

BROOKINGS

QUALITY. INDEPENDENCE. IMPACT.

Harnessing Corporate Philanthropy to Educate the World's Poor

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What is Corporate Philanthropy?

- **Intersection of Business and Society**
- **Different Sectors; Unique Assets & Interests**
- **Several Types of Contributions**
 - » Corporate Cash or Foundation Cash
 - » In-kind Contributions
 - » Employee Matching
 - » Volunteerism
 - » Employee Campaigns

What We Did

- **Review of annual reports, CSR reports, Web sites**
- **Survey of U.S.-based companies**
 - » 27.2% *Fortune* 500 (n=136)
 - » 46.1% of *Fortune* 500 Contributing to Education in Developing Countries (n=41)
 - » Additional non-*Fortune* 500 companies (n=9)
 - » **Total Giving to Education in Developing Countries: 50**
- **Interviews with corporate philanthropy leaders**

Projected Half-Billion Dollars

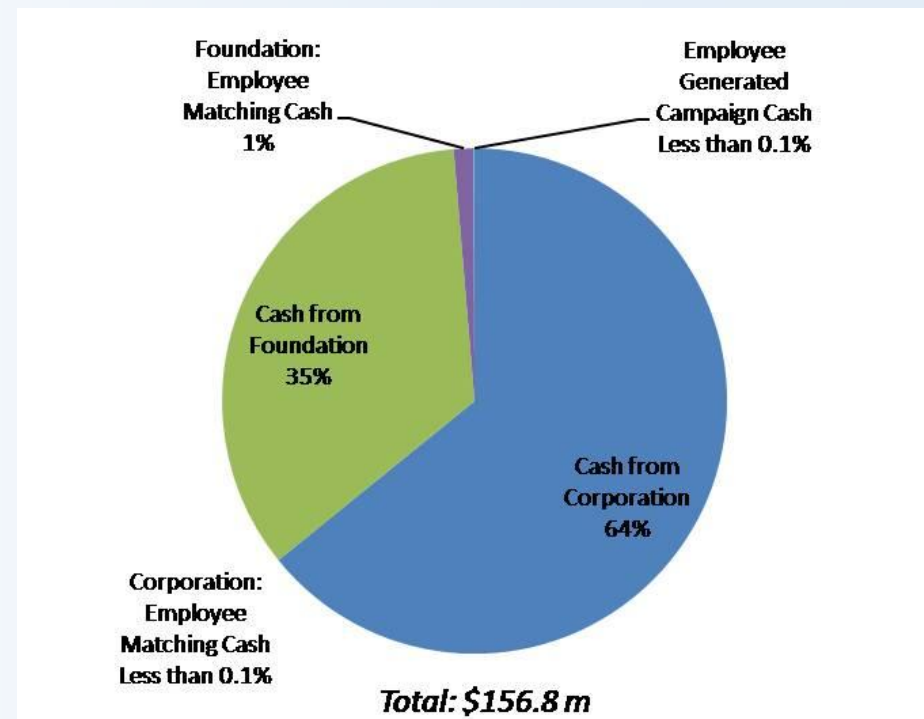
Source	Contribution
<i>Fortune</i> 500 companies represented in the sample	\$224.2 m
Estimate for <i>Fortune</i> 500 nonrespondents	\$264.4 m
Non- <i>Fortune</i> 500 companies represented in the sample	\$9.3 m
Projected total	\$497.9 m

Top 5 Sectors

- Energy (\$14.0 m)
- Technology (\$10.1 m)
- Consumer (\$4.5 m)
- Financials (\$2.2 m)
- Materials (\$1.8 m)

Most Contributions are Cash

- 70% Cash, 30% In-Kind
- 64% of Cash from Corporations

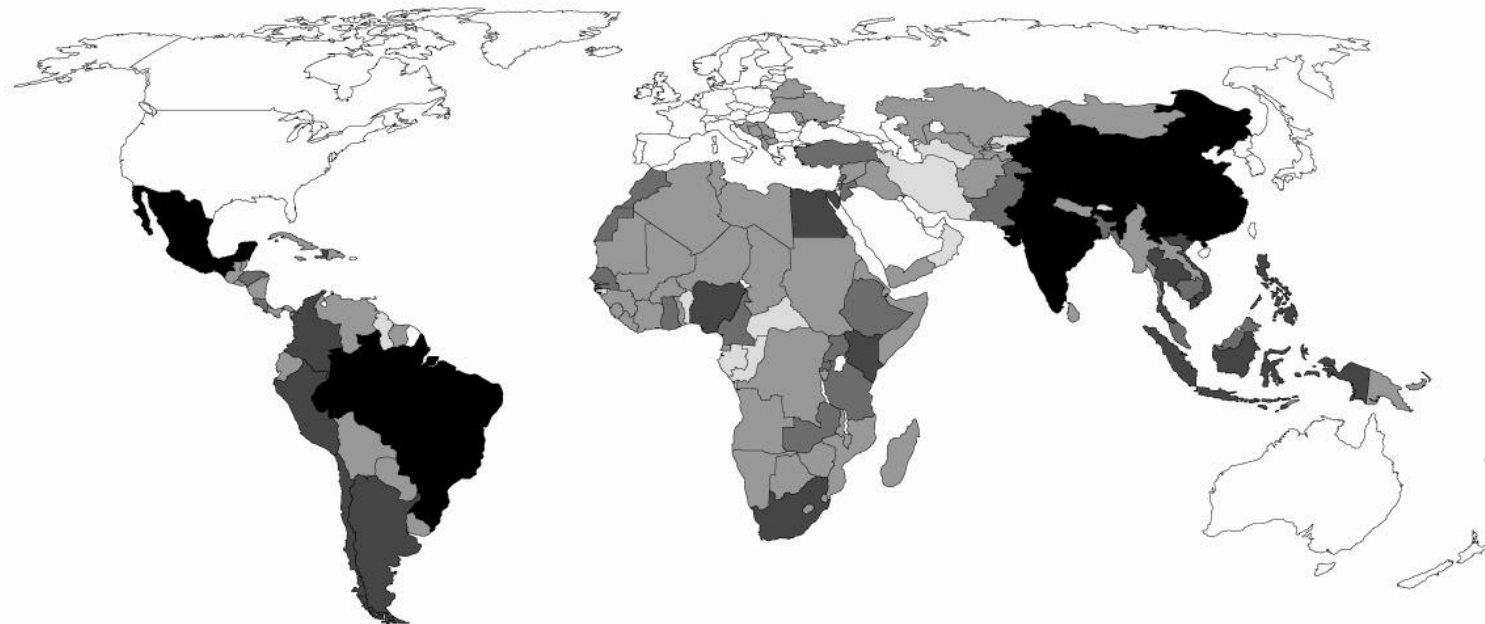


Geography Matches Business Interests

Contributions are directed to where companies have a market presence and/or where employees live and work.

- **Energy:** Indonesia, Equatorial Guinea, Libya
- **Consumer:** Kenya, China, India, South Africa
- **Technology:** India, China, Brazil, Chile, Mexico
- **Financial:** Mexico, India, South Africa

Largest Recipients are Emerging Economies



□ No Data □ 0% □ 1-10% □ 11-20% □ 21-40% □ 41-60%

Largest Recipients are Emerging Economies

Country	Education Poverty (%)	Percentage of U.S.-Based Companies Investing in Education	Country	Education Poverty (%)	Percentage of U.S.-Based Companies Investing in Education
Central African Republic	89.2	0	Guinea-Bissau	49.7	0
Niger	76.9	4	Côte d'Ivoire	49.2	4
Burkina Faso	70.9	4	Madagascar	48.3	6
Mali	68.8	10	Benin	47.8	0
Chad	67.3	4	Rwanda	45.3	18
Somalia	63.5	2	Gambia	40.4	2
Ethiopia	61.1	14	Morocco	37.1	16
Senegal	57.4	14	Burundi	36.6	6
Mozambique	56.5	2	Liberia	35.7	10
Guinea	56.4	4	Guatemala	35.6	10
Sierra Leone	53.7	4	Pakistan	34.5	20

Not Just Workforce Training

- **Most *heavily* resourced:**
 - » Science, Technology Engineering and Math
 - » Entrepreneurship
 - » Workforce Preparation/Skills Training
- **Most *frequently* resourced:**
 - » Primary, Secondary, Women and Girls

Nonprofits are the Primary Recipients

Recipient	Percentage of Companies Contributing through Recipient Type
International nonprofits	78
Local nonprofits	73
Schools	47
International aid agencies	18
National government / Ministry of Education	14
District government	10
Local government	6

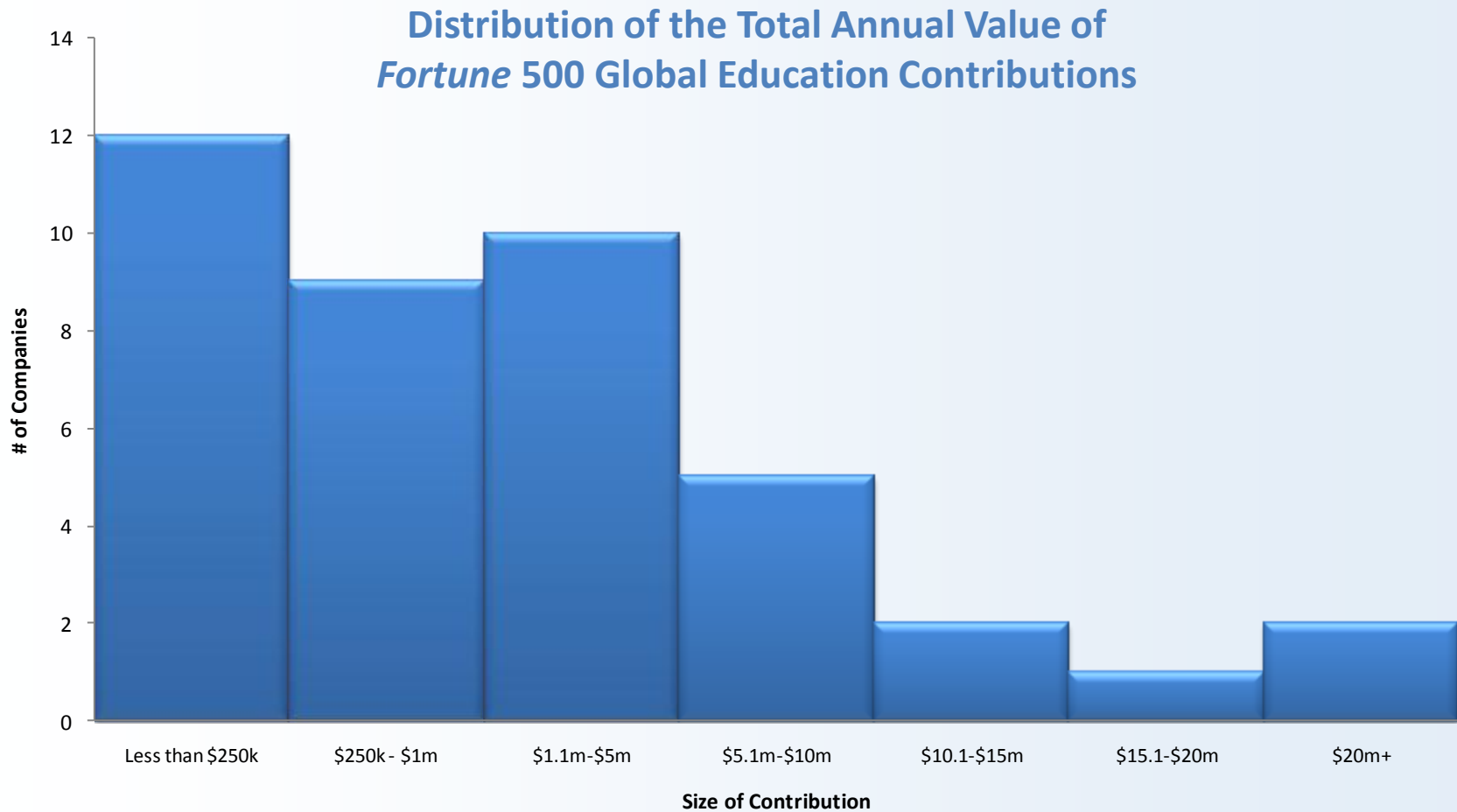
Why nonprofits?

- Innovate with small investments
- Ability to scale
- Achieve a big impact at the grassroots level
- Education expertise
- Expanding to regions with little on-the-ground presence

Desired Traits of Non-profits

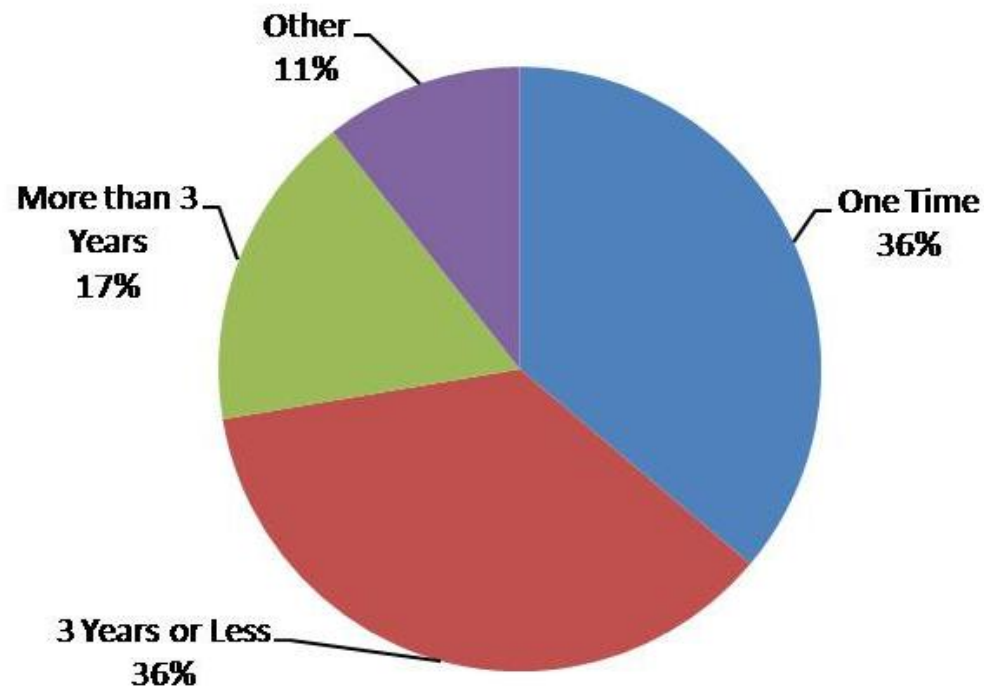
- **Implementation**
 - » Concrete plan and deliverables
 - » Reasonable administrative costs
 - » Strong track record
 - » Can assess need and opportunities for risk/innovation
- **Culture**
 - » Cultural fit
 - » Understanding business culture
- **Address Business Needs**
 - » U.S.-based staff
 - » Good communications in communities
 - » Contacts and connections for the company

Small, Short-term & Uncoordinated



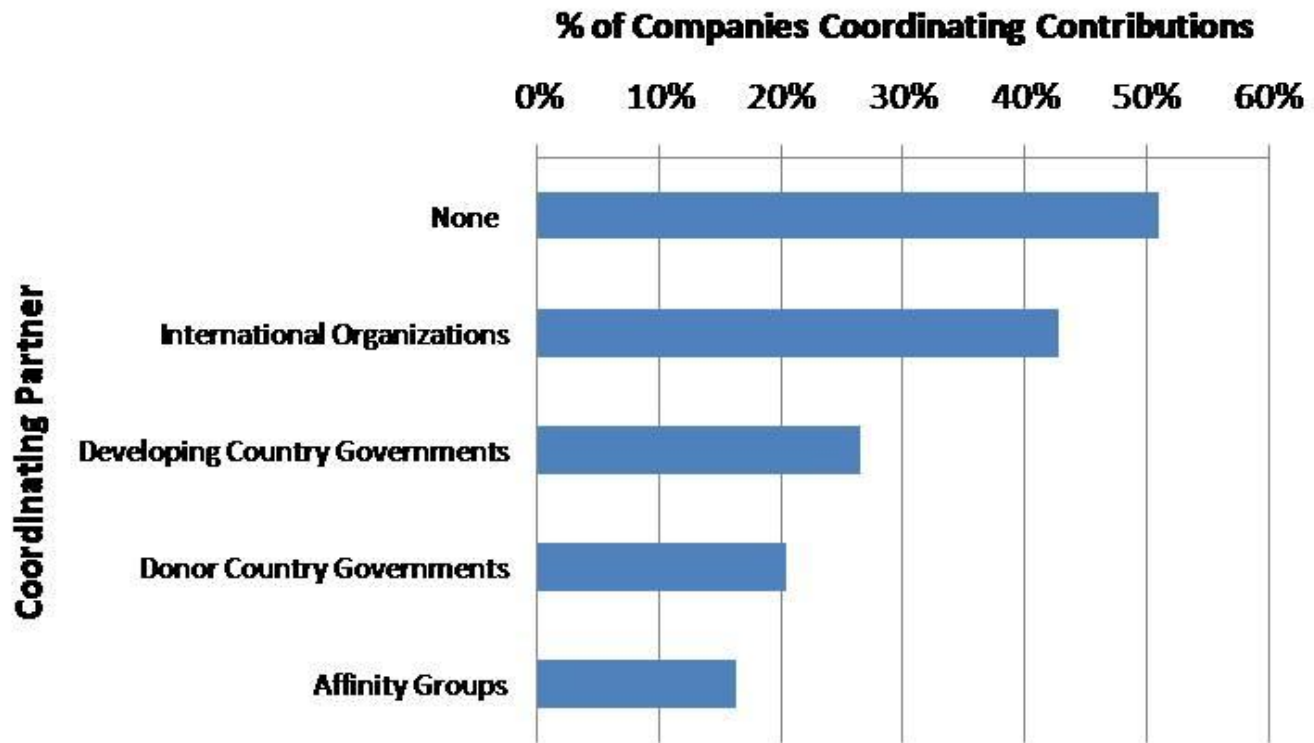
Small, Short-term & Uncoordinated

The Typical Lengths of Philanthropic Commitments



Small, Short-term & Uncoordinated

Coordination of Education Contributions



Why Companies Give to Education

- **Business**
 - » Market & Growth Opportunities
 - » Greater Economic Opportunity for Consumers
 - » Product Innovation
 - » Create Demand in Public and Private Sectors
- **Image**
 - » Community Relationships
 - » Brand Recognition
- **Employees**
 - » Employee Empowerment and Engagement
 - » Workforce Development

Opportunities

- **Increase Effectiveness of Multiple Donors**
 - » Engagement with Governments
 - » Engage with Donors
- **Broaden Areas of Contributions**
 - » Education's Benefits Beyond Workforce Preparation
- **Innovate in Education**
 - » Use resource to innovate locally, evaluate & scale
- **Build Networks for Global Education**
 - » Look to expertise in education community

Create a Win-Win for Society and Business

