



MEDIA BRIEFING:

WHY FUNDRAISING MATTERS

Last updated: Spring 2023

Towards Decolonization

The original stewards of Turtle Island, also known as Canada, are the Indigenous peoples of this territory. The Association of Fundraising Professionals (AFP) in Canada acknowledges the important relationship Indigenous peoples have with this vast space and the devastating legacy of colonization on their communities and the land we all occupy today.

AFP in Canada is committed to understanding the history and current realities of our diverse profession, including Indigenous, racialized and equity-deserving groups across the charitable sector. We acknowledge that the ongoing process of inclusion and reconciliation involve a review of the common practices that inform how Canadian charities value generosity and reciprocity. New paradigms, founded on principles of respect, allyship and justice, hold great potential in transforming the sector.

It is incumbent upon all of us—especially settlers on this land—to work in solidarity towards building a culture of belonging that will benefit everyone.

Background:

The following document has been prepared by the AFP Canada Communications Committee to assist chapters and members with outreach and response to the media in a clear, consistent and accurate way. As part of our mandate to bring the [AFP Canada Narrative for Canadian Fundraising](#) to life, the committee developed this overview, key messaging and frequently asked questions about the importance of fundraising, especially in these challenging times.

This document can be used to inform and support both proactive and responsive media relations on behalf of AFP and your organization. Possible uses include:

- Developing opinion/editorial pieces.
- Proactively pitching to media the urgency of why fundraising, and giving, matters.
- Fielding media inquiries that come to your organization about fundraising in today's environment.
- Positioning yourself in your local media market as a thought leader on the topic of fundraising.

Overview:

Fundraising matters because in a world where dire needs exist, the spirit of giving must be invited, invoked, and leveraged for greater good.

Fundraising, and the professionals who support giving by donors, has never been more needed. In a world working to recover from a pandemic and stoked by racial tension, health concerns, climate issues, rising inflation and an increasing disparity

between haves and have-nots, the need to support worthy causes has never been more acute.

At the same time, people are looking for meaning in these times of great stress and concern. Ultimately, they want to make a difference, and the impact of giving to charities is one of the most direct routes possible.

Against this background, many charities are struggling to stay afloat and deliver services.

Charities that raise funds professionally ensure that:

- the act of “asking” happens, which studies show is necessary to trigger and increase giving;
- money goes where it is most needed for its intended purpose; and,
- donor intent is matched with tangible impact.

Key Messages:

1. There is always a gap in the needs in our communities and the funds available to address them. Even in the best of times, fundraising matters, however, in challenging times, there are increased pressures.

- Many charitable organizations continue to face an uphill battle to recovery from the pandemic. According to the [2023 CanadaHelps Giving Report](#), the percentage of Canadians that give is down 5% in 10 years, and 57.3% of charities cannot meet current levels of demand for their services.
- In mid-2023, with inflation rates higher than they had been in 47 years, high unemployment, record levels of national debt and high levels of social, health and economic distress, the need for, and demand on charities was higher than ever. According to the [Giving Report](#), 11% of Canadians currently rely on charities to meet their basic needs, and two in 10 (22%) Canadians expect to use or are already using charitable services in 2023 for basic necessities.
- To gauge sector recovery timelines, the most comparable event is the 2008 global recession. During this time, giving declined by approximately \$1-2 billion, and total annual donation amounts fluctuated year to year. Only by 2014 did donations return to 2007 levels. The pandemic is expected to have a more significant and sustained impact.
- Charities with diverse fundraising streams, a track record of weathering tough times and solid financial reserves—all traits of organizations that employ professional fundraisers—are best positioned to survive.

2. Fundraisers, committed to ongoing research and ethics, and the charities they represent are a vital part of our economy and they are essential to our recovery.

- There are an estimated 170,000 charities and nonprofits in Canada. The sector contributes over \$190 billion to the Canadian economy, employs over two million people and accounts for more than 8% of Canada's GDP.
- Without an ask, there is rarely a gift. Indeed, the number one reason donors cite for making a gift is because they were asked. As demand for vital services provided by charities increases, so too does the importance of actively soliciting donations.
- With the benefit of professional fundraisers to evaluate and adapt their fundraising strategies, many charities have been able to continue soliciting and receiving donations. For example, in-person events were shelved by necessity, but online strategies, drawing on very different skill sets and techniques, helped offset donation losses.
- While the [World Health Organization declared in May 2023 that COVID-19 is no longer a global emergency](#), the pandemic continues to have a significant impact on most Canadian charities. They are dealing with the effects of several years of adjusting initiatives based on changing regulations, the shifting interests of supporters who now engage differently with their organizations, and the same workforce pressures as other industries, all while trying to cope with demands on their services that are beyond their capacity to meet. ([Imagine Canada's Sector Monitor: The uneven impact of the pandemic on Canadian charities.](#))
- As Canada recovers, the charitable sector continues to play a vital role in matching donors with needs in the community.
- Professional fundraisers demonstrate accountability and transparency. In an effort to build long-term donor relationships on behalf of their charity, they ensure donors know that their money is being used ethically and appropriately.

3. Canadians are giving. We want them to give smart.

- Total donation amounts reported by tax filers was more than \$11.8 billion in 2021 according to [Statistics Canada](#). While the total number of donors decreased (-3.2%), continuing the decline that started in 2011. The median donation amount was \$360, which represents a 5.9% increase from 2020.
- Giving is often oversimplified when it becomes about only giving to organizations that have the lowest administrative expenses. Instead, donors should look at tangible impact in the form of programs, services, research and on-the-ground impact that reaches real people.
- People should be knowledgeable about charitable solicitations that come their way. In some cases, caution is warranted to make sure your funds are going to appropriate and legitimate causes. Tips and questions to consider:
 - Ensure the organization you are looking at has a registered charitable number.

- What results come up when you do a web search of the charity? Is there anything unusual or suspicious in the search results?
- Are their audited financial statements readily available?
- Look at their annual report. Are you comfortable with how they use their funds?
- For crowdfunding campaigns, look for clarity on how the funds will be used and who they will be distributed to.
- Does the organization subscribe to and conduct itself according to AFP's *Code of Ethics*?
- Smaller charities can be incredibly impactful. Don't exclude them because they don't have a big public profile. Do your research and talk to representatives of the organization.
- Talking to people at charities of interest to you is good practice in all cases. You can get a feel for how the organization runs and ask questions about impact.
- Do you understand how their business works? How do they raise their money (understanding that certain ways of fundraising naturally have higher costs)?
- If you want to donate goods (also known as "gifts-in-kind") instead of money, keep an eye out for and ask:
 - Does the organization need those goods and can they actively use them to further their mission?
 - Will you get a tax receipt?
 - How will the goods be used?
 - Will the goods be used locally? Or will they be re-processed for sale?
 - Sometimes an organization can't accept a gift of goods. This is not a bad sign. It often means that they simply don't have the capacity to use the goods effectively or efficiently, or that accepting in-kind gifts is not part of their mandate or operations.

Questions and Answers:

1. Why do we need *professional* fundraisers to do the asking?

- Research tells us that unless people are asked, most of them are unlikely to give. Thus, for people to give, they have to be asked. In fact, charities have a duty to their beneficiaries to ask people for support. ([Fundraising Narrative](#))
- Through the application of ethics and regulation, professional fundraisers aim to balance these duties to our donors—such as to respect their privacy, or not to ask them in ways they don't like—with their duty to raise money on behalf of their beneficiaries. ([Fundraising Narrative](#))

- Professional fundraisers and their organizations ensure donations are solicited for vital needs, handled ethically and in compliance with Canada Revenue Agency guidelines. They also ensure donors are informed of the impact their gifts have made. ([Fundraising Narrative](#))
- Donors giving to organizations with professional fundraisers have the peace of mind that their gifts will be used exactly as intended, and within ethical and legislated standards. Professional fundraisers are available to donors to answer any questions to assure accountability and transparency.
- Fundraisers adopt professional and effective methods to secure the money that generous and valued supporters give. And having raised the money needed to bring about change, make sure that money to put to best use. As such, Canadian nonprofits need to hire and retain the best talent to efficiently effect change and reward staff proportionately for the work they do and impact they make. ([Fundraising Narrative](#))

2. Why does fundraising matter in crisis situations?

- There is always a gap in needs and funds to address those needs. That means fundraising always matters. Even in the best of times, fundraising matters.
- Disasters and crises bring out the best in us. Especially in times of distress, people want to help and engage in civic activity that supports their community, be it local, national or international.
- Professional fundraisers and their organizations ensure donations are solicited for vital needs, handled ethically and in compliance with Canada Revenue Agency guidelines. They also ensure donors are informed of the impact their gifts have made.
- Fundraising matters because *asking* matters. There is a well-documented link between asking for and securing financial contributions. Studies show that asking not only increases the probability of donating but also the amount that people donate. ([Science of Philanthropy Initiative](#))

3. What has been the impact of the COVID-19 crisis for charities?

- Almost every charity had to make dramatic changes to its operations during the pandemic. Even as government-mandated restrictions began to ease, the permanent shifts to how organizations, events and initiatives run have become increasingly clear. Similarly, many donors and clients have changed how they wish to engage with charitable organizations, with an increased demand for virtual and hybrid activities and interactions.
- More than half (57.3%) of organizations cannot meet current levels of demand for their services. ([The Giving Report 2023](#))
- Many charities did not survive, and those that saw significant revenue and/or staff losses will have longer recovery periods to return to normal operations.

4. How big is the sector? How giving are Canadians?

- Canada's charitable sector employs 2.7 million Canadians (one in 10 workers) at more than 170,000 nonprofits and charities. ([Statistics Canada](#))
- It accounts for 8.4% of Canada's gross domestic product. ([Statistics Canada](#))
- Our sector's annual contribution to the Canadian economy of over \$190 billion. ([Imagine Canada Sector stats](#))

5. What is fundraising? Are there different types?

Fundraising is a process that matches a community need with a donor's intent to give money or goods. Fundraising facilitates philanthropy—the act of giving for the love of humankind.

There are many different ways to fundraise and donate. Commonly, people give through one-time cash donations, recurring monthly gifts, major or large donations and planned gifts (most often through a bequest). Many charities also fundraise through special events and activities, sometimes in collaboration with a third-party individual or organization. Typically, these activities prominently display a charitable registration number, and specifically state the amount, or percentage of funds, that will go to the cause. Charities are able to issue donation receipts, claimable on income tax returns, for funds or goods given in-kind.

Individual or “crowdfunding” fundraising does not necessarily involve a charitable organization and funds raised may go directly to an individual or organization without first flowing through a registered charity. Donors in these cases do not receive tax receipts. There are many examples of this type of fundraising, most often online through various web platforms. It is not a wrong way to give—however many of the safeguards in place for registered charities are not in place in crowdfunding environments, leaving givers with a higher degree of risk and fewer avenues to pursue accountability.

6. What about the cost of fundraising? Should donors be concerned about that?

It's important for donors to have reliable information about the charities they support, including financial details. Giving is often oversimplified to be only about giving to organizations that have the lowest administrative expenses. Instead, donors should look at tangible impact in the form of programs, services, research and on-the-ground impact that reaches real people.

Donors should look at an organization's overhead spending relative to the work they do. Spending too little on things like infrastructure can be counter-productive—especially when those organizations with strong systems and

reserves may be able to help even more through difficult times. Given the wide range of charities in Canada and their purpose, size, scope and types of fundraising, there is not a single standard formula that can be applied throughout the sector.

To learn more about AFP Canada visit <https://afpglobal.org/afp-canada>.