

Pedals for Progress (www.p4p.org) Program Narrative

NJDEP 2017 Recycling Awards Application

Every year, Americans buy 22 million new bicycles and discard millions of old ones, abandoning many more unused in basements, sheds, and garages. Many of these end up in our already overburdened landfills. Meanwhile, poor people overseas need cheap, non-polluting transportation to get to jobs, markets, customers, and schools.

Pedals for Progress is a New Jersey 501(c)(3) nonprofit corporation that collects used bicycles and sewing machines in the U.S. and ships them to developing countries where they are sorely needed and highly valued. P4P bikes are put to work not only as basic transportation, but are used as a supplement to school and community programs. The bikes are adapted for use as trash haulers, produce trucks, taxis, and farm machinery. Some of the municipalities even sponsor recreational cycling programs, making bikes available to all who care to participate.

Sewing Peace

Pedals for Progress was founded to collect and ship bicycles. We soon realized that sewing machines fit our mission as well: They provide a relatively simple way to improve economic circumstances. And they often sit unused in the U.S. So, since 1999, P4P has shipped sewing machines along with bikes.

In 2015 we created the Sewing Peace brand as an option for carrying on our sewing machine activities separately from our bicycle activities. If only sewing machines are involved, we have multiple advantages: For collections, we can target groups more likely to have sewing machines to donate. For shipping, we can send much smaller loads, loads that do not take a full container, and so are much cheaper to ship. And for partnering, we can find groups abroad that may not have the capacity or expertise to deal with 500 bikes at a time, which is the typical load of the containers we ship, or that may not even have a bicycle program. So we are now the same single organization, but doing business both as Pedals for Progress and as Sewing Peace.

A Note on Our History

A little history is helpful in understanding our mission and focus. Our president and founder, Dave Schweidenback, was a Peace Corps volunteer in in the Morona-Santiago Province of Ecuador in the late 1970s. Everybody walked everywhere they went except for Dave's landlord Cesar Peña, a traveling carpenter. Cesar had the only bicycle within 500 miles. He was much more successful than other carpenters simply because he could travel between his home and jobs faster.

A couple of decades later Dave was living in New Jersey working as a carpenter. He saw many perfectly good bicycles being thrown away simply because people didn't want them anymore. He decided that if he could collect a dozen bikes and ship them back to Ecuador, he could revolutionize the lives of some of the people in town. His goal was to collect and ship twelve bicycles. His activities spiraled out of control – here we are 26 years later, having shipped more than 150,000 bicycles.

Our Business Model

P4P has international operations and U.S. domestic operations.

Internationally, our business model is to make our overseas partners self-sustaining in the long run using what we call a revolving fund: our partner pays for international shipping and makes enough money from the contents of the shipment to fund the next shipment and run their business. P4P works with the partner to fund the first shipment; sometimes the partner can raise money and sometimes P4P can use money from our generous individual donors and corporate sponsors.

P4P is responsible for the domestic U.S. expenses: staff, rent for our office and storage space in Glen Gardner, New Jersey; truck rental during collection seasons in spring and fall, insurance, etc.

We have many generous donors – individuals and corporations. We also ask for a minimum \$10 donation with each bike we collect. It strikes some people as inappropriate to ask for money as well as a bicycle. We explain that, when all expenses are counted, it costs roughly \$35 to ship a bike. The \$10 donation is a crucial part of our business plan. We also explain that both the value of the bike and the dollar amount of the donation are tax-deductible, in accordance with our 501(c)(3) non-profit status. Most donors are happy to make a cash donation when we explain its role in our business.

For more details on our financials: Attachment 2 in the supporting documentation shows our Profit and Loss statement and Attachment 3 shows our Balance Sheet from our 2016 fiscal year.

Overseas partners

We ship our bikes and sewing machines to partner organizations overseas. To begin a program we require the partner to demonstrate:

- a track record of social service and economic development work
- financial transparency
- a work plan that describes
 - beneficiaries
 - arrangements for entry of the bikes and sewing machines through customs
 - local transport to the partner
 - repair and assembly of the bikes and sewing machines
 - plans for distribution and sale

Our business model requires partners to demonstrate a plan for long-term viability. The partner funds ongoing operations, including international transportation, on the sales and service of the bikes and sewing machines they get in a container. Besides selling bikes, most of our customers have shops that repair and maintain bikes. These shops require personnel trained as bike mechanics. So job creation is another economic advantage of our bike programs. And the shops make income that helps fund our partners' ongoing operations.

Here is a rough overview of a typical partner's business model: a container holds about 500 bikes and the partner pays international shipping charges of about \$5000 to get the container. P4P is responsible for the cost of collecting the bikes in the U.S., so there is no charge to our overseas partners for the bikes themselves. So the partner must get \$10 per bike to pay for shipping. This is a relatively low price, even in the developing countries where we have partners. Our used bikes are of much better quality than new, poorly built bikes for sale in our partner countries. We often see our 10- or 20-year-old bikes built by U.S. companies like Trek or Specialized selling for \$100 in Nicaragua or Albania, so there is a lot of opportunity for our partners to make enough money to stay financially healthy. Of course, many bikes sell for a great deal less than \$100, sometimes as low as \$10. Some partners have programs that match bike prices to ability to pay. Some even allow customers to pay in installments or to work in exchange for the cost of a bike or sewing machine.

For several reasons, our list of active partners changes over time. Sometimes a population is too small to handle 500 bikes at a time for more than a few years; sometimes organizations lose key personnel or funding and cannot survive; sometimes a country's import laws or customs fees make the business impossible. We always have groups interested in our programs, though, so we quickly find new partners when we need them.

As of July, 2017, here are our partners, their primary missions, and what they have gotten in total from P4P:

- Albania, Tirana, PASS, community development: 5,408 bikes (2010 – 2017), 200 sewing machines (2010 – 2017)
- Ethiopia, Solar Energy Foundation, small-business training and development: 72 sewing machines (2017)
- Ghana, Accra, WEBikes, transport/small business/community development: 8,563 bikes (2006 – 2017), 531 sewing machines (2006 – 2017)
- Guatemala, Chimaltenango, Fundacion Integral de Desarrollo Sostenible y Medio Ambiente (FIDESMA) small-business promotion: 9,460 bikes (1999 – 2017), 274 sewing machines (2003 – 2016)
- Kenya, Cherehani Africa, community development: 32 sewing machines (2016)
- Kyrgyzstan, Cholpon-Ata, S.O.S, Kinderhoff, small-business promotion: 55 sewing machines (2008 – 2016)
- Liberia, Education Care Africa, Primary School children in Africa, 70 sewing machines (2017)
- Nicaragua, Rivas, EcoBici, community development: 25,569 bikes (1992 – 2016), 194 sewing machines (2003 – 2016)
- Tanzania, Dar es Salaam, She Can Foundation: 217 sewing machines (2016 – 2017)
- Uganda, Mityana, Mityana Open Troop Foundation, community development: 73 sewing machines (2017)

Domestic Collections

Volunteer Collectors

We rely on the commitment and generosity of volunteer groups to help us run collections. Our most common collectors are church groups, school groups, scout groups, and Rotary clubs. Two groups of returned Peace Corps Volunteers have run regular collections for several years. Business groups also sometimes run collections. Although we ask for a \$10 donation with each bike we collect, some individual donors are not willing or able to donate cash as well as bicycles. Our collection partner groups often make up the difference and even add to the money that comes with the collection.

In addition to their essential roles as collectors of bikes, sewing machines, and cash donations, our collection partners are also our most effective educators. We seek out and recruit groups that are willing to host collections, then we support them through the process of publicizing and running the collections. We supply flyers that we ask our collectors to post near the collection site: in stores, schools, churches, libraries, and any bulletin boards likely to attract attention. See attachments 9 and 10 in the supporting documentation for examples of our flyers. We ask our collectors to try to get notices in local newspapers, newsletters, and, if we're lucky, on TV.

The volunteers, simply by hosting the collection, understand that used bikes and sewing machines can be donated to P4P and so diverted from the waste stream. So they are much more likely to collect throughout the year and to spread the message to friends and neighbors in their communities.

One more note on education: P4P does not host stand-alone educational events, but we occasionally are invited to events where we publicize our message. In November of 2015 and 2016, for example, we staffed a booth at the Lower Valley Presbyterian Church's Giving Fair in Califon, New Jersey. We talk about what we do, and give away P4P pins, decals, and brochures that describe our bike and sewing machine programs.

Municipal and Police Departments

Besides running one-day collections around the region, we also collect bicycles from municipal recycling centers in Morris County, Readington Township, and Tewksbury Township. Our Morris County collection partner, the Morris County Municipal Utilities Authority, besides donating bikes from their recycling center in Denville, runs one of our most successful regular collections. Our contact at MCMUA, Liz Sweedy, has written a much appreciated letter of support included as Attachment 11 in our supporting documentation.

We also collect bikes from New Jersey police departments: 97 bikes in 2015 and 167 in 2016. See Attachment 4 in the supporting documentation.

Coverage of New Jersey

Our primary collection region is northern New Jersey. We also have some regular collection partners in Pennsylvania, New York, and Vermont.

Here are the New Jersey towns where we held collections in 2015 or 2016 (with number of collections in parentheses).

Berkeley Heights	Monmouth Junction (2)
Bernardsville	Montclair
Blairstown	Montvale (2)
Bogota	Mountainside
Branchburg (2)	New Providence
Clinton	Pittstown
Edison	Ramsey (2)
Fair Lawn (2)	Randolph (3)
Flemington (2)	Secaucus
Haddonfield (2)	Somerville (2)
Hawthorne (2)	Succasunna (2)
High Bridge	Washington (2)
Lebanon	Westfield (2)

Conclusion

P4P supports an unusual combination of worthy causes: economic development in low-income countries and waste diversion here in the U.S.

On average a bike weighs 30 pounds and a sewing machine 20 pounds.

In 2015 we shipped 3,239 bikes and 310 sewing machines. In 2016 we shipped 2,760 bikes and 285 sewing machines. We therefore estimate that we diverted approximately 103,370 pounds in 2015 and 88,500 pounds in 2016. See Attachment 1 in the supporting documentation for details on our 2015 and 2016 shipments.

Since 1991, Pedals for Progress has collected, processed, and shipped more than 150,000 used bicycles and 3,700 used sewing machines to our partner organizations. So we've shipped nearly 2,300 tons of material – 4.5 million pounds or 2,250 tons of bikes and 74,000 pounds or 37 tons of sewing machines.

Surely not all of the material we ship would have ended up in landfills in the short term, but diverting even part of it would be a worthy accomplishment. The economic opportunity our bikes and sewing machines offer abroad is perhaps even a greater good. We are proud of what we've done and plan to carry on for the foreseeable future.

For much more information about P4P, including some inspiring stories and photos, please take a look at our website, www.p4p.org.

Thank you for considering our application for a 2017 New Jersey DEP Recycling Award.