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A Guide To Corporate Giving Strategies

CORPORATE PHILANTHROPY REPORT

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HEALTH CARE

The companies of the health care industry provide the ways and means for American citizens to receive the medical treatments that keep us alive in an emergency, as well as the long-term care that helps us recover in the aftermath. These companies manage an array of health care facilities, serving populations across the country in need of treatment. Their philanthropy focuses on providing health care to those in need, along with support for other safety-net programs. Featured companies include Catholic Health Initiatives, Sharp Healthcare, Kindred Healthcare and Community Health Systems.

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Corporate grantwriters aligning giving with business interests

In an era of falling profits, aligning charitable giving with core business interests is increasingly critical for corporate giving officers, according to a panel convened at the recent Independent Sector Annual Conference in Detroit.

The panel, which included head giving officers from American Express, the Bank of America Charitable Foundation, Deloitte & Touche, and the MetLife Foundation, shed light on what many in the nonprofit sector have suspected: as the nation's businesses have seen dramatically reduced profits the last year and a half, the men and women who guide their philanthropy are facing scrutiny over giving budgets and how the company's charitable efforts will improve business interests.

According to Richard Brown, vice president of philanthropy at American Express, successful grantseekers in this environment are crafting proposals that provide plenty of public recognition for the company.

"Our CEOs are looking for this, and it helps us justify our giving budgets," Brown said.

Recognizing the economic challenges that his company has faced recently, Brown said he is looking for grant proposals that offer true partnerships between

(See **PROPOSALS** on page 12)

Corporate givers look for strategic employee engagement

While nonprofits will continue to seek cash grants from funders, a rise in pro bono work and other employee engagement programs among the nation's business sector could mean a new and growing resource for charitable groups across the country.

Speaking at a session on corporate philanthropy at the recent annual conference of the Independent Sector, head giving officers from some of the country's largest companies and corporate foundations expressed a heightened interest in programs that allow them to leverage the skills and expertise of their employees in the pursuit of charity.

According to Evan Hochberg, national director of community involvement at Deloitte & Touche, his company's philanthropy is increasingly driven by employee engagement, and it has put in place a program that allows Deloitte employees to conduct pro bono work for charitable groups on company time—instead of on nights and weekends.

By doing so, Hochberg said, Deloitte has found a way to maximize its contribution to the charitable sector, particularly by helping nonprofits in capacity building, an area that many in the charitable community see as vital to achieving long-term progress on social issues.

(See **ENGAGEMENT** on page 12)

PROPOSALS (continued from page 1)

nonprofits and American Express. Such partnerships, he said, should somehow involve the company's core business, and if possible, offer an avenue for employee engagement as well.

"We invite nonprofits to look at what we're involved with as a business, and see how that can fit into their mission," Brown said. As an example, he pointed to his company's partnerships with the National Trust for Historic Preservation and the World Monuments Fund, both of which work to preserve the world's cultural heritage sites. This fits in with American Express' business, he said, as one of the largest travel companies in the world.

"We want to make sure that when people get there, these sites are in the condition that people want to see them in," Brown said. Put simply, the company is supporting a cause that its clients care about, and in a way that highlights his company's services.

For corporate giving officers, keeping business interests aligned with giving makes it easier to maintain and, perhaps, increase funding for programs that they wish to support. According to Brown, aligning giving with the business is "really how you make philanthropy in a company relevant."

"It's how you find buy-in from the decision makers who decide how much your budget's going to be," Brown said.

For Evan Hochberg, national director of community involvement at Deloitte & Touche, the shift towards more closely aligning corporate philanthropy with a company's core business is being driven by an increased sophistication and understanding

of philanthropy as a business strategy. According to Hochberg, it allows corporate giving officers to coordinate with other sectors of a business to accomplish shared goals.

For example, giving officers carrying a business-benefiting message can coordinate with the company's heads of recruiting to tailor their messages and ensure that the company's charitable values are represented when recruiting new talent. It's a way to differentiate your company from your competitors, he says.

As another example, coordinating with the heads of client relations could also benefit the company by highlighting the company's charitable goals and demonstrating shared values of corporate responsibility with clients.

In both cases, by keeping the business side of things clear and up-front, giving officers have access to other leaders in other departments and can further both the charitable goals and business interests of the company.

For nonprofits, the trend is clear: If you craft funding proposals that fit with the company's business, you will have better luck at getting funded. For Dennis White, president and CEO of the MetLife Foundation, this means hitting the funder's "sweet spot." For example, at MetLife, grant proposals that address issues faced by the elderly will get "better traction internally," White says, which in turn lends more support for expending company and/or foundation funds in support of philanthropy.

"If you're in our sweet spot, you're going to get treated better," White says. ■

ENGAGEMENT (continued from page 1)

"We are not the experts on the social issues" that nonprofits address, Hochberg said. "But we are the experts on finance, IT, human capital strategies, overall business management, marketing and so forth," all areas that help nonprofits expand their programs and succeed in their missions.

Similarly, Bank of America is increasingly drawing upon its employees' expertise in banking and finance to support community groups, according to Kerry Sullivan, president of the Bank of America Charitable Foundation. While Bank of America has always encouraged its employees to volunteer in their communities, it was traditionally less focused, allowing employing to pursue whatever charitable interests they cared for. But recently, and especially in light of the foreclosure crisis and collapse of the stock market, the company has begun to recognize how valuable the business skills of its employees can be to charitable groups focused on financial literacy, an area where Bank of America employees hold considerable knowledge and expertise. In response, this is being taken into account in the company's giving strategies, Sullivan said.

These companies are not alone in their affinity for leveraging the skills and expertise of their employees to achieve their broader philanthropic goals. According to Charles Moore, executive director of the Committee Encouraging Corporate Philanthropy and the session's moderator, pro bono work has seen a dramatic uptick in popularity. According to Moore, businesses are responding to the President's Council on Service

and Civic Participation's four-year goal of reaching \$1 billion worth of pro bono contributions annually from the nation's business sector. In the first year of measuring, the CCEP has tracked somewhere between \$300 million and \$400 million, and expectations are that the number will continue to grow.

The fact that the CCEP is now measuring the monetary value of pro bono contributions marks an acknowledgment of how important pro bono service is as a component of corporate philanthropy. Historically, the CCEP has only measured the value of cash and in-kind support, meaning that little recognition or public goodwill came from pro bono service. According to Hochberg, having those numbers counted as part of a company's charitable giving is likely to encourage its use.

While the rising number of pro bono contributions is heartening, one area of employee engagement that has not gotten as much attention is nonprofit board service. According to Hochberg, board service represents an effective way to bring attention to a cause or program supported by the company.

For example, when discussing his company's involvement with a program to increase college readiness among high school graduates, Hochberg said that Deloitte executive leadership's involvement on the board of the nonprofit running the program lends credence to the issue.

"It's actually the voice of a major employer saying, 'We've got to increase college involvement rates in this country,'" Hochberg said. That, in turn, may help the nonprofit raise funds and leverage further support from other sources. ■

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