



 INSTITUTE for
MARKETPLACE
TRUST™

2018 ANNUAL REPORT



OUR VISION

A trusted marketplace where consumers and businesses prosper.

OUR MISSION

To educate and protect consumers, establish best practices for businesses, and solve complex marketplace problems.

WE DO THIS BY

- › Creating and delivering consumer protection 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

This past year, BBB Institute for Marketplace Trust (BBB Institute) renewed its commitment to work with Better Business Bureaus (BBBs) across North America to foster and protect a trusted marketplace. With the help and support of our partners, BBB Institute expanded our programmatic offerings, re-invigorated existing initiatives to connect with the modern consumer, and released timely and relevant research to address marketplace fraud.

BBB Institute works with local BBBs to deliver programs aimed at educating both consumers and businesses in communities throughout North America. One example is Fighting Financial Fraud, formerly known as Smart Investing, a financial education and scam prevention program funded by the FINRA Foundation. This year, we created two new workshops – Spot the Con and The Red Flags of Fraud – allowing for more flexibility and options to reach new audiences. These new resources, along with increased train-the-trainer opportunities, allowed us to **reach more than 7,000 individuals in 2018 – more than double our 2017 impact.**

BBB Military Line®, our financial literacy program for military service members, veterans and their families **reached more than 8,000 military consumers at local engagement events.**

The BBB Scam TrackerSM program empowers consumers and businesses to report scams in real time via our easy-to-use online tool. Scams reported to BBB Scam Tracker continued to climb and reached a new **milestone of more than 50,000 entries** in a single year. Published scam reports are made available through a searchable database and heat map, providing the general public with timely updates on scams being perpetrated in their communities.

Data from BBB Scam Tracker enabled us to publish our second annual **BBB Scam Tracker Risk Report**, as well as a collaborative piece with the Federal Trade Commission (FTC) titled, **Scams and Your Small Business**. This research

enables us to shed light on the techniques used by scammers, who is being targeted, why people fall for the scammers' pitches, and how they detect or fail to detect a scam.

BBB Institute also launched the BBB4Good Initiative, which aims to empower consumers and provide support and recognition to businesses that integrate social impact into their business plans. Three pilot projects were launched this year giving us critical, practical data we can use to inform our next steps to support social enterprises and socially conscious businesses in new, meaningful ways.

Our other BBB Institute programs continued to expand awareness and educate consumers and small business owners about everything from cybersecurity and online safety, to digital currency and misleading advertisements. BBB AdTruth, which helps consumers recognize and avoid misleading advertising, **launched a new consumer reporting tool that empowers people to report misleading or confusing ads.** Digital IQ, our digital marketplace education program, launched BBB Crypto, a series of articles about bitcoin, blockchain, and investing in digital currency; and #BBBSecure, a series of articles about the importance of website encryption and online safety.

I'd like to once again thank our partners for their unwavering support of our mission, the network of BBBs for the important work they do in their communities every day to foster a trustworthy marketplace, and the small-but-mighty BBB Institute team for exceeding the limits of what's possible with hard work and dedication. We look forward to continuing our growth and innovation together.

Sincerely,

A handwritten signature in black ink that reads "N. LaRusso". The signature is written in a cursive, slightly slanted style.

Nick LaRusso

Chair, Board of Directors

BBB Institute for Marketplace Trust

2018 Highlights

BBB Institute continues to grow and make significant contributions to promoting ethical business behavior and protecting consumers in our increasingly complex marketplace. Here are some of our 2018 accomplishments.

Leveraged feedback from consumers and businesses to publish new marketplace research and tools

- Reports to BBB Scam Tracker surpassed 140K.
- BBB Institute published the *2017 BBB Scam Tracker Risk Report*.
- Partnered with the Council of Better Business Bureaus and the FTC to publish a new report, *Scams and Your Small Business*.
- Released new data and materials about scams affecting military consumers.
- Implemented Google Indexing to expand visibility of BBB Scam Tracker reports and tool.
- Launched new BBB AdTruth reporting tool to empower consumers to report potentially misleading advertisements.





Expanded BBB Institute outreach efforts to empower consumers and businesses

- Published new content about blockchain and cryptocurrencies.
- Published user-friendly content about the Internet of Things.
- Created the #BBBSecure campaign on the importance of HTTPS encryption, secure websites and cybersecurity for small businesses.
- Launched the BBB4Good Initiative to recognize businesses doing good in their communities.
- Launched the new BBB Institute website, including a blog to address key topic areas.
- Led campaigns to grow awareness about the latest scams, financial literacy, socially conscious businesses, digital literacy, cybersecurity, and much more.



Expanded training programs to support local BBB engagement with consumers and businesses

- Offered 13 training opportunities throughout 2018, including one two-day workshop.
- These trainings reached over 90 percent of local, independent BBBs and nearly 400 BBB staff members.
- Engaged more than 7,000 consumers in our Fighting Financial Fraud program through our network of BBBs, supported by the FINRA Investor Education Foundation.
- Reached more than 8,000 military consumers through in-person outreach by local BBBs.
- Instituted an annual feedback and review process to maximize the potential of new and existing initiatives.

FINANCIALS

Statement of Financial Position

Year ended December 31,

	2018	2017
Assets		
Cash and cash equivalents	\$ 69,987	\$ 290,049
Accounts receivable	-	30,000
Due from affiliated organization	18,250	-
Total Assets	\$ 88,237	\$ 320,049
Liabilities and Net Assets		
Due to affiliated organization	\$ -	\$ 224,410
Accrued expenses	-	7,402
Deferred revenue	-	-
Total Liabilities	-	231,812
Net Assets		
Unrestricted	(50,946)	(180,939)
Temporarily restricted	139,183	269,176
Total net assets	88,237	88,237
Total Liabilities and Net Assets	\$ 88,237	\$ 320,049

Statement of Activities

Year ended December 31,

	2018	2017
Unrestricted Net Assets		
Revenue		
Grants & contributions	\$ 699,890	\$ 583,552
In-kind contribution	374,360	595,291
Net assets released from restrictions	248,393	354,628
Total Unrestricted Revenue	1,322,643	1,533,471
Expenses		
Program Services		
Marketplace Trust	936,802	1,130,653
Supporting Services		
Management & general	201,822	282,980
Fundraising	54,026	119,838
Total Supporting Services	255,848	402,818
Total Expenses	1,192,650	1,533,471
Change in Unrestricted Net Assets	129,993	-
Temporarily Restricted Net Assets		
Grants & contributions	118,400	107,216
Net assets released from restrictions	(248,393)	(354,628)
Change in Temporarily Restricted Net Assets	(129,993)	(247,412)
Change in Net Assets	-	(247,412)
Net Assets		
Beginning of year	88,237	335,649
End of year	\$ 88,237	\$ 88,237

Interested in becoming a BBB Institute Partner?

BBB Institute works with companies to empower all consumers, especially those most vulnerable. Join forces with BBB Institute to foster a trustworthy marketplace. Together, we'll give consumers the knowledge and tools they need to make educated decisions about their money and avoid losing it to fraudsters.

We also promote better business practices and provide research, insights and education materials to help small business owners and entrepreneurs foster trust in their communities.

BBB Institute offers a wide array of partnership options. Contact Institute@IABBB.org for additional information.

OUR PARTNERS





Website: BBBMarketplaceTrust.org Email: Institute@IABBB.org Twitter: [@BBB_Institute](https://twitter.com/BBB_Institute)