

The AFP Foundation for  
Philanthropy - Canada:

# FULFILLING THE PROMISE OF PHILANTHROPY





## **Fundraising: The Impact Profession**

The AFP Foundation for Philanthropy - Canada champions philanthropy by developing the not-for-profit sector's current and future leaders, welcoming diverse new voices into the charitable world, and rigorously upholding the highest standards of ethics.



# PHILANTHROPY AT RISK IN CANADA

The philanthropic community in Canada has massive challenges on the horizon. The pool of Canadian donors is shrinking<sup>1</sup>. There is a leadership shortage within charitable organizations. Fundraising professionals are leaving their positions too quickly or leaving the sector entirely. And there is a growing shortage of trained fundraising professionals.

These challenges risk crippling the fundraising industry and leaving the fabric of our society and our planet in tatters. Thankfully, AFP Canada and the AFP Foundation for Philanthropy – Canada are taking steps to avert this bleak future – *but for this they need your help.*

Exploring these challenges through a socio-cultural lens reveals shifts in cultural and consumer behaviors based on religious belief, age, level of education, values, ethics, and ethnicity. An examination of philanthropy based on age demographic data offers a unique view into meeting immediate and future funding needs of charities.

Baby-boomers; Canadians who are roughly 60 years of age and older, are the second largest generation – behind Millennials. Although boomers give the most, an average of \$2,250 annually, this number is on the decline. An encouraging statistic is that Generation X and Millennials are trending upwards in average donation size, however, still trail behind boomers. The challenge for charities is to maximize giving from the most generous while encouraging the next generation of donors to give more.

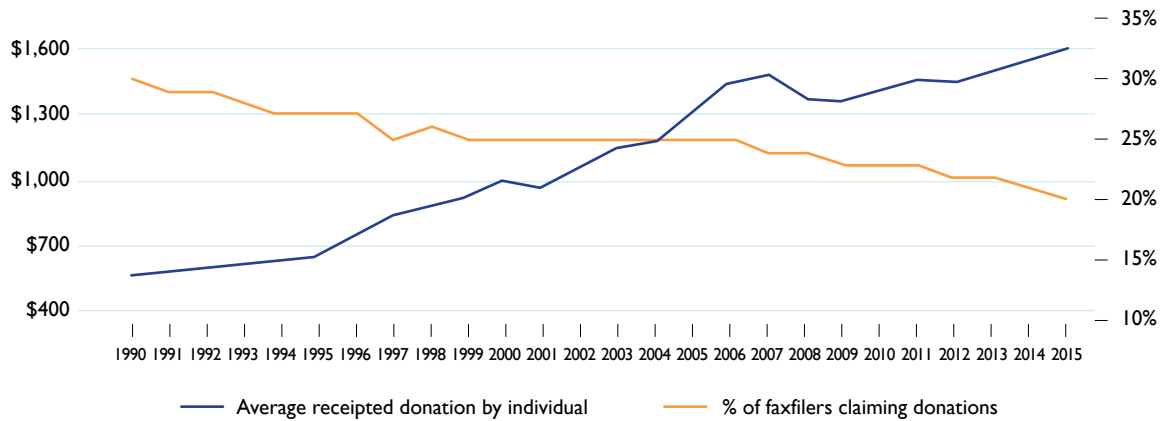
It sounds simple enough to maximize and stretch different demographics, but the truth is Canadians are giving less, and fewer Canadians are giving.



*The challenge for charities is to maximize giving from the most generous while encouraging the next generation of donors to give more.*

<sup>1</sup> Summary of charitable donors. (2018, October 5th). Retrieved from <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110013001>

## PROPORTION OF CANADIAN TAXFILERS CLAIMING DONATIONS



Source: Statistics Canada, Individual Taxfiler Data, CANSIM Table 111-0001

This trend is troubling.

Further, the sector is facing a critical leadership shortage. CompassPoint and the Evelyn and Walter Haas, Jr. Fund first drew attention to this crisis in their report, *Underdeveloped: A National Study of Challenges Facing Nonprofit Fundraising*.<sup>2</sup> This important research underscores what you and many others already know far too well: **there simply are not enough qualified fundraising professionals to meet the demand to raise funds for charities.**

Compounding the challenge, when a development director leaves their position, it takes a median of six months for their replacement to come on board. Six months is an eternity in today's fast-paced world—and for many organizations it takes a year or more to fill vacant development positions.

That kind of gap in fundraising leadership can lead to irreparable damage to relationships with individual donors, foundations, and corporate funders. It can take years for an organization to recover from such a setback—especially for smaller community-based organizations that lack a financial cushion. It's a challenge that is only going to intensify as Baby-Boomers retire by the hundreds of thousands in the coming years.

The shortage of fundraising professionals is further exacerbated by concerns that many fundraisers don't see themselves as ready to step into leadership roles. A recent study of 1,200 not-for-profit leaders in the USA by the Concord Leadership Group found that only 20 percent were confident that they had the leadership abilities needed to enable their team to achieve its goals.<sup>3</sup> Another study showed that one in three executive directors are not satisfied with the performance of their development professionals. Not surprisingly, many development directors feel a lack of support from their colleagues and leaders—and lack a community of other fundraisers with whom to learn and gain support.

Charitable organizations can help solve our world's toughest challenges—but only if they have the resources, they need to attract the brightest minds, invest in their professional development as leaders, and help them design the most innovative solutions. Professional development for new fundraisers, through AFP Foundation scholarships, is a catalyst to inspire this innovation.

<sup>2</sup> Bell, Jeanne and Marla Cornelius, *UnderDeveloped: A National Study of Challenges Facing Nonprofit Fundraising* (San Francisco, CA: CompassPoint Nonprofit Services and the Evelyn and Walter Haas, Jr. Fund, 2013)

<sup>3</sup> [https://concordleadershipgroup.com/WakeUpCall\\_Report.pdf](https://concordleadershipgroup.com/WakeUpCall_Report.pdf), Note: U.S. data is cited due to the lack of Canadian specific data in this area.

# A FORCE FOR GOOD

For so many of the challenges facing our world, **philanthropy is the solution**. Charitable organizations protect our environment, feed the hungry, nourish our spirits, cure disease, care for the elderly, enrich our lives through the arts, and much, much more.

This world-changing work is priceless—but it isn't free. By securing the resources that fuel the work of the not-for-profit sector, professional fundraisers are the drivers of positive change in local communities and on a global scale.

At the AFP Foundation for Philanthropy - Canada, we envision a future in which communities are thriving thanks to the critical work of not-for-profit organizations and the fundraising professionals who make their work possible. To that end, the Foundation for Philanthropy, together with our sister organization the Association of Fundraising Professionals, works tirelessly to help fundraisers succeed in their work while upholding the highest ethical standards.

The strengthening fundraising profession supports the not-for-profit sector when...

1

Fundraisers have the **leadership skills** they need to excel in the development profession and drive organizational successes to achieve a far greater impact for the communities they serve.

2

**Fundraisers are respected** as organizational leaders in not-for-profits and benefit from the respect and support of board members and fellow staff, so they can lead the growth of philanthropy and social impact.

3

People from **underrepresented groups and non-fundraising backgrounds** learn about and join our profession in greater numbers. We embrace inclusiveness, diversity, equity, and access to make our organizations and the philanthropic sector stronger.

4

Civic leaders and members of the public have **renewed trust** in the work of charitable organizations and understand the vital role of AFP's Code of Ethics in advancing ethical fundraising.

# OUR PLAN: GROWING FUNDRAISING LEADERSHIP FOR A BETTER WORLD

Among the many threats that the Canadian not-for-profit sector faces in the future, one of the most alarming is retaining fundraising leaders. The Bridgespan Group found that charitable organizations with revenues exceeding \$250,000 will need to attract 80,000 senior managers each year for the next decade.<sup>4</sup> Without these key leaders, not-for-profit organizations will not be able to address the critical issues facing our society.

We want what many Canadians want – for our charities to be successful and to deliver results and impact.

The AFP Foundation for Philanthropy – Canada is seeking your support to attract forward-thinking professionals who understand what is at stake and want to help. Those who can help advance key initiatives to grow our profession, recruit diverse new talent, develop fundraisers as leaders, and increase public awareness of ethical fundraising. AFP and the AFP Foundation for Philanthropy – Canada already deliver a robust menu of leadership development offerings, including Toronto Congress, AFP LEAD, the AFP ICON (International Conference on Fundraising), scholarships, and a diverse range of programming at the chapter level. But we must do more.

Failing to overcome the challenges discussed above leaves the beneficiaries of charitable work wondering who will provide the support they require. Without an ever-strengthening charitable sector, where more gifts are made, and where fundraising professionals are supported, those who require scholarships, meals, access to excellence in healthcare, cleaner air to breathe, or animals and plants needing stronger advocacy, will go without. The pursuit of an equitable society will be crippled and eventually lost.



“As a newer fundraiser, receiving a scholarship from the AFP Foundation was the condition my supervisor set to attend AFP Congress in Toronto. I was very grateful to attend and took every opportunity to learn and build friendships. Looking back, that AFP Foundation scholarship was one of the key catalysts to my fundraising career.”

- Quentin Fincaryk, CFRE

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<sup>4</sup> <https://www.bridgespan.org/insights/library/philanthropy/nonprofit-due-diligence-donor-decision-tool>

The AFP Foundation for Philanthropy – Canada is undertaking an urgent and ambitious four-part strategy to strengthen our sector and provide critical support to our current and future fundraising leaders.

1

Expand our National Scholarship Program & Develop Advanced Leadership Training Opportunities

Why this is important now:

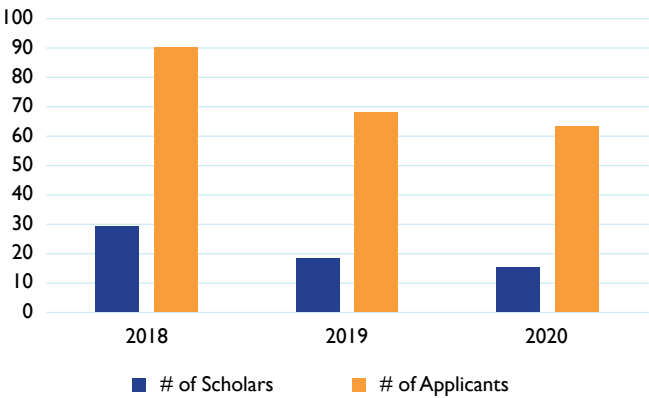
Our scholarship program is a vital gateway for fundraisers of all levels to become leaders within the social impact sector. These scholarships help encourage and develop the next generation of aspiring fundraisers, providing them the core skills and competencies needed to bring value to the sector. Additionally, these scholarships are crucial for retaining more seasoned professionals by providing them with access to advanced training opportunities that can help take their work, and careers, to the next level.

What this will achieve:

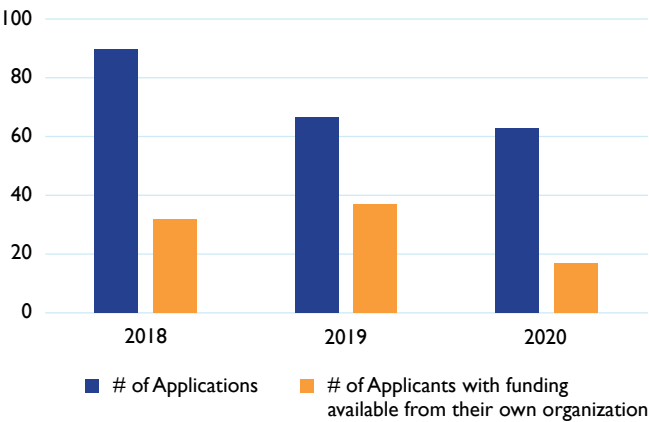
Investments in this crucial area will increase the number of scholarships available for current and prospective fundraisers to apply for. This will help attract, develop, and retain more fundraising leaders. In turn, our social sector’s health will improve because more qualified fundraisers will be equipped to do the vital, hard work of securing the necessary resources that so many causes, and lives, depend on.

If we don’t act immediately, the looming leadership gap in the not-for-profit sector will dramatically slow our progress in improving quality of life globally. We must act with urgency to recruit and train new fundraisers to ensure adequate resources are secured for the organizations meeting critical world needs.

NUMBER OF FOUNDATION SCHOLARS VS APPLICANTS



NUMBER OF ORGANIZATIONS PROVIDING PROFESSIONAL DEVELOPMENT FUNDS TO OUR APPLICANTS







## 2

### Bolster our Understanding of Canadian Philanthropy and Fundraising through Research

#### Why this is important now:

The Canadian charitable sector plays a crucial role in our society, employing 1.5 million people in full-time roles, equivalent to 10% of the Canadian workforce. In terms of economic impact, the sector generates \$151 billion in revenues each year, or 8% of our national Gross Domestic Product (GDP) [Source].<sup>5</sup> Despite these considerable contributions, there has not been sufficient investment in research related to the sector. This includes a data deficiency in key areas such as philanthropic trends and the challenges and opportunities impacting fundraising.

This deficiency seriously inhibits the ability for fundraisers, and the charities they serve, to consistently make proactive, data-driven decisions in a timely manner. For fundraising leaders to consistently make the best-informed decision for their organizations - decisions that could impact countless lives - they need reliable and up-to-date research.

In particular, we must:

- Conduct research to identify the biggest challenges facing the fundraising profession today to help develop and implement solutions

- Fund independent research projects through the AFP Foundation for Philanthropy – Canada Research Committee that will give experienced analysts the resources they need to explore new trends and current issues related to fundraising
- Chart industry trends in real time to ensure not-for-profit leaders have solid data on which to base their decisions, ultimately maximizing their organizations' impact through the "Fundraising Effectiveness Project"
- Produce the "What Canadian Donors Want" biennial research study

#### What this will achieve:

Greater investments in this area will help foster greater understanding of the Canadian charitable sector and provide the much-needed research capacity that can focus on the challenges and opportunities currently facing our country's fundraising landscape. In addition, these resources will help drive innovation for social good and equip our nonprofit leaders with the data they need to be more proactive in a rapidly changing and increasingly digital environment.

<sup>5</sup> <https://www.canadahelps.org/en/the-giving-report/meet-the-sector/#:~:text=Charities%20are%20vital%20to%20the%20Canadian%20economy.&text=The%20charitable%20sector%20contributes%208,GDP%2C%20an%20estimated%2024%20151%20billion.&text=The%20charitable%20sector%20employs%201.5,10%25%20of%20the%20Canadian%20workforce.&text=There%20are%2086%2C000%20re- gistered%20charities%20in%20Canada.>



**Why this is important now:**

Far too often, the leadership of social impact organizations does not reflect the communities they serve. Representation matters, not only because it reflects our ideals, but because it allows others to see that they belong and can be leaders as well. Further to this, representation matters because decisions for communities can often be made without the inclusion of members from those communities. Ensuring better representation at the leadership level will help shift our sector’s practices and priorities in ways that will allow for safer, more inclusive work environments for staff and improve results for the communities they serve. To build more impactful organizations, we must proactively promote Inclusion, Diversity, Equity, and Access (IDEA) in all aspects of our work.

Specifically, we must:

- Expand our Fellowship in Inclusion and Philanthropy Program to improve access to more applicants from diverse backgrounds. This eight-month program provides dedicated fundraising education, professional development and mentorship to non-profit professionals from across Canada, representing a wide range of cultural backgrounds and interests.
- Partner with other organizations representing diverse groups to develop stronger educational programming. These partnerships will be key to assessing and better serving the needs of diverse fundraising professionals. In turn, this will better position us to effectively encourage people from diverse backgrounds to take leadership roles within charitable organizations.

**What this will achieve:**

An investment in this area will help us proactively spur greater participation in this Fellowship program. This will help more participants from diverse backgrounds fundamentally address the barriers within Canadian charities and become the champions who help change our sector for the better.



“The Fellowship in Inclusion and Philanthropy Program offered me the opportunity to expand my fundraising leadership, build on my understanding of inclusive excellence in philanthropy and expand my network of diverse fundraising colleagues. The Fellowship catalyzed my existing passion for EDI and fundraising and helped me weave it more holistically into my career and personal brand as a fundraiser. Additionally, the mentor provided great guidance and the knowledge I gained has helped me further my career.”

- Tanya Rumble, CFRE, 2016-2017 Fellow

**Why this is important now:**

Building trust among donors, and the public at large, is crucial for the success of any charity's mission. To build this trust, it is imperative that charities act in an ethical manner that demonstrates integrity and instills confidence in the eyes of their donors and communities they serve.

AFP's robust resources on ethics helps provide the tools, knowledge, and mentorship opportunities to empower our Not-for-profit and Fundraising Leaders to become ethics champions in their organizations.

Furthermore, when we consider that the world in which our not-for-profit sector is striving to be ethical is changing more rapidly than ever before, it becomes even

more apparent that this knowledge be available to ensure that organizational reputation and donor trust be upheld. Regardless of how a charity chooses to adapt to these environmental changes to best carry out its mission, it is vital that it be executed in an ethical manner.

**What this will achieve:**

An investment in this area will allow more not-for-profit leaders, including fundraisers, to access fundraising ethics training. This training will help educate not-for-profit leaders about AFP's Code of Ethics, and the high standard to which all donors, and their gifts, should be treated. The more leaders that receive this training, the more opportunities our not-for-profit sector has at building and maintaining trust with donors.



*Photo provided by Wellspring who is improving the quality of education for children in Central and East Africa. This is one of the thousands of Canadian nonprofits helped by fundraising professionals.*

A photograph of four women sitting around a table in a meeting. The woman on the far left is Black with long braids. The woman next to her is Black with dark hair. The woman next to her is white with curly red hair and a yellow necklace. The woman on the far right is white with blonde hair. They are all looking towards the right side of the frame.

## A FINAL WORD:

# CANADIANS NEED A STRONGER FUNDRAISING PROFESSION

The challenges faced by charities and fundraising professionals is a cause for real concern. The fabric of Canadian life lies in the balance. Without adequate investment in the charitable sector, the hungry will be hungrier, the sick sicker, the quality of life reduced.

There is an erosion of philanthropic interest in Canada. The dual pressure of declining numbers of donors and gift sizes create vicious cycles where fundraisers are pressured to raise more funds with fewer resources. Leading to turnover of qualified fundraising professionals and paralyzing organizations by draining resources and institutional knowledge. Often, organizations lose years of momentum attempting to find a fundraising professional who will stay for years not just months.

In order to defend against the rising pressures, the unhealthy development staff turnover, and loss of momentum, the AFP Foundation for Philanthropy – Canada invests in professional development for nonprofit leaders and development staff. Increased knowledge and refinement of skills is one of the best defenses against these challenging problems. Unfortunately, not enough charities allocated adequate professional development budget. That is why the Foundation focuses on increasing support toward an expanding demand on scholarships.

The fundraising profession is not equipped to deal with a decline in not-for-profit support. As an under resourced sector, fundraisers require an increase in support that equips them for success. They need investments in professional development early in their careers to set them on a trajectory for a lifetime of impact, not simply a season in their life.

Further, the investment in research for the charitable sector will strengthen and guide the tactics needed to inspire giving and direct fundraisers to focus on areas that require change in strategy and approach.

Key to expanding the sector's community of donors is attracting a diverse workforce that represents Canada, one that equips the fundraising industry with an infusion of new thinking that can rouse a more diverse philanthropic community. Unfortunately, lack of adequate investment in fundraiser professional development further stymies this diversification.

Last, as missteps and ethical blunders further damage the fundraising industry and charitable sector, the Foundation wants to double down its efforts to promote an ethical foundation across the country amongst its charitable organization leaders.

The AFP Foundation for Philanthropy – Canada is uniquely positioned to address these challenges. The Foundation is wholly dedicated to ensuring a strong Canadian society where the marginalized and underrepresented population are given a voice, and the resources to thrive.

With the funding support of organizations and individuals throughout our communities, we believe that we can successfully address the identified concerns and problems in our sector – both today and in the future to come. To do this we need your support, we ask you to join us in addressing these needs.





For more information or to provide your support today please visit:

<https://afpglobal.org/afp-foundation-philanthropy-canada>



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