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PHILANTHROPY AS A VEHICLE FOR REGIONAL DEVELOPMENT

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Philanthropy as a Vehicle for Regional Development

March 2014

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Introduction

Philanthropy and charitable giving is by no means a new concept in Newfoundland and Labrador. Its application to regional development and to sustainable communities is, however, new. The future sustainability of Newfoundland and Labrador's communities and regions is of key concern, particularly in light of recent funding decisions. As communities, regions, and policy-makers in Newfoundland and Labrador look towards the future they would be remiss to not discuss the potential role of philanthropy.

Communities and regions throughout Newfoundland and Labrador (NL) encounter a series of financial challenges, influenced by outmigration, decreasing tax bases, and austerity measures. Although these communities have numerous local priorities and opportunities, financial constraints often hinder their ability to find and implement solutions. One potential option for resolving this hindrance is the use of philanthropy, particularly the community foundation model.

Communities and regions throughout Canada are actively engaged in the community foundation movement, a movement started in the early 1900s. Over the past three years interest in the community foundation model and regional development have emerged as a topic of interest in NL. In 2010, the Harris Centre held a Synergy Session highlighting community foundation research conducted in Manitoba, which was attended by policy makers, researchers, development practitioners, and representatives of the Community Foundation of Newfoundland and Labrador. Further, through a number of research initiatives in the past four years interest in the community foundation model has emerged among some residents in the Northern Peninsula, Kittiwake, and the Isthmus of the Avalon regions.

As pressures of austerity measures, outmigration, and decreasing municipal tax bases continue the need for alternative funding mechanisms in communities and regions will grow. The role of philanthropy in regional development will become a significant issue in NL and Canada. The role of philanthropy in regional development in the Canadian context is not well understood. Unlike the United States (Yost, 2009), limited philanthropy research has been undertaken in Canada. This research project contributes to this gap.

This project examined the how community foundations, as one avenue of philanthropy, could influence and support regional development in Newfoundland and Labrador. In building this assessment the project reviewed both charitable giving and volunteerism patterns in the province.

This report consists of three reports, each addressing a key element of the project. The first report, ***Charitable Giving and Volunteering in Canada and the Atlantic Region***, reviews Statistics Canada data from 2007-2010 on how Canadians engaged with charitable and voluntary organizations. This document reviews key metrics, such as charitable donations, characteristics of donors, and volunteerism rates. Based on this information, the report identifies key opportunities to advance philanthropy in Newfoundland and Labrador.

The second report, ***Assets, Revenues, and Gifts of Canada's Atlantic Community Foundations***, examines the financial assets of the ten community foundations in Atlantic Canada. The report scans the revenues and gifts of these community foundations from 2003-2011. The financial profiles of community foundations are useful in understanding regional differences across the Atlantic region.

The third report, ***Examination of Community Foundations in Atlantic Canada***, explores the diversity of the ten community foundations in the Atlantic region. The report is based on a survey of the community foundations to determine the similarities and differences. The survey examined a number of key issues, including endowment building strategies, short- and long-term goals, and inter-generational transfers of wealth.

Further information emerging from this initiative can be found at

<http://philanthropy.ruralresilience.ca>.





Charitable Giving and Volunteering in Canada and the Atlantic Region

A Review of Secondary Data

June 2013

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Introduction

Across the country, Canadians are making substantial contributions to their communities and regions through charitable giving and volunteerism. These contributions support a wide variety of organizations and nonprofit organizations, enriching social, cultural, and economic fabric of their communities. This working paper explores charitable giving and volunteerism statistics to understand the current situation in Atlantic Canada.

Using data from Statistics Canada from 2007-2010 an overview of charitable giving and volunteerism is presented for Canada and the Atlantic Region. This working paper reviews the rates of charitable giving, type of charitable giving, characteristics of donors, and the principal recipients of donations. Statistics on volunteerism rates among Canadians and the Atlantic Region are also reviewed, specifically regarding participation rates, types of organizations supported, and characteristics of volunteers. The working paper concludes with initial insights into how the patterns of charitable giving and volunteerism in NL could generate opportunities for philanthropy.

This working paper was prepared as a part of a larger applied research initiative examining the role of philanthropy in regional development in Newfoundland and Labrador. Further information on this initiative can be located at <http://philanthropy.ruralresilience.ca>.

Where Information Came From

This working paper examines charitable giving and volunteerism in Atlantic Canada through the review of Statistics Canada's Survey of Giving, Volunteering, and Participating. Data from the survey enables researchers to determine and examine whether there have been substantial changes in Canadians' participation in charitable and voluntary activities between the 2007 and 2010 period. This examination offers the ability to provide insights as to why these changes may have taken place and how these changes may influence society. The Statistics Canada data is supplemented with information gleaned from academic and government literature documenting charitable giving and/or volunteerism practices in Atlantic Canada.

This working paper utilizes data collected from the 2007 and the 2010 Canadian Survey of Giving, Volunteering and Participating to analyze charitable giving and volunteerism of individuals in Atlantic Canada. Statistics Canada administers this national survey every three years to gather information regarding charitable giving and volunteering. The survey analyzes data at both the national and provincial levels. Statistics Canada takes a random sample of Canadians through random digit dialing to participate in the survey. In the 2010 survey 15,482 Canadian participated and in the 2007 survey 21,827 Canadians participated.

Information from the Caring Canadians, Involved Canadians: Tables Report, 2010 has also been utilized throughout this paper. This Statistics Canada report utilizes data given from the 2010

Survey of Giving, Volunteering, and Participating; yet it provides an analysis specific to each individual province. Using this information is an asset as it allows for in depth analysis of provincial variations.

The Survey of Giving, Volunteering, and Participating provides a snapshot of charitable giving and volunteering at the provincial and national levels. Given small sample sizes engaged with each survey it is not possible to have a complete picture. This being said, the surveys offer one of the best sign posts for measuring the engagement of Canadians in voluntary and charitable activities. The data presentation between the 2007 and 2010 surveys is not identical, which is noted throughout the report. As a result, this paper does not give the entire story of charitable giving and voluntarism in Newfoundland and Labrador. This paper takes relevant statistics from Statistics Canada databases in an effort to provide a snapshot of charitable giving and volunteering within the province and offer takeaway points for policy makers and government officials when needed.

It should also be known the emphasis of this paper is to provide insight on the charitable giving and volunteering rates in NL. The province offers unique statistics for this study as it holds the highest charitable giving rates in Canada. Newfoundlanders also have a strong sense of belonging, which potentially has a direct correlation with their philanthropic giving.





Charitable Giving

Millions of Canadians are involved in donating money to charitable organizations annually. With financial contributions to different groups and organizations, individuals are able to support specific causes, help advance the well-being of fellow citizens, or benefit principles and values they believe in. In Canada, the federal government recognizes the positive implications charitable giving can provide for communities. In doing so, they provide income tax credits in an effort to encourage philanthropic giving by taxpayers, or in some cases, match the amount donated by certain groups or people.

Charitable giving, as defined by the Canada Revenue Agency (CRA), refers to the voluntary transfer of a gift to a qualified charity. A gift may take the form of cash, stocks, bonds, real estate, cultural property, or proceeds of a life insurance contract. A qualified charity is an organization registered with the CRA conducting purposes in at least one of the following areas: relief of poverty, advancement of education, advancement of religion, or other purposes that benefit the community in a way the courts have decided are charitable (CRA, 2013). A qualified charity is able to issue tax receipts to donors and is exempt from paying taxes on their revenue.

There are three principle types of donations. A common way to engage in charitable giving is through gifts of cash. Gifts of cash provides flexibility with donors as they can designate

their giving for specific initiative or leave it unrestricted, allowing the qualified charity's board of directors to determine the best use of the funds. Examples of gifts of cash include grants, corporate donations, foundation grants and religious tithing. Another means of donating is through gifts in kind. Gifts of kind differ from gifts of cash as it does not involve a direct financial donation but generally something tangible that is recognized as a certain value. As the item being donated is recognized as having value, the donor is able to receive a tax receipt from the government. Gifts of kind could include the donation of hospital equipment or supplies to universities. Another type of charitable giving is through endowment funds. Endowment funds consist of financial giving to a registered charity, whereby the charity does not spend the finances that are donated, but utilizes the continued growth and interest that results from the initial donations. As donations to endowment funds are never spent but used to gain interest, the benefits from this type of giving are endless as they continue to last year after year. The most common type of endowment fund is through community foundations. Once a community foundation receives funds from a donor, they invest it and are able to spend the interest of the donations every year for purposes that include regional development (Turcotte, 2012).

Rates of Charitable Giving

In 2010, Canadians over 15 years of age contributed a total of \$10.6 billion to charitable or non-profit organizations, which was essentially the same as 2007. The mean amount an individual donated annually in 2010 was \$446, with the median amount being \$123. Overall, nearly all Canadians aged 15 and over (84%) took part in charitable giving whether it was gifts of cash or gifts in kind (see Table 1) (Turcotte, 2012).

Table 1. Donors and donations, population aged 15 and over, Canada

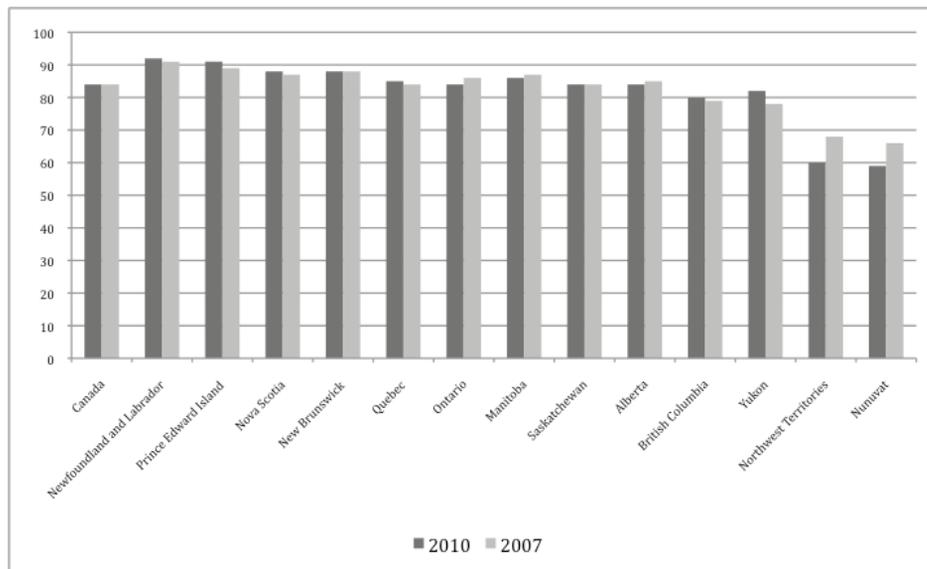
	2010	2007
Donor Rate		
Total population (thousands)	28,285	27,069
Total number of donors (thousands)	23,789	22,841
Donor rate (percentage)	84	84
Number of donations		
Total number of donations (thousands)	91,357	87,789
Average number per (donations)	3.8	3.8
Amount of donations in 2010 dollars		
Total amount (thousands of dollars)	\$10,609,533	\$10,429,330
Average annual amount per donor (dollars)	\$446	\$457
Median annual amount per donor (dollars)	\$123	\$125
Average amount per donation (dollars)	\$114	\$119

Source: Turcotte, 2012

In 2010, \$10.6 billion contributed to charitable organizations in Canada

Residents in the Atlantic Region were the most likely to have made one or more donation to charitable or non-profit organizations. In both 2007 and 2010, residents of NL had the highest percent of the population aged 15 and older engaged in charitable giving. In 2010, 92% of NL's population partook in charitable giving (91% in 2007), followed by Prince Edward Island with 91% (89% in 2007) and New Brunswick and Nova Scotia with 88% (88% and 87% in 2007 respectively) (Turcotte, 2012).

Chart 1. Percentage of charitable giving rates, by province/territory, donors aged 15 and over, 2007 and 2010



Source: Turcotte, 2012

92% of Newfoundland and Labrador were engaged in charitable giving in 2010

Specific statistics for the Atlantic Region were only available on the 2007 survey. Eighty-eight percent of Atlantic residents (1.7 million residents) contributed to charitable giving in 2007 either through a financial or in-kind donation. Donors in the Atlantic region gave an average of \$375 each. As a comparison, the average donors gave at a national level was \$437 in 2007 (see Table 2) (Clarke, Lasby, & Vodarek, 2010).

Table 2. Donors and donations, population aged 15 and over, Atlantic Region

	2007
Donor Rate	
Total population (thousands)	1,932
Total number of donors (thousands)	1,700
Donor rate (percentage)	88
Number of donations	
Total number of donations (thousands)	8,054
Average number per (donations)	4.7
Amount of donations in 2010 dollars	
Total amount (thousands of dollars)	643,000
Average annual amount per donor (dollars)	375
Median annual amount per donor (dollars)	121
Average amount per donation (dollars)	80

Source: Clark, Lasby, & Vodarek, 2010

Although residents in the Atlantic Region have the highest likelihood to make a charitable donation, they are among the smallest average donations throughout Canada. In both 2007 and 2010, only donors in Québec donated less on an annual basis (Clarke, Lasby, & Vodarek, 2010; Turcotte, 2012).

Statistics Canada does not provide an in depth analysis of provincial variations in regards to charitable giving, thus specific statistics such as the total number of donations and average amount per donor in terms of NL are not available.



Type of Charitable Giving

Aside from financial donations, Statistics Canada measures Canadian charitable giving through gifts in kind and endowments. It should be noted the Survey of Giving, Volunteering, and Participating primarily focuses on financial donations in their study, but also make note of other types of giving. In 2010, nearly four out of five Canadians gave clothing or household items to charities or non-profit organizations (79%) and over half the population of Canadians aged 15 and over donated food to local food banks (62%). In terms of financial donations as part of a will, only 3% of Canadians took part in this method of donating in 2010. These rates remained consist from 2007 to 2010 (Turcotte, 2012).

The same statistics specific to the Atlantic Region were only made available in the 2007 survey. In 2007, 76% of Atlantic residents contributed to in kind donations through clothing or other household goods and similar to the national average, 64% of the Atlantic donated food. Statistics of financial donations as part of a will remained on par with the national average as only 3% of Atlantic residents made provides for a donation to take place in the case of their death (Clarke, Lasby, & Vodarek, 2010).

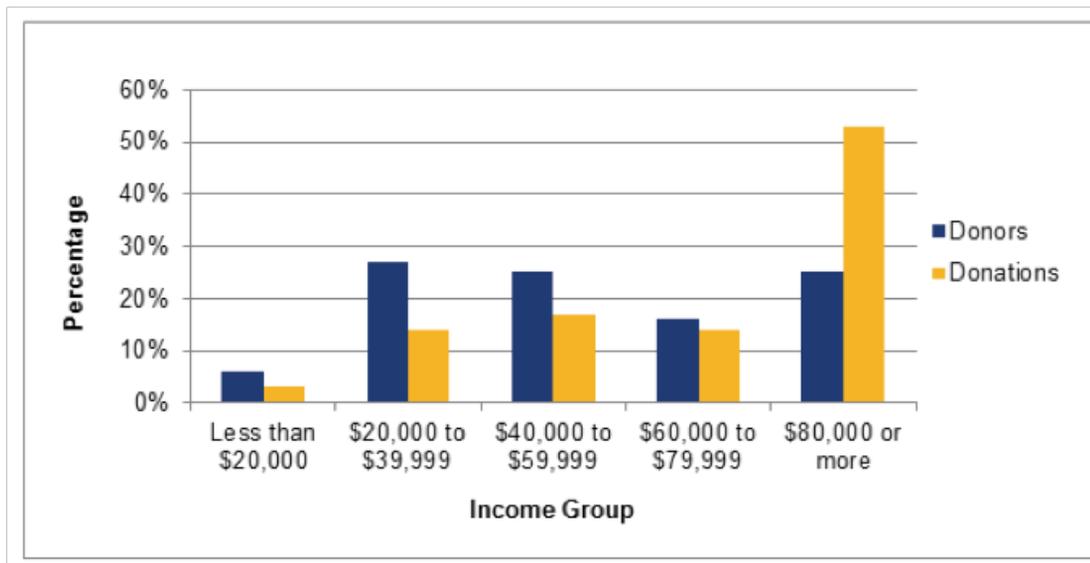
76% of Atlantic
residents made
in kind
contributions of
clothing or
household goods



Characteristics of Donors

The attributes of an individual help characterize what type of donor they are. In Canada, being employed, having university education, living in a higher income household, being religiously active, and over 35 years in age increases the likelihood of making donations as well as higher annual donations (Turcotte, 2012). This is not to say every person that makes frequent or large donations holds all of these qualities, but generally speaking, an individual that consists with more of these attributes is likely to partake in charitable giving above the average. In 2010, people with an annual household income that was \$120,000 or more contributed an average donation amount of \$744. As a comparison, those with household incomes between \$80,000 and \$99,999 donated an average of \$427 (Turcotte, 2012). A recent House of Commons committee report documented the how donations to registered charities ranged by income categories (see Chart 2).

Chart 2. Percentage of donors and charitable donations by individual, by income class, 2010



Source: Standing Committee on Finance, 2013

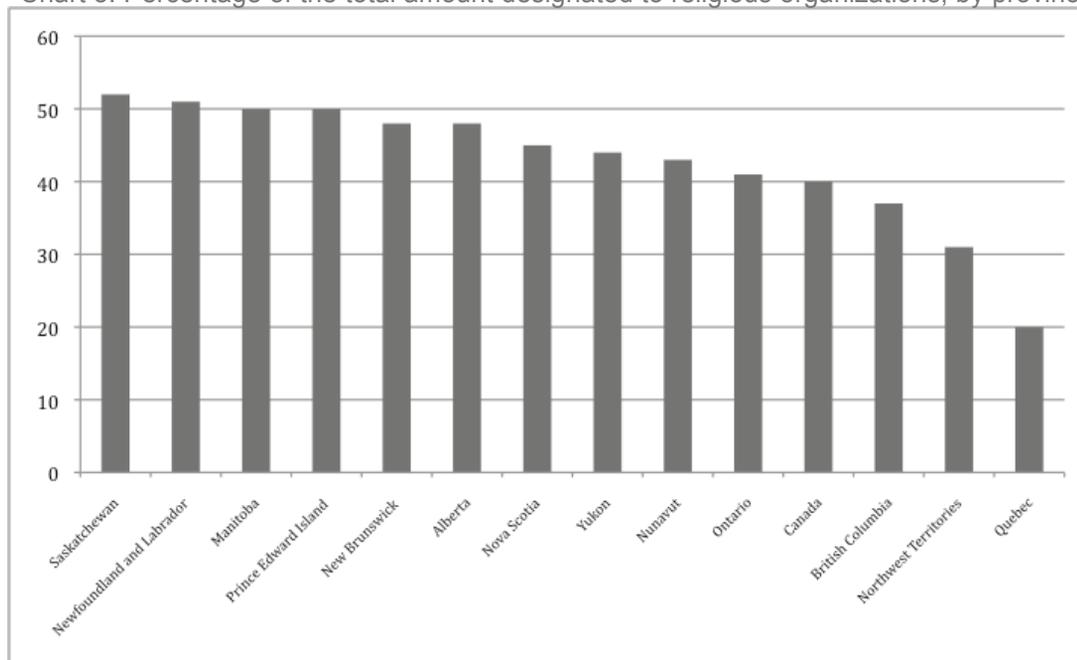
Age is another significant determinant when considering rates of charitable giving. In a study subject to Atlantic Canada, residents aged 15 to 24 were the least likely to make financial donations (75%) with the group most likely to donate aged 35 and older (91-93%). In the Atlantic Region, the population of residents aged 15 to 24 make up for only 3% of the total value for all donations, yet account for 16% of the Atlantic population. These rates are not unique to Atlantic Canada but occur across the nation as a whole (Clarke, Lasby, & Vodarek, 2010).

Recipients of Donations

Religious organizations were the biggest recipients of the total amount of donations for both Canada as a whole, as well as the Atlantic Region. In 2010, \$4.26 billion of the \$10.6 billion donated by Canadians was to religious organizations, representing 40% of total donations (Turcotte, 2012). Religious organizations also received the largest percentage of total donations in the Atlantic Region in 2007 with 56% (over \$360 million) (Clarke, Lasby, & Vodarek, 2010). This is common statistic across all Canadian provinces and has been reoccurring since at least 2004.

Although religious organizations receive the largest amount of finances from donations in Canada, they do not receive the highest number of actual donations. In 2010, 71% of Canadians donated to hospitals and the health sector, down from 74% in 2007 (72% of the Atlantic Region donated to this area in 2007). This is followed by social services receiving donations from 42% of Canadian residents (48% of Atlantic residents in 2007) and 33% of Canadians donating to religious organizations (43% of the Atlantic in 2007). There is a common trend from both Canada and the Atlantic Region over the past six years where individuals are making fewer donations to religious organizations and partaking in charitable giving through health, hospitals, and social services (Clarke, Lasby, & Vodarek, 2010; Turcotte, 2012).

Chart 3. Percentage of the total amount designated to religious organizations, by province, 2010



Source: Turcotte, 2012

Ways Donors Partake in Charitable Giving

It is important to identify whether solicitation was a factor in Canadian charitable giving and which method(s) works best. In 2010, the solicitation method receiving the highest response from Canadians was canvassing at a shopping centre or on the street with 32%, followed by human sponsorship with 30%. Although the high response rate, solicitation brings in minimal financial donations. The total amount of donations these two methods brought in for Canada in 2010 was 3% and 2%, respectively (Turcotte, 2012).

Although the relatively low rates of solicitation as a national average, NL was above the norm and stood at the top of many different categories. Particular solicitation methods that Newfoundlanders and Labradorians were most likely to respond too were door-to-door canvassing (55%), sponsoring someone (49%), in a place of worship (40%), initiatives at work (28%), or through a television or radio request (19%). With the exception of donating in a place of worship (PEI with 41%) NL received the highest rates throughout each of these categories, by far. Although NL is the only extreme case in this category, the Atlantic Provinces would be its closest comparisons. It should also be noted that NL was tied for second last amongst all Canadian provinces for residents donating on their own with 6% (Turcotte, 2012).



Volunteerism

The act of volunteering plays a significant role in communities around the world. In a case study done by Side and Keefe (2009), the impact of unpaid work done by individuals in Atlantic Canada within their communities was analyzed. Their conclusion was that volunteering not only benefits people intrinsically, but is correlated to community economic development. Furthermore, Locke and Rowe (2010) explain through their case study specific to NL that volunteering is directly related with capacity building within local organizations. Evidently, volunteering is significant for sustainable communities.

Nearly half of Canadians aged 15 years of age or older volunteer with charities and nonprofit organizations every year contributing to tasks that include serving on boards and committees, fundraising, providing counseling services, delivering food, visiting senior homes, and so forth. Volunteering is substantial because it allows people to not only donate financially but also use their time to directly impact the cause of the organization or group that they represent (Hall, Lasby, Ayer, & Gibbons, 2009).

For this section, only 2007 statistics were available for volunteer rates across Canada and the Atlantic Region. The 2012 report of the 2010 data did not provide volunteering statistics. As this is the case, each statistic provided will represent 2007 data unless otherwise specified.

Rates of Volunteering

Nearly half (46%) of Canadians volunteered for charitable and nonprofit organizations during this time frame. The 12.5 million people volunteering contributed over 2.1 billion volunteer hours, which is almost equivalent to 1.1 million full-time jobs. On average, individuals volunteer 166 hours per year with a median of 56 hours (see Table 3) (Hall, Lasby, Ayer & Gibbons, 2009).

In the Atlantic Region, 1 million residents (51%) took part in volunteering for charities and nonprofit organizations. This contributed collectively for a total of 175 million hours, equal to 91,000 full time jobs. The average amount a citizen volunteered on an annual basis is 177 hours, slightly higher than the national average of 166 (see Table 3) (Clarke, Lasby, & Vodarek, 2010).

Table 3. Volunteers and volunteer hours, population aged 15 and older, 2007

	Canada	Atlantic
Rate of Volunteering		
Total population (thousands)	27,069	1,932
Volunteers (thousands)	12,478	1,000
Volunteer rate (percent)	46	51
Hours Volunteered		
Total hours volunteered (millions)	2,067	175
Full-time year-round job equivalents (jobs)	1,076,673	91,146
Average hours volunteered per year (hours)	166	177
Median hours volunteered per year (hours)	56	-

Source: Clarke, Lasby, & Vodarek, 2010; Hall, Lasby, Ayer & Gibbons, 2009

Organizations Supported by Volunteers

Canadians are most likely to volunteer with one of four main types of organizations. These include: sports and recreation, where 11% of the Canadian population volunteered their time (13% of the Atlantic population); social services organizations, receiving volunteer hours from 11% of Canadians (14% in the Atlantic Region); and 10% given to education and research as well as religious organizations (13% for both categories within the Atlantic). Although there is a small increase of volunteer percentages throughout different sectors within the Atlantic Region, statistics remain relatively the same throughout Canada (Clarke, Lasby, & Vodarek, 2010; Hall, Lasby, Ayer & Gibbons, 2009).

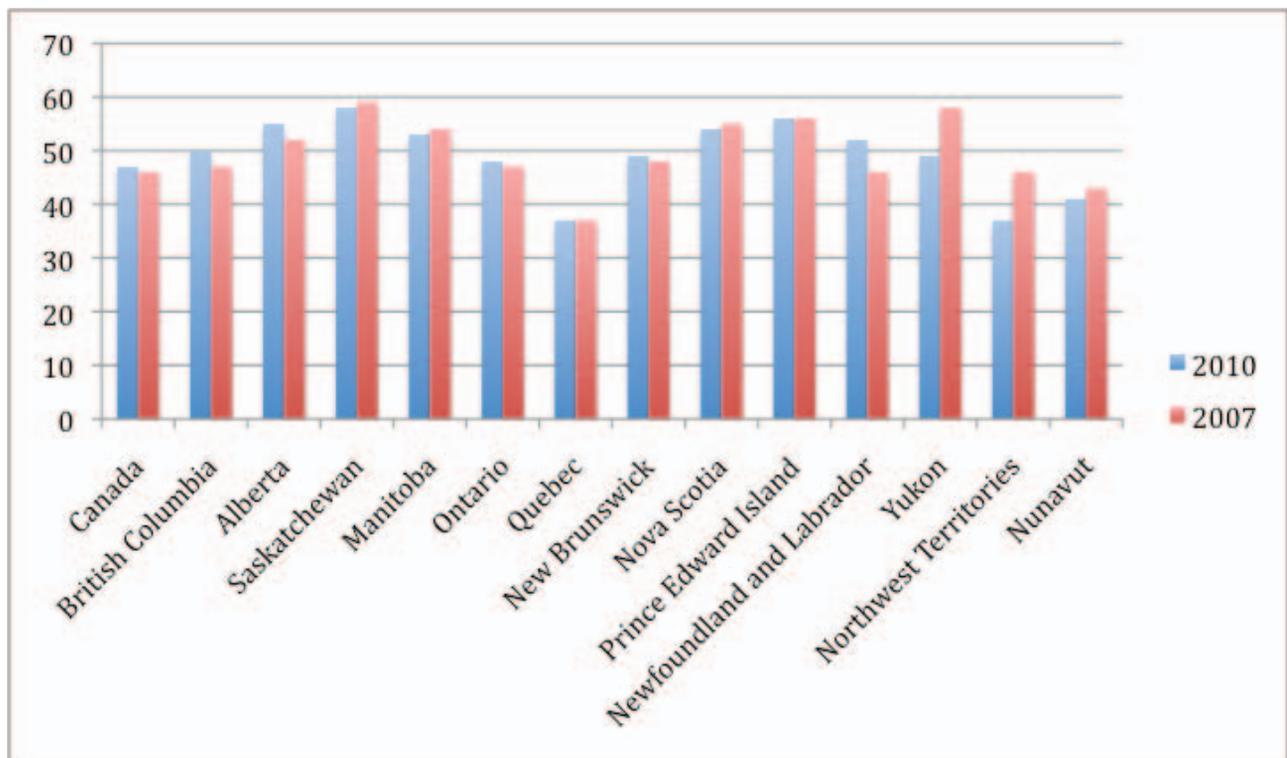
In the case of both the Atlantic Region and Canada as a whole, volunteers were least likely to give their time to organizations involved with business or professional associations such as unions; fundraising, grant-making and voluntarism promotion as well as international causes. Residents are more inclined to contribute to volunteering initiatives that are more likely to directly benefit their communities the most (Clarke, Lasby, & Vodarek, 2010).

Volunteer Activities

There are a number of different volunteering activities Canadians have contributed their time to. Most notably in Canada is organizing or supervising events (45%) and fundraising (44%). Other activities include serving on a committee or board (33%); teaching, educating or mentoring (30%); provide counseling or advice (28%); collecting, serving or delivering food or other goods (27%); and being engaged in office work, bookkeeping or other related duties (24%). Activities Canadians were most likely not to volunteer for include first-aid, fire fighting, or search and rescue (6%) (Hall, Lasby, Ayer & Gibbons, 2009).

The volunteer activity that stood out in the Atlantic Region was fundraising; 55% of all volunteers were likely to be engaged in this activity. This is significantly higher than the rates of Canada as a whole (up by 12%). Other activities Atlantic residents were involved with were organizing or supervising events (45%), sitting on a committee or board (39%), and collecting or delivering food or other goods (28%). Similar to Canada as a whole, the Atlantic region were least likely to volunteer by giving time to first-aid, fire fighting or search and rescue (9%) (Clarke, Lasby, & Vodarek, 2010).

Chart 4. Volunteer rate, by province/territory, population aged 15 and over



Characteristics of Volunteers

Character attributes also play a significant role in determining the type of volunteer an individual is. Similar to the attributes of donors, higher levels of volunteering tend to be related to increased age, higher levels of education, greater household income, being employed and being religiously active (Hall, Lasby, Ayer & Gibbons, 2009). The likelihood of an individual volunteering with these characteristics is consistent throughout Canada, including the Atlantic Region.

The age of an individual plays a different role in volunteering than it did in charitable giving. In Canada, 58% of those aged 15 to 24 volunteered in 2007, yet only 36% of the population aged 65 and over gave their time. These statistics were higher in the Atlantic provinces as 65% of 15 to 24 year olds took part in volunteering where 39% of people aged 65 and older contributed their time. Although this is the case, the older population in Canada volunteered an average of 218 hours while the younger population only volunteered an average of 138 hours. Similarly, the residents that are 65 and older in the Atlantic region gave an average of 241 whereas the 15 to 24 age group had an average of 146 volunteer hours (Clarke, Lasby, & Vodarek, 2010; Hall, Lasby, Ayer, & Gibbons, 2009).



Summary

This working paper highlights how Canadians and residents of the Atlantic Region are engaged in charitable giving and volunteering from 2007-2010. Through the presentation of this information it is clear NL leads a number of categories related to charitable giving and volunteerism. The key findings of this review of secondary data on charitable and voluntary activities are:

- 84% of Canadians over 15 years of age contributed a total of \$10.6 billion to charitable or non-profit organizations in 2010.
- NL was at the top of the in charitable giving list with 92% of its population partaking (91% in 2007), followed by Prince Edward Island with 91% (89% in 2007) and New Brunswick and Nova Scotia with 88% (88% and 87% in 2007 respectively).
- Being employed, having university education, living in a higher income household, being religiously active, and over 35 years in age increases the likelihood of making donations, as well as higher annual donations. People with these characteristics are also more likely to partake in volunteering activities.
- Religious organizations were the biggest recipients of the total amount of donations for both Canada as a whole, as well as the Atlantic Region. In 2010, \$4.26 billion of the \$10.6 billion donated by Canadians to religious organizations, representing 40% of total donations.



- NL was above the mean of many different solicitation categories. Particular solicitation methods that Newfoundlanders and Labradorians were most likely to respond too were door-to-door canvassing (55%), sponsoring someone (49%), in a place of worship (40%), initiatives at work (28%), or through a television or radio request (19%).

- Nearly half (46%) of Canadians volunteered for charitable and nonprofit organizations during this time frame. The 12.5 million people that volunteer contributed to over 2.1 billion volunteer hours, which is almost equivalent to 1.1 million full-time jobs.

- Canadians are most likely to volunteer with one of four main types of organizations, which include: sports and recreation, where 11% of the Canadian population volunteered their time (13% of the Atlantic population); social services organizations, receiving volunteer hours from 11% of Canadians (14% in the Atlantic Region); and 10% given to education and research as well as religious organizations (13% for both categories within the Atlantic).

- The top volunteering activities Canadians contribute too include: organizing or supervising events (45%); fundraising (44%); serving on a committee or board (33%); teaching, educating or mentoring (30%); provide counseling or advice (28%); collecting, serving or delivering food or other goods (27%); and being engaged in office work, bookkeeping or other related duties (24%). Activities Canadians were most likely not to volunteer for include first-aid, fire fighting, or search and rescue (6%)



Opportunities Emerging for Philanthropy in NL

Although statistics from across Canada are very much alike to the statistics in the Atlantic Region, there still remains an opportunity for growth. The Atlantic Region, specifically NL, consists of a unique population that holds a certain identity with the place they live. This sense of place, or sense of belonging, could be utilized to advance both charitable giving and volunteerism in the province.

Based on the information presented a number of initial insights on opportunities for philanthropy in NL emerge. These opportunities need to be further explored and discussed among academia, government, private sector, and community and regional development practitioners.

Donating through Bequests

One of the biggest opportunities of charitable giving in NL is through the provision in a will. According to Statistics Canada, only 3% of Newfoundlanders and Labradorians designate a portion of their wealth to a charity or organization after they pass away (Turcotte, 2012). However, the Community Foundations of Canada believe that if this issue is raised to people by financial advisors and government officials, this statistic will increase to 27% - a nine-fold increase (Community Foundations of Canada, 2013). Often times, donors contribute to charitable giving throughout their life yet do not realize that a bequest through a will is a viable option, yet it can have positive impacts to their charity or organization of choice. Furthermore, if a donor designates a bequest in their will to a registered Canada charity, a tax credit can be made available upwards to 100% of the donor's income in the year of his or her death and potentially in the following year (Community Foundations of Canada, 2013). In some cases, donors have qualified taxable income in the previous year and the year of their death. Thus, bequests will reduce the taxes for those two years (Blumberg & Swanepoel, 2008). Not only can a bequest have significant implications to non-profit organizations, but also to the donor's loved ones.

Youth Engagement

Residents aged 15 to 24 contributed to the lowest monetary values to qualified charities. In the Atlantic Region, 75% of this population was likely to make a financial donation, compared to the 93% of those aged 35 and older. In the same study, the 15 to 24 aged population were most likely to volunteer (65%) and those 65 and older were least likely to volunteer (39%). However, when average hours of volunteering are compared, the younger population contributed the least amount of hours annually whereas the older population gave their time the most (Clarke, Lasby, & Vodarek, 2010). It is important for a community's health that the youth participate in different charitable giving and volunteering initiatives. This population is the future for communities and community development and it is important for them to realize the impact that they can and will have towards the prosperity of their region (Keefe & Side, 2009).

Solicitation

Unique to NL, solicitation has a substantial impact on whether or not Newfoundlanders and Labradorians partake in charitable giving. In all of Canada, residents in NL had the highest response rate to door-to-door canvassing (55%), sponsoring someone (49%), initiatives at work (28%), or through a television or radio request (19%). NL was also tied in last with residents making a donation under their own will (6%) (Turcotte, 2012). It is clear that if Newfoundlanders and Labradorians become more aware of the different philanthropy opportunities, they are much more likely to partake in charitable giving. Organizations seeking to retrieve donations from residents in NL should engage in more public awareness promotion in an effort to make their cause more known. Furthermore, taking information from statistics such as door-to-door canvassing, it appears that if a charity or organization asks Newfoundlanders and Labradorians to make a donation, more than half the time they will partake in charitable giving. Thus, having an increase of public awareness and initiative of nonprofit organizations and their motives are likely to increase philanthropy in NL.

Identity in Newfoundland and Labrador

In 2010, residents in NL were the most likely to make a charitable donation to a charity or organization (92%). One of the top reasons people donated is their desire to make their community better (83%) (Clarke, Lasby, & Vodarek, 2010). A longstanding culture in NL is Newfoundlanders and their attachment to what they recognize as "home." Even after out-migrating to different provinces or even countries, there is a tendency to be a personal attachment and a sense of belonging between a person and where he was born in Newfoundland (Hansen, 2008). This can benefit the philanthropy sector in NL. Because of a person's attachment to where he or she is from, they are likely to be more inclined to donate financially or through endowments back into their home community (Gibson, 2012). As this is becoming more and more prominent, community foundations and other charities should begin to make provisions on how a person can efficiently donate back into his or her hometown.

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Glossary

Atlantic Region

A region consisting of the four Atlantic provinces: New Brunswick, Newfoundland and Labrador, Nova Scotia, and Prince Edward Island.

Canada Revenue Agency (CRA)

Federal agency in Canada responsible for taxation and the registration of charities.

Charitable organization

Any charity or non-profit organization that is approved by the CRA.

Endowment funds

Financial giving to a registered charity, whereby the charity does not spend the finances that are donated, but utilizes the continued growth and interest that results from the initial donations.

Gifts of cash

Financial charitable giving which can include grants, corporate donations, foundation grants and religious tithing.

Gifts of kind

Charitable giving through tangible objects that are recognized to have a certain value.

Human Sponsorship

Includes sponsoring an immigrant into Canada or sponsoring a child or community outside of Canada.

International Causes

Includes organizations that work in areas of international development and relief.

Mean

The average of the values in a set of data.

Acknowledgements

The authors would like to acknowledge the partnership with the board of the Community Foundation of Newfoundland and Labrador (www.cfnl.ca) for their support of this initiative. This research would not have been possible without the financial support received through the Applied Research Fund at the Leslie Harris Centre for Regional Policy and Development (www.mun.ca/harriscentre).



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Assets, Revenues and Gifts of Canada's Atlantic Community Foundations

September 2013

Ryan Gibson
Stephen Parmiter



Introduction

Philanthropy has become an increasingly important mechanism for addressing community and regional priorities and opportunities throughout Canada. The philanthropic movement in Canada is robust and dynamic. Over 2,900 active charities operate throughout Canada, resulting in over one billion delivered in grants in 2006 (Plewes, 2006). As communities and regions in Atlantic Canada look towards the future, they would be remiss to not discuss philanthropy. This paper contributes to that discussion by reviewing the financial standing of the ten community foundations in Atlantic Canada.

Community Foundations, as one type of registered charity, are defined as “an organization established to manage a community endowment fund, the income from which is distributed to registered charities within a community” (Canada Revenue Agency, 2013b). Further information on community foundations can be located at Community Foundations of Canada’s website – www.cfc-fcc.ca.

Specifically, this paper examines the financial assets of the community foundations, their revenues, and their gifts to qualified donees over an nine-year period from 2003-2011. Highlights of this analysis for the Atlantic region are presented. The addendum contains financial information on each of the ten community foundations in Atlantic Canada. Each of the figures in the addendum have a consistent scale to facilitate visual comparisons.

This working paper was prepared as a part of a larger applied research initiative examining the role of philanthropy in regional development in Newfoundland and Labrador. Further information on this initiative can be located at <http://philanthropy.ruralresilience.ca>.



Where Information Came From

This paper utilizes publically available information from the Canada Revenue Agency Charities Directorate. All registered charities in Canada, including community foundations, are required to annually submit the Registered Charity Information Return (T3010 form). The T3010 form provides information on the charity's board of directors, contact information, areas of programming, and financial assets. Data on financial assets is the primary focus of this paper. In particular, this report examined total financial assets, total revenue, and total gifts to qualified donees.

Each of the concepts are defined below based on information from Canada Revenue Agency.

Total financial assets

The total value, in a single fiscal year, of: cash, bank accounts, short-term investments; amounts receivable from non-arm's length parties; amounts receivable from all other; investments in non-arm's length parties; long-term investments; inventories; land and buildings in Canada, other capital assets in and outside Canada; and accumulated amortization of capital assets (Canada Revenue Agency, 2013b).

Total revenue

The total value, in a single fiscal year, of: gifts for which the charity issued tax receipts; gifts from other registered charities; amounts from governments (federal, provincial, municipal/regional); amounts from sources outside

Canada; amounts from interest and investment received; net proceeds of assets; gross income from building/land rental; non-tax receipted revenues (memberships, dues, association fees); non-tax receipted revenues from fundraising; and revenue from sale of goods and services (Canada Revenue Agency, 2013b).

Total gifts to qualified donee

A qualified donee is an organization that can issue official donation receipts for gifts it receives from individuals and corporations. It can also receive gifts from registered charities. A qualified donee can be: a registered charity; a registered Canadian amateur athletic association; a listed housing corporation resident in Canada constituted exclusively to provide low-cost housing for the aged; a listed Canadian municipality; a listed municipal or public body performing a function of government in Canada; a listed university outside Canada that is prescribed to be a university, the student body of which ordinarily includes students from Canada; a listed charitable organization outside Canada to which Her Majesty in right of Canada has made a gift; Her Majesty in right of Canada or a province; and the United Nations and its agencies (Canada Revenue Agency, 2013b).

The project collected all available financial information for the ten community foundations in Atlantic Canada over a nine-year period, 2003-2011. At the time of data collection, information for 2012 was not available on the CRA website. Information from the Canada Revenue Agency was transferred to a series of spreadsheets for analysis. The information presented on the Canada Revenue Agency's website did not contain responses to all questions. Table 1 outlines the availability for each of the ten community foundations by year. The absence of information for specific community foundations is noted throughout this paper.

Table 1. Canada Revenue Agency Available Data for Atlantic Community Foundations, 2003-2011

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Carleton North Community Foundation	‡	‡	‡	‡	‡	‡	✓	✓	✓
Community Foundation of Newfoundland and Labrador	‡	‡	✓	✓	✓	✓	✓	✓	✓
Community Foundation of Nova Scotia Society	✓	✓	✓	✓	*	✓	✓	✓	✓
Community Foundation of Prince Edward Island Inc.	*	*	*	*	*	*	*	*	*
Fredericton Community Foundation	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fundy Community Foundation	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rural Communities Foundation of Nova Scotia	✓	✓	✓	✓	*	✓	*	✓	✓
Sussex Area Community Foundation Incorporated	‡	*	✓	✓	✓	*	✓	*	✓
The Greater Saint John Community Foundation	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fondation communautaire de la Péninsule acadienne Inc.	✓	✓	✓	✓	✓	✓	✓	✓	✓

Source: Canada Revenue Agency (2013a)

* At least one value related to total revenue, total assets, and/or gifts to qualified donees is not reported on the Canada Revenue Agency's website.

‡ The community foundation was not established in this year.

✓ = complete information

Highlights of the Community Foundations in Atlantic Canada

This section provides an analysis of the financial assets, annual revenues, and annual gifts to qualified donees for the ten community foundations in Atlantic Canada. Information on specific community foundations can be located in the Addendum.

Establishment of Community Foundations

Atlantic Canada is home to ten community foundations. The first community foundation established in the Atlantic region was the Fredericton Community Foundation in 1967. Other than the Fredericton Community Foundation and The Greater Saint John Community Foundation, all community foundations in the Atlantic region were established in the 1990s and 2000s (see Table 2).

Table 2. Year Community Foundations Established in Atlantic Canada

	Year Established
Fredericton Community Foundation	1967
The Greater Saint John Community Foundation	1977
Fundy Community Foundation	1993
Community Foundation of Prince Edward Island Inc.	1994
Community Foundation of Nova Scotia Society	1998
Community Foundation of Newfoundland and Labrador	2002
Rural Communities Foundation of Nova Scotia	2002
Fondation communautaire de la Péninsule acadienne Inc.	2002
Sussex Area Community Foundation Incorporated	2004
Carleton North Community Foundation	2009

Almost all areas of the four Atlantic provinces are covered by the jurisdiction of a community foundation (see Figure 1). Newfoundland and Labrador, Nova Scotia, and Prince Edward Island each have a province wide community foundation. There are currently four community foundations in New Brunswick, representing a substantial portion of the provincial population.

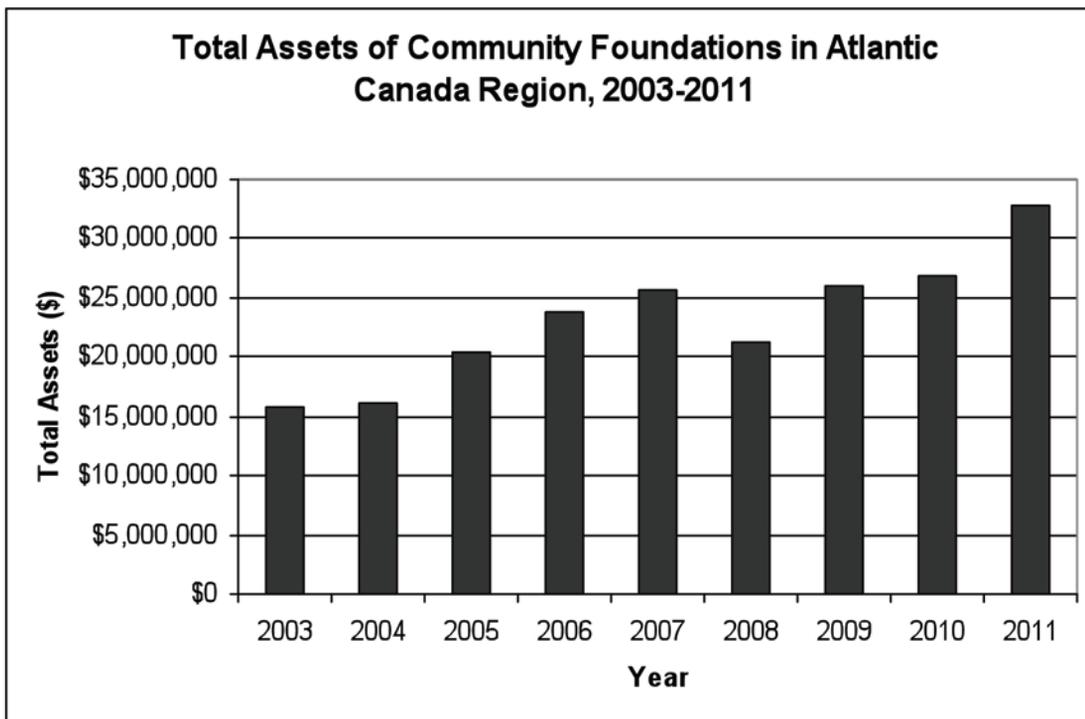
Figure 1. Map of Community Foundations in Atlantic Canada, by Administration Office Location



Total Assets

The total assets of Atlantic Canada's ten community foundations was \$32,732,545 in 2011 (see Figure 2). Since 2003, there has been a pattern of increases to the value of total assets in Atlantic Canada's community foundations. The only exception to this statement was recorded in 2008, which corresponds to the global recession discussed further below.

Figure 2



Source: Canada Revenue Agency (2013a)



The recent global economic recession is clearly evident in Figure 2. Similar to jurisdictions across Canada and internationally (Charities Aid Foundation, 2009; Community Foundations of Canada, 2010), community foundations in Atlantic Canada saw their total assets decrease in 2008. Nine of ten community foundations reporting total values in 2008 illustrated a decrease in the value of total assets. For most community foundations (7 of 9), the value of their total assets rebounded in 2009. By 2011, all community foundations witnessed a rebound to their total assets.

Over a nine-year period, from 2003-2011, the increase in the total assets of community foundations in the Atlantic region was 64%. The total assets by each community foundation for 2011 are listed in Table 3, Further details on the value of total assets by each community foundation can be found in the Addendum.

Table 3. Total Assets by Community Foundation, 2011

	Total Assets, 2011
Carleton North Community Foundation	\$2,128,309
Community Foundation of Newfoundland and Labrador	\$723,843
Community Foundation of Nova Scotia Society	\$996,707
Community Foundation of Prince Edward Island Inc.	\$4,128,961
Fondation communautaire de la Péninsule acadienne Inc.	\$1,434,466
Fredericton Community Foundation	\$9,491,954
Fundy Community Foundation	\$3,428,156
Rural Communities Foundation of Nova Scotia	\$401,780
Sussex Area Community Foundation Incorporated	\$1,404,568
The Greater Saint John Community Foundation	\$8,593,710

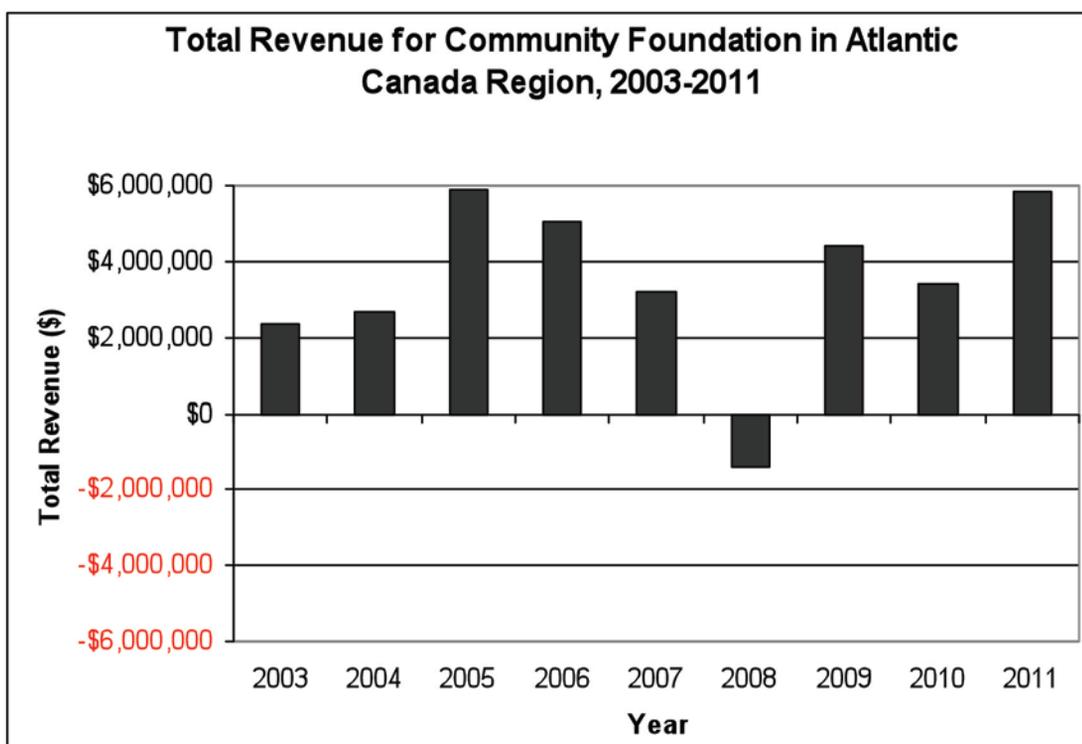
Source: Canada Revenue Agency (2013a)



Total Revenue

The total revenue collected by community foundations in the Atlantic region has varied over the period of 2003-2011 (see Figure 3). In 2011, the total revenue of the Atlantic community foundations was \$5,610,376.

Figure 3. Total Revenue of Community Foundations in the Atlantic Region, 2003-2011



Source: Canada Revenue Agency (2013a)

The economic recession appears to have had a substantial influence on the total revenues of community foundations. Revenues in 2008 were substantially lower than previous years; in fact, four community foundations realized negative total revenues (Community Foundation of Prince Edward Island, Fundy Community Foundation, Rural Communities Foundation of Nova Scotia, and The Greater Saint John Community Foundation). By 2011, the total revenues of the Atlantic community foundations were back to pre-recession values witnessed in 2005-2006.

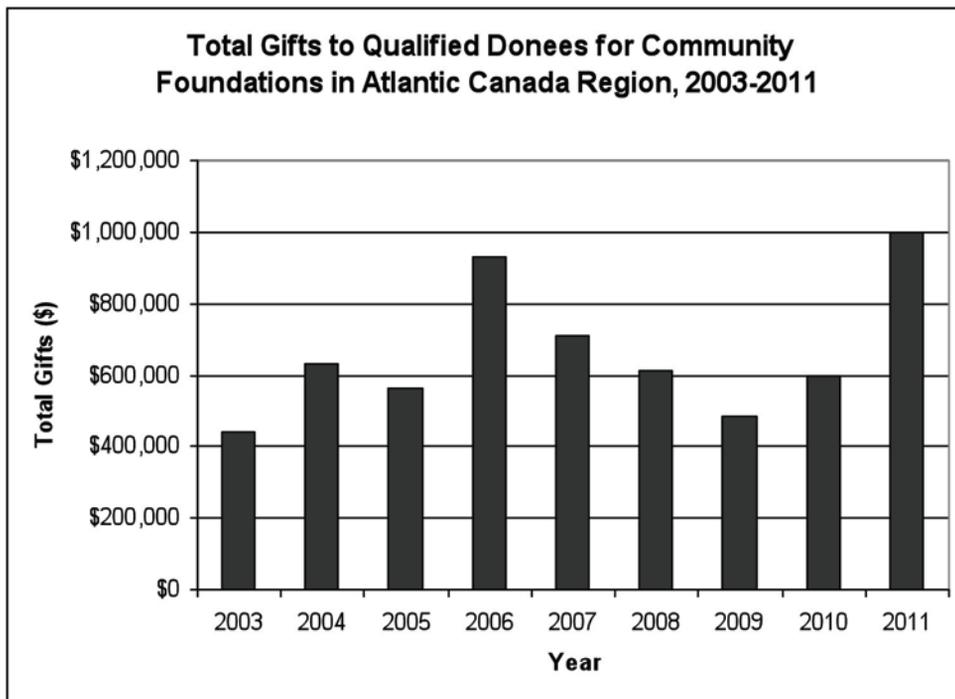




Total Gifts to Qualified Donees

Community foundations in the Atlantic region have made substantial financial contributions to their respective communities and regions. Community foundations have funded a wide array of initiatives, such as education, food/clothing banks, and children/youth services and housing. In 2011, nearly \$1,174,839 were provided by the Atlantic community foundations to their respective communities/regions. Since 2003, these ten community foundations have returned \$6,600,106 to their communities/regions (see Figure 4).

Figure 4.



Source: Canada Revenue Agency (2013a)

Not surprisingly, the economic recession of 2008 has influenced the value of total gifts to qualified donees. Similar to the pattern experienced in total revenues, the value of total gifts to qualified donees in 2011 had rebounded.

Addendum Assets, Revenues, and Gifts by Community Foundation

The following section provides an overview of the financial assets, annual revenues, and annual gifts to qualified donees of each individual community foundation in Atlantic Canada. All information within these profiles has been collected from the Canada Revenue Agency's Charities Directorate.

The tables throughout this section have a consistent range on the y-axis to facilitate comparisons between community foundations. In instances where data was unavailable from the Canada Revenue Agency website it has been noted. The lack of specific data noted in this section does not imply community foundations did not submit the information to the Canada Revenue Agency. Rather, it implies the information was not available the Canada Revenue Agency website at the time the data was collected for this paper.

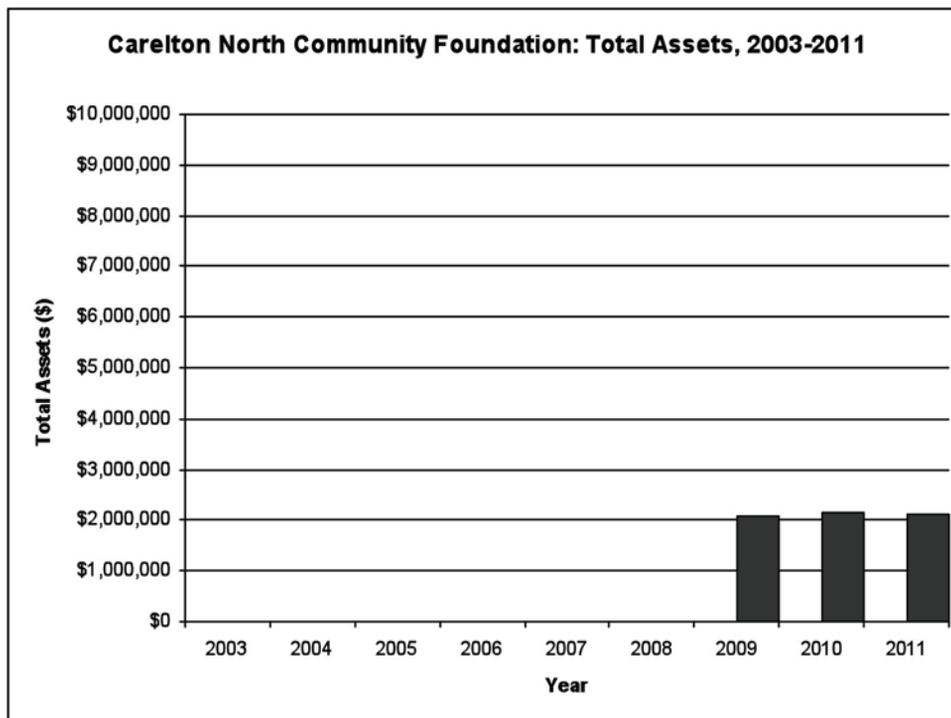


Carleton North Community Foundation

The Carleton North Community Foundation was established in 2009. The Foundation's administrative office is based in Florenceville, New Brunswick. Details on the Carleton North Community Foundation can be found at <http://cncfdn.ca>.

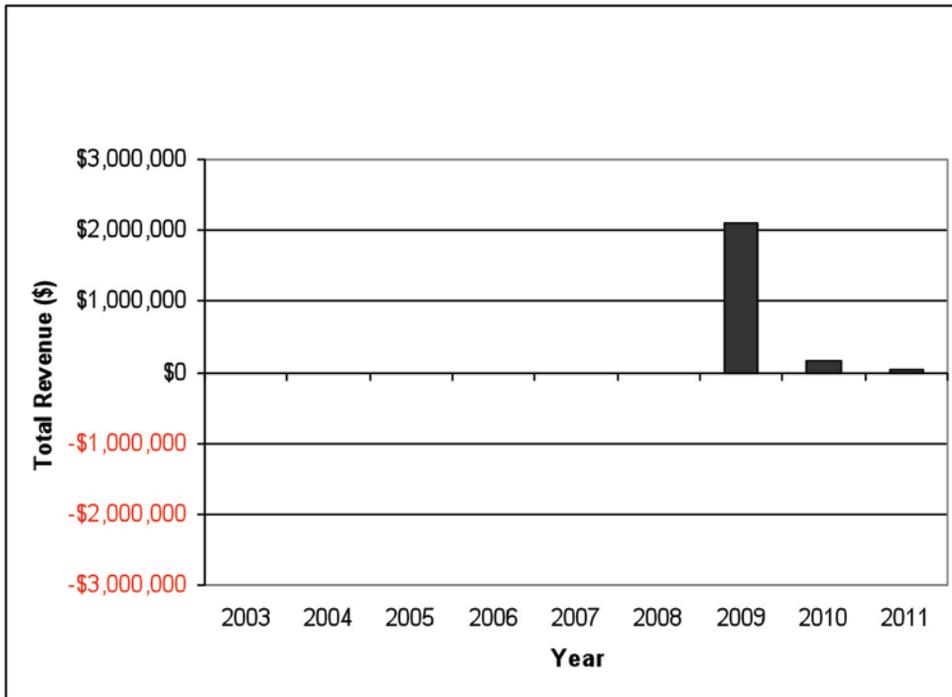
Since the Carleton North Community Foundation was formed in 2009, no financial information is presented from 2003-2008. No information regarding total gifts to qualified donees was available for the Carleton North Community Foundation from 2009-2011.

Total Assets



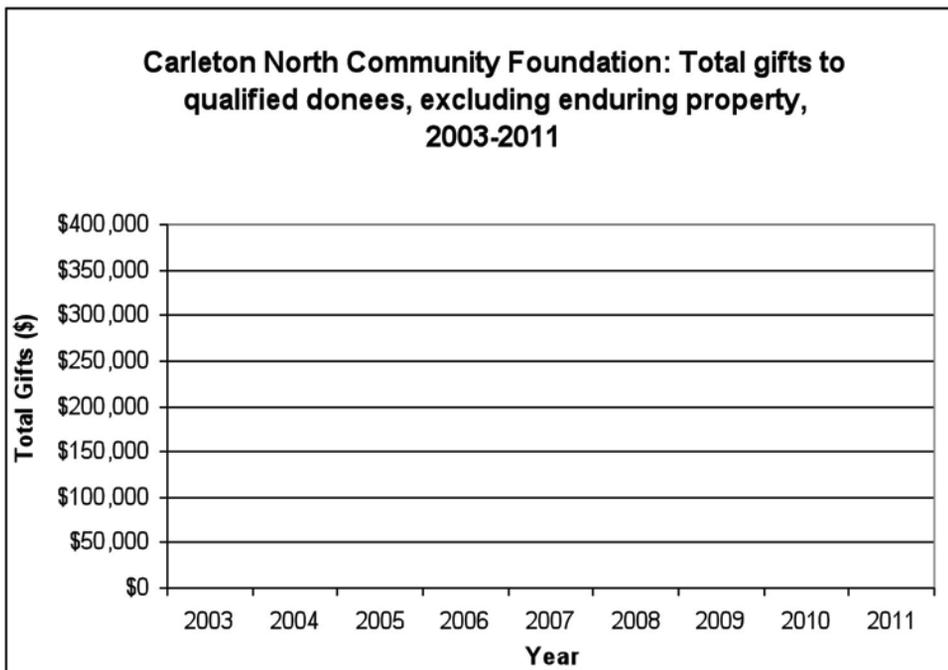
Source: Canada Revenue Agency (2013a)

Total Revenue



Source: Canada Revenue Agency (2013a)

Total Gifts to Qualified Donees

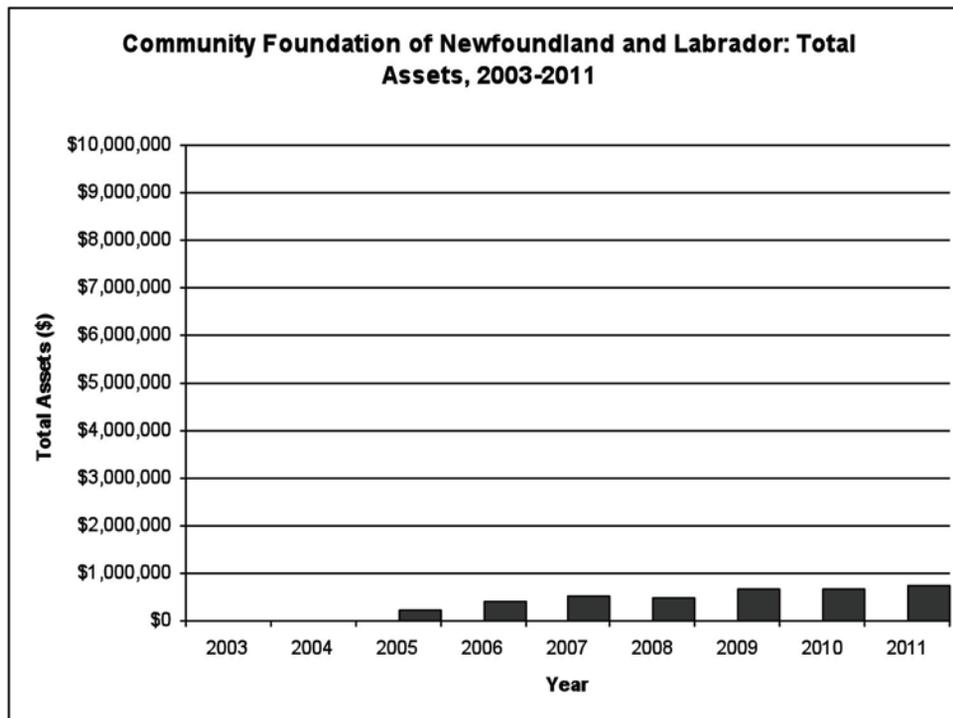


Source: Canada Revenue Agency (2013a)

Community Foundation of Newfoundland and Labrador

The Community Foundation of Newfoundland and Labrador was established in 2002. The Foundation's administrative office is based in St John's, Newfoundland and Labrador. Details on the Community Foundation of Newfoundland and Labrador can be found at <http://www.cfnl.ca>.

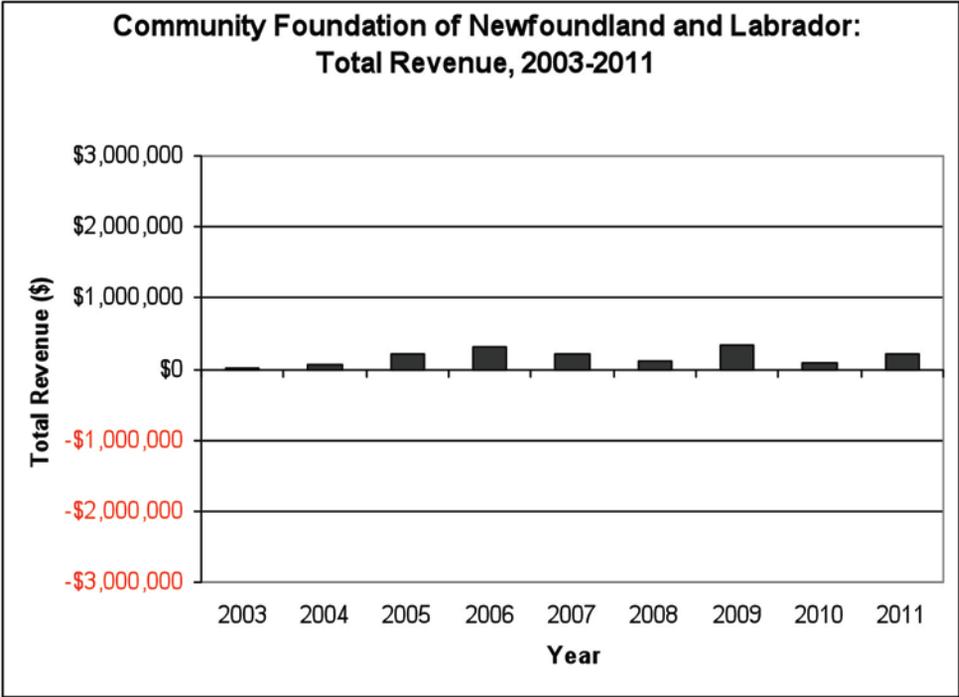
Total Assets



Source: Canada Revenue Agency (2013a)

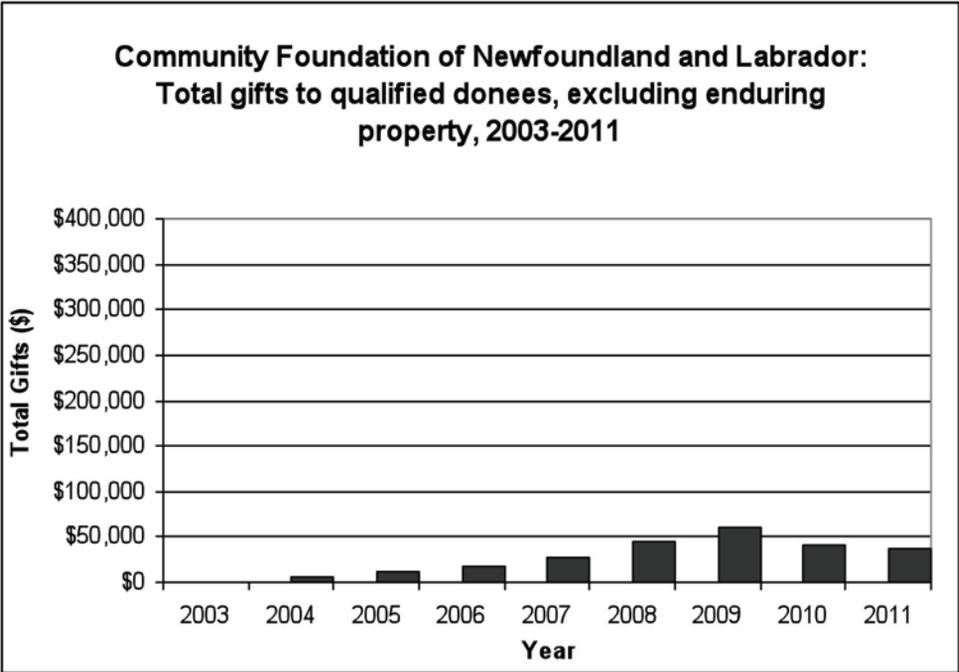
In 2003, the Community Foundation of Newfoundland and Labrador had total assets of \$1,967. There was no value for total assets on Canada Revenue Agency website for 2004.

Total Revenue



Source: Canada Revenue Agency (2013a)

Total Gifts to Qualified Donees

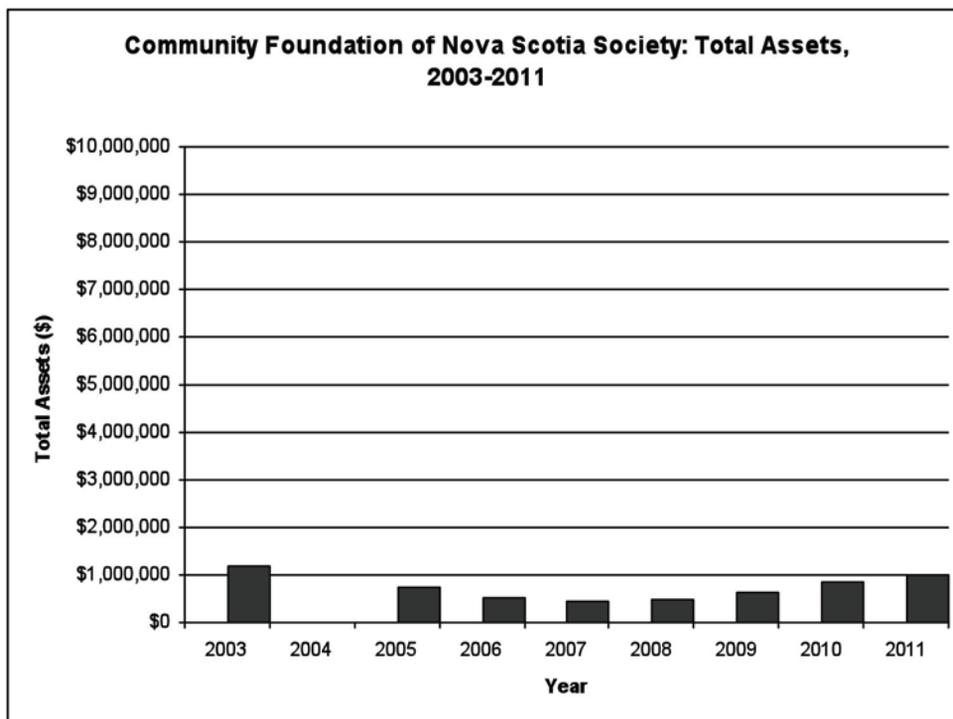


Source: Canada Revenue Agency (2013a)

Community Foundation of Nova Scotia Society

The Community Foundation of Nova Scotia Society was established in 1998. The Foundation's administrative office is based in Halifax, Nova Scotia. Details on the Community Foundation of Nova Scotia Society can be found at <http://www.cfns.ca>.

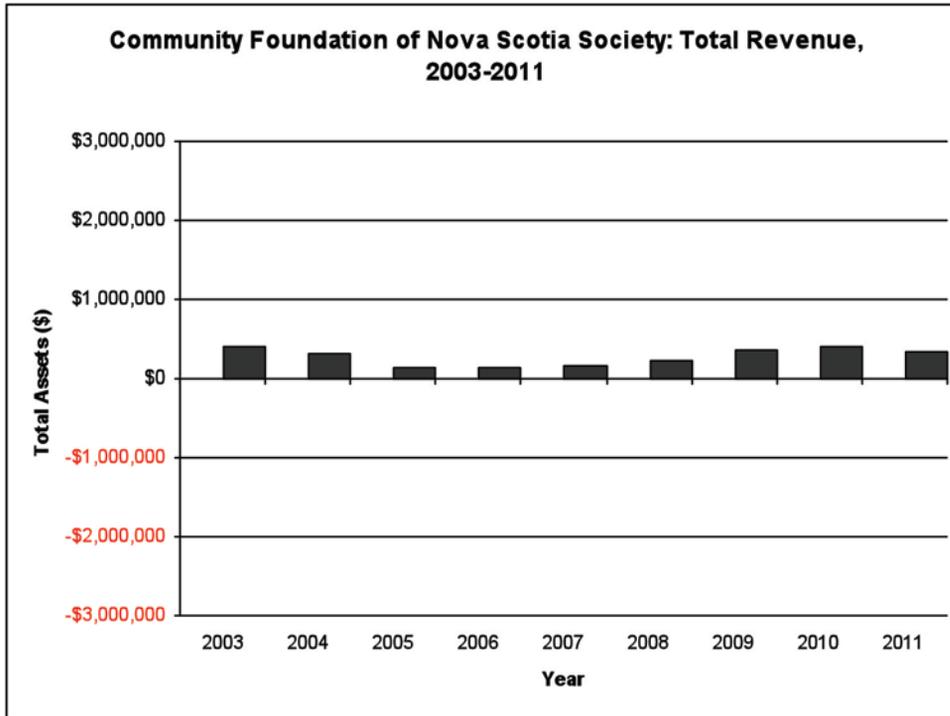
Total Assets



Source: Canada Revenue Agency (2013a)

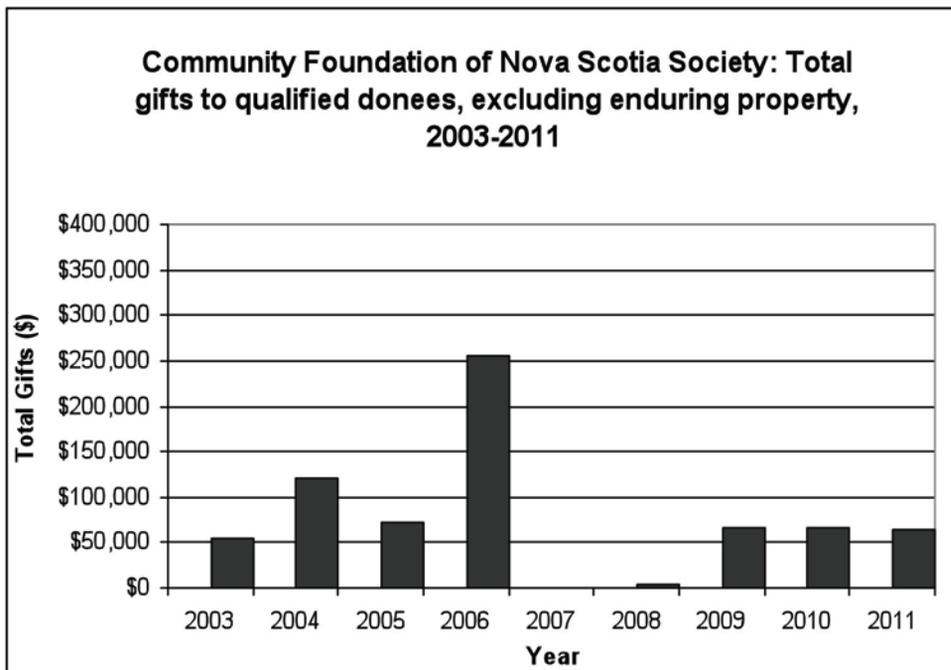
In 2004 no value for total assets was recorded on the Canada Revenue Agency website.

Total Revenue



Source: Canada Revenue Agency (2013a)

Total Gifts to Qualified Donees



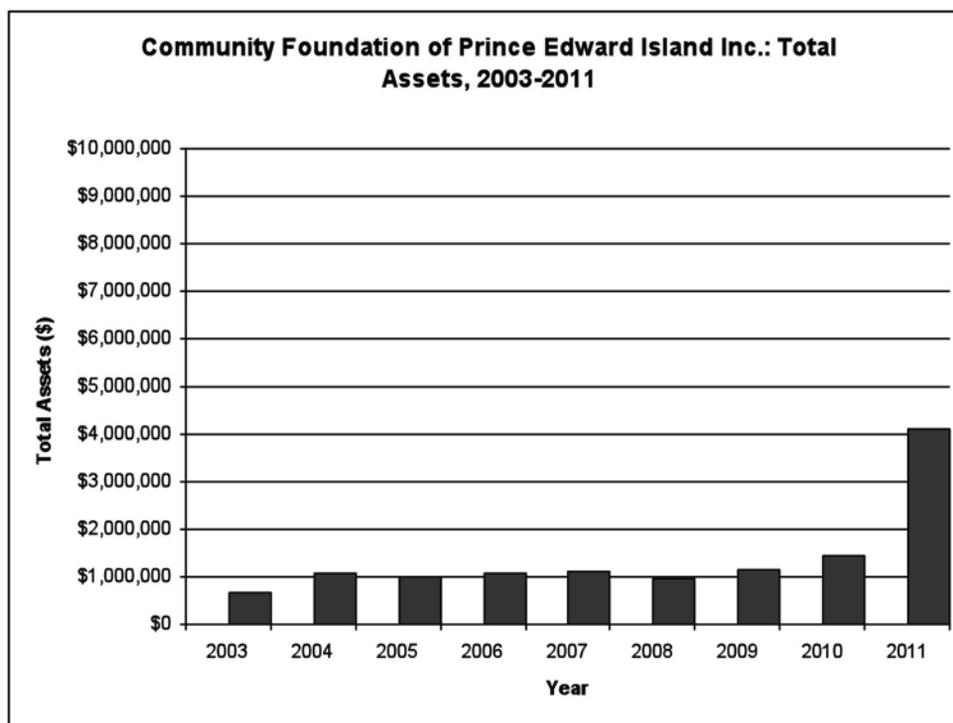
Source: Canada Revenue Agency (2013a)

In 2007, no value for total gifts to qualified donees was registered on the Canada Revenue Agency.

Community Foundation of Prince Edward Island

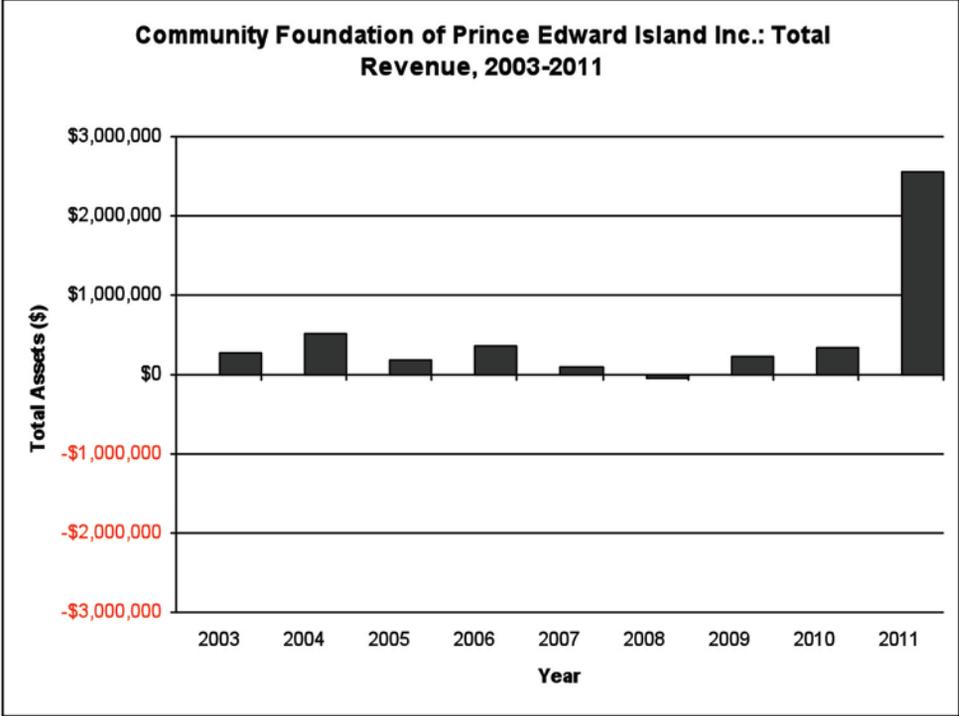
The Community Foundation of Prince Edward Island was established in 1994. The Foundation's administrative office is based in Charlottetown, Prince Edward Island. Details on the Community Foundation of Prince Edward Island can be found at <http://www.cfpei.ca>.

Total Assets



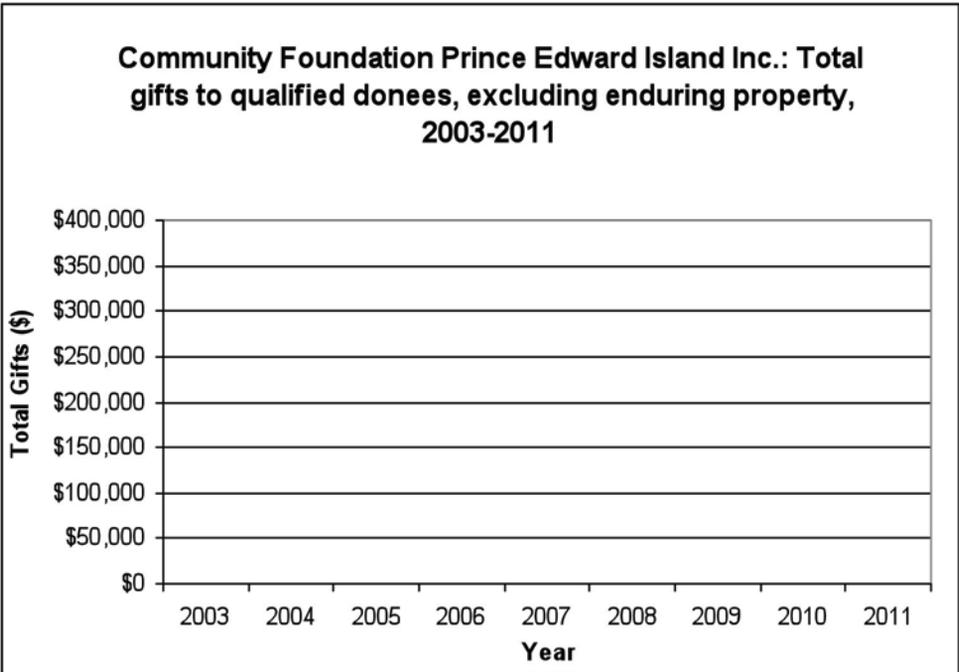
Source: Canada Revenue Agency (2013a)

Total Revenue



Source: Canada Revenue Agency (2013a)

Total Gifts to Qualified Donees



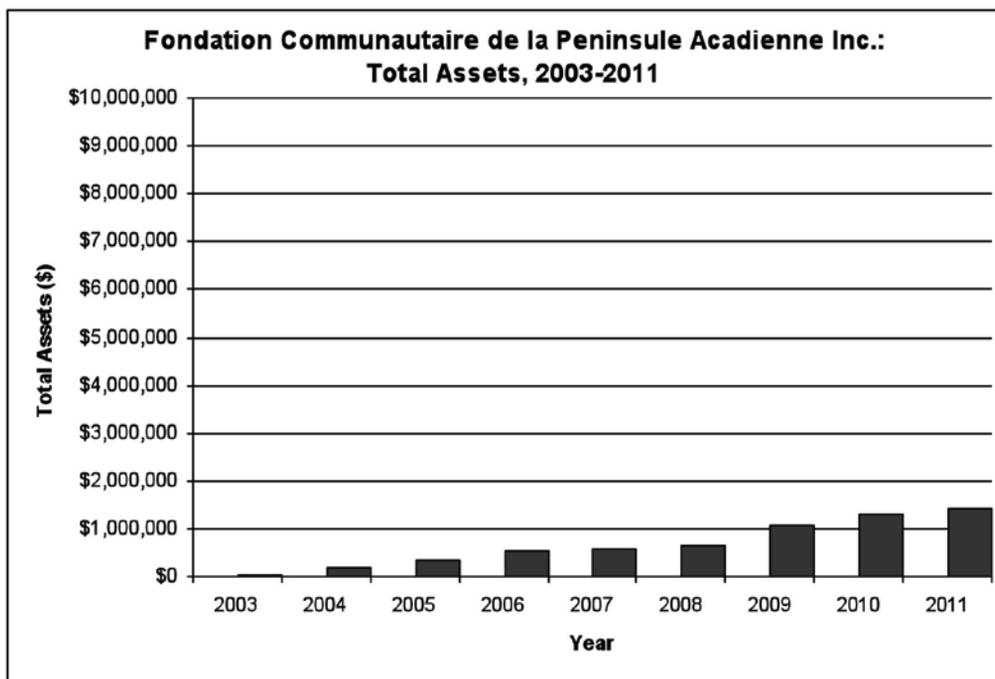
Source: Canada Revenue Agency (2013a)

No values for total gifts to qualified donees were registered on the Canada Revenue Agency from 2003-2011.

Fondation communautaire de la péninsule acadienne

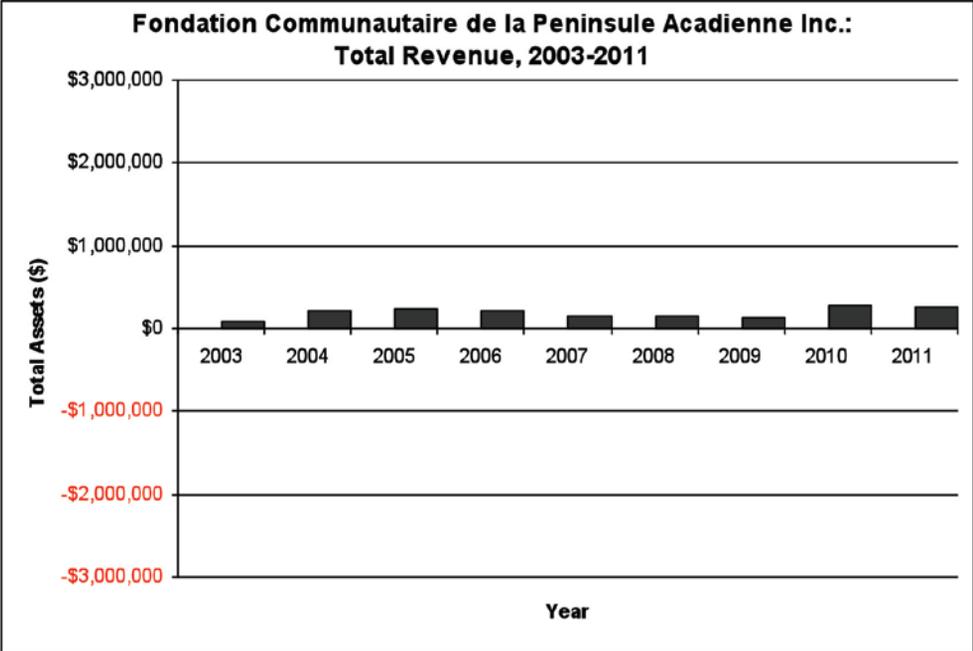
The Fondation communautaire de la péninsule acadienne was established in 2002. The Foundation's administrative office is based in Paquetville, New Brunswick. Details on the Fondation communautaire de la péninsule acadienne can be found at <http://www.fondationcompa.com>.

Total Assets



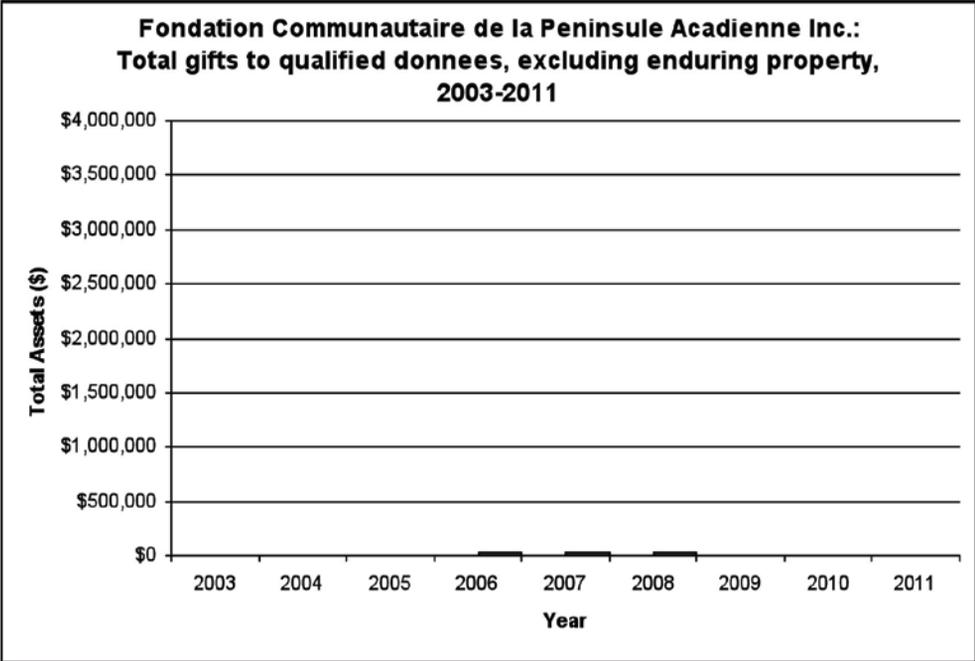
Source: Canada Revenue Agency (2013a)

Total Revenue



Source: Canada Revenue Agency (2013a)

Total Gifts to Oualified Donees

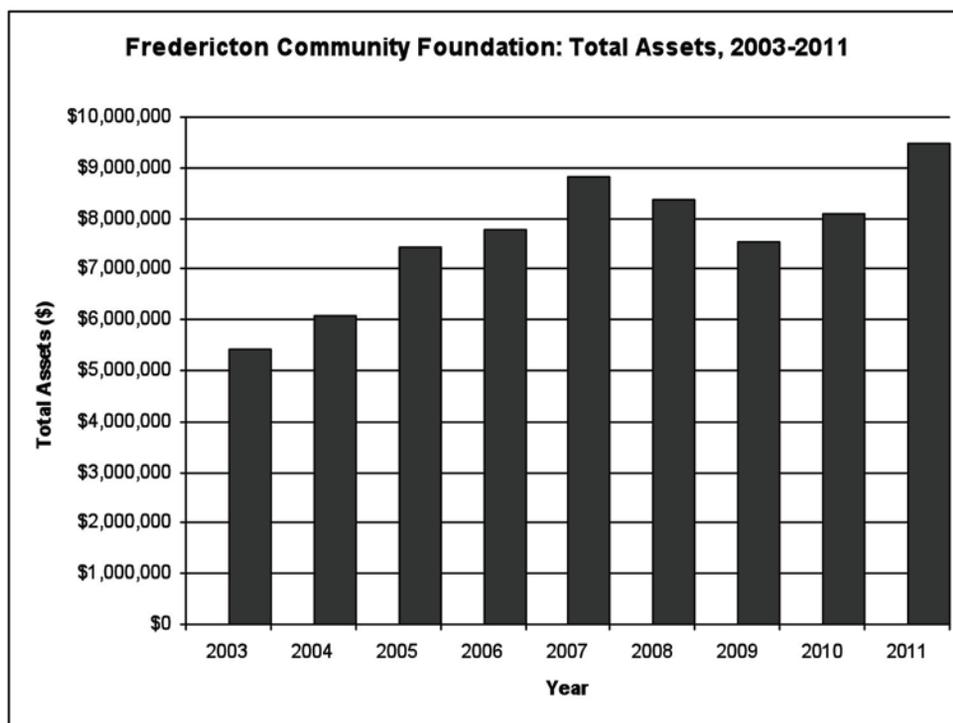


Source: Canada Revenue Agency (2013a)

Fredricton Community Foundation

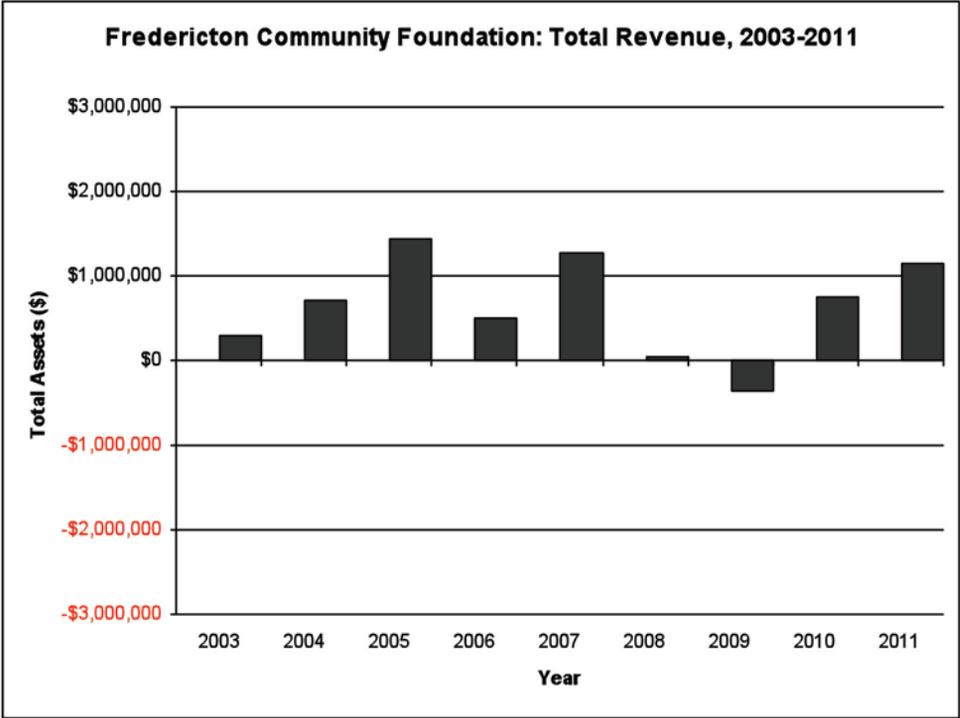
The Fredericton Community Foundation was established in 1967. The Foundation's administrative office is based in Fredericton, New Brunswick. Details on the Fredericton Community Foundation can be found at <http://www.fredfdn.ca>.

Total Assets



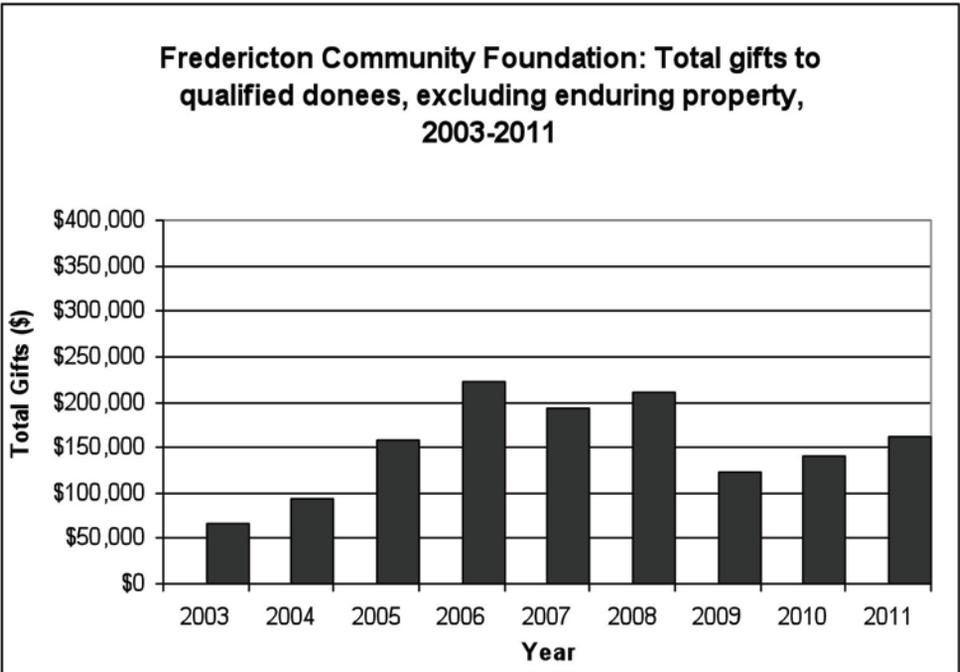
Source: Canada Revenue Agency (2013a)

Total Revenue



Source: Canada Revenue Agency (2013a)

Total Gifts to Qualified Donees

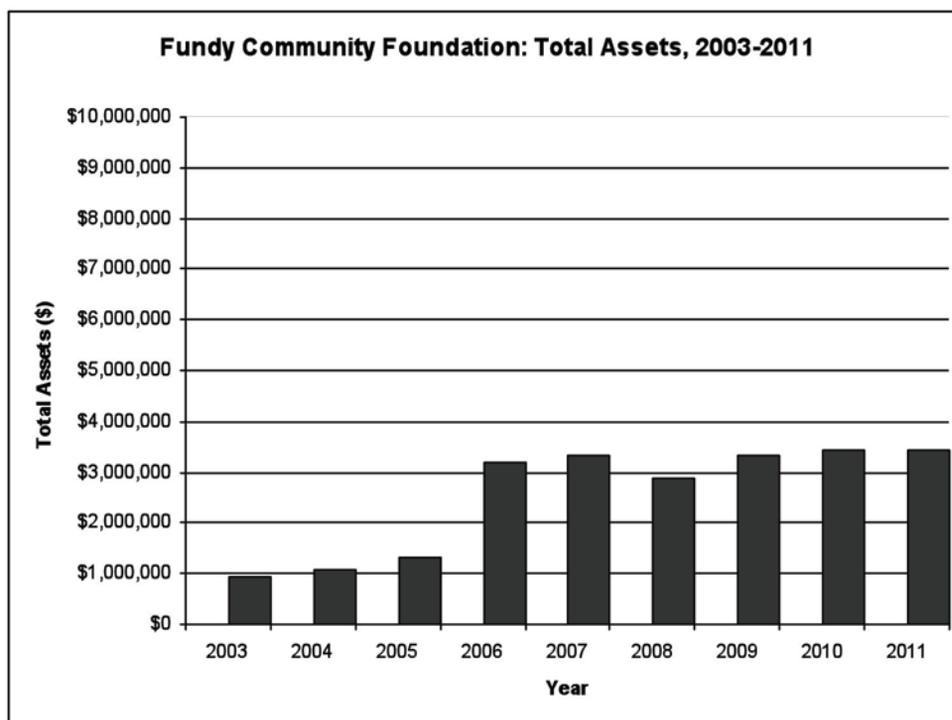


Source: Canada Revenue Agency (2013a)

Fundy Community Foundation

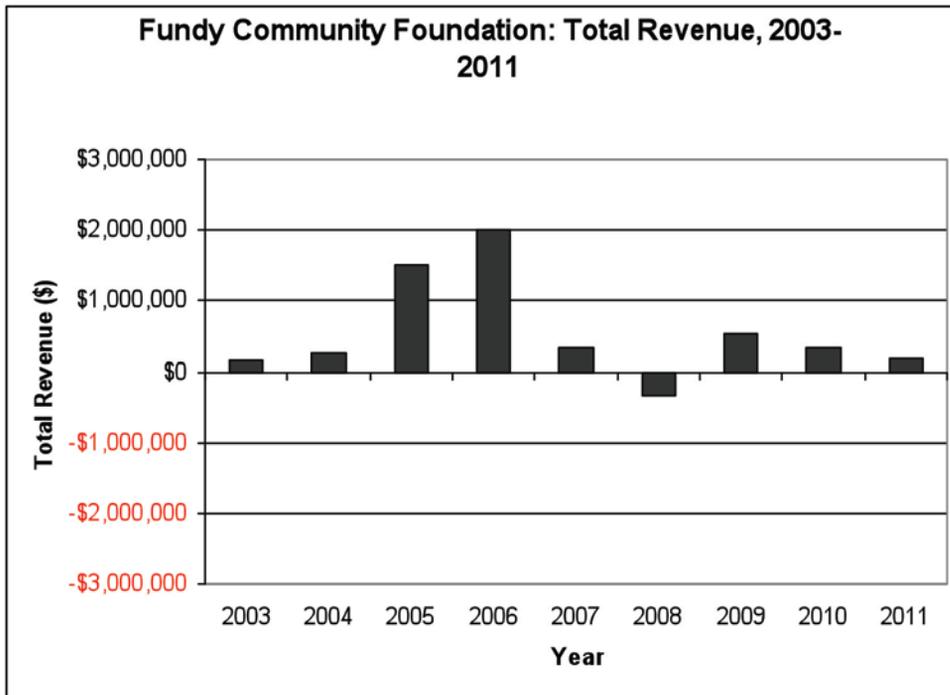
The Fundy Community Foundation was established in 1993. The Foundation's administrative office is based in St Andrews, New Brunswick. Details on the Fundy Community Foundation can be found at <http://www.fcf.nb.ca>.

Total Assets



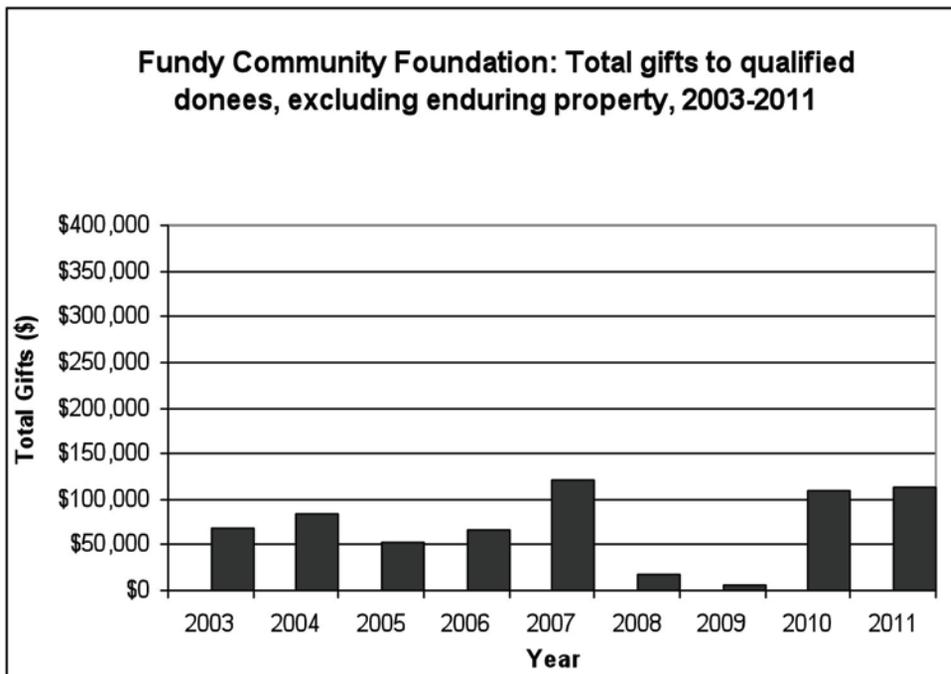
Source: Canada Revenue Agency (2013a)

Total Revenue



Source: Canada Revenue Agency (2013a)

Total Gifts to Qualified Donees

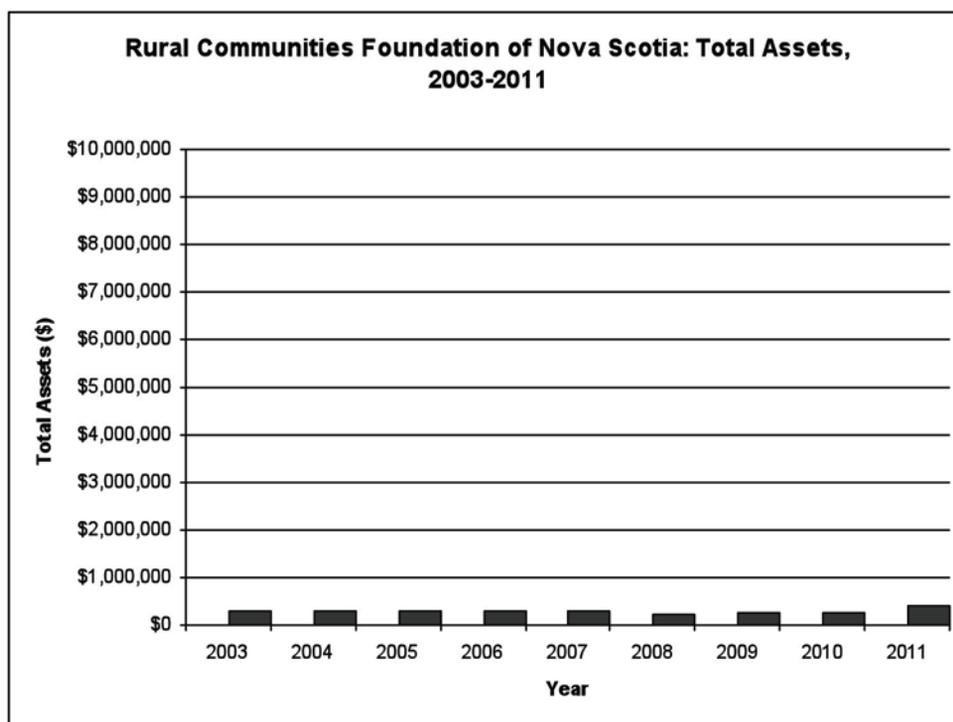


Source: Canada Revenue Agency (2013a)

Rural Communities Foundation of Nova Scotia

The Rural Communities Foundation of Nova Scotia was established in 2002. The Foundation's administrative office is based in Truro, Nova Scotia. Details on the Rural Communities Foundation of Nova Scotia can be found at <http://www.ruralcommunitiesfdn.ca>.

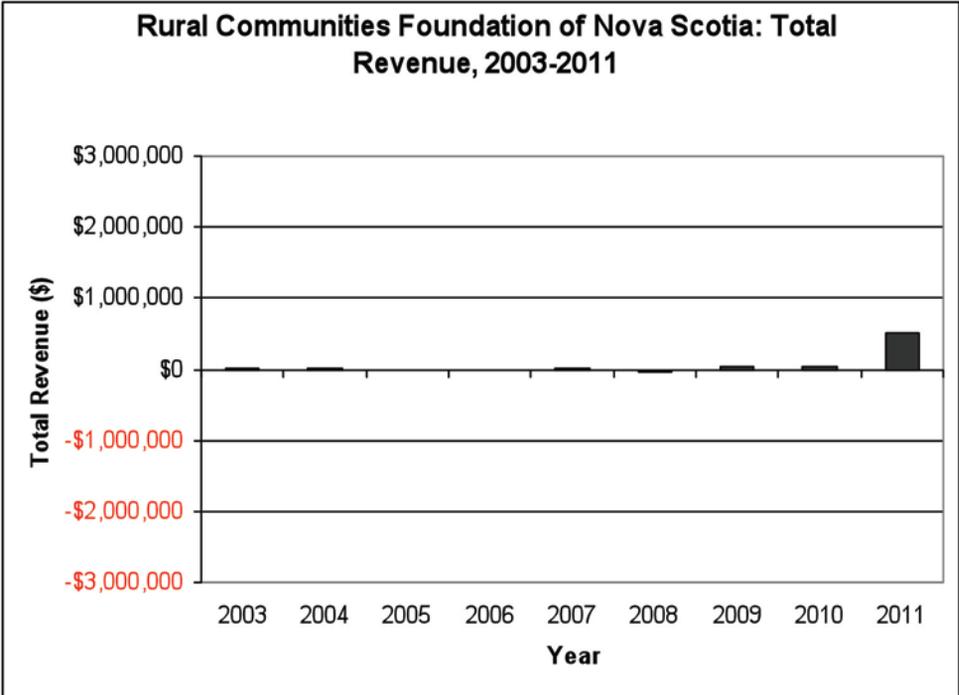
Total Assets



Source: Canada Revenue Agency (2013a)

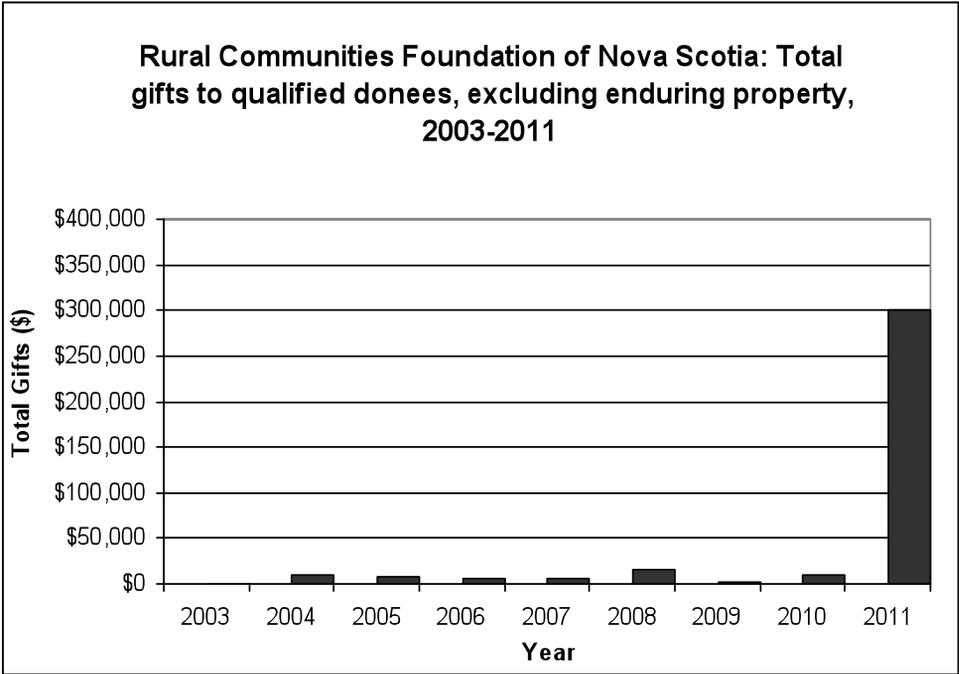
In 2004 no value for total assets was recorded on the Canada Revenue Agency website.

Total Revenue



Source: Canada Revenue Agency (2013a)

Total Gifts to Qualified Donees



Source: Canada Revenue Agency (2013a)

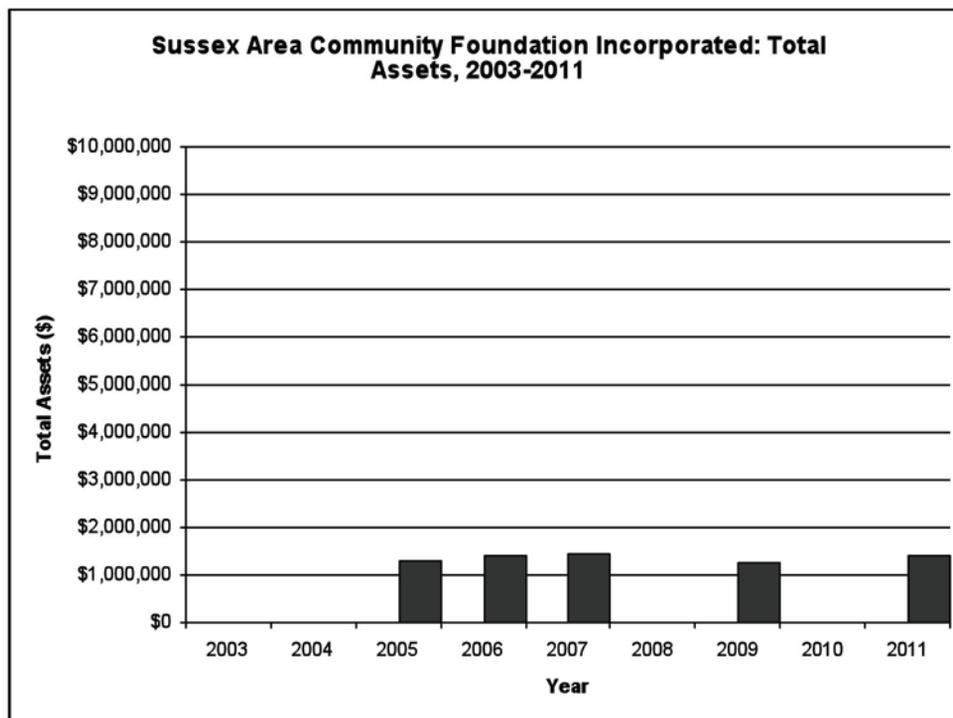
In 2007, no value for total gifts to qualified donees was registered on the Canada Revenue Agency.

Sussex Area Community Foundation

The Sussex Area Community Foundation was established in 2004. The Foundation's administrative office is based in Sussex, New Brunswick. Details on the Sussex Area Community Foundation can be found at <http://www.sacfi.org>.

Since the Sussex Area Community Foundation was formed in 2004, no financial information is presented for 2003.

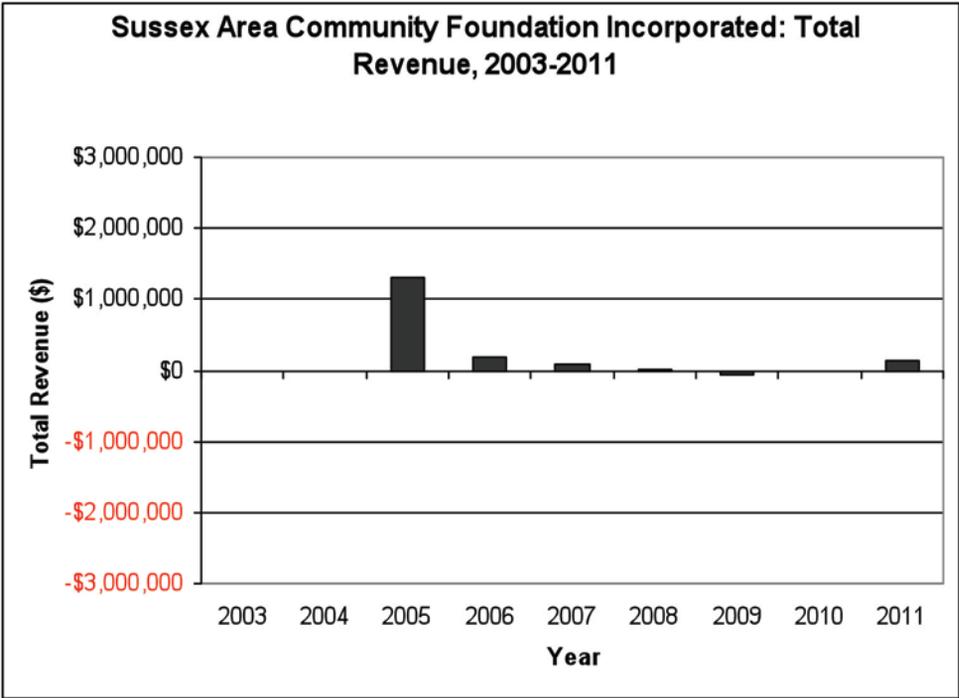
Total Assets



Source: Canada Revenue Agency (2013a)

No values for total assets were registered on the Canada Revenue Agency website for 2004, 2008, and 2010.

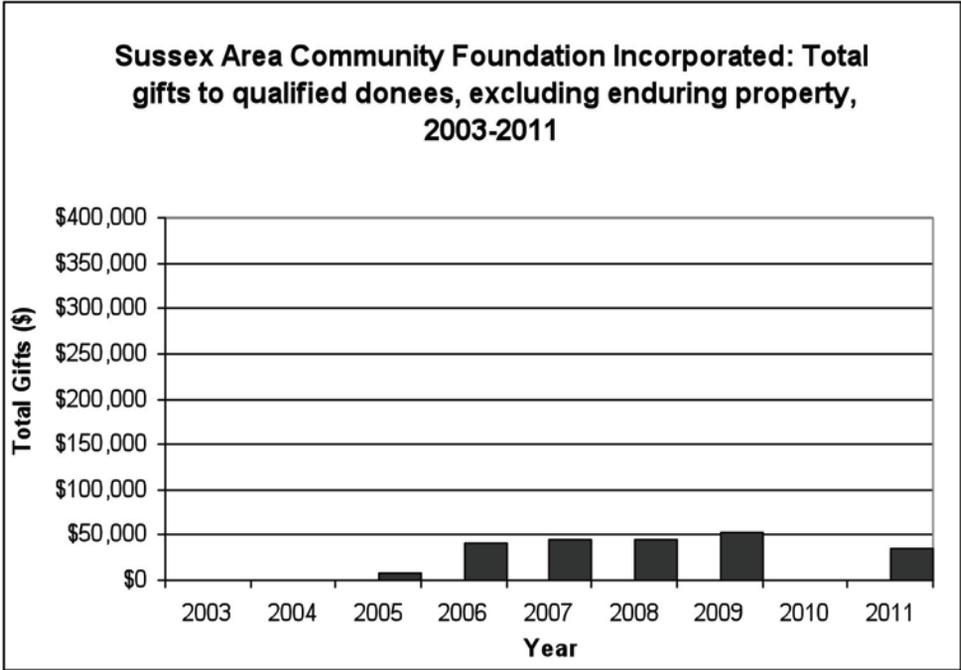
Total Revenue



Source: Canada Revenue Agency (2013a)

In 2004 and 2010 no values for total revenue were registered on the Canada Revenue Agency website.

Total Gifts to Qualified Donees



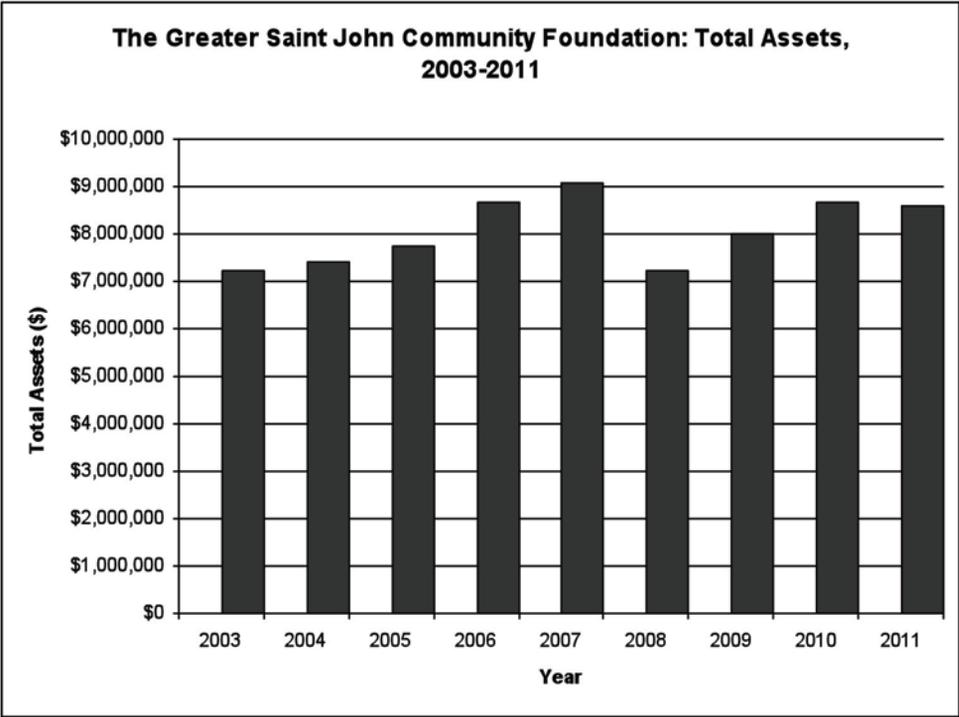
Source: Canada Revenue Agency (2013a)

In 2004 and 2010 no values for total gifts to qualified donees on the Canada Revenue Agency website.

The Greater Saint John Community Foundation

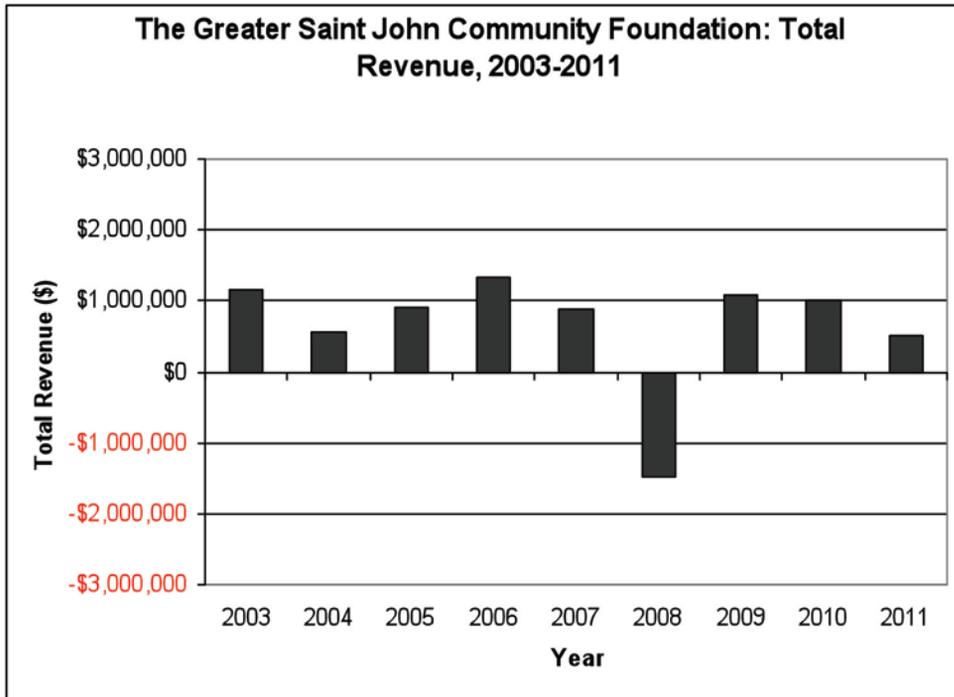
The Greater Saint John Community Foundation was established in 1977. The Foundation's administrative office is based in Saint John, New Brunswick. Details on The Greater Saint John Community Foundation can be found at <http://www.saint-john-foundation.nb.ca>.

Total Assets



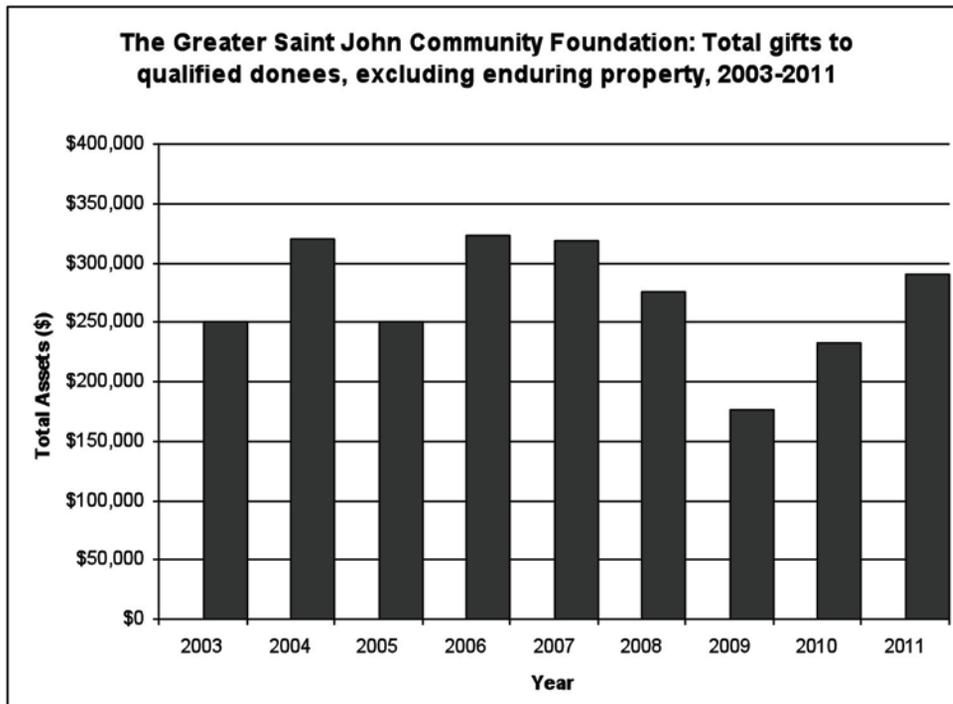
Source: Canada Revenue Agency (2013a)

Total Revenue



Source: Canada Revenue Agency (2013a)

Total Gifts to Qualified Donees



Source: Canada Revenue Agency (2013a)



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Examination of Community Foundations in Atlantic Canada

March 2014

Joshua Barrett
Ryan Gibson



Introduction

The community foundation movement is not new to Canadian citizens, especially those residing in the Atlantic Region. The first Atlantic Canadian community foundation, Fredericton Community Foundation, was established in 1967. Since then, nine additional community foundations have been established in the Atlantic Provinces, with the most recent being Carleton North Community Foundation based in Florenceville, New Brunswick.

Community Foundations, as one type of registered charity, are defined as “an organization established to manage a community endowment fund, the income from which is distributed to registered charities within a community” (Canada Revenue Agency, 2013). Further information on community foundations can be located at Community Foundations of Canada’s website – www.cfc-fcc.ca.

Every community foundation unique; each with unique capacities. Each community foundation consists of a group of dedicated volunteers committed to collective action for their communities/region, endowment building initiatives, short-term and long-term goals, as well as challenges. During the spring of 2013, a survey was administered to community foundations in the Atlantic Region in an effort to determine the similarities and differences among the community foundations. This report provides an analysis of the community foundation survey and summarizes key findings that were made explicit through this process.

This report was prepared as part of a larger applied research initiative examining the role of philanthropy in regional development in Newfoundland and Labrador. Further information on this initiative can be located at <http://philanthropy.ruralresillience.ca>.



Method of Data Collection

This report is based on data collected directly from community foundations through an online survey. The survey was administered from May – September 2013. The survey consisted of approximately fifty questions related community foundations, their organizational practices, board members, funding priorities, and granting practices. Of the 10 surveys that were distributed within the Atlantic Region, all 10 community foundations responded. The 100% response rate allows for a comprehensive analysis of the community foundation movement in Atlantic Canada.

All tables in the report are presented as a percent based on the responses from all 10 community foundations unless otherwise stated.



Profile of Responding Community Foundations

An introduction to the online survey was distributed to each of the ten community foundation's publically available contact information. This information was retrieved from their respective websites and annual reports. Although all ten community foundations responded, the individual and their position within their respective foundation varied. The majority of survey respondents (9 of 10) were staff members from their respective community foundations, with an exception in one case where the survey was answered by a board member. Eighty percent of survey respondents were female while the remaining 20% were male.

Map of Community Foundations in Atlantic Canada, based on Administrative Office Location

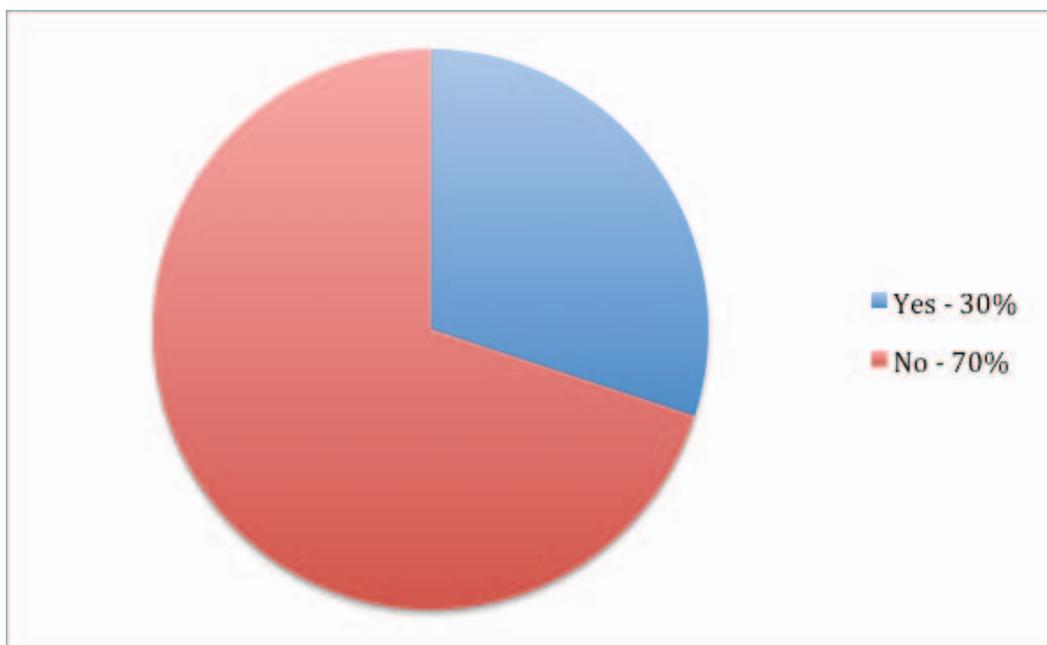


Survey Results

Composition of Board Directors

The number of board members varied between the community foundations. These numbers ranged from nine to fifteen members, with the average of 12. Thirty percent of community foundations, as noted in Figure 1, specified that they currently have a least one vacant positions on their board.

Figure 1. Percentage of community foundations with vacancies on their board.



The gender composition of board members also varied among the community foundations. In general, females sitting on community foundation boards in the Atlantic Region represented 38% (total of 45 female board member), compared to the 62% for males (total of 73 male board members). Seventy percent of community foundation boards had a majority of males while 20% of community foundations consisted of female dominated boards. One community foundation had 6 males and 6 females on its board.

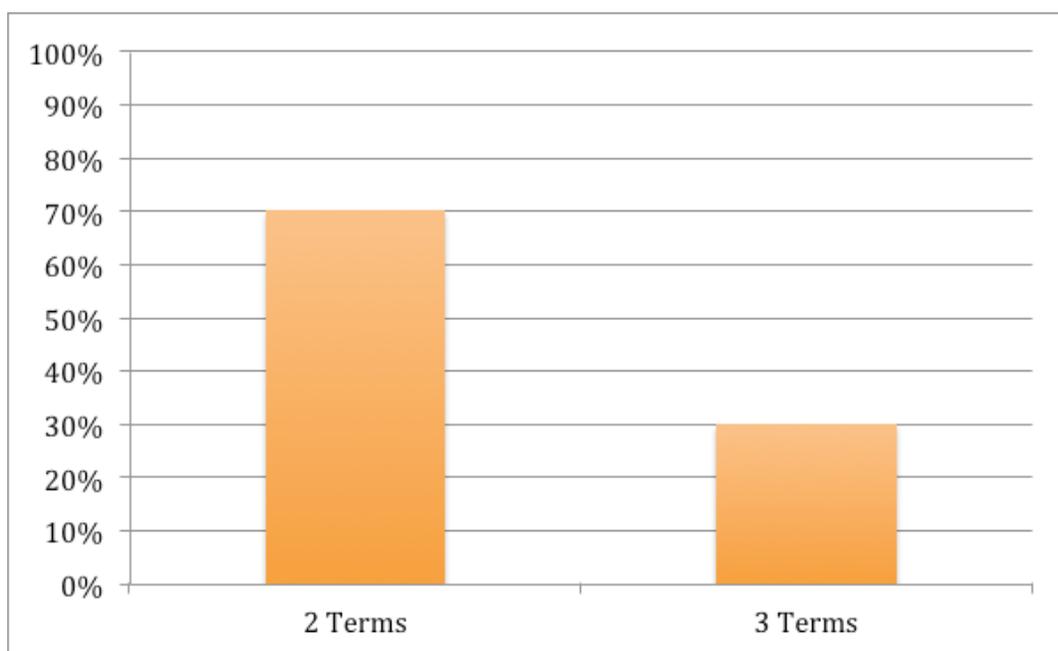
Individuals between the ages of 35-64 were the most common age composition of board members (73% of all board members). Only 8% of board members in Atlantic Canada are under the age of 35 and 19% of board members were aged 65 and over.

Board Member Selection and Mandate

Board members of Atlantic Canada’s community foundations are selected in two distinct ways: a nominating committee or a process of appointment. The nominating committee method is where a select group of current board members nominate individual(s) in the community that are believed to represent the community and the community foundation. Seventy percent of community foundations in Atlantic Canada utilize a nominating committee. The appointed method is where current board members simply decide amongst themselves which individuals are preferable to sit on the board during the next term, which is followed by reaching out to these people. The remaining community foundations utilize a series of appointments of a combination of nominating committee and appointments for selecting board members.

With the exception of the Greater Saint John Community Foundation, which provides four-year terms for their members, all other community foundation boards provide three-year terms. As shown through Figure 2, 70% of community foundations allow board members to sit for two consecutive terms, whereas 30% of foundations permit a three consecutive terms.

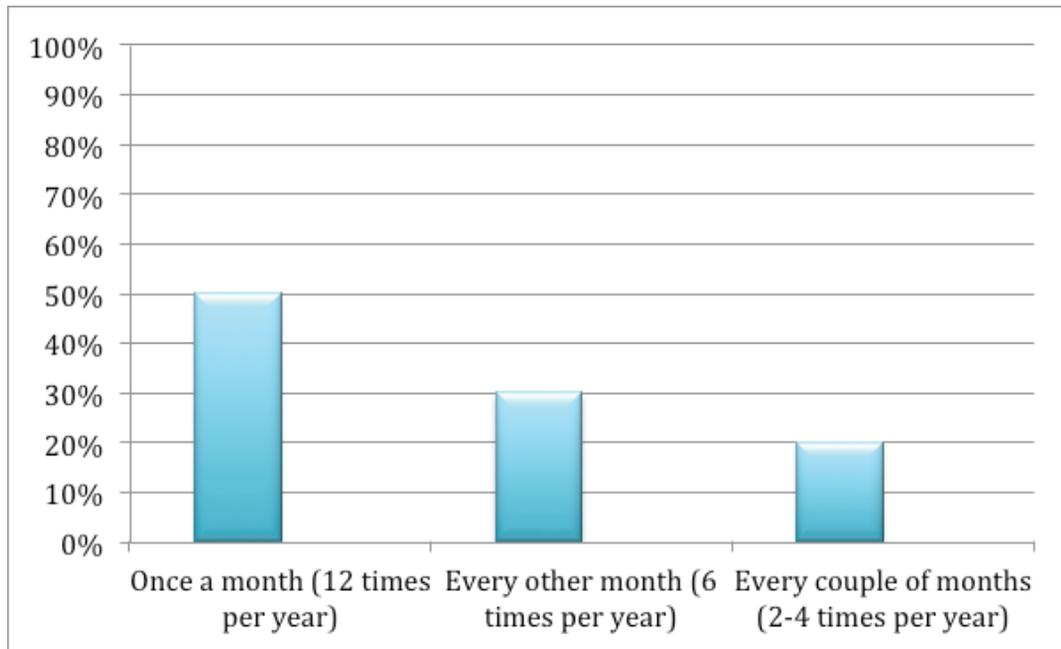
Figure 2. Number of terms allowed by sitting board members.



Meetings

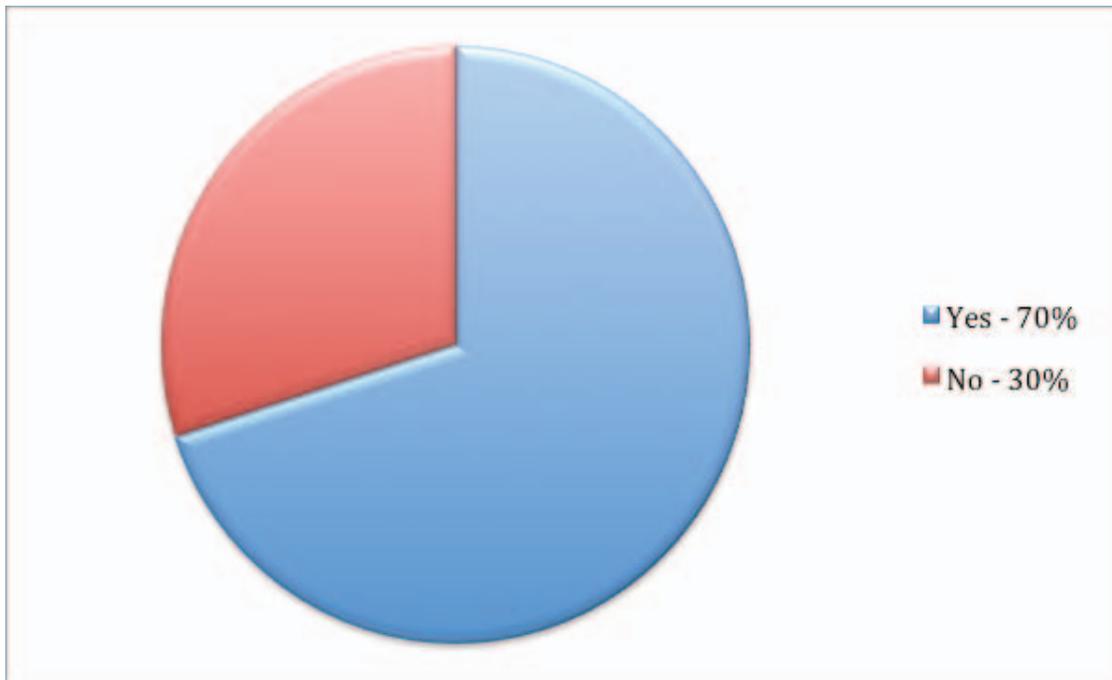
The frequency of board meetings differs between each community foundation. Figure 3 explains how 50% of community foundations meet once a month, whereas 30% of community foundations meet every second month, and 20% of community foundations meet between 2 to 4 times each year.

Figure 3. Frequency of board meetings.



Every community foundation in the Atlantic Region specified that they host an Annual General Meetings (AGM). However, as Figure 4 points out, only 70% of community foundations invite the public to their yearly review.

Figure 4. Percentage of community foundations that invite public residents to the AGM.

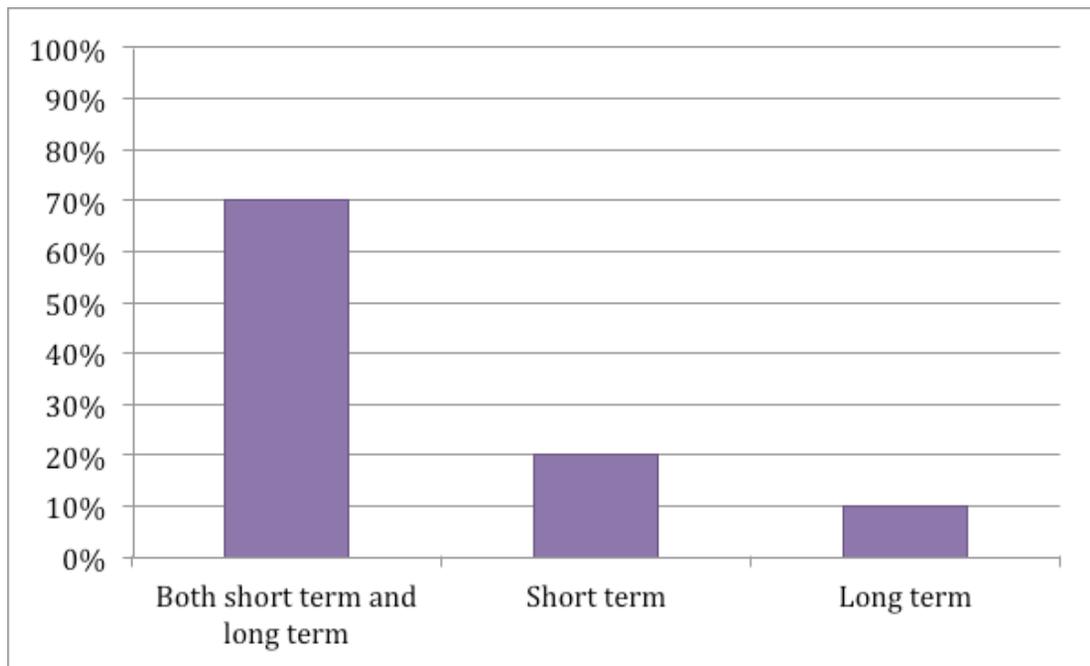


Board Capacities

The online survey asked community foundations to self-assess their capacity in 8 categories on a three-point scale, ranging from adequate to needs improvement. Based on this assessment there were several themes present. Eighty percent of community foundations noted that their board members contribute an adequate job in terms in 'grant making' and 'investment and asset management'. A 70% adequate rating was followed across the region in terms of 'board member roles and responsibilities'. Potential areas of growth include 'strategic planning' and 'by laws', where 30% and 40% of community foundations specified they needed improvement in those areas, respectively.

All community foundations acknowledged that they are engaged in some aspect of strategic planning. As Figure 5 displays, 70% of foundations claimed that they make both short term and long term goals, where 20% of community foundations only make short term goals and the remaining foundation engaged in long-term goals only.

Figure 5. Types of strategic planning community foundations are engaged in.



Although each community foundation creates specific strategic plans, Figure 6 notes only 40% of community foundations noted they follow their strategic plans closely and 60% follow them moderately close. The most popular types of plans noted by community foundations include strategic fund development and investment and asset management with a significantly lower focus on staffing and board member succession. The types of plans community foundations are engaged in can be seen through Figure 7.

Figure 6. How close the strategic plans are followed.

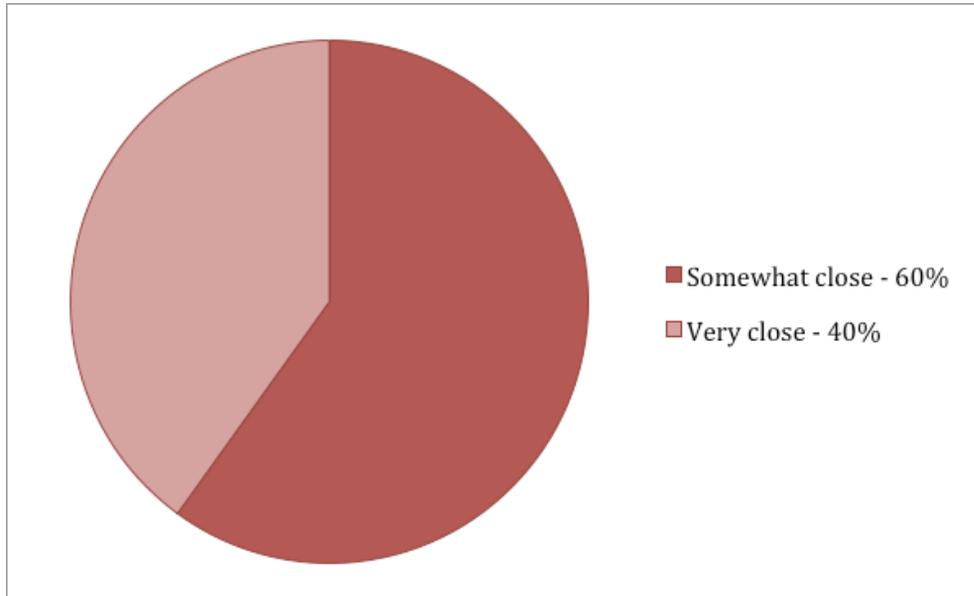
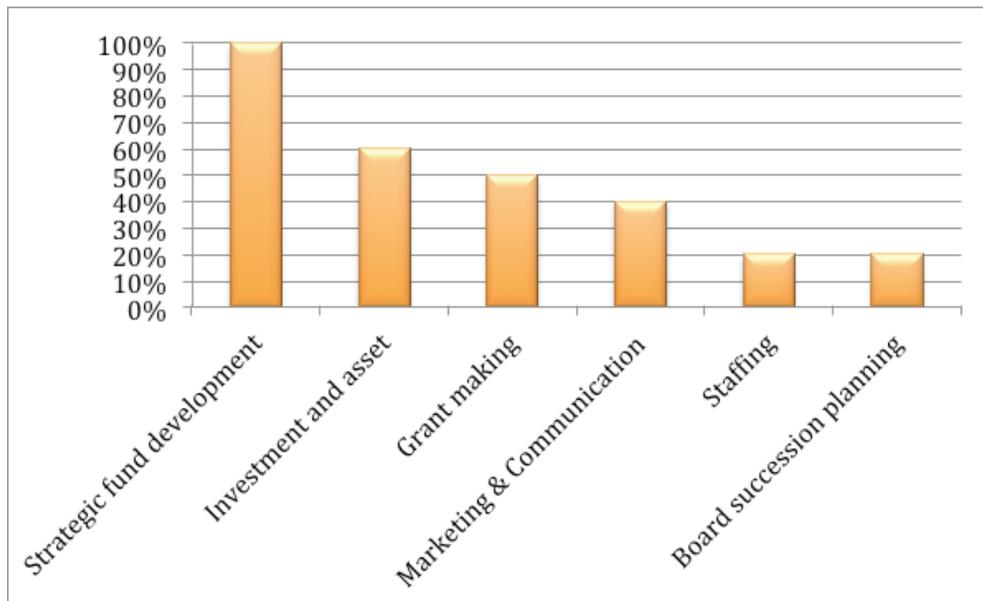


Figure 7. Purpose of strategic plans.

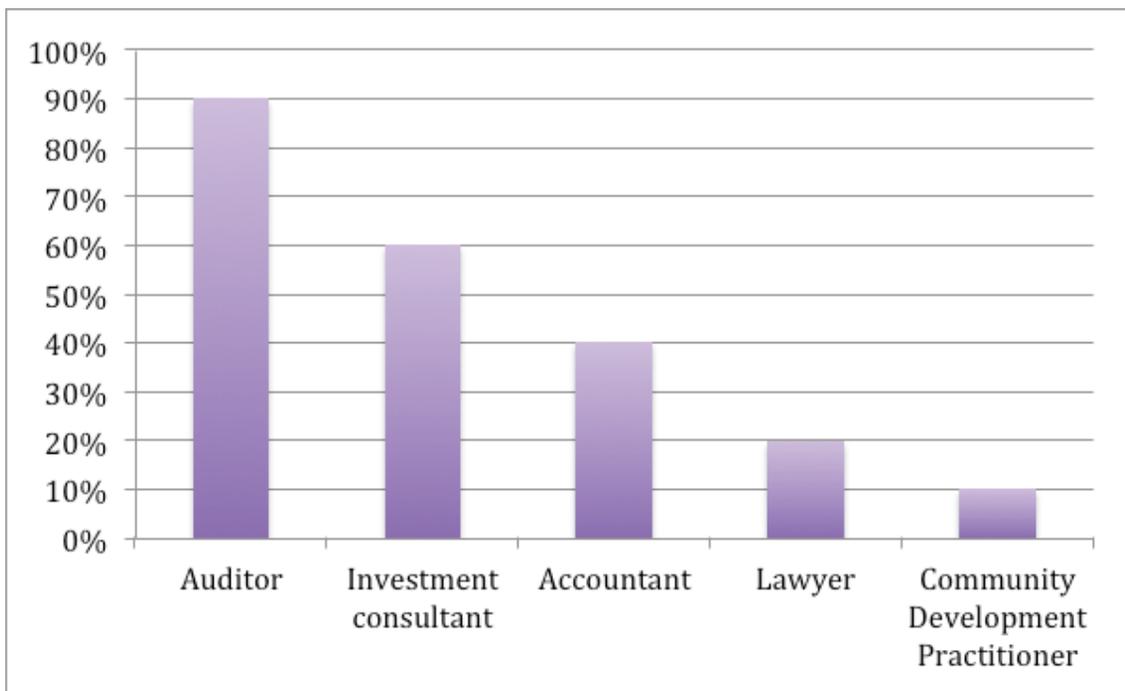




Human Resources

Community foundations within the Atlantic Region contracted a variety of professional services in 2012. With the exception of one, all community foundations hired an auditor to do work for the community foundation. Only 10% of community foundations hired a community development practitioner to aid in the direction of grant making and how they should be distributed. Other services community foundations hired can be seen through Figure 8.

Figure 8. Professional contract services hired by Atlantic Canadian community foundations.

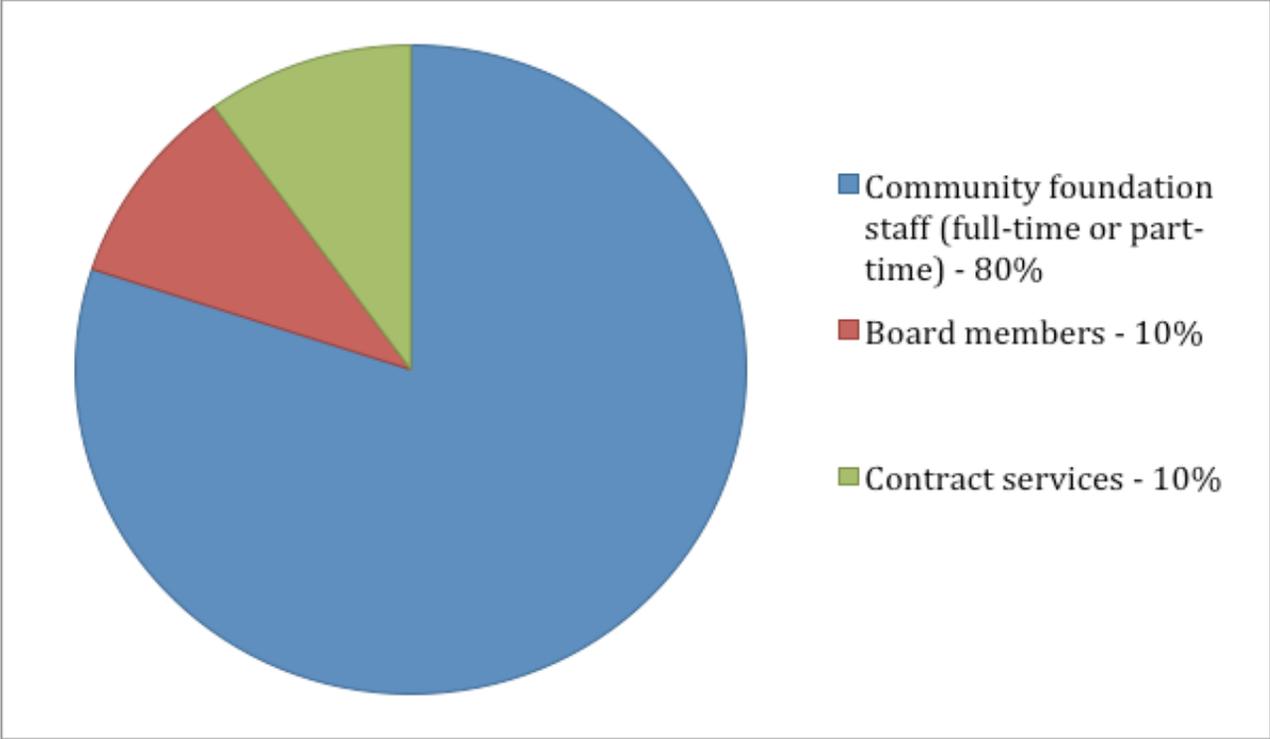


There is a number of different staff positions Atlantic Canadian community foundations employ in their offices. In total, there were 17 people employed by these community foundations last year. This includes 5 full-time staff members, 7 part-time staff members, and 5 casual staff members. It should be noted that 20% of community foundations do not employ any full-time staff members year round.

There were differences among the number of volunteers engaged with community foundations as well. Forty percent of community foundations did not report engaging volunteers on their survey response. One community foundation benefitted from the help of less than 10 volunteers, 40% of community foundations received help from 10-20 volunteers, and 10% of community foundations received support from 60 volunteers in 2012.

There is a great deal of administrative responsibilities involved with maintaining a community foundation. As Figure 9 explains, individuals that complete these tasks have different roles within the community foundation. Eighty percent of community foundations rely on the staff they have employed to perform the necessary administrative responsibilities. One community foundation receives help from it's board members to fulfill these tasks, and another community foundation enlists the help of contract services to perform these duties.

Figure 9. Individuals who perform administrative activities for community foundations.

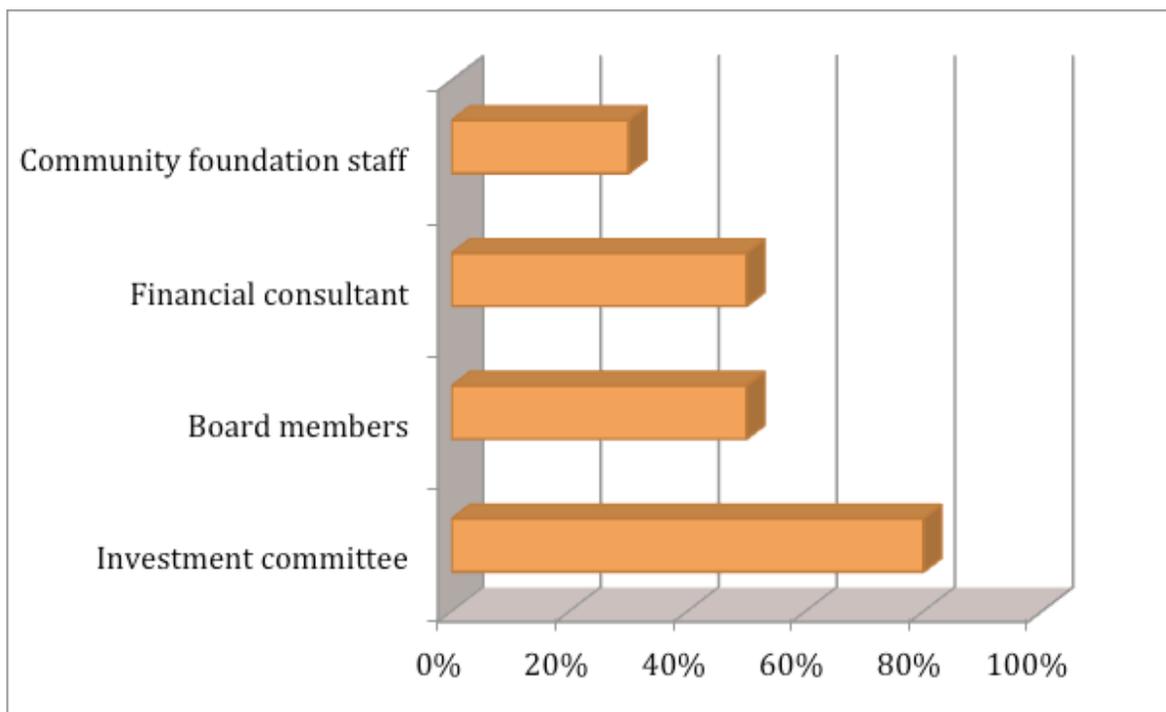




Financial Resources

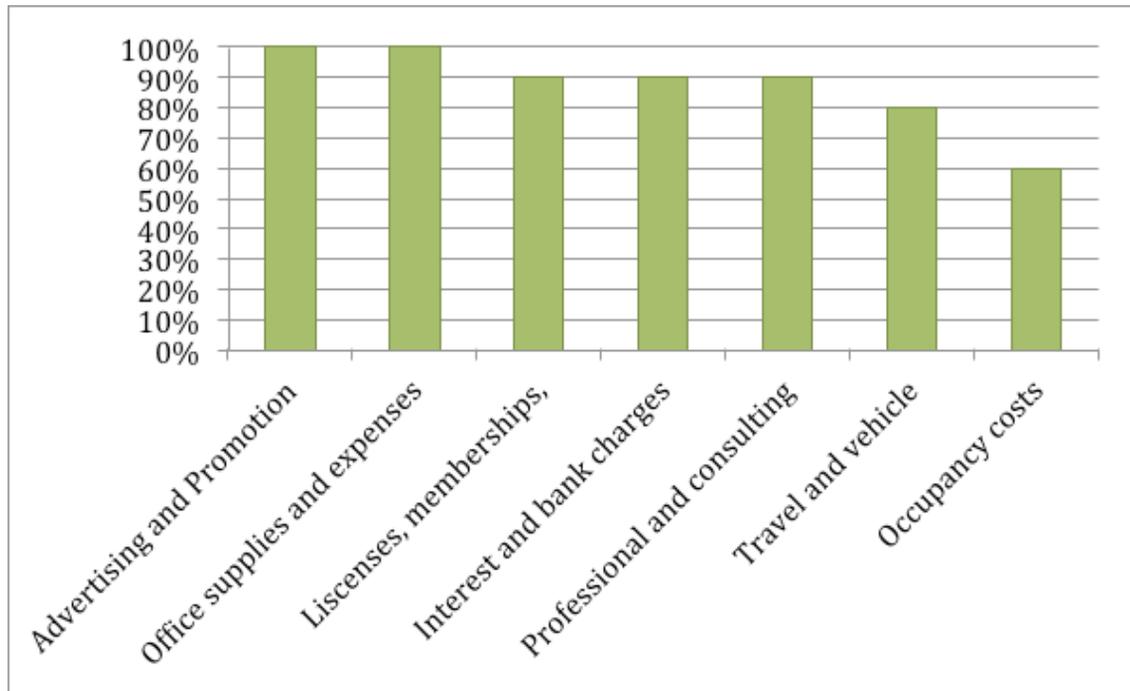
To ensure grants are distributed effectively across their respective regions, community foundations have developed different processes on how funds should be administered. While community foundations distribute grants in many different capacities, 80% of these foundations have an investment committee that makes these decisions. Fifty percent of community foundations also allow board members to have an active role in this process and 50% also hired a financial consultant for advice. In some cases, community foundation staff are also engaged in the decision making process as identified in Figure 10.

Figure 10. Individuals that make decisions on community foundation grant making process.



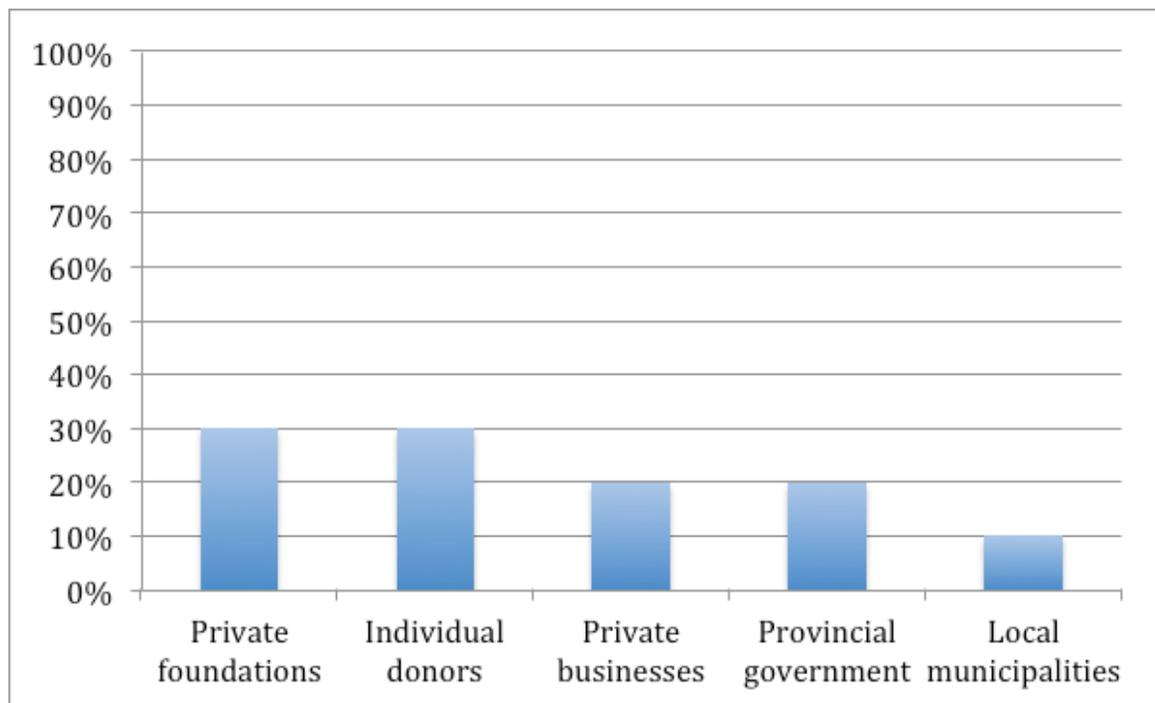
There are considerable costs associated with the operation of a community foundation. While a few of these costs are listed under Figure 11, every community foundation commits to spend money on advertising and promotion as well as office supplies and expenses. Other relevant costs associated with community foundations include licenses, bank charges, professional consulting fees, travel allowances, and occupancy costs.

Figure 11. Costs associated with operating community foundations.



Community foundations reported a variety of sources of support that provide in-kind contributions to community foundations. Sixty percent of community foundations have received in kind support in 2012. Some sources of support include private foundations, private businesses, and provincial and municipal governments. Figure 12 lists the percentage of Atlantic Canadian community foundation each entity supports.

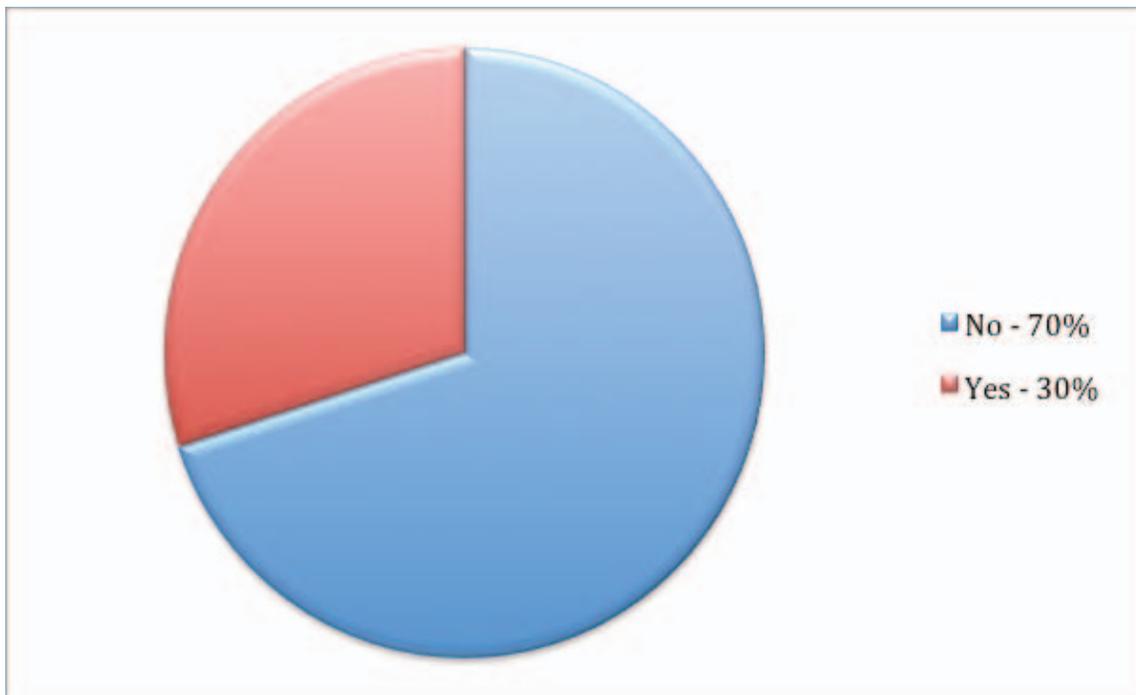
Figure 12. Entities that provide in-kind support to Atlantic Canadian community foundations.



Granting

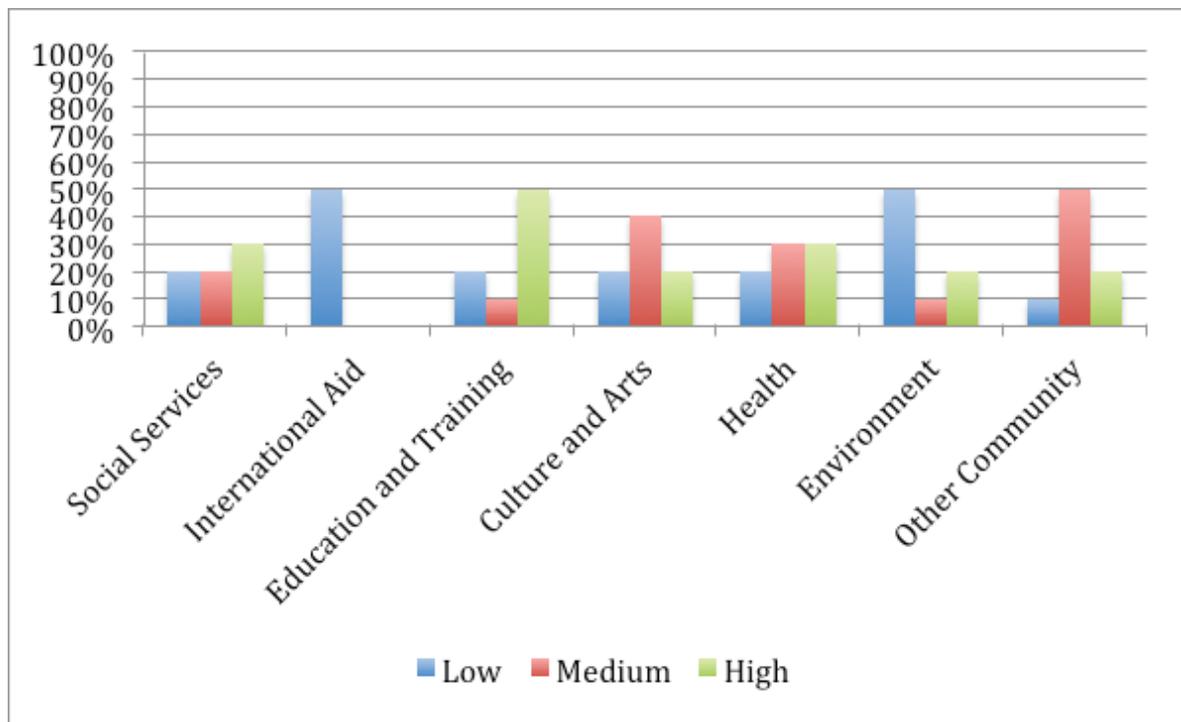
Defined granting priorities were not common among the Atlantic community foundations. As Figure 13 explains, only 30% of Atlantic Canada's community foundations have specific granting priorities towards certain areas, such as community reports (Vital Signs), leadership programs, and youth development. The majority, 70%, does not have specific criteria towards granting.

Figure 13. Percentage of community foundations with granting priorities.



There are a variety of different categories that community foundations actively support. The categories parallel those of the Canada Revenue Agency’s annual submission forms (T3010). The most common area of high support in the Atlantic Region is education and training, (40% of community foundations) followed by health and social services (30% of community foundations respectively). The areas that receive the least amount of support are international aid and environmental services, as 50% of community foundations specified they have low granting priorities in these areas. Figure 14 displays all areas community foundations are currently supporting.

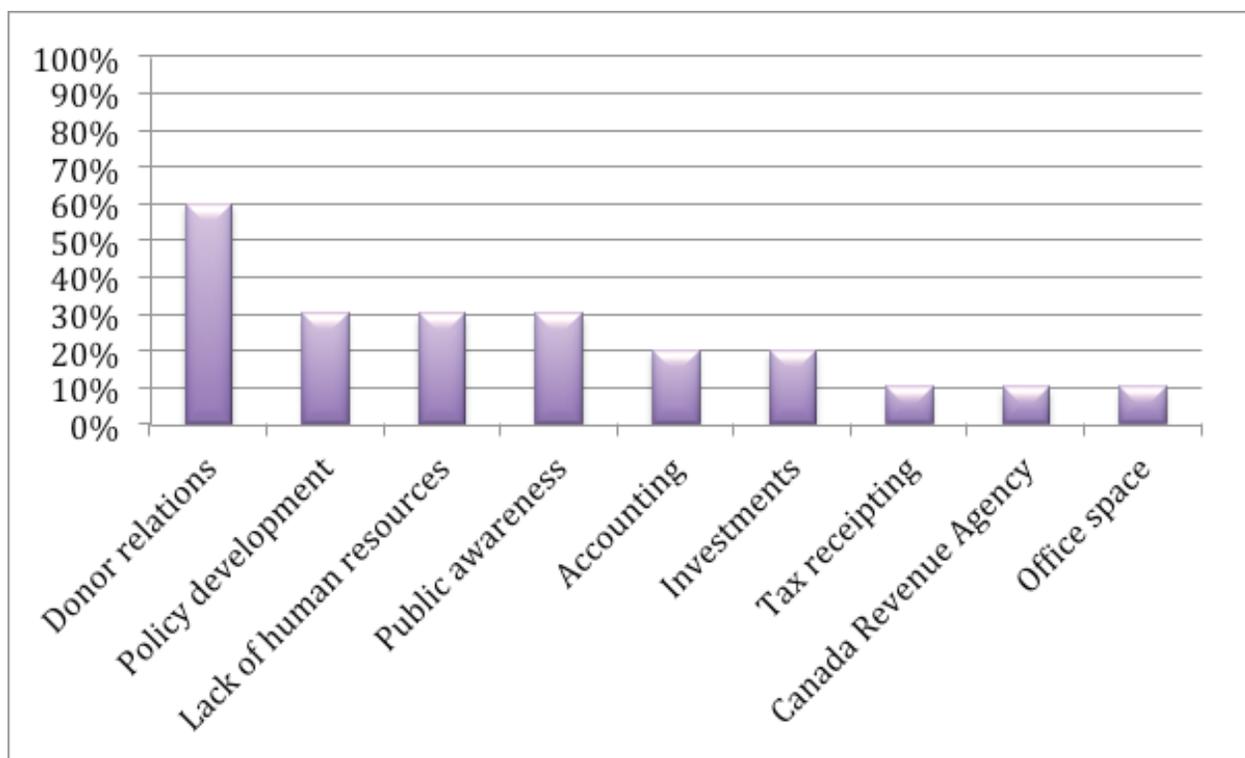
Figure 14. Areas Atlantic Canadian community foundations are currently supporting.



Challenges Confronted by Community Foundations

Community foundations encounter a number of challenges in delivering their mandates. Some of the predominant challenges include donor relations, policy development, lack of human resources, and public awareness. Other challenges community foundations faced are alluded too in Figure 15.

Figure 15. Most challenging issues faced by community foundations.



Transfer of Wealth: Optimism or Doubt?

Transfer of wealth has become a critical concept for community foundations throughout Canada. The concept encourages philanthropic organizations to examine the amount of financial assets that will exit their communities/regions upon the transferring of assets between generations. With a proper understanding of the anticipated inter-generational transfer community foundations can make appropriate plans to capture a portion of this wealth before exits their community/region.

The trend of aging populations across many rural communities in Atlantic Canada places a priority on understanding and capturing the transfer of wealth. When asked if they are optimistic about the transfer of wealth in their regions, 50% of community foundations responded that they were optimistic about the upcoming transfer. The other community foundations indicated they were unsure if they could capitalize on this process.



Gifts

The number of gifts Atlantic Canadian community foundations received varied over the past three years. They ranged from zero gifts to 182 (see Figure 16). Most community foundations received gifts in two different extremes: either very low, or very high. The number of gifts a community foundation received is correlated with the value of the gifts they have received. The higher number of gifts a community foundation received, the higher value of these donations (\$100,000 and over at times). Similarly, community foundations that have only received minimal gifts had a lower total value of gifts. It should be noted that only 60% of community foundations specified the number of gifts they received during this timeframe.

Figure 16. The number of gifts Atlantic Canadian community foundations received from 2010-2012.

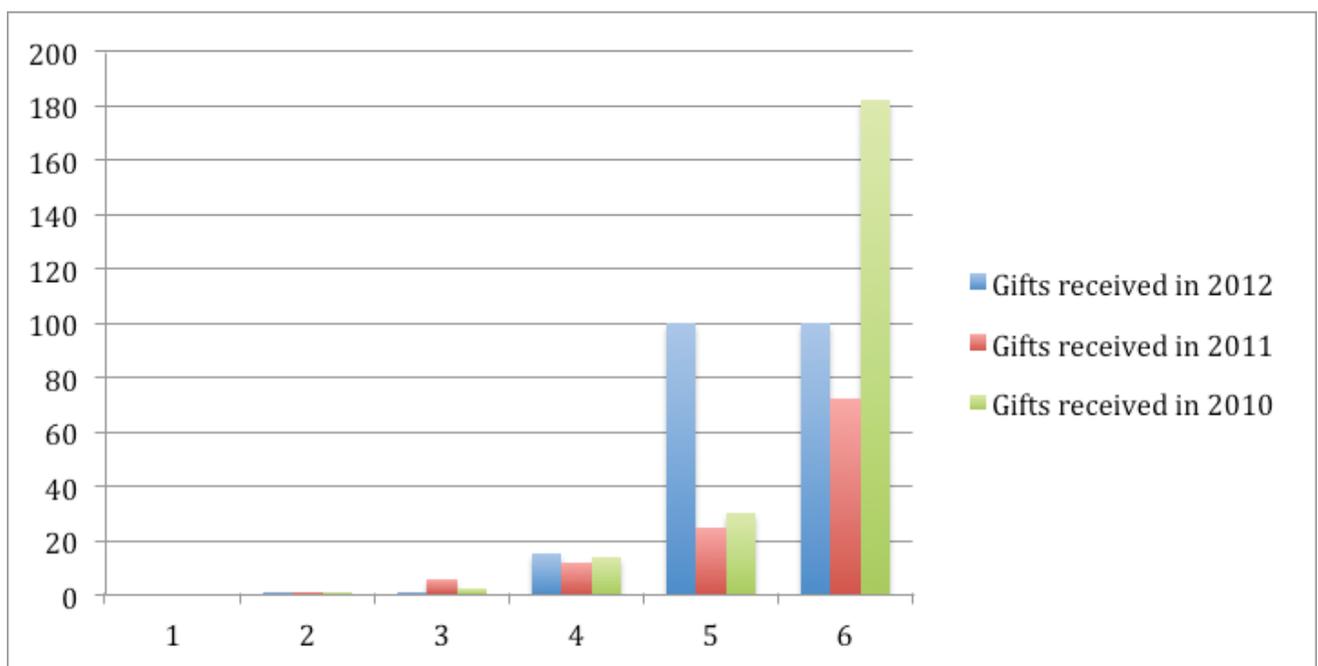
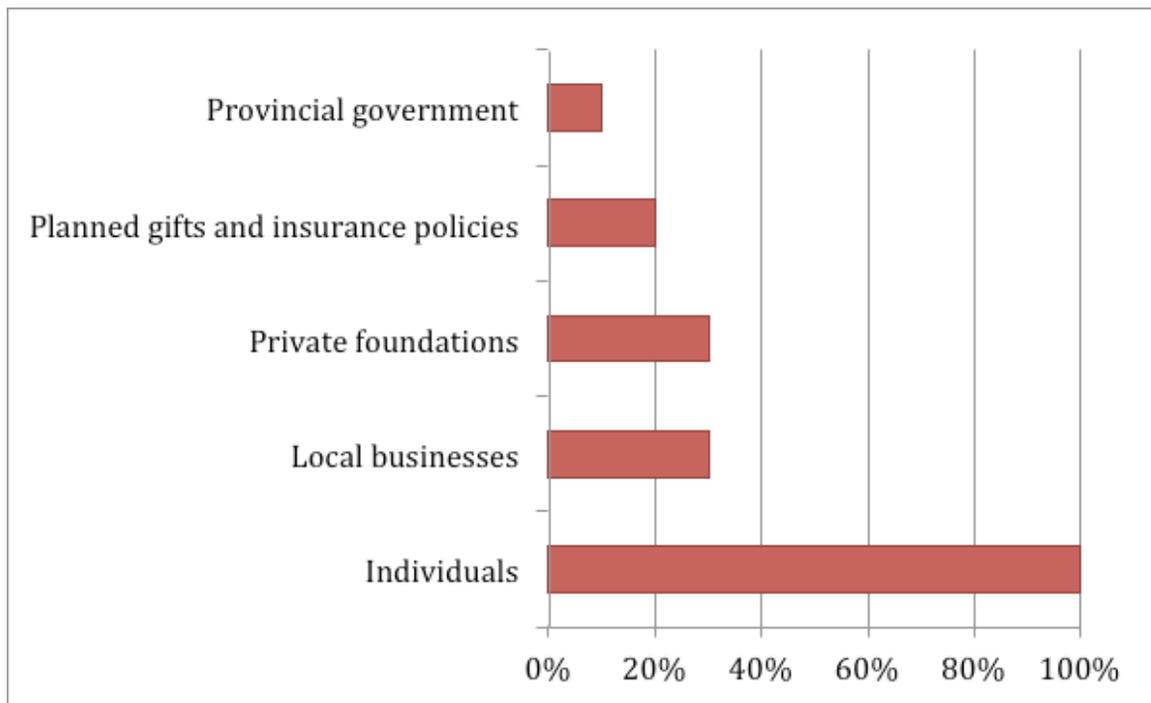


Figure 17 points out these gifts came from a number of different areas. Each community foundation received donations from individuals last year, whereas only 30% of them received gifts from local businesses and private foundations. Twenty percent of community foundations received donation from bequests and one foundation received a gift from the provincial government due to a court case.

Figure 17. Sources of gifts to community foundations.

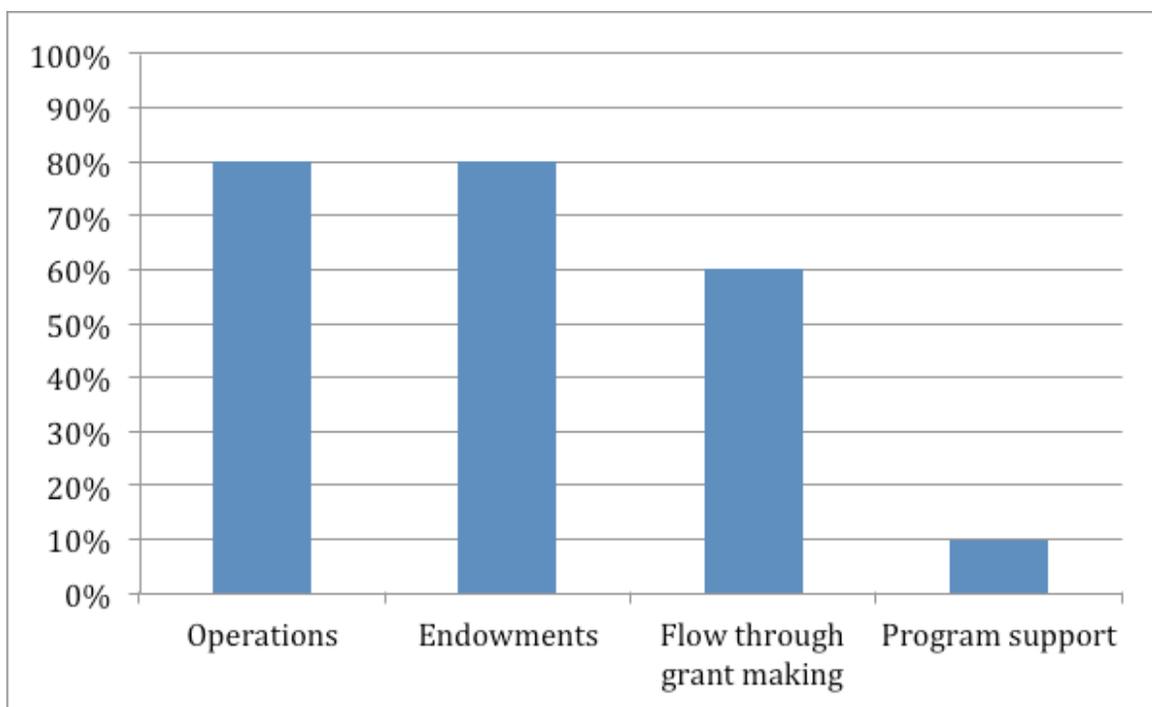




Fundraising

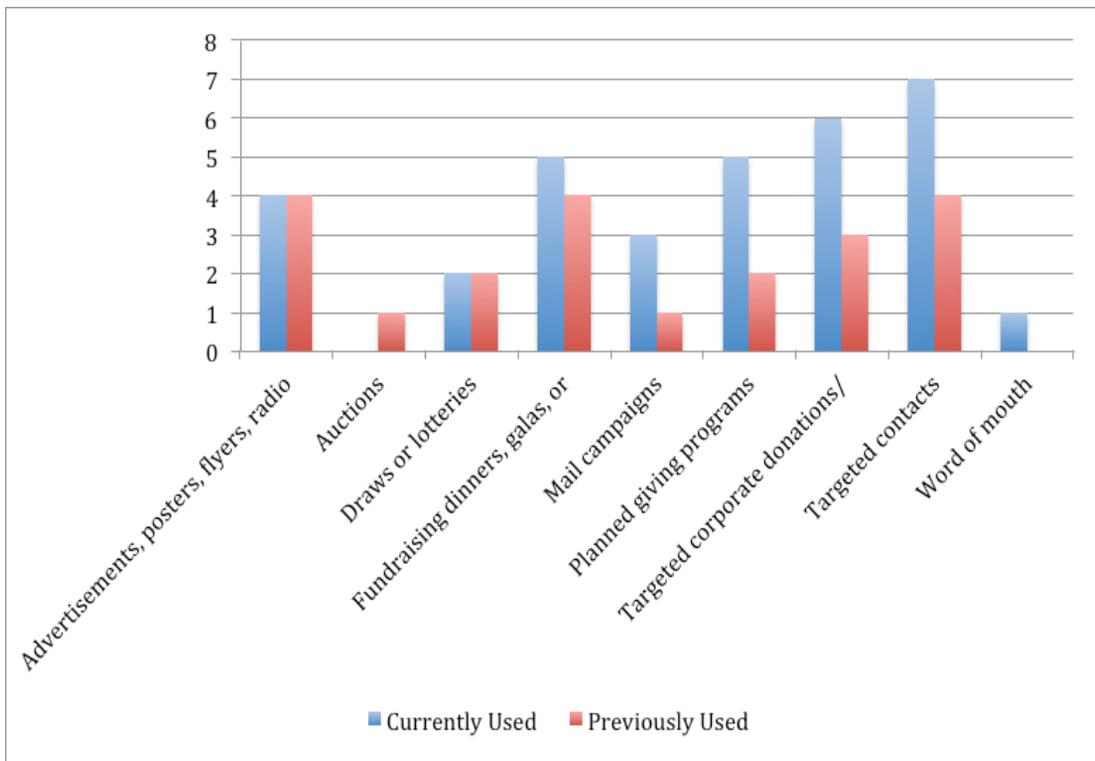
Figure 18 illustrates the different reasons community foundations engage in fundraising. It should be noted, community foundations could identify more than one purpose for fundraising in the online survey. Eighty percent of community foundations use fundraising as a way to support their day-to-day operations and increase their endowments. Sixty percent of community foundations also use fundraising as flow through grant making. It is interesting to note that only one community foundation uses fundraising to support the programs they offer.

Figure 18. Purpose of fundraising.



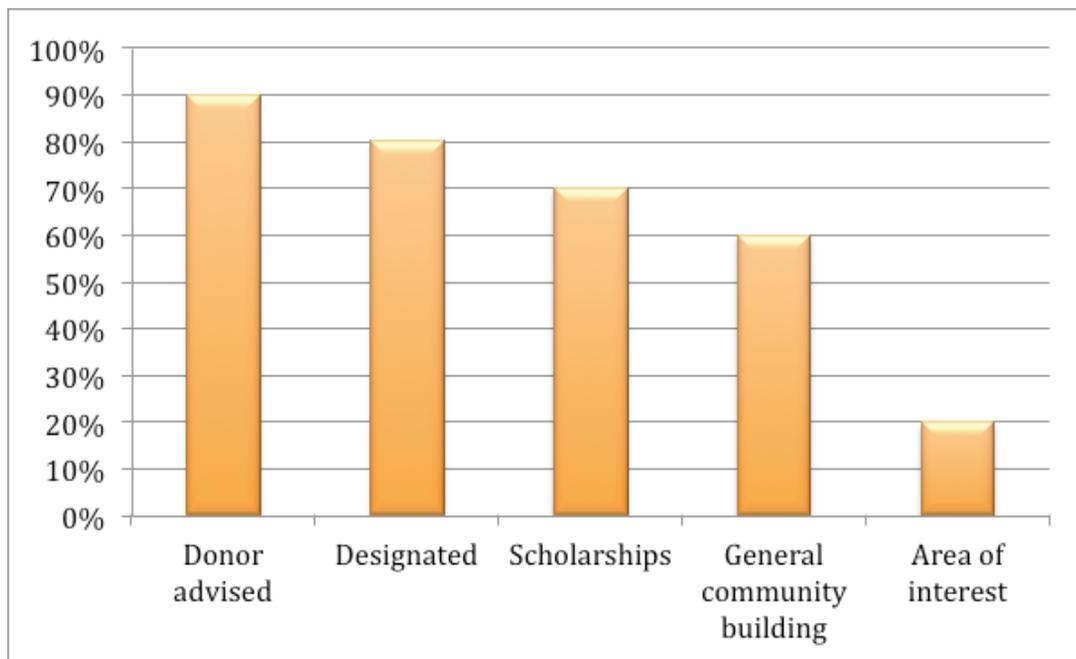
There are several ways community foundations increase their endowments. Some of these methods are presently used, while others have been used in the past. One of the most common ways community foundations increase their endowments is through targeted contacts (70%). Other primary methods community foundations engage in to raise endowments is through planned giving programs, fundraising dinners and galas, and targeting corporate sponsors. Other methods of increasing endowments can be seen through Figure 19.

Figure 19. Past and present methods used by community foundations to raise endowments.



There are numerous types of funds that are associated with community foundations. These funds are areas where donors can designate their gifts towards or create their own to gain further endowments for the future. Ninety percent of Atlantic Canada’s community foundations consist of donor advised funds, where donors can simply specify which area they would like their gifts to be attributed to. Designated funds and scholarships are also large areas consisting of 80% and 70%, respectively. These funds and others can be seen through Figure 20.

Figure 20. Types of funds associated with Atlantic Canadian community foundations.



Many challenges are involved throughout the management of community foundations. Sixty percent of community foundations specified one of their biggest challenges in endowment building is the lack of awareness in their community or regions. Sixty percent of community foundations also stated that motivating individuals is often difficult because of the misconception of what an endowment or philanthropy is. One community foundation specified that people in their region believe philanthropy is for the upper class that can afford to spare donations.

There is also internal challenges community foundations face when participating in endowment building. Thirty percent of community foundations stated that paying administration fees and the current economy provides difficulty when advancing their endowment goals. Lack of human resources was also an issue for 20% of community foundations as they wish to receive help from other individuals. One community foundation noted that they have unclear goals towards endowment building.

Youth in Philanthropy

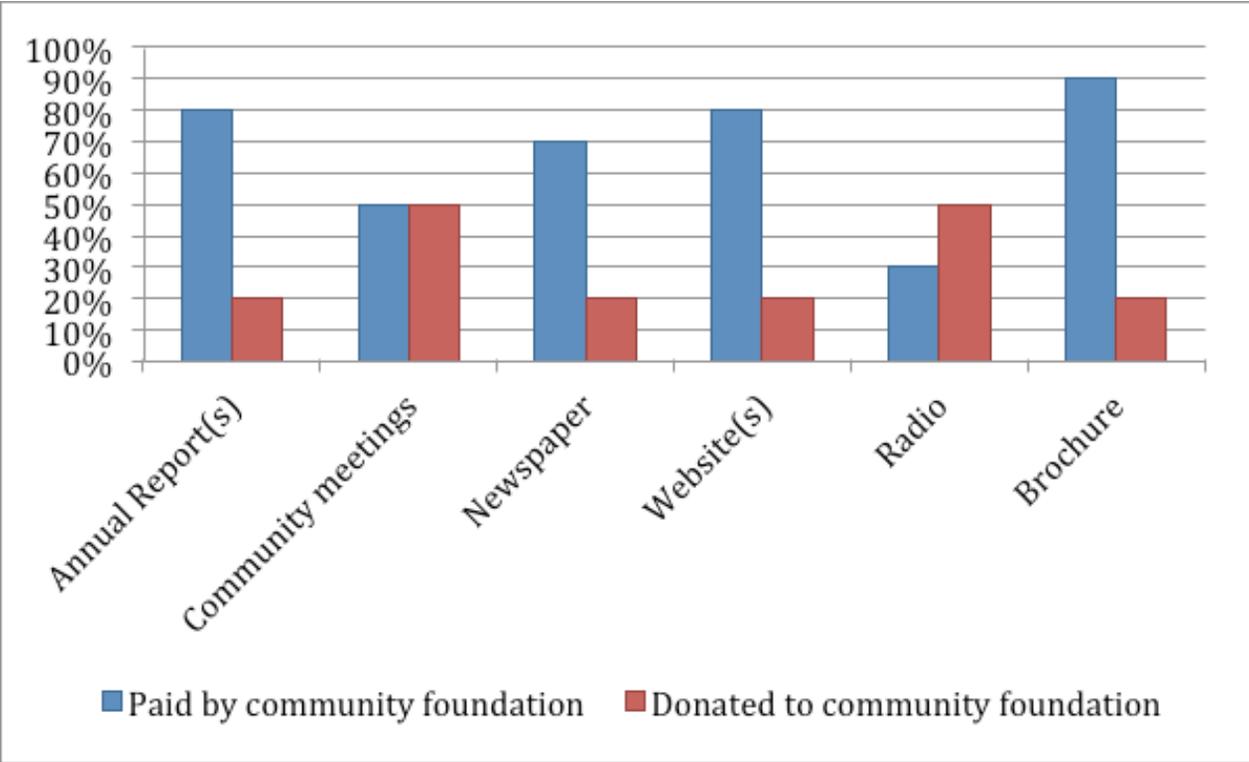
In 2012, there were two Youth in Philanthropy groups in Atlantic Canada's community foundations. Of these, only one group is currently active. The inactive group did not specify the number of members that were involved in the past, but was incorporated in 2012 and distributed one grant that year worth a total of \$500. The active Youth in Philanthropy group was created in 2001. The group consists of 8 members and they distributed 37 grants last year worth a total of \$51,000. It is also important to know the community foundation partnered with the youth in philanthropy group has a youth endowment fund consisting of approximately \$20,000.



Engagement with Communities

All of Atlantic Canada’s community foundations noted struggles to raise awareness of their work in their region. When surveyed, no community foundation indicated there was a high awareness of their organization in their community/region. Fifty percent of community foundations specified they had a moderate awareness in their communities, where the other half claimed they had a low awareness. There are various tools these community foundations use to engage in their regions to raise awareness to their community members. Many of these mechanisms are paid for by community foundations, but occasionally services are donated by radio stations, office buildings and media centres. Figure 21 outlines the ways community foundations engage with their community(ies) and which ones are most used by community foundations. The most predominant services community foundations are engaged in are brochures, annual reports, websites, newspaper advertisements, community meetings and radio advertisements.

Figure 21. Services that are either paid by or donated to community foundations.

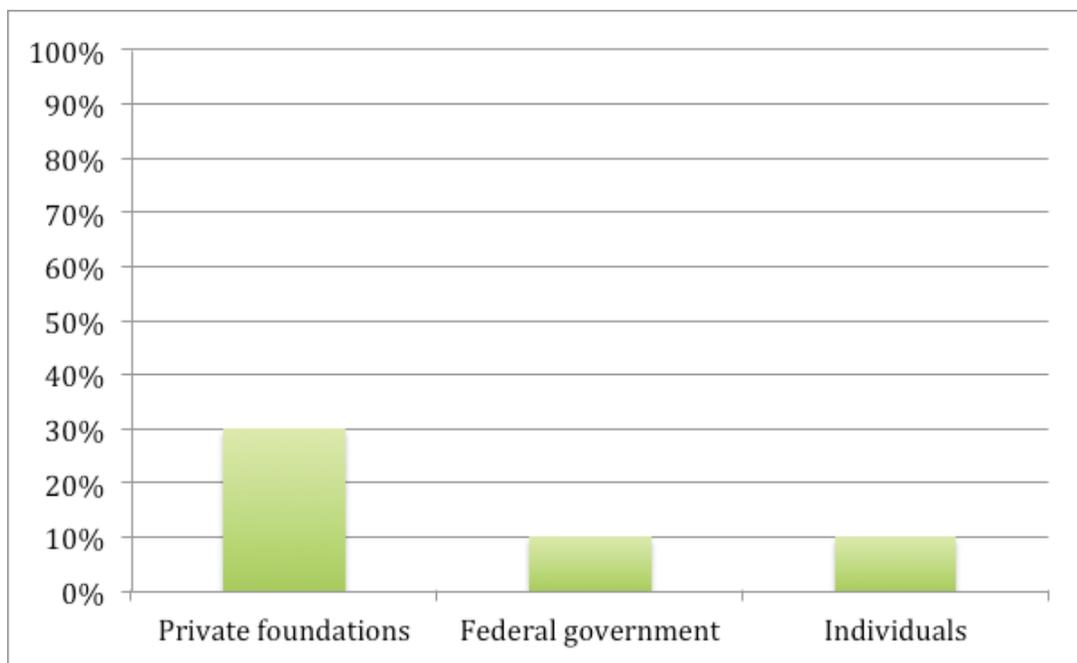


Joint Initiatives and Matching Grants

In 2012, three community foundations in the Atlantic region initiated or participated in joint projects for their communities and regions. These projects include aspects of transportation, rural revitalization, and poverty reduction. These partnerships were established with other charities, community foundations, and government entities.

Nearly half (40%) of Atlantic Canada’s community foundations received matching grants in 2012. The primary source of these matching grants was from private foundations as they provided funds to 3 community foundations. Other groups that provided matching grants were the federal government and individuals. Figure 22 shows these percentages in a table below.

Figure 22. Sources of matching grants.

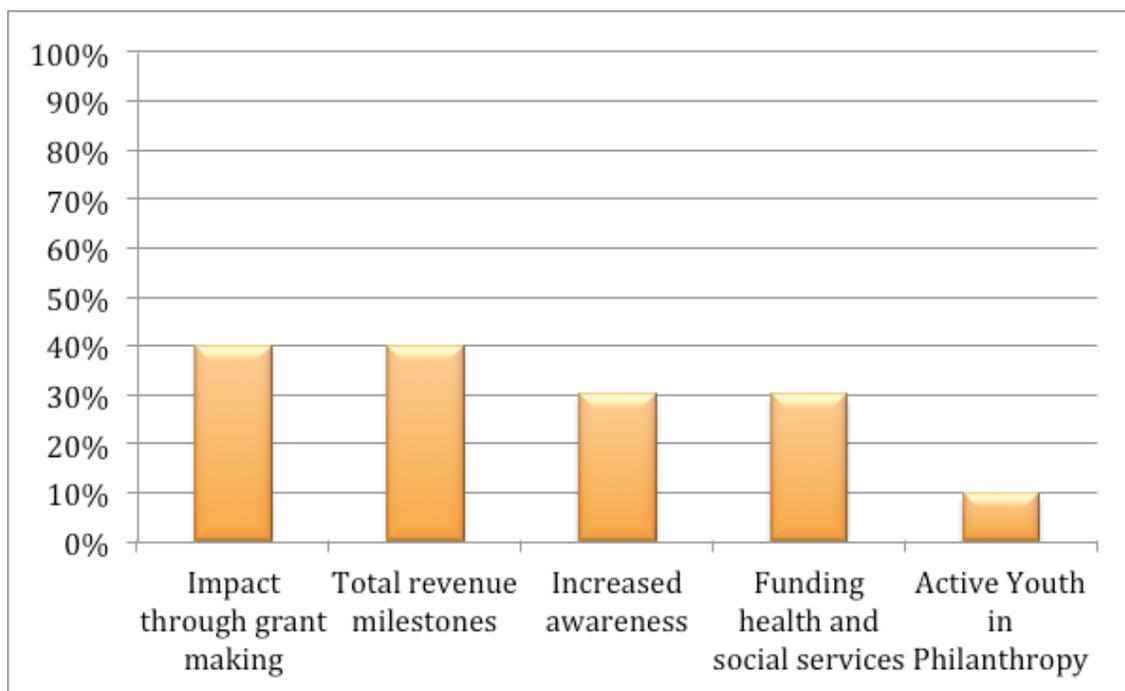




Major Accomplishments

Community foundations identified some of their recent major accomplishments throughout the survey. The most prominent accomplishments stated were having a positive impact in the community through grant making, and reaching milestones in total revenue (40% of community foundations). Thirty percent of community foundations also noted that increased awareness was occurring in their respective regions. Figure 23 provides a snapshot of some of the major accomplishments experienced by these community foundations.

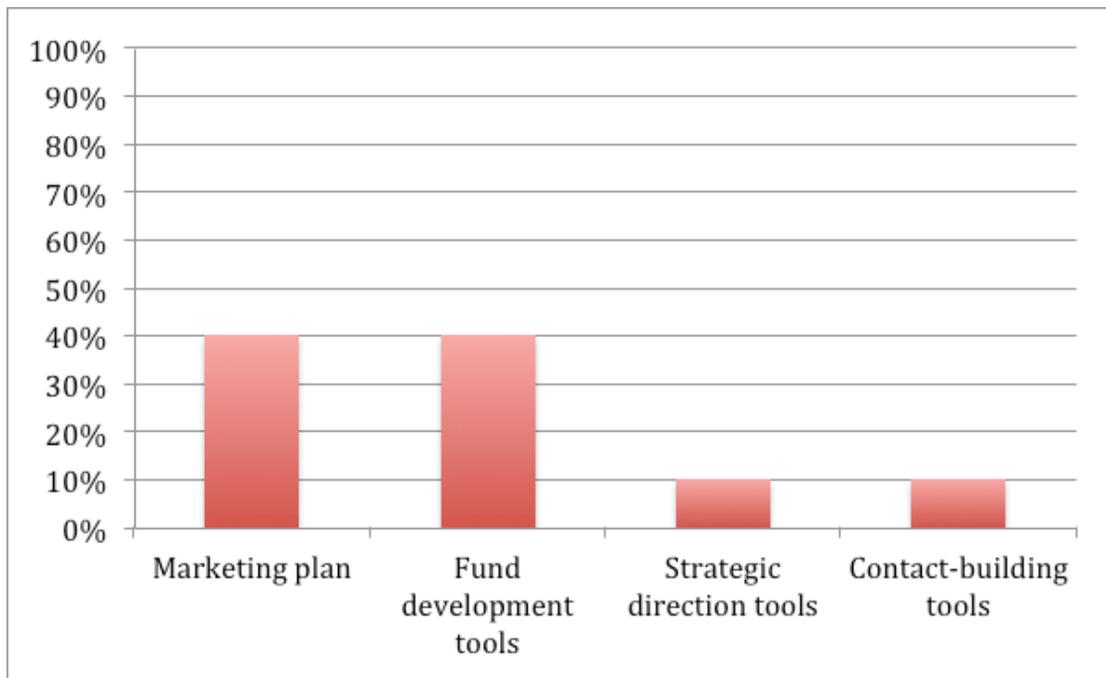
Figure 23. Major accomplishments of Atlantic Canadian community foundations.



Looking Forward

There were several tools community foundations specified that would help them in the management of their foundation. The most common tools were having a marketing plan and fund development tools, where 40% of community foundations claimed that these resources would be considered an asset under their day-to-day operations. One community foundation noted that having direction in future planning would be helpful for the foundation. Another foundation considered having partnership-building resources would be useful for their donor relationships. Figure 24 displays the desired tools below.

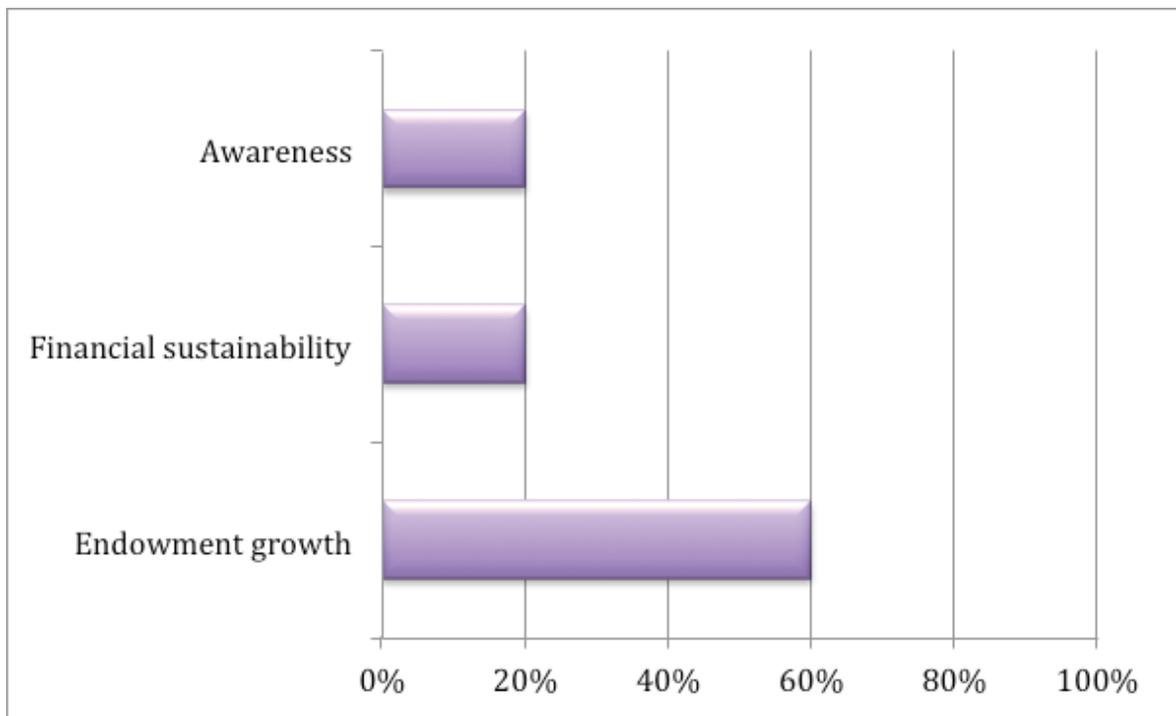
Figure 24. Desired tools to assist Atlantic Canadian community foundations.



When asked if optimistic about their future, 50% of community foundations responded with yes, whereas 50% of community foundations responded with unsure. Half of Atlantic community foundations specified that a hope they have for the future be for the population in their region to recognized the effectiveness a prosperous community foundation can have on the quality of life within a community. Rural resiliency and having defined priorities were also hopes that 20% and 10% community foundations held, respectively.

Community foundations also identified their goals for the next 3 to 5 years. Over half (60%) of community foundations stated for increased endowment growth in the coming years. 20% of community foundations also responded that increased awareness and financial stability were goals for the future. These goals can be seen in Figure 25.

Figure 25. Goals for the next 3-5 years.



Highlights

- Community foundation board composition is almost two thirds male and rarely include individuals under the age of 35.
- 17 people employed by community foundations in 2012: 5 full-time staff members, 7 part-time staff members, and 5 casual staff members.
- 20% of community foundations do not employ any staff members year round.
- Although all community foundations hold strategic plans only 40% follow their plans closely.
- Less than 50% of community foundation's have plans for marketing/communications, staffing, or board succession planning.
- All community foundations hold annual general meetings, however, only 70% of meetings are open to the public.
- 30% of Atlantic Canada's community foundations have specific granting priorities; 70%, does not have specific criteria towards granting.
- The top three granting areas are education/training, social services, and health.
- The three most frequent methods to raise endowments are targeted contacts, planned giving programs, and fundraising dinners/galas.
- The greatest challenge described by community foundations was donor relations, followed by policy development and lack of human resources.
- 50% of community foundations responded that they were optimistic about the transfer of wealth, where half were unsure if they could capitalize on this process.
- 100% of community foundation received donations from individuals in 2012, however, only 30% of them received gifts from local businesses and private foundations.
- No community foundation expressed their community/region had a high awareness of their organization. Half of the community foundations indicated they had a moderate awareness in their communities, the remainder claimed they had a low awareness.
- 40% of community foundations claimed that a marketing plan and fund development tools would be considered an asset under their day-to-day operations.

Acknowledgements

The authors would like to acknowledge the partnership with the board of the Community Foundation of Newfoundland and Labrador (www.cfnl.ca) for their support of this initiative. This research would not have been possible without the financial support received through the Applied Research Fund at the Leslie Harris Centre for Regional Policy and Development (www.mun.ca/harriscentre).



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