

## Will the Relationship Between Corporations and Nonprofits Change Due to the Pandemic | CEO Roundtable Discussion

Host: Stacy Palmer | Editor, *The Chronicle of Philanthropy*

Speakers: Ted Hart, ACFRE, CAP® | President & CEO, CAF America

Carolyn Berkowitz | President & CEO, ACCP

Mark Layden | CEO, CyberGrants

Today's discussion is in partnership with CAF America, ACCP, and CyberGrants. Joining us is Stacy Palmer, the editor at **[00:03:00]** *The Chronicle of Philanthropy*, who is serving as our moderator today. Our featured speakers are Ted Hart, CAF America, President and CEO. Carolyn Berkowitz, ACCP, President and CEO. Mark Layden, CyberGrants, CEO.

Here's some information about our moderator today. A top editor at *The Chronicle of Philanthropy* since its 1988 inception, Stacy plays an integral role in the various Chronicle services, including its professional development webinar series, *Philanthropy Today*, **[00:03:30]** daily newsletter, and more. I will now turn this over to Stacy to introduce our speakers and begin the presentation.

**Stacy Palmer:** Thanks so much. Welcome, everyone. We really are glad you're here. We urge you to ask questions because we know there are so many of them. We also all collectively want to thank you for the great work you're doing in these very difficult times. This is an extraordinary moment for nonprofits and foundations and corporations, and pulling together is extraordinarily important **[00:04:00]** so our deep appreciation for the work that all of you are doing. I'd like to introduce the people who are going to talk today. Let's start with Ted Hart of CAF America.

Ted, can you tell us a little bit about your background for people who don't already know you and also about the research that CAF has been doing all along, truly chart what's going on with the response to COVID and so much else.

**Ted Hart:** Thank you, Stacy. Since the earliest days of the global pandemic, CAF America has been collecting data and making it available **[00:04:30]** to philanthropists who want to make a difference. For months, we've been surveying over 1,700 global charitable organizations. This has allowed us to tell the stories of unfolding trends amid the disruption and uncertainty of this pandemic. We've learned how nonprofits are working hard to keep their doors open, trying to keep their staff members safe, while still providing life-saving and life-changing services.

Along the way, we've had the privilege to be a part of some amazing stories [00:05:00] of critical philanthropic support around the world. Many of these stories have involved corporate philanthropy.

Time and time again, corporate philanthropy has provided a critical value in informing global response. This new report that we're going to be sharing with you today highlights how nimble corporate America has been and CAF America has been very privileged to be part of that.

**Stacy:** Carolyn Berkowitz is another of our speakers. Carolyn, can you introduce [00:05:30] yourself? Remind people what ACCP is and what you've done before you came to ACCP.

**Carolyn Berkowitz:** Great. Hi, Stacy. Hello, everyone. Thank you for being here. My name is Carolyn Berkowitz. I am the president and CEO of the Association of Corporate Citizenship Professionals, which is a membership organization for companies who are committed to corporate citizenship and we're a career-long resource for the professionals serving in CSR roles in those companies. [00:06:00]

We have about 225 companies who share a commitment to social impact, to employee engagement, and to community involvement. You can see, then, the connection with our partners here at CAF, at CyberGrants, and of course, at The Chronicle, and the shared interest that we all have. Prior to being the CEO of ACCP, which is just about two years now, I [00:06:30] lead Corporate Social Responsibility for Capital One, which is a *Fortune 200* financial services company and worked in the trenches, leading a team who is doing the work of the folks that we are talking about today. That was a great honor as well.

**Stacy:** Good. It's that expertise that we want to capture as well as what you're doing today, so thank you for that.

**Carolyn:** Absolutely.

**Stacy:** Mark Layden is our third panelist. I'm not sure that everybody knows what CyberGrants [00:07:00] is. If you would tell us a little bit about your background and also about CyberGrants.

**Mark Layden:** Well, first of all, I'd like to welcome everybody to the conversation. I've been looking forward to this for weeks. I'm delighted to join my esteemed colleagues in this conversation. It's an important topic. So, it's a good time for us to be talking about this.

CyberGrants is a software platform that helps primarily large corporations do their corporate social responsibility obligations. We [00:07:30] provide a full range of capabilities from grants to employee engagement programs, everything from volunteers and **in-kind giving** and all and those sorts of things for hundreds of very large companies. In fact, it's some of the biggest brands in the world.

We have a tremendous vantage point. It's from our vantage point that our clients like us help them understand what else is going on in the world. It's our privilege and our honor to join Ted and Carolyn in this survey and [00:08:00] in the analysis of these results to help everybody understand what's going on. So, that's great.

**Stacy:** Great. I'd be curious from all of your vantage points before we delve into some of the great research and look at the findings. What has been most surprising to you about the corporate response? What really stands out compared to other things that you've seen before? Ted, do you want to start?

**Ted:** Yes. I think just how holistic the corporate response has been, [00:08:30] how thoughtful the corporations have been and across the entire spectrum of support. Corporations have changed the way that they grant, the speed at which they grant, and their interaction with CAF America, as both a domestic and international and intermediary.

They've challenged us to change the way that we do business, to change the way that we interact with charities, to move [00:09:00] faster, to get money to charities faster, to shorten the length of time that it takes for an application to be reviewed. So, I think the partnership that we have with corporations has made all the difference, particularly with the urgency of this global pandemic.

**Stacy:** Not just the pandemic, but everything else so far we're all doing during this period.

**Ted:** Everything else. Yes. I'm sorry.

**Stacy:** Carolyn?

**Carolyn:** Actually, the point that you just made, Stacy, is really important and I think that is the thing that has stood out to me. It is not just the pandemic, it is the pandemic, it is the economy, it is the fight for racial justice. Now, it is disaster season. What is-- I'm not sure it is surprising, but it is certainly heartening is that companies are here for the long haul in this. [00:10:00] So, we are seeing and the research shows this--that they didn't use all of their money just for the pandemic. They didn't go ahead and use all their money just on the economic recovery, but as each crisis has become apparent, corporations have been

there every step of the way and they are right in the game. They are responding quickly, more quickly than some other sectors, which might be [00:10:30] a bit of a surprise to me, but I'm really heartened by the seriousness with which the corporations are taking their responsibility and commitment, and literally, covenant with communities.

**Stacy:** Mark?

**Mark:** Yes. I can't agree more. I think we were all caught by surprise at some point during the course of this. I liken it to kind of that automobile accident that we all got in and then, all of a sudden, we [00:11:00] realized we were okay. We're trying to hesitate to see what happens.

Well, I could tell you what happened. At our place, all of a sudden, in came all the requests for new programs and for changes of programs to make them easier for matching gifts or creative programs.

One of our customers, Dow Chemical donated I think millions of eight-ounce bottles in order to be able to distribute hand sanitizers. Really [00:11:30] interesting things that they've been doing. If anybody thought for a minute that the American corporations are going to stand down, the corporations are going to stand down during this process, they didn't even hesitate. It happened quickly. It was pretty encouraging for us.

**Stacy:** Yes. I do think the speed is really rather remarkable. We've been publishing a number of studies. In each of them, at least two-thirds of the response comes from corporations versus foundations [00:12:00] and other donors. When you think about the fact that corporations are a relatively small percentage of giving compared to individuals and foundations, that is more remarkable.

That speed matters to the nonprofits on the ground that really, they need to pay their staff. They need to do this work right away. I hope that continues, but I think it's important for us to note that.

**Ted:** Stacey, I just wanted to share that 72% of the corporations reported [00:12:30] they increased their giving during this period. For them to step up in that way as you were just pointing out really made a big difference for a lot of communities and a lot of nonprofits serving those communities.

**Stacy:** Great. I think we can see the slide now that shows that increase, which really is remarkable. It also comes after a year in which companies had already increased their giving. Right?

**Ted:** That's right. That's right.

**Mark:** I think the Giving USA stat said that 11% increase year over year from 2018 [00:13:00] to 2019, I think in part due, as we were talking about earlier, the tax changes, but it couldn't come in a better time. So, it's good.

**Stacy:** Yes. It's quite striking. We know they're giving a lot, but where are they giving it to? What are you seeing in terms of changes in the kinds of issues that people are paying attention to? I would imagine things like public health are doing pretty well, but what are the other areas [00:13:30] that you see companies especially paying attention to?

**Carolyn:** I can take that one. One of the things that struck me about this is that all of the folks that we are talking to, so many of them are broadening their issue focus and the research shows that. When I think about what they're broadening to or what the new areas of focus are, I would say racial justice is a huge new area of funding.

While [00:14:00] many had engaged in their core areas of interest; education, healthcare, whatever it is, with the racial justice lens, a new category that is straight up racial justice is emerging in so many companies.

I think about a manufacturing company in Ohio who had a tremendous increase in their giving this year, which will remain in place for next year and the increase is 100% devoted [00:14:30] to a new category, which is they call Racial Justice and Equality.

That's just one example. I think we've seen a large increase in concern about mental health, which makes good sense. Also, in small business, sustainability and recovery. I think all of those things just makes intuitive sense. [00:15:00]

**Stacy:** How about you, Ted? What do you see?

**Ted:** Yes. What was interesting to us and I think very heartening is 78% of corporations provided immediate relief for the coronavirus, but they also looked at regular projects and didn't stop giving to charities in communities that they normally supported and actually turned to those charities [00:15:30] to learn what were the stresses that they were facing and didn't turn their back on charities and programs that they had already believed in.

I think that was really, really important is that this wasn't taking away from one to give to another, but continuing support and caring for what they already cared for, but then finding new ways to support new projects of an immediate [00:16:00] need.

I think that was really, really heartening to find that broadening of an interest where corporations in the past may have had a particular focus to their giving suddenly are broadening their interest area, and in many cases, tying that-- and this is something that Mark and I talk a lot about, and certainly, CyberGrants is very much involved with here at CAF America, is very much tied to their employees and where their employees [00:16:30] work and give.

**Mark:** Yes. If I can just jump in, Stacey. I mean, just in support of that point. I think among the many really heartening things that we saw during this terrible period, certainly there's been broader giving across the board, but there's been a giant groundswell from the employees in these companies to participate. Corporations want to align with their employees and make them feel that they're together in this and they certainly come through with that. [00:17:00]

One example that jumps out to me is Morgan Stanley, who immediately, following the pandemic crisis, of course, is in New York City, in the heart of Time Square actually, their office is there. They very rapidly wanted to put up a special program for their employees to participate on. In their case, it focused on food and security during the pandemic in New York City, which is of course a terrible issue at the time, it would be a problem. [00:17:30]

We were going through that process. Then, just as things started to slow down and they were meeting-- some were upping the matching gifts budget, all of a sudden, the questions of the social justice came to the forefront of America's conscious. They re-upped the program again, and we switched from feeding America to the NAACP, , and so on.

In fact, during that period, we literally went from 10 times more [00:18:00] credit card gifts happened during that period and with the top not-for-profits that our companies were contributing to, went from Feeding America to Red Cross to those other types of organizations. Really fascinating. Those are really good examples of companies aligning with their employees to make contributions in ways that are really needed.

**Stacy:** Is your sense that the companies aren't asking the employees for recommendations about what groups to support or more issue-based? How does that process work?

**Mark:** Well, it's both, but [00:18:30] I think they're looking for the employees to lead. I think that's a bit of a shift.

**Ted:** Yes. I think we've seen that move from just an advisory role perhaps on the periphery to moving more central for a lot of corporations that during this period of time, employee involvement has become more central to these discussions. It looks like it has staying power because I think a lot of these [00:19:00] corporations have looked at the success of this and the meaningfulness of this to their employees, but also, to the communities that they're part of, and have seen that this has really had a lot of very good staying effect.

**Stacy:** Carolyn?

**Carolyn:** I would add a couple of things to that actually, [00:19:30] to both of those points that my colleagues made. There are examples of employee engagement in the strategy and in the decision-making about giving that I think is really important.

The first is the new role that employee resources groups are playing in helping companies make decisions, vetting organizations, vetting issues. [00:20:00] So, the employee resources --

**Stacy:** These people don't know what an employee resource means. Please, explain that.

**Carolyn:** Yes. It is a network that is very often demographically based. The African-American Network or resource group, LGBTQ resource group, Women's Network. Sometimes, it is more defined than that, Women in Tech resource group, for example.

While resource groups were 10 [00:20:30] years ago benefits for the sake of engaging and belonging. Now the Employee Resource Groups are more often being depended on. We've seen this switch like that in just the last-- as this has all happened. More often, being dependent on informing the company of its strategy and to serve as a lens through which the company can vet issues [00:21:00] in organizations.

There have been a lot of recommendations coming directly from these employee resource groups. The other issue that I think is really important. I can point to a large media company headquartered in New York, who through their matching gift program, asked employees in response to the racial justice and George Floyd tragedy, "Who do you want us to match?" [00:21:30]

The employees provided their matching. When organizations floated to the top, so they would see a critical mass of organizations. They would then look much more closely at that organization and it is under consideration for larger funding now.

While there are lots of groups like NAACP, Legal Justice Fund, where everybody knows about it, there are many, many others that are not household names that are [00:22:00] really getting to the forefront of the corporate funders priority list because their employees are gathering around those. I think that's really important for nonprofits to think about: capturing the heart of employees and having them, because the employee voice is so important right now, having them share and influence up inside the company.

**Stacy:** Yes. That's really a huge shift. It doesn't matter necessarily so much whether you know the CEO, but [00:22:30] whether you know the employees. Right?

**Carolyn:** That's right.

**Ted:** Yes. In a lot of ways that has changed. That really has changed.

**Carolyn:** Yes. It has changed a lot.

**Stacy:** If you're a non-profit leader, it's a lot easier to get to know some of those employees than it is to get to know the CEO.

**Carolyn:** That's right. Clearly, engaged

**Ted:** Yes. Stacey, if we go to the next slide, actually, there's a lot of changes that have come to grantmaking. One of them is the change of grant purpose for grants [00:23:00] that were already out and were made to redirect funds to PPE, to immediate needs.

In the survey, 65% of corporations redirected funds that had already been made, extending grants beyond the timeframe, but to the point that Carolyn was just making, seeing a broadening [00:23:30] of giving-- For years, there's been a call. Stacey, certainly you know this. I can see your smile there in operational funding, so many reports and articles about the need for actual operational funding.

During this pandemic, we started actually seeing some new funding starting to flow to actual need for running the operational charitable organization. [00:24:00] Then, need-based funding. So, moving away from and I think this is certainly the special event, fundraising the gala sponsorship, which a lot of nonprofit organizations sort of-- that was their bread and butter. The money would come in and then it will go in or choose some of the operational funding and things of that sort.

Many corporations are looking at the actual operation and need-based funding themselves [00:24:30] and taking a look at directing those funds. I think, Carolyn, to your point, the employees are the ones who see those needs and are actually looking to the

corporation's to say, "They need to pay their rent, too. Their employees' salaries need to be paid." I think that in that regard, Mark, employees have a lot of say in helping these charities meet their budgets.

**Mark:** Yes. They're in the communities. They see the work it's being [00:25:00] done. I think there's a recognition that are not-for-profits are in danger. They have been lost material amounts of their funding. They see that services could go away that are critical to their environment, who are oftentimes are working in a non-for-profits as volunteers as well. I think you're absolutely right. I think they're the ones that are closest to the ground. They're voting with their dollars. They're voting with their time. The leaders in the corporations are seeing-- are taking note of it. [00:25:30]

**Stacy:** I think that's a really important point. I do see a question just popped up. Some folks didn't hear what Carolyn said at the end of your last remarks. I don't know whether you can recap that easily.

**Carolyn:** Yes. We were talking about getting to know employees themselves and appealing to that. I think one of the things I would like to mention didn't get a chance to share is that [00:26:00] there is a deep need now to engage employees around a cause because they feel so impassioned about it. Yet, they can't leave their homes to volunteer. What we see is that a lot of companies are turning to indoor at-home-based virtual volunteer activities.

While it may feel difficult to-- or even a little bit senseless for a nonprofit to have [00:26:30] to think about what can employees do at home around my organization, it feels like it might not be a priority.

I think it is a huge priority because another way to capture the heart of associates inside a company is to have them volunteer with you. So, it is worthwhile to think about and to offer up with partners or potential funders at home volunteer opportunities and virtual opportunities so that [00:27:00] they can engage and get to know the nonprofit.

**Stacy:** It's really about more than heart, I think, because in some cases, employees have amazing skills that they might be marketing or technology experts. All those things that nonprofits are under screen right now because they have so much going on.

**Carolyn:** Absolutely.

**Stacy:** Is this a moment in which we're finally seeing more skilled volunteering versus now that we can't go paint a fence or clean a river and those kinds of really useful volunteering things? [00:27:30]

**Carolyn:** We've been seeing it for a while, a shift in the mix. Sometimes, it is-- I think for nonprofits, you're really starting to see them warm up to that as well because it is hard to [crosstalk] a project-

for volunteers to give up their time. I think there's a shift on both sides but shifting that mix has been in the [00:28:00] ecosystem for a while.

**Stacy:** Mark?

**Mark:** I just want to add, not a big deal. I think you've said it well, Carolyn. I've often watched people go pick up trash. They were tremendous technical skill people. I felt so often that they could be put to good use. Beyond that, honestly, this is fascinating because a number of our customers have moved, obviously, to volunteer programs into virtual volunteer programs, while it's for some people less engaging, [00:28:30] it opens up the aperture to a whole new group of employees that they don't have the time to get in the car and spend the afternoon downtown and doing this or that.

These are people that could come in highly-skilled employees. They could work on financial aspect, technical aspects of the needs for the nonprofit, get to know the nonprofit in ways that they wouldn't otherwise. These are people that couldn't participate previously that are now part of the program. I don't think that's going to go away.

So, volunteerism is going to continue forever. We'll probably have back [00:29:00] the other **“fun” parts to it** but you really need to take advantage of it.

**Carolyn:** I think that's really important.

**Ted:** Stacey, I just wanted to share one of the last things on that slide was actually one of the first things that CAF America was challenged to do. That's to modify the application process, to streamline the application process, to make it simpler for charities to be able to qualify and to move money faster. [00:29:30] So, working with our corporate partners, that's exactly what we did.

**Carolyn:** I think there's a question in the chat about are companies loosening the restrictions for reporting.

**Stacy:** That's a great question. Let's talk about it.

**Carolyn:** That is part of the category that Ted just described on modifying the application requirements, simple, more efficient. There is less of a demand to collect [00:30:00] data, but I would caution that the long-term impact may still be that somebody that does report

on the data has a better chance of getting the grant again and again and having a long-term partnership. I think whether or not it is part of the grant, it behooves an organization still to collect data around outcomes.

**Stacy:** It's data or [00:30:30] are there other measures of impact that you think companies will want to see now?

**Ted:** I think it depends on the corporation. There certainly are a number of corporations that intentionally made grants during this period with the intention of not requiring a lot of reporting, but I think over time, you're likely to see some of that program-related grant-making [00:31:00] come back to where it was before, but I think it was very healthy during this period of time for corporations to make exceptions, and to move money where it was needed most, and to move it very fast. I, for one, am very proud of corporations who made that decision very quickly, to make a difference first, and to report later.

**Mark:** Two things corporations are going through. They're focused on improving efficiency and effectiveness. [00:31:30] From an efficiency standpoint, we want to be responsible in terms of getting the resources to the point of impact with the least amount of friction. The flip side of that is I don't think the data requests are going to go away. We want to be effective and want to know we're effective. Every company runs on information. So, I suspect that while each for the moment, we'll be back on that phone and trying to get more information about the impact of the gifts.

**Stacy:** Yes. I think you're right. So, it would [00:32:00] really be a mistake to let that down, but what a good thing maybe to get some volunteers to help you with.

On that note, can we look at some of the long-term changes? What are some of the things that companies are doing now that you think they're going to stick with? Will we see a move to unrestricted grants, for example, for the long term, or is that just a short-term response?

**Ted:** I think there's going to be more unrestricted giving down the road. [00:32:30] I think it's going to be more of a mixture. I think we certainly-- The pendulum swung in one direction where there was precious little unrestricted giving available. I think we're going to see now more of a mixture in that regard.

**Carolyn:** Yes. I think the movement away from typical restrictions may last. I think operational funding, I think some [00:33:00] of the modified requirements, those things. I think there is a movement around trust-based philanthropy and relying more on the

partner to be the expert and allowing the community to have greater decision-making authority on how the money is actually being spent. I think the place where it would be hard for me to see a big change would be the grant purpose.

So, I think [00:33:30] it might not be restricted money per se, but I do think that the alignment of purpose will continue to be an important factor for a corporation working with a nonprofit and something that makes sense to a corporation stakeholders like financial literacy and financial services companies, or [00:34:00] hunger and food companies, or education and digital access companies.

There still will need to be that alignment because it makes the most sense and it advances all boats, but I do think that some of the other things we're starting to see. It's something I'm absolutely watching for. I think the next couple of years will be very enlightening around whether or not those things have staying power.

**Stacy:** How about [00:34:30] geography? Are companies giving more locally in response to this? There's been a move away from some of that as companies were nationally centered. They focus on something like education, rather than the community so much. Do you think that this disaster has forced all of us to think more local?

**Mark:** If I can jump in. I think so. I think there's an improved understanding of the impact [00:35:00] of local giving. I think in part, that's driven by the employees that are being gauged in part of that program. We also recognize that it really matters what's on the ground, so local giving is very, very important. I think we'll see more of that.

**Ted:** I think it's tied a lot for a lot of corporations to employees, and of course, local for a lot of corporations is global.

**Mark:** Yes. That's right.

**Ted:** I think one of the things that [00:35:30] CAF America always stands for is within the flexibility is solid compliance, to always keep an eye on making sure that there's regulatory compliance within the risk management. I think within that, you can always find some level of flexibility, but corporations need to make sure that the program itself is compliant.

**Stacy:** Right. That's really important.

**Mark:** Yes. You're [00:36:00] right about corporations local is global. [laughs] I think that's definitely true because there also is a great interest-- I realized I'm talking about a

different side here, but there's also a great interest as communications programs improve employees being struck by international issues. They're wanting to reach out globally is another important influence I think on **giving**.

**Ted:** Stacy, you had asked about long-term changes and we were talking about employees. **[00:36:30]** I think one of the long-term changes that we saw, very strong in this pandemic, our corporations, funding Employee Emergency and Hardship Relief Funds. We saw that very strong in this program. I think that those will continue to be funded. That will be a long-term effect of this pandemic I think.

**Stacy:** Good. Other changes that if you had to **[00:37:00]** look-- I'm going to ask you to go into your crystal ball three years from now, how do we see corporate giving being affected by all of these crises? What would you anticipate?

**Mark:** Can I offer two thoughts quickly?

**Stacy:** Please. We're going to come back in three years and hold you to them.

**Mark:** So, two thoughts quickly. I think we're finding two things. One is that sort of a combination of things that are happening in corporations. **[00:37:30]** It will be very, very normal for us to have employees that will volunteer, give money to not-for-profits, and then, corporations come around with some sort of a grant and that grant could be some sort of an in-kind opportunity, or it can be actual financial support. I think you're going to see a variety of corporate resources.

If you look back at the statement that was made in the Roundtable-- was it earlier this year or beginning of last year? I can't remember, but they want to bring all of their resources to bear on --

**Stacy:** Can you remind people about the Business Roundtable, what they said?

**Mark:** Yes. I think it's an acknowledgment that it's not so much-- corporations are no longer about purely shareholders and profits, but they're about stakeholders and improving a lot for all constituents, that leads to a more and a better community, which in turn, rises the tides well for profits.

So, that recognition is **[00:38:30]** let's bring more resource to the opportunity. You see a bunch of combinations of things happening. They're not just grants or employee giving, but some combination of those things including in-kind and so on.

The last thing that was in the last slide, if you can pull that last slide up for a second, I just want to-- this is really something-- they're related but different. Well, in the bottom left hand side of that, you'll notice that corporations are going to have their philanthropic **[00:39:00]** intent colored by their social justice concerns. Right? [crosstalk]

We have gotten a tremendous request for information about not for profit, diversity and inclusion programs. They want to know that the people that they're working with are sensitive to this issue. If we're going to get resource view time, money product, so on, we want to know that we're all on the same page. I think that's going to be **[00:39:30]** something that appropriately influences corporate giving over the coming years.

**Stacy:** It is a really important point. Are they looking at the boards as well as the leadership, everything across the board and--?

**Mark:** There's no limit to the amount of information that [crosstalk]

**Ted:** Yes. That's right. Stacey, I think one of the lessons learned I think the corporation's got right, but they're glad that they got it right is that right now, where we are is they haven't given all **[00:40:00]** their money. They still have money that they can give. That's a good thing because as Carolyn mentioned earlier, we're coming into disaster season. We're still in a pandemic. We have an uncertain economy. We're coming into disaster season. Even though corporations gave generously last year, gave higher amounts during the pandemic, they planned ahead **[00:40:30]** to have a little bit more that they could give, so that they would have funds available, knowing that there would be additional needs and they wouldn't have to say, "There's nothing left."

I think that planning ahead, it will serve employees and their communities very well. I think that corporations, looking back, will realize that was a smart move and in the future, that's going to become part of their game plan. **[00:41:00]**

**Carolyn:** Well, I also think-- and this is not often said. I do think that it is important to remember that corporations are coming off of windfall in terms of tax relief last year. So, an increase and a planned increase this year, it is as unlucky as can be, but at least, the timing of a pandemic **[00:41:30]** is at a time when many corporations could afford to increase their budgets.

So, I think in those ways, it's helped to lift this year. Even when we see the trends for next year, which we're not there yet, even when you see the trends for next year, any decreases or flat budgets are on top of the 2020 increased giving. **[00:42:00]** If 75% increased their giving this year by somewhere between 1% and 50% and next year there is

maybe a decrease, but not that much, then it's still higher than it was in 2019. I think that bodes well.

**Ted:** Yes, and two-thirds are going to maintain. Carolyn, two-thirds are going to maintain or increase their giving off from those higher levels.

**Carolyn:** Right. Off from the higher levels.

**Ted:** That's significant.

**Carolyn:** Right. There is the higher level. I also [00:42:30] think when I think about the future, I think the employee voice will be more and more important. I think capacity building as a strategy for small to mid-sized organizations, especially those led by people of color, will be an important shift. I know there is a financial services company in Baltimore that has been investing since the Freddie Gray incident five years [00:43:00] ago, but has continued to invest in this and is investing even more so in the capacity building of organizations of the community, because I think that corporations understand why the strength of these organizations is so important.

I think that's another trend that we will look back on in three years and see. I think the last one that I would suggest is that companies really like to bring their ingenuity to the table [00:43:30] and not just their money. They pride themselves on solving problems. They do it pretty well. I think they are more and more going to take issues that are important to their company, but also to the community. They're going to really do some hard work on solving things.

They'll get not just the philanthropy people and the volunteerism people involved, not just the employee resource groups, but the product developers, the hard [00:44:00] business folks that are going to rally around issues because the stakeholders are no longer just Wall Street. Their employees and their customers, the stakeholder group has really changed as environmental, social, and government issues have risen to the top of the next generation's mind.

**Stacy:** I'm really glad you mentioned that because of course, [00:44:30] we haven't talked about climate change in this conversation, but that is clearly another huge thing that is coming at us and we need all that ingenuity coming.

**Carolyn:** Exactly.

**Stacy:** I can imagine that there are probably a lot of questions coming in.

**Ted:** We do, Stacey. I can start asking some of those if you'd like me to?

**Stacy:** I'd love that.

**Ted:** First question here is, "I'm curious. We have switched our in-person events to virtual ones. We rely on corporations for sponsorships. Yet, many have come back and said that [00:45:00] they're not sponsoring any events now or in the near future. Are corporations giving to general support?"

**Mark:** Absolutely. Well, I'll let you jump in here, but absolutely, they're giving general support. In fact, they've broadened their interest to be able to do that. You're right that there's a step back on events for some obvious reasons, not thinking at the time about virtual events. [00:45:30] I think you've got to be a little creative, make sure you're calling in the things that will get their attention, but yes, there's a definite broadening of purpose for corporations to give to not for profits for general purpose, no question about it. Carol, please add.

**Carolyn:** Yes. I think the most important thing that a nonprofit can do when they are talking with a corporation is ask what is important to you, the corporation. I think the first question really is what's important to you and what's important to your employees? Why do you care about the [00:46:00] issues that you care about? In so doing, you can pivot, excuse the word, away from an event sponsorship and into-- it gets your juices going on, "What do I do that they need or do they care about? Where's the common caring and interest?" I think that's the most important thing.

**Ted:** I think it's that pivoting to a different mindset. I think for a lot of nonprofits, that's tough when you've always thought about your next gala, [00:46:30] or your next special event, and that's how you fund yourself. Thinking in terms of how you fund yourself on an operational basis is a different mindset and it's a pivot that you have to make a change, too.

Stacey, the next question, sort of a broad question I think for all of you here. Have corporate matching gift programs for virtual volunteering hours been successful and or increased during COVID? Have employers modified [00:47:00] their requirements so employees can get their volunteering matched hour by hour versus having to meet a minimum of certain number of volunteer hours before they can get matched funds for their time? The old model to the new model and how does all of this work? Mark, this is the world you live in. How was all this working?

**Mark:** Yes. That's a very, very specific question. I'd love to find out which program they're talking about. **[00:47:30]** It's hard to talk about general approach to corporations, but I can tell you one thing. Generally, the corporations have lowered the overall thresholds to get matches. Period.

As part of Bank of America's commitment to this, they lower their overall matching program and increased the amount that employee can donate that will be matched. In general, they're expanding the access to that. Since a lot of in-person volunteering has gone, **[00:48:00]** understandably to the side, there are plenty of what we call dollar for doers or volunteer matching gifts that are happening out there.

There are all kinds of different thresholds, but generally speaking, corporations over time, have lowered the bar you have to jump over in order to get to the next level of support.

**Ted:** As a general sense, Carolyn, are you seeing much discussion of that within your membership?

**Carolyn:** I think that **[00:48:30]** it is difficult to have the quality of virtual volunteering than in-person volunteering. So, people in our roles are struggling with the virtual volunteer roles. They understand that they can't ding an employee if they're not providing a great match opportunity, but what I have seen is that people are starting to change what they'll match. Let's say they're doing a campaign instead of just **[00:49:00]** hour for hour volunteering, but it's more like a communications campaign and for every email or for every social media post, we'll make a match to an organization of your choice.

So, I think what the match is for is starting to expand. I think organizations approaching corporations can get creative with some of those asks, so it's not just about an hour of volunteering.

**Ted:** Stacey, **[00:49:30]** we do have other questions, but I don't want to step on any questions, the direction you want to go in.

**Stacy:** Let's let the audience-- they've got great questions. Let's keep going.

**Ted:** Capacity building for nonprofits led by people of color is so important. Is there funding or mentorship opportunities available for this? Is this a growing area that you're aware of?

**Carolyn:** I think so. What I have heard from our members and specifically in Baltimore, **[00:50:00]** the organization that is doing that is T. Rowe Price. I do think that the

sustainability of small organizations led by people of color is something that all corporations understand is vital for the interest of the entire community.

Therefore, as they think about what's the most important thing to fund, making sure that those organizations are still around tomorrow and next year [00:50:30] and the next year is really important to them. That's why I think the capacity building piece will grow over time because the sustainability of nonprofits is so threatened in this environment.

**Mark:** Just to add to that. I totally agree. The venture services companies have reacted. I'm going to develop a list of other company programs in my mind so I can remember, but here again, Bank of America, very publicly committed a billion dollars over four years [00:51:00] focused on improving social justice issues and recently, publicly announced they had started granting, I think, 300 million of that, targeted in a variety of ways to develop a capacity in minority not-for-profits and other capabilities. I think it's being done. While I can't conjure up a list in my head right now. I'll make sure I can next time because it's happening on all of them.

**Ted:** Stacey, the next question [00:51:30] might actually go to you first from your vantage point at the Chronicle, about companies that currently do not have a robust CSR or corporate giving program. Does the current climate with COVID, social justice, disaster relief force companies, to focus more on CSR if they've never done it previously? From the Chronicles perspective, are you seeing forces move companies in a CSR direction or move away [00:52:00] from a CSR direction?

**Stacy:** Yes. I would say especially the social justice movement has really prompted a lot of companies regardless of what they do to think about jumping in. I would say that's important because they know their employees, they know their customers, they know that really, they can't keep operating with that and some of it's their social conscious, but that's why I think people see this as a really amazing moment in which we can capture that.

Yes. We've seen an enormous number of companies. They haven't [00:52:30] even always figured out exactly what they want to do and they make a big announcement saying, "It's X zillion dollars that's being committed to this." Then, we say, "Well, what are you going to do with it?" "I don't know but we're going to do something." That's how ready they are to jump in.

I think that broadening of more companies getting involved is really important. The flip side is, and I wonder maybe if the panelists want to talk about it is, obviously, the companies that are probably responding to these surveys are the ones that are relatively

healthy or that their businesses are doing [00:53:00] well in this environment, a technology company, for example. What about, let's just say, the airlines? What about the companies that are laying off large numbers of employees? What do we think is going to happen with their sense of social responsibility?

**Mark:** I can add that we work with a number of travel and entertainment businesses and specifically airlines. [00:53:30] First of all, they're looking for partnership by people that are contributing to them. We're certainly happy to do that, but secondly, in at least one case, they're expanding the opportunity their employees to give. They're not pulling back on their programs.

Certainly, these companies, in some cases, have had fuller programs for their business continuity, but those employees that could do to be involved have all the opportunities that they've had before. I don't know how long that will continue. I think there's [00:54:00] some worry as we move into the fourth quarter.

Now, we've been all in it for a while, so it sort of seems-- I'm tired of saying, "The new normal," but it feels that way. I think we're going to be in this for a little while more, lots of talk about vaccines and so on, but the question is as we move into fourth quarter, what's going to happen from there? Travel entertainment businesses that we're working with, yes, they're struggling, but they're still committed to participating and their employees [00:54:30] still feel lucky to have an opportunity to contribute.

**Carolyn:** I think employee relief is really important there. Companies that are struggling have dedicated much of their philanthropic resources to laid off employees and to community-based organizations that will directly serve employees where there are lots of cuts. I have heard from two different organizations, one in mining [00:55:00] and one in entertainment and media, who have had really terrible economic consequences from the recession, who have said that one of the challenges for them is a message that sits side by side with a message of, "We're cutting salaries. We're laying people off."

So, when there are messages that at the same time say, "We're giving X million dollars [00:55:30] to the community," and your salary is being cut by 20%, sometimes, the message is as clear as, "Then, why can't I get the tax relief for that?"

So, I think with companies that are struggling, there is a tight rope on what's the best way to manage these messages and how can we assure our stakeholders that when we emerged from this, this [00:56:00] infrastructure that we've built will not go away because community is so important to us.

**Ted:** Stacey, again, I think going back to your platform at the Chronicle, a global pandemic is international in nature. Is there a shift to supporting international charities from the international nature of a global pandemic?

**Stacy:** I think we've seen mixed responses on [00:56:30] that. Obviously, it depends where it's coming from. Certainly, the private foundations, Gates, Wellcome Trust, those that operate in that way, have been putting a lot of money into research, science, and those kinds of things.

Still deep concerns though about what is happening to Africa? Are enough people giving and aware of those challenges?" The nonprofits that are working on international labor are really struggling because there's an inadequate healthcare to begin with. [00:57:00] The needs there are vast.

So, I would say I see some promising signs certainly, a philanthropist raising the consciousness of it, but I think that's the hard part about this whole thing is the needs are so vast everywhere that trying to figure out-- I've not heard anybody say there is enough from being [crosstalk]-

**Ted:** There's enough. There's enough giving.

**Stacy:** -for any cause yet. I think that's why this is going to be so urgent for everybody. That's why I'm glad companies are [00:57:30] holding back ready to give some more because these needs are going to be ongoing.

**Ted:** Well, Stacey, there's more questions, but probably not more time. On behalf of CAF America, I want to thank you, Mark, and Carolyn for just an incredible panel for the Chronicle to host us today. This has just really been incredible. Thank you very much.

**Stacy:** Thank all of you. What a great conversation.

**Mark:** Me, too. Ted, congratulations to [00:58:00] CAF America on a great series of studies. This is the last I think of the four. Is it?

**Ted:** Yes. There's four and Volume 5 will be coming out in a few weeks. Volume 6 is already in the planning stages. Thank you all for your support of our research. We really appreciate it.

**Carolyn:** Thank you all panelists and the Chronicle for being wonderful partners to us. We look forward to collaborating in the future.

**Ted:** We absolutely will. Thank you all.

**Stacy:** Thank you.

**Ted:** Okay. Bye now.

**Carolyn:** Bye-bye. **[00:58:30]**

**Mark:** Bye-bye.