



Industry Charity Works Through Recession

PRESS ARTICLE

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The economic downturn will not stop the industry's efforts to raise cash for its favorite charitable causes in 2009.

While organizers for Mutual Funds Against Cancer (MFAC) and Janus's Charity Challenge Ironman Triathlon acknowledge that cash donations may be less free-flowing, they say reaching out to employees — rather than the companies they work for — can rev up both fund-raising and spirit among staffers.

In fact, as companies plan to slash their philanthropic budgets in 2009, more are encouraging workers to donate their time for a good cause, according to data from The Conference Board. In a survey of 158 companies conducted last month by the New York-based economic research organization, 45% of companies said they had reduced their corporate giving budgets, while another 16% said they were considering such cuts. Meanwhile, 45% said they would increase efforts to encourage employees to volunteer, and 68% said they would either maintain or step up "workplace giving" efforts.

Getting employees personally engaged in charitable causes benefits companies too, says Carolyn Cavicchio. "It is a way to maintain some visibility in the community even if they have to cut their [corporate] contributions," she says. Especially in times of disheartening earnings, shrinking compensation and looming layoffs, it also helps develop a sense of cohesion, she says. "It is a way to work on employee morale and aid in retention."

Responding to the current environment, MFAC is one industry-supported organization that has shifted its strategy to engage more individuals through their longstanding partnerships within the industry. "We've been talking to firms about how they can leverage our organization, and how they can support us in ways other than some five- or six-figure corporate check," says Frank Strauss, MFAC chairman and principal at Beacon Consulting Group.

MFAC's list of corporate sponsors includes industry service providers, consultants, professional organizations, law firms and a couple dozen fund families. All of the organizations' proceeds go to the Center for Applied Cancer Science, which is part of the Dana Farber Cancer Institute.

This year, two member firms have given their employees the option of donating to the organization through payroll deductions, much as they would for their 401(k) or health insurance premiums. "It only takes a small percentage of their folks' putting away \$25 or \$50 per month, and it adds up pretty quickly," Strauss says.

Charities are also suffering as companies look ensure that their philanthropic efforts don't become public relations gaffes in the steep economic recession. Events such as golf tournaments, which have long been cash cows for groups like MFAC, have suddenly become a bit of a hot potato, says Cavicchio. Even if companies have the cash to sponsor the event, many are wary of negative public perception of "a golf tournament as elitist," she says.



When it comes to the MFAC event, some sponsors have continued to fund the event but may not be sending as many golfers this year, says Strauss. Others plan to use the upcoming MFAC Expect Miracles tournaments in June and September as a client event.

Last year, MFAC raised \$825,000 through various events including golf tournaments, wine tastings and individual donations. Of that, \$600,000 came through the Expect Miracles Tournament alone. This year, MFAC added a second Expect Miracles tournament, slated for September in Denver. “We understand that this year we will be challenged to make as much money on each event as we did last year,” Strauss says, but other opportunities may help the organization more than make up for the difference.

This year, MFAC also has a team of three people running in the Boston Marathon raising funds on its behalf. John Hancock donated two of the runners’ official race numbers. Two runners from PricewaterhouseCoopers and a third from Interactive Data are soliciting donations through MFAC’s site. MFAC plans to roll out a much wider runner donation program around the Boston and New York JPMorgan Chase Corporate Challenges coming up in June.

Janus uses a similar strategy to help athletes competing in the company-sponsored Ironman Triathlon. “Janus is acting as a catalyst to inspire others,” says Casey Cortese, director of corporate sponsorships.

The program has swelled from 57 athletes competing in five triathlons in 2001 to 273 competing in seven events in 2008. Each athlete gets to choose the charity for which he or she is competing, and Janus also donates a certain amount to the charities of the top 50 athletes. The biggest prize to an individual competitor’s charity is a \$10,000 donation from Janus.

By supporting individuals’ efforts to raise money, Janus also vastly increases the impact of its own philanthropic effort. For the roughly \$340,000 Janus invests in the Ironman events, the 201 charities athletes picked last year received \$7.8 million in donations. “It’s a great return on investment, and fiscally responsible for our company in up or down markets,” says Cortese.

This year, in addition to the fundraising tips, media press release templates and online fund-raising support Janus provides the athletes, it has started an “advocate program” by which athletes might encourage other would-be triathletes to compete — and fund-raise — through Janus.

And although the grueling training involved in preparing for a triathlon may not be for everyone, Janus employees often volunteer at the events. Janus clients are also invited as VIPs, and can participate in everything from handing snacks to athletes along the route to helping competitors peel off their wetsuits, Cortese says.

Such connections to the event help the athletes develop loyal cash-giving supporters, and build enthusiasm around the event and the Janus brand, Cortese says. “There is an awe factor,” she says. “People want to touch the Ironman experience.”