



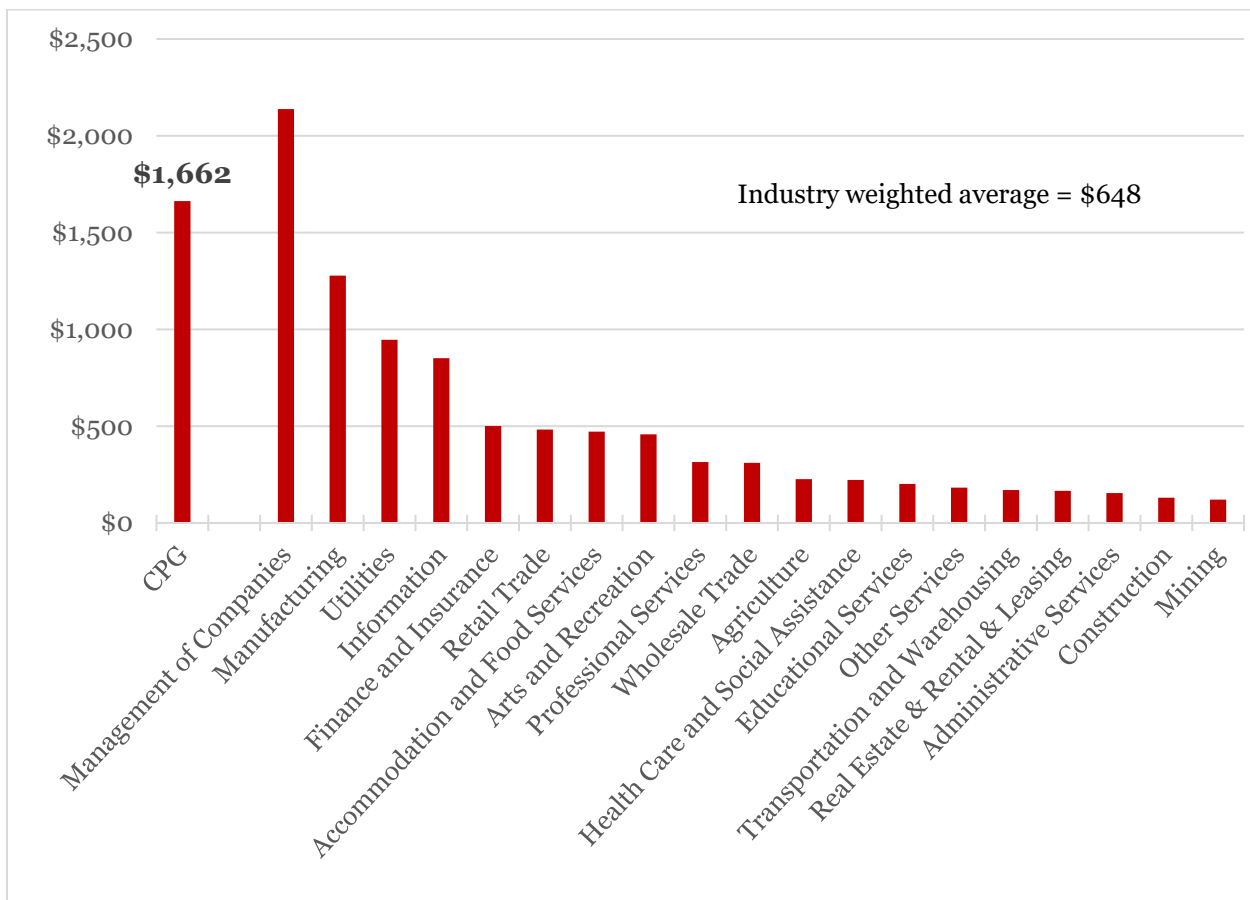
Memorandum

To: / Location: Katie Denis, Consumer Brands Association
From: / Location: Drew Lyon and Qiang Ma / PwC
Date: July 15, 2022
Subject: The US CPG Industry's Charitable Contribution in 2019

This note documents the US consumer packaged goods (“CPG”) industry’s charitable contributions and compares it to other major industries, using data from the Internal Revenue Service (“IRS”) from tax year 2019, the latest year for which data are available (See the “methodological note” on the next page on how the CPG industry is defined).

In 2019, corporate manufacturers of CPGs contributed over \$1.8 billion to charitable causes, as reported on tax returns. For every \$1 million in revenue, CPG manufacturers made charitable contributions of \$1,662 – the second highest amount of all major industries. Across all industries corporate charitable contributions averaged \$648 per \$1 million of revenues in 2019, less than half that of the CPG industry (see **Figure 1**, below).

Figure 1. Charitable Contributions per \$1 Million in Receipts, 2019



Source: IRS, Statistics of Income, *Corporation Complete Report, 2019*, “Table 5.1, Returns of Active Corporations,” available at <https://www.irs.gov/statistics/soi-tax-stats-corporation-complete-report>, and PwC calculations. The IRS data include C corporations, S corporations, real estate investment trusts (“REITs”) and regulated investment companies (“RICs”).



Methodological Note

For this analysis, the US CPG industry is defined to include the following manufacturers distinguished in the IRS *Corporation Complete Report* (see **Table 1**, below)

Table 1. Definition of the US CPG Industry

IRS Minor Industry	Fully or Partially Included?
<i>Manufacturers of alcoholic and non-alcoholic beverages</i>	
Soft drink and ice	Fully
Breweries	Fully
Wineries and distilleries	Fully
<i>Manufacturers of tobacco products</i>	
Tobacco manufacturing	Fully
<i>Companies that transform livestock and agricultural products into products for intermediate and final consumption</i>	
Animal food manufacturing and grain and oilseed milling	Fully
Sugar and confectionery product	Fully
Fruit and vegetable preserving and specialty food manufacturing	Fully
Dairy product	Fully
Meat and seafood processing	Fully
Bakeries and tortilla manufacturing	Fully
Other food	Fully
<i>Companies that manufacture over-the-counter (OTC) drugs, household paper products, soaps, and toilet preparations</i>	
Pharmaceutical and medicine*	Partially
Converted paper product*	Partially
Soap, cleaning compound, and toilet preparation	Fully

* Due to data limitations, charitable contributions by manufacturers of over-the-counter drugs are imputed using charitable contributions and sales by the pharmaceutical and medicine manufacturing industry as a whole. Charitable contributions by manufacturers of sanitary and other household converted paper products are imputed using charitable contributions and sales by the converted paper manufacturing industry as a whole. The imputations for these two CPG sectors assume the same ratio of charitable contributions to sales as reported by IRS for the minor industries of which they are a part. Sales and charitable contributions of the two CPG sectors are apportioned based on data from the Bureau of Economic Analysis and IMPLAN.