



CANADIAN CHARITIES' STRATEGY EVALUATION STUDY

Perspectives on strategic issues facing
the charity sector - July 2024

The voice of charities...

An initiative of

GIV3

Executive Summary



CANADIAN CHARITIES' STRATEGY EVALUATION STUDY

This summarizes the key insights from a quantitative online survey among Canadian charities collected in July 2024.

- ❖ ***The sector is struggling.*** Many Canadian charities are facing challenges compared to a few years ago.
 - Most charities report difficulties in fundraising (81% agree)
 - and finding volunteers (74% agree).
- ❖ Among eight key strategic challenges, the single biggest issue is ***the decline in generosity.***
 - About **70%** of charities feel this is one of the top one or two issues that need solutions. Considerably higher than any other strategic issue;
 - The other seven issues scored between 18% to 32%.
- ❖ ***Over 80% of charities support the idea of exploring independent solutions,*** rather than relying solely on policymakers.
- ❖ Additionally, ***69% of charities with an opinion believe that developing a "sector fund" is a good idea.***

Project Sponsors

GIV3 is a movement to encourage more Canadians to be more giving.

- GIV3 is a registered Canadian charity, created in 2009.
- It started with a focus on grassroot initiatives such as bringing **GivingTuesday** to Canada and developing **The Great Canadians Giving Challenge**. Both programs have triggered (and continue to encourage) tens of millions of additional donation dollars and other acts of giving, annually, in Canada.
- However, more recently, GIV3 has increased its work on advocacy and policy improvements for the charitable sector. We believe that systemic changes in regulations and government programs are overdue. New policies can quickly and effectively lead to significant benefits in the charitable sector, on the order of magnitude of billions of dollars for millions of Canadians in need.
- Learn more at www.GIV3.ca

SECTOR 3 INSIGHTS is a social enterprise research firm providing insights for non-profit success.

- S3I leverages state-of-the-art research tools used in the corporate world to help guide non-profits in their decisions, strategies and actions. All profit is used to support charitable causes and initiatives.
- S3I conducts the continuous generosity tracking in the USA for GivingTuesday and tracks the annual GivingTuesday event in many countries around the world. It is this experience which has led to this Canadians survey.
- Visit the S3I website **to find many free research reports**, insights, and implications to enhance fundraising and generosity.
- Learn more at www.Sector3Insights.com

Quantifying the voice of the charity sector

Introduction

In June 2024, a summary report was released, providing qualitative insights from interviews with 26 thought leaders in the charity sector. The purpose of this research was to explore the sector's current strategic challenges and assess the appetite for a strategic planning initiative.

- The report can be found at Sector3Insights.

While many strategic issues were identified through these exploratory qualitative interviews, the next step was to turn these insights into more inclusive, representative, and robust quantified measures for the entire sector of 85,000+ charities. A survey was conducted with a nationwide sample of Canadian charities, gathering input from their leaders and spokespersons.

This survey captures the collective voice of charities.

About the Study

Methodology

- This is a quantitative, online survey among Canadian registered charity organizations, hosted by Sector3Insights. Respondents were senior persons who have been at their charity for at least 12 months.
- The sample frame was from a list of 25,000+ Canadian charities courtesy of a third-party partner. Their database skews very much to English Canada.
- The study data-collection period was between July 19 – 28th, 2024
- The sample size is n=218 charities.
- The survey averaged about 5 minutes and was accessible via any Internet device.

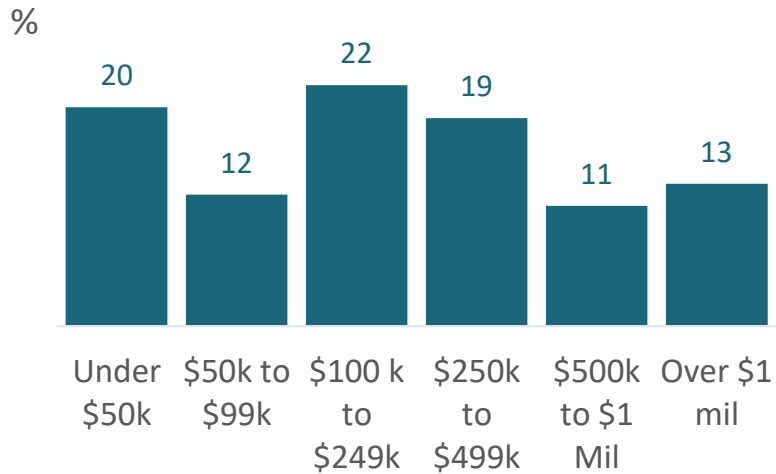
Use of the Data

- Surveys use a sample of the target population. Such a sample may not perfectly reflect the full population. Conducting another survey, with a different sample may produce slightly different results. These variations are referred to as “sample error” and may vary or be different between studies by several percentage points for any reported measure. On the total sample size reported in this survey, the error range around any measure is about +/- 7% pts.

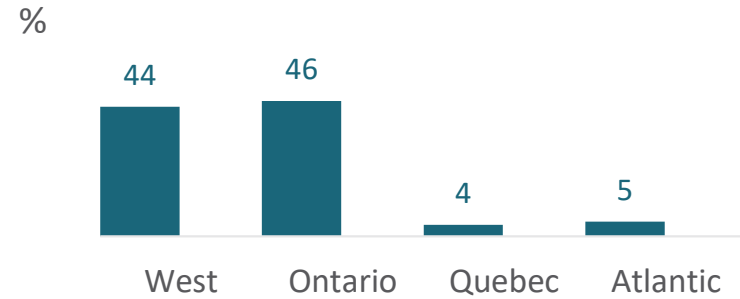
If you have questions for Sector3Insights, about this study, or about access to the summary tables and/or raw data, please contact John@Sector3Insights.com or visit www.Sector3Insights.com

Composition of the charities in sample

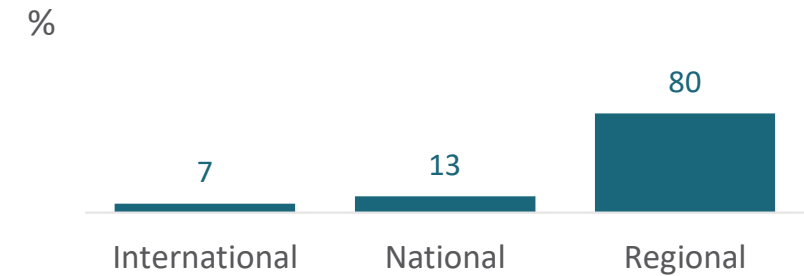
Annual operating budget of charities



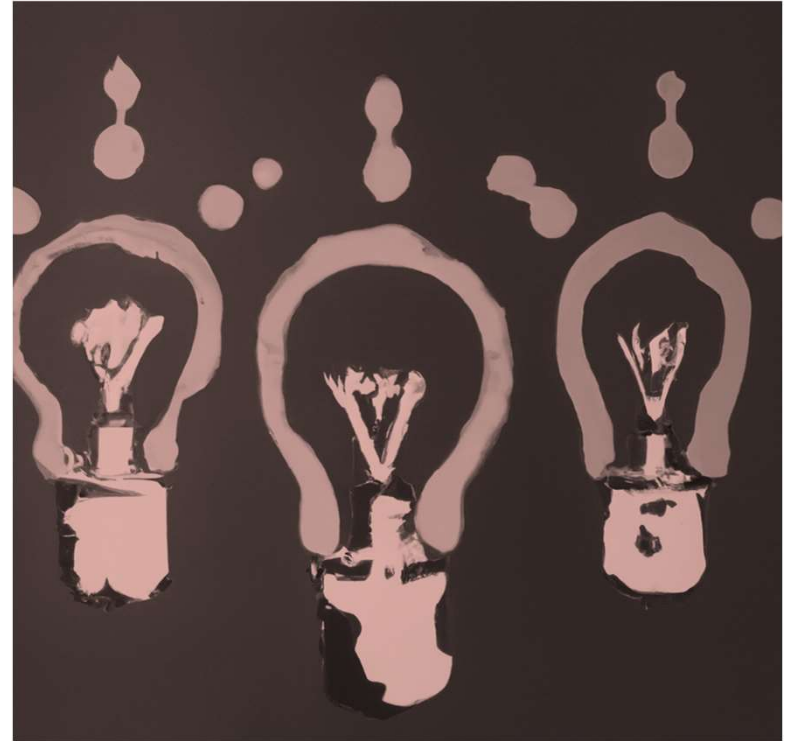
Region of Head Office



Geography of Services



Key Insights and learning



Many charities are finding it hard to fundraise

Over 80+% of charities are finding it harder to fundraise over the past couple of years.

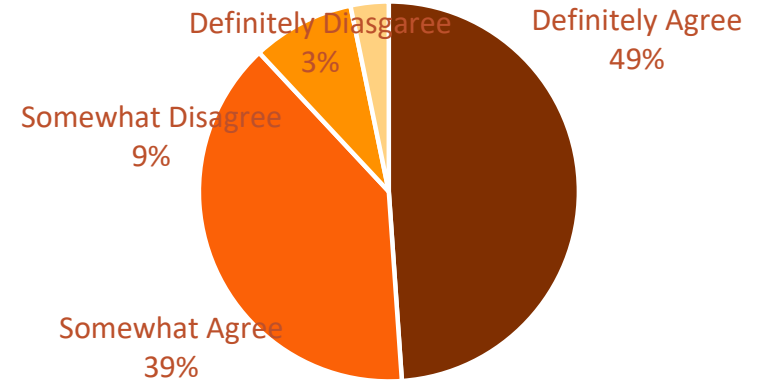
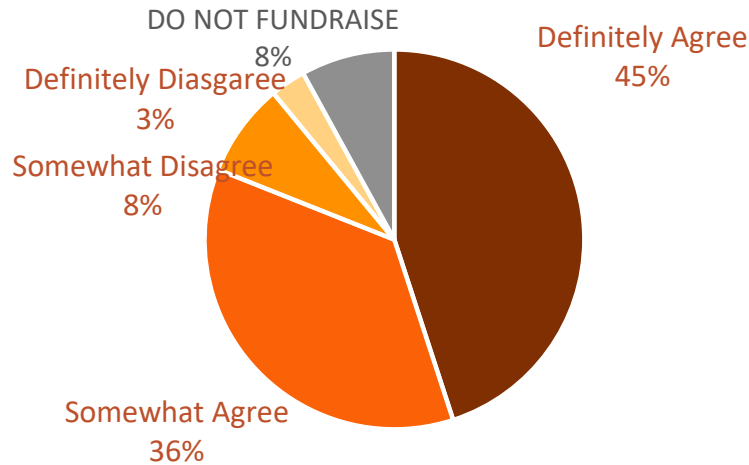
This is balanced across the different sizes of charities, and regions.

Finding It Harder to Fundraise

Total Sample:

...Excluding "Do Not Fundraise":

Q. How much do you agree or disagree that your charity is finding it harder to **fundraise** in the past couple of years to meet your charity's financial objectives/needs?

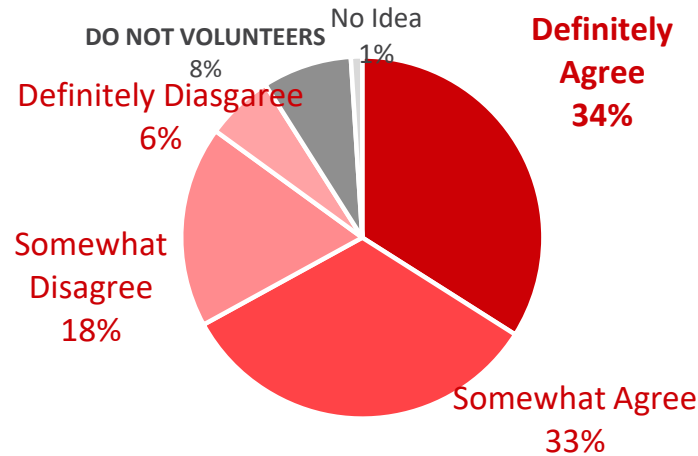


Many charities are also finding it hard to find volunteers

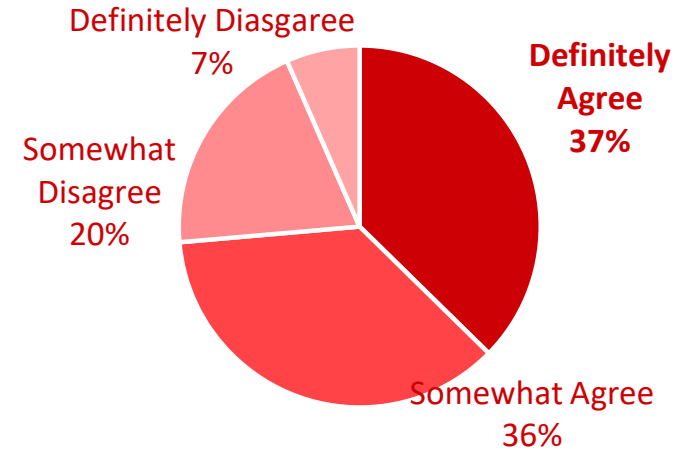
Among the charities which use volunteers, the majority (74%) are struggling to find them.

Finding It Harder to Find Volunteers

Total Sample:



...Excluding "Do Not Use Volunteers":



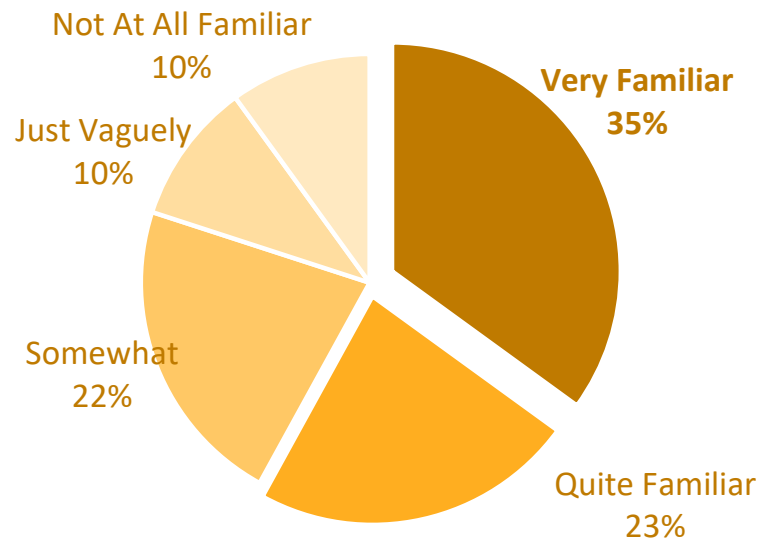
Q. How much do you agree or disagree that your charity is finding it harder to find enough **volunteers** in the **past couple of years** to meet your charity's volunteer objectives/needs?

Most charities are aware of a growing charity gap

This is likely important since one is not likely to wish to fix something that they do not know is broken. With greater familiarity, it becomes easier to gain support.

Awareness of a growing “charity gap”

Q. Before today, how aware were you that **charitable giving** and **volunteering** on a per-capita basis in Canada have been declining while demand for charitable services has been increasing, leading to a growing “charity gap” (as formally recognized by Statistics Canada)?



Charities feel the decline in generosity is most important

Among the many strategic issues raised by sector thought-leaders, the decline in generosity is clearly identified as the most significant strategic priority by quite a margin (70%).

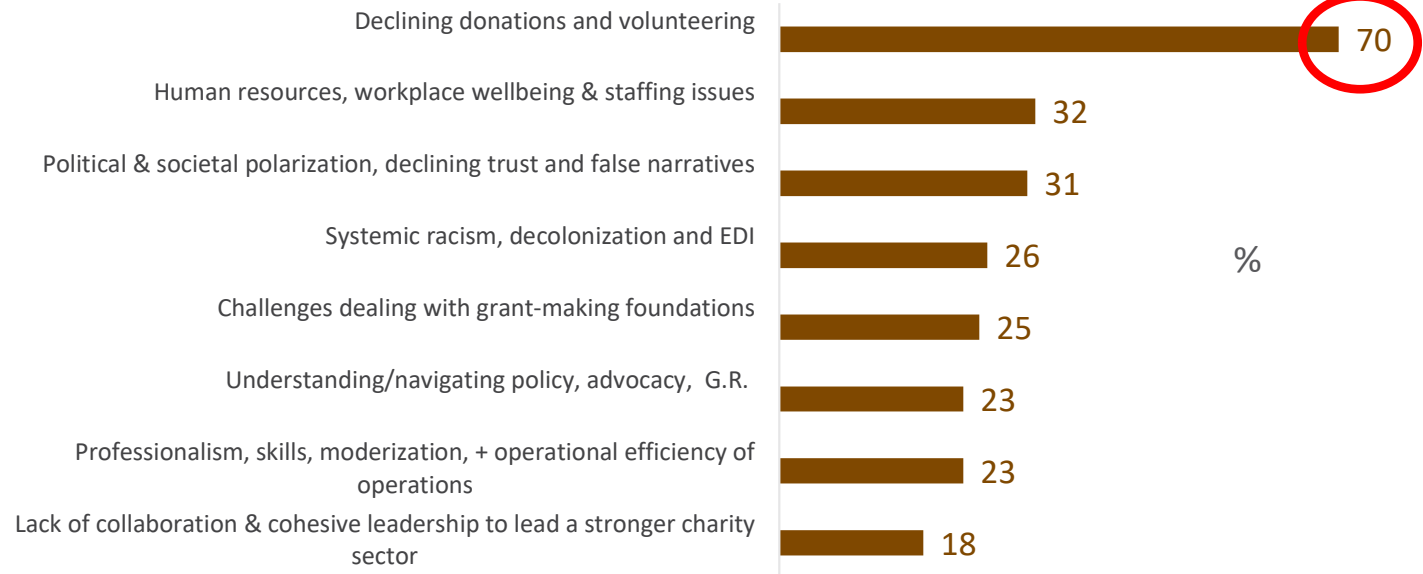
→ *It is this issue which should be at the top of the list for policymakers in Ottawa.*

“Top one or two most Important priorities”

Q. From prior research earlier this spring we learned of eight types of challenges in the charity sector.

How important do you feel it is for the charity sector to find solutions to address each of these challenges?

- It is one of the top one or two most important priorities for the coming years;
- It is important, but no more than many other issues facing the charity sector;
- This is not so important



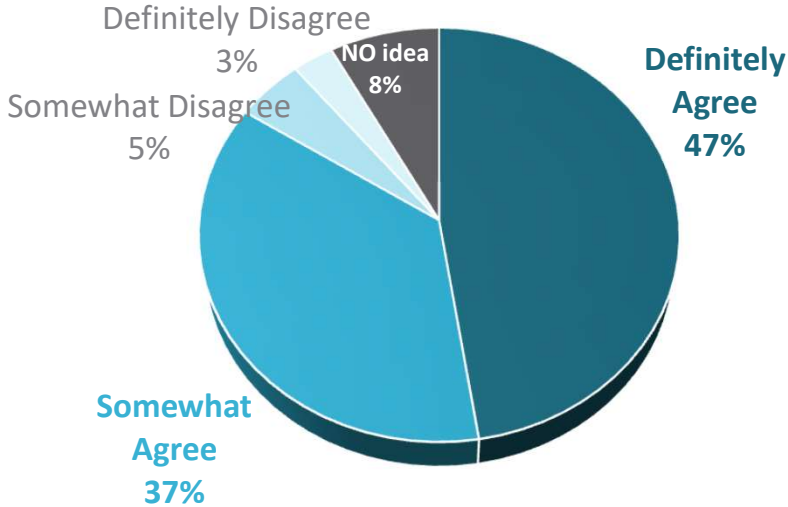
Most charities support independent solutions

The charity sector is very supportive of looking to find independent solutions: **84% agree**.

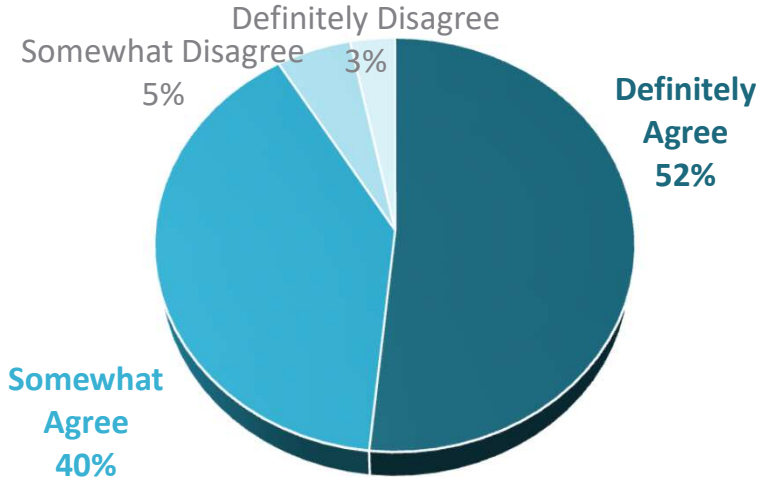
- Only 8% are opposed.

Sector should find solutions outside of government

Total Sample:



...Excluding "no Idea":



Q. For many years, the charity sector has been asking Ottawa for a "home in government" (to help support the charity sector), which has been ignored by the Federal government. - How much do you agree or disagree that the charity sector should also consider new independent solutions OUTSIDE of government to support important sector-wide initiatives?

The question evaluating the *Charity Sector Fund*....

One idea for generating resources to help empower a stronger charity sector, is to ask the Federal Government to set up a new “charity sector fund” independent (outside) of government.

- It would be funded by requiring each current grant-making philanthropic foundation to make a very small annual grant to this new charity fund. This would have no cost to the public purse since the funds are already in foundations, and these foundations have to make grants each year anyway.
- The funds would go to a new “charity fund agency” to receive the money and to then allocate the money to sector-wide initiatives to help support charities and expand their capacity to help Canadians in need.
- The allocation of these funds would be determined by a new strategic plan for the charity sector

How do you feel about this idea to ask the Federal Government to consider establishing a new ‘charity sector fund’ (with no extra costs to taxpayers) to support the charity sector?

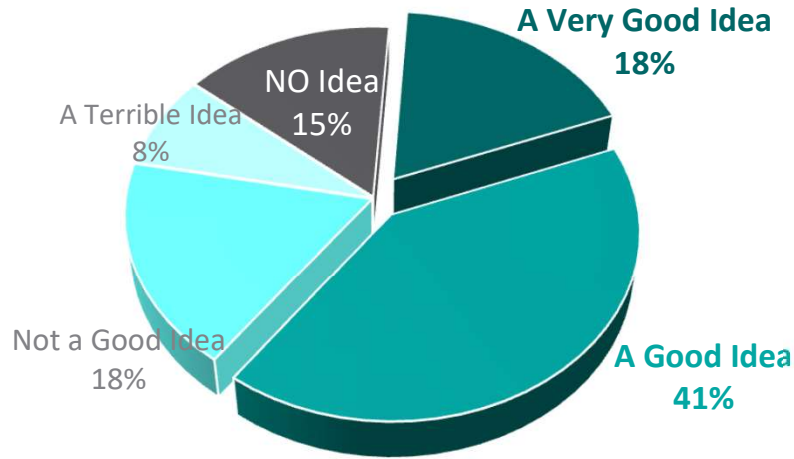
A strong majority feel a *charity sector fund* is a good idea

Among the 85% of charities which had an opinion about the Fund, the majority increases to **69% support**.

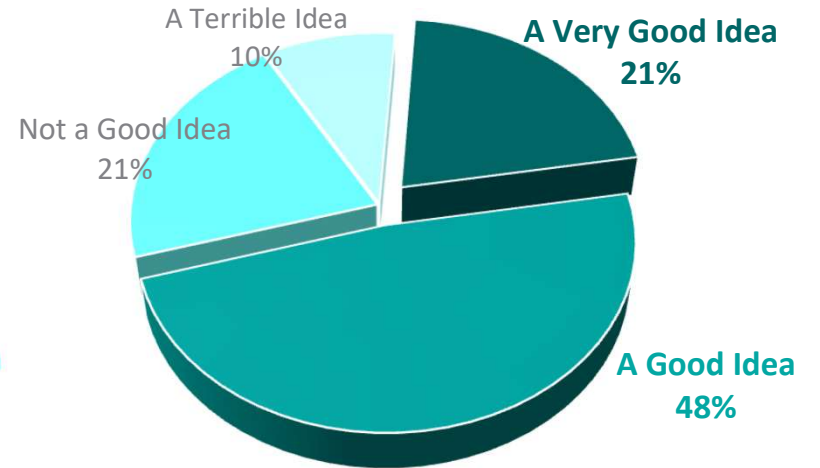
Evaluating the idea of a *Charity Sector Fund*

Q How do you feel about this idea to ask the Federal Government to consider establishing a new 'charity sector fund' (with no extra costs to taxpayers) to support the charity sector?

Total Sample:



...Excluding "no Idea":

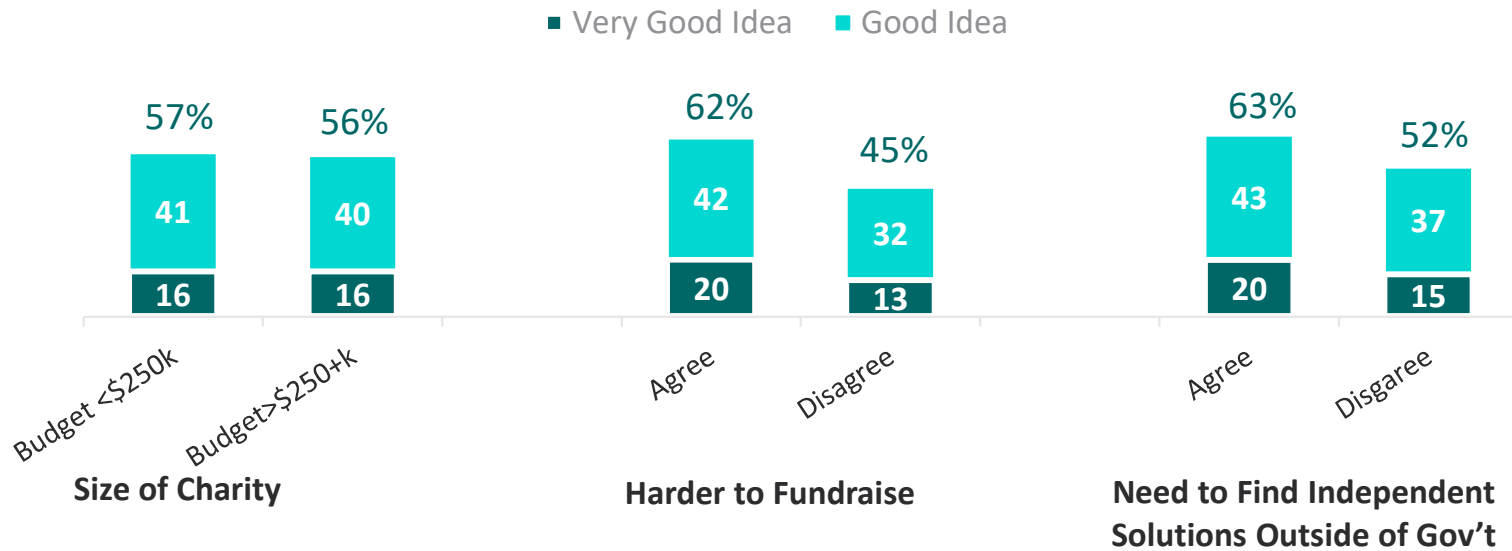


Support is balanced, but stronger among those struggling

Support for the idea of a new Sector Fund is balance by charity size, region, location of head office, etc.

But support is even stronger among the majority of charities struggling with fundraising

Evaluating the idea of a Charity Sector Fund



Charities wish for a strategic, transparent, fair organization

Naturally, such a new Fund to be accepted over time, it must be very well structured, and be fully accountable.

Some also stress the Fund needs to be innovative and independent

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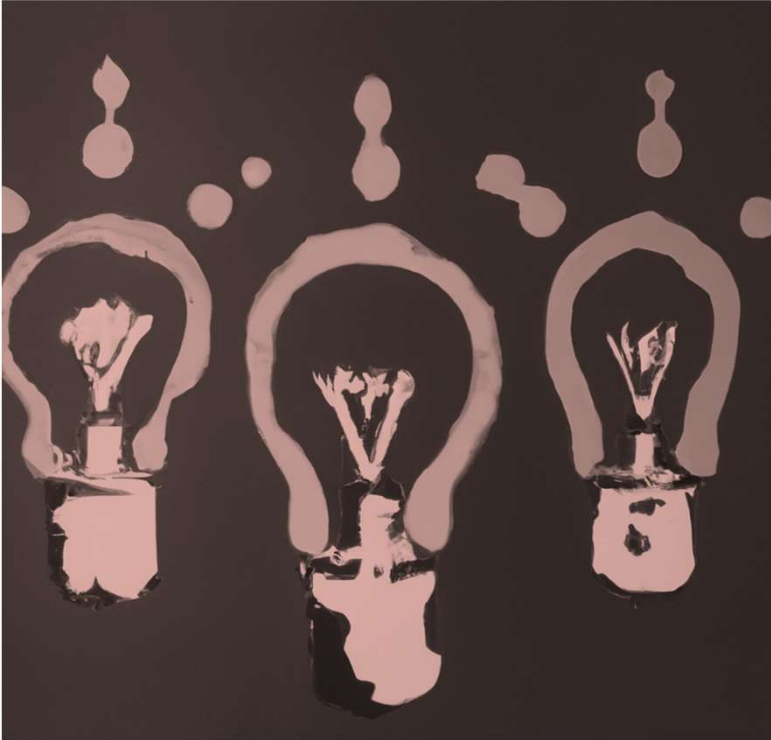
Volunteered Advice/Guidance for *Charity Sector Fund*

RESPONDENT FEELS IDEA IS (VERY) GOOD: What advice or guidance do you think should be considered in developing such a “sector fund + agency”?

Across the many volunteered comments (see appendix), we identified the following themes in what respondents offered

- To be guided by experts/strategy/to fill gaps
- Look beyond “usual suspects”/focus on innovative applications
- Create guidelines/rules
- Ensure equality/equity/inclusion
- Ensure balance between growth and sustainability
- Include big and small charities/all regions/all types of charities.
- Involve charity leaders and main organizations.
- Fairness in distribution.
- Be transparent/accountable
- Be cautious of government overreach.

Appendix



RESPONDENT FEELS IDEA IS (VERY) GOOD: What advice or guidance do you think should be considered in developing such a “sector fund + agency”?

- Collaboration among charities and foundations to create and meet best practices and the needs of community and to cultivate trust and good relationships
- A balance between supporting sustainability as well as growth. Ensuring that the small to medium charities that are under-resourced are prioritized
- Administration of any such fund should be totally arms-length and nonpartisan, never subject to influence by the federal government of the day. It should also not be subject in any way to diversion or allocation-adjustment by provincial, territorial or municipal governments or agencies. The arms-length council or board governing the fund should be made up of representatives drawn from Order of Canada recipients drawn from the various fields dependent upon charitable giving, but - and this is very important - the representatives' numbers should be proportional to provincial populations.
- All types of charities should be able to qualify...not just people related, but animal welfare too. The charity should provide full disclosure to ensure that it is well managed financially as well as volunteers and staff are also well managed.
- Allowance for funds to be used for operational expenses - not just "new programs"
- Although funded by philanthropic organizations, the direction needs to come from the charitable sector.
- As long as it is not a burden on the taxpayers. Unfortunately, because of the extra costs passed on to most donor and high inflation prices most donor's are only giving one half of what they normally do or nothing at all. We have so many tell me they are sorry they can not afford to donate this year.
- Be careful not to lose the Charity culture so many of us have
- Be careful with government overreach
- Be very transparent in all activities
- Bring industry leaders to the table to provide insight and guidance
- clearly define the mission and objectives of the fund and agency- establish a robust governance structure with clear roles and responsibilities -implement rigorous financial and operational transparency measures - develop a sustainable fundraising strategy and lastly foster partnerships with other charitable organizations.
- Consider that not all charities receive government funding, and it may not help as many people as thought.
- Consider the need of small community charities especially in rural areas that do not have access to large foundations or government support. How do you support them and help them find volunteers and funding
- Ensuring equal opportunity to access funds for all charities.
- Ensuring that reputable organizations are being recognized for funding.

- Equal access to the fund - large orgs should not take priority over smaller, community-based orgs due to size or ability to lobby
- Equality for small and rural charities, not based on population
- Equity in access and ease of access and criteria to access.... there are entire sectors of volunteer charities that have low overhead and few employees if any. They truly volunteer and yet when it comes to accessing funds and charity distribution opportunities the larger better funded at the get go organizations seem to have priority access to funds. Forcing a sector fund agency sounds a lot like an extra level of red tape. Employees of this funding agency would be taking fund money away from charities to manage distribution of said money to charities.
- Fairness in distribution of funds.
- Foundations and other philanthropic organizations seem to think that charities can run on pixie dust and love. They'll only give money for a program, but they won't cover staffing. Over the past few years, charities have had to let go of their volunteer managers and executive directors because there is no funding in place. Apparently, volunteer Board members should be able to handle running operations themselves with no compensation. Programs are run by people. People who need to pay their bills. They need to be paid a living wage, which is almost impossible for small charities. Fund operations and the programs will happen. Otherwise, they'll get cancelled.
- Free public posting of all open grants
- Funds should be available for core funding needs for charities (staffing, etc).
- Great idea as long as it does not become too cumbersome to work with government
- Have both small and large charities inform this. Typically, only the "big voices" are asked for feedback.
- How can we keep regulations but make things efficient for charities, considering that many are small with very little resources.
- How do the foundations feel about this? Is it a CanadaHelps-centric idea? I would suggest working with the foundations would be key to making this happen.
- how to have accountability on all sides - the federal government, the grantors and the grantees
- I am not sure, but just reminding people of the importance of supporting organizations that are filling the gap that government isn't always able to fund.
- Implication des gens du milieu
- Involve the people most interested and who have the time.
- It needs to support and coordinate with similar independent provincial coalitions doing similar work. Messaging and advocacy needs to align at all levels.
- It should be guided by people who have worked in the charitable sector and have first-hand experience. Ensuring that there is a fair and equitable distribution process and people are held accountable. Make the process streamlined so charities are not forced to spend endless hours and resources on paperwork.

- It should be made as easy as possible for charities to apply
- It should be non-partisan, involve stakeholders from all of the different charity types (health, arts, heritage, social services, etc.)
- It should represent all types of nonprofits and not disqualify those that are faith-based.
- It would be good if there could be one for Indigenous charities.
- Keep it equal. Ensure fund supports grassroots orgs and rural areas. Not just major centres.
- Keep it simple and straightforward in its execution. The sector may be more open to it if funds can be used to address the most significant challenges they are facing - building capacity through unrestricted grants to help them strengthen their HR capacity, attract and retain staff, fair compensation and retirement support; operational funding for in small to mid-size cities that are having the most difficulty in raising funds. And link the messaging to how this kind of fund will strengthen charities and support their ability to improve social cohesion, quality of life and wellbeing, and stronger local communities.
- Large organizations consistently receive funds that sustain their operations and their projects. Smaller organizations suffer from lack of funds for operations, especially for dedicated staff. Operational funds should be high priority to support innovative, small start-ups.
- Le coût d'une nouvelle structure
- Limit expense fees, cap them
- Look at who isn't already being funded by the foundations and government.
- Look beyond the "usual suspects" because they are generally out of touch with grassroots initiatives. For example: there is no volunteer decline rather a volunteer shift that, probably due to funding challenges, is difficult for legacy programs to adapt to. But that doesn't fit the narrative being crafted by out of touch "usuals" (this sector's 'elites').
- Make sure to include representatives from smaller charities and grassroots organizations in consultations, not just large charities.
- Make the funding correspond with inflation increases. Some organization have been left with the same provincial funding levels for over 20 years with increased expenses and little help at addressing wage issues for those working in the non-profit and charitable organizations. Our board is all volunteer, but any employee of a charity has a difficult time getting a living wage provided for the important work being done.
- Management (people, funding) and disbursement of funds
- Minimal red tape. We want the money to go to charities and not to the grant agency

- Must have a broad mandate, transparency, strong leadership
- Setting up a fund would smooth out the ups and downs.
- Should include representation from different types of charities
- Strong experienced leadership with a sound record and some knowledge of fund raising etc.
- Strong guidelines to be eligible for funding. Checks and balancing the books. Strong transparent leadership.
- The benchmarks for qualification of support by the Charities must be fair and equitable for small Charities as much as for large. I can see many being overlooked year after year. This is not acceptable. What would be the criteria? It must not favour one over another.
- The biggest challenge is there is a lot of duplication of charity programs in communities. Thus, direct competition between charity agencies. It is important for charity agencies to be in a symbiotic relationship where agency know and can easily refer someone to the correct agency. Once established then it becomes easier for charity organizations to approach businesses and governments submit and commonly address discrepancies in funding and/or lacking services. Government tends to create new agencies to address or overshadow existing charity agencies
- The development of a strategy for distribution of any fund ng would be essential
- the government could yearly give a donation to non-profits (depending on their size and income). It would have guidelines on what you could spend it on etc.
- The large organizations can pay their staff. We are 100% volunteers, and it is very hard to get members when they realize that no payroll or cash on the side We are a Children camp small, but the children love it
- The Sector Fund & Agency should focus on small, start-ups that demonstrate a unique, worthwhile and innovative Mission, Vision and Values. The current practice tends to fund large, financially stable Registered Charities. And the message is you have to be financial stable with a big budget to qualify to qualify. We lose the best of the best of potentially amazing start-ups with the current model remaining in place.
- Those overseeing this would need to be "beyond reproach". Perhaps they should be proposed and elected by the charities involved. There would need to be guidelines in place.
- To look at a charity as a whole, not just the funding and expenses but the lack of donations and community engagement that contributes to a charity's deficits. Many charities receive less than 60% in funding for 1-5 million leaving a charity to find a way to fundraise over \$600K with populations of under 100K who are just tapped out, especially in our current economy.

- To make the funds available for core and admin processes, many agencies can get funding and grants for programming, but can't afford to keep the lights on or pay rent due to strict limits placed on dollars. I also believe that the charitable sector is doing work to support the citizens of the country, and therefore I also think they should be funding charitable work.
- Unbiased operations, focus on charities not already considered strong holds and forces within the charity sector (excluding large charities such as United Way, YMCA etc). Be selected off a diverse committee of representatives with set terms of service.
- Wide eligibility for funding, not just the high-profile players
- Would be important to not cause any extra burden on the taxpayers as they are already overburdened
- You will need to have the granting foundations on board with the idea before making the request to the federal government otherwise it will absolutely fail.