

The logo features a yellow chevron pointing right, followed by the word "trends" in a bold, blue, lowercase sans-serif font. To the right of "trends" is a yellow square containing the number "4" in a white, bold, sans-serif font, all enclosed within a thin yellow border.

The definitive [4] times per year source of philanthropic trends analysis in Canada

Interview with Jan Belanger

Jan Belanger, Assistant Vice-President, Community Affairs for Great-West Life, London Life and Canada Life and member of our Philanthropic Trends Advisory Board, recently sat down with us to discuss a number of issues related to corporate philanthropy. During our discussion, we explored the impact of the current economy on corporate giving in Canada and also took the opportunity to get Jan's thoughts on emerging trends in corporate philanthropy. Here is a summary of our conversation.

Q. What is the current practice at Great-West Life, London Life and Canada Life regarding corporate philanthropy and sponsorship?

A. As an Imagine Caring Company, we donate a minimum of one per cent of average pre-tax profits to non-profit, charitable and community organizations each year. Our corporate citizenship program, *The Key to Giving™*, remains a framework for building collaborative and long-term relationships with organizations working on issues of concern to Canadians. This combination has given us a stable foundation for our ongoing community efforts, one that helps us effectively meet the challenges associated with corporate giving in an economic downturn.

What's changing is the landscape of Canadian needs and the types of challenges emerging. We are experiencing an escalation in both the number and complexity of issues. Thankfully, our program is structured to allow us to make well-considered and informed responses without straying from our overall framework.

Q. What might charities expect from corporations over the next couple of years with respect to gifts and sponsorships? Is there one area (i.e. donations or sponsorship) that will be more impacted than others?

A. Many charities have remarked that there has been a general retrenching, reduction or postponement of corporate giving. Some corporations are pulling back on funding or accelerating their shift toward community initiatives that deliver greater measurability or are more closely aligned with business and brand objectives. How to recognize these community efforts now also may be different, requiring sensitivity and discussion.

Other companies are focusing more on basic human needs as the impact of job loss and the uncertain economy takes hold with increased poverty, hunger, and homelessness. With that focus comes a broader understanding of the need for operational funding to underpin the delivery of services by charitable organizations. Project funding alone cannot create sustained results if a charity's infrastructure is compromised.

It's difficult to predict whether charitable donations or sponsorships will be most affected, or which method of funding will prove a better fit for addressing new challenges. As always, that will vary from one corporation and community organization to another. Perhaps more than ever, there's greater need to

detail the purpose and application of requested funding. For example, how would the funding address overall goals, and contribute to the charity's total revenue stream and operations?

Q. What might corporations be looking for from charities, both generally and in the context of the current economy? What changes (if any) has the downturn produced in terms of what corporations may be looking for from charities?

A. Corporations and charities are now connecting in a state of “business as unusual”. While this encourages creative new approaches, it’s important to first take the time to get back to basics. At a time of change, clarity and transparency are key. Corporate funders and charities must communicate clearly with one another to understand mutual expectations and to concentrate their combined efforts on the issues affecting society.

What is our understanding of each other’s organizations, current realities and future directions? What are our respective goals in responding to community issues? How do we each define and value results and impact? Who are our mutual stakeholders? For charities, what distinguishes you and the services you provide? With whom do you partner to achieve your success? What are your revenue sources and how are they evolving?

While the current economy has created added pressures, real opportunity lies in developing a deeper mutual understanding, building trust, and strengthening relationships. With that as a foundation, the emerging leaders from the voluntary sector will be those who approach existing and prospective corporate donors with a demonstrated focus on accountability, relevancy, collaboration and stewardship.

Q. What advice, if any, might be given to charities in their approach to corporate Canada?

A. This is a time of increased need and expectations, but within greater constraints. With funding and other resources tightened, companies are more likely to support organizations that are well informed, and are looking ahead and around them. Once the basics are addressed, be prepared and open to exploring both short and longer term issues. That means realizing and focusing on your core strengths and abilities and demonstrating a willingness to address solutions in new ways. Having a worthy cause on its own may no longer be enough.

The charities and non-profits that demonstrate organizational flexibility to achieve their goals and who are able to work in partnership with other like-minded organizations are more apt to weather today’s environment. The ability to reach outside to share and leverage expertise, services and networks will demonstrate leadership, innovation and efficacy.

And, if a corporation must reduce or curtail its previous levels of funding, it will be important to honour the relationship that’s occurred to that point. The company should be assured that their past efforts and generosity remain valued by the charity, its staff, board members, volunteers and stakeholders. Genuine acknowledgement through both words and actions will help pave the way for future contact – whether or not involving financial assistance – when economic circumstances improve.

Q. Looking beyond the current economic situation, what other trends can be seen with respect to corporate support once the downturn subsides?

Stewardship will be considered a core value and performance outcome. Charities and non-profits are expected to have expertise and experience in their fields. But they must also be adept at managing the corporate relationships that help them make progress, and adept at managing the investments donors make. It's no longer a simple matter of recognition and regular communication with corporate donors. Greater financial, organizational and program accountability will play a key role, as will developing a clear understanding of mutual expectations from the outset. This requires proactive stewardship programs with internal operational structures to support them, and the ability to tailor to reflect the donor relationship.

Watch for more focus on supporting issues, rather than specific organizations. With many charities performing similar or complementary services, there may be greater likelihood for support if there's a willingness among these organizations to partner to achieve common objectives. It's a trend that involves bridging opportunities, expertise and resources to create integrated services and solutions, wherever appropriate.

There's also a growing interest in knowledge transfer — the development, sharing and application of best practices and competencies with a broader community. With finite resources and capacity, this approach holds the potential to extend impact beyond organizational boundaries. Companies can extend their reach beyond a direct funding relationship, and charities can further develop their influence and capacity. This can be a direct outcome of effective collaboration or a natural extension of an effective charity's leadership.

Lastly, there's a shift toward finding new models for long-term funding. Until recently, endowments have been considered a pre-eminent vehicle, but investment cycles are creating barriers for results and participation. There's the additional challenge of specific Chairs and other naming opportunities established to exist in perpetuity. As needs evolve and institutions respond, will these goals and programs still be relevant in ten or fifteen years? The economic downturn may be the catalyst for creating new long-term funding methodologies that are more flexible and less restrictive.

There's no question that the current economic situation and the trends going forward demand greater time, energy and creativity, within a context of limited resources. Even within this new reality, however, there are many opportunities. By working together, focusing on the fundamentals, and achieving a better understanding of key stakeholders, there's potential to build stronger, more vibrant and inclusive communities.