# This is How the 1% Give [title for the hard copy]

# Giving Tuesday gets boost: 500 tech companies pledge support [online title]

By [Carolyn Said](http://www.sfgate.com/author/carolyn-said/) Published 6:00 am, Tuesday, December 1, 2015



[Photo: Michael Macor, The Chronicle] *7-year-old Genevieve Callahan who has had two cochlear implants works with San Francisco speech-language pathologist/authority therapist Sayard Benvenuti via live streaming as they work together on her school*

Ever since receiving cochlear implants 15 years ago at age 12, Caroline Clark has wanted to help other hearing-impaired people. She started a foundation, the Baker Institute, to provide speech therapy and offer a weeklong summer camp at Stanford University for hearing-impaired children.

Now a product marketing manager at San Francisco software company Atlassian, she was attracted to the company when she discovered that philanthropy is embedded in its mission. Since its launch 12 years ago, Atlassian has given 1 percent of its profit, products and equity, and a bit more than 1 percent of employee time, to nonprofits. That freed her up to spend a week volunteering at the camp.

**“As a Millennial, social purpose is really important,” Clark said. “We don’t just look at a company as a way to make money, but something we want to feel passionately tied to. Atlassian is at the forefront of that revolution and really speaks to our generation. I feel really lucky to be at a company that allows me to dedicate time to a cause.”** [note: this wasn’t bolded in the original article] [no

A year ago Atlassian partnered with Salesforce, which has long had a similar approach to philanthropy, the Entrepreneurs Foundation of Colorado and Rally for Impact to inspire other companies to make similar charitable commitments. They launched the [Pledge 1% Foundation](http://pledge1percent.org/), dedicated to transforming corporate philanthropy by helping companies donate 1 percent of their equity, products, employee time and/or profits to nonprofits.

“Corporations need to step up and provide an outlet for people to give back,” said Scott Farquhar, Atlassian co-CEO and co-founder.

The founders have spent the year raising awareness through launch events, seminars and networking with affiliated companies at Salesforce and Atlassian conferences. Salesforce CEO Marc Benioff hosted dinners for executives at companies like Lookout, Glassdoor and Twilio. The Pledge 1% Foundation website provided resources, legal documents, case studies and other information for corporations.

“We came together with a collective vision: To help companies integrate giving and a culture of social impact from the beginning so it’s part of their DNA,” said Dipti Pratt, director of the foundation. “We want to make it easy for any company in the world to be philanthropic.”

On Tuesday — designated as Giving Tuesday — the foundation is announcing that it’s exceeded its goal of getting 500 companies to sign up in the first year. It drew 530, including high-growth companies like DocuSign, Glassdoor, Lookout, Twilio, Xactly and Zuora. Now in the coming year, it hopes to secure another 1,000 pledges.

“We saw a groundswell of not only interest but people who were ready to execute,” said Suzanne DiBianca, president and co-founder of Salesforce.org, the software firm’s philanthropy wing. “It’s a movement. We wanted to take away the myth that it’s too hard or complicated or time consuming to do.”

Almost all the pledged companies are tech firms, and the majority are fairly new.

“The earlier you are as a company, frankly the easier it is,” DiBianca said. “It’s very easy for a small company to pledge a percentage of its equity, for instance, because the pie isn’t cut up yet. It can make this part of the articles of incorporation.”

Each of the 530 companies picked one or more resources to pledge donations. Equity (59 percent) and employee volunteering time (54 percent) were the most popular options, followed by products (39 percent) and profit (19 percent).

Of course, an equity donation doesn’t translate into money until a company goes public or is sold. The foundation suggests trust structures such as a donor-advised fund operated by an existing foundation as a mechanism to transfer money once there’s a sale. “Effectively it means just setting aside the shares,” Farquhar said. “Some do it through a dedicated foundation.”

The Entrepreneurs Foundation of Colorado provides a map for how the 1 percent pledge works. Ryan Martens, who’d incorporated the 1 percent model into Rally, a company he co-founded in 2002, worked with the foundation to get about 100 Colorado companies taking a similar pledge, although Rally was the only one that went public. After its Wall Street launch, it put $700,000 into a donor-advised fund and donated the same amount to the community foundation in its Boulder hometown.

“It takes a peer relationships to really get this started,” he said. “It’s not common that giving is the first thing you think of when you start a business. Meeting someone else who’s done it, and hearing what it’s meant to them and their community personalizes it, and shows how it can become a cultural norm.”

Ultimately, they hope this will be the new normal as part of the startup process.

“The great news is that venture capitalists aren’t blocking it anymore, which is massive,” DiBianca said, crediting supporters like Ron Conway, SV Angel, and accelerators like General Assembly and Techstars. “They’re starting to see that (philanthropy) can add to your success as a company.”

**Both Salesforce and Atlassian say their 1 percent commitment is a powerful recruiting tool.**

**“Millennials tell us it’s in the top three reasons they join Atlassian,” Farquhar said. “And it’s great for morale. We let employees choose projects they’re passionate about (for volunteering); we don’t put any rules around it. I think humans have an innate desire to give back and help people.”** [note: this wasn’t bolded in the original article]

*Carolyn Said is a San Francisco Chronicle staff writer. E-mail:* [*csaid@sfchronicle.com*](mailto:csaid@sfchronicle.com) *Twitter: @csaid*

**Pledge 1% first-year results**

[Pledge 1%](http://pledge1percent.org/) launched a year ago seeking to transform corporate philanthropy by inspiring and helping companies to pledge 1 percent of various resources to charity. Some 530 companies worldwide are now participating. Here’s a breakdown of the pledge types from those companies.

* Equity: 59%
* Time: 54%
* Product: 39%
* Profit: 18%

Companies that joined the Pledge 1% movement in its first year include 6Sense, AppNexus, Campaign Monitor, Dstillery, Glassdoor, Gliffy, Hampton Creek Foods, Lookout, MediaMath, Planet Labs, Sage, Splunk, Twilio, Weebly, Xactly and Zuora.

Source: Pledge 1%

<http://www.sfgate.com/business/article/Giving-Tuesday-gets-boost-500-tech-companies-6665927.php>