



TOP RISKS AND OPPORTUNITIES FACING THE CHARITY SECTOR IN 2024



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EXECUTIVE SUMMARY

The past year has been one full of risks and opportunities for Canada's charities and foundations. While the outlook heading into 2023 was cautious, the results surprised many on the upside.

The coming year introduces new challenges and risks for the Charitable and Foundation Sector. There is a mix of political, economic, technological, and societal influences that require the attention of participants.

In this Report we present four specific risks and offer strategic advice to manage them:

- Political Outcomes
- Economic Risk
- Technology
- Talent

We also present two valuable opportunities for Charities and Foundations and give many suggestions how they can take advantage of them:

- Relationships
- Technology

In addition to providing insight on each of these topics, we present over fifty strategies to help in managing them.

Principle conclusions of the Report

- Political Outcomes is the top challenge to be faced by Charitable Organizations in 2024.
- With a vast number of elections in democratic countries around the world, Charities are exposed to a diversion of donations to political causes, a crowding out of social giving, the potential for 'rage giving', and increased questions about the legitimacy, funding, and costs of their organizations.
- Charities will grow increasingly sensitive to the source and legitimacy of large donor funds.
- Economic Risk will continue to be a top challenge faced by Charitable Organizations in 2024 and will be magnified by Political Outcome.
- Studies presented reveal the positive correlation between charitable giving and Personal Income. Charitable giving rates fell during the six recessions experienced in the study period of 1962 to 2002. and The Great Recession of 2008.
- Stock market and investment performance is positively correlated to the performance of the economy, so a decline in the stock market translates into fewer donations.
- We present five outcomes of continuing inflation and elevated interest rates on the Charitable Sector.
- The increasing use of technology in the Charitable Sector will be accompanied by an increasing risk of hacks and Cyber-Attacks on critical infrastructure. Increasing Cyber Security represents increasing costs for Charitable Organizations.
- The increasing use of technology will be accompanied by an increasing risk of fraud in the Charitable Sector.
- We explain why there will be considerable stress on management and employees in 2023.

- Similarly, employee turnover will be an increasing concern for Charitable Organizations.
- As the operations of a Charitable Organization become more sophisticated and challenging, there will be a potential skills gap between what is needed and existing operations.
- The demands on a Charitable Organization's Governance oversight will increase in 2024.
- We present several strategies to assist in Talent management challenges in the coming year.
- The Charitable Sector is a people industry centred on relationships. This is a great asset during challenging times and presents the greatest opportunity for both stability and growth in 2024.
- Examples of relationship opportunities include individual donors, younger donors, and partnerships.
- Technology is also an opportunistic asset for Charitable Organizations.
- Successful Charities and Foundations will welcome strategies to adopt the tactical use of Artificial Intelligence in their operations, communications, and fundraising strategies.

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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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