

Aiding the Well-Being of Society

Health care companies are improving human welfare through philanthropic endeavors.

WHEN IT COMES TO corporate philanthropy, health care companies lead the pack. While most companies slashed their giving last year as they struggled to emerge from the recession, some in the health care sector dramatically boosted their non-cash donations of medicines, medical equipment, and other goods. The result: a 7% uptick in total overall giving, according to recently released data by the Committee Encouraging Corporate Philanthropy.

Such growth is significant, explains CECP Director Margaret Coady, since 60% of companies tracked annually by CECP reduced their total giving, with 40% reporting cuts of 10% or more.

Giving by health care companies typically dwarfs the philanthropical programs of companies in other industries, largely because of product donations by pharmaceutical firms. According to CECP, median health care giving over the last four years was anywhere from seven to 11 times the median of that of other companies. Excluding the product donations, cash contributions by the sector were also considerable.

These corporate stewards set a high standard for collaboration. Many commonly work together with key partners to make their donation programs efficient and effective, explains Coady.

One example: the Partnership for Quality Medical Donations, an alliance between nonprofits and corporations. Members combine product contributions with cash, volunteers, training, and other services to support a wide range of global health programs. The organization not only helps coordinate the donation of drugs and medical supplies, but also works to make sure that medical staffing and other health care infrastructure are in place so that donations can be properly put to use.

This kind of cooperative approach is also evident at the company level. At the global healthcare leader Merck product donations are made to a half-dozen carefully chosen humani-



tarian aid organizations through the Merck Medical Outreach Program. “We have really strong processes and partners in place who know what they are doing,” says Christine Funk, manager, global health partnerships. That means the company can respond quickly to emergencies, such as the earthquake in Haiti on Jan. 12. When it struck, she says, Merck was immediately in contact with its partners, and Merck medicines were on their way to Haiti within three days.

Strategic thinking has become an increasingly important component of corporate giving, as companies embrace the idea that

businesses can do well by doing good. But that doesn’t mean that companies should be looking for a payoff in their quarterly results, says Coady. Instead, she says, they should be leveraging their giving and their expertise in ways that make meaningful long-term change possible.

Merck, for example, recently launched an initiative on hunger. The company spent a year studying the issue to gain a more in-depth understanding of malnutrition and its relationship to health. It funded research and programs on the topic and asked lots of questions, and in February 2009 it sponsored a regional “Rx to Fight Hunger” conference. Today Merck is providing financial support to a wide range of health and hunger programs such as Witnesses to Hunger, America’s Grow a Row, and Meals on Wheels—projects it sees as fully aligned with its business mission.

“We are addressing this because it is a barrier to health care,” says Ellen Lambert, executive director of corporate contributions and executive vice president of the Merck Company Foundation. The ultimate goal, she says, is to use such strategic giving to help develop solutions to global health challenges.

And that, she says, is the kind of return on investment that any company can be proud of. ●



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