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How Small Biz Gives Back

A recent study shows that most entrepreneurs donate some time or money to charitable enterprises. And they aren't necessarily motivated by self-interest

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As we hit the height of the charitable-giving season, big-name entertainers and corporate CEOs are getting international recognition for their philanthropic efforts. That's all well and good. But entrepreneurs should be proud to know that small-business owners are also doing their part -- and then some -- for nonprofit efforts.

According to the Wells Fargo/Gallup Small Business Index, nearly 9 out of 10 small-business owners say they give money to nonprofit organizations in their communities. Almost 6 in 10 say they and their employees contribute time to these groups.

The survey confirms that while large corporations may be making a dent in poverty and suffering internationally, entrepreneurs provide crucial support for local charitable enterprises, including sponsoring youth sports activities, donating goods and money to hospitals and homeless shelters, and underpinning public and private educational institutions. "Giving back and demonstrating concern for their neighbors are core values to small-business owners," says Rebecca Macieira-Kaufmann, head of Wells Fargo's small-business segment.

DO THE RIGHT THING. These owners are primarily motivated not by the hope of increasing sales or getting tax breaks, but by philanthropic ideals, the survey shows. Eight of every 10 respondents said they believe their efforts benefit the communities they serve more than their own business. More than half said they participate in community outreach because they personally enjoy the activity. Another 43% cited "It's the right thing to do" as their motivation. Only 6% said their charitable giving was motivated primarily by potential business benefits.

For serial Internet entrepreneur Annie Van Bebber, raising funds for medical and other charitable causes has been an important personal priority since her father's death 34 years ago. Three years ago, she combined her expertise in building commercial online communities with her passion for fund-raising in a new site, www.FundRaisers.com. It aims to provide support and networking for people interested in charitable fund-raising. It also lists shopping links for businesses that donate a portion of their sales to good causes.

More and more companies are committing a percentage of their proceeds to charitable donations and using that information to attract socially responsible customers, Van Bebber says. "The public is realizing that they have great purchasing power. If they're going to buy, why not buy from a business that gives back?"

COMMUNITY-BUILDERS. As we head into 2006, small businesses doing just that plan to continue or increase their efforts, according to the Wells/Gallup survey. Four of every 10 respondents said they're more likely to become even more involved in their communities in the coming year. More than half said a crisis or natural disaster would increase their level of community involvement.

"We know the vital role these businesses play in the U.S. economy, and equally important is the role they play in shaping our communities," says Macieira-Kaufmann. Perhaps that's something consumers should keep in mind in 2006: Be good to your local small-business owners, and they'll be good to you.
