



Support the Charities That Are Right for Your CFI

branch strategies business customers

Summary: A recent study says that a financial institution's lack of support for local charities would push customers to move their accounts elsewhere. We explore how your CFI can pick charities that make the greatest impression on your customers.

Since 1977, the 501st Legion charity has been throwing [Star Wars-themed fundraisers and events](#). Zombie Squad, another unusual charity, helps prepare for disasters. There's even a charity called the Critter Connection, which finds new homes for guinea pigs in need. Charities come in all shapes and sizes, and charitable giving has been increasing within the last few years, both among individuals and among corporate companies. Even though [corporate giving in 2021 increased by 23.8% over 2020](#) according to the National Philanthropic Trust, individual giving represented a whopping 67% of all charitable donations in 2021. Americans alone donated \$484B to charities.

Supporting charities, particularly local ones, is important to a lot of financial customers. In particular, they also like to see philanthropic efforts come from their financial institutions. Which nonprofits financial institutions choose to donate to also plays a big role in their reputation with customers.

Like many community financial institutions (CFIs), a MA-based CFI had many applicants for its philanthropic donations. About 18 months ago, however, [it decided to do away with the proposal process](#). Instead, the CFI would prospect for organizations that aligned with their organization's values, instead of sifting through the myriad of nonprofits submitting applications.

They reached out to the superintendents of nearby schools whose top priority was increasing their graduation rates. In light of that focus, the financial institution donated money to help high school students make up for lost credits, funded a night program for students who had dropped out, and donated instruments to start a music program aimed at keeping students engaged.

How does your institution go about choosing the causes it supports? A little more intentionality in this area can help you get the most from your philanthropic efforts.

The Impact of Philanthropy on Your CFI

Supporting the local community is a nice thing to do, of course, but it can also be good for a CFI's financial health. Both employees and customers say they'd rather form relationships with CFIs that donate to their communities.

- [55% of employees](#) prefer to work for a philanthropic company, even if the pay is less.
- [93% of customers](#) who say their financial institutions donate generously are extremely or very satisfied with their financial provider.
- [42% of millennials](#) would move their accounts from a non-charitable CFI to one that donates to its community.

How to Pick the Right Charities

Of course, CFIs know the benefits of giving, but how do you decide which charities are the right ones for your CFI? Some institutions simply set a budget and say yes to whatever reputable groups ask until the budget is spent. As long as your recipients are solid, this approach can work. It's better, though, to deliberately think through your charitable program and pick recipients that are a good fit for your organization. Some factors to consider might include:

- **A personal connection.** Do you or your employees have a particular soft spot for a local charitable cause? Maybe a colleague is on a board of directors for a nonprofit, or does a lot of community work that could help you make connections. Talk with your employees to understand which organizations are particularly meaningful to them. Most people are more motivated to help the food pantry where four of their colleagues volunteer than they are to help an organization where they have no personal connection.
- **Values that line up with your CFI's values.** You should believe in and support an organization's overall mission before you donate time or money. Without a clear link between your values and theirs, customers and employees won't understand why you're connected and your efforts will have less of an effect.
- **A charity that can benefit from your company's strengths.** Most charitable organizations can make good use of donated money, and many are happy to put volunteers to work. Look for additional ways to help, perhaps through your industry connections, your insights, or even your ability to help a charity get its financial records in order. You might even help sponsor or advertise a fundraiser, especially if the charity has a small marketing budget.

Remember that you don't have to wait for a charity to find you. Look for community organizations that would be a good fit for your values and strengths. You can proactively consider what charitable giving is a good fit for you, and your customers will take notice of your local philanthropic efforts. You may even entice new customers to open accounts because your charitable goals align with theirs.

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ECONOMY & RATES

Rates As Of: 02/03/2023 08:02AM (GMT-0700)			
Treasury	Yields	MTD Chg	YTD Chg
3M	4.66	-0.04	0.24
6M	4.76	-0.04	0.00
1Y	4.66	0.00	-0.04
2Y	4.17	-0.04	-0.26
5Y	3.56	-0.06	-0.44
10Y	3.45	-0.06	-0.43
30Y	3.58	-0.05	-0.38
FF Market	FF Disc	IORR	
4.33	4.75	4.65	
SOFR	Prime	OBER	
4.56	7.75	4.32	

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