# Disaster Philanthropy Practices: 2020 Edition

by Robert Schwarz

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Executive Summary

While the ongoing COVID-19 disaster is understandably the focus of companies’ attention, many of the 115 companies we surveyed between November 2019 and February 2020 are committed to responding to all types of natural disasters. This commitment to responding to multiple disasters is likely to be tested, however, by the increase in the number of natural disasters, stakeholders’ greater expectations relating to social issues, and budgetary constraints.

Disaster preparedness can be more cost efficient than relief as it helps reduce the physical destruction and organizational disruptions resulting from natural disasters. In similar fashion, preparedness measures, such as increasing the resiliency and capacity of companies’ nonprofit/NGO partners involved in disaster preparedness, can enable affected businesses and communities to more quickly get up and running again, in this way restoring markets and increasing nonprofit/NGO partners’ ability to produce positive outcomes, thereby increasing the impact of their grant making. Preparedness measures also signal to stakeholders that a company has an informed and comprehensive approach to responding to natural disasters. The insights offered below should help companies address these opportunities and challenges—and, indeed, improve the efficiency and impact of their disaster response programs.

Insights for What’s Ahead

While many companies are prioritizing disaster preparedness, the majority of funding is still allocated to relief. We expect a more substantial shift in funding toward preparedness as more companies recognize how climate change is increasing the frequency, intensity, and magnitude of natural disasters.1

While relief continues to be the response of choice for companies, preparedness now ranks second, moving up from fourth in the 2019 edition of this report.2 Short-term recovery ranks third and long-term rebuilding fourth. Although preparedness has moved up companies’ priority list, The Center for Disaster Philanthropy reports that 50 percent of corporates’ disaster response funding goes to relief and only 4 percent is invested in preparedness initiatives.3

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2 Note that the total number of survey respondents has nearly tripled this year.
**Disaster Response Stages**

Companies rank the four stages of disaster response:

1. **relief**, which refers to the humanitarian support provided to a community in the immediate aftermath of a disaster;

2. **preparedness**, which is the range of preventative activities that help reduce the impact of a disaster;

3. **short-term recovery**, which focuses on getting communities operational again; and

4. **long-term rebuilding**, which is the reconstruction of the buildings and infrastructure damaged and destroyed by a disaster.

\[n=111\]

Source: The Conference Board

In accordance with this nascent shift to preparedness, 24.3 percent of respondents to our Disaster Philanthropy Practices Survey say they are aligning disaster responses with climate change strategies. Similarly, 23.5 percent say they are looking at trends in climate change to understand future vulnerabilities as part of their disaster philanthropy strategies.

Many companies also seem to be applying this knowledge to the work they do with their nonprofit/NGO partners. Almost half (47 percent) of respondents say they are building partnerships with local nonprofits/NGOs in vulnerable communities. Similarly, 47 percent, say they are building strategic partnerships with international nonprofit organizations/NGOs or peer companies to target vulnerable communities. In the same vein, 36.5 percent of respondent companies say they are investing in capacity building of local nonprofits/NGOs in vulnerable communities.

Based on these indicators, we expect a transition from relief to preparedness to accelerate as the frequency, intensity, and magnitude of natural disasters continue to increase and as companies see that preparedness can be more cost efficient than relief—especially as corporate budgets tighten.
Companies should therefore consider:

- Dedicating a significant portion of their annual disaster response budget to preparedness in the areas in which they and the communities they serve operate.
- Funding nonprofit/NGOs involved in disaster preparedness—especially their data and broader IT needs.\(^4\)
- Requesting that nonprofit/NGO partners conduct a resiliency assessment, then working with them to implement the recommended measures.\(^5\)
- Implementing processes to monitor and track the outcomes of the resources dedicated to disaster preparedness.

Companies’ involvement in disaster philanthropy is mainly driven by their commitment to corporate citizenship and local communities. The focus on racism in the US and the disparate impact of COVID-19 on disadvantaged populations is likely to heighten companies’ sensitivity to serving those populations in future disaster response efforts.

Companies should consider:

1. incorporating an assessment of the impact a disaster has on disadvantaged populations into their disaster response protocols (discussed below); and
2. engaging with local organizations devoted to economic, health, and racial equality to gain their input on responses to natural disasters and, as appropriate, leveraging those organizations in their response efforts.

More than 61 percent of respondents cite their commitment to corporate citizenship and local communities as the reason for their company’s involvement in disaster philanthropy; by comparison, 19 percent say it is driven by an expectation set by their CEO and/or business units and 12 percent as an expectation set by their employees.

Much like Hurricane Katrina 15 years ago, the COVID-19 pandemic has—on a much larger scale—highlighted the disparate impact that natural disasters can have on disadvantaged populations and, indeed, widening inequality.\(^6\) Given employees’, customers’, and investors’ continuing focus on inequality issues, companies should be cognizant of the impact of disasters on disadvantaged populations and tailor their responses accordingly.\(^7\)

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Corporate citizenship and philanthropy executives can partner with their diversity, equity & inclusion and sustainability colleagues to ensure disaster response programs take into consideration both environmental and broader social considerations, including in their general response protocols. In addition, companies can leverage their relationships with local governments and nonprofit organizations devoted to addressing social and economic equality in both the planning and response to natural disasters.

Companies have significantly ramped up their employee volunteering and donation programs in response to natural disasters.⁸ Due to COVID-19 related restrictions, we expect that much of the workforce will continue volunteering virtually for an extended period. While developing new ways for employees to participate in disaster response efforts will require sustained effort, it can also lead to higher levels of employee engagement and impact.⁹

Employees figure prominently in companies’ disaster relief efforts, with 76.5 percent of respondents offering programs that match employee giving, 66.1 percent offering hands-on employee volunteering, and 36.5 percent providing skills-based employee volunteering and staff-exchange programs.

However, social distancing and lockdown measures adopted to reduce the spread of COVID-19 have hampered volunteer programs. Many companies have been or are transitioning to virtual volunteering, but research from The Conference Board shows that opportunities are insufficient to meet employee demand, especially when it comes to skills-based programs. We expect that, as with the workplace, much of the workforce will continue to do their jobs (and thus their volunteering) virtually for an extended period.¹⁰

Companies will want to continue to innovate in response to these challenges, including developing more skills-based virtual volunteering programs that align employees’ areas of expertise with nonprofit/NGO partners’ and other entities dedicated to responding to disasters. In particular, these volunteer programs can be designed to enable employees to help not just with immediate relief efforts, but also with preparedness, recovery, and rebuilding. That can help in the shift of corporate disaster philanthropy toward preparedness, enable more employees to volunteer, deepen the company’s involvement in disaster philanthropy on an ongoing (not just periodic) basis, and increase the impact of the company’s efforts.

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⁹ Skills-based volunteering involves individuals or teams of corporate volunteers helping a nonprofit/NGO solve a problem using their specialized knowledge or skills in a business area, such as technology, finance, marketing, or law.

More than 58 percent of respondent companies have never joined forces with other corporations in establishing a disaster relief fund. In light of the challenges disaster response programs are facing, especially during the pandemic, we expect more companies to seek more collaboration.

Of survey respondents, 58.3 percent state that they do not directly collaborate with other corporations in funding disaster relief. Participation in industry sector–specific alliances is reported by 22.6 percent of companies, which use such alliances to scale the contribution of their skills and services to a disaster, while 19.1 percent say they have participated in other types of corporate alliances to provide disaster relief.

Several trends make it more important for companies to collaborate: the increasing frequency and impact of disasters, and their broader social implications, which go beyond any single-company response. And there are trends that make it easier to collaborate across companies: the virtual work environment and the ability to address all four stages of disaster relief on an ongoing basis. So companies may wish to explore how they can bring their complementary skills, expertise, and industry perspectives with other corporations to bear.11 (For successful examples of collaboration, companies can look to Corporate Champions for Education and Partnership for Quality Medical Donations.) As part of this effort, companies may also wish to consider working with large nonprofit disaster aid agencies, which have vast disaster response experience and extensive networks that span disaster types and the globe.12

Almost all surveyed companies have a general response protocol that they adapt to specific circumstances when a disaster occurs. This approach often allows companies the capacity to handle multiple disasters taking place over a short period. Companies’ disaster response programs will be tested, however, by the severity of the COVID-19 pandemic, which will require a greater focus on efficiency and innovation.

To be effective, disaster philanthropy requires diligent planning and execution by corporations. More than 90 percent of companies that participated in the Disaster Philanthropy Practices Survey state that they rely on a general response protocol to plan their intervention when a disaster occurs, and that such a protocol is adapted to the specific circumstances posed by a certain natural event. Moreover, 61.2 percent of respondents to the COVID-19 Pulse Survey either already included pandemics in their general protocol or have added them since the outbreak of COVID-19.13

However, the magnitude and complexity of the current situation poses new challenges. In particular, companies’ disaster relief efforts will likely be tested by: the limits on company resources (even more so given the unfavorable global economic outlook)14 and the need to adjust the standard ways of providing relief to comply with social distancing and/or lockdown measures in place for the foreseeable future as the spread of COVID-19 remains largely unabated in many areas of the world. Even more than in the past, companies will need to focus on the efficiency and effectiveness of their disaster philanthropy response and communication efforts, including, importantly, identifying where the funding gaps are and reallocating donations to help fill them.

12 Thomas and Fritz, “Disaster Relief, Inc.”
13 Schwarz, The New Normal(s).
As Response Shifts from Relief to Preparedness, Climate Change Grows in Importance

More than 90 percent of respondent companies have a general response protocol that they adapt to specific circumstances when a disaster occurs and the capacity to handle multiple disasters that take place over a short period. Also referred to as a disaster response decision matrix (DSDM), these general response protocols help companies decide whether to respond to a disaster. They include procedures for:

1. how to evaluate the severity of a disaster;
2. how to determine an appropriate level of response; and
3. how to orchestrate the associated efforts.

These matrices are especially useful when simultaneously responding to more than one disaster, as 90.4 percent of respondents indicate they can do—especially as COVID-19 is expected to remain a factor complicating disaster responses for the foreseeable future.

While our Disaster Philanthropy Practices Survey indicates that respondent companies have begun to shift their focus to disaster preparedness, this transition is not necessarily reflected in companies’ allocation of funds. To wit, the nonprofit, independent Center for Disaster Philanthropy reports that 64 percent, or US$232,506,661, of corporate funding for responses to natural disasters goes to relief, while only 2 percent, or US$19,581,996, goes to preparedness.\(^{15}\) At the same time, however, 14.8 percent of respondents indicate that they do not participate in disaster preparedness (see Figure 1).

We expect that companies’ concerns about climate change will accelerate their focus on preparation. The 2019 edition of this report was one of several to recognize the connection between natural disasters and climate change, including the need to focus on preparation, not just relief.\(^{16}\)

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Disaster Relief vs. Disaster Preparedness

**Disaster relief** is the humanitarian support provided to a community in the immediate aftermath of a disaster; efforts typically include immediate assistance in the form of cash and in-kind donations to and boots-on-the-ground volunteer efforts in affected areas.

**Disaster preparedness**, on the other hand, refers to a range of climate adaptation activities that can help vulnerable communities reduce the impact of a disaster, improve the response in its aftermath, and speed up the recovery effort. Increasingly, this refers to helping build resilient communities, systems, and infrastructure to help vulnerable people and communities cope with disasters.\(^{17}\)

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\(^{15}\) Candid and the Center for Disaster Philanthropy, “Measuring the State of Disaster Philanthropy.”

\(^{16}\) Harvey, “Scientists Can Now Blame”; Van Aalst, “The Impacts of Climate Change”; Rosenzweig et al., “Attributing Physical and Biological Impacts to Anthropogenic Climate Change.”

\(^{17}\) Parkinson, Disaster Philanthropy Practices.
Companies’ interest in the connection between natural disasters and climate change and doing more to prepare for the former is well founded. Starting from 2015, 2020 is the sixth consecutive year in which 10 or more billion-dollar weather-related disasters have occurred in the US.18 The World Bank estimates that by 2030, without significant investment into making cities more resilient, natural disasters may cost cities worldwide $314 billion each year, up from around $250 billion today.19 Planned investments, however, are being put on hold.

In US cities, for example, government plans for climate adaptation projects such as seawalls20 are on the chopping block as cities:21

1 divert funds for such long-term projects to meet the dramatically increased immediate demand for services due to the social and economic effects of COVID-19;

2 contend with lost tax revenue; and

3 comply with balanced budget laws.

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20 Seawalls are hard-engineered structures that protect against erosion, coastal flooding, and sea-level rise.

In light of these challenges, 24.3 percent of respondents say they are aligning disaster responses with climate change strategies. Similarly, 23.5 percent of respondents say they are looking at trends in climate change to understand future vulnerabilities as part of their disaster philanthropy strategies.

Figure 1

Building partnerships with nonprofits and addressing climate change are the focuses of companies’ disaster preparedness activities

Disaster preparedness activities of respondent companies

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build strategic partnerships with international nonprofit organizations/NGOs or peer companies to target vulnerable communities</td>
<td>47.0%</td>
</tr>
<tr>
<td>Build partnerships with local nonprofits/NGOs in vulnerable communities</td>
<td>47.0%</td>
</tr>
<tr>
<td>Invest in capacity building of local nonprofits/NGOs in vulnerable communities</td>
<td>36.5%</td>
</tr>
<tr>
<td>Align disaster responses with climate change strategies</td>
<td>24.3%</td>
</tr>
<tr>
<td>Study trends in climate change to understand vulnerabilities</td>
<td>23.5%</td>
</tr>
<tr>
<td>Help to increase the trustworthiness of traditional institutions</td>
<td>18.3%</td>
</tr>
<tr>
<td>We do not participate in disaster preparedness</td>
<td>14.8%</td>
</tr>
<tr>
<td>Help to eliminate complex regulatory issues in vulnerable communities</td>
<td>13.9%</td>
</tr>
<tr>
<td>Other</td>
<td>13.0%</td>
</tr>
<tr>
<td>Move business operations away from vulnerable communities</td>
<td>9.6%</td>
</tr>
<tr>
<td>Eradicate fraud in vulnerable communities</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

n=115

Note: Companies were asked to choose all applicable responses.

Source: The Conference Board
The following steps would help companies shift their funding to favor disaster preparedness over relief, including addressing climate change:

- Dedicate a significant portion of the annual disaster response budget to preparedness in the areas in which they and the communities they serve operate.
- Fund nonprofit/NGOs involved in disaster preparedness and resiliency building—especially their data and broader IT needs. Increasingly referred to as data philanthropy, this type of donation may involve sharing otherwise private firm data resources, including raw data, skilled data scientists and analysts, and data technologies such as software or cloud platforms, with external partners for the benefit of society.22 Beyond disasters, nonprofits/NGOs’ lack of IT resources also hinders policy research, community organizing, and advocacy, all of which support the achievement of their purpose.23 Alternatively, or in addition to data resources, donations of computers and IT infrastructure components would also prove beneficial to recipients.
- Request that nonprofit/NGO partners conduct a resiliency assessment, then work with them to implement the recommended measures. Common Impact, a nonprofit that connects corporate employees to nonprofit organizations with proven models to tackle the greatest challenges our communities face, offers a free online organizational resiliency assessment tool.
- Monitor and track the outcomes of more resources being dedicated to disaster preparedness. We have found that companies do not consistently track the effectiveness of their disaster relief efforts; if they are going to make a shift to preparedness, it will be critical for them to track its effectiveness to determine whether a reduction in disaster relief increases any risks and/or has any other unintended negative consequences.
- Determine whether biases are at the root of continuing to focus on disaster relief. Companies that have not begun to adjust their disaster response program for the constellation of aforementioned reasons may want to take an objective look at why they continue to focus on disaster relief.24

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23 Buteau et al., “Transparency, Performance Assessment, and Awareness.”
Whether a company has a business presence in the area affected by the disaster (57.8 percent) and the human toll of the disaster (24 percent) are the two most popular reasons respondent companies cite for deciding to respond to a specific disaster (see Figure 2). At the same time, recent research from The Conference Board found that almost two-thirds of respondents believe their business continuity/disaster preparedness plan is inadequate to address the COVID-19 pandemic.\textsuperscript{25} Accordingly, companies may want to ensure that they involve corporate citizenship executives in formulating and executing their business continuity plans.

\textbf{Figure 2}

Companies mostly determine whether they’ll mount a response to a disaster based on its effect on their physical operations and its human toll

<table>
<thead>
<tr>
<th>Reason companies value the most in their decision on whether to respond to a natural disaster</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whether the company has a business presence in the geographic area affected by the disaster</td>
<td>57.8%</td>
</tr>
<tr>
<td>Human toll of the disaster (e.g., fatalities, number of people displaced, etc.)</td>
<td>24.0%</td>
</tr>
<tr>
<td>Existing economic conditions and fragility of the geographic area affected by the disaster</td>
<td>10.3%</td>
</tr>
<tr>
<td>Economic impact of the disaster</td>
<td>4.3%</td>
</tr>
<tr>
<td>None of the above</td>
<td>2.6%</td>
</tr>
<tr>
<td>Involvement of peer companies</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

n=116

Source: The Conference Board

The Broader Social Context for Disaster Responses

Companies’ involvement in disaster philanthropy is mainly driven by their commitment to corporate citizenship and local communities

Drivers of respondent company’s systemic involvement in disaster philanthropy

<table>
<thead>
<tr>
<th>Driver</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company commitment to corporate citizenship and local communities</td>
<td>61.2%</td>
</tr>
<tr>
<td>CEO and/or business unit expectation</td>
<td>19.0%</td>
</tr>
<tr>
<td>Employee expectation</td>
<td>12.1%</td>
</tr>
<tr>
<td>None of the above</td>
<td>9.0%</td>
</tr>
<tr>
<td>Solicitation from nonprofits/NGOs providing disaster relief</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

Note: Percentages may not add up to 100 due to rounding.
Source: The Conference Board

The disparate impact natural disasters have on disadvantaged populations is well documented. These communities’ close proximity to high-risk areas, poor housing conditions, and low personal wealth levels all factor into how such communities experience both the natural disaster and its aftermath.26 Given stakeholders’ heightened sensitivity to broader social issues arising from the multiple crises of 2020, companies may wish to evaluate how their disaster philanthropy programs serve disadvantaged populations.

In light of these dynamics:

- Citizenship executives can partner with diversity, equity & inclusion and sustainability colleagues in a review of disaster response programs to assess how their responses to natural disasters consider relevant social and environmental issues. Given that natural disasters tend to have a disproportionately adverse impact on vulnerable communities, disaster philanthropy can be viewed as a component of a company’s broad strategy to address social problems and support the communities they serve.

- In addition, companies can leverage their relationships with local governments and nonprofit organizations devoted to addressing social and economic equality in both the planning and response to natural disasters.

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### Donation types

Aside from cash, 73 percent of respondents cite in-kind donations as the most common form of corporate disaster philanthropy.

**Figure 4**

**In-kind donations and employee volunteering figure prominently in companies’ disaster relief efforts**

Contribution types respondent companies offer aside from cash

<table>
<thead>
<tr>
<th>Contribution Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-kind donation of company’s products and services (including fee waivers)</td>
<td>73.0%</td>
</tr>
<tr>
<td>Employee giving matching program</td>
<td>76.5%</td>
</tr>
<tr>
<td>Hands-on employee volunteering</td>
<td>66.1%</td>
</tr>
<tr>
<td>Skills-based employee volunteering and staff-exchange programs</td>
<td>36.5%</td>
</tr>
<tr>
<td>Gratuitous license to use company’s know-how or other intellectual property</td>
<td>20.9%</td>
</tr>
<tr>
<td>Customer giving matching program</td>
<td>19.1%</td>
</tr>
<tr>
<td>Gratuitous license to use company’s plants or facilities</td>
<td>16.5%</td>
</tr>
<tr>
<td>Gratuitous license to use company’s equipment</td>
<td>15.7%</td>
</tr>
<tr>
<td>Other</td>
<td>7.8%</td>
</tr>
<tr>
<td>Corporate tax prepayments to local government</td>
<td>5.2%</td>
</tr>
<tr>
<td>None of the above</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

n=115

Note: Companies were asked to choose all applicable responses.

Source: The Conference Board
Employee volunteering

Social distancing and lockdown measures in place to mitigate the spread of COVID-19 have hampered corporate volunteer programs in general, thus requiring companies to transition to virtual volunteering. To date, however, there has been an inadequate supply of opportunities to meet employee demand. To address this issue, and to increase the impact of a company’s philanthropic efforts, companies may wish to:27

- Design a skills-based virtual volunteering program that aligns employees’ area(s) of expertise with nonprofit/NGO partners’ and other entities dedicated to responding to disasters, such as Common Impact. Nonprofit/NGOs need the specialized knowledge and skills individuals or teams of corporate volunteers can offer in areas such as technology, finance, marketing, and law. These volunteer programs could be designed for preparedness, recovery, and rebuilding phases rather than just relief. Broadening this type of employee opportunity has multiple potential benefits for companies, including:

  1. accelerating their shift to disaster preparedness, thus increasing the efficiency of their use of funding;
  2. providing more employees with an outlet to volunteer that is in line with their values, thus increasing employee recruitment and retention;
  3. demonstrating a more informed and comprehensive approach, thus signaling to stakeholders the credibility of their program; and
  4. increasing nonprofit/NGO partners’ ability to produce positive outcomes, thus increasing the impact of their grant making.

27 Schwarz, The New Normal(s).
Employee assistance funds

While employee assistance funds (also known as employee relief funds) are offered by 63.8 percent of respondents, these programs are not available to all employees in all countries (see Figure 5). Of the respondent companies that have an employee assistance fund, 63 percent offer this type of assistance to all employees in all countries, 27.4 percent offer it to employees who reside in the same country as their company’s headquarters location, and 9.6 percent to the headquarters country as well as other select countries.

While taxation, regulatory, and payroll system limitations can make providing this assistance in countries outside of the US very complicated for companies to do in-house, a number of organizations specialize in providing this service. Given the global reach of pandemics and the occurrence of all types of disasters the world over, companies may consider conducting a cost-benefit analysis of extending employee assistance fund availability to all employees in all countries in which the company operates, perhaps through a third-party provider.

Figure 5

About two-thirds of the respondent companies that offer employee assistance funds cover employees regardless of their work location

Countries covered by respondent companies’ employee assistance fund

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Employee donation programs

At nearly 61 percent, the most common form of employee donation program among respondents is to help raise money from employees for colleagues; still, 51.3 percent of respondent companies don’t match employee donations and 29.8 percent allow employees to donate unused vacation and/or sick time to colleagues affected by a disaster.

Figure 6

Percentage of respondent companies that have raised money from employees for colleagues and their families affected by disasters

![Pie chart showing percentage of companies that have raised money](chart1.png)

n=115
Source: The Conference Board

Figure 7

Whether respondent companies match employee donations to colleagues and their families affected by disasters

![Pie chart showing percentage of companies that match donations](chart2.png)

n=115
Source: The Conference Board
While being mindful of budget limitations, companies may wish to consider broadening allowances and relaxing restrictions on employee community engagement programs.\textsuperscript{29}

\textsuperscript{29} Schwarz, The New Normal(s).
Collaborating with Other Companies

Figure 9
More than 58 percent of respondent companies have never joined forces with other corporations to establish a special disaster relief fund

Companies that have joined forces with other companies in the establishment of a special disaster relief fund

- 22.6% Yes, we have participated in sector-specific alliances to scale the contribution of our skills and services to a disaster
- 19.1% Yes, we have participated in other types of corporate alliances to provide disaster relief
- 58.3% No

n=115
Source: The Conference Board

There are understandable reasons for these results. First, especially in immediate disaster relief efforts, it can be a challenge to marshal a company’s own resources, let alone coordinate with other companies. Second, companies understandably see the benefit to both internal and external stakeholders of highlighting their own efforts. However, given the frequency, duration, and intensity of natural disasters; the need to shift disaster response efforts toward preparation; the ease of collaborating in a virtual work environment; and the opportunity to have a greater impact, companies may wish to consider:

- forming or participating in a multicompany disaster relief partnership, potentially with an established disaster aid agency. While companies are capable of individually achieving positive outcomes, acting in concert with companies in complementary industries is potentially made easier by the virtual work environment and by the corporate community’s broadening commitment to serving all stakeholders and supporting the communities in which they work. And while concerns about capacity have been deterrents to working with aid agencies, the vast experience, increased economies of scope and scale, and complementary skills and expertise that multiple partners can bring to such a venture may offset these concerns.

30 Thomas and Fritz, “Disaster Relief, Inc.”
Evaluating and Communicating Disaster Response Efforts

Over 81 percent of respondents rate their response to recent disasters successful or mildly successful, which suggests a strong track record. Looked at another way, however, approximately 55 percent of respondents suggested there is room for improvement—rating their efforts from unsuccessful (1 percent) to mildly successful (36.5 percent).

Figure 10
How respondent companies rate their response to recent disasters

<table>
<thead>
<tr>
<th>Rating</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Successful</td>
<td>45.2%</td>
</tr>
<tr>
<td>Mildly successful</td>
<td>36.5%</td>
</tr>
<tr>
<td>Neutral</td>
<td>16.5%</td>
</tr>
<tr>
<td>Mildly unsuccessful</td>
<td>0.9%</td>
</tr>
<tr>
<td>Unsuccessful</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

Given the scarcity of dollars and the rising demand for natural disaster relief, companies should conduct disciplined after-the-fact evaluations of their disaster response efforts. Companies already employ these kinds of evaluations in other areas, such as new product launches and merger and acquisitions, and it is a best practice to do so in disaster response efforts as well.

This analysis should address not only the impact of such funding, but also whether it could have been used more effectively elsewhere. Liz McCartney, Co-Founder and Chief Operating Officer of SBP (formerly known as St. Bernard Project), a nonprofit leader in disaster resilience and recovery, reports that the process for applicants to receive funding from the US Department of Housing and Urban Development to rebuild their home can take years, often leaving them in transitory or storm-damaged housing, which can lead to physical and mental health issues.32 As noted in a prior report from The Conference Board, companies can help serve as a catalyst for others, including governmental agencies, to improve the efficiency of their efforts.33

At the same time, there is an opportunity for companies to reevaluate the way they communicate their disaster response efforts, both internally and externally.

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While it makes sense to use multiple avenues for communicating disaster response efforts, companies may also want to conduct an inventory of their communication methods and a cost-benefit analysis to determine the most effective way of getting their message to key constituencies, including communities affected by the disaster, employees, customers, the general public, investors, and regulators.
About This Report

Disaster Philanthropy Practices: 2020 Edition presents findings from a survey of corporate citizenship, corporate social responsibility, and philanthropy professionals on companies’ disaster philanthropy practices (the “Disaster Philanthropy Practices Survey”). We conducted the survey from November 2019 through February 2020; 115 companies participated. The report also draws upon additional research we conducted during 2020, including our recent investigation of how the COVID-19 pandemic is affecting the field of corporate citizenship and philanthropy (“the COVID-19 Pulse Survey”). Our analysis and synthesis of this information has yielded actionable insights for what’s ahead to help companies optimize the efficiency and impact of their disaster philanthropy programs.

Similar to the 2019 edition, this report delves into which disasters companies focus their response efforts on, why they respond, and how they do so, including the role of employees. This edition also takes into account how the COVID-19 pandemic has brought new meaning to—and a deeper understanding of—natural disasters in terms of both how companies respond and the ongoing social and economic effects of such disasters.\(^3^{4}\) Further, in response to Corporate Citizenship and Philanthropy Council members’ input, this edition provides increased attention to climate-associated natural disasters and the shift from solely providing relief to doing more to prepare for disasters.\(^3^{5}\)

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