



Corporate Philanthropy: *Are Your Employees Working Hard Enough?*

Ever stop to assess the breadth of charitable organizations your employees support? Research from The Consulting Network found nearly 40 percent of companies with a matching gifts program match employee donations to all 501(c)(3) organizations. For the record, that's 1.5 million nonprofits! If your employee giving pool is beginning to sound more like an IRS record than a strategic list, it may be time to provide some focus.

It is no secret that corporate philanthropy is ever more strategic as companies strive to benefit both business and society in equally powerful ways. Yet traditionally, employee giving programs have been less deliberate. Outside of standard exclusions (prohibiting donations to political or religious groups, for example), most causes and organizations have been fair game. And no wonder – by providing such philanthropic freedom, companies are relaying the message, “We support what *you* do.” A point of pride for both parties, it is sacred ground. But depending upon the industry, corporate matching gifts can account for about a 10th of a company's total giving, with the median total match of employee contributions just over \$2 million dollars.¹ With an investment at this level, and if companies are going to tout and encourage their workforce's benevolence, they should lend a hand in ensuring it is focused and impactful.

For this reason, some companies are adopting a more strategic model for employee philanthropy. *Strategic choice employee giving* is a program that engages employees in causes consistent with their interests, yet which also align with the company's overall philanthropy strategy. It narrows the sea of 501(c)(3)s for employees to support to a more manageable pool of leading organizations (generally four to 10). It still offers flexibility and choice, but it provides better focus for greater impact. An enlightened idea? Perhaps. But it has been working for some leading companies for years. Abbott, UnitedHealth Group, Merrill Lynch and HSBC are a few of the Fortune 500 companies who employ strategic choice campaigns and have seen an increase in their employee participation over time. Nearly three out of four Abbott employees participate in the company's employee giving programs, twice the typical rate, according to a company-issued news release.² The company set new records for both employee participation and donations even amid the troubled economy.

¹ “Giving in Numbers 2008,” Committee Encouraging Corporate Philanthropy.

² “Abbott Employee Giving Sets New Records for Employee Participation and Total Donations,” CSRwire press release, February 23, 2009. http://www.csrwire.com/press/press_release/26856-Abbott-Employee-Giving-Sets-New-Records-for-Employee-Participation-and-Total-Donations-

Outside the business world, the concept of collective giving could not be more natural, and it is gaining steam. The giving circle, in which a group of family, friends or even strangers join forces to merge their small(er) donations into a much bigger pot, is a growing trend in communities across the country. Today there are an estimated 800 giving circles nationwide, donating an expected hundreds of millions of dollars to local communities and organizations.³ When people unite to focus their funds on a common cause, a little bit can suddenly go much further, benefiting both the giver and the recipient. This win-win giving scenario applies to the company and its employees, as well.

The mutual benefits of strategic choice employee giving include:

- **Focus.** When presented with too many choices, humans become overwhelmed and anxious and decide, well, not to decide. Employees appreciate the structure and guidance strategic choice programs can provide, and the employer benefits from increased employee participation in the program.
- **Due Diligence.** Employees trust in and benefit from the company's time and expertise spent vetting each organization on the list. The employer gains from more quantifiable giving and fewer administrative costs resulting from cutting small checks to hundreds of organizations. In the long-term, both parties will appreciate the reported results.
- **Consistency.** When employees' giving and corporate volunteering opportunities are aligned, they can learn about and develop affinity for featured organizations with whom they may continue future work. For its part, the employer reaps the rewards of more meaningful and fruitful relationships with the nonprofits.
- **Unity.** Finally, a boon to all involved, strategic choice employee giving provides a sense of community within a company, as all have the opportunity to focus on a common goal and celebrate the shared impact.

The recession has forced companies to reevaluate their philanthropic investments and to evolve their focus from outputs (e.g., dollars donated) to outcomes (e.g., lives saved). Strategic giving programs set the foundation for this transition because they provide the necessary focus and structure to track such progress. Ultimately, strategic choice giving can provide for stronger business and social results. And although such a campaign is only one venue for employee engagement in a cause, it does provide a more succinct answer to the perennial question, "What do you stand for?"

³ "Giving Circles Network Summary." <http://www.givingcircles.org/>