



THE CONFERENCE BOARD

## Corporate Aid to Japan

### Key Findings From A Pulse Survey

The recent crisis in Japan has resulted in an outpouring of support from citizens and corporations around the world. Numerous relief programs have been established to provide conduits for distributing the money, goods and services that the people of Japan will need to survive and recover from these natural disasters.

The Conference Board has conducted a pulse survey to assess the forms and extent to which the corporate community in the United States is contributing to this effort. The survey—which supplements The Conference Board’s annual research on corporate contributions—was disseminated to U.S.-listed companies and conducted online from April 11 to April 20, 2011. Participating companies were asked to report contribution amounts committed as of the date in which the survey was filled out. Additional information on survey participants is provided below (“On the Japan Relief Pulse Survey.”)

The following are the key survey findings.

**Corporate aid program** Across industries and size groups (measured by annual corporate revenue), a large majority of survey participants reported instituting some type of program to support relief efforts in Japan. Virtually all of the largest surveyed companies (\$20 billion or more of annual revenue) did so, while the percentage is reduced to 73.9 in the case of the smallest (less than \$5 billion of annual revenue). The manufacturing industry reports the highest percentage of such programs: 95.2 percent, compared with 87.5 percent in financial services and 79.2 percent in other (non-financial) services. As discussed below, the strongest relationship with the Japanese market explains this industry-related finding.

**Total contributions** Manufacturing companies are the most generous contributors to Japan relief programs, with an average donation per company of \$807,555 and a 75<sup>th</sup> percentile as high as \$1,200,000. As discussed below, manufacturing companies are also those with the strongest relationship with the Japanese market. When analyzed by company size, the average aggregate value of per-company contributions to Japan relief programs varies from \$136,719 for smaller companies to \$2,134,130 for those with annual revenue of \$20 billion and more.

**Contribution type** The largest majority of reported corporate contributions to Japan relief efforts are in cash. In the manufacturing industry, in particular, this is the case for 89.6 percent of total contributions to Japan, whereas non-financial services company report that 19.6 percent of their contributions to the same relief programs are in the form of company products or services (compared with 7.8 percent in manufacturing and 2.5 in financial services). When analyzed by company size, the smallest companies (under \$5 billion of annual revenue) are those awarding the highest percentage of cash grants: 91.4 percent, compared with 68.6 for companies with annual revenue between \$5 billion and \$20 billion and 88.8 for the largest companies (over \$20 billion of annual revenue). Across industries and size groups, no company reported in-kind contribution in the form of lending its employee expertise to the relief efforts.

**Relationship with Japanese market** Manufacturing companies reported the strongest relationship with the Japanese market, because of: their existing business operations in Japan (69.8 percent of survey participants); their dependence on imports from Japan (30.2 percent); or the fact that Japan is a key customer base (41.9 percent). Only 20.9 percent of surveyed manufacturing companies report none of these types of relationships, compared with 62.5 percent of financial services companies and 54.2 percent of other (non-financial) services companies. The type of relationship varies significantly according to size groups, with the largest companies reporting the closest ties with the Japanese market, primarily due to their business operations (72 percent) and their customer base (40 percent).

**Contribution recipients** The survey inquired on the means through which companies are funneling their contributions to Japan—whether through Japanese or international relief agencies, directly through company employees based in Japan, or other forms. Across size groups and industries, a large majority of companies use their contributions to support international relief agencies (65.2 percent of the smallest surveyed companies and as many as 84 percent of the largest). The largest companies are those more inclined to rely on the relief initiatives of their employees based in Japan (36 percent, compared with 8.7 percent of the smallest surveyed companies). The manufacturing industry is the one that, presumably due to its closest ties with the country, adopts the most diversified approach and uses a combination of Japanese and international agencies, employee-driven initiatives, and other forms of assistance.

**Contribution timeframe** Participating companies were also asked to indicate whether they plan to award (or have already awarded) the contributions as a lump sum or wait for more information regarding the evolution of the situation in Japan to better identify the real areas of need. The survey showed that, across industries and size groups, companies have been more inclined to act swiftly. The largest percentage of companies that have committed resources but intend to wait for higher awareness of the actual needs before deciding on the allocation is in (non-financial) services (26.3 percent) and in the largest size group (33.3 percent).

**Employee-matching programs** As part of their contributions to Japan, most companies have also instituted a program to match donations made by employees to relief initiatives of their choice. The percentage of companies that offer a matching program ranges from

66.7 in non-financial services to 71.4 in financial services and from 64.7 for the smallest companies to 73.3 for those with annual revenue between \$5 billion and \$20 billion.

**Collaboration with other companies** Perhaps due to the nature of the emergency and the need for a prompt response, most companies are not engaging with their peers in a joint relief effort: only 7.7 percent of the manufacturing companies and 3.3 percent of those with annual revenue between \$5 and \$20 billion indicated that they are partnering or collaborating with other business corporations to increase the value or effects of their contributions.

**Impact on corporate giving program** The survey asked participating companies the impact the decision to contribute to the natural calamities in Japan had on allocation of resources from their previously budgeted corporate giving program. The majority of companies reported establishing a separate, emergency fund, with no impact on the regular contribution program: this is the case for 84.6 percent of financial services firms and 84 percent of the largest surveyed companies. Of those companies that responded that the Japan relief contributions did require a re-allocation of previously budgeted contribution resources, an ample majority across the smallest revenue groups and the group comprising companies with annual revenue between \$5 and \$20 billion reported an only minimal impact on that budget. None of the participating financial and non-financial services companies indicated that the unplanned contributions to Japan had a significant impact on the annually budgeted enterprise-wide contribution program.

**On the Japan Relief Pulse Survey** The survey of U.S. listed companies was conducted online from April 11 to April 20, 2011. A total of 83 U.S.-listed companies responded to the survey. The following is the distribution of survey responses by industry and revenue:

	Respondent distribution (percent)
Manufacturing	51.8
Financial Services	19.3
Services	28.9
Total	100.0

	Respondent distribution (percent)
Under \$5 bilion	28.0
\$5 billion to under \$20 billion	41.5
\$20 billion and more	30.5
Total	100.0

For more information on the Pulse Survey or these key findings, please contact:

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