

Corporate Giving: Present & Future Trends

Wednesday, November 19, 2003



**NATIONAL PARK
FOUNDATION**

Corporate Giving



- Business Context
 - Historically, independent and separate areas involved in corporate giving activities
 - Foundation giving/philanthropy
 - Marketing (corporate and brand specific)
 - Human Resources
 - Environmental Affairs
 - And others
 - Little integration between business strategy, philanthropic program and corporation communications

Corporate Giving



- Financial Context
 - 6% of support for charitable organizations comes from businesses
 - Business give 1.2% of pre-tax income, on average, but many give more
 - Philanthropic Contributions in America (2000)
 - 83% individuals
 - 12% foundations
 - 5% corporations
 - National Park Foundation Contributions (2001)
 - 13% individuals
 - 5% foundations
 - 82% corporations

Corporate Giving



- Current Climate

- Impact of 9/11

- 81% in October 2001 (from slightly more than 50% in March 2001) say they would “switch brands” to support a cause
 - 15% increase in park visitation that did not require air travel

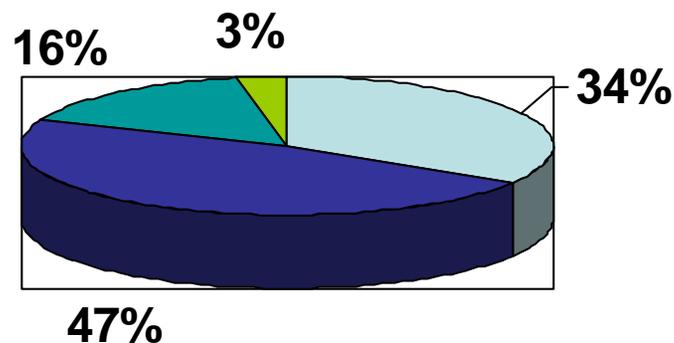
- Corporate scandals

- Enron; WorldCom

- In 2002, 89% of Americans said that in light of the Enron and WorldCom scandals, it is more important than ever for companies to be socially responsible (2002 Cone)

- Current Climate

**To What Extent Are you Worried
About Threats to Your Corporate
Reputation?**



Corporate Giving



- Current Climate
 - Economic downturn
 - Prior to 2001, 68% of consumers would “have no problem” paying more for a product that is linked to a good cause
 - 84% of consumers say they would be likely to switch brands to one associated with a good cause, if price and quality were similar, compared with 54% in March of 2001. (2002 Cone)
 - Decrease in travel/park visitation
 - Increased demand/need to demonstrate value of charitable-oriented activities
 - Evaluation
 - Quantifiable (tangible/intangible)
 - Return on Investment (ROI)

Corporate Social Responsibility



- Increase In Strategic Integration
 - Corporate giving/corporate foundation
 - in-kind/product donations
 - Marketing (corporate/brand specific)
 - sponsorship/cause-related marketing
 - b-2-b
 - licensing/premiums
 - Human resources
 - employee volunteerism
 - recruitment
 - Diversity initiatives
 - marketing
 - employee relations
 - Environmental affairs
 - Government/press relations

Corporate Social Responsibility



- **Corporate Objectives**

Marketing

- Brand
- Corporate image
- Cause-marketing
- Special events
- Multicultural

Human Resources

- Employee volunteerism
- Corporate recruitment
- Diversity initiatives

Philanthropy

- Education
- Community support
- Conservation
- Preservation

Public Affairs

- Community/public relations
- Government affairs
- Environmental affairs

Corporate Social Responsibility



- CSR Meets Core Business Objectives*
 - Reputation management
 - Risk profile/risk management
 - Employee recruitment/retention
 - Investor relations
 - Innovation
 - Competitiveness and market positioning
 - Operational efficiency
 - License to operate

Corporate Social Responsibility



- CSR Impact
 - Many studies show that investment in corporate social responsibility leads to greater long-term financial success
 - Reputation has strong impact on consumer and employee choices
 - NJ survey shows tendency to evaluate potential employers based on reputation particularly strong among women and Hispanics**.

Corporate Social Responsibility



- Impact
 - Increased Consumer Interest in Socially Responsible Investing
 - Dow Jones Group Sustainability Index
 - FTSE4Good
 - KLD-NASDAQ Social Index
 - Socially/environmentally responsible investing grew 8% between 1999 and 2001, from \$2.16 trillion to \$2.34 trillion*.
 - One of every eight professionally-managed dollars is in socially responsible investment*.

Corporate Social Responsibility



- Future Trends
 - Focus on targeted areas of impact
 - Targeted ask for a targeted gift designed to meet mutual goals
 - Emphasis on shared values
 - Less emphasis on cash donations
 - Proud Partner of America's National Parks program
 - Increased gifts-in-kind
 - Recycling at Work -- Unilever
 - Increased employee volunteerism
 - Increased leverage of donations/non profit relationships
 - Increase in requests for non-profit collaborations
 - Non-profits seen as valuable brands

Corporate Social Responsibility



- Future Trends

- Greater coordination and integration between philanthropy and marketing with an emphasis on cause-marketing
- Enhanced use of media to communicate CSR activities
 - 86% of Americans (Cone 2002) want companies to tell them how they are supporting social issues
 - Companies that communicate their cause programs are significantly more likely to feel they achieve the objectives of their cause initiatives
 - 129% more likely that they enhanced reputation
 - 190% more likely to feel that they developed consumer trust
 - Compared to one year ago,
 - 51% of CEO's say that they are spending more time on internal communications
 - 55% spending more time on external communications
 - Overall 56% indicate that their overall appreciation for corporate communications has increased

Future Trends



- Implications for Corporate Involvement in Public Lands
 - Challenges
 - Perception of commercialization
 - Limited donor recognition
 - Corporate image
 - Direct contact with the visitor
 - Leveraging corporate gift with other donations and sources of funds
 - Opportunities
 - Excellent reputations
 - Strong public trust
 - Ability to match lands' needs with corporate interests
 - Diversity of sites (geographic, audiences, resources, themes)
 - Great need
 - Strong volunteer opportunities
 - Government connection