



The Community Seal, a Dagda Certified Social Impact Company.

"I believe in the power of collective impact -- where all citizens come together to understand, invest, and collaborate to solve problems and build a stronger community. That's why we started The Community Seal." Leslie Hartog, Co-founder and CEO of The Community Seal

The Community Seal -- Executive Summary

The Community Seal is a for-profit membership network that connects non-profits with businesses and individuals committed to investing in their communities through charitable giving and volunteerism. The Community Seal makes communities and businesses stronger through the power of collective impact where citizens come together to understand, invest time and money in, and collaborate to solve problems in their community.

With The Community Seal platform, non-profit members receive the resources and support they need, and businesses and individuals strengthen their company and personal brand equities and networks to realize a return on their community investments while doing good. Non-profit members tell their stories, communicate immediate needs, raise money and social support with on-line fundraising and volunteer campaigns. Business and individual members have one place to go to learn about community needs, find different and easy ways to give back, track their giving and volunteering, and grow their network and brand awareness with a large audience of people that deeply value their community involvement.

The Community Seal pioneered the trust mark "seal of approval" in giving for small and medium sized businesses and individuals. As Community Seal members, businesses and employees can better understand the needs in their community and how to help while building brand equity value as a company that gives back. Recent research shows that 92% of consumers have a more positive image of a company, and 87% would switch brands if they know a company gives back. 97% of employees feel a stronger sense of loyalty to a company when they support an issue important to them. Our business members know that supporting communities where you operate and do business is just good business.

The Community Seal is a globally scalable organization through its web-based, community-focused memberships. Our brand will be nationally and globally recognized and trusted through membership growth, key community partnerships, community events, social media, app and web-based publicity, and expertise in the non-profit sector.



The Community Seal – A Social Impact Company

Dagda Certifies The Community Seal as a Social Impact company based on the following globally accepted Social Impact principles outlined by the Global Impact Investing Network (<https://thegiin.org/>).

- Community Development
- Capacity Building
- Generate Funds for Charitable Giving
- Equality and Empowerment
- Income/Productivity and Growth
- Access to Education
- Access to Financial Services

The Community Seal's mission and entire reason for existing is to create stronger communities and greater social impact through collective giving and community investment. Many of the social impact principles are embodied in the Community Seal pledge, taken by their business members and by Community Seal's executive team, that shows their commitment to how they do business. It is a declaration that compels them to consider their actions and their impact broadly and to lead responsibly. It reflects their deep belief that investing in creating sustainable communities is everyone's responsibility and is just good business.

Community Seal Pledge

As a Community Seal Business and a responsible citizen, we pledge to:

- Act with integrity, honesty, decency, and consistency.
- Respect the rights and diversity of our employees, customers, and people throughout the world.
- Seek a broader understanding of issues to better address the needs and concerns of our local and global communities, the environment, and our employees.
- Invest time and resources for a positive impact on the communities where we live and do business.
- Encourage and support a workforce that is involved in their global and local communities through giving and volunteering.
- Acknowledge our responsibility to and strive to minimize our negative impact on the environment.
- Participate in the Community Seal network to create collaborations and share socially responsible business practices for a greater, sustainable impact.

As such, we pledge to give back a portion of profits to the local communities in which we operate.



Community Development

The United Nations defines community development as "a process where community members come together to take collective action and generate solutions to common problems." It is a broad term given to the practices of civic leaders, activists, involved citizens and professionals to improve various aspects of communities, typically aiming to build stronger and more resilient local communities. Community development seeks to empower individuals and groups of people with the skills they need to effect change within their communities. These skills are often created through the formation of social groups or networks working for a common agenda.

The very nature of the Community Seal's mission is the development of communities with a platform that facilitates collaboration among citizens from all sectors and the effective transfer of resources to collectively solve community problems. All aspects of the Community Seal's business model represent the interests of the communities the organization serves. The Community Seal network brings together and empowers all citizens who are committed to solving problems and making their community stronger. Non-profits connect directly with community investors to get the resources they need. Businesses and individuals realize a greater social and business return on their community investments as they learn about issues and ways they can help that align with their mission, skills, and available resources.

Capacity Building

Capacity building is the process by which individual and organizations obtain, improve, and retain the skills and knowledge needed to do their jobs competently. Community capacity building is a conceptual approach to social, behavioral change and leads to infrastructure development. It focuses on understanding the obstacles that inhibit people, governments, international organizations and non-profits from realizing their development goals while enhancing the abilities that will allow them to achieve measurable and sustainable results. The term community capacity building emerged in the lexicon of international development during the 1990s but is included in the work of community foundations, non-profits, and organizations that facilitate collaboration among sectors to obtain resources and solve community problems.

The Community Seal is built on the belief that communities are stronger when its citizens give back, and businesses are stronger when they support the communities where they and their employees live, work, and play. The Community Seal platform and network are designed to build community capacity by generating more resources, creating collaborations and more involved citizens for non-profits and community initiatives.

Small and medium-sized businesses are not realizing returns from philanthropy because they: are reactive and not strategic donors; are unclear on where to donate to make the biggest difference; and lack public awareness of their philanthropy. Without trusted relationships with local non-profits and no giving policies, businesses are often unaware of community needs and



give to big-name non-profits (where the need or societal results may not be the greatest or may not align with their goals) hoping to receive public awareness. However, most small and medium-sized businesses do not track or market their own philanthropy and receive very limited public exposure from the non-profits they support.

Similarly, small and medium-sized nonprofit businesses struggle to obtain available resources in the community because they: have relationships with a very limited set of donors; rely on labor-intensive and unreliable fundraising efforts; and have low public awareness of their brand and their work. With limited staff and budgets to recruit and retain donors and stiff competition for foundation grants, small and medium-sized non-profits are often not able to obtain the resources they need to strengthen their brand and grow and sustain their business and their impact.

Community Seal aims to eliminate these obstacles and make it easier for businesses and individuals to invest in their community in meaningful ways and for non-profits to obtain the resources they need to solve community problems and build community capacity.

Equality and empowerment

Minority-owned businesses

The National Minority Supplier Development Council (NMSDC), in partnership with The Institute for Thought Diversity (ITD), researched the effects of their nearly 12,000 certified minority-owned businesses on the U.S. economy and released their findings in an Economic Impact Report. The report revealed that these MBEs produce over \$400 billion dollars in annual revenue and actively employ, either directly or indirectly, more than 2.2 million people. Additionally, minority-owned businesses contribute close to \$49 billion in local, state and federal tax revenues. "It is estimated that minorities will be the new majority in the next 30 years," said NMSDC President Joset Wright-Lacy. "Attention must be placed on the growth and sustainability of a younger, multiracial population as they become the foundation of the American economy. If minority businesses are not growing and succeeding, the U.S. economy and the global economy will be negatively impacted."

Women-owned businesses

According to the Center for Women's Business Research, the 8 million women-owned U.S. firms have an economic impact of \$3 trillion that translates into the creation and/or maintenance of 23 million jobs, 16 percent of all U.S. jobs. These jobs not only sustain the individual worker, but contribute to the economic security of their families, the economic vitality of their communities and the nation. The significance of the economic impact of \$2.86 trillion proves that women-owned firms are not small, niche market players but are major contributors to the overall economy.



Small businesses

According to SBA's Office of Advocacy, 99.7 percent of all employer firms are classified as "small businesses (less than 500 employees);" small businesses employ 51% of all people; have generated nearly two-thirds (64%) of net new jobs over the past decade and a half; and produce 13 times more patents per employee than large patenting firms. However, in most public conversations and in most people's minds, the important players in the economy are the large corporations – which only account for .03 percent of all firms and employ fewer people than small businesses do in total. This research illuminates the economic reality and calls for changing the conversation at a policy level and in the public sphere.

The Community Seal's and its members' commitment to diversity and responsible business practices is reflected in the Community Seal Pledge to:

- Act with integrity, honesty, decency, and consistency;
- Respect the rights and diversity of our employees, customers, and people throughout the world;
- Seek a broader understanding of issues to better address the needs and concerns of our local and global communities, the environment, and our employees; and
- Encourage and support a workforce that is involved in their global and local communities through giving and volunteering.

Adherence to this pledge in the business practices of Community Seal and its members serve as an example to communities at large. Many communities and non-profits serving those communities struggle to resolve critical community issues related to minority populations. The Community Seal platform, tools, and services are designed to enable non-profit, business, and government sectors to better collaborate and invest resources for a greater, collective impact on these issues.

The Community Seal is 50% female owned, and a woman's idea was the genesis of the company. Leslie Hartog, the co-founder, has lead the team from inception, bringing the company from concept to reality and into the marketplace. Dagda believes strongly that Leslie will continue to inspire many women entrepreneurs to follow their dreams and become socially-conscious entrepreneurs. The Community Seal, being a woman-owned company, also has progressive policies on hiring and employing women. The positive effect of empowering women and achieving gender equality requires intentional actions and deliberate policies. The Community Seal's management is committed to the following initiatives:

- Measure and report on women in leadership roles
- Require men and women to be on interview and vendor panels
- Roll out parental leave that gives fathers and parents of adopted children the same amount of leave as mothers (provided they are the primary caregiver)
- Roll out healthcare benefits to cover same sex partners



Generate Funds for Charitable Giving

In 2016, total giving in the United States was \$390 billion, representing 2.1% of Gross Domestic Product. Additionally, over 25% of Americans volunteered 7.9 billion hours in 2015, valued at \$184 billion. 72% of charitable donations are from individuals, and only 5% are from corporations and corporate foundations. In 2016, per capita giving by individual adults reached \$1,155 or \$2,240, remaining at about 2% of disposable income for households. Corporate giving as a percentage of pre-tax profits was steady at 0.8%.

Several converging and significant generational and technological trends are fundamentally changing giving. In the coming years, the Gen X and Millennial generations stand to inherit \$40 Trillion in wealth. These generations, who are or soon will be the new major donors and business owners/executives, give in very different ways than their parents and grandparents. They give on-line and through apps and social media and tend to want to be more engaged in community issues with a hands-on approach to their giving.

Currently, 11% of total giving in the U.S is from Millennials. About 60% give to charity now but in smaller amounts. Over half already give on-line, compared to 27% of older generations. Almost 20% gave through crowd-funding, and almost 60% expect to in the next year. On-line giving is currently 6% of total giving, growing at a rate of 13% annually.

According to Wired Magazine, we are currently in the Network Age with numerous networks emerging for like-minded people to connect and collaborate – LinkedIn, Twitter, Pinterest, Meetup, and more. The networks you belong to help to define who you are as a person or a company. Networks around education are expected to see tremendous growth to address the challenges with our education system. Networks around community-building will also become ubiquitous as younger generations look to become more engaged in their local communities through on-line tools and social media. Movements such as “Buy Local”, “Buy One, Give One”, social impact marketing, social entrepreneurship, and Give Back programs like Amazon Smile are also changing consumer patterns and expectations.

The Community Seal’s platform, tools, and services are a systemic solution that leverages the trends in on-line giving, community involvement, and collaborative networks to grow charitable giving and community involvement. Growth in charitable giving and volunteering is expected and can be measured as business and individual members more easily understand the needs in their communities and how to help. Businesses and non-profits grow awareness and public trust as Community Seal members with the trust mark seal, promotions, and sponsored community events. As the network expands to other communities, charitable giving and community engagement from businesses and individuals will grow and become sustainable.



Access to Education and Financial Services

Access to a proper education in the 21st Century is one of the cornerstones of self- sufficiency and of joining society as a productive and adjusted member. In 20 years, today's children will be professionals, with knowledge and skills that were acquired through years of education. Today's out-of-school and poorly educated children, many of whom are girls, will wonder why we allowed them to slip through the cracks. Without access to proper education, their future opportunities are dramatically limited. If schooling unlocks the gate to a bright and successful future, a childhood bereft of education erects nearly insurmountable barriers.

Access to basic financial services; owning a bank account, managing household finances, and being able to save for the future are critical to success in the modern American economy. Working families need bank accounts to conduct the transactions of daily life, however nearly 10 million U.S. households lack this basic financial tool. Account ownership is also critical to saving for short-term emergencies, and for establishing credit history to access consumer, home mortgage, and business credit. A bank account can help low-income families plan better financially and save for the future. In addition, low-income families need better mechanisms to foster savings for important life events, including buying a home, sending their children to college, or retirement.

The Community Seal builds collaboration and facilitates greater community investment to solve important community issues. Companies that are committed to giving back understand how important issues like equitable access to education and financial services are to fighting issues like poverty, homelessness, and health. Through the Community Seal network and community events, businesses, their employees, and community leaders take leadership roles and contribute funds and volunteer hours to developing sustainable solutions.

Income/productivity and growth

Economic growth is widely understood to have substantial benefits for communities. Economic growth is vigorously pursued by all levels of government as they recognize that growth creates new and better jobs, higher incomes, a stronger local economy and tax base, and a more vibrant community. It provides residents with greater prosperity, jobs, and improved chances for a better quality of life. New economic development helps finance improved community services. New economic development and growth provides significant benefits. These benefits contribute to a better quality of life for all residents. Productivity is the total amount of output (or income) generated in an average hour of work. As such, growth in an economy's productivity provides the potential for rising living standards over time.

Community Seal's mission to strengthen communities by growing community investment and solving issues promotes business success and economic growth. People and businesses are drawn to communities that invest in themselves, demonstrating things like a track record of public-private partnerships, a vibrant downtown, and a deeply engaged community. Research



indicates that communities with a higher level of “attachment” and engagement have a higher local GDP. Stronger communities mean stronger businesses.

Businesses that understand this are playing an increasingly significant role building stronger communities where they do business by investing time and resources to help solve complex issues. Growth in Community Seal business giving, community engagement, strategic sponsorships, and employee volunteering deliver returns to the social sector and significant value to both the businesses and the community. At the same time, non-profit members create sponsorship and partnership opportunities that align with goals and values of local businesses. They have more resources to solve socio-economic community issues that further promote growth and strong communities.