



CORPORATE PHILANTHROPY IN TIMES OF CRISIS

OVERVIEW

Over the past decade, more than 500 major disasters and national emergencies have tragically affected the communities in which we work and do business. In response to some of these situations, companies have shown the world that they can be responsive and generous in times of need. However, in response to most others, little or no corporate support is found. Why do companies choose to support some disasters, but not others, what factors trigger a response, what level of response do corporations provide and how can companies be more proactive and impactful?

To answer these and other questions, a study was undertaken that collected original data through telephone interviews with 94 representatives from major U.S. and Canadian companies, as well as leading U.S. disaster relief agencies and organizations. Included in this report are: trends and statistics on contemporary disaster grantmaking practices; insights and lessons learned from fellow corporate grantmakers and disaster relief professionals; and lists of useful resources.

Following are some of the key findings and recommendations found in the study.

KEY FINDINGS

- Four-out-of-five companies (80%) provide support for disaster relief on a regular or semi-regular basis.
- Three-out-of-four companies (72%) provide support to relief agencies and organizations only after disasters occur.
- 74% of companies will consider providing assistance to groups such as The Salvation Army, United Way, America's Second Harvest, local nonprofits and local government agencies (i.e., local fire departments).

- 26% of corporate grantmakers provide funds exclusively to the American Red Cross for disaster relief purposes.
- Only 10% of companies formally include disaster relief as part their philanthropic giving.
- The three main factors that may trigger virtually any company’s philanthropic response to a disaster are: *Employees, Location* and the *Scope, Magnitude and Impact*.
- Secondary factors that may also persuade a company to respond to a disaster include: *Available Resources, Customers/Suppliers* and *Fear of Being Scrutinized for not Responding*.
- While the CEOs from every company that participated in this study played an active roll in their own company’s response to the September 11th attacks, normally they assume a very small or minimal role in disaster response efforts. At most, participants indicated that their CEOs simply want to be “kept-in-the-loop.”
- 89% of companies encourage and support employee giving in response to disasters.
- 61% support employee volunteerism in response to disasters
- When selecting their disaster nonprofit partners, many companies will take the following criteria into consideration:

<ul style="list-style-type: none"> ▪ Pre-existing Relationships ▪ Reputation ▪ Capabilities ▪ Experience 	<ul style="list-style-type: none"> ▪ Communications/Accountability ▪ Response Time ▪ Local Recommendations ▪ Approach & Fit
--	---
- When disasters strike, many companies become very tight-lipped about their companies’ responses out of fear of being seen as self-serving – taking advantage of a bad situation.
- For major disasters and national emergencies, disaster relief participants indicated that detailed damage assessments may take up to a week to do.
- In response to major disasters and national emergencies, companies determine (and often make) their response within 24 – 72 hours of the disaster happening.
- Overwhelming, 90% of participants indicated that funding disaster relief initiatives has little to no affect on normal philanthropic activities.
- Corporate philanthropic support, regardless of its intended use, is generally provided in one of three ways – cash contributions, product donations, in-kind contributions – and can be leveraged with/by employee giving and/or volunteerism. (The report discusses all forms of assistance in great detail.)

- Most companies (85%) do not measure or evaluate how their contributions are used by relief organizations nor the impact they make.
- 72% of all companies in this study do not evaluate their disaster relief partners.

OVERALL RECOMMENDATIONS

1. Companies need to start approaching disaster relief in a more proactive manner by: 1.) supporting and promoting initiatives that work to lessen the affects of a disaster through education, preparedness, prevention and mitigation; 2.) establishing relationships with relief groups and other grantmakers prior to disasters occurring, and 3.) developing internal disaster grantmaking and community outreach policies, guidelines and procedures before they are needed.
2. When disasters occur, companies need to be patient with relief organizations during the response and recovery phases, and be flexible with their response determination and grantmaking, so that the greatest needs may be addressed in the most intelligent manner.

The following have been identified as the “key” components that corporate grantmakers need to address to ensure an efficient, effective and strategic corporate response to disaster relief:

- **Awareness, Education & Training:** Increasing people’s overall knowledge and skills on what they can do before, during and after a disaster to reduce their vulnerability, which includes both internal and external audiences.
- **Pre-Established Relationships:** Investing time prior to disasters meeting with, learning about and establishing relationships with the different relief agencies and organizations, including many faith-based groups, located in their communities, as well as outside groups that would respond in times of crisis.
- **Corporate Collaborations & Partnerships:** Forming formal collaborations/partnerships with other corporate grantmakers at the local-, state- and national-level, and exchanging information both prior to disasters happening and during the response and recovery phases.
- **Programs, Policies & Guidelines:** Establishing processes and procedures for determining when, where and how assistance will be provided, prior to disasters occurring. Issues include: the factors/circumstances that will trigger a response; roles and responsibilities of key players; and the type and level of assistance to be provided.
- **Communications:** Establishing appropriate contacts and agreed upon channels of communications with disaster partners, employees, local offices and business units, other corporate grantmakers and the general public, prior to disasters happening.

- **A Fair, Balanced & Appropriate Response:** Basing responses on accurate information generated by detailed needs assessments; considering immediate-, intermediate- and long-term needs; and knowing and understanding the difference between victim assistance and victim compensation.
- **Measurement and Evaluation:** Monitoring, measuring and evaluating how corporate funds and resources are utilized during response and recovery initiatives.

COST

PAPER COPIES

Companies & Corporate Foundations\$125.00 *(plus S&H)*
Students & Nonprofit Organizations\$110.00 *(plus S&H)*

REPORT on CD

Companies & Corporate Foundations (only) \$500.00 *(plus S&H)*

The CD is great for making multiple copies of the report to distribute to community relations, human resources and public affairs staff throughout your entire company, especially in local/regional offices.

CONTACT

New York Area Office
 245 Long Close Road
 Stamford, CT 06902
 Phone: (203) 325-3154
 LBG-NY@lbg-associates.com

Washington, DC Area Office
 18969 Abbotsford Circle
 Germantown, MD 20876
 Phone: (301) 528-5773
 LBG-DC@lbg-associates.com