



Corporate Foundations: An Essential Innovation Tool for Employees, Company, and Community

November 29, 2022, NEW YORK—The strategic importance of corporate foundations in the current economy is stronger than ever before, with a new report by Chief Executives for Corporate Purpose® (CECP), [*Corporate Foundations: Designing for Impact*](#), finding that corporate foundations are vital levers within society and companies. The report provides a handbook for companies seeking to supercharge their foundation to be a social innovation incubator. The report shares a framework to help create companies' distinct foundation design. From employee connector to change agent to relationship builder to global ambassador, corporate foundations create transformational value.

U.S. corporate foundations have long served as an institutional platform for philanthropic giving by the world's largest companies, originating as a vehicle to disburse grants among an array of charitable causes. Present-day corporate foundations strengthen the relationship between business and community, and the range of strategic decisions collectively design unique corporate foundations that achieve impact. The new research report identifies how corporate foundations are transforming companies' understanding of their role in addressing society's most persistent challenges.

The report covers the landscape, operations, strategy, and innovation behind corporate foundations for practitioners. Key findings of the report demonstrate that corporate foundations:

- Provide significant community investments; 80% of the world's largest companies participating in CECP's annual research study have at least one corporate foundation.
- Promote valuable employee engagement.
 - Companies with foundations have more engaged employees than those without foundations:
 - 4.5% higher average volunteer participation rate
 - 0.5 more volunteer hours per employee
 - \$700,000 higher median in matching gifts
 - 11.5% higher rate of offering skills-based volunteer programs
 - 28% of companies conduct all employee engagement (volunteering and matching gifts) through the foundation and another 45% use the foundation for either volunteering or matching-gift programs.
- Respond in partnership with the company to societal challenges, public health crises, and consumer demands.
 - Community investments in the program areas of Health and Social Services and Community and Economic Development had higher allocations among companies with foundations than among those without.
 - Support employee needs and passions through employee resource groups and employee assistance funds.
- Provide place-based connections for corporations to be nimbler and more innovative, such as building regional partnerships in the geographical footprint of a company, developing multi-stakeholder relationships in supply chains, and piloting new approaches in corporate purpose and systems change.



- Companies with foundations distribute more internationally than do those without, with a 13.2% median international percentage of TCI, compared to 10.1%.
- International investment is also higher, with a median of \$3.76 million among companies with foundations, compared to \$0.56 million among those without a corporate foundation.
- Prioritize diversity, equity, and inclusion (DE&I) by focusing on the needs of nonprofit partners with flexible and dependable funding; companies with foundations are much more likely to fund multi-year and general operating grants (62% and 60%, respectively) compared to companies without foundations (44% and 37%, respectively), which offers grantees opportunities to experiment on new ideas.
- Develop integration of corporate DEI and ESG strategies in corporate foundation strategies:
 - In corporate foundation boards of directors, 9% prioritize gender representation, 16% prioritize racial representation, and 20% prioritize both.
 - 81% of companies indicate a basic or intermediate level of alignment between a foundation and ESG priorities, with 19% indicating advanced strategic alignment.
- Offer recession proof budgets for a company's societal engagement at a time when communities need it the most; corporate foundations provide flexibility for company transfers and charitable distributions, allowing separation from company's financial activity year-to-year.

"Today's corporate foundations serve as leading agents of change: building relationships, funding systemic solutions, collaborating with communities, driving large-scale value for society, and bridging the gaps in traditionally underinvested populations and regions," said **Kari Niedfeldt-Thomas, Managing Director of Corporate Insights & Advisory, CECP**. "We designed this report to be essential reading for practitioners who are foundation-curious or knee-deep in the process. Answering corporate foundation questions each day in our work with companies, CECP sought to create the definitive corporate foundation guidebook with frameworks and actionable insights."

The report facilitates how companies may build or classify their current foundation through **four newly defined archetypes of foundations**: community collaborator, employee organizer, business networker, and impact driver. While a corporate foundation is classified by funding sources of pass-through, endowed, or hybrid, and has a tax status of private, as grantmaking or operating foundation, or a public charity, it is how the corporate foundation is deployed that benefits society.

The insights in this report were drawn from CECP *Giving in Numbers* data, the unrivaled benchmarking survey, database, and report on corporate social investments, in partnership with companies; CECP Pulse Surveys to its corporate coalition; interviews with corporate foundation leaders; insights support and counsel provided to CECP's companies; and an Accelerate Community of CECP-affiliated companies on the Future of Corporate Foundations.

CECP provides the tools, resources, and support to take giving, grantmaking, or social/community investment programs to the next level. Building from our unrivaled benchmark, [Giving in Numbers™](#), and supported by our insights and best practices, CECP equips CEOs and leaders to advance their goals, measures, scorecards, and strategies to generate positive impact locally, nationally, and globally.



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About Chief Executives for Corporate Purpose

Chief Executives for Corporate Purpose® (CECP) is a trusted advisor to companies on their corporate purpose journeys to build long-term sustainable value and tell their impact stories. Working with CEOs and leaders in corporate responsibility, sustainability, foundations, investor relations, finance, legal, and communications, CECP shares actionable insights with its CEO-led coalition to address stakeholder needs.

Founded in 1999 by actor and philanthropist Paul Newman and other business leaders, CECP is a movement of more than 225 of the world's largest companies that represent \$7.7 trillion in revenues, \$37.4 billion in total community investment, 14 million employees, 22.5 million hours of employee engagement, and \$21 trillion in assets under management. CECP helps companies transform their strategy by providing benchmarking and analysis, convenings, and strategy and communications in the areas of societal/community investment, employee engagement, environmental social governance/sustainable business, diversity equity inclusion, and telling the story.