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Case for a Budget Increase:
ACME
Giving Initiatives & Programs

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Agenda

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Objective: Provide a high-level review of Acme's charitable giving strategy in the context of the 2005 acquisition.

Overview of Data

- > Total Giving as a % of Revenue
- > Budget Source
- > Total Giving per Employee
- > Matching Gifts as a % of Total Giving
- > Giving by Motivation
- > Costs of Giving



Overview of Key Statistics

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Total giving increased by 18% from 2005 to 2006, as a result of:

- Greater participation in the matching gifts program post-merger (+ \$1.6 million)
- A new financial literacy initiative (+ \$1 million)
- Expanded giving budgets in India and China (+ \$2 million)

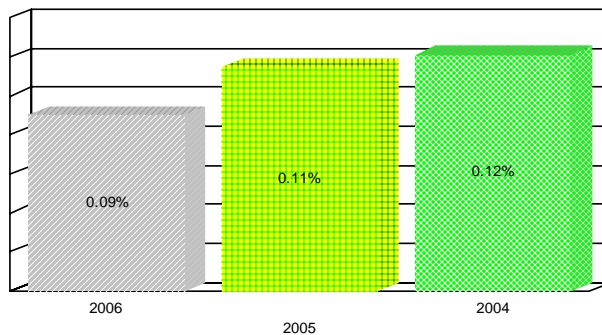
2005		2006	
Direct Cash	\$10,640,000	Direct Cash	\$20,850,000
Foundation Cash	\$12,700,000	Foundation Cash	\$8,875,000
Non-Cash	<u>\$2,150,000</u>	Non-Cash	<u>\$450,000</u>
GRAND TOTAL	\$25,490,000	GRAND TOTAL	\$30,175,000



Total Giving as a % of Revenue

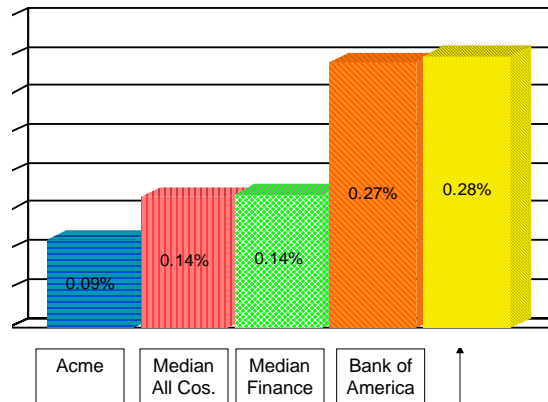
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Giving at Acme has remained between \$25mm and \$30mm in the 2004 through 2006 timeframe. The significant increase in revenues resulting from the 2005 merger has caused the fall in the giving/revenue ratio.



Total Giving as a % of Revenue

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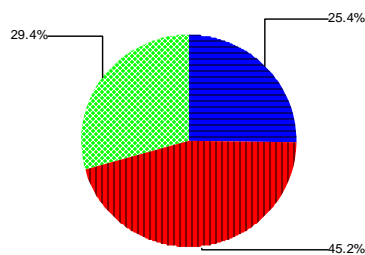


Median from Peer Group Companies:
Bank of America, Wells Fargo, Wachovia, Washington Mutual, and HSBC.

Giving by Budget Source

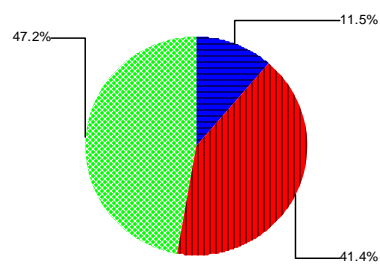
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2006 – Budget Source Acme



All Other Groups	25.4%
Corporate Community Affairs	45.2%
Corporate Foundation	29.4%
Total:	100.0%

2006 – Budget Source Peer Group

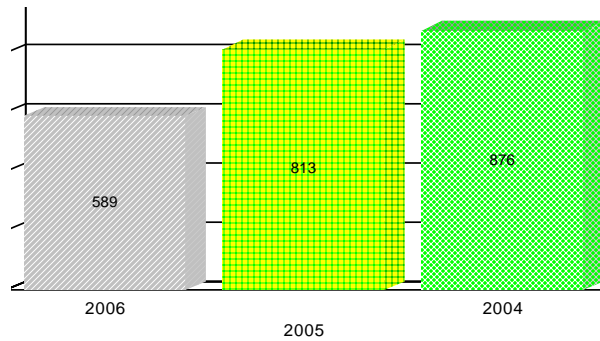


All Other Groups	11.5%
Corporate Community Affairs	41.4%
Corporate Foundation	47.2%
Total:	100.0%

Total Giving per Employee

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Total giving has remained constant and the number of employees has increased significantly, causing Acme to see a sharp drop-off in this metric.

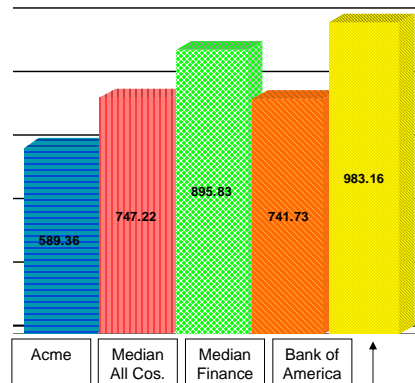


Total Giving per Employee

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With the increase in Acme's workforce worldwide, our giving has slipped below the per employee rate at other finance companies and among our peers.

Giving per Employee

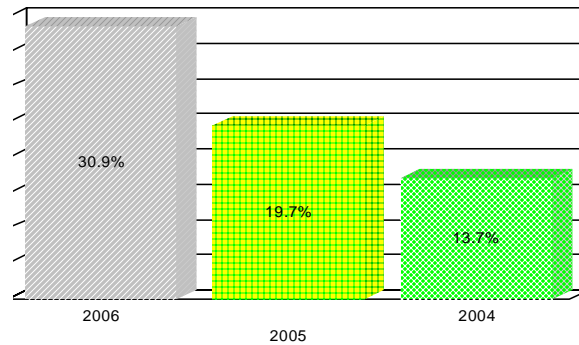


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Matching Gifts as a % of Giving

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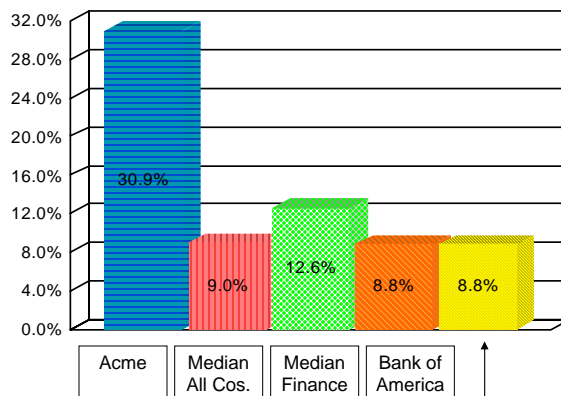
The Acme employee matching program was started in 1999. The minimum contribution is \$25, the maximum is \$5,000. Following the acquisition, participation has increased substantially and therefore it has become a larger portion of Acme's philanthropy budget.



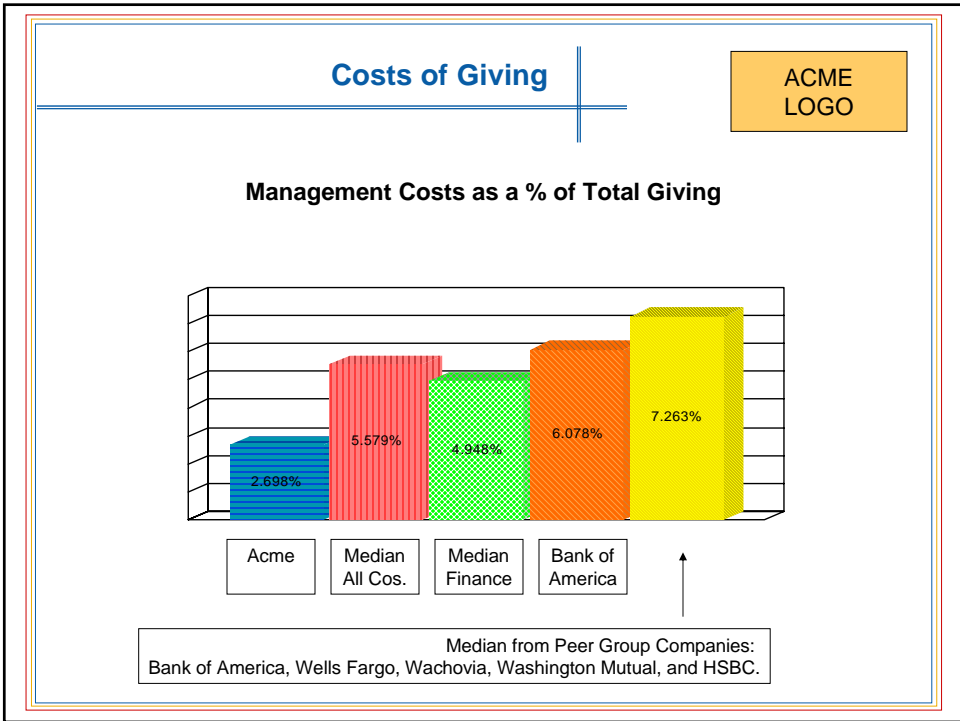
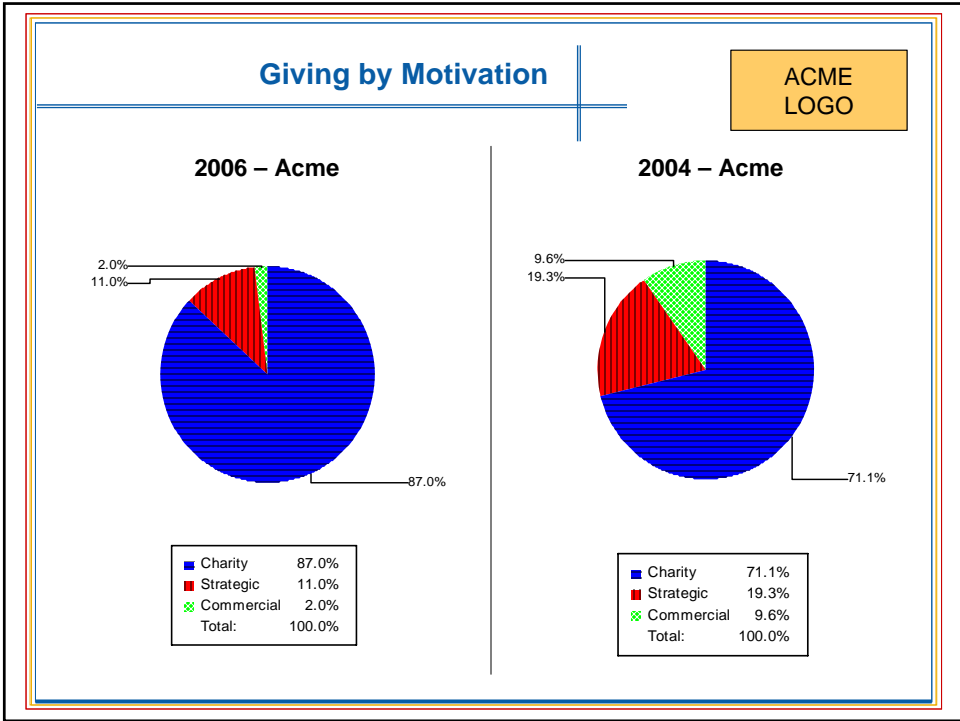
Matching Gifts as a % of Giving

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Matching Gifts as a % of Total Giving



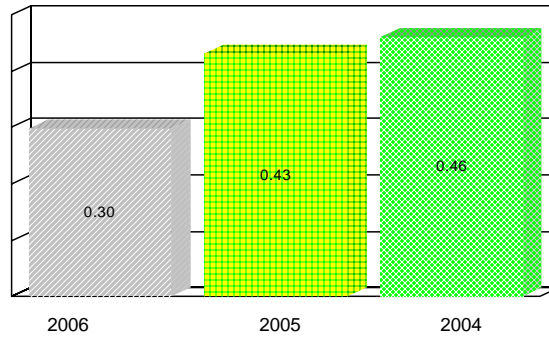
Median from Peer Group Companies:
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Costs of Giving

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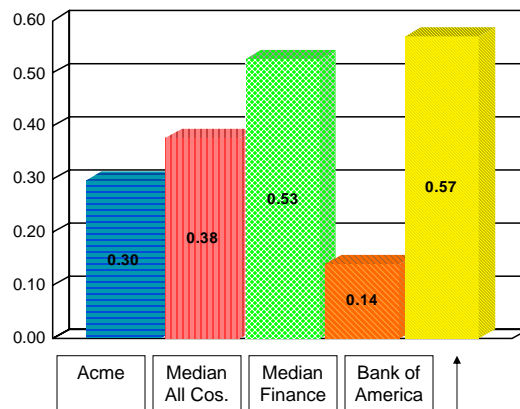
Corporate Affairs & Corporate Foundation FTEs - per \$1million given



Costs of Giving

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Corporate Affairs & Corporate Foundation FTEs - per \$1million given



Median from Peer Group Companies:
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Conclusion

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In light of the increased revenues and employee base of Acme Co. as a result of its recent acquisition, key metrics show that the corporate philanthropy program lags behind peers and past performance.

Matching gifts now account for a significant portion of total giving, and these gifts by definition are not company directed to strategic causes.

During the period of corporate expansion, the company has relied primarily on cash grants from corporate budgets. Over time, our investments should involve more product giving



Conclusion

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Recommendations:

Increases in corporate community affairs staff and in the philanthropy budget can help restore us to our prior presence in the communities in which we do business around the globe.

- Bolster the corporate foundation budget to allow for restored grant-making. Currently it is being dominated by increased matching of employee donations (at a rate well above that of peer companies).
- Hire two international grant-making staff in the next 6-12 months to accommodate the community needs surrounding the new offices acquired through the merger in India and China.

