

Giving in Numbers

2007 Edition

Exclusive: Inaugural Fortune 100 Snapshot

Corporate Giving Standard

An analysis of 2006 corporate philanthropy data from 136 leading companies



How to Use this Report

For Corporate Philanthropy Professionals

This edition of Giving in Numbers is a powerful ally for corporate philanthropy professionals seeking to assess and communicate the scope, scale, and performance of their contributions initiatives.

CECP has designed a process to help corporations reach this goal:

1. Collect Basic Facts on Your Company
2. Organize Your 2005 and 2006 Contributions
3. Identify Internal Trends
4. Benchmark Against Giving in Numbers Data

This report contains a **special section beginning on page 30** with straightforward instructions for each step, along with data from a fictional company to use as a model in building your own analysis.

Also included is a **giving overview template on page 31**. CECP brings this giving overview to meetings with member CEOs to summarize a company's giving allocations and how they have changed over time.

For information on downloading the free giving overview template and to get started on the above steps, turn to "Assess Your Giving Program" on page 30.

Assess Your Giving Program

FOUR STEPS FOR CORPORATE PHILANTHROPY PROFESSIONALS

The following step-by-step instructions provide corporate philanthropy professionals with a process by which they may leverage the figures and findings in this report. CECF also provides a model for completing these steps by showing fictional information for “Acme Co.”

Upon completing these steps, giving professionals will have a contextualized portrait of their company’s philanthropy program, including an overview of key metrics as well as an analysis of the significance of those findings.

To begin, look at the “For Your Company” panel on the left side of Step 1 and reference the “For Acme Co.” panel immediately to the right for an example.

Step 1: Collect Basic Facts on Your Company

For Your Company	For Acme Co.
<p>The charts, tables, and figures throughout this report analyze companies based on five criteria, so it is helpful to have the following data about your company on hand:</p> <ul style="list-style-type: none"> • Revenue • Pre-Tax Profit • Number of Employees • Industry • Classification: Manufacturing or Service 	<p>Here are the basic data for Acme Co., the sample company used throughout this exercise as a model:</p> <ul style="list-style-type: none"> • Revenue = \$22,140,000,000 • Pre-Tax Profit = \$2,170,000,000 • Number of Employees = 33,000 • Industry = Information Technology • Classification = Manufacturing

Step 2: Organize Your 2005 and 2006 Contributions

For Your Company	For Acme Co.
<p>The template that appears on the following page is intended to serve as a high-level snapshot of year-over-year corporate contributions. It is based on terms taken from the Corporate Giving Standard survey and guide. Access the survey, survey guide, and a blank copy of this template at CorporatePhilanthropy.org/cgs. You only need to complete the first two columns; the remaining columns are automatically calculated for you.</p>	<p>A completed version of the giving overview template for Acme Co. appears on the facing page.</p>

Acme Co. Giving Overview

2005* 2006* \$ Change 2005 % of Total 2006 % of Total % Change

Revenue & Pre-Tax Profit

Revenue	\$20,380,000,000	\$22,140,000,000	↑
Pre-Tax Profit	\$1,940,000,000	\$2,170,000,000	↑

Total Giving

Direct Cash	\$3,400,000	\$3,600,000	↑	18%	17%	↓
Foundation Cash	\$14,370,000	\$15,900,000	↑	76%	74%	↓
Non-Cash	\$1,130,000	\$1,980,000	↑	6%	9%	↑
TOTAL	\$18,900,000	\$21,480,000	↑	100%	100%	

Total Giving Statistics

% of Revenue	0.09%	0.10%	↑
% of Pre-Tax Profit	0.97%	0.99%	↑

Matching Employee Giving

Matching Contributions	\$2,070,000	\$2,500,000	↑	11.0%	11.6%	↑
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Contributions by Program Area

Civic & Public Affairs	\$1,120,000	\$1,070,000	↓	6%	5%	↓
Community & Economic Dev	\$3,400,000	\$2,580,000	↓	18%	12%	↓
Culture & Arts	\$1,130,000	\$1,750,000	↑	6%	8%	↑
Education: Higher	\$2,650,000	\$4,680,000	↑	14%	22%	↑
Education: K-12	\$2,080,000	\$3,230,000	↑	11%	15%	↑
Environment	\$370,000	\$1,080,000	↑	2%	5%	↑
Health & Social Services	\$6,630,000	\$6,020,000	↓	35%	28%	↓
Other	\$1,520,000	\$1,070,000	↓	8%	5%	↓
TOTAL	\$18,900,000	\$21,480,000	↑	100%	100%	

Giving by Geography

U.S. to U.S.	\$17,410,000	\$18,730,000	↑	92%	87%	↓
U.S. to International	\$930,000	\$1,290,000	↑	5%	6%	↑
International to U.S.	\$0	\$0	→	0%	0%	→
International to International	\$560,000	\$1,460,000	↑	3%	7%	↑
TOTAL	\$18,900,000	\$21,480,000	↑	100%	100%	

Giving by Motivation

Charitable	\$9,380,000	\$9,400,000	↑	50%	44%	↓
Strategic	\$7,570,000	\$11,000,000	↑	40%	51%	↑
Commercial	\$1,950,000	\$1,080,000	↓	10%	5%	↓
TOTAL	\$18,900,000	\$21,480,000	↑	100%	100%	

* Indicates the two columns for Corporate Philanthropy Professionals to complete
All other columns are automatically calculated by the template

Download this template to begin your company's analysis: CorporatePhilanthropy.org/cgs

Step 3: Identify Internal Trends

For Your Company	For Acme Co.
<p>Once completed, the giving overview template on page 31 provides an efficient way to spot changes from 2005 to 2006. Much valuable information for this step can be gleaned from the following two automatically-calculated columns in the spreadsheet:</p> <ul style="list-style-type: none">• \$ Change. This column quickly shows whether revenue and pre-tax profit are up and which budgets have increased or decreased.• % Change. As the sample data show, % Change and \$ Change sometimes move in the same direction, sometimes not. This is because % Change shows how the allocation of money is spread across several choices, which is not necessarily tied to whether the budget increased or decreased in terms of total dollars.	<p>The following year-over-year developments emerge in the completed giving overview template for Acme Co.:</p> <ul style="list-style-type: none">• Total Giving Increased. Total giving at Acme went up by \$2.6 million, or 14%. Based on dollar increases, the foundation saw the biggest bump in its budget. Since Acme conducts its matching-gift program through the foundation, \$430K of this increase is due to higher matching levels. Non-cash contributions jumped the most as a percentage of Acme's overall increase.• Key Ratios Held Steady. An increase in revenue, pre-tax profit, and total giving kept ratios such as "giving as a percentage of revenue" and "giving as a percentage of pre-tax profit" even.• Directed Grants Preserved. Despite a \$430,000 increase in matching-gift spending (+21%), matching as a percentage of total giving remained stable at roughly 11%. This indicates that Acme was able to maintain its directed grants instead of ceding a larger percentage of total giving to employee-directed matching.• New Focus on Education. Acme has put more funding behind K-12 and Higher Education projects. It paid for these increases with higher overall spending in conjunction with decreases in giving to Community & Economic Development and Health & Social Services.• Expanded International Giving. Giving to international recipients has risen from a total of 8% in 2005 to 13% in 2006. This was funded entirely by the budget increase; the dollar value of giving to domestic recipients did not decline.• More Strategic Giving. The total dollar value of grants marked as Charitable was unchanged; the bulk of the newly allocated money was for Strategic grants.

Step 4: Benchmark Against Giving in Numbers Data

For Your Company

The results from Step 1 and 2 form the basis of a comparison between your company's giving against the findings in the following Giving in Numbers report chapters:

- **Top Ten Findings.** An overview of the “big picture” findings of 2006, highlighting key data points to use as a starting point for top-level benchmarking.
- **Emerging Trends Analysis.** An in-depth look at how corporate philanthropy has changed in recent years, with detailed findings for companies of differing sizes and industries. This section is useful in determining your company's alignment with industry trends.
- **Benchmarking Tables.** Data to help identify a range of contribution levels for companies of a similar size and classification. Referencing these tables will assist companies in identifying the criteria to use in selecting appropriate peers for comparison.
- **2006 Findings.** Critical data points for key topics such as matching gifts, budget-source allocations, staffing issues, and volunteerism. This detailed benchmarking information allows companies to drill-down on specific topics of interest.

For Acme Co.

For Acme Co., benchmarking against different sections in Giving in Numbers shows:

- **Increased Giving Fits Overall Trend.** The majority of companies increased their total giving from 2005 to 2006. In this way, Acme fits with the overall finding in Giving in Numbers. Further, the Information Technology industry increased total giving by a median of 18%, which is another signal that Acme is in line with published findings. See page 7.
- **Confirmed Reasons for Higher Contributions.** Explanations for increased giving cited by other companies resonate with Acme's experience: strong profits, more international giving, and launching new programs. See page 6.
- **Opportunity for More Non-Cash Giving.** Despite an infusion of \$850K in additional non-cash grants, Acme lags behind other Information Technology companies in product donations as a percentage of total giving. There might be an opportunity to give more product, thereby extending Acme's brand. See page 17.
- **Matching as a Percentage of Giving is Above the Median.** Based on its number of employees, Acme is at the edge of two categories in Figure 18 and seems to be more aligned with the level of matching at slightly smaller companies. Acme might wish to review its matching programs to ensure program policies are in sync with philanthropic goals. See page 19.
- **Aligned with Industry Program Funding.** IT companies fund education the most. By shifting giving toward this program area, Acme is following suit with the industry trend. Acme might wish to look for opportunities to distinguish its programs or potentially to collaborate with other corporate partners to generate a bigger impact. See page 22.
- **Validated Shift to International Initiatives.** Increased efforts in this area are reinforced by the CECF data, as Manufacturing companies are leading the trend toward increased giving to programs with international beneficiaries. See page 23.
- **Representative Mix of Motivations.** Acme is similar to the CECF sample in its categorization of grants by motivation. Manufacturing companies typically label more giving as Charitable, as Acme did in 2005. However, its launch of new strategic education initiatives in 2006 adjusted the balance to be more Strategic. See page 27.

Taking It to the Next Level

CECP recommends the following additional exercises to get the most out of the work already accomplished in the previous four steps.

Prepare Your Message for Senior Management

When presenting to senior management, it can be helpful to use fundamental management concepts to frame the overall performance of a philanthropy program. To this end, CECP recommends two supplementary exercises to generate further information that a senior executive team might find worthwhile. Completing the CGS survey creates a solid organizational structure from which to begin the following:

- **Resource Allocation Model.**

The purpose of this exercise is to highlight the social and business value of selected grants. To begin, choose five-to-ten significant grants made by your company and organize them into the eight program areas defined on page 39 in the “Definitions” section. Next, separate out the dollar value of each grant that supported the recipient organization’s programs from the dollar value that supported its capacity building. The sum of these two numbers should equal the grant amount. To the extent possible, capture some of the positive outcomes of each grant on the programmatic and operational sides. Once complete, revisit each grant and consider what business value the grant may have had—e.g., did the grant provide an employee relations, brand, or business strategy benefit in addition to the societal good it accomplished? Doing so highlights the win-win nature of well-formulated grants.

- **Portfolio Management.** Many companies use the concept of a balanced portfolio, borrowed from the investment community, as a tool for mapping community investment projects. This exercise presents one way of creating such a portfolio, by comparing motivations in the context of grants targeted at specific regions. To start, select five-to-ten significant grants and sort them into the three motivation categories: Charitable, Strategic, or Commercial (these three categories will be your rows). Next, develop non-overlapping grant categories that are meaningful to your business. For example, you might choose: “Domestic: Regional,” “Domestic: National,” “International: Emerging Markets,” and “International: Established Markets” (these will be your columns). Whichever grant categories you choose it may be helpful to have a category specifically for “Matching Gifts.” The finished document will show simultaneously how your grants are diversified across motivations and the categories relevant to your business.

Whether you use the above ideas or decide on a different approach, linking your message to the business tenets of accountability, alignment, and resource allocation is a strategic way to present your message. Addressing the following top-of-mind management questions is likely to resonate with those evaluating corporate giving initiatives:

- Is our giving aligned with our corporate culture, strengths, and objectives?
- Are we achieving what we set out to accomplish?

Set Goals for 2008 and Beyond

The aforementioned steps are valuable in evaluating and communicating the performance of programs already underway or completed. Additionally, they lay the groundwork for setting a philanthropic strategy for the year ahead and beyond. As a starting point, contributions professionals might choose to use the giving overview template from Step 2 to project giving in a future year. How would the dollar values need to change to hit targeted percentage allocations, e.g. by program area?

Further, the analyses developed in Step 3 and 4 might yield insights into which elements of the giving program should be maintained and which might warrant re-evaluation. This process will be unique to each company, but great value from these exercises can be realized if they are used in equal measure to assess the past and chart future strategy.

