CAN GAME COMPANIES HELP AMERICA’S CHILDREN?

The Case for Engagement & VirtuallyGood4Kids™

By Wendy Lazarus
Founder and Co-President

with Aarti Jayaraman

September 2012
About The Children’s Partnership

The Children’s Partnership (TCP) is a national, nonprofit organization working to ensure that all children—especially those at risk of being left behind—have the resources and opportunities they need to grow up healthy and lead productive lives. Founded in 1993, The Children’s Partnership focuses particular attention on the goals of securing health coverage for every child and on ensuring that the opportunities and benefits of digital technology reach all children. Consistent with that mission, we have educated the public and policymakers about how technology can measurably improve children’s health, education, safety, and opportunities for success. We work at the state and national levels to provide research, build programs, and enact policies that extend opportunity to all children and their families.

Santa Monica, CA Office
1351 3rd St. Promenade
Suite 206
Santa Monica, CA 90401
t: 310.260.1220
f: 310.260.1921
E-Mail: frontdoor@childrenspartnership.org

Washington, DC Office
2000 P Street, NW
Suite 330
Washington, DC 20036
t: 202.429.0033
f: 202.429.0974
Web: www.childrenspartnership.org

The Children’s Partnership is a project of Tides Center.

©2012, The Children’s Partnership. Permission to copy, disseminate, or otherwise use this work is normally granted as long as ownership is properly attributed to The Children’s Partnership.
# CAN GAME COMPANIES HELP AMERICA’S CHILDREN?

The Case for Engagement & VirtuallyGood4Kids™

## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive Summary</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>Part One: The Case for Engagement</strong></td>
<td>2</td>
</tr>
<tr>
<td>Introduction</td>
<td>2</td>
</tr>
<tr>
<td>New Technologies and Children’s Causes: A Track Record</td>
<td>2</td>
</tr>
<tr>
<td>Digital Games Industry &amp; Kids</td>
<td>3</td>
</tr>
<tr>
<td>Building on a Long History of Corporate Social Responsibility</td>
<td>6</td>
</tr>
<tr>
<td>Early Indications That Cause Marketing to Benefit Kids Can Help Companies as Well as Kids</td>
<td>7</td>
</tr>
<tr>
<td><strong>Part Two: Cause Partnerships in Digital Games</strong></td>
<td>8</td>
</tr>
<tr>
<td>New Kinds of Cause Partnerships: Tie-Ins in Digital Games</td>
<td>8</td>
</tr>
<tr>
<td>The Logic of Partnerships Between Game Companies and the Cause of Kids</td>
<td>9</td>
</tr>
<tr>
<td>A Framework for Action: High-Impact Ways Game Companies Can Provide Leadership for Kids</td>
<td>10</td>
</tr>
<tr>
<td>Moving These Ideas Forward: Roles for Industry, Parents, Kids, and Philanthropy</td>
<td>16</td>
</tr>
<tr>
<td><strong>Part Three: VirtuallyGood4Kids™ — Engaging in Cause Partnerships for Children</strong></td>
<td>18</td>
</tr>
<tr>
<td>What Is VirtuallyGood4Kids™?</td>
<td>18</td>
</tr>
<tr>
<td>How Does VirtuallyGood4Kids™ Work?</td>
<td>18</td>
</tr>
<tr>
<td>VirtuallyGood4Kids™: A Win for Kids, Women, and Game Companies</td>
<td>18</td>
</tr>
<tr>
<td>Moving Forward on VirtuallyGood4Kids™</td>
<td>20</td>
</tr>
<tr>
<td><strong>Acknowledgments</strong></td>
<td>21</td>
</tr>
</tbody>
</table>
Executive Summary

Game companies can be at the forefront of a new and high-impact form of social responsibility and philanthropy that benefits their bottom line and strengthens their corporate image, while also improving US children’s health, education, and job readiness. Game cause partnerships to benefit children also make sense because, of the 70 million children in the US, more are suffering than at any time since the Great Depression. One in 45 children is now homeless, the majority of whom are under age 7. And nearly 25% of young children in the US now live in poverty (defined as a family of three earning less than $19,090 annually). Through focused initiatives to improve children’s health, education, and job readiness, game industry leaders can continue the long-standing US tradition of the corporate sector “doing well by doing good.” They can also enter the new philanthropic space of games with targeted investments in children that bring the most meaningful benefit to kids.

Based on a year of research conducted by The Children’s Partnership, this White Paper lays out the logic for game companies to play a leadership role on behalf of children, reviews the rich history of corporate social responsibility that has produced win-win results for the public and for businesses, and highlights early examples of such leadership by online game companies.

The Children’s Partnership’s research identified roughly 50 cause partnerships associated with digital games to date, and that number is increasing each month. Using these findings as a guide, this White Paper lays out five high-impact ways game companies can provide leadership for kids, along with a roadmap for future action.

One highlighted strategy, VirtuallyGood4Kids™, was developed by The Children’s Partnership to benefit kids by incorporating designated virtual goods into games and using a portion of the revenues generated to directly improve the health and education of children in need. In addition to VirtuallyGood4Kids™ being a win for kids, there are indications that being socially responsible can improve corporate image while also increasing Daily Active Users and Average Revenue per User. The Children’s Partnership looks forward to bringing our expertise and relationships with key players in the children’s field to game industry leaders who want to help children.

Can Game Companies Help America’s Children? provides an overview of trends in the games industry, with an emphasis on cause partnerships in digital games. It is written for game company and nonprofit leaders and provides concrete ideas for cause tie-ins to improve the health and education of America’s children.
Part One: The Case for Engagement

Introduction

An unusual opportunity is building for online game companies to improve their business results and strengthen their brand, while also making a positive difference for millions of children. In the 1990s, the entertainment industry built tremendous public goodwill and helped lead meaningful change when it took on a leadership role to improve the environment. Facebook built on this tradition by introducing “Causes” in 2006, now getting a makeover in 2012.

New Technologies and Children’s Causes: A Track Record

Since opening its doors in 1993, The Children’s Partnership (TCP), a California-based national, nonprofit research and advocacy organization, has recognized the key role that computers, the Internet, and other advances in technology play to improve children’s education, health, and future economic prospects. For nearly two decades, TCP has provided a strong voice for children with regard to technology, partnerships, applications, and policies that ensure all children benefit from the opportunities offered by information technology.

In our 1994 report, America’s Children & The Information Superhighway, The Children’s Partnership set out a comprehensive digital opportunity agenda for kids and suggested how policymakers, industry leaders, parents, philanthropy, and other leaders for children can help ensure that all children benefit from the Information Revolution. Recognizing the crucial role parents play in their children’s online lives, TCP has worked since the 1996 publication of our Parents’ Guide to the Information Superhighway: Rules and Tools for Families Online to support parents in this new aspect of parenting.

More children are homeless in America now than at any time since the Great Depression. One in 45 children is now homeless.

Similarly, digital game companies can improve their image and their bottom line through focused initiatives to improve children’s health, education, and job readiness. In doing so, game company leaders can continue the long-standing US tradition of the corporate sector “doing well by doing good” through cause-related marketing and partnerships.

With women and children such an important part of the game industry’s customer base and with the strong evidence that cause associations matter to consumers, now is the time to think about what type of cause partnerships in the game industry can have the greatest impact on improving the lives of children. There is added urgency, now, for corporate leaders to rally around children because the recession has resulted in more children than ever going to bed hungry and living in poverty.
The Children’s Partnership works to connect corporate responsibility in the technology sphere with the pressing needs of children and families. For example, TCP worked with executives from Google, AT&T, Verizon, Comcast, and others to create and lead School2Home, a collaboration to bring connected computing devices and training to teachers and low-income middle school students and their families in several underperforming schools in California. Since 2009, we have been working with both public and private sector partners to fashion Health Information Technology solutions to benefit the children most at risk, such as those in foster care.

In this White Paper, we make the case for and describe a new opportunity to connect the game industry with the pressing needs of US children: VirtuallyGood4Kids™. These high-value cause partnerships can be a win for children and a win for the industry.

Digital Games Industry & Kids

A Young Industry Poised To Grow and To Make a Difference

“It is critical that we support economic sectors that create jobs, develop innovative technologies, and keep America competitive in the global marketplace. The video game industry is one of these important, high-tech economic drivers.”

— Michael D. Gallagher, President and CEO Entertainment Software Association

In contrast to other segments of the faltering economy, the game industry has done relatively well in recent years. During the 2011 fiscal year, consumers spent $24.75 billion on digital games. The Entertainment Software Association (ESA) estimates that roughly 120,000 individuals in 34 states are employed by the gaming industry, with California being home to the largest number of game personnel in the nation (41%).

Latest reports by the NPD Group provide insights into consumer sales in 2011: while consumer spending at retailers on video games dropped 8% in 2011, digital sales, spending on mobile and social games, and subscriptions rose 7%. Not only has the digital games industry grown over the last decade, it has seen a significant boost since 2008 due to the development of subscription and social gaming.

A more recent growth area has been the sale of virtual goods in games. According to a February 2012 study, one in four consumers purchased a virtual good in 2011, a 100% increase over 2009. In the US alone, virtual goods purchases totaled $2.3 billion in 2011.
Digital Games Are Increasingly a Part of Family Life

Clearly, parents and children represent a substantial and growing portion of the game industry’s consumer base.

- Percent of American households that own at least one dedicated game console: 49%\(^\text{15}\)
- Average game player age: 30\(^\text{16}\)
- Percent of game players who are under age 18: 32%\(^\text{17}\)
- Percent of game players who are age 36 or older: 37%\(^\text{18}\)
- Percent of parents who play computer and video games with their children at least weekly: 40% (up from 36% in 2007)\(^\text{19}\)
- Percent of social game players who are female: 55%\(^\text{20}\)
- Percent of game players who play games on their smartphones: 33%\(^\text{21}\)
- Percent of game players who play games on their handheld devices: 25%\(^\text{22}\)
- Percent of the time parents are present at the time games are purchased or rented: 90%\(^\text{23}\)

More Young Children Now Play Digital Games

Over the past four years, social gaming has reached younger audiences—children between the ages of 6 and 14. In 2008, there was a trend toward funding child-directed worlds and games. Though relatively few remain in 2011, those that do have strong gamer bases. Disney’s Club Penguin and Viacom’s Webkinz target this age group and are extremely popular among this demographic, one that contributes to the growing games’ economy and the virtual goods industry of which it is a part.

According to the NPD Group’s October 2011 report, 91% of American children between 2 and 17 are video gamers.\(^\text{24}\) According to the same report, 21 cents of every dollar spent on entertainment for children go to “digital format content.” Publishers are now trying to bring virtual worlds into the world of books and print to promote reading, a telling signal about the potential impact of digital and virtual games at large.\(^\text{25}\)

Women, Often Mothers, Are Increasingly Gamers

With the development of social games, the growing use of mobile devices, and the emergence of Facebook as a gaming platform, the face of digital gaming has also become older and more female over the past few years. Women age 18 and older are now a significantly greater portion of the player population than boys age 17 or younger (30% vs. 18%).\(^\text{26}\)

One quarter of consumers purchased a virtual good in 2011 (a 100% increase over 2009). In the US alone, virtual goods purchases totaled $2.3 billion.\(^\text{14}\)
According to the most recent data, 55% of social gamers are women, with estimates of women gamers ranging from 42% to much higher, depending on the game type. In city community-building and “nurturing” games, the percentage of women players can be as high as 75%.

Women over age 18 represent a significantly greater portion of the game-playing population (30%) than boys age 17 or younger (18%).

In addition, women buy more virtual goods than men, spending an average of $51 annually, compared to men who spend $36. Women generally play casual games in shorter chunks of time, and social games like FarmVille cater to this type of short engagement. Women play to connect with their friends online or take a break from their chores and work, and they often favor cooperative, building, nurturing games over the competitive ones that men traditionally play.

Moms are a particularly active group of social gamers. Business Insider’s article “Zynga and Facebook Are Killing Soap Operas” focuses on consumption patterns of stay-at-home moms who were the original target audience for daytime soaps. A shift is taking place in the consumption patterns of women social gamers and daytime soaps viewers (both are women between the ages of 18 and 50). In September 2010 (when the Business Insider article was published), Zynga reported 250 million monthly users and enjoyed a 25-fold increase in the number of players since 2008. By contrast, Nielsen’s study revealed that daytime soap viewership had increased only 2% since 1991.

For the foreseeable future, it appears that a growing number of women, specifically moms, will continue to play social games on their smartphones and tablets, spend more on virtual goods, and become more socially engaged in online content.

**Tapping into this Customer Base**
**Through Cause Partnerships**
Recent research documents that Americans care more deeply than ever that companies they purchase from support causes. In its 2010 Cause Evolution Study, Cone, a PR and communications agency focused on cause marketing, found that 83% of Americans wish more of the products, services, and retailers they use would support causes.

- 88% of Americans say it is acceptable for companies to involve a cause or issue in their marketing. This record number represents a 33% increase since Cone began measuring in 1993.
- 85% of consumers have a more positive image of a product or company when it supports a cause they care about.
- 90% of consumers want companies to tell them how they are supporting causes. Put differently, more than 278 million people in the US want to know what a company is doing to benefit a cause.
The same survey shows that when a company is aligned with a cause, it results in consumers buying products or services from a company. Forty-one percent of Americans report buying a product in the last year because of its association with a cause or issue—more than double the 20% who reported the same in 1993.34

Building on a Long History of Corporate Social Responsibility

With women and children such an important part of game companies’ customer base and with the evidence that cause associations matter to consumers, now is the time to think about what types of cause partnerships make the most sense. In addressing this question, there is a rich and positive history from other industries on which to build.

Examples from Other Industries

Cause-related marketing, 36 which acquired its name and became a mainstream part of corporate business models in the early 1980s, works because it taps into private sector market forces to generate funding, visibility, and other forms of support for worthy causes that benefit the public while also benefiting the private sector entity. One of the earliest examples of cause-related marketing was the campaign led by American Express in 1983 for the Statue of Liberty Restoration project.

A penny for each use of the American Express (AMEX) card, and a dollar for each new card issued, was contributed to the project. Over a four-month period, $1.7 million was raised for Lady Liberty, transaction activity on AMEX cards jumped 28 percent, and the concept that doing good was good for business was demonstrated.37

Since the 1980s, many cause-marketing initiatives have been developed. In well-executed cause-marketing campaigns, both customers’ perception of the brand and companies’ financial bottom lines have experienced positive impacts. The RED Campaign is an example of an innovative cause-marketing licensing partnership that has raised roughly $190 million to fund global AIDS programs since its inception in 2006.38 U2 singer Bono and Bobby Shriver developed this idea to engage and partner with household name brands like Nike, American Express, Hallmark, Penguin Classics, Apple, Dell, Gap, Emporio Armani, Converse, and Starbucks. Partner companies create products under the Product Red logo. For every (PRODUCT)RED that is sold, a percentage of the profits goes to the Global Fund to Fight Aids, Tuberculosis, and Malaria.39

Cause Activism Online Yields Big Results

In May of 2012, Facebook entered a partnership with Donate Life America which allowed Facebook users to register their organ donation status on their profiles. There was an unprecedented spike in organ donation registrations: California alone showed a 700% increase in the number of registrations in one day over the typical registration number.35
These are just two of many examples over several decades demonstrating that a well-executed cause partnership that ties together a brand and a cause that resonates with the brand’s target market has the potential to raise substantial funds while enhancing a company’s bottom line and/or brand. These partnerships provide the precedent on which game company partnerships are beginning to be built.

**Early Indications That Cause Marketing to Benefit Kids Can Help Companies as Well as Kids**

There is evidence from other industries of measurable benefit to companies that use social media tie-ins to benefit kids. Two such campaigns led to sustained increases in user engagement with the brands’ Facebook pages.

**Kohl’s Cares $10 Million Contest: A December 2011 Facebook Cause-Marketing Campaign Around Education**

In honor of the 10th year of its philanthropic arm, Kohl’s Cares®, Kohl’s Department stores launched a $10 million school funding campaign in which Facebook users got involved with deciding which schools would receive the funds. Kohl’s contributed $500,000 to each of the 20 schools that won the most votes. This Facebook-centered campaign was very successful, and Kohl’s Facebook fan base grew 154% to 2.7 million. In addition, sales for the five-week period that corresponded with the campaign increased 2.3% over the same period the prior year.  

**Southwest Airlines and the Make-A-Wish Foundation Campaign**

Each time a Southwest passenger checked into Facebook Places on a smartphone at one of Southwest Airlines’s 69 airports, Southwest Airlines donated a dollar to the Make-A-Wish Foundation, up to a cap of $300,000. The airline was able to create interest and engage its passengers with this successful campaign that combined social networking with charitable giving in a relevant and engaging way.  

Can Game Companies Help America’s Children?  
Page 7
Part Two: Cause Partnerships in Digital Games

New Kinds of Cause Partnerships: Tie-Ins in Digital Games

Cause marketing has begun to expand to the world of digital games and works on the same idea of connecting brand and target market with a cause that the consumer values.

The Children’s Partnership’s research shows there are approximately 50 cause-aligned virtual goods “campaigns” in social games, with examples increasing every month. Unlike many previous cause partnerships, to date these early experiments with virtual goods have most often been time-limited campaigns—ranging from between three days and one month—and usually directed to disaster relief. With the virtual goods industry having reached $2.3 billion in sales in the US alone in 2011, it is likely that there will be an increase in partnerships between brands, causes, and game companies.

Zynga was an early pioneer of this strategy in its games when, in October 2009, it introduced virtual goods to raise funds for disaster relief in Haiti. To date, roughly $4 million dollars have been raised across Zynga’s games through the sale of virtual goods to help Haiti victims.

Other game companies have shown leadership in this form of online giving as well. RockYou’s myZoo, for example, raised $15,450 over a three-day period for the Australian Flood relief efforts by releasing a 99-cent virtual kangaroo in its game.

Electronic Arts’s recently acquired Popcap Games raised $85,000 over a ten-day period in January 2010 for Haiti relief efforts. Sanrio, creators of Hello Kitty, raised $18,000 for Doctors Without Borders to work in Haiti with players designing and selling in-game virtual goods.

Game developer ToonUps added a creative twist to its panel of charitable virtual goods. In a one-month partnership with Cure.org, ToonUps encouraged its gamers to “do-good” activities in real life and report them in its game. Once the player community generates one million real-life good deeds, ToonUps will contribute $10,000 to Cure.org, an amount that will fund medical surgeries for children.

The Children’s Partnership’s research on current partnerships uncovered only a few examples of cause campaigns that are sustained over time. An example of a longer term campaign is Zynga’s collaboration with the San Francisco SPCA (Society for the Prevention of Cruelty to Animals). In its YoVille game, Zynga introduced virtual cats and bulldogs that gamers can adopt for $2 each. Players are rewarded with a philanthropy badge, and funds raised go to SF’s SPCA.
Similarly, Activision/Blizzard’s World of Warcraft contributed proceeds from several characters sold online to the Make-A-Wish Foundation. In addition, Playfish/Electronic Arts contributed a portion of proceeds from the purchase of World Wildlife Federation virtual goods in the game Pet Society to the World Wildlife Federation.

Mobile Devices: An Accelerator of Social Responsibility
The rapid spread of mobile devices in recent years appears to increase the potential impact of cause-aligned virtual goods, as these handheld devices make it even easier to buy virtual goods in games and contribute to causes. New smartphone apps like Foursquare are “gamifying” online giving, making it a much more dynamic and interesting experience for the donor. Foursquare organized a "Check-in for Charity" campaign in March 2010, which generated $15,000 for Save the Children’s Haiti Relief Fund within a two-day period. Innovative apps, using a smartphone platform, are emerging as altogether new ways to promote cause awareness and raise revenues for causes.

The Logic of Partnerships Between Game Companies and the Cause of Kids
Kids and their parents spend a substantial amount of money on games, creating a strong nexus for game company corporate responsibility focused on the cause of kids. In addition, cause partnerships focused on kids offer an effective way to reinforce the value in kids of “giving back” by encouraging them to be donors and contribute to their community. Lastly, the unusually urgent unmet needs of children as a result of the recession also create a strong and natural link between game companies and the cause of kids.

Women and Kids Comprise a Large Consumer Base for Digital Games and Virtual Goods
- Nearly 55% of online social gamers are women.
- 17% of American children between the ages of 5 and 8 play console video games every day.
- 91% of American kids between the ages of 2 and 17 play video games.
- More young gamers are playing on mobile devices; there has been a growth from 8% to 38% since 2009.
- Of game players who have never bought virtual goods, only 31% say they never will, leaving 69% who will consider buying them.

Cause partnerships with game companies to benefit children can leverage new funds to address the harsh impacts of the recession on America’s children and ensure that they can get a healthy start in life.
Women Direct Charitable Giving in Their Families and Care About Kids

✓ Research conducted in 2010 by Indiana University’s Center on Philanthropy shows that women are more likely to make charitable contributions and at higher levels than men.\(^62\)

✓ Surveys also show that American women are significantly more likely than men to show their support of a cause by purchasing products or services from companies that support the cause.\(^63\)

✓ Research shows that women are more likely than men to support youth-related causes, including childhood obesity and bullying.\(^64\)

Children Especially Hard Hit by the Recession

More than at any time in recent history, children have especially urgent unmet needs. The recession has dramatically affected the 70 million US children who, even before the economic downturn, have represented one of the most vulnerable populations in the United States.

✓ More children are homeless in America now than at any time since the Great Depression. There has been a 38% increase between 2007 and 2010 in the number of children, annually, who are homeless. One in 45 children is now homeless, the majority of whom are under age 7.\(^65\)

✓ Child poverty—defined as a family of three earning less than $19,090 annually\(^66\)—is at a record high.\(^67\) Child poverty rose by a percentage point or more each year between 2007 and 2010, resulting to one in four young children living below the poverty level today.\(^68\)

✓ Families needing to turn to soup kitchens and food pantries increased 27% over the past four years.\(^69\)

By nearly any measure, children today are living with reduced means and have poorer health status. Cause partnerships with game companies to benefit children can leverage new funds to help address this gap and ensure that America’s children can get a healthy start in life.

A Framework for Action:
High-Impact Ways Game Companies Can Provide Leadership for Kids

“Important new changes in philanthropy don’t come along very often...If the social graph is the next great wave of innovation, it’s also reasonable to expect there will be a seismic shift for philanthropy...Essentially what we’re trying to develop is a new platform for giving based on our games, integrated into the daily experience of playing our games.”\(^70\)

— Ken Weber, Executive Director
Zynga’s Philanthropy Arm

A new form of philanthropy driven by game industry leaders has begun to take shape, including a variety of initiatives designed to benefit kids. While most are relatively small
in scale and short-term in nature, they provide a valuable starting point and a framework for action over the years ahead.

This section highlights some of the ways in which individual companies as well as associations like the Entertainment Software Association are helping children grow up healthy and well educated. Some examples involve helping kids through the games themselves, while others are game company partnerships with nonprofit partners. Some involve virtual goods, while others focus on other kinds of partnerships.

In providing an overview of recent activity, this section also offers a framework for future game company leadership by organizing the examples around five areas where kids can especially benefit:

1. Promoting good health and a strong education;
2. Promoting child safety and privacy online;
3. Encouraging civic values and engagement;
4. Promoting technology readiness; and
5. Offering mentoring and work opportunities.

1. Promoting Good Health and A Strong Education
There are many ways in which games can be designed to teach about and encourage children’s healthy behaviors. Players can earn points or level up by making smart choices about food or exercise within a game or even in real life.

Games can also help young people learn about and deal with sensitive health subjects, such as depression or an illness from which they suffer. Game companies can also partner with nonprofit organizations to improve children’s reading skills and other aspects of academic achievement.

Players can earn points or level up by making smart choices about food or exercise within a game or even in real life.

Kognito Interactive, an interactive game developer, has developed a simulation environment called "at-risk" to help initiate “gatekeeper” programs in which college students are trained to recognize self-destructive behaviors among their peers and encourage them to seek counseling. An avatar talks college student leaders through various virtual scenarios and trains players to recognize signs of depression, suicidal behaviors, alcoholism, and other risky behaviors among their peers.

A study on the efficacy of the product was conducted between September 2010 and December 2010 across 35 colleges, and responses from 995 college students were analyzed. The study documented that 79% of the students felt that they were better prepared for dealing with similar situations in real life.71

A recent charitable endeavor launched by Zynga was a Valentine’s Day partnership with Save the Children for its “Gift of Reading” program.72 Farmville gamers could buy virtual plants priced at three levels: a $3 rose plant; a $10 Valentine Card-producing
plant; or a $20 Heart Candy plant. 70% of the sale proceeds supported the “Gift of Reading” program, which works in groups and one-on-one with struggling readers to help improve their reading skills.73

In December 2011, start-up Sojo Studios launched WeTopia, its first free-to-play game on Facebook in partnership with Mattel, Clorox, and Dippin Dots to benefit child-related initiatives including Children’s Health Fund, buildOn, and Save the Children. The brands contribute funds towards these causes, and Sojo contributes approximately 50% of its net profits to causes around the world. Players can buy virtual goods, and 50% of the profits support causes. Even if players don’t choose to spend money in the game, brands contribute to causes when gamers interact with the brands online. Sojo has enlisted high-profile partners in this effort, including celebrities like Ellen Degeneres and Justin Bieber, and is connected with Warner Brothers Studio.74

There are dozens of anecdotal reports of positive impact on kids from efforts like that of Fantage. Fantage, a virtual world designed for kids between the ages of 6 and 16, is becoming more education-focused and is exploring unique partnerships with local schools. It is taking on a classroom-specific approach and focuses on introducing math and language concepts in its games. In 2011, it worked with Christ the King school in Los Angeles and created a program where fifth-graders would play Fantage for an hour everyday. A teacher at Christ the King attested to the success of the program and stated that it made her fifth-graders more motivated and interested in learning. Fantage is now rolling out its customized programs in other schools.75

2. Promoting Child Safety and Privacy Online

As is the case in any area where children play, there are risks associated with online activities—including playing digital games—of which parents, teachers, and kids themselves need to be aware and guard against. But one feature that has distinguished the Digital Information Revolution as an influence in children’s lives is its incredible speed. Whereas it took 3,000 years to move from the first alphabet to the first newspaper, the first web browser launched only 21 years ago, and nine years ago the Facebook platform didn’t yet exist. Given these influential and fast-paced developments related to children’s use of digital media, it must be a top priority for parents, caretakers, and game industry leaders to keep kids safe.

Risks to Kids from Digital Media

An October 2011 study conducted by Common Sense Media about the media habits of young children up to the age of eight found that nearly 52% of this age group had access to newer mobile media devices like iPads, iPhones, and tablets, and that 11% of them watched videos and played with their games or apps for 43 minutes daily.76

As the Internet reaches more young people and a younger demographic, certain dangers for children that have been associated with online media have continued, while some new kinds of risk have emerged. For example, online venues such as social networking sites and games can be an ideal meeting place for predators to encounter their potential victims.
In these games, potential predators can build shared online experiences and can become a child’s defender or online teammate. Following is a summary of some of the key risks that must be avoided to keep kids safe online:

- Strangers and predators;
- Privacy and reputation;
- Cyberbullying;
- Inappropriate content (self-created and adult-generated); and
- Reinforcement of undesirable behavior.

Information Resources for Keeping Kids Online Safe

To help protect kids from these risks, private foundations, industry, and nonprofit organizations have developed a variety of resources for parents and kids. Following are some of the most useful.

- **http://www.getnetwise.org:** GetNetWise is a public service created by Internet industry, corporations, and public interest groups. The goal of this website is to help Internet users find needed resources to make informed decisions about their own and their family’s use of the Internet.

- **http://www.fosi.org:** The Family Online Safety Institute brings together leaders in the nonprofit sector, government, academia, media, and industry with the goal of making the Internet a safer place to navigate. The FOSI website has many practical Internet-related tips for parents on safety practices.

- **http://www.getgamesmart.com:** An initiative of Microsoft with many partners, this resource contains expert tips, parental controls, and other tools to help parents and kids establish healthy habits for playing video games, watching television, and browsing the web.

- **http://www.staysafeonline.org:** This site has many resources for educators, parents, and small businesses to help them stay safe online.

- **http://www.commonsensemedia.org:** Common Sense Media is an advocacy group that provides the latest research and helps guide families and educators on children’s media habits.

- **http://www.thinkb4u.com:** This collaboration between Google, Inc. and nonprofit partners Common Sense Media, ConnectSafely, and National Consumers League provides resources for parents and educators on digital citizenship, online safety, and identity protection.

Examples of Leadership from Industry

In one of several child safety initiatives supported by Entertainment Software Association Foundation, Children’s Health Education Center was funded to deliver an e-learning bullying prevention program called “Act Now!” The program—designed to help 6th-8th graders address physical, verbal, emotional, and online bullying—was deployed in over 600 middle school classrooms in Wisconsin, Ohio, and Pennsylvania.
In February 2012, Facebook announced that it was providing $200,000 in grant money to research the topics of encouraging digital citizenship, preventing cyberbullying, and understanding the impact of social media on youth. The grant recipients will research how teens, parents, educators, and companies can work together to foster digital citizenship, reduce cyberbullying, and use social media in a productive manner.  

Trend Micro, an online security company, is awarding $10,000 in cash to school students who direct the best two-minute video clips about online safety and digital citizenship. This is the company’s third year implementing the “What’s Your Story?” video-creation initiative.

Sony and Electronic Arts are now utilizing special tools that use recognition software to weed out players who bully, cheat, or abuse other players. Disney’s Club Penguin has undercover penguin agents who troll the web to check out what gamers are saying to each other. Disney’s Club Penguin has an office in Brighton, UK dedicated solely to preventing cyberbullying, with a 25-member team acting as undercover police penguins who are on the watch for cyberbullies.

Messages about online safety are also being incorporated into some virtual worlds or games themselves.

- **Adina’s Deck**: Adina’s Deck is a DVD series designed for the classroom. The episodes revolve around characters who solve problems such as cyberbullying, online predators, and plagiarism. Adina’s Deck was designed and tested at Stanford University, and, on watching the episodes, 150 students between the ages of 10 and 15 showed substantial improvement in knowledge about the topics of cyberbullying from the perspective of the bully, victim, and bystander.

- **Woogi World**: Woogi World is an educational virtual world geared for kids in grades K-6 (kids between the ages of 5 and 13). Before kids can play in the virtual world, they have to succeed at an online game on Internet safety, where cartoon superheroes guide and test kids on how to navigate the Internet and virtual worlds safely.

- **PrivacyVille**: PrivacyVille is a game developed by Zynga that gives gamers a quick picture of behind-the-scenes tracking mechanisms that are enabled when gamers download and play a Zynga game. PrivacyVille also provides useful information on other aspects of gaming, such as payments, e-mails, passwords, etc.

### 3. Encouraging Civic Values and Engagement

Because children’s values are continuously being shaped, games can be powerful influences in encouraging and rewarding a sense of responsibility toward others and a commitment to make their neighborhood a better place in which to live. Games can
incorporate in-game and real-world activities like picking up trash on the street, volunteering at a homeless shelter, or contributing a portion of allowance or virtual goods to help other children in need.

In December 2011, Japanese game developer Konami, in collaboration with the UN World Food Programme, released a version of Food Force on Facebook, a free-to-play game that allows players to interact with other players and buy virtual goods. Konami initially launched this game in 2005, and more than 10 million players have downloaded and played the game since.

The game involves coordinating a rescue emergency operation on a fictitious island. To plot the operation, gamers spend money on virtual goods like seeds and farming equipment to save the islanders from a looming famine. Konami will contribute the funds raised via the sale of virtual goods to the World Food Programme, which supports programs that help feed more than 20 million children in the real world.85

4. Promoting Technology Readiness
Game companies can help more young people get a stronger education and build marketable job skills by supporting the purchase of computers, subsidizing the cost of high-speed Internet, and providing technology training for parents and teachers in underserved communities. Though not initiated by game companies, the following examples show how these partnerships work.

In August 2011, Comcast, as part of its Internet Essentials initiative (the result of an agreement with the Federal Communications Commission), launched a subsidized Internet access and a laptop voucher program for qualifying students in its service areas. Internet Essentials provides broadband Internet for $10 a month and $149 vouchers for laptops to low-income students who qualify for School Lunch in the 39 states where Comcast operates. In the state of Colorado, for example, it is estimated that slightly more than one third of students will benefit from this initiative.86

General Mills also has a laptop initiative. In collaboration with the nonprofit “One Laptop Per Child,” General Mills is on track to donate 2,500 laptops to some of the world’s poorest children.

As part of the initiative, General Mills cereal boxes come with codes, which, when entered in the One Laptop Per Child sweepstakes, may result in a child winning a laptop. The laptops are powered by solar cells and preloaded with special content. They connect to the Internet via an antenna capable of picking up a satellite signal. Each computer also has a camera, microphone, and speakers.87
5. Offering Mentoring and Work Opportunities

Game companies can also create mentor programs and work internships for kids as well as provide scholarships for them to attend good schools and colleges.

In May 2011, Sony Computer Entertainment America (SCEA), along with partners, hosted Project Lead the Way, an event for Valley Christian Junior School in San Jose. This project aimed to help students understand how the skills they learn in school relate to everyday life by introducing them to the field of engineering. In conjunction with the event, SCEA offered a site tour and led discussions for the students.\(^8\)

In addition, Sony Online Entertainment LLC has partnered with Scholarship America for four years in a row to offer a $10,000 scholarship to G.I.R.L (Gamers in Real Life) to motivate women to enter game development.\(^9\)

There are valuable roles for game company executives, parents, kids, and philanthropy in game-based cause partnerships.

Moving These Ideas Forward: Roles for Industry, Parents, Kids, and Philanthropy

Now is the time to build upon the leadership already being shown by game industry leaders so that more children can benefit as the games industry prospers. There are valuable roles for game company executives, parents, kids, and philanthropy.

Industry can:

- Promote discussion of cause partnerships by addressing this important subject at conferences and in corporate boardrooms.
- Establish and measure the impacts of cause partnerships to improve the health, education, and job readiness of children.
- Use games to direct students to applications that can improve their educational achievement or health, such as Mission: Admission, a Facebook game that teaches kids how the college admissions process works.\(^9\)

Parents & Kids can:

- Communicate to game company leaders on company websites and through other feedback mechanisms that they want more cause value built into games, including when they purchase virtual goods.
- Use Facebook and other social media platforms to encourage other parents and kids to demand cause partnerships and to reward companies that offer causes benefitting kids by supporting their products.
Philanthropy can:

- Educate themselves through briefings and conferences about the ways in which games can serve as potent tools for improving children’s health, education, and job readiness.

- Explore partnerships with game companies or support other organizations that can in ways that advance their philanthropic goals.

- Support needed evaluation of various kinds of game company partnerships to better understand how to have the greatest positive impact on children.

Now is the time to build upon leadership already being shown by game industry leaders so that more children can benefit as the game industry prospers.

The Children’s Partnership will continue to monitor trends and opportunities to improve the well being of children as digital games and social media evolve. We look forward to working with all interested parties to help ensure that these exciting developments are applied in ways that provide the greatest possible benefit to children and families.
Part Three: VirtuallyGood4Kids™—Engaging in Cause Partnerships for Children

Based on The Children’s Partnership’s yearlong research and analysis to determine where the most positive impacts for kids can be delivered through cause partnerships with game companies, we see tremendous potential for good in a new kind of cause partnership that we call VirtuallyGood4Kids™.

What Is VirtuallyGood4Kids™?
VirtuallyGood4Kids™ is a program of philanthropic giving and corporate branding/marketing that can improve the bottom line of game companies while also being a win for women gamers and for the cause of kids. VirtuallyGood4Kids™ is a themed, sustained virtual goods campaign that taps into women gamers’ interest in the cause of kids by incorporating designated virtual goods into game play. A portion of the revenues generated is directed in very targeted ways to improve health, nutrition, education, and job readiness for kids who need it most: in the real world.

While other cause-related virtual goods campaigns have been successful at delivering immediate relief after natural disasters, VirtuallyGood4Kids™ is a sustained effort designed to help kids while also engaging, continuously, one of the largest and fastest-growing groups of gamers: women, many of whom are also moms.

How Does VirtuallyGood4Kids™ Work?
VirtuallyGood4Kids™ can be incorporated into game play in various ways that produce funds for kids’ causes: designated virtual goods incorporated into the game play or sold through the game’s virtual goods store; funds generated to level up in the game; badges and other rewards that indicate support of kids; and tie-ins in the game to branded goods and products sold by corporate partners, among many options. The elements can be refreshed or new ones invented continually, tied to holidays, major events, seasons, and the like.

For example, in a social game like Social Sims, players would buy a virtual good for kids like a glass refrigerator that lets your in-game character show she is well-stocked with fresh vegetables. In turn, she would be rewarded with increased social or experience points to move up levels in the game. Funds raised through these virtual goods for kids could support local food pantries or healthy snacks in after-school programs in the real world.

VirtuallyGood4Kids™: A Win for Kids, Women, and Game Companies

Win for Kids
VirtuallyGood4Kids™ is a win for kids because it generates substantial funds to support greatly needed health, education, and job readiness causes during these especially challenging economic times.
Win for Women/Moms
VirtuallyGood4Kids™ is a win for women/moms because it allows them to make a difference for kids through game activities they already participate in and enjoy. It is also a way to teach the value of “helping others” to their own children.

Win for Game Companies
VirtuallyGood4Kids™ is a win for game companies because it converts women gamers who don’t currently buy virtual goods into those who do and promotes a positive corporate image.

How It Benefits Kids
Hundreds of thousands of children could get off to a strong and healthy start in life through VirtuallyGood4Kids™. It costs, for example, $2 per day to bridge the digital divide for a student by providing a computer and high-speed Internet, $3 per day to provide complete health care to a child, and $4 per day to provide after-school enrichment.

Rough projections show that, depending on how many users play a designated game each month and on how long the VirtuallyGood4Kids™ effort is sustained, considerable new resources could be generated for kids. For instance, a game with 5.7 million monthly users could generate $3 million dollars in a one-year campaign if 3% of players buy $1.50 per month in virtual goods for kids.

Kids who don’t need this direct support but who are looking for a way to help others—as well as kids who are forming their values and learning where social responsibility fits in—will also win by participating in VirtuallyGood4Kids™ and by seeing their parents choose to spend money to help kids who need it most.

How It Benefits Women/Moms
Social gamers, 55% of whom are women, spend an average 9.5 hours per week playing games, which speaks to how engaging and entertaining today’s games are. But if games offered women/moms the added value of being involved in an ongoing way in the cause of kids, women could feel better about the time (and perhaps money) they are spending.

They would also have the satisfaction of seeing where the money contributed through their game play actually went and what difference it made in the lives of kids. And through use of badges and other rewards, women gamers could take pride in their philanthropy in the broader virtual and real worlds in which they live.

By talking with their children about their decision to play games that include VirtuallyGood4Kids™—and by encouraging their kids to do the same—parents are also teaching values to their own children of helping others and of community involvement. Incorporating these positive messages into gaming offers a powerful new way to teach children good values.

How It Benefits Game Companies
VirtuallyGood4Kids™ can deepen the engagement of women in game play, potentially converting women not purchasing...
virtual goods today into purchasers—and those who are current purchasers into larger purchasers—as well as more loyal fans. Just as game design enables players to become stronger, faster, smarter, richer, or more powerful, the game can add a new dimension of achievement, allowing players to make a difference for kids and become a hero. A cause tie-in to kids also allows the story in a game to be enriched so that it can change over time, responsive to developments in the news or on the calendar.

And as women share their “good works” with their friends via social media, VirtuallyGood4Kids™ also holds the potential to recruit new women to become game players. Greater retention of women gamers is also a likely result from an ongoing but continually refreshed campaign like VirtuallyGood4Kids™. For these reasons, trends in Daily Active Users and Average Revenue per User can be tracked and be expected to increase as a result of VirtuallyGood4Kids™. In addition, the game company can demonstrate in a highly visible way the positive difference it is making in local communities, thereby enhancing its image and positive PR. The children’s services and organizations that receive the funds can be specifically matched to the themes of the game and virtual goods products generating them.

**Moving Forward on VirtuallyGood4Kids™**

The Children’s Partnership created VirtuallyGood4Kids™ recognizing the emerging power of gaming in families’ lives and the importance of social responsibility from the gaming community. The Children’s Partnership can help game companies design their own unique version of VirtuallyGood4Kids™ with strong partners and investments in kids’ causes that have the greatest impact.

The Children’s Partnership can help with those aspects of the nonprofit partnership that are strengthened by having expertise and credibility in the children’s world, including:

- A selection of kids’ causes that make an impact and can be reported back to users;
- The identification and vetting of local, state, and national nonprofit partners to incentivize giving;
- Substantive information and expertise that creates campaign credibility and legitimizes it to players, stakeholders, and external entities, such as media and policymakers;
- The recruitment of philanthropic and other partners that enhance the campaign’s image and bottom line;
- A knowledge of real-world developments affecting kids and tie-ins to the campaign; and
- A role of clearinghouse and advisor for inquiries from potential partners, nonprofits, corporations, etc.

For more specific information about how game companies and investors in games can work with The Children’s Partnership, please see the VirtuallyGood4Kids™ brochure at [http://www.childrenspartnership.org](http://www.childrenspartnership.org) or contact Wendy Lazarus at wlazarus@virtuallygood.org.
Acknowledgments

The author thanks the Durfee Foundation whose Stanton Fellowship supported the Research & Development for VirtuallyGood4Kids™. Carrie Avery and Claire Peeps, along with the 2010-11 class of Stanton Fellows (Anita Landecker, Steve LaPore, Margie Martinez, Jonathan Parfrey, and Robert Sainz) lent their considerable brainpower and steady encouragement throughout. Daniel Kim and Esther Kang supported the Fellowship program. More recently, the funding from The California Endowment and the wisdom of Kathlyn Mead, in particular, have been invaluable.

Aarti Jayaraman took the lead on research for this report, contributed to many of its sections, and helped develop the strategy for VirtuallyGood4Kids™.

Laurie Lipper was a thought partner throughout this project and provided strategic advice at key junctures. She also oversaw the design of collateral materials for VirtuallyGood4Kids™. Carrie Spencer provided extensive editorial assistance and designed this White Paper. Karen Anthony assisted with dissemination. Leah Rosengaus along with Ava Alexandar provided research support. And the entire staff of The Children’s Partnership served as an enthusiastic and valuable sounding board for this project.

Archana Devi Sunder Rajan provided early leadership on this effort while an MBA student at the Anderson Business School at University of California, Los Angeles. We also thank the following people for their feedback on the draft of this document and other forms of advice about VirtuallyGood4Kids™: Andy Doyle, Norman Praught, Darren Markovitz, Larry Kirk, Al Hastings, Ted Price, Chris Carlton, Martin de Ronde, Erik Huey, Mari Baker, Nathan Ratcliffe, Andy Spahn, Kevin Ryan, Mayur Patel, Ryan Schneider, John Say, Aron Cramer, Sonny Fox, David Frankel, Ned Schwartz, Serita Cox, and Stuart Lazarus. We also thank our project team at Tides Center.

Arnold & Porter LLP provided legal and strategic advice on VirtuallyGood4Kids™. We appreciate the assistance of Ron Johnston, Susan Hendrickson, Diane Lambillotte, and Melinda Freyfogle.

Gary Ridley with Smarteam Communications designed the logo and materials associated with VirtuallyGood4Kids™. Photos and graphics for this report were acquired at istockphoto.com.
Endnotes


13Ibid., slide 22.

16Ibid., p. 2.
17Ibid., p. 2.
18Ibid., p. 7.

Social games are those which typically exist on social networking sites such as Facebook, have easy learning curves, have attractive user interfaces, and have game dynamics that involve playing, competing, or cooperating with friends. (Nicholas Lovell, "What is a Social Game?," GamesBrief (blog), January 11, 2011, http://www.gamesbrief.com/2011/01/what-is-a-social-game/).


Estimates of the percentage of women gamers vary from 42% to as high as 75%, depending on whether the figure pertains to all games, all social games, etc. Based on all available data, the 55% figure seems to be the most accurate overall number to use at this time for the percent of women who are social gamers.


22Ibid., p. 4.
23Ibid., p. 6.


26Estimates of the percentage of women gamers vary depending on whether the figure pertains to all games, all social games, etc. Based on all available data, the 55% figure seems to be the most accurate overall number to use at this time for the percentage of social gamers who are women. See note 20.
The Foundation Center defines cause-related marketing as “the public association of a for-profit company with a nonprofit organization, intended to promote the company’s product or service and to raise money for the nonprofit.” Foundation Center, quoted in Entrepreneurs Foundation, Cause-Related Marketing, accessed May 24, 2012, http://www.efcsr.org/documents/resources/marketing-communications/Cause-Related-Marketing.doc.


Original research by The Children’s Partnership conducted between September 2010 and May 2012 identified approximately 50 examples of cause-aligned virtual goods "campaigns" in games. Though not designed to capture every such partnership, the research documents that these partnerships are becoming more common and growing in number.


64Ibid.


72Ibid.


Other Resources from The Children's Partnership

Available at www.childrenspartnership.org, unless otherwise noted.

Digital Opportunity Resources

*Empowering Parents Through Technology to Improve the Odds for Children* (2010)

*The School2Home Program: A Public-Private Initiative to Close the Technology Gap for California’s Middle School Families* (2009, in partnership with the California Emerging Technology Fund)

*Guidelines for Content Creation and Evaluation* (2009)


*Measuring Digital Opportunity for America’s Children: Where We Stand and Where We Go From Here* (2005)


(Contact (310) 260-1220 to obtain copies.)

Health IT Resources

*Mobile Technology: Smart Tools to Increase Participation in Health Coverage* (2011)


*School-Based Telehealth: An Innovative Approach to Meet the Health Care Needs of California Children* (2009)

*The Express Lane Story: Turning Common Sense into Public Policy* (2009)

*Improving Health Outcomes for Children in Foster Care: The Role of Electronic Record Systems* (2008)

*E-Health Snapshot: A Look at Emerging Health Information Technology for Children in Medicaid and SCHIP* (2008)