GIVING IN NUMBERS

2012 Edition

Corporate Giving Standard

An in-depth analysis of 2011 corporate giving data from 214 leading companies, including 62 of the top 100 companies in the FORTUNE 500.

IN ASSOCIATION WITH
THE CONFERENCE BOARD
Trusted Insights for Business Worldwide

COMMITTEE
ENCOURAGING
CORPORATE
PHILANTHROPY

ABOUT CECP

The Committee Encouraging Corporate Philanthropy (CECP) is the only international forum of business leaders focused exclusively on raising the level and quality of corporate philanthropy. Membership includes more than 180 global CEOs and chairpersons of companies that together account for more than 40% of reported corporate giving in the United States.

Founded in 1999 by the actor and philanthropist Paul Newman together with John Whitehead, Peter Malkin, and other business leaders, CECP continues to inspire and challenge private sector executives to find innovative ways to meet community needs and to lead the way towards better alignment of business and societal strategies.

A current membership list and information about CECP's events and research is available at CorporatePhilanthropy.org.

CORPORATE GIVING STANDARD

The data featured in *Giving in Numbers* is derived from the Corporate Giving Standard (CGS) benchmarking tool. This annual philanthropy survey collects data that populates a customizable online benchmarking database containing more than $100 billion in comparative data collected since 2001. If your company is interested in accessing better metrics and accurate peer-to-peer reporting to serve its corporate giving, contact CECP to join the CGS: Info@CorporatePhilanthropy.org or 212.825.1000.

ABOUT THE CONFERENCE BOARD AND CORPORATE PHILANTHROPY

The Conference Board is a global, independent business membership and research association working in the public interest. Its mission is unique: To provide the world's leading organizations with the practical knowledge they need to improve their performance and better serve society. The Conference Board conducts research on corporate philanthropy, citizenship, sustainability, and other corporate leadership issues. Its Contributions Councils provide exclusive peer learning opportunities in which executives share insights and best practices. The Conference Board is a non-advocacy, not-for-profit entity holding 501(c)(3) tax-exempt status in the United States. www.conference-board.org For more information, please contact Peter Tulupman: peter.tulupman@conference-board.org or 212.339.0231.

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PREFACE

The Committee Encouraging Corporate Philanthropy (CECP) and The Conference Board share a belief in the power of data to catalyze change; benchmarking and measurement are key instruments in the design and continuous improvement of corporate giving programs that positively impact society.

These two organizations proudly joined forces this year on one data collection survey, the Corporate Giving Standard (CGS), to chronicle the full scope and scale of contributions by Fortune 500 global companies. This partnership amplifies the sixty-year history of The Conference Board as an advocate for accurate corporate philanthropy measurement and valuation alongside CECP's robust work in defining, reporting, and benchmarking the field since CECP's founding by Paul Newman in 1999.

Carried out in early 2012, the survey of 2011 corporate giving data received 214 responses, including 62 of the top 100 companies in the FORTUNE 500. The 11th annual CGS Survey also brought the total dollar figure of corporate giving data collected since 2001 to more than $100 billion.

CECP, in association with The Conference Board, produces this annual report, *Giving in Numbers*, which is corporate philanthropy's premier year-over-year analysis of the CGS data focusing on trends in giving, including cash giving, non-cash giving, volunteer programs, management and program costs, giving focus areas, and more. While global economic uncertainty persists, 2011 data show us that giving is being restored across industries as companies acknowledge that the communities in which they operate need their unique resources and skills now more than ever. A majority—sixty percent—of companies gave more in 2011 than in 2009, the year during which companies reduced corporate giving in response to the recession.

Corporations did not simply react to community needs; CGS data show that companies became more thoughtful about their approach to funding, through fewer grants, yet higher grant amounts. Companies focused on fewer, and in many cases, a single issue area, such as education. The data also show that companies sought to focus on the workplace, not just the marketplace. Employee matching-gift and engagement programs were high priorities, and, following significant revenue growth abroad, employees became engaged in the global communities in which they worked.

As we enhance our data sets each year with ever greater participation, we are poised to unlock increasingly provocative insights from within the data for the greater benefit of society as a whole. Not only are companies using this data to improve and enhance their programs, but also our research reports are available free-of-charge to anyone who seeks to uncover the nuances of effective corporate social innovation and the trends that push and pull it from year to year.

CECP and The Conference Board welcome your ongoing input on the survey to continually improve and advance our collective efforts. Please do not hesitate to contact us with comments or questions.

Charles H Moore

Charles Moore,
Executive Director,
Committee Encouraging
Corporate Philanthropy

Jonathan Spector

Jonathan Spector,
President and CEO,
The Conference Board

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SNAPSHOT OF CORPORATE GIVING IN 2011

2011 DATA SNAPSHOT

Two hundred and fourteen companies participated in the Corporate Giving Standard (CGS) Survey on 2011 contributions, including 62 of the top 100 companies in the FORTUNE 500. However, one company did not provide full data on its total giving; therefore, in all analyses on total giving, a sample of 213 companies will be used. The sum of contributions across all respondents was more than $19.9 billion in cash and product giving.

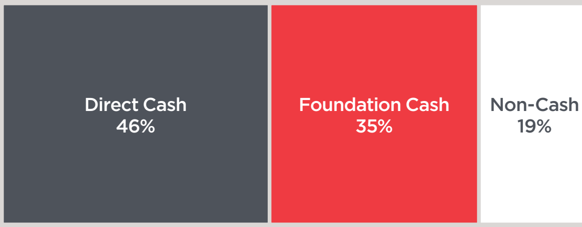
	All Companies (N=213) Median Values	Fortune 100 Companies (n=62) Median Values	All Other Companies (n=151) Median Values
Total Giving	$21.02 million	$57.28 million	$15.02 million
Total Giving as a % of Revenue	0.12%	0.08%	0.14%
Total Giving as a % of Pre-tax Profit	0.95%	0.92%	0.99%
Total Cash Giving as a % of Pre-tax Profit	0.75%	0.67%	0.84%
Matching Gifts as a % of Total Cash Giving	11.74%	12.06%	11.60%
Total Giving per Employee	$695	$595	$732

REPORT HIGHLIGHTS

TYPES OF CORPORATE CONTRIBUTIONS

Though non-cash giving dominates corporate contributions when viewed in aggregate, largely due to substantial donations of medicines by the Pharmaceuticals industry, the typical company provides most of its giving in cash from corporate budgets and its corporate foundation. *See pages 10 and 16.*

Total Giving by Funding Type, 2011, Average Percentages (N=213)



MATCHING EMPLOYEE DONATIONS

Through matching-gift programs, companies match employee donations of money or volunteer time to eligible nonprofit organizations. In 2011, 83% of companies offered at least one matching-gift program. Among that group, matching gifts comprised an average of 12% of a company's total cash giving. *See page 26.*

ENGAGING EMPLOYEES AS VOLUNTEERS

Employee-volunteer programs are planned and managed efforts that enable employees to volunteer under their employer's sponsorship and leadership. In 2011, 85% of companies had a formal domestic employee-volunteer program, while 47% had a formal international volunteer program. The most frequently offered programs were Employee Volunteer Awards and Paid-Release Time. *See page 29.*

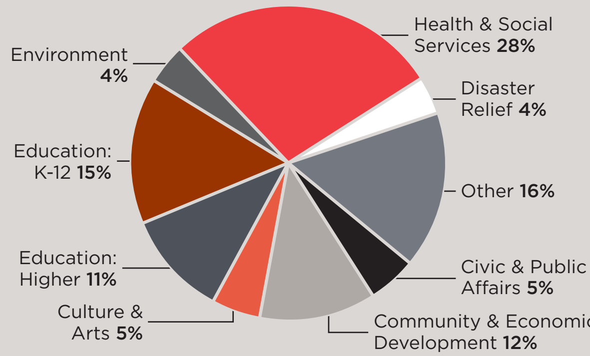
MOST HAVE A FOUNDATION

In 2011, 82% of companies reported having a corporate foundation. The most common foundation structure was a pass-through model, where the company annually funds the foundation. The foundation, in turn, typically distributes 100% of those funds throughout the year, occasionally reserving some funds for lean times. *See page 33.*

TOP PRIORITIES FOR GIVING

As is true each year, health, education, and community and economic development were top priorities for companies in 2011. *See page 17.*

Program Area Allocations, 2011, Average Percentages N=164



ADMINISTRATIVE COSTS

Management and program costs include compensation, programmatic expenses, and operating costs. While not included in total giving, administrative costs were equivalent to almost 7% of a company's giving in 2011. *See page 36.* The median company employed eight Full-Time Equivalent (FTE) staff members to oversee, manage, or administer its corporate giving, corporate foundation, or employee-volunteer program. *See page 35.*

GIVING TO INTERNATIONAL RECIPIENTS

Companies provided an average of 14% of their total giving to international end-recipients in 2011. As shown below, Manufacturing companies gave on average nearly a quarter of their total giving internationally, while Service companies gave 7.4%. *See page 22.*

International Giving as a Percentage of Total Giving, 2009 to 2011, Average Percentages

	Manufacturing Companies (n=37)	Service Companies (n=56)
2009	22.9%	5.8%
2010	23.2%	6.8%
2011	22.1%	7.4%

BENCHMARKING TABLES

INDUSTRY

Companies in the same industry often share philanthropic goals, have overlapping stakeholders, and face similar business challenges. Moreover, certain industries have historically high profit margins, while others expect more modest annual returns.

		Median Total Giving (in millions)	Median Total Giving as a % of Revenue	Median Total Giving as a % of Pre-tax Profit	Median Total Cash Giving as a % of Pre-tax Profit	Median Matching Gifts as a % of Total Cash Giving	Median Total Giving per Employee
All Companies	N=213	$21.02	0.12%	0.95%	0.75%	11.74%	$695
Fortune 100 Companies	n=62	$57.28	0.08%	0.92%	0.67%	12.06%	$595
Consumer Discretionary	n=31	$21.02	0.21%	2.17%	0.92%	6.61%	$402
Consumer Staples	n=16	$48.82	0.15%	1.08%	0.74%	7.52%	$607
Energy	n=7	$59.54	0.07%	0.75%	0.61%	7.53%	$2,629
Financials	n=51	$19.38	0.14%	1.01%	0.96%	14.15%	$806
Health Care	n=26	$28.11	0.26%	1.32%	0.59%	11.84%	$851
Industrials	n=28	$13.63	0.09%	0.74%	0.69%	8.99%	$303
Information Technology	n=21	$13.50	0.15%	0.77%	0.50%	17.93%	$779
Materials	n=11	$7.35	0.09%	1.10%	1.01%	13.29%	$432
Utilities	n=18	$13.82	0.15%	0.85%	0.85%	8.77%	$1,144

**To preserve confidentiality, due to a small sample size, data for the Telecommunications Services Industry are not shown in this table.*

PRE-TAX PROFIT

While revenue provides a clear expression of a company's financial size, it is pre-tax profit that indicates the level of discretionary funds that can be reinvested into the business. However, an individual company's pre-tax profit can change substantially from one year to the next. While expenses like rising oil prices affect all peer companies, other factors affect single companies, such as the closure of an overseas office or the renegotiation of a vendor contract.

		Median Total Giving (in millions)	Median Total Giving as a % of Revenue	Median Total Giving as a % of Pre-Tax Profit	Median Total Cash Giving as a % of Pre-Tax Profit	Median Matching Gifts as a % of Total Cash Giving	Median Total Giving per Employee
All Companies	N=213	$21.02	0.12%	0.95%	0.75%	11.74%	$695
Fortune 100 Companies	n=62	$57.28	0.08%	0.92%	0.67%	12.06%	$595
Pre-Tax Profit > $10 bn	n=25	$146.00	0.21%	0.90%	0.51%	7.24%	$1,001
$5 bn < Pre-Tax Profit < $10 bn	n=26	$60.31	0.16%	0.91%	0.72%	13.25%	$714
$3 bn < Pre-Tax Profit < $5 bn	n=29	$28.03	0.11%	0.71%	0.64%	6.62%	$548
$2 bn < Pre-Tax Profit < $3 bn	n=22	$19.52	0.10%	0.75%	0.67%	8.82%	$710
$1 bn < Pre-Tax Profit < $2 bn	n=35	$16.56	0.15%	1.01%	0.86%	16.00%	$710
$0 < Pre-Tax Profit < $1 bn	n=50	$6.05	0.11%	1.66%	0.99%	11.09%	$500
Pre-Tax Profit < $0	n=11	$6.06	0.09%	N/A	N/A	15.06%	$327

NOTES: One company did not provide full data on its total giving, so it is not included in these benchmarking tables, bringing the total number of reported companies to 213. Companies with incomplete data for profit, revenue, and/or employee size are included in the calculations to determine the "All Companies" data of each benchmarking table, but not in the subsequent rows of each benchmarking table.

REVENUE

While it is tempting to assume that companies with familiar logos are revenue giants, this is not always the case. Many well-known companies, particularly those with global brands, may generate less revenue than business-to-business companies that do not invest in building awareness among consumers. Even companies within the same industry and with similar brand recognition may have very different revenue levels.

		Median Total Giving (in millions)	Median Total Giving as a % of Revenue	Median Total Giving as a % of Pre-Tax Profit	Median Total Cash Giving as a % of Pre-Tax Profit	Median Matching Gifts as a % of Total Cash Giving	Median Total Giving per Employee
All Companies	N=213	$21.02	0.12%	0.95%	0.75%	11.74%	$695
Fortune 100 Companies	n=62	$57.28	0.08%	0.92%	0.67%	12.06%	$595
Revenue > $100 bn	n=13	$77.35	0.06%	0.75%	0.60%	11.36%	$470
$50 bn < Revenue < $100 bn	n=29	$59.87	0.09%	0.94%	0.64%	13.66%	$715
$25 bn > Revenue < $50 bn	n=39	$32.83	0.10%	0.94%	0.72%	8.97%	$646
$15 bn < Revenue < $25 bn	n=30	$22.15	0.12%	0.90%	0.79%	10.53%	$627
$10 bn < Revenue < $15 bn	n=35	$14.74	0.13%	1.00%	0.93%	9.50%	$806
$5 bn < Revenue < $10 bn	n=35	$11.63	0.15%	1.13%	0.87%	13.99%	$732
Revenue ≤ $5 bn	n=27	$4.59	0.17%	0.84%	0.68%	16.36%	$749

EMPLOYEES

Many philanthropic strategies are designed to mesh with corporate culture and provide opportunities for employees to become involved. However, successfully putting theory into practice depends largely on the number of employees at a company and the skill mix among the employee base.

		Median Total Giving (in millions)	Median Total Giving as a % of Revenue	Median Total Giving as a % of Pre-Tax Profit	Median Total Cash Giving as a % of Pre-Tax Profit	Median Matching Gifts as a % of Total Cash Giving	Median Total Giving per Employee
All Companies	N=213	$21.02	0.12%	0.95%	0.75%	11.74%	$695
Fortune 100 Companies	n=62	$57.28	0.08%	0.92%	0.67%	12.06%	$595
Employees > 100,000	n=46	$78.95	0.13%	1.06%	0.83%	10.60%	$406
50,001 ≤ Employees ≤ 100,000	n=36	$42.42	0.10%	0.77%	0.58%	12.64%	$671
30,001 ≤ Employees ≤ 50,000	n=28	$18.70	0.09%	0.76%	0.60%	9.90%	$449
20,001 ≤ Employees ≤ 30,000	n=31	$15.22	0.12%	1.10%	0.83%	13.38%	$695
10,000 ≤ Employees ≤ 20,000	n=35	$13.18	0.15%	1.03%	0.98%	9.01%	$843
Employees < 10,000	n=35	$5.50	0.11%	0.77%	0.71%	16.27%	$1,218

NOTES: One company did not provide full data on its total giving, so it is not included in these benchmarking tables, bringing the total number of reported companies to 213. Companies with incomplete data for profit, revenue, and/or employee size are included in the calculations to determine the "All Companies" data of each benchmarking table, but not in the subsequent rows of each benchmarking table.

CORPORATE GIVING TRENDS IN CONTEXT

KEY FINDINGS IN THIS SECTION:

- **The Majority Gave More**
  Sixty percent of companies gave more in 2011 than in 2009, the year in which surveyed companies reported the most significant retreat in corporate giving. Strikingly, for one-third of companies, giving rose by 25% or more, demonstrating a relatively quick upward restoration of prior giving despite ongoing uncertainty in the global economy. *See page 9*.

- **Non-Cash Giving is Most Volatile**
  Among the three giving types, non-cash was the most volatile, falling by -47% among companies giving less from 2010-2011 and increasing by +32% among companies giving more in that period. *See page 11*.

- **Fewer Grants, But Higher Grant Amounts**
  Since 2009, median grants per contributions FTE fell -26% and median grant size jumped +31%, reflecting a trend toward higher giving to fewer recipient organizations. *See page 13*.

- **Unchanged Giving Levels Expected in 2012**
  While 40% of companies expect giving to increase from 2011 to 2012, very few expect their company's giving to rise more than 10%—and nearly half of companies (47%) expect their giving to remain unchanged year-over-year. *See page 14*.

CORPORATE GIVING REBOUNDS

PUTTING GIVING IN CONTEXT SINCE 2007

As the story of corporate giving in 2011 unfolds over the subsequent pages of this report, it can be helpful to recall the path that corporate giving has traveled in the past few years, especially in light of the global economic downturn.

The figures and analysis in this section investigate changes in giving since 2009, the year that a majority of companies decreased their contributions. Figure 1 shows a distribution of companies by the magnitude of changes in total giving from 2009 to 2011. One striking finding is that one-third of companies have increased their giving by 25% or more. By contrast, 10% of companies reported giving reduced by 25% or more since 2009. This represents an improvement on the extremes reported by 2010 data.

YEAR-BY-YEAR HEADLINES IN PHILANTHROPY

Here is a recap of giving headlines since the beginning of the economic downturn:

- **2007:** Despite late-summer economic warning signs, a strong majority of companies increased giving from 2006 to 2007, with a quarter of companies doing so by 25% or more.
- **2008:** Distress at companies such as AIG and Lehman Brothers dominated headlines in 2008, yet corporate giving levels held steady, with few companies making significant increases or decreases.
- **2009:** Though profits began to rebound after the low of 2008, corporate giving dropped in 2009 for 59% of companies. Many companies compensated for fewer cash grants with product donations.
- **2010:** Profits surged back for many companies, although some industries were still awaiting recovery. Giving was at extremes—either much higher or much lower for each company than in 2007.

THE PATH TOWARD STABILIZING GIVING

This table lists the percentage of companies for which giving rose, fell, or remained flat in each time period (N=144, matched set):

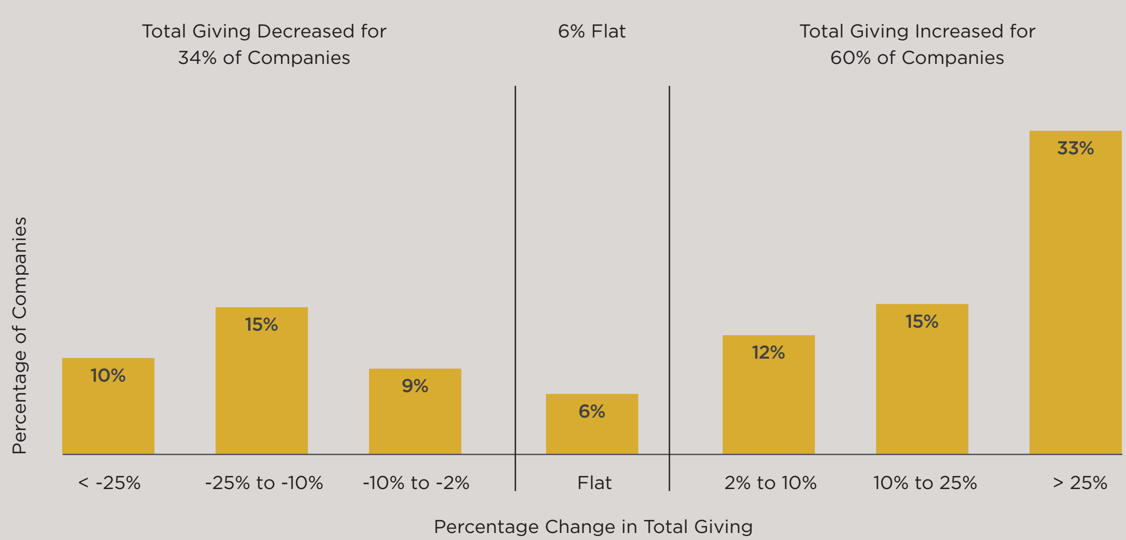
	2009–10	2010–11
Increased Giving	59%	55%
Giving Remained Flat	11%	8%
Decreased Giving	30%	37%

At the individual company level, here is a breakdown of how giving changed from 2009-2010 and from 2010-2011:

- 36% increased giving in both time periods.
- 15% decreased giving in both time periods.
- 18% increased giving, then decreased it.
- 13% decreased giving, then increased it.
- 18% of companies had flat giving in one or more time periods.

FIGURE 1

Distribution of Companies by Changes in Total Giving between 2009 and 2011, Inflation-Adjusted



N=144 MATCHED-SET DATA

RISE IN AGGREGATE TOTAL GIVING

Since 2009, aggregate total giving, i.e., the sum of all giving in the CECP sample, has risen by 27%, as shown in Figure 2. While cash and non-cash giving have both been on the rise, the proportion of cash to non-cash giving in aggregate has declined in recent years (N=144):

	% Cash	% Non-Cash
2009	40%	60%
2010	37%	63%
2011	36%	64%

IMPACT OF THE HEALTH CARE INDUSTRY

Pharmaceuticals companies account for 72% of total non-cash giving (largely due to medicine donations). Excluding Pharmaceuticals companies from the analysis shows (n=136):

	% Cash	% Non-Cash
2009	69%	31%
2010	69%	31%
2011	64%	36%

MEDIAN TOTAL GIVING REMAINS FLAT

Median total giving indicates what companies gave each year. While medians prevent extreme values from affecting the outcome, minor jumps in the results appear in year-over-year comparisons because the increments between companies in a sorted list (used to find the median) are uneven by nature.

Figure 3 shows that median giving remained almost flat between 2010 and 2011 ($24.6 million and $24.4 million, respectively). However, Figure 3 also shows a quick restoration of the median from a low in 2009 of $22.6 million.

RATIO OF GIVING TO REVENUE

An analysis of same-year total giving as a percentage of revenue showed the ratio unchanged, at 0.11% each year from 2009 to 2011 (N=140).

RATIO OF GIVING TO PRE-TAX PROFIT

Pre-tax profit and giving levels are not strictly correlated as a result of the wide variety of budget-determining factors across surveyed companies. In fact, in 2011, 45% of the companies that reported profit *reductions* nevertheless *increased* their total giving (n=51).

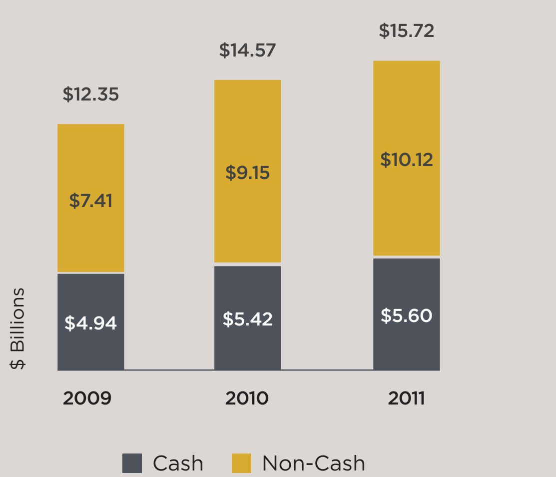
Nonetheless, the economic health of the firm impacts all budgets, including for corporate philanthropy. For this reason, it is interesting to note changes in a firm's profitability. From 2009 to 2011, pre-tax profit increased for 70% of companies, decreased for 26%, and remained flat for 3% (N=134).

Depressed corporate pre-tax profit in 2009 caused the ratio of giving to pre-tax profit to spike. The ratio later withdrew as profits rose in 2010 and 2011 (N=114):

	Total Giving as a % of Pre-tax Profits (Medians)
2009	1.15%
2010	0.96%
2011	0.98%

FIGURE 2

Cash and Non-Cash Giving for All Companies, Aggregates, Inflation-Adjusted



N=144 MATCHED-SET DATA

FIGURE 3

Total Giving for All Companies, Medians, Inflation-Adjusted

N=144 MATCHED-SET DATA

TRENDS IN CASH AND NON-CASH GIVING

VOLATILITY OF GIVING TYPES

Figure 4 illustrates changes in the three giving types that comprise total giving:

- **Direct Cash:** Cash giving from corporate headquarters or regional offices.
- **Foundation Cash:** Cash contributions from the corporate foundation.
- **Non-Cash:** Product donations, pro bono service, and other non-cash contributions (computers, land, etc.) assessed at Fair Market Value (FMV).

Analysis for Figure 4 involved separating companies based on whether their total giving increased or decreased between 2009 and 2011. Then, CECP calculated each company's individual percentage change in the three giving types. For each giving type, the median percentage change is displayed on the chart.

Thus, Figure 4 illustrates the swings in each giving type dependent on whether the company's total giving increased or decreased, providing insight into how companies that gave more or less did so.

GIVING CHANGES DRIVEN BY NON-CASH GIVING

Among the three giving types, foundation cash emerged as the most stable (though it still deviated considerably). The structure of corporate foundations largely dictates this stability, as most foundations are required to disburse a specific amount of funding each year, preventing drastic swings in funding on an annual basis.

The right-hand side of Figure 4 shows that companies that increased giving between 2009 and 2011 (87 companies) did so primarily through increased contributions of direct cash and non-cash.

The left-hand side of Figure 4 shows that companies that decreased giving from 2009 to 2011 (48 companies) did so primarily through reductions in non-cash contributions. While cash giving fell for this population as well, non-cash is nonetheless the most volatile for companies whose total giving decreased during this time period.

GIVING INCREASES ACROSS INDUSTRIES

While Figure 1 shows that 34% of companies decreased their giving from 2009 to 2011, all industries increased total giving (except the Utilities sector):

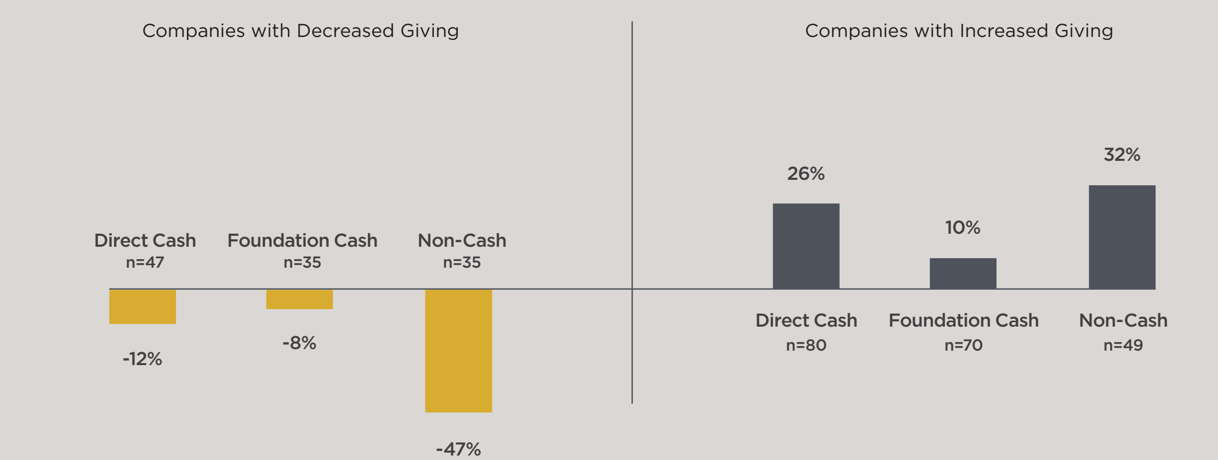
Industry	Median % Change in Total Giving from 2009 to 2011
Consumer Staples (n=15)	+25%
Health Care (n=22)	+25%
Industrials (n=16)	+14%
Materials (n=6)	+13%
Financials (n=36)	+8%
Information Technology (n=15)	+7%
Consumer Discretionary (n=17)	+3%
Utilities (n=10)	0%

**Energy and Telecommunications Services companies are excluded due to small sample sizes.*

Consumer Staples and Health Care sectors (Pharmaceuticals +27% and non-Pharmaceutials +23%) are leading the charge in total giving growth since 2009.

FIGURE 4

Percentage Change by Funding Type for Companies with Increased and Decreased Giving between 2009 and 2011, Inflation-Adjusted



MATCHED-SET DATA

REASONS FOR INCREASED GIVING

EXPANSION OF PARTNERS OR PROGRAMS

During the economic downturn, few companies launched new programs or grant relationships. In 2011, many companies cited new initiatives as a driver of increased contributions. Some respondents cited growth in the number of grantees. Also cited was a deepening of existing nonprofit relationships, in which non-cash grants were added to cash grants made previously to nonprofit partners.

INCREASED FOCUS ON STRATEGIC AREAS

As companies focus more exclusively on program areas that address both business goals and societal needs, they often give more to the particular programs that best reflect these focused priorities. *See page 19.*

GREATER PARTICIPATION IN MATCHING GIFTS

For companies for which the size of the employee base held steady or increased from 2010 to 2011, increased participation in matching-gift programs drove overall contributions higher. In some cases growth was also driven by changes in policy, such as an increase in the maximum amount of giving per employee that the company matches. *See pages 26-27.*

INTERNATIONAL GIVING GROWS

Several companies indicated that an expansion of giving to new countries has caused an overall increase in their total giving. New relationships in emerging markets as well as the global expansion of current programming led to this growth. *See pages 22-24.*

FUNDING FOLLOWING NATURAL DISASTERS

Contributions to support natural disaster relief and recovery efforts is a common reason cited as a driver of an increase in total giving. In 2011, the earthquake in Japan drove this trend, resulting in both allocations directly from giving departments and targeted matching-gift campaigns. *See page 17.*

IMPROVED TRACKING AND REPORTING

As corporate attention to philanthropy metrics continues to grow, companies are investing in improved reporting and tracking systems. This inevitably leads to an increase in reported giving, as giving from disparate business areas is consolidated into one system. The most frequently cited changes pertain to improved tracking of non-cash contributions and adding separate business units' data to aggregate company totals. *See page 34.*

REASONS FOR DECREASED GIVING

ECONOMIC RECESSION

Some companies cited general economic decline as the reason for a reduction in giving. This was the cause cited by the largest number of companies who reported a decrease. Some specifically noted the negative impact on their company's foundation endowment. *See page 9 for data on companies with decreased giving.*

REDUCTION IN PRODUCT DONATIONS

Several factors can impact a reduction in non-cash giving: improved inventory management, which leads to lower surplus and therefore lower product contributions, and the availability of fewer high-valued products for donation. *See page 11 for a discussion of non-cash giving.*

ONE-TIME CONTRIBUTIONS

A donation of company property or resources made one year but not the next often results in a reduction of total giving. Such donations, which tend to represent unplanned opportunities, typically result in an apparent giving "spike," followed by a decline.

POLICY CHANGES

A change in policy can lead to lower overall giving, such as a change in policy for a matching-gift program or a transition in foundation operations.

LINKING FINANCIAL PERFORMANCE TO GIVING

Though profits and giving budgets don't increase and decrease in lockstep, companies nonetheless cite a link between business performance and annual giving budgets. Most recently, the economic recession affected companies in different ways and at different times.

For some companies, lower financial projections and a general climate of economic uncertainty led to a reduction in corporate giving in 2011. Negative economic factors had a ripple effect, such as the decline in market price of a crucial product, or lower demand in their core market.

By contrast, for many companies a brighter financial outlook generated by mergers and overall profit increases resulted in larger giving budgets. *See page 10.*

FEWER BUT HIGHER-VALUE GRANTS

FALLING NUMBER OF GRANTS

In the CGS Survey, Full-Time Equivalent (FTE) contributions staff oversee, manage, and/or directly administer a corporate giving, corporate foundation, or employee-volunteer program. *Contributions FTEs are explained in more detail on page 47 in the Appendix.*

In 2011, according to Figure 5, a contributions FTE made a median number of 62 grants (N=66), a figure that excludes the number of grants made by the company to satisfy matching-gift obligations. This data point has been dropping quickly, falling by -26% in just three years.

As a result of this trend, contributions staff may be more likely to spend more time with each of their grantees at all stages of the relationship, from initial program design to monitoring and evaluating the impact of the program as it evolves.

MEDIAN GRANT SIZE ON THE RISE

Figure 5 also shows that the median grant size (again, excluding matching-gift obligations) has been rising sharply since 2009, jumping +31% from $22,943 in 2009 to $30,160 in 2011.

This metric is an imperfect measure of the size of grants made (given that the calculation is generated by dividing total giving by total number of grants). In practice, surveyed companies commonly make several large signature grants per year alongside hundreds of smaller grants. Still, this figure is a useful barometer for how trends in grant sizes are evolving.

Taken together, the trend lines in Figure 5 show that, in a short time, contributions FTEs have become responsible for fewer but larger grants, showing an increased focus in their giving practices.

MERGING BUSINESS AND SOCIETAL PRIORITIES

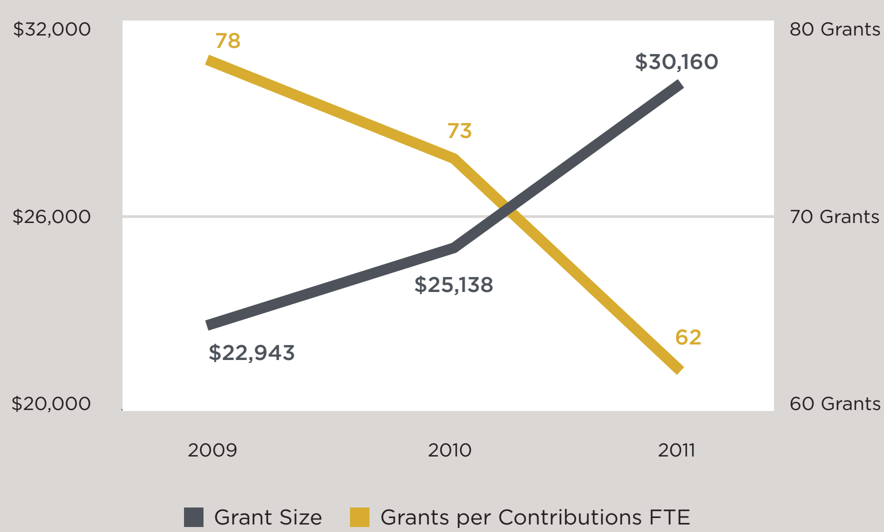
At the annual CECP Summit, in June 2012, after sharing the data in Figure 5 with the audience, CECP asked giving officers in attendance to complete this statement: "Companies are more focused because..." The results of anonymous live polling are as follows (N=154):

- 82% = "They are more thoughtful and strategic about where they give."
- 18% = "Fewer staff and management resources are causing them to be more efficient."

While constricted staff and administrative budgets play a role, leading corporate giving professionals confirm that companies are transitioning from giving portfolios comprised of many low-dollar-value grants disbursed across a variety of causes to more selective, larger grants in issue areas in which they have greater expertise and which align with their business interests.

FIGURE 5

Grants per Contributions FTE and Grant Size, 2009 to 2011, Medians, Inflation-Adjusted



N=66 MATCHED-SET DATA

PREDICTIONS FOR 2012 GIVING LEVELS

ANTICIPATING 2012 LEVELS

Conducted in April 2012, the annual survey asked respondents to estimate by what percentage they expected their company's total contributions to change from 2011 to 2012. Respondents were presented with seven percentage ranges, as shown in Figure 6 (analysis omitted the 20% of respondents who selected "Not able to estimate at this time").

Figure 6 shows that while 40% of companies expected giving to increase from 2011 to 2012, very few expected their company's giving to rise more than 10%—and nearly half of companies (47%) expected their company's giving to remain unchanged year-over-year.

A minority of companies anticipated their company's giving to retreat, but the percentage changes expected among this group were mostly 10% or less.

NEAR-TERM PRIORITIES FOR GIVING OFFICERS

At the annual CECP Summit, in June 2012, CECP asked giving officers in attendance: "What is your biggest goal in the next six months?"

Anonymous live polling showed emphases on measurement, forming new nonprofit partnerships, and philanthropy strategy-setting (N=141):

- 24% = Improve on reporting metrics and tracking
- 23% = Research and partner with nonprofits in strategic focus areas
- 17% = Create new philanthropy strategy for the company
- 16% = Build out additional employee-engagement programs
- 6% = Streamline current portfolio of programs
- 4% = Expand giving internationally
- 4% = Expand giving domestically
- 3% = Business as usual
- 3% = Other

CONCLUDING THOUGHTS

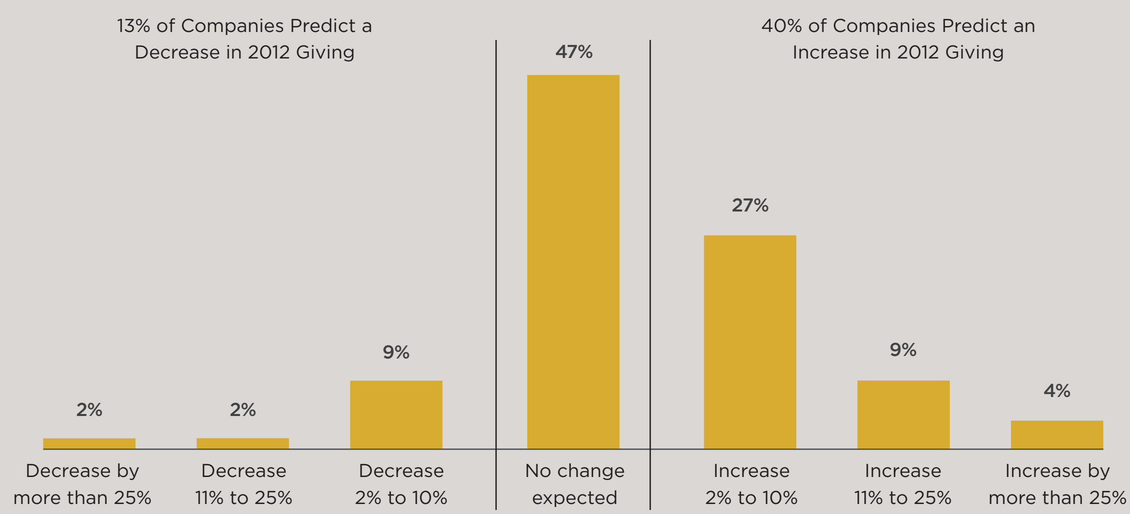
While a climate of uncertainty characterized the global macroeconomic landscape in 2011, the pre-tax profit data of surveyed companies continued to strengthen, as did corporate philanthropy levels. Companies began to restore their grantmaking back to levels that preceded the 2009 dip rather than await greater proof of a return to economic stability.

This uptick in grantmaking for 60% of companies was accompanied by a trend toward a more targeted philanthropic approach. Data showed companies making fewer grants of larger dollar values disbursed across a smaller set of programmatic focus areas.

Analysis of the data suggests companies emerging from the downturn committed to their communities, but also seeking to generate a bigger impact with their contributions. Predictions for 2012 include caution against optimism for another year of such high giving levels, but also a promise to maintain focus on accountability and strategy.

FIGURE 6

Percentage of Companies Predicting How 2012 Total Giving Will Compare to 2011 Levels



n=126 MATCHED-SET DATA

GRANT PORTFOLIO BREAKDOWN

KEY FINDINGS IN THIS SECTION:

- **Corporate Cash Dominates**
  Giving from a company's foundation comprised only 35% of a company's giving in 2011. Cash grants from the corporate side represented 46%, with the remaining 19% in non-cash. *See page 16*.
- **Giving to Health and Social Services**
  As has historically been the case, the programmatic funding area receiving the largest proportion of a company's grantmaking in 2011 was Health and Social Services, at 28%, followed by Education (K-12 and Higher) at 27%. *See pages 17-18*.
- **Attracting Non-Cash Donations**
  On average, Health and Social Services, Community and Economic Development, Education: K-12, and Disaster Relief programs received the highest percentage of non-cash contributions. Disaster Relief, Education: Higher, and Education: K-12 programs received the highest percentage of foundation cash. *See page 18*.
- **Becoming More Focused**
  Over time, companies have shown a trend to narrowing the programmatic focus areas that they fund, concentrating 20% or more of their annual grantmaking on fewer and fewer programmatic categories. In 2011, 31% of companies gave 50% or more to one program area. *See page 19*.

DEFINING TYPES OF GIVING

All recipients of corporate giving in the CGS Survey must be 501(c)(3) organizations or the international equivalent. Employee volunteerism, management and program costs, and any non-corporate contributions are not included in total giving figures. As introduced on page 11, the three types of giving defined in the CGS Survey are:

- **Direct Cash:** Cash giving from corporate headquarters or regional offices.
- **Foundation Cash:** Cash contributions from the corporate foundation. For many companies, this includes the corporate side of employee matching-gift programs.
- **Non-Cash:** Product donations, pro bono service, and other non-cash contributions (computers, land, etc.) assessed at Fair Market Value (FMV).

DIFFERENCES BY INDUSTRY

Figure 7 displays the average allocations of giving types by industry for 2011. Manufacturing companies, on average, provide close to a third of their total funding in the form of non-cash contributions, whereas Service companies dedicate only 14% in non-cash contributions. For Service companies that typically do not donate product, non-cash contributions are usually donations of land or property, use of facilities or space, or pro bono service.

Some industries, like Energy, Materials, Information Technology, and Utilities, provide more than 50% of their funding in the form of direct corporate cash. In contrast, the Financial and Industrial industries depend more heavily on their foundations, with almost 50% of their funding coming from this source.

HEALTH CARE AND PHARMACEUTICALS

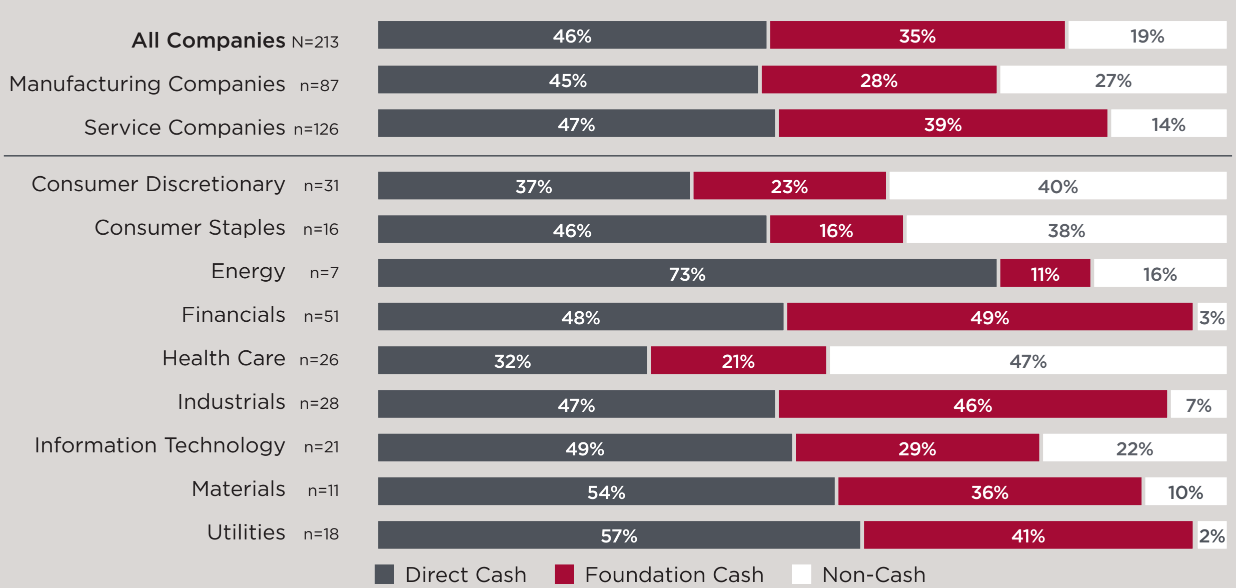
Figure 7 displays that on average 47% of total giving for all Health Care companies comes in the form of non-cash contributions. *How do the results differ if Pharmaceutical and Non-Pharmaceutical companies are separated?*

	Direct Cash	Foundation Cash	Non-Cash
All Companies *Except* Pharmaceuticals N=205	47%	36%	17%
Health Care: Pharmaceuticals, n=8	8%	3%	89%
Health Care: Non-Pharmaceuticals, n=18	43%	28%	29%

Pharmaceutical companies provide almost 90% of total giving in the form of non-cash contributions, while Non-Pharmaceutical companies contribute predominately in cash donations, with a majority coming from corporate offices rather than the foundation. *See also the Data Snapshot on page 42.*

FIGURE 7

Industry Breakdown of Total Giving by Funding Type, 2011, Average Percentages



*Telecommunications Services companies are excluded due to small sample size.

GIVING BY PROGRAM AREA

TOP FUNDERS BY PERCENTAGE OF GIVING

In the CGS Survey, respondents classify their total giving into nine program areas, defined on page 49 in "Definitions."

Figure 8 details the percentage breakdown of total giving to each program area by industry. Relative to industry peers, the industry providing the highest percentage of giving to a particular program area is highlighted.

Note that average percentages, as represented in Figure 8, show the proportion of giving to a program area within an industry, but they do not indicate the magnitude of giving relative to other industries. Thus, the industry with the highest percentage of giving in a program area did not necessarily give the highest median dollar amount.

In some years, there is a correspondence between the data in Figure 8 and the data in the table at right, but that was not the case in the 2011 findings.

TOP FUNDERS BY DOLLAR VALUE

In 2011, the industries providing the highest median dollar amounts for each program area are shown below (sample sizes accord with those in Figure 8):

Program Area	Industry / Highest Median Dollar Amount
Health & Social Services	Consumer Staples / $25.05 million
Education: K-12	Energy / $9.60 million
Community & Economic Development	Energy / $9.01 million
Education: Higher	Consumer Staples / $2.97 million
Civic & Public Affairs	Energy / $1.26 million
Culture & Arts	Energy / $2.50 million
Environment	Energy / $3.21 million
Disaster Relief	Energy / $1.15 million

INDUSTRY DIFFERENCES

Financial institutions, particularly those with retail segments, are strong supporters of local community and economic development programs, which are highly visible to customers and staff.

Supporting Higher Education is a natural fit for Information Technology companies, as the future of their workforce depends on recruiting well-trained graduates. Moreover, current employees appreciate corporate gift-matching to their alma maters, and non-cash donations of technology can facilitate and improve classroom learning.

Finally, Health Care companies utilize their products, services, and medical expertise to align with programs serving Health and Social Services.

CONTRIBUTION TYPE DIFFERENCES

In aggregate, the breakdown of total foundation cash and direct cash parallels the breakdown of allocations by industry. The exception is non-cash, for which 85% of the total goes to Health and Social Services.

FIGURE 8

Program Area Allocations by Industry, 2011, Average Percentages

		Health & Social Services	Education: K-12	Community & Economic Development	Education: Higher	Civic & Public Affairs	Culture & Arts	Disaster Relief	Environment	Other
All Companies	N=164	28%	15%	12%	11%	5%	5%	4%	4%	16%
Consumer Discretionary	n=23	31%	20%	10%	7%	4%	3%	2%	5%	18%
Consumer Staples	n=12	57%	9%	7%	10%	2%	2%	3%	4%	6%
Energy	n=7	15%	16%	19%	11%	7%	4%	3%	6%	19%
Financials	n=39	13%	17%	24%	10%	5%	8%	2%	1%	20%
Health Care	n=19	64%	4%	3%	8%	3%	2%	5%	0%	11%
Industrials	n=24	20%	18%	6%	13%	7%	8%	6%	3%	19%
Information Technology	n=14	19%	23%	14%	17%	4%	3%	6%	3%	11%
Materials	n=9	24%	10%	9%	19%	6%	4%	3%	11%	14%
Utilities	n=14	22%	11%	11%	16%	8%	10%	1%	9%	12%

*Telecommunications Services companies are excluded due to small sample size.

GIVING TYPES BY PROGRAM AREA

Companies provide certain types of donations to specific program areas. These distinctions are outlined in Figure 9 below.

On average, Health and Social Services, Community and Economic Development, Education: K-12, and Disaster Relief programs received the highest percentage of non-cash giving, as these focus areas are particularly conducive to utilizing different types of product donations, namely medicine and technology.

Disaster Relief, Education: Higher, and Education: K-12 programs received the highest percentage of foundation cash, which might be attributed to the fact that these program areas are often targeted recipients of matching-gift programs, a majority of which are run through corporate foundations. *See page 33.*

YEAR-OVER-YEAR TRENDS

Each year, the average allocations of giving by program area change minimally. Among the matched set of companies from 2009 to 2011 (N=89), the average allocation of funding to all program areas remained within +/-1% of 2009's value, with the exception of:

- **Disaster Relief:** Increased from 1.2% to 3.2%
- **Education: K-12:** Increased from 12.4% to 15.0%
- **Other:** Decreased from 15.7% to 10.7%

The "Other" category includes contributions that respondents deem outside the main beneficiary categories or for which the recipient is unknown. Since the percentage of funding directed to the "Other" category was significantly reduced in 2011, direct comparisons between years are more challenging, as changes cannot necessarily be attributed to new programming as opposed to re-classified programming.

NONPROFIT INDUSTRY CONTEXT

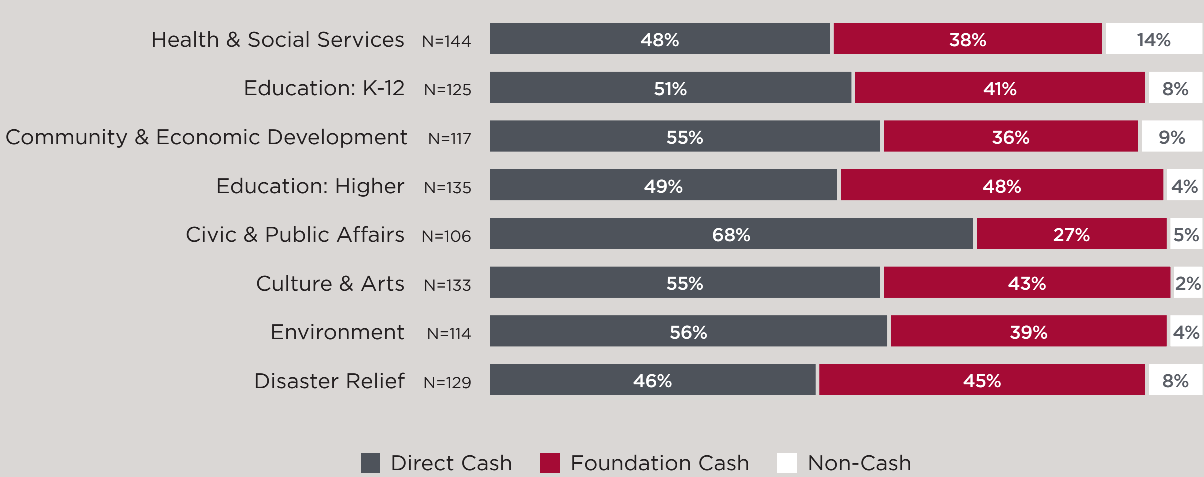
The Urban Institute's National Center for Charitable Statistics (NCCS) has an online database that allows CECP to estimate the makeup of the nonprofit industry. This estimate of the scale of program-area sectors within the nonprofit industry lends context to the breakdown of giving by program area.

NCCS publishes the number of organizations reporting assets or income. Their major categories do not directly correspond to CGS Survey categories. According to an internal protocol, CECP mapped the category types onto one another to produce the following sector-scale estimates:

- **Health and Social Services:** 31%
- **Education:** 24%
- **Community and Economic Development:** 17%
- **Culture and Arts:** 14%
- **Civic and Public Affairs:** 7%
- **Environment:** 6%
- **Disaster Relief:** 2%

FIGURE 9

Types of Giving by Program Area, 2011, Average Percentages



BECOMING MORE FOCUSED

Overall, in 2011, corporate giving continued to become more focused as companies grew evermore thoughtful and strategic about where they give.

Of the 2011 survey respondents, 31% of companies gave 50% or more to one program area (N=164).

Further analysis shows that 79% of companies in 2011 gave at least 20% or more to Education: Higher, Education: K-12, or Health and Social Services, the three categories that received the highest proportion of total giving.

YEAR-OVER-YEAR TRENDS

A deeper dive into program-area breakdown from 2009 to 2011 shows this shift in focus in another way. The number of companies spreading funds across all areas has gone down, while the number focusing on one area has gone up.

Figure 10 shows a matched set of companies from 2009 to 2011. The percentage of companies focusing on one program area increased from 48% to 54% (N=89). A focus area is defined as a program area that receives greater than 20% of a company's giving.

In 2009, 11% of companies were highly dispersed in their giving (giving 20% or less across the 8 different programs areas; "Other" is excluded). In 2010, there was a slight decrease, to 10%, followed by a more significant decrease to 4% in 2011.

REASONS FOR BEING MORE FOCUSED

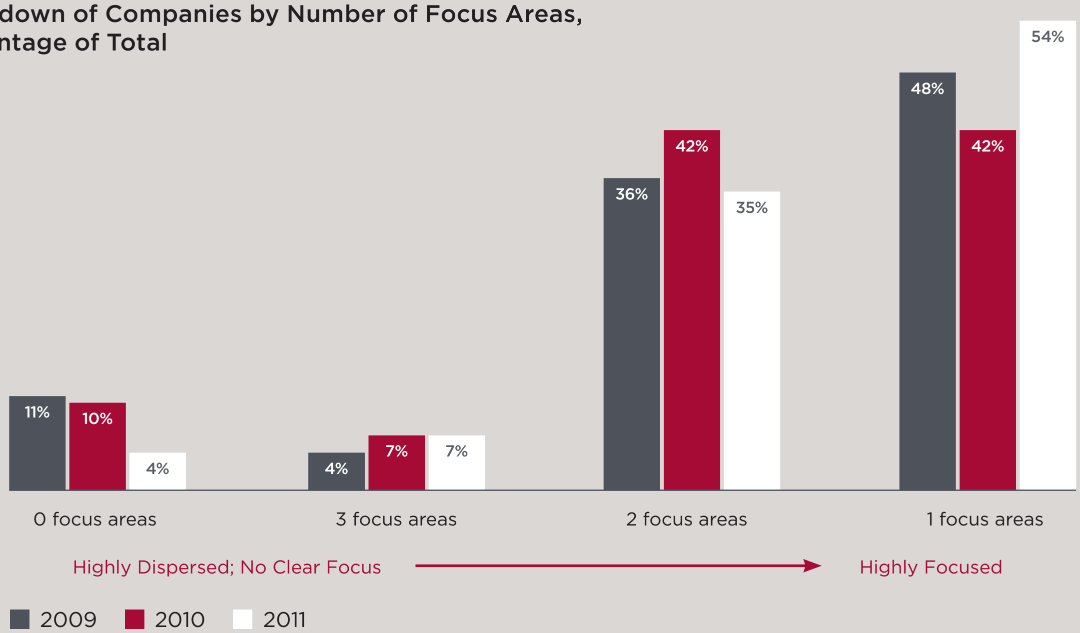
Companies cited many different reasons for continuing to be more focused with their grantmaking.

Such reasons include:

- Increase in multi-year commitments.
- Special partnerships with nonprofit organizations within strategic focus areas.
- New social investment initiatives.
- New initiatives within Health and Social Services.
- Increased demand for product donations.
- Increased internal focus on promoting programs aligned with corporate-responsibility strategies.

FIGURE 10

Breakdown of Companies by Number of Focus Areas, Percentage of Total



N=89 MATCHED-SET DATA

MOTIVATIONS FOR GIVING

DEFINING THE MOTIVATIONS

All of the corporate giving in the CGS Survey provides societal benefit by supporting 501(c)(3) organizations or the international equivalent. But the business benefits vary, depending on specific grant intentions:

- **Charitable:** Reactive community giving for which little or no business benefit is expected. Examples include disaster relief, matching-gift programs, raffle donations, and undirected bulk gifts to an in-kind distributor.
- **Community Investment:** Proactive grants that simultaneously aid long-term business goals and serve a critical community need. (Multi-year grants and signature programs are typically strategic in nature.)
- **Commercial:** Philanthropy in which benefit to the corporation is the primary motivation. Examples include cause marketing and giving to organizations as requested by clients or customers.

ALLOCATION BY GIVING MOTIVATION

Figure 11 illustrates the different giving motivations cited industry-by-industry for 2011. There are no "right" or "wrong" motivations; the labels given here aim simply to identify intent.

Overall, there are not sharp differences among industries' average percentages of motivation types, showing an overall consistency with the trends of all companies. However, there are still small variations. The Information Technology industry stands out, as the highest percentage of their total funding goes to commercially motivated initiatives. The Utilities and Materials industries report the highest proportion of community investment giving. The Consumer Staples and Industrials industries rank highest in charitable motivation for giving.

The Dow Jones Sustainability Index questionnaire also requires a breakdown by motivation in its Corporate Citizenship and Philanthropy section.

YEAR-OVER-YEAR CHANGES

From 2009 to 2011, Manufacturing companies categorized 47% to 51% of their total giving as Community Investment, in comparison with 45% from Service companies. Manufacturing companies, which typically give close to one-third of their funding in the form of non-cash, appear better able to utilize non-cash contributions in a strategic fashion, making proactive product donations that help to meet both business goals and nonprofit needs.

Manufacturing Companies (n=38):

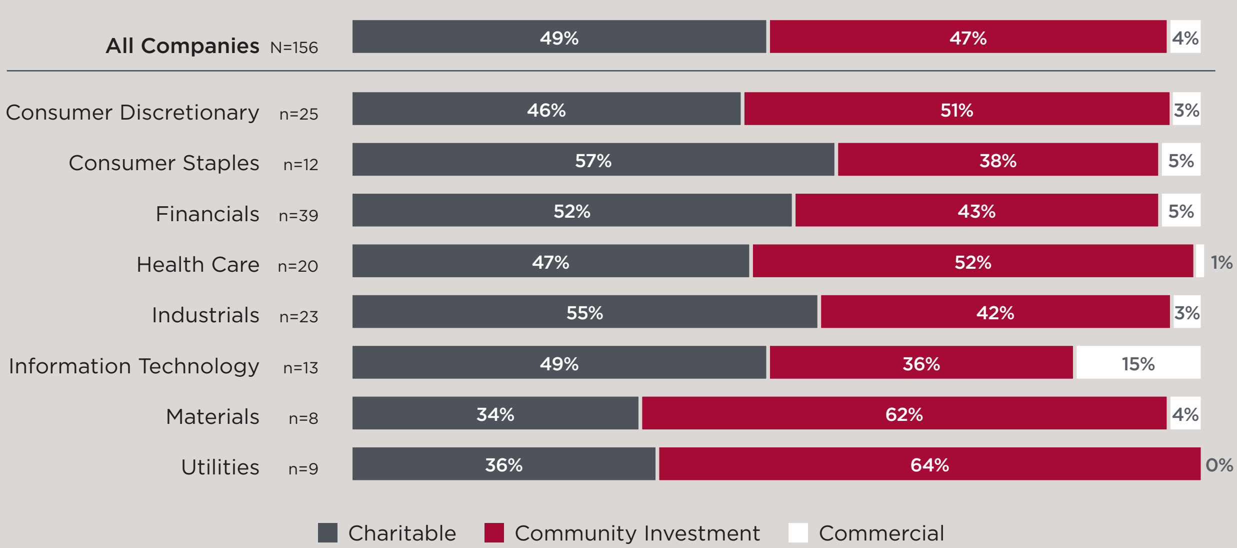
	2009	2010	2011
Charitable	50%	49%	45%
Comm. Inv.	47%	47%	51%
Commercial	3%	4%	4%

Service Companies (n=50):

	2009	2010	2011
Charitable	52%	54%	50%
Comm. Inv.	45%	41%	45%
Commercial	3%	5%	5%

FIGURE 11

Giving Motivations by Industry, 2011, Average Percentages



*Energy and Telecommunications Services companies are excluded due to small sample sizes.

GIVING INTERNATIONALLY

KEY FINDINGS IN THIS SECTION:

- **Giving Predominately from Headquarters**
  On average, contributions to international end-recipients comprised 14% of a company's total giving. Breaking this 14% down a step further: 67% came from the country in which the company is headquartered and 33% originated in international locations. *See page 22.*

- **Manufacturing Companies Lead International Giving**
  Manufacturing companies contributed 22% of their total giving to international end-recipients, while service companies dedicated 7.4%, an allocation that has been growing steadily since 2009. *See page 23.*

- **Giving Trails Revenue Abroad**
  The level of international corporate community investment is often relative to the percentage of business generated abroad. Companies that gave more than 20% of total contributions to international recipients generated, on average, 51% of total revenue abroad. *See page 24.*

GIVING DOMESTICALLY AND ABROAD

At the highest level, on average, companies gave 14% to international end-recipients. Of this 14%, one-third came from international locations while two-thirds came from domestic locations. This shows that a higher proportion of giving is coming from the headquarters country.

In the CGS Survey, domestic and international recipients are defined as follows:

- **Giving to Domestic Recipients:** Corporate giving that benefits recipients within the corporate headquarters country.
- **Giving to International Recipients:** Corporate giving to recipients outside the corporate headquarters country.

It is important to note that 95% of CGS Survey respondents report from their United States headquarters, which includes companies with headquarters in the U.S. and multinational companies reporting for just their U.S. subsidiary.

MANUFACTURING AND SERVICE COMPANIES

Manufacturing companies consistently dedicate slightly less than one-quarter of their total giving budgets to international end-recipients. The average percentage of total giving provided to international recipients from Manufacturing and Service companies was:

Manufacturing Companies (n=37):	Service Companies (n=56):
2009 = 22.9%	2009 = 5.8%
2010 = 23.2%	2010 = 6.8%
2011 = 22.1%	2011 = 7.4%

One explanation may be that, when operating abroad, Manufacturing companies often utilize larger amounts of raw materials, consume greater space with factories and production centers, and rely on local infrastructure. For 2011, they also reported that an average of 50% of total revenue was generated abroad, compared to an average of 29% among Service companies (n=64, n=43, respectively).

ALLOCATIONS BY INDUSTRY

Figure 12 highlights that international giving as a percentage of total giving varies significantly by industry.

Energy, Consumer Staples, and Information Technology companies generally give more abroad due to their global presence. In contrast, most Utility companies in the survey operate solely within the U.S.; accordingly, their giving is primarily domestic.

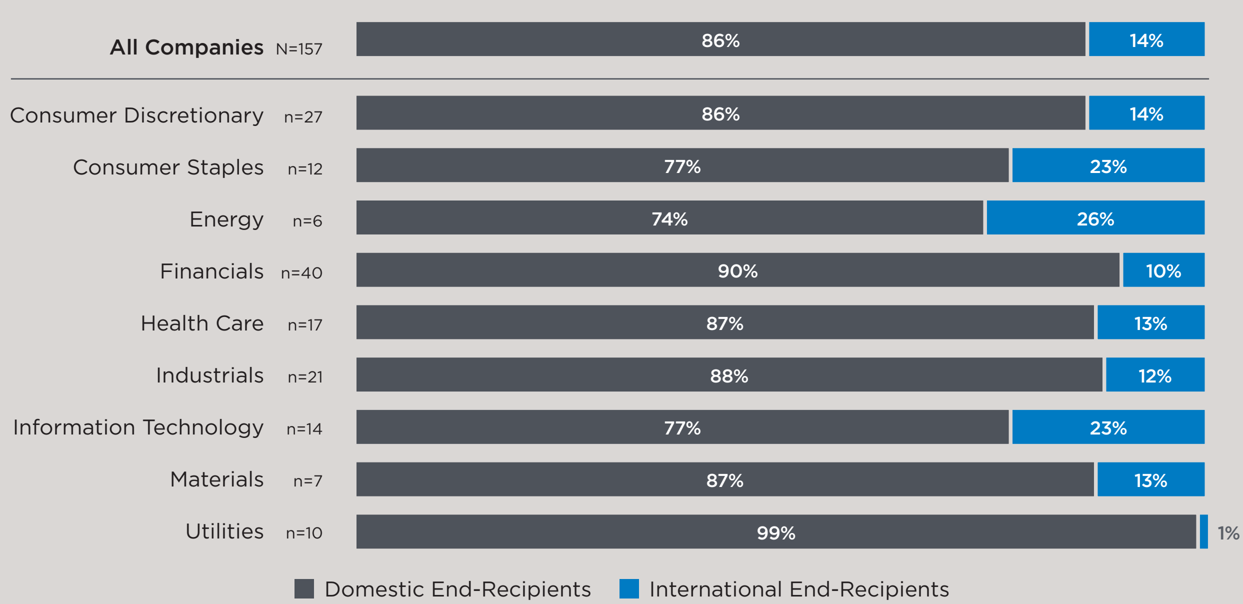
At CECP's Corporate Philanthropy Summit, in June, the audience was asked, "Do you believe your company's giving programs reflect how global the business is?" Responses were as follows (N=124):

- 27% said "Yes, absolutely, it is a big focus of ours."
- 16% said, "Yes, I believe so."
- 36% said "No, we're not there yet but we are moving in that direction."
- 21% said "No, I don't believe so."

(33 attendees who responded "Not applicable" or "Unsure" are not included.)

FIGURE 12

International Giving as a Percentage of Total Giving, 2011, Average Percentages



*Telecommunications Services companies are excluded due to small sample size.

GIVING BY GEOGRAPHIC REGION

Figures 13 and 14 detail the average allocation provided to each geographic region for Manufacturing and Service companies.

The five geographic regions listed in Figures 13 and 14 are defined in the CGS Valuation Guide. The samples for this analysis remove companies that reported giving only to domestic recipients and that did not provide regional data.

As shown in Figure 13, Manufacturing companies, which typically give a greater percentage of total giving to international end-recipients (outside of headquarter countries), provided more to Asia and the Pacific and Latin America and the Caribbean. By contrast, Figure 14 shows that the international giving from Service companies appears to be slightly more focused on giving within Europe. This can be attributed to an increased global footprint by Manufacturing companies.

SPOTLIGHT ON THE DEVELOPING WORLD

While Figures 13 and 14 provide a breakdown of giving across all countries, the survey separately requests data regarding contributions supporting a subset of countries defined as "the developing world." This list is determined by the Organisation for Economic Co-operation and Development *(see page 48)*. Only one region, Africa, is comprised entirely of developing world countries.

As was true in the international giving data across all countries, Manufacturing companies gave more to developing world nations than their Service company counterparts did in 2011. On average:

- Manufacturing companies allocate 12.1% of their total giving budget to end-recipients in the developing world (n=27).
- Service companies allocated 7.4% of total giving to end-recipients in the developing world (n=16).

GIVING TO SPECIFIC COUNTRIES

The table below shows the average percentage of total giving to five specific countries.

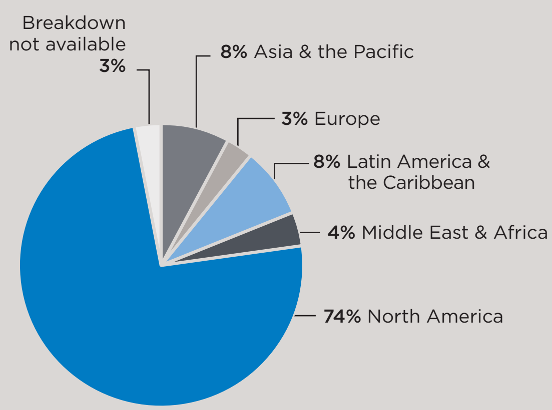
The BRIC countries (Brazil, Russia, India, and China) are of important focus globally due to their newly advanced economic development.

	Manufacturing Companies (n=41):	Service Companies (n=27):
Brazil	3.2%	0.6%
Canada	1.5%	0.7%
China	1.5%	0.5%
India	0.9%	0.7%
Russia	0.6%	0.1%

Two companies that responded to this question are headquartered in one of the above five countries. As a result, they were excluded due to a high percentage of giving within their domestic headquarters country.

FIGURE 13

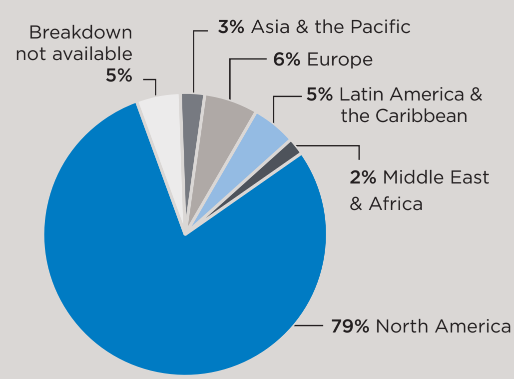
Manufacturing Companies' Allocation of Giving by Geographic Region, 2011, Average Percentages



n=44

FIGURE 14

Service Companies' Allocation of Giving by Geographic Region, 2011, Average Percentages



n=43

INTERNATIONAL GIVING BY PROGRAM TYPE

In 2011, a new survey question was introduced about international giving by program type. The question followed the same program type definitions *(see page 49)*, but asks for a breakdown of international giving.

Since the question is new, the sample size is too small to break down by industry, but the trends are interesting when Manufacturing and Service companies are compared.

Figure 15 shows that Health and Social Services and Disaster Relief are the main focus areas for international grantmaking.

Also, Manufacturing companies are more focused on Health and Social Services due to product donations from Consumer Staples, Consumer Discretionary, and Health Care companies. Furthermore, Disaster Relief is a focus for all companies due to the earthquake and tsunami in Japan this year.

INTERNATIONAL GIVING RELATIVE TO REVENUE

The level of international corporate community investment is often relative to the percentage of business generated abroad. Companies that give more internationally are more likely to be receiving greater percentages of revenue from international sources and, accordingly, to feel a connection and obligation to ensure the long-term success of these communities. In 2011:

- Companies that gave more than 20% of total contributions to international recipients generated, on average, 51% of total revenue abroad (n=26).
- Companies that gave between 5% and 20% of total contributions to international recipients generated, on average, 40% of total revenue abroad (n=27).
- Companies that gave less than 5% of total contributions to international recipients generated, on average, 25% of total revenue abroad (n=17).
- Companies that gave 0% of total contributions to international recipients generated, on average, 20% of total revenue abroad (n=8).

THE GLOBAL GUIDE TO WHAT COUNTS

Published in June 2012, *The Global Guide to What Counts* presents a new standard for deciding which recipients should be included versus excluded from total giving on a global basis, without reference to a domestic tax code. This standard, the first of its kind, is the culmination of work by CECP with pro bono assistance from Deloitte to expand corporate philanthropy measurement with an increasingly international perspective.

In August 2012, the companion report *Developing the Global Guide to What Counts* was released to showcase the depth of research and analysis done to develop the *Global Guide*. These two documents were the basis for the launch of the Global Guide Short Survey, in Fall 2012, a pilot effort to learn more about gathering international data with the Global Guide as a foundation. More information is available at www.corporatephilanthropy.org/global.

FIGURE 15

Program Area Allocations of International Giving by Sector, 2011, Average Percentages

		Health & Social Services	Disaster Relief	Community & Economic Development	Education: K-12	Environment	Education: Higher	Civic & Public Affairs	Culture & Arts	Other
All Companies	N=76	25%	24%	12%	12%	8%	7%	3%	1%	8%
Manufacturing	n=42	33%	20%	8%	10%	9%	12%	2%	1%	5%
Service	n=34	15%	29%	15%	15%	5%	2%	5%	2%	12%

EMPLOYEE AND STAKEHOLDER ENGAGEMENT

KEY FINDINGS IN THIS SECTION:

- **Majority Offer Matching-Gift Programs**
  83% of companies offered at least one matching-gift program with median total matching of $1.69 million. Matching gifts comprised a median of 8.4% of a company's total giving. *See page 26.*
- **Value of Matching-Gift Contributions Vary**
  From 2009 to 2011, roughly half of companies made higher matching-gift contributions while the other half had lower matching-gift contributions. The median total corporate match remained flat at $2.03 million. *See page 27.*
- **Pro Bono Service Trends**
  52 companies reported offering a pro bono service program: 32 with domestic programs only; 19 with domestic and international programs; and 1 with an international program only. *See page 28.*
- **Offering Volunteer Opportunities**
  85% of companies reported having a formal domestic employee-volunteer program, while 47% reported at least one formal international volunteer program. The percentage of companies offering a paid-release-time program has slightly declined since 2009. *See pages 29-30.*
- **Companies as Fundraisers**
  Among funds raised from employees, customers, vendors, suppliers, and nonprofit partners, the median dollar amount raised from non-employees was $1.97 million, slightly less than that from employees. *See page 31.*

MATCHING-GIFT PROGRAMS

CECP includes the corporate side of matching gifts in a company's total giving, but not the employee side, which is recorded separately (*see page 31*). The types of matching-gift programs, policies, and specifications detailed in the CGS Survey are detailed below:

Workplace Giving Campaigns: Include fundraising drives, such as United Way campaigns, that occur for a defined time period.

- **Ratio:** Most offer a 1:1 match, with 2:1 matches cited for particular campaigns.
- **Caps:** The most common limit is $5,000 per employee.

Year-Round Policy: Giving that is not driven by a specific time-based corporate campaign.

- **Ratio:** Most offer a 1:1 match.
- **Caps:** Most programs require a $25-50 minimum gift and have a per-employee maximum donation of $5,000 up to $50,000.

Dollars for Doers: Include corporate or foundation giving to nonprofits in recognition of employee-volunteer service to that organization.

- **Ratio:** Approximately $10 per every eligible hour of volunteer service, usually at a fixed amount (e.g., $500 for 50 hours).
- **Caps:** While an annual limit of $1,000 per employee is common, the range in 2011 was $100 to $12,000.

Disaster Relief: Matching programs benefiting nonprofits assisting with disaster-related crisis relief, recovery, rebuilding, and/or preparedness.

- **Ratio:** Most offer a 1:1 match, with some companies offering 2:1 or 3:1 matches for specific large-scale international disasters.
- **Caps:** While an annual limit of $5,000 per employee is common, some companies determine the match limit on an incident-by-incident basis.

Other: Any matching program not specified in the categories above.

MATCHING-GIFT PROGRAM ALLOCATIONS

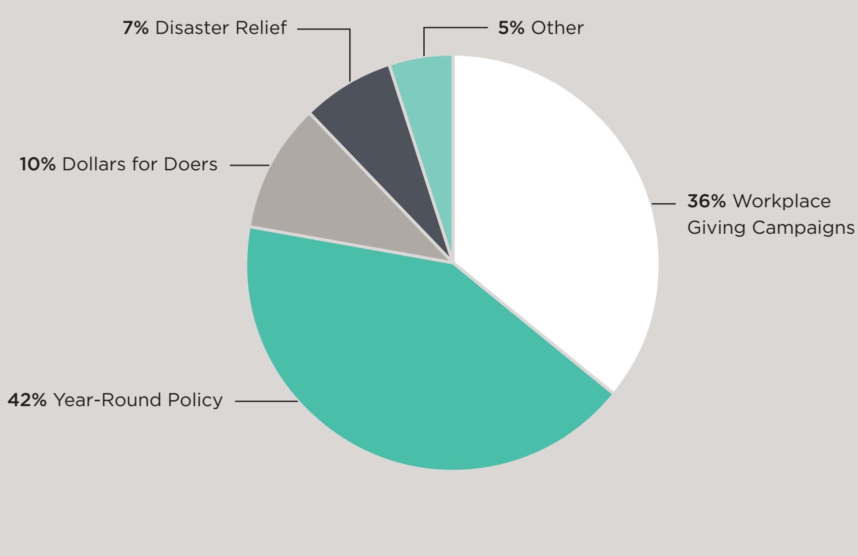
In 2011, 83% of companies offered at least one matching-gift program with median total matching of $1.69 million (N=177). Matching gifts comprised a median of 8.4% of a company's total giving and 11.7% of total cash giving (N=177).

As shown in Figure 16, the majority of matching-gift program allocations were focused on Workplace Giving Campaigns and Year-Round Policy. Since Disaster Relief programs are typically reactive to a specific incident, allocations remained smaller. On page 27, allocations will be further analyzed for year-over-year trends.

There are varying conceptions around corporate matching-gift programs. One view is that they can be instrumental in attracting and retaining employees, as they foster goodwill and employee engagement. Another view is that they may be insufficiently strategic, diverting corporate funding from established priorities, especially if they are structured as open programs wherein any 501(c)(3) qualifies for donations.

FIGURE 16

Matching-Gift Program Allocation, 2011, Average Percentages



STRATEGIC REVIEW OF MATCHING-GIFT PROGRAMS

At CECP's Corporate Philanthropy Summit in June 2012, one question asked of the audience was "Is your company performing a strategic review of its matching-gift programs?" While 52% of respondents (N=150) said that either they are not planning on doing one or "Not Applicable," 48% responded that they had just finished, were working on one now, or were planning on doing one.

THREE-YEAR TRENDS

Adjusting for inflation, trends from 2009 to 2011 are (N=115):

- Half of the companies increased and half decreased the dollar amounts they contributed to matching-gift programs from 2009-2011.
- As a result of this split, median matching remained flat at $2.03 million.

CHANGES IN ALLOCATION

Using the matched set of companies that responded to the allocation of matching-gift programs in 2009, 2010, and 2011 (N=115), Figure 17 shows that there are some fundamental changes over the three-year period:

- Workplace Giving Campaigns and Dollars for Doers allocations remained relatively flat, at around 33% and 11% of total matching-gift amounts, respectively.
- However, Year-Round Policy matching-gift amounts were almost 60% of the total in 2009 and now comprise less than half.
- On the other hand, Disaster Relief allocations have increased to 5% of the total.

There can be many reasons for these changes, including an increase of disaster funding due to the recent events in Haiti, Chile, Pakistan, Japan, and elsewhere; strategic review of matching-gift allocations; and the restructuring of internal company program policies.

PROGRAM OFFERING TRENDS

Data on matching-gift program offerings for the three-year matched set reveal similar trends from 2009 to 2011.

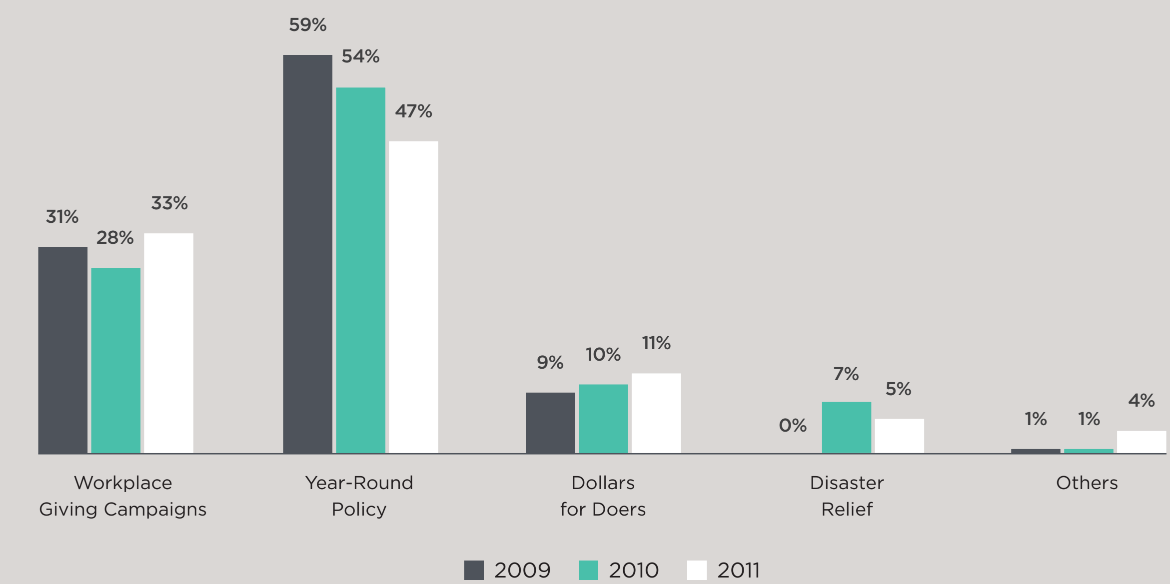
The table below highlights the percentage of companies that matched any employee donation for each program (regardless of amount) over the three years.

	2009	2010	2011
Workplace Giving Campaigns	53%	52%	59%
Year-Round Policy	92%	90%	77%
Dollars for Doers	57%	63%	63%
Disaster Relief	16%	46%	43%
Other	10%	12%	16%

One question to consider is: What is causing the shift away from Year-Round-Policy programs?

FIGURE 17

Matching-Gift Program Allocation, 2009 to 2011, Average Percentages



N=115 MATCHED-SET DATA

UNIQUE CHARACTERISTICS OF PRO BONO SERVICE

Pro bono service is distinct from other forms of skills-based employee engagement in the following three ways:

- **Commitment:** The company is responsible for staffing the project, ensuring its completion and quality, and applying the highest professional standards to the engagement.
- **Professional Services:** Participating employees must use their core job skills as specified in their official job descriptions. Projects that utilize only a portion of an employee's core competencies are considered volunteerism rather than pro bono.
- **Indirect Services:** All services must be provided through a 501(c)(3) organization or the international equivalent.

Based on the inherent differences between pro bono service and other forms of employee engagement, pro bono service is reported in the CGS Survey as non-cash and valued at Fair Market Value (FMV). CECP's Valuation Guide includes instructions for valuing pro bono service hours at FMV.

PRO BONO STATISTICS FROM 2011

In 2011, 52 companies reported offering a pro bono service program:

- 32 offered domestic programs only.
- 19 offered domestic and international programs.
- 1 offered international program only.

The percentage of companies in each industry offering pro bono service programs included:

- **Consumer Discretionary** (n=29): 21%
- **Consumer Staples** (n=13): 21%
- **Energy** (n=6): 0%
- **Financials** (n=45): 24%
- **Health Care** (n=22): 45%
- **Industrials** (n=24): 17%
- **Information Technology** (n=17): 47%
- **Materials** (n=11): 18%
- **Utilities** (n=15): 33%

The number of companies reporting pro bono service hours has increased from 16 companies in 2009 to 19 companies in 2011. For 2011, respondents reported a median of 2,284 hours (N=19).

NON-CASH DIFFERENCES BY INDUSTRY

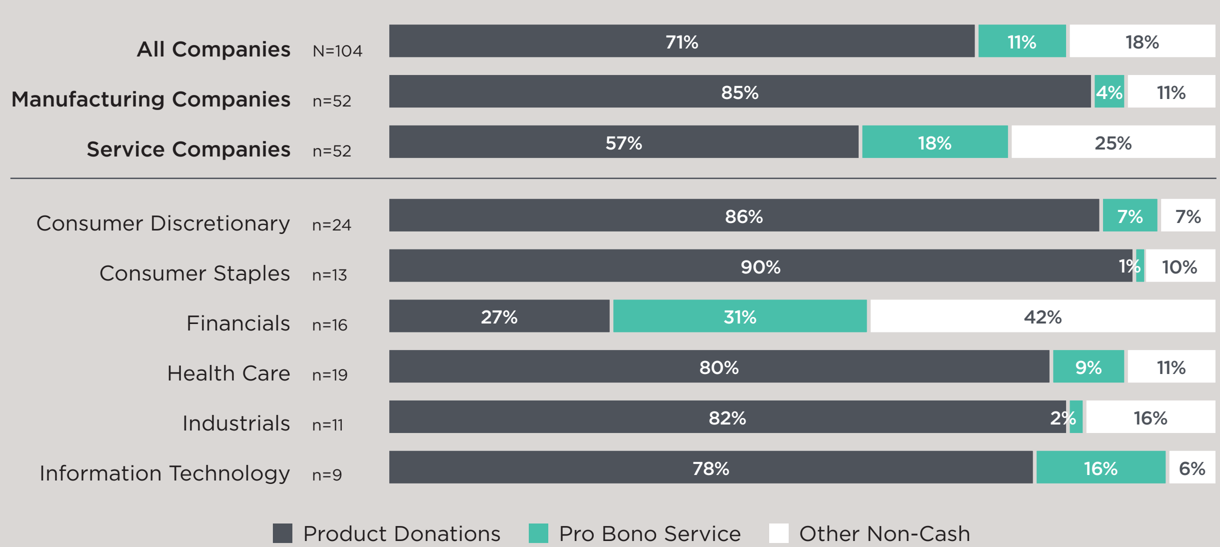
Figure 18 displays the average percentage breakdown of non-cash giving by industry in 2011 (N=104).

Manufacturing companies provided the majority of their non-cash contributions in the form of product donations, while Service companies provided a greater percentage in pro bono service or "other non-cash," which could include contributions like written-down office equipment, use of company facilities, real estate, and patents.

To reconcile Figure 18 with the data at the left, remember that companies in a particular industry may be more likely to offer pro bono service programs, but still contribute less in pro bono service than they do through their product or other non-cash donation programs. For example, 45% of Health Care companies offered pro bono service programs in 2011, but pro bono service on average comprised only 9% of non-cash giving, due to the enormity of product donations from these companies.

FIGURE 18

Breakdown of Non-Cash Giving by Industry, 2011, Average Percentages



*Energy, Materials, Telecommunications Services, and Utilities companies are excluded due to small sample sizes.

TYPES OF VOLUNTEER PROGRAMS

The CGS Valuation Guide defines a formal employee-volunteer program as a planned, managed effort that seeks to motivate and enable employees to volunteer under their employer's sponsorship and leadership.

In 2011, 85% of companies reported having a formal domestic employee-volunteer program while 47% reported at least one formal international volunteer program (N=186):

- 97 companies offered both domestic and international programs.
- 85 companies offered domestic programs only.
- 4 companies offered international programs only.

Figure 19 presents the percentage of companies offering each type of employee-volunteer program. Employee-Volunteer Awards surfaced as the most frequently offered domestic and international program, while Dollars for Doers is the second-most frequently offered domestically and Paid-Release Time internationally.

MOST SUCCESSFUL PROGRAMS

The CGS Survey asks respondents to indicate the top three most successful domestic and international programs. The most successful domestic employee-volunteer programs in 2011 included, in order:

1. Dollars for Doers
2. Company-Wide Day of Service
3. Paid-Release Time

Also listed in order, the three most successful international employee-volunteer programs were:

1. Company-Wide Day of Service
2. Employee-Volunteer Awards
3. Paid-Release Time

While this above result is skewed to favor programs offered more widely, the results do not exactly match the programs offered most frequently.

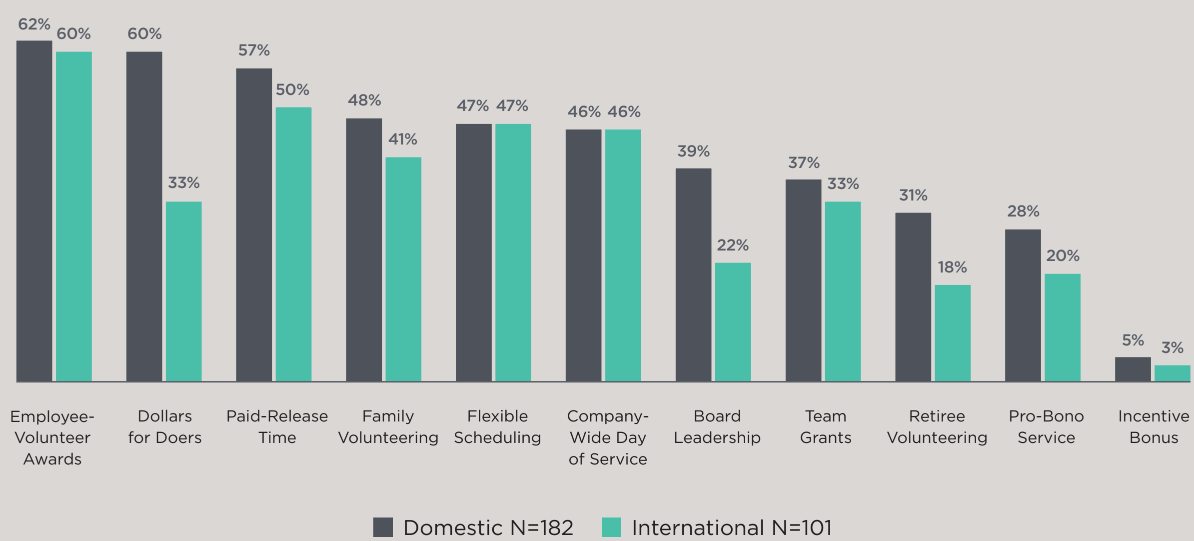
INTERNATIONAL VOLUNTEER PROGRAMS

As discussed in the report's earlier section on international giving, there is increased focus on investing in communities where companies have a presence. The same can be said for engagement programs for employees who work internationally. Looking at a matched set of companies between 2009 and 2011 (N=109), there has generally been an increase in new international employee-volunteer programs across the board. The programs that are most frequently added are (percentage of companies offering each program):

- **Company-Wide Day of Service:** Increased from 21% to 28%
- **Pro-Bono Service:** Increased from 11% to 16%
- **Employee-Volunteer Awards:** Increased from 34% to 39%
- **Board Leadership:** Increased from 13% to 17%

FIGURE 19

Corporate Volunteer Opportunities, 2011, Percentage of Companies Offering Each Program



TYPES OF VOLUNTEER OFFERINGS

Paid-Release-Time programs allow employees to volunteer with a 501(c)(3) organization during a normal paid work schedule. Accordingly, their employer incurs costs for the time they spend away from the office.

- 55% of companies offered a formal Paid-Release-Time program or policy (N=165).
- 39% of companies had a formal system to track Paid-Release-Time hours (N=165).
- The median number of Paid-Release-Time hours was 34,540 (N=76).

Outside-Company-Time volunteer programs are organized or sponsored by the volunteer's employer but occur outside the normal work schedule, so the employer incurs no compensation costs.

- 53% of companies offered a formal Outside-Company-Time program or policy (N=165).
- 52% of companies had a formal system to track these hours (N=165).
- The median number of Outside-Company-Time hours was 63,986 (N=86).

PAID-RELEASE-TIME POLICIES

In 2011, the median percentage of employees who volunteered at least one hour throughout the year on company time was 29% (N=88).

The CGS Survey accounted for several different types of Paid-Release-Time policies (N=47), varying primarily by the amount of time granted to employee volunteers. Examples of common company policies are as follows:

- 36% based on hours per year. Policies ranged from 4 to 40 hours per year.
- 36% based on days per year. Policies ranged from 1 to 90 days per year, depending on the nonprofit. Generally, the policies that allowed for longer Paid-Release Time were specific to either Disaster Relief or community service projects.
- 28% based on manager's discretion.

DETERMINING THE RIGHT POLICY

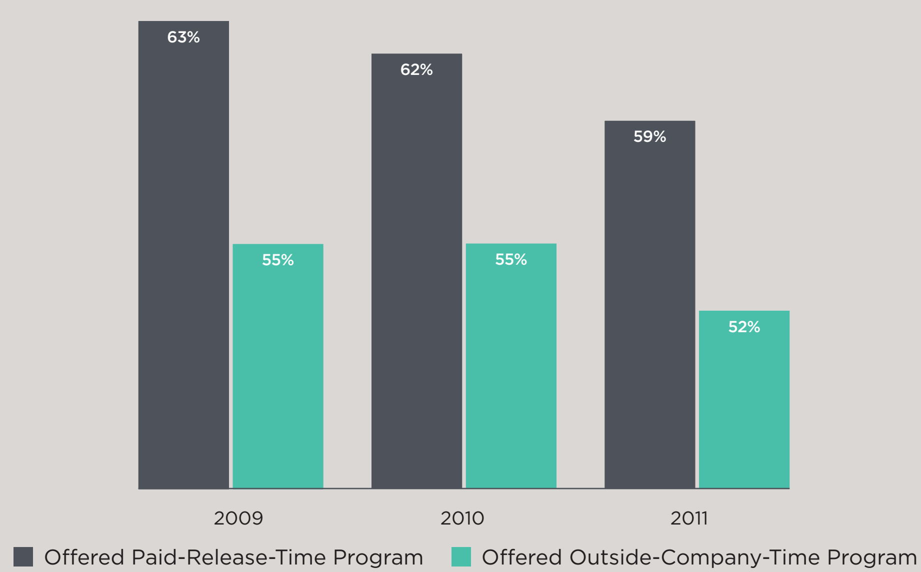
The appropriate policy for a company should reflect the company's commitment to volunteerism and the community, but should also take into account the nature of the business and the accepted metrics for time away from a normal paid work day.

CHANGES OVER TIME

As shown in Figure 20, analysis over a three-year period reveals that the percentage of companies offering a Paid-Release-Time program has slightly declined since 2009. This decline is a reversal of previous years in which these programs consistently grew in small increments. Given the ongoing economic uncertainty, heightened scrutiny on employee and operational efficiency may have dissuaded some companies from instituting new programs allowing paid time off. Additionally, companies may be finding that a less formal program based on manager discretion may be more appropriate during these times.

FIGURE 20

Percentage of Companies with Paid-Release-Time and Outside-Company-Time Volunteer Programs



N=86 MATCHED-SET DATA

COMPANIES AS FUNDRAISERS

Some companies leverage their relationships with customers, vendors, suppliers, and employees to raise additional funds for nonprofit partners. To qualify, a campaign must meet the following criteria:

- **Corporate Commitment:** Formal campaigns must be company-sponsored, organized by a professional giving officer, and run nationally (at least). Campaigns that occur only in particular offices, regions, or stores are excluded.
- **Nonprofit Beneficiaries:** Fund recipients must be 501(c)(3) organizations or the international equivalent.
- **What to Exclude:** Any contribution provided by the company.

The CGS Survey distinguishes between two types of fundraising campaigns. Money raised from:

- Non-employees, such as customers, vendors, and suppliers.
- Employees through payroll deductions or other contributions.

FUNDRAISING FROM NON-EMPLOYEES

Figure 21 shows that the median dollar amount raised from non-employees was $1.97 million, slightly less than that from employees. The majority of companies offering fundraising opportunities to non-employees are Service companies, particularly those with customer-facing products.

Since these campaigns are usually in partnership with a cause, the number of nonprofit partners supported is less than that of employees. These campaigns include “at the register” fundraising from Consumer Discretionary and Consumer Staples companies.

A similar model in the Financial or Health Care industry includes fundraising at bank branches or insurance offices. Utility companies often offer customers the opportunity to make donations on their monthly bill.

FUNDRAISING FROM EMPLOYEES

As seen in Figure 21, most of the money raised from employees likely comes from matching-gift campaigns. Contributions through payroll deductions appear to be the most common, and the rather large number of nonprofit partners supported reflects the variance in policies, as some companies offer open-ended programs allowing employees to donate to a wide-range of eligible 501(c)(3) organizations.

Only thirteen companies reported the costs associated with such programs, suggesting that the measurement of related marketing and administrative dollars continues to lag behind the programs’ popularity. Such costs might include in-store marketing, thank-you items, paid advertising, website design, and social media expenses. CECP hopes that companies are increasingly able to dedicate attention to the measurement of these programs.

FIGURE 21

Philanthropic Leverage: Money Raised from Corporate Fundraising Campaigns, 2011, Medians

MONEY RAISED FROM NON-EMPLOYEES		Median
Number of Fundraising Campaigns Offered Per Year	N=35	2
Total Number of Campaign Days (Across All Campaigns)	N=27	45
Total Marketing/Administrative Dollars Spent	N=13	$0.10 million
Number of Nonprofit Partners Supported	N=29	3
Total Dollar Amount Generated for Nonprofit Partners	N=35	$1.97 million
MONEY RAISED FROM EMPLOYEES		
Total Dollar Amount Raised from Employee Payroll Deductions	N=81	$1.60 million
Total Dollar Amount Raised from Other Employee Contributions	N=73	$0.77 million
Number of Nonprofit Partners Supported	N=68	465

ADMINISTRATION PRACTICES AND PROGRAM COSTS

KEY FINDINGS IN THIS SECTION:

- **Majority Have Corporate Foundations**
  82% of companies reported having a corporate foundation, the most common of which is a predominately pass-through structure. *See page 33.*
- **Surge in Non-Cash Giving from Centralized Budget**
  From 2009 to 2011, the percentage of funding provided through the Corporate Community Affairs budget rose from 35% to 42%. This is driven by non-cash giving from the Corporate Community Affairs budget. *See page 34.*
- **Staffing and Grant Responsibilities**
  Full-Time Equivalent (FTE) contributions staff oversee, manage, and/or directly administer a corporate giving, corporate foundation, or employee-volunteer program. In 2011, the median number of contributions FTEs was eight staff responsible for 64 grants each (not including employee-matching grants). *See page 35.*
- **Administrative Costs Trending Downward**
  Median total management and program costs as a percentage of total giving for all companies fell from 8.3% in 2009 to 7.5% in 2011. Note that companies with larger giving budgets tend to have lower management and program costs. *See page 36.*

FOUNDATION STRUCTURES

In 2011, 82% of companies reported having a corporate foundation (N=185). Respondents classified their foundation structures as follows:

- **Predominately Endowed:** Funded primarily from returns on an endowment (asset reserves invested to make a return).
- **Predominately Pass-Through:** Funded annually by the company, with typically 100% of those funds distributed throughout the year. Occasionally, pass-through foundations reserve funds for lean times.
- **Hybrid:** Combination of endowed and pass-through foundation models, with neither structure dominating.
- **Operating:** Functions as a stand-alone nonprofit, granting at least 85% of its assets in programming or services directly to end-recipients.
- **Other:** Structure different from the types listed.

As displayed in Figure 22, predominately pass-through foundations were most common (N=151).

CORPORATE TRANSFERS OF FUNDS

Out of the 151 companies with a foundation in 2011, 89 companies (59%) reported transferring funds to the corporate foundation:

- **Endowed:** 14 of 40 companies (35%) transferred funds. The median transfer amount was $3.60 million.
- **Pass-Through:** 49 of 62 companies (79%) transferred funds. The median transfer amount was $10.00 million.
- **Hybrid:** 13 of 22 companies (59%) transferred funds. The median transfer amount was $26.08 million.
- **Operating:** 6 of 7 companies (86%) transferred funds. The median transfer amount was $5.39 million.
- **Other:** 7 of 20 companies (35%) with a foundation type different from those listed transferred funds. The median transfer amount was $18.00 million.

In times of economic depression or uncertainty, companies with pass-through foundations must rely on reserve funds if they do not receive a corporate transfer.

CORPORATE FOUNDATIONS AND MATCHING GIFTS

Among companies reporting the breakdown of their matching-gift programs, 60% conducted at least part of the match through the corporate foundation (N=177). Within that group, 71% used the foundation exclusively, while the remaining 29% used a combination of foundation and direct cash (N=106).

INDIVIDUAL BUDGET AUTHORITY

The largest grant dollar value that the senior-most person in the corporate giving department and/or foundation can award independently (i.e., without the review of a committee or board) is often considered a measure of autonomy for the corporate giving department or foundation.

Corporate Side (N=127):

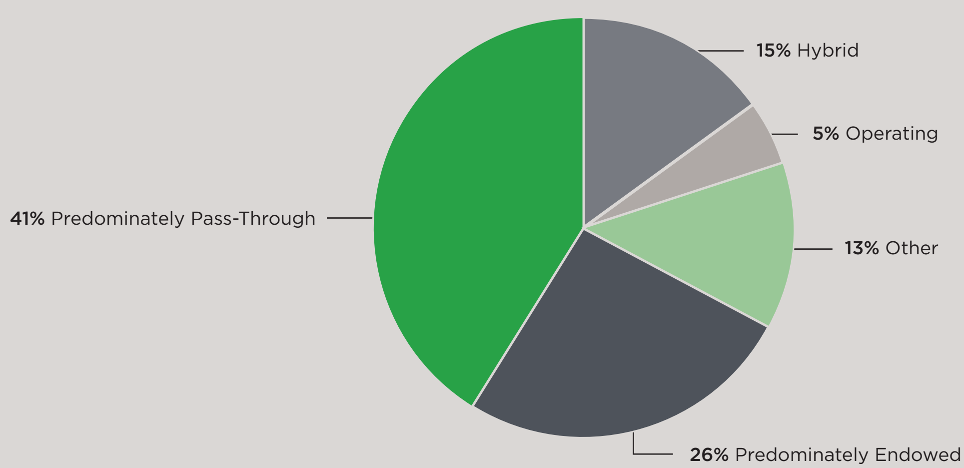
- $99,999 = Median approval level
- $0 to $2,740,000 = Range of approval levels

Foundation Side (N=114):

- $50,000 = Median approval level
- $0 to $1,000,000 = Range of approval levels

FIGURE 22

Percentage of Companies by Corporate Foundation Structures, 2011



N=151

BUDGET TERM DEFINITIONS

An analysis of giving by budget source indicates the extent to which corporate headquarters has control over a company's total giving portfolio. In the CGS Survey, companies separate their total giving into three budget source designations, each indicating the group from which the gift was drawn:

- **Corporate Community Affairs:** Giving from one centralized philanthropy budget. This represents giving by the corporate headquarters contributions department (Corporate Community Affairs, Community Relations, External Affairs, etc.).
- **Corporate Foundation:** Giving from the corporate foundation. Funding for the foundation must originate from the company and not from private individuals, suppliers, or vendors.
- **All Other Groups:** Giving from all other offices, regions, business units, or groups outside the corporate headquarters contributions department or corporate foundation.

CHANGES OVER TIME

Over the past three years, the allocations of foundation funding as a percentage of total giving have remained fairly stable, hovering around an average of 37% of total giving. Average budget source allocations for 2009, 2010, and 2011 were as follows (N=89):

	2009	2010	2011
Corporate Community Affairs	35%	40%	42%
Corporate Foundation	38%	37%	37%
All Other Groups	27%	23%	21%

From 2009 to 2011, the percentage of funding provided through the Corporate Community Affairs budget rose from 35% to 42%. This is driven by non-cash giving from the Corporate Community Affairs budget which showed over 100% growth between 2009 and 2011.

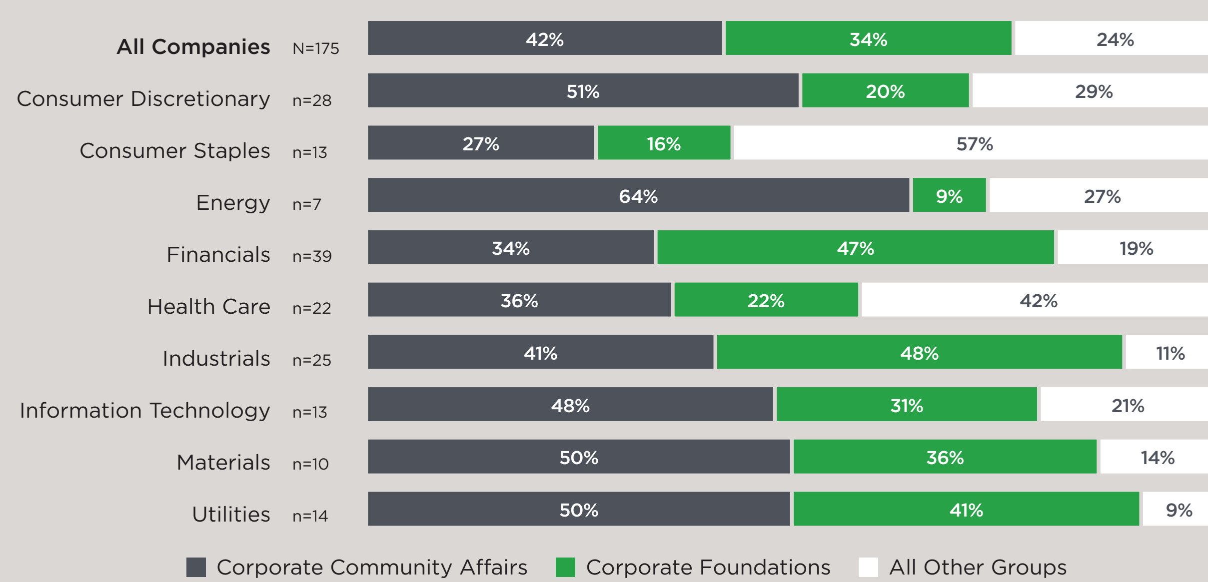
INDUSTRY DIFFERENCES

Figure 23 displays the average allocations by budget source for each industry in 2011. A company, on average, provided 42% of its annual budget from groups outside the Corporate Community Affairs department or Corporate Foundation, indicating that a fairly centralized approach is most common.

The Consumer Staples and Health Care industries rely on non-centralized budgets for more than 40% of their total giving. One explanation might be that product donations typically originate from warehouses or other regional offices and both of these industries provided considerable portions of their total giving in the form of non-cash (38% and 47%, respectively). The Materials, Industrial, and Utility industries are the most centralized, with 15% or less coming from all other groups.

FIGURE 23

Total Giving by Budget Source, 2011, Average Percentages



*Telecommunications Services companies are excluded due to small sample size.

DEFINING CONTRIBUTIONS FTEs

Successful implementation of a company's philanthropic strategy is largely dependent on the personnel dedicated to managing corporate giving departments, corporate foundations, and employee-volunteer programs.

In the CGS Survey, Full-Time Equivalent (FTE) contributions staff oversee, manage, and/or directly administer a corporate giving, corporate foundation, or employee-volunteer program. To be counted, a contributions FTE must spend at least 20% of his or her time working within Corporate Community Affairs or the corporate foundation or have "corporate giving" or "volunteer coordination" in his or her job description. A staff member spending a fraction of his or her time in such a capacity is recorded as the decimal equivalent of that fraction.

Contributions FTEs are explained in more detail on page 47 in the Appendix.

STAFFING AND TOTAL GIVING

In the CGS Survey, respondents report the annual number of grants, which includes non-cash donations and foundation grants. Checks issued as part of the employee matching-gift program are excluded.

In Figure 24, companies are categorized by the size of their total giving budgets. Median grantmaking calculations are taken based on the sample size noted by giving budget. Companies that responded to the survey questions on total giving, contributions FTEs, matching gifts, and number of grants disbursed are included in this chart.

Figure 24 shows that companies with the largest giving budgets (over $100 million) stand out as having unique parameters for staffing and workload. The following five total giving categories then show a steady reduction in the number of contributions FTEs and no steady correlation in the other three factors represented in the right three columns.

INDUSTRY DIFFERENCES

The median numbers of contributions FTEs for each industry in 2011 are:

Industry	Median FTEs
Energy (n=6)	18
Financials (n=48)	9
Consumer Discretionary (n=27)	8
Health Care (n=24)	8
Utilities (n=17)	8
Consumer Staples (n=15)	7
Industrials (n=27)	5
Information Technology (n=17)	5
Materials (n=11)	3

**Telecommunications Services companies are excluded due to small sample size.*

Some of these differences may also be attributed to the types of giving provided by each industry and the resources necessary for management.

Note that within the Health Care sector, the medians are as follows:

- Pharmaceuticals (n=8) = 19 FTEs
- Non-Pharmaceuticals (n=18) = 6 FTEs

FIGURE 24

Contributions Staffing and Workload, 2011, Medians

2011 TOTAL GIVING		Contributions FTEs	Grants per Contributions FTE	$ Disbursed per Contributions FTE	Grant Size
All Companies	N=128	8	64	$1.88 million	$29,663
Over $100 million	n=19	16	108	$13.19 million	$73,861
$50+ to $100 million	n=15	23	59	$2.22 million	$27,528
$25+ to $50 million	n=22	11	71	$3.05 million	$39,587
$15+ to $25 million	n=22	9	60	$1.87 million	$26,705
$5 to $15 million	n=33	5	71	$1.61 million	$19,794
Under $5 million	n=17	3	47	$0.73 million	$21,800

GRANTMAKING COSTS

In the CGS Survey, respondents reported management and program costs associated with giving in three categories:

- **Compensation:** Staff salaries and benefits for all contributions FTEs.
- **Programmatic expenses:** Funds used to support specific grants, such as office supplies, postage, travel, printing, and catering.
- **Operating expenses/overhead:** The cost of day-to-day operations for philanthropy at the company or foundation and not associated with specific grants. Examples include software fees, travel to industry conferences, contracting outside vendors, and membership fees like those for CECP.

As shown in Figure 25, median total management and program costs as a percentage of total giving for all companies in 2011 was 6.6%.

HIGHER GIVING, LOWER COSTS

As also shown in Figure 25, companies with larger giving budgets tend to have lower management and program costs. One reason is that companies with larger giving budgets typically provide larger grants (*see page 35*), some of which may be multi-year. As such, the costs tend to be more evenly disbursed over several years, in contrast to the costs associated with giving out smaller grants. In addition, companies with larger budgets often have superior grant-management software, reducing the amount of staff time needed for reporting and analysis.

COSTS HAVE FALLEN

When philanthropy budgets face reductions, corporate giving professionals often try to lower operating costs in order not to curtail the grants themselves. In a three-year matched set, median management and program costs as a percentage of total giving have fallen by 0.8% (N=29):

- 8.3% = 2009
- 8.7% = 2010
- 7.5% = 2011

IMPACT OF MATCHING GIFTS

In 2010, CECP analyzed matching-gift ratios relative to management and program costs.

It appeared based on last year's analysis that companies that dedicate large portions of their cash contributions to matching gifts appear to have a higher ratio of management and program costs relative to total giving. Matching-gift programs require substantial investments in grant-management technology, employee communications, and staff to manage these programs.

However, the same analysis in 2011 does not show a steady correlation among these two factors. This may indicate that costs vary regardless of portions to matching gifts due to the different technology and vendor solutions available. Therefore, management and program costs cannot be predicted based on one programmatic element such as matching gifts.

FIGURE 25

Management and Program Costs as a Percentage of Total Giving, 2011, Medians

2011 TOTAL GIVING		Management Costs as a % of Total Giving (medians)
All Companies	N=68	6.6%
Over $100 million	n=12	2.9%
$50+ to $100 million	n=8	6.7%
$25+ to $50 million	n=10	3.9%
$15+ to $25 million	n=11	8.7%
$5 to $15 million	n=15	7.6%
Under $5 million	n=12	9.1%

FIGURE 26

Management and Program Costs as a Percentage of Total Giving Relative to Matching Gifts as a Percentage of Cash Giving, 2011, Medians

2011 MATCHING GIFTS AS A % OF CASH GIVING		Management Costs as a % of Total Giving (medians)
All Companies	N=64	6.0%
20% or more	n=18	4.9%
12%+ to 20%	n=13	10.9%
5% to 12%	n=19	5.4%
Less than 5%	n=14	11.7%

TOOLS FOR BENCHMARKING

USING THIS REPORT

Giving in Numbers is a powerful reference tool that equips corporate giving professionals with accurate contextual data and methods for assessing the scope and scale of their philanthropic programs.

This section of the report includes:

- Instructions for Benchmarking
- A Year-Over-Year Giving Template
- Benchmarking Tables

THE BENEFITS OF BENCHMARKING

Benchmarking corporate contributions enables giving professionals to do the following:

- Present the company's historical contributions in preparation for budget discussions.
- Contextualize corporate contributions within broader industry and peer group trends to identify alignment and differences.
- Highlight opportunities for new corporate community investment programs or policies.
- "Make the business case" for increased levels or types of funding support.

OPPORTUNITIES TO USE BENCHMARKING

Benchmarking can be used year-round, but companies tend to benchmark prior to:

- Foundation or corporate leadership meetings
- Strategy or senior leadership meetings
- Meetings with a newly appointed CEO

GETTING STARTED WITH BENCHMARKING

STEP 1. Gather and Record Your Company's Year-Over-Year Data

The template on page 39 is intended to help the reader create a high-level snapshot of year-over-year corporate contributions. The template does not have to be complete to be informative, as different sections of the report correspond to different sections of the template.

STEP 2. Identify Internal Trends

Many insights can be gleaned by simply looking at which elements of giving rose or fell year-over-year. For example:

- **Revenue, Pre-Tax Profit, and Employees:** *By how much will recent changes in profit affect your philanthropy budget?* Lines 1-3 capture your company's financial performance and employee workforce. Depending on how philanthropy budgets are crafted at your company, a rise or fall in these figures can affect contributions this year or in future years.
- **Total Giving:** *Are some types of giving on the rise while others are steady or declining?* Lines 4-7 of the template show the types of giving that are increasing or decreasing at your company. This level of detail is useful because each giving type carries with it a distinct degree of flexibility; there are no limitations on how direct cash can be contributed, while foundation cash is subject to self-dealing IRS regulations and non-cash gifts require logistical coordination.
- **International Giving:** *Is giving abroad rising as your company expands globally?* Many companies direct a portion of their philanthropy toward international end-recipients. Even those who do not typically direct money abroad may do so when a natural disaster strikes overseas. In broad strokes, lines 24-28 show where giving originates as well as the geographical location of its end-recipients.

STEP 3. Build Comparisons from the Benchmarking Tables

The four benchmarking tables on pages 6 and 7 display commonly analyzed metrics of corporate giving. The tables are sorted by industry, pre-tax profit range, revenue range, and the number of employees. In these tables, **2011** revenue, pre-tax profit, and employee figures are used in all calculations. Medians are calculated on a column-by-column basis for each row; therefore, the data in each row are not necessarily from the same company.

Using your year-over-year giving profile as a reference, select a benchmarking table and identify the row that best describes your company in 2011. Reading across that row will provide key 2011 metrics for companies of similar size or industry. Moving from one table to the next, you will generate multiple values for the same metric based on the different categorizations of your company.

Multiple values for these data points should not be seen as contradictory; rather, multiple values are useful in determining an applicable range of data. Ultimately, using a data range is a more practical approach to setting a multi-year corporate contributions strategy than linking giving to one definitive benchmark.

Key Questions to Answer:

- **Total Giving** (Line 7):

  Is the total dollar value of your company's giving above or below the median values you have generated from each table?

  Is there an opportunity to make the case for a budget increase?
- **Giving Metrics** (Lines 9-13):

  How does your company's ratio on each of these metrics compare to the median across all companies?

  Within your industry?

  Within companies of similar size and scale?

STEP 4. Benchmark with the Other Findings in this Report

More Key Questions:

- **Total Giving** (Lines 4-7):

  Where does your company's change in giving from 2010 to 2011 locate it within the larger distribution of companies? See Figure 1.

  What type of giving at your company changed the most and how does that relate to other companies that increased or decreased giving? See Figure 4.
- **Program Area Giving** (Lines 14-23):

  How is your company's allocation across program areas similar to or different from the allocations in your industry? See Figure 8.

  Do your company's allocations sync with its corporate culture?
- **Motivations for Giving** (Lines 29-32):

  Is your company's giving becoming more or less reactive over time?

  How does your company's mix of giving motivations compare with others in your industry?
  See Figure 11.

  How has the changing economy affected the mix of giving motivations at your company?

YEAR-OVER-YEAR GIVING TEMPLATE

Member companies that participate in the Corporate Giving Standard Survey will have free access to an online report pre-populated with this data. The report is entitled "My Company – Numbers Snapshot" in the CGS system. Other companies can use the following template to create a high-level snapshot of their year-over-year philanthropic contributions. Download this form as a free Excel template from CECP: CorporatePhilanthropy.org/measurement/tools/assess-your-program.html.

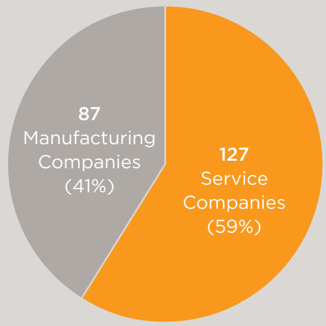
	CORPORATE FINANCIAL INFORMATION	2010	2011	Change
1	Revenue	$	$	%
2	Pre-Tax Profit	$	$	%
3	Number of Employees	#	#	%
	TOTAL GIVING			
4	Direct Cash	$	$	%
5	Foundation Cash	$	$	%
6	Non-Cash	$	$	%
7	TOTAL	$	$	%
	MATCHING EMPLOYEE GIVING			
8	Matching Contributions	$	$	%
	GIVING METRICS			
9	Total Giving ÷ Revenue	%	%	%
10	Total Giving ÷ Pre-Tax Profit	%	%	%
11	Total Cash ÷ Pre-Tax Profit	%	%	%
12	Matching Gifts ÷ Total Cash Giving	%	%	%
13	Total Giving per Employee	$	$	%
	CONTRIBUTIONS BY PROGRAM AREA			
14	Civic & Public Affairs	$	$	%
15	Community & Economic Development	$	$	%
16	Culture & Arts	$	$	%
17	Disaster Relief	$	$	%
18	Education: Higher	$	$	%
19	Education: K-12	$	$	%
20	Environment	$	$	%
21	Health & Social Services	$	$	%
22	Other	$	$	%
23	TOTAL	$	$	%
	GIVING BY GEOGRAPHY			
24	Domestic to Domestic	$	$	%
25	Domestic to International	$	$	%
26	International to Domestic	$	$	%
27	International to International	$	$	%
28	TOTAL	$	$	%
	GIVING BY MOTIVATION			
29	Charitable	$	$	%
30	Community Investment/Strategic	$	$	%
31	Commercial	$	$	%
32	TOTAL	$	$	%

APPENDICES

2011 SURVEY RESPONDENT PROFILE

TOTAL GIVING

TOTAL GIVING	Number of Companies
Over $100 million	34
$50+ to $100 million	23
$25+ to $50 million	37
$15+ to $25 million	38
$10+ to $15 million	20
$5 to $10 million	27
Under $5 million	34
Incomplete Data	1



INDUSTRY

INDUSTRY	Number of Companies
Consumer Discretionary	31
Consumer Staples	16
Energy	7
Financials	52
Health Care	26
Industrials	28
Information Technology	21
Materials	11
Telecommunications Services	4
Utilities	18

Giving: Total giving per company ranged from under $700,000 to over $3.0 billion. Median total giving in the 2011 CGS Survey sample was $21.02 million.

Classification: Of the 214 survey respondents, there were more Service companies than Manufacturing companies, due in part to the large number of participating Financial companies.

Industry: CECP uses the ten sectors from the Global Industry Classification Standard (GICS), developed by Morgan Stanley Capital International and Standard & Poor's, to classify companies in distinct industry groups. To be included in an industry-specific figure, an industry must be represented by at least six company responses. Throughout the report, industries with fewer than six company responses were not separated out in their own category.

PRE-TAX PROFIT

PRE-TAX PROFIT	Number of Companies
Over $10 billion	25
$5+ to $10 billion	26
$3+ to $5 billion	29
$2+ to $3 billion	22
$1+ to $2 billion	35
$0 to $1 billion	50
Under $0	11
Not Reported	16

REVENUE

REVENUE	Number of Companies
Over $100 billion	13
$50+ to $100 billion	29
$25+ to $50 billion	39
$15+ to $25 billion	30
$10+ to $15 billion	35
$5+ to $10 billion	35
Under $5 billion	27
Not Reported	6

NUMBER OF EMPLOYEES

NUMBER OF EMPLOYEES	Number of Companies
Over 100,000	46
50,001 to 100,000	36
30,001 to 50,000	28
20,001 to 30,000	31
10,000 to 20,000	36
Under 10,000	35
Not Reported	2

Pre-Tax Profit: 2011 pre-tax profit ranged from losses to profit of more than $73.26 billion. Privately held companies were not required to submit pre-tax profit data. The median pre-tax profit among participants (including those reporting a loss) was $2.18 billion.

Revenue: 2011 revenue for survey participants ranged from over $1 billion to over $467 billion. Privately held companies were not required to submit revenue data. The median revenue among participants was $16.64 billion.

Employees: The total number of employees at participating companies ranged from under 100 to 2.10 million. The median number of employees in the 2011 CGS sample was 32,700.

DATA SNAPSHOT: PHARMACEUTICALS INDUSTRY

BENCHMARKING TABLE EXCERPT

	Median Total Giving (in millions)	Median Total Giving as a % of Revenue	Median Total Giving as a % of Pre-Tax Profit	Median Total Cash Giving as a % of Pre-Tax Profit	Median Matching Gifts as a % of Total Cash Giving	Median Total Giving per Employee
All Health Care Companies N=26	$28,110,500	0.26%	1.32%	0.59%	11.84%	$851
Health Care: Pharmaceuticals N=8	$680,110,500	2.06%	9.13%	0.85%	12.32%	$11,196
Health Care: Non-Pharmaceuticals N=18	$18,584,488	0.05%	0.76%	0.54%	10.89%	$576

Total Giving by Funding Type (Average Percentages)

	# of Companies	Direct Cash	Foundation Cash	Non-Cash
All Companies	213	46%	35%	19%
Health Care: Pharmaceuticals	8	8%	3%	89%
Health Care: Non-Pharmaceuticals	18	43%	28%	29%

See page 16.

Breakdown of Total Non-Cash Giving (Average Percentages)

	# of Companies	% Product Donations	% Pro Bono Service	% Other Non-Cash
All Companies	104	71%	11%	18%
Health Care: Pharmaceuticals	7	100%	0%	0%
Health Care: Non-Pharmaceuticals	12	69%	14%	18%

See page 28.

Total Giving by Motivation (Average Percentages)

	# of Companies	% Charitable	% Community Investment	% Commercial
All Companies	156	49%	47%	4%
Health Care: Pharmaceuticals	7	38%	61%	1%
Health Care: Non-Pharmaceuticals	13	52%	48%	0%

See page 20.

Total Giving by Budget Source (Average Percentages)

	# of Companies	% Corporate Community Affairs	% Corporate Foundation	% All Other Groups
All Companies	175	42%	34%	24%
Health Care: Pharmaceuticals	8	41%	4%	55%
Health Care: Non-Pharmaceuticals	14	33%	32%	35%

See page 34.

Several analyses in *Giving in Numbers* categorize companies into one of ten sectors comprising the S&P Global Industry Classification Standard (GICS). Each of these ten sectors is subdivided into industry groups. Each industry group is then subdivided into multiple industries.

The Health Care sector includes the following industries: Pharmaceuticals, Biotechnology, Health Care Providers and Services, and Health Care Equipment and Supplies.

Twenty-six companies in the Health Care sector responded to the CGS Survey. These included eight Pharmaceuticals and eighteen Non-Pharmaceuticals. See "Respondent Listing by Industry" on pages 43-44 for a listing of companies in each industry.

Within the Health Care sector, Pharmaceuticals traditionally have the largest non-cash giving budgets by a substantial margin. Given the effect this trend has on the data, these tables allow Pharmaceuticals and Non-Pharmaceuticals to benchmark against their peers in the larger Health Care sector with more accuracy.

Due to small sample sizes, data could not be provided for every industry breakdown presented throughout the body of the report. Only survey questions with a sufficient number of Pharmaceutical respondents are shown.

RESPONDENT LISTING BY INDUSTRY

2009 to 2011 matched-set companies are in **boldface**, the top 100 companies from the FORTUNE 500 are indicated with a †, and The Conference Board's Contributions Council members are indicated with an *. The number following each company's name indicates the number of years that company has completed the CGS Survey.

CONSUMER DISCRETIONARY (n=31)

AEG (1)
Anheuser-Busch InBev (1)
Apollo Group, Inc. (1)
Best Buy Co., Inc.† (6)
Carlson (10)
Darden Restaurants, Inc.* (2)
DIRECTV (5)
Gap Inc. (9)
Hasbro, Inc. (11)
Honda North America (1)
J.C. Penney Company, Inc. (6)
JM Family Enterprises, Inc. (2)
Johnson Controls, Inc.† (3)
Limited Brands, Inc. (3)
Macy's, Inc. (6)
Marriott International, Inc. (1)
Mattel, Inc.* (8)
Newell Rubbermaid Inc. (2)
Ogilvy & Mather (6)
Pearson plc (7)
Southwest Airlines Co. (1)
Starbucks Coffee Company* (2)
Target†* (10)
The Home Depot, Inc.† (10)
The McGraw-Hill Companies (10)
The Walt Disney Company† (7)
Time Warner Inc.* (11)
Toyota Motor North America, Inc.* (10)
Toys"R"Us, Inc. (7)
Wyndham Worldwide Corporation (1)
Yum! Brands, Inc.* (1)

CONSUMER STAPLES (n=16)

Altria Group, Inc.* (10)
Campbell Soup Company (4)
Cargill* (7)
Colgate-Palmolive Company (7)
ConAgra Foods, Inc. (6)
CVS Caremark Corporation† (8)
General Mills, Inc.* (7)
Kimberly-Clark Corporation (6)
Kraft Foods†* (5)
McCormick & Company, Incorporated (2)
PepsiCo†* (7)
Philip Morris International† (4)
The Coca-Cola Company†* (10)
The Hershey Company (8)
The Procter & Gamble Company†* (3)
Wal-Mart Stores, Inc.†* (8)

ENERGY (n=7)

Chesapeake Energy Corporation (2)
Chevron Corporation†* (11)
CITGO Petroleum Corporation (2)
ConocoPhillips† (6)
Exxon Mobil Corporation†* (6)
Hess Corporation† (5)
Shell Oil Company (9)

FINANCIALS (n=52)

Allstate Insurance Company†* (7)
American Express†* (7)
Ameriprise Financial, Inc.* (1)
AXA Equitable (4)
Banco Bilbao Vizcaya Argentaria, S.A. (4)
Bank of America Corporation†* (11)
Barclays (2)
Bloomberg (3)
BNY Mellon (7)
Bonds Group of Companies (1)
Capital One Financial Corporation* (4)
Citigroup Inc.†* (9)
Citizens Financial Group, Inc. (6)
Deloitte Touche Tohmatsu Limited* (11)
Fannie Mae†* (6)
First Data Corporation (3)
Genworth Financial, Inc.* (7)
HSBC Bank USA, N.A.* (8)
ING Americas (5)
JPMorgan Chase & Co.† (11)
KeyCorp* (1)
KPMG LLP* (9)
Legg Mason, Inc. (5)
Lincoln Financial Group* (1)
Macquarie Group (1)
Marsh & McLennan Companies, Inc. (2)
Massachusetts Mutual Life Insurance Company (4)
MetLife, Inc.†* (8)
Moody's Corporation* (7)
Morgan Stanley† (10)
New York Life Insurance Company†* (4)
Northwestern Mutual (2)
NYSE Euronext (7)
Popular, Inc. (3)
PricewaterhouseCoopers LLP* (2)
Principal Financial Group (6)
Prudential Financial, Inc.†* (8)
Royal Bank of Canada (2)
State Farm Mutual Automobile Insurance Company†* (8)
State Street Corporation (5)
T. Rowe Price Group, Inc. (2)
The Goldman Sachs Group, Inc.† (9)
The Guardian Life Insurance Company of America (3)
The Hartford (5)
The PNC Financial Services Group, Inc. (7)
The Travelers Companies, Inc. (6)
TIAA-CREF† (1)
U.S. Bancorp (1)
UBS* (5)
Wells Fargo & Company†* (10)

FINANCIALS continued

Weyerhaeuser Company (1)
Zurich Insurance Group (4)

HEALTH CARE – NON-PHARMACEUTICALS (n=18)

Aetna Inc.† (10)
Agilent Technologies, Inc. (8)
Amgen Inc. (2)
BD* (6)
Boston Scientific Corporation (1)
Cardinal Health, Inc.† (5)
CIGNA* (3)
DaVita Inc. (3)
Express Scripts, Inc.† (3)
HCA Inc.†* (7)
Humana Inc.†* (3)
Kaiser Permanente* (1)
McKesson Corporation† (8)
Medco Health Solutions, Inc.† (1)
Medtronic, Inc. (3)
Quest Diagnostics Incorporated (3)
UnitedHealth Group†* (6)
WellPoint, Inc.† (7)

HEALTH CARE – PHARMACEUTICALS (n=8)

Abbott Laboratories†* (6)
Bristol-Myers Squibb Company (11)
Eli Lilly and Company (11)
GlaxoSmithKline plc* (10)
Johnson & Johnson†* (9)
Merck†* (8)
Pfizer Inc.†* (9)
Sanofi* (4)

INDUSTRIALS (n=28)

3M* (8)
Caterpillar Inc.†* (4)
Corning Incorporated* (1)
Crane Co. (8)
CSX Corporation (3)
Cummins Inc. (1)
Eaton Corporation (3)
Emerson Electric Co.* (7)
FedEx Corporation†* (4)
General Electric Company† (10)
Honeywell International Inc.† (1)
Illinois Tool Works Inc. (5)
John Deere†* (2)
Lockheed Martin Corporation†* (5)
Masco Corporation (2)
Meritor, Inc. (6)
Mitsubishi International Corporation (8)
Northrop Grumman Corporation (5)
Pitney Bowes Inc.* (5)
Raytheon Company* (2)
Rockwell Automation, Inc.* (1)
Rockwell Collins, Inc. (2)
Ryder System, Inc. (3)
The Boeing Company†* (5)
Union Pacific Corporation (2)
United Technologies Corporation† (9)
Waste Management, Inc. (1)
Xylem (1)

INFORMATION TECHNOLOGY (n=21)

Adobe Systems Incorporated (5)
Applied Materials, Inc. (3)
BMC Software (8)
Cisco Systems†* (11)
Dell Inc.†* (6)
eBay Inc. (2)
EMC Corporation (2)
Google Inc.† (2)
IBM Corporation†* (11)
Intel Corporation†* (5)
MasterCard Worldwide (7)
Microsoft Corporation†* (5)
Motorola Mobility Holdings, Inc.* (1)
Qualcomm Incorporated (6)
Sabre Holdings (3)
salesforce.com (7)
Samsung Electronics America, Inc. (2)
Symantec Corporation (3)
Texas Instruments Incorporated (4)
The Western Union Company* (6)
Xerox Corporation* (7)

MATERIALS (n=11)

Alcoa Inc.* (7)
ArcelorMittal (1)
Ashland Inc. (3)
DuPont†* (5)
FMC Corporation (3)
MeadWestvaco Corporation* (1)
Mosaic Company (3)
Owens Corning (1)
The Dow Chemical Company†* (8)
Vale (1)
Vulcan Materials Company (2)

TELECOMMUNICATIONS SERVICES (n=4)

AT&T Inc.†* (1)
Sprint Nextel Corporation† (7)
Verizon Communications Inc.†* (9)
Vodafone Group Plc (2)

UTILITIES (n=18)

American Electric Power Company, Inc.* (2)
Arizona Public Service Company (1)
CMS Energy Corporation* (1)
Consolidated Edison, Inc.* (11)
Constellation Energy Group, Inc. (8)
Dominion Resources, Inc.* (2)
Duke Energy Corporation (7)
Entergy Corporation* (7)
Exelon Corporation (5)
Indianapolis Power & Light Company (1)
PG&E Corporation* (7)
Progress Energy, Inc. (7)
Public Service Enterprise Group Incorporated* (4)
Sempra Energy (6)
Southern California Edison (7)
Southern Company* (1)
TECO Energy, Inc. (3)
Xcel Energy Inc. (3)

THREE-YEAR MATCHED-SET PROFILE

In order to illustrate the year-over-year trends, CECP employed a three-year matched set of 144 companies for many of the analyses in this report. These companies are shown in boldface in the respondent listing on pages 43-44. Each of the 144 companies provided 2009, 2010, and 2011 giving data. Fifty-five of the top 100 companies in the FORTUNE 500 were included in this three-year set. The combined total giving for all 144 companies in 2011 was $15.72 billion and the median was $24.40 million.

INDUSTRY	Number of Companies
Consumer Discretionary	17
Consumer Staples	15
Energy	5
Financials	36
Health Care	22
Industrials	16
Information Technology	15
Materials	6
Telecommunications Services	2
Utilities	10

TOTAL GIVING	Number of Companies
Over $100 million	27
$50+ to $100 million	16
$25+ to $50 million	28
$15+ to $25 million	25
$10+ to $15 million	14
$5 to $10 million	14
Under $5 million	20

CALCULATIONS

SAMPLE SIZE MATTERS

Throughout the report, the convention **"N=" or "n"** indicates the number of companies used in each calculation. "N" references the total sample size for that analysis, whereas "n" denotes a segment of the total sample size. The number will vary from one figure or data point to the next because respondents do not necessarily answer every question in the survey. This happens when a company either does not participate in the type of philanthropy in question (for example, if a company does not have an employee-volunteer program) or when the company does not have the data needed to respond.

In order to analyze specific trends from one year to the next, CECP relies on **matched-set data**, which is the data from companies that participate in CGS Surveys over multiple consecutive years. The sample sizes for figures based on matched sets are always lower than the total number of companies responding in 2011 because companies completing the survey for the first time in 2011 cannot be used to identify year-over-year trends.

In some cases, identifying specific trends requires the exclusion of certain data, resulting in different outcomes for the same data point. For example, median total giving across all companies in 2011 was $21.04 million (based on 213 surveys), while the same data point across the three-year matched set was $24.40 million (based on 144 surveys). For this reason, it is helpful to note which years (and how many surveys) are included in the computations behind each figure.

Data for "all companies" are shown in several figures throughout the report, along with an industry breakdown. While some underrepresented industries are excluded from the specific breakdowns (such as Energy, Telecommunications Services, and Materials), the companies within these industries are included in the "all companies" aggregate. This causes the sample sizes for the breakdown to sum to a lower number than the sample size for the "all companies" aggregate.

CALCULATION TERMINOLOGY

Aggregate Values

An aggregate value is the straight sum of all of the values in a calculation. For example, aggregate total giving is the sum of the total giving of all companies participating in the survey. In the 2011 CGS Survey, this amounted to over $19.9 billion.

Average Percentage

An average percentage is used in place of an aggregate percentage to preserve the relative proportions of giving for each company. To calculate average percentage, each individual company's giving is first translated into percentages. Then, percentages across all companies are averaged.

Distributions

Figures 1, 2, and 3 in this report show companies grouped into categories based on how much their pre-tax profit or total giving changed from one year to the next. To sort companies into these categories most accurately, CECP calculates percentage changes to six decimal points. It is extremely rare that a company falls exactly on the threshold between one category and the next. In instances when this does occur, CECP conservatively lists the company in the lower range.

Median

When a group of numbers is sorted from highest to lowest, the median value is the number in the middle of the list. If the list has an even number of entries, the median is the average of the middle two figures. Medians are used in CGS calculations because they are less sensitive to extreme values than averages, which can be skewed by very high or very low values.

WHAT'S IN, WHAT'S OUT?

Only giving to 501(c)(3) organizations or the international equivalent is recorded in the Corporate Giving Standard (CGS) Survey. The company or corporate foundation can have no expectation of repayment. Contributions to public schools are included. Giving to Patient Assistance Programs (PAPs) by pharmaceutical companies and Public Service Announcements (PSAs) by media companies are also included. Giving to political action committees, individuals, or any other non-501(c)(3) entity should not be included.

In the CGS Survey, total giving does not include contributions from employees, vendors, or customers. While many companies solicit funds from customers or employees *(see page 31)*, total giving includes only funds tied directly to a company's financial assets. For multi-year grants, only the portion of the grant actually paid in the fiscal year examined in the survey is included, not its total, multi-year value.

Total Giving

CECP defines total giving as the sum of three types of giving:

- **Direct Cash:** Corporate giving from either headquarters or regional offices.
- **Foundation Cash:** Corporate foundation giving, which often includes the corporate side of employee-matching gifts.
- **Non-Cash:** Product or pro bono services assessed at Fair Market Value.

Total giving does not include management and program costs or the value of volunteer hours.

Download a Free CGS Valuation Guide:
CorporatePhilanthropy.org/surveyguide.

FAIR MARKET VALUE (FMV)

The CGS Survey values non-cash gifts, also known as in-kind or product donations, at Fair Market Value. IRS publication 561 defines Fair Market Value as "the price that property would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller, with neither being required to act, and both having reasonable knowledge of the relevant facts." If the direct customer for the product is a wholesaler, FMV is the price at which the item was sold to the wholesaler (as FMV is based upon the next point of sale). Refer to the CGS Valuation Guide for further detail on special circumstances affecting Fair Market Valuations.

FISCAL YEAR

The CGS Survey asks companies to report revenues, pre-tax profits, employees, and total contributions on a fiscal year basis (end date for 12 months of data). For most companies, this is 12/31/2011 or the end of the income tax reporting year if not following calendar year convention. If the corporate or foundation giving year ends before the end of the calendar year, the earlier date is used. If the last day of the corporate giving year is different from the last day of the foundation giving year, the latter date of the two is used.

FORTUNE 100 (F100)

Compiled and published by *Fortune* Magazine, the FORTUNE 500 is an annual ranking of the top 500 American public corporations as measured by gross revenue. In this report, CECP frequently refers to the top 100 companies from the FORTUNE 500.

FULL-TIME EQUIVALENT (FTE) STAFF

CECP defines contributions FTE staff as those who contribute, through oversight or direct involvement, to at least one of the following initiatives or programs:

- Corporate or foundation giving (including workplace giving campaigns, matching, and in-kind giving).
- Employee volunteering.
- Community or nonprofit relationships.
- Community and economic development.
- Communications, media relations, sponsorships, administration, or public relations focused on community affairs, contributions, or volunteering.
- Sponsorships related to corporate giving.
- Administration related to community affairs, contributions, and volunteering.

To be counted, a contributions FTE must spend at least 20% of his or her time working directly in Corporate Community Affairs or a similarly named department; working for the corporate foundation(s); or working in a branch office, retail store, local or regional business unit, or other non-headquarter/non-foundation location but having "corporate giving" or "volunteer coordination" included in his or her job definition.

A staff member spending a fraction of his or her time in such a capacity is recorded as the decimal equivalent of that fraction. For example, someone who spends 50% of his or her working time on corporate giving is 0.5 of a contributions FTE.

INTERNATIONAL GIVING

In the CGS Survey, CECP seeks to better understand how total giving is distributed among domestic and international recipients.

Geography of End-Recipient: "Domestic" refers to the company's headquarter country and "international" refers to anywhere outside of the company's headquarter country. "Geography" refers to the location of the end-recipient and not the location of the nonprofit.

Regional breakdowns: The regions are categorized based on the United Nations Statistics Division Codes:

- **Asia and the Pacific:** Asia – includes all countries in Eastern Asia, Central Asia, South-Eastern Asia, Southern Asia (with the exception of Iran) and also includes five countries from Western Asia (Armenia, Azerbaijan, Cyprus, Georgia, and Turkey). Oceania – includes Australia, New Zealand, Melanesia, Micronesia, and Polynesia.
- **Europe:** Includes all countries in Eastern Europe, Northern Europe, Southern Europe, and Western Europe.
- **Latin America and the Caribbean:** Includes all countries in the Caribbean, Central America and Mexico, and South America.
- **Middle East and Africa:** Africa – includes all countries in Eastern Africa, Middle Africa, Northern Africa, Southern Africa, and Western Africa. Western Asia – includes all countries in Western Asia with the exception of Armenia, Azerbaijan, Cyprus, Georgia, and Turkey. Southern Asia – includes just Iran.
- **North America:** Includes the United States, Bermuda, Canada, Greenland, Saint Pierre, and Miquelon.

Developing World: Based on the guidelines provided by the Organization for Economic Co-Operation and Development (OECD), developing countries include (http://www.oecd.org/dataoecd/9/50/48858205.pdf):

- **Asia:** Afghanistan, Armenia, Azerbaijan, Bangladesh, Bhutan, Cambodia, China, Georgia, India, Indonesia, Iran, Iraq, Jordan, Kazakhstan, Korea -Dem. Rep., Kyrgyzstan, Laos, Lebanon, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, Syria, Tajikistan, Thailand, Timor-Leste, Turkey, Turkmenistan, Uzbekistan, Vietnam, West Bank and Gaza, Yemen.
- **Oceania:** Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, Wallis, and Futuna.
- **Europe:** Albania, Belarus, Former Yugoslav Republic of Macedonia, Moldova, Ukraine, Montenegro, Serbia, and Turkey.
- **Latin America and the Caribbean:** Anguilla, Antigua and Barbuda, Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Montserrat, Nicaragua, Panama, Paraguay, Peru, St. Kitts-Nevis, St. Lucia, St. Vincent and Grenadines, Suriname, Uruguay, and Venezuela.
- **Africa:** All countries.

MOTIVATIONS

To determine which motivation label suits a grant, ask: "What was the primary anticipated outcome?" Each category is simply a way of categorizing grantmaking intent so that a company may determine whether its giving goals are being met.

Charitable: Reactive or input-driven giving. A company expects little or no business benefit in return for its giving, except perhaps acknowledgement that the business is responsive and cares about its community. The money is not aligned with a particular giving objective, the results of the giving are rarely tracked, and frequently this giving is distributed to a local group. In Charitable giving, the company is not seeking to play any kind of advisory or management role; once the gift is delivered, the transaction is over. Short-term, one-off grants typically fall into this category.

Community Investment: Proactive and primarily outcome-driven giving in which a corporation makes gifts that are simultaneously important to the long-term success of the business and serve a critical community need. Establishing a meaningful, long-term relationship with nonprofit partners that have mission statements in line with a company's philanthropic priority areas distinguishes Community Investment from Charitable giving. Often the company seeks to measure the outcome or positive result achieved and also likes to participate in the design and execution of the initiative or program. Multi-year grants are typically Community Investment.

Commercial: Philanthropy in which benefit to the corporation is the primary reason for giving; the good it does the cause or community is secondary. The goal may be to entertain a client or donate to a cause that is important to a key vendor or customer. Unless initiated by a client, this giving is typically proactive on the company's part and justified by a clear tie to business success. Cause marketing falls into this category.

PHILANTHROPIC LEVERAGE

For some companies, part of their philanthropic effort involves raising funds from employees, customers, suppliers, and/or vendors. These funds are not included in total giving; only contributions that tie directly to a corporation's financials are included in total giving. These fundraising amounts are reported in a separate question, however, to allow for benchmarking. To include the funds in this survey question, the funds must be raised from formal campaigns meeting the following criteria:

- **Corporate Commitment:** These campaigns must be company-sponsored, organized by a professional giving officer, and run nationally (at least). Campaigns that occur only in particular offices, regions, or stores are not included.
- **Nonprofit Beneficiaries:** Recipient organizations of the funds raised must be 501(c)(3) organizations or the international equivalent.
- **What to Exclude:** Any contribution provided by the company. All corporate contributions to 501(c)(3) organizations or the international equivalent are included in total giving.

PRO BONO SERVICE

Pro bono service is a type of employee engagement that falls within skills-based service. However, unlike any other type of employee engagement, pro bono service is recorded in the CECP survey as a non-cash or in-kind contribution. The criteria below, all of which must be met, distinguish pro bono service from other paid-release employee time:

- **Commitment:** The company must make a formal commitment to the recipient nonprofit organization for the final work product. The company is responsible for granting the service, staffing the project, and ensuring its timely completion and overall quality. Projects that occur informally as a result of an employee's personal interest and availability are not included.
- **Professional Services:** Pro bono donations are professional services for which the recipient nonprofit would otherwise have to pay. Employees staffed on the project must use <u>the same skills</u> that constitute the core of their official job descriptions. Projects that use only some of an employee's basic job knowledge are not included in pro bono.
- **Indirect Services:** Pro bono services must be indirect, meaning that the corporation must provide the service through a 501(c)(3) organization or international equivalent.

Additional examples of pro bono service and guidance on valuing pro bono service hours at Fair Market Value can be found in the CGS Valuation Guide.

PROGRAM AREAS

CECP counsels respondents to help them categorize their contributions' ultimate end-recipients, rather than the general organization type. For additional guidance on what is included in each of these categories, please refer to the CGS Valuation Guide.

Civic and Public Affairs: Includes contributions to justice and law, state or local government agencies, regional clubs and fraternal orders, and grants to public policy research organizations (such as the American Enterprise Institute and The Brookings Institution).

Community and Economic Development: Includes contributions to community development (e.g., aid to minority businesses and economic development councils), housing and urban renewal, and grants to neighborhood or community-based groups.

Culture and Arts: Includes contributions to museums, arts funds or councils, theaters, halls of fame, cultural centers, dance groups, music groups, heritage foundations, and non-academic libraries.

Disaster Relief: Contributions that support preparedness or relief, recovery, and/or rebuilding efforts in the wake of a natural or civil disaster or other emergency hardship situation.

Education, Higher: Includes contributions to higher educational institutions (including departmental, special projects, and research grants); education-related organizations (e.g., associations for professors and administrators, literacy organizations, and economic education organizations); and scholarship and fellowship funds for higher education students through intermediary organizations and other education centers, foundations, organizations, and partnerships.

Education, K-12: Includes contributions to K-12 institutions (including departmental, special projects, and research grants); education-related organizations (e.g., associations for teachers and administrators, literacy organizations, and economic education organizations); and scholarship and fellowship funds for K-12 students through intermediary organizations and other education centers, foundations, organizations, and partnerships.

Environment: Includes contributions to environmental and ecological groups or causes including parks, conservancies, zoos, and aquariums.

Health and Social Services: Includes contributions to United Way and other workplace giving campaigns and grants to local and national health and human services agencies (e.g., Red Cross, American Cancer Society); hospitals; agencies for youth (excluding K-12 education); senior citizens; and any other health and human services agencies, including those concerned with safety, family planning, and drug abuse.

Other: Contributions that do not fall into any of the main beneficiary categories or for which the recipient is unknown.

ABOUT THE CORPORATE GIVING STANDARD

The Corporate Giving Standard is unsurpassed as corporate philanthropy's most comprehensive measurement initiative. No other industry tool offers immediate, on-demand reporting and benchmarking while preserving the anonymity of each company's giving data.

WHAT MAKES THE CGS UNIQUE?

The Corporate Giving Standard (CGS) is a peer benchmarking tool for corporate giving professionals. Through an annual survey, analysts collect and report data on numerous aspects of corporate giving programs. Launched in 2001, the CGS now accounts for more than $100 billion in corporate giving data.

ACTIONABLE DATA

The data in the CGS is self-reported by the corporate respondents. Analysts take great care to ensure that survey questions and results are interpreted consistently across companies. In addition to providing respondents with training sessions, documentation, and one-on-one support, analysts review each survey to ensure accurate reporting. The result is a reliable data repository that serves as a solid foundation for strategy development and program evaluation.

DEPTH OF RESEARCH

The CGS is unrivaled in its granularity and its targeted, robust participation. This detailed corporate survey embraces the full scope and scale of leading companies' community involvement.

PUBLIC REPORTS

Understanding the impact of the significant flow of resources from the private sector to areas of social need requires an assessment of what precisely companies have contributed. Toward that end, the annual *Giving in Numbers* report is offered as a free resource containing the most comprehensive and up-to-date analyses of trends in corporate giving. Readers are encouraged to review the survey and valuation guide, also available as free downloads, and to contact the authors with any questions or comments about the findings in this and past editions of the report. During the year, webinars on corporate giving trends provide an opportunity for further discussion around the findings.

CUSTOM ANALYSIS

The Corporate Giving Standard reporting website provides 24/7 access to 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, which are particularly valuable in planning giving strategies and presenting the business case for corporate philanthropy to senior management.

The CGS data can be calculated in myriad ways, producing more than forty reporting options with the click of a button. A list of available CGS reports can be previewed online at CorporatePhilanthropy.org/cgs.

ONE-ON-ONE SUPPORT

Giving professionals can work with analysts to contextualize year-over-year changes within broader trends in corporate giving, as well as prepare for senior leadership or board meetings by designing custom presentations and reports tailored to feature a company's contributions in the context of industry and peer-company trends.

JOIN US!

Interested companies are invited to join this landmark campaign. To schedule an online demonstration of the Corporate Giving Standard, contact:

Committee Encouraging Corporate Philanthropy
info@CorporatePhilanthropy.org
212.825.1000

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Committee Encouraging Corporate Philanthropy
110 Wall Street, Suite 2-1
New York, NY 10005
P 212.825.1000
F 212.825.1251
CorporatePhilanthropy.org
info@corporatephilanthropy.org
@CECPtweets