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## **DISCUSSION AND IMPLICATIONS FROM THE RESEARCH SPONSOR**

*Sincere thanks to the participants who shared their thoughts and guidance on the strategic issues facing the charity sector in Canada. Thanks also to Lys Hugessen for doing a great job conducting and summarizing this research.*

*I also want to add my own voice with some conclusions and implications (these thoughts are my own, based on the research, but not necessarily those of the participants in this study).*

***The interviews make it clear: charity leaders believe we are at a crisis point.***

*Over the past five years, many initiatives and reports, harvested from sector leaders, have summarized the charity sector's challenges, limitations, and barriers. This study further supports many of the same insights. However, leaders agree that these initiatives have not triggered significant or sustained change. Very few of the 40+ recommendations in the Senate Committee Report have been implemented.*

*There is more than enough data and a clear sense of urgency among sector leaders to take immediate action. We heard it clearly from many: continuing on as we have in the past is our biggest risk.*

*When asked about solutions: two overarching themes arose. Many felt the sector needs to continue to work towards creating a home (champion) in government. But many saw the need for something more immediate; a well-funded group outside of government that would have the resources to create and fund initiatives to strengthen the sector. Many agreed that the sector needs a strategic plan to identify and guide initiatives that are likely to have the biggest impact.*

***From this, I conclude: We need to create a new form of leadership, outside of government, with independent funding, which is guided by a strategic plan for the sector.***

*This can be done by borrowing proven concepts from other sectors and with practically NO COST to the public purse. Here are three next steps I propose which would enable us to move forward coming out of this research:*

***1- Establish a Sector Fund***, built through small, mandatory grants paid annually by each grant-making foundation to provide ongoing funding to support programs and resources to build the sector's capacity, scale and impact. This would be calculated based on a very small percentage of investment assets, totalling a sufficient fund across all 10,000+ foundations. This required grant would qualify as a part of the Disbursement Quota (DQ) and, therefore, not place any extra demands on foundations. The funds would be collected by the Charity Directorate and handed over as described in point 2 below.

***2- Create a legal entity to receive and allocate the Sector Fund.*** This entity would not replace current sector leaders nor sit on top as the peak organization. It would serve as a unique resource to support sector organizations to build sector capacity. The governance

*is to be explored and could, perhaps, be composed of representatives from provincial networks and national peak organizations, which would elect the board. This entity would apply the Sector Fund following a sector strategic plan.*

**3- Appoint a Sector Strategy Committee** *responsible for developing a dynamic, ongoing sector strategic plan which would guide the deployment of the Sector Fund.*

*GIV3 is willing to be one agent for change, among other contributors. We will invest in moving these ideas forward and advocating for support in Ottawa. We invite others to join us. As readers consider the insights provided in this report, we welcome your reactions and input. Let's continue this narrative and be brave enough to innovate. [Please reach out to me.](#)*

*John Hallward,  
Founder/Chairman,*

**GIV3**

## EXECUTIVE SUMMARY

**The purpose of this research** was to explore and gather direction about the sector's current strategic challenges and appetite for a strategic planning initiative. To be thorough and inclusive, the research included input from a wide variety of sector organizations and thought leaders via 26 one-on-one, in-depth, qualitative research interviews.

Many strategic issues weigh heavily on the minds of sector leaders. These 26 conversations revealed a strong sense that **we are on the brink of crisis**. These issues for the charitable sector can be grouped into eight themes, many of which are interrelated.

1. Declining donations, volunteering, and the capacity gap
2. Lack of cohesive sector leadership/common voice, fragmentation
3. Human resources and workplace wellbeing
4. Professionalism, skills, modernization and operational efficiency
5. Understanding and navigating policy / Government Relations (GR)
6. Issues with philanthropic foundations
7. Systemic racism, decolonization and EDI
8. Political and societal polarization

Participants recognized that several past efforts have attempted to address these and other issues to strengthen the charity sector. However, these have not led to significant, sustained change. **There is a growing sense of urgency and a call for transformational change.**

To help solve these issues, there is a debate about whether a Home in Government or a well-funded outside entity would be more effective in championing the sector. **Many people felt that there was a legitimate need and role for both a government and an independent entity.**

- Proponents of the Home in Government believe its success depends on its placement and leadership. Many acknowledge that the idea in its current form is unlikely to win support, and a smaller, more manageable role such as a Sector Champion is more likely to gain traction.
- Other leaders favour an initiative outside of government to champion the sector. This could possibly include broadening Imagine Canada's mandate and collaboration with organizations like Community Foundations of Canada (CFC) and Philanthropic Foundations Canada (PFC) to create a network of leaders to fulfill this role.

**Most leaders support developing a strategic plan for the philanthropic sector while cautioning that it must be done correctly.** This would involve bringing together experts and stakeholders to develop targeted strategies and solutions while maintaining flexibility and dynamism to adapt to changing circumstances. They favour an iterative, inclusive, and timely process focused on a few critical issues at a time. Trust, transparency, expert facilitation, and demonstrating value to sector leaders are crucial for success. This should include diverse voices and those directly impacted by the sector's work. Bringing the corporate sector and government into this strategic process will also be important.

## BACKGROUND

This initiative began as a series of informal, independent conversations between individuals, including John Hallward (GIV3), Andrew Chunilall (CFC), Steven Ayer (Common Good Strategies), Bruce MacDonald (Imagine Canada), Susan Phillips (Carleton University), and Mark Blumberg, among others. The discussion was about the apparent need for a clear strategic direction for the charitable sector and a belief that a strategic plan would be useful. These individuals also noted that while some valuable strategic work has been completed in recent years, this has not led to significant or sustained efforts to solve persistent issues in the sector.

The discussions led to this specific research initiative, which was considered a helpful first step in exploring and gathering direction about the sector's current strategic needs and appetite for a strategic planning initiative. To be thorough and inclusive, the research included input from a wide variety of sector organizations and thought leaders via one-on-one, in-depth, qualitative research interviews. This research was funded by GIV3.

The group behind this research recognizes the previous work undertaken to address strategic challenges in the sector. This study shares many similarities with the recent work conducted by Susan Phillips and Yves Savoie. This study intends to build on this important work and explore ways to accelerate sector changes on a more urgent timeline.

## METHODOLOGY

A total of 26 qualitative interviews were conducted in April and May 2024. The conversations were structured around a discussion guide (see Appendix I) but flexible in exploring the concerns and interests of individual participants. They took place in English or French and lasted between 40 and 75 minutes. Interviews were conducted via Google Meets, Teams, or telephone, and the researcher took notes and used an AI transcription tool (when accepted by the interviewee).

To respect confidentiality, no opinions or comments are attributed to individuals in this report.

## PARTICIPANTS

The list of leaders participating in this research includes a broad range of individuals selected to represent a full range of perspectives and represent the breadth of communities the sector seeks to serve. In creating this list, we considered diversity across geography, age, organization type, and ethnicity. Again, we thank the people who generously shared their time and opinions and contributed to this research.

Name	Organization	Title
Liban Abokor	Reimagine Labs	Managing Partner
Kathy Assayag	Jewish Community Foundation Montreal	President & CEO
Kate Bahen	Charity Intelligence	Managing Director
[REDACTED]	[REDACTED]	[REDACTED]
JP Bervoets	Community Foundations Canada	Chief Strategy Officer
Willa Black	Connected North	Founder
Christian Bolduc	BNP Performance Philanthropique	Chief Executive Officer
Malcolm Burrows	Aqueduct Foundation	Philanthropic Advisor/Founder
Duke Chang	CanadaHelps	President & CEO
Megan Conway	Volunteer Canada	President & CEO
Narinder Dhani	Marigold Capital	Managing Partner
Nicola Elkins	Benefaction Foundation	Chief Executive Officer
Yonis Hassan	Justice Fund	Co-Founder and CEO
Sharmila Khare	Canadian Charities Directorate	Director General
Arlene MacDonald	Independent Consultant	Sector Leader, Strategist
Bruce Macdonald	Imagine Canada	President & CEO
Jean-Marc Mangin	Philanthropic Foundations of Canada	President & CEO
Teresa Marques	Rideau Hall Foundation	President & CEO
Kevin McCort	Vancouver Foundation	President & CEO
Bruce Miller	Indigenous Peoples Resilience Fund	Team Lead Partnerships
Claude Pinard	Centraide Of Greater Montreal	President & Executive Director
[REDACTED]	[REDACTED]	[REDACTED]
Devika Shah	Environmental Funders Collective	Executive Director
Pamela Uppal	Ontario Nonprofit Network	Director of Policy
Annika Voltan	Impact Organisations of Nova Scotia	Executive Director
Sadia Zaman	Inspirit Foundation	Chief Executive Officer

\*Awaiting permission to publish names

## KEY STRATEGIC THEMES

*What do you believe are the one or two biggest strategic issues and challenges facing the sector as a whole?*

### 1. DECLINING DONATIONS, VOLUNTEERING, AND THE CAPACITY GAP

Many respondents discussed the funding challenges that the sector is currently facing. This includes declining funding from governments, earned revenue, and donations. They also pointed out the significant demographic shifts among donors, highlighting the aging white donor base and a decrease in the number of ordinary donors. A few respondents mentioned the most recent CanadaHelps Giving Report as an excellent source of reliable data.

Many were concerned that the next generation is not stepping in to fill the funding gap left by the older donor base. As a result, there is an expected large decline in bequests and wealth transfers to charities from younger generations.

*“We are heading for a funding cliff...”*

Funds have shifted toward philanthropic foundations, with fewer people giving more and a dramatic increase in foundation assets. Some people comment that it is worrying that the dollars are flowing differently, potentially not as much going to small, local, grass-roots community organizations and more going to larger organizations with more sophisticated marketing.

These demographic changes and the growing concentration of funds in philanthropic foundations have created a scarcity mindset in the sector. There is concern about the growing disparity between large and small organizations, exacerbated by funders' reluctance to release funding for smaller, lesser-known groups.

The Canadian volunteer base is shrinking, and attitudes among existing volunteers have shifted. There are lower levels of long-term commitment and higher expectations for flexibility.

*“Not enough volunteers are currently willing to work, and the pandemic exacerbated this situation.”*

It is worth noting that there were differing perspectives regarding understanding declines in giving and volunteering. Some respondents point out that data sets are incomplete and don't provide the full picture, excluding many forms of donations such as securities, corporate giving, and in-kind giving. Many commented that the sector needs better data and measurement as a much better understanding of the reasons why there may be declines. [[Recent research](#) from Sector3Insights offers unique insights on some of these data gaps].

The capacity gap: the world has shifted for charities on the front lines, and many struggle to navigate this new reality. According to a recent survey from CanadaHelps, 60 percent of charities say demand for their services now exceeds their capacity to deliver.

There was a feeling that more and more Canadians would be seeking help to meet their basic needs, from housing to food, clothing and more. Rising community needs due to economic conditions will further challenge charities as they struggle to meet demand. To make matters worse, many charities are severely short on fundraising and long-term planning capacity in this world of increasing need and declining financial resources.

Respondents felt that addressing this gap is urgent, as the sector and its people are at a tipping point and need systemic change to ensure their sustainability and effectiveness in serving communities.



### **Ideas / solutions from respondents**

More work must be done to understand the demographics and the other dynamics behind these declines.

Charities require additional funding for operational expenses and multi-year financial support.

## **2. LACK OF COHESIVE LEADERSHIP, COORDINATION, AND A COMMON VOICE**

Many respondents were concerned about a lack of coordination and collaboration within the sector, leading to fragmented efforts and inefficient resource allocation. The absence of a shared vision or path forward results in polarized solutions and a lack of holistic approaches to solving problems.

Respondents felt that the lack of leadership and a common voice had engendered a negative perception of the sector with the public and in government. Some of the negative repercussions include the perception that leaders are overpaid, a narrative that charities should deliver differently than organizations in the private sector, and the expectation of free services from charities.

There is also skepticism about the sector's willingness to come together, with differing priorities between immediate and long-term goals. A few mentioned that the sector lacks collective power, contrasting it with the collaboration often seen among large, competitive corporations, such as the oil/gas and automobile industries.

*“We often see large corporations in collaboration, even if they compete. So, we know it’s possible.”*

Several also mentioned duplication within the sector, with numerous organizations working towards similar missions and lacking coordination.

*“There are about 200,000 non-profits with a lot of duplication of efforts, and ten foundations funding the same things - this hinders effective collaboration.”*

There was a broad agreement that organizations like Imagine Canada, Philanthropic Foundations Canada (PFC), and Community Foundations of Canada (CFC) are well-positioned to serve as natural leaders within the charitable sector. Participants recognized that if these influential entities were to collaborate more closely, regularly, and with a deliberate strategic approach and financial resources, they could effectively function as a cohesive leadership group for the sector.

There was a dissenting group who said current sector leadership fails to adequately represent and address the needs of marginalized communities, including the LGBTQ, Black, Indigenous and other underserved populations.



### **Ideas / solutions from respondents**

Sector umbrella organizations are underused and could be doing more to promote strategic coordination and a more positive public narrative. We need to develop a better system for ongoing collaborative leadership and make way for newcomers, youth, and disruptors at the table. Ultimately, strong leadership can help shift the hearts and minds of the public, government, and private sectors and create the political will to engage.

Funders could pay a small % to fund sector leadership and help build sector infrastructure. The government could help by charging a small \$ fee to hold a charity license.

Mergers among organizations are one possibility proposed as a solution to address some of the fragmentation and improve efficiency in the sector.

### 3. HUMAN RESOURCES AND WORKPLACE WELLBEING

Many respondents spoke passionately about this issue. Stress, fatigue, and burnout are rising among employees and volunteers across all types of organizations. Salaries are generally low, and leave, benefits, and mental health resources are all big issues.

*CanadaHelps reports close to 51 percent of charities are highly concerned about staff burnout.*

Several people mentioned that, following the pandemic, much attention has been paid to overcoming the “great resignation” and how to compete with other sectors for the best talent. The private sector has upped its game, embracing the most advanced human resource management techniques, employee health and wellness, and ESG principles. At the same time, charities are poorly positioned to pay for talent and have little time to manage their workforces proactively. Younger people are not as willing to be underpaid and overworked.

Some pointed out that sector employees are approximately 70% female, with disproportionate numbers of New Canadians, Indigenous and other racialized groups, placing the burden of these workplace shortcomings on an already disadvantaged group.

The sector's future ability to deliver services depends largely on people. It needs a healthy workforce and transformational leadership capable of facing and solving its myriad issues.



#### **Ideas / solutions from respondents**

The sector needs a labour force strategy so we can recruit and retain high-quality talent, not just passionate people.

A combination of corporate, community, and private foundations could finance a comprehensive well-being network for the entire sector. Staff and volunteers nationwide could access confidential support, advice, resources, and more.

#### 4. PROFESSIONALISM, SKILLS, MODERNIZATION AND OPERATIONAL EFFICIENCY

Several people spoke passionately about the need for modernization and higher professionalism in the sector. Technology is changing at a faster pace, with implications for AI and cybersecurity. There's a moment of opportunity for investment in infrastructure and a need to help charities manage data, access data, digitize, and use AI.

*“When struggling to keep the lights on, it's difficult to look up and out.”*

Some felt the sector needs to take a fresh look at operations and move into the 21st century. The need spans the entire range of departments and processes needed to run an organization efficiently: IT/digitization, HR, communications, volunteer management, accounting/finance, procurement, etc.

Data has immense potential, likened to a new form of valuable resources like gold or oil. However, many non-profits, particularly small organizations, lack access to crucial data.

As the non-profit sector deals with increasing amounts of money and complex challenges, there is a growing need for higher skill levels and expertise among staff and boards. It would also be helpful to develop senior-level strategic capability so charities can better collaborate with corporations and governments to develop effective partnerships.



#### **Ideas / solutions from respondents**

We need more training for emerging leaders (such as the MPNL program at Carleton ). Those who lead will no longer come from wealth, and they will embrace innovation and new practices.

Creating intentional spaces for convening and peer learning is crucial to enable effective collaboration and knowledge-sharing within the

philanthropic sector. Providing both in-person and virtual convening opportunities is essential to accommodate the diverse needs and geographic distribution of sector actors.

The sector can share tools and solutions that are backbone supports. Consider a digital platform for charities to access shared services such as HR, IT, accounting, finance, communications, volunteer management, Government Relations, procurement, and more.

## 5. UNDERSTANDING AND NAVIGATING POLICY / GOVERNMENT RELATIONS (GR)

Some respondents felt the sector faces significant challenges in navigating government bureaucracy. While some organizations effectively get their messages out to governments, the sector as a whole lacks the ability to engage with governments effectively. A related issue is that governments have not kept pace with technology and AI, so innovative sector programs don't often fit, and available funding doesn't align.

Some people also raised concerns about government decision-makers, noting that they may not be accountable to those most in need, leading to a loss of trust in their ability to address societal challenges effectively.

The sector has historically tended to view itself as a service provider and has been hesitant to try to influence policy. However, charities can drive significant policy changes that make a real impact, providing an opportunity for the sector to assert itself and influence policy.

*“Currently, only a small number of organizations are actively working to drive policy change in the sector.”*

A common belief was that charities find it difficult to know who to approach for assistance with government relations and policy. While Imagine Canada serves the sector well, it lacks the capacity to help organizations or coalitions navigate these challenges.



### **Ideas / solutions from respondents**

Develop senior-level strategic GR capabilities so charities can better understand and collaborate with governments.

Encourage more private sector engagement in charities' GR process, bringing corporate muscle to shift government thinking.

## 6. ISSUES WITH PHILANTHROPIC FOUNDATIONS

Several respondents were very vocal on this topic, commenting that the flow of funds into foundations has increased significantly, but a lot of endowment money is sitting on the sidelines. There is concern that the funds are primarily controlled by a small, privileged minority, and the flow of funds does not serve the most urgent needs of average Canadians.

*“The money in the sector is public assets and needs to be deployed equitably for the public benefit, to serve all Canadians. The public needs to know how the funds are distributed.”*

Some people said that foundations should be spending down their endowments, with the primary objective being to work themselves out of a job by solving major social issues:

*“We need to stop ‘virtue signalling’ and increase focus on making real change: building housing, creating economic opportunities, and making bold investments in critical issues.”*

A significant power imbalance between funders and grantees hinders strong partnerships that can make real change. Some comment that this has led to a lack of focus on disenfranchised communities and smaller organizations. Funders also tend to favour restrictive grant applications and burdensome impact reporting, demonstrating a lack of appreciation for innovation and improvement and persisting in the belief that overhead costs are negative.

On the positive side, there is a growing movement to challenge traditional granting practices and embrace trust-based philanthropy, shifting the balance of power. Another recent trend is community-centric fundraising, which advocates for a reevaluation of philanthropic practices and a focus on social justice. Despite these movements, the philanthropic establishment has been slow to embrace change. Several people commented that we need to change more radically to tip the system and come up with strategies that make the current ways of doing things obsolete.

Respondents also mentioned their concern that foundations have been slow to evolve their investment strategies and embrace impact investing.

*“Funders still embrace the ‘take-make-waste’ model rather than ‘do no harm’ investment.”*

Managing the sector’s significant assets more progressively presents a big challenge, as it requires a shift from focusing on preserving capital to tolerating risk to achieve goals that deliver both financial and social returns.

While the legitimate concerns surrounding philanthropic foundations’ funding practices should not be overlooked, some leaders have noted that declining government capacity to finance the charitable sector represents a far more significant challenge. The erosion of government funding for large segments of the charitable sector that have traditionally relied on public funding significantly threatens areas such as healthcare, social services, immigration services, and education.



### **Ideas / solutions from respondents**

Funders must be responsible for ensuring they have an impact, not downloading impact measurement onto grantees. They can help by providing robust mechanisms for impact reporting using technology and databases. They can also provide grantees with the latitude to focus on learning and innovation vs. fear of losing funding.

Several policy changes would be helpful: further opening up the rules for granting to non-qualified donees, further increasing the Disbursement Quota, and adding incentives to mobilize funds in the sector, e.g., through matching, and strengthening initiatives such as the Canadian Social Finance Fund.

Foundations must evolve more quickly to invest in environmental, social, and governance (ESG) initiatives and be willing to accept lower financial returns in exchange for a positive social impact. Develop senior-level strategic GR capabilities so charities can better understand and collaborate with governments.

## 7. SYSTEMIC RACISM, DECOLONIZATION AND EDI

This commonly mentioned theme encompasses issues of equity, diversity, inclusion, systemic racism and discrimination in the sector, which are interconnected with many of the issues already discussed in this report. Several respondents expressed that restructuring and decolonization are top priorities to create a more just, inclusive, and equitable society. They view these changes as a necessary first step to addressing other challenges prevalent within the sector.

The current landscape of sector leadership and funding fails to adequately represent and address the needs of marginalized communities, including the LGBTQ, Black, Indigenous and other underserved populations. The burden of taxes borne by the public fails to translate into equitable distribution of public benefits, such as healthcare, education and libraries, to marginalized groups.

While efforts to promote diversity, equity, and inclusion (DEI) training and initiatives exist within the nonprofit sector, they often fall short, with racialized workers occupying few positions of influence. This commonly mentioned theme encompasses issues of equity, diversity, inclusion, systemic racism and discrimination in the sector, which are interconnected with many of the issues already discussed in this report. Several respondents expressed that restructuring and decolonization are top priorities to create a more just, inclusive, and equitable society. They view these changes as a necessary first step to addressing other challenges prevalent within the sector.

The current landscape of sector leadership and funding fails to adequately represent and address the needs of marginalized communities, including the LGBTQ, Black, Indigenous and other underserved populations. The burden of taxes borne by the public fails to translate into equitable distribution of public benefits, such as healthcare, education and libraries, to marginalized groups.

*“There are thousands of Canadian foundations, but only about ten people of colour are CEOs.”*

There is a significant disconnect between these communities and the decision-makers, resulting in a limited understanding of their historical and systemic challenges. For example, the Truth and Reconciliation Commission Calls to Action were published in 2015, but progress toward reconciliation remains sluggish, with only a fraction of the recommendations implemented.



## Ideas / solutions from respondents

A paradigm shift is needed towards more inclusive governance and resource distribution, with a focus on genuine reconciliation and empowerment of underinvested, marginalized communities. Funders need to take time to create equity benchmarking and train boards to be more expert.

A more radical solution is the nationalization of foundation assets to ensure a more equitable distribution of resources. However, the respondent noted that this alone would not suffice to address the systemic issues at hand and would only provide short-term relief.

## 8. POLITICAL AND SOCIETAL POLARIZATION

Amidst the current climate of growing polarization, charity sector leaders expressed concern over the significant challenges facing liberal societies and democracy. This societal issue deeply impacts charities, eroding trust, decreasing social cohesion, and hindering their ability to deliver vital services effectively.

In upcoming elections, there is concern that polarisation and divisive wedge politics will continue to intensify, further dividing communities and exacerbating existing rifts.

*“I’m deeply concerned about the trends we see in democracies around the world, which are showing up in Canada.”*

As general anxiety levels rise and faith in expertise, data, and authority wanes, an environment conducive to the propagation of misinformation emerges. This erosion of trust is further compounded by the lingering effects of colonial structures, which have historically undermined the credibility of certain communities and their narratives.



## Ideas / solutions from respondents

The antidote lies in bringing people from diverse backgrounds together and fostering a sense of shared humanity. By actively combating the tendency to "other" those different from us, the charitable sector can leverage its relatively high levels of public trust to serve as a unifying force, building bridges across societal divides.

Rebuilding trust in institutions requires a commitment to transparency, accountability, and open communication.

## HISTORIC AND RECENT INITIATIVES TO SUPPORT THE SECTOR

*Are you aware of innovations, programs, or actions taken by sector actors or governments that have been undertaken to strengthen the Canadian sector and build capacity or structural support?*

Several leaders mentioned the work of the Senate Committee in 2019, specifically Senator Omidvar. There were also mentions of the Voluntary Sector Initiative from 2000-2005, the annual CFC Vital Signs reports, the Advisory Committee for the Charitable Sector (ACCS), Imagine Canada's extensive research and policy resources, and the GivingTuesday initiative. Several people referred to the following reports as valuable resources:

- *Catalyst for Change: A Roadmap to a Stronger Charitable Sector*. Special Senate Committee on the Charitable Sector 2019.
- *Conversations On Policy Leadership For Canada's Charitable & Nonprofit Sector: Interview Results*. Susan Phillips et al., MPNL Program Carleton University (in collaboration with Muttart Foundation and Max Bell Foundation) 2022.
- *WORKING BETTER TOGETHER: Exploring Options for a Public Policy Network for Canada's Charitable and Nonprofit Sector*. Yves Savoie on behalf of Imagine Canada 2022.
- *Advisory Committee for the Charitable Sector*: Working groups, reports and recommendations.

People acknowledged these as excellent initiatives to explore and recommend changes for the good of the sector. **However, there was also recognition that these initiatives have not triggered significant or sustained change.** Furthermore, there was a sense

that the sector has reached a point of crisis and that incremental change is no longer sufficient - there is a need for radical change.

## EXPLORING A HOME IN GOVERNMENT AND/OR AN OUTSIDE ENTITY

*How do you feel about a “home in government” and/or the idea of creating a well-funded agency outside of government focused on initiatives to strengthen the overall charity sector?*

Support was evenly split between the Home in Government vs. an outside entity or group to champion the sector. A good number of people felt that there was a legitimate need and role for both and that both could have an impact.

**Most advocates for the Home in Government felt success would depend very much on where the Home is established and on the people selected to run it.**

Several commented that as a regulatory body, the CRA is not well positioned to champion the sector. Some acknowledged that the idea in its current form has not been embraced by the government and is unlikely to be so; the average voter doesn't care, and there is no political will to include this in a budget. They also suggested that the home needs to be repositioned as a smaller, more manageable solution, e.g., a Sector Champion to advocate for policy and create change. British Columbia and Nova Scotia both have a champion for charities role, and initial reports are very positive.

**Many respondents liked the idea of a group outside of government** that would focus on initiatives to strengthen the sector, recognizing that this would be less vulnerable to political changes over time and would have the advantage of operating independently in the same way that industry associations do. Several people acknowledged that sustainable funding for the entity would be key to its success. Many felt that to be effective, this group would need to work very closely with the government. They believed it likely to succeed if there were also a champion within the government.

Several participants warned against establishing a new organization, expressing concerns that the sector already has numerous leading entities. They felt that Imagine Canada should be entrusted with the responsibility to spearhead a collaborative effort to guide the sector, in partnership with multiple collaborators such as Community Foundations of Canada (CFC), Philanthropic Foundations Canada (PFC), and provincial networks.

There was a view that Imagine Canada's current funding and mission could be expanded to encompass this coordinating mandate, leveraging its existing resources and

positioning within the sector. This approach would leverage the organization's established presence and trust and avoid the potential complexities and redundancies associated with creating a new entity.

However, not everyone shared the view that Imagine Canada or other current peak organizations should take the lead on strategy. Some leaders expressed that no existing entity has the sector's mandate or trust to act on behalf of such a diverse group. A new fit for purpose entity might be best positioned to gain trust and take on this role.

## DEVELOPING A SECTOR STRATEGIC PLAN - A GOOD IDEA?

*What are your thoughts about a group of leaders developing a strategic plan for the health of the overall charity sector to help establish priorities for sector leaders, Federal policymakers and other key stakeholders to focus on?*

**Most people felt that a strategic plan for the philanthropic sector in Canada would be a good idea.** However, several were skeptical and had cautionary comments emphasizing the importance of trust, inclusiveness, and timeliness in the planning process.

Several people commented that the best plans are iterative and ongoing, created and refined collectively, depending on progress versus goals. An unordered world requires trial and error, iteration, and dynamism.

A general concern was that trying to do too much could lead to inaction. While some macro issues like legal frameworks, data management, reporting, policy, diversity and equity in leadership could be addressed, there was a sentiment that these may not effectively tackle the "big hairy societal issues."

Another approach could be to go deep on a few key issues with experts and collaboration/coordination, as these are likely to be the biggest drivers of future success. For example, homelessness was identified as a solvable issue if structured efforts were made to address it.

The best approach for a strategic plan for the philanthropic sector in Canada is an iterative and collaborative process that focuses on a few key issues at a time. This would involve bringing together experts and stakeholders to develop targeted strategies and solutions while maintaining flexibility and dynamism to adapt to changing circumstances.

## STRATEGIC PLAN - KEYS TO SUCCESS

For any strategic initiative in the philanthropic sector to be successful, it must have **clearly defined, measurable goals and outcomes**, as well as **a framework for measuring success**. This is crucial for accountability and ensuring that the efforts are yielding tangible results.

It is **important not to reinvent the wheel** but rather to draw from existing resources, best practices, and expertise. This could include leveraging previous work like the Senate report on the charitable sector, the recommendations from the ACCS and the insights of leaders like Yves Savoie and Susan Phillips. Building on these existing learnings can help ensure that any new efforts are grounded in a deep understanding of the sector's challenges and opportunities.

Any strategic initiative that aims to represent the sector will first have to **achieve a level of trust** among sector organizations. This could involve creating a network or "connective tissue" that enables organizations to work better together and establish a foundation of trust and collaboration.

For any strategic initiative to be successful, it must be **inclusive and transparent**. This means involving a diverse group of stakeholders, including those who may not traditionally be at the table. It also means being transparent about who is involved, who is invited, and providing opportunities for others to suggest participants or contribute their perspectives.

**Expert facilitation will be crucial** given the complexity of the philanthropic sector and the diverse range of stakeholders involved. This could include leveraging innovative engagement methods, such as massive hackathons or other collaborative platforms, to solicit input and ideas from a wide range of voices.

Ultimately, for any strategic initiative to gain traction, it must **demonstrate its value proposition**. It must be clear how the initiative will address the sector's most pressing challenges and benefit the organizations and communities involved.

The path forward for a strategic initiative in the philanthropic sector in Canada will require a delicate balance of building trust and engagement, leveraging existing resources and expertise, maintaining inclusivity and transparency, employing expert facilitation and innovative engagement methods, demonstrating value to sector leaders and doing it all in a timely manner.

## INCLUSIVE AND REPRESENTATIVE STAKEHOLDER ENGAGEMENT

For any strategic initiative in the charitable sector to have legitimacy and buy-in, it must engage a diverse and representative group of stakeholders. This includes:

**Umbrella organizations and federations**, such as Imagine Canada, Community Foundations of Canada (CFC), Philanthropic Foundations Canada (PFC), and Volunteer Canada, as well as federations/networks of nonprofit organizations, represent the interests of individual organizations and networks within the sector. Their involvement is crucial as they can provide a collective voice and ensure that the perspectives of their members are gathered and represented.

To ensure legitimacy, the initiative must go beyond the "same old" and **actively seek out diverse voices and perspectives** historically underrepresented in such efforts. This means including different geographic regions, gender diversity, Indigenous representation, and voices from underserved and marginalized communities. Perhaps most importantly, the initiative must engage the **people directly impacted** by the work of the philanthropic sector, including beneficiaries, community members, and those experiencing the challenges that the sector aims to address.

**Funders**, including foundations, corporations, and government agencies, should be consulted in the charitable sector's strategic planning process. These entities can contribute significantly by providing financial support through grants, donations, or contracts and offering in-kind resources like expertise, facilities, or volunteers.

By prioritizing inclusive and representative stakeholder engagement, the strategic initiative can build legitimacy, foster buy-in, and develop strategies that truly address the diverse needs and challenges of the philanthropic sector in Canada.

## ABOUT THE AUTHOR

Lys Hugessen has a business degree and over 25 years of experience in the private sector, working in marketing and market research. In 2011, she transitioned to the charitable sector as President of GIV3, overseeing programs to encourage generosity among Canadians. In 2013, GIV3 and CanadaHelps launched GivingTuesday Canada with 15 founding partners. Lys later served as Vice President of Partnerships at CanadaHelps until her retirement in 2023.

## APPENDIX I - DISCUSSION GUIDE

1. What do you believe are the one or two biggest strategic issues and challenges facing the sector as a whole? This is not about missions or specific charitable causes, but at a general or universal level, affecting all charities.
  
2. Do you have any solutions in mind to address these challenges?  

Who is best positioned to own and lead the fruition of these solutions?
  
3. What are your thoughts on each of the following issues/challenges :
  - a. The idea that there is a trend towards decreasing charitable giving and lower volunteering on a per-capita basis in Canada.
  - b. The idea that there is a growing charity gap in Canada: the gap between increasing demands on charitable services versus the ability to meet the demand.
  - c. The challenges of impact measurement, and reporting impact effectiveness.
  
4. Are you aware of innovations, programs, or actions taken by sector actors, or partnerships with the Federal government that have been undertaken to strengthen the Canadian charity sector, build capacity and/ or structural support?  

IF YES:  
Which efforts?  
Were/are these efforts successful?
  
5. It can be argued that many of the challenges discussed have persisted due to a lack of coordination and centralized support for the sector. We could envision different solutions to address this.
  - a. How do you feel about the idea of creating a “home in government” looking out for the interests of the charity sector within government and helping to coordinate plans and policies?
  - b. How do you feel about creating a well-funded agency outside of government, working independently of the political ecosystem focused on initiatives to strengthen the overall charity sector?
    - This would be a new fit-for-purpose agency, comprised of the top 20-25 sector organizations as board members, focused on realizing the strategic plan we have been talking about.
    - What are the pros and cons?

6. Do you believe that the charitable sector should be counting on the Federal government to solve our challenges? Or do you think that the sector should take a more proactive approach to tackle and solve these problems with less reliance on the government?
7. What are your initial reactions/thoughts about a group of leaders working to develop a strategic plan for the health of the overall charity sector to help establish priorities for sector leaders, Federal policymakers and other key stakeholders to focus on?

**IF IN FAVOUR:**

What are the pros?

What do you think such a strategic plan should include (or not include)?

**IF AGAINST:**

Please elaborate re. your concerns

8. Who are the key stakeholders/individuals you would suggest be involved in the effort to develop a strategic plan?
9. Do you have any advice for the group working to develop a sector strategic plan? How do you think they can ensure this strategic plan builds an impactful “platform for change” vs. being good in and of itself?
10. It would be very helpful if we could include your name among the participants and contributors to the research in the report. Do you agree?
11. Are you interested in further supporting and participating in the development of the strategic plan we have been discussing?
12. Do you have any final comments or guidance to offer?