



Mixing Business and Philanthropy: A Winning Strategy for Small Business Owners

by Terri Bradford Eason

It's no secret that corporations dedicate significant resources to charity —to the tune of \$20.77 billion in 2021¹ — but small business owners can also realize tremendous benefits by adopting a strategic approach to their philanthropic endeavors. With 75 percent of small business owners donating an average of 6 percent of their profits to charitable organizations annually, many are already giving back.²

There are many ways for businesses to give back – and many benefits.

Small-business philanthropy benefits everyone involved – business owners, their employees and the community – and you don't need millions of dollars in the bank to get started. There are many ways to give back through time, talent or treasure:

- Making monetary or in-kind donations or launching a charitable fund can have tax and brand benefits. According to SCORE.org, 85 percent of consumers have a more positive image of a company that gives to charity and 90 percent of consumers want to know how companies are supporting charitable causes.³
- Employee volunteer and giving match programs can strengthen your organizational culture and employee engagement. Ninety-three percent of employees who volunteer are happy

with their employer, according to data from SCORE.org⁴.

- Mentoring students or jobseekers can help individuals on their professional journeys while growing the local talent pool and workforce.

All of these activities can be personally fulfilling for small business owners while strengthening their relationships and networks in the community.

- Planning today can pay off tomorrow.

Many small business owners understand the benefits of charitable giving but don't have the time or resources to launch a new volunteer program or giving strategy. But just because you don't have the time or resources to make philanthropy a priority today doesn't mean you won't in the future – and it helps to be prepared when that time comes. There are many scenarios in which small business owners could face a charitable giving decision:

- Excess profit after a successful year
- A donation or sponsorship request from the community
- An experience that sparks your passion for a particular cause or organization

- A major liquidity event such as the sale of a company or asset
- Succession planning

Here's how you can start. Taking steps to consider your philanthropic goals and strategy before a charitable giving opportunity arises will help you make the best decision for yourself and your business. Here are some tips to get started today:

- **Define what moves you.** I encourage people to start by pausing and reflecting on their personal mission. What causes are you passionate about? What social issues impact your business or the community in which you operate? If you can find common ground between your business objectives, skills and philanthropic values, you can maximize your impact. For example, a local consultant with finance and accounting knowledge might volunteer their time or resources to support Black-owned small businesses, many of which were disproportionately impacted by the pandemic. Or, the owner of a local manufacturing company might support job and skills training programs for formerly incarcerated individuals, giving people a second chance while helping to close the workforce skills gap.
- **Be strategic.** Just as you would plan

¹ <https://nonprofitsource.com/online-giving-statistics/corporate-giving/>

² <https://www.score.org/resource/infographic-small-business-charitable-giving-big-impact-local-communities>

³ <https://www.score.org/resource/infographic-small-business-charitable-giving-big-impact-local-communities>

⁴ <https://www.score.org/resource/infographic-small-business-charitable-giving-big-impact-local-communities>

TEEN ENTERPRISE:

Preparing Black Youth for Entrepreneurship and Financial Success

by Montrie Rucker Adams, APR

for your business, envision where you want your philanthropy to be in one year, five years, ten years or more. What resources or support do you need to get there? How can you align your charitable giving with your business cycle? When you think about philanthropy and business holistically – and not as separate paths – you can seamlessly advance your charitable and business objectives in a mutually beneficial way.

- **Lean on trusted partners.** Start a conversation with your professional advisors – lawyers, accountants, financial managers and others – and share your philanthropic goals. Organizations like the Cleveland Foundation can also help business owners be strategic in their philanthropy, offering creative and tax-wise charitable solutions. Community foundations are an ideal partner for small business owners who want to give back locally, impactfully and conveniently. You can learn more about the advantages of working with a community foundation [here](#).

There is no one-size-fits-all approach when it comes to business and philanthropy, but when small business owners align their business and philanthropic objectives, everyone wins.

Terri Bradford Eason is Senior Director, Advancement Equity Initiatives, Cleveland Foundation



Tory Coats (center back) with Teen Enterprise participants.

During the 2008 “Great Depression,” Tory Coats was at a crossroads. His family business, Coats Family Bail Bond and Insurance Agency in Cleveland’s St. Clair-Superior community closed. Coats later filed for bankruptcy.

“This left me to do some soul searching and to explore the things I am most passionate about. I thought of the engaging conversation with the youth on St. Clair Avenue. Couldn’t we generate optimism and hope for a brighter future if we were able to teach children to empower themselves by becoming entrepreneurs?” asked Coats in a 2018 Cleveland.com Op-Ed. He knew that in identifying his passions, they were entrepreneurship and giving back to youth.

Coats began mentoring a few teens, then he partnered with the Boys & Girls Club and any other youth organizations that allowed him to speak to youth. It was when he won the 2018 *Accelerate: Citizens Make Change Pitch Competition* presented by Citizens Bank and Cleveland Leadership Center that his idea grew wings.

In 2019, Teen Enterprise partnered with City of Cleveland’s Recreation Department’s Glenville Recreation Center. That partnership continued to grow to now include the Lonnie Burton, Stella Walsh, Woodland, and Zelma George centers.

The \$5000 grand prize money helped fund the Dare 2 Believe Young Entre-