



JUST SAYIN'
by Stephen Kimber

Corporate charity: why it's a bad thing

“Hi there,” began the breathlessly chatty, early February email from someone named Emily from something called Veritas Communications.

Emily was just writing to let me know “Seretha W. of Hammonds Plains, N.S., recently received \$20,000 from Dr Pepper Canada to be put towards her education goal of obtaining a Master of Nursing degree. As part of the \$100,000 Dr Pepper Tuition Giveaway, five ‘One-of-a-Kind’ Canadians were selected to receive tuition grants to help them achieve their education goals.”

Emily helpfully pointed me to a compilation YouTube video I could check out to see the delight on the faces of the winners as a swarm of Dr Pepper employees descended on their doors with smiles, balloons and oversized cheques.

What had the winners done to justify their \$20,000? They’d submitted a one-minute video “explaining why and how they wanted to pursue further education.”

Dr Pepper, of course, is a soft drink marketed by Canada Dry Mott’s, a subsidiary of Dr Pepper Snapple, “one of the leading refreshment beverage businesses in North America.” So when did the good Dr Pepper get into the education scholarship business?

The week before I received Emily’s email, my Facebook feed had lit up with the unrelated but related news that Halifax-based Souls Harbour Rescue Mission had just won one of five \$100,000 prizes in the sixth annual Aviva Community Fund competition. If I’d missed it on Facebook, it was also broadcast live on Canada AM.

This competition, sponsored by Aviva, the insurance company, allowed community groups to submit “ideas that would have a positive impact on the community. Those are then voted for online, with the top vote-getters being awarded prize money.”

Souls Harbour had received 20,000 votes, the third most in the country. I knew that because friends, who were championing Souls Harbour, had

been hijacking my Facebook feed for months to urge everyone to get out and vote (you could vote daily) in the preliminary round, the semis, the finals...

Souls Harbour seems a more-than-worthy cause. Its founders, a reverend and his wife from Saskatchewan, opened their soup kitchen in 2011, and serve 90 hot meals a day, 25,000 a year. Their

\$100,000 prize, they explained, will allow them to upgrade from “a home kitchen, one fridge, one stove,” to a purpose-built commercial kitchen.

So... all good?

Well, not really.

Far be it from me to suggest corporations shouldn’t show social responsibility or provide community benefits. They should.

But it is worth asking why private companies seem able to do what our governments no longer can. And to wonder whether we really want decisions about important social concerns — who deserves financial help with their education, which among the many important and needy social service providers, should get inevitably scarce funds — turned into bread-and-circuses online popularity contests and corporate marketing campaigns masking as charity?

How did we get to this sorry pass?

Well, for starters, consider how corporate tax rates have declined year over year, decade over decade, starving governments of revenues to provide help to the needy and worthy.

Consider too that Canada lost \$80 billion to tax evasion in 2011, with almost a quarter of Canadian direct investment overseas that year ending up parked in one of the world’s top tax havens, not coincidentally beyond the reach of the tax man.

Or consider that, thanks to tax loopholes, Target’s CEO not only walked out the door of the failed retail giant with a \$70-million personal severance package (equal to the total severance for Target’s other 17,600 employees!) but also won’t pay tax on the first 50 per cent of it. Thanks to a loophole that exempts CEOs from tax on half the income earned “cashing in company stock...” Canada loses one billion dollars a year.

That would fund a lot of scholarships. Or soup kitchens.

And the decisions could then be based on something more meaningful than product-placements, one-minute videos, or online voting.

Just sayin’.

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FEEDBACK

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