



TRENDS & BEST PRACTICES IN CORPORATE COMMUNITY INVOLVEMENT

A Landmark Survey of Corporate Citizenship Activities



LBG Associates

LBG Research Institute, Inc.

Highlights Summary

In corporations everywhere, community involvement and community relations professionals are coping with changes that are making their positions and responsibilities more important, more scrutinized, and more challenging than ever before. With the emphasis on strategic, focused, and value-driven community involvement (CI) initiatives, and the increased pressure to produce the most impact and benefit from corporate community outreach programs, it is critical that CI professionals and their companies keep abreast of what others in the field are doing, and stay informed about the key trends and best practices that are redefining the community involvement arena.

With that in mind, LBG Associates and LBG Research Institute undertook *Trends & Best Practices in Corporate Community Involvement*, an in-depth survey and comprehensive update of LBG Associates' 1998 *Best Practices in Corporate Community Relations* report. This new research study:

- **Provides a wide-ranging and detailed view of today's community involvement practices, including extensive benchmarking data from 35 major corporations;**
- **Identifies the key trends driving CI today; and**
- **Presents best practice guidelines to help companies push their community outreach to the next level.**

The *Trends & Best Practices in Corporate Community Involvement* study reflects the current landscape of CI, as well as the trends that are shaping the continuing evolution of corporate community outreach.

The following highlights selected findings of the research.

Business Case & Philosophy

- *Corporate citizenship is at the core of community involvement:* The number-one motivation for community involvement is "because it is part of being a good corporate citizen."
- *When it comes to the importance of a strategic approach to CI, top management "gets it":* The respondents' CEOs understand that the most effective CI programs dovetail with the company's business model and mission.

Structure & Governance

- *Community involvement functions and responsibilities are concentrated in a single department.* For more than three-quarters of the survey respondents, there is just one department responsible for CI activities—indicating that most are taking a focused approach to CI management and have formalized this function within their corporate structures.
- *Foundations are the dominant giving mechanism:* More than 82% maintain a foundation.

Charitable Giving

- *Combination structures are used by the majority:* 51% have a combination centralized-decentralized charitable giving program.
- *The respondents' level of giving is on track with the norm, but ideally should be higher:* The median of total cash contributions as a percentage of pretax net income is 0.85%—about average, but below the 1% minimum standard of giving recommended by LBG Associates.

Employee-directed Giving

- *The majority have a Matching Gifts program—and almost all match employee giving at a 1:1 rate.*
- *More than three-quarters of the respondents offer a workplace giving program.*

Employee Volunteerism

- *The survey shows that there has been striking growth in the use of the hybrid volunteer program structure: 52% of companies are operating hybrid volunteer programs (in which volunteer events and activities are organized, planned, and run jointly by the company and employees) versus just 36% in 2004, when LBG Associates published its *Measuring Corporate Volunteerism* study.*
- *Service on boards is more prevalent: In this survey, 93% of the respondents encourage executives to serve on the boards of nonprofits—an increase of about 6 percentage points compared with 2004's survey.*

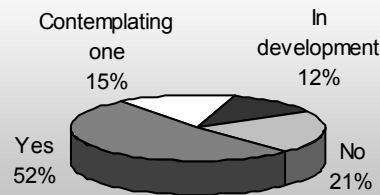
Sponsorships, Memberships & Signature Programs

- *Signature programs are catching on: More than half the companies maintain a signature program.*

Disaster Relief

- *Companies continue to be generous, but are not being proactive in their disaster relief planning: 100% of the respondents provide disaster relief, but 71% do not have a disaster relief budget.*

Does Your Company Have a Signature Program?



Measurement & Evaluation

- *Although there is a growing emphasis on accountability and proof of benefit, most companies are not measuring or evaluating the impact of their own CI programs.*
- *Feedback from employees is critical: Almost three-quarters of the respondents say they survey their employees about the company's commitment to community involvement.*

Communication

- *Electronic media rule: The intranet is the most popular way to communicate with internal audiences; the corporate Web site is the most popular way to communicate with external audiences.*
- *More than four out of five companies are touting their corporate citizenship accomplishments with a formal published report.*



Driving Social Change...

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