The Strategic Management of Corporate Philanthropy

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"The social responsibility of business is to maximize profits."
Milton Friedman, 20th century economist

"Make all you can, save all you can, give all you can"
John Wesley, 18th century English theologian

Abstract

Many companies make regular contributions to a variety of charities. For privately held companies, this is a reasonable activity since the managers are the owners. It is their own money that they are giving away giving. This is not the case for publically held companies. The money the managers are directing towards charities belongs to the shareholders. If the goal of managers is to maximize the value of the firm for the shareholders, then there must be some connection between corporate philanthropic activity and additions to firm value. In addition, this suggests that there is some optimal (value maximizing) level of corporate giving.

Key words: Corporate social responsibility, Corporate philanthropy, Strategic management

1. Introduction

It is uncommon for Milton Friedman to be linked with John Wesley. These figures are, after all, separated by two hundred years and even more so by discipline, an economist and a theologian. Their two statements (Friedman, 1970; Wesley) and are generally accepted by their disciplines. Businesses need to focus on profit. Nearly every religion places a high emphasis on charity.

However, these ideas seem to intersect, and perhaps come into conflict, in the area of corporate giving. Recent donations by **Fortune** 500 companies have increased dramatically. Wal-Mart and Goldman Sachs each donated more than $300 million dollars to charity in 2010. The Kroger Company, a Cincinnati-based grocery chain (NYSE- KR) contributed nearly 11% of its net income to charity in 2010. John Wesley would certainly applaud such generosity.

Milton Friedman would also endorse such philanthropy if it enhanced the value of the company. Publicly held firms often fail to pay out 100% of net income as dividends. Retained earnings are reinvested in the firm to fund activities that increase share price, such as capital spending, sales extension, and product line expansion, to name a few. Shareholders approve of such reinvestments of their earnings since it increases the value of their portfolio.

If corporate charitable contributions are likewise value enhancing, then managers are being responsible stewards of shareholder funds by increasing their value. And if charitable contributions actually enhance value, then there is some strategic level of corporate giving associated with maximizing share value. Indeed, the firm's philanthropic strategy should be part of an integrated corporate strategy.

In addition, it may more efficient for managers to act on behalf of the shareholders when donating to charity. For instance, assume a million Wal-Mart shareholders wanted to contribute to the United Way, a well-known charity.

The United Way can process a single donation of $1,000,000 at a much lower cost than if 1,000,000 individual shareholders each sent $1.00. However, it is unlikely that there is general agreement as to the level of private giving shareholders would like the managers to give for them. Also, since many charities are local, what benefit does a shareholder receive if the corporate contribution goes to a charity in a different geographical region?

Corporate charitable donations could also be considered strategic investments if they result in some added value. For instance, it is not uncommon for a bakery to donate unsold food items at the end of the day to a local food bank, soup kitchen, or shelter. Since the bakery's reputation rests largely on the freshness of its product, the bread cannot be sold the next day, and thus would be discarded. However, by donating this leftover bread to the local food bank, a tax deduction can be claimed for the value of the bread. The resulting tax savings from the donation increases the value of the firm simply by directing the excess bread to the food bank instead of the trash. (See White and Martin, 2008.)

But an examination of the largest corporate givers in 2010 indicates that three of the top five givers were financial firms. (The top five corporate givers in 2010, in order, are Wal-Mart, Goldman Sachs, Wells Fargo, Bank of America, and Exxon. See "Tracking big corporate donors," 2011.) These are hardly the type of businesses that are concerned about their inventory becoming stale.

In the absence of a tax gain from donating merchandise that could not easily be sold, why do corporations donate so generously? And of equal importance, why do shareholders allow such a distribution of earning that rightly belongs to them? There are even cases where firms have had negative net income and eliminated jobs yet made substantial charitable contributions that same year (Gillmor and Bremer, 1999). Do firms see such philanthropic activity as a business cost that cannot go unpaid? Does the market react to a charitable donation in the same way that it responds to a fine (or other financial penalty) of equal size? Could it be that corporate giving is be a signaling device to indicate that net income has increased and is expected to remain at this higher level? Would not a dividend increase send the same signal AND benefit the equity owners?

This study is in its preliminary stages and seeks to identify the causal relationship between corporate giving, often referred to as an aspect of corporate social responsibility (CSR), and some economic variable, such as sales, income, and/or share price. Once the effect of corporate social activity is known, it then becomes possible to incorporate such activity into an overall strategic management plan. Corporate philanthropy is then an aspect of an overall strategic plan that includes capital investment, dividend policy, advertising, training, new product introduction, and succession planning, to name a few, with the goal of maximizing the value of the firm.

2. Plausible Economic Justifications for Corporate Philanthropy

2.1 Corporate philanthropy as advertising

Substantial corporate giving is generally a newsworthy event, so the company receives considerable favorable press coverage for free. To the extent that these news stories create customer and/or investor interest, value can be created.

2.2 Corporate philanthropy as "social liability insurance"

To the extent that corporate giving creates goodwill, this goodwill may mitigate a decline in value resulting from a product failure and/or public relations gaffe. This suggests that consumers incorporate a company's charitable activity into their opinion of the company's product. If the market looks more favorably on a car manufacturer's recall of defective automobiles if the car company is closely associated with a charity, then there is a trade-off between quality control expenditures and charitable contributions? The products quality need not be as high if your customers will cut you some slack as a result of your donations to charity.

2.3 Corporate philanthropy as a self-imposed social fine

Another argument for corporate philanthropy is to restore goodwill after the fact. This philanthropic action is more akin to a fine, since it occurs after some corporate transgression. For instance, did BP become more a more active donor in the Gulf States in the aftermath of the Deepwater Horizon oil spill in an attempt to mitigate the backlash from the ecological disaster? Such targeted philanthropy may be an effective method of confessing "mea culpa" and restoring the company's local reputation.

2.4 Corporate philanthropy as a signal

Finally, corporate donations may be a signal to investors that profits are up, are expected to rise, and/or are expected remain at the current high levels. Share prices generally increase in the wake of higher expected earnings. Increases in dividend are often thought to signal such expectations. However, any increase in dividends would come from after-tax income. Since corporate donations to charities are tax deductible, these donations come from pre-tax earnings. Thus, it may be possible to send the message regarding earnings expectations more cheaply using this pre-tax source.

Each of these four explanations suggests a positive economic effect resulting from corporate philanthropy. If corporate philanthropy is akin to advertising, then it should result in an increase in sales. If costs remain constant, then the increased sales should translate into higher net income, which should lead to a higher share price. However, since costs may vary, it is possible that the increased sales do not correspond to higher net incomes.

3. Literature Review

The concept of corporate social responsibility means different things to different people. Friedman (1970) obviously took a very narrow view. The goal of business was to maximize profits. In doing so, businesses provided income and employment for individuals as well as taxes to the government. Society's benefit of employment and income is maximized when profits are maximized. Whyte (2010) goes even further, equating corporate charity to theft, since managers are giving away money that is not theirs to give. Whyte does acknowledge that charity can be consistent with profitability. For instance, a well drilling company may donate money to a village that needs a well, with the expectation that the donated money will be used to hire them to drill a well. Once they are in the area, they may attract other well drilling jobs. (This is similar to the grocery store practice of using a "loss leader" to stimulate sales and profits.) If the motive is profit instead of altruism, can it be called charity? While it may seem hypocritical to have profit motivating philanthropic activity, Whyte deems that preferable to the non-profit motivation akin to theft.

Other researchers take a very different view of corporate social responsibility. A study by Bird et. al. (2007) analyzed how a firm's reputation with regard to employment, the environment, and diversity affected the market value of the firm's stock price. Their results indicated that a firm's value is decreased if they fail to meet regulatory environmental minimums, the value does not increase if these minimums are exceeded. They also found the market did not seem to value community philanthropic behavior.

For the World Business Council, the corporation has responsibilities to various stakeholders, of which shareholders are only one of these diverse groups, often with competing interests. Corporate social responsibility has an economic dimension (i.e. employment and taxes), an environmental dimension (i.e. waste minimization and sustainability) as well as a social dimension (i.e. supporting activities in the community) (Riordan and Fairbrass, 2008). A simultaneous maximization of these multiple dimensions is virtually impossible. The question becomes one of trade-offs among these competing stakeholders.

The financial link between corporate social responsibility and financial performance has been investigated numerous times over the years. The results of the empirical research have been contradictory. Some studies have found a negative relationship between a firm's CSR and financial performance, while others have determined the relationship to be positive. Margolis, Elfenbein, and Walsh (2011) produced an exhaustive review of 251 studies published over the past three decades. They found a small, positive relationship between the social and financial performance of a corporation. When more recent studies (since 2000) are examined, the positive relationship becomes even smaller. While they are to be congratulated on undertaking such a monumental review task, their positive result cannot be interpreted as the definitive answer on this issue. The myriad of studies shared neither a common definition of financial performance nor corporate social performance. Thus, it is reasonable to question what is implied by an average of similar, but not identical, variables.

4. Data and Methodology

This study investigates the link between corporate giving and with firm performance. Corporate social responsibility is a broad concept that encompasses multiple dimensions. They include, but are not limited to, a firm's actions and attitudes towards employees (such as how generous and inclusive is the benefit package), workplace diversity, the environment and sustainability, and social involvement through their volunteerism and charitable donations. Likewise, firm performance can be viewed through a lens of sales, several measures of income, risk reduction, and/or shareholder value.

This study looks specifically at the corporate charitable donations and its effect on sales and income. This is not to diminish the importance of the other elements of corporate social responsibility. Rather it is an acknowledgment of the difficulty of capturing the costs or value of non-financial actions. For instance, the cost of a commitment to community volunteerism is not captured on a financial statement, while the value of charitable donations are more easily measured and recorded.

Corporate giving will be evaluated from a convenience sample of corporate donors. **The Chronicle of Philanthropy** surveys the 300 largest firms on the **Fortune** 500 list and has reported the corporations that are largest donors annually since 2000 (Burton, 2010). Data are collected on cash donations as well as product donation. The value of employees' time donated to various charities is not included. The response rate varies from year to year, from a low of 81 firms in 2007 to a high of 180 firms in 2011. Obviously, firms go on and off the list during this period as they go out of business, merge with other firms, or choose not to respond to the survey. However, there is a subset of seventeen firms are on the list each of these years. Their sustained commitment to corporate philanthropy suggests it is an integral part of their overall corporate management strategy. Therefore, this seventeen firm subset provides the data that are used in this study to measure the effects of charitable donations on sales and income. The firms included are: American Express; Verizon; J.P. Morgan; Target; Exxon; Macy's; Ford; Kimberly Clark; Kroger; Merck; 3M; Bank of America; Well Fargo; Pfizer; Wal-Mart; Microsoft; and Met Life.

To determine the economic effect of corporate philanthropy, corporate giving is initially regressed against sales as the measure of financial performance. If corporate philanthropy enhances the firm's image, then these actions can be expected to positively affect sales. Since management's ultimate goal is value, the influence of corporate donations on net income will also be measured. Finally, the relationship between corporate giving and dividends will be investigated.

5. Results

The twelve years of data for seventeen firms in the sample yielded 204 data points. Raw data for sales, net income and dividends were each regressed individually against the level of corporate giving. The resulting coefficients all had the expected positive value. However, the coefficient on sales was not statistically significant. The coefficients, t statistics, and P-values are shown in Table 1.

The variables were converted to natural logarithms to examine whether a non-linear relationship between giving and sales, net income, and/or dividends existed. Several entries of the original dataset needed to be transformed, specifically the negative net income and zero dividend entries. The net income and dividend data were transformed by increasing each data point so that the smallest entry was 1.0. The coefficients maintained their positive value and all were statistically significant. The R^2 values, while still being relatively low, increased dramatically. The results, shown in Table 2,

6. Conclusion and Suggestions for Further Study

In conclusion, corporate philanthropy seems to be at odds with rational, value maximizing behavior, and yet it exists. The initial results of this study suggest that the corporate philanthropy does have a positive influence on economic variables. This connection is especially evident when the data are evaluated in natural logarithms. The strong relationship between giving and dividends suggests shareholders are large benefactors of this action.

As stated earlier, this study is in its preliminary stages. Further analysis is certainly warranted but these initial results are encouraging. Additional areas for study include any lagged effect of corporate philanthropy. How long do contributions have a positive impact on the sales and earnings of the firm? A series of regressions with lagged variables could indicate if this is a productive path of continued research.

Another avenue to pursue is to determine if the benefit generated from the corporate philanthropic actions is a function of the size the donation or frequency of the donation? If size is a factor, is it the absolute size of the donation, or the donation relative to the firm's sales or net income? If the benefit from a donation is the result of the positive news coverage of the announcement, then perhaps the frequency of such charitable actions is the key factor. An event study could determine excess returns are earned surrounding a charitable announcement.

Given the recurring nature of corporate philanthropy, it appears that this activity is part of the overall corporate management strategy for many firms. Giving funds to one group (the charity) when those funds could go to another group (the shareholders) is often justified from the perspective of trying to balance the desires multiple stakeholders. The preliminary results of this study suggest that these stakeholders may not be in competition at all. Corporate philanthropy appears to be a win-win for these two stakeholders. In any event, these initial results certainly warrant additional attention.

Table 1
Effect of corporate giving (raw data) on:

Variable	R^2	Coefficient	t-statistic	P-value
Sales	0.027	0.006	0.0397	0.692
Net income	0.034	0.003	2.677	0.008
Dividends	0.096	0.002	4.646	6.1E-06

Table 2
Effect of corporate giving (transformed data converted to natural logs) on:

Variable	R^2	Coefficient	t-statistic	P-value
Sales	0.142	0.270	5.792	2.6E-08
Net income	0.037	0.122	2.783	0.006
Dividends	0.140	0.710	5.723	3.6E-08

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Company	**Year**	**Giving** (x 1000)	**Sales**	**Net Income**	**Dividends**
American Express	2000	$ 39,647	$ 25,273	$ 2,810	$ 426
American Express	2001	$ 29,781	$ 24,985	$ 1,311	$ 424
American Express	2002	$ 31,664	$ 24,649	$ 2,671	$ 425
American Express	2003	$ 28,109	$ 26,578	$ 2,987	$ 495
American Express	2004	$ 28,700	$ 29,907	$ 3,445	$ 556
American Express	2005	$ 28,000	$ 25,457	$ 3,734	$ 596
American Express	2006	$ 27,100	$ 28,710	$ 3,707	$ 692
American Express	2007	$ 27,200	$ 31,634	$ 4,012	$ 740
American Express	2008	$ 29,000	$ 31,920	$ 2,699	$ 836
American Express	2009	$ 26,300	$ 26,519	$ 2,130	$ 855
American Express	2010	$ 26,100	$ 30,242	$ 4,057	$ 867
American Express	2011	$ 28,100	$ 32,282	$ 4,935	$ 856
Verizon	2000	$ 70,000	$ 64,826	$ 11,797	$ 4,416
Verizon	2001	$ 86,600	$ 67,190	$ 389	$ 4,176
Verizon	2002	$ 74,900	$ 67,625	$ 4,079	$ 4,208
Verizon	2003	$ 70,300	$ 67,752	$ 3,077	$ 4,250
Verizon	2004	$ 71,437	$ 71,283	$ 7,831	$ 4,265
Verizon	2005	$ 70,414	$ 75,112	$ 7,397	$ 4,479
Verizon	2006	$ 69,400	$ 88,144	$ 6,197	$ 4,781
Verizon	2007	$ 67,400	$ 93,469	$ 5,521	$ 4,830
Verizon	2008	$ 68,000	$ 97,354	$ 6,428	$ 5,062
Verizon	2009	$ 67,900	$ 107,808	$ 3,651	$ 5,309
Verizon	2010	$ 66,800	$ 106,800	$ 2,549	$ 5,441
Verizon	2011	$ 65,800	$ 110,875	$ 2,404	$ 5,593
JPMorgan	2000	$ 84,000	$ 58,934	$ 5,727	$ 2,354
JPMorgan	2001	$ 93,600	$ 50,429	$ 1,694	$ 2,731
JPMorgan	2002	$ 93,472	$ 43,372	$ 1,663	$ 2,754
JPMorgan	2003	$ 86,100	$ 44,363	$ 6,719	$ 2,838
JPMorgan	2004	$ 135,000	$ 56,931	$ 4,466	$ 3,886
JPMorgan	2005	$ 111,128	$ 79,902	$ 8,483	$ 4,831
JPMorgan	2006	$ 112,313	$ 99,302	$ 14,444	$ 4,860
JPMorgan	2007	$ 110,274	$ 116,353	$ 15,365	$ 5,165
JPMorgan	2008	$ 104,110	$ 101,491	$ 5,605	$ 5,633
JPMorgan	2009	$ 105,224	$ 115,632	$ 11,728	$ 820
JPMorgan	2010	$ 216,496	$ 115,475	$ 17,370	$ 835
JPMorgan	2011	$ 273,435	$ 110,838	$ 18,976	$ 4,030
Target	2000	$ 81,361	$ 36,903	$ 1,264	$ 194
Target	2001	$ 114,694	$ 39,888	$ 1,368	$ 203
Target	2002	$ 127,605	$ 43,917	$ 1,654	$ 218
Target	2003	$ 135,772	$ 48,163	$ 1,841	$ 246

Company	Year	Giving (x 1000)	Sales	Net Income	Dividends
Target	2004	$ 136,608	$ 46,839	$ 3,198	$ 280
Target	2005	$ 145,174	$ 52,620	$ 2,408	$ 334
Target	2006	$ 158,318	$ 59,490	$ 2,787	$ 396
Target	2007	$ 168,931	$ 63,367	$ 2,849	$ 454
Target	2008	$ 193,997	$ 64,948	$ 2,214	$ 471
Target	2009	$ 187,624	$ 65,357	$ 2,488	$ 503
Target	2010	$ 202,873	$ 67,390	$ 2,920	$ 659
Target	2011	$ 209,275	$ 69,865	$ 2,929	$ 777
Exxon	2000	$ 91,365	$ 206,083	$ 17,720	$ 6,123
Exxon	2001	$ 119,827	$ 187,510	$ 15,320	$ 6,254
Exxon	2002	$ 97,156	$ 178,909	$ 11,460	$ 6,217
Exxon	2003	$ 102,958	$ 213,199	$ 21,510	$ 6,515
Exxon	2004	$ 106,477	$ 263,989	$ 25,330	$ 6,896
Exxon	2005	$ 132,776	$ 328,213	$ 36,130	$ 7,185
Exxon	2006	$ 138,594	$ 335,086	$ 39,500	$ 7,628
Exxon	2007	$ 173,817	$ 358,600	$ 40,610	$ 7,621
Exxon	2008	$ 189,132	$ 425,071	$ 45,220	$ 8,058
Exxon	2009	$ 195,855	$ 275,564	$ 19,280	$ 8,023
Exxon	2010	$ 199,216	$ 341,578	$ 30,460	$ 8,498
Exxon	2011	$ 234,666	$ 433,526	$ 41,060	$ 9,020
Macy's	2000	$ 17,363	$ 18,756	$ (184)	$ -
Macy's	2001	$ 15,415	$ 16,012	$ (276)	$ -
Macy's	2002	$ 14,712	$ 15,788	$ 818	$ -
Macy's	2003	$ 14,965	$ 15,682	$ 693	$ 69
Macy's	2004	$ 17,620	$ 16,084	$ 689	$ 93
Macy's	2005	$ 17,372	$ 22,390	$ 1,406	$ 157
Macy's	2006	$ 52,181	$ 26,970	$ 995	$ 274
Macy's	2007	$ 20,737	$ 26,313	$ 893	$ 230
Macy's	2008	$ 21,471	$ 24,892	$ (4,803)	$ 221
Macy's	2009	$ 29,881	$ 23,489	$ 350	$ 84
Macy's	2010	$ 27,740	$ 25,003	$ 847	$ 84
Macy's	2011	$ 25,525	$ 26,405	$ 1,256	$ 231
Ford	2000	$ 111,232	$ 170,064	$ 3,467	$ 2,736
Ford	2001	$ 145,458	$ 162,412	$ (5,453)	$ 1,929
Ford	2002	$ 114,500	$ 162,586	$ (980)	$ 743
Ford	2003	$ 102,300	$ 164,196	$ 495	$ 733
Ford	2004	$ 100,900	$ 171,652	$ 3,487	$ 733
Ford	2005	$ 100,600	$ 176,896	$ 1,440	$ 738
Ford	2006	$ 87,000	$ 160,123	$(12,613)	$ 468
Ford	2007	$ 91,800	$ 172,455	$ (2,723)	$ -
Ford	2008	$ 83,000	$ 146,277	$(14,672)	$ -

Company	Year	Giving	Sales	Net	Dividends
		(x 1000)		Income	
Ford	2009	$ 49,000	$ 118,308	$ 2,717	$ -
Ford	2010	$ 29,000	$ 128,954	$ 6,561	$ -
Ford	2011	$ 29,500	$ 136,264	$ 20,213	$ 1,900
Kimberly Clark	2000	$ 13,508	$ 13,982	$ 1,801	$ 583
Kimberly Clark	2001	$ 18,681	$ 14,524	$ 1,610	$ 592
Kimberly Clark	2002	$ 17,005	$ 13,566	$ 1,675	$ 620
Kimberly Clark	2003	$ 12,382	$ 14,348	$ 1,694	$ 689
Kimberly Clark	2004	$ 18,854	$ 15,083	$ 1,800	$ 791
Kimberly Clark	2005	$ 20,824	$ 15,903	$ 1,568	$ 853
Kimberly Clark	2006	$ 20,208	$ 16,747	$ 1,500	$ 899
Kimberly Clark	2007	$ 17,855	$ 18,266	$ 1,823	$ 933
Kimberly Clark	2008	$ 16,723	$ 19,415	$ 1,690	$ 966
Kimberly Clark	2009	$ 18,423	$ 19,115	$ 1,884	$ 996
Kimberly Clark	2010	$ 21,051	$ 19,746	$ 1,843	$ 1,085
Kimberly Clark	2011	$ 31,376	$ 20,846	$ 1,591	$ 1,107
Kroger	2000	$ 82,480	$ 49,000	$ 877	$ -
Kroger	2001	$ 90,720	$ 50,098	$ 1,043	$ -
Kroger	2002	$ 87,102	$ 51,760	$ 1,205	$ -
Kroger	2003	$ 97,974	$ 53,791	$ 312	$ -
Kroger	2004	$ 95,388	$ 56,434	$ (100)	$ -
Kroger	2005	$ 110,134	$ 60,553	$ 958	$ -
Kroger	2006	$ 121,600	$ 66,111	$ 1,115	$ 187
Kroger	2007	$ 121,200	$ 70,235	$ 1,181	$ 206
Kroger	2008	$ 117,200	$ 76,000	$ 1,249	$ 237
Kroger	2009	$ 137,200	$ 76,733	$ 70	$ 241
Kroger	2010	$ 159,200	$ 82,189	$ 1,116	$ 255
Kroger	2011	$ 183,800	$ 90,374	$ 602	$ 256
Merck	2000	$ 249,000	$ 40,363	$ 6,822	$ 2,906
Merck	2001	$ 340,600	$ 47,716	$ 7,282	$ 3,156
Merck	2002	$ 633,000	$ 51,790	$ 7,150	$ 3,204
Merck	2003	$ 843,000	$ 22,486	$ 6,831	$ 3,265
Merck	2004	$ 797,000	$ 23,430	$ 5,813	$ 3,329
Merck	2005	$ 1,039,000	$ 22,012	$ 4,631	$ 3,339
Merck	2006	$ 826,000	$ 22,636	$ 4,434	$ 3,319
Merck	2007	$ 828,000	$ 24,198	$ 3,275	$ 3,311
Merck	2008	$ 821,000	$ 23,850	$ 7,808	$ 3,250
Merck	2009	$ 923,200	$ 27,428	$ 12,901	$ 3,598
Merck	2010	$ 1,157,400	$ 45,987	$ 861	$ 4,730
Merck	2011	$ 1,266,600	$ 48,047	$ 6,272	$ 4,818
3M	2000	$ 34,458	$ 16,724	$ 1,782	$ 918
3M	2001	$ 47,100	$ 16,079	$ 1,430	$ 948

Company	Year	Giving	Sales	Net	Dividends
		(x 1000)		Income	
3M	2002	$ 43,721	$ 16,332	$ 1,974	$ 968
3M	2003	$ 50,373	$ 18,232	$ 2,403	$ 1,034
3M	2004	$ 48,052	$ 20,011	$ 2,990	$ 1,125
3M	2005	$ 39,054	$ 21,167	$ 3,199	$ 1,286
3M	2006	$ 37,151	$ 22,923	$ 3,851	$ 1,376
3M	2007	$ 42,591	$ 24,462	$ 4,096	$ 1,380
3M	2008	$ 48,760	$ 25,269	$ 3,460	$ 1,398
3M	2009	$ 71,292	$ 23,123	$ 3,193	$ 1,431
3M	2010	$ 80,420	$ 26,662	$ 4,085	$ 1,500
3M	2011	$ 75,012	$ 29,611	$ 4,283	$ 1,555
Bank of America	2000	$ 91,008	$ 57,885	$ 7,517	$ 3,382
Bank of America	2001	$ 95,702	$ 53,151	$ 6,792	$ 3,627
Bank of America	2002	$ 80,820	$ 46,362	$ 9,249	$ 3,704
Bank of America	2003	$ 85,047	$ 49,006	$ 10,810	$ 4,277
Bank of America	2004	$ 108,710	$ 65,447	$ 14,143	$ 6,452
Bank of America	2005	$ 130,000	$ 85,064	$ 16,465	$ 7,665
Bank of America	2006	$ 206,000	$ 115,689	$ 21,133	$ 9,639
Bank of America	2007	$ 200,300	$ 119,190	$ 14,982	$ 10,696
Bank of America	2008	$ 215,307	$ 113,106	$ 4,008	$ 10,256
Bank of America	2009	$ 209,117	$ 150,450	$ 6,276	$ 326
Bank of America	2010	$ 207,940	$ 134,194	$ (2,238)	$ 405
Bank of America	2011	$ 208,425	$ 129,913	$ 1,446	$ 413
Wells Fargo	2000	$ 62,500	$ 27,568	$ 4,026	$ 1,569
Wells Fargo	2001	$ 65,992	$ 28,375	$ 3,423	$ 1,710
Wells Fargo	2002	$ 82,087	$ 29,226	$ 5,434	$ 1,873
Wells Fargo	2003	$ 83,200	$ 31,800	$ 6,202	$ 2,527
Wells Fargo	2004	$ 93,014	$ 33,876	$ 7,014	$ 3,150
Wells Fargo	2005	$ 92,382	$ 40,407	$ 7,671	$ 3,375
Wells Fargo	2006	$ 102,703	$ 47,979	$ 8,482	$ 3,641
Wells Fargo	2007	$ 91,756	$ 53,593	$ 8,057	$ 3,955
Wells Fargo	2008	$ 225,764	$ 51,652	$ 2,655	$ 4,312
Wells Fargo	2009	$ 202,014	$ 98,636	$ 12,275	$ 2,125
Wells Fargo	2010	$ 219,132	$ 93,249	$ 12,362	$ 1,045
Wells Fargo	2011	$ 213,482	$ 87,444	$ 15,869	$ 2,537
Pfizer	2000	$ 340,514	$ 29,574	$ 3,726	$ 2,569
Pfizer	2001	$ 446,969	$ 32,084	$ 7,788	$ 2,869
Pfizer	2002	$ 597,949	$ 32,373	$ 9,126	$ 3,313
Pfizer	2003	$ 686,224	$ 45,188	$ 3,910	$ 4,764
Pfizer	2004	$ 1,259,751	$ 52,516	$ 11,361	$ 5,243
Pfizer	2005	$ 1,618,100	$ 51,298	$ 8,085	$ 5,960
Pfizer	2006	$ 1,705,900	$ 48,201	$ 19,337	$ 7,268

Company	Year	Giving	Sales	Net	Dividends
		(x 1000)		Income	
Pfizer	2007	$ 1,762,100	$ 48,209	$ 8,144	$ 8,156
Pfizer	2008	$ 1,897,000	$ 48,341	$ 8,104	$ 8,617
Pfizer	2009	$ 2,346,952	$ 49,934	$ 8,635	$ 4,916
Pfizer	2010	$ 3,110,517	$ 67,791	$ 8,257	$ 5,964
Pfizer	2011	$ 3,066,742	$ 67,425	$ 10,009	$ 6,512
WalMart	2000	$ 143,806	$ 192,003	$ 6,295	$ 1,070
WalMart	2001	$ 119,738	$ 218,529	$ 6,671	$ 1,249
WalMart	2002	$ 143,341	$ 245,308	$ 8,039	$ 1,328
WalMart	2003	$ 165,713	$ 257,157	$ 9,054	$ 1,569
WalMart	2004	$ 226,246	$ 286,103	$ 10,267	$ 2,214
WalMart	2005	$ 273,314	$ 313,335	$ 11,231	$ 2,511
WalMart	2006	$ 301,804	$ 345,977	$ 11,284	$ 2,802
WalMart	2007	$ 337,854	$ 375,376	$ 12,731	$ 3,586
WalMart	2008	$ 423,520	$ 402,298	$ 13,400	$ 3,746
WalMart	2009	$ 484,488	$ 406,103	$ 14,335	$ 4,217
WalMart	2010	$ 765,663	$ 420,016	$ 16,389	$ 4,437
WalMart	2011	$ 958,941	$ 444,948	$ 15,699	$ 5,048
Microsoft	2000	$ 231,768	$ 22,956	$ 9,421	$ -
Microsoft	2001	$ 215,600	$ 25,296	$ 7,346	$ -
Microsoft	2002	$ 246,900	$ 28,365	$ 7,829	$ -
Microsoft	2003	$ 264,000	$ 32,187	$ 9,993	$ 857
Microsoft	2004	$ 410,700	$ 36,835	$ 8,168	$ 1,729
Microsoft	2005	$ 334,000	$ 39,788	$ 12,254	$ 36,968
Microsoft	2006	$ 380,950	$ 44,282	$ 12,599	$ 3,594
Microsoft	2007	$ 432,150	$ 51,122	$ 14,065	$ 3,837
Microsoft	2008	$ 498,030	$ 60,420	$ 17,681	$ 4,084
Microsoft	2009	$ 516,900	$ 58,437	$ 14,569	$ 4,620
Microsoft	2010	$ 603,000	$ 62,484	$ 18,760	$ 4,547
Microsoft	2011	$ 949,075	$ 69,943	$ 23,150	$ 5,394
Met Life	2000	$ 19,614	$ 31,947	$ 953	$ 152
Met Life	2001	$ 23,574	$ 31,928	$ 473	$ 145
Met Life	2002	$ 29,636	$ 33,147	$ 1,605	$ 147
Met Life	2003	$ 28,625	$ 35,789	$ 2,217	$ 175
Met Life	2004	$ 30,190	$ 39,014	$ 2,758	$ 343
Met Life	2005	$ 32,435	$ 44,776	$ 4,714	$ 394
Met Life	2006	$ 36,528	$ 48,396	$ 6,293	$ 450
Met Life	2007	$ 41,235	$ 52,978	$ 4,317	$ 541
Met Life	2008	$ 43,428	$ 50,989	$ 3,209	$ 592
Met Life	2009	$ 43,808	$ 41,058	$ (2,246)	$ 610
Met Life	2010	$ 44,720	$ 52,717	$ 2,790	$ 784
Met Life	2011	$ 47,833	$ 70,262	$ 6,981	$ 787