

THE MUTUAL BENEFIT LIFE REPORT:

**CORPORATE COMMITMENT
TO VOLUNTEERISM.**



Mutual Benefit Life
Another volunteer

Preserving and Strengthening the Volunteer Sector.

Volunteerism, always an important concept, has taken on new emphasis as federal policies encourage nonprofit organizations to rely less on government money and more on resources from the private sector (corporations and individuals).

Such a transition requires recognition of the volunteer sector as a third sector of the American economy and a commitment to help it grow. It also requires a change in the traditional business view of community support: that is, support in terms of volunteerism rather than philanthropy.

The volunteer sector continues to need cash donations, but it also needs volunteers, in-kind services, loaned executives, and other forms of non-cash contributions; and it needs these resources through planned programs.

Existing studies have shown the magnitude of volunteerism support: some 52% of American adults are involved in some form of volunteer activity.

Other studies have shown that the vast majority (90%) of major American corporations make cash contributions and have been increasing total contributions.

The Mutual Benefit Life Report: Corporate Commitment to Volunteerism is the first study to examine the crucial question as to whether CEO's of all cor-

porations, large and small, understand that corporate community involvement should include volunteer activities in addition to philanthropy. The study also analyzes the degree to which corporations are willing and able to make increased commitments amidst today's economic realities.

The study is significant because it sheds more light on how CEO's interpret corporate community support and the factors that motivate them to commit resources to the community. These findings will be particularly useful to both the government and volunteer sectors in their discussions with the private sector.

As we as a nation continue to come to grips with new economic realities, we need reliable data with which to develop strategies for strengthening and expanding the volunteer sector. By mutually understanding the views of corporations, as well as those of the volunteer sector, the two can work more effectively to stimulate change.



Robert V. Van Fossan
Chairman and Chief Executive Officer
The Mutual Benefit Life Insurance
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THE MUTUAL BENEFIT LIFE REPORT

An Overview.

Objectives

To ascertain attitudes of CEO's toward increasing support of the volunteer sector, especially in the context of an uncertain economy, and to determine the depth, nature and motivation of committing resources to the community.

Sample

Based on a random sample of 300 CEO's of national firms with sales more than \$100 million (including CEO's of Fortune 500 corporations, the nation's largest corporations with sales over \$1 billion) and an additional 300 firms of all sizes randomly sampled in six cities: Philadelphia, St. Louis, Dallas, Birmingham, Seattle and Milwaukee. Firms are representative of American corporations. In-depth telephone interviews were conducted in February 1983.

What the report examines

- CEO's sense of commitment to community involvement, the meaning of this commitment and perceived benefits to the corporation from this involvement.
- Past and future levels of community involvement and the need to balance this commitment with being profitable.
- Comparisons of the attitudes of CEO's of Fortune 500 firms with those of smaller firms, and of CEO's of firms that have been in the community more than 50 years with those that have been in a community less than five years.

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Summary of Major Findings.

A vast majority of corporate heads believe that their firms have an obligation to meet the needs of the community rather than leave such support exclusively to government and nonprofit organizations.

Despite increased emphasis on volunteerism, there has not been a radical change in the nature of corporate commitment. Most corporations continue to view support in traditional terms of philanthropy rather than volunteerism. This attitude seems unlikely to change in the near future.

While most corporate leaders feel they are responding to the call for increased private sector involvement in the community, they also feel that the status of the economy during the past two years has been a deterrent.

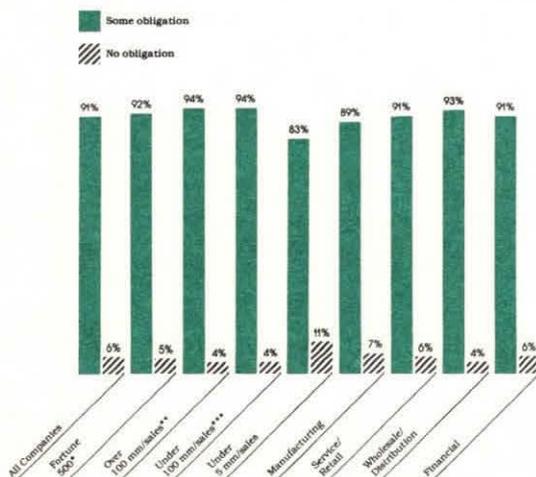
Image and employee morale are perceived as key benefits of employee involvement in volunteerism. A vast majority of companies feel it is important to be seen as socially responsible.

Press recognition of corporate volunteerism activities is not the rule for many companies and is not viewed as being of primary significance.

There are significant differences in attitudes toward volunteerism between FORTUNE 500 and smaller companies (sales less than \$5 million).

Corporate Obligation

Attitudes toward sense of obligation to meet the needs of the community.



- * Sales over \$1 billion
- ** From \$100/mm - \$1 billion
- *** From \$100/mm - \$5 mm

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A Detailed Analysis.

Corporate Commitment

A vast majority (91%) of American corporate leaders believe that their firms have an obligation to meet the needs of the community rather than leave such support exclusively to government and nonprofit organizations. While larger and older corporations showed a stronger sense of commitment, this commitment was also strong (83%) among smaller companies with less than five years in a community.

About one-third of the CEO's interviewed consistently express the theme that their obligation

to the community is best met by being good business people and employers and not by spending time on the boards of nonprofit organizations or donating money. This view is expressed throughout the corporate community regardless of size, type of business and length of time in the community. Two-thirds of the CEO's believe there is an inherent conflict between the obligation to be profitable and the obligation to be responsive to community needs.

While most (69%) corporate leaders believe that corporations, in general, are responding to the call for increased private sector involvement in the community, a majority (61%) also felt that the economy over the past two years has been a deterrent to corporate involvement.

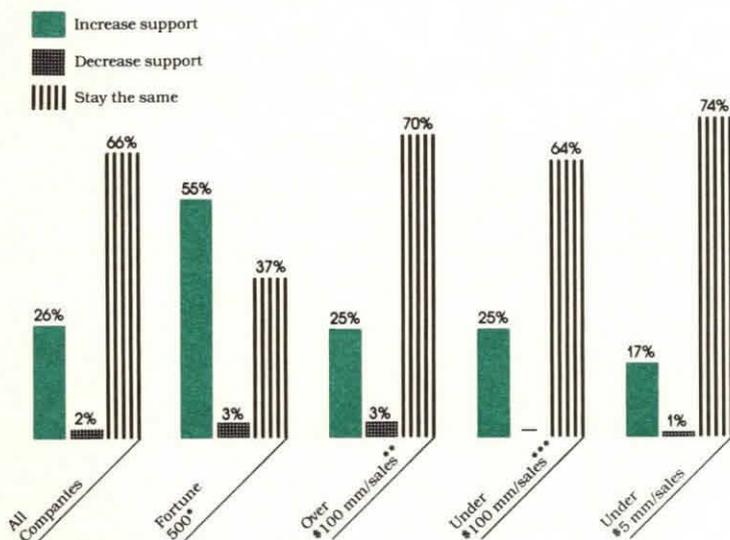
The adverse impact of the economy was further underscored by the finding that 36% said they have increased their level of support for volunteer activities during the past two years and only 26% plan to increase support in the coming year. Most said that support has remained the same during the past two years (55%) and will remain the same in the coming year (66%).

When asked to describe activities the corporation is involved with relating to the obligation to be responsive to community needs, 65% said they now provide financial support and 15% said they encourage employees to volunteer. Yet, of those planning to increase support in the coming year, 61% said they will provide more money and 21% said they will do more to encourage volunteers.

Since the majority of corporations view social responsibility in terms of philanthropy, nonprofit organizations must continue to emphasize philanthropy while developing strategies to seek both cash and noncash contributions, particularly in difficult economic times. In addition, corporations believing that they must be socially responsible must place equal, if not additional, emphasis on corporate volunteer programs and other resources valuable to the support of the nonprofit sector. The public, private and volunteer sectors must become more sensitive and creative in seeking alternatives to complement, where appropriate, cash contributions.

Increase/Decrease in Corporate Support

Corporate plans to increase/decrease involvement in community activities in coming year.



How support will be increased

	All Companies	Fortune 500*	Over \$100 mm/sales**	Under \$100 mm/sales***	Under \$5 mm/sales
Encourage employee volunteerism	21%	24%	23%	22%	-
Contribute more money	61%	61%	63%	59%	63%
Become involved in special projects	8%	3%	13%	-	13%
Contribute executive time	11%	9%	11%	6%	31%

* Sales over \$1 billion

** From \$100/mm - \$1 billion

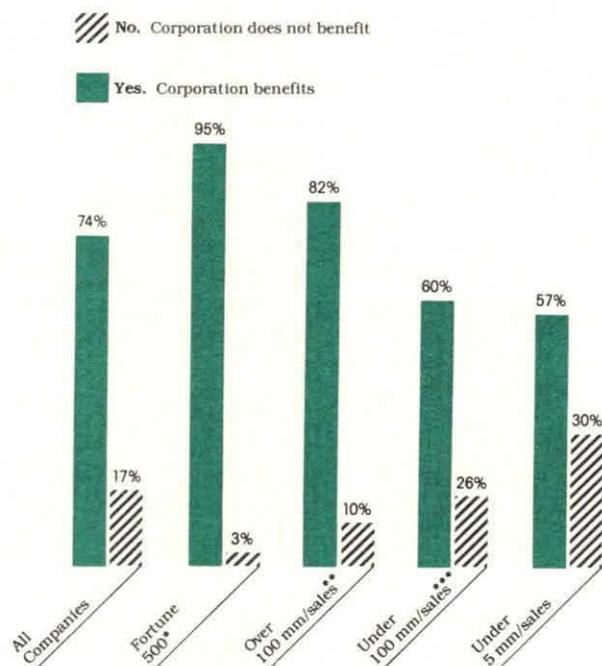
*** From \$100/mm - \$5 mm

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Corporate Benefits.

Do Corporations Benefit From Involvement In Volunteerism?

Attitudes toward the ways in which the corporation benefits from employee involvement in volunteerism.



How Corporations Benefit

	All Companies	Fortune 500*	Over \$100 mm/sales**	Under \$100 mm/sales***	Under \$5 mm/sales
Improved company image	45%	44%	48%	29%	53%
Healthier community—Better business environment	6%	9%	7%	6%	2%
Improved employee morale	41%	30%	41%	56%	33%
Direct business benefits	8%	—	7%	10%	15%
Improved employee skills	6%	16%	5%	5%	—

* Sales over \$1 billion
 ** From \$100/mm - \$1 billion
 *** From \$100/mm - \$5 mm

Most executives (74%) perceive some benefit to the corporation from employee involvement in volunteerism. This attitude is much stronger among Fortune 500 firms (95%) than among smaller firms (57%).

The return for most is viewed in terms of improving corporate image or employee morale. Forty-five percent stated company image as a primary way that corporations benefit and 41% listed employee morale.

Almost half (45%) said that it is very important that the company be seen as socially responsible and participation in community activities is viewed as a vehicle to achieve this recognition. Another 37% of the CEO's interviewed said that being seen as socially responsible is somewhat important. Seventy percent of the Fortune 500 firms said being seen as socially responsible is very important compared with only 36% of smaller firms.

Nearly half (46%) believe that volunteerism increases productivity. Most of the remaining CEO's responding did not know if there was a connection between volunteerism and productivity saying that the effect could not be measured or the two are not related.

An overwhelming majority of the CEO's do not see any other business benefits from volunteerism. Only 6% believe that a healthy community creates a better environment in which to conduct business. A similar percentage think participation in volunteer activities helps improve job skills. Among the CEO's interviewed, only 8% believe there are direct business benefits to be gained from community involvement.

While desirable, press coverage of corporate volunteerism activities is not viewed as being of primary significance. Only 21% said it was very important and 32% said it was somewhat important. Slightly more than half the companies (54%) had received press coverage with smaller companies less likely to have received publicity than larger firms.

One of the first steps in encouraging corporations to become more committed to volunteerism is to emphasize the benefits of being perceived by the community as a socially responsible corporation. Corporate leaders do believe that volunteerism is the most strategic vehicle to gain a more positive image in the community, but until the corporation perceives a benefit in the connection between a positive corporate image and the bottom line, no further steps can be taken.

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Philanthropy: The Cornerstone of Corporate Social Responsibility.

American corporations continue to view social responsibility and community involvement more in terms of philanthropy than volunteerism.

Despite increased emphasis on volunteerism by the federal government and by the nonprofit sector, and despite strong sentiment among corporations that they have an obligation to the community and are responding to the call for increased private sector involvement, the picture emerging from what companies actually do suggests that there has not been a radical change in the nature of corporate commitment.

A majority (64%) described their obligations to the community more in terms of giving money -- traditional philanthropy -- than in terms of both giving money as well as providing in-kind services, loaned executives and employee volunteers. Only 30% mentioned either employee volunteer activities or loaned executives as among the primary ways in which they meet corporate social responsibilities.

Money is being given primarily to groups that business has been supporting the past two decades: the arts, education, traditional business groups (Jaycees, Kiwanis, Chamber of Commerce) and the United Way. Corporations do not seem to be going out of their way to identify new groups, especially those providing pure social services. They tend to support the groups that other businesses support and do so primarily through financial contributions.

Although 70% of the CEO's interviewed, when asked directly, stated that employees are encouraged to volunteer, many corporations do not have a systematic program for recruiting volunteers from among employee ranks, matching employee volunteers with nonprofit organizations or recognizing employees who volunteer. Among those CEO's whose companies have formal volunteer recruitment programs, 33% said these programs were very successful and 34% described their programs as somewhat successful.

Large and Small Corporations: Divergent Attitudes expressed about meeting Community Needs.

CEO's of Fortune 500 firms have a stronger sense of commitment towards meeting community needs than do the heads of smaller firms. Perhaps, this may be due in part to 70% of the Fortune 500 firms, compared with only 36% of the smaller firms, placing much stronger emphasis on being seen as socially responsible. The latter group tends to equate meeting community needs with providing jobs and paying taxes and not philanthropy or volunteerism.

The vast majority of the Fortune 500 companies encourage employees to volunteer in the community and believe their programs are very successful. Most small companies do not encourage their employees to volunteer and among the small percentage that do, only half believe their programs are successful. The major reason for this dissatisfaction is that there are not enough volunteers.

Among those companies, large and small, that encourage employee volunteerism, slightly more than half (57%) of the smaller firms feel that the corporation benefits from employee volunteerism whereas 95% of the Fortune 500 firms feel they benefit. While both cite image and employee morale as the primary benefits, Fortune 500 firms place more emphasis on

employee morale and small firms place more emphasis on image.

There also are strong differences in the level of support that the two groups have provided and intend to provide in the coming year. While 65% of Fortune 500 companies have increased support during the past two years, only 25% of the small companies did. The majority of small companies (67%) said support stayed the same.

In the coming year, 55% of the large companies said they intend to increase support compared with 17% of the small firms. Both cited giving more money as the primary way to increase support; Fortune 500 companies, however, also cited doing more to encourage employees to volunteer.

The reluctance of small companies to do more may be a direct result of the economy. Sixty-one percent of small companies said the economy has been a deterrent to increased corporate involvement compared with 50% of the Fortune 500 firms.

Most of the large firms (90%) felt that corporations were responding to the call for increased private sector involvement in the community compared with 66% of the small firms.