

# *Annual Report*

2018

 Because

ACCORDING TO THE UN, 783 MILLION PEOPLE  
LIVE ON LESS THAN \$1.90 PER DAY.

*There are children in every country in the world who are in need of resources to improve their daily lives. Millions of children die each year from preventable causes. Hundreds of millions more suffer illnesses that prevent them from being healthy and attending school.*

*The overwhelming lack of sustainable jobs prevents individuals from rising out of poverty. Those who want to innovate are often stuck just trying to survive.*

WE BELIEVE INNOVATIVE PRODUCTS CAN CHANGE THAT.

# *Our mission*

IS TO LEVERAGE INNOVATION  
TO FIGHT POVERTY.



PRODUCTS



PRODUCTION



PURSUIT

# 2018 at a glance



**\$2,535,857**  
TOTAL  
ANNUAL  
REVENUE



**102,104**  
PRODUCTS  
DISTRIBUTED  
WORLDWIDE



**19 FTE**  
PRODUCTION  
JOBS  
CREATED



**FIRST**  
PURSUIT  
ENTREPRENEUR  
FOUND



## Products: *The Shoe That Grows*



**101,398  
PAIRS OF  
THE SHOE THAT GROWS  
DISTRIBUTED**



**\$1,661,167  
FUNDRAISED  
FOR SHOE  
DISTRIBUTION**



**1,753  
DISTRIBUTION  
PARTNERS  
WORLDWIDE**

*We focus on inventing and developing products for kids challenged by poverty. Innovative products like *The Shoe That Grows*—a shoe that grows five sizes and lasts for years—can help kids be more healthy, attend school more often, and be more confident. In 2018, we hit a major goal by distributing over 100,000 pairs in one year. In total, over 200,000 pairs have been distributed in over 100 countries.*



## Products: Bednet Buddy



**1,000  
BEDNET  
BUDDY NETS  
PRODUCED**



**\$21,258  
TOTAL  
FUNDRAISED  
IN 2018**



**700  
SENT TO  
CAMEROON  
MALARIA CONSORTIUM**

*In 2018, Because officially launched its second product—Bednet Buddy—and received the first order of bednets. Malaria threatens roughly half of the world's population, and children ages 0-5 are most susceptible. Bednet Buddy is a freestanding pop-up tent that's treated with a long-lasting insecticide to protect children from mosquitoes and malaria while they sleep.*



## Production



**30,000  
ETHIOPIAN  
PAIRS  
PRODUCED**



**10,000  
UGANDA  
BAGS  
PRODUCED**



**19 FTE  
JOBS CREATED  
IN ETHIOPIA  
AND UGANDA**

*Our goal is to manufacture our innovative products in the countries and regions where they're distributed most. Local and regional production brings many benefits including job creation, reduced carbon footprint, and the opportunity for long-term economic growth. In 2018 we created the full-time-equivalent of 19 jobs between our work in Ethiopia and Uganda and our full-time employee in Kenya.*



## Pursuit



IN 2018, PAYTON MCGRIFF OF STYLE HER EMPOWERED (S.H.E.) BECAME THE FIRST ENTREPRENEUR IN THE PURSUIT INCUBATOR. S.H.E. IS SUPPORTING 150 GIRLS IN TOGO—PROVIDING SUPPORT FOR EDUCATION, TEACHING LIFE SKILLS, AND PROVIDING AFTER SCHOOL PROGRAMMING. PURSUIT IS SUPPORTING THE DEVELOPMENT OF PAYTON'S INNOVATIVE PRODUCT IDEA: A GROWING SCHOOL UNIFORM.

*In 2018 we launched the Pursuit Incubator—a free business accelerator designed to help entrepreneurs take their innovative products to the next level. We seek out entrepreneurs who have an idea for a life-changing product and provide empowerment through trainings, mentoring and short-term loans—resourcing and equipping to help make their idea a reality.*





## Muendi's story

10-year-old Muendi lives in a small village with limited resources.

She helps her family by doing chores every day, but her shoes are worn, leaving her feet unprotected and exposed to rough terrain and soilborne disease.

“ NOW I CAN HERD THE CATTLE WITH MY SHOES ON, FEED THE CHICKENS WITH MY SHOES ON, GO FETCH FIREWOOD WITH MY SHOES ON. IF I GO WITHOUT PUTTING ON MY SHOES, I WILL BE PRICKED!

Thanks to generous people like you, She recently received a pair of The Shoe That Grows. Now she has more opportunities to succeed every day— whether she's doing her chores, walking to school or dreaming for the future.



Since *The Shoe That Grows* was invented, we've focused on a simple mission of getting as many life changing shoes as we can to incredible kids all around the world. But along the way you have convinced us that by making our sandals available here in America, we can better deliver on our mission of getting properly fitting shoes on the feet of every child, everywhere. With an estimated 300 million kids around the world who need shoes - this is a tall order. We will pursue every option for funding and sponsorship for *The Shoe That Grows* to go to more kids who need them.

For the past couple years we've focused on new designs of our shoes that will deliver the best shoe in the world for kids living in poverty and also a version that's functional, durable, and comfortably designed for kids and families here in the USA.

In 2018 we announced that *The Shoe* is available for you and your family!

And we launched under the brand GroFive. GroFive is committed to the relentless pursuit of "better" - better products through design, intention, and mission. The first product for GroFive is "Expandals" - sandals that can expand up to 5 sizes to keep up with the growing feet of kids.

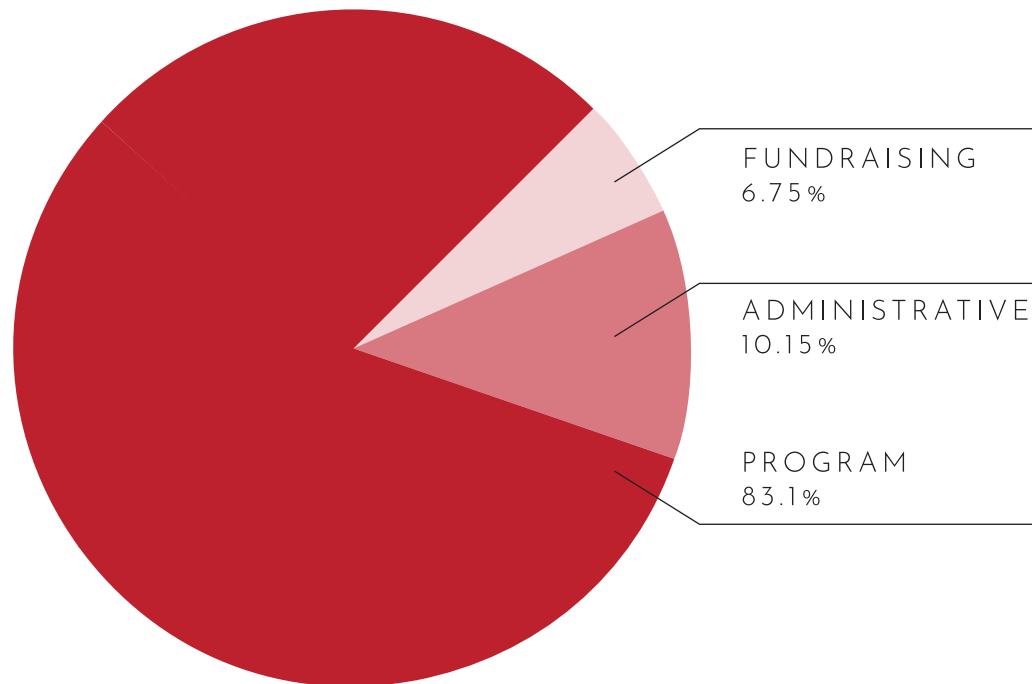
*The Shoe That Grows* is the nonprofit side of our growing shoes.

GroFive and Expandals are the commercial side of our growing shoes.

In August of 2018 we launched via a Kickstarter campaign, allowing supporters to pre-order pairs of Expandals and providing us the funds needed for an initial production run. In 30 days we exceeded our goal of \$10,000 by raising over \$80,000 from nearly 1,000 supporters! We've since finished our first production run and are delivering the first pairs of Expandals.

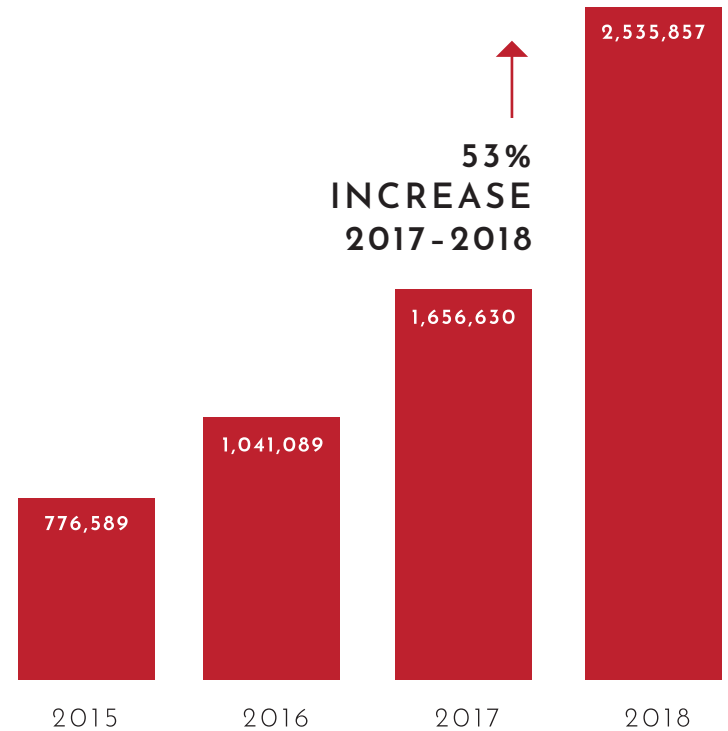
We're beyond excited to provide fun, long-lasting footwear to you and your family while also getting more pairs to kids around the world that need them most.

# 2018 finances



## 2018 EXPENSE RATIO

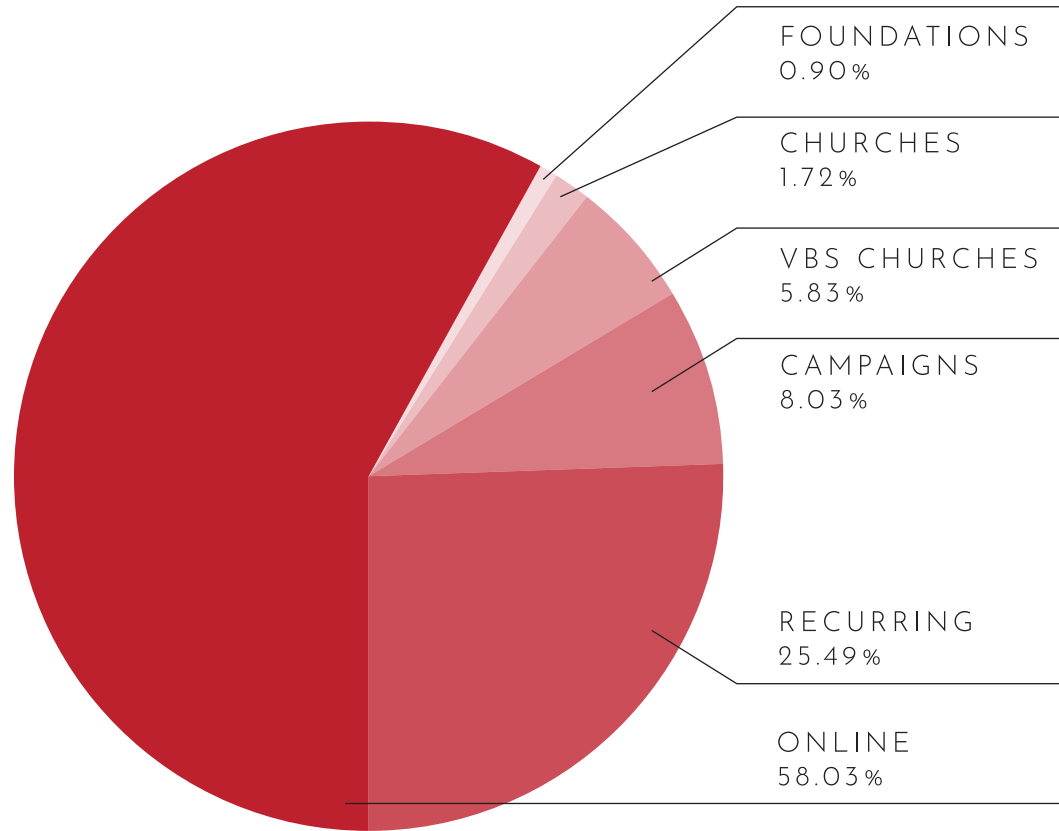
*In 2018 our program ratio was 83.1%, meaning that for every dollar donated, approximately \$0.83 went towards program costs, \$0.10 went towards administrative costs and \$0.07 went towards fundraising costs.*



## ANNUAL TOTAL REVENUE

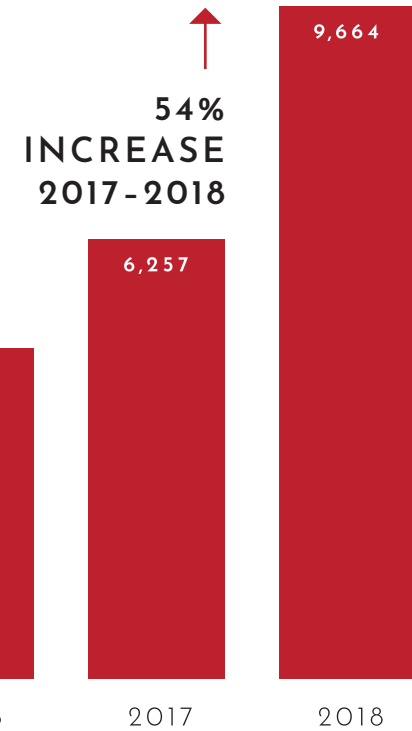
*Including fundraising and product revenue, annual total revenue for 2018 was \$2,535,857—a 53% increase from 2017.*

# 2018 fundraising



## 2018 DONORS

*In 2018 we had 3986 unique donors who contributed a total of \$848,695. The number of Vacation Bible School participants increased by 60%—from 142 in 2017 to 227 in 2018.*



## ANNUAL TOTAL DONORS

*Including donors for fundraising and product distribution, Because had 9664 unique donors in 2018—an increase of 54%.*

# Our team



*In 2018 we said goodbye to one team member and added six new faces. We're excited to see where this next year takes us as we continue to grow in size as well as skill set.*



# Our community

Zoey Deschanel shared a video.  
January 25, 2018 · 🌐

These are amazing! 🤩

586,761 Views

ATTN: Video  
January 24, 2018 · 🌐

There are now shoes that grow with kids' feet for families that can't afford new ones. 🐦

👍👎👉 3.6K      48 Comments 523 Shares

bbcnews · Follow  
Kibera, Nairobi Area, Kenya

476,585 views

bbcnews For the poorest parents, having to buy new shoes for their children's ever-growing feet can be a problem. How about this for a solution? Expandable shoes. A... more

elation\_rose · Follow  
Portland, Oregon

22 likes

elation\_rose 🙌🏻 For my birthday this year I am trying to raise funds for these incredible shoes for children in need in India! These change up to 5 sizes and can be worn for years! Very durable. Please consider donating! For \$15 you can cover a child's feet for years and I will personally be giving them out while I am in India! Thank you!! 🙏🏻🙏🏻🙏🏻

swaput · Follow  
Monkey Bay, Malawi

128 likes

swaput Youth smiles without any reason. It is one of its chiefest charms.

#sineterra #fiatpanda #charity #rally #africa #malawi #theshoethatgrows #arrive#picsoftheday #travelblogger #travels #photography #trip #swaput #theshoethatgrows #dispach #diary #travelphotography #putfootrally2018 #africarally #mafalda #charityrally #swaput #putfootfoundation #blogger #travelphotography

carrythefuture · Follow

109 likes

carrythefuture More pairs of The Shoe That Grows that you raised money for are finding their happy new owners! Our partners at SCM Medical Missions... more

View all 3 comments

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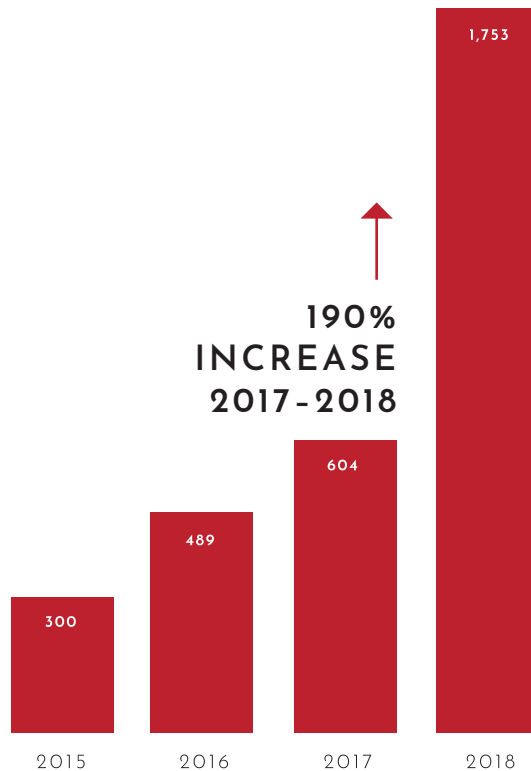
42,723 views

cedtheentertainer sooo dope 🙌🏻👍🏻. #Repost @readinhughley

How dope is this? #TeamDL #Repost @atndotcom These shoes grow 5 sizes & last up to 5 years!

Here are just a few of the individuals, organizations and groups that have supported us by fundraising, by distributing, and by spreading the word about the things that Because International is doing. We're so thankful for our community! None of this would be possible without them.

# Our distribution partners



## DISTRIBUTION PARTNERS

We would not have met our goals for 2018 if it hadn't been for the awesome distribution partners that we worked with. In 2018 we worked with 1,753 partners—more than the three previous years combined.

### NONPROFITS + NGOS



### CHURCHES



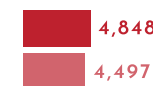
### OPERATION CHRISTMAS CHILD



### INDIVIDUALS



### SCHOOLS + CLUBS



### OTHER



■ 2018 pairs  
■ 2017 pairs

## DISTRIBUTION BREAKDOWN

While other nonprofits, NGOs and churches remained our largest distribution partners, we saw significant growth in the number of individuals distributing *The Shoe That Grows* on trips, as well as a huge increase in pairs packed in Operation Christmas Child shoeboxes

## A message from the president

*Our story started with my buddy Kenton simply wanting to get long lasting shoes to the kids he met at an orphanage in Kenya. In 2018, we saw this simple mission grow in incredible ways. And as I look back, I'm not sure how it happened.*

*Although our team has grown, we're still a small group of people that is passionate and committed to our mission, but otherwise have no experience in the footwear industry, setting up production and doing business in developing countries, or establishing a business incubator for international entrepreneurs.*

*So although we're working incredibly hard to do our best, I can humbly say there is no way our mission has advanced simply because of our efforts. It's the 1,750+ shoe distribution partners, the donors and ideators that brought Bednet Buddy to life, the supporters and partners who helped us get Ethiopian production established, and the mentors that have helped us put a structure around and then launch the Pursuit Incubator.*

*Where do we go from here? Well, the work really has only begun. Things are going well, but there's oh so much more to do. There are so many more innovative product ideas that will improve the standard of living for the world's poorest. These products will increasingly be produced in developing areas that need these products the most. And these ideas will come from those living in these areas, most familiar with the need, and in need of some support to make their ideas a reality.*

*Whether you've donated, distributed products, volunteered your expertise, or simply shared an encouraging word, thanks for being a part of the mission!*



**ANDREW KROES**  
PRESIDENT





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