

Keeping up with philanthropy in times of transition

By Allison Shirreffs
CONTRIBUTING WRITER

When Delta Air Lines Inc. filed for bankruptcy in fall 2005, more than a few frequent fliers wondered if their miles would evaporate, and anxious travelers checked airport monitors to make sure their flights weren't canceled.

Just as nervously, nonprofit leaders contemplated what Delta's bankruptcy would mean for them.

In 2005, the Committee to Encourage Corporate Philanthropy noted that 91 large companies gave \$10 billion in charitable contributions — or about \$38.2 million per company, which accounted for more than half of the total corporate philanthropy in the United States. Given those numbers, when major changes happen at large corporations, anxiety often occurs.

During such times, "There tends to be a lot of stress and panic from nonprofits," said Del Martin, chairman and managing partner of Atlanta-based fund-raising firm Alexander Haas Martin & Partners. Although a company's philanthropic efforts may not top the list of priorities during a corporate transition, Martin suggested it helps corporations to pay attention to them.

"Transitions almost always affect nonprofit organizations — usually in a negative way," Martin said. By working to keep those relationships intact and to communicate what's going on,

companies send a comforting message to employees, customers and the community, she said.

For example, the AT&T Foundation — the philanthropic arm of AT&T Inc., the nation's largest telecommunications company — contributed more than \$101 million through various giving programs in 2005. When the San Antonio, Texas-based company announced its merger with BellSouth Corp. this past March, Chairman and CEO Edward E. Whitacre Jr. sent a letter to BellSouth Corp. Chairman and CEO Duane Ackerman. In the letter, Whitacre reinforced that the newly formed company would "continue BellSouth's historic levels of charitable contributions and community activities, including the continued funding of charitable activities throughout BellSouth's nine-state area as has previously been provided through the BellSouth Foundation ..."

Federated Department Stores Inc., which operates more than 850 department stores nationwide including Macy's and Bloomingdale's, recently executed a name change with several of its department store brands nationwide. Joe Vella, Federated's divisional vice president of community affairs, visited with nonprofit leaders to reassure them that Macy's is committed to giving back to the communities in which it operates, no matter what name is on the door.

When Cisco Systems Inc. acquired Scientific Atlanta Inc. in November, Scientific Atlanta Foundation Vice President Bill McGargo compared Cisco's philanthropic efforts with Scientific Atlanta's. He said he was relieved to see that Cisco

believed in making a difference in much the same ways that Scientific Atlanta already was — in education, government, business and health care.

"We aren't backing down at all from our commitment to the community," McGargo said. "One of our objectives this year is to see how we can leverage some of the technology available through Cisco with some of our partners here."

In November, Georgia-Pacific Corp. was acquired by Koch Industries Inc., a privately owned company with its headquarters in Kansas. As a wholly owned subsidiary of a private company, Georgia-Pacific isn't required to release information about its philanthropic efforts, so what would that mean for the nonprofits the company supported?

Curley Dossman, president of the Georgia-Pacific Foundation and vice president of community affairs for Georgia-Pacific, said he realizes the alignment with Koch will require some adjustments.

"Change will be driven by how we market ourselves as a business," he said.



Dossman
Georgia-Pacific
Foundation

However, Dossman said he doesn't expect matters to be much different.

"Both at Georgia-Pacific and under the new leadership, we believe in adding long-term value to society," Dossman said. "That's a strong

guiding principle and that principle hasn't changed."

Most of the companies have taken advantage of the transitional period to



Love
Corporate
Community
Outsourcing

examine their philanthropic efforts. Dominique Love, president of Corporate Community Outsourcing, has worked with several firms going through transitions.

"If you've had an open hand for a decade, having to say 'No' is tough, but you can do it," Love said. "It's about how to tighten up but still make an impact."

Delta is a good example of this, with 34 of its executives sitting on charitable boards. "We want to maximize the ability and talent of our employees," said Scarlet Pressley-Brown, Delta's general manager of global diversity and community affairs.

When AGL Resources Inc. experienced a few down years and had to cut back on monetary contributions, the company mobilized its work force. "When we can't necessarily give a large amount of money, we're using our V Force (employee volunteer group)," said Sally Eggleston, AGL's director of corporate communications.

When the company acquired Virginia Natural Gas in 2000 and the NUI Corp. in 2004, AGL made sure to seek feedback from the newly acquired companies on where to give locally. "They see that you care about the communities they live in," said Melanie Platt, AGL's director of human resources. "It really boosts morale."