



Are Corporations Still Good Prospects?

September 2011

Last week's stock market performance, the worst since October, 2008, got us thinking about corporate philanthropy and whether it's the right time to solicit corporations. There is so much conflicting information - the *NY Times* reported in August that corporations are reducing their philanthropy whereas *The Chronicle of Philanthropy* and *Crain's* stated that corporate giving is experiencing a rebound, with gifts rising 13% last year from 2009, more if you count product donations. The reality? Wait and see how it all plays out. In the meantime, that doesn't mean you can't look to corporations for funding. The key is finding the best ways to be successful. Here are a few:

- 1. Think beyond cash.** What other resources can they give? When cash is tight, business looks to those skills, products, and other services they can donate that are equally valuable. Besides the in-kind gift, corporations are excellent sources of volunteers, board members, and advice. Cultivate your local business employees; involve them in your organization. Once you do, they will have an invested interest in you - and you'll discover a whole new base of support.
- 2. Don't forget the little guy.** It is easy to assume that major corporations are the only ones with dollars to donate. That assumption is very wrong. The NEA's 2007 publication, *How the US Funds the Arts*, states that three-quarters of corporate arts funding comes from smaller businesses. These businesses see their charitable dollars as investments in their communities that can benefit them directly. For example, if your project increases tourism, that also means more business for your local hotels, restaurants, and shops.
- 3. It isn't personal, it's business.** Or, it's not about you and what you need; it's about them and what they need. How can funding your project help support their bottom line? What can you "sell" to a local business that can help them reach their market? Use "marketing speak" if you have to. And do your research

- know who they are and who their customers are - it'll result in a more successful ask.

4. **Find the right fit.** In addition to sharing the same values as the company you approach, you should also be an organization that makes sense for their business. In other words, can your mission help further theirs? The partnership must have mutual benefit. For example, their involvement can help you leverage more gifts and you can help them meet their target audiences and publicize their good work (i.e. you're a key demonstration example for the paint store supporting your building restoration.).

The reality, too, is that reducing charitable giving in a downturn is not good business strategy. The Conference Board, an organization that helps businesses better serve society, states in their many articles that companies with strong social performance also have strong financial performance. Why? Contributions can help increase name recognition and a company's reputation in a positive way. Support of local causes improves the quality of life in the areas a company does business. Healthy communities attract better employees and have strong economic conditions that, in turn, expand their consumer base.

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