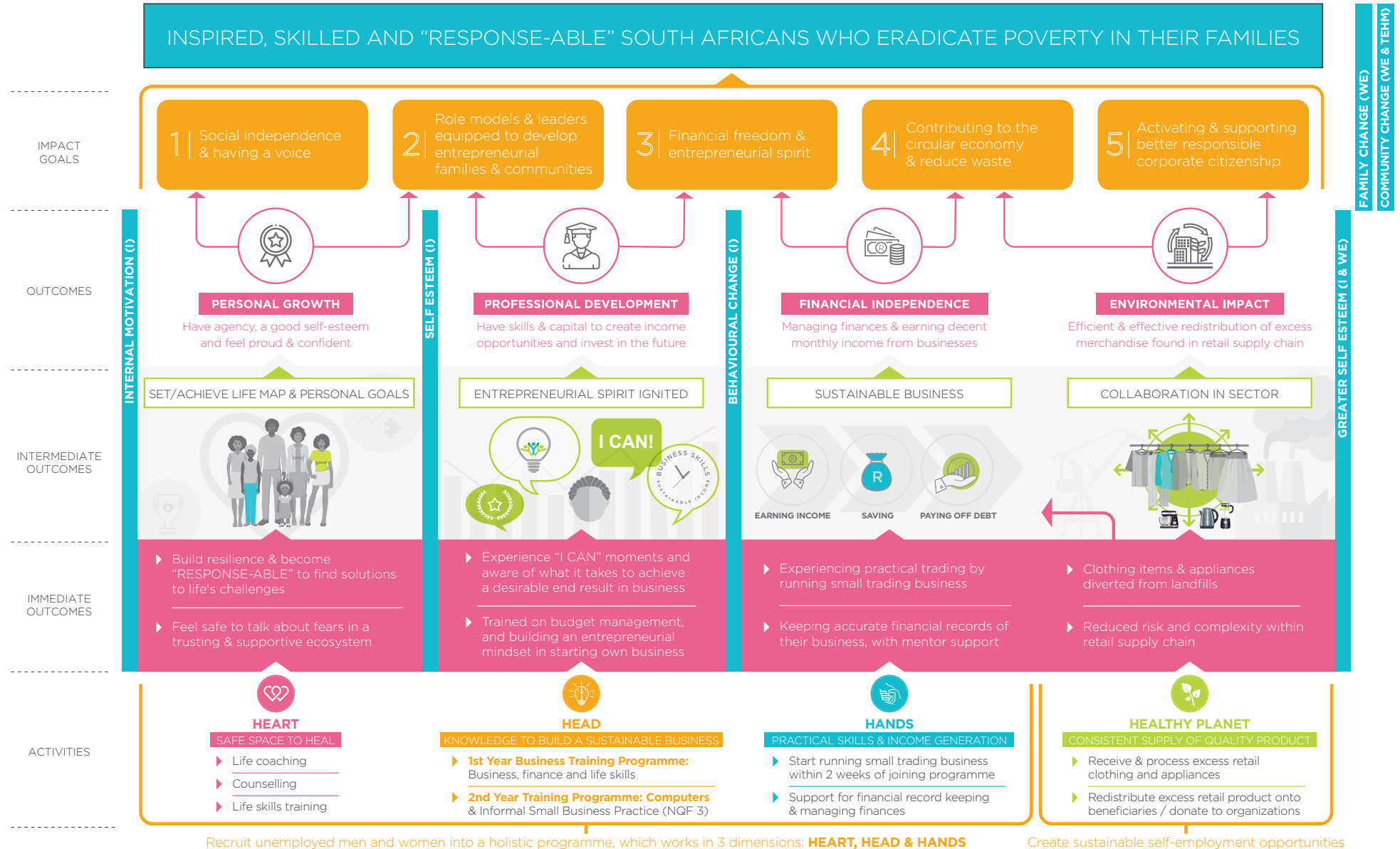
Healthy Planet

“We care about the environment...”

IMPACT 4
ENVIRONMENTAL
IMPACT

THEORY OF CHANGE: THE CLOTHING BANK & THE APPLIANCE BANK

BREAKING THE CYCLE OF POVERTY IS MULTI-DIMENSIONAL



4 IMPACT

The Relativ Group was appointed to develop The Clothing Bank Group's impact report, by analysing their impact data from the past five years. Relativ is an impact solutions provider that supports impact-driven organisations on their journeys to achieve significance. Relativ has global experience working across the organisational and investment spectrums.

This report covers the period 2016 to 2020. During the reporting period, beneficiaries from three cohorts graduated from the two year programmes starting in 2016, 2017 and 2018. For the purpose of this report, beneficiaries that dropped out during the course of the programme, were not included in the analysis. The reporting period also includes clothing and appliance items donated between 2016 and 2020. The first step in ensuring that the correct impact goals are being measured, was to validate the Theory of Change. This was done through stakeholder engagement sessions held with beneficiaries, power partners, funders, management, board members and project managers. The impact goals that TCB are working towards, align to the following Sustainable Development Goals (SDGs)⁴:



The establishment of the SDGs provide a collection of 17 global goals which serve as a blueprint to end poverty, ensure prosperity, and achieve a better and more sustainable future for all by 2030. These goals aim to address economic, environmental, and social challenges and need collective actions from governments, NGOs, and the private sector.



"I will always encourage myself. I've got my own power. I am always telling myself, 'Do this. This thing will go ahead for you. Don't hesitate.' It inspires me to say I'm a businesswoman now. I'm very empowered, no one will tell me what to do. I do my own things in my time. I'm self-employed."

Tumeka Majikela, TCB Business Owner

TCB is working towards 7 of the SDGs through the training and support provided in the TCB and TAB programmes. They continue to work towards sustainable development by aligning their core strategies and programmes to effective impact management and reporting frameworks, as well as SDG outcome indicators.

The methodology that Relativ followed to report on the impact that TCB and TAB are working towards, was based on the principles of the Impact Management Project (IMP). The IMP was established in 2016 and more than 2000 practitioners from across the value chain agreed on performance dimensions for standard setting of impact management, measurement and reporting. This shared vision and global consensus resulted a common language between enterprises and investors, to define, report and compare impact.

MEASURING WHAT MATTERS

In order to effectively measure the extent to which The Clothing Bank Group has achieved the impact goals that they set for themselves, certain indicators need to be in place. Qualitative and quantitative indicators that best demonstrate The Clothing Bank Group's contribution towards achieving its impact goals were selected from the organisation's measurement and monitoring system.

Relevant qualitative impact indicators are drawn from the Poverty Stoplight and Business Competency Framework surveys. These are conducted at key intervals along the beneficiaries' development pathway. **The Business Competency Framework Survey is a self-assessment survey used to assess confidence and proficiency in various areas of business. Each indicator can be scored on a scale of 1 to 5.**

Appropriate quantitative indicators are selected from The Clothing Bank Group's Customer Relationship Management (CRM) database and supplier reports. Two core quantitative indicators are selected to reflect progress towards the financial independence and environmental impact goals. Average monthly income of beneficiaries is the quantitative indicator used to track beneficiary progress towards financial independence. This is captured from the Enterprise Resource Planning system and calculated using the amount of items that the beneficiaries source from TCB and TAB, and an average estimated selling price. The amount of clothing items and appliances donated from suppliers are used to indicate the positive environmental impact that TCB and TAB are contributing towards.

The number of suppliers that TCB and TAB partner with are noted to indicate the collaboration and activation of better corporate citizenship. The table on the next page describes the indicators used to measure the contribution that TCB and TAB are making towards achieving their impact goals.

THE 5 IMPACT DIMENSIONS



WHAT

The specific outcome that TCB/TAB are contributing to



WHO

The stakeholders experiencing the outcome



HOW MUCH

How many stakeholders experienced the outcome and what was the degree of change



CONTRIBUTION

Indication of whether TCB/TAB's efforts resulted in better outcomes than would have occurred otherwise



RISK

The probability that impact would be different than expected

The sections to follow describe how The Clothing Bank Group has impacted its stakeholders between 2016 and 2020.

Each impact analysis presents evidence related to The Clothing Bank Group's contribution to the key outcomes described in their Theory of Change by applying the 5 dimensions framework of the Impact Management Project.⁵



The Poverty Stoplight tool is a standardised survey of 50 indicators across six dimensions of poverty that are used to assess perceived poverty levels⁶, at a household level, at key intervals by facilitators. The six dimensions are Income and Employment; Health and Environment; Housing and Infrastructure; Education and Culture; Organisation and Participation; Self-awareness and Motivation. Beneficiaries score themselves on each of these indicators according to red, amber and green levels, based on specific definitions of each level.

	INDICATOR	OUTCOME	INDICATOR TYPE	DATA SOURCE	FREQUENCY
 IMPACT 1 PERSONAL GROWTH	Motivation & attitude about success	Beneficiaries set clear and realistic goals for themselves and their families and work hard to achieve them.	Qualitative	Business Competency Framework Survey	Inception, 12 Months, 24 Months
	Dealing with challenges	Beneficiaries have the courage and confidence to ask for help when they cannot solve problems on their own. They are realistic about the occurrence of challenges and have financial reserves in place.		Business Competency Framework Survey	
	Life map and personal goals	Beneficiaries set personal goals and have achieved at least one of their goals. They aim high and work hard towards achieving their goals.			
 IMPACT 2 PROFESSIONAL DEVELOPMENT	Knowledge & skills to generate income	At least one family member is able to generate an income based on skills and knowledge. Beneficiaries can implement new strategies to increase their income, based on training and lessons they have learned.	Qualitative		Inception, 12 Months, 24 Months
	Capacity to budget and plan	Beneficiaries plan and budget for the future and are aware of the importance of budgeting.			
	Entrepreneurial spirit & motivation	Beneficiaries and their families will take well thought out risks, learn from their mistakes, and are highly motivated to achieve their goals.			
 IMPACT 3 FINANCIAL INDEPENDENCE	Stable employment & income sources	The family has one or more economic activities that provide a stable income and does not depend on external grants or subsidies.	Qualitative		Inception, 12 Months, 24 Months
	Average monthly income	Average monthly income across all cohorts and regions	Quantitative	THE CLOTHING BANK 	Monthly
	Financial Independence	Beneficiaries are self-reliant and do not depend on others for money, housing or food. They are able to support their families.	Qualitative	Business Competency Framework Survey	Inception, 12 Months, 24 Months
 IMPACT 4 ENVIRONMENTAL IMPACT	Donations from suppliers	Number of items donated by suppliers (TCB and TAB)	Quantitative	Supplier Donations Records	Monthly



PERSONAL GROWTH



Internal motivation is a key component needed to break the multi-dimensional cycle of poverty and create a mindset of “I can”. Having a good self-esteem, and feeling proud and confident, leads to social independence and having a voice. Personal growth enables people to set and achieve personal goals, to have the ability to solve problems, and in turn provides role model behaviour that ignites further entrepreneurial families and communities.

“I love challenges. If someone tells me ‘I can’t’, I will try to push it to ‘I can’. I’m not easily influenced by other people – I believe in myself. I love life and helping others. Women should push for what you want, even in your current situation. It’s not easy. There are times when I am so tired, but I don’t like depending on my husband for money – it pushes me to go harder. I enjoy selling – I’m a businesswoman. I’m proud to own my own house. I’ve got two healthy kids. I want my kids to finish school, education is important. I am responsible. People have so many children. I have two, that’s what I can afford.”

Nwabisa Ndzuzo, Khayelitsha

IMPACT 1: PERSONAL GROWTH

IMPROVEMENT IN PERSONAL GROWTH

Both TCB and TAB calculate improvement in personal growth using a composite of three indicators: **motivation and attitude about success, dealing with challenges, and awareness of needs** (life map and personal goals).

89% of beneficiaries scored at least 4 out of 5 for 'motivation and attitude about success'. 98% scored at least 4 out of 5 for 'dealing with challenges'. The target for both indicators is that 100% of beneficiaries score at least 4 out of 5 after 24 months of being in the programme. 97% of beneficiaries scored green for 'awareness of needs' (target 100%) after 24 months.



WHAT

UNEMPLOYED SOUTH AFRICAN ADULTS

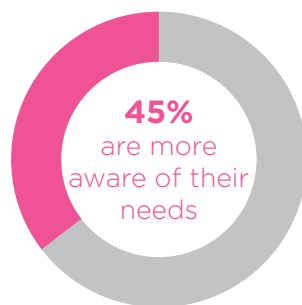
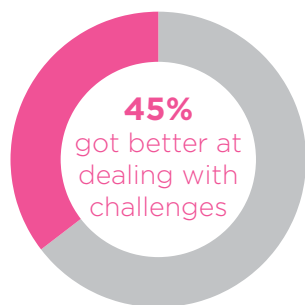
Beneficiaries include unemployed men and women from low-income, peri-urban and urban communities across the 5 TCB and 4 TAB regions. They are carefully selected for internal motivation. These men and women have an interest in self-employment income generating opportunities, business knowledge and personal support and growth.



WHO

IMPROVEMENT IN PERSONAL GROWTH

An average of 45% of the beneficiaries showed improvement in the indicators that contribute to personal growth.



45%



HOW MUCH

In the absence of comparable industry data, the 2020 cohort inception scores are used as a proxy measure for what would have happened in the absence of the TCB and TAB interventions. Compared to these baseline scores, TCB and TAB have contributed to a 16% improvement in beneficiaries' motivation and attitude towards success (counterfactual score: 3.92), a 15% improvement in how beneficiaries deal with challenges (counterfactual score: 3.98), and a 25% increase in awareness of needs (counterfactual 72%).



CONTRIBUTION

Evidence risk - Medium risk that self-perception scoring varies per individual and at different time periods. There is a risk that medium-to-long-term impact is not measured, as beneficiaries are not consistently tracked once they leave the programme after 24 months.

External risk - Medium to high risk that external factors could disrupt the delivery of activities (e.g. floods, civil unrest, pandemic restrictions et al). TCB and TAB have, however, demonstrated their resilience by returning to normal operations within 2 weeks after their Cape Town site burned down in 2019, and again, trading within 1 month after the national COVID-19 lockdown of 2020.



RISK



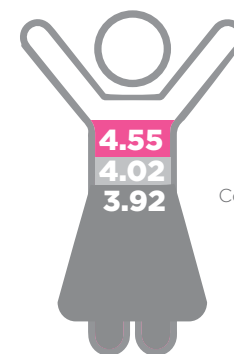
Motivation & attitude



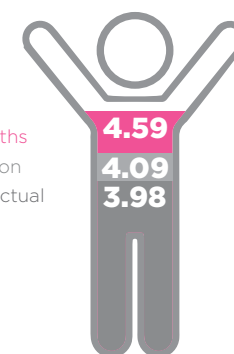
Dealing with challenges



Average score after 24 months



Motivation & attitude about success



Dealing with challenges

24 months
Inception
Counterfactual

Average score out of 5 for the 2016, 2017 and 2018 cohorts





Professional development enables beneficiaries to create sustainable income generating opportunities, and to invest in their own, and their children's future. Together with coaching and mentoring, beneficiaries receive training in life skills, financial skills and informal small business skills. Collectively these create a supportive ecosystem, where beneficiaries develop the confidence to try new things and an understanding that self-employment is a solution to poverty. When beneficiaries are equipped with knowledge and emotional awareness, their self-belief grows. This ignites an entrepreneurial spirit, which results in financial freedom. Armed with new knowledge and self-belief, beneficiaries become entrepreneurial role models to both their families and communities.

"Both my parents have passed on. My mother was hit by a car in Gugulethu one night. I was so sad. After some time I moved in with my girlfriend and two kids. It was hard but we were pushing hard to survive. TAB has given me technical skills. I have always been trading but I was living hand to mouth. TAB helped me be responsible with my money, now I know about needs and wants. I am planning, budgeting and I'm disciplined. My self-confidence has improved and boosted. I can talk to anyone."

Monde James GoQo, Cape Town

PROFESSIONAL DEVELOPMENT

IMPACT 2: PROFESSIONAL DEVELOPMENT

IMPROVEMENT IN PROFESSIONAL DEVELOPMENT

Both TCB and TAB calculate improvement in professional development using a composite of three indicators: **Knowledge and skills to generate income, capacity to budget and plan, and entrepreneurial spirit and motivation.** The target is for 100% of the beneficiaries to score green for all three indicators after 24 months. This ambitious goal was not achieved by all regions and cohorts. However, at 24 months, 94% of all beneficiaries scored green for knowledge and skills to generate income. 77% scored green for capacity to budget and plan, and 98% scored green for entrepreneurial spirit and motivation.



WHAT

UNEMPLOYED SOUTH AFRICAN ADULTS

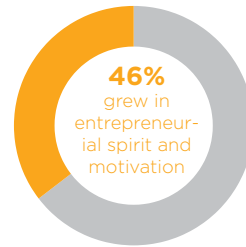
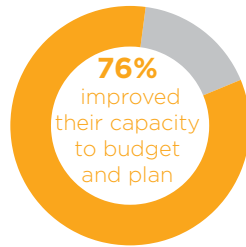
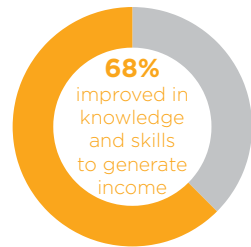
Beneficiaries include unemployed men and women from low-income, peri-urban and urban communities across the TCB and TAB regions. They are carefully selected for being internally motivated. These men and women have an interest in self-employment income generating opportunities, business knowledge, personal support and growth.



WHO

SIGNIFICANT INCREASES IN ENTREPRENEURIAL SKILLS AND SPIRIT

An average of 63% of beneficiaries improved in at least one of the three indicators of professional development.



63%

HOW MUCH

There is currently no comparative industry measure and benchmark for professional development. The 2020 cohort inception data is used as a proxy comparative measure of what would have happened without the interventions. Of the beneficiaries that graduate after two years from the TCB and TAB programmes, there is a 72% increase in the number of beneficiaries that score green for knowledge and skills to generate income, 62% increase in the number of beneficiaries that score green for capacity to budget and plan, and 60% increase in the number of beneficiaries that score green for entrepreneurial spirit and motivation. Although there is an overall improvement, the outcome level of 77% of beneficiaries scoring green in the area of capacity to budget and plan at 24 months, combined with the fact that there was a 62% increase in the number of beneficiaries achieving this target threshold, suggests that this area was a common challenge for beneficiaries at inception, and that it is an area that is challenging to shift across the board by the time beneficiaries complete the programme.

CONTRIBUTION

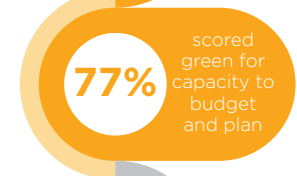
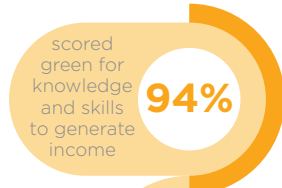
Execution risk – Low risk that activities are not delivered as planned.

Evidence risk – Medium-to-high risk that there is insufficient high-quality data to know what impact is occurring. Indicators measuring changes at a household level are valuable to provide insight into wider effects from a programme. However, a programme targeting individuals, should include indicators that measure changes at the individual level. This will help to determine the extent to which changes are a result of the intervention, rather than additional factors that may contribute to changes at the household level.

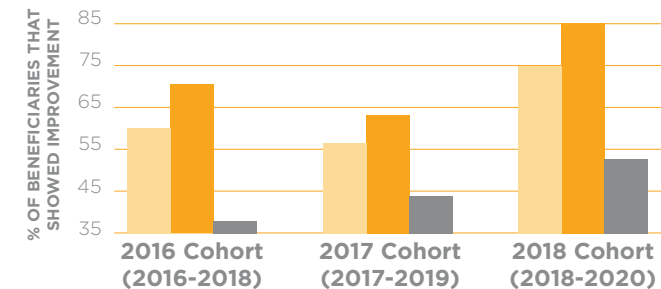
Drop-off risk – Medium risk that the positive impact of sustainable self-employment does not endure due to a lower percentage of beneficiaries having the capacity to budget and plan when they leave the programme.



RISK



% OF BENEFICIARIES THAT IMPROVED FROM INCEPTION TO 24 MONTHS



KNOWLEDGE AND SKILLS TO GENERATE INCOME
CAPACITY TO BUDGET AND PLAN
ENTREPRENEURIAL SPIRIT AND MOTIVATION

The high outcome level of 98% beneficiaries scoring green at 24 months in the area of entrepreneurial spirit and motivation, combined with the relatively low increase in the % of beneficiaries showing improvement, suggest that this indicator was high at inception. This is to be expected, given that the programmes target individuals that are internally motivated at the outset, and are consequently more likely to have a relatively high level of entrepreneurial spirit and motivation.





FINANCIAL INDEPENDENCE



Financial independence can be achieved when women and men are able to earn a decent monthly income from sustainable businesses, as well as effectively manage their finances. Financial freedom is achieved through income generating opportunities, financial behavioural changes and the learning of new skills.

Valerie Grootboom, from Paarl, was previously working as a domestic worker and earning R100 a day. She was looking after her mother, her brother with Down syndrome and her nephew with a disability. When she first joined TCB and started buying bags of damaged clothing to repair and resell, she did not think it would work, but she persevered. She set up a stand at the mall on weekends.

Valerie's business grew and she has never looked back. She now employs one person and has put her son through matric. Her other two children are also doing well at school. Valerie prioritized paying off all her debt and she now is debt free and experiences financial freedom. She has renovated her house and in 2019 took her first holiday ever with a group of friends. She has also bought a house in Plettenberg Bay, which she plans to turn into an income generating business. Her dream is to have her own clothing label one day.

IMPACT 3: FINANCIAL INDEPENDENCE

DECENT INCOME AND IMPROVED FINANCIAL INDEPENDENCE

Average monthly income earned is a quantitative measure recorded per programme, region and year. Financial independence is measured by the two qualitative measures: **financial independence, and stable employment and income sources.**

The average monthly income over 24 months for beneficiaries that graduated from the programme, is R6,152. This is above the TCB and TAB's target monthly income of R5,000. The target for the qualitative financial independence indicator, is that all beneficiaries (100%) score at least 4 out of 5 for this indicator after 24 months, meaning that they can provide money, food and housing without the help of others, most of the time. 82% of beneficiaries achieved this threshold of at least 4 out of 5 at 24 months.

77% of beneficiaries (target 100%) across all regions and cohorts scored green for the qualitative indicator of stable employment and income sources after 24 months.

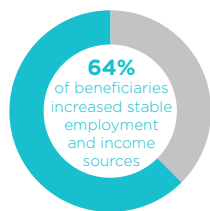
WHAT

UNEMPLOYED SOUTH AFRICAN ADULTS

Beneficiaries include unemployed men and women from low-income, peri-urban and urban communities across the TCB and TAB regions. They are carefully selected for being internally motivated with an interest in self-employment, income generating opportunities, business knowledge, personal support and growth.

WHO

INCREASE IN STABLE EMPLOYMENT AND INCOME SOURCES



R6,152
avg. monthly income



R3,759
minimum wage

HOW MUCH

Beneficiaries that join the programmes are unemployed mothers (TCB) and unemployed men (TAB), whose only source of income is a child support grant of R440 per month per child⁸. TCB and TAB therefore play an integral role in enabling beneficiaries to earn an additional income. Compared to the upper-bound poverty level of R1,268 per month⁹, TCB and TAB beneficiaries earn more than 4 times this level of income. TCB and TAB also contributed to a 46% increase in financial independence (counterfactual score: 2.92), and a 63% increase in the number of beneficiaries that scored green in stable income and employment sources (counterfactual: 19%). However, there is a general downward trend in income levels of each cohort over time. Despite the significant contribution towards average income levels, 18% of beneficiaries do not yet feel they can consistently provide money, food and housing without the help of others, and 23% do not yet believe they have stable employment and income sources at the time of completing the programmes.

CONTRIBUTION

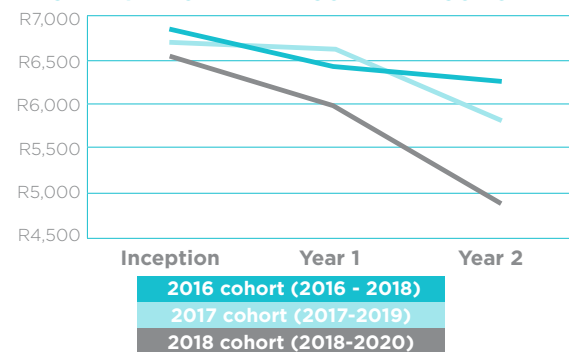
Evidence risk – Medium risk that data does not exist to provide sufficient evidence of medium to long-term impact, as the financial independence of beneficiaries is not routinely tracked beyond 24 months. It is recommended that TCB continue to periodically conduct assessments with a sample of beneficiaries one year after graduating from the programme to determine the extent to which effects are sustained once beneficiaries leave the supportive environment of the programmes.

External risk – High risk that the Covid-19 pandemic and the resulting impact on consumer spending power and priorities will limit the income earning potential of 2019, 2020 and 2021 cohorts. This is already evident in the lower year 1 average income levels of the 2020 cohort compared to the 2016 - 2018 cohorts, as well as the general downward trend in income from inception to year 2.

RISK

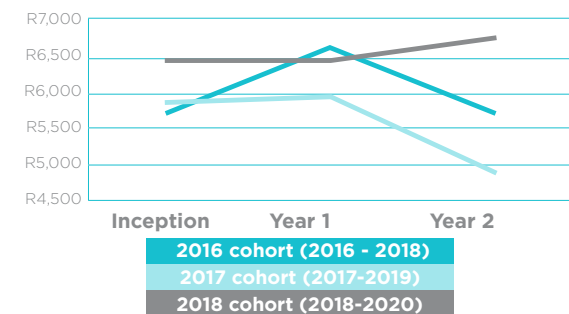


TCB - AVE MONTHLY INCOME PER COHORT



TCB's highest recorded average monthly income was R6,841. TCB's lowest average monthly income was R4,916, 30% above the 2021 minimum wage⁷. However, the average monthly income across the cohorts, was 66% above the 2021 minimum wage. For TCB there is a downward trend in average monthly income from inception to year 2. This is the result of beneficiaries becoming more independent. A recent survey answered by a sample of the TCB 2019 cohort, showed that approximately 36% of beneficiaries shop at other sources as well and not exclusively at TCB. The downward trend could also be as a result of the time consuming Informal Small Business Practise course in the second year of the programme, leaving beneficiaries with less time to buy and sell stock. Covid may have enhanced the steep decline for the 2018 cohort.

TAB - AVE MONTHLY INCOME PER COHORT



TAB's lowest average monthly income was R4,896, 30% above the 2021 minimum wage. However, the average monthly income across the 2016 - 2018 cohorts, was 61% above the 2021 minimum wage. The upward trend of the 2018 cohort is a result of the increase in supplier donations received, enabling beneficiaries to buy and sell more appliances.





ENVIRONMENTAL IMPACT



The efficient and effective redistribution of excess merchandise found within the retail supply chain encourages sector collaboration and forms a vital part of the circular economy. A positive environmental contribution is made by reducing waste and reducing risk and complexity within the retail supply chain. This activates and supports better responsible corporate citizenship.

A core part of TCB's mission is that a percentage of donated products is donated to other non-profit organisations that have beneficiaries, such as children, in their care. The new TradeUp project sources dead stock such as fabric and trims, and supplies this to sewers who make garments for resale.

"The group's seven-year partnership with The Clothing Bank (TCB) has been a success story of economic empowerment. The group donates merchandise to the non-profit, with TCB's primary aim to help participants become self-sufficient by acquiring acumen, life skills and mentorship."

MRP Group

IMPACT 4: ENVIRONMENTAL IMPACT

CONTRIBUTION TO CIRCULAR ECONOMY

TCB and TAB have established strategic long-term contracts with South Africa's major clothing and general merchandise retailers who donate excess stock to TCB and TAB. These items are made up of customer returns and end-of-season merchandise that would otherwise end up in the landfill, resulting in a negative environmental impact.

To track environmental impact, an annual quantitative measure is used. This measure tracks the volume of clothing items and appliances received from suppliers each financial year. Volume of items is an indicator of **sustainable resource management** (lowering resource demands), **societal behaviour** (citizen awareness, engagement and participation) and **business operations** (changing and adapting business models according to principles of a circular economy)¹⁰. To establish the change in volumes, the number of items received from the number of suppliers in 2016 were compared to the number of items received from the number of suppliers in 2020.



WHAT

ENVIRONMENT

TCB and TAB's contribution to the circular economy has a direct impact on the environment in which they operate.



WHO

INCREASED NUMBER OF ITEMS RECEIVED

TCB received 32% more clothing items in 2020 (c.1.8m) compared to 2016 (c. 1.4m). In 2020, TCB exceeded their target of 1,740,000 items of clothing received from suppliers per year.

TAB received 588% more appliances in 2020 (c.109k) compared to 2016 (c.16k). TAB has not yet met its target of 154,800 appliances received per year.



HOW MUCH

SUSTAINABILITY DIVIDEND FROM RE-USE OF APPLIANCES AND CLOTHING

Between 2016 and 2020, TCB received over 8 million items of clothing from eight retail suppliers. These contributions enabled the re-distribution of clothing, adding value to the retail partners by assisting them to get rid of excess stock while contributing to life-changing empowerment. Over the same time period, TAB received over 412,000 appliances from three retail suppliers. Re-use of appliances reduces the volumes ending up in landfills, making a significant contribution to the circular economy. This provides benefits to supplier partners themselves, upcycling electrical devices on their behalf.

TCB and TAB's efficient reporting helps suppliers to track their own contributions to the circular economy and include these results in their sustainability reports. TCB and TAB assist suppliers on their responsible corporate citizen journeys by reducing their waste through a heuristic empowerment programme.



CONTRIBUTION

Evidence risk - High probability that insufficient high-quality data exists to effectively determine impact level. TCB and TAB are measuring volume of items, where other industry actors typically measure in tonnes. This makes contribution comparative analysis difficult.

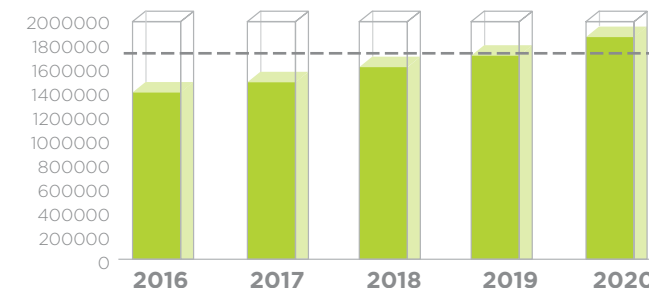
Alignment risk - Low risk that impact is not locked in the success of the business model, such that delivery of the activities required for impact may not endure.



RISK



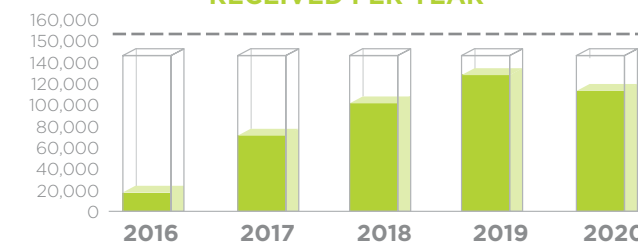
NUMBER OF CLOTHING ITEMS RECEIVED PER YEAR



TCB received more clothing items each year starting with 1,404,584 in 2016 and increasing to 1,854,981 items in 2020 as demonstrated above.

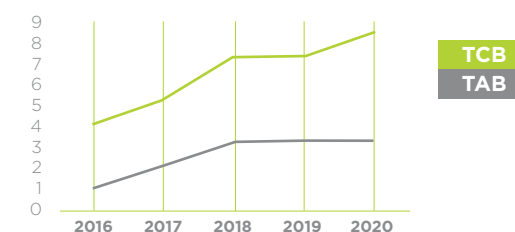
--- Target

NUMBER OF APPLIANCES RECEIVED PER YEAR



TAB received more appliances each year from 2016 (15 844) to 2019 (124 708), but less in 2020 (108 960) than in 2019 as seen above.

NUMBER OF SUPPLIERS PER YEAR



5 INSIGHTS

- Beneficiaries that complete the TCB and TAB **programmes grow personally, develop professionally, and are more financially independent than before.** Having learnt how to overcome challenges and how to be more self-aware, **beneficiaries are more motivated after 24 months and have an improved attitude towards success.** Their increased skills and knowledge, with the ability to budget and plan learnt through practical experience of running a business in a safe environment, enables beneficiaries to generate a decent **monthly income that is on average 64% higher than minimum wage.**
- With increased financial freedom and a growing entrepreneurial spirit, **beneficiaries become role models that positively impact their families and communities** and provide much-needed success stories to **encourage future entrepreneurs.**
- Both TCB and TAB have a positive impact on the planet and **contribute to responsible corporate citizenship**, partnering with retail suppliers to demonstrate what is possible.
- Although overall averages show promising improvement across impact areas, **some target thresholds were not met.** In these cases, beneficiaries scored relatively low at inception (signalling an area of need) and showed improvement, but did not improve sufficiently to meet the target thresholds that would indicate the level of capacity needed to support sustained positive changes after leaving the protective environment of the programmes. These areas include: capacity to budget and plan, stable employment and income sources. At the time of completing the programmes, **23% of beneficiaries did not perceive they had mastered budgeting and planning,** and **23% did not yet believe they have stable income sources** and are independent of external grants or subsidies.
- There is a downward trend in income levels, and the first month of trading typically marks the highest level of income. **Average monthly income levels at the time of completing the programmes are more than R1 000 above the target income level of R5 000.** These measures do not currently provide a coherent picture of the extent to which beneficiaries are prepared for financial independence on leaving the programme. In particular, if the average level of income (quantitative indicator) achieved is sufficient, one would expect to see a positive correlation with the beneficiaries' perception of stable income sources and independence from external grants or subsidies (quantitative indicator).
- It is important to consider qualitative results - Poverty Stoplight measures based on self-perception - against the quantitative income level measure, and to note that **the Poverty Stoplight survey provides household-level measures. Even though a household-level measure is valuable to understand the wider impact of the programmes, it can limit the potential to understand the contribution that TCB and TAB are making to individual beneficiaries,** compared to other factors affecting the household.
- The comparison between the results of the quantitative and qualitative indicators suggests that current measures and associated target thresholds can be investigated to identify refinements to measures, target threshold-setting and programme enhancements. Possible remedies to address inconsistencies could include:
 - ▶ **Setting reasonable target thresholds for informal businesses that reflect a necessary degree of change to support sustained financial outcomes after leaving the programme.** Income level thresholds should indicate a positive change for beneficiaries and positively correlate with the perception of stable income sources and financial independence.
 - ▶ Programme interventions to ensure targets can be met and alleviate 'stubborn' areas of change.

RECOMMENDATIONS

PROGRAMME DESIGN



Focus on capacity to budget and plan training to build core competencies of financial management to strengthen financial stability and income levels once beneficiaries leave programmes



Combine stable employment and income sources as key indicators of financial independence and expected correlation with positive income level outcomes



Aim for consistency of average monthly income levels to address the current decline in income levels from inception to year 2



Routinely track and measure performance beyond 24 months of programme participation to assess persistency in outcomes achieved

IMPACT MEASUREMENT



Ensure that targets are realistic, achievable and comparable with industry metrics



Review metrics annually to check if additional indicators should be added



Review measurement tools for accuracy against impact goals e.g. individual-level measures to assess direct programme effects on individual participants



Develop indicators and measures that align to environmental impact standards i.e. shifting to standard industry metrics in weight (tonnes)

6 REFERENCES

*TAB has branches in the same cities as TCB, with the exception of East London.

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⁷ Department of Employment and Labour. Republic of South Africa., "Employment and Labour Minister TW Nxesi announces minimum wage increases," 2021. [Online]. Available: <http://www.labour.gov.za/employment-and-labour-minister-tw-nxesi-announces-minimum-wage-increases#:~:text=Employment%20and%20Labour%20Minister%20TW%20Nxesi%20has%20>. [Accessed 2021].

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⁹ Stas SA, "National Poverty Lines," 13 August 2020. [Online]. Available: <http://www.statssa.gov.za/publications/PO3101/PO31012020.pdf>. [Accessed 2021].

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The Clothing Bank, "Annual report," 2016-2020

GLOSSARY OF TERMS

Baseline	A starting point to compare change.
Counterfactual ⁹	The condition of individuals, organisations or groups without any interventions.
Impact	The change in outcomes (positive or negative) caused by an organisation, directly or indirectly, intended or unintended, measured over time.
Indicator	An indicator is a standardised measure related to an output or outcome to assess performance and comparability in time or theme.
Outcomes	Effects of an activity which is an aspect of social, environmental or economic well-being.
Outputs	Tangible, quantifiable results of the activities or efforts of an institution or individual.
Theory of Change	A blueprint describing the causal pathways of an organisation's activities and outcomes towards specific impact goals, providing a conceptual framework to measure impact performance and identify possible areas of intervention.

LIST OF ACRONYMS

Customer Relationship Management	CRM
Impact Management and Measurement	IMM
Impact Management Project	IMP
Sustainable Development Goals	SDGs
The Appliance Bank	TAB
The Clothing Bank	TCB

