

How to secure lasting corporate support

08.20.18

According to Giving USA, businesses donated \$18.55 billion to charity in 2016 (the last full year of statistics available). Even if your organization already benefits from this largesse, you'd probably like to increase the amount you receive from companies and find additional ways to partner with the for-profit sector.

Increasing corporate commitment is similar to establishing relationships with individual donors, but there are important differences. While emotional factors generally drive individuals to support a charity, companies need both emotional and *strategic* rationalizations. Similarly, individuals tend to give even when their budgets are tight, but companies often reduce their philanthropic activity in periods of lower profits or economic turbulence. How then can you find corporate support that will last?

Like-minded organizations

Unless you have unlimited development resources, you're probably better off focusing on companies with which you have a clear connection. Businesses like to partner with "natural fits" that share their goals, values, service areas and business strengths. And they often choose a single theme or focus. For example, pharmaceutical giant Merck works with charities fighting to reduce maternal mortality around the world. And as part of its commitment to boost economic activity, JPMorgan Chase pledged \$100 million in 2014 to help revitalize the city of Detroit — help that included deploying its "service corps" of employees to lend a hand to local nonprofits.

You need to be able to make a clear, compelling case that any corporate dollars will be well spent.

Indeed, organizations that enable a corporate donor's employees to get involved often have an advantage. Private equity firm Blackstone's charity of choice is food redistributor City Harvest. Blackstone employees volunteer to do everything from providing strategic advice to the organization to handing out fresh produce to New York City's needy.

Companies may also be receptive to charities whose mission matches that of key executives' personal interests. For instance, marketing company Inspira donates to and raises money for a pediatric cancer charity, Alex's Lemonade Stand Foundation, because its founder's own child suffers from a rare form of the disease.

Proven management and results

It's not enough, however, for your nonprofit to match the general interests of a company or its CEO. You also need to be able to make a clear, compelling case that any corporate dollars will be well spent. Companies want to align themselves with fiscally responsible organizations that can prove they get results. They're likely to ask such questions as:

- Is your organization self-sustaining?
- What kind of outcomes does it achieve?
- Are the outcomes both qualitative and quantitative?
- How much do you spend on programs vs. administration and other costs?
- What other forms of financial support do you receive?

Although most businesses understand the PR value of donating to or partnering with a charity, it doesn't hurt to remind them of the benefits — for example, tax breaks, community goodwill, increased name recognition and improved hiring and employee retention. Emphasize that donations are investments and that the work that donations make possible is a corporate giver's return on the investment.

Now more than ever

If you haven't aggressively sought corporate support in the past, think about making a greater effort to connect with these donors. Business donations have always been a critical source of revenue for nonprofits, but tapping this resource may now be more important than ever. A higher federal income tax standard deduction means that many individuals will no longer be able to deduct their charitable gifts, and donations to nonprofits are expected to decline in 2018.

However, please note that legislation has been introduced in Congress that would allow taxpayers to deduct contributions even if they don't itemize deductions. The proposed law would also eliminate the current caps on charitable contribution deductions. Please contact your tax advisor for information about the proposal and its current status.

Alternative ideas for mutual gain

When you approach potential corporate supporters, don't just ask for a check. Some businesses may not be in the position to give generously at that moment. Or they may be looking for a different kind of relationship with your charity. Instead, brainstorm ways your nonprofit and the business can work together for mutual benefit. Here are a few ideas:

Gifts-in-kind. Many manufacturers and retailers end up with excess inventory that could be donated — if only the businesses knew whom to give it to. Say you run a food bank. You could contact local food producers, grocers, restaurants and caterers to indicate your interest in their unsold, but perfectly edible, goods.

Donated services. Most people are familiar with pro bono legal services, but other professional firms (accounting, PR, marketing, technology) may also be willing, even eager, to lend your nonprofit their expertise on a short- or long-term basis.

Volunteer programs. Consider organizing a day of service with a company that enables the entire office to participate (and still get paid) while your nonprofit tackles a major project (such as repainting your facility). Or ask local employers to consider implementing a “dollar for doer” program that makes financial grants to the nonprofits where their employees volunteer.