

GOOGLE.ORG

When Google went public in 2004, founders Larry Page and Sergey Brin pledged to contribute significant equity, profits, and employee time to charitable causes. In 2005, they launched Google.org, Google's philanthropic and charitable arm, with the mission of bringing "the best of Google to help solve some of humanity's biggest challenges—combining funding, innovation and technical expertise to support underserved communities and provide opportunity for everyone."¹ They pledged 1 percent of outstanding shares from the company's initial public offering to donations and investments, with a commitment to donating and investing 1 percent of each year's profits going forward.²

Each year, the organization provided over \$200 million in grants to nonprofits and social enterprises, and also provided in-kind donations and pro bono support, roughly split 50/50 between the United States and the rest of the world. This philanthropy's priority areas changed frequently based on the needs of the company, but generally focused in four key areas: (1) economic opportunity, (2) tech's helpfulness, (3) responsibility to society (e.g. CS education, racial justice), (4) local office challenges. After the onset of the COVID-19 pandemic, Google committed an additional \$100 million to relief efforts, providing emergency cash assistance to nearly 150,000 people and \$10 million for K-12 distance learning support, among other initiatives.³

Consistent with Google's overall mission and values, Google.org prided itself on being data-driven and human-centered and supporting innovative ways of using technology to create more opportunities for everyone to learn, succeed and be heard. The organization's efforts had been

¹ "Our Mission," Google.org, <https://www.google.org/> (September 17, 2021).

² Sheryl Sandberg, "About Google.org," Google blog, October 11, 2005, <https://googleblog.blogspot.com/2005/10/about-googleorg.html> (September 17, 2021).

³ "Our \$100 million contribution to COVID-19 relief," Medium, <https://medium.com/google-org/our-100-million-contribution-to-covid-19-relief-dea485a199d3> (September 17, 2021).

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recognized by Engage for Good's Halo Awards as the "best of the best" campaign for its work with The Trevor Project, the world's largest suicide prevention and crisis intervention organization for LGBTQ+ youth.⁴

The director of Google.org, Americas, Justin Steele, was responsible for driving and implementing strategic grantmaking, including national efforts around racial justice and local giving through Google offices across the United States, Canada, and Latin America. Since joining Google.org in 2014, Steele had faced many challenges, but two were particularly momentous: the decision to focus on racial justice following the 2015 shooting at the Emanuel African Methodist Episcopal Church in Charleston, South Carolina; and the decision, five years later, to fund the renewed Black Lives Matter movement in the wake of George Floyd's murder. Racial justice was personally important to Steele, who was active in the Black Googler network,⁵ but he knew his decisions might also involve broad and potentially political implications for the organization.

Google.org's Structure and Funding Model ⁶

Corporations like Google had significant latitude in how to structure their giving. For example, they could provide direct cash contributions, grants, or in-kind donations. They might engage in cause-related marketing or provide other pro bono services. Corporations also set up separate foundations, either as independent entities or within the corporation itself, to centralize efforts. They might also create corporate giving programs to coordinate employee giving, including company offers to match funds donated by employees (see Exhibit 1).

Google.org leveraged both the corporate foundation model and the more flexible corporate giving model to pursue a variety of philanthropic activities, including grantmaking, investing, pro bono activities, and cause-related marketing. Google.org was a unit within Google LLC, a subsidiary of the parent company, Alphabet Inc.⁷ The Google Foundation, a more traditional 501(c)(3) organization that operated until 2017, fell under this Google.org umbrella.⁸ This structure enabled Google.org to make grants to nonprofits through the Google Foundation, subject to the rules and public reporting requirements that govern tax-exempt organizations, but also allowed Google.org to engage in activities that provided value to the company and thus would not be permissible according to the legal constraints governing U.S. foundations.

⁴ Halo Awards, <https://engageforgood.com/halo-awards/>; also see "AI For Social Impact: Google.org And The Trevor Project," Engage for Good, <https://engageforgood.com/halo-award/ai-for-social-impact/> (September 17, 2021).

⁵ "Meet Justin Steele, Principal at Google.org in San Francisco," Google Careers, https://careers.google.com/stories/meet-justin-steele-principal-at-googleorg-in-san-francisco/?hl=en_US (September 17, 2021).

⁶ All figures are inflation adjusted. The following section is sourced from *Giving in Numbers 2020 Edition*, Chief Executive for Corporate Purpose, https://cecp.co/wp-content/uploads/2020/11/GIN2020-complete-V3-11_23_20.pdf (September 17, 2021).

⁷ In 2015, as part of the company restructuring, Google Inc. became an LLC and a subsidiary (along with X, Waymo, Verily, etc.) of the holding company, Alphabet, Inc. See 2015 Founders' Letter, <https://abc.xyz/investor/founders-letters/2015/> (September 17, 2021).

⁸ Sheryl Sandberg, "About Google.org," loc. cit.

Outside of its foundation-based grantmaking, Google.org also invested in social enterprises that were not structured as nonprofit entities, with no profits returning to Google or with profits regranted. This reinvestment was in addition to the 1 percent of Google profits that were annually reinvested into Google.org. As a corporate unit, Google.org faced the same internal budgeting process as other Google divisions but did not have to report its spending publicly. The Google Foundation, however, like any U.S.-based foundation, did have to report its spending publicly.⁹

Google.org's Approach to Strategy

Google.org utilized a three-pronged strategic approach when assessing whether to move forward with any initiative or grant. Specifically, they asked whether philanthropic grants: (1) add value to society, (2) add value to Google, and (3) leverage “the best of Google.”¹⁰ Ideally, any initiative Google.org supported would meet the threshold for all three categories. However, in some cases, particularly in Google.org's Bay Area giving, there was some flexibility. Adrian Schurr, Google.org's Bay Area Giving Program manager, explained:

On our local work, I think we're allowed a little bit more flexibility because we do so much giving locally. Sometimes we'll have to flex more into the value to society piece, or sometimes we'll have to flex it a little bit more into the value to Google piece, or even best of Google. But ideally, we're hitting, at minimum, two of those three. For bigger efforts, we're trying to make sure that we're checking all those boxes. It's critical to how we think about our local work.

Value to society

Providing value to society was Google.org's “True North.” Given Google's massive influence, power, resources, and human capital, Google.org was uniquely positioned to create social value, both locally and globally. The notion of philanthropy as societal risk capital aligned with Google.org's approach to giving, as proposed by Stanford professor Rob Reich, co-faculty director of the Stanford Center on Philanthropy and Civil Society.¹¹ In the Bay Area, where students of color comprised around 40+ percent of students in public school but were sorely underrepresented in advanced science and math courses like AP STEM classes, Google.org focused on funding local education initiatives by supporting community-led efforts. In collaboration with nonprofit partners, they launched a collective impact model known as the Rising AP STEM Scholars program. This program worked to supplement resources in those classrooms and remove barriers to access for those students and, thus, help create pathways to higher education. By investing in local youth, Google.org aimed to ground the larger organization in its community and support vulnerable groups by boosting access to opportunities for academic success and economic empowerment. The effort has led to a 4x and 3x respective increase for Latinx and Black students taking AP CS classes at participating schools.

⁹ Suzie Boss, “Do No Evil,” *Stanford Social Innovation Review*, Fall 2010, https://ssir.org/articles/entry/do_no_evil (September 17, 2021).

¹⁰ Interview with Justin Steele, October 20, 2020.

¹¹ Rob Reich, “Philanthropy in the Service of Democracy,” *Stanford Social Innovation Review*, Winter 2019, https://ssir.org/articles/entry/philanthropy_in_the_service_of_democracy (September 17, 2021).