



Illustration by David Skinner

The gift *of* giving

Children, food, shelter, and educational causes are the ones corporate donors continue to support in times of economic hardship.

Alex Wright looks at the changing face of philanthropy

The economic crisis may have taken its toll on the business community at large, but Bermuda's corporates will always dig deep to help charities and the non-profit sector.

Many companies have had to slash their budgets to deal with the down-turn, however that has not stopped those who are committed to giving back to the community from doing their part.

But one thing is for sure — businesses have become more cautious with their purse strings, with some putting their hard-earned dollars towards immediate critical needs such as children, food and shelter and others

focusing on long-term sustainable causes like education.

"I think the biggest thing I am noticing is that they are being more careful about how they give money away," said Pamela Barit Nolan, executive director of the Centre on Philanthropy.

"They want more information and are focusing on more critical needs such as children, food and shelter.

"It is not that they are forgetting all their strategic partners, but they are really trying to focus and make sure that the basic needs of the community are addressed."

Some of the Island's industries have been impacted by the recession more than others, with construction and

retail taking a big hit, while insurance has generally weathered the storm.

That has affected many firms' ability to give depending on their budgets, but when the going gets tough, the tough get going, with retailers, for example, becoming more creative with the way they contribute through late night shopping discounts and donating to charity in the process.

Others have found the means to cut their cloth accordingly, as they use the materials and tools at their disposal by engaging their employees in volunteer programmes and work, getting their hands dirty doing everything from looking after disadvantaged children or the elderly to painting run down buildings or cleaning up the countryside, to make a real difference in the community.

"There are definitely reductions in budgets in general across the board — everybody is more creative in giving, but I don't sense it is as bad as we read about in the US," said Ms Barit Nolan.

"Some say 2010 may be more difficult and some of those in more economically sensitive sectors, like construction or retail, may be impacted more greatly, and, whether it is rental income, grocery stores or painting companies, as more people leave the Island, those basic need industries decline, and so most people are giving money away based on what they have to give in net profits.

"I really think those that have been in the giving game for a while are trying to be as supportive as possible to those organisations they feel are having an impact in the community."

The Centre on Philanthropy conducted its own 2007 Donor Study, which revealed that 78 percent of companies on the Island polled from a sample of 400 (80 percent local and 20 percent international) had made a charitable contribution.

Those who did not donate cited a lack of budget, being a new business or not being asked to pledge money as their main reasons.

Furthermore, the study showed that 30 percent of respondents had a budget, however only half of them had less than \$50,000 to allocate, while most firms chose to give to needy causes in Bermuda rather than overseas.

Broken down further, 73 percent of companies concentrated their efforts on human services, 67 percent on education, 53 percent on arts and culture, 51 percent on health and 42 percent on animals.

Among some of the biggest success stories of long-lasting and fruitful partnerships are Ernst & Young (E&Y) and YouthNet, a school-based mentoring initiative, which was the brainchild of an E&Y alumnus and is run out of its offices in Reid Street, with staff being encouraged to give up some of their time in order to help needy youngsters.

Meanwhile a number of corporations have

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answered the call of charities looking for assistance such as the Family Centre, the Salvation Army, the Sunshine League, the Women's Resource Centre and Age Concern, while various firms leaving the Island in recent months, including JPMorgan and Tyco International, have donated their office supplies to the Centre on Philanthropy to distribute among its members.

Being open about the state of their finances has also paid dividends for the likes of the Bermuda National Trust, with many people realising the importance of the country's heritage and having a vested interest in how its future develops.

The Centre on Philanthropy, which has a 75-strong membership base of businesses, has a donor forum and best practices guide on its website to help contributors decide where to pledge their money for those looking for specific charitable causes or something they feel passionately about.

"If the chips are down and there is a call for action, Bermudians come out in their droves and find a way to meet that need," said Ms Barit Nolan.

"You only have to look at the containers they sent to help with the disaster in the Philippines and the gifts they give to the Salvation Army at Christmas time.

"Even those that are moving or closing down can donate their items and know they are going to a good home."

The recession has proved to be a double-edged sword for many companies and charities alike, with both feeling the economic pinch, but also having the chance to redefine and reset their strategies, policies and procedures to focus on what offers the best value for money — both in the long run and in the event of unforeseen disasters such as hurricanes and earthquakes, and even tsunami appeals.

"I just think we are going to raise the bar across the board and we have to try and help everybody meet that bar, but the reality is that

some who can't meet that bar may fall under it," said Ms Barit Nolan.

"But I think companies want to be able to react in times of trouble.

"It is about developing a plan for their giving and sticking with those through thick and thin because those are your chosen partners, so let them know you are there for them."

A lot of charity, as they say, begins at home, and it's about understanding the bigger picture of how that operates on a host of different levels that makes businesses better corporate citizens.

Butterfield & Vallis is one such employer that is fully committed to achieving that goal through its employee assistance programme to address a variety of counselling needs, helping to rehabilitate back into the community those who have had a troubled past, but are willing to change their lives for the better and make a positive contribution to society, with many members being referred by counsellors and probation officers.

One particularly touching story saw two Bermudian boys who were at school in New Orleans when Hurricane Katrina struck being evacuated back to their homeland and joining the company on their arrival at the airport — they have risen through the ranks and today are both valued employees at the firm.

Another success story has been the links forged between the Centre for Talented Youth (CTY) Bermuda and its sponsors, ranging from banks such as the Bank of Bermuda Foundation, Butterfield Bank and Capital G Bank to insurance companies like Ace Group of Companies, XL Capital, Axis Capital Holdings, Allied World Assurance Company, Max Re, Flagstone Re, Ironshore Insurance, Platinum Underwriters, Montpelier Re and the Argus Group, as well as KPMG, Ernst & Young, Conyers Dill & Pearman and Bacardi.

CTY, which was set up by executive director Riquette Bonne-Smith seven years ago and has just opened its new offices on Woodlands Road, works in affiliation with the Johns Hopkins Centre for Talented Youth in Baltimore to strengthen the academic skills of students and prepare them for some of the world's top universities, including Oxford and Cambridge in England and Harvard and Yale in the US.

But the organisation, which teaches children after school and in summer school courses, as well as complementing the curriculum, selecting them with SCAT tests for eight to 11-year-olds and SAT tests for 13 and above, would not have been possible without the help of its corporate donors.

"I couldn't have done it without the financial backing of the Bermuda institutions, especially the international companies," said Ms Bonne-Smith — a former Johns Hopkins graduate from its School of Advanced International Studies in Washington DC with a Masters

Riquette Bonne-Smith surrounded by children of all ages at the Centre For Talented Youth



in International Public Policy.

"XL, through its Foundation, sponsored the first talent search to determine if we had talent on the Island.

"It wasn't hard to convince the international companies and a couple of local companies that this programme was needed in Bermuda to prepare students at a higher level and to supplement their education and to help them get into those famous and reputable universities."

The financial assistance has certainly reaped its rewards, with the number of students enrolling at the centre rising from 80 in its first year

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— Riquette Bonne-Smith, executive director for the Centre of Talented Youth

to 250 today. Last year, 44 pupils from across Bermuda — both from public and private schools, went to Johns Hopkins, 19 of whom were sponsored by the CTY fund.

"I think the business community has been suffering from the economic crisis, but they have been faithful to us and committed to education programmes such as this because they see the results it can produce and know that education makes a difference," said Ms Bonne-Smith.

photo by Glenn Tucker

Tips for giving in times of crisis

Give To An Established Charity

Don't let an unscrupulous charity take advantage of your goodwill. Find a charity with a proven track record of success with dealing with the type of disaster and in the region in which the disaster occurred. Avoid fly-by-night charities created specifically to deal with the new crisis. Even well-meaning new organisations will not have the infrastructure and knowledge of the region to efficiently maximise your gift. If you do feel compelled to give to a new charity, be sure to get proof that the group is in fact a registered charity.

Designate Your Investment

Worried that your donation will go towards the charity's general operating fund or saved for a future crisis? This is a very understandable concern. Many charities do encourage donors not to designate their gifts so that the charity can decide how best to utilise the money, but depending on your confidence in the charity's ability to make that determination, you may want to tell the charity exactly how to use your investment. By designating your gift, you'll ensure that your donation will be used as you intended. Most charities with online giving portals offer a check box feature so that you can tell the organisation how to spend your contribution. If you are mailing in a cheque, then write a note in the memo section of the check specifying that you want your gift spent entirely on the current crisis.

Avoid Telemarketers

Be wary of fundraisers who pressure you to make a contribution over the phone. Never divulge your credit card information to someone soliciting you via the phone. Instead, ask the fundraiser to send you written information about the charity they represent and do some research on your own. Once you feel comfortable with the charity, send the organisation a cheque directly in the mail, or give through their website, thus ensuring 100 percent of your gift goes to the charity and not the for-profit fundraiser.

(Read Charity Navigator's guide to handling telephone appeals www.charitynavigator.org)

Research And Follow Up

As always, take the time to find a charity you can trust. And be sure to follow up with the charity in a few months to find out (a) how your donation was put to use and (b) if the organisation needs additional support to complete the recovery effort.

Give Online

The inherent speed of online giving provides instant gratification to donors and offers charities immediate access to much needed funds.

Facts derived from www.charitynavigator.org