



# Foreword: Purchasing with Purpose



Across the United States and around the world, many of us feel the uncertainty of our times and long for deeper connections and purposeful action. One powerful way to shape the communities and world we want—now and for future generations—is through the simple yet transformative act of **purchasing with purpose**.

The question is: *How do we do it, and who should we buy from?*

When we were **Buy Social USA** in 2018, we acted as one organization seeking to connect buyers with social enterprises, inspired by similar movements abroad. But we quickly discovered that the US landscape is different. We have a vibrant patchwork of grassroots initiatives—many not identifying with the term “social enterprise”—and the idea of embedding these enterprises into mainstream supply chains was far from common. Awareness, education, and connection were essential.

In 2023, we shifted our approach. Instead of acting as a single organization, we became Purchasing with Purpose, a **collaborative**—bringing together networks, enterprises, and allies. That shift unlocked momentum. We are now a collective of more than 20 networks working in partnership, and that number is increasing each month.

Through **Purchasing with Purpose**, we now unite stakeholders to use purchasing as a lever for local economic development and for tackling social and environmental challenges. Together we are shifting a percentage of the \$23 trillion dollars of purchasing that happens every year, toward enterprises that solve issues in our local communities. No single enterprise or network can do this alone, we must operate as a collective to create lasting change. Together, we can create the sustainable communities and planet we all want to live in.

We invite you to consider: *Where can you purchase differently? Who can you inspire to join you?* Each of us is both a consumer and part of larger buying systems—in workplaces, governments, schools, faith communities, and beyond. To guide our impact-led purchasing choices, we use **People and Planet First**, an affordable participatory global verification system that builds trust and unites diverse purpose-driven enterprises under five simple, shared standards. The People and Planet First verification helps us to draw a boundary of trust around

the enterprises that were created to solve social and environmental issues, not just consider them.

This report captures a moment in the journey to the new economy—a snapshot of progress and possibility. But the real work is ongoing: inspiring collective action, amplifying the voices of enterprises nationwide, and engaging organizations ready to harness their purchasing power for good. We want to take this moment to recognize and thank SAP for being a leading corporate partner and catalytic funder investing in true ecosystem development work. Their support building a stable foundation accelerates the opportunity for everyone to purchase with purpose across the United States and around the world. We hope you enjoy this report and feel inspired to join us.

Rebecca Dray  
Executive Director  
Purchasing with Purpose

# Foreword: SAP



For more than 50 years, SAP has been at the center of enterprise transformation—helping organizations adapt, innovate, and thrive in an ever-changing world. Today, thriving means more than efficiency or profit alone. It requires embedding resilience into the core of business and government operations.

The United States is home to more than 1.1 million enterprises dedicated to putting people and planet first. These organizations are solving urgent challenges—reducing poverty, creating jobs in marginalized communities, and tackling climate action. Yet their full potential remains largely untapped by the very institutions—corporate and public—that could help them scale through procurement and benefit from their success.

This is a missed opportunity. Procurement is not only about sourcing goods and services; it is one of the most powerful levers for systemic change. With trillions of dollars spent annually across government and industry—and more than \$6.1 trillion transacted on the SAP Business Network alone—even a modest redirection of spend toward mission-driven suppliers could unlock outsized socioeconomic returns. Unlike traditional philanthropy, this approach leverages existing budgets to deliver measurable business and social impact. Every dollar spent becomes a dollar invested in stronger, more innovative, and more resilient supply chains.

To seize this opportunity, we need visibility, data, and a clear roadmap. That is why SAP is proud to support the groundbreaking research by *Purchasing with Purpose*. This report provides the framework to identify, engage, and invest in the enterprises that are reshaping our economy for our collective future. We believe that *impact-led procurement* is not a niche experiment—it is a scalable, financially sustainable strategy that aligns purpose with profit, and resilience with responsibility.

This is more than an idea—it is an invitation. If you are a business or government leader seeking to strengthen your supply chain, mitigate risk, invest in your local community, and deliver on your core values, the path is here. Together, we can build an economy where every transaction helps the world run better and improves people’s lives.

Katie Booth  
Head of Corporate Social  
Responsibility, Americas  
SAP America

Aaron Wasserman  
Senior Director, U.S.  
Government Affairs  
SAP America



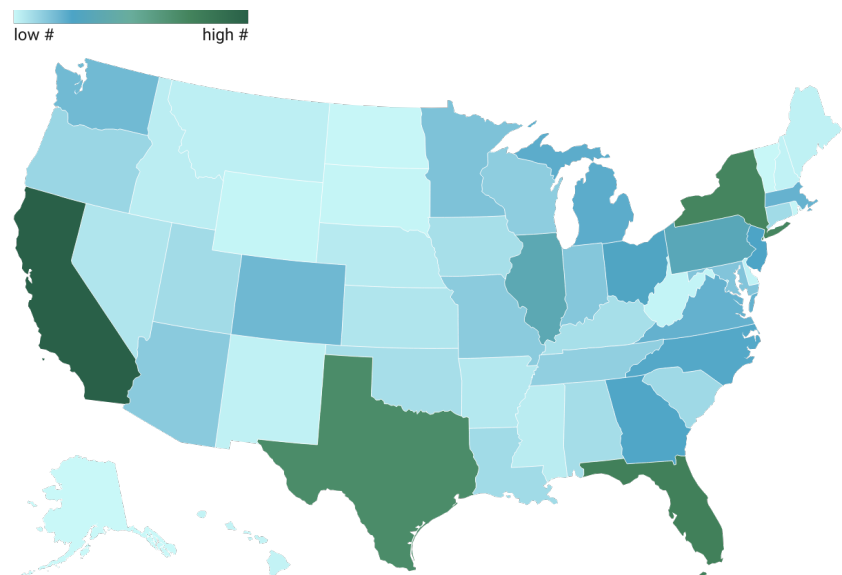
# Executive summary



This report, commissioned by Purchasing with Purpose with support from SAP, provides the first comprehensive assessment of enterprises in the United States (US) that put people and planet first. Data collected through this research and future initiatives will live in a public dashboard maintained by Good Market, a digital commons for purpose-driven enterprises.

Enterprises putting people and planet first exist to solve a social or environmental problem, prioritize their purpose in operations, rely on self-sustaining revenue sources, reinvest their surplus into their mission, and establish safeguards for long-term mission protection. This research estimates that there are more than 1.1 million of these enterprises in the country. Most are small businesses and span legal forms, from nonprofits to cooperatives, benefit corporations, and limited liability companies (LLCs).

**Estimate number of US enterprises that put people and planet first**



Challenges faced by these enterprises include limited visibility, difficulty accessing finance, exclusionary public and private sector procurement systems, and burdensome impact measurement requirements imposed by buyers and funders. The report calls for coordinated action across a range of stakeholders, highlighting initiatives from multi-network collaborations unlocking Olympic-scale procurement opportunities, to purchasing alliances that cut enterprise costs by up to 25%. When companies and agencies direct even a small share of their purchasing budgets to enterprises putting people and planet first, they unlock more than just quality goods and services—they shift millions of dollars toward innovative business models that reinvest in workers, communities, and the environment. The People and Planet First verification highlighted in the report aims to foster the recognition, credibility, and collaboration needed to advance the work of enterprises driving a more equitable and sustainable economy.

## Table of contents:

Foreword: Purchasing with Purpose .....	ii
Foreword: SAP.....	iv
Executive summary .....	v
Introduction .....	1
About the report .....	1
Filling a research gap .....	2
People and Planet First .....	4
Joining together.....	5
Profile of US enterprises that put people and planet first .....	6
How many US enterprises are putting people and planet first? .....	6
Enterprise size: revenue and employees.....	7
In what sectors do these enterprises operate? .....	9
How do these enterprises make an impact while generating revenue? .....	13
Who buys from enterprises putting people and planet first? .....	26
How are enterprises that put people and planet first legally registered?.....	28
Impact on people and planet.....	31
The potential for a people and planet first enterprise ecosystem .....	36
Key challenges and opportunities .....	49
Promotion, visibility, and awareness .....	49
Access to finance .....	50
Procurement.....	52
Measuring impact.....	57
The policy conundrum .....	59
From momentum to transformation .....	62
Acknowledgements .....	64
Annex 1: Survey respondent sectors using NAICS.....	65

## Table of figures

Figure 1. Estimate number of US enterprises putting people and planet first.....	7
Figure 2. Annual revenue of survey respondents .....	8
Figure 3. Share of enterprises by employee size.....	8
Figure 4. Share of survey respondents by high-level sector.....	9
Figure 5. Key social and environmental focus areas (select multiple question) .....	14
Figure 6. Marginalized groups receiving tailored products and services from survey respondents (select multiple question).....	15
Figure 7. Strategies for committing to purpose (select multiple question) .....	20
Figure 8. Survey respondents reinvesting profit into their purpose .....	24
Figure 9. Types of buyers (select multiple question).....	26
Figure 10. Ways of monitoring impact .....	33
Figure 11. Stakeholder groups in a people and planet first enterprise ecosystem.....	36

## Table of tables

Table 1. Estimate number of US enterprises putting people and planet first, by tax entity .....	6
Table 2. Enterprise sectors and segments.....	10
Table 3. US legal entities for enterprises committed to a purpose .....	28

## Volume II: Methodology annexes

Annex 2. Research methodology	
Annex 3. Population estimate by tax entity and state	
Annex 4. Key informant interview guides	

# Introduction



## About the report

This report explores the range of enterprises putting people and planet first in the United States (US). These enterprises, using a variety of terms to describe themselves, set out to address social and environmental problems as their primary purpose. Like any other business, they sustain their work by selling goods and services across a multitude of sectors—however, they reinvest the majority of profits back into their mission. Enterprises putting people and planet first demonstrate a commitment to their purpose in operational decisions and take action to protect it through legal structures and financing strategies.

Purchasing with Purpose, a nonprofit organization and collective of networks and supporters that facilitate purchasing from these enterprises in the US, commissioned Just Results to conduct the research, with financial support from SAP. Through the initiative, Purchasing with Purpose aims to increase public understanding and support of these enterprises (also referred to as purpose-driven enterprises in this report), and encourage collective visibility for them and their networks as drivers of an equitable and sustainable economy. The People and Planet First verification is introduced as a unifying framework to facilitate and guide this collaboration.

This study is the first of its kind and is intended to be a live assessment of the US landscape. For the report, the research team conducted a nationwide survey and held conversations with 50 enterprises, networks, purchasers, investors, and other actors.<sup>1</sup> Data collected for this and future initiatives will live in a public dashboard on the Purchasing with Purpose website. Good Market, a digital commons for enterprises putting people and planet first, provides the digital infrastructure for the dashboard.<sup>2</sup>

The first section of the report presents a profile of US enterprises putting people and planet first. It estimates their population size and describes their support systems, sectors, thematic focuses, business models, legal designations, buyers, and impact. The second section explores key challenges and opportunities for these enterprises, from visibility, to financing, to procurement. Case studies on specific enterprises and initiatives are featured in breakout boxes throughout the report, to supplement the narrative with real-world examples. The report

---

<sup>1</sup> The nationwide survey received 256 respondents.

<sup>2</sup> The dashboard will continue to intake anonymized enterprise data on an ongoing basis, including in between research initiatives. "Mapping." Purchasing with Purpose. <https://purchasingwithpurpose.org/mapping/>.

concludes by presenting ways to support and join the ecosystem, be it as a procurer, a network, an investor, an individual consumer, or a purpose-driven enterprise.

## Filling a research gap

Reports have been published on these enterprises, with either a global or national scope. Most have focused on social enterprise, a term with which many enterprises putting people and planet first do not self-identify.<sup>3</sup> They instead choose overarching labels more common in their networks or fields, such as “solidarity economy organization,” “impact business,” or “responsible business.”<sup>4</sup> Enterprises may also prefer terms that better describe their way of doing business, whether by specialty or model (e.g., green business, fair trade enterprise), legal status (e.g., nonprofit, cooperative), or certification (e.g., B Corp). No study has yet investigated the full range of enterprises putting people and planet first, globally or in the US. This report makes the case for recognizing and celebrating their diversity, grounded in principles from differing grassroots movements, while highlighting common cause to be found between them.

## Earning consumer confidence

A common dilemma faced by buyers and funders alike when assessing an enterprise making social and environmental claims, is how to distinguish authenticity from effective marketing. Greenwashing, a term first coined in 1986, occurs when an enterprise misleads consumers about its environmental practices or the environmental benefits of one of its products or services.<sup>5</sup> Greenwashing’s counterpart is “social washing,” which refers to enterprises presenting as socially responsible while masking negative social impact.<sup>6</sup> This occurs via online marketing messaging or claims on product labels.

---

<sup>3</sup> A social enterprise is a private revenue-generating entity that holds as its primary purpose a mission to create positive societal impact and uses market-driven solutions to do so; Georgetown University Business for Impact. “Jobs for All,” Georgetown University, 2021. <https://www.jobsforallgeorgetown.org>; Halcyon. “SEER Report.” Halcyon, December 3, 2020. <https://www.halcyonhouse.org/programs-1/seer-report/>; Abramson, Alan J., and Kara C. Billings. “Challenges Facing Social Enterprises in the United States.” Nonprofit Policy Forum, 2019. <https://doi.org/10.1515/npf-2018-0046>; “The State of Social Enterprise: A Review of Global Data.” Schwab Foundation for Social Entrepreneurship, 2013. [https://www3.weforum.org/docs/WEF\\_The\\_State\\_of\\_Social\\_Enterprise\\_2024.pdf](https://www3.weforum.org/docs/WEF_The_State_of_Social_Enterprise_2024.pdf); Dean Hochlaf, Dan Gregory, Emily Darko. “Mission Critical State of Social Enterprise Survey 2023 Social Enterprise Knowledge Centre,” Social Enterprise UK, 2023. <https://www.socialenterprise.org.uk/app/uploads/2023/12/Mission-Critical-State-of-Social-Enterprise-Survey-2023.pdf>; “Business for Good: The Size and Economic Contribution of Social Enterprise in Australia.” n.d. Social Enterprise Australia. <https://www.socialenterpriseaustralia.org.au/business-for-good>; Buy Social Canada. “Sell with Impact: Stories and Research from the Canadian Social Enterprise Sector 2.” Buy Social Canada, 2023. <https://www.buysocialcanada.com/wp-content/uploads/Sell-with-Impact-Stories-and-research-from-the-Canadian-Social-Enterprise-Sector-Sep-2023.pdf>.

<sup>4</sup> The World Economic Forum (WEF) provides an annex to their 2024 report with definitions of these terms: “The State of Social Enterprise.” Schwab Foundation for Social Entrepreneurship. April 2024.

<sup>5</sup> Freitas Netto, Sebastião Vieira de, Marcos Felipe Falcão Sobral, Ana Regina Bezerra Ribeiro, and Gleibson Robert da Luz Soares. “Concepts and Forms of Greenwashing: A Systematic Review,” *Environmental Sciences Europe* 32 (1): 1–12. 2020. <https://link.springer.com/article/10.1186/s12302-020-0300-3>.

<sup>6</sup> “What Is Social Washing?” ESG | the Report. December 29, 2021. <https://esgthereport.com/what-is-social-washing/>.

The incentives for greenwashing are noteworthy. In 2023, Nielsen published findings on how environmental, social, and governance (ESG) claims on product packaging correlate with consumer purchasing practices. The claims were organized into six themes: environmental sustainability (e.g., “compostable”); organic positioning (e.g., “certified organic”); plant-based (e.g., “vegan”); social responsibility (e.g. “fair wage”); and sustainable packaging (e.g., “biodegradable”).<sup>7</sup>

Nielson found that 1) enterprises of all sizes are incentivized to commit to social and environmental principles and display them to consumers, and 2) that consumers are responsive to this labeling, without much in the way of confirmation that the ESG claims are reflective of enterprise practices. From 2017 to 2022, products with ESG claims saw on average higher cumulative growth (28%) compared to those without them (20%). The growth differentiation was particularly significant for established enterprises that made ESG claims. The study also found that products with multiple ESG claims grew twice as fast as those with only one.<sup>8</sup>

While regulators such as the Federal Trade Commission can penalize enterprises for infringing on its “truth-in-advertising” principles, consumers often look to certifications and verifications as informal market regulators, or consumer-facing validators of ESG claims.<sup>9</sup> These entities visually affirm to the consumer that a product has been vetted against standards, granting the enterprise in question the right to display the certifier logo on its product. However, with over 100 globally, certification labels contain nuances lost on the consumer when choosing products from the shelves of a store. Certifier standards vary in rigor, while appearing to have the same objectives. Additionally, some certifiers operate at the product level, as opposed to the enterprise level. This leaves a significant gap between, for instance, an enterprise with just one product certified for following fair trade practices, compared to an enterprise certified by a different but similar-looking certifier for upholding fair-trade practices across all its operations.<sup>10</sup>

These blurred lines can be harnessed, for better or worse: In 2023, total US consumer spending amounted to over \$14 trillion annually, two-thirds of the country’s GDP.<sup>11</sup> In 2025, the World Economic Forum (WEF) reported that FTSE 100 companies, or the 100 largest companies by market capitalization on the London Stock Exchange (LSE), average \$5 billion in procurement spending annually.<sup>12</sup> In the US, Fortune 500 companies are reported to spend 75% of their

---

<sup>7</sup> “Consumers Care about Sustainability—and Back It up with Their Wallets.” NIQ. February 6, 2023.

<https://nielseniq.com/global/en/insights/report/2023/consumers-care-about-sustainability-and-back-it-up-with-their-wallets/#report>.

<sup>8</sup> “Consumers Care about Sustainability.” NIQ. 2023.

<sup>9</sup> “Environmental Marketing.” n.d. Federal Trade Commission. <https://www.ftc.gov/business-guidance/advertising-marketing/environmental-marketing>.

<sup>10</sup> For instance, a product with a Fair Trade Certified label is different from one with a Fair Trade Verified label—the former is a certification of just the product the consumer is purchasing, while the latter is a verification of the enterprise’s full range of operations as in line with fair trade principles.

<sup>11</sup> NIQ, 2023.

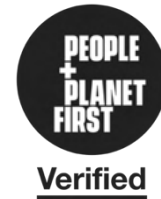
<sup>12</sup> “State of Social Procurement - Why Social Procurement Matters.” World Economic Forum. 2025.

<https://initiatives.weforum.org/global-alliance-for-social-entrepreneurship/socproc-why-social-procurement>.

total spending and 65% of revenue on external supplier costs.<sup>13</sup> Where individuals and companies put their money is a question shaping our world with every next purchase.

# People and Planet First

People and Planet First is a global, participatory verification system that launched in 2023. It was developed through collaboration and consultation with networks of enterprises all over the world, in countries with varying degrees of existing support infrastructure. The verification was designed to be accessible to all types of enterprises putting people and planet first: it is more affordable than many other certifications and verifications (costing hundreds or thousands in some cases); it is given free of charge to enterprises with another certification that meets or exceeds its standards; and it is adaptable across languages, currencies, sectors, and legal entities. People and Planet First aims to increase the visibility of and collaboration between all enterprises that meet its five standards, no matter their legal registration or terms used for self-identification:



## Five People and Planet First verification standards

- 01 Purpose** **Exists to solve a social or environmental problem:** Social or environmental purpose is publicly communicated online. Plans to update governing documents to include the purpose.
- 02 Operations** **Prioritizes purpose, people, and planet over profit in operational decisions:** Meets minimum sector standards. Publicly communicates online about how people and planet are prioritized.
- 03 Revenue** **Has a self-sustaining revenue model:** Financial records show earned income from products, services, or reciprocal grant contracts. Plan for financial sustainability.
- 04 Use of surplus** **Reinvests the majority of any surplus towards its purpose:** Has a public commitment to reinvesting the majority of surplus towards purpose. Financial records show greater than 50% reinvestment or purpose-related disbursement.
- 05 Structure** **Chooses legal structures and financing that protect and lock in purpose long term:** Has a public commitment to locking in purpose. Plans to update governing documents or registration. Current financing and ownership does not prevent future lock-in.

---

<sup>13</sup> "The State of Spend Report and Supplier Cost Reductions | Proxima." Proxima. September 23, 2024. <https://proximagroup.com/reports-and-research/the-state-of-spend-report-and-supplier-cost-reductions/>.

Participatory verification is an alternative assurance system which requires active social networks, knowledge exchange, transparency, and stakeholder participation to define standards, develop and implement the verification process, monitor claims, and improve the system over time. The verification standards and process are treated as a shared resource and are governed in alignment with Elinor Ostrom's Nobel-prize-winning research on common pool resource management.<sup>14</sup> Participatory verification systems use crowdsourced monitoring to reduce costs, build trust, and increase community ownership.

People and Planet First is implemented through a global network of verification partners. Referral Partners share the verification opportunity with enterprises in their networks and receive 10% of the verification fee for any enterprise they invite that becomes verified. Review Partners share the verification opportunity, assist with the verification review process, and receive 60% of the verification fee for any enterprise they invite and review. Double Badge Partners have an existing certification, verification, or due diligence process that matches or exceeds the five People and Planet First verification standards. They can offer their enterprises the global verification badge with no additional cost or document review required.

The verification was created in response to the realities of greenwashing, extractive business practices, and a fragmented global ecosystem of purpose-driven enterprises. Its widely accepted criteria offer a through line for buyers, government agencies, and consumers, who search for clarity across the range of enterprises promoting a social or environmental commitment. The criteria also serve the enterprises themselves, who, once able to identify each other, have a space in which to connect and collaborate. People and Planet First delineates a boundary and a definition that embraces the complex nature of these business models and the diverse circumstances in which they operate around the world.

## Joining together

While member characteristics vary, networks for enterprises putting people and planet first have an opportunity for collective bargaining that benefits all involved. This report, and the research initiative that led to it, is a first step in that direction. It will take time, but with collaboration and ongoing survey data capture it is possible to enable a cohesive and visible "movement of movements," in which shared values and principles help develop the new economy.

---

<sup>14</sup> Elinor Ostrom. *Governing the Commons: The Evolution of Institutions for Collective Action*. Cambridge University Press. 1990.

# Profile of US enterprises that put people and planet first



## How many US enterprises are putting people and planet first?

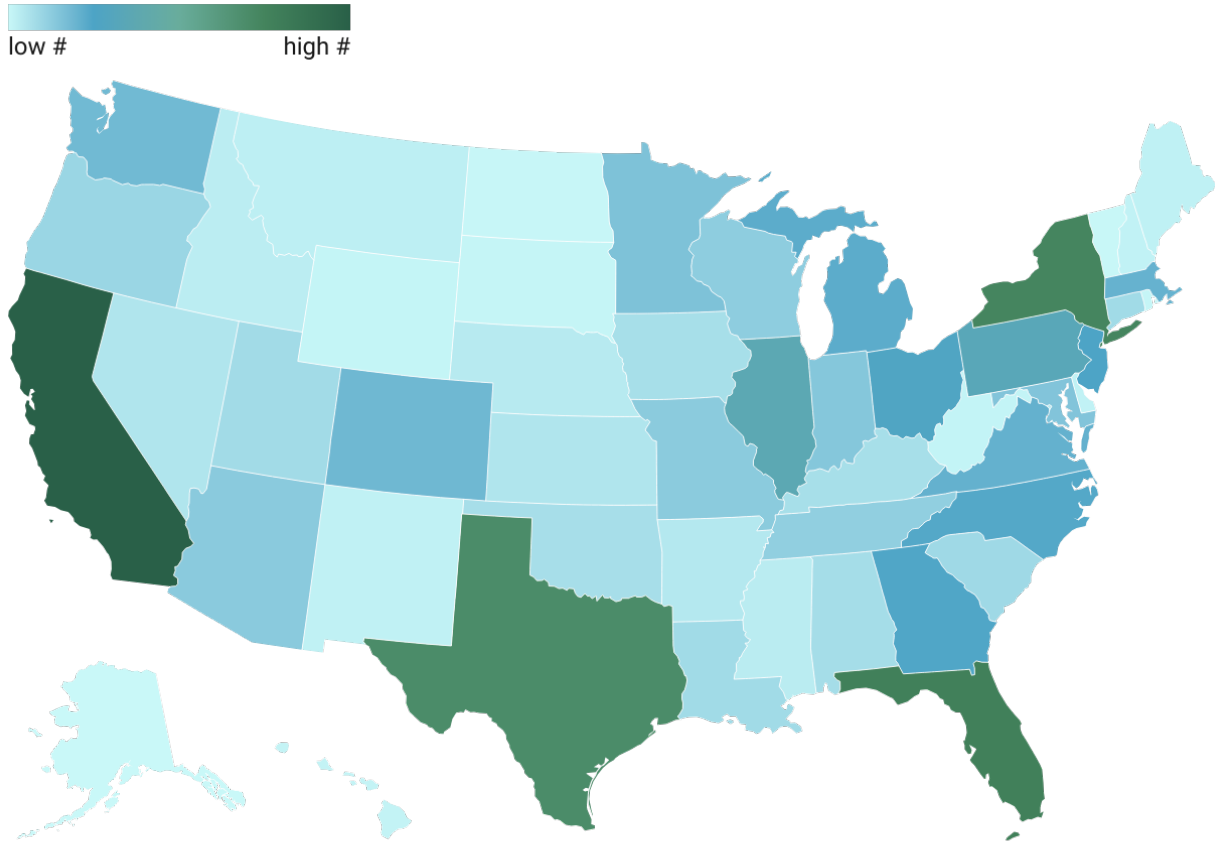
There are approximately 1.1 million enterprises putting people and planet first operating in the United States. This is based on IRS data for nonprofits, corporations, LLCs, and partnerships, listed in Table 1. The map in Figure 1 consolidates the data, visualizing the estimated relative frequency of these enterprises in each state. An in-depth discussion of the estimations is included in Annex 2. California, Florida, New York, and Texas are likely to have the highest number of these enterprises in their states, which is expected given their overall business population size. The total US population assessment will improve as more participate in the ongoing initiative, of which this report is one part.

**Table 1. Estimate number of US enterprises putting people and planet first, by tax entity**

Legal entity	Estimate	Source Year
Nonprofits	465,757	2023
Corporations	417,343	2023
LLCs and Partnerships <sup>15</sup>	254,527	2023
<b>Total</b>	<b>1,137,627</b>	

<sup>15</sup> LLCs are most often taxed as a partnership. Otherwise, they are taxed as a corporation or a disregarded entity (meaning they are a sole proprietorship). The most comprehensive data on LLCs was IRS data for Partnerships. "LLC Filing as a Corporation or Partnership | Internal Revenue Service." IRS. 2019. <https://www.irs.gov/businesses/small-businesses-self-employed/llc-filing-as-a-corporation-or-partnership>.

**Figure 1. Estimate number of US enterprises that put people and planet first**



## Enterprise size: revenue and employees

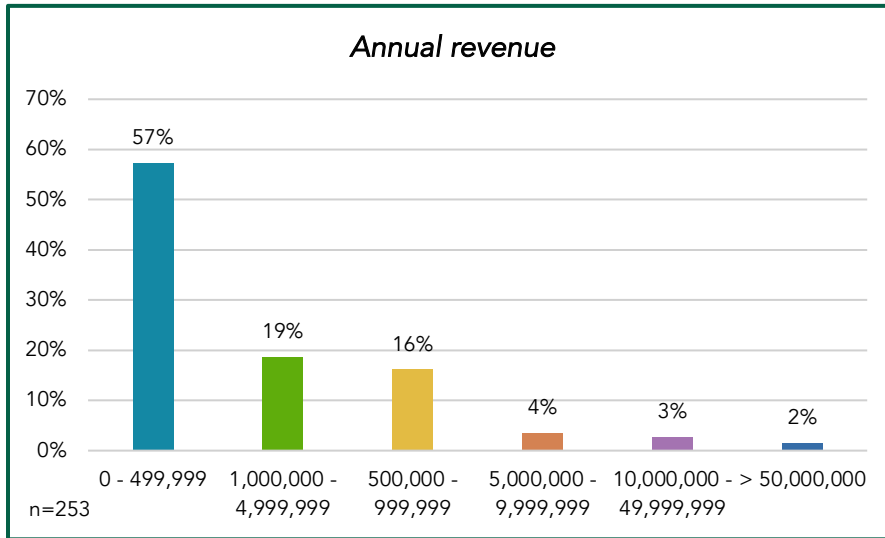
### Annual revenue

These enterprises reflect the larger US business population, 99.9% of which are small businesses.<sup>16</sup> Of the enterprises that responded to the survey, 57% earn less than \$500,000 annually, while 35% earn between \$500,000 and \$5 million. While average annual revenue earned by for-profit businesses varies significantly depending on the sector, this range aligns with nonprofits: Nonprofit Impact Matters' 2019 report on US nonprofits stated that almost 9 out of 10 nonprofits earn less than \$500,000 annually.<sup>17</sup>

<sup>16</sup> The definition of a small business, as determined by the Small Business Administration (SBA), is determined by average employees over the last 12 month, or average annual receipts over the past three years. This assessment varies by sector. <https://www.forbes.com/advisor/business/small-business-statistics/>. Kelly Main. "Small Business Statistics of 2022 – Forbes Advisor." Forbes. December 7, 2022. <https://www.forbes.com/advisor/business/small-business-statistics/>.

<sup>17</sup> The Nonprofit Times. "80% of Nonprofits' Revenue Is from Government, Fee for Service." The NonProfit Times. September 19, 2019. <https://thenonprofitimes.com/news/80-of-nonprofits-revenue-is-from-government-fee-for-service/>.

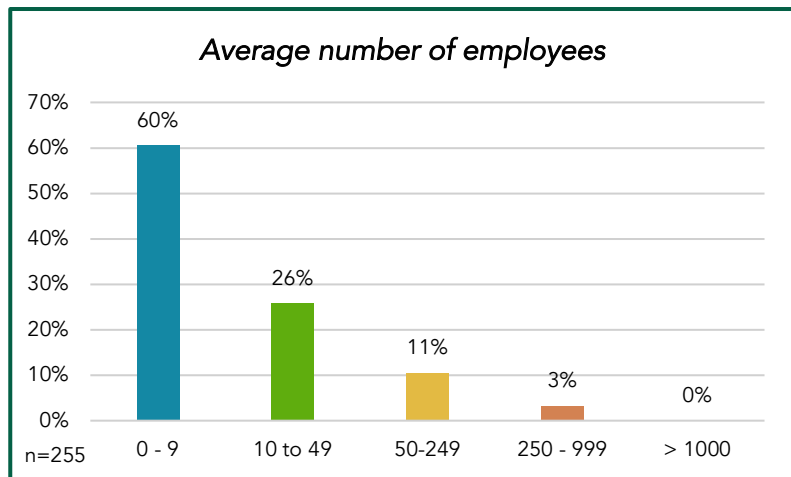
Figure 2. Annual revenue of survey respondents



## Employee size

As shown in Figure 3, which takes an average employee number per enterprise across survey data from this initiative and from B Lab, most respondents report having fewer than 10 employees.<sup>18</sup> This majority is generally in line with the wider for-profit small business population in the country, of which 80% have zero to nine employees, and less than 1% have 250 or more.<sup>19</sup> Figure 3 shows greater representation from larger enterprises in comparison, with 37% having between 10 to 249 employees and 3% having 250 or more.

Figure 3. Share of enterprises by employee size



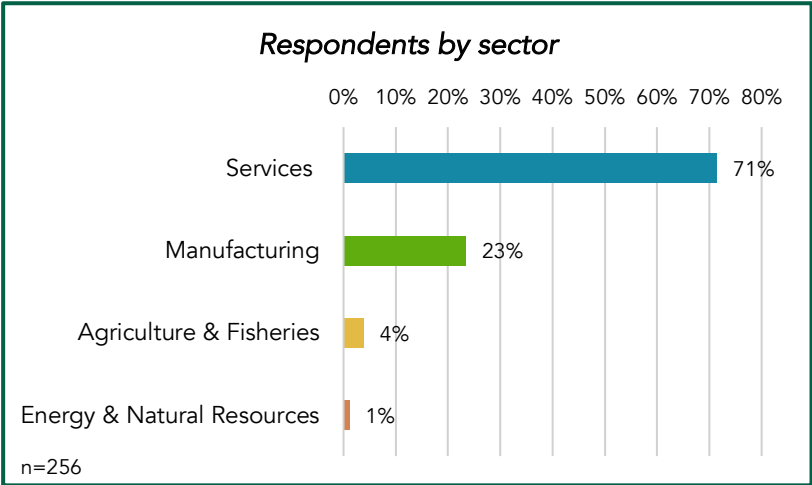
<sup>18</sup> An average employee number was taken from survey respondent data and publicly available B Lab data on US-based Certified B Corps, to arrive at the % of population breakdowns pictured in Figure 3. "B Corp Impact Data - Dataset by Blab." n.d. Data.world. <https://data.world/blab/b-corp-impact-data>.

<sup>19</sup> Rebecca Leppert. "A Look at Small Businesses in the U.S." Pew Research Center. April 22, 2024. <https://www.pewresearch.org/short-reads/2024/04/22/a-look-at-small-businesses-in-the-us/>.

# In what sectors do these enterprises operate?

Enterprises meeting or aspiring to meet the five People and Planet First standards span a multitude of sectors. Their social or environmental objectives may be operationalized through their service offerings (such as an organization that works with persons experiencing homelessness), or their business model (such as a cooperative grocery store where the employees collectively own the business).

Figure 4. Share of survey respondents by high-level sector



These enterprises fall into more than 90 categories of purchasing spend and can be found in sectors from scientific and technical consulting to janitorial services and footwear manufacturing. Of the survey respondents, across the overarching sectors of services, manufacturing, agriculture & fisheries, and energy & natural resources, the vast majority operate in the services sector, with manufacturing the second most frequent (illustrated in Figure 4). A closer look at each broad category is outlined in Table 2. For economic research purposes, a translation of this table using the North American Industry Classification System (NAICS) is provided in Annex 1.<sup>20</sup> It is worth noting that much of the time, these enterprises navigate a market that includes competitors not committed to social and environmental objectives. This will be discussed in-depth in a later section of the report.

<sup>20</sup> NAICS Association. 2019. "NAICS Identification Tools ." NAICS Association. 2019. <https://www.naics.com/search/>.

**Table 2. Enterprise sectors and segments**

Services		Manufacturing		Agriculture & fisheries	Energy & natural resources
Education	Coworking	Home & Office	Bedding	Energy Efficiency	Garden
Professional Services	Cleaning & Maintenance	Accessories	Packaging	Renewable Energy	Agriculture
Consulting	Landscaping	Apparel	Rugs & Mats	Resource Recovery	Crop Cultivation
Civic Engagement	Property Management	Personal Care	Towels	Energy Storage & Distribution	Community Garden
Network Services	Construction	Bags & Wallets	Footwear	Mining & Metals	Forestry
Health & Wellbeing	Makerspace	Food & Beverage	Belts	Water	Wild Harvest
Welfare	Accounting	Housewares	Cookware		Animal Husbandry
Art, Entertainment & Recreation	Commercial Kitchen	Clothing	Eyewear		Fishing
Artwork	Community Center	Jewelry	Furniture		Hydroponics
Trade	Inputs & Services	Manufacturing	Curtains		
Financial Services	Sanitation	Scarves, Shawls & Ties	Primary Processing		
Information & Communication	Payment processing	Tableware	Transportation Vehicles		
Shared Spaces		Headwear	Appliances & Fixtures		
Hospitality & Travel		Games & Toys	Machinery & Equipment		
Intentional Community		Storage & Organization	Umbrellas		
Restoration & Conservation		Candles/Incense & Aromatherapy	Building Materials		
Cleaning		Office Supplies	Consumer Electronics		
Transport & Logistics		Gloves & Mittens	Recreational Equipment		
Pet Care		Pillows & Cushions	Watches		
Printing		Socks & Stockings			



DCCK's headquarters includes a culinary training kitchen, large-scale production kitchen, volunteer workspaces, a social enterprise cafe, staff offices, and dedicated rooms for trainee learning and social services.

## DC Central Kitchen: a food vendor alternative (and beyond)

DC Central Kitchen (DCCK) is a People and Planet First verified enterprise founded in 1989 whose mission is to "use food as a tool to strengthen bodies, empower minds, and build communities." The enterprise employs people facing high barriers to employment while providing them with culinary training and social support, preparing them for a career in the food and hospitality industries. To fund its culinary training program and use its resources to the fullest, DCCK developed additional successful programs aligned with its mission:

- **Cafes and Catering:** three cafes and a catering service operating in DC. Catering was DCCK's first service introduced to help fund culinary training activities.
- **Healthy School Food:** farm-to-school meals prepared and served at DC schools. The ingredients come from local farms, with which DCCK spent over \$3 million USD during the pandemic.
- **Healthy Corners:** nutritious affordable food prepared and sold at DC's corner stores.
- **Community Meals:** healthy meals served at shelters and for youth programs and nonprofits.

These programs generate 26-50% of DCCK's revenue. As a food vendor, the enterprise regularly participates in and wins competitive bidding processes in which it is judged on quality, pricing, and performance in comparison to other bidders, including much larger for-profit vendors.

## HigherRing: business process outsourcing with purpose

HigherRing is a B Corp and People and Planet First verified business process outsourcing company that delivers AI supported labor services across four divisions—customer support, ecommerce/wholesale operations, back office operations, and financial/bookkeeping operations—for impact companies and nonprofits. Founded as a California Public Benefit Corporation, HigherRing operates as an Open Book Management company where employees are trained in the company's income statement, follow the wins and losses each month, and partake in profit sharing. As a Living Wage Certified employer, the company provides benefits, stock incentive plans, financial coaching and 0% loans to help employees pay down debt, and paid time for poll working during elections.

HigherRing's commitment to putting people first extends to learning journeys and paid professional development time, along with donations that match employee volunteer work. It also gives 1% of its annual revenue to environmental nonprofits. Bootstrapped and focused on sustainable growth rather than venture capital, HigherRing demonstrates how purpose-driven enterprises can avoid compromising their business-for-good social mission while scaling their impact in competitive service sectors.

## Midwest Elderberry Cooperative: farmer-owned and community-driven

Midwest Elderberry Cooperative (MEC) is a farmer-owned enterprise founded in 2012 to develop and grow the elderberry market in the US while supporting small and sustainable farms in the Midwest. Its mission is to create a reliable domestic supply of high-quality elderberry and ensure farmers have access to fair pricing, technical support, and shared processing resources.

The cooperative includes growers from multiple Midwestern states and offers shared infrastructure to process elderberries into juice, dried berries, and concentrate, reducing cost barriers and waste. The products are sold to food producers, supplement companies, and direct to consumers. As a cooperative, profits are shared and decisions are made democratically, ensuring farmers' needs are centered.

MEC invests in the future of demand for US-grown elderberries through research, education, and marketing efforts. The cooperative has helped bring a native superfruit into the mainstream market while preserving regional agricultural knowledge, exemplifying how cooperative models can offer farmers more stability and voice in emerging natural food markets.

## Green Commuter: EV car and vanpooling

Green Commuter is a Los Angeles-based enterprise that combines electric vehicle (EV) carsharing and vanpooling to reduce emissions, traffic, and commuting costs, especially for low-income communities and underserved workers.

Founded in 2014, the company operates a fleet of all-electric vehicles that are shared between individual users during off-peak hours and vanpoolers during commuting times, maximizing vehicle use and environmental benefit. The company prioritizes placing vehicles in disadvantaged communities and partners with housing developments and nonprofits. These services help employers and commuters reduce their carbon footprint and costs with clean, shared rides. They also expand mobility for individuals in need of affordable, short-term vehicle access.

Green Commuter generates revenue through memberships, hourly usage fees, and public-private partnerships. By integrating environmental sustainability with transportation equity, it provides a scalable model for green mobility.

# How do these enterprises make an impact while generating revenue?

## Social and/or environmental principles

Enterprises putting people and planet first have specific, and often multiple, social and environmental areas of focus.

**01**

### Environmental purpose

Exists to solve an environmental problem, such as global warming, plastic-use in product packaging, or threats to biodiversity.

**02**

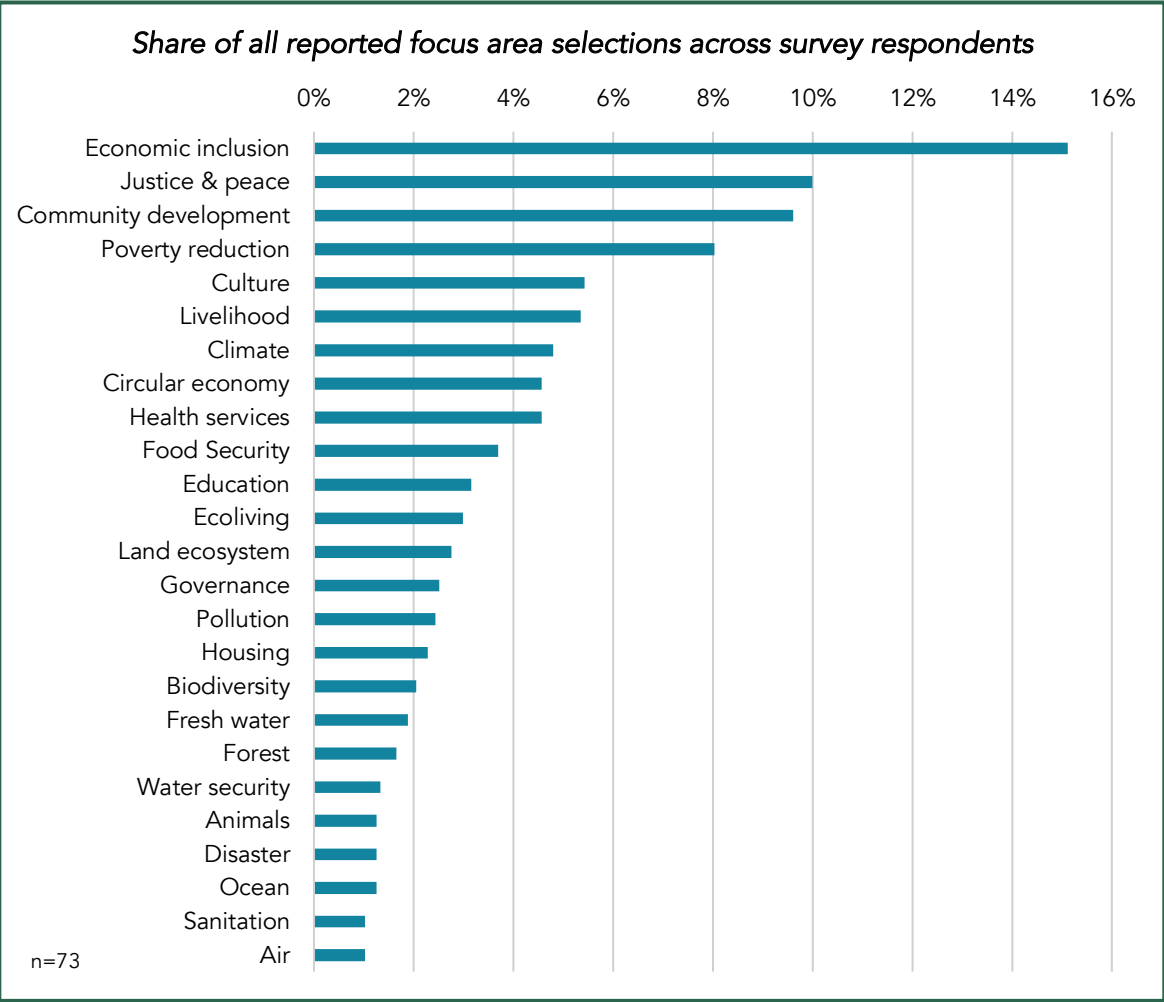
### Social purpose

Exists to solve a social problem, such as homelessness, domestic violence, or health inequities.

Figure 5 illustrates the distribution of focus area selections across survey respondents, shedding light on the thematic priorities of the enterprises surveyed. Economic inclusion

emerged as the top focus, accounting for 15% of all reported focus area selections. Justice & peace and community development followed closely, each at 10%, while poverty reduction ranked next at 8%. A cluster of focus areas, including culture, livelihood, climate, circular economy, health services, and food security, were selected by 4% to 5% of respondents. Areas like education, governance, land & ecosystem, and eco-living drew 3% of the total selections, while environmental issues such as pollution, biodiversity, fresh water, and forest were less frequent, at 2% each. The least-selected areas were air, sanitation, ocean, disaster, and animals. This distribution could indicate gaps in network or survey coverage and/or suggest that fewer enterprises prioritize these themes as a central focus of their work. Further data collection will be needed to clarify this finding.

Figure 5. Key social and environmental focus areas (select multiple question)



Within each of the focus areas are nuanced approaches to achieving impact. For instance, Detroit-based company Rebel Nell fosters economic inclusion through the employment social enterprise model, in which it provides employment, workforce development, and wraparound support to women facing systemic barriers to work. The company hires these women, many of

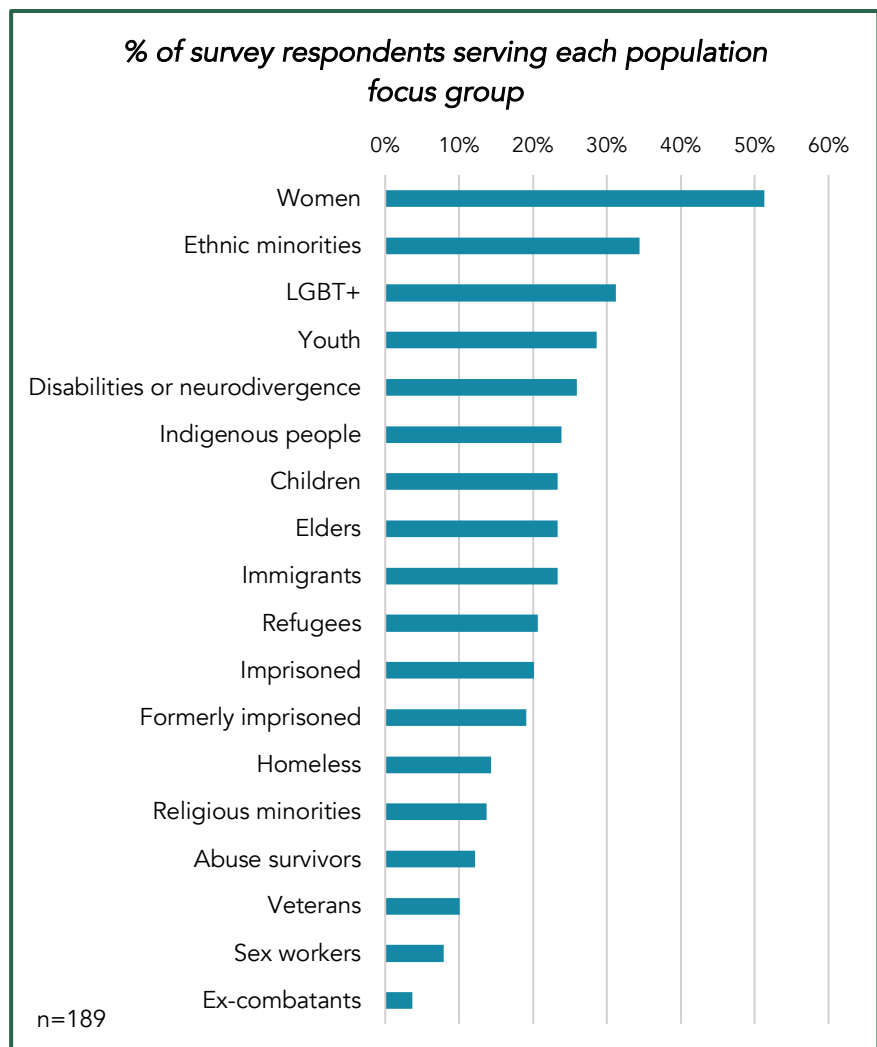
whom are living in or transitioning out of shelters, to create jewelry from reclaimed materials. While providing its employees services such as legal aid, financial training, and housing resources, Rebel Nell sustains itself through direct-to-consumer retail, corporate gifting, and experiential activations like on-site jewelry-making events.

On the other hand, Astoria Co-op and other cooperatives like it achieve economic inclusion through enterprise ownership. In this model, community members collectively own and govern the business, ensuring profits and decision-making power remain in the local community. Astoria Co-op operates as a consumer cooperative, meaning shoppers (also called member-owners) purchase equity shares in the business. This grants them voting rights in major decisions, such as electing the board of directors, helping the enterprise reflect community needs and values. Unlike traditional grocery stores that send profits to external shareholders, the Co-op keeps capital circulating in the local economy through employment and supplier relationships.

**Population focus groups:**

Within their social or environmental focus areas, these enterprises often aim to provide goods or services to specific population groups. Example groups are listed in Figure 6, which shows the frequency with which survey respondents

Figure 6. Marginalized groups receiving tailored products and services from survey respondents (select multiple question)



selected them as a target audience of their enterprise activities. 51% of respondents selected women as a group of focus. Ethnic minorities, LGBT+ individuals, and youth were also frequently selected, covering 26% to 34% of the respondents.

These enterprises may focus on not just one but multiple groups, who face common challenges. Some work explicitly to address the experiences of those with intersecting identities that compound inequities. For instance, employment social enterprises (ESEs), which create career development opportunities for those excluded from the labor market, may hire individuals experiencing homelessness, people with disabilities or who are neurodivergent, and veterans: the first two groups, because they are frequently excluded from employment opportunities, and the third if, as in the case of Pingree Detroit, the local homeless population includes a significant share of veterans. This is just one example, as these enterprises, even while abiding by a model such as ESE, also align to local needs and their own unique missions.

No matter the approach, enterprises putting people and planet first infuse their purpose throughout their operations. To satisfy Standard 2 of the People and Planet First verification on Operations, enterprises must meet Good Market’s minimum standards for their respective sector.<sup>21</sup> Operational practices can be felt at four key levels, outlined below.

**Levels of purpose-driven operations**

- 01  
Community** Enterprise activities are beneficial to or do not harm local communities. Monitors social impact.
  
- 02  
Environment** Actively works toward a low environmental footprint from operations, as it relates to emissions, waste, and other environmental indicators. Monitors environmental impact.
  
- 03  
Workers** Implements policies that support the well-being of employees. Monitors social metrics related to workers.
  
- 04  
Suppliers** Vets suppliers to ensure they too operate sustainably and ethically. Monitors social and environmental metrics related to suppliers.

---

<sup>21</sup> “Minimum Standards.” Good Market. 2025. <https://www.goodmarket.global/minimum-standards>.



An employee affixing Spectrum Designs' label to new shirts on the factory floor.



## **Spectrum Designs: an apparel manufacturer and competitive integrated employer**

Spectrum Designs, a verified social enterprise manufacturing apparel in Port Washington, New York, champions a mission to create meaningful employment for individuals on the autism spectrum. The company is a competitive integrated employer where most employees are autistic. Workers are given benefits and paid at least minimum wage, which is a notable given subminimum pay for disabled employees remains a legal and widespread practice.

Ninety-three percent of Spectrum Designs' revenue is covered by sales, as opposed to grants or other sources. Thirty percent of this business comes from being a member agency of New York State Industries for the Disabled (NYSID), a facilitator of New York's preferred source procurement program. The enterprise plans to expand nationally through franchises, with sites in Florida and New Jersey in development.

CEO Patrick Bardsley believes the beauty of social enterprises is that they operate on the same level as a for-private-profit business when it comes to turnaround time, customer service, and more: for him, "mission, social impact, environmental impact should be the cherry on top, not the whole ice cream sundae."

## Locking in purpose

Companies may start out devoted to a social or environmental purpose and eventually split from it due to one factor or another: from a new owner with different priorities entering the fold, to investors demanding a higher shareholder return. There are also enterprises with founders who remain committed to their purpose but do not take steps to lock it in for the long-term before taking on funding. They change ownership or management, for instance after a corporate acquisition, thinking it will scale their purpose. However, without more formal measures in place that prevent a recentering on profit maximization, founders have little control over the long-term trajectory of their enterprise.

One notable example of this scenario is the evolution of Ben & Jerry's after being bought by Unilever in 2000. In its merger agreement, an independent board was created in an effort to preserve Ben & Jerry's social mission, giving it "primary responsibility for Social Mission Priorities and the Essential Integrity of the Brand," while still having Unilever assume the role of parent company. In 2025, Ben & Jerry's is suing Unilever for firing its CEO David Stever, who permitted the independent board to post on the ice cream company's social media sharing stances on issues such as Palestinian rights, student protests, wages, health care, abortion, and climate change.<sup>22</sup> Ben & Jerry's continued control over its public social identity has been a longstanding source of conflict between the company and Unilever. A year after Ben & Jerry's stopped selling in Israeli-occupied Palestinian territories in 2021, Unilever returned the brand to the West Bank by selling its intellectual property rights to its Israeli distributor. Ben & Jerry's sued Unilever for this breach of their agreement, agreeing to a settlement that reinforced the former's control over its "social mission and essential brand integrity."<sup>23</sup> The company has since claimed that Unilever has failed to abide by this guarantee.<sup>24</sup>

This pattern reflects a broader risk: when mission-driven companies are acquired by large corporations without strong safeguards in place, commitments made by the company to ethical sourcing, environmental sustainability, and labor rights can be quietly eroded in favor of profit maximization. Part of the mission of Purchasing with Purpose and the People and Planet First verification is to educate owners and founders about these risks and help them establish safeguards to mitigate them. There are multiple strategies, outlined below, that enterprises can take to lock in their purpose and avoid these scenarios.

---

<sup>22</sup> Rachel Treisman. 2025. "Ben & Jerry's Alleges Its CEO Was Fired over Its Political Activism. Here's the Scoop." NPR. March 20, 2025. <https://www.npr.org/2025/03/20/nx-s1-5334417/ben-jerrys-ceo-removed-unilever-lawsuit-activism>.

<sup>23</sup> Rob Wile. 2022. "Ben & Jerry's Sues Its Parent Company over the Sale of Its Israeli Business." NBC News. July 6, 2022. <https://www.nbcnews.com/business/business-news/ben-jerrys-sues-unilever-sale-of-israeli-business-rcna36867>.

<sup>24</sup> Rachel Treisman. NPR. 2025.

## Key strategies for locking in purpose

### 01 Financing

**Avoid venture capital and extractive financing** that could redirect the enterprise away from its purpose. These financing models prioritize rapid growth and financial returns over long-term mission alignment. They often come with pressure to scale or sell, which can dilute or redirect an enterprise's original goals. Instead, enterprises can seek out non-extractive funding, such as grants, revenue-based financing, or mission-aligned investors who support purpose-driven growth. Point of View Story, a company that produces short films for use in therapy sessions with formerly trafficked persons, avoids investment opportunities because of the common pressure to sell the enterprise in the long-term: "we're passionate about what we do, and aren't interested in selling."<sup>25</sup>

### 02 Legal structures

**Lock in purpose through legal structures** that embed mission into governance. The nonprofit model is a clear example, offering a government-regulated framework that prevents private profit distribution and requires assets to be used in service of a charitable purpose—even through leadership changes or dissolution. Other purpose-aligned structures, such as steward ownership, can also help protect mission through legally binding commitments.<sup>26</sup>

### 03 Governing documents

**Adding clauses to governing documents** to codify purpose, protecting it through periods of transition, including changes in management or ownership and dissolution. Enterprises can strengthen their commitment to purpose by adding protective clauses to governing documents, such as bylaws or operating agreements. This may include language that restricts mission-drift, such as requiring board approval for sales or mandating that assets be transferred to mission-aligned entities. These internal mechanisms help ensure that even as the enterprise evolves, its core values remain intact.

### 04 Ownership

**Ownership strategies**, from worker owned companies, to family or steward-owned companies, that help ensure the enterprise stays committed to its employees as well as its larger purpose. Enterprises can also ensure structures legally obligated to uphold the company's purpose, such as a trust, foundation, or nonprofit, own a controlling share of the company, also known as a "golden share." These key shareholders can ultimately influence who sits on the board, or whether the company can be sold, preventing mission drift.

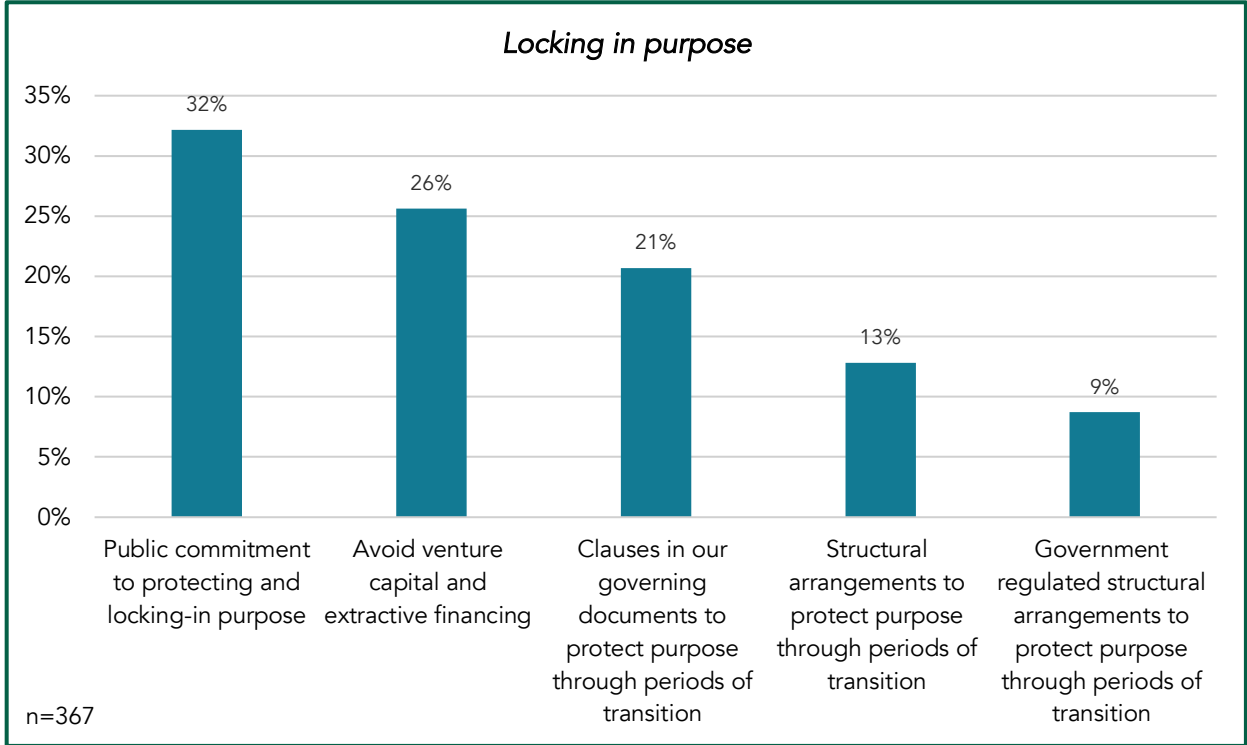
---

<sup>25</sup> KII-043

<sup>26</sup> "Steward-ownership: ownership and finance solutions for mission-driven businesses." The Purpose Foundation, RSF Social Finance, Organic Valley & Organically Grown Company. 2019. [https://purpose-economy.org/content/uploads/expowest\\_purpose\\_digital\\_020419.pdf](https://purpose-economy.org/content/uploads/expowest_purpose_digital_020419.pdf).

Figure 7 shows the rate at which survey respondents have adopted strategies to lock in their purpose in the long-term, whether by: making a public commitment to protect their purpose (32% of selections), for instance by providing updates on their adherence to it in annual reports published to their website; avoiding venture capital and extractive financing (26% of selections); including protective clauses in governing documents (21% of selections); choosing structural arrangements that protect purpose through periods of transitions, such as through democratic decision-making structures (13% of selections); or pursuing government regulated structural arrangements to protect purpose amid transition (9% of selections), such as through ownership strategies, legal entity of choice, and other enforceable structures.<sup>27</sup>

Figure 7. Strategies for committing to purpose (select multiple question)



<sup>27</sup> Doughnut Economics Action Lab provides a selection of guides that direct enterprises in considering strategies for locking in purpose, such as one entitled "Teaching Case 'How Does Steward Ownership Work.'" "Tools." Doughnut Economics Action Lab. <https://doughnuteconomics.org/tools>



## Patagonia: putting people and planet first by design

Patagonia is a globally recognized outdoor apparel company founded in 1973 and based in California. The company is known as much for its environmental activism and corporate responsibility as for its high-performance gear. From the start, Patagonia's purpose has been clear: "we're in business to save our home planet." This mission has shaped its operations, governance, and advocacy for over 50 years, proving that a large, profitable business can remain committed to environmental and social impact.

Patagonia has continuously challenged conventional business norms by embedding purpose into every layer of its work:

- **Product stewardship:** Uses organic, recycled, and regenerative materials in its products, repairs and resells used gear through its Worn Wear program, and encourages customers to "buy less and repair more."
- **Corporate structure:** In 2022, founder Yvon Chouinard transferred ownership of the company to the Patagonia Purpose Trust and the Holdfast Collective, ensuring that 100% of future profits, estimated at \$100 million/year, go to fighting climate and biodiversity crises.
- **Activism and advocacy:** Dedicates 1% of sales to grassroots environmental organizations through its "1% for the Planet" pledge; supports frontline environmental justice movements; and takes bold stances on public policy, including suing the Trump administration in 2017 over national monument rollbacks.
- **Employee and supply chain ethics:** Offers generous worker benefits and transparency around labor practices; is a certified B Corporation and Fair Trade partner, committed to ethical sourcing and fair labor.

The company builds customer loyalty while using its platform to shift industry standards. It is one of the most prominent examples of an enterprise putting people and planet first at scale, proving that profit and purpose can not only coexist but reinforce one another over time.

## Generating revenue

Enterprises meeting the five People and Planet First verification standards generate revenue from multiple sources. Key sources include the sale of goods and services, public and private grants and contracts, donations, membership fees, investment income, and in the case of green or other businesses, the sale of carbon, water, or biodiversity credits. However, the majority of revenue for enterprises putting people and planet first comes from selling goods and services. Seventy-six percent of survey respondents reported that over 50% of their annual revenue came from this source. While this is likely assumed when thinking of for-profit enterprises, the same is both true and feasible for enterprises registered as nonprofits:

Nonprofit Impact Matters, using IRS data, estimated that approximately 49% of revenue generated from nonprofits in 2016 came from private fees for service (the sale of goods and services). This estimate excluded government contracts, a category that qualifies as the sale of goods and services with the IRS—in 2023, 21% of nonprofits earned revenue from government contracts.<sup>28</sup>

## Revenue sources for enterprises putting people and planet first

<b>01 Sale of goods and services</b>	Fees for services (including government contracts), sale of goods
<b>02 Grants</b>	Government and private sector grants
<b>03 Donations</b>	From individuals or organizations, includes Donor Advised Funds (DAF)
<b>04 Membership fees</b>	Networks, certifiers, and verifiers of enterprises putting people and planet first often charge a membership fee
<b>05 Investment income</b>	From dividends, interest, crowdfunding, etc.
<b>06 Carbon, water, biodiversity credits</b>	Available to businesses that reduce, avoid, or sequester greenhouse gas emissions, operate in areas of water conservation, efficiency, or restoration, or protect, restore, or enhance natural habitats.

Revenue-generating activities for these enterprises may be separate from or one and the same as their purpose.<sup>29</sup> An enterprise may have several program activities that generate revenue, with some directly serving its mission and others funding it while not having a direct thematic relevance. Examples of these scenarios are depicted in the breakout boxes below.

---

<sup>28</sup> Many of the nonprofits that dominate this share of revenue from private fees for service are education institutions, hospitals, and healthcare entities. "Nonprofit Impact Matters: How America's Charitable Nonprofits Strengthen Communities and Improve Lives." 2019. National Council of Nonprofits. <https://www.nonprofitimpactmatters.org/site/assets/files/1/nonprofit-impact-matters-sept-2019-1.pdf>.

<sup>29</sup> Kim Alter. "Social Enterprise Typology." Virtue Ventures LLC. November 27, 2007. p.18. <https://isfcolombia.uniandes.edu.co/images/201519/LRD31.pdf>.

### **Revenue-generating activities separate from purpose-driven activities:**

#### **Community Cycles of California**

Community Cycles of California is a bike shop and workforce training program. The organization's activities include the training program, free bikes and repairs to certain groups in need, and bike sales and repairs. Community cycles relies on grants, loans, and bike sales to fund its purpose-driven activities. As Collin Bruce, co-founder and CEO, explains, the bike shop "is in existence purely to be a classroom to train underserved people to learn how to get on track to obtaining a living wage job or start their own business."



### **Revenue-generating activities same as purpose-driven activities:**

#### **Foster Trees**

Foster Trees is a verified Portland-based tree-care company, employing certified arborists to provide services such as tree pruning, removal, habitat creation, and holistic orchard care. Foster Trees works to reduce the risk of living near trees, while recommending solutions that support long-term tree and ecosystem health. The company earns revenue solely through its services, with 80% of income coming from local residential clients. Foster Trees combines its purpose of tree and ecosystem health with a revenue-generating model.



## **Balancing purpose with revenue generation**

Most enterprises meeting the five People and Planet First verification standards have parted from the goal of perpetual growth, which dominates mainstream economic thinking. In this context, frameworks like degrowth and Doughnut Economics offer powerful alternatives. Degrowth, a political and economic theory that dates back to the 1970s, challenges the notion that economic success must be measured by ever-increasing output and consumption, arguing instead for a model where societies live within ecological limits while ensuring human flourishing.<sup>30</sup> Similarly, Doughnut Economics, first introduced by Kate Raworth in a 2012 report and later expanded into a book in 2017, proposes a "safe and just space for humanity" bounded by a social foundation (meeting human needs) and an ecological ceiling (respecting planetary boundaries). Raworth puts forth the goal of living within this doughnut, wherein economies would be regenerative and distributive, and not in a constant state of growth.<sup>31</sup>

<sup>30</sup> Victoria Masterson. "Degrowth: What's behind This Economic Theory and Why It Matters Today." World Economic Forum. June 15, 2022. <https://www.weforum.org/stories/2022/06/what-is-degrowth-economics-climate-change/>.

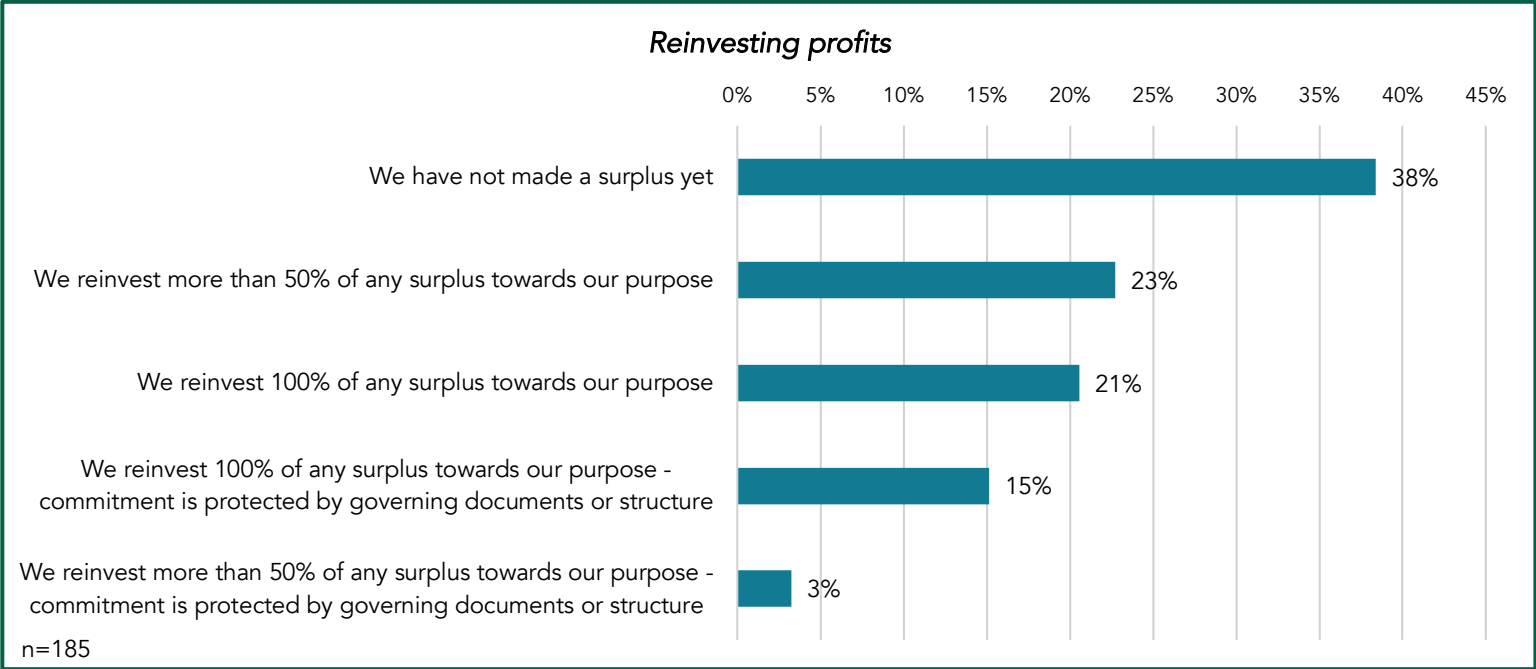
<sup>31</sup> Kate Raworth, *Doughnut Economics: Seven Ways to Think like a 21st-Century Economist*, London, Random House Business Books, 2017.

For enterprises that center people and planet, revenue growth is often not the primary goal, but rather a means to sustain impact and resilience. Their vision of success is not measured solely by how large they can scale, but by how well they balance purpose with financial viability, and how responsibly they meet the needs of their workers, communities, and the environment. In many cases, striving for rapid or infinite growth can run counter to the values these enterprises uphold. However, as we will see, that is not to say that growth and revenue generation are always at odds with prioritizing purpose in business operations.

## Reinvesting profits

In line with the fourth People and Planet First verification standard, these enterprises reinvest most of their surplus into their purpose. Figure 8 illustrates the ways in which the initiative’s survey respondents reinvest their profits. There are multiple ways to reinvest profit back into purpose, with some key practices outlined below the figure.

Figure 8. Survey respondents reinvesting profit into their purpose



### Reinvesting profit back into purpose

#### 01 Business operations

**Investing in business operations that support the enterprise’s purpose.** This can include hiring more marginalized or disadvantaged employees or increasing the base pay of existing ones; investing in software or equipment that allows the enterprise to better achieve its purpose, or expanding its reach, especially to underserved areas.

## 02 External champions

**Investing in activities or entities external to the enterprise, that are championing its purpose.** Many enterprises donate a percentage of sales to social or environmental causes that align with their purpose. A popular facilitator of environmental giving is 1% for the Planet, an organization that certifies enterprises that donate at least 1% of their annual sales to environmental nonprofits.<sup>32</sup>

For instance, Community Purchasing Alliance Co-op, a cooperative that pools the buying power of nonprofits, schools, houses of worship, and community institutions to negotiate better rates, terms, and local supplier opportunities, has “a mission share agreement with a non-profit (community organizing entity) that receives 60% of our net profits in years that we are profitable. The remaining amount can be issued to our member-owners through a patronage dividend. We have chosen to invest in growing our staff capacity in recent years.”<sup>33</sup>

In one other example, HigherRing has a program in which they donate to a cause of their employee’s choice after that employee puts in a certain number of volunteer hours for the cause. They also use profits to pay employees to work at the polls during general or midterm elections.

## 03 Target communities

**Investing in target communities.** Enterprises may use their profits to invest in communities in need, in alignment with their mission. This could look like free or discounted services to target communities. One example can be seen in Cascadia Deaf Nation (CDN), a social enterprise based in Bellingham, WA, that promotes community wellness, equity, and communication justice by providing capacity-building, interpreting services, and culturally responsive support for Black, Indigenous, People of Color (BIPOC) Deaf individuals across the Cascadia bioregion. CDN invests over half of its profit back into its purpose, and a key part of this is acting as an alternative rent assistance support system for BIPOC Deaf communities who need help before they can get a response from a local housing authority.

---

<sup>32</sup> “1% for the Planet.” 2024. 1% for the Planet. 2024. <https://www.onepercentfortheplanet.org/>.

<sup>33</sup> Survey response

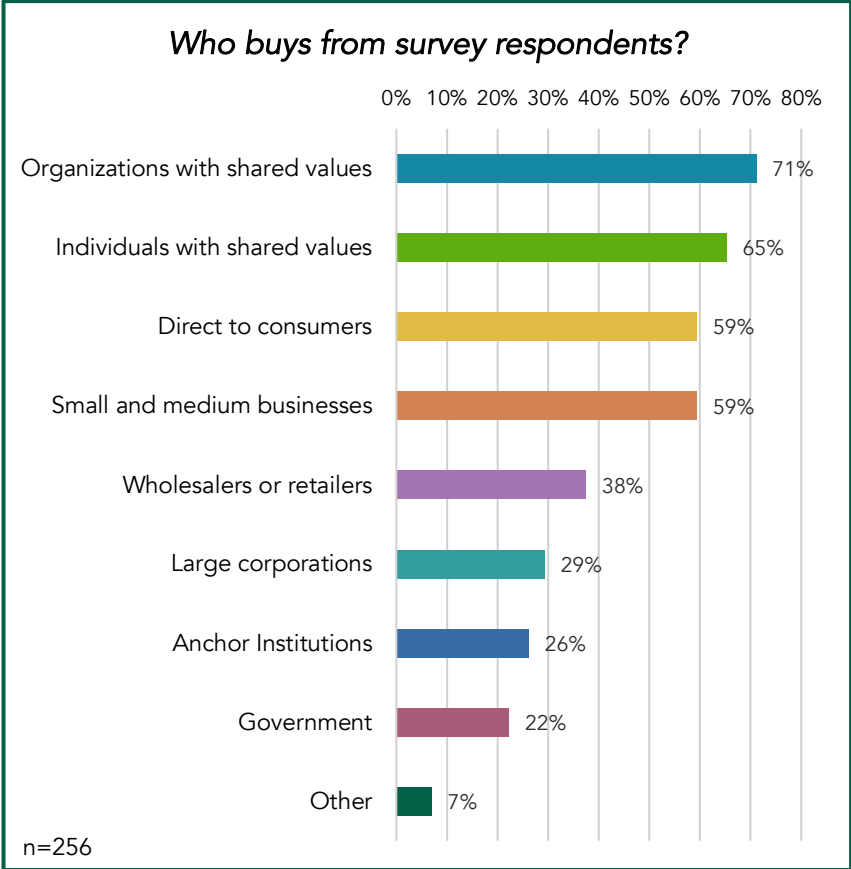
# Who buys from enterprises putting people and planet first?

Purpose-driven enterprises may sell their goods and services to consumers in a store, to other businesses, or through contracts with government agencies or companies. In the latter two cases, enterprises respond to requests for proposals from the public and private sector and may be recurring suppliers.

Figure 9 depicts the top buyers for survey respondents, with organizations with shared values leading the charge. This buyer type includes enterprises that are also putting people and planet first, or companies and government agencies that are drawn to the mission of an enterprise and are purchasing from it for that reason above all else. Consumers were the second most frequent buyers from these enterprises.

Beyond individual purchasing decisions, many public and private sector buyers adopt social procurement policies, which direct purchasing toward suppliers advancing social or environmental goals. This procurement practice is explored further in the “Potential for a people and planet first enterprise ecosystem” section of this report.

Figure 9. Types of buyers (select multiple question)





First Step Staffing worker on a factory floor.

## **First Step Staffing: unlocking untapped talent through public and private sector procurement**

First Step Staffing is the largest People and Planet First verified alternative staffing agency in the US. The enterprise is dedicated to employing individuals facing significant barriers to employment, including those experiencing homelessness, returning from incarceration, or recovering from substance use. Unlike traditional staffing firms, First Step offers wraparound support services like job coaching and transportation, helping individuals not only secure jobs but also retain them. With over 50 customers, the organization generates 85% of its \$51 million annual revenue directly from staffing contracts. Its workforce pipeline taps into a population that is largely screened out by other firms, yet ready, willing, and able to work. This unique value proposition has made the enterprise an attractive partner for both public and private buyers who want to align their procurement with social impact. First Step Staffing has developed strong relationships with several large companies and two local governments. Examples of two client relationships are below:

**1-800-Flowers** relies exclusively on First Step Staffing to fill its entry-level staffing needs in its Atlanta facility—replacing five previous staffing providers. The company values First Step’s ability to deliver a dependable workforce bolstered by transportation and job coaching services that ensure reliability and retention. The CEO of 1-800-Flowers has publicly championed the relationship and elevated it as an example of how private sector companies can align business needs with social impact.

**The City of Orlando** contracts directly with First Step Staffing to fill roles across city departments, resulting in the placement of over 150 individuals, many of whom have transitioned to permanent municipal employment. This “unicorn” public partnership, as described by Chief Mission Officer Kellie Brownlow, is anchored by Mayor Buddy Dyer’s commitment to reducing homelessness through employment. The mayor continues to actively promote First Step to other employers and city departments, highlighting how municipal procurement can be leveraged to achieve economic inclusion and long-term workforce stability.

# How are enterprises that put people and planet first legally registered?

Purpose-driven enterprises have several strategic choices to make, and first among them is what type of legal entity to operate as. They may be nonprofit or for-profit and may choose their entity based on factors such as qualifying for funding, committing to their purpose in their articles of incorporation, or ensuring they can earn revenue to support their business.

**Table 3. US legal entities for enterprises committed to a purpose**

Legal entity	# of states in which available	Estimate	Source year
Cooperatives	23	30,000	2022
Benefit Corporations	48	10,000	2023
Low-Profit Limited Liability Companies (L3C)	8	1700	2020
Social Purpose Corporations (SPC)	4	> 1,200	2024
Benefit Limited Liability Companies (BLLC)	5	> 530	2024
Statutory Public Benefit Limited Partnerships (SPBLP)	1	Data unavailable	N/A
<b>Total</b>		<b>&gt; 43,400</b>	

The traditional and most common business structures associated with pursuing purpose are nonprofits, organizations which operate for the sole purpose of creating a public benefit with a charitable, religious, or educational goal.<sup>34</sup> Nonprofits range from global government contractors to grassroots community or faith-based initiatives. They can only be considered enterprises putting people and planet first if 50% or more of their income comes from self-sustaining revenue sources, such as the selling of goods and services (also known as program service revenue on nonprofit IRS 990 filings), and certain government grants.

<sup>34</sup> "Non-profit organizations" Cornell Law School Legal Information Institute. [https://www.law.cornell.edu/wex/non-profit\\_organizations#:~:text=A%20non%2Dprofit%20organization%20is,are%20organized%20under%20state%20law.](https://www.law.cornell.edu/wex/non-profit_organizations#:~:text=A%20non%2Dprofit%20organization%20is,are%20organized%20under%20state%20law.)

For-profit enterprises putting people and planet first are commonly registered as LLCs and corporations, opting for the ability to generate an unrestricted volume of sales with any profits reinvested back into their mission, as will be discussed later in the report.

There are seven specialized legal entity options active in the US that are particularly relevant to enterprises putting people and planet first: benefit corporations, cooperatives, social purpose corporations (SPC), benefit limited liability companies (BLLC), low-profit limited liability companies (L3C), and Statutory Public Benefit Limited Partnerships (SPBLP). An estimated number of enterprises registered under each entity type is provided in Table 3.<sup>35</sup> These entities contain elements of the People and Planet First standards—however, being registered as one of them does not guarantee that an enterprise is putting people and planet first.

The most common for-profit designation in Table 3 is that of a benefit corporation or public benefit corporation (the name differing based on the state in question), which is a registration option in 48 states as well as the District of Columbia. In its certificate of incorporation, a benefit corporation includes a public benefit they will be balancing with the interests of stockholders and other communities affected by their activities.<sup>36</sup> Benefit Corporations must also publish annual reports on their social and environmental performance.<sup>37</sup> However, this reporting, and the Benefit Corporation legal entity, is separate from the B Corp certification managed by the global network B Lab, which has its own reporting requirements.

A social purpose corporation (SPC) permits enterprises to consider social and environmental impact alongside profit motives.<sup>38</sup> SPCs can state a specific social or environmental purpose in their articles of incorporation, which they are then enabled to serve.

Cooperatives are a form of collective ownership over a business or collection of businesses working together for common benefit, and can be for-profit or nonprofit.<sup>39</sup> This enterprise model has a rich history in the United States. In 1752, Benjamin Franklin established the Philadelphia Contributionship, one of the first mutual insurance organizations in the country which served as a prototype for cooperative models that would become pervasive throughout US history.<sup>40</sup> Following this period, farmers and laborers began forming agricultural cooperatives to mitigate the effects of exploitative pricing and monopolistic practices.<sup>41</sup> At the same time, African American communities were developing a long and resilient cooperative

---

<sup>35</sup> Estimations for these entities were sourced from each state's Secretary of State business search tool. The cooperative estimation was sourced from the United States Department of Agriculture (USDA).

<sup>36</sup> "Title 8, Chapter 1. General Corporation Law," The Delaware Code Online. <https://delcode.delaware.gov/title8/c001/sc15/>.

<sup>37</sup> "Benefit Corporation," B Lab United States & Canada. <https://usca.bcorporation.net/benefit-corporation/>.

<sup>38</sup> Yoshihiro Fumoto. "Social Purpose Corporation," 501 Commons.

<https://www.501commons.org/resources/tools-and-best-practices/starting-a-nonprofit/social-purpose-corporation#:~:text=Think%20of%20a%20social%20purpose,Can%20pursue%20their%20own%20mission.>

<sup>39</sup> "What is a cooperative?" International Cooperative Alliance. <https://ica.coop/en/cooperatives/what-is-a-cooperative.>

<sup>40</sup> Hannah Scott. "Co-op Mastery Beyond Cooperatives 101," College of Food, Agricultural, and Environmental Sciences, The Ohio State University. <https://u.osu.edu/coopmastery/history/>.

<sup>41</sup> Julie A. Hogeland. "The Economic Culture of U.S. Agricultural Cooperatives," Culture & Agriculture, American Anthropological Association, 2006, Vol. 28 pp. 67-79. [https://www.rd.usda.gov/files/publications/EconomicCultureAgCoops\\_Hogeland.pdf](https://www.rd.usda.gov/files/publications/EconomicCultureAgCoops_Hogeland.pdf).

tradition in the face of systemic racism and economic exclusion. They relied on mutual aid societies during slavery, expanded cooperative practices during Reconstruction, and went on to build credit unions, housing cooperatives, and worker cooperatives in the 20th century as tools for survival and community wealth-building.<sup>42</sup> Cooperatives empowered communities to gather their resources and control production, distribution, and sales in a collective manner. This spirit of self-determination was extended by the rural electrification cooperatives in the 1930s, providing underserved areas with essential infrastructure through federally supported and community owned utilities.<sup>43</sup> Cooperatives today may be legally registered as such, or they may just apply the cooperative business model while choosing a different legal entity.

Both BLLCs and L3Cs are variations on Limited Liability Companies (LLC) with a public benefit or purpose clause built in.<sup>44</sup> Certain states have in recent years begun to reassess the utility associated with L3C designations. Rhode Island introduced legislation to repeal their L3C form in 2023, following North Carolina, which had eliminated the form in 2014.<sup>45</sup> The last for-profit option is that of a statutory public benefit limited partnership, which balances the interests of those in the limited partnership, those materially affected by the actions of the partnership, *and* the public benefits stated in the partnership agreement and certificate of limited partnership. This entity option is only available in Delaware.<sup>46</sup>

Enterprises registered under one of these entities receive certain benefits depending on the state. For instance, Massachusetts offers preferential tax rates to certain public benefit corporations through H4016, which was introduced in 2023.<sup>47</sup> The L3C designation was originally promoted as allowing investment in L3Cs to qualify as program related investment (PRI), so private foundations could invest in them without jeopardizing their tax-exempt status. However, because the IRS has never explicitly stated this is the case, foundations have proven wary of acting on the option. As this PRI advantage was a key reason for registering as an L3C for some enterprises, other entities are more appealing at this point.<sup>48</sup>

---

<sup>42</sup> Jessica Gordon Nembhard. *Collective Courage: A History of African American Cooperative Economic Thought and Practice*. University Park, Pennsylvania: The Pennsylvania State University Press. 2014.

<sup>43</sup> Bill Kte'pi. "Rural Electrification," EBSCO, 2023. <https://www.ebsco.com/research-starters/history/rural-electrification>.

<sup>44</sup> Sandra Feldman. "Benefit LLCs - An option for socially conscious business owners" Wolters Kluwer, August 4, 2020. <https://www.wolterskluwer.com/en/expert-insights/benefit-llcs-an-option-for-socially-conscious-business-owners>.

<sup>45</sup> Andy Guan, Christelle Mazloum et al. "The State of Social Enterprise and the Law," The Grunin Center for Law and Social Entrepreneurship, 2023-2024. [https://socentlawtracker.org/wp-content/uploads/2024/09/2023\\_2024\\_Grunin\\_Tepper\\_Social-Enterprise-and-Law-Report.pdf](https://socentlawtracker.org/wp-content/uploads/2024/09/2023_2024_Grunin_Tepper_Social-Enterprise-and-Law-Report.pdf).

<sup>46</sup> Limited Liability Act, Del. Code § 18-1202 et seq, accessed April 25, 2025. [https://delcode.delaware.gov/title6/c018/sc12/index.html#:~:text=\(a\)%20A%20E2%80%9Cstatutory%20public,by%20the%20limited%20liability%20company](https://delcode.delaware.gov/title6/c018/sc12/index.html#:~:text=(a)%20A%20E2%80%9Cstatutory%20public,by%20the%20limited%20liability%20company).

<sup>47</sup> "An Act relative to public benefit corporations Bill H.4016," The General Court of the Commonwealth of Massachusetts, 19 January 2023. <https://malegislature.gov/Bills/193/H4016>.

<sup>48</sup> The Grunin Center for Law and Social Entrepreneurship. "The State of Social Enterprise and the Law." NYU School of Law. 2023. [https://socentlawtracker.org/wp-content/uploads/2024/09/2023\\_2024\\_Grunin\\_Tepper\\_Social-Enterprise-and-Law-Report.pdf](https://socentlawtracker.org/wp-content/uploads/2024/09/2023_2024_Grunin_Tepper_Social-Enterprise-and-Law-Report.pdf); KII-040; survey responses

# Impact on people and planet

## On lack of comprehensive data

Reporting on or measuring the impact of all US enterprises putting people and planet first is no easy feat, for several reasons. One has already been discussed: these enterprises use different names to refer to themselves, determined by business model, legal status, or another characteristic, and therefore data on all enterprises meeting the five standards is decentralized, and varies in quality and volume. Much of the reporting on impact thus far has been focused on nonprofits and social enterprises, many of which, but not all, fit the five People and Planet First standards. Secondly, while certain segments of these enterprises have been analyzed for economic performance, most assessments were done at the global level or for another country, as opposed to looking just at the US.

Given this, the following is a collection of statistics on enterprises putting people and planet first that is ultimately not indicative of the full range of enterprises discussed in this study. However, initiatives are underway to accumulate global and country-level statistics on these enterprises. This will be elaborated on later in the report.

## Reported impact

### Social enterprises

Social enterprises worldwide are estimated to generate approximately \$2 trillion in annual revenue, and in 2021, were reported to account for 2% of global GDP. These enterprises also contribute significantly to the employment rate—worldwide, it is estimated that social enterprises created around 180 million jobs in 2023.<sup>49</sup>

Recent studies have examined the benefits delivered by these enterprises, with a particular focus on employment social enterprises (ESE). According to a study conducted by Mathematica Policy Research in 2015, ESEs in network REDF's portfolio offer a societal return on investment of \$2.23 for every dollar they spend. This includes reducing taxpayer burden by \$1.31 per dollar spent, primarily through lower government transfer payments and increased government revenues.<sup>50</sup>

### Cooperatives

According to the National Cooperative Bank annual report, the top 100 revenue-earning cooperatives in the US generated more than \$325 billion in 2023. US-based worker cooperatives are reported to have a 1:1.45 pay ratio between lowest and highest earning

---

<sup>49</sup> "The State of Social Enterprise," Schwab Foundation for Social Entrepreneurship, 2013.

<sup>50</sup> Dana Rotz, Nan Maxwell, Adam Dunn. "Economic self-sufficiency and life stability one year after starting a social enterprise job." Mathematica Policy Research. January 13, 2015. <https://redf.org/wp-content/uploads/REDF-MJS-Final-Report.pdf>.

workers, compared to 1:344 in large US corporations.<sup>51</sup> These pay ratios effectively juxtapose cooperatives' prioritization of employee well-being with business-as-usual practices that result in CEOs making over 300 times the salary of those lowest in the hierarchy. Additionally, electric cooperatives contribute an average \$111 billion to national GDP and around 623,000 jobs every year.<sup>52</sup> Along with increasing the nation's employment rate, cooperatives consistently contribute to the nation's economy.

As discussed, many social service nonprofits in the US engage in revenue-generating models to cover their service offerings. In 2023, nonprofits accounted for 5% of US GDP, contributing an estimated \$1.4 trillion to the economy.<sup>53</sup> They also played a major role in the job market, employing approximately 12.8 million people, which equates to nearly 10% of all private-sector jobs.<sup>54</sup> Additionally, nonprofits collectively paid out over \$826 billion in salaries, benefits, and payroll taxes annually, surpassing several US industry sectors such as construction, transportation, and finance.<sup>55</sup>

## Measuring impact

Enterprises putting people and planet first may be compelled to measure their impact for a variety of reasons. While many measure it from internal motivation, or as part of their voluntary commitment to transparency, external regulators are the primary driver for others. For instance, grant reporting requirements often determine which metrics these enterprises use.

Certifications to which these enterprises apply may also request certain metrics, incentivizing enterprises to measure them on an ongoing basis.<sup>56</sup> For instance, B Lab, Climate Neutral, and 1% for the Planet ask enterprises for impact metrics in their applications. B Lab requests information on enterprise operations as it relates to seven "Impact Topic" areas: Purpose & Stakeholder Governance, Fair Work, Justice, Equity, Diversity & Inclusion, Human Rights, Climate Action, Environmental Stewardship & Circularity, and Government Affairs & Collective Action.<sup>57</sup> One enterprise interviewed for the report said they chose impact metrics to measure based on those mentioned in People and Planet First verification materials.<sup>58</sup>

---

<sup>51</sup> Anca Voinea. "Top 100 US co-ops earn annual revenue \$324bn, sector impact report reveals." Coop News. March 5, 2025. <https://www.thenews.coop/us-top-100-co-ops-earn-annual-revenue-324bn-sector-impact-report-reveals/>.

<sup>52</sup> Miles Hadfield. "US electric co-ops add \$111bn a year to national economy, says NRECA study." Coop News. October 10, 2023. <https://www.thenews.coop/us-electric-co-ops-add-111bn-a-year-to-national-economy-says-nreca-study>

<sup>53</sup> Paige Howarth. "Health of the U.S. Nonprofit Sector 2022." Independent Sector. November 13, 2023. <https://independentsector.org/resource/health-of-the-u-s-nonprofit-sector/>.

<sup>54</sup> U.S. Bureau of Labor Statistics. "Research Data on the Nonprofit Sector." Wwww.bls.gov. August 15, 2024. <https://www.bls.gov/bdm/nonprofits/nonprofits.htm>.

<sup>55</sup> National Council of Nonprofits. "Economic Impact of Nonprofits | National Council of Nonprofits." Wwww.councilofnonprofits.org. 2024. <https://www.councilofnonprofits.org/about-americas-nonprofits/economic-impact-nonprofits>.

<sup>56</sup> KII-025, KII-030, KII-015, KII-021, KII-042, KII-038, KII-034, KII-029

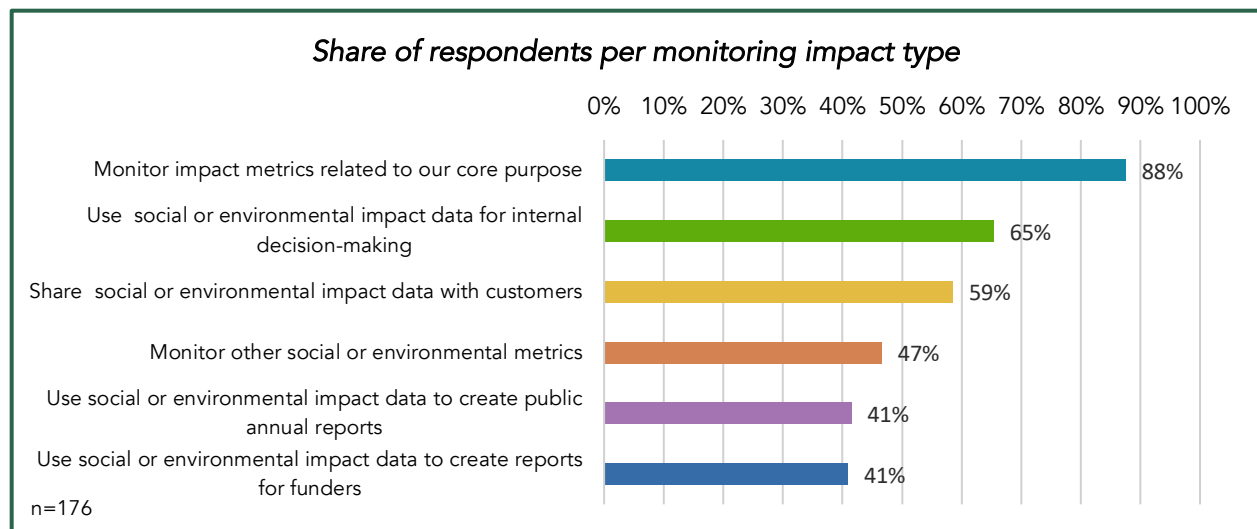
<sup>57</sup> B Lab. "Evolving and Adapting the B Corp Certification Performance Requirements Based on Stakeholder and Community Feedback." Wwww.bcorporation.net. 2025. <https://www.bcorporation.net/en-us/standards/performance-requirements/>.

<sup>58</sup> KII-023

These enterprises often measure impact based on their sector, thematic focus, or business model.<sup>59</sup> For instance, Sew Valley, a verified enterprise and garment manufacturer, measures the number of community members it helped in its grant applications. As part of its initiative to launch a zero-waste program, the organization is also beginning to measure and report on greenhouse gas (GHG) emissions saved.<sup>60</sup> Educational institutions putting people and planet first may measure indicators like student term completion, or whether students are graduating with debt.<sup>61</sup> Other enterprises measure social return on investment to quantify their impact.<sup>62</sup>

Figure 10 depicts the most frequent practices survey respondents implement when monitoring their impact, from factoring insights into decision making, to data sharing methods.

Figure 10. Ways of monitoring impact



Of the respondents, 88% reported tracking metrics directly related to their core purpose, demonstrating alignment between mission and measurement. A significant portion (65%) also use this data to inform internal decision-making and share it with customers (59%), suggesting that impact data is not only collected but actively integrated into organizational strategies. A smaller though substantial number of respondents (41%) build reports to communicate their impact. The following case studies showcase example metrics measured by different purpose-driven enterprises.

<sup>59</sup> A true calculation of impact addresses a “difference in differences,” which refers to the amount of change (in any direction, positive or negative) achieved through an intervention (which in this case, refers to enterprise activities), in comparison to what would have occurred without the intervention. This requires the use of a counterfactual, via a baseline assessment, or control or comparison groups.

<sup>60</sup> KII-021

<sup>61</sup> KII-030

<sup>62</sup> KII-038



Cara Collective workers participating in its Cleanslate program.



### Cara Collective

Cara Collective is a verified purpose-driven enterprise, founded in 1991 with a mission to eradicate poverty through free workforce training, job creation and placement, and professional coaching. The enterprise has spent the last 34 years helping cultivate skills for individuals affected by poverty and facing barriers to employment. It does this through multiple programs: Cleanslate, Cara Connects, Cara Plus and Cara Plus Workforce Development Solutions Lab.

To measure its impact, Cara Collective tracks job placements, participant retention, and long-term earnings increases. In 2024 alone, it helped over 1,000 individuals secure more than 1,000 jobs. Through its Cleanslate program, the enterprise collected over 2,167 tons of trash and 587 tons of recyclables. Its purpose-driven work yields a \$5.97 return to society for every \$1 invested over five years.

- 16,000+** total jobs secured
- 9,400+** people served
- \$10.8M** in annual earnings from Cara participants
- \$5.97** for every \$1 invested over five years as a social return on investment
- 2,167** tons of trash and **587** tons of recyclables in 2024



Pingree Detroit employee handcrafting a bag.

## Pingree Detroit

Pingree Detroit is a verified enterprise and worker-owned company that fosters individual and community economic resilience in Detroit, Michigan. It does this by employing and supporting local Veterans and Detroiters experiencing homelessness. Pingree's workers craft handmade apparel and accessories using upcycled materials. Prioritizing economic inclusion, craftsmanship, and sustainability, the company's mission is to create living-wage jobs and provide free training in sustainable design and entrepreneurship.

Pingree reinvests most of its profits directly into its workers, supporting free education in sustainable design as well as training in footwear and accessory making. Additionally, it has committed to reducing its waste and carbon emissions. The company offsets its inbound and outbound carbon and GHG emissions from shipping and energy usage with forestry projects and renewable energy investments. Pingree is on its way to eliminating all waste from its entire supply chain by 2030.

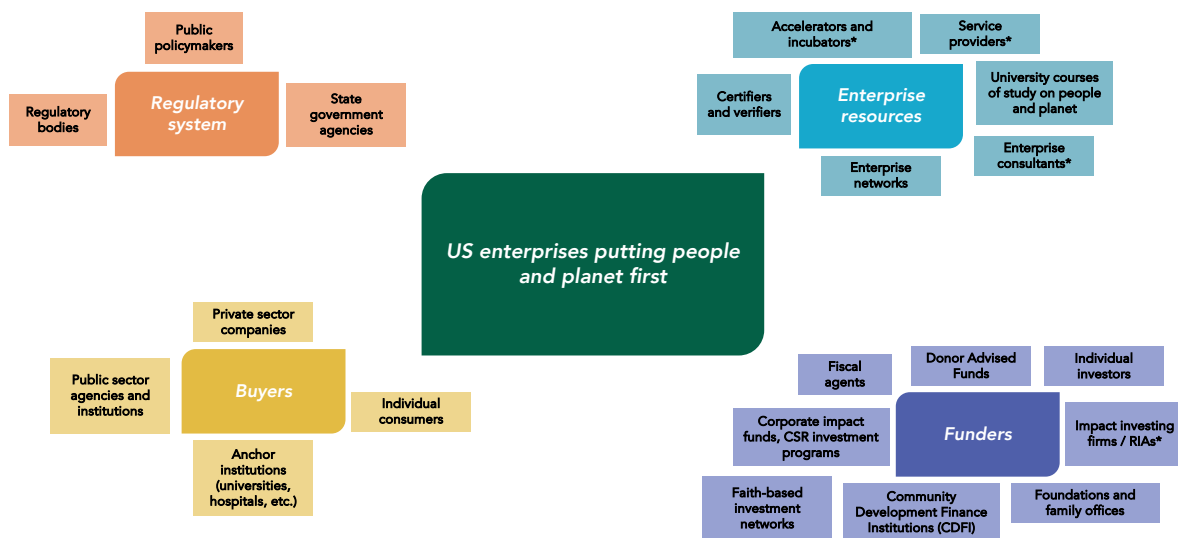
**25,000+** pounds of leather diverted from landfills

**77%** of profits reinvested in workers and support free training and education

# The potential for a people and planet first enterprise ecosystem

There is a whole ecosystem of actors which could work with enterprises meeting the five People and Planet First standards to make their vision a reality. However, there are gaps in support, participation, and collaboration which, if filled, could strengthen and streamline the work of these enterprises. Three key stakeholder groups involved in this ecosystem, illustrated in Figure 11, are enterprise networks (under enterprise resources in the figure), buyers (from individual customers to public, private, and anchor institutions), and funders (including investors and philanthropic actors). The following section outlines the different roles these actors play and could adopt at scale to advance the ecosystem: from collective bargaining on the part of enterprise networks, to social procurement pathways championed by public and private sector buyers, to essential financial support from funders at key stages in an enterprise’s development.

**Figure 11. Stakeholder groups in a people and planet first enterprise ecosystem**



\*May also qualify as enterprises that put people and planet first

## Enterprise networks

When looking for enterprises putting people and planet first, one can start with the networks they join. These enterprises are often, though not always, members of organizations that manage and facilitate global, national, local, and grassroots networks of enterprises. There are hundreds of these enterprise networks throughout the United States and around the world, with some tailored to enterprises prioritizing a specific social or environmental mission, and others not. For instance, members of the American Sustainable Business Network (ASBN) may

identify as green businesses or sustainable businesses, while more general networks like B Lab certify approximately 9,500 “B Corps,” or enterprises meeting their specific social and environmental standards.<sup>63</sup> Many enterprises in these networks would already meet the five global standards for People and Planet First—more are on track to getting there, and could be supported through the process.

Networks have distinct goals and priorities based on their members’ specialty or model as well as their geographic scope. They implement capacity-building and advocacy efforts to support their members, and foster community through conferences, events, and online spaces through which enterprises connect, learn, receive support, and collaborate.

Jodie Vieira, founder of One Little World, an enterprise partnering with artisans around the world to showcase and sell their goods while upholding fair trade practices, is a member of Fair Trade Federation (FTF). This network verifies enterprises that abide by its standards. After attending a conference for the 30<sup>th</sup> anniversary of FTF, Jodie “walked away with a sense of community. I’m in a group of people who share a passion...and this community is always available,” referring to FTF’s hub where its members can connect with each other remotely.<sup>64</sup> Other enterprises interviewed also cited the benefit of community as a key reason they engage with networks.



### **REDF: a network for employment social enterprises**

REDF is the largest network in the US for enterprises that create career opportunities for those with barriers to employment, or employment social enterprises (ESE). The organization was founded in 1997 in the San Francisco area, where it continues to operate today with over 350 current members. REDF is a Referral Partner for People and Planet First and part of the Purchasing with Purpose collective.

REDF provides services to its members through 6 different programs:

- A 6-month accelerator for leaders of early-stage ESEs
- A growth portfolio of ESEs that REDF invests in through grants and capacity building over the course of multiple years
- REDF impact investing fund (RIIF), a Community Development Financial Institution (CDFI) offering loan products to ESEs
- Advocacy efforts through government partnerships and ESE policy agendas
- REDF community events and spaces
- REDFworkshop, a toolbox that supports ESEs with capacity-building techniques tailored to the business model

<sup>63</sup> Close to 3,500 B Corps are in the US.

<sup>64</sup> KII-019

Each networks' advocacy efforts are shaped by their members, as different types of enterprises have varying priorities and strategies that need advancing. For instance, a network with a strong base of cooperatives may focus on strengthening legal recognition for cooperative models, expanding access to shared ownership financing tools, or advocating for policies that support democratic governance structures. In contrast, a network serving ESEs might prioritize workforce development legislation or reforms to public benefit systems that penalize employment, aligning its efforts with goals of expanding job access for marginalized populations. A network primarily composed of green businesses may instead direct its advocacy toward environmental procurement policies, sustainability incentives, or climate-aligned small business support programs.

Despite these differences, there are common touchpoints relevant to all networks representing these enterprises which, if identified as opportunities for collaboration, can lead to short- and long-term rewards for their members. This potential is demonstrated by network activity around the 2028 Olympics, described below.



### **Local First Arizona: a local network**

Local First Arizona is a network supporting the largest coalition of locally owned businesses in North America. Founded in 2003, it is dedicated to advancing inclusive community and economic development throughout the state. The network, also a member of the Purchasing with Purpose collaborative, provides services to a vast range of local businesses, including retailers, food entrepreneurs, artisans, makers, and service providers, in rural, tribal, suburban, and urban communities in Arizona, offering:

- High-quality education, hands-on training, and personalized programs designed to address the specific challenges businesses face
- A Spanish accelerator program
- Expert-led consultation and certification to help enterprises reduce their environmental impact and operating costs
- Boot camps designed to equip food business and green business owners with essential knowledge in planning, purchasing, and daily operations
- A six-month program specifically created for and by Arizona's Black entrepreneurs, delivering practical business education, mentorship, and financial literacy training

### ***Network collaboration: LA28***

A prime example of networks working together to benefit all their members is a collaboration underway for the 2028 Olympics (LA28). Fair Trade LA, a network supporting fair trade enterprises based in Los Angeles which is also part of the Purchasing with Purpose collaborative, was placed on a procurement committee to help source ethical suppliers for

LA28. Identifying an opportunity, Purchasing with Purpose connected Fair Trade LA with REDF, Social Enterprise Alliance, Yunus Sports Hub and other networks active in the LA area, to support its work of identifying suppliers. This informal partnership has expanded the pool of suppliers for the Olympics to include more that prioritize a social and environmental purpose, across the networks' focus areas.

Purchasing with Purpose also collaborated with supplier.io, a supplier diversity and ESG data platform working with LA28, as well as SAP Business Network, to integrate the People and Planet First global verified database of enterprises into their systems. This has further increased opportunities for enterprises meeting the five standards at LA28, when the initial aim was just to ensure local fair-trade representation.<sup>65</sup>



### **Social Enterprise Alliance: a national network**

The Social Enterprise Alliance (SEA), founded in 1998, is a US-based network that helps social enterprises expand their revenue and impact by building awareness, advocating for supportive policies, and connecting them with resources. The organization is a US Referral Partner for the People and Planet First verification. SEA currently has a community of around 500 members and offers them the following programs and services:

- Multiple free or discounted online learning resources, including trainings, Master Classes and Coffee Chats
- Exclusive access to SEA's Slack workspace, for opportunities to engage and collaborate with the full network
- Promotion through communications and events. They share their members' work through blog posts, podcasts, and newsletters
- Support becoming People and Planet First verified

<sup>65</sup> "Verified Enterprise Directory." Peopleandplanetfirst.org. Good Market. 2025. <https://verified.peopleandplanetfirst.org/directory>.

# Buyers

Buyers keep enterprises putting people and planet first self-reliant, independent from revenue earned from contributions. As purchasers of products or users of services, customers directly influence market demand for enterprises that prioritize social or environmental outcomes alongside financial returns. Their preferences, purchasing power, and expectations around transparency and ethical practices help shape these enterprises' business models and accountability standards. Private sector companies, public sector agencies and institutions, anchor institutions such as universities, hospitals, faith-based groups, and others, and individual consumers, each have a role to play in supporting enterprises putting people and planet first as a viable model for doing business.

The following section highlights three key types of buyers: public and private sector entities, enterprises putting people and planet first that purchase from one another, and individual consumers. The section covering public and private sector entities zeroes in on a particular purchasing practice called social procurement, which presents an opportunity for enterprises putting people and planet first as well as their buyers.



## **SAP: catalyzing the ecosystem through Corporate Social Responsibility**

SAP is the world's leading enterprise application software provider, headquartered in Germany. The SAP corporate social responsibility (CSR) strategy focuses on creating long-term social and environmental impact while driving business value. One way it does this is by supporting social enterprises. Together with its partner ecosystem, SAP helped support more than 100,000 social enterprises that collectively impact more than 2 billion people worldwide. More specifically, SAP's current CSR approach involves:

- **Developing Resilient and Sustainable Supply Chains:** SAP aims to strengthen social enterprises by building supply chains that are enduring and environmentally friendly.
- **Advocating and Investing in the Social Economy:** The SAP focus extends to both financial and non-financial contributions to the social economy. They advocate for supportive policies and invest resources to foster a healthier social economy ecosystem.
- **Expanding Businesses and Cultivating Leadership:** SAP supports social enterprises' growth and their leaders' development through professional, pro bono consulting services.

SAP has been investing in the social enterprise space for nearly two decades. It welcomes multi-sector collaboration across all of its investments and champions the real business value in partnering with these enterprises.

## Social procurement

Some enterprises putting people and planet first benefit from social procurement (also known as impact-led procurement) policies: when companies or agencies build systems to intentionally work with suppliers that prioritize a social or environmental purpose.

In the public sector and at the federal level, is the AbilityOne program, which mandates federal agencies to procure certain goods and services from a network of over 560 enterprises registered as nonprofits that employ individuals with disabilities.<sup>66</sup> The program, which began in the 1930s, is one of the largest sources of employment for this demographic. At the state level, there are currently nine states with legislation that prioritizes social enterprises in procurement processes: California, Oregon, Illinois, Minnesota, Washington, Massachusetts, Maryland, New York, New Jersey, and Pennsylvania.<sup>67</sup> In practice, this often means the states operate preferred source programs, or procurement systems that prioritize enterprises delivering a social service or upholding certain environmental standards.

New York has the largest state-use or preferred source program, requiring state agencies, municipalities, school districts, and public benefit corporations to purchase from enterprises that qualify as a Preferred Source if they meet the entity's needs, before pursuing a competitive bid process.<sup>68</sup>

The state's preferred source system consists of three membership organizations that facilitate the program: New York State Industries for the Disabled (NYSID), through which state entities can purchase products and services from organizations employing New Yorkers with disabilities; New York State Preferred Source Program for People Who Are Blind (NYSPSP), a network of organizations that employ New Yorkers who are blind; and New York State Department of Corrections Division of Industries (Corcraft), a



Employee at one of NYSID's member agencies.

<sup>66</sup> "AbilityOne," U.S. AbilityOne Commission. <https://www.abilityone.gov>.

<sup>67</sup> "Country Profile: United States," World Economic Forum, <https://initiatives.weforum.org/global-alliance-for-social-entrepreneurship/socproc-united-states>.

<sup>68</sup> Public benefit corporations in New York are quasi-governmental entities created by the state, often through special legislation, to carry out public functions. Examples include the Metropolitan Transportation Authority (MTA), Dormitory Authority of the State of New York (DASNY), Port Authority, and Empire State Development. This is distinct from the "benefit corporation" legal entity discussed earlier in the report.

voluntary program for incarcerated people that are employed and trained to produce goods.<sup>69</sup> A case study on NYSID is provided at the end of the Buyers section of the report. Preferred Source enterprises must show that they are in alignment with their relevant member organization in terms of who they employ, and their price must be within 15% of the market price. The Preferred Source program benefits New York State by bringing more residents into the workforce, reducing the need for public assistance and increasing tax revenue.<sup>70</sup>

In the private sector, companies are increasingly embedding social and environmental performance criteria directly into procurement systems. Examples of private sector social procurement in practice are provided from the perspective of a buyer (Compass Diversified) as well as a purpose-driven enterprise (Change Please USA), in the case studies to the right and at the end of the Buyers section.

Programs like the Social Procurement Innovation Accelerator, co-led by SAP and Deloitte, are working to equip companies and agencies with frameworks that facilitate supplier impact measurement, inclusive sourcing, and ethical labor compliance.<sup>71</sup> Purchasing with Purpose further supports this ecosystem by helping both public and private sector actors identify, connect with, and contract purpose-driven enterprises, lowering barriers for both buyers and suppliers.



### **Compass Diversified's social procurement approach:**

Compass Diversified, a Connecticut-based publicly traded holding company, is on a mission to pioneer social procurement within its industry, a value-driven focus it has been honing since 2022. The spark came from Zoe Koskinas, who, after spending years immersed in the U.K.'s social-enterprise ecosystem, began sourcing mission-led vendors immediately after joining the Compass team. Since then, Laura Coria has taken on the role of procurement lead.

Compass works with Purchasing with Purpose, who provides a database of enterprises from which they can choose depending on their need.

The company has organized its procurement mission into three pillars:

1. Revolutionizing standards: developing their own guidelines for impact-led purchasing, to share with their industry (including their own subsidiaries)
2. Accountable influence reporting structure: identifying metrics to measure their social procurement impact
3. Impactful alliances: Leading a business advisory group facilitated by Purchasing with Purpose

<sup>69</sup> "Preferred Sources," Office of General Services, New York State. <https://ogs.ny.gov/procurement/preferred-sources>.

<sup>70</sup> Kent Gardner. "The Benefits of New York State's Preferred Source Legislation: An Economic Analysis," CGR, December, 2006. <https://reports.cgr.org/details/1506>.

<sup>71</sup> Alexandra van der Ploeg. "Accelerating Impact Businesses at the 2025 World Economic Forum." SAP News Center. January 27, 2025. <https://news.sap.com/2025/01/wef-2025-social-innovation-accelerating-impact-businesses/>.

## The value of social procurement

There are substantive benefits to companies and agencies that buy from enterprises putting people and planet first. Social procurement has the potential to boost employee morale and pride, an increasingly important factor for companies hoping to entice and retain talent. A 2023 LinkedIn study found that 87% of workers in the US find it important that their employers are aligned with their values, with 60% of the global Gen Z and Millennial population considering value misalignment to be a dealbreaker when job-searching.<sup>72</sup> Deloitte reported in a 2025 global study that two out of 10 Gen Zs and Millennials have researched a company's environmental policies and impact before accepting a job. The same report found a strong connection between three key attributes of work: money, meaning, and well-being. Among Deloitte's survey respondents who reported positive mental well-being, 67% of Gen Zs and 72% of millennials also said their job lets them make a meaningful contribution to society, a response distinct from those reporting poor well-being.<sup>73</sup>

### Beyond procurement: Ashoka Changemaker Companies

Corporations and government entities that want to strengthen their ethics could look to enterprises putting people and planet first for guidance. Ashoka, a global network for social entrepreneurs and a partner in the Purchasing with Purpose collaborative, demonstrates the value these actors offer to corporations on a daily basis through its Ashoka Changemaker Companies program. This initiative helps corporations "walk the talk on social and sustainability goals." The program enables social entrepreneurs to ideate sustainable practices in corporations while fostering co-creation among companies, foundations, and organizations to drive large-scale social transformation. To date, Ashoka has worked with over 950 brands, producers, and innovators across various industries, through the program. Companies like Microsoft and Kersia have integrated social entrepreneurs into their operational strategies—be it through supply chain innovation, social procurement, or product development.

One way in which companies can demonstrate their values without added budget spend is through purchasing practices. As previously mentioned, Fortune 500 companies are reported to allocate 75% of their total spend and 65% of their revenue to external supplier costs.<sup>74</sup> Redirecting even a small portion of that toward enterprises aligned with social and environmental values offers a powerful, scalable way for companies to champion a mission and signal it clearly to the talent they hope to attract.

<sup>72</sup> Josh Graff. "Company Values Are Deal-Breaker for New Professionals: LinkedIn Study." World Economic Forum. April 19, 2023. <https://www.weforum.org/stories/2023/04/why-company-values-deal-breaker-next-generationprofessionals/>.

<sup>73</sup> "2025 Gen Z and Millennial Survey Growth and the Pursuit of Money, Meaning, and Well-Being." Deloitte. 2025. <https://www.deloitte.com/content/dam/assets-shared/docs/campaigns/2025/2025-genz-millennial-survey.pdf>.

<sup>74</sup> "The State of Spend Report and Supplier Cost Reductions | Proxima." Proxima. September 23, 2024. <https://proximagroup.com/reports-and-research/the-state-of-spend-report-and-supplier-cost-reductions/>.

## **New York State Industries for the Disabled (NYSID)**

New York State Industries for the Disabled (NYSID) is the largest state-use provider in the country and a member of the Purchasing with Purpose collective. It was established to create employment opportunities for individuals with disabilities, and now includes veterans and people with incarceration histories, as a significant portion of them are disabled. In 2024, NYSID employed close to 5,000 people with disabilities, who earned \$82.7 million in wages collectively.

Celebrating 50 years of operation, NYSID operates through a network of over 135 member agencies and corporate partners. These member agencies, primarily service provider enterprises registered as nonprofits, offer services in areas like mail fulfillment, janitorial services, document digitization, and more. Corporate partners provide on-the-job training and resources to support the work of the agencies. For example, E-BizDocs, a document management company, partners with the Rensselaer ARC to employ individuals with autism in digitizing records for the New York State Department of Health.

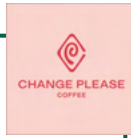
NYSID is distinct among state-use programs for voluntarily rejecting the 14(c) subminimum wage certificate, making it a leader in offering fully integrated, competitive, and fair-wage employment. These jobs reduce reliance on Medicaid and other public assistance by offering meaningful work, and the economic impact has been studied and validated through multiple reports by the Rockefeller Institute of Government. The organization also plays an advocacy role for its member agencies, engaging with legislators, running awareness campaigns, and offering resources like training on new regulations to its members. NYSID will also match grants and provide loans for equipment that supports the growth of its member agencies.

NYSID struggles at times to offer services within 15% of market price, a requirement of the Preferred Source program set by New York's Office of General Services (OGS). This benchmark, unique to NYSID, often doesn't account for the social value, training time, or support infrastructure required for employing individuals with disabilities—especially in competition with global corporations like Staples.

Looking ahead, NYSID aims to significantly expand its impact, with a goal of reaching 10,000–12,000 individuals in the workforce. The organization is seeking to increase its presence in the private sector by leveraging its People and Planet First verification and participating in broader procurement opportunities beyond government contracts. NYSID will continue to push for policy reforms that recognize the full social and economic value of its member agencies. As CEO Maureen O'Brien puts it, in reference to New Yorkers with disabilities, "We want them to have the same opportunities for employment as everyone else does."



Change Please café in the office of a corporate partner.



## Change Please USA: bringing coffee and economic mobility to corporate offices

Change Please USA is a People and Planet First verified enterprise using the power of specialty coffee to tackle homelessness and unemployment in the United States. Originating in London in 2015 with a single coffee cart, Change Please has since grown internationally, launching US operations in late 2021. Its model is simple but powerful: provide a unique combination of barista training, career coaching, and ongoing employment support to help people build stability and avoid the risks of chronic homelessness.

Despite a small team of six, Change Please USA operates retail cafés, training academies, and impact programs, aiming to be self-sustaining rather than dependent on philanthropy. The organization is seeing exponential sales growth in the US, primarily through contracts with Compass Group and other food service providers.

With impact centers in New York, Charlotte, and Denver, Change Please USA has built its programming around barista training paired with real-world work exposure. Its US division has formed partnerships with major institutions like J.P. Morgan and Google, which not only procure Change Please coffee but also host immersive workplace experiences designed to prepare Trainees for career paths in corporate hospitality. J.P. Morgan, for example, has integrated Change Please into multiple offices and is building a co-branded café on-site. In place of the organization's UK model, the US division also collaborates with regional organizations like Covenant House in New York City to ensure Trainees receive housing, wellness, and wraparound support.

As it scales, Change Please is demonstrating to the private sector, individual consumers, and beyond, how enterprises can design and deliver self-sustaining, dignity-driven pathways out of homelessness.

## ***Purpose-driven enterprises purchasing from one another***

As part of their commitment to their purpose, these enterprises are often intentional when it comes to their suppliers, seeking to buy from enterprises that align with their principles. This factors into the second People and Planet First standard, on purpose informing operational decisions. Enterprises meeting the standard will factor their values into supplier decisions, along with other aspects of their operations.

In interviews conducted for the research, many enterprises cited word of mouth as their primary tactic for seeking and securing new business. While leading enterprises to individual clients with shared values, word of mouth also naturally leads to collaboration within local people and planet first networks, coming about through participation in boards, conferences, and other spaces for like-minded enterprises.

### ***Consumer purchasing***

Whether in a grocery store, or shopping online for a new pair of shoes, consumers are constantly exposed to enterprises putting people and planet first. And, the power of consumer purchasing is not to be understated: as mentioned earlier in the report, in 2023, total US



#### **American College of Healthcare Sciences: Apothecary Shoppe**

The American College of Healthcare Sciences (ACHS), a verified institution founded in 1978 in New Zealand and based in Oregon since 1989, offers online integrative health and wellness education to students in almost 80 countries.

ACHS operates the Apothecary Shoppe, an in-house store created in response to the founder's difficulty sourcing truly therapeutic-grade, pesticide-free wellness products. The Shoppe, profits from which are funneled back into the college, screens suppliers extensively before purchasing from them. It uses a formal good manufacturing practices supplier survey which goes beyond standard supplier questions, expanding into sustainability and environmental impact metrics. When purchasing essential oils, the Shoppe works with organizations like the International Federation of Essential Oil and Aroma trades, Sustainable Herbs Initiative, and the American Botanical Council, which help vet suppliers throughout the essential oil supply chain.

The institution also conducts on-site visits to assess conditions firsthand and independently tests each lot of product it receives. Upholding a strict zero-pesticide threshold, the Shoppe even rejects products that meet certified organic standards if any pesticide residue is detected, based on the belief that even minimal exposure can be harmful. While this standard exceeds international requirements, it has become increasingly difficult to enforce due to pesticide drift from neighboring farms.

consumer spending amounted to over \$14 trillion annually—two-thirds of the country’s GDP.<sup>75</sup> This scale of spending highlights just how much influence everyday purchasing decisions can have in shaping the market toward more responsible and purpose-driven business models. Supporting an enterprise putting people and planet first may mean choosing to shop at your local grocery cooperative instead of a major grocery store, or purchasing from an ethical apparel or accessory brand. With competition often pushing out small to medium enterprises (SMEs), consumers have an opportunity to make a difference through their purchasing power.

## Funders

### *Investors*

Investors influence the growth, sustainability, and scalability of enterprises putting people and planet first. Key investment actors for these enterprises are highlighted below.

Impact investing firms and RIAs specialize in aligning capital with social and environmental outcomes. These actors help enterprises navigate investor expectations and structure capital appropriately, acting as both funders and strategic partners in the ecosystem.

Community development financial institutions (CDFI) are designed to provide financial services to underserved markets, offering flexible financing (e.g., microloans, working capital loans, or patient capital) to businesses with nontraditional models or credit histories. Investors often go through CDFIs to invest in enterprises putting people and planet first.<sup>76</sup>

Individual investors, especially those driven by values-based decision-making, often support these enterprises through crowdfunding platforms, direct investments, or donor-advised funds. Their flexibility and willingness to take early-stage risks can be essential for emerging social enterprises.



### **REDF Impact Investing Fund (RIIF)**

Amid recent federal funding cuts, REDF’s Impact Investing Fund (RIIF) has come in handy for its network of employment social enterprises. Through RIIF, REDF can extend bridge loans to enterprises facing delays in their government funding and has used this tool to support ESEs still awaiting reimbursements.

Formed by REDF in response to the demand for flexible capital, RIIF also provides growth capital and lines of credit paired with capacity-building support to nonprofit and for-profit employment social enterprises to strengthen their financial sustainability and grow their businesses.

---

<sup>75</sup> NIQ, 2023.

<sup>76</sup> KII-027

## **The value of investing in purpose-driven enterprises**

For investors, channeling resources toward purpose-driven enterprises not only offers financial returns but positions them as participants in building a more sustainable and inclusive economy. In 2020, amid the pandemic, US sustainable equity funds outperformed traditional peer funds, largely due to lower exposure to vulnerable sectors and stronger governance practices.<sup>77</sup> Increasingly, investors recognize that ethical and sustainable initiatives tend to be better able to manage environmental, social, and governance risks and maintain stakeholder trust, reducing exposure to volatility long term. This points to an emerging consensus that aligning capital with social and environmental outcomes leads to value creation over time.

## ***Philanthropic actors***

Foundations and family offices traditionally act as grant makers, providing catalytic funding to de-risk early-stage innovation. However, many are now also leveraging their endowments through program-related investments (PRI) or mission-related investments (MRI). Examples are the Kellogg Foundation, the Ford Foundation, and the MacArthur Foundation.

Corporations support purpose-driven enterprises through multiple philanthropic channels, including direct or employee giving programs, corporate foundations, and in-kind contributions such as expertise or product donations. These resources, often motivated by CSR and brand objectives, provide valuable funding that helps strengthen enterprise capacity.

Individual donors, motivated by charitable giving over financial return, provide philanthropic capital that complements the support enterprises may receive from foundations, corporate giving programs, or institutional funders.

Notably, recent federal tax legislation is expected to constrain philanthropic resources available to nonprofits. H.R. 1, signed into law in July 2025, and while also introducing a universal charitable deduction that could encourage donations to nonprofits, contains significant measures that disincentivize charitable giving. It caps itemized deductions for high-income taxpayers, setting a new 0.5% floor for itemized charitable deductions (meaning taxpayers can only deduct charitable contributions that exceed 0.5% of their adjusted gross income), and creating a 1% floor for corporate charitable contributions. These provisions will make it harder for nonprofits to fill gaps unmet by local, state, and federal governments.<sup>78</sup> The Joint Committee on Taxation estimates that the changes will reduce resources for nonprofit organizations by at least \$81 billion over 10 years.<sup>79</sup> In this environment, diversifying funding streams will be critical to sustain the nonprofit sector's ability to serve communities.

---

<sup>77</sup> Morgan Stanley. "Sustainable Funds Beat Peers in 2020." Morgan Stanley. February 24, 2021. <https://www.morganstanley.com/ideas/esg-funds-outperform-peers-coronavirus>.

<sup>78</sup> "Congress Passes Major Tax Package; Nonprofits Directly Impacted." National Council of Nonprofits. July 3, 2025. <https://www.councilofnonprofits.org/articles/congress-passes-major-tax-package-nonprofits-directly-impacted>.

<sup>79</sup> "JCX-29-25." The Joint Committee on Taxation - Congress of United States. 2025. <https://www.jct.gov/publications/2025/jcx-29-25/>.

# Key challenges and opportunities



## Promotion, visibility, and awareness

Survey respondents cited promotion and visibility as the primary area where they need support. These enterprises, many of which have under 10 employees, often don't have the time or resources to allocate toward marketing or advertising. Employees wear multiple hats, and given tight budgets, resources that could be put toward marketing, sales, or advertising is redirected elsewhere. As EJP events, an event planning company specializing in inclusive, multicultural, and eco-conscious gatherings, puts it:

*"Often our ability to reach our desired buyers is limited by the time and energy of our main salesperson, who is also the owner of the business and the chief of operations."<sup>80</sup>*

- EJP events, survey response

Promotion is particularly important for these enterprises, because their work, which defies business conventions by balancing the sale of goods and services with a social mission, often requires some explaining. Consumers looking at these enterprises' products may miss the social or environmental purpose behind them, or have assumptions about how the business must operate given the sector. For instance, Spectrum Designs, a verified apparel manufacturer that employs autistic people, expressed that they are often written off as a sheltered workshop, referencing a model of employing people with disabilities in which workers are segregated from able-bodied employees and can be legally paid below the minimum wage due to 14(c) of the US Fair Labor Standards Act, still applicable today.<sup>81</sup> In reality, Spectrum Designs is a competitive integrated employer, with employees with disabilities working alongside those without and making at least the minimum wage.

---

<sup>80</sup> Survey response

<sup>81</sup> "Fact Sheet #39: The Employment of Workers with Disabilities at Subminimum Wages | U.S. Department of Labor."

Www.dol.gov. U.S. Department of Labor. July, 2008. <https://www.dol.gov/agencies/whd/fact-sheets/39-14c-subminimum-wage>.

Another example is Sew Valley, a verified garment factory that applies anti-fast fashion practices in a safe and ethical manufacturing environment. The organization’s CEO and co-founder, Shailah Maynard, cites running up against stereotypes from funders that pigeonhole Sew Valley as “ladies working in a craft store, or a sweatshop.” In reality, the organization does high-skilled manufacturing work and strives to develop a reputation reflecting that.

These examples highlight the importance of enterprises putting people and planet first gaining exposure and fostering the narrative around their work. Clear, intentional promotion, supported by networks, verifiers, and ecosystem actors, can help these enterprises build the recognition they need to thrive. With practices such as word of mouth as a key strategy for securing new business, purpose-driven enterprises also have the potential to expand significantly if they can get the word out about their goods and services. Enterprises look to networks and verifications to help increase their visibility by promoting the work they do. These organizations give each of their members a voice, through advocacy efforts and collective bargaining.

## Access to finance

### Credit

Many enterprises meeting the five standards have limited collateral, which makes it difficult to access credit. They struggle to secure loans due to a lack of physical assets, thin credit histories, or non-traditional business models that lenders may not understand or trust. One network noted that if their members are banking with one of the five major corporate banks, they won’t even receive a response when requesting loan amounts under \$250,000, a threshold that is often out of reach for early-stage or small purpose-driven businesses.<sup>82</sup> This lack of access to affordable capital hampers an enterprise’s ability to invest in growth, hire staff, or expand its operations, ultimately reinforcing systemic barriers that already limit economic mobility in the communities the enterprise may serve. As a result, many turn to alternative lenders, community development financial institutions (CDFIs), or rely on slow and unpredictable philanthropic funding, all of which come with their own constraints.

### Consumer mindset

Consumer expectations for pricing, crafted by the rise of Amazon’s business model, fast fashion, and manufacturing outsourcing, is a hurdle for enterprises that go the extra mile to do business ethically. Enterprises putting people and planet first often struggle to match or come close to market prices, as they prioritize living wages, fair labor practices, and sustainable, often costlier, materials. As a result, these enterprises are left with a narrower consumer base: those who are not only values-aligned, but also willing and able to pay a higher cost. While

---

<sup>82</sup> KII-042

interest in ethical consumption is growing, with a 2023 NielsenIQ study finding that 78% of US consumers say a sustainable lifestyle is important to them, price remains a key barrier, especially in a cost-sensitive economy.<sup>83</sup> For many mission-driven enterprises, this tension between values and affordability remains a persistent challenge.

### ***Bridging the gap: purchasing cooperatives and collectives***

One solution to this barrier is the formation of more purchasing cooperatives and collectives. If run by and for the enterprises themselves, they can obtain better overhead savings in line with their for-private-profit competitors. For instance, the Chicagoland Purchasing with Purpose initiative has just partnered with the Community Purchasing Alliance to help Chicago-based verified enterprises buy their electricity and waste hauling through a collective purchasing agreement, with the potential to reduce enterprise overhead by up to 25%. Initiatives such as this one show how collective purchasing can help bridge the gap between ethical practices and competitive pricing.

## **SEW VALLEY**

### **Sew Valley: a sustainable garment factory**

Sew Valley, a verified sustainable garment factory, sample room, and incubator space based in Cincinnati, Ohio, has a self-sustaining business model: 75% of its revenue comes from contract services, while the rest comes from grants and fundraising dollars. Founded in 2017, and registered as a nonprofit, the organization supports emerging designers and small brands by offering access to studio space, contract manufacturing services, and professional development. Its mission is both social and environmental: Sew Valley pays workers a living wage and fosters economic inclusion, while also working to minimize textile waste through sustainable design guidance and a new zero-waste program. For instance, with funding from local recycling initiatives, the organization is developing innovative processes to repurpose fabric scraps into reusable fiber boards.

Co-Founder and CEO Shailah Maynard describes Sew Valley as appearing to be a “low priority for funding,” as apparel production isn’t at the top of funders’ lists when looking to contribute to nonprofit missions. The organization is currently trying to get city grant funding, and stated this issue is one recurring challenge it faces. Additionally, Sew Valley charges a slightly higher price than competitors to accommodate its social and environmental commitments, which presents another roadblock that many purpose-driven enterprises experience.

With plans to expand into a larger facility and grow its team, Sew Valley is charting a path for sustainable garment manufacturing to flourish while staying true to its mission.

<sup>83</sup> NielsenIQ. “Sustainability: The New Consumer Spending Outlook.” NielsenIQ. 2022. [https://nielseniq.com/wp-content/uploads/sites/4/2022/10/2022-10\\_ESG\\_eBook\\_NIQ\\_FNL.pdf](https://nielseniq.com/wp-content/uploads/sites/4/2022/10/2022-10_ESG_eBook_NIQ_FNL.pdf).

# Procurement

Enterprises putting people and planet first face procurement challenges that have been shaped by norms embedded in both government and corporate processes, as well as by larger economic trends. For instance, enterprises registered as nonprofits are often not included as a distinct category on applications for procurement services, given the expectation is to purchase goods or services from for-profit entities.<sup>84</sup> Tough competition with large companies that dominate major public or private contracts is in part a reality faced by all small businesses, which make up 99.9% of the larger business population.<sup>85</sup> However, enterprises prioritizing a purpose beyond profit face additional obstacles on top of this in procurement processes, due to their social or environmental commitments. The following section highlights these dynamics.

## Competing with conventional enterprises

Enterprises putting people and planet first struggle to compete with traditional businesses prioritizing profit over all else, for two key reasons: price competition, and the production volume needs of the procurers. Caney Fork Farms summed up this issue, as enterprises that are not willing to compromise on social or environmental issues experience it:

*“It is difficult for us to sell into scaled wholesale retailer environments while still caring for the planet and our staff with fair wages, health insurance, and proven environmental outcomes. ...[T]he current market environment relies on price points that are barely achievable without externalizing some costs. Our products end up being for the hyper elite or we lose money on them when bringing them to the marketplace.”*

- Caney Fork Farms, survey response

Many of these enterprises lack sufficient resources to take on certain projects due to an abundance by social and environmental standards that drive up their price (and often their production quality), while shrinking their production volume. For instance, handmade products require more lead time and higher prices to launch production. Additionally, enterprises putting people and planet first may choose to produce lower quantities of their product to avoid waste, or source high quality or sustainable materials that cost more as production inputs. Procurement processes are often significantly biased toward the lowest price. This puts these enterprises at a disadvantage against companies without the same constraints. Nicky Dunbar, owner of Foster Trees, a tree care company in Oregon, explains it:

---

<sup>84</sup> KII-002

<sup>85</sup> Kelly Main, 2022.

*“I don't actually want to be the cheapest, because [then] I'm not offering my employees everything I can...in terms of benefits, like living wages, training, etc. I don't want to be a bottom dollar entity.”<sup>86</sup>*

- Foster Trees, key informant interview

These obstacles are exacerbated by large corporations paying lower prices for overseas production in larger quantities.

## Procurement challenges for small businesses

### *Entrenched buyer relationships*

Also important, are the procurement limitations faced by all SMEs when competing with larger companies. On top of struggling with competitive pricing, these enterprises face the fact that many corporate and public sector buyers have long-term relationships with their contractors and vendors, whereas newer enterprises must build relationships from the ground up to get their foot in the door.

One added obstacle for small businesses, even more exacerbated for those putting people and planet first due to their priorities beyond revenue generation that drive up production costs, is not having the budget to travel or invest in conferences to connect with new clients. As a representative from Tanana Madagascar explains, “trade show booths are expensive, and showing at trade shows requires a large amount of workforce resources.”<sup>87</sup> This dynamic perpetuates a system where existing vendor relationships often outweigh innovation, inclusion, and mission-driven value. Given the pervasiveness of greenwashing tactics, the high-quality work of these enterprises

### **Small Business Rising: stopping the tide of anticompetitive practices**

Small Business Rising is a coalition of independent businesses and trade associations working to level the playing field against corporate consolidation and monopolistic practices. The group advocates for stronger antitrust enforcement, fair access to markets, and policies that support the long-term viability of small businesses. By uniting diverse sectors, from booksellers to grocers, Small Business Rising amplifies the voices of local enterprises and pushes for a competitive economy that prioritizes innovation, resilience, and community wealth.

---

<sup>86</sup> KII-037

<sup>87</sup> Survey response

gets washed out even further. Without the time or resources to break into established supply chains due to lack of marketing or advertising capacity, even the most impactful enterprises struggle to be seen, heard, or selected as a supplier.

## ***Pandemic impacts***

Current trends suggest that small businesses in the US are being squeezed out by larger corporations, especially in the aftermath of COVID-19.<sup>88</sup> During the pandemic, large firms with connections and better access to capital were able to contain, to an extent, the effects of the pandemic, gaining market share as many small businesses closed permanently.<sup>89</sup> This reality has also impacted the enterprises that did not close: as Laude the Label, a sustainable fashion brand selling ethically-made women's apparel, shared, "over the past four years, we've also seen a 30% decline in our wholesale business due to the closure of many large, medium, and small retail partners."<sup>90</sup>

Sectors including retail, hospitality, and tech have seen an accelerating trend of market dominance by a few big players, especially the "big five" in the technology sector.<sup>91</sup> Additionally, anticompetitive practices such as delayed payments to small suppliers,<sup>92</sup> predatory pricing and lobbying for favorable regulations are increasingly reported as reasons for the widening gap between large and small businesses. Globally, similar trends are being observed, with SMEs disproportionately affected by global shocks and instability, while multinationals continue to scale.<sup>93</sup> Although not all small businesses are failing, and some niches still offer room for entrepreneurship, the overall direction points to increased vulnerability among small firms in the face of growing corporate power, especially when considering market consolidation, systemic inequalities in access to capital, and policymaking that favors scale.

## **Mixed procurement landscape**

At the state level, there are policies that forbid preferential purchasing, which might otherwise give greater opportunities to enterprises putting people and planet first in light of their social or environmental commitments. A key example of this is the Gift Clause, which mandates merit-based procurement and prohibits preferential policies toward certain types of

---

<sup>88</sup> Emily Stewart. "How Big Business Exploits Small Business." Vox, June 30, 2021.

<https://www.vox.com/the-goods/22550608/how-big-business-exploits-small-business>.

<sup>89</sup> Kate Taylor. "In 2020, Big Businesses Got Bigger. Small Businesses Died," Business Insider, January 3, 2021.

<https://www.businessinsider.com/in-2020-big-businesses-got-bigger-small-businesses-died-2020-12>.

<sup>90</sup> Survey response

<sup>91</sup> Alphabet, Amazon, Apple, Meta, and Microsoft. Emily Stewart. "How Big Business Exploits Small Business." June 30, 2021.

<https://www.vox.com/the-goods/22550608/how-big-business-exploits-small-business>.

<sup>92</sup> PYMNTS. "Net Never Terms: Delayed Payments Threaten B2B Supply Chain Stability," May 12, 2025.

<https://www.pymnts.com/news/b2b-payments/2025/net-never-terms-delayed-payments-threaten-b2b-supply-chain-stability/>.

<sup>93</sup> ITC. "Small Businesses Hard-Hit by Conflict and Instability – SME Competitiveness Outlook." <https://www.intracen.org/news-and-events/news/small-businesses-hard-hit-by-conflict-instability-sme-competitiveness-outlook>.

businesses.<sup>94</sup> Local First Arizona, a network for local enterprises in the state and a member of the Purchasing with Purpose collaborative, has developed strategies to address the Gift Clause, creating local procurement opportunities for their members despite these enforced restrictions.<sup>95</sup> A key success of theirs is elaborated on in the breakout box to the right.

On other hand, some state-level procurement policies prioritize and incentivize social procurement. Oregon's HB 3572 serves as one example that implements preferential policies for benefit corporations. The legislative measure allows agencies to award contracts to benefit corporations if their bids do not exceed the lowest bid from a non-benefit corporation by more than 5%.<sup>96</sup>



### **Local First Arizona: creating procurement opportunities for the state's local businesses:**

Local First Arizona, an organization working to foster local business development in the state, and the largest local business coalition in the US, successfully transformed the city of Phoenix's landscaping contract. The organization persuaded the city to go from one large and recurring landscaping contract that was covering the entire city's needs, to 20 smaller contracts with local providers.

The way the contract was historically set up automatically excluded local vendors that couldn't have the capacity to provide construction services to the whole city. And, Arizona has the gift clause at play, which prohibits public entities from preferential procurement policies, such as the preferred source programs active in New York and other states. This excludes any possibility of advocating for a policy that would prefer local businesses over corporates.

By splitting up the contract into smaller ones, local businesses could compete and win many of the projects. This approach is just one strategy Local First Arizona employs to create more opportunities for independent businesses in its region.

Where there are preferential policies for certain enterprises, they often focus on ownership criteria—such as policies favoring enterprises that are minority, veteran, or women owned. For instance, the federal government's set-asides and special interest groups policy establishes preferential procurement for women-owned small businesses, small disadvantaged and 8(a) small businesses, historically underutilized business zone small businesses, and service-disabled

---

<sup>94</sup> Timothy Sandefur. "The History and Application of the Arizona Constitution's Ban on Corporate Welfare," 15 Arizona State University Center for the Study of Economic Liberty, 15 April 2024. <https://cse.l.asu.edu/research/publications/April-2024-research-note>.

<sup>95</sup> KII-042

<sup>96</sup> Andy Guan, Christelle Mazloum et al. "The State of Social Enterprise and the Law," The Grunin Center for Law and Social Entrepreneurship, 2023-2024. [https://soцентlawtracker.org/wp-content/uploads/2024/09/2023\\_2024\\_Grunin\\_Tepper\\_Social-Enterprise-and-Law-Report.pdf](https://soцентlawtracker.org/wp-content/uploads/2024/09/2023_2024_Grunin_Tepper_Social-Enterprise-and-Law-Report.pdf).

veteran-owned small businesses. The policy states that every federal government purchase between \$10,000 to \$250,000 is set aside for the small businesses that fit these categories.<sup>97</sup>

Private sector policies, such as Microsoft's supplier diversity policy, most often require a third party diversity certification from prospective diverse suppliers and at least 51% of the businesses to be owned, operated and managed by those that meet specific identity criteria.<sup>98</sup> While these policies are beneficial for a significant number of enterprises putting people and planet first, as global data shows at least 50% of them are women-led and are more frequently run by people with disabilities compared to other small businesses, they do not suffice as the primary preferential purchasing policy available.<sup>99</sup> Many of these certifications cost around \$5,000 to hold, making purchasing one, let alone two, a big decision which may not be worth the investment. In this way, the current ownership-centric model for preferential procurement limits purpose-driven enterprises trying to enter the procurement chains of large corporations.

There is an opportunity for US companies and government agencies to significantly contribute to the work of these enterprises, through a simple step: purchasing from them. In the private sector, the groundwork has already been laid for this approach through the adoption of corporate social responsibility (CSR) policies, which are proven to benefit businesses in the long-run.<sup>100</sup> However, while FTSE 100 companies allocate on average \$12 million to their CSR budgets, they spend on average \$5 billion annually in procurement spending.<sup>101</sup> This demonstrates the potential for impact that rests with the biggest companies around today, if such purchasing power is directed intentionally—from office supplies, to major project contracts.

## Certifications, regulations and reporting requirements

Finally, another key limitation to enterprises putting people and planet first securing corporate or government contracts, is lack of certifications or reporting requirements demanded by the procurer. Many corporations and public agencies mandate specific operational capabilities, such as barcoding, electronic data interchange (EDI) compliance, or ISO certifications, as a baseline for participation in their procurement processes. These requirements, while intended to standardize and streamline supply chains, often pose insurmountable barriers for smaller

---

<sup>97</sup> "Set-asides and special interest groups," U.S. General Services Administration <https://www.gsa.gov/small-business/register-your-business/explore-business-models/setasides-and-special-interest-groups>.

<sup>98</sup> "Supplier Diversity at Microsoft | Microsoft Procurement." Microsoft.com. Microsoft. 2020. <https://www.microsoft.com/en-us/procurement/diversity-overview>.

<sup>99</sup> "State of Social Procurement: United States Country Profile." Weforum.org. World Economic Forum. 2025. <https://initiatives.weforum.org/global-alliance-for-social-entrepreneurship/socproc-united-states>.

<sup>100</sup> "State of Social Procurement - Why Social Procurement Matters." Weforum.org. World Economic Forum. 2025. <https://initiatives.weforum.org/global-alliance-for-social-entrepreneurship/socproc-why-social-procurement>.

<sup>101</sup> "Global Alliance for Social Entrepreneurship - State of Social Procurement: Impact Measurement." Weforum.org. World Economic Forum. 2025. <https://initiatives.weforum.org/global-alliance-for-social-entrepreneurship/socproc-measurement>.

enterprises that operate on limited budgets and lean staff structures. For example, one enterprise reported being disqualified from applying for contracts solely because they lacked barcoding and EDI systems—tools that require upfront investment in software, training, and integration.<sup>102</sup> This issue is tied to these enterprises' bandwidth and resources. They are subject to miss out on opportunities not because of the quality of their goods or services, but because they fall short of backend infrastructure expectations that disproportionately favor larger, better-resourced companies.

## A challenging playing field

Even when enterprises putting people and planet first secure contracts with large institutional buyers, these procurers are often known for low margins, late or slow payments, non-payments, and unfavorable terms. Twenty-nine percent of survey respondents reported that they sell to large corporations, while 22% sell to government entities. The reality is that for enterprises putting people and planet first, engaging with these procurers can be expensive and risky. There are power imbalances, lengthy approval and oversight processes, and special compliance requirements for each buyer which the enterprises must navigate. And, once a contract is secured, in certain sectors large retailers don't provide deposits on orders. Many of these enterprises, which do not have extra room in their budget to cushion scenarios like unexpected delays in payment, are discouraged from participating in these procurement processes in the first place.<sup>103</sup>

# Measuring impact

## The impact tax

While many enterprises putting people and planet first measure their impact, this does not suggest the process is without challenges. A multitude of impact measurement requirements from funders, corporate and government agencies, and investors, effectively results in an "impact tax" for these enterprises, demanding substantial time and/or resources to abide by reporting requirements and meet a range of stakeholder expectations. Lack of capacity and resources, paired with difficulty quantifying long-term or qualitative impact, are the key obstacles cited by enterprises in regard to measuring the results of their programs.<sup>104</sup>

When it comes to environmental impact, smaller purpose-driven enterprises often lack in-house skills to capture data on greenhouse gas emissions or energy use. Baselines and other studies are frequently outsourced to technical consultants and impact measurement firms. However, hiring a consultant or full-time employee dedicated to impact measurement is rarely feasible

---

<sup>102</sup> Survey response

<sup>103</sup> KII-029

<sup>104</sup> KII-040, KII-037

for smaller or younger businesses.<sup>105</sup> This leads to missed opportunities for grants and contracts that request data on certain social and/or environmental indicators.

Many enterprises also face certain roadblocks when attempting to quantify social impact. One example is Community Cycles of California, a workforce training program and bike shop using the employment social enterprise (ESE) model. Collin, the founder of the company, stated the obstacle of tracking their clients (which are their employees) to see if they were able to get a job after participating in the workforce training program. Often the impact of these enterprises relates to the workplace they foster, or the resources they provide, and measuring benefits generated can be a complex process spanning years or decades.<sup>106</sup> Small enterprises that are trying to keep their company afloat often don't know where to begin when it comes to a monitoring initiative on this timeline.

## Mitigating the impact tax

Frameworks like the Global Reporting Initiative (GRI), Business for Societal Impact (B4SI), and the Impact Management Project (IMP) are all resources that help enterprises measure, manage, and communicate their social and environmental impact. For instance, GRI provides widely used sustainability reporting standards that guide enterprises in disclosing their performance related to human rights, labor practices, and environmental stewardship.<sup>107</sup> B4SI offers a framework for measuring corporate social impact by tracking inputs, outputs, and long-term outcomes.<sup>108</sup>

In addition to these frameworks, is a global data harmonization initiative meant to streamline impact measurement for purpose-driven enterprises. In December of 2024, the World Economic Forum (WEF), in partnership with other organizations, brought together a group of philanthropic funders, enterprise networks, researchers, and academics, in a Geneva-based "data harmonization workshop." The goal of the workshop was to align approaches to data-gathering initiatives that were happening around the world for enterprises putting people and planet first, agreeing on specific data to be collected across future studies and geographies. The long-term plan is for the data to reside in a global commons, allowing for comprehensive insights that could be harnessed to strengthen advocacy efforts for these enterprises and make data collection work for them, as opposed to other stakeholders.<sup>109</sup>

This research initiative has set these gears into motion. The survey for this initiative was the first of a pilot in which four organizations use the same standardized questions to map data into a shared commons. The global collective continues to actively work to address and ameliorate

---

<sup>105</sup> KII-040

<sup>106</sup> KII-015

<sup>107</sup> "The global leader for sustainability reporting," Global Reporting Initiative. <https://www.globalreporting.org/>.

<sup>108</sup> "How your business can benefit from B4SI," Business for Societal Impact. <https://b4si.net/>.

<sup>109</sup> A US "data lake" has been built using data collected during this initiative, hosted on Good Market. "Mapping the Movement." Good Market. 2024. <https://analytics.goodmarket.global/public/dashboard/8ad301a4-a6b4-4891-a29b-b14df42ac7c6?tab=5-basic-info>.

the impact tax that enterprises putting people and planet first assume. Learnings from this survey and the other pilot programs are feeding into the development of shared data agreements and data usage policies that work on behalf of the enterprises and allow them to pull data from one source, gathered by all and any stakeholders.

## The policy conundrum

While in other countries governments provide services to enterprises putting people and planet first, the US landscape is more decentralized, with a stronger private sector support system often offered via pro bono consulting. This model brings both advantages and drawbacks: it allows for flexibility and innovation, but it also leaves enterprises vulnerable to inconsistencies and gaps across federal and state policies. In this context, purpose-driven enterprises and their networks take up the role of supporting one another, pushing the policy environment to evolve from just recognizing the business owner, to also recognizing the business model and its impact.



### **Influencing federal employee ownership policy: worker cooperatives and the Department of Labor**

Democracy at Work Institute (DAWI), in partnership with its sister organization U.S. Federation of Worker Cooperatives (USFWC), has been working with the Department of Labor (DOL) to ensure worker cooperatives are represented in federal employee ownership initiatives.

The two organizations saw an opportunity when DOL launched an Employee Ownership Initiative, and within it, a Division of Employee Ownership. The division facilitates the creation and expansion of worker-owned businesses in the country through education, technical assistance, and outreach. While the employee stock ownership plan (ESOP) model is widely recognized, the worker cooperative model, which is particularly suited for smaller businesses and workers in low wage industries, is less visible in employee ownership policy.

In March 2024, DAWI and USFWC held a briefing to educate DOL staffers on worker cooperatives, discussing the unique need they fill and providing recommendations on how to support them. In September 2024, DOL attended the national Worker Co-op Conference in Chicago hosted by the two organizations, in which leadership spoke about their investment in the Division of Employee Ownership and heard from worker cooperatives themselves about their needs. As explained by Zen Trenholm, Senior Director of Employee Ownership Cities and Policy at DAWI, the objective of DOL's participation in the conference was to "get them to see what this is really about."

DAWI and USFWC continue to work closely with the division in partnership with its chief, Hilary Abell, helping to ground federal programs in the experiences of worker cooperatives around the country.

One reason governments can provide support to these enterprises is because “social enterprise” or a similar term, is statutorily defined. As Manie Grewal, head of Policy at REDF, puts it plainly, “you can’t fund something you don’t know about.” REDF has been advancing policy in the United States to define employment social enterprise (ESE), the network’s enterprise focus.

Definition bills are fiscally neutral (where there is no cost to the state for creating them, making them less controversial compared to other bills)—however, they pack significant implications for the enterprises defined. These bills help socialize within the legislature what an ESE is, addressing in part one of the primary issues cited by survey respondents: lack of awareness and visibility. From there, government agencies will pick up the enterprise type for inclusion in grant programs, requests for proposals (RFPs), and other agency program activities. ESE is currently defined statutorily in two states, California and Indiana, thanks to REDF’s policy work (elaborated on in the breakout box).

### **Defining employment social enterprise statutorily in the US: REDF’s successes**

REDF’s Policy division successfully supported the passage of an employment social enterprise (ESE) definition bill in California. Once the bill was in effect, a chain reaction began: California’s labor and workforce agency started including ESE in grant programs; the enterprise model began appearing in requests for proposals; and ESEs were being asked to explain to local workforce development boards what an ESE is, and why it should be part of their ecosystem.

California RISE is now the only state program to scale ESEs through capital and technical assistance. REDF is taking the lessons learned from its success in California to other states—it recently got an ESE definition bill passed in Indiana and are working to do the same in Illinois.

Each state requires a tailored approach, in terms of where the definition bill lives, and what else it might include. REDF will continue to use the momentum from California and Indiana to seek government recognition of ESEs across the country.

The People and Planet First verification navigates policy landscapes not only in the US, but internationally as well, aiming to be inclusive and collaborative at a global scale. Malaysia is the first government to be a Double Badge partner for the verification. Institut Keusahawanan Negara (INSKEN), which manages the government’s social enterprise accreditation program, improved the accreditation’s standards to align with those of People and Planet First. Some other government agencies, such as those in parts of Australia, recognize the verification as the entry point to gaining certain government contracts and grants.

The ability for individual countries or regions to use People and Planet First to agree on local minimum thresholds is part of the design of the participatory verification system. For instance, key bodies that support social enterprise across the different states of Australia are working

together on a system to filter People and Planet First verified enterprises based on whether they achieve a certain level of points per standard, so their verified enterprises meet the country-wide definitions adopted by the government. Some countries like the United Kingdom, which have legal entity registration types for these enterprises (e.g., Community Interest Companies), offer tax breaks, grants, subsidies, and other financial resources to support them.<sup>110</sup> As more countries, including the US, explore ways to strengthen their policy frameworks for these enterprises, the People and Planet First verification can serve as a unifying reference point, linking local innovations to a global movement.

---

<sup>110</sup> "Legal Reform as a Catalyst for Social Enterprise: An International Social Enterprise Law & Policy Report." Morrison & Foerster LLP. 2021. p. 26.  
[https://www.lexmundiprobono.org/wp-content/uploads/2022/01/Lex\\_Mundi\\_ProBono\\_A4\\_Report\\_INTERACTIVE\\_2022.pdf](https://www.lexmundiprobono.org/wp-content/uploads/2022/01/Lex_Mundi_ProBono_A4_Report_INTERACTIVE_2022.pdf).



Sew Valley's factory in Cincinnati, Ohio.

# From momentum to transformation



Research conducted for this report identifies enterprises putting people and planet first as a powerful and growing force across the United States. With more than 1.1 million spanning all economic sectors, these enterprises demonstrate that it is possible to generate revenue while embedding purpose into the core of their operations. They create jobs, drive innovation, reduce inequality, and protect natural resources in the process. Yet, their full potential remains constrained by limited visibility, the “impact tax,” and barriers to finance and procurement.

Collective action emerges as the most promising way to uplift these enterprises. Initiatives highlighted in this report, from multi-network collaborations unlocking Olympic-scale procurement opportunities, to purchasing alliances that cut member costs by up to 25%,

demonstrate how enterprise networks can create opportunities to enter new markets and scale. Beyond influencing policy, these organizations are creating spaces for enterprises to learn, partner, and innovate together. Continued collaboration among networks will be essential to expand impact, strengthen trust, and ensure enterprises putting people and planet first are recognized not as isolated actors, but as part of a thriving, interdependent ecosystem.

When networks and buyers collaborate around social procurement, they take tangible steps to foster a world in which economic growth is coupled with social and/or environmental benefits. Examples presented in this report indicate the scale of the opportunity. Even modest shifts in procurement spending or financing practices could unlock billions of dollars for enterprises that reinvest directly in workers, communities, and the environment. When companies and agencies direct even a small share of their purchasing budgets to enterprises putting people and planet first, they unlock more than just quality goods and services—they meet ESG commitments, advance diversity and inclusion goals, strengthen local economies, and enhance their ability to attract and retain talent. Case studies from across the country, from cooperatives to staffing agencies, manufacturers to tech-enabled service providers, illustrate that these enterprises can thrive under the right circumstances.

Alongside enterprise networks, the People and Planet First verification offers a unifying framework to build trust and knit together diverse actors with shared values into a coherent movement. The path forward is not about creating something entirely new, but about reorienting existing systems of purchasing, financing, and policymaking to reward enterprises that align profit with purpose. Doing so would not only strengthen supply chains and local economies, but also accelerate progress toward addressing some of society's most urgent challenges, from climate change to economic inclusion.

The data and insights presented here are part of a live and evolving assessment, one designed to continue to grow through collaboration, shared learning, and collective action. If embraced, the vision is clear: an economy where every transaction strengthens communities, protects the planet, and delivers long-term resilience. The choice now lies with all of us—enterprises, networks, buyers, policymakers, investors, and individuals—to turn this vision into reality.

# Acknowledgements



Research for this report, *Mapping Enterprises in the United States that put People and Planet First*, was commissioned by Purchasing with Purpose and conducted by Just Results, an economic development research firm. The principal authors of the report are Allie Miller from Just Results and Rebecca Dray from Purchasing with Purpose. The report editors are Rebecca Dray from Purchasing with Purpose, Jennifer Beason and Kate Booth from SAP, which funded the research, as well as Purchasing with Purpose's partners, listed below. The findings and recommendations expressed in this report are those of the authors and editors and do not necessarily reflect the views of SAP.

Copyright © 2025 Purchasing with Purpose. All rights reserved. All other marks are the property of their respective owners.

Official Publication Citation:

Purchasing with Purpose. (2025). *Mapping Enterprises in the United States that put People and Planet First*. Purchasing with Purpose, August 2025.

## Acknowledgments

The authors and editors recognize and thank each of our research team members, student researchers, project advisors and peer reviewers and collaborators, listed below. And we extend our admiration and thanks to the representatives from enterprises putting people and planet first in the United States that took the time to participate in this research, whether by submitting a survey response, or getting on the phone with the research team for an interview.

### *Project advisors*

Rebecca Dray, Executive Director, Purchasing with Purpose  
Amanda Kiessel, Cocreator, Good Market

### *Network collaborators*

American College of Healthcare Sciences  
American Independent Business Alliance (AMIBA)  
Ashoka  
Boston Impact Initiative  
Catalyst Kitchen  
CatalystNow (Catalyst 2030)  
Detroit Community Wealth  
EcoComplex - Rutgers University  
Fair Trade Federation  
Friends of the Sea  
ImpactPHL  
REDF  
Reimagine Appalachia  
Social Enterprise Alliance

### *Just Results research team*

Allie Miller, Team Leader  
Krish Patel, Lead Data Analyst  
Lara Goldmark, Engagement Manager  
Keerthana Narayanan, Research Analyst Intern  
Tommy Galloway, Advisor  
Mehdi Merdassi, Research Analyst  
Minhaj ul Haque, Data Advisor  
Evan Sargent, Design Advisor

### *Just Results student research team*

Ayanna Hyatte (Syracuse University)  
Casimir Charles Wypyski (Syracuse University)  
Caroline Martell (Columbia University)  
Claire Weinstein (Syracuse University)  
Hannah Leasher (Baylor University)  
Jennifer Suh (Yale University)  
Sedra Zinou (Rollins College)

### **Purchasing with Purpose**

Web: <https://www.purchasingwithpurpose.org/>

### **Just Results**

Web: <https://www.justresultslc.com/>

# Annex 1: Survey respondent sectors using NAICS



NAICS code	Sector or subsector (alphabetical order)
72	Accommodation and Food Services
541611	Administrative Management and General Management Consulting Services
316998	All Other Leather Good and Allied Product Manufacturing
325998	All Other Miscellaneous Chemical Product and Preparation Manufacturing
111998	All Other Miscellaneous Crop Farming
327999	All Other Miscellaneous Nonmetallic Mineral Product Manufacturing
621	Ambulatory Health Care Services
112	Animal Production and Aquaculture
315990	Apparel Accessories and Other Apparel Manufacturing
315	Apparel Manufacturing
453920	Art Dealers
71	Arts, Entertainment, and Recreation
336111	Automobile Manufacturing
314110	Carpet and Rug Mills
624110	Child and Youth Services
813410	Civic and Social Organizations
323111	Commercial Printing (except Screen and Books)
23	Construction
111	Crop Production
314120	Curtain and Linen Mills
339930	Doll, Toy, and Game Manufacturing
611	Educational Services
334111	Electronic Computer Manufacturing
541620	Environmental Consulting Services
52	Finance and Insurance

522320	Financial Transactions Processing, Reserve, and Clearinghouse Activities
311	Food Manufacturing
722310	Food Service Contractors
316210	Footwear Manufacturing
113210	Forest Nurseries and Gathering of Forest Products
113	Forestry and Logging
337	Furniture and Related Product Manufacturing
315110	Hosiery and Sock Mills
51	Information
561720	Janitorial Services
339910	Jewelry and Silverware Manufacturing
561730	Landscaping Services
531120	Lessors of Nonresidential Buildings (except Miniwarehouses)
333	Machinery Manufacturing
335220	Major Household Appliance Manufacturing
562920	Materials Recovery Facilities
332215	Metal Kitchen Cookware, Utensil, Cutlery, and Flatware (except Precious) Manufacturing
212	Mining (except Oil and Gas)
339940	Office Supplies (except Paper) Manufacturing
541211	Offices of Certified Public Accountants
339115	Ophthalmic Goods Manufacturing
541219	Other Accounting Services (includes bookkeeping, payroll, etc.)
624229	Other Community Housing Services
221118	Other Electric Power Generation
111419	Other Food Crops Grown Under Cover
624190	Other Individual and Family Services
327212	Other Pressed and Blown Glass and Glassware Manufacturing
541690	Other Scientific and Technical Consulting Services
541690	Other Scientific and Technical Consulting Services
561790	Other Services to Buildings and Dwellings
611519	Other Technical and Trade Schools
322220	Paper Bag and Coated and Treated Paper Manufacturing
812910	Pet Care (except Veterinary) Services
331	Primary Metal Manufacturing
541	Professional, Scientific, and Technical Services
531311	Residential Property Managers
44-45	Retail Trade
337215	Showcase, Partition, Shelving, and Locker Manufacturing

221114	Solar Electric Power Generation
562111	Solid Waste Collection
339920	Sporting and Athletic Goods Manufacturing
48-49	Transportation and Warehousing
334518	Watch, Clock, and Part Manufacturing
221310	Water Supply and Irrigation Systems
42	Wholesale trade
517311	Wired Telecommunications Carriers
316992	Women's Handbag and Purse Manufacturing