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# THE CHARITABLE SECTOR'S CONTRIBUTION TO THE CANADIAN ECONOMY

*2016-2021*

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## EXECUTIVE SUMMARY

Canada's Charitable and Philanthropic Sector is vital to the Canadian economy.

- It employs thousands of full-time and part-time individuals.
- It is a good source of jobs and skills development.
- Its Charities contribute to the well being and happiness of society.
- The Sector actively invests in technology and other capital property.
- Many of its participants are involved in leading edge research and development.
- It has a long value chain with multiplier effects and spillover effects throughout the economy.
- It crowds out government spending and offsets higher taxes through charitable donations.
- It fosters entrepreneurialism and innovation.
- The Sector is recession resistant.

This report substantiates the important role of the Charity Sector in the overall Canadian economy.

### Principle conclusions of the Report

- The Charity Sector is Canada's largest industry ranked by Total Assets and third largest when excluding the Core Healthcare category of charities.
- The Charity Sector accounted for 17.4 percent of Canada's GDP in 2021, a material increase from 2016. We provide an explanation for this increase.
- The Charity Sector is Canada's second largest industry ranked by Total Revenues, and fifth largest excluding the Core Healthcare category of charities.
- Charity Sector Total Revenues increased by almost double that of Canada's total corporate sector between 2016 and 2021. We analyze the impact this has on the Sector.
- The number of full-time and part-time employees in the Sector has grown by 12.4 percent and 7.8 percent respectively over the five years from 2016 to 2021.
- The Charity Sector employs 9.3 percent of Canada's total workforce.
- The Charity Sector is Canada's second largest employer.
- Employment in the Sector increased by 12.5 percent in the five year period of 2016 to 2021 compared to a negligible increase for Canada as a whole.
- Whereas Total Employment Compensation in the Sector grew over the five year period of 2016 to 2021, almost the entire growth has been allocated to full-time employees..
- The employment compensation growth rate in the Charitable Sector over the five year period of 2016 to 2021 matched employment compensation growth rate for Canada as a whole.

- The Charitable Sector represents 7.3 percent of Canada's Total Employment Compensation.
- Investment by Canada's Charitable Organizations grew materially over the five year period of 2016 to 2021. We present this growth for Cash & Short Term Investments, Long Term Investments, Investment in Land & Buildings, and Other Investments.
- The stability and growth of Canada's Charitable Sector has been supported by increased investment in technology.
- In 2021, Charitable Organizations expended considerable sums on procuring and delivering goods and services throughout its long supply chain. We present results for Purchased Supplies, Professional Fees, Office Supplies, and Education & Training .

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### RECENT RESEARCH REPORTS

- June 2023: Update on the Canadian Donor Advised Fund Market
- July 2023: The Canadian Charitable and Philanthropic Sector, 2023 Update
- August 2023: The Canadian Donor Advised Fund Market, 2023 Update
- September 2023: The Guide to Charity Categories, 2023 Update

### UPCOMING RESEARCH REPORTS

- November 2023: The Veritas-500 Fastest Growing Charities
- December 2023: Update on Canadian Charitable Sector Employment
- January 2024: Risks & Opportunities in The Charity Sector 2024



## 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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