

Testimony of Christopher D. Brechlin
IN SUPPORT OF H.B. 6356 AN ACT CONCERNING BENEFIT CORPORATIONS AND
ENCOURAGING SOCIAL ENTERPRISE
Before the Joint Committee on Commerce
February 28, 2013

Mr. Chairman and Members of the Committee:

My name is Christopher Brechlin and I was born in Meriden, and currently live in Willimantic. I am testifying in support of **H.B. 6356 An Act Concerning Benefit Corporations and Encouraging Social Enterprise** because I am a young social entrepreneur who grew up in Connecticut and would like to grow a business here, as I have seen my father do it, as well as my brother, but I do not currently have the ability to register my company in the state. Registering as a Benefit Corporation would provide me with a unique and vital legal framework in which to operate a business that has lasting social impact and generates consistent revenue.

There are many incentives for encouraging the development of Social Enterprise in Connecticut. One incentive being that social entrepreneurs often utilize private funding to meet the needs of distressed populations. This means that more public money can go directly to helping nonprofits accomplish their missions. Another incentive is that B Corps typically support their employees with benefits such as medical insurance and a living wage. Essentially, this legislation would not only create jobs, but also healthier, more stable citizens.

Finally, Impact Investment in Social Enterprise is considered to be a \$1 Trillion global market opportunity according to JP Morgan. If even a small fraction of that were invested in Connecticut, it would have a significant effect on the economic vitality of the state and its residents. Benefit Corporations are tax-paying businesses, and when put that in the context of the 1.6 million nonprofit, non-tax paying entities in the United States, you begin to see how **H.B. 6356** will provide Connecticut with both the social impact of a charity and the tax revenue of a business.

Passing **H.B. 6356** would make Connecticut just the 13th state in the nation with such a law and ours would be the most comprehensive of all such business structures. Unlike the other benefit

corporation laws in the US, **H.B. 6356** would allow for a legacy preservation provision that will protect the social mission of the entity. This provision will lock in the commitment of the organization to pursue impact over profit, and would be a great assurance to nonprofits seeking trustworthy for-profit partners.

Without the ability to incorporate as a social enterprise in Connecticut, I would be forced to register in another state, pay taxes in another state, and would consider leaving to conduct business elsewhere. A Benefit Corporation Statute in Connecticut would be a welcoming sign that the state is a great place for enterprising, socially conscious young people like myself and much of my generation, to build a future. "More than 70% of college students and 50% of workers are looking for jobs with social impact. Nearly 60% of students are even willing to take pay cut in order to work for a company that represents their values." Passing **H.B. 6356** will position the state of Connecticut as a national leader in social innovation and as a prime, forward thinking place to operate a business that is both profitable and meaningful.

That is why I am strongly support **H.B. 6356** and I urge you to do the same.

Thank you.

Respectfully Submitted by:

Christopher D. Brechlin, Founder

Blueprint for a Dream