



# Mark Zuckerberg's Brilliant Philanthropic Strategy?

**Mark Zuckerberg, founder of Facebook, was lauded and criticized recently when he announced his intention to donate most of his Facebook stock to charity.**

His philanthropic process begins with a transfer of his Facebook shares to an LLC, known as the Chan Zuckerberg Initiative. His Facebook shares are currently worth about \$45 billion.

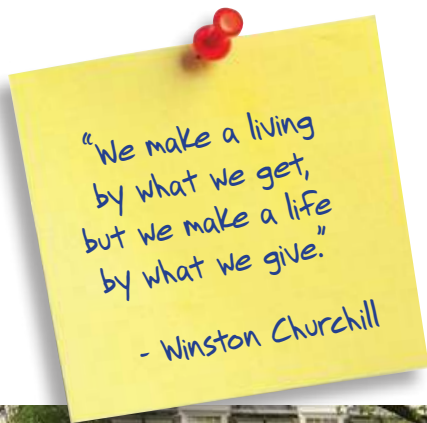
Using an LLC to house the shares is good planning on Zuckerberg's part because, in a very simplified explanation, when he directs the

LLC to donate shares to a charity, the charity can then sell the shares for market value. Zuckerberg doesn't report any capital gains because he didn't sell the shares and the charity doesn't report any gains because it's tax-exempt.

(To learn more about the brilliance behind this strategy, [click here.](#))

The point here is that Zuckerberg has a clear philanthropic strategy and found a way to maximize his donations that truly benefit the charity receiving the Facebook shares and also gives him capital gains tax relief.

Corporate Strategic Giving begins like any strategy – research, planning, careful execution, analysis of the results and revisions if the company isn't seeing the results it is looking for. Therefore, companies are looking to form mutually beneficial relationships with the non-profit world where



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the corporation increases its reputation, brand awareness and recognition by being affiliated with the cause of the non-profit. The non-profit benefits through the obvious increase in revenue, but also by leveraging its association with community business leaders who can give a higher level of awareness of the cause and help to attract additional donors and volunteers.

Here's an example from Doug Conant, former CEO of Campbell Soup, who writes about [Philanthropy as a growth strategy in a McKinsey Insights blog post](#).

"During my decade as CEO of the Campbell Soup Company, we created the aspirational mission of 'building the world's most extraordinary food company by nourishing people's lives everywhere, every day.' Along the way, we launched several ambitious

philanthropic initiatives. In 2010, we committed to cutting our environmental footprint in half by 2020. We announced a special partnership with the American Heart Association to address consumer concerns over heart health, particularly as it related to diet. In partnership with the Campbell Soup Foundation, we built a long-term program to directly address childhood obesity and hunger in communities where the company operated major facilities. I observed that the more we leveraged our business resources to deliver social value to the communities around us, the more engaged our employees became and the better we performed in the marketplace."

A well-planned Philanthropic Strategy also includes employee engagement. Because today's employees want more than just a paycheck, it has become increasingly important to engage employees in the core mission of your business. Employees want to believe in their company's initiatives and invest personally into the work they do. A good Philanthropic Strategy can provide opportunities for employees to invest their time and energy into the company's mission and reap the benefits of giving to others in ways that work best for them.

"When people are financially invested, they want a return. When people are emotionally invested, they want to contribute."

- Simon Sinek

## JEFF BLEACHER



*"Clients who give strategically benefit in many ways, including tax benefits. But, we find that our clients give from their hearts and are intent on making our community a better place to live. That thinking is part of our culture here at RBF, as well. We give both time and money to the community because we care about the greater good of all."*

## KEN FALK



*"We appreciate the giving nature of our clients and business leaders who understand that a vibrant community comes from everyone's participation. As an accounting firm we look to maximize and leverage our client's philanthropic giving, but we know that there is so much more to giving than the accounting side. Our clients benefit by helping to build a community that cares for everyone. It's true that 'doing well comes from doing good'."*



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When people are passionate about a company's mission they want to be engaged and, as a result, they are much more productive and happier with their work and are more loyal to the company. The Millennials are adamant about Corporate Social Responsibility and want to work for leaders who value giving to social concerns and organizations who have a mission to create meaning, not just money.

Customers are also more engaged with a company that executes

well on a Philanthropic Strategy. Meeting your customers' needs and making a profit are key to running a successful business, but customers also want to know that a company cares about the community. Customers can engage in a more meaningful way when a Philanthropic Strategy includes a greater customer experience that links them to the community building done by giving resources of time and money. Knowing that your company is intentional about being a good corporate citizen helps customers feel better about the products and brands they choose to buy and work with.

In summary, corporate philanthropic giving reaps benefits far beyond an ROI. It builds community, engages employees, creates loyal customers and helps companies become stronger, sustainable and focused on significance.

*"There are only 3 measurements that tell you nearly everything you need to know about your organization's overall performance: employee engagement, customer satisfaction, and cash flow. It goes without saying that no company, small or large, can win over the long run without energized employees who believe in the mission and understand how to achieve it."  
- Jack Welch, former CEO of GE*

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## JEFF GROFF



*"Every business wants to be successful and make money and without profits there is no philanthropic giving. So we help our clients to become stronger and ensure their longevity and that trickles down to their ability to give more to the community and to encourage and support their employee efforts in giving of their time."*

## PATRICK GENDRUE



*"Passion for a cause gives a company energy and enthusiasm beyond the daily work of commerce. We see our philanthropic clients enjoy a greater sense of mission and commitment through their passion. That enthusiasm impacts their employees, their vendors, their customers and everyone is better off because of their commitment to the community."*