Charity Insights Canada Project (CICP)

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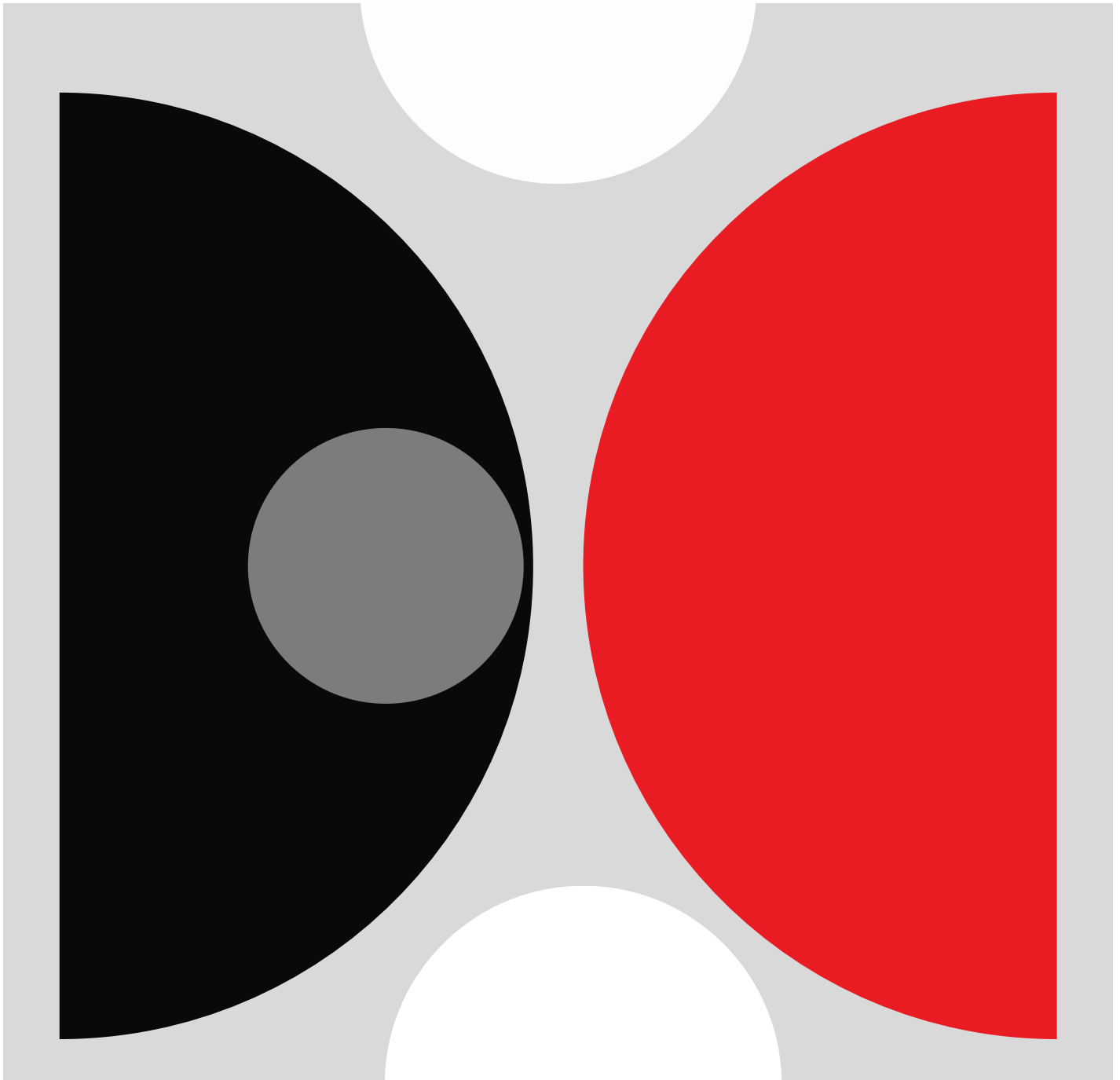
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2024

Sector Snapshot

January to March 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 and dynamics are often underreported. Through a series of weekly surveys conducted by the Charity Insights Canada Project (CICP), we are able to offer insights into key themes shaping the sector, ranging from equity and representation to funding, governance, policy concerns, and emerging trends. This report synthesizes findings from the first quarter of the CICP's second year of study (January – March 2024), and is intended to inform policymakers, practitioners, researchers, and the public about the current landscape of the charitable sector in Canada.

Introduction

The charitable sector in Canada plays a pivotal role in addressing social, economic, and environmental challenges, serving 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 realities marked by uncertainty, complexity, and evolving needs.

In our endeavor to shed light on the dynamics and intricacies of Canada's charitable sector, we continue our series of surveys aimed at capturing the pulse of the sector and uncovering key insights that shape its present and future. Our project endeavors to provide policymakers, practitioners, researchers, and the general public with accurate, timely, and nuanced perspectives on various facets of the charitable landscape.

Spanning themes such as equity, diversity, and inclusion; funding dynamics; governance and management practices; policy concerns; sector-wide challenges; and emerging trends, the following report serves as a repository of knowledge, offering a snapshot of some of the many opportunities and challenges facing charitable organizations across Canada today.

From exploring the representation of diverse groups in leadership roles to delving into the intricacies of donor relationships and examining the impact of economic trends on service demand and delivery, each section of this report offers valuable insights gleaned from our first ten surveys of this year. By presenting these findings in a clear and concise manner, we aim to inform dialogue, support decision-making, and inspire action towards a more resilient, inclusive, and impactful charitable sector in Canada.

As we continue on this journey of exploration and discovery, we invite readers to delve into the pages of this report, engage with its findings, and join us in advancing the collective mission of creating positive change in our communities.

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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 were recruited via phone and email. Surveys are distributed electronically to our diverse panel of organizations, ensuring representation from various regions, sizes of organization, 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, which allow 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 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 examining representation and diversity in leadership roles to exploring challenges in donor relationships, mental health support, governance practices, and compliance with regulatory requirements, each section of the report presents findings and actionable insights 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, highlight considerations for resource allocation, and inspire collaborative action towards strengthening the sector's capacity to fulfill its mission.

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

Equity, Diversity, & Inclusion
- *Representation:* Our surveys reveal disparities in representation across diverse groups within leadership roles in charitable organizations, underscoring the need for greater inclusivity and engagement.

Funding
- *Relationships with Donors:* Charities face challenges in maintaining strong donor relationships, including resource constraints and communication gaps. Addressing donor concerns and implementing effective complaint-handling mechanisms are crucial for sustaining support.

Governance & Management
- *Mental Health Challenges:* Charities are grappling with rising mental health issues among staff, highlighting the need for comprehensive mental health support services.
- *Board Recruitment:* Recruiting diverse board members remains a challenge, necessitating strategic approaches to enhance inclusivity and effectiveness.

Policy
- *Policy Concerns:* Charities prioritize increased funding and reduced administrative burdens, yet express frustration with government engagement and regulatory complexities.
- *Compliance with CRA Form T3010A:* Charities are navigating challenges in meeting reporting requirements, emphasizing the importance of clarity, support, and adaptability in regulatory compliance.

Sector-Wide Challenges
- *Emerging Risks:* Economic trends, inflation, and demand dynamics are impacting service provision and funding needs, requiring adaptive strategies and sustained support mechanisms.

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SECTION 1: EQUITY, DIVERSITY, & INCLUSION (EDI)

Exploring Representation at Board & Senior Staff Levels in the Charitable Sector

In February 2024, our study examined a critical aspect of organizational structure within Canadian charities: the composition of boards and senior-level staff (CICP Survey No. 2.2.5). Our aim was to assess the representation of diverse groups in leadership roles, illuminating the landscape of equity, diversity, and inclusion within the sector.

Gender Imbalance within the Sector: What emerged from our survey results was a visible pattern: women, constituting approximately 60% of board members and 76% of management and senior-level roles, assert a significant presence in the sector.

Management / Senior-level staff composition

Underrepresented or Unknown? When it came to the representation of individuals with disabilities, Indigenous peoples, and the diverse spectrum of 2SLGBTQI+ identities within their boards and senior staff, the majority of survey respondents selected the 'N/A or Not sure' option, which indicates that the survey was unable to reliably measure to what extent these groups are represented among boards and senior-level staff. While the survey results may not provide a complete picture in terms of the representation of diverse groups at the higher -

Board composition

governance levels of charities, the data does beg further questions about how best to engage the sector on matters of representation.
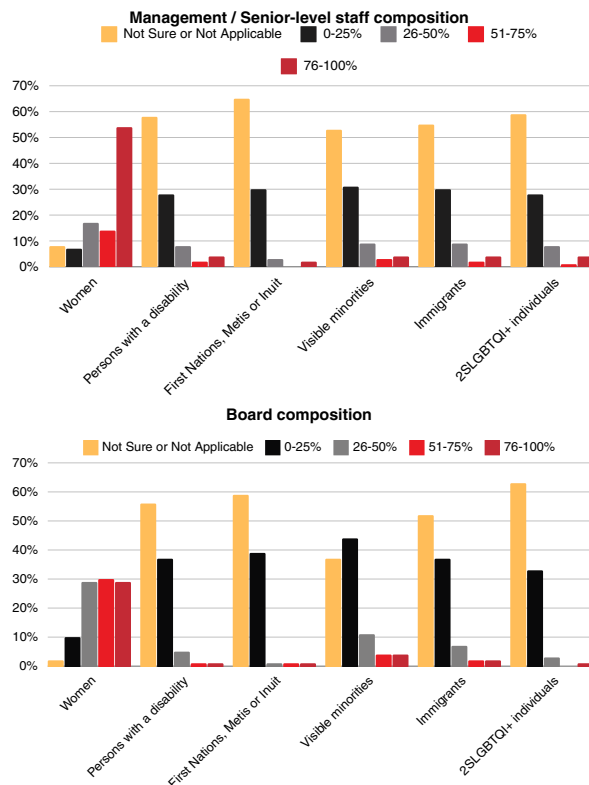
Progress and Persistent Challenges: Our findings show that there is still a lot we do not know about the representation of different groups on boards and within senior staff of Canada's charitable sector. However, our data does raise important questions about the potential factors influencing representation, including organizational culture, recruitment practices, and barriers to advancement. By fostering diverse and inclusive leadership teams, charities can enhance decision-making, innovation, and organizational effectiveness, ultimately advancing their missions and impact. More information is still required in this area. Nonetheless, as we progress, it becomes imperative to not only acknowledge but actively pursue the amplification of marginalized voices within organizational frameworks.

Conclusion: Our survey findings from February shed light on the complexities of equity, diversity, and inclusion within the charitable sector. While organizations appear to be pursuing EDI initiatives (see CICP Survey No 1.1.5), there is still work to be done to ensure that leadership positions reflect the diversity of the communities served. By prioritizing inclusive leadership practices and addressing systemic barriers, charities can build stronger, more representative organizations that drive positive change in society.

SECTION 2: FUNDING

Managing Relationships with Donors

Our eighth weekly survey of 2024 shifted focus to charitiy-donor relationships. Our objective was to delve into the challenges charities encounter, donor concerns that are often expressed, and the strategies that charities are employing to handle donor complaints.

Top Challenges Charities Face in Maintaining Strong Relationships with Donors: Our survey found that the most frequently selected challenge facing charities when it comes to sustaining strong relationships with their donors, is the shortage of staff dedicated to fostering donor engagement (64% of respondents selected this as a challenge). Additionally, our results highlight that charities are often having to compete for donors' attention with other organizations (61% of respondents selected this as a challenge), underscoring the need for innovative donor engagement strategies.

Difficulty keeping donors interested and involved in the long term also emerged as a top concern for charities (50% of respondents). Furthermore, effectively communicating the tangible outcomes of donations poses a challenge for 31% of charities, emphasizing the difficulty some organizations face in demonstrating the linkages between funding and concrete impacts.

Top challenges orgs. are facing in maintaining donor relations

On the front of donor concerns, our findings revealed a landscape where charities are actively striving to address various issues. Foremost among these concerns was the desire for enhanced communications regarding the positive impact of donations, as articulated by 24% of respondents. Some charities also reported that donors have implored them to improve their online presence (16% of survey respondents) and donor recognition practices (13% of survey respondents). Notably, a significant portion of survey respondents (38%) indicated that there are no donor concerns they are currently addressing.
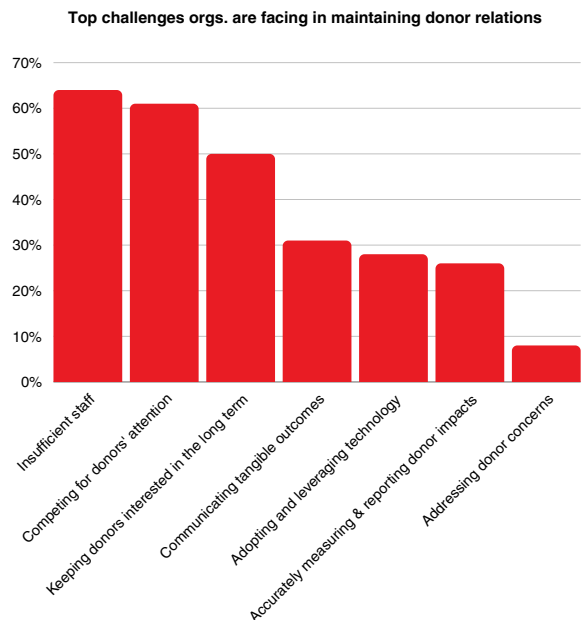
Top Donor Concerns Organizations are Addressing

	839 Responses
No current donor concerns	38%
Greater communication about impact of donations	24%
Improving online presence	16%
Donor recognition	13%
Timeliness of updates on projects	13%
Monitoring and evaluation practices	9%
Other (please specify)	7%
Organizational decision-making structure	7%
Transparency in communications	6%

Addressing Donor Concerns: In navigating donor complaints, a diverse range of approaches were reported among responding charities. While roughly a third of our respondents (34%) admitted to not having specific measures in place for handling complaints and 24% of respondents selected N/A, others emphasized the importance of having open communication processes and dedicated personnel for resolving these types of issues. Further, 17% of respondents highlighted the role of conducting reviews to identify systemic issues and implement necessary changes, indicating a proactive approach towards enhancing donor satisfaction.

Conclusion: Our survey results on donor relationships find that although many organizations are not currently dealing with donor concerns, many also do not have the resources or systems in place to deal with these types of matters should they arise. Our results also underscore the significance of proactive donor engagement strategies and robust complaint handling mechanisms for fostering strong and enduring relationships between charities and their donors. Addressing these challenges and concerns can contribute to enhancing donor satisfaction and loyalty, ultimately supporting the mission and objectives of charitable organizations.

How Organizations are Handling Donor Complaints

	838 Responses
We don't have specific measures in place to handle complaints	34%
N/A	24%
Open communication about complaint resolution processes	20%
Dedicated person in place to manage donor/funder relations	20%
Conduct reviews of complaints to identify systemic issues and implement changes	17%
Set clear expectations with donors regarding response times for their concerns	9%
Send surveys to donors after complaints are resolved to assess their overall experience	2%

- *"Most donors need events to stay engaged….and COVID destroyed our ability to hold cultivation and stewardship events…it's the slow rebuild now and that takes time and effort to restart." -CICP panellist*

- *"Nous n'avons pas mis en place des mesures spécifiques pour traiter les plaintes, car les relations sont bonnes depuis des années et nous n'avons jamais eu de plainte. Cependant, si j'en avais, il est certain que nous examinerions les plaintes afin d'identifier les problèmes systémiques et de mettre en œuvre des changements. Nous aurions une communication ouverte avec le donateur et enfin, nous ferions un retour avec le donateur pour lui mentionner notre cheminement." -CICP panellist*

- *"One major donor says we need to apply for funding with another organization. They want to fund collectives." -CICP panellist*

SECTION 3: GOVERNANCE & MANAGEMENT

Responding to Mental Health Challenges in the Sector

Contending with rising mental health challenges amongst staff has been an ongoing problem for charities in recent years (Lee, Celia & Motta, Fran, 2023). Last April (2023), we asked our panel members to gauge any changes in mental health challenges faced by staff/personnel/volunteers within their organizations. From this survey, we learned that most organizations within our panel have observed an increase in mental health challenges among their personnel, and that none have noticed a decrease in this area. Knowing this, we decided to ask our panel members the same question this year (in February 2024) to explore whether there have been any changes over the last nine months.

Mental Health Challenges Persist Across the Sector: Comparing our survey data from April 2023 and February 2024 reveals a consistent concern about the mental health challenges facing staff, personnel, and volunteers in Canadian charitable organizations. The majority of respondents in both of our surveys reported an increase in mental health challenges among their teams. The results from February 2024 demonstrate that while the overall trend from April remains, there has been a slight uptick in respondents noting no change in mental health challenges and a small percentage reporting a decrease in mental health challenges faced by personnel within their organizations. These slight changes could be due to greater awareness and efforts within organizations to address and mitigate mental health issues. Our data also shows a positive trend in the allocation of resources towards addressing mental health challenges, with over half of organizations (51%) reporting that they have invested more time and resources in mental health initiatives over the past year.

- *"We now have a 4 day work week instead of 5. We are almost completely funded by the government so without increases to our funding, increasing mental health supports has been very challenging." -CICP panellist*

- *"À l'interne nous consacrons un temps au début de chaque réunion d'équipe pour dire comment on se porte. Nous travaillons à alléger la charge mentale et de travail des employées." -CICP panellist*

- *"We have increased salaries for more living wages…boosted our benefits and health plans and created more secure employment." -CICP panellist*
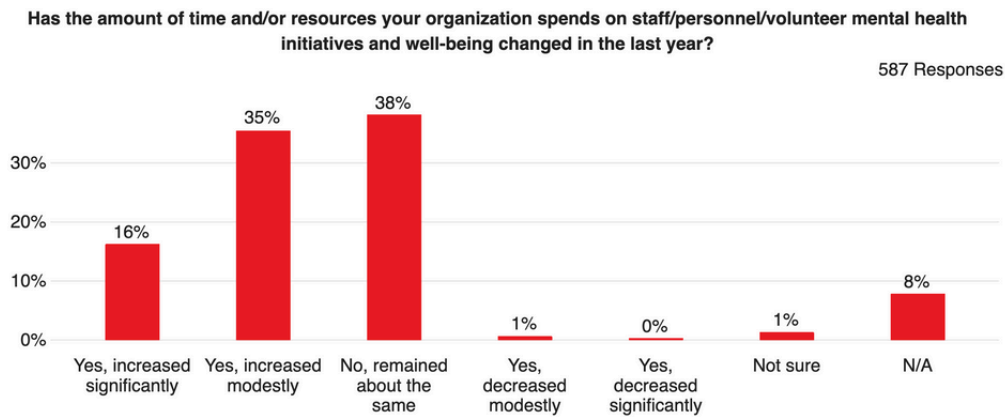
Changes in Mental Health Challenges Faced by Staff/Personnel/Volunteer in Recent Years
February, 2024

587 Responses

April, 2023

652 Responses
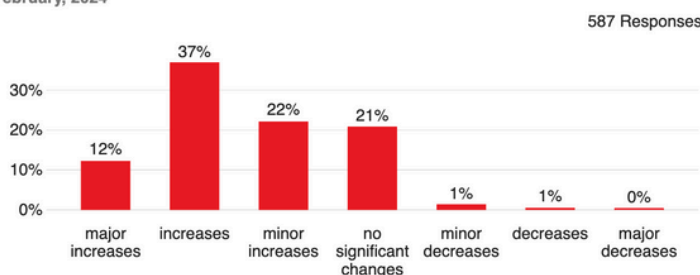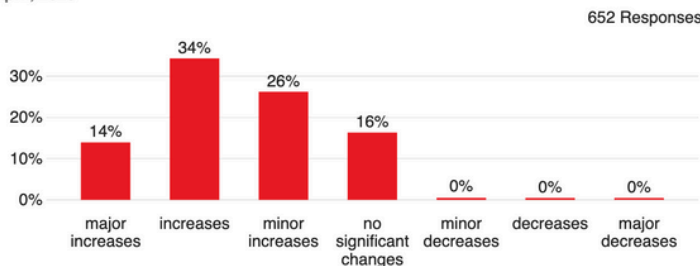
Many organizations also appear to be offering flexible working hours and remote work options, implementing internal anti-bullying and harassment policies, and providing mental health days or time-off policies, as well as access to other health and wellness initiatives to their staff/personnel. However, organizations report that there are additional services that they would like to be able to provide to their teams. For example, resource intensive services such as counselling/therapy, stress-management resources, and Employee Assistance Programs (EAPs) appear to be far less commonly accessible in the charitable sector and frequently in demand by these organizations.

Has the amount of time and/or resources your organization spends on staff/personnel/volunteer mental health initiatives and well-being changed in the last year?

587 Responses

Category	Percentage
Yes, increased significantly	16%
Yes, increased modestly	35%
No, remained about the same	38%
Yes, decreased modestly	1%
Yes, decreased significantly	0%
Not sure	1%
N/A	8%

Conclusion: While efforts to address mental health challenges within the sector appear to be increasing, our data underscores the ongoing need for continued attention and support to effectively manage and mitigate these concerns in charitable organizations.

Mental health and ell-being upport services being provided to support the well-being of staff and volunteers

587 Responses

Service	Percentage
Flexible working hours or remote work options	72%
Anti-bullying and harassment policies	57%
Mental health days or time-off policies	42%
Access to mental health apps or online resources	29%
Health and wellness initiatives	28%
Employee Assistance Program (EAP)	26%
Mental health workshops or training programs	23%
Counseling or therapy services	21%
Stress management resources	15%
Peer support programs	13%
Other (please specify)	10%
N/A	5%
None of the above	4%
Not sure	1%

Exploring Board Recruitment in Canada's Charitable Sector

In our sixth survey of the year, we asked our panel of charities about the factors that influence their board recruitment and selection, aiming to uncover the challenges and barriers involved in building strong boards.

Factors that influence board selection & recruitment

831 Responses
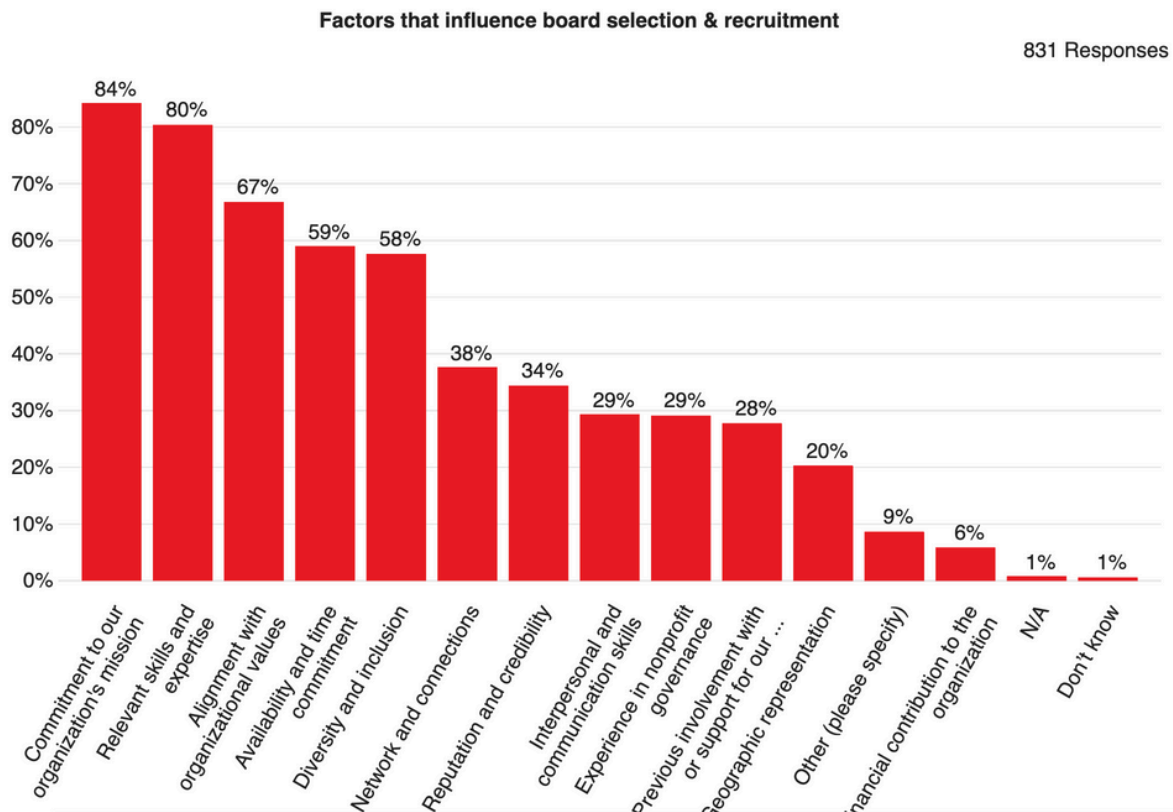
Key Factors Influencing Decision-Making: When recruiting board members, our survey data indicates that charities prioritize individuals' commitment to their organization's mission, along with relevant skills and expertise. Alignment with organizational values and availability/time commitment also weigh heavily in their decision-making. Diversity and inclusion are recognized as significant decision-making factors, alongside networks/connections and reputation/credibility.

Main challenges organizations face when recruiting board members

828 Responses

Finding individuals with the necessary skills and expertise	56%
Balancing the time commitment required with candidates' availability	51%
Ensuring diversity and inclusion	42%
Managing expectations and responsibilities of board members	33%
Attracting candidates committed to our organization's mission	30%
Recruiting individuals with strong networks and connections	29%
Balancing the need for continuity with the desire for fresh perspectives	28%
Identifying individuals with experience in nonprofit governance	24%
Limited interest or awareness among potential candidates	23%
Encouraging financial contributions from board members	19%
Competing with other organizations for top talent	18%
Overcoming geographic limitations	11%
Resistence from existing members to change or restructuring	10%
Addressing potential conflicts of interest or ethical considerations	7%
Establishing and maintaining the organization's reputation and credibility	7%
We face no challenges.	4%
Navigating legal or regulatory requirements for board membership	3%

Main Challenges Faced: The predominant challenge that charities identified when it comes to recruiting board members, was finding individuals with the necessary skills and expertise, followed closely by balancing time commitments with candidates' availability. Ensuring diversity and inclusion remains a persistent challenge, alongside managing expectations and responsibilities and attracting candidates committed to the organization's mission. Additionally, recruiting individuals with strong networks/connections and balancing continuity with fresh perspectives pose notable hurdles for many charities.

Conclusion: Our findings underscore the multitude of factors charities are considering when recruiting for their boards and highlight the complex interplay between organizational priorities and external constraints. Addressing these challenges necessitates strategic approaches that balance core competencies, availability, suitability, and diversity of potential board members, fostering inclusive and effective governance structures essential for advancing charitable missions.

## Uncompensated Labor and Advancing Decent Work in Canada's Charitable Sector

- *"We would love to hire more people, or scale back programming, but until we get through our current financial deficit and increase our capacity, there is no room [to alleviate our staff of uncompensated labour]." -CICP panellist*

- *"Generally, staff choose to do this extra work on their own accord." -CICP panellist*

- *"...the job is big; the funds are not." -CICP panellist*

In light of the ongoing discourse around decent work, including initiatives championed by organizations such as the Ontario Nonprofit Network (ONN), our study sought to explore to what extent uncompensated labour is present in the charitable sector and how charities are responding to it.

Persistent Challenges Amidst Decent Work Discourse: Our survey found that over half of respondents reported that their paid staff provide uncompensated, overtime labor for their organization.

Among those charities with paid staff, entry-level staff contribute an average of 7 hours of uncompensated labour per month, mid-level staff contribute an average of 15 hours per month of uncompensated labour, and executive/senior-level staff contribute an average of 35 hours per month of uncompensated labour (with results ranging up to 200 hours or more per month for executive/senior-level staff). These results underscore the need for concerted efforts to uphold principles of decent work within the sector.

% of paid staff providing uncompensated over-time labour
835 Responses

N/A [5%]
Not sure [3%]
No [39%]
Yes [53%]
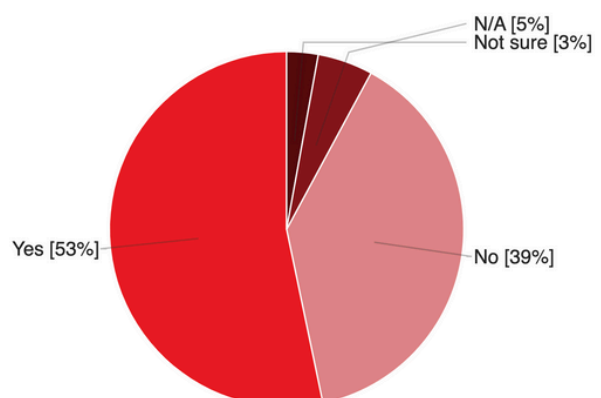
Intersecting Realities: The dialogue around decent work intersects with the challenges of uncompensated labor, highlighting the complexities of fostering sustainable work cultures. As organizations strive to adhere to principles of fairness and dignity in employment, addressing the issue of unpaid, overtime work becomes integral to promoting the well-being and productivity of their workforce.

Strategies and Collaborative Efforts: Organizations who do not have staff who are providing uncompensated, over time labour indicate that they have adopted various strategies to avoid this issue:

- Flexible work arrangements and benefits are offered by 66% of these organizations.
- Encouraging delegation and teamwork (50%) and utilizing interns, volunteers, or contractors (50%) are common approaches.
- Regular workload reviews (49%) and clear policies against unpaid overtime (38%) are implemented to manage labor expectations.
- Additionally, efficient work processes (38%) and seeking external funding for additional staffing (25%) are utilized to prevent staff from becoming overburdened.

Average # of overtime hours worked per month
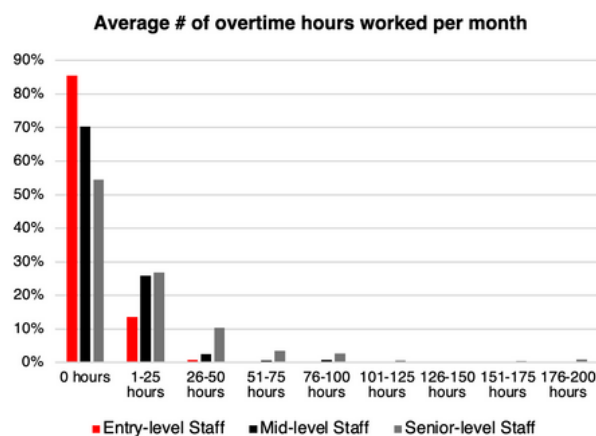
These efforts reflect a commitment to creating environments where staff and volunteers are both valued and supported.

How some organizations are managing to avoid staff over-time labour

	322 Responses
Offer flexible work arrangements and benefits.	66%
Encourage delegation and teamwork among staff members.	50%
Utilize interns, volunteers, or contractors for extra support.	50%
Regularly review workload distribution and adjust staffing levels as needed.	49%
Establish clear policies against unpaid overtime.	38%
Implement efficient work processes to prevent overburdening staff.	38%
Seek external funding for additional staffing or outsourcing.	25%
Provide training and professional development to enhance efficiency.	15%
Implement automated systems or technology to streamline tasks.	11%
Other (please specify)	11%
Not sure	1%

Conclusion: Our findings underscore the prevalence of uncompensated labor within the charitable sector, with staff across all levels contributing significant hours beyond their paid time. Mitigation strategies being undertaken by charities vary and highlight the importance of targeted policies, effective workload management, and external support to alleviate the burden on staff members. Addressing uncompensated labour is crucial for fostering healthier working conditions and ensuring the sustainability of charitable organizations.

Understanding Salaries and Benefits in Canada's Charitable Sector

As we discovered in our survey on uncompensated labour (CICP Survey No. 2.3.7), many employees/personnel within the sector are working hard, often above and beyond their normal hours. Knowing this, we wanted to explore the levels of pay and types of benefits that exist within the charitable sector, to gain insights into how organizations are compensating their employees and the extent of pay differences across the sector.

A Tapestry of Compensation: In reviewing our survey results, a wide array of salary ranges emerged for different positions within charitable organizations. From entry-level roles to executive positions, the spectrum of annual salaries was large:

- **Entry Level:** The average starting annual salary for entry-level, full-time positions ranges from less than $30,000 to $87,958, with a mean of $40,786.
- **Mid-Level:** For mid-level, full-time positions, the average salary ranges from less than $30,000 to $111,440, with a mean of $51,427.
- **Executive Level:** Executive-level, full-time positions have an average salary ranging from less than $30,000 to $120,000+, with a mean of $69,918.
- *Part-Time Positions: Similar salary trends are observed for part-time positions across all levels, albeit at lower averages.*

Starting annual salaries - Full-time positions
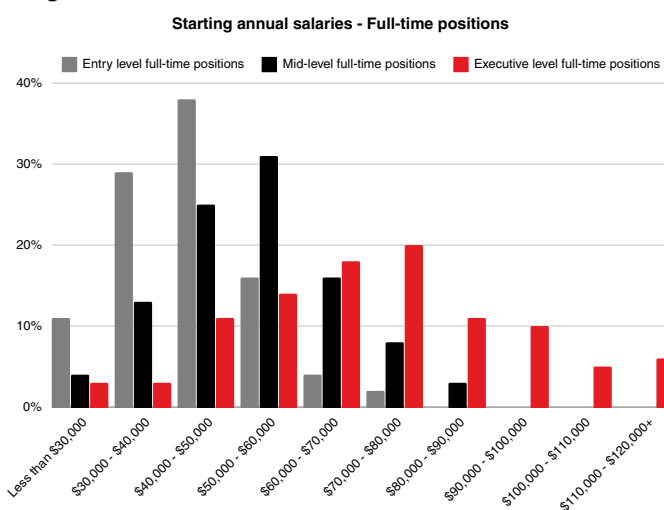
Beyond Monetary Compensation: Compensation within the charitable sector extends beyond monetary remuneration. Our survey found that organizations invest in the well-being and professional growth of their employees through a range of benefits. From paid vacation days to professional development opportunities, these benefits underscore organizations' commitment to supporting their workforce in ways beyond a salary.

- A significant portion of organizations provide benefits such as professional development opportunities (67%), paid vacation days above mandated amounts (64%), and paid sick leave (63%).
- Other commonly offered benefits include paid family/compassionate/care/personal leave days (61%) and health benefits, either fully or partially covered by the organization (57%).
- Fewer charities are able to offer benefits such as pension plans and top-ups to parental leave programs. Only 28% of charities surveyed currently have pension plans, and 6% have top-ups to maternity or parental leave.

Staff benefits offered by charitable organizations

	821 Responses
Professional development opportunities	67%
Paid vacation days (above mandated amounts)	64%
Paid sick leave (above mandated amounts)	63%
Paid family/compassionate/care/personal leave days	61%
Health benefits (fully or partially covered by our organization)	57%
Pension plan	28%
Other (please specify)	15%
None of the above	12%
Top ups to maternity or parental leave amounts	6%
I'm not sure	1%

Challenges and Aspirations: Our survey also highlighted disparities in the types of benefits being offered by charities and the extent of the coverage provided, signaling the need for greater equity and inclusivity in the provision of employee benefits. Our results indicate that opportunities for improving the benefits available to workers in the charitable sector might include initiatives like expanding access to pension plans or providing top-ups to maternity or parental leave amounts.

Conclusion: As we reflect on our findings, it becomes clear that compensation and benefits within Canada's charitable sector are neither consistent, nor abundant. Average salaries across the sector lag behind the average salary for <u>similar level positions in the broader Canadian economy</u>. By prioritizing fair and competitive compensation and comprehensive benefits packages, organizations can not only attract and retain top talent but also cultivate a culture of care and support, ultimately advancing the collective mission of creating positive change in our communities.

- *"Our staffing is 85% of our budget…it is a constant challenges, despite doing our best with benefits and leave…to balance paying staff what they are "worth", while balancing the revenue acquisition, and external perceptions that have historically supported (not for profit) staff to be paid less simply for being a part of the sector.." -CICP panellist*

- *"Nous aimerions offrir une assurance collective et un fonds de pension, mais le financement de base n'est past assez élevé. Pour y arriver nous devons faire des levées de fonds. Je pense que les levées de fonds devraient servir strictement à l'amélioration des services à la population." -CICP panellist*

- *"Wages are a big problem to attract quality staff…we have low wages, no benefits, but provide essential front line services in multiculturally diverse low income communities." -CICP panellist*
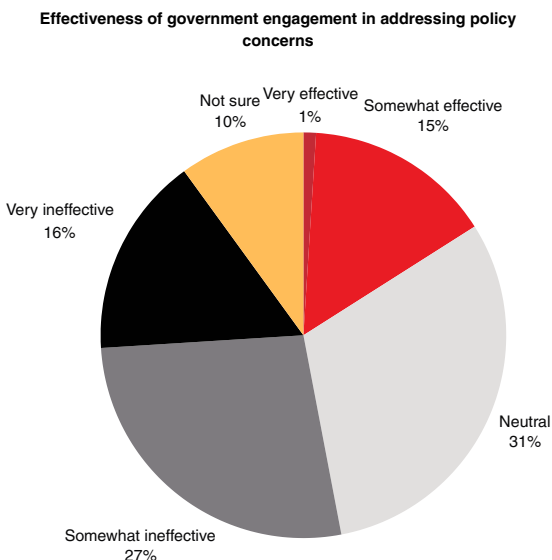
SECTION 4: POLICY

Advancing Policy Priorities in Canada's Charitable Sector

Early in 2024, charities across Canada identified increased funding and grants, and reduced resource restrictions as top policy priorities (see also CICP survey No.1.6.28). As approximately one third of charities report decreased donor levels of giving in recent years (see CICP survey No. 1.6.26), it is not surprising to learn that organizations are looking to government to help fill financial gaps.

Policy Priority Areas: Our February (2024) survey on policy concerns within Canada's charitable sector, overwhelmingly identified increased funding and grants as an area which Canadian government(s) should be prioritizing in order to better support the operations and sustainability of organizations in the sector. This policy priority area was identified by 75% of our study respondents, followed by a desire for fewer restrictions on fundings and grants (49%).
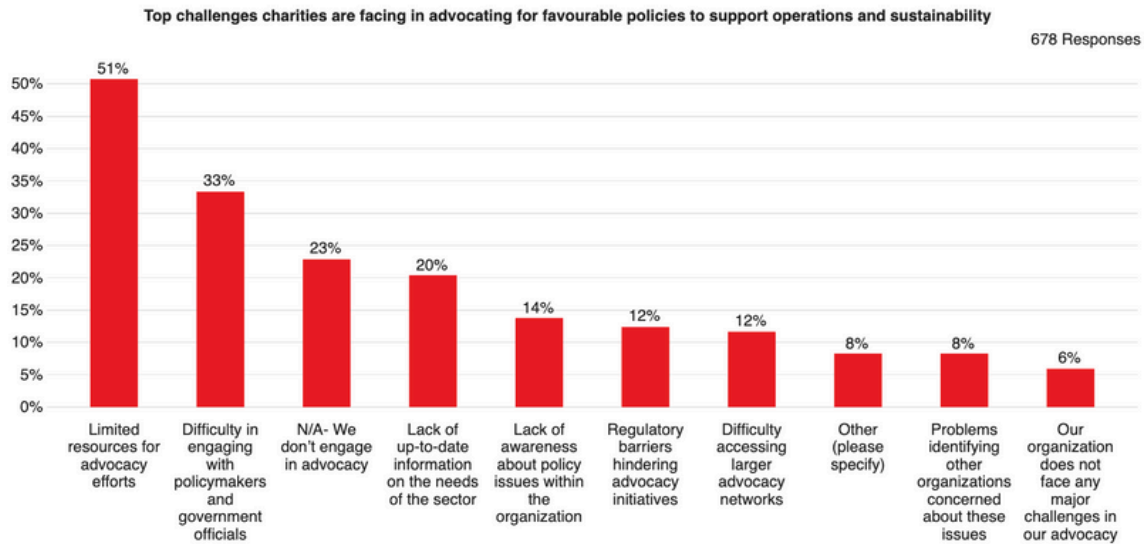

Top policy priorities charities believe government should focus on to better support sector operations and sustainability
682 Responses
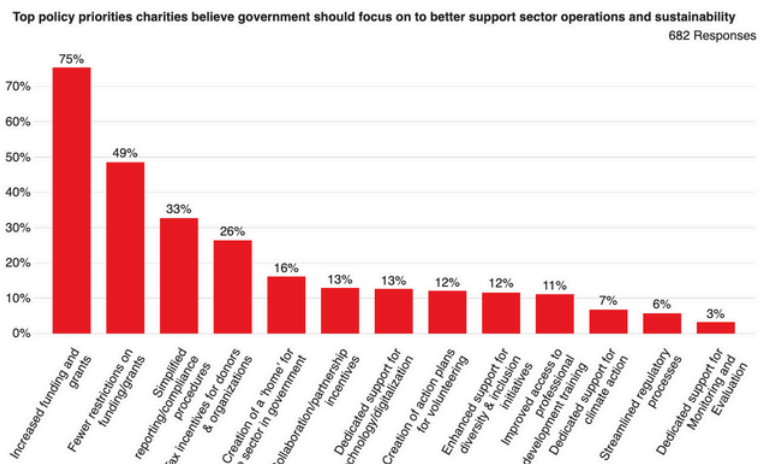
Effectiveness of Government Engagement: A notable finding from our policy survey conducted in February 2024 relates to the perception respondents hold about the effectiveness of government engagement with charities in addressing their policy concerns and needs. Approximately 43% of responding panellists rated government engagement with charities on policy concerns as being ineffective. Only 16% of responding charities rated government engagement with charities on policy issues as either being somewhat effective (15%) or very effective (1%) (see CICP survey No.2.2.4).

Effectiveness of government engagement in addressing policy concerns

Not sure 10% | Very effective 1% | Somewhat effective 15% | Neutral 31% | Somewhat ineffective 27% | Very ineffective 16%

Simplified Processes & Meaningful Dialogue: Our research reveals that complex/excessive reporting and compliance procedures pose significant challenges for charities in navigating government programs and procedures (see CICP survey No. 2.2.4 and No.1.6.28). The challenges presented by complex procedures and ineffective government engagement underscore the need for streamlined policies and enhanced collaboration between government(s) and the charitable sector. As charities strive to fulfill their missions and meet the evolving needs of communities, policymakers must prioritize simplifying processes and fostering meaningful dialogue with organizations.

Conclusion: Addressing policy priorities and enhancing government engagement are essential for fostering a supportive environment for the charitable sector. By addressing the challenges associated with complex procedures and fostering more effective communication and collaboration, policymakers can better support the valuable work of charities in Canada.

Top challenges charities are facing in advocating for favourable policies to support operations and sustainability

678 Responses

Category	Percentage
Limited resources for advocacy efforts	51%
Difficulty in engaging with policymakers and government officials	33%
N/A- We don't engage in advocacy	23%
Lack of up-to-date information on the needs of the sector	20%
Lack of awareness about policy issues within the organization	14%
Regulatory barriers hindering advocacy initiatives	12%
Difficulty accessing larger advocacy networks	12%
Other (please specify)	8%
Problems identifying other organizations concerned about these issues	8%
Our organization does not face any major challenges in our advocacy	6%

Navigating Compliance with T3010A Requirements

In our exploration of the experience's charities have had with requirements associated with the CRA's Form T3010A, we found that organizations are encountering a range of challenges and have developed innovative strategies to maintain compliance throughout the year.

Primary challenges organizations face when implementing requirements related to CRA Form T3010A

854 Responses

Challenge	Percentage
No challenges with CRA Form T3010A	28%
Understanding and interpreting CRA guidelines	25%
Gathering and organizing required data	24%
Insufficient resources (time, manpower, budget)	23%
Dealing with discrepancies between organizational and CRA definitions	16%
Lack of awareness of CRA updates regarding changes in reporting requirements	14%
Getting in contact with the CRA for support or guidance	13%
Managing complexity of reporting for multi-program organizations	12%
Insufficient staff training	12%
I'm not sure	12%
Staff turnover affecting filing consistency	9%
Technical issues with online submission platforms	9%
Other (please specify)	8%
Demonstrating impact effectively within the form's framework	7%
Privacy and data security concerns when submitting sensitive information	2%
Internal communication and coordination between departments	2%

Challenges Encountered: While 28% of survey respondents indicated that they have experienced no challenges with the CRA's T3010A form requirements, other organizations reported grappling with various hurdles. Understanding and interpreting CRA guidelines emerged as the most frequently selected challenge, followed by gathering and organizing required data. Both of these challenges present a distinct set of complexities, and insufficient resources, in terms of time, budget, and human resources, compound these issues.

Navigating Complexity: Dealing with discrepancies between organizational and CRA definitions and managing reporting for multi-program organizations add layers of difficulty to compliance efforts. Moreover, the dynamic nature of CRA updates and changes in reporting requirements can present issues for those in charge of filling these forms. Any updates or changes necessitate that charities take a proactive approach to ensuring that their staff are up-to-date and informed, highlighting the importance of maintaining effective communication channels with the CRA.

How organizations are addressing challenges of maintaining compliance with CRA T3010A requirements

	846 Responses
Gather and organize required data regularly	43%
Seek external assistance for guidance on compliance	36%
Allocate adequate resources (time, manpower, budget)	24%
I'm not sure	18%
Ensure organizational and CRA definitions are aligned	17%
Review and update compliance documentation and procedures	16%
Train staff responsible for compliance	15%
Other (please specify)	10%
Establish systems to stay informed about CRA updates and changes in reporting requirements	10%
Maintain effective communication channels with the CRA	7%
Use specialized software or tools for streamlined reporting	7%
Maintain strong internal channels for coordination between departments	7%
Conduct periodic risk assessments to identify and address compliance gaps	6%
Foster collaboration with other organizations or groups to share knowledge	5%
Mitigate impacts of staff turnover on filing consistency	7%
N/A (please specify)	5%
Enhance data security protocols to address privacy concerns	4%
Develop strategies to effectively demonstrate impact within the form's framework	3%
Implemented measures to address technical issues with online submission platforms	2%

Innovative Strategies: Organizations employ a myriad of strategies to navigate these challenges and ensure ongoing compliance throughout the year. Regularly gathering and organizing required data, seeking external assistance for guidance on compliance, and allocating adequate resources emerge as the top three most frequently selected approaches among responding charities. Additionally, aligning organization definitions with CRA guidelines, training staff responsible for compliance, and establishing systems to stay informed about CRA updates are key tactics charities employ to maintain compliance.

Collaboration and Adaptation: Collaboration with external stakeholders and leveraging specialized software or tools for streamlined reporting further enhance organizations' compliance efforts, although these strategies appear to be far less commonly used in the sector compared with other measures. Initiatives to mitigate the impacts of staff turnover on filing consistency and enhance data security protocols to address privacy concerns reflect a commitment to adaptability and resilience in the face of an evolving regulatory environment. However, these measures have a similarly low uptake among survey respondents.

Conclusion: As organizations navigate the complexities of compliance with CRA Form T3010A requirements, a steadfast commitment to innovation, collaboration, and continuous improvement emerges as key guiding principles. By fostering a culture of compliance and adaptability, organizations can navigate regulatory challenges with confidence, ensuring transparency and accountability in their operations.

- *"It's tedious and uses language that is not the clearest. The help documents are similarly challenging to understand and get answers to your questions." -CICP panellist*

- *"Charities are the most under resourced businesses - not every charity can afford the external support they need. T3010 forms are complex and can add a great deal of stress, even to seasoned financial staff." -CICP panellist*

- *"It is simple and straightforward as long as one allocates at least 2 weeks of time to work on it." -CICP panellist*

- *"Our staff does not have the expertise or experience to deal with the complexities of the T3010A process. To ensure compliance and accuracy we contract a 3rd party service provider to oversee and manage this process." -CICP panellist*

SECTION 5: SECTOR-WIDE CHALLENGES

Emerging Challenges for Canadian Charities in 2024

In January, the CICP surveyed charitable organizations across Canada about their priorities, outlook, and perceptions of emerging challenges for 2024.

Financial Sustainability a Top Priority: Our survey results revealed a consistent focus on funding and financial health, with 66% of respondents highlighting these areas as primary concerns.

These results underscore the pervasive challenge of ensuring financial sustainability faced by charities across Canada. While our findings may be unsurprising for many in the sector, they serve as a reminder of the ongoing struggle that organizations are facing to secure adequate resources for essential operations and initiatives.
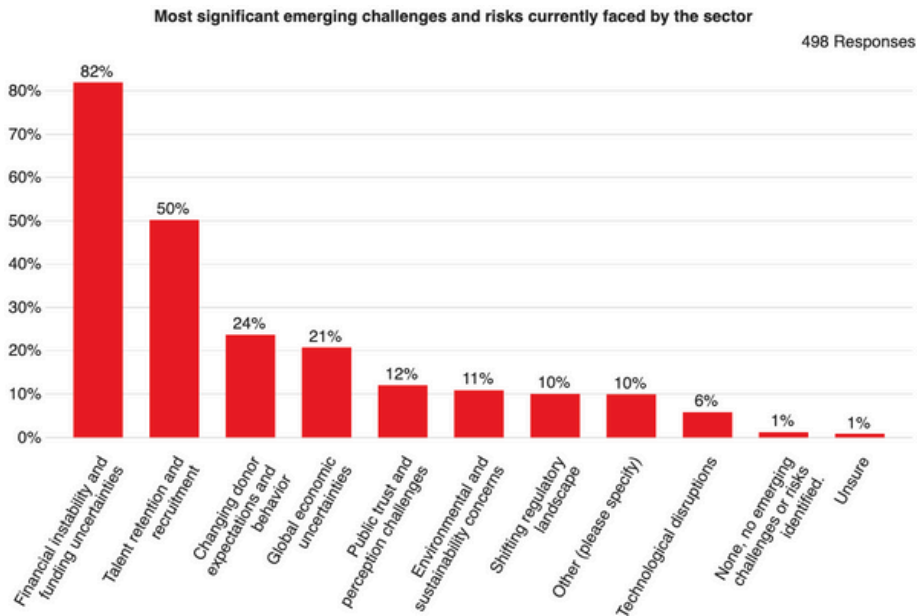

Top priority areas for organizations over the next 12 months
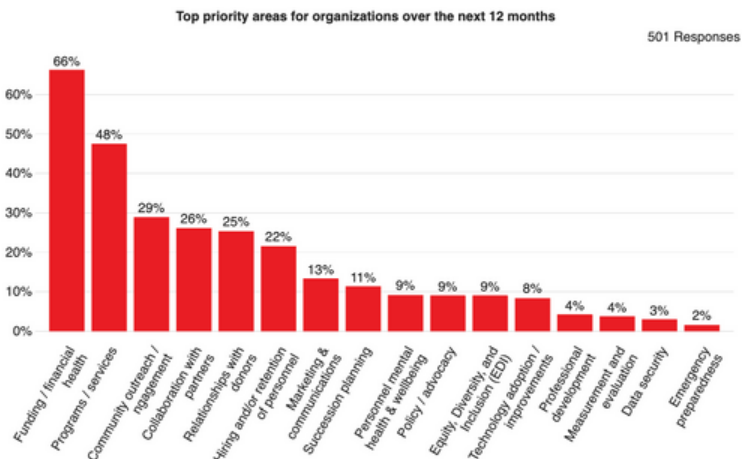
501 Responses

Programs, Services, & Community Engagement: Following behind funding, programs/services (48%) and community outreach/engagement (29%) emerged as highly selected priorities amongst our panellists. These responses reflect a sector deeply committed to delivering impactful initiatives while fostering strong connections with stakeholders. Moreover, the attention given to collaboration with partners (26%) and nurturing relationships with donors (25%) underscores the sector's collaborative and relationship-driven approach.

Neglected Priorities: Despite the pressing need for long-term planning and sustainability, priorities such as succession planning and emergency preparedness and crisis planning received notably less attention in our survey. Only 2% of respondents identified emergency preparedness and crisis planning as top priorities, highlighting a potential oversight in the wake of recent challenges, including the COVID-19 pandemic. Similarly, the low ranking of data security (3%) and technology adoption/improvements (8%) raises questions about the sector's readiness to embrace emerging technologies and safeguard its sensitive information effectively.

Charities perceived overall outlook for the coming year

Pessimistic 4%
Uncertain 4%
Very optimistic 15%
Neutral 15%
Optimistic 61%
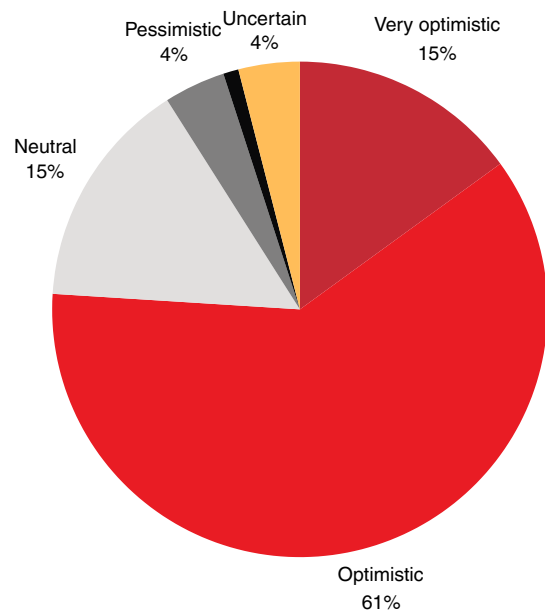
Opportunities in Innovation: Notably, the adoption of new technologies and other innovative solutions appear to be under-prioritized, despite the potential of new advanced artificial intelligence (AI) to address various challenges being faced by charities (see also CICP Survey No. 2.4.12 and 1.10.42) . Emerging technologies offer opportunities to optimize funding strategies, streamline programs, talent recruitment, and facilitate community engagement. The sector's reluctance to prioritize technological advancements suggests a possible gap in leveraging emerging tools to bolster its mission-driven endeavors.

Most significant emerging challenges and risks currently faced by the sector

498 Responses

Challenge	%
Financial instability and funding uncertainties	82%
Talent retention and recruitment	50%
Changing donor expectations and behavior	24%
Global economic uncertainties	21%
Public trust and perception challenges	12%
Environmental and sustainability concerns	11%
Shifting regulatory landscape	10%
Other (please specify)	10%
Technological disruptions	6%
None, no emerging challenges or risks identified.	1%
Unsure	1%

Conclusion: Despite these challenges, the Canadian charitable sector remains optimistic about the future. Over 75% of respondents expressed optimism about their organization's outlook for the coming year, reflecting a prevailing spirit of perseverance and determination. While challenges persist, the sector's unwavering commitment to making a positive impact on society shines through, driving its ongoing efforts to overcome obstacles and effect meaningful change.

SECTION 6: OTHER EMERGING THEMES

Impact of Current Economic Trends on the Sector

Following our survey on emerging challenges, in January 2024 we also asked charities about the impact of current economic trends on their outlook and operations. Despite some improvements to Canada's economic outlook, the charitable sector continues to grapple with the impacts of inflation. We can compare the results of our January 2024 survey on inflation to our March 2023 survey (see CICP Survey No. 1.3.15).

Areas Affected by Inflation: Our survey data on the impact of inflation on Canadian charitable organizations over the past year reveals several key trends. Salaries continue to be significantly affected, with a notable increase in impact compared to other areas between March 2023 and January 2024. While the inflationary pressures on insurance and supply/inventory remain top concerns among charities, there is more variability in the impact on utilities, technology, and other operational aspects. Notably, the impact of inflation on loans/financing remains relatively low and stable (see also CICP survey No. 1.3.15). Overall, our data underscore the importance of adaptive financial planning and resource allocation strategies to mitigate the challenges posed by inflation and ensure the sustainability of charitable operations in Canada.

Service Provision & Demand: Comparing CICP survey data from March 2023 and January 2024 reveals that Canadian charitable organizations continue to feel the effects of inflation on service provision and demand. The proportion of organizations reporting increased costs associated with providing services/activities has risen slightly from 60% in 2023 to 63% in 2024, indicating ongoing financial strain. Concurrently, demand for services remains high, with 50% of surveyed charities reporting an increase in 2024 compared to 49% in 2023.
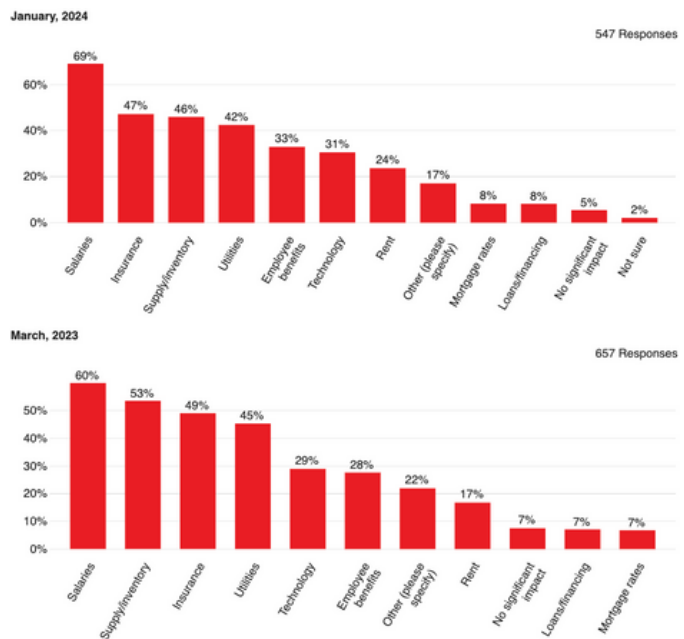
There is a notable change in the demand for service delivery, with 6% of charities reporting a decrease in March 2023, compared to 11% who have seen a decrease in January 2024. Despite these demand and delivery challenges, a significant portion of organizations have maintained service provision at current levels, suggesting adaptive strategies are being employed to sustain service levels amidst economic fluctuations. Our data underscore the ongoing need for strategic planning and resource allocation to effectively manage rising costs and meet the persistent demand for charitable services in Canada.

Type of Support Needs Identified by Charities: Our comparison between March 2023 and January 2024 also reveals shifts in the types of support Canadian charitable organizations have identified as being necessary to address inflationary challenges. Core funding remains the paramount priority with survey respondents indicating its increasing importance over time from 72% in 2023 to 80% in 2024. There is a notable rise in the emphasis on public awareness and increased contributions, which may reflect a growing recognition of the role of public support in mitigating the impact of inflation (from 47% in 2023 to 60% in 2024).

How inflation is affecting service provision for organizations
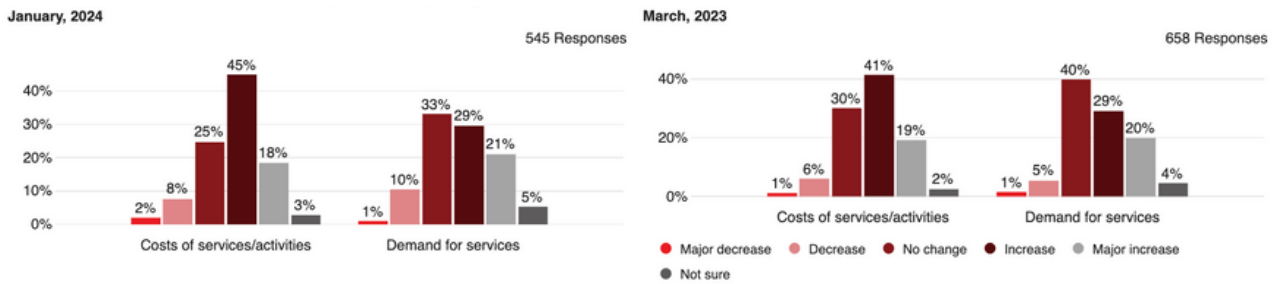
Conversely, demand for short-term, inflation-specific funding assistance decreased between our surveys in 2023 and 2024. Greater flexibility in foundation grants appears to have become more important since the survey in 2023, indicating a desire for more autonomy in resource allocation. Other support needs, such as flexibility in contracts and access to financing, remain relatively stable based on the two surveys.

Desired organizational supports to better address challenges posed by inflation
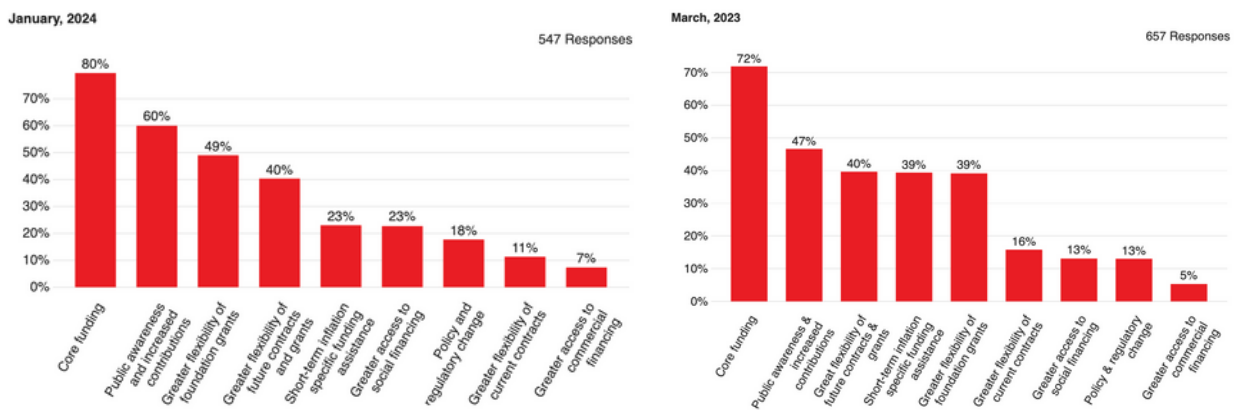
Conclusion: Overall, our survey data underscore the evolving priorities and challenges of charitable organizations as they adapt to inflationary pressures, and emphasize the importance of sustained, flexible funding mechanisms and public engagement in supporting their missions.

Conclusion

The findings presented in this report provide a window into the experiences and views of charities across Canada on a range of issue areas. Through weekly data collection and analysis, we have gained valuable insights into the challenges, opportunities, and emerging trends shaping the charitable landscape. From examining representation and diversity in leadership roles to exploring challenges in donor relationships, mental health support, governance practices, and compliance with regulatory requirements, each section of the report presents key findings and actionable insights derived from survey data.

The implications of our research findings are far-reaching. They attempt to offer policymakers, practitioners, and stakeholders within the charitable sector valuable insights to inform decision-making, guide resource allocation, and inspire collaborative action. By providing this snapshot of the CICP's first quarter survey results, we aim to support efforts to strengthen the sector.

While our research provides an overview of some of the challenges facing the charitable sector in Canada, it is important to acknowledge certain limitations. Potential biases in survey responses, limitations inherent in self-reported data, and constraints related to sample representativeness and survey methodology must be considered when interpreting the findings. Nevertheless, the insights presented in this report serve as a foundation for further research and exploration within the charitable sector.

As we continue into our researching year, we would like to extend our gratitude to all the charitable organizations who have and who are currently participating in our surveys and contributing their valuable insights and experiences. We would also like to acknowledge and express appreciation to our stakeholders and partners for their support and collaboration throughout the research process.

Looking ahead, we remain committed to advancing knowledge, fostering dialogue, and driving positive change within the charitable sector. By continuing to engage with the sector and its stakeholders, explore emerging trends, and identify evolving challenges, we can work together to build a more resilient, inclusive, and impactful charitable sector in Canada.

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

Year 2 of the CICP is officially underway! 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 22 weeks of this year's study, the survey panel has maintained an average response rate of roughly 82%.

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. 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
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 June 20th, we had a panel of 1,063 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 (Raggo 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.