

FUNDRAISING METHODS USED BY CANADA'S CHARITIES: UPDATE



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EXECUTIVE SUMMARY

There are many options available to Charities when considering how to fundraise, and Charities are not restricted in the number of ways they fundraise. This report presents an analysis of the fundraising methods used by Canada's Charities.

Many Charities use multiple types of fundraising. Given the limited resources to spend on fundraising, the challenge is to find out which method of fundraising is most effective and efficient for the Charity. The purpose of this report is to help in that process.

We begin by presenting the various options for fundraising with a commentary on each of their strengths and weaknesses. We look at regulatory filing reports by the Charities to the Canada Revenue Agency (CRA) from 2017 to 2022 (the most recent complete filing period) to see which fundraising options are most popular, efficient, and effective. This analysis is presented by Category of Charity and for the overall Charitable sector. We also present many new methods of fundraising that have recently been introduced and are gaining in use.

We provide analytical insights through the following studies:

- The percentage of Charities which report using a fundraising method to fund their operations.
- The percentage of Charities which report using a fundraising method by Charity Category.
- The number of Charities reporting the use of each method of fundraising for each of the five years, comparing 2017 to 2022.
- The percentage of each method of fundraising used by the Charitable sector for 2017 and 2022.
- The growth rates in fundraising methods used between 2017 and 2022.
- The number of charities using multiple methods of fundraising.
- The percentage of charities using multiple methods of fundraising.
- The Top 3 most popular methods of fundraising used in the Charitable sector for 2017 and 2022.
- The Top 3 most popular methods of fundraising for each Charity Category for 2022.
- Fundraising methods used by Large Charities (those with more than \$1 million in Total Revenue) compared to Small Charities.
- The percentage of each fundraising method used by Large Charities and Small Charities in 2022.
- The growth or decline in the use of each method of fundraising from 2017 to 2020.
- The Total Donations raised by each method of fundraising in 2022.

Principle conclusions of the Report

- Not all charities have a need for fundraising. We find that 60 per cent of Canada's charities in 2022 have disclosed using a fundraising method to raise revenues for their Charity.
- The percentage of Charities using fundraising methods varies considerably between Categories.
- All methods of fundraising saw a material jump in use between 2017 and 2022 with the exception of Fundraising Events and Sporting Events. These two exceptions can be attributed to the ongoing impact of the COVID global health crisis.
- The five largest categories of fundraising are Targeted Corporate Donations, Targeted Contacts, the use of the Internet, Sales, and Other. In 2022, 50 per cent of Charities used these options. Fundraising Events dropped out of the top five fundraising methods compared to 2017.
- There has been a material increase in the use of the Internet and Planned Giving methods for fundraising. As noted, Fundraising Events have declined in the face of the COVID pandemic.
- Most charities focus on only one method of fundraising, though the percentage of charities using multiple methods of fundraising is well balanced.

- Charities involved in Relieving Poverty are the most active users of the top 3 fundraising methods, followed by Foundation and Public Amenities Charities.
- Whereas both small Charities (those with less than \$1 million in Total Revenue) and large Charities use Targeted Corporate Donations as their top fundraising method, large Charities use the Internet more frequently than do small Charities. Small Charities use Other Methods as a popular method of fundraising.
- Internet, Targeted Corporate Donations, Targeted Contacts, and Events, respectively, each account for a relatively equal amount of donation revenue for Charities totaling approximately \$5 billion. At the other end of the spectrum, Door-to-Door Sales, Telephone, Cause Related, and Sporting Events provide smaller donation revenue to the Charitable Sector.
- Small Charities appear to use a more diversified and balanced mix of fundraising methods, whereas Large Charities are focused in using the Top Five fundraising methods.
- The use and effectiveness of new methods of fundraising will have to be monitored for future reporting.

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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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