PUNCTUATED GENEROSITY:
EVENTS, COMMUNITIES, AND CORPORATE PHILANTHROPY IN THE UNITED STATES, 1980-2006

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Abstract

Geographic communities have been shown to affect organizations through their enduring features, but less attention has been given to communities as sites of human-made and natural events that occasionally disrupt the lives of organizations. We develop a social-normative perspective to unpack how and why major events within communities affect organizations. To test this framework, we examine how different types of mega-events (the Olympics, the Super Bowl, political conventions) and natural disasters (such as floods and hurricanes) affected the philanthropic spending of locally headquartered Fortune 1000 firms between 1980 and 2006. Results show that philanthropic spending fluctuated dramatically as mega-events generally led to a punctuated increase in otherwise relatively stable patterns of giving by local corporations. The impact of natural disasters depended on the severity of damage: while major disasters had a negative effect, smaller-scale disasters had a positive impact. Firms' philanthropic history and communities' inter-corporate network cohesion moderated some of these effects. This study extends institutional and community literatures by illuminating the geographic distribution of punctuating events as a central mechanism for community influences on organizations; sheds new light on the temporal dynamics of both endogenous and exogenous punctuating events; and provides more nuanced understanding of corporate-community relations.

Keywords: geographic communities, punctuated equilibrium, corporate social responsibility, institutional theory

The rhetoric of globalization suggests a decline in the significance of local communities for social and organizational behavior (Giddens, 1990; Sorge, 2005). Theorists have noted the emergence of the "ageographical city" (Sorkin, 1992) and the "transcendence of place" by "social organization that [spans] cities, states, and nations" (Coleman, 1993:7). Organizational researchers, too, have shifted attention from local communities to "non-local events and ideas" (Scott, 2005: 474). In institutional research, in particular, the geography-independent organizational field (DiMaggio and Powell, 1983) has emerged as the primary focus of analysis (Scott, 2001). Despite these developments, a growing body of research suggests that, even in a global age, local communities maintain a significant enduring influence on organizations (Freeman and Audia, 2006; Marquis and Battilana, 2009). For example, geographic communities have persistent traditions (Molotch, Freudenberg, and Paulsen, 2000), identities (Romanelli and Khessina, 2005), and relational systems (Kono et al., 1998), which in turn have longstanding effects on local organizations' strategies (Greenwood, et al., 2010; Lounsbury, 2007), governance (Davis and Greve, 1997; Marquis, 2003), innovation (Saxenian, 1994), and corporate social practices (Galaskiewicz, 1997). Research in this area has highlighted how the enduring institutional features of local communities affect organizations.

Yet, while this literature suggests that geography matters mostly through the influence of longstanding local conditions, it has largely neglected another critical way in which geographic location shapes organizations. Geographic communities not only constitute stable local contexts with persistent institutional features but are also sites of natural and human-made events that occasionally punctuate the stability of the local institutional field. Organizations in, say, Atlanta or New Orleans are shaped not only by their longstanding embeddedness in a local institutional environment but also by the experience of major events, such as the 1996 Olympics (Glynn,

2008) or Hurricane Katrina. Thus, because punctuating events are geographically distributed, community location matters by determining organizations' differential exposure to the dramatic impact of major events.

Our focus on local events highlights the importance of considering geography and events in tandem; only by recognizing organizational phenomena as both *emplaced* (Gieryn, 2000) and *eventful* (Sewell, 2005)—that is, as both situated in a particular geographic location and potentially transformed by significant events—can we understand the full scope of institutional dynamics. Emphasizing that fields form not just around markets, technologies, and issues, but also around geographic communities (Warren, 1967), we argue that significant events in a community affect the local social-normative landscape and can become an important source of organizational change. Thus, we move beyond a static conception of community effects and reveal a new way of understanding how embeddedness in a local institutional environment shapes organizations. Since even the most globally oriented organizations are rooted in the organizational field of some headquarters location (Palmer, Friedland, and Singh, 1986), and because events are catalysts for change in fields (Lampel and Meyer, 2008), a focus on local events provides a deeper understanding of field dynamics that influence organizations.

Our perspective draws on longstanding research recognizing that events—conceptualized as "shocks" (Fligstein, 1990), "discontinuities" (Lorange et al., 1986), or "jolts" (Meyer, 1982)—represent a key source of change in fields. Prior work, however, has mostly focused on events in geography-independent fields centered around a market, a technology, or a political or legal issue (Hoffman, 1999; Greenwood and Suddaby, 2006). Our perspective, in contrast, harkens back to the original model of punctuated equilibrium (Eldredge and Gould, 1972), which stressed

the critical role of geographic location in determining which populations experience punctuated change at a given time. We extend this perspective to organization theory and elaborate it by considering both endogenous and exogenous punctuations, the associated temporal dynamics, and events of different magnitudes.

We demonstrate the theoretical value of our perspective in the context of corporate philanthropy, examining the effect of major human-made and natural local events on the charitable contributions of Fortune 1000 firms between 1980 and 2006. Prior research has shown corporate philanthropy to be an excellent context to develop organizational theory (Galaskiewicz, 1985, 1997; Marquis and Lee, 2012), and given that corporate social practices in the U.S. are strongly oriented toward the community where the focal firm is headquartered (e.g., Guthrie, 2003; Marquis et al., 2007), philanthropy provides a particularly useful lens to understand the impact of local events and the associated social-normative processes. To highlight variation in event effects, we focus on the consequences of two important but fundamentally different types of events: (1) mega-events (such as the Olympics and national political conventions), which are actively solicited by communities and hence "arise from the endogenous capabilities of [local] fields" (Glynn, 2008: 1138); and (2) natural disasters, which represent exogenous destructive shocks to communities. While both these types of events affect a local social-normative system and the philanthropic spending of locally headquartered firms, we predict important variation in the nature and temporal dynamics of these effects by event type.

In sum, this study extends the institutional and community literatures by developing an emplaced and eventful perspective and illuminating how community location influences organizations due to the geographic distribution of punctuating events. In doing so, we contribute to a better

understanding of punctuated processes in social systems. We show how the consequences of a punctuating event depend on its magnitude and emphasize the importance of considering the temporal dynamics at play—how a punctuating event may trigger changes before it even takes place and how long these changes linger after the event transpires. Further, we challenge basic assumptions about the stable nature of corporate giving and provide balance to the literature on corporate-community relations (e.g., Logan and Molotch, 1987), suggesting that major punctuating events create opportunities for communities to influence corporations in ways that benefit the local nonprofit sector, even if some firms remain unresponsive to such influence.

AN EMPLACED AND EVENTFUL PERSPECTIVE

Our theoretical approach merges two perspectives. First, sociologists are increasingly calling for research that recognizes social phenomena as *emplaced*, that is, as constituted through a particular geographic location and the associated social relations and institutions (Gieryn, 2000). Second, historically oriented scholars have proposed an *eventful* perspective that "recognizes the power of events" and "takes into account the transformation of structures by events" (Sewell, 2005: 100). Our approach is both emplaced and eventful, emphasizing the simultaneous importance of geography and events. The matrix in Table 1 distinguishes this perspective from other ideal-typical approaches, which only separately consider community influences (Marquis and Battliana, 2009), events (Lampel and Meyer, 2008), or neither events nor communities, as is common in institutional studies of isomorphism (DiMaggio and Powell, 1983).

--- Insert table 1 about here ---

The value of an emplaced and eventful approach lies in its potential to shed light on the power of local events in shaping organizational behaviors—a subject that is invisible from the other three perspectives in our table. Longstanding research has shown that the social-normative system of

a community—that is, the local normative environment and the underlying set of social relations, such as inter-corporate and corporate-nonprofit networks—has a significant effect on organizational behaviors (see Marquis and Battilana [2009] for a review). Significant punctuating events, in turn, have been shown to reconfigure social-normative systems (Lampel and Meyer, 2008), suggesting that local communities might be critical settings in which field-reconfiguring events occur.

Our perspective implies that communities matter for organizational behaviors because punctuating events are geographically distributed—a basic mechanism for local influences that is fundamentally different from those typically identified in institutional and community research. On the one hand, our perspective builds on punctuated equilibrium theories (e.g., Gersick, 1991), which posit that routine periods of organizational activity—known as stasis or equilibrium—are punctuated by short bursts of change, often triggered by environmental shifts and events that overwhelm inertia (Romanelli and Tushman, 1994). On the other hand, a core idea in the original punctuated equilibrium model—which was lost when the model was imported into the social sciences—is that geographic location plays a significant role in determining which populations are subject to abrupt changes at a given time (Eldredge and Gould, 1972). Building on this idea, our emplaced and eventful lens highlights that geography matters because it determines organizations' differential exposure to punctuating events.

We apply this lens with particular attention to the temporal dynamics (Navis and Glynn, 2010) of punctuating events of different types and different magnitudes. For example, while much research has focused on the aftereffects of events, we theorize how local punctuating events might trigger important social-normative processes in communities and begin to influence

resident organizations even *before* they take place. Regarding the aftermath of events, while prior research stressed either the long-term consequences of one-time events (e.g., Glynn, 2008) or their fleeting nature due to inertia (e.g., Marquis, 2003), we begin to unpack in our discussion how different types of events as well as event magnitude explain variation in consequences.

Communities, Mega-Events, and Disasters

We define a firm's local community as the metropolitan region in which its headquarters is located (Marquis, 2003). This definition has significant precedent because a firm's headquarters community is where most of its key executives reside (Palmer, Friedland, and Singh, 1986) and "look to the actions of other locally headquartered companies for standards of appropriateness" (Marquis et al., 2007: 927). Further, the headquarters community is particularly influential for corporate philanthropic contributions, which we define as charitable monetary donations—including donations in areas such as the arts, education, housing, health, social welfare, and the environment, among others, but excluding political contributions and commercial sponsorship (Marquis et al., 2007). Prior research has shown that philanthropic spending tends to be highly concentrated locally (Useem, 1988; Kanter, 1997), with 70 to 80 percent of donations typically staying in the headquarters city (Galaskiewicz, 1997; Guthrie, 2003). This fact underlies our research question: given the local focus of corporate giving, what happens to the philanthropic behavior of local firms when a major event disrupts the life of a community? To address this question, we focus on two distinct types of events: actively solicited mega-events, which arise in part endogenously in a community (Glynn, 2008), and natural disasters, which represent destructive exogenous shocks to communities.

Mega-events are large-scale cultural, political, athletic, and commercial events that attract significant media attention (Roche, 2000). We focus on three mega-events that are hosted at the community level: the Summer Olympics, the Super Bowl, and the Democratic and Republican presidential nominating conventions. The Olympics represents one of "the most visible rituals dramatizing the world polity" (Boli and Thomas, 1997: 41); the Super Bowl is the most popular annual sporting event in North America, and national conventions are among the most important political events in the U.S. In contrast to these actively solicited events, a natural disaster is a naturally occurring physical event with major unwanted consequences on a human population (Alexander, 1993). These include climatic events (e.g., floods and hurricanes) and geological ones (e.g., earthquakes and volcanic eruptions). By combining consideration of exogenous natural disasters and community-organized mega-events, we advance a general theoretical model of how events influence corporate giving.

LOCAL EVENTS AND CORPORATE PHILANTHROPY

We contend that both actively solicited events and destructive exogenous events have important social-normative consequences, bringing to the fore pressures and opportunities for philanthropic contributions by locally headquartered firms. In particular, both mega-events and disasters can potentially strengthen the salience of local needs and identity and give rise to new normative expectations in a community, leading to an increase in corporate donations. Although we expect this to be a general trend, we also identify important variation across events, organizations, and communities. First, regarding the temporal dynamics of events, we argue that when an event is anticipated (as in the case of actively solicited mega-events), corporate philanthropic giving will increase significantly prior to the event, and this increase might persist for years but will eventually taper off over time. Second, in terms of event magnitude, we argue that in the case of

highly destructive exogenous events (e.g., major disasters), powerful countervailing processes will reverse the trend of increased contributions, leading to a marked reduction in giving. Finally, consistent with our underlying arguments, the predicted philanthropic surges should be larger (1) among firms that are more susceptible to community expectations regarding philanthropy and (2) in communities with a stronger influence on locally headquartered firms.

Community Mega-Events and Corporate Philanthropy

Our social-normative perspective suggests several ways in which community mega-events might affect the philanthropic contributions of local firms. As prior research indicates, such events have a potential to increase the salience of local identity and needs as well as to strengthen connections between local corporations and the main recipients of their charitable giving—local nonprofits. After elaborating how these mechanisms contribute to corporate philanthropy, we offer specific hypotheses about the pre-event, same-year, and post-event effects of mega-events.

First, prior research suggests that mega-events can increase the salience of local identity, community needs, and community expectations regarding philanthropy. Early theorists noted that "place" and associated events—such as public ceremonies and rituals—are key mechanisms that foster social solidarity and identification with the collective (Durkheim, 1915/1965; Tönnies, 1887). Consistent with this classic insight, recent research has noted the potential of community mega-events to foster civic pride and create a sense of unity in the host community (e.g., Truno, 1995; Waitt, 2001). As a nonprofit manager remarked about Detroit's preparation for the Super Bowl, "It is changing the attitude of people within the city. There is a sense of pride. You can feel it" (Maynard, 2006). Accordingly, mega-events may foster a stronger sense of citizenship among local corporate actors and help make community development goals more salient (Hiller,

2000; Burbank et al., 2001). The Olympic Games in Atlanta, for example, “served as a restraint on some of the commercialism” of local corporations, many of which came to adopt a “statesmanlike” approach in their relationship to the community even in commercial matters (Glynn, 2008: 1133). Simultaneously, mega-events help highlight social issues in the host community and encourage local actors to take action, as community needs frequently become an important theme in local public discourse before a mega-event (Misener and Mason, 2009). In parallel, community leaders might actively solicit event-related charitable contributions from local corporations (Schwartz, 1997). Moreover, as small-scale charity events associated with mega-events shine the spotlight on local needs and nonprofits, they create pressures and opportunities for corporate philanthropy (Kott, 2005; Babiak and Wolfe, 2006). In sum, community mega-events may contribute to a sense of local citizenship, draw attention to local social needs, and foster community expectations regarding corporate philanthropy, which in turn likely fosters greater giving by local firms.

Related to the salience of community identity and local needs, a characteristic of communities with high levels of corporate philanthropy is the presence of strong and dense connections between local firms and local nonprofits (Galaskiewicz 1985; Galaskiewicz and Burt, 1991). Strong corporate-nonprofit linkages put corporations directly in touch with social needs and expectations in the community, thus creating stronger normative pressures for philanthropic giving. One common example of such connections is the presence of corporate managers on local nonprofit boards. As Galaskiewicz (1997: 468) notes in his study of the Twin Cities, “stories were told about a new CEO in town who at first would slash the contributions budget but then suddenly increase contributions the next year, having served his first term on a prominent cultural board. It was in these arenas that executives were solicited for contributions [and]

socialized into local culture." Such connections to local nonprofits likely foster greater philanthropy not only because corporate managers connected to nonprofits affect their own firm's giving but also because they influence other local corporations to which they are socially connected (Marquis et al., 2007). Accordingly, research shows that nonprofits that rely primarily on donations grow faster if they have ties to local elites, in part because such ties facilitate access to funding through informal means, such as normative appeals for help (Galaskiewicz, Bielefeld, and Dowell, 2006). As Marquis et al. (2007: 936) conclude, one of the "key elements of local social normative systems that cultivate an environment that promotes high levels of local corporate social action… is dense connections between local nonprofits and corporations."

Mega-events, in turn, might strengthen local corporate-nonprofit connections. Preparations for mega-events involve the creation of temporary transorganizational structures (Anand and Watson, 2004)—such as task forces and host city committees—that bring together otherwise disconnected actors from the local corporate and nonprofit sectors. Likewise, smaller-scale philanthropic events that accompany mega-events provide settings for corporate donors and nonprofits to come together (e.g., Babiak and Wolfe, 2006), helping to cultivate mutual awareness and bonds that may last beyond the mega-event. Mega-events might also spur the emergence of new civic coalitions that coalesce local networks of corporate and nonprofit actors (Hiller, 2000; Glynn, 2008). Thus, community mega-events can provide a temporary social infrastructure to forge and strengthen links between local companies and nonprofits. As a result, because such links promote high levels of local corporate social action (Marquis et al., 2007), mega-events likely have a positive effect on the philanthropic contributions of local firms.

Temporal Dynamics of Mega-Event Effects

We have argued that community mega-events will stimulate greater philanthropic contributions, but we have not identified *when* this effect will occur. As noted, a unique aspect of our perspective is that by focusing on how events affect local social-normative processes, the temporal dynamics of event effects are brought into relief. Below, we examine how the processes discussed above lead to event effects before, during, and after community mega-events.

Pre-event effect. Through the mechanisms summarized above, mega-events can exert a significant effect on communities and resident organizations even before they take place. First, prior research suggests that preparations for a mega-event may promote a focus on local identity (Glynn, 2008), community needs (Hiller, 2000), and pressures for local corporate giving (Schwartz, 1997). Sydney residents, for example, reported strong feelings of community arising from the prospect of hosting the Olympics that were still years away (Waitt, 2001), and—more than half a decade before it took place—the 2012 London Olympics already created opportunities for "Londoners [to] come together around particular representations of themselves and the city" (Newman, 2007: 255). Likewise, it is during the pre-event preparatory phase that local leaders begin to seek out local event-related corporate contributions (Schwartz, 1997). Moreover, with regard to corporate-nonprofit connections, preparations for a mega-event require "a multitude of diverse community actors and institutions to coordinate… with each other within the urban field" (Glynn, 2008: 1118), and this coordination begins well before the event takes place (Hiller, 2000). Thus, in anticipation of mega-events, temporary transorganizational structures and new civic coalitions that foster corporate-nonprofit linkages emerge. As a result, the general mechanisms we propose begin to operate *ex ante*: even before a mega-event begins, it can bring together local corporate and nonprofit actors, and increase the salience of local

identity, needs, and pressures for corporate giving. Hence, we predict that—relative to years that do not immediately precede or follow, or coincide with, the local hosting of a mega-event—there will be an increase in philanthropic giving in years that lead up to such events.

Hypothesis 1a (H1a): In the years immediately preceding a community mega-event, there will be an increase in the philanthropic contributions of locally headquartered corporations.

Same-year effect. By the time of the event itself, new connections between local actors, such as corporations and nonprofits, will have emerged (Hiller, 2000), and the event will have reached its potential to foster a sense of community (Truno, 1995) and a focus on community needs in local public discourse (Misener and Mason, 2009). Moreover, in the event year, charity events that accompany the main event provide an additional forum for corporate-nonprofit interactions, and local needs emerge into the public spotlight at such events (Babiak and Wolfe, 2006). Thus, based on the above-described mechanisms, we predict an increase in giving in the event year.

Hypothesis 1b (H1b): In years when a community hosts a community mega-event, there will be an increase in the philanthropic contributions of locally headquartered corporations.

Post-event effect. Are event-related increases in local firms' philanthropic contributions ephemeral or persistent (cf. Stinchcombe, 1965)? We suggest that community mega-events have a potential post-event effect on local firms' philanthropic spending but that this effect will likely taper off over time. This argument is based on two observations. On the one hand, consistent with the arguments of event organizers who extol the enduring legacy of mega-events, prior research suggests that organizational relationships formed during the planning and execution of a mega-event may persist even years after the event takes place (Glynn, 2008). Thus, even if the event itself loses its salience and begins to fade from memory soon, newly forged local corporate-nonprofit links can last beyond the immediate aftermath of the event. In turn, as noted

earlier, such links help increase and enforce the normative level of corporate giving. On the other hand, scholars suggest limits on the potential of a single event to trigger radical long-term changes in organizations and their relationships (Hannan and Freeman, 1984). Indeed, researchers have noted that early-established patterns of organizational relationships can persist even in the face of subsequent shocks (Marquis, 2003). Thus, following a mega-event, local nonprofits and corporations are eventually likely to return to their regular relational patterns (Glynn, 2008). Accordingly, we predict a post-event increase in local firms' charitable giving but expect it to weaken with time.

Hypothesis 1c (H1c): In the years immediately following a community mega-event, there will be an increase in the philanthropic contributions of locally headquartered corporations, but this increase will taper off with time.

Magnitude of Natural Disasters and Corporate Philanthropy

While mega-events are actively solicited often because they are perceived as catalysts for community development, natural disasters strike exogenously, causing death, injury, as well as physical and economic damage. In this section, we consider the effect of these destructive events on the philanthropic contributions of local corporations. Prior research suggests conflicting hypotheses. Several scholars have documented high levels of solidarity and altruism in the wake of disasters—a phenomenon described as "post-disaster utopia," "altruistic community phase," or "post-crisis benevolence" (Erikson, 1976; Kaniasty and Norris, 2004). According to this research, as communities coalesce around relief and rebuilding efforts, a local *esprit de corps* emerges, causing a rise in helping behaviors, such as donations and volunteering. A similar phenomenon might also occur at the firm level, given that the executives of local firms reside in the community. As Crampton and Patten (2008: 865) noted, being headquartered in a community

creates a “sense of connection between the people that make up the firm and those affected by the disaster,” which in turn leads to “pressure on the company to respond.”

On the other hand, the negative effects of disasters may offset the above-described mechanisms. First, since disasters cause significant physical and economic damage, they may limit the philanthropic capacity of local firms. As Crampton and Patten (2008: 863) argued, “even in the wake of catastrophic events, corporate philanthropic giving is constrained by economic concerns.” As a result, local firms may be more preoccupied with the impact of the disaster on their own operations than with philanthropic disaster response, as was the case, for example, during Hurricane Katrina (see Muller and Kräussl [2011]). More important, even if a locally headquartered firm has few local facilities, there are compelling reasons to expect a reduction in charitable giving. In particular, major disasters may not only compromise the philanthropic capacity of individual firms but also the overall philanthropic infrastructure of the community. Indeed, if a major disaster causes the key nonprofit partners of local firms to dissolve or to suspend their activities, the community network of local philanthropy—through which donations normally flow—may be severely damaged. For example, nearly half a year after Hurricane Katrina, the majority of nonprofits in the area were still not fully operational; many of these organizations lost physical assets and staff, as well as board members that used to connect them to local firms. As a result, many local nonprofits—the primary recipients of donations by locally headquartered firms—remained largely incapacitated and unable to raise or use donations for months to come (Auer and Lampkin, 2006). Moreover, concerns about particularly damaging disasters may be elevated to a national or even international level, leading to philanthropic response from well beyond the affected community (Muller and Whiteman, 2009). In that case,

as a wider group assumes responsibility for the philanthropic response, the pressure on local organizations to champion rebuilding efforts is weak.

Given the above arguments, will natural disasters elevate or depress the level of philanthropic spending by local firms? Our discussion above suggests that the answer may depend on the magnitude of the disaster. The more damaging a disaster, the more likely it is to undermine the local philanthropic infrastructure and to attract a philanthropic response from outside the community. Thus, while the most damaging disasters will have a negative effect on local firms' philanthropic contributions, smaller-scale disasters will leave the philanthropic network of the community intact and put local firms at the forefront of disaster response.

Hypothesis 2 (H2): The effect of natural disasters on the philanthropic contributions of locally headquartered firms will depend on the severity of damage caused. Highly destructive disasters will have a negative effect; relatively less damaging disasters will have a positive effect.

EVENTS, ORGANIZATIONAL FACTORS, AND COMMUNITY CHARACTERISTICS

While we argue that punctuating events influence the charitable giving of locally headquartered firms, not all firms will be affected equally. Our social-normative perspective suggests that the magnitude of event effects will depend on both organizational and community characteristics. In what follows, we consider the moderating influence of two organizational and two community factors that capture critical aspects of the relationship between firms and communities. While our organization-level moderators define a firm's susceptibility to public expectations regarding philanthropy during major local events, our community-level moderators reflect the strength of influence that communities have on locally headquartered companies.

Organizational Susceptibility to Community Demands

At the organizational level, we focused on two key factors that affect both the extent to which a company faces public expectations—including community demands—regarding its philanthropy, and the extent to which it is sensitive to such expectations: (1) the firm's prior history of giving and (2) the consumer orientation of its primary industry. These factors not only play a key role in shaping corporate philanthropic behaviors (e.g., Burt, 1983; Lev et al., 2010) but also reflect a critical aspect of the relationship between a firm and its headquarters community, affecting the degree to which the firm is susceptible to demands that arise in the community.

Prior History of Philanthropy. Previous research has shown the importance of a company's history of corporate social behaviors for its current behaviors (Muller and Kräussl, 2011; Godfrey, 2005). But how will a firm's history of philanthropy affect its response to local punctuating events? On the one hand, there may be reasons to expect that a history of generosity will limit the positive effects of community events on firm giving. Companies with a solid track record of charitable behaviors might have built up a reservoir of public goodwill (Peloza, 2006), which could reduce pressures for philanthropic contributions during local mega-events and disasters. The managers of companies with low prior giving, by contrast, may view such events as a one-off opportunity to mend their firm's philanthropic reputation (Muller and Kräussl, 2011). On the other hand, however, there are compelling reasons why firms with a high level of past contributions should be particularly responsive to events. Recent research suggests that firms with highly visible philanthropic and other corporate social activities and aspirations tend to face increased public demands and media coverage (Luo, Meier, and Oberholzer-Gee, 2012). These great expectations and scrutiny, in turn, likely compel such firms to be generous when major events punctuate the life of their headquarters community. In the case of disasters, for example, Muller and Kräussl (2011: 914) pointed out that a key motivation to engage in

corporate philanthropic responses is "to maintain a *preexisting* reputation for responsibility" (emphasis added). As these authors note, "Given that reputation is by definition a perception-based imputation of the firm's predictability and reliability in the CSR arena… responsiveness to [a high-profile event] should help to sustain those reputations." Failure to respond, by contrast, might have damaging consequences because corporate reputations "require steady, incremental investments in CSR over time but are easily lost" (Muller and Kräussl, 2011: 914) in the spotlight of highly publicized events. Qualitative evidence supports these arguments, suggesting that major community events create high expectations for locally based firms known for their prior philanthropic involvement.[1] As a manager interviewed by Bertels and Peloza (2008) put it, "People know us and expect us to be involved in the community. When there are major events going on, if we want to be seen as a member of this community we need to take part. I don't mean to say we write a blank check, but we never say no." We argue therefore that a history of corporate generosity will strengthen the positive effects that local punctuating events (in particular, mega-events and small-scale natural disasters) have on firm giving.[2]

Hypothesis 3 (H3): The positive effect of mega-events and small-scale natural disasters on corporate giving will be stronger among firms with a prior history of large philanthropic contributions.

Consumer Orientation. Our first firm-level moderator hypothesis is based on the idea that firms with a strong history of charitable activities face greater public demands and scrutiny regarding their philanthropy. We argue that similar attention might also be directed at firms that operate in

[1] An alternative interpretation may be that firms with a history of generosity have greater capacity (e.g., greater funds) for philanthropy. Thus, we will test our relevant hypothesis (H3) while directly controlling for the assets of the firm's corporate foundation (as well as general financial indicators such as sales, ROA, and earnings).

[2] Our moderator hypotheses (H3-H6) are less applicable to negative event effects due to highly destructive disasters. As implied in our discussion of Hypothesis 2, the most damaging disasters likely create relatively weaker public pressures on local firms to increase their philanthropic spending, so the strength of such pressures, and firms' sensitivity to them, will be less relevant than in the case of positive event effects. Thus, we focus our discussion of moderators on positive event effects, which stem from mega-events and small-scale disasters.

industries where predominant customers are individual consumers rather than firms. As a long line of research shows, firms in such industries (e.g., consumer goods and personal services) are more sensitive to public perception about their philanthropy and have greater incentive to appear charitable than companies that produce primarily for industrial use (e.g., business services and capital goods) (Burt, 1983; Fisman et al., 2006; Lev et al., 2010; but see Galaskiewicz [1997]). Given this heightened sensitivity to public perception, the visibility and public demands generated by major local events may exert a stronger positive influence on charitable giving by corporations in industries that depend on consumer sales than firms in industries where reputation among individual customers plays little role.

Hypothesis 4 (H4): The positive effect of mega-events and small-scale natural disasters on corporate giving will be stronger among firms that operate in industries where the predominant customers are individuals, rather than other firms.

Community Characteristics

Although organizational factors are important to understanding the impact of events, we suggest that the magnitude of event effects will likely depend not only on the characteristics of firms but also on the features of their community. We highlight two community factors—network cohesion among local firms and the economic strength of the community—that likely interact with community events in shaping corporate giving. Although distinct, both these factors capture the strength of influence that a community exerts on locally headquartered firms.

Network Cohesion Among Local Corporations. Scholars have long recognized that a crucial feature of geographic communities is the extent to which their constituent members are connected by cohesive social networks that foster pressures toward conformity (Warren, 1967; Laumann, Galaskiewicz, and Marsden, 1978). There is compelling evidence, in particular, that cohesive inter-firm networks in a community create normative environments for organizations,

leading them to act in ways that are socially appropriate in the local context (Davis and Greve, 1997; Marquis et al., 2012). Most relevant for our framework is the notion that local inter-corporate network cohesion creates social pressure for conformity with public expectations in the community regarding philanthropy (e.g., Galaskiewicz, 1985, 1991, 1997) and enables mobilization around a common focus by maintaining communication channels among community business leaders (Glynn, 2008). Thus, in tight-knit local business communities, there are strong pressures both to meet public expectations and to keep up with other locally based firms. In such communities, if an event triggers an initial increase in philanthropic spending even just by some firms that are leading the way, its overall effect on giving is likely to be stronger than in communities that lack dense ties among corporate elites. As a senior executive put it, "We see what the big boys [in the community] are doing…. we need to keep some sort of pace. If you are not pulling your weight, it looks bad" (Bertels and Peloza, 2008: 64). By contrast, in a disconnected local business community—where social pressures and the potential for coordinated action are weaker—firms that would lead the way in responding to events easily remain without followers. These arguments suggest that positive event effects will be greater in communities with stronger network cohesion among locally headquartered firms.

Hypothesis 5 (H5): The positive effect of mega-events and small-scale natural disasters on corporate giving will be stronger in communities with greater network cohesion among local corporations.

Economic strength of the community. Political economy perspectives on urban development emphasize the role of economic dependence in community-corporate relations (Friedland and Palmer, 1984; Logan and Molotch, 1987). This line of work suggests that, if an urban community is more dependent on the presence of corporations than vice versa—for instance, because it is a community with a weak economy (e.g., Digaetano, 1989)—then, "rather than the

city being able to hold the corporation as hostage… the corporation [will] hold the city hostage" (Molotch and Logan, 1984). In such cases, the community will be in a relatively weak position to coax charitable donations from local firms when mega-events or disasters bring local needs to the fore. Consistent with this argument, a long line of research suggests that communities with a weak local economy tend to provide benefits (e.g., subsidies or tax abatements) to corporations rather than coax contributions (e.g., taxes or charitable donations) from them for community causes (e.g., Rubin and Rubin, 1987; DiGaetano and Klemanski, 1999). Thus, political economy perspectives suggest that our hypothesized positive event effects might be greater in communities with a strong local economy than in communities with a weak economic position.

Hypothesis 6 (H6): The positive effect of mega-events and small-scale natural disasters on corporate giving will be greater in communities with a stronger local economy.

DATA AND METHODS

Our primary data source was the National Directory of Corporate Giving (Foundation Center, 1981-2007), a comprehensive database of corporate philanthropy published in every even-numbered year since 1980, which created a unique opportunity to test our hypotheses. Using these data, we constructed a sample of Fortune 1000 corporations in each of the even-numbered years between 1980 and 2006. Given that this sample does not include corporations smaller than the Fortune 1000, our empirical results reflect the behavior of relatively large firms. Yet, because donations by the largest few hundred firms accounts for the preponderance of total corporate giving in the U.S. (Cavicchio and Turok, 2008; Coady, 2008), our focus on Fortune 1000's giving patterns has significant relevance for the overall phenomenon of corporate philanthropy.

Given a small number of missing observations (< 3%), our complete sample consisted of 13,583 firm-years. Because the Fortune lists include both public and private firms, data are not readily

available for some of our control variables that do not exist for some private firms in COMPUSTAT (such as financial performance indicators). Thus, most of our main models (which included such controls) used a sample of 11,769 firm-years, including 2,571 firms in 157 metropolitan areas. To ensure that these missing data did not bias our findings, we re-estimated all models without control variables but with firm, year, and community fixed effects on the full sample of 13,583 firm-years. As reported in the Results section, the results of theoretical interest remained substantively unchanged under the full sample, confirming that the missing data on some control variables did not threaten the robustness of our conclusions.

Main Variables

For each sampled firm in each year, we used the National Directory of Corporate Giving to record *philanthropic contributions*, defined as the total dollar amount of grants given to charity either through a corporate foundation or directly by the corporation.[3] Consistent with our conceptual definition of philanthropic contributions, this variable included charitable monetary donations but excluded political contributions and commercial sponsorships. To correct for skewed values, we log-transformed this variable (+1).

We defined the geographic bounds of communities using core-based statistical areas (CBSAs). A CBSA is a "core area containing a large population nucleus, together with adjacent communities having a high degree of economic and social integration with that core" (Census Bureau, 2010). We then used *The New York Times* archives to create dummy variables indicating whether a

[3] While arguably it would have been ideal to only include donations in the corporate headquarters community, data are only consistently available to capture firms' total philanthropic contributions. While numerous prior studies on the topic show that the vast majority of corporate philanthropy is within the headquarters community (e.g., Useem, 1988; Kanter, 1997; Galaskiewicz, 1997; Guthrie, 2003), we do acknowledge this as a potential weakness. However, while this measurement issue may lead to the loss of some precision, it should make the estimates, if anything, more conservative. Moreover, as our supplementary analyses demonstrate, we do find highly similar patterns when examining how events affect donations received by nonprofits in the headquarters community.

given type of mega-event occurred in a company's community in the previous years, in the same year, or in the following years. Because the Olympics and national conventions always take place in even years, and our data consisted of even years only, we could not examine the effect of these events in the immediately preceding (t-1) or immediately following (t+1) year. Thus, our pre-event and post-event indicators for the Olympics and national conventions used two-year lags, capturing whether each of these events occurred in a community in year t+2 or t-2. In case of the Super Bowl, we were able to use one-year lags in our main analysis; we found highly similar results when using two-year lags.

For data on natural disasters, we relied on impact estimates by the National Climatic Data Center (2010) and the Centre for Research on the Epidemiology of Disasters (2010). Before conducting our analyses, we defined three categories of natural disasters based on the extent of economic damage. In disaster research, it is common to use damages of at least $1 billion as a minimum threshold to define significant disasters (e.g., Miskel, 2006; Cook et al., 2007). Thus, we defined *small-scale disasters* as those with damages below this threshold. Then, we identified the top 25 percent of billion-dollar disasters based on damages and labeled these as *major disasters*, a definition that corresponds to a $5 billion minimum threshold. Finally, we categorized disasters that fell between these two extremes—damages above $1 billion but below $5 billion—as *medium-scale disasters.* All definitions used 2007 dollars. We examined the sensitivity of results to alternative definitions (based on different monetary thresholds and human casualties), which yielded identical conclusions as our main analyses.

We measured a company's *history of philanthropy* (H3) as its annual average of charitable contributions (logged) at *t*-4 and *t*-2. As a sensitivity check, we estimated models with alternative

measures: (1) using longer periods to define philanthropic history (e.g., average contributions in *t*-6, *t*-4, and *t*-2); (2) using only *t*-4 or only *t*-4 and *t*-6 to define the moving window; and (3) using measures of past philanthropy adjusted for firm size. In all these cases, we found substantively similar results as those reported below. We categorized industries as having an individual *consumer focus* (H4) using a classification by Lev et al. (2010), who distinguish industries where the primary customer is the individual (e.g., consumer goods, personal services) and where the predominant customer is industry (e.g., business services, capital goods). The categories are based on firms' four-digit Standard Industrial Classification (SIC) codes that identify the line of business best representative of the company as listed in COMPUSTAT.

To measure network cohesion among local firms, we gathered data on the interlock network of shared directors among corporate boards. Board interlock networks constitute a key mechanism for information transmission and norm enforcement among firms in a community (Mizruchi, 1996; Davis and Greve 1997). Our measure of *local network cohesion* (H5) was the reverse of the community's external-internal index, based on a network cohesion measure developed by Krackhardt and Stern (1988). This variable measured the ratio of locally headquartered firms' board interlocks within the community to their interlocks outside the community (Marquis, 2003). Thus, this variable captured the prevalence of internal over external ties—the extent to which local firms had directors who also served on the boards of other local firms. We obtained these data from Compact D/SEC.[4] Finally, we created two variables to capture the economic

[4] Despite the difficulties inherent in collecting extensive board interlocks data, especially for periods before the existence of electronic director records, we obtained consistent interlocks data for public firms, cleaned extensively to ensure accuracy, for 1987, 1992, 1997, and 2002, which yielded 152,466 director-year observations. Although we would ideally possess these data for each year, extensive research suggests that the characteristics of these networks at the community level remain stable over time (Mizruchi, 1996). Indeed, our own analyses indicated very high correlations even between the 2002 and the 1987 values of the internal-external ratio at the community level. Thus, in line with Davis and Greve (1997) and Palmer and Barber (2001), observations were given values from the closest year for which interlocks data were available. Because we did not observe interlocks in the early 1980s, we ran our

strength of communities: (1) municipal revenues generated in the community (*local government revenue;* from the Census of Governments) and (2) total personal incomes in the community. In our main analysis, we used the former; our results remained highly similar when using the latter.

Control Variables

To rigorously control for unobserved factors, our analyses included firm, community, and year fixed effects. This approach controlled for all organizational, industry, and community characteristics that did not vary during our time period and for the effects of all common shocks and trends. Crucially, the community fixed-effects controlled for all enduring local characteristics—such as stable network patterns, norms, and physical geography—which have been at the center of prior research. We also controlled for time-variant factors. At the organizational level, we controlled for *sales* (logged), *earnings*, returns on assets (*ROA*), and number of *employees* (logged) as well as firm *age* (in logged years).[5] These data were from COMPUSTAT. When testing H3, it was also necessary to control for the focal firm's capacity for philanthropic giving. To do so, we used data from the National Directories of Corporate Giving on firms' *corporate foundation assets* (logged), reflecting the extent of funds, staff, and other resources dedicated to philanthropy (Marquis and Lee, 2012). At the community level, we collected data on *population* size (logged) and real *per capita income* from the Bureau of Economic Analysis and controlled for *local government revenue* and whether there was *Republican governor* in the firm's home state. Finally, we used Domhoff's (1998) list to

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analysis without observations from 1980, and—for robustness—ran alternative models with only post-1986 observations. The results remained highly similar under these alternative models. Moreover, our conclusions remained substantively unchanged when excluding relatively small local corporate networks (e.g., communities with fewer than five locally headquartered firms) from the analysis.

[5] This helps avoid collinearity problems when controlling for year-specific effects with year dummies. Because of collinearity, using years, rather than logged years, to measure age would make it impossible to include all year dummies that would normally be in the model. Nevertheless, all coefficients of interest are very similar in their direction and significance regardless of whether age is measured in years (with some year dummies dropped from the models) or in log years (with year fixed-effects included in the models).

construct an indicator of the presence of exclusive *upper-class social clubs* in the community. Such clubs are key settings for interaction among local corporate elites (Kono et al., 1998; Marquis, 2003) and affect the level of corporate support for nonprofits (Marquis et al., 2012).

Statistical Model, Endogeneity Concerns, and Robustness Checks

Our data were organized in a pooled cross-sectional time-series format, with multiple observations per firm over time. To account for this fact and to control for all time-invariant heterogeneity across firms, we employed fixed-effects models. Thus, the coefficients represent *within-firm* effects over time. To account for multiple observations per firm, we used cluster-adjusted, heteroskedasticity-robust standard errors (Stock and Watson, 2008). Finally, we addressed the unbalanced nature of our data, that is, the fact that not all firms were observed in all years (e.g., due to the death or downsizing of some firms). We conducted a set of standard econometric tests and found no evidence of selection bias due to this issue.[6]

Fixed effects. We have taken several steps to address potential endogeneity concerns and to verify the robustness of our results. While our time-variant controls capture potentially relevant changes over time (in, for instance, the size or economic situation of firms and cities), our fixed-effects approach controls for *all*—including unobserved—steady differences between firms and between headquarters locations, including all stable aspects of the geographic, cultural, social, and political landscape of communities. Indeed, our statistical approach does not compare charitable giving by, for example, firms in Chicago and firms in Oklahoma City; rather, it compares a *given firm's* philanthropic contributions *at different points in time* (e.g., in the year of

[6] These tests involve adding to our models various selection indicators that capture (1) whether a firm in panel *t* was also included in panel *t-1*, (2) whether a firm was observed over all time periods, or (3) the total number of periods in which a firm was observed (e.g., Verbeek, 2008). As these indicators were insignificant, we did not find evidence for selection bias. As an additional test, we also used Heckman's (1979) approach to test for sample selectivity on waves of the panel as separate cross-sections, which yielded the same basic conclusion.

a particular event versus other periods). Thus, the possibility that a city might be more likely to host mega events or experience natural disasters than another would not affect our main analysis.

Reverse causality. We used numerous tests to rule out reverse causality. First, we ran community-level cross-sectional probit analyses, predicting the likelihood of hosting mega-events as a function of corporate giving by local firms and community size (see Rose and Spiege [2011]). The coefficient on corporate giving was insignificant throughout ($p > .40$), suggesting that communities with more generous local firms were *not* more likely to host mega-events. Second, we used multiepisode event history models (Hosmer and Lemeshow, 1999) and found that, after controlling for community size, giving by local firms in years t-5 to t-1 did not predict event hosting in year t. Third, we compared philanthropic trends in cities that bid for hosting rights to those where the event eventually took place. This analysis of actual hosts versus short-listed candidates should provide an apples-to-apples comparison (Greenstone et al., 2008). Thus, we compared donations by locally headquartered firms in Super Bowl host cities, candidate cites, and non-candidate cities.[7] As noted below, firms in these three types of cities had similar levels of giving before the event; however, in the event year, a marked increase in philanthropy occurred only in host cities. This suggests that our results were indeed driven by the occurrence of mega-events (rather than just bidding) and that events drove giving, rather than vice versa.

Triangulation: received contributions. Our main analyses focused on philanthropic donations *given* by firms. Yet, if our underlying theory is correct, we should also observe similar patterns when analyzing contributions *received* by local nonprofits. Thus, we tested the implications of

[7] We collected accurate and comprehensive data on all failed bids made during the finalist stage of voting for the Super Bowl. While similar data exist for the Olympics, there was only one unsuccessful U.S. Olympic bid during our period of interest, rendering a systematic analysis difficult. Comprehensive data on national convention bids are unavailable, particularly in the first half our sampling period.

our core hypotheses (H1, H2) at the community level as well, regressing contributions received by local nonprofits on event indicators, fixed effects, and controls. We collected data for this supplementary analysis from the National Center for Charitable Statistics.[8] As reported below, this analysis revealed highly similar patterns as our primary models.

RESULTS

Table 2 presents descriptive statistics and correlations. Most correlations are relatively low. Nevertheless, we conducted regression diagnostics to examine the variance inflation factor associated with our variables and found that multicollinearity did not pose a significant threat. Table 3 presents tests of Hypotheses 1 and 2. Models 7 and 8, on which we base most of our core conclusions, simultaneously include different types of mega-events and natural disasters. Table 4 examines the persistence of post-event effects. Table 5 tests our moderator hypotheses (H3-H6). Finally, Figure 1 provides examples to illustrate our findings.

--- Insert tables 2-5, and figure 1 about here ---

The Effect of Mega-Events (H1)

In Table 3, Models 1-3 separately examine the effect of each mega-event. Models 7 and 8 include all events simultaneously, estimating the net effect of different events in different periods. The conclusions that emerge from Models 7 and 8 are notably similar. The difference between these regressions is that Model 8 is estimated without control variables—but with various fixed effects—in order to include the full sample of 13,583 firm-years. Our findings of theoretical interest were robust to this sample. Finally, Model 9 presents our *community-level*

[8] The relevant database, known as the *Statistics of Income*, is based on annual IRS filings by all 501(c)(3) operating nonprofits above a minimum size threshold (see, for example, Boris and Steuerle [2006] and Marquis et al. [2012]).

analysis of philanthropic contributions *received* by local nonprofits.[9] The fact that donations given by locally headquartered firms (Models 7 and 8) and contributions received by local nonprofits (Model 9) exhibit highly similar patterns provides additional evidence for our overall framework.

Pre-event effect. Our results point to the potential of some mega-events to exert an ex ante influence on philanthropy but only in some cases (H1a). Models 7 and 8 indicate that the net pre-event increase in corporate giving was the largest in case of the Olympics, an effect that is significant at the .05 level (two-tailed test). We find no similar effect for national conventions and the Super Bowl, however. One possibility is that this difference is due to the significantly larger scale of the Olympics and the attendant mobilization effort.[10] Thus, our results provide only partial support for the ex ante impact of mega-events.

Same-year effect. Model 7 provides strong support for H1b, indicating a positive same-year effect of the Olympics and the Super Bowl. These effects are significant both statistically and in a practical sense. As the confidence intervals around our coefficients are wide, it may be misleading to infer the magnitude of effects from point estimates. Thus, we calculated effect sizes using a conservative approach based on the *smallest* value in each 95-percent confidence interval. Using this highly cautious method, based on the more conservative Model 7, we estimate the same-year effect of the Olympic Games and Super Bowls to be roughly thirty

[9] Because these data were available from 1987 to 2002, we did not have a sufficient number of community-level observations of Olympic Games to include the Olympics in these supplementary analyses. However, in the case of Super Bowls, national conventions, and different disaster types, this supplementary analysis shows highly similar patterns of coefficient sign and significance as our primary (firm-level) models.

[10] Another possibility was that our pre-event dummies, which were lagged by just one or two years, did not capture pre-event effects that had occurred even earlier. To investigate this possibility, we created event dummies lagged by 3-10 years for each type of mega-event. In a series of fixed-effects models, we examined the coefficients for these dummies but found no systematic pre-event effects on philanthropic spending.

percent and ten percent, respectively. As discussed below, these similar findings across different event types indicate the generality of our model connecting local events and corporate giving.

Post-event effect. Both Models 7 and 8 support H1c, showing a significant post-event increase from the Olympics and national conventions, and indicating similarly large practical effects as in the event year. We further explore post-event effects in Table 4. Although the positive effect of the Olympics weakened over time, it remained detectable for six years (Models 11 and 13). The post-convention increase in local corporate giving, which Model 7 has shown to exist two years after the event, does not seem to persist much longer than that. These findings confirm that the post-event increase in local firms' donations tapers off with time, rather than changing philanthropic behavior in the long run. Again, that these effects exist to varying degrees for local events as diverse as the Olympics and political conventions strengthens the generality of our framework. Figure 1 provides illustrative examples of the impact of mega-events.

The Effect of Natural Disasters (H2)

Hypothesis 2 predicted a negative effect in the case of severely damaging natural catastrophes and a positive effect in the case of smaller-scale disasters. We find support for this prediction. In Table 3, both Models 7 and 8 suggest that highly destructive disasters had a negative effect on charitable giving among locally headquartered firms, while small-scale disasters had a positive effect.[11] Standing between these extremes, medium-scale disasters had no measurable impact. The same patterns emerged from our community-level analysis (Model 9), showing that the most damaging disasters were associated with a reduction in the overall level of donations to the local nonprofit sector, while small-scale disasters were associated with an increase. This result

[11] In Models 7 and 8, the effect of major and small-scale disasters was most pronounced in the year after the disaster. This is not surprising because many disasters in the U.S. are hurricanes and other storms, which tend to occur late in the year (between June and late November) with their effects potentially spilling over into the next year.

suggests that the observed decrease in giving does not simply occur because major disasters cause firms to donate less overall but more (or as much as before) to local causes; rather, there indeed appears to be a reduction in corporate giving to the local nonprofit sector.

Organizational and Community Moderators (H3-H6)

To uncover the moderating influence of organizational and community factors, Table 5 presents tests of the interaction effects predicted in Hypotheses 3-6. To avoid multicollinearity problems, these interaction analyses focused on same-year effects as well as those pre-event and post-event effects for which we found evidence in our tests of H1 and H2.[12] In Models 15 and 16, which tested the organization-level moderators (H3, H4), we included these interactions for all mega-events and small-scale disasters. In Models 17 and 18, which tested the community-level moderators (H5, H6), we did not include the Olympics—the least frequent mega-event in our sample—in order to ensure a sufficient number of observations for every interaction.

We find some support for H3 and H5, as nearly half of the tested positive event effects were significantly greater in the case of firms with a high level of past contributions (H3), and half of the tested positive effects were stronger in communities with a higher degree of network cohesion (H5). The result regarding H3 was also robust to controlling for corporate foundation assets, a measure of philanthropic capacity (Model 15). In other words, firms without a strong history of prior giving and those located in communities with a less cohesive corporate network tended to have a relatively muted positive response to events. These findings are consistent with qualitative evidence suggesting that major community events foster particularly great expectations for local firms known for their history of philanthropy, and that the pressures for

[12] Additional analyses, in which interaction terms were entered one by one, or in smaller groups than in Table 5, have led to substantively similar conclusions as our main models.

philanthropy brought by events might be amplified in tight-knit local business communities (Bertels and Peloza, 2008).

At the same time, we find little evidence for the other two moderator hypotheses. Operating in an industry with an individual consumer focus (H4) or in an economically strong community (H6) did not consistently strengthen the positive event effects. Although somewhat surprising, the lack of evidence for H4 is in line with Galaskiewicz's (1985, 1997) previous finding that dependence on consumer sales is not a consistent predictor of philanthropic behaviors. The lack of support for H6, in turn, suggests that the positive event effects occurred in both strong and weak local economies; thus, it was differences in local network cohesion, rather than economic weight, that drove community-level variation.[13]

Robustness Checks

As noted throughout the previous sections, we have conducted a variety of robustness checks (such as using different definitions to define disaster thresholds or running community-level analyses of received donations), and these analyses supported our main findings. In addition to these analyses, we considered alternative explanations based on a strategic view of philanthropy as a marketing activity; we address this alternative perspective in Appendix A. Finally, as explained in the Methods section, one important additional analysis was the comparison of philanthropic giving in Super Bowl host cities, candidate cites, and cities that neither hosted nor bid for the event. Table B1 (in Appendix B) presents some of these results. Models B1 and B2 include variables indicating whether the focal firm was located in a community that was a host or an unsuccessful bidder for an upcoming Super Bowl. Firms in communities that did not bid for a

[13] In supplementary analyses, we found that firm age and size did not consistently moderate the effects of mega-events and natural disasters, suggesting that these events affect the philanthropic spending of firms both large and small, and old and young.

Super Bowl during the relevant period constitute the reference category. This analysis suggests that, prior to the event, there were no significant differences in the level of philanthropy across firms headquartered in host cities, candidate cities, and non-candidate cities. Post-estimation tests show that the host and candidate pre-event coefficients were indistinguishable from each other and from zero (i.e., the non-bidders). We came to the same conclusion when estimating these effects at t+1, t+2, t+3, t+4, and t+5 separately. In the event year itself, however, the clear increase in giving that we observed in our main models only occurred in the host cities, as indicated by the coefficient on same-year hosting (Model B2). Thus, we observed similar philanthropic patterns across hosts, candidates, and non-candidates prior to the Super Bowl, but hosts' patterns diverged sharply in the event year, even in comparison to candidates. These results suggest that our core result in this case is robust even when evaluated vis-à-vis candidate cities, and that the hosting of mega-events drove philanthropic trends, rather than the reverse.

DISCUSSION AND CONCLUSION

This study contributes to the institutional and community literatures by showing that communities shape organizations not simply because of their enduring features but also because punctuating events are geographically distributed, which allows communities to play a critical role in determining organizations' exposure to major events. In particular, we studied how punctuating events within communities affected the philanthropic contributions of locally headquartered corporations in the U.S. between 1980 and 2006. Three main findings have emerged. First, we not only documented that actively solicited mega-events exerted a positive effect in the event year but also revealed more complex temporal dynamics. In some cases, the effects on corporate philanthropy were visible two years prior to the event and lasted up to six years—before eventually tapering off. Second, as we predicted, the impact of destructive

exogenous events was contingent on their magnitude: while major natural disasters depressed philanthropic spending by local corporations, smaller-scale disasters stimulated it. Third, we found that organizational and community factors—capturing organizations' susceptibility to philanthropic expectations and the strength of community influences on firms—moderated some of the event effects. Taken together, these findings offer several theoretical contributions: they demonstrate the theoretical utility of an emplaced and eventful perspective; highlight the importance of temporal dynamics and magnitude in understanding punctuations; and shed light on the role of punctuating events in recursive institutional processes and corporate social practices.

An Emplaced and Eventful Perspective

In recent years, organizational scholars have revived interest in the effects of local geography and argued that, despite increasing globalization, local factors have remained critically important in understanding organizations and their actions. Thus, an important element of our perspective is the notion that organizational fields can form around local communities (Warren, 1967; Marquis et al., 2012), rather than just markets, technologies, or issues (Hoffman, 1999). Building on this insight, we advance the literature on communities and institutions by highlighting a basic mechanism for local influences that is fundamentally different from the mechanisms identified in most prior research. We argue that communities matter not only as relatively stable contexts with persistent features but also as sites of rare events that occasionally punctuate this stability. Thus, geographic location not only determines enduring institutional conditions but also demarcates which organizations are exposed to the impact of different punctuating events. Communities matter both as sites of persistence and as sites of punctuation.

This conclusion demonstrates the value of juxtaposing emplaced (Gieryn, 2000) and eventful (Sewell, 2005) theoretical perspectives (Table 1). This juxtaposition has enabled us to provide insights that we could not have developed otherwise. A sole focus on geographic location would have highlighted stable community influences but would have missed the impact of events; an eventful but un-emplaced approach would have emphasized the role of events in non-local fields—for example, at the industry or national level—but would have missed the local nature of key events. Neither approach would have predicted the dramatically fluctuating patterns that we observed; only by recognizing the simultaneous importance of events and geography could we identify these previously unrecognized patterns, which in turn have major implications for understanding the dynamics of events and fields, institutional recursivity, and the nature of corporate social practices.

Events and Fields: Temporal Dynamics and Event Magnitude

Prior research has shown that significant events—such as regulatory changes (e.g., Fligstein, 1990), catastrophes (e.g., Hoffman, 1999), or other highly publicized dramatic events (e.g., Meyer, 1982; Pride, 1995)—can trigger organizational change in fields. Our focus on events in communities goes beyond this work in a number of ways. First, we bring to the analysis of social phenomena a key insight from the original theory of punctuated equilibrium in the natural sciences. As Eldredge and Gould's (1972) emphasized, rapid events of change take place within particular geographic boundaries, rather than affecting populations across the board; therefore, change stems from the "differential… deployment of these punctuations" to populations located in different areas (Gould, 1980: 84). We develop this insight in a social context to show that communities influence organizations because punctuations are geographically distributed. Further, as we elaborate this insight, we highlight the importance of considering both the

temporal dynamics and the magnitude of punctuating events.

First, a unique aspect of our framework is its emphasis on how a single event may shape organizational behavior at three distinct temporal stages: before, during, and after the event. The first part of our theorizing focused on pre-event effects and suggested that preparation for a local mega-event can increase the salience of local identity and needs and strengthen the local corporate-nonprofit network even before the event transpires. Accordingly, we documented substantial pre-event changes in philanthropic giving in case of the Olympics. Although still years away, the prospect of the Games had a significant effect on the behavior of locally headquartered firms. In prior research, both institutional and strategy scholars focused mostly on what happens during and after punctuating events (Lampel and Meyer, 2008; Romanelli and Tushman, 1994). The possibility that the organizational consequences of an event might predate the event itself by a significant amount of time has remained largely unrecognized. Although researchers noted that there might be proactive organizational changes in anticipation of possible future environmental shifts (Nadler and Tushman, 1995; Drazin, Glynn, and Kazanjian, 2003), these models focused on the role of anticipation in adjustment and have not considered specific changes that occur in advance of punctuating events. In contrast, our results suggest that an important aspect of some punctuating, field-configuring events might be that they can trigger changes even before they take place. At the same time, we only detected an ex ante philanthropic surge in case of the Olympics. On the one hand, this result is consistent with the extensive community efforts necessary to stage the Olympics; on the other hand, this finding also suggests that significant pre-event changes occur only in some circumstances.

Moreover, we have found that local corporations continue to make larger philanthropic contributions even after the event in question has occurred. That significant mega-events would lead to fundamental transformations is consistent with the rhetoric of event promoters and organizers, as well as organizational theories that emphasize the potential of major institutional shifts to create permanent change (Romanelli and Tushman, 1994; Stinchcombe, 1965). In case of the Olympics, for example, the notion of the "Olympic Legacy"—referring to indented lasting changes in the host city—"has become an integral and institutionalized part of this event" (Glynn, 2008: 1123). However, as we observed, the surge in corporate giving did not become permanent; at the most, the effects of the Olympics were detectable six years later. An intriguing question for future research is why such changes persist for a while and then fade away, with firms eventually returning to their pre-event patterns of giving. With regard to the mechanisms we propose, these findings may relate to the episodic nature of corporate-nonprofit linkages. Since funding relationships are sometimes multi-year, there is perhaps a natural expiration to some of the connections that are established as a result of a mega-event. We encourage future research to understand the various mechanisms whereby post-event effects may last, including the philanthropic agreements that firms might enter in the wake of major events.

Complementing our focus on mega-events, our analysis of natural disasters contributes to understanding the importance of event magnitude in punctuated change processes. Most research in this area has essentially treated such events dichotomously, comparing organizational outcomes under the occurrence and nonoccurrence of events. In contrast, our findings suggest that disruptive exogenous events may be more fruitfully viewed as occurring along a *continuum* and may exert very different effects depending on their strength. While less severe disasters had a positive effect, highly destructive disasters had a negative effect. Crucially, had we treated

natural disasters dichotomously, we might have inferred no relationship between disasters and our dependent variable. Furthermore, conceived in this way, our mega-event findings also shine light on the importance of event magnitude. The Olympics, arguably the mega-event with the greatest magnitude in our sample, exerted the strongest pre-event and post-event effects. Considered together, these findings suggest that there is a complex relationship between the strength of different types of events and the resultant organizational actions. Thus, a critical question is not just whether an event of a given type occurs but how strong its magnitude is. Prior research has shown that the effect of an event might vary across organizations (Meyer, 1982) and historical contexts (Hoffman, 1999). By highlighting another contingent factor—event magnitude—we push research in a new direction to understand the complex dynamics of events and organizational responses.

--- Insert table 6 about here ---

At a more general level, Table 6 presents a typology of our findings organized along the above-discussed theoretical dimensions—event type and event magnitude—showing how these factors interact to shape the nature and temporal dynamics of event effects. This typology is one step toward a more nuanced conception of how the consequences of events unfold. As noted, while punctuating events received much attention in several fields (e.g., Romanelli and Tushman, 1994; Lampel and Meyer, 2008), there is only limited understanding of how the effects of these events manifest themselves at different temporal stages. As our results indicate, this inattention might obscure important event effects and variation in their timing.

While our typology sheds some light on how the basic characteristics and magnitude of events shape their consequences at distinct periods, we also recognize that some aspects of our setting may limit generalizability. First, our organizational outcome of interest, philanthropic giving,

depends particularly strongly on social-normative processes (Marquis et al., 2007); thus, we encourage future researchers to examine how local punctuating events affect other organizational decisions and behaviors. Second, while a strength of our investigation is that it includes several different types of events, future work might further elaborate our typology in the context of other punctuating events, drawing on our distinctions between exogenous and endogenous events, high- and low-magnitude events, and the three basic temporal stages of event effects.

Endogenous Events and Institutional Recursivity

As noted above, a key element of our theorizing is a distinction between exogenous and endogenous events. While much research has focused on exogenous jolts, our analysis of mega-events has revealed key aspects of events that arise at least partly endogenously from community fields. This analysis contributes to institutional theory, not only by uncovering the temporal dynamics of event effects, but also by highlighting the recursive relationship between events and fields. On the one hand, prior research has documented the effect of local factors on a community's chances of hosting a mega-event (Burbank et al., 2001; Glynn, 2008). On the other hand, our results suggest that these events themselves may affect local social-normative processes that underlie corporate giving. Thus, there is a recursive dimension to the processes at play: mega-events are partially products of local conditions, but their influence feeds back to affect local organizations. As Glynn (2008: 1138) speculated, "there may be a circularity to field-configuring events such that they arise from the endogenous capabilities of fields but, once in place, function through relational and symbolic systems to change those systems." We find support for this conjecture. Although our dependent variable captures an outcome of local social-normative systems, rather than those systems themselves, our findings are consistent with the notion that a punctuating event can significantly affect actors in the field from which it arose in

the first place. Thus, by identifying partly endogenous events as cases of institutional recursivity, we contribute to institutional theory, which has been criticized for paying only scant attention to recursive processes (Barley and Tolbert, 1997; Hirsch, 1997). We emphasize that such processes may manifest themselves in organized, public events and play out in local fields. More generally, while extant theory has focused on recursivity between institutional conditions and agents (Giddens, 1984; Sewell, 1992), we point to the recursive dimension of punctuating events.

Corporate Social Practices and Corporate-Community Relations

Numerous scholars have called for research that shifts attention from the financial impact of corporate social practices to their antecedents (Margolis et al., 2011) and examines the effect of events (Margolis and Walsh, 2003) and communities (Marquis et al., 2007) on corporate social behaviors. By focusing on events within communities, we have developed a broader understanding of local influences on corporate social practices. While prior work focused on how corporate social involvement depends on the "*ongoing* vibrancy of business-civic connections that pervades some communities *year after year*" (Marquis et al., 2007: 940; emphasis added), we revealed how punctuating events intensify or dampen that vibrancy, causing significant fluctuations in giving. More generally, our work contributes to research on corporate-community relations (Galaskiewicz, 1997; Marquis et al., 2012). While some of this literature has focused on how corporations extract benefits from communities (e.g., Logan and Molotch, 1987), we suggest that, through public expectations associated with local punctuating events, a community might influence locally headquartered companies in a way that benefits the community and its nonprofit sector—at least temporarily. Yet, not all communities are equally capable of exerting such demands; nor are organizations equally susceptible to them. Firms with little prior giving and those in communities with a less cohesive corporate network were less susceptible to

pressures for increased contributions, indicating that philanthropic responses depend not only on the nature of events but also on individual firm histories and local network structures.

Conclusion

Even in a global age, local communities represent a critical context for organizational behavior. This study highlights an important but understudied aspect of that context: local punctuating events. In so doing, this paper speaks not only to the organizational literature on communities and institutions but also to a broader literature on place—a physical, geographic location that is invested with meaning and value. Theorists increasingly call for an exploration of how place matters for social phenomena, and thus far, most responses to this question have focused on how place "stabilizes and gives durability to social structural categories," "arranges patterns of face-to-face interaction that constitute network-formation" and "embodies otherwise intangible cultural norms, identities, memories" (Gieryn, 2006: 473). We emphasize a different social mechanism by which place matters: the geographic distribution of punctuations that interrupt the life course of local actors. The English language is expressive in this regard. When an event occurs, it *takes place*—it prevails in a particular locale, introducing its own dynamics. We hope our study will stimulate more research into how such dynamics affect organizations.

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Table 1

Four Broad Approaches to Organizational Phenomena in Fields

Eventful	Emplaced: Yes	Emplaced: No
Yes	**Focus:** The organizational implications of significant events within geographic communities. **Examples:** ▪ Glynn (2008): The 1996 Atlanta Olympics reconfigured networks of local organizations. ▪ The present study: Given that punctuating events are geographically distributed, location in a particular community determines organizations' differential exposure to punctuating events.	**Focus:** Events in non-local fields, such as fields formed around a market, technology, or issue. **Examples:** ▪ Romanelli and Tushman (1994): Major environmental technical change led to organizational transformations. ▪ Hoffman (1999): Key national events (e.g., publication of *Silent Spring*, Earth Day) trigger evolution of environmentalism as an issue and hence the related institutional field.
No	**Focus:** How the enduring social-normative features of local communities affect organizations. **Examples:** ▪ Galaskiewicz (1991, 1997): Minneapolis business leaders created durable institutions to maintain corporate philanthropy even in the face of major changes. ▪ Marquis (2003): Historical patterns related to industrialization have longstanding effects on communities' social-normative environments.	**Focus:** The organizational implications of stability or general trends, rather than particular events, in non-local contexts. **Examples:** ▪ DiMaggio and Powell (1983): Importance of field-level processes—such as mimesis, norms, and coercion—in fostering similarity of organizational features within fields. ▪ Meyer et al. (1997): Global institutions spread as a general trend through worldwide social and trade networks, not as a function of local conditions or punctuating events.

Table 2

Descriptive Statistics and Correlations

Variable	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1. Philanthropic contributions	6.974	7.008																			
2. National convention at t+2	.024	.153	.010																		
3. National convention at t	.041	.198	.021	-.034																	
4. National convention at t-2	.037	.188	.008	-.032	-.036																
5. Olympics at t+2	.005	.071	.020	-.007	-.008	-.007															
6. Olympics at t	.005	.069	.008	-.011	-.013	-.012	-.003														
7. Olympics at t-2	.005	.068	-.004	-.013	-.015	-.014	-.003	-.005													
8. Super Bowl at t+1	.013	.113	-.021	-.017	-.019	-.018	-.004	-.006	.492												
9. Super Bowl at t	.014	.118	.022	.002	-.022	.028	.342	-.007	-.009	-.011											
10. Super Bowl at t-1	.013	.114	-.029	-.020	-.022	-.021	-.005	.385	-.009	-.011	-.013										
11. Major disaster at t	.025	.156	-.007	-.024	-.027	-.025	-.006	-.009	-.011	-.014	-.016	.141									
12. Major disaster at t-1	.022	.147	-.031	-.031	.015	.057	-.007	-.011	-.013	.000	-.020	-.020	.025								
13. Medium disaster at t	.039	.194	-.005	.079	-.041	.033	.188	-.014	-.016	-.006	.074	-.024	.183	.009							
14. Medium disaster at t-1	.046	.210	-.020	.008	-.018	-.045	-.010	.177	-.019	-.024	.096	.201	.043	-.043	.168						
15. Small-scale disaster at t	.113	.317	-.032	-.024	-.047	.112	.112	.119	.063	.068	.003	.040	-.019	-.043	.191	.001					
16. Small-scale disaster at t-1	.131	.337	-.027	-.001	.012	.131	-.016	.104	-.030	.055	-.046	.190	.006	.026	.170	.301	.113				
17. History of philanthropy	7.449	6.637	.756	-.001	.013	.007	.023	.013	-.001	-.019	.015	-.019	-.007	-.017	-.009	-.021	-.040	-.014			
18. Consumer orientation	.554	.497	.071	.022	.021	.003	-.020	-.027	-.009	.009	-.036	-.014	-.024	-.046	-.061	-.052	-.049	-.049	.070		
19. Local network cohesion	.258	.173	.037	.055	.054	.035	.038	.047	.045	.032	.075	.040	.062	-.025	.070	.057	.056	.073	.026	.022	
20. Local govt. revenue	15.957	1.506	.059	.207	.216	.184	.021	.063	.081	.102	.039	.112	.042	.035	.037	.096	-.014	.099	.060	.036	.390
21. Foundation assets	6.636	7.432	.808	.006	.019	-.010	.018	.010	-.004	-.018	.011	-.030	-.026	-.029	-.024	-.026	-.041	-.041	.707	.099	.028
22. Age	2.610	1.001	.217	.020	.014	.032	-.008	.007	-.016	-.005	-.015	-.009	.002	-.008	-.039	-.017	-.054	-.013	.263	-.046	-.004
23. Sales	7.901	1.153	.273	.048	.056	.051	.021	.008	-.001	-.019	.022	-.016	-.006	.070	.020	.055	.007	.030	.277	.032	-.094
24. Earnings	305.6	1593	.164	.030	.026	.062	.005	.002	.002	-.017	-.006	-.013	-.009	.038	.004	.020	-.022	.043	.170	.052	-.018
25. ROA	.041	.438	.047	.004	-.012	.008	.015	.010	.005	-.009	-.002	.002	-.003	-.006	.000	.005	-.004	-.020	.043	.027	-.007
26. Employees	2.712	1.085	.242	.038	.033	.021	.020	.022	.029	.005	-.009	.012	-.013	.007	-.008	.005	-.039	-.004	.247	.134	-.024
27. Population	14.325	1.245	.053	.194	.212	.183	.021	.065	.078	.092	.052	.101	.043	.067	.043	.098	.026	.120	.057	.032	.382
28. Per capita income	34614	7878	.031	.046	.065	.079	-.019	-.036	-.025	-.052	-.018	-.056	-.039	.092	-.010	.111	-.045	.056	.034	-.051	-.126
29. Republican governor	.548	.498	.039	-.037	-.034	.074	-.045	.017	.011	.066	.002	.081	.089	-.050	-.024	.083	-.054	.028	.057	.004	.010
30. Upper-class social club	.498	.500	.129	.158	.185	.174	.038	.061	.073	.049	.102	.051	.036	.066	.068	.058	.088	.107	.135	.008	.481

Variable	20	21	22	23	24	25	26	27	28	29
21. Foundation assets	.046									
22. Age	.098	.182								
23. Sales	.137	.237	.206							
24. Earnings	.086	.153	.077	.412						
25. ROA	-.007	.052	.033	.078	.214					
26. Employees	.153	.237	.253	.730	.275	.067				
27. Population	.978	.037	.084	.175	.098	-.008	.153			
28. Per capita income	.273	-.015	.045	.268	.156	.034	.108	.299		
29. Republican governor	.077	.027	.053	.074	.050	-.001	.034	.094	.129	
30. Upper-class social club	.684	.103	.095	.093	.063	-.005	.094	.687	.063	.039

Table 3

Fixed-Effects Models Predicting Philanthropic Contributions (H1, H2)*

Variable	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9†
H1a: Mega-Events (pre-event)									
Olympics at t+2	1.54•						1.63•	1.50•	
	(.726)						(.82)	(.74)	
National convention at t+2		.06					.04	.02	.02
		(.294)					(.230)	(.28)	(.08)
Super Bowl at t+1			.58				.070	.33	-.02
			(.522)				(.60)	(.55)	(.06)
H1b: Mega-Events (same year)									
Olympics at t	1.53•						1.83•	2.10••	
	(.714)						(.76)	(.70)	
National convention at t		.05					.09	.10	.18•
		(.252)					(.25)	(.24)	(.08)
Super Bowl at t			.83•				.90•	.86•	.11•
			(.403)				(.42)	(.39)	(.06)
H1c: Mega-Events (post-event)									
Olympics at t-2	1.54•						1.87•	1.40•	
	(.694)						(.76)	(.70)	
National convention at t-2		.54•					.56•	.50•	.14•
		(.251)					(.25)	(.24)	(.07)
Super Bowl at t-1			.23				.48	.36	-.03
			(.476)				(.50)	(.47)	(.06)
H2: Natural Disasters									
Major disaster at t				-.59			-.31	-.25	-.02
				(.324)			(.33)	(.31)	(.04)
Major disaster at t-1				-.67•			-.68•	-.65•	-.09•
				(.329)			(.33)	(.32)	(.04)
Medium disaster at t					.34		.32	.23	-.02
					(.261)		(.266)	(.25)	(.03)
Medium disaster at t-1					.06		-.02	-.07	-.00
					(.254)		(.267)	(.25)	(.04)
Small-scale disaster at t						.14	.03	-.05	.04•
						(.165)	(.176)	(.17)	(.02)
Small-scale disaster at t-1						.23	.35•	.29•	.07•••
						(.155)	(.16)	(.14)	(.02)
Controls									
Age	.97•••	.96•••	.96•••	.97•••	.97•••	.96•••	.97•••		
	(.165)	(.165)	(.165)	(.165)	(.166)	(.165)	(.166)		
Sales	.59••	.59••	.59••	.59••	.59••	.59••	.59••		
	(.197)	(.197)	(.197)	(.197)	(.197)	(.197)	(.197)		
Earnings	.00004	.00004	.00004	.00004	.00004	.00004	.00004		
	(.00003)	(.00003)	(.00003)	(.00003)	(.00003)	(.00003)	(.00003)		
ROA	.08	.08	.09	.08	.08	.08	.08		
	(.112)	(.112)	(.112)	(.112)	(.112)	(.112)	(.112)		
Employees	.49•	.50•	.50•	.50•	.50•	.50•	.50•		
	(.206)	(.206)	(.206)	(.206)	(.206)	(.206)	(.206)		
Population	1.31	1.41	1.29	1.48	1.28	1.38	1.55		.98•••
	(1.035)	(1.040)	(1.035)	(1.039)	(1.035)	(1.038)	(1.049)		(.11)
Per capita income	.00004	.00005	.00004	.00004	.00004	.00004	.00004		.00001•••
	(.00003)	(.00003)	(.00003)	(.00003)	(.00003)	(.00003)	(.00003)		(.000003)
Local government revenue	-.39	-.49	-.44	-.45	-.47	-.44	-.44		.33•••
	(.663)	(.664)	(.663)	(.663)	(.664)	(.663)	(.665)		(.04)
Republican governor	.01	.02	.03	.02	.04	.03	.04		-.02
	(.115)	(.115)	(.115)	(.115)	(.115)	(.115)	(.117)		(.01)
Upper-class social club	-1.36	-1.40	-1.24	-1.79	-1.08	-1.53	-1.99		
	(5.719)	(5.724)	(5.720)	(5.726)	(5.72)	(5.729)	(5.743)		
Fixed Effects									
Firm	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Year	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Community	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Constant	-12.26	-12.47	-11.81	-13.72	-11.34	-12.72	-14.59	10.49•	.28
	(12.206)	(12.219)	(12.198)	(12.232)	(12.194)	(12.237)	(12.322)	(4.29)	(1.35)
Observations	11,769	11,769	11,769	11,769	11,769	11,769	11,769	13,583	2,723
Adjusted R^2	.623	.622	.622	.622	.622	.622	.623	.615	.885

• $p < .05$, •• $p < .01$, ••• $p < .001$; two-tailed tests.

* Standard errors are in parentheses. Given the nature of our data as described in the Methods section, our pre-event and post-event indicators for the Olympics and national conventions used two-year lags. In case of the Super Bowl, we were able to use both one-year and two-year lags; we used one-year lags in our main analyses, but our robustness checks have produced substantively identical results when using two-year lags for the Super Bowl.

† Community-level analysis of contributions received by local nonprofits from 1987 to 2002. Within this time period, we did not have a sufficient number of community-level observations of Olympic Games to include the Olympics indicators. However, in the case of Super Bowls, national conventions, and different disaster types, this supplementary analysis shows highly similar patterns of coefficient sign and significance as our primary (firm-level) models.

Table 4

Fixed-Effects Models Examining the Persistence of Post-Event Effects*

Variable	Model 10	Model 11	Model 12	Model 13	Model 14
Olympics					
Olympics in past 4 years	1.39•				
	(.599)				
Olympics in past 6 years		1.30•			
		(.530)			
Olympics in past 8 years			.21		
			(.573)		
Olympics in past 4-6 years				1.11•	.69
				(.565)	(.693)
Olympics in past 8-10 years					-.37
					(.752)
National Conventions					
National convention in past 4 years	.51•				
	(.218)				
National convention in past 6 years		.15			
		(.222)			
National convention in past 8 years			-.07		
			(.241)		
National convention in past 4-6 years				.23	.28
				(.229)	(.240)
National convention in past 8-10 years					.19
					(.274)
Other Event Effects					
Olympics at t+2	1.41	1.37	1.1	1.70•	1.54
	(.822)	(.819)	(.870)	(.833)	(.882)
Olympics at t	2.01•	2.04•	1.69•	2.09••	1.92•
	(.794)	(.793)	(.810)	(.789)	(.840)
Olympics at t-2				1.87•	1.70•
				(.775)	(.826)
National convention at t+2	.08	.02	-.12	.15	.15
	(.301)	(.315)	(.332)	(.308)	(.309)
National convention at t	.17	.08	-.05	.16	.23
	(.265)	(.278)	(.304)	(.260)	(.282)
National convention at t-2				.53•	.59•
				(.262)	(.281)
Super Bowl at t+1	.30	.40	.39	.11	.22
	(.583)	(.566)	(.597)	(.599)	(.624)
Super Bowl at t	.85•	.86•	.88•	.86•	.86•
	(.420)	(.416)	(.417)	(.418)	(.418)
Super Bowl at t-1	-.70	-.63	-.55	-.55	-.47
	(.529)	(.508)	(.509)	(.508)	(.524)
Major disaster at t	-.29	-.38	-.34	-.35	-.32
	(.335)	(.334)	(.334)	(.334)	(.339)
Major disaster at t-1	-.65•	-.63•	-.65•	-.66•	-.66•
	(.319)	(.319)	(.319)	(.319)	(.319)
Medium disaster at t	.32	.24	.29	.27	.27
	(.266)	(.268)	(.268)	(.268)	(.268)
Medium disaster at t-1	.03	.03	-.05	.04	.04
	(.269)	(.271)	(.273)	(.269)	(.269)
Small-scale disaster at t	-.00	.01	.00	-.02	-.02
	(.176)	(.176)	(.177)	(.176)	(.177)
Small-scale disaster at t-1	.32•	.36•	.36•	.34•	.35•
	(.162)	(.162)	(.161)	(.162)	(.163)
Controls and Fixed Effects					
Age, sales, controls, and fixed effects from Table 3	Yes	Yes	Yes	Yes	Yes
Constant	-13.94	-12.63	-13.21	-13.18	-14.07
	(12.331)	(12.380)	(12.484)	(12.360)	(12.506)
Adjusted R^2	.623	.623	.622	.623	.623

• $p < .05$, •• $p < .01$, ••• $p < .001$; two-tailed tests.

Table 5. **Fixed-Effects Models Predicting Corporate Philanthropic Contributions (H3-H6)**

Model 15: History of philanthropy (H3)*		**Model 16: Consumer Orientation (H4)**		**Model 17: Local Network Cohesion (H5)**		**Model 18: Economic Strength of Community (H6)**	
Interaction terms		*Interaction terms*		*Interaction terms*		*Interaction terms*	
Olympics at t+2 × History of philanthropy	.25	Olympics at t+2 × Consumer orientation	.24				
	(.26)		(1.49)	National conv. at t × Local network cohesion	3.93•	National conv. at t × Local govt. revenue	.24
Olympics at t × History of philanthropy	.31•	Olympics at t × Consumer orientation	1.65		(2.00)		(.31)
	(.13)		(1.43)	National conv. at t-2 × Local network cohesion	7.86••	National conv. at t-2 × Local govt. revenue	.10
Olympics at t-2 × History of philanthropy	.14	Olympics at t-2 × Consumer orientation	1.93		(2.89)		(.33)
	(.11)		(1.37)	Super Bowl at t × Local network cohesion	.10	Super Bowl at t × Local govt. revenue	1.12
National conv. at t × History of philanthropy	.01	National conv. at t × Consumer orientation	.89		(2.60)		(.70)
	(.04)		(.47)	Small disaster at t × Local network cohesion	2.05•	Small disaster at t × Local govt. revenue	-.09
National conv. at t-2 × History of philanthropy	.08•	National conv. at t-2 × Consumer orientation	.76		(1.02)		(.14)
	(.04)		(.47)	Small disaster at t-1 × Local network cohesion	1.99•	Small disaster at t-1 × Local govt. revenue	.01
Super Bowl at t × History of philanthropy	.22•	Super Bowl at t × Consumer orientation	.75		(1.01)		(.14)
	(.08)		(.83)				
Small disaster at t × History of philanthropy	.03	Small disaster at t × Consumer orientation	.25				
	(.03)		(.33)				
Small disaster at t-1 × History of philanthropy	.02	Small disaster at t-1 × Consumer orientation	-23				
	(.03)		(.30)				
Individual variables		*Individual variables*		*Individual variables*		*Individual variables*	
History of philanthropy	.16•••	Consumer orientation	-.30	Local network cohesion	-1.92••	Local govt. revenue	-.38
	(.02)		(.37)		(.67)		(.67)
Olympics at t+2	2.97	Olympics at t+2	1.32	Olympics at t+2	1.74•	Olympics at t+2	1.60•
	(3.35)		(1.01)		(.85)		(.80)
Olympics at t	-1.78	Olympics at t	1.14	Olympics at t	1.93•	Olympics at t	2.03••
	(1.64)		(1.99)		(.76)		(.76)
Olympics at t-2	.08	Olympics at t-2	.74	Olympics at t-2	1.87•	Olympics at t-2	1.71•
	(1.28)		(1.01)		(.77)		(.77)
National conv. at t+2	-.10	National conv. at t+2	.10	National conv. at t+2	.06	National conv. at t+2	.11
	(.50)		(.30)		(.30)		(.30)
National conv. at t	.04	National conv. at t	-.40	National conv. at t	-1.17	National conv. at t	-4.07
	(.34)		(.36)		(.98)		(5.45)
National conv. at t-2	-.13	National conv. at t-2	.06	National conv. at t-2	-1.79••	National conv. at t-2	-1.04
	(.51)		(.36)		(.87)		(5.76)
Super Bowl at t+1	-1.12	Super Bowl at t+1	.02	Super Bowl at t+1	-.02	Super Bowl at t+1	.20
	(.74)		(.60)		(.62)		(.60)
Super Bowl at t	-.33	Super Bowl at t	.49	Super Bowl at t	.60	Super Bowl at t	-18.00
	(.89)		(.52)		(.99)		(11.67)
Super Bowl at t-1	-1.26	Super Bowl at t-1	-.54	Super Bowl at t-1	-.56	Super Bowl at t-1	-.48
	(.82)		(.50)		(.52)		(0.51)
Small-scale disaster at t	.32	Small-scale disaster at t	-.08	Small-scale disaster at t	-.44	Small-scale disaster at t	1.47
	(.30)		(.23)		(.37)		(2.28)
Small-scale disaster at t-1	-1.20	Small-scale disaster at t-1	.27	Small-scale disaster at t-1	-.38	Small-scale disaster at t-1	.01
	(.64)		(.21)		(.33)		(2.22)
Constant	-17.4	Constant	-13.8	Constant	-27.1•	Constant	-14.2
	(16.6)		(12.3)		(13.6)		(12.3)
Controls, fixed effects, and from Table 3	Yes*	All controls and fixed effects from Table 3	Yes	All controls and fixed effects from Table 3	Yes	All controls and fixed effects from Table 3	Yes
Observations	7,189	Observations	11,769	Observations	10,855	Observations	11,769
Adjusted R^2	.662	Adjusted R^2	.623	Adjusted R^2	.627	Adjusted R^2	.623

* In addition to all controls and fixed effects from Table 3, this model also controls for corporate foundation assets.

• $p < .05$, •• $p < .01$, ••• $p < .001$; two-tailed tests.

Table 6

Event Types and Magnitudes: A Typology of Event Effects

Event Magnitude	Event Type: Actively Solicited (Endogenous) Event	Event Type: Destructive Exogenous Event
High	**STRONG POSITIVE EFFECT** ▪ **Temporal dynamics:** Strong short-term effect as well as significant pre-event and lingering post-event effects. ▪ **Example:** Olympic Games	**NEGATIVE EFFECT** ▪ **Temporal dynamics:** Negative effect in the short-term aftermath of the event; because the event is unplanned, there are no pre-event effects. ▪ **Example:** Large-scale natural disasters
Low/Moderate	**MODEST POSITIVE EFFECT** ▪ **Temporal dynamics:** Modest positive effect limited to the short term; pre-event and long-term post-event effects are relatively weak. ▪ **Example:** Super Bowl, National Conventions	**MODEST POSITIVE EFFECT** ▪ **Temporal dynamics:** Modest positive effect in the short-term aftermath of the event; because the event is unplanned, there are no pre-event effects. ▪ **Example:** Small-scale natural disasters

Figure 1. Illustrative Examples of the Effect of Mega-Events.

Figure 1a. Average Philanthropic Spending Per Sales in Los Angeles, 1974-1994.

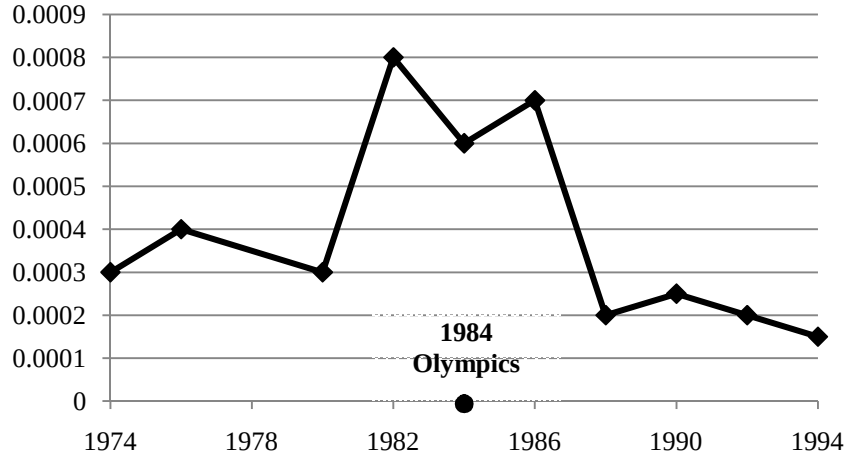


Figure 1b. Average Philanthropic Spending Per Sales in Houston, 1986-1996.

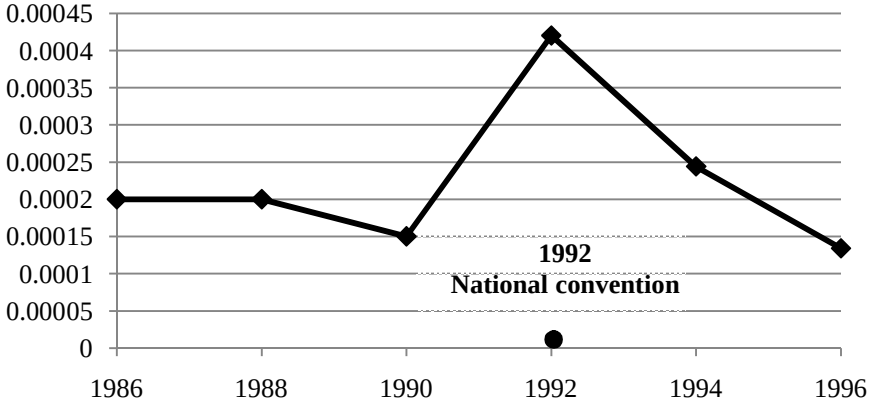
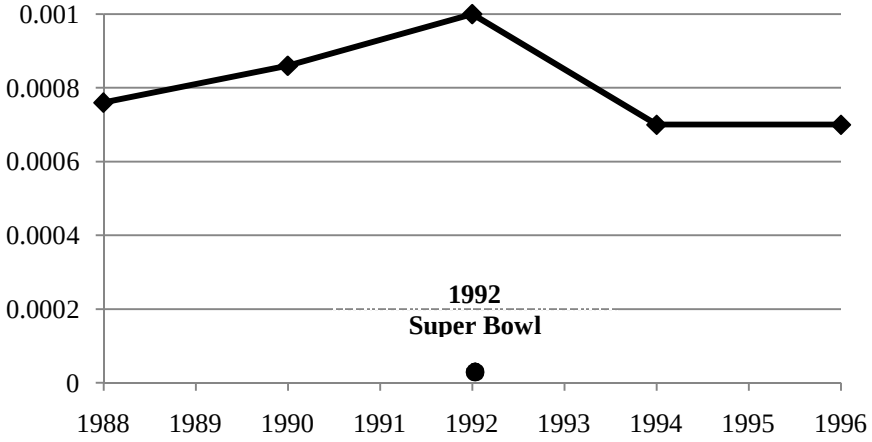


Figure 1c. Average Philanthropic Spending Per Sales in the Twin Cities, 1986-1996.



APPENDIX A
Strategic Philanthropy and Marketing Considerations

Consistent with strategy-based explanations for philanthropy (e.g., Porter and Kramer, 2002), as a mega-event draws attention to the host community, it might temporarily increase the marketing value of corporate giving. While we maintain that strategic considerations play a role in philanthropy, there are several reasons why this cannot fully account for our results. First, we documented effects on philanthropy even years after some of the events ended. Arguments about heightened visibility during mega-events cannot account for this result. Second, there is often a much more direct and visible way than charitable donations to shine in the spotlight of a mega-event: commercial sponsorship of the event itself (Glynn, 2008)—a type of marketing expenditure that is distinct from philanthropy and is explicitly excluded from our dependent variable.[14] Third, the above strategy-based explanation cannot fully explain why it is local firms that are particularly likely to increase their contributions in response to mega-events. Indeed, seizing strategic opportunities for philanthropy that may arise from mega-events is not unique to local firms; corporations outside the host community frequently tie strategic philanthropy initiatives to mega-events (e.g., Babiak and Wolfe, 2006). Thus, strategic considerations alone cannot explain local firms' responsiveness to mega-events.

Furthermore, several of our empirical findings are at odds with a purely strategic interpretation, and the fixed effects and time-variant variables in our models help control for firms' strategic considerations either explicitly or implicitly. First, some of our moderator results do not readily mesh with a strategic explanation; for example, a purely strategy- or marketing-focused perspective could not readily explain why local inter-firm network cohesion strengthens some of

[14] While the effect of events on sponsorship spending may be of some secondary interest, collecting comprehensive longitudinal data on sponsorship spending is infeasible as sponsorship expenditures come from firms' marketing budgets and are not typically reported separately.

the event effects, and why individual consumer orientation does not. Second, if event effects were primarily due to strategic considerations, one might expect these effects to be stronger later in our time period, when corporate social activities became more widely viewed as potentially strategic (Simon, 1995; Useem, 1988; Smith et al., 2010). Thus, we re-estimated our models by time period (by decade and by pre-1990 vs. post-1990) but found no significant differences. Finally, using firm fixed effects (and, in robustness checks, industry fixed effects) as well as time-variant control variables, we capture several factors that are related to differences in strategic philanthropy, such as size, financial performance, and industry. Given these factors and robustness checks, we are confident that our results are not primarily driven by strategic or marketing considerations.

APPENDIX B

Table B1.

The Effect of Super Bowls: Comparing Hosts, Bidders, and Non-Bidders*

Variable	Model B1	Model B2
Hosting or bidding for upcoming event		
Hosting a Super Bowl in next 1-5 years	.41	.52
	(.30)	(.30)
Made unsuccessful bid for a Super Bowl scheduled to take place in the next 1-5 years	.003	.06
	(.28)	(.28)
Event in the current year		
Hosting Super Bowl in year *t*		.81•
		(.40)
Made unsuccessful bid for a Super Bowl scheduled to take place in year *t*		-.36
		(.29)
Controls and Fixed Effects		
Age, sales, controls, and fixed effects from Table 3	Yes	Yes
Constant	-12.12	-12.89
	(12.24)	(12.25)
Adjusted R^2	.622	.623

• $p < .05$, •• $p < .01$, ••• $p < .001$; two-tailed tests.

* N = 11,769 firm-years (2,570 firms). Firms in communities that made neither a successful nor an unsuccessful bid for a Super Bowl during the relevant period constitute the reference category.