Environmental Philanthropy in Canada: Situation Analysis and Opportunities for Growth

October 12, 2006
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Giving in Canada
Giving in Canada

Over 22 million Canadians – 85% of the population aged 15 and over – made a financial donation to a charitable or other nonprofit organization in 2004.

The amounts donated totaled to $8.9 billion, and average of $400 each.

Average donation sizes were highest in Alberta ($500) and lowest in Quebec ($176). All provinces West of Quebec exceeded the national average in donation size.

Rates of both donating and volunteering in Canada appear to be rising significantly, compared to 1997 and 2000 surveys (exact questions differ, so comparisons are difficult).

Source: Statistics Canada 2006 & 2001; Anderson 2005
Giving in Canada

Canadians who give more are more likely to:
- be older (55 plus)
- have higher levels of education (college or university)
- have a higher household income ($75K+)
- be married, living common-law or widowed
- be religiously active.

The percentage of people who give in any particular age group doesn’t vary much, but the amount of the gift(s) increases with age.

Source: Statistics Canada 2006; Anderson 2005
Giving By Region

Donator rates (that is, the number of donors per adults, not the amounts) are highest in Atlantic Canada, lowest in the North.

Volunteer rates, however, are highest in the North and Saskatchewan.

Source: CSGVP 2006
Giving By Region

<table>
<thead>
<tr>
<th>Volunteering and donating, by province and territory</th>
<th>Number of volunteers</th>
<th>Volunteer rate</th>
<th>Number of donors</th>
<th>Donor rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>thousands</td>
<td>%</td>
<td>thousands</td>
<td>%</td>
</tr>
<tr>
<td>Canada</td>
<td>11,809</td>
<td>45</td>
<td>22,193</td>
<td>85</td>
</tr>
<tr>
<td>Newfoundland and Labrador</td>
<td>187</td>
<td>42</td>
<td>411</td>
<td>93</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>54</td>
<td>47</td>
<td>107</td>
<td>93</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>377</td>
<td>48</td>
<td>701</td>
<td>90</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>273</td>
<td>44</td>
<td>547</td>
<td>88</td>
</tr>
<tr>
<td>Quebec</td>
<td>2,114</td>
<td>34</td>
<td>5,172</td>
<td>83</td>
</tr>
<tr>
<td>Ontario</td>
<td>5,075</td>
<td>50</td>
<td>9,043</td>
<td>90</td>
</tr>
<tr>
<td>Manitoba</td>
<td>459</td>
<td>50</td>
<td>770</td>
<td>84</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>428</td>
<td>54</td>
<td>651</td>
<td>82</td>
</tr>
<tr>
<td>Alberta</td>
<td>1,227</td>
<td>48</td>
<td>2,045</td>
<td>79</td>
</tr>
<tr>
<td>British Columbia</td>
<td>1,580</td>
<td>45</td>
<td>2,695</td>
<td>77</td>
</tr>
<tr>
<td>Yukon</td>
<td>11</td>
<td>52</td>
<td>16</td>
<td>76</td>
</tr>
<tr>
<td>Northwest Territories</td>
<td>16</td>
<td>53</td>
<td>24</td>
<td>79</td>
</tr>
<tr>
<td>Nunavut</td>
<td>8</td>
<td>42</td>
<td>12</td>
<td>63</td>
</tr>
</tbody>
</table>

Note: Estimates may not add to totals due to rounding.

Source: CSGVP 2006
Comparing Canada

Canada: In 2004, 85% of Canadians reported donating to at least one charity in the previous year.

Australia: In 2004, 87% of all adult Australians (13.4 million people) donated money to charity in the previous year.

UK: In 2005, approximately 65.8% of adults in the U.K. gave to charity in a given month.

U.S.: In 2004, approximately 70-80% of Americans donated to at least one charity in the previous year.

Source: Statistics Canada 2006; NCVO (U.K.), 2005; Giving Australia 2005; Giving USA Fdn 2004
Comparing Canada

Among tax-filers, Americans donate more than Canadians. In 2003, Americans donated 1.57 percent of aggregate income to charity, more than twice that of Canadians (0.70 percent). The extent of charitable giving is also lower in Canada, where 24.9 percent of all tax filers made donations, compared to 29.4 percent of Americans.

However, not all donors file taxes, many donations are not claimed on tax files, and many donations do not qualify for tax deductions and thus are not reported.

Source: Fraser Institute 2005; Statistics Canada 2001
Giving: Who?

The typical Canadian donor is:

- female
- married
- 35-54 years old
- has a post-secondary education
- has a full-time job
- household income of $60K+
- attends religious services regularly.

Source: Statistics Canada 2006; Anderson 2005
Giving: Who?

- Canada’s ‘top donors’: 25% of donors donated $325 or more, accounting for 82% of all donations.
- People with a university degree are both more likely to give and more likely to make a larger gift than those with less formal education.
- Women are slightly more likely to give than men, but their gifts tend to have lower value than gifts by men.
- The percentage of donors and the value of donations increase with:
  - increasing household income
  - higher levels of formal education
  - more frequent attendance at a place of worship
  - full-time employment (as compared with part-time work or retirement)
- These factors are the same in the U.K., Australia and the U.S.
- Donation rates among New Canadians are virtually the same as for all other Canadians. In 2004, the 18% of Canadians who were landed immigrants, or had been at some point in their lives, gave 20% of the total value of all donations (Statistics Canada 2006).

Giving: Where?

People give the most **money** (in terms of donation size, vs. rate of donation):

- at their place of worship (41%)
- through direct mail (15%)
- through charitable events (8%)
- or on their own (8%)

Source: Statistics Canada 2006; Health Charity Consortium 2000; Anderson 2005
### Giving: How?

<table>
<thead>
<tr>
<th>Method of donation (all donations in Canada, 2004)</th>
<th>% of total # of donations</th>
<th>% of total donation value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail request</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Door-to-door canvassing</td>
<td>14</td>
<td>3</td>
</tr>
<tr>
<td>At shopping centre or on the street</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Sponsoring someone</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td><strong>Church collection</strong></td>
<td><strong>11</strong></td>
<td><strong>41</strong></td>
</tr>
<tr>
<td>At work</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>In memoriam</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Charity event</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>On own</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Phone request</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>TV or radio request</strong></td>
<td><strong>2</strong></td>
<td><strong>2</strong></td>
</tr>
</tbody>
</table>

#### How Often? Half say they make a donation to a charity a few times a year; an additional 43% do so once or twice a year.

Source: Statistics Canada: 2006
Planning Gifts = Larger Gifts

- The higher the value of the gift, the more likely it is that the donor has decided in advance which organizations to support.
- ‘Plan-ahead’ donors give nearly 3 times more than donors who wait to be asked before giving.
- About one in three (32%) Canadians planned his or her donations in advance in 2003.

Source: Decima Research/Investors Group 2003
### Giving to specific organizations

<table>
<thead>
<tr>
<th>Type of organization</th>
<th>% of all donations made by Canadians in 2004</th>
<th>% of donors giving to this type of organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religion</td>
<td>45</td>
<td>38</td>
</tr>
<tr>
<td>Health</td>
<td>14</td>
<td>57</td>
</tr>
<tr>
<td>Social services</td>
<td>10</td>
<td>43</td>
</tr>
<tr>
<td>Grantmaking, fundraising and volunteerism promotion</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Hospitals</td>
<td>5</td>
<td>18</td>
</tr>
<tr>
<td>International</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Education and research</td>
<td>3</td>
<td>20</td>
</tr>
<tr>
<td>Environment</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Sports and recreation</td>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>Law, advocacy and politics</td>
<td>1</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Statistics Canada: 2006
Giving to specific organizations

The bulk of donations in 2004 were provided to religious organizations (which received 45% of all donated dollars), health organizations (14%) and social services organizations (10%).

Donations to environmental organizations represent 2% of the total dollar value of donations in 2004.

Source: Statistics Canada: 2006
Environmental Giving
Canadians Love Nature

Over half of Canadians strongly agree that “time spent in nature is a favorite activity”

Nature, as a source of both abundance and renewal, is seen as emblematic of Canada’s identity

Source: Environmental Monitor, Sept-06
Concern about Environment

- Concern about the natural environment is once again in the “top three” of primary national concerns for Canadians.

- Environmental concern has not always been top-of-mind for Canadians – but it is chronically high, and is, in fact, rising.

- Among urban Canadians, the level of concern about the environment ranges from moderate to high, but few are highly alarmed; most express interest and concern.

- Most feel the environment is an issue that will more directly affect the generations to come, particularly their health.

- Concern for the environment is higher among:
  - Women
  - Urban dwellers
  - People who have health concerns

Source: McAllister Opinion Research/Globescan
May 2006
Environment as a Top-of-Mind National Issue: 1987-2005

Unaided – First Mention

“Green Wave” 1987-92

Ozone hole
Greenhouse effect
Exxon Valdez

Green Plan
Rio Summit
Green Products

Green is offline
1994-2001

December 2005

Source: McAllister Opinion Research/Globescan
May 2006
Issue: Concern for Wildlife/Habitat Being Overtaken by Climate Change

“Very Concerned” about specific environmental issues, 1996-2005

The Environment-Giving ‘Disconnect’

- The natural environment matters deeply to Canadians – and that concern is growing.
- But support for ENGOs, in the form of charitable donations, is stagnant.
- Yet, ENGOs are consistently seen as credible messengers on the environment.
- The upshot: there is a significant disconnect between Canadians’ concern for environmental protection, and their philanthropic support of environmental groups.
Giving to ENGOs

Donor rate, by selected organization type

- Religion: 38%
- Health: 57%
- Social services: 43%
- Grant-making fundraising: 13%
- Law advocacy: 6%
- Environment: 7%
- Education research: 20%
- International: 7%
- Hospitals: 18%
- Sports & recreation: 18%

Source: Statistics Canada: 2006
Giving to ENGOs

In 2004:
- environmental organizations received approximately $178 million in donations (2% of the total donations of $8.9 billion).
- these donations were made by 1.54 million Canadians (7% of the total donor base of 22 million).

In 2000:
- environmental organizations received 2% of charitable donations, representing approximately $100 million, unchanged since 1997.

Source: Statistics Canada: 2006; Anderson: 2005
Giving to ENGOs

- 7% of all donors in Canada donate to environmental organizations. *This is virtually unchanged since 1990.*

- The proportion of Canadians who give to environmental groups (7%) does not vary significantly with income above $100K.

- The exception is donors with incomes over $1M: 10% of these donors give to environmental groups.

- The portion of Canadians donating to environment were virtually the same for immigrants (7%) compared to non-immigrants (8%) in 2004.

*Source: Statistics Canada: 2006 & 2000; Anderson 2005*
Giving to ENGOs

Both the 2000 and 2006 *Surveys on Giving, Volunteering and Participating* define environment broadly:

“*Environment*: This category includes organizations promoting and providing services in environmental conservation, pollution control and prevention, environmental education and health, and animal protection”.

Thus, when animal protection is removed from the mix, nature-focused environmental philanthropy is even less than 7%!
Giving to ENGOs

- Canada’s most generous donors to ENGOs:
  - are typically over 60
  - have their home and cottage paid off
  - have grown children living on their own
  - are thinking of their own legacy

Source: Anderson 2005
Giving to ENGOs

In 2006, 38% of Canadians say they donate money to environmental groups regularly (6%) or occasionally (32%).

In 2000-01, 33% of British Columbians said they had donated money to an environmental group. As elsewhere in Canada, this group was more likely to be:
- Age 55 and over
- Have a university degree
- Have a household income of 70K +
- Have lived in BC for 11-20 years

Source: Environmental Monitor, 2006; IMPACS 2001
Giving to ENGOs

Four in 10 Canadians would be willing to donate more to nature conservation groups if they knew that the government would match their contribution.

Those age 18-24 are more likely to say this than those in other age groups.

Source: Environics International, 2001
Eco-Gifts: An Emerging Trend?

- Eco-Gifts are gifts of land title or the value of a conservation easement", "covenant", or "servitude"
- Eco-Gifts include a range of sensitive habitat types, including tidal wetlands, boreal forests and prairie grasslands
- The Eco-Gift program began in 1995, when landowners were first able to receive federal and provincial tax assistance for protecting ecologically sensitive lands
- Eco-Gifts have grown from 0 to 513 gifts in Canada, valued at $153.2 million, and amounting to a land base larger than the Bruce Peninsula National Park in Ontario

Source: Environment Canada
Environmentalists are Credible Information Sources

- Scientists have the greatest credibility as sources of information on the environment (37%), followed by Environment Canada (26%) and environmental groups (24%)

- Provincial environment ministries are well behind (9%)

- Industry leaders have the lowest credibility as information sources on the environment (3%)

Source: Environmental Monitor, Sept-06
ENGOS are credible ‘messengers’…

One in four Canadians has a great deal of confidence in environmental groups as a source of information. An additional one in two has some confidence in these groups.

Ranking of groups as sources of information, in order of confidence:

1. Scientists and experts (37%)
2. Environment Canada (26%)
3. Environmental groups (24%)
4. Local power utilities (9%)
5. Provincial environment ministry (9%)
6. Industry executives (3%)

Source: McAllister Opinion Research/Globescan May 2006
… But not ‘problem-solvers’

Canadians are unlikely to see environmental groups as being able to solve environmental problems.

Only 10% think environmental groups are best able to solve these problems, compared to 38% for governments, 25% for individuals, and 13% for companies.

The percentage of Canadians who think environmental groups are best able to solve problems has dropped since 2000, when it was 13%.

Source: McAllister Opinion Research/Globescan May 2006
Motivations and Barriers
Motivations for Giving

In order of popularity, Canadians aged 15+ say they make financial donations because they:
1. Feel compassion for people in need (89%)
2. Support a cause in which they personally believe (86%)
3. Want to make a contribution to the community (79%)
4. Are personally affected by the cause the organization supports (63%)
5. Want to fulfill religious obligations or beliefs (32%)
6. Want to receive an income tax credit (20%)

Over half (53%) of current donors say they would contribute more if the government offered a better tax credit.

Source: Statistics Canada 2006
Barriers to Giving More

Reasons given for NOT donating more (current donors):
1. Could not afford to give more (72%)
2. Was happy with what was already given (64%)
3. Gave money directly to people, not through an organization (37%)
4. Did not like the way in which the requests were made (34%)
5. Gave voluntary time instead of money (31%)
6. Did not think money would be used efficiently (30%)
7. No one asked (23%) [Note: this is nearly 1/4]
8. Did not know where to make a contribution (11%)
9. Found it hard to find a cause worth supporting (9%)

Source: Statistics Canada 2006
Motivators and Barriers: Their own words…

<table>
<thead>
<tr>
<th><strong>Motivators</strong></th>
<th><strong>Barriers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• There are a lot of people who can use help, and I just want to do my part.</td>
<td>• There were too many organizations asking for my money.</td>
</tr>
<tr>
<td>• I believe strongly in donating to charities.</td>
<td>• I don’t have money to spare.</td>
</tr>
<tr>
<td>• I’ve been giving to the same organization for years; it’s become a habit.</td>
<td>• I feel like I already do my share.</td>
</tr>
<tr>
<td>• With all the government cutbacks to the needy, ordinary citizens like me have to do their part.</td>
<td>• I volunteer my time to organizations instead of giving money.</td>
</tr>
<tr>
<td>• I was asked to give a donation by someone I know.</td>
<td>• I didn’t receive adequate information.</td>
</tr>
<tr>
<td>• Someone called me and I just happened to be in a receptive mood.</td>
<td>• I didn’t get asked.</td>
</tr>
<tr>
<td>• The organization that called me convinced me to donate.</td>
<td>• I never thought of giving more.</td>
</tr>
</tbody>
</table>

Source: Ipsos-Reid Charitable 2002
Trends in Canadian Fundraising
Trends in Canadian Fundraising

What fundraising techniques do you use at your charity?

- Corporate Donations/Sponsorship: 87%
- Direct Mail: 81%
- Events (dinners/galas/concerts): 76%
- Planned Giving: 71%
- Major Gift Campaigns: 68%
- Sporting Events/Marathons/Walk-a-thons: 37%
- Telephone Solicitation: 32%
- Draws/Lotteries: 28%
- Cause Related Marketing/Sales (bake sales, etc.): 25%
- Collection Plates/Boxes: 20%
- Door-to-Door Solicitation: 10%
- Other: 18%

Source: Trends in Canadian Fundraising. 2006
Fundraising Techniques

Growing in usage:
- Planning giving
- Major gift campaigns
- Corporate donations/sponsorships
- Events (dinners, galas, concerts)
- Sporting events/marathons

Declining in usage:
- Door-to-door solicitation
- Telephone solicitation
- Collection boxes
- Direct mail
- Cause-related marketing/sales

Source: Trends in Canadian Fundraising. 2006
## Fundraising Resources

<table>
<thead>
<tr>
<th></th>
<th>All charities</th>
<th>Environmental charities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have an online donation vehicle</td>
<td>77%</td>
<td>90%</td>
</tr>
<tr>
<td>Offer directed donations</td>
<td>85%</td>
<td>80%</td>
</tr>
<tr>
<td>Have an employee that spends most or all of their time on fundraising</td>
<td>39%</td>
<td>25%</td>
</tr>
<tr>
<td>Have a formal donor bill of rights</td>
<td>48%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Source: Trends in Canadian Fundraising. 2006
Increasing Environmental Giving
Increasing environmental giving

Overview:

- Two-pronged strategy:
  - Retain & deepen relationships & engagement among existing donors (the 7%)
  - Identify and reach out to ‘persuadables’ among potential unengaged donors (the 93%) not giving to environment

- Deliver the right messages for those audiences, and tailor their delivery to donor wishes

- *Strengthen the positioning of ENGOs as messengers/vehicles for delivering on donor values*

- Increase ENGO capacity for all of the above
Retain the 7%

- Be ready to solicit and receive major gifts
- Implement gift acceptance policies & procedures
- Get to know your donors; practice good donor stewardship
- Stay abreast of new giving opportunities (e.g. removal of capital gains tax on gifts of securities)
- Offer choice: Communicate with donors when they want, in their preferred way (on-line, phone, mail, face-to-face, events); tailor outreach accordingly
Reach out to the 93%

Tailor messages and approaches according to demographic data:

- older (55 plus)
- higher levels of education (college or university)
- higher household income ($75K+)
- married, living common-law or widowed
- religiously active
- thinking about their legacy
The Persuadables

A subset of the 93% that is:

- concerned about the environment (e.g. has seen An Inconvenient Truth)
- inclined toward environmentally responsible consumer behaviours (e.g. avoids over-packaged products; looks for recycled content)
- Directly or indirectly (children or close friends) experiencing health concerns that may be affected by the environment (e.g. asthma)
Best vehicles (Potentially)

- Professional financial advisors: as “gatekeepers” to persuadables re: bequests, major gifts
  - Face-to-face with key influencers and “early adapters”
  - Speaking opportunities at AGMs and major gatherings
  - Directories for ease of reference
  - Tailored articles, profiles in niche media

- Corporations/Agencies: cultivate one major “early adapter” as gatekeepers for large, United Way-scaled employee giving program (eg. Environment Canada!)

- Religious congregations: cultivate faith groups as “endorsers” or ambassadors (for stronger positioning and credibility among ENGOs), or joint partners for specific on-the-ground shared programs

- Major gift campaigns
Potentially Effective Messages
Messages must address...

Credibility: Say’s who?

Relevance: So what?

Benefits: What’s in it for me?
Motivating Message Themes

Consider framing nature/habitat issues in the context of global warming, concern for which is reaching record levels among Canadians across the country.

Other salient arguments for protecting the environment (and presumably, investing in the protectors), are:

- Safeguarding human health
- Children and their children (‘future generations’)
- Interconnection: Healthy ecosystems and food chains support all life, including our communities (sometimes described as “ecosystem services”)

Potentially Effective Messages

Speak to solutions and benefits

- When it comes to sustainability issues, environmental “thought leaders” respond well to negative “doom-saying” messages.

- But - most other groups do not. For most, support drops by as much as 50% when audiences are presented with negative environmental images.

- Audiences need to believe that positive change is possible before they will be motivated to act.

Sources: Hoggan 2006; Mcallister Opinion Research 2006; D-Code 2000
Potentially Effective Messages

Show audiences that others are engaged

Research shows that many Canadians feel that, while they are personally concerned about the environment, others are not. This is not true, but clearly contributes to a sense of helplessness and isolation among potential advocates of sustainability.

The greater their sense that others do not care, the more likely it is that potential donors will not engage or invest in solutions.

Conversely, research shows that Canadians – including youth – are highly motivated by learning of on-the-ground successes and leadership from other countries and communities.

Sources: Hoggan 2006; Mcallister Opinion Research 2006; D-Code 2000
Potentially Effective Messages

Put People in the Picture

- Conservationists often use spectacular images of large, natural landscapes to convey their messages.
- For most Canadians, however, these images are seen as empty, devoid of human life.
- Use people in imagery; help donors connect with real people in specific situations on an emotional level (compassion is strongest motivator for most donors).

Sources: Hoggan 2006; McAllister Opinion Research 2006
Potentially Effective Messages

Re-frame from greed to mismanagement

When problems are framed as being caused by human nature, such as greed, laziness or selfishness, they are seen as unsolvable by many North Americans. This framing leads to disengagement.

Instead, research in a number of studies shows that audiences are much more likely to engage when sustainability problems are framed as being caused by mismanagement or irresponsible leadership.

Source: Mcallister Opinion Research 2006
Potentially Effective Messages

**Heighten urgency: Highlight choice, risks**

- Campaigns focused on second-hand smoke speak very much to both choice and involuntary risk – which is why they have been particularly successful.

- Possible angles: childhood asthma, loss of habitat for families of breeding wildlife, opportunities for tomorrow’s children to experience wild, abundant natural places...
Positioning ENGOs

- Reinforce perceptions of ENGOs as reliable experts and sources of credible information - possibly through targeted, joint media & communications campaigns
- Establish position as problem-solver – use examples, case studies
- Establish position as worthy recipient of donations (wise use of funds; sound governance, etc.); use testimonials from credible major donors
Increasing ENGO capacity

- Increase staff and volunteer time dedicated to fundraising and donor engagement; catch up to the rest of the sector
- Prepare to receive major and planned gifts and bequests
- Join professional fundraising organizations (AFP, CAGP, Imagine Canada) to raise credibility and profile across the ENGO community
- Improve fundraising governance (donor bill of rights, conflict of interest policy, audit committee); again, catch up to the rest of the sector
References

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12. Ipsos-Reid: BC participation in philanthropic activities and views of provincial charitable organizations
13. Ipsos-Reid: Charitable Giving Market in BC; December 2002
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