

**YALSA Board Meeting  
2005 Midwinter Meeting  
Boston, Massachusetts  
January 14-19, 2005**

**Topic:** Teen Read Week Sponsorships

**Background:** Teen Read Week has always relied on the sponsorship of corporate partners to help promote and finance the event. In 2004, only \$8,000 in sponsorships was raised. In order for this event to continue to grow, additional sponsorships must be found for 2005.

**Action Required:** Discussion/Decision

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**Sponsorships from 2002 – 2004**

**2004:** HarperCollins (\$5,000+), Houghton Mifflin (\$1,000+), Scholastic (\$1,000+), Pam Spencer-Holley (\$1,000+)

**Total: \$8,000+**

**2003:** Lord of the Rings (\$25,000+), Barnes & Noble (\$10,000+), Harcourt (\$5,000+), HarperCollins (\$5,000+), Morningstar Foods (\$5,000+), Scholastic (\$1,000+), Pam Spencer-Holley (\$1,000+)

**Two sides of the coin corporate giving is a business.** *Anne Hoffman.*

**Abstract:** Corporate giving has evolved as a business that creates public awareness of the positive image of the donor company. Thus, corporations are carefully planning their charitable programs that can match their business goals. In turn, not-for-profit organizations which tend to profit from corporate donations should consider themselves as partners in the donor's corporate advertising. Therefore, not-for-profits and corporations will both benefit from a thorough understanding of market-based donations.

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In the 90s, increasing competition combined with downsizing has created an environment in which marketing goals and philanthropic programs are combined. Strategic giving can raise public awareness and a favorable image of a corporation that plain advertising cannot match.

If 1996 and 1997 were any indication, more, than \$140.3 billion will be given to non-profits this year. Although the vast majority of contributions, approximately \$123.4 billion are from individual contributions, nearly half will be designated to the donors' church.

The reality is many not-for-profits do not obtain substantial gifts from wealthy individuals. Because corporations are so visible and offer easy access, development professionals, executive directors and volunteers can be found lining up at these \$7.2 billion coffers. With more than 160,000 non-profit organizations in the United States, there are an abundance of choices.

#### Push for Profitability is Reflected in Contributions

In the 90s, increasing competition combined with downsizing has created an environment in which marketing goals and philanthropic programs are combined. Strategic giving can raise public awareness and a favorable image of a corporation that plain advertising cannot match. Companies are rethinking their giving programs to reflect business goals.

Worthy causes would be wise to develop strategies favorable to building corporate bridges. It is the obligation of the not-for-profit organization to realize that "quid pro quo" are not dirty words. The push for profitability demands this emphasis. Understanding the potential for combining corporate-good with public interests is the beginning of a good market-based contributions program.

Here's an example of a collaboration that worked:

Utility companies have a proscribed market, and it is the Public Utilities Commission that approves rate increases and assigns new territories. A local gas company





## Impact/Goodwill

Companies may want to reconsider their policies of limiting contributions to a one-time-only policy. As in advertising, it takes a period of time, with the repetition of the message to make an impact.

Why not adopt a charity for a period of three to five years with a prescribed set of goals and objectives and utilize resources both at the corporation and not-for profit to demonstrate and promote the results.

Some corporations - a national insurance company comes to mind - make contributions all across the country, but the gifts are all in the \$500 to \$2,000 range and in many different categories. The impact of their philanthropy is so diluted and so invisible that the total giving is diminished. The need for goodwill and positive association (have you heard anyone say something nice about insurance rates?) would presage larger gifts with well-established, well-regarded non-profits.

It's important for the contributions strategy to adopt policies regarding multiple year funding, project orientation and funds for capital endeavors.

## In-House

In the past, the CEO likes dogs... And, Bowser at the humane society gets a large gift. I won't be naive and say this still doesn't happen, but under the new strategy a corporation's committee with knowledge of the company's marketing direction will determine most of the giving distribution.

Contribution committees placed in human resources departments usually become stepchildren. A better placement is in the community relations department because of greater familiarity with community resources. Other committee members are recruited from marketing, government relations, top management, and line employees. Local community foundations and United Way can offer some tips.

## Outsourcing

Consulting firms familiar with both public relations and the not-for-profit community are available to help start or enhance corporate contributions programs. United Parcel Service hired a public relations firm based in Washington, D.C. to reinvent and operate its program.

A national large, national food banking system headquartered in Atlanta with distribution to aligned non-profits across the United States was one of the results. The growing trend is for corporations to turn over the program to specialized firms to save money and increase efficiency because overhead is greatly reduced. Professional services can be more directive, understand marketing and public relations requirements and not get emotionally tied to pet projects.



2. Newsletter with a reasonable circulation.
3. Staging of a promotional event with invitation to civic luminaries, elected officials, and sponsors highlighted in printed material and at the event.
4. Demonstration that the charity has developed some relationship with media and indications of favorable publicity.
5. Capital projects, naming opportunities, promotional minded kick-off or special event.

Some not-for-profits will scoff and protest how or who is going to pay.

The non-profit has these choices:

- \* Build the costs of the promotion into the organizational budget and fund through unrestricted funds
- \* Include the costs of promotion in the request
- \* Recruit a volunteer from a public relations firm
- \* Hire a public relations firm
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Employees are proud of their company when it reaches out to help. The Marriot Hotel sponsors one-day renovation projects that utilize employees from staff and line to repair, paint and landscape selected non-profit facilities. A program called Second Chance that offers shelter, food, counseling and job placement support for homeless people received this type of help.

#### Accept the Trend and Profit

What do you know about your clients? Review your data collection program and make sure your database has information that will help develop a profile. Consider the market your potential corporate sponsor is appealing to and include in your proposals demographic information regarding your clients. If that doesn't fit, include information about your supporters. Does your nonprofit have a newsletter with a reasonable circulation?

Find opportunities to applaud corporate employees for matching gifts, volunteerism and advocacy.

By understanding the market-based contributions strategy, both corporate sponsors and non-profits win.

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Hoffman, Anne. "Two sides of the coin corporate giving is a business." *Fund Raising Management* March 1998: 29. p. 27-30. InfoTrac OneFile. Fairmont State University. 30 Dec 2004 <[www.fairmontstate.edu/library](http://www.fairmontstate.edu/library)>.