

Welcome to the eighth issue of *Hartz & Minds*, a vehicle for us to share useful ideas and expert insight on topics related to strategic corporate social responsibility (CSR), impact investing, diversity, family philanthropy, nonprofit strategy, and social entrepreneurship. Today's *Hartz & Minds* examines future global trends based on **McKinsey & Company** research and a report from the **Committee Encouraging Corporate Philanthropy**.

First, a caveat: my preferred terminology is not "corporate philanthropy," but "strategic corporate social responsibility." This field encompasses several of my firm's tenets.

- Strategic – these investments must be considered in terms of their ROI
- Corporate – stakeholders expect financial returns, not purely charitable acts
- Social – companies, nonprofits, governments, and individuals *are* society
- Responsibility – our society requires responsible behavior from every sector

With that lens as background, the Committee Encouraging Corporate Philanthropy is a wonderful and important international forum to encourage and enable the business sector to discover unique ways of raising the level and quality of its community investment. The report, *Shaping the Future*, shows executives what 2020 could look like if global industry were fully activated to address social and environmental challenges.

Several worldwide trends will dramatically shift the future economic landscape. With this change, social problems will be more widespread, complex, and interconnected. Quote:

1. The Great Rebalancing: The rise of China and other emerging economies is shifting the locus of economic activity.
2. The Productivity Imperative: Continued prosperity in developed countries will require an unprecedented step change in productivity to offset a shrinking labor force and global talent shortages.
3. The Global Grid: Global integration – of capital markets, trade, and technology – will continue to drive market and societal restructuring.
4. Pricing the Planet: Demand for natural resources outpaces supply, leading to resource scarcities that will constrain business.
5. The Market State: Activist states will compete to capture jobs while struggling to provide for their populations.

The optimal 2020 future – sustainable value creation – requires that companies:

- Embrace the synergy of increasing shareholder value and ameliorating social problems
- Address specific social issues that directly challenge their company's future success
- Execute strategically, efficiently, and effectively – with metrics and communications
- Understand that no institution can drive change alone – collaboration is essential

The report concludes, "Companies that achieve sustainable value creation, develop a customized strategy tailored to their own business ambitions." Corporate Hartz - which has served Deloitte, Scientific-Atlanta, Merial, Intercontinental Hotels Group, et al - welcomes the opportunity to help you and your business create financial and social value.

For more information about CECP, please see [www.corporatephilanthropy.org](http://www.corporatephilanthropy.org).

For more information about McKinsey & Company, see [www.mckinsey.com](http://www.mckinsey.com).

For the complete report, see [www.corporatephilanthropy.org/research/thought-leadership/research-reports/shaping-the-future.html](http://www.corporatephilanthropy.org/research/thought-leadership/research-reports/shaping-the-future.html).

For more information about Corporate Hartz, LLC, please see [www.corporatehartz.com](http://www.corporatehartz.com).