

GROWING GIVING PARLIAMENTARY INQUIRY

Part Two: Giving at Work - Summary of Evidence

August 2013



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Forewords

Research published last year showed that charities are becoming increasingly dependent on donations from older people. It's important that we address this trend to ensure that charities can continue their vital work. Earlier this year I agreed to serve as Co-Chair of the Charities Aid Foundation's *Parliamentary Inquiry on Growing Giving*, which is investigating this issue.

The first stage of our inquiry looked at the relationship between young people and charity, and found that most young people are extremely charity-minded, but need guidance to give them the impetus to get involved in charitable giving.

It's important that once young people develop a habit of giving to good causes, they are given the chance to develop their charitable behaviour as they grow older. That's why it is essential that businesses – small and large – are able to facilitate giving in the workplace in some capacity.

People are spending increasing amounts of time at work, and the growth of the corporate social responsibility agenda includes a renewed focus on the charitable work of companies. Today, people want to give at times convenient to them, and for many this means giving at work.

The 'Giving at Work' strand of the *Parliamentary Inquiry on Growing Giving* has looked at the work that businesses already do to support charities, as well as the opportunities that they provide for their employees to support charity whilst at work.

We received evidence from many interested organisations keen to share their experiences as well as their thoughts about how we can improve and popularise workplace giving.

This report gives a summary of the evidence we received, including extracts of our oral evidence session held in Parliament, where fifteen organisations and experts came to debate the importance of giving at work.

Read in conjunction with our '*Growing up Giving*' report, this provides an overview of what the inquiry has learned so far. We'll soon be progressing to the final stage of the inquiry, after which we will be developing the exciting and innovative ideas that we have received so far into recommendations designed to promote and strengthen the future of giving.



Andrew Percy MP
Co-Chair, Parliamentary Inquiry on Growing Giving

The nature of the relationship between charities and businesses, post-2008, has shifted to become more strategic, mutual beneficial partnerships, which provides the charity partner with more stable financial support, donations in-kind and skilled volunteering by employees, and the company achieves greater employee engagement as well as recognition for their social values, corporate responsibility and community investment. However, recent research reveals a decline in company giving and we believe that one way these key relationships can be strengthened, is for companies can play their full part in making it easier for their employees to give in the workplace.

The second stage of the *Parliamentary Inquiry on Growing Giving* launched by CAF earlier this year, and chaired by Rt Hon David Blunkett MP with Baroness Tyler of Enfield and Andrew Percy MP as co-chairs, has focused on 'Giving at Work'. Our inquiry has looked at the challenges and opportunities that exist for businesses as they respond and adapt to the growing demands of employees, many of whom are eager to support good causes whilst at work.

This report provides a summary of the evidence received by the Inquiry, including submissions from a number of high-profile businesses, as well as members of the public keen to share their views on how they believe workplace giving could be improved and widened. This evidence has inspired a number of themes and specific ideas for discussion and debate, and I would like to thank everyone who has contributed to this stage of the Inquiry, as well as our busy parliamentarians who are kindly giving their time to help us investigate this important issue.

For over 80 years CAF has been working to support charities and promote giving, which includes partnerships with many leading British and international businesses. The economic uncertainty of the past few years has exacerbated a number of challenges facing charities, many of whom are struggling to do more with less, so now more than ever it is vital that we maintain a strong culture of charitable giving. Key to this is creating opportunities for people to give effectively at work. *Our Parliamentary Inquiry on Growing Giving* is identifying ways to encourage people to give throughout their working life and ensure that future generations grow up giving. We believe this report provides important insight into some exciting ways which will move us towards this goal.



Dr John Low CBE
Chief Executive
Charities Aid Foundation

Background

For the second strand of the Parliamentary Inquiry on Growing Giving we invited organisations with expertise in workplace giving to share their experiences. We asked for their ideas and recommendations based on the terms of reference below, and we will be using their input to help us encourage more people to give at work.

Giving at Work

How can we promote charity and philanthropy more effectively in the workplace? What are the most effective mechanisms for giving? How do people give at work? What is the future of philanthropy in the work environment?

We produced the following questions as a starting point to help inform contributing organisations and generate a debate about ways to improve giving at work.

- What role can businesses play in encouraging more and smarter individual giving in the workplace?
- How can we improve workplace giving mechanisms?
- Do business leaders need to do more to get employees engaged with charity?
- What's the business case for giving and can it encourage young people to work for specific employers?
- The future workplace – what steps can we take to ensure charity and work are intertwined and how can businesses be established with giving in mind?
- In response we received written submissions from a wide range of individuals and organisations, and we also held an oral evidence session in Parliament which was attended by representatives from organisations keen to contribute to this important debate.

An electronic copy of the transcript from the oral evidence session is available by contacting campaigns@cafonline.org

This report uses a selection of the contributions that we received, and following the third and final stage of the inquiry we will be putting this evidence together with the other submissions to produce a more detailed report and some recommendations about how we can grow giving.

What role can business play in encouraging more and smarter individual giving in the workplace?

It's got to be easy, it's got to be straightforward, and there can't be any messing about with complicated forms – just sign it and do it. They love events where they can wear things, have fun, take photos, instagram it, tweet it and talk about it.

Louise McCabe, Head of Corporate Responsibility, ASOS

Our experience of working in a university context has taught us that most young people need only a small amount of encouragement to become engaged with philanthropic initiatives. The best way to facilitate this is to make giving a social expectation. Universities that actively endorse volunteering and philanthropy have higher rates of engagement amongst their students because peer effect is an important motivation for young people to engage in a new activity or habit. Businesses should actively endorse philanthropy to encourage their employees to engage with charitable activities and to combat the idea that philanthropy is not an accessible activity for young people.

Hub Ventures

As the workplace changes, the choices for donating through pay must also change. Payroll Giving is a fantastic way to give at work and we believe that more employers should offer it to their staff – but Payroll Giving appeals to higher paid managers. The workplace in the UK is undergoing a fundamental shift from both supply and demand side. People are earning less money and working differently. The average earnings of employees in the UK have fallen in real terms since 2009 and more than a quarter of UK workers are part-time or flexible. We need to offer a range of ways to donate through pay so that all employees can get involved.

Pennies from Heaven

I asked people in my team 'What do you think would make people give more?' They said that they thought people wanted to know more about the scheme, make sure schemes are easy to sign up to, they would like more matching, and a few said they would really like some kind of personal recognition from the charity.

Louise McCabe, Head of Corporate Responsibility, ASOS

Very few companies do matched giving. It's mostly in the financial sector that you find it, and it tends to be relatively small amounts of money to help individual employees form local projects. Companies have to weigh up whether it is worth putting that extra money in, but I think there is a case to be made.

Tom Levitt, Founder, Sector 4 Focus

The more successful Payroll Giving schemes are those that have an employee enhancement.

Peter O'Hara, Geared for Giving

Facilitate a strong culture of giving amongst employees themselves. In our work with students, we first inform them about social and environmental issues, in order to inspire them to do something about them. This effect is multiplied when young people can engage with charitable activities together: giving needs to be normalised and embedded within the culture of the company.

Hub Ventures

There's also a case to be made for growing the reputation of the company through engaging in the community. For example I recently heard about some McDonalds franchises helping a campaign to

tackle loneliness in some of our cities by inviting people to get free coffee and tea in quiet parts of the day.

Tom Levitt, Founder, Sector 4 Focus

We try and make online giving a frictionless process. It might be hard to think ‘what project could I volunteer for?’ but if you can go to a page where there are 15 offers then you can see the possibilities and make a choice.

Peter Barron, Director of External Relations, Google

Some people are hardcore givers and they just give, no matter what, but there are lots of other people that quite like giving but need pointing in the right direction. They want to know ‘what’s in it for me, what’s going to be fun about it, what can be engaging about it?’

Louise McCabe, Head of Corporate Responsibility, ASOS

Businesses should make the benefits of being involved in giving clear to their employees and make charity events a chance to network and socialise with people of similar interests, in order to provide a supportive community for people who are giving.

Hub Ventures

The smallest businesses do behave as though they are members of and participants in the local community and they respond to some demands, in ways which are appropriate to their scale and resources; but they do not shout about it.

Tom Levitt, Founder, Sector 4 Focus

We want to see employers encouraging payroll giving as well as other forms of giving at work. We believe payroll giving should be a must for all employers. Recently published research from The Australian Charities Fund found that employees who give through the workplace are more loyal and productive. There is also a case for payroll giving as the smart way to give as it’s so low cost for charities and the Government and business should play a role in supporting the sustainability of the not-for-profit sector.

CAF Australia

We believe that businesses and HMRC should offer a scheme that is affordable for all employees, is simple to set up and run for employers and is complimentary to Payroll Giving. Schemes like Pennies from Heaven should be developed as a team based approach – by each of us giving small change, together we can make big change.

Pennies from Heaven

People like to have an emotional link. We don’t force people to give to our corporate charity; we hold fairs and events where we bring in a whole range of charities to do presentations or have stalls to encourage people to give.

Louise McCabe, Head of Corporate Responsibility, ASOS

To encourage smarter individual giving, employees should be encouraged to engage with philanthropic opportunities that are tailored to their interests and skills. After leaving university and entering employment, we found that young people’s engagement in social and environmental causes drops, even whilst their interest is maintained or increased. Businesses can tackle this problem by providing flexible and easily accessible opportunities for their employees to engage with charities in the course of their work, according to their individual interests as well as the interests of the company.

Hub Ventures

How can we improve workplace giving mechanisms?

It's about trying to give employers a badge of honour and a reason to get involved. When employers know that their competitors are doing it there's definitely a mood to introduce the scheme and encourage their own employees to get involved.

Peter O'Hara, Geared for Giving

We started our payroll giving scheme by setting a low target per person, to try and get a large amount of the employees engaged and create maximum inclusivity. We set it up using existing communication methods and asked people to make a donation of £1 per pay day, which works out as £2 per month.

Robert Holdcroft, Franchisee, McDonalds

Over the last 100 years NFU Mutual has demonstrated our commitment to a variety of charitable causes. At the end of 2009 we decided to unite our fundraising efforts and elect a single cause to benefit from a three-year charity partnership. NFU Mutual asked staff to vote for the charity they wanted to support. More than 60 per cent voted for Make-A-Wish Foundation UK, an organisation granting the wishes of children and young people aged between 3 and 17 years living with life-threatening illnesses.

Working closely with Make-A-Wish, we constructed a varied programme of fundraising activities for employees, which would also promote NFU Mutual as 'a great place to work.' One element of the plan included an end of year payroll giving campaign – 'Make Your Final Hour Count.'

For the campaign, NFU Mutual encouraged staff to donate their final hour's salary to Make-A-Wish for the chance to win one of three iPods in time for Christmas. Based on previous payroll giving take-up (3 per cent), the campaign aimed to encourage a minimum of 6 per cent of employees to sign-up and donate their final hour's salary of 2010. By the end of the year, 12.6 per cent of staff had signed up and the initiative raised £7,792.94, a staggering £4,642.92 more than expected.

NFU Mutual

There definitely needs to be an update in legislation. It's a grey area in regards to online giving and authorising an employee to give, so some employers only allow physical signatures, but obviously you then cannot encourage staff to give from their pay online.

Peter O'Hara, Geared for Giving

Payroll giving is not something that is working for The Prince's Trust. Few of the 200 companies we receive support from either use it or, at least, use it to encourage support for our organisation and we have just a very few individual employees who give to us in this way so it is difficult for us to comment on the effectiveness of the process. Although anecdotally, we do hear evidence that it could be improved as a process. What we are seeing is increasing take-up of new technologically-enabled methods of giving, for example online giving communities such as Givey – where users can donate at a click of a button via Twitter or text message.

Julian Barrell, Director of Fundraising, The Prince's Trust

One of the biggest issues around giving from pay is that there is no central list of every employer that offers the scheme. That means individuals may be asking 'how do I know my company operates the scheme?' and sometimes even HR departments are not clear if they have a scheme in place. I think that it would be a major step forward if there was some sort of central register of every employer that operates the scheme so that individuals can see and give if they want to.

Peter O'Hara, Geared for Giving

Encourage the Government to match donations that employers make. – we would like to propose that all employees should be encouraged to give \$10 per month, and that not only does the employer match but so does the Government.

CAF Australia

Currently about 40 per cent of people who want to sign up online to give from their pay can't do so because either the company doesn't operate the scheme or we can't find out if that company has a scheme. Approximately 30-40 per cent of those employees moving employers cannot continue to give as their new employer does not offer a scheme. Whilst we accept that no Government will ever make it mandatory for an employer to offer a Payroll Giving scheme, we do believe there needs to be a trigger system in place to encourage an employer to offer the scheme if requested by their employees.

Peter O'Hara, Geared for Giving

Businesses should encourage individual giving amongst their employees through the creation, expansion and promotion of a payroll giving scheme. Such schemes do exist, but are often poorly publicised and take-up amongst employees tends to be low. Improvements could be made by:

- Making the schemes simpler – PAYE schemes are too bureaucratic and off-putting for a young audience
- Match funding employee fundraising efforts – having a donation matched is a huge incentive to give more
- Encouraging employees to use their intellectual capital by offering pro-bono advice and sharing their expertise as well as giving money
- Improved flexibility in the workplace – companies should make volunteering and trusteeship more viable options for people in fulltime work

Hub Ventures

Consideration around wider and more public use of the current Government Payroll Giving Quality Mark is needed, as this has been a key driver to increase employee uptake for many current employers.

Peter O'Hara, Geared for Giving

At McDonalds there is a badge where employees can place stars as a reward, and we had a star commissioned specifically for payroll giving which many staff proudly hang on their badge.

Steve Stone, People Manager, McDonalds

Very little is known about charitable support amongst small businesses. The British Chamber of Commerce reported that 8 out of 10 small companies gave money and 1 in 3 gave time and services in 1998, but as far as we are aware no figures have been reported as to actual support and impact.

Dr Catherine Walker, Directory of Social Change

SME employers account for 99.9 per cent of all private sector businesses in the UK. We need to ask of the 45 per cent of PAYE employers who do not have access to a Payroll Giving scheme how many of these employers work for a small employer (less than 50 staff) and is Payroll Giving appropriate to employers of this size?

Peter O'Hara, Geared for Giving

Smaller SMEs generally lack a strategic basis for community engagement because:

- Without evidence of the strength of the business case for doing so it is not a priority
- Fears of the net cost of such a commitment in time and resources are exaggerated
- They feel that it is more applicable to bigger companies, not recognising that they already do things which could be described as community engagement

The relationship between company size and engagement activity is linear, with the potential of community engagement (both quantity and quality) developing quickly as employee numbers rise. Employee engagement is a key driver of community engagement – though smaller SMEs may not formally recognise this.

Skills are more likely to be given than time by smaller SMEs.

Tom Levitt, 'The Social SME'

The Payroll Giving Review commissioned in 2008 by the IoF stated that 40 per cent of employees giving via their pay were not giving in any other way. We believe that by increasing growth in the scheme we would be increasing the number of individuals supporting a charity, who would not support a charity in another way.

Peter O'Hara, Geared for Giving

Since we started payroll giving we've also increased the amount of additional fundraising and the frequency and amount raised from these events has increased. Over the past two years we've had 500 hours of volunteer work completed at our local Ronald McDonald house.

Steve Stone, People Manager, McDonalds

We find that within the companies we partner with, there is no sense at all that young people do not give; they just do it in a different way. We find that twenty-somethings and thirty-somethings raise extraordinary sums for us through taking on fundraising and adventure challenges and encouraging their colleagues and friends to sponsor them. It's a circle where they then sponsor their friends and colleagues in return. They may not be signing up to payroll giving or regular direct-debits but there is incredible generosity and in many industry sectors, such as technology, it is becoming quite standard to organise fundraising activities in the office for charities such as ours.

Julian Barrell, Director of Fundraising, The Prince's Trust

One of the most under-used ideas around the scheme is the government quality mark that was launched five years ago, and has now got funding for an additional two years. It's specifically for companies that operate giving from pay, but although every government department has the scheme in place, none actually promote their quality mark anywhere.

Peter O'Hara, Geared for Giving

Do business leaders need to do more to get employees engaged with charity?

At the moment I think every company reports in a different way, which means it's very difficult to get an overall picture of what's going on.

Tom Levitt, *Founder, Sector 4 Focus*

Some of the companies with the worst reputations right now for Libor-rigging, tax avoidance, financial mishandling leading to the global financial crisis, and general “evil-doing” are among the biggest supporters of charities and communities in the UK. Reading through hundreds of corporate reports, one comes across the best and worst: the companies who think that merely “employing people” is fulfilling their duty to society; and those who go not just the extra mile, but miles beyond that.

Dr Catherine Walker, *Directory of Social Change*

BT supports employees that come to work with a cause already in mind in various ways. As examples, over 10% of the team participate in our payroll giving scheme, and last year they used over 40,000 days of volunteering leave to participate in community activities.

Liz Williams, *General Manager Sustainable Business, BT*

There are three things businesses can do to get colleagues more engaged. One is to lead from the top, in the sense that we need to make sure that all our members are brought into the activity and doing it themselves to raise funds. Two, keep it simple but try to innovate – for example our Bake a Cake scheme was phenomenal, every store took part and we raised about £40,000. Three, introduce an element of competition – we always make sure that stores are competing against one each other to see how much they can raise.

Guy Mason, *Head of Corporate Affairs, WM Morrisons Supermarkets*

Businesses have a role to play in providing funding and access to funding for charities, through which vital services can then be delivered for our society. There are many businesses which are showing true leadership in this area but also many others that are lagging behind. It is troubling that indications are that this area of funding for charities is falling overall. The Prince's Trust would welcome any support from government to encourage businesses to give to charity and equally any help to improve traction of giving schemes and mechanisms such as payroll giving.

Julian Barrell, *Director of Fundraising, The Prince's Trust*

Businesses can play a role inspiring people who are not already engaged with charitable activity. A good example is BT's work with Comic Relief where we power the telethon night with our technology and have company-wide activity to encourage everyone to get involved with fundraising.

Liz Williams, *General Manager Sustainable Business, BT*

I run a small team of business engagement managers in Surrey. Evidence from this work suggests that leadership in giving is essential. The American local companies with good giving ethics are leaders in this field and encourage giving within their organisation. The third sector needs to be better geared up to engage with businesses as their needs and expectations in working with charities are often unique.

Solette Sheppardson, *Voluntary Support North Surrey*

We have started using three-year partnerships so it allows us to do some good over these three years, instead of starting and then always thinking about who the next charity should be. We try and make sure that there is a local link, so that store colleagues can go in and see and experience the impact of their giving, because they are giving through that programme.

Guy Mason, Head of Corporate Affairs, Wm Morrisons Supermarkets

We know that 37 per cent of High Net Worth Individuals in Australia do not claim a tax deduction for charitable giving. There is a great deal of education required regarding the value of workplace giving to charities, and the role that business leaders can play in building this sustainable low cost income channel for charities.

CAF Australia

Business leaders should lead by example by increasing their charitable giving and activity, doing so publicly and talking openly about their philanthropic journey.

Leaders should use their own giving as a template and reward others for doing the same. Buy-in should be encouraged at every level of the company, and the contributions made by all employees should be celebrated and recognised. Meaningful incentives will encourage more young professionals to become involved.

Business leaders should provide opportunities for employees to discuss their charitable interests and should consider partnering with interesting and innovative charities that can bid for support from those employees who would like to give more.

Making time for charitable involvement should be woven into the culture of the organisation, and business leaders should actively promote the company's charitable initiatives.

Hub Ventures

Since the 2006 Companies Act, companies listed on the Stock Exchange have to report on their social and environmental impact as well as their financial impact, but this only applies to about 1,000 companies and doesn't define well what we mean by that social impact.

Tom Levitt, Founder, Sector 4 Focus

We strongly object to amendments to the Companies Act 2006 passed by the House of Lords in July 2013 (The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013) which remove the duty on companies to report on charitable donations above £2000.

We believe this change conflicts with Government's stated intentions to encourage 'responsible capitalism.' It is, in our view, a move away from openness and transparency and not in the public interest.

These changes will make it less likely that the public, government, shareholders and other interested parties will be able to see what companies are doing with their money, and we believe that is a retrograde step. Without clear and rigorous reporting it is more difficult for charities and fundraisers to get the vital information they need about which companies give, to what, and why – the starting point for forming strong working relationships between companies and charities.

There are also tax issues here, as charitable donations are tax-deductible. How will HMRC or the general public be able to check whether donations were really made if there are no published public records?

We ask you to reconsider these changes to the legislation, and in fact to seek to go further in making company reporting more transparent and meaningful in terms of their charitable giving and CSR.

Directory of Social Change Letter to Rt Hon Vince Cable MP, July 2013

BT's sponsorship of Sport Relief 2012 included the employee engagement objectives of driving employee pride and engagement, creating a unifying campaign that encompassed all parts of BT, using the external sponsorship to inspire our people, and driving volunteering participation. The strategic approach included leadership involvement to inspire and give permission for employees to get involved, and a Sport Relief ambassador network with centrally provided tools and resources to make fundraising and volunteering easy and accessible to all. The BT leadership team led from the front by putting themselves in unlikely situations to inspire their peers to raise initial awareness. Employees were offered five core ways to get involved including buying a raffle ticket, taking calls on the night, lining the route, working or performing at the BT ball and individual and/or team fundraising.

BT

We know that employees who feel more engaged and proud are actually better employees – they give back in a different way to us as a business.

Liz Williams, General Manager Sustainable Business, BT

We're just about to start having a community champion in every store eight hours a week to really focus on local charities as well as local community groups to see how much more we can do with them.

Guy Mason, Head of Corporate Affairs, Wm Morrisons Supermarkets

Most companies tend to favour giving locally – where their offices or branches are based – rather than according to any indication of real need for their support across the country. These areas where businesses and workforces gather tend to experience rising standards of living. This is great for the company and for its workforce. It is also great for the local economy and great for charities based in the area, who may benefit from company donations. In fact other research has shown that these areas tend to be where more new charities and community groups spring up or grow larger – benefitting from the social capital brought by the workforce and their families settling in the area, their donations, and volunteering.

But the knock-on effect is that in other areas of the UK “desertification” happens: areas develop with high unemployment, high deprivation and little investment. The worrying corollary of this is that there is very little correlation between corporate grants and relative need.

Dr Catherine Walker, Directory of Social Change

When it comes to choosing our next charity partner, we ask for submissions from charities and then we get that down to a shortlist, and put that to a colleague vote. The biggest question I get asked when I'm spoken to by colleagues is ‘can you make it more local?’

Guy Mason, Head of Corporate Affairs, Wm Morrisons Supermarkets

We have a programme called BT Troubleshooter which allows charities to specify a business problem and we supply a group of volunteers with the right skills to work with them for a day to help address that problem. Another called BT Community Challenge enables our people to help with physical tasks. Both of these work well. BT people like using their skills and charities say they get real value.

Liz Williams, General Manager Sustainable Business, BT

We need to make sure that companies give access to the facilities that they've got to help the charities raise funds.

Guy Mason, Head of Corporate Affairs, Wm Morrisons Supermarkets

Google is playing a transformative role in our mission to bring forward the day when all cancers are cured. Google were an instrumental player in the GameJam we held in March 2013. They sponsored the event via a grant and also by providing use of their Google Campus building where we hosted the entire weekend event. This brought together Cancer Research UK's world-leading scientists alongside technology gurus such as Google, and in just 48 hours they designed 12 mobile GeneGames to allow the public to help analyse gene data. This innovative idea means that anyone with a smart phone and five minutes to spare will be able to play an enjoyable game that will simultaneously investigate vital scientific data.

Cancer Research UK

We've got a monthly magazine that goes out to all colleagues and is available for staff to read in their breaks and their lunchtimes. We have a dedicated section each month which talks about the charity work and what that's giving back to communities and where the money has gone – it's amazing how much colleagues value that.

Guy Mason, Head of Corporate Affairs, Wm Morrisons Supermarkets

What's the business case for giving and can it encourage young people to work for specific employers?

Most large companies acknowledge these days that their social responsibility footprint has an effect on their reputation. Global business leaders increasingly agree that we live in a 'reputation economy' where people's willingness to support a company relies heavily on issues of trust rather than just the quality of their goods and services, and that their reputation has a high financial impact on their business. The public does not feel that it has clear information on how companies perform in the area of good citizenship, but the evidence indicates that it is an increasingly important consideration for how companies are viewed.

Dr Catherine Walker, *Directory of Social Change*

In terms of motivating employees to think more positively about their workplace, to be more loyal, increase production, that reduces training costs, it reduces the disruption of hiring new staff. It also makes people feel proud about their workplace.

Tom Levitt, *Founder, Sector 4 Focus*

A survey of BT employees who supported Sport Relief 2012 found that 100 per cent thought it was a charity worth of BT's support, 99 per cent believed volunteering to be a good use of their time, 94 per cent said that they were proud to work for BT, 99 per cent want to stay personally involved, and 81 per cent said it had helped them develop new skills.

BT

Encouraging a culture of giving in the workplace can lead people to starting their giving journey and as they progress through their career increasing their income and influence - hopefully this is also reflected in the giving behaviour. Employers have a very important role in educating people around giving – ultimately we will build better civil societies if there are more community minded people in our midst.

CAF Australia

The business case for giving can vary, but essentially it boils down to returning value to the company that has given, usually via staff morale/retention/hiring returns or through meeting other business needs. The idea of a general 'feel good factor' has gone and the idea of creating positive PR through donations is fading – several of the companies we work with prefer not to publicise their donations overtly, often for fear or a cynical reaction from the public or from critics on social media.

Julian Barrell, *Director of Fundraising, The Prince's Trust*

By uniting staff with such a worthy cause and motivating them to achieve ambitious fundraising targets, NFU Mutual has benefited from increased staff morale, encouraged better team-working and installed a greater sense of pride. By organising a series of opportunities for staff to get involved with the charity, including its 'Make Your Final Hour count' campaign, we have significantly boosted our reputation as a great place to work.

NFU Mutual

A socially engaged workforce will benefit companies by encouraging 'intrapreneurship' and creative thinking. The boundaries between the private sector, the public sector and the third sector are

diminishing and this provides businesses and their employees with an opportunity to learn from the more entrepreneurial aspects of the non-profit sector.

The business and moral case for giving and promoting giving should be intertwined: companies give because it is their responsibility to do so, because society expects them to do so, and because it is in their business interest to do so.

Hub Ventures

The business case for engagement can be made at all levels although strategic reasons to so engage are rarely obvious in the smallest SMEs where the engagement process is more organic.

'Demands on time' is a common reason given for limiting the engagement of smaller SMEs in the community but there is little objective evidence that this need be the case. Other research tells us that those who have been through the transition to planned engagement do not raise lack of time as an issue.

The penetration of umbrella groups in the SME community is low so amongst the smallest SMEs there is no co-ordination, little local leadership, no passionate advocacy of the business case for them to engage in the community and there is a lack of awareness of organisations and campaigns involved in corporate citizenship. There is a natural reluctance of SMEs either to be told how to run their business or to prioritise networking without a good and immediate reason.

Tom Levitt, 'The Social SME'

'Doing the right thing' is part of who we are and is embedded in our vision.

Our PwC in the Community programmes encompass a broad range of corporate strategic relationships and local initiatives. We aim to match our skills and resources to the needs of local community organisations, while offering varied and different experiences for our people.

- We offer staff 3.5 hours a month during work hours focussing on addressing issues which are pressing in the UK today namely:
- Education of young people to help improve their life chances
- Employability of disadvantaged groups to help tackle the 'lost generation'
- Entrepreneurship to help foster a vibrant economy and community
- Environmental team volunteering to build a new level of environmental understanding amongst our staff and partners

PwC

It's important to have a partnership, where the company is giving money in cash and leading the way and implicitly showing employees and customers firstly that it is giving a huge amount, and secondly that giving from employers and customers is also going towards helping that cause.

Dr Catherine Walker, Directory of Social Change

We have schemes in place which support staff that volunteer with (or raise funds for) charities and community organisations in their own time.

Our Matched Giving programme means a proportion of the firm's charitable funds are donated to charities for which staff and partners have actively raised funds.

If staff demonstrate an outstanding commitment through volunteering in their own time they can apply for a larger donation to a charity or community organisation through our annual Blueprint Volunteering Excellence Awards.

PwC pays all administration costs associated with the Give As You Earn (GAYE) scheme on behalf of all staff. Currently we have bronze status with 4 per cent of staff taking part. An increase in membership of groups such as the young philanthropy syndicates should increase the number of staff participating as will increased engagement in the PwC Foundation.

In 2011/12 we initiated the PwC Foundation to promote sustainable development for the benefit of communities in the UK and beyond encouraging economic growth, regeneration and promoting social inclusion for the public benefit by preventing people from becoming socially excluded.

PwC

We set up Young Philanthropy to educate and empower a new generation of philanthropists. Our most prominent initiative is the Young Philanthropy Syndicate, which is essentially a giving circle or a mini-venture-philanthropy fund. Each contribution is matched 100 per cent in financial terms by a senior leader and then matched again by the employer if possible. We've set up syndicates in the top eight graduate employers and we want to expand to the top 100 employers.

Adam Pike, Young Philanthropy

Each young philanthropist invites three charities to pitch for each project in a sector that they're really passionate about. It moves a younger funder from being in the position of just a normal giver to become an actual philanthropist, strategically thinking about where they're giving their firms, and there is also a working element within their firm.

Michael Harris, Young Philanthropy

We have seen a significant increase in giving from our younger staff around charitable donations and fundraising. There is a group of Associates which is looking to encourage at least 10 per cent of our consulting graduates to sign up to the GAYE scheme with the emphasis on the donation being a percentage of their salary which will increase year to year as their salaries increase. We have also about 75 Associates/Senior Associates as members of 4 young philanthropy syndicates with each giving on average £7,000 cash whilst linking this to skill based volunteering.

17 per cent of under 30's are involved in volunteering with 38 per cent of the Matched Giving donations coming from this group.

PwC

The business case argument certainly helps employers attract young talent and is used in this way. Many of the graduate-recruiters we work with cite their partnership with us when they go onto campus and many of them report back to use that students are extremely concerned to select a company with a sustainability strategy they agree with, and/or opportunities to volunteer for charities they support.

Julian Barrell, Director of Fundraising, The Prince's Trust

We know from our corporate clients that having a strong corporate community investment program is important for the younger generation; and that it is particularly evident at recruitment. We are seeing a growth in the philanthropy discussion with the 'New-Gen' in Australia; and it is also one of

Philanthropy Australia's key focus. Giving is being encouraged in schools, which 10 years ago was virtually unheard of in Australia.

CAF Australia

Young people are increasingly interested in pursuing a career that 'gives back.' Of the university students that we work with, 75 per cent want to pursue a career that will enable them to tackle social or environmental issues in the course of their work. By ignoring the interests of young people, businesses risk losing out on an engaged, talented and critically thinking future workforce.

Research has shown that the act of giving makes us happier, and so promoting a philanthropic culture will help to create a happy and engaged workforce, and one that feels valued by society. This is particularly important for those who were actively involved in social action or other group activities whilst at university, for whom the transition to the workplace can be isolating and demoralising.

Providing 'extra-curricular' activities in the workplace, such as opportunities to learn about charities and giving, will have a positive effect on employee retention rates.

Hub Ventures

Everyone gains something different from their volunteering experience. We have introduced a matrix that outlines how volunteering links to the firm's Global Core Competencies.

PwC

There are two real models:

- 1) Employee-engagement led partnerships. Here the company seeks to gain a competitive edge over its rivals in terms of its employee engagement opportunities for staff, and secure buy-in and mass participation from staff (and often, customer) base, through helping them identify with a particular cause. Staff will volunteer, fundraise, donate and get involved in other ways. Examples of this include 'Charity of the Year' partnerships as well as a range of partnerships where the key deliverable the charity is asked to meet is the provision of volunteering opportunities for the company's staff – e.g. reading lessons for deprived children, help decorating buildings etc
- 2) Strategic partnerships where the charity helps the business meet a critical business need. This is definitely the growing area and is increasingly described as the next phase of CSR (corporate responsibility) or CSR 2.0. Here, the charity contracts with and/or delivers a service to an area of the business that has a specific need the charity can solve – a real 'win/win' partnership. An example of this would be our partnership with Marks & Spencer where they have a need to hire young people to work in stores and we are able to supply young people coming off our employability programmes. In this way we help M & S meet its HR and recruitment objectives and we are able to access funds from those budgets rather than a core 'donation' budget, creating a sustainable partnership between the two organisations.

Julian Barrell, Director of Fundraising, The Prince's Trust

We're able to strengthen internal networks in the big employers, where sometimes different sides don't actually talk to each other and we've had feedback that our programme has led to new business opportunities as a result of the communication.

Adam Pike, Young Philanthropy

Business-charity partnerships often suffer from ill-matched perceptions of each other, of shared goals and of realistic funding possibilities and from accusations of charity-washing.

Dr Catherine Walker, Directory of Social Change

Smaller charities cannot resource the volunteering or staff fundraising opportunities big companies want, nor can overseas charities provide these in the UK; charities that don't have a national footprint will be unable to partner companies who want local activities in local communities UK-wide; and niche charities/single issue campaigning charities/other 'less popular' causes will struggle to make the business case for other strategic partnerships. In this way a flat or declining overall contribution from companies will also increasingly find its way to larger, better resourced, and higher-profile brand charities further reducing the amount available to certain other causes and smaller charities.

Julian Barrell, Director of Fundraising, The Prince's Trust

What we have coming in the next 10 years is one of the largest transfers of wealth between the old generation of philanthropists and the new generation, a transfer of \$41 trillion. The new generation of philanthropists are much more interested in strategy, impact, experimenting with the money that they have.

Soushiant Zangenephour, Skoll Centre for Social Entrepreneurship, Said Business School, University of Oxford, referencing http://www.nextgondonors.org/wp-nextgondonors/wp-content/uploads/nextgen-donor-brochure_v8.pdf

The future workplace – what steps can we take to ensure charity and work are intertwined and how can businesses be established with giving in mind?

I believe the distinction between a good company and a great one is this:

A good company delivers excellent products and services;

A great company delivers excellent products and services and strives to make the world a better place.

William Clay Ford Jr, Executive Chairman, Ford Motor Company as quoted by **Dr Catherine Walker**, Directory of Social Change

Encouraging workplace giving requires changing people's opinion of charity, encouraging individuals to play a greater role in society, and breaking down the barriers that prevent people from seizing opportunities to create social impact. We envisage a future where making a positive contribution is achievable for everyone, whether through charitable giving or other community engagement, and regardless of the industry that they choose to work in.

Hub Ventures

We don't tend to talk about social responsibility or just have it as something dealt with by one part of the organisation. We try to intertwine it and we spread it right across many functions.

Peter Barron, Director of External Relations, Google

The most interesting corporations are trying to change how they operate, how they deal with their responsibilities, and their business models.

Soushiant Zangenehour, Skoll Centre for Social Entrepreneurship, Said Business School, University of Oxford

We've put a lot of emphasis on trying to hire people who have a public spirited mind-set – people who are interested in thinking beyond the workplace and beyond themselves.

Peter Barron, Director of External Relations, Google

There are, naturally, a number of elements to being a 'good corporate citizen,' of which we would argue giving to charity is one. Others include paying a fair share of tax, paying a living wage, demonstrating a commitment to the environment and sustainability, working with supply chains in an ethical manner, abiding by legislation that protects workers and consumers, and generally by giving back to the communities in which companies operate and from which they make their profits.
Dr Catherine Walker, Directory of Social Change

We have trained up to 80 volunteers in Social Impact measurement to help social entrepreneurs measure their value.

PwC

We launched the Global Impact Challenge and invited charities to propose ideas to us of how they would use technology to make the world a better place and win a share of £2.6m.

Peter Barron, Director of External Relations, Google

Ethical bottle water brand Belu was launched in 2004; founded on the belief that business can be done in a better way by reducing environmental impact and supporting clean water projects. Belu approached leading international water charity, WaterAid, in 2010 to propose a new model in which it would donate all of its' profits to the charity. There was a real desire by both parties to show a new way of working where business and charitable objectives are merged, demonstrating that a business can be run with ethics at its core.

WaterAid & Belu

On the global level, we give \$100m a year to support charitable causes, but we also give around \$1 billion in kind on advertising – so-called Google Grants – which are available to any non-profit organisation to use for free advertising worth up to £10,000 a month.

Peter Barron, Director of External Relations, Google

In 2011-12 our next generation community affairs programme included the creation of a hub for social enterprise and environmental change. The lower floor houses Brigade, a joint venture social enterprise spanning the private, public and not-for-profit sectors and bringing the complementary skills of PwC, De Vere Venues, The Homes and Communities Agency and social entrepreneur Simon Boyle to tackle homelessness and unemployment. To date 46 apprentices have completed the training into employment.

PwC

We ask staff to give their time and expertise – for example helping a charity improve its website or helping a school with an additional marketing campaign, and we then match those donations of time with cash.

Peter Barron, Director of External Relations, Google

There is a huge amount of support required to educate charities on how to implement an effective payroll giving program. There is a role for Government to support not-for-profits increasing the efficiency of charities.

A strong corporate community investment program attracts the best employees. Attracting and retaining good staff has been for many years, and will continue to be, one of the most critical issues for businesses.

CAF Australia

In November 2010 Google awarded the Science Museum an overall gift of about £2 million to support a variety of activities, including permanent galleries, temporary exhibitions and events the Science Museum had planned around data and information technologies as part of their ongoing Masterplan and Programme. Google's support of the Science Museum has come at a critical time, both conceptually and financially for us.

We were particularly delighted to welcome Google as a major supporter of the Science Museum, not only because we very much depend on the support of today's leading science and technology companies, but because our relationship is testimony to how culture and industry can work together to achieve our shared vision to inspire and educate the next generation of scientists and engineers.

Susan Fisher, Director of Development, Science Museum Group

Children and young people should be taught about the important role that businesses can – and should – play in making society better for everyone.

Universities should act as a good role model for students and graduates, by engaging with their local communities and encouraging staff and students to work for the benefit of the wider society.

More young people should be given the opportunity to set up their own social enterprise.

New enterprises should be incentivised to create a workplace giving plan alongside a traditional business plan, to ensure that giving is embedded in the culture of the company from the very beginning.

Improving connections and collaborations between the corporate sector and the third sector will begin to break down the barriers between the two and encourage the flow of expertise and ideas.

Companies should expand and promote their existing charitable activities, making sure all employees have the opportunity to be involved.

Employees should be encouraged to create their own charitable projects and giving groups within the workplace, with the full support of the company.

Hub Ventures

We will experience the fifth golden Age of Giving – each often the result of entrepreneurial innovations that a few then adapted to facilitate more effective giving. The first was in the middle ages as the new merchant classes of Europe built fortunes through trading; the second in the 18th century, following the invention of the joint-stock company; the third in Victorian Britain and continental Europe as the industrial revolutions took hold; and the fourth in the USA as new industrial processes created what remains the world's biggest economy.

Next-gen donors want to change how they give, more than what causes they support. They want to revamp philanthropic strategy in ways that can make it more effective. They seek a balance between honouring family legacy and assessing the needs and tools of the day.

Not surprisingly corporate giving is closely related to corporate profitability. However companies' most significant role in social and environmental issues will be not so much through giving as through a more enlightened approach to their strategy.

Soushiant Zangenepour, Skoll Centre for Social Entrepreneurship, Said Business School, University of Oxford, referencing <http://alliancemagazine.org/en/content/june-2013>

Further Information

The Charities Aid Foundation (CAF) is a registered charity that promotes charitable giving and provides financial services and social finance to not-for-profit organisations. We help donors – including individuals, major donors and companies – to give more effectively whilst providing financial and fundraising solutions for charities in the UK and internationally, helping good causes to manage their resources more effectively. We also have a strong track record in research, policy and advocacy, working across a range of issues to ensure the best possible funding environment for charities.

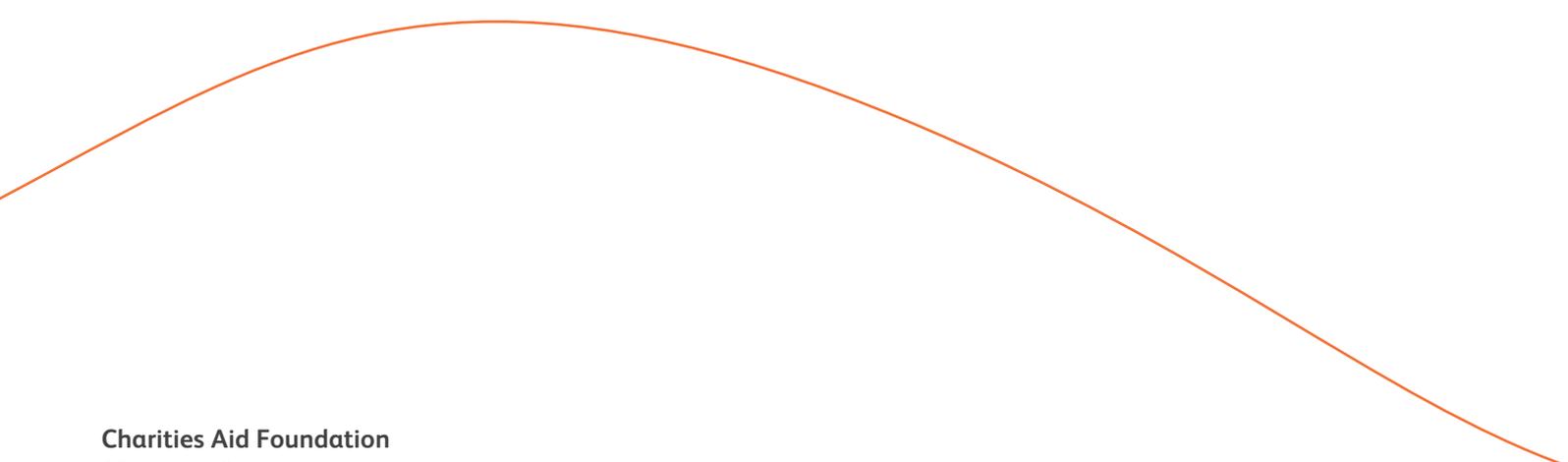
CAF has a long history of campaigning for changes in policy and legislation in order to improve the giving environment and to secure supportive legal, fiscal and regulatory conditions for donors, charities and social enterprises. Our knowledge and understanding – gained through direct experience and research – makes us a trusted voice on giving and the effective use of charitable funds.

All responses to the inquiry were submitted under our terms of reference which can be read on our website at www.growinggiving.org.uk which also contains more information and information about future strands.

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