The Rural Charitable Sector Research Initiative

A Portrait of the Nonprofit and Voluntary Sector in Rural Ontario

Cathy Barr

Larry McKeown

Katie Davidman

David McIver

David Lasby

Prepared for the Foundation for Rural Living

Canadian Centre for Philanthropy™
*Le Centre canadien de philanthropie*ᴹᶜ

Canadian Centre for Philanthropy
425 University Avenue, Suite 700
Toronto, Ontario M5G 1T6
Tel.: (416) 597-2293
Fax: (416) 597-2294
www.ccp.ca
www.nonprofitscan.ca
www.givingandvolunteering.ca

Foundation for Rural Living
1 Stone Road West, 4th Floor
Guelph, Ontario N1G 2Y4
Telephone: (519) 826-4126, Fax: (416) 826-3408
www.frl.on.ca

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Executive Summary

The traditional roles assigned to the public, private, and voluntary sectors are changing and the boundaries between them are blurring. As the role of government is redefined, Canadians are expecting the voluntary sector to do more. In response to this expectation, research efforts are underway to understand and strengthen the capacity of voluntary organizations to fulfill their missions and achieve their objectives. However, it is apparent that there is a geographic unevenness in the capacity of the voluntary sector, with rural and remote areas facing particular challenges. To meet these challenges, more specific information is needed on the role of the voluntary sector in rural communities.

In 2003, the Foundation for Rural Living (FRL) formed a partnership with the Canadian Centre for Philanthropy (CCP) to undertake the Rural Charitable Sector Research Initiative. This initiative is designed to aid in the understanding of trends and patterns affecting the rural voluntary sector. This report presents the results from the first phase of the project, which consists of three separate but related pieces of research:

1) a review of the existing literature on the rural voluntary sector;
2) an analysis of contributory behaviours using the 2000 National Survey of Giving, Volunteering and Participating (NSGVP); and
3) an analysis of voluntary organizations registered as charities with the Canada Revenue Agency (CRA) in 1999.

We begin the report by identifying the various definitions of "rural" and of the "voluntary sector" as there is much variation within both. For example, rural areas that are in close proximity to urban centres are quite different from those that are not. As for voluntary sector, a term often used interchangeably with nonprofit sector, it may or may not include, for example, institutions like hospitals and schools.

Following a discussion of definitions, the context for our research is set with a selective profile of rural Ontario. It is apparent that demographic trends and economic restructuring have combined to alter the very fabric of many rural communities. Although these findings are not new, they are an important consideration in assessing the rural voluntary sector.

Our main goals in reviewing the literature are to describe the characteristics of the rural voluntary sector, compare it with the urban voluntary sector, and identify challenges or unmet needs in Ontario's rural voluntary sector. The review is organized around the financial, human resources, and structural aspects of the rural voluntary sector.

In general, rural voluntary organizations have a lower financial capacity than their urban counterparts. Rural voluntary organizations tend to be smaller and receive relatively less revenue from government sources. A concern is that many of these rural organizations may suffer from an inability to use more effective fundraising methods and to compete effectively for government grants and contracts. On the one hand, governments need to streamline their funding application processes and provide rural organizations with access to regular, reliable information. On the other hand, rural voluntary organizations need to become more pro-active in obtaining information and tools to enhance their financial capacity.

In terms of human resources, the literature suggests that there is more reliance on volunteers in rural areas, leading to concerns for both retention and recruitment. With regard to paid employment, rural voluntary organizations have fewer full-time staff with specialized skills compared to urban organizations. The literature suggests that there are significant training needs in the rural voluntary sector, specifically with regard to technology, strategic planning, program evaluation, and fundraising. Without these needs being met, it is more difficult to utilize rural volunteers to their full potential.

Finally, it appears that rural voluntary organizations are characterized by more informal linkages and often lack the technology necessary to establish more effective networks. With stronger networking, rural voluntary organizations could more effectively adapt technologies and programs. This appears to be a paradox since the use of more advanced technology to improve structural capacity would present both financial challenges and human resource pressures for improved training and more expensive skill sets.

During our review of the literature, it became apparent that we were raising as many questions as answers. Where possible, we positioned our subsequent quantitative research to address specific issues and concerns identified from the literature.

An analysis of the NSGVP enables us to understand the contributory behaviours and attitudes of rural residents in Ontario. In particular, we compare the giving, volunteering, and civic participation of rural residents to that of urban residents. In 2000, a greater proportion of rural than urban Ontarians donated to a nonprofit or voluntary organization (85% vs. 76%) and, on average, gave a lower amount ($280

vs. $322 for urban). There were also differences between rural and urban donors in the reasons reported for making a donation and in the type of organization to which donations were directed. Religion however, did not seem to be a distinguishing factor between urban and rural. Indeed, contrary to our expectations, relatively more urban residents reported fulfilling religious obligations or beliefs as a reason for making a donation in 2000.

In 2000, rural residents volunteered for a nonprofit or voluntary organization at a higher rate than did urban residents (31% vs. 24%), although they contributed fewer hours on average (157 vs. 168 for urban). Rural volunteer hours are more evenly distributed among all volunteers, indicating that rural areas do not appear "vulnerable" by relying on an ageing core of volunteers. However, we also know that fewer alternatives are available in rural areas (e.g., paid staff, purchased services). Vulnerability in rural areas may also stem from the types of activities that volunteers reported. Rural volunteers were more likely to report canvassing, campaigning, or fundraising and less likely to report consulting, executive, or office work than were their urban counterparts. They were also more likely than urban volunteers to have started their involvement because they or someone in their family was a member of the organization.

Using the NSGVP, we also examined participation and linkages. Rural Ontarians had a higher rate of membership in organizations than urban Ontarians in 2000 (53% vs. 49%). They were more likely to be members of a community or school-related organization or service club and less likely to be members of work-related organizations such as professional associations or unions. The NSGVP indicates that Ontarians who were members of organizations donated and volunteered at a higher rate than did those who were not members.

The second data set we examined contains information that registered charities must submit annually to the Canada Revenue Agency (CRA). Using this information, we are able to understand the organizational capacity of part of the voluntary sector in rural Ontario. We compared charities based on a number of attributes such as revenues and employment, program emphasis, and geographic reach. The most striking finding is that charities in rural areas accounted for approximately 20% of the total number of charities in Ontario but only 4% of total charity revenue. Several factors partly explain this discrepancy.

First, as expected from the review of the literature, charities in rural areas are smaller on average than are urban charities. Almost all (97%) charities in rural areas reported revenues under $1 million in 1999, compared to just 24% of charities in urban centres. Among charities reporting paid staff, those in urban areas employed twice as many people as those in rural areas. In addition, only about 5% of charities in rural Ontario are foundations (as opposed to organizations) compared to about 13% of urban charities. All else being equal, charitable foundations are larger than charitable organizations.

The size difference is also partly explained by program emphasis. Approximately 60% of charities in rural areas are classified as "religious" by the CRA compared to just 40% of charities in urban centres. Religious charities tend to be more decentralized with a larger number of relatively small entities serving a more dispersed clientele. Proportionately more charities classified by the CRA as "health, education and social services," are located in urban than rural areas (39% vs. 22%). It seems these types of charities are more centralized with fewer but larger and more specialized facilities.

Our review of the literature found that charities in Ontario's rural communities receive relatively less government funding than their urban counterparts. As expected, we found that charities in rural areas received proportionately more revenue from receipted gifts and less from government sources compared to charities in urban centres. However, this difference is also partly explained by program emphasis. If we exclude religious charities from our comparison, rural charities received proportionately more revenue from governments than urban charities.

All things considered, it appears that rural voluntary organizations need to improve their ability to use networking, processes, and infrastructure. This may be difficult, however, because rural organizations also tend to rely very heavily on volunteers to accomplish their objectives. In addition, many rural organizations lack the financial resources to invest in training, fundraising, and information technology.

Concerns with structural capacity go beyond the organization and into connections within the community. For example, what skill sets can rural volunteers bring to an organization? Is a rural charity board member able to tap into the human and capital resources available through corporate connections? Can a rural charity mount an effective fundraising campaign without skilled and connected volunteers? Literature reviews and data analyses cannot answer such questions. As such, the findings from our research should be disseminated to the rural voluntary sector. Encouraging further dialogue on more specific action will enable the Rural Charitable Sector Research Initiative to move forward and begin formulating evidence-based policy recommendations.

The objective of this first phase of the Rural Charitable Sector Research Initiative is to assess the health of and to

increase understanding of Ontario's rural voluntary sector. Our research certainly points in the policy direction of improving the structural capacity of rural voluntary organizations. However, more information is required for more detailed policy recommendations to be formulated. We will begin gathering this information in Phase II of the Rural Charitable Sector Research Initiative, which will involve interviews with key informants from business and government.

Introduction

The traditional roles assigned to the public, private, and voluntary sectors are changing and the boundaries between them blurring. As the role of government is redefined, Canadians are expecting the voluntary sector to do more. In response to this expectation, research efforts are underway to understand and strengthen the capacity of voluntary organizations to fulfill their missions and achieve their objectives.[1] However, it is apparent that rural and remote areas face particular challenges.[2] To meet these challenges, more specific information is needed on the role of the voluntary sector in rural communities.

In 2003, the Foundation for Rural Living (FRL) formed a partnership with the Canadian Centre for Philanthropy (CCP) to undertake the Rural Charitable Sector Research Initiative. This initiative is designed to aid in the understanding of trends and patterns affecting the rural voluntary sector. This report presents the results from the first phase of the project, which consists of three separate but related pieces of research:

1) a review of the existing literature on the rural voluntary sector in Ontario;
2) an analysis of individual contributory behaviours using the 2000 National Survey of Giving, Volunteering and Participating (NSGVP); and,
3) an analysis of voluntary organizations registered as charities with the Canada Revenue Agency (CRA) in 1999.

We begin the report by identifying the various definitions of "rural" and of "voluntary sector" found in the literature. Next, we set the context for our research with a selective social and economic profile of rural Ontario. Although the information contained in this profile is not new, it represents an important consideration in assessing the rural voluntary sector. The literature review itself is organized around the financial, human resources, and structural aspects of the rural voluntary sector.

A number of findings emerged from the review of the literature. Voluntary organizations in rural areas tend to be smaller and receive proportionately less revenue from government sources. It is also evident that they rely more heavily on volunteers, tending to have fewer full-time staff compared to urban organizations. Finally, in terms of structural capacity, it appears that voluntary organizations throughout Ontario are characterized by more informal linkages and often lack the technology necessary to establish more effective networks.

Using the NSGVP, we compared the contributory behaviour and attitudes of rural residents in Ontario with their urban counterparts. In 2000, a greater proportion of rural Ontarians donated to a nonprofit or voluntary organization but, on average, rural donors gave a lower amount than urban donors. We also found differences between rural and urban donors in the methods used to donate, the organizations to which they donate, and in their motivations. In general, the behaviour of rural residents indicates a less strategic donor and reflects smaller communities where people know and trust one another.

In 2000, rural residents both volunteered for a nonprofit or voluntary organization and reported directly helping someone at a higher rate than did urban residents. Again, volunteers in rural communities contributed fewer hours on average than did volunteers in urban centres. In rural Ontario, volunteer hours were more evenly distributed among all volunteers, implying that rural areas are not relying on an ageing core of volunteers. However, we suspect that fewer alternatives to volunteering are available in rural areas. We further suggest that vulnerability may stem from the types of volunteer activities. For example, rural volunteers were more likely to report canvassing, campaigning, or fundraising and less likely to report consulting, executive, or office work than were their urban counterparts.

We used information that registered charities must submit annually to the Canada Revenue Agency (CRA) to help understand the organizational capacity of part of the voluntary sector in rural Ontario.[3] Using a postal code definition of urban and rural Ontario, we were able to compare charities based on a number of attributes including charitable designation, revenue size and composition, employment, program emphasis and geographic reach, and expenditures. The most striking finding is that only 4% ($1.6 billion of $38 billion) of total charity revenue in Ontario is accounted for by those charities we classified as rural.

[1] See for example Hall et. al. (2003).

[2] See, for example, Buhler (2001; 2002) and Bruce, Jordan & Halseth (1999).

[3] Organizations registered as charities are estimated to represent about one third of the voluntary sector; the rest of the sector is made up of organizations that are registered provincially as nonprofit organizations and grassroots organizations that are not incorporated.

Charities in urban centres are, on average, larger than charities in Ontario's rural communities, and employ more paid staff.

This reflects a number of factors including the type of charity (organization versus foundation) and its activities and program emphasis. Approximately 60% of charities in rural areas are classified as "religious" and these organizations are more decentralized with a larger number of small entities serving a more dispersed clientele. Relatively more charities classified by CRA as health, education, and social services are located in urban areas and, all else being equal, these organizations are more centralized with fewer but larger and more specialized facilities. Our findings also support the assertion that charities in rural areas receive relatively less government funding than their urban counterparts. However, this difference is also partly explained by program emphasis in that smaller religious charities receive proportionately more revenue from receipted gifts whereas larger hospitals and universities, for example, receive more of their funding from government.

We suggest that the ability to use networking, processes, and infrastructure is an area in which rural voluntary organizations could improve. However, we find that many charities in rural Ontario rely on volunteers because they do not have paid staff. And, as the most common volunteer activities in rural Ontario are campaigning, canvassing, and fundraising, rural volunteers may not have the skills and experiences needed to enhance the structural capacity of charities. Issues of structural capacity go beyond the organization and into its connections with the community. We suggest that the findings from our research should be disseminated to representatives of the rural voluntary sector to encourage further dialogue. This would enable the Rural Charitable Sector Research Initiative to move forward and begin formulating evidence-based policy recommendations that address the concerns and issues identified in this respect.

Definitions

A variety of definitions for both the voluntary sector and rural areas are used in the literature, depending on the nature of the research question and the information source being analyzed. The sidebar at right presents the most commonly used definitions of rural areas.[4] It is important to use caution in interpreting various studies because of these different definitions. According to Statistics Canada, the proportion of people living in rural areas in Ontario is 13%, based on the rural and small-town definition, and 20% according to the OECD-predominantly rural areas definition.

Rural areas can be sub-divided according to a number of criteria by which they can differ, including their relative proximity to an urban centre; geographical location (northern versus southern areas); the main industry or type of industry (e.g., agriculturally dependent versus non-agriculturally dependent areas); or the dominant cultural community (e.g., anglophone, francophone, or aboriginal). For this review, we did not have access to data that were detailed enough to reveal these levels of diversity.

The nonprofit and voluntary sector refers to both individuals (e.g., volunteers and donors) and to organizations. The terms nonprofit and voluntary are used synonymously in this report. Most of the data on individual Canadians, used for the second part of this report, comes from the National Survey of Giving, Volunteering and Participating (NSGVP). The NSGVP defines volunteers as individuals who are doing unpaid activities as part of a group or organization; informal volunteers, or direct helpers are individuals who provide unpaid help to others outside of their household on their own, and not through an organization (Hall, McKeown, & Roberts, 2001). Donors are people who make donations of money to a nonprofit or voluntary organization.

A commonly used definition of voluntary organizations identifies five characteristics: organized, nongovernmental, nonprofit distributing, self-governing, and voluntary (Salamon & Anheier, 1997). This definition is operationalized by the International Classification of Nonprofit organizations (INCPO) and is used to classify organizations for the NSGVP. Some studies exclude institutions like hospitals, schools, or cooperatives from the non-profit sector, while others do not. As with rural areas, organizations within the voluntary sector have markedly different characteristics.[5] In Canada, charities are a subset of voluntary organizations that have been given the legal status to issue tax receipts by the CRA.

Definitions of Rural / Urban used by Statistics Canada

Census rural: areas outside of centres with a population of 1000 or more persons; *or*, areas outside of places with population densities of 400 or more persons per square kilometre.

Rural and small-town (RST): areas outside the commuting zone of larger urban centres (with 10,000 or more population) known as CAs and CMAs. Census Agglomerations (CA) and Census Metropolitan Areas (CMA) are defined as an urban core of more than 10,000 persons (more than 100,000 for a CMA) and all neighbouring municipalities where 50% or more of the workforce commutes to the urban core, or, where 25% or more of the employed labour force working in the neighbouring municipality commutes to work from the urban core.

RST areas can be sub-divided into four Census Agglomeration Influences Zones (MIZ) according to the size of commuting flows to any larger urban centre. A strong MIZ exists where 30% or more of the employed labour force living in the census sub-divisions (CSD) work in any CMA/CA urban core. A moderate MIZ exists where 5% to 30% of the employed labour force living in a CSD works in any CMA/CA urban core. A weak MIZ exists where less than 5% of the employed labour force living in a CSD works in any CMA/CA urban core. The No MIZ category includes all CSDs that have a small employed labour force (less than 40 people), as well as any CSD that has no commuters to any CMA/CA urban core.

OECD rural communities: communities with less than 150 persons per square kilometre.
OECD predominantly rural regions: census divisions where more than 50% live in OECD rural communities. This includes all census divisions without a major city.

Beale Non-Metropolitan Regions: individuals living outside metropolitan regions with urban centres of 50,000 or more. These are further subdivided into: metropolitan-adjacent and non-metropolitan-adjacent.

Rural postal codes: individuals with a "0" as the second character in their postal code (indicates no letter carriers). Since 1996, "0" is no longer used in New Brunswick and most of Quebec.

[4] For a full discussion of the different definitions see du Plessis et al. (2002).

[5] For detailed information on definition and classification of voluntary organizations in the Canadian context see Reed & Howe (1999).

A Profile of Rural Ontario

Rural population changing

In 2001, 13% of the Ontario population, or about 1.5 million individuals, lived in rural and small-town (RST) Ontario (see Table 1). Overall, rural populations in Canada and Ontario declined between 1991 and 2001. One of the reasons for the decline is the encroachment of urbanization, resulting in the re-classification of areas from rural to urban. In fact, rural areas on the fringes of metropolitan areas have actually been growing in population (Mendelson & Bollman, 1998). According to Statistics Canada (Research and Rural Data, Agriculture Division), in 2001 the majority (about 80%) of rural and small-town Ontarians lived in areas that are considered to be "strongly" or "moderately" influenced by a local metropolitan area, as opposed to being remote. This proximity to urban centres has implications ranging from easier access to services and employment to conflicts over land-use and lifestyles (Wall, 2002).

What about the composition of rural populations in Canada? In general, rural populations have a slightly higher proportion of people over the age of 65 and a higher proportion of youth under the age of 15 (see Table 2). Youth tend to leave rural areas at a higher rate than they move into rural areas, and people tend to migrate into rural areas later in life. This generally leaves rural areas with a under-representation of youth aged 15-24 (Rothwell, Bollman, Tremblay, & Marshall, 2002).

Table 1. Rural and Small-Town Population, Ontario and Canada, 1991, 1996, and 2001 [6]

	1991	1996	2001	91-01%
Ontario	10,084,885	10,753,573	11,410,046	13
RST	1,589,282	1,596,138	1,484,097	-7
% Ontario	16	15	13	-
% RST Canada	26	25	24	-
Urban	8,495,603	9,157,435	9,925,949	17
Canada	27,296,859	28,846,761	30,007,094	10
RST	6,229,645	6,396,906	6,168,008	-1
% Canada	23	22	21	-

Source: Statistics Canada, Census of Population, 1991, 1996 & 2001.

Rural Ontario diverges from the rural "norm" on some indicators

Canadians in rural communities generally have lower-than-average incomes, higher rates of unemployment, and lower levels of education than Canadians in urban centres (Table 2). In those cases where we were able to obtain comparable provincial data, we found that rural Ontario diverged from the pattern found in rural Canada. The unemployment rate in rural Ontario in 2000 was only 4.3%, much lower than the overall rate for urban or rural Canada (Rothwell, 2001). The rural-urban income gap in Ontario is also smaller than it is in most other provinces (Rupnik, Thompson-James, & Bollman, 2001). Finally, despite lower average incomes in rural areas, the incidence of low income is lower in rural areas because of the lower costs of living, particularly the cost of shelter.(Rupnik et al., 2001).

Agriculture is not the dominant industry in rural Ontario

Despite a lingering impression that many individuals in rural areas are employed in agriculture or other primary industries, the biggest employer in rural Ontario during 1998 was the manufacturing sector, followed closely by retail and wholesale trade, the primary sector, the health sector, and construction (Beshiri, 2001). This does not mean that agriculture and

Table 2. Social and Economic Indicators, Rural and Small-Town Canada [7]

Indicator/Year	Rural and Small-Town Canada	All Canada
Employment rate ages 25-54 (%), 2000	77.1	78.9
Unemployment rate ages 25-54 (%), 2000	7.2	6.3
Average family income ($), 1996	47,002	55,986
Incidence of low income (%), 1996	15.7	19.7
Some post-secondary education (%), 1996	51.1	61.8
Old-age dependency ratio (%), 1996	19.3	16.9
Child dependency ratio (%), 1996	34.4	30.6

Source : 2000 Labour Force from Rothwell (2001); 1996 Census from du Plessis et al., 2001.

[6] The geographical boundaries of rural areas have changed over time. These figures represent the boundaries as they were in the year the census was taken.

[7] The old-age dependency ratio is the population 65+ years of age as a percent of the population 15 to 64 years of age. The child dependency ratio is the population under 15 years of age as a percent of the population 15 to 64 years of age. The incidence of low income is measured by the low income cut-off, which represent levels of income, based on family and community size, where people spend disproportionate amount of money for food, shelter, and clothing.

primary industries are not important in rural Ontario. Although agriculture is not the main occupation of rural Ontarians, agriculture and the family farm continue to be identified as key community assets by many rural Ontarians (Canadian Rural Partnership, 2002). Indeed, agriculture remains dominant in many rural areas in terms of the landscape, history, and community values.

Rural communications infrastructure lags behind

McLaren (2002) used the 2000 General Social Survey to examine the use of technology in rural and small-town (RST) and urban areas of Canada. She found that about 50% of rural and small-town individuals lived in a household with a computer compared to almost 60% of urban individuals. About 33% had a home Internet connection in rural and small-town areas compared to about 43% in urban areas. Alberta, British Columbia, Ontario, and Nova Scotia (in that order) had the highest proportion of rural individuals connected to the Internet. The prevalence of computer ownership is a good indicator of both individual and organizational abilities to form networks and utilize information technologies.

Health is poorer in rural areas

Research reported by the British Columbia Rural and Remote Health Research Institute (1999) showed that rural Canadians had a higher annual death rate[8] in all provinces except BC; a higher infant mortality rate; and a lower life expectancy, particularly in Ontario. Rural areas have been shown to have inadequate health facilities and technology, and a shortage of health professionals (Pong, 2002). In Ontario, it was estimated that there was a shortage of over 500 physicians in rural areas in 1999 (Wall, 2002, quoting the McKendry Report from the Ministry of Health, p. 53). A new Office of Rural Health was established within Health Canada in 1998 to bring increased attention to these and other rural health issues.[9]

Government policy impacts the rural experience

Fairbairn (1998) provides a detailed overview of how government policies have shaped rural areas over time, highlighting the power of the state to impact the rural experience and Canadians' perceptions of it. It is not within the scope of this review to summarize these impacts here, but it should be noted that government restructuring of service provision has not always been implemented with sensitivity to unique rural circumstances (Wall, 2002). However, there has recently been renewed interest in the needs of rural Canadians by governments, reflected for example in the new Federal Framework for Action for Rural Canada (Rural Secretariat, 2002), and new funding in Ontario for a Sustainable Rural Communities research program at the University of Guelph (see Appendix A).

Rural areas are unique

Clearly, there are features that distinguish rural from urban areas across the country. Rural areas tend to have more people under the age of 15 and over the age of 65; poorer health; lower levels of education, employment, and income; and less access to health and telecommunications services. There are likely other distinguishing factors that were not within the scope of this review to examine; for example cultural differences or crime rates. The magnitude of the differences, at least in some cases, however, appears to be less in Ontario than in other provinces.

Finally, it is important to note that rural areas account for over 95% of the land in Ontario. Although some rural areas, particularly in southwestern Ontario, are adjacent to urban centres, this vastness underlies and contributes to the uniqueness of many rural communities.

[8] These data are not standardized for age or sex.

[9] For more informationgo to: www.hc-sc.gc.ca/english/ruralhealth/index.html.

The Rural Voluntary Sector: A Review of the Literature

This review summarizes the existing literature on the rural voluntary sector in Ontario, with some reference to the national and international literatures. Literature on the rural voluntary sector was collected between May and June 2003 using searches of bibliographic and journal databases held at the University of Toronto, of a number of online libraries, of information found via the Internet, and contact with selective authors and organizations in the field.[10] The literature review is organized around the themes of the financial, human resources, and structural aspects of the rural voluntary sector. We conclude with a discussion that summarizes our findings and identifies gaps in our knowledge.

The review is organized around the concepts of financial capacity, human resources capacity, and structural capacity. These concepts were defined by a recent review of nonprofit and voluntary organizations in Canada (Hall et. al., 2003, p.5) as follows:

- Financial capacity: the ability to develop and deploy the revenues and assets of the organization;
- Human resources capacity: the ability to deploy paid staff and volunteers within the organization, and the competencies, knowledge, attitudes, motivations, and behaviours of staff and volunteers; and,
- Structural capacity: the ability to develop and use relationships and networks with various stakeholders; infrastructure and processes such as equipment, facilities, and management systems; and programs and strategic plans, including policy capacity.

Our goals here are to:

- Describe the size and scope of the rural voluntary sector;
- Distinguish the attributes of the rural voluntary sector from those of the urban voluntary sector; and
- Identify the challenges or unmet needs of Ontario's rural voluntary sector.

The rural voluntary sector is an emerging area of research, arising at a time when both rural and voluntary sector issues are receiving attention from researchers and policy makers (see Appendix A). The voluntary sector has been receiving an increasing amount of attention from the federal government through the Voluntary Sector Initiative. The 1996 Throne Speech promised "the economic renewal of rural Canada" and the Canadian Rural Partnership has become the vehicle to implement a new Federal Framework for Action (Buhler, 2002). Two rural voluntary organizations, the Foundation for Rural Living and The Ontario Rural Council, have created initiatives in the last few years to research and promote the voluntary sector in rural Ontario. Descriptions are provided for a selected numbers of major studies used in our review (see Appendix B).

Rural advocates view the voluntary sector as central to the ability of individuals in rural areas to respond to the changes they are facing. Yet they express concern that the sector faces serious challenges of sustainability. As the spotlight is one on both the voluntary sector and rural areas overall, advocates want to ensure that the unique needs of the voluntary sector in rural Ontario are not overlooked.

Financial Capacity

Research on the size and scope of the rural voluntary sector is limited

The existing literature contains very little information on the size and scope of the rural voluntary sector. Based on an examination of the number and size of rural and urban branches from three large-scale multi-establishment charities in Ontario, the Foundation for Rural Living (2002) hypothesized that rural organizations have fewer resources than urban ones. They also found, however, that branches located in urban areas often served the rural areas surrounding them. Similarly, research in the communities of Tweed and Blenheim, Ontario revealed that citizens there were served by voluntary organizations outside of their own village or town (New Rural Economy, 1999). This suggests that the location of voluntary organizations is not necessarily an indication of the degree to which they service rural areas.

Using a case-study approach, Reed and Howe (2000) studied 40 Ontario voluntary agencies across metropolitan and non-metropolitan areas of Ontario.[11] They found that the most heavily resourced agencies they studied were in the metropolitan centres. The non-metropolitan agencies reported rela-

[10] Bibliographic and journal databases at the University of Toronto include UTCAT, Expanded Academic ASAP, PAIS, PsychInfo, SSI, and Social Sciences Abstracts. The online databases include the Canadian Centre for Philanthropy — John Hodgson Library, The Foundation Centre Database of Literature on the Nonprofit Sector, Joseph and Matthew Payton Philanthropic Studies Library, and Philanthropy Australia's Research Centre Library.

[11] Between September 1997 and January 1998, Reed and Howe interviewed 40 executive directors of charities (excluding universities, churches, and hospitals) in eight Ontario cities and towns: Sault Ste. Marie, North Bay, Peterborough, Pembroke, Smith Falls, Carleton Place, Ottawa, and Toronto.

tively lower levels of income from government and fundraising sources compared to the metropolitan agencies. This led the authors to hypothesize that non-metropolitan organizations have relatively smaller revenues compared to metropolitan organizations.

Research on the finances of rural voluntary organizations is limited

There is virtually no solid information on the revenues of rural nonprofit organizations in the existing literature. As noted above, Reed and Howe's (1999) study found that non-metropolitan agencies had relatively less income from government and fundraising sources than the typical metropolitan agency. However,these differences were not quantified.

In a study on the voluntary sector in rural Saskatchewan, Nilson and Wilcox (1991) found that the most important sources of income for organizations within this sector were user fees and fundraising. This represents a divergence from the voluntary sector "norm" whereby government is the largest source of funding (Sharpe, 1994). In their study of rural organizations in Canada, Bruce, Jordan, and Halseth (1999) also found that member/user fees and fundraising were common sources of revenues for rural Canadian voluntary organizations, although they did not report whether these were necessarily the most important sources in terms of overall revenue.

With regard to the government funding that rural organizations do receive, both Reed and Howe (2000) and Bruce et al. (1999) found that the provincial level of government was by far the most significant funder for the non-metropolitan organizations they examined.

How important are private donations to voluntary organizations in rural areas? Although there is no firm answer to this question,we do know that rates of individual donations are much higher in non-metropolitan than in metropolitan areas. Based on 2000 NSGVP data, Reed and Selbee (2000) reported that 85% of individuals in non-census-metropolitan areas (Non-CMA) of Ontario made donations compared to 76% in metropolitan census areas (CMAs).[12] We cannot, however, assume that donations from rural individuals necessarily go to rural organizations.

Rural voluntary organizations experience financial challenges

From the literature, the main financial capacity challenges of rural voluntary organizations seem to be problems with the government funding relationship; insufficient human resource and structural capacity to fundraise; and the relatively small pool of funds available to organizations in rural areas. Bruce, Jordan, and Halseth (1999) found that about half of the 71 rural Canadian organizations they surveyed identified one or more aspects of their funding situation as a critical issue. A common concern voiced about government funding was trouble accessing information to identify funding opportunities and trends. Few voluntary organizations in rural Ontario appear to use information technology (IT) to access information from governments about funding opportunities, reflecting a potential structural barrier to building financial capacity.

When organizations were able to get the information they needed, they found the process was often too lengthy, cumbersome, and unclear. At times, the funding criteria actually specified population levels that made some rural areas ineligible to participate. When organizations did receive government funding, they often found it came with too many restrictions. According to Bruce, Jordan, and Halseth (1999), 23 of the 38 organizations that received government funding in their study had restrictions attached to this funding, and 16 actually had to change their mission to get the funding. Another complaint was that government funding now requires an annual and onerous application process.

In The New Rural Economy (1999 participants in the towns of Blenheim and Tweed, Ontario summarized the situation by reporting that their relationship with government officials had become less personal, more top-down, or simply non-existent as a result of amalgamations and cutbacks.

Bruce, Jordan, and Halseth (1999) found that, on average, staff of rural voluntary organization spent only 18 days annually preparing fundraising applications, and only 20% of the organizations used an outside consultant to help with fundraising. Buhler (2002) noted that the efforts made by rural voluntary organization staff to manage a perpetual funding crunch take so much time and energy that it affects their ability to focus on their core business. The Foundation for Rural Living has expressed concern that organizations in urban centres have relatively more professional staff, systems, and structures in place to facilitate fundraising, while organizations in rural areas are being left behind.

There is a perception in rural areas that a smaller pool of financial resources is available to their communities (Buhler, 2001). Reed and Howe (1999) report that non-metropolitan agencies were more likely than metropolitan agencies to experience challenges in expanding their funding sources. A

[12] The use of CMA and Non-CMA categories is not the same as a strict rural/urban comparison, since the Non-CMA category includes smaller urban centres like Guelph and Belleville.

recent article by Nyp (2003) also reports on the challenges that charities in rural areas face in trying to attract funding into their communities from outside sources, since they cannot raise enough money from within their small communities to be sustainable.

Addressing financial challenges

Wall and Gordon (1999) suggest that there is room for governments to streamline their funding application processes, and to provide organizations in rural areas with access to regular, reliable information. However, they also suggest that rural voluntary organizations need to be more proactive in obtaining the information and tools to enhance their financial capacity. Again, rural voluntary sector organizations have to improve their use of technology to access flows of information on funding and policy trends. Similarly, Buhler (2002) suggests that the sector needs to get "plugged in," and articulate the unique needs of rural areas to funders and decision-makers.

Training is noted as a key element that will allow the rural voluntary sector to move forward in the area of financial capacity. In addition to the need for training in technology use for fundraising, Wall and Gordon (1999) note the need for skill development in proposal writing and strategy development. Buhler (2002) notes the need for training in program evaluation, so that program impacts and outcomes can be described in funding applications.

The Southern Rural Development Initiative (SRDI) in the United States can be considered as an example of best practices in the development of rural financial capacity. They offer a number of training opportunities to rural voluntary organizations such as a one-year philanthropic studies program. For communities, they have created the "Philanthropic Index" which is a step-by-step guidebook for assessing and tapping the philanthropic potential of a community. They have also partnered with other organizations to award capacity-building grants to member organizations. A key component of the SRDI's strategy is the development of new institutions to rally local resources.[13] Their ultimate goal is for a rural development industry to exist through a web of institutions whose combined capacity attracts public, private, and philanthropic capital.

Another example of best practices from the United States is the Rural Development Philanthropy Learning Network, which facilitates the peer-exchange of information and the provision of technical assistance among rural community foundations.[14]

Human Resources Capacity

Volunteering rates higher in non-metropolitan areas

Volunteer rates were consistently found to be higher in non-census metropolitan areas (Non-CMAs) compared to census metropolitan areas (CMAs) in both Canada and Ontario during 1987, 1997, and again in 2000 (Reed & Selbee, 2000).[15] In 2000, 31% of individuals in Non-CMA Ontario volunteered compared to 24% in CMA Ontario. Researchers in the U.K. also found that people living in the two rural regions they surveyed were significantly more likely to volunteer than those living in urban areas, although they contributed slightly fewer hours per person compared to the national average (Yates, 2002).

Faid (1987) used the 1987 Voluntary Activity Survey (VAS) data to examine the distinguishing characteristics of rural and urban volunteers in Canada. His analysis shed some light on some key differences. In 1987, volunteers in rural areas had lower levels of education and income than volunteers in urban settings. They were significantly more likely than their urban peers to consider themselves religious (70% compared to 61%); volunteer for a religious organization (21% compared to 15%); and be motivated to volunteer out of a sense of religious obligation (28% compared to 20%). They were also more motivated to volunteer out of a sense of obligation (22% rural versus 13% urban) and a sense of community obligation (25% rural versus 19% urban).

Faid (1987) also found that rural volunteers had higher rates of involvement in the preparation and serving of food, canvassing for money, organizing events, recruiting volunteers, and sitting on boards. They were more likely than urbanites to be involved in religious and leisure or sport groups (Faid, 1987). Although he found that many of the same factors motivated rural and urban volunteers, there were a few factors noticeably more important for those in rural areas. Religion and community obligation have already

[13] The types of institutions in their network include: community development financial institutions; community-based philanthropies; land-based development centres; state-wide associations of community development corporations; and comprehensive regional development institutions (see www.srdi.org).

[14] The learnings shared in the peer exchanges are available on-line at aspencsg.org/rdp.

[15] The use of CMA and Non-CMA categories is not the same as a rural/urban comparison. However, in this case, the 1987 and 1997 data were further sub-divided into "small urban" and "rural" areas, and the rates of volunteering continued to increase significantly from "small urban" to "rural" areas within the Non-CMA category.

been mentioned. Rural volunteers were also more likely to be motivated by the possibility of gaining skills (31% rural versus 27% urban) and employment contacts (21% rural versus 18% urban). They were also more likely to report gaining knowledge from their volunteer experience (28% compared to 23%).

Finally, Faid reports that rural individuals were significantly more likely than urban individuals in 1987 to get involved in volunteering because they knew someone in the organization or because someone asked them to join the organization (66% versus 55%, and 52% versus 46%, respectively). Bruce, Jordan, and Halseth (1999) also found that word-of-mouth and personal contacts were the most common recruitment strategies used among the 71 rural Canadian organizations they surveyed.

Both Buhler (2002) and Nilson and Wilcox (1991) raise the concern that a small number of volunteers do most of the volunteer work in rural areas, leading to a high risk of burn-out and the eventual need to recruit new volunteers. This theme also emerges in the literature from the U.K. (Yates, 2002).

Rural individuals more likely to lend a helping hand

The rates at which people helped others on their own (rather than through an organization) were consistently higher in Non-CMAs compared to CMAs of both Canada and Ontario across the three study periods of 1987, 1997, and 2000 (Reed & Selbee, 2000). In 2000, 79% of individuals in Non-CMA Ontario provided direct help to someone outside of their household (for example by helping with shopping, driving, baby-sitting, yard work, or writing a letter) compared to 72% in CMA Ontario. When the data are further sub-divided into small urban and rural places for 1987 and 1997, the rates of informal volunteering were either equal or higher in rural compared to small urban places (Reed & Selbee, 2000).

Rural voluntary organizing face human resources capacity challenges

It is evident that both volunteers and paid staff are critical to voluntary organizations and community life in rural Ontario (Buhler, 2002; Canadian Rural Partnership, 2001; The Ontario Rural Council, 2001). Voluntary organization spokespeople, however, express a number of concerns related to human resources in their organizations.

One concern is the ageing and burn-out of volunteers and members, and the challenges associated with recruiting and managing sufficient levels of new volunteers and members (Bruce et al., 1999; Buhler, 2002; New Rural Economy, 1999; Nilson & Wilcox, 1991). In the towns of Blenheim and Tweed, Ontario, for example, the majority of members in several of the organizations were over the age of 45, and in some groups most members were 55 years of age or older. Difficulty in recruiting new members, particularly younger members, was creating a concern about the future sustainability of the organizations.

Organizations reported having tried a number of recruitment methods without success, despite an increase in the local population (New Rural Economy, 1999). The rural organizations surveyed by Bruce, Jordan and Halseth (1999) had been fairly successful at recruiting at least as many volunteers as they had lost, if not more, in the preceding year, yet they still report problems of membership as one of their top challenges. Buhler (2002) noted that a lack of human resource capacity inhibits rural voluntary organizations from using volunteers as effectively as they could otherwise.

Reed and Howe (1999) found that another challenge facing non-metropolitan voluntary organizations is that increased competition for government contracts requires them to seek out new staff with impressive resumes, rather than using local staff who may have years of experience but lack professional credentials. Expectations of increased professionalism in the sector also raise the risks, costs, and responsibilities for volunteers (The Ontario Rural Council, 2001). Buhler (2002) reports that some rural volunteers quit their responsibilities due to the increased training required by new provincial standards in service delivery.

The only Canadian study that has examined the extent to which rural organizations provide training is Nilson and Wilcox's (1991) study of rural organizations in Saskatchewan. Nilson and Wilcox found that most organizations did not offer volunteer training. In the U.K., Yates (2002) found that rates of volunteer and staff training at the rural voluntary organizations she studied appeared to be lower than the national average for all volunteer organizations (as measured in a separate study). She also found a low response rate in the identification of training needs, which she suggests could indicate a relative lack of a training culture in the rural nonprofit sector areas that she studied.

The need for more and better leadership emerges as another challenge facing rural voluntary organizations. Leadership was one of the top six challenges identified by the 71 rural Canadian organizations surveyed by Bruce, Jordan, and Halseth (1999). The New Rural Economy household survey found that 50% of individuals in the southern rural Ontario communities they surveyed thought that there were leadership opportunities for youth in their communities. Across the 32

Canadian rural communities surveyed, 59% of individuals thought that there were leadership opportunities for youth (Bowers et al., 2002a, 2002b, 2002c, 2002d).

A final challenge noted in the literature is workload. Individuals in rural organizations have reported heavy workloads arising from the need to fill gaps as other services were cut (Buhler, 2002; The Ontario Rural Council, 2001).

Training would augment human resources capacity

Training is noted in the literature as one way to address human resource capacity challenges. This is particularly the case in areas such as technology, preparing fundraising proposals, and developing strategy (Buhler, 2002; Wall & Gordon, 1999). The United States is at the forefront in its provision of this kind of training to rural nonprofit organizations. In addition to the philanthropic studies program mentioned above, the Southern Rural Development Initiative also offers peer consulting opportunities and a board training program to its members.

In response to concerns about leadership, the Ontario Rural Council convened a Task Force on the Future of Rural Leadership. The mandate of the Task Force is to ensure that coordinated, sustainable, and quality programs are in place to serve the current and future needs of rural communities. The Task Force formed a new partnership and created a new organization called The Centre for Rural Leadership, devoted to offering rural leadership programming (Centre for Rural Leadership, 2002; The Ontario Rural Council, 2000).

Structural Capacity

Relationships and networks are important but underdeveloped or eroding

Buhler (2002) reports that there is informal networking among rural organizations within local areas, because so many volunteers work for more than one organization at the same time. She noted, however that there were few formal connections between voluntary organizations, and that organizations could benefit from more formal connections with the sector, as well as with citizens, and "other rural stakeholders."

Bruce, Jordan, and Halseth (1999) found that about 65% of the rural organizations they studied had a relationship with the municipality, 59% had a relationship with the province, and 28% had a relationship with the federal government. These relationships were most often funding relationships, but they were also used for in-kind support. A relationship with a municipal government, for example, might involve shared office and support services, monthly meetings, and direct funding. These kinds of relationships were very much appreciated by voluntary organizations. In many other cases, however, frustrations were expressed about the lack of support or contact with government officials, revealing opportunity for governments to become more supportive of the sector (Bruce et al., 1999; New Rural Economy, 1999).

The importance to rural voluntary organizations of their relationship with the local community emerges in a number of reports. Reed and Howe (1999) note that the non-metropolitan agencies in their study ascribed a high value to their community base. They tended to have close relationships with local institutions such as hospitals and schools, to value their membership in the United Way, to appreciate their association with local service clubs, and to get more coverage from the local media compared to the metropolitan agencies.

The importance of local relationships also emerged in the interviews conducted by Buhler (2002).

The erosion of relationships between voluntary organizations and the community has been identified as a concern (New Rural Economy, 1999; Reed & Howe, 2000). Representatives from voluntary organizations in Blenheim and Tweed, Ontario, for example, described feelings of isolation from the community, parent organizations, and the broader voluntary community (New Rural Economy, 1999).

Researchers in the U. K. found that fewer than half of the rural organizations they surveyed had contact with other organizations, which was lower than results from a comparable survey of urban voluntary organizations. Most of the relationships were with other voluntary organizations, followed by the public sector, and the private sector (Yates, 2002).

Telecommunications infrastructure in rural voluntary organizations is low

Very few of the rural voluntary organizations surveyed by Bruce, Jordan and Halseth (1999) used the Internet to get information, or expressed this as a preference. Instead, they preferred to get most of their information from direct mail, government publications, and direct contact with government officials. Reports of the Information Management/Information Technology Joint Table of the Voluntary Sector Initiative (VSI, see Appendix A) noted that the under-utilization of information technology was a problem throughout the voluntary sector, particularly in rural areas (Kerr, 2002; PRA Inc., 2001). Barriers to technology use in the towns of Blenheim and Tweed, Ontario included a lack of skills and equipment, cost, and a lack of awareness or conviction about the benefits (New

Rural Economy, 1999). Lack of conviction about the benefits of information technology was also reported by Yates (2002) in her study of rural voluntary organizations in the U.K.

Program and strategic planning: a challenge

Rural Canadian volunteers interviewed by Buhler (2002) reported insufficient expertise, time, and infrastructure to be able to adapt to change and growth. Buhler was nevertheless able to identify examples indicating that rural organizations do find ways to adapt when faced with challenges. The fairly common experience of undergoing amalgamation, restructuring, and devolution has made it more difficult for organizations to plan programs in rural areas, as it has in urban areas. In terms of policy capacity, rural organizations reported a general feeling of isolation from broader policy exercises.

Need for more networking and the tools to facilitate it

It appears from the literature that the majority of rural organizations remain disadvantaged with respect to information as a result of distance and inadequate infrastructure (Bruce & Halseth, 2002; Reimer, 2003). An effective way to increase the structural capacity of the rural voluntary sector should therefore be focused on improvements to information technology capacity. The federal and provincial governments have engaged in a number of technology improvement programs geared to rural Canada and Ontario, and some geared specifically to the voluntary sector.[16]

There have also been some initiatives to help facilitate networking and information sharing between organizations. For example, the Ontario Rural Council has created a Voluntary Sector Working Group, which recently launched an initiative called "Valuing the Rural Volunteer," to examine the needs, realities, and importance of rural volunteerism, and to communicate these to funders and decision makers. The Ontario Rural Council is also facilitating the sharing of information among rural voluntary organizations by creating a centralized database of information on community economic development (CED) programs (The Ontario Rural Council, 2001).

Nilson and Wilcox (1991) recommend the creation of a rural community volunteer coordinating committee for rural Saskatchewan, with the goal of ultimately establishing regional volunteer coordinating councils. They also recommend the development of comprehensive information about volunteer training to be made available to all rural organizations from a centralized location, along with information about the importance of volunteer training. As reported above, the Southern Rural Development Initiative has provided funding to help organizations in the United States network for the purposes of sharing skills.

Discussion

There is little specific literature on the rural voluntary sector in Ontario that addresses our main areas of interest, which were to describe the sector, its challenges, and its distinguishing features compared to the urban voluntary sector. Our analyses of the NSGVP and CRA data will therefore contribute to our understanding of the sector.

Using the NSGVP, we will also be able to examine differences in the amounts that individuals volunteer, help, and donate, to facilitate a more complete assessment of the relative contributions of volunteers in rural and urban areas. The NSGVP analyses will also provide information on the characteristics of rural and urban volunteers, similar to that which was provided on a Canada-wide basis by Faid (1987). For example, do volunteers in rural areas engage in different sorts of activities or organizations from volunteers in urban Ontario? Buhler (2002) and Nilson and Wilcox (1991) raised the concern that a small number of volunteers do most of the volunteer work in rural areas. We will empirically test this with the NSGVP data, and assess the relative magnitude of this issue in rural and urban areas.

Using the CRA data, we will present the first comprehensive analysis, to our knowledge, of the revenues and revenue sources of charities in rural areas. This will allow us to test some of the hypotheses that emerged from the literature. For example, Nilson and Wilcox (1991) and Bruce et al. (1999) suggested that member fees and fundraising were relatively more important than government funding in rural areas. Is this the case? If they are not the most important in terms of overall sector revenue, are these sources more commonly used sources by rural organizations than by urban ones? The CRA data analysis will also allow us to know the geographical distribution of charitable organizations across rural and urban areas, and how charities in these communities spend their money.

There are a number of other issues, however, that the NSGVP and CRA analyses will only be able to address indirectly. Although the NSGVP analysis will describe the different characteristics of rural and urban volunteers, it

[16] See Wall & Gordon (1999) and Surman, Knox, & Velden (2001) for summaries.

cannot always explain some of the differences that are found. For example, we know from the existing literature that rates of volunteering and donating in rural areas are relatively high, despite the fact that rural individuals do not have the socio-demographic profile of typically high contributors. A multivariate analysis is required to test various hypotheses about, for example, whether this is caused by greater religiosity or the more closely knit communities of rural areas.

The literature provides a sense that there are significant training needs in the rural voluntary sector, ranging from technology use, strategic planning, program evaluation, and fundraising. Questions remain about how training could be most usefully delivered in the rural context. It would be interesting to assess the feasibility and applicability of the American rural voluntary sector training models, not to mention the American model of financial capacity development and network building in the rural voluntary sector.

We know that technology is used less in rural areas than it is in urban areas, but there has been no research on technology use by rural voluntary organizations. To what extent are rural voluntary organizations making use of computer and telecommunications technology for daily management and fundraising? Would they like to be using it more? If so, what obstacles do they face and what would be the best remedies?

Finally, organizations experience difficulties with their government funding relationships, and challenges associated with human resources recruiting and management. For example, because rural areas tend to have older populations, they may have particularly pressing human resource difficulties (i.e., more people in need of services and a smaller pool of potential staff members and volunteers).

It is rare to find comparative rural/urban data on voluntary organizations, raising the question of how, or whether, rural voluntary organizations are unique. The answer to this question may also vary according to the type of rural area. In Ontario most rural residents now live in areas that are strongly or moderately influenced by a surrounding metropolitan area. There might be distinctions to be made between voluntary organizations that operate in these kinds of rural communities compared to those that are more remote, and there may be other distinguishing features among rural communities, as noted, that would impact on the experience of the rural voluntary sector.

Nevertheless, based on what we have learned about the challenges facing rural organizations, and what we know about voluntary organizations overall (Hall et al., 2003), urban and rural organizations may face many of the same challenges. However, some of these challenges may manifest themselves in different ways, requiring different kinds of policy responses. For example, Yates (2003) noted the potentially higher costs of operating in sparsely populated areas. Funders need to be sensitive to these kinds of differences.

Giving and Volunteering in Rural Ontario

In this section of the report we examine findings from the 2000 National Survey of Giving, Volunteering and Participating (NSGVP). An analysis of the NSGVP enables us to compare the giving, volunteering, and civic participation of rural and urban Ontarians. This will help us understand the strengths and weaknesses, as well as the characteristics and nuances, of the rural voluntary sector from an individual perspective. After describing the survey and explaining how rural is defined for this analysis, we present separate discussions of the giving and volunteering behaviour of rural and urban Ontarians. A final section concludes with a short discussion of civic participation and the linkages among these behaviours.

The results of the 2000 NSGVP provide some broad differences between urban and rural residents that help us to begin painting a portrait of the rural voluntary sector. However, we must keep in mind two considerations. First, there is considerable variation within rural and small-town Ontario. While community size partly matters in and of itself, there are differences both within and between urban and rural areas. These differences often reflect the social and economic attributes of residents. A second and related consideration is that giving and volunteering are complex behaviours that are affected by many factors. Although our analyses allow us to compare and describe the differences between urban and rural areas, we are not always able to explain these differences.

The NSGVP provided the first comprehensive look at the contributions Canadians make to one another through their gifts of volunteered time and financial and in-kind donations. The survey asks Canadians a series of questions about how they give money and other resources to individuals and to nonprofit or voluntary organization; volunteer time to nonprofit or voluntary organizations and directly to individuals; and participate in organizations by becoming members (see Appendix A).

For this analysis, we use the 2000 NSGVP results to compare the giving and volunteering of urban with rural Ontarians. The 2000 survey was conducted by Statistics Canada as a supplement to the Labour Force Survey (LFS) in October, November and early December of 2000. The 2000 NSGVP is based on a representative sample of 14,724 Canadians aged 15 and older who were asked about their giving and volunteering over a one-year period from October 1, 1999 to September 30, 2000.

Although the notion of rural seems intuitive, it is not easy to define operationally. The definition used matters because the size of Canada's "rural" population differs according to the definition chosen (du Plessis et al., 2002). The two most common definitions used by analysts are:

1) Census Rural Areas, and

2) Rural and Small-Town.

The rural and small-town (RST) definition is a functional one based on the labour market. It can also serve as an indicator of access to services such as health and education, commercial and retail facilities, and culture and sports activities. Statistics Canada recommends using the rural and small-town definition as a starting point for understanding the rural population (du Plessis et al., 2002).[17]

Our analyses compare residents of rural and small-town Ontario with residents of urban Ontario. A limitation of the NSGVP data file, however, forces us to use a modified definition of rural and small-town areas. Our definition includes a number of smaller Census Agglomerations in the rural and small-town category rather than in the urban category (see Appendix C). Despite this anomaly, we are confident that differences in the contributory behaviours of urban versus rural Ontarians are accurately captured by this definition.

Giving

Donor rates and amounts

In 2000, almost 22 million Canadians — 91% of the population aged 15 and over — made donations, either financial or in-kind, to nonprofit or voluntary organizations (Hall, McKeown & Roberts, 2001). Seventy-eight percent of Canadians made financial donations to an organization while 41% provided direct financial help to individuals living outside their household. In-kind donations were also common: 69% donated clothing or household goods and 54% donated food to a charitable organization such as a food bank. The level of giving was similar in Ontario, where more than nine in ten residents made financial or in-kind donations.

There were some differences, however, in the types of monetary contributions made by urban and rural Ontarians (see Figure 1). Rural Ontarians were more likely to make financial donations to organizations than were urban

[17] Almost one third of Canada's Census rural population resides within CMA/CA boundaries.

Ontarians (85% vs. 76%). Urban residents, on the other hand, were more likely than rural residents to provide money directly to individuals, including relatives living in another household, homeless people, and other individuals (43% vs. 36%).[18]

The remainder of this section focuses on the amounts and characteristics of financial donations made by Ontario residents to nonprofit or voluntary organization. To begin, 78% of Ontario residents made a donation to a charity or nonprofit organization in 2000 — the same percentage as in Canada as a whole (see Table 3). Residents of Ontario gave an average of $312 over the one-year period, higher than the national average of $259. Proportionally more rural than urban Ontarians made donations (85% vs. 76%). Rural Ontarians also donated more frequently than their urban counterparts (an average of 4.1 donations vs. an average of 3.8 donations). The average annual donation of rural residents was, however, lower than the average annual donation of urban residents ($280 vs. $322).

Methods and organizations

Nonprofit and voluntary organizations use a variety of approaches to obtain financial support, including mail and telephone solicitation and holding charity events. The methods used to donate by urban and rural Ontarians were broadly similar in 2000, with three exceptions (see Figure 2).[19] Door-to-door fundraising was more successful in rural Ontario, perhaps because residents in smaller communities are more likely to know and trust one another (66% of rural Ontarians have resided in their communities for more than 10 years compared to 56% of urban Ontarians.) Rural residents also made relatively more donations in memoriam and relatively fewer through a place of worship.

Like other Canadians, residents of Ontario directed most of their donations to three types of organizations: health, social services, and religion.[20] Rural Ontarians were more likely than urban Ontarians to direct their donations to health organizations but less likely for religious (see figure 3). There was little difference with respect to social services organizations. Although the NSGVP cannot identify the location of nonprofit or voluntary organizations, we suggest that many rural Ontarians support "urban" charities. With respect to health organizations for example, rural residents are donating to large health charities (e.g., Arthritis Society) and specialized hospitals (e.g., Hospital for Sick Children), which are located in urban areas.

Figure 1. Contributions to Charitable and Nonprofit Organizations, Ontario 2000

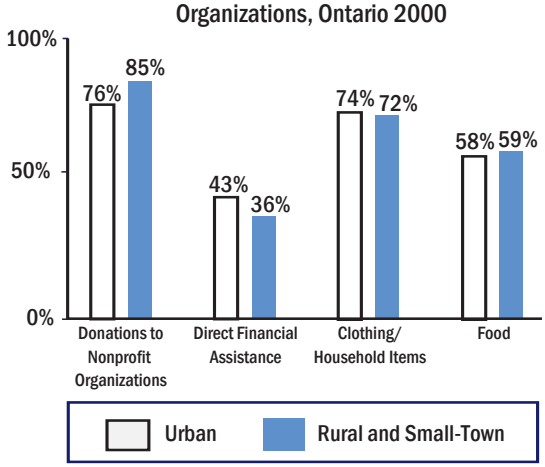
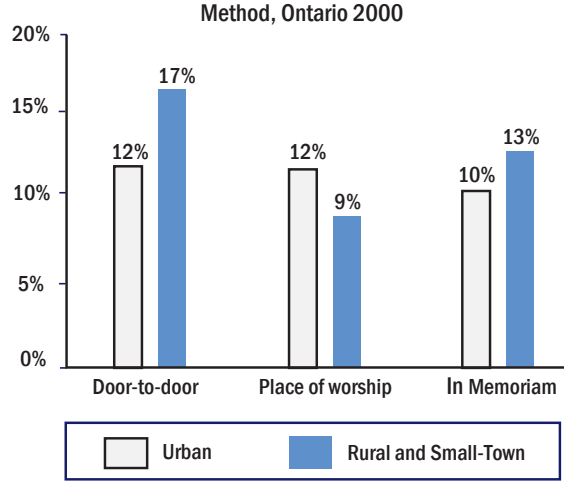


Table 3. Number of donations and annual amounts donated in Ontario, 2000

	Canada	Ontario	Urban Ontario	Rural Ontario
Rate of Donating (%)	78	78	76	85
Average number of donations	3.7	3.9	3.8	4.1
Average annual amount ($)	259	312	322	280

Figure 2. Number of Total Donations by Solicitation Method, Ontario 2000



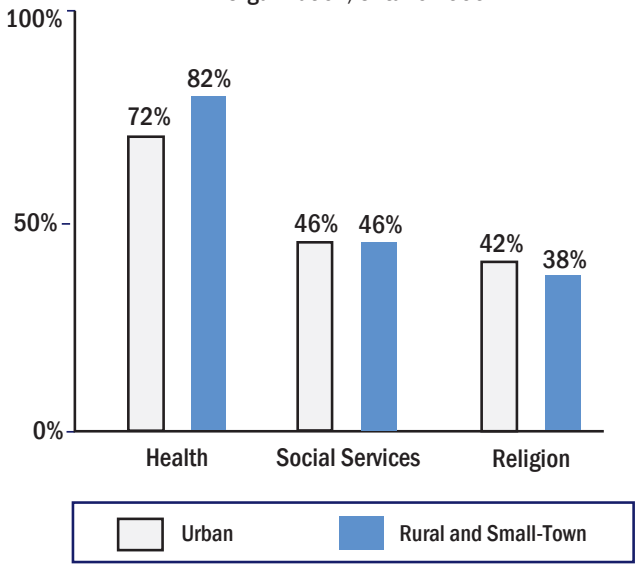
[18] Urban residents were also more likely to support charitable causes through money spent on charity-sponsored goods, lottery tickets, and charitable gaming.

[19] While some methods of making charitable donations are used more frequently, others generate more money. For example, donations made through a place of worship in Ontario represented only 11% of the total number of donations, but 43% of the total value of all donations.

[20] Survey respondents were asked about the organizations to which they made donations. These organizations were classified into 12 categories according to the International Classifications of Nonprofit Organizations (ICNPO).

Table 4. Donor Rate by Social and Economic Characteristics, Ontario, 2000	Urban	Rural
Age		
15-24 Years	64%	78%
25-34 Years	71%	86%
35-44 Years	85%	87%
45-54 Years	80%	92%
55-64 Years	81%	86%
65 Yrs and Over	77%	78%
Sex		
Male	74%	83%
Female	79%	86%
Marital Status		
Married/Common-law	84%	89%
Single Never Married	63%	74%
Widow/Widower	70%	75%
Separated/Divorced	69%	78%
Education		
Less than High School	64%	76%
High School	77%	88%
Some Post-Secondary	80%	79%
Post-Secondary Diploma	81%	89%
University Degree	84%	91%
Labour Force Status		
Employed Full-Time	82%	90%
Employed Part-Time	73%	87%
Unemployed	53%	81%
Not in Labour Force	71%	79%
Household Income		
< $20,000	61%	72%
$20,000-$39,999	72%	84%
$40,000-$59,999	75%	83%
$60,000-$99,999	82%	91%
> $100,000	84%	87%

Figure 3. Number of Donations by Selected Type of Organization, Ontario 2000



Characteristics of donors

Ontario donors had broadly similar characteristics regardless of whether they were rural or urban dwellers. Since the donor rate is higher in rural and small-town areas than it is in urban areas, the donor rate is correspondingly higher for almost all population segments in the former (see Table 4). For example, those with a university degree residing in rural areas were more likely than those with a university degree residing in urban areas to make a donation (91% vs. 84%). Some differences were, however, larger than others. The gap between urban and rural donor rates, for example, decreased as age increased. In other words, younger rural residents were much more likely to give than were their urban counterparts, while older rural residents were only slightly more likely to give. A similar pattern exists with regard to both education and income. Specifically, rural residents with no post-secondary education and those with household incomes under $40,000 were much more likely to give than were their urban counterparts, while those with more education and income were only slightly more likely to give.

Of course, urban residents are more likely to have a university degree. There are some discernible variations by social and economic characteristics. Younger rural Ontarians (< 34 years), those with less education (high school or less), and those with lower incomes (< $40,000 household) donated at much higher rates than did their urban counterparts.

In 2000, Ontario contained almost one half (47%) of the "top donors" in Canada (McKeown & Lasby, 2002).[21] And the larger average amount donated in urban areas compared

[21] Top donors are defined as the 25% of donors.

to rural and small-town areas ($322 versus $280) suggests that relatively more of these "top donors" reside in urban areas. Top donors are more likely than other donors to be strategic in their giving. An indication of this behaviour is whether someone in their household intended to claim a tax credit for their donations. Compared to 49% of rural donors in Ontario, 52% of urban donors indicated they intended to claim a tax credit in 2000.

Behaviours and Attitudes

According to the NSGVP, more than 90% of Canadians said that they made a financial donation because they felt compassion towards people in need and because they wanted to help a cause in which they personally believed. More than 90% of donors in Ontario also gave these reasons for donating and there were no discernible differences between urban residents and those from small-towns and rural areas. However, slight differences in the reasons for making donations did appear (Table 5). Donors from rural areas were more likely than donors from urban centres to make donations because they knew someone affected by the cause (76% vs. 72%). Donors from rural areas were slightly less likely than their urban counterparts to make donations to fulfill religious obligations or beliefs (31% vs. 34%) or because of income tax credit was a reason they donated (10% vs. 15%).

The NSGVP asked non-donors why they did not donate and donors why they did not donate more. The most common reason cited by Canadians for not donating or not donating more was wanting to save money for future needs (59% and 51% respectively). This was also the most common reason for not donating or not donating more in Ontario (Table 5). Urban Ontarians were more likely to cite this reason than were rural Ontarians: 61% vs. 53% cited it as the reason they didn't donate; 54% vs. 52% cited it as the reason they didn't donate more. Almost half of donors in Ontario (46% urban and 45% rural) said they did not donate more because they didn't think the money would be used efficiently. However, more urban than rural residents in Ontario said they did not donate at all for this reason (35% vs. 30%).

Table 5. Motivations for and Barriers to Giving, Ontario, 2000

	Urban	Rural
Reasons for donating (% of donors)		
Have been personally affected by the cause	72	76
Want to fulfill religious obligations or beliefs	34	31
Want income tax credit	15	10
Reasons for not donating more (% of donors)		
Want to save money for own future needs	54	52
Think the money will not be used efficiently	46	45
Reasons for not donating at all (% of donors)		
Want to save money for own future needs	61	53
Think the money will not be used efficiently	35	30

Volunteering

Volunteer rates and amounts

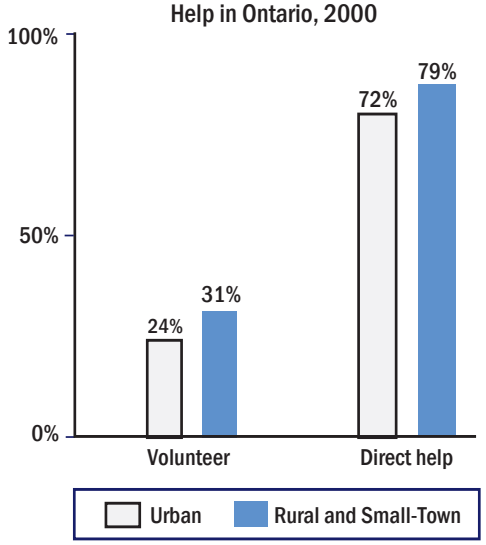
According to the 2000 NSGVP, just over 6.5 million Canadians (27%) volunteered their time to groups and organizations between October 1, 1999 and September 30, 2000. Seventy-seven percent of Canadians reported helping others on their own rather than through an organization by shopping or driving someone to an appointment, providing unpaid babysitting or yard and maintenance work, or writing letters or obtaining information. In Ontario, the volunteer rate was 25% over the same period, with 73% reporting helping people directly.

People from rural and small-town Ontario both volunteered for organizations and provided direct help to others at higher rates than urban residents (31% vs. 24% and 79% vs. 72%, see Figure 4). Again, with longer community tenure on average than urban residents, rural residents may have more opportunities to connect with voluntary organizations and causes as well as with other people. Higher rates of volunteering and direct helping may result from these connections. Volunteering rates may also reflect a difference in the capacity of voluntary organizations in urban and rural areas. That is, there may be a greater need for individuals to contribute time in areas where voluntary organizations have fewer alternatives in terms of paid staff and other resources.

The remainder of this section focuses on the contribution of time and the characteristics of volunteer activities carried out through nonprofit and voluntary organizations. At first glance, a higher volunteer rate in rural areas appears to imply fewer problems with recruiting and retaining volunteers. According to findings from a recent study of nonprofit and voluntary organizations, however, volunteer recruitment problems are greater in smaller organizations and communities (Hall et al., 2003). These organizations were more likely to report problems recruiting sufficient numbers of volunteers than were larger, urban-based organizations.

There are several possible reasons for this apparent inconsistency. Our analysis of registered charities indicates that rural voluntary organizations are, on average, smaller than their urban counterparts. With fewer paid staff, smaller organizations have a greater reliance on volunteers. Additionally, despite a higher volunteer rate, voluntary organizations in rural areas may have trouble finding volunteers with particular skills and experiences (e.g., fundraising, Web site design). Finally, we need to consider the amount of

Figure 4. Rates of Volunteering and Direct Help in Ontario, 2000



time that volunteers contribute. Urban residents were less likely than rural residents to volunteer (24% versus 31%); however, as seen in Table 6, volunteers in urban areas contributed more hours on average than volunteers in rural areas (168 hours versus 157 hours).

Finally, it should be noted that, in Ontario, volunteers from rural areas reported a higher *median* number of hours volunteered than did their urban counterparts.[22] This suggests that in urban areas of Ontario there are two main groups of volunteers: a relatively large group that contributes few hours and a relatively small group that contributes many hours. For rural areas, the data suggest a more broadly based reliance on volunteers who contribute a similar number of hours.

Activities and organizations

People engage in an array of volunteer activities. According to the 2000 NSGVP, volunteers from rural and small-town Ontario were more likely to report canvassing, campaigning, or fundraising as a volunteer activity than were urban residents (see Figure 5). In comparison, a higher proportion of urban volunteers reported consulting, executive and office work, as well as collecting, serving, and delivering food or goods as volunteer activities compared to rural volunteers.

Like other Canadians, residents of Ontario were most likely to volunteer for three types of organizations: culture, arts and recreation organizations; social services organizations; and religious organizations (see Figure 6). Residents of rural Ontario were more likely to volunteer for organizations devoted to culture, arts and recreation whereas volunteers in urban areas were more likely to volunteer for social services organizations. In our review of the literature, we reported

Table 6. Rate of Volunteering and Annual Hours Volunteered in Ontario, 2000

	Canada	Ontario	Urban Ontario	Rural Ontario
Rate of volunteering (%)	27	25	24	31
Average hours volunteered	162	165	168	157
Median hours volunteered	72	70	65	80

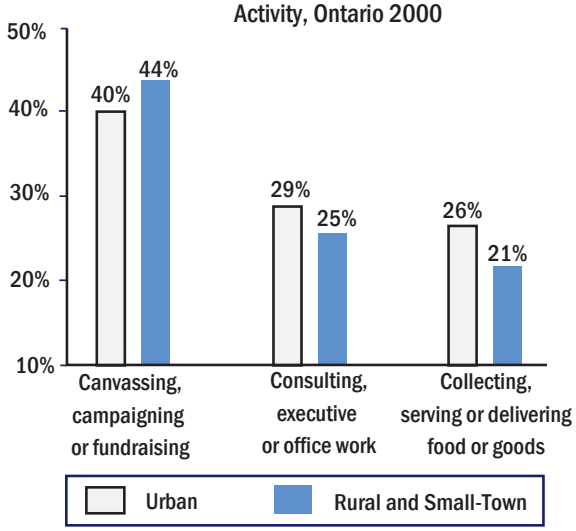
that Faid (1987) found a similar tendency in 1987. There was virtually no difference between volunteers in urban or rural Ontario in the likelihood of volunteering for a religious organization.

Characteristics of volunteers

Because the volunteer rate is higher in rural areas than it is in urban areas, we would expect it to be higher among most, if not all, segments of the rural population and this is indeed the case (see Table 7). Some differences were, however, larger than others. For example, rural Ontarians with a university degree volunteered at a much higher rate (50%) than did their urban counterparts (36%). Compared to urban residents, the volunteer rate for rural residents was also much higher among those 35-44 years of age (38% vs. 26%), single never married (34% vs. 22%), employed part-time (45% vs. 33%), and with household income between $60,000 and $99,999 (38% vs. 25%).

Behaviours and attitudes

Figure 5. Percentage of Volunteers by Selected Activity, Ontario 2000



[22] The median is the statistical "halfway" point in a distribution of values. In this case, it is the point at which half the volunteers contributed more hours and half contributed fewer hours.

Almost all Canadian volunteers (95%) agreed that the reason they volunteer is to help a cause in which they believe. Similarly, about 95% of Ontario volunteers from both urban and rural areas agreed that this was a reason they volunteer. There were no discernible differences between urban and rural Ontarians' reasons for volunteering, with one exception (Table 8). Volunteers in rural areas were more likely than volunteers in urban settings to agree that they volunteer because their friends do (31% vs. 27%). The same proportion of volunteers from urban and rural areas reported that they volunteered to improve their job opportunities (22% vs. 21%).

This appears to be a change from when Faid (1987) reported that slightly more rural volunteers mentioned employment opportunities and gaining skills as reasons for volunteering in 1987.[23]

The reason most frequently given by Canadian volunteers for not volunteering more was that they did not have extra time (76%). Volunteers from urban Ontario were more likely than volunteers from rural Ontario to give this reason (78% vs. 74%). Rural volunteers were more likely than urban volunteers to say that they didn't volunteer more because of health problems or because they were physically unable (20% vs. 13%).

Among all Canadians, not having any extra time was also the most common reason for not volunteering at all (69%). In Ontario, this reason for not volunteering at all was reported by a higher proportion of urban than rural residents (75% vs. 70%). Again, rural residents were more likely than urban residents to say that they did not volunteer because of health reasons or because they were physically unable (29% vs. 20%). This may reflect the older population in rural areas compared to urban areas. Finally, urban residents were more likely than rural residents to say that they did not volunteer

Figure 6. Percentage of Volunteers by Type of Organization, Ontario 2000

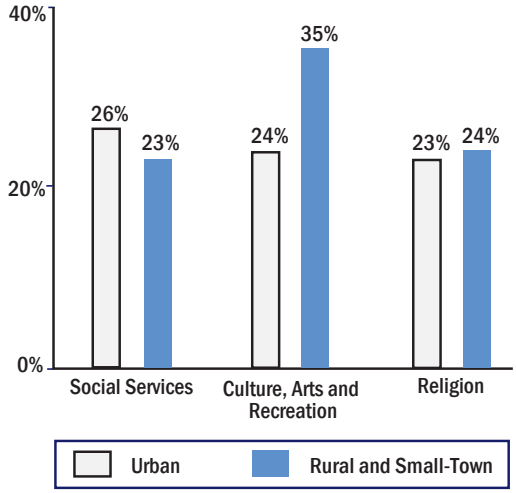


Table 7. Volunteer Rate by Social and Economic Characteristics, Ontario, 2000

	Urban	Rural
Age		
15-24 Years	26%	36%
25-34 Years	18%	25%
35-44 Years	26%	38%
45-54 Years	30%	36%
55-64 Years	27%	32%
65 Yrs and Over	16%	21%
Sex		
Male	22%	29%
Female	26%	33%
Marital Status		
Married/Common-law	26%	32%
Single Never Married	22%	34%
Widow/Widower	15%	19%
Separated/Divorced	24%	23%
Education		
Less than High School	15%	25%
High School	20%	26%
Some Post-Secondary	26%	35%
Post-Secondary Diploma	24%	34%
University Degree	36%	50%
Labour Force Status		
Employed Full-Time	24%	32%
Employed Part-Time	33%	45%
Unemployed	21%	30%
Not in Labour Force	21%	25%
Household Income		
< $20,000	12%	17%
$20,000-$39,999	18%	25%
$40,000-$59,999	24%	31%
$60,000-$99,999	25%	38%
> $100,000	37%	42%

[23] Some of our findings support those of Faid (1987) in some respect but not others. As many of the differences are within the statistical margins of error, we are reluctant to talk about changes and trends.

Table 8. Motivations for and Barriers to Volunteering, Ontario, 2000	Urban	Rural
Reasons for volunteering (% of volunteers)		
Because your friends volunteer	27	31
Improve your job opportunities	22	21
Reasons for not volunteering more (% of volunteers)		
Do not have extra time	78	74
Have health problems or physically unable	13	20
Reasons for not volunteering at all (% of volunteers)		
Do not have extra time	75	70
Have health problems or physically unable	20	29
Do not know how to become involved	21	14

because they did not know how to get involved (21% vs. 14%).[24]

Participating and Linkages

The 2000 NSGVP asked Canadians how they support each other and their communities through civic participation by, for example, joining nonprofit groups and organizations. In 2000, just over half of Canadians (51%) were members of groups and organizations such as service clubs, hobby organizations, sports and recreation organizations, school groups, political organizations, and neighbourhood associations.

In Ontario, 49% of urban residents were members of organizations in 2000 compared to 53% of rural residents. There was also a difference in the type of organizations people joined (see Figure 7). Urban Ontarians were more likely than rural Ontarians to be members of work-related organizations such as unions or professional associations than were their rural counterparts. In comparison, residents of rural and small-town Ontario were more likely to be involved in community-based organizations such as school boards and service clubs. This difference has implications for communities. According to Reimer (2003), those who participate in voluntary associations are more likely to perceive their community as cohesive.

There are linkages among the various forms of support that individuals provide. In the giving section of this manual, we found that donors in rural areas gave smaller average amounts than donors in urban settings, and were more likely to give in response to door-to-door solicitation. In the volunteering section, we found that volunteers in rural Ontario were more likely than their urban counterparts to be involved in canvassing, campaigning, and fundraising. And finally, in this section we found that rural residents were more likely to be members of local community organizations and service clubs. These local organizations are, of course, smaller on average and probably rely more on community-based fundraising methods such as door-to-door solicitation.

Compared to volunteers in urban areas, volunteers in Ontario's rural communities were more likely to report first becoming a volunteer for an organization because they or someone in their family was a member of the organization. People who belong to an organization or group are more likely to give and to volunteer than are those who do not. Ontarians who were members of at least one organization in 2000 volunteered at more than three times the rate of non-members (40% vs. 13%). People who were members of an organization also directly helped others and donated to organizations at a higher rate than did non-members (Figure. 8). These linkages appear to be stronger in rural communities. As we have noted, compared to urban residents, rural residents are older, more likely to be born in Canada, and more likely to have resided in their community for a long period of time. We suggest this gives rural residents more opportunities to connect with their communities.

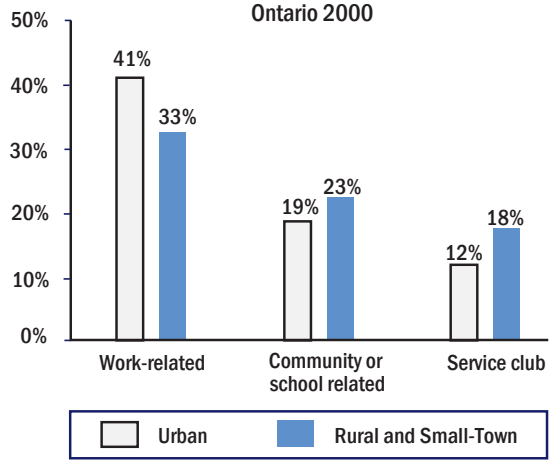
Discussion

Our analysis of giving, volunteering, and participating in Ontario reveals some broad differences between the residents of urban and rural areas. In 2000, rural and small-town residents were more likely than urban residents to donate to and volunteer through an organization. However, urban residents who donated gave higher amounts and those who volunteered contributed more hours, on average, than their rural counterparts. For giving, this higher amount reflects differences in the social and economic characteristics of urban versus rural residents (e.g., urban residents have higher incomes). For volunteering, we suggest the concern should not focus on the average number of volunteer hours but rather on the lack of alternatives (e.g., paid staff, purchased services) that rural voluntary organizations have, and on their need for certain volunteer skills and experience (e.g., fundraising).

There were also important differences in the behaviour of donors and volunteers from urban and rural areas. Rural residents were more likely to donate to health organizations and volunteer for community-based organizations compared to their urban counterparts. Rural residents were also more

[24] In this context, it is important to again note that almost 30% of urban residents in Ontario are new Canadians born outside of the country. The same is true of just 10% of rural residents.

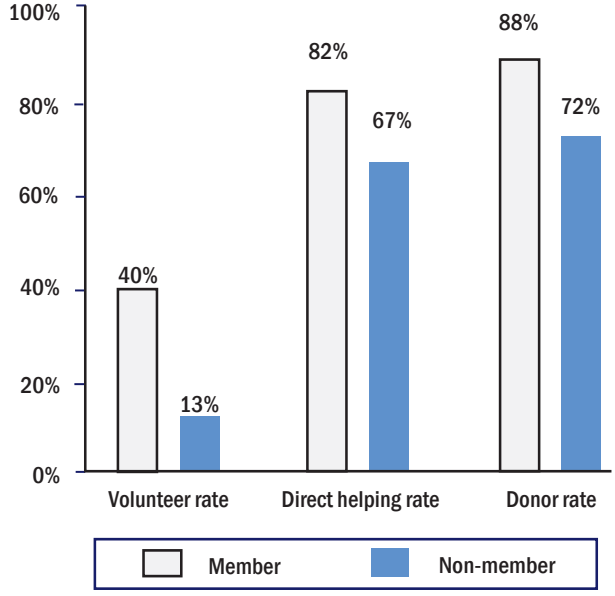
Figure 7. Membership by Type of Organization, Ontario 2000



likely to join community-based groups compared to urban residents who were more likely to be members of work-related groups.

In conclusion, we should note a few limitations of the findings. An increasing number of rural researchers have argued that "rural" should not be considered a single category but rather part of a continuum that runs from rural areas to small-towns to urban areas to large metropolitan centres. The structure of the NSGVP data has forced us to impose a boundary and create two categories. We also recognize that there is considerable variation within the areas we have defined as rural and small-town Ontario. Another limitation is that our analysis is descriptive in nature. Giving, volunteering, and civic participation are complex behaviours reflecting many factors. Our descriptive approach is unable to disentangle the many factors involved in these behaviours (e.g., the relative impact of education and geographic location).

Figure 8. Contributory Behaviours by Membership in Organizations, Ontario 2000



The Charitable Sector in Rural Ontario

The final part of this report examines voluntary organizations that were registered as charities with the federal government in 1999. This analysis is based on administrative data from the Canada Revenue Agency's (CRA) Registered Charity Information Returns (Form T3010). CRA requires registered charities to file these returns annually to ensure that they meet the legal requirements of the Income Tax Act. With registered charities enjoying the privilege of tax-exemption and the right to issue official receipts for donations of monies or gifts, T3010 returns are designed to permit scrutiny of their internal finances and activities. T3010 returns include information on revenues, disbursements, assets, number of paid staff, and program focus program (see Appendix D).

Although CRA's Web site has current information for individual charities, the 1999 iteration of T3010 database was the most recent dataset at the time of writing. It contains over 73,000 returns from charities across Canada and approximately 26,000 from Ontario (see Appendix E). Registered charities in Ontario reported revenues of over $38 billion and spent $36.8 billion delivering programs and services in 1999. In comparison, the Government of Ontario had revenues of $62 billion and spent $47.5 billion on program expenditures in fiscal 1999 (Ontario Ministry of Finance, 2000, p. 53). Revenues going to Ontario's charities increased more than 50% between 1999 and 1994, when they received a little less than $25 billion (Hall & MacPherson, 1997).

In the analysis that follows, we define Ontario's charities as urban (80%) or rural (20%) based on their postal code. Although our data are both rigorous and accurate with regard to a postal code definition, a broader definition of rural areas could conceivably shift the distribution of revenues and expenditures. The change would, however, likely be in the magnitude of the results rather than in the direction. Regardless of the definition one uses for "rural," the proportion of revenues received by charities in rural Ontario is lower than the proportion of the population that lives in Ontario's rural areas. The analytical issue here is to determine why this is the case.

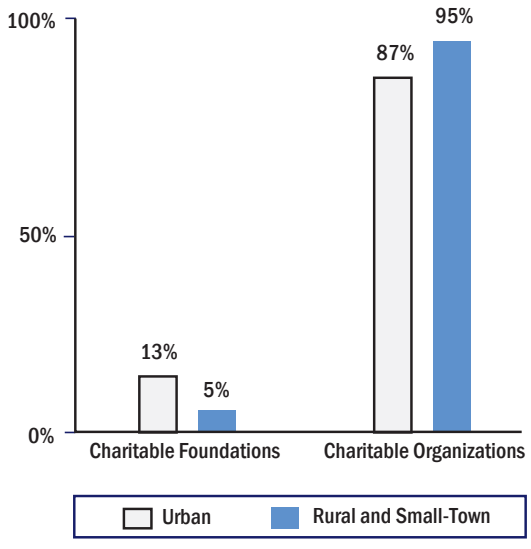
Charity Designation

Almost all charities in rural Ontario in 1999 were designated as charitable organizations as opposed to charitable foundations. CRA defines charitable organizations as charities that may or may not be incorporated and which devote all of their resources to their own charitable activities or activities under their direct control. Foundations, on the other hand, are corporations or trusts created and operated exclusively for charitable purposes. Foundations are either classified as public or private depending on the nature of the relationship between the directors, founders, trustees, etc, and the source of funds. For the most part, foundations fund programs or projects carried out by external agents, while charities carry out their own programs. Foundations often fund charities or their programs.

As shown in Figure 9, charitable foundations accounted for a smaller proportion of rural (5%) than urban (13%) charities. This difference has two implications. First, charitable foundations tend to be larger than charitable organizations, on average. Second, it is entirely possible that foundations in urban areas fund charities in rural areas or their programs. Due to the nature of the data available in the 1999 T3010 file, however, we cannot track the flow of monies from foundations to charities. Gifts from one charity to another amounted to 2.3% of all revenues in Ontario's charitable sector (or $892.1 million). Charities in urban centres received $869.6 million from other charities while charities in rural areas received $22.5 million.

Anecdotal evidence suggests that foundations based in urban Ontario fund charities throughout rural Ontario, and thus alter the magnitude of revenues going to these organizations. For example, a search of the Canadian Centre of Philanthropy's Directory of Foundations indicates that the Victorian Order of Nurses in London granted $43,700 to develop specialized exercise programs for seniors in rural areas in Elgin County; Timmins and Area Women in Crisis granted $75,000 for services for women in four rural communities of Cochrane District; and the World Wildlife Foundation (Toronto) granted $100,000 to reduce the impact of pesticides across Canada's agricultural landscapes.

Figure 9. Registered Charities in Ontario by Type and Location in Percentages, 1999



Charity Size

Revenues

We expected that urban centres would have more charities with annual revenues over $10 million while rural areas would have a higher proportion of organizations with annual revenues below $1 million. Figures 10 and 11 indicate that this is indeed the case.

In 1999, most charities in Ontario had revenues under than one million dollars. Rural charities, however, were more likely than urban charities to be in this revenue category (97% of rural charities vs. 88% of urban charities). Charities with revenues under one million dollars accounted for a quarter (24%) of the total revenues of rural charities, but only 7% of the total revenues of urban charities. At the other end of the revenue spectrum, less than 1% of rural charities had total revenues above $10 million; these charities accounted for 45% of the total revenues of rural charities. In contrast, the 2% of urban charities with annual revenues above $10 million accounted for 78% of the revenues of urban charities.

One explanation for why the concentration of monies within the largest revenue class is less pronounced in rural areas is that these areas have a higher frequency of small religious organizations and fewer big-budget institutions such as hospitals and universities. As Table 9 shows, rural areas have proportionally fewer charities devoted to health, education, and social services and proportionally more charities devoted to religion. The health and education sectors in particular have a large number of big-budget institutions. The religion sector, on the other hand, has a preponderance of small charities such as local churches.

Figure 10. Percentage of Rural Charities and Percentage of Total Revenues by Revenue Class, 1999

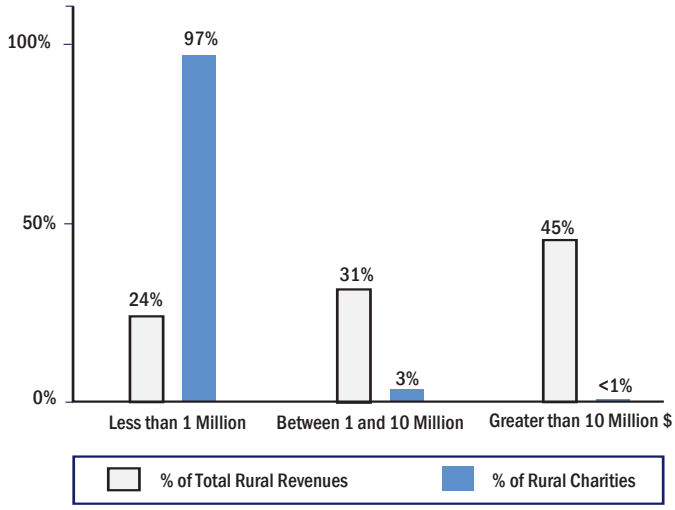
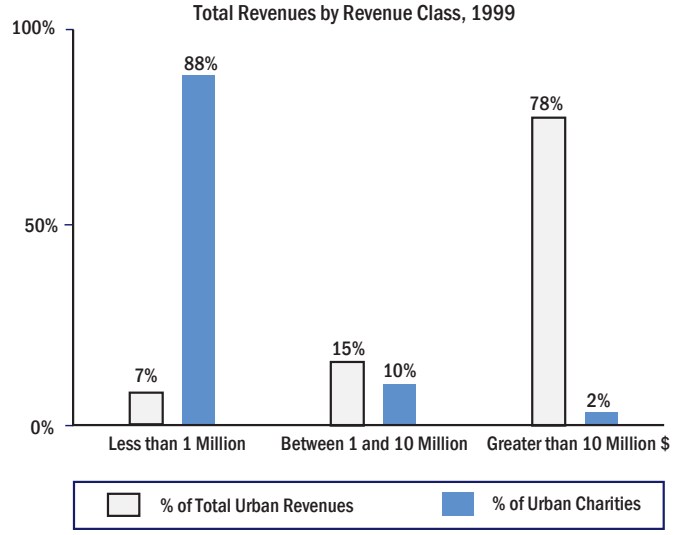


Figure 11. Percentage of Urban Charities and Percentage of Total Revenues by Revenue Class, 1999



Staffing

There are significant differences between the staffing levels of organizations in rural and urban Ontario, with charities in rural areas relying on fewer paid staff to carry out their programs. In absolute terms, charities in rural Ontario employed 64,885 people in 1999, while charities in urban centres employed 494,628 people. On average, each charity in rural Ontario that reported paid staff in their T3010 return approximately 22 employees, while charities in urban Ontario had averaged 44 employees.

Figure 12 compares the staffing situations of charities in rural and urban areas. Of the 3,300 charities in rural areas that completed this part of the T3010, over 2,700 or nearly 82% had fewer than five paid staff. Only 55 charities in rural Ontario (2%) had more than 100 paid staff. In contrast, over 8,000 (63%) of charities in urban centres reported paid staff of four or fewer. Four percent, or some 550 urban charities, had more than 100 paid staff.

Figure 12. Paid Staff of Charities by Size and Location of Organizations, 1999

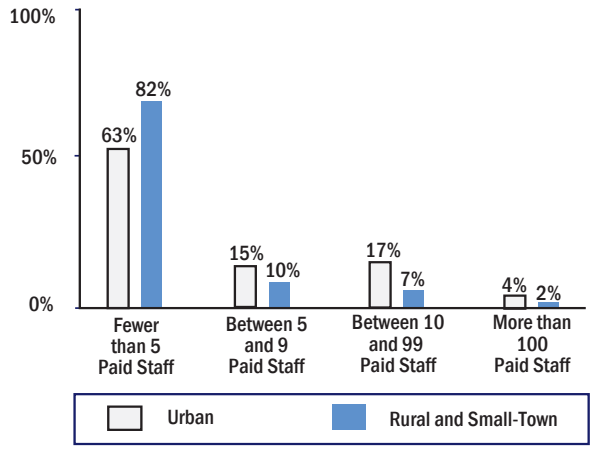


Table 9. Distribution of Charities by Program Area, Organization Size, and Location, 1999

	Revenue above $10 Million		Revenue between $1 and $10 Million		Revenue below $1 Million	
	Rural	Urban	Rural	Urban	Rural	Urban
Social Services	0	50	45	579	368	2,163
Education	6	108	18	263	324	2,422
Religion	3	21	14	277	2,846	7,287
Health	5	145	56	340	171	1,186

This situation is partly explained by the preponderance of smaller charities in rural areas. Other possible explanations include a somewhat tighter funding environment and potentially program implementation costs given that charities in rural Ontario may not enjoy the same "economies of scale" as organizations in urban centres.

Both these situations leave less money with which to pay salaries. Having proportionately fewer paid staff has significant implications for the charitable sector in rural Ontario. Should levels of volunteering decline, rural charities may be hard pressed to deliver programs and services.

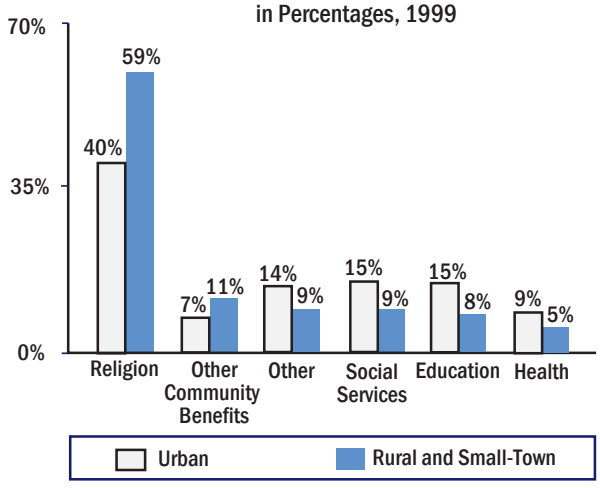
Program Emphasis and Reach

Figure 13 shows that rural and urban charities are different with regard to program emphasis. The most striking difference is in the distribution of religious organizations. Charities in rural areas were more likely than their urban counterparts to report that they engage in religious endeavours (59% vs. 40%). A higher proportion of charities in rural Ontario also concentrate on "other community benefits" a broad CRA definitional class that includes agricultural societies, animal protection organizations, community halls, libraries, and volunteer fire departments. Urban charities, on the other hand, were more likely to focus on social services, education, and health. These are high-cost programs, which generally operate to take advantage of economies of scale and in close proximity to areas where their client base is concentrated.[25]

Over half of Ontario's charities that reported on program reach in their T3010 returns delivered their programs within a single municipality (see Figure 14). Rural charities were more likely than urban charities to offer programs within a single municipality (61% vs. 51%). Only 16% of charities in urban areas and 11% of charities in rural areas offered programs that extend beyond Ontario's borders.

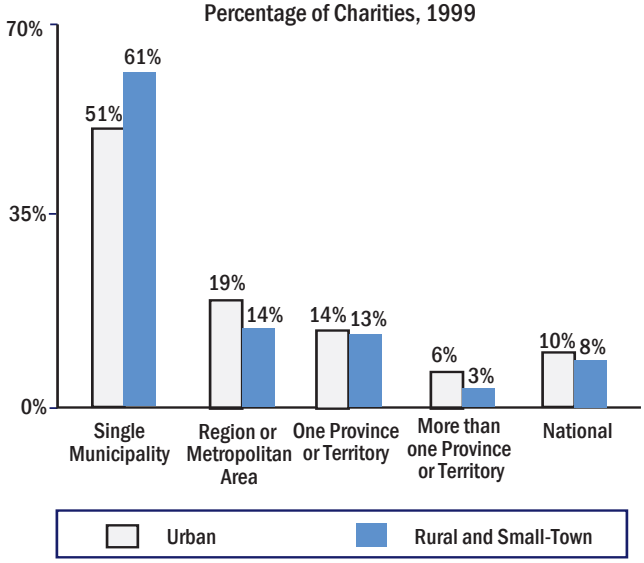
Charities that have a narrow program rech may find it difficult to raise funds in the form of gifts and donations outside of the communities they directly serve. A broader program reach allows for a broader base of donors.

Figure 13. Distribution of Charities by Program Area in Percentages, 1999



Note:"Other" includes the categories of Environment, Culture, International and CRA's "Other" category. Percentages may not total 100 due to rounding.

Figure 14. Program Reach, Expressed as a Percentage of Charities, 1999



[25] The term "economies of scale" refers to the ability to serve the same population at a lower per unit cost with a small number of large facilities than with a large number of small facilities. In general, large facilities are located in large urban centres.

Revenues

Figure 15 reveals that the revenues of charities in urban areas dwarf those of charities in rural areas in 1999, in absolute terms. Although 20% of Ontario's charities are located in rural areas, they only accounted for 4% of total charity revenue ($1.6 billion of $38.7 billion). As we cautioned at the beginning, we have used a relatively narrow definition of rural based on postal codes. We suspect that a broader definition would result in more charities in rural areas accounting for more of the total revenue. However, we are certain the direction of our findings would not change.

As Table 10 indicates, almost all charities in Ontario received revenue in the form of gifts and donations in 1999. In rural areas, 90% of charities received tax-receipted gifts, 61% received other gifts, and 36% received money from non-receipted fundraising. The proportions in each of these categories were slightly lower in urban areas (85%, 52%, and 30%, respectively).

The proportion of charities receiving revenue from government and other sources was considerably lower than the proportion receiving revenue from gifts and donations. For example, only 21% of rural charities received government grants, 9% received other forms of revenue from government. Urban charities were more likely than rural charities to receive income government grants (26%).

Figure 16 compares rural and urban charities with regard to proportion of revenue they receive from gifts, government, and other sources. The key difference is that rural charities were more reliant on gifts, while urban charities were more reliant on government and other sources. Charities in rural areas derived 27% of their total revenues from gifts in 1999, while charities in urban centres derived 15% of their total revenues from this source. Urban charities derived 61% of their revenue from government (compared to 57% for rural charities) and 24% from other sources (compared to 16% for rural charities).

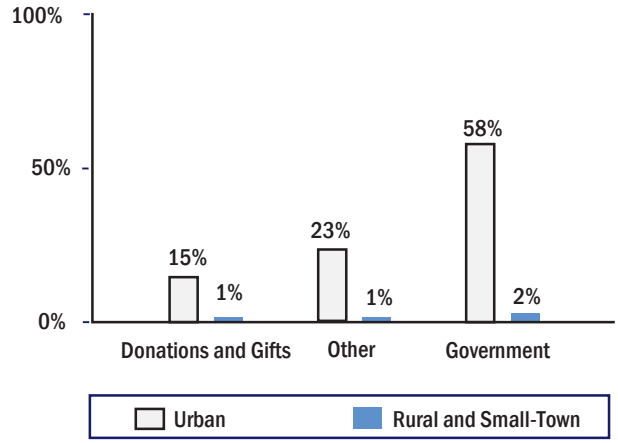
One major explanation for this difference is the different composition of the rural and urban charitable sectors. As noted above, the rural charitable sector contains proportionally more religious charities, which tend to rely heavily on individual donations. In contrast, the urban charitable sector contains proportionally more organizations focused on health, education and social services. These types of organizations derive a larger proportion of their revenue from government.

If we remove religious organizations from the analysis, a dramatic redistribution of monies occurs (see Figure 17). In this case, we find that charities located in rural areas derived proportionately more of their revenues from government in 1999 than did charities located in urban centres. Charities located in urban centres, on the other hand, derived comparatively more revenue from gifts and other sources.

Government Grants and Receipts

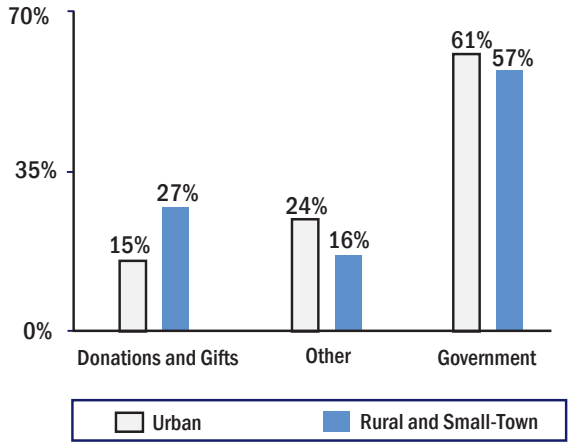
Charities in both rural and urban areas depend heavily on government sources of funding, which account for approximately 60% of their total revenues. As shown in Figure 18 and Table 11, the Government of Ontario was the principal government funder in both rural and urban areas of the province in 1999. Urban charities received 70% of their government grants (Figure 18) and 35% of their total revenue (Table 11) from the province. Rural charities received similar proportions of funding from the province (66% of their government grants and 34% of their total revenue). Municipal governments were the next largest

Figure 15. Distribution of Total Charity Revenue by Source and Location, 1999



Note: These revenue categories are calculated by omitting gifts from other registered charities (Lines 101 and 103). Government is calculated by adding government grants and receipts (Lines 108 and 111).

Figure 16. Distribution of Revenue Sources by Location



Note: 27 The distribution of revenues does not include Lines 101 (Gifts received from other charities), 103 (Other gifts received from other charities), 116 or 117 (both "Other Income") of the T3010 form. Consequently, the percentages Figure 16 will not exactly match those in Table 10.

Table 10. Revenues by Location and Revenue Source, 1999

	Rural Areas			Urban Centres		
	Amount (Millions)	% of Total Revenue	% of Charities with this Source	Amount (Millions)	% of Total Revenue	% of Charities with this Source
Tax Receipted Gifts	$295.0	18%	88%	$3,636.4	10%	82%
Other Gifts	$110.1	7%	59%	$1,525.6	4%	50%
Non-Receipted Fundraising	$23.9	1%	35%	$398.2	1%	29%
Total Government Grants	$816.1	51%	21%	$18,135.5	49%	25%
Receipts from Government	$99.8	6%	9%	$4,078.2	11%	7%
Other						
Memberships	$9.4	1%	12%	$513.3	1%	14%
Rental Income	$23.0	1%	23%	$388.6	1%	18%
Other Fees and Earned Income	$107.0	7%	21%	$3,494.2	10%	24%
Interest and Dividends	$18.9	1%	63%	$740.0	2%	63%
Net Capital Gains (Losses)	$5.1	0%	3%	$295.4	1%	6%
Other Income	$98.1	6%	38%	$3,502.6	10%	36%
Total Revenue from Other Sources	$261.5	16%	-	$8,934.1	24%	-
Total	$1,606.1	100%	-	$36,708.0	100%	-

Note. These figures are derived from charities that actually reported revenues (Line 118) rather than from the entire universe of charities in Ontario. This has no effect on the sum of each line item, although it slightly alters the percentages of total organizations. For rural charities, 4,832 of 4,935 cases reported revenues while 19,283 of 19,931 charities reported revenues in urban centres.

funder, providing 19% of government grants (9% of total revenue) among urban charities and 17% of government grants (9% of total revenue) among rural charities.

The federal government provided the smallest portion of government funding. Rural charities were twice as reliant as urban charities on the federal government. In 1999, 15% of the government grants (8% of total revenue) received by rural charities came from the federal government. In comparison, the federal government provided only 7% of the grants received by urban charities (4% of total revenue).

Program Area

Government funding to charities in Ontario is marked by a dramatic discrepancy between monies flowing to rural and urban areas. In 1999, charities in rural communities received $916 million from all levels of government while charities in urban centres received $22 billion (see Table 11). However, examining this revenue stream by program area paints a clearer picture.

Figure 19 indicates that more government funding to rural organizations was allocated to the areas of education (59%

Figure 17. Distribution of Revenues by Location, Excluding Religious Organizations, 1999

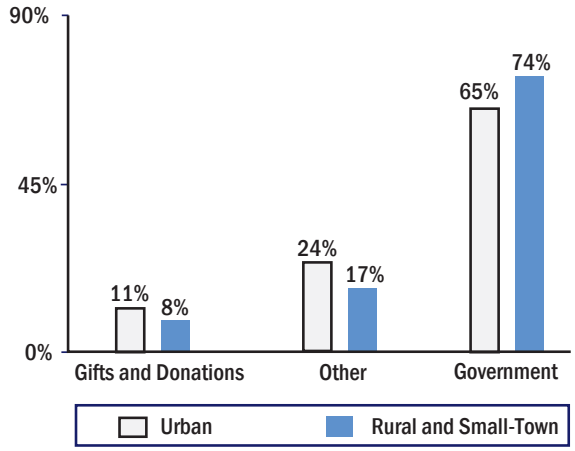


Figure 18. Distribution of Government Grants by Jurisdiction and Location, 1999

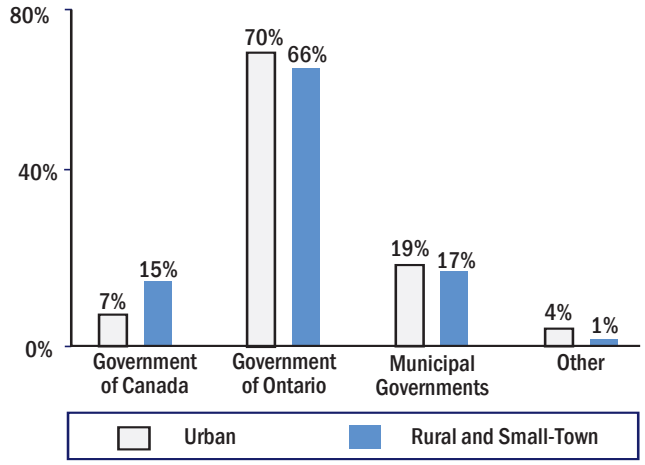


Table 11. Government Funding by Jurisdiction and Location, 1999

	Rural Areas			Urban Centres		
	Amount (Millions)	% of Total Revenue	% of Charities with this Source	Amount (Millions)	% of Total Revenue	% of Charities with this Source
Government Grants						
Federal	$123.6	8%	6%	$1,291.2	4%	11%
Provincial	$539.6	34%	12%	$12,689.0	35%	15%
Municipal	$142.3	9%	6%	$3,453.0	9%	9%
Other	$10.6	1%	7%	$702.3	2%	6%
Total Government Grants	$816.1	51%	21%	$18,135.5	49%	25%
Receipts from Government	$99.8	6%	9%	$4,078.2	11%	7%
Subtotal (All Government)	$915.9	57%	-	$22,213.7	61%	-
Total (All Revenues)	$1,606.1	-	-	$36,709.0	-	-

of total governmental revenues that went to rural organizations was allocated to education organizations vs. 54% for urban organizations) and social services (13% rural vs. 10% urban). Conversely, a smaller percentage of total governmental revenues to rural organizations was allocated to Health organizations (22% rural vs. 27% urban).

We should consider two caveats here. First, as we noted above, medium and large institutions are prevalent in the health and education sectors, and these types of organizations tend to be located in densely populated areas. However, many institutions serving rural communities are located in small-towns and consequently are categorized as non-rural in our dataset. It follows that the distribution of revenues would likely change if we had a definition of rural that was based on finer geographic units.[26] Second, Ontario's Health Services Restructuring Commission (HSRC) the amalgamation of 44 hospitals into 14 large hospital corporations. It oversaw the closure of 33 hospital sites, and proposed the creation of 18 rural and northern hospital networks (composed of 100 hospitals).[27] The consequences of these decisions on the distribution of health revenues between rural and urban areas are hard to gauge. It is conceivable that these changes will have significant long-term effects on the distribution of health services revenues in rural areas. The impact of restructuring and the creation of rural hospital networks will only become clear once we analyze the more recent T3010 returns of these new institutions.

Disbursements and Program Expenditures

Table 12 presents information on the expenditures of rural and urban charities. In accordance with CRA regulations

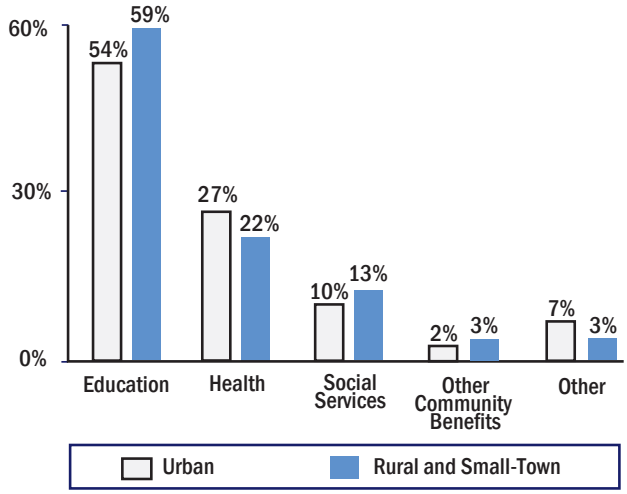
Table 12. Expenditures of Rural and Urban Charities, 1999

	Rural Areas		Urban Areas	
	Sum (Millions)	% of Expenditures	Sum (Millions)	% of Expenditures
Expenditures on Charitable Programs	$1,318.7	86%	$26,109.3	75%
Gifts to Qualified Donees	$50.5	3%	$1,365.4	4%
Management and Administration	$117.1	8%	$3,463.8	10%
Fundraising	$10.6	<1%	$522.8	1%
Political Advocacy	$0.2	<1%	$9.8	<1%
Other	$37.7	2%	$3,411.0	10%
Total Disbursements	$1,534.8	100%	$34,881.5	100%

[26] For an anecdotal example, the Ross Memorial Hospital in Lindsay, Ontario has an urban postal code and thus is categorized with Toronto area hospitals, although it is very likely that it serves adjacent rural communities.

[27] For more information, see The Ontario Hospital Association (2000, p.7) and the Health Services Restructuring Committee (2000a, p. 1; 2000b, p. 15. See HSRC, "Looking Back, Looking Forward: A Legacy Report," March 2000, p.15

Figure 19. Government Revenues by Program Area and Location, 1999



governing the financial activities of charities, charities in both rural and urban Ontario devoted most of their spending in 1999 to charitable programs. Rural charities, however, devoted a higher proportion of their expenditures to charitable programs than did their urban counterparts (86% vs. 75%) and a slightly lower proportion to management and administration (8% vs. 10%).

Given that rural charities rely more heavily than urban charities on gifts and donation, it may seem surprising that they did not devote a greater proportion of their spending to fundraising. This finding does, however, makes sense in light of the fact that religious organizations represent a large proportion of the rural charitable sector. Religious organizations do not need to use costly advertising or fundraising campaigns to raise money.

Neither rural nor urban organizations allocate a large percentage of their spending to political advocacy. Although CRA rules permit charities to spend up to 10% of their disbursements on political advocacy, Ontario charities disbursed much less than 1% on these activities in 1999. Urban organizations allocated a much higher percentage of their spending to activities in the "Other" category than did rural organizations (10% vs. 2%). However, the data do not allow us to determine the nature of these expenditures.

If we look at expenditures by program area (Table 13), we find two significant differences between charities in rural and urban Ontario. First, spending on religious programs was proportionally three times higher in rural Ontario (22%) than it was in urban Ontario (6%). Second, health program spending accounted for 32% of expenditures in urban areas and only 21% in rural areas.

Summary

Using a postal code definition of urban and rural Ontario, we compared charities on a number of attributes including designation, revenue size and composition, employment, program emphasis and geographic reach, and expenditures. What were are major findings? First, charities in rural Ontario are on average smaller than charities in urban centres in terms of revenues, expenditures, and staff. In addition, the almost 5,000 charities (20%) in rural Ontario accounted for only 4% of total charity revenues in 1999.

There are a number of factors that partly explain this situation. Approximately 5% of charities in rural Ontario are foundations compared to about 13% of charities in urban centres, and foundations tend to be larger than charitable organizations. Counting all charitable foundations and organizations in Ontario, 97% of charities in Ontario's rural communities reported revenues under $1 million compared

Table 13. Expenditures by Program Area, 1999

	Rural Areas		Urban Areas	
	Sum (Millions)	% of Expenditures	Sum (Millions)	% of Expenditures
Social Services	$175.3	11%	$3,163.2	9%
International	$4.8	0%	$663.5	2%
Education	$573.7	37%	$14,698.4	42%
Culture	$37.1	2%	$592.1	2%
Religion	$337.6	22%	$2,184.7	6%
Health	$326.9	21%	$11,269.4	32%
Environment	$12.4	1%	$168.3	0%
Other Community Benefits	$59.8	4%	$1,311.9	4%
Other	$5.2	0%	$1,140.8	3%
Total Disbursements	$1,532.0	100%	$35,192.0	100%

Note. Percentages do not add up to 100% due to rounding and missing cases in reporting of program areas. There are 82 missing cases in the rural category and 714 in the urban category.

to just 24% of charities in urban areas. Further, of those charities reporting paid staff, charities in urban centres employed twice as many people as their rural counterparts.

The differences in revenues and staff are also partly explained by a difference in program emphasis. Almost 60% of charities in rural areas are classified as religious by CRA compared to just 40% in urban centres. Religious organizations are more decentralized with a larger number of relatively small entities. Relatively more charities classified by CRA as health, education, and social services, are located in urban than rural areas (39% vs. 22%).

Our analysis also found that charities in rural areas receive relatively less government funding than their urban counterparts. In 1999, government sources accounted for 57% of the revenues of charities in rural Ontario, compared to 61% for charities in urban centres. When we removed religious organizations from the analysis, however, we found that 74% of charities in rural Ontario received revenue from government, compared to 65% in urban Ontario.

Disbursements also reflected the differences in program emphasis and organizational patterns that exist between rural and urban Ontario. For example, we found that the larger charities in urban areas allocated more money to management and administration than did charities in rural areas (10% vs. 8%). Rural charities spent a greater proportion of their expenditures on charitable activities than did charities in Ontario's urban centres (86% vs. 75%).

Conclusions

The primary objective of the Rural Charitable Sector Research Initiative (RCSRI) is to gather and examine information to aid in the understanding of issues and trends affecting the rural voluntary sector in Ontario. Through our literature review and our secondary data analyses, we have identified and assessed a range of issues from the financial capacity of rural voluntary organizations to the giving and volunteering patterns of rural Ontarians to the program emphasis of rural Ontario's charities.

Our review of the literature indicates that there is a concern that rural voluntary organizations may suffer from an inability to use more effective fundraising methods and to compete for government grants and contracts. It also suggests that there are significant training needs in the rural voluntary sector, specifically with regard to technology, strategic planning, program evaluation, and fundraising. Finally, it appears that rural voluntary organizations often lack the technology necessary to establish more effective networks. Stronger networking capabilities would allow rural voluntary organizations to more effectively adapt technologies and programs. This appears to be a paradox, however, since the use of more advanced technology presents both financial challenges and pressures for improved training and more expensive skill sets.

An examination of the 2000 NSGVP found that a greater proportion of rural than urban Ontarians donated to and volunteered through a nonprofit or voluntary organization. However, rural residents contributed, on average, lower amounts of both money and time. For giving, a higher propensity to donate in response to door-to-door solicitation in rural areas reflects both less strategic giving and smaller communities where people know and trust one another. Although rural residents contributed fewer volunteer hours on average, these hours were more evenly distributed among all volunteers compared to urban volunteering. On the surface, this distribution is contrary to the notion of a small number of volunteers accounting for most of the volunteer activity in rural areas. We suggest the vulnerability of rural volunteering stems from the lack of alternatives that voluntary organizations may have (e.g., paid staff) and the types of volunteer skills and experiences they require.

We also used the NSGVP to look at organizational participation and the linkages among contributory behaviours. Rural Ontarians had a higher rate of membership in organizations than did urban Ontarians in 2000 and they were more likely to join community or school-related organizations and service clubs. Ontario residents who were members of at least one organization in 2000 donated and volunteered at a higher rate than did those who were not members. As Reimer (2003) notes, however, it is not always obvious how these traditional strengths of rural areas in associative and communal relationships can translate into building voluntary sector capacity in the new economy. As we noted at the outset, the traditional roles of the private, public, and voluntary sectors are changing and the boundaries among them blurring.

An examination of rural voluntary organizations registered as charities with the CRA found that charities in rural Ontario accounted for approximately 20% of the total number of charities in Ontario but only 4% of total charity revenue. This reflects that, on average, voluntary organizations in rural areas are smaller and rely more on volunteers than do similar organizations in urban centres. This size difference is partly explained by program emphasis. Approximately 60% of charities in rural Ontario are classified as "religious" by the CRA compared to just 40% in urban centres. Religious charities tend to be more decentralized with a larger number of relatively small entities serving a more dispersed clientele. This difference in program emphasis also helps to explain the finding that voluntary organizations in rural areas received proportionately less funding from governments than their urban counterparts.

Our analysis of charities in rural Ontario paints a portrait of smaller-sized organizations relying more on volunteers than on paid staff compared to charities in urban centres. The structural capacity of voluntary organizations in rural Ontario is limited by their inability to establish more formal networks and adapt technologies to improve, for example, program evaluation and fundraising. To do so would require more financial resources and increased training for both staff and volunteers. Reimer (2003) suggests that rural people and places are farther apart, which places additional burdens on transactions, limits potential advantages of scales and reduces opportunities to build more formal networks.

The goal of the first phase of the RCSRI was to gather and assess information on the voluntary sector in rural Ontario. Our research points to the need for rural voluntary organizations to establish formal networks and improve programs and processes. Although more specific suggestions go beyond the scope of literature reviews and secondary data analyses, we have identified improving the structural capacity of rural voluntary organizations as the policy direction.

At this point, it is also important to qualify our findings by identifying the limitations of our review and analysis. First, the literature on the voluntary sector in both rural Ontario is

characterized by many different definitions of rural and voluntary sector. In our NSGVP analysis, we used a statistical definition of rural whereas, for the CRA analysis, we used a postal definition of rural. In the former case, individuals are categorized according to where they reside. That is, an individual is defined as rural based on the geographic area in which live he/she lives. In the case of organizations, however, the situation is less straightforward. Ideally, they should be defined as rural based not only on location but also activity (i.e., what they do and who they impact). We have classified them based on location using their postal code.

Even if a commonly accepted and standard definition of rural existed, there would likely be as much variation within rural as between rural and urban. For example, the characteristics of the voluntary sector in a rural area adjacent to a large metropolitan centre are likely quite different from those of a rural area in a more remote part of the province. Survey data (e.g., NSGVP) will never allow for analysis at this level of precision.

On a related matter, it is difficult to capture the flows of charitable donations and volunteer time between urban and rural recipients. For example, a charity with programs aimed at enhancing rural life located in an urban area is defined as urban. Likewise, donations from rural residents may be directed to "urban" organizations and causes. As a final limitation of our analysis, charities only represent a subset of voluntary organizations. Although we suggest they are indicative, the extent to which we can generalize some of our findings to the entire voluntary sector remains open is known.

With these limitations and within the definitions we have used, however, our research begins to sketch a portrait of the voluntary sector in rural Ontario. Consultations with key representatives from the rural voluntary sector are now required to complete this portrait. The next phase of the RCSCI will disseminate the results of our research and will consult with key representatives from the rural voluntary sector to begin formulating policy recommendations.

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Appendix A

Major Rural Research Programs

New Rural Economy Project

The New Rural Economy (NRE) Project was founded in 1998 with a five-year mandate to perform research and education on the changes taking place in rural Canada including the challenges they create and the opportunities emerging from them. In 2003, the project established a network of more than 32 rural communities, 30 partners, 25 researchers, and 18 universities from across Canada. The project was awarded a major grant from the Social Sciences and Humanities Research Council of Canada to pursue its ongoing work in a new direction: "Building Capacity in the New Rural Economy." This four-year study will examine rural Canada's present and potential economic and social capacities, and make concrete recommendations and contributions in order to help develop these capacities for the future. The Canadian Rural Revitalization Foundation (CRRF) a nonprofit organization, serves as the parent organization to the NRE. For more information, visit http://nre.concordia.ca/nre2.htm.

Sustainable Rural Communities Program

The Sustainable Rural Communities Program was founded in 1998 as a program of research by the Ontario Ministry of Agriculture, Food and Rural Affairs at the University of Guelph. It is directed by Dr. Tony Fuller and aims to contribute to the sustainability of rural Ontario by undertaking research that is effective in improving the economic, social, and environmental conditions of rural communities including the rural voluntary sector. For more information, visit www.uoguelph.ca/research/omaf/rural/index.shtml.

Valuing the Rural Volunteer

This initiative is spear-headed by The Ontario Rural Council (TORC). TORC is an association of 40 provincial and nonprofit associations, corporations, government representatives, and individual and regional members who share a commitment to building strong and healthy rural communities and organizations. TORC created a Voluntary Sector Working Group, and with Trillium Foundation funding, this group developed the VRV project to support the rural voluntary sector and enhance its capacity to respond to issues that have an impact on the sector. The VRC aims to identify and build on existing resources, tailor them to rural needs, and disseminate these resources across rural Ontario. The project has produced a literature review, a rural volunteer toolkit, a tool to assist funders to ensure that policy and program initiatives consider rural distinctions, customized community and provincial organization workshops, and a report on the state and nature of volunteerism in rural Ontario (Buhler 2002). For more information, visit www..torc.on.ca/torceng/memact/ValuingRuralVolunteer.htm.

Major Voluntary Sector Research Programs

National Survey of Giving, Volunteering and Participating

The National Survey of Giving, Volunteering and Participating (NSGVP) provides a comprehensive look at the contributions Canadians make to one another and their communities. It asks Canadians about how they give money and other resources to individuals and to organizations; volunteer time to organizations and directly to individuals; and participate in organizations by becoming members. The NSGVP is the result of a partnership between the voluntary sector and the federal government that includes the Canadian Centre for Philanthropy, Canadian Heritage, Health Canada, Human Resources Development Canada, Statistics Canada, and Volunteer Canada. First conducted in 1997, the NSGVP was repeated in 2000 as part of the Voluntary Sector Initiative (see below). A renamed and redesigned Canada Survey of Giving, Volunteering and Participating (CSGVP) will be conducted every three years beginning in 2004. For more inforamtion, visit www.givingandvolunteering.ca.

The National Survey of Nonprofit and Voluntary Organizations

The National Survey of Nonprofit and Voluntary Organizations (NSNVO) is a two-year research initiative designed to improve understanding of the nonprofit and voluntary sector in Canada and to help strengthen its capacity to deliver benefits to the public. TheNSNVO is being conducted by a consortium led by Canadian Centre for Philanthropy. The consortium includes l'Alliance de recherche universités-communautés en économie sociale à l'Université du Québec à Montréal, the Canada West Foundation, the Canadian Council on Social Development, the Capacity Development Network at the University of Victoria, and the Community Voluntary Sector Initiative. The first phase of the research involved national consultations with representatives of nonprofit and voluntary organizations. The results of this research are available in *The Capacity to Serve: A Qualitative Study of the Challenges Facing Canada's Nonprofit and Voluntary Organizations*. The second phase of the research is a national survey conducted by Statistics Canada of more than 10,000 nonprofit and voluntary organizations. The results will be available in September 2004. For more information, visit www.nonprofitscan.ca/nsnvo_intr.asp.

Nonprofit Sector Knowledge Base Project

Begun in 1997, Statistics Canada's Nonprofit Sector Knowledge Base Project is a multi-year initiative to build a corpus of reliable data and knowledge pertaining to the voluntary sector, its organizations, and the contributory behaviour of Canadians. To date, a number of reports have been prepared. For more information, visit www.statcan.ca/cgi-bin/downpub/listpub.cgi?catno=75F0048MIE#2002

Voluntary Sector Initiative

The Voluntary Sector Initiative (VSI) is a joint undertaking between the voluntary sector and the Government of Canada. The long-term objective of the VSI is to strengthen the voluntary sector's capacity to meet the challenges of the future, and to enhance the relationship between the sector and the federal government and their ability to serve Canadians. Announced in June 2000, the federal government is investing $94.6 million over five years in these key areas: an Accord between the voluntary sector and the federal government; Information Technology and Management; Public Awareness; Capacity; Financing; Volunteerism; and Regulatory Issues. For more information, visit http://www.vsi-isbc.ca/eng/index.cfm

Appendix B

Description of Major Reports Discussed in the Review of the Literature

The scan for literature revealed mostly small-scale exploratory studies, and a couple of larger-scale studies that are over a decade old. Internationally, the United States and the United Kingdom have just begun to map their rural voluntary sectors, and one major research paper has emerged from each country on this topic. The methodologies used in each of these papers are summarized briefly here.

Bowers, A., Cindy, B., Mike, B., Roger, d. O., Marie-Odile, M., Isabelle, M., et al. (2002). *Carden, Ontario: The New Rural Economy Project Summer 2001 Household Survey* (No. 2 in the "What Have We Learned" Series). Montreal: Department of Sociology and Anthropology, Concordia University.

> From May to July 2001, researchers from the New Rural Economy Project went door-to-door in rural communities and interviewed people in just under 2000 households. A separate booklet was created for each community. In Ontario, four communities were included in the study: Carden, Tweed, Seguin, and Usborne. The aim was to interview 127 people in each community. Most booklets do not report the exact number of people who were interviewed, but state in some cases that "over 100" people were interviewed.

Bruce, D., Jordan, P., & Halseth, G. (1999). *The Role of Voluntary Organizations in Rural Canada: Impacts and Changing Availability of Operational and Program Funding*. Sackville: Canadian Rural Restructuring Foundation (as part of the New Rural Economy Project).

> From January to April 1999, the authors conducted interviews with individuals in 71 volunteer organizations drawn from nine of the 32 field sites within the New Rural Economy project in Canada. The nine sites were: Tumbler Ridge and Mackenzie BC; St. Francoise and St. Damase, QC; Ferintosh, AB; Blissfield and Neguac, NB; and Blenheim and Tweed, ON. This paper summarizes the results of the 71organizations as a whole.

Buhler, R. K. (2001). *Valuing the Rural Volunteer: Literature review.* Guelph: Ontario Rural Council.

> This report is a literature review that contains a section on rural volunteering.

Buhler, R. K. (2002). *Valuing the Rural Volunteer: The State and Nature of Volunteerism in Rural Ontario*.

> This paper summarizes the results of an unspecified number of interviews with volunteers and staff from a cross-section of 35 rural organizations across Ontario, and another eight facilitated workshops. The focus of the research was to gain insight into the distinguishing aspects of rural volunteerism in Ontario, and to present this for discussion by a wider audience.

Faid, P. T. (1987). *Urban and Rural Volunteers*. Ottawa: Department of the Secretary of State for the Voluntary Action Directorate, Multiculturalism and Citizenship Canada.

> Faid analyzed data from the 1987 Survey on Volunteer Activity to describe the differences between rural and urban volunteers.

Foundation for Rural Living (2002). *Rural Charitable Sector Research Initiative*. Unpublished manuscript.

> This paper defines rural as "individuals living outside metropolitan areas of 50,000 or more population" and examines various indicators that are suggestive of the vitality of the voluntary sector in rural Ontario. These include: the number of fundraising professionals registered with the Association of Fundraising Professionals residing in rural areas; location of Community Foundations; United Way Locations; and locations of Chambers of Commerce.

New Rural Economy (1999). *Voluntary Organizations in Rural Canada: Site Specific Case Study Reports*. Montreal: The Canadian Rural Restructuring Foundation.

> This paper summarizes the results of the interviews in each of the nine communities that were included in the study by Bruce, Jordan and Halseth (1999). In Ontario, the data were gathered from ten voluntary organizations in Blenheim and nine in Tweed.

Reed, P. B., & Howe, V. J. (1999; revised 2000). *Voluntary Organizations in Ontario in the 1990s*. Ottawa: Statistics Canada.

> Reed and Howe conducted interviews with 40 executive directors of charities (excluding universities, churches, and hospitals) in eight Ontario cities and towns, between September 1997 and January 1998, in addition to a written questionnaire completed by each organization. Although it is not their primary focus, they draw comparisons across the metropolitan and non-metropolitan organizations in

their study. The non-metropolitan cities and towns included in the study were: Sault Ste. Marie; North Bay; Peterborough; Pembroke; Smith Falls; and Carleton Place. The metropolitan cities were Toronto and Ottawa.

Reed, P. B., & Selbee, K. L. (2000). *Formal and Informal Volunteering and Giving: Regional and Community Patterns in Canada*. Ottawa: The Nonprofit Sector Knowledge Base Project, Statistics Canada.

Reed and Selbee analyse patterns of formal and informal giving and volunteering by community size using data from the 1987 Voluntary Activity Survey, and the 1997 and 2000 National Surveys of Giving, Volunteering and Participating.

Southern Rural Development Initiative (1999). *Philanthropy in the Rural South*. Raleigh: Southern Rural Development Initiative.

The SRDI used a database of foundations to determine the rural/urban distribution of foundation assets in the rural south, and therural/urban distribution of grants. They report that the assets side of the database provides comprehensive and detailed data for 1998. The grants side of the database contains information on grants in amounts over $10,000 by the 162 largest foundations in the southern US between 1993 and 1997.

Yates, H. (2002). *Supporting Rural Voluntary Action*. London: National Coalition of Voluntary Organizations and The Countryside Agency.

The National Coalition of Voluntary Organizations and the Countryside Agency fielded a survey of all voluntary organizations in two rural regions in the Fall and Winter of 2001. They had 118 useable responses from East Northants and 109 from Teesdale. They also gathered contextual information from interviews, consultations, seminars, and workshops involving voluntary organizations across the country. The report corresponds to an unpublished paper with more detailed data called *Mapping the Rural Voluntary Sector*. The Ontario Rural Council (2001). *Valuing the Rural Volunteer: Meeting of the Minds Summary Report*: The Ontario Rural Council for the Inter-Ministerial Meeting on Volunteerism.

This report summarizes a dialogue between 15 researchers, government officials and nonprofit representatives that took place with the intention of shaping and launching the VRV project. Participants were asked to draw on their knowledge and experience in sharing their impressions of rural Ontario's voluntary sector.

Wall, E., & Gordon, T. (1999). *Voluntary Organizations and Government Funding: An Education Strategy*. Guelph: University of Guelph.

This paper makes recommendations for addressing challenges of funding.

Appendix C

NSGVP Rural and Small-Town Definition

The 2000 NSGVP classifies respondents geographically based on the Labour Force Survey (LFS) concept of "urban centre." Urban centres represent a subset of all Census Metropolitan Areas (CMA) and some Census Agglomerations (CA)[28] that varies by province. A CA is designated as an urban centre depending on the relative importance of the labour market in each province. For example, a moderately sized CA in a smaller province will be designated as an urban centre whereas a CA of equal population in a larger province may not.

In our modified Urban versus Rural and small-town dichotomy, urban Ontario consists of the following geographic areas:

Brantford CA	Oshawa CMA
Cornwall CA	Ottawa-Hull CMA (Ontario)
Greater Sudbury CMA	Peterborough CA
Guelph CA	Sarnia CA
Hamilton CMA	Sault Ste. Marie CA
Kingston CMA	St. Catharines-Niagara CMA
Kitchener CMA	Thunder Bay CMA
London CMA	Toronto CMA
North Bay CA	Windsor CMA

Together, these urban areas represented 79% of the Ontario population in 2001. An exhaustive definition of urban would include each and every CA, representing 87% of Ontario's population. Our rural and small-town Ontario grouping consists of all other areas in the province not listed in the above table, representing 21% of the population in 2001. A cleaner definition of rural and small-town should represent 13% of the Ontario population. For example, the LFS categorization of urban centres has forced us to include Barrie, Belleville, and Chatham-Kent in the rural and small-town category. As such, we expect the comparison is not as precise as would be the case using a cleaner separation of urban from rural and small-town. Nevertheless, we are confident that this dichotomy provides a clear indication of differences in giving and volunteering between larger and smaller communities.

To assess the impact of our definition, we compared the donor and volunteer rates from the 1997 NSGVP using our modified urban versus rural and small-town dichotomy with a population size variable (Tables D1 and D2 respectively). The population size variable is a more precise measure of community size. For the donor rate, Table C1 shows that the "urban" category compares quite favourably with population sizes of 30,000 persons and over. Likewise, the "rural and small-town" category equates with populations of less than 30,000 persons and with rural areas. For the volunteer rate, there is also a reasonable congruence between our definition and the population size variable. Unfortunately, the 2000 NSGVP did not carry this population size variable because of a methodological problem. Based on this assessment using 1997 data, we are confident that our dichotomy characterizes the broad differences in giving and volunteering behaviour between residents of larger urban areas centres and those from smaller towns and rural areas.

Table C1 Donor Rate in Ontario by Population Size, 1997

Population Size Variable	Rate (%)
>500,000	78%
30,000 to 500,000	81%
<30,000	83%
Rural	86%
CMA Variable	
Urban	79%
Rural and Small-Town	84%

Table C2 Volunteer Rate in Ontario by Population Size, 1997

Population Size Variable	Rate (%)
>500,000	28%
30,000 to 500,000	35%
<30,000	35%
Rural	39%
CMA Variable	
Urban	30%
Rural and Small-Town	37%

[28] CMAs and CAs contain large "urban cores" of 100,000 and 10,000 persons respectively together with neighbouring municipalities that are integrated economically with the urban core as measured by commuting flows tabulated from Census place of work information.

Appendix D

T3010 Return, Section D

SECTION D. FINANCIAL INFORMATION

Please attach a separate copy of the charity's own **financial statements**. ☐ Attached

Would you like us to make these separately-attached financial statements available to the public (see the guide)? 050 ☐ Yes ☐ No

Figures on financial statements can differ from those in Section D because they are based on different accounting principles.

Statement of assets and liabilities

Assets

Cash on hand and in bank accounts	051	
Amounts receivable from founders, directors/trustees, employees, members, or individuals and organizations not at **arm's length** to them	052	
Amounts receivable from others	053	
Other investments	054	
Fixed assets and inventory used in charitable programs	055	
Other fixed assets and inventory	056	
Other assets (please specify) _____	057	
Total assets (add lines 051 to 057)	058	

Liabilities

Contributions, gifts, and grants payable for charitable programs	061	
Amounts payable to founders, directors/trustees, employees, members, or individuals and organizations not at **arm's length** to them	062	
Amounts payable to others	063	
Other liabilities (please specify) _____	064	
Total liabilities (add lines 061 to 064)	065	

Statement of receipts and disbursements

Was the following financial information prepared on an accrual or a cash basis (see the guide)? 099 ☐ Accrual ☐ Cash

Report gross amounts received except where otherwise specified.

Gifts and grants received this fiscal period

Tax-receipted gifts are those for which the charity has or will issue an **official donation receipt** for income tax purposes. **Other gifts** are those for which the charity issued no receipt or issued an ordinary, non-tax receipt. For more information, please see the guide.

Total tax-receipted gifts			100	
How much of the amount on line 100 was received from other registered charities (see the guide)?	101			
Total other gifts			102	
How much of the amount on line 102 was received from other registered charities?	103			
Government grants				
Federal	104			
Provincial/territorial	105			
Municipal	106			
Other (please specify) _____	107			
Total (add lines 104 to 107, and enter the total on line 108)			108	

Amounts received from other sources this fiscal period

Memberships not reported above as gifts	109	
Rental income (land and buildings)	110	
Receipts from governments	111	
Other fees and earned income	112	
Payments from fund-raising activities not reported above as gifts	113	
Interest and dividends	114	
Net realized capital gains (losses)	115	
Other income (please specify) _____	116	
	117	
Total amounts received from all sources (add lines 100, 102, and 108 to 117)	118	

Disbursements this fiscal period

Operation of charitable **programs**

• expenditures on charitable work the charity itself carried out	120	
• gifts to **qualified donees** (from line 503)	121	
Management and general administration	122	
Fund-raising	123	
Political advocacy, activities (see the guide)	124	
Other disbursements (please specify) _____	125	
	126	
	127	
Total disbursements (add lines 120 to 127)	128	

Appendix E

CRA Analysis: Methodological Notes

Canada Customs and Revenue Agency's 1999 T3010 dataset contains 73,661 income tax returns for charities and nonprofit organizations across Canada. Of these returns, 25,997 cases are from Ontario organizations, of which we define 5,252 cases as being located in rural areas based on postal codes. Of these, 372 cases were duplicates and were removed from the dataset. Thus, the analysis is based on 73,289 cases, of which 25,860 are from Ontario. Using a postal definition of rural, there are 5,232 rural cases in Ontario.

Reporting errors in Line 118 occur where lines 100,102,108 and 109 through 117 do not equal reported amounts in Line 118 (total amounts received from all sources). Specific errors range in value from $1 to $3.4 billion. We took several remedial steps to reduce the number of cases above the 2% mark. For example, we verified that the sum of Line 118 included all required lines. Omissions occurred most frequently with lines 102 (other gifts), 108 (total government grants), 114 (interest and dividends), and 117 (other income). We also verified that Line 118 did not include the sum of lines 104 through 107 and Line 108.

Input operator errors and addition errors also caused a large number of discrepancies in reported amounts. We could not correct these discrepancies wholesale using batch operations because errors occurred in either Line 118 or amongst its constituent lines (which created a false computed total for Line 118). Corrections in these cases required manual operations.

Of the remaining 69,899 cases in the universe, 24,849 cases were from Ontario. In short, 4.4% of all of Ontario's cases were unreliable and thus discarded. Organizations found in rural Ontario comprised 4,933 cases (after we discarded 5.7% of the initial cases due to reliability issues).

Table E T3010 Data Processing Summary

	Action	Number of Cases
Initial Number of Cases		73,661
Duplicates	Removed	372
Discrepencies or addition error	Recalculated or removed	24,671
Error over 2%	Recalculated or removed	3,390
Final Number of Cases		70,009

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