Mission/Vision

Our Vision
A trusted marketplace where consumers and businesses prosper.

Our Mission
To educate and protect consumers, promote best practices for businesses, and solve complex marketplace problems.

We do this by:
• Creating and delivering consumer education programs that address scams, deceptive advertising, and subpar marketplace behavior.
• Conducting research that challenges assumptions and delivers new insights about how to address marketplace problems.
• Developing and delivering public information resources and campaigns aimed at empowering the public, including vulnerable populations, to choose better businesses and avoid scams.
• Convening experts and multiple stakeholders to create innovative resources and programs that address marketplace issues.
Letter from the Chair

In 2022, BBB Institute for Marketplace Trust™ (BBB Institute) expanded its efforts to build trust in the marketplace with the goal of enabling consumers and businesses to thrive. Our work is made possible thanks to the support of our strategic partners, the network of Better Business Bureaus serving communities across the United States and Canada, and the International Association of Better Business Bureaus.

BBB Institute made significant progress on fraud prevention efforts this year. We launched an upgrade of our BBB Scam Tracker™ platform in partnership with Amazon and Capital One. The new prevention and reporting tool makes it easier for individuals and businesses to search and report scams. Since the launch of the upgraded platform, reports and traffic to BBB Scam Tracker have increased significantly. We estimate that BBB Scam Tracker enabled people to avoid losing $21.2 million in 2022.

Research continues to be an important part of BBB Institute's work, enabling us to highlight the latest factors impacting trust in the marketplace. We published two timely research reports this year, including the BBB Scam Tracker Risk Report, an annual study that spotlights the riskiest scam types. Our research findings are used to develop timely educational materials aimed at empowering consumers to thrive in the marketplace by learning how to spot scams and choose better businesses.

We expanded our overall reach thanks to the support of our partners. The Fighting Financial Fraud program, supported by the FINRA Investor Education Foundation, reached more than ten thousand people. And we partnered with Amazon to deliver a consumer education campaign aimed at helping people avoid impersonation scams, the most common scammer tactic, according to BBB research. The campaign reached more than 10 million people.

We thank our partners for their support and look forward to continuing our work together in 2023.

Sincerely,

Frank Navratil
Chairman of the Board
BBB Institute for Marketplace Trust
2022 by the numbers:

**BBB Scam Tracker℠**
- Enabled people to avoid losing an estimated $21.2 million.
- More than 2.2 million views to search or report scams.
- More than 40,000 scam reports published.

**Consumer Education Campaign** *Ask Why. Verify.*
- 2.9 million YouTube impressions.
- 8.2 million Facebook impressions.

**Fighting Financial Fraud**
- 272 workshops presented.
- 12,960 workshop participants.

**Military & Veterans Initiative**
- More than 1,000 military workshop participants.
- More than 10,000 subscribers to *Saluting Trust* e-newsletter.

**Research**
- Published two new research reports that reached tens of thousands of people.
2022 Research Highlights

Scammers continually change their tactics to take advantage of new technologies, the latest news, and changes in consumer behavior. To understand how scams are being perpetrated and how they are impacting people, BBB Institute continually monitors and analyzes data submitted to BBB Scam Tracker and publishes timely research. Findings enable BBB Institute to expand its consumer education initiatives aimed at empowering consumers to avoid scams.

- BBB Institute published the **BBB Scam Tracker Risk Report**, an annual report that spotlights the scam types posing the highest risk in the marketplace. The report was based on data submitted in 2021 to BBB Scam Tracker and the BBB Risk Index, a three-dimensional approach to measuring risk (exposure, susceptibility, and monetary loss). The riskiest scam types in 2021 were: Online purchase, employment, and fake check/money order scams.

- **Start With Trust® Online: The 2022 Online Scams Report** analyzes scam types that are perpetrated online to provide new information about which tactics have the biggest impact on consumers and tips on how people can protect themselves from online fraud. The report also highlights new findings about online purchase and impersonation scams.

The percentage of scams reported to BBB Scam Tracker that were perpetrated via online means rose 87% between 2015/2016 (30%) and 2021/2022 (56%)

**Highlights:**

- Impersonating a well-known organization or individual was the top tactic reported by survey respondents.
- According to our survey research, the types of organizations most impersonated by scammers were trustworthy business (50%), employer/recruiter (12%), puppy breeder (11%), certified professional (9%), and government agency (7%).
2022 Program Highlights

Fraud Prevention

BBB Scam Tracker

This year, BBB Institute partnered with Amazon and Capital One, both BBB Accredited Businesses, to help people learn about scams, report them, and avoid losing money and/or personal information by enhancing the capabilities of the BBB Scam Tracker online reporting tool. The updated website makes it easier for people to identify scams and report them while arming partners with more robust data for their fraud-fighting efforts. Launched in November 2022, the new platform is already witnessing a significant increase in reports and overall visitors.

Fighting Financial Fraud

In 2022, we provided digital fraud prevention training to BBB professionals throughout the United States. Following the training session, BBB representatives conducted workshops on how to avoid financial fraud in their communities. A graduation event was held in September, enabling all participants to learn best practices from their peers. Fighting Financial Fraud is made possible thanks to support from the FINRA Investor Education Foundation.
In 2021, BBB Institute concluded a pilot program for our newest program, BBB4Good, which empowers people to choose purpose-driven businesses doing social or environmental good in their communities and across the globe. The program is being launched in six communities in 2023.

Military & Veterans Initiative

According to BBB research, military consumers are more susceptible to scams than non-military consumers. We continue to share our research findings with our partners through BBB Institute’s Military & Veterans Initiative. BBB Institute works with BBBs to deliver consumer education resources, including a free, monthly e-newsletter (Saluting Trust) for military consumers.

Impersonation Scams Campaign

We partnered with Amazon to deliver a digital campaign during the busy holiday season aimed at helping people avoid impersonation scams, the most common tactic used by scammers, according to BBB research. The Ask Why. Verify. campaign garnered more than 10 million impressions.

Building Trust

BBB4Good

In 2021, BBB Institute concluded a pilot program for our newest program, BBB4Good, which empowers people to choose purpose-driven businesses doing social or environmental good in their communities and across the globe. The program is being launched in six communities in 2023.
Financials

Statements of Financial Position (Years ended December 31, 2022 and 2021)

<table>
<thead>
<tr>
<th>Assets</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$294,329</td>
<td>$639,524</td>
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<tr>
<td>Accounts receivable</td>
<td>40,027</td>
<td>20,000</td>
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<tr>
<td>Total current assets</td>
<td>334,356</td>
<td>659,524</td>
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<tr>
<td>Software Development Costs, Net</td>
<td>497,833</td>
<td>-</td>
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<tr>
<td>Total assets</td>
<td>$832,189</td>
<td>$659,524</td>
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</table>

Liabilities

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to affiliate</td>
<td>$417,651</td>
<td>$332,068</td>
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<tr>
<td>Accrued expenses</td>
<td>-</td>
<td>2,537</td>
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<tr>
<td>Total current liabilities</td>
<td>417,651</td>
<td>334,605</td>
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Net Assets

<table>
<thead>
<tr>
<th>Net Assets</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without donor restrictions</td>
<td>414,538</td>
<td>24,919</td>
</tr>
<tr>
<td>With donor restrictions</td>
<td>-</td>
<td>300,000</td>
</tr>
<tr>
<td>Total net assets</td>
<td>414,538</td>
<td>324,919</td>
</tr>
<tr>
<td></td>
<td>$832,189</td>
<td>$659,524</td>
</tr>
</tbody>
</table>

Statements of Activities and Changes in Net Assets (Years ended December 31, 2022 and 2021)

<table>
<thead>
<tr>
<th>Revenue and support without donor restrictions</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and contributions</td>
<td>$713,700</td>
<td>$357,545</td>
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<tr>
<td>Other program revenue</td>
<td>20,000</td>
<td>-</td>
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<tr>
<td>Interest income</td>
<td>2,550</td>
<td>-</td>
</tr>
<tr>
<td>Net assets released from donor restrictions</td>
<td>300,000</td>
<td>117,937</td>
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<tr>
<td>Total revenue and support without donor restrictions</td>
<td>1,036,250</td>
<td>475,482</td>
</tr>
</tbody>
</table>

Functional Expenses

Program services:

Marketplace trust                       | 471,018    | 434,648    |

Supporting services:

Management and general                 | 88,139     | 53,383     |
Fundraising                             | 87,474     | 57,779     |
Total supporting services               | 175,613    | 111,162    |
Total functional expenses               | 646,631    | 545,810    |

Change in net assets without donor restrictions | 389,619   | (70,328)   |

Net assets with donor restrictions

Grants and contributions                | -          | 300,000    |
Net assets released from donor restrictions | (300,000) | (117,937)  |
Change in net assets with donor restrictions | (300,000) | 182,063    |
Change in net assets                    | 89,619     | 111,735    |

Net assets

Beginning of year                       | 324,919    | 213,184    |
End of year                             | $414,538   | $324,919   |
BBB Institute expands its impact by working with partners who share our vision of a trusted marketplace where consumers and businesses can prosper. We seek strategic partners interested in joining forces with BBB Institute. We offer a wide array of partnership opportunities.

The **Corporate Trust Council** is a coalition of select companies that have joined with BBB Institute to foster a marketplace that is trustworthy and accessible for all by providing their expertise, resources, and funding support. These companies share our passion for strengthening better businesses and helping people avoid scams through education. The Corporate Trust Council seeks to:

- Build a community of better businesses by establishing best practices and delivering educational resources.
- Identify new threats to a trustworthy marketplace and create strategies to address them.
- Deliver programs, resources, and tools to protect consumers and build trust between consumers and businesses in the marketplace.

For more information about partnership opportunities or joining the Corporate Trust Council, contact Institute@IABBB.org.