

RIDEAU HALL FOUNDATION | FONDATION RIDEAU HALL

OF GIVING IN CANADA EXECUTIVE SUMMARY

IMAGINE
CANADA

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Imagine Canada

Charities and nonprofits are an integral part of Canadian society and the Canadian economy. In every community across this vast country, charities and nonprofits provide Canadians with health, education and social services; cater to their cultural, recreational and spiritual needs; and work to protect animals and our natural environment. They also provide Canadians with jobs, opportunities for personal growth and community engagement, and an established and regulated mechanism for fulfilling their philanthropic goals. Although the money charities and nonprofits need to carry out their missions comes from many sources – including government, corporations, and the sale of goods and services – almost all rely to some extent on donations from individual Canadians.

Thirty Years of Giving in Canada draws on several data sources to present the most detailed and comprehensive picture ever compiled of charitable donations in Canada and the giving behaviours of individual Canadians. The report uses taxfiler data to explore how patterns of giving have changed over the past three decades, with a specific focus on trends by sex, age, income and region. It uses survey data to look at the causes Canadians support, the ways in which they give, their motivations for giving, and what prevents them from giving more. The report also discusses online giving and how giving is learned, and presents detailed analyses of the behaviours and attitudes of three key population groups: younger Canadians, older Canadians, and new Canadians (foreign-born immigrants).

Key Findings

How generous are Canadians?

We estimate that in 2014, individual Canadians gave approximately \$14.3 billion in receipted and unreceipted donations to registered charities. Claimed donations have increased 150% in real terms since 1984, however, charities are relying on an ever-decreasing proportion of the population for donations. Total donations have continued to rise only because those who give are giving more.

Figure 1: Donations claimed 1984 – 2014, constant dollars.

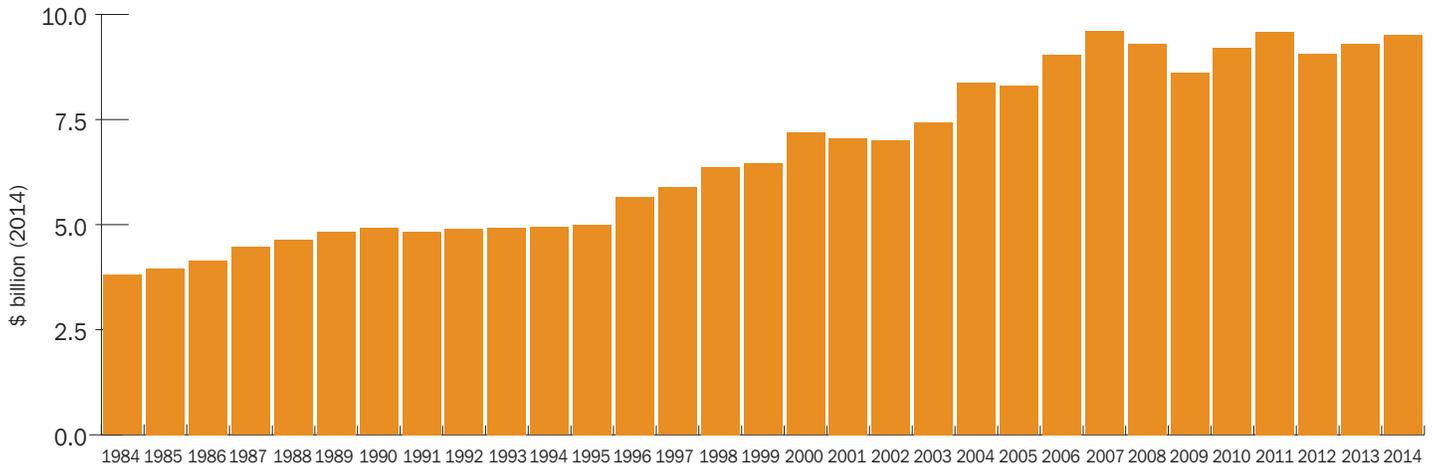
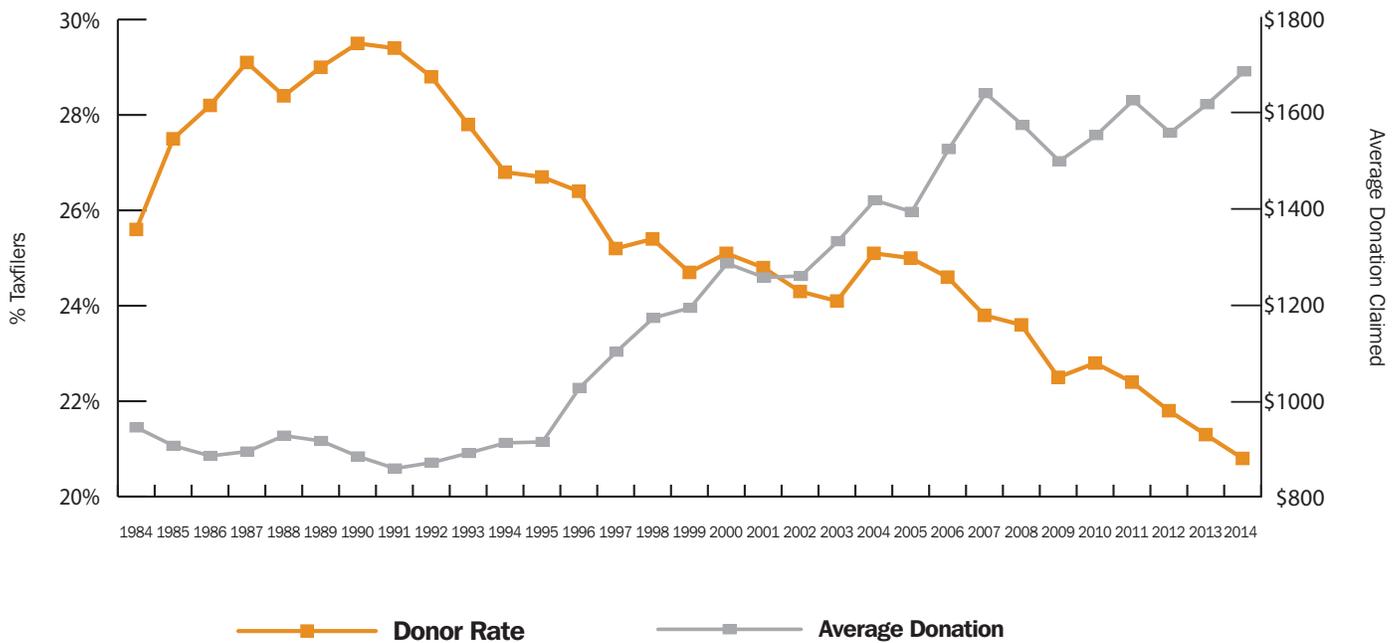


Figure 2: Percentage taxfilers claiming donations and average claim 1984 – 2014, constant dollars.

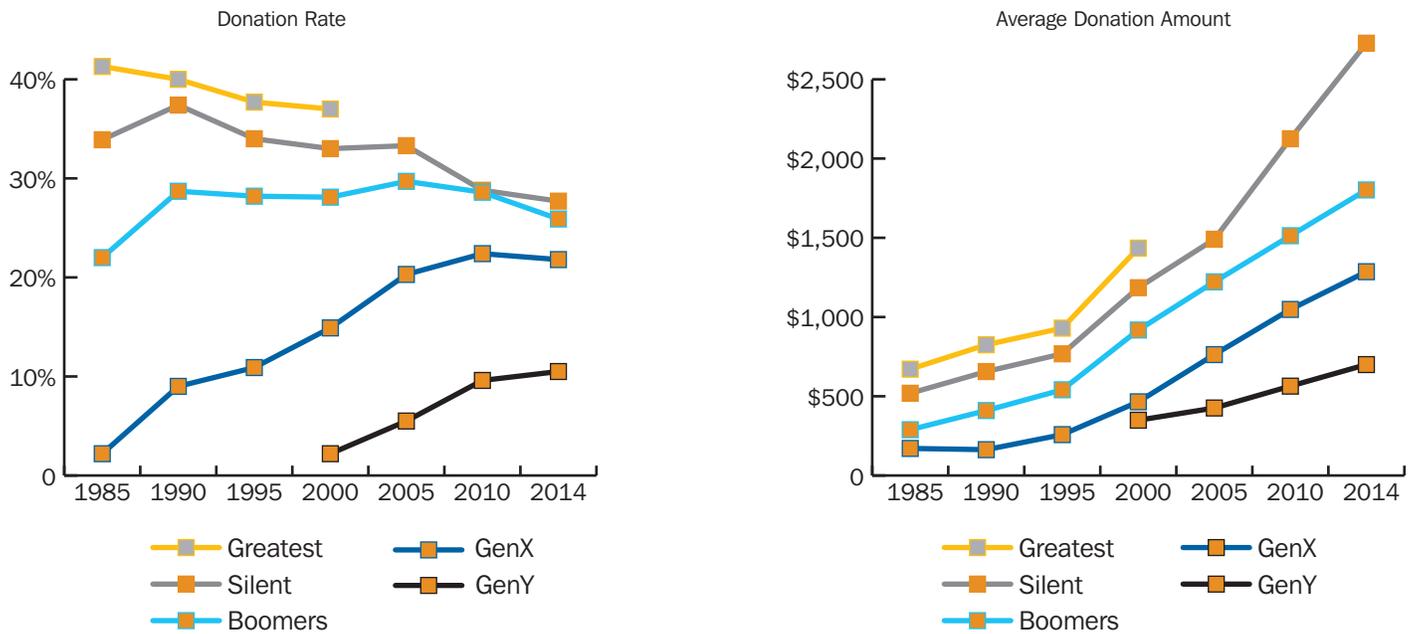


How do generational shifts affect the giving landscape?

The Baby Boomer generation has been the most important component of the donor pool for the past 30 years and is responsible for more than 40% of total donations since 2000. However, the peak donation rate of Boomers was lower than the peak donation rates of earlier generations and it appears the peak donation rates of Gen X and Gen Y will be even lower. The giving habits of Gen Y are particularly worrisome.

Both the donation rates and average donations of this group are low and increasing very slowly. On a more positive note, younger Canadians are less likely than older Canadians to express negative views about charities.

Figure 3: Donation rate and average donation by generation, 1985 – 2014.



What are the trends relating to income?

Income is strongly correlated with giving and charities have always relied heavily for donations on those who are in the best position, financially, to donate. Over the past 30 years, however, Canadian charities have become more dependent than ever on affluent Canadians. In 1984, the top 1% of taxfilers (then earning \$80,000 and up) accounted for only 16% of donations. In 2014, the top 1% (those earning \$250,000 and up) accounted for 31% of donations.

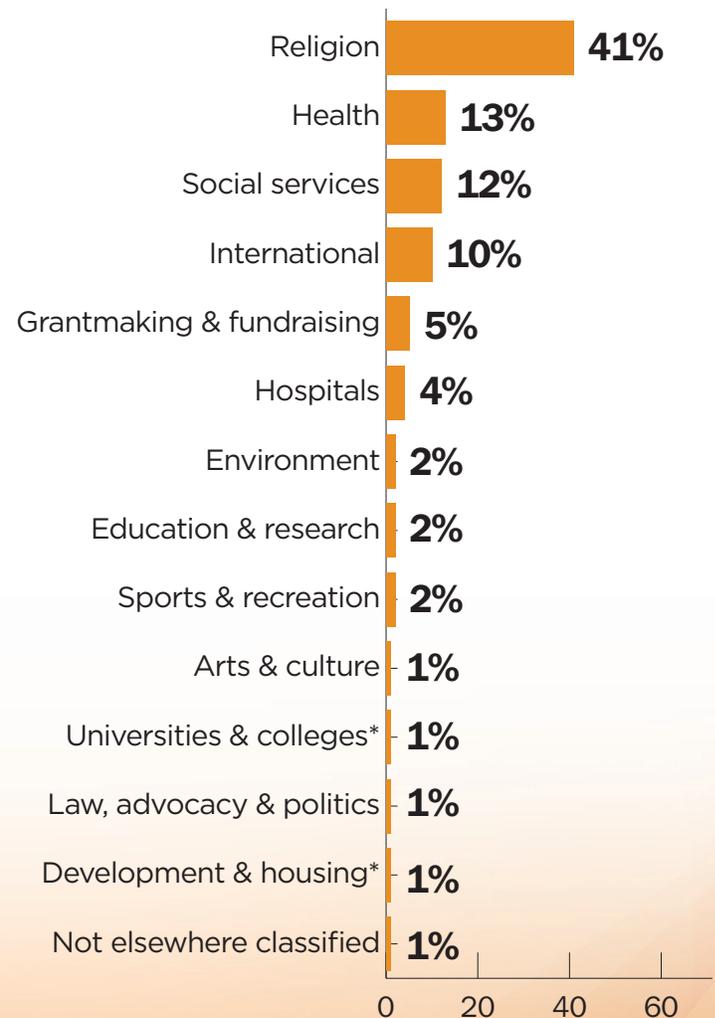
What are the regional trends?

Over the past three decades, residents of Ontario and the Prairies have been the most likely to claim donations. However, for most of this period the largest average donations have come from Alberta and British Columbia. Average donations are lowest in Quebec and Atlantic Canada. Since 1985, total donations have increased the most in Alberta and British Columbia and least in Atlantic Canada and the Prairies.

Which causes do Canadians support?

While giving to religious organizations is decreasing, it still accounts for the largest portion of donations among various causes. Large proportions of the population give to health and social services organizations, but the amounts given are low compared to the amounts given to religious organizations. Giving to International organizations is increasing, both in terms of the amounts donated and the number of Canadians donating.

Figure 4: Distribution of total donations by organization type, 2013.



*Use with caution.

How do new Canadians give?

New Canadians (foreign-born immigrants) are more likely than native-born Canadians to donate to religious organizations and they give a higher proportion of their donations to religious organizations. They are almost twice as likely to say they donate because of religious obligations. New Canadians are also more likely to say they didn't know where to give or couldn't find a cause worth supporting and they are more concerned about charity fraud or scams.

What motivates Canadians to give?

The reasons Canadians give have remained remarkably consistent over time with the top three motivators being compassion towards those in need, personal belief in the cause, and the desire to make a contribution to the community. The only notable changes are an increase in the percentage of donors citing tax credits as a reason for giving and a decrease in the percentage citing religious obligations.

What keeps Canadians from giving more?

There is evidence that Canadian donors are becoming more critical of charities and nonprofits. While still fairly low, the percentage of donors saying they have trouble finding a cause worth supporting has increased. Between 2004 and 2010 there was also an increase in the percentage of donors who were concerned their money would not be used efficiently. When pressed to explain this view, the majority of people said the charity was not able to explain where or how the donation would be spent. In this context, it is interesting to note that a quarter of Canadians say they are happy with how much they gave to charity in the preceding year, but admit they could have given more.

Where do Canadians learn about giving?

Giving is a learned behaviour. Canadians who participate in giving or volunteering activities when they are young or see these behaviours modelled by parents or others they admire are more likely to donate as adults.

Conclusions

The findings presented in *Thirty Years of Giving in Canada* suggest that, despite the unquestionable generosity of Canadians, much could be done to increase giving in this country. Finding ways to more effectively engage young people and new Canadians (foreign-born immigrants) would be particularly beneficial, as would efforts to encourage those who have the financial wherewithal to dig just a bit deeper. Even small increases in the proportion of Canadians who give and/or small increases in average donation amounts would have an enormous impact.

Time is of the essence, however. The Boomer generation, which has been the mainstay of the charitable sector for most of the past 30 years, is aging. There is a limited amount of time left to tap into the philanthropic impulses of this generation and it is unclear if younger generations will be willing or able to take their place. New Canadians, who will make up an even greater percentage of the population in the future, are generous but often unfamiliar with and distrustful of the charitable sector.

Finally, the ways Canadians give and the causes they give to are changing. This is both a challenge and an opportunity for the sector. Organizations that are adept at understanding changing attitudes and preferences will be in a better position to adapt their messages and tactics. To navigate this uncertain future, the sector will need more and better data and strong digital strategies to facilitate the preferences of future givers. Collective efforts to encourage a more robust giving culture should also be considered.

*The comprehensive report and data analysis of **Thirty Years of Giving in Canada** will be available in January 2018.*