What is the Toolkit?

Making the Case is an easy-to-use toolkit that helps corporate citizenship professionals build a compelling, data-driven business case for the value of corporate social responsibility (CSR).

The tool aggregates data from 25 sources and presents it in easily digestible data points and infographics.

Each infographic is sourced and linked to an original study to provide easy access to context or more information. Making the Case shows the viewpoints and interests of four CSR stakeholder groups:

- **Consumers and the General Public**
- **Employees**
- **CEOs and Boards**
- **Investors**

There is also a section on CSR Benchmarking.

Why did ACCP create the Toolkit?

CSR professionals must have ample resources to create and execute high-quality, strategic programs and the support of senior leadership. The ability to communicate a compelling, data-driven case is essential for CSR teams to secure the internal support required for a high-performing corporate citizenship function.

Having persuasive data is crucial. How often have you, a CSR professional, wished you had access to relevant data at your fingertips to build your case to leadership for buy-in, budget, and headcount?
2020 – A Year Like No Other

In a year like no other, CSR professionals and purpose-driven companies were put to the test and placed under a microscope by consumers, their employees and other stakeholders.

The COVID-19 pandemic, the resulting economic downturn, and the racial justice movement forced companies of all types to evaluate and make significant changes to their operations, strategies, and relationships with all stakeholder groups. Consumers became more cognizant of the role businesses can and must play in impacting societal change. Employees now have a stronger desire to be able to point to their corporation with pride, as an important force for good. And the financial markets are rewarding companies that are not just issuing statements but backing up social impact and sustainability commitments with action and proven results. The statistics and metrics we compiled in this Making the Case Toolkit reflect the growing expectations these stakeholder groups now have.

Great data on the return on investment of CSR exists but it is scattered across the internet from a range of focused studies and an array of sources. Each study – invaluable in its own right – represents a different or singular perspective, i.e. the case for engaging millennials and Gen Zers or investment performance, but no one resource compiles data from many sources to make a comprehensive case for CSR. To address these issues, ACCP created the Making the Case Toolkit and updates it annually. This year’s toolkit includes data and statistics from 2019 and 2020.

How can you use the Toolkit?

There are several areas in which the Toolkit can help corporate responsibility professionals:

• Influence CEOs and boards of directors as they lobby for budget and/or programming
• By offering compelling corporate benchmarking data
• With hiring and human resources initiatives, as companies work to attract and retain a diverse workforce
• With implementing new employee engagement strategies
• Increasing a company’s reputation with all its stakeholders
• Instituting corporate culture changes

ACCP would love to know how members use the Making the Case Toolkit. Please email us at membership@accp.org.
Consumer expectations that companies contribute to society is heightened following the COVID-19 pandemic, racial equity reckoning, and economic crises of 2020, and continues to grow as generations transition.

Employees want to work in companies that are good corporate citizens even if it requires personal trade-offs to do so.

Issues that were once only an emphasis for Corporate Social Responsibility and Sustainability departments are now making their way to the C-Suite and the Boardroom as key determinants for success.

Institutional and individual investors now consider Environmental, Sustainability and Governance (ESG) a mainstream expectation for their portfolios.

Benchmarking their own CSR response and strategies to emerging social challenges with those of peer companies provides context and credibility.
Making the Case for CSR

CONSUMERS AND THE GENERAL PUBLIC

Consumer expectations that companies contribute to society continues to grow as generations transition and is heightened following the COVID-19 pandemic, racial equity reckoning, and economic crises of 2020. Below are stats reflecting these trends, and the reality that consumers are more educated than ever before.

- 88% would buy from an action-based brand and 70% would work for that company.
- 87% say stakeholders, not shareholders, are most important to long-term company success.

When global consumers think a brand has strong purpose, they are:

- 6x more likely to support in a challenging environment.
- 4.5x more likely to recommend to friends and family.
- 4x more likely to purchase from and trust the brand.

Millennials and Gen Zers:

- 70% of Millennials have changed purchasing habits in support of causes or social issues of interest.
- 67% support companies that achieve a balance between doing good and making a profit.
- 41% believe that business has a positive impact on society—down 14% from 2019.
- 72% of Gen Zers consider a company’s purpose when deciding what to buy.
- 90% believe companies must act to help social and environmental issues.

On racial justice, companies still have a significant trust gap, and an internal reckoning is needed for change to occur.

- 65% of Americans say companies need to recognize their role in systemic racial inequality, and own up to missteps or past mistakes.
- 80% of Gen Zers say companies must recognize their role in systemic racism.
- 71% of Americans believe most CEOs and business leaders don’t recognize that racism exists all around them.
- 61% believe companies need to take action and do more than just issue a statement.

Sources:
1. Zeno Group (2020)
2. Cone Communications (2019)
4. Achieve and the Case Foundation (2020)
5. Deloitte (2020)
7. Edelman (2020)
8. Cone Communications (2020)
Making the Case for CSR

**EMPLOYEES AND COMPANY CULTURE**

Employees want to work in companies that are good corporate citizens even if it requires trade-offs like lower pay. The statistics below make a strong argument for why a company should offer its employees the opportunity to get involved in company programs and why a company should include community engagement and sustainability practices in its talent brand.

- **93%** of employees believe companies should lead with purpose.
- **88%** of employees say companies must focus on purpose, not just profit.
- **73%** of prospective employees expect to make a social impact through their company.

**EMPLOYEES OVERWELMINGLY WANT THEIR CEOs TO SPEAK OUT ON:***

- Training: Future Jobs
- Income Inequality
- Diversity
- Climate Change

- **NEARLY 40% OF MILLENNIALS** say they selected their job because their employer’s social impact was better than that of alternative companies.
- **83%** of Gen Zers consider a company’s purpose when deciding where to work.
- **71%** of professionals say they would be willing to take a pay cut to work for a company that has a mission they believe in and shared values.
- **NEARLY 2 IN 5 PROFESSIONALS** would leave their current job if their employer were to ask them to do something that conflicts with their ethics or morals.

**HOW AN EMPLOYER APPROACHED COVID-19 IMPACTS EMPLOYEES’ DECISIONS ABOUT WHERE THEY WORK AND FOR HOW LONG.**

More than 60% of employees are more likely to do research on a company’s COVID-19 response, and say an employer’s actions during COVID-19 have made them want to stay with the company long term.

- **35%** of employees are reconsidering their current job because their company is not doing enough to address social justice issues externally.
- **60%** of employees believe their company does not have effective diversity and inclusion programs.

**DEI is critically important to employees:**

**TOO MANY DO NOT BELIEVE THEIR COMPANIES ARE DOING ENOUGH.**

**SOURCES**

1. Cone Communications (2020)
2. Edelman (2019)
3. Edelman (2020)
4. LinkedIn (2018)
5. Cone Communications (2019)
6. Deloitte (2020)
7. Porter Novelli (2020)
CEOs and business executives feel an urgency to act for three reasons:
1. they feel an obligation
2. they think their business has what it takes to solve problems
3. they know purpose matters to stakeholders and the bottom line.

Nearly 75% of CSR leaders report an increase in C-suite expectations or demands to affect social change since the COVID-19 pandemic started.

Companies that target material social & environmental issues in their social impact efforts outperform the rest of the market by 3–5% annually.

Most corporate executives know change must start from the inside to authentically address social justice.

Executives are responding to market forces and their board’s growing interest in ESG.

Corporate executives believe:

- 83% it is urgent for business to be a critical part of driving solutions.
- 81% business has the scale, speed, and acumen to make a difference.
- 80% business has more of a responsibility than ever to address pressing social and environmental issues.

Sources:
1. Porter Novelli (2020)
2. ACCP and Rocket Social Impact (2020)
ESG investing is continuing to climb, and has performance upsides including stabilizing returns, lowering risk, and lowering the cost of capital.

While investors in purpose-driven corporations have long been analyzing a company’s social impact, ESG investing became an even bigger factor in 2020.

Companies with better social impact records:
- had greater three-year returns
- were more likely to become “high-quality” stocks
- stocks were less likely to have substantial price drops
- were less likely to experience bankruptcy
- grow faster and have higher profitability

Firms in the top quartile in terms of ESG metrics:
- deliver higher return on cash invested, and these returns tend to be sustained for longer
- delivered growth approximately 40% faster than the averages of their industries over that period

Companies with a strong ESG focus tend to have a lower perceived risk profile and consequently, lower cost of capital.

The field of ESG investment has grown nearly tenfold over the last decade as financial markets have come to realize that integrating environmental, social, & governance in investment decisions makes good business sense.

In 2019, 80% of corporate citizenship teams provided ESG information to their investors; a 23% increase over 3 years.

Companies with high levels of purpose outperform the market by 5–7% per year, on par with companies with best-in-class governance and innovative capabilities.

The growth of sustainable investing is driven in part by women, millennials, & gen zers.

Interest in impact investing:
- 84% of women
- 67% of men

Most millennials say ESG is important when deciding to invest.

75% of investors say sustainable investments have become more important to them over the last five years, driven by younger generations.

Sources:
1. RBC (2019)
2. US SIF Foundation (2020)
3. World Economic Forum (2020)
5. Chief Executives for Corporate Purpose (2020)
7. Refinitiv (2020)
2020 has accelerated the internal and external demand for and interest in CSR, and community grants have been increasing.

Corporate citizenship strategies, funding guidelines, and functional budgets have changed, with some changes anticipated to be permanent.

- More than 59% of companies invest between 1% and 5% of revenue in CSR programs.
- More than 68% of participants report they have funded new nonprofits to address urgent needs.
- 74% report it as of high interest, 4% report it of no interest.
- Total community investments as a percentage of pre-tax profits grew from 0.87% in 2017 to 0.99% in 2019.

Covid-19 and racial justice are driving changes in CSR strategies and funding.

- 72% of corporations report increasing contributions due to COVID-19.
- 20% reported budgets flattening.
- 8% reported decreasing budgets.
- 50% have changed focus areas.
- 25% have changed geographic focus.
- 32% have increased their employee’s involvement in determining their strategy.
- Only 4.23% had no shifts in their giving strategy.
- 17% plan to permanently invest in employee emergency and hardship relief funds.
- More than 1/3 of participants reported a reduction or end to some partnerships to provide resources for new ones.

Companies also demonstrated flexibility to grantee needs during the COVID-19 pandemic.

- 65% allowed a change of grant purpose.
- 54% allowed grant extensions.
- 49% allowed funds to be used for operations.
- 46% provided need-based funding.
- 26% modified application requirements.
IN THE WAKE OF UNSETTLED ECONOMIC CONDITIONS

Top 3 concerns of CSR leaders:
- 88% of CSR leaders cite ensuring adequate budget and resources post-pandemic as their #1 concern
- 64% followed by gaining awareness for CSR efforts
- 60% and shifting CSR strategies

MEASUREMENT IS IMPORTANT AS THE CSR FIELD BECOMES MORE DATA DRIVEN
- 94% of companies measure the social impact of their programs in some way
- 34% measure grants made for a strategic philanthropic or signature program
- 25% measure all grants
- 15% measure grants that meet a particular dollar threshold

VOLUNTEERING AS A STRATEGY FOR EMPLOYEE ENGAGEMENT CONTINUES TO DELIVER RESULTS
- 26% of companies anticipate expanding or increasing employee engagement programs in 2021 & beyond

Top Measures of CSR Efforts
- 58% Positive impact to the bottom line
- 55% Impact to employee retention
- 55% Number of lives or communities positively impacted
- 54% Number of geographic areas positively impacted
- 52% Impact on client acquisition and retention
- 50% Amount of money donated

BUSINESS OPERATIONS:
- While budgets are tight, and expectations are high, adequate resources are top of mind for leaders in corporate citizenship.

Top Business Challenges for CSR Professionals
- 9.8% The median ratio of management and program cost as a percent of total cash contributions
- 6 — 9.5 FTEs The median number of full-time staff in the community investment function

SOURCES
- 1 Deloitte (2019)
- 2 ACCP, CAF America, and CyberGrants (2020)
- 3 Chief Executives for Corporate Purpose (2020)
- 4 ACCP and Rocket Social Impact (2020)
- 5 Candid (2020)
- 6 ACCP (2020)