

Giving in Numbers

2007 Edition

Exclusive: Inaugural Fortune 100 Snapshot

Corporate Giving Standard

An analysis of 2006 corporate philanthropy data from 136 leading companies



Executive Summary

TOP TEN FINDINGS

1 Total Giving Increased

Companies reported higher giving in 2006 than in 2005. Among the matched set of companies responding to the survey in both years, the median dollar value of contributions increased from \$29.50 million to \$32.60 million from 2005 to 2006, with a median percentage increase of 4.8% per company. Median total giving as a percentage of revenue was unchanged at 0.14% while median total giving as a percentage of pre-tax profit fell nominally from 0.98% in 2005 to 0.93% in 2006. See page 4.

2 However, Companies Are Split

While median total giving across the entire matched set was higher in 2006 than in 2005, companies were actually split in how their total giving changed from 2005 to 2006: 57% of matched-set companies reported increased giving while 43% reported decreased giving. See page 5.

3 Reasons for Increased Giving

35% of matched-set companies experienced increases in total giving of 10% or more from 2005 to 2006, with 67% of those companies representing the service sector. The most frequently cited reasons for the upward change were continued strong profits, improved measurement of pre-existing giving, corporate growth by mergers and acquisitions, the launch of new multi-year funding initiatives, and more accurate valuations of pro bono services. See page 6.

4 Reasons for Decreased Giving

21% of matched-set companies saw giving decrease by 10% or more from 2005 to 2006. Explanations for this finding include decreased non-cash giving among Manufacturing companies subsequent to beyond-budget donations to disaster relief in 2005, a drop in matching-gift participation following the late 2004 and 2005 disasters, a reduction in philanthropy budgets and staff related to corporate spin-offs and departmental closures, the conclusion of multi-year grant programs, and a change in Medicare policy affecting the non-cash giving of pharmaceutical manufacturers. See page 6.

5 The Fortune 100: Sometimes Similar, Sometimes Different

Compared with other companies, a typical Fortune 100 company contributes more than double in median total giving: \$50.07 million. To manage these contributions, Fortune 100 companies are structurally different from companies of smaller revenue sizes in that they are likelier to have a corporate foundation, their community investment professionals are responsible for disbursing more funds

annually, and a greater percentage of their grant-making is targeted to international end-recipients. However, Fortune 100 companies are similar to all other surveyed companies with respect to giving by program area, matching-gift programs, motivations for giving, and the types of volunteer programs they offer. See page 9.

DATA SNAPSHOT

136 companies participated in the 2006 CGS survey, including 55 of the Fortune 100. Contributions totaled over \$11.2 billion in cash and product giving.

	All Companies (N=136)	The Fortune 100 (N=55)
Median Total Giving	\$21.89 million	\$50.07 million
Total Giving as a % of Revenue	0.12%	0.10%
Total Giving as a % of Pre-Tax Profit	0.88%	0.76%
Total Giving per Employee	\$693	\$636

6 Direct Cash Remains Prevalent

Contributions across the three giving categories of direct cash, foundation cash, and non-cash were fairly stable from 2004 to 2006, with direct cash accounting for 43-46% of total giving each year. However, companies that gave less in 2006 than in 2005 decreased most in non-cash giving while companies that gave more in 2006 increased most in direct cash giving. See page 16.

7 Matching Gifts Returned to 2004 Allocations

For the typical company in 2006, matching gifts accounted for 9.1% of total giving, with significant variation across industries. In 2005, matching of employee contributions to disaster-relief efforts spiked to 22% of total matching. The 2004 to 2006 dataset shows that disaster-relief matching returned to 2% of total matching in 2006, comparable to its 2004 level. See page 20.

8 Health & Social Services Funding Dominates

Giving to Health & Social Services remained prominent, commanding 31% of the typical company's total giving budget. Education was the second-most funded program area, garnering 25% of the typical company's contributions, while environmental causes remained the least-funded at 3% of total giving. See page 21.

9 International Giving On the Rise

As a percentage of total giving, grants to organizations serving international recipients increased among matched-set companies from 9.6% in 2004 to 12.9% in 2006. In 2006, Manufacturing companies dedicated an average of 17.9% of total giving internationally, compared to 3.9% on average by Service companies. See page 22.

10 Motivations Linked to Giving Type

Of the three contribution types that comprise total giving—direct cash, foundation cash, and non-cash—the latter two are more often categorized as Charitable in nature (rather than as Strategic or Commercial): 56% of non-cash giving and 53% of foundation giving were labeled Charitable, compared to 39% of direct cash having

this motivation label. As 34% of the typical Manufacturing company's total giving is in the form of non-cash donations, Manufacturing companies labeled more of their total giving as Charitable than their Service company counterparts did. See page 28.

Philanthropy Benchmarking

The Committee Encouraging Corporate Philanthropy

The Committee Encouraging Corporate Philanthropy (CECP) is the only international forum of CEOs and Chairpersons pursuing a mission exclusively focused on corporate philanthropy. The Committee's membership consists of more than 165 executives leading the business community in raising the level and quality of corporate giving. A current CECP membership list is available at CorporatePhilanthropy.org.

CECP hosts CEO meetings, publishes best practice articles, conducts extensive research with corporate giving data, and offers support programs for giving professionals to ensure that, as a Committee, we are helping companies develop and expand their strategic giving programs. Collectively, CECP members serve as the voice of corporate philanthropy.

The Corporate Giving Standard

The data featured in [Giving in Numbers](#) are derived from the Corporate Giving Standard (CGS) benchmarking tool. The CGS tool provides giving professionals with more than forty up-to-the-minute reports for analyzing the scope and scale of their philanthropic initiatives in comparison to peers in the industry. The online database contains \$38 billion in comparative data since 2001.

What Makes the CGS Different

The CGS allows peer-to-peer company comparisons, aggregated industry benchmarks, and internal year-over-year spending analyses. Giving professionals define their own peer groups to create online customized reports, especially valuable in planning giving strategy and presenting to senior management. No other tool in the industry offers immediate, on-demand reporting and benchmarking while preserving the anonymity of each company's giving data.

Reliable Data

CECP takes great care to ensure that survey questions and results are interpreted consistently across companies. In addition to training sessions, documentation, and one-on-one support, CECP reviews each survey to spot any significant year-over-year aberrations. The result is a reliable data repository that serves as a solid foundation for strategy development and program evaluation.

Join Us!

Interested companies are invited to join this groundbreaking campaign. To schedule an online demonstration, contact:

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