

The Giving Report 2023:

Insights and What's Next for Canada's Charities

May 11th, 2023

ENVIRONICS
ANALYTICS



Land Acknowledgement

We acknowledge the land where our head office resides is the traditional territory of many nations, including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples and is now home to many diverse First Nations, Inuit and Métis peoples. We also acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit.

Meet the Speakers

Jennifer Robins, MBA

Director, Business Development – NFP Lead
Environics Analytics



Shannon Craig

GM, Donor Services and Brand Marketing
CanadaHelps



Housekeeping

- All attendee will be in listen only mode
- Use the Q&A feature to submit your questions
- Questions will be visible to all attendees, but there is an option to submit anonymously
- Presentation recording will be emailed to all registrants and available on the EA website

Today's Agenda

1. Sector Deep Dive

2. Who is Giving?

3. Let's Take Action

4. Questions and Answers

About Environics Analytics

One of North America's premier marketing and analytical services companies.

Environics Analytics (EA) helps charities turn data and analytics into insight, strategy, and results. We help not-for-profits understand who their donors are, where they can find like-minded people, and support them as they raise more treasure.

For Canadian organizations, www.environicsanalytics.com is to go-to for authoritative and privacy-compliant data.

200+
SUPPORTED CHARITIES

40,000+
UNIQUE DATA POINTS

About CanadaHelps

CanadaHelps is a public foundation advancing philanthropy through technology.

CanadaHelps builds affordable fundraising technology and provides free training and education so all charities, regardless of size, have the capacity to increase their impact and succeed in the digital age.

For Canadians, www.CanadaHelps.org is a convenient, safe and trusted, one stop destination for donating, fundraising, or learning about any charity in Canada.

\$2.6 BILLION
RAISED OVER 23 YEARS

3.8 MILLION
CANADIANS DONATED

26,000+
CHARITIES REGISTERED

About The Giving Report 2023

- Created by CanadaHelps in 2017.
- The report helps Canadians understand the trends and issues affecting the charitable sector.
- Surveyed almost 3,000 Canadian charities last fall.

We are thankful for the contributions of our partners:

Environics Analytics provides analysis for insights into demographic, financial, psychographic, and behavioural trends in CanadaHelps data.

Imagine Canada has been a partner on the Giving Report since 2018, providing deeper analysis of various data from Canada Revenue Agency & data verification.



The State of the Sector

A background image showing three women in a professional setting, leaning over a table covered with colorful sticky notes. They appear to be in a collaborative meeting, with one woman pointing at a note and the others looking on with interest. The image is overlaid with a blue gradient.

Unprecedented demand.

Softening donations.

Organizational expenses inflating.

Personnel burnout.

Key Finding #1: Charity Demand is Rising

- More than half (**57%**) of charities cannot meet current levels of demand.
- **40%** of charities have experienced a lasting increase in demand since the start of the pandemic.
- **22%** of charities reported that demand significantly exceeds capacity.



Key Finding #1: Charity Demand is Rising

- 2 in 10 Canadians (**22%**) reported that they expected to rely on charities for basic needs such as food and shelter in the next 6 months.
- 1 in 4 parents (**27%**) are among those expecting to access essential charitable services.
- 1 in 3 Canadians (**35%**) between 18 to 34 expect to access essential charitable services, which is higher than Canadians 35 - 54 years of age (26%) and 55 years and older (10%).



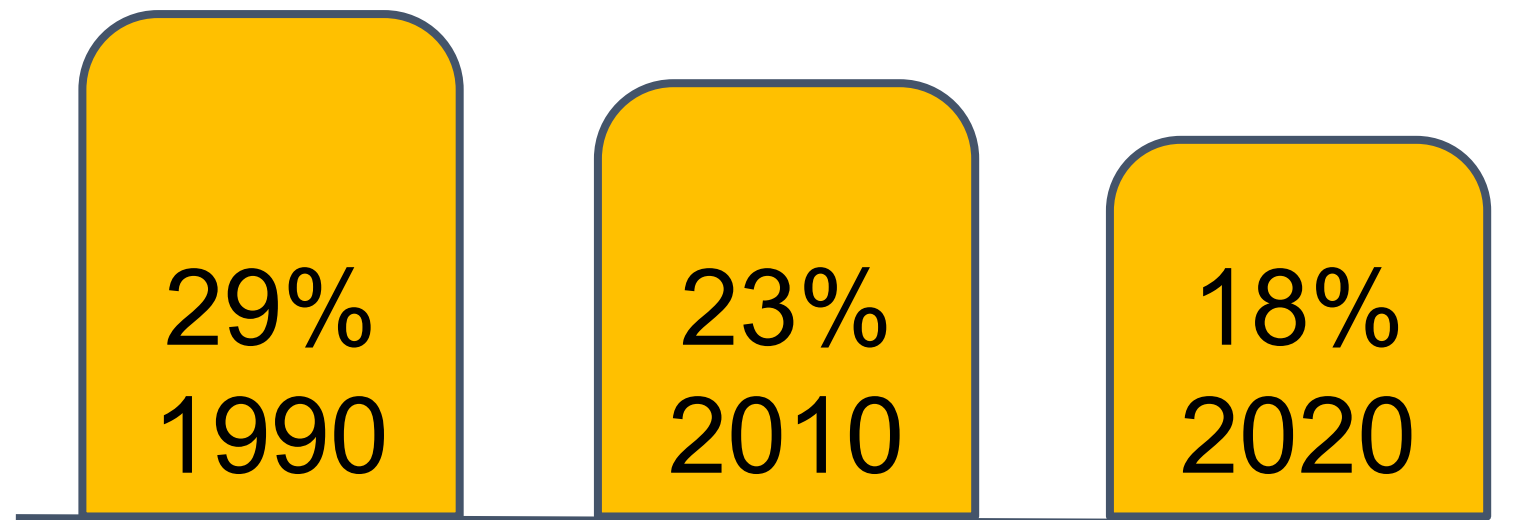
Key Finding #2: Fewer Funds

- Less than half of charities surveyed (45%) report that funding levels are equal to pre-pandemic levels.
- One-third (31%) of charities say funding is below pre-pandemic levels.
- Just 12% of charities report that their current fundraising results are higher than pre-pandemic levels.



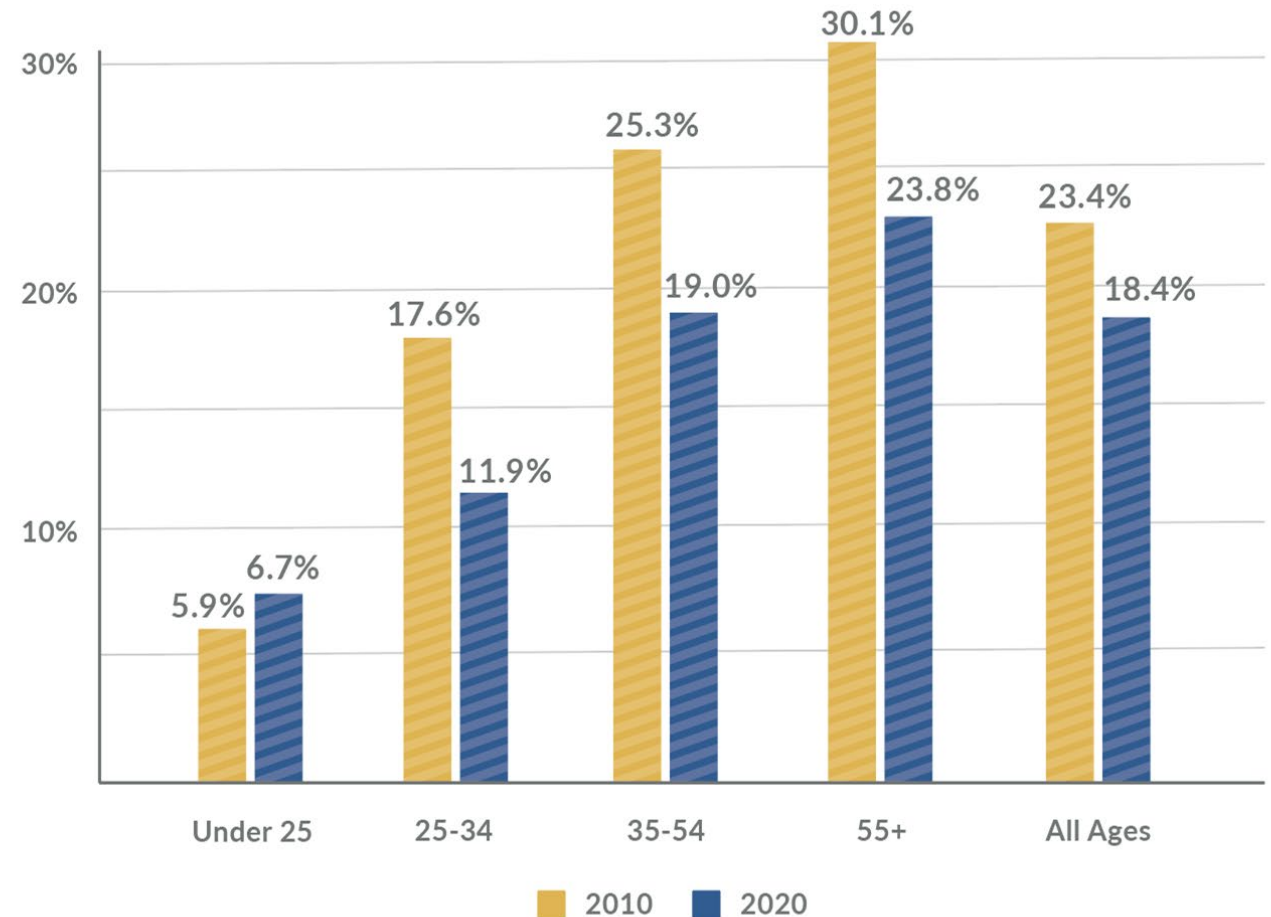
Overall Giving Participation Rates on the Decline ↓

Percent of Canadian Tax Filers
that claimed donations



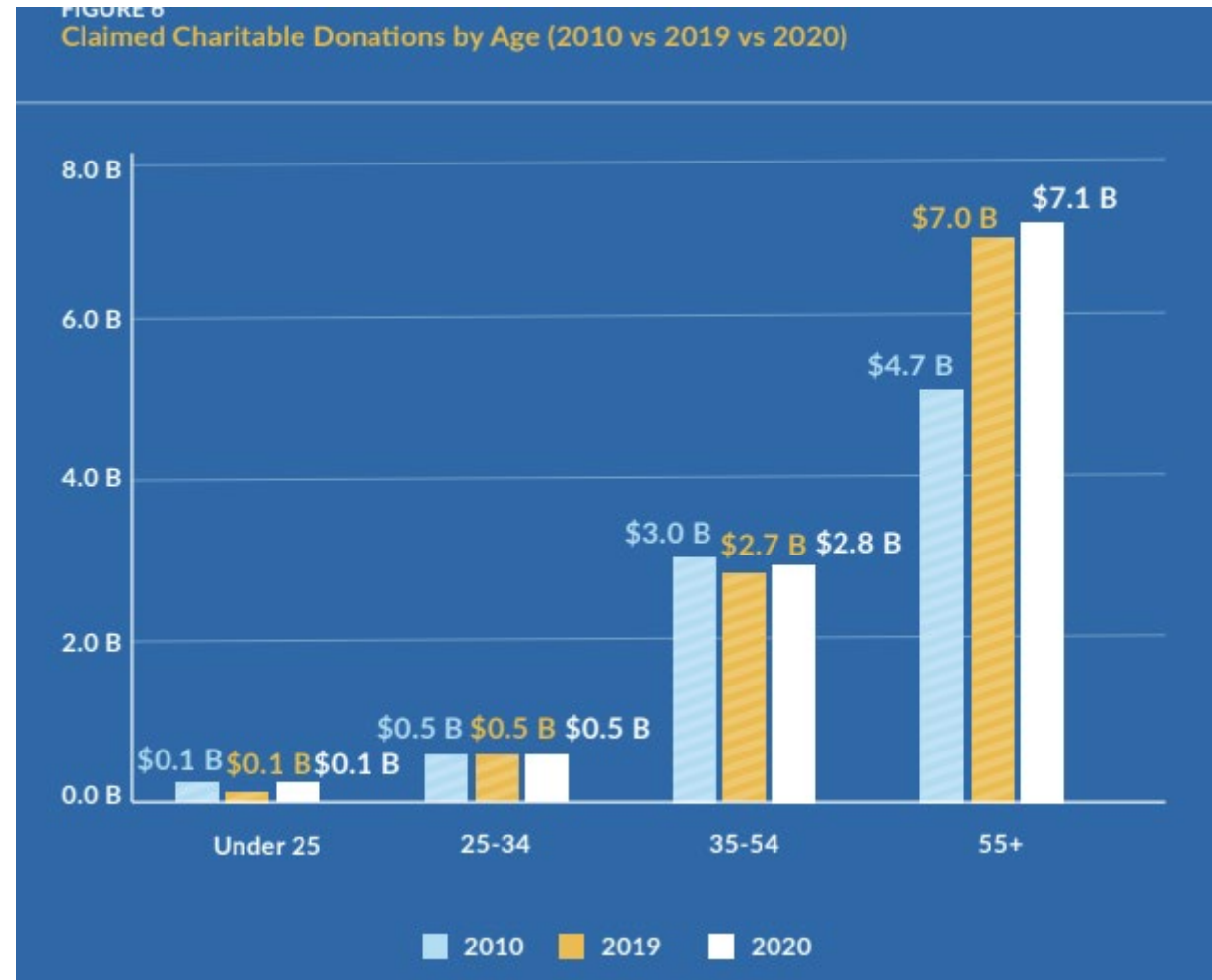
Improvements in Giving Rates **Under 25** Years Old ↑

Giving by Canadians aged 25-34 dropped from 17.6% in 2010 to 11.9% in 2020; those aged 35-54 dropped from 25.3% in 2010 to 19.0% in 2020; and those 55+ dropped



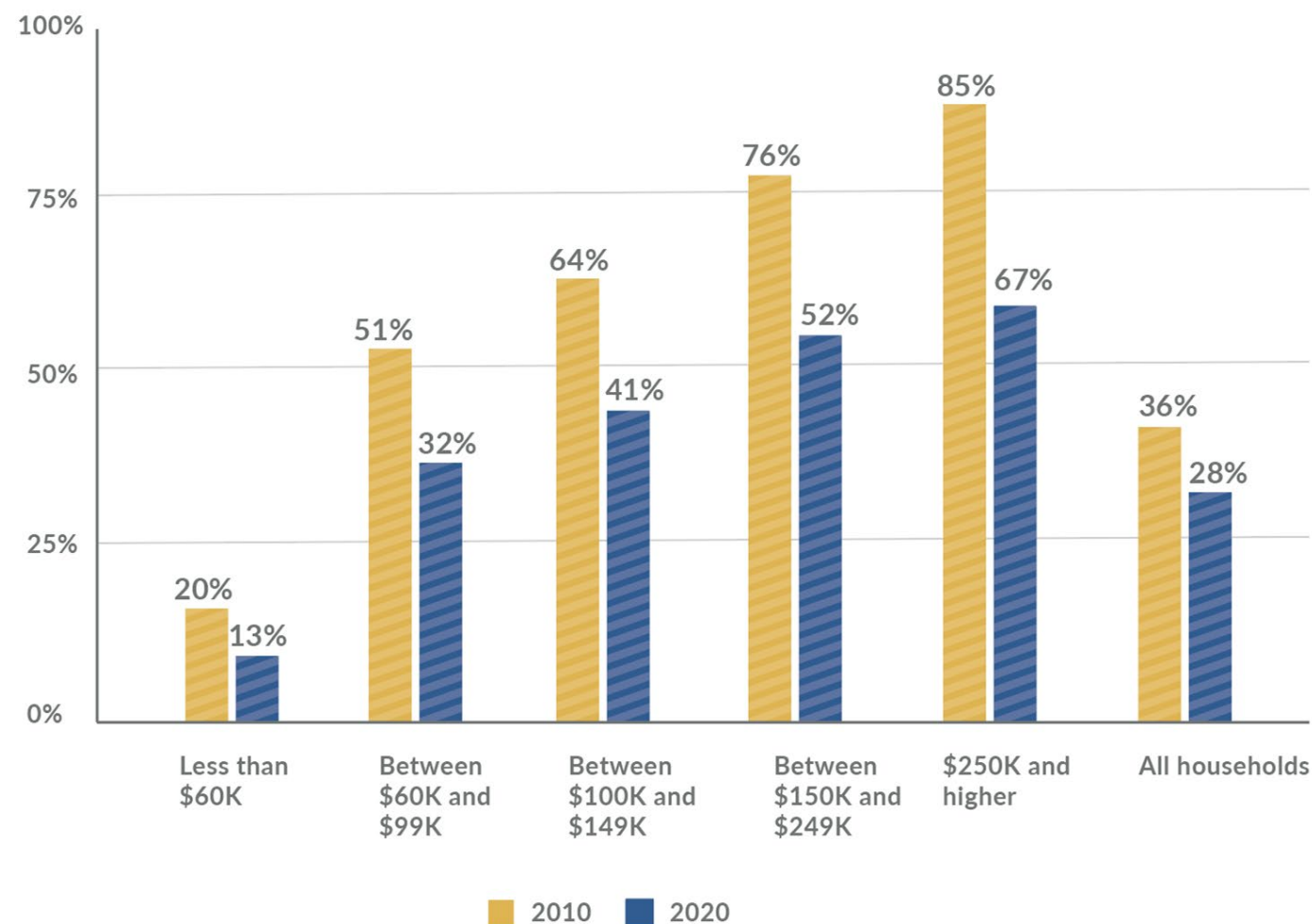
Amount given is falling to a smaller number of **aging donors**

Marginal change in terms of total dollars donated across all groups but Canadians aged 55 and older.



Participation Rates on the Decline Among Households ↓

Among individual households, giving participation rates have dropped from 36% to 28% (8 points) from 2010 - 2022.



Key Finding #2: Fewer Funds

- At the start of the pandemic, CanadaHelps experienced triple-digit growth, raising \$480 million in 2020 (116% YoY increase)
- In 2021, online giving on CanadaHelps grew by 2% over 2020 and 4% in 2022 over 2021→ significantly below the 22.4% average rate of growth between 2010 and 2020.



Key Finding #3: Inflation

- 80% of charities report that inflation has impacted their service delivery costs, while funding has not increased to meet this demand.
- 44% of charities report that staff salaries increased due to inflation, but without an increase in funding, the only option is to cut expenses at a time when Canadians need them most.



Key Finding #3: Inflation

- 55% of charities say they have fewer volunteers than before the pandemic.
- Close to 60% of charities report that they have the same number of paid staff working, despite heightened service demands.
- 15% of charities say they have decreased staff since the pandemic started.
- Only 24% of charities report more paid staff.



Key Finding #4: Small Charities are struggling

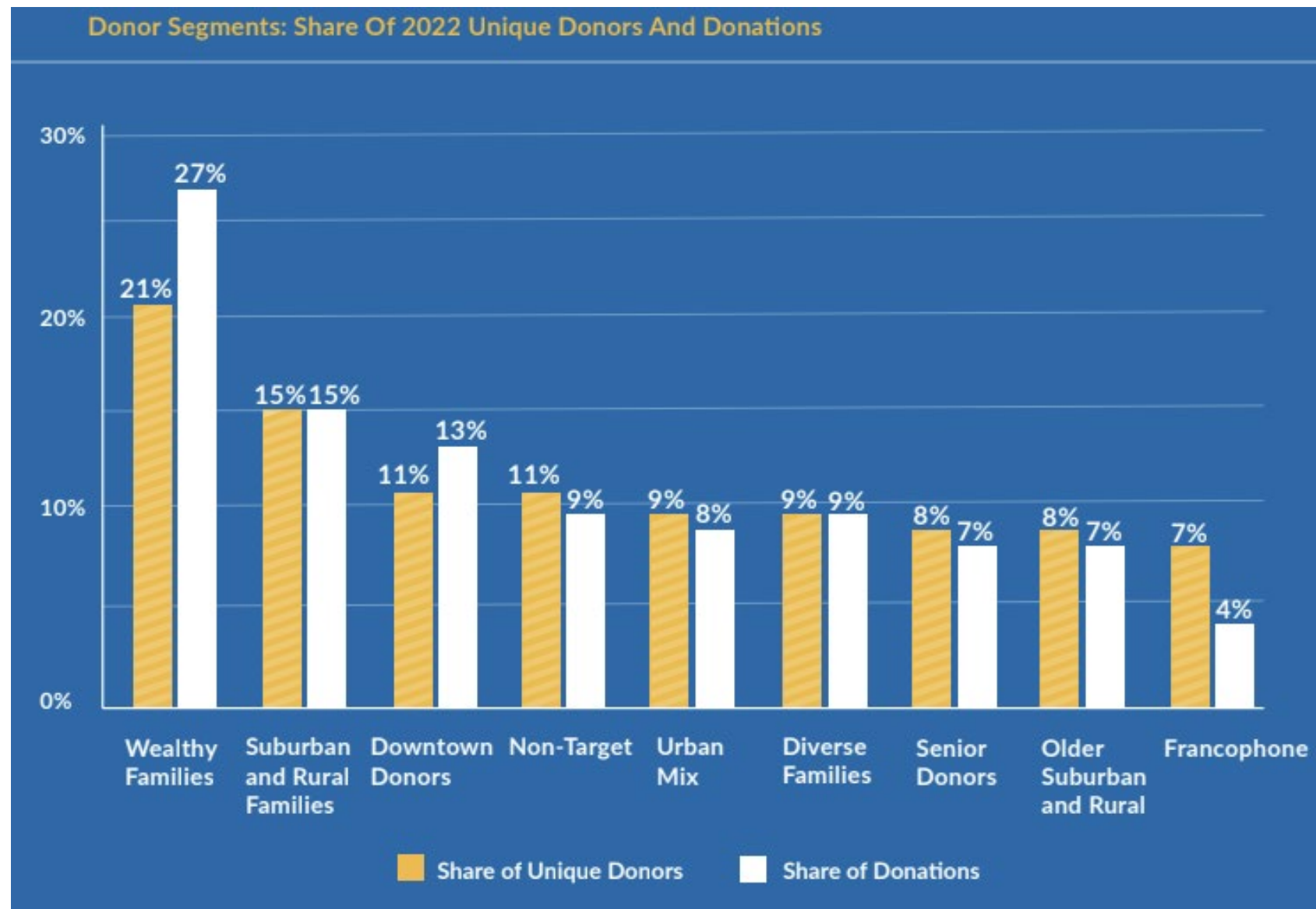
- In 2020, small charities with less than \$500,000 in annual revenue experienced an 8% decline in the margin between their total revenue and expenses compared to 2019.
- In contrast, medium and large charities above \$500,000 were able to better adapt to year one of the pandemic, experiencing a decline of only 4%.



Who Is Giving



A Look at Canadian Donors



Donations for Ukraine

- Donations in support of international charities represented **9% of total gifts** on CanadaHelps in 2022.
- Of donations to the international category, **90% of donations** were made specifically in support of Ukraine which means a relatively small group of charities received this funding.
- **10% of all new donors** in 2022 donated to Ukraine on CanadaHelps.



GivingTuesday Donors

- In 2022, 5% of all donors gave on GivingTuesday.
- 32% of GivingTuesday donors made additional gifts prior to the holidays.
- Charities that actively participate in GivingTuesday raise 256X more on the day of GivingTuesday and 5.7X more from GivingTuesday through to December 31st than charities that do not participate.



A photograph of three people (two women and one man) leaning over a table, smiling and looking at several colorful sticky notes. The image is overlaid with a semi-transparent blue filter. The text 'What can we do?' is written in white on the left side of the image.

What can we do?

Let's Take Action

1. Focus on understanding your donors.
2. Engaging younger Canadians.
3. Rebuilding your value proposition for volunteers.
4. Investing in capacity and thoughtfully addressing staff burnout.
5. Taking a holistic approach to digital transformation.



Taking Action #1: Understanding Your Donors

1. Why is your charity's work important to them?
2. How did they come to learn about your organization?
3. What types of updates they'd like to receive?
4. Ways they like to give?



Take Action #2: Engaging Younger Canadians

- 49% of charities are dissatisfied with the engagement their charity has seen with Canadians aged 18 to 30 years old.
- Only 22% of charities have implemented a strategy intended to engage young Canadians.

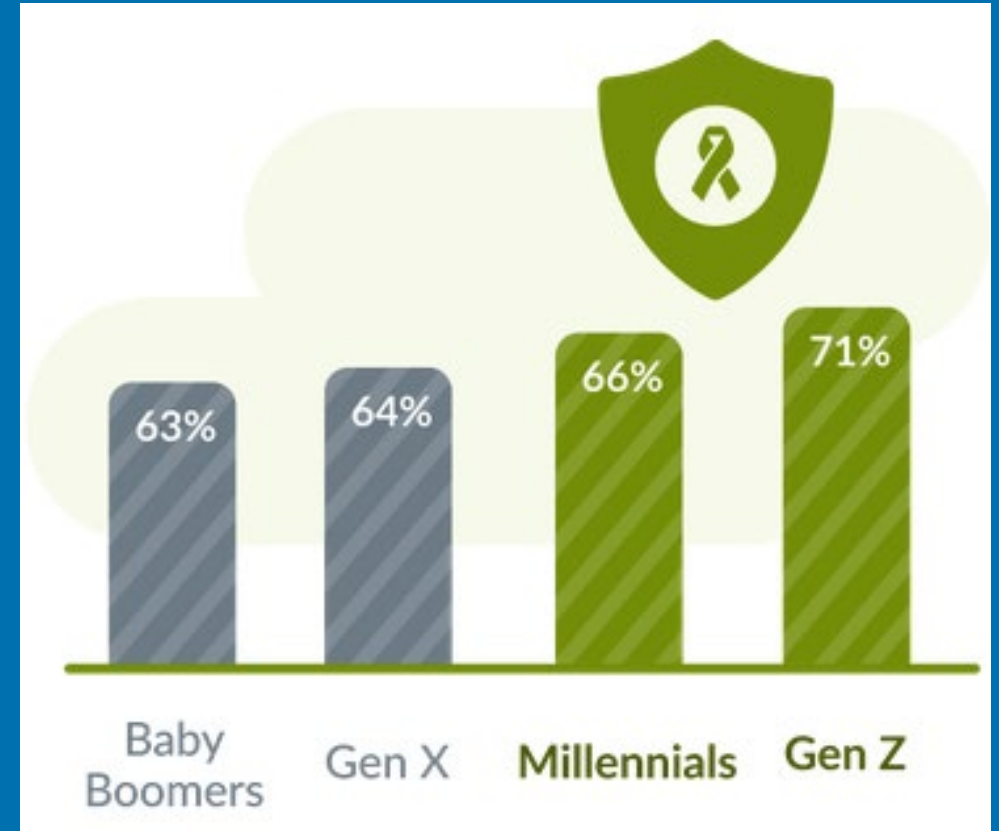


Taking Action #2: Engaging Younger Canadians

Getting Started:

1. Start an advisory council of Young Canadians to help you build your program
2. Focus on engagement over donations
3. Tailor your message to focus on the aspects of your work that are most aligned with their values
4. Meet them where they are: online, social, mobile.

Percent of Canadians, by Generation,
That Strongly Agree That They
Trust Charities



2022 The Giving Report

Taking Action #3: Support Our Volunteers

Open the conversation:

1. What motivates your volunteers?
2. What keeps them engaged?
3. What prevents them from investing more hours?
4. What prevents them from recruiting others?
5. What leads them to feeling burnt out?
6. What causes them to step away?

55.2%

have fewer
active volunteers.



41.8%

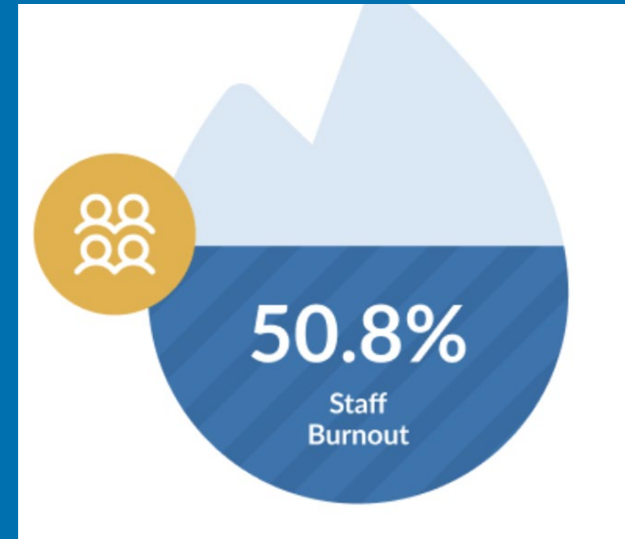
concerned about
attracting volunteers



Taking Action #4: Investing in Capacity

- Having honest conversations about what your organization needs: to meet demand and even more, to create the systemic change we all want to see.
- We know we need the tools, talent and bench strength. Now we need to get funders see the possibilities when we are properly funded.

Percent of charities that are highly concerned



Taking Action #5: Digital Transformation

- Digital transformation is about reimagining service in the digital age to create mission-driven change, faster.
- **Charity Growth Academy** is a new free digital transformation program to help Canadian charities grow.



1 in 3 charities
believe they'll soon find it harder to
continue their work if they don't
improve their digital capabilities.

CanadaHelps 2021 Digital Skills Survey

Questions & Answers



So, What's Next?

1. Read the full report at www.CanadaHelps.org
2. Get in touch to learn more about how CanadaHelps can help take your fundraising to the next level!

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