Government Funding of Registered Charities in Canada

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Abstract

Though registered charities in Canada play a key role in the provision of public services, little is known about the factors that influence their receiving funding from government sources. To the best of my knowledge I am the first to examine empirically government funding of registered charities in Canada by looking at the impact of three main determinants on government funding. These are charity size, category and location. The effects of these determinants are examined using probit and Tobit methodologies on data from the Canada Revenue Agency's (CRA) Registered Charity Information Returns (Form T3010) filed by 78,772 registered charities for the period 2004 to 2013. Using two measures of government funding the results indicate that the type of charity counts with charities focused on the provision of social services being more likely to be funded by government. Size also matters, charities with larger revenues are more likely to receive government funding compared to those with smaller revenues. Finally, location plays a role to the extent that charities in urban areas are more likely to receive funding from the government than their rural counterparts.

Keywords: T3010, Registered Charities, Government Funding

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1. Introduction

The charitable and non-profit sector is a vital part of Canadian society. This is witnessed by its playing a key role in social service delivery to those in need, identifying of social problems, and advocating for their improvement. There are an estimated 170,000 charitable and non-profit organizations in Canada (Hall, Barr, Easwaramoorthy, Sokolowski & Salamon, 2005). Approximately 86,000 of these are registered charities as recognized by the Canada Revenue Agency (CRA) (CRA, 2016a).

Under Canada's *Income Tax Act ("ITA")*, both charitable organizations and non-profit organizations enjoy a tax-preferential status. In the case of charitable organizations, the *ITA* provides tax benefits to charitable organizations that have applied for and received approval for registered charity status from the CRA (Patterson Law, 2011; CRA, 2016b). CRA (2009) describes a registered charity as an organization established and operated exclusively for charitable purposes and activities.[1] Non-profit organizations however, do not need to be registered in order to receive the tax exemptions provided by the *ITA*; they need only meet specified eligibility requirements (CRA, 2016b). Though both types of organizations are not subject to taxation under the *ITA*, registered charities are also allowed to issue receipts for tax-deductible donations to donors, which in turn receive personal income tax benefits (usually by way of tax deductions in Canada) (Kitching, 2006; Manwaring & Valentine, 2010).

Though registered charities in Canada rely on multiple sources of funds, including private donations, earned income from the sale of products and services, membership and association fees, foundation grants, and government grants and contracts (Imagine Canada, 2013), a significant number of charitable organizations receive a substantial proportion of their revenues from government grants in the United States (List, 2011) and in Canada. For instance, in Canada 29,346 charities received government funding in 2013, representing some 38.3% of total registered charities in that year. In an environment characterised by the unstable and short-term nature of government funding and the increasing administrative burden associated with acquiring and reporting on funding (Young, 1999), a pressing challenge is how to secure government funding (Lu, 2015). In 2013 registered charities in Canada collectively reported

[1] The CRA uses of common law definitions to determine what is charitable (Kitching, 2006; CRA, 2009). According to the common law, charitable purposes and activities fall under four categories identified by the British courts in the 1891 Pemsel case: relief of poverty, advancement of education, advancement of religion and certain other purposes beneficial to the community (CRA, 2009).

$226.2 billion in revenues from all sources, of which $158.3 billion was from government sources. The financial dependence on government funding has increased in recent decades. In 2013, government funding accounted for 70% of registered charities revenues, up from 67.5% in 2004. The extent of this financial dependence on government varies considerably across types of organizations, but few types receive no government funding (Chavesc, Stephens, & Galaskiewicz, 2004). For instance in 2013, education and health charities accounted for 88.7% of total government revenue by category. Welfare, religious and community benefits charities account for less than 10% each respectively. When hospitals, universities, and colleges are excluded, different funding patterns emerge. Welfare charities account for more than one third of government funding, and health and education combined account for approximately 50% of government funding.

In Canada public services, particularly in the areas of education, health and social services are largely financed by government. Though government is responsible for the delivery of numerous social goods and services, it often delivers these via charitable and non-profit organizations (Lasby & Barr, 2015). In addition government plays a major role in the regulation and funding of all hospitals, several residential care facilities, colleges and universities, and some social services organizations (Lasby & Barr, 2015; Hall et al., 2005). As a result, many analyses of the charitable sector separate organizations into two groups: hospitals, universities, and colleges, and all other organizations (Lasby & Barr, 2015). With regards to financing, Canadian non-profit organizations receive more revenue from government than those in other countries (Hall et al., 2005). This pattern is primarily attributable to the influence of hospitals, universities, and colleges.

Conversely, throughout US history, complex and dynamic relationships between the public and non-profit sectors have been witnessed (Reisch & Sommerfeld, 2003). Non-profit organizations interact with government in many different ways, and the relationships between the two sectors can be observed through three differing roles proposed by Young (1999). First, through the complementary role, non-profits are perceived as partners with government in helping deliver public goods, and are largely financed by government. The second role is a supplementary one characterized by non-profits serving as privately-supported providers of public goods, filling the gaps in goods and services that government does not provide (Young, 1999; Reisch & Sommerfeld, 2003). The final role pertains to the adversarial relationship between the two entities.

In a study of changes between non-profit social services and government agencies following welfare reform in the United States, Reisch and Sommerfeld (2003) find that the supplementary role has best characterized relations between the government and non-profits since the 1990's. Brinkerhoff (2002) and Reisch (2009) also note that there has been an increasing trend towards increased privatization - shifting selected government activities to the private sector - of public service delivery. Government no longer takes complete responsibility for social welfare, and there is a handing over of social service delivery to the non-profit sector (Steuerle & Hodgkinson, 1999; Garrow, 2010). In contrast to Canada, the US welfare system comprises decentralized government intervention and a key role for the non-profit sector, as both funder and provider of public goods (Young, 1999).

Given this feature, registered charities in Canada present a unique setting to examine the factors that affect their receipt of government funding. Little is known about the factors that influence the receipt of government funding by registered charities in Canada. The majority of the literature that examines these factors relates to non-profits in the United States. However, as mentioned above, the differing dynamics present in the provision and funding of public goods between the two countries renders lessons from the US case which are not directly transferable to Canada. In light of the points raised above and the important functions of registered charities in serving the socioeconomic needs of communities, the main goal of this study is to investigate empirically the characteristics of registered charities that are associated with the receipt of government revenue in Canada.

To answer this question, I draw on the literature on non-profit organizations that focuses on how they are funded. A few papers suggest that non-profits that are funded by the government possess certain organizational characteristics (Guo, 2007; Lu 2015), and that these characteristics either predict the probability of obtaining government funding or relate to organizational changes that follow as result of receiving funding (Ebaugh, Saltzman Chafetz & Pipes, 2005). To my knowledge, I am the first to investigate empirically how these characteristics shape government funding using Canadian data. I do this by investigating if such funding is affected by the type of registered charity, the size of the charity, and the location of the charity. This is accomplished by the use of probit and Tobit regression techniques applied to data obtained from the CRA's annual Registered Charity's Information Returns (Form T3010) filed for the period 2004 to 2013 for approximately 78,772 registered charities in Canada.

The results of this study suggest that the type of charity matters; those charities geared to the provision of social services are more likely to be funded by government. Evidence strongly suggests that size matters; charities with large revenues (and consequently a more professional staff with experience in grant and contract writing) are more likely to receive government funding in comparison to those with smaller revenues. Finally, location plays a role to the extent that charities in urban areas are more likely to receive funding from the government than their rural counterparts.

The paper is organised as follows. Section 2 provides a review of the literature on the relationship between government funding of non-profits and various organizational characteristics, and provides a review of the research questions that I will address based on the said literature. Section 3 presents the data used in this study. Sections 4 presents the variables and the econometric methodologies. Section 5 contains the empirical results and their analysis respectively. Lastly, Section 6 provides some conclusions.

2. Literature Review

In Canada, as in the United States, the charitable and non-profit sector plays an essential role in society (Spyker & Deol, 2014). The majority of non-profits depend on government funding, and this financial dependency has increased in recent decades (Chavesc et al., 2004). One explanation for this increased dependency is the increasing role of non-profits in providing social services on behalf of different levels of governments that has been widely acknowledged (Young, 1999; Chavesc et al., 2004; Garrow, 2010). This has largely been by way of funding mechanisms such as grants and contracting out (Garrow, 2010). In light of this, non-profits need to develop suitable strategies to secure government funding. Analyses of non-profit organizations that are funded by the government reveal several organizational characteristics that seem to be associated with such funding (Guo, 2007; Lu, 2015). These largely relate to the type, size and location of the organization.

Type

Charitable and non-profit organizations, in the same way as individuals, have a unique identity. This identity embodies the collective understanding of the organizations' members concerning its mission, core values and history (Brinkerhoff, 2002; Schietle, 2009). The degree of financial dependence on government funding varies considerably across types of organizations, but few

types receive no government funding (Chavesc et al., 2004). In Canada each registered charity is categorised based on its mission statement and other information that it files with the Canada Revenue Agency (CRA) (Andreoni & Payne, 2011). In a study of registered charities in Canada, Spyker (2011) reports that between 2000 and 2008, education, health and welfare organizations became increasingly reliant on government funding. In 2008 government funding represented 80.6% and 67.4% of total revenue for health and education organizations respectively. In addition, education and health charities combined, accounted for 88.4% of total government revenue by charity category. Conversely, for faith-based organizations, government revenue accounted for 6.3% of total revenue.

In his discussion of the case of the United States, List (2011) indicates that a growing component of government grants has been for community benefits, education, and health. In 2004 these elements represented 66% of federal spending compared to 32% in 1965. Garrow (2010) suggests that the funding environment of non-profit social service organizations varies by service area. Similarly, in the United States, Salamon (1992) in a study of non-profit social service organizations, found a positive association between organizations that focused on the needs of the poor and receipt of government funding. Twombly (2002) found that faith-based and secular human service providers are different with respect to their receipt of government funding in the United States. Secular organizations receive 17.4% of their income from government grants and contracts compared to about 6% among faith-related organizations.

Since the funding by the government of religious organizations first garnered the interest of politicians and analysts in the United States, there has been a debate on the relationship between the receipt of government funding and the religious identity of organizations. This debate has been fuelled by questions pertaining to differences in procuring government funding amongst religious organizations (Ebaugh et al., 2005; Scheitle, 2009). The literature seems to indicate that the organizational identities of Christian non-profits and the government in the United States likely have an influence on who seeks (Scheitle, 2009) and who receives government funding. Schietle's (2009) study on 1,941 of the largest Christian non-profit organizations based in the United States shows that even after taking into account organizational size, location, and sector, government funding is negatively associated with the use of any religious term. To be specific, there is a tendency for Christian publicly funded non-profits to be less openly religious in expressing their identity. Similarly, Ebaugh et al. (2005) apply OLS and probit analysis to data from a national survey of 656 Faith-based social service coalitions to

test four hypotheses concerning government funding among faith-based social service coalitions. Their results find general support for the hypotheses that it is positively related to overall organizational attitudes toward government funding and negatively related to organizational religiosity. To be specific, the authors find a positive relationship between their government-funding variables and a scale reflecting overall organizational attitudes toward government funding.

Size

Larger organizations with professional staff and administrative capacities are seen as more likely to obtain government grants and contracts (Hall & Reed, 1998) compared to their smaller counterparts that typically rely on volunteer staff. Smaller charities are often at a disadvantage in the grant-application process due to their lack of professional grant writers and their inexperience with the process (Ebaugh et al., 2005). Additionally, smaller non-profits may be unable to provide documentation regarding the successful completion of previous programs, which are typically considered necessary in awarding funds for new programs. Larger non-profits are also perceived as more legitimate than their smaller counterparts because their size is viewed as an indication of future sustainability and as such they are viewed as being more legitimate than smaller charities (Garrow, 2010; 2015).

In Twombly's (2002) study of more than 2,000 large tax-exempt human service non-profits, on average 17.4% of secular organizations' revenue comes from government grants and contracts. For extremely large organizations, the percentage is even bigger. In a case study of faith-based coalitions, Pipes and Ebaugh (2002) find that they are more likely to seek and to receive government funding than single congregations. In Spyker's (2011) analysis of Canadian registered charities for the period 2000 to 2008, the findings suggest that in 2008 larger non-core registered charities receive approximately 70-84% of their funding from government sources. In addition to financial resources, organizational size is also measured by the number and diversity of service programs offered and the number of compensated workers.

Professionalism

The literature also considers organizational professionalism as a contributing factor to the likelihood of a non-profit receiving government funding. The rational being that government requirements that hold non-profit organizations to specific organizational standards generally require professional stuff (Ebaugh et al., 2005). In Hwang and Powell (2009), non-profits run

by professional staff show a greater level of rationalization in areas such as strategic planning, financial management, and program evaluation. Further, non-profits with these professional attributes are more likely to have the technical expertise in grant and contract writing, performance reporting, and financial auditing that are essential to acquiring, managing and retaining government funding (Grønbjerg, 1993; Smith & Lipsky, 1993; Chavesc et al., 2004).

Using OLS and probit analysis on data from a national survey of 656 faith-based social service coalitions in the United States, Ebaugh et al. (2005) find that larger coalitions, both in terms of number of program areas and expenditures, are the ones that seek and receive the majority of government funds, as well as with those that have larger numbers of paid professional and managerial staff. This is line with Scheitle (2009), who suggests that larger organizations, as measured by revenue, might be more professionalized and bureaucratic. Using OLS regression to test hypotheses concerning government funding for 91 human service non-profit organizations in Maryland in 2012, Lu (2015) finds that the contributions of factors such as organizational professionalism and revenue diversification appear somewhat limited. However Lu (2015), as do Ebaugh et al. (2005), finds that factors such as a longer government funding history are more likely to contribute to the receipt of funding. In vein of this, receiving and maintaining government funding appears to be an ongoing relationship.

Location

The location of the organization in a geographic space determines the socioeconomic conditions and the characteristics of the clients (Garrow, 2010). Studies have shown that in a high-poverty environment, multiple funding sources become less available, and government becomes a key funding source. Garrow (2015) finds that a greater neighbourhood poverty level increases the probability of non-profit human service organizations receiving government funding. Rural charities are often smaller than their urban counterparts and receive proportionately less revenue from government (Stowe & Barr, 2005). Barr et al. (2004), in their analysis of the non-profit and voluntary sector in Ontario, find that charities in rural areas receive less government funding compared to urban charities. Specifically, in 1999, government revenue accounted for 57% of total revenue for rural Ontario charities, compared to 61% for organizations in urban areas. However, when religious charities where excluded from their study, Barr et al. (2004) establish that charities in rural Ontario receive proportionately more revenue from government sources, compared to charities in urban

centres. Religious charities are typically smaller than education, health, and social services organizations, with respect to both revenues and paid staff (Hall et. al., 2005).

Based on the above literature review, this paper will investigate the relationship between several predictor variables and two different outcome measures of government funding: having received at least one dollar of government revenue in the given year, and the percentage of the total charity budget made up of government funding. First, I expect welfare charities to be more likely to receive government funding than organizations in other fields, and to have a higher proportion of total revenue that is government revenue. This expectation is based on the work of previous studies that show that human services non-profits have a strong and consistent relationship with government (Grønbjerg, 1993; Smith & Lipsky, 1993; Salamon, 2003). Further, human services are the largest field in the non-profit sector, and more than one third of their revenues come from government (Salamon, 2003).

Second, I expect charities in urban locations to be more likely to receive government funding than organizations in rural areas after controlling for size (rural charities are usually smaller than urban charities and typically receive less revenue from government (Stowe & Barr, 2005)). This is in part due to program concentration of rural charities: more than half the charities in rural location are classified as religious by the CRA, compared to 40% of charities in urban areas, and these also tend to be smaller (Barr et al., 2004). In addition relatively more charities with program emphases in education, health and social services, are located in urban than rural areas (39% compared to 22%) (Barr et al., 2004).

3. Data

The study makes use of data obtained from the annual Registered Charity Information Return (form T3010) for all registered charities filed for the period 2004 to 2013.[2] All registered charities in Canada are defined and regulated through the Canadian *Income Tax Act*[3] and must file a T3010 annual return with the Charities Directorate, a division of the Canada Revenue Agency (CRA) within six months of the end of their fiscal periods. A charity may lose its

[2] CRA has updated the information return form four times during the sample period. Data analysis took into account the different versions of the T3010 form T3010A (03), T3010A (05), T3010B (09) and T3010-1 (10), T3010 (13). Each version of the T3010, modified in 2003, 2005, 2009, 2010 and 2013, differs in terms of fields and variables available for comparison.
[3] Canadian Income Tax Act section 149(1).

registered status if it fails to submit the information return. The returns contain information that the charities report on their activities, revenues and expenditures.

3.1 Cleaning Up the Data

The CRA collects data for administrative purposes. In order to use these data for research purposes, a cleaning process is necessary. Prior work with the T3010 data has identified reporting issues with regards to potential calculation and/or reporting errors.[4] These range from arithmetic errors, errors of omission and logical inconsistences. For example, sometimes reported total financial figures for some charities did not equal the sum of the individual entries. I examined carefully the data in three main areas of focus to identify potential data set errors: total assets reported, total government revenue reported, and total revenue reported. Individual entries reported were subtotalled and compared to reported totals for all three areas. In all three categories, several errors were identified. The data set was revised based on re-calculated reported values, as follows.

The initial extraction of the data resulted in 828,943 observations on 98,621 charities based in Canada from 2004 to 2013. I made the following judgment calls to ensure a reasonably accurate and relevant set of charities for this analysis:[5]

- Charities that never report a positive level of total revenue are dropped (5,711 charities, 35,904 observations),
- Charities that never report a positive level of total assets are dropped (2,313 charities, 9674 observations),
- In some cases, it appears charities reported salary instead of the number of employees. I exclude charities that have a ratio of the total revenue over the number of compensated employees was below 1,000 or above 1,000,000 (674 charities, 5,565 observations), and
- Charities with fewer than three years of observations were excluded from the sample (4,382 charities, 12,092 observations).

[4] Further details concerning these data are contained in Sharpe (1994), Ayer, Hall & Vodarek (2009), Andreoni & Payne (2011) and Spyker (2011). Note that in more recent years, the CRA has paid more attention to the importance of ensuring consistency and accuracy in the T3010 data that are available for researchers and hence they are much better now than they were in earlier days (CRA, 2005; 2016c)

[5] Charities and/or observations were dropped sequentially. As such, some charities may be excluded for more than one of the listed conditions.

After these exclusions, I am left with 83,154 charities and 765,708 observations that are studied.

Following Spyker (2011), three key issues pertaining to identification and reporting are taken into consideration when summarizing the statistics of charities. These are: the classification of organizational activity by category; the separation of core and non-core organizations, and lastly, the classification of revenue size groupings. The CRA assigns all charities a unique category code that reflects their activity or service at the time of registration. There are approximately 57 unique T3010 category codes, a detailed listing of which is presented in Table A.1 in the Appendix. These are further grouped by the CRA into six broad classification categories as follows:

1. Welfare - Category codes 1-9,
2. Health - Category codes 10-19,
3. Education - Category codes 20-29,
4. Religious - Category codes 30-49 and 60-62,
5. Benefits Community - Category codes 50-59 and,
6. Other - Category codes 63-99.

In this paper, charities are also grouped following the above classification categories. In addition, I separate charities into core and non-core charities (Lasby, 2011; Spyker, 2011). Following Spyker (2011), non-core charities are defined as those which function as an extension of government (this would include hospitals and universities), and core charities as those that primarily operate independently from direct government control. This distinction is motivated by the financial weight of non-core organizations in comparison to core organizations. In the absence of this separation, the significant yet small number of non-core charities with large financial results would statistically bias the core charities (Lasby, 2011; Spyker, 2011).

As such, in order to focus on core charities, I identify and omit non-core charities for the following CRA category codes:

1. Category Code 10 - Hospitals (2013: $47.1B total revenue - 83.6% from government sources);
2. Category Code 19 - Health organizations not elsewhere classified (2013: $33.8B total revenue - 92.3% from government sources), and

3. Category Code 20 - Teaching institutions or institutions of learning (2013: $74.8B total revenue - 69.4% from government sources).

Non-core charities represent 4,070 organizations (5.3 %) of the total number of charities and account for $155.7B total revenue (68.9 %) of $226.2B total revenue in 2013.

Lastly, I group the data by charity revenue size. A benefit of the T3010 data set is that is allows for the analysis of small charities with revenues of less than $25,000 annually. In contrast these charities not considered in analyses using US data, where organizations under $25,000 in total revenue are not legally required to file annual returns. I analyse subgroups of core charities in term of total revenue using eight revenue subgroups. Table 1 presents the number of charities in each of eight different revenue size categories and the percentage that each category represents of the whole sample for a representative year (2013 in this case). About 50% of registered charities have revenues of less than $100,000. Smaller charities constitute a significant portion of total charities in Canada.

3.2 Core Registered Charities Statistical Portrait

This section presents a portrait of core charities in Canada for the period 2004 to 2013 in terms of the number of charities, geographic location, category, and total revenues reported, based on my processed sample. My sample consists of 724,813 observations on 78,772 core charities from 2004 to 2013. A summary of select variables for the full sample and the processed sample is contained in Table 2. All dollar amounts have been adjusted to 2013 dollars. Overall the core charities average $921,000 in total revenue, of which $414,000 is from government revenue. In the processed sample, the charities average $875,000 in total revenue and approximately $429,000 in government revenue.

Focusing on the processed sample the data reveals that the number of core charities has grown by over 7.4% for the period 2004 to 2013 (see Table 3). As of 2013, almost 72,590 core charities were registered in Canada. It is possible that the decline registered from 2012 to 2013 is due to missing T3010 returns, i.e., charities that had not yet filed their return by April 2016 when the data were obtained from the CRA. The number of charities grew by 11.1% from 2004 to 2011. Note that the distribution of the number of charities between core (95%) and non-core (5%) has not changed significantly over the ten-year period.

Table 4 shows that the number of core charities in British Columbia, Alberta, New Brunswick, Newfoundland & Labrador, the Yukon, and Nunavut are consistent with their respective provincial/territorial proportions of the population to the whole of Canada. In Ontario, Quebec, and Nova Scotia, however, the share of core charities is disproportionately low, while in Saskatchewan, Manitoba, Prince Edward Island, and the Northwest Territories the shares of core charities are proportionately higher. Across Canada, there is approximately one core registered charity for every 484 Canadians.

As recorded in the T3010, total government revenue encompasses revenue received from any level of government in Canada, including revenue received from government grants, contributions, and contracts for goods and services supplied directly to government (CRA, 2016d). For the purposes of this study, government-funded charities are defined as charities that received at least one dollar in revenue from any level of government. There are 26,718 government-funded charities in 2013; the average over the ten-year period is 25,685. This share of government-funded charities represents approximately 36.8% of the total number of charities in Canada, 72,590 in 2013; the average is 35.4%. The distribution of the number of charities between government-funded and non-government funded has not changed significantly over the ten- year period.

The four provinces with the highest number of government-funded charities, Alberta, British Columbia, Ontario, and Quebec are also the provinces with the highest number of core charities, as can be seen in Table 4. The average total revenue per core registered charity in 2013 is $970,735 with Alberta, Manitoba, and Ontario reporting values above the mean. The average total government revenue per core registered charity that received revenue from government in 2013 is $492,684, with all charities reporting values above the mean, with the exception those located in the Atlantic Provinces and the Yukon Territories.

Looking at core charities based on charity category, the religious category is the largest category representing more than one-third of core charities in 2013. These are followed by welfare (22%), community-benefits (16%) and education (13%) categories. In total, the health-related charities total (38%), is less than that for religious charities. As Figure 1 shows welfare charities accounted for the highest number of charities that received at least one dollar from government broken down by type (31.2%). Health charities accounted for one of the lowest numbers at 6.7%. Furthermore, Table 5 shows that health and education are dominated by large outliers, which are captured in the non-core category. This is consistent with the literature. In

2013, health and education reported 88.7% of the total government revenue for core and non-core registered charities. Non-core organizations report 77.4% ($122.5B in 2013) of the total government revenue. Focusing on the core charities, welfare and health charities accounted for 69.3% of total government revenue by category. The high percentage of total government revenue as a share of total revenue of health and welfare charities possibly reflects the dominance of government funding in these fields. Though the share of total government revenue varies across different types of charities, is relatively consistent within categories.

As Figure 2 shows, in 2013 the 26,718 core charities receiving at least one dollar in government revenue are distributed across a wide range of size as measured by total revenue. Furthermore, there is a consistent tendency over time for charities with revenues of less than $5 million to be recipients of government revenue. However, core charities reporting more than $5 million in revenues from all sources account for 81% of the total government revenue, $29B of $35.8B. These charities also account for 67.2% of the total revenue ($47.4B of $70.5B) in 2013 while only representing 2.6% of the number of charities.

Over the ten-year period, total revenues for core charities increased from $51B to $70.5B, which represents a 27.4% increase over the period. There was growth in all revenue source categories. Registered charities generate revenue through multiple sources. These include: tax-receipted revenue (corporate and individual donations for which the charity issued tax receipts); government revenue (revenue from all levels of government in Canada, including revenue received from government grants, contributions, and contracts for goods and services supplied directly to government); earned revenue (revenue generated from "business-like" activities including, but limited to, sale of goods and/or services), and donated and/or fundraised revenue (revenue for which the donor would not receive a tax receipt) (CRA, 2016d).

Government revenue as a source of revenue grew from $24.8B (2004) to $35.7B (2013), a 31% growth over the period. This implies an increase from 48.4% of total revenues to 50.8% over the ten-year period. Tax-receipted revenue declined as a percentage of total revenue from 18.7% to 16%. Figure 3 shows that in 2013, charities obtained 50.8% of their revenue from government sources, 15.7% from earned revenue sources, and 9.7% from donations and gifts. Furthermore, over the ten-year period tax-receipted and donated and/or fund-raising sources have remained relatively consistent over the period, while earned revenue and government funding have fluctuated in compensating directions over the same period.

From the discussion above, though the number of charities that received at least one dollar from government does not change much within categories during the ten-year period under study, it is not uniformly distributed across categories. Core charities in Canada depend heavily on government sources of funding, which accounts for approximately 50.8% of their total revenues in 2013. In 2013 welfare charities accounted for the highest number of charities (31.2%) that received at least one dollar of government revenue, followed by community-benefits (26.9%) and religious (19.4%) charities respectively. Given these patterns, I also examine this revenue stream with a focus on welfare charities and religious charities.

Welfare charities include organizations providing care other than treatment, disaster funds, and welfare organizations (CRA, 2017) and depend on the government for 54.6% of their total revenues. In 2013 there were 16,243 core welfare charities, of which 8,328 received at least one dollar from government. The share of core welfare government-funded charities has decreased steadily over time. Government funding to welfare charities is also marked by a discrepancy between revenues flowing to rural and urban areas.[6] In 2013, welfare charities in rural communities received $816.6 million from all levels of government, while charities in urban areas received $12B. Furthermore, categorized by charity designation, $11.7B went to charitable organizations in urban areas, and $814 million to those in rural areas. As figures 4 shows 93,6% of charities receiving government funding are in urban areas, compared to 6,4% in rural areas. Finally, 74.8% of government revenue went to charities with total revenues greater than $5 million, even though these charities amount to 8.2% of core welfare charities.

Community-benefits charities include libraries, museums, and recreation service clubs (CRA, 2017), and depend on government revenue for 52.7% of their total revenue. In 2013, 61% of the core community-benefits charities received at least one dollar of government revenue. In 2013, this amounted to a total of $4.3B in government revenue, an increase of 27% from 2004. Similarly, to the case of welfare charities, government funding for community-benefits charities varies between urban and rural communities. In 2013 charities in urban areas received $4B in government revenue, and those in rural areas received $271 million. With regards to size, community benefits charities with revenues greater than $5 million were beneficiaries of 59.3% of total government revenue in 2013.

[6] Following Barr, et al. (2004) I use the postal code definition of rural and urban. This classification is based on the second character of the postal code as follows: an urban postal code: numerals 1 to 9; or a rural postal code: numeral 0 (indicates no letter carriers) (du Plessis, Beshiri, Bollman, & Clemenson, 2002).

Lastly, turning to religious charities, these organizations depend on the government for 7% of their total revenues in 2013 (see Figure 5). Religious charities seem to rely on individual donations; over 65% of their revenue is from donations. In 2013, 17% of religious charities received government funding, the total amount of which was $754.7 million. Most of the funding went to religious organisations not elsewhere classified ($503 million), other denominations' congregations or parishes not elsewhere classified ($55 million), missionary organizations and propagation of gospel ($35.9 million), and Salvation Army temples ($34.8 million). In 2013, religious charities in urban areas accounted for 97% of government revenue. Finally, 73.2% of government revenue went to charities with total revenues greater than $5 million, even though these charities amount to 2% of core religious charities who received at least one dollar of government revenue.

Not surprisingly, larger charities receive the lion's share of government funding both, when all charities are examined, as well as and when the focus is on specific charity categories. It is worthwhile to examine funding trends when these charities are excluded to investigate the smaller, "core" charities. The 25th percentile in terms of total revenue is at approximately $25,619. As such I classify 'small' charities as those having revenues in the bottom quantile. There was a total of 17,936 small charities in 2013; 68.2% of these were in urban areas. The total amount of government funding for small charities in 2013 is $10.7 million. Focusing on charity category, we also see that in 2013, health and education charities now account for only 24.3%, whereas benefits-community charities account for more than half of total government revenue (See Table 6). Figure 6 shows that, as is the case for the analysis which included all charity sizes, total government revenue for small charities varies across different types of charities, but is relatively consistent within categories.

3.3 What We Have Learned?

The above descriptive statistical analysis hints at important organizational and provincial variations in the financing of core charities in Canada through government sources. Core charities reporting at least one dollar of revenue from the government represent approximately 36.8% of the total number of core charities in Canada (72,590 in 2013). The data indicate that core charities in Canada received $70.5B in total revenue in 2013. Almost 47% ($35.8B in 2013) was reported to be in the form of government revenue. This percentage, however, varies from 0.03% to 43.5% when we look at percentage of total government revenue by province. Although the sector, as a whole, is highly dependent upon revenue from the government, most

(69.3%) of this source of revenue in 2013 went to welfare (35.9%) and health (33.4%) charities. This result possibly reflects the prevalence of government funding in these two areas. It is clear that the extent of financial dependence on government revenues varies considerably across types of organizations.

Finally, there is consistent tendency over time for charities with revenues of less than $500K to be recipients of government revenue, even though core charities reporting more than $500K in revenues from all sources account for 99.28% of the total government revenue ($161.1B of $161.2B). When we focus on small charities, we see a dominance of government funding of welfare charities, accounting for approximately 54.2% of total revenue for 2013. To understand the funding of charities in Canada by government sources, it is apparent that one needs to understand the possible provincial and/or organizational factors that determine whether a charity is a recipient of government funding. As such I extend the scope of the above cross-tabulated analysis to a multivariate framework.

4. Empirical Strategy

4.1 Variables

Dependent Variables

The dependent variables measure the extent to which an organization is reliant on government funding. This paper uses two measures of government funding. The first is a dichotomous variable of yes/no related to whether or not a charity received at least one dollar of government revenue. The dollar measure of government revenue may be at least a partial substitute for total budget size and as a consequence might be ambiguous as a reflection of the extent to which charities depend on this funding source relative to others (Ebaugh et al., 2005). As such this paper also looks at government revenue as a share of total revenue instead. The measures are based on recalculated values for T3010 Form lines 4570 (Total revenue received from government) and 4700 (Total revenue) for each fiscal year. Zero dollars/percent of government revenue constitute the lowest values on each variable.

Independent Variables

The first independent variable included is “charity category” which examines the effect of a charities’ area of focus on the receipt of at least one dollar of government revenue. The CRA classifies the activities of registered charities in Canada into six broad categories: welfare,

health, education, religion, benefits-community, and others. I include dummy variables to account for each type, with welfare serving as the reference category. The second independent variable I include is the urban/rural location of the charity. Urban charities are coded "1", and rural charities are coded "0". The third independent variable represents organization size and is based on the recalculated value of the variable listed on T3010 Form line 4200 (Total assets).

Control Variables

I include control variables to account for alternative explanations of variance in receipt of at least one dollar of government funding between core charities. First, I control for the designation of the charity. The CRA has three designation categories: public foundation, private foundation, and charitable organization. Dummy variables are assigned to each category, with public foundations serving as the omitted category. I also control for factors related to the geographic location of the charity by including dummy variables for each charity's province or territory.[7]

4.2 Regression Framework

While raw data can provide guidance as to the factors contributing to the government financing of charities, regression analyses allows us to take into account simultaneously of several potentially important factors. I employ a probit model to regress the bivariate variable, yes/no government revenue, on the predictor variables. For the continuous dependent variable, government revenue as a share of total revenue, a Tobit model will be used with the same predictor variables.

Probit Model

In order to define the probit model, I follow Greene (2012). The probit model is specified as:

$$y_i^* = X_i'\beta + \varepsilon_i, \text{ with } i = 1, \ldots, n \text{ and } \varepsilon_i \sim N(0,1) \quad (1)$$

$$y_i = \begin{cases} 1 \; if \; y_i^* > 0 \\ 0 \; if \; y_i^* \leq 0 \end{cases} \quad (2)$$

where y_i^* is a latent endogenous variable[8] representing the underlying latent propensity that a charity receives government funding stemming from the government's optimization process, and y_i is the corresponding actual receipt of revenue from government sources. X_i is a set of

[7] These include British Columbia, Alberta, Saskatchewan, Manitoba, Ontario Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories, Nunavut. Alberta is the reference category.

[8] A latent variable is a variable that is not directly observable (Greene, 2012).

charity level characteristics that explain the receipt of government funding, and β is a corresponding vector of parameters to be estimated. In this model ε_i is assumed to be a normally distributed error term. Equation (1) states that the observed receipt of government funding is one if and only if y_i^* is positive, but zero otherwise. The parameters β of the probit model can be estimated with maximum likelihood.

Logit and probit models are appropriate for regression analyses when the dependant variable is dichotomous and reach similar conclusions in practice. However, the probit model, which is based on the cumulative normal distribution, is preferred when the dependent variable is assumed to reflect an underlying continuous variable, and the logit model, which is based on the logistic distribution, is preferred when the dependent variable is assumed to reflect an underlying qualitative variable. In this paper, following Garrow (2010), I make the assumption that a registered charities tendency toward receiving government funding ranges along a continuum, granted that the final outcome is categorical. As such, I use the probit model. However, the two parametric forms almost always give similar qualitative results.

Tobit Model

In order to specify the Tobit Model, I follow Tobin (1958) and Greene (2012). The Tobit model is specified as:

$$y_i^* = X_i'\beta + \varepsilon_i, \text{ with } i = 1, \ldots, n \text{ and } \varepsilon_i \sim N(\mu, \sigma^2) \quad (3)$$

$$y_i = \begin{cases} y_i^* \; if \; y_i^* > 0 \\ 0 \; if \; y_i^* \leq 0 \end{cases} \quad (4)$$

where y_i^* is a latent endogenous variable representing the level of total revenue that the government would choose, and y_i is the corresponding actual (observed) proportion of total revenue from government sources. X_i is a set of charity-level characteristics that explain the receipt of government funding, and β is a corresponding vector of parameters to be estimated. In this model ε_i is assumed to be a normally distributed error term. Equation (3) states that the observed proportion total revenue from government sources become positive continuous values if and only if y_i^* is greater than zero, but zero otherwise. Note that since there is no negative proportion total revenue from government sources, the censoring can be placed at zero without loss of generality. As such the observed 0's on y_i^* can either represent a true "0" (due to charities actual proportion of government funding or censored "0" (due to data collection method). The parameters β of the Tobit model can be estimated with maximum likelihood (Tobin, 1958).

5. Results

Table 7 presents the descriptive statistics and correlations among variables in this study. By and large, these correlations are very small, as one would expect given that most of these variables are categorical. Conforming to expectations, religious charities are negatively correlated with receiving government funding, and charities with community benefits have the highest positive correlation with government funding.

Turning to the regression analyses, I present two sets of results. The first set is for the equation whose outcome variable is dichotomous, taking the value of one for the presence of at least one dollar of government funding and zero otherwise. These results help me to better address the main question of this study, namely the factors related to the receipt of government funding by core registered charities in Canada all other factors held constant. The second set of results uses the outcome variable that is the proportion of total revenue coming from government funding, which helps me to address the question as to intensity or importance of this funding for charities. In all regressions robust standard errors were used.

Because my data set is technically an unbalanced panel, it would make sense to estimate a panel version of the probit and Tobit frameworks. Unfortunately, however, all attempts to estimate a panel model failed, even in a panel Ordinary Least Squares (OLS) convergence was not possible. Upon further reflection and analyses of the raw data, it became clear that there was simply not enough variation over time in most of my key exogenous variables to support a panel approach. As an alternative, I estimated pooled versions of my models and tested the pooling restrictions that the estimated parameters for each charity area were stable over time. Table A.2 in the Appendix presents these pooled OLS regressions. As is apparent from this table, these parameters were essentially stable from 2004 to 2007, with a few exceptions: religious organizations from 2006 onwards, those that give benefits to the community in 2006, and Education in 2007. From 2008 onwards, however, essentially all of the year-charitable-area interactive terms are statistically significant, meaning that the marginal effect on the charity type is not stable over time. Generally, the estimated interaction parameters indicate that effects on the probability of receiving government funding, and the percentage of government funding as proportion of total revenue, vary over time across the different charity categories. I therefore decided to estimate my regressions separately for each of the twenty years of my data and report the results for three of them: 2004 (which represents 2004 to 2007),

2008 (which is statistically different than 2007) and 2013 (the end of my period). The following discussion focuses on these three years.

Table 8 presents the findings from a probit analysis of the relationship between the dichotomous variable, yes/no receipt of at least one dollar of government revenue, and the predictor variables for the years 2004, 2008 and 2013. All the estimated coefficients of the predicator variables are statistically significant for the probit models for the years 2004, 2008 and 2013, except for benefits-community charities for 2008. At the end of the table, the average predicted probability that the reference charity will obtain government funding is presented. The reference charity has average assets, is a public foundation, and provides welfare services in a rural area of Alberta. In 2004, this average predicted probability was 0.355, in 2008 it was 0.352, and in 2013 it increased to 0.370. However, having a public foundation as the reference group is less informative when it comes to looking at the impact of the different variables on charities, and so I also give the average predicted probability that a charity receives government funding (with all the other reference characteristics just mentioned). These average probabilities increase to 0.69, 0.69 and 0.715 for the three years reported in Table 8. These relatively high probabilities reflect the fact that charities operating in the welfare area usually obtain government financial support.

As predicted, the variable size, defined by the natural logarithm of total assets, is positive and statistically significant. In other words, a larger organization, is more likely to obtain government funding. This is consistent with the literature, which puts forward that larger organizations tend to have higher revenues and more professional staff and administrative capacities (Hall & Reed, 1998). As such they are more likely to have the technical proficiency in grant writing, performance reporting, and financial auditing, and therefore have a higher likelihood of obtaining government grants and contracts (Grønbjerg, 1993; Smith & Lipsky, 1993; Chavesc et al., 2005; Ebaugh et al., 2005). It is interesting to note that the effect of "size" in 2013 is much larger than is found in the previous years, suggesting that the ability to write grant applications and conform to the rigours of government reporting requirements may be now taking an even bigger toll on smaller organizations in favour of larger ones.

The sector in which a charity operates is a factor that could also affect government funding of charities. My results show clearly that the area of the charity matters. All of the marginal effects for the five charity categories (welfare being the reference group) are negative and statistically significant. This means that when a core charity belongs to the health, education,

religious, benefits-community or other categories, it is less likely to receive government funding compared to a welfare charity. Past research reveals a unique and consistent relationship between government and social services non-profits (Grønbjerg, 1993; Smith & Lipsky, 1993; Salamon, 2003). Looking carefully at the magnitude of the marginal effects, we see that organizations that provide benefits to the community are the second most likely to receive government funding (second to welfare charities) in 2004 and 2008 – this follows from the fact that they, too, provided many social services. In 2013 these charities dominate welfare charities when it comes to the likelihood of receiving government funding. The next most likely are education and then health charities. "Other" charities follow in fourth place, with religious charities being the least likely to receive such funding, in line with the literature which suggests that religious charities compared to secular ones tend to receive less government funding (Twombly, 2002; Barr et al., 2004; Hall et al., 2005; Stowe & Barr, 2005). These effects reflect changes in the relative shares of each charity type receiving government funding. In 2013 welfare charities accounted for 31.2 %, a slight decrease from the 2004 share (31.6%), whilst the shares of the other sectors remained relatively stable (with the exception of religious charities).

Charities are much more likely to receive government funding when compared to their public and private foundation counterparts. Public foundations, like the Vancouver Foundation for community projects and programs, are more likely to receive such funding when compared to private ones, like the Mastercard Foundation – which seems reasonable. The location of the charity is another factor associated with a charity obtaining government funding. I separate charities according to their urban or rural location based on the postal code method as defined in du Plessis et al. (2002). As expected the marginal effect on 'urban' is negative and statistically significant, suggesting that an urban charity is more likely to receive at least one dollar of government funding compared to its rural counterpart. This finding conforms to those of previous studies that have found that rural charities are often smaller than their urban counterparts and receive proportionately less revenue from government (Barr et al., 2004; Hall et al., 2005; Stowe & Barr, 2005). The province or territory in which the charity operates also matters in some instances. For instance, in 2004, when compared to the likelihood of obtaining government funding in Alberta, my reference province, charities in Manitoba, Quebec, New Brunswick, Newfoundland and Yukon are more likely to have such funding, whereas those in Ontario are less likely.

Table 9 reports the Tobit regression of the limited dependent variable indicating percentage of total revenue of a core charity that comes from government financing for the years 2004, 2008 and 2013. All the predictor variables are statistically significant for the Tobit models for 2004, 2008 and 2013. As expected the variable "size" in these models is positive and statistically significant. Larger charities receive a greater proportion of government revenue compared to smaller charities. As in the probit case, this is also attributable to their having professional staff and administrative capacities (Hall & Reed, 1998). Looking at the charity category, all of the marginal effects for the charity categories are negative and statistically significant. This suggests that when a core charity belongs to the health, education, religious, benefits community, or other categories, it will have a smaller percentage of government funding compared to a welfare charity.

Focusing on the magnitude of the marginal effects, we see that compared to our reference group welfare charities, organizations that provide benefits to the community are the second most likely to have a high percentage of government funding in 2004 and 2008. Again, this follows from the fact that they, too, provided many social services. In 2013 organizations that give benefit to the community dominated welfare charities with respect to the percentage of total revenue that is from government sources. After benefits to the community charities, the next most government funded charities are those in health followed by those in education. "Other" charities follow in fourth place, with religious charities having the lowest percentage of government revenue over total revenue. This is consistent with the literature, which assets that religious charities compared to health, education and social welfare charities tend to receive lower shares of government funding (Twombly, 2002; Hall et al., 2005; Stowe & Barr, 2005) and instead rely more on gifts and donations (Barr et al., 2004).

Turning to the urban variable, the marginal effect is negative and statistically significant, and as such the results suggest that an urban charity has a higher percentage of government revenue over total revenue compared to a rural one. There are large differences in funding flowing to urban charities compared to charities in rural areas (Barr et al., 2004, Stowe & Barr, 2005), this may be, in part, attributable to differences in program emphasis of charities in each location. The province or territory in which the charity operates also matters in some instances. For instance, in 2004, when compared to charities in Alberta, my reference province, charities in all provinces, except for Saskatchewan and Ontario, have a higher proportion of total government funding over total revenue. However, in 2013, charities in British Columbia and

Ontario have a lower proportion of total government funding over total revenue compared to charities in Alberta.

Taken together, these results provide support that core registered charities that operate in the welfare sector are more likely to receive government funding than their counterparts in other sectors, and procure larger amount of government funding as a proportion of total revenue. In addition, larger charities are more likely to obtain government funding than smaller charities and have greater amounts of government funding. Finally, urban charities are more likely to receive government funding and have a larger proportion of government revenue over total revenue compared to rural charities.

6. Conclusions

Registered charities in Canada are an essential and increasingly familiar provider of social goods and services, yet the characteristics of charities that obtain government funding have not been examined in much detail. Apart from contributing to the academic literature as the direct provision of publicly funded services shifts from government to registered charities, it is important to understand the factors that influence the receipt of government funding by registered charities in order to, for instance, better serve remote communities or targeted areas. Knowing that government funding is 'biased' towards larger, urban, organizations means that government could set up funding models that circumvent these biases, for example.

Drawing on data obtained from the Canada Revenue Agency's annual Registered Charity's Information Returns filed for the period 2004 to 2013 for approximately 78,772 registered charities in Canada, this study provides a different perspective on the charitable and non-profit sector in the Canadian context. The bulk of the literature that examines the factors affecting the government funding of organizations relates to non-profits in the United States. However, due to the very different dynamics present in the provision and funding of public goods and services between the two countries, the US case is not directly transferable to Canada. In Canada, compared to the United States, public services, particularly in the areas of education, health and social services are largely provided by government. The data also allow me to extend beyond prior studies that emphasize social services and religious organizations, and to also examine small charities with revenues of less than $25,000 annually, which are not considered in analyses using US data.

Using probit empirical analysis I examine whether the type, size, and location of a charity have an effect on the likelihood that a charity will receive government funding. Additionally, using Tobit empirical analysis, I examine if these attributes also affect the percentage of total revenue that comes from government sources for each charity. First, the results suggest that larger charities - as defined by the log of total assets - are more likely to obtain government funding than smaller charities and receive greater amounts of government revenue as a share of total revenue. This is expected as larger charities typically have greater technical expertise in grant and contract writing, compared to their smaller counterparts (Hall & Reed, 1998). Second, the results indicate that charities that operate in the social welfare sector are more likely to receive government funding than those in the health, education, religious, benefits community, or other sectors. Religious charities are the least likely to receive such funding, in line with the literature which suggests that religious charities compared to secular ones tend to receive proportionately less government funding. Additionally, welfare charities also obtain a larger amount of government funding as a proportion of total revenue, compared to other charity types. Finally, as expected urban charities are more likely to receive government funding and have a larger proportion of government revenue over total revenue compared to rural charities.

The limits of this study also suggest some interesting directions for future research. One limitation stems from the cross-sectional study design, which prevents strong statements about causality. For example, it is possible that professionalization, a major trait of large charities, at least in part results from the receipt of government funds. There is a consensus in the literature that government funding can lead to the hiring of paid managers and professionals (Guo, 2007; Ebaugh et al., 2005). Consequently, organizations run by professional staff are more likely to have the expertise in grant and contract writing that are essential to acquiring and maintaining government funding (Grønbjerg, 1993; Smith & Lipsky, 1993; Chavesc et al., 2005).

A second limitation stems from the narrow definition of 'rural' which is based on the postal code of the charity. A broader definition of rural areas that includes, for instance, areas outside of major metropolitan areas but still with an 'urban' postal code, could allow one to see the extent to which remoteness matters. A third limitation arises from potential the issues with data drawn from T3010 Form Returns. Previous work with the T3010 data has identified reporting issues with regards to potential calculation and/or reporting errors (Sharpe, 1994; Ayer, Hall & Vodarek, 2009; Spyker, 2011). I tried to be as careful as possible with the sample I used by eliminating certain outliers from my data set, but time limitations meant that some potential issues may still persist. Lastly, when I pooled the data set and used time-area interactive terms,

I found that the estimated coefficients on these interactive terms were mostly stable until 2007 (with a couple of exceptions already noted) and not at all stable from 2008 onwards (see Table A2). It would be interesting to explore further why the impact of charity category on receiving government funding is not stable over time – one explanation is, of course, that government priorities change over time, and what I am observing is simply a change in these priorities. This question is left for future research.

This study provides empirical evidence that some key factors play an important role in shaping the receipt of government funding by charities in Canada. As charitable organizations are increasingly charged with the provision of services traditionally provided by government, it becomes even more important to understand the factors that drive access to this funding. It certainly has implications for the ability of charities, and especially smaller, remote ones to provide services.

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Table 1. Core Registered Charities by Revenue Size (2013)

Revenue Size Category	Total Number	Percentage of Total Number
less than $25K	17,637	24.3%
$25K to less than $100K	18,470	25.4%
$100K to less than $250K	14,310	19.7%
$250K to less than $500K	8,495	11.7%
$500K to less than $1Mil	5,910	8.1%
$1 Mil to less than $ 5Mil	5,844	8.1%
$5 Mil to less than $10 Mil	960	8.3%
$10 Mil and above	964	1.3%
	72,590	100.0%

Source: Authors' own calculations based on T3010 data**.**

Table 2. Summary Statistics on Select Variables for Registered Charities (Full Sample and Cleaned Up Sample), 2004 to 2013

	Full Sample			Cleaned Up Sample		
	N	**Total Revenue $**	**Government Revenue $**	**N**	**Total Revenue $**	**Government Revenue $**
All Charities	785,414	921 (13,591)	414 (10,803)	765,708	875 (12,934)	429 (10,914)
Urban	597,375	1,140 (15,510)	510 (12,320)	582,541	1,080 (14,760)	530 (12,480)
Rural	188,039	250 (3,010)	100 (2,190)	183,167	250 (3,030)	100 (2,260)
Welfare	173,188	1,418 (13,311)	660 (6,099)	170,324	1,321 (8,631)	714 (6,388)
Health	43,041	3,959 (42,867)	2,460 (38,441)	42,315	3,767 (44,818)	2,485 (38,459)
Education	103,598	1,106 (17,181)	563 (13,878)	101,968	1,044 (16,505)	589 (14,529)
Religious	327,573	337 (2,509)	21 (836)	324,375	334 (2,504)	22 (857)
Benefits Community	126,818	645 (4,506)	309 (3,067)	125,185	634 (4,283)	325 (3,161)
Other	11,196	269 (1,648)	27 (235)	11,088	243 (995)	36 (269)

Note: 1,000s of dollars. All dollars are in 2013 dollars. Standard deviations reported in parenthesis. See discussion in data section regarding sample selection.
Source: Authors' own calculations based on T3010 data**.**

Table 3. Total Number of Core Registered Charities, 2004 to 2013

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
67,192	69,468	71,530	72,267	72,912	74,028	74,867	75,615	74,344	72,590

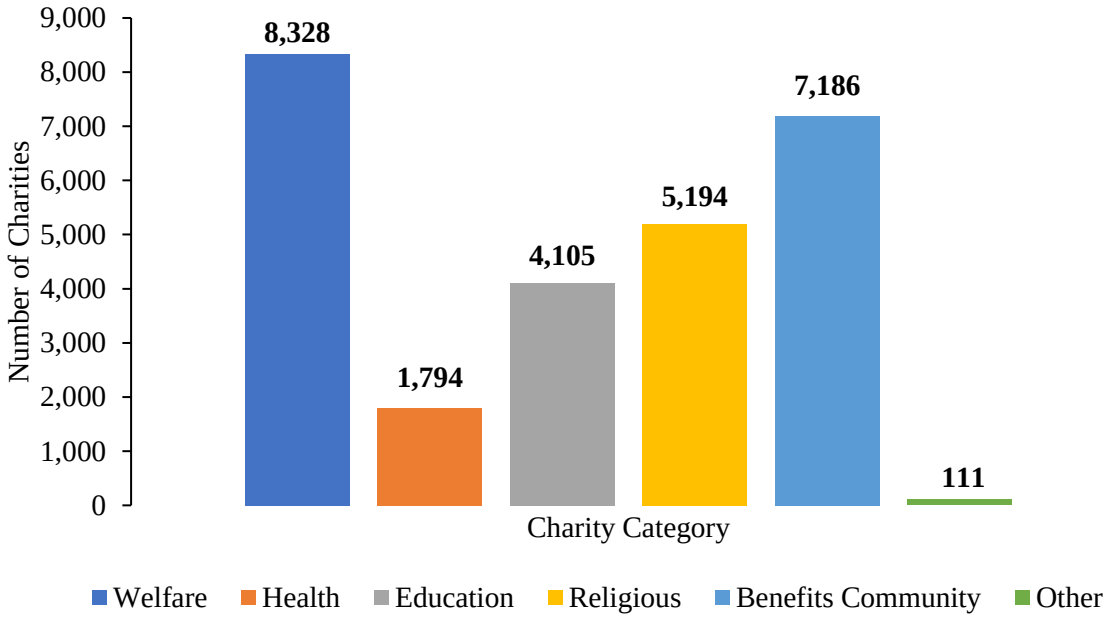
Source: Authors' own calculations based on T3010 data**.**

Table 4. Core Registered Charities as a percentage of Total Number, and of Provincial Population[a], by Province (2013)

Province	Number of Core Registered Charities	Population per Core Registered Charity	Percentage of Core Registered Charities	Provincial Population Distribution
British Columbia	10,134	453	14.0%	13.1%
Alberta	7,589	527	10.5%	11.4%
Saskatchewan	3,786	292	5.2%	3.1%
Manitoba	4,000	316	5.5%	3.6%
Ontario	25,846	524	35.6%	38.6%
Quebec	13,648	597	18.8%	23.2%
New Brunswick	2,402	315	3.3%	2.1%
Nova scotia	88	10,716	0.1%	2.7%
Prince Edward Island	523	278	0.7%	0.4%
Newfoundland & Labrador	1,078	489	1.5%	1.5%
Yukon Territories	120	302	0.2%	0.1%
Northwest Territories	3,348	13	4.6%	0.1%
Nunavut	28	1,265	0.0%	0.1%
	72,590	484	100.0%	100.0%

Source: Authors' own calculations based on T3010 data**.** [a]Statistics Canada **(**2017) CANSIM Table 051–0001.

Figure 1. Number of Core Registered Charities Receiving At Least One Dollar in Government Revenue, by Charity Category (2013)



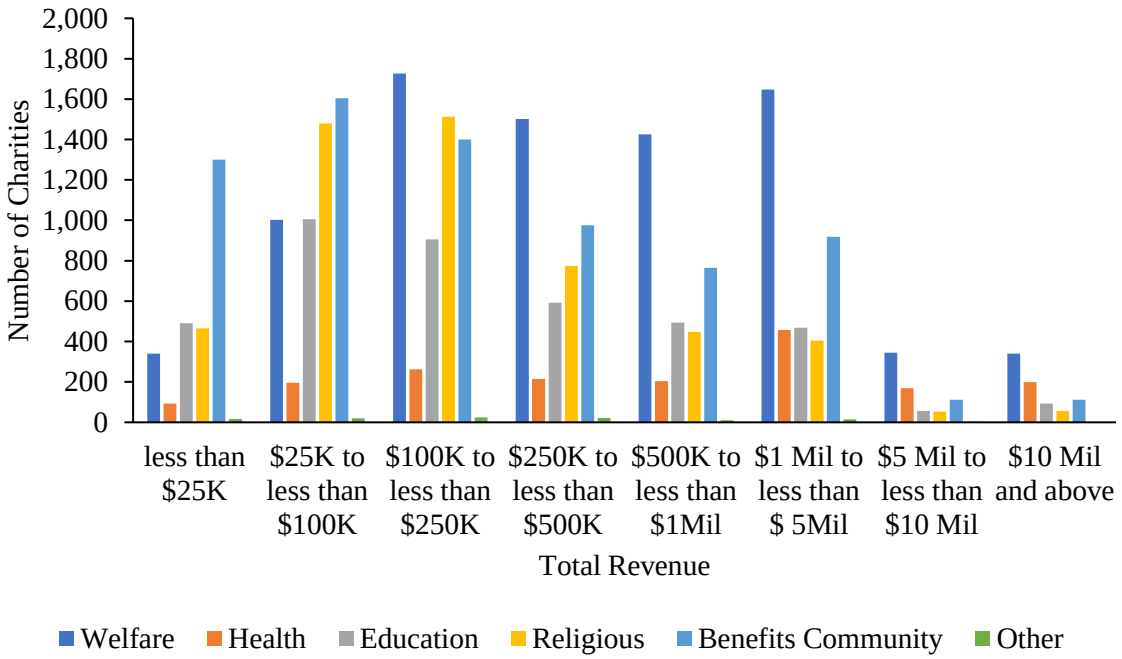
Source: Authors' own calculations based on T3010 data**.**

Table 5. Total Government Revenue for Core and Non-Core Registered Charities, by Category (2013)

	Core ($M)	Non-Core ($M)	Total ($M)
Welfare	12,847	-	12,847
Health	11,950	70,653	82,603
Education	5,914	51,895	57,809
Religious	755	-	755
Benefits Community	4,271	-	4,271
Other	28	-	28
	35,764	122,548	158,312

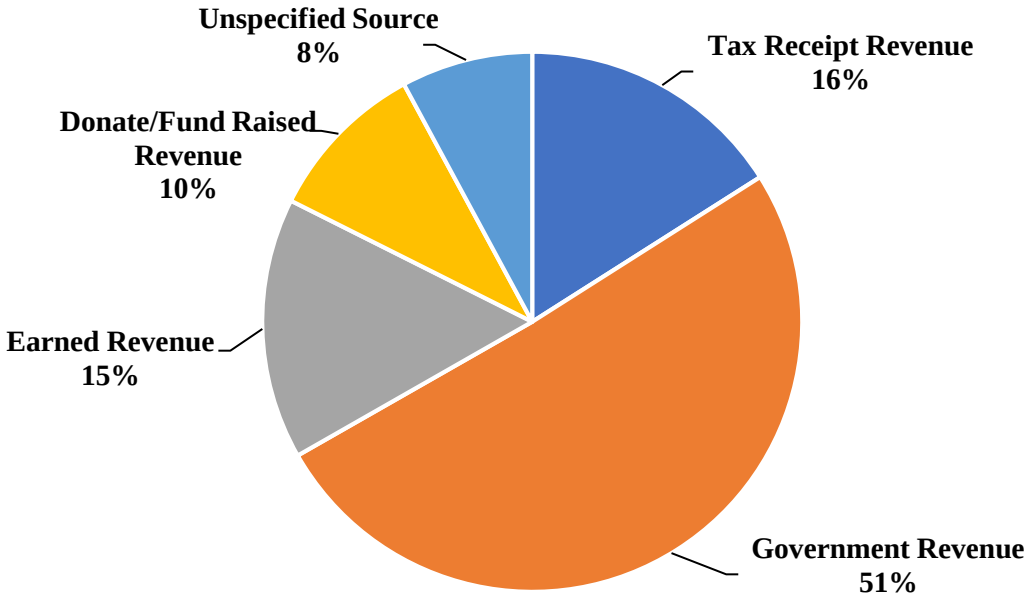
- indicates no observations
Source: Authors' own calculations based on T3010 data**.**

Figure 2. Number of Registered Charities Receiving At Least One Dollar in Government Revenue, by Charity Size and Type (2013)



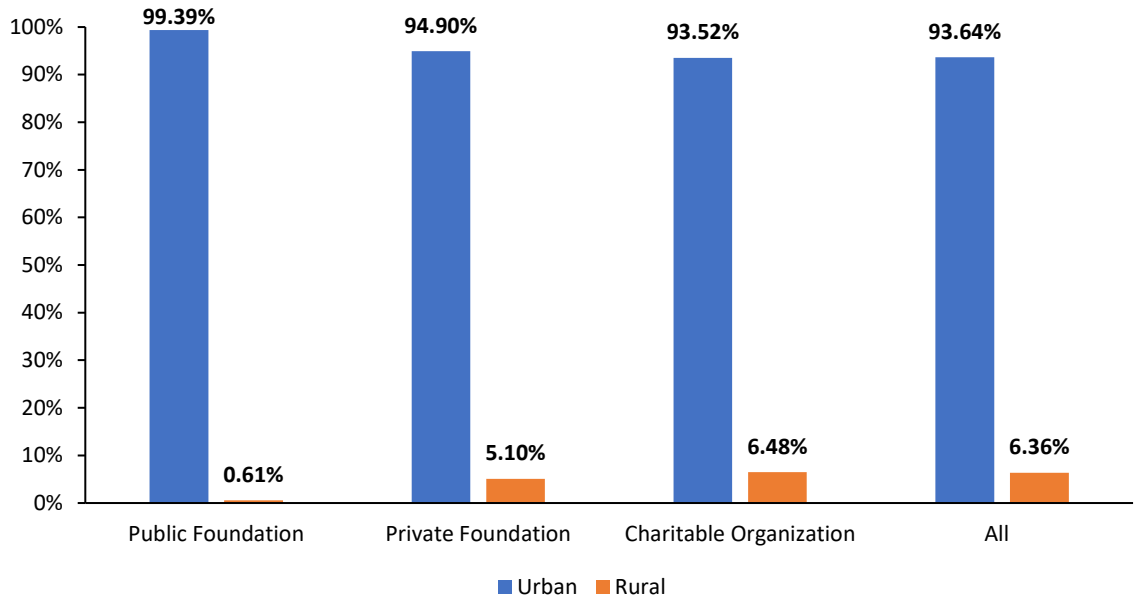
Source: Authors' own calculations based on T3010 data**.**

Figure 3. Total Revenue for Core Registered Charities, by Revenue Source (2013)



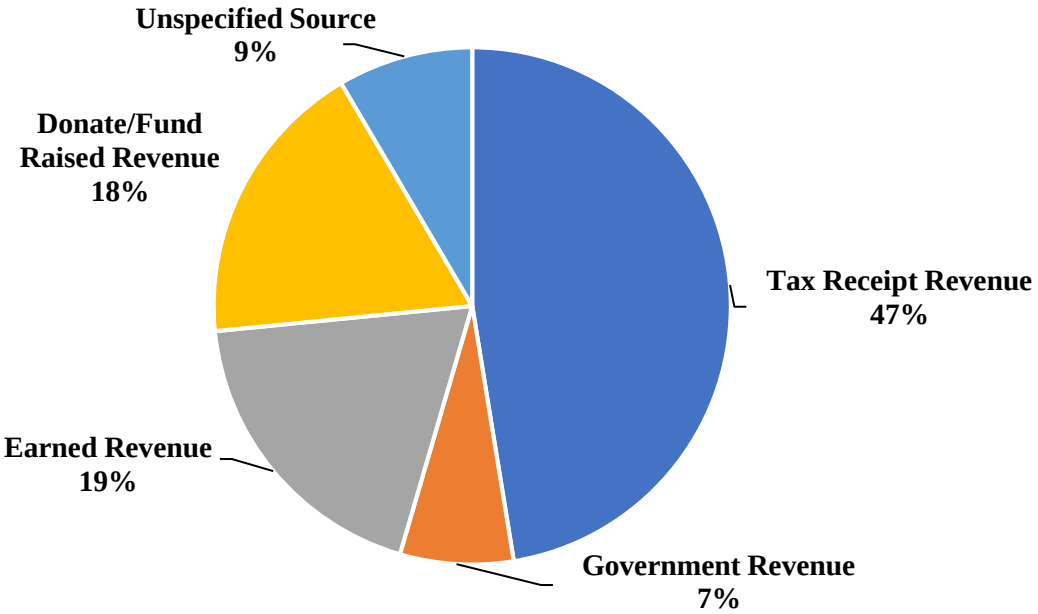
Note: See footnote 7 for a discussion on the construction of the different revenue source categories.
Source: Authors' own calculations based on T3010 data.

Figure 4. Distribution of Core Registered Welfare Charities Receiving At Least One Dollar of Government Revenue by Charity Designation and Location (2013)



Source: Authors' own calculations based on T3010 data.

Figure 5. Total Revenue for Religious Core Registered Charities, by Revenue Source (2013)



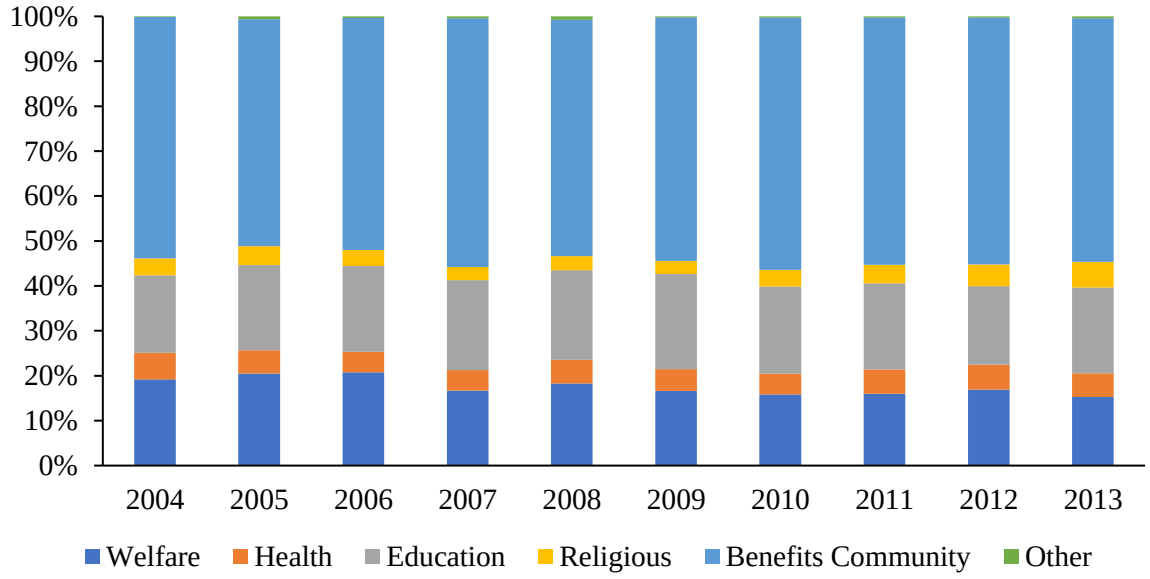
Note: See footnote 7 for a discussion on the construction of the different revenue source categories.
Source: Authors' own calculations based on T3010 data.

Table 6. Total Government Revenue for Small Core Charities, by Category (2013)

	Core ($M)
Welfare	1.64
Health	0.56
Education	2.04
Religious	0.61
Benefits Community	5.79
Other	0.05
	10.69

Note: Small charities are defined as those whose total revenue is in lowest quantile.
Source: Authors' own calculations based on T3010 data.

Figure 6. Percentage of Small Core Charities Receiving At Least One Dollar in Government Revenue, by Source (2004 to 2013)



Note: Small charities are defined as those whose total revenue is in lowest quantile.
Source: Authors' own calculations based on T3010 data.

Table 7. Descriptive Statistics and Correlations among Variables of Interest.[b]

	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12
1) Gov. fund. Y/N	0.35	0.48	1.00											
2) % Gov. fund.	0.15	0.28	0.70	1.00										
3) Size	12.89	2.52	0.21	0.18	1.00									
4) Private found.	0.05	-	-0.16	-0.11	0.05	1.00								
5) Char. Org.	0.89	-	0.20	0.16	-0.06	-0.68	1.00							
6) Health	0.05	-	0.04	0.08	0.06	0.00	-0.13	1.00						
7) Education	0.13	-	0.06	0.02	-0.08	0.02	-0.03	-0.09	1.00					
8) Religion	0.42	-	-0.36	-0.41	0.02	-0.13	0.23	-0.21	-0.33	1.00				
9) Com. Ben.	0.16	-	0.22	0.20	-0.05	-0.06	0.07	-0.11	-0.17	-0.38	1.00			
10) Other	0.01	-	-0.05	-0.04	-0.07	0.03	-0.12	-0.03	-0.04	-0.09	-0.05	1.00		
11) Urban	0.76	-	0.00	0.04	0.12	0.10	-0.10	0.06	0.12	-0.11	-0.10	0.01	1.00	
12) BC	0.14	-	-0.01	0.00	0.00	0.00	-0.01	0.01	0.02	-0.03	0.03	-0.02	0.07	1.00
13) MB	0.06	-	0.03	0.02	-0.01	-0.01	-0.01	0.00	-0.01	0.00	0.01	-0.01	-0.08	-0.10
14) NB	0.03	-	0.02	-0.01	-0.02	-0.02	0.02	-0.01	-0.02	0.02	0.01	-0.01	0.11	-0.07
15) NL	0.01	-	0.02	0.00	-0.01	-0.02	0.02	0.00	-0.01	0.04	0.00	-0.01	-0.07	-0.05
16) NS	0.05	-	0.02	0.01	-0.03	-0.02	0.03	0.00	-0.01	-0.01	0.07	-0.01	-0.11	-0.09
17) NT	0.00	-	0.01	0.01	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	-0.02	-0.01
18) NU	0.00	-	0.01	0.01	0.00	0.00	0.01	0.00	0.00	-0.01	0.00	0.00	-0.03	-0.01
19) ON	0.35	-	-0.11	-0.10	0.03	0.05	-0.04	0.01	0.01	0.06	-0.06	0.03	0.09	-0.30
20) PE	0.01	-	0.00	0.00	-0.02	-0.01	0.01	0.00	0.00	0.00	0.02	0.00	-0.05	-0.03
21) QC	0.19	-	0.10	0.15	0.01	-0.02	-0.01	0.01	0.03	-0.12	-0.05	0.02	0.05	-0.19
22) SK	0.05	-	-0.01	-0.03	-0.05	-0.02	0.02	-0.01	-0.03	0.04	0.01	-0.01	-0.18	-0.10
23) YT	0.00	-	0.02	0.03	0.00	-0.01	0.01	0.00	0.00	-0.01	0.01	0.00	0.00	-0.02

Note: [b] All correlations with absolute values of 0.01 or higher are significant at the 0.05 level. The reference categories are: public foundation, welfare and Alberta for designation, charity category and province respectively.
Source: Authors' own calculation based on T3010 data.

			13	14	15	16	17	18	19	20	21	22	23
13) MB	0.06	-	1.00										
14) NB	0.03	-	-0.04	1.00									
15) NL	0.01	-	-0.03	-0.02	1.00								
16) NS	0.05	-	-0.05	-0.04	-0.03	1.00							
17) NT	0.00	-	-0.01	-0.01	0.00	-0.01	1.00						
18) NU	0.00	-	0.00	0.00	0.00	0.00	0.00	1.00					
19) ON	0.35	-	-0.18	-0.14	-0.09	-0.16	-0.03	-0.01	1.00				
20) PE	0.01	-	-0.02	-0.02	-0.01	-0.02	0.00	0.00	-0.06	1.00			
21) QC	0.19	-	-0.12	-0.09	-0.06	-0.11	-0.02	-0.01	-0.35	-0.04	1.00		
22) SK	0.05	-	-0.06	-0.04	-0.03	-0.05	-0.01	0.00	-0.18	-0.02	-0.11	1.00	
23) YT	0.00	-	-0.01	-0.01	0.00	-0.01	0.00	0.00	-0.03	0.00	-0.02	-0.01	1.00

Table 8. Probit Regression Model, Registered Core Charities, Government Funding (Y/N) in 2004, 2008 and 2013

	2004		2008		2013	
	Marg Eff.	**S.E.**	**Marg Eff.**	**S.E.**	**Marg Eff.**	**S.E.**
Size	0.0558***	(0.00)	0.0587***	(0.00)	0.1053***	(0.00)
Category						
Health	-0.1023***	(0.01)	-0.1083***	(0.01)	-0.0875***	(0.01)
Education	-0.1225***	(0.01)	-0.0959***	(0.01)	-0.0369***	(0.01)
Religion	-0.4875***	(0.00)	-0.4710***	(0.00)	-0.4182***	(0.00)
Benefits Com.	-0.0147**	(0.01)	0.0024	(0.01)	0.0723***	(0.01)
Other	-0.3432***	(0.02)	-0.2888***	(0.02)	-0.2517***	(0.02)
Designation						
Private Found.	-0.0310***	(0.00)	-0.0288***	(0.00)	-0.0423***	(0.00)
Charitable Org.	0.3353***	(0.00)	0.3342***	(0.00)	0.3441***	(0.00)
Urban	-0.0390***	(0.00)	-0.0516***	(0.00)	-0.1199***	(0.00)
Province						
BC	-0.0087	(0.01)	0.0202***	(0.01)	-0.0562***	(0.01)
SK	0.0102	(0.01)	0.0342***	(0.01)	-0.0175*	(0.01)
MB	0.0763***	(0.01)	0.1027***	(0.01)	0.0372***	(0.01)
ON	-0.0329***	(0.01)	-0.0276***	(0.01)	-0.0966***	(0.01)
QC	0.0873***	(0.01)	0.0943***	(0.01)	0.0137*	(0.01)
NB	0.1064***	(0.01)	0.1225***	(0.01)	0.1116***	(0.01)
NS	0.0099	(0.01)	0.0274***	(0.01)	0.0229**	(0.01)
NL	0.1964***	(0.02)	0.1625***	(0.02)	0.0639***	(0.02)
PE	0.0400	(0.03)	0.0209	(0.02)	-0.0228	(0.02)
YT	0.2836***	(0.05)	0.2683***	(0.05)	0.1907***	(0.05)
NT	0.0862	(0.06)	0.0934*	(0.06)	0.0191	(0.06)
NU	0.1487	(0.13)	-0.06	(0.08)	-0.1813***	(0.06)
N	67,192		72,912		72,590	
R^2	0.24		0.25		0.30	
Log likelihood	-33,086.3		-35,512.5		-33,582.2	
Avg Pred. prob. Govt=1	0.355		0.352		0.370	
Avg PP Charity Govt=1	0.690		0.690		0.715	

Source: Authors' own constructions based on T3010 data**.**

***p < 0.01; **p < 0.05 and *p < 0.1

The reference categories are: public foundation, welfare and Alberta for designation, charity category and province respectively.

Table 9. Tobit Regression Model, Registered Core Charities, Proportion of Total Revenue that is Government Revenue in 2004, 2008 and 2013

	2004		2008		2013	
	Coef.	**S.E.**	**Coef.**	**S.E.**	**Coef.**	**S.E.**
Size	0.0182***	(0.00)	0.0193***	(0.00)	0.0341***	(0.00)
Charity Category						
Health	-0.0489***	(0.01)	-0.0494***	(0.01)	-0.0322***	(0.01)
Education	-0.1223***	(0.00)	-0.1026***	(0.00)	-0.0620***	(0.00)
Religion	-0.2572***	(0.00)	-0.2441***	(0.00)	-0.1977***	(0.00)
Benefits Com.	-0.0428***	(0.00)	-0.0291***	(0.00)	0.0127***	(0.00)
Other	-0.2042***	(0.01)	-0.1787***	(0.01)	-0.1414***	(0.01)
Designation						
Private Found.	0.0041***	(0.00)	0.0039***	(0.00)	-0.0051***	(0.00)
Charitable Org.	0.1097***	(0.00)	0.1124***	(0.00)	0.1088***	(0.00)
Urban	-0.0065***	(0.00)	-0.0097***	(0.00)	-0.0325***	(0.00)
Province						
BC	0.0077***	(0.00)	0.0134***	(0.00)	-0.0057**	(0.00)
SK	0.0031	(0.00)	0.0093***	(0.00)	0.0013	(0.00)
MB	0.0278***	(0.00)	0.0387***	(0.00)	0.0201***	(0.00)
ON	0.0038	(0.00)	-0.0056***	(0.00)	-0.0215***	(0.00)
QC	0.0550***	(0.00)	0.0543***	(0.00)	0.0349***	(0.00)
NB	0.0328***	(0.00)	0.0378***	(0.00)	0.0380***	(0.00)
NS	0.0151***	(0.00)	0.0182***	(0.00)	0.0212***	(0.00)
PEI	0.0189*	(0.01)	0.0108	(0.01)	0.0026	(0.01)
NL	0.0679***	(0.01)	0.0620***	(0.01)	0.0265***	(0.01)
YT	0.1485***	(0.02)	0.1544***	(0.02)	0.1207***	(0.02)
NT	0.0861***	(0.03)	0.0743***	(0.03)	0.0311	(0.02)
NU	0.1429**	(0.06)	0.0432	(0.04)	-0.0137	(0.02)
N	67,192		72,912		72,590	
R^2	0.18		0.18		0.21	
Log likelihood	-31,735.8		-34,852.6		-31,888.3	

Data source: Authors' own construction based on T3010 data**.**

***p < 0.01; **p < 0.05 and *p < 0.1

The reference categories are: public foundation, welfare and Alberta for designation, charity category and province respectively.

Appendix

Table A1. CRA Category Codes used to Classify Canadian Registered Charities

Code	Charity Type English	Charity Type French	Description English	Description French
1	Welfare	Bien-être	Providing care, no treatment	Prodigant soins, sans traitem.
2	Welfare	Bien-être	Disaster funds	Fonds de détresse
3	Welfare	Bien-être	(Welfare) Charit. corp.	(Bien-être) Entités bienf. inc
5	Welfare	Bien-être	(Welfare) Charitable trusts	(Bien-être) Fid. de bienf.
9	Welfare	Bien-être	Welfare org., n.e.c.	Org voués au bien-être, s.a.c.
10	Health	Santé	Hospitals	Hôpitaux
11	Health	Santé	Services other than hospitals	Serv. santé pas hospitaliers
13	Health	Santé	(Health) Charitable corp.	(Santé) Entités de bienf inc.
15	Health	Santé	(Health) Charitable trusts	(Santé) Fiducies de bienf.
19	Health	Santé	Health organizations, n.e.c.	Org. liés à la santé, s.a.c.
20	Education	Éducatifs	Institutions of learning	Institutions d'enseignement
21	Education	Éducatifs	Support of schools/Education	Soutien ds écoles/Education
22	Education	Éducatifs	Cultural activities/Arts	Activités culturelles/ Arts
23	Education	Éducatifs	(Education) Charitable corp.	(Éduc.) Entités de bienf. inc.
25	Education	Éducatifs	(Education) Charitable trusts	(Éduc.) Fiducies de bienf.
29	Education	Éducatifs	Education organizations, n.e.c	Organismes éducatifs, s.a.c.
30	Religion	Religion	Anglican parishes	Paroisses anglicanes
31	Religion	Religion	Baptist congregations	Congrégations Baptistes
32	Religion	Religion	Lutheran congregations	Congrégations Luthériennes
33	Religion	Religion	Baha'is Religious Groups	Groupes Religieux Baha'is
34	Religion	Religion	Mennonite congregations	Congrégations Mennonites
35	Religion	Religion	Buddhist Religious Groups	Groupes Religieux Bouddhiste

36	Religion	Religion	Pentecostal Assem. of Can.	Assembl. Pentecostales du Can.
37	Religion	Religion	Presbyterian congregations	Congrégations Presbytériennes
38	Religion	Religion	Roman catholic	Église catholique romaine
39	Religion	Religion	Other denominations	Autres dénominations
40	Religion	Religion	Salvation Army temples	Temples de l'Armée du Salut
41	Religion	Religion	Seventh day Adventist	Adventistes du Septième jour
42	Religion	Religion	Synagogues	Synagogues
43	Religion	Religion	(Religion) Charitable corp.	(Religion) Entités de bienf in
44	Religion	Religion	United church congregations	Congr. de la United Church
45	Religion	Religion	(Religion) Charitable trusts	(Religion) Fiducies de bienf.
46	Religion	Religion	Convents/Monasteries Catholic	Couvents/monastères cathol.
47	Religion	Religion	Missionary organizations	Organismes missionaires
48	Religion	Religion	Hindu Religious Groups	Groupes Religieux Hindou
49	Religion	Religion	Religious organizations, n.e.c	Organismes religieux, s.a.c.
50	Benefits to Community	Communautaire	Libraries, museums...	Bibliothèques, musées,...
51	Benefits to Community	Communautaire	Military units	Unités militaires
52	Benefits to Community	Communautaire	Preservation of sites	Préservation des sites hist.
53	Benefits to Community	Communautaire	(Community) Charitable corp.	(Commun.) Entités bienf inc
54	Benefits to Community	Communautaire	Protection of animals	Protection des animaux
55	Benefits to Community	Communautaire	(Community) Charitable trusts	(Communautaire) Fid. bienf.
56	Benefits to Community	Communautaire	Rec., playgrounds, camps	Activ.récréat, terr. jeux,camp
57	Benefits to Community	Communautaire	Temperance associations	Associations de tempérance
59	Benefits to Community	Communautaire	Community organizations	Org. communautaires, s.a.c.
60	Religion	Religion	Islamic Religious Groups	Groupes Religieux Islamique

61	Religion	Religion	Jehovah's Witness Congregations	Congrégations témoins Jéhovah
62	Religion	Religion	Sikh Religious Groups	Groupes Religieux Sikh
63	Other	Autre	Serv clubs/fraternal soc.(inc.	Clubs de serv., sociaux, ..inc
65	Other	Autre	Serv club/frat soc - not inc	Clubs serv soc- non inc
75	Other	Autre	Employees' charity trusts	Fiducies de bienf. d'employés
80	Other	Autre	RCAAA	ACESA
81	Other	Autre	RNASO	OESNA
83	Other	Autre	Corp. funding RCAAA	Financement de l'ACESA inc.
85	Other	Autre	Trust funding RCAAA	Financ. de l'ACESA par fid.
99	Other	Autre	misc. org's n.e.c	Org.bienf.diverses , s.a.c.

Source: Canada Revenue Agency (2017) and Blumberg (2012).

Table A.2. Pooled OLS Regression Model, Registered Core Charities 2004 to 2013

	Dependent Variable			
	Government Funding Y/N		% Government Funding	
	Coefficient	S.E	Coefficient	S.E
Size	0.0583***	(0.0002)	0.0277***	(0.0001)
Year				
2005	-0.0047	(0.0049)	0.0040	(0.0038)
2006	-0.0141***	(0.0049)	-0.0083**	(0.0038)
2007	-0.0175***	(0.0048)	-0.0096**	(0.0037)
2008	-0.0200***	(0.0048)	-0.0107***	(0.0037)
2009	-0.1765***	(0.0047)	-0.0868***	(0.0036)
2010	-0.1800***	(0.0047)	-0.0861***	(0.0036)
2011	-0.1803***	(0.0046)	-0.0878***	(0.0036)
2012	-0.1804***	(0.0046)	-0.0895***	(0.0036)
2013	-0.1764***	(0.0047)	-0.0908***	(0.0036)
Designation				
Private Found.	-0.0809***	(0.0024)	0.0001	(0.0013)
Charitable Org.	0.4102***	(0.0020)	0.2536***	(0.0010)
Charity Category				
Health	-0.0953***	(0.0080)	-0.0463***	(0.0059)
Education	-0.0972***	(0.0061)	-0.1444***	(0.0038)
Religion	-0.4735***	(0.0042)	-0.3339***	(0.0028)
Benefits Com.	0.0004	(0.0057)	-0.0552***	(0.0041)
Other	-0.1996***	(0.0127)	-0.1427***	(0.0174)
*Year*Charity Category*				
2005*Health	-0.0035	(0.0111)	-0.0017	(0.0083)
2005*Education	0.0038	(0.0085)	0.0052	(0.0054)
2005*Religion	0.0074	(0.0058)	0.0046	(0.0046)
2005*Benefits Com.	0.0041	(0.0079)	0.0046	(0.0058)
2005*Other	0.0046	(0.0179)	0.0052	(0.0103)
2006*Health	0.0002	(0.0120)	0.0009	(0.0083)
2006*Education	0.0105	(0.0084)	0.0097*	(0.0053)
2006*Religion	0.0156***	(0.0057)	0.0087**	(0.0039)
2006*Benefits Com.	0.0128*	(0.0078)	0.0083	(0.0057)
2006*Other	0.0139	(0.0179)	0.0075	(0.0103)
2007*Health	0.0022	(0.0110)	0.0022	(0.0082)
2007*Education	0.0149*	(0.0084)	0.0111**	(0.0053)
2007*Religion	0.0111**	(0.0057)	0.0097**	(0.0038)
2007*Benefits Com.	0.0093	(0.0078)	0.0105*	(0.0057)
2007*Other	0.0133	(0.0180)	0.0087	(0.0103)
2008*Health	-0.0001	(0.0109)	0.0034	(0.0082)
2008*Education	0.0212***	(0.0084)	0.0169***	(0.0053)

2008*Religion	0.0159***	(0.0056)	0.0117***	(0.0038)
2008*Benefits Com.	0.0131*	(0.0078)	0.0164***	(0.0057)
2008*Other	0.0282	(0.0184)	0.0122	(0.0105)
2009*Health	0.0218**	(0.0106)	0.01312*	(0.0080)
2009*Education	0.0313***	(0.0082)	0.0248***	(0.0052)
2009*Religion	0.0597***	(0.0055)	0.0278***	(0.0037)
2009*Benefits Com.	0.0443***	(0.0075)	0.0317***	(0.0056)
2009*Other	0.0439**	(0.0174)	0.0194**	(0.010)
2010*Health	0.0325***	(0.0106)	0.0156*	(0.0080)
2010*Education	0.0323***	(0.0081)	0.0237***	(0.0052)
2010*Religion	0.0630***	(0.0055)	0.0280***	(0.0037)
2010*Benefits Com.	0.0468***	(0.0075)	0.0334***	(0.0055)
2010*Other	0.0455***	(0.0174)	0.0138*	(0.0099)
2011*Health	0.0288***	(0.0106)	0.0161**	(0.0080)
2011*Education	0.0355***	(0.0081)	0.0249***	(0.0051)
2011*Religion	0.0587***	(0.0055)	0.0308***	(0.0037)
2011*Benefits Com.	0.0433***	(0.0075)	0.0327***	(0.0055)
2011*Other	0.0580***	(0.0177)	0.0204*	(0.0099)
2012*Health	0.0385***	(0.0106)	0.0218***	(0.0081)
2012*Education	0.0403***	(0.0081)	0.0283***	(0.0052)
2012*Religion	0.0633***	(0.0055)	0.0317***	(0.0037)
2012*Benefits Com.	0.0509***	(0.0075)	0.0356***	(0.0055)
2012*Other	0.0410**	(0.0174)	0.0181*	(0.0098)
2013*Health	0.0353***	(0.0107)	0.0243***	(0.0081)
2013*Education	0.0368***	(0.0082)	0.0286***	(0.0052)
2013*Religion	0.0710***	(0.0055)	0.0348***	(0.0037)
2013*Benefits Com.	0.0537***	(0.0075)	0.0381***	(0.0056)
2013*Other	0.0400**	(0.0176)	0.0224**	(0.0101)
Urban	-0.0453***	(0.0012)	-0.0026***	(0.0007)
Province				
BC	-0.0178***	(0.0019)	0.0077***	(0.0011)
SK	0.0027	(0.0025)	-0.0036***	(0.0013)
MB	0.0546***	(0.0025)	0.0304***	(0.0014)
ON	-0.0533***	(0.0016)	-0.0153***	(0.0009)
QC	0.0461***	(0.0018)	0.0645***	(0.0011)
NB	0.0658***	(0.0032)	0.0095***	(0.0016)
NS	0.0032	(0.0028)	0.0121***	(0.0016)
PEI	0.0033	(0.0061)	0.0022	(0.0035)
NL	0.1086***	(0.0045)	0.0325***	(0.0023)
YT	0.1828***	(0.0115)	0.1835***	(0.0189)
NT	0.0521***	(0.0137)	0.0904***	(0.0096)
NU	-0.0062***	(0.0261)	0.1197***	(0.0192)
Constant	-0.4236***	(0.0049)	-0.2372***	(0.0034)

N	724,813	724,813
R^2	0.2891	0.3187

Source: Authors' own construction based on T3010 data**.**

**p < 0.01; * p < 0.05

The reference categories are: public foundation, welfare and Alberta for designation, charity category and province respectively.