2015 Connecticut Corporate Giving Survey
Introduction

This past summer, when Hallmark announced the closing of its Connecticut distribution center and its relocation to Missouri, the loss hit not only the town of Enfield and the center’s 570 employees, but also the broader community.

One of the town’s largest taxpayers, Hallmark was a major sponsor of Enfield’s annual Fourth of July celebration and a benefactor for charities such as Enfield Loaves and Fishes.

“I don’t know what we are going to do financially,” said Priscilla Brayson, director of the soup kitchen that serves 100 meals a day using Hallmark paper cups, napkins, tablecloths, and plates. “I don’t know what we’re going to do without them.”

In the wake of a budget approved by the General Assembly that contained the second-largest tax hike in the state’s history, a number of iconic Connecticut businesses this summer went public with their own concerns about continued investment in a state whose business climate they considered far less favorable than that of most states in the Northeast and throughout the United States.

“The majority of Connecticut businesses are giving back to their communities in terms of both dollars and time. That investment has a significant impact on the quality of life in our state, but businesses don’t necessarily understand the value of that generosity to their own bottom lines. Unfortunately, I think that the public also tends to overlook and undervalue the contributions that businesses make to the nonprofit sector. In these days of widespread distrust of the business sector, a genuine commitment to good corporate citizenship is an asset that can help businesses build trust, credibility, and loyalty among both customers and employees. Doing good really does lead to doing well.”

Chandler J. Howard | President & CEO, Liberty Bank
The announcement by Hallmark—along with public statements from GE, Aetna, and others—got the attention of state lawmakers (who reopened the budget and rolled back some of the tax hikes) as well as Connecticut residents, who understand that when businesses leave, so do jobs, tax revenues, and vital support for their communities.

“To lose the support of our corporate and business partners would strike a fatal blow to many nonprofit organizations,” said Adrienne Cochrane, president and CEO of the Urban League of Greater Hartford, at a press briefing outside the State Capitol in June.

When it comes to community programs serving youth, working-age adults, and older adults, local businesses are key contributors of expertise, volunteer hours, goods and services, and funding to cover “many costs that can’t be borne otherwise,” Cochrane said.

CBIA and Liberty Bank partnered on the 2015 Connecticut Corporate Giving Survey to gauge the level and scope of those efforts and share that information with the media, the public, and state policymakers so that everyone better recognizes the added value Connecticut businesses bring to cities and towns where they operate—value that includes job creation, economic activity, and community support.

Who Gives?

Understanding the positive impact businesses have on their local economies and communities is vital when policymakers debate legislation that affects companies’ costs and influences business decisions about investment, location, and operations.

Our survey found that companies are a vital part of the social safety net and community services, providing everything from meals to medicines, helping veterans...
reestablish themselves, getting involved with local schools and youth organizations, and sponsoring youth sports.

“It’s not just major corporations engaging in social responsibility,” says CBIA economist Pete Gioia. “It’s startups, family businesses, and global enterprises—all helping their local communities with direct contributions, employee volunteers, and in-kind donations.”

Indeed, survey participants involved in corporate social responsibility include family businesses, S-corps, LLCs, and corporations in the areas of manufacturing, construction, financial and professional services, wholesale, retail, and more.

Well over half of the survey respondents (59%) have fewer than 50 employees.

**Key Findings**

- 85% of businesses surveyed contribute time and/or money to local charities; 59% donate company products or services; and 42% coordinate events to help the community.

- Businesses not only encourage their employees to volunteer (53% of respondents), but also offer employees paid time off for volunteer work (26%), as well as special recognition or rewards (31%).

- Forty percent of Connecticut companies surveyed increased their charitable contributions in spite of a slow economic recovery; only 4% cut back.

- While 56% of companies have held steady on their charitable contributions, a significantly higher percentage (65%) say they typically do more when the economy is strong and their company is growing. Only 1% of companies are able to commit more resources when the economy is struggling.

- Although most respondents are small (with fewer than 50 employees) 63% donate at least $10,000 a year to area charities. Forty percent offer matching gifts when employees donate or volunteer.

- Most firms (73%) contribute at least 50 volunteer hours per year to charitable causes; 32% donate at least 500 hours a year.

- Twenty-five percent of firms have a foundation or are closely associated with one.

**The Management of Giving**

Although corporate philanthropy is alive and well in Connecticut, it is not often reflected in businesses’ communications strategies; only 35% include the term “social responsibility” or equivalent language in their mission statement.

The reason for this is unclear and deserves further

“One important finding in this survey is that while Connecticut businesses have continued their tradition of charitable giving during a slow economic recovery, nearly two-thirds say they do even more when their business is thriving. This should send a clear signal to legislators: A public policy agenda that nurtures business growth goes a long way toward supporting communities as well.”

Bonnie Stewart | Vice President of Government Affairs & Public Affairs and General Counsel, CBIA
Are businesses more concerned about being good corporate citizens than they are about branding themselves as such? (Eight percent do produce an annual corporate social responsibility report.)

Do they take more of an ad hoc approach to community giving rather than operationalizing it? For example, three-quarters of respondents are approached at least once a month by local organizations asking for contributions; 34% are approached weekly, and 18% daily. In spite of this, only 25% of respondents have a formal business strategy for charitable activities.

Companies organize and decide their giving in different ways. About one-third of firms (32%) decide by committee. Most (68%) say decisions about corporate giving are made by a single individual, frequently the owner or another senior executive. Other individuals responsible for corporate giving decisions include managers of human resources, finance, or marketing departments.

Of the 53% of companies surveyed that have a giving officer, 43% say those officers have sole responsibility for making contributions.

One in four companies surveyed have a foundation or are associated with one. Of those, 27% are family-run foundations. Sixty-one percent believe their family foundations have a significant or very significant impact on their local community.
People Power

A highly skilled workforce has long been the number one asset for Connecticut businesses.

It is exactly that talented, productive workforce that provides vital services and volunteer hours for community organizations.

Connecticut companies not only encourage employees to volunteer on company time (53% of those surveyed) but often pay them when they do (26%) and recognize or reward them for their service (31%).

Sixty-four percent of businesses surveyed pay their employees for 1-2 days of volunteerism; 17% offer 3-4 paid days; and 10% offer five or more paid days for employees to engage in community service activities.

Fifty-seven percent of respondents say they are more likely to hire candidates who are active in their communities.

Thirteen percent also say employees joined their business over the last two years because of the company’s reputation for good corporate citizenship. More than a third (34%) say customers do business with them based in part on that reputation, and 10% say customers are willing to pay more for goods and services from a company regarded as a good corporate citizen.

Fifty-six percent believe corporate social responsibility increases customer loyalty, and 28% are confident that their activities have provided a financial benefit to their firm.
Who Benefits?

Nearly half of the companies we surveyed (48%) hold United Way campaigns; 41% say they are regularly involved with United Way, and 7% periodically run United Way workplace campaigns.

A wide variety of other nonprofit organizations, including global charities such as Habitat for Humanity and local ones such as Camp Courant, also benefit from Connecticut businesses’ corporate giving.

Many companies organize and/or sponsor signature annual events that are a key point in their giving. Examples from our survey include ethnic heritage festivals; townwide festivals; charity golf outings, walkathons, or races; free Thanksgiving dinners; holiday toy collections; hospital galas; and charity block parties.

While many of the firms we surveyed give to multiple organizations or causes (one cited giving to more than 200 causes a year), a number of firms have a special place for one organization in their giving strategy. Some of the ones we heard about include the Parent and Child Center, Manchester Community College, German School of Connecticut, Connecticut Food Bank, Junior Achievement Hall of Fame, volunteer fire departments, Fight for Air Climb, Bereavement Center, Little Wonder, Boys & Girls Clubs of America, American Heart Association, MARC, and Police Explorers.

Better Business, Better Communities

Connecticut businesses are not only taxpayers and job creators in their communities but also benefactors and good corporate citizens. For most companies, a healthy economy and strong business climate result in greater support for their local communities.

Clearly, improving Connecticut’s business climate increases businesses’ capacity to contribute funding, goods, services, and volunteer hours where they are needed, and this survey serves as an important reminder to state lawmakers that decisions impacting businesses’ operations and bottom line have a ripple effect throughout Connecticut’s 169 cities and towns.

What local organization does your company predominantly donate to?

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<th>Category</th>
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<td>Youth organizations</td>
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About the Survey

Methodology & Demographics

The survey was mailed and emailed to approximately 3,000 businesses in August and September 2015. We received 191 responses, for a return rate of 6.4% and a margin of error of +/- 7.2%.

More than half of the respondents were family firms.

Company types included:
- S corporation (43%)
- C corporation (32%)
- LLC (22%)
- Partnership (2%)
- Sole proprietorship (1%)

All figures are rounded to the nearest whole number and may not total exactly 100%.
Established in 1825, Liberty Bank is Connecticut's oldest bank, with more than $3.9 billion in assets and 49 banking offices throughout the central, eastern, and shoreline areas of the state. As a full-service financial institution, Liberty offers consumer and commercial banking, home mortgages, insurance, and investment services. Liberty maintains a longstanding commitment to superior personal service and unparalleled community involvement.


About CBIA

CBIA is Connecticut’s leading business organization. Our public policy staff works with state government to help shape specific laws and regulations to support job creation and make Connecticut’s business climate competitive. Our councils, committees, and roundtables give our members forums for influencing legislative and regulatory outcomes.

CBIA is dedicated to improving Connecticut’s economic competitiveness through the CT20x17 campaign. With the support of 80 leading business and professional organizations across the state, CT20x17 is a broad-based, multiyear campaign aimed at moving Connecticut into the top 20 states for business by 2017. Learn more at ct20x17.org.

One of CBIA’s most important functions is to provide our members with information to help them better manage their businesses. We conduct training seminars, workshops, and conferences on environmental regulations, safety and health, human resources, compensation and benefits, taxes, energy, economic conditions, and healthcare. Our free telephone consulting service gives members access to our experienced staff of professionals on a wide range of business topics.

Many CBIA members take advantage of our employee benefit plans, discount programs, and group purchasing opportunities. These include innovative health and dental insurance programs through CBIA Health Connections—CBIA’s private-sector health insurance exchange—as well as other insurance lines, retirement plans, a COBRA continuation program, group energy purchasing, and member discounts on everything from packaging materials to background checks.

Learn more at cbia.com.