



Taking the

PULSE OF PARTNERSHIPS

CORPORATE INSIGHTS

Fall 2023 Report

*Actionable Data to Build
High-Impact Partnership Programs*

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INTRODUCTION

In a societal landscape marked by waning trust in government and in all forms of institutions, social impact partnerships between corporate entities and nonprofit organizations has assumed unprecedented importance in tackling the pressing challenges of our time. These strategic alliances possess the potential to harness collective resources to foster positive change and unity within our communities.

For over two decades, For Momentum has been at the forefront of catalyzing these partnerships and tracking trends that shape them. Amidst ongoing news and predictions of a recessionary economy, we wanted to get a pulse on how partnerships are faring in 2023.

This report shares perspectives from both corporate and nonprofit practitioners. Our research began with a survey of nonprofit partnership professionals in the spring, followed by a similar inquiry amongst corporate experts this fall. By taking this approach, we sought to illuminate the areas of convergence and divergence between these two sectors.

Our most recent study has brought to light a fascinating dynamic: while there exist numerous shared objectives among partnering organizations, there are also notable disparities in their expectations and approaches.

Our primary objective for this report is to uncover information to guide practitioners from both the corporate and nonprofit sectors to understand each other's perspectives and, consequently, lay the groundwork for more impactful collaborations for all involved.

PURPOSE

This report will inform and equip cause partnership practitioners to:

- Set cause partnership expectations with management, partners boards and other stakeholders
- Leverage best practices to guide campaign strategy development
- Better understand common partnership challenges

METHODOLOGY

Who

59 corporate partnership practitioners

Organization types

U.S.-based companies with established cause partnership programs

How

Online quantitative research fielded by independent research firm Lab42

In field

August 15–29, 2023

Note

Where appropriate, significant differences are noted at the 95% Confidence Interval.

COMPANIES PARTICIPATING





DATA ANALYSIS



KEY FINDINGS

Commitment Levels

Most corporations predict stability in overall giving and in nonprofit partner selections in 2023, with a healthy number of respondents sharing growth predictions.

- The majority (60%) expects no changes in the overall giving to non-profit partners in 2023 vs. 2022, and over a quarter (24%) predict increased giving.
- The majority (54%) expects no changes in the number of non-profit partners they support this year vs. 2022 and over a third (34%) predict supporting more partners.

Most Nonprofits anticipated 2023 to be more of a growth year than did companies.

- The majority (58%) predicted increased overall giving and increased partners (62%) in 2023 vs. 2022.

Activations

Companies and nonprofits are somewhat misaligned on timing and benefit expectations.

- 67% of nonprofits indicated that it takes 4-12 months to sign an agreement, while 78% of companies believe it takes less time with the average between 1-6 months.
- When asked to list their most common campaign activations, some divergence appears:
 - Corporate funding ranked first with both groups.
 - However, companies rank employee engagement higher (49%) than nonprofits (38%)
 - And nonprofits more commonly report point of sale activations (57%) than companies (17%).

Partnership Challenges

The biggest gap between the corporate and nonprofit perspectives is guaranteed minimums.

- Almost 8 in 10 (79%) corporate professionals stated that their companies do not partner with nonprofits who require a guaranteed minimum while the same percentage of nonprofit professionals report that they require a minimum of some sort. This gap in expectations is the biggest challenge uncovered in our 2023 data.

Both corporate and nonprofit professionals report similar challenges with achieving alignment internally and with their partners.



PARTNERSHIP PROJECTIONS

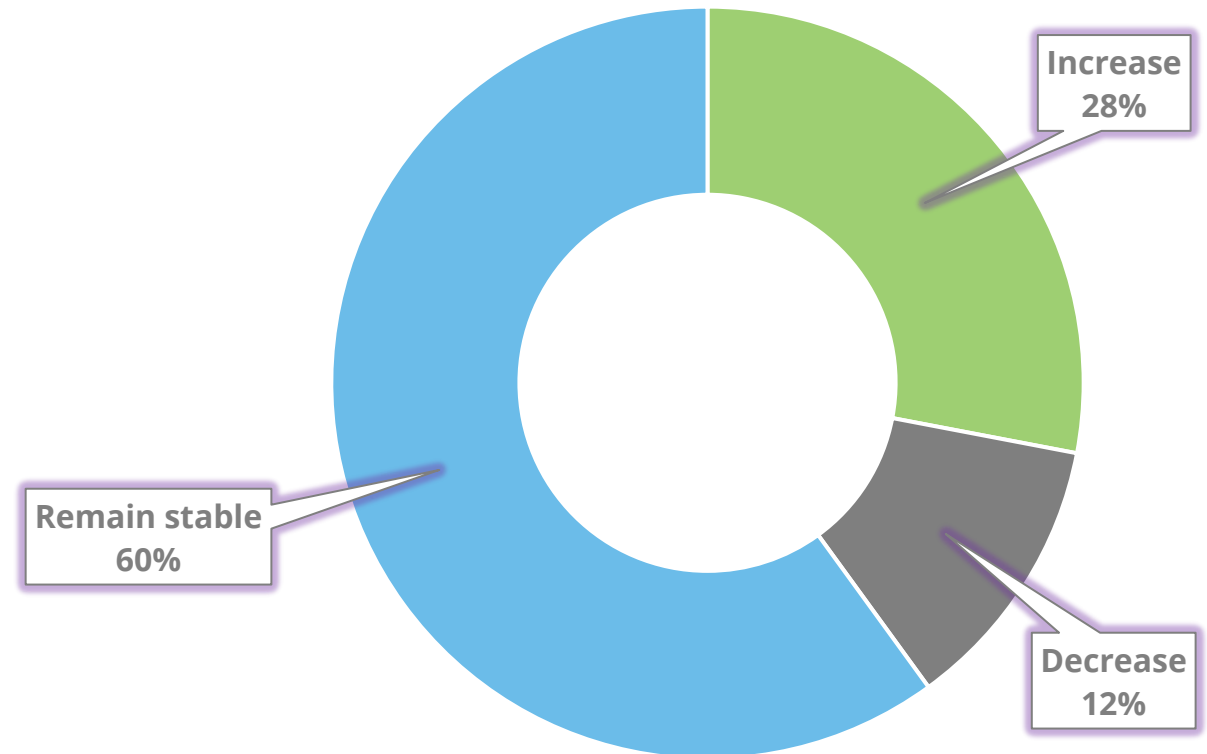


PARTNERSHIP INCOME

KEY LEARNINGS

- 60% of corporate decision makers who work on cause-marketing partnerships stated that they are expecting their overall giving to nonprofit partners to remain stable in the calendar year 2023 compared to 2022.
- Over a quarter (28%) are expecting an increase in giving.
- Only 12% are projecting a decrease.

2023 Giving to Nonprofit Partners



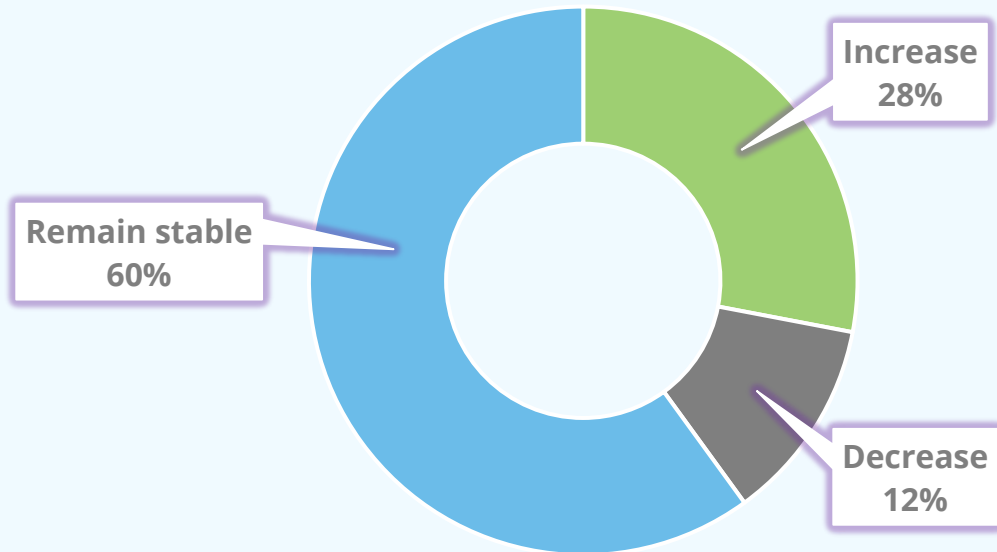
Q: Based on your current projections, do you expect your company's overall giving to nonprofit partners in calendar year 2023 to increase, decrease or remain stable compared to 2022? (Select One)

COMPARATIVE ANALYSIS

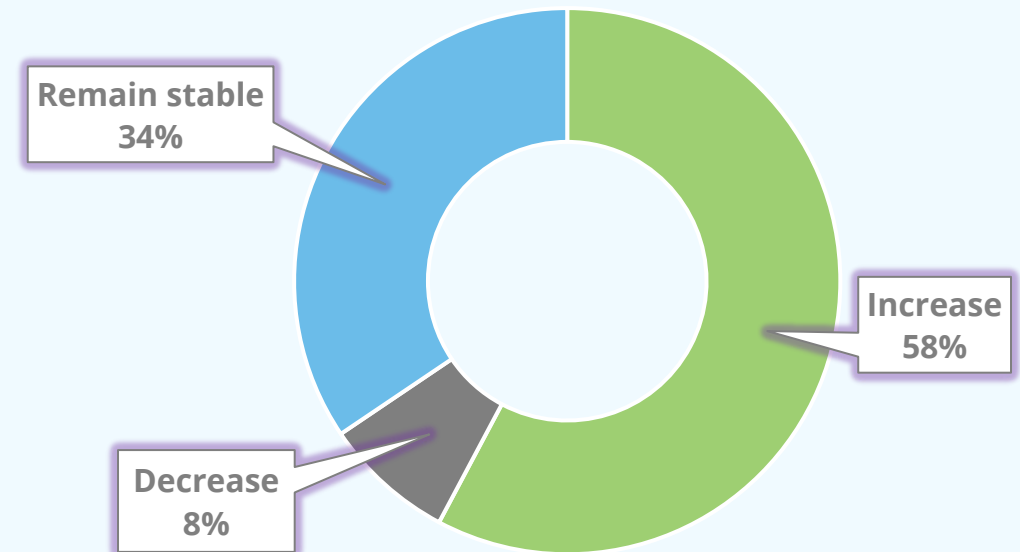
CORPORATE VS. NONPROFIT GIVING PROJECTIONS

- Overall, companies have a positive outlook on anticipated giving in the year ahead in 2023 vs 2022 with the majority (60%) reporting that giving will remain stable compared to a much smaller percent of nonprofits (34%) believing their partnership income would remain stable in the year ahead.
- Predictions for increases in giving are not as rosy among corporate practitioners (28%) compared to nonprofit projections (58%). However, the bright spot is that close to 1/3 of companies are planning increases to their nonprofit partners this year.

2023 Corporate Giving Projections



2023 Nonprofit Giving Projections

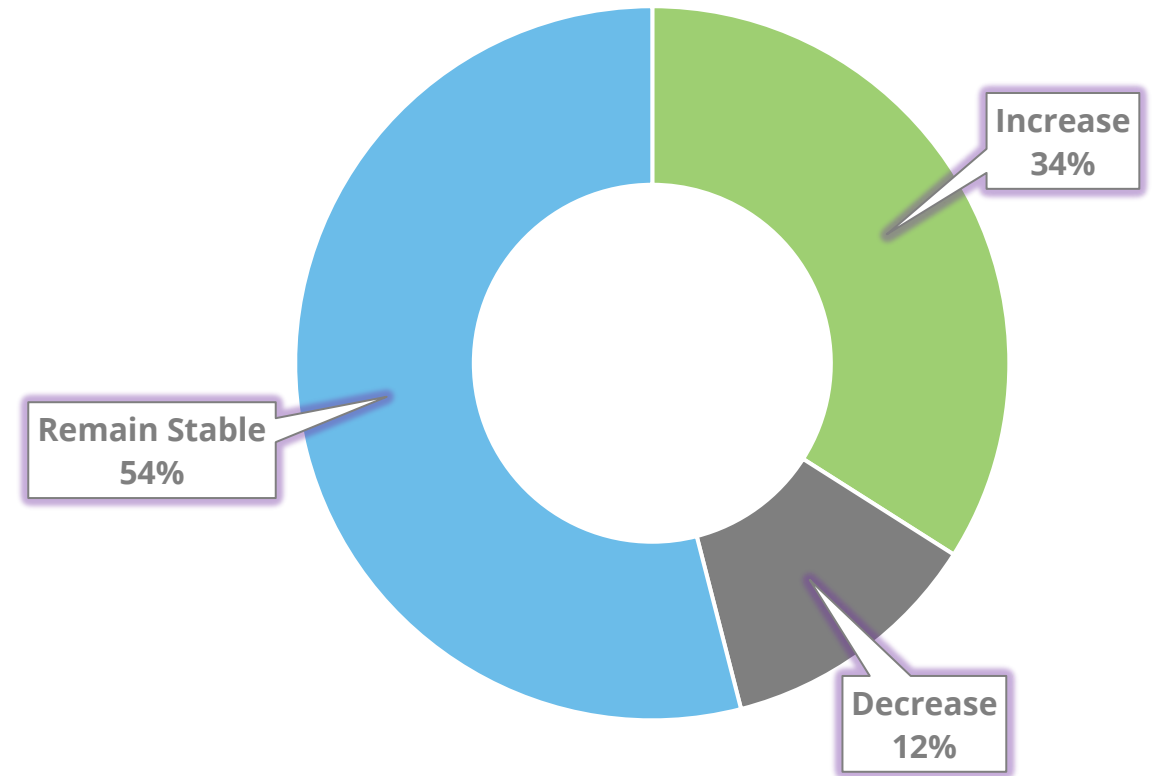


CAUSE MARKETING PARTNERS

KEY LEARNINGS

- The majority (54%) of corporate leaders said they were expecting the number of nonprofit partners their company supports to remain the same as compared to 2022.
- A bright spot is that over $\frac{1}{3}$ said they were expecting an increase in the number of nonprofits their companies will support this year.

Number of Nonprofit Partners



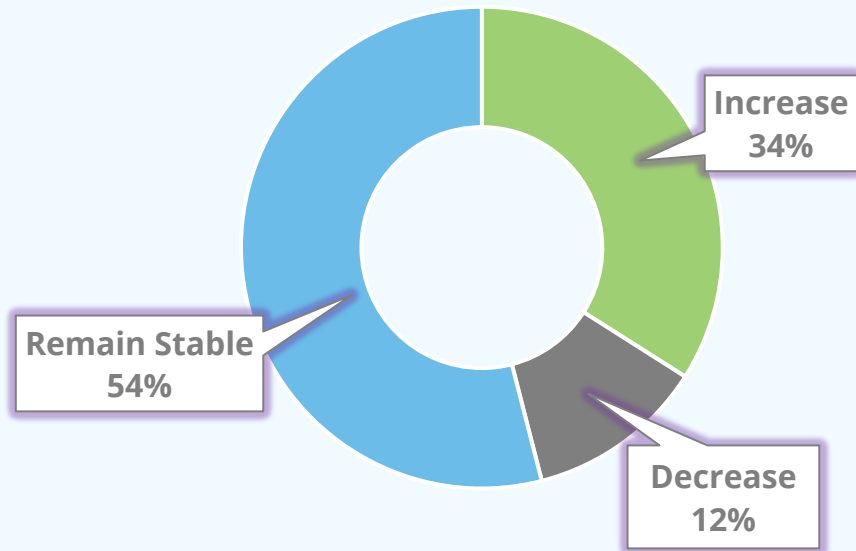
Q: Do you expect the overall number of nonprofit partners your company supports to increase, decrease or remain stable in the calendar year 2023 compared to 2022? (Select one)

COMPARATIVE ANALYSIS

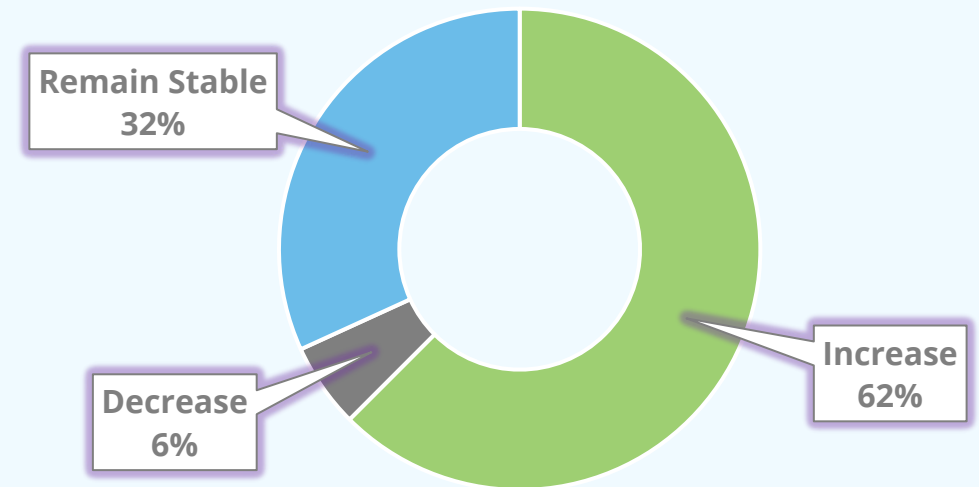
CORPORATE vs. NONPROFIT PARTNER PROJECTIONS

- The majority (54%) of corporate partner pros have a bright outlook for the number of partnerships their company supports remaining stable in 2023 despite headlines on the economy. Comparatively, about 1/3 of nonprofits (32%) anticipated the number of corporate partners would remain stable.
- As before with overall giving projections, nonprofits also held a more positive outlook on partner expansion with 62% of nonprofits expecting an increase in their number of corporate partners in 2023 compared to only 34% of companies expecting to increase to the number of nonprofits they plan to support.

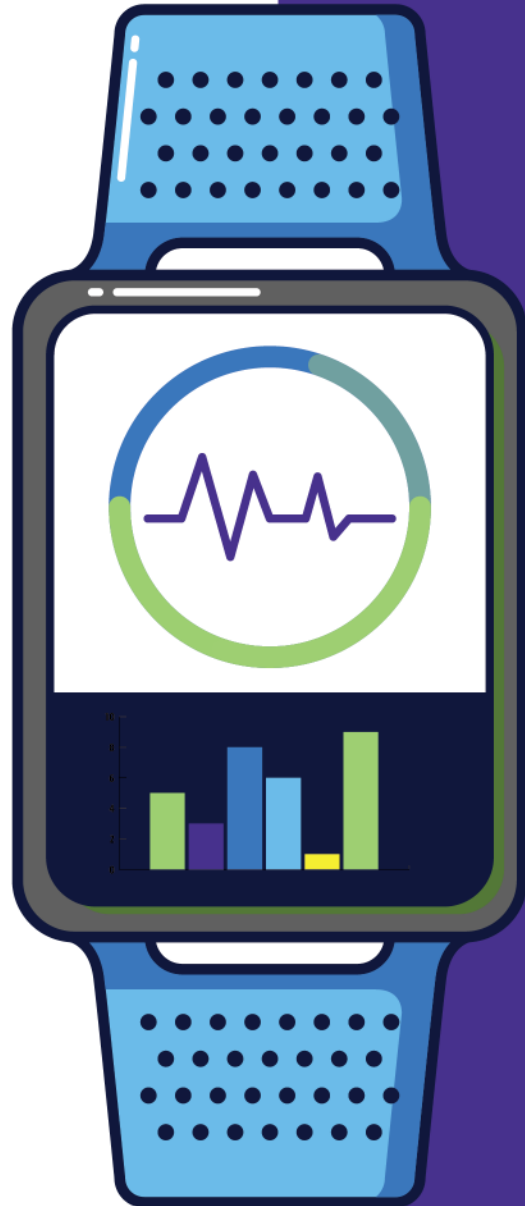
Number of Partners
Corporate



Number of Partners
Nonprofit



Source: Taking the Pulse of Partnerships, Spring 2023, For Momentum



GUARANTEED MINIMUMS

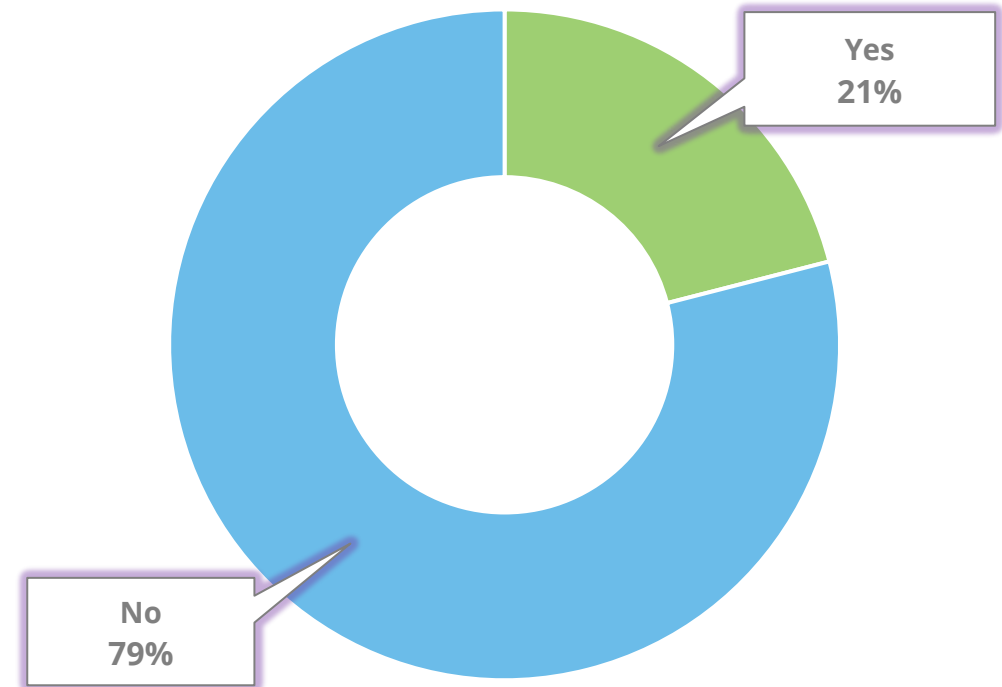


GUARANTEED MINIMUM

KEY LEARNINGS

- Almost 8 in 10 (79%) corporate professionals who work in cause-marketing partnerships stated that their companies do not partner with nonprofits who require a guaranteed minimum.
- Of those who do accept guaranteed minimums (21%), the required minimum for these companies varies widely.

Partnering with Nonprofits Who Require a Guaranteed Minimum

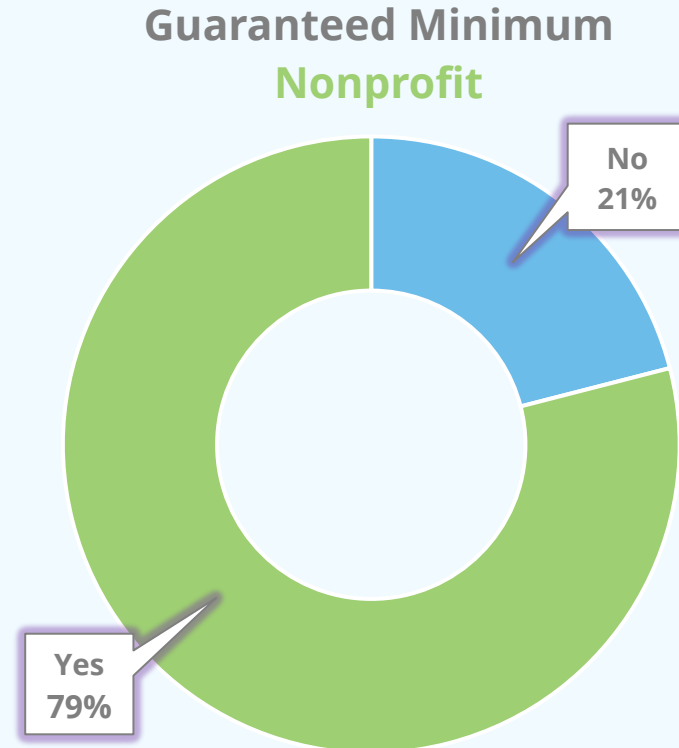
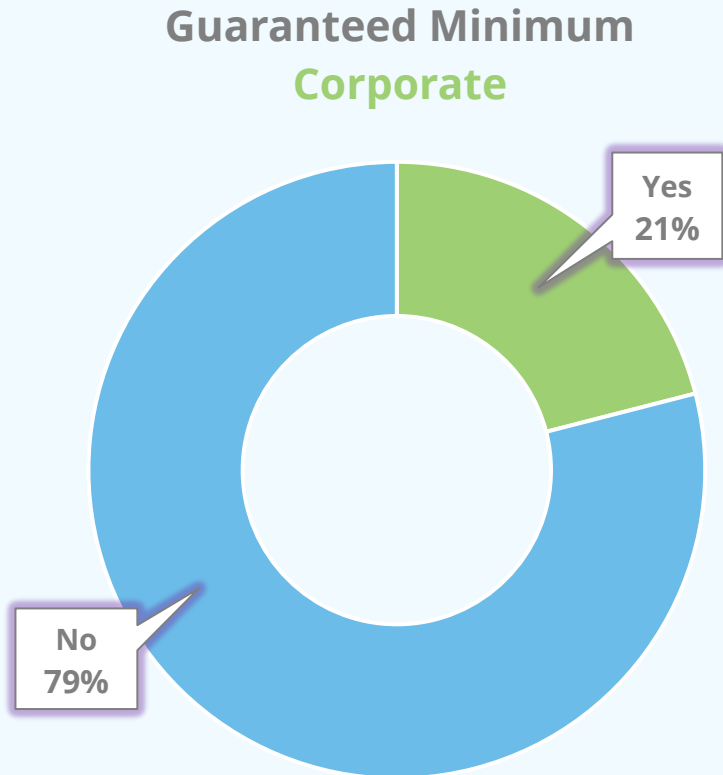


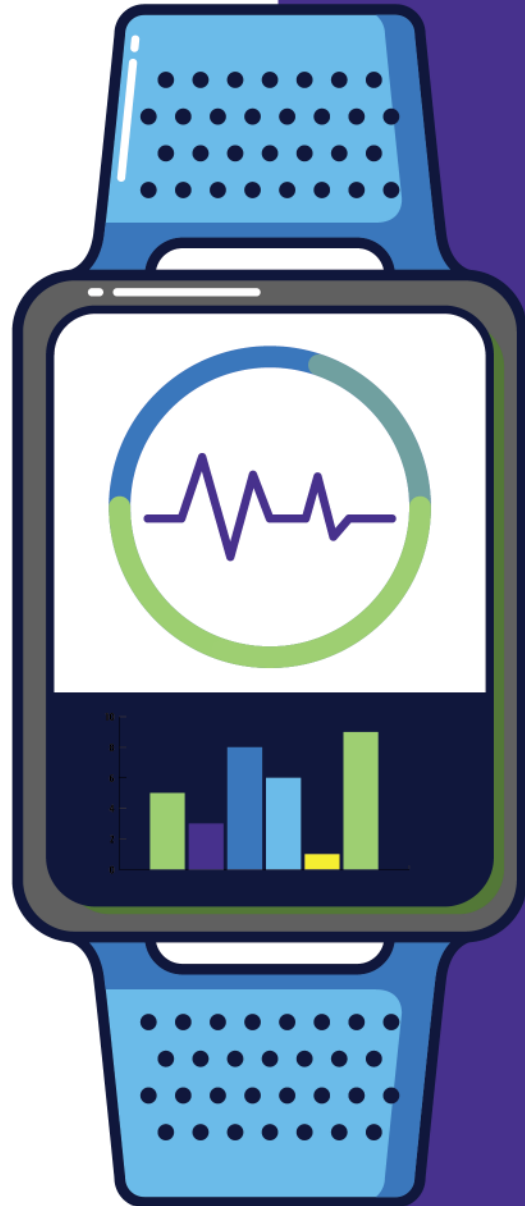
Q: Does your company partner with nonprofits who require a guaranteed minimum in their cause-marketing-centered corporate partnerships?

COMPARATIVE ANALYSIS

CORPORATE VS. NONPROFIT GUARANTEED MINIMUMS

- 79% of corporate professionals shared they will not partner with nonprofits that require a guaranteed minimum. The opposite is true for nonprofits with 79% stating their organization requires a guaranteed minimum when signing cause partnership commitments. This disparity poses the greatest risk to partnership success and needs to be thoroughly discussed and carefully navigated.





SALES TIMELINE INSIGHTS

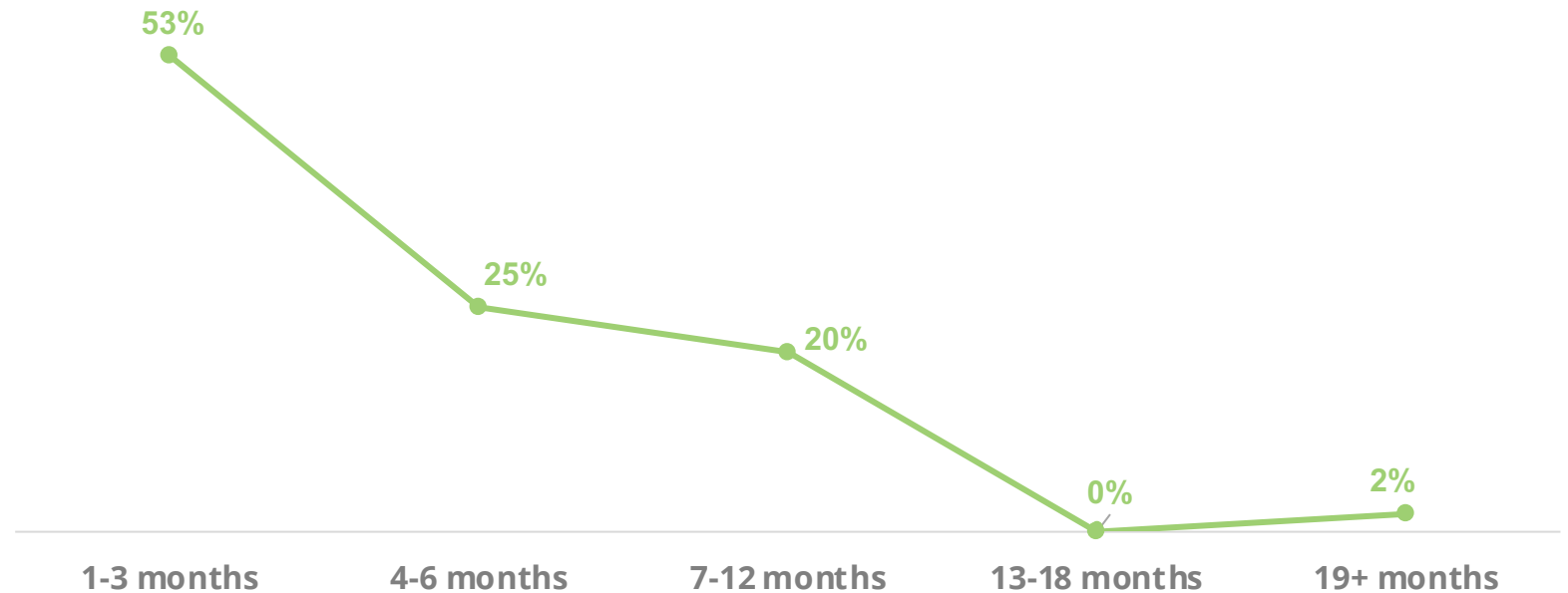


NUMBER OF MONTHS TO SIGN AGREEMENT

KEY LEARNINGS

- More than half (53%) of corporate decision makers who work on cause-marketing partnerships stated that after the initial conversation with a prospective nonprofit partner has begun, it takes up to 3 months to sign a partnership agreement.
- 78% stated it takes 1 to 6 months to sign a new partnership agreement.
- Only 2% stated it takes more than a year before signing an agreement.

Number of Months to Sign New Partnership Agreement



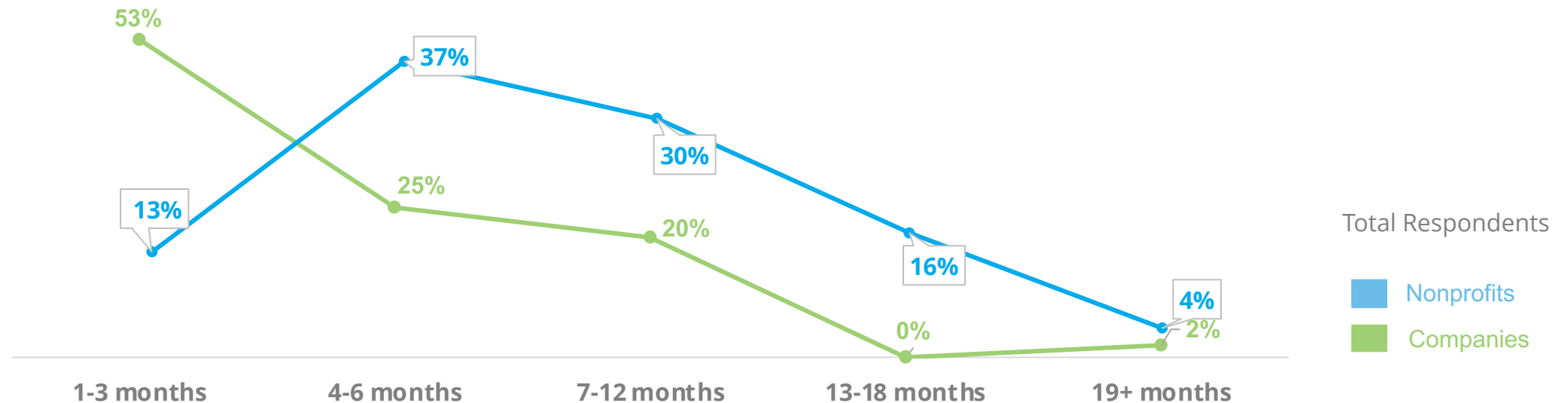
Q: Once your company has begun a conversation with a new prospective nonprofit partner, how many months does it typically take to sign a cause marketing partnership agreement?

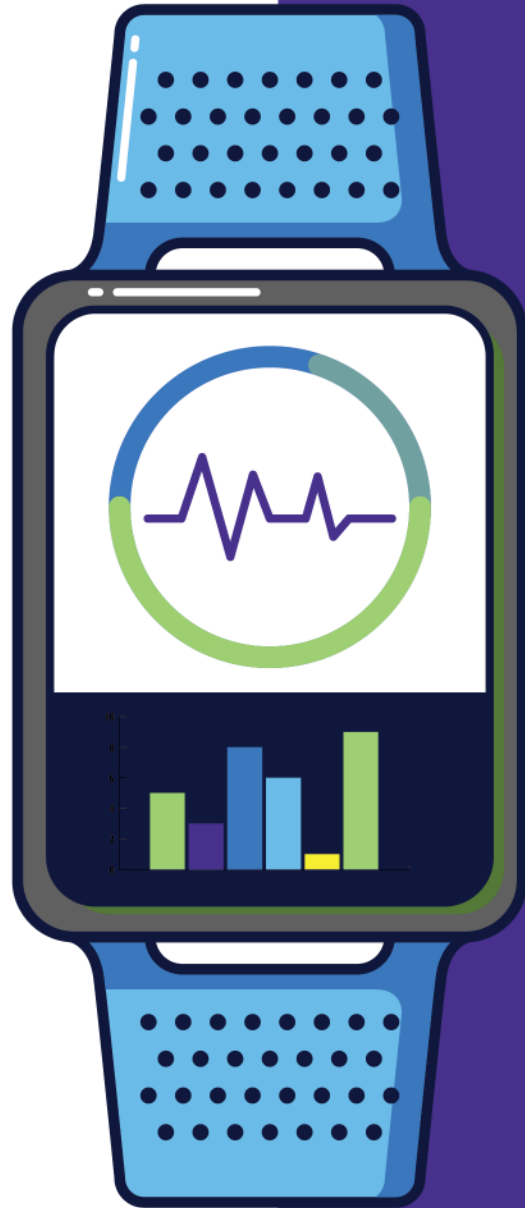
COMPARATIVE ANALYSIS

CORPORATE vs. NONPROFIT SALES TIMELINES

- The majority (67%) of nonprofits indicated that it takes 4-12 months to sign a new agreement, while 78% of companies believe it takes between 1-6 months. Our interpretation of this difference is due to the nonprofit most commonly pursuing the company first.
- However, once companies are on board to sign a new partnership agreement, it remains vital for nonprofits to be able to move quickly to meet companies' expectations. Having a pre-planned menu of ready-to-activate partnership options can help.

Number of Months to Sign New Partnership Agreement: Nonprofit vs. Company





COMMON BENEFITS & ACTIVATIONS

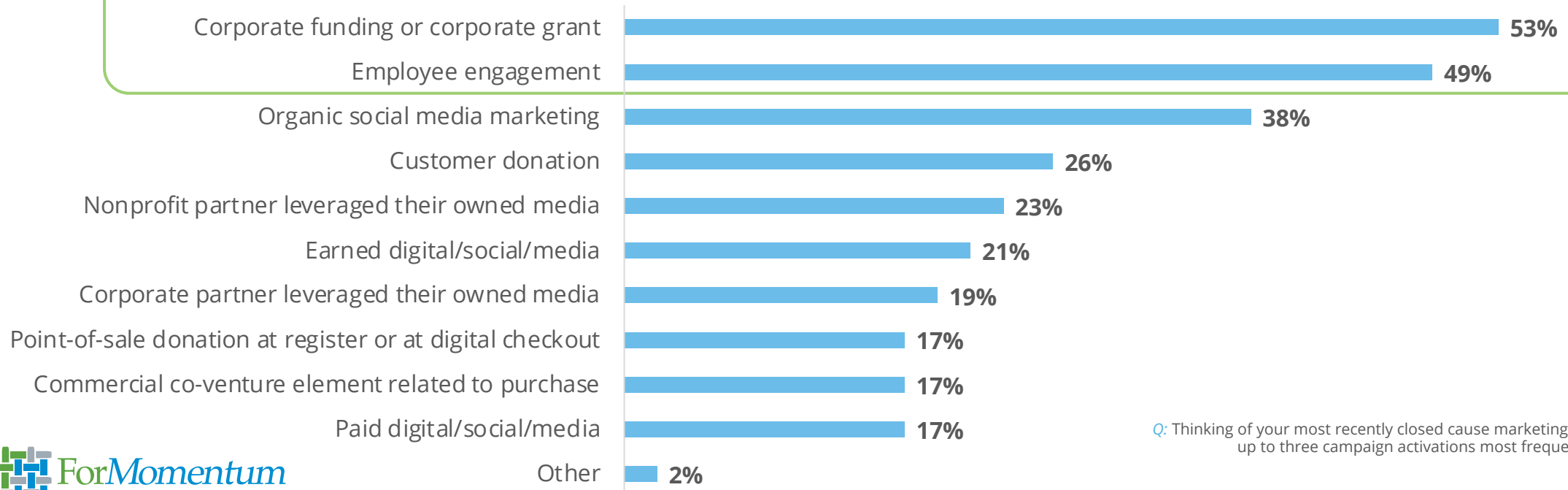


MOST FREQUENTLY USED ACTIVATIONS

KEY LEARNINGS

- When asked to choose their most frequently used campaign activations, corporate decision makers ranked corporate funding/corporate grants first (53%) and employee engagement campaigns second (49%).
- Point of sale, commercial co-venture, and paid media were less frequently cited activations for recent campaigns. frequently used activations were customer donation (26%) and point-of-sale donation (17%)

Most Frequently Used Activations



Q: Thinking of your most recently closed cause marketing partnerships, choose up to three campaign activations most frequently used.

COMPARATIVE ANALYSIS

CORPORATE vs. NONPROFIT ACTIVATIONS

- Both companies and nonprofits ranked corporate funding or grants as the most commonly used activation in partnerships.
- Companies are reporting employee engagement activations higher at 49% while nonprofit professionals ranked it at 38%.
- Companies ranked organic social media marketing ahead of customer donations, while nonprofits cite fundraising activations such as POS and CCV much more frequently.

Most Frequently Used Activations Corporate

1. Corporate funding or corporate grant (53%)
2. Employee Engagement (49%)
3. Organic social media marketing (38%)
4. Customer donation (26%)

Source: Taking the Pulse of Partnerships: Corporate Insights, 2023, For Momentum.

Most Frequently Used Activations Nonprofit

1. Corporate funding or corporate grant (60%)
2. Point-of-sale donation at register/digital checkout (57%)
3. Commercial co-venture element related to purchase (40%)
4. Employee Engagement (38%)

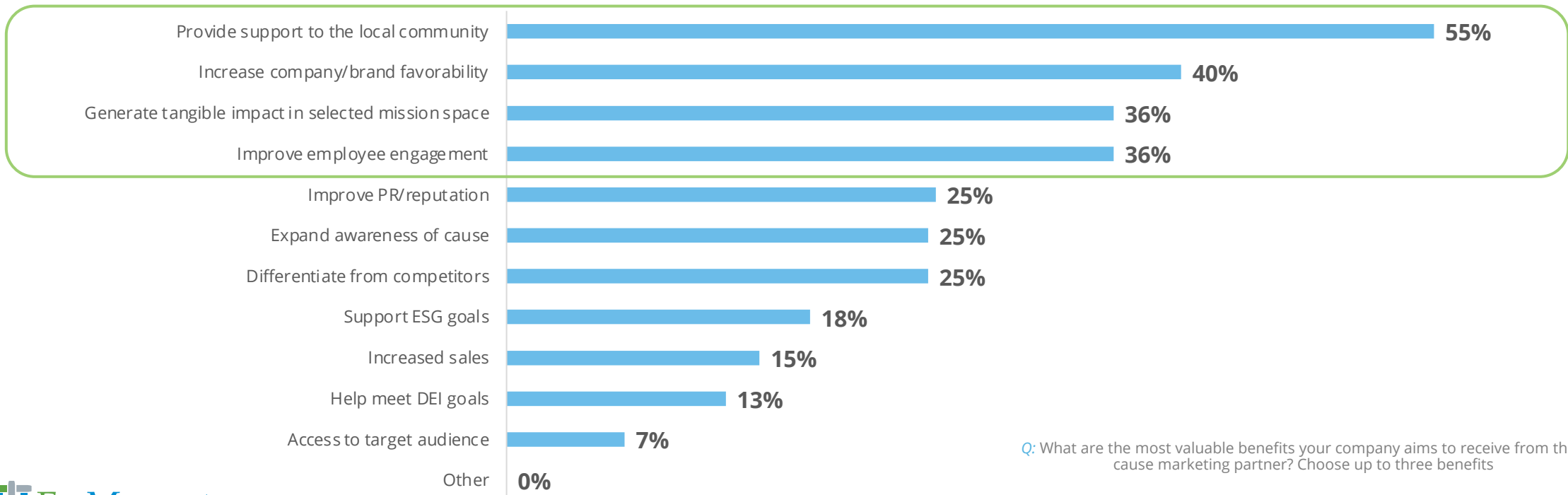
Source: Taking the Pulse of Partnerships, 2023, For Momentum.

MOST VALUABLE PARTNERSHIP BENEFITS

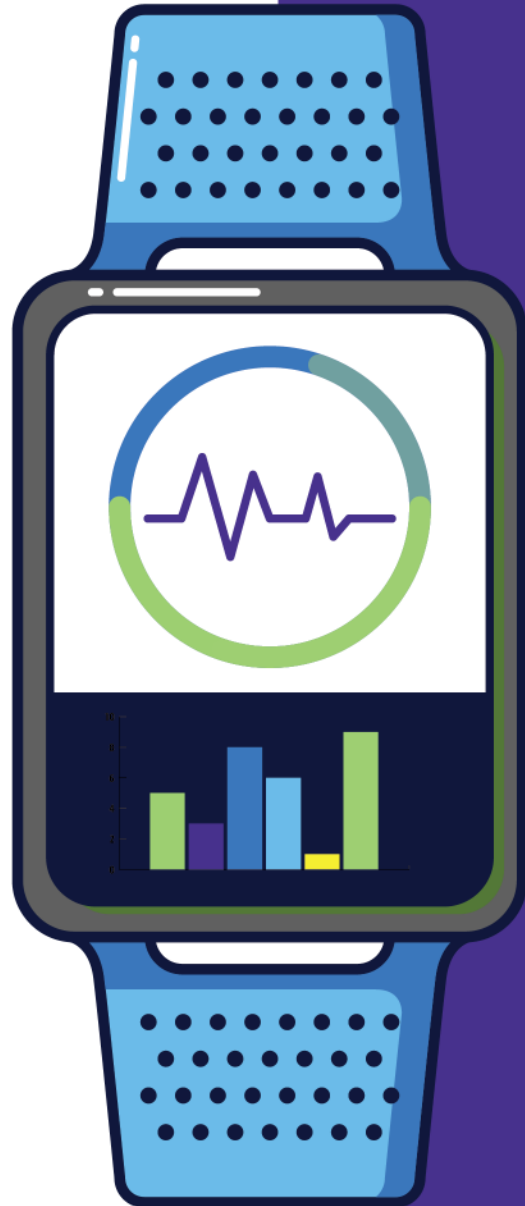
KEY LEARNINGS

- Participants ranked providing support to local communities as the most valuable benefit their company aims to receive from their cause marketing partnerships.
- 40% selected increasing company/brand favorability.
- Generating tangible impact on mission space and improving employee engagement tied for third (36%).

Most Valued Benefits



Q: What are the most valuable benefits your company aims to receive from their cause marketing partner? Choose up to three benefits



CHALLENGES

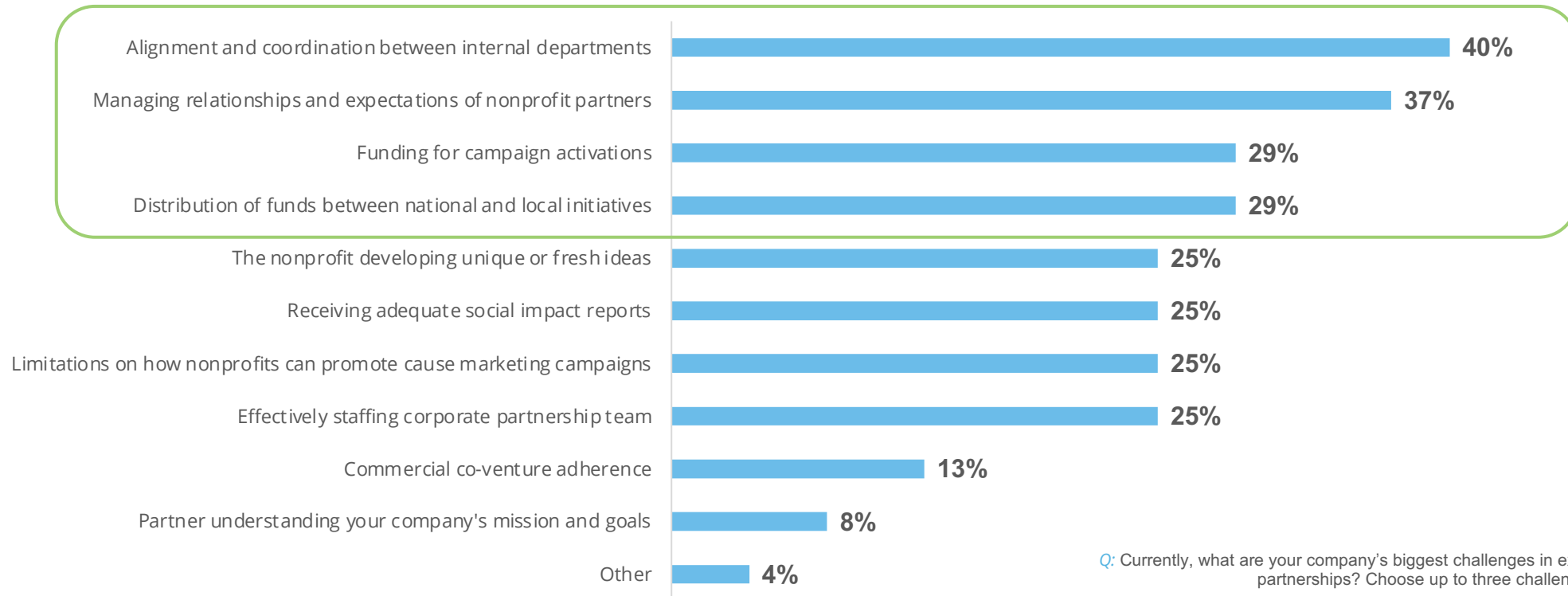


CHALLENGES IN EXECUTING PARTNERSHIPS

KEY LEARNINGS

- The two biggest challenges when executing cause marketing partnerships were alignment and coordination between internal departments (40%) and managing relationships and expectations of nonprofit partners (37%).
- Second tier challenges included funding for campaign activations (29%) and distribution of funds between national and local initiatives (29%).

Biggest Challenges



Q: Currently, what are your company's biggest challenges in executing cause marketing partnerships? Choose up to three challenges.

COMPARATIVE ANALYSIS

CORPORATE vs. NONPROFIT CHALLENGES

- The top two challenges when executing partnerships, while inverse in ranked order, are the same for both corporate and nonprofit practitioners. This indicates both sides of the partnership equation struggle to get their internal departments on board with partnership plans and that managing relationship and expectations of the partner are difficult.
- Companies ranked funding for campaign activations as the 3rd highest challenge, while nonprofits ranked it lower in 5th place.
- Both nonprofits and companies ranked developing unique or fresh ideas in their top 5 challenges, with nonprofits ranking it a slightly harder challenge.

Biggest Challenges Corporate

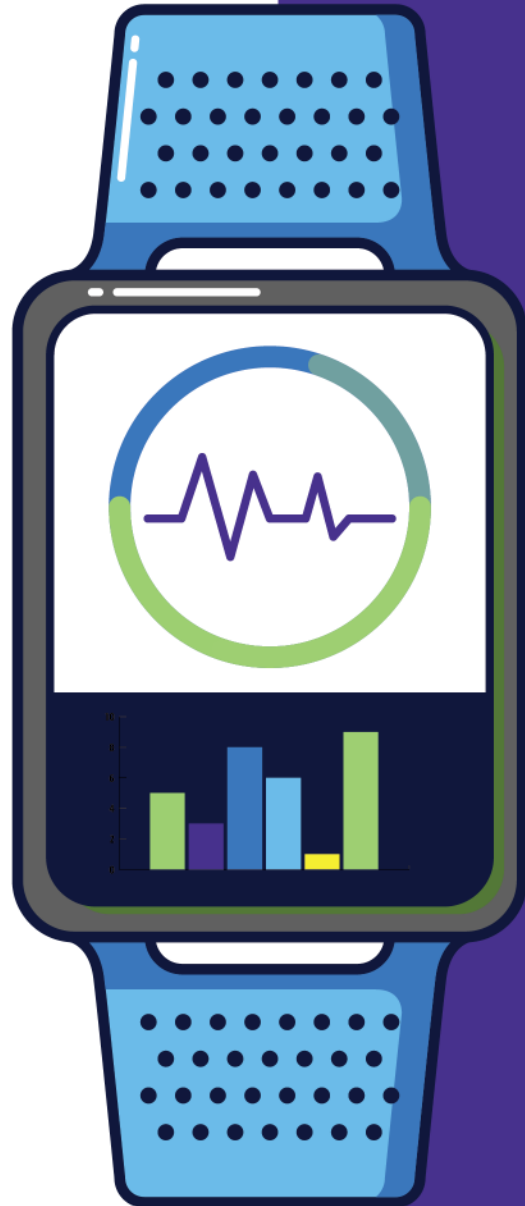
1. Alignment and coordination between internal departments (40%)
2. Managing relationship/expectations of the nonprofit partner (37%)
3. Funding for campaign activations (29%)
4. Distribution of funds between national and local initiatives (29%)
5. Developing unique or fresh ideas from nonprofit (25%)

Source: Taking the Pulse of Partnerships: Corporate Insights, 2023, For Momentum.

Biggest Challenges Nonprofit

1. Managing relationship/expectations of the corporate partner (49%)
2. Alignment and coordination between internal departments (44%)
3. Limitations on how nonprofits can promote cause marketing campaigns (33%)
4. Developing unique or fresh campaign activations (31%)
5. Funding for campaign activations (23%)

Source: Taking the Pulse of Partnerships, Spring 2023, For Momentum



LET'S CONNECT



-  ForMomentum.com/connect
-  404.420.5762 ext. 127
-  Marketing@ForMomentum.com