

## EXECUTIVE SUMMARY

### The **GIV3** Initiative: “*The \$ Billion Solution*” A movement to encourage more Canadians to be more charitable

*This document presents a proposed solution to address the growing “Charity Gap” in Canada. It is intended to engage like-minded people, solicit input and consensus, and to seek an initial investment of \$1 million to launch the movement and make the “\$ Billion Solution a reality”.*

#### The Growing Canadian Charity Gap

- Less than 1 in 4 tax returns claim a charity credit. This has been declining for the past 20+ years.
- The average level of giving is 0.64% of income. The top 15% wealthy Canadians give even less at 0.5%.
- Governments have debt and are reducing their support of social programs – this threatens the charity sector.

This growing problem is known in the sector. There are many reasons why we have this problem. We feel the solution requires a multi-pronged approach to deal with each. **The key is to move forward with a concerted solution** (in a sector which has a tendency to avoid risks and to avoid changes). A new bold approach is needed.

**Approach to the Solution - GIV3:** Engage the Canadian public, at many levels, to raise awareness and to *create a movement to improve Canadian giving habits*. **The GIV3 mission is to encourage more Canadians to be more charitable**. This is founded on 3 pillars: encouraging more donations, more volunteering, and greater encouragement (teaching, coaching, and discussions). For those familiar with **ParticipACTION**, the public effort to encourage greater physical activity levels, the GIV3 philanthropic initiative would be a similar effort -- multi-faceted, but focused under one mission statement, one brand, and one steering team.

#### The \$ Billion Pay-Off:

1. If the national average of giving can be returned from 0.64% to a previously observed level of 1.0%, it will generate \$2.5 billion more for the non-profit sector, annually.
2. If just the top 15% of Canadian households (incomes of \$100+k), increase their giving to the national average (0.64%), it will generate \$1 billion more, annually.

**License-to-believe:** Canadians who have had mentors in their lives, who have been taught, who are receiving religious sermons, and/or know they should be more generous, are indeed more charitable. This is about teaching, reminding, and setting social norms. - Even if we achieve just 20% of our \$1 billion goal, this represents a \$200 million increase. This is an incredible leverage (ROI) on a relatively small investment. This compels us all to try! And the life-time value of increased charity becomes very significant.

**A National Multi-Faceted Program with Many Elements is Envisioned:** Youth engagement and educational programming in schools, colleges and universities, financial planning kits for the wealthiest Canadians, community associations for grass-roots leadership including youth, media and social network programs for on-going reminders, banks for facilitating donations through ATM and ‘charity accounts’, employers to increase prevalence of payroll deduction programs, governments to offer better tax incentive policies, CRA to promote charitable governance and public trust, Non-Profits to help promote and communicate the GIV3 message, a dedicated Quebec strategy, recognizing the unique history, culture and charitable landscape in that province, and many other programs may be added.

**Making the “\$ Billion Solution” a Reality:** GIV3 has been operating as a grass roots initiative, beginning in 2008. We run a public awareness program using the web, social media and active partnerships with 140+ charity partners in order to advance our mission. We continue to build towards this larger National “\$ Billion Solution”. We have created an advisory panel, with expertise covering the many facets of the \$Billion Solution initiative. **Moving towards Fruition:**

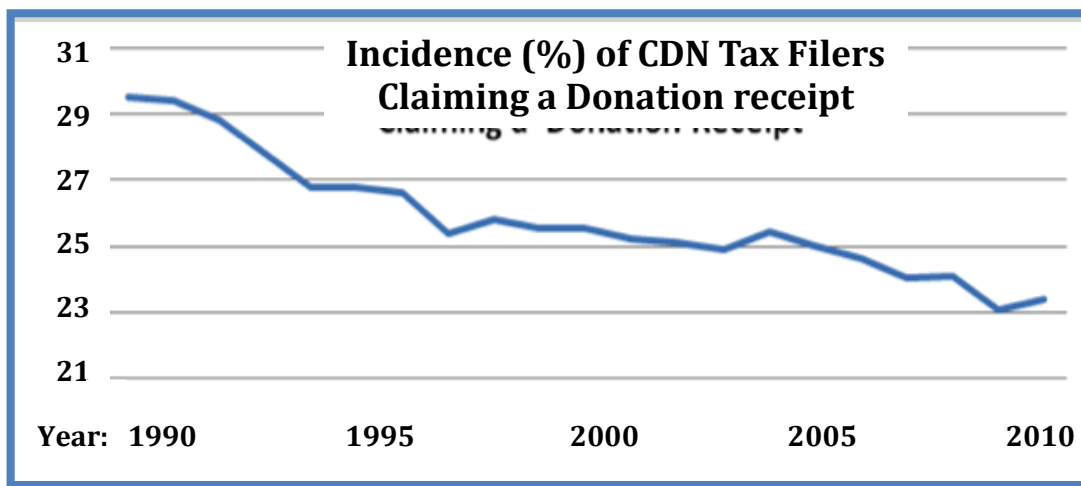
1. We seek agreement that it is best to have one coordinated program versus many disaggregated initiatives..
2. We seek input, and financial support from like-minded leaders and organizations. We believe we will be stronger with a consensus of the leading charitable organizations.
3. We plan to create an overall steering committee comprised of the leaders of the key sector partners to support, integrate, and coordinate a synergistic approach.
4. **We seek \$1 million to finance the highest priority programs and \$3-5 million annually once all the programs are assigned.** Financial investment is required to advance this mission: develop support materials, education programs, financial advisor kits, community awards, PSA materials, media support, etc.
  - We believe financial support should come from a combination of corporate support, foundations, private individuals and levels of government (because greater charity is indeed a ‘public good’).
  - We are asking the Federal Government to take the first step in supporting this initiative by approving an investment of \$1 million.

## Appearances May Be Deceiving...Our Growing “Charity Gap”

Canadians donated \$8.3 billion dollars to the charitable sector in 2010, up slightly from 2009. The latest Stats Canada findings show we volunteer over 2 billion hours a year, which represents an equivalent of 1.1 million full time jobs. Eighty-four percent of Canadians (15+ years old) claim to have made a donation in the past year. On the surface, this makes Canada appear to be one of the most generous nations in the world. To some, this sounds like great news. However, the statistics are deceiving. [Source of information: Stats Can, including CRA Tax Return data, Ipsos Canada].

The incidence of Canadians claiming charitable tax receipt has seen a steady decline over the past 20 years and now less than 1 in 4 Canadians is claiming charitable credits. Although Canadians are somewhat wealthier than Americans, they donate half as much per person. And the average Canadian donation level is low in absolute at just 0.64% of income. **This drops further among those with higher income in Canada (earning over \$100k annually) to just 0.5%.**

[Source of information: Stats Can, including CRA Tax Return data].



Compounding the problem, various levels of governments have deficits and debt and are faced with cutting back on expenditures. In short, we have a growing “Charity Gap” in Canada. The impact of this growing issue over the next 5-10 years has potentially devastating implications for the charity sector and needs to be addressed.

### Strategic Approach to the Solution

GIV3 seeks to engage the Canadian public by raising awareness and *create a movement to change Canadian giving habits*. **The GIV3 mission is to encourage more Canadians to be more charitable.** GIV3 is founded on 3 pillars: encouraging more donations, more volunteering and more encouragement (gratitude, teaching, coaching, and conversations).

- Since only 23% of Canadians claimed tax credits for donations in 2010, and the median donation was \$260, this presents two challenges. We must **increase the incidence of giving** and **increase the \$ amounts that are donated**.

For those familiar with **ParticipACTION**, and the public effort to encourage greater activity levels as a public good, this philanthropic initiative is seen as a similar effort to encourage more Canadians to be more charitable. This would be a creative, integrated, multi-pronged program targeted to the most appropriate segments of Canada, to support what will be a gradual cultural sensitivity for greater charitable behaviour.

## The Payoff: the “\$Billion Solution”

...If we could raise the national average of giving (from .7% to 1.0%), it would generate **\$2.5 billion more** for the non-profit sector, annually.

...If we get the top 15% of Canadian households, with incomes of \$100,000+, to increase their giving (currently at 0.5% of income) up to the same level as the national average (0.72%), it would generate **\$1 billion more**, annually.

...If we could match the giving level in the USA (admittedly, over a longer time), we would see **\$10 billion** more for the charitable sector, each year.

Changing social norms will not be easy or quick. However the return on any investment would be very large. An investment in such a GIV3 movement for greater charity may not achieve an immediate \$1 billion gain, but even a small fraction of this goal, say 20% (\$200 million), offers a significant pay-off on a comparatively small investment (say, a \$5 million investment for each of a few years). The ParticipACTION movement and the household recycling movement both faced similar challenges in their day. The success of the blue/green recycling boxes today represents a successful license-to-believe that change is possible.

## Potential Programs/Partners to Address the Social Challenges

It is early in the process to be too definitive in how to execute this proposed solution, and clearly we need to get input from many sources. In the interim, this shares a few initial thoughts, if for no other reason than to spark some discussion and feedback.

We envision a multi-faceted approach to the *\$ Billion Solution*, comprising many different partners, each doing what they are most qualified to do. At the same time, we believe a single ‘brand’ would allow for a stronger synergistic effect to maximize awareness and help popularize the movement. That is, we envision many different programs, but each branded (or co-branded with independent partners) as “GIV3”...or a suitable alternative.

Here is a starting list, which can be expanded with greater input.

- a. Youth leadership and educational programming: to maximize the involvement and chances of success with Canadian youth, engage youth leaders and various education associations, at the high school, college and university levels. The program would help create and support educational programs, targeted for youth engagement, to help sensitize young adults to the social responsibilities and benefits of a caring and civil society. This is about encouraging giving behavior at an early life stage, to ensure volunteering and philanthropy are on the agenda and that our future leaders are aware

of the challenges. Partners to include: Association of Universities and Colleges of Canada, Toskan Casale Foundation, YPI initiative, etc.

- b. Employer/Corporate Associations: to reach employees to encourage greater giving via payroll deductions. To aim for an assumed “opt in”, as the default setting, unless the employee says no (instead of a required acceptance to opt in). To persuade companies to consider the benefits of visible ‘social responsibility programs’. Leverage greater corporate giving programs to act as challenging matches for individual giving and volunteering. We need to ask corporations to show greater leadership. Partners to include: CSBR association, Chambers of Commerce, United Way.
- c. Canadian Banks and Credit Card Companies: Explore ways to facilitate giving behaviour by automatic collection of donation dollars into dedicated consumer accounts. For example, allow Canadians to request that the equivalent of 1% of their monthly credit card bill be added, paid and held in their “charity account”, in their own name, so they can donate it at the end of the year as they please. Facilitate financial donations to be made at ATM machines. Partners to include major banks and other financial institutions.
- d. Professional Advisors/ Financial Planners/Notaries: To help define the appropriate behaviour for their clientele, Develop a kit, client brochure and/or website to encourage the clients touched by FPs and Notaries. Partners to include: CFA Institute, Advocis, FPSC etc.
- e. Government partners to help support the policies, incent greater giving, to leverage “nudging”. Create a “Thank You Gift Fund” which charities can give to their donors (for example, travel or tourism vouchers). Partner with Revenue/Finance departments (Charity Directorate)
  - a) Ask the CRA to include a “Thank You” message in each audit/review for each tax-filer who claimed a charity receipt. And for those tax returns without a charity tax receipt, ask the CRA to include a reminder about the tax savings of greater charity. That is, show Canadians that someone is paying attention and cares, and is appreciative.
  - b) Although not so relevant to individual citizens, the CRA might consider increasing the requirement of foundations to donate more than just 3.5% of capital. - There are many moral reasons for doing so, and we should be confident that there will be more rich philanthropists in the future (just as most foundations today originated from wealth created within this one generation)
- f. Charities and Non-Profit Sector Partners to help coordinate and support this sector initiative. To ensure Canadians hold a positive view of charities and about giving. To help educate and ensure best practices in stewardship, transparent governance. Have a unified communication program that enhances the perceptions of the critical role the N-P sector plays in Canada, in the daily lives of each citizen. Ask each NP to discuss and promote the GIV3 movement in their newsletters and on their websites. Partners to include: Imagine Canada, Community Foundations of Canada, Philanthropic Foundations of Canada, Social Innovation Generation, CanadaHelps, United Way, etc.

- g. Engage community centers, community cultural groups, and community associations/clubs to create and show charitable leadership (at the grassroots level). Encourage/fund community-level awards for new fresh giving initiatives
- h. Public awareness marketing. Develop a public awareness campaign using broadcast media (with media partners and ad agencies). Use social networks and on-line communities to tell stories, popularize charitable behaviour, and support charitable causes. Communicate that this is a total Canadian-wide effort in which we are all engaged, promoting universality of the giving concept, fairness for all, defining a higher social norm, in a public manner. In a sense, this campaign would be designed to fill the religious void, on a weekly basis:
- i. Engage the Governor General's office to play an active role in soliciting engagement and support for this message. This movement is neutral and all-encompassing for all charitable organizations in Canada. The GG office can invite recipients of the Order of Canada to get involved and build awareness of the movement.
- j. Develop a dedicated Quebec strategy, recognizing the unique history, culture and charitable landscape in Quebec. The strategy would be developed in association with key sector leaders in the province with the objective of maximizing the chances of a successful Quebec program, which both aligns with and complements the National program.

GIV3 would serve as an overall steering committee comprised of the leaders from the above partners, to support, integrate, and coordinate a synergistic approach, along with a research partner to help measure achievements for greater accountability, and to provide insights for refinement/adjustments over time (e.g. Ipsos Canada).

## Making the “\$ Billion Solution” a Reality

Building the basis for success: We are looking for agreement, support, encouragement, and financial support from like-minded people and organizations.

- To have harmony, efficiency, and synergy, we believe our support needs to be a consensus of the leading charitable organizations. It is likely best to have one coordinated program versus many fragmented disaggregated efforts.
- Financial support is required to allow for the coordination and investment in the support materials, education programs, financial advisor kits, PSA materials, etc.
  - We believe the likely sources should come from a combination of corporate support, (public) foundations, and levels of government (because greater charity is indeed a 'public good').
  - GIV3 / The Hallmont Foundation is already a legal registered charitable organization and has been approved by the CRA to pursue it's mission to promote greater philanthropy in Canada. This important step has already been accomplished.
  - We will require a minimum of \$1 million of funding and ideally in the range of \$3-\$5 million to fund the programs to make this public, in its several facets (draft budget attached).
    - This also needs to be sustainable over several years.

**Note:** In order to avoid confusion, GIV3 does not target fundraising activities to the general public. We encourage Canadians to give to registered charities of their choice.

## Conclusion

Canada needs a sustainable on-going public campaign to popularize and support greater charity in Canada, for the public good. We need to address the growing *Charity Gap*. ***The \$Billion payoff compels us to try.*** GIV3 is a single-purpose entity focused on one mission: ***to encourage more Canadians to be more charitable.*** It is a free standing, legal entity, void of the issues of collaboration and with no other mission.

The proposed \$ Billion Solution Plan is the perspective of a few individuals. Clearly, many heads are better than just ours, and we prefer a consensus. We recognize that there are already many efforts in place to help make a difference. This Plan needs to be built around a team effort. Our plan is to work with the many others who are best equipped to address their areas of expertise.

## APPENDIX: DRAFT BUDGET \$1 Billion Solution

(Dec 21 2011)

<b>2012 P&amp;L Budget - Draft June, 2011</b> \$000s	GIV3, Current (privately funded by Hallmont)	<u>\$1 Billion</u> <u>Solution Funding</u>		2010 <i>ParticipACTION</i>
		Low	Higher	
	\$	\$	\$	\$
<b>Revenue</b>				
Government Grants	0	0	1,000	3,427
Foundation Support	75	500	500	2,632
Private + Corporate Donations	125	700	1,500	137
GIVGroups, GIV3 Partners, Other	20	25	30	
Investments Revenue	20	20	20	1
<b>TOTAL</b>	<b>240</b>	<b>1,245</b>	<b>3,050</b>	<b>6,197</b>
<b>Expenditures</b>				
Staff				992
2 full time	175	175	220	
Extra Program Coordinator for \$1B Solution		30	60	
Marketing, Education, Support Materials				
Program promotion - GIV3, GIVGroups	15	15	15	
Website Hosting/Use - GIV3, GIVGroups	15	15	15	
GIV3 Group programs w other NPOs	12	15	15	
Program Materials (Education, Creative)	5	5	5	
\$1 Billion Solution				
Program promotion - \$1B *		700	2,000	2,324
Website Hosting/Use - \$1B		25	40	
Program Materials - \$1B**		150	500	2,411
Travel	5	20	30	110
Office Supplies	4	15	20	85
Occupancy costs		30	40	92
Professional Fees/Audit	20	25	25	44
Depreciation	1	10	15	30
<b>TOTAL</b>	<b>252</b>	<b>1230</b>	<b>3,000</b>	<b>6088</b>
NET Surplus	-12	15	50	109

\* This budget is for the publicity of the programs. We expect to get matching level of media at a minimum ratio of 2 for 1.

\*\* This budget is for the production of the professional, advertising, and educational materials.

## **APPENDIX** **OUR TEAM**

### **About John A. Hallward, Chairman and President, The Hallmont Foundation.**

- ❖ Bachelor of Commerce, Queen's University 1983.
- ❖ Creator of Tandemar Research in Canada in 1986, which was acquired by Ipsos in 2000.
- ❖ Over 25 years working in consumer research specializing in the evaluation of advertising for many of the world's largest advertisers.
  - Winner of the 'Great Minds Award' from the Advertising Research Foundation (NYC, 2008)
- ❖ Author: "Gimme! The Human Nature of Successful Marketing" (J.Wiley & Sons, 2007), and "The Happiness Equation" (Price-Patterson, 2011).
- ❖ Founder of "GIV3" (2008), a new Canadian initiative to encourage more Canadians to be more charitable. John is Chairman of The Hallmont Foundation (owner of this GIV3 initiative)
- ❖ Currently employed as President, Global Research Evolution for Ipsos ASI, residing in Montreal.
- ❖ John has been on many non-profit boards. Beyond The Hallmont Foundation, he is currently serving: The Montreal Children's Hospital Foundation, Selwyn House School, The Study (school), and Montreal Medical International.
- ❖ John is passionate about the support of charities, and about behavioural research in the sector.

### **About Lys Hugessen, President, GIV3**

- ❖ Bachelor of Arts, Honours Psychology, Queens University 1983
- ❖ Masters Business Administration, McGill University 1986
- ❖ Marketing Management 1986-2001: Johnson & Johnson, Kraft General Foods, Corby Hiram Walker, independent consultant
- ❖ Vice President 2001-2011: Brand Equity and Advertising Ipsos ASI Ltd.
- ❖ During her time at Ipsos, Lys conducted extensive research in the not-for-profit sector including schools, hospitals and general studies about philanthropy in Canada.
- ❖ Lys is a seasoned professional with 25 years of experience in marketing and business management. She is now committed to applying her strategic and business skills in the non-profit area to help contribute to a better future for our community.

### **About Woodrow Rosenbaum, Executive Director, GIV3 and GIVGroups**

- ❖ Graduated National Theatre School of Canada, Production Department 1989
- ❖ Worked throughout Canada as Production Manager and Senior Administrator for non-profit performing arts sector
- ❖ Has taught Production and Project Management at The National Theatre School of Canada and Mount Royal College
- ❖ Founded "With Intent" (an event marketing agency) in 1998 and led the company's growth to become an international agency providing brand development and consumer engagement programs throughout North America
- ❖ Woodrow has served on a number of non-profit boards both as an executive member and advisor on fundraising strategies and marketing
- ❖ In 2010, Woodrow stepped away from an active role in the agency which he still owns to work with GIV3 to increase philanthropy in Canada.



## **Appendix Advisory Panel (December, 2011)**

- **Willa Black**, Vice President Corporate Affairs, Cisco Systems
- **Sylvie Bourget**, Vice President Marketing, Via Rail
- **Malcolm Burrows**, Head, Philanthropic Advisory Services, Scotia Private Client
- **Louise Dery-Goldberg**, President, Montreal Children's Hospital Foundation
- **Ilona Doherty**, Executive Director and Founder of Apathy Is Boring
- **Al Hatton**, CEO, United Way of Canada / Centraide.
- **Stephen Huddart**, President and CEO, J.W. McConnell Family Foundation
- **Terry Jackson**, Chair, Community Foundations of Canada
- **Marcel Lauzière**, President and CEO, Imagine Canada
- **Michael Novak**, Executive Vice President, SNC-Lavalin
- **Hilary Pearson**, President, Philanthropic Foundations Canada
- **Calin Rovinescu**, President and Chief Executive Officer, Air Canada
- **Mark Sherman**, Executive Chair, Media Experts; Co-Founder, People For Good
- **Jonathan Wener**, Chairman and CEO, Canderel
- **Peter White**, Chairman at Bromont Capital Partners Inc., Ex-Principal Secretary to Prime Minister Brian Mulroney