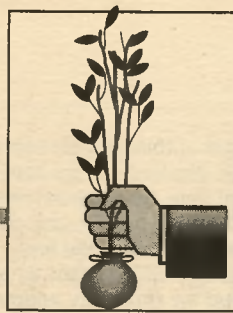


Corporate Giving



A first in history

Sarah "Madame C.J." Walker, a Harlem Renaissance-era hair-care entrepreneur, is thought to be the nation's first black female millionaire.

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Business and philanthropy Body Shop's green image questioned

Based on a year of investigation, a recent article has challenged claims of environmental and social responsibility by The Body Shop, an international cosmetics company. A subsequent investigation by a social investment firm also questioned the company's practices. The Body Shop stands by its claims.

By EALENA CALLENDER

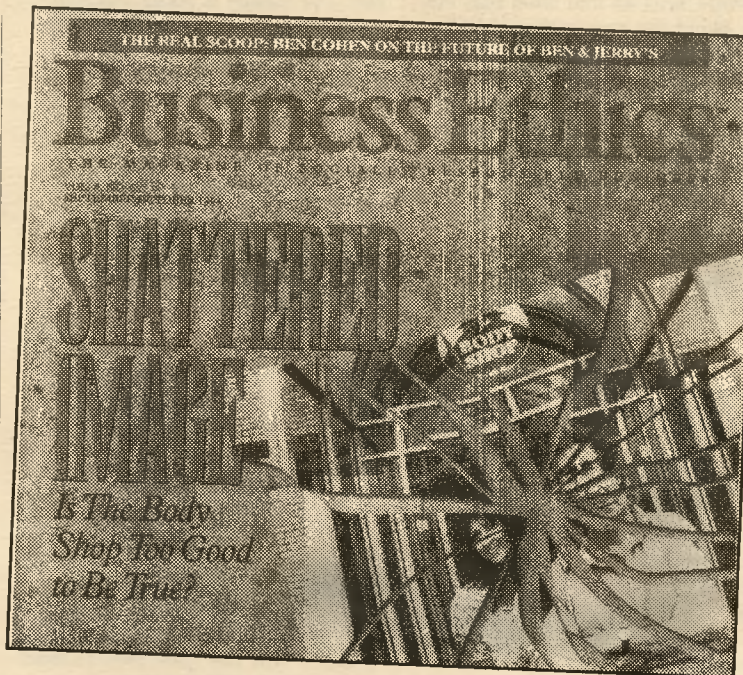
Wake Forest

Mention of The Body Shop, an international cosmetics company,

brings to mind more than shampoo and skin lotion. From its start in 1976, the company's advertising has focused on environmental and social issues, with virtually no mention of its products.

Company delivery trucks are emblazoned with appeals to save the Amazon rain forests. Promotional materials announce the company's refusal to test products on animals. And customers are encouraged to bring their own bottles to cut down on waste.

Now, questions have been raised about the principles upon which The Body Shop claims to stand. In an article published in the September/October edition of



The cover of a recent issue of Business Ethics magazine features an article questioning the Body Shop's claims of social responsibility.

Business Ethics magazine, investigative reporter Jon Entine compares the company's social stance with its actual business practices. Based on a year-long investigation, Entine suggests that the socially responsible image that the company projects is merely a facade.

Entine finds discrepancies with the company's claims about its level of corporate philanthropy, its use of ingredients tested on animals, and its application of environmentally sound business practices. He also cites franchisee complaints about the company made to the Federal Trade Commission and the House Committee on Small Business.

Entine characterizes The Body Shop as "a company riddled with contradictions."

Publicity surrounding the article was extensive in the United Kingdom, where the company is based. Its U.S. headquarters is in Wake Forest.

"It was sort of the equivalent of

Look for GREEN, page 15

Restructuring the way we give Retired IBM executive sets sights on education

Dick Daugherty, IBM Corp.'s retired top official in North Carolina, says North Carolina's biggest challenge is to improve its schools.

By TODD COHEN

As North Carolina's top official for IBM Corp., Dick Daugherty mastered the art of integrating systems and resources, both in business and in corporate philanthropy.

Better use of resources is Daugherty's prescription for tackling what he views as North Carolina's biggest challenge - improving its schools.

"As a state, as a country, if we don't make the necessary changes obviously needed to have our students coming out and competing, we lose in global competition," he says.

Daugherty, who retired recently as vice president of worldwide

manufacturing for the IBM PC Co., was one of three finalists to succeed former Gov. Bob Scott as president of North Carolina's 58-campus community college system. The system's board in October named Lloyd Hackley, chancellor of Fayetteville State University, as the system's new president.

Interviewed before Hackley was named, Daugherty said a key challenge for the community colleges was strengthening the instruction of the workplace and literacy skills needed to prepare North Carolinians to compete in the global marketplace. Another challenge is to better integrate the state's public schools, university system and community colleges.

"This should not be a turf war," between the public, university and community college systems, he says.



Dick Daugherty

Look for RETIRED, page 15

Small is bountiful Small businesses give bigger slice to charity

A new study by the Indiana University Center on Philanthropy shows small businesses give more of their income to charity than do medium-sized or large companies. Previous surveys have focused on giving patterns of large companies, creating an "information gap" the new study's authors hope to fill.

By BARBARA SOLOW

Researchers at the Indiana University Center on Philanthropy have found a silver lining to the cloud hovering over corporate giving.

Despite national surveys showing that corporate giving has remained flat, the center has discovered that Indiana small businesses gave more of their income to nonprofits than did their larger counterparts.

The center's study, "Indiana Business Contributions to Community Service," found that businesses of 100 employees or fewer gave 3 percent of their net income to charity, compared to 2.5 percent given by medium-sized and large companies.

A recent national survey by The

Conference Board showed medium-sized and large companies gave slightly more than 1 percent of their net income to charity.

The Center on Philanthropy's survey of 1,246 Indiana companies found the average annual cash donation per employee was \$264 for small companies; \$135 for medium-sized companies and \$169 for large companies.

The study's author, Dwight Burlingame, says the results can be generalized to giving patterns throughout the U.S.

"The message to community organizations is that they need to include small business in the mix," says

Burlingame, director of research and academic programs for the Indiana Center. "These contributions represent a relatively small percentage of the total amount of corporate giving, but that percentage is especially crucial to nonprofit organizations in small communities."

The message to community organizations is that they need to include small business in the mix.

DWIGHT BURLINGAME
Director of research and academic programs, Indiana University Center on Philanthropy.

Winston-Salem fundraiser Whitney Jones says little attention has been paid to giving patterns of small businesses in North Carolina.

"Most people who do workplace campaigns tend to ignore them. But I'm sure they are capable of giving a much larger sum."

Jones, who is president of the Triad chapter of the National Society of Fundraising Executives, believes the key issue in corporate giving is not how much companies give but why.

"A lot of larger businesses these days are becoming more international. They don't feel as much of an obligation to the local community," he says. "Small businesses tend to be much more within the local community."

Tuck Barclay, vice president for resource development at United Way of the Central Carolinas in Charlotte, says outreach to small businesses has been a major

Look for CHARITY, page 15

BRIEFLY

Philanthropist funds scholarship

John M. Belk gave \$1.6 million to his alma mater Davidson College to establish a scholarship in his name. The scholarship will provide qualifying students from the Southeast with full cost, which currently is \$22,534 annually. Belk, whose family made its fortune in the retail clothing business, graduated from Davidson in 1943.



John M. Belk

Coca-Cola gives Duke \$1 million

The Coca-Cola Foundation has awarded \$1 million to Duke University to create a new Center for Environmental Education and fund fellowships and research. "This generous gift...will enable us to respond more effectively and vigorously to environmental challenges and opportunities across the curriculum," says Duke President Nannerl Keohane.

Charlotte schools getting IBM technology

As part of its new "Reinventing Education" program, IBM has teamed up with the Charlotte-Mecklenburg school system to equip a \$2 million "education village" with the latest computer technology in the schools. IBM plans to spend \$25 million over five years on the project and include up to 10 school districts nationwide.

Restaurant vouchers for the homeless

Several North Carolina restaurants have received federal approval to accept food coupons from the homeless for meal payments. Restaurants include Christophers Inc. and King's Restaurant in Kinston; Roma Pizzeria Restaurant in Raleigh; Country Inn in Spring Hope and Blands Barbeque in Wallace.

Correction

A phone number for the U.S. Commerce Department's initiative on economic development was published incorrectly in the October edition of the Journal. The correct number is (202) 482-5112 or 5081.