

2019 ANNUAL REPORT



 Because



▶ 2019 has been a year like no other! As our mission continues to advance, there is never a shortage of things to be excited about and also rarely a shortage of challenges and obstacles as we push ahead.

After seeing year after year of exponential growth in revenue, we saw total revenue contract in 2019 for the first time. And in many ways this contraction in revenue has marked a transition from being a new and viral cause, to an organization that is maturing and solidifying our vision for the future. 2019 was the first year that we did not have a series of viral videos and articles created about us, which in the past led to spikes in awareness of what we're doing. Although that had an impact on our overall revenue, we saw tremendous growth and support from repeat donors and supporters. We can't always control the virality of what we do, and that allows us to focus on what matters most to us and our cause—the deepening of our relationships with the many supporters who have contributed to the incredible work that's been done over the years.

Our impact with The Shoe That Grows, like our shoes, has continued to expand! In addition to getting many more pairs of shoes to kids in need all around the world, we began producing a new and improved design and established production in Kenya. This is a part of our intentional work to create jobs and contribute to the local economy in the areas where our shoes are distributed.

Along with our commitment to addressing shoelessness, I've personally been most excited about our efforts to address the issue of poverty beyond shoes. Over the years we've connected with many others that have their own ideas for products and solutions to address the daily challenges faced by those struggling with poverty. Through the launch of our Pursuit Incubator, we're coming alongside those individuals, providing mentoring, training, and other support needed to make their ideas a reality. After working with 18 entrepreneurs in 2019, we're looking forward to continuing this work in 2020.

Our path forward has never been clearer. We believe that innovative products meet unique needs faced by those in poverty. We believe that not only can these solutions meet immediate day to day needs but also that the creation, development, and local manufacturing of these products can lead to opportunities for the empowerment of all involved in the process.

Thanks for doing your part to help us carry this mission forward. We can't do it alone, but through our collective efforts we will continue to see extreme poverty become a thing of the past.

WE USE PRODUCTS AS SOLUTIONS TO ALLEVIATE POVERTY

by meeting immediate needs and creating opportunities for empowerment.

PRODUCTS AS SOLUTIONS

When we talk about using products as solutions, we're talking about the entire life-cycle of the product—from ideation to creation, from manufacturing to distribution, from introduction to maturity. We believe there are opportunities throughout that result in sustainable change for individuals and communities.

POVERTY ALLEVIATION

We're committed to the UN's Sustainable Development Goal 1: End poverty in all its forms everywhere. We believe this starts with extreme poverty—helping families and individuals who are living below the \$1.90 daily threshold.

MEETING IMMEDIATE NEEDS

Our first method of poverty alleviation is meeting the basic and immediate needs of families facing crisis situations or children and families in situations where they do not have access to basic resources. Situations of immediate need where relief is the appropriate response include the aftermath of natural disasters, displacement from war and conflict, the devastation after disease outbreak, and loss of parents or providers. This method of poverty alleviation is appropriate when an immediate and temporary infusion of assistance will enable individuals or communities to resume a more self-sufficient, sustainable way of life.

CREATING OPPORTUNITIES FOR EMPOWERMENT

Our second method of poverty alleviation is creating opportunities for empowerment, primarily through the opportunity to work. We believe that the creation of jobs and small- and mid-level enterprises is one of the best ways to move the needle on extreme poverty. A good source of income creates space for individuals and communities to set goals, envision change, and become self-sufficient. For children, we believe that meeting needs that allow them to remain healthy and attend school provides them more opportunities to become future change agents.

2019 AT A GLANCE

2019 was a big year for Because! Here are 10 highlights from our 10th anniversary year.



New, improved version of the shoe

This year we took all the data and feedback we've received and released a new, improved version of The Shoe That Grows.



300,000 pairs distributed

In 2019 The Shoe That Grows passed a major milestone: 300,000 pairs distributed in 100 countries around the world!



Production in Kenya

It's been our goal to produce The Shoe That Grows in the countries where it's distributed most. In 2019, we placed our first order with a factory in Mombasa, Kenya. President Andrew Kroes shares, "One of the best ways to combat the causes of poverty is through the opportunity to work. A job provides the financial means to address poverty while also providing purpose and dignity."



The Shoe Bus

Our team introduced a new member with a focus on interactive education in 2019: The Shoe Bus! After making its debut on a trip to Arizona, the bus took a place of honor at our 10 Year Anniversary Block Party.



The Power of Small Things book release

In October, founder Kenton Lee released *The Power Of Small Things*. Long-time supporter Sharon Yoast shared, "I went home and read it that night. I couldn't put it down. I'm so inspired by Kenton's story and how he followed through on the vision God gave him. I just want to spread the word and be a part of it." Get your copy of the story of The Shoe That Grows and Because International at [BECAUSEINTERNATIONAL.ORG/BOOK](https://becauseinternational.org/book)



New mission statement

We took all the lessons learned and goals accomplished in our first ten years as an organization to define our mission for the next ten! Our mission is to use products as solutions to alleviate poverty by meeting immediate needs and creating opportunities for empowerment.

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10 year anniversary

Because celebrated its 10 year anniversary on April 7, 2019. Throughout the year, we marked the occasion with a gala, community block party, and a trip back to Kenya where it all started.



Because Community launch

2019 marked the launch of the Because Community. These monthly givers help us alleviate poverty by supporting product distribution, local production, and the Pursuit Incubator. Poverty is a problem we can solve together. Join today at [BECAUSEINTERNATIONAL.ORG/COMMUNITY](https://becauseinternational.org/community).



First Because Trip

In September we took a trip back to the country where our story began. Thirty-six people joined us for an amazing nine days in Kenya. Learn about how you can join us on a future trip at [BECAUSEINTERNATIONAL.ORG/TRIPS](https://becauseinternational.org/trips)



Launch of Pursuit Incubator

The highlight of 2019 was the launch of Pursuit, a business incubator designed to take ideas for innovative products like The Shoe That Grows to the next level. Entrepreneurs from around the world formed the first cohort in October.



JOSE JUNIOR'S STORY

► Eight-year-old Jose Junior's favorite part of school is reading story books, but he really loves to tell stories through dance. "I want to be a dancer. It always makes me happy."

He attends school at Havilla Children's Home near the Soweto slum area of Nairobi, Kenya. The home includes a school, dance program, and individualized childcare.

Jose Junior received a pair of The Shoe That Grows in 2018 and shared with us what he likes about them this fall. "I like these shoes because they expand. Even if you have a big foot you can wear it. They protect me from jiggers and the toilet when I go." His shoes help keep him healthy so he can focus on his goals—like one day dancing even better than his sister.

"I saw my sister dancing and then I started learning to dance. My sister taught me. She's 15. I would like to dance like my sister, but she always teach me to dance so I can't defeat her."

The Shoe That Grows is a small thing, but it helps keep Jose Junior dancing and dreaming.



2019 QUICK FACTS

- 1 complete redesign of The Shoe That Grows
- 70 over 70,000 pairs were distributed around the world
- 1k distribution partners who made it all possible

2019 QUICK FACTS

12 full-time equivalent jobs created by production in 2019

2k bags produced in Uganda

20 thousand pairs of shoes produced in Kenya

AGNES' STORY

▶ Agnes Ganga Siria is a member of the first team to manufacture The Shoe That Grows at the Umoja Rubber Company in Mombasa, Kenya. She says, "This work helps me with money for use at home. If I get enough money I can open my business, and I will advance myself."

Agnes wants to pursue her dream of owning her own clothing boutique. She says, "With my business, I am free to look out for myself. For example, If I want to go with a certain product, I go and bring it. I am able to visit with my companion for advice so that my work can continue going forward."

For Agnes, owning her boutique will mean building financial capital, choosing her own business strategies and products, and having the flexibility to work the way she wants. Agnes is slowly saving up money to open her business. "I am gathering bit by bit until it is enough for me to open the boutique, and I can further myself in that way," she shares.

JOAN'S STORY



▶ “When I reflected on my childhood, I saw malaria is something that really traumatized me. When I researched about how many kids die from malaria in Uganda, it was very shocking. I felt connected to the problem, and I wanted to do something about it.”

Joan Nalubega is the founder of Uganics, a Ugandan-based company producing organic, mosquito repellent soap. The mission of the organization is to work towards a malaria-free world by offering their natural repellent formula in affordable, daily use products.

Uganics works with local women to farm soap ingredients and then sells their products to travelers and hotels at market cost. These sales allow them to fund malaria prevention educational campaigns and sell the soap at a discount in local communities.

Joan joined the Pursuit Incubator in 2019 to work with Kenton Lee and the Because team. She was impressed by the concept of experienced social entrepreneurs sharing their expertise to help other innovative ventures succeed.

“Having to really reflect on these things [at Uganics] has been so helpful for me. Kenton doesn't tell you what to do, but he helps you brainstorm on what you can do about that challenge and how to overcome them.”



2019 QUICK FACTS

- 1st** official cohort of the Pursuit Incubator
- 8** number of weeks of training in a cohort
- 18** total entrepreneurs in the first year of the incubator



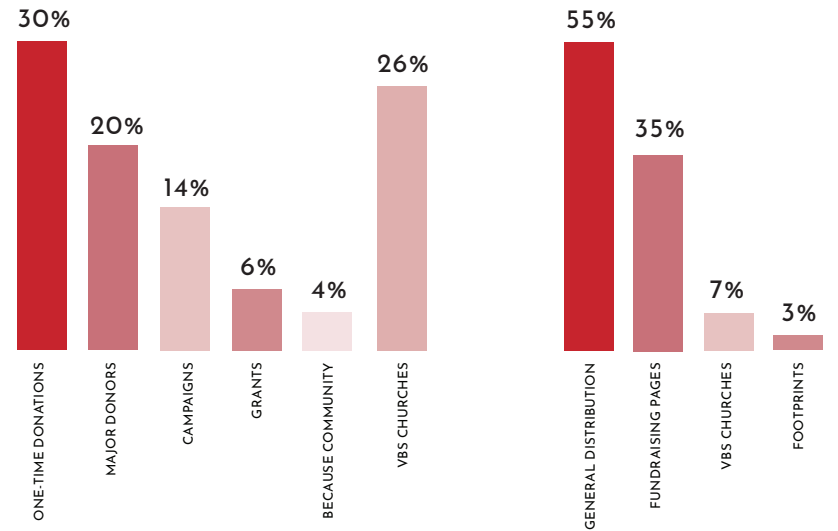
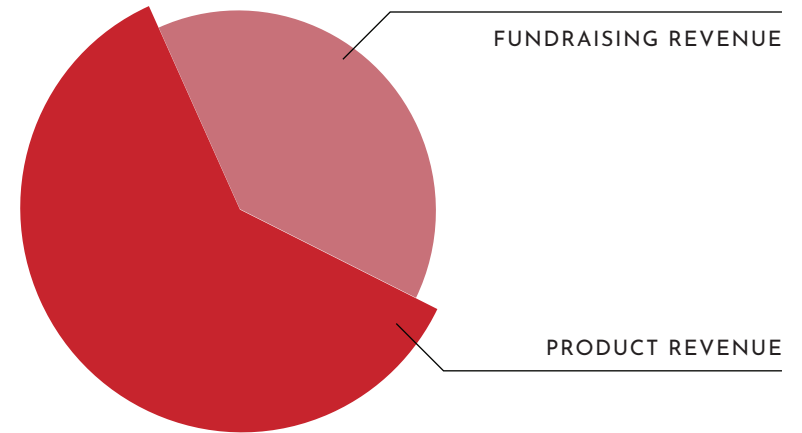
▶ At Because, everything we do is in support of the beneficiaries that we are fortunate to serve. This includes the use of the organization’s resources that are raised through partners that believe in our ability to carry out our mission.

In joining the board, I was hopeful that I would be able to serve as a catalyst during their unprecedented growth, providing financial experience as a CPA in the non-profit sector. Since joining the board in 2015, I have been extremely impressed by the innovation and sophistication of the staff. The organization is in a unique position with the manufacturing of a tangible product (The Shoe That Grows) for a key program area. This situation brings financial requirements that go above and beyond the typical charity that is carrying out mostly service related programs.

We have been able to implement systems, processes and internal controls to actively monitor the use of funds among management and the board on an ongoing basis. Given the current priorities of the organization and continued focus on the development of our Products, Production, and Pursuit program efforts, I have confidence in the manner that funds were expended during 2019 to further our mission.

AUDIE MCRAE
BOARD CHAIR

2019 REVENUE

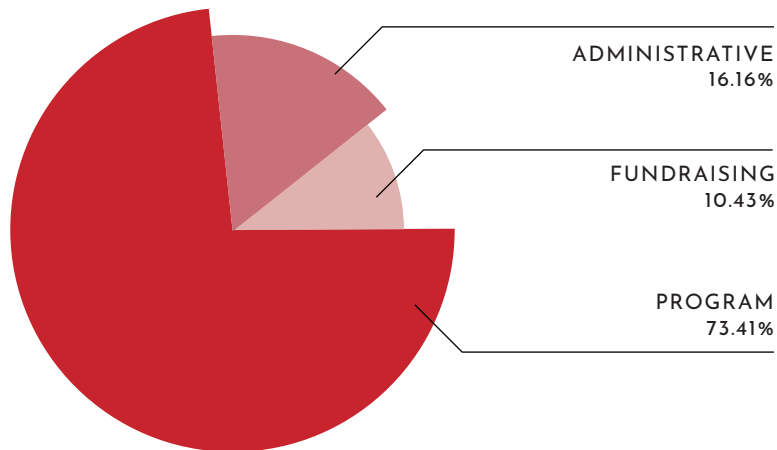


FUNDRAISING REVENUE
\$809,495

PRODUCT REVENUE
\$1,254,104

TOTAL ANNUAL REVENUE
\$2,063,599

2019 EXPENSE RATIO





120 9TH AVENUE S. SUITE #110, NAMPA, IDAHO 83651
+1-208-697-4417 • INFO@BECAUSEINTERNATIONAL.ORG
BECAUSEINTERNATIONAL.ORG