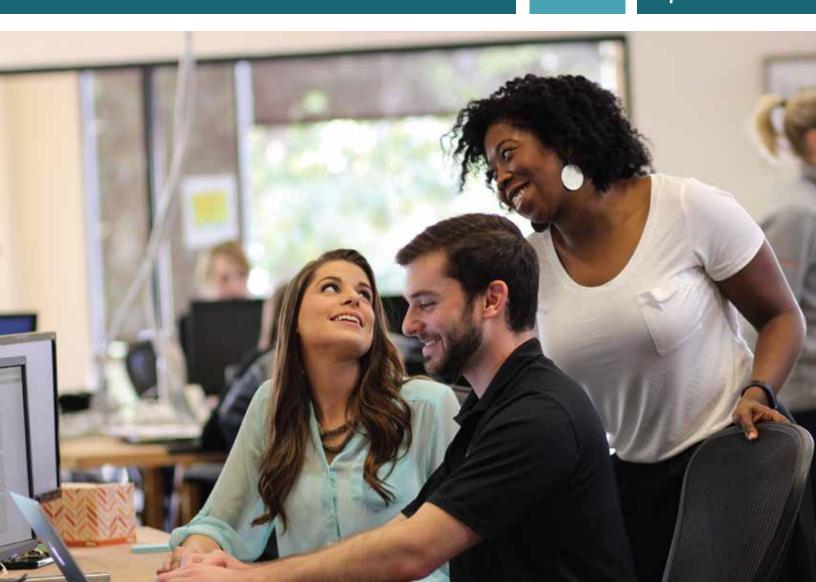


# **Industry Review**

# Corporate Social Responsibility

Issue 1

April 2015





# getting Started

## the MISSION

By analyzing the data collected over the past seven+ years, it is the mission of this industry review to share trends, activities, and industry practices with our clients (current and future), industry peers (partners and non-profits), and all interested parties, to encourage a better understanding of actual employee engagement performance within Corporate Social Responsibility programs.

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# Goodness is the only investment that never fails.

- Henry David Thoreau



# founder's MESSAGE



In many ways, this industry review is a product of years of hard work, countless instances of clients keeping faith in us, and is a result of our team being truly dedicated to getting YourCause to where it is today. Safe to say, this research report represents everything which we (both the YourCause team and our clients) have to be proud of. I know I am.

Additionally, this report shines a light on many answers to the questions that clients ask day-in and day-out – answers with factual, indisputable data. The aforementioned data was captured within our database by actual users taking real actions, rather than relying on user surveys and/or polls.

Our inaugural issue serves as the starting point to an ongoing bi-annual publication to which the YourCause team has committed. The initial dataset included will continue to be expanded upon as we seek to find additional insights and trends that we deem relevant.

I sincerely hope that this report will serve as an industry guide for our clients, partners, and friends, and becomes a valuable reference to support the best decision-making and evaluation for all employee engagement programs. Over time, we hope this report will expand to include additional information and analysis that our clients will find directly relevant to their program execution and overall goals.

YourCause (as a company) and CSRconnect (as our product) have come into being as a result of the ideas and feedback of our clients and the transformation of those thoughts into a technology, process, or service. Even though we cannot incorporate every suggestion, we do our best to include as many as possible. With this industry review, I hope you will continue to work with us on better understanding what information your programs may benefit from so that we might implement that data into the structure for future publications.

Stay real, passionate, and dedicated. :)

CEO & Founder YourCause







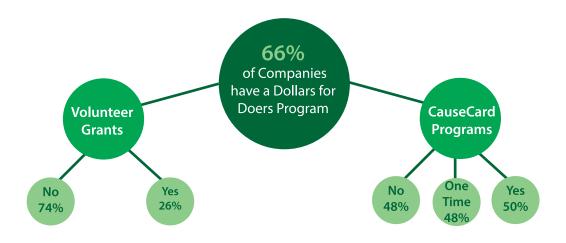
# employee ENGAGEMENT

	full-time across all industries	retiree across all industries
employee engagement	27.30%	18.24%
average donation	\$340.98 annually	\$1,456.41 annually
average hours volunteered	29.53 annually	35.39 annually
year over year growth	+ 10.72%	+ 4.85%

Every CSR program has a story to tell. The most accurate way to tell that story is by analyzing historical program data. Data points to take into consideration would be: average participation rates, donation history, as well as volunteer engagement, which should be analyzed by employee type, year-over-year. By tracking this data historically, CSR professionals are better able to develop program forecasts, set goals, and increase funding allocated to the CSR program itself.

# incentivizing ENGAGEMENT

Incentives can play a key role in employee engagement. Companies utilize Dollars-for-Doers programs through initiatives that meet company criteria, automate eligibility, and simplify the incentive process for employees by translating their volunteer time to actual charitable donations.



**Volunteer grant:** An incentive in which the incentive donation is given to the same charity in which the employee volunteers.

CauseCard: An incentive that allows employees to volunteer to one charity but give the incentive donation to a charity of their choice.

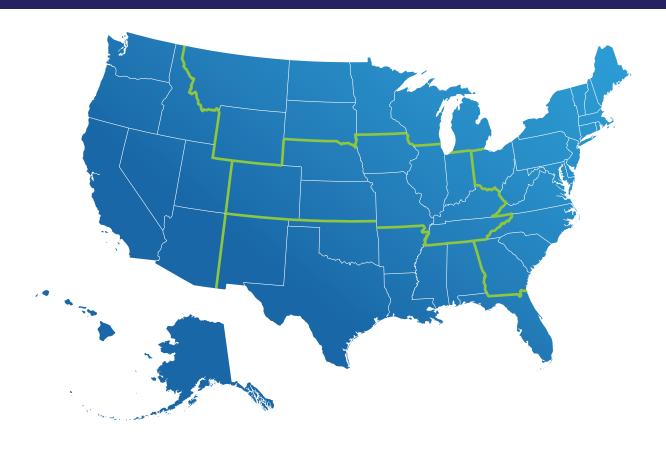
## full-time vs. retiree ENGAGEMENT







# giving by REGION



# regions **DEFINED**

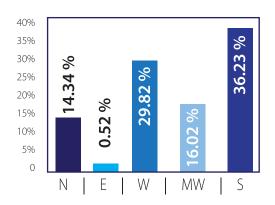
- **N The Northern Region** consists of the following states: Minnesota, Michigan, North Dakota, South Dakota, Montana, Wisconsin, and Wyoming.
- **E The Eastern Region** consists of the following states: Connecticut, Pennsylvania, Ohio, Delaware, New Jersey, New York, Georgia, Massachusetts, North Carolina, South Carolina, Vermont, Rhode Island, Maine, New Hampshire, West Virginia, Waryland and Washington, D.C.
- **W The Western Region** consists of the following states: Idaho, California, Washington, Arizona, Utah, Oregon, Nevada, Alaska, and Hawaii.
- **MW The Midwest Region** consists of the following states: Nebraska, Iowa, Illinois, Tennessee, Kentucky, Kansas, Missouri, Indiana, and Colorado.
- **S The Southern Region** consists of the following states: Texas, New Mexico, Oklahoma, Louisiana, Arkansas, Florida, Alabama, and Mississippi.

To properly develop a CSR program, one should take into consideration regional differences. Regions are geographical areas that are grouped together and share a common characteristic, such as culture, religion, landforms, geographical location, climate, or economy.

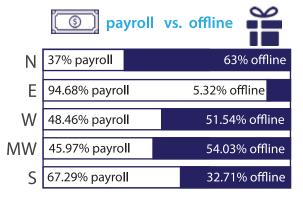
# regional FINDINGS

* Engagement \$ Average Donation \$ Average Volunteer	Northern Region	Eastern Region
Western Region	Midwest Region	Southern Region
<b>*</b> 21.94%	<b>*</b> 25.30%	<b>*</b> 22.04%
<b>\$</b> 337.48	<b>\$</b> 489.06	<b>\$</b> 2,018.07
<b>♦ 63.93 HRS</b>	<b>♦ 48.71 HRS</b>	<b>♦ 104.78 HRS</b>

#### **Total Domestic Contribution Divided by Region**



#### **Preferred Donation Distrubtion per Region**



#### **Top Industry Giving Participation per Region**

77%	87%	51%	33%	65%
Top industries: Healthcare & Consumer Staples	Top industries: Telecommunications & Information Technology	Top industries: Telecommunications & Information Technology	Top industries: Telecommunications & Consumer Staples	Top industries: Telecommunications & Information Technology
Northern	Eastern	Western	Midwest	Southern



When electing to have an outside entity manage employees' personal data, it is advised to find a provider that is certified via the Safe Harbor Privacy Principles. US-EU Safe Harbor is a streamlined process for US companies to comply with the EU Directive 95/46/EC on the protection of personal data. The intent is to prevent accidental information disclosure or loss of customer data.

## overview FINDINGS

Here we observe the behavior of the user activity provided by the employee population. Each category supports a subsection of employees. As the employee population increases, typically the amount of program fees increase. This increase in population leads to a larger average donation amount as well.

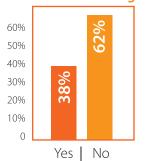
\$79,800 average program spend on technical platforms **51,319** average total employees given access

\$3.73
average spend per user
per year

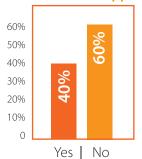
# governing STANDARDS

Often, employees are unaware of the financial costs to process a donation. As such, companies must make a decision on whether or not to cover credit card fees for the employee or have that fee deducted from the donation.

# Companies Covering Credit Card Processing Fees



# Companies Requiring New Event Approval

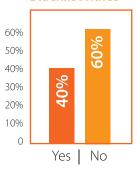


Companies now have the ability to determine the level of control over the volunteer event creation process. It ranges from employees inputting volunteer events to system administrators having full control of the event creation process.

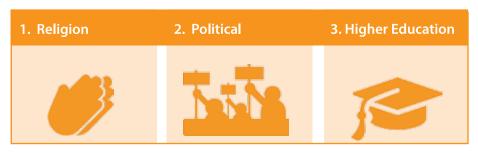
# rules for BLACKLISTINGS

A CSR program can prohibit how and what employees are able to donate via the company's CSR benefits. Blacklistings most often are not applicable to an individual's personal time outside of the company's CSR program. Companies may decide to blacklist a single charity or a charity category.

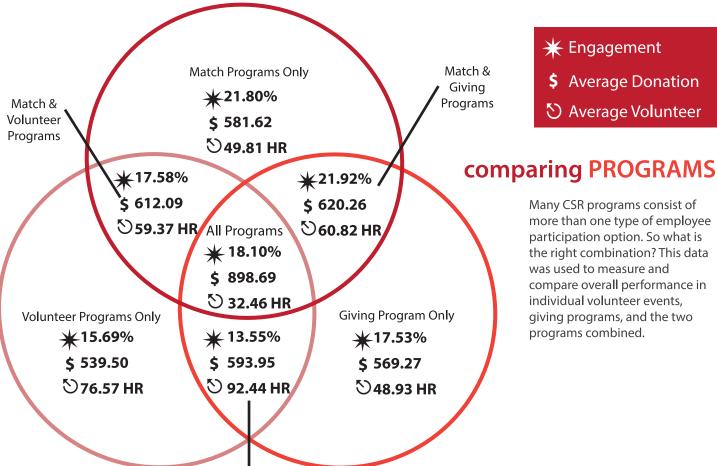
Companies Using Blacklist Rules



**Top 3 NPO Categories Blacklisted** 





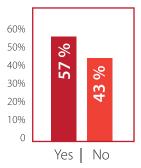


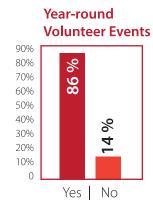
Payment Card Industry (PCI) Data Security Standards is a framework for developing a robust payment card data security process - including prevention, detection and appropriate reaction to security incidents. YourCause is proud to have maintained a PCI Certificate of Compliance since 2011 so that systems and sensitive payment card information are secure.

#### volunteer DAYS

Year-round volunteering days are overwhelmingly more common in companies, giving employees a more flexible schedule to participate with hours of service.

# Short-term Volunteer Events





# matching CAMPAIGNS

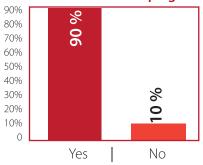
Data discovered that campaign match caps did not differ based on employee location (domestic vs. international).

Matching During Giving Campaigns	Year-round Matching Gifts
74% of companies offer a matching program	86% of companies offer year-round matching
\$4,821 average company match cap	\$7,900 average company match cap

## disaster PROGRAMS

The majority of companies we see with active CSR and employee engagement programs offer employees an opportunity to provide disaster relief.

#### Offer Disaster Campaigns



#### **2014 Performance Snapshot**

Total Campaigns	Total Dollars Raised	Total Dollars Matched
44	\$2.72M	\$67K

# trends by INDUSTRY

	employee engagement	average donation	average hours volunteered
Financials	25.15%	\$234.74 annually	<b>21.29</b> annually
Consumer Discretionary	7.30%	\$800.31 annually	21.38 annually
Consumer Staples	8.65%	\$933.70 annually	1.30 annually
Healthcare Equipment	6.40%	\$1,321.03 annually	11.91 annually
Industrials	38.50%	\$1,324.60 annually	16.99 annually
Information Technology	26.14%	\$289.02 annually	21.26 annually
Materials	19.80%	\$625.35 annually	<b>174.36</b> annually
Energy	31.81%	<b>\$266.79</b> annually	<b>16.62</b> annually
Telecommunications	43.38%	\$141.62 annually	<b>12.12</b> annually
Utilities	31.44%	\$213.96 annually	28.07 annually

A **blacklist** is a registery of entities or people who, for one reason or another, are being denied a particular privilege, service, mobility, access, or recognition within the program being offered to employees.

A **whitelist** is a list or compilation identifying entities that are accepted, recognized, or privileged.

## overview FINDINGS

The **retiree engagement rate average** for all industries combined is **18.24%**. However, the **Healthcare Equipment** category set the bar with the highest **retiree engagement rate at 78.64%**, even though it maintains the lowest ranking in the areas of employee engagement at **6.40%**. The **Financial industry** ranks second in **retiree enagement rate with 31.19%**, follwed by the **Consumer Discretionary** industry with a **retiree engagement rate of 9.33%**.

# year-round TRENDS

20	1 7	70	/_
2	J.Z	/ /	<b>O</b>

employee participation rate of companies offering giving programs for an entire fiscal year.

\$1,129.17

average employee donation totals when a company offers the ability to give year-round.

20.26 hrs

average hours volunteered annually by an employee when a company offers giving year-round.

# campaign TRENDS

16.10%

employee participation rate of companies offering campaign giving programs.

\$828.53

average employee donation totals when a company offers the ability to give during a campaign.

40.17 hrs

average hours volunteered annually by an employee during a campaign.

# giving METHODS





	Domestic (United States)	International	
employee engagement	21.18%	13.92%	
average donation	\$1,540.97 annually	\$293.42 annually	
average hours volunteered	<b>71.27</b> annually	<b>27.42</b> annually	
year over year growth	10.73%	8.26%	
preferred method of giving	92.04% prefer payroll deductions	39.77 % prefer offline donations	
top three areas for participation	1. Texas 2. California 3. Minnesota	1. India 2. United Kingdom 3. Malaysia	

When evaluating a CSR program that must reach multiple continents and countries, it is important to consider how the program will be communicated in multiple languages and currencies; individual country laws surrounding how the payment process can be handled; cultural traditions (both societal and religious); and what different match cap allowances can/will be made per region.

## domestic vs. INTERNATIONAL

For every \$100 raised, there are approximately 5 hours volunteered for domestic users. For international users, for every \$100 raised the volunteer hours increase by 9X to 45 hours.

#### domestic vs. international

\$100 donated	\$100 donated
=	=
5	45
hours volunteered	hours volunteered

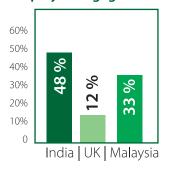
**8X** 

All international dollars raised would have to increase by a multiple of 8X just to equal one year of domestic giving.

## international FINDINGS

Looking deeper into the top three areas for participation:

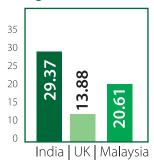
#### employee engagement



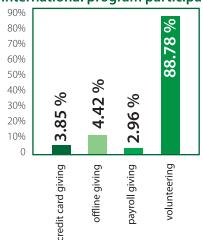
average donations



average hours volunteered



international program participation



69%

of international CSR participants come from the Information Technology industry.



nonprofit TRENDS

# nonprofit TRENDS

## overview FINDINGS

22,310

18,568 Number of unique charity administrators

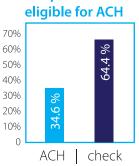
Total charity administrators in the YourCause NPO Portal

Charities that received donations in 2014

#### guidestar database growth

	December	January	February	March
Database Total	2,271,909	2,272,082	2,288,643	2,292,600
Database Growth	+8,374	+173	+16,561	+3,957

The following reflects extracted processing data from 2014 of current 60% NPOs within CSRconnect. 50% Respectively, we find 23.4% of total dollars eligible and 34.6% of all unique transactions 10% conducted by way of ACH.



unique transactions

unique charities setup for ACH total dollars eligible for category payment

70%
60%
50%
40%
30%
20%
10%
ACH | check

# top 10 CHARITY LIST

#### most SEARCHED

- 1. American National Red Cross (National Office)
- 2. St. Jude Children's Research Hospital Inc.
- 3. Leukemia & Lymphona Society Inc. (National Office)
- 4. Susan G. Komen Breast Cancer Foundation Inc. (National Office)
- 5. American Heart Association
- 6. Wounded Warrior Project Inc.
- 7. American Cancer Society Inc. (National Home Office)
- 8. Austin Affiliate of Susan G Komen for the Cure
- 9. Sankara Eye Foundation USA
- 10. Feed My Starving Children

#### most CHECKS (by volume)

- 1. Wikipedia Education Initiative
- 2. Leukemia & Lymphona Society Inc. (National Office)
- 3. American Cancer Society Inc. (National Home Office)
- 4. United States Conference of Catholic Bishops (National Office)
- 5. Council on Finance & Admins/ United Methodist Church
- 6. Doctors Without Borders USA Inc.
- 7. American Heart Association
- 8. JDRF International
- 9. Susan G. Komen Breast Cancer Foundation Inc. (National Office)
- 10. American National Red Cross (National Office)

#### highest **VOLUNTEER** HOURS

check

1. Aspiranet

30%

2. Feed My Starving Children

ACH

- 3. Borgen Project
- 4. The Church of Jesus Christ of Latter-Day Saints
- 5. Boy Scouts of America
- 6. Greater Des Moines Habitat for Humanity
- 7. Meals on Wheels and More Inc.
- 8. Northern Star Council Boy Scouts of America
- 9. Oregon Food Bank
- 10. Girl Scouts

#### most DONATIONS

- 1. United Way
- 2. American Cancer Society Inc. (National Home Office)
- 3. Second Harvest Food Bank (Santa Clara/ San Mateo)
- 4. American National Red Cross (National Office)
- 5. St. Jude Children's Research Hospital Inc.
- 6. American Heart Association
- 7. Council on Finance & Admins/ United Methodist Church
- 8. Doctors Without Borders USA Inc.
- 9. Leukemia & Lymphona Society Inc. (National Office)
- 10. Wounded Warrior Project Inc.



# **SSO vs. BASIC AUTHENTICATION**

SSO - Single sign-on (SSO) is an authentication process that permits a user to enter one name and password in order to access multiple applications. The process authenticates the user for all the applications they have been given access rights and eliminates additional login prompts when they switch applications during a particular session.

#### Benefits of using single sign-on include:

- Reducing password fatigue from different user name and password combinations.
- Reducing time spent re-entering passwords for the same identity.
- Reducing IT costs due to lower number of IT help desk calls about passwords.
- Greater control over access administration and security.

Basic Authentication - Basic Authentication is the process of a user entering login credentials within a web interface, which is then authenticated against a database of authorized users. This authentication process will only validate a user for a single application. The user will be required to authenticate themselves separately for all other applications.

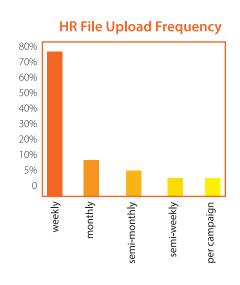
#### Benefits of using basic authentication:

- User accounts and all authentication are controlled by the database.
- Strong password management features to enhance security.
- Beneficial for non-network accessible users.

HTTPS stands for HyperText Transfer Protocol over SSL (Secure Socket Layer). It is a TCP/IP protocol used by Web servers to transfer and display Web content securely. The data transferred is encrypted so that it cannot be read by anyone except the recipient.

HTTPS is used by any website collecting sensitive customer data, such as banking information or purchasing information. If you are making a transaction online, you should make sure that it is done over HTTPS so that the data remains secure.

# human resource (hr) file FINDINGS



Standard HR File Column Headers				
1. Country Code	4. First Name	7. External Manager ID	10. Business Unit	
2. Email	5. Last Name	8. Region	11. City	
3. External Employee ID	6. Zip Code	9. State	12. Optional Field	

#### data security TRENDS

File Transfer Methods	SSO File Types	Encryption File Types	
<ul><li>86% Provider SFTP</li><li>7% Email</li><li>5% Client SFTP</li><li>2% Self-Registration</li></ul>	75% SAML 2.0 12% No SSO 5% SAML 2E 5% 3DES	58% PGP Encrypted File 33% No Encryption 5% Email 2% Zip File w/ Password	

54,216 average number of users included within an hr file.





average number of countries included in an hr file.

# top BROWSERS

1. Chrome

2. Internet Explorer

34%





3. FireFox 12%

4. Safari
5%

5. Opera 1%



# payment PROCESSING

# processing FINDINGS

A subset of data, roughly 43,000 checks, were randomly pulled to determine specific trends and relevant datapoints related to the processing of donations. The sample set selected was taken from checks created within the last six months from the date of this publication.

17.50
average day to deposit

12
average mode

101
data range

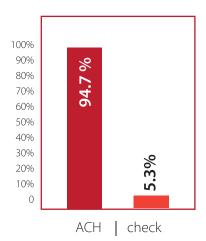


A donor advised fund is a charitable giving vehicle administered by a public charity or foundation to manage charitable donations on behalf of organizations, families, or individuals. To participate in a donor advised fund, a donating individual or organization must open an account within the fund and process to deposit cash, securities, or other financial contributions. The donor agrees to surrender ownership of anything they put in the fund, but retain control over how their account is invested, and how it distributes money to the respective charities.

# payment FINDINGS

The processing of employee donations in a secure and expedient manner is a must for all companies working with YourCause. One method to achieve this is to process payments via Automated Clearing House (ACH) versus paper check. The ACH method avoids check writing, mailing and manual depositing - translating into faster, more secure donation delivery while being performed at a fraction of the cost. Interestingly enough, within CSRconnect we found a disproportionate number of employee donation transactions being delivered to unique charities via ACH versus paper checks. Thought, if the current trend continues (NPO to ACH payment method), then we fully expect to see these figures reverse themselves bringing transactions in balance with the number of unique charities being donated to.

#### **Preferred Method of Payment**





#### **Quarterly Payment Averages**

	Q1	Q2	Q3	Q4
ACH Transaction	\$653.41	\$822.60	\$680.50	\$582.76
Check Transaction	\$121.13	\$94.57	\$90.79	\$92.36





# scientific METHOD

#### Overview

The content used within this industry review is a result of data that has been accumulated within the CSRconnect system since the beginning of 2009, the time in which YourCause began to offer such services. The data is not a reflection of any specific individual client, but rather, a broader overview of all data collected from all clients over the years. With that said, it's important to note that the CSRconnect client base has grown most rapidly since 2012, resulting in a majority of the data volume coming from this period.

#### **Data**

YourCause historical data has been aggregated from internal database sources beginning in 2009. All descriptive statistics and trending analysis have been derived from internal resources within YourCause.

#### **Guiding Principles**

Transparency: The topics covered within this industry review cover the most frequently asked questions of YourCause by clients, prospects, and peers. It is our goal to transparently display this data (and consequently, the responses to such questions) within a common platform for the industry to observe – without bias, prejudice, and as limited an opinion as possible.

Design: The production of this industry review may have been substantially easier had the team placed less focus on the visual design of the end product. It was the goal of the team to produce an end product that properly demonstrated the value of the data being reported, but to do so in a manner that delivered a positive and enjoyable user experience.

Foundation Building: YourCause seeks to use this premiere edition of our industry review as a foundation for future, updated, and expanded versions. We hypothesize that over time, this report will continue to shed greater insights, trends, and data points that can be valuable for the industry as a whole.

#### **Limitations and Assumptions**

All conclusions are extracted from direct historical data managed internally since the company's inception. As a result of the sheer volume of data being reviewed, we are able to determine, with a 95% confidence level, the conclusions stated within this review are accurate.

However, the summary of year-to-year participation will be limited per the clients who have been utilizing CSRconnect for greater than two years. Due to the annual growth rate of YourCause, the current data encompassing year-to-year participation will only reflect clientele that have been with YourCause for an equal (or similar) period of time.

- For industry-wide averages, it is important to note that all 'zero value data' were excluded during the calculations of an average.
- For average contribution amounts and average hours volunteered per industry, YourCause excludes aggregate outliers. Outliers were identified as data that should not be included because of special back-end uploaded items (i.e. clients requiring out of system data uploads aggregated prior to using CSRconnect. Such numbers are not reflected within averages).
- Individual users entering large volumes of hours for a single day event may skew average volunteer hours.
- Holistic data does not include contractor giving or volunteering. A general lack of data volume to represent the population was cited.
- All data dates back to January 1, 2009 and continues through March 15, 2015.
- Average volunteer hours represent the average amount of hours logged on an annual basis (calendar year).

#### Eligibility

YourCause fosters historical data for more than five years worth of a statistically significant sample of clients and therefore the data displayed per CSR activity is eligible as the industry standard.

• We are assuming at a 95% confidence level that YourCause metrics fall within the same representation of CSR presence.

# glossary of TERMS

Confidence Level	The percentage of all possible samples that can be expected to include the true population parameter.
Correlation	A relationship between two variables in which both variables perform the same action or they are inverse of one another.
Descriptive Statistics	Summaries that calculate the "middle" or "average" of your data; these are called measures of central tendency.
Median	The value placed in the middle of a set of values.
Metrics	Quantitative measurements used to track performance.
Mode	The value that occurs most frequently the most within a set of numbers.
Participation	Users who have demonstrated at least 1 hour of participation through team or individual events and/or have donated at least 1 unit of payment to a nonprofit. The calculation is performed by dividing the number of participants by the number of eligible participants aggregated per affiliate.
Range	The value of the difference between the largest value and the smallest value in a set of numbers.

## final THOUGHTS

The process of pulling together our inaugural industry review has been a fantastic experience for our team. In so many ways, this report is a reflection of our team, culture, hard work, and dedication. Additionally, all images used throughout the industry review (aside from the DNA sequence), were taken by our team (and of our team) in an effort to give our readers an additional look into the very people seeking to make our world a better place.

We now hope our transparency with our data is able to play a role in continuing to develop and grow the entire CSR industry. During the process of analyzing the data and identifying (what we would consider) trends, it became evident to our team that what we are building today will, in the future, be a wonderful foundation for which we will be able to build upon.

We also realized that, in many cases, any knowledgeable industry reader could craft a legitimate argument to our findings and technically discredit any claim of "fact" from this publication. Fortunately, and by design, we are not claiming 'fact' within any part of this review. The goal of this industry review was never to deliver any sort of definitive absolutes, rather, to shed light on data and insights from actual data that may inspire our readers to form their own conclusions best suited for their respective employee engagement and CSR program.

#### **About YourCause**

YourCause delivers the CSRconnect Employee Engagement Platform to enterprise clients of all sizes, providing a fully hosted solution for a broad array of corporate community involvement programs. CSRconnect is a robust and highly configurable software platform that caters to each client's CSR program with giving, volunteering, sustainability, grants, non-profit partnerships, and other related engagement tools and philanthropy processing services. Through the CSRconnect Employee Engagement Platform, clients are able to fully manage and report the depth of their social impact and overall employee engagement.

