

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

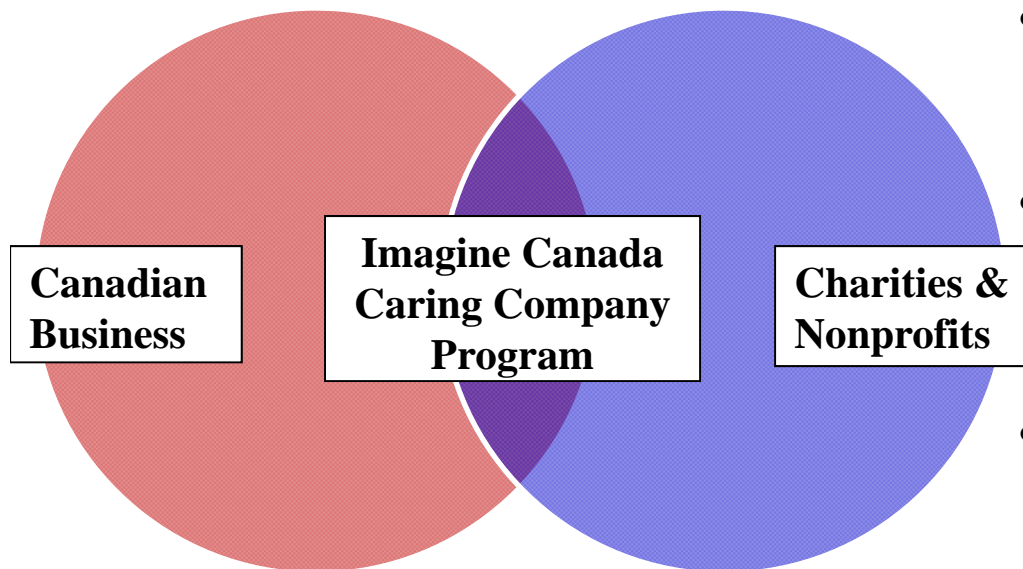
Community Engagement



Engaging other to support, understand and enhance the work of Canada's charities and nonprofits.

Imagine Canada's Unique Role

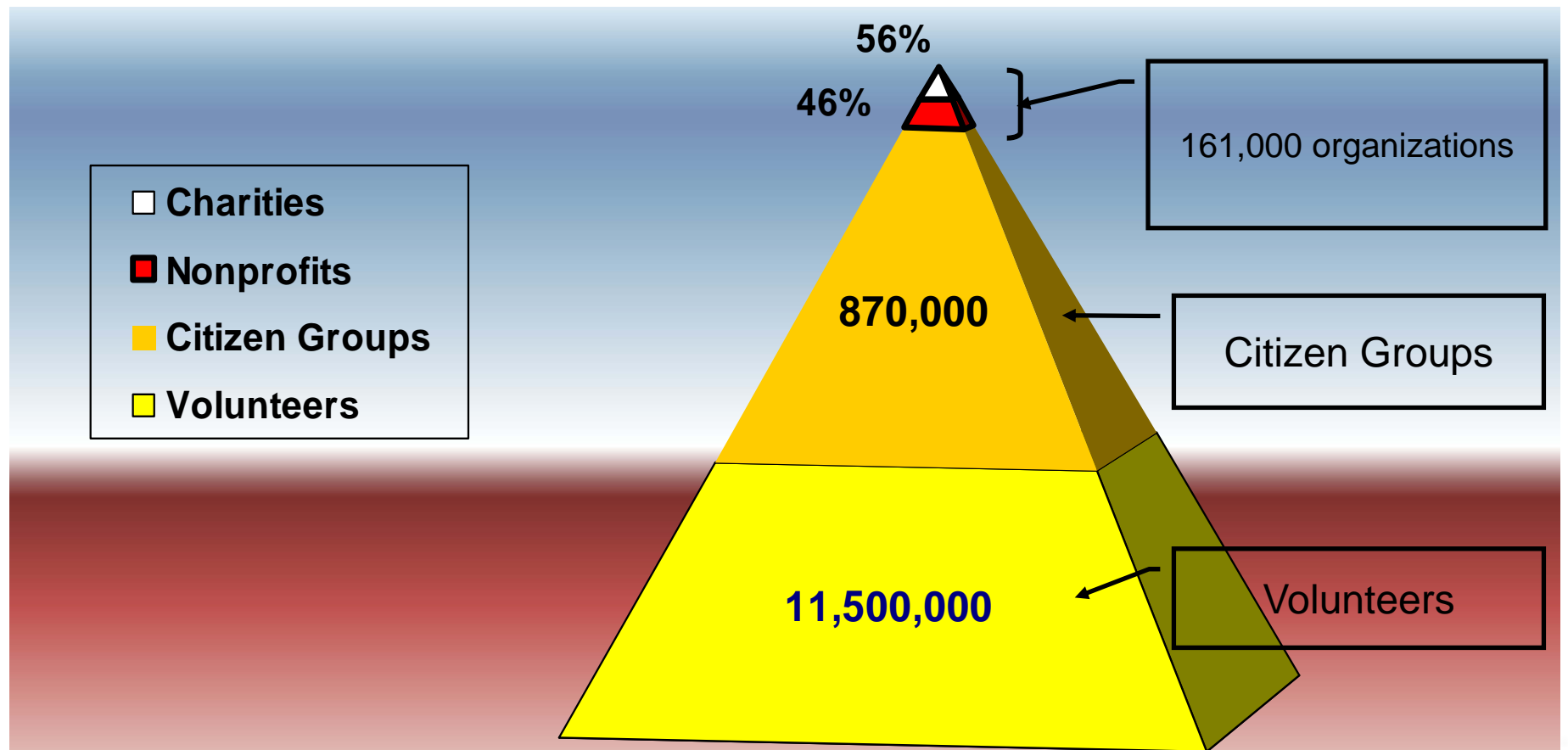
Caring Company Program



- 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



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



David
Suzuki
Foundation



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

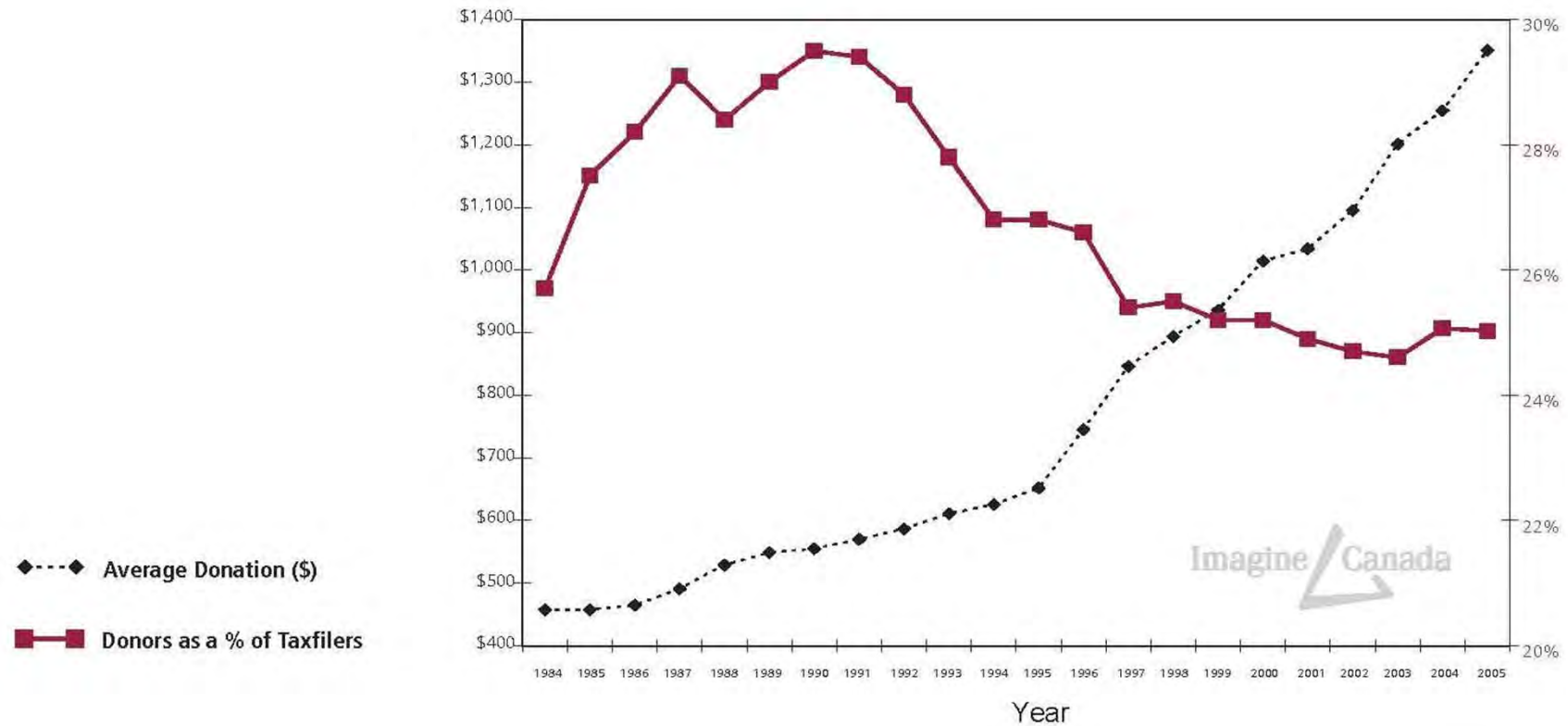
Significant Growth in Support

- 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



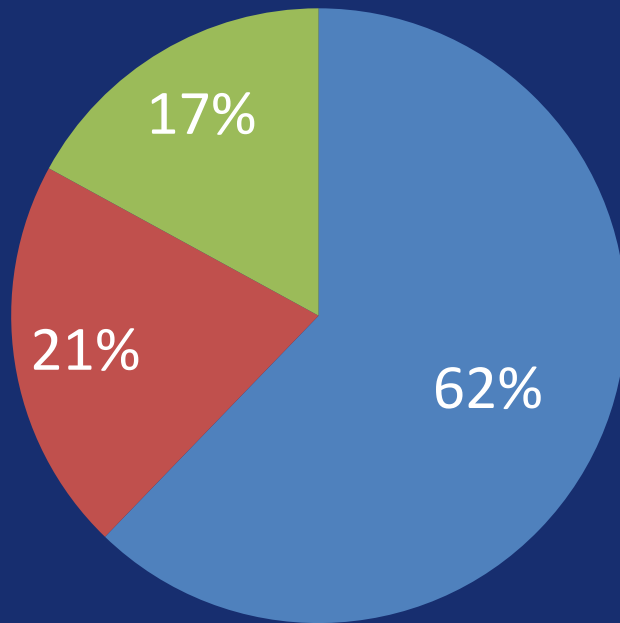
Imagine Canada

The Evolving Landscape: Imagine Canada Caring Companies

1980 – 1995 Pioneers	1995 – 2005 Mainstream	2005 + Innovators
<ul style="list-style-type: none"> •Checkbook Philanthropy 	<ul style="list-style-type: none"> •Partnerships 	<ul style="list-style-type: none"> •Co-Create Social and Business Value
<ul style="list-style-type: none"> •Organization 	<ul style="list-style-type: none"> •Cause 	<ul style="list-style-type: none"> •Measurable Outcomes
<ul style="list-style-type: none"> •Side of the desk 	<ul style="list-style-type: none"> •Community Investment Staff 	<ul style="list-style-type: none"> •Aligned & integrated
<ul style="list-style-type: none"> •Nice to have 	<ul style="list-style-type: none"> •Mainstream 	<ul style="list-style-type: none"> •Business strategy
<ul style="list-style-type: none"> •1988 - Imagine Caring Company established •1% of pre-tax profits on tax receipted gifts only! 	<ul style="list-style-type: none"> •1996 – Business & Community Partnership Awards introduced to encourage & recognize deeper relationships 	<ul style="list-style-type: none"> •2005 – New commitment recognize new way of support – 1% broader, 1 program, 1 report

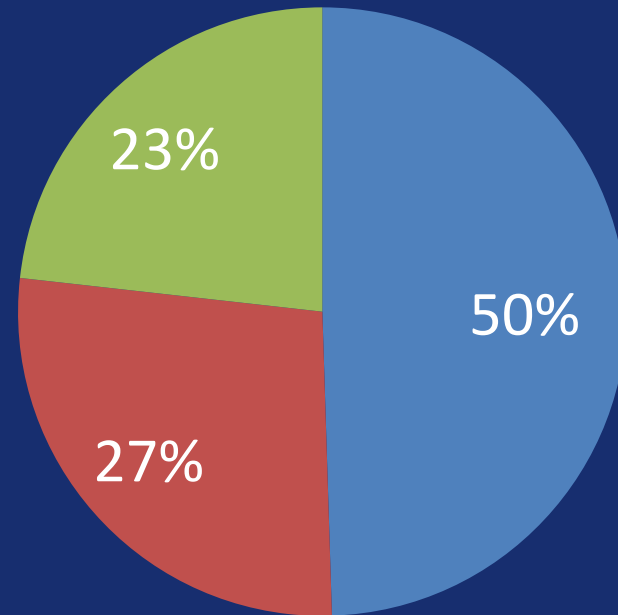
Corporate Giving: The Big \$\$ Picture

\$13.5 Billion Individual + Corporate Gifts



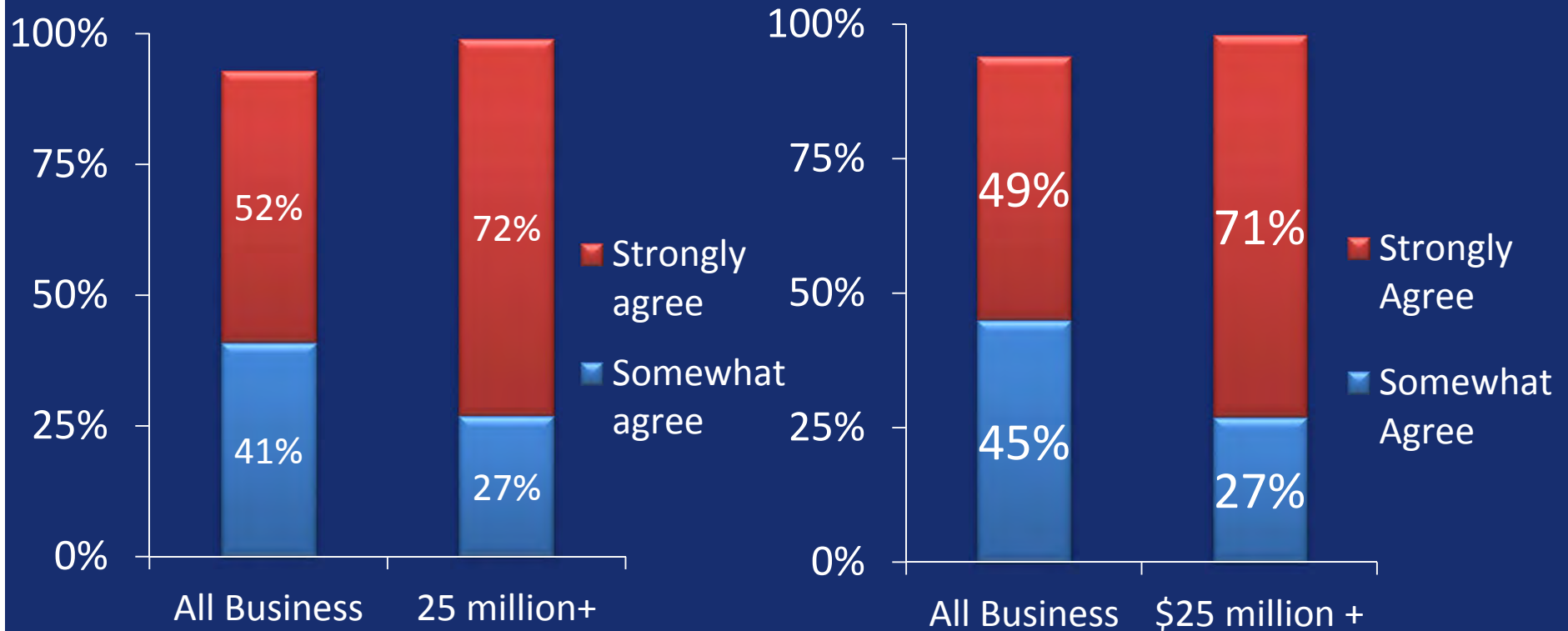
- Individual Giving
- Corporate Giving
- In-kind Gifts

\$9.9 Billion Non-Religious Individual + Corporate Gifts



- Individual Non-Religious Giving
- Corporate Giving
- In-kind Gifts

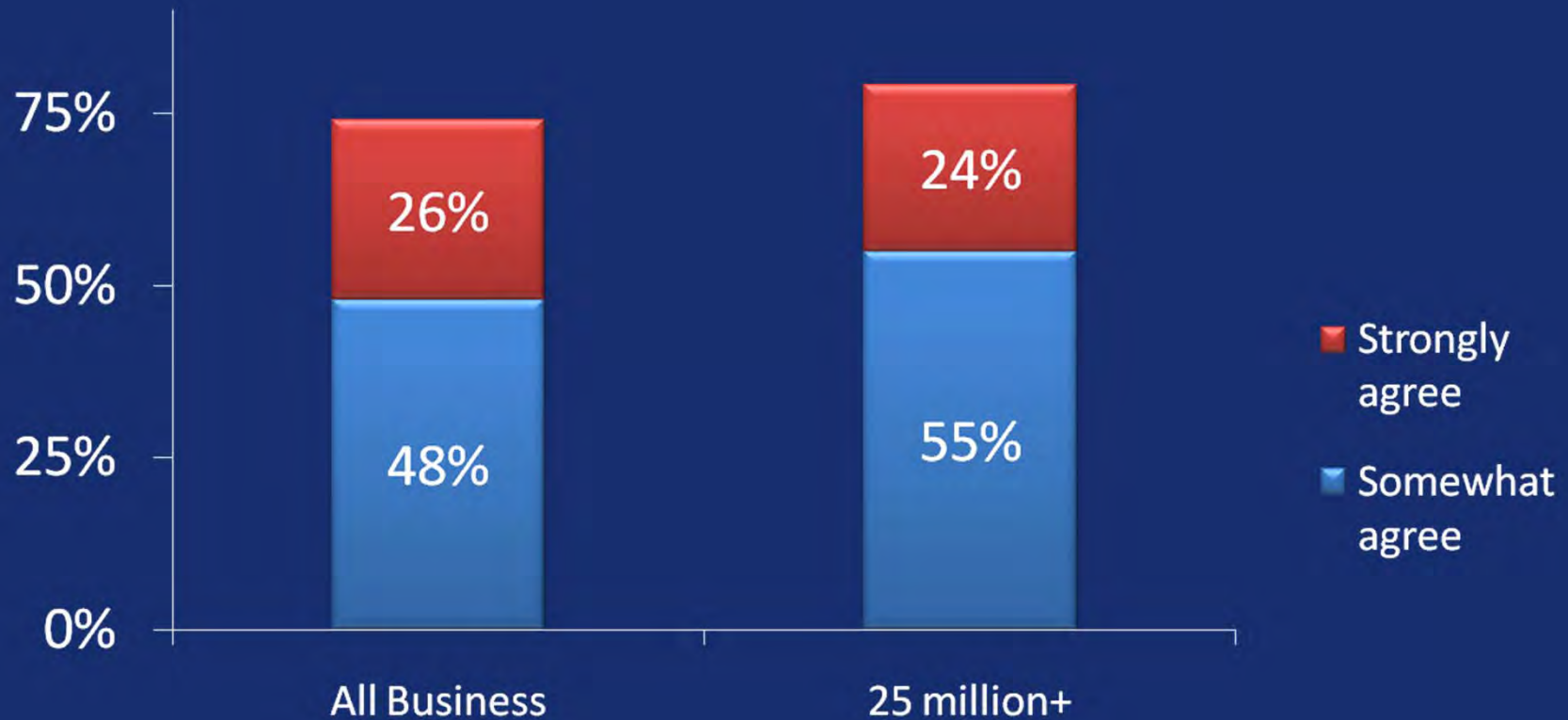
The (Surprisingly) Positive Views of Charities by Business



**Charities and nonprofits
generally improve the quality of
life in Canada**

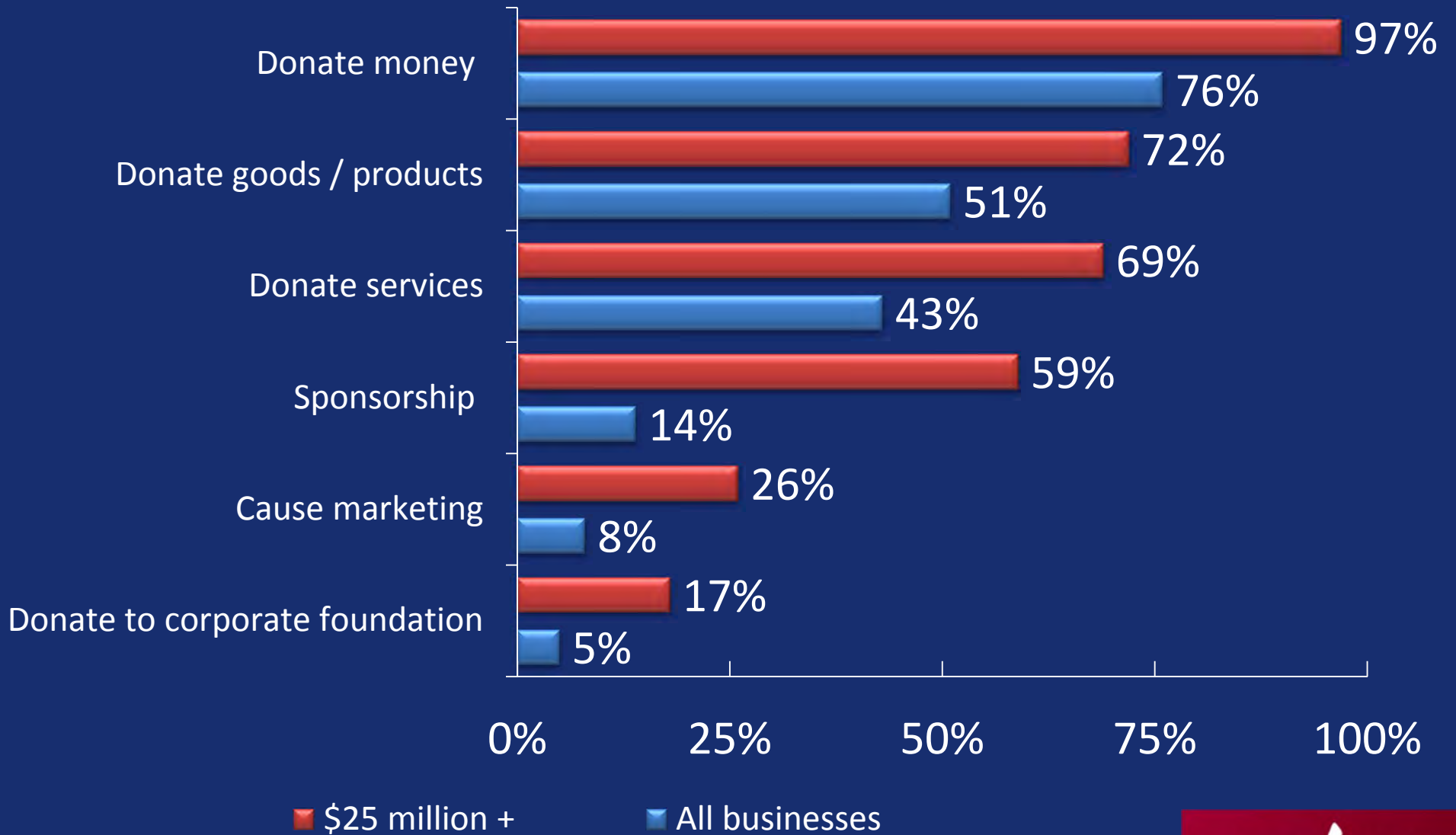
**Businesses and nonprofits can
mutually benefit from a
collaborative relationship**

Philanthropy Still Lives...

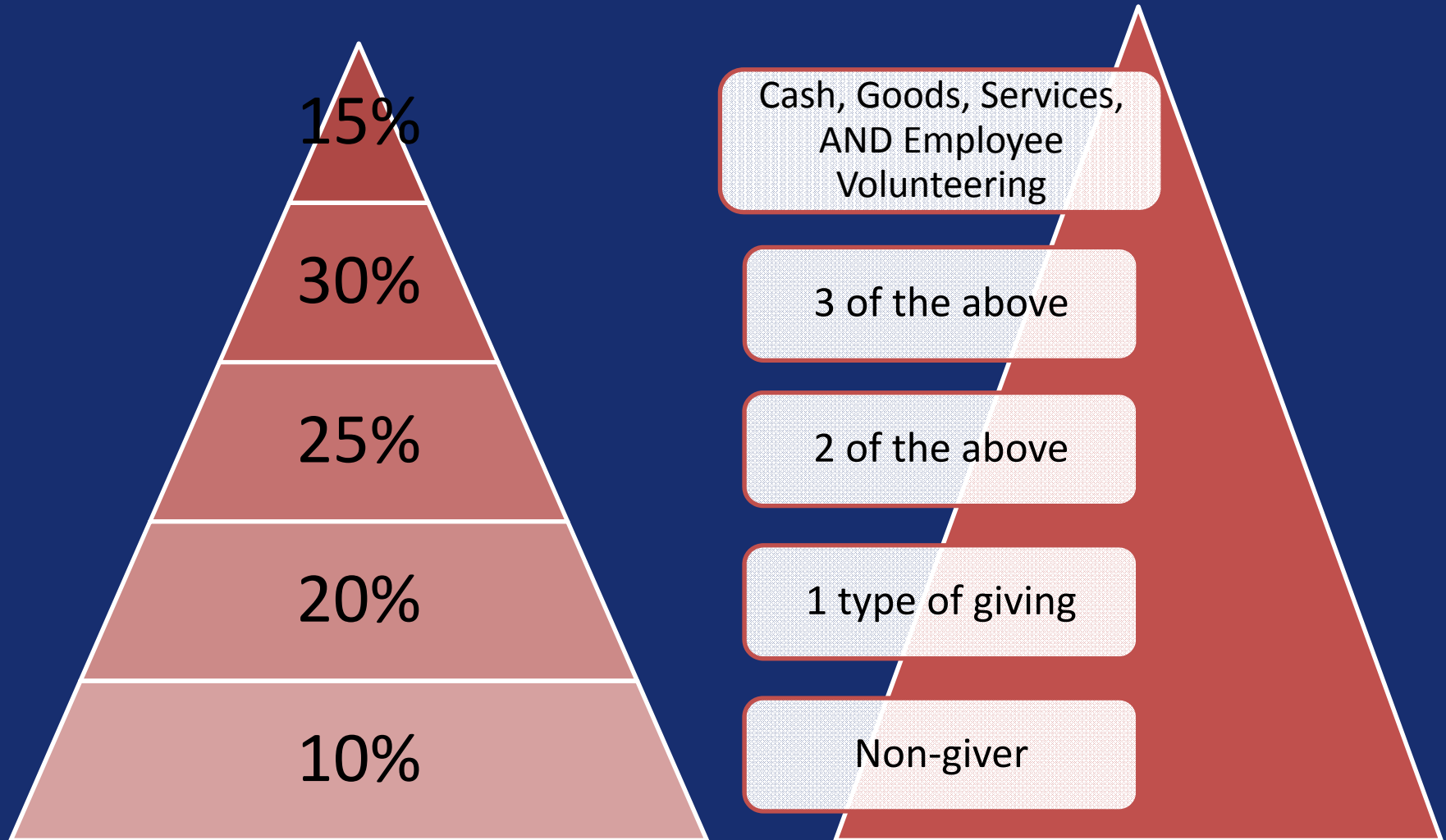


Most businesses that donate to charity would do so even if they did not get any business benefits in return

Common and Uncommon Contributions

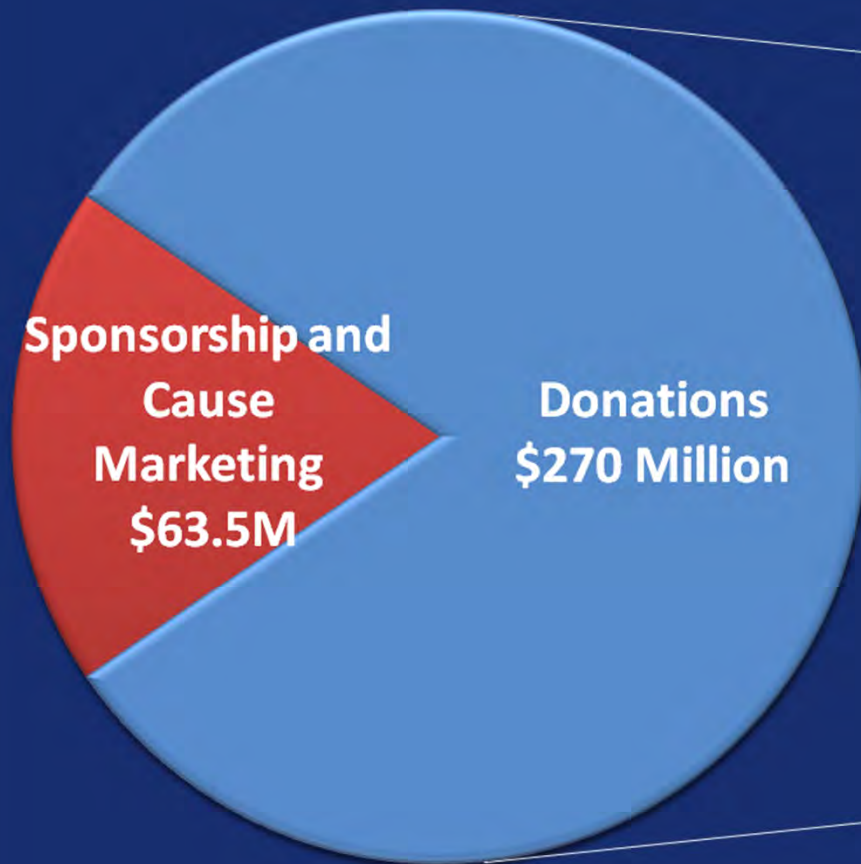


The Giving Pyramid



For ease of interpretation, numbers have been rounded

How Large Corporations Give (\$25 million +)

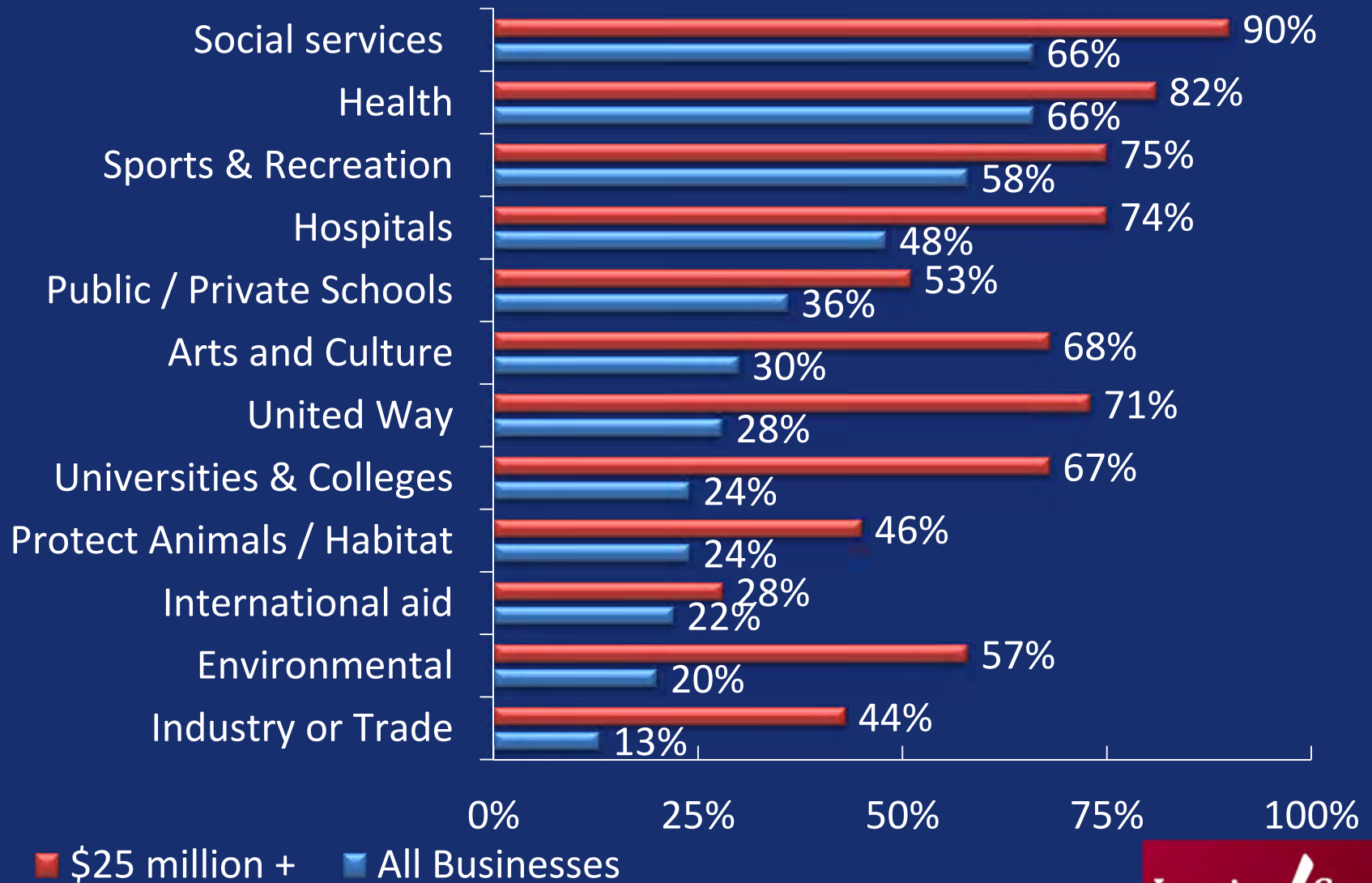


How will this look in 10 years?

Value of Direct Contributions: Large Corporations vs. All Businesses

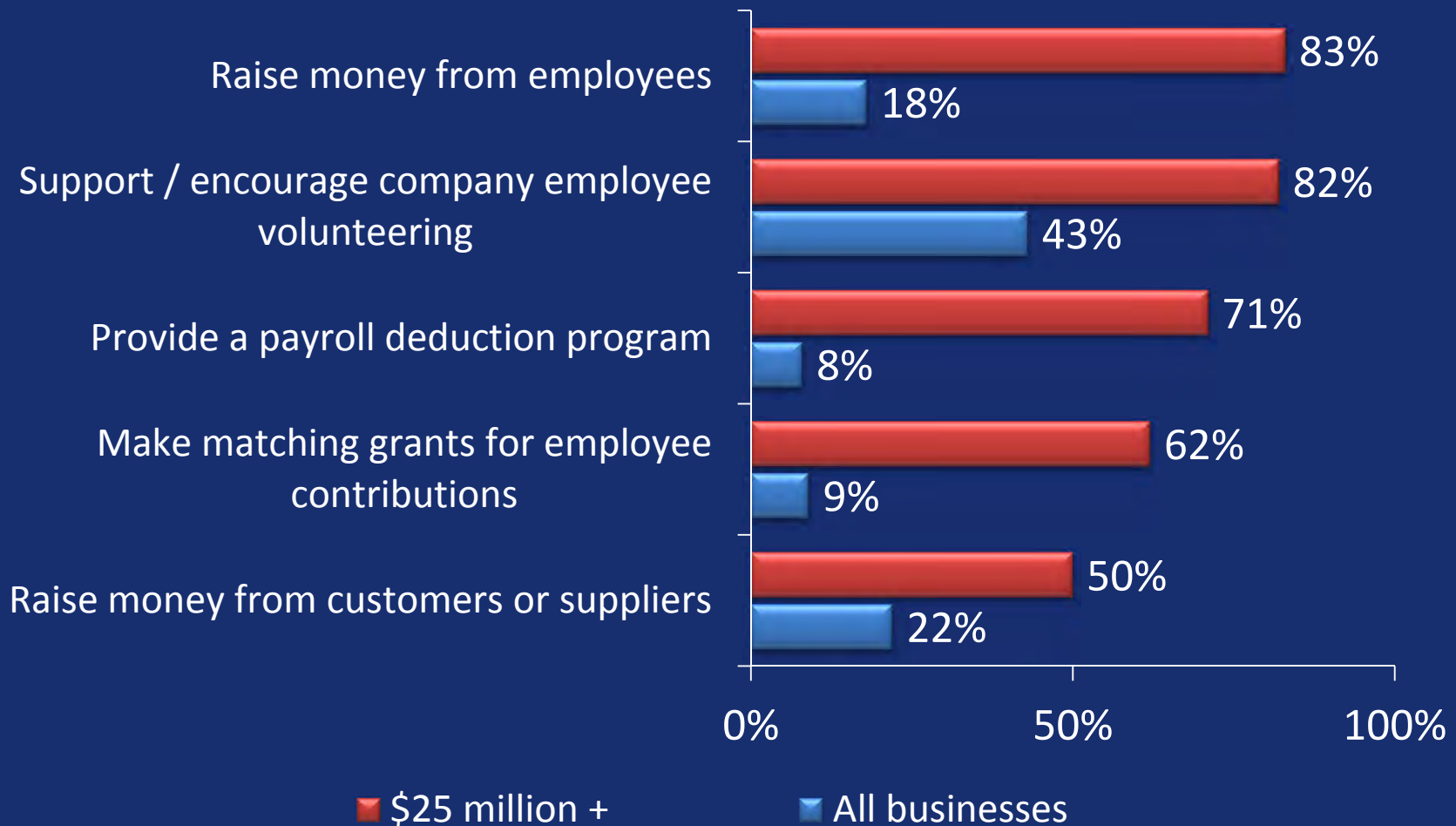
	All Businesses	Large Corporations
Median Total Contribution	\$3,000	\$275,000
Median Cash Donation	\$2,000	\$190,000
Median Contribution as % of Pre-Tax Profit	1.25%	1.00%
Amount Contributed by 25% of Companies	0%	.06%

Where are contributions made?

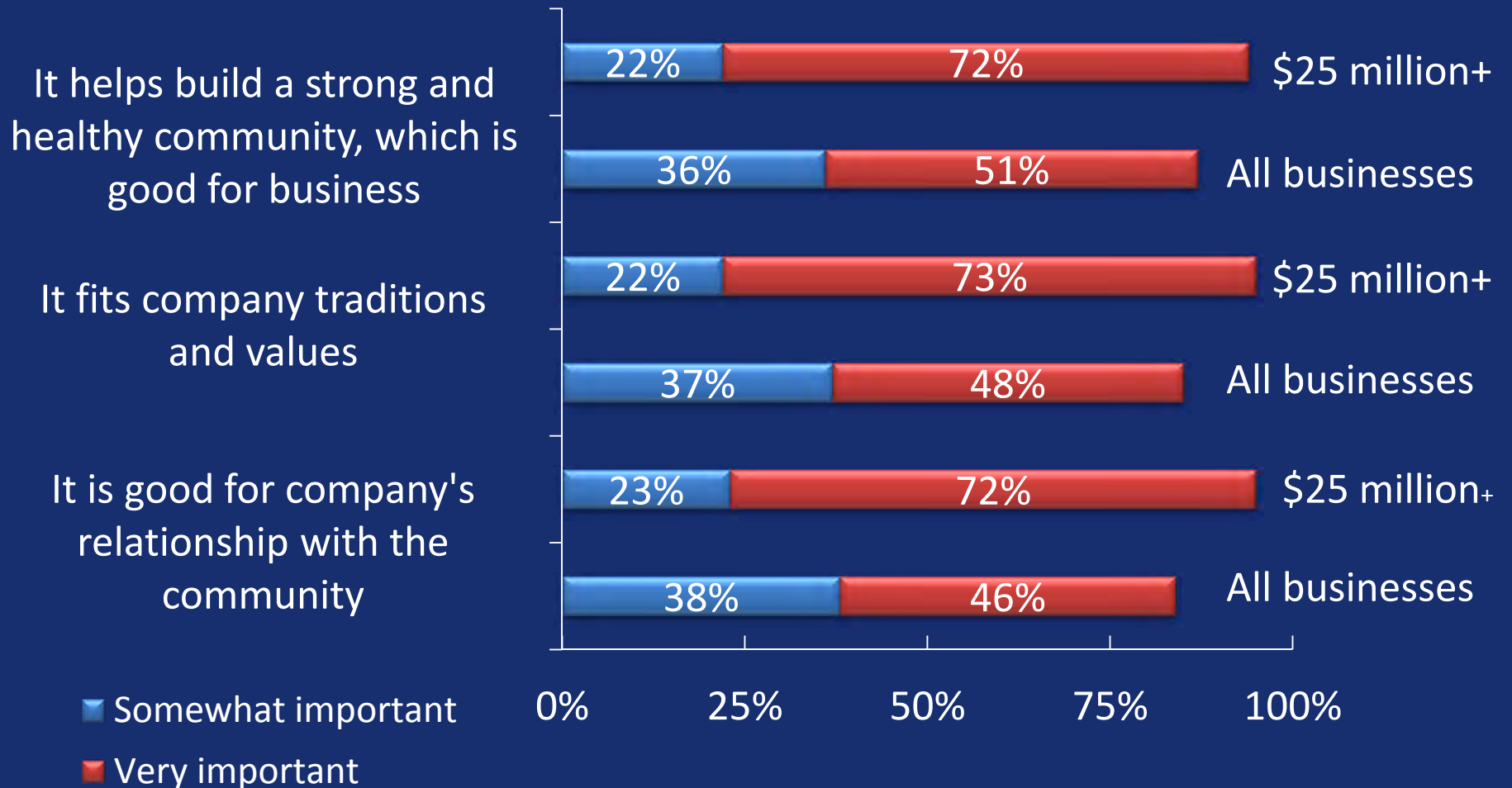


■ \$25 million + ■ All Businesses

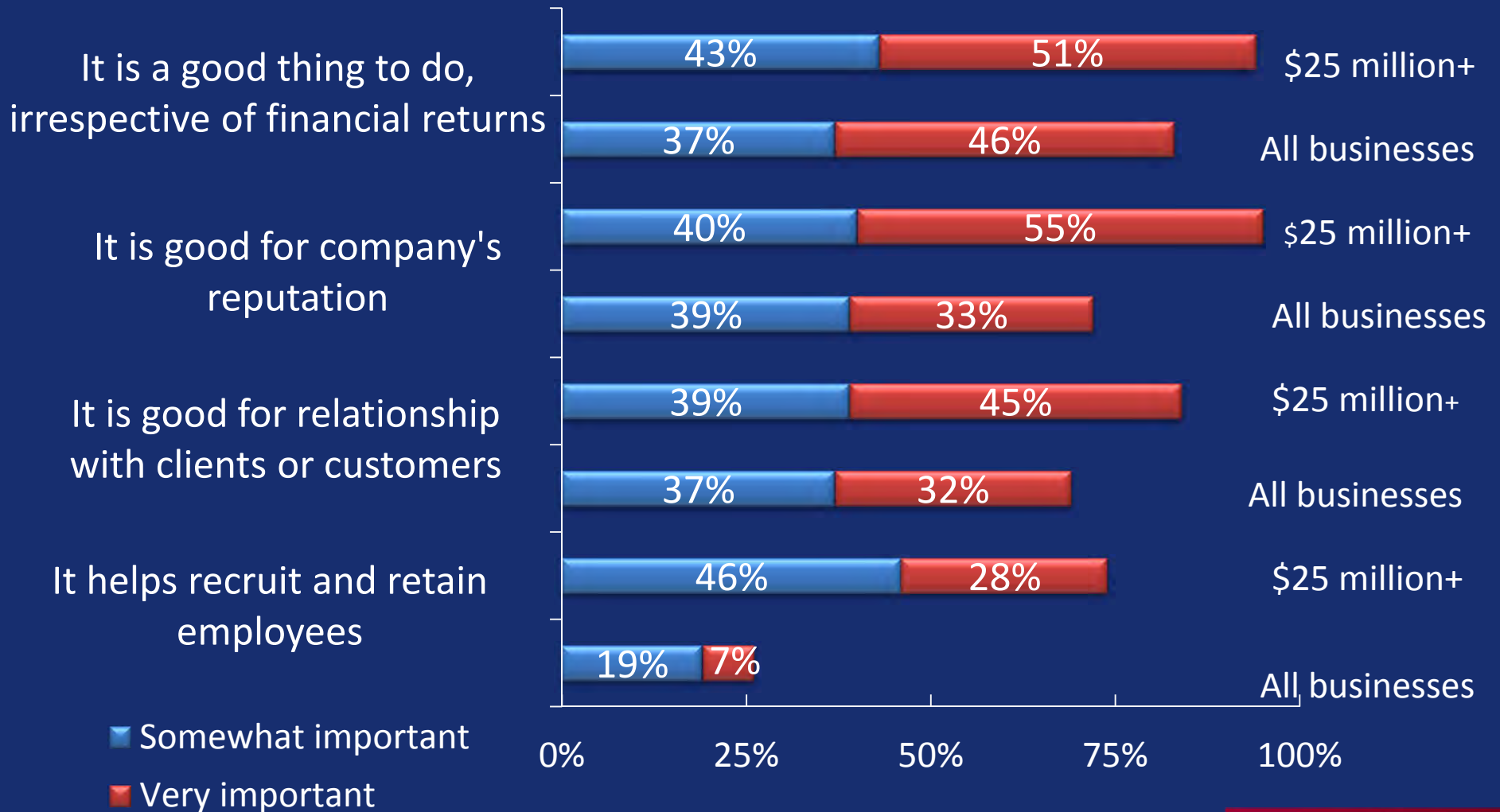
Mobilizing Stakeholders



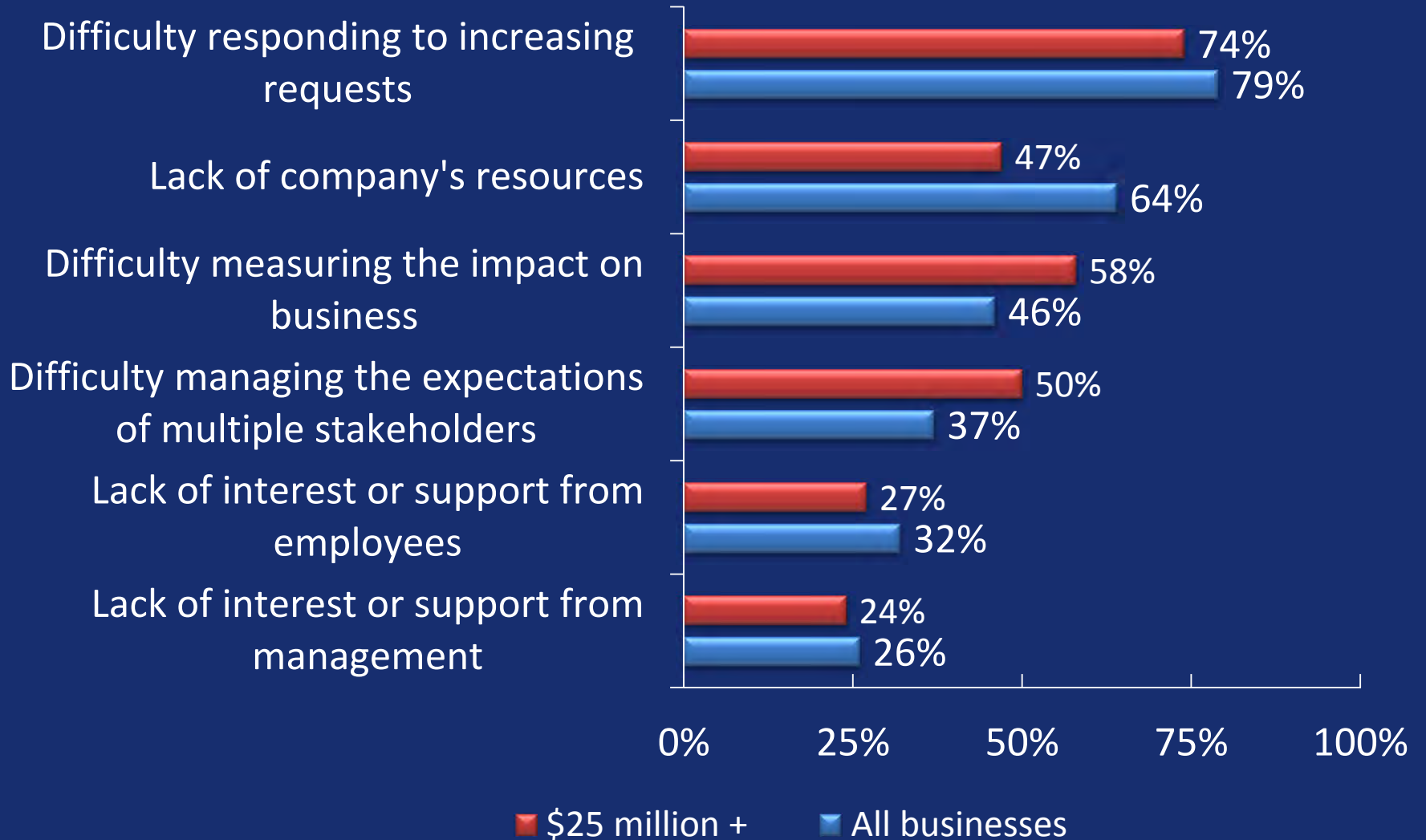
Why Do Businesses Give?



Why Do Businesses Give?



Persistent Challenges



How Organized is Business Support?

All Businesses

- 22% have regular ongoing programs for contributions
- 46% have senior management team or board leadership
- 13% measure the benefits of their community contributions
- 8% have a written policy

Large Corporations

- 79% have regular ongoing programs for contributions
- 64% have senior management team or board leadership
- 27% measure the benefits of their community contributions
- 39% have a written policy

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***

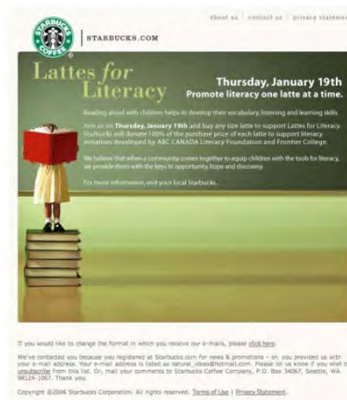
1 – CORPORATE COMMUNITY INVOLVEMENT HERE TO STAY!



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

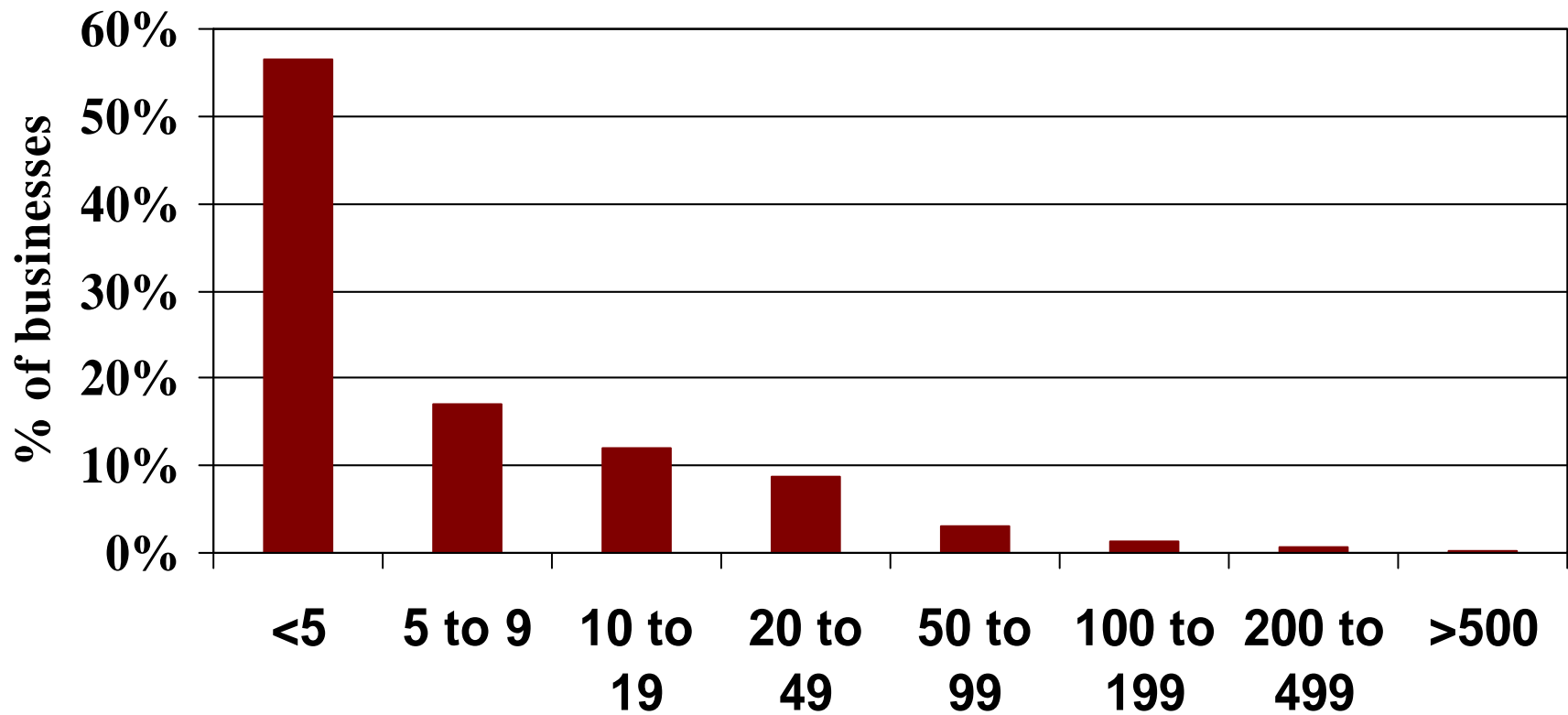
- So What ? – value to society, to business
- Focus on outcomes & impact
- Measure, evaluate - look for measurable results and metrics e.g. demographic info.
- Investing is sustainable and drive true change
- Accountable – Ethical Code



5 - Small and Medium Enterprise: The Next Frontier



The Playing Field:
Distribution of businesses by number of employees



Small Business Strategy

Large Corporations

- Both central and decentralized decision making
- Proactive
- May have policy- priorities
- Strategic priorities
- Recognizes range of giving tools
- Understands leverage

SMEs

- Centralized decision making
- Reactive
- Unlikely to have policy
- No stated priorities (perhaps owner's)
- Thinks you only want cash
- Not aware of leveraging opportunities

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