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Keeping the Promise to Help Children

By CLAUDIA DEUTSCH

J. MICHAEL KELLEY handles philanthropy for the huge trucker YRC Worldwide, and he has been fielding lots of calls from employees these days. “They’re all asking, Can’t we do more to shield children of families who are caught up in this financial storm?” he said.

In a recessionary economy, writing more checks is often not an option. And YRC already charges nothing to ship items that others donate to child service organizations.

So Mr. Kelley, whose official title is chief sustainability officer, thought creatively. He turned YRC trucks into what he called “mobile billboards for charity,” festooned with decals that promote specific child-oriented programs. YRC trucks in Kansas City, Mo., for example, have decals promoting Back Snack, a local program that gives poor children snack-filled backpacks on Fridays to tide them over to school lunch on Mondays. “In-kind giving is our sweet spot when it comes to helping families and children,” Mr. Kelley said, using the common term for donations of products or services.

That concept is echoing through corporate America as companies anticipate an onslaught of pleas from child services groups. Few of those groups have run out of money, but most see ominous signs.

They are already lobbying legislators and forming contingency plans in case those calls do no good. Last month, for example, several New York-based child services groups and the [United Federation of Teachers](#) formed a coalition to support important programs through tough times.

“We know that during an economic downturn the first things government cuts are programs that support and protect the interests of children,” said Jennifer March-Joly, executive director of the Citizens’ Committee for Children, a New York City organization that is in the coalition.

Will corporations pick up at least some of the slack? One thing already seems clear: if they do, it will not be with cash but with increased in-kind giving.

Examples are already easy to find. Since 2005, Mattel has donated 2 percent of pretax profits — some in cash, most in toys — to children’s hospitals and other programs, said Deidre S. Lind, executive director of its philanthropy programs.

Ms. Lind has not yet done her budget for 2009, but she said she knew “where the economy is headed.” So she is sending more Mattel employees to schools to play with children, and is encouraging its toy designers to hold art classes at children’s hospitals.

In June, Mattel asked employees to give \$30 each to sponsor at-risk children overseas. Mattel’s top executives then contributed money to match the donations, producing more than \$100,000, Ms. Lind said.

“We have products, we have employees, we have creative capital,” she said. “Even if we’re not a charity’s biggest funder, we can be a true partner at a time of crisis.”

That same attitude pervades the medical technology company BD, or Becton, Dickinson. For several years, its annual philanthropic budget was about \$3.5 million in cash and about \$4.5 million in syringes, alcohol swabs and other products.

BD is unlikely to increase its cash donations next year, said Jennifer Farrington, director of social investing, but it expects to donate more products. And it plans to send more employees to help child-relief organizations in Ghana and other hard-pressed areas. “We can provide skill sets that charities might otherwise have to purchase,” she said.

Child services organizations welcome such in-kind donations, but most are planning to trim expenses, too.

Save the Children, for one, raised \$126 million this year, more than enough to finance its programs, but it also imposed a hiring freeze. “I imagine we’ll see a downturn in the number and size of gifts as a result of the economy,” said Anne-Marie Grey, vice president of professional development. “I don’t anticipate that any corporations or foundations won’t honor commitments they’ve already made, but it may be significantly tougher to attract new donors.”

Ms. March-Joly’s group may grapple with the loss of an old one. For the last few years, the Lehman Foundation, financed by the investment company Lehman Brothers, has paid for most of the promotion for Works on Paper, a fund-raising [art auction](#) the Citizens’ Committee for Children holds every February.

Ms. March-Joly said she was optimistic that the foundation’s support would continue, despite Lehman Brothers’ collapse in September. But she is not counting on it — and is looking for ways to trim her budget. “Maybe we don’t need a glossy publication, and maybe our board and members can make phone calls or do electronic advocacy instead of paying to send our staff on lots of trips to Albany,” she said.

Children’s hospitals face a different set of problems. Few rely on donations for day-to-day operations, but the average children’s hospital gets half its revenue from [Medicaid](#) reimbursements.

Lawrence McAndrews, president of the National Association of Children’s Hospitals and Related Institutions, said, “A principal concern is that states will be unable to pay for services rendered under Medicaid.”

Rainbow Babies and Children’s Hospital in Cleveland is not wanting for cash, but economic uncertainty has led it to re-evaluate “short-term fund-raising strategies,” said Ryan R. Cross, vice president for development.

He has developed a three-pronged plan: to steward existing donors by bringing them in for tours and showing them how their money is used; to ask foundations, required by law to give out a specific percentage of their endowment each year, to help finance community-based programs like those training teenagers to be baby sitters; and to ask potential donors who may be cash-strapped to consider a step like donating appreciated stock.

Corporate executives, meanwhile, are doing fund-raising of their own, appealing to their colleagues’

