



THE CANADIAN CHARITABLE AND PHILANTHROPIC SECTOR

2024 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, 2021 with a comparative analysis to December 31st, 2016 and 2020.

The analysis reflects data on 48,891 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. Because of 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 per cent of the total.
- Total assets of the charities were \$388 billion at December 31st, 2022. This was an increase of 56.5 percent since 2017 and 12.6 per cent from 2021. 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 93 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 \$228 billion for their reported period in 2022 representing an increase of 25.9 percent from the 2017 reported results and 4.2 percent from 2021. A breakdown of Revenues is analyzed.
- The Charitable and Philanthropic Sector is the third largest industry in Canada by Total Revenues, the same position it held in 2021.
- The largest 6 percent of charities have 91 percent of Total Revenues in the Sector.
- Revenues from Government for the reviewed charities totaled \$171 billion in 2022, an increase of 36 percent compared to 2017 and 10 per cent from 2021.
- Tax-receipted Donations for the reviewed charities grew by 27.6 percent between 2017 and 2022. Inter-Charity financial flows increased by 54.4 per cent in the same period.
- 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 2022 but only 15 percent of the total value of Tax Receipts issued.
- Total Expenses for the reviewed charities were \$211 billion for their reported period in 2022 representing an increase of 31 per cent over the 2017 reported results and 10.2 percent from 2021.

- Compensation is the largest expense category for the Sector. This grew by 35 percent between 2017 and 2022 and 10.1 percent from 2021. This exceeds the growth of Revenues over the same periods.
- Management and Administration Expense averaged 7.1 percent of Total Revenues for the reviewed charities in 2021, an decrease from the 7.7 per cent reported in 2017.
- The material use of *Other Expenses* at 23 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 Environmental 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 a decrease in Charitable Assets per Capita in 2022 with the exception of British Columbia.
- The regions of Quebec, the Maritimes and the Territories 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.

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UPCOMING RESEARCH REPORTS

August 2024: Update on the Canadian Donor Advised Fund Market
 September 2024: Charitable Giving and Tax Planning
 October 2024: Private Foundations in Canada



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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