

Government of Canada

Standing Committee on Finance: Pre-Budget Consultations

“DonACTION” a program to rebuild the non-profit sector

Executive Summary

Charitable behaviour in Canada has been declining as evidenced by the lower incidence of tax filers claiming a charitable tax credit, and a decline in average donations per tax filer. This is important because the Non-Profit Sector plays a significant role in the civility and quality of our communities. The sector also employs 2 million Canadians, and represents 7% of our GDP.

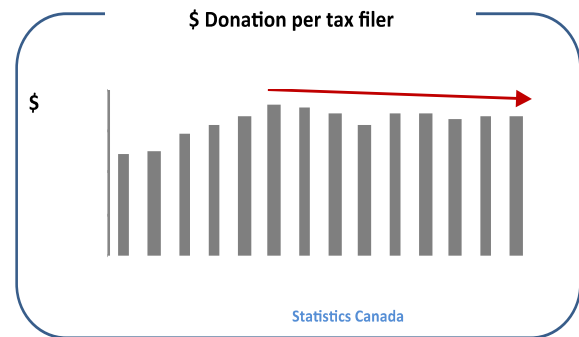
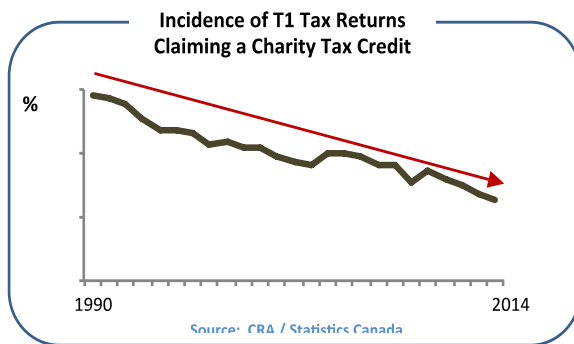
Canada has generous tax incentives for charitable giving, however studies show there is no correlation between tax incentives and giving behaviour. We believe the solution to improving giving behaviour in Canada rests in policies beyond just tax policy alone.

We propose DonACTION, a national public program to raise awareness and engage the Canadian public to grow the culture of generosity in Canada. This will be a fully integrated social initiative focused on Canadians' values, attitudes, and motivations, executed by a coalition of partners in the non-profit sector engaged to implement a series of definable and measurable initiatives within this one coordinated program. Our current demonstrated success with “GivingTuesday” and “The Great Canadian Giving Challenge” proves such programs can increase giving behaviour.

We recommend that the Government of Canada partner with GIV3 to create a non-profit coalition to support this multi-faceted program. This would be similar to the concept of ParticipACTION. We believe funding of \$25 million over a period of 5 years is sufficient to prove out the concept. This partnership is a logical, affordable, and effective way to fulfill the government's vision for a compassionate Canada. Our plan will reverse the decline in charitable behaviour and make Canadian communities stronger, while engaging diverse groups in this collaborative effort.

The growing Canadian charity gap

- While over 80% of Canadians say they donate to charity annually, less than 22% of tax returns claim a charity credit. This incidence has been steadily declining.
- Average donation per tax filer has been declining over the past ten years (particularly among young adults). It is not even keeping up with inflation.
- Similar patterns have emerged in the volunteering landscape as well.



Increased charitable tax credits are not the solution

- Canadian tax incentives are some of the highest in the world. However, increasing tax incentives is a costly approach and studies show that there is almost no correlation between higher tax incentives and greater philanthropy. As a case in point, while Quebec has the highest level of charitable tax credits in the country, Quebecers are the lowest donors per capita in Canada.
- Philanthropy and volunteering are cultural values, and not an outcome of tax policy. Instead of increased tax incentives, the solution lies in creating a long-term shift in our societal and cultural values.
- Canadians have experienced real growth in wealth (in constant equivalent dollars) over the past twenty years, and especially among the top twenty percent of Canadians. Our capacity to give is strong, but our values regarding giving and volunteering are not as strong as they were a generation ago.

The proposed solution

In past generations, governments have put considerable support behind social programs to encourage behavioural change, such as recycling, the use of seat belts, decreased smoking, and to curb drunk driving - all for the public good. These campaigns have required a long-term, multi-faceted, sustained approach in order to influence behaviour and make these desired outcomes part of the popular social norm. A well known example is ParticipACTION, the campaign to boost greater physical activity. We propose that the Non-Profit sector needs a similar social program to encourage more Canadians to be more giving.

Evidence indicates that giving and volunteering is a learned activity, influenced by family, mentors, educators and community leaders. A survey of 1,000 Canadian adults conducted by IPSOS, a global market research firm, shows that our level of giving is determined by behavioural expectations, that those who grew up being taught to give back do indeed give and volunteer more than average.

Based on this learning, we propose the DonACTION initiative, an integrated program encouraging more Canadians to be more charitable. This program is similar to ParticipACTION, but promoting giving and volunteering rather than active lifestyle.

The approach

- Because there are many reasons for the slow, continuous decline in charitable behaviour in Canada, the solution requires a multi-faceted approach, with several different targets and programs.
- The program will maximize Canadians' engagement in the charitable sector through partnerships with government, corporations, non-profit organizations, and volunteers/citizens. It will focus on education, encouragement, facilitation, and reminding the Canadian public as well as address any negative perceptions of charities, reduce barriers to giving, facilitate the ease of giving and volunteering, and 'sell' the positive feeling of giving back.
- The program will include a range of initiatives such as a financial and legal professionals initiative, social media networking, behavioral economic initiatives with T1 tax reviews, citizens handbook, a university/college program, training for charitable organizations for best practices, youth and seniors engagement program, employers' programs, public engagement events, community and volunteer recognition awards, as well as storytelling and celebrating achievements of individual charities in local communities.
- Each initiative within the overall program will have specific and measurable objectives, a defined budget and will be led by the organization best positioned to effectively execute it. To ensure maximum efficiency, with minimal duplication, the overall initiative would be led by one organization responsible for coordinating and collaboration with all the participating organizations.

DonACTION program budget and funding

We recommend the Government of Canada provide funding of \$25 million over a period of 5 years to support the DonACTION initiative. A full budget plan and funding allocation is available on request.

Benefits to Canada and our communities

A rising tide floats all ships, so encouraging more charitable behaviour will benefit all Canadians and non-profits. It will bring our communities together and make for more civil and compassionate societies.

Had Canada maintained our individual giving levels of one generation ago, we would have had well over **\$2 Billion addition funds for charities, annually**. This is the size of our decline, and the size of opportunity (pay-off) ahead of us. We feel this compels us all to consider all possible solutions to encourage more charitable giving. We feel the cost of such a social movement offers a significant return on the relatively small investment.

The launch of a national DonACTION program would offer more funds for charities to engage aging and youth workers in both paid and voluntary positions. Strength in the sector will inevitably encourage more individuals to make this their career or retirement occupation of choice. This will add to Canada's attractiveness as a

destination for skilled immigrants, who will see our country as a progressive and welcoming community, contributing to a stronger Canada.

Why partner with GIV3 and our coalition?

GIV3 is an initiative started in 2008 by The GIV3 Foundation, a privately-registered Canadian charitable foundation (CRA #896499464RR0001).

Our mission is to encourage more Canadians to be more giving. The movement stands on three pillars: **G**iving, **I**nspiring others and **V**olunteering. GIV3, in collaboration with other sector leaders, has a proven track record of implementing programs to engage Canadian charities and the public in activities to encourage more giving, inspiring and volunteering. To date we have worked with CanadaHelps, CAGP, PFC, CFC, AFP, Imagine Canada, Rideau Hall Foundation and other sector leaders to launch and build these successful sector-wide programs.

[GivingTuesday](#)

[The Great Canadian Giving Challenge](#)

[The Philanthropic Conversation](#)

Conclusion

We recommend that the Government of Canada partner with GIV3 and a non-profit coalition to support DonACTION, providing funding of \$25 million over a period of 5 years. This partnership is a logical and effective way to fulfill the government's vision for a compassionate Canada. Our plan will reverse the decline in charitable behavior and make Canadian communities stronger, while engaging diverse groups in this collaborative effort.

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