Abstract

The aim of this thesis is to analyze motivation of companies to support social, environmental and development projects. The analysis is focused on Central European companies, namely the Czech Republic, Slovakia, Hungary and Poland. In the empirical part of the research interviews with selected companies and non-profit organizations are conducted. By interviewing both sides we can see how both donors and main recipients view the motivation behind the support. Afterwards, the relationship between supporting social, environmental and development projects and long term financial performance is examined. Coefficients are assigned to each company according to their involvement in the three categories – social, environmental and development. As measures of financial performance we choose stock market returns, which are then regressed on the three coefficients and selected control variables. The regression results show that supporting development projects tends to have a positive influence on companies’ stock market performance. We do not confirm that supporting social and environmental projects improves stock market performance of companies. This outcome suggests that supporting development projects is a win-win situation for both companies and non-profit organizations. Companies can improve their long-term stock market performance and non-profit organizations gain resources for a good cause.