

Minnesota Business Giving



THE BUSINESS OF GIVING BACK

2002 Survey of Business Giving and Community Involvement

Comprehensive Survey Results and Analysis

BBIC Building Business
Investment in Community

A statewide collaboration to strengthen Minnesota's business giving and community involvement tradition.

Minnesota Business Giving: The Business of Giving Back

Comprehensive Survey Results and Analysis

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Summary

This statewide survey of 595 business establishments is intended to inform the Building Business Investment in Community initiative (BBIC) about the current state of business philanthropy in Minnesota and to guide BBIC's strategies. It provides a rare glimpse at the bigger picture of business philanthropy in Minnesota – not just large-scale corporate and foundation giving, but the giving and community involvement practices of all sizes and shapes of businesses. It also establishes baseline measures useful for assessing changes accomplished by BBIC.

Results are based on telephone surveys with 595 randomly selected business establishments, representing very small (less than 20 employees), small (20-99 employees), medium (100-499 employees), and large (500 or more employees) business establishments throughout the state. The survey response rate is 69 percent, with 20 percent not interested or refusing to participate, 10 percent not able to be scheduled or completed in the allotted time frame for the study (February-June, 2002), and 1 percent completing only partial surveys.

The survey results describe a very positive picture of business philanthropy in Minnesota. The high levels of participation in charitable giving and community involvement are influenced by both business citizenship and community expectations. The results also show that most businesses have not formalized their charitable giving and community involvement. The key findings are:

Many business establishments are family-owned; and most, especially those in greater Minnesota, make their own philanthropic decisions.

Among businesses with less than 20 employees, 39 percent identify their business form as a sole proprietorship, followed by S-corporation (28%). Small businesses (with 20 to 99 employees) most often identify themselves as S-corporations (34%) or other types of privately-held corporations (31%). Medium and large businesses (100 or more employees) most frequently identify their business as a publicly traded corporation or some type of a privately held corporation.

More than three-quarters of the very small businesses surveyed and 56 percent of the small businesses surveyed are family owned (more than half of the ownership in one extended family). Overall, 37 percent of business establishments in Minnesota surveyed with 20 or more employees are family owned.

Regarding business status, 70 percent of very small businesses (less than 20 employees) and 36 percent of small businesses (20-99 employees) indicate they are an independent

firm with only one location. Overall, 52 percent of businesses with 20 or more employees report being a branch office or division of a company, followed by a headquarters site for a business with branch establishments (26%).

Ninety-two percent of very small business establishments and about 83 percent of business establishments with 20 or more employees report that they make decisions for themselves or in combination with their headquarters.

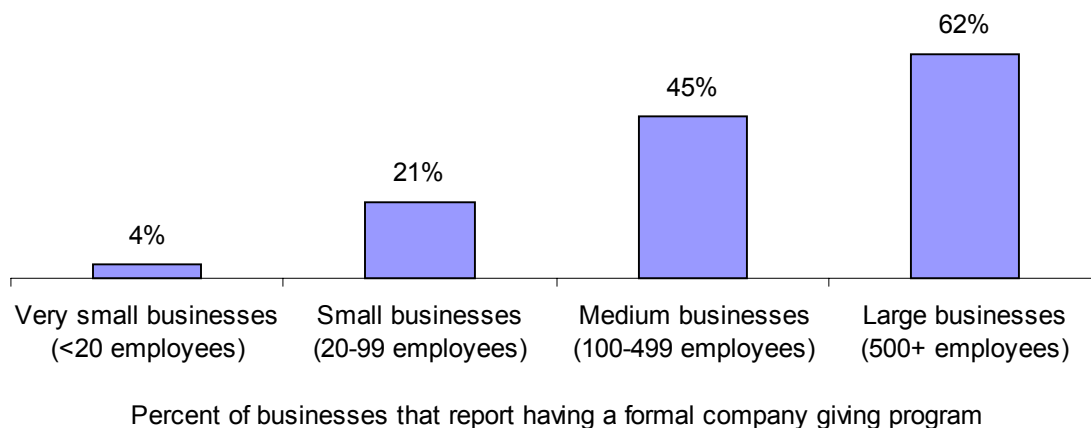
Charitable activities or community involvement are most common in larger businesses, and type of involvement varies by the size of the business.

Employees serving on civic, non-profit, or agency boards or committees is the most frequently identified charitable activity, reported by 32 percent of very small businesses and 73 percent of other businesses.

Very small businesses also report community partnerships with one or more nonprofit organizations or schools (23%) and participation or time involvement in public campaigns for community causes (15%).

Businesses with 20 or more employees also report workplace charitable campaigns organized by employees (65%) and community partnerships with one or more nonprofit organizations or schools (53%).

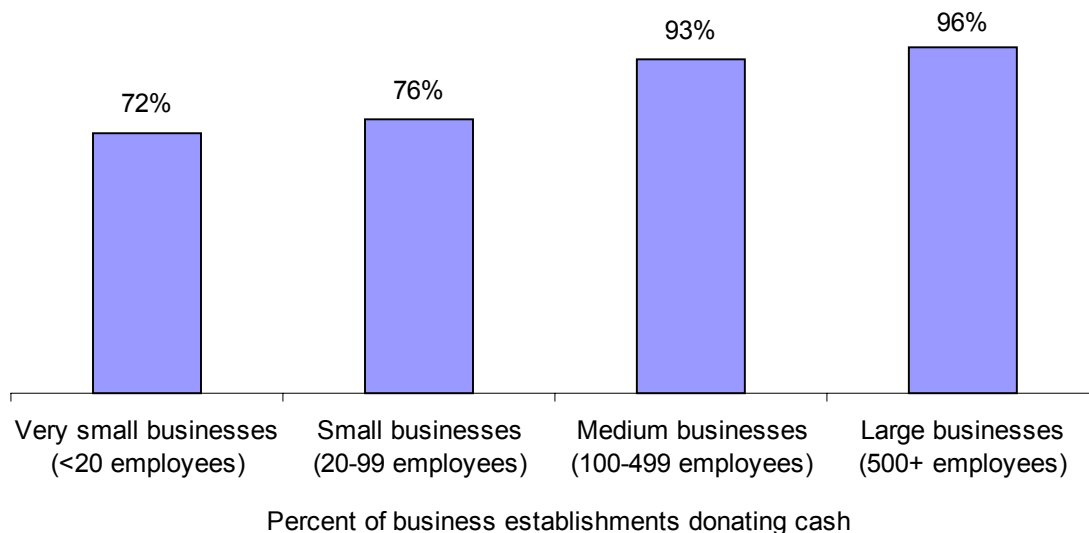
Formal giving programs are not the norm.



Businesses most commonly contribute cash; but many also contribute products and services and encourage employees to volunteer.

Donating cash directly to clubs, tax-exempt organizations, and so on is the most common contribution. Other frequently identified contributions include: purchasing tickets or items unrelated to the business (51% very small and 63% other businesses), donating company products (44% of very small and 59% of other businesses), providing or encouraging employees to volunteer for community events, service programs or service organizations (41% very small, 57% small, 73% medium, and 84% large businesses), and sponsoring any scholarship, educational program, community event, or sports team (35% of very small and 73% of other businesses). The percentage of businesses reporting cash donations and encouraging employees to volunteer in their community is similar in the three regions we analyzed (north, metro, south). Among businesses with 20 or more employees, those outside the metro area are more likely to report donating company products in the last year than those in the metro area (66% compared with 54%).

Cash is the most common contribution.

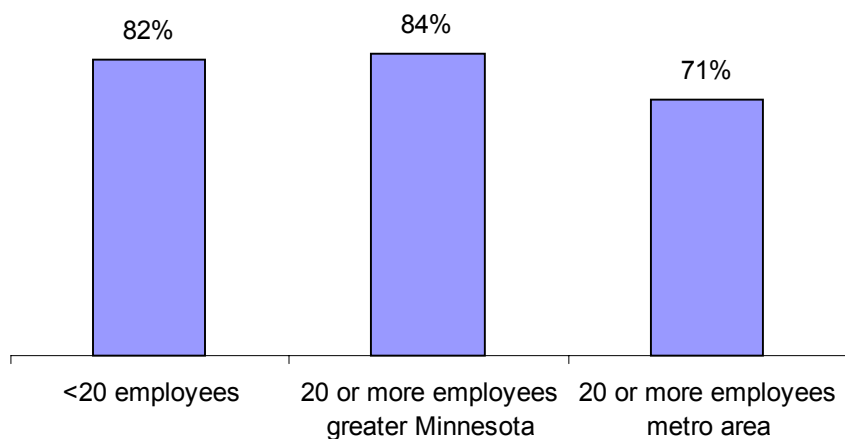


Eighty-six percent of large businesses and 61 percent of medium businesses report running a payroll deduction program for employee contributions, compared with 30 percent of small and 6 percent of very small businesses.

Most businesses gave about 1 to 2 percent of gross revenue last year and say their contributions next year will stay about the same or increase. Smaller businesses give proportionately more.

Based on 412 businesses that provided a dollar value of their charitable contributions, which includes non-cash gifts such as donations of equipment, staff time, or use of meeting space, very small businesses report an average total dollar value of about \$4,700 and a median value of \$1,000; larger businesses (20 or more employees) report an average total dollar value of about \$376,000 and a median value of \$15,000.

Businesses tend to give locally.



Average percent of contribution reported within the local community

On average, very small businesses report contributing 1.6 percent and larger businesses report contributing 0.6 percent of their annual gross revenue last year. Forty-one percent of very small businesses, 61 percent of small businesses, 75 percent of medium businesses, and 73 percent of large businesses report donating up to one-half (0.5) percent of their annual gross revenue. Overall, 19 percent of very small businesses and 7 percent of larger businesses report donating more than 2 percent last year.

Thinking about next year, about two-thirds of very small and small businesses and about half of medium and large businesses expect the amount of their charitable contributions to stay about the same. About a quarter of the businesses surveyed expect contributions to increase. Among very small businesses, respondents in the metro area (28%) and the northern part of the state (29%) are more likely than their counterparts in southern Minnesota (16%) to say that the amount of their charitable giving will go up next year.

Few businesses track the dollar value of their community involvement or ways they have been a community partner. Ten percent of very small businesses and about 14 percent of larger businesses say they track this information.

Helping and giving back to their communities motivate business charitable giving and community involvement. Large businesses place more emphasis on reputation and recognition.

Business respondents were asked to identify, in their own words, the most important reasons for and the business benefits of charitable giving and community involvement. We grouped their responses into categories.

Across all business sizes, altruism (giving back to the community, corporate responsibility) is the most frequent reason cited for charitable giving and community involvement (86% of very small business and about 90% of other businesses). Reasons related to productivity (profit, employee recruitment and retention) are the second most frequent type of motivation. Interests of employees and shareholders are more important to large businesses (31%) than to medium (17%) or small businesses (10%).

Building or enhancing a positive reputation is the most frequently named benefit, cited by 37 percent of very small businesses, 48 percent of small and medium businesses, and 68 percent of large businesses. Very small businesses also say that their donations were not intended to benefit themselves (35%). Other businesses say that giving benefits employees (38%) and that it strengthens the community (30%).

Seventy-seven percent of large businesses say public recognition for their philanthropy is very or somewhat important. Among very small businesses, 44 percent indicate public recognition is not important at all, and 39 percent say it is very or somewhat important. Among small and medium businesses, about half say public recognition is very or somewhat important.

CEO/owner values and business citizenship, more than other factors such as strategic business interests or employee interests, influence business charitable contributions.

Respondents were asked to identify the single most important factor in decisions about contributions. Among very small businesses, 35 percent identify CEO values as the most important factor, followed by the importance of the organization or project to the community (14%) and the condition of the business (11%). Among larger businesses, 24 percent identify business citizenship as the most important factor, followed by importance of the organization or project (18%), and CEO values and the soliciting organization's quality (14% each).

The bottom line is the top identified barrier to increasing charitable donations or involvement, followed by time and interest.

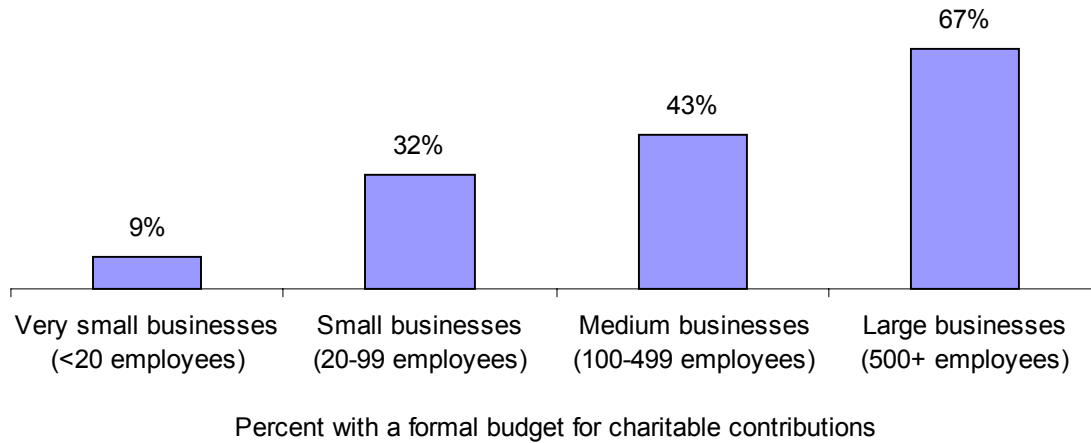
About three-quarters of very small businesses and about 70 percent of other larger businesses (20+ employees) say no or limited profits are barriers to increasing charitable donations. About a quarter of large businesses also identify the limited interests of management or the decision making structure as a barrier to increased donations.

About half of very small businesses and about 42 percent of other larger businesses say lack of time is a barrier to increasing community involvement, followed by no or limited profits (25% and 20% respectively). Large businesses also identify too few or too busy employees (25%) as a barrier.

Owners tend to decide about business giving and community involvement in very small and small businesses, and management tends to decide in larger businesses.

Among very small businesses, respondents most frequently report that owners decide (95%), followed by management (40%) and family (35%). (Respondents could identify more than one group or person.) Among small businesses, owners (75%) and management (67%) are the most commonly cited decision makers, followed by a designated person (35%) and employees as a whole (28%). Among medium businesses, management (74%) tops the list of decision makers, followed by owners and a designated person (46%), a designated committee (38%), and employees as a whole (32%). Among large businesses, management (77%) tops the list, followed by a designated person (62%) and a designated committee (51%).

The majority of businesses do not have an advisory committee, although the proportion with an advisory committee goes up as the size category goes up, with 31 percent of medium businesses and 41 percent of large businesses having advisory committees. Most (89%) report that employees are committee members, along with management (19%) and community members (14%).

Most businesses do not have formal budgets for charitable contributions.**Business executives find encouragement for philanthropy coming more from the community at large than from their business peers or customers.**

More than 80 percent of the top executives or decision-makers of the business establishments surveyed live in the same community where their business is located, and they have lived there, on average, more than 20 years.

We asked business executives to rate how much their business peers, customers, and community residents as a whole encouraged their business with regard to charitable giving and community involvement.

Among very small businesses, 38 percent rate business peers as very or somewhat encouraging; 42 percent rate customers as very or somewhat encouraging, and 50 percent rate community residents as a whole that way. “No expectations” is the most common rating for all three groups.

Among small businesses, 55 percent rate business peers as very or somewhat encouraging; 57 percent rate customers as very or somewhat encouraging, and 65 percent rate community residents as a whole that way.

Among medium businesses, 54 percent rate business peers as very or somewhat encouraging; 44 percent rate customers as very or somewhat encouraging, and 74 percent rate community residents as a whole that way.

Among large businesses, 76 percent rate business peers as very or somewhat encouraging; 68 percent rate customers as very or somewhat encouraging, and 78 percent rate community residents as a whole that way.

Among executives in businesses with 20 or more employees, those in the northern part of the state (76%) are more likely than those in metro area (57%) and southern part (63%) to rate their business peers as very or somewhat encouraging. In addition, those outside the metro area are more likely than those in the metro area to rate the community residents as a whole as very or somewhat encouraging (81% compared with 69%).

Most executives personally contribute cash gifts now but have no estate plans that include charitable gifts.

Cash gifts are the most common type of personal charitable activity for business executives, ranging from 62 percent for heads of large businesses to 73 percent for heads of small businesses. Serving on non-profit boards or committees and volunteering for organizations are the next most frequent types of charitable involvement reported.

Executives at large businesses have the highest percentage with an estate plan that includes charitable gifts (45%), followed by medium businesses (32%), small businesses (27%), and very small businesses (16%). Metro area business executives are the most likely to report having estate plans that include charitable gifts (22% of very small businesses and 38% of businesses with 20 or more employees).

Most business executives consult family members about their personal charitable contributions, ranging from 60 percent for executives of very small businesses to 74 percent of their counterparts in large businesses. Peers, clergy, and accountants are the next most frequently mentioned advisors.

Baseline index of charitable giving and community involvement among businesses with 20 or more employees

Indicators	Baseline level
Local decision-making about charitable giving	83%
Donates cash directly to clubs or tax-exempt groups	88%
Donates company products, some type of in-kind service, or assets	87%
Provides or encourages employees to volunteer	70%
Formal company giving program	41%
Formal annual budget for charitable contributions	46%
Workplace charitable campaigns by employees	65%
Runs a payroll deduction program for employee giving	56%
Average percent of gross revenue going to charitable contributions	0.6%
Average percent donated to local community	76%
Reports “strengthens community” as business benefit of giving	30%
Reports “business citizenship” as factor to consider when giving	63%
Finds business peers encourage and expect giving and community involvement	60%

Regional variations among business establishments with 20 or more employees

We found no regional variations in the percentage of businesses reporting they donate cash and encourage employees to volunteer in their community, in the percentage of gross annual revenue going for charitable contributions, or in how the amounts contributed over the past five years have changed.

Among businesses with 20 more employees, those *in greater Minnesota* are more likely than those *in the metro area*:

- To make decisions for themselves about charitable giving and other forms of community involvement (95%, compared with 76%).
- To report donating company products in the last year (66% compared with 54%).
- To report a higher average percentage of their charitable giving going within their local community (84% compared with 71%) and a lower average percentage going outside Minnesota (4% compared with 17%).

- To say that “importance to the community” is the most important factor in deciding where to direct their charitable contributions (24% compared with 13%).

In addition, business executives *in greater Minnesota* are more likely than those *in the metro area* to rate the community residents as a whole as very or somewhat encouraging with regard to business philanthropy (81% compared with 69%).

Among businesses with 20 or more employees, those in the *southern* part of the state are more likely than businesses in the *north and metro area* to report having a formal annual budget for charitable contributions (58% compared with 44%).

Among executives in businesses with 20 or more employees, those in the *northern* part of the state (76%) are more likely than those in *metro area* (57%) and *southern* part (63%) to rate their business peers as very or somewhat encouraging with regard to business philanthropy.

Regional variations among very small business establishments (less than 20 employees)

Very small businesses in the *metro area* (28%) and the *northern* part of the state (29%) are more likely than their counterparts in *southern* Minnesota (16%) to say that the amount of their charitable giving will go up next year.

Very small businesses in the *metro area* are more likely than those in the *southern and northern* parts of the state to say that the owner’s values are the most important factor in deciding where to direct their charitable contributions (44% compared with 32% and 24%).

Very small businesses in the *southern* part of the state are more likely than other businesses to report that family members are the charitable giving decision makers (48% compared with 36% in the north and 27% in the metro area).

Among executives in very small businesses, those in the *metro area* (45%) and the *northern* part of the state (50%) are more likely than those in the *southern* part (30%) to rate their customers as very or somewhat encouraging with regard to their business philanthropy.

How family-owned businesses and sole proprietorships differ from other business establishments (20 or more employees only)

For businesses with 20 or more employees, family-owned businesses and sole proprietorships:

- are *less* likely than other legal forms of businesses to provide or encourage employees to volunteer in their communities (61% compared with 81%) and to give employees paid release time to volunteer (39% compared with 52%),
- are *more* likely to reflect the owner's or CEO's values in deciding where to make charitable contributions (20% compared with 7% say that is the most important factor),
- report a lower average estimated dollar value of cash donations and of donated products or services,
- are *less* concerned about public recognition for charitable giving and involvement (52% compared with 66% say recognition is important),
- are *less* likely to have a formal annual budget for charitable contributions (29% compared with 63%) and to have a formal company giving program (27% compared with 53%).

How small and medium business establishments compare with smaller and larger business establishments

Three factors increase as the size category (number of employees) increases: the percentage with formal giving programs, the percentage with formal budgets for charitable contributions, and the percentage that encourage their employees to volunteer.

Small businesses (20 to 99 employees) tend to be similar to very small businesses (under 20 employees) while medium businesses (100 to 499 employees) tend to be similar to large businesses (500 or more employees) with respect to the percentage that contribute cash donations, the percentage that say their contributions next year will stay about the same or increase, and whether owners or management decides about business giving and community involvement.

Small businesses and medium businesses tend to be similar to large businesses with respect to the percent of gross revenue going to all types of charitable contributions, the strong influence of CEO values and business citizenship on deciding where to direct charitable contributions, and the barriers to increasing charitable donations or involvement.

Small businesses tend to be similar to medium business with respect to the importance of reputation and recognition in charitable giving and community involvement. Also business executives in small businesses tend to be similar to their counterparts in medium businesses with respect to the percentage who find encouragement for philanthropy coming more from the community at large more than from their business peers or customers and in the percentage who have estate plans that include charitable gifts.

Regardless of their size, business establishments tend to give locally and assert that helping and giving back to their communities are the most important reasons for charitable giving and community involvement.

Implications for BBIC strategies to strengthen business investment in communities

Based on a review and discussion of study results with the BBIC Research Committee and Strategies Task Force, Wilder Research Center recommends that BBIC consider the following strategies:

1. Since so much of the business philanthropy today is tied to individuals and families, in addition to promoting formal giving programs and other more stable structures, encourage businesses to formalize their *commitment* to charitable giving and community involvement (such as the Keystone Program). Peer-to-peer modeling, encouragement, and support could be used to accomplish this strategy. Businesses engaged in various types of community involvement could also inform their peers about the many ways they could get involved.
2. Build relations with accountants and clergy to whom business executives frequently turn for advice about their personal charitable contributions (more so than to attorneys and financial advisors). Enlist the support of these professionals to deliver BBIC messages about charitable giving and community involvement.
3. Support and/or develop local recognition and awards programs. Focus on results and how the business' gift and community involvement contributed to community betterment. Programs that foster community recognition of businesses rather than self-nomination may be more effective at making businesses feel they are part of the community, which, in turn, gives them a reason to keep on giving.

Introduction

Purposes of the study

The Building Business Investment in Community initiative (BBIC) has the overall goal:

To strengthen philanthropic capital throughout the state of Minnesota by building, expanding and sustaining the investments of Minnesota businesses, their leaders and their employees in their communities.

This study was designed with the BBIC Research Committee to gain an overview of the current state of business philanthropy in Minnesota; to provide information and analysis to guide long-term marketing, communications and educational strategies to reach BBIC's overall goal; and to establish baseline measures of business philanthropy in Minnesota useful for assessing results accomplished by BBIC. The purposes of this study are to:

- estimate the amount and types of business philanthropy in Minnesota;
- describe how the practice of philanthropy may differ by type and size of business and by region;
- learn who decides and who influences philanthropic decisions, what motivates those who control the resources in business organizations to engage in philanthropy, and what barriers limit business giving and community engagement;
- describe what business owners and CEOs do personally to contribute to their communities.

Businesses surveyed

This study includes only for-profit business establishments. The focus is on establishments rather than companies because we wanted to learn about local charitable giving decisions and decision-making from local decision-makers. The study does not include the public sector, non-profits, not-for-profits, any tax-exempt organizations, persons involved in partnerships, shareholders of corporations of any size, employees, corporations without employees, and foundations (corporate and private). It describes the charitable contributions and community involvement of business establishments with local decision-making authority. (That is, the business may be a branch or plant or some other part of a parent company with headquarters in or outside Minnesota, or it may be the headquarters, but as long as it makes philanthropic decisions for itself, the establishment was eligible for the survey). This approach only counts philanthropy generated within Minnesota; it does not count gifts to Minnesota from headquarters outside Minnesota.

Definition of business philanthropy in this study

This study describes contributions *made on behalf of the business* in the establishment's last complete fiscal year at the selected location for which the decisions were made at that location. (In some cases, we also accepted information about multiple locations in the same community if a business had more than one establishment in a community and could not provide separate information about the selected location.) For establishments that are not publicly traded corporations, the donations made on behalf of the business could also include donations from business or personal accounts. Donations include all charitable contributions claimed by the business as well as business expenses for contributions given directly by the business in cash gifts, products, as part of a cause-related marketing program, and other in-kind gifts. They include local, national, and international contributions, as well as donations from established programs and one-time gifts. For businesses with a company foundation, they include contributions to the company foundation, but not the contributions by the company foundation. The figures do not include contributions to Political Action Committees, political candidates or causes, dues to trade/professional associations, or dollar amounts donated by employees through payroll deductions. They also do not include the value of volunteer time of employees done on their own time.

Survey instrument development

Wilder Research Center developed the survey instrument in conjunction with the BBIC Research Committee. The first draft of the instrument drew relevant questions from prior business philanthropy surveys, including Terry Besser's 1999 study of businesses in Iowa's small towns, Burlingame and Kaufman's (Indiana University Center on Philanthropy) 1995 study of business contributions to community service in Indiana, and a 1997 survey of corporate community involvement in Silicon Valley by the Community Foundation of Silicon Valley and Kirk Hanson.

After pilot-testing the survey instrument with 40 business owners throughout Minnesota and further review and discussion with the BBIC Research Committee, Wilder Research Center prepared a final instrument. A copy is in the Appendix.

Survey method and samples

From February to June 2002, Wilder Research Center survey staff conducted telephone surveys with randomly-selected business establishments throughout Minnesota. The Center purchased a random sample of business establishments from Dunn and Bradstreet. The approximate distribution of business establishments in Minnesota by size is: 1-19

employees (85.7%), 20-99 employees (11.6%), 100-499 employees (2.4%), and 500 or more (.3%). Accordingly, rather than selecting a proportional sample, we under-sampled the very small businesses, over-sampled the small and medium businesses, and attempted to survey all the large businesses in order to get enough in each group for analysis. In addition to stratifying the sample by size (<20, 20-99, 100-499, 500+), we stratified the sample by the seven Initiative Fund regions, which we grouped into north (Northwest, Northeast, West Central, Central), metro, and south (Southwest and Southeast). A map showing the boundaries of these regions is in the Appendix.

We set quotas of 50 completed interviews per region for each of the four business size categories for a total goal of 600 completed surveys. That would give us an overall business establishment sample with sampling error of +/- 4 percent, a sample of businesses with 20 or more employees with a sampling error of +/- 5 percent, regional sub-samples with sampling error of +/- 7 percent, and sub-samples of each of the business size categories with sampling error of +/- 7 to 8 percent.

The survey process began with an introductory letter, mailed by the Minnesota Chamber of Commerce on their letterhead and signed by David C. Olson, President. The letter, addressed to the business president, chief executive officer, general manager, or business owner, asked for their help “to better understand the charitable contributions and community involvement of businesses throughout Minnesota” and promised that all the information they provided would be kept confidential and anonymous.

Wilder Research Center survey center staff then called the businesses to explain the purpose of the study and to arrange a time to conduct the interview. Altogether, we sent letters to and attempted to contact 1,015 business establishments. In many cases the recipient of the letter designated another staff person familiar with the business’ charitable activities to complete the survey. However, in these cases, we arranged a time to complete the final section of the survey related to the personal philanthropy of the CEO, president, or owner with the person currently in that position at that establishment. As a last resort, due to the busy schedules of many executives, a few businesses completed the surveys on their own and returned them to us via mail or fax.

Response rates

A response rate is the proportion of a sample that agrees to complete a survey. The higher the response rate the higher the confidence in the representativeness of the sample data. Any response rate less than 100 percent may result in a biased sample because those who do not cooperate or participate may differ from those who do in some systematic way that affects the results of the survey. Our goal was to achieve a 70 percent response rate.

Of the 1,015 businesses contacted by mail, 152 turned out to be nonprofit organizations or cooperatives, or could not be reached or located. Of the 863 remaining businesses, 595 (69%) completed the survey, 175 (20%) were not interested or refused to participate, 84 (10%) could not be scheduled or completed in the allotted time frame for the study, and 9 (1%) completed partial surveys.

The table below shows the total number of completed interviews and response rates by region of the state and size of business.

Response rates by region and size of business

	<20 employees	20-99 employees	100-499 employees	500+ employees	Total
North	59 (64%)	60 (71%)	50 (75%)	27 (87%)	196 (71%)
Metro	52 (58%)	55 (70%)	60 (64%)	50 (76%)	217 (66%)
South	51 (65%)	53 (74%)	57 (69%)	21 (81%)	182 (70%)
Total	162 (62%)	168 (71%)	167 (68%)	98 (80%)	595 (69%)

Note: *Response rates are shown in parenthesis*

Sampling error

Sampling error is the extent to which the values of the sample differ from those of the population from which the sample was drawn. The sampling error is calculated based on the size of the sample relative to the size of the population within a selected confidence limit (typically 95%). The table below shows the total number of completed interviews and the sampling error by region of the state and size of business. The sampling errors shown are plus or minus at the mid-point of the frequency distribution (i.e., at responses of 50%). There is a 95 percent chance that these samples will have these sampling error levels or less.

Sample sizes and sampling error

	<20 employees	20-99 employees	100-499 employees	500+ employees	Total 20+ employees
North	59 (12.8%)	60 (12.5%)	50 (13.2%)	27 (0%)	137 (8.2%)
Metro	52 (13.6%)	55 (13.2%)	60 (12.5%)	50 (13.3%)	165 (7.6%)
South	51 (13.7%)	53 (13.3%)	57 (12.1%)	21 (0%)	131 (8.4%)
Total	162 (7.7%)	168 (7.5%)	167 (7.4%)	98 (7.2%)	433 (4.6%)

Note: *Sampling error is shown in parenthesis*

Analyzing and reporting results

Results are presented for each business size category and for businesses with 20 or more employees. For data analysis, the results for each category of business size are weighted to be in proportion to the regional distribution of business establishments. The results for the analysis of businesses with 20 or more employees are also weighted so that the business size categories are in proper proportion.

Results for the sample as a whole are not presented because the overwhelming proportion of all business establishments that are very small (less than 20 employees) and located in the metro area (41%) makes those results not useful for developing strategies that address various sizes of businesses statewide.

In the text, we present results of two types of comparisons when the results are statistically significant:

- comparing regional differences,
- comparing family-owned businesses and sole proprietorships with types of businesses.

Total assets, annual gross revenue, and total charitable contributions reported by financial institutions or headquarter sites that reported information for the entire business, not for the selected site only, are presented separately and are not included in the overall results.

Figures for cause-related marketing may be underreported because it may be considered a business expense, not a philanthropic one.

Throughout the report, for brevity, we use the term “business” rather than business establishment.

Characteristics of study samples

Figures 1 and 2 show the characteristics of the respondents and businesses in the study.

Profile of respondents

The title of the respondent varies according to the size of the business establishment. In businesses with fewer than 20 employees, the owner is the usual respondent (63%). In small businesses (20-99 employees), the general manager is the most common respondent (36%), followed by the owner (23%) and the president/CEO (18%). In medium and large businesses, administrative directors and staff are common participants along with general managers. Across all businesses, approximately two-thirds of the respondents are male and one-third female.

Profile of business establishments

Among very small businesses, the largest proportion are in the metro area (45%) with the others located in the north (29%) and south (26%). The majority (61%) of larger businesses establishments (20 or more employees) are located in the metro area, with the rest located slightly more in the northern part of the state (22%) than in the southern part (17%).

Business form and structure varies by size of business. Businesses with less than 20 employees most frequently identify their business form as a sole proprietorship (39%) or a S-corporation (28%). Small businesses (with 20 to 99 employees) most often identify themselves as S-corporations (34%) or other types of privately-held corporations (31%). Medium and large businesses (100 or more employees) most frequently identified their business as a publicly traded corporation or some type of a privately held corporation.

More than three-quarters of the very small businesses surveyed and 56 percent of the small businesses surveyed are family owned (more than half of the ownership in one extended family). The proportion of businesses that are family owned goes down as the number of employees goes up. Overall, 37 percent of business establishments in Minnesota surveyed with 20 or more employees are family owned.

Regarding business status, 70 percent of very small businesses (less than 20 employees) and 36 percent of small businesses (20-99 employees) indicate they are an independent firm with only one location. Overall, businesses with 20 or more employees report being a branch office or division of a company (52%) or a headquarters site for a business with branch establishments (26%).

Businesses that are branch establishments were asked about the location of their headquarters office and where decisions about charitable giving are made. Branch offices most frequently indicate that their headquarters are located elsewhere in the United States (42% of very small businesses and 64% of larger businesses).

Decisions related to charitable activities

Regarding decisions about charitable giving and other forms of community involvement, 92 percent of very small business establishments and about 83 percent of business establishments with 20 or more employees report that they make decisions for themselves or in combination with their headquarters.

- Among businesses with 20 more employees, those outside the metro area are more likely than those in the metro area to make decisions for themselves about charitable giving and other forms of community involvement (95%, compared with 76%). In addition, for businesses with 20 or more employees, family-owned businesses and sole proprietorships are more likely than other legal forms of businesses to make those decisions for themselves.

Note to readers: From this point on, establishments with no local decision-making about charitable giving (that is, decisions are made at headquarters only) skipped ahead to the last section of the survey on the philanthropy of the owner, CEO, or branch manager. More than a third of these establishments with no local decision-making about charitable giving have headquarters located *in state*, as follows: very small businesses (50%), small businesses (30%), medium businesses (27%), and large businesses (55%).

Community ties

About a quarter (27% and 29%, respectively) of very small businesses report they have been in business and in their current community for less than 10 years. On average, they report being in business and in the same community for 22 years. In general, the average length of time in business and in the community goes up as the number of employees goes up. Overall, businesses with 20 or more employees report that, on average, they have been in business for 41 years and located in their current community for 37 years.

Regarding the number of full-time, part-time, and contracted employees, very small businesses average six employees (with 26% having 1 employee), small businesses average 43 employees, medium businesses average 215 employees, and large businesses average 1,424 employees.

Businesses were also asked approximately what percent of their employees and customers live in the same community where the business is located. Eighty percent of

very small businesses and 66 percent of small to large businesses report that 75 to 100 percent of their employees live in their community. In contrast, 55 percent of very small businesses, 41 percent of small businesses, and 26 percent of medium and large businesses report that 75 to 100 percent of their customers live in their community.

Annual gross revenue

Businesses were asked the amount of their annual gross revenue from their last complete fiscal year. Financial institutions and other establishments that do not track this information by local site, such as a headquarter site (administration only) or a regional office are not included in these figures. Because of the wide range of reported revenues, the median annual gross revenue is an appropriate figure to use for comparisons. Very small businesses report a median annual gross revenue of about \$3 hundred-thousand, small businesses report \$4 million, medium businesses report about \$22 million, and large businesses report about \$148 million.

Financial institutions with 20 or more employees (N=11) report median total assets of \$36 million. Headquarter sites or regional offices (N=14) report a median annual gross revenue of \$6 billion for all their establishments combined.

Based on the respondent's own definition of success, 80 percent of very small businesses and about 85 percent of other businesses rate their business as somewhat or very successful.

1. Profile of respondents

Title of main respondent	Less than 20 (N=162)	Number of employees			
		20-99 (N=168)	100-499 (N=167)	500 or more (N=98)	20 or more (N=433)
Business owner	63%	23%	6%	5%	12%
President or CEO	16%	18%	17%	6%	14%
General manager	14%	36%	33%	38%	35%
Senior manager	3%	13%	14%	13%	14%
Chief Financial Officer/Treasurer/Comptroller	-	3%	6%	0%	3%
Administrative directors and staff	5%	7%	22%	26%	17%
Marketing and communications directors and staff	-	1%	1%	8%	3%
Director or president of company foundation	-	-	1%	3%	1%
Gender	(N=161)	(N=168)	(N=163)	(N=96)	(N=428)
Male	69%	66%	65%	59%	65%
Female	31%	34%	35%	41%	35%

2. Profile of businesses

	Less than 20	Number of employees			20 or more
		20-99	100-499	500 or more	
Geographic region	(N=162)	(N=168)	(N=167)	(N=98)	(N=433)
Metro area	45%	60%	65%	78%	61%
Northern Minnesota	29%	23%	19%	12%	22%
Southern Minnesota	26%	17%	16%	10%	17%
Legal form of business	(N=161)	(N=164)	(N=163)	(N=96)	(N=424)
Sole proprietorship	39%	9%	3%	-	5%
Partnership	9%	5%	4%	3%	4%
S-Corporation	28%	34%	16%	9%	21%
Other type of privately held corporation	21%	31%	34%	23%	30%
Publicly-traded corporation	3%	21%	42%	65%	40%
More than 50% of ownership in one family?	(N=94)	(N=138)	(N=152)	(N=91)	(N=383)
Yes	78%	56%	37%	13%	37%
No	22%	44%	63%	87%	63%
Business status	(N=161)	(N=167)	(N=167)	(N=98)	(N=432)
Independent firm	70%	36%	11%	2%	18%
Headquarters for a business with branch establishments	11%	18%	31%	33%	26%
Locally owned, but franchised	4%	6%	1%	-	3%
A franchiser	-	2%	-	-	1%
One of the branches or divisions of a business	15%	38%	57%	65%	52%
Of branch establishments, headquarters are located:	(N=25)	(N=63)	(N=94)	(N=64)	(N=223)
In the same county	36%	11%	8%	17%	11%
Elsewhere in Minnesota	22%	24%	14%	14%	17%
Elsewhere in the United States	42%	61%	73%	55%	64%
Outside the United States	-	4%	6%	13%	7%

Results are weighted as described on page 17.

2. Profile of businesses (continued)

	Less than 20 (N=161)	Number of employees			20 or more (N=432)
		20-99 (N=167)	100-499 (N=167)	500 or more (N=98)	
Where decisions about charitable giving are made:					
At the establishment only	85%	68%	54%	50%	58%
At the establishment and headquarters	7%	15%	28%	31%	25%
At headquarters only (another location)	8%	17%	18%	19%	17%
Length of time in business	(N=150)	(N=135)	(N=134)	(N=78)	(N=350)*
Less than 10 years	27%	24%	10%	3%	13%
10-19 years	29%	28%	15%	11%	18%
20-24 years	13%	12%	10%	6%	10%
25-34 years	13%	13%	20%	14%	16%
35-49 years	7%	8%	11%	18%	12%
50-99 years	8%	10%	30%	26%	22%
100 years or more	2%	4%	5%	22%	9%
Average years	22 years	27 years	41 years	61 years	41 years
Median years	16 years	18 years	32 years	43 years	29 years
Length of time in current community	(N=150)	(N=136)	(N=135)	(N=76)	(N=351)
Less than 10 years	29%	23%	11%	10%	15%
10-19 years	26%	29%	20%	8%	20%
20-24 years	14%	12%	10%	4%	10%
25-34 years	14%	15%	21%	11%	17%
35-49 years	6%	6%	11%	24%	12%
50 to 99 years	7%	11%	23%	26%	19%
100 years or more	3%	4%	4%	16%	7%
Average years	22 years	26 years	36 years	55 years	37 years
Median years	16 years	18 years	27 years	41 years	27 years

* **Note.** From this point on, establishments with no local decision-making about charitable giving (that is, decisions are made at headquarters only) skipped ahead to the last section of the survey on the philanthropy of the owner, CEO, or branch manager.

2. Profile of businesses (continued)

Number of employees	Less than 20	Number of employees			20 or more
		20-99	100-499	500 or more	
One employee	26%	-	-	-	-
2-5 employees	39%	-	-	-	-
6-9 employees	15%	-	-	-	-
10-19 employees	21%	-	-	-	-
20-50 employees	-	74%	-	-	28%
51-99 employees	-	26%	-	-	10%
100-249 employees	-	-	62%	-	23%
250-499 employees	-	-	38%	-	14%
500 or more employees	-	-	-	100%	25%
Average number of employees	6	43	215	1,424	446
Median number of employees	3	35	178	900	149
Percent of employees who live in community	(N=148)	(N=134)	(N=132)	(N=75)	(N=345)
Less than 25 percent	9%	9%	7%	7%	8%
25-49 percent	5%	6%	7%	9%	8%
50-74 percent	7%	12%	20%	20%	18%
75-100 percent	80%	72%	66%	64%	66%
Average percent of employees	84%	78%	77%	75%	76%
Median percent of employees	100%	90%	90%	82%	90%
Percent of customers who live in community	(N=144)	(N=133)	(N=124)	(N=63)	(N=323)
0 (none)	9%	4%	10%	18%	10%
Less than 5 percent	2%	9%	18%	22%	16%
5-19 percent	8%	12%	13%	27%	15%
20 to 49 percent	13%	12%	17%	5%	12%
50 to 74 percent	14%	22%	17%	2%	15%
75 to 89 percent	15%	14%	11%	10%	12%
90 percent or more	40%	27%	15%	16%	19%

2. Profile of businesses (continued)

	Less than 20 (N=140)	Number of employees			20 or more (N=258)
		20-99 (N=112)	100-499 (N=92)	500 or more (N=49)	
Business's annual gross revenue in last complete fiscal year¹					
Under \$1 million	75%	15%	4%	1%	8%
\$1-\$4.9 million	19%	47%	10%	-	23%
\$5-\$14.9 million	4%	25%	21%	5%	19%
\$15-\$24.9 million	-	3%	16%	-	7%
\$25-\$49.9 million	-	4%	17%	11%	10%
\$50-\$99.9 million	2%	3%	22%	20%	14%
\$100 million or more	1%	2%	11%	63%	19%
Average revenue	\$6,093,194	\$12,659,702	\$614,872,551	\$1,055,738,967	\$442,261,360
Median revenue	\$295,693	\$4,000,000	\$21,934,345	\$147,639,903	\$15,400,000
By your own definition of success, how would you rate the success of your business?	(N=150)	(N=134)	(N=135)	(N=76)	(N=350)
Very unsuccessful	3%	0%	1%	5%	2%
Somewhat unsuccessful	4%	0%	-	1%	<1%
In the middle	14%	9%	21%	6%	12%
Somewhat successful	50%	48%	24%	20%	32%
Very successful	30%	42%	54%	69%	53%
		BBIC survey sample Number of employees		MN business establishments Number of employees	
Standard industry classifications		Less than 20 (N=162)	20 or more (N=431)	Less than 20 (N=113,977)	20 or more (N=19,025)
Agriculture, forestry and fisheries	12%		1%	2%	.5%
Mineral industries	-		1%	<1%	<1%
Construction industries	10%		4%	11%	5%
Manufacturing	9%		27%	5%	15%
Transportation, communication and utilities	5%		8%	5%	5%
Wholesale and retail trade	22%		28%	29%	36%
Finance, insurance and real estate	7%		8%	10%	6%
Service industries	34%		23%	38%	32%

Source: Minnesota Department of Trade and Economic Development, 1997, *County Business Patterns*, U.S. Census.

¹ These figures do not include financial institutions (N=13) or headquarters that do not track this information by local site (N=14).

Philanthropic, volunteer, and community involvement practices

Throughout this report, to repeat, results for each category of business size are weighted to be in proportion to the regional distribution of business establishments. The results for the analysis of businesses with 20 or more employees are also weighted so that the business size categories are in proper proportion.

Charitable or community involvement practices

Businesses were asked to indicate whether they have a number of programs or activities related to charitable giving as specified in Figure 3. In general, the percentage of businesses reporting having each philanthropic activity goes up as the category of number of employees goes up. Across all businesses, employees serving on civic, non-profit, or agency boards or committees is the most frequently identified activity (32% of very small businesses and 73% other businesses).

Very small businesses also report community partnerships with one or more nonprofit organizations or schools (23%) and participation or time involvement in public campaigns for community causes (15%).

Businesses with 20 or more employees also report workplace charitable campaigns organized by employees (65%) and community partnerships with one or more nonprofit organizations or schools (53%).

Forty-five percent of medium businesses and 62 percent of large businesses report having a formal company giving program, compared with 4 percent of very small businesses and 21 percent of small businesses. Twenty-one percent of medium businesses and 43 percent of large businesses report having a company philanthropic foundation, compared with 10 percent of small businesses and 1 percent of very small businesses. In addition, 95 percent of medium and large businesses report having at least one of the listed programs or activities, compared with 79 percent of small businesses and 56 percent of very small businesses.

- Among businesses with 20 or more employees, family-owned businesses and sole proprietorships are less likely than other legal forms of businesses to report having a formal company giving program (27% compared with 53%).

Contributions in the last fiscal year

Businesses were also asked to indicate whether they had made any of the financial or in-kind contributions specified in Figure 4 in the last fiscal year. Across all businesses, donating cash directly to clubs, tax-exempt organizations, and so on is the most frequently identified contribution (72% very small, 76% small, 93% medium, and 96% large businesses).

Other frequently identified contributions include: purchasing tickets or items unrelated to the business (51% very small and 63% other businesses), donating company products (44% very small and 59% other businesses), providing or encouraging employees to volunteer for community events, service program or service organizations (41% very small, 57% small, 73% medium, and 84% large businesses), and sponsoring any scholarship, educational program, community event, or sports team (35% very small and 73% of other businesses).

Eighty-six percent of large businesses and 61 percent of medium businesses report running a payroll deduction program for employee contributions, compared with 30 percent of small and 6 percent of very small businesses.

Across all categories of businesses sizes, almost all the businesses report making at least some kind of financial or in-kind contribution in their last complete fiscal year.

- Among businesses with 20 or more employees, those outside the metro area are more likely to report donating company products in the last year than those in the metro area (66% compared with 54%).
- The percentage of businesses reporting cash donations and encouraging employees to volunteer in their community is similar in the regions we analyzed.
- Among businesses with 20 or more employees, family-owned businesses and sole proprietorships are less likely than other legal forms of businesses to report they provide or encourage employees to volunteer in their communities (61% compared with 81%) and they give employees paid release time to volunteer (39% compared with 52%) and more likely to donate company products (69% compared with 57%).

3. Charitable or community involvement practices

Does business currently have any of the following programs or activities?	Less than 20 (N=150)	Number of employees			
		20-99 (N=136)	100-499 (N=137)	500 or more (N=79)	20 or more (N=352)
Employees serving on civic, county, non-profit, or agency boards or committees	32%	59%	77%	84%	73%
Workplace charitable campaigns organized by employees	11%	49%	68%	86%	65%
Community partnerships with one or more nonprofit organizations or schools	23%	45%	52%	62%	53%
A formal company giving program	4%	21%	45%	62%	41%
Incentives and honors (awards or other recognition benefits) to employees for volunteering	9%	24%	42%	50%	38%
Technical and financial assistance in community development and planning	10%	30%	31%	39%	34%
Participation or time involvement in public campaigns for community causes (e.g. measures for transportation, school bond, or parcel tax referenda, etc.)	15%	23%	26%	28%	26%
A company philanthropic foundation	1%	10%	21%	43%	22%
Company donates cash to this foundation	100%	83%	76%	52%	65%
A system to measure employee volunteer hours	1%	12%	21%	32%	20%
A method or system for evaluating the effectiveness of your overall philanthropic efforts	2%	10%	12%	26%	15%
A loaned executive program	1%	5%	10%	17%	10%
A retiree volunteer program	1%	5%	4%	18%	8%
Businesses with none of the above activities	44%	21%	5%	5%	11%

4. Contributions in the last fiscal year

Financial or in-kind contributions the business made in the last complete fiscal year	Less than 20 (N=150)	Number of employees			
		20-99 (N=136)	100-499 (N=151)	500 or more (N=79)	20 or more (N=352)
Donating cash directly to clubs, tax-exempt organizations, community foundations, etc.	72%	76%	93%	96%	88%
Sponsoring any scholarship, educational program, community event, or sports team	35%	69%	72%	79%	73%
Providing or encouraging employees to volunteer for community events, service programs, or service organizations	41%	57%	73%	84%	70%
Purchasing tickets or items unrelated to your business	51%	66%	65%	54%	63%
Giving unpaid release time to employees for volunteer activities	36%	53%	60%	69%	60%

4. Contributions in the last fiscal year (continued)

Financial or in-kind contributions the business made in the last complete fiscal year	Less than 20 (N=150)	Number of employees			
		20-99 (N=136)	100-499 (N=151)	500 or more (N=79)	20 or more (N=352)
Donating or loaning surplus inventory, machinery, vehicles, or depreciated equipment or furniture	28%	51%	62%	67%	59%
Donating company products	44%	55%	61%	60%	59%
Running a payroll deduction program for employee charitable contributions	6%	30%	61%	86%	56%
Displaying a collection receptacle (can, fish bowl, cards for coins, etc.) for an organization	22%	35%	57%	48%	47%
Giving paid release time to employees for volunteer activities	19%	35%	43%	55%	44%
"Matching" employee charitable cash contributions	3%	19%	40%	67%	39%
Providing free or below cost office, meeting, or warehouse space to groups	11%	27%	34%	46%	35%
Paying for memberships in service clubs or non-profit organizations (not professional associations)	22%	30%	39%	29%	34%
Providing printing, postage, or a similar service	13%	23%	35%	44%	33%
Providing legal, accounting, technical, management, or other professional help at no charge	23%	19%	30%	36%	28%
Businesses that track and calculate the dollar value of donating employees' paid time	16%	15%	32%	25%	24%
Selling raffle tickets, coupon books, etc. to your customers for groups	18%	25%	14%	10%	18%
Donating a percentage of sales receipts for a specific item purchased (cause-related marketing)	6%	14%	18%	14%	16%
Running a program to "match" employee volunteer service with equivalent charitable cash donations	-	8%	9%	13%	10%
Donating company property, stock, land, buildings, or other significant assets	2%	7%	9%	11%	9%
Providing an employee product purchase program for charitable contributions	1%	5%	8%	13%	8%
Having a program of employee sabbaticals for volunteer activity	1%	4%	8%	6%	6%
Offering below-market or subsidized loans to nonprofit or community groups	1%	4%	4%	6%	4%
Businesses with none of the above contributions	9%	2%	-	-	1%

Cash value of giving and other philanthropy

Businesses responded to questions regarding the cash value of their charitable giving and other activities. They also described the geographical focus of their activities and their expectations for the future.

Based on 412 businesses that provided an estimated dollar value of their charitable contributions, which includes non-cash gifts such as donations of equipment, staff time, or use of meeting space, very small businesses report an average total dollar value of about \$4,700 and a median value of \$1,000; larger businesses (20 or more employees) report an average total dollar value of about \$376,000 and a median value of \$15,000. (These figures do not include contributions by headquarters that do not track this information by local site.)

Very small businesses report donating, on average, 82 percent of their contributions within the local community; larger businesses report, on average, about 76 percent of their donations going locally.

Businesses were also asked to approximate what percent of their gross annual revenue went to charitable contributions. In some cases this figure was computed using figures provided in previous questions. Forty-one percent of very small businesses, 61 percent of small businesses, 75 percent of medium businesses, and 73 percent of large businesses report donating up to one-half a percent of their gross annual revenue. Overall, 19 percent of very small businesses and 7 percent of larger businesses report donating more than 2 percent last year. On average, very small businesses report contributing 1.6 percent and larger businesses report contributing 0.6 percent of their gross annual revenue last year.

- Financial institutions with more than 20 employees (N=10), on average, report contributing 3.4 percent of their total assets.
- Other business sites (headquarters or regional offices) contributed, on average, 0.2 percent of their gross annual revenue.

Over the past five years, over half (56%) of very small businesses indicate the amount of charitable contributions have stayed about the same; while 36 percent report increases, and 8 percent report decreases. In comparison, half of larger businesses report their contributions have gone up, 34 percent say they stayed the same, and 15 percent report decreases.

Thinking about next year, about two-thirds of very small and small businesses and about half of medium and large businesses expect the amount of their charitable contributions to stay about the same. About a quarter of the businesses surveyed expect contributions to increase.

- Among businesses with 20 or more employees, those outside the metro area compared with those in the metro area report a higher average percentage of their charitable giving going within their local community (84% compared with 71%) and a lower average percentage going outside Minnesota (4% compared with 17%).
- Among businesses with 20 or more employees, family-owned businesses and sole proprietorships compared with other legal forms of businesses report a higher average percentage of their charitable giving going within Minnesota (16% compared with 11%) and a lower average percentage going outside Minnesota (6% compared with 10%).
- For all businesses surveyed, we found no regional variations in the percentage of gross annual revenue going for charitable contributions or the changes in amounts contributed over the past five years. Among very small businesses, respondents in the metro area (28%) and the northern part of the state (29%) are more likely than their counterparts in southern Minnesota (16%) to say that the amount of their charitable giving will go up next year.

Estimated value of charitable donations

Businesses also estimated the dollar value of different types of charitable donations from the last complete fiscal year – cash donations, donated products and/or services, and donated business property and/or stock.

Very small businesses tend to donate cash (93%) more often than products or services (56%) or property or stock (6%). On average, very small businesses report donating about \$3,600 in cash, \$2,000 in products and/or services, and \$267 in property and/or stock. Larger businesses (20 or more employees) report donating, on average, about \$364,000 in cash, \$279,000 in products and/or services, and \$2,000 in property and/or stock. The overall median amounts are much lower, as shown in Figure 6.

- Among businesses with 20 or more employees, the average estimated dollar value of cash donations and of donated products or services is higher in the metro area (\$608,400 and \$493,000) than in the northern (\$109,000 and \$28,800) or southern part (\$35,000 and \$9,300) of Minnesota. These dollar values are not statistically

related to the perceived success of the business, primarily because of the broad range of estimated dollar values.

- Among businesses with 20 or more employees, family-owned businesses and sole proprietorships compared with other legal forms of businesses report a lower average estimated dollar value of cash donations and of donated products or services.
- Tracking and calculating the dollar value of community involvement.

Few businesses track and calculate the dollar value of other donations or ways they have been a community partner. Ten percent of very small businesses and about 14 percent of larger businesses say they track this information.

5. Cash value of giving and other philanthropy in last complete fiscal year

Total estimated dollar value of all types of charitable contributions in last complete fiscal year (local establishments only) ¹	Less than 20 (N=135)	Number of employees			20 or more (N=281)
		20-99 (N=115)	100-499 (N=99)	500 or more (N=63)	
0	18%	10%	5%	-	6%
\$1-\$4,999	66%	41%	17%	5%	23%
\$5,000-\$9,999	6%	12%	11%	3%	11%
\$10,000-\$49,000	10%	18%	31%	30%	26%
\$50,000-\$99,999	-	8%	13%	10%	10%
\$100,000-\$499,999	1%	9%	16%	17%	13%
\$500,000 or more	-	2%	7%	35%	11%
Average contribution	\$4,696	\$147,517	\$140,218	\$1,148,274	\$375,958
Median contribution	\$1,000	\$4,000	\$17,575	\$128,113	\$15,000
Average percent of contributions donated to organizations or causes located	(N=119)	(N=114)	(N=120)	(N=72)	(N=311)
Within local community (average percent)	82%	76%	78%	74%	76%
Within Minnesota (average percent)	13%	13%	14%	11%	13%
Outside Minnesota (average percent)	6%	12%	9%	15%	11%

¹ Includes cash and non-cash gifts such as donations of equipment, staff time, or use of meeting space. These figures do not include contributions by headquarters that do not track this information by local site (N=14).

5. Cash value of giving and other philanthropy in last complete fiscal year (continued)

	Less than 20	Number of employees			20 or more)
		20-99	100-499	500 or more	
Percent of business's gross annual revenue that went to charitable contributions²	(N=122)	(N=91)	(N=67)	(N=49)	(N=211)
0	18%	13%	8%	-	8%
More than 0 to 0.5 percent	41%	61%	75%	73%	69%
More than 0.5-1.0 percent	17%	9%	13%	14%	11%
More than 1.0-2.0 percent	6%	6%	2%	3%	4%
More than 2.0-5.0 percent	12%	9%	3%	6%	6%
More than 5 percent	7%	1%	-	3%	1%
Average percent	1.6%	0.8%	0.4%	0.7%	0.6%
Median percent	0.4%	0.1%	0.1%	0.1%	0.1%
Over the past five years has the amount of charitable contributions...	(N=148)	(N=128)	(N=131)	(N=79)	(N=343)
Gone up	36%	43%	54%	58%	51%
Stayed about the same	56%	41%	33%	27%	34%
Gone down	8%	16%	13%	15%	15%
Do you expect the amount of charitable contributions for next year to...?	(N=141)	(N=134)	(N=125)	(N=79)	(N=342)
Go up	25%	28%	32%	24%	28%
Stay about the same	67%	65%	51%	54%	58%
Go down	8%	7%	17%	22%	14%

² These figures do not include financial institutions (N=13) or headquarters that do not track this information by local site (N=14).

6. Estimated value of three selected charitable donations

Estimated dollar value of cash donations in last complete fiscal year	Less than 20 (N=109)	Number of employees			
		20-99 (N=103)	100-499 (N=94)	500 or more (N=66)	20 or more (N=268)
\$0 – no cash donated	7%	15%	5%	2%	8%
\$1 to \$4,999	82%	41%	31%	7%	28%
\$5,000-\$9,999	3%	13%	21%	10%	15%
\$10,000-\$49,999	7%	21%	21%	34%	25%
\$50,000-\$99,999	-	5%	9%	7%	7%
\$100,000-\$299,999	1%	4%	9%	9%	7%
\$300,000 or more	-	2%	4%	31%	10%
Average	\$3,626	\$27,161	\$503,649	\$737,348	\$364,162
Median	\$701	\$3,000	\$8,750	\$46,328	\$9,000
Estimated dollar value of donated products and/or services in last complete fiscal year	(N=109)	(N=98)	(N=93)	(N=66)	(N=262)
\$0 – no products/services donated	44%	29%	33%	31%	31%
\$1 to \$4,999	48%	43%	27%	14%	30%
\$5,000-\$9,999	3%	6%	12%	11%	9%
\$10,000-\$49,999	4%	17%	11%	9%	13%
\$50,000 or more	1%	6%	17%	34%	17%
Average	\$2,009	\$10,094	\$482,425	\$458,979	\$279,011
Median	\$150	\$1,000	\$1,064	\$5,000	\$2,000
Estimated dollar value of donated business property and/or stock in last complete fiscal year	(N=109)	(N=100)	(N=96)	(N=64)	(N=265)
\$0 – no property/stock donated	94%	90%	81%	85%	86%
\$1 - \$999	2%	2%	2%	1%	2%
\$1,000-\$4,999	2%	3%	7%	1%	4%
\$5,000 or more	2%	5%	10%	13%	9%
Average	\$267	\$880	\$1,556	\$6,571	\$2,585
Median	-	-	-	-	-

Note: All but one of the very small businesses gave in at least one of these areas.

7. Charitable-related tracking and calculating

Do you track and calculate the dollar value of other donations or ways business has been a community partner?	Less than 20 (N=149)	Number of employees			
		20-99 (N=136)	100-499 (N=134)	500 or more (N=77)	20 or more (N=351)
Yes	10%	11%	17%	14%	14%
No	90%	89%	83%	86%	86%

Reasons, motivations, benefits, and barriers

Most important reasons for charitable giving and community involvement

Business respondents were asked to identify, in their own words, the most important reasons for charitable giving and community involvement. Respondents could give more than one reason, and comments were grouped into one of five categories:

1. Productivity (profit, recruitment, retention, etc.)
2. Altruism (enhances, supports, or gives back to community, meets community needs; corporate responsibility, etc.)
3. Stakeholder interests
4. Political reasons
5. Community expectations (business peers, customers, community)

Across all business sizes, altruism is the most frequent reason cited for charitable giving and community involvement, (86% of very small businesses and about 90% of other businesses). Reasons related to productivity (profit, employee recruitment and retention) are the second most frequent theme. Interests of employees and shareholders are more important to large businesses (31%) than to medium (17%) or small businesses (10%).

Benefits of charitable giving to businesses

Respondents were also asked to describe, in their own words, the benefits to their business of charitable contributions and community involvement. Respondents could provide more than one benefit, and comments were grouped into categories.

“Building or enhancing a positive reputation” is the most frequently named benefit, cited by 37 percent of very small businesses, 48 percent of small and medium businesses, and 68 percent of large businesses. Very small businesses also say that their donations were not intended to benefit themselves (35%). Other businesses cite that giving benefits employees (38%) and that it strengthens the community (30%).

Factors taken into account when deciding on contributions

Business respondents were read a list of possible factors they might consider when deciding who to contribute to and asked to rank each factor as either a strong factor, somewhat a factor, or not a factor. The most frequently rated strong factors include:

- the quality of the soliciting organization (53% very small and 66% larger businesses);
- the importance of the soliciting organization or project (55% very small and 65% larger businesses);
- business citizenship, including the responsibility of businesses to be involved in their local communities (40% very small and 63% larger businesses);
- personal values of the owner/CEO/president (64% very small and 39% larger businesses).

Of all the factors businesses identified as strong factors, respondents were asked to identify the most important factor when deciding whom to contribute to. Among very small businesses, 35 percent identify CEO values as the most important factor, followed by importance of the organization or project to the community (14%) and the condition of the business (11%). Among larger businesses, 24 percent identify business citizenship as the most important factor, followed by importance of the organization or project (18%), and CEO values and the soliciting organization's quality (14% each).

- Among very small businesses, those in the metro area are more likely than those in the southern and northern parts of the state to say that "CEO values" are the most important factor (44% compared with 32% and 24%).
- Among businesses with 20 or more employees, those outside the metro area are more likely than those in the metro area to say that "importance to the community" is the most important factor (24% compared with 13%).
- Among businesses with 20 or more employees, family-owned businesses and sole proprietorships are more likely than other legal forms of businesses to report that "CEO values" are the most important factor (20% compared with 7%).

Recognition for charitable activities and requests for support

The importance of public recognition for charitable giving and community involvement differs by business size. Among very small businesses, 44 percent indicate this was not important at all, and 39 percent say it is very or somewhat important. Among small and medium businesses, about half say public recognition is very or somewhat important. Public recognition is most important for large businesses, with 77 percent saying it is very or somewhat important.

- Among businesses with 20 or more employees, family-owned businesses and sole proprietorships are less likely than other legal forms of businesses to report that public recognition for charitable giving and involvement is important (52% compared with 66%).

Regarding whether businesses like to initiate support or if they prefer to be asked for a contribution, as shown in Figure 12, no strong preferences emerged, with being asked for a contribution preferred somewhat more often than initiating support.

Barriers to charitable giving and community involvement

Businesses were asked to identify anything that keeps them from increasing their charitable donations and community involvement. Respondents could identify more than one reason. Their open-ended responses were grouped into categories.

No or limited profits tops the list of barriers to increasing charitable donations for all the businesses surveyed (73% of very small businesses and about 70% of other larger businesses). Twenty-three percent of large businesses also identify the limited interests of management or the decision making structure as a barrier to increased donations.

Lack of time tops the list of barriers to increasing community involvement for all the businesses surveyed (49% of very small businesses and about 42% of other larger businesses), followed by no or limited profits (25% and 20% respectively). Large businesses also identify too few or too busy employees (25%) as a barrier.

Sixteen percent of very small businesses and 20 percent of larger businesses report having no barriers to increasing their community involvement.

8. Most important reasons for charitable giving and community involvement

From your business' view point, what are the most important reasons for charitable giving and community involvement? (Multiple open-ended responses grouped into categories)	Less than 20 (N=119)	Number of employees			
		20-99 (N=122)	100-499 (N=124)	500 or more (N=78)	20 or more (N=329)
Helping or giving back to community (supports or gives back to the community; meets community needs; corporate responsibility; values of CEO)	86%	88%	91%	92%	90%
Productivity (profit, recruitment, retention, concern about public image and reputation, tax benefits)	23%	22%	18%	25%	21%
Stakeholder interests (employees, shareholders)	6%	10%	17%	31%	18%
Community expectations (business peers, customers, community)	2%	3%	3%	6%	3%
Political (to preempt government interference, leverage)	-	-	1%	-	<1%
No reasons provided	1%	-	-	-	-

9. Benefits to business

How would you describe the benefits to your business of your charitable contributions including cash and in-kind donations, volunteerism, and community involvement? (Multiple open-ended responses grouped into categories).	Less than 20 (N=126)	Number of employees			
		20-99 (N=127)	100-499 (N=131)	500 or more (N=79)	20 or more (N=342)
Builds/enhances positive reputation (in community, as a partner, etc.)	37%	48%	48%	68%	54%
Benefits to employees (boosts morale and pride in community, personal/leadership development)	10%	23%	44%	52%	38%
Strengthens community (makes it a better place to live and work)	10%	34%	19%	40%	30%
Donations not intended to benefit business (satisfaction of doing good – business ethics)	35%	25%	23%	15%	22%
Sales, customer loyalty and retention	11%	15%	17%	17%	16%
Profit motive (including as a form of advertising)	18%	20%	15%	8%	15%
Employee retention and recruitment	-	10%	11%	22%	14%
Other benefits:	14%	9%	4%	7%	6%
None/few/minimal	13%	7%	1%	2%	4%
Tax deductions/benefits	1%	1%	1%	2%	1%
Builds company awareness of community programs	-	-	0%	2%	1%
Expectations of customers/business peers	-	0%	1%	1%	1%

10. Factors taken into account when deciding on contributions

Possible factors businesses consider when making charitable contributions	Less than 20 (N=124)	Number of employees Percent rating this as a strong factor			
		20-99 (N=124)	100-499 (N=129)	500 or more (N=78)	20 or more (N=336)
The quality of the soliciting organization, including things like the importance of its programs, its goals, and the quality of its administration	53%	66%	63%	68%	66%
The importance of the soliciting organization or the project to the community	55%	62%	64%	66%	65%
Business citizenship, including things like the responsibility of businesses to be involved in their local communities	40%	59%	58%	72%	63%
The interests of employees, including things like matching employee gifts, benefit to employee, etc.	13%	31%	44%	51%	41%
Personal values of the owner/CEO/president	64%	47%	40%	25%	39%
The position of this company in the community, including things like public relations, visibility, volume of business, customer pressure, etc.	27%	36%	35%	39%	37%
The condition of your business, including things like the profits, business outlook, dividend record, etc.	32%	42%	31%	29%	35%
The strategic interests of your business, including to develop relationships with key stakeholders, customers, and interest groups	35%	37%	27%	34%	32%
Precedent, including things like the size of past donations, past relations with solicitors, etc.	11%	29%	27%	23%	26%
The effort of the soliciting organization, including things like the persistence and character of its appeal	8%	17%	10%	9%	12%
The example of other companies, including things like gifts by competitors, gifts by companies of similar size, etc.	5%	5%	3%	1%	3%

11. Most important factor when deciding on contributions

The most important factor in deciding to whom to give contributions	Less than 20 (N=121)	Number of employees			
		20-99 (N=122)	100-499 (N=124)	500 or more (N=77)	20 or more (N=329)
Business citizenship	7%	21%	25%	27%	24%
Importance to the community	14%	18%	15%	18%	18%
Owner/CEO/president's values	35%	17%	14%	8%	14%
Soliciting organization's quality	9%	14%	12%	14%	14%
Strategic interests of your business	7%	9%	5%	13%	8%
Interests of employees	2%	1%	10%	10%	7%
Business condition	11%	6%	7%	1%	5%
Community standing	6%	3%	3%	5%	4%
Precedent	-	6%	7%	1%	3%
Soliciting organization's efforts	-	-	-	-	-
No strong factors Identified	9%	6%	5%	1%	4%

12. Recognition for charitable activities and requests for support

How important is it for your business to be publicly recognized for its charitable giving and community involvement?	Less than 20 (N=125)	Number of employees			
		20-99 (N=124)	100-499 (N=129)	500 or more (N=79)	20 or more (N=338)
Very	8%	13%	13%	23%	16%
Somewhat	31%	39%	37%	54%	42%
A little	16%	22%	26%	17%	22%
Not at all	44%	25%	24%	7%	20%
Do you like to initiate support or do you prefer to be asked for a contribution?	(N=147)	(N=136)	(N=137)	(N=79)	(N=356)
Initiate support	28%	26%	24%	22%	23%
Prefer to be asked for a contribution	33%	31%	33%	52%	38%
No preference indicated	39%	43%	43%	27%	39%

13. Barriers to giving and community involvement

What, if anything, keeps your business from increasing your charitable donations? (multiple responses grouped into categories)	Less than 20 (N=150)	Number of employees			
		20-99 (N=139)	100-499 (N=137)	500 or more (N=79)	20 or more (N=360)
No or limited profits/economic situation	73%	71%	67%	73%	70%
No barriers mentioned	12%	7%	7%	4%	6%
Fear of shareholder backlash	-	-	1%	1%	1%
Lack of awareness of community needs	2%	-	-	1%	1%
Fear of consumer or stakeholder backlash	-	-	-	1%	<1%
Lack of knowledge of how to carry it out	2%	-	-	-	-
Other reasons	21%	21%	22%	33%	24%
Limited interests/decisions of management	5%	9%	11%	23%	13%
Lack of time	8%	3%	4%	2%	3%
Lack of knowledge about or requests by worthy programs	6%	4%	1%	3%	3%
What, if anything, keeps your business from increasing your community involvement? (multiple responses grouped into categories)					
Lack of time	49%	48%	37%	45%	42%
No barriers mentioned	16%	22%	19%	14%	20%
No or limited profits	25%	20%	22%	20%	20%
Employees not available: too busy/too few	6%	14%	13%	25%	16%
Lack of awareness of community needs	-	1%	3%	1%	2%
Lack of knowledge of how to carry it out	1%	-	1%	2%	1%
Fear of consumer or stakeholder backlash	-	-	-	-	-
Fear of shareholder backlash	-	-	0%	-	-
Other reasons	16%	10%	15%	17%	14%
Limited interest/decisions of management	8%	2%	6%	9%	5%
Lack of employee interest	1%	2%	3%	7%	4%

Decision-making process

Who makes decisions regarding business giving and community service varies according to business size. Respondents could identify more than one group or person. Among very small businesses, respondents most frequently report that owners decide (95%), followed by management (40%) and family (35%). Among small businesses, owners (75%) and management (67%) are the most commonly cited decision makers, followed by a designated person (35%) and employees as a whole (28%). Among medium businesses, management (74%) tops the list of decision makers, followed by owners and a designated person (46%), a designated committee (38%), and employees as a whole (32%). Among large businesses, management (77%) tops the list, followed by a designated person (62%) and a designated committee (51%).

- Among very small businesses, those located in the southern part of the state are more likely than other businesses to report that family members are the charitable giving decision makers (48% compared with 36% in the north and 27% in the metro area). In addition, family-owned very small businesses and sole proprietorships are more likely than other legal forms of businesses to report that family members are the charitable giving decision makers (41% compared with 6%).
- Among businesses with 20 or more employees, family-owned businesses and sole proprietorships are more likely than other legal forms of businesses to report that owners (78% compared with 29%) and family members (27% compared with 3%) decide about charitable giving and less likely to report management (63% compared with 77%) and a designated person (40% compared with 50%) decide.

Respondents were also asked if their business has an advisory committee to assist in charitable decisions. The majority of businesses do not have an advisory committee, although the proportion with an advisory committee goes up as the size category goes up, with 31 percent of medium businesses and 41 percent of large businesses having advisory committees.

Among businesses with 20 or more employees with charitable giving advisory committees, 89 percent report that employees are committee members, along with management boards (19%) and community members (14%).

Charitable operations

Respondents were also asked if their business has a formal annual budget for charitable contributions. A few very small businesses (9%), 32 percent of small businesses, 43 percent of medium businesses, and 67 percent of large businesses report they have a budget for these contributions. The varied amounts of these budgets, from less than \$5,000 to over a million dollars per year are shown in Figure 15.

Over half (56%) of businesses with 500 or more employees and about one-third (34%) of medium size businesses (100 – 499 employees) have written guidelines or criteria for selecting programs to support. In many cases these guidelines are available to the public (67% of large and 46% of medium businesses).

- Among businesses with 20 or more employees, those in the southern part of the state are more likely than businesses in the north and metro area to report having a formal annual budget for charitable contributions (58% compared with 44%).
- Among businesses with 20 or more employees, family-owned businesses and sole proprietorships are less likely than other legal forms of businesses to have a formal annual budget for charitable contributions (29% compared with 63%).

14. Decision-making processes

Who decides about business giving and community service? (Multiple responses grouped into categories)	Less than 20 (N=150)	Number of employees			
		20-99 (N=136)	100-499 (N=137)	500 or more (N=79)	20 or more (N=357)
Owners	95%	75%	46%	23%	50%
Management	40%	67%	74%	77%	72%
Designated person	27%	35%	46%	62%	46%
Designated committee	3%	15%	38%	51%	32%
Family	35%	16%	13%	8%	13%
Employees as a whole	18%	28%	32%	28%	29%
Clients customers	-	1%	-	-	<1%
Administrators of charitable organizations	-	-	-	2%	<1%
Company department (i.e. Human Resources, Public Relations)	-	-	-	1%	<1%
Do you have an advisory committee to assist in deciding about charitable contributions and community involvement?	(N=150)	(N=136)	(N=137)	(N=79)	(N=357)
Yes	3%	18%	31%	41%	29%
No	97%	82%	69%	59%	71%
Of businesses with committee, members include: (multiple responses possible)	(N=5)	(N=25)	(N=43)	(N=33)	(N=103)
Employees	18%	74%	91%	97%	89%
Community members	-	23%	18%	3%	14%
Family members	100%	10%	7%	12%	10%
Other groups:	47%	15%	19%	26%	20%
Management boards	18%	10%	17%	26%	19%
Business professionals	30%	5%	1%	-	2%
Friends	30%	-	-	-	-

15. Internal business charitable operations

Does business have a formal annual budget for its charitable contributions?	Less than 20 (N=125)	Number of employees			
		20-99 (N=121)	100-499 (N=125)	500 or more (N=78)	20 or more (N=330)
Yes	9%	32%	43%	67%	46%
No	91%	68%	57%	33%	54%
How much was budget?	(N=125)	(N=121)	(N=125)	(N=78)	(N=330)
No budget	91%	68%	57%	33%	54%
Less than \$5,000	5%	5%	2%	1%	3%
\$5,000 - \$14,999	2%	6%	7%	4%	6%
\$15,000 - \$49,999	1%	5%	4%	10%	6%
\$50,000 - \$99,999	-	2%	3%	9%	4%
\$100,000 - \$999,999	-	1%	4%	7%	4%
\$1,000,000 or more	-	2%	3%	16%	6%
Don't know	1%	9%	16%	15%	13%
Refused	-	2%	4%	3%	3%
Missing	-	1%	-	2%	1%
Does business have written guidelines or criteria for selecting programs to support?	(N=149)	(N=133)	(N=137)	(N=78)	(N=351)
Yes	2%	14%	34%	56%	32%
No	98%	86%	66%	44%	68%
Does business make these available to the public	(N=4)	(N=19)	(N=40)	(N=42)	(N=105)
Yes	23%	58%	46%	67%	57%
No	77%	42%	54%	33%	43%

Philanthropy of owner, CEO, president, or manager

This section focuses only on the top executive or decision-maker of the business establishment or business site surveyed. In general these participants include business owners, the president or CEO of the company, general manager of the business or site, or in some cases a senior manager or equivalent position, such as vice-president. More than 80 percent of those surveyed live in the same community where their business is located, and they have lived there, on average, more than 20 years.

Expectations regarding charitable activity

Business executives were asked to rate how encouraging or discouraging different groups are with respect to expectations of businesses regarding charitable giving and community involvement. Respondents rated the encouragement of business peers, customers, and community residents.

Among very small businesses, 38 percent rate business peers as very or somewhat encouraging; 42 percent rate customers as very or somewhat encouraging, and 50 percent rate community residents as a whole that way. “No expectations” is the most common rating for all three groups.

Among small businesses, 55 percent rate business peers as very or somewhat encouraging; 57 percent rate customers as very or somewhat encouraging, and 65 percent rate community residents as a whole that way.

Among medium businesses, 54 percent rate business peers as very or somewhat encouraging; 44 percent rate customers as very or somewhat encouraging, and 74 percent rate community residents as a whole that way.

Among large businesses, 76 percent rate business peers as very or somewhat encouraging; 68 percent rate customers as very or somewhat encouraging, and 78 percent rate community residents as a whole that way.

- Among executives in very small businesses, those in the metro area (45%) and the northern part of the state (50%) are more likely than those in the southern part (30%) to rate their customers as very or somewhat encouraging.

- Among executives in businesses with 20 or more employees, those in the northern part of the state (76%) are more likely than those in metro area (57%) and southern part (63%) to rate their business peers as very or somewhat encouraging. In addition, those outside the metro area are more likely than those in the metro area to rate the community residents as a whole as very or somewhat encouraging (81% compared with 69%).

Personal charitable giving

We asked the business executives to describe what they did personally in the way of charitable giving and community involvement. We grouped their responses (up to three) into categories as shown in Figure 17.

“Cash gifts” tops the list for all the executives, ranging from 62 percent for heads of large businesses to 73 percent for heads of small businesses. “Serving on non-profit boards or committees” and “volunteering for organizations” are the next most frequent types of charitable involvement reported.

We also asked the business executives if they have an estate plan that includes charitable gifts. Most do not. Respondents from large businesses have the highest percentage with an estate plan that includes charitable gifts (45%), followed by medium businesses (32%), small businesses (27%), and very small businesses (16%).

- Metro area business executives are the most likely to report having estate plans that include charitable gifts (22% of very small business and 38% of businesses with 20 or more employees).

Advice regarding personal contributions

From a list of possible advisors as shown in Figure 18, we asked the business executives from whom or where they seek advice about their personal charitable contributions. Family members top the list for all respondents, ranging from 60 percent for executives of very small businesses to 74 percent of their counterparts in large businesses. Peers, clergy, and accountants are the next most frequently mentioned advisors.

16. Expectations regarding charitable activity

Expectations of businesses regarding giving and community involvement. How encouraging or discouraging are:	Less than 20	Number of employees			
		20-99	100-499	500 or more	20 or more
Your business peers?	(N=151)	(N=140)	(N=134)	(N=71)	(N=346)
Very encouraging	9%	22%	18%	42%	25%
Somewhat encouraging	29%	33%	36%	34%	35%
Have no expectations	59%	43%	42%	21%	37%
Somewhat discouraging	3%	1%	4%	2%	2%
Very discouraging	1%	-	-	-	-
Your customers?	(N=144)	(N=140)	(N=130)	(N=70)	(N=342)
Very encouraging	5%	15%	14%	22%	16%
Somewhat encouraging	37%	42%	30%	46%	39%
Have no expectations	57%	43%	56%	33%	45%
Somewhat discouraging	1%	-	0%	-	-
Very discouraging	1%	-	-	-	-
The community residents as a whole?	(N=141)	(N=137)	(N=128)	(N=72)	(N=339)
Very encouraging	5%	14%	22%	40%	23%
Somewhat encouraging	45%	51%	52%	38%	49%
Have no expectations	49%	32%	25%	22%	26%
Somewhat discouraging	1%	3%	0%	-	1%
Very discouraging	1%	-	1%	-	-

17. Personal charitable giving

Do you live in the same community where your business is located?	Less than 20 (N=154)	Number of employees			
		20-99 (N=150)	100-499 (N=139)	500 or more (N=75)	20 or more (N=365)
Yes	85%	82%	81%	90%	82%
No	15%	18%	19%	10%	18%
If yes, how many years have you lived there?	(N=131)	(N=120)	(N=111)	(N=66)	(N=293)
Less than 5 years	6%	10%	21%	28%	18%
5-9 years	10%	11%	10%	15%	12%
10-19 years	13%	20%	20%	20%	20%
20-29 years	21%	19%	13%	14%	15%
30-49 years	29%	32%	28%	12%	25%
50 years or more	21%	8%	10%	11%	9%
Average number of years	31	26	22	19	22
Median number of years	30	25	19	12	19
What do you do personally in the way of charitable giving and community involvement? (Multiple open-ended responses grouped into categories.)	(N=162)	(N=168)	(N=167)	(N=98)	(N=433)
Cash gifts	64%	73%	67%	62%	68%
Volunteer for an organization	34%	25%	32%	26%	29%
Serve on non-profit boards or committees	20%	26%	23%	33%	27%
Church/synagogue involvement	30%	25%	22%	26%	25%
Participate on or organize charity events/fundraisers	20%	16%	14%	12%	15%
Active in community events	13%	13%	9%	14%	12%
Civic leadership	6%	8%	9%	9%	9%
Coach	6%	11%	4%	4%	7%
Role model/mentor	1%	4%	4%	5%	4%
Teach	5%	2%	2%	3%	3%
Nothing	9%	3%	3%	2%	3%
Boy Scout/Girl Scout leader	7%	2%	2%	3%	2%

17. Personal charitable giving (continued)

What do you do personally in the way of charitable giving and community involvement? (Multiple open-ended responses grouped into categories.) (continued)	Less than 20 (N=162)	Number of employees			
		20-99 (N=168)	100-499 (N=167)	500 or more (N=98)	20 or more (N=433)
Other:	21%	13%	18%	18%	16%
Donate food, clothing, gifts, etc.	7%	3%	9%	9%	7%
Active in service clubs, industry issues	4%	4%	3%	5%	4%
Donate merchandise or services	5%	3%	5%	2%	3%
Involvement in schools/youth activities	6%	3%	3%	3%	3%
Involvement in community sports events; sponsorship of teams	2%	-	-	-	-
Political involvement	1%	-	-	-	-
Do you have an estate plan that includes charitable gifts?	(N=154)	(N=147)	(N=138)	(N=72)	(N=357)
Yes	16%	27%	32%	45%	32%
No	84%	73%	68%	55%	68%

18. Advice regarding personal contributions

From whom or where do you seek advice regarding your personal charitable contributions?	Less than 20 (N=155)	Number of employees			
		20-99 (N=152)	100-499 (N=140)	500 or more (N=75)	20 or more (N=366)
Attorneys	9%	8%	8%	15%	10%
Accountants	26%	30%	29%	29%	29%
Business advisors	14%	14%	19%	23%	18%
Peers	38%	55%	49%	54%	53%
Family members	60%	69%	66%	74%	69%
Religious leaders	27%	28%	30%	30%	30%
Elected officials	5%	9%	9%	8%	9%
Other	2%	4%	3%	6%	4%
Friends	-	1%	1%	-	1%
Local non-profit/ foundation leaders	1%	1%	-	2%	1%
Charities review council	-	-	-	2%	<1%
Financial advisors	-	1%	-	-	<1%
Community leaders	-	-	-	1%	<1%
Business organizations and associations	1%	-	-	-	-
Government agencies	1%	-	-	-	-
Employees	-	-	1%	-	<1%
School administration/counselors	-	0%	-	-	<1%
Our own business foundation	-	1%	-	1%	1%

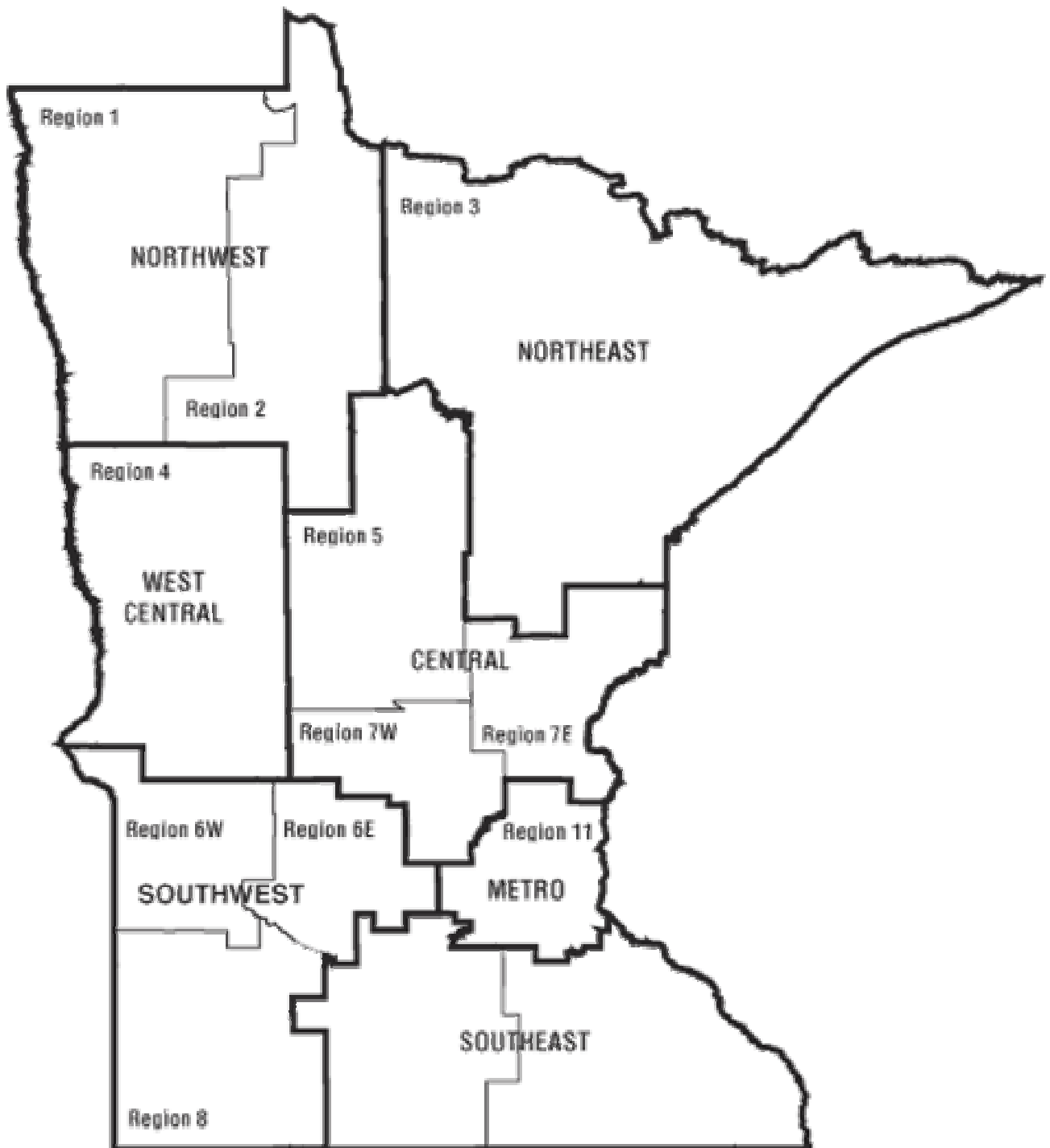
Appendix

Map of Minnesota Initiative Fund Regions

Questionnaire development bibliography

Telephone survey instrument

Minnesota Initiative Fund Regions



Questionnaire development bibliography

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Telephone survey

Time: _____
(24 hour clock)

**BUILDING BUSINESS INVESTMENT IN COMMUNITY
WILDER RESEARCH CENTER
TELEPHONE SURVEY
FEBRUARY 2002**

Organization Code: 66-4

A. Introduction

Hello Mr./Ms. _____. This is _____ at the Wilder Foundation. As we explained in the letter that I hope you received from the Minnesota Chamber of Commerce, they have asked us to contact individuals who lead Minnesota businesses. We're trying, through confidential telephone interviews, to assemble a portrait of charitable giving practices and community service by businesses in Minnesota, and we would very much like to have your input. We are totally willing to arrange the interview any time at all that is convenient to you. I realize you're very busy, though, so if you feel that someone else in your company is more knowledgeable about your charitable giving practices, we could interview that person, in which case we would have only 2 minutes or so of questions for you.

DATE OF INTERVIEW: _____

TIME OF INTERVIEW: _____

Voice Message

Hello Mr./Ms. _____, I'm calling from the Wilder Foundation (in St. Paul) on behalf of the Minnesota Chamber of Commerce. I would be very grateful if you would give me a call back at (651-647-4610 or 1-888-328-2972). Please ask for Bobbie Benson when you call. Thank you so much.

**BUILDING BUSINESS INVESTMENT IN COMMUNITY
WILDER RESEARCH CENTER
TELEPHONE SURVEY
FEBRUARY 2002**

Before we begin, I'd like to verify that the type of industry for your business is (INDUSTRY CATEGORY ON FACESHEET). Is this correct?

Yes(GO TO Q. 1).....1

No.....2

IF NO, what type of industry is your business classified as? (IF UNCERTAIN, PROBE USING THESE CATEGORIES.)

Agriculture, forestry, and fisheries1

Mineral industries2

Construction industries3

Manufacturing.....4

Transportation, communication, and utilities5

Wholesale & retail trade6

Finance, insurance, & real estate7

Service industries8

Public administration9

A. Company profile

To begin, we'd like to know about the type and size of your business.

1. What is the legal form of your business? Is it a...

Sole proprietorship,.....(GO TO Q. 3).....1

Partnership,2

S-Corporation,.....3

Other type of privately-held corporation,4

Publicly-traded corporation, or5

Other? (SPECIFY: _____).....6

Refused7

Don't know8

DO NOT READ: Non-profit organization

.....(TERMINATE INTERVIEW)9

- 2A. Is more than 50 percent of ownership of the business in one family or extended family?
- Yes1
- No.....(GO TO Q. 3).....2
- Refused(GO TO Q. 3).....7
- Don't know(GO TO Q. 3).....8

2B. Approximately what percent is it?

_____ %

3. Which of the following best describes the status of this business? It is...
- An independent firm with only one location,(GO TO Q. 6).....1
- The headquarters for a business with one or more branch establishments besides the one at this location. IF YES: Please keep in mind, for this survey, we'd like for you to answer only as it applies to headquarters and not to the specific branch establishments,.....(GO TO Q. 6).....2
- One of the branch establishments or divisions of a parent company with two or more branches or divisions. IF YES: *Please keep in mind, for this survey, we'd like for you to answer only as it applies to branch establishments located in [CITY ON FACESHEET], not to establishments located elsewhere in Minnesota,*.....3
- Locally owned, but franchised to offer brand-name products or services, or(GO TO Q. 6).....4
- A franchiser which sells the right to use its concept to one or more franchisees?.....(GO TO Q. 6).....5
- Refused(GO TO Q. 6).....7
- Don't know(GO TO Q. 6).....8

4. Are the headquarters of your parent company located...
- In the same county,1
- Elsewhere in Minnesota,.....2
- Elsewhere in the United States, or3
- Outside the United States?4
- Refused7
- Don't know8

5. Are decisions about charitable giving and other forms of community involvement by this business at this location made...
- At this location, 1
- At headquarters, or.....(GO TO Q. 35, P. 14)..... 2
- Both? 3
- Refused 7
- Don't know 8
6. How many years has this business been in operation?
- _____ (Years) and/or _____ (Months)
7. How many years has this business been in (FOR OUTSIDE METRO AREA, SPECIFY NAME OF TOWN, CITY, ETC. FOR METRO AREA SAY, "THE 7-COUNTY METRO AREA")?
- _____ (Years) and/or _____ (Months)
8. What is the approximate number of full-time, part-time, and contracted employees (including yourself) at this location?
- _____ (Number of actual employees, not FTE)
9. Approximately what percent of these employees live in (FOR OUTSIDE METRO AREA, SPECIFY NAME OF TOWN, CITY, ETC. FOR THE METRO AREA SAY, "THE 7-COUNTY METRO AREA")?
- _____ %
10. Approximately what percent of your customers live in or are located in ((FOR OUTSIDE METRO AREA, SPECIFY NAME OF TOWN, CITY, ETC. FOR THE METRO AREA SAY, "THE 7-COUNTY METRO AREA")?
- _____ %

11. FOR FINANCIAL INSTITUTIONS ONLY ASK: What was your business's annual total assets in your last complete fiscal year **at this location** (or multiple locations in the same community)?

FOR ALL OTHER TYPES OF BUSINESSES ASK: What was your business's annual gross revenue in your last complete fiscal year **at this location** (or multiple locations in the same community)?

IF RESPONDENT DOESN'T KNOW REVENUE FOR ONLY THIS LOCATION (i.e. this is a headquarters site), TAKE WHATEVER INFORMATION THEY DO HAVE AND FLAG THIS INTERVIEW.

\$ _____ (GO TO Q. 12)

Refused -7

Don't know -8

IF REFUSED/DON'T KNOW: May I read you a broad range of (gross revenues/total assets) and ask you to stop me when we get to the appropriate range? IF DON'T KNOW, CIRCLE DON'T KNOW. IF NO, CIRCLE REFUSED.

IF YES: Which of the following categories most accurately describes your annual gross revenue (OR TOTAL ASSETS) in your last complete fiscal year at this location? Would you say...

Under 1 million, 1

1 to 4 million, 2

5 to 14 million, 3

15 to 24 million, 4

25 to 49 million, 5

50 to 100 million, or 6

Over 100 million? 7

Refused -7

Don't know -8

12. By your own definition of success, how would you rate the success of your business? Is it...

Very unsuccessful, 1

Somewhat unsuccessful, 2

In the middle, 3

Somewhat successful, or 4

Very successful? 5

Refused 7

Don't know 8

C. Philanthropic, volunteer, and community involvement practices

These next questions are about the philanthropic, volunteer, and community involvement activities of your business.

13. First, I am going to read you a list of various types of charitable or community involvement activities or programs businesses sometimes have. Please tell me, using yes or no, if your business (at this location or multiple locations in the same community) currently has any of the following activities or programs:

Does your business have...	Yes	No	Refused	Don't know
A. A company philanthropic foundation? (IF NO, GO TO B.)	1	2	7	8
IF YES: A1. Did you donate cash in the last compete fiscal year to your company foundation?	1	2	7	8
B. A formal company giving program? (This does not include one time cash gifts or an employee fund drive, such as to the United Way.)	1	2	7	8
C. Employees serving on city, county, non-profit, or agency boards or committees?	1	2	7	8
D. Workplace charitable campaigns organized by employees?	1	2	7	8
E. Incentives and honors (awards or other recognition benefits) to employees for volunteering?	1	2	7	8
F. A loaned executive program?	1	2	7	8
G. A retiree volunteer program?	1	2	7	8
H. Participation or time involvement in public campaigns for community causes, such as measures for transportation, school bond, or property tax referenda, etc.?	1	2	7	8
I. Technical and financial assistance in community development and planning?	1	2	7	8
J. Community partnerships with one or more nonprofit organizations or schools?	1	2	7	8
K. A system to measure employee volunteer hours?	1	2	7	8
L. A method or system for evaluating the effectiveness of your overall philanthropic efforts?	1	2	7	8

14. Now, I am going to read you a list of specific types of contributions businesses sometimes make. Please tell me, again using yes or no, if your business (at this location or multiple locations in the same community) made any of the following financial or “in-kind” donations during **your last complete fiscal year** to nonprofit organizations, schools, clubs, or other community groups.

How about...	Yes	No	Refused	Don't know
A. Donating cash directly to clubs, tax-exempt organizations, community foundations, etc.?	1	2	7	8
B. Donating a percentage of sales receipts for a specific item purchased (cause-related marketing)?	1	2	7	8
C. Donating or loaning surplus inventory, machinery, vehicles, or depreciated equipment or furniture?	1	2	7	8
D. Donating company property, stock, land, buildings, or other significant assets?	1	2	7	8
E. Donating company products?	1	2	7	8
F. Displaying a collection receptacle such as a can, fish bowl, cards for coins, etc. for an organization?	1	2	7	8
G. Selling raffle tickets, coupon books, etc. to your customers on behalf of groups?	1	2	7	8
H. Purchasing tickets or items unrelated to your business?	1	2	7	8
I. Providing or encouraging employees to volunteer for community events, service programs, or service organizations?	1	2	7	8
J. Giving paid release time to employees for volunteer activities? IF NO, GO TO K	1	2	7	8
IF YES: J1. Do you track and calculate the dollar value of donating employees' paid time?	1	2	7	8
K. Giving unpaid release time to employees for volunteer activities?	1	2	7	8
L. Having a program of employee sabbaticals for volunteer activity?	1	2	7	8
M. Offering below-market or subsidized loans to nonprofit or community groups?	1	2	7	8
N. Sponsoring any scholarship, educational program, community event, or sports team?	1	2	7	8
O. Providing printing, postage, or a similar service?	1	2	7	8
P. Providing legal, accounting, technical, management, or other professional help at no charge?	1	2	7	8
Q. Providing free or below cost office, meeting, or warehouse space to groups?	1	2	7	8
R. Running a payroll deduction program for employee charitable contributions?	1	2	7	8
S. “Matching” employee charitable cash contributions?	1	2	7	8
T. Providing an employee product purchase program for charitable contributions?	1	2	7	8
U. Running a program to “match” employee volunteer service with equivalent charitable cash donations?	1	2	7	8
V. Paying for memberships in service clubs or non-profit organizations, but not including professional associations?	1	2	7	8

D. Cash value of giving and other philanthropy

We would like to find out a little bit about contributions ***made on behalf of the business*** in your last complete fiscal year at this location (or multiple locations in the same community). Next, I'm going to explain the types of contributions we are asking about. Please respond with a figure after I have finished. READ ENTIRE TEXT OF Q.15 EVEN IF R INTERRUPTS WITH AN ANSWER.

15. What was the total dollar value of charitable contributions in your last complete fiscal year at this location? Include only the contributions for which the decisions were made at this location. This figure should include all charitable contributions **claimed** by the business as well as business expenses for contributions given directly by the business in cash gifts, products, as part of a cause-related marketing program, and other in-kind gifts. This value includes local, national, and international contributions, as well as donations from established programs and one-time gifts.

IF **NOT** A PUBLICLY-TRADED CORPORATION (Q1) ADD: Donations made on behalf of the business may include donations from business or personal accounts.

IF THERE IS A COMPANY FOUNDATION (Q. 13) ALSO SAY: This also includes contributions to your company foundation, but not the contributions by the company foundation.

This figure should **not** include contributions to Political Action Committees, political candidates or causes, dues to trade/professional associations, or dollar amounts donated by employees through payroll deductions. It also does not include the value of volunteer time of employees done on their own time.

\$_____ (IF "\$0.00," GO TO Q. 18)

Refused -7

Don't know -8

16. Approximately what percentage of that total was donated to organizations or causes across the following three areas (SHOULD TOTAL 100%):

Within your local community? _____%

Within MN? _____%

Outside Minnesota? _____%

DO NOT ASK IF BOTH Q. 11 AND Q. 15 SHOW DOLLAR AMOUNTS.

17. Roughly speaking, what percentage of your business's (gross annual revenue/total assets) at this location (or multiple locations in the same community) went to charitable donations?

_____%

Refused -7

Don't know -8

18. Over the past five years, has the amount of charitable donations...
- Gone up, 1
 - Stayed about the same, or 2
 - Gone down? 3
 - Refused 7
 - Don't know 8
19. Do you expect the amount of charitable donations for next year to...
- Go up, 1
 - Stay the same, or 2
 - Go down? 3
 - Refused 7
 - Don't know 8

IF "\$0.00", REFUSED, OR DON'T KNOW TO TOTAL CHARITABLE CONTRIBUTIONS (Q. 15), GO TO Q. 21

20. Now, we would like you to estimate the dollar value of your charitable donations given in your last complete fiscal year at this location (or multiple locations in the same community) for different types of contributions. For each of the following types, please approximate the dollar value.

	Approximate dollar value	Ref.	DK
A. First, cash donations – to clubs, schools, tax-exempt organizations, and so on?	\$	7	8
B. Next, donations of products and/or services –to nonprofit organizations, schools, clubs, other community groups, and so on?	\$	7	8
C. Last, the approximate dollar value of donations of business property and/or stocks?	\$	7	8

21. Do you track and calculate the dollar value of other donations or ways your business has been a community partner, such as the donation of facilities, meeting space, sports sponsorships, displays?
- Yes 1
 - No..... 2
 - Refused 7
 - Don't know 8

IF "\$0.00" TO TOTAL CHARITABLE CONTRIBUTIONS (Q. 15), GO TO Q. 27 (PAGE 11)

E. Reasons, motivations, benefits, and barriers

These next two questions concern the reasons your business may or may not participate in charitable giving and other forms of community involvement.

22. From **your business' viewpoint**, what are the most important reasons for charitable giving and community involvement? RECORD COMMENTS VERBATIM

23. How would you describe the benefits to your business of your charitable contributions, including the cash and in-kind donations, the volunteerism, and any community involvement? DO NOT READ LIST. NOTE COMMENTS, CIRCLE ALL MENTIONED AFTER THE INTERVIEW IS COMPLETED. IF NOT ON THE LIST, CIRCLE "OTHER" WITH FULL EXPLANATION.

Benefits to employees (boosts morale and pride in community, personal/leadership development)	1
Builds/enhances positive reputation (in community, as a partner, etc.)	2
Strengthens community (makes it a better place to live and work)	3
Donations not intended to benefit business (satisfaction of doing good – business ethics)	4
Profit motive (including as a form of advertising).....	5
Sales, customer loyalty and retention	6
Employee retention and recruitment.....	7
Other (SPECIFY: _____).....	8
Refused	-7
Don't know	-8

24. When deciding whom to contribute to, businesses take into account various factors. Next, I am going to read to you a list of possible factors that your business may consider. Please let me know if it is a strong factor, somewhat a factor, or no factor in your business.

How about...	Would you say this is...			REF	DK
	A strong factor,	Somewhat a factor, or	Not a factor?		
A. Personal values of the owner/CEO?	1	2	3	7	8
B. Business citizenship, including things like the responsibility of businesses to be involved in their local communities?	1	2	3	7	8
C. The strategic interests of your business, including to develop relationships with key stakeholders, customers, and interest groups?	1	2	3	7	8
D. The condition of your business, including things like the profits, business outlook, dividend record, etc.?	1	2	3	7	8
E. Precedent, including things like the size of past donations, past relations with solicitors, etc.?	1	2	3	7	8
F. The example of other companies, including things like gifts by competitors, gifts by companies of similar size, etc.?	1	2	3	7	8
G. The interests of employees, including things like matching employee gifts, benefit to employee, etc.?	1	2	3	7	8
H. The position of this company in the community, including things like public relations, visibility, volume of business, customer pressure, etc.?	1	2	3	7	8
I. The effort of the soliciting organization, including things like the persistence and character of its appeal?	1	2	3	7	8
J. The quality of the soliciting organization, including things like the importance of its programs, its goals, and the quality of its administration?	1	2	3	7	8
K. The importance of the soliciting organization or the project to the community?	1	2	3	7	8

IF ONLY ONE STRONG FACTOR IDENTIFIED, RECORD LETTER _____ GO TO Q. 26.

IF NO STRONG FACTORS IDENTIFIED GO TO Q. 26.

25. REPEAT ALL THE ITEMS IN Q. 24 RATED STRONG FACTORS, AND ASK: From your business' viewpoint, of these factors, what is the most important factor in deciding to whom you give contributions?

RECORD ONLY ONE LETTER _____

Refused -7

Don't know -8

26. How important is it for your business to be publicly recognized for its charitable giving and community involvement? Would you say...
- Very,.....1
 - Somewhat,.....2
 - A little, or3
 - Not at all?4
 - Refused7
 - Don't know8
27. What, if anything, keeps your business from increasing its charitable donations? DO NOT READ LIST. CIRCLE ALL MENTIONED.
- No barriers mentioned.....1
 - No or limited profits.....2
 - Fear of consumer or stakeholder backlash.....3
 - Fear of shareholder backlash4
 - Lack of knowledge of how to carry it out.....5
 - Lack of awareness of community needs6
 - Other (SPECIFY:)7
 - Refused-7
 - Don't know-8
28. What, if anything, keeps your business from increasing its community involvement? DO NOT READ LIST. CIRCLE ALL MENTIONED.
- No barriers mentioned.....1
 - No or limited profits.....2
 - Fear of consumer or stakeholder backlash.....3
 - Fear of shareholder backlash4
 - Lack of knowledge of how to carry it out.....5
 - Lack of awareness of community needs6
 - Lack of time7
 - Employees not available (too busy, too few, etc.)8
 - Other (SPECIFY:)..9
 - Refused-7
 - Don't know-8

F. Decision-making process

The next few questions are about the decision-making processes at your business related to charitable activities.

First, I'm going to read you a list of groups that might make decisions about charitable giving. Please respond with yes or no.

29. Who decides about business giving and community service at this location?

How about...	Yes	No	Ref	DK
A. Owners?	1	2	7	8
B. Management (CEO, board of directors)?	1	2	7	8
C. Designated person?	1	2	7	8
D. Designated committee?	1	2	7	8
E. Family?	1	2	7	8
F. Employees as a whole?	1	2	7	8
G. Other person or groups? IF YES: Who? _____ _____ _____	1	2	7	8

30. Do you have an advisory committee to assist you in deciding about charitable contributions and community involvement?

Yes1
 No.....(GO TO Q. 32).....2
 Refused(GO TO Q. 32).....7
 Don't know(GO TO Q. 32).....8

Next, I'm going to read you a list of groups the advisory committee might include. Please respond with yes or no.

31. Does the committee include...

	Yes	No	Ref	DK
A. Employees?	1	2	7	8
B. Community members?	1	2	7	8
C. Family members?	1	2	7	8
D. Any other groups? IF YES, SPECIFY: _____ _____ _____	1	2	7	8

32. Do you like to initiate support or do you prefer to be asked for a contribution?

Initiate support	1
Prefer to be asked for a contribution.....	2
No preference indicated	3
Refused	7
Don't know	8

IF "\$0.00" TO TOTAL CHARITABLE CONTRIBUTIONS (Q. 15), GO TO Q. 34A.

33A. Does your business have a formal annual budget for its charitable contributions?

Yes	1
No..... (GO TO Q. 34A).....	2
Refused	7
Don't know	8

33B. What is that budget?

\$ _____

Refused	-7
Don't know	-8

34A. Does your business have written guidelines or criteria for selecting programs to support?

Yes	1
No..... (GO TO Q. 35).....	2
Refused	7
Don't know	8

34B. Do you make these available to the public?

Yes	1
No.....	2
Refused	7
Don't know	8

DO NOT ASK Q35 or Q36 UNLESS NECESSARY

35. Title of main respondent

Business owner	1
President or CEO	2
General manager	3
Senior manager (at this location)	4
Other (SPECIFY: _____) ..	5
Refused	7
Don't know	8

36. Gender of main respondent

Female	1
Male	2

G. Philanthropy of owner, CEO, president, general manager, or senior manager

IF R IS NOT PERSON NAMED ON FACESHEET (OWNER, CEO, PRESIDENT, GENERAL MANAGER OR SENIOR MANAGER) SAY: The last few questions are for (R on facesheet or owner, CEO, President, General Manager, or Senior Manager). Would it be possible to speak to him/her for just a couple minutes now or later to get his/her responses? IF YES: SCHEDULE TIME. IF NO: May we fax or mail him/her a copy of these couple of questions for him/her to answer at his/her convenience?

Yes	1
No	2
Refused	7
Don't know	8

GO TO Q. 43

IF R IS THE OWNER, CEO, PRESIDENT, GENERAL MANAGER OR SENIOR MANAGER, SAY: These last few questions are about your own personal charitable giving and community involvement.

37. What do you do personally in the way of charitable giving and community involvement? We're interested in **only** the types of things you may **do**, not the dollar value. DO NOT READ LIST. CIRCLE ALL MENTIONED.

Cash gifts	1
Volunteer for an organization	2
Serve on non-profit boards or committees.....	3
Church/synagogue involvement.....	4
Civic leadership	5
Active in community events	6
Teach.....	7
Coach	8
Role model/mentor.....	9
Participate in/or organize charity events/fundraisers.....	10
Scout leader (boy scouts, girl scouts, cub scouts, etc.).....	11
Nothing	12
Other (SPECIFY: _____).....	13
Refused	-7
Don't know	-8

38. Next, I'm going to read you a list of people you might seek advice from regarding your personal charitable contributions? Please respond with yes or no. Do you turn to...

	Yes	No	REF	DK
a. Attorneys?	1	2	7	8
b. Accountants?	1	2	7	8
c. Business advisers?	1	2	7	8
d. Peers?	1	2	7	8
e. Family members?	1	2	7	8
f. Religious leaders?	1	2	7	8
g. Elected officials?	1	2	7	8
h. Others? (SPECIFY: _____ _____ _____)	1	2	7	8

39. Do you have an estate plan that includes charitable gifts?

Yes 1
 No..... 2
 Refused 7
 Don't know 8

40. Some businesses find that some segments of the community may encourage or discourage their involvement in charitable giving and other forms of community involvement. Please tell me how encouraging or discouraging each of the following is:

How about...	Would you say they...					Ref.	DK
	Are very encouraging,	Are somewhat encouraging,	Have no expectations,	Are somewhat discouraging, or	Are very discouraging?		
A. Your business peers?	1	2	3	4	5	7	8
B. Your customers?	1	2	3	4	5	7	8
C. The community residents as a whole?	1	2	3	4	5	7	8

41. Do you live in (FOR OUTSIDE METRO AREA, SPECIFY NAME OF TOWN, CITY, ETC. FOR THE METRO AREA SAY, "WITHIN THE 7-COUNTY METRO AREA")

Yes 1
 No..... (GO TO Q. 43)..... 2
 Refused (GO TO Q. 43)..... 7
 Don't know (GO TO Q. 43)..... 8

42. For how many years have you lived there?

_____ (Years) and/or _____ (Months)

43. At a later date, we might be interested in talking with businesses about a giving practice, specific contribution, or community involvement activity that they are especially proud of. Does your business have an example of one of these that you or one of your employees would be willing to share with us at a later date? ASSURE THAT CONFIDENTIALITY OF ALL OTHER QUESTIONS WILL NOT BE COMPROMISED BY SAYING YES HERE.

Yes (VERIFY CONTACT AND PHONE #):1

No.....2

44. Would you like to receive a copy of our final report?

Yes (VERIFY R's NAME, EMAIL, & MAILING ADDRESS) 1

No.....2

That's all the questions we have. Thank you for taking the time to complete this survey.

Interviewer Name: _____

Date: _____

Interviewer Employee # _____

Time: _____
(24 hour clock)