



GOVERNMENT FUNDING TO CANADA'S CHARITIES AND FOUNDATIONS



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

Executive Director
mbonham@theveritasfoundation.com

Josh Sangha



Intern Analyst
jsangha@veritascorp.com

EXECUTIVE SUMMARY

Government Funding represents one of the largest sources of Revenue to Canada's Charities and Foundations. Recipients of this funding are chosen by governments and given the privilege to provide services and goods that the government would otherwise have to provide. Grants and contracts are awarded from the government's general revenues to subsidize their operations.

There are three sources of government funding in Canada: Municipal, Provincial, and Federal. The amount of funding from each depends on the revenues and budgets of those levels of government, the needs of the community, and the willingness of organizations to provide the required goods and services.

This report provides an analysis of Government Funding to Canada's Charities and Foundations.

We provide analytical insights through the following studies:

- The Total Revenue from Government Funding for each of the five years from 2016 to 2020.
- The breakdown of Government Funding by Municipal, Provincial and Federal sources, comparing 2016 to 2020.
- The breakdown of Government Funding by Municipal, Provincial and Federal sources in 2020 excluding the dominant Provincially funded Core Healthcare sector.
- The number and percentage of Charities and Foundations which report receiving Government Funding for each of the five years from 2016 to 2020.
- The breakdown of Charities and Foundations receiving Government Funding by small and large organizations.
- The average and median value of Government Funding received by Charities and Foundations for 2020 compared to 2016.
- Total Government Funding by Category of Charity and Foundation reported in 2020.
- The percentage of Charities and Foundations in each Category which report receiving Government Funding for 2020 compared to 2016.
- Government Funding received by each Category of Charity broken down by Municipal, Provincial, and Federal sources in 2020.
- Government Funding as a percentage of Total Revenues for all Charities and Foundations for each of the five years from 2016 to 2020.
- Government Funding as a percentage of Total Tax Receipted Donation Revenue for all Charities and Foundations, for each of the five years from 2016 to 2020.
- The percentage of Charities and Foundations receiving Government Funding by Province in 2020.
- Government Funding by Province for Total, Federal, Provincial and Municipal sources in 2020.
- Government Funding per Capita by Province for Federal, Provincial and Municipal sources in 2020.
- Government Funding relative to GDP by Province in 2020.

Principle conclusions of the Report

- Government Funding has been on a steady growth trajectory over the past five years of 2016 to 2020 at an annual growth rate of 2.4 per cent.
- Provincial Government Funding dominates with a 93 per cent share in 2020, followed by the Federal Government at 4 per cent and Municipal Government at 3 per cent.
- Excluding the dominant Core HealthCare charitable category, the Provincial Government Funding share drops to 88 per cent.

- The number of Charities and Foundations reporting receiving Government Funding from 2016 to 2020 has been steady at approximately 17,000 each year representing about 56 per cent of organizations in our survey.
- Government Funding represents between 75 and 80 per cent of Total Revenues of all of Canada's Charities and Foundations. This rises to 82 per cent when looking solely at those charities receiving such funding.
- The Charitable and Philanthropic Sector receives 35 times more in Government Funding revenue than it does in Tax Received Charitable Donations.
- 68 per cent of Charities and Foundations receiving Government Funding are small charities (those with less than \$1 million in Total Revenue). They receive only 1 per cent of the value of Government Funding.
- The average amount of Government Funding received was \$7.8 million in 2020 and the median amount was \$198 thousand, confirming that a large number of small charities receive a small amount of funding.
- Core Healthcare and Healthcare Support charities receive the greatest amount of Government funding.
- There is little correlation on the distribution of Total Government Funding to the provinces relative to the population base of the province.
- The provinces of Manitoba (outsized) and Ontario (undersized) are the two outlier provinces when comparing Total Government Funding to provincial GDP (a measure of wealth).

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 July 2021: The Impact of COVID on Canada's Charitable Sector
 August 2021: The Canadian Donor Advised Fund Market
 September 2021: Measuring the Efficiency of the Canadian Charitable Sector
 October 2021: The Veritas 500 Ranking of the Fastest Growing Charities in Canada
 November 2021: Charitable Gifts-in-Kind: Donations with Impact
 December 2021: The Use of External Fundraisers
 January 2022: Analysis of the Methods of Fundraising Used by Canada's Charities
 February 2022: Real Estate Investment in Canada's 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