The Recycling Partnership

2026 State of Recycling

Part One: Setting the Stage

Observations of the U.S. Residential Recycling System

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Prepared by The Recycling Partnership
Lead Authors: Keefe Harrison, Kate Davenport, Scott Mouw
Contributors: Alli Buchanan, Allison Francis, Anthony Brickner, Andy Payne

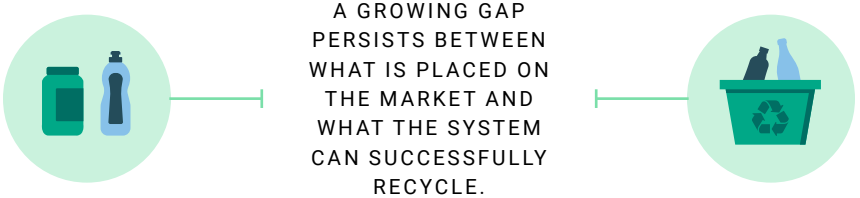
Every few years, The Recycling Partnership releases the State of Recycling Report, sharing the most current data and analysis about the U.S. residential recycling system and profiling opportunities for improvement.

This time, we're releasing the report in phased installments — making data publicly available as close to real time as possible and supporting alignment across policymakers, community leaders, and industry professionals.

This first installment sets the stage. It establishes a shared understanding of where recycling stands today, highlighting signs of positive momentum alongside areas where progress must accelerate. Each subsequent installment will take a deeper look at one requirement of a fully functioning recycling system.

Recycling is critical infrastructure. It supports supply chain resilience and domestic manufacturing while reducing demand for virgin natural resources.

Why This Report Matters Now



A GROWING GAP PERSISTS BETWEEN WHAT IS PLACED ON THE MARKET AND WHAT THE SYSTEM CAN SUCCESSFULLY RECYCLE.

In a world of increasing geopolitical disruption, recycling infrastructure is not an environmental nice-to-have — it is a necessary strategy to protect domestic manufacturing and is vital to keeping the U.S. economy competitive.

Yet a growing gap persists between what is placed on the market and what the system can successfully recycle. Packaging innovation continues to deliver varied formats without sufficient investment to ensure those materials are recyclable, reusable, or compostable. For the readily recyclable streams that are expanding in generation, the system as it functions today cannot adequately recover even half.

Policy is beginning to address these imbalances, but progress will take time. At present, one in five Americans now lives in a state with Extended Producer Responsibility (EPR) laws, and there is continued interest in EPR and other recycling policy at both the state and federal level.

This gap is not recycling failing. It is the system failing to operate in concert. Long-standing misalignment across the recycling supply chain — combined with rising material complexity, weak and volatile demand for recycled content, and uneven access and performance across communities — has produced a system that works in pockets rather than reliably at scale.

The encouraging reality is that the solution is already visible. The pathways to a more resilient, effective recycling system are well understood, and policy is proving to be a powerful accelerator. With coordinated, well-designed policy that aligns packaging design, access, participation, processing, and end-market demand, the pace of change can match the urgency of the moment, transforming recycling into the resilient domestic supply chain that U.S. manufacturing depends on.

The Limits of Voluntary Commitments

Over the past decade, many brands have set voluntary sustainability and recycling commitments, with target dates clustered around 2025. As deadlines neared, more companies acknowledged difficulty meeting their goals. Cost pressures, infrastructure gaps, inconsistent material quality, limited supply, and broader economic constraints have made progress harder across the board, from redesign efforts to recycling outcomes and recycled content targets . Some commitments were delayed, scaled back, or quietly dropped, especially those tied to recycled content.

This confirms a hard truth: voluntary commitments alone cannot deliver the system-level change required at the scale needed.

The retreat from recycled content commitments is particularly destabilizing — it weakens the end-market demand and economics that keep recycling viable. Some companies continue to move forward, but overall accountability has slipped as pressure shifts, economic uncertainty rises, and priorities compete, even as public concern about pollution, human health, and climate impacts remains high, and pressure from states and residents grows.

Meanwhile, packaging formats keep changing, reshaping recycling volumes, sorting costs, and the blended-ton value communities and materials recovery facilities (MRFs) can expect. Early data suggest the composition of the residential recycling stream continues to shift, with some material categories growing significantly while others decline. Detailed generation data will be presented in Installment Two.

CONSTRAINTS HAVE MADE PROGRESS HARDER ACROSS THE BOARD

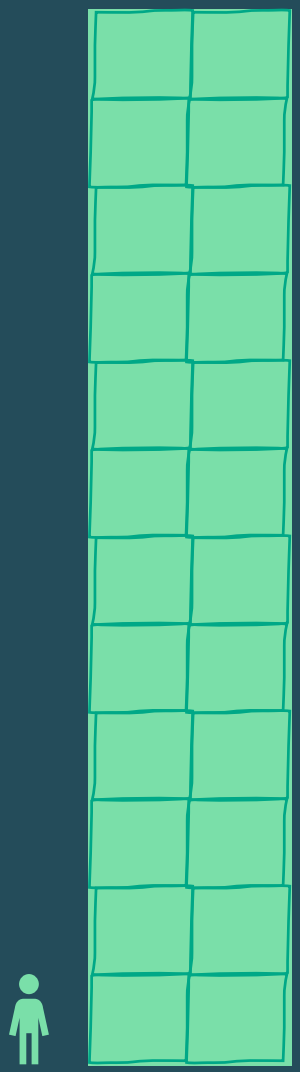
ACCOUNTABILITY SLIPS

PRESSURE SHIFTS

ECONOMIC UNCERTAINTY RISES

What Happens If We Don't Meet This Moment

RECYCLING MARKETS STAGNATE, CRITICAL MATERIALS ARE LOST, AND THE PUBLIC LOSES TRUST IN THE RECYCLING SYSTEM.



Fragile global supply chains and wasted resources put U.S. manufacturing, and the environment, at risk.

If demand does not scale alongside supply, the consequences are no longer hypothetical — they are already beginning to surface.

For some materials the result is oversupply without offtake: recycled materials accumulate with nowhere to go, commodity prices fall below sustainable levels, domestic recycling and post-processing facilities reduce capacity or shut down, communities lose reliable outlets for collected material, and public trust erodes as people hear that “recycling isn't working.” For other materials that have strong demand, the risk is limited supply that undermines end use investment.

In a world of increasing supply-chain insecurity, these failures worsen both economic and environmental outcomes. Valuable materials are discarded rather than conserved, participation remains uneven and contamination stays high, and energy-intensive virgin extraction fills the gap. Emissions rise, costs increase across collection and processing, and domestic circular pathways break down just as U.S. manufacturers need more stable, reliable feedstock.

As EPR programs bring more material into the system, weak end markets amplify rather than solve these challenges. Producers face compliance costs without outcomes. Policymakers face backlash as promised circularity fails to materialize. Recyclers struggle to survive against cheap virgin materials and unstable imports.

A system that collects material but cannot reliably return it to productive use is not circular. It is fragile. And once public trust is lost, it is difficult to rebuild.

What Happens If We Get This Right

OLD MATERIALS RELIABLY BECOME NEW PRODUCTS, WE SEE MEASURABLE, REAL ENVIRONMENTAL BENEFITS, AND HAVE A SYSTEM THAT WORKS.

When policy, procurement, and investment align around strong, predictable end-market demand, the U.S. recycling system can move from uneven progress to success.

With credible demand in place, recyclers invest confidently in North American capacity, infrastructure modernizes and scales with evolving material streams, innovation accelerates across sorting, processing, and manufacturing, supply chains strengthen closer to home, jobs grow in communities nationwide, and materials stay in use — and out of landfills and the environment — conserving precious natural resources. With credible and growing supply in place, companies can make investments in processing and end use infrastructure that ensures materials are returned to manufacturing.

Stable end markets reduce reliance on virgin extraction, lower energy use, and cut greenhouse gas emissions while reinforcing domestic supply-chain resilience. When participation is consistent and contamination drops through clear rules, reliable service, and well-resourced education, the system captures more material at higher quality, lowers processing costs, and delivers the steady feedstock manufacturers need to keep circular pathways working.

Strong demand signals give EPR programs the traction they need to succeed, just as strong supply protects recycling manufacturing. This translates into investments in collection and processing with real circular outcomes, enabling producers to meet commitments with integrity.

Most importantly, they rebuild trust among residents who participate, communities that invest, and policymakers who lead.

This is what a functioning recycling system delivers: old materials reliably becoming new products, measurable, real environmental benefits, and a system that works because all five requirements advance together.

STRONG RECYCLING SUPPLY AND DEMAND SECURES MATERIALS, STRENGTHENS NORTH AMERICAN SUPPLY CHAINS, AND DELIVERS ENVIRONMENTAL PROGRESS.

The Five Requirements of an Effective Recycling System

The U.S. residential recycling system has five core requirements that must be met simultaneously for recycling to work at scale. This framework provides a systems lens for understanding why recycling performs unevenly. Together, the five requirements describe what must be true for recycling to work reliably.

1 **Packaging: 100% of packaging needs to be recyclable.** The packaging that enters the system must be recyclable; and we need clear, harmonized, and transparent standards as to what makes a package recyclable.

2 **Access: 100% of households need access to recycling from their home.** Everyone can dispose of trash, but not every household has access to recycling. For those with access, some locations do not collect, due to varying limitations, all recyclable packaging types thus limiting the amount of recyclable material collected.

3 **Engagement: Residents need to fully engage in recycling.** Recyclable material is lost because some households with access do not receive sufficient engagement and communication to help them use their recycling service and recycle all their recyclables. In an effective system, at least **90% of households are confidently placing 80% of accepted recyclables into collection**.

4 **Processing: Recycling facilities need to effectively process 95% of the material.** Once collected from households, recycling facilities need adequate technology and infrastructure to sort and process different material types.

5 **End markets: Recycling facilities need sufficient end markets.** After recycling facilities sort the various material types, they must be able to sell these recycled commodities. Sufficient end markets for these materials are key to an efficient recycling system and demand for recycled content is key for robust end markets.

The framework makes one truth unavoidable: isolated improvements will not produce the results we all want and need. **Packaging, access, engagement, processing, and end markets must advance together.** For example, access and participation could be high, but without recyclable packaging design or strong end markets, collection efforts would fall short.

What follows is a summary assessment of each requirement. Future installments will examine each in depth.

ONE: PACKAGING

Packaging Must Be Designed to Work in Real-World Recycling Systems

★ **Goal: 100% of packaging needs to be recyclable**

Before recycling comes reduction and reuse, because the most sustainable package is one that isn't made in the first place. But for those that are made, packaging must be designed to work in real-world recycling systems. When materials are incompatible with existing collection, sorting, or reprocessing infrastructure, recyclable materials are lost before they can be recovered. While notable advancements have been made, significant volumes of packaging, particularly plastics, remain non-recyclable, ambiguously recyclable, or misaligned with real-world capabilities. **Designing packaging for recyclability is the most upstream and most cost-effective lever for improving system performance.** When packaging design fails, costs are passed downstream to recycling supply chains, communities, and residents. Progress is visible in rising adoption of recyclable formats, investment in materials supply chain solutions, and EPR-driven momentum around universal collection lists and fee differentials, but the pace must accelerate.

TWO: ACCESS

Recycling Cannot Succeed if People Cannot Participate

★ **Goal: 100% of households need access to recycling from their home**

Roughly three-quarters of all U.S. households have active recycling service today, but gaps remain — especially in multifamily housing and rural communities. Without universal access, recyclable materials are lost before they enter the system. Access is not just about convenience or equity. It determines whether the system can achieve scale. EPR implementation is now actively expanding access at the state level, potentially reaching as many as 3.6 million additional households. Individual cities in non-EPR states also continue efforts to strengthen access, but investment and focus must expand.

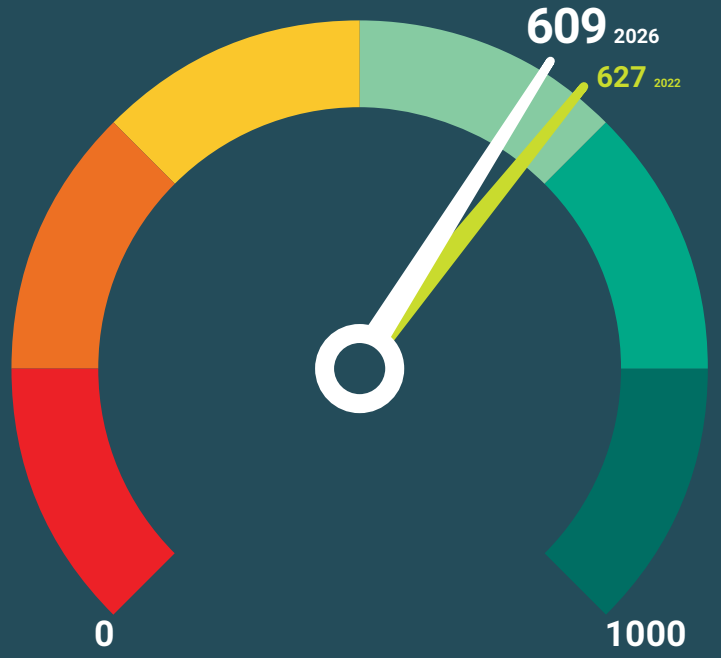
THREE: ENGAGEMENT

Residents Must Fully Engage in Recycling

★ Goal: At least 90% household participation

Many households with access do not recycle consistently or correctly. **Insufficient investment in education and outreach, driven by limited municipal budgets and a disaggregated system, leads to confusing rules, inconsistent messaging, and weakened confidence.** The updated Recycling Confidence Index (effectively recycling's credit score with the public) now stands at 609 out of 1,000, down from 627 in 2022, indicating that public confidence is weakening rather than strengthening. This matters: declining confidence makes sustaining participation more difficult and more costly. Yet the data also reveals readiness for change: 57% of respondents say they want their recycling service to be better, and a clear majority believes their own actions matter. When recycling is easy, consistent, credible, and supported by well-resourced education and outreach, people participate. When it is confusing or unreliable, disengagement is rational. EPR is a historic opportunity to provide the funding and coordination necessary to change this dynamic. The next critical step is to continue proving and scaling what works, so policy turns into higher capture and can deliver the recycling rate improvements needed.

RECYCLING CONFIDENCE INDEX HAS DROPPED FROM 627 TO 609.*



57%

Even with declining confidence, 57% of respondents say they want their recycling service to be better, and a clear majority believes their own actions matter.*

The Recycling Partnership's Recycling Confidence Index 2026

FOUR: PROCESSING

Recycling Facilities Must Effectively Process Collected Material

★ **Goal: Recycling facilities need to effectively process 95% of the material.**

Materials recovery facility (MRF) performance varies widely, but the trend toward modernization is positive. Many widely recyclable materials — including metal cans, cardboard, paper, and bottles — do not experience significant losses during processing. MRFs have made meaningful progress, but opportunities remain, especially as inbound material gets more complex and quality expectations rise. Cross-sector initiatives are already investing in solutions, including equipment upgrades and optical sorting to better separate targeted packaging. The greater challenges often occur earlier, at the point of access and participation, or later, when end markets are insufficient.

Meanwhile, the composition of the residential recycling stream has shifted dramatically: paper has declined from as much as 70% to about 52% of the stream, while the units of single-use packaging has grown substantially, placing new demands on sorting infrastructure even as total tonnage holds relatively stable. **EPR plays a critical role by financing infrastructure upgrades as the stream changes, without placing the full burden on municipal ratepayers. Efficient processing is the bridge between collection and demand.** Without continued investment, gains in access and collection risk outpacing the system's ability to sort and move material to market.

FIVE: END MARKETS

End Markets Must Be Sufficient and Resilient

★ **Goal: Recycling facilities need sufficient end markets.**

Recycling is only real when materials are purchased and used in new products. End-market strength determines whether supply becomes value or risk. Demand for recycled content remains volatile — when it must compete with cheaper virgin materials, it weakens or collapses, even for widely recyclable commodities. Recent price volatility and facility closures for recycled PET are not isolated incidents; they are market signals. PET illustrates this vulnerability clearly. Long considered a success story, it has recently experienced price collapses and even loss of market outlets for MRFs driven by weakened demand for recycled content and periods of overproduction of virgin and import of recycled content that flooded the market and pushed prices down. PET is not an exception — it is a warning signal. EPR is essential for financing collection and processing, and it can have mechanisms to incentivize demand for recycled content. But it is not enough on its own. Complementary demand-side interventions and increased commitments to domestically sourced recycled content is needed. **The system will not work if EPR stimulates increased supply of recyclable material without market pull. Demand is a decisive system stabilizer.**

What 12 Years of Working Across the System Have Taught Us

Progress is not theoretical — it is proven. When partners across the system invest together in strategies that work in the field, recycling outcomes improve.

Since day one, The Partnership has focused on building a better system — not just improving one piece or one place. This is a generational shift: moving from treating critical natural resources as waste to recognizing them as value that strengthens our domestic economy, our environment, and our communities.

That shift requires coordination across lines that too often divide the system: environmental groups and industry, public and private, policymakers across the aisle, and leaders across the recycling supply chain. No single sector can deliver the environmental and economic results recycling promises. The system only works when its partners work in concert.

These observations build on The Partnership's decade-plus experience solving recycling's toughest challenges, together, to show how proven success can scale nationwide.

Four Things Are Clear

1 **First, the five requirements of an effective recycling system are deeply interdependent.** Progress in one area cannot compensate for failure in another. Expanding access without demand increases risk. Improving packaging design without participation limits impact. Investing in processing without market pull creates stranded assets. Stagnated supply dis-incentivizes and endangers end-use investment.

2 **Second, the U.S. recycling system currently lacks a resilient economic foundation.** When demand weakens, the entire system absorbs the shock through lower commodity prices, inability to turn recyclable materials into recycled content, reduced service levels, facility closures, and lost public confidence. When supply fails to grow because education and collection are under-resourced, domestic manufacturing suffers. EPR is in its early stages and is not self-executing. While it can improve parts of the system and includes mechanisms to stimulate demand for recycled content, complementary policy and sustained market action are critical. Without end-market demand, EPR risks expanding supply without ensuring materials have a place to go. In the non-EPR states that cover four out of five Americans, locally financed systems still face a major economic challenge: scaling recycling supply quickly, sustainably, and cost-effectively.

3 **Third, EPR represents a significant advance — one in five Americans now lives in a state covered by a packaging EPR law.** But in many of those states, participation is the biggest gap between policy intent and recycling rate outcomes. EPR can fund education, harmonize rules, and stabilize service, but that doesn't go far enough if households don't participate consistently and correctly. Implementation should prioritize participation as a core performance lever.

4 **Finally, recycling outcomes are inseparable from public trust.** A system that improves on paper but erodes confidence in practice will not sustain participation, political support, or material supply over time.

5 PARTS ARE DEEPLY INTERDEPENDENT

SYSTEM LACKS ECONOMIC FOUNDATION

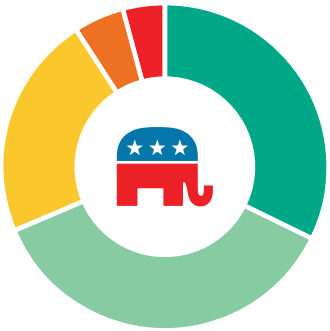
EPR REPRESENTS A SIGNIFICANT ADVANCE

OUTCOMES TIED TO PUBLIC TRUST

The opportunity now is to accelerate what we know delivers results.

Bipartisan Support for EPR is strong.*

Republicans



32% Strongly favor

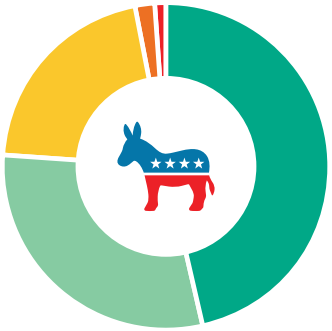
36% Somewhat favor

22% Neutral or not sure

5% Somewhat oppose

4% Strongly oppose

Democrats



47% Strongly favor

30% Somewhat favor

21% Neutral or not sure

2% Somewhat oppose

1% Strongly oppose

Extended producer responsibility or "EPR" laws require companies that sell packaged products to fund the statewide recycling system for those packaged materials. The goal is to improve recycling while saving money for taxpayers. Would you favor or oppose a law like this in your state?

*The Recycling Partnership's Recycling Confidence Index 2026

CONCLUSION

What the Recycling System Needs Most

Strengthening the U.S. recycling system is not about discovering a breakthrough technology or relying on a single policy solution. We know what works. **Lasting progress comes from aligning around shared outcomes, challenging all interest holders to go beyond "business as usual," and sustaining investment across the full recycling supply chain.**

That alignment is already beginning to take shape. Access and participation are increasingly recognized as foundational infrastructure rather than optional add-ons. Demand is emerging as what it has always been: not a downstream detail, but a decisive driver of system stability. And trust can be rebuilt — when communities see materials collected, processed, and reliably turned into new products, confidence returns and participation increases.

The choices made today — by policymakers, producers, recyclers, and investors — can convert proven strategies into system-wide success, ensuring recycling remains not just an impactful solution, but a durable one.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Partnership