



Benevity Labs Report

Goodness Engagement Study

Establishing the positive relationship between participation in corporate Goodness programs and employee retention

Background

Since the 1950s, companies across different industries have supported their communities through workplace giving and employee volunteering programs. These corporate giving programs were aimed at creating social impact and building goodwill with communities through employee donations of money and volunteered time, often supported by corporate matching dollars. Since their inception, fundraising and giving back to the local community have been the primary focus of these programs, which tended to manifest themselves in once-a-year campaigns in support of a small handful of company-selected causes, like the United Way. The result was often low participation, with most employees experiencing the programs as a top-down annual arm-twisting exercise instead of an engaging opportunity to make a meaningful difference.

As the world has moved online and a new generation has entered the workforce, many progressive companies across different industries have begun to re-think this approach, shifting the emphasis of their corporate “Goodness” programs from fundraising to employee engagement. With this goal in mind, they started opening up their workplace giving and volunteering programs to empower individuals to support causes that resonate with them personally, in a way that suits their personal passions and lifestyles. Now, hundreds, if not thousands, of companies are reaping the benefits of this approach as they see greater participation in their workplace giving, volunteering and even corporate grantmaking programs. Not only are these companies moving the dial on their people’s collective social impact, they’re also fostering a corporate culture of purpose that helps to attract, engage and retain top talent. It’s no wonder this employee-centric orientation has become the new norm.

Over the past decade, the Benevity client community has grown to include hundreds of the world’s most iconic global brands. And as their giving, matching and volunteering programs have matured and developed along with our technology, we’ve gained access to a robust data set that has enabled this study into the business benefits of their corporate “Goodness” programs.

As the world has moved online and a new generation has entered the workforce, many progressive companies across different industries have begun to re-think this approach, shifting the emphasis of their corporate “Goodness” programs from fundraising to **employee engagement.**



Testing the fundamental assumptions about the business impact of employee-focused “Goodness” programs



Hypothesis

The Benevity Engagement Study tests one of the fundamental assumptions about the business impact of employee-focused “Goodness” programs: that participation in workplace giving and volunteering programs helps promote employee retention and reduce turnover.

The value of retention

Companies focus on reducing employee turnover because skilled talent is a fundamental resource constraint for companies across all industries. A measurable increase in retention can lead to tremendous cost savings. Studies show that the total cost of losing an employee can be as high as 1.5-2 times their annual salary, which for U.S. companies totals more than \$160 billion a year.¹ Gallup estimates that actively disengaged employees cost the U.S. up to \$600 billion every year in lost productivity.² Reducing these costs by retaining more talent is a key focus at the executive level across industries. By arming CSR leaders with quantitative proof that investing in workplace giving and volunteering programs is associated with measurable savings through reduced employee turnover, we hope to provide them with a powerful new metric to make the case for the value of their programs.

Methodology

The Benevity Engagement Study looks at a dataset of 2,093,593 users worldwide from 118 enterprise companies who are running both employee giving and volunteering programs on the Benevity platform. To qualify for inclusion, employees required at least 1 year + 60 days of data, which allowed us to eliminate new user trial or testing behavior during the first 60 days of

an employee's program eligibility that may not be reflective of actual self-motivated activity, while still retaining a full year for behavioral segmentation. Once qualified, segmentation into a cohort is based on employee activity in the preceding 365 days up to either removal from the Benevity platform or still being active as of the date of data extraction / analysis end point on April 11, 2018.

The approach taken in this analysis was to understand and compare the rate of all-time departures of employees reaching back as far as possible in the Benevity data record for our clients and users who qualified to be included. As such, the percentage rates shown in the graphic are not ‘annual churn rates’ or ‘annual departure rates’ but rather reflect the rates of departure among individuals based on their personal last year of activity. That last year is user specific and could have started or ended in any year beginning in 2011 through to the date of analysis (April 11, 2018).

Upon discovery of a positive link between participation in corporate Goodness programs and employee retention, additional analysis was conducted to examine further relation based on intensity of participation and segmentation by industry vertical.

To examine the intensity of participation, all users in the study were scored for Intensity based on their individual donation and volunteering activity in the prior full year. Those with No Activity received a score of 0 on that specific behaviour. Those individuals in the lowest, middle and upper third (by dollars or hours) were given scores of 1, 2 and 3 respectively on that behaviour. The Intensity Level was then calculated using the sum of the two scores, so the possible range of intensity is from 0 to 6. Users were then classified with 1-2 being Low Intensity, 3-4 were Moderate and 5-6 were High Intensity.

Definitions

Donation activity: Any recorded donation of a user's own money to a charity or nonprofit through the Benevity platform. This includes one-time and reoccurring credit card, Paypal, Apple Pay and/or payroll donations made through the Benevity platform, as well as donations made outside of the platform which are submitted through Benevity for employer matching purposes. This does not include donating "reward dollars" which are issued by a company to an employee for things like volunteer time.

Volunteering activity: Any recorded user-entered volunteer time (hours or minutes) that have been approved by a company administrator as eligible to be counted under the terms of their program. This includes entering time for corporate volunteering activities, as well as requesting employer rewards for volunteer activities undertaken outside of the work environment.

Intensity of participation: The volume of volunteer hours and donation dollars recorded by each user over the study time period. The intensity of employee participation is segmented into tiers (low, moderate, high) that indicate the volume of participant activity based on their behavior in the preceding 365 days up to either removal from the Benevity platform or still being active as of the date of data extraction.

Industry verticals: Markets in which vendors offer goods and services specific to an industry, trade, profession, or other group of customers with specialized needs. Companies that qualified for the Benevity Engagement Study were segmented into the following verticals: Agriculture and Forestry, Energy and Mining, Finance and Insurance, Health Care, Manufacturing, Professional Services and Consulting, Retail, Technology and Software, Transportation and Warehousing.



Findings

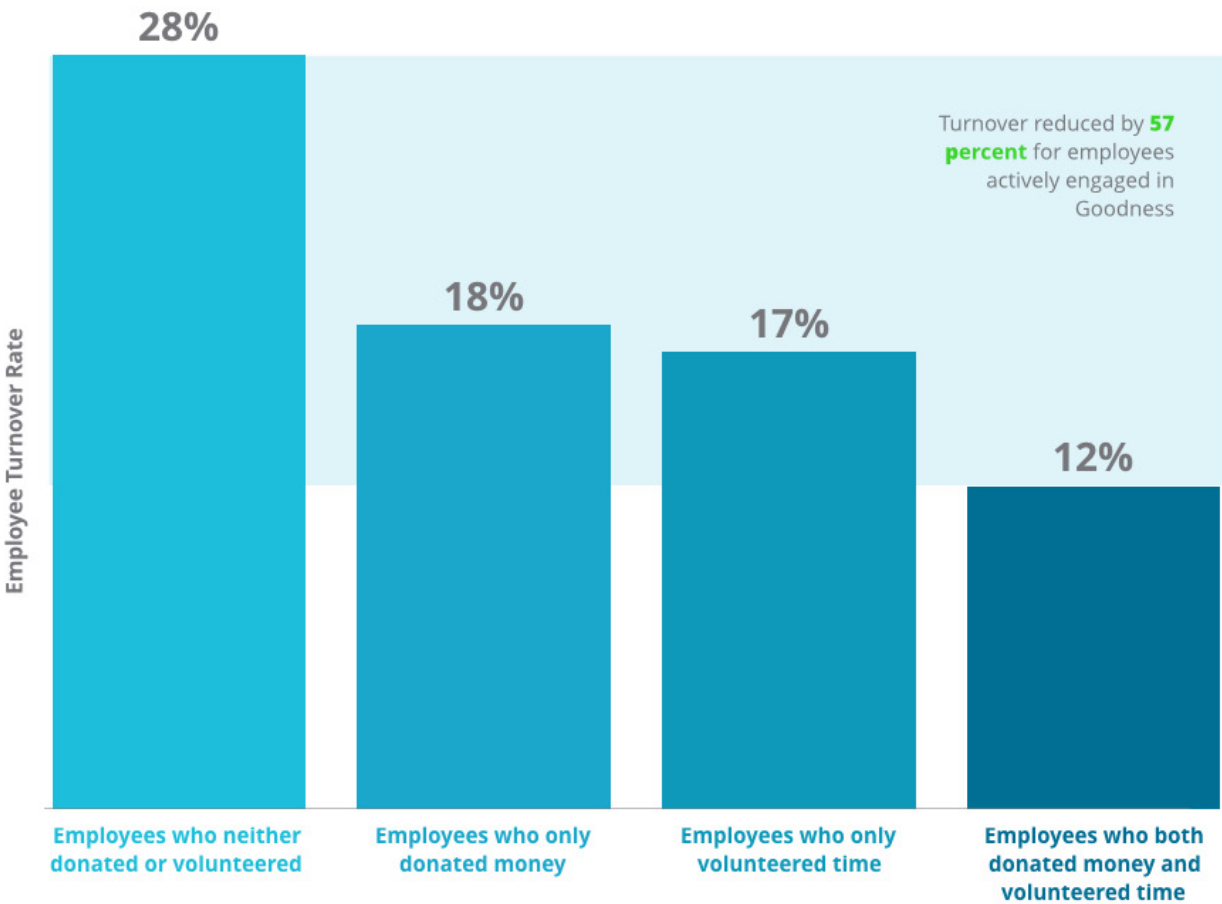
1 Turnover is reduced by 57% amongst employees who engage in both forms of Goodness activities

The Benevity Engagement Study validates the long-held experience of CSR leaders—that employees who give, volunteer, or do both, show far greater retention than those who do not participate in Goodness-related activities.

Employees who only donated money or only volunteered time had lower turnover rates than those who did neither; however, the greatest reduction in turnover was observed by the group of employees who both donated money and volunteered time.

- Employees who neither donated nor volunteered: 28% turnover
- Employees who only donated money: 18% turnover
- Employees who only volunteered time: 17% turnover
- Employees who both donated money and volunteered time: 12% turnover

An analysis of the link between engagement in corporate giving and volunteering programs and employee retention



n = 2,093,593

Findings

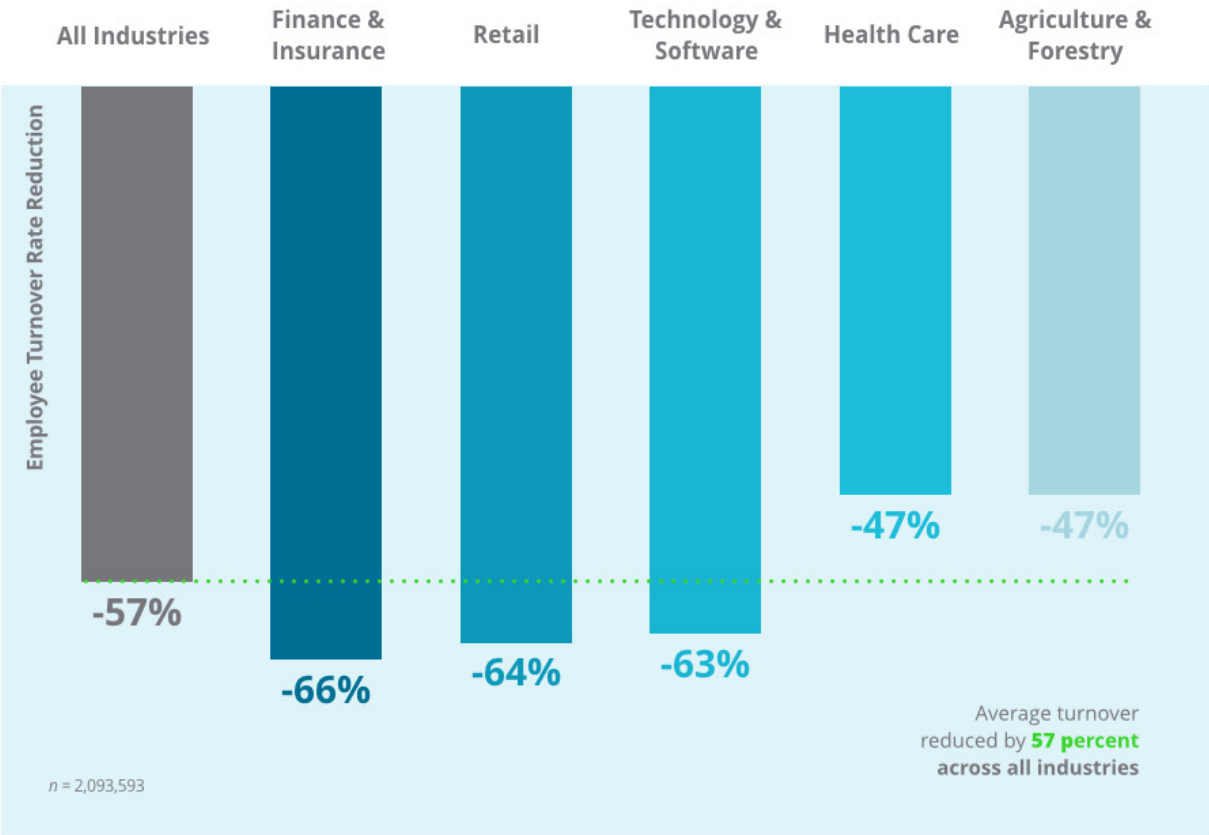
2 The business benefits of Goodness hold true across industries

Next, when the 118 companies are broken down by industry, the study found that while the turnover reduction varies by industry, the relationship between engaging in Goodness activities and longer employee retention holds up across the spectrum.

For industry comparison the study looks at the turnover reduction among fully-engaged individuals, meaning those who both give and volunteer. In some industries that reduction was as high as 66%.

- Finance and Insurance had the highest reduction at -66%
- Technology and Software was the largest segment and had the third highest reduction at -63%
- The reduction in turnover ranged from -20% (Energy and Mining) to -66% (Finance and Insurance)

Top 5 industries that saw the greatest reduction in turnover between employees who donated and volunteered and those who did neither

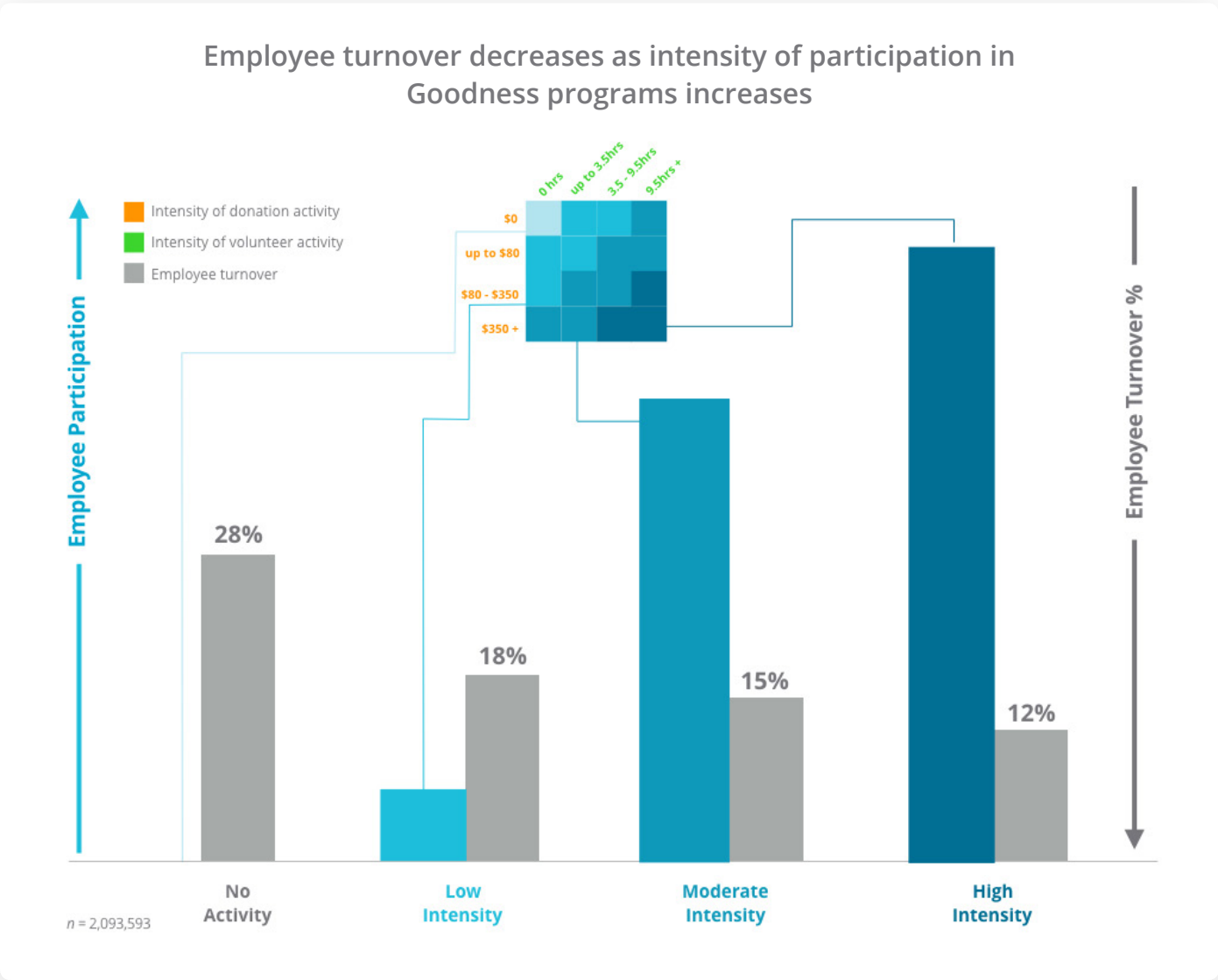


Findings

3 As “intensity” of Goodness participation increases, so too does retention

Finally, the study shows that the amount of employee participation in giving and volunteering programs also had an inverse relationship with employee departures from a company. Turnover continued to decrease as participation increased, reaching a low of 12% amongst the most active donors and volunteers.

- Employees who gave or volunteered in the lowest third of activity: 18% turnover
- Employees who gave or volunteered in the middle third of activity: 15% turnover
- Employees who gave or volunteered in the highest third of activity: 12% turnover
- Coincidentally, the turnover reduction for top tier activity matches that for fully-engaged participants overall in the study



Conclusion

The quantitative evidence in the Benevity Engagement Study shows that corporate Goodness programs have a measurable relationship with reduced employee turnover. These findings should be a game-changer for CSR leaders looking to demonstrate the ROI for their giving and volunteering programs, and make the case at the executive level for their companies to increase their investments in Goodness.

Putting the study into action

How can companies increase engagement in their giving and volunteering programs?

The study shows a clear relationship between increasing participation in Goodness programs and talent retention. It also suggests that one way for companies to reduce turnover is to encourage more of their employees to get involved in giving and volunteering. Amongst the individuals included in the study, 78% did not participate in either giving or volunteering at all. By getting more of these employees involved—and increasing the amount that employees give and volunteer—companies can potentially realize significant cost-savings related to employee turnover, not to mention the incredible gains in engagement and social impact that could be generated by this large cohort.

Here are a few actionable ways companies can increase engagement in their corporate Goodness programs:³

- **Get your people involved from the get-go.** Introduce new employees to your Goodness program by seeding their accounts with donation currency, or scheduling a volunteering activity within their first month with the company, or both!
- **Allow for open choice.** Employees in open choice programs who are able to donate to their preferred causes are five times more likely to participate than when the company restricts donations to a single charity or short list of organizations.
- **Offer payroll giving.** Companies that offer payroll giving as a payment mechanism see four times the rate of participation than programs that don't. Perhaps more importantly, they engage people who are more oriented towards micro-giving or smaller donation amounts, which helps many companies reach people in lower salary bands.
- **Turn your granting budget into matching budget.** Employees are twice as likely to donate when their companies offer a donation matching program. So, rather than granting \$100,000 to charity, why not double or triple the impact by simply offering it as an employee match?
- **Raise your match cap.** Programs with higher individual match caps generate higher average donations – every \$1 increase in Match Cap yields another \$0.25 in additional donations.
- **Use volunteering as the gateway to Goodness.** 70% of employees who volunteer also donate money through their workplace giving programs – and when they do they give 2 times as much as non-volunteers

1. Josh Bersin, “**Employee Retention Now a Big Issue: Why the Tide has Turned**,” August 16, 2013

2. Gallup, “**State of the American Workplace**,” February 2017

3. Benevity, “**Today's Guide to Workplace Giving Success**,” 2017

About Benevity

Benevity, Inc., a B Corporation, is the global leader in online workplace giving, matching, volunteering and community investment software. Many of the world's most iconic brands rely on Benevity's award-winning cloud solutions to power corporate "Goodness" programs that attract, retain and engage today's diverse workforce by connecting people to the causes that matter to them. With software that is available in 17 languages, to more than four million users around the world, Benevity will process over a billion dollars in donations and 10 million hours of volunteering time to almost 150,000 charities worldwide this year.



[benevity.com](https://www.benevity.com)
goodness@benevity.com
1.855.237.7875

