

A close-up photograph of a hand holding a white daisy flower. The hand is positioned on the left side of the frame, with the thumb and index finger gently gripping the stem of the flower. The flower is in full bloom, with many white petals radiating from a dark brown center. The background is a soft, out-of-focus light beige color. The overall mood is gentle and caring.

2003
Community
Involvement
Survey

of Orange County
Corporations and
Businesses

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Corporate and Business Giving in Orange County

Corporate and business giving is one of the most important ways that Orange County for-profit companies participate actively in the greater Orange County community, ensuring a strong future economy and vibrant quality of life for our diverse population. The 2003 Community Involvement Survey of Orange County Corporations and Businesses is a first step toward documenting the broad scope of their community involvement in Orange County. The study, a collaborative endeavor funded by a consortium of donors and led by a specially formed research team as the steering committee, indicates that no matter the size, corporations and businesses are actively engaged in extensive efforts to give back to the community.



Objectives

The survey was designed to accomplish two primary objectives:

- To provide strategic tools for companies of all sizes and various industries to self-assess and determine future plans for philanthropic activity in Orange County
- To offer a benchmark for the community involvement of local corporations and businesses

Survey Method

Following extensive research and design of a 62-question survey, the Social Science Research Center at California State University, Fullerton began in October 2002 to conduct telephone interviews with participants "familiar with charitable giving or community relations" at 522 randomly selected participating companies, all located in Orange County. Non-profit and public sector agencies and organizations were excluded from the sample. A total of 451 companies reported some kind of community involvement or charitable giving while 71 survey participants said their company did not partake in any form of charitable giving. Survey participants included a sample of corporations and businesses that were representative of the diverse population of companies, large and small, in Orange County. [See Appendix A to learn more about the survey sample.]

Expected Results

The study was created to provide a fact-based informational tool to corporations and businesses about the nature of their present community involvement practices. The report profiles current charitable giving patterns, including priorities, overall and specific levels of support, and documents the extent to which Orange County corporations and businesses donate significant amounts of financial and other resources for the improvement of their communities. This executive summary and the in-depth technical report will share the key survey findings that illustrate the nature and extent of community involvement of Orange County's corporations and businesses and their current support to charitable and educational institutions.

The Next Step

Now that a benchmark has been established, it would be desirable to conduct an expanded study in the future to measure progress and changes. For the immediate future, the survey committee plans to prepare and release supplemental articles over the next several months with additional details taken from the technical report.

THE VALUE OF COMMUNITY INVOLVEMENT

- More than half (50.5%) of the survey respondents rate business charitable giving as Very Important to community life, and another 39.5% rate business giving as Somewhat Important. (Table A)
- The larger the firm, the more likely it is to find the importance of business charitable giving to be higher. The proportion that agree that businesses giving is Very Important or Somewhat Important rises from 82% among businesses with six or fewer employees to 86.7% of businesses with 26 to 50 employees, and to 96.1% of businesses with 251 or more employees.
- Providing volunteers is rated Very Important to community life by 39.5% of the responding businesses, and as Somewhat Important by 49.3%.
- Approximately equal proportions of participating businesses (about 40%) report they Strongly Agree and Somewhat Agree the need for charitable organizations is greater now than five years ago.
- A total of 75.8% of Orange County businesses Strongly Agree or Agree Somewhat that charitable organizations are more effective at providing services than they were five years ago. (Table B)
- The largest proportion of respondents (47.6%) thinks their company's donation is put to appropriate use by charitable organizations. (Table C)
- Most businesses either Strongly Agree (54.6%) or Somewhat Agree (39.7%) that charitable organizations play a major role with regard to making our communities a better place to live. (Table D)

Table A – How Important to Community Life is Business' Charitable Giving?

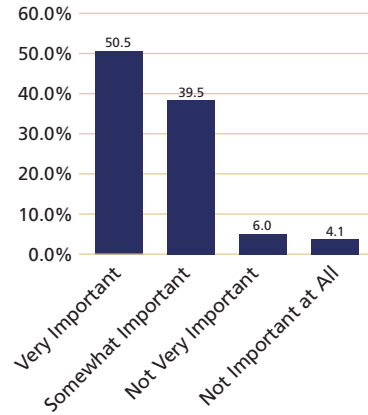


Table B – Charitable Organizations are More Effective at Providing Services Now than Five Years Ago

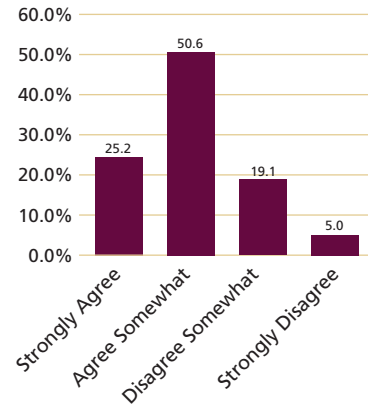


Table D – Charitable Organizations Play a Major Role in Making Communities a Better Place to Live

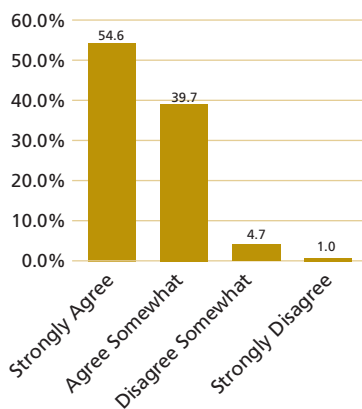
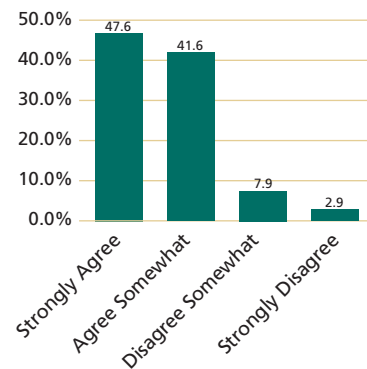


Table C – On the Whole, Our Company Thinks its Donation is Put to Appropriate Use by Charitable Organizations



WHY CORPORATIONS AND BUSINESSES GIVE

- Of the 451 businesses that report supporting or participating in charitable giving or another form of community involvement, 94% provide specific reasons for doing so. The seven most frequent response categories (accounting for about 90% of the responses) are illustrated in Table A.
- The majority of respondents (60.8%) give to 10 or fewer organizations in an average year, 18.3% give to 11 to 40 organizations, 7.1% give to 41 to 80 and 13.8% give to 81 or more organizations.
- In responding to other reasons for giving, companies ranked the following as important: Improving employee morale, general public relations, furthering business goals, and responding to identified needs. (Table B)
- Seventy-one (13.6%) of the interviewed businesses report not taking part in any form of charitable contribution or community involvement.
- The proportion of businesses that do not support any form of charitable giving or community involvement diminishes fairly steadily as business size increases.
- More than one third (36.6%) indicate their company could not afford to give, and 10 respondents (14.1%) felt that giving was the employee's personal decision. (Table C)
- Seven (9.9%) indicate other reasons for not giving, such as "company is in the process of closing down," "company does not wish to discriminate against any particular organization" and "used to give contributions, but then too many organizations started asking for donations."

Table A – Reasons for Giving

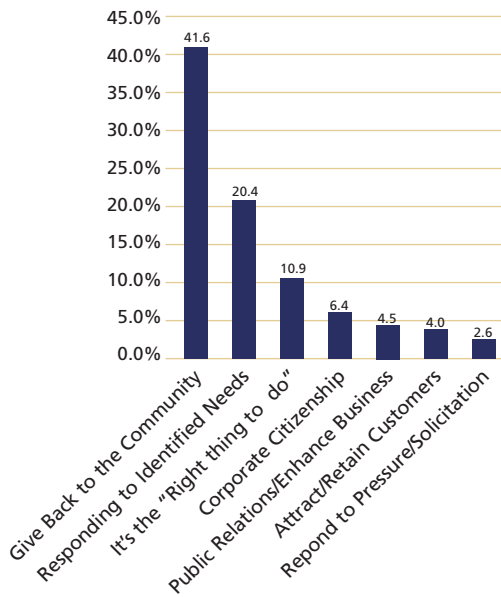


Table C – Reasons for Not Supporting Charitable Causes

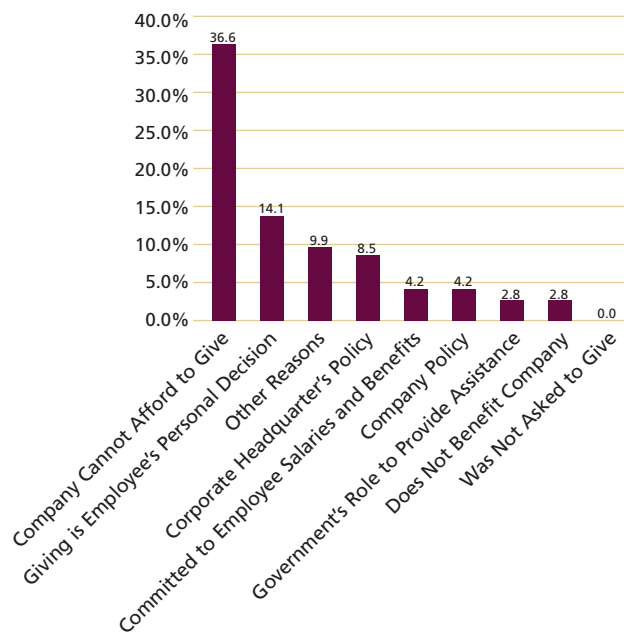
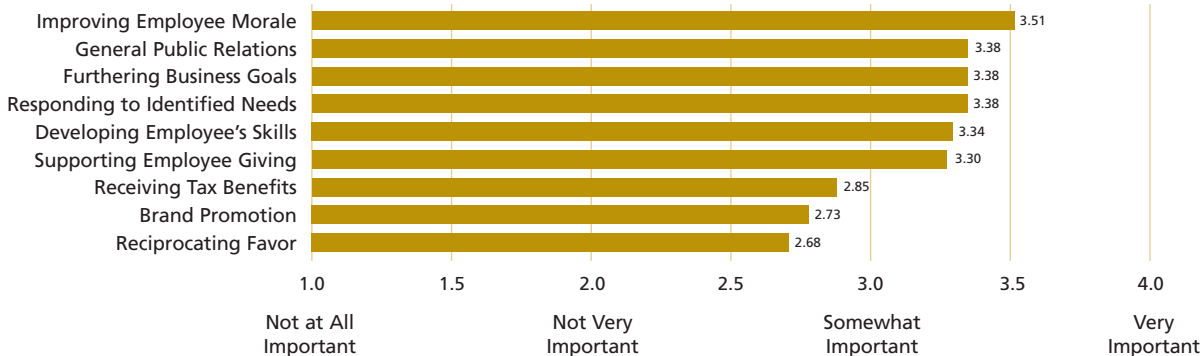


Table B – Mean Rating of Reasons for Contributing to a Charitable or Educational Organization



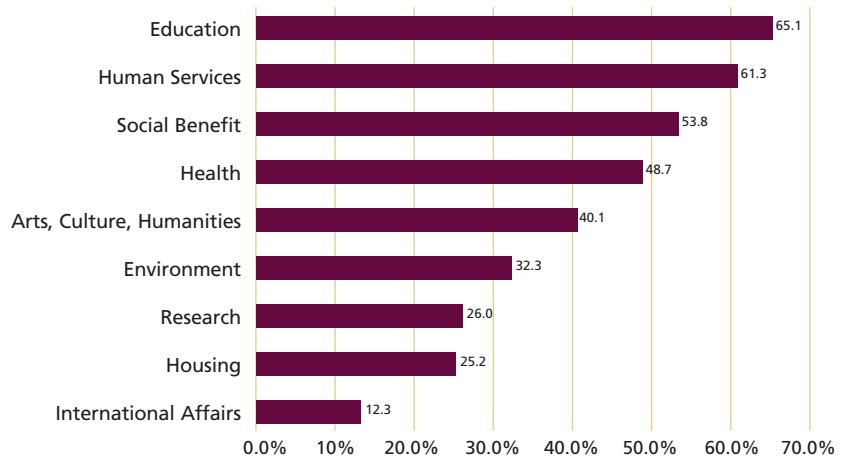
WHO CORPORATIONS AND BUSINESSES GIVE TO

- A total of 196 (43.5%) of the 451 Orange County businesses that participate in some form of charitable giving or community involvement indicate they have a specific charitable focus and a specific charity or type of charity they work with.
- Among businesses that do give, they give primarily to human services organizations. (54.1%) (Table A)
- A total of 65.1% of the business respondents that participate in some form of charitable giving or community involvement gave donations of money, volunteers, or both money and volunteers toward education-related causes. (Table B)
- Although more than half of the businesses donate goods or products, 84.3% of Retail Trade businesses do so.
- Finance insurance and real estate businesses (53.1%), construction (47.8%) and service businesses (43.9%) are much more likely than wholesale trade (10.9%), retail trade (22.5%) and other businesses to provide pro-bono consulting or professional services.
- Construction (17.4%), wholesale trade (17%) and manufacturing (25.3%) businesses are less likely than others (around 40%) to provide space for charitable activities and events.
- Retail Trade businesses (49.5%) are much more likely to participate in sales promotions and cause-related marketing campaigns than other industries.

Table A – Company's Specific Charitable Focus

Type of Charitable Organization	N	Percent
Human Services	106	54.1%
Health	48	24.5%
Education	31	15.8%
Religion Related	12	6.1%
Public, Societal Benefit	12	6.1%
Local/ Community Organizations	11	5.6%
Environment & Animals	11	5.6%
Arts, Culture & Humanities	4	2.0%
International Foreign Affairs	1	0.5%

Table B – “Giving USA” Categories that Received Donations of Money, Volunteers, or Both



HOW CORPORATIONS AND BUSINESSES ARE INVOLVED

- More than three quarters (77.5%) of the randomly selected businesses indicate they contribute cash donations and/or provided an estimate of the total amount of these contributions. (Table A)
- The vast majority (86.4%) of Orange County businesses contribute to their community in one or more ways.
- A total of 345 businesses (66.7%) donate their goods or products.
- As illustrated in Table B, 28.5% of respondents stated that a committee evaluates charitable giving requests.
- A total of 49.3% businesses indicate their employees are allowed time off for community service work.
- About 38% of respondents report their company allowed payroll deductions for approved charitable organizations.
- More than two-thirds (68.2%) of businesses that participate in or support some form of charitable giving prefer to give to particular organizations. (Table C)

- Less than one-third (31.8%) prefer to give through a combined community fund-drive, or to both a fund-drive and to particular organizations.
- Significantly larger proportions of smaller businesses (74.1% businesses with six and fewer employees; 84.2% of seven to 11 employees; 75% of 12 to 25 employees) report they give only to particular organizations as compared to larger corporations.

Table A – Form of Contribution or Community Involvement

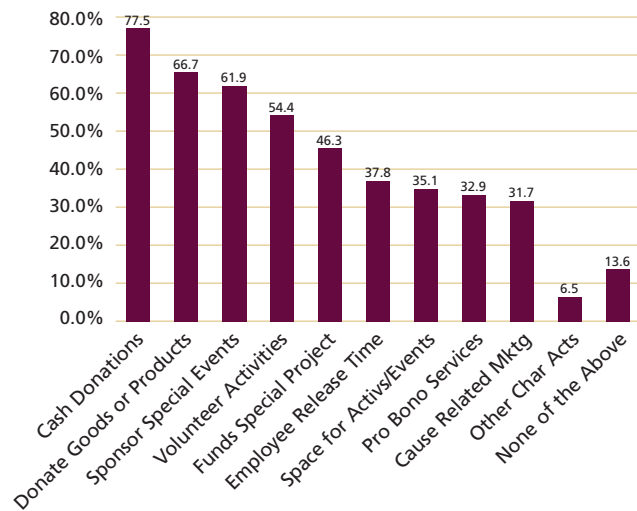


Table B – Process for Making Charitable Giving Decisions for Orange County

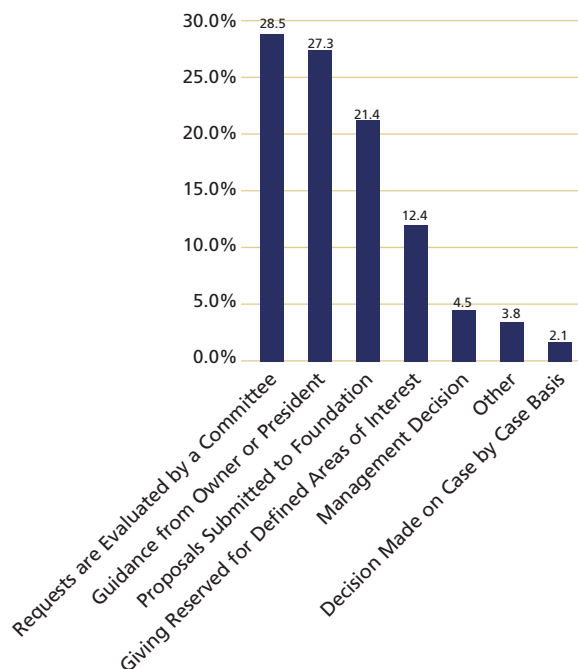
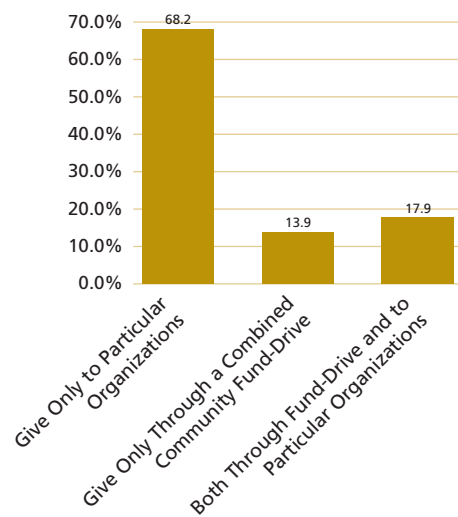


Table C – Company Prefers to Give to...



Appendix A

BUSINESS SAMPLE BY SIZE AND CATEGORY

In an effort to select a highly representative sample of the population of all companies in Orange County, four size strata were arbitrarily developed to sort Orange County corporations and businesses into categories of roughly equal proportion. A database consisting of 30,205 Orange County companies, maintained and provided by Santa Ana Community College, was used to determine the proportions. The four size strata were sorted as follows:

1 to 6 employees, 7 to 11 employees, 12 to 25 employees and 26 or more employees.

Three of the four size strata (corporations or businesses consisting of 25 or fewer employees) comprise nearly three quarters (23,611 companies, or 74.9%) of the total. Because the fourth size stratum was too broad, in that it combines businesses that employ 26 persons with those corporations that employ thousands, a further division of companies in the 26 and above size stratum was computed and is depicted in Exhibit A. A total of seven categories were created.

More than 70 interviews were completed (Exhibit B) in each of the seven categories, resulting in a total survey sample of 522 corporations and businesses. This design was optimal for studying differences in community involvement and charitable giving across each of the seven company size categories.

Following U.S. Department of Labor standards, the 522 businesses fell into 239 separate four-digit Standard Industrial Classification (SIC) codes. These were aggregated into 54, two-digit “major groups,” each containing between one and 41 selected businesses. Note that (Exhibit C) the proportion of businesses selected into the sample does not differ from the proportion of businesses in the population by more than 3.1% in any major SIC group. This sample is highly representative of the population of Orange County businesses.

Exhibit A – Distribution of the Population of Orange County Businesses Across Seven Size Strata

Size Strata	N	Percent of all OC Businesses
1 to 6	6,815	22.6%
7 to 11	7,831	25.9%
12 to 25	7,965	26.4%
26 to 50	3,838	12.7%
51 to 125	2,488	8.2%
126 to 250	817	2.7%
251 and above	451	1.5%
Total	30,205	100.0%

Exhibit B – Distribution of the Orange County Businesses Sample Across Seven Size Strata

Size Strata	N	Percent of all OC Businesses
1 to 6	72	13.8%
7 to 11	74	14.2%
12 to 25	75	14.4%
26 to 50	75	14.4%
51 to 125	75	14.4%
126 to 250	74	14.2%
251 and above	77	14.8%
Total	522	100.0%

Exhibit C – Distribution of the Sample and Population of Orange County Businesses by Major SIC Group

Major SIC Group	Business Sample	Business Population	Major SIC Group	Business Sample	Business Population	Major SIC Group	Business Sample	Business Population
1 - Agricultural Production Crops	0 (0.0%)	15 (0.05%)	37 - Transportation Equipment	8 (1.5%)	233 (0.8%)	63 - Insurance Carriers	7 (1.3%)	125 (0.4%)
2 - Agricultural Production Livestock and Animal Specialties	0 (0.0%)	1 (0.003%)	38 - Measuring, Analyzing, and Controlling Instruments	14 (2.7%)	217 (0.7%)	64 - Insurance Agents, Brokers, and Service	9 (1.7%)	528 (1.7%)
7 - Agricultural Services	4 (0.8%)	335 (1.1%)	39 - Miscellaneous Manufacturing Industries	3 (0.6%)	225 (0.7%)	65 - Real Estate	17 (3.3%)	1198 (4.0%)
12 - Coal Mining	0 (0.0%)	1 (0.003%)	40 - Railroad Transportation	0 (0.0%)	1 (0.003%)	67 - Holding and Other Investment Offices	0 (0.0%)	77 (0.3%)
13 - Oil and Gas Extraction	0 (0.0%)	7 (0.02%)	41 - Local and Suburban Transit and Interurban Highway Passenger Transportation	4 (0.8%)	71 (0.2%)	70 - Hotels, Rooming Houses, Camps, and Other Lodging Places	15 (2.9%)	273 (0.9%)
14 - Mining and Quarrying of Nonmetallic Minerals, Except Fuels	0 (0.0%)	3 (0.01%)	42 - Motor Freight Transportation and Warehousing	2 (0.4%)	205 (0.7%)	72 - Personal Services	15 (2.9%)	756 (2.5%)
15 - Building Construction General Contractors	5 (1.0%)	492 (1.6%)	43 - United States Postal Service	0 (0.0%)	43 (0.1%)	73 - Business Services	31 (5.9%)	2542 (8.4%)
16 - Heavy Construction	1 (0.2%)	83 (0.3%)	44 - Water Transportation	0 (0.0%)	19 (0.1%)	75 - Automotive Repair, Services, and Parking	7 (1.3%)	632 (2.1%)
17 - Special Trade Contractors	14 (2.7%)	1188 (3.9%)	45 - Transportation by Air	0 (0.0%)	33 (0.1%)	76 - Miscellaneous Repair Services	3 (0.6%)	181 (0.6%)
20 - Food and Kindred Products	0 (0.0%)	82 (0.3%)	46 - Pipelines, Except Natural Gas	0 (0.0%)	2 (0.007%)	78 - Motion Pictures	0 (0.0%)	133 (0.4%)
21 - Tobacco Products	0 (0.0%)	2 (0.007%)	47 - Transportation Services	7 (1.3%)	230 (0.8%)	79 - Amusement and Recreation Services	5 (1.0%)	343 (1.1%)
22 - Textile Mill Products	1 (0.2%)	51 (0.2%)	48 - Communications	5 (1.0%)	232 (0.8%)	80 - Health Services	26 (5.0%)	1839 (6.1%)
23 - Apparel Made From Fabrics	5 (1.0%)	160 (0.5%)	49 - Electric, Gas, and Sanitary Services	5 (1.0%)	78 (0.3%)	81 - Legal Services	8 (1.5%)	719 (2.4%)
24 - Lumber and Wood Products	2 (0.4%)	79 (0.3%)	50 - Wholesale Trade-durable Goods	32 (6.1%)	2082 (6.9%)	82 - Educational Services	7 (1.3%)	921 (3.0%)
25 - Furniture and Fixtures	4 (0.8%)	90 (0.3%)	51 - Wholesale Trade-non-durable Goods	15 (2.9%)	761 (2.5%)	83 - Social Services	2 (0.4%)	396 (1.3%)
26 - Paper and Allied Products	5 (1.0%)	66 (0.2%)	52 - Building Materials, Hardware, Garden Supply, and Mobile Home Dealers	8 (1.5%)	233 (0.8%)	84 - Museums, Art Galleries, and Botanical and Zoological Gardens	0 (0.0%)	19 (0.1%)
27 - Printing and Publishing	13 (2.5%)	583 (1.9%)	53 -General Merchandise Stores	8 (1.5%)	134 (0.4%)	86 - Membership Organizations	2 (0.4%)	462 (1.5%)
28 - Chemicals and Allied Products	3 (0.6%)	134 (0.4%)	54 - Food Stores	9 (1.7%)	502 (1.7%)	87 - Engineering, Accounting, Research, Management, and Related Services	39 (7.5%)	1500 (5.0%)
29 - Petroleum Refining and Related Industries	0 (0.0%)	5 (0.02%)	55 - Automotive Dealers and Gasoline Service Stations	28 (5.4%)	700 (2.3%)	89 - Services, Not Elsewhere Classified	0 (0.0%)	16 (0.1%)
30 - Rubber and Misc. Plastic Products	5 (1.0%)	210 (0.7%)	56 - Apparel and Accessory Stores	3 (0.6%)	589 (2.0%)	91 - Executive, Legislative, and General Government, Except Finance	0 (0.0%)	40 (0.1%)
31 - Leather and Leather Products	0 (0.0%)	8 (0.03%)	57 - Home Furniture, Furnishings, and Equipment Stores	5 (1.0%)	572 (1.9%)	92 - Justice, Public Order, and Safety	0 (0.0%)	36 (0.1%)
32 - Stone, Clay, Glass and Concrete	1 (0.2%)	82 (0.3%)	58 - Eating and Drinking Places	41 (7.9%)	2567 (8.5%)	93 - Public Finance, Taxation, and Monetary Policy	0 (0.0%)	7 (0.02%)
33 -Primary Metal Industries	3 (0.6%)	50 (0.2%)	59 - Miscellaneous Retail	15 (2.9%)	1176 (3.9%)	94 - Administration of Human Resource Programs	1 (0.2%)	15 (0.05%)
34 - Fabricated Metal Products	10 (1.9%)	364 (1.2%)	60 - Depository Institutions	8 (1.5%)	507 (1.7%)	95 - Administration of Environmental Quality and Housing Programs	0 (0.0%)	22 (0.1%)
35 - Industrial and Commercial Machinery and Computer Equipment	12 (2.3%)	624 (2.1%)	61 - Non-depository Credit Institutions	3 (0.6%)	523 (1.7%)	96 - Administration of Economic Programs	0 (0.0%)	6 (0.02%)
36 - Electronic and Other Electrical Equipment and Components	11 (2.1%)	471 (1.6%)	62 - Security and Commodity Brokers, Dealers, Exchanges, and Services	6 (1.1%)	285 (0.9%)	97 - National Security and International Affairs	0 (0.0%)	13 (0.04%)

THANK YOU TO THE FOLLOWING SPONSORS AND PARTNERS

Our special "Thank You" to the 522 Orange County corporations and businesses who participated in this inaugural survey.

The Survey was conducted by the Social Science Research Center at California State University, Fullerton under the auspices of the Orange County Business Council.

Sponsors and Underwriters

Fluor Foundation, Gianneschi Center for Nonprofit Research at CSUF, J. M. Greenfield & Associates, New Century Mortgage Company, Orange County Business Council, Orange County Business Journal, Orange County Community Foundation, Orange County's United Way, Pacific Life Foundation, Ricoh Electronics, Inc., Social Science Research Center at CSUF, Southern California College of Optometry, University Advancement at CSUF, and Volunteer Center Orange County.

Steering Committee: 2003 Community Involvement Survey of Orange County Corporations and Businesses

Kathleen Costello

Gianneschi Center For Nonprofit Research
California State University, Fullerton

James M. Greenfield, Chair, Steering Committee

J.M. Greenfield & Associates

Suzanne Huffmon Esber

Fluor Foundation

Marissa Espino

Orange County Business Council

Todd Hanson

Orange County Community Foundation

Shelley Hoss

Orange County Community Foundation

Gregory Robinson, Ph.D.

Social Science Research Center
California State University, Fullerton

Frances Rozner

Southern California College of Optometry

Colleen Sandrin

Orange County's United Way

Wallace Walrod, Ph.D.

Orange County Business Council

Janet Whitcomb

Volunteer Center Orange County

Special Thanks to the Following Participants:

Natalie Banks, Volunteer Center Orange County; Barbara Barrett, University Advancement, CSUF; Jill Bolton, Disneyland Resorts; Susan Coumiant, Orange County's United Way; Janet Davidson, Paul Hastings, Janofsky & Walker; Silvia van Dusen, Cristek Interconnects, Inc.; Robert Haskell, Pacific Life Foundation; Jim Harrington, Marketing Committee of Orange County's United Way; Beth Hoch, Orange County Business Council; Jay Jain, Marketing Committee of Orange County's United Way; Kim Kline, Ricoh Electronics, Inc.; Stephanie McElheney, Orange County's United Way; Margarita Miranda, Fluor Corporation; Donna Mumford, Orange County Community Foundation; Michele Myszka, Pacific Life Foundation; Ronna Shipman, The Orange County Register; Celeste Signorino, Conexant Systems, Inc.; Michael Suydam, Orange County's United Way; and Carolyn Williams, Sempra Energy.

Very Special Thanks to...

Dr. Gregory Robinson, director, Social Science Research Center, California State University, Fullerton, for preparation of the technical report upon which this executive summary is based.





ORANGE COUNTY
BUSINESS COUNCIL

2 Park Plaza
Suite 100
Irvine, California 92614

949.476.2242