



Disconnection to Collective Action: Highlights from the 2024 CanadaHelps Giving Report

Mary Barroll: Welcome to CharityVillage Connects. I'm your host Mary Barroll.

(SFX: Hummingbird flying and tone)

That's the sound of the Hummingbird pollinating our world and making it a better place. The Hummingbird is CharityVillage's logo because we strive – like the industrious Hummingbird – to make connections across the nonprofit sector and help make positive change.

Over this series of podcasts, we'll explore topics that are vital to the nonprofit sector in Canada. Topics like diversity, equity and inclusion, mental health in the workplace, the gap in female representation in leadership, and many other subjects crucial to the sector.

We'll offer insight that will help you make sense of your life as a nonprofit professional, make connections to help navigate challenges and support your organization to deliver on its mission. In this episode we explore the 2024 CanadaHelps Giving Report.

Duke Chang: CanadaHelps launched the Giving Report in 2017. And it's really meant to give Canadians a big picture look at the overall charitable sector, highlighting both opportunities and threats for growth across the nation. We see this report as a pulse check on the sector to understand the state of the sector and understand where we are doing well, and also where we need to double down and focus.

Mary Barroll: That's Duke Chang, CEO of CanadaHelps. The 2024 Giving Report contains some disturbing news – it found that for the eleventh year running, the number of Canadians making donations to charities has declined - yet again. To make matters worse, as the pool of people contributing to charities continues to fall, the demand on charities continues to rise – posing serious concerns about the future of the charitable sector. According to the report, this alarming downward trend in donations seems to transcend economic circumstances – in other words, data shows that it is not solely caused by a recession, the pandemic or inflationary spikes. So, the 2024 Giving Report, published with the support of Imagine Canada and Environics Analytics, looks beyond the numbers to examine **why** fewer and fewer Canadians are giving, and what can be done to reverse course. Entitled “From Disconnection to Collective Action” the report points to important demographic and societal trends as potential causes.

Julie Fiorini: And we've been seeing this alarming trend for a number of years now. What we've taken away though, what's different this year is that the report is really highlighting the fact that Canadians have become increasingly disconnected.

Tovah Barocas: I think we have to actually teach people how to be philanthropic. And we've maybe just taken it for granted that we understand that as a society, are we doing a good enough job at really equipping young people and our children to understand the value of philanthropy?

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Cathy Mann: Small shops are working non-stop to just do the basics and thinking about and executing a strategy to engage younger donors is simply beyond their capacity most of the time when they're not doing the basics very well with their existing donors because they're doing so much, and they're underfunded.

Justin Scaini: We know about the economic context that we're living in is challenging for a lot of people. So, it's not surprising really to hear that demand is up for charities and organizations across the board and demand is getting hard for charities to meet.

Duke Chang: So, for a sector that is intended to drive waves of change, to tackle our biggest issues, our most pressing local and global issues, the very individuals tasked with driving that change struggle to see how they're going to make change in our own sector.

Charlotte Field: The past four years have been uncertain for nonprofits and charities to say the least. And yet legacy has been, because it's so values-based, so inherent, and also because it doesn't tend to be impacted as much by the day-to-day pressures of things like inflation, interest rates, cost-of-living, it doesn't seem to have the same volatility as other giving types.

Omar Visram: Ultimately, you need to focus on strategies on how you can increase donations from current and past members that are really aligned with your overall mission and will continue to support you in good and bad times.

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MONTAGE NEWS CLIPS

<http://www.cbc.ca/player/play/2276826179757>

“Demand here and across the country soaring, up nearly a third in just a year”

<https://www.ctvnews.ca/video?clipId=2819407>

“A new report is shedding light on the growing and concerning number of visits food banks are seeing in this country.”

<https://www.ctvnews.ca/canada/canadians-increasingly-turning-to-charities-to-meet-essential-needs-but-cost-of-living-also-hitting-donations-1.6665471>

“The demand is at an all-time high.”

<https://globalnews.ca/news/10122464/giving-tuesday-need-donations/>

“According to the CanadaHelps Giving Report, charities are struggling. In fact, 57% of them cannot meet current levels of demand.”

<https://globalnews.ca/news/10089503/food-bank-use-toronto-annual-report-2023/>

“In the last year, 2.53 million client visits were made to food banks across Toronto. That represents around a 51% increase from the year prior.”

<https://globalnews.ca/news/10089503/food-bank-use-toronto-annual-report-2023/>

“After paying rent and utilities food bank clients in Toronto saw a total income left over of only \$6.60.”

Mary Barroll: We've heard it before – in fact for many years now. Demand for the sector's services keeps climbing. Meanwhile the percentage of Canadians donating to charities has been shrinking - steadily, even alarmingly, with no turnaround in sight. But this year, there is a twist in the annual CanadaHelps Giving Report. Yes, it quantifies yet another decline in giving over the past year, but it also digs into the reasons – including some that may be particularly eye-opening.

Julie Fiorini: It really is all of our collective responsibility to try and get ourselves back on track, to make people, if I can be blunt, actually give a damn again about the world, their communities, how we exist in this world and how we continue to support each other and support the most vulnerable amongst us.

Mary Barroll: That's Julie Fiorini, General Manager of Donor Services and Brand Marketing at CanadaHelps. The title of the 2024 Giving Report says it all, “From Disconnection to Collective Action”. The report explores the gap between what Canadians say they care about and what they're doing about it and asks are they walking their talk? And if not, why not?

This year's Giving Report zeroed in on the climate crisis as a way to highlight the disconnection that's happening throughout society and affecting all aspects of the nonprofit sector. Here's a stark observation taken from the report:

Don Shafer: As a society, we have become increasingly disconnected and isolated, and as a result, it's harder than ever for individuals to see their role in making change. Climate change is an unfortunate example of the tragedy of what's known as “the commons metaphor”. Even as some individuals have made changes, as a society we have overused our planet's resources so much that the conversation has changed from reversing climate change to now slowing it down and mitigating the impacts. If we expand this metaphor to the charitable sector, where the programs and services provided are the critical shared resources being depleted, without the corresponding injection of funds to sustain them, we are similarly teetering towards a dangerous point of no return.

Mary Barroll: Another eye-opener from the report: while Canadians say they care about important social issues like climate change, they aren't really showing it. CanadaHelps surveyed Canadians about what matters to them most. 32% of Canadians say climate change or protecting our environment is a top cause for them, and almost half of Canadians, 48%, express anxiety about climate change on at least somewhat of a regular basis. 52% of young Canadians under age 35 agree that worries

about climate change impact their likelihood of having children, with 18% strongly agreeing.

So, if almost a third of Canadians think climate change is a top priority and roughly half are expressing anxiety about the environment, you might think donations to climate causes would be pouring in. But it's just not so. Far from it.

Julie Fiorini: The gap between what Canadians say is important to them and the action that they take as a result continues to widen. And I think when we look at charities that are supporting the environment or trying to address climate change, only 1.5% of donations that are made through CanadaHelps are actually directed to environmental charities, despite the fact that one in three Canadians self-reported that climate change or protecting the environment is a top cause for them. So, there's clearly a disconnect there. And almost half of Canadians have expressed anxiety about climate change on at least somewhat of a regular basis. And we're seeing that especially with younger generations, Millennials and Gen Z. I think for charities, again, I will go back to the importance of demonstrating impact and really telling the crisis story. If the work that you're doing as a charity is impacted by climate or other crises, it definitely has to be incorporated into your communications, into your case for support and ongoing solicitation requests. Canadians need to be kept aware of the full picture and scope of crises like climate change and they can be used as powerful motivators for giving and for long-term engagement and activism if it's done correctly.

Mary Barroll: For Tovah Barocas, President of Earth Rangers, the largest kids' environmental conservation organization in the world, the report's data on Canadians' charitable giving to environmental causes is disturbing.

Tovah Barocas: Even though I'm very much aware of the stats around the very small percentage of overall donations that go towards the environment, it's still always shocking to see it. 1.5%, I think is concerning given what a big issue the environment is. It was interesting to see that it goes up to 3.9% when you include natural disaster relief or at least things maybe be tied to climate change but are more acute disasters, because I do think that's a risk to the overall sector. There's likely to be more of those and if people are in a position where we've got these acute kind of disasters we need to deal with then is that taking away funds from things like mitigation, adaptation, policy work like, the things that we really need to do to actually address these issues long term. So, I think that resonated with me.

Mary Barroll: The 2024 Giving Report makes the case that the disconnection that Canadians feel from each other, their community, the world, and from their own sense of hope for the future is the underlying cause for decline in activism, volunteerism, and donations to charity.

Julie Fiorini: One of the key findings from the report and from the data is that fewer Canadians are giving. And we've been seeing this alarming trend for a number of years now. What we've taken away though, what's different this year is that the report is really highlighting the fact that Canadians have become increasingly disconnected.

Mary Barroll: Julie Fiorini says that the disconnection has been building for some time, but it was exacerbated by the pandemic.

Julie Fiorini: This started obviously before the pandemic, but the pandemic and the social isolation caused by that definitely perpetuated that. And so, what we are actually seeing now is that with that social disconnection, and shrinking social networks, we are seeing now that that is directly correlated with lower rates of giving, which is very concerning.

Mary Barroll: The Giving Report notes that along with the decline in religiosity, and community driven social connections, other barriers have isolated us further. It quotes Pete Bombaci of The GenWell Project, a nonprofit dedicated to improving human connection. He says we build bigger houses for smaller families, bigger fences to block us off from our neighbours, in-home movie theaters to avoid crowds, automatic garage doors that seal us off from others in our vehicles – all contributing to the loss of vital social connections as well as our connection to community. Here's Peter Bombaci in an interview with TELUS Talks.

YOUTUBE CLIP

<https://www.youtube.com/watch?v=QdE1tCGUTlw>

“We've lived in the greatest growth era in the history of the world for the last 50 or 60 years. We have been given every beautiful thing. We traveled the world. We had what we want, bigger houses taller fences. We built all this stuff around us and now we're waking up in the most isolated, disconnected, you know, we've built physical walls and emotional walls around each other and now we're fearing that we're losing what we have become accustomed to.”

Mary Barroll: So, in a world where social media has enabled vast connections, and the ability to make dozens, hundreds and even thousands of “so called” friends online, there is a paradox. Canadians are feeling more and more alone. And according to the Giving Report that increased social disconnection between us is a causal connection to the decline in Canadians giving to charity. Here's Julie Fiorini to explain.

Julie Fiorini: What we have found, especially with the primary research conducted for this year's Giving Report, is there absolutely is a correlation between Canadians who have smaller social networks and their propensity to donate and volunteer. And when we say social networks, we're not talking about the number of friends you have on Facebook or the number of followers you've got on Instagram or TikTok. We're actually talking about real human social connections. And that's through your family, through your friends, through your work networks, your neighbors. From 2013 to 2022, the stats show that the number of Canadians with six or more close friends has declined by 40%. And so, from 2013, 37% of Canadians self-reported having six or more friends, that number has dropped in 2022 to only 22% of Canadians self-reporting that they have six or more friends. And then with those who actually do report having many close friends, more than 80% of those donate to charity. And those who claim to not have many close friends, just over half of those donate. So, you can see that a strong social support system, a social network in the real sense of the word, not social media networks,

absolutely has a correlation with charitable giving and the feeling of community and wanting to make the world a better place, to use that cliché. And so, those who feel a very strong sense of belonging to their community, that figure has also dropped by a staggering 12 percentage points. So, there's no doubt of the correlation between pro-social behaviours and the link to charitable giving.

Mary Barroll: Interestingly, the reverse is true as well. The more “close friends” Canadians have, the more likely they are to contribute to charitable causes. Here's what the report found in its study of contributions to environmental charities.

Don Shafer: For individuals with nine or more close friends, 22% reported contributing to environmental causes—a rate more than five times higher than that of individuals with one or no close friends, among whom just four percent made donations. Similarly, 18% of those who participated in community activities frequently donated to environmental causes compared to only 3% of those who very rarely or never participated.

Mary Barroll: And it isn't just about giving monetarily. According to the Giving Report data people who have many close friends are 25% more likely to donate goods, and 22% are more likely to volunteer. But as isolation increases, the number of Canadians giving their time has dropped. A decade ago, 36% of people volunteered. Now only 24% of Canadians do.

But as the Giving Report notes, the disconnection from others and community that Canadians are experiencing is not the only reason for their small charitable contributions to environmental causes. It's also the puzzling disconnection between what Canadians say they care about and what they actually do. According to the Giving Report, the climate crisis tops the list for what a third of Canadians worry the most about and about 50% report feeling ongoing anxiety about it. And it's not surprising.

MONTAGE NEWS CLIPS

<https://www.youtube.com/watch?v=2-WKm9VzUS4>

Wildfire sounds.

<https://www.nbcnews.com/now/video/bodycam-shows-washington-state-deputy-narrowly-escape-raging-wildfire-192111173663>

“A wildfire growing out of control. It's as close to hell as I think you can get here on earth.”

<https://www.nbcnews.com/news/us-news/live-blog/lahaina-maui-fires-live-updates-rcna98986>

“The apocalyptic scene in Maui unfolded before sunrise, forcing the desperate to plunge into the ocean to escape the inferno.”

<https://www.nbcnews.com/science/environment/climate-change-made-record-setting-canada-wildfires-likely-scientists-rcna101219>

“As more than 1,000 blazes sweep across Canada in the country’s worst wildfire season on record.”

Mary Barroll: Clearly, awareness of the climate crisis isn’t the problem. If the stark headlines and social media aren’t motivating Canadians enough, what else is going on? Is it possible the nonstop coverage is part of the problem? Perhaps desensitizing or overwhelming us? That’s what the Giving Report drills down on to find out.

Your report found that climate action is at the forefront of Canadians’ minds. It’s in the news, in the headlines every day. But according to the Giving Report, they’re not acting on their commitments, or at least they’re not acting on their understanding of the impacts of climate change. Why is this?

Julie Fiorini: What we specifically wanted to delve into with this report is sort of the disconnect between what Canadians say and what they claim to be concerned about versus what they do. And so, we really dove into climate change as an existential issue, which many Canadians self-report to be very concerned about. And in fact, what we’re seeing though, is that that is not translating into donations for charities that directly support environmental causes.

Mary Barroll: So, I gather it’s a sense of powerlessness or perhaps hopelessness in terms of feeling that they can actually make an impact in such critical issues that are facing us. Is that what I’m hearing?

Julie Fiorini: That’s definitely part of it. I’m not a psychologist, so I can’t get into the psychology behind what compels people to give at a philanthropic level. But there’s definitely a sense, that why bother if we’re not making an impact, if we can’t make a difference. And so I think it’s really imperative for those of us in the charitable sector to really lean into that and try to reverse the trend of fewer Canadians giving by making sure we promote and cultivate community connections, promote engagement, and ensure that all of us, all Canadians, can thrive and live in healthy communities.

Don Shafer: The 2024 Giving Report points to feelings of futility and hopelessness as reasons for Canadians’ inaction on environmental causes. It reads, quote, “amidst alarming messages about climate change and unprecedented temperatures in recent years, it also becomes evident that a segment of Canadians’ inaction is deeply intertwined with pessimism about the future. This sense of despair, fueled by the belief that efforts are futile against the enormity of climate challenge, significantly hampers the motivation to engage in proactive environmental actions”.

Mary Barroll: Tovah Barocas of Earth Rangers agrees that the psychological and emotional sense that problems like the climate crisis are just too big to solve, leads to hopelessness, apathy, and a kind of paralysis. She’s investigated the emerging mental health phenomenon affecting children known as eco anxiety in a recent white paper, entitled Eco Anxiety in Children: Anxious for Action. Tovah Barocas believes that the Giving Report has correctly identified that eco anxiety can affect adults too – leading to hopelessness and inaction.

Tovah Barocas: Going back to this whole concept of eco anxiety and this intersection between the environment or climate change and mental health, the report articulated it

as hope, people need hope to really feel more inclined to give to the environment. I have been referring to it for a while as this issue of solvability. As a society, if we view something as simultaneously urgent and solvable, those are the things that get solved. If you see something as urgent but unsolvable, it's a problem. And I think the report really pulls that out, this feeling that Canadians are increasingly identifying this issue as something they really care about. They know how important it is, but don't seem to really understand what they can do about it and therefore are less inclined to even try is very concerning.

Mary Barroll: The 2024 Giving Report highlights the need for hope as a catalyst to giving. 18% of people who describe themselves as very hopeful donated to environmental causes. Of those who say they feel hopeless about the future only 1% donated.

But what makes some people more hopeful than others? The report cites a direct connection to the number of close friends Canadians have.

Of those who say they have many close friends; 58% are at least somewhat hopeful for Canada's future. Of those with few close friends, only 37% are hopeful for Canada's future. But these days with the high cost-of-living, food insecurity and the housing crisis, perhaps Canadians can be forgiven for losing hope for the future.

MONTAGE NEWS CLIPS

<https://toronto.ctvnews.ca/food-banks-bracing-for-increase-in-demand-in-2024-new-report-finds-1.6786269>

"The report was just published this morning, it's from the hunger relief organization, Feed Ontario, and it says that food bank usage went up by 38% last year. The organization says this is the largest single year increase recorded by the network."

<https://globalnews.ca/news/10364152/charities-donations-drop-statcan/>

"According to Statistics Canada, 18% of families experience some sort of food insecurity. There can no longer be any stigma around this. The numbers show that many a handful of families need the assistance of food banks."

Mary Barroll: Even as compelling the data is about the correlation between social connection and the propensity to give and that feeling hopeful is a catalyst to taking action, there are everyday economic challenges that are real barriers to many Canadians' ability to give to charity. As Julie Fiorini says, buying groceries, paying the rent, childcare, putting gas in the car to get to work are the essentials that must be covered first before many Canadians can even contemplate making a gift to charity. The rising cost-of-living is putting a significant dent in donations.

Julie Fiorini: In some of the research we've done, we've actually heard that under about 45% of those who have stopped donating to charity over the last three years have cited financial constraints as the primary barrier. So, that's a clear indication that for many Canadians, the willingness to give, the desire to give to charity is truly overshadowed by the practicality of their personal and individual economic situations.

And so, as we're looking at the fact that fewer Canadians are giving, we're also seeing that with charities, they are facing heightening demand, which was exacerbated by the pandemic.

And many Canadians, in fact, are turning to charities for essential services now, some of whom are doing that for the very first time, essential services like food and shelter, which is also deeply concerning.

Mary Barroll: And as their financial circumstances deteriorate, more Canadians are turning to charities to meet their personal needs - for food, shelter, and mental health.

Justin Scaini, the Executive Vice President at Kids Help Phone puts it into perspective.

Justin Scaini: We know about the economic context that we're living in is challenging for a lot of people. So, it's not surprising really to hear that demand is up for charities and organizations across the board and demand is getting hard for charities to meet. And we've certainly experienced that at Kids Help Phone. Before the pandemic, we had about 1.7, 1.8 million interactions across all of our channels annually. And we thought at the time, like, this is huge. How can we possibly meet this and continue to support youth in the way that they need it? Fast forward through the pandemic now, we started to see over 4 million interactions annually across all of our service channels. And that level of demand has really sustained. We are north of 19 million interactions since the start of the pandemic.

NEWS CLIP

<https://globalnews.ca/video/10176936/decline-of-charitable-giving-in-canada>

“It appears Canadians are giving less and less. According to a new report from CanadaHelps, both donations and donors are down year over year. Meanwhile, the number of Canadians who need services provided by charities is growing.”

Mary Barroll: Duke Chang says the ever-increasing demand for services isn't going away. He's CEO of CanadaHelps, which sounded the alarm -- loud and clear -- in last year's Giving Report entitled “It's Time For Change”.

Duke Chang: 100% of the top 10 issues that concern charities today remain the same in the five-year outlook. This includes inflation, staff burnout, attracting volunteers, and more. So, for a sector that is intended to drive waves of change, to tackle our biggest issues, our most pressing local and global issues, the very individuals tasked with driving that change struggle to see how they're going to make change in our own sector. So that is a telling data point. We need a call to action. We need to start gathering and saying, how are we going to turn this shift that we call the Canadian charitable sector towards a more positive outcome in the future?

Mary Barroll: As much as the 2023 Giving Report was a wake-up call for the nonprofit sector, the 2024 Giving Report is a call to action. Julie Fiorini says in order to attract new donors and hang on to existing donors, charities have to do a better job of reaching out, showing the need and making the ask, demonstrating their impact and doing more to engage with young Canadians to build connections that can flourish into volunteer and donor relationships overtime.

Julie Fiorini: So, 20% of former donors are saying that they have stopped giving because they doubted the effectiveness of their gifts, followed by not being asked to donate again, which we're hearing a lot. I think we've all heard in the sector that one of the main reasons why people give to charity is because they were asked. That's still a very important thing to keep in mind when you're trying to come up with your giving and your marketing plan for the year. So, while these stats are specific to environmental charities, I think we can sort of extrapolate it to all charities and the importance of always demonstrating what the impact is, where the dollars are going, what are those key projects that have been able to successfully get underway or get completed as a result of donations flowing in. So, I think it's critical for charities to be able to consistently demonstrate impact.

Another thing I just want to touch on too is something that you hear about a lot and that is the diminishing engagement of younger Canadians in charitable giving versus previous generations, which presents a significant concern for the future of charities, which as we know, have become increasingly reliant on older donors. And the reality is every charity needs to think about how engagement with younger generations will manifest, because not all charities out there are doing events that they can invite people to in-person. Not all charities are active on social media. So, I think it's important for every charity out there to sort of reflect and see what that means to them as an organization because it's definitely not a one-size-fits-all.

Mary Barroll: It's been called the Giving Gap. According to CanadaHelps, not only are younger people donating less than older people, but they are also giving less than previous generations gave at the same age. The Giving Report cites surveyed data which showed only 39% of Canadians 18 to 34 years old are contributing. The percentage grows steadily with age reaching a peak at 80% of Canadians 70 and older donating in the last year. The diminishing engagement of younger Canadians in charitable giving has led to an increasing reliance of charities on Boomers for funding. That causes concern for the future of the charitable sector.

Another study by Sector3Insights on generosity in Canada has identified a waning sense of religiosity as a driver of declining generosity, particularly among young people, along with data that shows that younger Canadians feel less obligated to help others, believing that it's up to governments to solve social problems. But the idea that younger Canadians simply "don't care" doesn't sit well with Tovah Barocas, especially regarding environmental issues.

Tovah Barocas: I think young people increasingly feel a little bit gaslit into the fact that individual action will solve these problems and if you bring that reusable bag or take public transit instead of driving your car, like that that's the issue. And it's almost starting to backfire where young people feel like we're not stupid, it's a lot more complex than that. And it's almost resulting in them backing away. Individual action is a big piece of the puzzle. It is important that we all change our behaviour, but we also need to see that governments, corporations, financial systems, other things are also making sacrifices and evolving with us or else it really does feel futile. And I think that that's just not motivating at all.

Mary Barroll: Justin Scaini agrees and paints a compelling picture as to why young people may be feeling disconnected, overwhelmed, and hopeless.

Justin Scaini: And to set a little bit of context on the world that we're living in and how different it is than what the world looked like just a few years ago. Right now, young people are absorbing content and a lot of it in real-time through social media, through other news outlets. They're absorbing content about mass shootings, about global pandemics, about wildfires, about geopolitical events in real-time through their smartphones, through very clickbaity articles that are intended to create strong emotion of anxiety and fear. That's how they draw attention to these articles. That has vastly changed the world that young people are living in now, where essentially, they all have a smartphone in their pocket, it's actually causing a lot of challenges with how they interpret these events, and that's creating a lot of overwhelm. And so, what we actually hear overall is that young people are hurting. Young people are hurting for a whole bunch of reasons, and all of this content that they're absorbing in real-time is having a really challenging impact on their overall mental health.

Mary Barroll: Challenging Canadians – especially young people – to overcome their feelings of hopelessness, to break free of being overwhelmed, to care and become engaged contributors means drawing them out of their isolation, giving them hope and helping them connect to their community and to each other.

But Tovah Barocas says for younger Canadians there are larger issues at play that might be influencing the decline in giving and volunteering.

Tovah Barocas: As a society, have we taken it for granted that philanthropy and volunteerism is a core value? And do we really have evidence to suggest that that is true? Modern philanthropy was born in the mid-19th century by the uber rich, the robber barons, and then kind of taken on and adopted by the middle class, which at the time was thriving and expanding. That is not what's happening now. It's going in a different direction. And even when you look at the report and it talks of this 11-year decline, 11 years ago is when the oldest Millennials were turning 30. And, you know, like that's a lot of the housing crisis and affordability issues and people of younger generations, which I think started with Millennials, but has gotten worse, with Gen Z feeling like the Baby Boomers had it better than we ever will. There's just so many things at play here and now you've thrown in social media and some of the other things that you named, I think we have to actually teach people how to be philanthropic. And we've maybe just taken it for granted that we understand that as a society, but as our larger societal issues become deeper, and also this move away from religiosity, a lot of philanthropy, you know, prior to the 19th century was through religion. Are we doing a good enough job at equipping young people and our children to understand the value of philanthropy? The benefit of being part of a community, the importance of volunteerism. I actually think it's deeper than what the report even gets into, which are more of the things that are happening right now, inflation, cost-of-living, the pandemic, social media. But I almost feel like we have to take an even bigger step back to look at the fundamentals of how we even function as a society at all at this point in our history.

Mary Barroll: Last year's 2023 Giving Report drilled down on many of those fundamentals. It raised the alarm about the impact of inflation, staff burnout, increased demand and declining donations. Omar Visram is Co-Founder and CEO of Vancouver's Enkel Backoffice Solutions, which provides payroll and accounting services for many nonprofits. He says charities have some tough decisions to make.

Omar Visram: So, the stark reality in this data point is that 40% of nonprofits in Canada have seen a lasting increase in demand since 2020. 57.3% of charities cannot meet current levels of demand. And 31.5% of charities raised fewer funds. Organizations ultimately need to do more with the same or less amount of resources. More need. Fewer dollars is the message. We see this data at a more on the ground level playing out with our clients. We see clients unable to scale up to serve growing demand. We see clients facing rampant staff turnover. We see clients really forced to make tough, heartbreaking decisions about programs. All of this is not very promising, but I am an optimist. The silver lining in my view is that this is forcing organizations and leaders to rise to the occasion. Focus on what they are really good at and where they can have the highest impact. That said, tough decisions never feel great.

Mary Barroll: Drawing Canadians out of their isolation, making them care more, and hopefully donate more, may seem like an enormous challenge for the long-term. In the short-term, Omar Visram has some immediate advice: focus on the people who are already donating.

Omar Visram: Despite the declines in numbers of people in all age categories, the category of 55 plus had some meaningful growth within the cohort and that's in dollars, not in number of people donating. From 2020, donations from people 55 plus were \$7.1 billion, whereas in 2010, they were only 4.7 billion. And I believe that the reason that we're seeing such a sharp increase in giving from a dollars-perspective in this age cohort is that high net worth individuals are thinking about their legacy in advance of their passing. Could this be an opportunity for your organization? Do you have donors in this cohort that maybe you should be tapping into? I thought this was a pretty interesting opportunity.

Mary Barroll: Omar Visram may be on the right track. The newest data from Statistics Canada shows that 23.9% of people over 65 donate to charity – well above the national average. And more impressively, out of every 100 dollars donated by Canadians 48% came from seniors according to tax filings - almost half. These numbers underscore a looming influx of legacy giving. Not surprisingly, the number of Canadians writing wills jumped significantly during the pandemic. Facing a global existential threat, 10% of us wrote wills for the first time. Another 20% updated existing wills. Two million Canadians are estimated to now have wills. "Giving while living" may be in decline according to the reports we've discussed in this podcast, but Charlotte Field says there is enormous potential in what's known as "legacy giving".

Charlotte Field: We are estimating that the value of that marketplace, the value of that pipeline is in the area of \$280 billion. Again, up from \$216 billion back in 2019. So, there's a lot to like here.

Mary Barroll: Charlotte Field is a Partner at Good Works. In her State of the Legacy Nation report she explores the phenomenon of leaving gifts in wills, and how the nonprofit sector can benefit.

Charlotte Field: More people are making wills. The value of these gifts is extraordinary. There are a huge number of people who are planning to make wills, so that pipeline is still strong, still moving. There were some questions about, are we over that wealth transfer coming from the civics? And the resounding answer is no. The Baby Boomers are still very much in play and they're still moving gifts along in a substantial way. And more than that, what we see is that legacy giving seems to be a very stable type of giving. The past four years have been uncertain for nonprofits and charities to say the least. And yet legacy has been, because it's so values-based, so inherent, and also because it doesn't tend to be impacted as much by the day-to-day pressures of things like inflation, interest rates, cost-of-living, it doesn't seem to have the same volatility as other giving types. There's a lot of stability in legacy giving.

Mary Barroll: But even with the huge number of wills created during the pandemic providing opportunity for charities to benefit from legacy giving, it can't be the end game. Obviously with each legacy gift being realized only after the death of the donor, this high-net-worth Boomer population is a diminishing source of funds for charities. A sound strategy for the future must include a robust and active outreach to younger Canadians. Last year's Giving Report showed 49% of charities were dissatisfied with their youth engagement and urged them to do a better job.

Cathy Mann: Well, as someone with gray hair, I am still going to weigh in on this topic.

Mary Barroll: Cathy Mann has been a fundraiser in the nonprofit sector for more than thirty years. She is the founder of Fundraising Lab.

Cathy Mann: First, I think that, you know, engaging young people as donors is the luxury of larger fundraising shops. Small shops are working nonstop to just do the basics and thinking about and executing a strategy to engage younger donors is simply beyond their capacity most of the time when they're not doing the basics very well with their existing donors because they're doing so much, and they're underfunded. Secondly, I think people grow into philanthropy when they have more money. So typically, when you're younger, you have less money to give, so you're not engaged in philanthropy. So, our focus on young people as donors is kind of missing the mark.

We need to move beyond this transactional thinking about donors to thinking of people as supporters of our organizations or our causes. And what's the pathway where they can see themselves being engaged with the organization over time? So, does it start with volunteering? I mean, oftentimes it does. We know from some of the work that Volunteer Canada is doing that the term volunteering doesn't even resonate with younger people anymore. So, we need to think about what language we can use.

We also know that young people care more about causes and less about institutions. So how does that impact how we engage younger people? What does that mean for participation with your organization? What does a pathway look like? And are you thinking about a lifetime journey once people get involved with you?

Mary Baroll: Tovah Barocas' organization Earth Rangers, is all about engaging youth, specifically designed to encourage environmental action among young people. For Tovah, the key to engaging youth is to clearly communicate how they can make a difference, in smaller more digestible issues that focus more on the micro than the macro, while giving them a sense of purpose and that all important emotion – hope.

Tovah Barocas: I mean, our whole program is really about empowering kids to make a difference on the issues that they care about. So, we try to take a really balanced approach, you know, to give a really accurate, age-appropriate assessment of the various issues. We also try to separate them into like smaller chunks so that they feel more manageable instead of talking about maybe climate change or biodiversity loss. More broadly, we'll talk about a specific habitat or a specific species or a specific issue like plastic pollution or whatever, explain the issue and then talk about what kids can do to make a difference and then really try to report back on the impact of that action, like how our collective action, what we've achieved together, giving specific stories about kids or even young researchers working in the field, really showing kids the positive things that are going on so that they feel more hopeful about the future and aren't constantly just kind of bombarded with this whole doom and gloom narrative.

Mary Barroll: At Kids Help Phone, that journey to engage youth starts early, and when done well, ripples throughout the community and across Canada. Here's Justin Scaini to explain.

Justin Scaini: We hear a lot from young students who are doing things in their community. We have young students in grade five or six that are doing bake sales, raising a little bit of money, or actually calling us to ask about Kids Help Phone for a school project. And these conversations actually create a ripple effect in their community. And I hope those young leaders know just how much of an impact those things have. The second thing that we see is through our crisis responder volunteers. So, we have over 2,500 active volunteer crisis responders who go through over 30 hours of training to be a crisis responder. These are folks in every corner of the country who want to do something meaningful. Over 8,000 folks have been trained to date all across Canada. So, we continue to see that desire to volunteer. And the third really cool example where we've actually seen individuals take action is we launched Feel Out Loud, Canada's largest movement for youth mental health in Canada's history, our \$300 million campaign. And we had over 50 artists come together to produce a song called What I Wouldn't Do, North Star Calling, all pro bono, all giving their talent to rally Canada around young people. So certainly, there is this sense of overwhelm that's in the community and you can see where a sense of apathy comes through because these issues feel so big. But what we have found is that when you create really clear opportunities for folks to create impact, to create purpose and see what the result of that is, we actually see a lot of good that's taking place in really interesting and exciting ways.

Mary Barroll: Justin Scaini is well aware that Kids Help Phone's initiatives may be beyond the capacity of smaller, community-based charities. But he believes that their closer connection to community can be an advantage if harnessed properly.

Justin Scaini: When you think about the types of smaller organizations and local organizations that have local impact or have impacts in particular communities, those are really important bodies of work. I think there are a couple of things that are useful to keep in mind. One is always assume that folks in your community actually do care, lead with the assumption that they want to create impact, that they want to contribute to their community in some way. And if you lead with that assumption, with that optimism and that energy, that gives you the foundation to create a really constructive dialogue around what they can do. And that's often where I've seen disconnects, which is folks want to give, they want to do something, but if we're not clear on what or how or when, it can be very hard to translate that desire, that appetite into action. And so, for smaller organizations, more grassroots types of organizations, find some of those folks, whether it's small businesses, whether it's neighbours or friends or family members that want to do something, that's the work that I think makes a big difference in nurturing those relationships.

Mary Barroll: Julie Fiorini agrees the social connections found in community are key to establishing the relationships with like-minded people around a cause that can be fostered to create future volunteers and donors in the long term.

Julie Fiorini: Every charity is unique and different in terms of how much they can engage, whether it's at an in-person level with their constituents or virtually. And so, self-reflection needs to take place at each organization to determine what works for them. We also can't do a lot of navel-gazing here, to suggest that charities are going to solve the issue of helping Canadians rebuild social connections. That's not going to be something that our sector is going to solve in its entirety, but we can certainly help with cultivating that sense of community around their cause areas specifically. So, fostering connections and community involvement to strengthen that bond that exists between your current supporters and your prospective or potential supporters, that's really critical for all charities to do. And if you have in-person events that you do, whether they're fundraising events or more informal events like tours of your facility, or special donor stewardship events, they don't have to be major events, but any opportunity where you can actually have some face-to-face in-person connections, those are invaluable. And those are the types of initiatives that unite people and really emphasize the community's role and the importance in driving change.

MUSIC TRANSITION

Mary Barroll: As the 2024 Giving Report makes clear – the charitable giving trends in Canada are rather grim. The number of Canadians who are contributing to charities has been declining for more than a decade. Income tax filings from 2010 show that 23.4% of Canadians – nearly a quarter – claimed charitable donations. But that number dropped to 17.7% by 2021, the most recent year of tax information available. And that downward trend was confirmed by CanadaHelps' proprietary research conducted outside of the CRA data.

Julie Fiorini: When we asked Canadians about their giving participation in a study that we conducted specifically for this Giving Report, findings actually revealed that giving participation dropped from 82% in 2013 to 60% in 2023. So, we actually asked the

question, are you giving to charities? In 2013, self-reported data was 82% and we're now down to 60%.

Mary Barroll: These numbers show a disturbing – even alarming – decline in the number of Canadians giving to charity. But the 2024 CanadaHelps Giving Report also offers some glimmers of hope, tracking positive trends in giving to Canadian charities, that are actually rising.

Julie Fiorini: I do just want to say though, while fewer Canadians appear to be giving, the bright spot in all of this continues to be online giving. CanadaHelps.org, has been a safe and trusted destination to make online gifts for 24 years. And so, what we're seeing in the five-year period between 2019 and 2023, and that is pandemic period, donations through CanadaHelps almost doubled. So that is exponential growth that we can't ignore.

Mary Barroll: Last year more than 430 million dollars came in through the CanadaHelps donation site, more than twice as much as the 200 million dollars generated in 2019.

That overall monetary growth in charitable giving is also reinforced in the most recent annual data from the CRA, which shows that the total dollar amount of donations have been increasing.

Don Shafer: The latest income tax data available shows that the total value of charitable donations has grown by 7% year-over-year, to 11.3 billion dollars. The average donation rose by 15% to 2,377 dollars. Even more strikingly, that average has grown by 43% since 2016.

Mary Barroll: And Julie Fiorini says there are some other positive signs that suggest that better donor stewardship is creating more sustainable funding streams for charities.

Julie Fiorini: And the other really bright spot is monthly giving. I think that charities have done a superb job communicating and conveying their case for support and the integral need for a sustainable source of revenue. And nothing is better, quite frankly, for charities than monthly donors. It's their bread and butter, as we like to say in the sector. And so monthly giving has grown and increased by 11%. So, that's a really positive sign. And the other bright spot too is donations of securities. That continues to increase rapidly, rising by 32% in 2023.

MUSIC TRANSITION

Mary Barroll: CanadaHelps CEO Duke Chang adds that before trying to solve many of the outward problems facing charities, it's important to look inward to tackle the consequences of persistent inflation and staff retention.

Duke Chang: Yeah, look, we're a sector of eternal optimism. That's why people work in this sector, is they believe they can make a difference. We believe we can make things better, no matter what the causes that we're working on. We want to make the world a better place. That's why everybody is in this sector. At the same time, we have to have a healthy dose of reality of what is going on out there. Blind optimism is not going to get

us, and hope is not a strategy, as they like to say, to get us out of the situation that we're in.

Ultimately, Canada's charitable sector leaders need to come together and carve out a path forward in order to ensure the longevity of the sector. So, we really ask this question to shed light on the reality of what change looks like and when it will happen in our sector. We need to be realistic about what next steps to take, and we need to start taking those steps today to support the future of the sector. So, the statistic in the giving report that tops them all looks to the future.

Mary Barroll: Omar Visram says one of those steps involves charities taking an honest look at their operations and determining if certain functions can be shared with other organizations – or even outsourced.

Omar Visram: We are actually having this conversation a lot with our clients and potential clients. What should the optimal finance function for your organization look like? What are the results that you're looking for and how do you get there in the most efficient way? And often it's a combination of things. It's a combination of people, process and technology. And so, you need to look at all of those levers and how you deliver the best result and deliver the numbers that your organization needs. I think just sort of more broadly than our services, Mary, the whole concept of employing people to perform certain tasks that are non-core to an organization, and I think it really applies in not-for-profit organizations really there's a significant management overhead that goes into managing IT or managing an HR department within your organization. When you outsource, you really pay for an outcome. And I think that not-for-profit organizations have an opportunity to save money by looking at alternatives, but also this presents an opportunity for organizations to just do things better.

Mary Barroll: Do you see mergers or collaborations between nonprofits as a possible necessary step in today's economic climate? Is that one of the solutions that nonprofits could be looking at?

Omar Visram: Absolutely, and I've actually seen some real-life examples of this, and I do actually know of a number of organizations that are having these conversations. And so, I definitely see this as a trend. My personal view is that this is, and this really can be a positive thing, but I fear that maybe it's happening too slowly.

There is a feeling that an organization is losing out or has lost the battle when a merger occurs or when it combines its operations with another. I would challenge organizations to think about the efficiency. It's simply sometimes too inefficient to remain independent. Of course, as costs have increased, a very small organization has to have certain baseline of services and resources. Well, that baseline has suddenly increased and it's increased very sharply. So, the reasons we're seeing mergers, not-for-profits and charities are thinking about how to operate efficiently with increased demand for their communities, looking at opportunities for saving costs while strengthening the organization's capacity, and also mitigating risk with a collaborative structure.

So, when organizations come together, they can potentially benefit from each other's leadership teams, their board expertise, and this can really make the two organizations

or multiple organizations combined much more strong and resilient. When considering mergers, this should always be done cautiously and really with the organization's mission at the center.

MUSIC TRANSITION

Mary Barroll: The 2024 Giving Report focusses on exploring the “why” behind the decades long decline in the number of Canadians giving to charity. Its deep data paints a picture of a society whose population has become disconnected from each other, their community, and their own feelings of hope for the future. But the Report also includes some important advice for the charitable sector to reverse the trend and reconnect – with supporters, advocates, volunteers, and donors – and to build new connections with younger Canadians that are the future of the charitable sector and the causes they support.

First, cultivate community-building based on the clear correlations between social connections and philanthropy demonstrated in the report to strengthen the bond between your organization and potential donors.

Second, communicate impact clearly by not only highlighting the need your organization addresses but the achievements and progress made possible with donations.

Third, emphasize the non-monetary ways to support and provide a variety of ways to engage with the cause and share in the impact such as volunteering, advocacy or sharing expertise.

Fourth, showcase positive outcomes with success stories and messaging that provides a sense of hope and potential impact that inspires action.

Fifth, when donors react to a crisis impacting their community or a cause they care about that your organization is working on, prompt them to consider the longer-term work that you do as well.

Finally, if your work has been impacted by climate change or other crises, emphasize that story to provide Canadians the full picture. Data shows that Canadians respond generously to crises, which are powerful motivators for engagement and giving.

I'd like to thank our guests for sharing their perspectives on the state of fundraising in the nonprofit sector and their ideas on how to find opportunities amid changing demographics, shifting attitudes, and economic uncertainty. Before we go, they share some final thoughts.

Julie Fiorini: Every charity needs to communicate their impact very clearly, they need to ensure that they highlight not just the needs that your organization is addressing, but also the progress and the achievements made that would only be possible and have only been made possible by donations through the generosity of their current supporter-base. Using really compelling storytelling, data, data is very important, and impactful

visuals. That will make your impact tangible and meaningful to supporters. The other thing is to emphasize non-monetary ways to support your organization.

As we're seeing, financial donations and those who have the ability to give with monetary gifts, there's a lot of folks struggling right now. So, we need to encourage them to support the organization in different ways, whether they can volunteer, whether they can be advocates, for example, with specific causes or even sharing expertise, like volunteering as a mentor, that would be invaluable. And that really helps a charity grow their supporter-base, not necessarily in the monetary way, but in the way that they will build up their total sort of constituent base that eventually one day may have the capacity to give financially. So, you have to constantly cultivate relationships with your supporters and get them engaged in other ways beyond just transactional.

Duke Chang: Yeah, I would say this. I know times are hard. I know you're facing a lot of challenges when it comes to shortfalls in revenue and increases in demand. But I truly believe that together we can pull through this, with supporting each other through this, with engaging with Canadians and really listening to them, listening to them to see what they want to see from us, and engaging with our government partners too, to really see their support in this. So, I think it's going to take all of us to figure this out. But at the end of the day, this sector does such incredible work for the advancement of Canadian society and the betterment of Canadian lives that I know it has to happen and we'll find a way to make it happen together.

Tovah Barocas: I am a hopeful person in general, that might be partly the result of working for an organization like Earth Rangers where every day I'm faced with these amazing kids and what they do. And it just gives me a lot of hope for the future. Also, the people I work with in the sector, people who go into charitable work and who work in philanthropy, I think are just a special breed of person. And with that type of workforce, I think the future is bright, but I do think that the government does need to step up more. The charitable sector cannot be solely responsible for solving some of these existential issues that are not going away like climate change, mental health crises, affordability, all of these things. So, while I'm hopeful that the sector is resilient and can tackle a lot of this, I also think that people do need to realize that we can't do it alone.

Cathy Mann: Yeah, I think my biggest advice is to not operate in isolation. So, you know, if you are part of a small fundraising team, either a solo fundraiser or a two-five person team in a big organization, it's really easy to feel like you're operating in isolation. And your non-fundraising peers don't understand fundraising. That has been my experience. I have more than 30 years of being in the sector. And so, it's really important to reach out to other fundraising colleagues and commiserate to be quite honest. There is something so comforting and reassuring to be able to talk with other folks and see if they're experiencing some of the similar things.

Omar Visram: I'm an optimist. I think we've had a lot of negative data to share in this discussion. But, recently I was thinking about a professor of mine from university who used to say that a bad economy is a great time to build a business. And I think this may in some ways apply to not-for-profit organizations. This is an opportunity to get back to your mission and really focus on the things that you do great. The environment is going

to be challenging. You will have to make tough decisions. But these could be tough decisions that will make the organization stronger in the end. So, that would be my takeaway is, you know, a little bit of a positive spin to it. These will be hard times, but you may, you can, you absolutely can come out stronger.

Charlotte Field: So that's my biggest recommendation is as much as you can be building a system and structures that are persuasive and active. So, you're really stewarding people along that legacy journey. And by the same token, it's really important to have this understanding that legacy gifts, you cannot expedite them. Those happen on the donor's time - on their timeline. So, that's why it's so important to be doing that really consistent, constant, respectful marketing again so that when that life change happens, you're top of mind. That's the biggest thing that you can do right now in order to harness all that potential that's coming down the line.

Justin Scaini: I've never been more optimistic for the future of impact and social progress. You see incredible public-private partnerships that are taking place. You see people who are aware of the issues in a way they've never been before because of how much information is coming at us, even if it's not coming at us in the best way. There's an awareness of these issues in ways that there haven't been before. There's a willingness to talk about these issues with our friends, family, community members. The next generation, which is, Gen Z, Gen Alpha, the folks that we talk to all the time, they want to create impact in their lives. Like it's deep in who they are is creating impact. And all of those things make me really excited about the future. The final thing that gets me really excited and makes me feel so optimistic is really the young people of Canada. They're strong, they're courageous, they're resilient. The next generation of leaders are going to be incredible. And it's up to all of us to continue to nurture that, because they're going to be the ones that continue to help us all lift all of society and everything that we're trying to accomplish.

MUSIC TRANSITION

Mary Barroll: You can access the 2024 CanadaHelps Giving Report and all the other reports referenced in this episode of CharityVillage Connects in the show notes with the links to those and other resources. If you want to learn more from any of our subject matter experts featured in this episode, their full video interviews can be found on charityvillage.com. CharityVillage is proud to be the Canadian source for nonprofit news, employment services, funding, eLearning, HR resources and tools, and so much more. Please take a moment to check out our website at charityvillage.com.

In our next episode, back in 2019, the Senate of Canada published Catalyst for Change: A Roadmap to a Stronger Charitable Sector. Among its recommendations was a suggested change to the obligatory tax forms filed with the CRA to include questions related to the diversity on boards of charities.

Senator Ratna Omidvar, co-author of the report, has since proposed Bill S-279 to amend the Income Tax Act to require charities to report on board diversity when they file their annual T3010 documents. Join us in the next episode of CharityVillage

Connects, where we talk to Senator Omidvar and other sector experts to learn more about the bill, what it hopes to achieve for charities, and the current state of equity and diversity in Canada's nonprofit leadership. That's on the next CharityVillage Connects. I'm Mary Barroll, thanks for listening.

MUSIC OUT