



CHARITABLE GIFTS-IN-KIND: DONATIONS WITH IMPACT



Mark S. Bonham
M.Sc. (Econ), B.Comm.

Executive Director

mbonham@theveritasfoundation.com



EXECUTIVE SUMMARY

Gifts-in-kind have been an option for donors to Canadian charities and foundations for many years. How popular are they, what charities use them, what types of gift-in-kind are popular, and is this method of giving used across all charity types?

In this report, we delve into the numbers to answer these and other questions.

We begin by presenting the many types of gifts-in-kind available to donors and charities. Included are the specific tax implications and administrative procedures for each category of gift-in-kind.

We also look at the historical prevalence of gifts-in-kind in Canada. Specifically, we present:

- ◆ the total dollar value of gifts-in-kind over the past five years,
- ◆ what portion of total donations is represented by gifts-in-kind,
- ◆ what proportion of Canada's charities report receiving gifts-in-kind,
- ◆ the average and median values of the donor's gift-in-kind over time,
- ◆ which charity categories receive the most gifts-in-kind,
- ◆ and the breakdown of the types of gifts-in-kind.

This thorough analysis provides Canada's charities and foundations a convenient summary of the potential of gifts-in-kind as a donation option for existing and future donors. For the donor, the analysis provides insight into how they may diversify and magnify their giving to their favourite charities and foundations.

Principle conclusions of the Report

- There has been incremental growth in gifts-in-kind donations of 11.6 per cent between 2016 and 2020, though this growth has been volatile and impacted by the COVID pandemic in the past two years.
- Gifts-in-kind as a percentage of total donations in the charitable sector has been slowly increasing over time.
- The average value of a gift-in-kind donation has grown consistently and materially over the five-year period of 2016 to 2020. Similarly, the more relevant measure of median value of a gift-in-kind donation has grown consistently over the period though at a lower rate.
- A disconcerting finding from the reported data is that the absolute number and percentage of total charities reporting gift-in-kind donations has been consistently and materially declining over the past five years. We present several explanations for this phenomenon.
- The largest category of charity reporting gifts-in-kind donations by both dollar value and number of charities has been those involved in relieving poverty.

- Beyond that category, however, we find varied results in the ranking of number of charities accepting gifts-in-kind and the dollar value of gifts-in-kind. We provide an explanation for these varied results.
- Clothing is the most popular type of gifts-in-kind donations, followed by Art.
- All types of gifts-in-kind donations have been declining in number of donations over the period of 2016 to 2020 . The exception is gifts of publicly traded securities which have been consistent over the period.
- Canadians have steadily and consistently been using gifts-in-kind as a means of donating to charity. However, it is our opinion that the charities and foundations themselves appear to have not grasped the opportunity being presented to it to diversify their giving options and have not fully capitalized on the opportunity.
- It appears that the number of charities and philanthropies pursuing gifts-in-kind is becoming smaller and more concentrated. Specifically, it seems that those organizations in Education Support, Foundations, and the Arts have been the most active in the area.

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UPCOMING RESEARCH REPORTS

- December 2021: The Use of External Fundraisers in the Charitable Sector



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.



The Veritas Foundation
TD West Tower
100 Wellington Street West Suite 3110, PO Box 80
Toronto, Ontario, Canada M5K 1E7

416.866.8783 1-866-860-8783
www.theveritasfoundation.com
info@theveritasfoundation.com