FINANCIAL POST

Monday, December 15, 2008

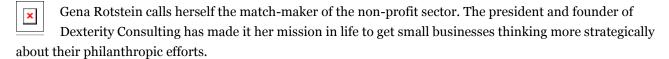
Spirit of giving may be cautiously strong

There's more demand and less resources

Presented by YOU COULD CASH& WIN PRIZES

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Published: Monday, December 15, 2008



Given the economic climate, and that non-profit organizations are anticipating serious setbacks in donations, she has her work cut out. But she says the giving spirit is as strong as ever. "I don't think businesses will give up on charities. What will happen is that they will look more carefully at where their charitable dollars are going and ask those organizations to be more accountable."

Although no one has yet compiled definitive numbers on the effects of recent economic woes on philanthropic initiatives by small businesses, everyone is bracing for contributions to drop. Society will be functioning in a vicious cycle, says Monica Patten, president and chief executive of Community Foundations of Canada in Ottawa. "There is no question we have less money to put into community grants than last year. At the same time, people are losing jobs and struggling with their credit. The need for community services goes up, but the means to address it go down."

While the coffers may be dwindling, the urge to do more is not. "Philanthropy is a very interesting thing," says Rahul Bhardwaj, president and chief executive of the Toronto Community Foundation. "In difficult times people recognize need and often dig deeper to rise to the challenge, and employees want to be more engaged and active."

"Everybody wants to give. They're hard-wired to do it," agrees Peggie Pelosi of Orenda Connections Inc., a strategic corporate philanthropy consulting firm in Toronto. "You see that any time there's a natural disaster. But as the message fades, so does the giving and then life gets in the way."

When faced with more demand for donations and less resources to fulfill them, experts say strategic focus and creative thinking can make small businesses' efforts go a lot further.

"You need to find an identity in giving and make it personal so it resonates with your values," advises Marvi Ricker, vice-president and managing director, Philanthropic Services, BMO Harris Private Banking in Toronto. "To make it meaningful, you have to start saying no to 95% of the requests and pick the area that is important to you," she says.

Consider philanthropy a business relationship, Ms. Rotstein says. "That means taking a holistic view of your business: what you sell, where you and your suppliers are located, how you define your community, and personal and business goals. Where these intersect you get the core values you can build efforts around."

For example, a manufacturer of IT hardware for youth markets may want to align itself with community organizations that are involved with teens at risk. If that company produces technology in China, it may also invest in a non-governmental organization engaged in promoting human rights. "It boils down to where you want society to be at the end of the day," she says.

So often it has been the CEO's charity of choice, which usually is unconnected to the company's purpose, so charitable giving is simply a cheque-writing exercise with no business value, Ms. Pelosi notes. "You have to measure your efforts in terms of their social and business impact."

Beyond a cash donation, there are ways businesses can continue to support causes, says Shauna McCaffrey, executive director for the Renewed Computer Technology Ontario program. "You can offer training or marketing skills, or donate equipment, furniture or even office space. You get a tax break and have an opportunity to promote what you are supporting."

Companies can also accomplish more by pooling resources with like-minded businesses. And charitable dollars will go further if a business can link into matching grant programs.

"I would like to believe communities and community organizations will figure out a better way to do things in these times," Ms. Patten says. "An entrepreneurial attitude and spirit will help all of us. There are ways people can work together to leverage the money raised and make sure it is used very wisely."

"Many just give without thinking about what they can get out of it. If you have a clear strategy, then you can generate so much more." Ms. Rotstein adds.

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