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## Donations From Corporations Increased by 4.8% in 2006, New Study Finds

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Corporations increased their giving by a median of 4.8 percent last year, according to a new study.

The Committee Encouraging Corporate Philanthropy, in New York, based its findings on data provided by 136 companies, 55 of which ranked among *Fortune* magazine's 100 most-profitable corporations. The average Fortune 100 company gave more than twice the amount other companies did, donating slightly more than \$50-million. Contributions from all surveyed companies totaled more than \$11.2-billion in cash and noncash giving.

The median amount donated last year was \$32.6-million — meaning half gave more and half gave less. That was up from \$29.5-million in 2005.

The increase was sparked by the growth of service-oriented businesses, which achieved another year of strong profits. Although corporate giving rose overall, the study found that 57 percent of companies increased their giving, while 43 percent decreased their philanthropic support. The report attributes this decrease to fewer natural disasters in 2006, in comparison to 2005, when many companies exceeded their usual giving to contribute to Hurricane Katrina relief efforts.

Other reasons listed for declines in giving were that employees contributed less through matching-gift efforts, that several multiple-year grants wrapped up, and that manufacturing systems had become more efficient, so that fewer surplus goods were available.

Reasons for increased giving included strong profits at companies; more-accurate accounting of contributions and services donated by employees; mergers and acquisitions; new philanthropic programs; and the need to expand giving overseas as business became more global.

### Giving Motivations

As part of its research, the Committee Encouraging Corporate Philanthropy asked participants about their motivations for giving. They classified 46 percent of grants as

strategic, meaning they saw them as important to a company's long-term business success because the gifts garnered increased news-media coverage, responded to public demand, or were the result of rising employee involvement in charitable activities. However, strategic philanthropy had just a slight edge over what was described as charitable philanthropy, at 44 percent of gifts. Such donations were defined as gifts for which no business advantage was anticipated. The least-cited reason for giving was for commercial purposes, for which the primary reason was to benefit the company, accounting for 10 percent of donations.

Direct-cash gifts, as opposed to money given through corporate foundations and noncash support, were most common among companies, accounting for 43 to 46 percent of total giving.

Donations to health and social-services causes were the most popular among companies, accounting for 31 percent of their giving budgets. Next was education, which received 25 percent of corporate-giving budgets. Programs in the environment attracted the least support, coming in at 3 percent of total giving. International giving rose from 9.6 percent in 2004 to 12.9 percent in 2006.

The findings are similar to those released by the committee in a preliminary report issued in June ([The Chronicle](#), June 14).

The report, "Giving in Numbers," can be downloaded free [online](#).