

The Combined Federal Campaign

Federal workers have participated in this national workplace giving effort for about 40 years since President Kennedy initiated a formal national giving program for Federal workers in 1961. As the largest workplace giving program in the world, the Combined Federal Campaign (CFC) allows Federal employees to support national and local nonprofits. CFC contributions are an important source of general financial support for thousands of nonprofits. Besides enabling the delivery of needed services, CFC contributions also help to leverage contributions from other sources, including private sector employee donor programs and other state and local government employee workplace giving campaigns.

The Office of Personnel Management (OPM) oversees the CFC and serves as the main source of information on this fundraising program for thousands of Federal donors and participating charities. The campaign is conducted in all Federal agencies for 6 weeks every fall.

Trends in CFC Giving and Participation

Between 1994 and 1999, Federal employee contributions received nationally through the CFC nationally increased by nearly 11%, from \$195,052,325 million in 1994 to the nearly \$217,835,965 million raised in 1999. Mirroring trends in the general population¹, giving by Federal employees reached a record high in 1999 when almost 1.5 Federal employees, including postal workers and employees from the Executive Branch, the postal service and the military, gave through the CFC. The vast majority of these (94%) gave through payroll deduction. While there are indications that the rate of participation in the CFC has leveled off, between 1994 and 1999 the rate of participation in the CFC declined by 6 percent. It is noted that this period was also one of substantial downsizing of the Federal workforce. Also, while the overall rates of participation in the CFC declined during this period the decline occurred in less than a third of the campaigns locally. The vast majority of campaigns continued to experience higher than average rates of participation and received record amounts in contributions.

Regulatory Changes

The Combined Federal Campaign (CFC) regulations govern all aspects of the CFC. Executive Orders 12353 and 12404 authorized the Office of Personnel Management (OPM) to prescribe rules and regulations to facilitate fund-raising on behalf of charitable organizations through on-the-job solicitation of Federal employees and military personnel, and to ensure that recipient agencies are responsible in the use of the funds raised. CFC regulations can be found in Title 5, Chapter 950 of the Code of Federal Regulations.

As a result of audits of local campaigns conducted by OPM's Office of the Inspector General and to reflect the experience of the previous eight campaigns, CFC regulations were revised in November, 1995. Some of the more important revisions included:

¹ *"Report on Philanthropy in the American Economy"*, Council of Economic Advisers, November 25, 2000 – In 1999 Americans donated over \$190 billion. This represents an increase of 41 percent since 1995. Furthermore, giving has increased sharply as a fraction of the Gross Domestic Product, rising from 1.7 percent of GDP in 1995 to 2.1 percent in 1999.

- More clearly defining the scope and meaning of workplace solicitations in the Federal government;
- Describing the circumstances where the Director may authorize solicitations of Federal employees in the workplace outside of the CFC;
- Clarifying procedural requirements for charitable organizations seeking participation in the CFC;
- Expanding local eligibility by defining and enumerating criteria for organizations that provide services on a statewide basis;
- Removing all general designation options not required by statute; and
- Expanding the solicitation methods and the pool of potential donors.

CFC Innovations

Beyond income and wealth, individual giving in the general population may also be influenced by factors such as gender, race, age, and education. During the latter part of the 1990's, two major trends led to the design of first time innovations in the CFC: the growing numbers of Federal workers expected to retire in the new decade and the availability of new technology to bring greater efficiencies and cost effectiveness to the CFC. To address these issues, OPM designed two pilot programs. The first pilot, known as the "Retiree Access in the CFC" program, would allow retirees to contribute to CFC charities from their monthly annuities. On June 20, 2000, OPM awarded a contract to Charity Campaign Partners to form and operate a Central Processing Center (CPC) to enable Federal retirees to contribute to Combined Federal Campaign (CFC) charities via annuity deductions. This 18-month pilot is reaching out to over 300,000 retirees in California, Illinois, Virginia, Maryland, and the District of Columbia during the regular CFC campaign season, September 1 through December 15, 2000. The Retiree Access pilot program was designed to incorporate many of the attributes of the current CFC program while partnering with RIS to obtain a cost-effective systems approach for processing annuitant requests.

The second pilot program being tested in 2000 would allow about 50,000 employees to complete their pledge cards on line or by phone. The automated contributions are being processed using Employee Express, a system employees use to enroll for health benefits and conduct other personnel transactions. A special feature includes access to an online database of all local and national charities that enables potential donors to search for charities by name or service provided and location. It is expected that over time, the automated system will expedite the contribution process, reduce administrative expenses and expand the program's reach.

Fostering Partnerships with the Nonprofit Sector

The CFC is known to be the most inclusive workplace giving campaign in the world with the number of participating charities estimated at over 40,000 nonprofit charitable organizations worldwide. The charities supported through the CFC range from nascent community groups to large, well-known charities.

Partnerships with nonprofit organizations are a core part of the CFC structure. In each of the 370 CFC areas throughout the country, local and national nonprofit organizations collaborate closely with committees of volunteer Federal employees to design marketing strategies for the

campaign and to process the receipt and distribution of Federal employee contributions to the charities they choose.

CFC also directly involves participating nonprofit organization leaders in the design of new policies and programs that are shaping the future of the Combined Federal Campaign. For example, nonprofits are lending their expertise in web-based philanthropy to new efforts to use technology to integrate the participation of millions of Federal retirees in the CFC and bring new efficiencies to giving in the Federal workplace through the use automated giving.

These partnerships are promoting greater direct giving from Federal employees to local and national nonprofits while helping nonprofit organizations use these contributions to leverage financial resources from other sources.