

Disaster Philanthropy Practices

PREPARING FOR A FUTURE OF
MORE VARIED, MORE INTENSE,
AND MORE FREQUENT DISASTERS



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Preparing for a future of more varied, more intense, and more frequent disasters

RESEARCH REPORT 1694

by Alex Parkinson

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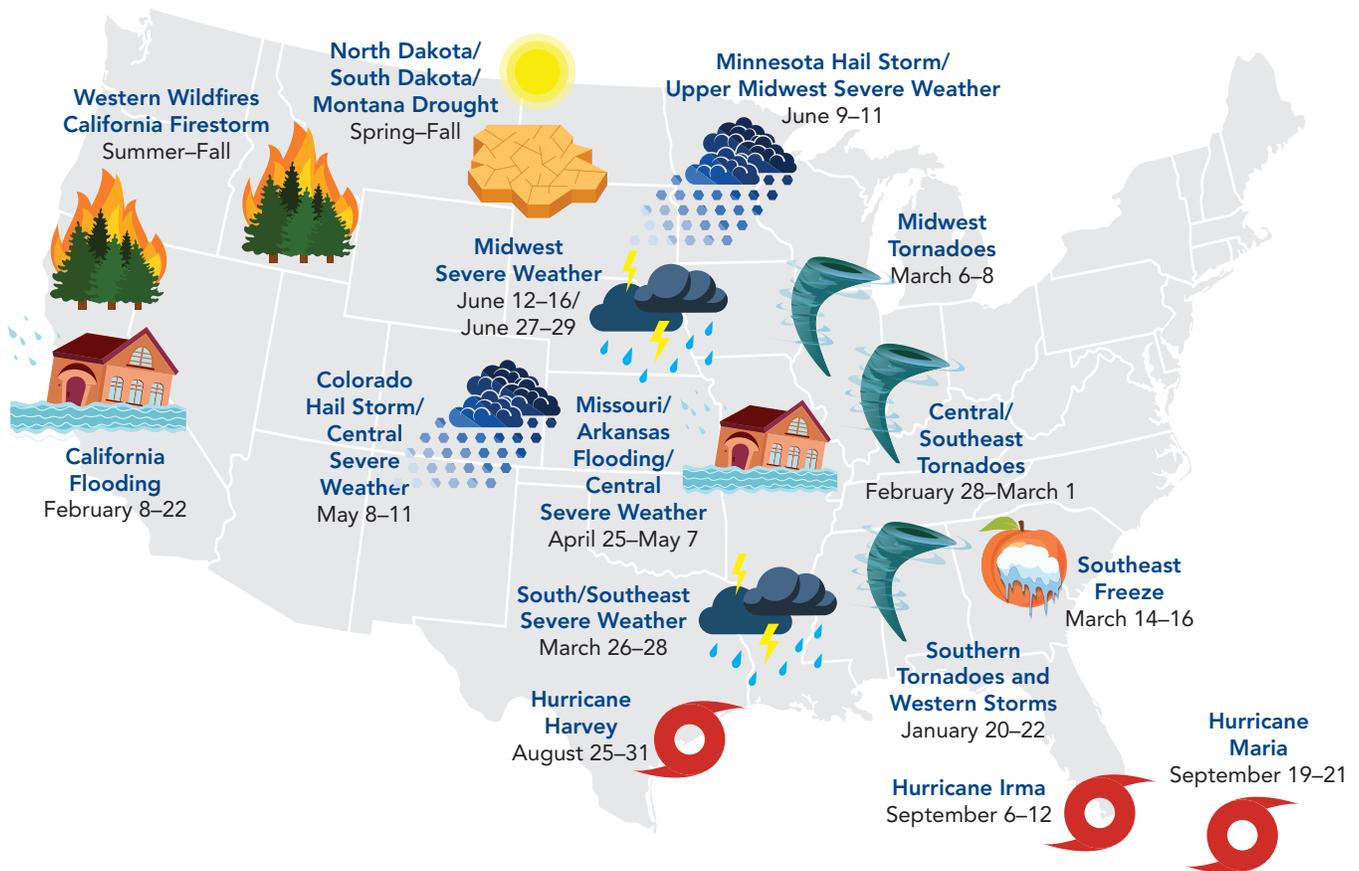
Executive Summary

Disasters are becoming more intense, more frequent, and more varied than before, primarily due to climate change.¹ A survey of members of The Conference Board Corporate Citizenship and Philanthropy Institute Councils, as well as discussions from a joint meeting of the Councils devoted to disaster philanthropy, has found that companies need to be prepared for a range of future disasters, which means being more active in every stage of disaster philanthropy, particularly preparation to help build resilient communities, systems, and infrastructure.

US 2017 Billion-Dollar Weather and Climate Disasters



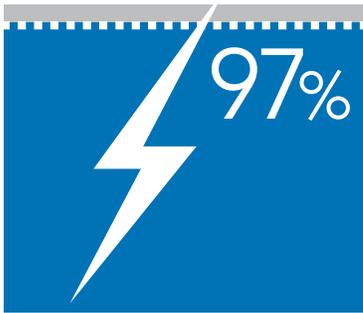
This map denotes the approximate location for each of the 16 separate billion-dollar weather and climate disasters that impacted the United States during 2017.



Source: National Oceanic and Atmospheric Administration, 2018.

1 Marlena Hartz, "The Future of Disaster Philanthropy," *Giving Thoughts v2 n3*, The Conference Board, July 2017.

Though companies feel they're responding well to disasters, they are nevertheless changing their disaster response practices to deal more effectively with multiple disasters in a short period, such as investing more in disaster preparedness



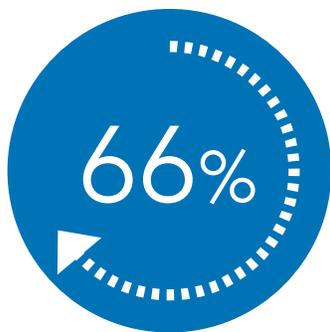
of companies rated their **response to the 2017 disasters** in the US and Caribbean as at least **mildly successful** (N=38)

The intense 2017 disaster season, as well as hugely impactful events in 2018 and 2019, put corporate disaster response practices to the test, but most companies expressed a general satisfaction with their decision-making processes and ability to deploy resources. Nonetheless, companies are acutely aware of the likelihood that frequent disasters will become the norm, due primarily to climate change.

Disaster relief gets the bulk of attention and resources from companies, but many understand the effectiveness of a strategic approach to disaster philanthropy that addresses all stages Of all four stages of disaster philanthropy, companies say disaster preparedness is generally the lowest priority, despite the United Nations saying that \$6 billion in appropriate disaster risk management strategies could generate risk reduction benefits worth \$360 billion.² Council members understand the need for more investment in preparedness and are getting creative in how they unlock resources. For example, some have aligned their disaster philanthropy strategy with their overall corporate sustainability strategies, identifying the link between climate change and intensifying disasters. Others have outlined the risk of disasters to their supply chains and are supporting small businesses in vulnerable areas to prepare for disasters. Whatever the approach, companies need to plan ahead, think holistically, and support prevention and mitigation efforts.

While companies tend to avoid responding to man-made disasters for fear of showing favoritism to certain populations or of entering political debates, they will increasingly be pressured into taking a political stand and perhaps showing more support for the victims of such events Man-made disasters, such as mass shootings or policy-related crises like the Flint water crisis, are less predictable than natural disasters and a difficult proposition for companies that don't want to be perceived as prioritizing certain lives over others or wading into political debates. As a result, most members of the Corporate Citizenship and Philanthropy Institute Councils avoid responding to man-made disasters.

They do make exceptions for events that occur in their immediate community and in situations where they are uniquely positioned to offer a needed response, such as grief counseling in the wake of a mass shooting. Companies are being called on increasingly to take a stand on political issues, often by employees, as reported by the 2019 Edelman Trust Barometer, so the decision to be removed from disasters that have a political or social influence may become untenable.³



of companies **plan to update** their disaster response practices to **handle multiple disasters in a short period** (N=38)

2 Bina Desai, Andrew Maskrey, Pascal Peduzzi, Andréa de Bono, and Christian Herold, *Making Development Sustainable: The Future of Disaster Risk Management, Global Assessment Report on Disaster Risk Reduction*, United Nations Office for Disaster Risk Reduction (UNISDR), 2015.

3 *2019 Trust Barometer*, Edelman, 2019.

Companies are one part of an ecosystem of organizations and actors that need to collaborate to deliver effective disaster philanthropy Many different types of ecosystems exist within the disaster philanthropy landscape, and the role that certain organizations play should reflect their strengths and unique expertise. Companies need to assess their own resources in the context of the relevant ecosystems before understanding where they can be put to use alongside other organizations, including peer companies.

Employees are both a company's primary concern and its primary resource in the wake of a disaster Typically, affected employees are a company's biggest concern, and they prioritize employee safety in their relief efforts. Employees not directly affected by disasters also provide a company with abundant resources for disaster relief efforts, primarily through extra-hands volunteering and peer-to-peer fundraising. Effective volunteering is achieved by encouraging employees to engage with all stages of disaster philanthropy; developing a playbook to help them tap into the disaster philanthropy ecosystem; and using data to match volunteers with critical needs. Ensuring effective volunteering should be a primary part of an effective strategy for engaging employees after a disaster; the impact of a company's work can be amplified by a large, engaged employee base.

Responding to an Unprecedented Spate of Disasters

In the fall of 2017, a spate of disasters hit the US, the Caribbean, and other countries including Burma, Bangladesh, and Colombia. In the US, the total damage caused by hurricanes and wildfires in 2017 totaled more than \$300 billion, making it the costliest year on record for disasters in the country (by contrast, 2005, the year of Hurricane Katrina, cost the United States \$219.2 billion).⁴ The trend continued in 2018, with wildfires devastating nearly 2 million acres in California,⁵ and the first half of 2019, with catastrophic flooding hitting the Midwest.

Although the 2017 fall hurricane season was unprecedented in its demand for relief, there is no evidence of fatigue among donors, Gail McGovern, CEO and President of the American Red Cross, told members of The Conference Board Corporate Citizenship and Philanthropy Institute Councils. The Councils convened a joint meeting to discuss:

- Strengthening the role of corporations with government and nongovernmental organizations;
- Exploring the benefits of preparedness, response, and recovery;
- Sharing best practices regarding communications, decision matrixes, and when and how to engage employees; and
- Finding a collective voice to give companies greater impact.

The discussions from this meeting are summarized in this report, along with the responses of 43 Council members to a quantitative survey by The Conference Board in the first quarter of 2018.

Man-Made Disasters: When and How Companies Respond

Research suggests that climate change will result in increased frequency and intensity of natural disasters.⁶ Man-made disasters are less predictable, but they can still affect communities significantly. For example, mass shootings, such as those in Las Vegas; Parkland, FL; Thousand Oaks, CA; and Christchurch, New Zealand are becoming too common. In addition, the Flint water crisis showed that communities can suffer from bad policy and decision making.

But despite significant effects on people and communities, man-made disasters are a difficult proposition for companies to respond to adequately. First, stakeholders expect company engagement in one man-made disaster to imply engagement in all others, less the perception arise that companies prioritize certain human lives over others. Sadly, responding to every man-made disaster is not economically feasible.

4 ["US Billion-Dollar Weather and Climate Disasters: Overview,"](#) NOAA National Centers for Environmental Information (NCEI), 2019.

5 ["Incident Information,"](#) CalFire, State of California, January 24, 2018.

6 Marlena Hartz, "The Future of Disaster Philanthropy," *Giving Thoughts v2 n3*, The Conference Board, July 2017.

Second, often man-made disasters happen in the context of political issues (e.g., gun control), which makes companies reticent to become involved for fear of being considered politically motivated—although this fear is gradually fading as employees and other stakeholders start to demand companies speak up.⁷ As such, many Council members noted that they do not engage in philanthropy for man-made disasters.

Of course, there are exceptions. In some situations, the size, impact, and public response to a disaster is so significant that the company cannot ignore it. One such example was the Pulse nightclub shooting in Orlando, FL, in 2016. The nightclub is a neighbor of Walt Disney World Resort in Orlando, whose parent company recognized the importance of contributing to the relief effort. In this case, Disney felt it was important to make a public statement, knowing that writing a check would not relieve the suffering of friends and families who lost loved ones in the shooting. The company worked with Orlando's mayor to establish the OneOrlando Fund, which raised more than \$27 million to aid survivors of the tragedy, first responders, and family members of the victims who lost their lives. The Disney cash contribution of \$1 million was only a fraction of the more than \$4.1 million in total cash and in-kind support donated by Disney employees and The Walt Disney Company. Disney representatives also served on the committee for the OneOrlando Fund and the secondary Better Together Fund, through the Central Florida Foundation, which raised an additional \$1.1 million for nonprofits to provide services to the victims.

A company might also respond to a man-made disaster if the organization has specific expertise that could be helpful in the recovery. For example, New York Life offers bereavement counseling to its customers, an important service for victims of mass shootings. Additionally, if there is a large impact or potential impact on the business, a company might respond: health care companies responded to the AIDS crisis in the 1980s because of the significant challenges the crisis posed to the health care industry in the long term.

Making Disaster Relief More Effective

Disaster relief, the support provided to a community in the immediate aftermath of a disaster, receives the bulk of attention and funding from all disaster philanthropy. The Center for Disaster Philanthropy suggests that disaster giving generally is “quick and largely reactive,” with over a third of private giving complete within four weeks of a disaster.⁸ Although the joint Council meeting focused heavily on how to engage in disaster philanthropy holistically, there was also a recognition that the huge importance afforded to relief is unlikely to diminish.

Companies are therefore interested in how to make disaster relief more effective. Some members are asking how to respond more quickly in times of disaster, as the pressure mounts rapidly when a community is in trouble. Other members believe that, on the contrary, there is a need to slow the process in the immediate aftermath, advocating for the advantages of taking some time to understand the situation on the ground and following rather than leading disaster efforts so that the response is better aligned with the needs of the community.

7 Tina McCorkindale, [“As Political and Societal Crises Impact Brands, PR’s Role Is More Important Than Ever,”](#) *Giving Thoughts Blog*, The Conference Board, June 28, 2018.

8 Bob Ottenhoff, “Transforming Disaster Impact through Strategic Response,” Center for Disaster Philanthropy, presentation to The Conference Board Center for Corporate Citizenship and Philanthropy joint-council meeting, Washington, DC, 2018.

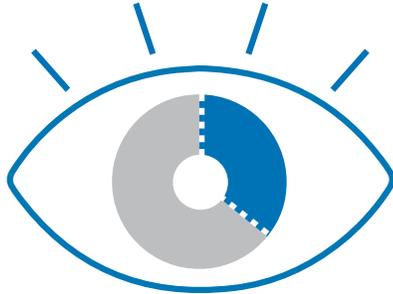
Response to Stakeholders and the Media

Some of the decisions about a company’s speed of response to a disaster come down to public relations. Although it might sound insensitive for companies to think about PR when communities are faced with a disaster, the reality is that companies often face internal and public pressure—from employees, customers, and local government officials, among

others—to respond, and ensuring that the right press coverage is achieved can actually relieve pressure on executives who are trying to manage responses. Companies with a large consumer base that will publicly disparage a brand if it doesn’t respond quickly often have a standard disaster response—a set cash sum or the like—that is preapproved and can be shared publicly quickly, therefore giving them a chance to develop a thoughtful response.

Only
36%
of company CEOs have
personally visited
a **disaster zone** to rally
further assistance

(N=39)



Companies need to balance these needs to immediately commit resources with strategic longer-term investments in recovery and rebuilding, when the public attention has passed.

Table 1

Companies use a range of communications techniques to publicize disaster philanthropy responses

Which of the following do you do to achieve the recognition you seek for your disaster philanthropy?

16.7%	Report our disaster philanthropy efforts on our website
16.0	Publicize our disaster philanthropy efforts on social media
15.3	Report our disaster philanthropy efforts in a periodic CSR report
13.3	Issue a press release detailing our disaster philanthropy efforts
11.3	Report our disaster philanthropy efforts in an annual report to shareholders
11.3	Report our contributions related to disaster philanthropy through the US Chamber of Commerce Aid Tracker website
10.0	Publicize our disaster philanthropy efforts to employees only
4.0	Hold a press conference or other forms of publicity on traditional media
2.0	Others

N=39

Source: The Conference Board, 2019.

From Disaster Relief to Disaster Preparedness

Due to its highly public nature, disaster relief is often considered the number one priority for companies in terms of disaster philanthropy. Indeed, nearly 70 percent of companies ranked it as such in our survey. Helping get communities back on their feet is, of course, critical.

However, relief is just one of the stages that organizations need to engage in to reduce the overall impact of a disaster and to help communities fully recover.

Council members said they are looking to do more with their disaster philanthropy than simply support relief. Although short-term recovery and long-term reconstruction and development are crucial, many organizations that are deeply familiar with disaster philanthropy—for example, the Center for Disaster Philanthropy and GlobalGiving—advocate for a less reactive, more strategic approach to focus on the entire life cycle of a disaster.

Disaster Philanthropy

Stages

Companies rank the four stages of disaster philanthropy

- 1 Relief (immediate assistance to affected individuals)
- 2 Short-term recovery
- 3 Long-term reconstruction and rebuilding
- 4 Preparedness

(N=39)

The Center for Disaster Philanthropy suggests that companies start with these three steps:⁹

- 1 **Plan ahead** Set aside money now for planning and recovery, as well as immediate relief.
- 2 **Think holistically** How can your employees and skill sets—as well as cash and products—make a difference?
- 3 **Support prevention and mitigation efforts** Just reacting isn't sustainable. Our future will require creative thinking about prevention, mitigation, and adaptability.

Preparedness, Resilience, and Readiness

Disaster preparedness refers to the range of activities that can help vulnerable communities reduce the impact of a disaster, improve the response in the aftermath, and speed up the recovery effort. Increasingly, this refers to helping build resilient communities, systems, and infrastructure to help vulnerable people and communities cope with disasters. “Every dollar invested in preparedness saves us in relief,” the American Red Cross’s McGovern told members at the joint Council meeting. This fact is supported by data from the United Nations that shows that an annual investment of \$6 billion in appropriate disaster risk management strategies could generate risk reduction benefits worth \$360 billion.¹⁰

⁹ Ottenhoff, “Transforming Disaster Impact through Strategic Response.”

¹⁰ *Making Development Sustainable*.

Yet, as GlobalGiving’s Marlena Hartz notes, “across sectors, there is relatively little attention paid to [proactive strategies such as disaster-resilient infrastructure, early warning systems, and risk mapping], which leaves poor communities without recourse when disaster inevitably strikes.” Globally, more than five times as much is spent on disaster response versus reduction.¹¹

While companies consider disaster preparedness to be the lowest priority among the four stages of disaster philanthropy, they do not eschew it altogether: only 2 percent of companies do not participate in disaster preparedness at all. Examples of this preparedness include identifying local food banks in vulnerable communities and building relationships with them so that product donations can be made quickly and successfully when a disaster strikes. Johnson & Johnson works with nonprofits Heart to Heart International, Americares, and MAP to stockpile hygiene kits so they’re ready to distribute within 24 hours of a disaster.

These activities align with the recommendations of experts. Hartz says: “To make their communities of operation more resilient in an ever-perilous era of intensifying disasters, companies should seek partners and mechanisms that allow them to overcome the toughest barriers to effective disaster philanthropy, including heightened risk of fraud, complex regulatory issues, and rising distrust of traditional institutions.”¹²

Table 2

Nearly half of companies prepare for disaster with the help of strategic partnerships

On which of the following activities has your company been focusing in its disaster preparedness activities?

27.5%	Building partnerships with local nonprofits in vulnerable communities
22.0	Building strategic partnerships with international nonprofit organizations or peer companies to target vulnerable communities
15.4	Investing in capacity building of local nonprofits in vulnerable communities
9.9	Studying trends in climate change to understand vulnerabilities
5.5	Helping to increase the trustworthiness of traditional institutions
4.4	Moving business operations away from vulnerable communities
2.2	Eradicating fraud in vulnerable communities
1.1	Helping to eliminate complex regulatory issues in vulnerable communities
9.9	Others
2.2	We do not participate in disaster preparedness

N=39

Source: The Conference Board, 2019.

¹¹ Hartz, “The Future of Disaster Philanthropy.”

¹² Hartz, “The Future of Disaster Philanthropy.”

Linking disaster philanthropy to business strategy

In light of the lessons learned from previous disasters such as Hurricane Katrina in 2005, companies are retooling their disaster philanthropy strategies. They're assessing their businesses to understand how they can use their resources most effectively, while also linking their disaster philanthropy approaches to broader business strategies or responses to CSR issues. For example, some companies have recognized the connection between climate change and disasters and have linked their disaster philanthropy strategies with their sustainability strategies, allowing them to unlock more resources (including employees) to focus on areas like disaster preparedness.

Preparing supply chains

Disaster preparedness means, among other things, helping to improve the capacity of other organizations, including nonprofits and small businesses. Working within their own supply chain is an opportunity for companies to both serve the community and to mitigate risks. As the aftermath of the 2011 earthquake and tsunami in Japan demonstrated on a large scale, a disaster that affects suppliers in one area can be hugely disruptive to business in another. The country is a vital supplier of parts and equipment for industries such as computers, electronics, and automobiles, so when the disaster struck and multiple suppliers were shut down for days—some, even, forever—a major disruption to the global supply chain ensued.¹³

Short-Term Recovery Efforts after Disaster Relief

Once critical services have been restored and lives are no longer in jeopardy, efforts to get communities functioning normally again—to restore nonessential services, such as helping small businesses to get back up and running—can begin. After immediate relief, short-term recovery is the second priority for most companies in terms of their disaster philanthropy. The Centers for Disease Control and Prevention suggests that within two months of a disaster, two-thirds of private giving is complete; within six months, all giving stops, indicating the importance of short-term recovery in the disaster continuum.¹⁴

Some companies, such as IBM, use their skills to work closely with small businesses during this period. For example, IBM partnered with the US Chamber of Commerce Foundation in the wake of Hurricanes Harvey and Irma to offer recovery support to small businesses in affected areas. The services are available at no charge, through a grant from IBM.¹⁵

13 Steve Lohr, "[Stress Test for the Global Supply Chain](#)," *New York Times*, March 19, 2011.

14 Ottenhoff, "Transforming Disaster Impact through Strategic Response."

15 Marc DeCoursey, "[The Chamber Foundation Partners with IBM to Support Businesses Impacted by Disasters](#)," US Chamber of Commerce Foundation, April 30, 2018

Long-Term Rebuilding

Companies admit that rebuilding for the long term is complicated, confusing, and expensive. The goal is often to rebuild a community to surpass its former strength, particularly when it is likely to continue to experience disasters due to intensifying climate change. Helping small businesses get back on their feet could translate in the long term to helping them be better prepared for future disasters, so recovery is quicker. But since the relief phase gets far more attention and therefore many more contributions, finding the funding for long-term recovery can be difficult.

SBP: Long-term investment is the key to successful disaster philanthropy

In 2005, Hurricane Katrina became a watershed moment in modern-day disaster recovery. While the devastating effects of this historic event will not soon be forgotten, there is hope in knowing that every disaster recovery since 2005 has stood on the shoulders of hard lessons learned from Katrina.

SBP (originally called the Saint Bernard Project) has been at the forefront of the long-term reconstruction effort in New Orleans. SBP began as a volunteer-led rebuilding organization. In the first year of its existence, while the recovery decision-makers were still formulating a plan, SBP rebuilt homes for 82 families in the New Orleans area. This momentum caught the attention of socially engaged companies like KPMG, UPS, Toyota, and Walmart Foundation, which invested financial and human capital to help rebuild homes and drive tangible human impact, while also helping to build a strong foundation for SBP's eventual national work—increasing resilience before and streamlining recovery after disaster.



Source: SBPUSA.org

Early and enduring investment by SBP's corporate partners has allowed SBP to plant deep roots in the community. Nearly 13 years later, stories of recovery and rebuilding have long disappeared from headlines, but there is still work to be done in New Orleans. Many believe that the aftermath of a disaster is measured in months, but SBP's partners have a long-term view of recovery and what it takes to return communities back to where they were before Katrina. To date, SBP has provided nearly 1,300 New Orleanians a predictable path to recovery by rebuilding more than 700 homes.

The organization has also broadened its scope to build new, affordable homes for first-time homebuyers and renters as part of its Opportunity Housing Program. Today, SBP's New Orleans operation builds 50 houses a year, hosts thousands of volunteers and serves as the hub for innovation, taking lessons learned from the past to build better strategies for future disaster recoveries.

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Corporate partnerships KPMG has been a valued partner of SBP from the very earliest days. Team members made more than 15 volunteer trips to New Orleans and have since worked with SBP in many other locations. KPMG also introduced SBP to performance management and the [balanced scorecard](#) approach. The firm's support of and belief in SBP's work helped develop additional corporate partners. As important, KPMG has been a tireless advocate for a robust and complete recovery in the area.

"When Katrina hit, The Conference Board Contributions Council [now Corporate Social Responsibility Council] responded with a convening in New Orleans to help members get a firsthand look at the devastation and to meet with resident leaders, heads of nonprofit organizations, as well as government officials," said Bernie Milano, President of the KPMG Foundation. "KPMG had an existing relationship with SBP through the recommendations of local firm leaders. The meeting reinforced the value of our partnership. As a result, we have been remained involved in a meaningful way in the long-term reconstruction of New Orleans for over a decade."

UPS has been a valued partner since SBP's inception, providing leadership and guidance at the board level, critical capital investment following disaster, ongoing volunteer support and in-kind donations, and improved logistics and inventory tracking processes. UPS's commitment to long-term recovery is also evident in one of SBP's newest initiatives—building prefabricated panels for new homes. Volunteers from around the country can build panels in one location that are then made available for homes elsewhere through the UPS network.

Toyota's foundation president became aware of SBP in 2010, just as the organization had plateaued with the number of homes rebuilt in a year. Toyota decided the most impactful way to support SBP was not only with dollars, but also with *sense*. Over the course of nine months, Toyota's process improvement specialists worked with SBP to improve its culture and to embrace continuous improvement. The result was a 48 percent reduction in construction time, and a business approach with tangible, trackable results that continues to help more families move home, with greater predictability. In addition to Toyota's investment in training SBP staff, the company also supports the AmeriCorps program and matches every dollar of employee giving to SBP's long-term recovery effort, further demonstrating Toyota's belief in and commitment to long-term recovery efforts.

Mike Goss, General Manager, Social Innovation at Toyota Motor North America, said:

Collaborating and sharing know-how with others is the basis of our culture at Toyota and the key to long-term recovery and getting those affected by natural disaster home faster. I've seen SBP embrace these ideas to improve their processes and take them full circle, training other disaster recovery nonprofit organizations. A by-product is an increase in SBP's ability to focus on all elements critical to long-term recovery—preparing home and business owners through resilience training, advising municipal and state officials, and advocating for policy changes and improvements to the disaster recovery industry. Together these elements mean greater impact in the often-overwhelming aftermath of disaster.

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Walmart Foundation is a long-time supporter of SBP's post-disaster recovery work and disaster preparedness education. Walmart's support helps provide resilience and risk mitigation training to thousands of homeowners each year. SBP measures the impact of the program by assessing whether people have changed their behavior in three ways:

- 1 Do they procure the correct insurance coverage?
- 2 Do they make risk-mitigating changes to building structures?
- 3 Do they prepare documents in a FEMA-compliant manner?

Walmart Foundation invests in post-disaster education (via social media campaigns, PSAs, and in-person trainings) to ensure that affected homeowners avoid common pitfalls of recovery.

The national impact of the Katrina recovery would not have been possible without early and enduring endorsement from companies like these, which realized and appreciated SBP's innovative approach to long-term disaster recovery. These companies and their employees have been able to track real human impact over the many years. They see families moving home and ongoing recovery work occurring a decade after a disaster strikes.

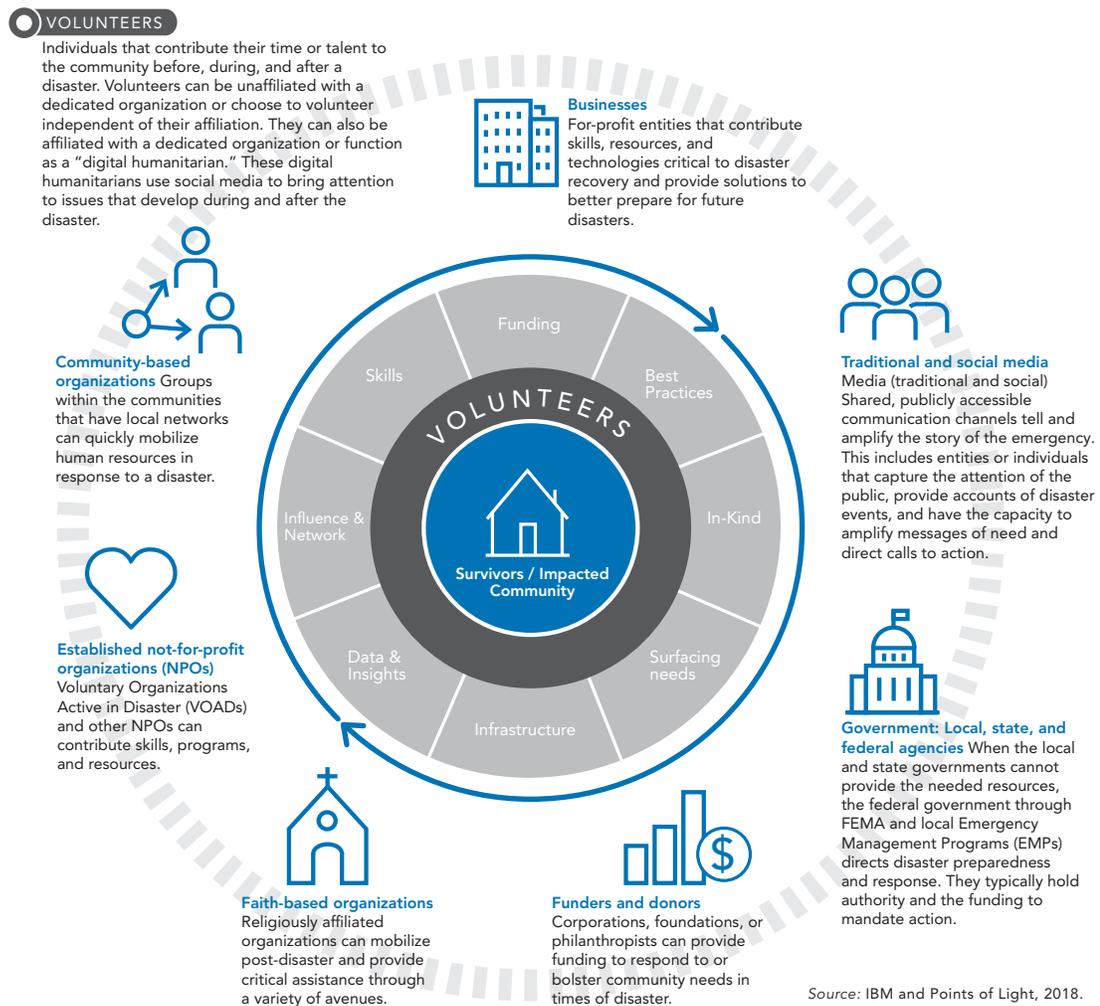
Following the lessons learned in the aftermath of Katrina, SBP has been, or is part of, the long-term recovery process in the following communities:

- Baton Rouge, LA
- Columbia, SC
- Rockaway, NY
- Monmouth County and Ocean County, NJ
- San Marcos and Houston, TX
- Puerto Rico
- Joplin, MO
- White Sulphur Springs, WV

Understanding the Disaster Philanthropy Ecosystem

Disaster philanthropy is more than an individual company’s response to an individual catastrophe; it is part of an ecosystem of aid. Each organism, or organization in the ecosystem, serves a different purpose and must work with the others to better identify gaps and ultimately become more effective. Moreover, many different types of ecosystems exist. Understanding all participants and their relationship is no mean feat, but companies need to first assess the role they can play in all phases of the disaster philanthropy spectrum. There has been little work to try to understand the current state of the disaster philanthropy ecosystem. However, in a 2018 white paper, IBM and Points of Light made an effort to understand the ecosystem of volunteers in the disaster space, depicted below.¹⁶

Disaster Volunteer Ecosystem



16 Diane Melley and Natalye Paquin, *Leading in Times of Need: Disaster Volunteering in the Modern Era*, IBM and Points of Light, 2018.

Although this work focuses on volunteers—considered by many companies as their best resource in disaster philanthropy—it captures the different sectors and organizations that participate in the four stages of disaster philanthropy beyond volunteering.

The Role of Academia

Conspicuously missing from the volunteer ecosystem is academia. Academic research helps assess the vulnerabilities of communities in the disaster preparedness phase, while also researching impact and effectiveness of relief and reconstruction work. For example, Council members heard from representatives of the University of Puerto Rico and the University of Georgia who have conducted research into a number of different social areas in Puerto Rico before and after Hurricanes Irma and Maria in 2017, including:

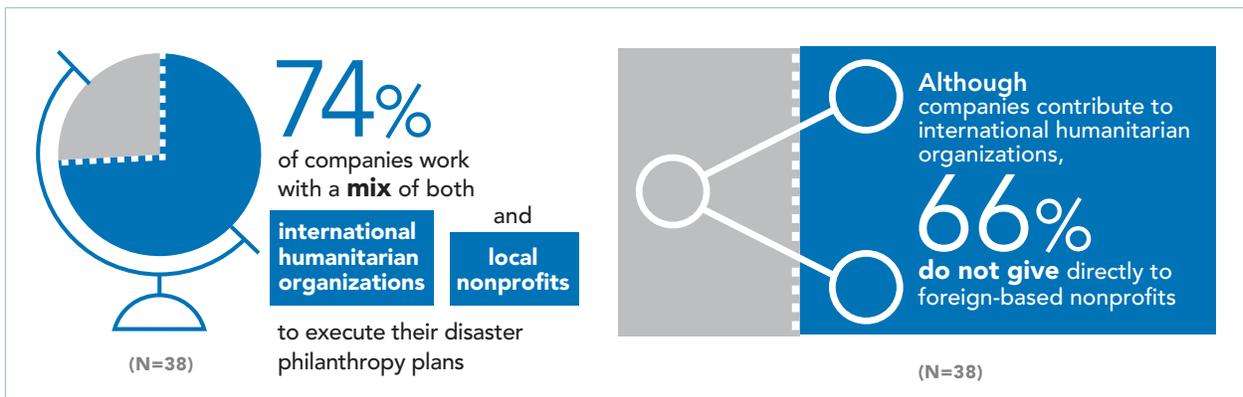
- Contaminant threats
- Early childhood exposure to contaminants and development
- Zika in pregnancy and infancy
- Environmental influences on child health outcomes

As outlined in IBM and Points of Light’s white paper, deploying resources is most effective when “community needs are identified and assessed collectively, so that volunteers can be recruited based on relevant criteria... and deployed in a prioritized and synchronized fashion.”¹⁷

The Corporate Role in a Disaster Philanthropy Ecosystem

With such a vast breadth of resources and expertise, the role that individual companies play in the disaster ecosystem depends on several factors, including:

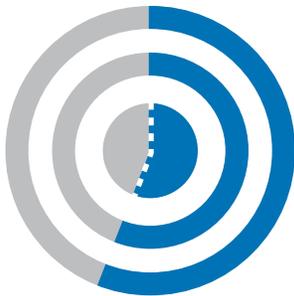
- Industry (and related products and expertise)
- Location of headquarters and other operations
- Size (revenue and employee numbers)



¹⁷ Melley and Paquin, *Leading in Times of Need*.

Companies need to assess each of these factors in the context of the relevant ecosystem and contribute resources where they can add the most value, complementing other parties that do important work in the sector while not overwhelming or controlling efforts. Given the number of disasters hitting communities, companies also need to consider what their brands stand for and the issues that matter to them in order to establish priorities and help them decide which types of disaster they will respond to.

Although government and nonprofit involvement in disaster preparedness, relief, and reconstruction is imperative, the private sector brings several advantages that make it an important component of the ecosystem. Specifically, companies can be nimble in their



57%
of companies contribute cash directly **toward a specific disaster** rather than building nonprofit capacity, signaling their focus on **relief rather than preparedness**
(N=30)

response, enabling them to get resources to people quickly, like loans to small businesses or volunteers where they're needed. Companies are not constrained by whether individuals meet eligibility requirements for government disaster aid, a challenge faced by the Federal Emergency Management Agency (FEMA), and they don't need to respond to the demands of many donors, individual or organizational, as organizations like the American Red Cross do.

And although local governments are a key link in disaster philanthropy, with advanced knowledge of a range of local factors, they have limited capacity and can slow the passage of resources or decisions. Moreover, most municipal governments don't have experience with disasters, so they often don't know what help to ask for—some Council members cited situations when they have asked local governments what help they needed and received no response. This is not to say that companies do not face their own challenges, but their resources and freedom to work with fewer restrictions often make it easier to get help to affected communities quicker.

Table 3

The Red Cross was the most frequently cited corporate partner

Which of the following international humanitarian organizations does your company partner with?

17.7%	American Red Cross	4.8	Team Rubicon	1.4	Oxfam International
12.2	International Federation of Red Cross and Red Crescent Societies (IFRC)	4.8	United Nations agency (UNICEF, UN Development Program, World Food Program)	0.7	US Agency for International Development (USAID)
9.5	Save the Children	4.1	Doctors Without Borders	0.0	Action Against Hunger
8.2	Feeding America	4.1	Points of Light	0.0	Refugees International
5.4	CARE	4.1	Salvation Army	9.5	Others
4.8	International Rescue Committee	2.7	World Vision International		
4.8	Mercy Corps	1.4	All Hands		

N=31
Source: The Conference Board, 2019.

Table 4

Companies often prefer to use local expertise to identify and research the most effective organizations to handle relief

How does your company select the local nonprofit organizations with which to establish the one-time collaborations that may be needed to execute its disaster philanthropy plans?

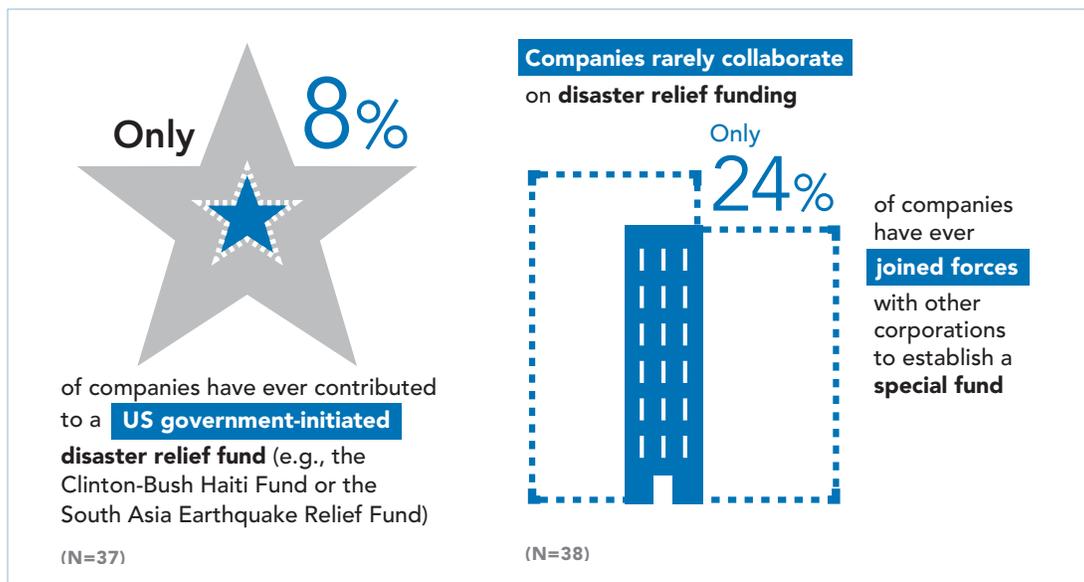
31.4%	The company uses its existing business network in the area (e.g., divisional executives, suppliers, business partners)
20.9	The company assigns to one or more employees the task of researching local nonprofit organizations and their track record of social impact
12.8	The company seeks direction from local governments and public authorities
11.6	The company seeks direction from local community foundations
4.7	The company avails itself of the business/NGO coordination service by the Corporate Citizenship Center at the US Chamber of Commerce
3.5	The company uses a matchmaking service (e.g., GlobalGiving, TechSoup, Classy.org, Pyxera)
1.2	The company seeks direction from the US government
0.0	The company engages an outside advisor
14.0	Others

N=38

Source: The Conference Board, 2019.

Partnerships and collaboration

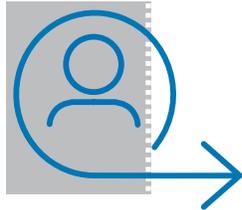
Companies have a long history of working with a range of nonprofits, particularly large international humanitarian organizations, such as the International Federation of the Red Cross, that bring extensive resources and expertise to disaster philanthropy. However, the importance of local nonprofits to disaster philanthropy shouldn't be overlooked; knowledge of local conditions, institutions, and politics is important to complement the larger operations of international organizations. Most companies in our survey indicate they understand this reality.



When and How Companies Get Involved in Specific Disasters

The decision to become involved once a disaster strikes can depend on a number of factors. Nearly all council members have in place a disaster response protocol, which helps company and foundation leaders understand whether to engage in disaster response. These protocols help companies take a principle-based approach for evaluating disaster philanthropy and activating predefined response levels so the company can act fast and calibrate its responses effectively.

95%
of companies have a **general response protocol** they use to **determine their involvement** in disaster relief
(N=43)



Examples of Disaster Response Protocols

Microsoft Disaster Response Protocol
Response Level

When an event takes place, it is to be evaluated based on two criteria:		Response levels
Severity – the overall impact the event has had on the population and how many have been affected	Relevancy – Microsoft’s ability to positively impact the response and its overall relationship to the event	<ul style="list-style-type: none"> ■ Maximum response Corporate-led in the collaboration with subs ■ Major response Corp engages proactively or in support of subs ■ Regional response Predominantly via subs with light corporate support ■ Local response Corporate provides subs guidance, not resources

This evaluation takes place by the Humanitarian v-team and determines the scope of activities which will be supported.

Source: Microsoft, 2019.

Since Microsoft created its Disaster Response Protocol in July 2016, it has had two emergencies requiring a “maximum response”—the 2017 East Africa hunger response and Hurricane Maria.

Examples of past mobilizations of the protocol include:

Cyclone Idai In March 2019, the largest cyclone to ever strike Africa caused widespread damage in Mozambique, Zimbabwe, and Malawi. Microsoft provided cash grants to response organizations, mobilized employee awareness and giving opportunities, and continues to provide technical services and technology to the government of Mozambique to assist in their response efforts. This event was categorized as a “major” event.

Hurricane Michael In October 2018, Hurricane Michael struck the eastern seaboard of the US. Microsoft categorized it as a “major” event, providing cash grants, employee awareness and giving matching, technology grants to responding nonprofits (in this case in the form of laptops), and three service disaster response missions.

Drivers of Corporate Disaster Philanthropy



Table 6

Having a business presence in an area affected by a disaster is the primary factor that influences most companies to become involved in the relief effort; the safety of employees is likely a pivotal reason for the choice

Which of the following measures of magnitude of a disaster does your company value the most in its decision on whether to become involved after a disaster hits?

59.0%	Whether the company has a business presence in the geographic area affected by the disaster
20.5	The human toll of the disaster (e.g., fatalities, number of people displaced, etc.)
10.3	The economic impact of the disaster
7.7	The existing economic conditions and fragility of the geographic area affected by the disaster
2.6	The involvement of peer companies

N=39

Source: The Conference Board, 2019.

Table 5

Anonymized Corporate Responsibility Playbook for Natural Disaster Response CAT Name (Date)

Company CR aligns philanthropic support with CAT Ops activation and based on the Event Severity Scale^a and includes humanitarian considerations

	Scale 1 Extreme and close proximity to company location and significant employee presence	Scale 2 Moderate and close proximity to company location and significant employee presence	Scale 3^b Minor
Philanthropic Investments CR Team Lead: Resource name Backup: Resource name	Contribution up to \$1 million to meet additional needs of national, local, and military nonprofit alliances focused on disaster relief and recovery efforts. Grants will be by invitation only. Grant process will be expedited; three-day SLO from the date the organization submits their grant.	Contribution of up to \$250,000 to meet additional needs of national, local, and military nonprofit alliances focused on disaster relief and recovery efforts. Grants will be by invitation only. Grant process will be expedited; three-day SLO from the date the organization submits their grant.	No additional philanthropic support beyond company's annual giving to signature national disaster alliances to support relief efforts.
Employee, Retiree, and Customer Giving CR Team Lead: Resource name Backup: Resource name	Establish and promote matching opportunities for employees and retirees to designated nonprofit alliances supporting relief and recovery efforts, subject to \$1,000 annual individual match cap. Set up customer giving opportunity.	Establish and promote giving opportunity for employees, retirees and Customers to support disaster response alliances supporting relief and recovery efforts; do not provide matching.	Establish and promote giving opportunity for employees and retirees to support disaster response alliances supporting relief and recovery efforts as appropriate; do not provide matching.
Employee, Retiree, and Customer Volunteerism CR Team Lead: Resource name Backup: Resource name	Create relevant volunteer opportunities for employees and retirees with disaster response alliances based on need. Opportunities can also be posted for organizations who are not active alliance. Offer customer volunteer opportunities with active alliances.	Create relevant volunteer opportunities for employees and retirees with disaster response alliances based on need. Opportunities can also be posted for organizations who are not active alliance.	No unique volunteer opportunities; highlight relevant volunteer options for employees and retirees.
Local Civic Leadership and Convening CR Team Lead: Resource name Backup: Resource name	Coordinate with local public officials to convene local companies to coordinate charitable giving for relief and rebuilding efforts; engage in communications about business community response.	Proactively participate in public communication about business community.	Engage in public communications on ad hoc basis as opportunities arise.

(table continues on next page)

a Event Severity Scale is determined by company Enterprise Catastrophe team.

b High-severity U.S. catastrophes not meeting Scale 1–2 criteria treated as Scale 3 for humanitarian response

Table 5 (continued)

Anonymized Corporate Responsibility Playbook for Natural Disaster Response CAT Name (Date)

	Scale 1	Scale 2	Scale 3
<p>Company Campus Coordination</p> <p>CR Team Lead: Resource name</p> <p>Backup: Resource name</p>	<p>Coordinate with regional leader to include national and local nonprofit organizations and philanthropic contributions focused on local needs.</p> <p>When campus location impacted, activate employee volunteer support to help employees in impacted offices.</p>	<p>Coordinate with regional leader on opportunities to include philanthropic contributions to local nonprofits as needed.</p> <p>When campus location impacted, activate employee volunteer support to help employees in impacted offices.</p>	<p>Communicate with regional leaders to validate limited response to Scale 3.</p>
<p>Site Visits</p> <p>CR Team Lead: Resource name</p> <p>Backup: Resource name</p>	<p>CR will explore “boots on the ground” opportunities with nonprofit alliances in impacted areas as appropriate to learn nuances associated with each disaster and maximize opportunities for company to contribute to long-term recovery efforts.</p>	<p>CR will explore “boots on the ground” opportunities with nonprofit alliances in impacted areas as appropriate.</p>	<p>None.</p>
<p>Company Communication Integration</p> <p>CR Team Lead: Resource name</p> <p>Backup: Resource name</p>	<p>CR will partner with Command Center, CAT Ops, CAT Enterprise Experience, Communications and Marketing teams to fully integrate company’s philanthropic response into the enterprise narrative and across all paid, earned, shared, and owned channels. Explore viability of CR-themed television ads for extreme catastrophes.</p>	<p>CR will partner Command Center, CAT Ops, CAT Enterprise Experience, Communications and Marketing teams to fully integrate company’s philanthropic response into the enterprise narrative as appropriate.</p>	<p>CR will partner with Command Center, CAT Ops, CAT Enterprise Experience, Communications and Marketing teams to fully integrate company’s philanthropic response into the enterprise narrative as appropriate.</p>
<p>Promoting Non-profit Resources</p> <p>CR Team Lead: Resource name</p> <p>Backup: Resource name</p>	<p>CR will provide advice and guidance to company corporate communications to promote nonprofit resources that support the impacted military and local community.</p>	<p>CR will provide advice and guidance to company corporate communications to promote nonprofit resources that support the impacted military and local community.</p>	<p>CR will provide advice and guidance to company corporate communications to promote nonprofit resources that support the impacted military and local community.</p>
<p>CAT Agile Integration</p> <p>CR Team Lead: Resource name</p> <p>Backup: Resource name</p>	<p>CR will integrate with Enterprise CAT Experience in agile CAT planning and response; project management of our work within CR.</p>	<p>CR will integrate with Enterprise CAT Experience in agile CAT planning and response; project management of our work within CR.</p>	<p>Business as usual.</p>

Source: US-based financial services company, 2019.

Funding Disaster Relief

Both the Red Cross’s McGovern and Points of Light’s Jenny Lawson noted that the greatest need in the disaster philanthropy space is unrestricted dollars—money given to organizations to do with as they see fit. These types of donations show organizations can be trusted and help them build capacity to continue to operate and to focus on disaster preparedness.

Table 7

Companies rank the top five factors that affect how much cash they decide to contribute to a certain disaster philanthropy program

Rank

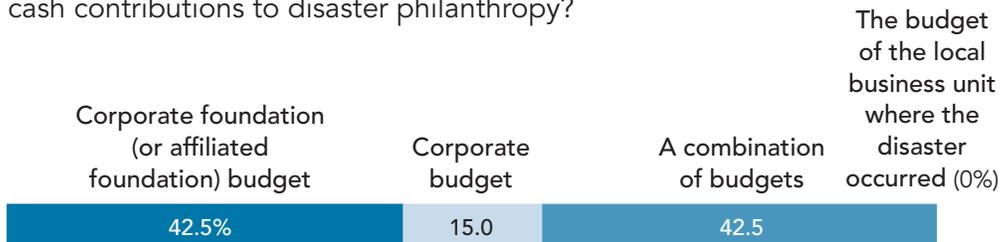
1	The recommendation made by business units close to the affected geographic area
2	The corporate foundation’s resources
3	The number of other disasters occurred in the same fiscal year
4	The contribution made by peer companies
5	The amount collectively given by employees

N=38

Source: The Conference Board, 2019.

Companies use a mix of budgetary sources to fund disaster philanthropy

What budgetary sources does your company typically use for cash contributions to disaster philanthropy?



N=40

Source: The Conference Board, 2019.

Employee assistance funding

Not only are employees important to a company's disaster response, but in the relief stage they're also a primary concern. Ensuring the safety and return to productivity of employees means getting company operations back up and running. Often, existing employee assistance funds—funds that comprise donations from employees throughout the year for use by colleagues facing hardship—are put to use during disaster relief, as people make a concerted effort to support their colleagues. More than half of Council members have an employee assistance fund that is made available to employees affected by disasters.

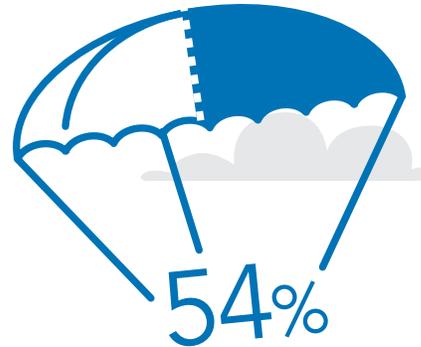


54% of companies

have never raised money

from employees for colleagues and their families **affected by disasters**

(N=37)

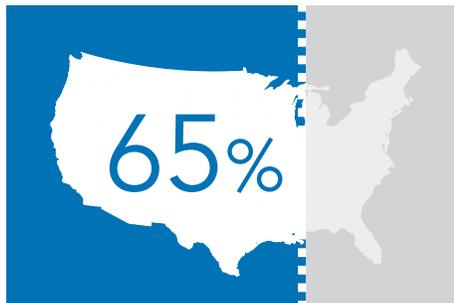


54%

of companies have a **fund to assist employees and their families** in the wake of a disaster

(N=37)

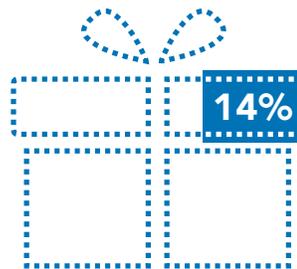
Of the companies that offer **employee assistance funds,**



make funds available only to their **US employees**

(N=20)

Few companies



14%

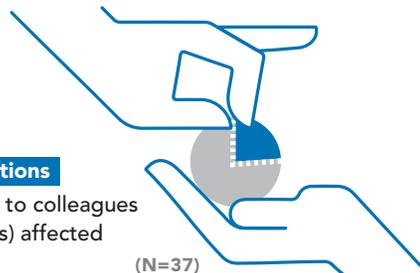
have a policy that allows employees to **donate unused benefits to colleagues affected by disaster**

(N=36)

Only **24%** of companies

match the donations

employees make to colleagues (and their families) affected by disasters



(N=37)

AT&T establishes public charity to manage employee assistance fund

On Christmas Day in 2015, severe tornados ripped through North Dallas, affecting many AT&T employees and their families. Due to IRS rules, the AT&T Foundation Employee Disaster Relief Fund (“EDRF”) could only be made available to US-based employees for qualified disasters, which generally occur when FEMA declares an area eligible for individual assistance. FEMA did not declare, preventing the release of EDRF funds to affected employees. This event prompted AT&T to find a solution that would allow grants to all employees affected by disaster-related hardships, which led to the founding of the AT&T Employee Relief Fund, a 501(c)(3) public charity registered in Texas in 2017. While many companies use external vendors, such as E4ERelief or Emergency Assistance Foundation, to manage employee assistance funds, AT&T manages the charity itself with employee volunteers, three employees dedicated to program management, and a separate board of directors made up of leaders across the business.

In 2018, the AT&T Employee Relief Fund expanded the program to support employees on a global scale, another benefit to establishing the public charity. Domestic grant payments are made to beneficiaries through internal payroll direct deposit, and international grant payments are made through Charities Aid Foundation of America (CAFA) which, among other things, performs required compliance checks and distributes grant funds in local currency to international employees located throughout 65 countries. The AT&T Employee Relief Fund provides up to \$3,000 for short-term disaster grants. Long-term grants, averaging \$15,000, are made to employees who experience a total loss of their home to help with the significant costs of rebuilding.

AT&T’s Employee Relief Fund is the most popular nonprofit among its employees in terms of tax-deductible donations, and the AT&T Foundation board approved a permanent one-to-one match from employee donations. AT&T says its next goal is to expand the program to cover personal hardships, as well as offering financial counseling services to grantees.

Contributing beyond Cash

Companies' resources extend beyond cash and can include providing products to restock local stores. Experts recommended making a list of products that can be supplied so communities can request what they need, rather than accepting product donations from employees, to avoid expending resources on sorting unnecessary goods.

Table 8

Employees help companies respond to disasters through volunteering and personal donations, but experts advise against product donations from employees

Aside from a direct cash donation, which contribution types has your company previously offered as part of its disaster philanthropy plans?

25.6%	Employee giving matching program
24.8	Hands-on employee volunteering
18.6	In-kind donation of company's products and services (incl. fee waivers)
12.4	Skill-based employee volunteering and staff-exchange programs
5.4	Gratuitous license to use company's know-how or other intellectual property
3.9	Gratuitous license to use company's plants or facilities
2.3	Customer giving matching program
0.8	Gratuitous license to use company's equipment
0.0	Corporate tax prepayments to local government
6.2	Others

N=38

Source: The Conference Board, 2019.

Employee volunteering

Employees are a hugely influential constituent in corporate disaster philanthropy because they provide significant resources through their own funding and volunteering. They can be incredibly vocal in their demands for their employer to respond to disasters, which can be a double-edged sword: on one hand, they can encourage a company to take action; on the other, employees don't necessarily understand the complexity of the ecosystem and the needs of organizations responding to all four stages of a disaster.

When a disaster strikes, the enthusiasm from employees to get involved can be overwhelming, but experts speaking to the joint Council meeting noted that immediate volunteering is not necessarily useful in disaster relief; it can be difficult for companies to know where volunteers are most needed in the wake of a disaster.

Companies can do three things to help make volunteering more impactful:

- 1 Encourage employees to engage with the preparedness and long-term reconstruction phases of disaster philanthropy;
- 2 Develop a playbook to help employees tap into the disaster philanthropy ecosystem so they can contribute in meaningful ways or engage with their company in an appropriate response; and
- 3 Share data about volunteers more readily among each other to help match volunteers with the opportunities that are needed.

Medical device manufacturer Medtronic noted that following Hurricanes Irma and Maria, it received an onslaught of employees that wanted to rush to Puerto Rico to help, so much so that the company had to put an embargo on employees using their paid volunteer time for this purpose because the help was not getting to where it was needed. This embargo gave the Medtronic Foundation a chance to engage with other organizations, in this case All Hearts All Hands, to figure out where these extra hands could be useful.

About the Author

Alex Parkinson is Principal of Parky Communications, a communications agency specializing in sustainability and CSR reporting and communications. He serves as a Senior Researcher at The Conference Board, specializing in corporate citizenship & philanthropy and corporate communications. In this role, he is Executive Editor of the organization's corporate citizenship & philanthropy and marketing & communications blogs, as well as the *Giving Thoughts* and *What's Ahead: Marketing and Communications* online publication series. He is the author of more than 10 publications focused on corporate citizenship and corporate communications. Before joining The Conference Board, Alex worked as a senior consultant in London and New York for corporate social responsibility (CSR) communications and reporting agency Context. He has advised some of the world's leading multinationals on CSR communications and strategy development.

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