

SOLES 4 SOULS

Turning shoes and clothing into opportunity

ANNUAL REPORT 2019





SOLES4SOULS

Turning shoes and clothing into opportunity

At Soles4Souls we turn unwanted shoes and clothing into opportunity, by keeping them from going to waste and putting them to good use—providing relief, creating jobs, and empowering people to break the cycle of poverty.

OUR WORK



free distribution

we distribute new shoes and clothing, donated by corporate partners to people in need all over the world



micro-enterprise

we help entrepreneurs build their own small businesses selling donated shoes and clothing



global experiences

experience new cultures, meet amazing people, and help distribute clothing and shoes to people in need

WHY SHOES AND CLOTHING?



sustainability

we're putting unwanted shoes and clothing to good use, keeping textiles out of landfills



health

shoes and clothing prevent injuries and illness, and provide dignity to people in need



opportunity

micro-entrepreneurs sell shoes and clothing to build businesses and support their families

Since 2006, our supporters and partners have kept more than 40 million pairs of shoes from going to waste, and we've distributed them in 127 countries and all 50 U.S. states.

OUR GOAL: \$1 BILLION IN ECONOMIC IMPACT BY 2030.

A LETTER FROM OUR CEO

Like many others, I'm not sure what to call the decade that just ended. There are lots of ideas being thrown around, but it's still too early to tell. Whatever name eventually emerges, there's little doubt that it was a tumultuous ten years: a decade full of surprises, shocks, disappointments and hope.

Many of us remember that this decade started on an incredibly tragic note. On January 12, 2010, in Haiti's capital of Port-au-Prince, a cataclysmic earthquake flattened the city and killed tens of thousands. Though the final numbers are much disputed (estimates range from 100,000 to more than 300,000, with nearly 1,000,000 displaced), no one questions the scale of the disaster. A country already under tremendous stress devolved into chaos that even now still reverberates. Soles4Souls immediately responded by providing thousands of pairs of free new shoes to earthquake victims. It also spurred us to create our travel program, introducing hundreds of people to this complicated, beautiful place. And our commitment has never wavered since.

Beginning in 2013, in partnership with the Haitian American Caucus (HAC), we developed a new approach to our micro-enterprise program that has shown us the potential waiting to be unleashed in Haiti. The fierce, savvy and relentless entrepreneurship of the women we worked with through HAC showed us that we could be a part of creating opportunity for those at the bottom of the economic ladder. Almost seven years later, more than 400 women have been able to earn a living through their own efforts, generating incomes that allow them to put their kids in school, food on the table and a roof over their heads.

Real, measurable progress.



LETTER (continued)

That experience opened our eyes to how this model of combining the free distribution of shoes, travel and micro-enterprise could come together in new, innovative ways. Each part of the equation reinforces the other in a positive cycle: children are protected from injury and disease; travelers come back to their “normal” lives with a different understanding of how we are all connected; and entrepreneurs take control of their economic circumstances. And while we started in Haiti, we now know that it works in eastern Europe, Central America and throughout Africa.

As I look ahead to Soles4Souls’ future, I am very clear about the three main themes for the decade ahead:

- 1 Create environments for more entrepreneurs to flourish.** *That includes education like Street Business School, deepening our partnership network in Haiti and Honduras and further expansion in sub-Saharan Africa.*
- 2 Be intentional about how we use the shoes and clothes we distribute for free.** *This could be shoes that fight disease in Africa or new athletic shoes for every homeless school kid in the US.*
- 3 Drive results.** *Our goal is to generate \$1 billion in economic impact by 2030. We’re currently just over \$400 million, so we have a lot of work to do to in the coming 10 years.*

Perhaps what has happened in Haiti since the earthquake is the theme for the decade we’re about to start. Situations can be terrible and positive. People can be desperate and optimistic. Out of the ashes can come the new. By embracing the “and” in every opportunity, we can create something different and, hopefully, better.

The work to create more opportunity for those who want a better life for themselves and their families is profoundly meaningful and important. For all the progress we’ve made so far, thank you. For all the progress we still need to make, let’s get started...there’s work to do!

Gratefully,



Buddy Teaster
CEO, Soles4Souls

IMPACT SUMMARY

OUR IMPACT

Since 2006, our supporters and partners have kept more than 40 million pairs of shoes from going to waste, and we've distributed them in 127 countries and all 50 U.S. states.

Because our model incorporates both free distribution and micro-enterprise, donors get a very healthy return on their charitable investment. For every dollar donated, we're able to generate more than \$20 of economic impact.

ECONOMIC IMPACT

\$58,984,201

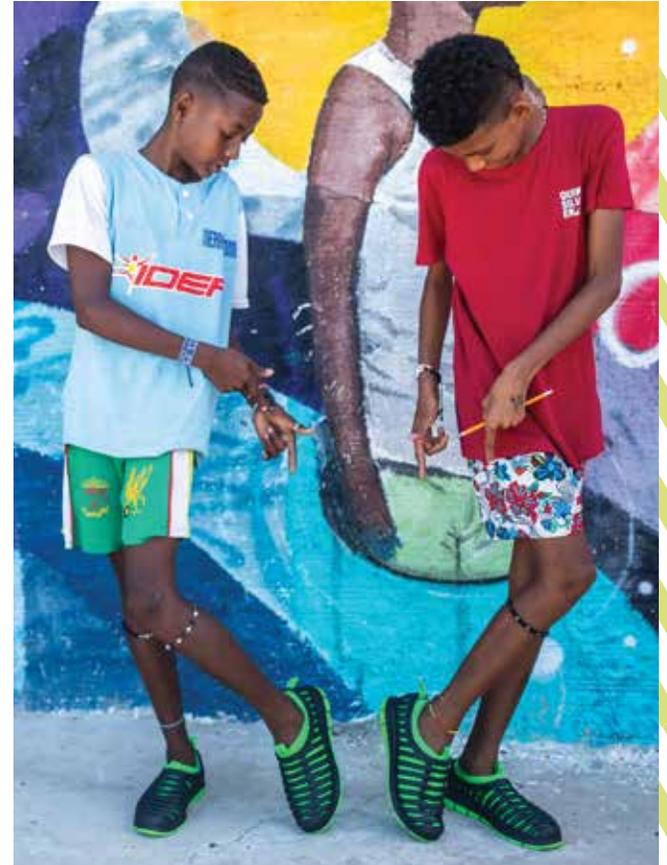
generated in global economic impact for 2019. This means more money in people's pockets to help lift themselves out of poverty.

which means, with your help, we've generated

\$404,430,215

in global economic impact since our start in 2006. **Wow!**

That number just goes to show that our hard work, partnered with your generosity, is truly making a huge difference all over the world.



WHAT WE DO

WE FOCUS ON THREE MAIN AREAS TO FULFILL OUR MISSION



free distribution

We distribute new shoes and new clothing, donated by our corporate partners, to people in need in the U.S. and around the world.

SHOES: 464,592

CLOTHING: 467,240



micro-enterprise

We help hard-working entrepreneurs build their own small businesses selling donated shoes and clothing.

SHOES: 4,765,243

CLOTHING: 4,947,318



global experiences

Traveling with Soles4Souls is a great way to experience new cultures, meet amazing people, and play a big role in distributing shoes to people in need.

350 people on **30** trips in 2019

FREE DISTRIBUTION

Soles4Souls relies on more than 1,200 non-profit partners in both the U.S. and around the globe to help distribute shoes and clothing. Our partners are essential in ensuring that our product reaches those who need it most.

After new product is sorted and processed by Soles4Souls, it is ready for distribution. Registered non-profits, including shelters, churches and disaster relief organizations, work with us to receive much-needed new shoes and clothing.



MICRO-ENTERPRISE

Our micro-enterprise program helps people step out of poverty and reach their true potential.

1

You donate shoes.

Repurposed shoes are donated to Soles4Souls by individuals, shoe drives and footwear companies.

2

We sort and distribute.

Once sorted, we transport the shoes to vetted nonprofit organizations on the ground in developing nations, who purchase them for an average of \$1 per pair.

3

People start businesses.

Our nonprofit partners provide training and support where job opportunities don't currently exist. People start small businesses selling shoes within their local communities.

4

Lives change.

Selling shoes generates the income business owners need to lift themselves and their families out of poverty, and an entire community has access to affordable shoes.



MERARY'S STORY

Merary Majado, a widow and mother to two children, both with spina bifida, says her life was completely changed through Soles4Souls. Before, she would be gone all hours of the day cleaning homes, to come back with only \$5. She was constantly in despair over how she would pay bills and provide for her children, many times the three of them having to go hungry. But now, every morning, she opens the doors to her home—not for visitors, but for business. Lines of shoes are carefully organized on her windowsill, and before she's even able to settle into the day, customers arrive. On a recent visit to Honduras, Merary stood tall in front of her home and business, hands-on hips, with a wide smile. She says she now has dreams that she feels she can actually fulfill.

SOLES4SOULS GLOBAL EXPERIENCES

In 2019, 350 Soles4Souls volunteers traveled all over the world to help distribute more than 15,000 new shoes to those in need. A Global Experience trip allows travelers to experience new cultures, amazing people and hands-on service.



Traveling with Soles4Souls is an opportunity to go off the beaten path to authentically experience other cultures and communities and learn about their values, strengths, difficulties and more.

Travelers create meaningful relationships with your trip companions and with the locals of the community you're visiting. Not only will you give a part of yourself to others, but you'll also receive from them—creating a strong and impactful cultural exchange.

What people love most about traveling with us is not the adventure or the fun excursions; it's that they get to play a tangible role in distributing shoes to people in need. You'll never forget how it feels to see a child's eyes light up when you put a new pair of shoes on her feet.

ENVIRONMENTAL IMPACT

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, you've helped us keep

9,036,119

pounds of textiles out of landfills.

That's more than

59 MILLION

pounds since 2006!

And all those shoes and clothing diverted from landfills provide opportunities to thousands of entrepreneurs in our micro-enterprise program.



ENTREPRENEUR EDUCATION

In early 2019, following an immersion workshop in Uganda, we enthusiastically partnered with Street Business School to provide training to partner organizations in Central America and the Caribbean. In October, Soles4Souls staff trained alongside 12 of our partners from Honduras, Haiti and Guatemala.

The Street Business School concept is built on training the trainers, and Soles4Souls believes that education is a key component in starting and sustaining small businesses. Our partners will now train entrepreneurs in their countries, enabling them to become agents of their own change by igniting their own entrepreneurial potential, driving economic growth and reducing poverty in their own communities.

About the training, Soles4Souls' Chief Financial Officer Robert Adams-Ghee said, *"Never in my life have I witnessed the passion and energy that was present in the room as Soles4Souls and our partners from Honduras, Haiti and Guatemala participated in our first Street Business School training. World Compass Foundation, Haitian American Caucus, Project House of Hope, Sparrow Missions and Building Believers in Christ are going to have tremendous impact as they train entrepreneurs and empower them to create sustainable incomes for themselves and their families."*



CORPORATE PARTNERSHIPS

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



Macy's, through its 2019 "Buy a Coat and We'll Donate One" campaign, donated 35,000 brand new coats nationwide to Clothes4Souls, a division of Soles4Souls. In October, Macy's invited its customers to help those in need by purchasing a coat in the men's, women's, junior's and children's outerwear departments. For every coat purchased, Macy's donated a coat to someone in need. This is the seventh year of the partnership between Macy's and Clothes4Souls, resulting in a total of 270,000 coats distributed nationwide since 2013, with a retail value of more than \$10 million.



DSW continued to be a strong partner for Soles4Souls in 2019. In the first year of our partnership, DSW set a donation goal of 1 million pairs of gently used shoes to Soles4Souls' micro-enterprise program. Their customers smashed that goal and have now donated more than 2 million pairs to date! DSW has also provided more than 100,000 pairs of new uniform-approved shoes to be distributed in schools all over the U.S. In the late summer, DSW even sent a group of their customers on a trip to the Dominican Republic to experience what Soles4Souls does first-hand. They also hosted a Do Good Pop-Up shop in the SoHo neighborhood of New York City where, instead of a customer buying a product, they were able to donate shoes or dollars instead.

FINANCIALS

EARNED REVENUE

generates 83% of total revenue

2017: \$4,409,855

2018: \$5,063,573

2019: \$6,175,622

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 Global Experiences program earns revenue from 25-30 international service trips annually.

CONTRIBUTED INCOME

generates 17% of total revenue

2017: \$1,347,622

2018: \$1,317,070

2019: \$1,264,929

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. Every member of the Soles4Souls Board of Directors contributes financially.

TOTAL NET INCOME

earnings before interest, depreciation and amortization

2017: \$654,547

2018: \$761,137

2019: \$435,658

TOTAL NET ASSETS

2017: \$10,692,570

2018: \$14,468,636

2019: \$19,948,884

Note: Our Financials reflect our fiscal year ending June 30, 2019.

GIFTS IN KIND

A significant portion of Soles4Souls' revenue is 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 the last three fiscal years.

TOTAL REVENUE including in-kind donations

2017: \$69,998,867

2018: \$86,882,141

2019: \$93,110,015

TOTAL EXPENSES including in-kind donations

2017: \$67,139,019

2018: \$83,106,075

2019: \$87,629,767

PROGRAM EXPENSES

2017: \$65,055,093

2018: \$80,974,693

2019: \$85,154,013

FUNDRAISING EXPENSES

2017: \$1,147,726

2018: \$1,049,035

2019: \$1,263,905

ADMINISTRATIVE EXPENSES

2017: \$936,200

2018: \$1,082,347

2019: \$1,211,849



BOARD OF DIRECTORS

SOLES4SOULS U.S. BOARD MEMBERS

STEVEN BARR

Consumer Markets Leader
Price Waterhouse Cooper

BRIAN EHRIG

Managing Director
Kurt Salmon, Part of Accenture Strategy

GEORGE BELLINO

Retail Advisor

MILLEDDGE HART

Chairman
Drake Star Partners

AARON BELVILLE

VP, Retail Human Resources
Dollar General

SARA IRVANI

CEO
Okabashi Brands

PARKER McCRARY

VP, Supply Chain Solutions
TRANSFLO

WILLIAM BUTLER

VP, Retail
Carnival Cruise Line

KARLA JARVIS

Former SVP, General Counsel
The Rockport Company

TASHA McKENZIE

Principal Technical Program Manager
Amazon

LISA COLLIER

Consultant & Advisor

CLAY JENKINS

Retired SVP
Caleres

MATT PRIEST

President & CEO
FDRA

RANDY DUNN

VP of Sales & Operations
DHB Distributing, Hunt Bros Pizza

MICHELE LOVE

Chief Commercial Officer
Designer Brands

BILL STRATHMANN

CEO
Network for Good

SOLES4SOULS CANADA BOARD MEMBERS

SANDRA DEL GAUDIO

Office Manager / Executive Assistant to the COO
Ardene

DONNA KOLISNYK

Director of Operations
KEEN Canada

LEIGH MARSHALL

Freelance Consultant

KERRY RASMUSSEN

Manager, Major Accounts
Farrow

PETER SCULLY

President & CEO
BioPed Footcare Clinics

ADVISORY COUNCIL

GEORGE BELLINO
Retail Advisor

KAREN ALBERG GROSSMAN
Editor-in-Chief
MRA Business Journals Publication

EMILIE ANTONETTI
VP Social Purpose
Brooks Brothers Group, Inc.

BOB BAKER
EVP/Chief Merchandising Officer - Retired
Variety Wholesalers, Inc.

JEFF BRUCE
VP Human Resources & Asset Protection
Gabriel Brothers

ROBERT BUTLER
VP GMM
Orva Stores/Soles.com

ELLEN DAVIS
President
National Retail Federation Foundation

LAWRENCE DAYAN
President
Fashion Accessories Group of Gina

BRAD DIENER
VP
Goldman Sachs

TIANE DOYLE
SVP, CMO
Bealls, Inc.

JJ ESCHANIZ
Investor
SoftBank Investor Advisors

STEWART GOLDMAN
COO
CES Enterprise/Chinese Laundry

SALLY GONZALEZ
Special Projects Manager
Cels Enterprises, Inc (Chinese Laundry)

MARY HARMON
VP, New York
Stage Stores

CYNTHIA KOUNARIS
Chief Strategy Officer
Fit for Commerce

ANDY LEW
President Wholesale, International, Uniforms
Brooks Brothers Group, Inc.

JAKE MUSKAT
VP Sales & Digital Strategy
Deer Stags

RICK MUSKAT
Principal
Deer Stags Concepts, Inc.

KAPIL NAGPAL
VP Customer Solutions
Nagarro

KAITLIN NOE
Sr. Analyst, Digital and Analytics
McKinsey & Company

STEPHANIE OLINSKI
Product Dev. & Production Mgmt-Footwear
Loeffler Randall

LARRY STEMERMAN
CEO
Tailor Byrd

DEBORAH WEINSWIG
President & Founder
Coresight Research

SOLES4SOULS STAFF + COUNCIL MEMBERS

BUDDY TEASTER
President & CEO

DAVID GRABEN
President & COO

ROD ARNOLD
Chief Marketing Officer

NANCY YOUSSEF
Chief Corporate Development Officer

PATTIE GRABEN
VP Corporate Development

CECE MCCORMICK
Director, Corporate Engagement

YOUNG PROFESSIONALS COUNCIL

MARIEKE BIANCHI

Executive, Music Brand Partnerships
Creative Artists Agency

BRANDON DEROCHE

Founder
Propeller

JEREMY ELLIS

VP
Kythera Labs

AARON FISKE

Financial Advisor
B. Riley Wealth Management

TRAVIS HAMPTON

Client Executive
InfoWorks

WILL HARRIS

Business Consultant
Bedroc

JENNA L. HARRIS

Lawyer
Ritholz Levy Fields, LLP

EMILY HINTON

Development Manager
Alzheimer's Association

MONCHIERE' HOLMES

Chief Brand Curator
MOJO Marketing + PR

EMILY KAMM

Director of Marketing
Arcivr

ANDREW MANSOUR

Sales/Sales Trainer
Pulte Homes

JEROME MOORE

Founder
Community Changers, LLC

JEREMIAH SHIRK

CEO/Founding Leader
Showpiece Solutions, LLC

JEFFREY SIMPSON

Senior Director, Ethics Compliance Assurance
Core Civic

LAURA SOMERVILLE

Corporate Communications Manager
Dollar General

JIMMY THORN

User Experience Lead
KYZEN Corporation

MARIETA VELIKOVA

Associate Professor of Economics
Belmont University

OMARI WHYTE

Director of Operations
Nisolo

WHAT IS THE YP COUNCIL?

The Young Professionals Council is a catalyst to the Nashville community, serving the greater purpose of Soles4Souls through engagement, opportunity and community advocacy.

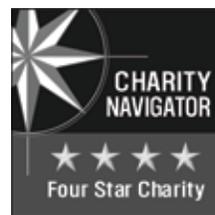
ACCREDITATIONS

Soles4Souls holds a Gold Star rating with GuideStar, a 4 Star rating with Charity Navigator, the Seal of Excellence by the Independent Charities of America and is 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 97.2%.**

We have a 98.6% fundraising efficiency. Soles4Souls spends less than \$.02 on fundraising for every dollar we raise.

SOLES4SOULS IS PROUD TO BE A TOP-RATED CHARITY



SOLES4SOULS

Turning shoes and clothing into opportunity

319 Martingale Dive, Old Hickory, TN 37138

Phone: (615) 391-5723 | Toll Free: (866) 521-SHOE

Email: info@soles4souls.org

Visit soles4souls.org to see how you can get involved!



[@Soles4Souls](https://www.instagram.com/Soles4Souls) | [#GiveShoesGiveLove](https://www.facebook.com/Soles4Souls)

