

# Corporate Giving (Still) Happens



**When companies cut back and every dollar counts, any donation is appreciated, even volunteering. But money is still king.**

—by Craig TerBlanche

**W**ith a recession raging, nonprofit groups need money more than ever. Yet many individual donors are giving less. Fortunately, most corporations are not following suit.

Of course, they're not giving more, either.

Most corporations anticipate no change in charitable giving for 2009, according to a survey by LBG Research Institute, a Connecticut nonprofit that studies community investment. What's more, LBG estimates an overall decrease in giving to be at 3 to 5 percent, much less than the 12.1 percent decrease

reported by *Giving USA* in 2002.

"Right now, I would say that the charities' expectations are realistic," says Tyra Tutor, senior vice president of corporate development at MPS Group, a Fortune 1000 company headquartered in Jacksonville. "They are appreciative of anything they get and understand just how tough these times are in this economy. They are figuring out ways to do more with less."

Instead of outright cuts, more than 80 percent of corporations surveyed said that their giving would be more "strategic" next year, opting to give to charities that demonstrate greater impact.

"This corporate responsibility is especially critical now, given the current difficult economic times and the increasing need by many individuals to rely on nonprofit organizations," says Mark Friedlander, spokesman for The Main Street America Group, a Jacksonville-based insurance company. "As a result, Main Street America has not cut back funding and has no plans to do so in the future."

In fact, during the first few months of 2009, Main Street America sponsored a photo exhibit at the Museum of Contemporary Art Jacksonville, held a school supply drive for Pine Estates Elementary School, donated more than 380 toys for Toys for Tots and continues to match employee donations to any nonprofit of their choice dollar for dollar up to \$500.

"We are focused on giving back to the community in which our employees live and work," Friedlander says. "Sometimes through our corporate giving we might miss a charity that is important to an employee and that is why we have our employee match program."

While giving might be on par for the majority of corporations, others are cutting back.

The Conference Board, a nonprofit membership of senior executives that serves as a business think tank, surveyed 158

companies about their planned changes in corporate giving programs. Forty-five percent said they had already implemented a reduction in their 2009 giving budgets and 16 percent were considering it, while 35 percent said they would make fewer grants in 2009 and 22 percent were considering doing the same. The factors most cited as reasons for cutting back were limits on budgetary resources, the current economic downturn, the call to align more closely with business needs and directions from the CEO and/or board of directors.

"Companies are more focused," says Susan Towler, vice president of community affairs for Blue Cross and Blue Shield of Florida. "They are looking at return on investment. They want to get closer to their customer base and align themselves with their core business. Companies are also reinforcing their commitment to their employees."

The biggest increase will come in volunteerism, the Conference Board says, with 45 percent of survey respondents devoting more resources to that area. In this economy, it is easier for individuals to give their time rather than their money. To that end, corporations are also providing volunteer days where an employee can use a workday to volunteer at a nonprofit of his or her choice.

"Having volunteers engaged in the community leads to in-depth understanding of our area's health and human care needs," says Connie Hodges, president of United Way of Northeast Florida. "Volunteering can enhance the work of nonprofits; however, it cannot substitute for financial resources. Nonprofits, like businesses, need dollars to run their operations."

Event sponsorships will also see a drop-off, with resources falling for 55 percent of those surveyed in The Conference Board report, "The 2009 Corporate Philanthropy Agenda: How

the Economic Downturn is Affecting Corporate Giving.”

“We review all of our sponsorships every year and this year they are harder to justify,” says Tutor at MPS Group, which is the title sponsor for The MPS Group Championships, a WTA tennis tournament played at Sawgrass Country Club in April. (The pro woman’s tourney formerly was called the Bausch & Lomb Championships and played at Amelia Island Plantation.) “This was our first year sponsoring the tournament and, to be honest, if we were making the decision this year, I am not sure that we would do it. ... However, sponsoring an event is a great way for a company to get name recognition and to provide some economic stimulus to the local economy. The event was a huge success and ultimately improved our brand while helping support Northeast Florida. We are very pleased with how it worked out.”

Another drawback for corporations that continue to provide philanthropic support is that they are seeing an increase in requests for money.

“The nonprofits we are giving to are coming back and asking for more because their other supporters from previous years are cutting back,” says Friedlander at Main Street America.

Finding new donors in this economy is equally challenging.

“At this point, we are not picking up anything new,” Tutor says. “There has been a slight increase in demand, but we have also seen an increase in need from our current nonprofits and that is where we are focusing our efforts.”

What impact does this have on nonprofits?

“We’ve been affected by the layoffs, downsizings, mergers and foreclosures like most organizations,” the United Way’s Hodges says. “We saw declines in giving, especially in the financial industries and those hardest hit by the economic meltdown.”

As a result, United Way’s 2008 campaign experienced a 4.8 percent decrease from the previous year. Still, the decrease would have been three to four times greater were it not for companies that generated \$1.7 million in new business and increased giving, Hodges says.

Charities need to go out of their comfort zone, says Blue Cross’s Towler. “They are employing donor relation strategies and rethinking their fundraising strategies, which I think is a good idea. They are paying attention to their donor base and ultimately they are going back to their basic principles of determining what their needs are and how to address them.”

Whether corporations have cut back or continued to make contributions as normal, the one thing that is clear is the new focus behind corporate giving. It is no longer about giving to say you gave. Corporations are now looking for creative ways to leverage dollars that will help provide social change and improve local communities for a mutual benefit.

“As the nonprofit community is strengthened, the families and individuals we serve are strengthened,” Hodges says. “When families become independent and socially stable, it impacts the economic well-being of our region.”

And that is just good business. #

## Worthy Causes

Area nonprofits (still) raising money. —by Kate Heller



### BABIES

**Who:** March of Dimes Florida chapter

**How Much:** \$535,000

**What They Did:** March for Babies, a 4.5-mile walk in April

**Why:** To improve the health of babies by raising money to prevent birth defects, premature birth and infant mortality.

### HUNGER

**Who:** Second Harvest Food Bank

**How Much:** 310,000 pounds of donated food from Duval, Clay, Baker and Nassau counties

**What They Did:** “Stamp Out Hunger” Food Drive

**Why:** There was a 32 percent increase in demand for food in 2008 in the food bank’s 18-county area.



### MILITARY

**Who:** The Florida Brave Fund

**How Much:** \$1.2 million

**What They Did:** Awarded grants to the National Guard Foundation and the American Red Cross’s Northeast and Northwest Florida chapters

**Why:** To ease the financial gap between active duty and veteran’s benefits.

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