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Companies Give Employees a Bigger Say in Corporate Philanthropy

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Ebony Frelix Beckwith, Salesforce.org's chief philanthropy officer, mentoring students in the coding camp at Visitacion Valley Middle School in San Francisco. PHOTO: SALESFORCE.ORG

By Lisa Ward

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Should employers give their employees a bigger say in the company's charitable giving?

Many philanthropy experts say they should and corporations are taking heed, shifting more of their philanthropic dollars to matching-gift and paid-volunteer programs, and encouraging employees to sit on grant-making committees and vote on specific initiatives.

The move reflects a change in thinking about corporate philanthropy, which increasingly is being seen as a way to recruit and retain employees. Amid the shift, nonprofit organizations such as United Way Worldwide are changing how they work with companies, so that employees have a bigger role in corporate-giving campaigns.

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24%

Employers

offering donations
for employee
participation in
charitable events

•
18%

Companies

matching employee
charitable
contributions

Source: Society for Human Resource Management's
2018 Employee Benefits Report

“Employees want to express their personal values at work,” says Katherine Smith, executive director of the Boston College Center for Corporate Citizenship at the Carroll School of Management. This is a break from the past, when executives and managers often dictated workplace-giving campaigns.

U.S. companies gave about \$20.7 billion to charitable causes world-wide in 2017, up 8%

from 2016, according to an [annual report](#) written by researchers at Indiana University Lilly Family School of Philanthropy and funded and published by the Giving Institute. That represents about 5% of all U.S. charitable giving, which totaled \$410 billion in 2017, the report said.

Successful workplace-giving campaigns have been linked to improved productivity, employee satisfaction and better recruiting success, says Una Osili, associate dean and professor at the Lilly Family School of Philanthropy. Recent research also shows that employees today are more likely to participate in workplace-giving campaigns if they have a say in where the money is going, she says.

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New technology is making it easier for employees to get involved. Many firms use electronic platforms that allow employees to make charitable gifts through payroll deduction. Firms also use the platforms to match employee gifts, track volunteer hours (many companies pay employees to volunteer or give them paid time off to volunteer) and promote and elicit feedback about new giving campaigns.

[PayPal Holdings Inc.](#) gave more than \$11 million to charitable causes in 2017. It says employees

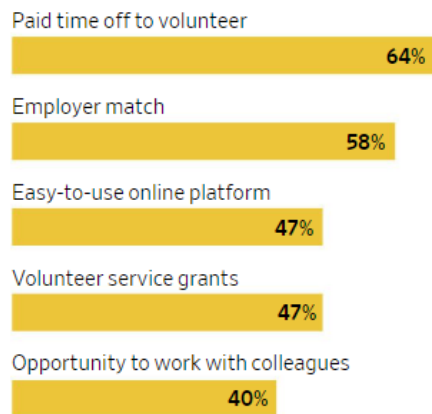
directed almost \$3 million of those donations through matching gifts and a program that allows PayPal employees to nominate nonprofits they think are deserving of company grants. Employee-review committees narrow down the proposals to a group of finalists, and employees are then given the opportunity to vote to determine the winner. Grants range from \$1,500 to \$10,000, though review committees can also recommend a larger grant of between \$20,000 and \$50,000 from the company's innovation fund.

“Through these grants, we’ve partnered with local organizations that we may not have come across otherwise,” says Sean Milliken, head of global social innovation at PayPal. He points to a Parisian charity that makes an app designed to help refugees find essential services such as food and housing as an example of one such grant recipient.

A common way to get employees involved in philanthropy is through matching-gift programs, where the company offers to match employee donations to eligible nonprofits. A survey of 200 Fortune 1,000 companies found that 80% offered a workplace giving program. Of those companies more than 70% offered a match for monetary donations and 43% offered a cash match for volunteer hours, according to a coming study from the Boston College Center for Corporate Citizenship.

Doing Good at Work

Motivations for employee donors



Source: America’s Charities’ Snapshot 2017: What Employees Think about Workplace Giving, Volunteering, and CSR

“Matching contributions now account for about 10% of all corporate donations,” says Carmen Perez, senior director of data insights at Chief Executives for Corporate Purpose, a coalition of large companies.

[Salesforce.org](#), the philanthropic arm of cloud-computing company [Salesforce.com Inc.](#), says about 30% of its grants budget goes toward matching employees’ donations. After Hurricane Maria, a former Salesforce.com employee wanted to raise \$1 million for the storm’s survivors in Puerto Rico. She used the company’s internal communication platform to fundraise, and within two months, employees had donated \$250,000 to the cause. [Salesforce](#) matched that

and gave another \$250,000. Salesforce.com founder Marc Benioff and his wife, Lynne, donated the remaining \$250,000. As part of the fundraising drive, Salesforce employees also volunteered in Puerto Rico, repairing roofs and rebuilding.

In February 2018, Salesforce.org and United Way joined forces to launch Philanthropy Cloud, a workplace-giving platform that allows employees to direct contributions to any charity throughout the year. United Way says the move reflects a transformation from its previous operating model, where corporations and employees often donated money to United Way during an annual campaign.

“Employees want to be empowered,” says Rob Acker, the chief executive officer of Salesforce.org.

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