

THE IMPORTANCE OF PAYROLL GIVING

Harnessing the giving power of your workforce

At Charities Aid Foundation (CAF) we are committed to effective giving. We perform extensive research into trends in charitable giving and philanthropy, from looking at how individuals give in the UK to tracking giving levels in FTSE 100 companies.

When it comes to corporate giving, our experience reveals that large donations grab headlines – from ‘big ticket’ charity partnerships that signpost company commitments, to high value contributions to disaster appeals. However, the value of corporate donations by FTSE 100 companies fell in 2016, making up just 2% of income for the charitable sector.

In this context, employee giving plays an increasingly important role in channelling resource into the charitable sector. Payroll Giving – a scheme that enables employees to give to charities straight from their gross salary – is core to this. It provides over £160m to charities every year.

Payroll Giving empowers employees to support the causes that are the most important to them. This has obvious benefits to the charitable sector, including providing charities with a long-term and regular income stream, and alleviating the administrative cost and burden of reclaiming Gift Aid.

Payroll Giving also has a number of important benefits for the company:

1. **Boosts employee engagement** – a key employee benefit, empowering them to engage with the causes that they care about most.
2. **Provides employee insight** – data generated provides companies with a better understanding of what employees care about.
3. **Enhances existing CSR activity** – Payroll Giving can be utilised as a tool to drive CSR initiatives.
4. **Creates positive PR** – demonstrates the company's commitment to supporting the community, both to staff and to wider stakeholders.
5. **Serves as a differentiator** – provides external recognition for charity contributions through Government-recognised quality marks.

Getting the most out of CAF Give As You Earn®

CAF Give As You Earn is the most popular Payroll Giving scheme in the UK, helping over 3,000 companies and 400,000 staff to give nearly £70m to charity each year. As part of our ongoing commitment to enable more effective giving, we have put together some suggestions on how to make your scheme even more impactful.

Utilise CAF Give As You Earn for charity partnerships

Warburtons use CAF Give As You Earn to engage staff in supporting their charity partner through pooling employee funds into CAF Staff Charity Funds for each of their geographical sites. This model allows the company to track support to their overall charity partner by site location which enables them to monitor staff engagement and tailor communications to encourage support. This also creates a collective aspect to employee giving by shifting the emphasis away from the individual towards the team.



Use a Professional Fundraising Organisation (PFO) for face-to-face engagement

In 2014, The University of Manchester decided to work with a PFO to help communicate the benefits of CAF Give As You Earn to their staff. PFOs specialise in face-to-face engagement with employees, bringing life to a promotional campaign and boosting sign-up. In the case of The University of Manchester, the first month of partnership alone doubled uptake, which translated into an increase in total donations from £56,000 to £116,000 by the end of the year.

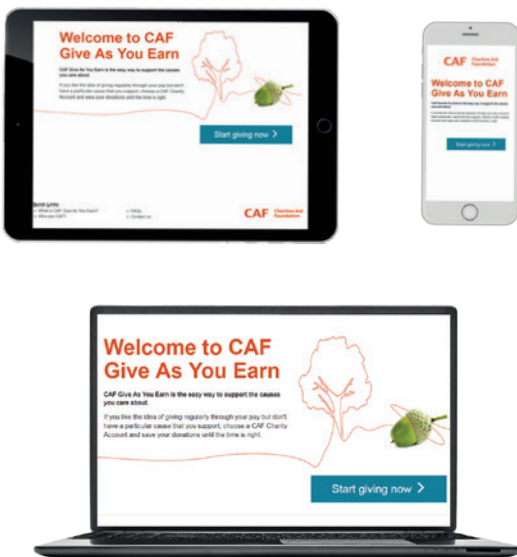


How CAF can help you achieve more impact

Through our client relationships we've seen some brilliant examples of how companies have utilised the scheme to optimum effect, engaging employees and helping charities to increase their social impact.

We want to share this best practice and see more companies utilise CAF Give As You Earn as a core strand of their CSR activity – not just as a means to support a charity partner but also as a way of evidencing and showcasing the ethos and values core to each company.

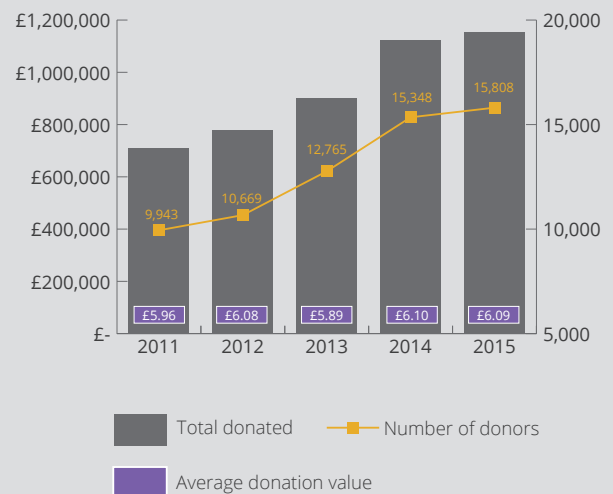
As part of this effort, we have made an organisation-wide commitment to increasing our digital capability in order to further drive Payroll Giving uptake. In practice this means enabling donors to give through any device, whenever and wherever they feel inspired to do so. This has seen us roll out an online platform to make giving easier, more rewarding, and more engaging.



Leverage the power of a large workforce

Tesco engages almost 16,000 employees to donate monthly through CAF Give As You Earn. Employee giving starts from £1 a month but the collective efforts of such a highly engaged workforce resulted in charitable donations of over £1.1m in 2015.

Not only is this a significant contribution to the company's CSR activity but it also serves as a strong demonstration that staff are just as committed to giving back as the company. The graph below demonstrates the power of high volume, low value donations.



We're here to help

To find out how we can enhance your employee giving, please contact:

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