



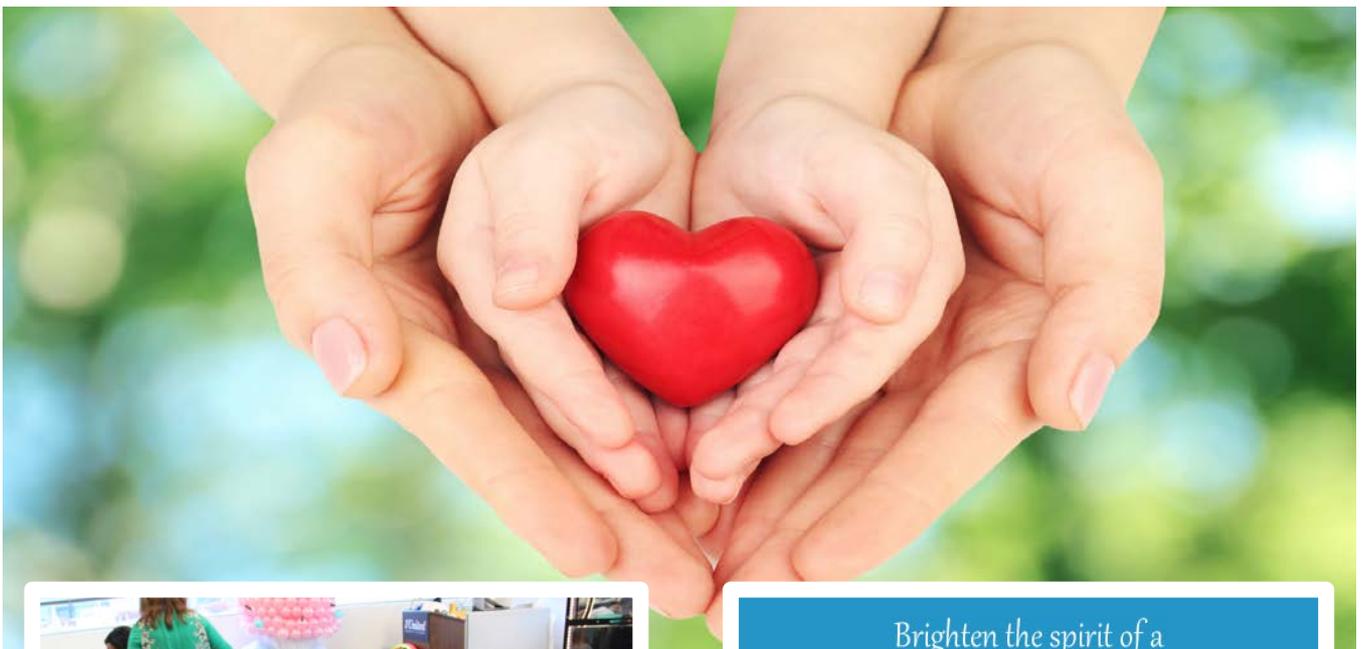
The Many Benefits of Corporate Philanthropy: Why and How to Give Back



Written by: Matthew Kaplan
Edited by: Jennifer Harper, M.A., M.B.A.

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Brighten the spirit of a foster youth this holiday season!

WISH UPON A WREATH



The Many Benefits of Corporate Philanthropy

Every year, [hundreds of businesses](#) and organizations donate time, resources, money and more to various philanthropic groups and charities. In the U.S. alone, companies now donate [more than \\$18.5 billion annually](#). Companies big and small have realized its best practice to give back to those in need domestically and sometimes globally.

Many companies contribute to causes because it's part of their corporate identity or it aligns with the corporate mission. This is how many of us decide to donate to worthy causes. We may give to a certain charity because someone we care about asked us to or perhaps a loved one has been impacted by a cause which compels us to take action. But, this isn't the only reason companies give to charities.

For starters, businesses get various tax breaks and other deductions from charitable donations. For example, companies can [deduct a percentage](#) of their donations to 501(c)(3)-designated nonprofit organizations from their annual federal tax returns. Businesses can even donate property to designated charities and then [deduct the market value of the plot](#) on their taxes. Plus, many states, counties and cities have their own rules and regulations regarding available deductions and tax breaks available to organizations as a result of charitable giving.

Many consumers specifically seek out socially responsible and business conscious companies. One Nielsen study found that [55 percent of global consumers](#) said they're willing to pay more money for good and services from businesses that support environmental and social causes. This is especially true for Millennials - those roughly born between the early 1980s and the late 1990s, who have \$2.45 trillion in spending power. Among millennials, approximately [70 percent say they spend more money](#) and time with philanthropic brands.

Corporate philanthropy is a great avenue for positive public relations (PR? especially in their local communities. The social efforts of ridesharing provider Lyft to appear [nicer and more thoughtful](#) in the public eye has leveraged them to overtake a portion of market share from rival Uber. And, Facebook and the Chan Zuckerberg Initiative have turned to philanthropy to give back and further contribute to [their neighboring communities](#) in Silicon Valley.

Plus, corporate philanthropy goes a long way towards keeping internal employees more engaged and happier with their employer. A study from researchers at the University of Notre Dame and UCLA found that [employees benefited](#) from opportunities to both donate time and money through the workplace. A separate Deloitte report showed millennials were [twice as likely to approve of their employer's corporate culture](#) if they had volunteer opportunities provided through the workplace.

How to Choose Worthy Causes

In the U.S. alone, there are [over 1.5 million registered nonprofits](#), according to the National Center for Charitable Statistics. With so many options, how can companies whittle it down to just one or a few causes to support? Here are a few options:

Consider organizations that align with the company's goals and vision, as that can ensure the partnership is mutual, beneficial and lasting. For example, a business that manufactures wheelchairs may decide it prudent to work with nonprofits dedicated to issues around mobility and disability rights. In addition, a car manufacturer might elect to work with organizations working to improve accessibility and available transportation options for those in need.

Ask employees to suggest causes. Many staff members may have causes or projects they're passionate about, or they may be working with a certain nonprofit already in their free time. Businesses can parlay this existing passion into an organization-wide effort. Similarly, members of the C-suite or executive board may work with a philanthropic organization and can lead the rest of the business to follow suit.

Pursue causes near and dear to the surrounding community, which is an approach HR software company [Zendesk has taken](#). For example, if many in the community where a company is headquartered are concerned about local education, then that business could provide monetary assistance to local organizations that provide needed school supplies to local children. After all, organizations - especially larger ones - are often critical players within their local communities.

Regardless of how partner organizations are chosen, it's critical to conduct due diligence before working with them. Unfortunately, not all organizations are what they're cracked up to be. Beware of scams and Ponzi schemes designed to look like legitimate nonprofit organizations. Ask for the organization's tax ID number, official IRS 501(c)3 letter and take a close look at who they've partnered with. [Guidestar](#) is an excellent resource to research an non-profit's reputation and fiscal history.



Corporate Philanthropy in Action:

1st United Credit Union and Alternative Family Services



To see successful corporate philanthropy in action, look no further than 1st United Credit Union's longstanding partnership with AFS. Here's why 1st United elected to work with AFS, according to President and CEO Steve Stone:

"1st United Credit Union feels it's important to contribute to the communities we're in. We have been serving East Bay residents since 1932 and feel the community is stronger if everyone who can takes action and assists those in need. 1st United has long supported the Alameda County Community Food Bank and provided financial education and assistance to local schools. We connected with AFS when some of 1st United's staff created a barbeque team and participated in a BBQ competition hosted by AFS in 2012. Once we learned what AFS did for the community, we found them to be a perfect philanthropic partner.

Since the accidental meeting, our barbeque team has dedicated all their funds raised from BBQ events to AFS. The message spread throughout 1st United's staff, and we now host company events to fill backpacks with school supplies, build bikes and donate toys to foster youth. We also donate food, funds and people power for AFS events. Staff enjoy working with the AFS team, especially the kids. From a personal and corporate perspective, nothing feels better than helping those in need, particularly youth. It's inspiring to see AFS' dedication to their mission and our partnership has kept our workforce engaged. 1st United's volunteer and philanthropic efforts have also provided a benefit to recruiting new staff, as good people are drawn to an organization that supports good causes."

According to Jennifer Harper, Director of Development and Marketing for AFS, the 1st United partnership has been fantastic. "1st United is a stellar partner. They share our commitment to help all foster youth become independent members of their communities. Their contributions have had a direct impact on the thousands of foster youth and families AFS cares for in Northern California. We look forward to our continued partnership well into the future."



1st United Credit Union, since its founding in the San Francisco Bay Area in 1932, has a long history of community involvement and corporate outreach. As a not-for-profit banking institution founded as one of the first credit unions in California, 1st United is committed to being a good neighbor and working closely with a wide variety of local, community-minded organizations.



Steve Stone, President and CEO of 1st United Credit Union has been with the company for 27 years and has been on AFS' Finance Committee since 2013.

Above, Steve and Evelyn Sugui, an Officer in 1st United's Accounting Department, volunteer at the Alameda County Community Food Bank.



HOW to Give Back

- WHY should we give back?
- WHO should we give back to?
- HOW should we give back?

Once companies decide why they should give back and who they want to partner with, it must be determined how to contribute. There are many ways of giving back and businesses need to decide which options are best for everyone. Oftentimes it means a balanced mix of the options below.

Corporate sponsorships are great ways for companies to increase visibility and help a non-profit at the same time. General sponsorships may include opportunities to help a non-profit make an improvement (i.e. a visitation room makeover and then the room is named after the sponsor). A special event sponsorship provides the company to get high exposure when connected to a non-profit event or fundraiser.

Monetary donations help non-profits fund critical needs and services. A donor can request that the funds be restricted for a certain purpose (i.e. education for foster youth) or unrestricted allowing the NP to use the funds where they choose. It takes little to no time on the part of the business, and it's tax deductible.

Corporate matching is another great way to give back. Companies match a certain dollar amount donated by employees to a cause of the employee's choosing.

In-kind donations are the gifts of goods to a non-profit. These may come in the form of donating products actually produced by the company (i.e. a shoe company donates new athletic shoes to underserved youth) or by hosting a drive and donating the raised goods (i.e. food, toy or backpack drive). Businesses may also allow charities to utilize their office space for special events or as a workspace.

Pro-bono work is a fantastic way businesses can contribute to a non-profit. Professional services are often sorely needed at many charities but can be prohibitively expensive for cash-strapped organizations. Even a few hours of support from an accounting or law firm can go a long way.

Volunteering is an excellent option for employee engagement for philanthropic efforts. Many companies will provide paid work time for employees to volunteer in their community.

Additional Considerations

Due diligence is key to making sure your charitable efforts are a success.

Before diving into any philanthropic endeavor, there are additional considerations to keep in mind. By taking the time to consider all potential concerns, companies will ensure their charitable efforts go off without a hitch.

Consider the personal beliefs of everyone impacted. Any efforts done on behalf of a business will reflect on both corporate leadership and employees. It behooves corporations to be selective when choosing an organization to give to. Supporting a charity that may be offensive or controversial to its employees or customer base can have catastrophic consequences both for employee moral and the bottom line.

Be inclusive and non-discriminating. Choosing an appropriate mix of ways to give back to make sure all employees feel like they can take part. For example, while a monetary drive for a charity may seem innocuous, employees in tough financial situations may feel left out. Further, evening events could be hard for staff with children, and excursions that involve physical exertion like planting trees would exclude those with physical issues. These are just some concerns that can arise from well-meaning efforts. These important issues can quickly derail the best-laid plans.

Time and occurrences are also crucial.

How frequently do charitable efforts happen and when does they occur? Staff may be able to volunteer once a year, while once a week may be too much. Similarly, while December is often a popular time of the year in the U.S. for charitable work, some employees might feel overburdened during this month. A quarterly drive is reasonable while monthly efforts may be too much.



Congratulations! You're ready to embark on your philanthropic journey.



Above, law offices of Simpson, Thacher host a 40th anniversary event for AFS.

Left, AFS hosts a table at the Sports Basement *Campfest*.

Giving is Always a Good Idea!



Corporate philanthropy is a great way to enhance the community, build employee efficacy and increase consumer loyalty. When businesses give back, everyone wins. Even small efforts undertaken by a company can go a long way towards helping a worthy charity fulfill its mission.

While companies in Northern California have many charitable options to choose from, we're always happy when organizations choose to help AFS. Since 1978, Alternative Family Services has been committed to helping foster youth through family services, Resource Parent recruiting and training, mental health services, support for transitional aged youth and adoption.

Learn more about AFS, our mission and our activities at

www.helpfosteryouth.org

