



WE ARE  
OPEN  
FOR BRUNCH  
LUNCH

2021  
ANNUAL  
REPORT



A woman with curly hair, wearing a green apron over a light green shirt, is smiling while talking on a mobile phone. She is also writing in a notebook on a wooden table. The background is filled with various potted plants and shelves, creating a warm, indoor garden atmosphere.

## 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.
- › Developing financial and digital literacy initiatives for the general public and the military community.
- › Convening experts and multiple stakeholders to establish guidelines and best practices.
- › Providing ethics education for students, adults, businesses, and industry associations.
- › Honoring outstanding businesses as marketplace role models.
- › Conducting research that challenges assumptions and delivers new insights about how to address marketplace problems.





## Letter from the Chair

In 2021, the BBB Institute for Marketplace Trust (BBB Institute) worked with Better Business Bureaus (BBBs) across North America to foster and protect a trustworthy marketplace. With the support of our partners, the organization expanded its programmatic offerings and re-invigorated existing initiatives to empower consumers and support better businesses.

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 three timely research studies this year, including the *BBB Scam Tracker Risk Report*, an annual review of consumer fraud data that spotlights the riskiest scam types. Our research findings are used to develop timely educational materials aimed at empowering consumers to protect themselves. These resources are delivered through the network of BBBs across the United States and Canada.

This year we worked with internal and external stakeholders to determine how we could expand the impact of BBB Scam Tracker, our online scam reporting tool. The platform enabled consumers to avoid losing nearly \$31.4 million to scams in 2021 alone. BBB Institute will launch a new-and-improved BBB Scam Tracker in partnership with Capital One and Amazon in 2022.

We conducted a year-long pilot program for our newest program (BBB4Good), which empowers consumers to choose purpose-driven businesses in their communities. While BBB Accreditation validates trustworthy businesses, BBB4Good validates businesses that are integrating social impact into their business plans. This year, 23 BBBs serving communities across the United States and Canada piloted the program's standards and vetting process. The program will be introduced in a limited number of communities in 2022.

We are grateful to work with the network of BBBs that are building trust in the marketplace for consumers and businesses, as well as our incredible partners who fund our mission, and thank them all for helping us expand our impact. We look forward to continuing our work in 2022.

Sincerely,

A handwritten signature in black ink, appearing to read 'MW', with a long horizontal flourish extending to the right.

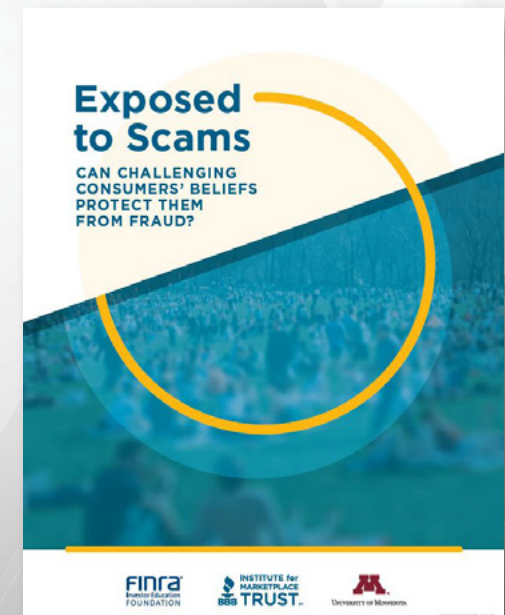
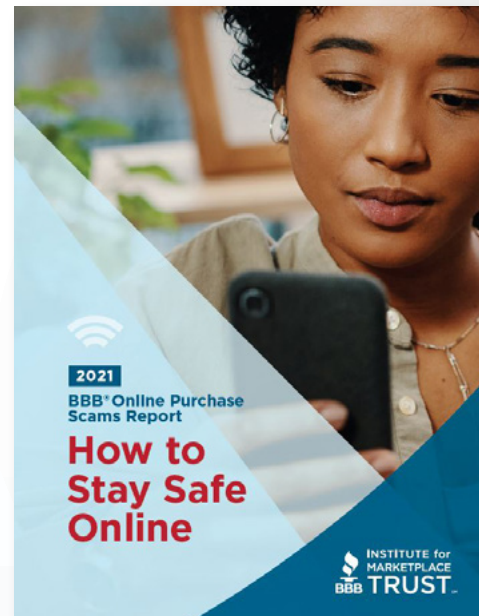
Michael Warburton  
Chairman of the Board  
BBB Institute for Marketplace Trust

# 2021 Research Highlights



Scammers continually change their tactics to take advantage of new technologies and the latest news. For this reason, timely research is critical to learning how fraud is being perpetrated and who is being targeted. 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 2020 to BBB Scam Tracker and the BBB Risk Index, a three-dimensional approach to measuring risk (exposure, susceptibility, and monetary loss). Online purchase, employment, and fake check/money order scams were the riskiest scam types reported in 2020.
- The **2021 Online Purchase Scams Report** was published to better understand 2020's riskiest scam type. Based on BBB Scam Tracker data and survey research, the report highlighted the latest tactics used to perpetrate online purchase scams and tips on how consumers can protect themselves.
- **Exposed to Scams: Can Challenging Consumers' Beliefs Protect them from Fraud?**, is a collaboration between BBB Institute, the FINRA Investor Education Foundation, and the University of Minnesota. The report was based on in-depth, in-person interviews with 17 people and two scammers sharing their experiences with fraud attempts and explores four mental frames — or default ways of thinking about the world — that appeared to play a role in the way the interviewees perceived fraud attempts and whether they lost money to scams.



# BBB Institute Programs

BBB Institute programs, developed in partnership with the BBB network, are focused on fraud prevention and building trust.

## Fraud prevention:

- In 2021, we provided digital **Fighting Financial Fraud** training to BBB professionals throughout North America who learned and shared best practices on how to avoid financial fraud. BBB Institute also worked with participants to create more than 20 scam education videos to expand the impact of the program during the pandemic. Fighting Financial Fraud is made possible thanks to support from the FINRA Investor Education Foundation.
- BBB Institute continued working with a group of BBB experts to determine how to expand the impact of **BBB Scam Tracker**. Built in 2015, the scam reporting platform has had a significant impact. BBB Institute will partner with Amazon and Capital One to rebuild the BBB Scam Tracker platform. The new-and-improved platform will be launched in 2022.
- According to our research, military consumers are more susceptible to scams than non-military consumers. We continued 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 monthly e-newsletter for military consumers.



## Building trust:

In 2021, BBB Institute launched a pilot program with 23 local BBBs to finish development of our newest program, **BBB4Good**. This program empowers consumers to choose purpose-driven businesses doing social or environmental good in their communities and across the globe. Through the pilot, critical information was collected to ensure we are creating a program that meets the needs of consumers and purpose-driven businesses. The program will be launched in a limited number of communities in 2022.





# FINANCIALS

## Statement of Financial Position

Year ended December 31,	2021	2020
<b>ASSETS</b>		
Cash	\$ 639,524	\$ 542,787
Accounts receivable	\$ 20,000	-
<b>Total current assets</b>	<b>\$ 659,524</b>	<b>\$ 542,787</b>
<b>LIABILITIES</b>		
Due to affiliate	\$ 332,068	\$ 329,603
Accrued expenses	2,537	-
<b>Total current liabilities</b>	<b>334,605</b>	<b>329,603</b>
<b>NET ASSETS</b>		
Without donor restrictions	24,919	95,247
With donor restrictions	300,000	117,937
<b>Total net assets</b>	<b>324,919</b>	<b>213,184</b>
	<b>\$ 659,524</b>	<b>\$ 542,787</b>

## Statement of Activities and Changes in Net Assets

Year ended December 31,	2021	2020
<b>REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS</b>		
Grants and contributions	\$ 357,545	\$ 636,879
Net assets released from restrictions	117,937	84,163
<b>Total Revenue and Support Without Donor Restrictions</b>	<b>475,482</b>	<b>721,042</b>
<b>FUNCTIONAL EXPENSES</b>		
Program Services:		
Marketplace Trust	434,648	567,463
Supporting Services:		
Management and general	53,383	72,772
Fundraising	57,779	85,045
Total supporting services	111,162	157,817
Total expenses	545,810	725,280
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>(70,328)</b>	<b>(4,238)</b>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Grants and contributions	300,000	80,000
Net assets released from donor restrictions	(117,937)	(84,163)
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<b>182,063</b>	<b>(4,163)</b>
<b>CHANGE IN NET ASSETS</b>	<b>111,735</b>	<b>(8,401)</b>
<b>NET ASSETS</b>		
Beginning of year	213,184	221,585
End of year	<b>\$ 324,919</b>	<b>\$ 213,184</b>

## Become a BBB Institute Partner – Help Us Build a Trustworthy Marketplace for Consumers AND Businesses

BBB Institute expands its impact by working with partners to empower consumers, particularly vulnerable populations, to safely navigate the marketplace. Join forces with BBB Institute to foster a trustworthy marketplace for all. Together, we'll work to empower consumers and help businesses be better.

BBB Institute offers a wide array of partnership opportunities. In 2021, we introduced the Corporate Trust Council, 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.

*For more information about partnership opportunities or joining the Corporate Trust Council, contact [Institute@IABBB.org](mailto:Institute@IABBB.org).*

### OUR PARTNERS





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