BUSINESS & COMMUNITY
Past, present and future

OBSERVATIONS & INSIGHTS
FROM IMAGINE CANADA

AFP Conference
December 2008
Today’s Agenda: Insights & Observations

• The evolution of business & community involvement - IC Research & Caring Company

• How business is engaging in community – Canada Survey of Business Contributions to Community

• What now and what does it mean for your work
OVERVIEW

IMAGINE CANADA

- National charitable leadership organization dedicated to building strong and sustainable charitable and nonprofit sector

Research and Knowledge

- Research that defines the sector and timely information and tools to build capacity

Public Policy and Regulatory

- Championing on behalf of Canada’s charities and nonprofits, providing Standards frameworks

Community Engagement

- Engaging other to support, understand and enhance the work of Canada’s charities and nonprofits.
Imagine Canada’s Unique Role

Caring Company Program

- 1% benchmark gold standard in business giving in Canada
- Program, 1988, 20 years of leadership in encouraging corporate community investment
- Act as a bridge between business and community organizations, encourage and recognize business-community partnerships
- Ground breaking research to support and encourage corporate citizenship – just released!
THE BIG PICTURE
Canada’s Charity and Nonprofit Community

11,500,000
870,000
161,000 organizations

56%
46%

Charities
Nonprofits
Citizen Groups
Volunteers

Imagine Canada
Scope of Nonprofit Community Work

- Dynamic growth – 40,000 in 1980, 86,000 in 2008
- Grown from social service organizations
- Multi-faceted
  - Environmental groups
  - Arts and culture organization
  - Health
  - Education
  - International
  - Broader social service – homelessness, food banks
Trust and Respect for Charities

• Virtually all Canadians (93%) agree that charities are important to Canadians, with half (51%) strongly agreeing. (Remained consistent over the past several years)

• Nearly nine in ten (86%) agree that charities generally improve the quality of life of Canadians.

• The majority agree that charities understand the needs of Canadians better than the government does (75%), and that charities do a better job meeting the needs of Canadians than the government does (70%).

• More than half of Canadians (56%) agree that charities should be expected to deliver programs and services the government stops funding.

* 2008 Muttart Talking About Charities Report
Significant Growth in Support

- Individual Canadians, Foundations, Media, Government

- **Corporations:** New business imperative
  - Recognition, when done right can benefit community and business
  - Imperative for large companies, growing interest in SMEs

"Nonprofit organizations play an irreplaceable role in our society and democracy," - Bill & Melinda Gates Foundation.
Trends in Individual Donations

Figure 2. Donations and Donors: 1984 to 2005

- **Average Donation ($)**
- **Donors as a % of Taxfilers**
## The Evolving Landscape: Imagine Canada Caring Companies

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<tr>
<td><strong>Pioneers</strong></td>
<td><strong>Mainstream</strong></td>
<td><strong>Innovators</strong></td>
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<tr>
<td>• Checkbook Philanthropy</td>
<td>• Partnerships</td>
<td>• Co-Create Social and Business Value</td>
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<tr>
<td>• Organization</td>
<td>• Cause</td>
<td>• Measurable Outcomes</td>
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<td>• Side of the desk</td>
<td>• Community Investment Staff</td>
<td>• Aligned &amp; integrated</td>
</tr>
<tr>
<td>• Nice to have</td>
<td>• Mainstream</td>
<td>• Business strategy</td>
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### 1988 - Imagine Caring Company established
- 1% of pre-tax profits on tax receipted gifts only!

### 1996 – Business & Community Partnership Awards introduced to encourage & recognize deeper relationships

### 2005 – New commitment recognize new way of support – 1% broader, 1 program, 1 report

**Imagine Canada**
Corporate Giving: The Big $$ Picture

$13.5 Billion Individual + Corporate Gifts

- Individual Giving: 62%
- Corporate Giving: 21%
- In-kind Gifts: 17%

$9.9 Billion Non-Religious Individual + Corporate Gifts

- Individual Non-Religious Giving: 50%
- Corporate Giving: 27%
- In-kind Gifts: 23%
The (Surprisingly) Positive Views of Charities by Business

Charities and nonprofits generally improve the quality of life in Canada

Businesses and nonprofits can mutually benefit from a collaborative relationship

Imagine Canada
Philanthropy Still Lives...

Most businesses that donate to charity would do so even if they did not get any business benefits in return.
Common and Uncommon Contributions

- Donate money: 97% ($25 million +), 76% (All businesses)
- Donate goods / products: 72% ($25 million +), 51% (All businesses)
- Donate services: 69% ($25 million +), 43% (All businesses)
- Sponsorship: 59% ($25 million +), 14% (All businesses)
- Cause marketing: 26% ($25 million +), 8% (All businesses)
- Donate to corporate foundation: 17% ($25 million +), 5% (All businesses)

All businesses
$25 million +
The Giving Pyramid

For ease of interpretation, numbers have been rounded.

Cash, Goods, Services, AND Employee Volunteering

3 of the above

2 of the above

1 type of giving

Non-giver
How Large Corporations Give ($25 million +)

- Sponsorship and Cause Marketing $63.5M
- Donations $270 Million
- Cash Donations $174 Million
- Non-Cash Donations $96M

How will this look in 10 years?
## Value of Direct Contributions: Large Corporations vs. All Businesses

<table>
<thead>
<tr>
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<th>All Businesses</th>
<th>Large Corporations</th>
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<tbody>
<tr>
<td>Median Total Contribution</td>
<td>$3,000</td>
<td>$275,000</td>
</tr>
<tr>
<td>Median Cash Donation</td>
<td>$2,000</td>
<td>$190,000</td>
</tr>
<tr>
<td>Median Contribution as % of Pre-Tax Profit</td>
<td>1.25%</td>
<td>1.00%</td>
</tr>
<tr>
<td>Amount Contributed by 25% of Companies</td>
<td>0%</td>
<td>.06%</td>
</tr>
</tbody>
</table>
Where are contributions made?

- Social services: $25 million + 66%, All Businesses 90%
- Health: $25 million + 82%, All Businesses 75%
- Sports & Recreation: $25 million + 74%, All Businesses 75%
- Hospitals: $25 million + 71%, All Businesses 53%
- Public / Private Schools: $25 million + 67%, All Businesses 53%
- Arts and Culture: $25 million + 68%, All Businesses 53%
- United Way: $25 million + 71%, All Businesses 68%
- Universities & Colleges: $25 million + 67%, All Businesses 68%
- Protect Animals / Habitat: $25 million + 46%, All Businesses 48%
- International aid: $25 million + 28%, All Businesses 20%
- Environmental: $25 million + 28%, All Businesses 22%
- Industry or Trade: $25 million + 44%, All Businesses 44%
Mobilizing Stakeholders

- Raise money from employees
  - $25 million +: 83%
  - All businesses: 18%

- Support / encourage company employee volunteering
  - $25 million +: 82%
  - All businesses: 43%

- Provide a payroll deduction program
  - $25 million +: 71%
  - All businesses: 8%

- Make matching grants for employee contributions
  - $25 million +: 62%
  - All businesses: 9%

- Raise money from customers or suppliers
  - $25 million +: 50%
  - All businesses: 22%
Why Do Businesses Give?

- It helps build a strong and healthy community, which is good for business:
  - Somewhat important: 22%, Very important: 72%
  - $25 million+

- It fits company traditions and values:
  - Somewhat important: 36%, Very important: 51%
  - All businesses

- It is good for company's relationship with the community:
  - Somewhat important: 37%, Very important: 48%
  - All businesses

- $25 million+
  - Somewhat important: 22%, Very important: 73%
  - All businesses

- $25 million+
  - Somewhat important: 23%, Very important: 72%
  - All businesses

- $25 million+
  - Somewhat important: 38%, Very important: 46%
  - All businesses
Why Do Businesses Give?

- It is a good thing to do, irrespective of financial returns
  - Somewhat important: 43%
  - Very important: 51%
  - All businesses: $25 million+

- It is good for company's reputation
  - Somewhat important: 40%
  - Very important: 55%
  - All businesses: $25 million+

- It is good for relationship with clients or customers
  - Somewhat important: 39%
  - Very important: 45%
  - All businesses: $25 million+

- It helps recruit and retain employees
  - Somewhat important: 46%
  - Very important: 28%
  - All businesses: $25 million+

- Why Do Businesses Give?
  - It is good for company's reputation
  - It is a good thing to do, irrespective of financial returns
  - It helps recruit and retain employees
  - It is good for relationship with clients or customers

All businesses

Imagine Canada
Persistent Challenges

- Difficulty responding to increasing requests
  - $25 million +: 74%
  - All businesses: 79%
- Lack of company's resources
  - $25 million +: 47%
  - All businesses: 64%
- Difficulty measuring the impact on business
  - $25 million +: 58%
  - All businesses: 46%
- Difficulty managing the expectations of multiple stakeholders
  - $25 million +: 50%
  - All businesses: 37%
- Lack of interest or support from employees
  - $25 million +: 27%
  - All businesses: 32%
- Lack of interest or support from management
  - $25 million +: 24%
  - All businesses: 26%

$25 million + businesses vs. All businesses
### How Organized is Business Support?

<table>
<thead>
<tr>
<th>All Businesses</th>
<th>Large Corporations</th>
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<tbody>
<tr>
<td>• 22% have regular ongoing programs for contributions</td>
<td>• 79% have regular ongoing programs for contributions</td>
</tr>
<tr>
<td>• 46% have senior management team or board leadership</td>
<td>• 64% have senior management team or board leadership</td>
</tr>
<tr>
<td>• 13% measure the benefits of their community contributions</td>
<td>• 27% measure the benefits of their community contributions</td>
</tr>
<tr>
<td>• 8% have a written policy</td>
<td>• 39% have a written policy</td>
</tr>
</tbody>
</table>
Summary of Research

• Most business support charities and nonprofits

• Large corporations lead the way:
  ✓ Seek benefits in addition to doing good
  ✓ More contributions of all kinds
  ✓ Mobilize clients, customers and employees in fundraising
  ✓ Employee volunteering
  ✓ Organized and strategic
Observations and Insights
Putting it to Work

Five Suggestions: Turning information into actions
# 1 – CORPORATE COMMUNITY INVOLVEMENT HERE TO STAY!

800 LB. GORILLA IN THE ROOM: THE ECONOMY

- Corporate involvement is here to stay! despite economic downturn…
- Research – is a snapshot in time, changing circumstance, changing reality
- Altruism key learning, but also need to consider new approaches beyond “good to do”
- Edelman Canada study (Nov. 19, 2008) Canadians are committed to helping others and to remaining loyal to brands and companies that share that same commitment!
When you stand for something, you stand out!

- Growing commitment and expectation from consumers
- 7 out 10 – stay loyal to a company if they support a good cause
- Majority – buy product if good cause behind it, even if more expensive
- 81% more likely to buy products if it benefits community

Learning: Cause marketing, brand association and sponsorship could grow in importance, Help company with their public face of corporate citizenship.
# 2 - Become a Partner of Choice

- It’s all about your brand!

  - Lots of competition, stand out, differentiate, be clear, focused, brand the social idea not just the organization

  - Develop a for Profit Mentality

  - Understand your product & asset offers and theirs!

  - Be environmental, GiNi Cdi
    (Got it, Need it, Can’t do it)*

*K Aschermann
# 3 - ROI: RETURN ON INVOLVEMENT

In the workplace

- More and more companies looking for way to engage their employees
- At a minimum ensure employees know what they are doing in community
- Large companies strong understanding of this benefit
- SMEs potential to help with employee engagement opportunities

**LEARNING:** Engage employees to add value to relationships

“The secret of happiness is to find something more important than you are, then dedicate your life to it”  
- Philosopher Daniel Dennett
# 4 – MEASURE, EVALUATE AND ACCOUNTABLE

- So What? – value to society, to business
- Focus on outcomes & impact
- Measure, evaluate - look for measurable results and metrics e.g. demographic info.
- Investing is sustainable and drive true change
- Accountable – Ethical Code

Looking into & out for Canada’s Charities and nonprofit organizations

Imagine Canada Ethical Code
# 5 - Small and Medium Enterprise: The Next Frontier
The Playing Field:
Distribution of businesses by number of employees
<table>
<thead>
<tr>
<th>Large Corporations</th>
<th>SMEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Both central and decentralized decision</td>
<td>• Centralized decision making</td>
</tr>
<tr>
<td>making</td>
<td></td>
</tr>
<tr>
<td>• Proactive</td>
<td>• Reactive</td>
</tr>
<tr>
<td>• May have policy-priorities</td>
<td>• Unlikely to have policy</td>
</tr>
<tr>
<td>• Strategic priorities</td>
<td>• No stated priorities (perhaps</td>
</tr>
<tr>
<td></td>
<td>owner’s)</td>
</tr>
<tr>
<td>• Recognizes range of giving tools</td>
<td>• Thinks you only want cash</td>
</tr>
<tr>
<td>• Understands leverage</td>
<td>• Not aware of leveraging</td>
</tr>
<tr>
<td></td>
<td>opportunities</td>
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</table>
Business & Community: Apply Multiple Assets

- Deploy wide range of assets to support nonprofit causes and tie to business objectives
  - Dollars and in-kind support
  - Marketing – products, promotions
  - Brand – advertising, association
  - People (customers, employees, suppliers, stakeholders)
  - Employee volunteering
  - Employee knowledge
  - Community sponsorships
  - Cause marketing

- Mutually beneficial relationship – philanthropy with ROI

* J Daw