Insights from The Conference Board Corporate Citizenship Outlook Survey

September 3, 2025

Key Insights & Takeaways

- Most companies have maintained their corporate citizenship budgets in 2025, with some experiencing increases or decreases primarily due to internal factors like business performance.
- About half of companies have adjusted their CSR focus areas in response to the political environment, with many shifting away from politically or socially sensitive issues.
- The nonprofit sector is experiencing significant financial challenges, with 82% of respondents observing changes in their nonprofit partners' stability, largely due to reduced government funding.
- Employee engagement in corporate citizenship remains strong, with many companies reporting increased participation and interest in volunteering opportunities.
- Companies are planning to adapt volunteer programs by expanding local volunteering opportunities, strengthening alignment with corporate priorities, and creating more team and skill-based opportunities.

Overview & Key Concepts

This meeting presented findings from The Conference Board's Corporate Citizenship Outlook Survey, examining how companies are adapting their CSR strategies amid shifting political, economic, and societal dynamics. The survey, conducted mid-year rather than at year-end due to significant policy changes since January, gathered insights from 80 companies (primarily large US-based multinationals) on budget adjustments, policy impacts, nonprofit partnerships, and employee engagement trends.

- Corporate citizenship budget stability despite external pressures
- Shifting focus away from politically sensitive issues, particularly DEI
- Nonprofit sector challenges due to reduced government funding
- Continued strong employee engagement in volunteering despite external challenges
- Increased governance and oversight of corporate giving programs

Meeting Summary

Budget and Resource Trends

The survey revealed that most companies have maintained their corporate citizenship budgets as planned for 2025, with some experiencing moderate increases or decreases. When budget decreases occurred, they were largely attributed to internal cost-cutting or restructuring rather than external factors. Looking ahead to 2026, most companies expect to maintain current budget levels, with some anticipating moderate increases or decreases. Business performance and profitability emerged as the most significant internal factors influencing strategic and budgetary planning, followed by CEO and C-suite direction. This suggests that despite external pressures, corporate citizenship remains institutionalized within companies, with budgets primarily tied to overall business performance rather than external political factors.

The recent Budget Reconciliation Bill, which included a provision adjusting corporate charitable contribution tax deductibility (requiring contributions to exceed 1% of pre-tax profit to be eligible for deduction), has created uncertainty. More than half of respondents indicated it was too early to assess the impact on 2026 budgets, while relatively few expected material impacts. This reflects the ongoing collaboration between CSR teams and tax departments to understand implications, with many companies taking a "wait and see" approach as they enter budget planning season for 2026.

Policy Impacts and Strategic Adjustments
The survey revealed significant impacts from policy shifts and the changing political environment on corporate citizenship strategies. Approximately 60% of respondents reported that their corporate giving had been affected by policy or macroeconomic shifts, with federal scrutiny on DEI initiatives being the most frequently cited factor. Other influential factors included tax reform, trade policy, and ESG disclosure shifts. About half of the companies surveyed indicated they had adjusted their thematic focus in response to the changing environment, with the most common change being a shift away from politically or socially sensitive issues.

This trend was further illustrated by an analysis of S&P 500 company filings, which showed a marked decrease in DEI-related terminology in public communications during the first half of 2025 compared to previous years. In its place, companies have increased their use of broader, less controversial terminology related to workforce culture, talent, opportunity, and education. Nearly half of respondents reported either implementing or considering additional internal approval requirements for certain types of grants, indicating tighter integration between CSR oversight and legal/compliance considerations. These adjustments have been particularly pronounced among federal contractors, who face heightened scrutiny and compliance requirements.

Nonprofit Partner Challenges and Corporate Response
The survey highlighted significant challenges facing nonprofits, with 82% of respondents observing changes in their nonprofit partners' financial or operational stability. The primary driver of these challenges was the loss or reduction of government funding across various sectors including education, health, social services, and international aid. This has resulted in reduced staffing, programmatic cuts, and overall funding constraints for many nonprofits. Additionally, about 70% of respondents reported that their nonprofit partners have adjusted their language or framing of programs, often reducing emphasis on specific demographic groups in favor of more universal approaches.

In response to these challenges, companies are employing various strategies to support their nonprofit partners. These include offering more in-kind support, providing capacity-building grants, increasing unrestricted funding, and in some cases, providing bridge funding to help organizations weather funding gaps. Some companies are also reducing the number of nonprofit partners or shifting focus to different organizations. General recommendations include providing more predictable multi-year funding, streamlining reporting and compliance demands, coordinating with other funders to reduce volatility, and engaging in collective capacity building efforts.

Employee Engagement Trends
Despite the challenging external environment, the survey revealed encouraging trends in employee engagement with corporate citizenship initiatives. More than half of respondents reported changes in employee engagement, with the most common being increased engagement or participation levels. Companies also noted stronger demand for matching gift or volunteer opportunities and greater interest in locally focused volunteering. While 13% reported declining engagement, the overall picture suggests continued employee interest in making positive social impact.

Looking ahead, companies are planning various adaptations to their employee volunteer programs over the next 6-12 months. These include expanding opportunities for local volunteering, strengthening alignment between volunteering and broader corporate priorities, creating more team-based and skill-based volunteering opportunities, providing more incentives and recognition, and expanding virtual volunteering options. Very few companies (only 4%) plan to reduce overall volunteering opportunities, suggesting that despite external challenges, companies continue to see value in employee engagement in community initiatives. This positive trend in employee volunteering may become increasingly important as social safety nets face funding challenges, potentially creating greater need for volunteer support in communities.