

Environmental Philanthropy in Canada: Situation Analysis and Opportunities for Growth



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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).

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.



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

Giving By Region

Volunteering and donating, by province and territory

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

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

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

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

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.



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%)



Giving: How?

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

 **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.

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.



Giving to specific organizations

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

Source: Statistics Canada: 2006

Giving to specific organizations

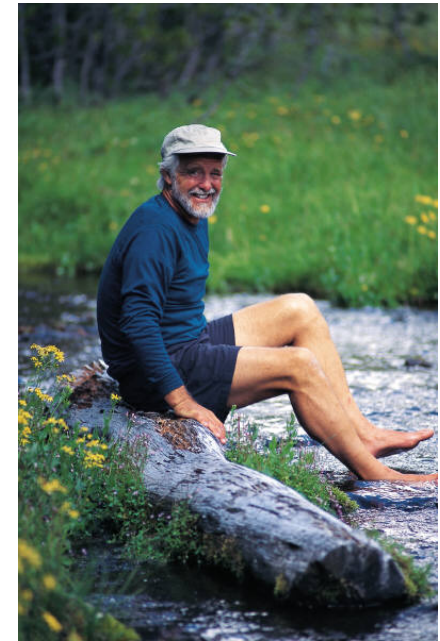
- The bulk of donations in 2004 were provided to religious organizations (which received 45% of all donated dollars), health organizations (14%) and social services organizations (10%).
- Donations to environmental organizations represent 2% of the total dollar value of donations in 2004.

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



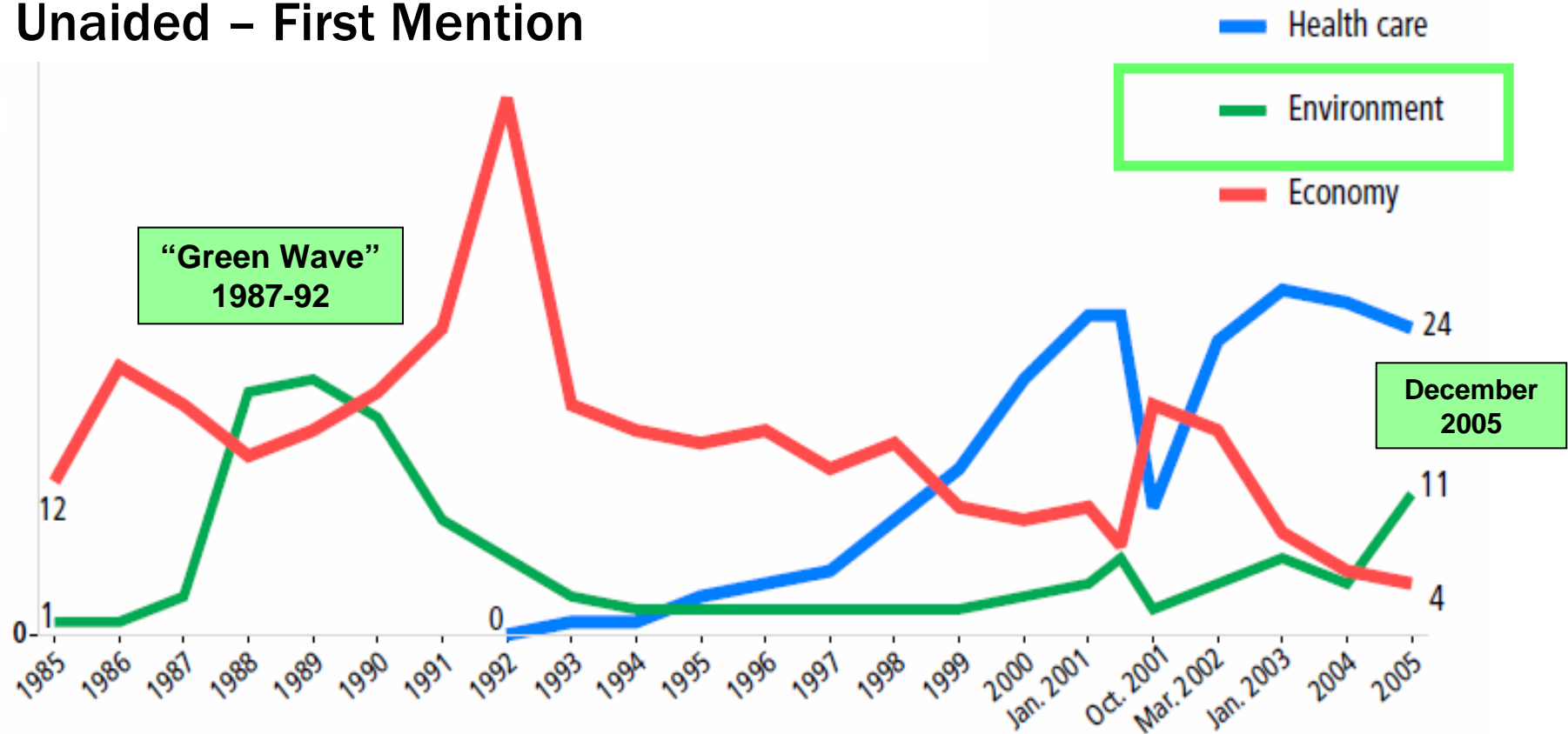
Concern about Environment

- 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



Environment as a Top-of-Mind National Issue: 1987-2005

Unaided – First Mention



Ozone hole
Greenhouse effect
Exxon Valdez



Green Plan
Rio Summit
Green Products



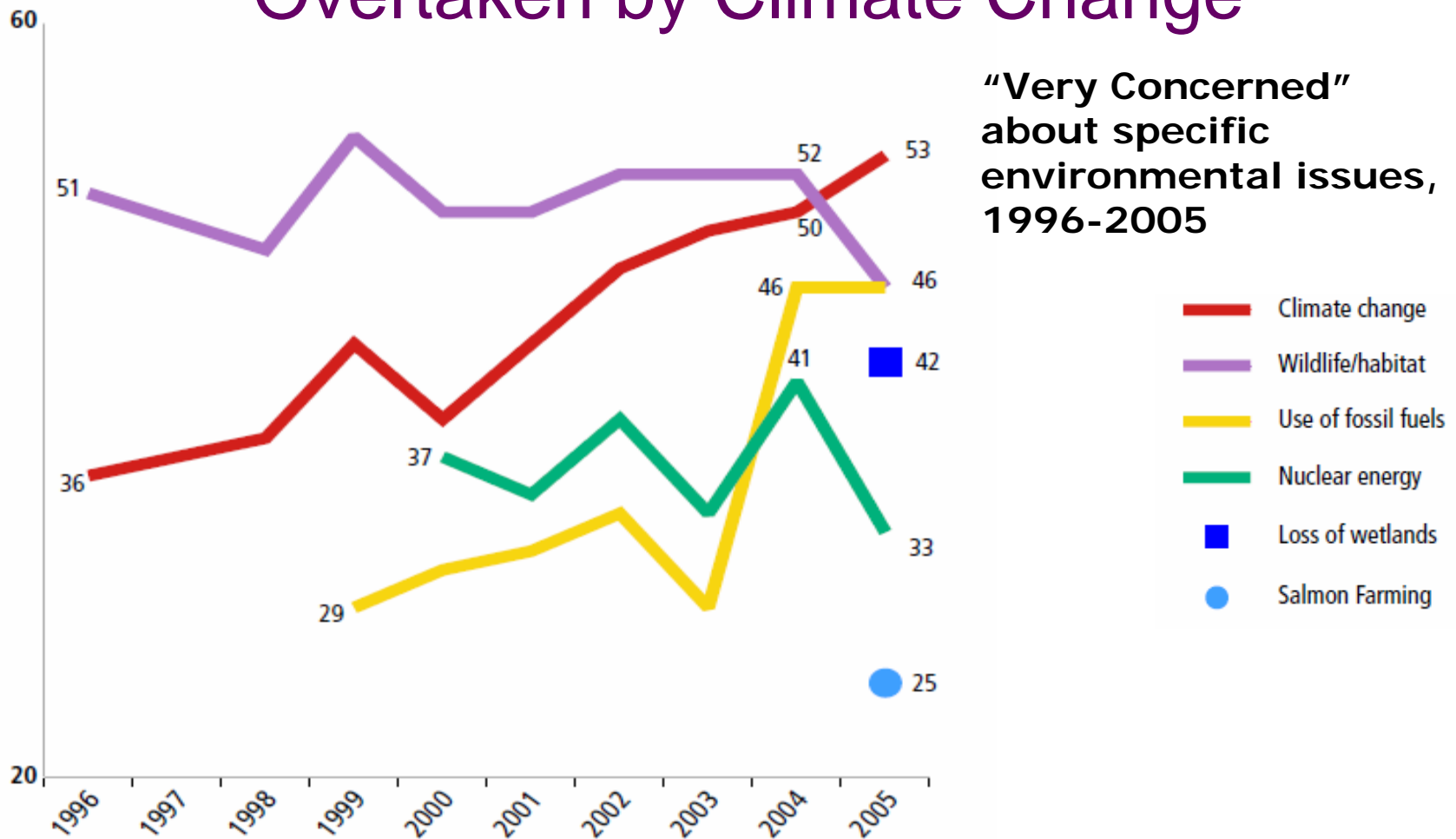
Green
is offline
1994-2001



Source: McAllister Opinion Research/Globescan
May 2006



Issue: Concern for Wildlife/Habitat Being Overtaken by Climate Change



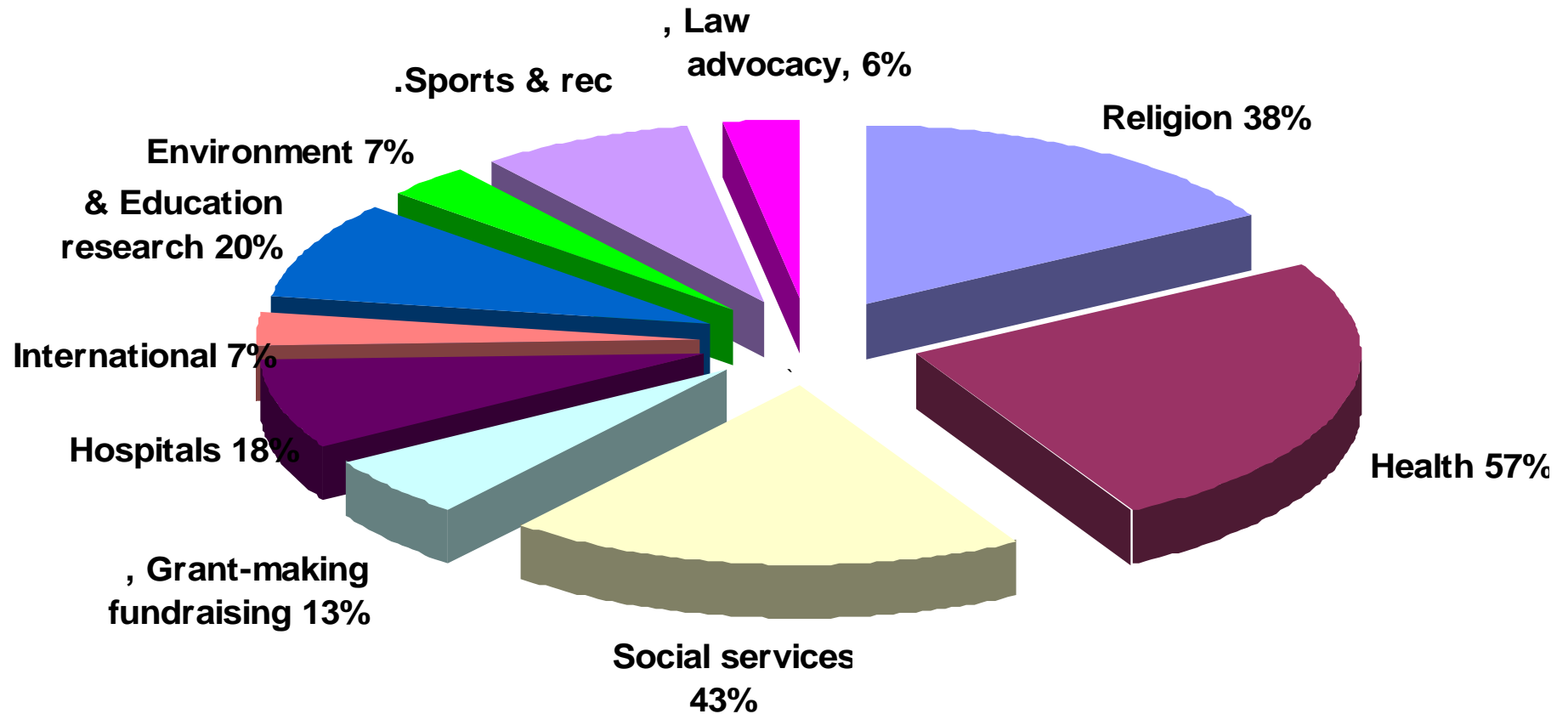
Source: McAllister Opinion Research/Globescan:
Environmental Monitor, May 2006

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



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.

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

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

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

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.

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

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%)

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%)

... 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%.

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

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%)

Motivators and Barriers: Their own words...

Motivators	Barriers
<ul style="list-style-type: none">• There are a lot of people who can use help, and I just want to do my part.• I believe strongly in donating to charities.• I've been giving to the same organization for years; it's become a habit.• With all the government cutbacks to the needy, ordinary citizens like me have to do their part.• I was asked to give a donation by someone I know.• Someone called me and I just happened to be in a receptive mood.• The organization that called me convinced me to donate.	<ul style="list-style-type: none">• There were too many organizations asking for my money.• I don't have money to spare.• I feel like I already do my share.• I volunteer my time to organizations instead of giving money.• I didn't receive adequate information.• I didn't get asked.• I never thought of giving more.

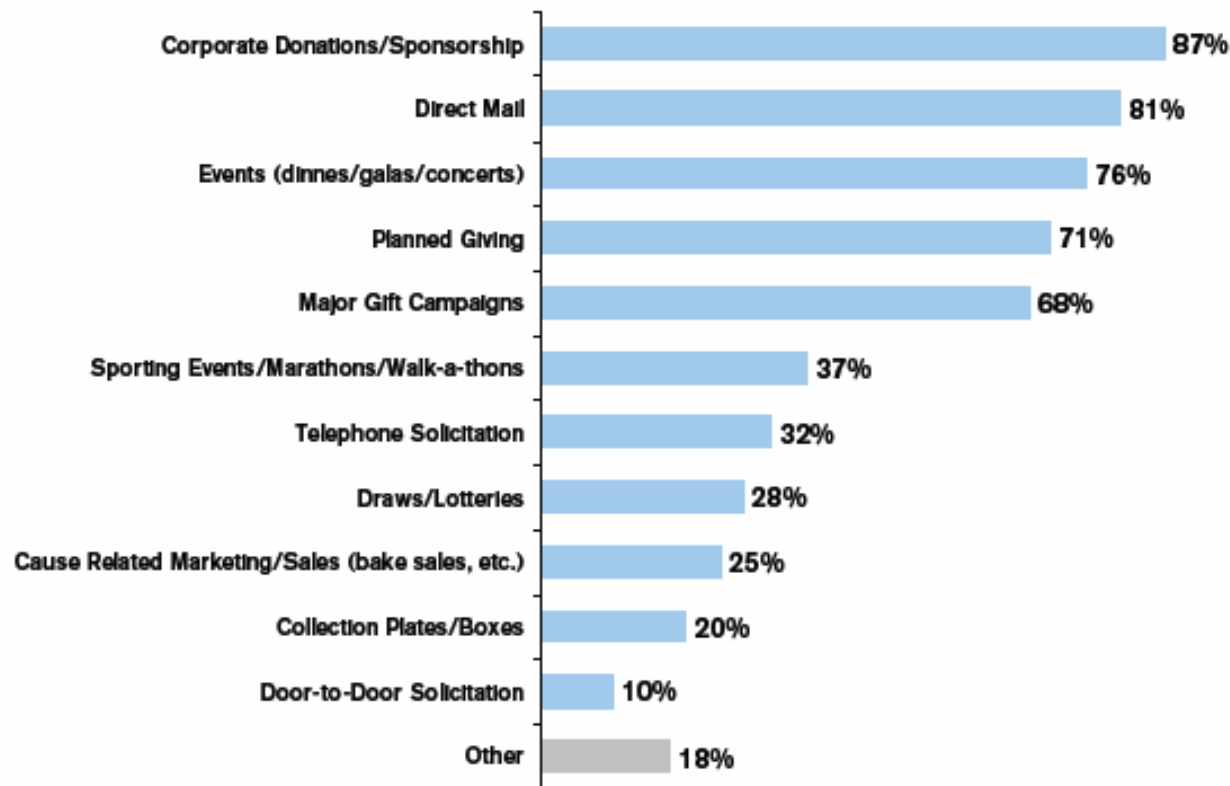
Trends in Canadian Fundraising



Trends in Canadian Fundraising



What fundraising techniques do you use at your charity?



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

Fundraising Resources

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

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...



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.

Potentially Effective Messages

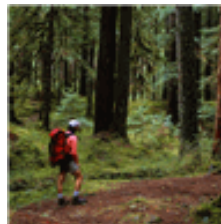
Show audiences that others are engaged

- 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.

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).



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.

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

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