Giving and the Economy

2008 Contributions in Context

Like all stakeholders of the philanthropy community, CECP is eager to understand the effect that an economic downturn has on how companies invest in their communities and whether financial performance affects the level and timing of corporate giving.

To address these questions, this special section focuses on a matched set of companies providing data to the CECP annual corporate philanthropy survey from 2006 to 2008.

An understanding of the prevailing economic conditions in 2008 and how they differ from prior years is essential to such an analysis. Accordingly, CECP compiled equity prices across a range of industries and assessed corporate profitability among survey respondents. See pages 7 and 8.

CECP then sought to determine whether corporate giving increased and which types of giving changed most. See pages 9 and 13. In addition to quantitative findings, participating companies shared reasons for increasing or decreasing their corporate contributions. See page 12.

To conduct these inquiries, CECP used its proprietary online corporate philanthropy database, the Corporate Giving Standard, which currently contains over $60 billion in detailed contributions metrics. This repository enables CECP and its community of measurement-focused giving professionals to share and analyze detailed information crucial to appreciating how the 2008 giving year fits into the larger narrative of corporate community investment over time.
The Worsening Economic Landscape

The Recession Takes Hold

In the opening months of 2008, economists and journalists debated whether deteriorating U.S. GDP figures would be sustained long enough to meet the textbook definition of a recession. It soon became clear that widespread delinquencies on subprime mortgages had triggered a financial crisis whose scope and scale were much larger than anticipated.

The first indication of the severity of the trouble came with the Federal Reserve’s provision of special financing to support the acquisition of Bear Stearns by JPMorgan Chase & Co. in mid-March. By June, the Financials sector was severely constrained by frozen credit markets. The collapse of Lehman Brothers in September was a devastating blow not only to the sector but also to consumer confidence around the globe.

Sinking Stock Prices Across Industries

Extremely tight credit markets, a drop-off in consumer spending, and widespread uncertainty took a harsh toll on stock prices. Over the course of 2008, the Dow Jones Industrial Index fell sharply. Trading began on January 2 at 13,261 and slid to a dismal 8,776 at the market close on December 31.

To illustrate how individual industries fared in the stock market, Figure 1 uses equity prices for the companies comprising Standard & Poor’s 500 index. The data show that every industry finished in deeply negative territory for the year. Unsurprisingly, the Financials sector took the hardest hit with a 56% decline. Consumer Staples companies—which provide basics such as food, beverages, and personal products—fell the least at -17%.

A Matter of Timing

Although each industry’s S&P 500 stock market index fell substantially for the year, the timing of these declines varied across industries. Stock prices for the Financials and Telecommunications Services sectors fell earliest and were down by 15% in June. The Utility index fell in August and was followed by Consumer Discretionary and Information Technology stocks in September. By contrast, Materials and Energy equities traded above their beginning-of-the-year levels into the summer, then fell in October. Stock prices among Consumer Staples were essentially flat for most of the year, then began to decline in October and were down 15% by November.

Differences in financial health by industry are important to a thorough understanding of the 2008 giving levels reported in the following pages.
Sharp Declines in Profitability

Financial Strength Through 2007

Figure 2 provides an overview of how pre-tax profit changed from 2006 to 2008 for a matched set of surveyed companies. Each company’s year-over-year percentage change in pre-tax profit was calculated and then sorted into one of eight categories based on whether profit increased or decreased and by what percentage.

The “losses” category includes any company with negative pre-tax profit in 2008 (regardless of 2007 pre-tax profit). The “increases” category includes any company with pre-tax profit losses in 2007 but positive pre-tax profit in 2008.

From 2006 to 2007, 63% of companies enjoyed a tailwind of very strong profitability heading into the economic recession. Nearly one-fifth of all surveyed companies saw profits climb by 25% or more.

Profit Levels Swing Negative in 2008

Then the story reverses dramatically. From 2007 to 2008, 68% of companies saw profits fall. Those most severely affected appear in the box outline at the left of Figure 2, which shows that 29% of companies saw their pre-tax profits drop by a quarter or more while 16% suffered outright financial losses, not just declines.

Strong Performance through the Third Quarter

As indicated by the stock market data presented in Figure 1, the financial crisis did not spread from the Financials sector into other industries until the latter half of the year. In fact, many companies reported healthy pre-tax profits until the last three months of the year, when results then turned sharply downward.

What Does it Mean?

It is commonly assumed that a company’s financial performance is reflected in its community giving. CECP used regression analysis to investigate the strength of this relationship, covered in detail on page 10. A direct link did not emerge in the CECP data, probably because budget-setting varies widely from company to company.

Still, in a poll of leading CEOs conducted by CECP in February 2009, 32% of respondents indicated that the economy is “very important” in determining cash contributions. Thus, even absent a direct relationship between profit and philanthropic contributions, it is valuable to assess the economic context of 2008 in looking at year-over-year changes in corporate giving levels.

Figure 2 Distribution of Companies by Pre-Tax Profit Change, Inflation-Adjusted

Profit Decreased for 68% from 2007 to 2008

Profit Increased for 32% from 2007 to 2008
Defining Corporate Giving

In the Corporate Giving Standard Survey, corporate giving includes corporate cash grants, corporate foundation cash grants, and non-cash giving such as product or asset donations, loaned facilities, and pro bono service. Volunteer hours, administration costs, and contributions from employees, vendors, or customers are excluded. CECP's comprehensive “Survey Guide” provides valuation details and is available as a free download at CorporatePhilanthropy.org/surveyguide.

Did Corporate Giving Increase?

There are several ways to track corporate giving levels; each has merits and drawbacks. Several approaches are discussed here and the conclusions are not always consistent. Overall, giving declined slightly, but the dip was minimal. One explanation is a one-year lag between financial performance and giving levels, as examined on page 10.

Aggregate Total Giving Declines

A common way to research giving changes is in aggregate: a straight sum of total giving across a matched set of companies. The downside of this approach is that sizable decreases in giving by a handful of companies can dominate the results.

Figure 3 shows an overall decrease of 6.3% in aggregate giving from 2006 to 2008.

Median Total Giving Falls

Median total giving indicates what the typical company gave each year. While medians prevent extreme values from affecting the outcome, minor jumps in the results appear in year-over-year comparisons because the increments between companies in a sorted list (used to find the median) are uneven by nature.

In Figure 4, 2008 median giving is lower than in the peak year of 2007.

Giving Relative to Pre-Tax Profit

Assessing giving in proportion to profit is a useful way to condense the overall commitment to giving across many companies. However, given that the relationship between profit and giving is not uniform across companies, a one-year lag between profit and giving may be applicable to some companies and not others. Thus, the data are shown both ways:

Median ratios of total giving to same-year pre-tax profit increased (n=77, Matched-Set Data):

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Total Giving Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>0.98%</td>
</tr>
<tr>
<td>2007</td>
<td>0.99%</td>
</tr>
<tr>
<td>2008</td>
<td>1.32%</td>
</tr>
</tbody>
</table>

Median ratios fell when assuming a one-year time lag between profits and giving (n=77, Matched-Set Data):

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Total Giving Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1.08%</td>
</tr>
<tr>
<td>2008</td>
<td>1.01%</td>
</tr>
</tbody>
</table>
Do Changes in Profit Dictate Changes in Giving?

Testing the Relationship between Financial Performance and Giving

In light of the global economic downturn, many industry members predicted that giving would fall significantly in 2008 and 2009 in recognition of the retreat in corporate pre-tax profit.

The strength of this prediction hinges on the answers to two important questions:

1. Is there a statistical relationship between a company’s financial performance and its total giving?
2. If so, does total giving lag behind financial performance by one year?

In total, CECP ran 24 separate regression analyses—a statistical technique that determines if two sets of numbers are linked—to answer these questions. For a detailed explanation of the variables and time periods tested, please see page 52.

No Statistical Link Found between Financials and Giving

Of the 24 completed regressions, only the following three tests upheld a relationship between financial performance and giving:

- Changes in total giving from 2007 to 2008 and changes in corporate revenue from 2007 to 2008.
- Changes in direct cash from 2007 to 2008 and changes in corporate revenue from 2007 to 2008.

What Does it Mean?

A stable relationship between financial data and giving would have allowed the industry to predict when and how a company’s giving would change: i.e., if corporate pre-tax profit increased in 2010, then we could have used the regression results to predict how much total giving would climb.

However, the fact that a statistical connection was found in only 3 of the 24 tests conducted is nonetheless instructive in that it compels the corporate giving community to re-think some fundamental assumptions about how corporate giving budgets are created.

- *Is there a one year time delay?* The CECP data showed that there was not a one-year time delay between financial performance and giving across companies in the time periods studied.
- *Is giving linked to pre-tax profit?* The data showed that changes in giving may be connected to changes in revenue (not to changes in pre-tax profit, as is generally assumed).

It is worth noting that while the tests conducted were statistically valid, CECP’s regression analysis was limited to a three-year time period with a sample size of fewer than 150 companies. Furthermore, the large number of companies reporting profit losses prevented a full regression analysis on 2007 to 2008 pre-tax profit data. CECP will continue to investigate these questions over time.

How Do Companies Set Their Annual Giving Budget?

CECP’s interviews with corporate giving professionals revealed:

- The majority of companies take a multi-year rolling average of profit levels in order to reduce yearly fluctuations. A three-year rolling average is typical.
- For some corporate philanthropists, the company-wide forecast for the upcoming year’s profits drives budgeting.
- Other companies take an array of issues into account: size of the customer base, number of employees, philanthropic activity by industry peers, company’s historical giving levels and multi-year commitments, tangible assets of the company, and recent company-specific issues such as mergers or divestitures.

A Diversity of Approaches

Given the heterogeneity in how philanthropic budgets are shaped, it stands to reason that a simple mathematical relationship between financial performance and giving did not emerge in CECP’s regressions. This helps to explain why CECP saw 53% of companies increase their giving despite profit declines for 68% of survey respondents.

However, as demonstrated in the list of budget-setting approaches given above, there is some connection between a company’s financials and its giving. As illustrated throughout the “Giving and the Economy” section of this report, the timing and strength of that link is not the same for all corporate giving departments.
Giving Decisions by Individual Firms

Figure 5 depicts how inflation-adjusted total giving changed from 2006 to 2007 and from 2007 to 2008 for a matched set of surveyed companies. To create this figure, each company’s year-over-year percentage change in total giving was calculated and then sorted into one of six categories based on that company’s percentage increase or decrease in giving.

CECP prefers this method for investigating changes in corporate philanthropy over time because it shows the actions taken by individual companies. By contrast, the aggregates and medians shown in Figures 3 and 4 reflect changes across the group of companies as a whole.

Looking Back to 2007 Total Giving

The bars representing changes from 2006 to 2007 show that 56% of companies increased giving while 44% decreased giving. In this same period, 31% of companies increased year-over-year giving by 10% or more.

Company-Level Giving Strong in 2008

The bars representing changes from 2007 to 2008 in Figure 5 show that the trend across individual companies did not shift significantly. Like the period before, more companies increased their giving from 2007 to 2008 than decreased it; 53% increased giving, with 27% increasing their giving by 10% or more.

Effects of Pre-Tax Profit on Giving

To explore further the connection between Figure 2 (profit changes) and Figure 5 (giving changes), CECP looked at how total giving changed based on increased or decreased profit.

Among the 32% of companies with increased pre-tax profit (N=31):
* 55% increased total giving.
* 45% decreased total giving.

Among the 68% of companies with decreased pre-tax profit (N=65):
* 51% increased total giving.
* 49% decreased total giving.

Thus, not all companies with increased profit gave more, and vice versa. This suggests that a company’s financial performance is just one factor affecting philanthropic budget-setting—a conclusion corroborated by the diverse reasons cited for fluctuations in giving (see page 12) and CECP’s regression analyses (see page 10).

Figure 5: Distribution of Companies by Total Giving Change, Inflation-Adjusted

N=102 MATCHED-SET DATA

- Giving Decreased for 47% from 2007 to 2008
- Giving Increased for 53% from 2007 to 2008

Percentage Change in Total Giving

- 2006 to 2007
- 2007 to 2008
Reasons for Increased Giving

**Strong Profits through Third Quarter**
While the downturn was felt by many financial institutions in 2007, companies in other sectors did not experience its effects until the third and fourth quarters of 2008. Consequently, companies had largely disbursed expanded giving budgets before the business itself was affected.

**Increased International Giving**
Rather than trim domestic giving budgets to fund new international initiatives, companies typically allocate new funds for grant-making programs abroad. The data show international giving rising roughly one percentage point per year over the last several years to 13% in 2008.

**Improved Contributions Tracking**
Typically, companies struggle most in the tracking of international giving, non-cash giving, and donations made by regional business lines. Improved communication with subsidiaries or other departments and investments in company-wide grant-tracking software enabled companies to account for giving that may have previously taken place but was not included in their CECP survey in the past, increasing the year-over-year tally.

**Beyond-Budget Disaster-Relief Gifts**
When disaster strikes, companies often authorize assistance funds beyond their allotted giving budget. In 2008, companies supported relief efforts for the Sichuan earthquake in China and the California wildfires.

**New Signature Programs Launched**
Several companies inaugurated new signature giving initiatives in 2008. While sometimes funds are simply redirected away from previous programs, often these newly designed programs require an increased philanthropic commitment.

**Return to “Normal” Giving**
For some companies, 2007 was characterized by an atypical spike in giving levels due to a significant one-time gift such as a land or equipment donation or a large signature grant to a nonprofit partner. Therefore, in 2008 these companies reported a return to a giving amount consistent with their historical levels.

**Currency Exchange Fluctuations**
2008 saw drastically widened average trading ranges for currency pairings such as EUR/GBP, GBP/USD, and EUR/USD. The last half of the year in particular saw large daily and weekly fluctuations. For companies with large international grant-making programs or those headquartered outside the United States, volatility in exchange rates caused total giving levels to appear to fall.

Reasons for Decreased Giving

**Weakening Economy**
As some companies began to forecast weaker performance, they cut back firm-wide spending, including corporate philanthropy budgets.

**Corporate Spin-offs and Department Closures**
Just as mergers and acquisitions can cause a company’s contributions to surge, total giving can decline when a business spins off or terminates part of its operations.

**Completion of Multi-Year Grants**
In 2008, several companies experienced a period of decreased giving as new programs or renewed commitments to previous programs were evaluated at the conclusion of multi-year grant commitments.

**Lower Matching-Gift Participation**
The unemployment rate climbed from 4.9% to 7.2% in 2008. A reduction in workforce was one factor that caused some companies to see drops in participation in employee matching-gift programs, which in turn lowered total giving levels.

**Company-Specific Factors**
Some companies reduced budgets to account for leadership changes, legal concerns, plant closures, and/or regulatory issues affecting profit.
Investigating Giving Types

To examine more specifically how companies increase or decrease their giving levels, Figure 6 breaks down the three components of giving: money from the corporate side, giving by corporate foundations, and non-cash giving.

First, CECP distinguished companies by whether their total giving increased or decreased from 2007 to 2008. Next, each individual company’s percentage change in the three giving types (direct cash, foundation cash, and non-cash) was calculated separately. Then, medians were taken of these percentages for each giving type and displayed in the diagram.

A Surge in Non-Cash Contributions

Among companies that increased their giving from 2007 to 2008, non-cash contributions soared by a median of 29%. These donations were supported to a lesser extent by an increase in cash giving.

Across companies that gave less in 2008 than in 2007, cash grants from the corporate side dropped substantially, falling by a median of 16%, with non-cash giving dipping by a median of 9%.

Foundation cash giving was relatively consistent from 2007 to 2008 across all companies. Companies whose giving subsided did give less from their foundations, but that giving source proved to be the most stable of the three giving types.

What Does it Mean?

As the economy continued its downward slide and credit markets tightened, cash was increasingly in short supply—including within most companies. Thus, it is unsurprising that companies that increased their year-over-year total giving did so by increasing non-cash donations considerably.

That foundation giving was relatively flat is also intuitive. While the most frequently implemented type of corporate foundation is pass-through in the CECP sample (see page 34), most companies tend to transfer those funds at the beginning of the year. At the outset of 2008, most companies had yet to be affected by worsening economic conditions.
What Giving Type Helps Most?

CECP survey respondents answered the following question: “Which corporate resource has the greatest potential to help address social issues?” (2008, N=126; 2007, N=108):

- 56% = Cash contributions, up from 42% in the 2007 survey.
- 13% = Employee volunteers, a decrease from 25% in 2007.
- 10% = Pro bono service, on par with the 11% response in 2007.
- 5% = Product donations (unchanged).
- 1% = Distribution channels, down from 4% in 2007.
- 15% = Other (unchanged).

Cash contributions increased in importance during the economic downturn. These data may also indicate an opportunity to improve the efficacy of non-cash giving, particularly for Manufacturers, which are often in the unique position of having tangible products to contribute.

Giving Type Allocations

Figure 7 shows the differing mix in giving types over time between Manufacturing and Service companies. Non-cash typically comprises 40% of a Manufacturing company’s total contributions and roughly 13% of a Service company’s giving.

While the allocations for each group appear relatively stable over time, the 2008 data for Service companies show an edging away from direct cash giving, which is mostly supplemented with giving from corporate foundation budgets.

What Does it Mean?

According to Figure 6, companies that decreased giving experienced sharp declines in direct cash contributions and companies that increased giving increased most in non-cash contributions.

Of the Manufacturing companies in the three-year matched set (N=44), a clear majority increased giving from 2007 to 2008:

- 61% = increased total giving.
- 39% = decreased total giving.

The majority of matched-set Service companies gave less in 2008 than in 2007 (N=58):

- 47% = increased total giving.
- 53% = decreased total giving.

Figure 7 appears to support the data in Figure 6 and listed above; Service companies (whose giving fell) decreased direct cash most and Manufacturing companies (whose giving increased) saw upward shifts in direct cash and non-cash giving.
Summarizing the Economy’s Effect

Even in challenging economic times, 53% of surveyed companies increased their giving from 2007 to 2008—just 3% fewer than the 56% that increased giving from 2006 to 2007 (see Figure 5). Moreover, an impressive 27% of companies surveyed increased giving from 2007 to 2008 by 10% or more.

Among the 53% of companies that gave more in 2008, non-cash giving increased the most—surging by a median of 29%. Companies whose giving declined dropped most in cash grants from the corporate side. Corporate foundation giving levels changed less significantly year-over-year.

These findings demonstrate that supporting community partners remained a top priority in 2008 despite the hurdles imposed by tight credit markets, a reduction in consumer spending, and widespread economic uncertainty.

Revisiting Giving Strategy

In 2008, CECP polled leading CEOs and giving officers to understand how they are refocusing their efforts in light of the changing economic landscape. The data in Figure 8 show that CEOs and corporate giving officers seek to fulfill pre-existing commitments to grantees while working to integrate philanthropic strategy more fully with company-wide business objectives.

These results are consistent with the conclusions reached at CECP’s 2009 Board of Boards conference, limited to an invitation-only CEO audience. At this meeting, CEOs viewed changes in the global economy as a chance to commence strategic course-corrections that will strengthen their ability to thrive when conditions improve.

Next Steps for Long-Term Success

In conversations with CECP, CEOs and giving officers acknowledged that business has yet to reach its full potential in living up to the social contract and that restoring public trust following the downturn will require investing in projects designed to create a positive ripple effect across communities. Realizing this intention involves:

- Dispatching previously untapped non-cash corporate resources.
- Seizing opportunities for increased efficiency on both the corporate and nonprofit sides of the funding equation.
- Inviting employees, customers, public sector advocates, government representatives, and critics into a collaborative dialogue.
- Fostering a climate that allows fresh ideas to flourish.

Taking these imperatives forward, many companies are redesigning community investment strategies to ensure mutually beneficial, sustainable outcomes for business and society.

Figure 8

Question: “In the current economic climate, what is it most important for companies to do?”

<table>
<thead>
<tr>
<th>Choice</th>
<th>Giving Officers</th>
<th>CEOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fulfill existing philanthropic commitments</td>
<td>44%</td>
<td>19%</td>
</tr>
<tr>
<td>Refocus contributions to causes central to business strategy</td>
<td>38%</td>
<td>56%</td>
</tr>
<tr>
<td>Refocus contributions to areas of greatest need</td>
<td>17%</td>
<td>21%</td>
</tr>
<tr>
<td>Increase overall philanthropy</td>
<td>1%</td>
<td>4%</td>
</tr>
</tbody>
</table>

N=119  N=47
Classification: Of the 137 companies responding to the 2008 survey, there are more Service companies than Manufacturing companies due in part to the large number of Financials companies participating in the survey.

Industry: CECP uses the Global Industry Classification Standard (GICS) developed by Morgan Stanley Capital International and Standard & Poor’s to classify companies in distinct industry groups. The GICS recognizes ten sectors and all ten are represented in the annual Corporate Giving Standard Survey. Too few companies from the Energy, Telecommunication Services, and Materials industries participated in the 2008 survey for those industries to be included in industry-based analyses.

Employees: The total number of employees at participating companies ranged from under 500 to 2.09 million. The median number of employees in the 2008 CGS sample is 41,322.

Giving: Total giving per company ranged from $600,000 to over $1.9 billion. Median total giving in the 2008 Corporate Giving Standard Survey sample was $25.95 million.

Revenue: Among participants, 2008 revenue ranged from negative to over $475 billion. Privately held companies were not required to submit revenue data. The median revenue among participants was $20.1 billion, which is only slightly under the Fortune 100 revenue threshold.

Pre-Tax Profit: 2008 pre-tax profit ranged from losses to profit of more than $80 billion. Privately held companies were not required to submit pre-tax profit data. The median pre-tax profit among participants (including those reporting a loss) was $1.7 billion.
### Respondent Listing by Industry

2006 to 2008 Matched-Set Companies are in **Boldface**

#### Consumer Discretionary  N=19
- ArvinMeritor, Inc.
- Best Buy Co., Inc.
- Carlson
- DIRECTV, Inc.
- Gap Inc.
- Hasbro, Inc.
- The Home Depot, Inc.
- J. C. Penney Company, Inc.
- Macy's, Inc.
- Mattel, Inc.
- The McGraw-Hill Companies
- Ogilvy & Mather Worldwide
- Pearson plc
- Philip Morris International
- Target Corporation
- Time Warner Inc.
- Toyota Motor North America, Inc.
- Toys"R"Us, Inc.
- The Walt Disney Company

#### Consumer Staples  N=14
- Alberto Culver Company
- Altria Group, Inc.
- Cargill, Incorporated
- The Coca-Cola Company
- Colgate-Palmolive Company
- ConAgra Foods, Inc.
- CVS Caremark Corporation
- General Mills, Inc.
- The Hershey Company
- Kimberly-Clark Corporation
- Kraft Foods
- Pepsi Bottling Group
- PepsiCo
- Wal-Mart Stores, Inc.

#### Energy  N=6
- Chevron Corporation
- ConocoPhillips
- ExxonMobil Corporation
- Halliburton
- Hess Corporation
- Shell Oil Company

#### Financials  N=38
- Allstate Insurance Company
- American Express
- AXA Equitable
- Bank of America Corporation
- BNY Mellon
- Capital One Financial Corporation
- Citigroup Inc.
- Citizens Financial Group, Inc.
- Credit Suisse
- Deloitte LLP
- Deutsche Bank
- FBR Capital Markets
- Genworth Financial, Inc.
- The Goldman Sachs Group, Inc.
- The Hartford Financial Services Group, Inc.
- HSBC Bank USA, N.A.
- ING Americas
- JPMorgan Chase & Co.
- KPMG LLP
- Legg Mason, Inc.
- Massachusetts Mutual Life Insurance Company
- MasterCard Worldwide
- MBIA Inc.
- MetLife, Inc.
- Moody’s Corporation
- Morgan Stanley
- New York Life Insurance Company
- NYSE Euronext
- The PNC Financial Services Group, Inc.
- Principal Financial Group
- Prudential Financial, Inc.
- State Farm Mutual Automobile Insurance Company
- State Street Corporation
- The Travelers Companies, Inc.
- UBS
- Wachovia Corporation
- Wells Fargo & Company
- The Western Union Company
### Health Care N=16

- Abbott Laboratories
- Aetna Inc.
- BD
- Bristol-Myers Squibb Company
- Cardinal Health, Inc.
- Eli Lilly and Company
- GlaxoSmithKline plc
- HCA Inc.
- Johnson & Johnson
- McKesson Corporation
- Merck & Co., Inc.
- Pfizer Inc
- Schering-Plough Corporation
- UnitedHealth Group
- WellPoint, Inc.
- Wyeth

### Information Technology N=15

- Accenture
- Adobe Systems Incorporated
- Agilent Technologies, Inc.
- BMC Software, Inc.
- Cisco
- Dell Inc.
- Hewlett-Packard Company
- IBM Corporation
- Intel Corporation
- Microsoft Corporation
- Pitney Bowes Inc.
- Qualcomm Incorporated
- salesforce.com, inc.
- Texas Instruments Incorporated
- Xerox Corporation

### Materials N=4

- Alcoa Inc.
- Arch Chemicals, Inc.
- The Dow Chemical Company
- DuPont

### Telecommunication Services N=2

- Sprint Nextel Corporation
- Verizon Communications Inc.

### Utilities N=13

- Consolidated Edison, Inc.
- Constellation Energy Group, Inc.
- Duke Energy Corporation
- Entergy Corporation
- Exelon Corporation
- FPL Group, Inc.
- National Grid
- OGE Energy Corp.
- PG&E Corporation
- PNM Resources, Inc.
- Progress Energy, Inc.
- Public Service Enterprise Group Incorporated
- Sempra Energy

### Industrials N=10

- 3M
- Crane Co.
- Emerson Electric Co.
- FedEx Corporation
- General Electric Company
- Illinois Tool Works Inc.
- ITT Corporation
- Mitsubishi International Corporation
- Northrop Grumman Corporation
- United Technologies Corporation