

Slowdown fails to dent US corporate charity

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Big US corporations lifted their charitable giving last year by 5.6 per cent – to a median \$26m – despite worsening economic conditions and a slowdown in earnings.

In its annual survey due to be released on Tuesday, the Committee Encouraging Corporate Philanthropy (CECP) said corporations were also likely to maintain 2007 levels of giving this year, “with some expected to increase or restructure their budgets to reach community partners most strongly impacted by the economy”.

The annual survey is one of a few directly to track corporate philanthropy. The total given by CECP members who responded to the survey was \$10.6bn (€6.8bn, £5.4bn), with two-thirds of the 150 members who responded increasing their giving last year. The median amount given remained steady at just less than 1 per cent of pre-tax profits.

Of the eight companies that reported losses, seven still increased their giving.

The increase was in line with rises in the previous two years. In 2005 there was a 12.4 per cent jump in giving, mostly due to relief efforts for the tsunami in south-east Asia and the US Gulf coast hurricanes. However, giving continued to rise the following year and in 2007. CECP included direct and in-kind donations in its total but not employee donations.

The 175 members of the committee are all Fortune 500 companies.

The group was founded by Ken Derr, a former chairman and chief executive of Chevron, and Paul Newman, the actor.

Mr Newman, who is chairman of the CECP, has made increasing corporate philanthropy a particular goal. His Newman's Own line of salad dressings and groceries donates profits to charity and he has given prizes for corporate philanthropy.

Membership of the group is by invitation and members collectively account for about 40 per cent of reported corporate giving in the US, so the survey results are skewed towards those who already view philanthropy favourably.

The companies reported a shift towards donating more strategically, identifying areas that they wanted to be active in rather than merely responding to requests. This move reflects a wholesale shift in philanthropy in recent years, with companies trying both to align their giving with their broader marketing goals and to be more active and ingenious in their donations.

Charles Moore, CECP executive director, said: “Historically companies have made strong commitments to response during periods of higher unemployment and elevated community need.”

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