

# This is Who I Am.

When our roles, values and actions align, our most authentic selves come into view.



**Patrick Burnette**

IT Specialist, Father and  
Drummer

**Jami Bishop**

Underwriter, New Mother  
and Team Player

**Jody Bagwell**

Regional Director - Claims,  
Father and Christian

Our vision is to reinvent insurance to create communities where people are safe. We believe that business can and should be a powerful force for positive social change.

Our model uses an insuring transaction as the foundation for building deep consulting relationships with youth-serving organizations. That relationship carries an obligation to serve and to respond with empathy, particularly in the most difficult moments of need.

When we are at our best, we love, serve and transform communities.

The photographs in this report were taken at the YMCA of Greater Charlotte, the Boys & Girls Clubs of Wayne County-Goldsboro, the YMCA of Greater Boston and at our own offices in Morrisville, NC. They are intended to honor the dedicated staff at all of the organizations we work with. The work you do transforms communities. **Thank you.**

- 2 This is Who I Am**  
CEO Letter
- 12 Our Numbers Tell a Story**  
Financial Review
- 14 Shared Strength Comes from Common Purpose**  
The Redwoods Group Foundation
- 18 Assessing Our Impact**  
Social Audit
- 20 Economic Development as if People Mattered**  
A Look Ahead

- Case Studies**
- 4 Bringing the Supply Chain Home**  
TS Designs & Cotton of the Carolinas
- 7 Training Young People to Recognize Mental Health Needs**  
Camp Holiday Trails
- 8 Kivunim: Creating Shared Identity Through Diverse Experience**  
JCC Association of North America
- 11 Serving Communities Means Meeting Them Where They Are**  
Boys & Girls Club of San Marcos



# This is Who I Am.

**My name is Kevin. I am a husband. I am a father. I am a Christian, a citizen, a volunteer, a philanthropist, an American and a patriot.**

I am also the founder and CEO of Redwoods.

None of these roles define me. Yet all of them shape me in their own unique ways. Indeed, all of us—regardless of our faith, our profession, or our political leanings—are asked to take on many roles, each with its own set of demands and responsibilities. Too often, when juggling these roles, we focus so much on one part of our lives that we compromise another. Whether it's a CEO who is expected to put short-term profits ahead of the well-being of her community, or an employee forced to choose between family and work, conflicts between the roles we play and the values we hold create friction.

So how do we create a culture where we can reduce this friction? How can we build a world where we bring our whole selves to every role we are called to play?

## Meaning Matters

In the 1940s, psychologist Abraham Maslow put forward a theory called the Hierarchy of Needs. According to this theory, as humans, we must first attend to our immediate physical concerns such as food, water and shelter, before we can address our higher needs, like spirituality or a deeper sense of purpose.

Much has been made recently about investing in physical infrastructure. Building a society—or an economy—where people can bring their whole selves to their work requires us to also build an infrastructure of opportunity that allows everyone, regardless of background, to provide for their families and to plan for their future. All of us—businesses, community organizations, governments and individual citizens—have a role to play in making this happen.

But even creating economic opportunity and material well-being are not enough anymore. If we were told 40 years ago that we'd replace the pack of cigarettes in our pocket with a supercomputer of the same size, or that we could use it to order any household item delivered directly to our door within hours, we'd imagine ourselves as millionaires. Or wackos. So why do so many of our fellow citizens—even citizens who have access to the benefits of our digital age—still feel like their lives lack meaning?

It's time to rethink economic development. And we must put meaning and purpose at its heart.

## Redefining Our Most Important Skills

Leadership expert Dov Seidman suggests that the current technology-driven disruptions in our society are every bit as consequential as the

scientific revolution of the sixteenth century. In an age of intelligent machines, he argues, we must update Descartes' "I think, therefore I am" to something more heartfelt:

"I care, therefore I am. I hope, therefore I am. I imagine, therefore I am. I am ethical, therefore I am. I have a purpose, therefore I am. I pause and reflect, therefore I am."<sup>1</sup>

---

*"So why do so many of our fellow citizens still feel like their lives lack meaning?"*

---

Emotional literacy and empathetic capacity are the true skills of tomorrow. Nowhere are these skills more needed than in our efforts to build community. That's why I recently joined a group of 40 YMCA leaders in Charlotte for an event entitled "Becoming One: Can the Y Help Heal Divided Communities?" The goals were to use our many roles to create civil discourse and begin to build bridges toward diversity and inclusion, both within the YMCA and across our communities.

Todd Tibbits, CEO of the YMCA of Greater Charlotte, was pivotal in making that meeting happen. Having witnessed the unrest in his city

**Kevin Trapani**  
The Redwoods Group  
CEO, Father and Christian

<sup>1</sup> Friedman, Thomas L. "From Hands to Heads to Hearts." New York Times, Jan. 4 2017



## Case Study

### Bringing the Supply Chain Home TS Designs & Cotton of the Carolinas

In 2013, a garment-factory building in Bangladesh collapsed, killing 1,129 textile workers. Each shirt made at this factory was sold for a couple of dollars, bringing in only a few cents of profit per shirt. These razor tight margins put pressure on companies to keep costs low, ultimately contributing to the building collapse.

But it doesn't have to be this way. Our t-shirts distributed at conferences are produced from cotton that's grown right here in our backyard. They go "from dirt to shirt" in less than 700 miles, and the supply chain is 100% transparent and 100% local.

For years, TS Designs printed t-shirts for brands like Nike, Gap and Tommy Hilfiger. Then the North American Free Trade Agreement (NAFTA) arrived. The company lost 90% of their existing business, and laid off more than 80% of their staff.

The company founders embarked on a radical program of corporate innovation—from solar panels and a community garden for employees to a relocation of the textile supply chain. Recently, the company has been on the forefront of efforts to legalize industrial hemp in North Carolina—a robust, sustainable crop which could provide significant income to NC farmers who are still struggling due to the collapse of the tobacco market.

This is just one more example of how putting values at the heart of decision making isn't just the right thing to do. It's good business too.

following the police shooting death of Keith Lamont Scott, Todd was adamant that the Y must step up to address underlying rifts in our society:

"The YMCA's motto, 'that they all may be one,' comes from John 17:21. I can't think of a more fitting theme as we move into 2017. The YMCA is a microcosm of America. We serve and welcome people from all communities. But how often do we sit down and actually listen to each other?"

During our meeting, we discussed issues of racial disparity, gender identity and economic inequality. Of course, in the aftermath of the election, we also talked about the deep divisions caused by hyper-partisanship.

The meeting did not conclude with a magical solution. It did, however, end with renewed commitments from the group to look beyond labels and to truly see each other as the complex, unique, values-driven people we all are. CEOs pledged to spend more time with staff and their families from all levels of their organization. Regional Y groups committed to bringing more organizations into the conversation. And YMCA of the USA pledged a continued, strong commitment to supporting the work. In other words, there was a sincere and shared commitment to reaching beyond our bubbles.

Redwoods, too, has been taking steps to reach beyond our bubbles.

### An Infrastructure of Opportunity

While we have always been proud of our employment practices, we

know that we still have room to grow. Specifically, we've been taking steps to widen our talent pool and expand the pipeline from which we recruit. Paige Bagwell, our Chief Talent Officer, has formed strong, intentional relationships with historically black colleges and universities (HBCUs), and through a series of summer internships we have provided opportunities to young people who are on track to graduate from these excellent institutions. In other words, we're investing in an infrastructure of opportunity to overcome the structural inequalities that too often hold people back.

It's important to note that this step may be guided by our values, but it is also driven by our self-interest: By recruiting from a more diverse talent pool, we are bringing in fresh perspectives, ideas, skills and insights which will help us expand our reach. These internships have resulted in several new hires who are now hard at work making us better. Our role gives us the opportunity to serve, and our service presents an opportunity for profit. We're doing well by doing good, and we're staying true to our values and our purpose even as we grow and evolve.

---

*"By recruiting from a more diverse talent pool, we are bringing in fresh perspectives, ideas, skills and insights which will help us expand our reach."*

---



**Beth Kelty**  
YMCA of Greater Charlotte  
Branch Administrator, Sister and Foodie





**Constance Duncan**  
Boys & Girls Clubs of Wayne County-Goldsboro  
Program Leader and Dedicated Caretaker

**Relationships Over Transactions**

In their work to make us better, our people now enjoy an ecosystem of support that’s more comprehensive than ever before. Our 2015 acquisition by the Crum & Forster family of companies has proven just as beneficial as we predicted in last year’s report. We’ve expanded into important nonprofit sectors, like Boys & Girls Clubs. We’ve invested in a new learning management system for The Redwoods Institute. We’ve introduced a revolutionary new Directors and Officers liability insurance product to protect our customers’ staff and volunteers. And we’ve begun working to transfer our expertise in prevention-focused insurance to the other units of Crum & Forster.

As promised, we’ve been able to enhance our brand while maintaining our autonomy, our team and our deep sense of mission. And the reason for this is simple: The acquisition was always based on a shared set of values and a mutual understanding of the strengths and resources that each of us brings to the table. We saw each other for who we really are.

So how do we create a society where mutual respect and cooperation are the norm, not the exception?

**Common Purpose Has Never Been More Important**

When I opened this letter, I listed some of the roles I play. However, I left one out.

I’m a Democrat.

This omission was a very deliberate choice. Our party labels too often

prevent us from seeing each other as people.

Indeed, those who know me have been surprised that I haven’t been more vocal since November’s election. Given the fact that the result was not what I had expected, it was important for me to step back and reflect on the gap between my perceptions and the America we actually live in. Here’s what I came to: we must find ways to bring communities together, to talk to each other as human beings, and find common purpose in order to live up to our potential as Americans. And we must do all that now. The great Maya Angelou wrote, “History, despite its wrenching pain, cannot be unlived, but if faced with courage, need not be lived again.” We need not live this time of wrenching pain again.

That doesn’t mean we won’t disagree. It also doesn’t mean that we cannot speak our mind, or protest, or resist policies we see as unjust. Indeed, as Americans, such actions are our right, and maybe even our responsibility. Dissent and disagreement can make us a better country. But disdain and division cannot.

*“Dissent and disagreement can make us a better country. But disdain and division cannot.”*

**Case Study**

**Training Young People to Recognize Mental Health Needs**  
Camp Holiday Trails

Located in Charlottesville, VA, Camp Holiday Trails is a nonprofit camp serving children with chronic illnesses and autism. In recent years, the camp began training staff to recognize and respond to mental health challenges among both campers and camp counselors. The approach they are using is known as Mental Health First Aid.

Tina LaRoche, Executive Director of Camp Holiday Trails, explains that given the prevalence of mental health issues across society, it’s important that we listen to teens when they may be in need of help:

“We tend to roll our eyes at teenagers. There’s a danger that we assume they will grow out of it. That’s not always the case. And the damage from ignoring these signs in teenage years can last into adulthood.”

According to LaRoche, providing Mental Health First Aid training to campers themselves is giving kids at Camp Holiday Trails a new understanding of the role they can play in their communities:

“What’s happening now is we’re seeing kids in our camp who are becoming increasingly aware of mental health challenges and who want to be advocates for themselves and their friends, including kids who maybe don’t have the same physical challenges that our kids experience, but have mental health needs of their own.”

This ambitious focus was one of the reasons that Camp Holiday Trails was awarded a \$5,000 grant under The Redwoods Group Foundation’s Innovation Grant Challenge.



## Case Study

### **Kivunim: Creating Shared Identity Through Diverse Experience** JCC Association of North America

“Questions are infinitely more important than answers. Questions can stand for all time, while the answers often change depending on when they are answered and who they are answered by.”

That’s how Dr. David Ackerman, Director of the Jack, Joseph and Morton Mandel Center for Studies in Jewish Education, describes the importance of Kivunim—an induction and on-boarding program, developed by the JCC Association of North America to give new JCC executives a solid grounding in the values and history of Jewish culture.

Ackerman—who leads the program with Janet S. Elam, Senior VP of Community Consultation and Executive Leadership at the JCC Association—says that this is not about a prescriptive model of Jewish identity:

“Kivunim—like the JCC movement—is based on a holistic, pluralistic ethos. We don’t presume to tell people what being Jewish means. We simply give them the frames of reference that allow them to play in the sandbox of Jewish culture.”

Elam is quick to emphasize that these discussions are of direct, practical relevance to the challenges that JCC executives will face in their careers:

“We try to model that there is more than one way to be an effective executive. Each person brings her own life story, skills and temperament. But by virtue of having executives walk through an identical process, we’re creating a movement with shared reference points and strategies.”

At its core, the 2016 election was not about Donald Trump, nor was it about Hillary Clinton. It was about us. All of us. Accordingly, in my many roles, I am reaching out to anyone, anywhere, who is willing to work for the good of our communities. And I am redoubling my own commitment to see us in our entirety. To listen with urgency to new and, especially, marginalized voices.

As I write this letter, I am pained by the news that Jewish Community Centers across the nation are experiencing a surge in bomb threats and other anti-Semitic attacks. And I am shocked at reports of violent hate crimes perpetrated against Muslims, Sikhs, Hindus, immigrants, transgender individuals and others in this country and around the world. It goes without saying that we must all condemn these attacks without hesitation or equivocation. But alongside my outrage, I am also lifted by examples of community groups who are working to repair the fabric of our society. I

*“I am pained by the news that JCCs across the nation are experiencing a surge in bomb threats and other anti-Semitic attacks. And I am shocked at reports of hate crimes perpetrated against Muslims...”*

see Jewish community organizations in Seattle, Pittsburgh, Michigan and elsewhere doing the hard work of refugee resettlement. I read about Muslim groups raising money to repair a desecrated Jewish cemetery. And I hear of college Republicans in Elizabethtown, PA, stepping up to defend the rights of campus Democrats to start a conversation about “white privilege”—a topic about which the two groups have significant areas of disagreement. Acting together in a supportive community is who we are when we are at our best.

### **Consistent Values. Evolving Tactics.**

In 2017, we celebrate our twenty year anniversary. We’ve come a long way and, together with our customers, we’ve achieved wonderful things. Drowning deaths in our customers’ pools are a fraction of what they used to be. Our customers have virtually eliminated unsafe 12- and 15-passenger vans. And awareness of how to prevent child sexual abuse is at an all-time high.

Clearly, when you build meaningful relationships and remain true to your core identity, powerful things can happen. But meaningful relationships also require growth and change.

When we began this company, most in the youth-serving community had little understanding of the protocols that would help them keep the people in their care safe. So we set out to use our data to help customers shape those protocols and change their operating behaviors. We became, effectively, the risk manager to the youth-serving community.



**Todd Tibbits**  
YMCA of Greater Charlotte  
CEO, Husband and Man of God





**James Squires**  
YMCA of Greater Boston  
Associate Health & Wellness Director, Forward Support  
Company Commander and Mentor

Case Study

**Serving Communities Means Meeting Them Where They Are**  
Boys & Girls Club of San Marcos

The Boys & Girls Club of San Marcos serves a diverse group of communities, including Richmar—a low-income neighborhood known to police as a hot spot for gang activity. That’s why the Club founded The Respect Project—a program designed to divert high-risk youth from crime by placing an active outreach worker directly in the community.

Tish Murry, CEO of the Boys & Girls Club of San Marcos, explains why this is so important:

“The biggest competitor for Boys & Girls Club teen programs isn’t another youth organization, it’s the gangs in surrounding communities. That’s why we have to reach out into the community and meet kids where they are actually hanging out.”

Support offered by the program ranges from remedial reading support to making sure that a kid has a suit if he or she needs to go to court. Already, says Murray, this type of preventive approach is showing significant results:

“The crime rate in our neighborhood is dropping. And most of the kids in our program—many of whom could have easily ended up in jail—are now enrolling in college, or joining the military. We have one eighteen year old—José—who was flagged by the Sheriff’s Department as gang involved. He’s now here every day. He’s helping us out with the programming. And he’s been selected to take a trip to South Africa to do service work. He’d never been outside San Marcos before he came to us!”

Over time, the protocols we developed or discovered became accepted as proven practices: we now know not to be alone with a child; we know where lifeguards should be positioned and how they should scan. This focus on establishing correct protocols is now so widely accepted that many organizations we work with have a risk manager directly on staff whose sole responsibility is identifying opportunities to keep members, guests and staff safe.

That’s very good news. Unfortunately, while serious injuries happen less frequently, they still happen too often. And when they happen, it generally isn’t for lacking or inadequate protocols. It’s because, too often, the practices don’t match the protocols. Eliminating the gap between practices and protocols isn’t actually about risk management. It’s about performance management. And performance management is about culture.

That’s why we’re reshaping our teams and investing in their capacity to become strategic consulting partners for our customers. Our consultants will be more skilled, they will be better supported and our customers will enjoy greater access to them. Becoming more than risk consultants—indeed, becoming management consultants—will help us to help our customers develop cultures that will sustain their best safety practices. And it will allow us to move beyond risk, towards empowering our partners to scale their impact in the community.

In the months and years to come, we’ll continue to advise our customers on

proven safety protocols and practices. But we’ll also show up as an essential thought-partner in the broader work of community transformation.

**Staying True to Ourselves. Rethinking How We Show Up.**  
Our new strategy may be a radical rethink of the way we work, but it is also a logical continuation of who we have always been. In this, we take inspiration from the organizations with whom we work. While the values and missions of YMCAs, Jewish Community Centers, camps and Boys & Girls Clubs have remained consistent over the years, the strategies and tactics they deploy have evolved. As our society navigates a pace of change that is as profound as anything we’ve seen in history, this capacity to balance a consistent identity with the need to innovate is more important than ever before.

We are immensely grateful for our many roles and the relationships we have with world-changing organizations in communities across this country. The positions you hold and the roles you play in our society are as indispensable as they are inspiring. We consider it our duty to continue to evolve our own roles so that we can always be what and who you need us to be.

Thank you for all you do. And, perhaps more importantly, thank you for who you are.

*Kevin A. Trapani*

**Kevin Trapani**  
President and CEO  
The Redwoods Group



# Our Numbers Tell a Story.

**Pursuing a mission and pursuing a profit are not mutually exclusive goals. In fact, when you're in the business of doing good, it's more important than ever that you're also doing good in business. That's a lesson that our customers understand well: your capacity to serve your community is directly linked to your financial sustainability.**

As we mentioned last year, the way we measure our financial success is now directly aligned with our mission success. That's because, as an independent insuring arm of Crum & Forster, we no longer work on commission. Rather, we are financially responsible for our own losses—losses which were previously covered by our insurance carriers.

We've always understood that behind every claim there is a story of injury, loss and—too often—human tragedy. It's why we take great care to remember the names of the victims in the claims we handle. Our new structure doesn't change any of that. It just means that our financial metric for success now better reflects how well we are doing at keeping people safe.

As an organization that exists to prevent harm from happening, we're pleased

to report that under this new structure, 2016 was a solid financial success.

Even though we did not quite make our goals in terms of written premium (\$45,841K, as opposed to a goal of \$51,710K), our expenses (\$8,340K) and—more importantly—our losses (\$26,668K) were significantly lower than expected. That's a strong indication that the work that we've been doing with our partners to improve how pools are guarded, or how organizations guard against abusers, is having the desired effect. We also continue to enjoy a 94% customer retention rate, a figure that's significantly above industry average.

As a result of these lower than expected losses and our continued customer retention, we hit our goal of a contribution margin (premiums, minus expenses, minus losses) of 5.2% of earned premium. This means we are operating profitably in an industry—and a segment—in which it has traditionally been very difficult to do so. If we include a 6.5% Management & Services (M&S) fee due to Crum & Forster—a figure which includes a contribution to corporate overhead and services to underwrite our policies—this contribution margin becomes -1%. It is important to note here that—as a result of our acquisition by

*“...our financial metric for success now better reflects how well we are doing at keeping people safe.”*

Crum & Forster—we are changing from an audit to a review. We are still being reviewed separately, but because our financials will be officially audited as a part of a larger audit of Crum & Forster, an audit focused only on The Redwoods Group is no longer necessary.

Because of the success we enjoyed last year, and because of the continued backing from Crum & Forster, we also have the resources and the support we need to continue to deliver on our mission. From a rethink and relaunch of our online training platform to investing in our teams' consulting skills, the expenses incurred in 2016 included significant investment in our capacity to continue our transformational work.

We believe these investments will continue to pay dividends for many years to come.



## 2016

Written Premium .....	\$45,841
Earned Premium .....	\$40,015
Losses .....	\$26,668
Commission/Taxes .....	\$2,961
Expenses .....	\$8,340
Contribution Margin .....	\$2,046

(\$ In thousands)

**Joe Angelon**  
YMCA of Greater Charlotte  
Branch Executive Director, Dad and Coach



# Shared Strength Comes from Common Purpose

**“The more we understand about the complex social problems we are tackling, the more the need for large-scale, culture-wide change becomes apparent. Even as we celebrate our successes, we cannot shy away from the fact that there is much more work to do.” - 2015 Foundation Letter**

As I detailed in previous reports, the foundation has been on an ongoing journey of self-discovery. Central to this journey was a reaffirmation of our identity as a backbone organization, a convener of innovative networks and a hub for collaboration. In 2016, we began to see how this role we have carved for ourselves in a network of like-minded allies is creating change on a scale that’s well beyond anything we could have achieved alone.

Here are some of the highlights from our year.

## **Creating Space for Collaboration**

When you create room for partners to share their strengths with one another, it can open doors to large scale impact. This year, for example, under the title of National Youth Serving Organizations for Child

Protection, we brought together a coalition of some of the nation’s largest youth-serving networks to learn and work together on preventing child abuse. Collectively, these organizations serve more than 20 million kids and 40 million adults every single year, and their influence helped us engage additional partners as well. As we move into 2017, this coalition has the opportunity to partner with the CDC and PreventConnect around proven practices for child abuse prevention in youth-serving settings—a partnership that will help these organizations reach beyond even the huge number of people they already serve.

A similarly collaborative approach also allowed us to support closer alignment of child sexual abuse prevention efforts across the YMCA movement through the YMCA Guardians Against Child Sexual Abuse initiative. Formerly known as Partnering in Prevention, this effort involves YMCA CEOs, Y-USA staff, our foundation, Darkness to Light and child sexual abuse prevention experts, Praesidium. This year, it has evolved from a program centered on a single, community-focused training to a broader range of mutually reinforcing activities,

activities which work together to build a strong culture of prevention both within a YMCA and across the broader community.

YMCAs are working in their communities with leading primary prevention partners at Darkness to Light to empower more people than ever before with the knowledge and skills to protect the kids in their lives. In their associations, Y-USA has partnered with Praesidium to offer every YMCA the best tools, training and resources to assess and continually strengthen their internal cultures of safety. This multi-pronged approach is creating community-wide, systemic change that’s designed to fundamentally

---

*“...this role we have carved for ourselves in a network of like-minded allies is creating change on a scale that’s well beyond anything we could have achieved alone.”*

---



**Emma Potts**  
YMCA of Greater Charlotte  
Towel Porter, Christian and Grandmother





**Walter Norris**  
YMCA of Greater Charlotte  
Gym Monitor, Athlete and Music Enthusiast

shift how our society approaches the persistent evil of child sexual abuse. Our foundation is honored to play our part in continuing to support these efforts.

**Exploring New Avenues for Change**

In trying to tackle complex problems, it's important to remember that there is no silver bullet solution. Recognizing that fact, we helped pilot and evaluate two new prevention strategies in 2016. Along with the YMCA Guardians, we piloted a child sexual abuse prevention awareness-building campaign, designed to make prevention information more accessible to adults who don't know much about this issue. Known as the 5 Days of Action, 55 YMCA associations organized a week of activities during Child Abuse Prevention Month. Because of its success, YMCA of the USA has agreed to help the YMCA Guardians publicize the effort to get many more YMCAs to participate in 2017.

We also partnered with our local Y, the YMCA of the Triangle, to host a series of workshops. The goal of the series was to help youth-serving organizations of all sizes in Wake County, North Carolina, improve their child sexual abuse prevention policies. Participants ranged from university programs to small community nonprofits. 75% of participants showed significant improvement in their scores on Redwoods' policy assessment metric, lifting them by more than 10% in the three months after the workshops.

**Using Self-Reflection for Self-Improvement**

Being the best you can be is only possible if you have the discipline to turn a lens on yourself, regularly reviewing the work you do and analyzing it for opportunities to improve. Our grant review committee

has been carefully evaluating our giving efforts, identifying ways for our dollars to have the greatest possible impact.

As a result of these efforts, we were able to support the following:

- We nearly doubled the number of children we sponsored for swim lessons (increasing to 1,039 kids in 2016 from 593 kids in 2015), despite giving \$910 less to swim lesson efforts than we did last year.
- With our new grantmaking system, we were better able to collect detailed program information, and select those efforts that reached children in need of lessons most effectively and efficiently.
- We also purchased 275 personal flotation devices (PFDs) for aquatic facilities, up from 183 in 2015, as well as several other grants for items such as rescue tubes, pool covers and other important lifesaving equipment.

This focus on data-driven giving and strategic philanthropy has also informed our Innovation Grant Challenge, a program designed to not only reward specific programs at youth-serving organizations, but to incentivize an atmosphere of innovation through the power of competition.

This year's focus was on how youth-serving organizations were reinventing their work to create communities where people are safe. We received 47 applications and the winning entries ranged from a Boys & Girls Club involved in outreach in gang-prone communities (see case study on page 11) to a resident camp creating economic opportunity in their rural

*“Collectively, these organizations serve more than 20 million kids and 40 million adults every single year...”*

community by helping local residents earn wilderness guide certifications. Each of these winners was rewarded with a cash grant, and we also profiled their work in The Redwoods Group monthly newsletter—encouraging other organizations to learn from their example. In the case of the Boys & Girls Club of San Marcos, the \$25,000 grant from our foundation was also a significant factor in unlocking a further \$250,000 of funding from other sources. The foundation is now building on this approach, working with Redwoods' parent company, Crum & Forster, to advise their team on the power of strategic philanthropy.

As we look forward into 2017 and beyond, we are redoubling our commitment to not just do good—but to do good well. And to do this, we are more determined than ever to continue to learn and grow, both as individuals and as an organization. For it is in understanding ourselves and our relationships that we find our strength. And it is in finding our shared strength with our partners that we achieve our common purpose.

**Dan Baum**  
Executive Director  
The Redwoods Group Foundation



# Assessing Our Impact

**The Redwoods Group's Social Audit is compiled annually by an independent, third-party consultant. The audit provides a public record of Redwoods' efforts to create positive social impact, including and beyond what is required for their B Corp certification. The consultant conducted surveys and interviews of Redwoods employees (including senior leadership) and vendors, and also reviewed internal and publicly available data.**

## A Year of Transition

2016 was a year of transition for The Redwoods Group. After being acquired by Crum & Forster in 2015, Redwoods gained unique opportunities to leverage new resources and partnerships to better serve their customers, employees and community. Redwoods is actively working to improve in all those areas. To highlight a few of those efforts, in 2016, Redwoods:

- Listened to employee concerns and reorganized their internal management and feedback structure.
- Undertook an innovative research project to help improve their clients' ability to assess shallow water blackout risk factors.

- The Redwoods Group Foundation issued a record amount of safety grant funds and reinitiated the Innovation Challenge.
- Embraced their foundation's strengths as a convener and facilitator in order to spearhead national child safety efforts.

## A Refocused Foundation

In 2016, The Redwoods Group Foundation continued to develop their role as a convener and facilitator rather than technical assistance provider, and that shift has helped grow the organization's reach and impact. The foundation worked with the YMCA Guardians to successfully pilot a Child Abuse Awareness Month program that will roll out nationally in 2017, and catalyzed the creation of a new network—The National Youth Serving Organizations for Child Protection—which has brought together a coalition of some of the country's largest youth-serving organizations, who are committed to sharing knowledge and collaborating on child abuse prevention.

Plus, thanks to their new funding structure, the foundation was able to easily surpass previous years' grant making. From 2015 to 2016, the foundation doubled their total distribution of safety grant funds,

distributing more than \$59,000 in 2016. They were also able to bring back the Innovation Challenge, which resulted in \$45,000 of support for innovative impact strategies focused on creating safer communities.

## Expanding Safety Initiatives: Shallow Water Blackout Prevention

Shallow water blackout has become a critical area of concern for aquatics safety. In the summer of 2016, Redwoods undertook a major research project to assess their customers' state of readiness for identifying shallow water blackout warning signs and preventing blackout incidents. Collecting this information will allow Redwoods an opportunity to help customers more effectively train their lifeguards and staff in the future.

## Employee Feedback

In March 2016, an internal survey of Redwoods employees indicated some common areas of concern, and as a result, Redwoods underwent some structural changes. In addition to adding management layers and working to improve communication, Redwoods also modified their employee feedback model. Rather than a traditional "annual review," employees and managers are now having more regular opportunities to check in and receive feedback.



**Raytrell Caldwell**  
Boys & Girls Clubs of Wayne County-Goldsboro  
Teen Director, Father and Green Bay Packers Fan

The new employee handbook was also streamlined to help make the onboarding process more efficient.

## The Mission Continues

While Redwoods may be in a season of transition, the company's dedication to its stated mission, "Serve Others," remains a visible and integral part of their business model.

Redwoods employees continue to serve their community in big and little ways. Employees and leadership team members volunteer with various service organizations, serve on nonprofit boards and committees, make matched charitable donations both independently and through payroll, and are active community leaders. In 2016, Redwoods employees volunteered for approximately 2,400 hours.

Customers and vendors alike acknowledge and appreciate that Redwoods continues to "walk the

walk." In 2016, an independent audit of Redwoods customers asked, "How likely are you to recommend your insurer to a colleague?" The Redwoods score was considered "world class," and was the highest ever measured by the auditor.

Vendors are also pleased, and an independent survey conducted by this auditor found that Redwoods' dedication to its mission may be contagious. One vendor gave this advice to future Redwoods partners: "Bring your whole self—and don't be afraid to present your values and mission that you stand for. Redwoods works best with mission-aligned partners, so figure out what your mission is and then live it."

## Looking Ahead: Room to Grow

As Redwoods looks ahead to 2017 and the years to come, they still have room to improve. Specific recommendations based on the 2016 social audit will include items related to:

1. Assessing environmental impact and improving/increasing environmental sustainability efforts.
2. Continuing efforts to increase diversity within the company and promote similar practices among other B Corps and mission partners.
3. Centralizing social impact and B Corp Assessment recordkeeping.
4. Assigning a team to evaluate all recommendations stemming from independent audits and report on how previous years' recommendations are/are not enacted and why.

**Download the full social audit at**  
[www.redwoodsgroup.com/2016SocialAudit/](http://www.redwoodsgroup.com/2016SocialAudit/)



# Economic Development as if People Mattered

**According to economists Thomas Piketty, Emmanuel Saez and Gabriel Zucman, the top one percent of American adults now earn 81 times more than the bottom 50 percent. This wage gap has nearly tripled since 1980.**

Is it any wonder so many people feel left behind by our modern economy?

Perhaps even more disturbing than absolute income inequality is the fact that economic mobility—the measure of how many people are able to work their way out of poverty—is at record lows, too.

If we are serious about building a truly inclusive economy, then we have no choice but to invest in an infrastructure of opportunity. Our education system—which evolved during the Industrial Revolution—isn't adequate, equal or aligned with the jobs of the future. It's time to revisit our approach to training and education so that the knowledge and skills being taught are relevant to both the populations being trained and the opportunities being offered.

And just as our education system has yet to catch up to the modern economy, so too our models for regional development are geared toward industries and an economic model which are rapidly becoming obsolete.

Consider this one example: New Hanover County in southeast North Carolina recently competed for a deal to expand an

existing concrete manufacturing plant and create 161 moderate-wage jobs. Proposed concessions included tax incentives, a commitment not to raise the minimum wage and a promise of significant environmental leeway. Meanwhile the pollution created by this expansion would likely have put independent fishers and shrimpers out of business.

Now compare this to Asheville, North Carolina, where local leaders successfully recruited New Belgium Brewery—a Certified B Corporation—to open its first East Coast operation. The company, which did accept tax incentives, spent approximately one hundred million dollars to renovate three warehouses in a dilapidated industrial quarter abutting the River Arts District. This one investment created jobs for 140 workers—many of whom bike to work—and spurred a revitalization which included residences, restaurants and shops in a neighborhood which was once close to abandoned. It also cemented the city's reputation as the "beer capital of the Southeast," sparking further development in industries ranging from brewing supplies to industrial manufacturing and tourism.

Not all economic development is created equal: development with social benefit is better. But what does a vision for inclusive economic development look like?

## **1) It Must Be Asset-Based**

Not every potential worker is going to

be college-educated, and not every community is going to have areas of outstanding natural beauty. It's important to develop authentic micro-strategies informed by the assets of the community in question.

## **2) It Must Benefit the Greater Good**

The idea that a rising tide lifts all ships only has relevance if everyone has access to a safe, seaworthy ship and the skills to pilot it. Unless a community's economic development includes a pathway to employment for marginalized people, it will never realize its full potential.

## **3) It Must Be Collaborative**

All across the country, there are companies, organizations, institutions and government departments working on different pieces of the very same puzzle. Often their efforts are duplicated. We must get better about pooling our resources, coordinating our efforts and sharing our data.

## **4) It Must Be Supported**

Seeking input, buy-in, commitment and support from the largest institutions, organizations and employers in a community will be central to creating real, long-term change.

## **5) It Must Be Accessible**

We must assume potential in the emerging workforce. This can't be overstated: our society is getting younger and more diverse and yet

educational outcomes are getting increasingly disparate. Research by UNC demographer Jim Johnson has shown that for every one dollar we invest in social support for Latino immigrant communities, our economy gets eleven dollars in benefit. Ensuring adequate access to opportunity for marginalized communities is best for all of us.

## **6) It Must Be Effective**

Every year, commerce departments and economic development officers spend billions of dollars on tax breaks and incentives to attract outdated, 20th century manufacturing jobs which will likely be obsolete in the not-too-distant future. What if we reallocated these resources to investing in growing the workforce of the future by investing instead in our public schools and universities, our technical and community colleges and our apprenticeship and career development programs? We should be recruiting exceptional people, not pedestrian businesses.

## **7) It Must Be Catalytic**

Great innovations take time to mature, and yet access to capital can be tough for unproven ideas. Using public dollars as risk dollars is usually not appropriate, so inviting philanthropic capital off the bench to fund ideas through start-up and early scaling can make all the difference between success and failure.

These ideas are by no means exhaustive, but they are a framework for beginning to think about economic development in a qualitative as well as quantitative light.

*Adapted from an article of the same title by Kevin Trapani, which first appeared online at BtheChange.com*



**Mary Ann Dudley**  
Boys & Girls Clubs of Wayne County-Goldsboro  
Executive Director, Caretaker and Handbell Player





**Corporate Office:**

2801 Slater Road, Suite 220  
Morrisville, NC 27560

Direct Phone: 919.462.9730  
Toll-Free: 800.463.8546  
Fax: 919.462.9727

**[redwoodsgroup.com](http://redwoodsgroup.com)**



Printed with soy inks on 100% post consumer recycled paper, processed chlorine free.

