

BBB®

ANNUAL IMPACT REPORT

2021-2022

Better Business Bureau Serving Minnesota and North Dakota

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Chief Compliance Officer
IC System

Peter Gaetz
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Preferred Credit Inc.

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MT, ND and N. MN
CHS Transportation

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Croptomize

Marcus Hill
Senior Product Manager -
Customer Relationship Management
Best Buy

Tammylynne Jonas
Global CIO
Donaldson

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Golden Valley Supply Company

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Customer Experience Consultant
Total Expert

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Jeffrey Tate, Sr.
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Tate Group/Coldwell Banker Burnet

Kate Nilan Uding
General Counsel
Luther & Landers Automotive Groups

Legal Counsel

Michael P. Sullivan, Jr.
Partner in Charge
Minneapolis Lathrop GPM



David Aafedt

CHAIRMAN, BBB BOARD OF DIRECTORS

On behalf of our entire BBB team, we thank you for your continued support as we wrap up our organization's 110th year.

Our volunteer BBB Board of Directors for FY22 comprised of 29 members, as well as 5 additional individuals who serve on the BBB Foundation Board of Directors. I have been honored to serve on our BBB Board of Directors since 2011, and as its Chair since 2013.

We are extremely proud of the tremendous success we have made in ensuring that our board members reflect the communities and constituencies we serve -- geographically, racially and experientially. And we will continue to do so.

As every one of our constituent member businesses tries to understand what the "new normal" will be, I continue to be impressed by the hard work and dedication of our entire team – board, management and staff. The team has kept its foot on the gas, and an ear to the ground, in an effort to be responsive to our members' needs, and to protect Minnesota and North Dakota consumers.

During the past year, scammers have not taken a break, and neither has our team. Consumers were bombarded by scammers' suspect calls, emails and texts in a desperate attempt to steal identities and people's hard-earned money.

Our BBB was here to support them with our public line, Scam Tracker, and complaint investigation process.

We remain steadfast in our commitment to serving our businesses and consumers, and advancing marketplace trust.





Susan Adams Loyd

CEO, BBB SERVING MINNESOTA AND NORTH DAKOTA

As we lift our heads beyond the pandemic, this is a time of reflection. Both businesses and consumers wonder where the marketplace is headed. This annual report demonstrates how Better Business Bureau has heartily served people across Minnesota and North Dakota especially during this time of uncertainty.

As it has been for over a century, BBB is the leader in building trust, the bedrock of a stable marketplace. Our organizational purpose is to provide information and resources for all, so that the economic engines throughout the service area run as they should.

Over the past year, BBB faced some of the same challenges as did many businesses. However, despite remote work accommodations and the juggling of operational logistics, our devoted staff and volunteers leaned in to these unique circumstances. In fact, services were augmented during this time through virtual meetings, digital platforms, and social media. We launched the BBB Accredited Business Advisory Council to better understand the interests of our members. Updated scam prevention highlighted new twists in old tricks as fraudsters preyed on people's fears of COVID or their confusion on pandemic-related benefits.

And, finally, BBB headquarters fully resumed in-person services. With safety protocols in place and virtual options available, BBB events returned throughout the region. For the first time in two years, we celebrated in-person with winners, scholarship recipients and Accredited Businesses at the Torch Awards for Ethics and served thousands at the BBB booth in the Education Building at the Minnesota State Fair.

BBB's top priority for more than a century is to help businesses and consumers be the most savvy and informed versions of themselves. That would not be possible without your support through membership dues, sponsorships of events and programs, donations to BBB Foundation and purchase of advertising services. Throughout this report, you will see the returns on that investment.



ABOUT US

Better Business Bureau of Minnesota and North Dakota is a not-for-profit organization formed in the early 20th century to protect consumers against unfair, misleading, or fraudulent advertising and selling practices. More than 100 years later, BBB continues to help people make smart and safe buying decisions. Companies that partner with BBB are coached on how to build stronger, more trusting relationships with customers. Accredited Businesses also commit to adhering to Standards of Trust, eight principles that summarize important elements of creating and maintaining trust in business. The BBB network consists of 97 regional offices throughout North America.



Vision

An ethical marketplace where buyers and sellers trust each other

Mission

To be the leader in advancing marketplace trust

We do this by:

- Setting standards for marketplace trust
- Encouraging and supporting best practices by engaging with and educating consumers and businesses
- Celebrating marketplace role models
- Calling out and addressing substandard marketplace behavior
- Creating a community of trustworthy businesses and charities

OUR CORE VALUES

Our core values shape how we behave with our stakeholders in business and the community.

BETTER BUSINESS BUREAU IS

Honest and fair

Accessible and credible

Ethical and responsible

Unbiased and impartial

Knowledgeable and responsive

Respectful of individual and cultural differences





Clockwise from left: Lisa Jemtrud speaking with an expo participant at the Minnesota Keystone Program Celebration. BBB Team members enjoy appetizers at our Annual Board Meeting & Staff Celebration. Bao Vang interviews Black Women's Wealth Alliance CEO Kenya McKnight Ahad. Chad Pedersen chats with BBB Board member John Owens after a board meeting.

Why BBB?

For more than 100 years, the Better Business Bureau has been helping people find businesses, brands and charities they can trust. There are more than 32 million businesses in North America alone, and hundreds of thousands of sites around the world where people shop online. Thousands of free and subscription websites offer a range of information, including reviews, reports, directories and listings. Where can consumers turn to find trusted information?

Start with Trust. Start with BBB.





BBB ACCREDITED BUSINESSES

6,691 Members in Minnesota and North Dakota

384,000 Members in North America

CONSUMER CONFIDENCE

3,970,804 Local instances of service



Employer of Excellence

Better Business Bureau of Minnesota and North Dakota is named as one of the area's Employers of Excellence. The Dakota-Scott Workforce Development Board recognized six area organizations for their employee retention, compensation, and training practices. In these times of numerous workforce challenges, the BBB is proud to be recognized as one of the best employers in the Dakota and Scott County areas.

KEY FACTORS FOR THE ORGANIZATION INCLUDED

High percentage of BBB employees attended training in 2021

High percentage of employees are enrolled in health plan

Initiated Diversity, Equity and Inclusion leadership training

INNOVATIVE PRACTICES INCLUDED

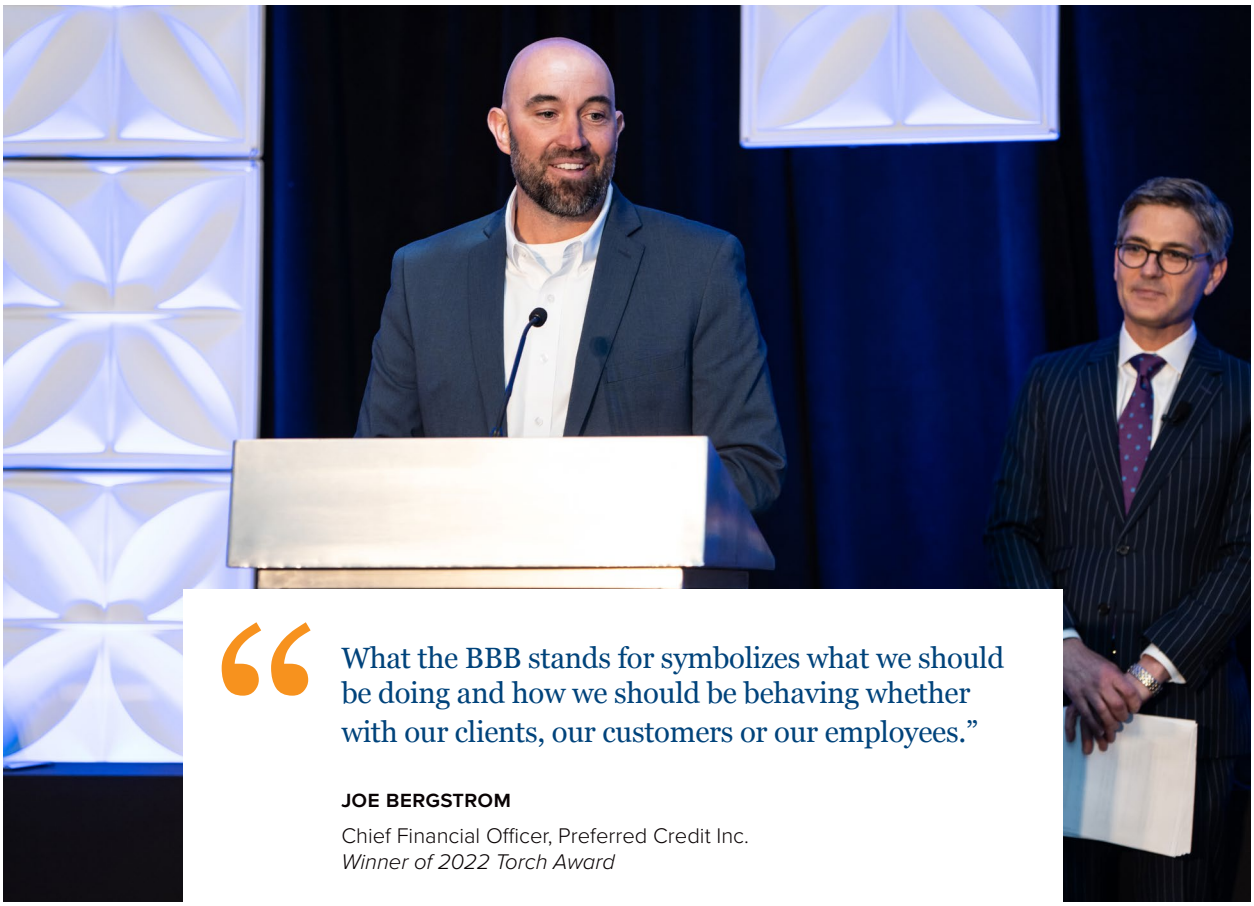
Increased talent pool by broadening their connections in the community especially in communities of color

Examples of new strategic partnerships include Young Professionals of Minneapolis, Black Women's Wealth Alliance, Latino Economic Development Association, and the Small Business Administration

TRUST MATTERS

The Value of Accreditation

BBB accredits the most reputable businesses to become members and set the benchmark for ethical business conduct in Minnesota and North Dakota communities. Companies are reviewed and approved to meet BBB's Accreditation Standards including building trust, advertising honestly, telling the truth, being transparent, honoring promises, being responsible, safeguarding privacy and embodying integrity.



> "What the BBB stands for symbolizes what we should be doing and how we should be behaving whether with our clients, our customers or our employees."

JOE BERGSTROM

Chief Financial Officer, Preferred Credit Inc.
Winner of 2022 Torch Award

6,691
Number of Accredited Businesses

1,063
New Accredited Businesses

87.77%
Overall Retention rate

In a 2022 Value of Accreditation survey, BBB Accredited Businesses shared the impact of their membership.

WHAT THE BBB SEAL SYMBOLIZES

- That we are a **reputable** business
- That we are a **trustworthy** business
- That we are an **honest** business

HOW BBB ACCREDITATION BENEFITS MY BUSINESS

Increases the credibility of my business

Demonstrates integrity in our business practices

Builds customer trust

Enhances my visibility as a reputable business

Shows we care about our customers

CHALLENGES FACING BUSINESS OWNERS

54% Managing costs

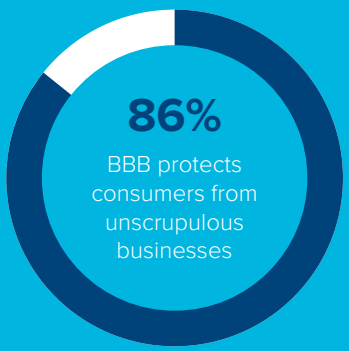
44% Hiring and keeping employees

34% Attracting new customers

32% Growing the business

27% Keeping up with customer demeand

ACCREDITED BUSINESSES AGREE







Key Accounts

Minnesota and North Dakota's largest employers find value in their BBB Accreditation. By linking arms, BBB and its key accounts help build the community of trustworthy businesses.

For every $1 Accredited Businesses invest in BBB generates a $17.06 total estimated return on mission. The contributions of key accounts, and all of our members, enable BBB to provide free programs and services easily accessible on BBB.org and through our local office.

EVERY $1
Accredited Businesses invest in BBB generates

$17.06
Total estimated return on mission

“We are proud to be an Accredited Business with Better Business Bureau. We believe this distinction proves to potential customers that we are a transparent, honest and responsive company they can put their trust in.”

TIM CARTER
General Manager, Richfield Bloomington Honda

Empowering Consumers

Scams undermine trust in the marketplace, distort the level playing field, and siphon money from legitimate transactions that could benefit both businesses and consumers, thus impeding economic growth. Prevention is critical in our effort to reduce the impact of scams on consumers and businesses.







BBB RESOURCE CENTER

BBB's Resource Specialists are trained to listen and support consumers regarding marketplace issues or concerns.

Of the thousands of calls to BBB's public information line in the last fiscal year, we noted 74 instances where consumers were on the verge of falling for a scam. Our specialists actively steered potential victims away from wiring money, sharing personally identifiable information or making a quick purchase without research.

Averted monetary losses reported by those consumers total $430,157.88.

BBB is here to help. Reach us at 800.646.6222.

STATE FAIR

The Minnesota State Fair offers an unbeatable opportunity to provide education and engagement to consumers. In August 2021, BBB team members, Board of Directors and volunteers shared scam prevention education to thousands of visitors throughout the 12 event days.

MEDIA PARTNERSHIP

BBB partners with local media to shed light on current scam trends, how they're perpetrated, who is being targeted and more. In the photo above, BBB is a trusted guest on KSTP-TV's Minnesota Live, which airs at 9 a.m. on weekdays.

BBB Scam Tracker℠

BBB Scam Tracker is an online platform that enables consumers and businesses to search for or report attempted or successful acts of fraud they've experienced. These instances of fraud are reviewed and posted for the public, empowering others to identify scams and avoid losing money.

Visit BBB.org/ScamTracker

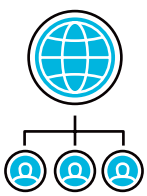
TOP 5 RISKIEST SCAMS REPORTED

- Online purchase
- Cryptocurrency
- Employment
- Home Improvement
- Investment



46,143

Scams reported to Scam Tracker

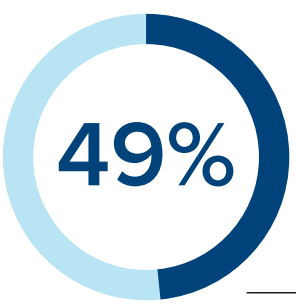


1.6 million

unique visitors to Scam Tracker

$31,300,000

Estimated amount that BBB Scam Tracker helped prevent consumers and businesses from losing to fraudsters in 2021



Visited BBB Scam Tracker to determine whether they were experiencing a scam



$169

Median amount **saved**

START WITH TRUST

BBB Top Five Industries

BBB Business Profiles are some of the most complete company listings online. BBB hosts more than 1 million profiles, which provide a wealth of information to help customers make a positive purchasing decision. Pages include a company overview, rating, reviews, complaints and more. Accredited Businesses customize their listing to showcase their products, services and track record in the marketplace.

5

RANKING	By Inquiries TOTAL: 3.9 MILLION	By Reviews TOTAL: 15,062	By Complaints TOTAL: 24,486
1.	General Contractor	Bed Sales	Electronic Equipment Dealers
2.	Roofing Contractors	Electronic Equipment Dealers	Bank
3.	Collections Agencies	Plumber	Collections Agencies
4.	Construction Services	Roofing Contractors	Department Stores
5.	Plumber	General Contractor	Online Shopping





BBB shares how to spot and avoid scams at FTC's Ethnic Media Roundtable

A Strong Alliance

BBB's story is one of partnerships. Thanks to the support of engaged consumers, the BBB Accredited Business community, the media, law enforcement, government agencies, and other like-minded organizations, we are able to advance marketplace trust.

BBB Strategic Partners

AARP Minnesota

Allianz

Best Prep

Black Women's Wealth Alliance

Burnsville Chamber of Commerce

Coalition Against Marketplace Fraud (CAMF)

Federal Trade Commission (FTC)

Great Metro Automobile Association (GMADA)

Internal Revenue Service (IRS)

Latino Economic Development Center (LEDC)

Minneapolis Regional Chamber

Minnesota Chamber of Commerce

Small Business Administration (SBA)

Small Business Development Centers - Minnesota (SBDC)

St. Cloud Chamber of Commerce

WomenVenture

Young Professionals of Minneapolis (YPM)

Statement of Position

BBB's success is dependent on the success of our Accredited Businesses. The COVID-19 pandemic presented unique challenges for every business. Through mutual support between BBB and Accredited Businesses, we have been able to reinvent our model creating income growth to maintain positive financial performance in FY22.

The primary source of operating income for the organization is BBB Forward advertising sales, membership dues and donations. BBB Forward has increased total income by over 25% from the previous fiscal year accounting for $225,000 of BBB's growth. In appreciation of that support, BBB continues to commit these funds directly into programs that support a healthy marketplace.

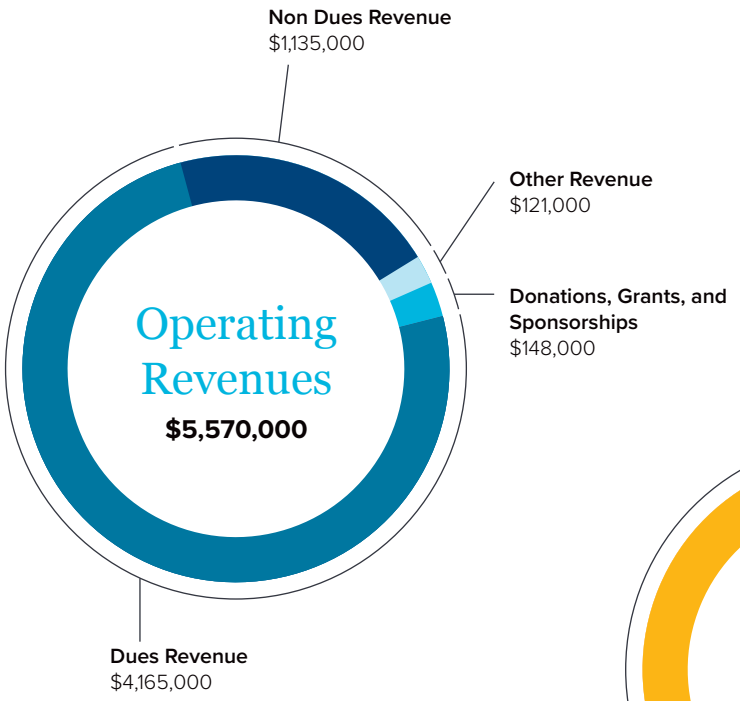
Assets

CURRENT ASSETS	
Cash and Cash Equivalents	$1,152,000
Accounts Receivable	$38,000
Prepaids and other current assets	$139,000
NON-CURRENT ASSETS	
Investments	$1,900,000
Property and Equipment (net)	$2,365,000
TOTAL ASSETS	**$ 5,594,000**

Liabilities & Net Assets

CURRENT LIABILITIES	
Accounts Payable	$35,000
Accrued Liabilities	$265,000
Unearned Income	$1,681,000
Total Liabilities	**$1,982,000**
NET ASSETS	
Without Donor Restriction	$3,420,000
With Donor Restriction	$190,000
Total Net Assets	**$3,610,000**
TOTAL LIABILITIES & NET ASSETS	**$5,595,000**

Statement of Activities





Operating Revenue Above Expenses	**$9,000**
Depreciation Expense	$129,000
Income Taxes	-$28,300
Other Income	$312,000

TOTAL REVENUE ABOVE EXPENSES	**$164,000**

**Preliminary FY22 financial information at time of printing.*

Better Business Bureau Foundation

The Better Business Bureau Foundation is the charitable arm of the BBB serving Minnesota and North Dakota. The BBB Foundation is a 501(c)(3) organization whose mission is to provide education, resources, and training on ethics, as well as prevent marketplace scams targeting at-risk consumers.

WE ADVANCE MARKETPLACE TRUST BY:

1. Providing resources and training on ethics
2. Celebrating marketplace role models
3. Increasing skills for consumers of all ages
4. Serving as a community leader in scam prevention education

Consumer education is critical to empowering people to safely and effectively navigate the marketplace. Knowing about scams and scammer tactics can be a person's best defense in successfully reducing the impact of scams.

IN FY22, OUR CONSUMER OUTREACH INCLUDED:

59
Total activities

111.6M
Consumers in our region received BBB's fraud-prevention messaging through print, broadcast and digital outlets in FY22

9,781
Attendees

19,784
Subscribers of the Capable Consumer, BBB's monthly newsletter

THANK YOU

DONATION HIGHLIGHTS:

$41,462.95

was donated from BBB Accredited Businesses

$10,000

was donated from BBB Board and staff

$60,000

was granted by Allianz, a long-time supporter of our mission, to fund scam prevention education initiatives

Foundation Board of Directors

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Barry Kirchoff
Director, Central Region
Small Business Development Center

VICE CHAIR

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Director of Development
Jeremiah Program

TREASURER

Karl Battle
Software Engineer
C. H. Robinson

SECRETARY

Rand Park
Senior Lecturer
Carlson School of Management
University of Minnesota

Kristin Stamman
Vice President
Twin Cities Siding Professionals

Susan Adams Loyd
CEO
BBB Serving Minnesota and North Dakota

Lisa Jemtrud
VP Community Relations
BBB Serving Minnesota and North Dakota

BBB Torch AWARDS for Ethics℠

The BBB Torch Awards for Ethics recognize marketplace role models that demonstrate an outstanding commitment to ethics and integrity in all aspects of their operations.

Torch Award winners received recognition for being a leader of ethics in business.


A


B


C


D


E

2022 TORCH AWARD WINNERS

A - Starkey

B - AM-PM Automotive Repair

C - Preferred Credit Inc.

D - Flooring Expo by Carpet King

E - Legacy Restoration

2022 TORCH AWARD FINALISTS

A Ran Music Service

Dakota Home Care, Inc.

It's Just Lunch Minneapolis

Minnesota Home Improvements

Ungerman, Inc.

Students of Integrity Award

BBB recognizes high school students who demonstrate a superior understanding of ethics, demonstrating character, leadership and ethical values. Congratulations to the recipients!

2022 STUDENTS OF INTEGRITY AWARD RECIPIENTS

Ally Kalinsky
Maple Grove High School

Amber Findlay
Wheaton Area High School

Jackelyn Ong
Mahtomedi High School

Kaitlyn Kirchner
Lake Crystal Wellcome Memorial Secondary

$5,000

At the Torch Awards ceremony, Starkey CEO Brandon Sawalich surprised the scholarship recipients with a match — doubling the BBB Scholarship to $5,000 each.

Scholarship Sponsors

Becker Furniture

North Star Resource Group

Preferred Credit Inc.

Spire Credit Union



Connect with us.

Facebook likes
6,496

Twitter followers
3,740

Instagram followers
4,938

LinkedIn followers
858

Youtube subscribers
552

BBB.ORG/MINNESOTA
800.646.6222