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What's Next for Corporate Philanthropy

Finding a New Paradigm

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Corporate philanthropy has long been caught between two different paradigms.

ON ONE HAND, corporate philanthropy is asked to succeed in business terms. It's called on to deliver quick, measurable returns on investment, even though it often serves multiple purposes within the company, has limited control across a firm's activities, and typically addresses complex and deeply entrenched societal challenges where progress can take time and may be hard to quantify.

On the other hand, corporate philanthropy is also expected to meet the standards of more traditional philanthropic foundations. It is asked to demonstrate meaningful, systemic social impact despite lacking the deep financial pockets, endowed long-term programs and teams, and clear and unfettered charitable mandate of more mainstream philanthropies.

In trying to succeed in these two very distinct paradigms, corporate philanthropy has often ended up falling short in both. It ends up marginal for corporations and marginal for philanthropy—not a real priority for corporate leaders nor a particularly strategic part of the social sector.

Compounding this, major shifts in the world in recent years have also put pressure on corporate philanthropy to step up and do more. Companies are focusing more on their social and environmental "purpose," driven by internal pushes from leaders and employees, as well as external pressures from investors, regulators, and others. At the same time, companies (along with their customers and communities) are being buffeted by what is referred to as the "poly crisis," in which multiple social and environmental crises are converging and compounding one another.

With many social impact efforts going on at companies today, defining corporate philanthropy can be tricky. It can take many different forms, even inside a single company: employee engagement programs, signature social initiatives driven by senior leadership, corporate foundation grantmaking, sponsorships for local nonprofits, sustainability efforts tied to the company's supply chain, ESG goals integrated into the company's overall business strategy, and much more. This report generally uses the Chief Executives for Corporate Purpose (CECP) definition of "Total Community Investment"[1]—which includes foundation cash (cash from the foundation for a charitable purpose), direct cash (cash given directly from a company for a charitable purpose), and non-cash contributions (product donations, pro bono services, and/or other donated contributions assessed at fair market value). This broader definition reflects the expanded role of philanthropy that is enabling it to be more flexible and integrated into the organization.[2]

Corporate philanthropy has increasingly been called upon to respond to these shifts, helping companies both define their purpose and respond to the growing range of external challenges. And these pressures aren’t going away anytime soon.

But they are also creating an opening for a new model for corporate philanthropy to emerge, one that is uniquely its own. Rather than trying to operate either like a traditional foundation or another business line within the company, corporate philanthropies need to begin finding a third way, exploring a distinct identity that considers the charitable assets that are unique to the corporate context.

Corporations are already experimenting with a range of new ideas about how to marshal their assets for impact. We are seeing a number of promising ‘Edges’[3] of practice emerging that may foreshadow the contours of what the new corporate philanthropy could look like. And when these Edges are particularly well aligned with broader shifts happening in the world, they have the potential to create an outsized impact on the field and how it does its work.

Yet it’s hard for any one corporate leader to get a full picture of the different Edges emerging across the field. So, in 2023, Monitor Institute by Deloitte (the social impact consulting unit of Deloitte US) launched an effort to explore what’s next for corporate philanthropy. We conducted more than 30 interviews with corporate philanthropy leaders across industries, as well as advisors, grantees, and other experts on the topic.[4] These interviews, combined with lessons from our work advising corporate philanthropy leaders over the past decade and our recent research, What’s Next for Philanthropy in the 2020s,[5] have allowed us to develop a broad mosaic of perspectives about the current state of the field and where it might be headed over the rest of the decade.

"It's up to companies to tear away the sediment of old ways of creating social good."

—John Brothers, President, T. Rowe Price Foundation

The Edges we found aren’t intended to be either predictions or prescriptions for the field. But they do hint at the directions that corporate philanthropy may need to head in the coming years to more successfully meet the shifting demands of the world around it. As John Brothers, president of the T. Rowe Price Foundation, reflected, “It’s up to companies to tear away the sediment of old ways of creating social good, and to unearth what is right for who we are and what we want to do now.”

Shifting—Gradually, then Suddenly

We heard in our conversations that corporate philanthropy is increasingly being called upon to play a more significant and impactful role than in the past. These circumstances didn't arise by accident. The conditions have been building for some time and gained momentum over the last few years given major external events.

A confluence of community, consumer, and regulatory expectations; a growing sense of corporate purpose and responsibility; internal employee momentum; urgent and visible societal needs that companies can help to address, and more are all putting pressure on companies to better define and achieve their approach to philanthropy.

Steady Changes in the Corporate Environment

Over the last decade, corporate leaders have faced a wave of new management priorities, which are detailed below. As one corporate philanthropy leader pointed out to us, these areas are "converging" with one another and with philanthropy. Companies can gain advantages by connecting philanthropy in ways that complement and accelerate these priorities, while authentically advancing social impact.

- **Consumer consciousness:** Consumers are more interested in how the brands they purchase address social and environmental issues or cause social or environmental harm, and they are factoring this into their expectations of companies.[6] Corporate philanthropy is creating greater connection to the purpose-minded customer, either directly, such as a cause marketing campaign, or tangentially, by contributing to social and community commitments that signal the ethos of the brand.
- **Purpose and sustainability:** The importance of purpose and sustainability efforts within companies continues to evolve and grow in response to pressures from many corners, including investors and regulators around ESG reporting. Erin Baudo Felter from Okta for Good explained, "Social impact and sustainability is evolving, in part, driven by new regulation and reporting requirements, which are mandating efforts that had previously been voluntary. These efforts are now a critical part of the culture and operations of a company, and those that are aligned to a company's core mission and competencies will be most impactful."
- **Diversity, equity, and inclusion (DEI):** DEI has become a strategic consideration, or even an imperative, across many facets of a business, including recruiting, procurement, product design, marketing, and more. Corporate philanthropy can catalyze and extend DEI efforts, for example, investing in nonprofit partners that focus on diverse talent or partnering with diverse suppliers across company supply chains.
- **Employee and stakeholder activism:** The 24/7 news cycle driven by social media has created much greater visibility around social and environmental issues and has provided a megaphone and platform for every employee. As companies are being much more strategic about what to respond to and how, corporate philanthropy teams can help leaders understand the issues more deeply, leverage established relationships with community partners, and bring nuanced insights into corporate responses.

Over time, all these factors have been pulling philanthropy from the margins toward the center of corporate priorities.

External Events as Likely Accelerants

While these pressures on corporations have been steadily evolving the role of corporate philanthropy, a series of critical external events have pushed corporations to go faster and farther. The first few years of this decade have already seen a global pandemic, a widespread reckoning on racial justice, and multiple climate-related disasters. While corporate responses have varied widely, the emergent and urgent nature of this time has compelled many businesses to step up their philanthropic efforts, to work more nimbly, and to try new approaches.

These events have also made systemic issues more obvious and prompted greater analysis by corporate leaders. Many leaders we spoke with described 2020 as a turning point. Disparities, injustices, and urgent needs became more difficult to ignore. This reality opened new conversations about how companies can engage in addressing more structural social problems.

It is also important to note that there have been challenges and backlash around some of these ideas, including legal action around DEI and state-level legislation related to ESG. This can create some uncertainty about continued traction within companies and for corporate philanthropy in the years ahead. But while no one can predict the future, it is clear that there is real momentum on these issues right now, and that is driving new regulatory requirements for companies to navigate and ongoing expectations from stakeholders around a company's social and environmental activities.

External events have pushed corporations to go faster and farther.

Ultimately, the last few years have prompted corporate philanthropy to flex new muscles—getting more attuned to community needs, working at greater scale, and tackling issues at a deeper level. Corporate philanthropy leaders have reset the status quo by unlocking new capabilities, ambitions, strategies, and mindsets.

Emerging 'Edges' of Corporate Philanthropy Practice

In the midst of these big shifts, corporate philanthropy has been experimenting with new ways of working. Our research identified four emerging "Edges" of practice where new approaches show real potential to ride the momentum of external shifts to create an impactful, new model for corporate philanthropy that is not just corporate nor just philanthropy:

› Rethinking corporate philanthropy's role
As long-standing expectations about the appropriate role of business in addressing societal challenges have changed, corporate philanthropies are exploring new ways of filling in critical gaps, spurring needed innovation, and building trust with communities.

› Balancing power
Funders of all sorts have grappled with the inherent power dynamics of philanthropy—where the funder typically holds the purse strings and decision-making authority. Businesses are also recognizing the potential impact of paying attention to diversity, equity, and inclusion in their charitable activities and the benefits of giving historically marginalized populations a greater voice and say over efforts in their communities.

› Acting with others
Given the complexity and scale of the challenges communities are now facing, funders are increasingly recognizing that they can have a far greater impact when they join forces to collaborate with other companies, governments, and nonprofits in using the knowledge, dollars, and influence that corporations can bring to bear—including their partners, supply chains, employees, and customers.

› Creative funding mechanisms
Corporate philanthropies are also experimenting with new ways of using their unique positioning to structure their work differently—looking at how they can build and distribute funds outside the traditional models of the endowed foundation or the corporate P&L.

While there isn't necessarily one right answer for which approaches will be the best fit for specific organizations, grappling with each of the different Edges will allow corporate philanthropy leaders to chart their own paths across the shifting landscape. Following are brief explorations of each of these Edges and the corresponding practices that are emerging.[7]

Edge 1: Rethinking Corporate Philanthropy's Role

It used to be that the role of corporate philanthropy was primarily about supporting good causes, typically through traditional grants. But many corporate philanthropies today are engaging differently, acting as a conduit between the business and society to build trust and identify broader ways corporate assets can support societal impact. For example:

- **Creating trust**
  Building trust and understanding with communities takes real work and effort but can create real value—both for companies and for the communities in which they work. Some corporate philanthropies are leading the charge in forging deep relationships with communities by focusing on authentic listening and responding. Done well, this active listening and trust building benefits the community by making philanthropic work more responsive to them. It also can support a company's brand and reputation in its local community and give companies a better understanding of their customers and the communities where they live and work.

  - The **T. Rowe Price Foundation** holds approximately 1,000 meetings per year with community members in Baltimore, home of its head office. In early days, insights identified opportunities to address mistrust between anchor institutions and the communities in which they operate. John Brothers, president of the T. Rowe Price Foundation explained, "We had to start by addressing mistrust in communities and recalibrating our approach—that's really hard to do. But as a result of listening and relationship building, we saw community members embrace us. One survey showed we were one of the most trusted entities locally. We don't take that for granted—we wake up and earn it." Based on learning from community members, the Foundation moved from primarily grantmaking to providing an array of services, including capacity building, storytelling assistance, a fund for entrepreneurs of color, and more. Brothers further explained, "We see the Foundation as a doorway to community life for the company, and to the company for the community."

- **Spurring innovation**
  Some corporations are using philanthropic dollars to pilot innovations for social good. Corporate philanthropy leaders we spoke with talked about how corporate philanthropy is particularly well suited for this kind of role. Most corporations inherently understand the value of research and development (R&D) in their core business and are translating this mindset to philanthropic work as well. While these investments are primarily for social impact aims, there can be learnings to integrate to business practices as well.

  - The **Autodesk Foundation**, the philanthropic arm of Autodesk, Inc., a global leader in design and make software, has placed a strong emphasis on innovation in its portfolio. The Foundation's grants and impact investments aim to de-risk and scale nonprofit and for-profit design and engineering-based innovations. The innovation investment strategies focus on topics where Autodesk can bring expertise and insight, such as energy and materials and infrastructure. In these topics, the Foundation looks for innovations that help avoid, reduce, and remove greenhouse gas emissions as well as those that enable climate adaptation and resilience. Jean Shia, managing director of the Autodesk Foundation, emphasized that the Autodesk Foundation's funding creates leverage by "funding R&D that's critical to making innovation happen, all of which feels like a natural part of our company's DNA."

- **Moving beyond dollars.** Corporate philanthropies are going beyond cash donations in their support to nonprofit partners. Donna Dunlap, president and CEO of Big Brothers Big Sisters of Central Carolinas shared, "Corporate foundations are building deeper relationships with nonprofits. They're not just bringing dollars, but also helping nonprofits build social capital." This includes product and service donations, and volunteerism, which are not necessarily new, but increasingly we see companies also thinking about less tangible resources like corporate communications platforms and access to networks and relationships.

> **"[Corporate foundations aren't] just bringing dollars, but also helping nonprofits build social capital."**
>
> *—Donna Dunlap, CEO, Big Brothers Big Sisters of Central Carolinas*

  - **CenterPoint Energy Foundation**, the foundation arm of an electric and natural gas utility company operating in the US South and Midwest, supports resident-led initiatives that lead to vibrant neighborhoods, cities, and states. Recognizing that community planning work tends to be underfunded, the Foundation provided grants to develop Neighborhood Revitalization Plans. It then tapped its network and connections to other funders to bring more dollars to the table and bring the plans to fruition. In essence, CenterPoint Energy Foundation funded an effort in a community that could otherwise be overlooked, and leveraged its distinct assets—its voice, relationships, and influence—to make a deeper impact.

These are just a few of the ways corporate philanthropies are reimagining their roles and engaging in broader ways. We've found that while many funders spend much time thinking about the issue areas they care about, over the next decade we anticipate many more explicit conversations on the significant role that philanthropy will be playing.

Edge 2: Balancing Power

Over the past decade, there has been growing awareness of economic inequity and racial disparities, and funders have been grappling with how to navigate power dynamics differently. Corporate philanthropy has the same inherent power imbalances between funder and grantee as the rest of the philanthropic sector. Furthermore, within corporate philanthropy there has been a historic pattern of imposing ideas or solutions on communities. As corporations consider how to be more impactful in their work, many are rethinking how they work and are embracing humility in the way they engage with their partners. One corporate philanthropy leader advised, "Corporations need to stop thinking of nonprofits as vendors; they are partners who are experts in what they do, the same way companies are experts in their industries and investors trust them to execute." Corporate philanthropy leaders have also been shifting power dynamics by thinking about who and what they support. Corporate philanthropy is balancing power in a number of ways.

"Corporations need to stop thinking of nonprofits as vendors; they are partners who are experts in what they do, the same way companies are experts in their industries."

- **Sharing power with grantees.** Corporate philanthropy leaders are reexamining their grantmaking practices. They are looking to grantees for feedback and input by convening or surveying grantees. Many corporations are providing more unrestricted, multiyear funding and capacity-building support. This is beneficial for nonprofits as it allows them to be agile and responsive to shifts in the environment, where restricted grants can be limiting in flexibility and scope. These practices can be challenging for corporate leaders because they require shifting mindsets and giving up some degree of control. But they are also powerful because they recognize the grantees as the experts in their own organizations, sector, and communities. They also provide social-sector organizations with the flexibility to plan and make impact over a longer time horizon.

  › **Salesforce** partnered with Leverage Philanthropic Partners to gather grantee feedback on how Salesforce might be a more supportive funding partner. Salesforce values deep listening as critical for developing strong partnerships and views this grantee feedback initiative as a positive step toward rebalancing the power dynamic between funders and grantees. Through surveys and interviews, Salesforce found that grantees highly value unrestricted, renewable, multiyear funds; that Salesforce should consider increasing support for smaller, younger nonprofits; and that grantees sought more transparency around areas like funding strategy and renewals. As a result, Salesforce adjusted practices and policies to better align with grantee needs and expectations. This represents an important example of how corporate philanthropy can listen and learn from their partners in shaping their own strategies and approaches.

- **Equitable measurement.** In addition to listening to grantee voices about strategies, it's also important to bring them into the conversation about how to define—and then measure—success. Many corporate philanthropies are recognizing the power dynamics around measurement. Measurement approaches can overly privilege funder priorities and create burdensome requirements on grantee partners that don't advance their work or learning. To address this, corporate philanthropies are taking more collaborative approaches around measurement.

- The **Citi Foundation's** measurement approach is rooted in the idea of contribution rather than attribution. In other words, the Foundation sees its success as contributing to an organization's overall mission or impact, rather than focusing solely on specific outcomes that are directly attributable to the Foundation's funding. This is not to say Citi Foundation doesn't think measurement is important. It does work with grantees to identify and track key performance indicators. But it tries to do so in a way that for the most part uses "data exhaust"—the existing data and metrics that organizations are already producing. This approach frees its partners to focus on the work rather than tracking numbers specifically for a funder. In relation to one of Citi Foundation's flagship programs, Community Progress Makers, Florencia Spangaro, chief operating officer, explained, "We give unrestricted funding in order to empower our partners; we can't give unrestricted funding and then say this is the specific outcome we want, and this is the exact impact we expect … it's almost contradictory." When communicating to its board, Citi Foundation starts with the premise that it is investing in an organization and mission and not just a specific output and outcome. This example illustrates how corporate philanthropy can think about measurement in a way that puts the mission and outcomes—rather than the funder—at the center.

- **Supporting diverse leaders:** Corporate leaders are recognizing disparities in funding and support—for example, social-sector organizations led by Black and Latino/a/x leaders receive only an estimated 4% of total grants and contributions in the sector.[8] In response, some corporate philanthropy leaders are rebalancing power by focusing on funding access for organizations led by leaders serving racially and ethnically diverse communities. Aaron Randolph, leader of the nonprofit Carolina Youth Coalition, noted that "the pandemic and social unrest upset corporate philanthropy; it drew more attention to Black- and Brown-serving and -led organizations and reduced barriers and onerous requirements for those organizations. Hopefully, that's here to stay."

  - There are a variety of potential barriers to leading new hotel ventures, including lack of access to funding and to social networks, and those barriers may disproportionately affect historically underrepresented groups. **Marriott International** recognizes this challenge and has helped more than 1,800 diverse- or women-owned hotels open in the United States and Canada with efforts underway to continue to expand opportunities for hotel ownership. This type of support connects Marriott to a broader pool of potential entrepreneurs while contributing to asset building for those who have historically faced obstacles in securing the necessary funding to enter into the hotel business.

Conversations about power have long been just under the surface in philanthropy, but now they are rising to the forefront. Balancing and sharing power will likely become a greater point of emphasis for corporate philanthropy in the years ahead. One important aspect of this for leaders to consider is the perspectives that are (and aren't) represented in decision-making around philanthropy. Many leaders we spoke with brought up the need for more community perspectives and for more diversity in corporate philanthropy leadership.

Edge 3: Acting with Others

Even as corporate philanthropy grows in its ambition for impact, it is dwarfed by the scale and scope of social and environmental problems. Given that, many corporate philanthropy leaders are looking for ways to collaborate and join forces. Bob Plishka, global director of strategic partnerships and president of Dow Company Foundation, reflected that "there is so much opportunity amongst all the corporate giving to build a network, get together with common purpose, or be collaborative in other ways." We are seeing collaboration happen both within and across sectors and industries. And there are examples of collaboration at the local, national, and international level. Some corporate philanthropy leaders we spoke with talked about the opportunity collaboration presents to not only multiply impact but also deepen relationships with customers, clients, suppliers, or others by acting collaboratively. It does, however, require leaders to think about thorny issues like brand credit and recognition in new ways, seeing the benefit to the brand of being associated with others and with having a larger scale impact, rather than just getting individual credit.

We are seeing corporate philanthropy players acting with others in a range of ways.

- **Being part of something bigger:** Corporations are thinking about how their work can add up to more holistic solutions. Corporate philanthropies are working with others across the private sector to pool their financial and non-financial assets to build holistic solutions to challenges. There is particular interest in these types of collaborations in business-to-business industries, such as technology, where deeper operating collaborations and partnerships may be the norm.

  › As part of **AT&T's** $2 billion, 3-year commitment to help close the digital divide, it launched AT&T Connected Learning Centers across the country to help connect historically underserved students and families with digital skills and resources. Other tech companies saw promise in the opportunity and were interested in taking part. Dell is donating computers and monitors to support the learning centers. World Wide Technology, a Black-owned, global tech and IT services company, is working to equip the centers with tools and connection required for students and families to succeed. AT&T is also partnering with nonprofits such as Digitunity to get devices to students. Eleven nonprofits from Digitunity's Alliance for Technology Refurbishing and Reuse will ensure distribution of computers and help provide these families with tech support in 10 cities. This example illustrates how corporate philanthropy can work with private and nonprofit organizations to leverage their assets, including products, technical support, and distribution channels, to advance a shared mission.

- **Working with government:** Corporate philanthropies are also seeing the opportunity to look outside of the private sector and collaborate with public-sector entities. Corporations can help catalyze newer, more cutting-edge approaches, and government entities can often provide greater scale and longer-term impact.

- **Okta for Good** launched a public–private partnership with NetHope, USAID, and the CyberPeace Institute to create the world's first humanitarian Information Sharing and Analysis Center. The aim of the Center is to help nonprofits better respond to cybersecurity threats. As Erin Baudo Felter, vice president of social impact and sustainability at Okta stated, "The technology sector has a collective responsibility to improve tech access and capabilities for all. As one of the leading identity providers, Okta's responsibility naturally extends to ensuring everyone can safely access and use technology. Technology companies, governments, and funders can and should unite to design cybersecurity solutions that empower and better protect implementing partners, partner governments, and nonprofit organizations' crucial work." This is an example of the private, public, and nonprofit sectors using their respective assets—technological expertise, convening power, and network—for a cause.

[Increasing impact by working with others] may require some mindset shifts from corporate leadership.

- **Sharing knowledge:** Corporate philanthropies are sharing knowledge to help others within and outside their industries address social and environmental issues. Our interviews highlighted a variety of ways organizations are sharing knowledge, including forums centered on challenges and solutions to problems, establishing information exchanges, and making data, trainings, or other resources on social issue topics widely available.
  - **Mastercard** has significant amounts of data on spending patterns and other economic insights. The Mastercard Center for Inclusive Growth saw the opportunity for local leaders to have better data to inform decision-making around community needs. They developed an open-source scorecard called the Inclusive Growth Score™. The tool blends open-source and proprietary data to provide "local planners, policymakers, community leaders and impact investors with a clear, simple view of social and economic indicators at the neighborhood level to: uncover and prioritize opportunities for revitalization; build a case for investments in inclusive economic development initiatives; track changes over time; and benchmark against other regions."9 This example can inspire corporate philanthropy leaders to think about what knowledge or data they may have at their disposal that can help address a social challenge.

Across these examples, as our challenges increase in scale and complexity, funders are recognizing that they can't go it alone. We anticipate seeing more efforts to collaborate with others to achieve more than any one company can do by itself. This may require some mindset shifts from corporate leadership around brand credit (as noted above) and potentially also about time horizons, as collaborative efforts may take time to establish but have the potential to go farther.

Edge 4: Creative Funding Mechanisms

As corporate philanthropy evolves, funders are also rethinking the very mechanisms by which funding is done. The practice of simply setting funds apart for doing good deeds is being replaced by newer approaches that take into account how philanthropy can be more explicitly or strategically tied to the business. This is showing up in both how funders consider the dollars and other resources they set aside for philanthropic endeavors and how they then deploy the resources that are available. There are a variety of approaches we heard, but a few key themes emerged.

Newer [funding] approaches [are taking] into account how philanthropy can be more explictly or strategically tied to the business.

- **Sustainable capital:** Historically, many corporate philanthropy leaders have faced uncertainty around funding from one year to the next. To address that, some companies are deliberately setting up more sustainable funding streams over time. Some are doing that by thinking about longer-term commitments, while others are explicitly linking their philanthropy to business performance.
  - **Pledge 1%** is a corporate social impact movement that is establishing new norms and empowering companies to leverage their resources for good. As part of the movement, many high-growth companies are dedicating 1% of stock equity to fund their corporate philanthropy. This ensures that as companies scale and evolve, there is "fuel" for social impact for the long term. Pledge 1% is working with Venture Capital leaders, Nasdaq, and the New York Stock Exchange to make this commitment part of IPO readiness. Amy Lesnick, CEO of Pledge 1%, explained, "The power of the equity commitment is that as a company grows, so does their commitment to impact; their social impact success is tied to company success. We have ignited $2 billion of new philanthropy through the equity component alone, with a goal of $5 billion by 2027."
- **Opening up to others:** Some corporations have made the move to establish a public charity rather than a private foundation. There are regulatory and tax requirements to navigate with this move, but it can make strategic sense when there are customers, employees, suppliers, or other members of the broader public who may want to engage and participate. This has the benefit of providing broader pools of funding while also connecting with those stakeholders in different ways.
  - **Lowe's Foundation** established its Gable Grants program as a 5-year, $50 million commitment to train 50,000 job-ready skilled tradespeople to build a stronger infrastructure to support communities. The Foundation is set up as a public charity to enable collaboration with the Lowe's ecosystem of vendors and suppliers. Lowe's Foundation Director Betsy Conway explained, "As we launched a national commitment to shore up America's skilled trades workforce, we found tremendous enthusiasm from our vendors, who saw this as something that was both good for the business community and society. There is real passion for this kind of aligned impact orientation."

- **Impact investing:** Corporations are using their funds for impact beyond traditional philanthropic grants. Some are thinking more expansively about their role and providing seed money or other capital to new ventures with both business benefits and social or environmental goals. These types of funding mechanisms demonstrate how philanthropy is moving closer into the business. For example:
  - In the outdoor gear and apparel industry, less than 1% of owners and entrepreneurs are people of color. In recognition of that, **REI Co-op's** Path Ahead Ventures, a $30 million commitment offering equity investments alongside other supports to outdoor gear and apparel startups owned and led by Black, Indigenous, Latino/a/x, and Asian American and Pacific Islander people. Their goal is to accelerate the success of founders of color, whether they are growing a business or just starting out. REI's Path Ahead Ventures program supports underrepresented entrepreneurs in their journeys, providing necessary resources to fill gaps and diversify the entrepreneurial ecosystem. Marc Berejka, president of the REI Cooperative Action Fund, said, "While this isn't formally part of REI's philanthropy efforts, it shows how the company is using its resources to benefit both society and business."

The funding mechanisms for corporate philanthropy are no longer one size fits all. We expect to see a variety of approaches for mobilizing resources in the years to come, many of which will continue to blur the lines between the business and philanthropy. Corporate philanthropy leaders should be thinking about the assumptions around their existing funding mechanisms and how they could be challenged.

Taking Action

Finding your Edges

Not every Edge of philanthropic practice will make sense for every organization, but many have great potential for further adoption. Below are a set of questions corporate philanthropy leaders can consider when setting specific philanthropy strategies and determining which Edges might be relevant for them to explore.

Edge 1: Rethinking corporate philanthropy's role

- Creating trust
- Spurring innovation
- Moving beyond dollars

❑ How well connected are you to the communities you serve or operate in?

❑ What risks around social issues in your communities and beyond may need to be mitigated?

❑ How might you apply the capabilities and knowledge of your organization to the social issues you are focused on (e.g., R&D, logistics)?

❑ How might you use the specific assets of your corporation differently to increase your impact?

Edge 2: Balancing power

- Sharing power with grantees
- Equitable measurement
- Supporting diverse leaders

❑ How directive vs. collaborative are you with your philanthropic partners today? Would you be willing to take the risk of being less directive about how grantees use the funds you provide? How might you empower your partners in new ways?

❑ How proximate to the social issues and communities is your philanthropy team currently? What perspectives may be missing in your work, and how might you integrate them?

❑ How onerous are your current measurement and reporting requirements for your partners? How might you evolve your measurement practices to be more equitable?

❑ What data or insights do you have on the diversity of the leaders you support? What steps could you take to more intentionally support diverse leaders in your philanthropic practices?

Edge 3: Acting with others

- Being part of something bigger
- Working with government
- Sharing knowledge

❑ Do you understand the ecosystem of actors—public and private sector—working in relevant issue areas? Where might there be risks and opportunities around those relationships?

❑ Where might there be opportunities to partner with clients, suppliers, or others on impact?

❑ What public-sector relationships does the corporation have or want to cultivate that could increase your impact on the issues you care about?

❑ What knowledge, data, or other insights does your organization have, via the core business or via philanthropy, that might be useful to other organizations or to communities?

Edge 4: Creative funding mechanisms

- Sustainable capital
- Opening up to others
- Impact investing

❑ Do you have a longer-term impact goal you are aiming for and leadership is committed to?

❑ How sustainable are your philanthropic resources today?

❑ Are there any organizational milestones such as a leadership change or a merger that could create an opportunity to rethink how philanthropy is funded?

❑ Could your organization benefit from any structural changes to how philanthropy happens (e.g., starting or winding down a foundation, becoming a public charity)?

❑ In what ways could you deploy financial resources outside of philanthropic grants?

Getting your Organization on Board

Hopefully, corporate philanthropy leaders reading this have found inspiration from the ways the field is changing. You may even have ideas starting to form about how some of these practices could work in your context. But the role of an impact leader is equal parts generating ideas and bringing their organization along in understanding the rationale and potential of those ideas. Bringing the organization along means connecting to multiple stakeholders —including and beyond the C-suite. Enrolling the organization on philanthropy and impact work can, over time, shift corporate mindsets and practices.

Here are five approaches that can help engage leaders across the organization in exploring Edge practices in corporate philanthropy:

1. Don't be shy about claiming both social impact and business value

Corporate philanthropy is multifaceted, and you don't need to shy away from that. Many people will be motivated by the potential for societal impact. In discussing new approaches, you can build excitement about the potential positive impacts for people or planet.

You can also make the case about the potential for business impact and value. There are multiple sources of business value tied to philanthropy. Some sources of value will be relevant to most organizations, such as talent attraction and engagement. Other value drivers will be more context specific. For example, business-to-business companies may think more about the ecosystems in which they operate, including the businesses they sell to and implementation partners, whereas business-to-consumer companies might think more about product innovation or direct consumer engagement.

The role of an impact leader is equal parts generating ideas and bringing their organization along in understanding the rationale and potential of those ideas.

2. Focus your energy on the likely supporters and the unaware

Stakeholders across the organization will have a variety of perceptions around new approaches to corporate philanthropy. One corporate philanthropy leader advised, "don't waste energy on the unconverted and unconvertable." You can accept that not everyone is going to "get it" and be completely on board. Focus on identifying champions in the C-suite and in different parts of the business. Lean on those champions as ambassadors for those who may be simply unaware of the ways corporate philanthropy is evolving or the potential for new approaches.

Hopefully, the CEO is one of those champions, because CEO support is critical to embracing new philanthropy strategies. If not, build your understanding of the CEO's priorities and motivations and connect those to your philanthropic strategy. And engage your champions to help build awareness and paint a picture of what's possible.

For instance, when your company is going through a strategy refresh, call on those champions in the C-suite to speak up so that those who may have a narrow view of corporate philanthropy and its role in the business can build their understanding and rethink their assumptions.

Finally, connect with trusted colleagues across the business who understand your team's value and seek ways to collaborate on areas that support the company's strategy to embed purpose from the ground up.

3. Use storytelling, not just metrics, and be inclusive in who shares the stories.

You can't and shouldn't necessarily expect company executives to come with a full understanding and perspective on social issues and philanthropy. But you can meet them where they are by using both metrics and stories. There is some conventional wisdom in corporate philanthropy that if leaders just see the right metrics, they will be convinced about a particular strategy. So yes, be prepared with metrics. But you can also think of yourself as "storyteller in chief" to help people in the organization understand social issues and win hearts and minds around how the organization can engage in philanthropy.

It's important to take an inclusive and representative approach to how stories are shared. One corporate philanthropy leader we spoke with was trying to evolve toward a strategic focus on a particular issue. Company leadership were highly data driven and the philanthropy leader was struggling to meet their burden of proof. Then, a member of the executive team came forward to talk about their own lived experience in that issue, and that shifted the conversation. Corporate philanthropies could consider focus groups or advisory boards comprising community members and nonprofit partners to bring more perspectives to the table.

Diverse perspectives are also important for those leading corporate philanthropy. We heard from several leaders that there is an opportunity to have more corporate philanthropy leaders and staff who are representative of the communities they serve or experienced in the social sector.

4. Use examples from the field to generate "borrowed conviction."

Even if your organization is unsure about some of these approaches, leaders can take solace that leading organizations across industries and geographies are implementing them. The themes and examples from this report can not only inspire corporate philanthropy leaders but also help you make the case that the field is shifting. The examples can assuage concerns that ideas may be untested. They can also help you illustrate the risk of inaction and maintaining the status quo. When we work with clients, we often bring in bright spots as inspiration and test where there is interest and where there is resistance. This can help you understand what the guardrails or boundaries to a strategy may be—and if, where, and how to push.

5. Embrace that philanthropy is only part of the equation.

Philanthropy has an important role in a company's overall societal impact, but it isn't the only piece of the equation. Corporate philanthropy leaders need to be considering whether the corporate "insides match its outsides"—that is to say, whether the way the company is engaging externally with communities and nonprofits is consistent with what they do in their businesses and how social and environmental issues are treated in company practices. Philanthropy can be complementary to a company's broader efforts around purpose in society and impact from operations. Many corporations today have numerous social impact activities, and that reality is a feature, not a bug, so long as those activities are managed effectively. You can help connect the dots between new practices in corporate philanthropy and the bigger picture at the organization.

Changed Priorities Ahead

There is a street sign in the United Kingdom—a rectangle that reads, "Changed priorities ahead." It indicates that traffic patterns have changed, and that the driver should be mindful of new ways of navigating and may need to choose a different direction.

Corporate philanthropy has long been caught at the crossroads of two different worlds; from one day to the next, corporate philanthropy leaders are pulled in the direction of traditional philanthropic foundations or traditional for-profit corporations. But structurally, philosophically, and operationally, corporate philanthropy isn't fit for purpose for either model. Recent shifts in the world have brought to the forefront the need for a new way—a different traffic pattern, if you will.

There's no one way forward, but the Edges of a new path for corporate philanthropy are emerging. These new Edges highlight different approaches for the role corporate philanthropy can play, for balancing power given its distinct position, for coordinating and galvanizing others, and for funding and being funded in creative ways. By experimenting along these Edges, we believe corporate leaders can begin to shape the contours of something new—not "corporate" or "philanthropy," but uniquely "corporate philanthropy"—for the years and challenges ahead.

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External interviewees

Binta Beard and Jonathas Barreto, AbbVie Foundation

Nicole Anderson and Teresa Mask, AT&T Foundation

Jean Shia, Autodesk Foundation

Donna Dunlap, Big Brothers and Big Sisters of Central Carolinas

Krystle Forbes, Braven

Aaron Randolph, Carolina Youth Coalition

Amanda Schmitt, CenterPoint Energy Foundation

Kari Niedfeldt-Thomas, Chief Executives for Corporate Purpose (CECP)

Florencia Spangaro, Citi Foundation

Bob Plishka, Dow Foundation

Kim Karris, Elemental Excelerator

Sujata Narayan, Equinix

Kate Wilson, Gilead Foundation

Sébastien Pellion, Glovo

Betsy Conway, Lowe's Foundation

Apoorva Ghandi and Christin Fernandez, Marriott

Rashmi Pendse, Mastercard Center for Inclusive Growth

Erin Baudo Felter, Okta, Inc.

Amy Lesnick, Pledge 1%

Marc Berejka, REI

Becky Ferguson, Salesforce Foundation

Megan Zamora, Starbucks

John Brothers, T. Rowe Price Foundation

Brandon Nicholson, The Hidden Genius Project

Carrie Varoquiers, Workday

Brandie Seebold, Year Up

Endnotes

1. Chief Executives for Corporate Purpose® (CECP), Giving in Numbers™: 2023 Edition, 2023.
2. While we have chosen to use this more expansive definition of philanthropic activities, it is important to note that there are tax and legal considerations for exempt organizations related to how philanthropic efforts can be integrated with corporate activities, and each organization will need to examine its particular circumstances before taking action.
3. "Edges," as defined in the Monitor Institute's What's next for philanthropy in the 2020s report, are critical frontiers in philanthropic practices that are particularly well-aligned with major societal shifts. Edges have an outsized potential to grow and to influence and reshape the core of philanthropy over time.
4. See complete list of interviewees at the end of the report; note that this report focuses largely on the US landscape, but does incorporate perspectives, insights, and examples from outside the United States.
5. While that report is applicable to all types of philanthropy, we heard strong interest from corporations to understand trends and examples specific to the corporate context. As such, we have developed this follow-up to the original report focused on corporate philanthropy.
6. Sixty-six percent of surveyed consumer products executives in the Deloitte 2024 consumer products industry outlook expect consumers will increasingly insist that the industry become more responsible (e.g., for environmental sustainability, societal issues, privacy).
7. All examples mentioning corporate philanthropies were provided by each respective organization.
8. New Profit, Transforming the social sector: The opportunity and the need for action, February 24, 2020.
9. Ben Fox Rubin, "How to define inclusive growth—and how to get there," Mastercard, April 17, 2023.

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