



PROFIT, PURPOSE, AND TALENT:

TRENDS AND MOTIVATIONS
IN CORPORATE GIVING
& VOLUNTEERING

IM  GINE
CANADA

Strong Charities. Strong Communities.

PROFIT, PURPOSE, AND TALENT: TRENDS AND MOTIVATIONS IN CORPORATE GIVING & VOLUNTEERING

CORPORATE COMMUNITY
INVESTMENT REPORT

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ABOUT IMAGINE CANADA

Imagine Canada is a national charitable organization whose cause is social good in Canada. We work to bolster the charities, nonprofits, and social entrepreneurs that build, enrich, and define our nation and the communities they support around the globe.

Corporate community investment is an integral part of Imagine Canada's vision for a strong and vibrant charitable sector. Imagine Canada's Caring Company designation encourages companies to adopt a leadership role as investors of at least 1% of pre-tax profit into stronger communities and celebrates that leadership.

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ABOUT THE RESEARCH

This report summarizes findings from two surveys conducted by Imagine Canada in 2019: a survey of leading Canadian companies that collectively contributed almost \$600 million to charities and nonprofits, and a poll of more than 1500 Canadian workers, asking them about the community contributions of their employer.

THERE ARE TWO SURVEYS IN THIS STUDY:

Poll of 1506 Canadians

Representative of the Canadian workforce



National Workforce Survey

Canadians currently in the labour force were asked their opinion about their employers' community and charitable activities, whether they find value in these activities, and how they relate to their job satisfaction and perception of their employer.

Survey of 65 leading companies

Representing \$592 Million in annual donations



Leading Companies Survey

Community investment professionals and executives from companies were asked about the scale and scope of their corporate community investments', their opinion on the social benefits of those investments', as well as the community investment strategies employed by their companies.

See Appendix page 38 for full report methodology.

EXECUTIVE SUMMARY

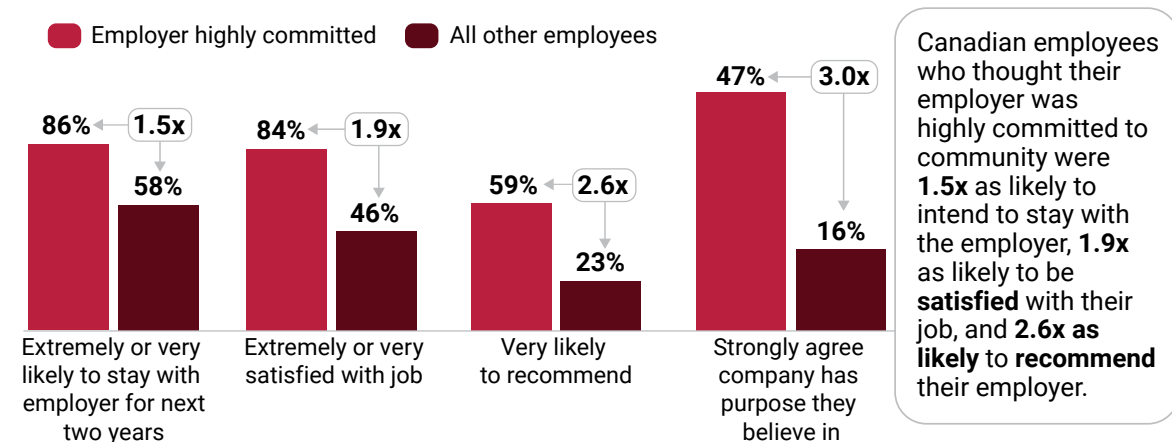
In an era of historically low unemployment, competition for top talent is fierce. Increasingly, jobs are going unfilled and high-skill jobs are experiencing the greatest skill shortage. Employers are looking for new avenues to attract and retain employees. This study shows that Canadian employees, particularly those with the most education, the most income, and those in senior and specialized positions, put great emphasis on the community contributions of their employers.

CHARITABLE ACTIVITIES HELP COMPANIES RECRUIT AND RETAIN TALENT

Canadian employees who worked at a company that they believed was highly committed to their community were 1.5x as likely to report intending to stay at their employer for the next two years, 1.9x as likely to be extremely or very satisfied with their job, and 2.6x as likely to recommend their employer to a friend or family member.

WHAT EMPLOYEES TELL US

KEY EMPLOYMENT METRICS BY PERCEIVED EMPLOYER COMMITMENT TO COMMUNITY AND CHARITABLE ACTIVITIES



Source: Imagine Canada's National Workforce Survey (n=1506)

THE MORE EMPLOYEES PARTICIPATE IN EMPLOYER'S CHARITABLE PROGRAMS, THE MORE BENEFITS FOR THE EMPLOYER

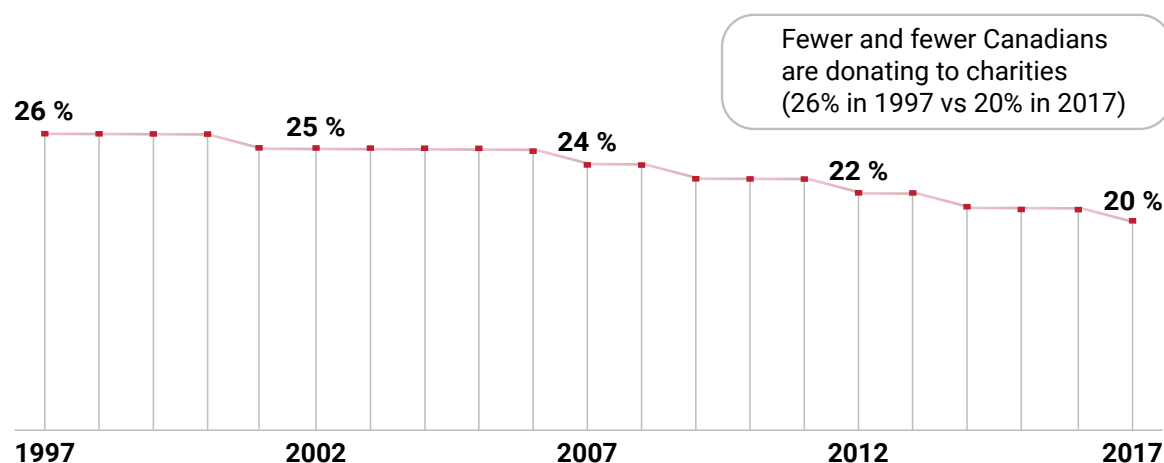
The impact of employee participation in an employer's charitable programs is substantial. Employees who participated in a workplace giving program and employer-supported volunteering were 2.3x as likely to say it was extremely likely they would still be with their employer in 2 years (52% versus 23%). Further, the more the employee thought that employees played a significant role in the community and charitable activities of the employer, the more likely they were to believe their employer was truly committed to the community.

Employees who worked for an employer that donated to charitable and nonprofit organizations were more likely to think they would still be at their organizations for at least two years than those that did not (29% versus 23%). However, employees who also participated in workplace giving programs and employer-supported volunteering programs were far more likely to intend to stay with their employer (52%).

ALMOST THREE IN TEN CANADIAN EMPLOYEES WOULD TAKE A PAY DECREASE TO WORK AT A COMPANY WHERE THEIR EMPLOYER CONTRIBUTES MORE TO THE COMMUNITY

In our study, 28% of Canadian employees indicated they would take a pay decrease to work at a company more committed to supporting the community, with the average person willing to forgo 12% of their salary. Upper and middle management, those with the highest incomes, and those with the most education were willing to give up even more to work for a company with a charitable reputation. Overall, 16% of employees reported that the charitable reputation of their employer was a significant part of the reason why they joined their company, and an additional 34% reported it was a factor. People who joined their company for these reasons were more satisfied, more likely to recommend their employer, and more likely to intend to stay with their employer.

FEWER CANADIANS ARE DONATING TO CHARITY WHILE DEMAND FOR SERVICES IS OUTPACING REVENUE GROWTH, CONTRIBUTING TO A RISING “SOCIAL DEFICIT”



Source: Taxfiler data from Statistics Canada (Statistics Canada, n.d.)

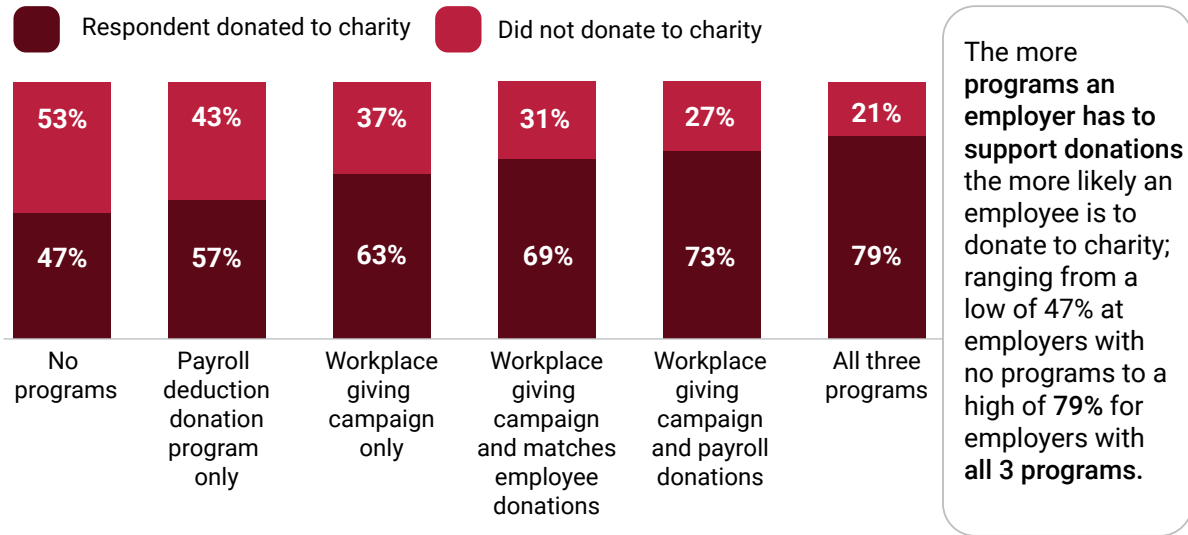
In the 20-year period between 1997 and 2017, the percentage of Canadians who reported a donation on their tax return decreased from 26% to 20%, with much of the decline occurring in the last decade. This is contributing to a looming social deficit in Canada, where revenue growth is slowing while the demand for services is growing. After inflation, Canadian donors are donating less today than they were donating 10 years ago and are giving far less of their income than they used to. Due to declining donations and slowing GDP growth leading to slowing tax revenue, Imagine Canada forecasts that by 2026 the social sector will face a \$25 billion social deficit, leading to ever growing wait lists and inability to access critical services across the country.

COMPANIES CAN STRUCTURE THEIR COMMUNITY INVESTMENT PROGRAMS TO LEVERAGE AND INCREASE EMPLOYEE DONATIONS

Employees who reported their companies as having a payroll giving program, a workplace giving campaign, and matching gifts were 67% more likely to donate to charity than at a workplace with none of those. Of those who reported their employers regularly share information about charities they may be interested in donating to, 76% reported donating to at least one of these charities regularly. Encouraging donations to charity is therefore good for both the company and society.

WHAT EMPLOYEES TELL US

PERCENTAGE OF PEOPLE WHO DONATED TO CHARITY BASED ON PRESENCE OF EMPLOYER-SUPPORTED DONATION PROGRAMS



Source: Imagine Canada's National Workforce Survey (n=1506)

Note: This chart includes only non-religious giving and excludes giving to religious organizations.

EVEN AS INDIVIDUAL DONATIONS ARE DECLINING, LEADING COMPANIES' CHARITABLE CONTRIBUTIONS KEEP INCREASING

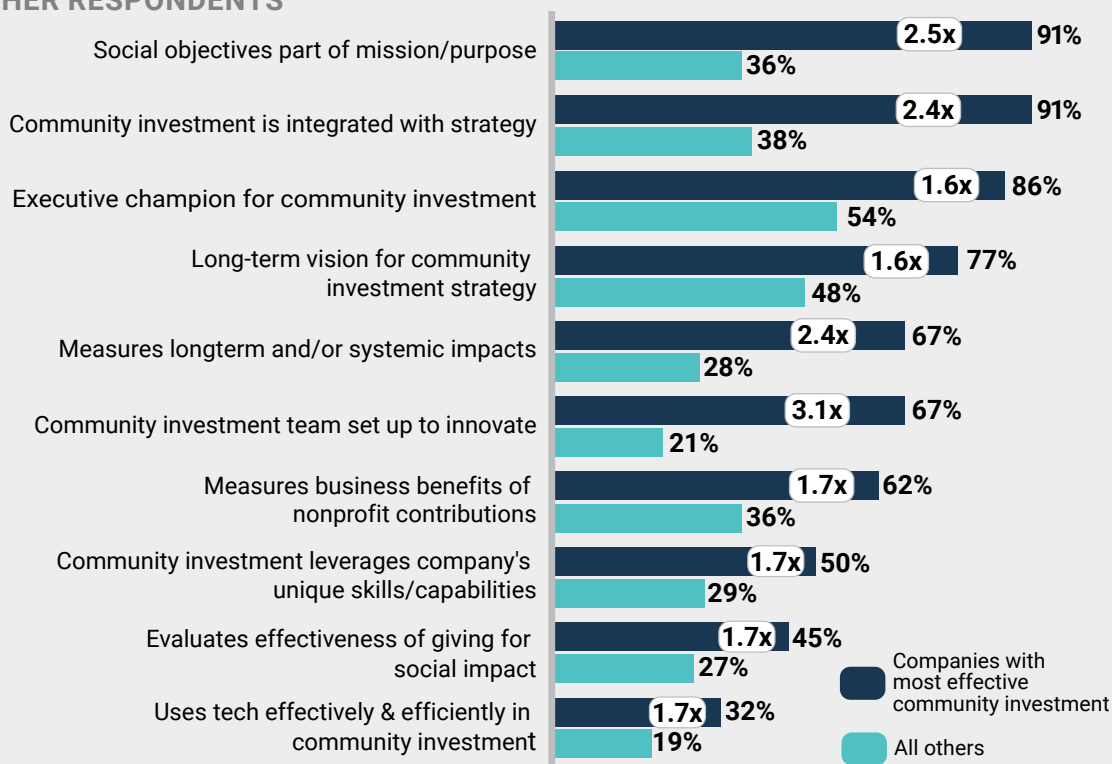
While individual donations have not reliably increased recently, far more companies indicated they were planning to increase their community investment budget than to decrease it. 43% of companies reported plans to increase their budget compared to only 10% who planned to decrease. Of companies that reported significant business benefits, more than 63% planned to increase their budgets.

THE MOST EFFECTIVE COMPANIES ARE STRUCTURING THEIR COMMUNITY INVESTMENT DIFFERENTLY THAN OTHERS

In our study of leading Canadian companies, we examined the practices of companies that are the most effective in the community investment field: those that believe their work is having both strong business benefits and high social impact. Companies that were highly effective at community investment were 3.1x as likely to believe their community investment teams were setup to innovate, 2.5x as likely to incorporate social objectives explicitly as part of the company's mission or purpose statement, and 2.4x as likely to incorporate their community investment as part of the broader company strategy. They also were far more likely to focus on optimizing the benefits of their community investment both for the business and for the community while setting up underlying infrastructure like technology and processes to support community investment. The companies that felt they were most effective were more likely to believe that community investment was contributing to their bottom lines. We also see the outcomes among their employees: the most effective companies have had twice the participation of employees in their charitable programs.

WHAT COMPANIES TELL US

THE DIFFERENCES IN STRATEGY BETWEEN MOST EFFECTIVE COMPANIES AND OTHER RESPONDENTS



Source: Leading Companies Survey (n = 65)

Note: Companies self-reported effectiveness at community investment. For a full definition, see Endnote IV.

A CALL TO ACTION FOR CANADIAN COMPANIES IN DRIVING SOCIAL CHANGE

This report shows companies that give more to their communities also get more from their employees. Employees at committed companies report more engagement, more loyalty, and more referrals. Imagine Canada has long championed giving back to communities through its Caring Company designation, where companies are recognized for giving at least 1% of pre-tax profit back to charitable programs. Over 90% of employees at Caring Companies reported that their employer was committed to community and that they were more satisfied and more loyal.

Collectively, the findings from these studies show that companies do not have to sacrifice profits to give back to their communities: when done right, the benefits to the business are clear. But companies can do more: the more their employees are engaged in their giving, the more enthusiastic employees are about the community contributions of their employer.

This signals the critical role companies can play in helping reverse Canada's growing social deficit. Fewer and fewer Canadians are donating to charities while demands for services keep going up. This report shows that companies can gain by giving back, and these results show that companies need to make this a key priority in their business to be able to attract and retain top talent. In this study, less than 1 in 5 employees thought their employers were highly committed to the community, showing there is still great room for improvement in Canada's business community. Investing in building a strong healthy Canada contributes to succeeding at business and to building an environment where all Canadian businesses and citizens thrive.

THE STATE OF COMMUNITY INVESTMENT

65 companies participated in the survey, and these companies contributed \$592 million to charities in the past year. This is close to 15% of the total \$4 billion estimated annual business contributions to charities (Lasby & Barr, 2018).

Overall, 98% of our respondents gave cash to charities. In addition to donations of cash, nearly all companies surveyed also gave goods or products (90%), sponsored nonprofit organizations (90%), or donated services (77%).

LEADING COMPANIES SURVEY AT A GLANCE

65 Canadian companies

\$592 million contributed to charities

98% donated cash to charities

95% raised money from employees

66% supported employees volunteering

21,496 nonprofits supported

90% expect to retain or increase budget

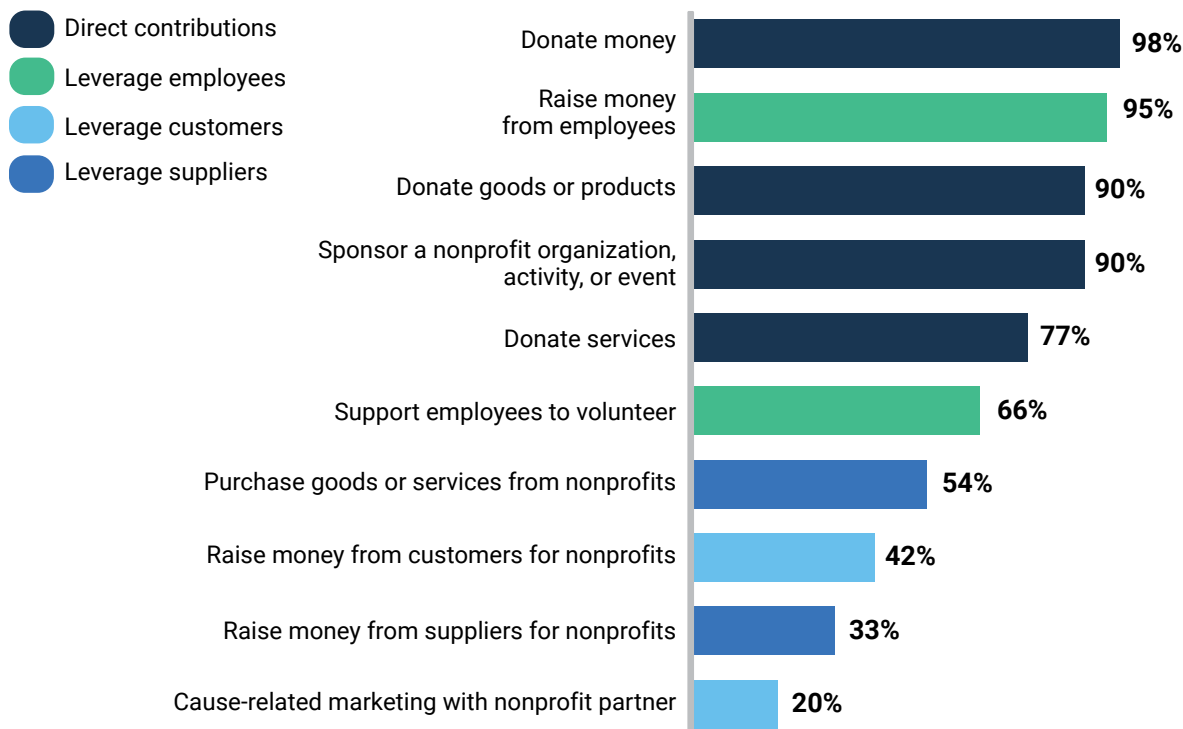
NEARLY ALL LEADING COMPANIES ARE ENCOURAGING EMPLOYEE DONATIONS WHILE TWO-THIRDS OF COMPANIES ARE ENCOURAGING EMPLOYEES TO VOLUNTEER

Overall, 95% of companies we surveyed raised money from employees and 66% supported employee volunteering, through direct time off, hosting events, or allowing flexible scheduling to volunteer. For a long time many experts have spoken to the critical role that businesses can play in leveraging their stakeholders to make real impact on communities, and the businesses responding to our poll were clearly leaders in engaging employees. Fewer are raising money from customers (42%) or suppliers (33%), but a critical part of their community contributions consists of leveraging their employees' resources.



WHAT COMPANIES TELL US

TYPES OF SUPPORT FOR NONPROFIT ORGANIZATIONS



Source: Leading Companies Survey (n = 65)

FAR MORE COMPANIES ARE PLANNING TO INCREASE CASH DONATIONS IN 2020

More than four times as many companies intend to increase their community investment budget (43%) as decrease it (10%). It is worth noting that the companies responding to our survey are some of the biggest donors in the country, are leaders in community investment, and their contributions matter disproportionately. As such, their experiences may not reflect the experiences of the typical company, and these percentages can therefore not be applied across the corporate sector.

The fact that these leading companies are continuing to increase their investments in communities is a positive sign, especially as we have not seen increases in individual giving (Lasby & Barr, 2018). In fact, recent years have shown decreases in contributions from individuals after adjusting for inflation. Charities are becoming more reliant on the contributions of leading businesses and may be more broadly becoming reliant on the contributions of all businesses in general.

The business community's contributions are also essential for Canadian charities because our nonprofit sector relies so much on business contributions relative to the American nonprofit sector. Charitable giving in Canada from individuals is estimated to be \$14.3 billion in 2014 and in the same year, businesses contributed an estimated \$4.2 billion (Lasby & Barr, 2018). That is, in Canada, individuals contributed 3.4x as much as businesses. When we compare that to our neighbours in the US, individuals gave an estimated 14.2x as much as corporations (McCambridge, 2019). Charities focused on social services and education are proportionately even more reliant on corporate funding relative to individual funding.

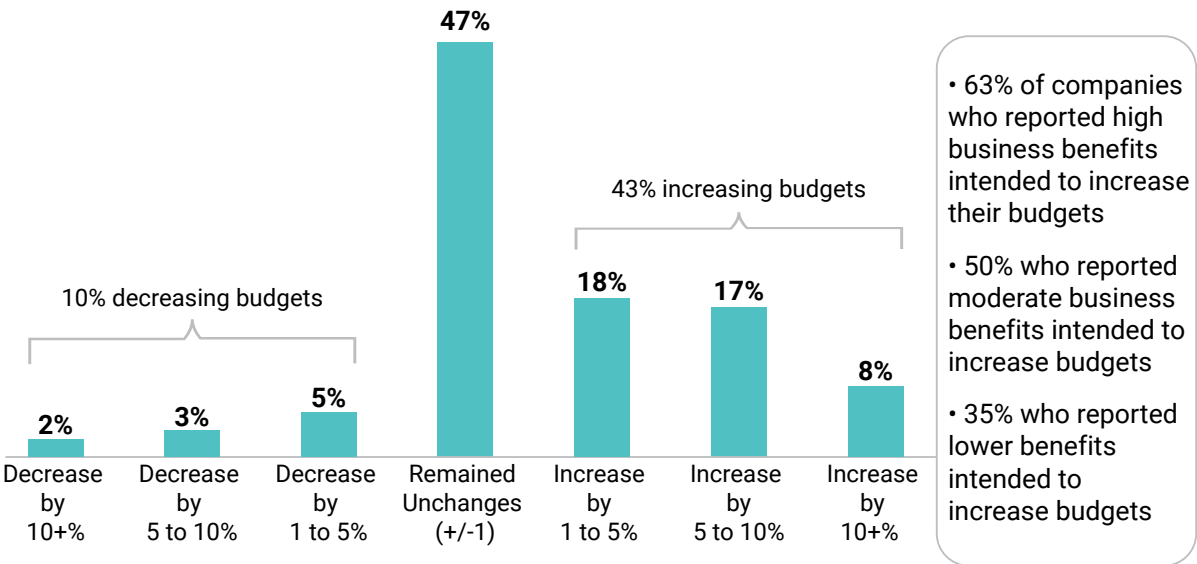
THE MORE COMPANIES BELIEVE THEY ARE GETTING BETTER BUSINESS BENEFITS, THE MORE THEY ARE INCREASING DONATIONS

For companies that felt they were getting strong benefits from their community investment activities (rated as a 9 or 10 on an 11-point scale), 63% intended to increase their community investment budget in the next year. For those that had moderate benefits (a 7 or 8), 50% reported intentions to increase their 2020 community investment budgets. For those that perceived mixed or no benefits (6 or lower), only 35% planned to increase their budgets.

A recent study of the largest firms in the United States representing billions of dollars in total giving found a similar but critically distinct finding: companies that measured the business impact of their giving increased their giving by 50% more than those that just measured social impact (Chief Executives for Corporate Purpose, 2019). The more companies are doing to measure the business benefits they get from contributing to the community, the more motivated they are to give; a clear indicator that corporate community investments can provide measurable business value.

WHAT COMPANIES TELL US

IN 2020, WHAT IS YOUR BEST ESTIMATE OF HOW YOUR COMPANY’S TOTAL ANNUAL COMMUNITY INVESTMENT BUDGET IS LIKELY TO CHANGE?



Source: Leading Companies Survey (n = 65)




THE INTERSECTION OF TALENT AND COMMUNITY INVESTMENT

In this section, we discuss the results of our poll of Canadian employees. The results were clear: employees who positively perceived their employers' charitable activities and work in the community were far more likely to intend to stay with that employer. The more community investment activities a company has, the more likely an employee is engaged with the company. The more charitable activities an employee participates in at work, the more likely they are to stay.


These results help reinforce that "doing good" directly leads to better business results. We also see that employees at companies that were highly engaged in communities were also more engaged at work. As engaging in community increases employee engagement, this is likely to lead to other positive results. For example, research company Gallup has found that "business units in the top quartile of Gallup's global employee engagement database are 17% more productive and 21% more profitable than those in the bottom quartile" (Johnson, 2018). This suggests that charitable activities make the company more productive and profitable through increasing employee engagement.

KEY HIGHLIGHTS OF FINDINGS FROM THIS SECTION




CANADIAN EMPLOYEES WHO THOUGHT THEIR EMPLOYERS WERE HIGHLY COMMITTED TO COMMUNITIES WERE...

	2.6 x	As likely to recommend their employer
	1.9 x	As likely to be satisfied with their job
	1.5 x	As likely to believe they will stay at their job for the next two years

EMPLOYEES WHO PARTICIPATED IN BOTH DONATIONS AND VOLUNTEER PROGRAMS WERE...

	2.3x	As likely to believe they are extremely likely to stay at their job for the next two years
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MANY CANADIAN EMPLOYEES CARE ABOUT THE COMMUNITY CONTRIBUTIONS OF THEIR EMPLOYERS

	50%	Considered the reputation of the employer for doing charitable work in the community before accepting their current role
	28%	Would take pay decrease to work at a firm that is more highly committed to supporting community
	12%	Is the average pay decrease employees willing to accept a pay cut would accept to work at a more responsible firm

EMPLOYEES WHO POSITIVELY PERCEIVE THEIR EMPLOYERS' CHARITABLE ACTIVITIES ARE HAPPIER AT WORK, MORE LIKELY TO STAY, AND MORE LIKELY TO RECOMMEND THEIR EMPLOYER

WHAT EMPLOYEES TELL US

KEY EMPLOYMENT METRICS BY PERCEIVED EMPLOYER COMMITMENT TO COMMUNITY AND CHARITABLE ACTIVITIES



Source: Imagine Canada's National Workforce Survey (n=1506)
Notes: Only people working at a current for-profit company were included in this analysis. For extremely or very likely to stay, this was top 2 boxes on a 6-point scale. For satisfaction with their job, this was top 2 boxes on a 6-point scale. For recommendations, those that scored their employer a "9" or "10" on a scale from 0 to 10 were considered very likely to recommend their employer. For strongly agree that company has a purpose they believe in, those that scored their employer a "9" or a "10" on a scale from 0 to 10 were considered to strongly agree.

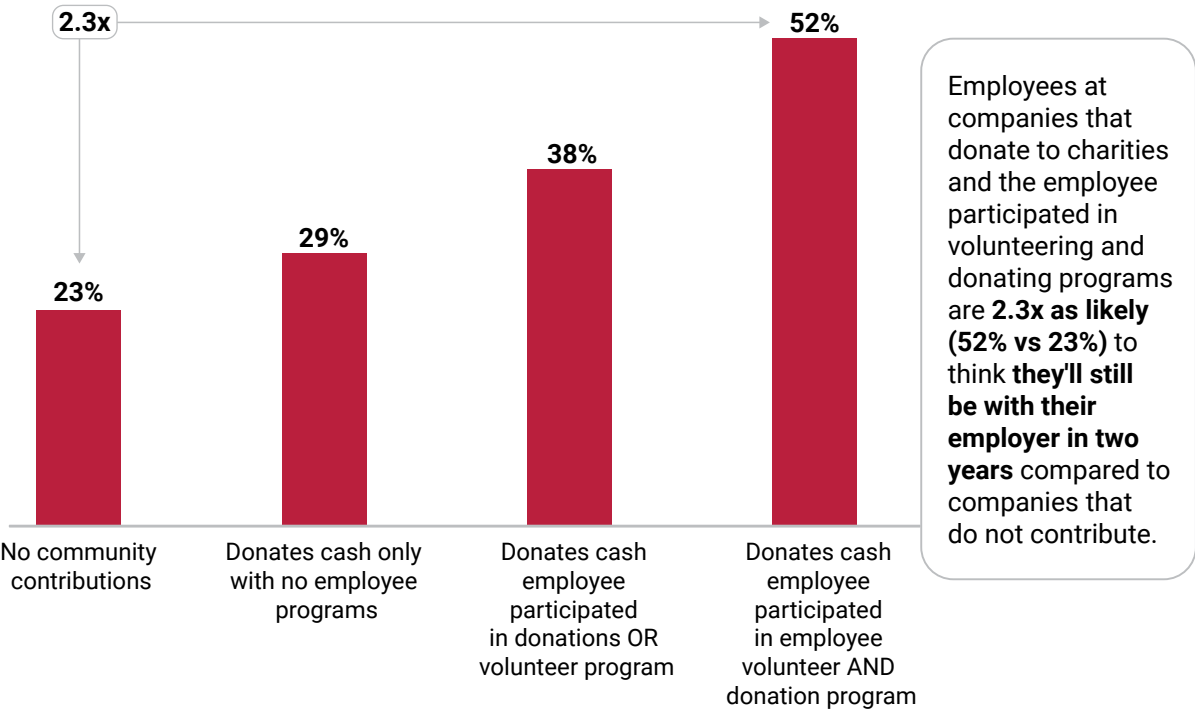
Employees who thought their employers were highly committed to community were 1.5x as likely to stay with the employer for the next two years (86% versus 58%), 1.9x more likely to be at least very satisfied with their job (84% versus 46%), 2.6x more likely to recommend their employer to other potential employees (59% versus 23%), and 3x as likely to strongly agree the company has a purpose they believe in versus all other employees (47% versus 16%). Strong perception of an employer's commitment to community is associated with more engagement and commitment to the employer.

HIGHER EMPLOYEE PARTICIPATION IN EMPLOYER’S CHARITABLE PROGRAMS LEADS TO BETTER EMPLOYEE ENGAGEMENT

Not only does perception of their employer matter, the employee’s direct participation in the employer’s charitable activities shows a similar effect. Looking just at intention to stay with the employer for the next two years, those working at employers where they personally participated in workplace giving programs and employer-supported volunteering programs were 2.3x as likely to believe they will be working at their current company in 2 years versus those who perceived that their employer did not support the community in any way. While only retention is shown in the chart, similar results were found for job satisfaction, recommending their employer, and how meaningful the employee perceived their job to be. Across these results, it was clear: the more employees participate in the community programs of their employers, the more connected they are to their job and their employer.

WHAT EMPLOYEES TELL US

PERCENT OF EMPLOYEES EXTREMELY LIKELY TO STAY WITH EMPLOYER FOR THE NEXT TWO YEARS BY TYPES OF COMMUNITY INVESTMENT ACTIVITIES



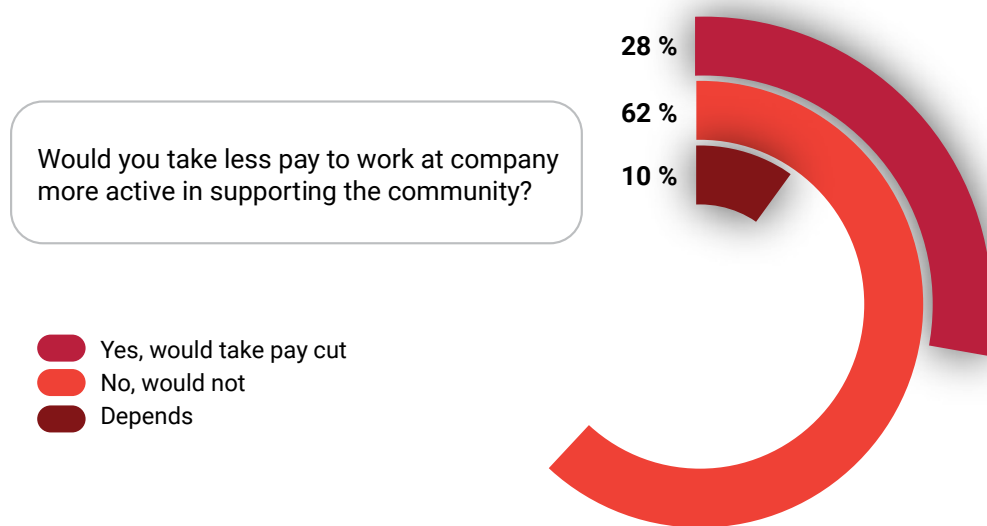
Source: Imagine Canada’s National Workforce Survey (n=1506)
Note: For definitions of a workplace giving program or employee volunteer program, please see the endnotes. We asked about 3 features of workplace giving programs and 6 features of employee volunteer programs.

Our findings across this study are reinforced by a recent study by Volunteer Canada and Great Places to Work. They found that employees who reported feeling good about their organization’s contributions to community were 1.6x as likely to say their workplace was a great place to work, 1.2x as likely to want to work there for a long time, and 1.8x as likely to endorse the company as a great place to work (Great Place to Work & Volunteer Canada, 2019). Their research also showed that companies with a stronger reputation for community involvement also had more people apply for open jobs (80 applicants per position versus 61).

"Helping others in need really helps bring out the best in us. It is an honour to be able to work for a company that gives back to the communities they serve." - Kayla Bannister, Interim Manager, Logistics Southwest, **LifeLabs** (LifeLabs, 2019)

ALMOST THREE IN TEN (28%) EMPLOYEES WOULD TAKE A PAY CUT OF AN AVERAGE OF 12% TO WORK AT COMPANY MORE ACTIVE IN THE COMMUNITY

WHAT EMPLOYEES TELL US



Source: Imagine Canada's National Workforce Survey (n=1506)

Note: Question text simplified in the chart. For additional details, please see the endnotes.

Of the employees that would take a pay cut, the average employee would forgo 12% of their pay to work at a firm more involved in supporting the community. Those with more education were more likely to be willing to take a pay cut. For example, those with a postgraduate degree were willing to take a pay cut of up to 17% to work for a more responsible company. Similarly, those in management positions were also more likely to be willing to take a pay cut, including 19% for upper management (VP or above) and 14% for middle management (Manager or Director). As a 2016 study summarized in the Harvard Business Review noted, "a bad reputation costs a company at least 10% more per hire" (Burgess, 2016); it seems clear that effective management of reputation via community initiatives can help contribute to lowering hiring costs.

REAL WORLD EXAMPLES SHOW THAT EMPLOYEES ACTUALLY ACCEPT LOWER PAY AT MORE CHARITABLY ACTIVE FIRMS

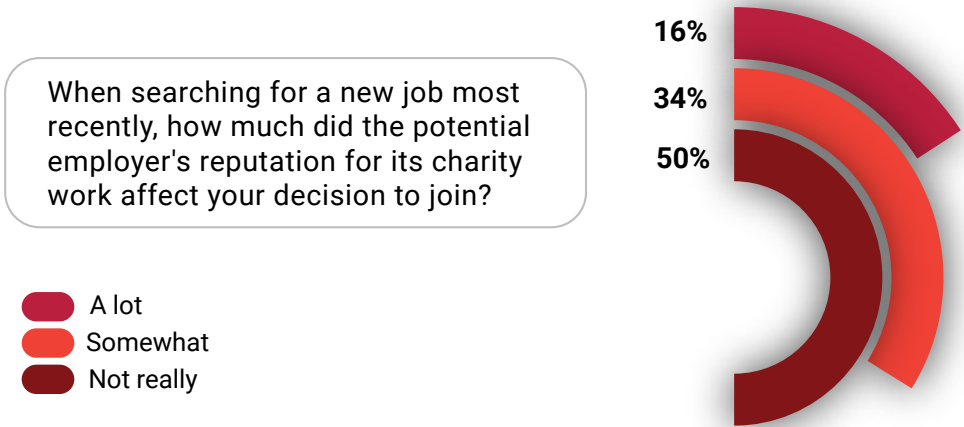
Experimental studies have found that large numbers of employees will change their behaviour based on the social responsibility of the company. In a recent paper published in the journal *Organizational Science*, the author found that “prospective workers submitted 44% lower wage bids for the same job after learning about the employer’s social responsibility” (Burbano, 2016). John List, a University of Chicago economist, summarized the results of his recent study that found that pro-social messaging can “increase the pool of applicants by roughly the same magnitude as a 27 percent wage increase... these workers, it turned out, were 10 to 25 percent more productive than the average employee” (Dubner, 2018).

These differences also speak to the cost effectiveness of the 1% investment of pre-tax profit benchmark long advocated for by Imagine Canada. Since labour costs make up the single biggest cost for many businesses, a responsible firm that is able to attract more productive staff at lower wage, who are less likely to leave is making a great investment for the company.

HALF OF CANADIAN EMPLOYEES REPORTED THAT THEY CONSIDERED THE REPUTATION OF THEIR EMPLOYER FOR CHARITABLE AND COMMUNITY WORK WHEN THEY JOINED

16% said it impacted them a lot, while 34% indicated it impacted them somewhat. Unsurprisingly, those that joined the company for this reason worked at firms with far more opportunities for employees to get involved and were more likely to believe their employer was highly committed to the community and making a real difference.

WHAT EMPLOYEES TELL US



Source: Imagine Canada’s National Workforce Survey (n=1506)
Note: Question text simplified in chart. for additional details, please see the endnote.



THE CARING COMPANY DESIGNATION

Corporate community investment is an integral part of Imagine Canada's vision for a strong and vibrant charitable sector. Imagine Canada's Caring Company designation encourages companies to adopt a leadership role as investors of at least 1% of pre-tax profit into stronger communities.

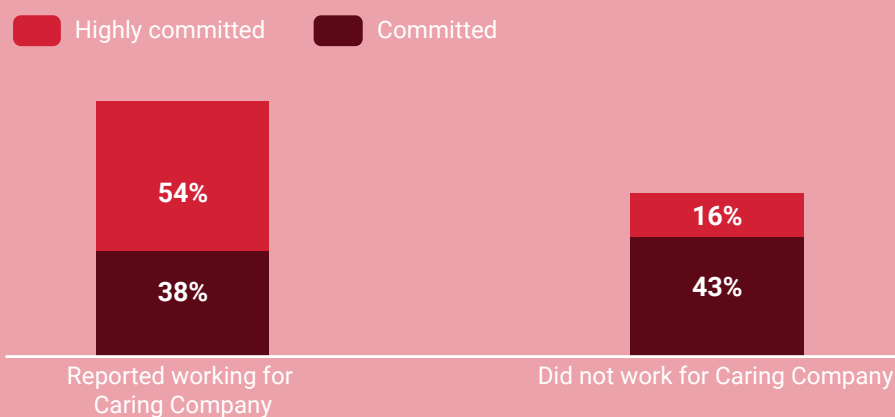
The percentage of pre-tax profit invested in the community is a common metric used by companies to determine annual budgets. Companies recognized by the Imagine Canada Caring Company designation contribute at least 1% of their pre-tax profit to the communities where their employees live and work; many have been doing so since the inception of the Caring Company program in 1988.

RESPONDENTS WHO REPORTED WORKING FOR CARING COMPANIES SAID THEIR EMPLOYERS WERE MORE COMMITTED TO THE COMMUNITY

92% of respondents who worked for Caring Companies reported their employer was committed to community service compared to only 58% of those that were not employed at Caring Companies. Respondents who reported working at Caring Companies were much more likely to have considered a company's charitable reputation before accepting their current job. 54% of people who worked at Caring Companies reported that their current employer's reputation for charitable work in the community influenced them "a lot" before accepting their current job, compared to only 13% of other respondents.

WHAT EMPLOYEES TELL US

HOW WOULD YOU RATE YOUR OWN COMPANY'S COMMITMENT TO COMMUNITY SERVICE?



Source: Imagine Canada's National Workforce Survey (n=1506)

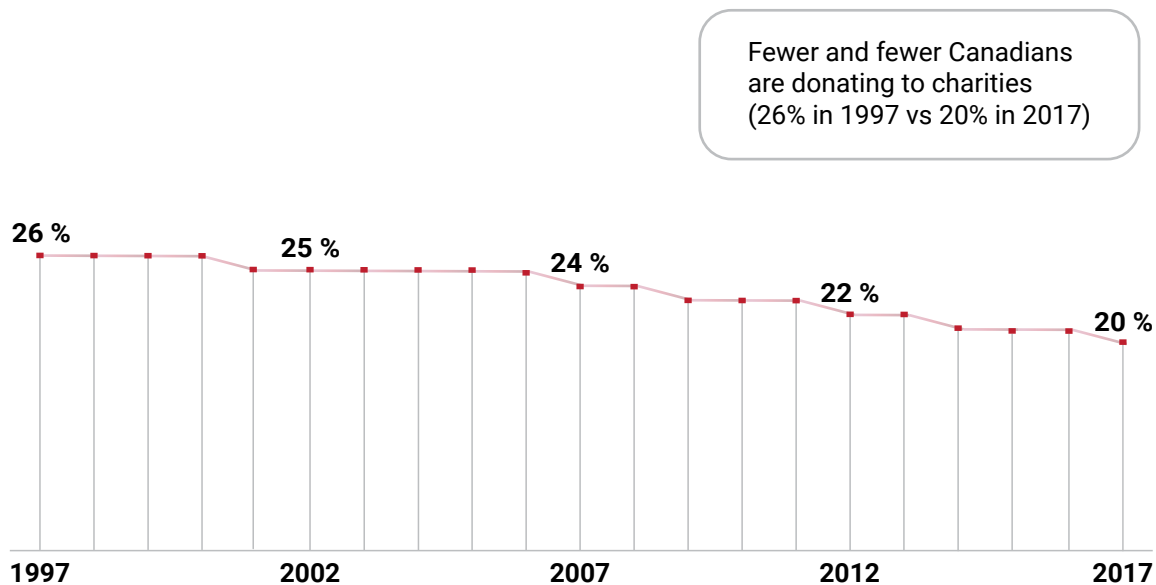
RESPONDENTS FAMILIAR WITH THE CARING COMPANY PROGRAM WERE MORE WILLING TO TAKE PAY CUTS TO WORK AT MORE COMMUNITY-ORIENTED FIRMS

While only 11% of surveyed employees were familiar with the Caring Company program, a full 66% of people who reported awareness of the program indicated they would take a pay decrease to work for a firm more involved in the community, compared to only 23% of those who did not.

THE ROLE OF CORPORATE CANADA IN PHILANTHROPY

INDIVIDUAL DONATIONS ARE DECLINING AS DEMAND FOR SERVICES ARE RISING

PERCENTAGE OF CANADIAN TAXFILERS REPORTING DONATIONS TO CHARITIES



Source: Taxfiler data from Statistics Canada (Statistics Canada, n.d.)

Canada's donation rates have been declining for decades and since the 2008 financial crisis, the rate of decline is accelerating. From 1997 to 2007, the donation rate dropped from 26% to 24%, whereas from 2007 to 2017 the donation rate dropped from 24% to 20%. After adjusting for inflation, total donations dollars have been declining almost every year since 2007.

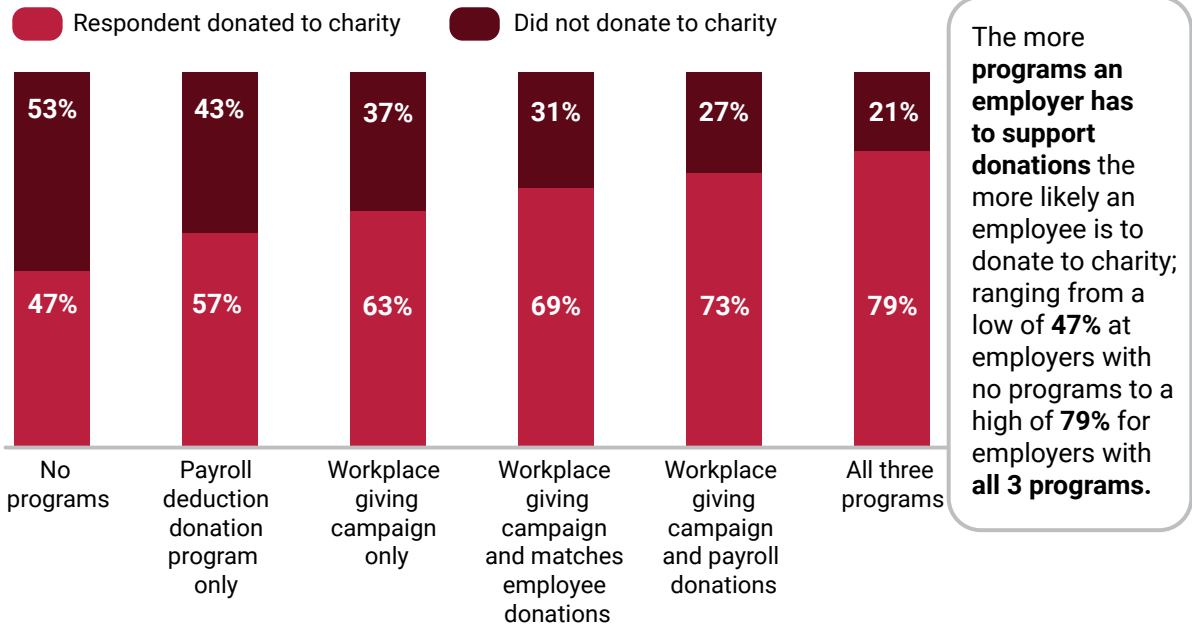
At the same time, demand for services from charities is increasing. By 2026, Canadian charities will need an estimated additional \$25 billion to meet this social deficit (Emmett, 2018). As revenue from donations will likely keep dropping, GDP growth is projected to slow, and taxation revenue is not expected to grow as much as costs, especially as the population ages.

Canada is changing rapidly. With increasing numbers of newcomers, many Canadians today are less familiar with the Canadian charitable system and the array of organizations they may be interested in supporting than Canadians in decades past. Young people today are less likely to attend religious services and so some of the traditional exposure to charities that comes through this avenue is increasingly lost. Many churches, mosques, synagogues, and other religious institutions were a leading source of information on charities and causes that needed support; but with reduced attendance, fewer people are exposed to habits of giving from a young age.

EMPLOYEES WHO WORK FOR EMPLOYERS WITH STRONG WORKPLACE GIVING PROGRAMS ARE FAR MORE LIKELY TO DONATE THAN THOSE THAT DO NOT

WHAT EMPLOYEES TELL US

PERCENTAGE OF PEOPLE WHO DONATED TO CHARITY BASED ON PRESENCE OF EMPLOYER-SUPPORTED DONATION PROGRAMS IN PLACE



Source: Imagine Canada's National Workforce Survey (n=1506)
Note: This chart includes only non-religious giving and excludes giving to religious organizations.

Of employees that reported their employer had a full array of programs to encourage them to donate, including a workplace giving campaign, matching contributions when they donate, as well as payroll giving programs, 79% reported making a donation to charity compared to only 47% who reported no employer supports for donations, 1.7x higher.

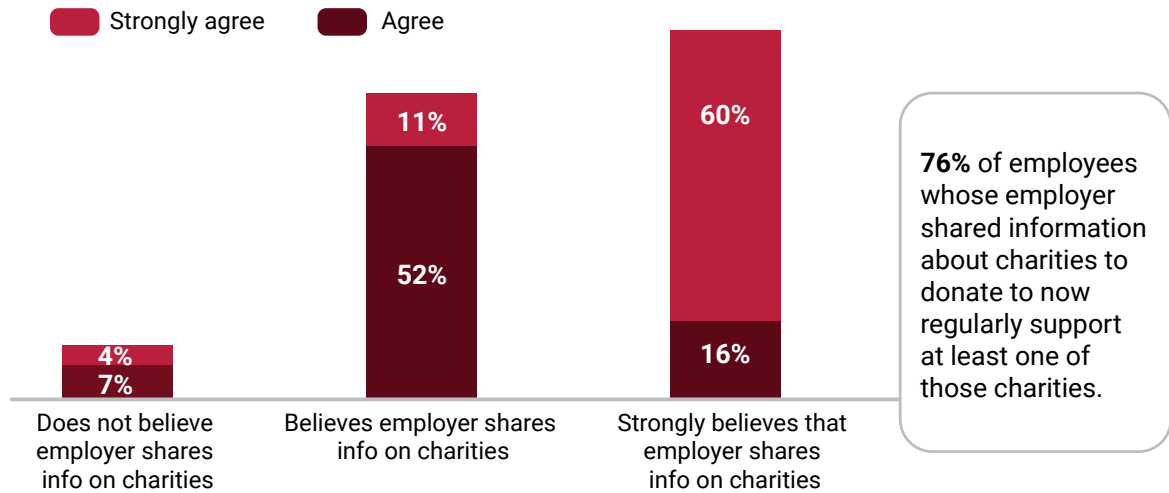
This speaks to the critical role companies can play in helping address the declining donor base in Canada. Most Canadians are in the workforce and many of the people with the lowest donation rates are those just joining it, making the potential contributions of employers connecting them to causes in the community all the more impactful.

THE MORE INFORMATION EMPLOYERS SHARE ABOUT CHARITIES TO DONATE TO, THE MORE LIKELY EMPLOYEES ARE TO REPORT THEY NOW REGULARLY SUPPORT ONE OF THOSE CHARITIES

Of employees who reported that their employer regularly shares information about charities they may be interested in donating to, 76% reported that they now regularly support a charity they originally learned about at work. This compares to only 10% whose employer does not regularly share information with them. This is a compelling case that the more effectively employers can share information about charities that employees may want to donate to, the more likely their employees are to find a charity they plan to regularly support.

WHAT EMPLOYEES TELL US

PERCENTAGE THAT AGREE THEY REGULARLY SUPPORT A CHARITY THEY ORIGINALLY LEARNED ABOUT AT WORK



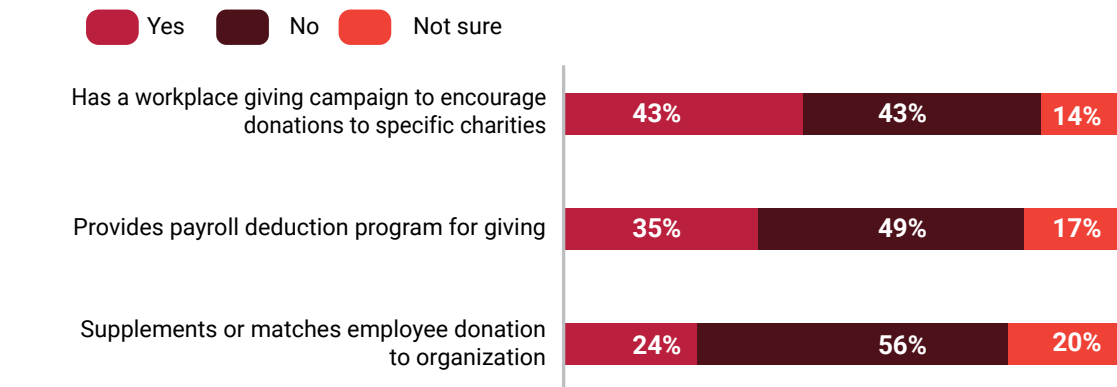
Source: Imagine Canada's National Workforce Survey (n=1506)

Note: Strongly agree was defined as those who scored a 9 or 10 on a scale from 0 to 10 while agree was defined as those scoring as a 7 or 8 on the scale.

Currently, only a minority of firms have any of the three components of an employee giving program that were asked about. 43% of employees reported that their employer had a workplace giving campaign, 35% had a payroll giving program, and 24% had their employer supplement or match employee donations to charitable organizations. This leaves considerable room for employers to increase the number of programs offered and to do more to promote their existing programs.

WHAT EMPLOYEES TELL US

PERCENTAGE OF EMPLOYEES WHO INDICATED THEIR EMPLOYER HAD VARIOUS WORKPLACE GIVING PROGRAMS IN PLACE



Source: Imagine Canada's National Workforce Survey (n=1506)

For companies looking to maximize their ability to provide employees opportunities to contribute, a 2018 review of the literature on giving at the workplace is worth looking at. We have summarized a few of the key findings below. Many features of workplace giving campaigns are enabled by software tools, and these are discussed, as well as factors associated with higher participation and giving, in the section Leveraging Technology (page 35).

EVIDENCE BASED PRACTICES AND OBSERVATIONS AROUND INCREASING DONATIONS AT WORK (SHAKER & CHRISTENSEN, 2018)

- Workplace campaigns are effective at increasing donations
- Employees donate more frequently when they have options for which charities they can support
- Leadership recognizing the business benefits of employee contributions have more donations from employees than those that do not
- Matching gifts increases donation likelihood and amounts
- Having departmental representatives contributed to more giving
- Payroll giving programs support giving
- Peer-run campaigns drive more positive intentions to give than centralized campaigns, but average amounts may be lower due to people participating who would not normally give
- More reminders increase contributions, but too many create annoyance
- Individual giving is strongly influenced by overall giving in a work team

The researchers also note that public recognition can be positive or negative; some people like it while others do not. The same overall trend was noted in our study last year when we looked at research on recognizing volunteers (Ayer, 2018). The key is choosing appropriate recognition for the right employees. Recognizing employees who do not want to be recognized can decrease donation rates.

Royal Bank of Canada recently conducted an evaluation of their charity learning sessions and found that the more learning events someone attended the more money they donated to charity. Using a sample of 15,000 employees they found that for each additional event a person attended, they continued to give more to charities including those who attended up to 10 or more events (Miller, 2019).



For more information on giving trends in Canada see
<https://imaginecanada.ca/en/research/30-years-of-giving>

30 Years of Giving in Canada
was produced in
partnership with the Rideau
Hall Foundation



Fondation
Rideau Hall
Foundation

DOING BETTER AT DOING GOOD

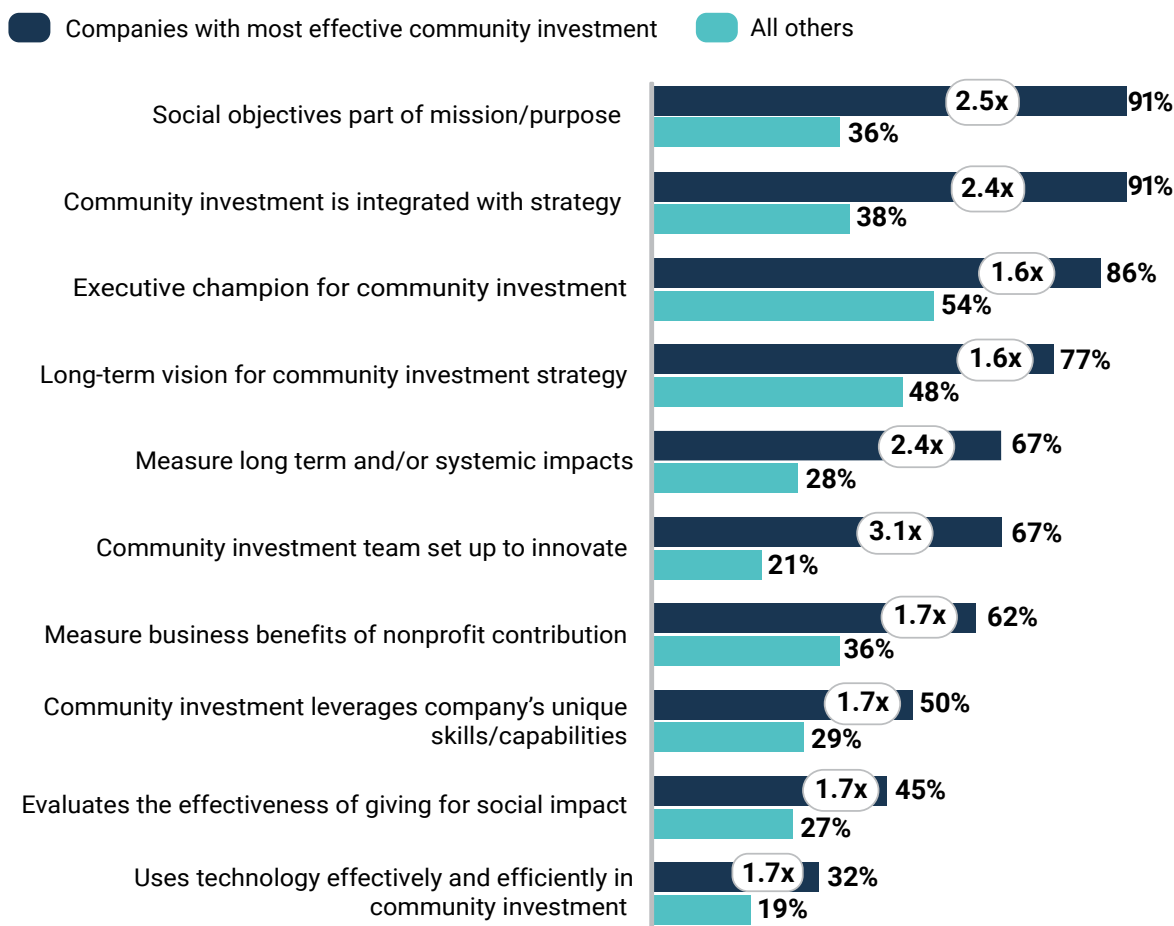
To determine which companies were most effective at community investment, all respondent companies were asked to answer two questions:

- “Overall, on a scale of 0 to 10, how effective do you believe your company’s community investment program has been at helping achieve your company’s business goals?” and
- “Overall, on a scale of 0 to 10, how effective do you believe your company’s community investment program has been at achieving social impact in your priority areas?”

Results of these two questions were added together and any company scoring at least 15 on the two metrics was classified as one of the “companies with most effective community investment.” In total 22 companies (34%) were classified as leaders whereas 43 companies were not.

WHAT COMPANIES TELL US

THE DIFFERENCES IN STRATEGY BETWEEN MOST EFFECTIVE COMPANIES AND OTHER RESPONDENTS



Source: Leading Companies Survey (n = 65)

Note: Companies with most effective community investment were companies that scored at a total of at least 15 out of 20 on the sum of two scales ranging from 0 to 10 asking about the company's overall effectiveness at achieving results for the business and for achieving social impact.

Looking at what differentiates the most effective companies from the rest, five over-arching factors were clear:

1. Effective companies have almost universally integrated their community investment into their overall strategy
2. Effective companies are embedding community into their mission and purpose
3. The most effective companies set clear community investment objectives and measure progress towards them
4. Effective companies invest in underlying infrastructure, systems, and processes including technology and innovation
5. The most effective companies have much higher employee participation rates than other companies

EFFECTIVE COMPANIES HAVE ALMOST UNIVERSALLY INTEGRATED THEIR COMMUNITY INVESTMENT INTO THEIR OVERALL STRATEGY

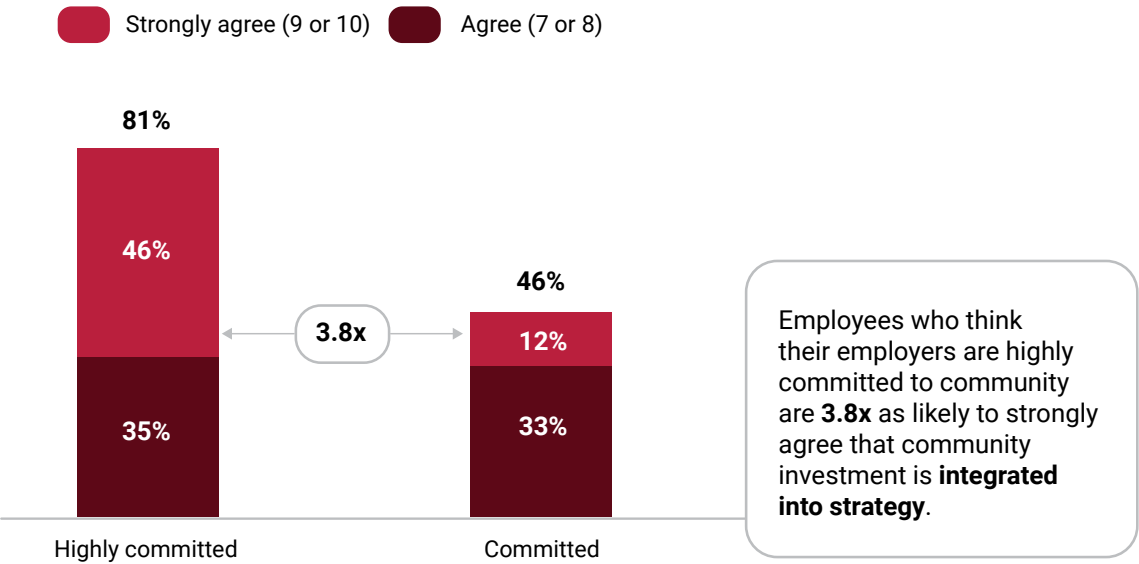
Almost all companies that were most effective had community investment integrated into their business strategy (91%) versus only a small portion of the rest of companies (38%). For the last few decades there has been a growing emphasis on aligning strategy with community investment. It is clear that the most effective companies have fully embraced this idea of integration. The most effective companies were also more likely to have that strategy driven by the unique skills and capabilities of the firm (50% versus 29%), but this considerably more challenging task is still an area of opportunity for Canadian companies of all types.

For employees to perceive their employer as effective at community investment, it was clear they had to believe that supporting community was integrated into overall strategy. Of employees who thought their employer was highly committed to community, 46% strongly agreed that community investment was integrated into their strategy versus only 12% who strongly agreed when their employer was merely committed.



WHAT EMPLOYEES TELL US

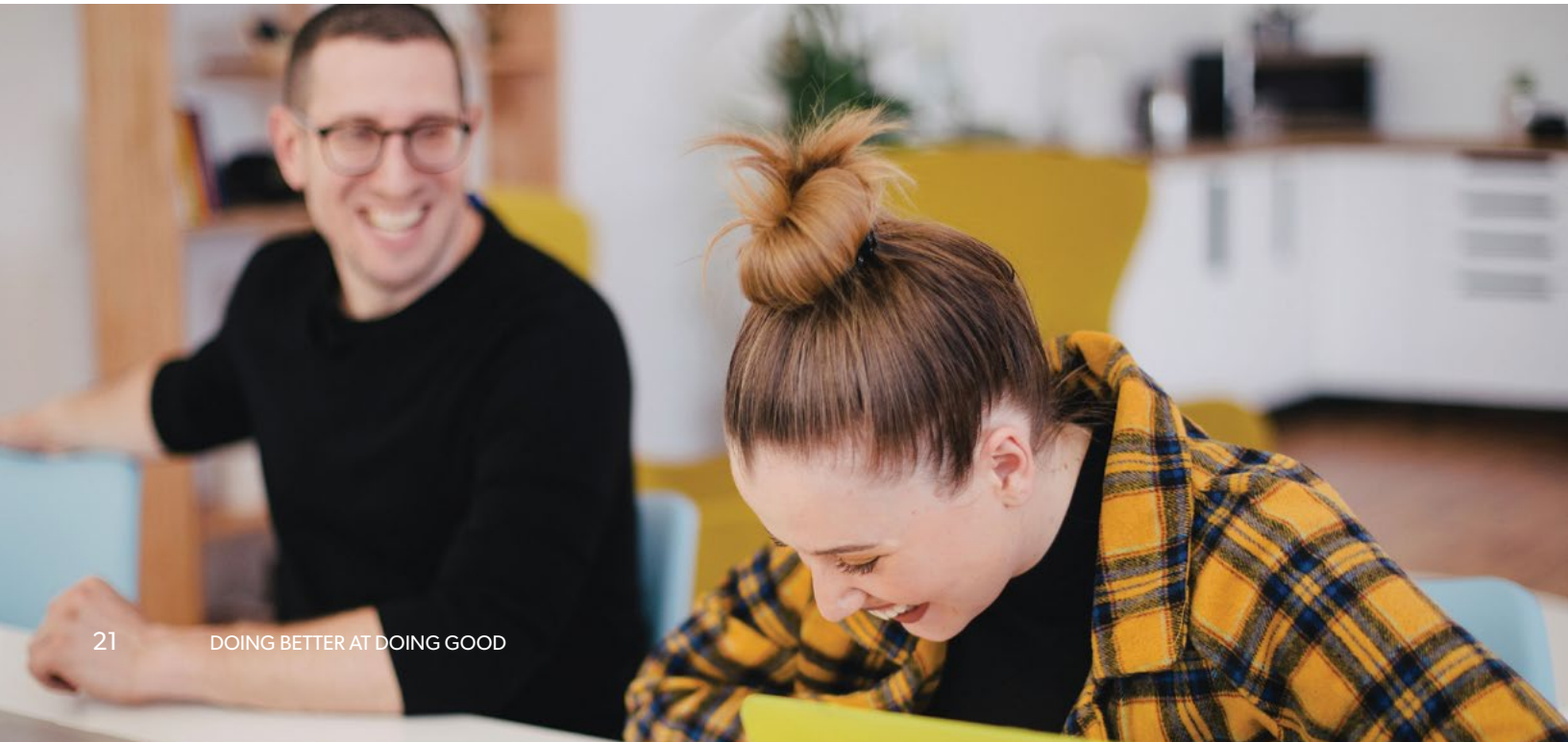
PERCEIVED COMMITMENT OF EMPLOYER TO COMMUNITY VERSUS BELIEF THAT EMPLOYER HAS COMMUNITY INVESTMENT INTEGRATED INTO STRATEGY



Source: Imagine Canada's National Workforce Survey (n=1506)

EFFECTIVE COMPANIES ARE EMBEDDING COMMUNITY INTO THEIR MISSION AND PURPOSE

There is a growing movement in North America embracing the idea that companies need to be purpose driven. While this can take many forms, community investment professionals believe that commitment to community should be a clear part of the purpose of any leading company. Similarly, 91% of the most effective companies had explicit social objectives built into their mission or purpose statement compared to only 36% of the rest of companies.



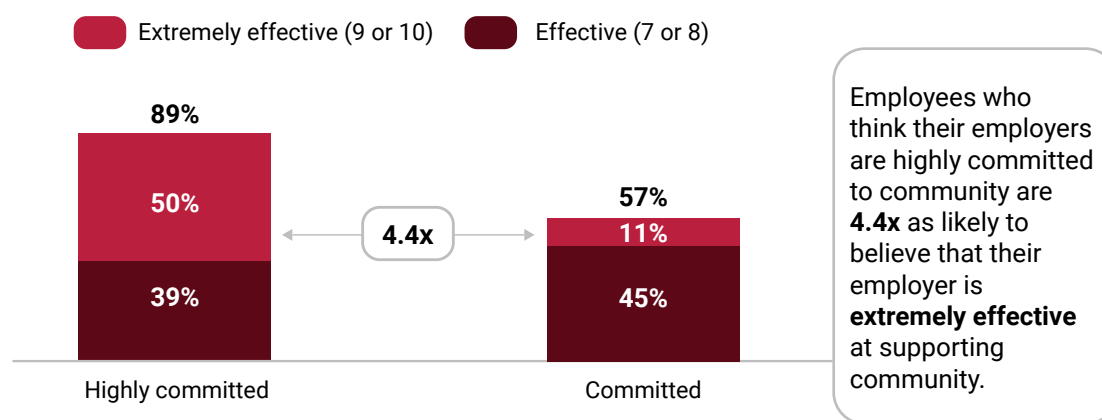
THE MOST EFFECTIVE COMPANIES SET CLEAR COMMUNITY INVESTMENT OBJECTIVES AND MEASURE PROGRESS TOWARDS THEM

The most effective companies at community investment were far more likely to measure the impact of their community investment work on both their communities and their business. They were 1.7x as likely to have specific criteria for evaluating the effectiveness of their giving for social impact (45% versus 27%) and 1.7x as likely to measure the business benefits of their contributions. As we discuss further in the Measurement and evaluation section of this report (page 29), their focus is particularly on long-term impacts both to communities and the business and their focus is particularly on outcomes rather than outputs.

The views of Canadian employees are in some ways remarkably similar to the views of representatives from leading Canadian companies. Of those who considered their employer highly committed to community investment, 50% thought they were extremely effective at community investment, a rate 4.4x higher than those who only thought their employer was committed. Similarly, those who thought their employer was highly committed were 3.8x more likely to strongly agree that their employer had supporting communities integrated into their overall strategy (46% versus 12%).

WHAT EMPLOYEES TELL US

PERCEIVED EFFECTIVENESS OF EMPLOYER AT COMMUNITY INVESTMENT BY PERCEIVED COMMITMENT OF EMPLOYER TO COMMUNITY



Source: Imagine Canada's National Workforce Survey (n=1506)

EFFECTIVE COMPANIES INVEST IN UNDERLYING INFRASTRUCTURE, SYSTEMS, AND PROCESSES INCLUDING TECHNOLOGY AND INNOVATION

As we discussed last year, effective companies are also much more likely to communicate about their community investment (Ayer, 2018), which often requires real structure to do so effectively on an ongoing basis.

One of the strongest differences between the most effective companies and others is their belief that they are ready to innovate. 67% of leaders think their team is set up to innovate compared to only 21% of others. Innovation is not an accident; it requires dedication and work setting up processes and systems to continually innovate.

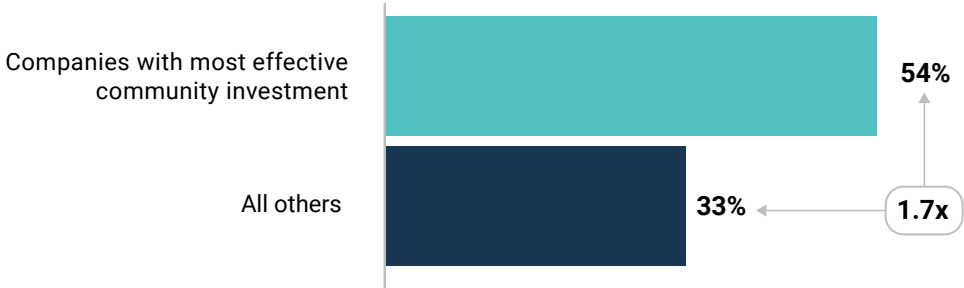
THE MOST EFFECTIVE COMPANIES HAVE MUCH HIGHER EMPLOYEE PARTICIPATION RATES THAN OTHER COMPANIES

Looking only at companies that have employee volunteer programs and those that track their rate of volunteer participation, we can see that those perceiving they were effective had 1.7x participation rate in volunteer programs (54% versus 33%) and 2.3x higher participation rates in donation programs (50% versus 22%). We know from our employee survey that participation is highly associated with positive benefits from community investment, including job satisfaction, increased retention, and higher employer recommendations. This would suggest that the most effective companies are in fact experiencing tangible benefits from community investment.

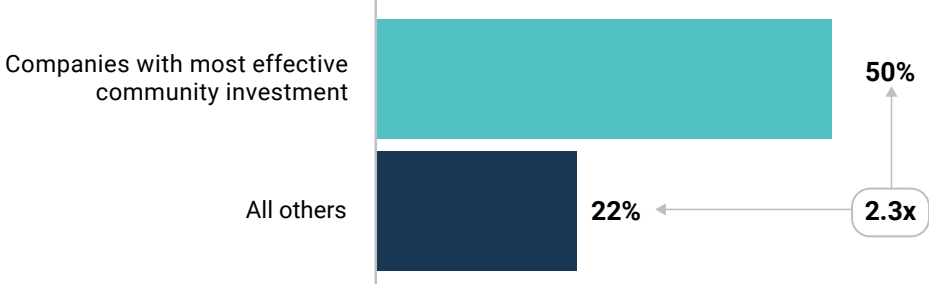
A note of caution for all who want to benchmark themselves: these rates combine both those in small and large businesses, and the rates of participation in each are significantly different. Participation rates are much lower in businesses with 1000s of employees whereas it is not uncommon for the most effective businesses with 100s of employees to have near universal participation.

WHAT COMPANIES TELL US

PERCENTAGE OF EMPLOYEES WHO HAVE PARTICIPATED IN SOME FORM OF VOLUNTEERISM THROUGH FORMAL PROGRAMS



PERCENTAGE OF EMPLOYEES WHO HAVE HAD THEIR CHARITABLE GIVING MATCHED BY THE ORGANIZATION



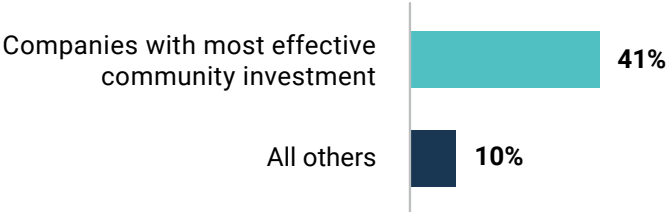
Source: Leading Companies Survey (n = 65)
Note: Both large and small companies should be cautious about using this data as a benchmark for their own activities as smaller companies have much higher participation rates and averages can be quite misleading. In the charts above, the data is only for those who both have a program and track the data from that program.

THE MOST EFFECTIVE COMPANIES AT COMMUNITY INVESTMENT ARE ALSO MORE ACTIVE IN INCORPORATING SOCIAL RESPONSIBILITY INTO RECRUITMENT ACTIVITIES

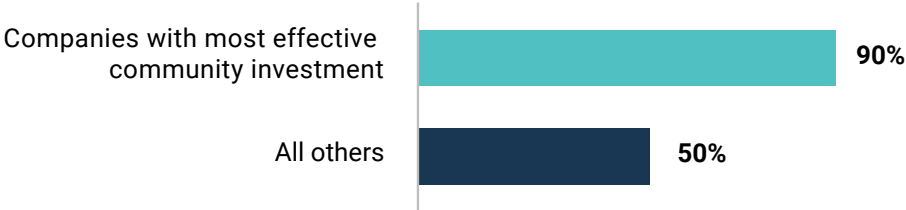
Many of the most effective companies understand the value of community investment in driving employee recruitment. Almost all these companies discussed their community investment activities on their website or LinkedIn Career pages (90%) while only half of other companies did (50%). And more effective companies were 4.1x more likely to discuss their community investment activities on job postings than other companies (41% versus 10%).

WHAT COMPANIES TELL US

HIGHLIGHT COMMUNITY INVESTMENT IN JOB POSTINGS



HIGHLIGHT COMMUNITY INVESTMENT ON CAREER PAGES (LINKEDIN OR WEBSITE)



Source: Leading Companies Survey (n = 65)



INNOVATING COMMUNITY INVESTMENT

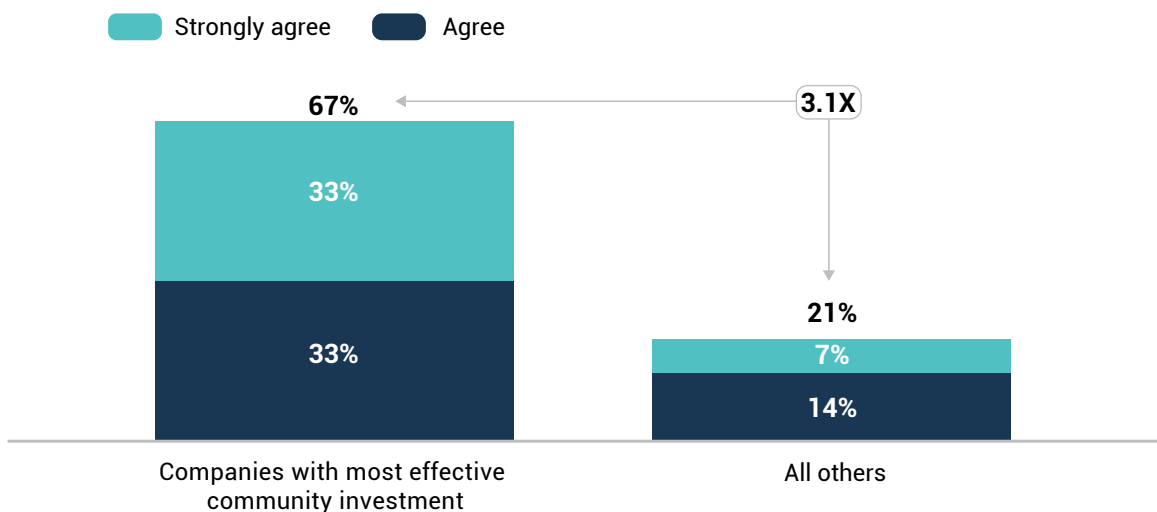
ONE OF THE BIGGEST DIFFERENTIATORS FOR EFFECTIVE COMPANIES IS THE DEGREE TO WHICH THEY BELIEVE THEIR COMMUNITY INVESTMENT TEAM IS SET UP TO INNOVATE

The degree to which their community investment was set up to innovate was one of the biggest differentiators between the most effective companies and others. Those that were most effective were 3.1x more likely to believe they were set up to innovate successfully (67% versus 21%). Both this and other research has begun to suggest a strong link between community investment and innovation. For example, the recent report published by Great Places to Work and Volunteer Canada found companies that ranked in the top quartile of community investment were more likely to release new products or implement new initiatives (Great Place to Work & Volunteer Canada, 2019).

A recent study by the Bridgespan Group found that almost 80% of nonprofits aspire to innovate and more than half believed they could not achieve their goals without effective innovation. However, only a minority feel like they are successfully innovating (Lanzerotti, Pike, & Sahni, 2017).

WHAT COMPANIES TELL US

PERCENTAGE THAT BELIEVE THEIR COMMUNITY INVESTMENT TEAM IS SET UP TO INNOVATE SUCCESSFULLY, MOST EFFECTIVE COMPANIES VERSUS OTHERS



Source: Leading Companies Survey (n = 65)

For funders, innovation can be both internal and external. Bridgespan defined innovation for the purposes of their study as “a break from previous practice—either small or large—that has a significant positive impact.” (Lanzerotti, Pike, & Sahni, 2017). What does innovation look like? Innovation can refer to many different concepts, ranging from offerings (introducing new products or services), processes (delivery systems, internal work processes), organizations (finding new ways to recruit, develop, manage, or organize people), markets and systems (changing the way a field, market, or system operates), among many others. For funders, this can take the form of either innovating internally to find better ways to operate or it can be about funding innovation, developing new systems to create more impact.

WHAT DOES INNOVATION LOOK LIKE?

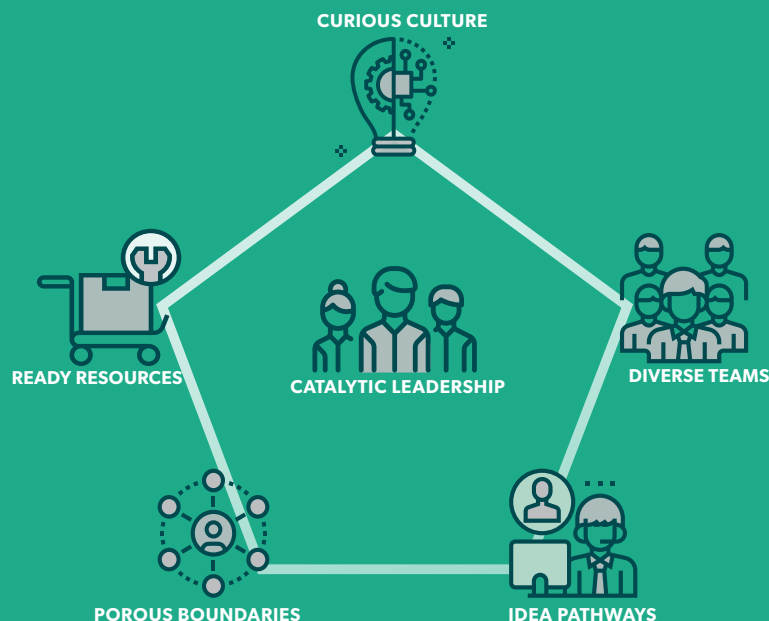


Image source: Bridgespan Group Building the Capacity to Innovate: A Guide for Organizations 2017 (Lanzerotti et al., 2017)

BRIDGESPAN HIGHLIGHTED 6 FACTORS THEY FOUND ASSOCIATED WITH INNOVATION CAPACITY, OR THE ABILITY TO SUCCESSFULLY INNOVATE TIME AND TIME AGAIN. EACH OF THESE FACTORS IS DISCUSSED BELOW IN THE CONTEXT OF OUR RECENT SURVEY RESULTS AND SPECIFICALLY IN THE COMMUNITY INVESTMENT FIELD.

CATALYTIC LEADERSHIP

Effective companies are far more likely to have an executive champion for community investment. This is only step one; while having an executive champion ensures that community investment has a voice at the senior leadership table, these leaders need to set a clear vision for innovation, communicate commitment to it, and help establish priorities.

POROUS BOUNDARIES

Porous boundaries are about having feedback from everywhere, across your own departments, across your business, across branches, and from outside of the business. As we discuss in our Measurement and evaluation section, companies, even large ones, that are the most effective companies are also far more likely to conduct community consultations. Similarly, the most effective businesses are also the ones most likely to collaborate with other businesses on their impact priorities, another opportunity to get external perspectives embedded into the work of

the organization. Many of the leading businesses we talked to established local giving committees to be able to get perspectives from across the business and make sure they understood what was going on in their local communities.

DIVERSE TEAMS

Teams need multiple kinds of diversity to achieve their best results. This includes demographic diversity, intellectual diversity, and diversity of skills and experiences. For community investment teams, which are often not large, it is critical to leverage the diverse perspectives of staff in multiple departments to be able to get as much input as possible. In our report last year, we highlighted that the most effective companies were far more likely to consult community stakeholders on their projects and were much more likely to have community investment integrated across departments (Ayer, 2018). Often, creating committees and cross-functional perspectives can be effective ways to contribute diverse perspectives to community investment teams.

IDEA PATHWAYS

Idea pathways refers to the criteria, processes, and pathways in place to generate, prototype, test, develop, scale, and share new ideas. One framework for looking at the process from generating new ideas to implementing and sharing them is presented below, which looks at the pathways from idea generation to implementation and scaling. It outlines five areas that are needed which include **preparing** for innovation, **looking** to help understand problems and their causes, **thinking** about potential solutions, **developing** these solutions, and **diffusing** innovation once initiatives are successful.

The TD Ready Challenge is one initiative that is trying to innovate how **TD Bank** is funding organizations. The Challenge offers \$1 million-dollar grants as competitions for organizations to propose solutions to big problems. The grant criteria show how they are establishing pathways for ideas to scale with the criteria including that programs must “have proven success where the grant will be scaled out to additional community or populations or are pilot projects with material evidence of viable success and scalability”, “demonstrate impact that extends beyond a single organization through a knowledge mobilization strategy and intent”, and “focus on applied research that aims to solve specific health problems (versus basic/general)” (TD Bank, 2019).



PREPARING (BUILDING MINDSET, RESOURCES, AND SKILLS)

R&D training and practice, benchmarking, reflective practice, community partnerships and co-production, resource allocations and organizational readiness



LOOKING (NEW PATHWAYS FOR SOCIAL TRANSFORMATION)

Exploring, community-led inquiry, ethnography, lit review, case studies, data sourcing



THINKING (REFINING INSIGHTS INTO UNDERSTANDING)

Brainstorming, generating hypotheses, leveraging small, big and open data



DEVELOPING (FROM UNDERSTANDING TO SOLUTIONS)

Designing and testing, piloting, prototyping, evaluating, designing feedback loops, co-production



DIFFUSING (SHARING WHAT WORKS)

Building/sharing capacity, aggregating/sharing lessons from success, failure and process development, learning by learning

Adapted from <http://socialrd.org/practices/>

CURIOUS CULTURE

To embody a curious culture, community investment teams need to be able to continually challenge and test assumptions. As well, teams need to ensure that those who have alternative perspectives have their voices heard throughout the team's processes. Anonymity can be especially helpful in ensuring differing perspectives are raised, and not discounted by existing power structures. This can aid in understanding why some people are not participating in employee focused dimensions of community investment, as barriers may be internal ones that they may not be willing to share in other formats.

Imagine Canada's recent research on the State of Evaluation in Canada shows that many organizations are not leveraging their evaluation resources as far as they could, showing that many have not yet embraced a learning culture. While almost seven in ten (69%) of charities strongly agree that evaluation and measurement are needed, only 23% strongly agree they are using their current data to its full potential (Lasby, 2018)

READY RESOURCES

To be able to innovate for funders, there must be resources allocated both internally and externally. It is important to try new things and make innovation an explicit part of community investment. To improve internal processes, innovation needs to have funding as well. One option is to split resources into three buckets. Some funders have started to adopt a 70-20-10 approach to funding, where 70% of funding is dedicated to existing ideas, 20 percent to adjacent ideas, and 10% to radical ideas, based off Google's well-known model to generate new ideas (Sahni, Lanzerotti, Bliss, & Pike, 2017). Internally, it is important to make sure that people have the time to pursue innovative ideas and resources to do so when appropriate. Many corporations provide their expertise and advice to charitable partners to help provide necessary conditions for innovation.

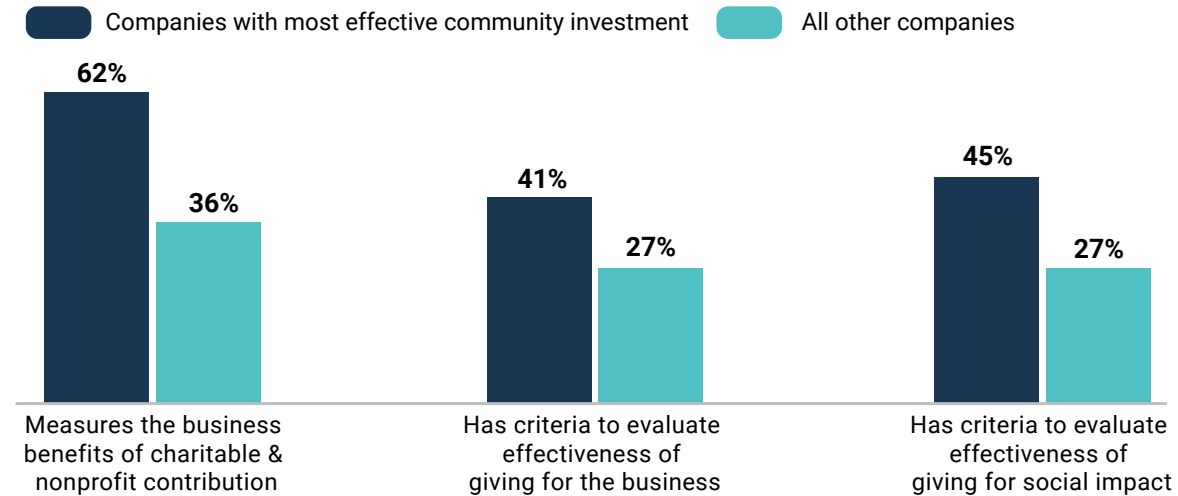
Capital One's research found that 74% of charities felt that a growing technology gap was impacting the long-term success of their organization and that it was difficult to secure funds for technology to help scale their impact. They created an annual Digital for Good Summit to help their staff and tech leaders share skills and digital expertise with charities so that they can take their solutions to broader groups of people.

MEASUREMENT AND EVALUATION

THE MOST EFFECTIVE COMPANIES ARE MORE LIKELY TO MEASURE BOTH BUSINESS AND SOCIAL BENEFITS OF THEIR GIVING

WHAT COMPANIES TELL US

MEASUREMENT PRACTICES OF COMPANIES



Source: Leading Companies Survey (n = 65)

Measuring the benefits of community investment is a critical element of the overall strategy of the most effective companies. They were far more likely to measure the benefits of their charitable contributions for the business (62% versus 36%) and to have specific criteria to evaluate the effectiveness of giving for social impact (45% versus 27%). As we discussed earlier in this report, one of the strongest predictors of employees having strong perceptions of their employer's community investment practices is the overall perceived effectiveness of the program at having a positive impact (page 22). Measurement and evaluation are key tools for companies to be able to identify and increase impact from community investment, both for the business and for society.

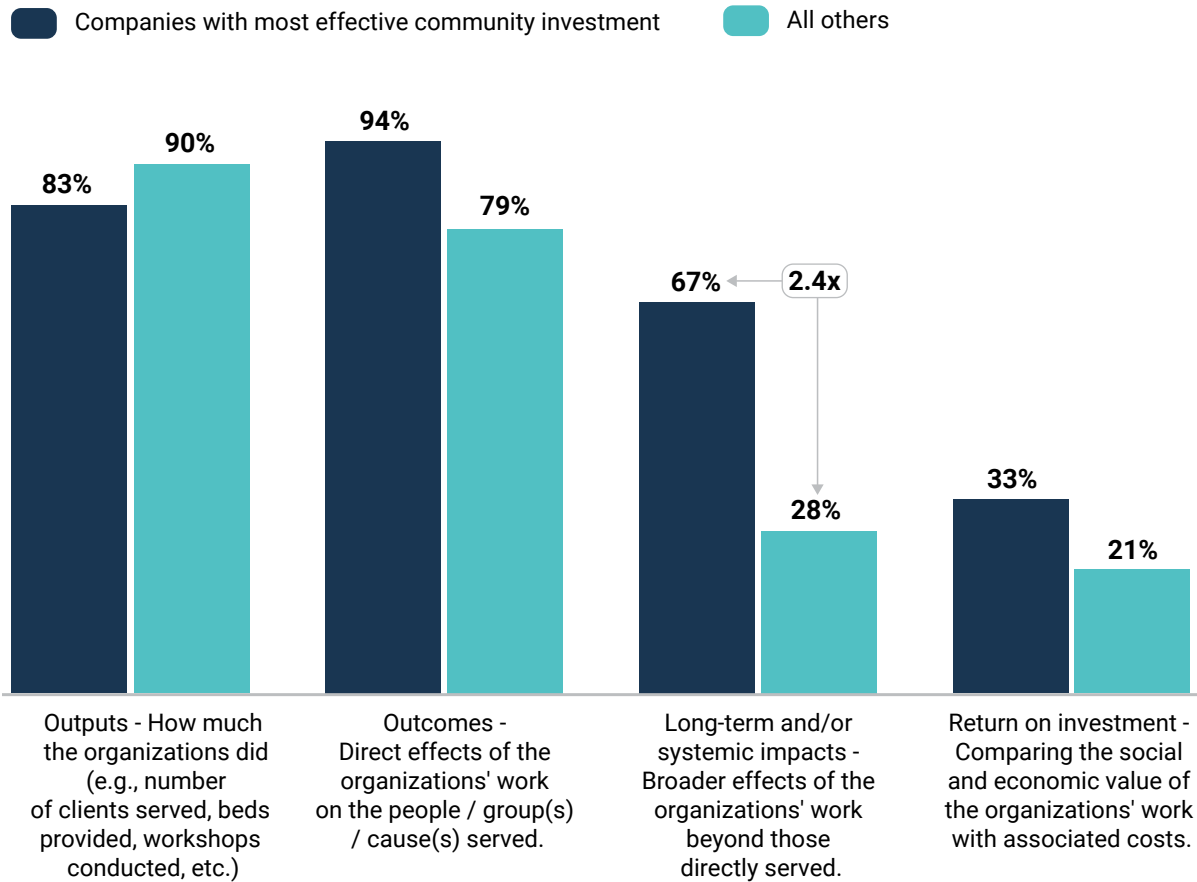
Measuring both business and social impact is also associated with more giving. In the United States from 2015 to 2017, a matched sample found that those that measured both business and social impact increased their donations by 50% more than those that just measured social impact (18% versus 12%, after inflation) (Chief Executives for Corporate Purpose, 2019). For net giving, this is a positive sign as more and more companies are measuring the impact of both their business and social impact. (Chief Executives for Corporate Purpose, 2019).

THE MOST EFFECTIVE COMPANIES ARE FAR MORE LIKELY TO FOCUS ON LONG-TERM IMPACTS

Looking at the types of measurement respondents focus on getting feedback from funded organizations, we can see that, for most, the rates of adoption were similar between the most effective companies and other companies. Both the more effective companies and other companies are about as likely to focus on measuring outputs (83% versus 90%) or outcomes (94% versus 79%). On the other hand, the most effective companies are far more likely to be focused on long-term and/or systemic impacts of their investments (67% versus 28%).

WHAT COMPANIES TELL US

PERCENTAGE OF COMPANIES REPORTING HAVING ASKED FUNDED ORGANIZATIONS TO USE VARIOUS TYPES OF MEASUREMENT AND EVALUATION ACTIVITY



Source: Leading Companies Survey (n = 65)



MEASUREMENT MODELS: WHAT ARE INPUTS, OUTPUTS, AND IMPACTS

There is a challenge in using the term community investment, as the concept is often confused with the larger spectrum of corporate social responsibility (CSR), and because the interpretation of community investment can differ across regions, industries, and according to ideological approach.

Whereas CSR includes everything a company does to meet the societal expectations of business—diversity policies, supply chain management practice, ethical investing, stewardship of the environment, etc.—community investment is more specific. It is defined as the voluntary contributions a company makes to charities or community organizations.

The global standard for understanding community investment—and the standard used within this report—is the LBG International framework (figure to the right). It is used by the Dow Jones Sustainability Index, the Global Reporting Index, and has been adopted by Imagine Canada's Caring Company Program through its partnership with LBG Canada. The LBG International framework helps companies overcome reporting challenges by enabling consistent management and measurement of community investment. It allows for reliable and effective benchmarking among companies, industries and regions, empowering businesses to strategically position their community investment and to tell a better story.

*Source: Adapted from Imagine Canada and LBG Canada's 2017 report
A Canadian Opportunity: Corporate Community Investment Leadership
(Hurvid, 2017)*

THE LBG INPUT/OUTPUT/IMPACT MODEL



Inputs: What's contributed

The resources a company provides to support community activity.

How:

Cash, time, in-kind, management cost

Why:

Charitable gift, community investment, commercial initiative in the community

What:

Issue addressed (education, health etc.)

Where:

Location of activity



Outputs: What happens

The activities delivered, numbers reached, funds raised and business-related activity resulting from the contributions made.

Community outputs:

Numbers helped, activities held, etc

Leverage:

Additional funds raised

Business outputs:

Media coverage, awareness among customers, employees, etc



Impact : What changes

The changes that happen to individuals, organizations and the company, in the short or long-term, as a result of the activity.

Community impacts:

Change in beneficiaries, organizations and/or society

Business impact:

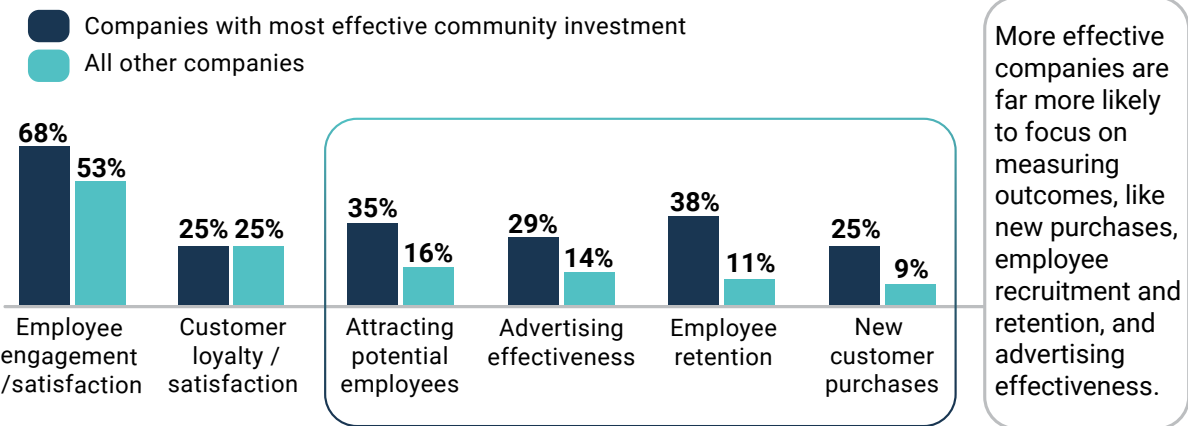
Change in business performance

THE MOST EFFECTIVE COMPANIES FOCUS FAR MORE ON OUTCOMES FOR THE BUSINESS THAN DO OTHERS

When we look at the specific outcomes that they measure, we see there are distinct differences between the most effective companies and all other companies. While both groups of companies are about as likely to measure the impact of community investment on employee engagement/satisfaction or customer loyalty/satisfaction, the most effective companies were far more likely to focus on specific business outcomes like employee recruitment and retention, advertising effectiveness, or new purchases.

WHAT COMPANIES TELL US

BUSINESS INDICATORS USED TO MEASURE SUCCESS, MOST EFFECTIVE COMPANIES VERSUS OTHERS



Source: Leading Companies Survey (n = 65)

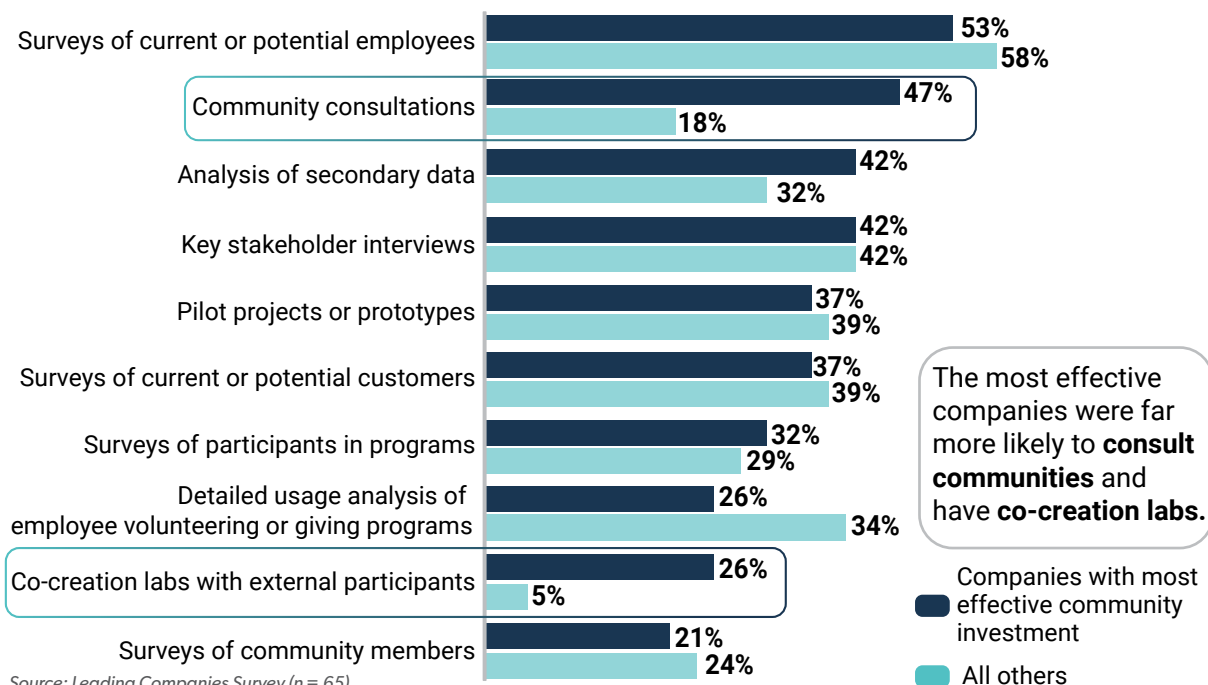
MORE EFFECTIVE COMPANIES WERE MORE LIKELY TO CO-CREATE AND CONSULT WITH EXTERNAL COMMUNITIES

For the most part, the actual methods that companies of all kinds use to examine their community investment activities are similar; companies use similar tactics to measure what they do. The critical difference is more about what they are trying to measure: the results and outcomes. However, the two areas that were distinctly different for the most effective companies versus other companies were the degree to which they engaged in community consultations (47% of leading companies versus 18% of others) and co-creation labs with external participants (26% versus 5%).



WHAT COMPANIES TELL US

RATE OF ENGAGING IN CERTAIN RESEARCH AND EVALUATION ACTIVITIES, MOST EFFECTIVE COMPANIES VERSUS OTHERS



CONSIDERATIONS TO IMPROVE CORPORATE MEASUREMENT AND EVALUATION PROGRAMS

- Set objectives that can be attributed to community investment
- Establish baselines for key measures
- Focus on outcomes and impacts, not just inputs and outputs
- Gather both qualitative and quantitative data
- Consider innovation measurement and evaluation techniques like prototypes, community consultations, and experiments
- Segment internal stakeholders to understand how perceptions of the organization or programs may differ
- Integrate community investment measurement into broader surveys and measurement frameworks
- Set up automated reporting
- Make measurement participatory, including many stakeholders
- Report back to key stakeholders on results and be honest about improvements and declines

Source: Influenced by International Finance's Corporation Strategic Community Investment (International Finance Corporation, 2010)

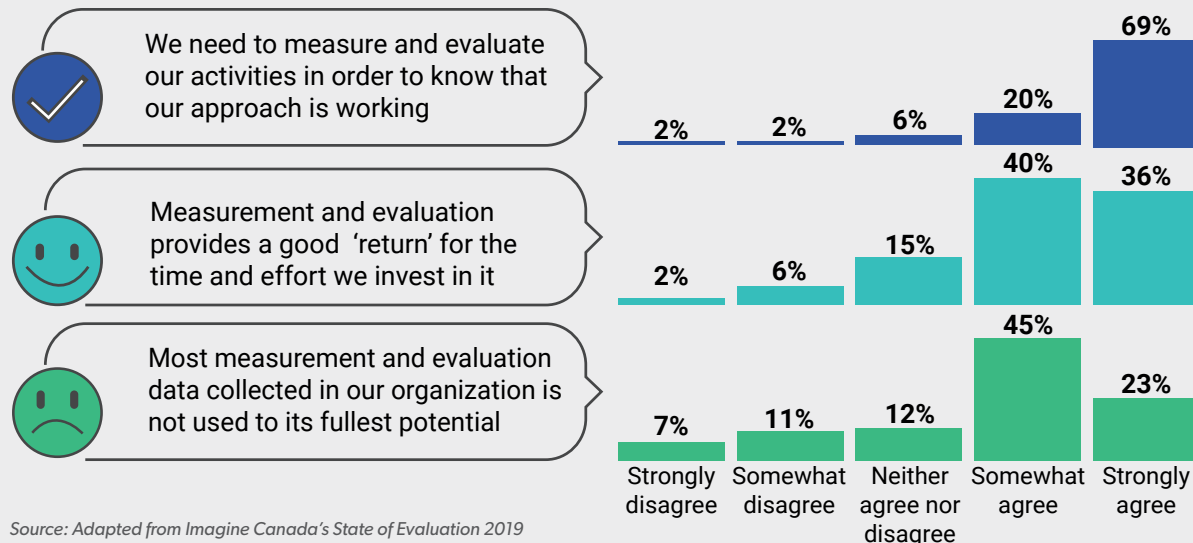
Suncor and the **Suncor Energy** Foundation also focus on community consultations and co-creation. In their fourth Gathering they brought together "approximately 155 funding partners, social innovators, government and community representatives, Indigenous youth, thought leaders and Suncor team members" for a two-and-a half day event to help explore complex community problems that no participants could solve on their own (Suncor Energy Inc., 2019).

KEY EVALUATION INSIGHTS FROM IMAGINE CANADA'S 2019 STATE OF EVALUATION REPORT (LASBY, 2019):

- Almost seven in ten (69%) of charities strongly agree that evaluation and measurement are needed but only 23% strongly agree they are using their current data to its fullest potential
- While nearly everyone agrees that evaluation is needed, only 36% strongly agree the way they do it now provides a good return for the time and effort they invest in it and an additional 40% somewhat agree
- The most critical enablers for evaluation were support from organizational leadership (64%), staff buy-in (55%), and staff knowledge, skills, and tools (51%)
- The biggest barriers for evaluation were financial resources (61%), staff time (61%), and capacity of funded/supported organizations (48%)
- For those that do not have staff resources but do have financial resources, 86% of those that used an external evaluator at least somewhat agreed it was a good use of resources and 85% felt that it improved their work



OPINIONS ABOUT EVALUATION



Source: Adapted from Imagine Canada's State of Evaluation 2019



For more information on evaluation in the Canadian charitable sector see:
<https://imaginecanada.ca/research>

The State of Evaluation Report
 was generously
 supported by the RBC Foundation



Fondation

LEVERAGING TECHNOLOGY

THE MOST EFFECTIVE COMPANIES ARE MUCH MORE LIKELY TO BE USING SOFTWARE TO MANAGE GIVING AND TO HAVE COMMUNITY INVESTMENT SPECIFIC REPORTING SOFTWARE

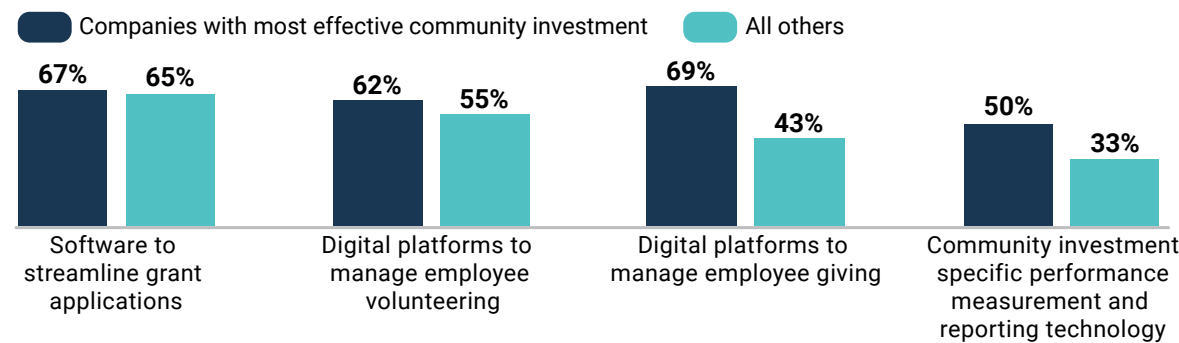
There were significant differences between the most effective companies in using digital platforms to manage employee giving (69% versus 43%) in large companies. Earlier in this report, we also discussed that the most effective companies have much higher participation in their employee giving programs (50% of employees versus 22% of employees, see page 23).

The more effective companies were more likely to have developed or implemented community investment specific performance measurement and reporting software (50% versus 33%), consistent with their broader overall focus on measurement and reporting discussed in the previous section.

On the other hand, there were relatively small differences in rates of using platforms to streamline grant applications between the most effective companies and other companies. Similarly, there were relatively small differences in having digital platforms to manage employee volunteering. We did observe considerable differences in employee participation rate in volunteer programs between effective companies and other companies (54% versus 33%, see page 23), so this may also speak to how software alone cannot guarantee higher volunteer participation without appropriate organizational culture and structures in place to leverage the enthusiasm of employees.

WHAT COMPANIES TELL US

TECHNOLOGY USED IN COMMUNITY INVESTMENT, LARGE COMPANIES ONLY (1000+ EMPLOYEES)



Source: Leading Companies Survey (n = 65)



SOME FEATURES IN COMMUNITY INVESTMENT SOFTWARE ARE ASSOCIATED WITH HIGHER PARTICIPATION BY EMPLOYEES

The characteristics of giving software may also be particularly influential in driving differential participation rates. For example, Blackbaud, one provider of software to manage employee giving, among other things, found that 86% of clients that offer peer to peer fundraising have above average engagement rates with their program (Your Cause + Blackbaud, 2019). Benevity, the largest provider of software in this space according to our respondents (see table) has found that companies that match employee contributions to any charity have twice as high donation rates as those that match only specific charities. Also, those companies that gave employees a specific amount to contribute to charity saw their community investment programs attract 117% more participants (Benevity, 2015), while increasing the maximum match by \$1 increased total donations through programs by 25 cents (Benevity, 2017).

USING COMMUNITY INVESTMENT SOFTWARE LINKED TO HIGHER PERCEIVED EFFECTIVENESS AT RETAINING STAFF VIA COMMUNITY INVESTMENT

While the specific tools that community investment professionals use is outside the scope of this study, the data that companies shared is below. While we do not investigate the differences between software vendors, it is clear that those that are using software are far more likely to believe that they are doing a good job of retaining staff through community investment programs.

WHAT COMPANIES TELL US

COMMUNITY INVESTMENT TECHNOLOGY USED

Technology Vendor	% of respondents
Benevity	30%
Sponsorium	11%
CyberGrants	9%
Blackbaud	6%
SmartSimple	6%
Internally developed tool (Sharepoint 4%, Salesforce 2%)	17%
Other (Frontstream, Sign-up Genius, Do Some Good, Canada Helps)	15%

Source: Leading Companies Survey (n = 65)

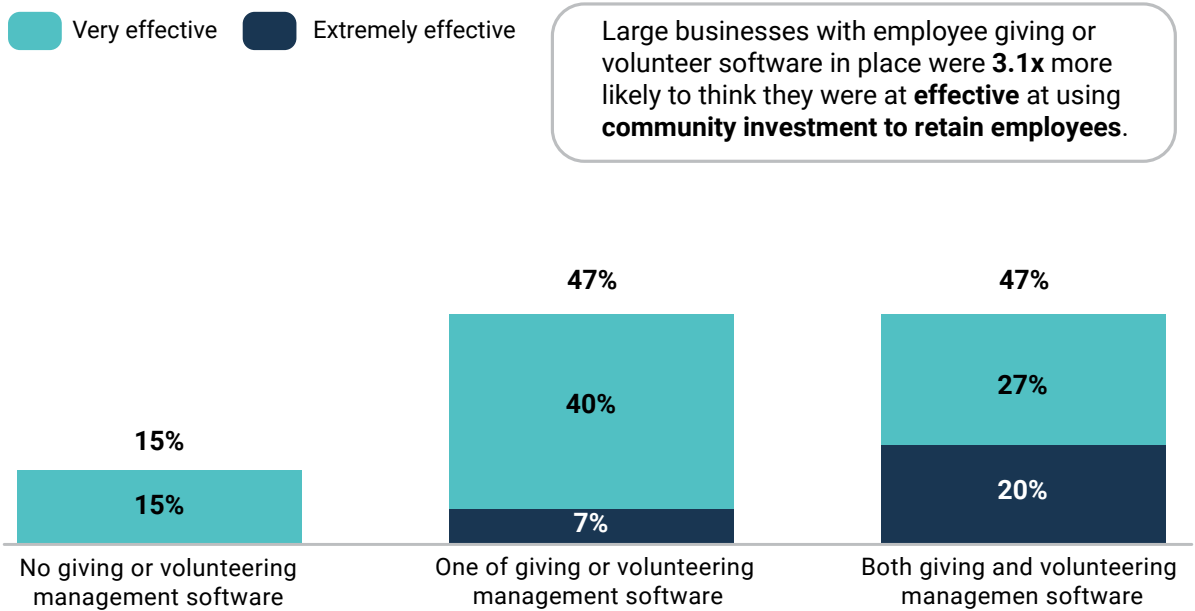
Looking at the perceptions of companies, there is a strong relationship between using tools to help manage employee volunteering and donations, and better results. Even among large companies with 1,000 plus employees that, broadly speaking, are more likely to have the resources to invest in software, only 15% of those that had no software solutions in place felt they were very or extremely effective at using community investment to retain employees, with none saying they are very effective. On the other hand, of those that used either giving or volunteer software but not both, 47% believed they were at least very effective at using their community investment to retain employees, with 7% thinking they were extremely effective. For companies in this category that implemented both, they were 2.8x as likely to think they were extremely effective at retaining employees.

These differences speak to the critical enabling impact of these software tools. As the research outlined above shows for donations, a number of the features of software tools can be useful in helping magnify participation and increase donations, and should be considered an important part of the employee

engagement strategy for any large business. Many businesses we spoke to were quite happy with internally developed tools while others were extremely satisfied with external tools. But the critical difference was that when the systems were in place to leverage their employees’ time, effort, and dollars, companies felt they were doing much better at engaging employees and retaining their talent.

WHAT COMPANIES TELL US

PERCEIVED EFFECTIVENESS OF COMMUNITY INVESTMENT AT DRIVING EMPLOYEE RETENTION, BY SOFTWARE USED, LARGE BUSINESSES ONLY (1000+ EMPLOYEES)





Source: Leading Companies Survey (n = 65)



APPENDIX

DETAILED METHODOLOGY

	 National Workforce Survey	 Leading Companies Survey
Description	Span all types of companies from large to small	Many of the largest companies in the country
Sample	N = 1506; relatively representative sample of Canadian employees; excludes self-employed.	N = 65; Represent \$592 million in annual giving, almost 15% of the estimated total corporate giving in the country.
Sample sources	Logit Company Panel of Canadians	The survey was distributed in partnership with the Business Council of Canada, Volunteer Canada, LBG Canada, the Conference Board of Canada
Focus	Opinions on their employers' community and charitable activities, whether they participate, how they perceive these activities, and how they perceive their job and employers	Questions about the scale and scope of their community investments and their opinions on its effectiveness
Notes	Canadian employees do include employees of nonprofits, governments, and charities. The questions were filtered so that questions that were not appropriate for the audience were not asked.	Key information provided by companies on donation amounts were validated through public data to confirm the accuracy of the donation numbers.
Label in the report	WHAT EMPLOYEES TELL US	WHAT COMPANIES TELL US
Source	National Workforce Survey	Leading Canadian Company Survey



NATIONAL WORKFORCE SURVEY

The 2019 Employee Survey was conducted between August 6th and August 14th, 2019.

The study was conducted using a national opt-in panel administered by The Logit Group. Ignite-Lab was responsible for the study design and overall project management. The author of this report contributed to the design, questionnaire development, and conducted the analysis for the report. Participants completed the survey instrument on-line from either a mobile device or a desk-top computer.

Potential study participants were pre-screened to ensure that they were employed full-time or part time. A small sub-sample of people temporarily out of the workforce was also included.

THE SCREENING RECORDS ARE REPORTED ON THE CHART BELOW:

Total Sample	1506
Employed full time	1290
Employed part time	190
Looking for work	26

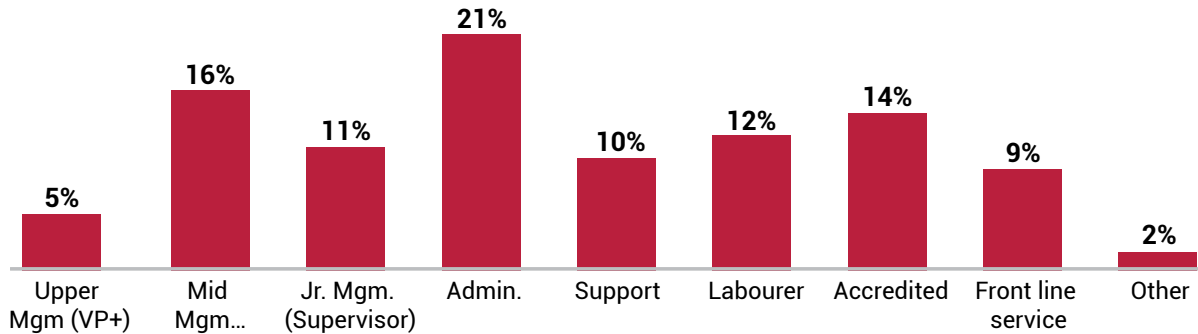
The survey was administered in both official languages; 1188 (79%) were completed in English and 318 (21%) in French. On average, participants required 15 minutes to complete the questions.

The sample was designed to replicate the Canadian population who are employed. Sample quotas for region and demographic characteristics were monitored to ensure that the sample matched the population at large. A sample of this size has a confidence interval of +/- 2.5 percentage points.

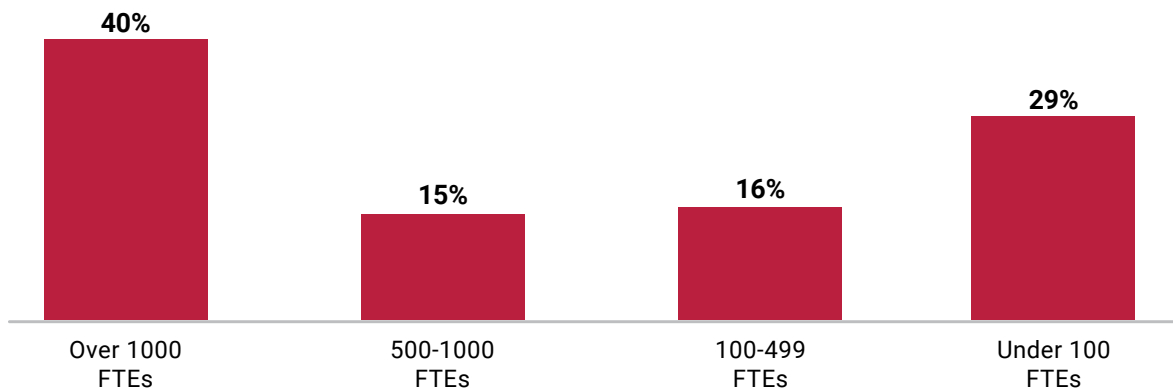
EMPLOYEE SURVEY SAMPLE BREAKDOWN

Total	1506
• Male	723
• Female	778
• 18-22 (Gen Z)	35
• 23-38 (Millennials)	617
• 39-53 (Gen X)	519
• 54-73 (Baby Boomers)	335
• West	452
• Ontario	595
• Quebec	354
• Atlantic	105

POSITION



SIZE OF ENTERPRISE



LEADING COMPANY SURVEY

65 companies participated this year and contributed \$592 million to charities and nonprofits. Our respondents accounted for more than 10% of the total \$4 billion estimated Canadian corporate giving (Lasby & Barr, 2018).

Survey data was collected via an online survey link and distributed to Imagine Canada Caring Companies, LBG Canada Participants, Volunteer Canada participants, the Conference Board of Canada's Community Investment Group, and to select Business Council of Canada members. Select community investment professionals were also invited to respond. Survey participants typically took 15 to 20 minutes to complete all of the questions. The survey was open from May until August 2019.

To determine which companies were "most effective companies" at community investment, all respondent companies were asked to answer two questions "Overall, on a scale of 0 to 10, how effective do you believe your company's community investment program has been at helping achieve your company's business goals?" and "Overall, on a scale of 0 to 10, how effective do you believe your company's community investment program has been at achieving social impact in your priority areas?". Results of these two questions were added together and any company scoring at least 15 on the two metrics was classified as one of the "Companies with most effective community investment" at community investment. In total 22 companies (34%) were classified as leaders whereas 43 companies were not.

All respondents were asked to identify the company they represent to ensure that contribution totals or employee counts were not doubled or otherwise erroneously reported. The clear majority of respondents

represented different businesses, but we identified several duplicates and calculations were adjusted accordingly. Where possible, numbers were compared to publicly available documents to ensure the accuracy of information. All responses were confidential. All examples included in the report were sourced from publicly available information or directly from respondents after explicit permission was sought and granted.

Throughout this report, some differences were statistically significant, and some were not. Whenever direct comparisons between categories were made throughout, the results were statistically significant. Some ratios were calculated in the report based on data in the charts were rounded for simplicity purposes or to reduce confusion.

FIRMOGRAPHIC BREAKDOWN OF SAMPLE

		Count
Employees	Unknown	2
	Less than 99	6
	100 to 999	13
	1000 to 9,999	28
	10,000 +	16

DOES YOUR COMPANY PREDOMINANTLY GENERATE REVENUE FROM SALES TO ORGANIZATIONS OR TO CONSUMERS?

We are business to business (B2B)	22%
We are business to consumers (B2C)	37%
About equal focus B2B and B2C	41%

WHICH STRUCTURE BEST DESCRIBES YOUR COMPANY?

Private Corporation	36%
Public Corporation	27%
Crown Corporation	3%
Sole-Proprietorship	0%
Partnership	7%
Credit Union	15%
Other Co-operative	6%
Other	6%



CARING COMPANIES



18 Asset Management

Access Communications
Co-operative Limited

Alectra Inc.

BarterPay Canada Inc.

Bayshore HealthCare

BCAA

BlueShore Financial

Carters Professional
Corporation

CIBC

Coast Capital Savings

Connect First Credit Union

Digital Echidna

ENMAX Corporation

Federated Co-operatives
Limited

Fidelity Investments Canada
ULC

First West Credit Union

GlaxoSmithKline Inc.

Great-West Life Assurance
Company, London Life and
Canada Life

Harvey McKinnon Associates

Highstreet Asset Management

Innovation Credit Union

Investors Group

Johnston Group Inc.

KCI (Ketchum Canada Inc.)

KPMG

Loblaw Companies Limited

Mackenzie Investments

Manitoba Liquor & Lotteries

Manulife Financial

Mawer Investment
Management Ltd.

MD Financial Management,
CMA Companies

MEC (Mountain Equipment
Co-op)

Medavie Blue Cross

Meridian Credit Union

NAV CANADA

Nestlé Waters Canada

Partnership Group -
Sponsorships Specialists

PearTree Canada

Power Corporation of Canada

PwC Canada

Prospera Credit Union

Raymond James Ltd.

Royal Bank of Canada

Sandstone Asset Management
Inc.

Selectpath Benefits & Financial
Inc.

Shoppers Drug Mart

SiMPACT Strategy Group

Smith's Funeral Homes
(Burlington) Limited

Stratos Inc.

Sun Life Financial

TD Bank Group

TELUS

Terrapure Environmental

The Co-Operators Group
Limited

Trico Homes Inc.

Trisura Guarantee Insurance
Company

Tundra Process Solutions

Wealth Creation Preservation &
Donations Inc.

Westminster Savings Credit
Union

WFCU Credit Union

Woodbine Entertainment
Group

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ENDNOTES

ⁱIn the chart, donation programs are defined as the employee participating in any of a workplace giving campaign, payroll giving, or having their donations matched by the company. An employee volunteering participating in a volunteer program is defined as participating in a company wide day of service, the company having given paid time off to volunteer, the company donated to organizations the employee volunteered with, the employee participated in pro-bono projects, the company allowed the employee to adjust their schedule to volunteer, or the company provided access to company equipment or facilities for the employee's volunteer work.

ⁱⁱFull question text: "Hypothetically, if you were looking at two identical jobs; one with an employer heavily involved in supporting the community and another with an employer that was significantly less involved would you be willing to take a lesser base salary to work at the firm more involved in supporting the community? Yes / No / Depends."

ⁱⁱⁱFull question text: "When searching for a new job most recently, did any of the following influence your interest in working there? The employer/ potential employer had a reputation for its charity work or supporting good causes in community. A lot, Somewhat, Not really."

^{iv}"To determine which companies were "most effective companies" at community investment, all respondent companies were asked to answer two questions "Overall, on a scale of 0 to 10, how effective do you believe your company's community investment program has been at helping achieve your company's business goals?" and "Overall, on a scale of 0 to 10, how effective do you believe your company's community investment program has been at achieving social impact in your priority areas?". Results of these two questions were added together and any company scoring at least 15 on the two metrics was classified as one of the "Companies with most effective community investment" at community investment. In total 22 companies (34%) were classified as leaders whereas 43 companies were not."



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