Patrick Fitzgerald never considered himself a businessman or an environmentalist, but that was before he revolutionized how people think about recycling. Today, the company he co-founded is helping neighborhoods transform their empty soda bottles, old soup cans and crumpled-up newspapers into cold hard cash. Meanwhile, the business and environmental communities are taking notice.

Fitzgerald, C’97, is president of RecycleBank, a firm that rewards people who recycle by giving them cash vouchers that can be used at local and national retailers as well as participating charities. The more they recycle, the greater their reward. Begun two years ago in Philadelphia, RecycleBank now serves 15,000 households in several states and has plans to carry 250,000 customers by year’s end — some as far away as Atlanta and Houston.

Fitzgerald hit on the idea in 2002 while studying for the bar at Fordham University. At the time, New York Mayor Michael Bloomberg was debating whether to cancel the city’s recycling program to save money. “It struck me as odd that one of the largest cities in the world had recycling trucks that were only a quarter full,” Fitzgerald says. So he thought about what motivated people to perform the time-consuming task. The incentives — legal enforcement, moral obligation and environmental concern — weren’t enough to make recycling economically feasible. “Why not pay them directly to recycle?” he considered. “I didn’t have the business background to know it would succeed, but I had the gut instinct.”

He contacted a high-school buddy who was studying for an MBA, and they drew up a business plan that used sound economic principles in the service of ecological goals. Households receive a monthly monetary credit based on the weight of their recyclables, which is recorded by collection crews using special garbage bins with computer chips. The going rate is $5 for every 20 pounds of recyclables – up to $400 each year. Residents can check online to see how much they’ve earned and then select where to apply their credits.

Fitzgerald’s company contracts directly with municipalities. Towns pay $24 per household, but RecycleBank guarantees that they will save at least that much in disposal fees as waste is diverted from landfills and incinerators. Recycling companies make more money from processing. Participating merchants, from Starbucks to Home Depot as well as local businesses, gain valuable PR by associating themselves with a socially beneficial organization.

Fitzgerald knew the venture would be successful on the very first day. He was touring the original RecycleBank neighborhoods of Chestnut Hill and West Oak Lane when a woman approached him and said, “I’ve been trying to get my neighbor to recycle for years, and this is the first time I’ve ever seen him put out his can.” Five hours after the first can was picked up, RecycleBank got an online order for rewards. Today, 90 percent of households in these two neighborhoods participate in the program, and the recycling rate there is 30 to 50 percent — far higher than the city average of 5 percent.

Although he never set out to be an environmental businessman, Fitzgerald is growing more comfortable with his role as the company grows. In fact, he credits his lack of experience with fostering RecycleBank’s success. “If we were in the environmental industry, we probably would have reused old methods,” he says. “If we were in the business world, we may not have realized the environmental power of our idea.”

—JOSEPH MCLAUGHLIN