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*TRENDS, TOPICS & TIDBITS*

December 2010

## **Year-End Wrap-Up: What the Institute's Research Taught Us in 2010**

Over the past year, the Institute has conducted numerous studies for its members and clients. As both our holiday gift and hearty “Thank You” to our members, we would like to share the key learnings from our research, conference calls, and member conversations this year.

**Workplace Giving:** The conclusion from LBG Research Institute’s study on workplace giving is clear: Choice does matter. Seventy-nine percent of companies surveyed said their donor rate went up when they added choice to their campaign, and none said their donor rate went down. Seventy-three percent said the dollars raised went up. Companies with some kind of choice now dominate: nearly 86% of workplace giving programs have options beyond United Way.

**Disaster Relief:** A member asked us to research how companies approach disaster relief. We went right to the companies that are noted for disaster relief and asked about the decision-making process—to whom and how much to donate, and who makes those decisions. Best practices these companies employ:

- They know in advance who makes the decisions about funding and in-kind donations.
- They know in advance where the money will come from.
- They have pre-selected their disaster relief partners and have built strong relationships in advance of a disaster.
- They consider their company’s expertise and resources when deciding what to donate. Cash is great, but if you are a company that makes building materials, for example, your role might be in the rebuilding phase instead of immediate relief.

**Employee Crisis Funds:** Disasters can be personal. In a conference call this fall, members and guests discussed the pros and cons of establishing a fund for employee assistance. If you are considering starting a fund, the IRS has a set of rules that must be followed to the letter. Following the rules will ensure impartiality in grant decisions. As a company, though, you will have a lot of work to do to decide what events will be covered and how much a grant can be. Companies that have such funds advise that the process and grant amounts be well defined so there is no chance of perceived favoritism. For example, a house fire might trigger a \$2,500 grant, while a medical expense not covered by insurance might be a \$1,000 grant.

**Budgets:** Budget cutting is not over. Both philanthropic and operating budgets are still undergoing scrutiny and paring, according to conversations we have had with members and clients over the past

year. Travel has been restricted, as well. As predicted, there is more scrutiny than ever on the impact grants have on grantees and the people they serve.

**Grantmaking Practices:** Who can approve grants and for what was the topic of two research studies the Institute conducted this year. The questions were, do CEOs usually have their own budgets, and do business regions have their own budgets?

Most CEOs (48%) do not have a personal giving budget, but fund their pet projects from the operating budget. Only 14% of companies maintain a separate CEO budget, although another 14% have a budget for combined CEO and senior executive requests.

On the other hand, 85% of corporations surveyed do give their regional offices their own philanthropic budgets. That budget is most likely decided by a formula based on a number of inputs, such as number of employees in the region, revenue generated in the region, and community need.

What have you learned over the past year? Send us an email at [lbgresearch@gmail.com](mailto:lbgresearch@gmail.com) and we'll share your wisdom with the membership.

## **HAPPY HOLIDAYS FROM LBG RESEARCH INSTITUTE!**



**THANK YOU FOR YOUR SUPPORT THIS YEAR AND IN THE FUTURE.**

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**LINDA B. GORNITSKY**