



FOR-BENEFIT DEVELOPMENT GUIDE

An economic development guide to support the growth of for-benefit organizations in your community.

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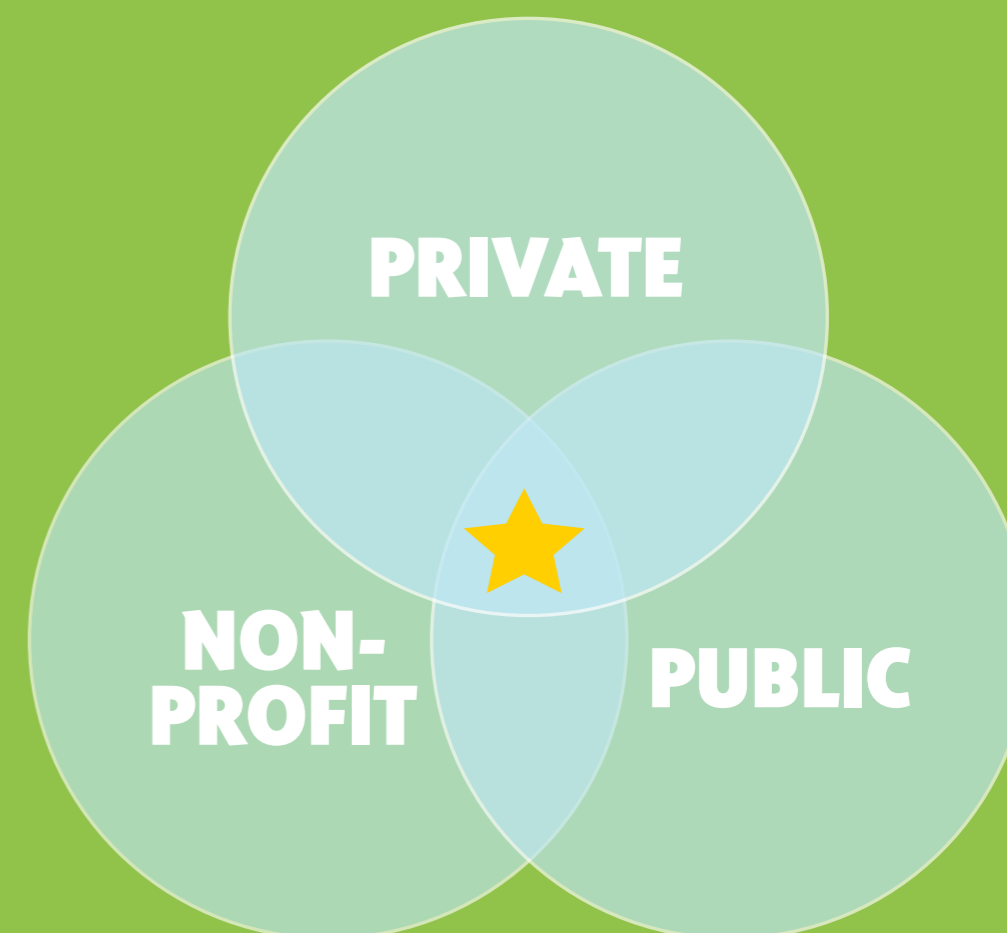
LifeCity,™ LLC produced this guide as a way of sharing lessons learned from its experience as the backbone organization facilitating for-benefit development in Louisiana. It is a resource for other communities that also want to foster for-benefit development.

FOR-BENEFIT DEVELOPMENT:

For-benefit development recognizes the costs of social and environmental problems not measured in traditional economic development. In this development model, the public, private, and non-profit sectors work together to create financial value for a community through social and environmental impact over the long-term.

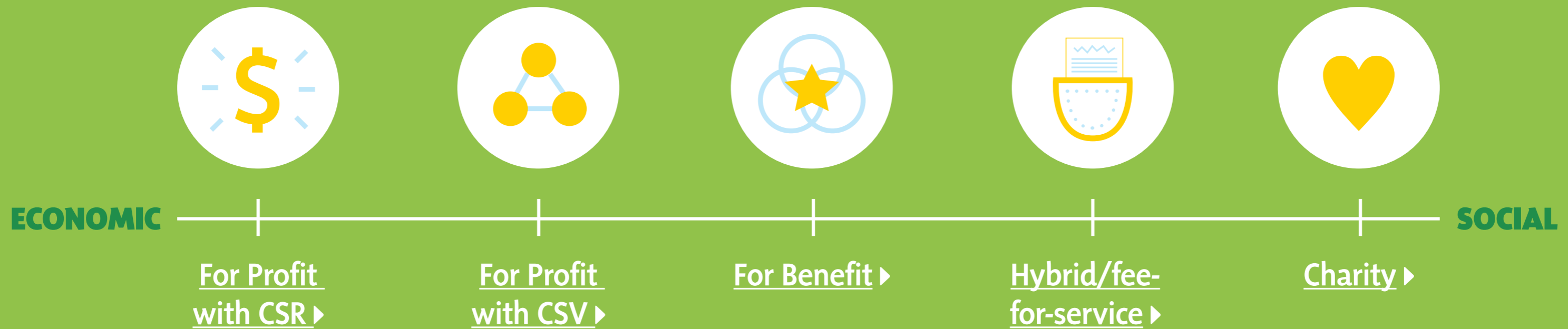
FOR-BENEFIT DEVELOPMENT

- Creates economic wealth while improving social and environmental outcomes
- Measures and integrates multiple forms of wealth in a community (economic, social, and environmental value)
- Leverages market-driven strategies (revenue generation), reducing dependency on outside funding (i.e. grants/government) to sustain investment
- Engages community stakeholders in a collaborative (not "top down") process
- Seeks to grow and strengthen for-benefit organizations



**Learn More about for-benefit development
& the impact economy ▶**

ORGANIZATIONAL IMPACT SPECTRUM



For-benefit organizations solve social and environmental problems through market-based strategies, optimizing social, environmental, and economic resources. All types of organizations can support their growth.

The Organizational Impact Spectrum above shows how all organizations with a wide range of missions can positively impact their communities. **See more details!**

WHY SUPPORT FOR-BENEFIT DEVELOPMENT?



**MORE COST
EFFECTIVE**



**COMPETITIVE
ADVANTAGE**



**ROI FOR YOUR
ORGANIZATION**

MORE COST EFFECTIVE

Current accounting systems do not adequately measure social and environmental costs.

“Green energy initiatives have the potential to save the U.S. economy an average US\$450 million per year for every US\$1 billion invested.”

– [EU Institute for Environmental Studies](#)

“The overall costs and risks of climate change will be equivalent to **losing at least 5% of global GDP each year**...in contrast, the cost of action...can be limited to around 1% of global GDP each year.”

– [Stern Review: The Economics of Climate Change](#)

Box 10.9 Documented returns on environmental investment

Many large economic sectors depend heavily on natural resources and ecosystem services, including agriculture, timber and fisheries. Therefore, **investment in protecting environmental assets has the potential to generate tangible economic returns**. Pearce (2005) reviewed 400 efforts to quantify such returns. Using conservative assumptions, the following benefit-cost ratios were documented:

- Controlling air pollution: 0.2:1 – 15:1
- Providing clean water and sanitation: 4:1 – 14:1
- Mitigating natural disaster impacts: up to 7:1
- Agroforestry: 1.7:1 – 6.1:1
- Conserving mangrove forests: 1.2:1 – 7.4:1
- Conserving coral reefs: up to 5:1
- Soil conservation: 1.5:1 – 3.3:1
- National parks: 0.6:1 – 8.9:1

Under alternative assumptions, taking into account longer-time frames and broader impacts on poor populations, even higher rates of return were found.

UNEP Global Environmental Outlook 4, p490 ▶

COMPETITIVE ADVANTAGE

Consumers demand transparency and social and environmental impact, for-benefit development keeps you on the cutting edge of the shifting market-place.

“ More than 8-in-10 [consumers] consider CSR when deciding what to buy or where to shop (84%) ”

– [Sustainable Brands](#)

“When companies support social or environmental issues, consumer affinity overwhelmingly surges: 93% of global citizens will have a more positive image of that company, 90% will be more likely to trust that company, 88% will be more loyal (i.e., continue buying products or services), which products and services to recommend to others (82%), which companies they want to see doing business in their communities (84%)”

– [Sustainable Brands](#)

“Despite high unemployment rates and low wages, **millennials are willing to spend more for products that are environmentally friendly.** Just over the span of one year, millennials willing to pay more for products and services from companies committed to positive environmental and social change increased from 55% in 2014 to 72% in 2015”

– [Georgetown Environmental Law Review](#)

ROI FOR YOUR ORGANIZATION

Consumers demand transparency and social and environmental impact, for-benefit development keeps you on the cutting edge of the shifting market-place.

“When values of the organization are aligned with values of the individual, it guarantees superior levels of involvement and results in greater levels of accountability, trust, innovation, and performance.”

– [Hewitt Associates](#)

“Those [millennials] likely to remain longest share their organization’s values, and are more satisfied with its sense of purpose and support of professional development”

– [The 2016 Deloitte Millennial Survey](#)

“Productivity is increased when workers understand why their contributions matter and what value they add to the organization.”

– [Strategic Alignment with Goals 101: Eleven FAQs Answered](#)

LIFECITY'S™ MODEL

FUNDAMENTALS

1. **Backbone organization** established to coordinate, facilitate and guide for-benefit development
2. Steering Committee formed from backbone organizations representing each priority impact area (water, workforce, etc.)
3. Plan for both ecosystem and organizational levels to support for-benefit growth through collective impact
4. Plan is implemented, evaluated, and modified over time

See how this model is working, check out the Value Louisiana™ Initiative ▶

More information on collective impact ▶



STEP 1: IDENTIFY A BACKBONE ORGANIZATION

Establish a backbone organization, such as LifeCity,™ to drive, coordinate, facilitate and guide this initiative.

FUNDAMENTALS

See if these types of backbone organizations exist in your community already and could help lead for-benefit development (should have staff member dedicated to for-benefit development for success):

- A local chamber of commerce or business association
 - written into law or long-term plan or else this becomes a precarious commitment)
- A local non-profit that has a membership base or customer base of sustainable or “for-benefit” organizations or related mission
- A for-benefit organization whose mission is to drive for-benefit development
- A sustainability department within government (ideally with mission longevity



Check out LifeCity's™ website for an example of a backbone organization ►

STEP 2: FORM A STEERING COMMITTEE

The backbone organization first task is to organize a steering committee, which should include Impact Area Leaders (other backbone leaders of different sectors of this effort)

PURPOSE: Uniting a network of backbone organizations who believe in for-benefit development.

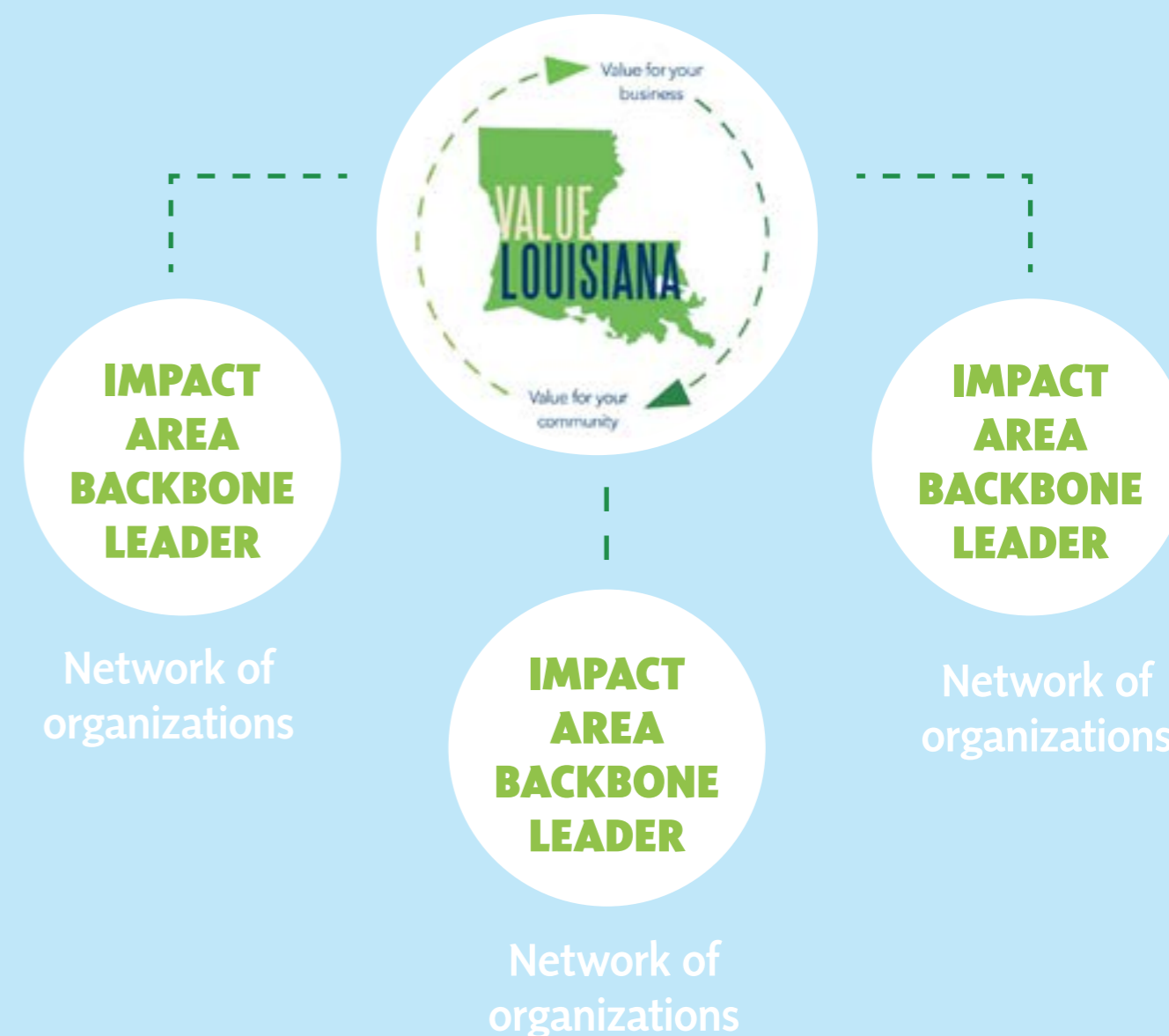
MAIN ACTIVITIES:

- Approving metrics of impact
- Sharing and aligning resources
- Policy advocacy for for-benefit development
- Building public awareness
- You decide!

Learn how to form your own steering committee ▶

See Value Louisiana's™ current committee ▶

STEERING COMMITTEE



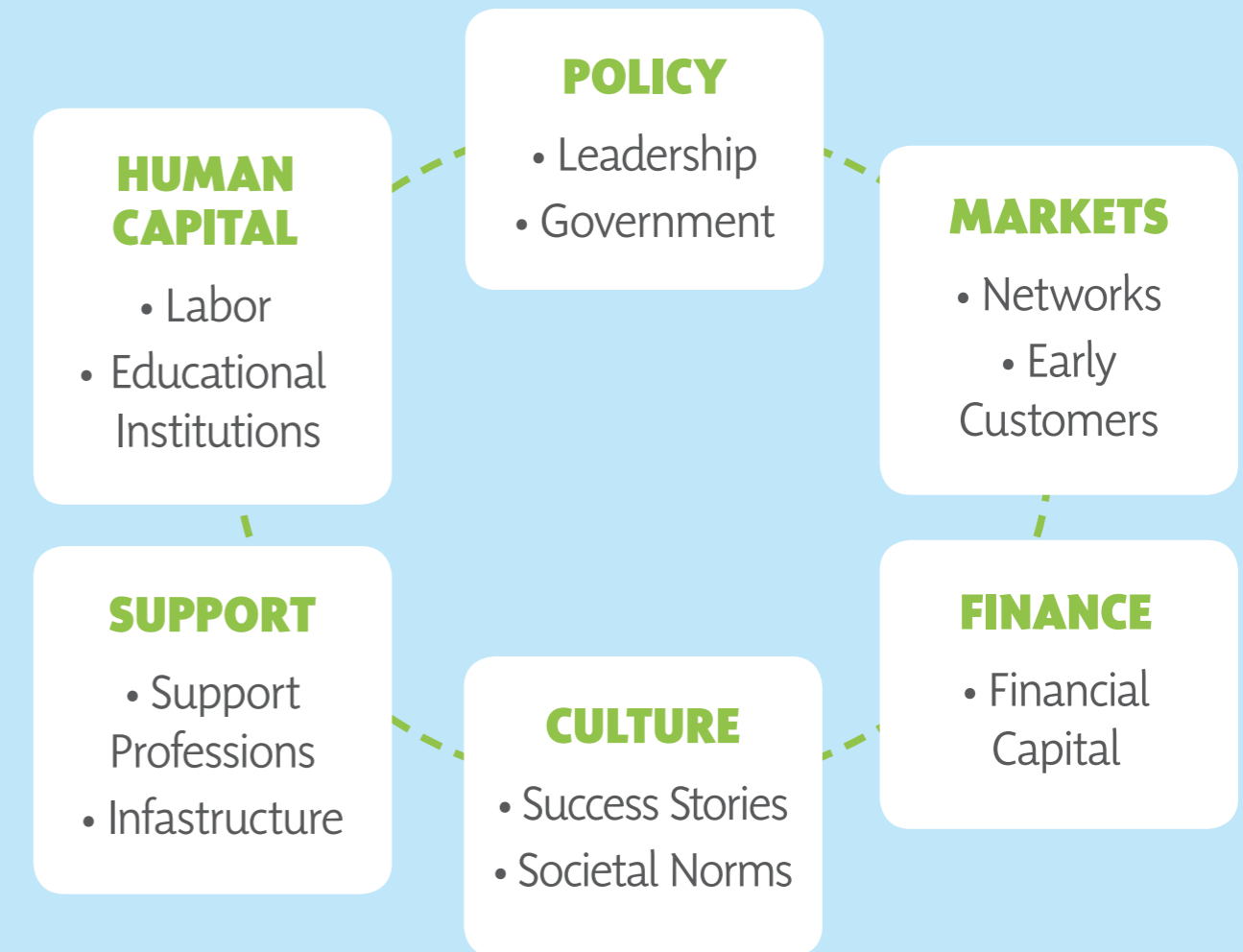
STEP 3: CONDUCT A BASELINE ASSESSMENT

Gather data on current strengths and weaknesses of for-benefit development in your community to assess local needs to form a baseline assessment. This ecosystem approach will help you share hard data with strategic partners to boost legitimacy, and increase buy-in as knowledge of your investment spreads.

BASELINE ASSESSMENT INCLUDES:

1. Mapping local for-benefit organizations (the fourth sector) and the ecosystem that is trained to support such organizations. [How to map your for-benefit sector](#) ▶
2. Focus group and individual interviews to measure the successes and challenges facing for-benefit organizations. [How to conduct a focus group](#) ▶
3. Local Literature review. [How to conduct a lit review](#) ▶
The result should be a launch party and report that helps market results (Step 4).

ECOSYSTEM TO ASSESS



[How to conduct a Baseline Assessment](#) ▶

[See Value Louisiana's™ baseline assessment](#) ▶

STEP 4: MAKE A PLAN FOR GROWTH

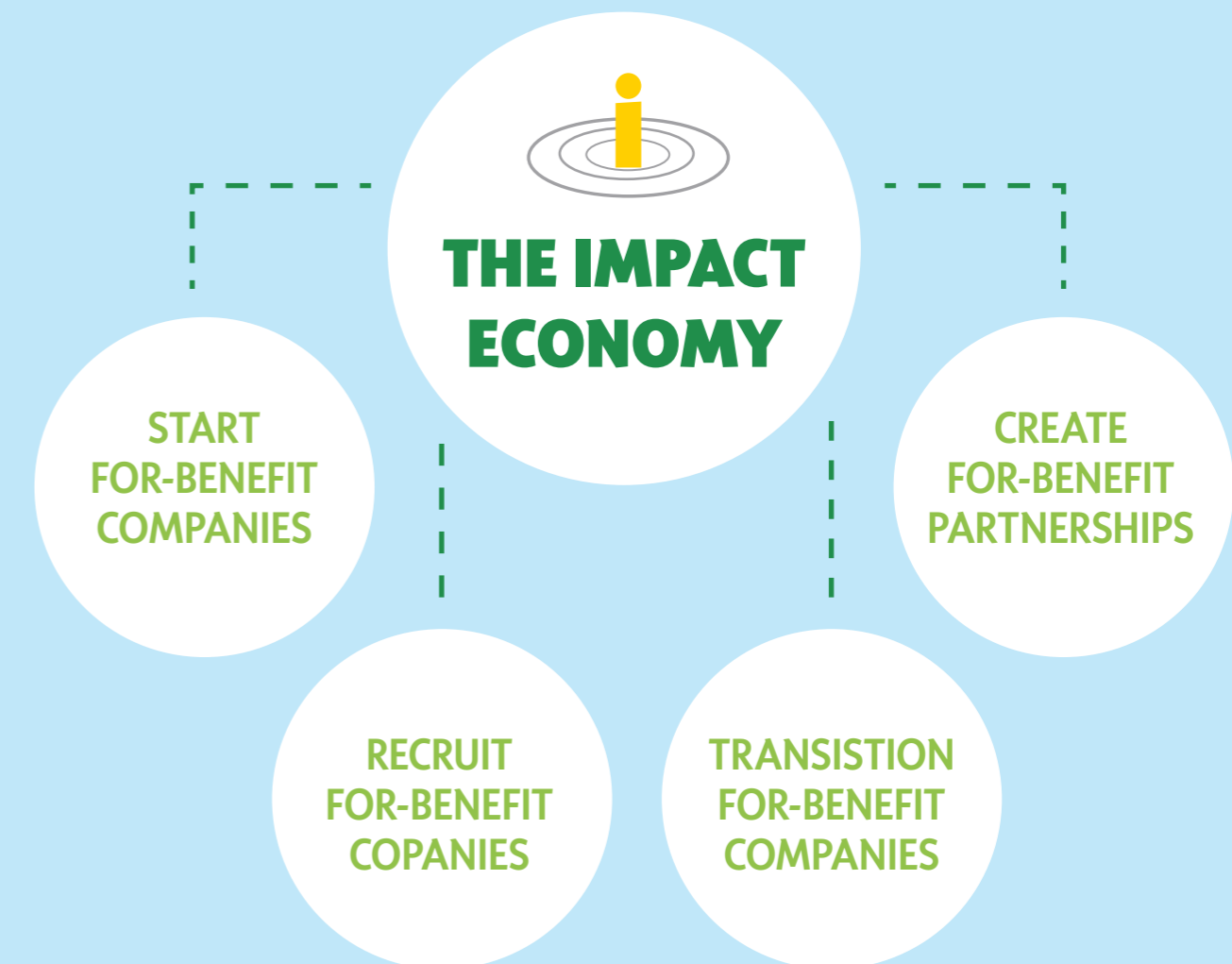
Use the launch party to gather perspectives from the Steering Committee and additional community to craft and execute the Strategic Action Plan.

FUNDAMENTALS:

- Strategic planning should be informed by data assessment, including sectors to target that may create optimal impact in your community
- Establish baseline metrics (# of for-benefit organizations, etc.) and goals for increased participation
- Goals and action items should exist at both organizational and ecosystem levels
- Resources for strategic planning below.

[Learn how to create a strategic plan ►](#)

4 KEY GROWTH STRATEGIES



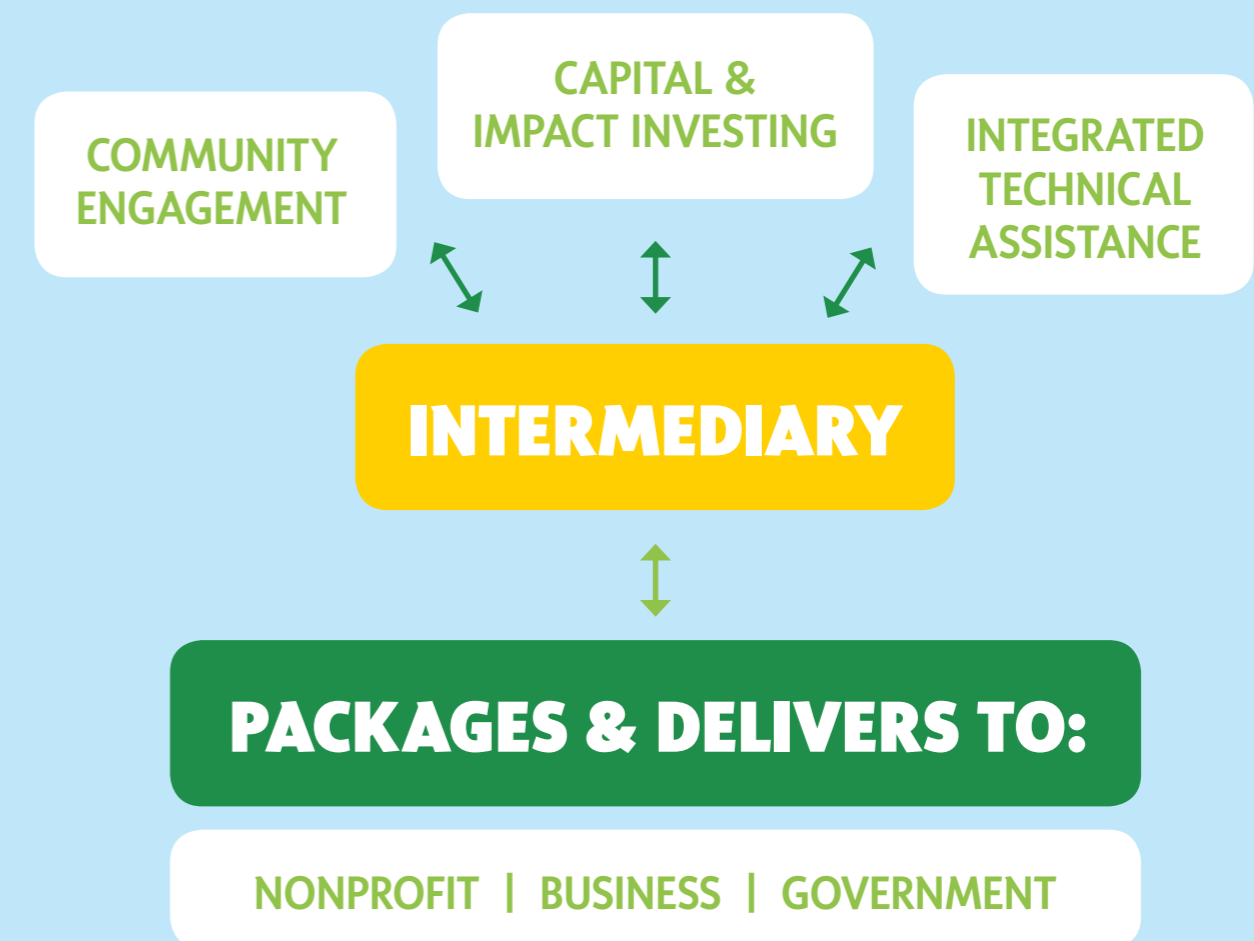
STEP 5: IMPLEMENTATION

The backbone organization can lead the implementation of your plan by coordinating activities, holding regular meetings to report success and progress, and using assessment tools to track and measure results.

KEY COMPONENTS OF IMPLEMENTATION INCLUDE:

- Clearly defined and articulated goals
- Consistent reminders of task and deadlines
- Capital stacking such as crowd funding, access to loans, grants, and other finance tools
- An assessment tool that integrates impact goals into business operations and markets their success
- Monthly or Quarterly meetings to review progress

Technical Assistance Partners trained in common metrics can promote a common message supporting for-benefit development. These partners can include: local start-up incubators, universities, economic development organizations, the SBA support team, and other organizations



See how Value Louisiana™ is assessing for-benefit organizations ▶

Learn how to implement a strategic plan ▶

STEP 6: EVALUATE PROGRESS

Progress should be evaluated regularly to maintain effectiveness and identify if priorities have shifted.

- Individual business assessments provide feedback information from local organizations to the steering committee on whether or not support for for-benefits is improving or the impact economy is growing as a whole.
- Evaluate new community plans and opportunities as they unfold
- Evaluate data annually.
- Additional in-depth surveys and focus-groups could be done every five years to ensure the initiative is on an informed track.

Learn how you can evaluate progress ▶



CONTACT US!

We want to hear your ideas and help your community grow.

LIZ SHEPHARD

Chief Sustainability Officer

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Additional conversations we're interested in:

- How can we use social impact bonds to fund the growth of local impact economies?
- What success stories does your community have and how do you share them?

THANK YOU!

To the following contributors who helped compile this report:

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DISCLAIMER

LifeCity™ is proud to pioneer a place-based initiative to support the development of for-benefit organizations we call Value Louisiana.™ This initiative, only a few years old, has supported the publication of several reports, hosted many focus groups, surveyed hundreds of local businesses, and helped provide technical assistance and training to local organizations that grow the for-benefit movement.

While we have gained tremendous knowledge in this process, we are by no means done learning. Thus, we will continue to update this report, making it a living, breathing document that allows us to continue to share our experience.

Furthermore, while language is important to any movement, our experience has lead us to focus more on measuring real impact above all else (including perfecting our favorite buzz words). Creating social and environmental impact that is simultaneously economically viable is ultimately something we seek to help provide tools to measure- but the name(s) of this movement will likely continue to change.

What is more important than the words used in every for-benefit movement is that it is locally based and includes the diverse experiences of any community. We hope the Value Louisiana Initiative will continue to grow through diverse, equitable, and inclusive leadership (not just through our current power structures).