A MAJORITY OF COMPANIES GIVE LESS IN 2009, WHILE SOME COMPANIES GIVE SIGNIFICANTLY MORE

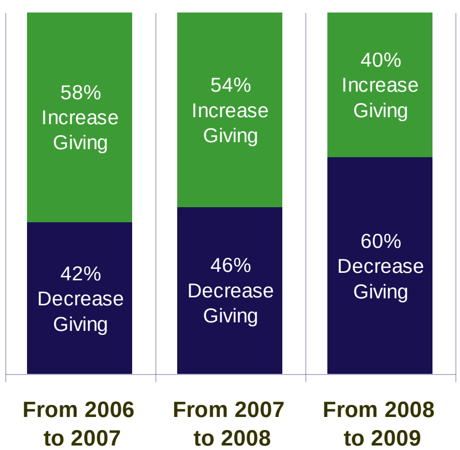
Each year, the Committee Encouraging Corporate Philanthropy reports on trends in corporate giving from the results of its annual Corporate Giving Standard (CGS) Survey, an online measurement survey and benchmarking tool for corporate giving professionals.[1] The 2009 survey attracted more than 165 respondents reporting a combined total of $12.1 billion in cash and product giving. While the robust online head-to-head benchmarking is reserved for participating member and subscriber companies, CECP is very pleased to share this public analyis of the trends in corporate giving as a precursor to the full *Giving in Numbers* report which will be available in summer 2010.

To accurately report on year-over-year trends, the following analysis is based on a matched-set of 95 companies that responded to the CGS survey in 2006, 2007, 2008 and 2009. These matched-set companies account for over 80% of total giving in CECP's survey and nearly half are Fortune 100 companies. All figures are inflation-adjusted.

A First-Look at 2009 Findings

The tumultuous climate of 2009 needs no introduction. The stock market tumbled and rebounded, corporate profits started to climb towards pre-downturn levels, and global unemployment rates rose. At the beginning of 2009, corporate profits were not a foregone conclusion but by the end of the year, 54% of companies reported increased profit for the year. Within this year of ups and downs, a number of seemingly contradictory findings emerge. The majority of companies gave less, and aggregate total giving increased. Non-cash contributions flucutated widely, while corporate and foundation cash contributions reached their lowest point in four years. While the pairing of some of these findings may seem unusual, the full story of corporate giving in 2009 is brought to life with company-level insights into giving changes.

Majority of Companies Give Less, as Some Companies Give a Lot More



At the individual company level, 60% of companies within a matched-set gave less in 2009, with the majority of these companies decreasing giving by 10% or more. This finding reverses the patterns seen in 2007 and 2008 where the majority of companies increased giving.

Company-wide spending constraints instituted on account of the economic pressures were cited frequently as a reason for decreased giving. Some companies referenced declines in foundation endowments and in some cases, reduced transfers of funds from the corporation to the foundation. Additional reasons for decreased giving included: the conclusion of multi-year grants; unrepeated donations of land or product; fewer international disasters requiring response; and declining participation in matching gift programs due to staff reductions.

While a majority of companies reduced their giving, 40% of companies increased their corporate contributions in 2009. Some of these increases were attributed to additional funding provided for programs serving basic health and community needs; other rises were supported by increased employee participation in matching gift programs, along with heightened caps for matched contributions. In fact, dramatic giving increases by a handful of companies caused aggregate total giving to rise in 2009. This shift was driven by increased non-cash contributions from pharmaceutical companies, along with

[1] For more information on the Corporate Giving Standard (CGS) system or for details on how your company can become involved with this exciting measurement initiative, please contact Alison Rose at arose@corporatephilanthropy.org. The Committee will post its annual public data analysis report, *Giving in Numbers, 2010 Edition,* for free download in summer 2010 at www.CorporatePhilanthropy.org, but in the meantime, the 2009 Edition is also available online.

expanded giving budgets resulting from corporate mergers and acquisitions. Nearly 70% of the mergers and acquisitions reported within the matched-set occurred in the Financial and Health Care industries.

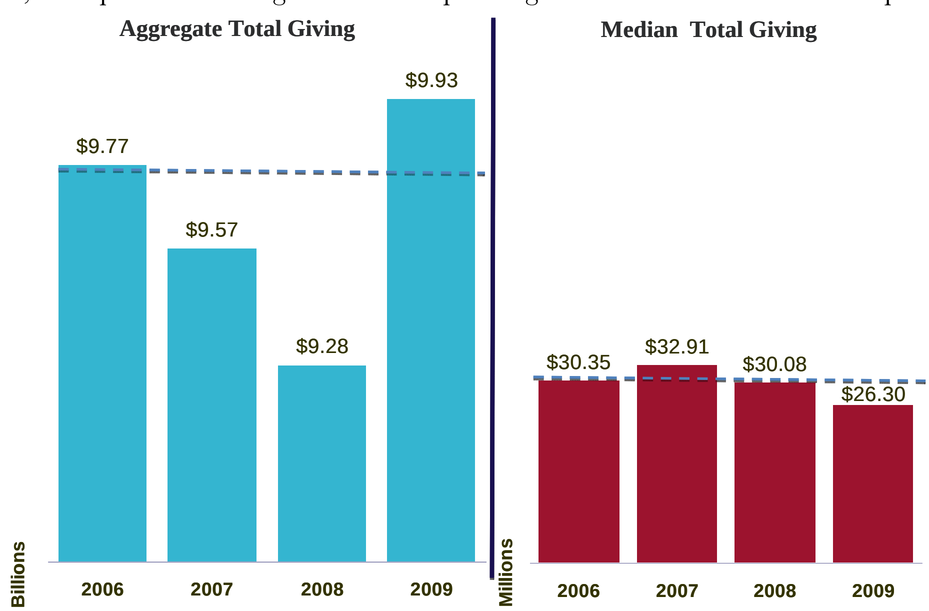
Non-Cash Giving Fluctuates as Cash Contributions Decline

Within the four year period, non-cash donations emerge as the most volatile giving type in comparison with corporate and foundation cash giving. Reasons for variation in non-cash giving include: product donated one year and not the next; disaster relief supplies given in times of need; and pro bono service projects that depend on project availability and staffing. As such, non-cash donations can change substantially from year to year, depending on these circumstances. As an example of the magnitude of these shifts, from 2008 to 2009, half of the year-over-year changes in non-cash contributions fell *outside of a range* of -36% to +27%.

While non-cash donations fluctuated, cash contributions declined. Almost two-thirds of companies reduced their foundation cash and corporate cash contributions. Aggregate cash giving continued to fall from its high in 2007 of $4.12 billion to a current level of $3.80 billion. Companies appeared to siphon cash donations to programs serving basic needs, namely Health & Social Services and Community & Economic Development programs, and reduced cash contributions elsewhere.

A Majority of Companies Give Less and Aggregate Total Giving Rises

Aggregates and medians are two common ways to look at changes in giving: an aggregate reflects the total giving in a particular year, and a median is an indication of the typical company's contributions. Within this four-year set, aggregate giving rose 7% above 2008 levels, and median total giving receded to its lowest point. These results highlight the differences and limitations in these calculations; aggregate values are quite susceptible to changes at the extremes, while medians are dependent on the sorted order of a set. However, as shown in the aforementioned investigation into the company-level changes, a simple trend emerges: more companies gave less and a handful of companies gave a lot more.



N=95 Matched-Set Companies (2006, 2007, 2008, 2009), Inflation-Adjusted

The Forecast for 2010

Looking ahead, 20% of respondents were unable to predict 2010 giving levels, but 35% anticipated increases over 2009 levels, and 36% believed giving would remain flat.[2] The predictions of increased giving were not limited to one industry in particular.

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[2] In 2009, 130 companies responded to the survey question on giving projections for 2010.