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THE CANADIAN CHARITABLE AND PHILANTHROPIC SECTOR

2025 Update

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EXECUTIVE SUMMARY

This report presents an update to the analysis of the Canadian Charitable and Philanthropic Sector as at December 31st, 2023 with a comparative analysis to December 31st, 2018 and 2022.

The analysis reflects data on 48,910 charities. Excluded from the analysis are charities directly involved in the provision of Education and those with a Religious purpose.

Core Healthcare represents the largest component of the charitable sector. Due to its dominant size and influence, our analysis is often presented excluding Core Healthcare.

We present a brief summary of the Sector's structure from a regulatory and operations standpoint. We then provide insight into the size of the Sector by Number of Charities, Assets and Revenues including sub-categories for each. Next we present Employment and Geographical Distribution. We then present the Canadian sector in a Global Context. Appendices are included ranking the largest Canadian charities in six categories.

Principle conclusions of the Report

- The bulk of charities in Canada are registered as Charitable Organizations. Private Charitable Foundations and Public Charitable Foundations represent only 20 percent of the total.
- Total assets of the charities were $422 billion at December 31st, 2023. This was an increase of 42.2 percent since 2018 and 8.7 per cent from 2022. A breakdown of Assets is analyzed.
- The Charitable and Philanthropic Sector is the largest industry in Canada by assets.
- The largest 10 per cent of charities have 94 percent of Total Assets in the Sector.
- Capital Property Net of Depreciation is the largest item on the Balance Sheet for the Sector.
- Total Revenue for the reviewed charities was $264 billion for their reported period in 2023 representing an increase of 45.6 percent from the 2018 reported results and 15.7 percent from 2022. A breakdown of Revenues is analyzed.
- The Charitable and Philanthropic Sector is the second largest industry in Canada by Total Revenues, an increase from third position it held in 2022.
- The largest 7 percent of charities have 91 percent of Total Revenues in the Sector.
- Revenues from Government for the reviewed charities totaled $177 billion in 2023, an increase of 37.3 percent compared to 2018 and 3.6 per cent from 2022.
- Tax-receipted Donations for the reviewed charities grew by 39.7 percent between 2018 and 2023. Inter-Charity financial flows increased by 60.9 percent and 9.9 percent, respectively.
- 35 percent of Charities did not issue tax receipts for Charitable Contributions to fund their organizations. These organizations rely solely on Government funding and Sale of Goods & Services.
- Small charities issuing less than $1 million in total tax receipts represent 62 percent of the receipt issuers in 2023 but only 15 percent of the total value of Tax Receipts issued.
- Total Expenses for the reviewed charities were $222 billion for their reported period in 2023 representing an increase of 34.5 percent over the 2018 reported results and 5.3 percent from 2022.

- Compensation is the largest expense category for the Sector. This grew by 35.3 percent between 2018 and 2023 and 3.4 percent from 2022. This is less than the growth of Revenues over the same periods.
- Management and Administration Expense averaged 6.2 percent of Total Revenues for the reviewed charities in 2023, a decrease from the 7.7 per cent reported in 2018.
- The material use of *Other Expenses* at 21 per cent of Total Expenses represents inadequate disclosure for the Sector.
- Core Healthcare charities represent 28 per cent of Total Assets and 46 per cent of Total Revenues in the Sector.
- There are few charities categorized as Environmental or Human Rights charities in our Survey. Given Canadians' increasing interest in environmental and global rights causes, we think the relative underrepresentation of these charities may warrant further investigation.
- The largest number of Charities are located in the province of Ontario, followed by Quebec and British Columbia. However, when Assets and Revenues are measured on a per Capita basis, the distribution of reviewed charities is much more disbursed across the regions.
- All regions reported an increase in Charitable Assets per Capita in 2023 with the exception of Manitoba.
- All regions except Quebec reported increases in Total Revenues per Capita.
- Average Employment Compensation across the regions is also very consistent.
- Many global surveys rank Canada very highly on quality-of-life measures. This coincides with various measures of participation in the Charitable and Philanthropic Sector which we calculate and present. However, there is a concerning decline in these measures over time which requires attention.
- The increasing professionalization of the Sector is no doubt a positive, however we ask why this is being accompanied by a declining rate of participation by average Canadians in the charitable giving.

Our Vision

We will participate in a thriving Canadian philanthropic sector where the most impactful charities with the highest governance standards are celebrated and supported by donor capital.

Our Mission

The Veritas Foundation aims to be Canada's authoritative source for participating in the country's charitable sector and evaluating its effectiveness and impact.

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