

Philanthropy executives put on brave face for 2009

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Corporate executives, faced with a sharp decline in the economy, are cutting across the board. Yet many representatives at local companies say they plan to maintain most of their commitments with nonprofits, although it may mean shifting approaches and replacing some cash with in-kind giving.

No corporate philanthropy executives contacted by the Boston Business Journal this week said they plan to sever any of the significant commitments they have to the nonprofits with which they work. Only one company — **Loomis, Sayles & Company** — said nonprofit organizations that have received the company's smallest grants should expect less next year, or maybe nothing at all.

"Our theme is to be consistent in our giving but, to do so, we have to be smart," said Meg Clough, director of communications for Loomis, Sayles & Company, which now is committed to working closely with a core group of approximately eight organizations and expects to reduce or cut funding for another 25 or 30 organizations that receive \$20,000 or less. "We could see the subprime crisis was upon us and things would be more difficult going forward. I started thinking about this last year. I could see the tsunami coming."

Although foundation leaders and corporate executives said they are in the process of budgeting for 2009, they predicted maintaining at least the same contribution levels they set this year.

For example, **MassMutual Financial Group** will maintain its \$7 million community commitment in 2009, which is the same as 2008, said Trish Robinson, senior vice president, strategic communications and corporate responsibility.

Canton-based Dunkin' **Brands Inc.**, which started its foundation three years ago, is considering grant applications right now and, while the lineup of organizations receiving funding is likely to change year to year, the amount distributed will stay the same, said Paul Leech, chief administrative officer.

The **New Balance Foundation** is finding it "a little hard to predict the economic climate, but I'd say it will be at least the same if not more," said Molly Santry, program manager for charitable giving. "We were hoping to distribute an additional million dollars from 2007 to 2008, but we couldn't do that."

Similarly, **Harvard Pilgrim Healthcare Foundation** also is considering a slight increase for 2009, said Karen Voci, executive director. With an eye to the situation beyond 2009, however, “if the market gets ugly down the road, that could be changed,” said Mike Devlin, Harvard Pilgrim’s community service program manager.

The rough economy has prompted Eastern Bank executives to seriously consider funding increases, not decreases. They are reevaluating the foundation’s giving formula and weighing it against the urgency of community needs, said Laura Kurzrok, executive director of **Eastern Bank Charitable Foundation**. Although the bank’s endowment, like most, has been hit hard by the stock market turmoil, Kurzrok said this is not the time to be cutting back on corporate giving.

“It would be naïve to assume that the endowment hasn’t been hit,” she said. “But we know this is the time to give more, not less. Do we increase giving in the short term? Do we use the same formula? That’s exactly the conversations we’re having right now.”

With the severe downturn in real estate, **Coldwell Banker Residential Brokerage** has seen a decrease in the amount its employees and sales associates are contributing from their paychecks and commissions to the company’s foundation, but that is no predictor of the company’s overall commitment to give, said Roni Boyles, regional director of marketing.

“If we donated \$15,000 to a housing nonprofit last year, we’re doing the same thing this year,” Boyles said. However, the company is seeing a clear decline in its annual Spirit of Home Awards gala and fundraiser, which is scheduled for Nov. 14. Proceeds go to support three local nonprofits. “Normally by now we’ve raised \$120,000, but we’re down this year around \$20,000.”

Many foundations and corporate philanthropy leaders said they were scrambling to finish their 2009 budgets while others are more hesitant to comment definitively on their giving commitments until the 2009 budget process wraps up.

Loomis Sayles has taken a creative approach to traditional fundraising. The company has brought together three of the organizations with which it works closely — **Boston Ballet**, **Boston Medical Center**, and **Boys & Girls Clubs of Boston** — and together they agreed upon a central issue of concern: childhood obesity.

Loomis worked with the three organizations to put on a coordinated fundraiser in September, which raised \$150,000. The money was split among the three organizations, and was an add-on to the annual contributions they receive from Loomis.

Many foundations and corporate philanthropy leaders said they were scrambling to finish their 2009 budgets, but a couple were more hesitant than others to comment definitively on their giving commitments until the 2009 budget process wraps up. “It would be inappropriate for us to comment at this time as to what the 2009 budget looks like when we’re still in the

process,” said Rachel Riccardella, spokeswoman for **State Street Foundation**. “We’re not trying to be evasive.”

Riccardella pointed out that George Russell Jr., president of the State Street Foundation, recently was quoted as saying that next year’s giving levels will be close to those for 2008 — but the Foundation’s 2008 figures will not be released until the end of this year, she said.

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