



The 2019 PPAI
ANNUAL REPORT

Amplifying
EXTRAORDINARY

PPAI[®]
The Mark of a Professional.[®]

To Our Stakeholders:

On behalf of the PPAI Board of Directors, we are pleased to submit the Annual Report of the Promotional Products Association International for the year ending December 31, 2019. Throughout 2019, PPAI's strategic plan was focused on strategic foresight, but no one could have anticipated the massive changes and dynamic shifts in the business climate during the first half of 2020. The preparations we made in 2019 and the programs we put in place helped us build a strong foundation to help the Association tackle the challenges ahead. PPAI is here to grow, protect and serve our members during both good times and times of unprecedented change.

According to the 2019 PPAI Sales Volume Study, promotional products sales remained strong at \$24.2 billion. In 2019, PPAI reached a membership milestone of more than 15,500. Thanks to this increase in membership, our rich history and a strong strategic foresight plan, the Association now has the ability to evolve to whatever challenges the future brings. Our strong relationship with our members is allowing them to pivot and take advantage of resources and programs designed to grow their businesses.

The PPAI Expo 2019 experienced an incredible turnout with nearly 13,000 promotional consultants from nearly 4,000 distributor companies and 30 countries in attendance. Promotional products industry professionals from around the world converged in Las Vegas to experience the industry's best-attended show. Attendance for The PPAI Expo 2019 was among the top five for PPAI and the highest in the past 10 years, with attendee satisfaction at an all-time high. In addition to visiting the more than 1,220 exhibitors occupying one million square feet of the Mandalay Bay Convention Center, 20,500-plus industry professionals attended over 130 educational sessions and networking events.

“We spend precious hours fearing the inevitable. It would be wise to use that time adoring our families, cherishing our friends and living our lives.”

–Maya Angelou



Promote.

In September, PPAI launched the next generation of the industry's multimillion-dollar branding campaign, Get In Touch! with new messaging, graphics and the tagline, ADVERTISING YOU CAN FEEL™ at Advertising Week New York. I was given the opportunity to moderate a brand masters panel discussion, Experiential Branding: How To Ignite Consumer Love, in New York City as part of the annual Advertising Week. Our longtime association with Advertising Week and others has allowed promotional products to remain top of mind with the brightest minds in marketing, advertising and technology from across the globe. Our advocacy efforts to educate buyers and college students on the power of promotional products and industry careers has grown to include Promotional Products Work! Week, the industry's awareness event, and strategic partnerships with the AMA, PRSA, ANA, The B2B Marketing Expo and SMEI.

Protect.

PPAI continues to rigorously monitor legislative and regulatory developments in Washington, D.C. In 2019, more than 70 PPAI leaders, industry professionals and staff spent a week on Capitol Hill to educate legislators from all 50 states on the most pressing issues facing the promotional products industry and small businesses. Participants in PPAI's ninth annual Legislative Education and Action Day (L.E.A.D.) focused on protecting the promotional products industry by emphasizing the value of promotional products and discussing key issues such as independent contractors, advertising expenditures, tariffs and the global value chain.

Serve.

In 2019, PPAI also launched its Diversity, Equity and Inclusion program. Our commitment is to help the promotional products industry create inclusive, equitable workplaces where employees feel valued and supported. The Promotional Products Education Foundation (PPEF) awarded \$230,000 in scholarships for the 2019-2020 academic year, bringing the total amount awarded since PPEF's founding to more than \$2 million.

As we continue to move through uncharted territory in 2020, the Association remains committed to driving meaningful member engagement, protecting the interests of our members, and managing an efficient and progressive organization.

Respectfully,

Paul Bellantone, CAE
President and CEO of PPAI

Brittany David, MAS
PPAI Board Chair
2019



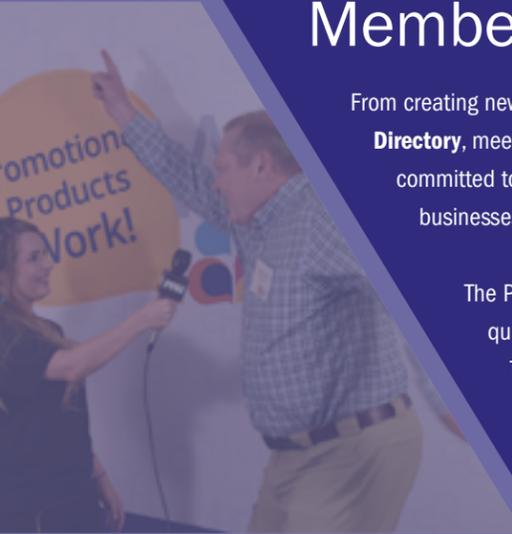
Members Come First

From creating new **Affinity Partner** savings programs to launching a new **Industry Directory**, meeting the needs of our members is always our top priority. We remain committed to strengthening the promotional products industry by enriching the businesses and careers of our **members**.

The PPAI Industry Directory was released during a soft launch in the fourth quarter of 2019 with the official industry-wide launch at The PPAI Expo 2020. The PPAI Industry Directory serves as the official source of promotional products companies and industry professionals. Features include recognizing industry prominence and sales volume growth.

New **FedEx**® discounts were also negotiated in the fourth quarter of 2019. Affinity Program member savings are even greater and now include **Vital Imagery**, offering PPAI members access to royalty-free artwork & images, and **Mercer**, offering PPAI Health Plans.

The **SAGE**® **Power of Two** agreement contract negotiations continued throughout 2019. The new agreement will go into effect August 1, 2020, which will include additional SAGE Total Access licenses and combined billing for select Power of Two member companies.



Membership Snapshot

Member Category	Total Members
Distributors	13,600
Suppliers	1,580
Branch	167
Business Services	120
International Distributors	54
Multi-line Representatives	45
International Suppliers	58
TOTAL	15,624



Here's To Shared Experiences

The **PPAI Expo** and **Expo East** continue to serve our members by providing a venue to build and grow a strong and collaborative community where executives, industry leaders and professionals meet to guide the industry forward and plan business for the year. Our trade shows remain the most popular in the industry and continue to connect and educate.



The PPAI Expo

Total attendance	20,656
Distributor personnel in attendance	12,922
Distributor companies attending	4,240
Booths	3,092
Exhibiting companies	1,209

Expo East

Total attendance	2,573
Distributor personnel in attendance	1,724
Distributor companies attending	718
Booths	384
Exhibiting companies	304



Let's Continue Learning

Live and digital learning opportunities have not only connected the industry but they have fostered community engagement while creating tremendous professional development opportunities for industry professionals or individuals seeking knowledge.

Professional Development

In 2019, PPAI offered 32 live education webinars on its online learning platform. PPAI also hosts nearly 500 on-demand webinars on the PPAI **Online Education** platform. PPAI's **live education** events attracted more than 3,600 attendees to a variety of conferences and events including The PPAI Expo, Expo East, Women's Leadership Conference, SPARK, North American Leadership Conference, Technology Summit, SAGE Show and Product Responsibility Summit.

Promo Connect

Promo Connect, PPAI's member-exclusive online community, had 11,832 unique participants, an increase of 58 percent over 2018. Participants logged in more than 65,000 times throughout the year and engaged in more than 9,700 discussion posts with their industry peers.

Certification

PPAI revamped its professional development **certification** process in 2018 by introducing a self-placed, on-demand program with a series of dedicated courses that contain quizzes and electives. We continue to see an increase in certifications year over year. In 2019, the following certifications were issued:

	2018	2019	% +/-
CAS Certifications	82	159	94%
MAS Certifications	33	125	279%
MAS+ Certifications	1	2	100%
CASMAS Recertifications	151	153	1%
CASMAS Lifetime Certifications	43	38	-12%
TAS Certificates	130	487	275%



Looking Out For Each Other

In a constantly changing marketplace, PPAI continues to advocate for the industry through **legislative programs**, while helping members stay up to date with new state and federal regulations and environmental and social responsibility.

Product Responsibility Summit

The ninth annual Product Responsibility Summit focused on choking hazards, **social responsibility**, the importance of communicating **compliance** and **environmental responsibility**. Summit also gave attendees the chance to share tips and techniques with each other in an informal setting during the very popular roundtable discussions and delivered its much-anticipated compliance manual to all attendees.



L.E.A.D.

PPAI's Legislative Education and Action Day (L.E.A.D.) delivers the promotional products industry's message to Capitol Hill. Nearly 70 professionals held more than 340 meetings with lawmakers during the 10th annual **L.E.A.D.** event in Washington, D.C. Approximately one-third of the L.E.A.D. participants were first-time attendees. Recipients of the annual PPAI Legislator of the Year award were Representative Warren Davidson (R-OH) and Representative Scott DesJarlais (R-TN).

L.E.A.D. Local

L.E.A.D. Local is a state-based, grassroots outreach initiative that brings together industry leaders, regional associations and PPAI staff to speak with state legislators about the promotional products industry. This year, **L.E.A.D. Local** expanded into Colorado and Michigan.



Sharing Our Stories

Through the monthly **PPB** magazine, twice-weekly **PPB Newslink** and daily **Promotional Consultant Today**, PPAI publications help keep the industry connected by sharing industry stories, trends, research and news to a broad audience of professionals.

PPB published more than 900 pages of informational and relevant content in 2019, plus almost 1,500 business and news stories in **PPB Newslink**, and more than 240 useful insights and how-to tips in **Promotional Consultant Today**. This year, key topics focused on tariffs, company acquisitions, social responsibility and the implications of technology resulting in a trend toward ecommerce and growth in online businesses.

PPB's editorial recognition programs remained a popular draw. This year, 29 individuals were nominated for **PPB's Best Multi-Line Reps**, along with 81 individuals for **Rising Stars**, 108 individuals for **Best Bosses**, 74 individuals for **Service Superheroes** and 117 businesses for **Greatest Companies To Work For**. These nominations resulted in a final selection of eight multi-line reps who were profiled in the April issue, 14 Rising Stars who were introduced at PPAI's North American Leadership Conference and profiled in the September issue; 23 Best Bosses featured in the October issue, 15 Service Superheroes profiled in the December issue and 60 companies showcased as the Greatest Companies To Work For in the June issue.



In a new initiative, **PPB** staff developed and produced more than two dozen Q&A videos with attendees at PPAI's North American Leadership Conference, Tech Summit, Product Responsibility Summit and Leadership Development Workshop. These were linked to stories in **PPB Newslink** and are available on the publication's website.

Another new initiative was a comprehensive series on PPAI's award winners that supported the Association's new approach to Pyramid Awards. The series started in the February issue with an overview of all winners followed by subsequent features in May (Marketing winners), July (Supplier Decorating winners), August (Supplier Stars winners) and October (Technology winners).



A Shout Out To Volunteers

Volunteer Programs

PPAI **volunteers** were quite active throughout the year. Committee members played key roles in revamping the professional development certification program, supporting PPAI research initiatives, actively lobbying on behalf of the promotional products industry and much more. Through volunteer efforts, PPAI was able to provide multiple resources for its members and continue to evolve as an Association.

The **Fellows Program** recognizes individual PPAI members who have contributed to Association initiatives through ongoing personal commitment. Collectively, those named as Fellows have mentored fellow industry professionals, facilitated education sessions and served on committees, boards, advisory groups and work groups for PPAI and its regional associations. This year, 16 additional members were honored as PPAI Fellows.



Accolades All Around

Awards And Recognition

PPAI recognized members for successful industry collaborations and standout contributions through a variety of company-based and individual **recognition programs** during the year.

Honored during the Chairman's Leadership Dinner were Michele Jennrich, MAS, with the PPAI Distinguished Service Award; Daryll Griffin, MAS, with the H. Ted Olson Humanitarian Award; and inducted into the PPAI Hall of Fame were Gene Geiger, MAS+, and Charles "Chuck" Pecher.

Also recognized during the Chairman's Leadership Dinner were Promotional Products Pioneers Martha Sanders Gennett of Sanders Manufacturing and George Kling of Potential Profits Group.

The Awards & Recognition Committee reviewed more than 360 entries in five areas of competition resulting in the presentation of more than 161 individual awards at the 2019 Pyramid Awards Presentation.

In the annual Member Milestone program, five companies were recognized with 50 years of membership: Accent Advertising, Inc., Advertising Suppliers, Inc., General Sales, Inc., Kellmark Corp. and Fey Promotional Products Group. Sixty-two companies were recognized for 25 years of continuous support.

Honored during the Women's Leadership Conference were Daryll Griffin, MAS, along with the late Irene Kogutt, MAS, with the 2019 PPAI Woman of Achievement Award.

Honored during the PPAI Leadership Development Workshop was Tom Carpenter, MAS, with the 2019 PPAI RAC Volunteer Award.



We Plan. We Create. We Share.

PPAI is committed to engaging in the promotional products community and with like-minded organizations to advance the Association's brand to promote members' growth and success.

Marketing

The marketing department continued to serve as PPAI's primary arm of communication. Through a multi-channel approach, the marketing department kept the members and industry informed and aware of a variety of topics, events and opportunities.

More than 2,488 internal projects were completed by the department; a 23-percent increase over the previous year. Additionally, as part of PPAI's Regional Association Program, more than 241 hours of free marketing services were provided to the regional associations; a 109-percent increase over the previous year.

Research

This year, PPAI continued to provide members and the industry with **reliable and actionable data** on industry sales, buyer habits and consumer trends as they pertained to promotional products. The data was presented in the form of reports, social posts, *PPB* magazine articles and webinars. Additionally, PPAI offered research assistance to regional associations.

Industry Branding, Public Relations And Buyer Outreach

PPAI's marketing and communications serve the promotional products community in the areas of industry branding, public relations and buyer outreach. PPAI advocates, educates and promotes the efficacy of promotional products as an advertising and marketing medium. The Association tells the story to all audiences—including media, advertisers, marketers, college students and professors and industry professionals—through user-generated content, traditional media, social media, earned media, owned media and local marketing strategies like Promotional Products Work!™ Week and Get In Touch!® provided to industry members at no cost.



With today's media landscape based on convergence and integration, PPAI's approach assures that all channels of communications are leveraged and optimized to the benefit of the industry and each PPAI member.

PPAI continued its multi-million-dollar investment in the Get In Touch!® industry branding campaign with the launch of the next-generation Get In Touch! toolkit featuring new creative, graphics, messaging and the tagline, **ADVERTISING YOU CAN FEEL™**. The campaign execution included a multi-channel media plan, industry and buyer events; speaker appearances and partner collaborations, including Ad Age, Facebook, Instagram, Advertising Week, B2B Marketing Expo, American Advertising Federation, Center for Exhibition Industry Research, American Marketing Association, Public Relations Society of America, Association of National Advertisers, Sales and Marketing Executives International, all 27 regional associations in the U.S., as well as Australasian Promotional Products Association, British Promotional Merchandise Association and Promotional Product Professionals of Canada and others. This outreach generated more than 132,315,027 impressions.

Promotional Products Work! Week was celebrated nationwide as the industry encouraged buyers to Plug-In To The Power Of Promo. This year, Promotional Products Association Southwest highlighted the week by hosting more than 100 buyers, distributors and suppliers at the first annual PPAS End-User Golf Tournament and Luncheon. The PPAS tournament included breakfast, 18 supplier-sponsored holes, prizes, a hole-in-one contest and a full day of activities culminating in a celebratory awards luncheon.

PPAI's buyer outreach targeted sites, PromotionalProductsWork.org and GetInTouchAdvertising.com, hosted more than 89,940 pageviews from 65,855 new users and yielded more than 17,605 direct click-throughs to promotional products consultants. In addition, PPAI's social and digital communities and its more than 75,000 followers expanded market exposure and reach to 1,325,264,889.

PPAI places stories, responds to reporter requests for expert commentary and provides fact-based content to viewers, editors, reporters and influencers in support of a positive and transparent view of the promotional products industry. This reach exceeded 28,490,000 in 2019.



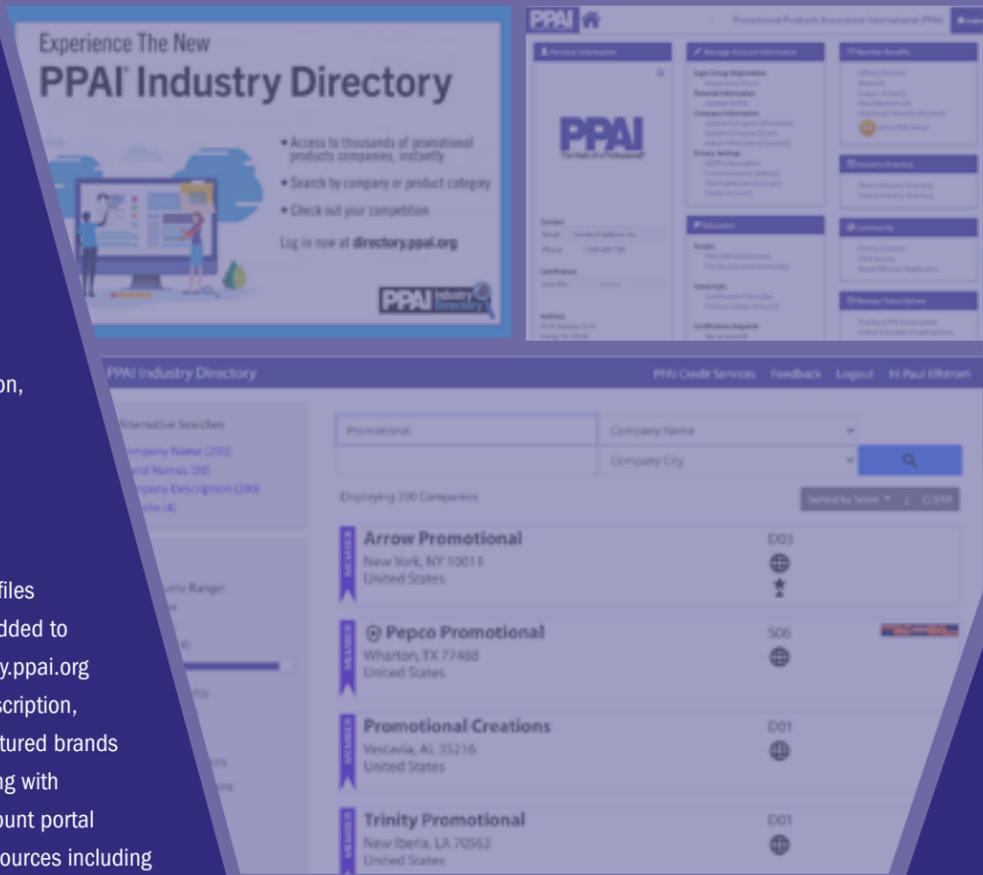
Let's Talk Digital

Industry Directory

PPAI launched a new **PPAI Industry Directory** in the fourth quarter. The directory is a powerful resource industry professionals can use to locate suppliers, distributors and business service companies within the industry. New search features help users quickly locate companies and individuals. Users can filter results based on company type, location, product categories and other demographics.

Updating Company or Individual Profiles

All admin tools to update company and individual profiles displayed in the PPAI Industry Directory have been added to the **MyPPAI** account portal. Users can log-in to my.ppai.org to upload logos and update their company description, business indicators, product categories, featured brands and other demographic information. Along with profile management, the MyPPAI account portal provides access to many other resources including Education, Member Benefits, Communities, Subscriptions and Awards.



Growing Our Regional Communities

PPAI and the regional association community work collaboratively to advocate for the industry and to serve industry professionals in a national and local capacity.

Regional Relations

Regional relations staff and the Regional Association Council (RAC) continue to explore new ways to support the 27 industry regional associations; all proud members of the PPAI Regional Affiliate Program.

Through the Regional Affiliate Program, regional association leaders receive resources and support to better serve their members. Support takes shape in many ways including marketing templates, best practices from the online resource portal, complimentary marketing hours, industry speakers for live events and regional board training.

In February 2019, PPAI entered into a three-year association management contract with the Specialty Advertising Association of California (SAAC). PPAI has dedicated staff working with the SAAC Board of Directors to advance the mission and reach of the regional association.

The 2019 Leadership Development Workshop celebrated 20 years of connecting the community, bringing approximately 150 regional leaders together for three days of peer-to-peer learning, idea sharing and networking. The PPAI RAC Regional Volunteer of the Year Award was presented to Tom Carpenter, MAS.

The regional community continues to support the Promotional Products Disaster Recovery Foundation. PPDRF was founded to help industry professionals restart their businesses after suffering damage from a federally-declared natural disaster and has provided over \$60,000 to industry professionals since 2011.



Empowering And Investing In Our Communities

Promotional Products Education Foundation

- PPEF cumulative college scholarship awards exceeded the \$2.1-million mark with \$230,000 awarded to 151 students in 2019.
- Four Almand “Bo” Carroll Leadership Awards were created to honor Mr. Carroll for his generous estate gift distributed to PPEF in 2019. The \$2,250 annual awards will honor the legacy of Mr. Carroll, an owner of Booker Promotions and 1985 inductee into the PPAI Hall of Fame, who passed away in November 2004.
- PPEF’s golf event at The PPAI Expo had a name change to the Glen Holt & Fran Ford Memorial Tournament. The event raised net proceeds exceeding \$53,000 for the scholarship fund.
- PPEF received more than \$114,000 in donations for the Named Scholarships program in 2019. This included additional funds for existing named scholarships, including the:
 - Vincent J. Arena Scholarship
 - Fran Ford Scholarship
 - Janelle Nevins Scholarship
 - PPACHicago Scholarship
 - Reciprocity Road Roadie Scholarship
 - Bill Schmidt, Sr. Scholarship
- Four new named scholarships were established to memorialize or honor industry individuals and organizations:
 - Lorraine Hempen Scholarship
 - The UMAPP Collegiate Scholarship
 - William F. (Bill) Vernon Scholarship
 - David Woods Scholarship
- Five industry companies pledged \$37,500 in donations through PPEF’s Tomorrow Fund:
 - Bronze Level (\$12,000-\$29,999 pledge)
 - Incentives West
 - Iron Level (\$6,000-\$11,999 pledge)
 - ADG Promotional Products
 - Charles River Apparel
 - Peerless Umbrella
 - Vantage Apparel

Serving Our Community

Money and goods were donated to the Irving Humane Society after PPAI staff raised more than \$3,400 in the PPAI Unleashed-Race for the Rescues challenge. The annual summer food drive, which included a bake sale and cornhole competition to benefit local charity Irving Cares, brought in more than \$3,100 in monetary donations and multiple auction items worth more than \$750. A total of 14 staff members volunteered at the Irving Cares food pantry during the month of June. PPAI employees also participated in an American Cancer Society 5k event and helped raise more than \$5,000 for breast cancer awareness.



Management Report

Promotional Products Association International (“PPAI”) is fully accountable for the integrity and objectivity of the financial information contained in the Annual Report. The accompanying financial statements have been prepared on an accrual basis of accounting as required by generally accepted accounting principles, applying informed judgments and estimates where appropriate.

PPAI maintains a system of internal accounting controls that provide reasonable assurance that the assets are safeguarded, and transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

The Board of Directors is responsible for approving the independent accounting firm to be retained for 2020. The vice chair of financial services meets annually with the independent auditors, with the executive vice president and the director of finance and administration, as well as PPAI management, to review accounting, auditing, internal accounting controls and financial reporting matters. Both the Executive Committee and Board of Directors have free access to the auditors.

BDO, USA, L.L.P., independent certified public accountants, have audited PPAI’s 2019 financial statements and issued an unqualified opinion. Management has made available to BDO, USA, L.L.P. all the Association’s financial records and related data, as well as the minutes of the Board of Directors’ meetings.

Paul Bellantone, CAE

President and CEO
 Promotional Products
 Association
 International
 Irving, Texas
 May 2020



Promotional Products Association International
Statements of Financial Position

December 31,	2019	2018
Assets:		
Current assets:		
Cash and cash equivalents	\$ 3,965,586	\$ 6,933,838
Investments	14,009,254	9,713,145
Accounts receivable, net	821,642	1,039,842
Prepaid expenses	4,946,475	5,042,921
Accrued interest receivable	72,420	49,844
Total current assets	23,815,377	22,779,590
Investments, net of current portion		
Property and equipment, net	1,592,459	1,559,026
Total assets	\$ 25,407,836	\$ 24,338,616
Liabilities and Net Assets:		
Current liabilities:		
Accounts payable	\$ 1,028,420	\$ 1,187,809
Accrued expenses	813,810	785,394
Unearned revenue	15,716,347	15,313,366
Total current liabilities	17,558,577	17,286,569
Unearned revenue, net of current portion	-	-
Total liabilities	17,558,577	17,286,569
Commitments and contingencies		
Net assets:		
Unrestricted:		
Undesignated	777,333	973,790
Board designated		
Designated for strategic plan implementation	474,275	579,258
Designated for capital improvements	1,796,728	1,639,294
Designated for contingencies	4,800,923	3,859,705
Total net assets	7,849,259	7,052,047
Total liabilities and net assets	\$ 25,407,836	\$ 24,338,616

Promotional Products Association International
Statements of Activities

Years ended December 31,	2019	2018
Unrestricted Revenue:		
Trade Shows	\$ 11,312,705	\$ 11,042,043
Membership services	10,823,237	10,502,764
Publications	1,384,589	1,379,637
Professional development	712,610	737,331
Public affairs	229,802	202,681
Membership engagement	66,786	79,889
Regional relations	129,994	21,688
Investment income, net	636,982	22,403
Other income	38,788	38,584
Total unrestricted revenue	25,335,493	24,027,020
Unrestricted Expenses:		
Program expenses:		
Trade shows	4,657,746	4,473,567
Membership services	7,488,120	7,181,702
Publications	946,612	920,181
Professional development	1,451,689	1,406,476
Public affairs	667,442	634,891
Membership engagement	518,825	491,599
Regional relations	536,710	472,100
Business development	1,158,465	1,138,268
Industry promotion	1,838,958	1,647,279
Technology	1,184,803	1,129,223
Volunteer administration	222,761	248,454
Strategic plan expenses	171,272	250,000
Total program expenses	20,843,403	19,993,740
General and administrative expenses	3,694,878	3,663,520
Total unrestricted expenses before strategic plan expenses	24,538,281	23,657,260
Change in unrestricted net assets without donor restrictions	797,212	369,760
Unrestricted net assets at beginning of year	7,052,047	6,682,287
Unrestricted net assets at end of year	\$ 7,849,259	\$ 7,052,047



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