



The Canadian Charitable Sector, A New Conversation...

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Business Development**
Imagine Canada

January 2015

Today's Quiz

Pacemakers



Pablum

Public Health Nurses



Imagine Canada

A national charitable organization whose cause is Canada's charities and nonprofits.

- **Strengthen** the sector's **collective voice**.
- **Create opportunities** for charities and nonprofits to connect and learn from each other.
- **Build** the sector's **capacity** to succeed.

Essentially, it is our our mission to support and strengthen charities and nonprofits so they can, in turn, support the Canadians and communities they serve.

**Imagine
Canada
programs
that
support
the sector**



Designed to strengthen public confidence in the charitable and nonprofit sector, the Standards Program offers accreditation to charities and nonprofits that can demonstrate excellence in five key areas:

- board governance;
- financial accountability & transparency;
- fundraising;
- staff management; and,
- volunteer involvement.



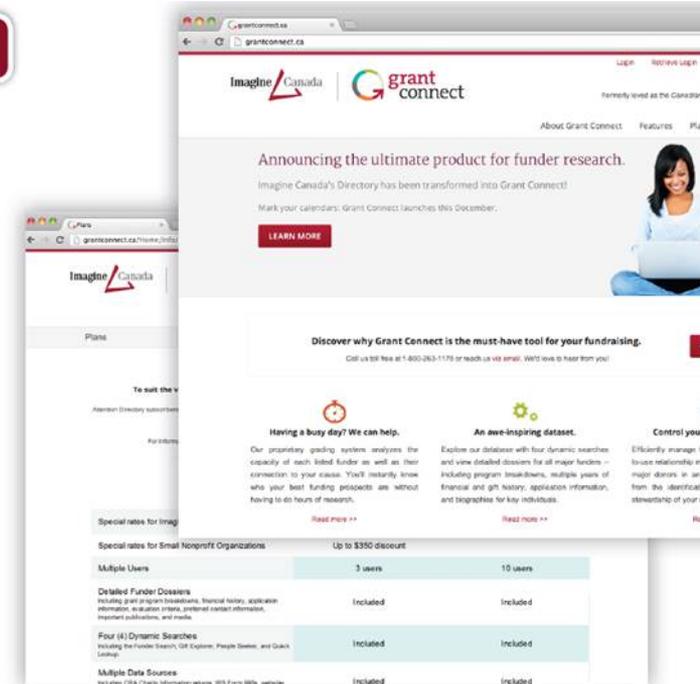
Imagine
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programs
that
support
the sector



Easy, dynamic and "in-the-cloud"

The most accurate and comprehensive funding research tool in Canada, Grant Connect is a bilingual database with detailed, searchable information on thousands of major funders.

Updated daily with information from multiple data sources, Grant Connect makes it effortless for you to find new funding opportunities, organize your prospects, and target your proposals.



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Public Policy Expertise



Brian Emmett: Chief Economist for the
Charitable Sector

Stretch Tax Credit

Charitable exemption - anti-spam legislation

Reduced credit card fees

Postage rates for charities

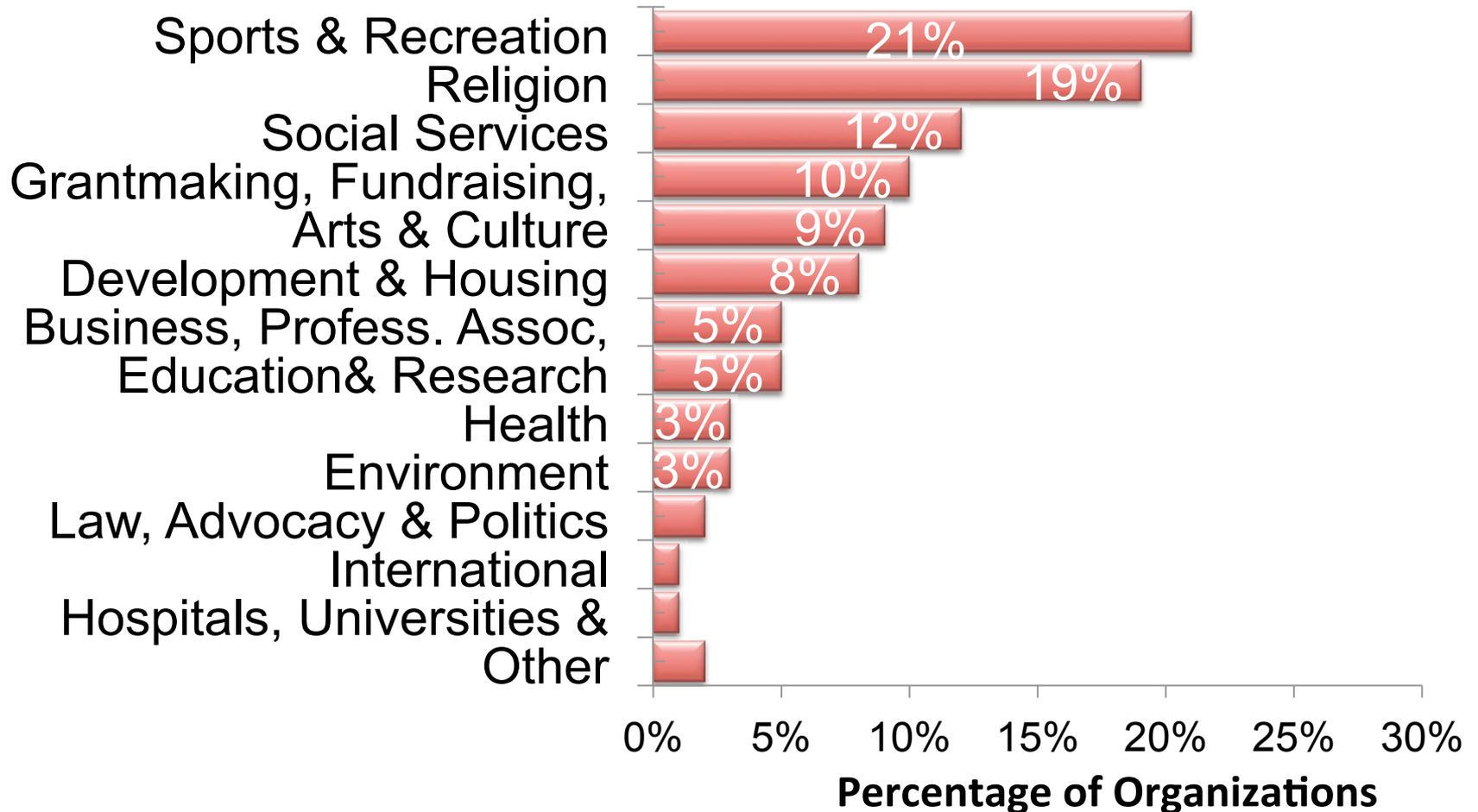
The Charitable And Nonprofit Sector In Canada

The Sector

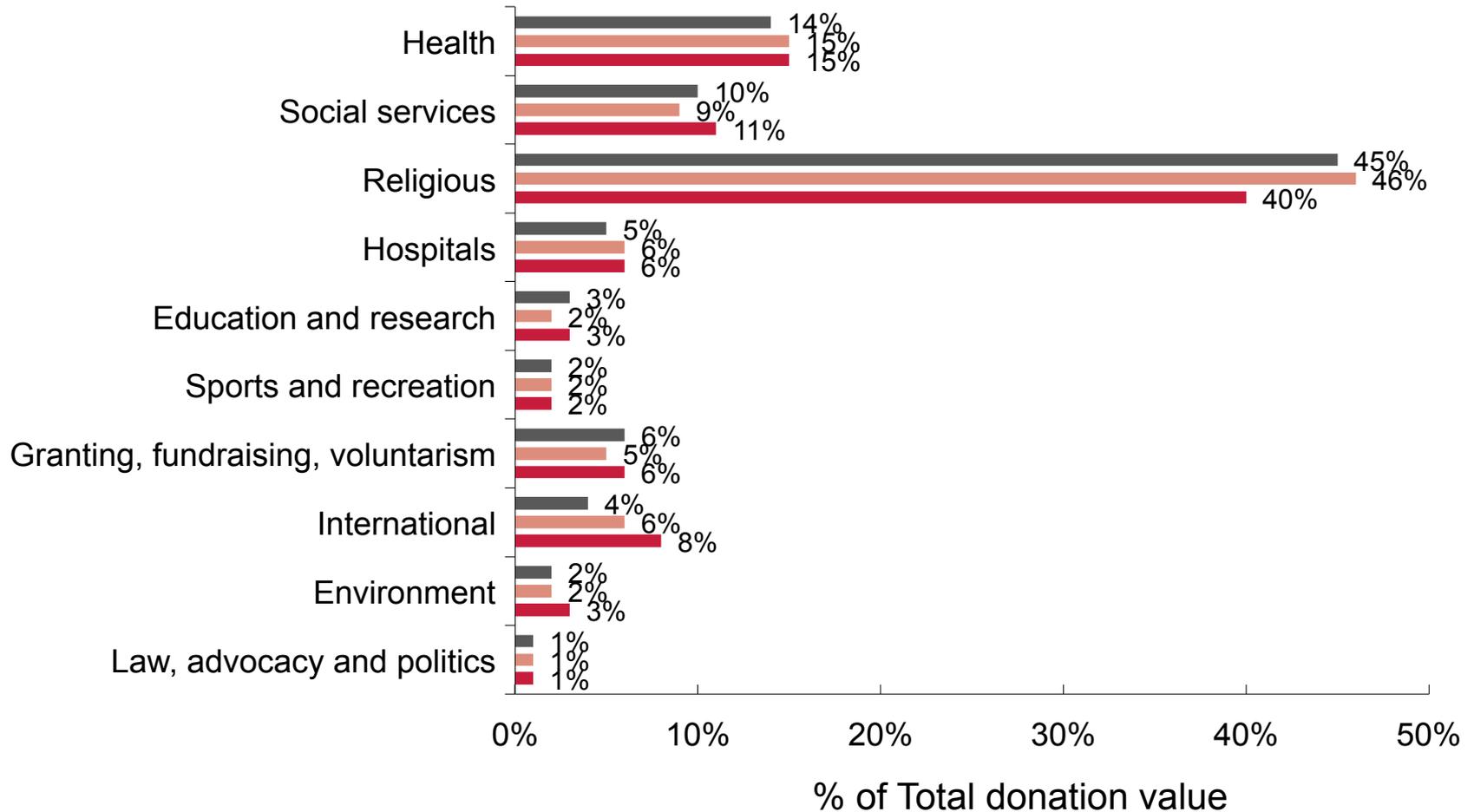
- More than 170,000 organizations in Canada
- Half of these are run entirely by volunteers
- 2 million people are employed by these organizations representing 11% of the economically active population
- More than \$10 billion in individual donations
- 13 million volunteers contribute more than 2 billion hours
- Accounts for 8% of total Canadian GDP



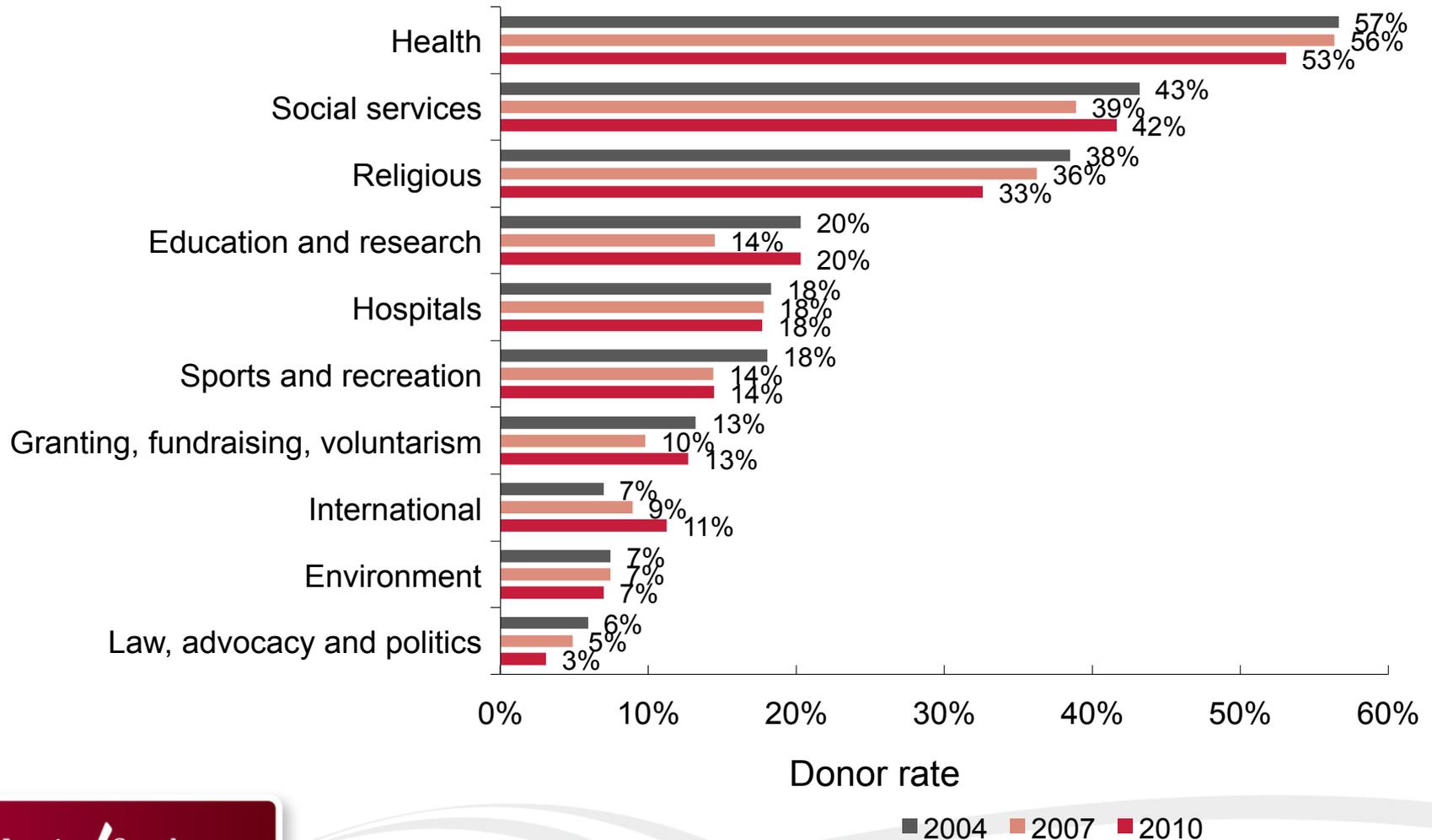
The Types of Organizations



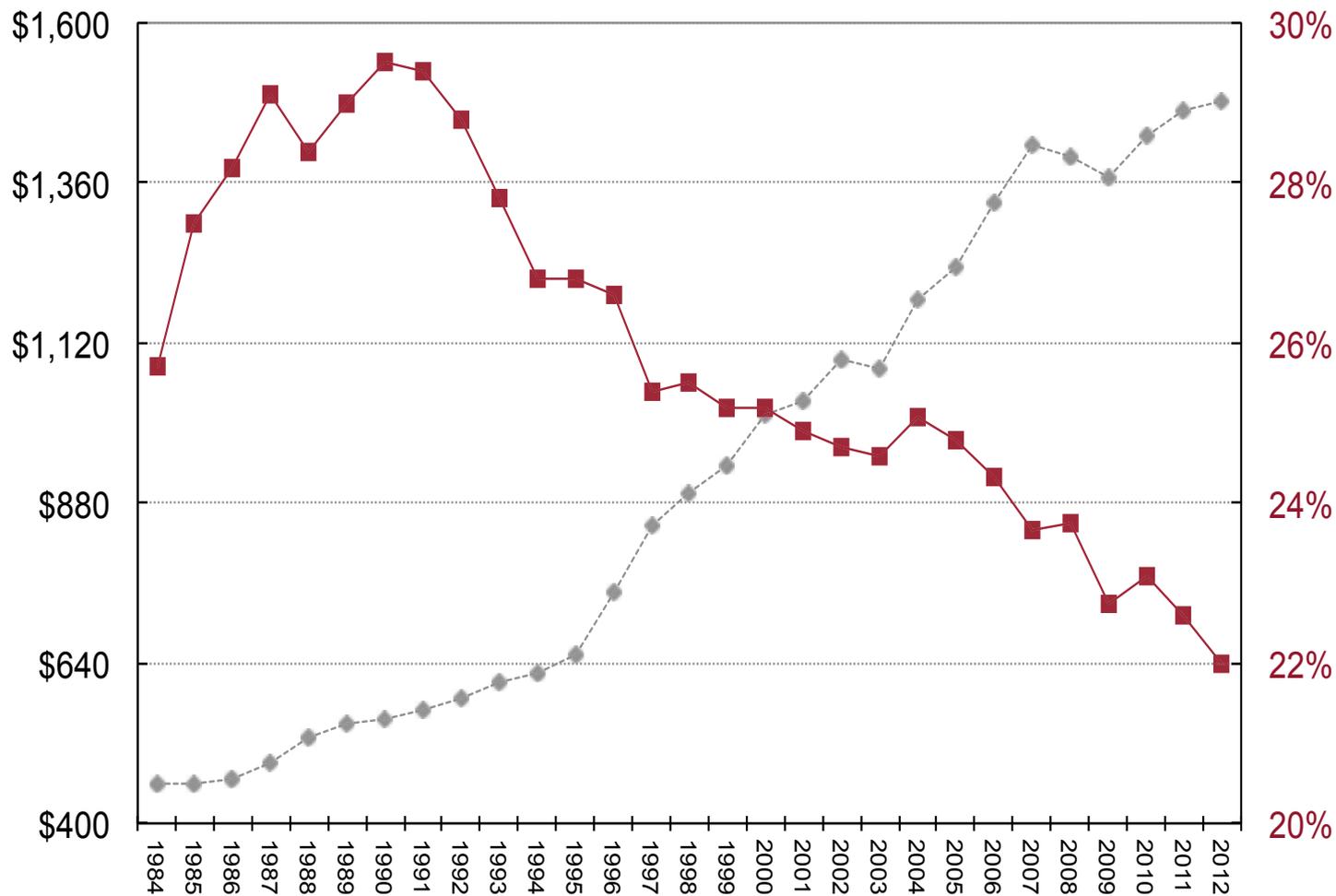
Types of Organizations that Canadians Support - by value



Types of Organizations that Canadians Support – by percentage of donations



Donations and Donors, 1984 to 2012

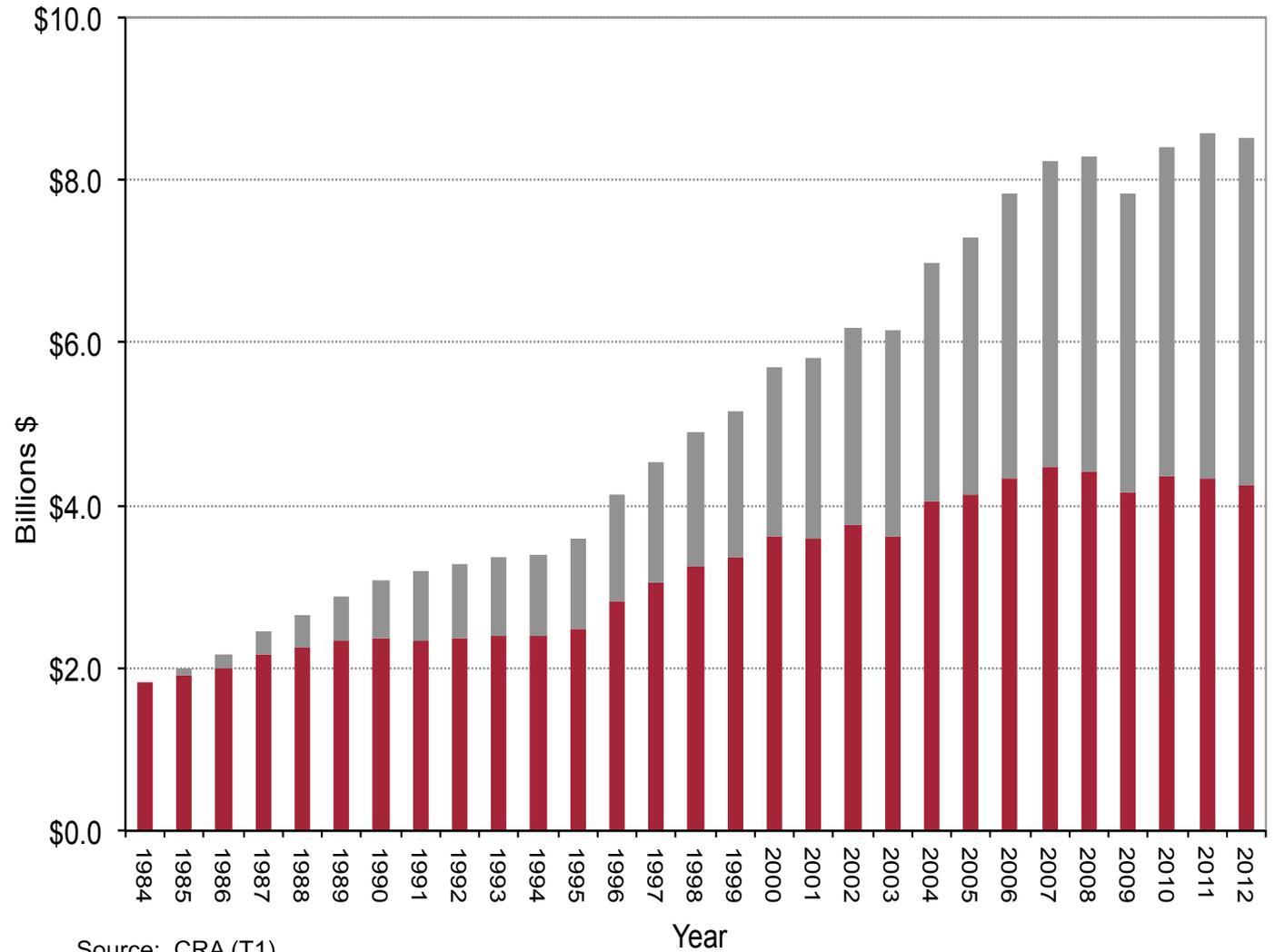


Source: CRA (T1)

Year

◆ Average Donation ■ Donors as % of Taxfilers

Total Donations, 1984 to 2012



Source: CRA (T1)

■ 1984 Dollars ■ Value of Inflation

Who Gives

- Women slightly more likely to donate than men
- Better educated people give more
- Married or common law people give more
- People with a religious affiliation give more

New Research on Canadian attitudes to Charities

**Holiday
Giving
Intentions
November
2014**

- 62 per cent of Canadians intended to donate to charity over the holidays.
- 81 per cent cited “helping the less fortunate” as their motivation to give.
- 33 per cent intended to volunteer their time, rather than money, to a charitable cause.
- 33 per cent want to set an example for their children or others about the importance of giving back.

**Holiday
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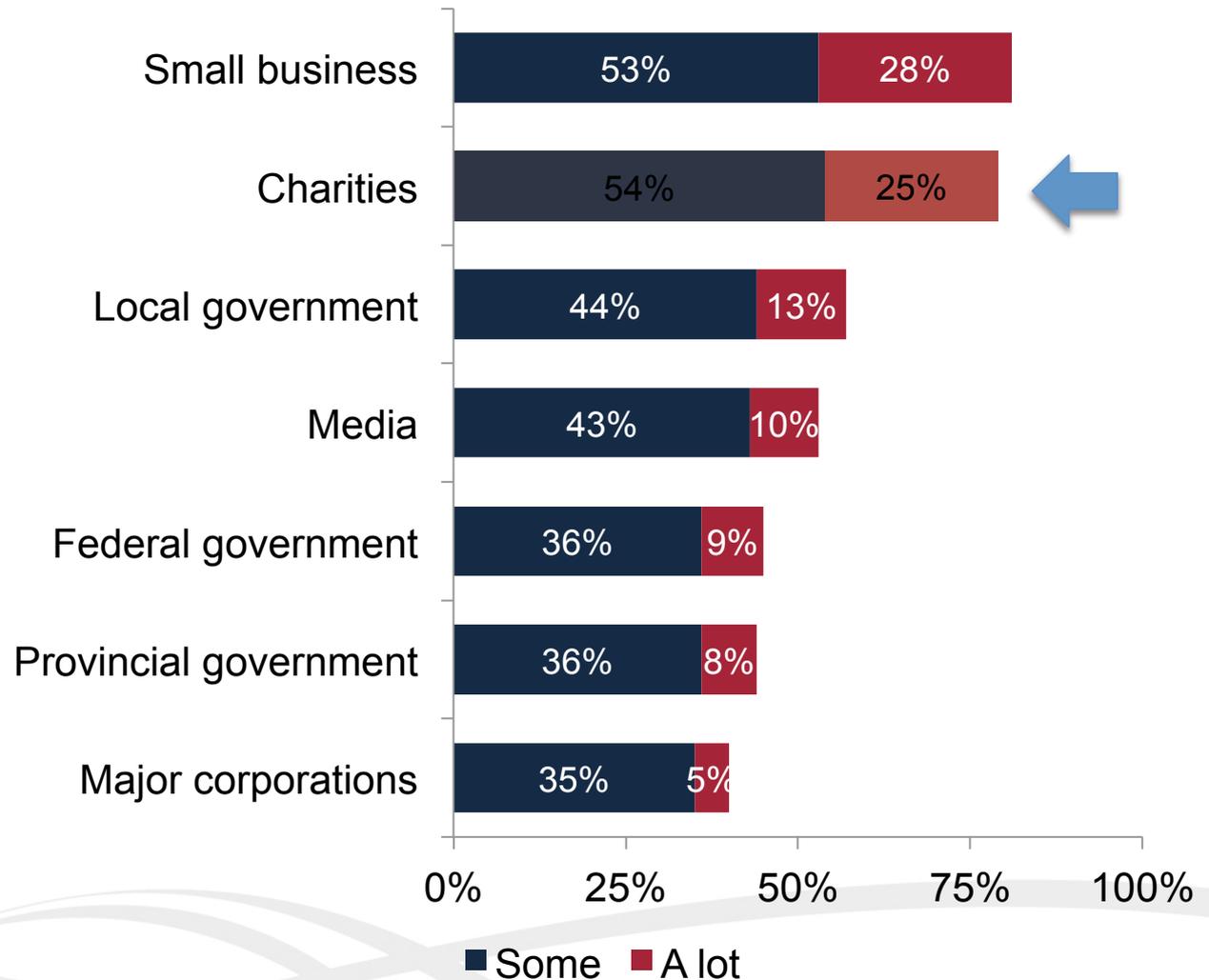
- 26 per cent planned to make a donation in someone's honour in place of a traditional gift.
- 42 per cent say they are donating to experience the joy of giving and celebrate the spirit of the holidays.
- 61 per cent of those not making a charitable donation cite lack of funds as the reason.

**Holiday
Giving
Intentions
November
2014**

- 65 per cent of those surveyed think that charities spend too much on administration.
- Only 7 per cent disagreed with the notion that charities spend too much on administration.
- 39 per cent made a donation expressly because the charity had demonstrated that their donation would go “to the cause”.

Only small business receives similar levels of public trust to charities.

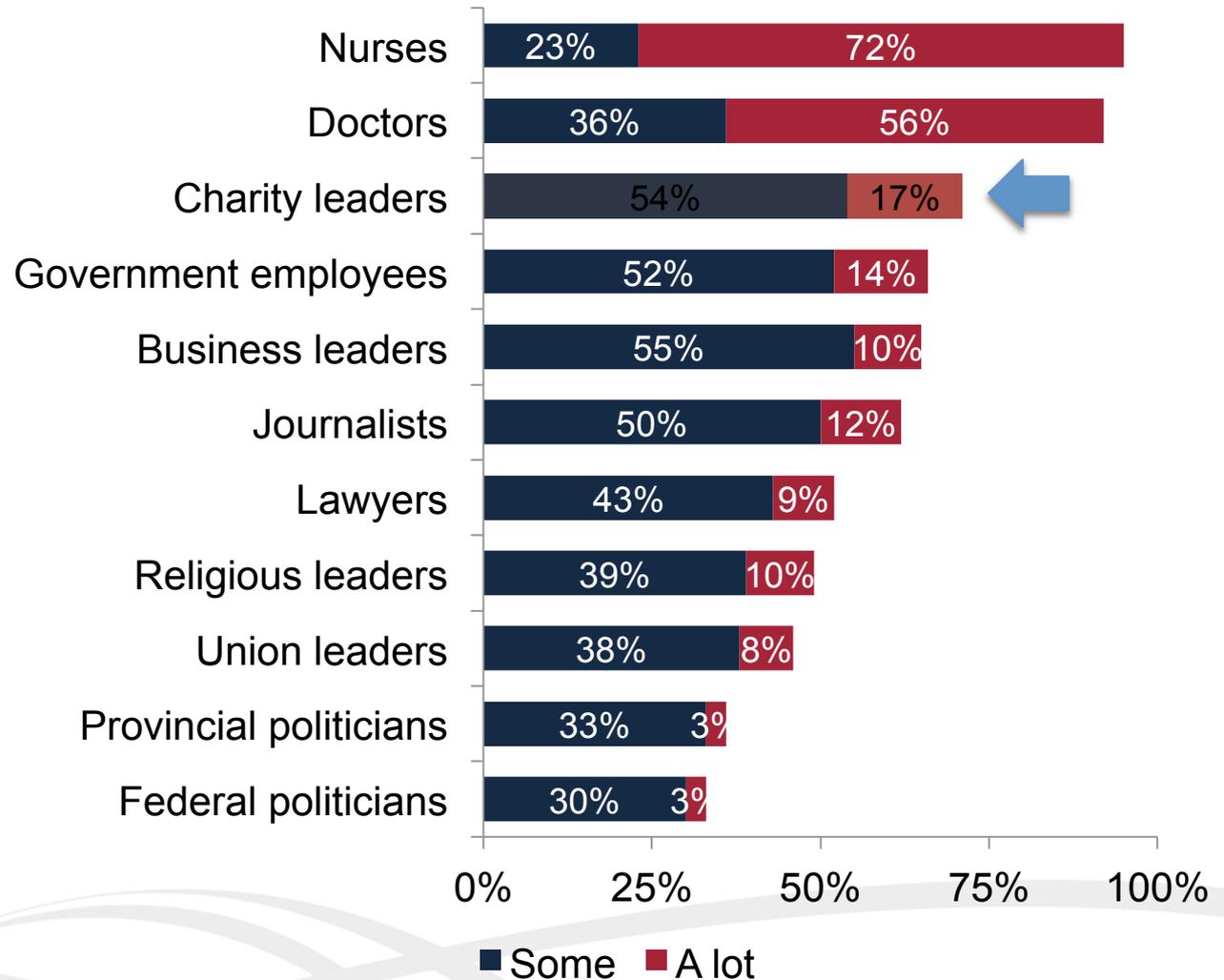
Trust in institutions



Source: Talking About Charities, Muttart Foundation, 2015

Charity leaders rank behind only medical professionals in terms of trust.

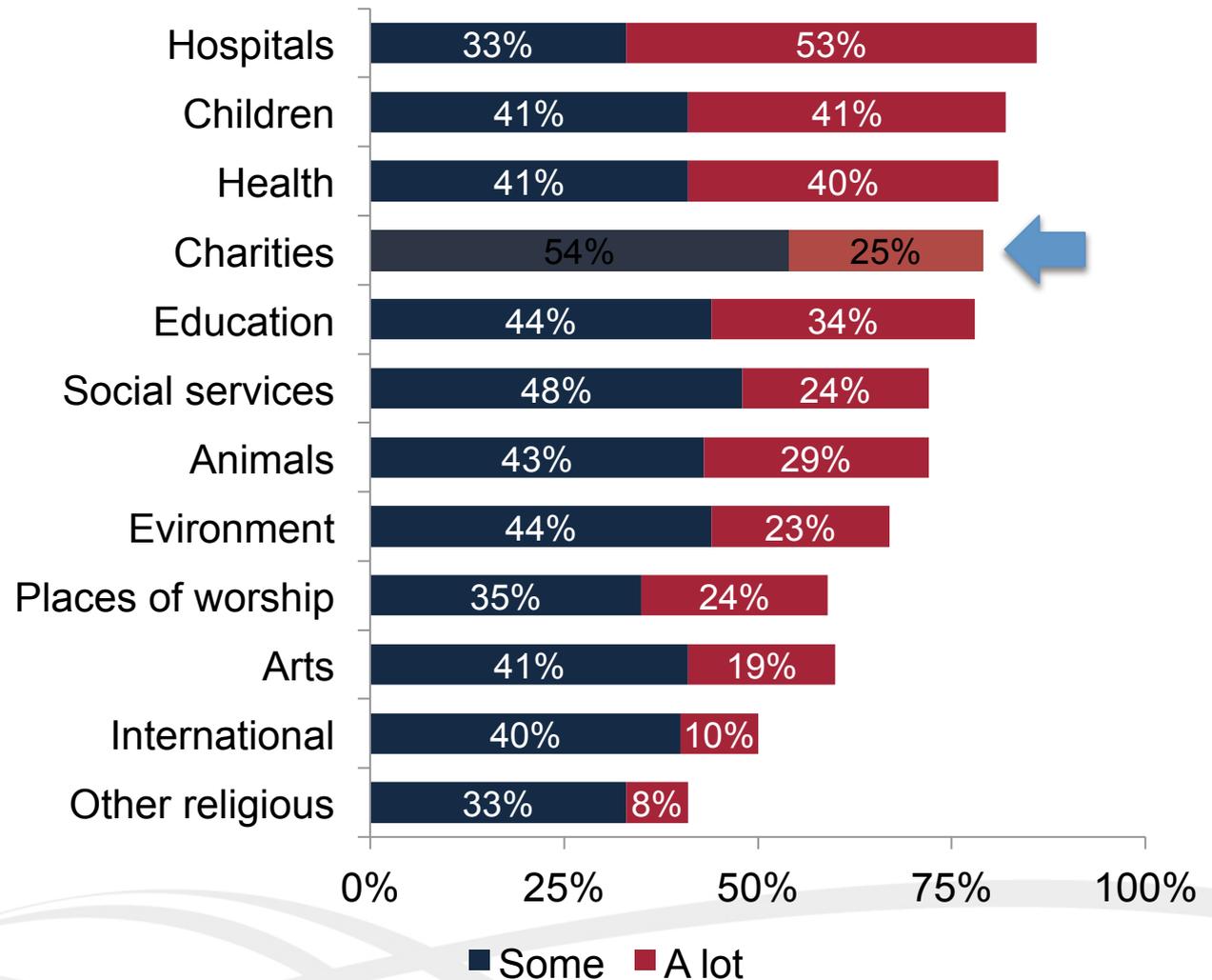
Trust in professions



Source: Talking About Charities, Muttart Foundation, 2015

Most specific types of charities are trusted less than charities as a general concept.

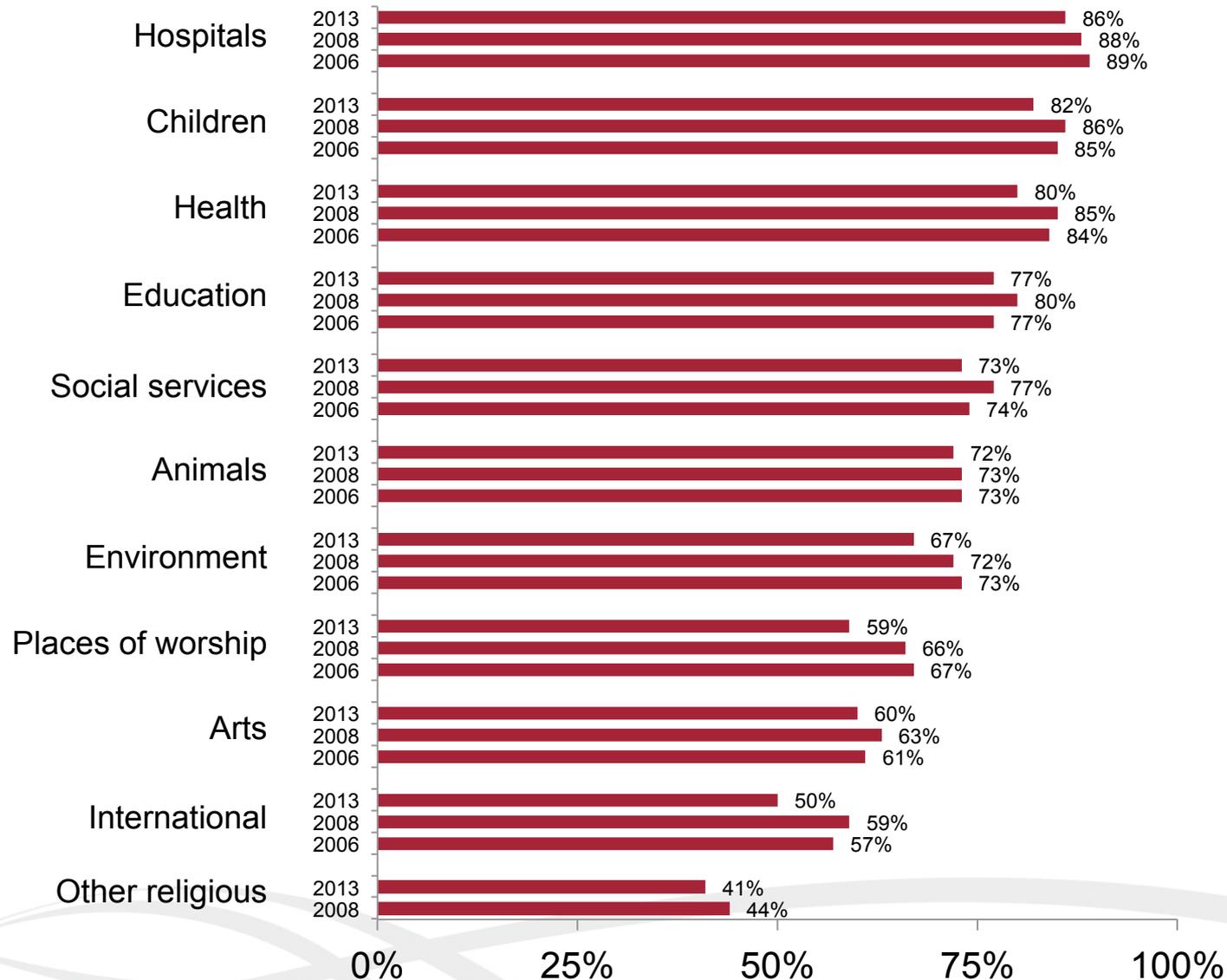
Trust in specific types of charities



Source: Talking About Charities, Muttart Foundation, 2015

Trust in many specific types of charities has decreased over time.

Shifts in trust over time



Source: Talking About Charities, Muttart Foundation, 2015

Challenges Facing Canadian Charities In 2014

Continued concern about salaries

CBCnews | Canada

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Thousands of charity workers earn big salaries: report

The Canadian Press Posted: Jul 10, 2011 7:59 PM ET | Last Updated: Jul 10, 2011 7:57 PM ET

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PRIVATE-MEMBERS BILL

Liberal pushes charity transparency bill

JANE TABER

The Globe and Mail

Published Tuesday, Mar. 16 2010, 10:07 AM EDT

Last updated Monday, Sep. 10 2012, 1:16 PM EDT

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Continued concern about fundraising and administration costs

CBCnews | Canada

Charities paid \$762M to private fundraisers

CBC News Posted: Sep 22, 2010 5:03 AM ET | Last Updated: Sep 22, 2010 10:29 AM ET



Canadian registered charities paid \$762 million to third-party fundraisers between 2004 and 2008, all of it deductible for charities and often dwarfing guidelines set out by the Canada Revenue Agency, a CBC investigation has learned.

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Bri
Ka
Ca

Percentage of Canadians who say charities spend too much on salaries & administration:

73%*

***Talking About Charities Survey, 2013**

Percentage of Canadians who say charities spend too much on fundraising: **52%***

***Talking About Charities Survey, 2013**

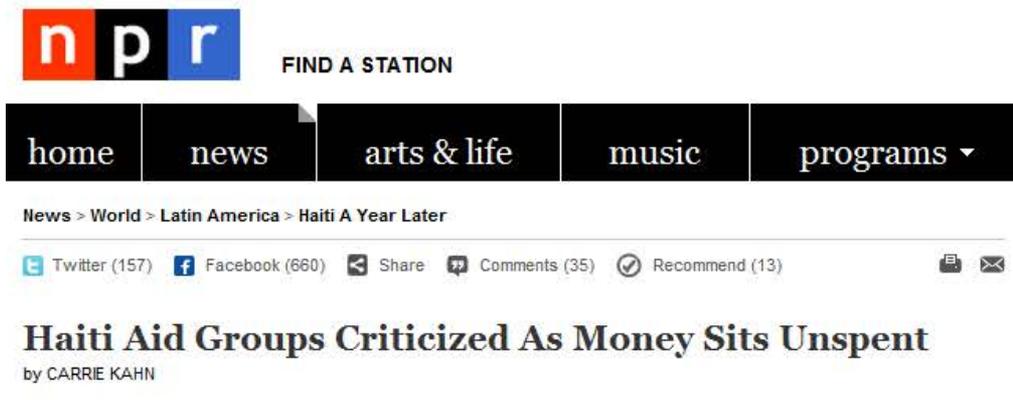
Increasing demands for transparency and accountability

MoneySense

list.moneysense.ca/rankings/charities/2010/print.aspx

Charity	Charity Efficiency (Percent of spending going to programs)	Charity Efficiency Grade	Fundraising Efficiency (Cost to raise \$100)	Fundraising Efficiency Grade	Governance and Transparency (Score out of 10 (+1 bonus point))	Governance and Transparency Grade	Reserve Fund Size (Years of reserves on hand)	Reserve Fund Size Grade	Overall Grade
▲ Art Gallery Of Ontario	87%	A	\$6.50	A	3	D+	-	-	B
Centre for International Governance Innovation	85%	A	\$2.80	A	2	D	11 yr. 5 mo.	D	B-
Montreal Museum of Fine Arts	86%	A	\$3.00	A	5	C	-	-	B+
Perimeter Institute	92%	A	\$0.00	A	3	D+	14 yr. 8 mo.	D	B-

Criticism of the pace of international development



The image shows a screenshot of the NPR website. At the top left is the NPR logo (n p r) and a search bar labeled 'FIND A STATION'. Below this is a navigation menu with options: 'home', 'news', 'arts & life', 'music', and 'programs'. The 'news' menu item is highlighted. Below the navigation is a breadcrumb trail: 'News > World > Latin America > Haiti A Year Later'. A row of social media sharing options is visible: 'Twitter (157)', 'Facebook (660)', 'Share', 'Comments (35)', and 'Recommend (13)'. The main headline of the article is 'Haiti Aid Groups Criticized As Money Sits Unspent' by CARRIE KAHN.

“Chilly climate” for political activity



A screenshot of the National Post news website. The top navigation bar is yellow with the text "NATIONAL POST" in black. Below it, a black bar contains links for "FINANCIAL POST", "NEWS", "COMMENT", "PERSONAL FINANCE", "INVESTING", "TECH", "SPORTS", "ARTS", "LIFE", "HEALTH", and "HO". A second black bar contains "NEWS" followed by "CANADA", "WORLD", "ISRAEL & THE MIDDLE EAST", "HOLY POST", "TORONTO", "GRAPHICS", "PHOTOS", and "EDITORS BLOG". The main heading "NEWS" is in large, dark blue letters. Below it, a red "TRENDING" tag is followed by a list of topics: "FP500 | Iraq | Ford | Moncton | Bergdahl | Ukraine | Ontario | BlackBerry | Trudeau". The main article title is "The politics of charity: When is a tax-exempt organization too political?". Below the title, there is a small profile picture of Kathryn Blaze Carlson, her name, the date "April 6, 2012", and the text "Last Updated: Apr 6 6:58 PM ET". At the bottom right, there is a "Republish Reprint" icon and text.

Shrinking donor base



Charitable giving falling to fewer Canadians

Number of donors decreasing but size of donations growing

By David Simms, CBC News | Posted: Feb 21, 2013 8:02 PM ET | Last Updated: Jan 15, 2014 11:52 AM ET



Opinion / Editorials

Canadians need to reverse troubling trend on charitable giving: Editorial

A smaller percentage of Canadians are giving to charities than in the past, though those who do are giving more. As a society we're digging deeper into fewer pockets. It's not a healthy trend.

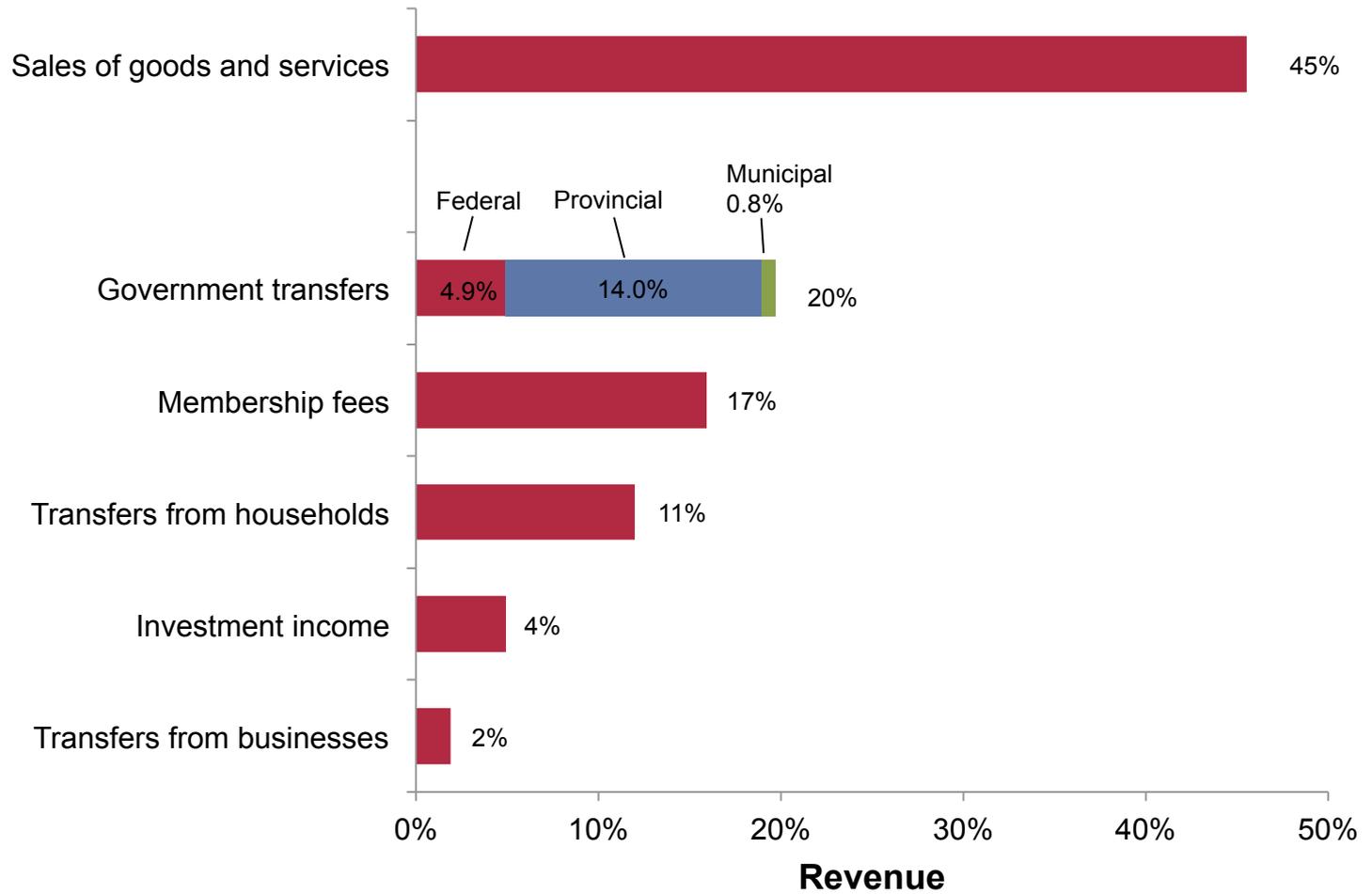
We Need A New Narrative, A New Conversation With Canadians About Our Work

A Foundational Narrative - Background

Current Issues – reflect a poor understanding our of sector:

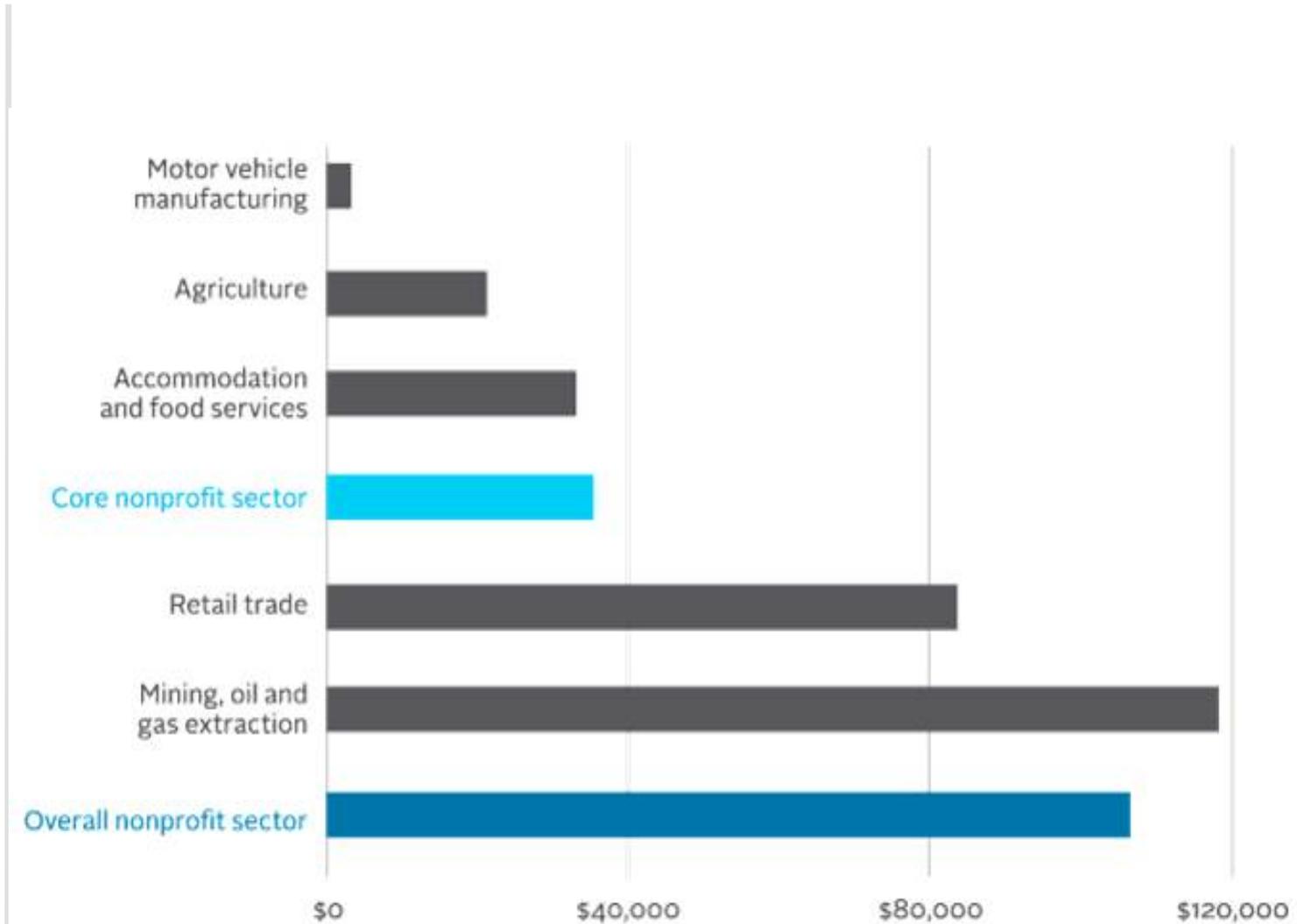
- Bill C470 which would have capped salaries in our sector;
- Involvement in Public Policy;
- Focus on fund raising cost;
- Ratings organizations – evaluating charities but on what metrics; and
- Criticism of international development, why isn't Haiti a G8 nation?

Revenue
by
source:
core
nonprofit
sector,
2007



A Significant Economic Force

Contribution to Gross Domestic Product



Narrative Tool Kit – First Elements, February 2014



- Core Resource – details about the size, breadth and impact of the sector.
- Highlights include: the sector's role in shaping public policy, the need for adequate compensation and an argument in favour of evaluating our work based on impact not overhead.

Narrative Tool Kit – Issue Sheets



Advocacy

ELEVATOR SPEECH

Canadian charities through significant public policy activities. These few examples. They are who cannot speak for themselves and have a strong voice and encourage others to do the same.

CONTEXT

Despite the sector's public policy activities, charities which do not have a strong voice are being challenged and attacked for such activities in the democratic process.

KEY MESSAGES

- Charities were instrumental in creating a smoke-free environment.

Compensation

ELEVATOR SPEECH

Charities are dealing with smaller charities who often include paid staff, it is important to have people in place. All organizations have a mission and investment in impact.

CONTEXT

Compensation of employees and donors, the media and public opinion champion the need for transparency in the charitable sector.

KEY MESSAGES

- Studies show organizations are using a variety of strategies to address compensation issues.

Fundraising and Administration

ELEVATOR SPEECH

Charities and nonprofits are facing society and doing a job done and, like any business, are accountable and transparent. Without these investments, it is difficult to deliver real impact.

CONTEXT

A 2013 Muttart Foundation report found that charities spend too much on fundraising. The sector's importance of the work they do has likely been exacerbated by the fact that many often rely on low overhead.

KEY MESSAGES

- It's important that charities and nonprofits are seen as being cost-effective.

Scope of the Sector

ELEVATOR SPEECH

Charities and nonprofits have helped to build and shape our nation. These organizations — as broad and diverse as the country itself — allow Canadians to connect and engage with their communities and express their incredible generosity here at home and around the world. It would be impossible to imagine the country without them.

CONTEXT

The Narrative Initiative is about more than the size of the charitable and nonprofit sector. That being said, our consultations throughout the country revealed an interest in the numbers behind the sector's work. More details can be found in the Narrative Core Resource.

KEY MESSAGES

- In relative terms, Canada's charitable and nonprofit sector is the second largest in the world.¹
- There are an estimated 170,000 charities and nonprofits in Canada — roughly split evenly between charities and nonprofits.
- Charities and nonprofits are able to issue tax receipts for donations.
- The sector generates \$176 billion in income, employs two million people and accounts for more than 8% of Canada's GDP.²

Narrative Tool Kit – Evaluation Resources

RESOURCES

Imagine  Canada

the
narrative

Evaluating Impact

A recurring theme throughout the discussions about a New Narrative for our sector is the need to highlight impact. When Canadians evaluate charities and nonprofits they often focus on financial details — which of course are important — but sometimes do so at the expense of considering an organization's impact.¹ During our consultations we learned that while some in the sector are expert at evaluating impact, others struggle to find the time, expertise and resources to do it well.

Given the diversity of charitable and nonprofit organizations it would be difficult to provide a 'one size fits all' measurement tool. Similarly, some aspects of our sector's work — such as contributing to social change — make measuring impact a challenge. However, as we try to broaden public understanding of our work it is crucial that we are able to explain not just what we do but the difference we make.

Brian Emmett, Imagine Canada's Chief Economist for the Charitable and Nonprofit Sector, will soon be working on a project designed to offer practical guidance on impact evaluation. To quote Brian, "Measurement of a lot of things charities and governments do is hard. It is hard for government with all their resources. It will be harder for charities. But it is inescapable. I think the way to square this circle is for charities to start off simple and get more sophisticated over time — don't be paralyzed by complexity — start to do it and learn

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Thank You

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