- subscription settings
- Become a member
- Submit your news

October 25, 2014

- facebook
- twitter
- google+

CSRwire Talkback

| join the conversation

Corporate Giving: Who Benefits Most?

Corporate philanthropy can be leveraged to empower and engage employees.

Submitted by: **Elaine Cohen**
Posted: Dec 11, 2013 – 09:00 AM EST
Tags: corporate giving, philanthropy, sustainability, employee engagement, giving, csr, transparency, givelocity, employees, community

By Elaine Cohen

Corporate philanthropy is big bucks. Companies invest billions of dollars each year in order to help change the world. But supporting communities may not be the only objective. Corporate philanthropy can be leveraged to empower and engage employees.

Corporate giving continues to rise according to the Committee Encouraging Corporate Philanthropy's (CECP) 2012 Giving in Numbers report. The CECP survey of 240 companies showed that 2012 giving amounted to more than $20.3 billion, continuing the ongoing rise in giving levels of 42% between 2007 and 2012. An important part of this giving, confirmed by 181 of the companies surveyed by CECP, is matched employee donations. The median total dollar amount raised from employee payroll deductions in 2012 was $2.33 million per company.

More than Just Giving

Giving to the community, when a corporation does it, is not just about giving. There is always something to be gained in return, such as reputation benefit and even tax relief, as well as the more intangible benefits of helping strengthen local communities that represent part of the company's source of revenue, or investing in local sourcing of potential employees. Companies are realizing that the "local community" they support includes their own employees. A recent example is Walmart running a charity drive to assist its employees feed their families during Thanksgiving. According to the explanation shared by Chris MacDonald, Ph.D., Walmart employees rallied round to help their colleagues who may have experienced personal hardship. Apparently, employee giving is closer to home than you might think.

This is not a chance event. Companies are looking to enhance their own CSR record by not only supporting their local communities and the employees who live in them, but also by leveraging charitable giving, by adding dimensions that boost employee engagement and motivation. By offering employees an opportunity and a framework to donate to charity, a company aspires to receive motivation and loyalty in return.

Riding the Digital Wave of Employee Engagement

Making it easy for employees to connect to the causes that matter to them is a critical element in the success of this approach. The likelihood of an employee being stirred to make a charitable contribution is heightened when the employee can log on to a website, at any time, from any place (and not necessarily during work hours), find something that she or he is passionate about, connect to others who share the same passion, and, with a quick click, change the world. New digital tools to connect employees and between employees for the greater good are offering interesting possibilities to help companies develop their CSR reputation.

One model which is riding the digital wave to connect to CSR objectives and employee engagement is Givelocity. Founded by an ex-PayPal executive, Susan Cooney, Givelocity offers individuals an easy Web-based route to "giving circles" – communities of givers who are passionate about similar causes. Cooney describes it this way:

> *"Companies are looking to build two things in their corporate giving programs, as a way to empower and motivate employees: engagement and transparency. The Givelocity model allows companies to set up giving circles for employees, to help them connect to causes they believe in and to connect to other employees similar to them. This builds communities of giving which reinforce each other and enable much greater impact than individual donations. Companies can support this by matching the donations made by their employees, or even get the ball rolling with a lump sum donation. This is both empowering for employees because they choose what they want their employer to support, and transparent, as they know where their money goes."*

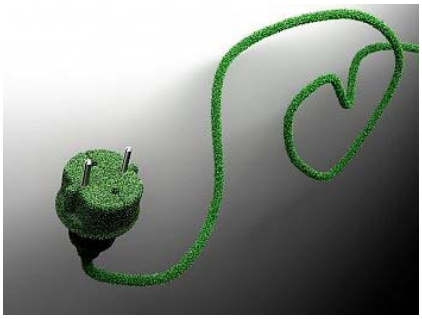
Givelocity launched its platform in March 2013 and now counts over 200 members, and these include employees from eight companies who have already subscribed to create their own corporate giving circles.

So far, the companies who have found the Givelocity platform to be a good fit with their corporate giving objectives tend to be the smaller, start-up, hi-tech kind of companies, whose employees are at home in the digital and social media environment, and who are comfortable doing most things online, and that includes philanthropy. These employees may not be the typical 9 to 5 office-based types, so being able to log in anywhere, anytime to make a donation becomes a seamless fit with their digital lifestyle.

Corporate Giving 2.0

Online giving certainly has its attractions, and the Internet abounds with stories about the rise of this kind of charity. A study by eNonprofit Benchmarks shows that online donations increased by 21% in 2013 driven by a 20% increase in the number of gifts. Capitalizing on this growth market, while engaging employees in self-managed communities, may be Corporate Giving 2.0.

On the other hand, the tail is still not wagging the dog and it's unlikely to do so in the near future. Online giving and matched employee gifts are still small money compared to the billions donated by corporations and corporate charitable foundations. Employees often have very little influence in where the big money goes and how fat corporate philanthropy budgets are allocated. While giving circles and other matching gift models generate nice sums of money, let's not get carried away.



However, maybe that's exactly the point. Corporations can use big budgets to make big strategically relevant impacts in the wider community. At the same time, they can use smaller philanthropy budgets to serve a more immediate purpose: supporting employees in giving to causes that are meaningful to them, thus earning increased employee engagement and motivation. In this way, by creating corporate "circles of giving," it may be that a large corporation gains more than the community that the giving is designed to help. For smaller companies, that don't have big budgets, only smaller ones, it may be the most sustainable approach.

« Previous Next »

The opinions, beliefs and viewpoints expressed by CSRwire contributors do not necessarily reflect the opinions, beliefs and viewpoints of CSRwire.