

The Third Dimension of Value: Community Involvement

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CORPORATE GIVING: FACTS AND TRENDS

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President and CEO, Terracon



Helpful Reports on Trends in Corporate Giving

- *Giving in Numbers*, The Committee Encouraging Corporate Philanthropy (CECP) 2014 report.
- *Giving in Numbers*, CECP 2015 infographic.
- *Increasing Impact, Enhancing Value - A Practitioner's Guide to Leading Corporate Philanthropy*, The Council on Foundations 2012 report.
- *Corporate Philanthropy: The Age of Integration*, Indiana University Lilly Family School of Philanthropy.

Giving in America

- Americans gave an estimated \$358 billion to non-profits in 2014, exceeding pre-Great Recession peak.
- Sources (billions):
 - Individuals - \$259
 - Foundations - \$54
 - Bequests - \$28
 - Corporations - \$18
- Top Areas of Corporate Giving:
 - Education (29%)
 - Health and Social Services (25%)
 - Community and Economic Development (15%)



Evolution in Corporate Giving



The Business Case for Corporate Giving

- Total giving grew for 56% of companies from 2012 to 2014.
- Companies that increased giving by 10% or more from 2012 to 2014 showed:
 - pre-tax profit growth rate of 14%
 - revenue growth rate of 8% (median)
 - outperforming all other companies
- Top 25% of companies (based on financial performance) also increased giving at the highest rates.



Most Common Forms of Corporate Giving

- **Direct Cash** (cash giving from corporate headquarters or regional offices)
- **Foundation Cash** (cash contributions from the corporate foundation – 8 in 10 have a foundation)
- **Non-Cash** (product donations and other non-cash contributions)
- **Pro Bono Services**
- **Employee Matching-Gift Programs**
- **Employee Volunteer Programs** (including company-wide days of service and PTO for volunteer days)

Employee Matching-gift Programs

- 9 out of 10 companies have adopted
- About half are “open” – matching gifts to employees’ choice of charities
- Account for 12% of corporate contributions



Employee Volunteer Programs

- 6 of 10 companies offer a paid-release time volunteer program
 - 30% average participation rate
 - 50% participation rate among top quartile
- Median number of hours volunteered on company time increased nearly 40% from 2012-13
- Rated the most effective socially motivated tactic for increasing employee satisfaction



Doing Well by Doing Good: Framework

← *Aligned with Company Values and Objectives* →

Distinct Components

Major, Strategic
Company Focus

Local / Community
Component

Real Benefits

- 1) More value for society and business alike
- 2) Enhanced reputation / goodwill with key constituents
- 3) Better top and bottom lines
- 4) Attracting and retaining staff, especially millennials
- 5) Increased employee engagement

Summary

- CEOs and boards seek to **align** corporate giving **with business objectives**.
- Companies have shifted from supporting national/global organizations to **causes/organizations in their communities**.
- 60% of companies now have an **executive leading** corporate citizenship.
- Companies want to engage employees in **volunteerism** and activities that support the corporate vision.
- **Employees** increasingly **choose** to work for companies based on community and social involvement.
- Companies want **better measurement** of the impact of their philanthropic efforts.

THE COMPELLING CASE FOR GEOPROFESSIONAL INVOLVEMENT IN COMMUNITIES

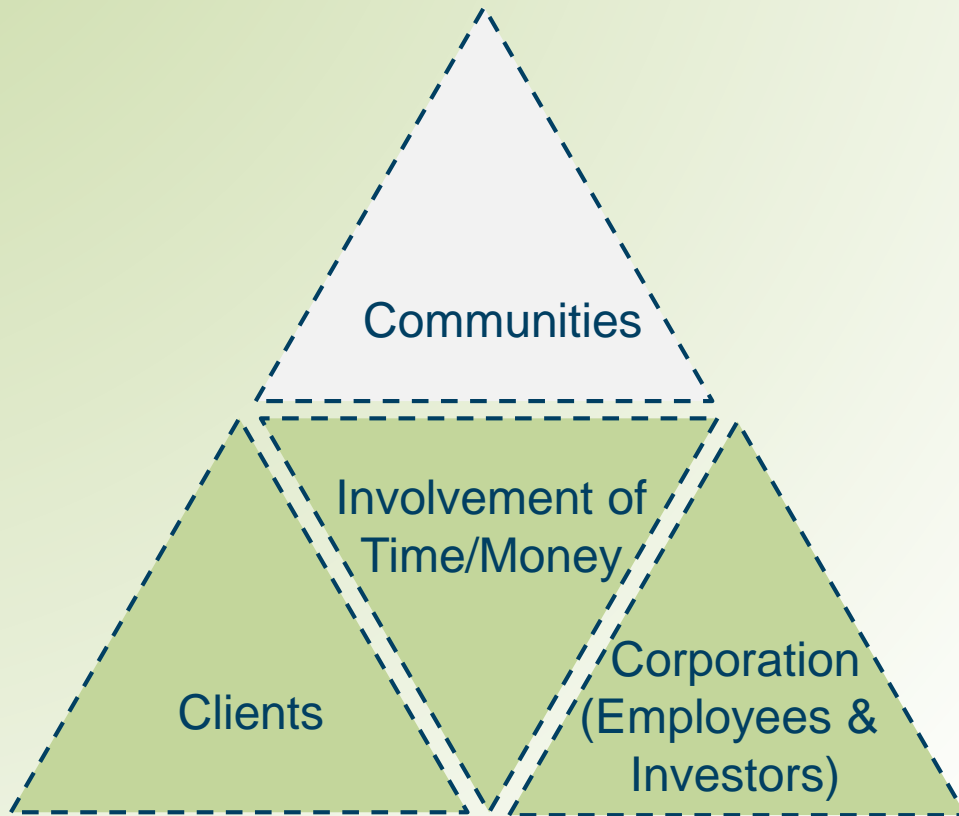
Kurt Fraese, L.G.
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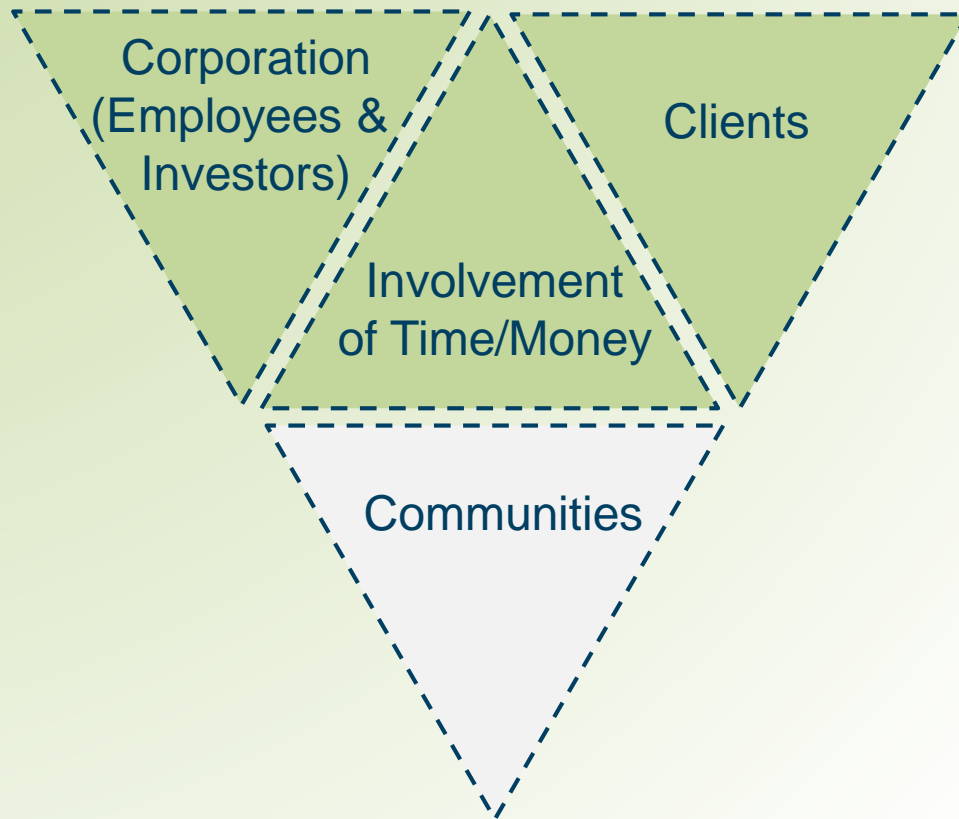
Community Involvement Defined

- **COMMUNITY** is a group of people living in the same place or having a particular characteristic in common. Groupings can be local, national and/or global.
- **CORPORATIONS** are private organizations that provide for, and depend on, communities to prosper. Financially healthy firms have the resources to be involved in communities beyond just the sale of their products/services.
- **INVOLVEMENT** can be donating time and/or money to address a community need for which other sources of assistance are unavailable or inadequate. Otherwise known as a charitable endeavor.

Principle of Interdependence: Perspective 1



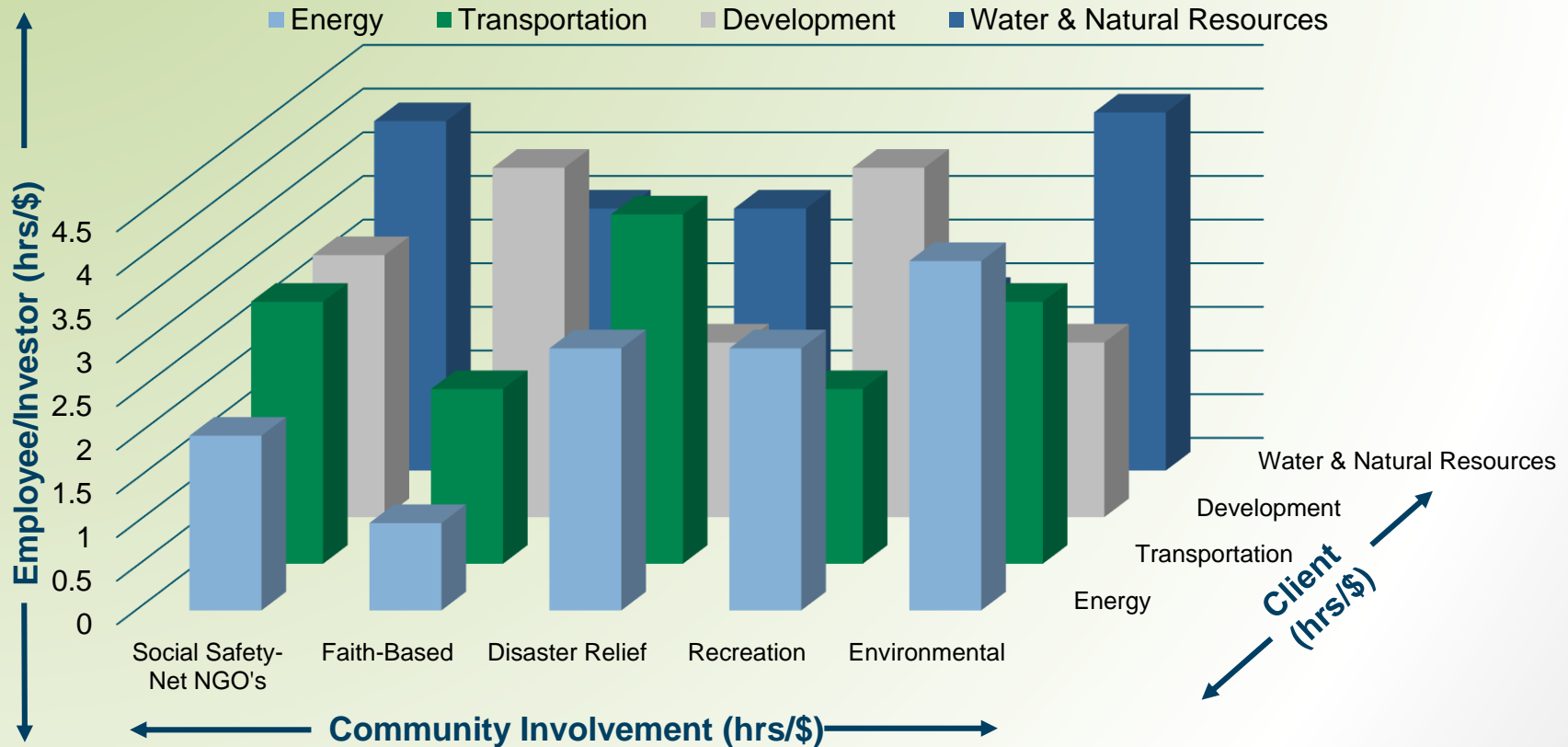
Principle of Interdependence: Perspective 2



Geoprofessionals and Communities: Already a Special Relationship

- Geoprofessionals already have extremely close ties to communities because...
- *“Everything people depend upon to survive and thrive utilizes and/or is impacted by earth structures and earth systems in some way.”*
- *“Communities in all of their forms rely on the geoprofessions to seize the opportunities, and avoid the threats, presented each day by the surface and subsurface of our earth.”*
- And yet, our value is not widely recognized.

Three Dimensions of Value



The Value Proposition- The 5 Best Reasons to Get Involved:

1. Moral Imperative
2. Client Engagement
3. Recruiting/ Retention
4. Professional Development
5. Recognition

And... the satisfaction of knowing you have stretched beyond what is expected of you to make a positive impact on the lives of others.



THE TERRACON FOUNDATION: GIVING TO THE COMMUNITIES WHERE WE LIVE AND WORK

David R. Gaboury, P.E.
President and CEO, Terracon



Why?

- To reach out and become a real part of the lives of our nearly 4,000 employees and the 150 communities we serve nationwide.
- To engage with our employees by supporting their volunteer efforts with causes / organizations that are important to them.
- To align our corporate giving with our company vision, goals, and values of care and concern.

Mission

*“To support education
and the natural and built environments
in communities where Terracon employees
live and work
by awarding philanthropic grants and
donations to eligible organizations and awarding scholarships
to eligible dependents of Terracon employees.”*

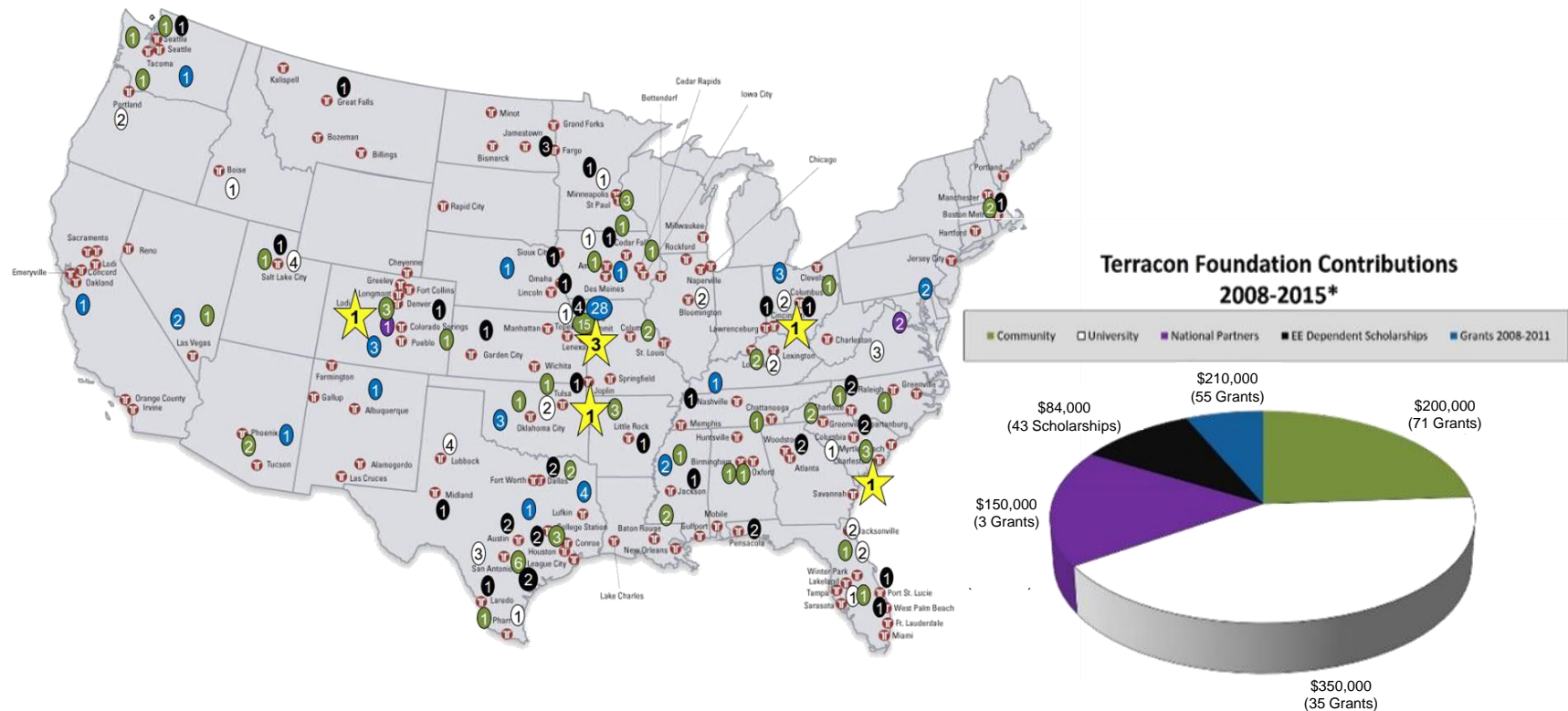
History

- 2008 – Terracon Foundation established in partnership with Greater Horizons, a charitable foundation based in Kansas City, Mo.
- 2012 – Foundation expanded with formal semi-annual grant process.

How We Give

- **National Partner Grants** to support national nonprofit organizations with a limited number of substantial grants.
 - About \$50,000 each.
- **Community Grants** to support local, nonprofit programs in our communities with active engagement of Terracon employees.
 - About \$2,000 - \$10,000 each.
- **University Grants** to support graduate-level scholarships, fellowships, and similar programs in the areas of science, technology, engineering, and mathematics.
 - About \$5,000 - \$15,000 each.
- **Employee Dependent Scholarships** to provide the children and eligible dependents of employees the opportunity to continue their higher education through scholarship assistance.
 - Up to \$2,000 each.

Where We Give



Total Contributions 2008-2015 YTD: \$1.2 million

National Partner Grants



3 National Partner Grants

2013: Engineers Without Borders **\$150,000** 2014: ACE Mentor Program of America



2015: NSBE Summer Engineering Experience for Kids (SEEK)

Community Grants

71 Community Grants
\$200,000



University Grants



University of Texas Pan American



University of Kansas



University of Utah



University of Texas San Antonio



Texas Tech University



Weber State University



University of Oklahoma



Virginia Tech University



University of Central Florida

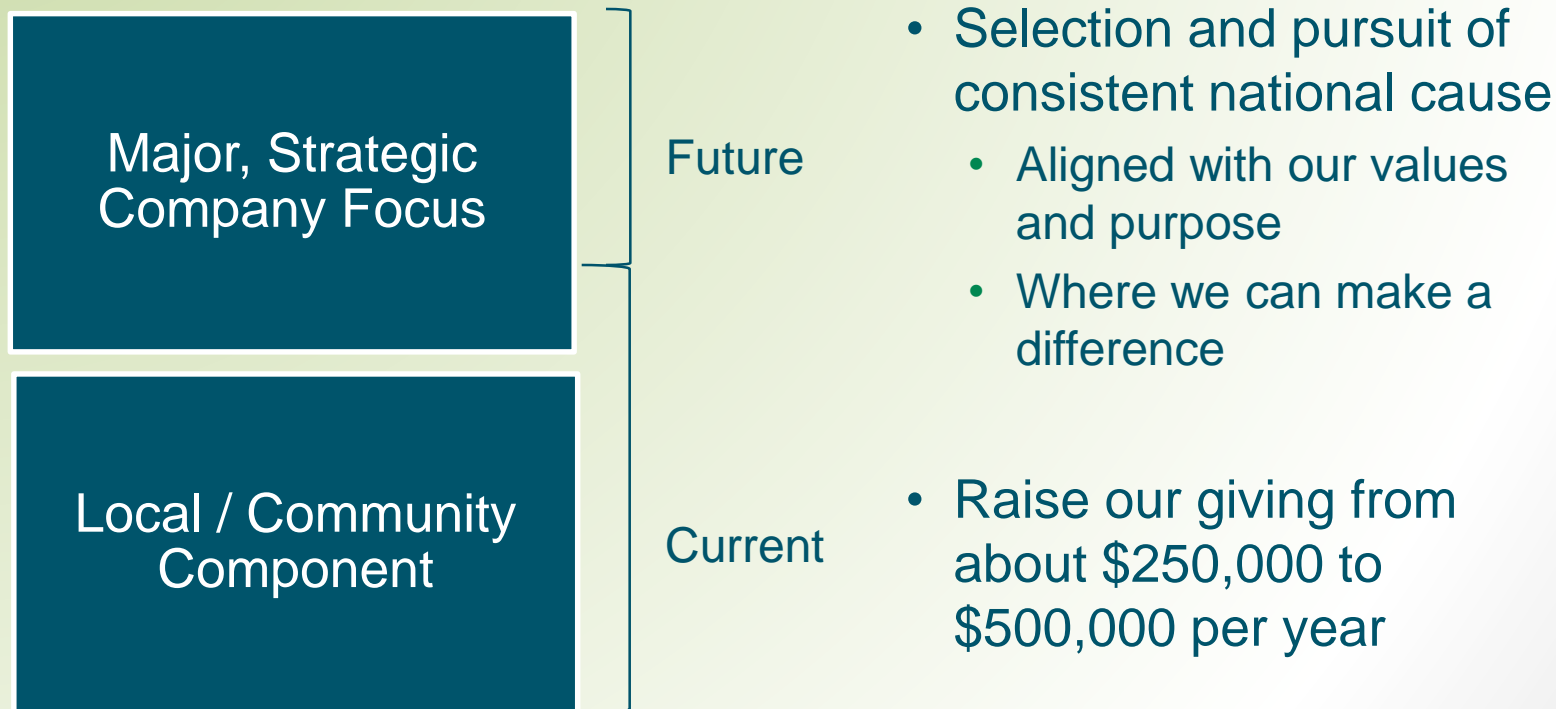
35 University Grants
\$350,000

Dependent Scholarships

43 Employee Dependent Scholarships
\$84,000

Looking Ahead: Giving at Terracon

Distinct Components





GEOENGINEERS' APPROACH GIVING TO THE COMMUNITIES WHERE WE LIVE AND WORK

Kurt Fraese, L.G.
President and CEO, GeoEngineers





GeoEngineers' Approach

Community Involvement Is:

1. Set as priority for the firm by the CEO.
2. Considered essential component of professional development.
3. Required for principal/associate advancement.
4. Expected for company executives to take a leadership role in both local and national/global organizations.
5. Considered for corporate support when an employee makes a specific request of:
 - Business Unit Leaders (approve/oversee local involvement)
 - Executive Committee (approve/oversee national and global involvement)





GeoEngineers' Approach (cont.)

Employees are encouraged to think broadly about how to engage in their communities (i.e. nearly everything counts), broad non-profit organization categories of involvement include:

- Social Safety-Net NGOs
- Disaster Relief
- Health
- Science
- Education
- Recreational
- Faith-Based
- Environmental
- Professional Organizations



GeoEngineers' Approach (cont.)

Corporate involvement includes:

- United Way Campaigns w/ 30% match
- Annual Commitment to Engineers Without Borders (EWB)
 - Principal Dave Cook, L.G. President-elect of EWB
 - University chapter projects grants
 - Field (in-country) projects
- Relief campaigns after natural disasters
- Special campaigns associated with specific colleague needs related to sickness and personal tragedies
- Pro-bono services for selected non-profits



GeoEngineers' Approach (cont.)

- Flexibility – We support employees efforts to take work time to volunteer and engage in community events.
- Awards – Volunteering is encouraged and rewarded. Each year we select a Volunteer of the Year, and donate to their favorite charity.

QUESTIONS?