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CGAP
Centre for Charitable Giving and Philanthropy
www.cgap.org.uk

CGAP Occasional Paper

The Values of Corporate Giving: An update on key figures and trends

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Contents

Preface

This paper is one of two complementary reports setting out the results of new CGAP research with two main strands. One was, in the context of current interest in developing 'big data' to increase our insights into various market sectors, to review and update the state of data on corporate giving, and its potential for links with other company datasets. The other looked at how companies seek to embody different kinds of values, in different ways, when they develop their voluntary and community sector giving programmes. The research programme was funded by ESRC Research Grant Ref ES/F034113/1. The two-paper set consists of:

- **The Values of Corporate Giving: An update on key figures and trends** by Meta Zimmeck and Cathy Pharoah, CGAP@Cass, which reviews the nature of methodologies used in research on corporate giving and concludes that the diverse and fragmented nature of the approaches to this topic presents a barrier to developing a coherent understanding and the scope for 'bigger' data. In this context, it also provides an overview of the research on motivation and values of corporate giving in companies, with an update of trends in the annual amount given. Data on corporate giving for this study was kindly supplied by Charity Financials.
- **The Values of Corporate Giving: New case studies** by Catherine Walker, Cathy Pharoah and Meta Zimmeck, a joint CGAP-Directory of Social Change (DSC) paper, which explores through a set of case studies the ways in which company giving today variously expresses company values.

A third companion piece to the above papers is **Corporate Giving: A summary of the literature,** also produced by Meta Zimmeck at CGAP@Cass, which lists a detailed bibliography of the literature used in these studies, and gives a brief summary of the methodology and results of each of the papers included.

All these papers are available to download from the CGAP@Cass website. Findings from this research programme were presented in a joint CGAP-DSC seminar in October 2014, which focused on the challenges of measuring company giving and the role of values in motivating various forms of company giving. Key corporate speakers included Richard Gomes, Head of Policy and Advocacy, Shell Foundation: Tom Levitt, Sector4Focus, author of *Welcome to GoodCo:* Graham Lindsay, Director, Responsible Business, Lloyds Banking Group: Nick Davies, Founder and CEO, neighbourly.com. Messages that emerged from this event were the needs for:

- better dialogue, data and understanding around company giving;
- future research and development to focus on the significance of giving in the context of wider corporate responsibility to society.

Executive Summary

This report has two main sections: an overview of the literature on corporate giving in relation to both measurement and to motivation or its value to companies, and an update on financial trends in corporate giving, both in aggregate and by industry sector.

Overview of the literature

There is considerable diversity and fragmentation in the methods used to assess corporate giving, which make comparison of study findings and definitive conclusions difficult. While the research reveals important insights into motivation and factors related to corporate giving, it fails to explain the causes of diversity in levels and patterns of corporate giving. Recent commentators have suggested that research activity is reframed with less of an organisational focus and aimed at studying corporate responsibility within wider historical, social and political contexts.

Headline results on corporate giving

The second section of the report sets out the detailed results of an update of the giving of the top corporate donors in 2012–13 by amount, compares giving by industrial sector, and compares trends in giving by sector over time. Data for the analysis was kindly provided by Charity Financials.

- In 2012–13, the top corporate donors had a total Worldwide Corporate Investment (WCI) of £1.3 billion, 8% higher in absolute terms over the three-year period since 2009–10, when it was worth £1.2 billion (excluding major pharmaceuticals' in-kind giving).
- Aggregate WCI was 0.9% of pre-tax profits (excluding major pharmaceuticals' in-kind giving).
- This percentage maintained WCI at the same proportion as 2009–10, in spite of some turbulence in the economy over this period.
- Turnover in these top donor companies was £1.8 billion, pre-tax profits were £148.9 billion, and staff numbers were 6.8 million.
- The value of WCI varied by industry: three industries dominated, with Basic materials, the largest industrial sector, accounting for over one third of giving (34%), Financials for 27%, and Consumer services for 15%.
- The ratio of WCI to pre-tax profits was greatest by far in the Basic materials sector, at 4.1%; next were Financials and Consumer services, each at 1.5%.
- The largest sector within Basic materials was Mining, which accounted for 99% of the WCI of this sector, and was worth £447 million.
- Banks had the largest share of WCI in the Financials sector, at 82%, and worth £288 million. Financial services gave 5% of total WCI, but had the highest ratio of giving to pre-tax profits at 5.8%.
- In Consumer services, the largest donor group was food and drug retails, which accounted for 63%, worth £126 million, followed by Media at 17%.
- Giving in the Telecommunications sector is now dominated by mobile phone companies, which accounted for 66%, and gave £51.5 million.

- Within the Industrials sector, Support services accounted for 46% of WCI, followed by Aerospace and defence at 20%.
- Basic materials was the fastest-growing industry sector in WCI, and well outstripped the next nearest industry, Consumer services. Financials, Utilities and Oil & gas sector saw recent falls in WCI, while Healthcare grew recently.

Part 1 **Introduction**

'Pure altruism is rarely a satisfactory assumption.'
(Arulampalam & Stoneman 1995: 937)

'Any issue without a stakeholder is really no issue at all.'
(Näsi et al 1997: 303)

'Public displays of charity are a form of advertising and likely to be driven by the same underlying considerations.'
(Brown et al 2006: 859)

'The presence of policy does not necessarily indicate the presence of social responsibility.'
(Robertson & Nicholson 1996: 1097)

'Corporations are often socialised into contributing.'
(Haley 1991: 492)

'Ethics cannot be contrived or grafted onto an organisation, it must be a way of life for it.'
(Jones 2001: 224)

'CSR is sustainable only if virtue pays off for the companies.'
(Nussbaum 2008: 69)

'There are no calculable short-term returns from corporate philanthropy, but that philanthropy, nevertheless, is in the best long-term interest of the firm.'
(Coffey & Wang 1998: 1597)

This report is about the 'values' of corporate giving – both its 'value' as quantum and its 'value' as meaning to corporate donors and society generally. It is based on two main sources. The first is a review of 52 studies of corporate giving in the UK and abroad, either as a stand-alone subject or as an aspect of corporate social responsibility (CSR), corporate social performance (CSP) or corporate citizenship. The second is information contained in the published accounts of the top 300 corporate donors in the years 2004–05 to 2012–13, extracted and kindly supplied to us by Charity Financials, checked against Bureau van Dijk's FAME database of British and Irish financial company information and business intelligence and analysed by us for the most recent year and over the nine-year period.

This paper is in five parts:

- A review of the literature on corporate giving
- An analysis of corporate giving by top corporate donors in 2012–13
- An analysis of corporate giving by top corporate donors in 2004–05 to 2012–13
- Discussion and suggestions for future research
- Technical note

Part 2 Literature review

2.1 The knowledge gap

Issues of definition

Substantive evidence about corporate giving in the UK is patchy and the literature is not coherent. One reason for the knowledge gap is variation in the meanings of both 'giving' and 'industry' in the research literature. Studies have defined 'giving' in different ways, which makes comparison of results very difficult. Some use the term to mean cash donations only; others, cash donations plus something else – for example, 'corporate discretionary donations', 'the aggregate of charitable, community and political contributions [Adams & Hardwick 1995: 647]; or 'corporate community involvement' (CCI), 'charitable donations . . . other cash transfers . . . in the form of sponsorships and non-monetary contributions in the form of donated staff time and inventory' [Brammer & Millington 2003a: 215; and Brammer & Pavelin 2005: 16]); and others, the ratio of donations to indicators of financial performance such as assets, pre-tax profits, sales or turnover. Some studies only include 'giving' by UK companies in the UK, while others include the worldwide giving of UK-based companies.

Studies have also defined 'industry' in different ways. There are a number of common taxonomies available for use in the UK, both government-based and proprietary – UK Standard Industrial Classification 2007 (SIC 2007), Statistical Classification of Economic Activity in the European Community (NACE Rev.2), Datastream (Thomson Reuters), FAME (Bureau van Dijk) and Industry Classification Benchmark (ICB; FTSE). However, there is no general agreement on which is the most appropriate, and different studies use different definitions or combinations of definitions. For example, in a series of studies Brammer and colleagues used both Datastream and NACE classifications to produce different sets of four, six, twelve and fourteen industries (Brammer & Millington 2003a; Brammer & Millington 2005; Brammer & Pavelin 2005; Brammer & Millington 2006; Brammer et al 2006b). While there are various rationales for specific approaches to definition (often related to the limitations of the data and information available), the disparate definitions of corporate giving make it difficult to synthesise and interpret findings.

In addition to using different definitions of 'industry', studies also carry out analyses at different levels of aggregation or of focus.[1] Some studies look at the full range of industries, in some cases with provisos as to exclusions, over-sampling or under-sampling. Some examine a portfolio of industries of special interest – for example, those that 'violated society norms', were 'visible to consumers through the value-chain' and were 'under scrutiny by activist groups' (O'Connor & Shumate 2010: 535); 'regulated', 'financial regulated' and 'environmental impact' industries (Brown et al 2006); or 'finance, services, wholesale, retail' (Caulfield 2013). Some concentrate

[1] Confusingly, 'sector' is used in studies to represent a classification both larger and smaller than 'industry'. SIC 2007 uses five size bands (from smallest to largest): sub-class, class, group, division, section. ICB uses four: sub-sector, sector, super-sector and industry. We have used the ICB classification in our analysis.

on just one industry – such as chemicals (Griffin & Mahon 1997; Conzelmann 2012); forestry (Näsi et al 1997); pharmaceuticals (Nussbaum 2008); retail (Amato & Amato 2012); or sub-industries such as defence electronics (Halpern & Snider 2012); mutual building societies and banks (Campbell & Slack 2007); and supermarkets (Moore 2001; Moore & Robson 2002). Some are tantalisingly vague – 'major industries' (Arulampalam & Stoneman 1995) or 'those that demonstrated a clear desire to be socially responsible' (Brammer & Millington 2003a: 213).

A second reason for the knowledge gap is a significant bias in the research towards theoretical and or political debate about the appropriateness of corporate giving. Issues raised include, for example, whether charitable giving is a diversion of discretionary profits away from the company or its shareholders in order to enhance managers' personal reputations (managerial utility maximisation theory). Is it a useful way of increasing profits (profit maximisation theory)? Is it a method of satisfying conflicting demands of some or all shareholders – customers, employees, suppliers, government, creditors, public interest groups (stakeholder theory)? If so, is it a response to the greatest source of pressure (strategic stakeholder management theory) or a manifestation of an ethical commitment to treating stakeholders well (intrinsic stakeholder management theory)? Is it the result of a tussle between shareholders (principals) and executives (agents), whose interests are incompatible (agency theory)? Is it the product of managers' discretion (leadership theory)? Should companies make charitable donations at all? Should they make more charitable donations? Should they move beyond charitable donations to wider corporate citizenship in order to meet in full their responsibilities to the communities in which they operate and society generally?[2]

This focus has contributed to narrowing the scope of research on corporate giving. In a bibiliographic review of 30 years of research on CSR and CSP (549 studies, 1969–2002), DeBakker and colleagues noted that by the mid-1990s theoretical studies outnumbered both prescriptive and descriptive studies and by 2002 accounted for 60% of the total (2005: 300). In a review of CSR in management research (176 studies, 1992–2002), Lockett and colleagues came to a similar conclusion, that theoretical studies had increased from a third to two thirds over the period and that empirical studies had correspondingly declined. They also noted that there was a much greater emphasis on quantitative than qualitative empirical research which has been 'overwhelmingly . . . [about] testing the relationship between CSR and financial performance'.

In terms of moving the debate forward, Brammer and colleagues have suggested that studies of CSR should focus not on commonalities, especially those defined by the 'Anglo-American system of capitalism', but on institutional or contextual differences, and on 'how and why CSR assumes different forms in different countries' through a process of 'historical struggles over prevailing understandings and rules'. Thus while Lockett and colleagues thought that CSR was 'a field without a dominant paradigm', Brammer and colleagues thought that it was a field with the wrong paradigm, and both concluded that this concentration on the theoretical had diverted attention from the basics: documenting what was actually happening and explaining why it was happening (2006: 125, 133; and 2012: 8–9, respectively). How things can go wrong if preconceptions prevail is argued in Halpern & Snider's study of CSR in the defence electronics industry in the USA (N = 166). They pointed to the consequences of excluding certain 'sin' industries, such as defence, from consideration 'under

[2] For a summary of theories, see Afshar 2012: 15–29.

the presumption that they violate CSR standards in the ethical domain' and found that, contrary to such negative expectations, these companies, while operating in a 'unique managerial environment', nevertheless exhibited 'similar social responsibility tendencies as other industries' (2012: 605, 617–18).

2.2 What we do know about corporate giving and corporate giving by industry?

Despite these gaps in the knowledge base, it is possible to identify a number of core findings that emerge from the literature, albeit in patchy and random fashion. These include the following.

Industry sector is an important determinant of corporate giving. In a study of the relationship between corporate giving (charitable contributions to total receipts) between size and industry in the United States in 1999 (N = 719) Amato & Amato found that 'industry effects' explained around a fifth of the total variation in giving ratios (2007: 238). In an exploration of the relationship between charitable donations (the ratio of charitable contributions to turnover) and 'industry effects' in the years 1989 and 1999 Brammer & Millington looked at a sub-set of industries in the manufacturing and services sectors (N = 416) that related 'directly to social and environmental impacts'. They found that the relationship between corporate giving and being in industries that produced industrial commodities with significant local environmental impact was negative but not significant; in industries that had significant environmental or social costs and a consumer focus, positive and significant; in high-tech industries (defence and pharmaceuticals), positive and significant in 1999 but not in 1989, with pharmaceuticals' rate of giving three times that of other companies; and in emerging industries (computer software), negative and significant, with 'contributions roughly half as much . . . as firms in other industries' and not increasing over time. They concluded that charitable donations were 'an excellent mechanism through which to observe and analyse the interface between stakeholders, corporate strategy and CSR' and that there were 'explicit links between stakeholder pressure and industry effects' (2004: 1412–13, 1427–28).

Within industries there are differences in corporate giving. In a study of a small number of companies (N = 7) in the chemicals industry in the USA, Griffin & Mahon looked at measures of corporate social performance and corporate financial performance in 1991 and 1992. They allocated companies to a grid of high, medium and low social performance and high and low financial performance in both years. This enabled them to question the reasons for some companies' seemingly irrational choices: 'The interesting question here for further research is why do DuPont and [WR] Grace continue high to moderate investments in socially responsible behaviour with low financial performance? And why does PPG continue to reap high financial performance dividends, yet invest relatively modestly in corporate social performance when compared to others in the industry?' They concluded that 'there are some internal dynamics going on' and that these related to 'values' (1997: 22, 24).

Campbell & Slack contrasted the giving behaviour of two parts of the financial industry, mutual building societies (N = 31) and banks (N = 7) between 1990 and 2003. Their working hypothesis was that mutuals gave to charity at a higher rate (ratio of cash donations to pre-tax profits) than banks and that demutualisation was associated with a decline in the rate. However, they found no support for either hypothesis. At the beginning of the period the mean giving rate for mutuals was a tenth of that of banks

(0.03% vs 0.34%), but at the end of the period it had converged with that of the banks (0.57% vs 0.55%). They also found that demutualisation had in no way hampered the growth of this rate. They concluded that 'there is no statistically significant evidence to support the belief that mutual societies are structurally more generous than banks when cash donations as a proportion of pre-tax profits are measured' and that 'there is no consistently discernible pattern in respect to [the] giving rate after demutualisation' (2007: 197, 199).

Different industries are more or less visible to external stakeholders and this has an impact on corporate giving. In a study of the role of organisational visibility as a proxy for exposure to 'stakeholder pressure in its external environment' in stimulating corporate charitable contributions (the 'natural logarithm of corporate philanthropic expenditures') in 2001 (N = 334) Brammer & Millington noted that, although there was no support for a statistically significant direct relationship between firm visibility and philanthropy, firm visibility played an important role in 'the media, retail, telecommunications, other financial (mostly insurance) and other service sectors' and that 'within industries, size and visibility operate as conflicting influences on philanthropy'. They found that, other things being equal, companies in the chemicals and pharmaceuticals industries were 'found to have a lower propensity for philanthropy' but within that sector 'there [was] a positive relationship between firm media profile and philanthropy' (2006: 7, 11, 13, 16).

Different industries provide disclosure of their CSR activities to a greater or lesser extent and this has an impact on corporate giving. In a study of Ontario-based and Canadian-owned companies (N = 19), Foster & Meinhard found that companies that were in the natural resources, food & alcohol and finance industries were more likely to give prominence to CSR in annual reports and websites; and those in natural resources and food & alcohol industries gave similar prominence to CSR in both annual reports and websites, which suggested that it 'may already be more embedded in the culture'. They also found that those in the industrial products, financial institutions, mutual fund companies, communications & business services, health services and technical products industries gave greater prominence to CSR on websites than in annual reports, which suggests that it was 'evolving into a marketable asset' (2002: 8–9).

Different industries take different approaches to stakeholders. In a study of how companies 'express social responsibility in their corporate communications' Robertson & Nicholson considered a 'broad but controlled range of service and manufacturing, traditional and new, public and private, industrial and domestic types' (N = 299). They identified a hierarchy of three levels of social responsibility – corporate rhetoric, specific endeavours and implementation and monitoring (from talking to doing). They found that in terms of disclosure there were differences in industries' emphasis on different stakeholders which, they believed, resulted from the extent of government regulation, the level of competitiveness within the industry and proximity to end users. In the case of employees as stakeholders, companies in the chemicals industry emphasised employee development (as a route to a highly-educated workforce); those in the pharmaceutical industry, research on new products but not on employees who carried out the research; those in the electricity and water industries, training opportunities (as good investment); and those in the construction industry, employee safety. In the case of customers as stakeholders, companies in the food, drink and tobacco industries emphasised customer satisfaction; those in the newspaper, radio and television industries, product quality; and those in the financial services industry, service. In the

case of the community as stakeholder, companies in the chemicals industry stressed the environment (and were 'unlikely' to mention employees and customers). In the case of the environment, most companies across industries acknowledged this, but companies in the water industry produced detailed information on their environmental review processes. In the case of government as stakeholder, only companies in the construction industry consistently mentioned this (1996: 1095, 1098, 1102–04).

In a review of the language of corporate communications in the USA (N = 103) O'Connor & Shumate focused on 'industries which represented those most likely to be confronted with stakeholder pressure'. In terms of defining beneficiaries companies opted for (in decreasing order) employees, 'our neighbours', 'people', customers, children/youth and shareholders. However, only companies in the general merchandise industry identified customers as benefiting more than employees, and only companies in the utilities and general banking industries identified disadvantaged groups – minorities, special needs customers and families in financial crises in the case of utilities, and people with limited financial resources in the case of commercial general banking. Companies in the chemicals industry identified neighbours, and those in the tobacco industry identified shareholders. Companies in the general merchandise, speciality retail and utilities industries mentioned customers and children/youth more than those in other industries. In terms of the focus of CSR practices, only companies in the chemicals, mining, crude oil production, petroleum refining, utilities, gas and electricity industries mentioned the environment. Companies in the commercial banking, general merchandise and specialty retail industries mentioned education more than those in other industries. Put another way, companies in industries 'further up the value-chain' were interested in employee volunteering, health and safety of employees and the environment, while those 'closer to the customer in the value-chain' were interested in philanthropic giving, especially in support of education (2010: 535, 537, 540–42).

***Different industries organise their corporate giving in different ways*.** In a study of the relationship between organisational form and CCI in companies (N = 148) Brammer & Millington found that there was a correlation between the structures used to administer CCI and industry: a 'significantly higher' proportion of companies that managed their CCI activities through specialist CSR departments were in the financial sector; through PR or marketing departments, in the utilities sector; and through central administration departments, in the service sector (2003a: 213, 219–20).

***Different industries focus their corporate giving on different causes*.** In a study of corporate giving in the USA in 1999 (N = 207) Brown and colleagues looked, in particular, at four types of 'highly visible' companies, which had 'incentives to foster reputations for "giving back" to the community, as this may induce friendlier treatment by regulators and policymakers'. These include 'regulated industries', non-financial industries that faced rate and entry regulation (communications, television broadcasting, electrical services and natural gas); 'financial regulated industries' that faced government regulation (banking and insurance); 'environmental impact industries' that posed a significant threat to the environment (paper products, chemicals, plastics and petroleum); and high R&D industries that have a high ratio of expenditures on R&D to total sales (pharmaceuticals). They found that companies in 'regulated industries' were 'associated with significantly more giving' but were less likely to disclose their giving; and that companies in 'financial regulated industries' gave 'significantly less'. They also found that companies in the pharmaceutical industry 'give significantly more than others to health causes'; companies in the petroleum industry 'give

significantly more' than others to environmental causes; companies in industries with 'little international exposure' (utilities, wholesale, retail and transportation) 'generally do not give to international causes'; and across the board companies gave little to environmental causes (2006: 858–59, 863, 866, 872).

These studies thus reveal tantalising snippets of information about the contours of corporate giving overall and by industry; disclosure (what companies say about policies and aims); organisation and management (how companies implement these policies and aims); and performance (what companies actually do). They make correlations between various factors, but they do not tell us why these differences occur and what they mean. They do not adequately explain 'the subtle and diverse causation patterns of UK corporate philanthropy' (Caulfield 2009: np).

Part 3 Charitable giving in 2012–13

This section sets out a snapshot of corporate giving in 2012–13, based on an analysis of the giving, in total and by industry, of the top 300 donors among companies listed on the UK stock market in that year. For the purposes of the results presented here, a subset was used of 294 corporate donors on which complete information was available. Our measure of corporate giving is worldwide community investment (WCI), which includes both cash and non-cash giving in the UK and the rest of the world by UK-listed companies. We have used categories of 'industry' from the ICB. For additional information about our methodology, see the technical note below (page 33).

Before looking at these results, it is worthwhile noting that there are differences in the scale and shape of corporate giving from country to country. In comparing the top 100 donors in the UK and USA in 2001, for example, Brammer & Pavelin reported that total contributions in the UK amounted to a tenth of those in the USA and that the ratio of contributions to pre-tax profits amounted to less than half (0.78% vs 1.74%). They found that the proportion of all contributions varied by industry: manufacturing (29% in the UK vs 61% in the USA); services (20% vs 12%); finance (33% vs 17%); and utilities (19% vs 9%). Finally they found that the ratio of contributions to pre-tax profits also varied by industry: manufacturing (0.53% vs 1.90%); services (1.32% vs1.84 %); finance (108 % vs 1.23%); and utilities (0.78% to 2.00%) (2005: 19).

Table 1 Number, WCI, turnover, pre-tax profits and employees of top corporate donors, by industry, 2012–13

Industry	Number	WCI (£m)	Turnover (£m)	Pre-tax profits (£m)	Employees
Basic materials	13	448.1	117,360.4	10,842.6	363,700
Consumer goods	25	88.5	154,888.4	23,981.4	708,041
Consumer services	59	198.7	355,448.9	13,610.2	2,246,185
Financials	64	351.5	289,907.2	23,996.1	1,065,697
Health care	6	15.1	28,219.9	2,142.9	112,469
Industrials	87	29.2	166,417.0	12,268.7	1,700,098
Oil & gas	16	84.6	554,244.0	48,586.4	265,844
Technology	12	1.5	3,642.8	802.1	26,151
Telecommunications	3	78.5	62,812.8	5,961.7	180,869
Utilities	9	28.6	92,551.8	6,665.7	107,323
All industries	294	1,324.3	1,825,493.2	148,857.8	6,776,377

In 2012–13 the top 294 corporate donors collectively had a total WCI of £1.3 billion. They had total turnover of £1,825 billion and total pre-tax profits of £149 billion. They employed 6,776,377 people. Overall their WCI amounted to 0.9% of pre-tax profits.

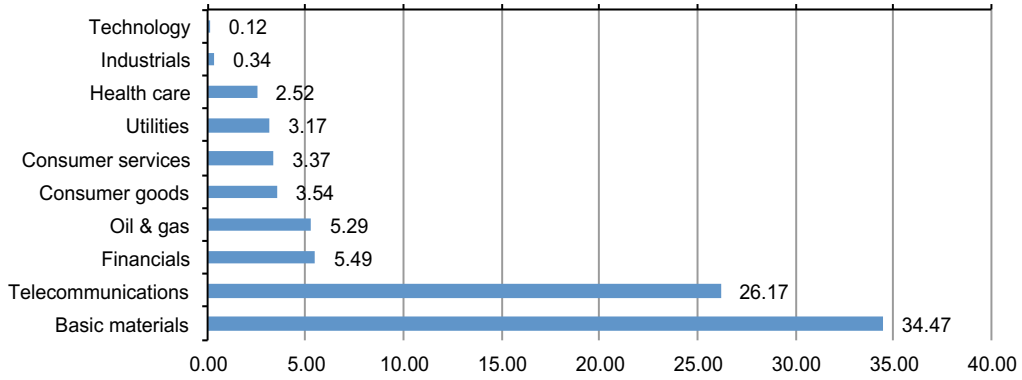
However, WCI, turnover, pre-tax profits and employees were distributed unevenly across various industries. (See Tables 1 and 2; Figures 1 and 2.)

Table 2 Number, WCI, turnover, pre-tax profits and employees of top corporate donors, by industry, 2012–13 (%)

Industry	Number (%)	WCI (%)	Turnover (%)	Pre-tax profits (%)	Employees (%)
Basic materials	4	34	6	7	5
Consumer goods	9	7	8	16	10
Consumer services	20	15	19	9	33
Financials	22	27	16	16	16
Health care	2	1	2	1	2
Industrials	30	2	9	8	25
Oil & gas	5	6	30	33	4
Technology	4	0	0	1	0
Telecommunications	1	6	3	4	3
Utilities	3	2	5	4	2
All industries	100	100	98	99	100

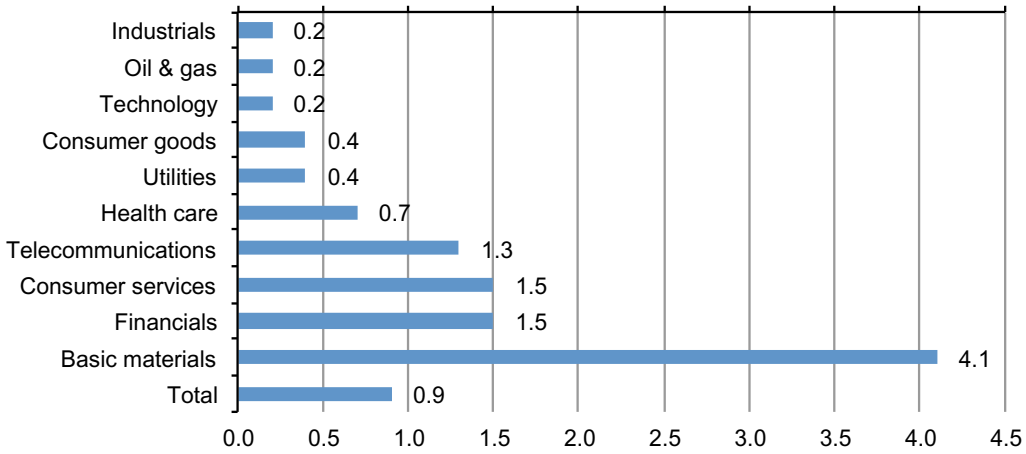
N = 294; percentages for turnover and pre-tax profit add up to < 100% due to rounding

Figure 1 Amount of WCI per donor, by industry, 2012–13 (£ million)



N = 294

Figure 2 Ratio of WCI to pre-tax profits, by industry, 2012–13 (%)



N = 294

Donors in the basic materials industry gave the largest share of total WCI, the largest amount of WCI per donor and the largest share of total pre-tax profits.

These donors, which made up only 4% of the sample, accounted for 6% of turnover, 7% of pre-tax profits and 5% of employees but provided 34% of WCI and gave 4.1% of pre-tax profits. The most generous sector within this industry was mining, in which donors provided nearly all WCI and gave 4.5% of pre-tax profits. (See Tables 3 and 4; Figure 3.)

Table 3 Number, WCI, turnover, pre-tax profits and employees of top corporate donors in basic materials, by sector, 2012–13

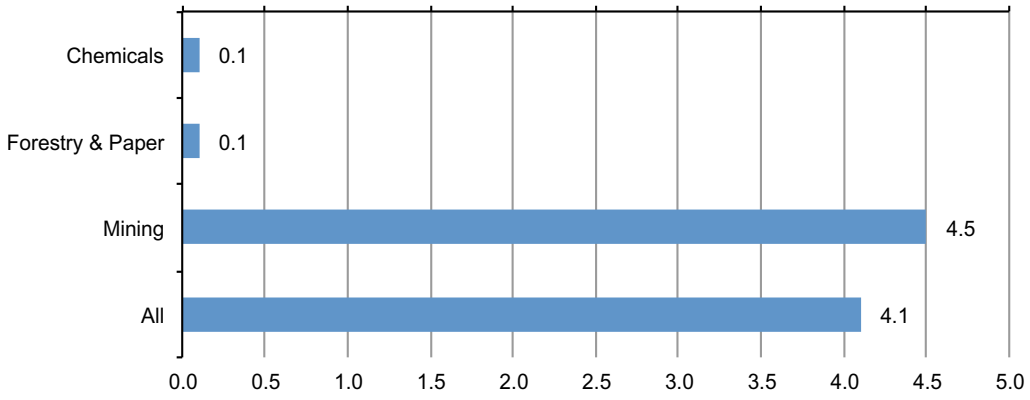
Sector	Number	WCI (£ million)	Turnover (£ million)	Pre-tax profits (£ million)	Employees
Chemicals	5	0.74	13,434.7	763.6	17,315
Forestry & Paper	1	0.076	3,669.3	86.6	19,736
Mining	7	447.26	100,256.4	9,992.4	326,649
All sectors	13	448.07	117,360.4	10,842.6	363,700

Table 4 Number, WCI, turnover, pre-tax profits and employees of top corporate donors in basic materials, by sector, 2012–13 (%)

Sector	Number (%)	WCI (%)	Turnover (%)	Pre-tax profits (%)	Employees (%)
Chemicals	38	0.2	11	7	5
Forestry & Paper	8	0	3	1	5
Mining	54	99.8	85	92	90
All sectors	100	100	99	100	100

N = 13; percentages for turnover add up to < 100% due to rounding

Figure 3 Ratio of WCI to pre-tax profits in basic materials, by sector, 2012–13 (%)



N = 13

Donors in the financials industry gave the second largest share of total WCI, the third largest amount of WCI per donor and the second largest share of total pre-tax profits (jointly with those in consumer services below).

These donors, which made up 22% of the sample, accounted for 16% each of turnover, pre-tax profits and employees but provided 27% of WCI and gave 1.5% of pre-tax profits. The most generous sectors within this industry were banks, life insurance and financial services, in which donors provided 82%, 8% and 5%, respectively, of WCI. However, financial services and banks gave the highest percentages of pre-tax profits – 5.8% and 2.3%, respectively. (See Tables 5 and 6; Figure 4)

Table 5 Number, WCI, turnover, pre-tax profits and employees of top corporate donors in financials, by sector, 2012–13

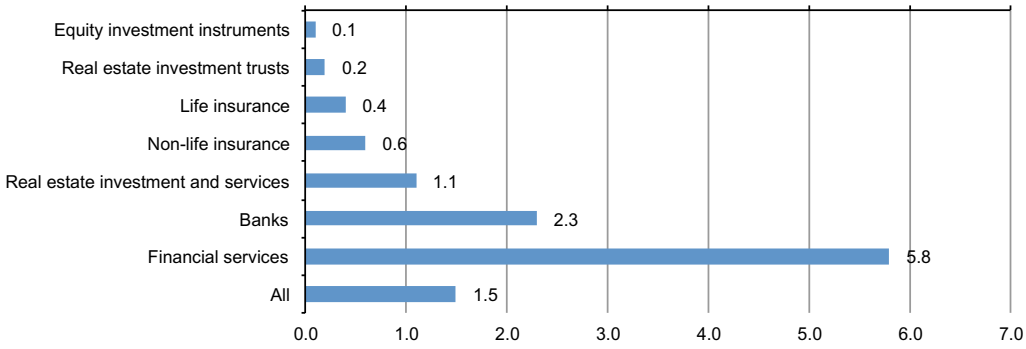
Sector	Number	WCI (£ million)	Turnover (£ million)	Pre-tax profits (£ million)	Employees
Banks	7	288.01	195,504.7	12,780.1	798,445
Equity investment instruments	2	0.29	582.9	199.3	1,619
Financial services	19	18.63	9,234.8	323.1	48,492
Life insurance	8	29.55	66,358.2	7,448.8	144,686
Non-life insurance	8	9.24	13,855.7	1,547.7	41,752
Real estate investment and services	12	3.45	2,519.9	304.5	28,265
Real estate investment trusts	8	2.28	1,851.0	1,392.7	2,438
All sectors	64	351.45	289,907.2	23,996.1	1,065,697

Table 6 Number, WCI, turnover, pre-tax profits, and employees of top corporate donors in financials, by sector, 2012–13 (%)

Sector	Number (%)	WCI (%)	Turnover (%)	Pre-tax profits (%)	Employees (%)
Banks	11	82	67	53	75
Equity investment instruments	3	0	0	1	0
Financial services	30	5	3	1	5
Life insurance	13	8	23	31	14
Non-life insurance	13	3	5	6	4
Real estate investment and services	19	1	1	1	3
Real estate investment trusts	13	1	1	6	0
All sectors	102	100	100	99	101

N = 64; percentages for number and employees add up to > 100% and percentages for pre-tax profits add up to < 100% due to rounding

Figure 4 Ratio of WCI to pre-tax profits in financials, by sector, 2012–13 (%)



N = 64

Donors in the consumer services industry gave the third largest share of total WCI, the sixth largest amount of WCI per donor and the second largest share of total pre-tax profits (jointly with those in financials above). These donors, which made up 20% of the sample, accounted for 19% of turnover, 9% of pre-tax profits and 33% of employees, but provided 15% of WCI and gave 1.5% of pre-tax profits. The most generous sector within this industry was food and drug retailing, in which donors provided 63% of WCI and gave 3.4% of pre-tax profits. (See Tables 7 and 8; Figure 5.)

Table 7 Number, WCI, turnover, pre-tax profit and employees of top corporate donors in consumer services, by sector, 2012–13

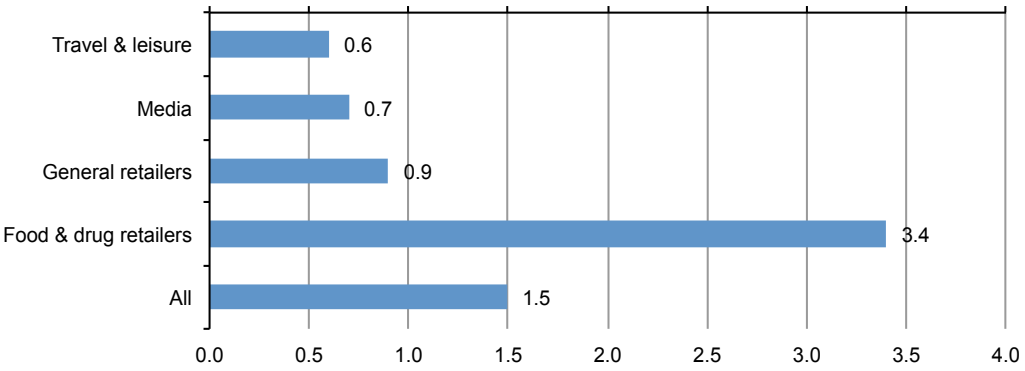
Sector	Number	WCI (£ million)	Turnover (£ million)	Pre-tax profit (£ million)	Employees
Food & drug retailers	4	125.50	106,979.5	3,680.3	670,167
General retailers	16	20.76	40,736.0	2,203.2	328,244
Media	17	33.09	145,881.9	4,578.7	250,923
Travel & leisure	22	19.31	61,851.6	3,148.0	996,851
All sectors	59	198.66	355,448.9	13,610.2	2,246,185

Table 8 Number, WCI, turnover, pre-tax profit and employees of top corporate donors in consumer services, by sector, 2012–13 (%)

Sector	Number (%)	WCI (%)	Turnover (%)	Pre-tax profit (%)	Employees (%)
Food & drug retailers	7	63	30	27	30
General retailers	27	10	11	16	15
Media	29	17	41	34	11
Travel & leisure	37	10	17	23	44
All sectors	100	100	99	100	100

N = 59; percentages for turnover add up to < 100% due to rounding

Figure 5 Ratio of WCI to pre-tax profits in consumer services, by sector, 2012–13 (%)



N = 59

Donors in the telecommunications industry gave the fifth largest share of total WCI (jointly with those in the oil & gas industry), the second largest amount of WCI per donor and the third largest share of pre-tax profits.

These donors, which made up only 1% of the sample, accounted for 3% of turnover, 4% of pre-tax profits and 3% of employees but provided 6% of WCI and gave 1.3% of

pre-tax profits. The more generous sector within this industry was mobile services, in which donors provided 66% of WCI and gave 1.6% of pre-tax profits (See Tables 9 and 10; Figure 6.)

Table 9 Number, WCI, turnover, pre-tax profits and employees of top corporate donors in telecommunications, by sector, 2012–13

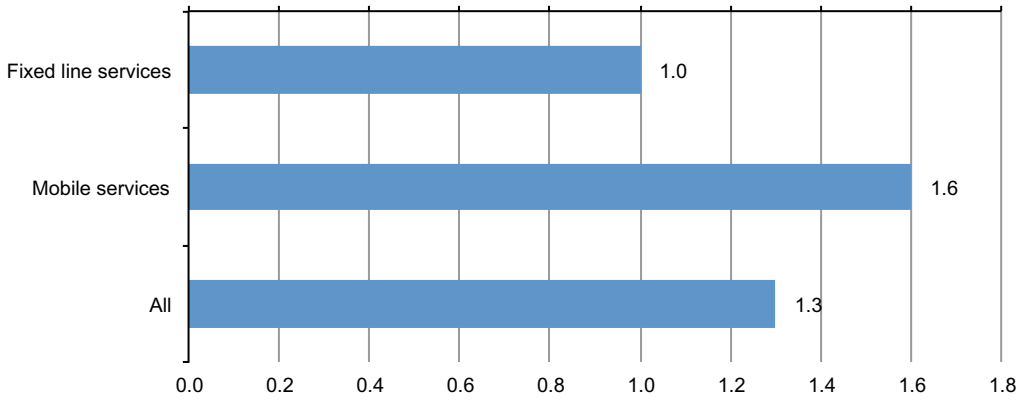
Sector	Number	WCI (£ million)	Turnover (£ million)	Pre-tax profits (£ million)	Employees
Fixed line services	2	27.021	18,367.9	2,706.7	89,597
Mobile services	1	51.500	44,445.0	3,255.0	91,272
All sectors	3	78.521	62,812.85	5,961.9	180,869

Table 10 Number, WCI, turnover, pre-tax profits and employees of top corporate donors in telecommunications, by sector, 2012–13 (%)

Sector	Number (%)	WCI (%)	Turnover (%)	Pre-tax profits (%)	Employees (%)
Fixed line services	67	34	29	45	50
Mobile services	33	66	71	55	50
All sectors	100	100	100	100	100

N = 3

Figure 6 Ratio of WCI to pre-tax profits in telecommunications, by sector, 2012–13 (%)



N = 3

Donors in the industrials industry gave a comparatively small share of total WCI, the second smallest amount of WCI per donor and the smallest share of pre-tax profits.

These donors, which made up the largest element of the sample (30%), accounted for 9% of turnover, 8% of pre-tax profits and 25% of employees but provided only 2% of WCI and gave only 0.2% of pre-tax profits. The most generous sectors within this industry were support services and aerospace & defence, which provided 46% and 20%, respectively, of WCI. However, industrial transportation, support services and construction & materials gave the highest percentages of pre-tax profits – 1.0%, 0.4% and 0.4%, respectively. (See Tables 11 and 12; Figure 7.)

Table 11 Number, WCI, turnover, pre-tax profits and employees of top corporate donors in industrials, by sector, 2012–13

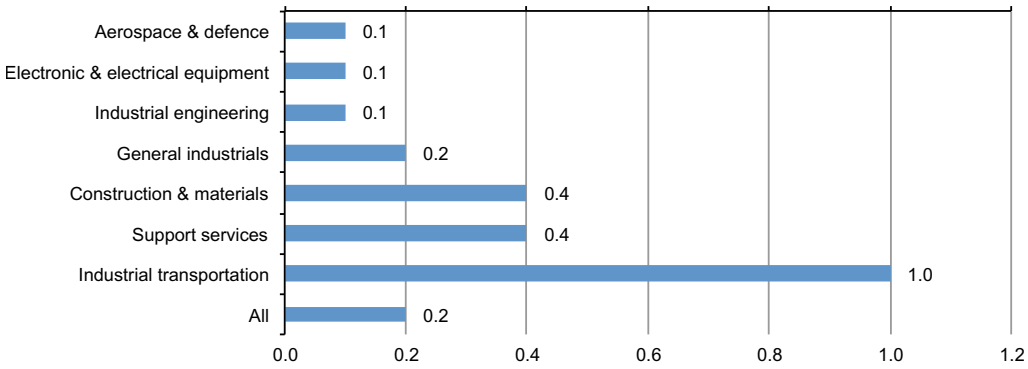
Sector	Number	WCI (£ million)	Turnover (£ million)	Pre-tax profits (£ million)	Employees
Aerospace & defence	7	5.84	34,349.3	4,757.1	162,349
Construction & materials	10	3.73	27,640.8	975.6	140,066
Electronic & electrical equipment	8	0.63	6,305.6	597.2	62,899
General industrials	5	1.40	8,978.8	790.6	51,398
Industrial engineering	9	1.39	7,965.6	1,124.2	48,106
Industrial transportation	6	2.77	5,570.2	286.2	28,822
Support services	42	13.48	75,606.7	3,737.8	1,206,458
All sectors	87	29.24	166,417.0	12,268.7	1,700,098

Table 12 Number, WCI, turnover, pre-tax profits and employees of top corporate donors in industrials, by sector, 2012–13 (%)

Sector	Number (%)	WCI (%)	Turnover (%)	Pre-tax profits (%)	Employees (%)
Aerospace & defence	8	20	21	39	10
Construction & materials	11	13	17	8	8
Electronic & electrical equipment	9	2	4	5	4
General industrials	6	5	5	6	3
Industrial engineering	10	5	5	9	3
Industrial transportation	7	9	3	2	2
Support services	48	46	45	30	71
All sectors	98	100	100	99	101

N = 87; percentages for number and pre-tax profits add up to < 100& and percentages for employees add up to > 100% due to rounding

Figure 7 Ratio of WCI to pre-tax profits in industrials, by sector, 2012–13 (%)

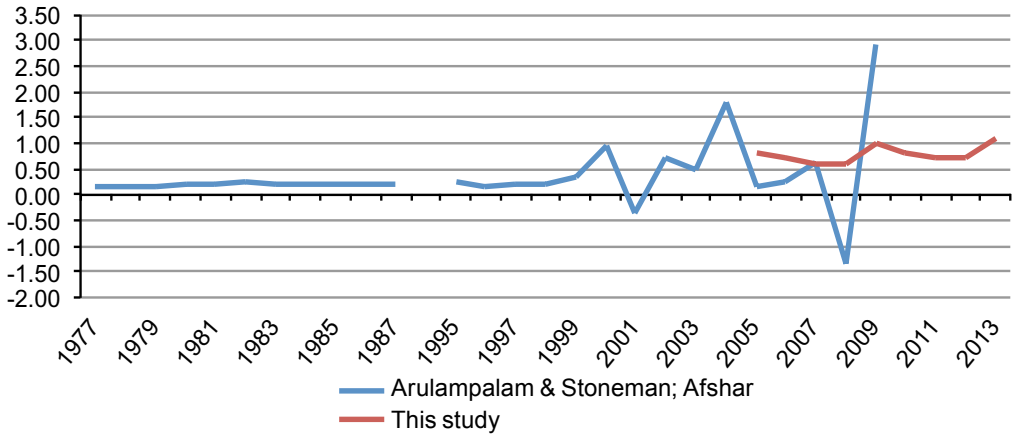


N = 87

Part 4 Charitable giving in 2004–05 to 2012–13

There is no complete and definitive time series on corporate giving in the UK, whether of the actual amount or as a 'generosity ratio' of giving to an element of financial performance, most commonly pre-tax profits. Arulampalam & Stoneman provided information on the ratio of the logarithm of the amount of donations to pre-tax profits for 1978–79 to 1985–86 for 53 of the top 200 corporate donors for which there was 'consistent and consecutive' information. They found that this ratio remained fairly steady over the period, from 0.17% in the first two years to a peak of 0.24% in 1981–82 to 0.20% in 1986–87 (1995: 936, 938–39). Campbell and colleagues 'completed' this early analysis by providing information on the mean ratio of cash donations to profits before tax but after interest for companies in the FTSE All Share Index from 1986 to 1996 (N = 598). They found that the ratio rose from 0.11% in 1985 (lower than that for the same year in the previous study) to 0.405% in 1999. The ratio thus increased over the period but with a peak in 1992 followed by a decline to 1994 and then an increase thereafter. They calculated that the gradient of the ratio in their study was 3.4 times that set out in the previous study (2002: 35). In turn Afshar, in the most ambitious and comprehensive study to date, further 'extended' the findings of the previous studies for the years 1995 to 2008 (N = 622). He analysed giving in multiple ways – by cash only, the mean annual generosity ratio and cash plus in-kind contributions. He found that it rose steeply after 1992; growth continued despite the recession; 'generosity remained stable, between 0 and 1% of profits, throughout'; and generosity increased because more companies reported giving despite the fact that the mean amount given decreased (2012: 19, 66, 72). Figure 8 sets out a time series, cobbled together from Arupamalam & Stoneman, Afshar and this study, which gives a ballpark view of the shape of change.

Figure 8 Ratio of giving to pre-tax profits, 1976–77 to 1986–87 and 1995 to 2012–13 (%)



N = 53, 622 and 207, respectively

In this section we take a longer view of corporate giving in 2004–05 and 2012–13, which is based on an analysis of the giving, in total and by industry, of the top 207 corporate donors for which we have complete information. These donors collectively had a total WCI of £954 million (72% of that of the full sample for 2012–13). They had total turnover of £1,166 billion (70%) and total pre-tax profits of £89 billion (64%). They employed 5,092,201 people (75%). Overall their WCI amounted to 1.1% of pre-tax profits (notably higher than 0.9% for the full sample).

A comparison of the top 25 donors at the beginning and end of the period shows surprisingly little change. Nineteen of 25 top donors in 2004–05 were still top donors in 2012–13, while Anglo-American, Barclays, BHP Billiton, BP, GlaxoSmithKline, Rio Tinto and Tesco were in the top ten in both years. In 2012–13 BAE Systems, Centrica, Ecclesiastical Insurance Group, ITV and Prudential were replaced in the top 25 by HSBC Holdings, Pearson, RBS Group, Santander, Standard Chartered and Tullow Oil. Over the period the distribution of the 25 top spots among industries was relatively stable, with the same number of donors in the basic materials, consumer services, healthcare and telecommunications industries; one fewer donor in the consumer goods, industrials and utilities industries; one more donor in the oil & gas industry; and two more in the financials industry. In 2012–13 there were no donors from the industrials industry in the top 25. (See Table 13.)

Table 13 Top 25 corporate donors in 2004–05 and 2012–13, by WCI and industry

2004–05			2012–13		
Name	**Industry**	**WCI (£ million)**	**Name**	**Industry**	**WCI (£ million)**
GlaxoSmithKline PLC	Healthcare	328.00	AstraZeneca PLC	Healthcare	746.32
Rio Tinto PLC	Basic materials	50.73	GlaxoSmithKline PLC	Healthcare	206.00
BP PLC	Oil & gas	45.77	Rio Tinto PLC	Basic materials	179.59
Vodafone Group PLC	Telecomms	33.00	BHP Billiton PLC	Basic materials	161.60
BHP Billiton PLC	Basic materials	32.02	Anglo American PLC	Basic materials	92.92
Barclays PLC	Financials	32.00	Tesco PLC	Consumer services	78.15
Lloyds Bank PLC	Financials	31.57	HSBC Holdings PLC	Financials	73.80
Anglo American PLC	Basic materials	27.39	Barclays PLC	Financials	64.50
Tesco PLC	Consumer	26.34	Royal Bank of Scotland Group PLC	Financials	57.30
Diageo PLC	Consumer goods	22.60	BP PLC	Oil & gas	55.72
ITV PLC	Consumer services	22.30	Vodafone Group PLC	Telecomms	51.50
BT Group PLC	Telecomms	20.80	J Sainsbury PLC	Consumer services	46.60
British American Tobacco PLC	Consumer goods	14.60	Standard Chartered PLC	Financials	38.56
AstraZeneca PLC	Healthcare	10.80	Lloyds Bank PLC	Financials	33.66

2004–05			2012–13		
Name	**Industry**	**WCI (£ million)**	**Name**	**Industry**	**WCI (£ million)**
Marks & Spencer Group PLC	Consumer services	9.80	Diageo PLC	Consumer goods	32.10
Sabmiller PLC	Consumer goods	8.68	BT Group PLC	Telecomms	27.00
Unilever PLC	Consumer goods	8.20	Sabmiller PLC	Consumer goods	24.42
National Grid PLC	Utilities	7.30	Santander UK PLC	Financials	19.47
BAE SYSTEMS PLC	Industrials	7.10	National Grid PLC	Utilities	15.00
J Sainsbury PLC	Consumer services	6.80	Tullow Oil PLC	Oil & Gas	12.24
Centrica PLC	Utilities	5.80	British American Tobacco PLC	Consumer goods	11.60
Ecclesiastical Insurance Group PLC	Financials	5.30	Pearson PLC	Consumer services	11.40
Aviva PLC	Financials	4.60	Aviva PLC	Financials	11.00
Prudential PLC	Financials	4.50	ICAP PLC	Financials	11.00
ICAP PLC	Financials	4.20	Marks & Spencer Group PLC	Consumer services	11.00

It is interesting to note that Brammer & Pavelin's list of the top 25 corporate donors in 2001 (2005: 18) included nine companies that were on the lists in both 2004–05 and 2012–13 (Barclays, BT, Diageo, GlaxoSmithKline, J Sainsbury, Lloyds TSB, Marks & Spencer, Bank of Scotland [as was] and Tesco) and an additional two (Centrica and Unilever) that were on the list in 2004–05. Between 2001 and 2012–13 the distribution of the top 25 among industries[3] changed somewhat more radically than in the shorter period between 2004–05 and 2012–13. While the number of companies in the basic materials, consumer goods, industrials and telecommunications industries remained the same (none in the case of industrials), there was one additional company each in the healthcare and oil & gas industries; three more in the financials industry, three fewer in the utilities industry and four fewer in the consumer services industry. (See Table 14)

[3] We have recoded the industries used in this list to match the ICB classification.

Table 14 Top 25 corporate donors in 2001 and 2012–13, by WCI and industry

2001			2012–13		
Name	**Industry**	**WCI (£ million)**	**Name**	**Industry**	**WCI (£ million)**
Lloyds TSB Group	Financials	58.00	AstraZeneca PLC	Healthcare	746.32
BT Group	Telecomms	37.27	GlaxoSmithKline PLC	Healthcare	206.00
Barclays	Financials	27.64	Rio Tinto PLC	Basic materials	179.59
Diageo	Consumer goods	26.29	BHP Billiton PLC	Basic materials	161.60
Reuters Group	Consumer services	24.07	Anglo American PLC	Basic materials	92.92
Marks & Spencer	Consumer services	20.45	Tesco PLC	Consumer services	78.15
Northern Rock PLC	Financials	15.66	HSBC Holdings PLC	Financials	73.80
Bank of Scotland	Financials	14.76	Barclays PLC	Financials	64.50
Tesco	Consumer services	14.45	Royal Bank of Scotland Group PLC	Financials	57.30
Cable & Wireless	Telecomms	10.15	BP PLC	Oil & gas	55.72
Unilever	Consumer goods	10.10	Vodafone Group PLC	Telecomms	51.50
British Airways	Consumer services	8.08	J Sainsbury PLC	Consumer services	46.60
Proctor & Gamble UK	Consumer goods	7.87	Standard Chartered PLC	Financials	38.56
GlaxoSmithKline	Healthcare	7.69	Lloyds Bank PLC	Financials	33.66
British Nuclear Fuels PLC	Utilities	7.40	Diageo PLC	Consumer goods	32.10
GGNU	Financials	7.25	BT Group PLC	Telecomms	27.00
Whitbread	Consumer services	6.31	Sabmiller PLC	Consumer goods	24.42
Camelot Group	Consumer services	6.17	Santander UK PLC	Financials	19.47
Boots	Consumer services	6.14	National Grid PLC	Utilities	15.00
J Sainsbury	Consumer services	5.51	Tullow Oil PLC	Oil & gas	12.24
AWG	Utilities	4.83	British American Tobacco PLC	Consumer goods	11.60
Centrica	Oil & gas	4.81	Pearson PLC	Consumer services	11.40
United Utilities	Utilities	4.31	Aviva PLC	Financials	11.00
Severn Trent	Utilities	3.40	ICAP PLC	Financials	11.00
Six Continents	Consumer services	3.82	Marks & Spencer Group PLC	Consumer services	11.00

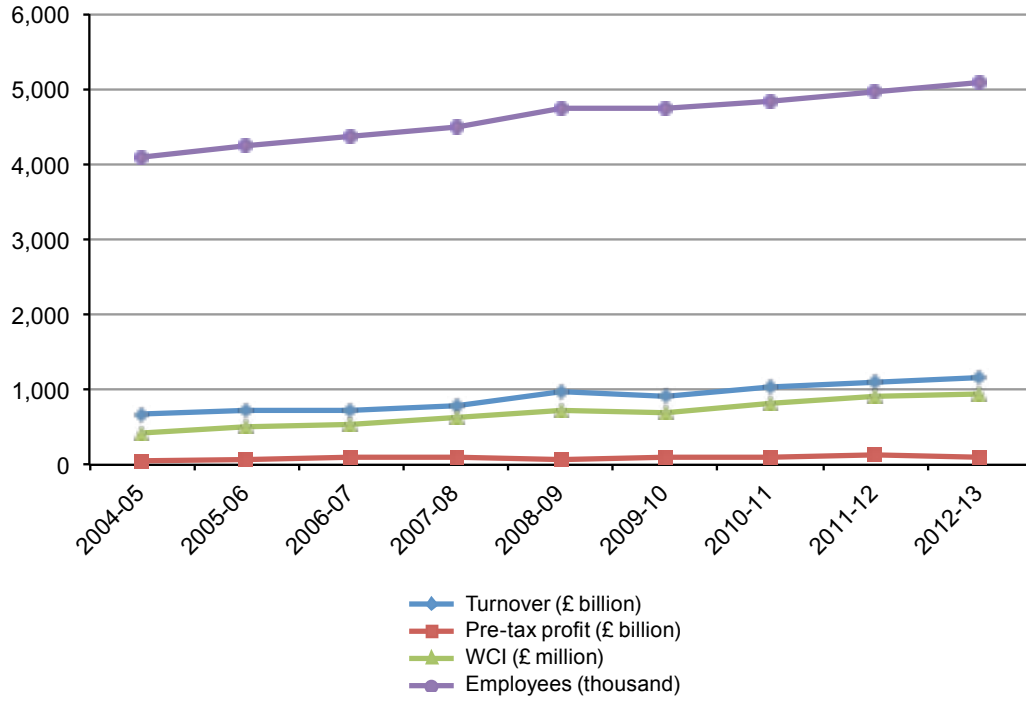
Between 2004–05 and 2012–13 corporate donors in the longitudinal sample increased their WCI, turnover, pre-tax profits and number of employees. Their WCI grew by 226% (at current prices) and only declined in 2009–10. Their turnover grew by 173% over the period and only declined in 2006–07 and 2009–10. Their pre-tax profits grew by 167% and only declined in 2008–09 and 2012–13. The number of their employees grew by 124% and only declined in 2009–10. These figures suggest that the recession impacted differentially on donors' WCI, turnover, pre-tax profits and numbers of employees and that their level of giving was less affected by the recession than these other indicators. (See Table 15; Figure 9.)

Table 15 WCI, turnover, pre-tax profits and employees of top corporate donors in longitudinal sample, 2004–05 to 2012–13

Year	WCI (£ million)	Turnover (£ million)	Pre-tax profit (£ million)	Employees
2004–05	422.94	675,990.2	53,472.5	4,092,669
2005–06	518.08	720,082.7	78,541.6	4,242,759
2006–07	526.62	718,925.1	90,199.3	4,355,973
2007–08	618.52	776,941.0	100,654.1	4,499,718
2008–09	735.44	978,686.9	73,561.0	4,747,762
2009–10	705.09	918,119.8	92,741.9	4,729,802
2010–11	828.79	1,037,249.0	111,900.8	4,831,775
2011–12	907.96	1,098,876.5	129,322.6	4,973,385
2012–13	954.28	1,166,140.7	89,311.5	5,092,201
Increase 2004–05 to 2012–13 (%)	226	173	167	124

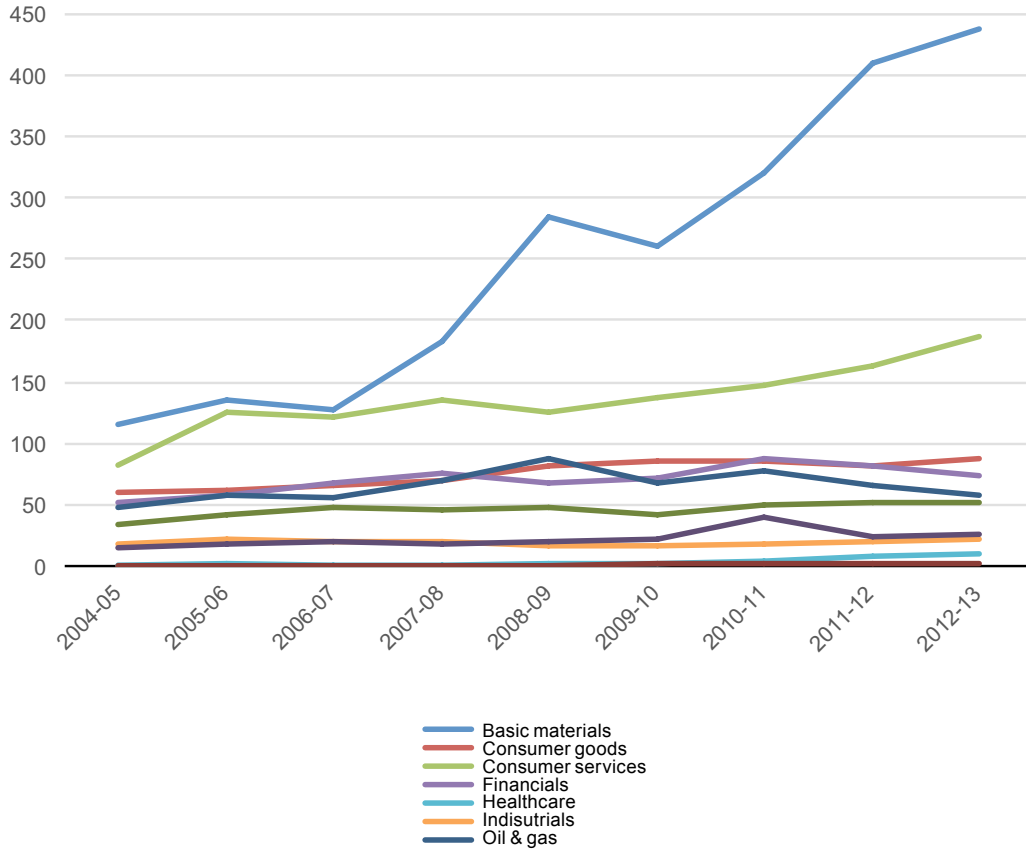
N = 207

Figure 9 WCI, turnover, pre-tax profits and employees of top corporate donors in longitudinal sample, 2004–05 to 2012–13



N = 207

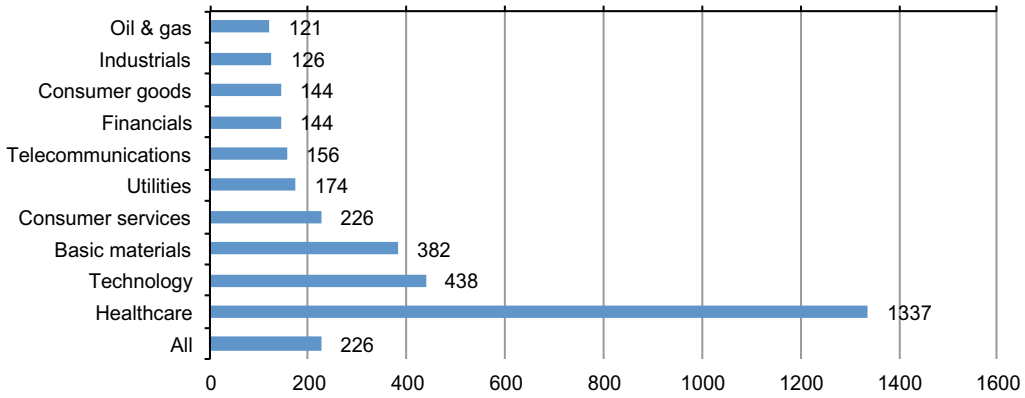
Figure 10 Value of WCI, by industry, 2004–05 to 2012–13 (£ million current prices)



N = 207

There were also marked variations in the growth of WCI by industry. While overall WCI grew by 226%, in healthcare it grew by an astonishing 1337% (albeit from a low base). Technology and basic materials also grew above this rate; consumer services at precisely this rate; and the remaining industries at below this rate. Industrials and oil & gas had the smallest rate of growth. (See Figures 10 and 11)

Figure 11 Change in value of WCI, by industry, 2004–05 to 2012–13 (%)



N = 207

However, despite the substantial overall growth of WCI between 2004–05 and 2012–13, the ratio of WCI to pre-tax profits varied in a double-U configuration: it decreased in the years 2005–06 to 2007–08, increased briefly in 2008–09, decreased again from 2009–10 to 2011–12 and only recovered in 2012–13. (See Figure 12)

Figure 12 Ratio of WCI to pre-tax profits, 2004–05 to 2012–13 (%)

N = 207

In the same period the ratio of WCI to pre-tax profits also varied by industry. In the cases of the basic materials and consumer services industries the ratios closely tracked the trend-line for 'all industries' but at a higher level; and in the cases of consumer goods and technology industries they closely tracked that for 'all industries' but at a lower level. In the cases of the other industries the ratios criss-crossed that for 'all industries', though were mainly at a lower level.

The ratio for the industrials industry was the same as that for 'all industries' only in 2005–06; it exceeded oil & gas spectacularly in 2010–11; healthcare from 2010–11

onwards; financials in 2007–08 and spectacularly in 2009–10; and telecommunications marginally in 2008–09 and 2012–13. (See Figures 13 and 14.)

Figure 13 Ratio of WCI to pre-tax profits, by industry, 2004–05 to 2012–13 (%)

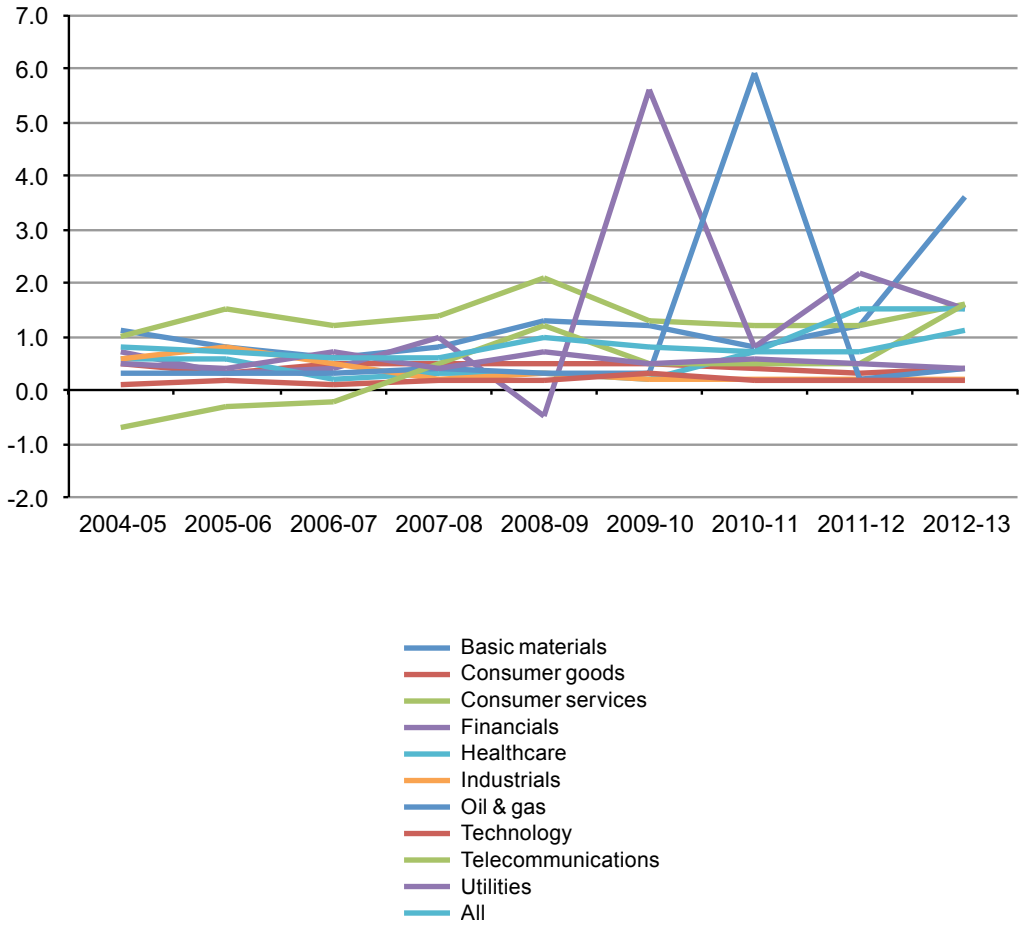
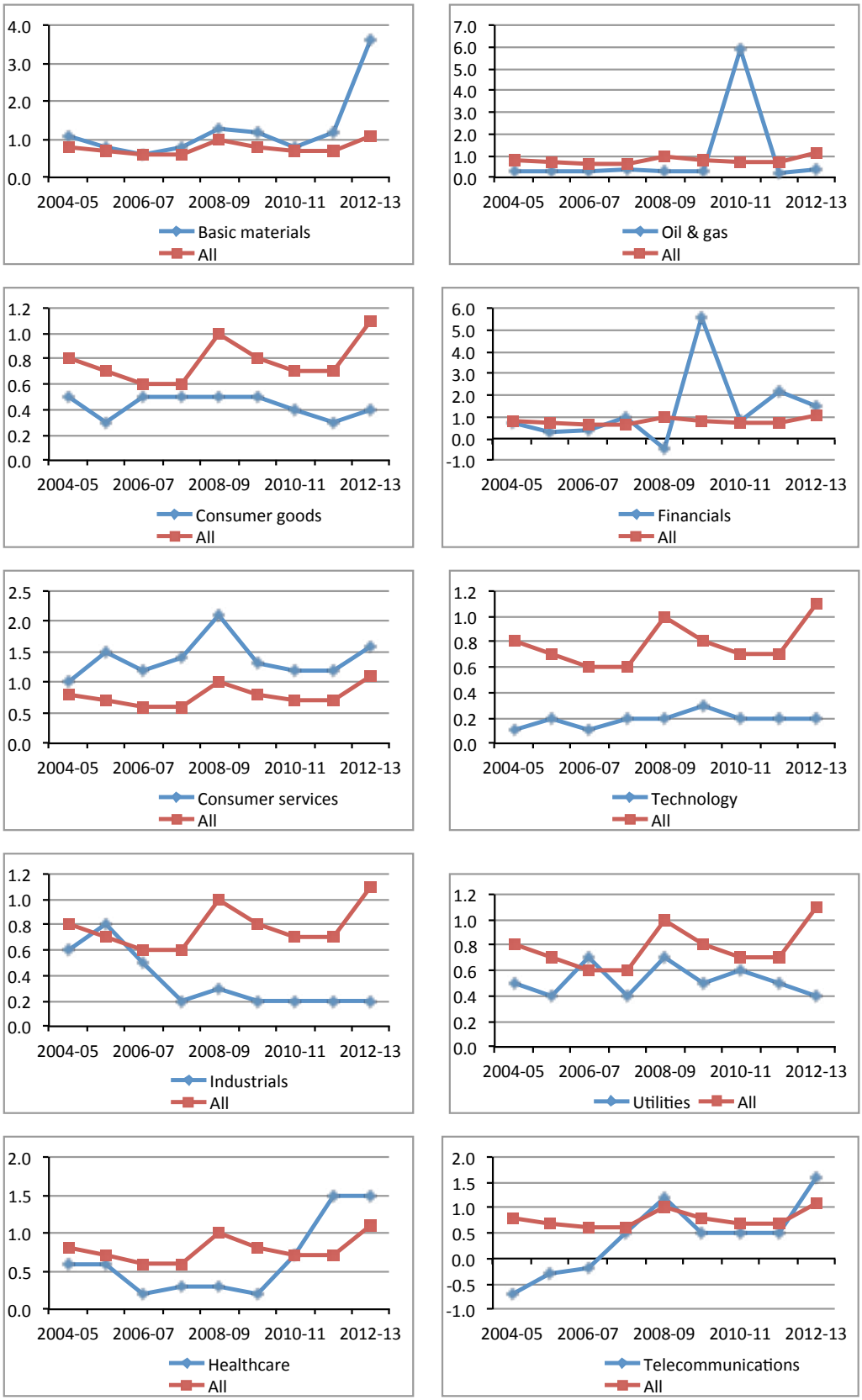


Figure 14 Ratio of WCI to pre-tax profits, by individual industry, 2004–05 to 2012–13 (%)



N = 11, 21, 42, 9, 70, 6, 9, 2, 36 and 1, respectively

Part 5 Discussion and suggestions for future research

'If we are to have a truly comprehensive theory of corporate social responsibility, we must develop a theory for determining the appropriate reciprocal duties that exist among corporate stakeholders. If the managers and stockholders have a duty to customers, suppliers, employees, and the local community, then the local community, employees, suppliers, and customers have a duty to managers and stockholders. What these duties are has barely been discussed.'
(Bowie 1991: 63)

'Industry-level differences in the giving culture influence the giving behaviour of individual firms. These inter-industry differences could be the result of special public relations vulnerability related to product characteristics or the presence of particularly philanthropic-minded firms that set the tone for all members of the industry. Industry giving culture may create an environment that requires firms to meet or exceed competitor philanthropy in order to main customer and community goodwill.'
(Amato & Amato 2007: 238)

This study has shown how the available research on corporate giving yields a partial, lumpy or uneven picture of corporate giving, from which it is difficult to draw general messages or trends. Insight is considerably more developed in some areas than others. This is because the nature of the evidence on corporate giving is patchy, inconsistent and subject to both the specific interests of different researchers and changes in methods of data collection. In a review of the literature on the relationship between corporate social performance and corporate financial performance, Griffin & Mahon reported that in 51 studies researchers used 80 measures – of which 57 were only used once (1997: 11). In our literature review of 52 studies we counted six kinds of giving variables, seven kinds of external environment variables, two types of industrial variables, 17 kinds of company-specific variables, six kinds of organisation of CSR variables and 28 kinds of financial variables.

Because of the fragmentary, singular and sometimes conflicting results revealed by the existing literature and research on corporate giving, the need for new, more comprehensive approaches to looking at corporate giving has been argued by Brammer and colleagues, amongst others. They suggest reframing research in order to foster 'understanding the larger historical and political determinants of whether and in what forms corporations take on social responsibilities' – that is, 'why businesses engage or disengage in socially desirable outcomes'. This understanding of the context in which companies and companies in subsets such as industry sectors operate involves opening the 'black box' of the 'social' element of CSR, and treating it not as voluntary behaviour by companies but as an output of contestation, 'what responsibilities society places on the corporation itself in exchange for the legal privilege of limited liability' (2012: 3–6). This more dynamic view suggests various new lines of endeavour for research on corporate giving, CSR, CSP and corporate citizenship, with a focus on:

- unpicking the specific institutional settings (historical, legal, political, economic, ethical) in which companies operate;
- recognising that ‘there are some internal dynamics going on’ between and among stakeholders;
- paying detailed attention to the content, direction and meaning of what companies say and, in particular, what they do;
- exploring ‘industry effects’ as a point of entry to the ‘black box’;
- using innovative and mixed methods for research (and certainly going beyond theory testing by logistic regression); and
- highlighting ‘values’ as a central organising concept.

Part 6 Technical note

This report is based on two sources.

The first source is a review of 52 studies of corporate giving, in the UK and abroad, either as a stand-alone subject or as an aspect of CSR, CSP and corporate citizenship. We sourced these using a 'rapid evidence assessment',[4] initially through social science databases and then by following up references of greatest interest – that is, those that explored 'industry effects' of giving. Of these studies nearly half focused on the UK either exclusively or in part; half on activity in one year and around a third in multiple years; two were published in the 1980s, 11 in the 1990s, 30 in the noughties and nine since 2010. Thirty-one focused on industry either as a variable or as a subject of discussion. One researcher, with colleagues, was the author of nearly a quarter of these studies.

The second source is information contained in the published accounts of the top corporate donors in the years 2004–05 to 2012–13. These accounts cover different financial years, ending between July of the first year and June of the second year (eg between July 2012 and June 2013). Slightly more than half covered financial years ending in December; a fifth those ending in the following March; and the remainder those ending in other months in the period.

We used information on corporate charitable donors' worldwide community investment (WCI), which includes giving in cash and in-kind, both in the UK and abroad; turnover; profit/loss before tax; number of employees; and industrial sub-sector, which was kindly supplied by Charity Financials (formerly CaritasData). Data was further supplemented with information on turnover, profit/loss before tax and number of employees in Bureau van Dijk's FAME database of British and Irish financial company information and business intelligence. Donors were classified by sub-sector to include sector, super-sector and industry in accordance with the Industry Classification Benchmark (ICB) developed by FTSE International Ltd.

For our snapshot of corporate giving in 2012–13, the most recent year for which complete information was available at the time of the study, we used information on 294[5] top corporate donors in this year. For the longitudinal analysis we used information on 207 (or 70%) of the top donors in 2012–13 for which complete information was available for the whole period 2004–05 to 2012–13.

[4] See Rob Macmillan (2006), *A Rapid Evidence Assessment of the Benefits of Voluntary and Community Sector Infrastructure: Report for the Infrastructure National Partnership* (Centre for Regional Economic and Social Research, Sheffield Hallam University). A 'rapid evidence assessment' is defined as 'a means of gaining as detailed a comprehensive a view of available evidence pertinent to a policy or research issue as possible within the constraints of a particular timetable'.

[5] There was incomplete information for four donors, and these were excluded from this analysis. In the case of two donors, AstraZeneca and GlaxoSmithKline, there were substantial and unquantifiable variations in the method of accounting for WCI and hence the amount of WCI reported, and these were excluded from this analysis in order to improve comparability.

The removal of a number of top corporate donors from the longitudinal sample for purposes of analysis resulted in some anomalies in the coverage of this sample compared with the full sample. For example, donors in the financials, healthcare, oil & gas and telecommunications industries were less fully represented than those in the other sectors. In the case of the basic materials industry, the figure of over 100% for giving as a percentage of pre-tax profits resulted from the removal of a number of donors which had recorded large losses from the database. (See Table 16.)

Table 16 Number, WCI, turnover, pre-tax profits and employees of top corporate donors in longitudinal sample as a proportion of those in full sample, by industry, 2012–13 (%)

Industry	Number (%)	WCI (%)	Turnover (%)	Pre-tax profits (%)	Employees (%)
Basic materials	85	98	98	112	82
Consumer goods	84	98	96	98	98
Consumer services	71	94	89	84	85
Financials	56	21	35	20	27
Healthcare	33	70	10	33	10
Industrials	80	77	81	86	90
Oil & gas	56	68	46	33	66
Technology	75	82	91	90	97
Telecommunications	33	66	71	55	50
Utilities	67	91	48	90	77
All industries	70	72	64	60	75

N = 294 and 207

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