

ENSURING CHARITABLE CHOICE FOR EMPLOYEES

Overview

Companies representing over 26 million employees donate over \$2.8 billion each year through employee gift match programs. This includes 65% of Fortune 500 companies and makes up 11% of total corporate charitable contributions. These programs foster volunteerism and community engagement.

While companies match gifts or service to a broad array of charities, they often bar employees from giving to religious charities because of the charity's religious status, faith-based employment practices, or religious views on matters of public concern. Alliance Defending Freedom's Viewpoint Diversity Index found that 61% of some of the largest companies in America engage in this kind of screening, whether directly or through third-party vendors like Benevity or Cybergrants.

This tells employees that their faith is not welcome at work. And it denies critical funding to religious institutions, which engage in critical humanitarian, educational, and healthcare all over the world and are both the largest type of nonprofit and the largest recipient of charitable funds in the United States.

Fortunately, ADF and its allies are engaging with companies to rectify these policies and have already won at companies like Verizon and Morgan Stanley. Through our and others' efforts, we are working to ensure that companies better respect their religious employees and the causes important to them.

TALKING POINTS

- Religious institutions are the largest recipients of charitable donations and do some of the most critical humanitarian, medical, and educational work, but many major companies exclude them from employee gift matching.
- When companies offer employee matching-gift programs as benefits, they should do so on an equal basis regardless of the employee's religious beliefs.
- Matching employee gifts regardless of the religious nature of the recipient charity models respect for religious freedom.
- Limiting employee charitable choice sends an exclusionary message that conflicts with a company's respect for religious freedom and viewpoint diversity.
- Left-wing political activists are trying to limit charitable giving to companies they deem "hate" groups. Corporations should avoid becoming accomplices in that discriminatory scheme.

BACKGROUND AND KEY DATA

Religious charities dominate U.S. philanthropy. Conservative estimates are that about [27% of all charitable giving](#) in the United States, or over \$140 billion each year, goes to houses of worship and related missions organizations, making religious institutions the largest category of charitable donations. Others think this may go [all the way up to 73%](#) when including other organizations that are explicitly religious. Religious institutions also make up [nearly half of all nonprofits](#) in the United States and total over 600,000. Religious institutions [serve](#) every vulnerable population, from prisoners to orphans and the homeless, have large footprints in healthcare and education, and provide all kinds of humanitarian relief both domestically and abroad.

So it is no surprise that employees want to support religious charities. A [survey from America's Charities](#) found that **nearly 60% of employees** say it is imperative or very important to work where the culture is supportive of giving and volunteering. The [Freedom at Work survey](#), conducted by Ipsos and released through Viewpoint Diversity Score, found that **66 percent of employees** say their companies' commitment to diversity should include respect for a wide range of religious and political beliefs in and out of the workplace.

But most companies exclude religious charities from gift match programs. The 2024 edition of ADF's [Viewpoint Diversity Score Business Index](#) found that **61% of scored companies** exclude or threaten to exclude religious organizations from their employee-match programs for their religious status or advocacy. America's Charities [also found](#) that **nearly 30 percent of employee donors** say the reason why they do not give through the workplace is that the causes they care about are not available through their employer's giving program.

This raises an important question—why do companies exclude religious organizations? There are several plausible explanations. But regardless of the answer, it is important to point out that under state and federal law, companies can donate to virtually any tax-exempt charity, [including religious institutions](#). [All fifty states](#) have statutes authorizing companies to make philanthropic contributions, either “for charitable, scientific or educational purposes,” “charitable purposes,” or for any reason “irrespective of corporate benefits.”

Recently, several companies have begun implementing even-handed policies. Notable good actors include Morgan Stanley, which disclosed its policies allowing gifts to religious institutions in response to ADF and Bowyer Research engagement, and Verizon, which removed its exclusion after engaging with ADF and IWP Capital.

PROTECTING AGAINST ANTI-RELIGIOUS DISCRIMINATION IN EMPLOYEE-MATCHING GIFT PROGRAMS

Companies should review their policies—or the policies of their third-party program manager such as Benevity, Cybergrants, or YourCause—to identify and eliminate restrictions on employee giving to charities based on either:

1. **The charity’s religious status or practices.** This includes policies that outright ban religious organizations (usually for operating for a “sectarian” purpose or “proselytizing”), or that disqualify religious organizations based on their constitutionally protected faith-based employment practices or their administration of programming in accordance with religious beliefs.

Or

2. **The charity’s advocacy on issues of public concern.** This includes policies that ban a religious organization that advocates for orthodox religious views on marriage, human sexuality, abortion, or other important social issues.

Companies should avoid terms like “hate,” “bigotry,” or “risk tolerance” in matching gift policies. These terms are inherently vague and subjective and are often used as a license to deny funding to charities with disfavored views.

PROBLEMATIC THIRD-PARTY PROGRAM MANAGERS

Many companies rely on third-party program managers such as Benevity and YourCause to administer gift matching programs. Benevity [serves over 700 companies](#)—over half of which are mid-sized—while YourCause [says its programs impact](#) 4.2 million employees in over 160 countries and at more than 140 Fortune 1000 companies.

Unfortunately, Benevity and YourCause are far from neutral in their giving standards for employees. Both maintain policies that exclude or threaten to exclude employees from giving to charities based on their religious status, practices, or issue-related advocacy.

These problematic policies apply to all causes—in addition to whatever screens individual client organizations might opt into—and use terms such as “hate,” “bigotry,” etc., to specify prohibited activities. But these terms are inherently subjective and prone to politicization. According to multiple [sources](#),¹ Benevity relies on the [unreliable](#), [scandal-ridden](#), and [far-left](#)

Policy Spotlight

Benevity prohibits matching gifts to any organization it thinks “[condones violence or incites hatred](#).”

This operates as a viewpoint-based screen to exclude religious advocacy on important topics of public concern.

activist Southern Poverty Law Center to identify so-called “hate groups,” based on deeply flawed, partisan criteria.

This reliance on radical activist groups like the SPLC demonstrates the risk of including vague and over-broad terms such as “hate” in charitable giving policies. It also suggests that many employees of faith likely face barriers when it comes to aligning their employer-matching donations with non-profits that most align with their beliefs.

IMPLEMENTING SAFEGUARDS AGAINST DISCRIMINATION

Companies have two easy ways to protect charitable choice for their employees:

- 1. Rely on IRS 501(c)(3) status for charity eligibility.** With over [1.5 million](#) registered non-profits in the U.S., the Internal Revenue Service grants 501(c)(3) tax-exempt status to organizations that meet a number of key requirements, including limitations on political involvement, private enrichment, and annual transparency reporting.
- 2. Adopt a policy that expressly protects religious charities from exclusion.** The First Amendment, Title VII, and many other laws protect the freedom of religious organizations to select employees based on their religious beliefs. Corporations should respect these freedoms by adopting policies that acknowledge religious organizations’ freedom to hire based on religion and ensure that they can participate on equal footing with nonreligious charities. Language provided by the [Viewpoint Diversity Score model policy](#) will help ensure charitable choice is protected for religious recipients.

¹ Donors have reported to ADF that both organizations (Benevity and YourCause) have cited SPLC as a reason they could not give to certain religious organizations.

COMPARING POLICY OPTIONS



BAD

Bank of America: “We do not provide general funding to any organization whose purpose is to promote or to discourage the observance or proselytization of religious beliefs. . . . We do not provide funding to any organization that discriminates based on...religion...sex, sexual orientation, gender identity . . . or espouses hate...”



BETTER

501(c)(3) Policy: [Company Name] permits employees to give to any recognized 501(c)(3) organization through its employee matching gift program.



BEST

VDS Model Policy: Notwithstanding any other policy, [Company Name] will not exclude a religious charity from its employee donation matching program...or otherwise discriminate against a religious charity in an employee donation matching program because the religious charity is religious or because it makes employment or leadership decisions based on its religious beliefs...

RECOMMENDED RESOURCES:

To further evaluate existing policies, we urge companies to participate in the survey portion of the Viewpoint Diversity Score Business Index. We also recommend the following resources to ensure charitable choice in gift-matching programs:

- [Employee Donation Matching Policy for Religious Charities](#) (Viewpoint Diversity Score)
 - This resource ensures that companies respect the autonomy of religious charities to make decisions about their internal employment policies and practices.
- [Freedom at Work Survey](#) (Viewpoint Diversity Score)
 - Conducted by Ipsos and released through Viewpoint Diversity Score, the Freedom at Work Survey showed how corporate crackdowns on employees' freedom of religion adversely impacts business and society.

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Policy Spotlights

“We do not provide general funding to any organization whose purpose is to promote or discourage the observance or proselytization of religious beliefs.”

“Wells Fargo will not consider grants for . . . religious organizations, unless they are engaged in programs that are non-sectarian, benefit a broad base of the community, and have a separate 501(c)(3) designation.”

“Organizations not eligible to receive a Starbucks Giving Match include: . . . religious organizations benefiting only those with like beliefs . . . [or] organizations listed on the Southern Poverty Law Center Hate List.”

Policy Spotlight

With the exception of company-determined social service needs, “Bank of America does not allow its employees to direct gift-matching funds to religious charities.

This policy acts as a viewpoint-based screening mechanism that creates a discriminatory barrier for employees to support the causes in which they believe.