

**YALSA Board Meeting
2005 Midwinter Meeting
Boston, Massachusetts
January 14-19, 2005**

Topic: Teen Read Week Sponsorships

Background: Teen Read Week has always relied on the sponsorship of corporate partners to help promote and finance the event. In 2004, only \$8,000 in sponsorships was raised. In order for this event to continue to grow, additional sponsorships must be found for 2005.

Action Required: Discussion/Decision

Sponsorships from 2002 – 2004

2004: HarperCollins (\$5,000+), Houghton Mifflin (\$1,000+), Scholastic (\$1,000+), Pam Spencer-Holley (\$1,000+)

Total: \$8,000+

2003: Lord of the Rings (\$25,000+), Barnes & Noble (\$10,000+), Harcourt (\$5,000+), HarperCollins (\$5,000+), Morningstar Foods (\$5,000+), Scholastic (\$1,000+), Pam Spencer-Holley (\$1,000+)

Total: \$52,000+

2002: Barnes & Noble (\$10,000+), New Line Cinema (\$10,000+), Harcourt (\$5,000+), Random House (\$5,000+), Scholastic (\$1,000+), Pam Spencer-Holley (\$1,000+), Dark Horse Comics (\$1,000+), CrossGen (\$1,000+)

Total: \$34,000+

Some Items to Consider

- Can YALSA use both cash & in-kind donations, or would one be preferable to the other?
- What YALSA members may have good contacts with specific corporations that we can use to establish a partnership and gain new corporate sponsors?
- YALSA has over 20 corporate members. Are these members potential sponsors? How can we best establish a good relationship with them?
- What has YALSA done in the past to successfully acquire corporate sponsors?
- Once we obtain corporate sponsors, how can we establish an ongoing relationship with them so that they will continue to be sponsors?

Two sides of the coin corporate giving is a business. *Anne Hoffman.*

Abstract: Corporate giving has evolved as a business that creates public awareness of the positive image of the donor company. Thus, corporations are carefully planning their charitable programs that can match their business goals. In turn, not-for-profit organizations which tend to profit from corporate donations should consider themselves as partners in the donor's corporate advertising. Therefore, not-for-profits and corporations will both benefit from a thorough understanding of market-based donations.

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In the 90s, increasing competition combined with downsizing has created an environment in which marketing goals and philanthropic programs are combined. Strategic giving can raise public awareness and a favorable image of a corporation that plain advertising cannot match.

If 1996 and 1997 were any indication, more, than \$140.3 billion will be given to non-profits this year. Although the vast majority of contributions, approximately \$123.4 billion are from individual contributions, nearly half will be designated to the donors' church.

The reality is many not-for-profits do not obtain substantial gifts from wealthy individuals. Because corporations are so visible and offer easy access, development professionals, executive directors and volunteers can be found lining up at these \$7.2 billion coffers. With more than 160,000 non-profit organizations in the United States, there are an abundance of choices.

Push for Profitability is Reflected in Contributions

In the 90s, increasing competition combined with downsizing has created an environment in which marketing goals and philanthropic programs are combined. Strategic giving can raise public awareness and a favorable image of a corporation that plain advertising cannot match. Companies are rethinking their giving programs to reflect business goals.

Worthy causes would be wise to develop strategies favorable to building corporate bridges. It is the obligation of the not-for-profit organization to realize that "quid pro quo" are not dirty words. The push for profitability demands this emphasis. Understanding the potential for combining corporate-good with public interests is the beginning of a good market-based contributions program.

Here's an example of a collaboration that worked:

Utility companies have a proscribed market, and it is the Public Utilities Commission that approves rate increases and assigns new territories. A local gas company

understanding that community support or lack of it may have an effect on the PUC's decisions has made corporate philanthropy part of its community relations program.

San Diego Gas and Electric and the largest and most visible blood bank in San Diego county, collaborated to turn a gift into a widely touted promotion. Businesses and neighborhood centers throughout the county rely on the delivery of specialized equipment and various supplies for off-site blood drives. An equipment van on its own is not an attractive object for grant-making.

Understanding the non-profit's need to emphasize the importance of this equipment carrier and the company's desire for publicity, the partners came up with an idea. Since the van moves through the county obtaining blood donations and ultimately save lives, like a super hero, a contest was ultimately developed. School-age kindergarten through 8th grade children were asked to create, design and name a super hero that would be replicated on the van. Contest rules were distributed in more than 1 million utility bills.

The winner, a nine-year old boy, was spotlighted with his parents at a press conference introducing his creation, Plasma Boy. A costumed red corpuscle, actually an SD G&E employee circulated through the crowd handing out Plasma Boy buttons. In addition, the blood bank helped by using the story for its own newsletter, circulation 50,000. The colorful Plasma Boy complete with SD G & E logo will be circulating throughout the county for the next two to three years.

This was a good partnership. The blood bank has worked over the years to develop a strong community relations department with strong ties to local media. The nature of blood banking requires this agency to know the ages of their donors and the number of visits made in a given year. A significant number of blood donors give more than once a year. The average age is above 40.

Based on the information gathered, the profile of a donor is: Loyal, name-brand interest, and healthy with a high-degree of literacy. The blood bank already has good media relations, maintains a newsletter with a high circulation and is one of the oldest organizations in the city.

Key benefits that corporations will look for in making a selection under market-based philanthropy are:

1. Development or enhancement of consumer loyalty
2. Increased visibility
3. Support for opening new markets
4. Services for employees

AT&T is another example of the emphasis on strategically placed grant-making when it began to change its nationally focused giving policy to become more locally based. Striving to open local telephone markets, a \$200,000 gift to the New York Public

Library for a high technology showcase of the history of libraries is a demonstration of philanthropic marketing. The impetus behind this gift was federal legislation in 1996 deregulating the telecommunications industry.

Corporations make sizable gifts to educational institutions with funds directed to the engineering school or business school. This is more an example of developing and maintaining an employee-pool rather than philanthropy or strategic placement. Market driven philanthropy is aimed at impressing a specific group. Mobile Oils' Masterpiece Theater on Public Television is an example of alignment with a prestigious, nationally promoted program that appeals to an upscale, well-educated market segment.

Changes in corporate giving have causes. Anti-Poverty programs, Environmental causes, AIDS research and services have benefited. Banking is an industry that has changed drastically. Merges, acquisitions, and takeovers have resulted in the confusion and sometimes anger of customers. Increasingly, non-financial institutions are taking over functions that were once exclusively in the domain of banks. Once contributions from banks emphasized the arts.

Today, appealing to a much broader demographic, is part of the strategy of retail banking, and environmental causes, inner city groups as well as community-based youth, social and recreational programs are the likely beneficiaries. Consider the market that your potential corporate sponsor is appealing to and include information regarding your clients or if that doesn't fit, your supporters.

Visibility

Multimillion-dollar capital naming gifts achieve this result, but prominent projects with small naming gifts also can be effective. The Phoenix Zoo decided to sell inscribed bricks, 10,000 to dot an expanse that attracts one million visitors each year. Many of the home-crowd are repeat customers and brick-name watching has become a regular activity. Businesses of all sizes can participate in a project that literally demonstrates solidarity.

The days of the shake and grin photo opportunities are over. Involve your sponsors' employees in volunteer activities and special events and take action pictures. Be creative. Do something different. One recognition piece had the thumbprints of every child in a first grade class to which the teacher added a face. The resulting effect was very touching and original.

In some instances, the contributor has the capacity to promote their own program. William Shover, Director of Community Relations for The Arizona Republic, is well known and well regarded throughout the community. Under his guidance, the paper formerly known as Phoenix Newspapers, Inc. supports a wide array of children's projects. It also raises funds throughout the community for special projects. Cohesiveness is part of its contributions program. At an annual event, grant recipients meet and receive their often sizable gifts.

Impact/Goodwill

Companies may want to reconsider their policies of limiting contributions to a one-time-only policy. As in advertising, it takes a period of time, with the repetition of the message to make an impact.

Why not adopt a charity for a period of three to five years with a prescribed set of goals and objectives and utilize resources both at the corporation and not-for profit to demonstrate and promote the results.

Some corporations - a national insurance company comes to mind - make contributions all across the country, but the gifts are all in the \$500 to \$2,000 range and in many different categories. The impact of their philanthropy is so diluted and so invisible that the total giving is diminished. The need for goodwill and positive association (have you heard anyone say something nice about insurance rates?) would presage larger gifts with well-established, well-regarded non-profits.

It's important for the contributions strategy to adopt policies regarding multiple year funding, project orientation and funds for capital endeavors.

In-House

In the past, the CEO likes dogs... And, Bowser at the humane society gets a large gift. I won't be naive and say this still doesn't happen, but under the new strategy a corporation's committee with knowledge of the company's marketing direction will determine most of the giving distribution.

Contribution committees placed in human resources departments usually become stepchildren. A better placement is in the community relations department because of greater familiarity with community resources. Other committee members are recruited from marketing, government relations, top management, and line employees. Local community foundations and United Way can offer some tips.

Outsourcing

Consulting firms familiar with both public relations and the not-for-profit community are available to help start or enhance corporate contributions programs. United Parcel Service hired a public relations firm based in Washington, D.C. to reinvent and operate its program.

A national large, national food banking system headquartered in Atlanta with distribution to aligned non-profits across the United States was one of the results. The growing trend is for corporations to turn over the program to specialized firms to save money and increase efficiency because overhead is greatly reduced. Professional services can be more directive, understand marketing and public relations requirements and not get emotionally tied to pet projects.

Proactive vs. Reactive

Whether a corporation wants proposals or not, it will receive them. The natural reaction is to wait, review and evaluate what's on the table. How would one weigh or compare the importance of giving to a program to feed the hungry to a long-needed central library or a gift to support the symphony?

With such broad interests and few stated parameters, each non-profit believes it fits into the corporation's interests and the deluge begins. The volume of proposals does not necessarily translate into a quality match. How could it? The perspective bride doesn't understand what the groom is looking for. The poor groom doesn't know either.

As market strategies become clearer, the corporate contributions program need not wait for proposals nor define its corporate program by the confines of categories such as health, or youth, arts etc. Selecting not-for-profits to enhance or develop projects that will support the public-good and business goals at the same time is a natural extension of strategically placed giving.

Becoming Attractive to the Corporate Donor

Pretend for a moment that you are participating in a corporate contributions committee. It is the committee's assignment to recommend the year's charitable distribution. One hundred not-for-profits are asking for more than \$5 million and your donations budget is \$1 million. How do you choose who will receive a grant?

Good Management

One of the most obvious, but not necessarily acknowledged, is demonstration of good management. Corporations will rarely contribute to an organization running a deficit, no matter how sincere and worthy the cause. A five-year plan outlining both capital and programmatic direction is another important tool.

On more than one occasion, I have seen significant contributions given to projects that were then subsequently dropped. Two instances come to mind and both are in hospital settings; a remodel of a surgical intensive care unit and a supposed addition of a children's intensive care nursery. At best this is a tremendous embarrassment.

Promotion

Because non-profits are mission driven, it is not unusual for promotion and public relations to be non-existent or minimal. Good public relations help any development program and are essential in contribution programs with strategic placed marketing. A major corporate sponsor can reasonably expect:

1. Information regarding the number of corporate sponsors. Right to exclusivity as to type. For example the only retail bank, the only children's clothing manufacturer, etc.

2. Newsletter with a reasonable circulation.
3. Staging of a promotional event with invitation to civic luminaries, elected officials, and sponsors highlighted in printed material and at the event.
4. Demonstration that the charity has developed some relationship with media and indications of favorable publicity.
5. Capital projects, naming opportunities, promotional minded kick-off or special event.

Some not-for-profits will scoff and protest how or who is going to pay.

The non-profit has these choices:

- * Build the costs of the promotion into the organizational budget and fund through unrestricted funds
- * Include the costs of promotion in the request
- * Recruit a volunteer from a public relations firm
- * Hire a public relations firm
- * Hire staff for in-house effort
- * Train and educate existing staff

Beyond Promotion

Another important deciding factor in whether a check is written to charity a or charity b, is whether the organization provides a service or potential service for your employees. Corporations have long been supporters to the arts and heavily discounted tickets for employees are usually part of the package. The demise of Great American and Home Federal banks, heavy supporters of the San Diego Symphony Association, created a void that was never replaced.

Salt River Project, a utility in Maricopa County in Arizona, allows employees on company time to serve as mentors in an elementary school for homeless children. The satisfaction created by working with these special children has encouraged the company to give at higher levels. Another example of considering employee interest are gifts to community-based recreational programs and childcare programs in the neighborhoods in which that employee lives.

Support for health related causes have wide appeal particularly with older employees. Corporate matching programs offer incentives for employees to make their own personal gifts. In brokering a contributions program, a review committee made up of both line and top management adds balance and is a great morale booster for employees.

Employees are proud of their company when it reaches out to help. The Marriot Hotel sponsors one-day renovation projects that utilize employees from staff and line to repair, paint and landscape selected non-profit facilities. A program called Second Chance that offers shelter, food, counseling and job placement support for homeless people received this type of help.

Accept the Trend and Profit

What do you know about your clients? Review your data collection program and make sure your database has information that will help develop a profile. Consider the market your potential corporate sponsor is appealing to and include in your proposals demographic information regarding your clients. If that doesn't fit, include information about your supporters. Does your nonprofit have a newsletter with a reasonable circulation?

Find opportunities to applaud corporate employees for matching gifts, volunteerism and advocacy.

By understanding the market-based contributions strategy, both corporate sponsors and non-profits win.

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Hoffman, Anne. "Two sides of the coin corporate giving is a business." *Fund Raising Management* March 1998: 29. p. 27-30. InfoTrac OneFile. Fairmont State University. 30 Dec 2004 <www.fairmontstate.edu/library>.