HOW MUCH IS 1%?
Two paths to shareholder benefits and community investment

Andrea Edelman

Class #: 622 | SPRING 2020 | PROF. MARCO TAVANTI
## Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Member</strong></td>
<td>Company who has agreed to be philanthropic by taking a pledge</td>
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<td><strong>Resource</strong></td>
<td>Anything that a company can contribute to a nonprofit including, money, time, product, in-kind support, and/or equity</td>
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<tr>
<td><strong>Investment</strong></td>
<td>Any financial contribution from a company to a nonprofit</td>
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<td><strong>Shareholder</strong></td>
<td>Anyone with involved with the success of a company including staff, investors, consumers, and other business partners</td>
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<tr>
<td><strong>CSR</strong></td>
<td>CORPORATE SOCIAL RESPONSIBILITY - Any initiative(s) adopted by a company that involves a donation of resources</td>
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OVERVIEW

SAN FRANCISCO CSR PRACTICES AND BREAD
How do two organizations with similar missions, engage differently with the community and corporate partners to produce benefits for various shareholders?
PLEDGE 1% INTERVIEWS

PLEDGE 1%

PLEDGE 1% COLORADO MEMBER & PLEDGE 1% PARTNER
ANGELA MADURA
FOUNDATION DEVELOPMENT MANAGER
TECHSTARS

PLEDGE 1% MEMBER & PLEDGE 1% CO-FOUNDER
MICHIELLE HOLMES
FOUNDATION DIRECTOR
ATLASSIAN FOUNDATION

PLEDGE 1% COLORADO MEMBER & PLEDGE 1% PARTNER
MICAH MADOR
ENGAGEMENT MANAGER
FOUNDRY GROUP

CANADIAN PARTNER OF PLEDGE 1%
GABRIELLE FOSS
COMMUNITY MANAGER
UPSIDE FOUNDATION

PLEDGE 1% MEMBER
ADHAMINA RODRIGUEZ
FOUNDER & CEO
AR CONSULTING

MNA Master of Nonprofit Administration
1% FOR THE PLANET INTERVIEWS

CELINA MIRANDA
MEMBERSHIP COORDINATOR
1% FOR THE PLANET

DOM LEUND
CEO & FOUNDER
HEADBITS

PETER GILROY
OWNER & DESIGNER
SPLITTER
CONTENT ANALYSIS

1240 MEMBERS
300 MEMBER SAMPLE

2600 MEMBERS
338 MEMBER SAMPLE

10 CATEGORICAL VARIABLE CHI-SQUARED TESTS
FINDINGS

1. Signatories of Pledge 1% are far more likely to be in the software/internet/tech industry compared to signatories of 1% For the Planet.

2. Signatories of 1% For the Planet are far more likely to sell goods than signatories of Pledge 1%.

3. Pledge 1% members are more likely to have foundations.

4. It is significantly more likely that based on the company website, that a viewer can tell that a company contributes money (as opposed to time, products, and equity).

5. 1% For the Planet has greater presence in Europe and Asia than Pledge 1%.

9 out of 10 variables produced statistically significant results.
PLEDGE 1%  1% FOR THE PLANET

MNA  MASTER OF NONPROFIT ADMINISTRATION
<table>
<thead>
<tr>
<th>SHAREHOLDER BENEFITS FOR PLEDGE 1%</th>
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<tr>
<td><strong>Pledge 1%</strong></td>
</tr>
<tr>
<td>Mission aligned work, legitimacy, influence, &amp; efficiency</td>
</tr>
<tr>
<td><strong>Members</strong></td>
</tr>
<tr>
<td>Positive public perception, talent retention, increased investment potential, competitive advantage, warm-glow, &amp; no commitment</td>
</tr>
<tr>
<td><strong>Investors</strong></td>
</tr>
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<td>Positive public perception, talent retention, increased earning potential, competitive advantage, &amp; no commitment</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
</tr>
<tr>
<td>Identification, job retention, &amp; warm-glow</td>
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<tr>
<td><strong>Community</strong></td>
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<tr>
<td>Potential support</td>
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**UNIVERSITY OF SAN FRANCISCO**

**CHANGE THE WORLD FROM HERE**
**SHAREHOLDER BENEFITS FOR 1% FOR THE PLANET**

<table>
<thead>
<tr>
<th>Category</th>
<th>Benefits</th>
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<tbody>
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<td>1% For the Planet</td>
<td>Mission aligned work, legitimacy, influence, &amp; efficiency</td>
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<td>Identification, job retention, &amp; warm-glow</td>
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<tr>
<td>Nonprofits</td>
<td>Strategic partnerships, reliable income, &amp; marketing opportunities</td>
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RECOMMENDATIONS

1. Focus on strategic partnerships
2. Embrace shared value
3. Let the pledge vet the nonprofits
HOW MUCH IS 1%?
TWO PATHS TO SHAREHOLDER BENEFITS AND COMMUNITY INVESTMENT
ANDREA EDELMAN
MNA - Master of Nonprofit Administration - Capstone Project

SUMMARY
This study compares the efforts of two organizations that are focused on asking companies to “pledge 1%” and analyzes the effectiveness of their respective models. By focusing on shareholder benefits, relationships, intention and perception, it highlights how influential other stakeholders and public relations impact the company’s decision making around corporate social responsibility. Furthermore, the study uncovers the epicenter of what drives a company to choose one pledge or another.

KEY WORDS: PLEDGING, CORPORATE SOCIAL RESPONSIBILITY, SHAREHOLDER BENEFITS, CLUSTER ANALYSIS

PURPOSE
• UNDERSTAND HOW CSR IMPACTS CORPORATE PERFORMANCE: Before diving into the role of pledging in CSR, it is important to understand what companies have to gain overall from adopting CSR initiatives.
• DETERMINE NECESSARY ACTIONS TO ENSURE IMPACT: In order to assess the success of the models in soliciting community investment, it is crucial to document channels that maximize the likelihood of companies linking to fulfill their pledge.
• UNDERSTAND RELATIONSHIPS BETWEEN PLEDGING ORGANIZATIONS AND NONPROFITS: Both organizations have distinct and different relationships with their members that require investigation in order to determine the outcomes of each model.

RESEARCH
How do two organizations with similar missions, engage differently with the community and corporate partners to produce benefits for various shareholders?

METHODS
LITERATURE REVIEW
EXPERT INTERVIEWS
CONTENT ANALYSIS

1% FOR THE PLANET
MODEL FEATURES:
• Firms and 1% For The Planet have strong partnerships that are maintained throughout the year.
• 1% For The Planet has strong partnerships with nonprofits that have proven impact.
• Nonprofits and firms are more likely to have strategic partnerships in this model.
• Because of accountability mechanisms, the impact through investment is guaranteed.

1% TO THE PLANET
MODEL FEATURES:
• Firms influenced by investors and Pledge 1% to take the pledge.
• Investors and Pledge: 1% have a low-engagement partnership where investors promote the pledge to clients and the investors receive marketing benefits.
• The relationship between Pledge 1% and firms is minimal (unless they are a paid member known as a Builder).
• There is not any nonprofit involvement.

REFERENCES
ORGANIZATIONS

PLEDGE 1%

FOR THE PLANET
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