

# The pluses in corporate philanthropy

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**A**LTHOUGH STEVE BAILEY'S column "Do the right thing" (Business, Jan. 8) accurately described some of the ideas in our December 2002 Harvard Business Review article on corporate philanthropy, it misses the main point.

Corporate giving has fallen substantially in recent years precisely because there is so little alignment between current giving practices and corporate objectives. Public companies have a responsibility to shareholders, and "doing the right thing" is no longer a sufficient rationale for corporate giving or a sufficient guide to how corporations can truly benefit society. Demonstrating the business value of investing in the community will increase corporate giving, not diminish it.

There are many different needs in our society and many different types of donors and institutions seeking to address them, including individuals, foundations, and government. The question is, where can corporations use their giving most effectively to tackle social problems and achieve broad social impact?

Not surprisingly, the answer is in areas related to their businesses where they have expertise, contacts, and skilled employees who allow them to add value beyond the money.

Bailey is concerned that our approach would do little for "some guy who spends his nights in a doorway or a mom who can't feed her kids." Unfortunately, corporations cannot solve every social problem. However, many of the examples cited in our article involve companies directly addressing those people in greatest need. Cisco's network training academy, for example, works with the UN to serve populations in 24 of the world's poorest countries.

One of the most distinctive contributions of corporate philanthropy is to boost employment opportunities and create the conditions for healthy local and national economies. Here corporate philanthropy offers a more sustainable answer to the plight of the homeless man or hungry child, not just more charity.

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