Disaster Philanthropy Practices 2021: Optimizing Impact While Reaching Underserved Communities

November 2021
About this Report

This third annual report on disaster philanthropy, published by The Conference Board Environmental, Social & Governance (ESG) Center, focuses on corporate disaster philanthropy priorities, partners, and future goals. In particular, the report highlights areas where CEOs can play a role in helping companies adhere to their disaster philanthropy priorities, collaborate with other companies, and increase the efficiency and effectiveness of their efforts.

It is based on survey responses of 126 corporate citizenship and philanthropy professionals at public and private companies, the proceedings of disaster philanthropy-related sessions at The Conference Board 2021 Corporate Citizenship & Philanthropy Toolbox Series: Disaster Philanthropy attended by professionals from more than 100 companies, and external research.

The complete set of survey results is available to Members of The Conference Board on MyTCB. Members may also request an expert briefing on disaster philanthropy during which the survey and other report content can discussed in greater detail.
Insights for What’s Ahead
As natural disasters have a disproportionate effect on vulnerable communities, companies are responding by making those communities a priority.

To achieve this, companies are enlisting diversity, equity & inclusion colleagues, nonprofit partners, and employee resource groups to provide guidance. Over the next three years, 54 percent of respondent companies say disaster philanthropy practices will prioritize vulnerable communities, i.e., those that are socioeconomically disadvantaged.
A greater focus on disaster preparedness and long-term recovery projects can pay dividends for both companies and communities and ensure these programs have maximum impact over time.

This means rebalancing priorities between immediate relief and preparedness and long-term recovery. Seventy-three percent of respondent companies cite immediate disaster relief as their priority, while only 22 percent cite preparedness and 3 percent cite long-term recovery and reconstruction. But these latter two stages of disaster response are increasingly essential given the forecast for more frequent, intense, and costly natural disasters. Funding preparedness pays off because it reduces the need for relief and helps to build trust with communities. Funding long-term recovery and reconstruction reduces the time it can take for communities to return to normal, including the disadvantaged returning to their homes.
Exploring new partnerships: Given the potential to increase the scale and effectiveness of their disaster philanthropy, CEOs should encourage their corporate citizenship leaders to explore partnerships and coalitions with other firms—especially with companies that have complementary core competencies with respect to responding to a disaster. While companies routinely partner with nonprofits and government agencies on disaster relief and recovery efforts, just 16 percent of surveyed companies partner with other companies. Such company-to-company partnerships can create an ecosystem that drives outcomes which far exceed the scope of what any single organization can achieve.
Employees’ influence on companies’ disaster philanthropy practices will likely continue, and companies should seek to channel their energy. A total of 65 percent of respondent companies cite employees’ expectations among the top three reasons they engage in disaster philanthropy. However, employee pressure can derail pre-existing priorities: 43 percent of respondents cite employee pressure as a challenge to staying true to their protocols. But employees can also help inform and improve corporate efforts. While 63 percent of respondents elicit information from employee resource groups about which nonprofits to fund in communities affected by natural disasters, a third do not.
Commitment & Priorities
Commitment to communities is the main driver of respondent companies’ disaster philanthropy.

- A total of 93% of respondents cite commitment to communities as a main driver of disaster philanthropy, up more than 30 percentage points from 2020.
- Most notably, 65% cited employee expectations (more than 50 percentage points higher than 2020), a reflection that employees are being more assertive about their concerns and that companies are responding by creating initiatives that address their concerns.

n=126
Most respondents cited relief as the #1 priority and short-term recovery as #2. Despite the outlook for future disasters, preparedness was often a third or fourth priority, even though it reduces the need for relief and can build trust with communities. Long-term recovery aid rated lowest, despite it being essential to helping communities return to health, including accelerating disadvantaged families’ return to their homes.
Internal disagreements and pressure from employees are the top reasons nearly all respondents break from their disaster philanthropy funding priorities.

**Question:** The following factors make it challenging for my company to stay true to its disaster philanthropy funding priorities:

- Disagreement with Priorities: 44%
- Employee Pressure: 43%
- Snr. Mgmt. Pressure: 37%
- Didn't Follow Protocols: 19%

- Companies shift disaster response resources because of the heightened emotions triggered by natural disasters. Even when there is annual senior management buy-in on priorities, 44 percent cited disagreement with those priorities *at the time a disaster hits* as the reason they change course. Management can reduce pressure from employees to respond by always being able to offer volunteer opportunities and grants, matching gifts, and/or an employee relief fund.
At 89 percent and 77 percent respectively, respondents favor partnering with national and local nonprofits.

- Only 16% of respondents worked with other companies on disaster relief, which dropped three percentage points from 2020. This is an untapped opportunity for companies to improve the efficiency and effectiveness of their disaster philanthropy efforts – and it can go hand-in-hand with an increasing focus on the key areas of preparedness and long-term recovery.
Most respondents identify community needs via nonprofits (93%) or business units operating in disaster-affected areas (72%).

Question: My company elicits information from the following parties to align its response to disasters with community needs:

- Non-profit organizations: 93%
- Company-operated business units: 72%
- Governments and public authorities: 58%
- Community leaders: 48%
- Community members: 30%
- Companies: 18%

- Nonprofits are the key source for identifying community needs. According to the President of the Center for Disaster Philanthropy, companies can respond more effectively to those needs by: 1) having a disaster strategy based on business type and resources; 2) ensuring in-kind donations are driven by demand; and 3) providing support to ensure in-kind donations reach and are used by the intended recipients. Volunteers play a critical role in these efforts, especially skilled volunteers.
COVID-19 & Racial Equity
Corporate citizenship is working with their DE&I colleagues, nonprofit partners, and ERGs to make disaster philanthropy more racially equitable

**Question:** My company’s review of its disaster philanthropy practices to ensure they are racially equitable includes input from the following parties:

<table>
<thead>
<tr>
<th>Party</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>DE&amp;I Team</td>
<td>81%</td>
</tr>
<tr>
<td>Non-profit partners</td>
<td>77%</td>
</tr>
<tr>
<td>ERGs</td>
<td>63%</td>
</tr>
<tr>
<td>Community leaders</td>
<td>38%</td>
</tr>
<tr>
<td>Community members</td>
<td>38%</td>
</tr>
<tr>
<td>External experts</td>
<td>25%</td>
</tr>
<tr>
<td>Faith-based Orgs.</td>
<td>8%</td>
</tr>
</tbody>
</table>

- Companies should also consider enlisting external experts such as Institute for Diversity and Inclusion in Emergency Management. FEMA’s National Advisory Council has recommended that the federal agency take steps that will complement these efforts.
COVID-19 prompted 69 percent of respondents to change their disaster philanthropy practices, with 45 percent increasing funding and 29 percent broadening its scope:

**Question:** COVID-19 prompted my company to adjust the design and execution of its disaster philanthropy in the following ways (please check all that apply):

<table>
<thead>
<tr>
<th>Change</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Increase funding</td>
<td>45%</td>
</tr>
<tr>
<td>COVID-19 did not prompt any design and execution changes</td>
<td>31%</td>
</tr>
<tr>
<td>Broaden the scope of our disaster philanthropy</td>
<td>29%</td>
</tr>
<tr>
<td>Delineate between disaster response and regular program...</td>
<td>25%</td>
</tr>
<tr>
<td>Expand our international philanthropy</td>
<td>17%</td>
</tr>
<tr>
<td>Expand our consultation with external stakeholders</td>
<td>14%</td>
</tr>
<tr>
<td>Shift our disaster philanthropy priorities</td>
<td>13%</td>
</tr>
<tr>
<td>Reserve additional funding for statistically unlikely disasters</td>
<td>13%</td>
</tr>
</tbody>
</table>

Companies went beyond increasing their disaster philanthropy funding in response to COVID-19, with 25 percent of respondents now using their regular philanthropy programs to address social problems made acute by COVID-19.
Priorities for The Future
Respondent’s top priorities are vulnerable communities and ensuring their disaster philanthropy is equitable.

**Question:** Over the next three years, the top three priorities for my company’s disaster philanthropy are:

- Prioritizing vulnerable communities: 54%
- Ensuring equitability: 48%
- Reporting outcomes: 37%
- Quantifying impact: 36%
- Cost-benefit analysis of its efficiency and effectiveness: 5%
- Providing “bridge funding” between FEMA and HUD assistance: 3%
- Advocating for changes to HUD's home rebuilding program: 2%

Analyzing efficiency and effectiveness of disaster philanthropy is a relatively low priority – but it should accompany all the other efforts to prioritize vulnerable communities, ensure programs are equitable, and quantify impact and report outcomes. CEOs can make sure efficiency is not overlooked.