

Charity Insights Canada Project (CICP)



# *Sector*



# *Snapshot*

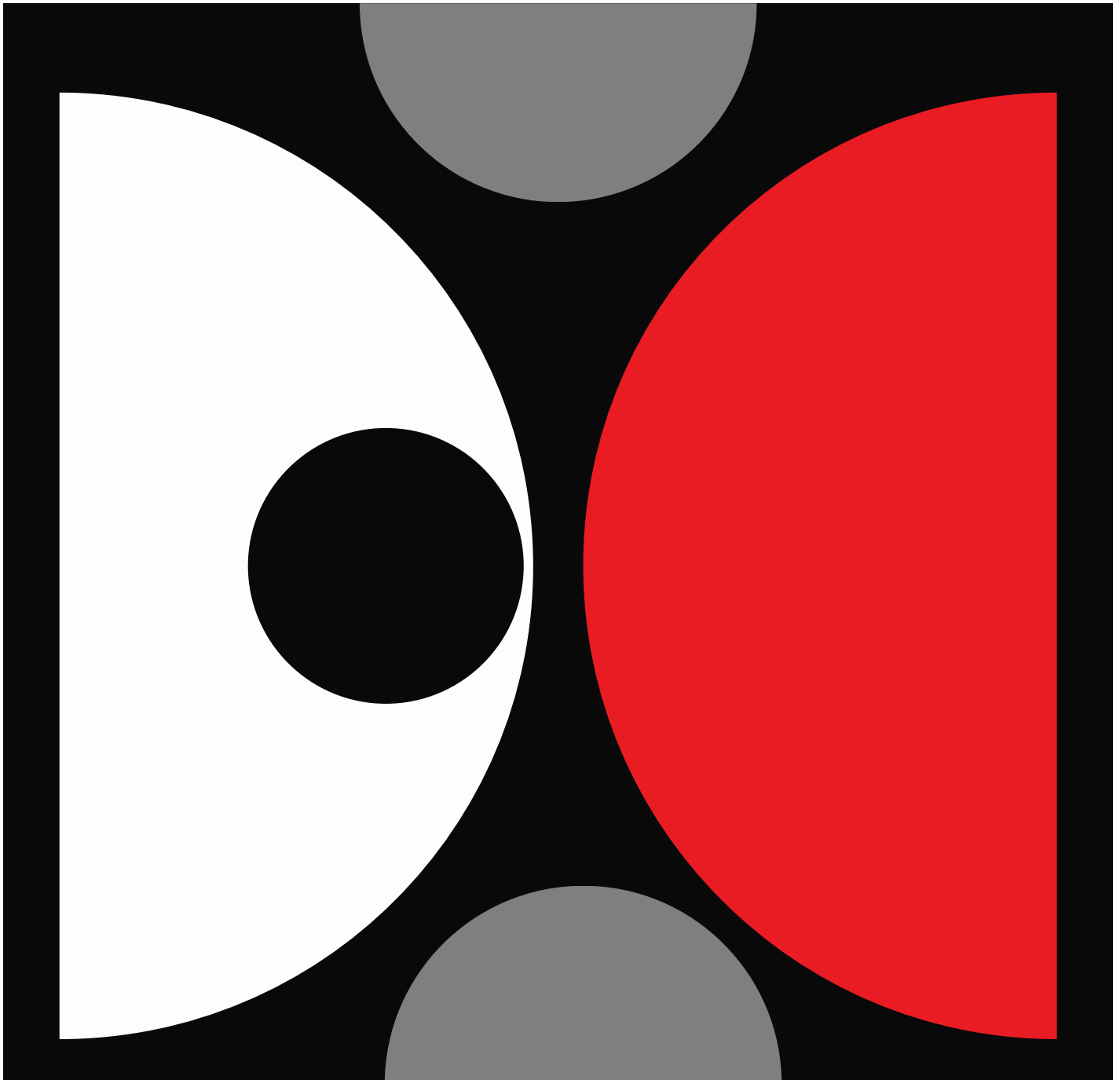
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**Apr - Jun**  
**2024**

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# **Sector Snapshot**

**April to June 2024**

Charity Insights Canada Project (CICP)

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Note: The text in this module was written with the assistance of ChatGPT, an AI language model developed by OpenAI.

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## Executive Summary

The charitable sector in Canada is a vital component of societal well-being, yet its challenges, needs and dynamics are often underreported. Through a series of weekly surveys conducted by the Charity Insights Canada Project (CICP), we offer insights into key issues shaping the sector, ranging from volunteer recruitment to securing core funding, technology adoption and the role of the sector in supporting reconciliation. This report synthesizes findings from the second quarter of the CICP's second year of study (April – June 2024), and is intended to inform policymakers, practitioners, researchers, and the public about current realities in the charitable sector.

## Introduction

Charities play a pivotal role in addressing social, economic, and environmental challenges and serve as a cornerstone of community resilience and well-being. As stewards of compassion and catalysts for change, charitable organizations continually strive to uphold their missions while navigating a landscape marked by diversity, complexity, and evolving needs.

In our endeavor to shed light on the dynamics and experiences occurring in Canada's charitable sector, we continue our series of weekly surveys aimed at capturing the pulse of the sector and uncovering key insights that shape its present and future. Through comprehensive data collection and analysis, our project endeavors to provide policymakers, practitioners, researchers, and the general public with accurate, timely, and accessible data on various facets of charitable work.

Spanning themes such as funding, governance and management practices, sector-wide challenges, and other emerging issues, the following report offers a series of survey snapshots that highlight some of our key findings and offer a wide-ranging view of the experiences, needs and challenges facing charitable organizations across Canada today.

From exploring the efforts of charities to support environmental sustainability to delving into the risks of scams/fraud in the sector and examining the realities of securing core funding to keep doors open and services running, each section of this report offers valuable insights gleaned from the CICP surveys conducted throughout the second quarter of this year. By presenting these findings in a concise manner, we aim to inform dialogue, support decision-making, and inspire action towards a more resilient, inclusive, and impactful Canadian charitable sector.





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## Research Overview

The research conducted for this report aims to provide a comprehensive understanding of the charitable sector in Canada, encompassing a wide array of themes, sub-topics, and research objectives. Through a series of surveys distributed over several weeks, we endeavored to capture the perspectives and experiences of charitable organizations across the country.

**Survey Methodology:** Each week, we send a ~3-minute survey to a panel of more than a thousand registered charities nationwide. Panel participants have been randomly selected from the Canada Revenue Agency (CRA) registry and recruited via phone and email. Surveys are distributed electronically to our diverse panel of organizations, ensuring representation from various regions, sizes, and areas of focus within the sector. Each survey is designed to address specific research objectives and gather data on key topics relevant to the charitable sector. Participants are invited to provide their insights through these structured surveys, allowing for both quantitative analysis of survey responses and qualitative exploration of nuanced issues.

**Data Collection and Analysis:** Survey responses are collected and analyzed using rigorous methodologies to ensure accuracy, reliability, and validity of the findings. Quantitative data for this report were subjected to statistical analysis, enabling us to identify trends, patterns, and correlations within the dataset. Qualitative responses were coded and thematically analyzed to extract key themes and insights, providing rich contextual understanding of the issues at hand.

**Key Themes and Findings:** The research from this quarter yielded a wealth of insights across various themes and sub-topics within the charitable sector. From financial health and fundraising and access to education and training, to the role of consultants in the sector and the capacity of charities to respond to demand, each section of the report presents a snapshot of the findings derived from the survey data.

**Implications and Recommendations:** The findings of our research have important implications for policymakers, practitioners, and stakeholders within the charitable sector. By highlighting key challenges, opportunities, and emerging trends, our report aims to inform decision-making, guide resource allocation, and inspire collaborative action towards strengthening the sector's capacity to fulfill its mission and mandate.

**Limitations:** While every effort was made to ensure the quality and comprehensiveness of our research, it is important to acknowledge certain limitations. These include potential biases in survey responses, limitations inherent in self-reported data, and constraints related to sample representativeness and survey methodology. Nevertheless, the findings presented in this report provide valuable insights and serve as a foundation for further research and exploration within the charitable sector.

By capturing the voices and experiences of stakeholders, our report aims to contribute to ongoing efforts to enhance the sector's resilience, sustainability, and impact in serving communities across the country.



## Key Findings from this Term

### Funding

- Over half of charities (55%) are constantly fundraising to cover core operating costs, indicating a precarious financial environment for many organizations.
- The financial outlook for Canadian charities is mixed, with 53% expecting stability, 25% anticipating improvement, and 18% fearing decline.

### Governance & Management

- Engaging consultants is common in the charitable sector, with 63% of respondents occasionally and 15% regularly working with these external entities.
- While over a third (33%) of organizations have restored or exceeded pre-pandemic volunteer numbers, 41% have only partially regained lost volunteers, and 24% have not managed to recruit back any.

### Other Emerging Themes

- Despite widespread recognition of the importance of emerging digital tools, only 28% of Canadian charities have prioritized their use, and a mere 11% have developed a comprehensive digital strategic plan.
- Scams and fraud targeting charities are widespread, with 69% of respondents reporting their organization has been affected.

### Sector-Wide Challenges

- Over half of organizations (55%) report they have increased their capacity to provide programs and services in recent years. However, 72% of charities indicate that the demand for their services still exceeds their capacity to respond.
- While most charities have strong basic digital literacy (64% rating their skills as excellent), there are significant gaps in specialized areas like data management and user research.





## SECTION 1: FUNDING

### Securing Core Funding (CICP survey no 2.04.14)

Core funding covers the critical expenses involved in running an organization, such as insurance, rent for office space, or computers for staff members. Early CICP survey results this year indicated that funding and financial health are top concerns amongst charities for the coming year (see [CICP survey no. 2.01.01](#)). A broad-based need for core funding to address the impact of inflation was also highlighted (see [CICP survey no. 2.01.02](#)). Building on these findings, our study then aimed to delve deeper into the issue of how organizations are securing core funding.

**Key Sources of Core Funding for Charities:** Our survey results found that the most frequently cited source of funding for core operating costs amongst Canadian charities – noted by 60% of our respondents - was individual donors, followed closely by provincial governments (54%), fundraising events (42%), and earned income (39%). Around a third of respondents highlighted the importance of the following other sources of core funding:

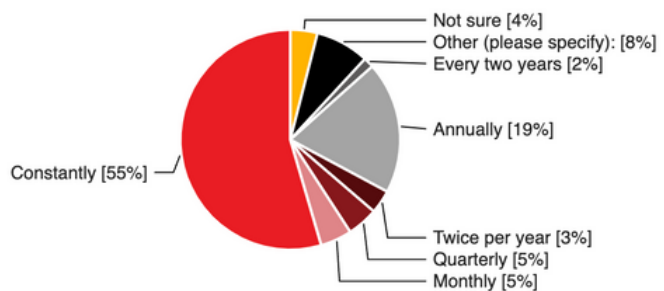
- Foundations and trusts (32%)
- Municipal governments (32%)
- Grants from nonprofit organizations (31%)
- In-kind donations (30%), the federal government (30%), and
- Corporate donors (29%)

### Challenges in Securing Core Funding:

One of the more striking findings from this survey was that 55% of responding charities say that they are constantly sourcing funds to cover their core operating costs. This indicates that many charities must allocate time to fundraise for basic costs during their day-to-day work, often relying on multiple donors. Only 19% of charities fundraise for core costs annually, and an even smaller group (2%) fundraise every two years, suggesting that most charities are looking for core funding multiple times per year.

Frequency organization typically have to source funds to cover operating costs

926 Responses



**Scarcity as a Key Theme:** Scarcity emerges as a key theme in our data on core funding challenges facing charities. The most widely reported challenge is competition for limited funding resources (67%). Additionally, 51% of respondents indicated limited capacity for fundraising efforts due to a lack of dedicated fundraising staff and expertise. The complexity of grant application processes is another significant challenge, cited by 42% of charities. These challenges can exacerbate one another; for example, lacking dedicated fundraising staff can make grant application processes more difficult.



#### Main challenges organizations face in securing funding for core operating costs

|   | 924 Responses |
|---|---------------|
| Competition for limited funding resources                 | 67%           |
| Limited capacity for fundraising efforts                  | 51%           |
| Lack of dedicated fundraising staff or expertise          | 51%           |
| Complexity of grant application processes                 | 42%           |
| Uncertainty of future funding sources                     | 40%           |
| Difficulty in demonstrating impact to potential funders   | 22%           |
| Other (please specify):                                   | 20%           |
| Geographic limitations in accessing funding opportunities | 14%           |
| Not sure  | 2%            |

**Conclusion:** Our survey results underscore the pivotal role that individual donors play in contributing to the financial stability of charities. The [2024 Giving Report](#) documents the declining rate of charitable giving by Canadians influenced by factors such as the affordability crisis, which increases demand for charitable services. At a time when many charities' capacity is being outpaced by demand, and with a smaller pool of individual donors to draw on for support, charities must do more with less. Over half of charities report constantly seeking funds to cover core operating costs, highlighting the precarious financial conditions they face and the risk to service/program delivery that this situation presents.

#### Financial Management and Transparency (CICP survey no 2.05.18)

Ensuring transparency and accountability in the financial management of a charity is a cornerstone of good governance and helps build and maintain trust with donors and other key stakeholders. In May, CICP panel members provided insights into the financial management practices they undertake to achieve these objectives.

**Charities' Financial Management Practices:** Charities employ various human and technology-driven checks and balances to fulfill their transparency and accountability responsibilities. Common practices include:

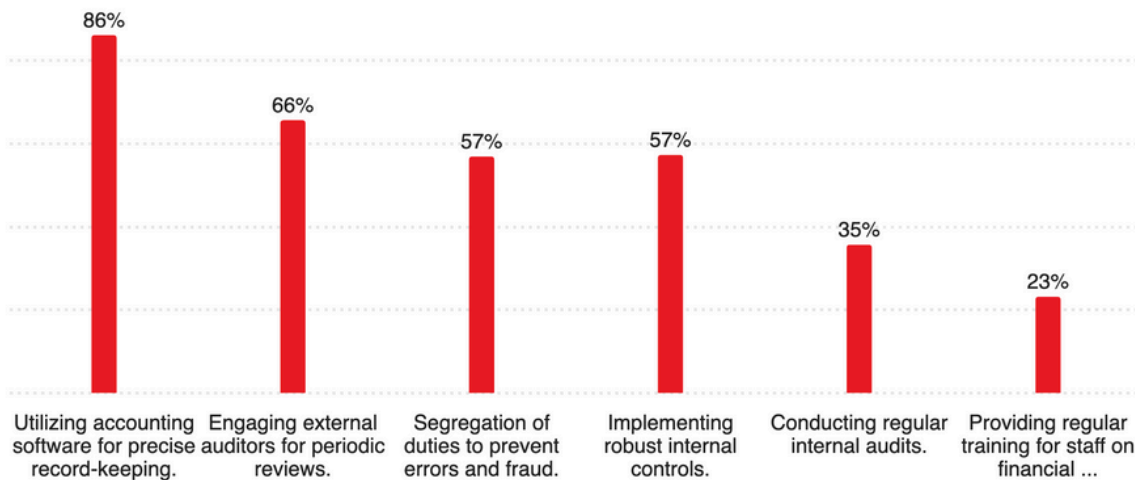
- Following established financial management policies and procedures (85%)
- Maintaining clear and accessible financial records (80%)
- Holding annual meetings to discuss financial performance and plans (79%)
- Providing financial information to donors and stakeholders upon request (75%)
- Using financial software to track and report finances (69%)
- Publishing annual financial reports (69%)

The use of accounting software to ensure record accuracy is widely practiced, with 86% of respondents reporting its use. External auditors, while slightly less prevalent, are still used by 66% of charities for periodic reviews. Segregating duties to prevent errors and fraud and implementing internal controls are also frequently cited measures (57%). These results demonstrate that Canadian charities are employing a series of internal and external checks and balances, both human and technology-driven, to meet their transparency and accountability obligations.



## Steps organizations are taking to ensure the accuracy of their financial records

893 Responses



**Communication of Financial Performance:** Most charities communicate their financial performance through annual general meetings with financial presentations, a practice common to roughly 91% of charities. Monthly or quarterly financial updates are provided by around 42% of charities. Approximately 19% of charities offer detailed financial reports on their websites and conduct personal meetings or calls with major donors. Regular newsletters and email updates are the least commonly used strategies, implemented by only 11% of charities.

**Challenges in Financial Management:** Despite shared practices, differences in metrics such as size, operating budget, volunteer-run versus paid staff, etc. can affect how financial management practices are operationalized. Panellist comments from the survey highlight some of these challenges:

- ***"Finding competent staff has been a challenge. We are too small and work remotely, making segregation of duties challenging."***
- ***"It's super hard to keep a treasurer as a volunteer."***
- ***"Funding for admin and financial is difficult to obtain."***
- ***"For a small non-profit with staff turnover, it would be nice to have some sector standards that could be followed so we aren't reinventing the wheel each time our financial staff change."***
- ***"We spend a lot of money every year on accounting and CFO services, accounting software, external auditors, CRA reporting, etc., even though we're a small organization with a small budget. We wish there were more shared services options—such as a co-op model for accounting services specializing in charities and non-profits."***

**Conclusion:** Our survey data indicates several common financial management practices observed by most charities in line with their transparency and accountability responsibilities, including conducting annual general meetings, adhering to established policies and procedures, and using digital tools like accounting software. However, more checks and balances require staff and volunteers with specialized skills and core funding that can be allocated to these tasks, both of which can be challenging to secure.

## Financial Health & Fundraising (CICP survey no.2.06.21)

In June, we conducted a comprehensive survey to explore the financial health and fundraising strategies of Canadian charities (CICP survey no. 2.06.21). This follow-up to our survey from last year (CICP survey no. 1.05.21) aimed to gain a deeper understanding of whether there have been notable changes across revenue streams, how charities are navigating financial challenges, and how they are adapting their fundraising approaches amidst evolving conditions.

**Changes in Revenue Sources:** Charities assessed changes in their revenue areas over the past year, including event-based fundraising, earned income, individual contributions/donations, investment income, membership fees and dues, foundation funding, and government funding. Certain revenue sources are more widely used than others: only 5% of charities do not rely on individual contributions/donations, whereas 47% do not utilize membership fees and dues.

**In the last year, has your organization seen an increase or a decrease in each of the following revenue areas:**

866 Responses

| Field                              | Significant increase | Moderate increase | Remained relatively stable | Moderate decrease | Significant decrease | Not Sure | N/A |
|------------------------------------|----------------------|-------------------|----------------------------|-------------------|----------------------|----------|-----|
| Event-based fundraising            | 4%                   | 17%               | 28%                        | 15%               | 10%                  | 2%       | 26% |
| Earned income                      | 4%                   | 24%               | 32%                        | 14%               | 6%                   | 3%       | 18% |
| Individual contributions/donations | 5%                   | 23%               | 37%                        | 21%               | 8%                   | 1%       | 5%  |
| Investment income                  | 5%                   | 23%               | 27%                        | 4%                | 2%                   | 5%       | 34% |
| Membership fees, dues, etc.        | 1%                   | 9%                | 32%                        | 8%                | 2%                   | 1%       | 47% |
| Foundation funding                 | 3%                   | 14%               | 29%                        | 11%               | 5%                   | 2%       | 35% |
| Government funding                 | 5%                   | 21%               | 32%                        | 12%               | 12%                  | 1%       | 17% |

Most revenue areas have experienced notable changes (both positive and negative) over the last year. Individual contributions/donations remained stable for the highest percentage of charities (37%), while investment income remained stable for the lowest percentage (27%). For some revenue areas, the percentages of charities experiencing increases and decreases are close, raising questions about the factors contributing to these differences. For instance, 21% of charities report an increase in event-based funding revenues, while 25% report a decrease. Similarly, 28% report an increase in individual contributions/donations, while 29% report a decrease.

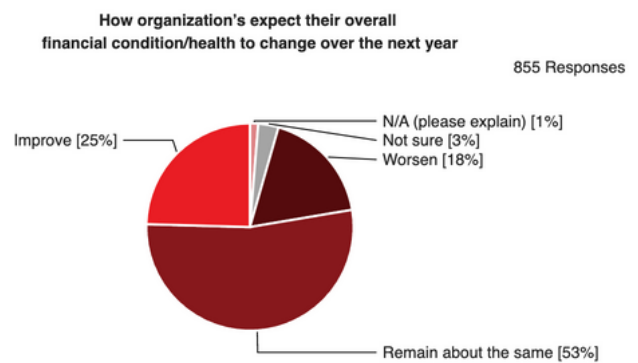
Comparing these results to May 2023, there have been significant shifts in how charities are experiencing changes in revenue:

- **Event-based fundraising:** The percentage of charities experiencing a decrease in revenue has dropped from 30% (great decrease: 8%, decrease: 22%) in 2023 to 25% (moderate decrease: 15%, significant decrease: 10%) in 2024. This suggests some recovery or improvement in event-based fundraising.
- **Earned income:** Charities experiencing an increase rose from 25% (great increase: 1%, increase: 24%) in 2023 to 28% (significant increase: 4%, moderate increase: 24%) in 2024. Those reporting a decrease have almost proportionally reduced from 22% to 20%.
- **Individual contributions/donations:** There has been a decrease in stability, from 43% in 2023 to 37% in 2024, with a slight shift towards more charities experiencing both increases and decreases.

- **Investment income:** Stability dropped from 37% in 2023 to 27% in 2024. The percentage of charities reporting increases rose from 20% in 2023 to 28% in 2024, and the percentage reporting decreases fell nearly proportionally from 13% to 6% (keeping in mind that nearly 30% of respondents selected 'N/A' in 2023 and 34% selected this in 2024).
- **Membership fees and dues:** Stability decreased marginally from 35% in 2023 to 32% in 2024, with a significant increase in charities reporting that this revenue is not applicable (42% to 47%).
- **Foundation funding:** There is a large decrease in stability from 42% in 2023 to 29% in 2024, with more charities reporting increases and decreases.
- **Government funding:** Our data indicates that organizations are seeing slightly less of an increase in this funding area in 2024 (26%) compared to last year (29%), and more are seeing a decrease (24% in 2024 and only 19% in 2023), indicating greater funding and stability in government funding for charities in 2023.

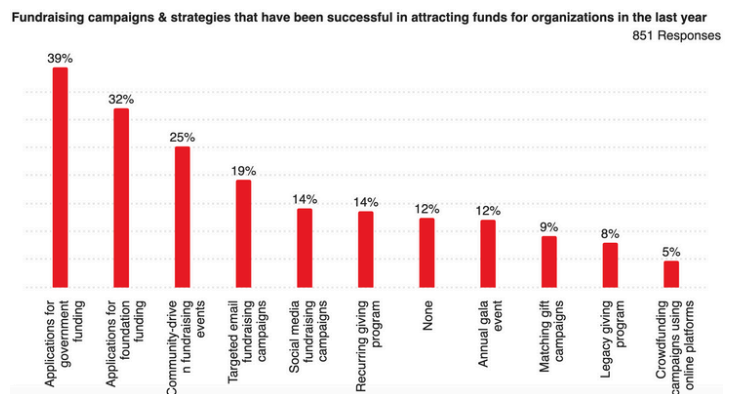
**Financial Forecasting: Optimism and Pessimism:**

Charities' financial outlooks reflect both increased optimism and pessimism compared to last year. A majority of charities (53%) expect their financial condition to remain the same over the next year, while 18% predict it will worsen. A quarter (25%) of respondents expect an improvement in their financial health. This contrasts with May 2023, when 20% predicted improvement, 61% expected stability, and 16% projected worsening conditions. The increase in both optimistic and pessimistic predictions suggests more significant changes at both ends of the spectrum compared to 2023.



**Fundraising Strategies in the Sector:**

There is no one-size-fits-all approach to fundraising. Around four in ten charities (39%) reported success with applications for government funding, and three in ten (32%) with applications for foundation funding. Other strategies have been successful for smaller groups of respondents, including community-driven fundraisers (25%), targeted email fundraising campaigns (19%), and social media fundraising campaigns (14%). However, 12% of charities reported not finding success with any fundraising strategies over the past year, indicating there is a significant segment struggling to secure necessary funds.



**Conclusion:** Our survey data highlights the pivotal role of individual donors in contributing to the financial stability of charities. Despite many having diverse revenue streams, charities are still facing precarious financial conditions. The results emphasize the need for innovative fundraising strategies and robust financial management practices to support the mission and objectives of charitable organizations.

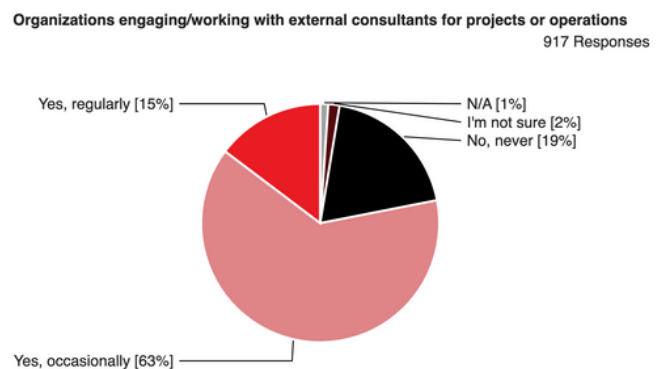


## SECTION 2: GOVERNANCE & MANAGEMENT

### Consultants (CICP survey no 2.04.13)

Consultants in the Canadian charitable sector play a crucial role in providing expertise and support that organizations may lack internally. They are often engaged for strategic planning, fundraising, governance, and technology implementation, helping charities navigate complex challenges. The use of consultants allows charities to access specialized knowledge on a temporary basis, without committing to long-term staffing costs. However, reliance on consultants can be costly, and it's essential for charities to ensure that their involvement aligns with the organization's mission and goals.

**Consultants are Widely Utilized Across the Sector:** Our survey results revealed that a significant majority of respondents have engaged external consultants for their projects or operations. Among these charities, 63% reported using consultants occasionally, while 15% engage them regularly. However, 19% of respondents indicated that their organization has never employed consultants.



**Motivations Behind Engaging Consultants:** Charities who work with consultants do so for various reasons, the most common being the need for specialized expertise (73%). Additionally, 44% of respondents cited filling a skills gap within their organization, and 33% sought an outside perspective on their projects or services.

#### Primary reasons organizations engage/work with external consultants

568 Responses

|  |     |
|--|-----|
| To provide expertise in a specific area (Please specify)       | 73% |
| To fill a skills gap within our organization (Please specify)  | 44% |
| To gain an outside perspective on our projects/services        | 33% |
| To access specialized tools or technology (Please specify)     | 26% |
| Lack of funding to hire new staff                              | 21% |
| Donor requirements (ex. Monitoring and evaluation of projects) | 9%  |
| Other (please specify)   | 6%  |



Internal organizational needs tend to be more influential in the decision to engage consultants than external factors like donor requirements (9%). Interestingly, 21% of respondents noted that lack of funding to hire new staff is a key reason for turning to consultants. This result indicates that some charities rely on consultants due to budgetary limitations, using them as a cost-effective alternative to permanent staff. Conversely, among charities who have never engaged consultants, 76% reported that budget constraints were the primary reason, while 32% felt their current resources adequately met their needs.

- *“Unless you have the ‘right’ fit, it doesn’t work well. Some are more determined to push their concept rather than historical accuracy. You need to find the ‘right’ person within an agency whom you can work with. In our case, most people don’t know accurate history.”*

**The Expertise Charities Seek from Consultants:** Charities seek a broad range of expertise from consultants, including strategic planning, human resources, project management, and fundraising. The skills they aim to acquire through consultancy services are equally diverse, encompassing areas like grant writing, board governance, technology adoption, data collection and analysis, and communications and marketing.

**Overall Positive Experiences with Consultants:**

Most charities reported positive experiences with external consultants. Specifically, 50% of respondents rated their experience as “good,” and 36% described it as “excellent.” In contrast, only 1% indicated they had a “poor” experience.

The open-ended responses provide additional insights into the varied experiences charities have had with consultants, highlighting the importance of finding the right fit and the challenges of balancing cost and expertise:

- *“Usually too expensive for us and hard to find qualified persons to come to our community.”*
- *“Our relationship with consultants is good because most of the ones we use have worked for us for years and understand our mission and values. We often have to pay consultants double or triple the day rate we would pay our full-time staff to do the same work.”*
- *“Smaller organizations don’t have the resources or the need to have permanent staffing for every required job. Using a consultant is more cost-effective.”*
- *“To be satisfied with this kind of service, we need to be invested in the process. We must be well-prepared and attentive.”*

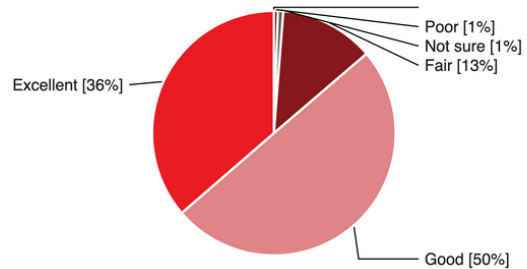
**Conclusion:** The findings from our survey highlight the common use of consultants in the charitable sector, helping organizations fill knowledge and skill gaps. While some charities find consultants to be a cost-effective solution, others struggle with the financial burden they represent. These results underscore the need for accessible education and training in the sector and offer practical insights from charities on working effectively with consultants.

**Volunteer Recruitment** ([CICP survey no 2.05.15](#))

Volunteers are a vital resource for many charities across Canada, and fluctuations in volunteer recruitment and retention can directly impact the provision and quality of charitable programs and services. In May, we asked charities about the effects of the early years of the pandemic on their volunteer base and the current state of volunteer recruitment. Only 9% of our 921 respondents indicated that they don’t work with volunteers, underscoring the widespread reliance on volunteers in the sector.

**Partial Recovery of Volunteers Post-Pandemic:** Our survey highlighted the significant challenges charities faced in maintaining their volunteer base during the first two years of the

Organizations' overall experience working with external consultants  
567 Responses

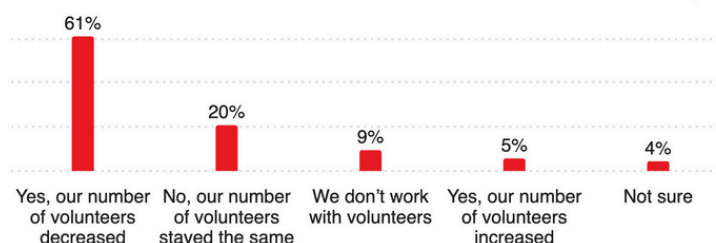




COVID-19 pandemic. A majority - (61%) of responding charities experienced a decrease in volunteers, while only 5% reported an increase. Despite these challenges, some organizations (20%) managed to maintain their volunteer numbers throughout the pandemic.

Did your organization experience a change in its number of volunteers during the first two years (2020-2022) of the COVID-19 pandemic?

921 Responses



In the current landscape, volunteer recruitment is showing signs of recovery, but it remains uneven. While 21% of charities have successfully restored their volunteer numbers to pre-pandemic levels, a larger group (41%) has only partially regained their lost volunteers. Worryingly, 24% of charities have not been able to recruit back their volunteers at all. Only 12% of respondents report exceeding their pre-pandemic volunteer levels, indicating that the majority of charities (65%) have still not returned to their previous capacity.

**Shifts in Volunteer Interests: A Major Barrier to Recruitment:** Our survey revealed that changes in volunteer interests have become the most common barrier to recruitment, affecting 52% of organizations. This marks a shift from previous years, where the impact of COVID-19 was the top concern (see [CICP survey no. 1.06.27](#)). Economic factors, volunteer burnout, and internal organizational challenges were also cited as significant obstacles.

Perceived reasons why organizations have not been able to recruit back volunteers lost during the pandemic

134 Responses

|  |     |
|--|-----|
| Changes in volunteer preferences or interests over time  | 52% |
| External factors, such as economic changes, impacting volunteerism                                       | 50% |
| Our organization has not prioritized recruiting back volunteers  | 37% |
| Volunteer burn out   | 34% |
| Difficulties due to volunteer scheduling conflicts or time constraints                                   | 29% |
| Other (please specify):  | 27% |
| Competition from other organizations offering similar volunteer opportunities                            | 22% |
| Lack of effective communication and follow-up with former volunteers                                     | 20% |
| Lack of systems in place to recognize and reward volunteers  | 16% |
| Changes in our organization's mission or focus that no longer align with previous volunteers' interests  | 7%  |
| Negative experiences or conflicts with staff or other volunteers   | 3%  |
| Failure to address feedback or suggestions from former volunteers for improving the volunteer experience | 1%  |

Open-ended responses provided further insights:

- *“Parce qu’il y a moins de gens engagés dans le bénévolat depuis quelques années.”*
- *“Many want short, transactional volunteer engagements rather than longer commitments of 3-6 months.”*

**Effective Volunteer Recruitment Strategies:** Charities that have been successful in recruiting back some, all, or a great number of volunteers to pre-pandemic levels, employed a variety of strategies. The most effective approaches included reaching out personally to people they know (59%), social media outreach (59%), participating in community events and networking (45%), and offering flexible, well-defined, low-barrier opportunities (45%). Collaborating with schools and universities for student volunteer programs was also noted as a valuable strategy (28%).

Comparing this year’s findings with data from 2023 (CICP survey no. 1.06.27), there is a notable increase in the effectiveness of social media outreach, which grew by 30%. However, traditional methods like word-of-mouth remain powerful, with 63% of respondents in 2023 citing it as an effective recruitment strategy. These results suggest that successful recruitment hinges on both the methods of outreach and the nature of the opportunities being offered.

**Most effective strategies organizations have used to recruit back some, all or a greater number of volunteers**

413 Responses

|  |     |
|--|-----|
| Social media outreach  | 59% |
| Reaching out personally to people you know                                     | 59% |
| Offering flexible volunteering schedules and opportunities                     | 45% |
| Participating in community events and networking                               | 45% |
| Collaborating with schools and universities for student volunteer programs     | 28% |
| Engaging in targeted email campaigns and newsletters                           | 22% |
| Other (please specify):  | 21% |
| Offering virtual volunteering opportunities for remote participation           | 10% |
| Hosting public information sessions  | 8%  |
| Advertising through local newspapers   | 5%  |
| Establishing partnerships with governmental agencies for volunteer initiatives | 5%  |
| Not sure   | 2%  |

**Conclusion:** The findings from our survey highlight the ongoing challenges charities face in rebuilding their volunteer base post-pandemic. While some organizations have adapted successfully, many are still grappling with the shifting landscape of volunteer interests and the broader economic environment. Charities that have effectively combined traditional and modern recruitment strategies are better positioned to navigate these challenges.





## SECTION 3: OTHER EMERGING THEMES

### Reconciliation Efforts in the Sector (CICP survey no 2.04.11)

Reconciliation holds profound historical significance and represents critical future aspirations, particularly concerning relationships between Indigenous and non-Indigenous Canadians. Since the 2015 Truth and Reconciliation Commission’s final report, various Canadian sectors, including philanthropy, have been re-examining their roles in advancing reconciliation. The Philanthropic Community’s Declaration of Action identified this as a pivotal moment for Canada’s philanthropic community to lead in reconciliation. However, these efforts remain complex and multifaceted, as revealed by our recent survey (CICP survey no. 2.04.11), which explores the roles and challenges charities face in this process.

**Reconciliation: Can Charities Play a Role?** Our survey revealed that the majority of respondents believe there is a role for the charitable sector in supporting reconciliation, with only 6% suggesting that there is no specific role for the sector. The type of role charities envision varies widely:

- **Collaboration with Indigenous Communities:** The most frequently selected option, with 72% of respondents endorsing collaboration on initiatives and projects with Indigenous communities and organizations.
- **Encouraging Open Conversations:** 61% of respondents support initiatives that foster open discussions on reconciliation.
- **Investing in Learning and Training:** 57% favor investing in learning opportunities and training for staff and volunteers.
- **Ongoing Reflection and Accountability:** 50% believe the sector should commit to continuous reflection and accountability.



What role do you think the charitable sector in Canada should play when it comes to reconciliation with Indigenous Peoples (if any)?

|   | 906 Responses |
|---|---------------|
| Collaborate with Indigenous communities and organizations on initiatives and projects | 72%           |
| Support initiatives that encourage open conversations on reconciliation               | 61%           |
| Invest in learning opportunities and training for staff and volunteers                | 57%           |
| Commit to ongoing reflection and accountability                                       | 50%           |
| Advocate for implementing Truth and Reconciliation Commission's Calls to Action       | 45%           |
| Amplify Indigenous-led charities and charities working on reconciliation              | 43%           |
| Ensure Indigenous representation in leadership roles and decision-making              | 42%           |
| Allocate resources to support Indigenous initiatives                                  | 42%           |
| Not sure  | 7%            |
| Other (please specify)  | 7%            |
| There is no specific role for the charitable sector                                   | 6%            |

Respondent comments reflect a spectrum of perspectives on the sector’s role:

- *“There is already so much attention drawn that it feels trite. In the charitable sector, it feels forced and inauthentic. In discussions with Indigenous clients, I hear they don’t want to be singled out, just treated with respect and dignity.”*
- *“The role should be entirely dependent on the specific mandate and mission of the organization; there is no one-size-fits-all approach.”*
- *“Would be curious to hear what Indigenous leaders feel is needed.”*
- *“The charitable sector can’t do it all. Nor should the sector carry a disproportionate burden of reconciliation. What are businesses and governments doing?”*



**Challenges Charities Face in Supporting Reconciliation:** Our survey highlighted several challenges that charities encounter in their reconciliation efforts. These challenges can be grouped into resource limitations, trust and relationship issues, and internal conflicts:

- **Resource Limitations:** The most frequently cited challenge was insufficient financial resources to support reconciliation initiatives (42%). Other challenges include a lack of awareness of Indigenous-led organizations (17%) and limited understanding of Indigenous history and cultures (12%). Practical difficulties such as geographical distances and challenges in finding Indigenous staff and volunteers were also noted.
- **Trust and Relationship Issues:** Building and maintaining meaningful partnerships with Indigenous-led organizations appears to be hindered by things like trust issues. 29% of respondents reported difficulties in forming these partnerships, while 21% struggled to build trust with Indigenous communities.
- **Internal Conflicts and Organizational Challenges:** Internal conflicts arise from differing understandings and priorities related to reconciliation. For example, 31% of respondents reported struggling to prioritize reconciliation amidst other organizational goals. Additional survey comments reveal internal resistance, fear of making mistakes, and differing opinions on the best path forward.

| Challenges or barriers organizations face when it comes to supporting reconciliation with Indigenous Peoples |               |
|--|---------------|
|  | 894 Responses |
| Insufficient financial resources to support these initiatives  | 42%           |
| Challenges in prioritizing reconciliation amidst other organizational goals and demands                      | 31%           |
| Difficulty forming meaningful partnerships with Indigenous-led organizations                                 | 29%           |
| Challenges building trust with Indigenous communities  | 21%           |
| Our organization has not been involved in supporting reconciliation with Indigenous Peoples                  | 18%           |
| Lack of awareness of Indigenous-led or serving organizations in my sector of activity                        | 17%           |
| Limited understanding or awareness of Indigenous history and cultures  | 12%           |
| N/A  | 12%           |
| Other (please specify)   | 9%            |
| Not sure   | 4%            |
| Internal resistance to organizational change necessary for reconciliation                                    | 4%            |

**Recommendations from Indigenous-Led or Centered Charities:** Indigenous-led or centered charities emphasized the importance of various forms of support and acknowledgment:

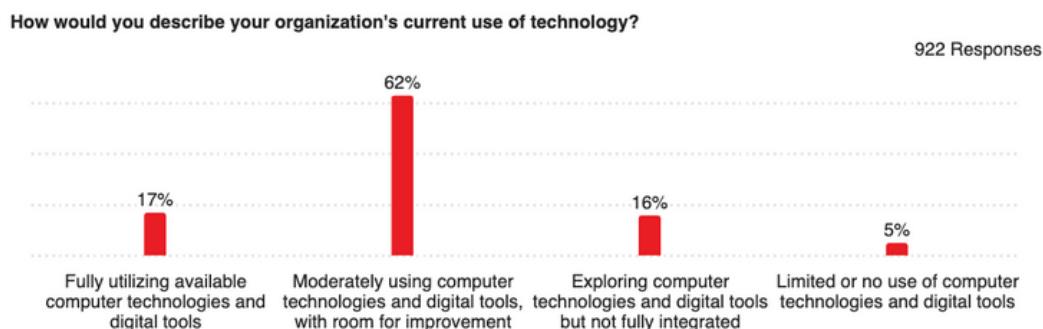
- *“My organization is Indigenous-led, and we always ensure that initiatives are for us by us. We believe the charitable sector can support, but if there is an Indigenous-led charitable organization in a specific sector versus a non-Indigenous one with similar mandates, the support should go towards the Indigenous-led organization. However, careful consideration regarding capacity is necessary to maintain balance.”*
- *“Yes, funding and resources are needed for education and building safe spaces that encourage participation by Indigenous groups.”*
- *“The reliance on Indigenous people to lead reconciliation isn’t where the sector can make meaningful change. Operations must look within to address misunderstandings, biases, and ignorance before building a sector that is more inclusive, diverse, collective, equitable, responsive, and effective. Begin making friends and build relationships with local First Nations people. Ask them for guidance, but don’t expect them to do all the work... this rings of colonialism, patriarchy, and entitlement—take some responsibility and action for behaviors and beliefs, and be okay with learning and unlearning.”*

**Conclusion:** Our survey findings reveal ongoing questions about the sector’s role in supporting reconciliation, particularly the ideological tension between charity and justice. As Senator Murray Sinclair, the former head of the Truth and Reconciliation Commission, noted, reconciliation cannot be achieved “when one side sees it as an act of benevolence and the other as a recognition of rights.” Recognizing that both justice and charity support human dignity is crucial. Reconciliation is an ongoing journey, not a finished project.

- *“Fear of taking up space, fear of standing in front of rather than supporting from the back. We want to do this right, but our fear of doing it wrong can cause us to appear inactive.”*

**Technology Adoption** (CICP survey no 2.04.12)

**Technology Widely in Use in the Sector but to Varying Degrees:** In mid-April, we surveyed charities about their experiences with technology adoption in recent years, aiming to understand the technological changes they are investing in and the challenges they face in integrating them.



A majority of respondents (62%) describe their organizations as moderately using computer technologies and digital tools, indicating that while these tools are in use, there is room for improvement. Only 5% of charities reported limited or no use of these technologies, suggesting that most charities are engaging with digital tools to some extent.

**New Investments and Changing Mindsets:** Nearly half of the responding charities (48%) have dedicated more funding to software and digital tools in recent years. Additionally, 45% of respondents noted an improved understanding of the benefits of these technologies, indicating a positive shift in knowledge that may influence future priorities and investments.

Technological/digital improvements implemented by organizations in recent years 920 Responses

|  |     |
|--|-----|
| More funding dedicated to software and digital tools   | 48% |
| Improved understanding of the benefits of software and digital tools                                 | 45% |
| Boosted confidence to pursue digital tools   | 28% |
| Elevated organizational priority for software and digital tools (versus other initiatives)           | 28% |
| Strengthened commitment of leadership towards software and digital tools                             | 27% |
| Enhanced understanding of the costs, timelines, and requirements of software and digital tools       | 26% |
| Received better support from funders, donors, and the board for utilizing software and digital tools | 22% |
| Increased internal staff with specific I.T. expertise and knowledge                                  | 20% |
| None of the above  | 18% |
| Developed a digital strategic plan   | 11% |
| Other (please specify)   | 5%  |
| Not sure   | 1%  |

Interestingly, many of the improvements highlighted by charities are related to changes in perspective or prioritization rather than material increases in resources. For example, 28% of charities report an increased prioritization of software and digital tools, while another 28% noted a boost in confidence in pursuing these technologies. Furthermore, 27% of organizations observed increased commitment from leadership toward digital initiatives, and 26% have developed a better understanding of the costs and requirements associated with digital tools.

However, despite these shifts in knowledge and attitude, only 11% of respondents have developed a digital strategic plan to guide their technological adoption process, revealing a critical gap in strategic planning.

**Charities Face Multiple Barriers in Adopting New Technologies:** The majority of charities (94%) report facing challenges in integrating new technologies. The most significant barrier is financial, with 74% of respondents indicating a lack of resources to invest in technology. Other barriers include limited access to training and support resources (43%), integration issues with existing systems and processes (36%), concerns about data security and privacy (34%), resistance to change among staff and stakeholders (31%), obsolete hardware or software (30%), difficulty in finding and retaining skilled IT personnel (24%), other (please specify) (6%), and we have not faced any challenges related to technology adoption (6%).



**Challenges organizations are facing in adopting new technologies:**

919 Responses

|   |     |
|---|-----|
| Lack of financial resources to invest in technology             | 74% |
| Limited access to training and support resources                | 43% |
| Integration issues with existing systems and processes          | 36% |
| Concerns about data security and privacy                        | 34% |
| Resistance to change among staff and stakeholders               | 31% |
| Obsolete hardware or software                                   | 30% |
| Difficulty in finding and retaining skilled IT personnel        | 24% |
| Other (please specify)  | 6%  |
| We have not faced any challenges related to technology adoption | 6%  |

**Conclusion:** While technology is increasingly being adopted in the charitable sector, significant challenges remain. The most concerning is the lack of comprehensive digital strategies, with nearly 90% of Canadian charities lacking such a plan. For successful technology adoption, charities must actively engage with this process, confront its numerous challenges, and develop a workable digital strategic plan to guide their efforts.

**Environmental Sustainability** ([CICP survey\\_no\\_2.05.16](#))

**Charities and Environmental Action - A Complex Relationship:** In May 2023, we surveyed charities about climate change and found that 78% of respondents did not have a climate change policy or strategy in place. In January 2024, when asking about the emerging risks and challenges facing the sector, only 11% of respondents selected environmental and sustainability concerns. Based on these figures, one might assume that charities without an explicit environmental mandate are prioritizing other issues and are less likely to engage in environmental activities. However, our May 2024 survey on environmental sustainability suggests that this assumption may not fully capture the reality of the sector.

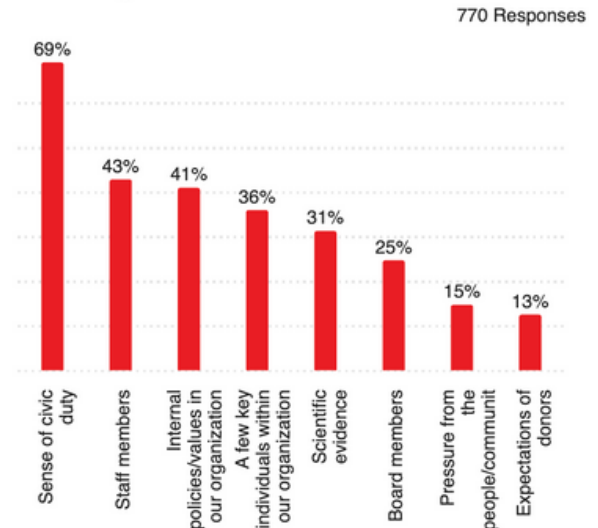
**Extent which organizations prioritize environmental sustainability in their operations and initiatives**

|   | 908 Responses |
|---|---------------|
| High priority - it is a top consideration, and we actively seek opportunities to minimize our environmental impact.                                   | 14%           |
| Moderate priority - it is important to us, and we have implemented some initiatives to address it, but it is not the primary focus of our operations. | 43%           |
| Low priority - While we acknowledge its importance, it is not a significant consideration in our operations and initiatives.                          | 28%           |
| Not a priority - it is not a focus for our organization, and it does not play a significant role in our decision-making processes.                    | 14%           |
| Not sure.   | 1%            |

**What Drives the Environmental Efforts of Charities? Civic Duty Tops the List:**

Our May 2024 survey found 69% of respondents indicated that a sense of civic duty motivates their organization to take environmental action. Other significant drivers include staff members (43%), internal policies and values (41%), and key individuals within the organization (36%). These findings highlight that environmental actions are often driven by internal factors such as a sense of responsibility, the influence of staff, and the guiding principles of the organization. External pressures, such as community expectations (15%) or donor demands (13%), are less commonly cited as motivators.

**Factors driving charities to take environmental action**



**Environmental Sustainability: A Moderate to Low Priority for Most Charities:** While our previous survey on emerging risks and challenges suggested that environmental concerns rank lower compared to other issues, this hasn't completely deterred charities from prioritizing environmental sustainability in their operations. Our survey found that 43% of respondents consider environmental sustainability a moderate priority, while 28% regard it as a low priority. Most charities place themselves in the middle ground, neither fully prioritizing nor completely disregarding environmental sustainability.

Despite this moderate prioritization, many charities shared examples of environmental initiatives they have integrated into their daily work:

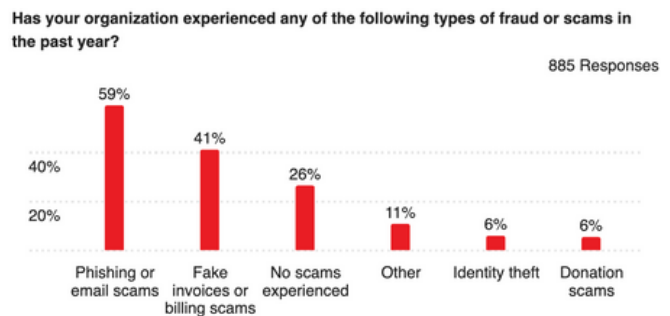
- *“Currently renovating the building envelope for maintenance and reduced carbon footprint (walls, roof, windows, entrance doors).”*
- *“We upcycle materials for many of our craft programs. We have brought in ceramic mugs to replace styrofoam cups. Small things but hoping they make a difference.”*
- *“We shop local whenever possible. Most of the cleaning supplies we use are eco-friendly. The only ones that are not we use due to budget constraints. We also compost. All thermostats are on timers.”*
- *“When sourcing props or set pieces for our production, we reuse items or source secondhand from the community. We only buy new items as a last resort. We have reduced the number of paper programs we print for our shows and offer an online virtual program option.”*

**Conclusion:** Although environmental sustainability is not a top priority for most charities, this has not stopped them from integrating environmental considerations into their operations. Civic duty, staff influence, and internal values and policies are key drivers behind these efforts, which range from recycling and reusing practices to eco-friendly purchases, energy-efficient measures, and educational initiatives.

**Scams/Fraud** (CICP survey no 2.06.20)

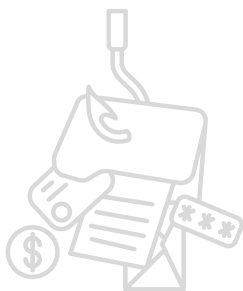
The charitable sector in Canada is not immune to threats that target their data and services for malicious purposes, as recent incidents involving the Canadian Red Cross, the Salvation Army, Scouts Canada, and the Toronto Public Library (among others) have shown. Charities across the country handle sensitive information, ranging from medical records and personal contact details to service delivery records and opinion data. According to Imagine Canada’s 2023 trend analysis, the significant digital transitions many charities underwent during the pandemic have increased their exposure to cyber risks, necessitating proactive measures for effective mitigation (Barr and Jensen 2023).

**Most Charities Have Experienced Some Form of Scam/Fraud in the Past Year:** Our June survey on scams and fraud within the sector revealed that phishing and email scams are the most common, with 59% of respondents reporting incidents of this nature in the past year. Additionally, 41% of respondents indicated they had encountered fake invoices or billing scams during the same period.



A smaller, yet still notable, 11% of respondents selected the ‘other’ option where they detailed various other scams and fraud they had experienced. These included “spoofing,” “sales of branded clothing,” “social media scams,” website hacks, and fraudulent requests for gift card purchases. The variety of scams listed in the ‘other’ section underscores the myriad ways in which the staff, reputations, data, and financial resources of charities are being jeopardized by these malicious activities.

While 26% of respondents reported that they had not experienced any scams in the past year, this still leaves the majority of charities exposed to such threats. This result is concerning given the potential legal, organizational, and financial repercussions of these incidents.



**Measures organizations currently have in place to protect against fraud or scams**

| Measure   | Percentage |
|---|------------|
| Increased cybersecurity measures (e.g., software, firewalls, regular updates) | 58%        |
| Verification processes for invoices and payments                              | 49%        |
| Enhanced financial controls and auditing procedures                           | 47%        |
| Background checks for new employees and volunteers                            | 41%        |
| Conducted staff training on recognizing and responding to scams               | 39%        |
| Cybersecurity insurance   | 21%        |
| No measures in place  | 10%        |
| Established a fraud/scam response plan  | 8%         |
| Other (please specify)  | 5%         |
| Not sure  | 2%         |

887 Responses



**Charities Are Investing in Measures to Better Protect Themselves:** To combat scams and fraud, 58% of respondents indicated that they have increased their cybersecurity measures, 49% reported implementing verification processes for invoices and payments, and 47% have enhanced financial controls and auditing procedures. In addition, smaller percentages of respondents reported taking the following actions:

- Background Checks for New Employees and Volunteers: 41%
- Training for Staff on Recognizing and Responding to Scams: 39%
- Purchasing Cybersecurity Insurance: 21%

Responding charities also mentioned other strategies they have employed, such as sending notices and newsletters to members warning them of potential scams, using authentication measures, collaborating with IT staff, and encouraging vigilance among staff about which emails are to be opened or not. In contrast, 10% of respondents reported having no measures in place to protect against scams and fraud. This lack of preparedness presents serious risks, especially given the prevalence of such threats.

**A Minority of Charities Feel Very Confident in Their Ability to Prevent Scams/Fraud:** Despite the measures taken, only 10% of organizations reported having robust measures in place and feeling very confident in their ability to prevent scams and fraud. Almost half (47%) expressed confidence in their existing measures but acknowledged room for improvement, while over a third (34%) were somewhat confident, aware of the risks but lacking comprehensive measures.

These results align with our previous findings. In July 2023, the CICP found that cybersecurity and data protection measures were only the seventh most common type of technological advancement implemented by charities in recent years (see [CICP survey no. 1.07.29](#)). A September 2023 CICP survey ([CICP survey no. 1.09.37](#)) revealed that only 19% of responding charities were “very confident” in their data security and privacy measures, and just 26% rated their encryption and access controls around sensitive data as strong. Similarly, a January 2024 CICP survey ([CICP survey no. 2.01.01](#)) indicated that data security is not a top priority for most organizations in the coming year, and technological disruptions are not seen as a significant emerging challenge by most respondents.

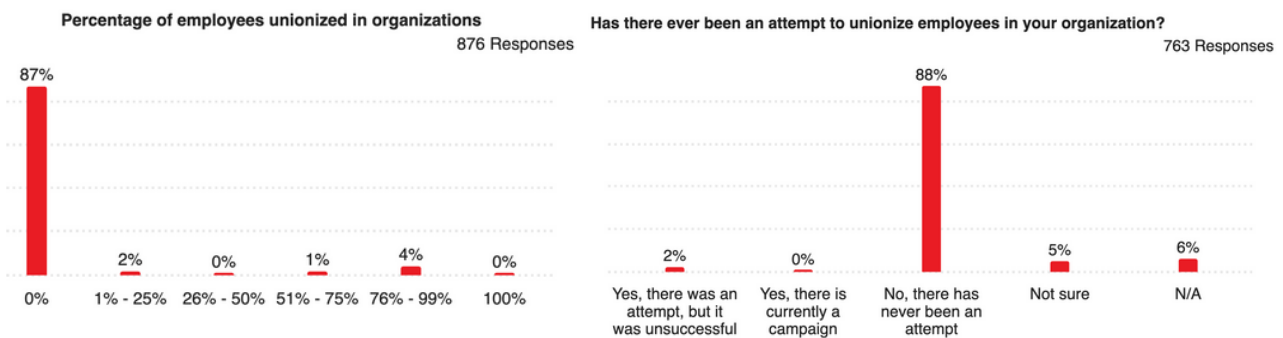
The comments shared by charities at the end of our June survey highlighted important issues, including the financial costs and time involved in implementing protective measures and the challenges in securing funding for this work. Charities also emphasized the evolving nature of scams and fraud and the innovative ways they are responding to these risks:

- ***“We are a small organization, and the cost of IT-Cybersecurity measures has been a significant investment, and increase in costs, but it is needed.”***
- ***“It takes time to check every email and communication! Time that could be more productively spent on other things!”***
- ***“The scams are getting sophisticated; sometimes it’s hard to tell the difference.”***
- ***“Small nonprofits are very vulnerable and an easy target for ransomware attacks. Cyber insurance is not sustainable for small nonprofits. And what an eye-opener to the dark underworld of cybercrime. Even with security in place, keeping up with safeguards is very, very challenging and demands a level of expertise. It’s also costly.”***
- ***“We are small enough with excellent communication that everything is checked twice.”***

**Conclusion:** Like many other sectors, charities are being targeted by malicious actors using a variety of scam and fraud tactics. However, only a minority of charities report having robust measures in place and feeling very confident in their ability to protect themselves. The evolving nature of scams and fraud, combined with time and funding constraints and a lack of expertise negatively impact charities’ ability to implement comprehensive measures and keep up with emerging risks. The data from this survey highlights the existing gaps and vulnerabilities charities face, the forms that scams and fraud take, and their prevalence. This information is crucial for designing awareness and support initiatives for the sector.

**Unionization in the Sector** (CICP survey no 2.06.22)

In June, we conducted a survey to explore unionization within the charitable sector, aiming to understand its prevalence, the types of employees who are in unionized roles, and the perceived impacts of unionization on organizations.



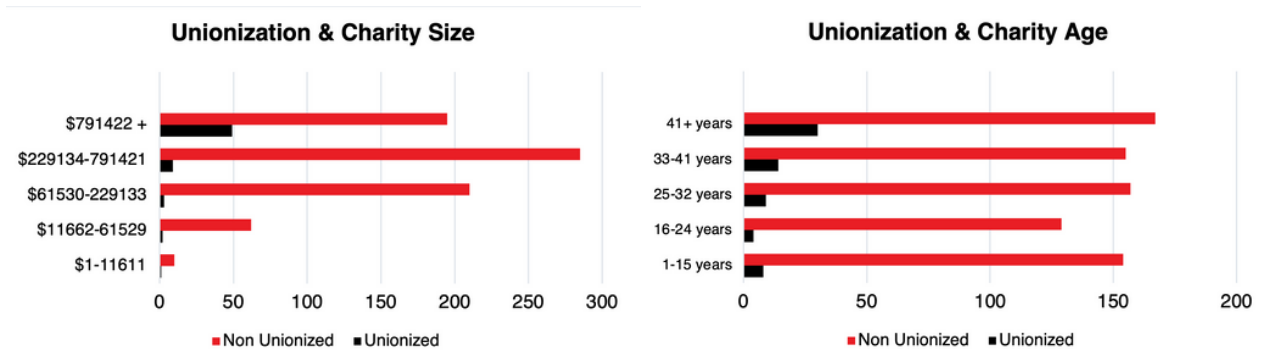
**Unionization More Common in Larger, Older Charities:** Among the 7% of charities that are unionized, the most common rate of unionization falls within the 75-99% range of staff. Our survey also found that larger and older charities are more likely to have unionized employees, specifically those with annual expenditures exceeding \$229,133 and those that have been operating for more than 33 years.

Among the 67 respondents who reported having unionized staff, 76% indicated that their unionized employees are primarily full-time and part-time permanent staff. Unionization of part-time and full-time contract employees is less common, reported at 31% and 28%, respectively. Seasonal employees are the least likely to be unionized, with only 12% of those organizations with unions reporting unionized seasonal staff.

**Mixed Reviews on the Impact of Unionization:** Our survey revealed mixed opinions on the impact of unionization on charitable operations. Of the 67 respondents with unionized employees, 28% stated that unionization had no significant impact on their operations, 21% reported a negative impact, and 15% described the impact as positive. Additionally, 30% selected the 'other' option, with 11 of these respondents noting that unionization has both positive and negative effects:

- *“Both positive and negative impacts on operations. The union is there to represent unionized staff, but this can also be a negative when misinformation is shared or inferred. The union conversations have also historically been tense and somewhat negative. We are working closely with union execs to improve communication and work collaboratively to support staff.”*

- *“The union has created challenges in certain areas (e.g., scheduling) that wouldn’t otherwise exist. It’s not wholly negative, but it isn’t an overall positive impact either. We’re a white-collar workplace with significant stability and benefits. Unionization didn’t provide additional benefits to the workers that they would not have otherwise had.”*



**Conclusion:** Unionization is uncommon within the charitable sector, and there is little evidence to suggest a trend towards increased unionization as only 2% of non-unionized charities have ever attempted to unionize. Those that do have unionized staff tend to be older and larger organizations. Among this small group, there is no clear consensus on the impact of unionization, with responses indicating both positive and negative effects. While unionization is a peripheral topic in current discussions about the sector, our survey sheds light on a lesser-explored aspect of working conditions within charities.







## SECTION 4: SECTOR-WIDE CHALLENGES

### Access to Education and Training (CICP survey no 2.05.17)

Professional development is essential for charities to enhance their staff's skills and expand their organizations, yet these opportunities often require significant time and financial resources. In May, we surveyed charities about their approaches to education and training, the challenges they face in providing these opportunities, and the knowledge and skills areas they are prioritizing for their organizations.



**How organization's typically provide education and training opportunities for their staff/personnel:** 891 Responses

|  |     |
|--|-----|
| On-the-job training and mentoring  | 82% |
| Online courses and webinars  | 70% |
| External training programs and conferences   | 60% |
| Peer learning and knowledge sharing sessions   | 47% |
| In-house workshops and seminars  | 44% |
| Access to professional development resources and materials                           | 40% |
| Reimbursement for continuing education or professional development courses           | 39% |
| Regular performance reviews with feedback and development plans                      | 34% |
| Certification programs   | 22% |
| Subscriptions to industry publications and newsletters                               | 21% |
| Dedicated staff for training and development   | 9%  |
| Partnerships with educational institutions   | 9%  |
| We do not currently provide education and training opportunities for staff/personnel | 4%  |

**Time and Resource-Intensive Education/Training Opportunities Are Less Widely Available Across Organizations:** Our survey revealed that on-the-job training and mentoring are the most common methods used within the charitable sector, with 82% of responding charities indicating they employ these methods. Online courses and webinars (70%) and external training programs and conferences (60%) are also popular ways charities provide education and training for their staff. However, other professional development opportunities are less prevalent across organizations:

- Peer learning and knowledge-sharing sessions (47%)
- In-house workshops and seminars (44%)
- Access to professional development resources (40%)
- Reimbursement for continuing education or professional development courses (39%)
- Regular performance reviews with feedback (34%)

Moreover, only 9% of respondents reported having dedicated staff for training and development, indicating that such roles are quite rare in the sector.

**Lack of Funding and Time Are Common Barriers Facing Charities:** Our survey also highlighted the barriers that charities face in offering education and training. The top challenges identified include limited budgets (80%) and a lack of time (62%) to dedicate to these opportunities. Additionally, a quarter of respondents cited a lack of relevant training programs, while 21% mentioned that geographic constraints affect what they can offer.

**Fundraising Skills Are Widely Sought After, Alongside a Mix of Competencies in Other Areas:**

Our survey results also reveal the specific knowledge and skills areas that charities are currently interested in pursuing. The most frequently selected topic was funding strategies and donor engagement (57%), followed by grant writing and proposal development (47%). This emphasis reflects the prioritization of financial health by many charities. Interestingly, there is considerable diversity in the topics charities seek education and training in, with almost every topic being selected by at least 20% of survey respondents. This suggests that while funding-related topics are highly relevant, charities also express interest in a wide range of areas, including:

- Digital marketing and social media (45%)
- Program evaluation and impact measurement (40%)
- Volunteer coordination and management (35%)

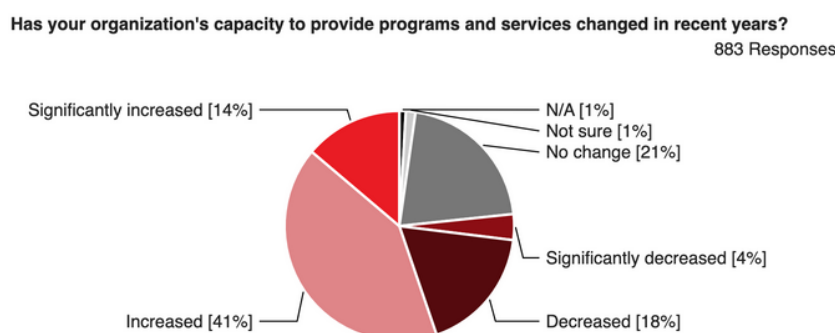
**Challenges organization's are facing in providing access to education and training opportunities for their staff/personnel (if any)?**

| 889 Responses  |     |
|--|-----|
| Limited budget for training and development                                | 80% |
| Lack of time or scheduling conflicts                                       | 62% |
| Limited availability of relevant training programs                         | 25% |
| Geographical constraints or remote locations                               | 21% |
| High staff turnover, making sustained training efforts difficult           | 16% |
| Low staff interest or engagement in training opportunities                 | 10% |
| Difficulty in identifying appropriate training providers                   | 10% |
| Insufficient internal expertise to conduct training                        | 9%  |
| Difficulty in measuring the effectiveness of training programs             | 9%  |
| We don't face any challenges providing educational/training opportunities. | 6%  |
| Other (please specify)   | 5%  |
| Lack of technological resources for online training                        | 3%  |

**Conclusion:** Charities clearly recognize the importance of new professional development opportunities to enhance their existing capabilities. The data from our survey could help inform future needs assessments for the sector, ensuring that professional development resources are aligned with the evolving demands of charitable organizations.

**Capacity to Provide Programs & Services** ([CICP survey no 2.05.19](#))

In January, we surveyed charities about the demand for their programs/services, revealing that 50% of charities experienced an increase or major increase in demand (see [CICP survey no. 2.01.02](#)). Additionally, 45% reported an increase in costs associated with providing services, with 18% noting a major increase. In response to these trends, we surveyed charities in May to assess their capacity to meet these growing demands.



**Demand Outpacing Capacity:** Our findings indicate that demand for services/programs is outpacing capacity for most charities. Specifically, 28% of respondents report that demand for their services is much higher than their capacity to provide, while 44% state that demand is higher than capacity. Only 21% of respondents say that demand is roughly equal to their capacity, and a mere 4% report lower demand than capacity. These results suggest that most charities are operating under significant strain, reflecting broader societal challenges amidst an affordability crisis and post-COVID recovery.

**Charities looking to expand their capacity intend to do so in various ways:**

- **Funding and Diversification:** The most common strategy is increasing or diversifying funding sources. Some charities expect increased funding for core services, while others are exploring social enterprises to boost funds and social impact.
- **Human Resources:** Many charities plan to recruit additional staff or volunteers to support program expansion.
- **Infrastructure Investments:** Expanding program space and resources is another strategy, with some charities working on acquiring new spaces or enhancing existing infrastructure.
- **Other Strategies:** These include restructuring services, developing partnerships, and investing in innovation and technology.

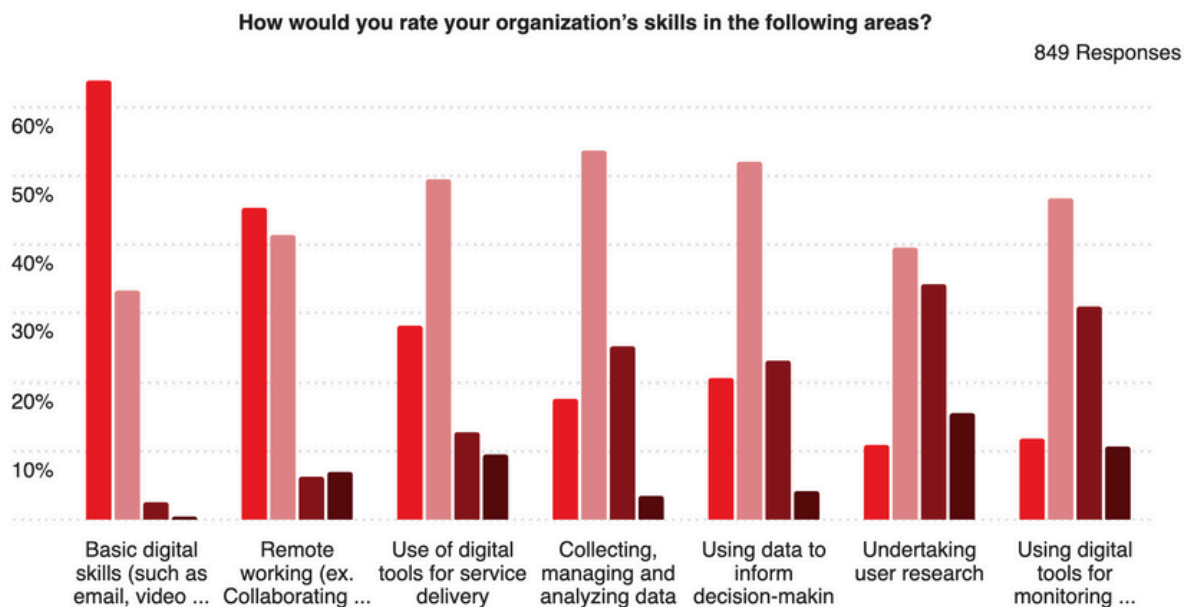
| How organizations' current capacity to provide programs and services compare to the current demand for these programs and services: | 885 Responses | Does your organization have any plans to change its current capacity to provide programs and services? | 882 Responses |
|---|---------------|--|---------------|
| Demand for services is much higher than capacity  | 28%           | Yes, we have plans to significantly increase capacity  | 7%            |
| Demand for services is higher than capacity   | 44%           | Yes, we have plans to increase capacity  | 54%           |
| Demand for services roughly equal to capacity   | 21%           | No planned changes to capacity   | 29%           |
| Demand for services is lower than capacity  | 4%            | Yes, we have plans to decrease capacity  | 2%            |
| Demand for services is much lower than capacity   | 0%            | Yes, we have plans to significantly decrease capacity  | 0%            |
| Not sure  | 2%            | Not sure   | 3%            |
| N/A   | 1%            | N/A  | 4%            |

**Barriers to Expansion:** For those not planning to increase their capacity, financial constraints are the most common barrier cited by about half of the respondents. Other reasons respondents cited for not expanding include difficulties in recruiting volunteers or staff, already meeting community demand, and infrastructure limitations.

**Conclusion:** A little over half (55%) of charities report that they have increased or significantly increased their capacity to provide programs and services in recent years. However, 72% of responding charities indicate that current demand exceeds their capacity to respond. While 61% have plans to increase capacity, only 7% plan significant increases. Financial and human resource constraints are the most common barriers to expansion, highlighting the interconnectedness of the financial health of charities and the well-being of Canadians.

## Software & Digital Skills (CICP survey no 2.06.23)

In June, we continued exploring the sector’s relationship with technology by surveying charities on their digital skills and the software tools they currently use to support their work. Inspired by the [U.K.’s 2023 Charity Digital Skills survey](#), we asked charities to assess their digital skills across various domains, identify the tools they rely on for daily operations, and highlight the digital competencies they foresee as essential in the near future.



**Strong Basics, Notable Gaps in Specialized Skills:** The results revealed interesting similarities in basic digital skills between Canadian and UK charities. In our CICP survey, 64% of respondents rated their basic digital skills, such as email and video calling, as excellent, which mirrors the 64% of charities in the U.K.’s Charity Digital Skills survey with similar ratings. Regarding remote working skills, 45% of CICP respondents rated their abilities as excellent, and 41% as fair, closely aligning with the UK data, where 48% rated their remote working skills as excellent and 45% rated them as fair.

However, gaps emerged in more specialized digital skills, particularly in areas related to research and evaluation. For example, only 18% of Canadian charities rated their ability to collect, manage, and analyze data as excellent, with 54% rating this skill area as fair and 25% as poor. Similarly, just 21% of charities felt their ability to use data to inform decision-making and strategy was excellent, while 52% rated it as fair, and 23% described their skill level as poor. Skills related to user research and using digital tools for monitoring and evaluation also showed a wide range of proficiency, with most respondents rating their skills as either fair or poor.

**Diverse Technologies for Operational Efficiency and Sector-Specific Solutions:** Our survey shows that charities are actively using a mix of basic and advanced technologies to enhance their operational efficiency and outreach. While basic productivity tools such as Microsoft Office and Google Workspace are fundamental to daily activities across the sector, there is also substantial adoption of more sophisticated back-office and marketing technologies aimed at improving project management, customer relationships, and meeting sector-specific needs.

Below is a summary of the categories and common software used by charities:

| Softwares and tools currently used by charities | No. of References | Common software names  |
|---|-------------------|--|
| Office productivity tools                       | 773               | Microsoft Office, Google Workspace   |
| Fundraising and donor management                | 444               | CanadaHelps, Salesforce, DonorPerfect, Keela, Zeffy, Raiser’s Edge                   |
| Communication                                   | 432               | Zoom, Microsoft Teams, Slack, Whatsapp   |
| Finance and payment software                    | 239               | Quickbooks, Sage, Square, Paypal   |
| Project or task management                      | 124               | Asana, Trello, Miro, Smartsheet  |
| Data management and security                    | 104               | Survey Monkey, Google Forms, Jotform, Microsoft Forms                                |
| Staff and volunteer management                  | 78                | Better Impact, ADP, Agendrix, Volunteer Impact                                       |
| Grant management                                | 17                | Grant Advance, Grant Connect, Foundation Search, and Pocketed                        |
| Automation and system integration tools         | 9                 | Zapier, Omatic   |
| Social media                                    | 258               | Facebook, Instagram, Twitter/X, Youtube (platforms); Hootsuite, Buffer, Zoho, Loomly |
| Marketing and engagement                        | 130               | Mailchimp, Constant Contact, CyberImpact, Hubspot                                    |
| Graphic and digital editing                     | 129               | Canva, Adobe Suite, Photoshop, Indesign  |
| Website   | 93                | WordPress, Wix, Squarespace, GoDaddy   |
| Specialized softwares                           | 207               | e.g., Planning Center, Theater Manager, Hestia, Link2Feed                            |

**Anticipated Focus on Data Management and AI Integration:** Based on 679 open-text responses, the top four anticipated software or digital skills for organizations in the next 3-5 years are Fundraising and CRM Management, Digital Marketing, Data Literacy and Management, and AI Integration. While the first two are currently among the most important software needs, the emerging focus on data literacy, management, and AI integration highlights a shift towards more advanced technological adoption in the sector. Concurrently, there is growing interest in integrated digital platforms, suggesting a move towards centralized technology solutions that can handle everything from membership and financial tracking to communications.

- ***“Understanding AI, cybersecurity and business continuity, scaling data literacy across the organization.”***
- ***“Automating tasks - increased automation of the receipting process, website maintenance, inventory management, etc.; Data analysis - using collected information to predict future needs and better understand clients; Social media management - growing online audience, reaching non-members, promoting events and initiatives, etc.”***
- ***“An integrated cloud-based digital platform that allows us to manage membership, grants, donations, financial processing/tracking, and communications all in one platform. It doesn't exist - and we sure wish it did!!”***

**Conclusion:** Our survey shows that while digitalization and advanced skills are trending in the charitable sector, smaller charities often find basic tools sufficient for their needs. However, given the anticipated importance of digital fundraising and data management in the next 3-5 years, a stronger digital sector requires a willingness for change, and supports from those such as the government, donors, and society at large.





## Conclusion

The findings of this report offer a snapshot overview of the current state of the Canadian charitable sector, highlighting both its resilience and the challenges it faces in an evolving landscape. Our data reveals that while many organizations have adapted to the pressures of financial constraints, evolving societal needs, and technological advancements, there remain significant areas for growth and development.

Unionization, for example, remains a relatively peripheral issue, with only a small percentage of charities reporting unionized workforces. This suggests that unionization has yet to gain significant traction within the sector, possibly due to the unique dynamics and operational realities of charitable organizations.

The financial health and stability of charities also varies widely, with some organizations feeling the effects of external and internal challenges and pressures more than others. The importance of financial resilience is underscored by the fact that financial constraints are a recurring theme across multiple challenges faced by the sector, from program delivery to capacity building.

In the area of reconciliation with Indigenous communities, the sector is making strides, but challenges persist. The barriers identified—ranging from resource limitations to internal clashes—highlight the complexity of implementing meaningful reconciliation efforts. These challenges emphasize the need for ongoing education, deeper community engagement, and a more nuanced understanding of how charities can best support reconciliation efforts.

The sector's approach to governance and management is also evolving, with a notable reliance on consultants to navigate the complexities of modern nonprofit management. While consultants play a valuable role in providing expertise and guidance, their impact on long-term capacity building and organizational sustainability remains a topic of debate.

Overall, the insights gained from this research provide a foundation for future strategic planning and policy development. By addressing the identified challenges and leveraging the sector's inherent strengths, Canadian charities can continue to play a vital role in fostering social good and addressing the needs of communities across the country. The CICP remains committed to supporting these efforts through ongoing research, dialogue, and the dissemination of timely and relevant data.

We invite readers to engage with the findings presented in this report, reflect on their implications, and join us in our ongoing efforts to create positive change in our communities.





## Looking Ahead

We would like to thank all of our dedicated panellists for their time, commitment, and inputs over the past months – a particular word of thanks to the many panellists who decided to re-join us for another study year. We are very happy to report that over the course of the first 31 weeks of this year's study, the survey panel has maintained an average response rate of roughly 81%.

As the project continues to grow, we will be updating our website frequently to include more detailed analyses of the data we collect, finalize the white papers related to the study's methodology, and upload working drafts of research papers our team is working on as well as the study's data.

If there are questions you would like us to ask, please email them to us at [CICP.Research@carleton.ca](mailto:CICP.Research@carleton.ca). We cannot guarantee their inclusion, but they will be given our full attention. Contact us at the following email address and follow us on our socials for more information:

**Email:** [CICP.Research@carleton.ca](mailto:CICP.Research@carleton.ca)

**Website:** <https://carleton.ca/cicp-pcpob/>

**Newsletter sign up:** <https://confirmsubscription.com/h/t/3D0A2E268835E2F4>

**Follow us on LinkedIn:** <https://www.linkedin.com/company/cicp-pcpob/>

**Twitter / X:** @CICP\_PCPOB

**Facebook:** @CICP.PCPOB







## APPENDIX: Methodology

The participants in this study were recruited using randomized lists created with publicly available T3010 data (2021), administered by the Canada Revenue Agency (CRA) <https://www.canada.ca/en/revenue-agency.html>. T3010 data was downloaded and sorted into sample lists. No data was altered from its original state. Our lists were produced as copies of an official work published by the Government of Canada and were not endorsed by, or produced in affiliation with, the Government of Canada.

This year, we partnered with the Survey Research Centre at the University of Waterloo to create our initial sample lists. As a team, we felt it was good practice to have a third party draw our randomized samples. From the initial population of roughly 85,000 Canadian registered charities in 2021, we decided to exclude some organizations from the study. As we continue to study the whole population of registered charities, we hope that subsequent years will include more organizations.

The principal exclusions we discussed as a team from the T3010 dataset included: religious organizations associated with a specific denomination or place of worship (with some exceptions), hospitals, and schools. While the entire panel includes roughly 1,000 registered charities across the country, we also were mindful of creating seven subsamples to help us study specific groups with our final population of organizations. We opted for this strategy after our pilot study in June and July 2022 revealed important challenges in recruiting some strata of the population of registered charities after our initial exclusions. The full methodological details will be discussed in the white paper for this study (currently in preparation). In addition to excluding religious organizations, hospitals, and schools, we decided to constitute our panel as follows:

The final sampling frame for this year's study included the whole population of registered charities that –

- Were designated as charities (type C in the T3010 form, thus excluding public and private foundations (type A and B).
- Had at least 1 full time employee (FTE) based on their T3010 form data.
- Had expenditures greater than \$1 on their 2021 T3010 to make sure we focus on active charities.

Based on these criteria, the sampling frame was roughly 32,000. We drew a randomized list of all the organizations left and recruited a panel of roughly 1,100 participants. We refer to that first sample as the “main sample.” However, given our interest in specific subgroups of Canadian registered charities and in consultation with the sampling experts at UWaterloo, we created a series of sub-samples that would allow us to study some groups that proved problematic to recruit in our pilot phase.

The following sub-sample categories were created to include some of these hard-to-reach populations. In future years of the project, we will investigate further some of these subgroups and develop strategies to improve our recruitment efforts. These subsamples (SS) are as follows:



1. **Subsample 1 (SS1):** Includes only charities with the designation A and B (public and private foundations) that had expenditures of at least \$1 in 2021. (N=947)
2. **Subsample 2 (SS2):** Includes only charities with the designation C (charities) that have no full-time employee (FTE) or that left the field blank and that had expenditures of at least \$1 in 2021. These are what we think of as volunteer run organizations. (N=3,053)
3. **Subsample 3 (SS3):** Includes all charities designated as C (charities) with at least one full time employee in the province of British Columbia and that had expenditures of at least \$1 in 2021. (N=1,940)
4. **Subsample 4 (SS4):** Includes designation C charities with at least 1 FTE, \$1 in expenditures in 2021 ensuring representation from all geographical regions of the country. (N=14,333)
5. **Subsample 5 (SS5):** Includes designation C charities with at least 1 FTE, \$1 in expenditures in 2021 ensuring representation from the province of Québec. (N=4,515)
6. **Subsample 6 (SS6):** Includes designation C charities with at least 1 FTE, \$1 in expenditures in 2021 that have spent at least \$1 internationally. (N=795)
7. **Subsample 7 (SS7):** Includes designation C charities with at least 1 FTE, \$1 in expenditures in 2021 and that is committed to the advancement of religion (category codes 0030, 0040, 0050, 0060, 0070, 0080, 0090). (N=13,935)

Each of the above lists was assigned a separate randomized number using the `ranuni()` function and then sorted by that number to scramble them.

As of August 20th, we had a panel of 1,045 subscribed panellists. Participant recruitment was conducted via e-mail, and phone calling. All panellists have filled in a panellist information form. The data collected through these forms is then collated with existing CRA T3010 data to provide a more robust overall picture of panellist/organizational information. In addition to confirming their contact information, we ask them to give us greater details on their organization's human resources.

Questions are currently being developed by the CICP core team (Raggio and Mathieson). We are in the process of establishing an advisory board to help us respond to the needs of the communities and make sure the project captures emerging trends. Advisory board members will be recruited from various organizations representing the charitable sector in Canada.

Project surveys are distributed weekly on Wednesday mornings (6am Eastern Time). Panellists are given an initial response period of 24 hours. Reminder emails are sent 24 hours after the initial survey has been distributed (Thursday morning), providing panellists with an additional 24 hours to respond. Weekly reports are published on the CICP website every Friday morning, providing initial graphs and descriptive findings for the week's questions. The monthly reports and research papers will provide more details on the trends observed and deeper analyses of the data collected.

More technical information will soon be available on our website, including the full downloadable data tables for December 2022 – now. We will share programing codes used to create our samples, analyses (when available), and research papers as we continue to develop the project. We are committed to collaborative, transparent, and accessible research. We welcome researchers interested in collaborating with our team.



