



BBB4Good
Purpose + Profit

Frequently Asked Questions

1. What is BBB4Good?

BBB4Good is the Better Business Bureau's (BBB) program to support and elevate social impact businesses. In partnership with our network of BBBs located in communities throughout North America, BBB4Good works to:

- Empower consumers to identify social impact businesses in their communities by creating an easy-to-use online directory.
- Spotlight, recognize and support organizations that integrate social impact into their business plans.
- Expand the growth of this powerful new marketplace sector via new research and partnerships with like-minded organizations that are providing critical support to social impact businesses.

2. What is a social impact business?

A business, either for-profit or not-for-profit, that pursues purpose in addition to profit. This higher purpose can be social and/or environmental and provides impact that can be measured.

3. Why is BBB involved?

BBB and the BBB Institute for Marketplace Trust (BBB Institute), BBB's educational foundation, launched the BBB4Good initiative to address the growing segment of consumers who wish to spend their dollars with social impact businesses.

4. Why is this program needed?

Research demonstrates that more consumers seek to spend their dollars with socially responsible businesses. As a result, more businesses are integrating social impact into

their business plans to reshape economies and reinvigorate communities. However, more publicly available information is needed.

5. How is BBB helping social impact businesses?

BBB Institute and local BBBs across North America have joined together to help social impact businesses. Our strategy includes:

- Creating an online directory (for both the United States and Canada) of social impact businesses that can be searched by consumers.
- Piloting a local project to determine the viability of validating legitimate social impact businesses, ensuring consumers have the best possible information and preventing other businesses from misleading consumers.
- Recognizing better businesses and entrepreneurs through the BBB International Torch Awards and the BBB Spark Awards.

6. Why BBB?

For more than 100 years, the Better Business Bureau has been recognizing businesses that deliver high-quality service with integrity. Our definition of a better business is evolving. BBB's long-time experience accrediting both businesses and charities and making that information available for the general public—along with its network of BBBs serving communities throughout North America—enables the organization to effectively deliver the BBB4Good program. It makes sense that the next step is to spotlight businesses that are connecting social impact and purpose to their bottom lines.

- BBB's mission is to build a trustworthy marketplace in which businesses and consumers can thrive; BBB4Good continues that tradition.
- Our network of local BBBs enables us to do what's best for the local community.
- BBBs are using their experience working with businesses and nonprofits to support this new sector of the marketplace (the Fourth Sector).

7. What is the Fourth Sector?

The boundaries between the public (government), private (business), and social (non-profit) sectors are blurring. A growing movement is underway that leverages the power of business and markets to solve social and environmental problems. These new organizations make up the Fourth Sector.

8. How are social impact businesses changing the business community?

According to *Forbes* (January 2019), today's companies will be forced to embrace social impact or fall behind and social pressure will encourage companies to speak up about social issues. Several recent studies show that consumers are likely to support purpose-driven companies in a variety of ways. In fact, during the past three years 85 percent of purpose-led companies showed positive growth, while 42 percent of non-purpose-led companies showed a drop in revenue (Conscious Company Media, 2018).

9. How does BBB recognize ethical businesses?

BBB has recognized ethical businesses for many years with the International Torch Award for Ethics. In 2019, we launched the BBB Spark Award, which recognizes business owners 35 and under or business owners of any age operating for less than three years who demonstrate a higher level of character, a culture that is authentic about its mission, and a deep connection with their community.

10. How will you create an online directory of social impact businesses?

The BBB4Good team is collecting data about social impact businesses in communities across North America to provide timely information for consumers. This information will bolster the data BBB already provides about businesses and charities via the BBB.org website. Social impact businesses will have the opportunity to upload their organizations to our platform so consumers can locate them in their communities.

11. Why are businesses tackling social issues as part of their business models?

We believe businesses are uniquely positioned to create massive social change. Businesses drive innovation and wealth. Government does not generate wealth, it regulates it. Nonprofits are dependent on business for creating wealth. Therefore, businesses are in the best position to create impact. Businesses have the choice of serving themselves or offering the dual benefit of making money while serving humanity. Businesses have the power to provide jobs, improve communities, and address critical social issues.

12. What is the difference between corporate social responsibility (CSR) and a social impact business?

CSR is typically focused on attracting positive publicity, attracting and retaining top talent, and improving relationships with consumers and communities. A good example is making a product a certain color and then donating a nominal amount back to a charity or creating an employee volunteer program. But with CSR, these efforts are not integrated into the purpose of the business. A social impact business embeds social impact goals into its business model and the organization's culture so all employees understand their direct role in making a difference for the community.

13. What is the BBB Institute for Marketplace Trust?

The BBB Institute for Marketplace Trust (BBB Institute) is the 501(c)(3) foundation of the Better Business Bureau (BBB). We work with BBBs across North America to build marketplace trust through educational programs that empower consumers and help businesses be better.

Contact BBB Institute

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