



SOLES 4 SOULS  
WEARING OUT POVERTY®

# Annual Report

2017-18



# Providing shoes to people who need them most

767 million people around the world live on less than \$2.00 per day and simply don't have access to a good pair of shoes.

**When someone doesn't have shoes, it's not just their feet that suffer.**

Without shoes, people are left vulnerable to disease, children can't attend school and many are left without a sense of dignity.

**We want to continue to change that.**

# Our Mission

Soles4Souls creates sustainable jobs and provides relief through the distribution of shoes and clothing.

**Since 2006, we've distributed more than 35 million pairs of shoes and 12 million piece of apparel in 127 countries.**



# A letter from our CEO

If you're reading the CEO letter, I expect you're looking for the headlines for FY18. With that in mind, I'd like to focus on the top three things that were key to delivering on our mission this year.

- 1. Strong operational performance**
- 2. Efficient disaster response**
- 3. Expanding direct micro-enterprise partnerships and collection efforts**

One thing we strongly believe is the saying "no margin, no mission." Financial discipline is important to us. By being effective with every dollar, we have more resources available to invest in serving those in need, creating opportunity and protecting the environment.

**Here is a quick summary of our FY18 operational performance with the 2nd best financial results since our founding.**

- Revenue Growth since FY13: 71%
- Net Income Growth since FY13: 142%
- Operating Reserve Growth since FY14 CAGR: 62%
- 2,924,851 pairs of shoes and 3,661,195 pieces of apparel distributed



**The biggest focus for us this year for free distribution was definitely disaster response** following Hurricanes Harvey, Irma and Maria. With millions affected by these tremendous storms in Texas, Florida and Puerto Rico, the need was overwhelming. We were able to send more than 500,000 pieces including shoes, clothing, water, blankets and food. In particular, we have stayed very engaged in Puerto Rico with several travel teams going there to provide shoes and clothes as the island gets back on its feet.

**We have continued to expand our direct micro-program as well.** With new partnerships in Malawi, Nicaragua, Uganda and Zambia, we keep driving to create more economic opportunity for a sustainable income and the dignity of earning a living. This is a major commitment to each of these partners and has made our investment in the Regional Donation Centers even more critical. Ensuring we can collect enough shoes to reliably supply the entrepreneurs is our top consideration when we open a new market. It can be devastating if we don't keep up a steady stream of product coming to them.

**For me, this is the heart of what it's like every day at Soles4Souls. We think like a business, we execute our plans, and we never lose sight of the fact that the only reason this work matters is impact.**

We still have a tremendous amount to do and that energizes us every day. Thanks for your interest, support and investment...this work is only possible because of you.

Yours truly



Buddy Teaster  
Chief Executive Officer, Soles4Souls



# Our Programs



## Free distribution

We work with nonprofit partners to distribute new shoes and clothing, donated by retailers and manufacturers, to people in need in the U.S. and around the world.



## Disaster Relief

We provide shoes and clothing to people impacted by hurricanes, tsunamis, fires, floods, earthquakes and other disasters.



## Micro-enterprise

Shoes can create jobs too! We utilize new and gently-worn shoes as a resource to help people with the opportunity to start and sustain a small business of their own.

# Impact Summary

Thanks to our volunteers and donors, we help create economic prosperity, encourage a positive impact on the environment and provide relief to people who need it most by repurposing new and gently worn shoes and clothing. Below is a snapshot of our impact for 2018.

## Economic Impact

**\$32,369,718**

generated in global economic impact.  
That means more money in people's pockets to help pull themselves out of poverty.

## Environmental Sustainability

**5.5 MILLION**

pounds of textiles kept out of landfills and instead repurposed to wear out poverty!





## Short-term Relief

We repurpose new shoes and clothing to help provide relief to those in need, domestically and internationally. New shoes and clothing keep people healthy, happy and thriving.

**152,313**

pairs of shoes

**514,896**

pieces of clothing



## Micro-enterprise

Soles4Souls utilizes used shoes and clothing to fuel economic prosperity through our micro-enterprise program, designed to help people in developing nations start and sustain small businesses selling shoes and clothing.

**2,772,538**

pairs of shoes

**3,146,299**

pieces of clothing

FREE DISTRIBUTION

# Everyone deserves a good pair of shoes

New shoes provide relief to people living in extreme poverty around the world along with a sense of confidence and pride. By fulfilling a few of life's most basic needs for people, we help bridge the economic gap in the United States, Canada and around the world by providing new shoes.

We work with more than 1,200 non-profit partners on the ground. **Last year we distributed 152,313 pairs of new shoes to people in need**, including eleven-year-old Lucas from Chiquimula, Guatemala.

When we met Lucas he had been wearing the same shoes for the last three years with hardly any sole. His shoes—rather what was left of them—provided him little protection from the fields he works day and night alongside his father. Lucas and his mom walked for an hour and a half to get new shoes so he may attend school again.



DISASTER RELIEF

# Helping people rebuild from the ground up

After a natural disaster, rebuilding starts with the basics. Last year Soles4Souls responded to three major hurricanes—Harvey, Irma and Maria—distributing more than 70,000 pairs of shoes and pieces of clothing in Texas, Florida and Puerto Rico.

We saw the importance of this firsthand this past year as our teams traveled to Puerto Rico as the country continues to recover from Hurricane Maria.

Since the devastating storm, Soles4Souls has distributed close to 3,000 pairs of new shoes generously donated by corporate partners like Footlocker and Ccilu. On each of our four travel trips to the island, we were reminded of just how powerful the gift of shoes can be when it comes to providing basic yet crucial necessities and making someone feel seen and loved.



MICRO-ENTERPRISE

# Used shoes provide new opportunities

Soles4Souls' micro-enterprise program is designed to create real economic change in developing countries.

We utilize new and gently-worn shoes and clothes as a resource for people, mostly women, in developing countries to generate income in places where sustainable job opportunities are limited. Places like Honduras to help women like Lilian, a struggling entrepreneur who until recently, was unable to consistently provide for herself and her 6-year-old son.

A short time ago, however, Lilian became employed at Camila's, a shoe store in El Progreso. Through our micro-enterprise program, Soles4Souls supplies the store with a consistent supply of new and gently-worn shoes donated by people all over the world. The shoe store offers the chance for people in need to make a living, feed their families and send their children to school.

"This job," said Lilian, "has given me the opportunity to provide for my family."



CLOTHES4SOULS

# New clothes bring comfort and confidence

Another way we help to fight poverty, reduce landfill waste and aid natural disaster victims is through our clothing division, Clothes4Souls.

Used clothing donated by individuals and groups all over the world enters our micro-enterprise programs and creates job opportunities.

Clothes4Souls also delivers new clothing from our valued retail partners, like Macy's, who donated 35,000 brand new coats this past year during its "Share the Warmth" Campaign. **Over the course of the five-year partnership, Macy's has provided 200,000 coats that Clothes4Souls has distributed nationwide** to people in need during the winter months.

Last year we also launched our first Undies4All campaign, to collect some of the most requested but least donated items - new undergarments and socks. Through generous donations made by individuals, groups and corporate partners, we collected more than 250,000 items for people in need.



ENVIRONMENTAL SUSTAINABILITY

# Don't waste a good opportunity

Shoe and clothing donations impact people's lives all over the world, but your donations also affect our planet. For the better.

The EPA states that only 14% of clothing and footwear in the U.S. is recycled, leaving the remaining 86% in our landfills.

This year alone, **we've kept 5,486,661 pounds of textiles out of landfills— 47 million pounds in our 10-year history.** And all those shoes and clothing diverted from landfills provide opportunities to thousands of entrepreneurs in our micro-enterprise program.





DOMESTIC RELIEF

# Continuing to help here at home

Although Soles4Souls has the privilege of impacting communities all over the world, domestic relief has long been at the core of our work. Roughly 12% of the population in the U.S. lives below the poverty line, and we are working hard to help reduce this number by finding new ways to help here at home.

In November, **we were a part of CSX's Santa Train and helped distribute warm clothing** and toys to some of rural Appalachia's most economically distressed communities.

Last winter **we also expanded our travel program to now include domestic locations!** Our inaugural group visited the Navajo Reservation in Tolani Lake, Arizona and Thoreau, New Mexico to distribute 600 pairs of new shoes and 400 coats.

INTERNATIONAL SERVICE TRIPS

# Give shoes. Give love. Go travel!

Last year, 315 Soles4Souls volunteers traveled all over the world to help distribute more than 15,000 pairs of new shoes to those in need. Since 2010, we've hosted over 170 international trips to date, with approximately 25-30 trips happening annually.

Individuals can be a part of a public trip to places like Haiti, Honduras, Guatemala, Costa Rica, Tanzania, Jamaica and the Dominican Republic. Groups of college sports teams, companies, families or faith-based groups also have the option to set up a private trip, where they can choose the country and we will customize the experience for them.





*VOLUNTEERS AND DONORS*

# Help from our friends

It is impossible to talk about Soles4Souls' impact without acknowledging the fundamental engine that keeps our organization running. The people who inspire our team and overall mission day in and day out.

We are talking about the hundreds of thousands of people who clean out their closets and collect shoes to donate to Soles4Souls each year. The hardworking groups who help sort and load product every day in our warehouses all across the country and world. The dedicated donors whose gifts allow us to provide new shoes to children in need every day. Our network of volunteers and donors.

## VOLUNTEERS AND DONORS

# Seeds of dignity

This past spring we launched a direct micro-enterprise operation in Nicaragua, the second poorest country in the Western Hemisphere, to help create long-term solutions to poverty. Soles4Souls Board Member Bernadette Lane and her recent financial contribution, in honor of her late mother and father, Annice and John Lane, were the catalyst necessary to launch this new operation. her mother's legacy will drive change and a better quality of life for generations of Nicaraguans.

# Volunteers of the year

Every year we recognize a volunteer of the year who goes above and beyond to help Soles4Souls wear out poverty. This year, we couldn't choose just one! This year's Michele James Volunteer of the Year Award went to the mother/daughter duo, Pam and Claire Baker. Since 2012, the Bakers have collected 400,000 pairs of shoes for Soles4Souls' micro-enterprise program. They also helped distribute winter coats in their community and traveled to Haiti to distribute shoes to children in need this past year.



## VOLUNTEERS AND DONORS

# Shoe Drives

Used shoes create new opportunities! Generous volunteers from all around the world collected and donated close to 3 million pairs of gently-worn shoes in 2018, keeping them out of landfills and benefiting our job creation program in developing nations around the globe.

- **Rod Meeker** in Cortland Ohio, along with some help from his daughter Madison, collected more than 50,000 pairs of shoes in his community and has already launched a third shoe drive!
- The Singapore company **Million Lighting** held another shoe drive for Soles4Souls this past spring collecting and donating 100,000 pairs of shoes to Soles4Souls, bringing their total up to 200,000 pairs.
- The **Emmaus Community Church** in Chicago Heights, IL donated 13,158 pairs of shoes during their month long shoe drive in July, 2018.
- **The Miss Utah Organization** challenged their contestants to collect 1,000 pairs of shoes and donated more than 70,000 pairs of shoes.
- **Brighton Collectibles** have hosted an annual shoe collection for Soles4Souls for more than ten years. This year alone they collected and donated more than 190,000 pairs of shoes!





VOLUNTEERS AND DONORS

# Corporate Contributions

The number of lives Soles4Souls impacted last year simply would not have been possible without the generosity of so many partners who generously continue to donate their time, resources and product to support our mission.

- **Zappos for Good** continues to encourage their customers to keep shoes out of landfills and even "foots the bill" to ship them to Soles4Souls to create opportunities for those in need instead!
- **DSW** customers have donated close to 300,000 pairs of shoes at all their locations to help Soles4Souls Wear Out Poverty.
- Over the last six years, **Macy's** has donated close to 200,000 coats through our clothing division Clothes4Souls. This years donation of 35,000 coats will help keep people in need warm all across the United States.
- Soles4Souls received a \$100,000 donation from the **Foot Locker Foundation** to fund our disaster relief efforts in Puerto Rico.
- **NYDJ** donated 30,000 pairs of jeans to our micro-enterprise program to help create sustainable jobs in developing nations.
- **Bombas Socks** donated 100,000 pairs of socks and **PVH** donated 57,000 pairs of women's underwear to our Undies4All campaign, providing socks and underwear, the most requested and least donated necessities, to people in need.



PARTNERS ON THE GROUND

# Our connection to those we serve

Soles4Souls relies on partners in both the U.S. and around the globe to help reach people living in poverty. Our free distribution partners range from shelters and after-school programs to disaster relief organizations and feeding programs in both the U.S. and all over the world.

Additionally, we depend on vetted partners on the ground in the countries where Soles4Souls' micro-enterprise programs operate. These committed organizations make certain that our product is properly distributed to small business owners in their area that rely on the shoes and clothing to earn an income and support their families.

This past year, we were excited to launch a partnership through our micro-enterprise program with **NicaRise**, an organization in Nicaragua committed to creating sustainable economic change.

We also continued to help children in Haiti through our longstanding partnership with **l'Ecole de Choix**. Our clothing division Clothes4Souls provides school uniforms for children in need enrolled in their school.



VOLUNTEERS AND DONORS

# Soles4Souls in the Community

Our Regional Donation Centers have been crucial when it comes to expanding Soles4Souls' collection efforts making it easier for donors to help us wear out poverty. This past year we added donation centers to serve the state of Texas, and Ontario, Canada.

Our now seven regional facilities serve as important resources for local communities nationwide. Soles4Souls Regional Donation Center managers work with local volunteer groups, engage schools, businesses and civic groups in shoe drives and educate area residents about Soles4Souls' programs.

Check out to see if we have a center near you: [soles4souls.org/regional-donation-centers](https://soles4souls.org/regional-donation-centers)



# Young Professionals Council

**Jeremy Ellis**, Council Chair-Vice President, Health System Solutions at Trilliant Health

**Jimmy Thorn**, Council Vice Chair-User Experience Lead at KYZEN Corporation

**Marieke Bianchi**, Executive Brand Partnerships, CAA

**James Ensley III, P.E.**, Traffic/Transportation Engineer, T-Square Engineering, Inc.

**Emily Hagerman**, Director of Marketing, Crosslin Accounting

**Emily Hinton**, Development Manager, Alzheimer's Association

**Travis Hampton**, Client Executive, InfoWorks, Inc.

**Will Harris**, Business Consultant, BEDROC Inc.

**Laura Lamar**, Sales and Design Associate, Alfred Williams & Company

**Andrew Mansour**, Sales Consultant, Pulte Group, Inc.

**Jeffrey Simpson**, Senior Director, Ethics Compliance Assurance, CoreCivic

**Laura Somerville**, Corporate Communications Manager, Dollar General

# Advisory Council

**George Bellino**, S4S Chair Advisory Council/S4S Board Member

**Karen Alberg Grossman**, Editor-in-Chief, MR A Business Journals Publication

**Emilie Antonetti**, Vice President - Social Purpose, Brooks Brothers Group, Inc.

**Bob Baker**, EVP/Chief Merchandising Officer-Retired, Variety Wholesalers Inc.

**Steven J. Barr**, Consumer Markets Leader, PwC US

**Jeff Bruce**, VP Human Resources and Asset Protection, Gabriel Brothers

**Robert Butler**, Vice President, GMM Orva Stores/Soles.com

**Ellen Davis**, President, National Retail Federation Foundation

**Lawrence Dayan**, President, Fashion Accessories Group of Gina

**Tianne Doyle**, SVP, CMO Bealls, Inc.

**JJ Eschaniz**, Investor, SoftBank Investor Advisors

**Mary Harmon**, Vice President New York, Stage Stores

**Cynthia Kounaris**, Chief Strategy Officer, Fit for Commerce

**Andy Lew**, President Wholesale, International, Uniforms, Brooks Brothers Group, Inc.

**Rick Muskat**, Principal, Deer Stags Concepts, Inc.

**Kapil Nagpal**, Vice President, Customer Solutions, Nagarro

**Kaitlin Noe**, Digital Strategist, Centric Digital

**Stephanie Olinski**, Product Development & Production Management-Footwear, Loeffler Randall

**Larry Stemerman**, CEO, Tailor Byrd

**Deborah Weinswig**, CEO and Founder, Coresight Research

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**Mike Chamberas**

Footwear Executive

**Sandra Del Gaudio**

Office Manager / Executive Assistant to COO, Ardene

**Kerry Rasmussen**

Manager, Major Accounts–Farrow Logistics

**Leigh Marshall**

Brand Builder and Marketing Strategist/Freelance Consultant, Board Intern

**Alvin Lee**

CRM Marketing Manager at Aldo Group, Board Intern

# Board of Directors

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## **Randy Dunn**

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## **Brian Ehrig**

Managing Director at Kurt Salmon, a part of Accenture Strategy

## **Andy Hammons**

Principal-in-Charge of Nashville & Charlotte offices, Ryan, LLC

## **Milledge Hart**

Chairman, Drake Star Partners

## **Karla Jarvis**

General Counsel

# Board of Directors

## **Clay Jenkins**

Senior VP of Global Sourcing, Compliance,  
& New Business Development, Caleres

## **Michelle Love**

EVP Chief Operating Officer, DSW

## **Bernadette Lane**

Senior Vice President of Special Projects, CCS

## **Parker McCrary**

Transportation Executive

## **Tasha McKenzie**

Product Management Lead, Zappos for Good

## **Matt Priest**

President & CEO,  
Footwear Distributors and Retailers of America (FDRA)

## **Bill Strathmann**

Chief Executive Officer, Network for Good

## **Dr. Bernard Turner**

Assoc. Professor & Director of the Center for  
Social Entrepreneurship, Belmont University

## **Emily Hagerman**

Director of Marketing, Crosslin, PLLC, Board Intern

## **Jeffrey Simpson**

Senior Director, Ethics Compliance Assurance, CoreCivic  
Board Intern

# Financials

## **\*EARNED REVENUE** GENERATES 76% OF TOTAL REVENUE

**2016:** \$3,528,107

**2017:** \$4,409,855

**2018:** \$5,063,573

Soles4Souls is a nonprofit, global social enterprise earning revenue through the sale of used and new shoes and clothes to micro-entrepreneurs and international partners in developing nations. Soles4Souls Travel program earns revenue from 25-30 international service trips annually.

## **TOTAL NET INCOME**

Earnings before Interest, Depreciation and Amortization

**2016:** \$474,346

**2017:** \$654,547

**2018:** \$761,137

\*An additional 4% of revenue (\$274,602) is associated with investment revenue, other revenue, and the sale of an asset associated with the Dignity U Wear acquisition.

## **\*CONTRIBUTED INCOME** GENERATES 20% OF TOTAL REVENUE

**2016:** \$1,210,346

**2017:** \$1,347,622

**2018:** \$1,317,070

Generous financial donations are made annually by thousands of individuals, foundations, and corporate cause marketing campaigns – all to help Soles4Souls provide shoes and clothes to those in need in the U.S. and around the world. We have 100% board giving by the Soles4Souls' Board of Directors.

## **TOTAL NET ASSETS**

**2016:** \$7,832,722

**2017:** \$10,692,570

**2018:** \$14,468,636

# Gifts in Kind

A significant portion of Soles4Souls' revenue and expenses are related to Gifts in Kind from product donated by many sources to be used in fulfillment of our mission. Below we report our Total Income and Total Expenses including a functional expenses breakdown for based on our IRS tax form 990 the last three fiscal years.

## TOTAL REVENUE

including in kind donations

**2016:** \$41,944,228

**2017:** \$69,998,867

**2018:** \$86,882,141

## TOTAL EXPENSES

including in kind donations

**2016:** \$45,497,817

**2017:** \$67,139,019

**2018:** \$83,106,075

## PROGRAM

**2016:** \$44,006,762

**2017:** \$65,055,093

**2018:** \$80,974,693

## FUNDRAISING

**2016:** \$757,577

**2017:** \$1,147,726

**2018:** \$1,049,035

## ADMINISTRATIVE

**2016:** \$733,478

**2017:** \$936,200

**2018:** \$1,082,347

# Accreditations

- Soles4Souls holds a 4 Star rating with Charity Navigator, we're an accredited charity with the Better Business Bureau, a Platinum Participant with Guide Star, the Seal of Excellence by the Independent Charities of America and recognized as a "Top-Rated Charity" by GreatNonprofits.
- Highly effective charities worldwide expend no less than 75% of their funding directly to programs that fulfill their mission. Soles4Souls pushes that bar higher achieving 97.4%.
- We have a 98.8% fundraising efficiency. Soles4Souls spends less than \$.02 for every dollar we raise.

**Soles4Souls is proud to be a top-rated charity**



# SOLES 4 SOULS

WEARING OUT POVERTY®

**Soles4Souls creates sustainable jobs and provides relief through the distribution of shoes and clothing.**

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**Visit [soles4souls.org](http://soles4souls.org) to see how you can get involved today!**



**@Soles4Souls | #GiveShoesGiveLove**