



Corporate Giving in Canada: The Latest Data, Trends, and Implications

Steven Ayer

Businesses want happy stakeholders

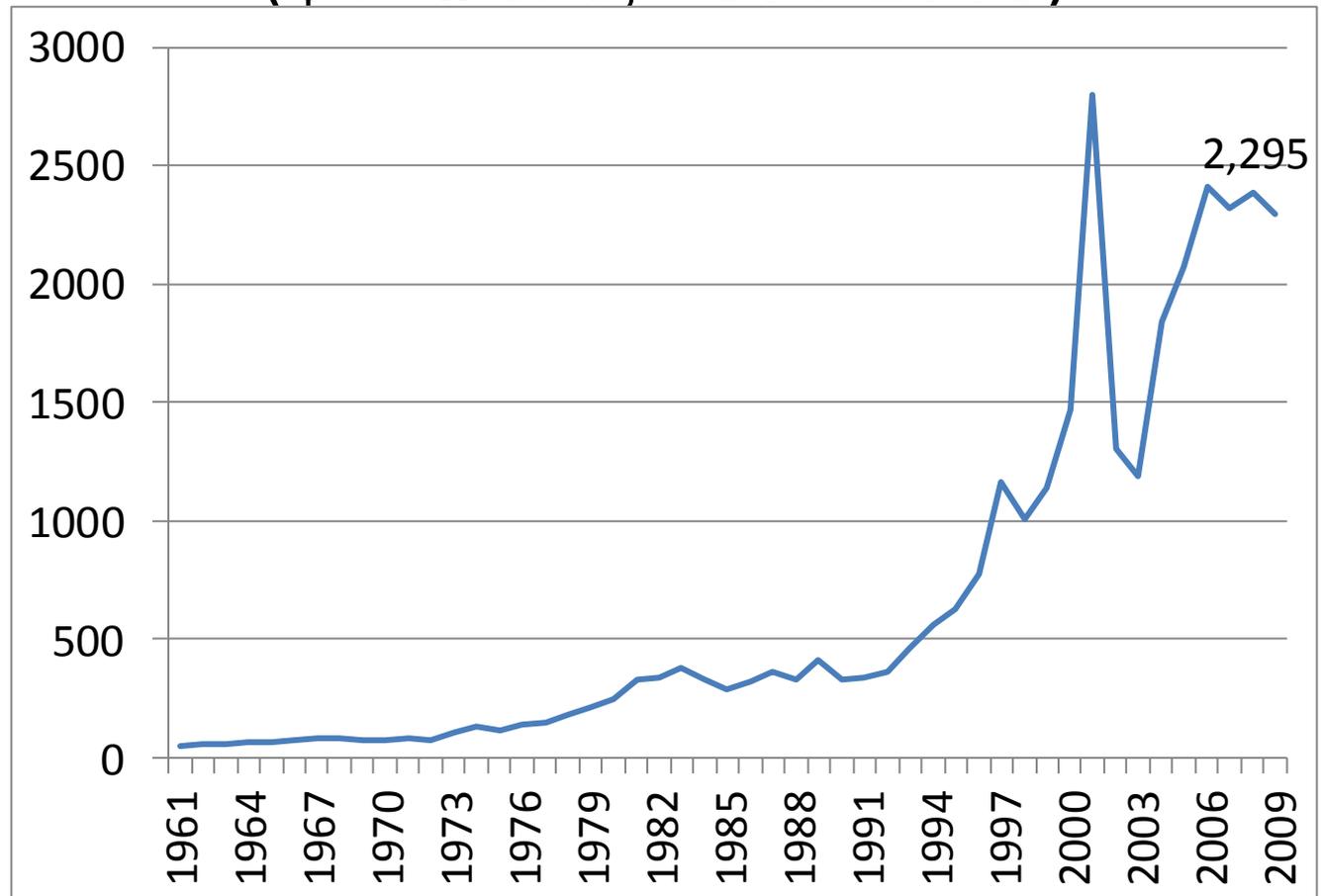
- Employees
- Executive teams
- Middle managers
- Customers
- Government representatives
- Communities
- Charities

General trends facing corporate philanthropy

- Give more if its profitable
- Make more people aware of what they're doing
- Measure benefits whenever it makes sense
- Manage increasing demands
- Deal with changing technology
- Increasing expectations from everyone
- Technology makes it easier to communicate the work being done

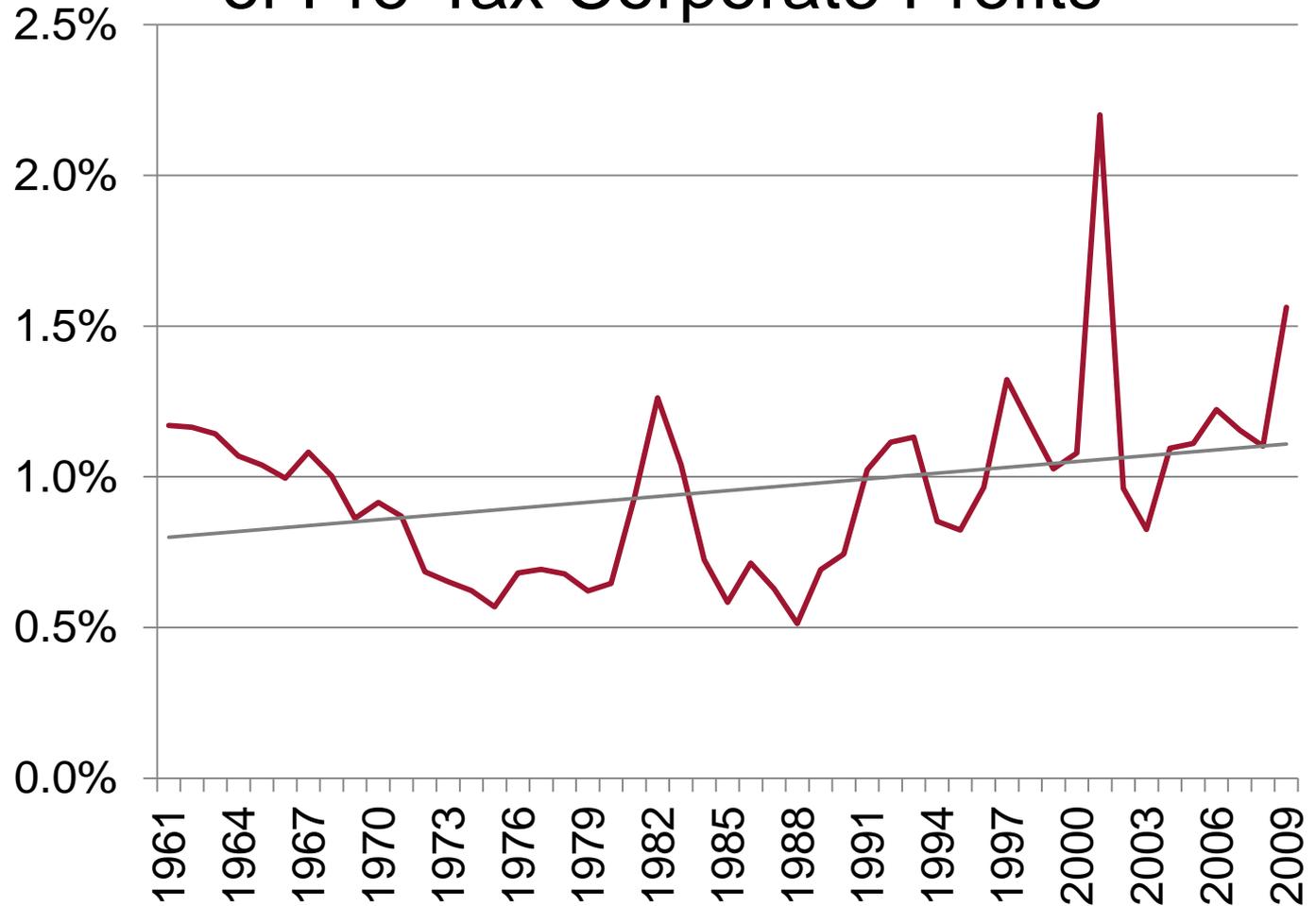
Corporate donations have generally been increasing over time

Total claimed corporate donations (\$ millions, 1961-2009)



There is a slight upward trend in donations as a % of profits, with a few big bumps

Corporate Donations as a Percentage of Pre-Tax Corporate Profits



That Data is Not “Accurate”

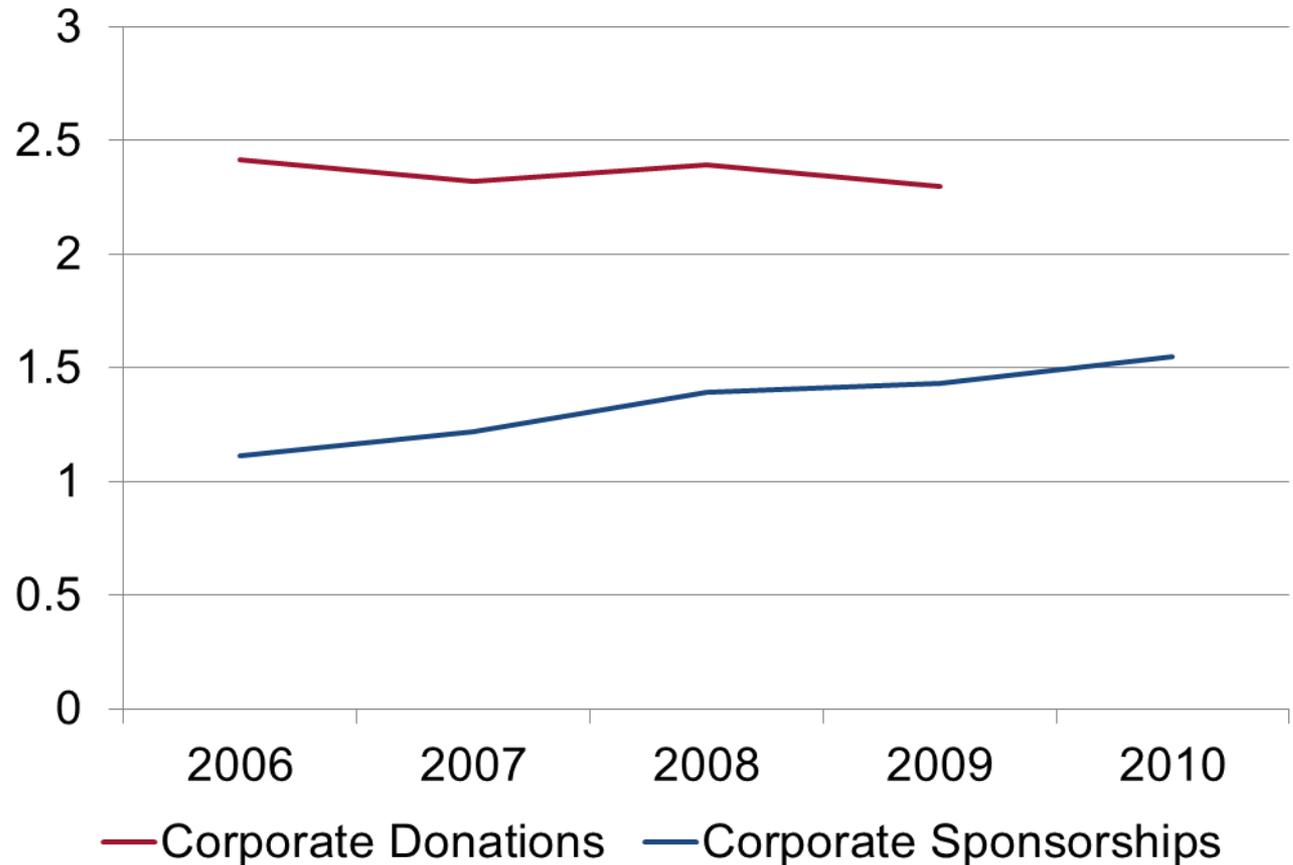
- Most corporations do not bother to claim donations on tax returns
- Only 3% of businesses claimed a donation on their tax return in 2003
- Corporate sponsorships, donations or grants were estimated at \$2.8 billion in 2003
- Canadian businesses claimed \$1.2 billion in charitable donations on their 2003 tax returns.
- The estimate of the TOTAL size of the sponsorship market in 2006 was \$1.1 billion
- 76% of businesses told us they donated cash to charities in our 2008/2009
- HOWEVER, the data is relatively consistently inaccurate, meaning trends are still useful

From 1990 to 2009...

Corporate donations

increased 581%

Convergence: Corporate Donations vs. Corporate Sponsorships (\$ Billions)



Percentage of Sponsorships Received by Nonprofit and Charity Causes, 2010

Area Sponsored	%
Festivals, Fairs and Annual Events	17%
Amateur / Olympic Sport	15%
Causes	13%
Arts	10%
Education	8%

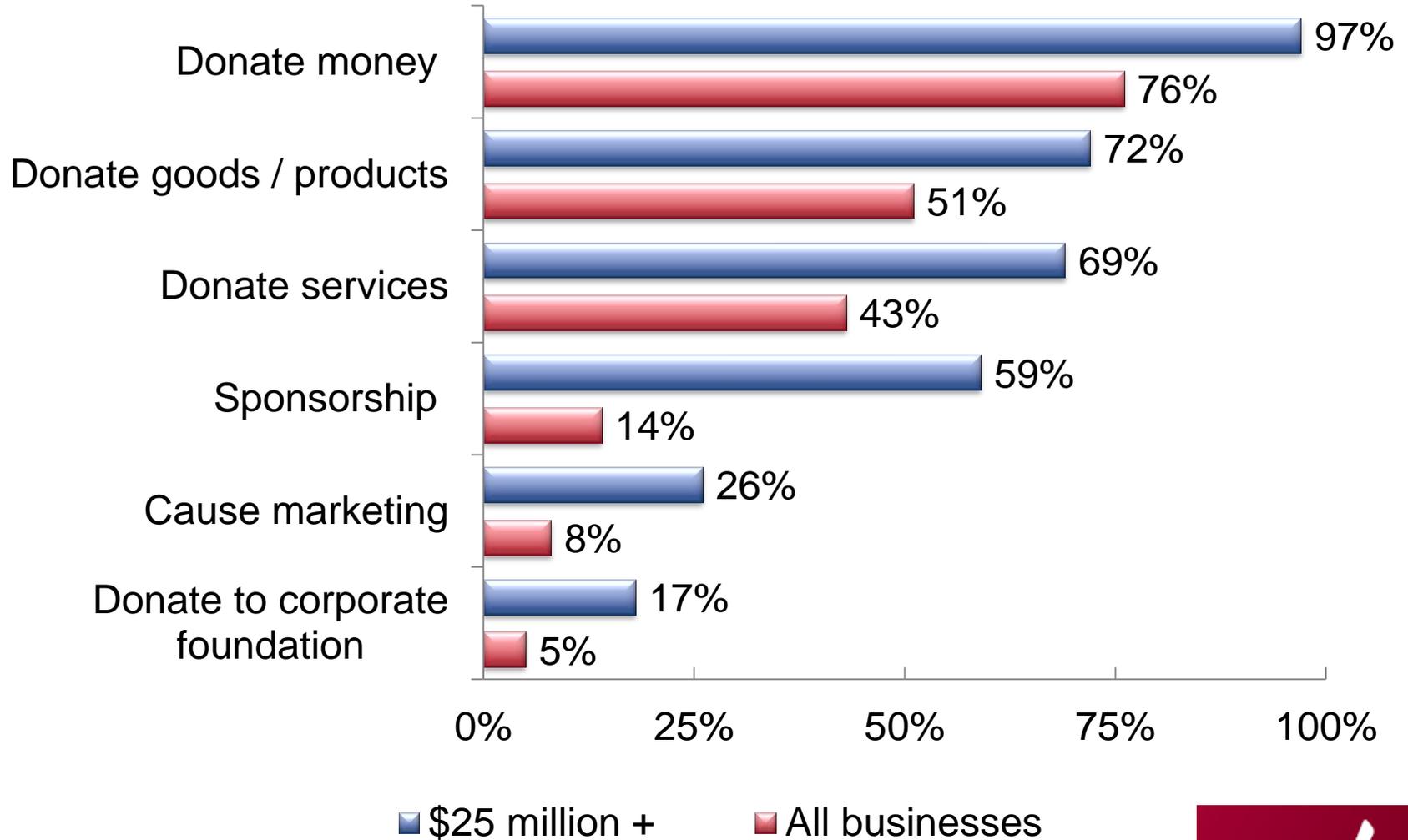
% of sponsorships in categories that are predominantly charitable and nonprofit...

63%

Dollar value that would represent

\$970 million

Types of Direct Contributions by Businesses



Other Types of Contributions: Mobilizing Stakeholders



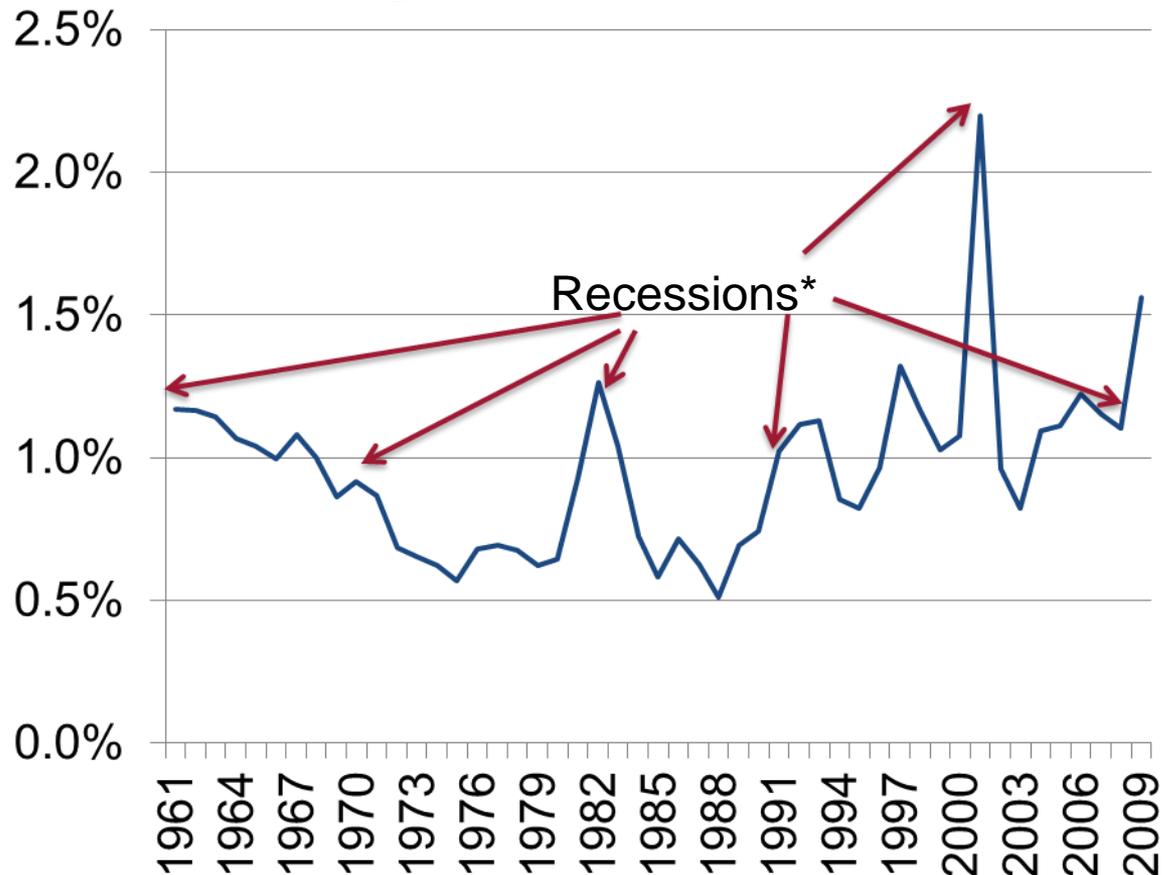
General Trends

- Signature programs
 - CECP found 55% of their members now have some sort of signature program
- In-kind contributions
- Employee volunteering
- Sophistication
- Customer expectations
- Customers willing to pay more for corporate citizenship (sometimes)
- Partnerships
 - Cause related marketing
 - In 2009, only 592 charities reported to the CRA that they were using some form of cause-related marketing initiative

The impact of the recession on corporate giving

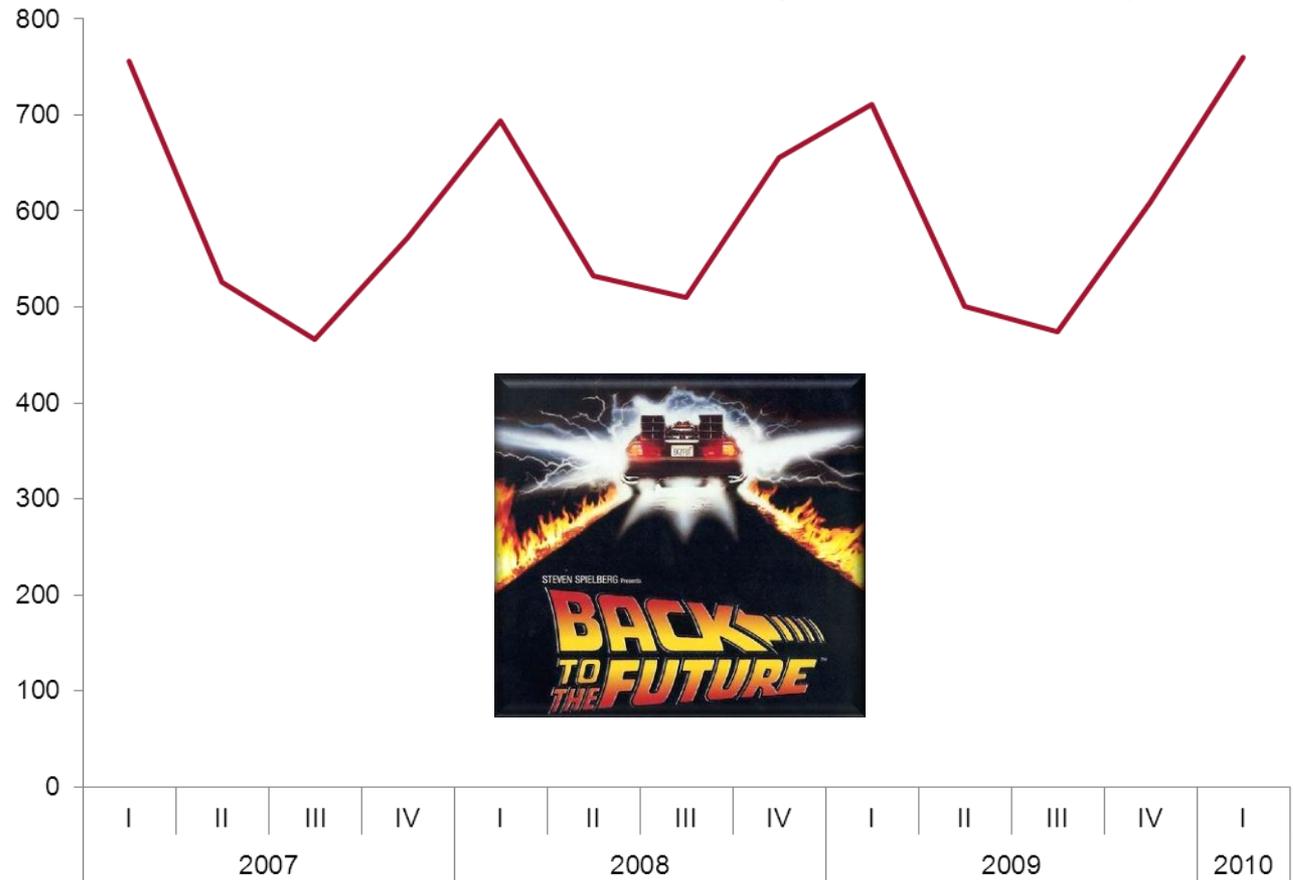
THE 8:20 A.M. BONUS: WHAT ABOUT THAT WHOLE RECESSION THING?

Donations as a percentage of pre-tax earnings over time



Corporate donations in the 1st Quarter of 2010 are higher than the 1st Quarter of 2007.

Corporate donations: Back to pre-recession levels (\$ millions)



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THANK YOU!