

## **Five Reasons Why An Employer Would Offer Payroll Giving**

### **1) Today's staff want and expect it**

Recent research undertaken in New Zealand has shown that:

- 72% of employees will have a stronger sense of loyalty to their company when the company gives back to their community by supporting a charity.
- 63% of employees admitted to feeling a special pride towards their company's values when their company supports a charity
- Of companies currently not supporting any community charity, 39% of their employees believed their company should show support towards a charity.

Research undertaken in Australia has shown that over 70% of companies believed supporting Payroll Giving enabled employees to engage with their community and to make a positive difference.

It is expected that the support of Payroll Giving and the introduction of the Payroll Giving scheme will reach 10- 25% of all companies

### **2) Your company's customers and consumers want and expect it**

- 82% of the public say they would be more likely to buy products and services from a company shows its support towards a charity that they care about
- 65% said that, even if prices were more expensive, they would be inclined to purchase products or services from a company that supports worthy causes.
- 73% of surveyed consumers said they would be prepared to change their preferred brand or service to a similar brand that showed its support towards a worthy cause.

### **3) New Zealanders are asking for it**

- Research has shown that 94% believe it is a good idea for New Zealand companies to support charities with 85% thinking more highly of companies that show their support towards charities.
- 59% of those surveyed believe it should be standard practice for companies to financially support charitable causes.

### **4) Your competitors are already doing it**

- Today, 50% of all companies actively contribute financially to charities and community organisations.
- Australians currently donate about \$18 million to charities via Payroll Giving schemes with an average yearly donation of about \$190 per annum.

Payroll giving schemes are considered a low-cost, easily administered way of encouraging giving to the community.

## 5) The costs of implementing the scheme are far outweighed by its benefits

- As there is no intermediary 'middleman' organising Payroll Giving schemes in New Zealand the process is simplified and you can be assured that your entire donation is reaching your desired recipient.
- Employers will deduct the donation to ensure the organisations legitimacy on the IRD website, give the staff their tax deduction, pass the contribution to the charity and notify them that the donation has been received. The company will obtain a receipt directly from charity organisation
- For charities who are often stretched resource wise this is a low cost way of fundraising where donors are able to choose their charity of choice and be sure there regular donation is reaching its 'goal'

## Summary

The benefits to an employer of introducing a payroll giving scheme are:

- The support and loyalty of staff
- The support of consumers and positive brand positioning
- Positive corporate citizenship
- Competitive advantage achieved through positive public perception

Data Source:

(<http://www.foresee.co.nz/documents/FiveReasonsWhyAnEmployerWouldOfferPayrollGiving.pdf>)