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Corporate Giving Survey 2012

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Background

All figures, including percentages, are estimates. Percentages may not add up to 100% due to rounding or because multiple answers are allowed. All percentages are rounded from 2 decimal places.

“^” represents sample size <30.

Research purpose

- Developed by the National Volunteer & Philanthropy Centre (NVPC), the Corporate Giving Survey (CGS) 2012 is a study of corporate giving among members of the Singapore Business Federation (SBF)
- SBF is the apex business chamber that champions the interests of the Singapore business community. SBF has more than 18,400 members which represents the top 10% of companies in Singapore*
 - All local and foreign companies registered in Singapore that have a share capital of at least \$0.5 million are members of SBF
- Through this research, NVPC aims to:
 - Understand corporate giving motivations, strategies, and practices
 - Suggest how companies can work with non-profit organisations (NPOs), and how NPOs can better engage companies
 - Improve future giving by companies

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*Number of companies assessed by IRAS in Year of Assessment 2011 was 154,254. Retrieved 19 February 2013 from:

[http://www.iras.gov.sg/irasHome/uploadedFiles/About_IRAS/Annual_report/Appendices\(3\).pdf](http://www.iras.gov.sg/irasHome/uploadedFiles/About_IRAS/Annual_report/Appendices(3).pdf)

Total number of business entities (includes company, sole-proprietorship/partnership, limited liability partnership, and limited partnership) was 397,257 as of 31 March 2012. Retrieved 19 February 2013 from: http://appiqs.acra.gov.sg/acra_ar2012/

Definitions

In this study:

- **Company** refers to the Company's Singapore operations
 - If the Company is a multinational corporation, respondent was asked to provide information on its Singapore business unit
- **Non-profit organisations** refer to charities and Institutions of a Public Character (IPCs) in Singapore
 - Overseas NPOs are excluded unless otherwise stated
- **Financial figures** are based on calendar year
 - 2010 refers to 1 Jan to 31 Dec 2010
 - 2011 refers to 1 Jan to 31 Dec 2011
 - If the Company's financial year was different from calendar year, respondent was asked to consider the financial year covering the major part of a calendar year

Definitions

In this study:

- **Corporate giving** refers to contributions to local NPOs. **Contributions** include:
 - Donation in cash (giving in the form of any monetary instruments from the Company's own resources)
 - Donation in kind (giving in the form of goods)
 - Loan of corporate assets and resources free
 - Purchase of goods and services from a NPO
 - Provision of the Company's services free (services given in the ordinary course of the Company's business)
 - Employee volunteerism (giving of one's time to perform a task or render a service free)
- **Contributions** exclude:
 - Sponsorships in cash and/or in kind (usually, there would be some commercial benefit of a contractual nature derived from such sponsorship)
 - Funds raised from employees (e.g. through employee payroll deduction), employees' family members, business associates, customers and/or members of the public (these are funds raised through the Company for charity and community causes e.g. through walkathons)
- **Giver** refers to:
 - Respondent who has contributed in 2010 and/or 2011

Highlights

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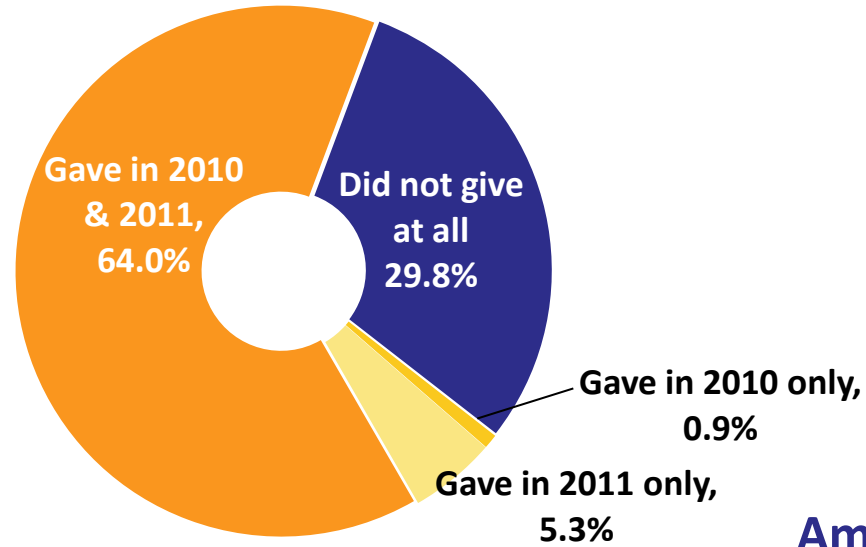
- **Many gave: 2 in 3 respondents gave in both 2010 and 2011**
 - Cash donations were the most common form of giving, followed by employee volunteerism
- **More could be given**
 - 3 in 5 givers contributed less than 0.5% of pre-tax profits in both 2010 and 2011
 - Median donations in cash: \$12,000 in 2011
- **3 in 5 respondents did not have formalised giving practices**
- **Among non-givers, resource constraints was the top reason for not giving**
- **Recommendations**
 - Senior management: be regularly involved in planning/approval, beyond occasional, ceremonial involvement
 - Implement formalised giving practices e.g. strategic community programmes worked out jointly with NPOs based on needs, measure effectiveness of contributions
 - Non-givers: help NPOs in other ways e.g. employee payroll deduction

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Findings

2 in 3 respondents gave in both 2010 and 2011

Most were motivated by charitable instincts. Resource constraints was the top reason for not giving



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Among Givers

Motivating Factors	
1	Charitable instincts, though there may be potential business benefits
2	Benefit Company's bottom line, as well as environmental or social impact(s) of one or more value chain partners
3	Disruptive change to Company's business model that puts priority first on solution to societal problem

Among Non-Givers

Top 3 Reasons for Not Giving*	
1	The Company had resource constraints
2	The Company has little or no confidence that fundraising proceeds will be put to good use
3	Giving to NPOs makes little or no business sense to the Company

Q: Based on the above definition, did the Company make any contributions to NPOs in 2010 and/or 2011? (Base: all respondents; n=114)

Q: What is/are the key motivation(s) behind the Company's contributions to NPOs? Please tick all that apply. (Base: all givers; n=68)

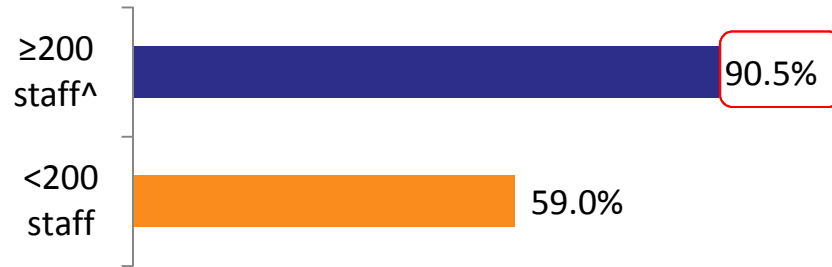
Q: What factor(s) discouraged the Company from making a contribution to NPOs in 2010 and/or 2011? (Base: all except those who gave in both years: n=32)

*Ranking was derived by a points system e.g. first choice was assigned 5 points, second choice 4 points and so on.

Giving incidence associated with size

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**Givers by Number of Employees
(as at 31 Dec 2011)***



Givers by Total Revenue in 2011



**Givers by Total Assets
(as at 31 Dec 2011)**



Givers by Listing Status

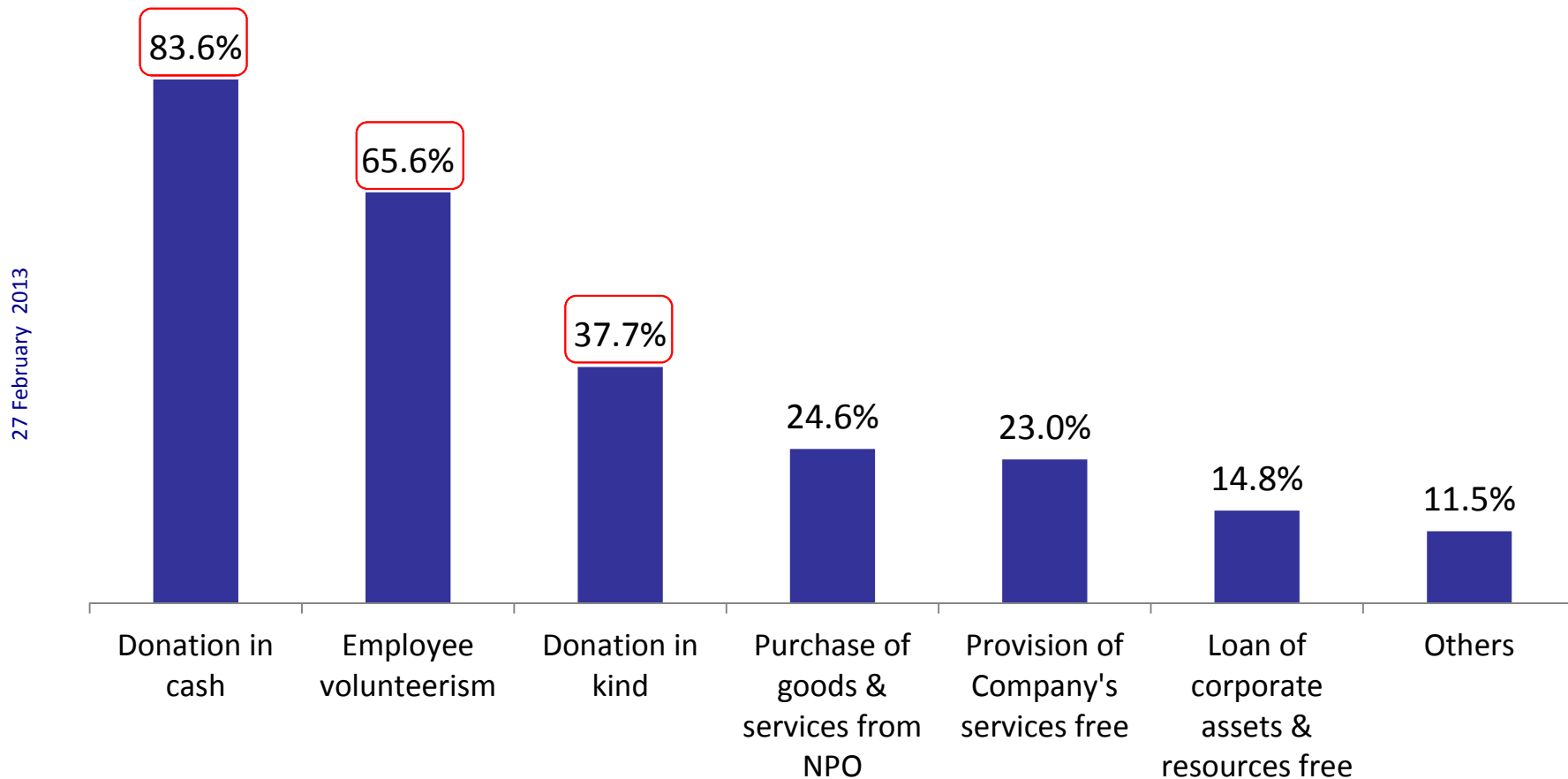


Q: Based on the above definition, did the Company make any contributions to NPOs in 2010 and/or 2011? (Base: all respondents; 45≤n≤60)

*Excludes those on casual employment.

Cash donations: most common form of giving

Employee volunteerism was second, with donations in kind a distant third

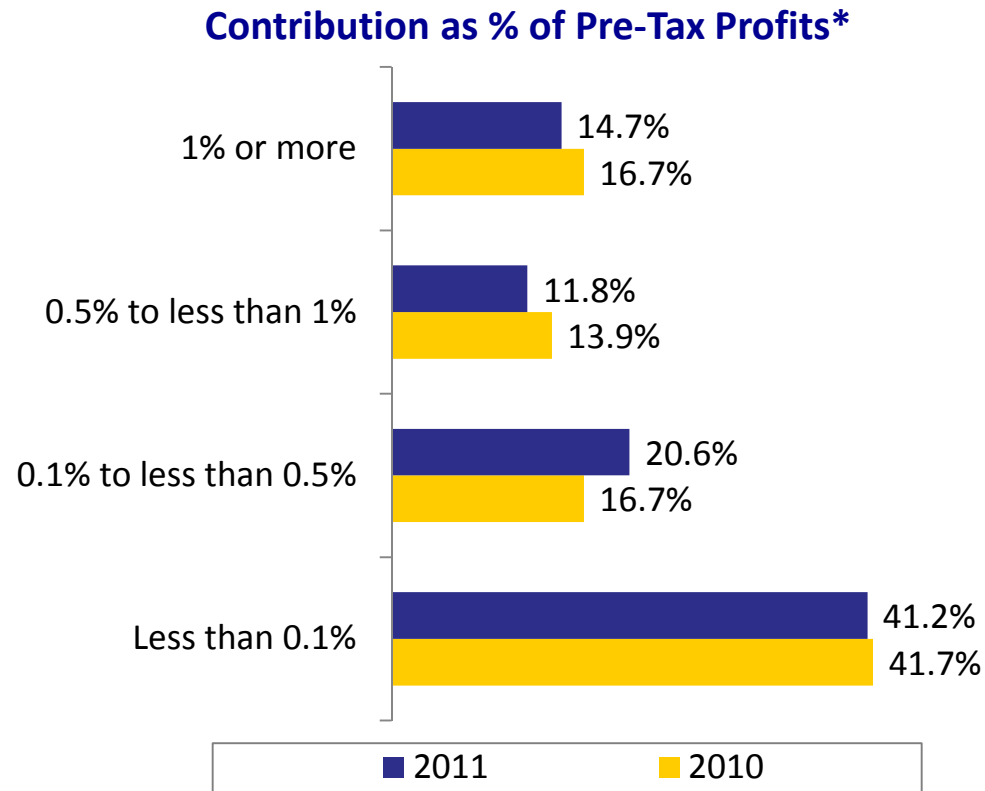


Q: The Company has contributed to NPOs in 2010 and/or 2011. What contributions did the Company make? Please tick all that apply. (Base: all givers; n=61)

3 in 5 givers contributed less than 0.5% of pre-tax profits in both years

Median donation in cash was \$12,000 in 2011

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Median Contribution in Dollars

Forms of Contribution	S\$ Thousand	
	2010	2011
Donation in cash	19.0	12.0
Donation in kind	1.0	0.5
Provision of Company's services free	0.0	0.0

*11.1% and 11.8% of givers in 2010 and 2011 respectively had pre-tax losses.

Q: What percentage of pre-tax profits of the Company do the following forms of contribution constitute in TOTAL: Donation in cash, Donation in kind and Provision of the Company's services free? (Base: all givers ; n=36 for 2010 and n=34 for 2011)

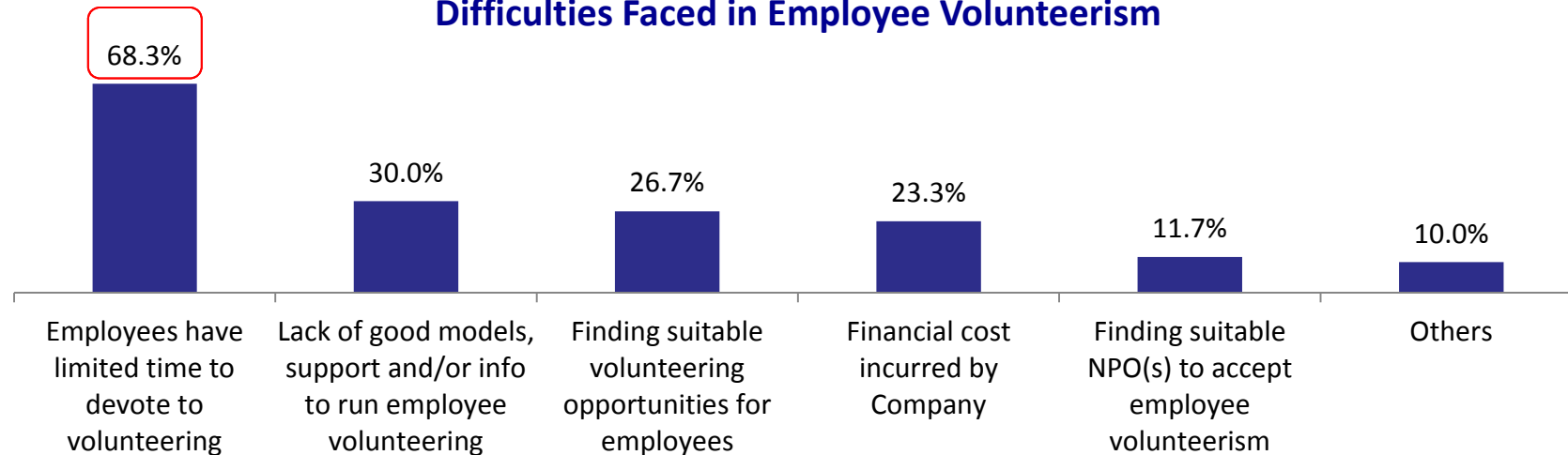
Q: Please state the dollar value for the following form of contributions. (Base: all givers ; n=35 for 2010 and n=38 for 2011)

“Limited time” is a major difficulty in employee volunteering

Less than a fifth of employees volunteered, but respondents may be unaware of employees volunteering on their own

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Difficulties Faced in Employee Volunteerism



Median Volunteerism Rate, Volunteer Hours*

Indicators	2010	2011
Volunteerism rate, %	17.0	15.0
No. of volunteer hours per employee	5.9	6.4

Q: What difficulties, if any, has the Company faced in relation to employee volunteering? Please tick all that apply. (Base: all respondents; n=60)

Q: What is the number of employees who volunteered at least once (exclude those who signed up but did not serve), total headcount as at year end, excluding those on casual employment, and the total number of volunteer hours performed by all employees in the year? (Base: all who contributed through employee volunteerism in the respective years; 16≤n≤20)

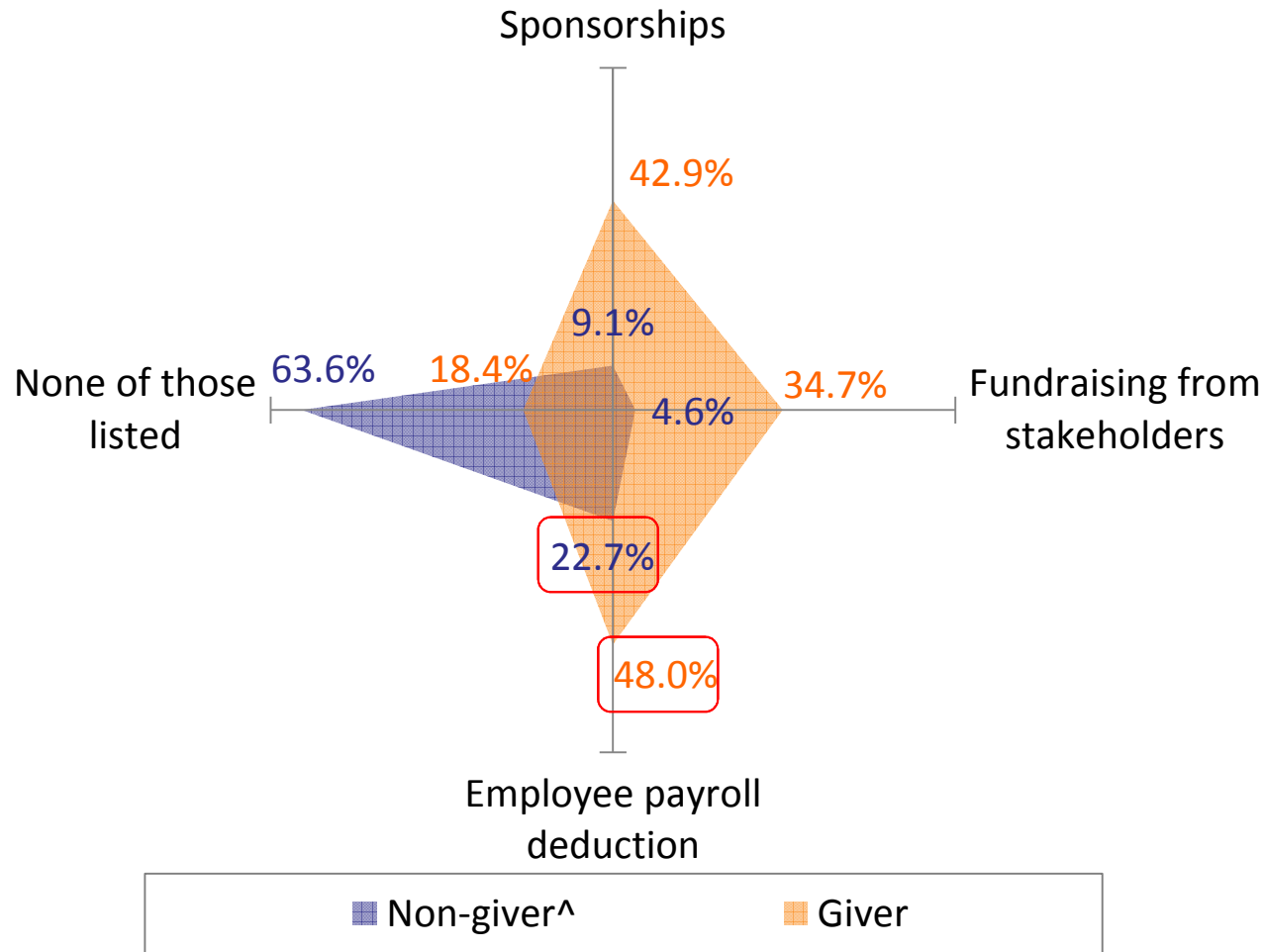
*Volunteerism rate is the number of employees who volunteered at least once in the year over total headcount as at year end;

No. of volunteer hours per employee is the total number of volunteer hours over number of employee volunteers

1 in 2 givers helped NPOs through payroll deduction

Among non-givers, 1 in 5 had employee payroll deduction for charity e.g. ComChest

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Q: Has the Company helped NPOs in other ways in 2010 and/or 2011? Please tick all that apply. (Base: all non givers; n=22, all givers; n=49)

3 in 5 respondents did not have formalised giving practices

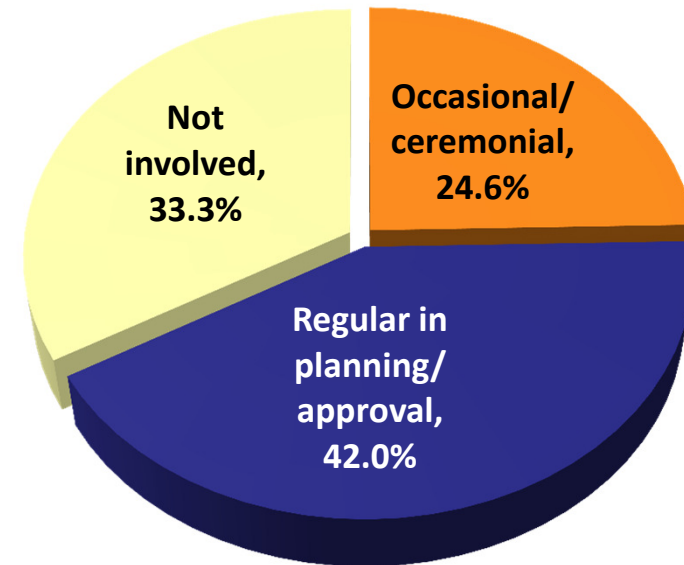
2 in 3 respondents do not measure effectiveness of company contributions. This may be associated with the lack of regular senior management involvement in planning/approval of contributions

Policies and Practices

Policies, Policies and/or Processes	%
Budget regularly set aside in good times and bad	28.6
Strategic programmes	23.8
Formal, standing committee/department	15.9
Policies that integrate contributions in Co operations	9.5
None of the above	60.4

Effectiveness Measures of Past Co Contributions	%
Regularly review strategy/operations	20.6
Evaluate and measure outcome/impact	19.1
Track resources given to NPOs	17.7
Others	7.4
Does not measure effectiveness	63.2

Senior Management Involvement



Q: Which of the following practices, policies and/or processes, if any, does the Company have in place for contributions to NPOs? Please tick all that apply. (Base: all respondents; n=63)

Q: In which of the following ways, if any, does the Company measure the effectiveness of its contributions to NPOs? Please tick all that apply. (Base: all respondents; n=68)

Q: In what ways, if any, is senior management involved in the Company's contribution to NPOs? (Base: all respondents; n=69)

“Past performance of NPO”: most important consideration before giving

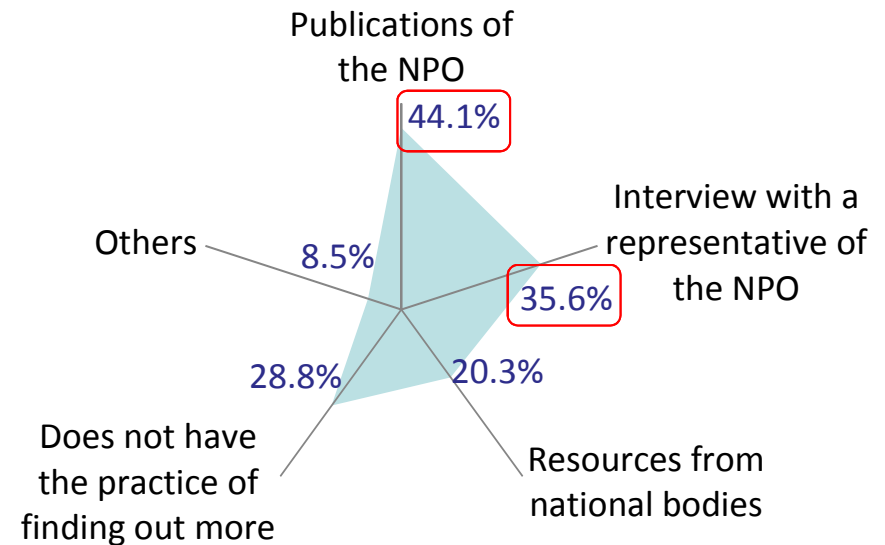
Respondents relied mostly on information from NPOs e.g. publications or interviews

Top Five Attributes Considered before Giving to a NPO

Top 5 Attributes*	
1.	Past performance of the NPO in achieving its mission
2.	No. of beneficiaries
3.	Personal preferences of owners/board directors/management
4.	Size of existing funds/Number of existing volunteers vis-à-vis perceived needs
5.	Publicly available financial and non-financial information

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Ways to Find Out More about NPO



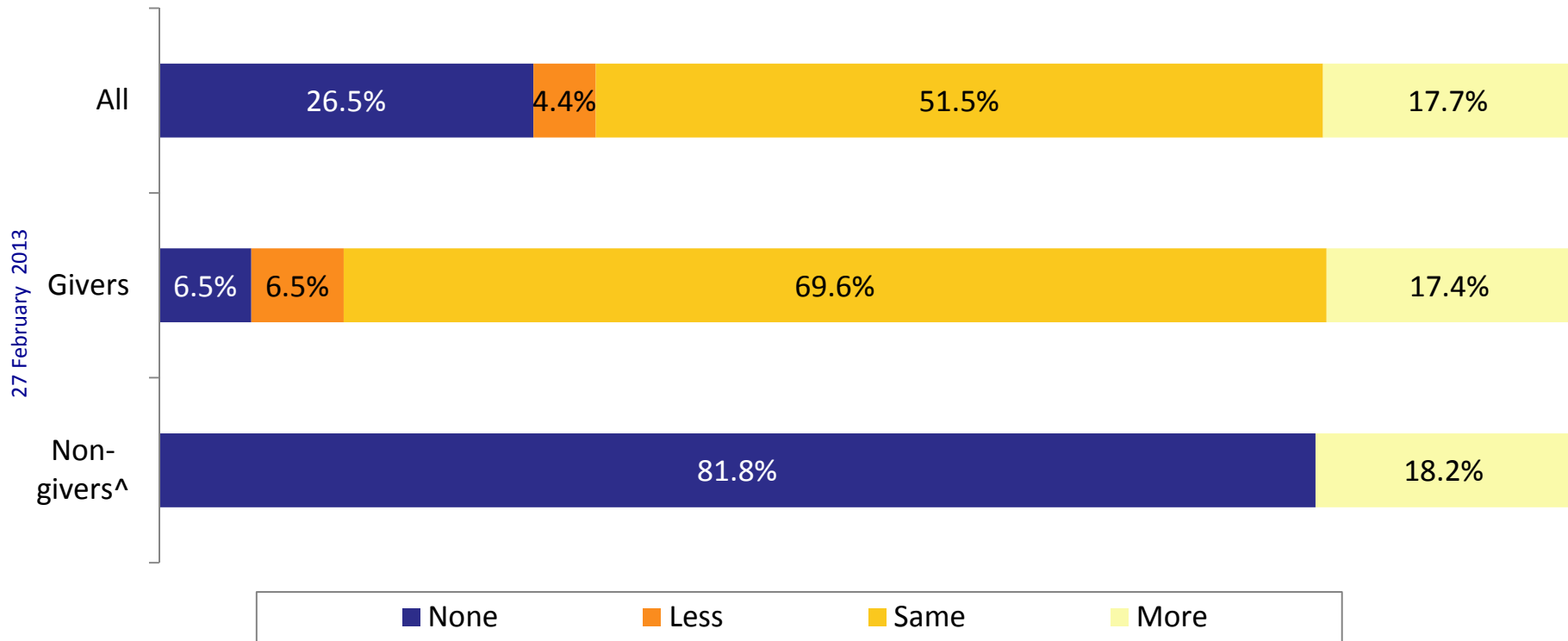
Q: Listed below are various attributes of a NPO which the Company may consider before making a contribution. You may select any number of factors, where applicable, and rank them in order of importance, with the most important factor ranked as “1” and so on. (Base: all respondents; n=50)

*Ranking was derived by a points system e.g. first choice was assigned 8 points, second choice 7 points and so on.

Q: How does the Company find out more about a NPO whom it is considering supporting for the first time? Please tick all that apply. (Base: all respondents; n=59)

7 in 10 respondents intend to give in next two years

Among non-givers, 1 in 5 expect to make contributions in 2013-2014



Among companies which expected to give less or none in 2013 and 2014, **resource constraints** continued to be the greatest barrier to giving.

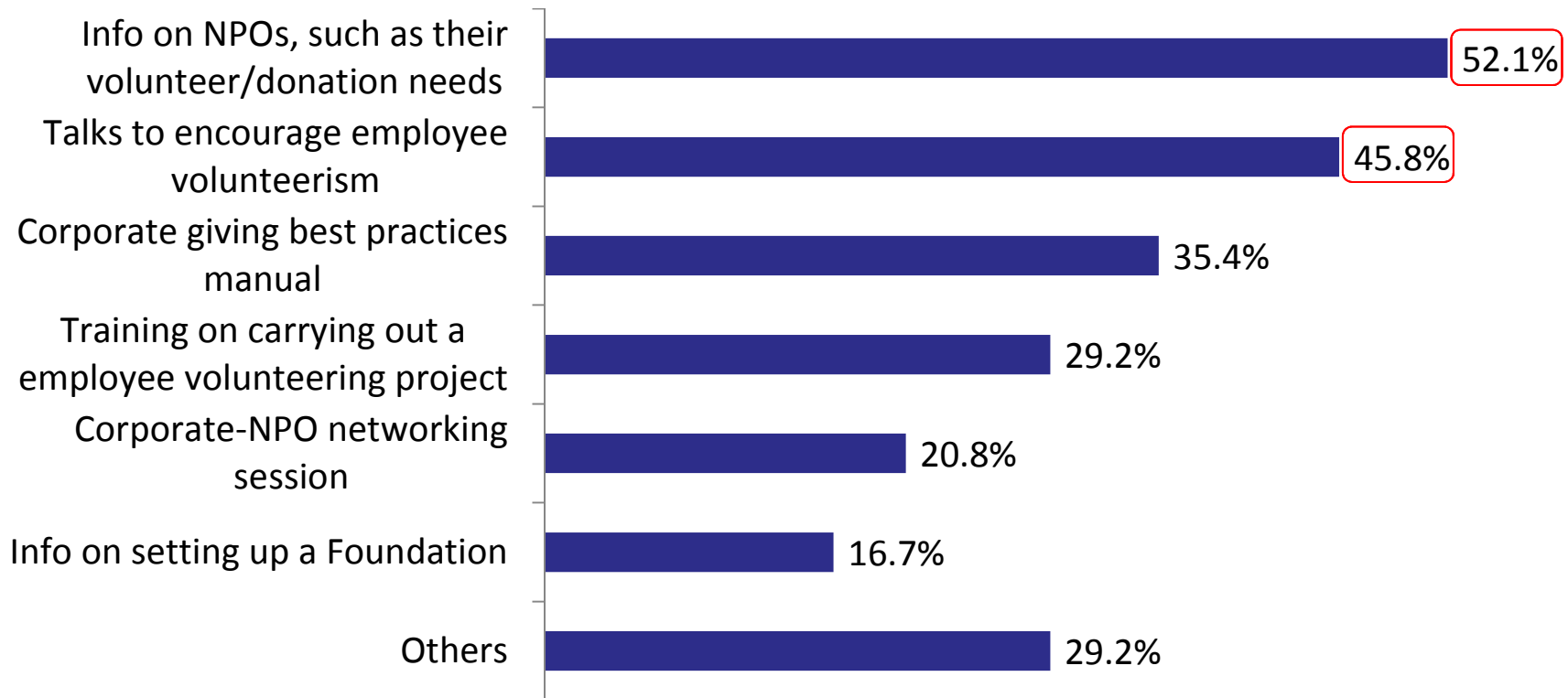
Q: Overall, how would the Company's contributions to NPOs in the next two years (2013 and 2014) compare to those in 2010 and 2011? (Base: all respondents; n=68, all givers; n=46, all non-givers; n=22)

Q: Why does the Company intend to contribute 'none' or 'less' in the next two years? (Base: those who replied 'none' or 'less'; n=18)

NVPC could increase overall corporate giving by facilitating informed giving

Respondents also want help in employee volunteerism

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“Others” include: corporate mentorship scheme and assistance in identifying and mobilising corporate resources for giving.

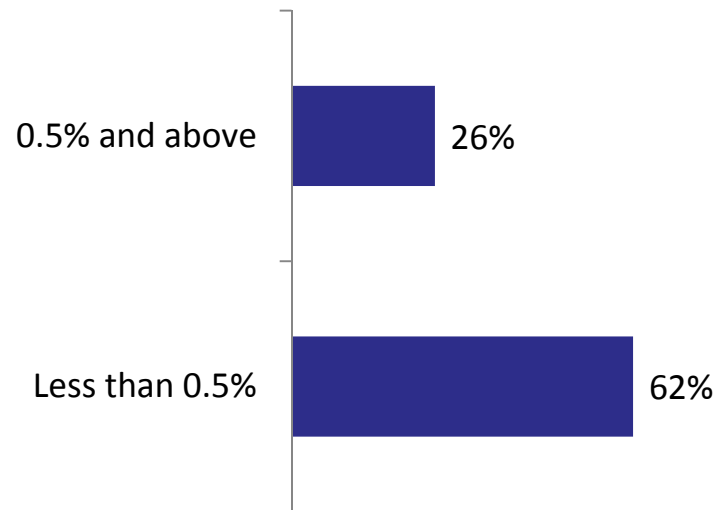
Q: Which of the following NVPC’s services and/or resources would you like to know more about? Please tick all that apply. (Base: all respondents; n=48)

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Comparisons

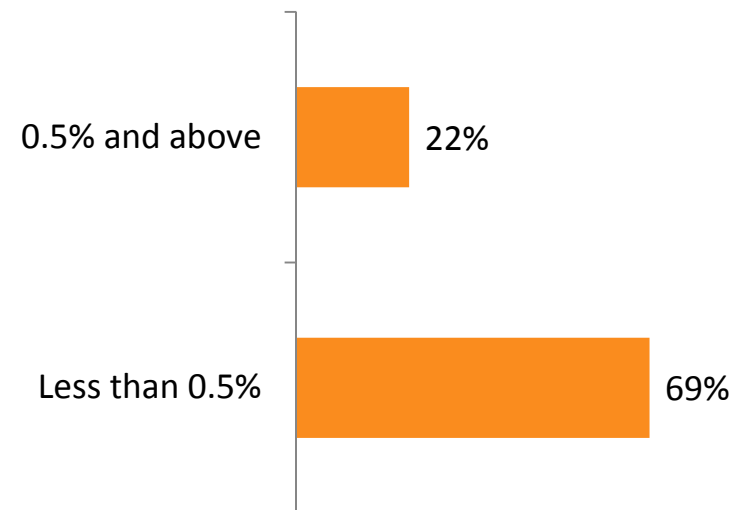
While not strictly comparable, more companies contributed a greater proportion of their pre-tax profits than before

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Singapore¹

Contribution as % of Pre-Tax Profits, 2011*
SBF Members Who Contributed



Singapore²

Contribution as % of Pre-Tax Profits, 2006**
S1000, SME500, Listed Companies, Known
Givers, and All Financial Sector Companies
Who Contributed

2011 and 2006 results are not strictly comparable because of differences in fieldwork, survey methods, and definitions of giving.[#]

¹ "Corporate Giving Survey 2012", National Volunteer & Philanthropy Centre, Singapore

*12% of givers in 2011 had pre-tax losses.

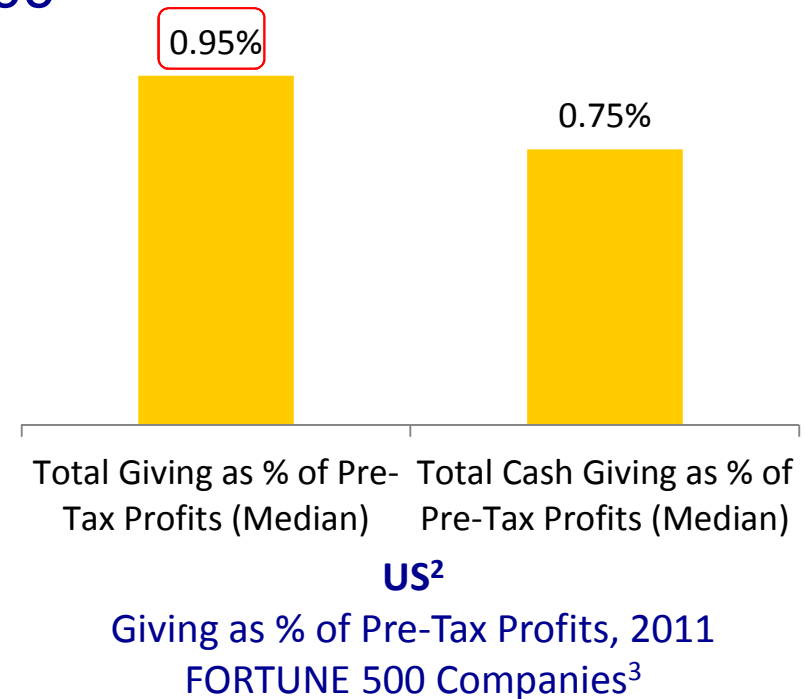
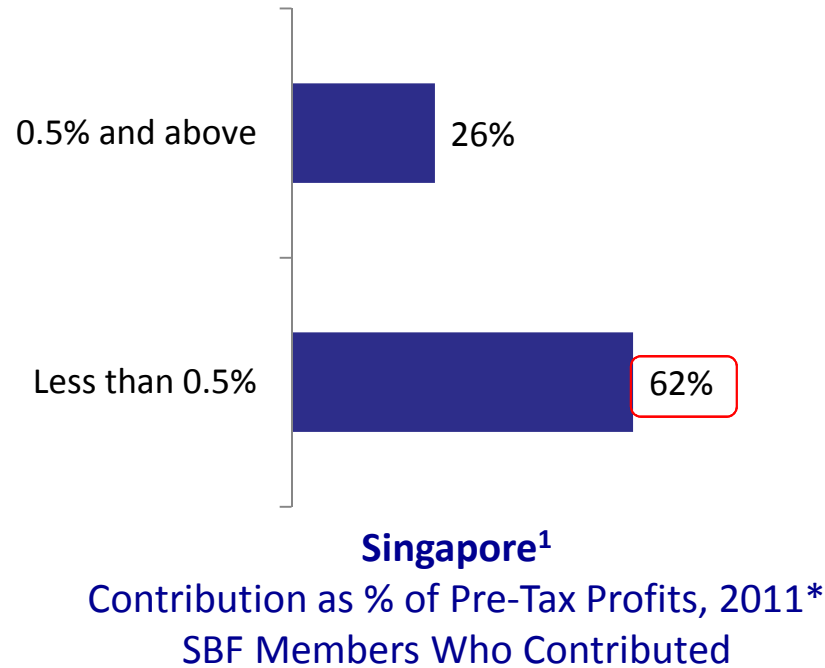
² "Corporate Citizenship in Singapore", Saw Swee-Hock, Saw Centre for Financial Studies, Singapore

**5% of givers in 2006 had pre-tax losses, while 4% did not respond.

[#]While NVPC's study was a survey of SBF members, Saw Centre's study employed a purposeful sampling procedure to capture elite segments of the corporate sector where donors conventionally dominate. For the latter, questionnaire was first mailed out to 2,282 companies, then phone calls were made to a select group of 180 companies to boost response rate (companies known to be very active in the philanthropic sphere were targeted).

While not strictly comparable, companies in Singapore lagged in giving compared to FORTUNE 500

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Median of contribution as % of pre-tax profits was less than 0.5% among SBF members, median of total giving as % of pre-tax profits was 0.95% among FORTUNE 500 companies. Results between US and Singapore are not strictly comparable because of differences in fieldwork, survey methods, and definitions of giving.[#]

1 "Corporate Giving Survey 2012", National Volunteer & Philanthropy Centre, Singapore

*12% of givers in 2011 had pre-tax losses.

2 "Giving in Numbers (2012)", Committee Encouraging Corporate Philanthropy and The Conference Board, United States. Retrieved 19 February 2013 from: http://www.corporatephilanthropy.org/pdfs/giving_in_numbers/GIN2012_finalweb.pdf

3 Compiled and published by FORTUNE Magazine, the FORTUNE 500 is an annual ranking of the top 500 American public corporations as measured by gross revenue

[#]For US, total giving includes direct cash (giving from either headquarters or regional offices), foundation cash (corporate foundation giving which often includes employee-matching gifts) and non-cash (product or pro bono services assessed at Fair Market Value). For Singapore, contribution includes cash donation, in-kind donation and provision of company services free, with respondents determining values of the latter two.

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Technical notes

Research Design

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- **Sampling framework**
 - Member companies from SBF
 - Companies from range of sectors, e.g. Manufacturing, Construction, Wholesale & Retail Trade, Business Services, Financial Services, and Information & Communication
- **Survey period**
 - 1 Nov 2012 – 7 Jan 2013
- **Survey methodology**
 - Online survey
 - In addition, hard copies were mailed to 1,000 random SBF members to encourage participation
- **Respondents**
 - 123 respondents participated in the survey. Number of respondents may vary across questions
- **Limitations**
 - Sub-segment analysis limited due to the small number of respondents
 - Dollar amounts of some contributions, such as provision of the company's services free, and figures derived from them may be subject to differences in how respondents valued the contributions

Profile of Respondents

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Characteristic	Sample	Characteristic	Sample
Listing		Equity Ownership	
Listed	17%	Locally-owned	64%
Unlisted	83%	Foreign-owned	36%
Years of Operation as at Dec 2011		Number of Employees as at 31 Dec 2011*	
Less than 7 years	15%	Less than 200 employees	65%
7 to less than 15 years	30%	200 to less than 1,000 employees	12%
15 to less than 25 years	17%	1,000 to less than 2,000 employees	7%
25 years or more	38%	2,000 employees or more	17%
Total Revenue in 2011		Total Assets as at 31 Dec 2011	
Less than S\$10 million	53%	Less than S\$10 million	67%
S\$10 million to less than S\$100 million	30%	S\$10 million to less than S\$100 million	13%
S\$100 million to less than S\$1 billion	9%	S\$100 million to less than S\$1 billion	9%
S\$1 billion or more	9%	S\$1 billion or more	11%

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Acknowledgements

Thank you

- NUS Business School and Professor Saw Swee-Hock for permission to modify/reproduce questions from Saw Centre for Financial Studies publication (2008) “Corporate Citizenship in Singapore”
- Professor V. Kasturi Rangan of Harvard Business School for permission to adopt the CSR framework proposed in his Harvard Business School working paper (2012) [“Why Every Company Needs a CSR Strategy and How to Build It”](#)
- Singapore Business Federation and Singapore Compact for CSR, for their assistance in calling upon their members to participate in the survey

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