



THE HOPE EFFECT



# 2021 ANNUAL REPORT



# FROM OUR FOUNDER

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Several years ago, one of my friends said the phrase, “We’ll be known by the problems that we solve.” I’ve repeated it to myself countless times since then.

The truth is profound and life-changing. Each of our lives will be marked by various peaks and valleys, triumphs and tragedies. But in the end, we’ll be remembered most by the problems we solve—and perhaps, how we helped others overcome their own along the way.

Every day, each of us has an opportunity to wake up and make a difference. And through your support of The Hope Effect, you are making a tremendous difference in the lives of orphaned and vulnerable children around the world.

Since The Hope Effect was founded in 2014, I continue to be overwhelmed at the outpouring of generosity from our amazing supporters. It’s clear you share our passion for changing the way the world cares for orphans, and we are so grateful.

Thanks to you, 2021 was another incredible year for The Hope Effect. It was our biggest fundraising year ever – you raised more than \$383,000, which is a 22% increase from 2020. Those generous donations equate to lives changed...children getting out of orphanages and into loving families.

As you read just some of their stories over the following pages, please know it is because of you that each of these children are growing up knowing the love of a family. Thank you for making that possible.

Together, we are changing the way the world cares for orphans.

Sincerely,

**Joshua Becker**  
**Founder, The Hope Effect**

# MISSION & VALUES

## MISSION

Changing the way the world cares for orphans.

## VALUES

Our values set the standard for our innovative model of family-style care, ensuring that every child has the best opportunity to flourish and thrive. The Hope Effect's values are:



**FAMILY**



**PREPARATION**



**INNOVATION**



**EXCELLENCE**



**SPIRITUALITY**



**SUSTAINABILITY**

# WHAT WE DO

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**CHANGING THE WAY THE WORLD CARES FOR ORPHANS  
BECAUSE EVERY CHILD DESERVES A FAMILY.**

## THE PROBLEM

There are an estimated 15.1 million orphans worldwide, with 2.7 million of them living in orphanages. And there is growing research on the damaging physical and psychological effects of traditional, institutional orphan care.

When children do not receive adequate personal interaction within a loving environment, development is stunted and learning abilities are delayed or lost. Many kids age out only to face a future of crime, prostitution, or trafficking.

## OUR SOLUTION

Because we believe every child deserves a family, The Hope Effect is changing orphan care by providing family-based solutions. Loving family-style care provides opportunities for each child to flourish and thrive. Access to health, dental, and social care is provided while each child is prepared for the future through education, responsibility, support and the structure that parents were designed to provide.

# JJ'S STORY

## SONORA, MEXICO

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JJ was born in January 2020 and immediately abandoned at a hospital in Hermosillo, Mexico. Shortly after, he was placed into an orphanage.

The first several months of his life, which are so critical to development, were right at the start of the COVID-19 pandemic. Just as JJ was becoming more aware of the world around him, the staff at the orphanage began to wear masks during their entire shift.

During the first 18 months of JJ's life, he never saw any facial expressions from his caregivers. His primary method for learning to show emotions—seeing and mimicking expressions from adults—was nonexistent. Had JJ remained in the orphanage, his emotional and psychological development would have continued to be at risk. But JJ's story doesn't end there!

At 18 months of age, JJ was welcomed into loving family-style care. Although he was timid at first, he quickly started trusting and bonding with his foster family. He gained confidence and began to grow, both physically and emotionally.

JJ was recently adopted by his forever family. Today, he is a happy, healthy, and joyful little boy!



# GLOBAL IMPACT

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## LATIN AMERICA



## SOUTHEAST ASIA





5

## CURRENT LOCATIONS

In 2021, we expanded into two new locations, bringing our total to five locations in two continents.



145

## CHILDREN HAVE FOUND LOVING FAMILIES

Since The Hope Effect was founded, almost 150 children have been placed into loving family-style care.



2,486

## DONORS HAVE BECOME PART OF THE SOLUTION

At the end of 2015, our first full calendar year, 878 donors had given to The Hope Effect. By the end of 2021, that number increased to 2,486. We're thrilled so many heroes have joined the movement to change the way the world cares for orphans.

## WHERE WILL WE GO NEXT?

We are always exploring potential locations for expanding family-style care. Currently, we are exploring several additional opportunities to expand in Latin America and Southeast Asia. As funds become available, we look forward to helping more orphaned and vulnerable children across the globe find loving families. There is so much work to be done...and with your help, we can change the way the world cares for orphans!

# LOCATION UPDATES

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## SONORA, MEXICO

Since receiving government approval to provide family-style care in 2020, we have continued to get more children out of orphanages and into families...where they belong! In December 2021, we signed a six-year contract with the newly established government of Sonora. This ensures that The Hope Effect will be providing family-style care in Sonora for years to come! We are so grateful to our incredible supporters who make this possible.

## MICHOACÁN, MEXICO

In Michoacán, Mexico, The Hope Effect was invited by the government to pioneer family-style care in the capital city of Morelia. Because of our generous donors, the first child in Morelia was placed in a loving family in May 2021. And since then, several more children are thriving in family-style care in Michoacán! We are so thrilled that orphaned and vulnerable children in Morelia have hope for their future.







## CHIHUAHUA, MEXICO

In Chihuahua, we are helping the family-style care movement expand even farther. Since we began working alongside our partner organization in Chihuahua in 2019, we've helped almost 100 children in this city get out of orphanages and into families. In fact, our work in Chihuahua has been so successful that governments in other states in Mexico have started implementing family-style care!

## SANTA ROSA, HONDURAS

In Santa Rosa, Honduras, we are on the leading edge of providing innovative family-style care. The Hope Effect and our partner organization recently entered into an agreement with the government to implement new protocols and expand family-style care in Santa Rosa. That means more kids are getting out of orphanages and into loving families than ever before. We are so grateful.



## CHIANG MAI, THAILAND

In October 2021, we announced our expansion into our second new location of the year - Chiang Mai, Thailand. Along with our partners, we focus on two key areas - reintegration and prevention. First, we are working to get children out of institutional care and back into their families. In addition, we provide education and resources to strengthen families and prevent them from surrendering their children to an orphanage in the first place. We can't wait to share stories of the lives changed in Thailand in 2022!



# LUCY'S STORY

## CHIHUAHUA, MEXICO

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Lucy was removed from her home and placed in an orphanage because she was not being properly cared for and had suffered violence in her biological family. At three years old, Lucy had developmental delays and poor physical and emotional health.

The orphanage was not equipped to provide Lucy the support she needed to work through the traumatic events of her past. She went through a failed adoption because her behavior was deemed "uncontrollable."

Thankfully, she wasn't sent back to the orphanage. Our team in Chihuahua was contacted, and Lucy was placed in family-style care.



Through the love of a family, Lucy began to heal. She learned what it means to be part of a family, and loved by those who will never give up on you...no matter what.

Today, she is a different child - a sweet, playful little girl. Lucy was recently adopted by her forever family, and she is happy, healthy, and thriving!

# ADRIAN'S STORY

## MICHOACÁN, MEXICO

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Adrian was placed in an orphanage when he was just a few months old. Authorities believe he was neglected and had experienced violence within his home.

During the four years he spent in an orphanage, nobody visited or asked about Adrian. And until recently, he would have had no choice but to grow up in the institution, never knowing the love of a family.

But thankfully, The Hope Effect is pioneering family-style care in Michoacán! Adrian was recently placed with a loving family and he is now receiving the individual care and attention he needs and deserves.

In just a few short weeks, the changes in Adrian were incredible. He began bonding with his foster family, learning coping skills to deal with his emotions, and growing physically and emotionally.

We are so grateful that Adrian is learning what it means to be part of a family. He is cherished, valued, and loved!



# FINANCIALS

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## OUR PROMISE TO DONORS: THE 100% MODEL

At The Hope Effect, we know that when you make a donation, you want your money to be used for the reason it was given. With every gift, you can choose to put 100% of the donation directly into a specific orphan care project – getting kids into families and providing quality nutrition, education, and health care. Or, you can choose to support the awesome team of people who work hard to make it happen – helping with our “behind the scenes” expenses.

## OUR FINANCIAL PHILOSOPHY

We are so grateful for every gift we receive. We also know it's our responsibility to be good stewards of the donations our supporters generously give...and we don't take that lightly! Here are just a few of our general practices regarding finances:

- We have 10-12 months of operating expenses in the bank. In addition to ensuring financial stability, this allows us to move quickly when new opportunities arise.
- We raise 18-24 months of funding in advance before starting a new project. This allows us to have long-term success rather than short-term financial stress.

These practices allowed us to make positive ground and move forward over the last several years, even during the COVID-19 pandemic.

## STATEMENT OF ACTIVITY

SUPPORT AND REVENUE	2021	2020	2019
PPP LOAN	\$24,700	\$15,600	
INDIVIDUAL DONORS & FOUNDATIONS	\$383,937	\$313,731	\$282,923
INTEREST INCOME	\$935	\$1,218	\$730
<b>TOTAL SUPPORT AND REVENUE</b>	<b><u>\$409,572</u></b>	<b><u>\$330,549</u></b>	<b><u>\$283,653</u></b>
<b>EXPENDITURES</b>			
PROGRAM SERVICES	\$384,695	\$282,291	\$230,830
GENERAL AND ADMINISTRATIVE	\$41,880	\$55,506	\$30,527
FUNDRAISING	\$22,526	\$24,108	\$28,832
<b>TOTAL EXPENDITURES</b>	<b><u>\$449,101</u></b>	<b><u>\$361,905</u></b>	<b><u>\$290,189</u></b>
<b>REVENUE LESS EXPENSES</b>	<b><u>(\$39,529)*</u></b>	<b><u>(\$31,356)*</u></b>	<b><u>(\$6,536)*</u></b>

## STATEMENT OF FINANCIAL POSITION

ASSETS	2021	2020	2019
<b>CURRENT ASSETS</b>			
BANK ACCOUNTS	\$311,307	\$354,872	\$392,885
OTHER CURRENT ASSETS	\$10,132	\$7,858	
<b>TOTAL CURRENT ASSETS</b>	<b><u>\$321,439</u></b>	<b><u>\$362,731</u></b>	<b><u>\$392,885</u></b>
<b>FIXED ASSETS</b>	<b><u>\$2,206</u></b>	<b><u>\$882</u></b>	<b><u>\$0</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$323,645*</u></b>	<b><u>\$363,612*</u></b>	<b><u>\$392,885*</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
CREDIT CARDS	\$5,781	\$7,146	\$6,473
OTHER CURRENT LIABILITIES	\$4,158	\$3,231	\$1,820
<b>TOTAL LIABILITIES</b>	<b><u>\$9,939</u></b>	<b><u>\$10,377</u></b>	<b><u>\$8,293</u></b>
<b>EQUITY</b>	<b><u>\$313,706</u></b>	<b><u>\$353,236</u></b>	<b><u>\$384,592</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$323,645</u></b>	<b><u>\$363,612</u></b>	<b><u>\$392,885</u></b>

\*We raise 18-24 months of funding in advance before starting a project. Money raised in prior years is used to cover current expenses.

# ABIGAIL'S STORY

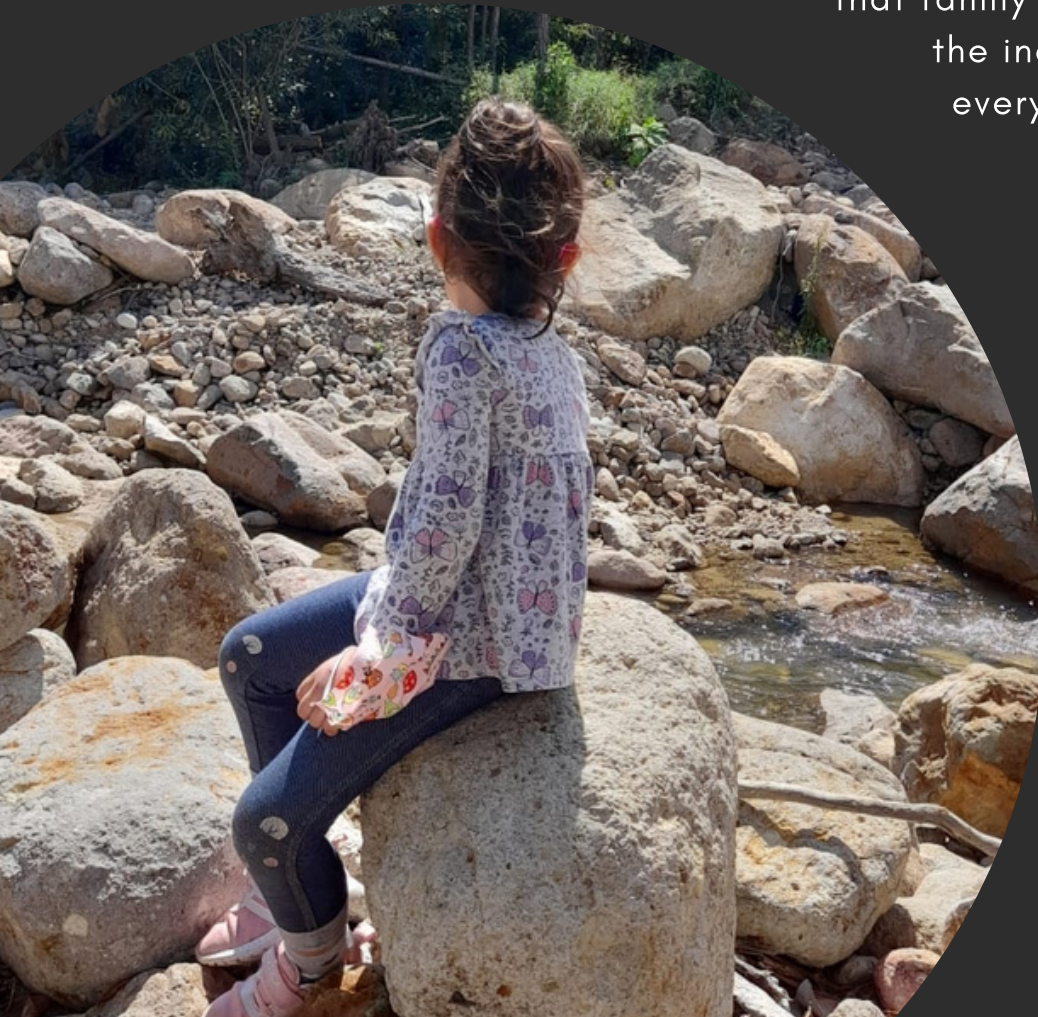
## SANTA ROSA, HONDURAS

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As an infant, Abigail's mother left her in the care of a widowed woman in Honduras. The woman did her best to care for Abigail, but she did not have the means to feed her, clothe her, or keep her warm during the freezing winter temperatures. Another member of the community contacted DINAF (child protective services in Honduras) to let them know about the situation.

Thankfully, Abigail was not taken to an orphanage after the authorities were called. Abigail was taken to the crisis care center at Legacy of Hope, our partners in Santa Rosa. The government was unable to locate Abigail's mother, so she was soon placed into family-style care.

Through the love of a family, Abigail began to heal. She remained with that family for several years, receiving the individual care and attention every child needs and deserves.



Today, Abigail is thriving, and we are so thankful for the changes in this beautiful little girl. The fragile, scared, and untrusting baby has grown into a bright, happy, healthy little girl. She knows she is valued, cherished, and loved.

# MOLLY'S STORY

## CHIANG MAI, THAILAND

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As a baby, Molly was left with her grandparents in a village near Chiang Mai. When her grandparents grew too old to take care of her, they sent her to an orphanage in the city so she could go to school.

Molly lived in the orphanage for eight years before the directors began trying to find extended family for her to live with. Initially, the directors struggled to find family members who were willing to care for her. Because the orphanage was closing, our partners in Chiang Mai provided family-style care for Molly during this time.

Incredibly, Molly's cousin was interning with our partners. She knew Molly had an older sister who wanted to care for her but didn't know where to start. Our partners contacted Molly's sister and started the process to help the sisters reunite. Molly recently moved in with her sister and brother-in-law, and she is thriving!

We are so thankful that Molly is now back with family... where she belongs.



# 2021 STAFF

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## UNITED STATES



**JOE DARAGO**  
Executive Director



**HILARY PEELE**  
Communications Director



**CHRISTINE HERNANDEZ**  
Financial Coordinator

## SOUTHEAST ASIA



**RATTANA "MIMI"  
CHOCKDUANGDEE**  
Counselor  
Chiang Mai, Thailand



**NUTTAKARN "DONUT"  
CHUWONG**  
Family Development Liaison  
Chiang Mai, Thailand



# LATIN AMERICA



**PEDRO BORG  
MORENO**  
Director, Sonora



**MIROSLAVA CUBILLAS  
DE LOS REYES**  
Psychologist, Sonora



**AZENETH  
FÉLIX**  
Social Media, Sonora



**DANIEL MORENO  
GONZÁLEZ**  
Family Recruiter, Sonora



**DANIELA GOMEZ  
DE LA CUEVA**  
Director, Morelia



**NERI PRISACK  
PICHARDO**  
Psychologist, Morelia



**RAQUEL LEAL DE  
ORNELAS**  
Director, San Luis Río Colorado



**RODRIGO LOPEZ  
JIMÉNEZ**  
Psychologist, Chihuahua



**LEIDY  
TRIGUEROS**  
Psychologist, Santa Rosa

# BOARD MEMBERS

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## **JOSHUA BECKER** **FOUNDER AND CHAIRMAN**

Joshua Becker is an author, speaker, and philanthropist. He has written several best-selling books on minimalism, and his website *Becoming Minimalist* has more than one million readers each month. Inspired by his wife's experience being adopted, Joshua founded The Hope Effect in 2015.

## **2021 BOARD MEMBERS**

### **JOE DARAGO**

Executive Director, The Hope Effect

### **JEFF VAN EGDOM**

Tax Partner, Deloitte

### **BYRON K GRAYSON MMS PA-C**

Owner, Allied Mobile Imaging

### **JILLIAN JOHNSRUD**

Writer/Creator/Speaker,  
Montana Money Adventures

### **DEBORA GARCIA, MD**

Comprehensive Ophthalmologist  
and Cornea Specialist,  
Eye Institute at Boswell

# ELENA'S STORY

SONORA, MEXICO

Three-year-old Elena, her mother, and her mother's boyfriend were attempting to immigrate from Ecuador to the United States. Sadly, as they were traveling through the desert in Sonora, Mexico, Elena's mother passed away.

Her mother's boyfriend (just a young man at 17 years old) didn't know what to do in such a tragic circumstance. He came upon some soldiers in Sonora and took Elena to them so they could call the proper authorities for help.

Usually, a child in Elena's situation would be processed into an institution - an orphanage - for immigrant children. As a result, she may have remained in institutional care for quite some time while the government worked through her case.

But thankfully, there was a better option for Elena. The government contacted our team in Hermosillo, and we were able to place Elena with a loving family while authorities searched for other relatives.

Today, Elena is with her extended family, and we are so thankful she received the love and comfort of a family when she needed it most.





THE HOPE EFFECT

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CARES FOR ORPHANS**

[www.hopeeffect.com](http://www.hopeeffect.com)