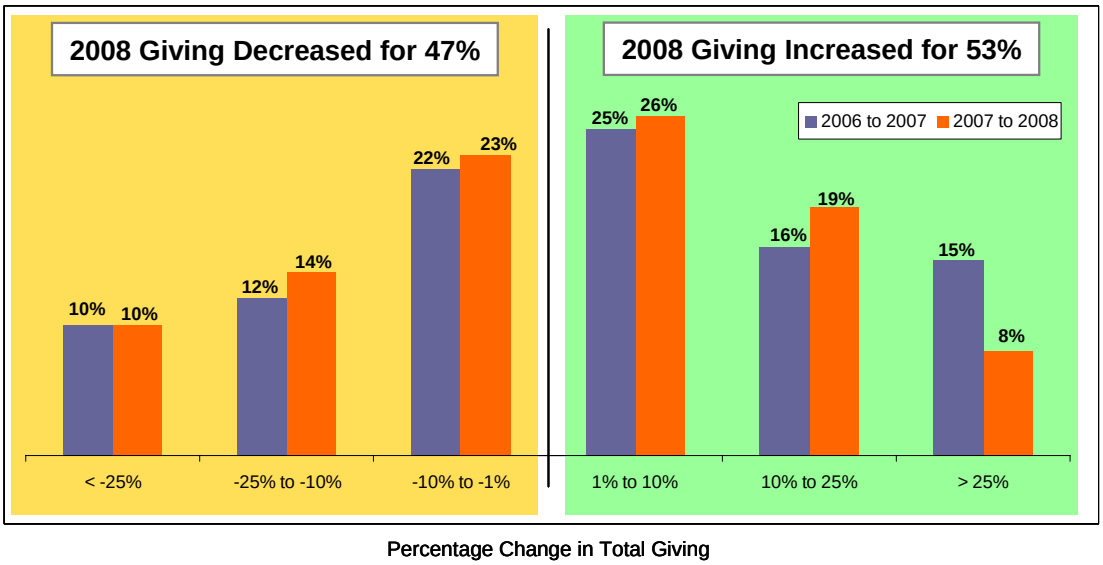
Corporate Philanthropy 2008: Data Trends and the Changing Economy

The economic downturn that began for some industries in the summer of 2007 did not discriminate in 2008, with 68% of companies that responded to the Committee Encouraging Corporate Philanthropy's annual philanthropy survey showing a decline in corporate profits year-over-year.

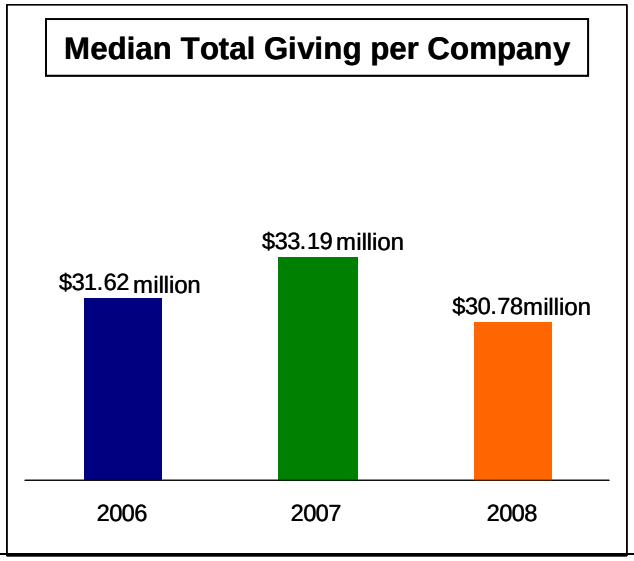
Against this challenging economic backdrop, 53% of surveyed companies nonetheless increased their giving from 2007 to 2008 (off only slightly from the 56% that increased giving from 2006 to 2007). An impressive 27% of companies increased their 2007 to 2008 giving by 10% or more, demonstrating that supporting community partners was a top priority despite the hurdles imposed by tight credit markets, a paucity of consumer spending, and widespread economic uncertainty.



Sample Size: 102 Matched-Set Companies, 2006, 2007, 2008; Inflation-Adjusted

Adjusted for inflation, 2008 aggregate giving retreated from $10.47 billion in 2007 to $10.03 billion across a matched-set of 102 companies providing data from 2006 through 2008.

Median giving per company remained high at $30.78 million, drifting down 7.8% from a peak in 2007 of $33.19 million. These figures include corporate cash grants, foundation cash grants, and non-cash contributions.



Sample Size: 102 Matched-Set Companies, 2006, 2007, 2008

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Looking only at companies whose pre-tax profits fell from 2007 to 2008, 51% increased their giving in the same time period. Many in the industry predict that giving will fall significantly in 2009 given a one-year lag between a profit decline and an associated change in philanthropic budgeting; however, regression analysis on data from 2006 to 2008 did not uphold a linear relationship between yearly profits and giving levels.

Among the 53% of companies that gave more in 2008, non-cash giving increased the most—surging by nearly 30%. Companies whose giving declined dropped most in cash grants from the corporate side. For both groups of companies, those that increased giving and those that decreased it, corporate foundation giving levels changed only nominally year-over-year.

Companies who tallied an increase in philanthropic giving cited more complete tracking of corporate contributions, particularly difficult-to-obtain data on international grant-making and giving conducted by business units. The launch of new signature giving initiatives and beyond-budget giving to disasters such as the Sichuan earthquake in China and the California wildfires also bolstered 2008 giving levels. For companies that decreased giving in 2008, the economic downturn and its associated symptoms were referenced most often.

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About CECP

Paul Newman and **Ken Derr** are the founding co-chairs of the Committee Encouraging Corporate Philanthropy (CECP), the only international forum of CEOs exclusively focused on corporate philanthropy. CECP's mission is to lead the business community in raising the level and quality of corporate philanthropy. Engaging with the public, private, and independent sectors, CECP's 175 members seek and create opportunities to help advance the case for philanthropy and to inspire other business leaders to make a lasting commitment to community giving. www.CorporatePhilanthropy.org.

The preliminary findings in this Executive Summary are based upon data from the Committee Encouraging Corporate Philanthropy's Corporate Giving Standard, an online philanthropy measurement and benchmarking tool for participating companies. The Committee will post its annual data analysis report, *Giving in Numbers, 2009 Edition,* for free download in fall 2009.

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