



Building Corporate Trust through Philanthropy

The American Chamber of Commerce-China

March 19, 2012

Kim Meredith

All data from Giving USA's Annual Report on Philanthropy for the year 2010 unless otherwise denoted.



AGENDA

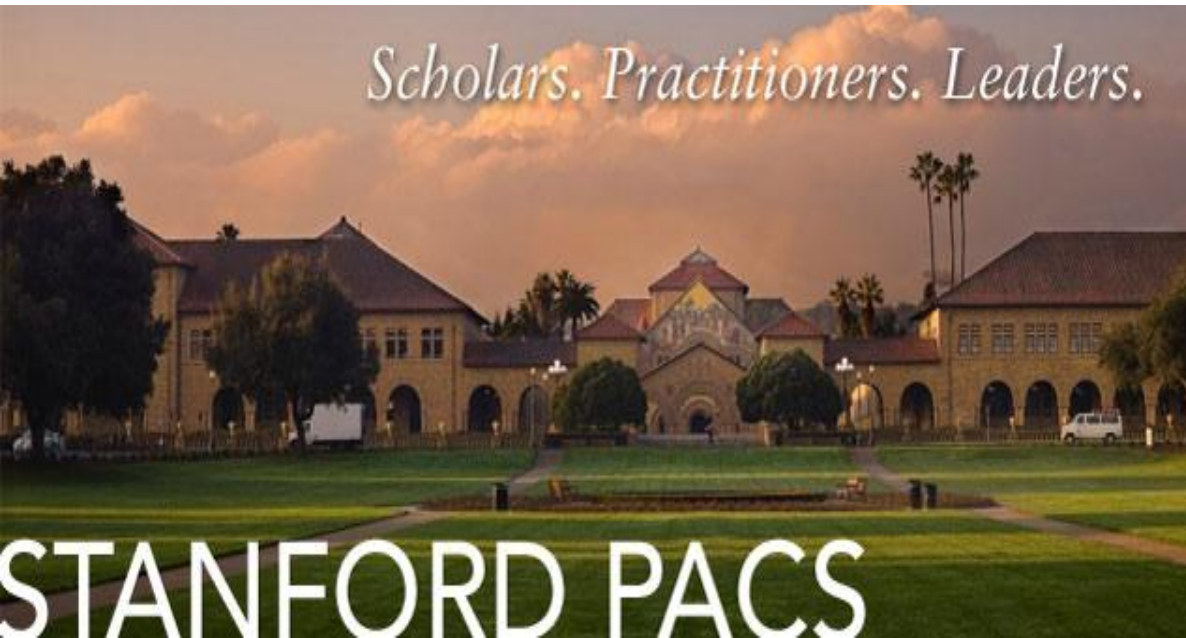


- Introductions Kim Meredith, Executive Director
Stanford Center on Philanthropy and Civil Society and
Stanford Social Innovation Review
- Philanthropy in China
- Philanthropy in the United States
- Corporate Social Responsibility: Blurring the Lines
- Building Corporate Trust: Creating Shared Value
- Strategic and Ethical Questions



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Civil Society

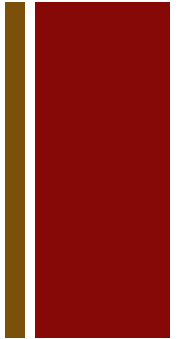
Stanford Social Innovation Review



Opening
March 21, 2012
Stanford PACS at Peking
University

Kim Meredith
Executive Director

+ Key Terms

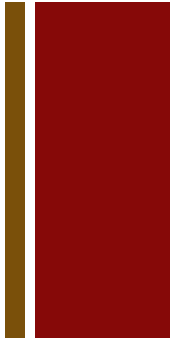


Philanthropy is a term rooted in the Greek words *philos* and *anthropos*, which mean “love” and “human being,” respectively. Today the term generally refers to the concept of voluntary giving by individuals or groups to promote the common good.

Civil Society refers to the arena of uncoerced collective action around shared interests, purposes and values. In theory its institutional forms are distinct from the state and market, though in practice, the boundaries between state, civil society and market are complex, blurred and negotiated.



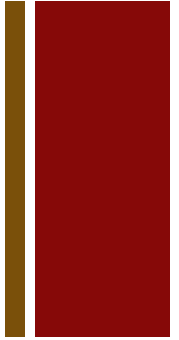
More Key Terms: Social Innovation



- New strategies, concepts, ideas and organizations that meet social needs that strengthen civil society and society as a whole.
- Opportunities to explore social enterprise, social entrepreneurs and corporate social responsibility.
- Novel solutions to a social problems that are more effective, efficient, sustainable or just than existing solutions.
- Social innovation can take place within government, business or the nonprofit sector.



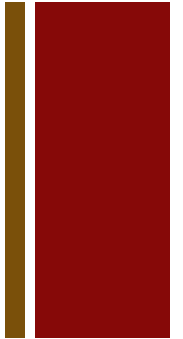
Philanthropy and Civil Society in China



- Confucian tradition of charity and Taoist tradition of economic activity and charity.
- Strong government to support social programs so philanthropy and civil society will have unique qualities
- China Good Neighbor Policy: response to 2011 tsunami and government funding campaign
- According to World Bank: 415,000 Civil Society Organizations
- 1,843 foundations (public and private)/846 private foundations growing since 1982



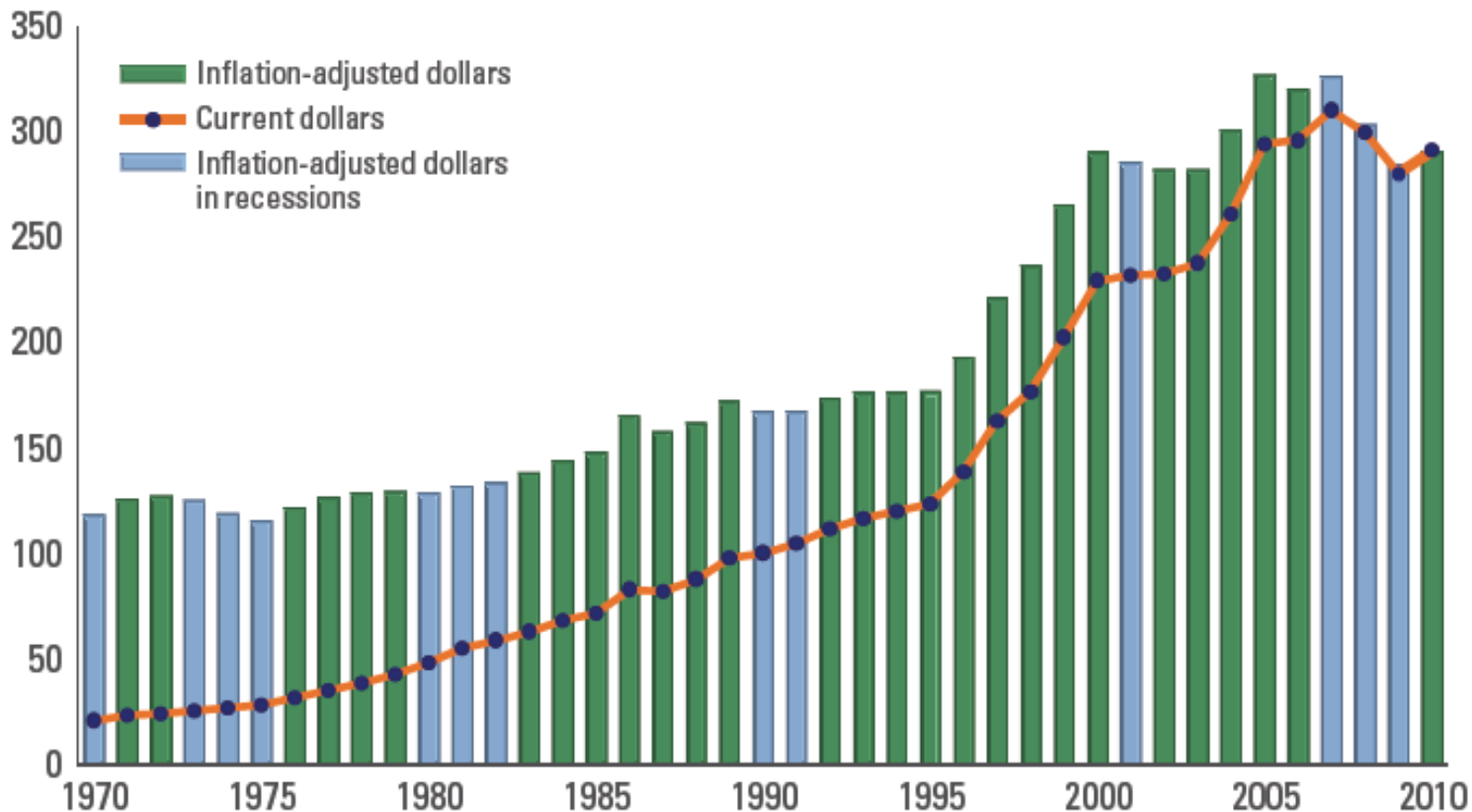
Emerging Philanthropy in China



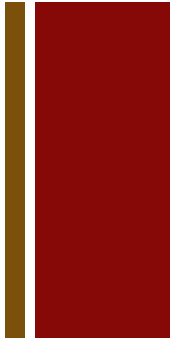
- Individual and corporate profits have led to an emerging culture of philanthropy beyond guanxi
- Charitable donations account for 0.1% of GDP
- 2008: 60 billion RMB after Great Sichuan Earthquake that measured 8.0 in May 2008 killing an estimated 68,000 people
- 2009: 30 billion RMB returned to “normal” levels of giving
- 10% -15% of contributions are from individuals
- 80%-85% of contributions are from corporations

+ Total Giving 1970 - 2010

Total giving, 1970–2010
(in billions of dollars)



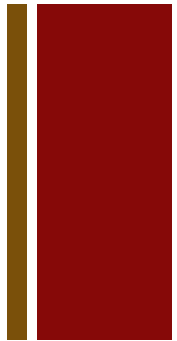
+ Landscape Summary



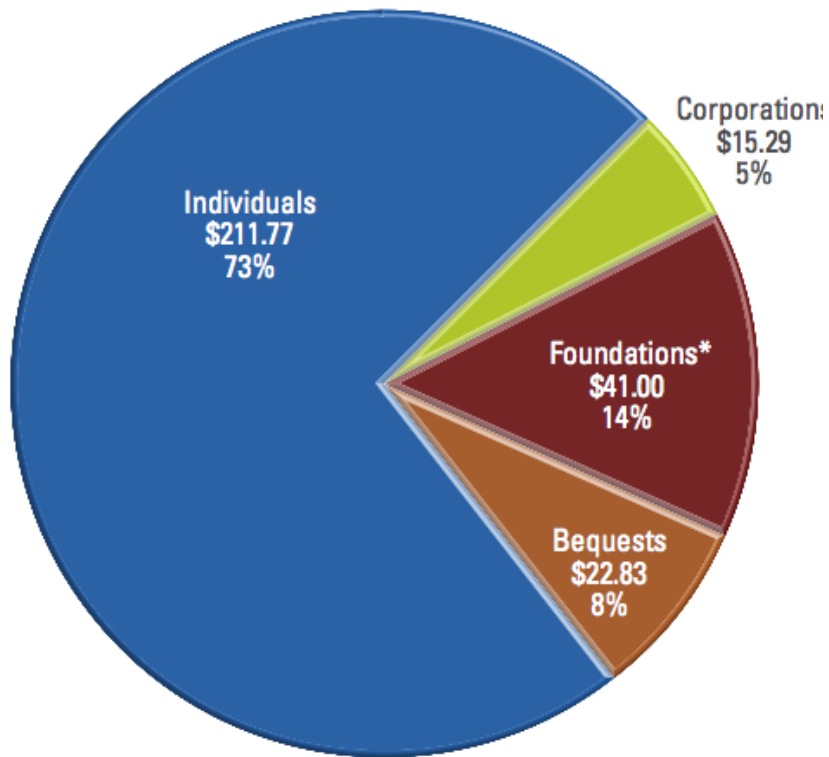
- Total giving in 2010 was estimated at \$290.89 billion. That is a 3.8% increase compared to 2009 estimates.
- 2009 had the steepest decline in giving since Giving USA began its annual reports in 1956.*
- Total giving has increased in current dollars in every year but two: 1987 and 2009. *
- Total estimated giving for 2010 was approximately 2.0% of GDP

* Data from Giving USA's Annual Report on Philanthropy for the year 2010.

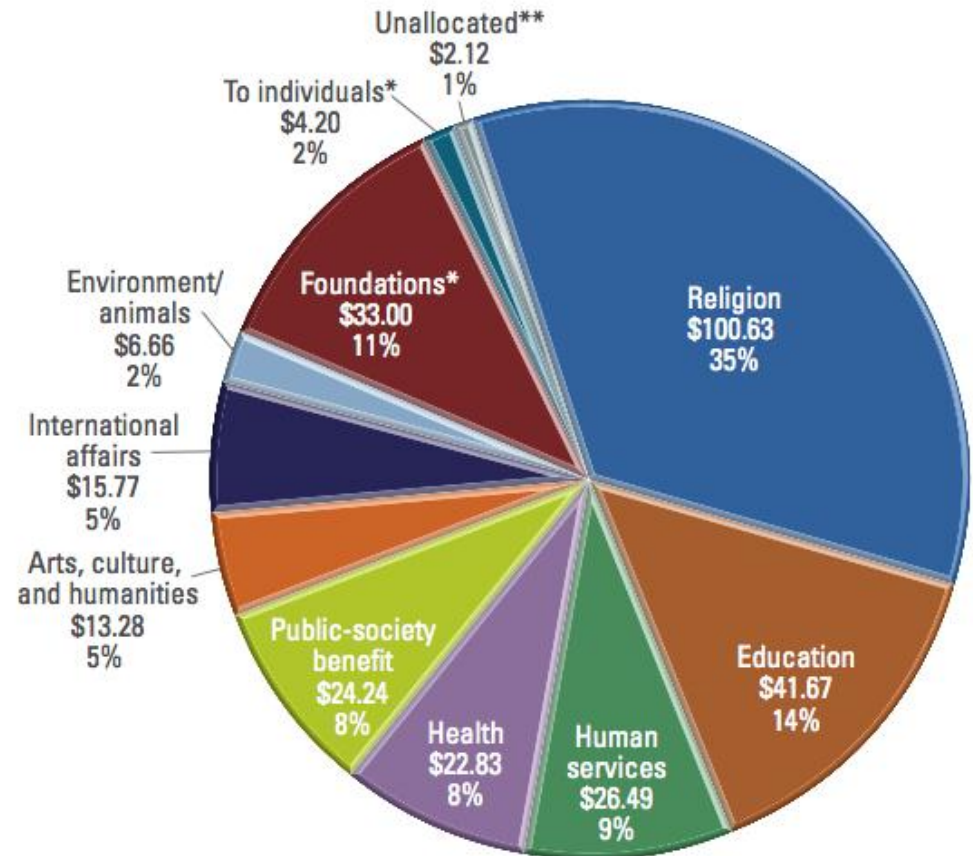
+ Philanthropic Giving in 2010



Donors



Recipients

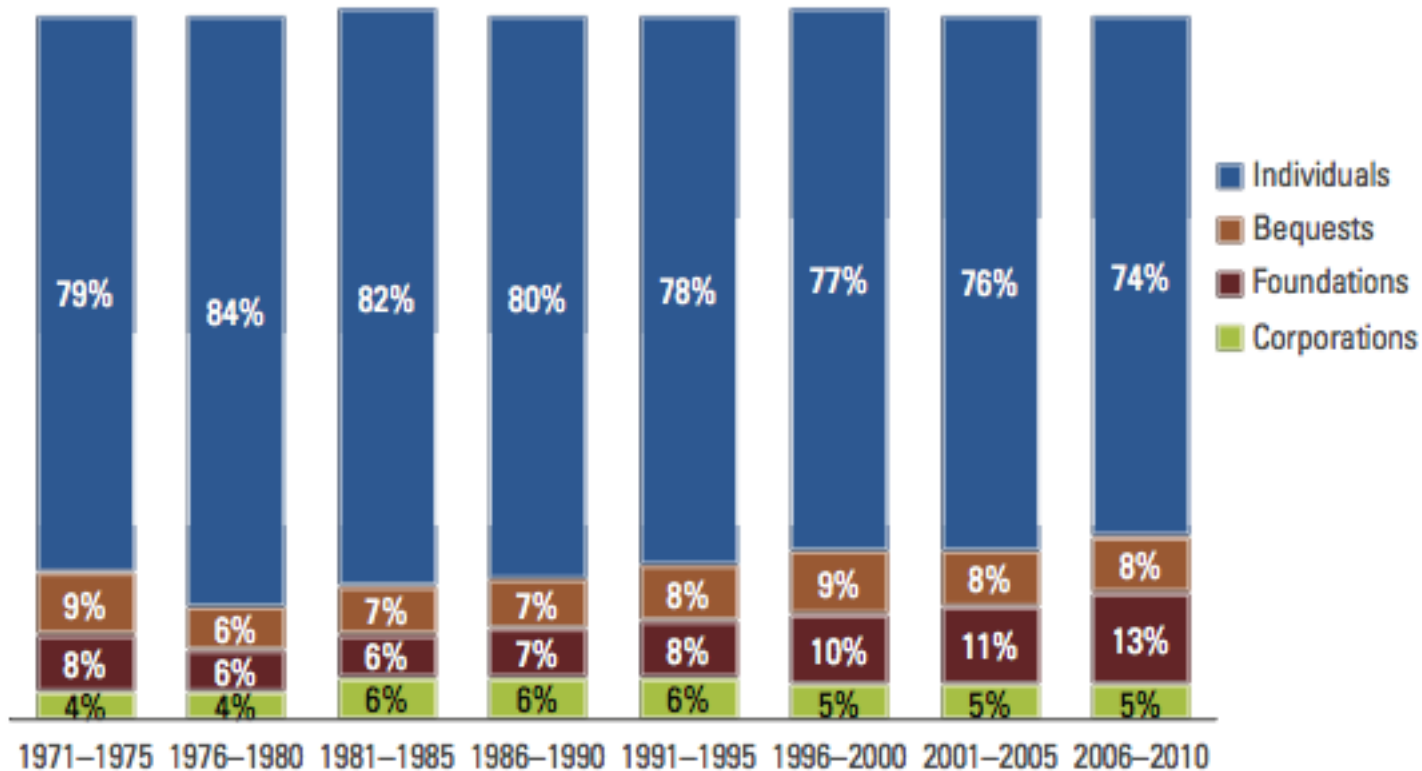




Giving Source by Total: Percentage of Total, 1971-2010

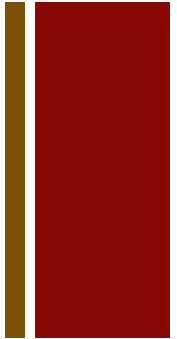


Giving by source: Percentage of the total by five-year spans, 1971-2010

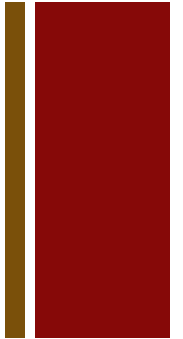


+ Giving Trends

- Individual giving reached an estimated \$211.77 billion in 2010.
- Giving by individuals and bequests accounts for 81% of all giving.
- Charitable giving by corporations grew an estimated 10.6 percent in 2010. The two-year change from 2008 to 2010 is a sizeable increase of 23.2 percent.
- As has been the case for 56 years, religion received the largest share, with one-third (35%) of the total.
- Although arts, culture, and humanities organizations have seen repeated drops in recent years (-2.0% in 2009 and -10.1% in 2008), there was a 5.7% increase in 2010

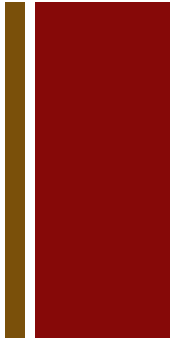
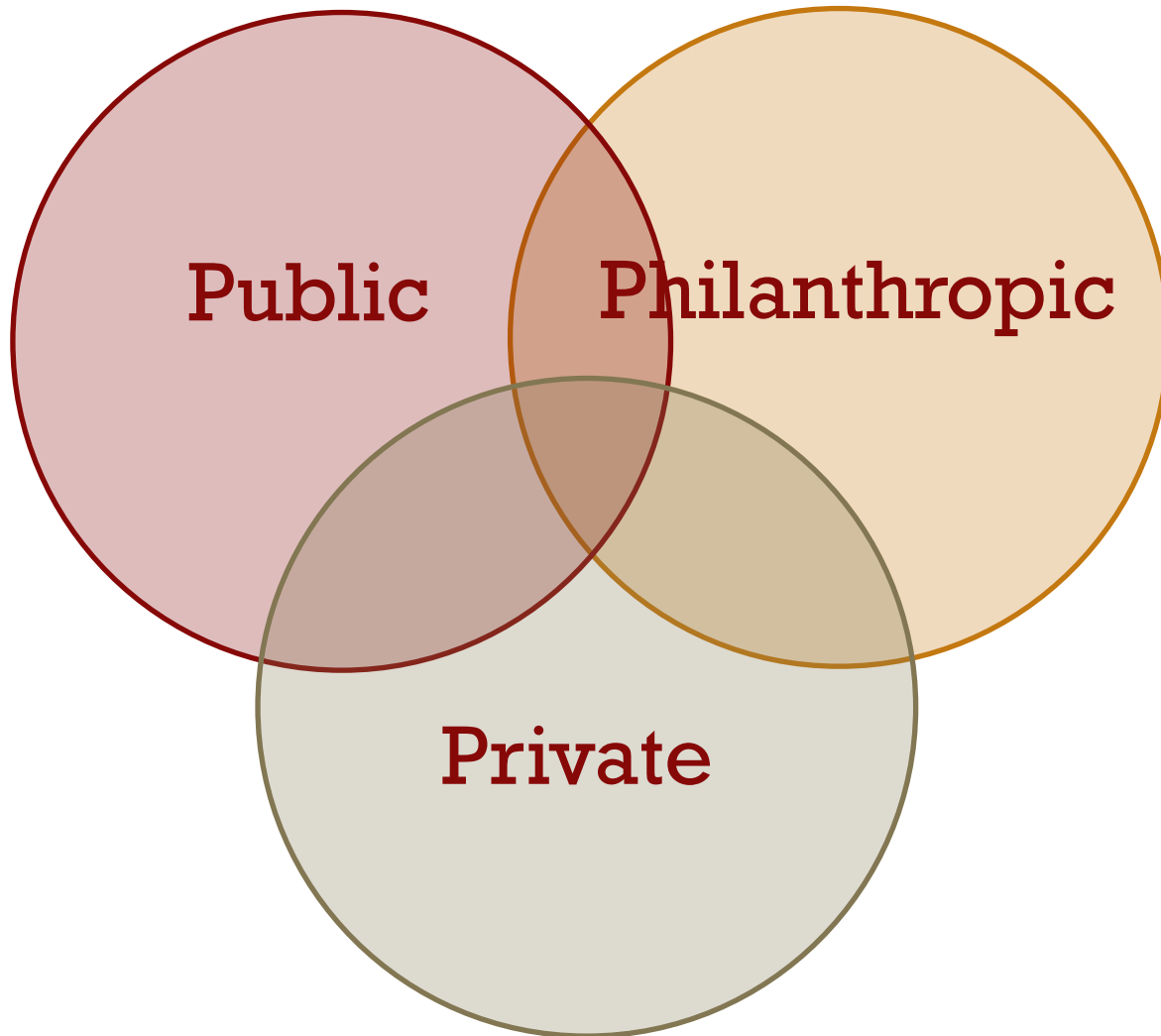


+ Emerging Trends in Philanthropy

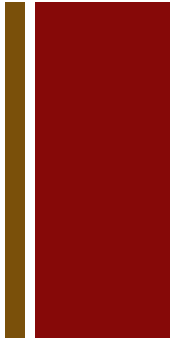


- Globalization
- Microfinance
- Funder Collaboration
- Complexity
- Technology
- New Donor Behavior
- Venture Philanthropy
- Collective Impact: Public-Private Partnerships
- Impact Investing
- Hybrid: Profit/Nonprofit
- Shared Value: Corporate Social Responsibility
- Social Entrepreneurs
- Strategic Philanthropy: Measurement/Outcomes

+ Blurring the Lines



+ Shared Value



- “Shared value is created when companies generate economic value for themselves in a way that simultaneously produces value for society by addressing social and environmental challenges.”

Stanford Social Innovation Review



Nonprofit versus Corporate Challenges



Nonprofit

- Social Mission: Serve Clients and Donors
- Board : Volunteers
- Financial Tools: Limited
- Funding: Donations, Government Grants, Fee for Service
- Filling a Service Gap
- Sustainability
- Leadership and Staffing
- 990 Reporting

Corporate

- Profit Mission: Serve Shareholders and Investors
- Board: Paid Experts
- Financial Tools: Full Tool Kit
- Revenue: Products, Services
- Competitive Advantage
- Financial Performance
- Leadership and Staffing
- Sarbanes Oxley



Bridging the Gap



Your Company and a Nonprofit

- Treat the nonprofit as a partner (acknowledge what they bring to the table)
- Appreciate the complex challenges they face

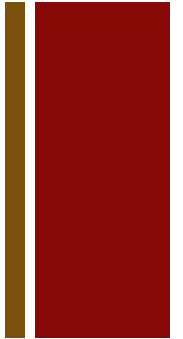
Your Philanthropy and Core Business

- Develop a strong mission for your philanthropic activities by creating a corporate philanthropy program that taps into your core work
 - Tap into your nonfinancial resources to help the organization
-
- Make sure the partnership is mutually beneficial to your company and the nonprofit



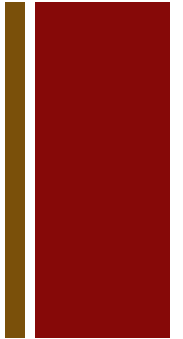
Charting Nonprofit Impact: Strategic Questions

Independent Sector 2010



- What is your organization aiming to accomplish?
- What are your strategies for making this happen?
- What are your organizations capabilities for doing this?
- How will your organization know if you are making progress?
- What have and haven' t you accomplished so far?

+ Charting Corporate Impact: Strategic Questions



- Are your gifts (money, time, resources) effective in creating impact?
- How are you measuring this impact?
- Are your gifts aligned with your company's mission and work?
- How is innovation being integrated into your philanthropic work?

+ Finding the Best Solutions for Social Change:

“The scope and complexity of social and scientific challenges has grown immensely in recent decades. We need solutions commensurate with the scope and complexity of the challenges.”

John Hennessy, President of Stanford University

