

Corporate Foundations:

Strategies to Make Them Work –
Both For You and With You

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Corporate Foundations: Strategies to Make Them Work – Both For You and With You

- ▶ Introduction
- ▶ Corporate Foundations in the Community
- ▶ Forming and Operating a Corporate Foundation
- ▶ Locating a Corporate Foundation Grantor
- ▶ Questions

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Introduction



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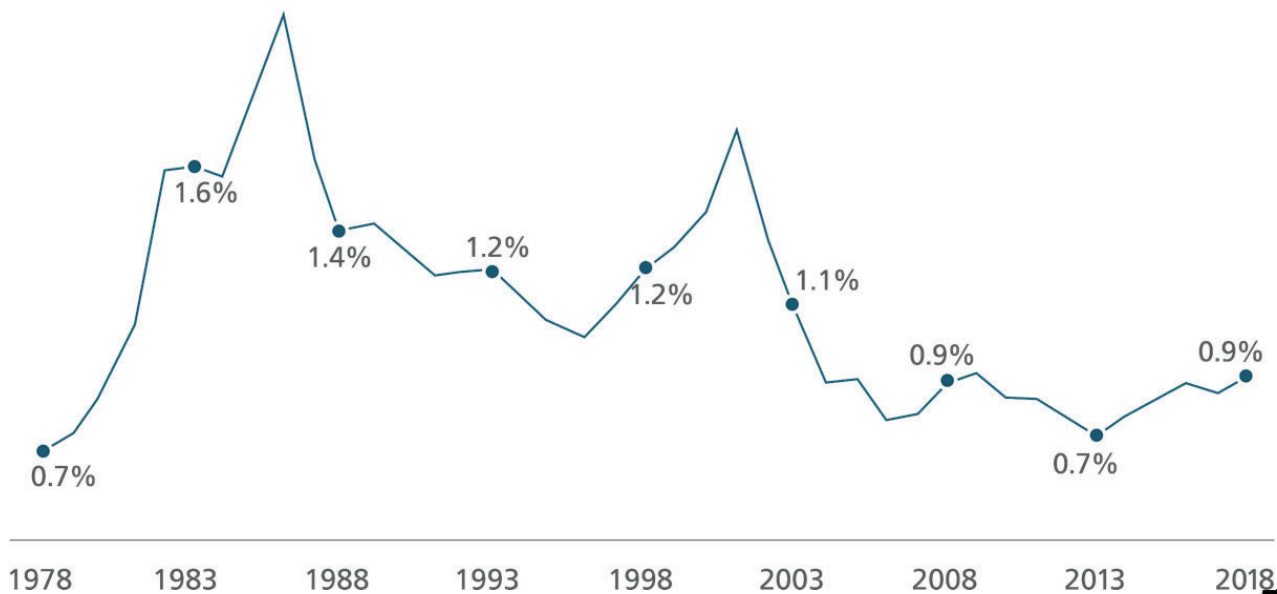
- ▶ There are over 2,500 corporate foundations (CFs) in US
(Source: Foundation Center)
- ▶ Charitable giving by CFs increased almost 600% between 2007 and 2018
 - From \$4.4 billion to \$26 billion
- ▶ Education continues to be top priority for CFs – receiving 28% of all corporate dollars in 2018
 - Health was second highest with 25%
 - Community and economic development was third highest with 16%
- ▶ Nine of ten CFs match employee contributions, but of the \$26 billion* given by CFs in 2018, only 11% (\$2.86 billion) represents employee matches
- ▶ Corporations have been giving to charities since Internal Revenue Act of 1935 allowed them to deduct 5% of pretax earnings for gifts to charities



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Corporate giving as a percentage of corporate pre-tax profits, 1978–2018 (in current dollars)



Source: Giving USA Foundation™

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Introduction

- ▶ Why have CFs grown so much?
 - Easier way to get tax benefit for corporate resources, *e.g.* multi-year grants.
 - CFs are separate legal entities that allow for independent decision-making.
 - Better public perception when CF makes gift instead of corporation because CF is viewed as benevolent.

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