Corporate Giving By The Numbers

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Chief Executives for Corporate Purpose (CECP), a coalition of more than 200 of the world’s largest companies, recently released its annual survey of corporate philanthropy and employee engagement in 2018 (Giving in Numbers). This year, 250 multi-billion-dollar companies with aggregate revenues of more than $7.9 trillion participated in the survey.

Total giving by these 250 companies increased by 11 percent between 2016 and 2018 reaching $25.7 billion. The median percentage of these companies’ contributions as a percentage of their pre-tax net income grew from 0.83 percent to 0.94 percent, which signals a significant growth in corporate philanthropy in 2018.

The most commonly cited reasons for increases in companies’ philanthropic budgets were increased focus on strategic initiatives or programs; international giving expansion; changes in the business; and changes in employee-directed giving.

Health and Social Services and Education (K-12 and Higher) continue to be the top program areas to which companies allocate their resources, and Disaster Relief was the program area that had the largest median giving increases despite representing a smaller portion of the total giving in 2018.

Consumer Staples (mostly composed of manufacturing companies) showed the highest median cash giving in half of the program area categories, with Financial Services firms increasing their giving to community and economic development, and Industrials increasing their contributions to K-12 education.

Consistent with last year, 92 percent of surveyed companies offer at least one kind of gift matching program to their employees with 78 percent offering two (typically an annual workplace giving campaign and a year-round program). The median percentage of employees who participate in a year-round program was 11 percent and the median percentage of employees participating in an annual workplace giving program was 39 percent – suggesting that annual campaigns may be more effective at engaging employees than year-round programs.

However, for the first time in this survey, the median matching dollar amounts decreased, and the median of matching gifts as a percentage of total cash giving also decreased from 2016 to 2018. Possible reasons for this decrease include companies communicating or encouraging participation less than before; possible budget reductions; not enough options being offered to employees; and impacts from the Tax Act of 2017, which might discourage donations from some taxpayers.

Volunteer participation rates remained steady – increasing slightly from 33 to 34 percent compared to previous years with the percentage of companies offering paid-release time for volunteering to their employees on the rise (the most common benefit being eight hours annually). Likewise, more companies are offering skills-based volunteer opportunities, and this is the type of corporate volunteer program that grew the most between 2016 and 2018.

Finally, while there is general agreement that the private sector needs to be deeply involved in helping to achieve the United Nations Sustainable Development Goals (SDGs), companies are on a spectrum with the incorporation of these goals into their corporate philanthropy strategies. According to a 2018 PwC SDG Reporting Challenge study, 72 percent of companies mention the SDGs in their annual corporate or sustainability reports and 50 percent of companies identify priority SDGs, but there is a lack of data on what companies are doing to achieve these goals.

Giving in Numbers offers an informative and useful guide to what companies are doing to support their communities as corporations continue to increase their investments and volunteer activities globally and the business value of these investments continues to increase over time.

Portions of this blog post first appeared on Forbes.

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