



## INSIGHTS FOR STRATEGIC CORPORATE FUNDRAISING:

Further findings from the Canada Survey of Business Contributions to Community

Steven Ayer



## About Imagine Canada

Imagine Canada is a national charitable organization whose cause is Canada's charities and nonprofits. We reinforce the sector's collective voice, act as a forum and meeting place and create an environment in which organizations contribute to building stronger communities.

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ISBN 978-1-55401-362-3

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## Acknowledgements

We would like to thank the Encana Corporation for their continued support for our research. We are grateful to them for their generous contributions, including the excellent advice and feedback that many of members of their staff extended to us as we studied corporate community investment.

We are also indebted to the members of our Advisory Committee for the extensive insights they have provided at every stage of the project. All of our research has been greatly enhanced by their input. Past and present members of our committee have included:

Laurel Benson, Volunteer Calgary; Mary Ann Blackman, formerly at Encana Corporation; Jocelyne Daw, formerly at Imagine Canada; Patricia Etris, Encana Corporation; Daniel Gagnier, formerly at Alcan Incorporated; Brenda Gainer, Schulich School of Business, York University; Tyra Hencshel, formerly of Alberta's Promise; Colleen Kelly, Vantage Point; Susan McIsaac, United Way of Greater Toronto; Mike Meadows, Imagine Canada; Florence Murphy, formerly of Encana Corporation; Brad Offman, Mackenzie Financial; Vicki Reid, at Cenovus Energy; Darcy Rezac, Vancouver Board of Trade; Mario Siciliano, formerly at Volunteer Calgary; Georgina Steinsky-Schwartz, formerly of Imagine Canada; and David Stewart-Patterson, formerly at the Canadian Council of Chief Executives.

Finally, we would like to express our sincere gratitude to the many Canadian businesses that contributed their valuable time to participate in our survey!

## Foreword

This report, intended for charities and nonprofits to help them understand the importance of industry sectors in corporate community investment, is the third in a series of research reports from a multi-year research project that began in 2006. This research has been generously supported by the Encana Corporation.

We began this research program by conducting a series of roundtable consultations with 47 representatives of Canadian businesses who were involved with their community contribution activities. The results of our initial research, which were reported in *Business Contributions to Canadian Communities* (Hall, Easwaramoorthy, & Sandler, 2007), showed that businesses were involved in a variety of efforts to support charities and nonprofit organizations and that many, but not all, were attempting to develop strategies to align their contributions with their business objectives.

This report makes use of data from the Canada Survey of Business Contributions to Community (CSBCC), a ground-breaking study conducted in early 2008 that provides the first-ever comprehensive portrait of business charitable contributions in Canada. The survey is the largest of its kind to represent the broad philanthropic behaviour of the business community in Canada and to provide this information at a national level. The first wave of the survey interviewed 2,181 businesses and weighted them so that they were representative of all businesses with at least \$100,000 in annual revenues operating in Canada.<sup>1</sup> These businesses were weighted to be representative by size, industry, and region.

Findings from the CSBCC were previously published in the report “Corporate Community Investment Practices, Motivations, and Challenges: Findings from the Canada Survey of Business Contributions to Community” (Hall, Ayer, Zarinpoush, & Lasby, 2008). It contrasted the community investment practices of large corporations with more than \$25 million in annual revenue to those of the broader business community. It demonstrated that Canada’s largest corporations are leading the way in business contributions and that many large businesses contribute in a variety of ways to support charitable and nonprofit organizations (CNPOs) in Canada.

This report details the survey findings, profiles the community contributions of business in 10 different industry sectors, and demonstrates to both CNPOs and corporations how to think about community investment activities as value-adding activities throughout a firm.

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<sup>1</sup> For simplicity's sake, throughout this report, our sample will just be referred to as businesses rather than businesses with more than \$100,000 in revenue.

Beyond this research project, Imagine Canada (formerly the Canadian Centre for Philanthropy) has been championing the need for Canadian businesses to support charities since 1988 when it established its “Caring Company” program. This program encourages businesses to commit to giving a minimum of 1% of their pre-tax profit to communities, to support at least one community investment project, and to annually publish at least one page of information on their corporate citizenship activities.

## Executive Summary

This report focuses on examining the differences in support across industry sectors and highlights how understanding these differences can help charities and nonprofits get support from more corporations as well as deepen their relationships with the corporations that already support them. Using 2007 and 2008 data collected from a representative sample of 1,500 businesses with more than \$100,000 in annual revenue for the Canada Survey of Business Contributions to Communities, this report shows that while the majority of businesses in all industry sectors in Canada donated cash to charities and nonprofit organizations (CNPOs), some sectors also typically donated goods and services and supported their employees' donating and volunteering in the community, and some used marketing and relationships with customers and suppliers to support CNPOs.

We start by looking at what types of CNPOs are most likely to receive support from corporations. Although Canadian businesses support many types of organizations, the CNPOs that receive the bulk of that support are health organizations, social service organizations, and hospitals.

We then examine business contributions by industry sector, dividing corporate support into four categories: donations, employees, marketing, and the supply chain. Donations comprises contributions of cash, goods, and services; employees comprises employee volunteering initiatives and support for employee donations; marketing comprises sponsorships and cause marketing initiatives; and the supply chain includes purchasing goods and services from CNPOs and raising money from customers and suppliers.

In the **donations** section, we found that the majority (76%) of businesses in every industry sector donated cash to CNPOs. Those in the finance and insurance sector were most likely to do so, although the rate of contributing cash remained high in almost every sector. Transportation and professional services companies were slightly less likely to donate cash than were other businesses.

Goods and products were also typically donated, with more than half (51%) of businesses donating either goods or products to CNPOs. These types of contributions were particularly common from retail trade companies, wholesale trade companies, and manufacturers. While the majority of goods contributed were products or promotional merchandise, many businesses also donated equipment. Numerous businesses were innovative with this type of donation; for example, construction companies and companies in the primary sector, which do

no typically produce products that are sought after as donations, often contributed equipment. Still others donated extra media or advertising space to help CNPOs promote themselves and their mission.

Donations of services are also very important to CNPOs and were reported by 43% of businesses. This type of contribution was most likely to come from the professional services sector. Professional services companies, as well as finance and insurance companies, were noted both for donating services at a high rate and for providing a broad array of services, including public relations, marketing or market research help, graphics and media production, and strategic planning advice. Manufacturing companies often leveraged their abilities in marketing and graphic and media production to help CNPOs market themselves. Businesses in many different industry sectors provide services that are unique to their abilities, and deft CNPOs can capitalize on this to great advantage.

Many businesses (43%) encouraged or supported their **employees'** volunteering in the community. This type of support ranges from allowing flexible scheduling to providing paid and unpaid time off to volunteer. Support for employee volunteering was particularly common in the finance and insurance sector and much less common in the primary, manufacturing, and retail trade sectors. Beyond just allowing employees the time to volunteer, some businesses, particularly in the finance and insurance, wholesale trade, and professional services sectors, went further and supported their employees initiatives by matching employee contributions.

Looking at **marketing**-related community initiatives, both sponsorships and cause marketing were not used as frequently as other types of contributions (with only 14% and 8% of all businesses providing these types of support, respectively). Finance and insurance and manufacturing companies were more likely to engage in both types of support, while real estate companies were most likely to provide sponsorships. The type of sponsorship support varied depending on the industry sector. Some sectors (for example, construction companies) typically only provided cash sponsorships while others were more likely to sponsor in goods, or services, or a combination thereof.

Businesses that sell goods and/or services typically rely on other businesses to provide them with supplies and to transport goods or services to the customer (the "**supply chain**"). A small but significant percentage of businesses (22%) raised money from their customers and suppliers. This was particularly common in the retail trade and finance and insurance sectors. This can be an effective and inexpensive way for charities to work with businesses to get more funds. In some cases,

businesses have the option of purchasing goods or services from nonprofits instead of businesses; 14% of businesses, particularly those in the wholesale trade industry, did so.

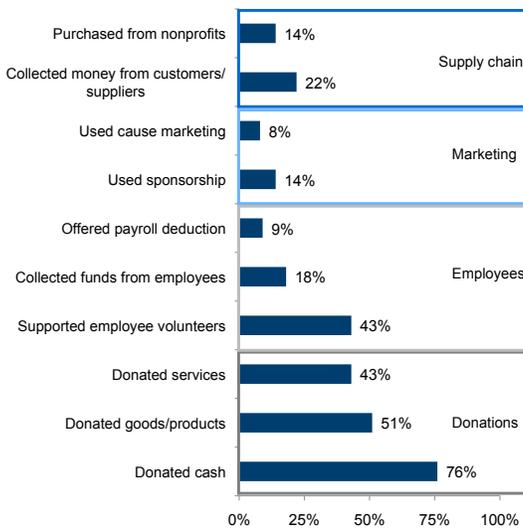
Ultimately, this report highlights how different industry sectors tend to contribute in ways that are often related to the goods or services typically sold in that sector. Overall, finance and insurance, retail trade, manufacturing, and professional services companies provide the highest rates of support for charities and nonprofits. However, businesses in many other industry sectors provide certain types of support at much higher rates. One of the greatest values of this report is the level of detail it provides on specific activities in each category of contributions. This information can be used by CNPOs to tailor their corporate fundraising to the sectors that are most likely to be responsive to their specific needs.

# Introduction

Canadian corporations are generous supporters of Canada’s charitable and nonprofit organizations (CNPOs). They provide billions of dollars in cash (Hall et al., 2005), as well as donations of goods and services, support for employee volunteering in the community, and sponsorships (Hall et al., 2008). Despite this, many CNPOs report challenges in working with corporations, ranging from finding corporations willing to support them to understanding what corporations expect from CNPO partners (Hall et al., 2003). This report outlines the contributions made by Canadian corporations and details how businesses in different industry sectors support charities in different ways. Our findings can help CNPOs understand what types of corporations are likely to support them, what types of support businesses typically give, and how working with partners in different industries can provide opportunities for different types of support.

Business support for CNPOs is divided into four categories for the purposes of this report: donations, employees, marketing, and the supply chain. The report provides detailed industry sector information on the levels of support in each of these categories.

Figure 1 : Rates of support by corporations to charities and nonprofits, by category.



Although the majority of businesses donated cash (76%), about half also contributed goods (51%) and services (43%; see Figure 1). Similarly, a large percentage of businesses supported employee volunteering (43%), while a smaller number raised money from employees (18%) or allowed employees to support charities through payroll deductions (9%). A relatively small proportion of businesses supported charities directly through marketing initiatives like sponsorships (14%) and cause marketing (8%).<sup>2</sup> Finally, many corporations (22%) also looked to both their customers and their suppliers as sources of support (referred to as the “supply chain” in this report), while a smaller number purchased goods or services directly from nonprofits (14%). One of the most important details that can be gleaned from Figure 1 is the wide array of support that many businesses can and do provide to CNPOs beyond basic contributions of cash. This support includes actively raising money for charities

<sup>2</sup> Cause marketing can be defined as supporting a cause in partnership with a charity or nonprofit organization in exchange for financial benefits. For example, The Gap sells specific t-shirts under the Red Product program, and a portion of the profit from each sale goes to The Global Fund to Fight AIDS, Tuberculosis & Malaria.

and otherwise making use of the reach of the business to create an impact for CNPOs.

## Value of support to various types of charities and nonprofits, by contribution method

Of the approximately \$25 million contributed to CNPOs in our sample, the organizations that received the most money were health organizations (excluding hospitals), social services organizations, and hospitals (see Figure 2). While the majority of this report focuses on contributions by the businesses themselves, CNPOs should understand that corporate community investment is particularly concentrated in specific types of CNPOs, which means that other charities and nonprofits may have more difficulty receiving funds.

Beyond absolute levels, there are some striking differences in the composition of support given to various types of organizations. Perhaps most notably, hospitals received the majority of their contributions directly in cash, while health organizations (excluding hospitals) received less than half of their total contributions in this way. Overall, the four types of organizations that received the most contributions in this study were health organizations (excluding hospitals), social service organizations, hospitals, and sports and recreation organizations. CNPOs working in these sectors might benefit from considering the value of contributions to their particular sector when deciding how many resources to spend on soliciting funds or other support from corporations versus other funders.

## Industry sectors studied in this report

As we will highlight throughout this report, knowing the industry sector that a business works in can help CNPOs understand which businesses are more likely to donate cash, goods, services, or to engage in cause marketing and sponsorships. An “industry sector,” as used in this report, can be thought of as a set of businesses that have broadly related business activities. An “industry,” on the other hand, refers to a far more specific set of business

Figure 2: Total value of amount contributed to various types of charitable and nonprofit organizations.

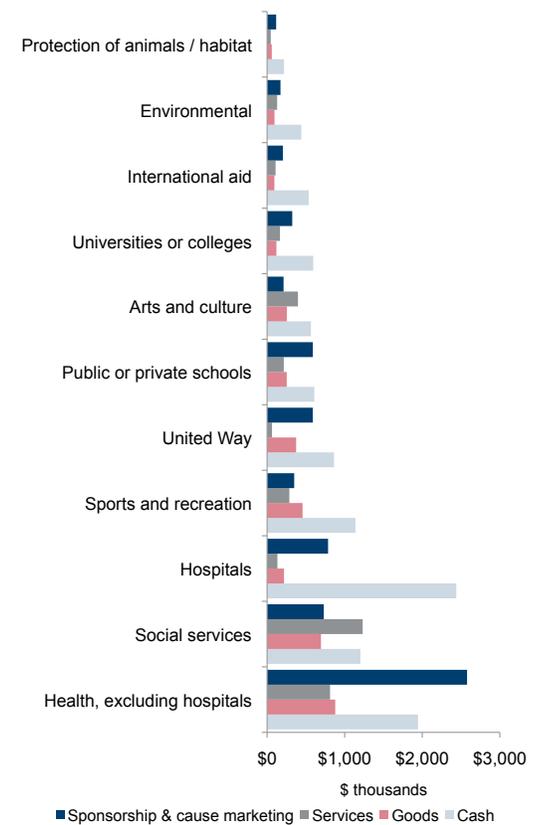


Table 1: Industry sectors represented, total number in the country, and composition of current sample.

SECTOR	EXAMPLES OF WHAT INDUSTRIES COMPRISE EACH INDUSTRY SECTOR	# IN THE COUNTRY	% OF SAMPLE
<b>GOODS-PRODUCING SECTORS</b>			
Primary	Forest and logging; Fishing, hunting and trapping; Agriculture	197,830	9%
Mining, Oil and Gas	Mining, quarrying, and oil and gas extraction	17,263	1%
Construction	Residential building construction; Industrial building construction; Utility system construction; Electrical contractors; Drywall and insulation contractors	266,885	12%
Manufacturing	Food manufacturing; Beverage and tobacco; Product manufacturing; Glass and glass product manufacturing; Textile mills; Petroleum and coal product manufacturing; Machinery manufacturing	96,688	4%
<b>SERVICE-PRODUCING SECTORS</b>			
Wholesale Trade	Food, beverage and tobacco wholesalers; Personal and household goods wholesalers; Machinery and equipment wholesalers	117,343	5%
Retail Trade	Electronics and appliance stores; Food and beverage stores; Clothing stores; Online stores; Vending machines	215,150	9%
Transportation and Warehousing	Air transportation; Rail transportation; Pipeline transportation; Sightseeing transportation; Port and harbour operations; Couriers; General warehousing; Refrigerated warehousing	125,224	5%
Finance and Insurance	Securities brokers; Commodities exchanges; Mortgage brokers; Banking; Credit unions; Credit cards; Life insurance carriers; Insurance brokers	110,561	5%
Real Estate and Leasing	Real estate agents; Real estate property managers; Automotive equipment leasing; Consumer goods rental; Videotape and disc rental; Construction equipment rental	192,537	8%
Professional Services	Legal services; Accounting services; Architects; Advertising agencies; Management consultants; Investment funds	494,536	21%
Other <sup>3</sup>	Includes Utilities, Management of companies and enterprises, Administrative and support, Waste management and remediation services, Educational services, Health care and social assistance, Arts, entertainment and recreation, Accommodation and food services, Public administration, Information and cultural industries.	477,320	21%

<http://www.statcan.gc.ca/subjects-sujets/standard-norme/naics-scian/2002/naics-scian021-eng.htm> Statistics Canada, Canadian Business Patterns (December 2006)

activities. To illustrate, an industry sector could refer to the entire “mining, oil, and gas” sector, whereas an example of a specific industry within this sector could be the “silver mining” industry.

Table 1 provides details on the industry sectors we studied for this report and their prevalence in the country. It is worth reviewing to get a strong grasp of what many of the sectors we discuss actually comprise. Further, fundraisers should realize that some of the industry sectors we discuss are quite large, such as the professional services sector, which comprises 21% of all

<sup>3</sup> Please note: Throughout this analysis, the “Other” category has not been discussed in any detail, even though it comprises a substantial portion of the sample. Many of the businesses in the “Other” category have very little to do with each other, operationally speaking, and the category provides little interpretive value.

businesses in the country, and other are quite small, such as the mining, oil, and gas sector, which comprises only 1% of all businesses. Even though a specific sector may support charities and nonprofits at a higher rate, it is also important to understand how many businesses are in that sector.

To help define industry sectors, we relied on the North American Industry Classification System (NAICS) to sort businesses into 20 different sectors, 5 of which are classified as goods-producing and 15 of which are classified as service-producing ([http://www.ic.gc.ca/eic/site/cis-sic.nsf/eng/h\\_00008.html](http://www.ic.gc.ca/eic/site/cis-sic.nsf/eng/h_00008.html)). Only 10 of the largest industry sectors are discussed, including 4 goods producing sectors and 6 service-producing sectors (see Table 1). CNPOs that want to decide which industry sectors are best to target and that need more information than is presented here may want to refer to the Industry Canada link above, which provides detailed statistical profiles of each of the 10 sectors discussed in this report.

## Why businesses support charities

Across industry sectors, the motives for supporting charities are relatively consistent (see Table 2), with most businesses citing a desire to create strong relationships with the community, build healthy communities that are, in turn, good for business, or support causes that are consistent with their company's own traditions and values. These motives tend to be important regardless of the sector a business operates in, with even sectors that sell goods directly to consumers, emphasizing these values over reputational and marketing factors. Table 2 organizes the motives that businesses in each sector gave for contributing to CNPOs, sorted by the percentage of businesses in each sector that strongly agreed with each motivation.

Overall, the number one motive, with 50% of respondents strongly agreeing that it was an important reason for supporting charities, was “it helps build a strong and healthy community, which is good for business” (“healthy communities” in the table). This motive was one of the top two of seven statements for all industry sectors represented. “It fits your company

Table 2: Importance of various motives in supporting charities and nonprofits, by sector.

		Good-Producing Sectors				Service-Producing Sectors					
		Primary	Mining, Oil & Gas	Construction	Manufacturing	Wholesale Trade	Retail Trade	Finance & Insurance	Real Estate & Lease	Prof. Services	Transport & Ware.
Most Important	1st	Relations w/ community	Healthy community	Healthy community	Traditions and values	Healthy community	Healthy community	Traditions & values	Healthy community	Traditions and values	Healthy community
	2nd	Healthy community	Relations w/ community	Good thing	Healthy community	Good thing	Traditions and values	Healthy community	Relations w/ community	Healthy community	Traditions and values
	3rd	Good thing	Traditions and values	Relations w/ community	Relations w/ community	Traditions and values	Relations w/ community	Relations w/ community	Good thing	Good thing	Good thing
	4th	Traditions and values	Good thing	Traditions and values	Good thing	Relations w/ community	Good thing	Good thing	Traditions and values	Relations w/ community	Relations w/ community
	5th	Reputation	Relations w/ customers	Reputation	Reputation	Relations w/ customers	Reputation	Reputation	Reputation	Reputation	Reputation
	6th	Relations w/ customers	Reputation	Relations w/ customers	Relations w/ customers	Reputation	Relations w/ customers				
	Least Important	7th	Recruitment and retention								

traditions and values” (“traditions and values”) was also an important motivator (48% of respondents agreed strongly) and was the most important reason for contributing for those involved with finance and insurance, manufacturing, and professional services. “It is good for your company’s relationship with the community” (“relationship w/ community”) was also an important reason for many businesses to contribute (46% strongly agreed it was important), although only companies in the primary sector named it as their most important motivator.

It is also noteworthy that there is a general consensus among businesses that it is important to make corporate contributions because “it is a good thing to do, irrespective of the financial returns to your company” (“good thing”). A convincing 45% of respondents strongly agreed that this was an important reason to donate. Some of the less important motives were relationships with customers, reputation, and recruitment and retention of paid staff, though these statements are more commonly embraced by larger companies, as explored in Hall et al. (2008).

## Donations

With cash donations from corporations estimated at almost \$3 billion in 2003 (Hall et al, 2005), it is clear why contributions of this sort are important for charities and nonprofits. However, many businesses also donate goods and services that can greatly add to the capacity of organizations and better help them fulfill their missions. This section emphasizes that while most businesses donate cash, many, especially in certain industry sectors, also donate goods and services.

### CASH

Overall, 76% of businesses donated cash to charities and nonprofits. Donating cash is most common in the finance and insurance sector (90% of finance and insurance businesses donated in this way). The least common industry sectors to donate cash were professional services firms and transportation and warehousing firms (73%).

**Table 3:** Percentage of businesses donating goods or products, types of goods or products donated, and likelihood of donating by industry.

	% OF BUSINESSES	MOST LIKELY INDUSTRIES	LEAST LIKELY INDUSTRIES
Donating goods or products	51%	Retail trade (77%); Wholesale trade (62%); Manufacturing (60%)	Professional services (38%); Mining, oil, and gas (32%)
<b>OF THE 51% DONATING GOODS OR PRODUCTS, THE FOLLOWING PERCENTAGE OF BUSINESSES DONATED THESE GOODS OR PRODUCTS:</b>			
Company products	65%	Retail trade (89%); Wholesale trade (82%)	Finance and insurance (49%); Mining, oil, and gas (46%)
Promotional merchandise	54%	Finance and insurance (77%)	Professional services (40%); Primary (38%)
Equipment	30%	Construction (38%); Primary (38%); Finance and insurance (37%)	Manufacturing (16%)
Media or advertising space or time	28%	Finance and insurance (40%)	Professional services (21%); Construction (19%); Primary (17%)
Office space	8%	Finance and insurance (17%)	Retail trade (3%); Primary (1%)
Motor vehicles	7%	Transportation and warehousing (20%)	No significant differences
Accommodation	7%	No significant differences	No significant differences
Travel	5%	Transportation and warehousing (16%)	No significant differences
Land	2%	Primary (12%)	No significant differences

Note: The types of products donated do not add up to 100% because businesses can donate more than one type of good. As an example, of the 51% of companies donating goods, 65% of those donated company products. In the tables, the term "no significant difference" indicates that there were no statistically significant difference between the percentage of businesses in certain industry sectors exhibiting a particular behaviour and those in other industry sectors.

Other than the finance and insurance sector, which donated cash at a substantially higher rate than other sectors, there was little variation in the cash giving rate by sector.

## **GOODS**

Unlike cash donations, which are broadly given regardless of the industry sector, just over half (51%) of businesses donated goods, and there are considerable variations in rates of contributing depending on industry sector (see Table 3). Perhaps somewhat surprisingly, the companies that were most likely to donate goods were those that act as intermediaries between the manufacturers and the final consumer, such as retail trade (77%) or wholesale trade (62%) companies, rather than the manufacturers themselves (60%). Professional services companies and mining, oil, and gas companies each donated at considerably lower rates.

There is a broad array of types of goods that businesses can donate, and charities should have a good sense of what they are looking for before approaching businesses for contributions. For example, of the businesses that donated goods, the majority indicated that they donated company products (65%) while more than half (54%) reported that they donated promotional merchandise (such as products with their company's logo on it). Donating promotional merchandise is particularly common in the finance and insurance sector (77%). Many companies also donated equipment (30%) and media or advertising space (28%), which can either help charities directly with their mission or help them promote their mission better.

To maximize the potential impact of contributions, it is also important for businesses and charities to consider some of the less commonly donated goods and the industries that provide them. For example, equipment donations are quite common among construction companies and companies in primary industry (38% of each), which could be particularly useful for charities in development and housing or doing conservation work. Likewise, contributions of extra office space (8%) can be important to small charities that may be able to better

use the money they would otherwise pay for rent to more effectively deliver their services.

## Services

It is also common for many businesses to donate services (43%), particularly in the professional services sector; companies in this sector donated critical advice and technical expertise to charities. Of the professional services companies that donated to charities, many provided public relations, marketing / or market research help (29%), IT advice (20%), and strategic planning advice (34%; see Table 4).

It is very common for companies in most of the service-producing sectors to donate services to CNPOs, while it

**Table 4:** Percentage of businesses donating services, types of services donated, and likelihood on donating services by industry.

	% OF BUSINESSES	MOST LIKELY INDUSTRIES	LEAST LIKELY INDUSTRIES
Donated Services	43%	Professional services (49%)	Mining, oil, and gas (25%)
<b>OF THE 43% DONATING SERVICES, SOME COMMONLY DONATED SERVICES WERE THE FOLLOWING:</b>			
Administrative help	32%	Finance and insurance (47%)	Retail trade (23%); Construction (19%)
Public relations or marketing or market research help	26%	Finance and insurance (33%); Manufacturing (30%); Professional services (29%); Real estate and leasing (29%)	Construction (8%)
Strategic planning or management advice	25%	Professional services (34%); Finance and insurance (34%)	Manufacturing (18%)
Graphics and media production	21%	Manufacturing (30%); Professional services (25%); Finance and insurance (22%);	Construction (6%); Transportation and warehousing (5%)
Financial advice	18%	Finance and insurance (41%); Real estate and leasing (24%); Professional services (23%)	Retail trade (4%)
Staff training	17%	No significant differences	No significant differences
IT advice	13%	Mining, oil, and gas (22%); Professional services (20%); Manufacturing (16%)	Construction (2%); Real estate and leasing (3%); Retail trade (4%)
Loaned executives	12%	Finance and insurance (22%); Professional services (18%)	Manufacturing (7%); Retail trade (6%); Real estate and leasing (4%)
Legal advice	7%	Professional services (18%)	No significant differences

Note: The types of services donated do not add up to 100% because businesses can donate more than one type of service. As an example, of the 43% of companies donating services, 32% of those donated administrative help. In the tables, the term "no significant difference" indicates that there were no statistically significant difference between the percentage of businesses in certain industry sectors performing a particular behaviour and those in other industry sectors. Basic tests of proportions ( $p < .05$ ) were used to test the significant of the differences.

seems to be slightly more difficult for companies in goods-producing sectors to do so. For example, manufacturing companies rarely provide strategic planning advice (18%), and retail trade, real estate and leasing, and manufacturing companies rarely provide loaned executives (all 7% or less). Charities looking for ways to get assistance from companies in these industries might consider asking for these types of assistance.

## Employees

Employee volunteering is important for CNPOs both for the direct contribution of time it provides and because

**Table 5:** Percentage of businesses supporting employee related activities and likelihood of support by industry sector.

	% OF BUSINESSES	MOST LIKELY INDUSTRIES	LEAST LIKELY INDUSTRIES
Had company events or programs which raised money from your employees for charity	18%	Finance and insurance (34%)	Professional services (18%); Real estate and leasing (16); Transportation and warehousing (14%); Construction (10%); Primary (8%)
Match contributions that employees make to charity	10%	Finance and insurance (19%); Wholesale trade (13%); Professional services (12%)	Manufacturing (8%); Real estate and leasing (8%); Transportation and warehousing (4%); Construction (3%)
Allow donations through payroll deductions	9%	Finance and insurance (16%)	Wholesale trade (5%); Construction (1%)
Supported employee volunteering	43%	Finance and insurance (58%)	Manufacturing (37%); Retail trade (37%); Primary (29%)
<b>OF THE 43% SUPPORTING EMPLOYEE VOLUNTEERING, SOME COMMON METHODS OF SUPPORTING EMPLOYEE VOLUNTEER INCLUDED:</b>			
Employees can adjust schedules to volunteer	68%	No significant differences	No significant differences
Allow employees access to company facilities while volunteering	62%	No significant differences	No significant differences
Allow employees to take time off without pay to volunteer	51%	No significant differences	No significant differences
Provide financial donations to the organization that employees volunteer with	46%	Finance and insurance (64%)	Primary (38%); Professional services (41%)
Allow employees to take time off with pay to volunteer	43%	Finance and insurance (65%); Professional services (49%)	Real estate and leasing (40%); Construction (30%); Transportation and warehousing (28%); Retail trade (23%)
Have a company-sponsored volunteer event where employees volunteer for a cause selected by the company	26%	Finance and insurance (37%)	Primary (12%)

Note: The types of support for employee volunteering do not add up to 100% because businesses can support employee volunteering in more than one way. To illustrate, of the 43% of companies supporting employee volunteer, 68% allowed employees to adjust their work schedules to volunteer. The term “no significant difference” indicates that there were no statistically significant difference between the percentage of businesses in certain industry sectors exhibiting a particular behaviour and those in other industry sectors.

organizations that support employee volunteering also typically support other types of contributions to CNPOs. Overall, more than four in ten businesses (43%) supported their employees volunteering with charities and nonprofits, and more than half of those allowed employees to adjust their schedules to volunteer, provided access to company equipment facilities, and gave employees unpaid time off to volunteer (see Table 5). A high proportion (43%) also provided paid time off. Almost all employee volunteering initiatives outlined in this section were particularly common in the finance and insurance sector.

Beyond employee volunteering, CNPOs should be aware of the diverse other ways corporations can help encourage their employees to support causes, such as raising money from employees (18%, with 34% of those in the finance and insurance sector) or matching contributions that employees make to charities (10%; with 19% of finance and insurance companies). Further, a charity that has many volunteers from one business may want to consider that many corporations will donate to organizations that employees volunteer with (46% of those that support employee volunteering do this). Across the board with employee support, if a donor or volunteer works in the finance and insurance sector, it is likely their corporation will provide some other form of support to the charity in addition to the employees' time and/or donations.

## Marketing

Some charities and nonprofits may assume that many businesses provide support to CNPOs for “marketing reasons” but the data from this survey do not support this. In fact, only 8% of companies used cause marketing, and 14% sponsored CNPOs; the latter was most common among companies involved with real estate and leasing, finance and insurance, retail trade, and manufacturing (see Table 6). However, different types of businesses sponsor differently; those in goods-oriented sectors tended to provide sponsorships in the form of goods or a combination of goods and cash, whereas those in service-producing sectors were more likely to provide sponsorships in the form of a

**Table 6:** Percentage of businesses using various marketing-oriented community investment tactics, and likelihood of using marketing-oriented support by industry.

FORM OF SPONSORSHIP	% OF BUSINESSES	MOST LIKELY INDUSTRIES	LEAST LIKELY INDUSTRIES
Used cause marketing	8%	Finance and insurance (14%); Manufacturing (9%)	Mining, oil, and gas (5%); Professional services (4%); Construction (3%)
Made sponsorships	14%	Real estate and leasing (21%); Finance and insurance (19%); Retail trade (18%); Manufacturing (17%)	Primary (5%)
<b>OF THE 14% MAKING SPONSORSHIPS, BUSINESSES INDICATED THEY MADE SPONSORSHIPS USING THE FOLLOWING:</b>			
Money	82%	Construction (100%); Finance and insurance (95%)	Real Estate and leasing (77%); Wholesale trade (75%); Manufacturing (65%)
Good/ Products	42%	Wholesale trade (60%), Manufacturing (52%); Retail trade (51%); Professional services (48%)	Construction (15%)
Services	31%	Professional services (45%); Transportation and warehousing (43%)	Wholesale trade (19%)

Note: The methods of making sponsorships do not add up to 100% because businesses can sponsor in more than one way. For example, a business could provide a sponsorship in the form of both money and services or provide one sponsorship in money and another in services.

combination of cash and/or services. Ultimately, while many businesses provide these forms of support, charities may be surprised at how many are willing to directly give cash, goods, or services instead of providing merely marketing-oriented support.

## Supply Chain

In their day-to-day purchasing activities, most businesses do not immediately think of nonprofit organizations; however, 14% of businesses reported purchasing products or services from CNPOs (see Table 7). The level of this support is lower than that of other types discussed in the report, which may indicate that many companies are not familiar with the opportunity to purchase goods or services from nonprofits. It might also suggest that there are few opportunities to do so, as most nonprofits do not offer goods and services for sale to businesses or that some businesses do not require the types of goods and/or services that nonprofits offer. Catering was the good or service most commonly purchased (31% of those purchasing from nonprofits purchased this service), and between 15-18% purchased technical assistance, courier, and employment or skills development services.

Table 7: Percentage of businesses conducting various supply chain related activities and likelihood of this type of support by industry sector.

	% OF BUSINESSES	MOST LIKELY INDUSTRIES	LEAST LIKELY INDUSTRIES
Raised money from customers or suppliers	22%	Retail trade (32%); Finance and insurance (28%); Manufacturers (22%)	Primary (11%)
Purchase from charities and nonprofits	14%	Wholesale trade (19%)	No significant differences
<b>OF THE 14% PURCHASING FROM CHARITIES AND NONPROFITS, BUSINESSES INDICATED THEY PURCHASED THE FOLLOWING PRODUCTS AND SERVICES:</b>			
Catering	31%	Finance and insurance (48%)	Construction (10%)
Technical assistance	18%	No significant differences	No significant differences
Courier	17%	No significant differences	No significant differences
Employment / skill development services	15%	No significant differences	No significant differences

Note: The types of goods and services purchased do not add up to 100% because this was not an exhaustive list of types of goods and services purchased.

Companies interested in purchasing from nonprofits or social enterprises should visit the website of the Social Purchasing Portal Community, which provides information on social purchasing in Calgary, the Fraser Valley, Ottawa, Toronto, Vancouver, the Waterloo region, and Winnipeg.

Many businesses went beyond just contributing their own resources and also raised money for charities from customers or suppliers (22%). This was most common in the retail trade (32%) and the finance and insurance sectors (28%). On the other hand, companies involved in the primary industry sector were much less likely to do this (11%). CNPOs that have strong relationships with a particular business may want to ask them to raise money from their customers and suppliers; this is a good way to increase a charity's reputation, strengthen its ties with the business, and get more funding.

## Conclusion

Although businesses predominantly give cash, regardless of the industry sector in which they operate, this report demonstrates that there are many opportunities for CNPOs to access many other resources by working with corporations. Donations of goods and services as well as support for employee volunteering are quite common, providing CNPOs with access to key expertise and resources. Working with businesses does not always have

to result in direct gifts from the business, and many businesses are willing to approach their customers, suppliers, and employees and find ways to leverage their support to give more.

This report examined four categories of contributions – donations, employees, marketing, and the supply chain. Companies in the finance and insurance sector were clearly the strongest supporters of CNPOs in almost every category. Retail trade companies also showed diverse support for CNPOs (although businesses in this sector still have an opportunity to contribute more by engaging employees through volunteer programs). Despite the robust levels of support from these two industry sectors, together they make up less than 15% of all businesses in the country, which suggests that CNPOs may not want to focus too many of their resources on such a narrow segment of businesses.

The best way for CNPOs to identify ways to get scarce resources is to look at their own specific needs and decide which industry sectors are best to target. For example, CNPOs that need goods may want to approach companies in the wholesale or retail trade sectors, both of which are most likely to donate goods and products. CNPOs should also consider the type of goods they need; for example, construction and primary companies were most likely to donate equipment.

In other cases, certain sectors give a lot, but only through certain methods. For example, professional services companies tended to support CNPOs through donations of services. Approached properly, donating services can be an extremely effective way to support CNPOs. Professional service firms often have skills in legal, finance, IT, marketing, management, and strategic planning that can be very useful for charities and tend to provide support by lending expertise in these areas. This sector is also particularly likely to support paid time off for employees to volunteer. CNPOs that develop strong relationships with businesses in the professional services sector will often benefit from more than one type of support, so many different areas can be worked on with one partner.

Examining the giving patterns of various sectors, one particularly important issue that becomes obvious is that goods-producing sectors, including companies in the primary sector, construction sector, and mining, oil, and gas sector all contribute in fewer ways than others. Many of these industries, which may produce goods that are somewhat indistinguishable, are primarily focused on lowering costs as a method of competition, not on targeting customers, making it sometimes difficult to see clear opportunities to support charities.

Ultimately, working with businesses is often about matching the resource needs of the charity or nonprofit with the excess requirements and skills of the business. Using an industry sector approach can be particularly useful for CNPOs that have a clear sense of what they need. This approach is also useful for thinking about ways existing business supporters may be able or willing to offer additional support to a CNPO. The data show that businesses are often willing to go to their stakeholders and raise funds and encourage them to support the community. This report suggests tools for fundraisers to be able to identify the specific industry sectors that are most likely to give different types of support that will most enable them to achieve their missions.

Table 8: Summary by industrial sector.

## GOODS-PRODUCING SECTORS

### PRIMARY



Companies in this sector were unlikely to use sponsorships (5% vs. 14% of all businesses), raise money from customers or suppliers (11% vs. 22% of businesses), or support employee volunteering (29% vs. 43% of all businesses). One area where these businesses did well is donating their equipment and land to charitable organizations. In many cases, it is considerably more difficult for a primary company to make contributions compared to companies that are more familiar to consumers or those that produce more refined goods or services.

### MINING, OIL, AND GAS



The mining, oil, and gas sector does not support CNPOs to the extent that some other industry sectors do. Perhaps unsurprisingly, it was comparatively uncommon for these companies to donate goods (32% vs. 51% of all businesses), donate services (25% vs. 43% of all businesses), or use cause marketing (5% vs. 8% of all businesses). The only type of support that mining, oil, and gas companies were more likely than other businesses to provide was donating information technology advice, although this was likely skewed by the lack of companies in this sector that donate services.

### CONSTRUCTION



Businesses in the construction sector do not seem to support CNPOs as frequently as companies in other sectors do. In particular, relatively few of these companies gave employees paid time off to volunteer (30%). Sponsorships from construction companies tended to be in the form of cash, which some charities may find easier and less time consuming to make use of than donations of goods or services. Construction companies also tended to support CNPOs by donating equipment.

### MANUFACTURING



Manufacturing companies tended to donate a variety of goods and products to CNPOs and regularly supported charities and nonprofits through sponsorships and cause marketing. These companies had high rates of donating goods (60% vs. 51% of all businesses) and of using sponsorships (17%) and cause marketing (9%). They often made sponsorships in the form of goods or as a mix of goods and cash. They also often used their expertise at marketing to help support CNPOs, which could become more important as more CNPOs attempt earn-income ventures. One area where manufacturing companies lagged slightly was support for employee volunteering (only 37% of manufacturing companies vs. 43% of all businesses).

## SERVICE-PRODUCING SECTORS

### WHOLESALE TRADE



Wholesale trade companies, which typically sell goods in large quantities, were very likely to donate goods (62%) and often provided sponsorships in the form of a combination of cash and goods. These companies were also more likely to purchase from nonprofits (19% vs. 14% of all businesses).

### RETAIL TRADE



Retail trade companies tended to give in a wider variety of ways than other industries. They often donated goods (77% vs. 51% of all businesses), asked their suppliers or clients to donate money (32% vs. 22% of businesses), and used sponsorships (18% vs. 14% of all businesses). One area where retail trade firms did less was support for employee volunteering (37% vs. 43% of all businesses).

### FINANCE AND INSURANCE



The finance and insurance sector is the sector that most broadly supported CNPOs in our sample. Finance and insurance companies very commonly donated cash (90%), were most likely to engage in sponsorships (19%) and cause marketing initiatives (14%), and supported employee volunteering (58%). These companies also provided a wide array of goods and services, including advice to charities and nonprofits on key areas such as strategic planning and marketing.

### REAL ESTATE AND LEASING



Real estate and leasing companies in our study often used their core abilities to support CNPOs. Those that donated services most often provided advice on public relations and marketing (29%). Real estate and leasing companies commonly used sponsorships to support CNPOs. Real estate and leasing companies could consider providing more advice to CNPOs that are making purchasing or rental decisions.

### PROFESSIONAL SERVICES



While professional service companies displayed relatively low rates of donating cash (77%) and goods (38% vs. 51% of all businesses), they often donated services to help nonprofit organizations (49% vs. 43% of all businesses). Those that provided this support contributed a broad array of essential advice to nonprofits, including planning, marketing, I.T., and legal advice, and loaned executives to CNPOs. Professional service firms were also particularly likely to give their staff paid time off to volunteer, so charities looking for highly skilled volunteers may want to look here. One area where professional service firms tended to do less of than others and that is potentially an area for more support, is donating to organizations for which employees volunteer.

### TRANSPORTATION AND WAREHOUSING



Transportation and warehousing companies provided important support to some charities, often contributing travel and motor vehicle support. Some larger charities in particular require the use of warehouses and storage facilities, particularly for large national events, and transportation and warehousing companies provided critical support in this regard. Reflecting this, transportation and warehousing companies often provided sponsorships partially in the form of services (43% of those doing sponsorships indicated they did this, compared to only 31% of all businesses).

## Appendix 1 - Methodology

Imagine Canada commissioned Ipsos Reid to conduct the data collection for the Canada Survey of Business Contributions to Community. It was conducted in the fall of 2007, primarily by telephone, although participants also had the option of responding online. The core study involved interviews with 2,181 businesses operating in Canada that had at least \$100,000 in annual revenues. The businesses were weighted to be representative of the total business population and had a final effective sample size of 1,500. The majority of businesses were privately held (91%), had a head office in Canada (93%), and operated in a single location (84%).

The following outlines the details of methodology including sample design, sample selection procedures, survey respondents, survey questionnaire, data collection, and data analysis.

**Sample Design:** The sample of this survey consisted of 2,181 for-profit companies across Canada. The population was all for-profit establishments operating in Canada that have annual sales of \$100,000 and more and at least one employee on their payroll.

The sample was stratified along three dimensions: six regions, ten types of industries, and three sizes of businesses.

The survey employed NAICS (North American Industry Classification System) for the classification and distribution of industries. Following Statistics Canada, Canadian Business Pattern (December 2006) and the report of "Business Support for Charities and Nonprofits (Easwaramoorthy et al., 2006), we selected ten industry categories for this survey, shown in Table 1.

Businesses with revenues of less than \$100,000 were removed from the sample following several failed attempts to capture an adequate number of participants. The unusual 7% response rate of these businesses and unwillingness to participate in such survey might be related to the limitations of this study. Although the sample represents a cross-section of all Canadian businesses, the survey was completed only by the

businesses that agreed to participate, and respondents were free to stop the survey at any point. Considering the level of detail that was required to answer some survey questions, it is possible that there may have been a self-selection bias towards surveying the businesses that, first, are contributors and, second, were able to provide all details.

**Sample Selection Procedures:** Ipsos Reid purchased a sample list of businesses in Canada from Dunn and Bradstreet. The survey consisted of a random sample of 1,500 businesses across Canada. The margin of error for a sample of this size is plus or minus 2.5 percentage points, nine and half times out of ten. While the sample was stratified along three dimensions – region, revenue size, and industry – some strata were over-sampled to ensure adequate numbers to allow for meaningful analysis.

**Survey Respondents:** The target respondent in each company was the individual or individuals responsible for the company's financial donations, donation of goods and services, employee volunteering, and sponsorship programs.

The majority of respondents were in a senior management position. More than half had a title of chief executive officer, president, or director (53%); 21% were the owner or co-owner of the business; and 9% were managers. One out of ten had a position in accounting (6%) or finance (4%), 4% were in human resources, and only 1% was in marketing departments.

**Survey questionnaire:** The questionnaire contained 47 questions and took approximately 25 minutes to complete over the telephone. It was also available as an online survey.

The questionnaire gathered information on such topics as the value of business contributions, the types of contributions made; the types of companies that were most likely to invest in communities, the types of nonprofit organizations that companies support through their community investment programs, the businesses' motivations for contributions, the perceived benefits of contribution, and the barriers to improving or initiating community contributions.

**Data Collection:** Ipsos Reid conducted interviews from August to November 2007. Although the survey was provided both through telephone and online, 98% of respondents completed it by phone and only 37 surveys were completed online.

To reach a qualified person to respond to this survey, a set of screener questions was developed. Ipsos Elite Interviewer telephoned a business and asked to speak to the person in the business most knowledgeable about its corporate giving. For respondents who confirmed that they were knowledgeable about the survey topic, the survey was conducted.

**Response Rate:** The effective response rate of this study was 17%. A total of 13,427 businesses were contacted during conducting the core survey and the memberships' survey, of which 2,265 completed the survey. A total of 2,181 were relevant to the current report, and were weighted to a representative sample of 1,500 businesses.

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