

EXECUTIVE SUMMARY

Harnessing Corporate Philanthropy to Educate the World's Poor

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OVERVIEW

Many young people in poor and marginalized parts of the world suffer from a lack of education. Of the 1.5 billion young people in the world between the ages of 12-24, 1.3 billion live in developing countries. This youth cohort is looking for an opportunity for personal growth and to reap the rewards of education—including economic growth, healthier communities and peace and security. And the need for funding is great: UNESCO estimates \$16.2 billion annually is needed in external resources to achieve universal basic education by 2015.

The Center for Universal Education at Brookings conducted in-depth interviews with corporate philanthropy leaders and surveyed nearly 150 U.S. companies to find:

- Every year, **American corporations contribute nearly half a billion dollars to education in developing countries.**
- **Corporate philanthropy to education does not reach the most poor and marginalized.** The most frequent recipients of corporate funding for education are China, India, Brazil and Mexico; but the countries in most need of support are predominately in sub-Saharan Africa and Southeast Asia.
- **Energy companies and technology companies are the largest donors** to education in developing countries.
- The **most significant asset U.S. companies bring to global education is innovation**; but there are deficits in the lack of coordination and short-term nature of their philanthropic giving.
- **Corporate contributions can increase shared value for the company and society**, benefiting a company's workforce, community relations, market penetration and potential consumer bases.

OPPORTUNITIES TO ACHIEVE GREATER IMPACT THROUGH CORPORATE PHILANTHROPY

Opportunity 1: Maximize the Effectiveness of Multiple Donors in the Same Country. Less than one-fifth of companies indicate that they coordinate contributions with national recipient country governments or international aid agencies. Seeking some degree of collaboration can leverage resources for greater impact.

Opportunity 2: Broaden Areas of Strategic Investment. While many corporations predominately, but not exclusively, contribute to workforce readiness interventions, some companies are already finding a positive impact on business goals from investing in early childhood, primary and secondary education.

Opportunity 3: Innovate in Education. If companies can direct their philanthropic contributions of cash and in-kind products toward identifying innovative solutions through piloted interventions and impact evaluations, then aid agencies and governments can scale up successful interventions.

Opportunity 4: Invest in Education in Disaster Contexts for Longer-Term, Higher Impact. After a disaster, education can provide safe spaces for children and bring a sense of normalcy in an otherwise chaotic environment. Directing contributions to chronically underfunded education in these contexts can lead to long-term benefits for corporations.

Opportunity 5: Incorporate Local Feedback into Philanthropy Strategies. Understanding the local education culture and priorities is useful for leveraging the philanthropic impact of aid to education.

Opportunity 6: Build Networks for Global Education. Although collaborating in learning networks may be more difficult due to competing business goals, it is possible when companies can identify common social agendas based on geographic or thematic interests that fit with different business strategies.

Opportunity 7: Design Metrics and Invest in Impact Evaluation. Evaluating the impact of interventions can promote shared value across sectors by identifying good practices resulting from successful innovation to scale up.

Opportunity 8: Improve NGO Engagement with Corporate Philanthropy. Nonprofits can be attractive education partners for U.S.-based companies but must understand the nuances of corporate philanthropy.

Opportunity 9: Adopt Innovative Financing by Combining Brand, Business and Individual Donors. There is real potential for cause marketing campaigns to improve community relations and generate innovative resources for education.

Opportunity 10: Become Corporate Advocates for Education. Business leaders have the opportunity to become champions and advocates for education in the corporate philanthropy community. The support of senior-level management, including the CEO, has been cited as one of the most important components of a strong program of education philanthropy.

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For more information, visit our Web site at www.brookings.edu/universal-education or contact Eileen Gallagher at egallagher@brookings.edu or Mao-Lin Shen at mshen@brookings.edu.