

Philanthropy, Pandemic & Political Scandal: COVID-19 curtails donor giving; WE affair weakens trust in charities

Nearly two-in-five Canadian donors say they're giving less since COVID-19 pandemic began

September 17, 2020 – As it has done to nearly every facet of Canadian life, the coronavirus pandemic is also ravaging crucial health programs and social services provided by Canada's charitable organizations as individual donors face tough spending choices.

At a time when many say the need for the help and services Canada's roughly 86,000 registered charities offer is [greater than ever](#), a new public opinion survey from the non-profit Angus Reid Institute – in partnership with [Cardus](#), [Charitable Impact](#), [Imagine Canada](#), [Philanthropic Foundations Canada](#), [United Way](#), and [Canada Helps](#) – finds Canadian donors giving less than they were before the pandemic. Nearly two-in-five (37%) Canadians who have donated to at least one charity in the last two years say their donations have decreased since March, when COVID-19 first gripped the nation.

Given that individual Canadian donors gave \$10 billion to charities [in 2018](#) (the last year for which data is available) – this decrease in giving represents hundreds of millions – if not billions – of lost dollars for such organizations.

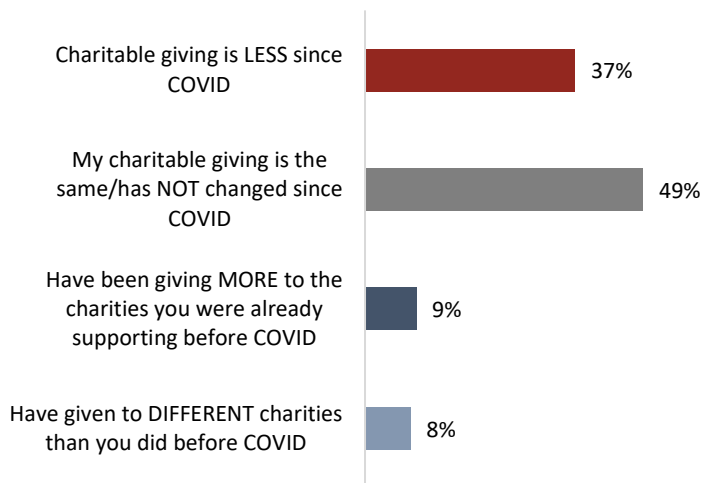
In addition, the lingering after-effects of the WE Charity Scandal appear to be compounding the crisis. The organization may be winding down operations in Canada (per its announcement last week), but the blast radius extends far beyond that charity's fortunes.

Indeed, the poll finds a majority of donors of the opinion that the scandal is one that raises questions about governance, transparency, and management that are relevant for the whole charitable sector, while significant segments of donors say it has changed the way they feel about donating to charity overall.

Against this backdrop, there is a desire to see the federal government find ways to support the charitable organizations facing massive losses. Overwhelming majorities support measures such as donation matching and direct grants to alleviate shortfalls and encourage Canadians to give again.

In the past six months, has your charitable giving changed?

(Among those who donated to at least one charity since 2018, n=1,359)



METHODOLOGY:

The Angus Reid Institute conducted an online survey from Aug 31 – Sept 2, 2020 among a representative randomized sample of 1,606 Canadian adults who are members of [Angus Reid Forum](#). For comparison purposes only, a probability sample of this size would carry a margin of error of +/- 2.4 percentage points, 19 times out of 20. Discrepancies in or between totals are due to rounding. The survey was self-commissioned and paid for by ARI. Detailed tables are found at the end of this release.

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More Key Findings:

- A majority of Canadians from across the donor spectrum – from those who do not give at all to those who have made this a major part of their life – say that the WE scandal is a serious issue
- Those who donate the most, categorized as Super Donors, are least likely to feel that the WE ordeal is a symptom of a broader problem with large Canadian charities. That said, half (55%) still say that it is
- Four-in-five Canadians say they prefer donating to smaller local charities as opposed to larger organizations that operate nationally

About ARI

*The **Angus Reid Institute (ARI)** was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research foundation established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.*

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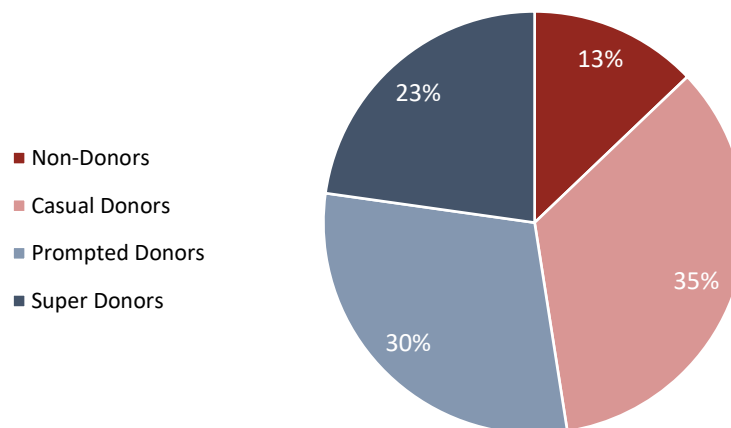
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Part One: Donor Profile

Four segments of the population by charitable behaviour

In order to better understand the varying degrees of philanthropic giving in Canada, researchers at the Angus Reid Institute grouped respondents into four segments based on their charitable behaviour: The Non-Donors, The Casual Donors, The Prompted Donors, and The Super Donors. For a detailed explanation of how the Angus Reid Institute arrived at these segments, see “notes on methodology” at the end of this report.

Four segments of the population when it comes to charitable giving:



Here is a brief overview of some of the characteristics for each group:

Non-Donors (13%)

- Indicated they do not provide financial support to any of the twelve causes listed
- Most (76%) say they have not given money to a single charity over the past year
- 70 percent do not donate any sum to charity, one-in-five (19%) give up to \$100 per year

Casual Donors (35%)

- Donate up to \$250 to charity per year, majority (60%) give \$100 or less
- Gave a donation to one or more charitable causes over the past two years, majority (60%) gave to between one and three
- More than twice as likely to provide a one-time donation (92%) than ongoing support in the form of repeated donations over time (43%)
- Are most likely to have a household income of \$50K or less per year

Prompted Donors (30%)

- Donate up to \$2,500 to charity per year, majority (62%) give more than \$250
- More likely than Casual Donors to give to two or more charities (84% compared to 60%)

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- Less responsive to different types of charitable appeal than Super Donors, more frequently give in response to a request

Super Donors (23%)

- More likely than Prompted Donors to give to each of the different causes, also more likely to donate acting on their own initiative
- Nearly all (93%) supported two or more causes and provided “ongoing support” at least some of the time, if not more frequently (96%)
- Responded positively to at least two out of five different modes of charitable appeal
- Majority (58%) donate more than \$500 annually, one-quarter (27%) donate at least \$2,500

For detailed information about the demographic profiles of Canadian donors, please see the Appendix at the end of this report.

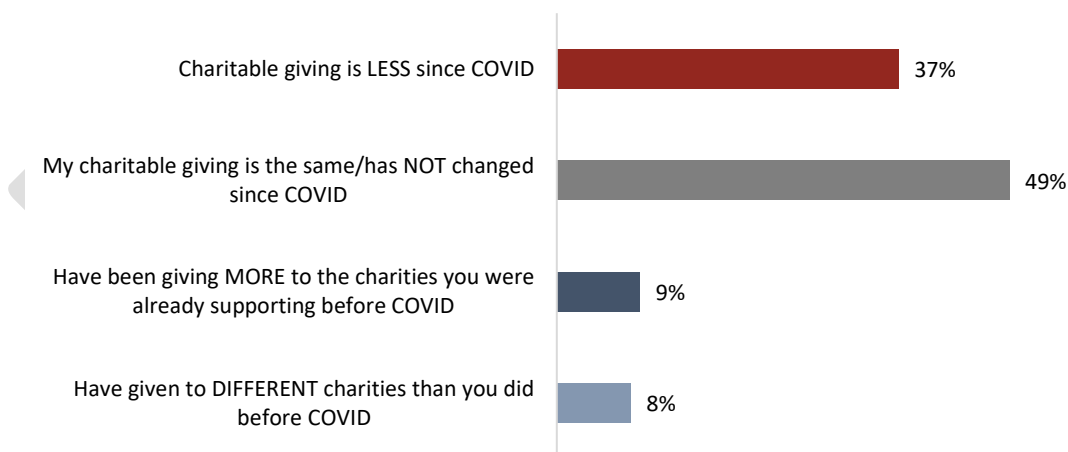
Part Two: Charity in the time of COVID-19

Two-in-five Canadian donors giving less during the pandemic

The COVID-19 pandemic has had myriad impacts on the country as Canadians have been asked to shrink and slow their lives to mitigate the spread of the virus. One of those clear impacts is a diminishing level of donations to Canadian charities. In March, more than [200 major charities](#) expressed the need for critical help amid funding losses.

Asked about their own donation habits, half of Canadians that have given a charitable donation over the past two years (49%) say they have not changed their approach, while a significant segment, nearly two-in-five (37%) say they are donating less. By contrast, just nine per cent say their giving has increased:

In the past six months, has your charitable giving changed? (Among those who donated to at least one charity since 2018, n=1,359)



Note: Respondents allowed to select both/either of the following responses: “Have been giving MORE to the charities you were already supporting before COVID” and “Have given to DIFFERENT charities than you did before COVID”. Remaining responses were exclusive.

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Demographic analysis

Increases in charitable donations appear to be concentrated in Canada’s three most populous provinces: British Columbia (10%), Ontario (10%), and Quebec (7%). By contrast, fewer than one-in-ten residents in the Prairies (5%) and Atlantic Canada (2%) say they have given more to charity during the pandemic.

In the past six months, has your own charitable giving changed? (All respondents)							
	Total (n=1,606)	Region					
		BC (n=198)	AB (n=180)	SK/MB (n=203)	ON (n=505)	QC (n=395)	ATL (n=125)
Charitable giving is LESS since COVID	34%	36%	37%	33%	35%	28%	35%
My charitable giving is the same/has NOT changed since COVID	54%	52%	55%	52%	49%	62%	60%
Have been giving MORE to the charities you were already supporting before COVID	8%	10%	5%	5%	10%	7%	2%
Have given to DIFFERENT charities than you did before COVID	7%	5%	6%	9%	9%	5%	4%

While the percentage of those that say they are now giving more or to different charities remains consistent across age and gender groups, Canadians ages 55 are least likely to say that they have curtailed their donations:

In the past six months, has your own charitable giving changed? (All respondents)							
	Total (n=1,606)	Age and Gender					
		Male			Female		
		18-34 (n=218)	35-54 (n=266)	55+ (n=286)	18-34 (n=236)	35-54 (n=289)	55+ (n=310)
Charitable giving is LESS since COVID	34%	32%	35%	27%	42%	37%	30%
My charitable giving is the same/has NOT changed since COVID	54%	58%	58%	65%	43%	47%	55%
Have been giving MORE to the charities you were already supporting before COVID	8%	7%	4%	7%	10%	10%	8%
Have given to DIFFERENT charities than you did before COVID	7%	5%	3%	3%	10%	10%	9%

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Super donors giving more

Pre-coronavirus donation behaviour appears to play a significant role in how much Canadians are giving, or perhaps able to give, during this time. While at least three-in-ten among all donor segments have given less during the last six months, Super Donors are most likely to say that they are giving more to charities (14%), are continuing to give the same amount to their charities of choice (52%), and regardless of amount, are also most likely to be giving to different charities since March (9%):

In the past six months, has your own charitable giving changed? (All respondents)					
	Total (n=1,606)	Donor Profile			
		Non-Donors (n=202)	Casual Donors (n=563)	Prompted Donors (n=475)	Super Donors (n=366)
Charitable giving is LESS since COVID	34%	13%	39%	38%	30%
My charitable giving is the same/has NOT changed since COVID	54%	82%	53%	47%	52%
Have been giving MORE to the charities you were already supporting before COVID	8%	2%	4%	10%	14%
Have given to DIFFERENT charities than you did before COVID	7%	3%	5%	8%	9%

Part Three: Policy Preferences

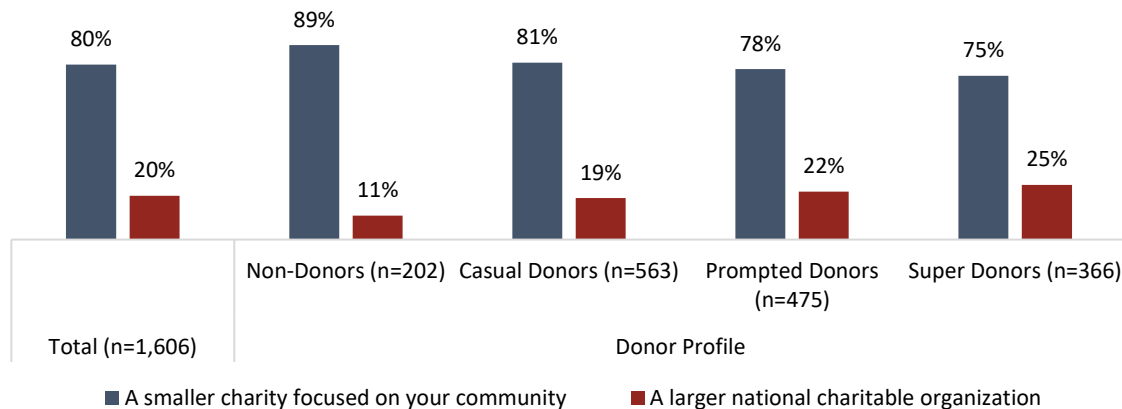
Most prefer smaller local charities

Asked to choose between supporting a smaller community-focused charity or a larger charity working at the national level, four-in-five Canadians would support the former. Notably, one-in-four Super Donors express a preference for donating to larger charities.

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Charitable organizations differ in size and scope. Of the following two overall types, if you had to choose, which would you personally be more likely to support?

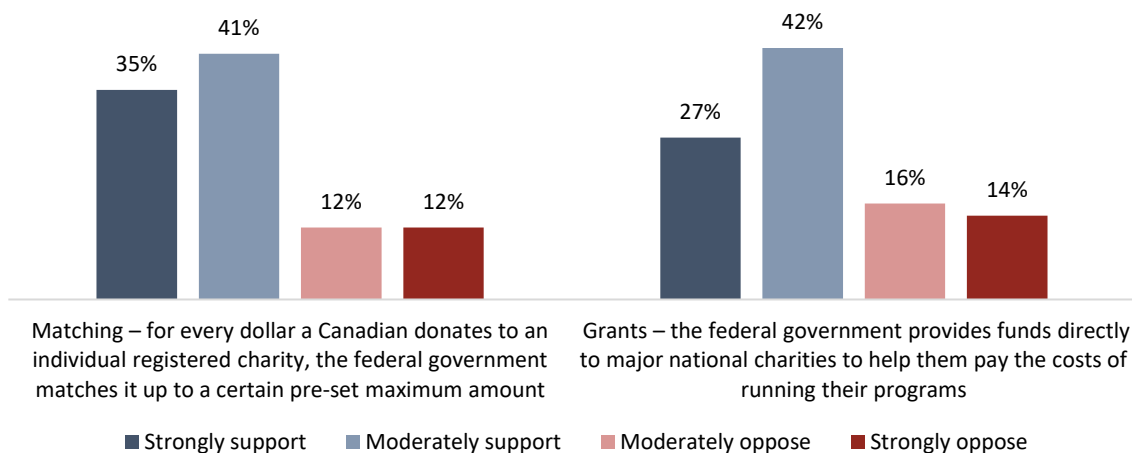


Support for direct grants & matching

Due to economic losses in the face of COVID-19, many charitable organizations are facing increased demand for their services whilst also facing a decline in donations. Recent estimates from the non-profit [Imagine Canada](#) indicate the charitable sector could experience financial losses between \$4.2 billion and \$6.3 billion. In March, the federal government announced [wage subsidies and additional funding](#) to help charities and non-profits sustain operations, but there has been [further discussion](#) about additional ways through which Ottawa could buffer charities and promote giving.

Asked about two specific types of funding proposals, three-quarters of Canadians say they support donation-matching programs, slightly more than say the same of direct grant programs (69%):

**Support for each of the following government aid funding programs
(All respondents, n=1,606)**

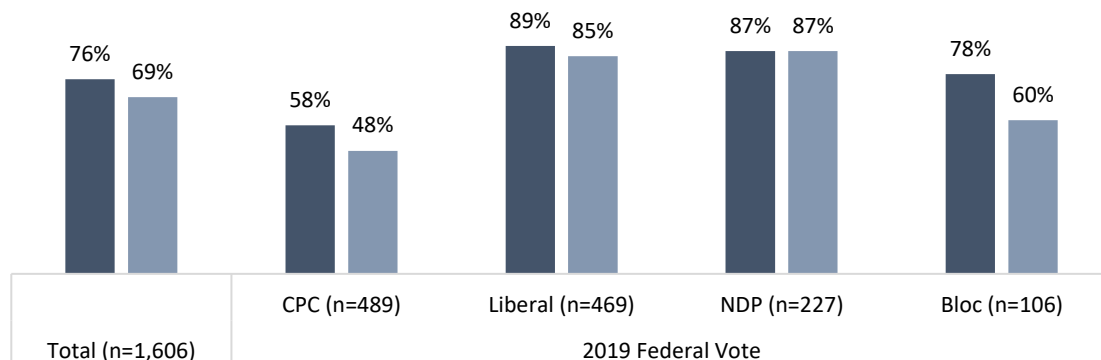


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A key component of support for these funding programs is partisanship. The vast majority of past Liberal and NDP supporters are in favour of both proposals. Past CPC and Bloc voters, however, are less likely to voice support for each proposal, particularly direct grants, as the WE Charity was funded by the Trudeau government via such a program:

Support for each of the following government aid funding programs – by 2019 federal vote

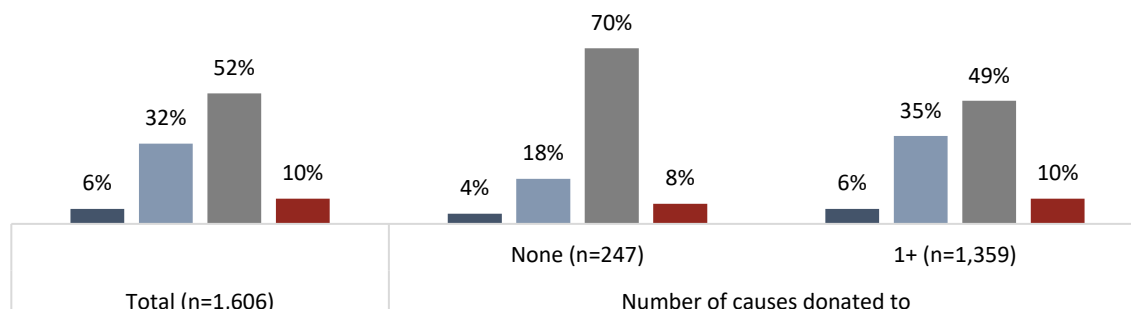


- Matching – for every dollar a Canadian donates to an individual registered charity, the federal government matches it up to a certain pre-set maximum amount
- Grants – the federal government provides funds directly to major national charities to help them pay the costs of running their programs

Federal assistance and the Donor Spectrum

There may be significant support for these programs, but would either have any influence on Canadian donors? Under a matching program, two-in-five (41%) of those that already give charitable donations would consider giving more. In addition, one-in-five (22%) of those that do not currently donate say they would re-consider if their donations were matched. That said, for half of Canadians overall, it would have no impact:

Suppose the federal government brings in a matching program where individual donations are matched to a pre-set maximum. If this were the case, would that impact your own likelihood of donating to charity?



- I would definitely give more if it's matched
- I might give more
- No, no impact/the same
- I would give less with that in place

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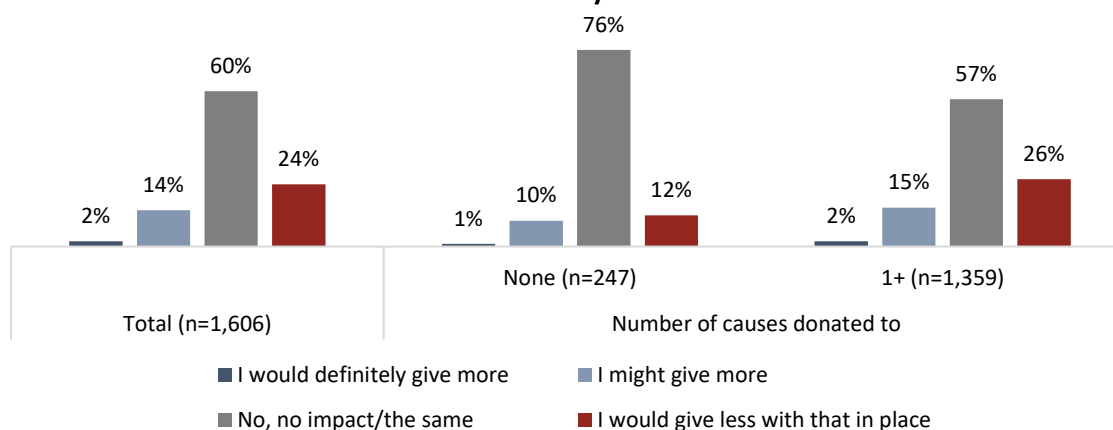
Looking at this by different donor segments, a potential matching program appears to resonate most with those already donating considerable amounts. Nearly half of Super Donors would consider increasing the amount they donate to charity if a matching program were in place:

Suppose the federal government brings in a matching program where individual donations are matched to a pre-set maximum. If this were the case, would that impact your own likelihood of donating to charity?

	Total (n=1,606)	Donor Profile			
		Non-Donors (n=202)	Casual Donors (n=563)	Prompted Donors (n=475)	Super Donors (n=366)
I would definitely give more if it's matched	6%	4%	5%	6%	8%
I might give more	32%	19%	33%	31%	39%
No, no impact/the same	52%	73%	52%	53%	41%
I would give less with that in place	10%	5%	9%	10%	12%

By contrast, Canadians' response to charitable giving under a potential direct grant program appears less enthusiastic. Just 17 per cent of those that already donate to charity would consider giving more if such a program were implemented, compared to 11 per cent of those who do not currently give that say the same. Notably, a grant program would disincentivize a significant number of Canadians overall from donating to charity, as one-in-four say they would give less with it in place:

Suppose the federal government brings in a grants program providing funds directly to major national charities to help cover their costs. If this were the case, would that impact your own likelihood of donating to charity?



Opinions on how, if at all, a grants program would impact personal contributions remain fairly consistent among all donor segments, though, perhaps troublingly, 27 per cent of Super Donors say they would donate less under such a program:

Suppose the federal government brings in a <u>grants program</u> providing funds directly to major national charities to help cover their costs. If this were the case, would that impact your own likelihood of donating to charity?					
	Total (n=1,606)	Donor Profile			
		Non-Donors (n=202)	Casual Donors (n=563)	Prompted Donors (n=475)	Super Donors (n=366)
I would definitely give more	2%	2%	2%	1%	2%
I might give more	14%	10%	15%	16%	14%
No, no impact/the same	60%	77%	57%	59%	58%
I would give less with that in place	24%	11%	26%	25%	27%

Part Four: WE Scandal wasn't helpful, either

Donors paying attention to the affair

Adding to pressure in an already disastrous year, the ongoing high-profile saga involving a high-profile charity. The WE Charity has been at the centre of a political firestorm, one which 92 per cent of Canadians are aware of ([see detailed tables](#)), and one that has led the organization to disband operations in Canada.

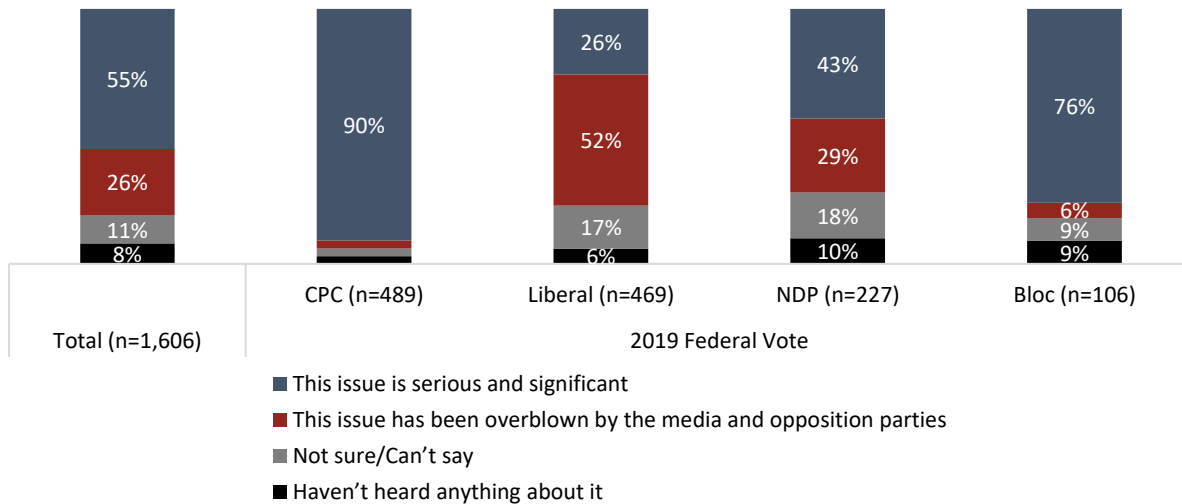
WE was granted a no-bid contract to deliver a summer jobs program this year, one which the organization later rescinded after news broke that Prime Minister Justin Trudeau, members of his family, and then-Finance Minister Bill Morneau had previous financial entanglements with the organization.

Nationally, six-in-ten of those following this issue say it is serious and significant. This is statistically unchanged since [late July](#). As was the case earlier this summer, political affiliation drives views on the issue:

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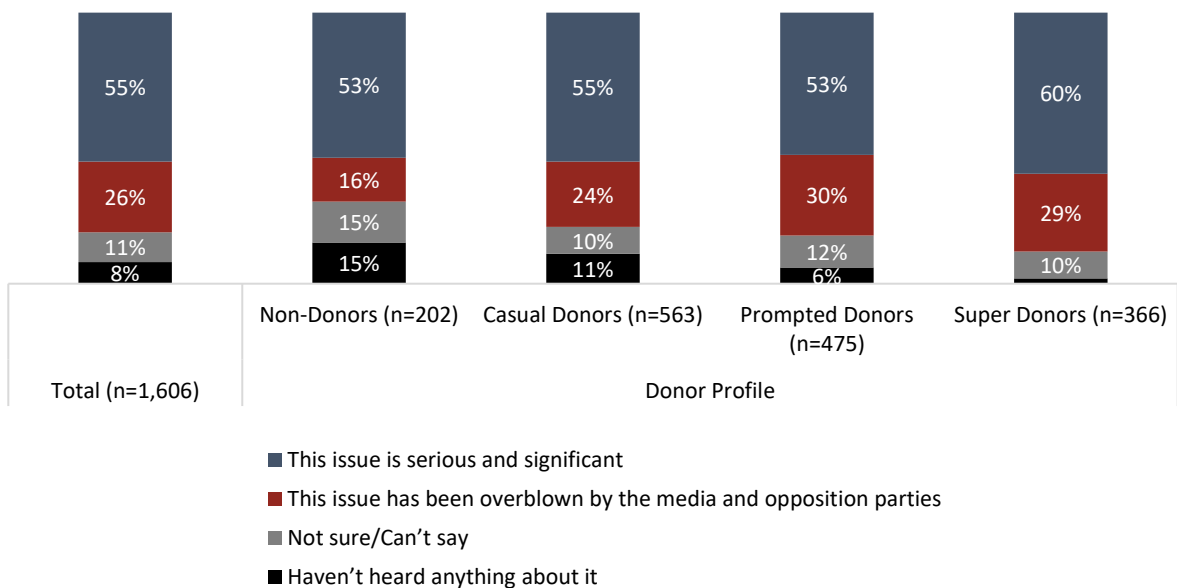
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**Based on what you've seen, read or heard, about this situation which view is closest to your own:
(All respondents)**



Regardless of their political bent, the issue has also been of particular interest to Canadian donors, 94 per cent of whom have been following the story. Notably, all segments of donors on the spectrum say the issue is serious, though Prompted and Super Donors are more likely to see the issue as overblown:

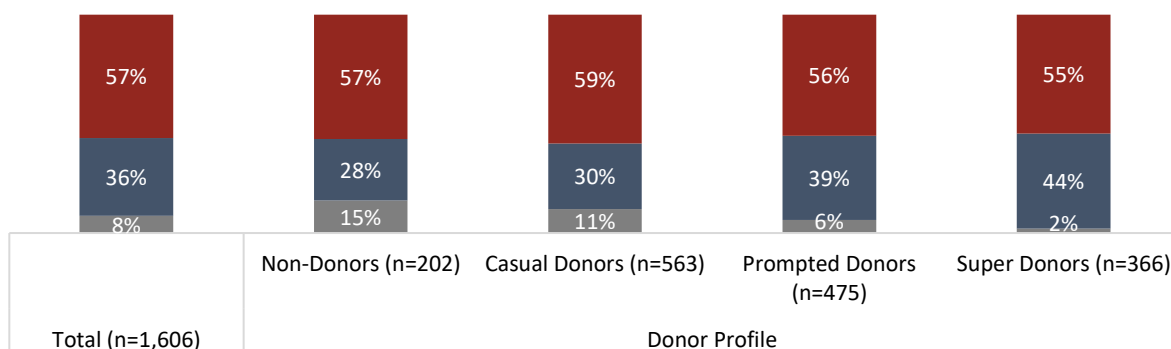
**Based on what you've seen, read or heard, about this situation which view is closest to your own:
(All respondents)**



Impact on perception of other charities

So, what then does the WE scandal mean for Canadian charities' future fundraising endeavours? It appears to suggest more scrutiny from donors, at the very least. More than half in each donor segment say the scandal leads them to question the governance and transparency in the charity sector more broadly. As with questions over the gravity of the scandal, Super Donors are once again more likely to opine that it is an isolated incident that shouldn't reflect on charitable organizations as a whole:

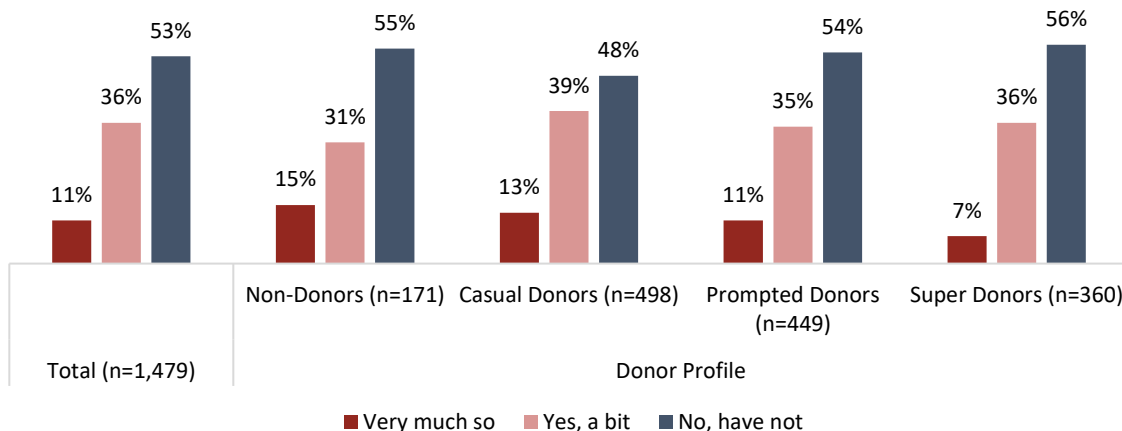
**Which of the following statements is closest to your own point of view on this:
(All respondents)**



- The WE scandal has raised questions about governance, transparency, and management that are relevant for the whole charity sector
- The WE charity is just one organization and this controversy is not reflective of the rest of the charitable sector
- Haven't heard anything about it

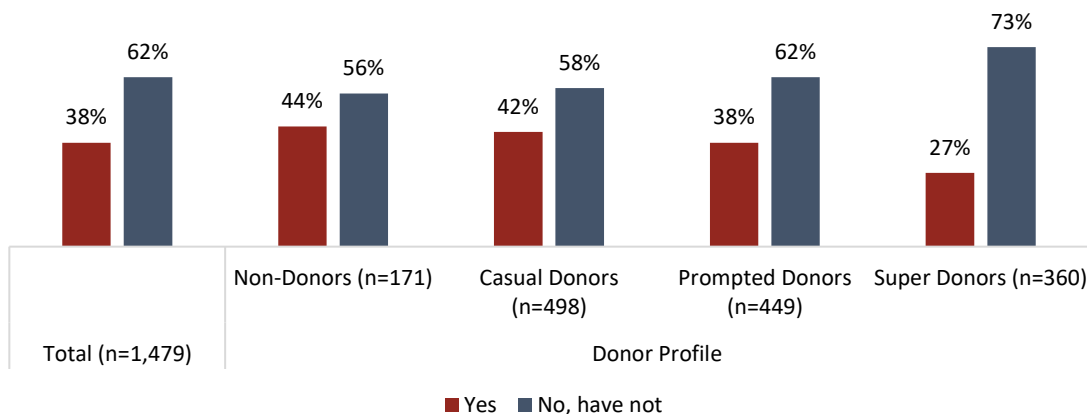
Another factor is increased confusion among the public about how Canadian charities operate. At least 43 per cent of each donor segment say they are more confused or uncertain about the decision-making processes and machinations involved in charitable organizations, given what they have learned about WE:

**Have these recent WE Charity developments made you more confused and uncertain about how charities work?
(Among those following the WE Scandal)**



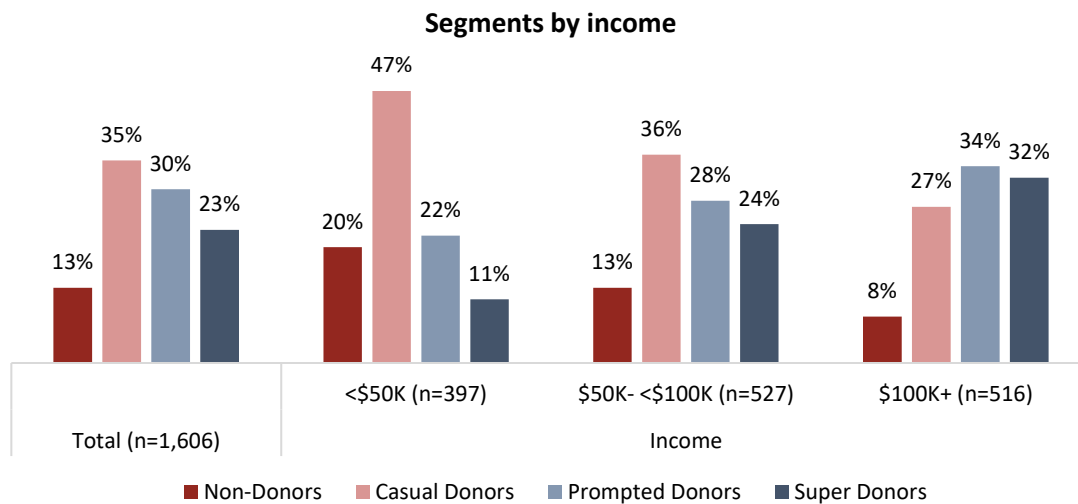
The final blow speaks directly to the bottom line. While overall, a majority (62%) of Canadians say the WE scandal has had no impact on how they feel about giving – a significant segment is more jaded. This is especially true of Casual Donors. And while they may not give as much, as often, or as purposefully as Prompted or Super Donors, charities must now fight to win back every donor’s trust at a time when donations are fewer and more precious. That nearly thirty per cent of Super Donors are also feeling differently will give those same charities little comfort:

**And have these recent WE charity developments had any impact on how you feel about donating to charity?
(Among those following the WE Scandal)**

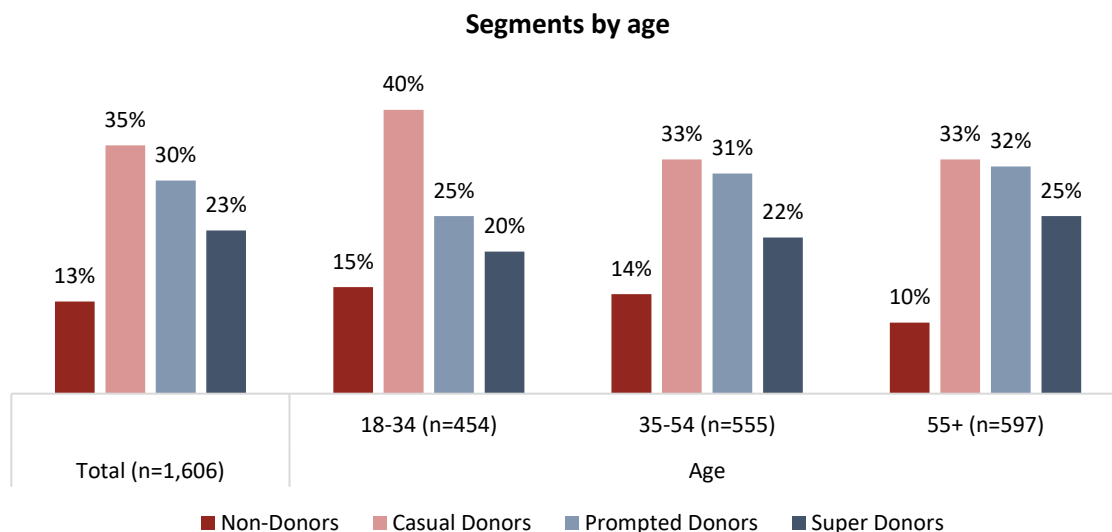


Appendix: Demographic Analysis of the Canadian Donor Spectrum

Each of the four segments is represented across various income groups, though to different degrees. One-in-three Canadians with annual household earnings greater than \$100 thousand belong to either the Super Donors (32%) or the comparably generous Prompted Donors (34%). Notably, in both other income groups Casual Donors are the largest segment:



Young people are more likely than their older peers to be Casual Donors, but a considerable portion among each generation are divided between the Casual, Prompted and Super Donor groups.



Regionally, Quebec hosts the highest percentage of Non-Donors (20%) and Casual Donors (48%). British Columbia is the only region where Super Donors make up the largest group within the population:

The segments in each region:							
	Total (n=1,606)	Region					
		BC (n=198)	AB (n=180)	SK/MB (n=203)	ON (n=505)	QC (n=395)	ATL (n=125)
Non-Donors	13%	13%	9%	6%	10%	20%	13%
Casual Donors	35%	27%	30%	34%	32%	48%	30%
Prompted Donors	30%	29%	36%	32%	33%	22%	29%
Super Donors	23%	31%	25%	28%	25%	10%	28%

Notes on methodology

To streamline the survey data regarding Canadians' overall charitable giving, ARI researchers sorted respondents into four main donor types; in relative order of their respective involvement in charitable giving, these four groups are: Non-Donors, Casual Donors, Prompted Donors and Super Donors.

This analytical exercise first involved assigning an a priori definition to the two “goalpost” groups:

- The 13 per cent of those that qualify as “Non-Donors” indicated they provide financial support to none of the 12 causes assessed in the survey, reported they gave to a maximum of three charities in a typical year, and that their annual charitable donations total less than \$100.
- Super Donors, meanwhile, reflect the opposite disposition. First, Super Donors supported one or more causes. They also had to qualify by responding positively to the different modes of charitable appeal assessed in the core of the survey. Finally, the 23 per cent of Canadians we have qualified as Super Donors give a minimum of \$100 to charity per year.

Then, dealing with the two-thirds of Canadians landing in between these two poles involved some further analysis of people’s reactions to different modes of charitable appeal.

- The Prompted Donors group are 30 per cent of the total population who – while not so highly responsive that they qualify as Super Donors – do respond (at least twice in the past two years) to different types of charitable appeals. This approach identifies some sub-groups with more focused charitable responses.
- Casual Donors include one-in-three (35%) Canadians that exceed the thresholds set for Non-Donors – they give to more causes, in more ways, and to a higher dollar amount. But Casual Donors, by definition, also fall relatively short on these core giving thresholds and also do not distinguish themselves for having any of the focused approaches to charitable giving associated with the Prompted Donors.

For detailed results by age, gender, region, education, and other demographics, [click here](#).

For detailed results by donor segments, [click here](#).

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