*"Life's persistent and most urgent question is
- 'What are you doing for others?' "*

- Martin Luther King, Jr

Italian Services Institute of Australia International Fellowship 2014

Not-for-Profit Brand and Brand Communications and Corporate Philanthropy in the U.S.

Marisa Mandile

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i. EXECUTIVE SUMMARY

The not-for-profit sector in Australia is made up of over 600,000 organisations – 56,894 of which are considered "economically significant" [1] - that focus on cause-related programs such as arts and culture, community development, disaster relief and education. Also amongst the not-for-profits in Australia are charitable organisations and trust and foundations.[2]

Since data collection began in Australia in 1979, the market has enjoyed a steady growth in donations rising from $59 million to $2.4 billion in 2012, an average annual increase of 11.7 per cent over the 33 years.[3] This positive, upward trend is largely attributed to an increase in gift size from $31 to $494 per donor and an increasing population of taxpayers (up 1.8 per cent annually) and donors.[4] While the long-term trend in the amount given per donor boasts an average annual growth of 8.8 per cent, this encouraging growth is offset by a decline in the proportion of taxpayers actually donating in recent times - in 2012, the market saw a fall of 257,520 donors which left the market relatively flat since the peak of giving in 2008.[5] While those Australians who are giving are doing so generously, the proportion of Australian taxpayers choosing to donate is not so assuring.

Australia's culture of giving, while certainly gaining traction, trails behind the United States of America (U.S) in terms of the amount of charitable giving each year. While Australian taxpayers gave $2.4 billion in 2012 [6], comparatively Americans in 2012 donated USD $228.9 billion [7] (and USD $258.5 billion in 2014).[8]

Australia faces some steep challenges as the country's not-for-profit sector continues to grow - tax concession charities increased by 1,451 in 2012 alone[9] - and there are a significant number of organisations in the market that are addressing the very same cause.[10] While certainly digital technology is continuing to improve the ease in which people can give, being heard in an information-rich, connection economy is increasingly more challenging. And while government provides the majority of funding to the Australian not-for-profit sector,[11] the scale and scope of funding is becoming increasing uncertain as government budgets are stretched across many competing priorities. Not-for-profit players are competing in a very busy and fragmented marketplace all vying for a share of government, industry and consumer support and are now recognising more than ever before the imperative to become more innovative and self-sustainable in order to survive and to prosper.

The Fellow believes that an organisation's brand and the brand communications that emanate from strategic brand management are vital tools for not-for-profits to realise this quest. The Fellow believes an organisation's brand is instrumental in creating a strategic point of difference enabling organisations to adapt to change (or lead change), develop and maintain engagement with stakeholders, build internal cohesion and help cultivate a more robust culture of giving - both internal and external to the organisation - to create social change.

Corporate giving in Australia also trails significantly behind the market's American counterparts. Research conducted in 2012 - 2013 shows that donations from businesses in Australia reached just

1.   Australian Bureau of Statistics, *Non-profit Institutions Satellite Account 2012-13*, 28 August, 2015.

2.   Philanthropy Australia, <www.philanthropy.org.au/tools-resources/fast-facts-and-stats/>, accessed October 2015.

3   McLeod, J., *'Australian Giving Trends – Stuck on the Plateau'*, JB Were, August 2014.

4   Ibid.

5   Ibid.

6   Ibid.

7   Johnson, A., 'Americans were much more charitable last year', *CNN Money*, June 21, 2013.

8   Giving USA Foundation, *Giving USA 2013 Highlights*, Lilly Family School of Philanthropy, Indiana University.

9   McLeod, J., *Australian Giving Trends – Stuck on the Plateau*, JB Were, August 2014.

10   Ireland, J., 'Peak body calls for charities to merge amid funding squeeze', *Sydney Morning Herald*, November 2015.

11   McLeod, J., *Australian Giving Trends – Stuck on the Plateau*, JB Were, August 2014.

i. EXECUTIVE SUMMARY

over $850 million.[12] Comparatively, America's corporate market donated USD $18.2 billion in 2012[13] (and $17.8 billion in 2014, which was a 13.7 per cent increase on 2013).[14]

Corporate giving as part of a company's Corporate Social Responsibility (CSR) program accepts a relatively subdued role in the Australian market creating the need for greater thought leadership and a more strategic and holistic approach to CSR. And while some Australian institutions are making inroads in the corporate giving space, there is still an enormous opportunity for companies to do more – including the opportunity for captains of industry to publically assume leadership roles and proactively advocate for corporate Australia to help influence the future wellbeing of global, regional and local communities.

This Fellowship was undertaken to:

1. Review market trends in the not-for-profit market in the United States (U.S.) with a particular focus on brand and brand communications and review the role they play in an organisation's sustainability and growth.

2. Review corporate giving in the U.S. and learn from best practice corporate giving programs.

12 Philanthropy Australia, <www.philanthropy.org.au/tools-resources/fast-facts-and-stats/>, accessed October 2015.

13 Johnson, A., 'Americans were much more charitable last year', *CNN Money,* June 21, 2013.

14 Giving USA Foundation, *Giving USA 2013 Highlights*, Lilly Family School of Philanthropy, Indiana University.

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ii. ABBREVIATIONS/ACRONYMS

CEO	Chief Executive Officer
CAD	Canadian Dollar
CSR	Corporate Social Responsibility
GFC	Global Financial Crisis
ISS Institute	International Specialised Skills Institute
ISI	Italian Services Institute, Inc
KPI	Key Performance Indicators
LAAF	Laura Arrillaga-Andreessen Foundation
Stanford PACS	Stanford Center on Philanthropy and Civil Society
PAF	Private Ancillary Fund
TPC	Tipping Point Community
AUD	Australian Dollar
U.S.	United States
USD	United States Dollar

Charity

As defined by Philanthropy Australia, the word charity can be used to describe a type of organisation or a concept. The term charity is often used as a synonym for voluntary or not-for-profit organisations, commonly understood as organisations that raise funds for, or offer support to, the disadvantaged in society.[15] In legal terms, a charity is an entity established for altruistic purposes that the law regards as charitable.[16] (For the purpose of this report, charities are grouped into the broader not-for-profit term).

Collateral

In a marketing context, collateral is considered to be the collection of communication mediums, print and or electronic, used to support a company, product or service.

Corporate Social Responsibility

As outlined by Philanthropy Australia, Corporate Social Responsibility (CSR) is a descriptive term. As CSR language in the Australian sector is still evolving, there is currently no accepted definition.[17] Two definitions, as provided on the Philanthropy Australia website, are:

The commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life (World Business Council on Sustainable Development).

Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business (Business for Social Responsibility).

Corporate Philanthropy

Corporate philanthropy, or corporate giving, refers to the ways in which companies achieve a positive social impact through the use of their finances, employee time, facilities, or through their own products and services, to help others in the community and support social causes.[18]

Fundraising

Fundraising is the practice of seeking funds for the support of a particular organisation, individual or cause.

Generations

Within this report, four generations are referred to:[19]

Baby Boomer – the generation born between 1946 and 1964

Generation X – the generation born between 1965 and 1980

Millennials (also known as Generation Y) – the generation born between 1981 and 1997

Generation Z – the generation born after 1997

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15   Philanthropy Australia, www.philanthropy.org.au/tools-resources/glossary, accessed October 2015.

16   Ibid.

17   Ibid

18   Ibid.

19   Fry, R., *Millennials Surpass Gen Xers as the Largest Generation in U.S. Labor Force*, Pew Research Centre, May 11, 2015.

III. DEFINITIONS

Not-for-profit

As defined by Philanthropy Australia, a not-for-profit is an organisation whose primary objective is something other than the generation of profit, and which does not distribute any profit to the organisation's members.[20]

Philanthropy

The origin of the word philanthropy is Greek and means 'love for mankind'.[21]

As defined by Philanthropy Australia, philanthropy is the planned and structured giving of time, information, goods and services, influence and voice as well as money to improve the wellbeing of humanity and the community.[22]

Private Ancillary Fund

A Private Ancillary Fund (PAF) according to Philanthropy Australia is "a legal structure which is often used by families, individuals or companies to establish grantmaking foundations. A PAF must only make grants and is not permitted to carry out charitable programs".[23]

Shared Value

Shared value according to its authors Michael Porter and Mark Kramer, is about creating economic value in a way that *also* creates value for society by addressing its needs and challenges.[24]

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20   Philanthropy Australia, <www.philanthropy.org.au/tools-resources/glossary>, accessed October 2015.

21   Ibid.

22   Ibid

23   Ibid.

24   Porter, M and Kramer, M., 'Creating Shared Value', *Harvard Business Review*, January-February 2011.

1. ACKNOWLEDGEMENTS

Marisa Mandile thanks the following individuals and organisations that have generously given of their time and their expertise to assist, advise and guide her through this Fellowship program.

Awarding Body – International Specialised Skills Institute (ISS Institute)

The International Specialised Skills Institute (ISS Institute) is an independent, national organisation. In 2015 it is celebrating twenty-five (25) years working with Australian governments, industry education institutions and individuals to enable them to gain enhanced skills, knowledge and experience in traditional trades, professions and leading edge technologies.

At the heart of the ISS Institute are our individual Fellows. Under the Overseas Applied Research Fellowship Program the Fellows travel overseas. Upon their return, they are required to pass on what they have learnt by:

- Preparing a detailed report for distribution to government departments, industry and educational institutions
- Recommending improvements to accredited educational courses
- Delivering training activities including workshops, conferences and forums.

Over 300 Australians have received Fellowships, across many industry sectors. In addition, recognised experts from overseas conduct training activities and events. To date, 25 leaders in their field have shared their expertise in Australia.

According to Skills Australia's 'Australian Workforce Futures: A National Workforce Development Strategy 2010'.

> Australia requires a highly skilled population to maintain and improve our economic position in the face of increasing global competition, and to have the skills to adapt to the introduction of new technology and rapid change. International and Australian research indicates we need a deeper level of skills than currently exists in the Australian labour market to lift productivity. We need a workforce in which more people have skills and knowledge, but also multiple and higher level skills and qualifications. Deepening skills and knowledge across all occupations is crucial to achieving long-term productivity growth. It also reflects the recent trend for jobs to become more complex and the consequent increased demand for higher-level skills. This trend is projected to continue regardless of whether we experience strong or weak economic growth in the future. Future environmental challenges will also create demand for more sustainability related skills and knowledge across a range of industries and occupations.

In this context, the ISS Institute works with our Fellows, industry and government to identify specific skills and knowledge in Australia that require enhancing, where accredited courses are not available through Australian higher education institutions or other Registered Training Organisations. The Fellows' overseas experience sees them broadening and deepening their own professional knowledge, which they then share with their peers, industry and government upon their return. This is the focus of the ISS Institute's work.

For further information on our Fellows and our work see http://www.issinstitute.org.au.

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- Andrés Spoikony — President and CEO, Jewish Funders Network, New York
- Farra Trompeter — Vice President, Big Duck, New York

2. ABOUT THE FELLOW

Name: Marisa Mandile

Qualifications:

- Postgraduate Diploma of Management, Melbourne Business School
- Honours (Marketing), Monash University
- Bachelor of Business and Arts (Marketing, Economics and Italian), Swinburne University

Short Biography:

Marisa Mandile has over 20 years of experience as a marketing, communications and business development leader working in complex environments in both the for-profit and not-for-profit sectors. The Fellow has worked across the full marketing, communication and development spectrum including marketing strategy, brand management, media management, campaign management, corporate and internal communications, corporate sponsorships, fundraising and membership CRM programs. She has worked in Melbourne, Sydney and Hong Kong.

The Fellow's experience in the not-for-profit sector highlighted how brand and brand communications are often siloed in company structures and leveraged only as promotional tools to build awareness of fundraising and programming initiatives. The Fellow recognised the need for not-for-profits to integrate brand and brand communications into strategic business planning so that the disciplines, anchored in the organisation's mission, can be better leveraged to aid an organisation's sustainability and growth in a highly competitive space. The Fellow's experience within the not-for-profit sector also exposed her to the role that brand and brand communications can play in creating a culture of philanthropy, within and external to the organisation, to affect social change.

In 2012, the Fellow was a Steering Committee Member of the inaugural Australian Nexus Youth Summit. The Nexus Summit was launched at the United Nations in New York in July 2011 with the sole premise of catalysing a culture of philanthropy. Nexus was founded on the principle of encouraging the next generation of wealth-holders, social entrepreneurs and all change-agents to address global problems.

The Fellow is Board Director of the Australian String Quartet.

3. AIM OF THE FELLOWSHIP PROGRAM

Prior to leaving Australia, the Fellow had established meetings with academia, not-for-profit organisations, brand consultants, communication agencies and industry bodies that practice in or consult to the not-for-profit sector in the U.S. The purpose of these meetings was to gain a deeper understanding of the sector and uncover just how brand and brand communications are being leveraged to facilitate an organisation's sustainability and growth.

After spending just a few weeks in the U.S, the scope of the Fellow's research extended to include the role of corporate giving. With Silicon Valley and its high-net-worth citizens playing such a dominant role on the philanthropic landscape, it was impossible to ignore corporate philanthropy as part of country's broader giving pie. Review of corporate philanthropy involved the Fellow meeting with corporations to discuss their corporate giving programs, the concept of shared value and just how brands in such a busy and often sceptical market deliver authentic corporate communications to engage the market, build trust and increase brand equity.

4. THE AUSTRALIAN CONTEXT

This section provides an overview of the Australian not-for-profit sector as well as corporate giving undertaken by the Australian corporate sector. The strengths, weaknesses, opportunities and threats evident in each of these two markets are explored.

The Australian Not-for-Profit Sector

The not-for-profit sector in Australia is made up of over 600,000 organisations - 58,779 of which are considered economically significant[25] - that focus on cause-related programs within such realms as arts and culture, community development, disaster relief and education. Also amongst Australia's not-for-profits are charitable organisations, as well as trusts and foundations.[26]

Since data collection began in Australia in 1979, the market has enjoyed a steady growth in donations rising from $59 million to $2.4 billion in 2012, an average annual increase of 11.7 per cent over the 33 years.[27] According to JBWere's 2014 report 'Australian Giving Trends – Stuck on the Plateau' this positive picture is largely attributed to the increase in gift size from $31 to $494 per donor and an increasing population of taxpayers (up 1.8 per cent annually) and donors.[28] While the long-term trend in the amount given per donor boasts an average annual growth of 8.8 per cent, this encouraging growth is offset by a decline in the proportion of taxpayers actually donating in recent times.[29] In 2012, the market saw a fall of 257,520 donors which left the market relatively flat since the peak of giving in 2008.[30] So while those who are giving are doing so generously, the proportion of Australian taxpayers choosing to donate is not so assuring.

The Australian culture of giving, while certainly gaining traction, trails behind the U.S. in terms of the amount of charitable giving. While Australian taxpayers gave $2.4 billion in 2012[31], Americans in 2012 donated USD $228.9 billion[32] (and USD $258.5 billion in 2014).33 Out of the entire USD $358.4 billion charitable giving pie in the U.S. in 2014 (which includes foundation giving, corporate giving, bequests and individual giving), 72 per cent of donated funds came from individuals.[34]

The discrepancy in private giving between the U.S. and Australia can possibly be attributed to a few factors however all underpinned by a vastly different culture of giving. While much of Australia's wealth has been generated over recent decades, the U.S. has a long history accented by many examples of individuals and wealthy family dynasties that proudly pioneered philanthropic endeavors. Examples include John Harvard bequeathing his library and half of his estate in 1638 to an undergraduate school in Massachusetts that later became known as Harvard College[35] to more recent 20th Century legacies left by such luminaries as the Rockefeller and Carnegie families. Even today there is no shortage of wealthy families and individuals giving away their fortunes and letting the public know of their philanthropic gifts. Mark Zuckerberg, Warren Buffett, Bill and Melinda Gates and Bill Gross (as well as many others) proudly lead the philanthropic charge and, in doing so, raise the expectation for others in the (ultra) high-net-worth camp to do the same. Conversely, Australian philanthropists have traditionally

25   Australian Bureau of Statistics, *Non-profit Institutions Satellite Account 2012-13*, 28 August, 2015.

26   Philanthropy Australia, < www.philanthropy.org.au>, accessed October 2015.

27   McLeod, J., *Australian Giving Trends – Stuck on the Plateau*, JB Were, August 2014.

28   Ibid.

29   Ibid.

30   Ibid.

31   Ibid.

32   Johnson, A., 'Americans were much more charitable last year', *CNN Money*, June 21, 2013.

33   Giving USA Foundation, *Giving USA 2013 Highlights*, Lilly Family School of Philanthropy, Indiana University.

34   Ibid.

35   Kehoe, J., 'Charity begins far from home: Why Americans are more generous than Australians', *AFR Weekend*, May 2015.

contributed their wealth to societal causes with anonymity, leaving important contributions unknown and leaving the market void of positive peer examples (albeit this is starting to change).

Other influencing factors that may explain the differences between cultures may also include the fact that Americans must pay estate and inheritance taxes which act as an incentive to give whilst alive, while Australian taxation laws have been free of estate duties since 1979. It is however important to note that ordinary Americans drive much of the nation's giving[36] - the poorest states such as Arkansas, Mississippi and Alabama donate more per capita as a share of income than those wealthier American states.[37] The culture of giving in the U.S. seems to dictate a sense of ownership and responsibility amongst Americans to give and it is ubiquitously evident. The passion and commitment shown towards philanthropic giving is almost palpable.

The Australian not-for-profit sector is at an important juncture in its growth trajectory. In an increasingly competitive market (tax concession charities increased by 1,451 in 2012 alone[38]), with rapidly increasing societal needs and challenges in a country that is still growing into a culture of philanthropy, not-for-profits are under great pressure to innovate, secure funding and attract the right resources to deliver change. Furthermore, as government funding is continuously stretched and increasingly uncertain, not-for-profits are under extraordinary pressure to become more self-sustaining. The Fellow believes that an organisation's brand and the brand communications that emanate from strategic brand management are vital tools for not-for-profits to realise this quest. The Fellow believes an organisation's brand is instrumental in enabling organisations to adapt to (or lead) change, develop and maintain engagement with stakeholders and help cultivate a more robust culture of giving - both internal and external to the organisation – to create social change.

SWOT analysis of the Australian Not-for-Profit Market:

Strengths
- A (long-awaited) recognition that more detailed data and sector insights needs to be captured and shared – the Australian Charities and Not-for-profit Commission is one such body helping to resolve this knowledge gap.

- The long-term trend in the amount given per donor from 1979 to 2012 has been positive with an average annual growth of 8.8 per cent across Australia while inflation averaged 4.6 per cent.[39]

- The not-for-profit sector makes a significant contribution to the Australian economy. In 2012 - 2013, the sector contributed $54,796 million to Australia's GDP[40] According to The Australian Centre for Philanthropy and Nonprofit Studies, this amount is more than twice as large as the economic contribution made by the state of Tasmania and larger than Australia's agricultural, forestry and fishing industries.[41]

- The sector employed 1,081,900 people in 2012 - 2013 and, in the same year, 521 million hours were volunteered to not-for-profit organisations.[42]

- There has been a continued stream of large and public gifts made in recent years, particularly to

36   Di Mento, M., 'Laura Arrillaga-Andreessen Wants to Teach You How to Give', *The Chronicle of Philanthropy*, September 29, 2014.

37   Kehoe, J., 'Charity begins far from home: Why Americans are more generous than Australians', *AFR Weekend*, May 2015.

38   McLeod, J., *Australian Giving Trends – Stuck on the Plateau*, JB Were, August 2014.

39   Ibid.

40   Australian Centre for Philanthropy and Nonprofit Studies, *The Not for Profit Sector in Australia: Fact Sheet*, August 2014.

41   Ibid.

42   Australian Bureau of Statistics, *'Non-profit Institutions Satellite Account 2012-13'*, 28 August, 2015.

education and medical research, totalling approximately $300 million. [43]

- Australians have continued to embrace private ancillary funds (PAFs). According to JBWere's 'Australian Giving Trends - Stuck on the Plateau', in 2012, the total corpus of PAFs reached $2.9 billion – with $252 million given away in the same year. Since first established, PAFs have provided the greatest support to welfare, culture and education in Australia. [44]

- A growing number of philanthropists are now publically declaring their gifts[45], a trend which is bound to inspire and influence others to do the same while raising the profile (and need for) philanthropy in Australia.

Weakness

- There is a great sparsity of data and evidence-led information about the Australian not-for-profit sector – this is only now beginning to change.

- The proportion of taxpayers donating is in decline.[46]

- Gifts and donations represent only 7 per cent of total deductions in tax returns.[47]

- The level of volatility in annual giving has increased over the last decade, making organisational planning more challenging.[48]

- In the 2012 Australian Charity Perceptions Report, 60 per cent of people surveyed say they are getting tired of being asked for donations.[49]

- Many organisations in the Australian not-for-profit sector have the same mission and, are hence, duplicating resources and fundraising efforts (and possibly contributing to levels of giving fatigue).

- Impact metrics in the not-for-profit sector are requiring critical improvement in order to secure sustainable future funding.[50]

- Australians trail behind other international countries in terms of giving. Australia ranked fifth in the 2015 Charities Aid Foundation's *World Giving Index*; behind Myanmar, the U.S, New Zealand and Canada.[51] The Index incorporates donations of money, helping strangers and volunteering time.

- Australia's taxation system does not incentivise people to give during their lifetime.[52]

- In 2012, the proportion of Australians earning between $50,000 and $1 million who claim donations was at its lowest since records became available in 2000.[53]

- Tax concession charities increased by 1,451 in 2012 alone.[54] As John McLeod explains in JBWere's 2014 'Australian Giving Trends - Stuck on the Plateau*', how much of this market growth is about expanding the pie, rather than just redistributing it remains an unknown - however the static rates of donor participation point to the latter. [55]

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43   McLeod, J., *Australian Giving Trends – Stuck on the Plateau*, JB Were, August 2014.

44   Ibid.

45   Kehoe, J., 'Charity begins far from home: Why Americans are more generous than Australians', *AFR Weekend*, May 2015.

46   McLeod, J., *Australian Giving Trends – Stuck on the Plateau*, JB Were, August 2014.

47   Ibid.

48   Ibid.

49   Millward Brown Australia, '2012 Australian Charity Perceptions Report', July 2012.

50   Dass, S., *Non-profit leadership: Emerging Themes. Impact and Measurement*, JBWere, 2015.

51   Charities Aid Foundation (CAF), 'World Giving Index 2015', *A Global View of Giving Trends*, November 2015.

52   Kehoe, J., 'Charity begins far from home: Why Americans are more generous than Australians', *AFR Weekend*, May 2015.

53   McLeod, J., *Australian Giving Trends – Stuck on the Plateau*, JB Were, August 2014.

54   Ibid.

55   Ibid.

4. THE AUSTRALIAN CONTEXT

Opportunities

- There is an exciting opportunity for Australian not-for-profits to embrace digital technological advances to build a digital eco-system to increase levels of stakeholder engagement and enable funders to give and or get involved with ease online.

- There is an enormous opportunity for not-for-profits in Australia to demonstrate greater accountability and impact through metrics. Not-for-profits need to start investing in the right tools and infrastructure (as well as adapt the right attitude) to capture and share information.

- While the proportion of income and donation size rises substantially from age 60[56], a trend that presents a targeted opportunity for not-for-profits conducting fundraising campaigns, there is an important opportunity for Australian not-for-profits to start conversing and engaging with the next generation of donors and initiate donor succession planning.

- In Australia more females give, and up to the age of 75 years give a higher percentage of income.[57] This finding presents an interesting opportunity for the not-for-profit market to target their marketing efforts to this influential segment of the market.

- As a country still in the growth phase of philanthropy there is a significant opportunity for not-for-profits to, individually and collectively, cultivate a stronger culture of philanthropy in Australia via more collaborations and greater public discourse.

- Australian not-for-profits have the opportunity to amalgamate their efforts with other organisations in the sector to consolidate resources and ensure the mission remains at the heart of organisation's goals.

- Religious causes in Australia received the largest share of charitable donations in 2014[58] - despite being non tax-deductible recipients of donations. There is an interesting opportunity for the broader not-for-profit market to seek inspiration from these faith-based organisations and how they are successfully connecting with the market.

Threats

- Australia is challenged by many social problems where things are not changing fast enough for the lives they impact, or they are getting worse.[59]

- As Australia's population ages, the country will face significant social and economic challenges. Once such problem concerns Australia's ageing population. It is estimated that in 2050 government expenditure on the aged - health services for the aged, aged care and aged pensions - will double from today's figures. The end result is that government will simply not be able to continue to fund the diverse social purpose needs Australia has and the social purpose sector's talent pool will shrink. Consequently, there will be less capital and capability to tackle Australia's biggest social challenges.[60]

- Demands on government (and private funders) to help the growing and urgent demands of the global community continues. In 2015 the United Nations and its partners launched a global appeal to raise USD $20.1 billion to help reach over 87 million people in need.[61] The appeal target is five times the amount than was required in 2005.

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56   Ibid.

57   Ibid.

58   Ibid.

59   Centre for Social Impact, <www.csi.edu.au>, accessed October 2015

60   Ibid.

61   United Nations Office for the Coordination of Humanitarian Affairs, 'UN and partners launch 2016 humanitarian appeal asking for $20.1 billion, aiming to reach over 87 million people in need', December 7, 2015.

- As the number of charities in Australia continues to rise, so too has the competition for funding.[62]
- The increasing number of not-for-profits entering the Australian market threatens to lead to greater giving fatigue and indifference amongst the population.

Corporate Australia & Corporate Giving

Corporate Social Responsibility (CSR) is still a developing practice in Australia. A full integration of CSR programs into business models is yet to be achieved and, in fact, awareness for CSR is still an ongoing process.[63] Corporate giving as part of a company's CSR program accepts a relatively subdued role in the Australian market creating the need for greater thought leadership and a more strategic and holistic approach to CSR.

Based on 2012 – 2013 Australian Bureau of Statistics data, donations from businesses in Australia amounted to approximately $850 million,[64] relative to America's corporate market's contribution of USD $18.2 billion in 2012 [65] (and $17.8 billion in 2014, which was a 13.7 per cent increase on 2013).[66] While some leading Australian institutions are making inroads in the corporate giving space, such as Westpac's $100 million Bicentennial Foundation, there is still a profound and genuine opportunity for corporations to do more.

According to the 2015 Edelman Trust Barometer - Australia, trust in the institution of business in Australia hit a low in 2014 almost equalling trust levels measured in 2009 during the Global Financial Crisis (GFC). According to Edelman's report, the main reason for the decrease in trust, year on year, was that business failed to contribute to the greater good.[67] The '2015 Edelman Trust Barometer', an annual global survey measuring consumer levels of trust and credibility, reveals that not only is trust in Australian business on the decline, so too is the creditability of Australian Chief Executive Officers (CEOs) as spokespeople.[68]

Trust in a company underpins consumers' decisions to buy products or services, make personal recommendations to their networks, pay more for products or services, and even buy shares.[69] Conversely when trust is missing, the very same indicators work in reverse.[70] As such, a trust-building opportunity for business in Australia lies in organisations building more strategic and integrated CSR platforms with a strong corporate giving program, coupled with strategic communications.

62   McLeod, J., *Australian Giving Trends – Stuck on the Plateau*, JB Were, August 2014.

63   Australian Centre for Corporate Social Responsibility, *ACCR blog - CSR Connect.ed*, <www.csrconnected.com.au>, accessed October 2015.

64   Philanthropy Australia, <www.philanthropy.org.au/tools-resources/fast-facts-and-stats/>, accessed October 2015.

65   Johnson, A., 'Americans were much more charitable last year', *CNN Money*, June 21, 2013.

66   Giving USA Foundation, *Giving USA 2013 Highlights*, Lilly Family School of Philanthropy, Indiana University.

67   Edelman, *2015 Edelman Trust Barometer – Australia*, <www.edelman.com.au/trust/>, accessed October 2015.

68   Ibid.

69   Ibid.

70   Ibid.

4. THE AUSTRALIAN CONTEXT

SWOT Analysis of Corporate Giving in Australia:

Strengths

- In recent years there has been the introduction of prominent industry bodies in the Australian market that inform, educate and encourage CSR practices. The Shared Value Project and the Australian Centre for Corporate Social Responsibility and Sustainability are two such examples.

- Strong international corporate giving (and CSR) examples are readily available for the Australian market to review and learn from.

- More research is becoming available about corporate giving programs, partnerships and initiatives. A greater amount of research and insights are coming from industry bodies as well as from not-for-profits, which will ultimately help organisations to design more strategic programs and enable organisations to forge synergistic partnerships that move the dial on critical social issues while also helping to build brand equity.

Weaknesses

- There is currently only limited research available to track the corporate giving movement, and impact studies and analysis from partnerships established with not-for-profits are also currently limited.

- Employees using workplace giving, where available, represented only 4.5 per cent of employees in 2012.[71] Since being enabled by the Federal Government in 2002, workplace giving has been slow to gain momentum.[72]

- In a study of 12 leading Australian organisations in 2010 only one company, BHP Billiton, contributed one per cent of their pre-tax profits to community causes. Wesfarmers contributed 0.88 per cent and Rio Tinto contributed 0.81 per cent.[73] Other large organisations such as Telstra, ANZ and Orica all contributed less than 0.5 per cent of pre-tax profits.[74]

- As noted earlier, according to the '2015 Edelman Trust Barometer - Australia', trust in the institution of businesses in Australia contracted to almost GFC levels in 2014.[75] This report also uncovered a decline in CEO credibility as spokespeople.[76]

Opportunities

- There is an exciting opportunity for corporate leaders to take a stance on corporate giving and be a proactive player in advocating for social change.

- There is an opportunity for corporations to align their philanthropic programs to business priorities and forge more strategic collaborations with not-for-profits to drive scalable change.

- There is an opportunity for corporations to work more closely with government to help inform policy and assist in building a more resilient future.

- There is a compelling opportunity to grow employee-giving programs and start to nurture the next generation of leaders with the right leadership values.

- There is an exciting opportunity for captains of industry to connect on a more personal level with the marketplace via not only their company's corporate giving program but also by taking their own personal beliefs to the market.

71   McLeod, J., *Australian Giving Trends – Stuck on the Plateau*, JB Were, August 2014.

72   Ibid.

73   Catalyst, 'How Companies Invest in Communities', *Catalyst Australia Research Report*, July 2012.

74   Ibid.

75   Edelman, *2015 Edelman Trust Barometer – Australia*, <www.edelman.com.au/trust/>, accessed October 2015.

76   Ibid.

- There is an important opportunity to embrace a leadership role and advocate a profit-with-purpose proposition within the Asia Pacific region.

Threats

- A continued lack of research and metrics delivered by not-for-profit organisations presents a threat. Corporations (and individual givers) need to see a measured return on their investment and be accountable for how corporate/shareholder dollars are spent.

- A cautious economic climate can deter companies from giving, particularly when a structured commitment and framework to corporate giving programs is not in place nor included into long-term corporate business planning.

- An inability for corporations to align their corporate giving to their business model and create a strategic platform from which to catalyse change through strategic partnerships and collaborations. An inability to do so will also restrict authentic corporate communication endeavours and ultimately impede market confidence in corporate giving endeavours (which ultimately impacts brand equity).

5. IDENTIFYING THE SKILLS AND KNOWLEDGE ENHANCEMENTS REQUIRED

All ISS Institute Fellowships have a focus on applied research and investigation, conducted overseas and by Australians. The main objective of ISS Fellowships is to stimulate enhancement and improvement in skills, knowledge and practice not currently available or implemented in Australia; coupled with the subsequent dissemination and sharing of those skills and recommendations with relevant Australian industry, education, government bodies and the wider community.

The ISS Institute Fellowship provided the Fellow, Marisa Mandile, with an opportunity to examine the approach to brand and brand communications in the not-for-profit sector in the U.S. The Fellowship also facilitated a simultaneous examination of corporate philanthropy practices in the U.S.

The skill enhancement areas were identified as the following:

• Investigate the role of brand and brand communications in the American not-for-profit sector through informational interviews.

• Investigate corporate philanthropy in the U.S. through informational interviews.

• Reference and interpret available research.

• Document learnings from informational interviews,, market observations, media clippings, industry publications and academic literature and personal experiences.

6. THE INTERNATIONAL EXPERIENCE

This section explores the not-for-profit sector as well as corporate philanthropy in the U.S., bringing together the Fellow's independent review of related literature as well as information garnered during interviews conducted with representatives of organisations in these sectors.

Brand & the U.S. Not-for-Profit Sector

The U.S not-for-profit market is populated by some of the country's most well recognised and trusted brands.[77] American Red Cross, United Way, Habitat for Humanity and the YMCA are just four organisations that have earned a respected positioning in the market. However the role of brand, according to the Fellow's interviewees, is not unanimously understood in the not-for-profit sector; a market that has generally proven to be reluctant to adopt business practices traditionally aligned to the corporate sector.

Through the Fellow's interviews and market observations, and as noted by Natalie Laider-Kylander and Christopher Stone in the *Stanford Social Innovation Review*, the not-for-profit market in the U.S. appears to be at an interesting inflection point.[78] A growing and substantial number of not-for-profits are embracing the wider and more strategic roles that a brand can play and are now looking beyond brand being just a visual identity and a facilitator of awareness for programs and fundraising.[79] The sector is embracing language used in the for-profit space (to speak to both board members and donors traditionally from the for-profit sector) and enlisting the help of brand managers with a resume established in the commercial world.[80] The not-for-profit sector in the U.S. is becoming increasingly aware that a brand can be leveraged to strengthen an organisation and help it to achieve its mission.

Laider-Kylander, a lecturer at Harvard Kenney School and co-author of *The Brand Idea, Managing Not-for-profit Brands with Integrity, Democracy, and Affinity*, explains that brands in the not-for-profit sector should be anchored in the organisation's mission and values so as to ensure the brand identity, the internal definition of the brand (who we are, what we do and why it matters) is perfectly aligned with the brand's image and external perceptions of the brand.[81] As described by Laider-Kylander, internally a strong brand drives cohesion and can assist an organisation build the capacity and skills to meet its social mission.[82] Externally, a strong brand builds trust among a not-for-profit's vast stakeholder network - including donors, partners and beneficiaries - which enables an organisation to secure resources, establish partnerships and achieve greater impact.[83] According to Laider-Kylander, a strong brand is the result of a close alignment between the internal brand identity and the external brand image. Importantly, as recognised by Laider-Kylander, the brand's health should be a matter for the entire executive team.[84]

The not-for-profit market in the U.S., as observed by the Fellow, is supported by a vast number of independent brand consultants, communication agencies, foundations, industry bodies and academia that all advocate for a more deliberate and strategic approach to brand management in the not-for-profit space. The network of support is helping not-for-profits navigate their way through a myriad of research, resources and communication tools available to form greater connections, conversations and ideas like never before. According to Sean Gibbons the Executive Director of The Communications Network, the challenge today is how not-for-profits can ensure that they are heard amid the noise of our increasingly networked world.

77   Laider-Kylander, N. and Stone, C., 'The Role of Brand in the Not-for-profit Market', *Stanford Social Innovation Review*, Spring 2012.

78   Ibid.

79   Ibid

80   Ibid.

81   Kanani, R., 'Branding for Nonprofits: New Research, New Insights', *Forbes*, January 2012.

82   Ibid.

83   Ibid.

84   Laider-Kylander, N. and Stone, C., 'The Role of Brand in the Not-for-profit Market', *Stanford Social Innovation Review*, Spring 2012.

6. THE INTERNATIONAL EXPERIENCE

Re-imaging Brand Management

The role of brand and brand communications could perhaps be considered more complex, yet more important than ever before. Millennials (and Generation Z citizens), technological advances and the vast number of ways people now consume brand messages are challenging the traditional approach to brand management. Once zealously guarded, a brand was once a closed proposition. Inaccessible to users, a brand was seen as untouchable and as such, communications would be carefully controlled and broadcast through traditional media channels.

Today, an organisation's brand has transitioned into a fluid proposition. The introduction of digital communications has enabled consumers to shape, share and create content for brands; opening up dialogue and enabling consumers to place their own fingerprints on a brand's identity. Consumers are now hyper-empowered and hyper-connected.

In a busy and fragmented not-for-profit market, how a brand connects and engages with people is critical to organisational sustainability and growth. Today, competing for support is increasingly fierce in the U.S. as more peer-to-peer lending platforms are embraced by consumers and as more commercial enterprises enter the market with a profit-for-purpose premise; with TOMS and Warby Parker as two such examples. These consumer-focused, profit-for-purpose companies are communicating social issues and social impact in a compelling and sophisticated manner that compete head on with the not-for-profit market.

Brands within the U.S. not-for-profit sector are increasingly today recognising the need to carve a unique value proposition to build a brand that clearly and simply tells the market this is who we are and this is why it matters. Creating a strong brand helps organisations to build 'share of mind' which ultimately assists the decision making process in a marketplace competing for share of wallet and share of engagement. Importantly, with a new generation wired to consume communications in a vastly different manner to their older peers, not-for-profits in the U.S. are recognising the need to integrate brand communications as part of the wider organisational strategy and not just siloed to the marketing department.

Re-imaging brand management in the U.S. today includes a stronger focus on brand engagement. There is a strong shift in re-defining what it means to be a member or long-term supporter of an organisation. While people may be quick to join an organisation's affiliation program - and the process is easier than ever before - allegiance is not as forthcoming as it once was.[85] The U.S. not-for-profit sector is recognising the important significance of stakeholder engagement and the role it plays in building long-term sustainable relationships. Not-for-profits in the U.S. are recognising that it's not just about dollar transactions and are now placing a greater value on networks. According to Andrés Spokoiny, the President and CEO of the Jewish Funders Network, the only reliable predictor of giving is not wealth or age but, rather, engagement.

Not-for-profit organisations in the U.S. are starting to shift from traditional advertising efforts - where organisations talk *at* people - to an era of engagement marketing. Not-for-profits are beginning to learn more about constituents on a personal, individual level and are strategically planning to engage with them over a lifetime. The definition of engagement in this context is also shifting; engagement is now being regarded as more than a series of transactions (or click-through rates) and now about building a genuine relationship with individuals continuously over time and seamlessly across all the communication channels and devices that people use.[86] As author and marketing entrepreneur Seth Godin explains, customers increasingly want companies to get to know them and hence they will choose brands - and more specifically, people at those brands - that engage with them most effectively.[87]

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85   Heimans, J. and Timms, H., 'Understanding New Power', *Harvard Business Review*, December 2014.

86   Dholakia, S., 'It's All About Engagement in the Next Era of Marketing', *Marketo*, February 19, 2015

87   Ibid.

Brand Communications

A brand is more than a visual identity, its name or its logo; rather, a brand transcends any visual expression. As described by Laider-Kylander, a brand is "a psychological construct held in the minds of all those aware of the branded product, person, organisation or movement".[88] As such, while a logo may belong to the company as intellectual property, the brand itself resides in the minds of those in the market. So, in a time-starved world and in fiercely competitive market, a brand and brand communications in the not-for-profit sector have the ability to differentiate an organisation in a sea of sameness, where many organisations are addressing the same cause, and simplify the decision making process for consumers or corporations looking to donate or forge partnerships.

In contrast to the corporate market, where branding is traditionally centred on the 'why' of the business (the why do we do what we do), in the not-for-profit sector it can also be equally about the 'how'. This is particularly so in a segment of the market that may feature over 100 organisations that support the same cause promising the same outcomes. The 'how' can become the differentiating factor; addressing 'how we do what we do' and empowering organisations to deliver authentic brand messages that provide effective cut-through.

Hayley Berlent, founder of The Additive Agency in New York, believes that brand communication opportunities can be uncovered by addressing three key questions:

• Where is the white space?

• What do audiences want?

• What are my strengths and what are my points of difference?

According to Berlent, it is where these three answers intersect that the brand story is developed.

Not-for-profits uniquely manage a vast and often eclectic number of stakeholders and nurture a wide number of donors and supporters all with varying motivations and levels of engagement. Investing in brands with research and analytics to gain in-depth consumer insights will always be one of the most effective ways to inform the best use of communications and deliver the brand experience in the most cohesive way. Consumer insights can help organisations identify stakeholder segments and help them to deploy the best communication channel, use the most effective language and design the most effective communication tools with the target in mind.

Currently, not-for-profits in the U.S. are facing the critical task of extending their stakeholder network to include the next generation of funders and supporters. The challenge for not-for-profits is to converse and engage with this next generation without alienating their existing donor base; a base which generally comprises the Baby Boomer generation who boast the most discretionary income and with whom, most likely, a long-standing and trusted relationship has been established.

However, an aging donor base means that planning for the future is considered critical in the U.S. today. With a rather steep donor cliff comes a need for not-for-profits to embrace a new era of branding, communications and now engagement if they are to grow and prosper.

According to those interviewed by the Fellow, finding common ground, so as not to alienate existing donors, is all about finding enduring principles. Such principles, as outlined by Berlent, include simplicity, clarity, relevancy, scalability and impact; all of which transcend any demographic. Therefore, while the story remains the same, the communications tactic may vary and the way in which the story is told may alter according to the audience targeted. In terms of the differing generations, Millennials have grown up with iconography and thus think in terms of visuals, Baby Boomers prefer to read detailed messaging and Generation X, who is perhaps the most time poor, require a combination of

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88   Laider-Kylander, N. and Stone, C., 'The Role of Brand in the Not-for-profit Market', *Stanford Social Innovation Review*, Spring 2012.

the two. How consumers connect with not-for-profits also impacts the choice of communications. Baby Boomers and their Generation X counterparts look for cause affinity and personal relevance (Generation X, for example, have young families and therefore resonate highly with family and child related causes) whereas Millennials seek causes that reflect their own personal identity.

However, connecting to the next generation of donors without isolating existing Baby Boomer or Generation X donors is not always mutually exclusive. The not-for-profit organisation charity:water is a particular case in point. This not-for-profit, founded by Steve Harrison who has a background in event promotion, was often used as an exemplar of contemporary fundraising brilliance during the Fellow's time in the U.S. charity:water's proposition is clear and is predicated on the simple promise of providing clean water to those in need. This not-for-profit organisation tells its story solely online and packages its story with values of consistency and simplicity regardless of which consumer is at the online wheel. Importantly, the organisation also empowers individuals of all ages to get involved and start their own fundraising campaign - their Birthday Project perhaps being the most renowned - to contribute to the solution.

Donorschoose.org is another sterling example. Donorschoose.org, one of America's crowdfunding trailblazers, places great value on it brand communications as a way of delivering their brand experience regardless of donor demographics. An online business, Donorschoose.org is a not-for-profit that provides a platform for public school teachers working in America's most disadvantaged schools to post projects that need financial support on their site, regardless of project size. Donorschoose.org promotes schools and classrooms in need of educational tools, with projects that range from the provision of crayons to school field trips to lab equipment, enabling donors to select any project to support for as little as USD $1.00. When a project reaches its funding goal, Donorschoose.org then ships the materials to the school.

Funders' experience with the brand is continuous and extends well beyond the point of giving. The donor receives photos of the project taking place, a letter from the teacher and details on how every dollar was spent. Further, if a donation of $50 or more is given, the donor will also receive a hand-written thank-you from the students. Critically, this 'feel-good' package of information not only maintains a conversation with the donor but also inspires the donor to pass the information on to others, either through traditional word-of-mouth or via online channels, which ultimately provides impetus for more donors to join the movement. Interestingly, Donorschoose.org does not do any traditional advertising - growth has all been through word-of-mouth.

Established in 2000, Donorschoose.org can boast nearly two million donors, 641,705 projects funded and an astounding 16 million students impacted since the company launched. In 2014, the company was recognised by *Fast Company* as one of the most innovative companies in the world, and the first charity to be included in the top ten of the magazine's covetable compilation.

Outside of disaster relief efforts, creating a sense of urgency without being alarmist is also an important part of the brand communication remit. Using Donorschoose.org as an example once again, this exact concept was implemented by the organisation in 2014 when it launched its very first 72-hour 'flash sale' in collaboration with the Bill and Melinda Gates Foundation. This initiative offered "50% off every single classroom project". That is, for every donation made, the Bill and Melinda Gates Foundation matched the sum of money so the donor only had to donate half the amount of money in order to have the same impact.

Running the campaign for only three days and using the term 'flash sale' to promote the campaign evoked a real sense of urgency amongst funders and, in doing so, resulted in 26,000 people giving over USD $3 million over the three days.

Digital Disruption

Digital technology has unquestionably disrupted the U.S. not-for-profit sector. There has been a paradigm shift in how consumers collect, consume, deliver and exchange information. The world of communications in the U.S. (and around the globe) has irrevocably changed and the transfer of power from producer to consumer is the new norm.

Low barriers to entry and a low cost of failure fuels innovation in the digital space and, this in turn, means that the digital sphere is constantly populated by new platforms across multiple devices, and the consumer's appetite for participation is insatiable. According to the Pew Research Center, a staggering 85 per cent of American adults are now Internet users while 67 per cent are smartphone users.[89]

Brand communications in the digital age has challenged the way not-for-profits in the U.S. engage, mobilise and galvanise support to drive social change. Wifi, smart phones and the Internet are just three tools widely accessible in the U.S. Use of these communication tools essentially means that individuals can make social change quickly and with great impact and, perhaps most importantly, without the need of an established institution. Importantly, not-for-profits therefore need to critically examine just how their brand can remain meaningful, vital and relevant in such as dynamic and competitive marketplace.

A significant part of the disruptive technology phenomena is the use of cloud technology to organise and mobilise a group of people through social networks.[90] Individuals or small groups can swiftly form and mobilise crowds of people to fundraise or rally for a cause. And as noted above, this can be conducted without the aid of an established organisation and done effortlessly with today's ubiquitous personal accessory, the smartphone.

Another key driver of technological disruption, as discussed during the Fellow's informational interviews, is the ability of individuals (or small groups) to create crowdfunding opportunities at the touch of a fingertip with little to no financial backing. Micro-finance not-for-profit Kiva, the latest golden child in the crowdfunding space, is one such organisation building an expansive crowdfunding network from small retail donors lending as little as USD $25.00 to support an individual, cause or project.

Video content is also a significant disrupter in the way not-for-profits are communicating their message. Incorporating video into the communication mix, to relay stories and outcomes, is being used extensively in the U.S. not-for-profit sector and is now deemed an essential tool in the communication toolbox. Furthermore, video is today becoming a mobile experience that seamlessly integrates into consumers lives on the move. And, according to Lucy Bernholz, Stanford University's visiting scholar, infographics and data visualisation sit alongside video technology as engagement tools.[91] A sterling example of a not-for-profit utilising all these communication formats to tell their story is the Tipping Point Community (TPC) based in San Francisco. TPC is a unique organisation that focuses solely on eradicating poverty in the Bay Area and does so by finding, screening and partnering with local not-for-profits operating in the education, healthcare, employment and housing domains. TPC's website alone features video and infographics to tell the story of their brand, their partnerships and, importantly, to poignantly tell the tale of the end beneficiaries and the impact that fundraising has had on their lives.

Also trending as part of the digital discourse and a highly debated topic in this sector is data collection, analytics and data sharing; otherwise known as 'open data'. In a market fiercely competing for funds, engagement and support, more sophisticated and detailed impact metrics - as opposed to simply presenting organisational statistics and anecdotal evidence - are now regarded as the imperative conduit to connect people or organisations with programs and projects. Such metrics are now being

89   Duggan, M., *Mobile Messaging and Social Media 2015*, Pew Research Center, August 19, 2015.

90   Bernholz, L., 'Philanthropy and Technology', *Giving 2.0 Insights*, <www.laaf.com>, accessed October 2015.

91   Ibid.

regarded as an enabler of collaborative partnerships that can reveal problems, unravel new solutions and ultimately make change happen.

Technological advances are also allowing organisations to gain deeper insights into the effectiveness of communication strategies; enabling organisations to map consumer journeys from desktop to smart phone and gather invaluable insights into consumer behavioural trends from the point of awareness through to donation.

Social Media:

Delving a little deeper into social media as a disruptive communication platform, it is clear that it has eroded traditional donor-engagement models and is today playing an important role in how not-for-profits are conversing with donors and the market writ large. Instagram, Snapchat, Twitter and Facebook (a staggering 72 per cent of American adults use Facebook – 70 per cent say they log on daily)[92] are just some of the online social media channels compelling users to upload, share and consume content.

While 90 per cent of those aged between 18 to 29 years use social media, Baby Boomers in the U.S. are also active online participants.[93] U.Sge among those aged 65 and older has more than tripled since 2010. In 2015, 35 per cent of those aged 65 and older reported to use social media, compared with 11 per cent in 2010 (and just 2 per cent in 2005).[94] Growth is also noteworthy in the 30 to 49 year old age bracket, witnessing a 69 point participation jump from 8 per cent in 2005 to 77 per cent in 2015.[95] All these statistics indicate that up to nearly two-thirds of American adults use social networking sites,[96] a figure that commands attention.

In this era of digital communications not-for-profits should understand, especially given social media's instant feedback loops, that they are now bound to be more transparent in their communications. As more members of the public turn to social media to talk about and share their experiences, a valued supporter in the not-for-profit sector could actually now be a small donor but with a big network or degree of social currency and who is able to influence others to give well beyond their own capacity.[97]

A savvy executive team, according to interviewees, should also understand that social media (and other online platforms) is now an essential communication tool that supports the organisation's brand experience. While it was certainly acknowledged during the Fellow's interviews that many not-for-profits are often under-resourced and financially stretched to undertake a digital strategy, it was strongly advocated that digital communications can no longer be discretionary but rather an essential consideration in an integrated brand strategy.

Social Media & Peer-to-Peer Giving:

Underpinning the success of social media as not only a communications platform but also as a peer-to-peer giving channel is the power of word of mouth. Word of mouth is over ten times as effective as traditional advertising.[98] This form of communication is targeted and comes from a trusted source, a peer.

92   Duggan, M., *Mobile Messaging and Social Media 2015*, Pew Research Center, August 19, 2015.

93   Perrin, A., *Social Media Usage: 2005-2015*, Pew Research Centre, October 8, 2015.

94   Ibid.

95   Duggan, M., *Mobile Messaging and Social Media 2015*, Pew Research Center, August 19, 2015.

96   Ibid.

97   Dixon, J. and Keyes, D., 'The Permanent Disruption of Social Media', *Stanford Social Innovation Review*, Winter 2013.

98   Gibbons, S., 'Making Ideas Catch On', *Stanford Social Innovation Review*, February 19, 2015.

Content generation and management are considered pivotal to successful peer-to-peer fundraising. It is the strength of the content that ultimately inspires people to share content from peer-to-peer and enable messaging to reach the widest possible audience.

Content that provides social currency, triggers emotion, provides practical value and conveys powerful stories are essential ingredients used to motivate people to share information.[99] People are more likely to share content that makes them look good. The more social capital a user can garner by simply passing content along, the more likely it will be passed on. According to those interviewed, it's all about crafting an online image.

There are over 1.5 million not-for-profits in the U.S.[100]asking for community support. Receiving a message, recommendation or endorsement from a friend regarding a cause undoubtedly adds value and leverages the trust between peers. Furthermore, if there is a personal connection to a cause, a more concrete association is likely to develop. In fact, not-for-profit organisations in the U.S. are recognising that they are no longer their best messengers - a person's decision to give is now likely to be influenced by family, friends, and peers above any other factor. [101] In a study conducted in late 2010, 39 per cent of Americans indicated that they're motivated to get involved with causes that have affected someone they know and 36 per cent said they're motivated by it being an important cause to family and friends.[102] Both reasons were among the top five responses, and both outweighed factors like having the time or money to get involved or feeling an urgency to help those in need.[103]As such, peer-to-peer giving through social media works well for diseases or causes that may be particularly rare or uncommon.

The hugely successful Amyotrophic Lateral Sclerosis (ALS) Ice Bucket Challenge is a stunning example of social media at work and was referenced constantly during the Fellow's informational interviews. The Ice Bucket Challenge for ALS, began its life as an online fundraising tool for many causes and not-for-profits. However in the U.S. summer of 2014, a dedicated movement was established when a golfer in Florida, whose cousin's husband had developed ALS, devoted his challenge to the ALS Foundation.

Awareness and understanding of the ALS condition was (and continues to be) low and yet the challenge itself inspired individuals to tell their network that they were willing to endure the shock of pouring ice cold water on themselves for a worthy cause. As a result, over 17 million videos related to the Ice Bucket Challenge were uploaded to Facebook.[104] The videos were viewed over 10 billion times by more than 440 million people and raised USD $100.9 million in the four weeks it was first posted on social media.[105] The campaign also drew strong celebrity support, which helped to further broaden the campaign's already extraordinary reach. [106]

Just how social media directly converts users into donors was a point of contention - despite the ALS example noted above - amongst those the Fellow interviewed. However Asha Curran, Director of the Centre for Innovation and Social Impact at 92Y in New York and co-founder of Giving Tuesday, believes that one Tweet or one hashtag starts a chain of behaviour that ultimately leads to giving - and according to Curran, online is where most peers encourage their networks to give.

99   Konnikova, M., 'The Six Things That Make Stories Go Viral Will Amaze, and Maybe Infuriate, You', *New York Times*, January 21, 2014.

100   National Center for Charitable Statistics, <www.nccs.ubran.org>, accessed October 2015.

101   Dixon, J. and Keyes, D., 'The Permanent Disruption of Social Media', *Stanford Social Innovation Review*, Winter 2013.

102   Ibid.

103   Ibid.

104   Newton, R., *'Why the ALS Ice Bucket Challenge is an Effective Marketing Campaign'*, September 3 2014.

105   Ibid.

106   Ibid.

6. THE INTERNATIONAL EXPERIENCE

This view is further supported by the Network for Good's 2014 Digital Giving Index which suggests the impact of peer fundraising and socially-driven campaigns has increased donations dramatically, with donation volume growing 70 per cent in 2014 and the average donation growing by 52 per cent year-on-year.[107] The popularity and ease of peer/social fundraising campaigns coupled with mobile technology has led to the explosive growth in this type of giving.[108] According to the Network for Good there are many ways for not-for-profits to connect with donors via mobile, but the easiest, and most successful, is through the mobile web. Mobile-friendly and responsive pages allow donors to quickly give on the go, especially during disasters, events and at year-end.[109]

Looking at the broader online picture and reviewing donors' choice of giving channels, Network for Good's 2014 Digital Giving Index reveals that while online donations represent less than 10 per cent of all charitable giving in the U.S., the growth of online giving continues to outpace the rate of growth for overall giving.[110] In 2014, growth in online giving rose by 9 per cent whereas growth in overall giving was at 3 per cent. [111]The phenomenal online giving growth rate sheds light on its future role in fundraising. And so, as noted by those interviewed by the Fellow, a brand must go beyond just adding 'donate now' buttons to websites and pursue the creation of a holistic brand experience. When the donation experience is a continuous and cohesive brand experience, donors are more likely to give (and give more).

Story Telling

While technology has introduced a multitude of new and innovative communication channels to connect and converse with constituents and the wider market, the way in which information is communicated in the U.S. has returned to the traditional art of story telling. In existence for millennia, story telling has made a resurgence and is being used by not-for-profits, and corporations alike, to connect and engage with people to advance their cause. Not-for-profits are recognising that story telling is a way to be heard in a congested market that is competing for airtime in a 24-hour information economy.

Telling stories of people and places can captivate audiences - internal and external to the organisation - in an engaging and meaningful way. In an information-abundant world, consumers don't always want data as information. Instead, many find it easier to connect to information as stories. And as Elke Dochtermann, Chief Creative Officer of Fenton Communications, explains that if you don't tell your story, somebody else will.

Not-for-profits have become masterful at detailing statistics (such as how many members the organisation has, the number of countries in which the organisation has a presence and how many people they may help in one year) as part of their messaging. However, according to those interviewed by the Fellow, not-for-profits are not always good at inviting people to be part of the story to find a solution. It is was recognised that the proposition needs to shift from 'what we do' to 'why does it matter' and 'how can you play a role in solving the situation'.

Stories can humanise the brand and help to make the brand's story authentic and indeed memorable. A strong narrative is being acknowledged as a way to conjure up personal images and interpretations based on people's own individual experiences. Andy Goodman, Director of The Goodman Centre, points out that stories have the ability to cut through the brain's filters as it's not always what people

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107 The Network for Good, *The Digital Giving Index 2014 Year in Review*, <www.networkforgood.com>, accessed November 2015.

108 Ibid.

109 The Network for Good, *The 2015 Online Fundraising Report*, <www.networkforgood.com>, accessed November 2015.

110 Ibid.

111 Ibid.

say, it's what people hear. While Goodman believes that hard data assists the organisation to create the complete case, and possibly help to close the deal, hard data will not be considered until a story has been told thus helping to ensure the right kind of filter is in place. A strong narrative orders information in such a way that it can influence opinion and motivate people to act.

Stories have also proven to be more than just a people connector. Scientists have demonstrated that stories can affect brain chemistry by promoting connection, care and encouraging people to feel empathy.[112] As psychologist Paul Bloom explains, stories can turn anonymous strangers into people that matter and through the use of stories, and by giving a name to a face, our sympathy for an individual can spread to the entire group to which the individual belongs.[113]

Engender Health, a global women's health organisation, is charged with the mission of ensuring that every pregnancy is planned, that every child is wanted and that every mother has the best chance of survival. In 20 countries around the world Engender Health trains health care professionals and also partners with governments and communities to make high-quality family planning and sexual and reproductive health services accessible and readily available.

Engender Health has explored the idea of telling their story through the eyes of their beneficiaries, presenting their story in different ways to each of their donor segments. In the autumn of 2015, Engender Health launched a special story-telling series featuring 15 different stories informed by 15 different field trips. Each story was sliced differently and, while all the stories are presented and available on the website, each donor segment was given selected stories via selected communication mediums.

Outside of the charity space, Lincoln Centre for the Performing Arts, New York's pre-eminent not-for-profit performing arts centre, also acknowledges that stories can enable the organisation to connect with people at all different stages of their life. To help provide a very different perspective on the Lincoln Centre and connect people to its brand, and not just its shows, the Centre posted stories on their website about opera stars recounting what they were up to over the summer months. Another posting focused on the dysfunctional relationships that often feature in famous opera performances. To assist in promoting an upcoming show, 'Delusions of the Fury', story telling (rather than traditional advertising) was used to drive ticket-sales. For the 'Delusions of the Fury' performance, a special infographic was produced to tell the story of the composer's life milestones, the instruments used in the performance and detail the tone of scale. Taking a novel, innovative and highly engaging way of letting people know what the Centre does assists in curating audiences, builds a path to brand loyalty and helps the Lincoln Centre story to reach new supporters and patrons.

Generational Shifts

Generation Y is re-imagining the American philanthropic landscape and, as such, was considered an imperative topic of discussion amongst those interviewed.

The Millennial generation is an undeniable force even if solely based on its numbers and spending prowess. Approximately 80 million Millennials live in the U.S. today, collectively they spend approximately $300 billion annually on consumer discretionary goods and by the year 2020 Millennials will make up 50 per cent of the American workforce.[114] This generation is influencing a cultural agenda that is wielding significant attention.

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112   Jonsson, S., 'Healthcare's Superheroes, How psychology, storytelling, and design could create
more effective healthcare, and save lives', *IDEO Stories*, October 26, 2015.

113   Bloom, P., *TED Radio Hour*, April 2015.

114   Achieve, 'Inspiring the Next Generation Workforce', *The 2014 Millennial Impact Report*, The Case Foundation.

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Interestingly, MIllenials in 2015 were projected to outsize the Baby Boomer generation as the nation's largest living generation.[115] Millennials, born between 1981 and 1997, are projected to surpass the projected 74.9 million Baby Boomers (born between 1946 and 1964) while the Generation X population (born between 1965 and 1980) is projected to outnumber Baby Boomers by 2028.[116]

This Millennial generation is creating a monumental shift in wealth distribution. The technology gold rush, particularly on the West Coast (although increasingly on the East Coast also) has given birth to a significant number of affluent young individuals that can claim an aggregate net worth of almost $800 billion of the USD $7 trillion in assets held by the wealthiest 1,000 people in the world.[117]

In addition to shifting the distribution of wealth in the U.S., these affluent Millennials are also shifting the practice of giving and donating their philanthropic assets during their lifetime.[118] Traditionally, wealth in America has been directed to endowments and establishing a legacy after the donor has passed. Now, these donors want to ambitiously see change during their lifetime and recognise the need is now.

Regardless of the Millennial's wealth status, as it must be acknowledged that many in this generation are still living in their parent's homes, this generation seek different ways to engage. According to those interviewed by the Fellow, a Millennial's contribution may not always be cheque-philanthropy but may also include volunteerism, volun-tourism or simply providing strong advocacy.

Millennials are seen to be challenging the philanthropic establishment by viewing the act of giving through a different lens to their predecessors. Millennials have, by nature, an anti-establishment bias which is unlike the Baby Boomer generation that have a long-standing trust in institutions. Consequently, Millennials are questioning traditional notions of privacy as they voraciously live and share their lives via social media platforms. [119]

According to those interviewed, the Millennial generation also shares a profound belief in transparency and an unwavering belief in the power of metrics, which is a move away from traditional not-for-profit business communication models. These budding philanthropists in the U.S. seek different outcomes to their fellow Generation X and Baby Boomer donors. Millennials want to see how their contribution has made an impact, are keen to witness first-hand just how not-for-profits are using their money and meet the beneficiaries of their donation. Importantly, according to those interviewed by the Fellow, Millennials want to interact directly with those who are making the difference - whether it is the scientists, the field workers, or the program directors - and not necessary liaise with the development teams courting the donor.

It would appear that Generation Z are even more charitable then their Millennial peers. According to research conducted by U.S. marketing firm Deep Focus, 20 per cent of children and teenagers today say they want to start a charity in their lifetime.[120] These true digital natives do not know a world before computers, WiFi and the Internet; inheriting a world where technology has become completely integrated into every facet of daily life.[121] Growing up with digital technology at their fingertips has engendered this generation to be self-reliant and has reduced a dependence on institutions for information and guidance.[122] Thus, when it comes to philanthropy, this generation wants brands to talk to them directly and with complete transparency. Looking ahead, for a not-for-profit sector of over 1.5

115 Fry, R., *This year, Millennials will Overtake Baby Boomers*, Pew Research Centre, January 16, 2015.

116 Ibid.

117 Parker, S., 'Philanthropy for Hackers', *Wall Street Journal*, June 26, 2015.

118 Ibid.

119 Heimans, J. and Timms, H., 'Understanding New Power', *Harvard Business Review,* December 2014.

120 Jensen, B., 'Are you Ready for Generation Z?', *The Chronicle of Philanthropy*, March 29, 2015.

121 Taylor, J., 'From Baby Boomers to Generation Alpha: The Scribblelive Guide to Generational Marketing', *Scribblelive.com*, October 9, 2015.

122 Jensen, B., 'Are you Ready for Generation Z?', *The Chronicle of Philanthropy*, March 29, 2015.

million organisations,[123] the thought of more not-for-profit organisations entering the market may seem ominous. The challenge for the sector is how to enable this generation to be autonomous while being able to convince them that existing charities can be efficient and effective.

Organisational Culture of Philanthropy

A topical conversation amongst not-for-profits and industry consultants is the matter of cultivating an organisational culture of philanthropy.

Creating an organisational culture of philanthropy is a movement away from the current notion of fundraising being aligned to one person or one department. Creating a culture of philanthropy envelopes the entire organisation into the responsibility of long-term stakeholder engagement and thus relieving some of the pressure placed on the fundraising director or department. Importantly, building a culture of philanthropy ensures the role of fundraising is aligned to the mission of the company and becomes a strategy integrated into all components of the business. Fundraising becomes a priority for everyone. As noted earlier, the importance of engaging with stakeholders, existing and prospective, rather than just seeking a fundraising transaction is gaining traction. As Cynthia Gibson, philanthropic strategist and consultant, explains, "a culture of philanthropy means fundraising is seen less as a transactional tactic and more of a way of operating".[124]

According to those interviewed by the Fellow, when fundraising leads the conversation in not-for-profit organisations, where organisations depend on income to fund its programs, often there is a marketing peer missing from the table. What is forgotten or misunderstood is that a marketing peer can help direct fundraising so that it aligns and resonates with the organisation's mission and help the fundraising directive remain focused on a purposeful story - which in turn helps to form a genuine connection and level of engagement with donors. Without a marketing voice at the table, donors can sometimes become more important than the cause or the organisation's brand.

As noted earlier, people are connecting with not-for-profits in a multitude of ways and means and not only by writing cheques - people are choosing to support not-for-profits through social media, volunteering, blogs and activism. And so as Gibbons explains, fundraising can no longer be decoupled from engagement. Further, as the next generation wants to see philanthropy as more transparent, democratised and relational, they are seeking out organisations without traditional hierarchical structures. As such, more collaborative internal working partnerships are being formed between marketing, communications and programming departments.

Impact & Communication Metrics

Measuring and communicating impact metrics often led the conversation amongst those interviewed by the Fellow. As noted earlier, this issue has become a fiercely debated topic in the U.S. not-for-profit space. While open data is now widely considered to be the conduit to securing strategic collaborations and partnerships, the debate is being driven by what level of transparency organisations should adopt.

Today, funders in the U.S. are seeking to make an investment with their donation and view not-for-profits as a platform from which they can contribute to social change – and according to interviewees, this is a view heavily influenced by Millennials. Securing collaborative corporate partnerships or attracting individual donors relies on having rigid measures and evaluation processes in place and often using terminology that speaks to investment metrics. Not-for-profits are increasingly measuring the amount of inputs (how many resources have been deployed or how much money is required to

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123   National Center for Charitable Statistics, <www.nccs.ubran.org>, accessed October 2015.

124   Gibson, C., *'What Does it Take to Create a Culture of Philanthropy'*, Evelyn and Walter Haas JR Fund website, <www.haasjr.org>, accessed October 2015.

feed the underserved for example), outputs (how many people the organisation has fed) and outcomes or impact (is the organisation actually solving world hunger). On a broader level, other questions being addressed include how cost effective programs are, how the donation has been spent, how many people have been impacted, the level of return on investment and whether the intent has been accomplished.

Quantitative and qualitative data, facts and stories all matter. As Jen Pitts, from the Tipping Point Community, believes, it's about making the data seekers feel and the emotion seekers think.

In terms of determining the success of new media, particularly social media impact measurement, metrics need to be meaningful and relevant to the organisation. Gaining followers via social platforms or counting the number of page views are certainly important, but the levels of engagement are even more important. A not-for-profit doesn't necessarily need more friends and followers if they are not engaged in some form.

Metrics for digital communications such as 'shares' and 'comments', that can reveal a deeper, more active engagement, are better reflections of whether content or communications are effective.[125]

A similar approach applies to website views. How long the individual stays on the site, or according to Dochtermann at Fenton the website's 'stickiness' is a good gauge of how effective the site is in terms of actual engagement.

Corporate Philanthropy in the U.S.

In a market saturated with information and product choices, it is vital for a brand to establish a point of difference. Price and quality are certainly two important contributing factors in the consumer's decision making process but according to a study by the Reputation Institute, a private global consulting firm based in New York, willingness to buy, recommend, work for, and invest in a company is driven 60 per cent by perceptions of the company - or its reputation - and only 40 per cent by the perceptions held of the product or service it sells.[126]

According to the Reputation Institute, Corporate Social Responsibility (CSR) makes up three out of the four key brand reputation drivers: governance, workplace and citizen programs (the fourth being products and services). As such, savvy brands are ushering in a new age of CSR with a more strategic approach to good corporate governance and social good. Importantly, in the quest for financial sustainability, companies are aligning their CSR efforts with their brand strategies and core business operations.

CSR is omnipresent in the U.S. and levels (and motivations for) corporative giving is unremittingly challenged by the media, the industry and by consumers. While certain companies (such as IBM, Microsoft, Levi Strauss and Salesforce.org) lead the corporate philanthropy movement with their respective corporate giving programs and corporate communications, there appears to be a continuous expectation that corporations should and could do more. The Reputation Institute reports that while the 100 companies that comprise their RepTrak Index spend millions of dollars on CSR activities every year, only 6 per cent of consumers consider those companies to be acting as strong and good corporate citizens.[127]

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125 Gibbons, S., 'Making Ideas Catch On', *Stanford Social Innovation Review,* February 19, 2015.

126 Reputation Institute, *2015 Global RepTrak Results*, <www.reputationinstitute.com>, accessed October 2015.

127 Yohn, DL., 'Great Brands Never Have to "Give Back"', *Harvard Business Review*, February 6, 2014.

The scale and scope of a CSR program in the U.S certainly differs from one organisation to the next but, regardless of the size or nature of the CSR program, market expectations and the breadth and depth of information now readily available seems to dictate that good corporate governance includes at least such issues as diversity and inclusion, supply chain management and corporate giving, otherwise known as corporate philanthropy.

As uncovered during the Fellow's informational interviews, corporate philanthropy comes in many forms which include, but are not limited to:

- *Cash donations.* Donations are made from the organisation's foundation, the company's CSR division and/or from organisation's community affairs division.

- *Cause-related marketing.* These are activities in which a company supports a cause expecting that its association will increase the company's visibility. This form of philanthropy may include promotions in which a portion of the purchase price of a company's products is donated to a not-for-profit organisation.

- *Matching employee gifts.* A matching gift program provides time (during work hours) for employee volunteering or the organisation matches employee donations to not-for-profits up to a capped amount.

- *In-kind donations.* This form of philanthropy is the donation of a company's products or services.

- *Offering pro bono expertise.* Firms frequently have programs in which they provide a free service to not-for-profit organisations.

- *Sponsorships.* This form of corporate philanthropy in the U.S. is generally reserved for brand promotions or providing entertaining and networking opportunities for staff and their stakeholders at client events or activities.

According to the *Giving U.S 2015* report, overall charitable giving in the U.S. rose by 5.4 per cent in 2014 to reach a record USD $358.4 billion.[128] The report shows that donations from individuals, corporations, and foundations in 2014 topped the record-giving figure achieved in 2007, just before the global recession (which significantly impacted donations). A most interesting piece of information in this report, researched and written by the Indiana University's Lilly Family School of Philanthropy, is that while living individuals provide the lion's share of charitable donations, they're not increasing their giving nearly as fast as corporations and foundations are.[129]

Companies in the U.S. increased their contributions year on year by 13.7 per cent in 2014, rising to USD $17.8 billion.[130] The substantial increase in giving by companies was tied to faster growth in corporate pre-tax profits and the gross domestic product (it is important to note that the report counts donations of products as well as cash).[131]

The New York based CECP (formerly known as the Committee Encouraging Corporate Philanthropy), established by actor and philanthropist Paul Newman in 1999, is a not-for-profit membership organisation that exists to advance the belief that societal improvement is an essential measure of business performance. Research conducted by CECP and reported in their 2015 'Giving in Numbers' report - using a sample of 271 multi-billion dollar companies primarily based in North America, with aggregate revenues of USD $8.3 trillion - highlighted that the median value of giving in 2014 was 1 per cent of pre-tax profit, up from 0.95 per cent in 2013.[132]

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128 Hall, H., Stiffman, E., Coddington, R., and, Myers, M, June 2015, 'Philanthropy Surges 5.4% to Record $358.4 Billion, Says Giving USA', *The Chronicle of Philanthropy*, June 2015.

129 Ibid.

130 Giving USA Foundation, *Giving USA 2013 Highlights*, Lilly Family School of Philanthropy, Indiana University.

131 Ibid

132 CECP, 'Giving in Numbers', *10th Anniversary 2015 Edition*, The Conference Board.

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CECP's 2015 'Giving in Numbers' report indicated that a notable 56 per cent of companies increased their giving in 2014, while 36 per cent decreased levels of giving and 8 per cent maintained the same level of giving. Reasons for giving increases included:[133]

- Improved tracking and measurement capabilities of corporate societal investments and activities
- Expansion of employee engagement programs
- Increasing business performance with giving budgets tied to financial results.

Reasons cited for decreasing the levels of corporate giving included:[134]

- End of multi-year investments and/or changes in product donations
- Changes in corporate structure
- Declining business performances for companies with giving budgets tied to financial results.

CECP's 2015 'Giving in Numbers' report also highlighted that, despite corporate downsizing during 2014, companies interviewed in their sample held or increased their community engagement team size, attesting to a high value placed on the societal investment department.[135]

The top three popular causes supported by companies in Northern America in 2014, as highlighted in CECP's 2015 'Giving in Numbers' report, are:[136]

- 29 per cent to education
- 25 per cent to health and social service programs
- 15 per cent to community and economic development programs.

This report also highlighted that the 'typical' breakdown of corporate philanthropy budgets in 2014 were:[137]

- 34 per cent from the company's foundation
- 49 per cent direct cash (from corporate budgets)
- 17 per cent in-kind contributions – through products, services and pro bono assistance.

Levi Strauss allocates their philanthropic dollars to both their Foundation as well as to Corporate Affairs. While the majority of their corporate giving is funded by the Foundation, Corporate Affairs has a discretionary budget to fund immediate, consumer-facing projects that support the Levi's brand and its reputation. This may include anything from company memberships to the launch of a new product. In 2012 when Levi Strauss launched their Waterless jeans range the company partnered with Matt Damon's charity, Water.org, with this partnership financed by the Corporate Affairs department.

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133 Ibid.

134 Ibid.

135 Ibid.

136 Ibid.

137 Ibid.

Corporate Giving & Brand Alignment

Companies in the U.S. playing an active role in solving societal problems through their philanthropic programs have evolved significantly from the industrial era to the information age. And according to the CECP, missions and markets have come into a new alignment and the concept of purpose and profit are in greater sync than ever before. Over time, companies have moved from viewing corporate responsibility as a necessity for mitigating (public relations) risk to seeing giving as an opportunity to create value for the business, while simultaneously innovating for a better world.

When best practice is at play, organisations leverage the power of their brands to establish a strong relevance in an ever-increasing world of competing needs and priorities. Referencing the brand's value proposition, its positioning (covering everything from the brand's personality, point of difference, tone of voice) and, importantly the brand's values, enables companies to build a strong congruence between their giving programs and their organisations. This approach also enables greater engagement with stakeholder groups – including customers, employees, suppliers and shareholders.[138]

While it is noted that 'doing well by doing good' is certainly not a new idea, organisations in the U.S. are today increasingly being recognised for strategically aligning their brand to addressing societal needs. According to those interviewed by the Fellow, today's instantaneous and hyper-connected world has influenced corporate leaders to be better attuned to societal needs that work in harmony with a company's brand and business strategy.

In 2011, Professor Michael Porter and Mark Kramer published 'Creating Shared Value' in the Harvard Business Review proposing a framework for creating economic value while simultaneously addressing societal needs and challenges.[139] The ideology behind shared value heralds a new consciousness for organisations to go beyond CSR and strategically develop a business model that enhances the growth of the business while at the same time increasing the wellbeing of society. The concept of shared value aims to integrate societal issues in corporate strategy.

While shared value was not practiced by all those the Fellow interviewed (and the concept is still being socialised in the U.S. corporate market), the term itself appeared to be an integral part of the corporate vernacular. The practice however of aligning the organisation's brand with CSR and corporate giving programs was unanimous.

An example of AT&T's belief in aligning their corporate giving efforts with their core business proposition saw the company award nine developers over $100,000 in prize money in July 2015 after completing a three-month software development competition focused on developing mobile and wireless technology that can help improve the lives of people with physical, social, emotional and cognitive disabilities. The awards were part of AT&T's Connect Ability Challenge and were announced in time to celebrate the 25th anniversary of the *Americans with Disabilities Act.*

IBM is another such company that strategically aligns the brand and the company's assets to their corporate giving endeavors. The Smart Cities program is one such example. The company has deployed the talent of 700 IBM employees since the program's inception in 2010 - in addition to giving away USD $50 million - to help 116 cities and urban regions around the world to regroup, revitalise and become better places for people to live, work and visit.

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138   Yohn, DL., 'Great Brands Never Have to "Give Back"', *Harvard Business Review*, February 6, 2014.

139   Porter, M and Kramer, M., 'Creating Shared Value', *Harvard Business Review*, January - February 2011.

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Organisational Culture of Philanthropy

At the cornerstone of successfully creating any successful CSR program is, according to interviewees, the practice of integrating CSR into the corporate culture with corporate philanthropy at its centre. When corporate philanthropy (and good corporate governance) is deemed integral to the brand and the company's DNA, this creates a genuine connection with all internal (and external) stakeholders and provides an authentic platform from which to communicate the program's outcomes.

A company imbued with a responsibility to drive change and help solve societal challenges infiltrates every level of staff responsibility. Passion and a genuine sense of pride in the company's efforts to be a responsible corporate citizen was evident in each informational interview conducted by the Fellow.

According to those interviewed, corporate giving and an organisation's broader CSR program is now also helping to inform employee acquisition and retention strategies and as such is fast becoming an important concern for the Human Resources (HR) function. The Millennial generation in particular is not checking their interest in causes at the door, they bring these passions to work.[140]

Key influencers in building a strong corporate culture of giving, as identified by those interviewed by the Fellow, include:

- Recruitment & Onboarding Programs:

  » Essential to building a strong culture of philanthropy within the organisation is the recruiting and onboarding processes. Integral to securing the best and the most culturally aligned candidate is detailing the company's commitment to corporate giving at the time of recruitment (and often this is used as a point of difference between competing companies) and as part of the official onboarding process. The company's philanthropic commitments are tightly integrated into the company profile and details of how the employee can get involved are clearly highlighted.

- Employee Giving Programs:

  » Employee giving programs in the U.S. are widely recognised as a fundamental part of cultivating a corporate culture of philanthropy. Programs vary from company to company however there were at least three common layers amongst those companies interviewed by the Fellow:

    » *Employee matching gift program.* Whereby a company will match an employee's donation to a not-for-profit of their choice. This is typically capped at a nominated amount and reset on an annual basis. Many companies, such as Microsoft, also have a payroll deduction option whereby a percentage of an employee's salary is directed to the employee's charity or charities of choice.

    » *Workplace giving campaigns.* Fundraising drives that are run for set period of time.

    » *Employee volunteering.* Employees can volunteer time during work hours to a not-for-profit capped at a nominated number of hours per year. Many of the companies interviewed also hosted a company-wide day of service.

  In 2015, Levi Strauss sent their senior leadership team to Haiti so that the team could see first-hand the difference the company is making in the region and enable them to get involved and participate in the company's sponsored programs. The trip allowed the leadership team to personally witness and experience the Foundation's work abroad and better understand the importance and the impact of the company's philanthropic programs. This in turn enabled the leadership team to feel more empowered to inspire their own respective teams at head office to get involved in and feel proud of the organisation's philanthropic work.

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140 Achieve, 'Inspiring the Next Generation Workforce', *The 2014 Millennial Impact Report*, The Case Foundation.

Comcast strongly believes in engaging employees with volunteer opportunities. The company conducts a Comcast Care Day once a year bringing more than 90,000 cable and NBCUniversal employees and their families together to give back to partner not-for-profits across the country and abroad. Since 2001, 600,000 volunteers and 3.7 million hours have been devoted to community work as part of the Comcast Care Day, activities which may extend from building playgrounds to cleaning beaches. Interestingly, the company trended on Twitter for six hours during the 2015 Comcast Care Day, with employees enthusiastically sharing their experiences in the Twitter-sphere.

- Internal Communications:

  » Internal communications is considered a vital tool to facilitate a strong organisational culture of philanthropy. The most popular internal communication lever to convey corporate giving as an organisational priority is an organisation's intranet. This critical resource is a powerful tool in the communication mix and share-ability is at the centre of its power. Through the intranet staff can share their own stories of giving - whether it is through volunteerism or financial donations - and can engage with and be inspired by program metrics that relay the scope and scale of a program's impact.

  The Salesforce intranet is considered a vital asset in the company's internal communication toolbox. The intranet at Salesforce keeps staff informed and continuously motivated by conveying a data dashboard of targets, milestones and accomplishments in real time across the company's three community pillars of product, people and equity. Other internal communication platforms include emails from the CEO, staff events, printed posters and videos.

  Comcast deploys all four of these levers, in addition to the company intranet, for their annual employee fundraising campaign in collaboration with the not-for-profit organisation United Way. The Comcast Foundation launches this annual campaign to employees with an announcement from Comcast's CEO via email and presentation at a staff event. The Foundation subsequently rolls out a multi-channel internal communications campaign using video, posters and email with the tag line of "I give because…". Each communication piece features members of staff sharing deeply personal, heartfelt accounts of their experiences with United Way. This personalised, story-telling approach inspires connectivity between employees and helps to humanise the work accomplished by this renowned American not-for-profit.

- Leadership Team:

  » Also fundamental to achieving a robust culture of giving, according to all those the Fellow interviewed, is the role played by the CEO. Top down endorsement for a company's corporate giving program (and the way in which the organisation conducts its business) is a critical component of staff engagement. The CEO advocating just how corporations can be a platform for catalysing change is pivotal to creating a special, and often distinctive, nervous system within the organisation.

  The CEO's commitment to improving communities in which they operate provides the leadership team with unequivocal currency to create a distinctive eco-system in which all stakeholders are influenced by the company's business choices and work principles.

  A CEO's own personal commitment to community giving out-of-office hours is just as important. Marc Benioff, CEO of Salesforce, demonstrates his own personal belief system in and out of the public eye. In March 2015, Benioff became the first major business leader to speak out against the State of Indiana's *Religious Freedom Restoration Act*, which would have permitted businesses to discriminate against the lesbian, gay, bisexual, and transgender (LGBT) community. Benioff demonstrated his protest by threatening to scale back his company in Indiana and offered his

employees the opportunity to transfer to another city.[141] To further his protest, Benioff used his network of powerbrokers in the technology sector to also lend their support and build the crU. Sde against the proposed law. A week following, legislation was revised.

In addition to the role played by a CEO, the company leadership team is also critical to building and sustaining a culture of giving. Levi Strauss, TD Bank, Salesforce and Walmart are just four examples of companies interviewed by the Fellow that integrated corporate giving goals into their leadership team's key performance indicators (KPIs). Inclusion of corporate giving goals into KPIs was considered imperative by those interviewed to ensure that at every level of the organisation, there is an inherent understanding of the company's core values. As explained in CECP's 2015 'Giving in Numbers' report, support from a company's senior levels remains key to unlocking the value of the organisation's philanthropic programs.[142]

Further to the CEO and leadership teams being organisational ambassadors for philanthropic programs, reporting lines were also considered a vital component of a successful giving culture. The vast majority of the companies that the Fellow interviewed had CSR or Foundation managers that directly reported to the company's CEO, or was at least second or third removed from the CEO. The internal reporting structure was considered a reflection of the priority given to the corporate giving program by the CEO and was thought to inform the positive set of assumptions established by employees.

- Budgeting:
  » How corporate giving budgets are established was also considered a strong determinant of successful corporate cultures of giving by those interviewed by the Fellow. The majority of those companies interviewed committed a set annual percentage of revenue to their corporate giving work; Salesforce being a notable exception as their Foundation is financially self-sustainable. While budgets may alter year-on-year, a fixed percentage commitment to corporate giving remained in those companies interviewed regardless of the commercial success of the business. This, according to interviewees, helped to convey a genuine story of responsibility and was thought to create a more sustainable program of giving.

Corporate Communications

Companies in the U.S. have been known to use corporate giving to counteract or distract attention away from the negative impact their business operations may have on the environment or on society at large.[143] Of course consumers, in a vastly informed world, do not always fall for ploys of distraction.

Aligning corporate giving back to the brand is paramount to authenticity in communications. Communications are most powerful when the intent of any corporate giving program is truly genuine. This circles back to the organisation's culture of giving, the alignment of brand with the giving programs and indeed the role played by the CEO and the leadership team.

Integrating corporate giving from the start – from Initial Public Offering (IPO) or launch phase - helps to establish a long-term and sustainable culture of philanthropy from the outset. This strategy helps to counter balance any market scepticism and helps to ensure all communications are delivered in a genuine and purposeful way.

Regardless of the starting point, for communications to be authentic, it is important for the company to communicate the issue it is seeking to address, how it is aligned to the company's brand and

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141 Kaufman, A., 'The CEO Who Took on Indiana's Anti-LGBT Law - And Won', *Huffington Post,* April 2015.

142 CECP, 'Giving in Numbers', *10th Anniversary 2015 Edition*, The Conference Board.

143 Yohn, DL., 'Great Brands Never Have to "Give Back"', *Harvard Business Review*, February 6, 2014.

ensure all communications are credible and substantive. Cause-related promotions and tokenistic philanthropic gestures or event sponsorships can easily be perceived as opportunistic and actually have the potential of damaging the brand's reputation.[144]

Just as donors tend to give more to those charities they deem effective, media also pays more attention to those companies affecting high-impact philanthropy - and the amount of money donated is also not a sure way to secure media attention and garner positive press. As uncovered by the Fellow's informational interviews, the size of the gift is often weighed against the size and scale of the company. Also according to those interviewed, corporate giving that attracts media interest are those programs that feature a considered mix of cash and in-kind donations (including pro bono services).

Walmart's response to Hurricane Katrina in 2005 is a sterling example of an organisation that was able to help those in need while simultaneously building on its own public image. Utilising their sophisticated supply chain management and shipping network, the organisation was able to not only issue millions of dollars in cash, they were able to distribute more than 100,000 meals worth of food and 1,500 truckloads of donated merchandise - famously reaching victims of the disaster before even government relief agencies. As a result, Walmart was greatly rewarded with positive media exposure.[145] Walmart's swift involvement also highlighted the role that the private sector can play in societal well-being.[146]

Effective corporate communications also relies on the person telling the story. While an organisation's CEO is considered to be the most effective spokesperson for the company, corporations are discovering that the best advocates and the most effective ambassadors for their corporate giving programs are those whose lives are directly impacted by the organisation's grant or work. The story told by a beneficiary and or the non-profit conducting the programs presents a credible perspective and often offers an inspiring tale (and can often increase positive press or its online status). The reversing of perspectives - attribution versus contribution - is a striking shift in corporate communications in the U.S today.

A considered part of the corporate communications function in the U.S. market is also the annual release of a dedicated CSR report which details the corporate giving program in context of the organisation's commitment to corporate citizenship. Each corporation interviewed by the Fellow released an annual CSR report, in addition to their annual business report, which focused on bottom-line results. The CSR reports are free to access and download on each of their respective websites.

Silicon Valley & (New) Philanthropy

Silicon Valley and its cohort of technological powerhouses and entrepreneurial wunderkinds are disrupting traditional ways of giving. The Valley's army of digital warriors are re-imagining how world problems can be addressed and constantly challenging not-for-profits on how best to solve them.

The list of top donors in the U.S., as compiled by the 'The Chronicle of Philanthropy', while still crowded by old East Coast families, is now punctuated by West Coast entrepreneurs.[147] In fact, three of the five most generous donors in the U.S. in 2014 came from the tech world, giving more than USD $1.6 billion among them.[148]

In addition to individual giving out of Silicon Valley, the wave of tech corporations embracing a philanthropic ethos appear to be growing. The success of the Pledge 1% project is testament to this

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144 Klein, P., 'Communicating CSR: Four Lessons from Chevron and IBM', *Forbes*, January 14, 2013.

145 Scott, R., 'How Hurricane Katrina changed Corporate Social Responsibility', *Huffington Post*, August 2015

146 Ibid.

147 Weisberg, J., 'When Facebook and Twitter Give Back: A New Philanthropy Guru and Her Silicon Valley Mission', *Vogue (America)*, May 15, 2014.

148 Wallace, N., 'Silicon Valley vs Philanthropy', *The Chronicle of Philanthropy*, June 2015.

movement. There are now over 250 companies, primarily from the tech world, signed up to Pledge 1%; an initiative founded by Atlassian, Entrepreneurs Foundation of Colorado, Rally for Impact, Salesforce. org and Tides. Modeled on Salesforce's own one per cent philanthropic framework (refer to Appendix), the Pledge 1% project aims to make the community a key stakeholder in every business by encouraging companies to give away one per cent of equity, product and employee time.

The Millennial generation, as noted earlier in the report, is a large part of the Silicon Valley story. The Valley, and right across the Bay Area in San Francisco, is home to many tech moguls in their twenties and thirties who are assuming leadership roles in cause-related advocacy. Napster co-founder Sean Parker, Facebook's Mark Zuckerberg, Airbnb founders Brian Chesky, Nathan Blecharczyk and Joe Gebbia and Twitter founders Jack Dorsey, Evan Williams and Biz Stoneto are just a few Millennials directing their wealth to social change. These new-age moguls are redefining corporate philanthropy and leveraging their corporations as change agents like never before.

Millennials, as employees, also actively give and volunteer in work-related philanthropic activity and in fact use their place of work as a conduit to leverage their assets (money, time and network) to make a difference in their respective lives.[149] With Millennials placing a premium on working for companies with robust philanthropy components, the question is not whether they will be philanthropic but in fact, how they will give.[150]

In the 2014 'Millennial Impact Report' it was revealed that 84 per cent of Millennial employees made a charitable donation in 2014 and, of those surveyed, 22 per cent said their donation was solicited through their company (while 78 per cent of those who did not donate through their employer did make a charitable donation on their own).[151]

While the scions of Silicon Valley are generously embracing their role as philanthropic role models, they show reluctance to align themselves with traditional foundations or not-for-profit organisations. They are less inclined to be wooed by gala dinners or enticed by direct mail; rather they prefer to bring their tech mind-set with them when reviewing how best to solve societal changes.[152] This is turn is forcing traditional not-for-profits to focus inwards and re-calibrate their approach to attracting new money and collaborating with these innovative individuals who are capable of starting up their own philanthropic endeavours.

The tech pack follows an experimentation-drives-innovation philosophy, however the not-for-profit sector's aversion to risk (and often lack of resources) makes it often impossible for not-for-profits to test new ideas and embrace a greater commitment to research and development.[153] Trying to tackle this head on is the Tipping Point Community's T-Lab project. Launched in 2013, the initiative was designed to bring innovative technology into the not-for-profit sector by engaging nine 'problem-solvers' to design and test new solutions to organisations working to end poverty in the Bay Area. The project is based on the premise of bringing Silicon Valley's innovative culture and entrepreneurial spirit to the not-for-profit space and help change perceptions of the not-for-profit sector being staid and antiquated.

In addition to Silicon Valley donors helping to champion a culture of research and experimentation, they are also showing great influence in persuading not-for-profits to be more accountable through metrics. Their love of data and analytics is creating a compelling argument for not-for-profit organisations to be more effective with how they measure outcomes and demonstrate how impact is being achieved.[154]

149 Achieve, 'Inspiring the Next Generation Workforce', *The 2014 Millennial Impact Report*, The Case Foundation.

150 Di Mento, M., 'Laura Arrillaga-Andreessen Wants to Teach You How to Give', *The Chronicle of Philanthropy*, September 29, 2014.

151 Achieve, 'Inspiring the Next Generation Workforce', *The 2014 Millennial Impact Report*, The Case Foundation.

152 Wallace, N., 'Silicon Valley vs Philanthropy', *The Chronicle of Philanthropy*, June 2015.

153 Ibid.

154 Ibid.

While Silicon Valley's fortunes are widely acknowledged, so too are the many social issues that are associated with such phenomenal success. The fortunes made by such companies as Google, Apple and Facebook has driven up prices of living in the Bay Area making it harder for every-day families to keep up. One such issue is the rising cost of rents forcing many residents to move homes and impacting the levels of homelessness in the area.[155] Prohibitive rents are also driving school teachers out of the Bay Area and leaving the education system short of staff.[156]

Recognising Silicon Valley's responsibility to help address the Bay Area's acute issue of poverty (where one in five people live in poverty) is Marc Benioff who initiated the SF Gives campaign in 2014. In collaboration with the Tipping Point Community, the campaign pledged to raise $10 million in funds to help anti-poverty programs. In the 60 days allocated to the campaign, $10 million was raised by 20 companies located in the Bay Area with an average donation of $500,000 per company.[157] Partners and corporate donors included Box, LinkedIn, Google, Zynga, PopSugar, IfOnly and Jawbone.

Also borne out of the SF Gives initiative, was a handbook focused on best corporate giving practices. The 'SF Gives Playbook', created in partnership with the Tipping Point Community as well as campaign partners such as Levi Strauss and the Boston Consulting Group, is aimed at helping organisations to start or refine a corporate giving program. The premise of the 'SF Gives Playbook' is clear - embrace the concept of adding value not only through innovation but also through philanthropy.

Also taking on an active leadership role to drive best practice philanthropy in Silicon Valley is philanthropist Laura Arrillaga-Andreessen. Laura is a Professor at Stanford University, the founder and Board Chairman of Stanford PACS (Center on Philanthropy and Civil Society) and is the publisher of the *Stanford Social Innovation Review*. Laura is also the Founder and President of the Laura Arrillaga-Andreessen Foundation (LAAF) which she established with the founding principle to inspire, educate and empower people to give in a way that matters.

As a passionate advocate for smart and strategic philanthropy, Laura personally advises high-profile tech companies and entrepreneurs on smart giving. This is particularly important given that the journey from tech hero to world-class philanthropist has not always proven to be a smooth one; with Mark Zuckerberg's USD $100 million gift to fix failing schools in Newark in New Jersey in 2010, widely slated as impulsive and completely ineffective,[158] a perfect case in point.

In late 2014, in the spirit of democratising philanthropy, Arrillaga-Andreessen's Foundation launched an online open course (available on the LAAF website) to show that anyone of any income level has the power to bring about social change through smart, strategic giving. The seven-week course, titled Giving 2.0, is a series of video lectures and case studies and features content from several pin-ups from the not-for-profit world such as Darren Walker, president of the Ford Foundation, Scott Harrison, founder of charity:water, and Premal Shah, the first president of Kiva.[159]

Silicon Valley philanthropists are changing the face of giving in America. And not only are they commanding attention in the U.S. but also helping to sway their tech counterparts in Asia to use the power of technology for the power of good.[160] What is perhaps most promising, is that these tech moguls have the potential to be active philanthropists for the next 30 to 40 years.

155 Sutter, J., 'Poor Kids of Silicon Valley', *CNN Opinion*, March 2015.

156 Mongeau, L., 'Is Silicon Valley Driving Teachers Out?', *The Atlantic*, July 21, 2015.

157 Hoge, P., '20 Companies donate $10 million to Benioff's SF Gives campaign', *San Francisco Business Times*, May 6, 2014.

158 Wallace, N., 'Silicon Valley vs Philanthropy', *The Chronicle of Philanthropy*, June 2015.

159 Di Mento, M., 'Laura Arrillaga-Andreessen Wants to Teach You How to Give', *The Chronicle of Philanthropy*, September 29, 2014.

160 Wallace, N., 'Silicon Valley vs Philanthropy', *The Chronicle of Philanthropy*, June 2015.

6. THE INTERNATIONAL EXPERIENCE

Reporting Metrics

Measuring success is an essential, yet complex, proposition. Each company interviewed by the Fellow has their own measures and yardsticks and many of those interviewed agreed that their respective ways of measuring impact could be improved. There is no apparent industry standard set of metrics.

The corporations interviewed measured success in three key categories:

a. Metrics that measure the impact of the organisations grant making through its partnerships with not-for-profits.

Impact measurement and tightly structured metrics for corporate giving programs are considered paramount. Corporates have shifted their focus from sponsorship-driven initiatives to investing in not-for-profit partnerships that can successfully affect systemic change. This in turn places an important expectation on not-for-profits to show greater accountability and invest in tightly defined tracking measures.

The companies interviewed by the Fellow advised that partnership KPIs are established from the outset. Partnerships are evaluated by developing a set of comprehensive desired outcomes, evaluation goals for each program initiated and a set of evaluation requirements that match the size and duration of the grant. The metrics chain, as also outlined in the CECP's 2015 'Giving in Numbers' report,[161] can be described as:

Inputs – > activities –> outputs – > outcome - > impact

Companies expect their not-for-profit partners to provide quantitative data to justify expenditure and demonstrate a return on investment. Equally, it is being acknowledged that numbers can't always be provided or tell a complete story and so new, clearly structured qualitative metrics are being introduced into not-for-profit KPIs. These new qualitative metrics, outside of story telling, include cognitive measures such as habits of behavior and shifts in attitudes.

ACE Group is one such company incorporating qualitative KPIs for their philanthropic programs with not-for-profit partners, understanding that not all outcomes can be quantified or measured. Referencing the company's two key program pillars, education and poverty and health, the organisation looks to review just how the organisation is helping to move the dial in these program areas. In addition to providing hard data where possible, examples of qualitative KPIs include:

» Education - the company looks at such measures as graduation rates (primary through to secondary).

» Poverty and health - the company looks at such issues as sustainable farming, how many women have been able to form successful careers, and the development of new crops and new systems which help to sustain farmers' livelihoods.

b. Metrics for staff engagement

While deemed important, those companies interviewed by the Fellow did not measure this metric uniformly. Many of the interviewed companies acknowledged that their HR teams included questions in staff surveys concerning their respective corporate giving programs.

c. Metrics that help determine the correlation between the company's corporate giving campaigns and increasing a brand's equity (and thus helping to influence customer choices at point of sale).

All the companies interviewed by the Fellow correlated their corporate giving work with the brand's strong reputation. Measuring this correlation was managed by the organisations' marketing teams.

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161 CECP, 'Giving in Numbers', *10th Anniversary 2015 Edition*, The Conference Board.

Other indicators of success were considered to be the number of industry awards and accolades given to the company for their corporate giving programs as well as levels of media coverage.

7. KNOWLEDGE TRANSFER: APPLYING THE OUTCOMES

The trends and practices covered in the reporting of the Fellow's international experience has enabled extraordinary insight into the U.S. market's commitment and approach to the not-for-profit sector and corporate philanthropy. While not all trends may be applicable to the Australian marketplace, learnings are nonetheless important for critical and constructive thinking to help shape the future of the two Australian sectors.

The Fellow's international experience has greatly enhanced her knowledge of trends, best practises and industry insights, in addition to growing the Fellow's network, and has inspired a greater interest in contributing to the Australian market's growth and prosperity.

The Fellow intends to disseminate the research and findings through one-on-one meetings with members of the industry, through the Fellow's own network in both the Australian not-for-profit and corporate sectors, and through presentations to industry where appropriate.

8. RECOMMENDATIONS

Government

With growing societal needs and ongoing pressure for government to address these needs, it is important to establish an integrative, interdisciplinary approach to forging collaborative partnerships with not-for-profits and corporate Australia. Each sector brings its own unique assets, attributes and experiences to solving pressing public problems and is able to share in fiscal and human resource challenges.

There is an important opportunity to build the right infrastructure for cross-sectional relationships to help inform public policy in a sustainable and strategic way. No single business, government or not-for-profit can solve Australia's or the world's biggest challenges alone. It is only through collaborations that the world's complexities can be addressed and sustainably managed. The re-establishment of the Prime Minister's Community Business Partnership initiative is a positive step in this regard - although it is recommended that a greater profile be given to such initiatives.

It is also recommended that the Government play a more prominent position in acknowledging the role that philanthropy plays and, by doing so, foster a stronger culture of giving in Australia. There seems to be much scepticism amongst the Australian not-for-profit sector about government taking a more proactive and more prominent role in endorsing the act of philanthropy. The Fellow does however recommend that a long-term, progressive approach be undertaken. Taking a cue from the U.S. market, this includes taking on a more proactive approach to promoting, celebrating and encouraging giving amongst Australia's high-net worth individuals while also encouraging and incentivising corporate Australia to assume a greater leadership role in the corporate philanthropic space. Providing greater resources for data capture and research also makes good sense to support evidence-based policy development and help enable the not-for-profit sector to make more informed and considered partnerships and business-planning decisions. The Fellow believes industry research and analysis is currently too sparse and inconsistent for such a vital and growing industry sector. The Giving Australia 2015 report, due for release in late 2016, will be a welcome insight into Australian market trends (ten years after the first report was released).

Providing support and resources to the Australian education system is also important. Educating Australia's youth is pertinent to determining Australia's future culture of philanthropy. Exposing societal needs and the benefits of philanthropy teaches the young about civil society and the importance of giving time, talent and money for the common good. Introducing the concept and the practice of philanthropy equips and empowers students to take action in their classrooms, communities and in their own personal lives. And while graduate business schools already introduce the concept of CSR and make it optional for students to learn more deeply about the subject, government may be able to play a more influential role in encouraging universities and business schools to encompass more developed programs for students and encourage greater participation and leadership in this space.

Not-for-Profit Sector

The Australian not-for-profit sector faces critical challenges as societal issues grow, government funding becomes less certain and the market becomes even more competitive for funds, engagement and advocacy.

The Fellow believes there are a number of key recommendations for the Australian not-for-profit sector to draw upon from her international experience. The key recommendations include:

- Not-for-profits should earnestly invest in considered and strategic brand management. Australian not-for-profits should regard their brands as a vital business asset that can be leveraged to mobilise stakeholders to accomplish the social change it aims to achieve. In a market populated by

8. RECOMMENDATIONS

fundraising asks - particularly in a philanthropic culture that is yet to mature - creating and managing a strong brand enables constituents (and the market writ large) to forge strong levels of engagement with the brand (and not just the cause for which it is advocating). Creating a strong brand in a sea of sameness enables not-for-profits to achieve a "short cut for decision making", [162] as described by Laider-Kylander, and achieve greater impact with greater agility. And as organisations can't achieve significant social impact alone, an organisation's brand is instrumental in attracting and sustaining the partnerships, resources and levels of engagement required to succeed.

- A strong brand together with strategic brand communications will also achieve organisational cohesion with all of the company's stakeholders - from employees, to donors to the organisation's beneficiaries. Brands in the not-for-profit sector are selling social change and it can be deeply personal. Thus, it is critical that all stakeholders are mobilised towards achieving the same goal.

- Creating a strong brand is the responsibility of the entire management team and should not be simply siloed to the marketing department. The brand should transcend every business touch point delivery.

- Digital technology should be embraced by not-for-profits as an integral part of an organisation's future operating success. As Kim Williams outlined in his 2015 disruption and transformation address, 'Fortune Favours the Bold', organisations must demonstrate a genuine capacity to embrace new trends and respond to these trends in fresh and relevant ways that truly respond to the forces at play – and not-for-profits should take heed. "The game has changed and it is time to reinvent".[163] While it may be hard for many established not-for-profits to move away from what they know and struggle to find the resources to integrate digital technology into the business, consumption of communications and how data is collected and shared has irrevocably changed and so not-for-profits in Australia must adapt to stay relevant. As Kim Williams outlined in his address, getting support from management to focus on innovation is critical - the inevitability of change is an undisputable operational and cultural concern. [164]

- Demonstrating greater accountability through metrics needs to become an integral part of a not-for-profits operating practice. Data collection, storage, analysis and communications have transformed how businesses operate and not-for-profits need to embrace this exciting advancement. As more corporations shift their focus towards a shared value mindset and individuals seek investment-like opportunities, detailed metrics are essential to demonstrate scale, scope and impact to secure partnerships and garner genuine levels of engagement. With funders looking to invest in opportunities that move the dial rather than simply participating in cheque-philanthropy, not-for-profits are required more than ever before to showcase and prove their impact, influence and be accountable for monies raised and spent. How best to communicate these impact metrics in the most effective and influential manner is also an important strategic consideration. Balancing qualitative and quantitative data needs to be mastered if not-for-profits want to sustainably partner with funders and secure long-term engagement.

- Organisations must envelope donor succession planning into mid to long-term business planning. While it is understood that the Baby Boomer generation is currently the generation most likely to give today, forging engagement strategies with Generation X and certainly Generation Y needs to start now.

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162 Kanani, R., 'Branding for Nonprofits: New Research, New Insights', *Forbes*, January 2012.

163 Williams, K., 'The Incumbent's Dilemma - Fortune Favours the Bold', *Disruption and Transformation address VTA State Conference Dinner*, July 2015.

164 Ibid.

- The Australian not-for-profit sector needs to draw greater reference to international markets to gain important insights, trends and learnings to help steer future planning and build resilience to future market challenges. As noted above, while not all trends and international market experiences will apply to the Australian landscape, it is critical for the sector to remain open-minded and outward looking. As a country that is geographically isolated, it is always a threat to become a little too insular and inward looking.

- Leaders within the not-for-profit sector need to form more prominent coalitions or collaborations with other not-for-profits or partners to help cultivate a stronger culture of philanthropy within in Australia. Collaborations with market peers can provide a more consolidated platform from which to speak publically about all societal issues and challenges, form public discourse about the act of philanthropy and its role in our communities, and encourage more spokespeople and passionate advocates.

Corporate Australia

There is an enormous and compelling opportunity for corporate Australia to be more involved, more active and more visible in the corporate philanthropic space. CSR is unquestionably vital to successfully and responsibly operate in today's market but so too is 'giving back'.

International markets are moving away from the traditional mission statement that predominantly focuses on products and services to articulating a broader purpose for their existence. Pioneering CEOs in international markets are taking a firm view that purpose drives profits. These CEOs are realising that purpose is a lever to drive innovation and growth, and also provides a strong and profound platform from which to engage employees, suppliers and customers and take them on the same purpose-driven journey. Australian CEOs need to join this conversation. Key recommendations include:

- The Australian corporate market should be able to take its cue from corporate America where there is an embedded philosophy and focused business strategy behind the contribution made to the communities in which they operate. Corporate Australia has the opportunity to demonstrate a greater understanding of the role that ongoing, strategic philanthropy plays in building and sustaining thriving communities.

- Corporations need to identify and develop philanthropic pillars based on the company's own core business values so as to help forge synergistic partnerships with not-for-profits and provide a logical and authentic platform from which to communicate goals, objectives and outcomes to the market.

- Corporations need to design considered and measured corporate giving programs aligned to their brand values and core organisational goals and capabilities. Corporations need to be able to develop an effective folio of programs that involve both cash and in-kind donations to make contributions that can move the dial. It is also incredibly important to position corporate giving as an act of leadership and therefore, it is important for organisations to engage in philanthropy that considers how company assets and resources can best be mobilised to address critical social issues. Taking a leadership position may also involve companies sponsoring or initiating programs that aid the prosperity of the not-for-profit sector – conducting research or developing leadership programs for example – a contribution that is more altruistic in nature.

- The Australian corporate market should embrace the opportunity to develop stronger and more engaging employee giving programs. Driving a culture of philanthropy within the organisation not only reinforces the role corporates should play in the wider (local and global) community but also helps to nurture responsible future leaders. Embedded into organisational values, giving programs and communicating a purpose to employees (and all supply chain stakeholders) promotes morale, attracts talent and increases productivity - it simply makes good business sense.

8. RECOMMENDATIONS

- It is highly recommended that leaders managing the CSR and/or corporate giving function report directly to the organisation's CEO or at the least, report to a member of the CEO's executive team. By doing so, a strong message is delivered to all stakeholders, internal and external, that corporate giving (and the broader CSR program) is an organisational priority and there is a genuine commitment to contributing to society in a meaningful way.

- Corporate Australia requires strong, vocal and highly visible advocates. It needs spokespeople who are willing to challenge the status quo and lead by example. Corporate leaders have a significant opportunity to promote philanthropy, both professionally and personally, and play a more active and strategic role in contributing to the philanthropic discussion and bridging the gap between profit and purpose.

- A more strategic and more integrated approach to corporate communications needs to be undertaken by corporate Australia. Earning consumer trust and attaining a genuine engagement with the market takes time and, unlike American companies, corporate Australia cannot rely on a legacy of corporate giving. Being able to deliver an authentic message to both the consumer and not-for-profit markets, as noted above, needs to come from a genuine commitment and a strategic alignment between business objectives and philanthropic values and delivered by strategic partnerships that are transparent and fully accountable. Further, as noted in the report, strategic corporate communications - reflecting a strategic, purpose-led corporate giving program - has the ability to build brand reputation or in other words, build brand equity. Media coverage and online support will arise from better story telling, utilising the not-for-profit partner as a communications vehicle and by having philanthropic programs that are led by a CEO who ardently believes in the power of corporate will as a conduit to change. Australian CEOs need to build trust within the marketplace and provide a strong voice to the organisation's philanthropic work. It is important for Australian CEOs to convey publically an authentic understanding that the organisation's success is inextricably linked to the wellbeing of the society in which the company operates.

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This Appendix provides an overview of each company the Fellow met with in the U.S. The information provided has been taken from either the company's website, collateral provided or through information provided during the informational interviews with company representatives.

Company: ACE Insurance

Location: Philadelphia

Contact: Eden Kratchman, VP Global Corporate Giving, ACE Charitable Foundation

ACE Group was founded in Bermuda in 1985 and is today, one of the world's largest multi-line property and casualty insurers. With operations in 54 countries, ACE provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients.

The company went public in 1993 and in 1999 the company acquired Cigna Insurance, which launched ACE into the U.S. In 2014, the company had over $98 billion in assets and more than $23 billion of gross written premiums.[165] Today, ACE is in 52 countries and has 20,000 employees and with the recent acquisition of Chubb in 2015, will acquire (approximately) additional 10,000 staff members.

It was the acquisition of Cigna in 1999 that instigated the company's philanthropy endeavours in a significant way. The merger exposed operational inefficiencies and highlighted how little the ACE brand was known in the U.S. market. Cigna, a 200-year-old company, boasted a long philanthropic history and was one of the largest employers in Philadelphia. The Chairman at the time realised the opportunity to establish a corporate foundation to help communicate the values of ACE and let people know about the brand.

The ACE Charitable Foundation was launched with a strong focus on local community issues but has since expanded its scope to be global and now has a strong presence in each of the countries in which ACE operates.

The ACE Charitable Foundation pillars are:

- *Education.* ACE Group supports various education institutions and award programs both in the U.S. and abroad. One such program included the funding to support the Shoah Foundation's Witness for Humanity Rwanda genocide testimony and education project. The project supported the video recording of interviews with survivors of the 1994 genocide in Rwanda and are now filed as testimony archives and used in educational activities for schools in Rwanda and the U.S.

- *Poverty and Health.* Programs in this pillar address issues of poverty and health with a particular focus on developing countries that need support and can benefit from ACE insurance products and services (such as micro-finance and agriculture development).

- *Environment.* This program pillar has a strong focus on land and water conservation and supports such not-for-profits as the Conservation Fund, the Fairmount Park Conservancy, The Bermuda Zoological Society and Bermuda Aquarium Museum and Zoo.

- *Disaster Relief.* This pillar supports not-for-profits such as the American Red Cross for disaster relief efforts.

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165 ACE Insurance, <www.acegroup.com>, accessed October 2015.

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Employee program:

- Matching Gift Program: ACE will match an employee's gift to a charity up to $5,000 per year.

- Volunteer hours: Employees can donate up to 40 hours each year to a not-for-profit of their choice. Plus the Foundation will donate $250 dollars to the employee's charity of choice.

Notes:

Embedding a culture of philanthropy is considered a critical component of the company's successful philanthropic program and considered to contribute to the company's corporate culture. In addition to the strong and active advocacy led by the CEO, the company encourages employees to access the Foundation's matching gift program as a way for employees to help determine how funds are spent by their Foundation. This helps to create a sense of ownership and instils a sense of employee empowerment. And as a vastly decentralised organisation, regional offices have the opportunity to initiate strategic philanthropic projects and support causes all over the world that is relevant and meaningful to the community in which they are working. ACE's regional managers located in the many geographical locations around the world can also shepherd the efforts and conversations led by head office which effectively engages country manages to act as ambassadors and talk about the company's work in a very genuine and authentic way.

Company: Aramark

Location: Philadelphia

Contact: Michelle Jordan, Director, Community Relations

Aramark was launched in 1959 as ARA and grew to become Aramark in 1994.

Today Aramark provides a range of services in the hospitality sector – food, facilities and uniforms – to a varied range of clients including hospitals, universities, schools, stadiums, businesses and municipalities.

Headquartered in Philadelphia, Aramark is a $15 billion business operating in 21 countries and with 270,000 employees worldwide.[166]

CSR is integral to the business model of which community involvement, the philanthropic arm of the CSR program, is a key component. The business contributes approximately $9 million annually to not-for-profit organisations through the Aramark Charitable Fund, corporate contributions and businesses.[167]

The focus of the company's community involvement is:

- *Aramark Building Committee.* The Building Committee seeks to address issues of health and wellness as well as unemployment and underemployment. On a local level, employees 'adopt' community centres and build strong, sustainable partnerships, matching skills to the needs of each employee's neighbourhood. Examples include chefs and dieticians teaching the relationship between diet and wellness, while human resources professionals link adults and teens with information and hands-on training to prepare them to find and keep good jobs. In addition to the relationships between employees and more than 50 community centre organisations are strategic partnerships with national not-for-profit organisations including The Alliance for Strong Families and Communities and City Year.

- *Employee Volunteerism.* Employees are encouraged to volunteer their time and skills for issues with a particular focus on tackling nutrition-related issues, like obesity and diabetes, or by helping people in underserved communities prepare for work with education, training and job experience, including connections to Aramark career opportunities. Aramak also hosts an annual Aramark Building Community Day when employees volunteer time to their local communities. The company also encourages a culture of volunteerism and service and through a dedicated employee volunteer web channel.

- *Grant making.* Philanthropic support is a core part of the business community involvement efforts through financial and in-kind donations.

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166 Aramark, <www.aramark.com>, accessed October 2015.

167 Ibid.

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Company: AT&T

Location: New York Office

Contact: Neil Giacobbi, Associate Vice President, Public Affairs

AT&T is one of world's largest communications companies.[168] AT&T offers voice coverage in more than 225 countries, data roaming in more than 210 countries with 3G in more than 170 countries. The company has more than 3.5 million business customers, most of which are listed in *Fortune* magazine's Fortune 1000. In 2013, the company had 243,620 employees with consolidated revenues of $128.8 billion.[169]

In 2013, according to AT&T's *2013 Sustainability Report,* the company provided 5.3 million in employee and retiree volunteer hours, $94.6 million invested in the company's signature philanthropic program, spent $15.5 billion on minority, women and disabled veterans business enterprises - totalling more than $130 million in giving.

AT&T's CSR program is under the banner of Citizenship and Sustainability. Programs specifically referencing corporate philanthropic efforts include:

- *Education.* Education is a core component of the organisation's philanthropy work and AT&T Aspire is the organisation's signature philanthropic education initiative. The program has been designed to help improve student graduation rates from high school and the company has committed to investing $350 million in education between 2008 and 2017 with this goal in focus. AT&T engages employees to mentor those students at risk of dropping out of school through their Aspire Mentoring Academy with the specific goal of providing a million hours of mentoring by the end of 2016 – this is in addition to partnering with not-for-profit organisations across the U.S. The Aspire Mentoring Academy matches AT&T employees with students who need mentors and collaborate with not-for-profit education groups to make these matches. Events take place at AT&T work locations, online and in the community.

- *Veteran Hiring.* AT&T supports veteran hiring and as such has hired 7,000 veterans and their family members to date with a view to hiring 10,000 veterans by 2018.[170]

- *Technology.* AT&T has created programs to advance and improve consumer experiences with technology. As part of their community programming is a movement called the 'It Can Wait' program to raise awareness and change behaviour concerning texting while driving. Further to encouraging people to pledge their commitment to the campaign and its message, AT&T has invested in tools such as AT&T DriveMode app, which silences incoming text message alerts so drivers can stay focused while driving.

- *Disaster Relief.* AT&T assists victims of natural disasters and affected communities through corporate giving, volunteerism and network preparedness and response.

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168 AT&T, <www.att.com>, accessed October 2015.

169 Ibid.

170 Ibid.

Company:	Comcast Corporation
Location:	Philadelphia
Contact:	Tracy Baumgartner, Executive Director of Community Investment, Comcast Corporation and Senior Vice President of the Comcast Foundation

Comcast Corporation is a global media and technology company with two primary businesses, Comcast Cable and NBCUniversal. Comcast Cable is one of America's largest video, high-speed Internet and phone providers to residential and business customers under the XFINITY brand.[171] NBCUniversal operates news, entertainment and sports cable networks, the NBC and Telemundo broadcast networks, television production operations, television station groups, Universal Pictures and Universal Parks and Resorts.

Founded in 1963 by Ralph Roberts in Tupelo (Mississippi, U.S) the company's philanthropic journey began with Roberts who, according to Tracy Baumgartner, approached American not-for-profit United Way after starting the company to support the local community in which his company was founded. The company established the Comcast Foundation in 1999 to provide charitable support to not-for-profit organisations and since its establishment; the Foundation has donated more than $163 million to not-for-profits nationwide donating $17.4 million in 2014.[172]

The Comcast Foundation is part of Comcast corporate and sits independently to the cable and NBC businesses. The focus areas for Comcast Foundation include:

- *Digital literacy.* Believing that Internet access and digital literacy skills are fundamental to success in the 21st Century (employment, education and communication) and are core to the Comcast business – the organisation has created the Internet Essentials program whereby affordable, high-speed broadband service is offered to 1.8 million low-income households in the U.S. Comcast is also working with Boys and Girls Clubs of America to provide after-school learning in digital literacy, STEM, and other academic areas for millions of youth.

- *Youth Leadership.* Comcast invests Foundation dollars in mentoring, service and scholarship programs to help combat America's high school dropout crisis and develop the next generation of leaders. Comcast partners with City Year and sponsors ten City Year teams to mentor, tutor and act as role models in at-risk schools. Other programs include the Comcast workplace-mentoring program, Beyond School Walls, in partnership with Big Brothers Big Sisters of America, with approximately 325 Comcast employees serving as 'Bigs' at Comcast offices in 15 cities.

- *Community service through Volunteerism.* Comcast hosts an annual staff volunteer day called Comcast Cares Day. In 2015, the company corralled 100,000 volunteers to help more than 900 parks, schools, beaches and senior centers. Comcast also hosts an annual fundraising campaign for not-for-profit partner, United Way. Since 2001 Comcast has provided more than $67 million in total support to United Way from Comcast NBCUniversal employees and the Comcast Foundation.173

Issues of diversity and inclusion are a significant part of the organisation's governance and runs through the Foundation's three pillars. Specifically targeted groups are African American, Hispanic, Native American, Asian Americans, LGBT, women, veterans and people with disabilities. Comcast partners with organisations that help to provide a very focused look at what are these audiences need and how Comcast can help move the needle for them.

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171 Comcast, <www.corporate.comcast.com>, accessed October 2015.

172 Ibid.

173 Ibid.

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Notes:

The Comcast Foundation works with the organisation's marketing and corporate communication teams to market significant Foundation success stories and milestones. The Foundation also invests time and money on internal employee campaigns to engage with staff. As noted in the report, the Foundation's internal campaign to benefit United Way is one such example. The company has created the "I give because…" campaign targeted to its own employees, providing very personal accounts of why employees give to United Way. Staff featured in the marketing materials, including video, share their own personal experiences with United Way and can intimately share just why it is important to donate. These personal stories resonate strongly with staff and help to inform and inspire fellow colleagues to give. The videos are provided to United Way and sometimes shown externally, however the target audience for these videos are Comcast employees.

Company: IBM

Location: Armonk, New York State

Contact: Doris González, Director Corporate Citizenship

IBM, one of the world's most recognised brands, has been has been in business for more than 100 years.[174]   The company has close to 400,000 employees, does business in more than 170 countries and has a supply chain of more than 18,000 suppliers.[175]

IBM's CSR program is vast and comprehensive. The company has taken on a leadership position within the corporate market and enjoys a high profile and reputation for its advocacy and initiatives in this space.

IBM's CSR program envelopes five key aspects:

1. Societal progress in communities

2. Support of employees and communities

3. Environmental sustainability and the impact their products and services have on the environment

4. The management of their global supply chain

5. Governance - ethics and integrity of running the business.

In 2014, the company provided $36.8 million in cash, $104.4 million in technology and $69.2 million worth of employee services.[176] With a concerted focus on education, the company gave the vast majority of funds to issues concerning education.

The company references its philanthropic approach as their corporate citizenship program. It leverages the company's core purpose and assets to direct its focus in four key areas:

• *Education in communities.* Addressing issues of childhood and adult literacy, early childhood exposure to math and science concepts, and the shortage of qualified math and science teachers.

• *Problem solving in communities.* IBM works in partnership with countries, cities and not-for-profit organisations to problem-solve using the company's expertise and technologies. Programs include IBM's Smart Cities initiative. The company has deployed the talent of 700 IBM employees to help 116 cities around the world - in addition to $50 million since 2010,[177] the IBM Smarter Cities Challenge employs a global problem-solving perspective to help cities and urban regions regroup, revitalise and become better places for people to live, work and visit.

• *Employee engagement in communities.* IBM supports and enables volunteering that leverages the company's technologies and expertise. Each year, nearly 270,000 active IBM employers and retirees use the company's internal site On Demand Community system to contribute their time and talent, and to find opportunities to connect with others in volunteering efforts that improve their communities. Since the program's inception in 2013, current and retired IBM employees have donated nearly 18 million volunteer hours.[178]

• *Disaster relief.* IBM responds to major disasters and significant crises using the company's expertise in technology and staff talent - including solutions to gather and share data about affected populations, relief efforts and the deployment of technologies.

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174   IBM, <www.ibm.com>, accessed October 2015.

175   IBM, *2014 Corporate Responsibility Report*, <www.ibm.com/ibm/responsibility/2014/>, accessed October 2015.

176   Ibid.

177   Ibid.

178   Ibid.

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Employee Program:

- *Volunteer Excellence Awards.* Each year, through the Volunteer Excellence awards, IBM recognises individuals or teams who best personify the company's 'culture of service'. Ginni Rometty, IBM CEO, presents the award to winners selected from among the company's volunteers.

- *Employee Charitable Contribution Campaign.* In the U.S and Canada, IBM's annual Employee Charitable Contribution Campaign (ECCC) provides employees and retirees with the opportunity to contribute directly to more than 10,000 community organisations. In 2014, the U.S. ECCC campaign generated more than $29 million.[179]

- *IBM Matching Grants.* The IBM Matching Grants program enables their employees and retirees in the U.S to increase the value of their donations to educational institutions, hospitals, hospices, nursing homes and cultural and environmental organisations with a matching gift from IBM. The recipient organisation can choose to receive its gift in the form of either cash or IBM equipment. In 2014, more than 6,400 organisations received grants with a total value of more than $11.5 million.[180]

Notes:

Among the company's many significant education initiatives is the IBM P-TECH (Pathways in Technology Early College High School). The program targets grades 9 -14 and focuses on transforming the structure of schooling as it connects secondary education directly to college and career. Developed in response to the global skills gap in science, technology, engineering and mathematics (STEM), each P-TECH model school is borne out of a public-private partnership with a community college and a corporate partner that helps to create a curriculum that responds directly to the 21st-century labor market.

P-TECH schools are open admissions (no admissions testing) public schools that work within existing district budgets and admit students of all abilities based on their expression of interest and desire to succeed. The program launched in 2011 with an inaugural school in Brooklyn New York, expanded to 27 schools by 2014, and is expected to serve nearly 100,000 students through 100 schools in the United States and Australia by 2016. To facilitate that expansion, IBM created the PTECH.org website in 2014 to provide a structured and repeatable recipe for forging the public-private partnerships essential to launching a P-TECH school. Most P-TECH students come from socioeconomically disadvantaged backgrounds and underserved neighbourhoods where residents typically lack access to quality education and subsequent employment. The program launched in Australia in 2015.

179 Ibid.

180 Ibid.

Company: Levi Strauss & Co.

Destination: San Francisco, California

Contact: Kelly McGinnis, SVP, Chief Communications Officer

Jason McBriarty, Director Worldwide Community Affairs

Levi Strauss & Co. was officially founded in San Francisco in 1873 by one of San Francisco's leading philanthropists at the time, Levi Strauss.[181] The philanthropic ethos held by Strauss was passed down through the subsequent generations and the commitment to a sustainable, ethical business, across all CSR platforms, is considered just as important today as it was in the company's early years.

In the 1950s the company officially established its foundation, called the Levi Strauss Foundation, with the mandate to focus on long-term social change. In the 1950s, as the company expanded out of San Francisco and expanded into southern towns of America, it witnessed institutional racism and realised that if the brand was to play a positive role in society, it wanted to ensure funding was not entirely dependent on the business cycle. It was decided that when the company did well, they would put the extra dollars into the Foundation and as such, even with the company's ebbs and flows, it would always be able to give philanthropically. This is the hallmark of the Levi Strauss Foundation (and they labelled the term, profits through principles philosophy).

On average, since the 1950s, the company has given away 2 per cent - 2.5 per cent of earnings – primarily through the Foundation.[182]

Focus areas for the Foundation include:

- *Workers rights.* The health and human rights of employees. This is an important focus for a company that has apparel workers in multiple locations around the globe in such countries as Egypt, Cambodia and Bangladesh. Levi Strauss & Co. launched a program in 2015 called Worker Well Being which sets out to collaborate with suppliers to improve the lives of apparel workers - going beyond compliance models.

- *HIV.* For over 30 years, Levi Strauss & Co. has maintained a sustained approach to the HIV/AIDS epidemic that addresses both the health and social factors preventing a definitive response to end the epidemic. This is a particularly important issue for the company as the gay movement was born in the company's hometown of San Francisco.

- *Human rights and justice.* Levi Strauss funds a global fund for women, funds the Human Rights Watch and other organisations that on a broad basis, protect human rights.

The Foundation issues approximately 120 grants annually which accounts for approximately 100 not-for-profit partners at any given time and has granted USD $300,000,000 since the Foundation's inception.[183]

In addition to the Foundation's giving, Levi Strauss' Corporate Affairs division has a budget to address more immediate societal needs that more directly support the company's brand, business initiatives and help to cover memberships that connect the company to the wider community - such as their membership with the Aspen Institute. This fund helps more directly aid the brand's reputation.

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181 Levi Strauss, <www.evistrauss.com>, accessed October 2015.

182 Ibid.

183 Ibid.

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Levi's philanthropic employee program consists of:

- A Matching employee gift program, whereby up to $2,000 per employee in the U.S. and looking to expand that globally.

- Five hours per month (on company time) given to employees to volunteer to a charity of the employee's choice.

Notes:

In 2015, the company released its Pioneers in Justice: Building Networks and Movements for Social Change, a published work about the Levi Strauss Foundation's five-year effort to help a group of Bay Area social justice leaders scale their impact by investing in capacity building and supporting new ways of working. The study has helped to gain crucial insights into how to invest in and support leadership networks as a tool for transformative social change.

The new wave of not-for-profit leaders, their skills and what resources are needed to attract the right leaders to the sector is a topic trending strongly in the United States. This particular program is reflective of this trending topic and targets the zeitgeist perfectly.

Company: Microsoft

Location: New York Office (Head office: Redmond, Seattle)

Contact: Dan Bross, Senior Director, Corporate Citizenship

Founded in 1975, Microsoft is a global leader in software, services, devices and solutions. Microsoft has offices in more than 100 countries and as of June 30, 2014, employed approximately 128,000 people on a full-time basis, 62,000 in the United States and 66,000 internationally.[184]

Microsoft was founded by renowned philanthropic leader Bill Gates and partner Paul Allen.

Microsoft's CSR program falls under the banner of Corporate Citizenship. The program is driven through two different streams: Policies, Practices and Products and In Our Community. The In Our Community division of the company's CSR program is where corporate giving is managed.

In 2014, Microsoft gave away $135 million in cash and $922 million of in-kind donations. [185]

Microsoft's Community program encompasses four pillars:

- *Empowering youth.* This pillar focuses on programs and initiatives that enable the young to achieve through computer science. Programs are designed to not only teach young people how to use technology, but also how to create technology to help this next generation become the innovators and drivers of growth and opportunity in their communities.

- *Empowering not-for-profits.* Microsoft works with more than 86,000 not-for-profits around the world, in over 125 countries, to provide them with affordable access to the technology required to support their work and to leverage technology to help them be more efficient, effective and innovative. This may be achieved through software donations or through technology solutions - or via Office 365 Not-for-Profit. Microsoft donated over $940 million of software to not-for-profits worldwide in Financial Year 2014.[186]

- *Employee giving.* Outside the U.S., employees can take up to three paid days off work to volunteer in their local communities. In the U.S, the Microsoft Employee Giving Program matches employee gifts of money and time to not-for-profits up to $15,000 annually. To encourage employees to volunteer, the company maintains an extensive database of volunteer opportunities and hosts an organised Day of Caring for team-based group volunteer efforts for employees around the Seattle area and many other locations. Microsoft's annual Employee Giving Campaign takes place in the U.S. throughout the year, with a special push every October. Featuring more than 200 activities - including a 5km run and an online auction - more than 39,000 employees participated in the 2014 campaign.187

- *Disaster relief.* Microsoft supports humanitarian relief and disaster management efforts. In addition to cash donations, Microsoft contributes resources and technology solutions to assist governments and humanitarian organisations in their emergency response efforts. Microsoft's Global Disaster Response Team includes experts from Microsoft Operations, Services, and Citizenship and Public Affairs.

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184 Microsoft, *2014 Citizenship Report*, <www.microsoft.com/about/philanthropies>

185 Ibid.

186 Ibid.

187 Ibid.

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Notes:

One of Microsoft's flagship programs under the Empowering Youth pillar is the Microsoft YouthSpark initiative launched in 2012. The program was developed with the aim of using technology to connect young people around the world with education, employment and entrepreneurship opportunities. YouthSpark is an approach to combat the digital divide incorporating programs that span multiple platforms from providing philanthropic support to more than 400 youth-serving not-for-profit organisations in more than 100 countries to providing free software. Since inception, YouthSpark has created educational and employment opportunities for more than 300 million young people around the world. [188]

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[188] Ibid.

Company: Nike Inc.

Location: Portland, Oregon

Contact: Brian Christensen, Vice President, Global Community Impact

Nike Inc. is a global company with five different brands of athletic footwear, apparel and equipment.

The company was founded by Phil Knight and Bill Bowerman in 1964 and in the spring of 1972, the first Nike swoosh logo was introduced. This now widely recognised logo was registered as a trademark in 1995 and became the corporate identity of Nike Inc.

In the company's Financial Year 2013 (June 2012 - May 2013) Nike employed 48,000 employees worldwide, and 750 retail stores with revenue in excess of $25 billion.[189]

The Nike brand has a contentious history. In the late 1990s it was publicised that Nike was providing poor working conditions to employees working in its offshore manufacturing plants. Nike was left exposed and under the critical spotlight of the world at large and was forced to take ownership of its exploitative practices. In fact during this decade, the company name became synonymous, as CEO Phil Knight lamented, with "slave wages, forced overtime, and arbitrary abuse."

Since then, the company has transformed itself into a leading advocate for good corporate governance using "social and environmental issues as catalysts for innovation".[190] In addition to a revamped commitment to solid corporate governance and CSR practices (and is now widely recognised in the market for having its own CSR Board), the company has taken on a leadership role within the corporate giving sector also. The Nike Foundation is at the core of this corporate transformation.

Maria Eitel, formerly Nike's first Vice President of Corporate Responsibility, founded the Nike Foundation in 2004. The Nike Foundation's objectives were driven by applying Nike's unique approach to innovation to an issue that stood outside the company's commercial interests. According to Nike's Brand Creative Director at the time, Emily Brew, the Nike Foundation did not want to simply write cheques, it wanted to figure out how to use the skills acquired at Nike. for a much larger impact than a small foundation might typically achieve.[191]

Having established the Nike Foundation with the premise of ending global intergenerational poverty, Nike ultimately came to realise, through research undertaken, that women were dis-proportionately affected by poverty, which in turn had a significant impact on their children and families. Furthermore, the organisation understood that the most critical intersection in a poor woman's life trajectory happened as she transitioned from girlhood to adulthood.

For many girls living in poverty in developing countries, by the age of 12, opportunities started to shut down - girls were pulled out of school to face early marriage, pregnancy, and risk of HIV infection. Research indicated that if girls could finish school and delay marriage and childbearing, the benefits unleashed a powerful rippling effect to their children, family and their respective communities at large.

The Girl Effect was launched in 2008 in collaboration with the Novo Foundation, four years after the Nike Foundation's launch, and as a result of a $100 million investment. In 2008, The Girl Effect marketing campaign was launched and included the website (www.girleffect.org), the Girl Effect YouTube channel, the first Girl Effect video, and the Girl Effect Fund on globalgiving.com. The Girl Effect Facebook page was also launched in May 2008 but not fully leveraged until August 2009. In September 2010, a second video was released at the Clinton Global Initiative meeting (known as the 'Clock is Ticking') at which time the website was also revamped and the Girl Effect Twitter account was launched.

189 Nike, 'Sustainable Business Reporting', <www.about.nike.com/pages/sustainable-business-reporting>, accessed October 2015.

190 Paine, LS., 'Sustainability in the Boardroom', *Harvard Business Review*, July – August 2014

191 Kylander, N., *The Girl Effect Brand: Using Brand Democracy to Strengthen Brand Affinity*, The Hauser Centre for Not-for-Profit Organizations, Harvard University, December 2011.

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The website was, according to Nike, specifically designed as an open source platform with such materials as videos, logos, photographs and reports available for download and use by anyone – all with the aim of creating a movement that belonged to everyone.

Since its launch, the Girl Effect program has grown to be a global movement issuing grants to more than 150 organisations in more than 90 countries.[192]

In 2015, the Girl Effect became its own organisation – with continued support from the Nike Foundation – and with Maria Eitel as its founding Chairperson. The organisation continues the ambition to reach 250 million girls living in poverty across the world by 2030.[193]

With The Girl Effect now gaining independence from the company, Nike Inc. is refocusing its attention to the core brand proposition and business imperatives and aligning its grant making to health and wellbeing. Programs to support these two pillars include:

- *Accelerating Global Change.* This program includes the continuing support of the Girl Effect and, through their Hurley brand, support not-for-profit Waves for Water to distribute portable water filtration systems to help an estimated five million people gain access to clean water.

- *Creating Impact in Local Communities.* The Nike Impact Community Fund, the Nike School Innovation Fund and through their Converse brand support community initiatives.

- *Getting Kids Movin'.* This arm of the giving program includes such initiatives as Designed to Move. According to Nike, children today are the least active generation in history and Nike has developed a framework to break and prevent the physical inactivity cycle around the world.[194] Nike also partners with Marathon Kids.

The corporate philanthropic philosophy is moving forward with two groups in mind:

1. *Consumers.* It is understood that today's consumers are more sophisticated and need to know how business operations are managed. This modern-day consumer needs to know that Nike cares.

2. *Employees.* The average person coming out of graduate school is not interested in just the pay cheque. They are sophisticated with their choices - more so than their predecessors - from an earlier age and need to work with companies that align with their own personal values. Staff at Nike is considered part of the value chain.

A target of 1.5 per cent of total pre-tax profit is currently devoted to the Foundation's grant making investments.

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192 Girl Effect, <www.girleffect.org/about-us/>, accessed October 2015.

193 Ibid.

194 Nike, 'Community Impact', <www.about.nike.com/pages/community-impact>, accessed October 2015.

Company: Salesforce Foundation

Location: San Francisco, California and Washington DC

Contact: Brian Komar, Vice President Marketing and Outreach

Salesforce was founded in 1999 by Marc Benioff who pioneered the digital world of cloud computing. Salesforce is a today one of the world's fastest growing top ten software companies and the largest customer relationships management company through cloud technology.

Benioff, CEO and Chairman of Salesforce, established the organisation with three founding pillars:

- Cloud technology - which presented a new way of doing business in the early 2000's.
- Pay-as-you go subscription based consumption - a model which was only formally used by magazines at the time.
- A strong philanthropic model.

The philanthropic focus saw the launch of the Salesforce Foundation, with the simple philosophy of leveraging the company's people, technology, and resources to help improve communities around the world. The company calls this an integrated philanthropic approach - the '1/1/1 model'. That is:

- 1 per cent equity (grant making)
- 1 per cent people (staff volunteering time, money and skills)
- 1 per cent product (donation of product to over 23,000 not-for-profits).

Over the last 16 years, the Salesforce Foundation has become a vital part of the company's DNA. Since 2000, the company has given over $96 million in grants, 1.1 million hours of community service, and provided product donations to over 26,000 not-for-profits and higher education institutions.[195]

Focus areas of the Salesforce Foundation:

- *Education and STEM programs.* A particular focus is placed on computer science and increasing exposure of STEM to underrepresented groups and girls.
- *Workforce development.* The company aims to partner with not-for-profits that foster an equitable, diverse and inclusive technology workforce. The company partners with organisations that implement measurable solutions with an emphasis on gender balance, work-based experience, volunteerism, and global impact.
- *Technology innovation.* The organisation provides grants to support technology innovation in the not-for-profit sector through their Force for Change program - which focuses on increasing collaboration and efficiencies across the global not-for-profit sector.

The Salesforce employee program consists of:

- Six paid days of volunteer time off (VTO) per fiscal year
- $1,000 Champion Grant to donate to the not-for-profit of their choice once they reach six days of VTO
- Access to Team Grants to support employee volunteer activities.

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195 Salesforce, <www.salesforce.com/eu/company/foundation>, accessed October 2015.

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The Foundation has seen significant changes in the last five to six years, becoming a self-sustaining enterprise. The one per cent equity given to the Foundation at launch (established prior to the IPO) acted as seed funding for the initiative and subsequently Salesforce.com has directed no more funds to the Foundation. The Foundation now relies on the revenue generated by the sales to the not-for-profit sector – and succeeds in being financially self-sufficient regardless of the deep discounts the company provides. The Salesforce Foundation is a separate legal entity with its own legal structure, its own board of directors, its own independent financial model, and its own website.

Notes:

The Salesforce.com integrated model of philanthropy has re-engineered the concept of corporate giving. Marc Benioff and the Foundation are now playing a leadership role, particularly in the digital economy, encouraging and educating companies to apply the same 1/1/1 model.

Benioff and his Salesforce model of philanthropy is driving a new social consciousness, helping to make corporate giving an imperative tenet to operating in today's market. Benioff himself is a proactive social activist and philanthropist and is loudly driving the conversation to transform corporate giving into a movement of social change.

Company: TD Bank

Location: New York

Contact: Ralph Bumbaca, Senior Vice President

TD Bank is one of the ten largest banks in the U.S with 85,000 employees offering retail, small business and commercial banking products and services to more than eight million customers through its network of approximately 2,483 retail locations across North America.[196] TD Bank is a member of TD Bank Group and a subsidiary of The Toronto-Dominion Bank of Toronto, Canada.

The TD Bank's Corporate Social Responsibility program has four key pillars in which corporate giving falls - Responsible Banking, Environmental Leadership, Workplace and Community. This Community pillar focuses on giving financial support, encouraging employees to volunteer time, collaborating with community not-for-profits and influencing suppliers to also employ responsible practices.

In the 2014 year, TD Bank gave away CAD $82 million to more than 5,000 not-for-profits across North America and the United Kingdom, employees volunteered 96,323 hours and CAD $16.3 million was donated to registered charities through the Bank's annual employee fundraising campaign, and the company assessed 108 suppliers on their business practices.[197]

TD Bank's focus for its philanthropic giving is across four key areas - educational and financial literacy, the environment, creating opportunities for young people and affordable housing.

Employee Program:

• *TD Volunteer Network.* The Bank's Volunteer Network is an online platform that employees can access to find volunteer activities and track their volunteer time. Charities can post volunteer opportunities on the site, in real time. As listed in the Bank's 2014 CSR report, there are 20, 803 registered volunteers – one quarter of the workforce.

• *Volunteer Connect.* The organisation hosts events to bring together employees and representatives from not-for-profit organisations.

• *TD Ambassador.* The TD Ambassador program appoints ambassadors across the organisation - in branches or departments - to encourage colleagues to volunteer and create a culture of giving.

Notes:

Since its inception in 2006, the Bank's signature giving program, the Housing for Everyone grant competition implemented through the Bank's Charitable Foundation, has awarded more than USD $17.4 million to provide or improve access to safe, affordable housing to low-to-moderate income individuals.[198] The 2014 competition distributed 25 grants of USD $100,000 each to not-for-profits focused on creating or renovating quality rental-housing units for families with children.[199]

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196 TD Bank, *2014 Corporate Responsibility Report*, <www.td.com>, accessed October 2015.

197 Ibid.

198 Ibid.

199 Ibid.

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Company: Walmart Foundation

Location: Bentonville, Arkansas

Contact: Julie Gehrki, Senior Director, Business Integration at Walmart Foundation

Walmart was founded by Sam Walton in 1962 in Rogers Arkansas, (U.S) with the goal of selling affordable household products. In its 53 years of operation, Walmart has become one of the largest retailers in the world with 2.2 million employees (1.4 million in the U.S), stores in 28 countries, e-commerce sites in 11 countries and more than 245 million customers each week. Net sales in the Financial Year 2015 reached USD $482.2 billion.[200]

In 2015, the company's philosophy of providing affordable products remains with the overarching premise of "saving people money so they can live better". As such, the company's overarching CSR philosophy is centred on improving the communities in which they serve. During the 2015 fiscal year, Walmart and the Walmart Foundation gave more than USD $1.47 billion in cash and in-kind contributions.[201]

The Walmart Foundation, founded in 1979, has three key departments comprising finance, communications and grant making – the grant making covers endeavours made at both local (store) level and at an international level.

Through Walmart's corporate giving (primarily focused on local grant-making) and the Walmart Foundation (focused on international grant making), the company aims to address large-scale environmental and social challenges through three priority areas:

- *Opportunity.* Using philanthropy to accelerate mobility in retail and related sectors, enhance economic empowerment of women around the world, support small business development and help veterans reintegrate into civilian life. One initiative under this pillar is their Women's Economic Empowerment program, which supports job training, career advancement and educational programs for one million women around the world on farms, in factories and in the retail sector.

- *Sustainability.* The company is striving to help to alleviate hunger, enhance nutrition, promote sustainable agriculture, fishing and manufacturing, and support a circular economy. Walmart and the Walmart Foundation have set a company KPI to fund training for one million farmers and farm workers in emerging markets, of which half will be women, by the end of 2016.

- *Community.* The company is working to strengthen local communities, engage and support Walmart associates through philanthropy and enhance resilience in the face of natural disasters. Community initiatives are centered around four themes - inspiring employees to give time and money through the company's Volunteerism Always Pays (VAP) program, and the company's Associate Giving Program (AGP) providing employees with the opportunity to support up to 11 participating organisations through payroll deduction. In Financial Year 2015, employees raised nearly $12 million and the Walmart Foundation matched over $8.4 million. Disaster relief is also incorporated into the company's commitment to community through technological infrastructure for disaster response and resiliency – which includes building the capacity to facilitate skills-based volunteerism during disasters. Additionally, Walmart and the Walmart Foundation co-hosted a two-day forum on disaster relief to share best practices to help communities build resiliency.

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200 Walmart, <www.corporate.walmart.com>, accessed October 2015.

201 Walmart, *Fiscal Year 2015 Walmart and Walmart Foundation Giving Report*, <http://giving.walmart.com/foundation>, accessed October 2015.

Notes:

Launched in September 2011, Walmart's Women's Economic Empowerment initiative leverages the company's size and scale to help increase women's economic mobility which is aligned to the business operations. Recognising that women form the majority of their customers and acknowledging research that highlights a) a vast number of women are starting up their own business and b) empowering women through education and training, women can alter family and community circumstance, this Walmart program is designed to:

- *Increase sourcing from women-owned businesses globally*

- *Help train nearly one million women (primarily in emerging markets) in agriculture, factories, retail and other settings around the world.*