

2018 Rodman Report

A Survey of Corporate Giving in Central Texas



Rodman
& Associates

Professional Philanthropic Advisors

Welcome to the 2018 Rodman Report

A Survey of Corporate Giving in Central Texas

Companies in Central Texas are known for their philanthropy. But how do they give, what causes do they tend to support, and who makes those decisions? When I pondered these and other questions a few years ago, I decided there had to be a way to quantify corporate giving in Central Texas and provide critical insights for both business and nonprofit leaders.

We conducted our first Survey of Corporate Giving in Central Texas four years ago, publishing the results as the Rodman Report. Now, with this 2018 edition, we have four years of statistics provided by hundreds of local companies to help us examine trends and better understand how organizations give.

The good news for nonprofits (and our community) is that corporate philanthropy is strong in Central Texas, and it continues to trend in the right direction. More than two-thirds of survey respondents said their companies have philanthropic/giving budgets, and the majority of those budgets increased in 2017. More organizations are engaging their employees in philanthropy, and tracking volunteer hours to help quantify that trend.

Thank you to all who participated in our survey. I invite you to share the Rodman Report and its findings with your colleagues, employees, and anyone in the business or nonprofit realm who would benefit from knowing how, why and to whom companies give.



Lisa Rodman
Principal and Founder, Rodman & Associates

Executive Summary

Consistent with our previous studies, this year's survey of 130+ executives familiar with their company's corporate giving found nearly all (96 percent) give back in some way. This philanthropy can take different forms, including monetary donations, employee volunteerism, donation of the company's products or services, and/or donation of another company's products or services. Only 4 percent of respondents said they do not have a giving program at this time.

These results prove valuable for businesses to understand how their giving compares to others in the community, and for nonprofits to see how their needs align with the giving priorities of Central Texas businesses.

Increased Giving

A majority of companies (68 percent) have philanthropic/giving budgets, compared to 30 percent that do not. About 2 percent of respondents weren't sure if their company has a philanthropic/giving budget.

Among companies with a philanthropic/giving budget, 61 percent saw those budgets increase from 2016 to 2017.

TREND: Budgets continue to grow — in last year's survey, giving budgets increased at 59 percent of companies that had such budgets.

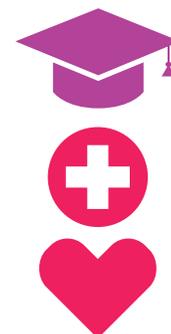


Causes they support

The types of nonprofits that companies were most likely to support are:

- Those involved in education (75 percent)
- Human services (64 percent)
- Health and wellness (also 64 percent)

TREND: These three were also the top causes in 2015, 2016 and 2017.



Why they give

When asked to rank their reasons for giving, most companies reported:

- Support of the community/altruism as their top motivation
- Build brand and corporate image
- Employee attraction and retention
- Enhance employee skills
- Increase revenue and market share

The decision makers

This year, we analyzed our survey results to understand who is most likely to make philanthropic/giving decisions based on company size. We found that giving is most likely to be led by: Owners, at the smallest companies (1-10 employees); owners or directors at small/medium companies (11-200 employees); employees, human resources or marketing/PR at medium/large companies (201-1000 employees); directors/executives or marketing/PR at large companies (1000 to 5000 employees); and human resources at the largest corporations (more than 5001 employees).



How companies give

- Most companies cited monetary donations and volunteer hours (both at 77 percent) as methods of giving
- Group volunteering is encouraged/organized in more than two-thirds (72 percent) of companies

TREND: Though volunteer hours increased from last year (73 percent) as a method of giving, it is still down from 86 percent in 2016 and 88 percent in 2015.

Group volunteering is key

More than 72 percent of companies surveyed engage their employees through group volunteering, while 58 percent have employees who volunteer their professional skills to nonprofit groups or causes.

TREND: Group volunteering increased 5 percent from last year.

Just over 36 percent of companies track employee volunteer hours.

TREND: This marks a 5 percent increase from last year, indicating that more companies are finding value in tracking and sharing this important metric.

The Companies

As in previous years, most survey respondents represent small companies, with 1-10 employees (32 percent) or 11-50 employees (25 percent) – followed by medium-size companies with 51-200 employees (19 percent). Collectively, larger companies made up 24 percent of the survey group.

The highest percentage of companies (25 percent) reported annual revenues of less than \$500k. However, 17 percent reported revenues between \$1 million - \$5 million, and nearly 19 percent fell in the \$6 million - \$50 million category.

In regards to industry, the highest percentage of respondents identified as finance & insurance organizations (15 percent) and business & professional services (14 percent); followed by real estate & construction (9 percent) and health care (8 percent). Overall, more industries were represented this year (19) than in any previous year.

Methodology

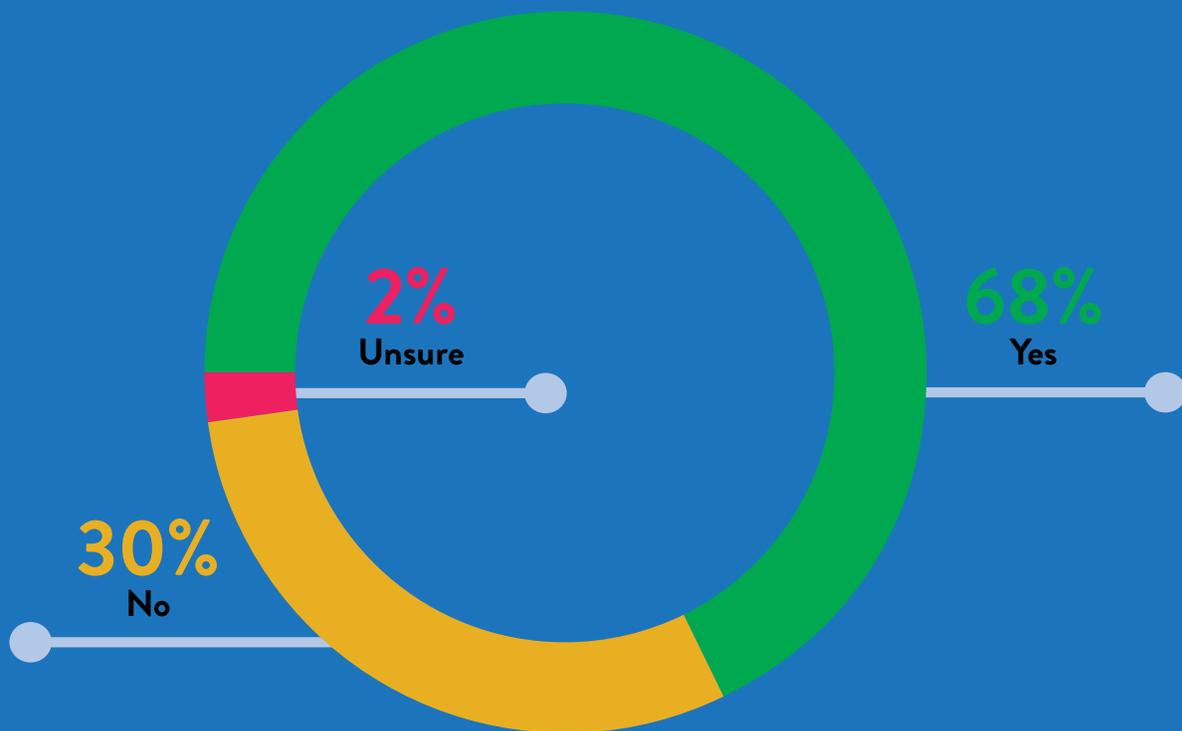
The Survey of Corporate Giving in Central Texas was conducted online from January 19 – February 10, 2018. Owners and representatives for companies in the Central Texas area were invited via email to take the 20-question survey using web-based survey provider SurveyMonkey.com. We received 139 responses – five of which were excluded from our statistics as organizations that are not based in (nor have a substantial presence in) Central Texas. The results from the remaining 134 survey responses were compiled and analyzed for this report.

Infographic

“Central Texas: Corporate Giving by the Numbers” provides a unique illustrated look at some key highlights from the 2018 Rodman Report. The infographic is available for download at RodmanReport.com.

Question 1

Does your company have a philanthropic/giving budget?



A majority of companies (68 percent) have philanthropic/giving budgets, compared to 30 percent that do not. About 2 percent of respondents weren't sure if their company has a philanthropic/giving budget.

Respondents that answered "yes" were asked to answer a follow-up question (See Question 2).

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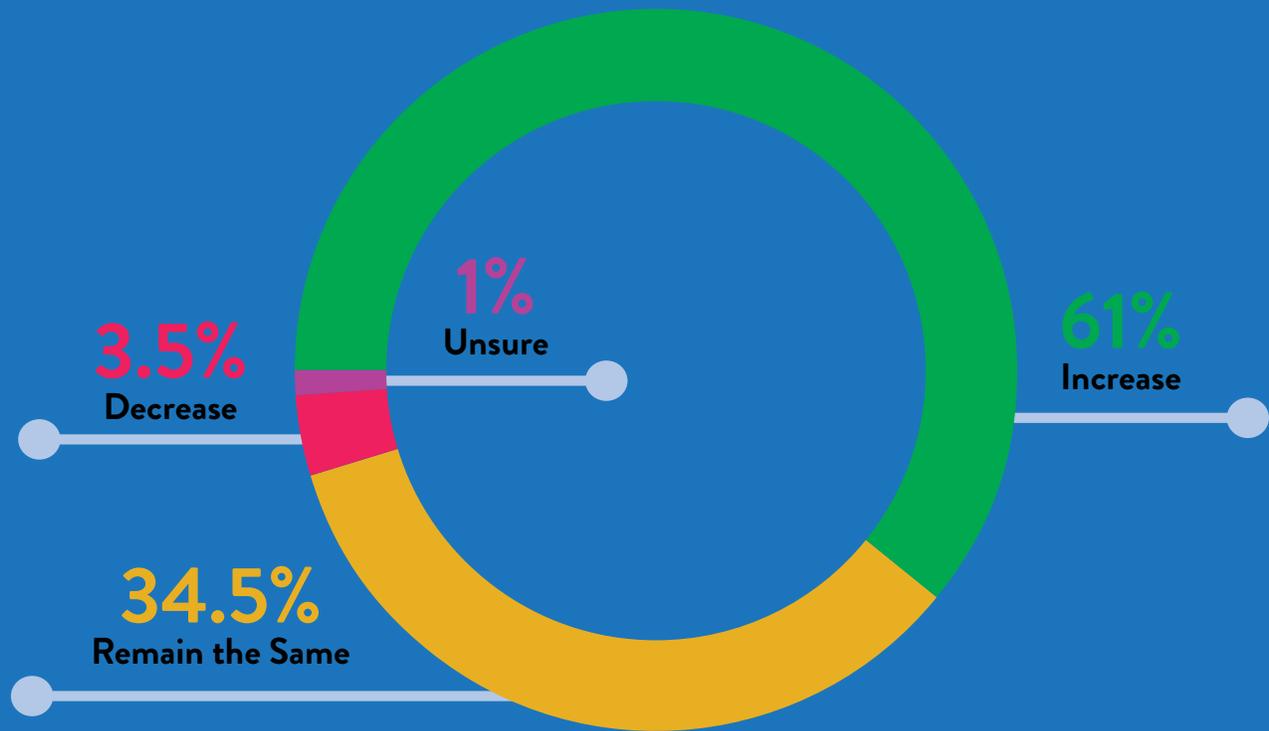
It is a core value that we serve the communities we live and work in. If we are not giving back, we are not being stewards.

Elizabeth Frisch, Founder and CXO,
The Thrival Company

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Question 2

From 2016 to 2017, did your philanthropic/giving budget:



Among companies with philanthropic/giving budgets, nearly two-thirds (61 percent) saw those budgets increase from 2016 to 2017. As this percentage is similar to previous years, we can conclude that giving (in its various forms) continues to increase among companies in Central Texas. About 34.5 percent said that their giving remained the same, while about 3.5 percent said their giving budgets decreased.

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A company without purpose leaves a business without passion.

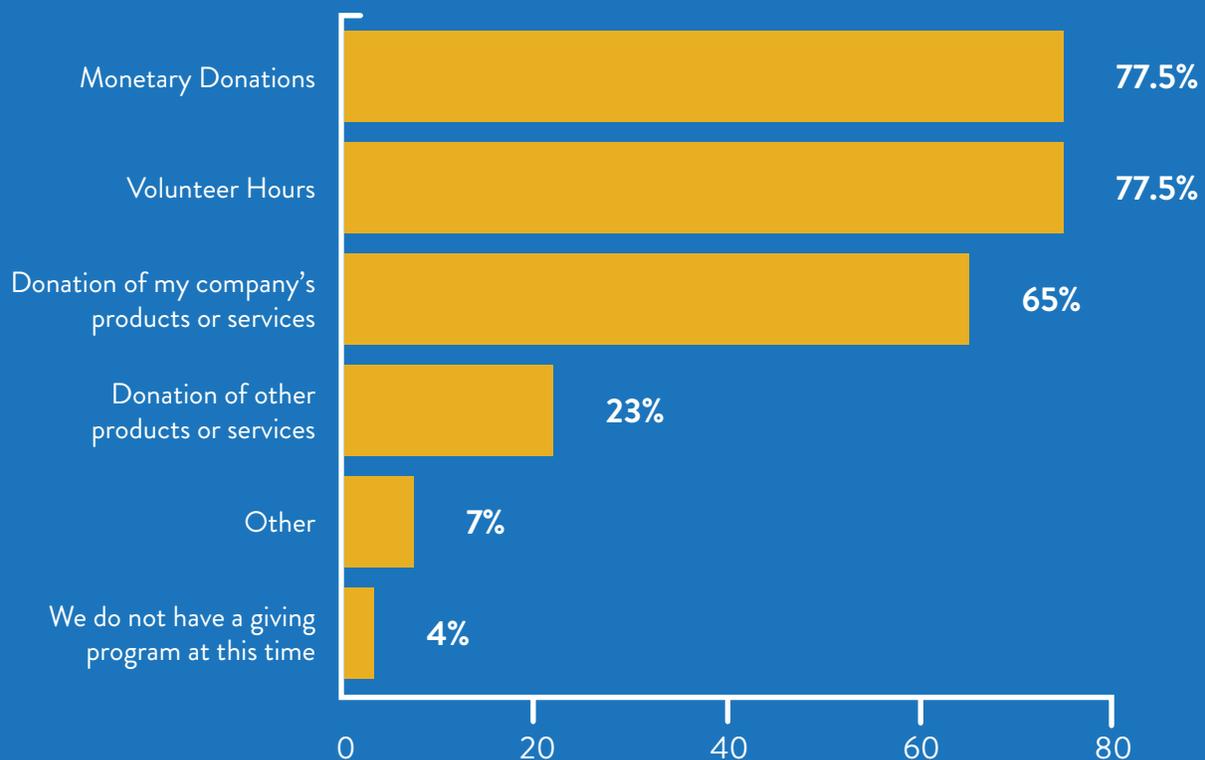
Terray Glasman, Founder, Amorada Tequila

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Question 3

How does your organization give?

This question allowed for multiple answers, as many companies give in more than one way. In this year's survey, the most highly cited methods of giving were monetary donations and volunteer hours (both at about 77.5 percent).



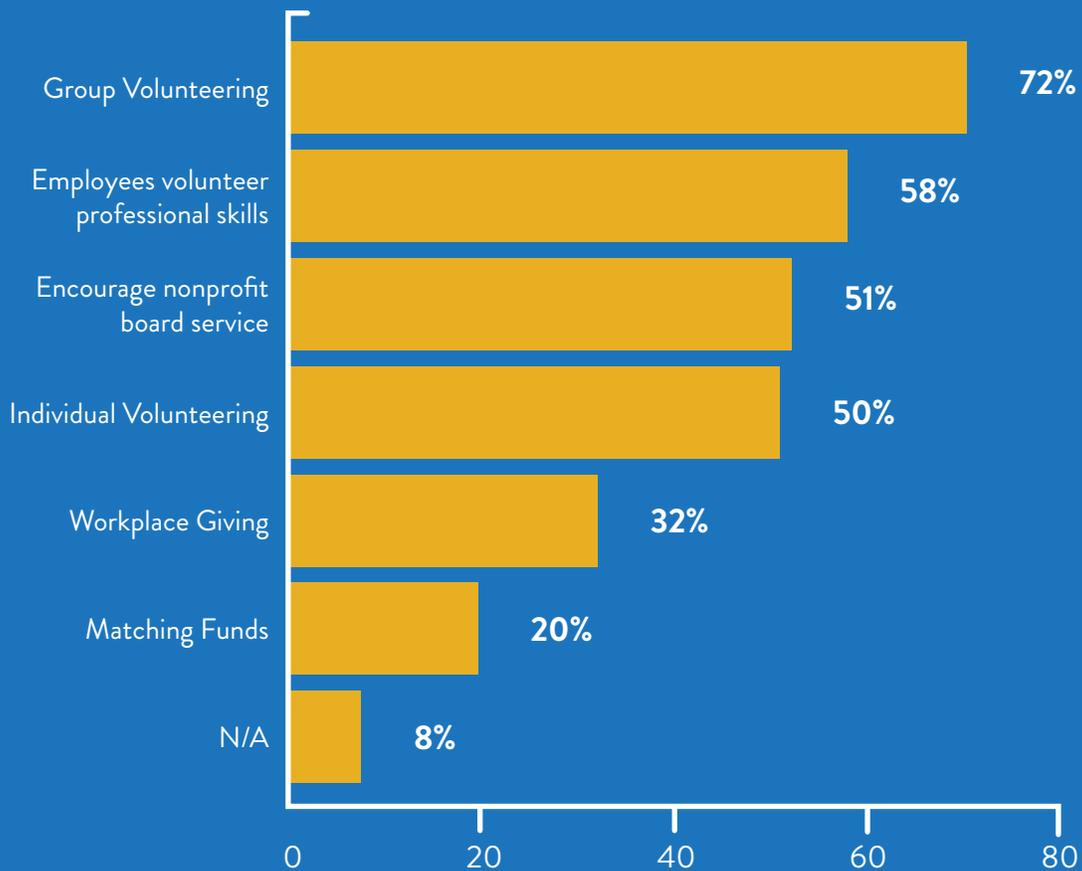
Nearly a third (65 percent) of respondents reported that their company donates its products or services, while 23 percent donate other products or services. Other ways of giving include:

- Contributing through a foundation
- Organizing special events to benefit charitable causes
- Offering discounts to people in need (such as hurricane victims)
- Purchasing of tax credits for low and moderate-income housing

Question 4

How do you engage employees in your philanthropy?

A vast majority (72 percent) of companies surveyed engage their employees through group volunteering, and about 50 percent provide time off for individual volunteering. More than half encourage nonprofit board service (51 percent). About 32 percent promote workplace giving (through payroll or other company sponsored campaigns), while 20 percent provide matching funds for employee donations.

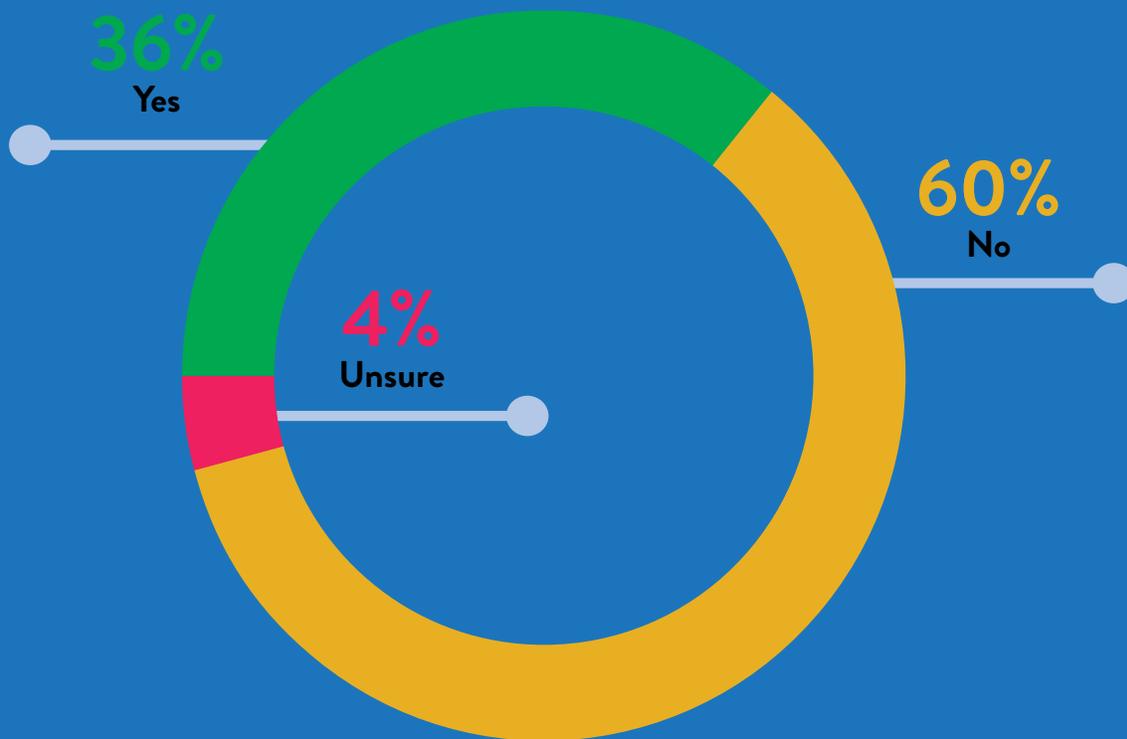


The number of companies that engage their employees through group volunteering, an important tool for team building, marks an increase over last year. However, all of the other methods of engagement show a slight decrease, indicating that it's important for company leaders to remain mindful of ways they can help to underpin their employees' philanthropic interests.

Question 5

Does your company track volunteer hours?

Just over 36 percent of companies said they track employee volunteer hours – an increase over last year’s survey (31 percent).



Tracking volunteer hours is an important way to quantify this method of giving, and a great way for companies to help measure this aspect of their contributions year over year.

“

Giving is an important part of how we grow as a company and individually.

Simon Hjorth, SVP, Client Service, Archer Malmo

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Question 6

How many volunteer hours did your company log in 2017?

Companies that track their volunteer hours were asked to provide their organization's total from 2017. The sum of the responses is 58,142 hours, an average of 1,530 per company.

58,142

Total Hours

- An average of 1,530 per company
- Represents \$1,403,548
- The equivalent of nearly 200 eight-hour work days

In monetary terms, the total represents \$1,403,548, using the Internal Revenue Service's current recognized value of \$24.14 per hour of volunteer time. It also represents the equivalent of nearly 200 eight-hour work days.

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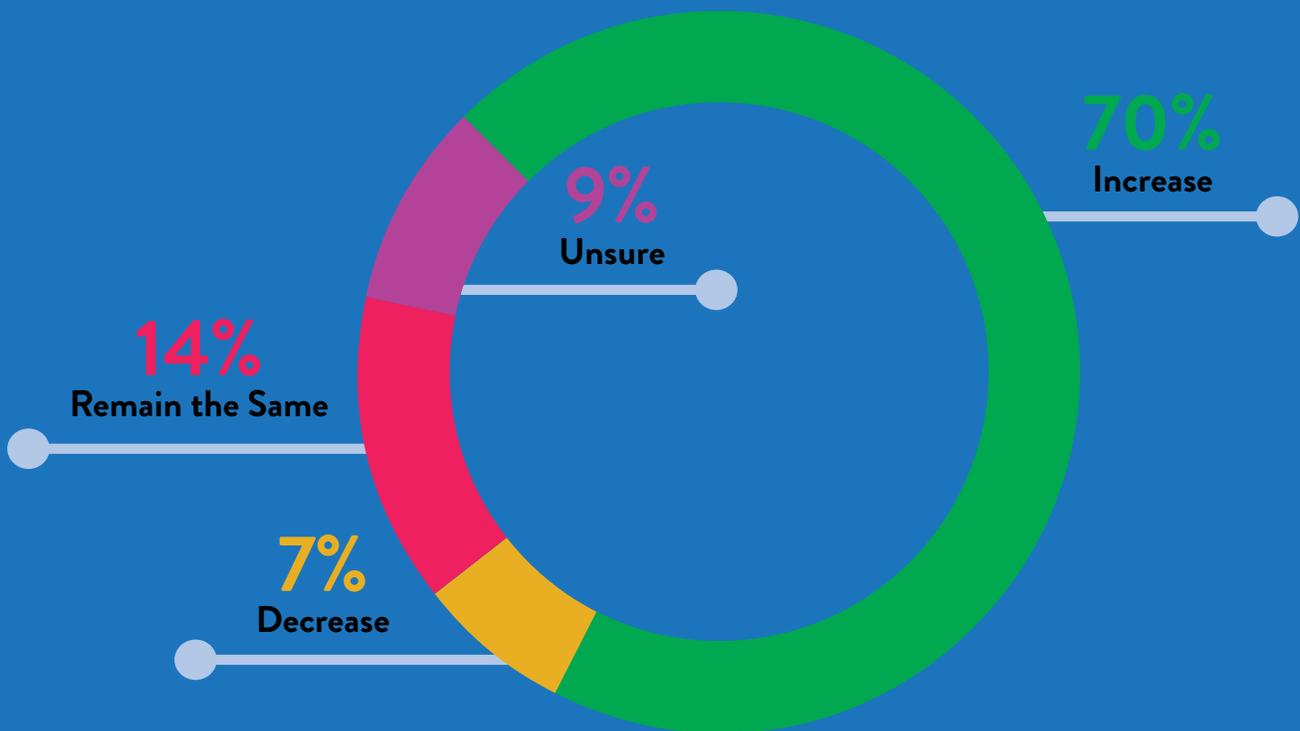
Every day, we work hard to keep Texans safe. Taking care of people is just what we do – it's why we, and our employees care deeply about extending that same compassion to the communities in which we live and work.

Jackie Sekiguchi, Community Affairs Program Administrator, Texas Mutual

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Question 7

From 2016 to 2017, did your company's volunteer hours:



Our study found that among organizations that track volunteer hours, a large majority (70 percent) saw those hours increase last year. About 14 percent saw their hours remain about the same, while only 7 percent noted a decrease (9 percent said they weren't sure).

“

Our giving back is a core value of The Menagerie and weekly a shopper(s) thanks us for supporting local charities ... I think it is known within our community that we support local charities simply because it is the right thing to do! Those charities' supporters make Austin the wonderful community we live in!

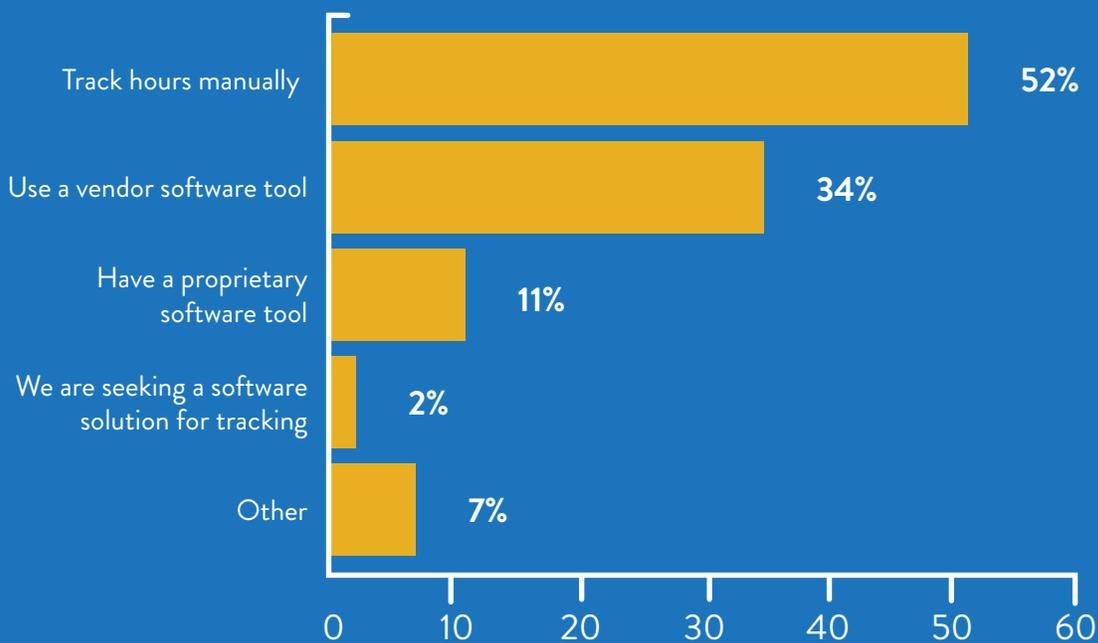
Vickie Roan, Owner, The Menagerie

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Question 8

How does your company track volunteer hours?

For those that track volunteer hours, we wanted to learn how they collect that information.



More than half (52 percent) track employee volunteer hours manually, while 34 percent use a vendor software tool. About 11 percent use their own proprietary software tool, and 2 percent are seeking a software solution.

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Our philanthropy impacts our employee engagement and overall company culture. From group volunteer days together to donating monetarily to organizations that are personal to our employees, we encourage our team members to bring forth any ideas to be involved in philanthropic events in our community.

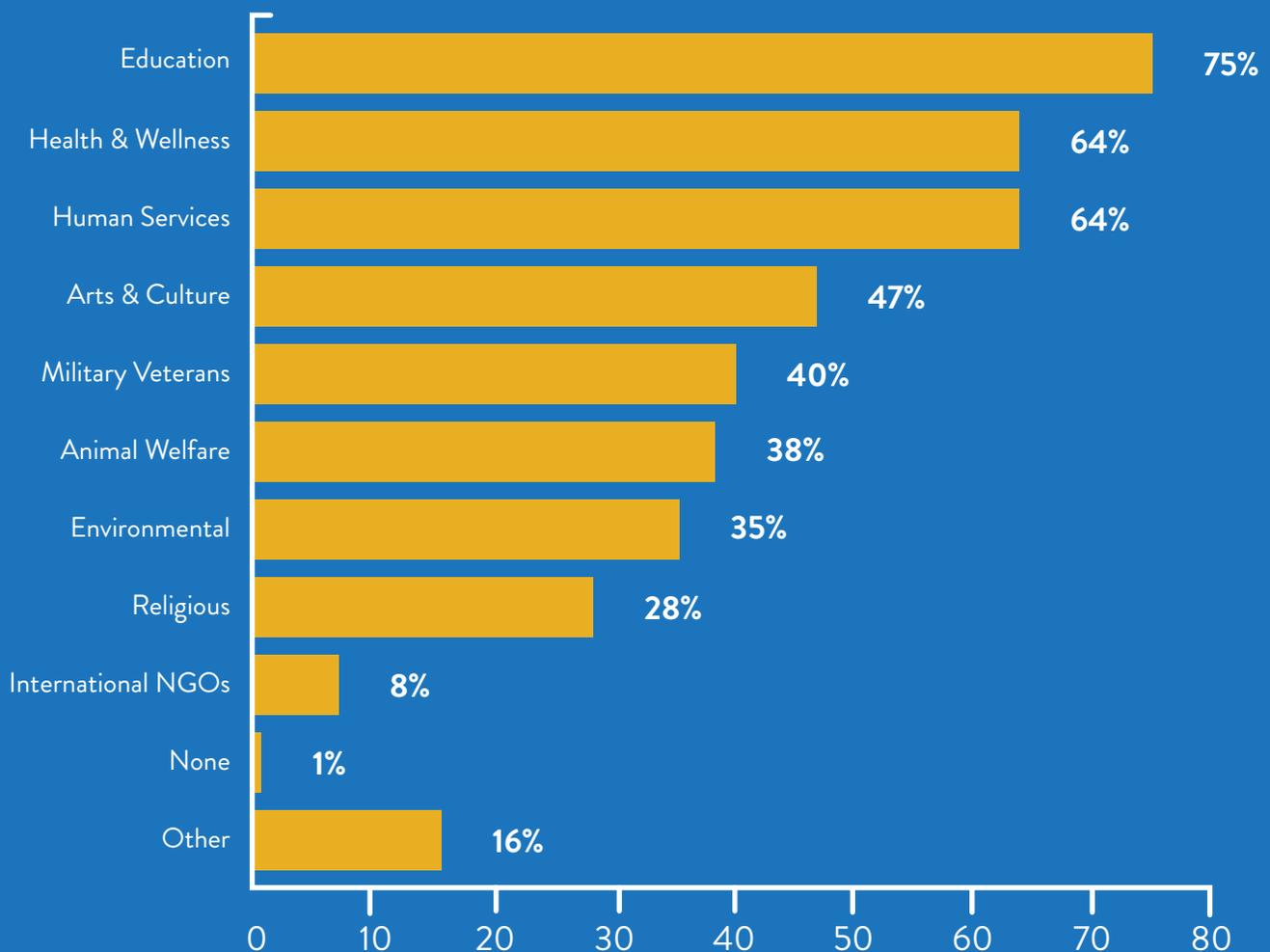
Jamie Mineart, Marketing Manager, Becker Wright Consultants

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Question 9

What type of organizations does your company support?

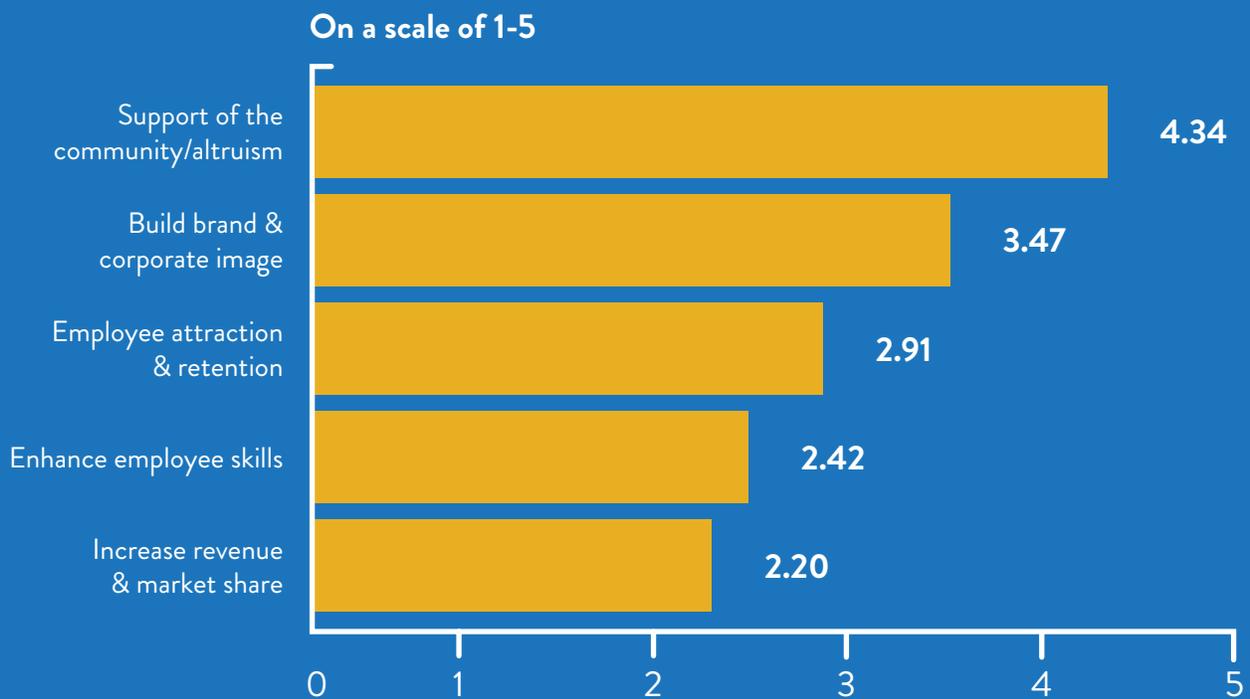
Respondents were asked to select which types of organizations their company was most likely to support, with multiple answers allowed (since most companies contribute to more than one cause). Consistent with our previous studies, education (75 percent) led the list, while human services and health and wellness both increased to 64 percent.



At the other end of the spectrum, international NGOs (non-governmental organizations) got the lowest response at 8 percent. Religious organizations were the next-lowest group (28 percent).

Question 10

Please rank the importance of your company's key goals/motivations for giving



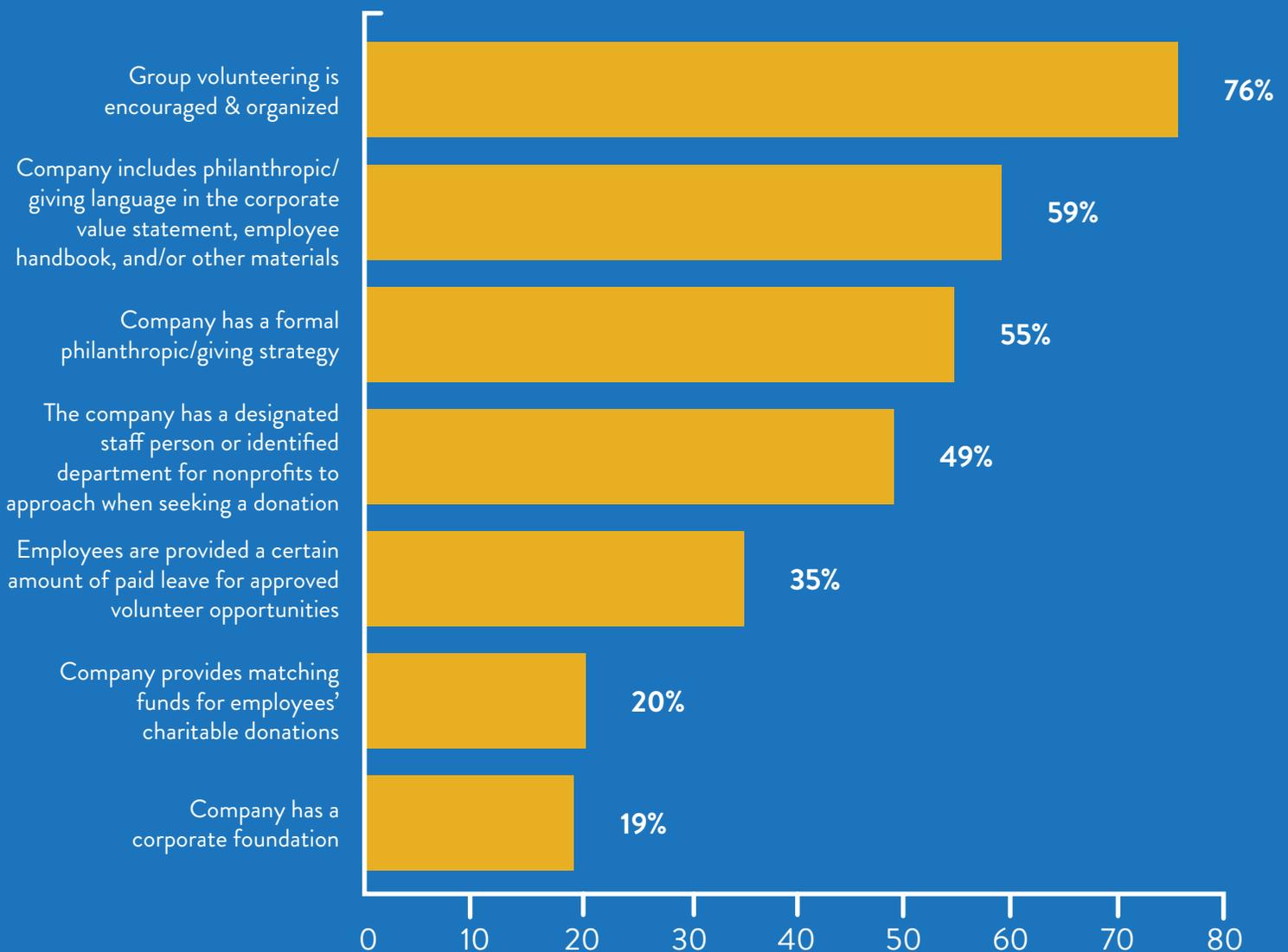
In our survey, we ask companies to rank their reasons for giving (from among five choices). The results have remained consistent from year to year.

Most companies reported:

- Support of the community/altruism as their top motivation
- Build brand and corporate image
- Employee attraction and retention
- Enhance employee skills
- Increase revenue and market share.

Question 11

How does your company maintain and/or promote a culture of giving within the organization?



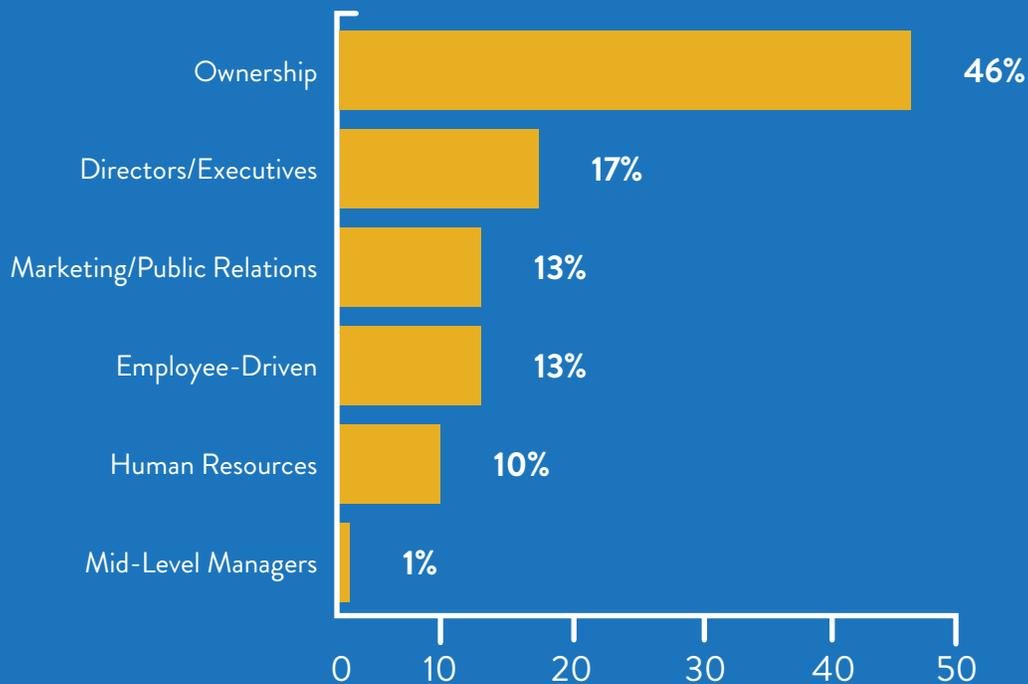
More than three quarters of companies (76 percent) encourage and organize group volunteering, a 10 percent increase over last year. Also, a majority of companies include philanthropic/giving language in their corporate value statements, employee handbooks, and/or other materials (nearly 59 percent) and have formal philanthropic/giving strategies (55 percent). Nearly half (49 percent) have a designated staff person or identified department for nonprofits to approach when seeking a donation.

Only a fifth of companies provide matching funds for employees' charitable donations (20 percent) or have a corporate foundation (19 percent).

Question 12

Who, or which department, spearheads your philanthropic/giving efforts?

Taking all of the companies in our study as a whole, philanthropic/giving efforts are still most likely to be led by ownership (46 percent), directors/executives (17 percent), marketing/public relations (13 percent) or the employees themselves (13 percent).

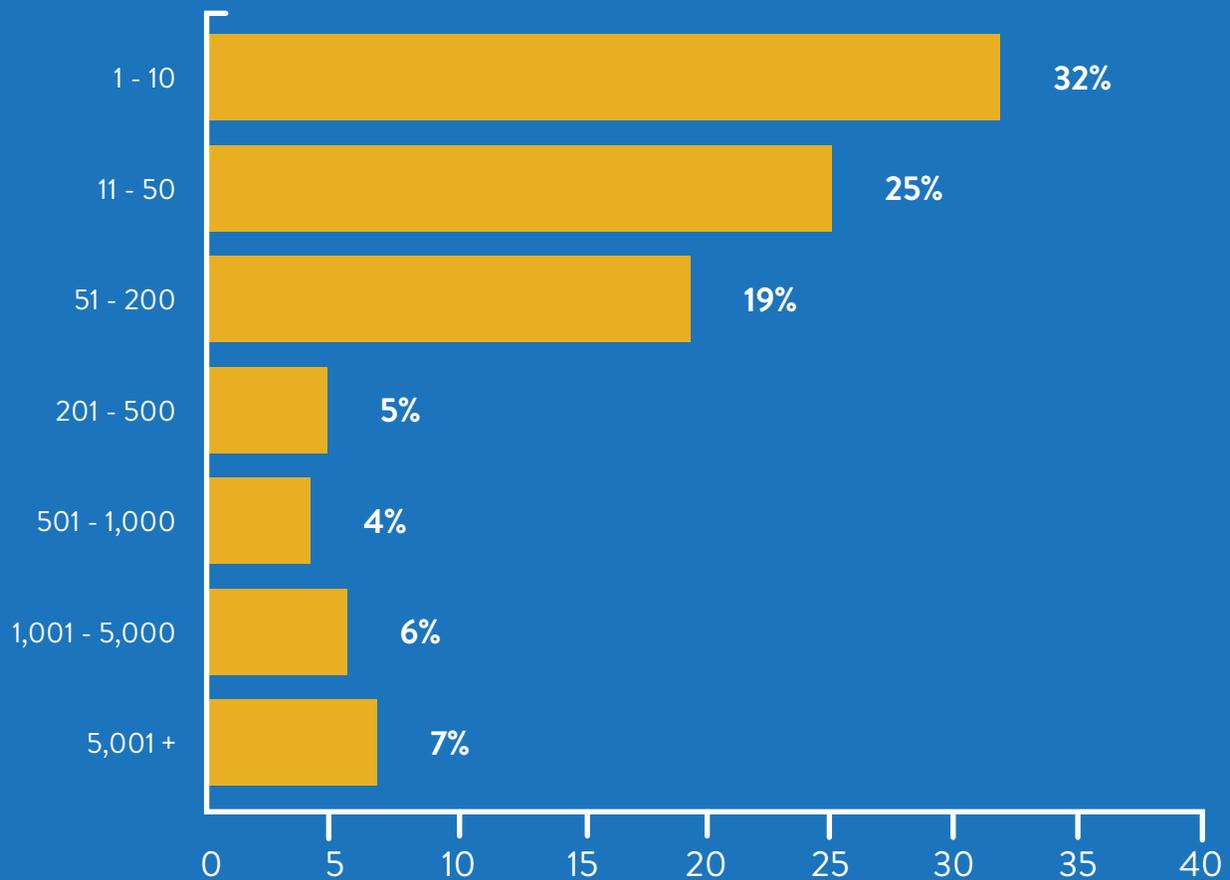


However, this year, we analyzed our survey results to understand who is most likely to make philanthropic/giving decisions based on company size. We found that giving is most likely to be led by:

- Owners at the smallest companies (1-10 employees)
- Owners or directors/executives at small and small/medium companies (11- 200 employees)
- Employees or human resources at medium companies (201-500 employees)
- Employees or marketing/PR at medium/large companies (501-1000 employees)
- Directors/executives or marketing/PR at large companies (1000 to 5000 employees)
- Human resources at the largest corporations (more than 5001 employees)

Question 13

How many employees work at your company?



As with previous studies, most survey respondents represent small companies, with 1-10 employees (32 percent) or 11-50 employees (25 percent) – followed by medium-size companies with 51-200 employees (19 percent). Collectively, larger companies (more than 200 employees) made up 24 percent of the survey group.

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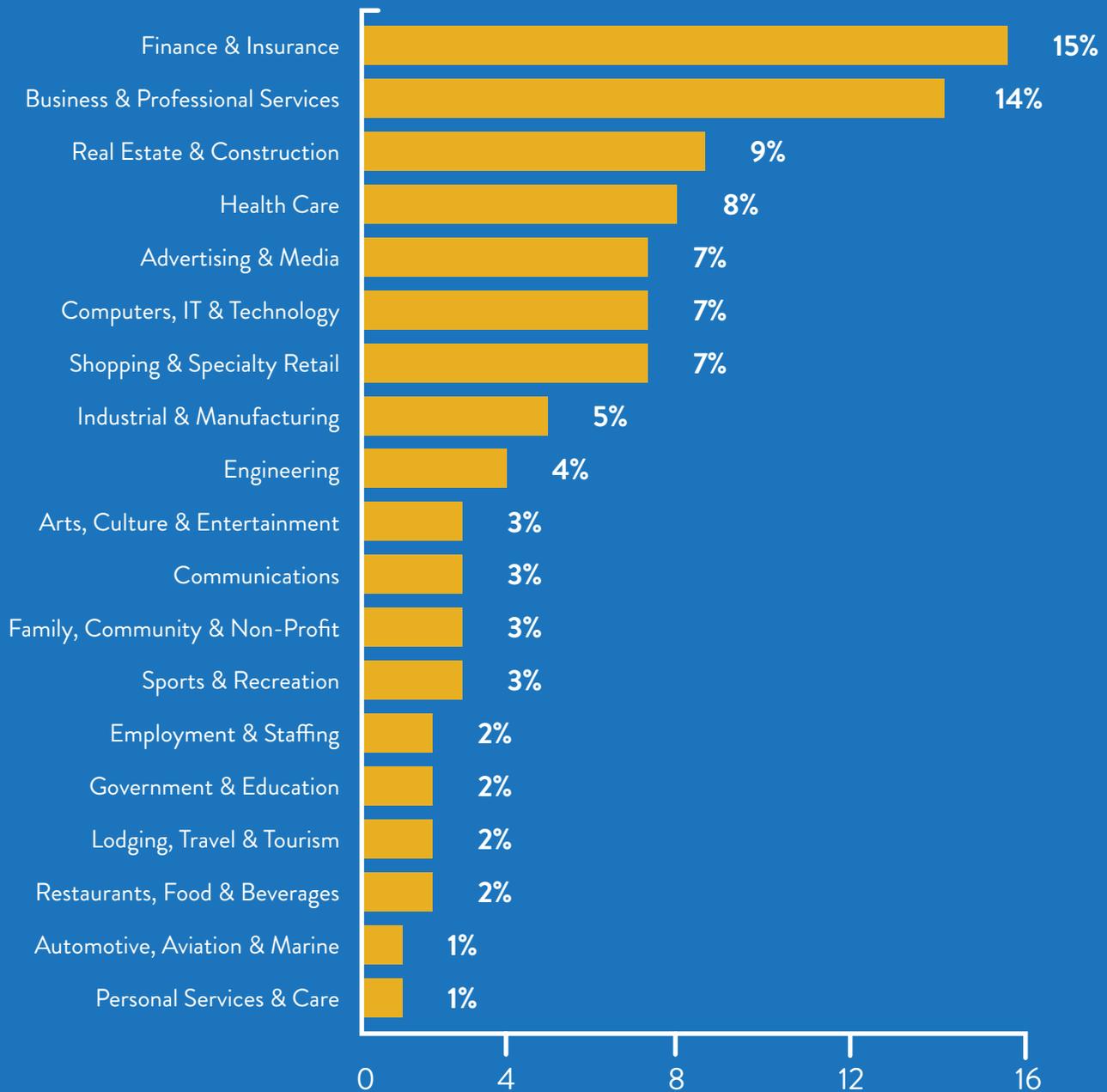
Philanthropy is a way of life. It is not something we see as separate from our business. The vehicle of business is indeed the highest manner in which to foster and exercise ethical / philanthropic participation in the community and allows for that exercise to be defined in very personal ways.

**Amy Heilman Bruno, Co-founder and CFO,
Lifestream Purification Systems, LLC**

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Question 14

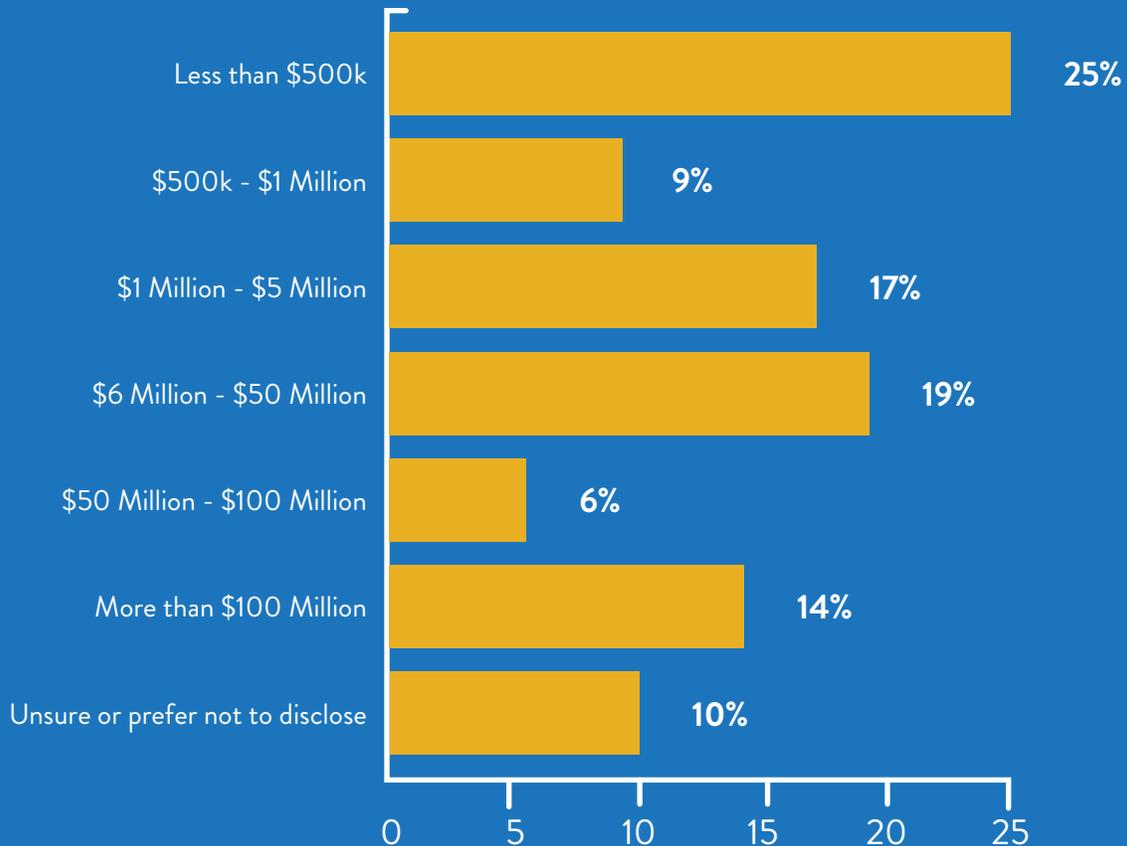
What is your company's primary industry?



In regards to industry, the highest percentage of respondents identified as finance & insurance organizations (15 percent) and business & professional services (14 percent); followed by real estate & construction (9 percent) and health care (8 percent). Overall, more industries were represented this year (19) than in any previous years.

Question 15

What are your company's annual revenues?



The highest percentage of companies (25 percent) reported annual revenues of less than \$500k. However, 17 percent reported revenues between \$1 million - \$5 million, and nearly 19 percent fell in the \$6 million - \$50 million category.

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Good citizenship to us is not merely doing pro-bono work, but sharing our creativity to connect Austinites around the city's culture, its music and its arts.

Andrew Rauch, VP Sales & Marketing, iTexico

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About Rodman & Associates

Rodman & Associates are seasoned professional philanthropic advisors dedicated to helping organizations, large and small, make their philanthropic mark.

Rodman & Associates works with its corporate clients to:

- Clarify their philanthropic priorities and focus
- Identify strategies, giving vehicles and timing to best execute those giving goals
- Benchmark comparable philanthropic models
- Design and manage employee engagement programs
- Ensure the organization has the necessary talent to realize adopted strategies
- Assess and evaluate outcomes

We are experienced in helping organizations of all types and industries, from large publicly-traded companies to small businesses. For more information and online resources, visit RodmanAssociates.com.

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