

Canada's Largest Corporations Move Beyond Cheque-book Philanthropy

TORONTO, Wednesday, November 12, 2008 — A new research study from Imagine Canada finds that the community investment initiatives of many of Canada's largest corporations have moved beyond "cheque-book philanthropy" and are leveraging their assets in more ways than the public, or even the charities and nonprofits they support, might think.

"While the demand for these companies to give is persistent and increasing, they are doing more than just cutting a cheque for charities that have asked for help," says Dr. Michael Hall, Imagine Canada's Vice President of Research. "What really stood out in the research is their strategic approaches to community investment and the ways in which they are engaging their employees and their broader stakeholder networks — clients, customers and suppliers — to leverage their philanthropy. They are putting a lot of thought into how and where they give, and are quite innovative in their approaches."

This focused research report — ***Corporate Community Investment Practices, Motivations & Challenges: Findings from the Canada Survey of Business Contributions to Community*** — puts a spotlight on 93 of Canada's largest companies (annual revenues exceeding \$25 million) and their community investment practices. It is based on findings derived from a broader study (Canada Survey of Business Contributions to Community) that looked more generally at business contributions to charities and nonprofit organizations in Canada. This research provides the first-ever, comprehensive portrait of business contributions to charities and nonprofit organizations in Canada. The research is part of a multi-year program funded by EnCana Corporation.

"This research tells me that you can't just put a dollar value on corporate giving anymore," says Mary Ann Blackman, Manager of Community Investment, EnCana Corporation, and a member of the Study Advisory Committee. "Large companies are stepping up to the plate and devoting a wider range of their assets and resources in the name of building healthy communities, and they are doing it in unique and diverse ways."

Since this research is meant to help Canadian businesses assess and improve their community contributions practices, it does point to the need for some improvements in terms of giving levels, measurement tactics and philanthropy targets. For example, the total value of contributions from large corporations as a percentage of pre-tax profits is actually lower than that of the broader business community (median value of 1.0% vs. 1.25% respectively). Large corporations also give less as a percentage of revenues (median of 0.06% compared to 0.63%). Further, the large corporations tend to focus the bulk of their support on a narrow spectrum of more mainstream charities and nonprofits, and overlook less-known or emerging charities.

Highlights from the research include:

- 50% of companies surveyed are meeting or exceeding the contribution standard set by Imagine Canada's Caring Company Program (one per cent of profits to be directed to charities and nonprofit organizations).
97% of the large corporations in the study made financial donations to charities and nonprofit organizations.

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- The leaders of Canada's largest corporations have very positive attitudes about the charitable sector – far more positive than either the broader business community or the general public. Almost 8 in 10 (79%) agreed that most businesses would donate to charity even without financial benefits and most (71%) strongly agree that these organizations generally improve the quality of life in Canada.
- Over three quarters (76%) said they face difficulties arising from increasing requests for donations. Many (38%) said that too many charities are trying to solicit money for the same cause.
- Direct donations accounted for 81% of the total value of all contributions while sponsorships and cause marketing accounted for 19%. The median or typical value of all contributions reported was \$340,000.
- Financial support that involved an element of promotion for the business were also quite common, with 57% of large corporations providing sponsorship dollars and 26% engaging in cause marketing with nonprofit or charity partners.
- Most large corporations (82%) support some kind of employee volunteer activity. For example they allow employees to adjust their work schedules to volunteer (79%) or take time off with pay (72%), and/or organize company-sponsored volunteering events (72%). They also support fundraising initiatives by raising money from employees (reported by 83%), payroll deduction programs for employee giving (71%), providing matching grants for employee contributions (62%), and raising money from customers or suppliers (50%).
- 75% of large companies cited three primary reasons for their charitable contributions: to help build strong communities, which is good for business; because contributing is good for their company's relationships with the community, and because contributing fit their company's traditions and values.
- Companies report being more satisfied with their philanthropy when they have organized their efforts. 79% reported having regular and ongoing programs for their charitable contributions. However, many may not have fully adopted elements that are representative of a strategic approach to community investments. Only 39% reported that they had written policies, and only 27% reported that they measured the benefits of their contributions.
- Three quarters of the total value of donations, sponsorships, and cause marketing went to five types of organizations: Social Services (19%), Health (17%), Universities and Colleges (15%), Arts and Culture (13%), and United Ways (9%).

“This study told us that the philanthropic spirit is alive and well among the corporations in Canada with the deepest pockets,” says Dr. Hall. “It also showed that these same companies would do better if they were more organized and strategic, on the look out for opportunities to work with a broader array of charities, and better able to measure the tangible benefits associated with their philanthropy.”

This report includes case studies that profile the diverse philanthropy approaches of five companies. These include Cooper's Office Furniture (Toronto), First Calgary Savings (Calgary), EnCana Corporation, Pfizer Canada and Manulife Financial. These case studies are available upon request.

Imagine Canada has been championing the need for Canadian businesses to support charities since 1988 when its predecessor, the Canadian Centre for Philanthropy, established the Imagine Caring Company program.

Imagine Canada is a national charitable organization that looks into and out for Canada's charities and nonprofit organizations. We deliver research that puts the sector on the map and raises its profile in the minds of Canadians. We influence public policy and build support, encourage collaboration and engagement from businesses. We deliver tools, resources and networking opportunities directly to nonprofits and charities to build and strengthen the sector one organization at a time. Together, they contribute to social progress and vibrant communities.

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