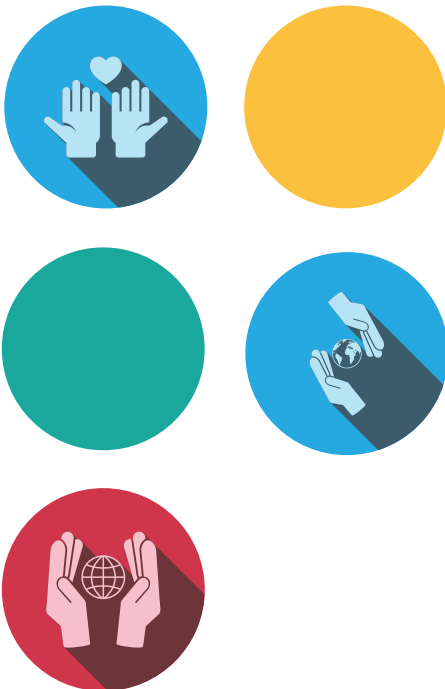


ASKING MATTERS: CHARITABLE FUNDRAISING IN CANADA

EXECUTIVE SUMMARY



OVERVIEW

At the heart of philanthropy is the willingness to ask. A professional fundraiser understands that the act of asking is essential to enabling the social good that the sector aims to deliver, regardless of whether that ask is to an individual donor, a corporation, a foundation or to government. Asking effectively, ethically and to achieve the greatest impact is at the heart of the mission of the Association of Fundraising Professionals.

Our aim is to foster a greater understanding of the value of charitable fundraising and the structures that are essential to enabling effective, ethical and professional practice in Canada. In doing so, we strengthen Canadians' capacity to give and enable social good.

OUR ASK TO ELECTED OFFICIALS

1. Continue to learn and support the many charities in your riding. This can include attendance at events or visiting their places of business, thus giving them an opportunity to share knowledge and expertise with you concerning local needs.
2. Access AFP expertise for riding and national matters related to fundraising. This can be as a result of a media story, a proposed bill or as per the mandate letter to the Minister of National Revenue. Involve AFP in any conversation about a new legislative framework to strengthen the sector.
3. Seek to understand why your constituents, charities and Canada as a whole would benefit from the Ministry of Innovation, Science and Economic Development having prime responsibility for the charitable and nonprofit sector.



The sector comprises of both registered charities as well as nonprofit organizations, including hospitals and universities. Together, they are a key driver of Canada's economy, representing:

Employment for
2 MILLION Canadians at more than **170,000 organizationsⁱ**

8.1 PERCENT of Gross Domestic Productⁱⁱ
(Imagine Canada, n.d.)

An annual contribution to the Canadian economy of over
\$160 billionⁱⁱⁱ
(Satellite Account, 2007)

QUICK FACTS

Charities and nonprofits obtain the revenue they need to carry out their missions from a variety of sources, including donations, government grants and contributions, service delivery contracts, and the sale of goods and services to the public.

Government is constrained in its ability to fund organizations directly, and organizations face regulatory challenges in developing their own income streams, so charitable revenue from Canadian households and businesses makes an essential contribution to the sector's ability to facilitate social change both at home and abroad.

According to data from charitable tax filings, charities **reported \$21.49 billion in fundraising revenue** from all programs (major gifts, events, lotteries, annual giving) and from all sources (individuals, corporations and foundations) in 2014^{iv}. Although tax-receipted giving by individuals grew 14% from 2010-2013, the **percentage of the population who reported giving to charity is on the decline: 82% in 2013 compared to 84% in 2010^v**. The **number of tax filers who claimed charitable donations has declined significantly from 30 per cent in 1990 to 21 per cent in 2015^{vi}**. The 2013 Survey of Giving, Volunteering, and Participating (GVP) found that the majority of total donations came from small proportion of donors^{vii}. This means that charities depend on a decreasing donor pool for donations.

Demographic shifts are already impacting the channels and causes through which and to which Canadians choose to give^{viii} and further change is anticipated as our population ages and becomes more diverse. The proliferation of 'crowdfunding' for emergency relief or individual causes is but one example of the shift we are seeing.

Philanthropy is a way for people to connect to their core values, and fundraising is a critical part of the philanthropic process.



Today, there are 31,000 AFP members in more than 240 chapters around the globe. In Canada, there are 20 chapters representing 3,500 fundraisers.

THE ASSOCIATION OF FUNDRAISING PROFESSIONALS

The powerful insight—*that asking matters*—was recognized in 1960 with the founding of Association of Fundraising Professionals.

Fundraisers are enablers of social good in our communities, trusted advisors to Canadian donors and partners to government policy makers in addressing social issues that strengthen Canadian society.

The essence of professional fundraising is to celebrate thoughtful giving in response to thoughtful asking. Asking with respect. Asking with intent.

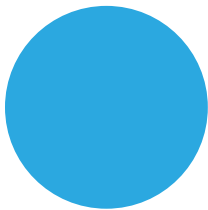
WHAT DOES AFP DO?

AFP promotes the importance and value of philanthropy, and empowers individuals and organizations to practice ethical and effective fundraising. Our vision is to stimulate a world of generosity and positive social good through fundraising best practice.

AFP maintains a code of ethics which is central to the ethos of the organization; the Donor Bill of Rights is used both nationally and internationally to outline the principles that donors should expect from charitable organizations.

The charitable sector—and the profession of fundraising—are directly and indirectly impacted by the policy and regulatory environment. As such, AFP is an active participant in the dialogue around issues that impact professional fundraisers and their ability to facilitate social good through philanthropic giving.

AFP has been involved in almost every major policy initiative impacting Canadians including Canadian Anti-Spam Legislation (CASL), Canada Revenue Agency cost of fundraising guidelines, political activity audit discussions, various tax initiatives intended to spur philanthropic giving and the initiative that showcased Canada as the first country in the world to permanently recognize November 15 as National Philanthropy Day.



WORKING TOGETHER, MOVING FORWARD

As demographics shift, giving patterns change and the charitable sector evolves, AFP calls on government to partner with the charitable sector in implementing the following:

- **Designate a federal department**—the Ministry of Innovation, Science and Economic Development (formerly Industry Canada)—**to have economic policy responsibility for the nonprofit sector.** In doing so, it would provide a better framework to develop data-driven, charitable giving policies that would in turn foster a stronger nonprofit sector.
- Allocate **\$1 million annually** to Statistics Canada, for the purpose of collecting, analyzing and disseminating comprehensive data about the nonprofit sector, as proposed by Imagine Canada.
- **Permanently eliminate the capital gains tax on charitable gifts of private company shares and real estate.** It has been estimated that this proposal would enable the charitable sector to access an estimated \$170 to \$225 million of incremental funding from the private sector with a tax revenue cost to the government of only \$50 to \$65 million.

NOTES

ⁱ Imagine Canada, Key Facts about Canada's Charities.

ⁱⁱ *ibid*

ⁱⁱⁱ Statistics Canada. Satellite Account of Non-profit Institutions and Volunteering, 2009.

^{iv} KCI. Philanthropic Trends, 2017, Volume 1. Ketchum Canada Inc., 2017

^v Martin Turcotte. Spotlight on Canadians: Results from the General Social Survey, 2015.

^{vi} KCI. Philanthropic Trends, 2017, Volume 1. Ketchum Canada Inc., 2017

^{vii} Rideau Hall Foundation and Imagine Canada. "30 Years of Giving in Canada.", 2018.

^{viii} Mark Rovner, "The Next Generation of Canadian Giving. The Charitable Habits of Generations Y, X, Baby Boomers and Civics." Blackbaud, 2013.