Corporate Jews and Corporate Giving Programs: Untapped Resources for the Jewish Community*

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It was clear from my study that Jews were entering corporate and other institutional life and were becoming involved in the United Way as a result of the way the latter recruited its leadership—through the corporate structure. However, these Jews were interested in Jewish causes, donated funds to Jewish charities, and belonged to synagogues in surprisingly high percentages. Moreover, they volunteered many hours to voluntary organizations, albeit non-sectarian ones.

THE number of Jews entering the corporate world is increasing, and these Jews represent a reservoir of untapped resources, both financial and human, for the Jewish community. This is not a new observation. Jewish academics and professionals have been writing about it for years. They have argued that the occupational structure of the Jewish community is changing. The number of self-employed, entrepreneurial Jews upon whom Federations have traditionally concentrated their fund raising efforts is declining and the number of professionally trained Jews who are employed by large concerns, especially governmental agencies and corporations, is increasing, and Federations should be paying attention to these changes when planning and implementing their fund raising strategies.

Some Federations have approached Jews who work for corporations or whom we refer to as corporate Jews.[1] But for those Federations that have not, or have done so with limited enthusiasm, there is a phenomenon within corporate life that should provide Federations with an incentive to pay attention to corporate Jews. This phenomenon is the increase in such corporate employee-giving programs as donor designation, employee-giving committees, and matching gift. While the former programs are important, it is probably to the latter that Federations should be paying the most attention because matching gift programs may have the greatest potential for the Jewish community. And while some may dismiss the potential of matching gift programs for Jewish Federations by claiming that educational institutions are the primary beneficiaries with hospitals and health care agencies coming in a distant second, let me emphasize the following statistic. *In 1982, twenty-seven corporations matched gifts to all nonprofit 501 (c) (3) organizations; in 1983 that figure had almost doubled. In that year, fifty-seven corporations matched gifts to all nonprofit organizations.*[2] Who knows by how much this figure will increase in the future. For the present, however, the

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[1] Federations, for the most part, have approached Jewish-owned corporations for corporate gifts and for help in soliciting their Jewish employees. This is a worthy effort and probably one with the largest short-term payoff in terms of new gifts. Our comments are in reference to primarily non-Jewish owned corporations and the Jews who work for them.

[2] *Case Matching Gift Details* Washington, D.C.: Council for Advancement and Support of Education. Information in the 1982 and 1983 editions of the Guidebook were used to calculate this statistic.

trend in corporate employee-giving programs is toward the expansion of matching gift eligibility.

This paper will describe the changes in the occupationally related demographics of the Jewish community and the characteristics of various corporate employee-giving programs. The paper will suggest steps that Federations might take to develop their respective corporate Jewish communities, and it will discuss the policy implications of such development in relation to the United Way, the traditional recipient of corporate employee-giving programs.

Changing Demographics

The first demographic survey to substantiate observations that changes were occurring in the occupational structure of the Jewish community was probably the *1975 Community Survey* conducted by the Combined Jewish Philanthropies (CJP) of Boston. Because a survey of the Boston Jewish community was conducted in both 1965 and 1975, comparisons over the ten-year period could be easily made. The *1975 Community Survey* reported that:

> the most notable change in occupation over the past decade has been the decline in managers and proprietors among males. Traditionally, many Jewish men who owned their own businessess have played an important role in the Jewish community. The percentage of male Jews in this category has declined from 37% to 27%. The primary corresponding increase is in the rate at which male Jews are employed as professionals, but there also is a slight increase in the rate of male Jews employed in clerical and sales jobs.[3]

Steven Cohen conducted a secondary analysis on the Boston data and found that the inclination toward Jewish charitable giving was primarily related to an index of Jewish involvement and the level of giving was related to occupation. He stated that older people, who for the most part were the entrepreneurial generation, were the most Jewishly involved and the largest givers, and that the younger generation of Jews not only had a different occupational base than the older Jews (50% of the Jews in the 30–39 age brackets were categorized as professionals whereas only 25% of the Jews age 60 and over could be so described), the younger Jews were also less involved Jewishly than their elders. Cohen thus concluded that the community of Jewish givers has been defined by "other forms of Jewish involvement" than philanthropy, such as membership in Jewish organizations, "age, and to a lesser extent income." *In other words, "those who give at all tend to be heavily involved in Jewish life, and, to a lesser extent, they are over 40 and are upper middle-class."* Cohen continued, "in terms of the size of gifts, the community is defined predominantly by income" (the higher income maintained by the self-employed entrepreneurs) "and to a lesser extent by Jewish involvement and occupation. That is to say, big donations come primarily from those who share these traits: they can afford big gifts, they are involved in other Jewish activities, and they work as business people."

In terms of the Federation campaign, Cohen found that "above and beyond other characteristics, *the business people of sufficient means as well as attorneys (many of whom are also part of the business world) are the mainstays of the Federation community of givers.* Even when their modest incomes are taken into account, professionals and others are simply less generous in their charity than are those in the world of commerce and industry."

Cohen concluded that his findings do support

> the vague fears of veteran Jewish fund raisers: young people *are* giving less often, profession-

[3] Floyd J. Fowler, Jr., *1975 Community Survey;* Boston: The Combined Jewish Philanthropies of Greater Boston, 1977, pp. 16–17.

> als *do* give appreciably less than business people, and less identified Jews give less than their more involved counterparts. Since young people are increasingly turning toward the professions and since Jewish involvement is to some unknown extent permanently lower among today's younger Jews, one can readily anticipate a decline both in the numbers of givers and in the size of their gifts.[4]

One veteran fund raiser, Sanford Solender, makes similar observations about demographic changes in the Jewish community, but is more upbeat than Cohen in that he suggests that Jewish Federations can adapt their fund-raising techniques to take advantage of the resources represented by the professional, Jewish community. In 1978, Solender wrote about "a steady shift in the economy of North American Jewry." He went on to say that "traditional fortunes are disappearing as old families drop away. Some new wealth replaces them, but there is uncertainty about our future economic base. The younger generation of the families of means often prefers careers in the professions and the academic and intellectual world, which produce a smaller net worth than if they succeeded their fathers in family businesses." Solender concluded that "there is significant Jewish affluence upon which to base our quest for support, but the changes can effect the relative dependence of campaigns on various giving levels, the need for a broader base for advance gifts, the style of solicitation, and the sources of leadership."[5]

In 1978 I conducted a comparative study of Jews serving as leaders in the United Way and Jewish Federation leaders, and my findings lend support to Solender's conclusions.[6] I found that most of the Jews who served as leaders in the United Way were employed by corporations. These same Jews agreed that they would be glad to serve as leaders in the Jewish community if only they were asked. In addition, my data demonstrated that Jews who were leaders in the United Way were better educated than the Federation leaders (approximately twenty-five percent of the Federation leaders had not graduated from college, while less than ten percent of the United Way Jewish leaders had not). The United Way leaders were more likely to be salaried individuals than Federation leaders; seventy-four percent of the United Way Jewish leaders were *employees,* while only twenty percent of Jewish Federation leaders were so employed. It was clear from my study that Jews were entering corporate and other institutional life and were becoming involved in the United Way as a result of the way the latter recruited its leadership—through the corporate structure. However, these Jews were interested in Jewish causes, donated funds to Jewish charities, and belonged to synagogues in surprisingly high percentages. Moreover, they volunteered many hours to voluntary organizations, albeit non-sectarian ones.

My study substantiated Cohen's findings that the Jews involved in the United Way were less involved Jewishly than Federation leaders, but it also seemed to prove that Solender was correct in stating that if these Jews were approached by Federations, they would be inclined to serve. It seems to me that the fund-raising potential represented

[4] Steven M. Cohen, "Will Jews Keep Giving? Prospects for the Jewish Charitable Community," *Journal of Jewish Communal Service,* Fall 1978, pp. 59–71. (emphasis in the original)

[5] Sanford Solender, "The Changing Situation in the Jewish Community and Implications for Federations," *Journal of Jewish Communal Service,* Winter, 1978, pp. 148–154.

[6] Deborah Kaplan Polivy, "The Differential Association of Jewish Volunteers Between Voluntary Community Organization Agencies: The Jewish Federation and the United Way" (unpublished Ph.D. dissertation, Brandeis University, 1978)

by different forms of corporate employee giving programs may provide Federations with the incentive to approach Jews employed by corporations.

Corporate Employee-Giving Programs

Corporate employee giving programs are mechanisms created and administered by the employer through which employees can make charitable contributions at the worksite. The most common program is payroll deduction to the United Way campaign. Employees receive pledge cards upon which they indicate their gift to the annual United Way campaign and their preference for mode of payment. Most employees choose to have their gift paid in installments deducted from their paycheck. As a matter of fact, many nonprofit organizations and critics of the United Way have claimed that the United Way has a monopoly over worksite campaigns and payroll deduction, and many corporations and governmental agencies have expanded their employee giving programs to allow access by other charities. Let there be no mistake, however; the number of employers to implement such new programs is small—but growing, particularly in the case of matching gift.[7] Some of the newer models adopted by employers are described below. My description is of the general characteristics of the programs since employers are known to implement their own idiosyncratic requirements.

Donor Designation

Donor designation allows the employees to indicate one or more charities to which he or she makes a contribution through payroll deduction. The company collects the funds and at various intervals forwards payment to recipient organizations. Usually all 501 (c) (3) health and welfare organizations are eligible; some companies include public television and radio, environmental groups, and arts organizations. Although somewhat unique, TRW in Redondo Beach, California allows designations to all nonprofit organizations, including churches and synagogues, and no geographic boundaries are placed on the location of the donee. Donor designation is different from United Way donor option programs.[8] Donor designation is administered by the employer; administrative costs are assumed by the employer; and no "favored charities" are "pushed" by the employer. Although United Way produced advertising material is often used, it is usually modified to meet the employer's requirements.

Employee-Giving Committees

These committees are usually incorporated as nonprofit 501 (c) (3) organi-

[7] It may be that a new trend in giving programs is occurring—the expansion of employee charitable payroll deduction programs. In just this past year (1983), AT&T, New York Telephone, and the St. Paul Companies opened their payroll deduction programs to allow for donor designation of recipient charities in the two former cases and the expansion to two charities in addition to the United Way in the latter case. It may be that with such well-known companies leading the way, other companies will follow suit.

[8] Donor option is a program used by several local United Way organizations wherein donors may choose to give a gift to the general United Way campaign, a United Way member agency, or a non-member agency. When gifts are designated to non-member agencies, administrative costs (between 9 and 10% of the total gift) are commonly deducted by the United Way. The United Way does not encourage the use of donor option. To the contrary, the United Way encourages giving one gift to the general campaign because studies have shown that most people who choose to designate were once givers to the general campaign. Thus, designations assume that funds are siphoned from the general campaign and thus from the United Way allocations process.

zations under the Internal Revenue Code; they have their own names, such as "Employee Fund," "Employees Charitable Organization," "Community Services Fund," and frequently they have their own administrative staff paid for by the employer. Employees contribute to the committee which then uses volunteer employees representing different parts of the work force (e.g., management, clerical, unions, operating divisions, etc.) to allocate the funds. Some of these employee committees traditionally allocate over ninety percent of the collected funds to the United Way. However, others allocate considerably lower amounts to the United Way—about fifty to sixty percent of their total funds. The common characteristic of these committees is that they are not only willing to receive requests for funds from organizations in which their employees are interested, they *prefer* to allocate funds to charities supported by employees. Some of these committees actively encourage employees to suggest beneficiary agencies for the committee funds.[9]

It should be noted that in some corporations where employee giving committees exist, designations are also allowed. In such cases, the employee can give to the committee, to a charity or two of his or her choice, or to a combination. Finally, it should also be noted that employee-giving committees are different from corporate giving committees where employees may play a role. In the latter case, corporate funds, as distinguished from employee funds, are allocated to donee groups by committees on which employees are invited to serve.

[9] For example, printed in the TRW literature describing its fund is the following statement: "Any TRW Employee or ECHO (Employee Charity Organization) member may refer requests for charity to the Governing Board for consideration."

Expansion of Payroll Deduction to Include One or More Charities

This is an adaptation to the campaign that solely benefits the United Way. In this model, access to payroll deduction is given to individual charities on a one-by-one basis. Charities that have gained access to payroll deduction are Black United Funds; health agencies, both singly such as the Heart Association, or in federations such as Combined Health Appeals; arts councils; and some social action federations.[10] There are very few companies, however, that have allowed such access, although the number grows annually.

Corporate Matching Gift Programs

Matching gift is the process whereby an employer will match a gift made by an employee to a nonprofit organization. The match may be equal to the amount given by the employee or a multiple of the amount. For example, the Arco Foundation (Atlantic Richfield) will match gifts to all nonprofit institutions on a two for one basis. Most matching gift programs are still limited to educational institutions, but they are expanding their eligibility rapidly as noted in the beginning of this article. The mechanics and eligibility requirements for matching gift programs vary from corporation to corporation. For example, some will increase the match if the donor serves on the Board of Directors of the recipient organization or volunteers a certain number of hours per week. Others limit their matching gift eligiblity *only* to individuals who serve on the board of directors of recipient organizations or

[10] The St. Paul Companies has published a policy wherein it is stated that any federation of five or more agencies may apply for access to its payroll deduction system.

volunteer a minimum number of hours to an agency. Retirees are eligible for matching gift programs in some organizations; part-time workers are eligible in others, etc. In some companies, there are limits to the amount matched per employee and/or per employee per recipient organization. While most matching gift programs do not allow the gift to be paid through payroll deduction, others allow for payment by that mechanism.

Implications of Corporate Employee Giving Programs for Jewish Federations

Corporate employee-giving programs have implications for Jewish Federations. First, corporate workers are accustomed to such programs—particularly payment through payroll deduction. They are used to having their charitable gifts deducted from their salary. The premise upon which payroll deduction is based—people will give more if payments are deducted over time from their paycheck—might be useful for Federations to consider. Jewish employees should be made to realize the potential of such programs for their own sub-communal agencies.

Employee giving committees could certainly be approached for allocations by Jewish organizations. These committees represent a veritable new source of funds for Jewish organizations, and, when appropriate, Jewish employees must be made to understand how they can help Jewish organizations gain access to the employee committee allocation process.

The most potentially lucrative of employee-giving programs is probably that of matching gift. Jews employed by matching gift corporations, especially when all 501 (c) (3) organizations are eligible for the matching program, seem to be a fruitful area for development for Federations for many reasons. The most obvious reason is that matching gift programs have the potential to produce twice the amount received for a similar effort in companies where matching gift does not exist. Another reason for concentrating on matching gift is that its potential "payoff" is so visible and easy to understand that it can serve as an exciting area for involvement by both Federation staff and volunteers. Early successes with employees of matching gift corporations could serve to create commitment on the part of staff and lay leaders to further develop the corporate Jewish community.

Some Suggested First Steps

How might Federations go about raising funds from Jews employed by local corporations and how might they involve these corporate Jews in their own decision-making apparatus? Obviously, the local Federations must make a commitment to the notion of developing their corporate Jewish community, and then be firm in their constancy to that commitment. The area is an experimental one, and while the following steps are suggested, specifics will be particular to each local Jewish community and adaptations and alterations will probably be necessary as experience in this endeavor is gained.

1. A corporate committee made up of individuals who are well-positioned within their corporations and who have demonstrated their commitment to the Jewish community should be created. This committee should serve in an advisory capacity in relation to developing the corporate Jewish community and should provide the leadership in the endeavor.

2. Data should be collected on the corporations in the community and on the Jews who work in them. A census of

corporations including such information as sales, industry, nature of giving programs, number of employees, subsidiary or parent company, etc., should be taken. In a similar fashion, a census of Jewish employees working for the respective corporations should also be conducted.

3. Inventories should be made of the potential for giving among Jewish employees and companies both in-cash and in-kind. These inventories should include a listing of each Jew, his or her position in the company, his or her gift to the Jewish Federation and other Jewish charities, membership in Jewish organizations, etc. The inventory should include comments on each individual's capacity to contribute both funds and volunteer time, and should note areas of expertise such as research, computer technology, etc.

4. Target groups should be identified. For example, if several companies maintain matching gift programs, then Jews in these companies should be the primary object of a first-year development effort. If there are many Jews in a company or industry or position, e.g., attorneys or general counsels, and these Jews have limited histories of involvement with the Federation, then these people should be the focus of a concentrated effort. I would caution against working on too many groups simultaneously, and would suggest that several (two or three) specific groups be identified for development in the first year. It seems to me that specific well-planned and monitored efforts are worth more in terms of long-term gains than diminished effort in several areas.

5. Once the group or groups to be concentrated upon are identified, then the approach to the individuals must be carefully planned. I would suggest that the environment in which the individual operates be carefully considered. For example, the corporate individual is usually not dependent upon the business favor of a solicitor *not employed* by the corporation nor does he have access to a business account from which to give his personal gift. Such considerations must be carefully made when planning the solicitation. In addition, since the majority of the individuals who will be asked for funds are well-educated and well-placed professionals in their own right, they may be very helpful in creating strategies for approaching the corporation for additional funds. In other words, asking the donees to help in obtaining additional funds from the corporation might not only flatter them, it might be a task to which they feel indisputably necessary and irreplaceable by a community entrepreneur. In other words, I am suggesting that corporate Jews not only be developed for their potential, but for their access to a corporate gift.

Implications for Relations with the United Way

I do not think the implications of these suggestions for Federation relations with the United Way are at all serious. An attempt to raise funds among corporate Jews is "sub-communal business" and within our mandate to pursue. Only when a Federation makes a decision to work with corporate Jewish employees to encourage companies to expand such giving programs as payroll deduction do we have the obligation to consider our relationship with the United Way. However, three facts must be kept in mind. The first is that studies have shown that when employees are educated about charitable giving, and when they have greater choice in terms of the beneficiaries of their gift, their hostility to charitable giving declines and overall giving increases. Thus, United Way would probably benefit

from expanded options available at the worksite. The second fact is that the impetus for expansion of payroll deduction resides in the employee, not the organized Jewish community, and our efforts must always use the employees as our pathway to accessibility. Finally, more and more employers are paying attention to the claim that the United Way has a monopoly over worksite giving. The corporation, not recipient organizations, controls the administration of the corporate campaign, and in the last analysis it is the corporation that makes the decision as to which charities will have access to its employee giving programs.

The United Way could benefit from our success at the worksite. Where competition for employee dollars already exists, local United Ways admit to improving their own internal operations and in some cases United Way receipts have increased or at least been maintained at former levels. Moreover, Jews have always given funds and provided leadership to the United Way. That will not change. However, a greater interchange between the organizations where leadership and fund raising know-how are shared could lead to a productive and rewarding process for the two organizations. And the corporate world would be far more receptive to organizations that are not in conflict with each other.

From this *Journal* Twenty-five Years Ago

I wish to say that while as an individual I identify myself completely with the positivist view, as a social work practitioner I recognize the weakness of that position in so far as it does not—in many of its aspects—grow out of the realities of the Jewish communal scene in America and is not fully relevant to the program issues and the services of our agencies. Hence I can sympathize with the reluctance of the pragmatists to adopt an *a priori* philosophy that is not solidly grounded in current experience. However, where the pragmatists failed us is in the implication that such a philosophy should be formulated by someone else, that they themselves have no obligation in that area beyond an objective (and aloof) examination of whatever philosophy may be proposed by others.

Harold Silver
Fall, 1959