

## GIVING

# Ottawa looks at rewriting rules on charitable giving

By Bill Curry

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Ottawa is conducting a sweeping overhaul of the way it finances charities and non-profit organizations, pledging a new era of accountability in which businesses and citizens shoulder more of the cost of giving.

The government's lead minister for the changes said financing will come with more strings attached in an effort to ensure that organizations deliver promised social gains.

While the first steps will be small, the government's ultimate goal is a shift in public expectations as to the role of government in assisting social causes.

The plan is inspired by British Prime Minister David Cameron's Big Society experiment, in which social responsibilities that traditionally fell to the state are put in the hands of the citizenry and private sector.

Policies being considered include new tax rules to allow charities and non-profits to raise money through side businesses, and boosting personal tax credits for charitable giving. The first step will be changes to traditional grants.

"Right now, we ask [charities and non-profits] to take on these jobs. We give them money to do it. They receive the money whether they achieve their objectives or not," Diane Finley, Minister for Human Resources and Skills Development, told The Globe and Mail. "Now we're saying, 'All right, we still want you to do this, but you get more money if you actually achieve the objectives.' "

While Ms. Finley does not describe this as a savings exercise, she and all other federal ministers must find ways to cut their budgets as part of a government-wide restraint effort. Such an atmosphere leads to nervous times for cash-strapped social organizations across the country that depend on grants or contracts from Ottawa.

Approved charities in Canada work on a wide range of issues – homelessness, immigrant support and animal protection, to name a few – and Ms. Finley is looking to Britain for ideas on how the federal government can help social groups become more effective. She recently travelled to London for a first-hand look at Big Society projects that aim to boost volunteerism and corporate support of social goals.

In addition to meeting with think tanks, foundations and government officials, Ms. Finley spoke with Sir Ronald Cohen, chair of the bank-like social investment fund called

Big Society Capital, and David Hutchison, CEO of Social Finance UK, which focuses on research and advice in the burgeoning field.

The concept of social investing, as it is called, has a growing number of advocates worldwide. But its implementation in the UK at a time of drastic cuts in government spending is also the subject of considerable controversy and confusion.

At its core, Britain's Big Society asks local volunteers and the private sector to provide some of the services that government used to finance, in areas including schools, libraries and hospitals. Mr. Cameron says it will empower communities, but critics call it a public-relations effort to put a positive spin on deep cuts.

Ms. Finley hopes to test some of those ideas in Canada very soon.

"This is a high priority for me," she said. "The same old ways aren't going to fix the problems."

What would this mean in practice? Ms. Finley said the government plans to start off small with a few pilot projects. The most likely would be to replace some traditional grants with a hybrid version – a defined amount that recipients could increase by meeting agreed-upon targets.

But charities say their work is hard to measure. They are open to new ways, but aren't clear what the government has in mind, said Marcel Lauzière, president and CEO of Imagine Canada, the national umbrella group for charities and non-profits.

"Everyone wants new partnerships, new ways of looking at things," he said. "If it's code for, 'We're getting out of it, and we're going to let other people deal with it,' then I think that's a bit of a problem."

With the government's blessing, MPs on the House of Commons finance committee will soon embark on a broad round of hearings on reforming the rules related to charities. Peter Braid, the Kitchener-Waterloo Conservative MP who proposed the study, said he was concerned by the "double whammy" of declining charitable donations and greater need for services because of the recession.

"It's good conservative philosophy as well," he said. "It's not the role of government necessarily to solve all of society's challenges on its own."

Mr. Braid won opposition support for what he describes as a non-partisan study, but there is hesitation. Concerns have been expressed that, unless the criteria for charities are tightened, corporations like oil and tobacco companies could end up with more generous tax breaks for contributing to think tanks that support their messages.

MP Peggy Nash of the New Democratic Party said that boosting the credit for charitable giving raises questions about how much government revenue might be lost. Ms. Nash said elected officials could lose their say over what services government supports through tax cuts.

“That’s what I think we need to look at,” she said. “Is this the direction we want to go? Who benefits? Who loses? What does it mean for overall tax revenue?”

Many of the ideas the government is looking at are inspired by a report that was released last December and received little public attention. The 37-page National Task Force on Social Finance contained several recommendations on what Ottawa could do to mobilize “private capital for public good.”

Internal briefing notes obtained by The Globe and Mail under access to information legislation show that Finance Minister Jim Flaherty met with the task force a month before the report’s release. The tone of the notes suggests strong support inside government for moving further in this area.

As a concrete example of social-investment partnerships, Ms. Finley points to Habitat for Humanity. By working with private-sector companies like Home Depot, the low-income housing charity and its volunteers can achieve far more social good than they could otherwise.

“The really successful ones have one thing in common,” she said. “They’ve been developing partnerships with other organizations that really enhance the outcomes for both parties.”

# Charities upset over accountability comments

By Bill Curry

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Charities are enthusiastic about the Conservative government's plan to consider expanding tax breaks for their donors, but are concerned by suggestions that they need to be more accountable.

The Globe and Mail reported on Friday that Ottawa is taking a close look at reforming charity rules and drawing inspiration from Big Society experiments on social investing under way in the United Kingdom.

The Conservatives have used their majority on the House of Commons' finance committee to approve a study of whether to change Canada's charitable tax credits to encourage more giving. The review is expected to take a broad look at expanding the tax credit, and study a specific proposal to extend the capital-gains exemption to private company shares and real-estate donated to a charitable organization.

"I think it's a good idea that the government takes a look at the tax framework and freeing up, perhaps, some more income for charities and not-for-profits. I think that's a good idea. It's long overdue," said David Lord, who has worked for about 25 years on federally funded non-profit international peace projects.

But Mr. Lord and others in the sector expressed concern and confusion over reported comments from Human Resources Minister Diane Finley, who said the first concrete change will be to test a new grants system that would give extra money to groups that meet performance targets.

"Right now ... they receive the money whether they achieve their objectives or not," Ms. Finley told The Globe and Mail. "Now we're saying, 'All right, we still want you to do this, but you get more money if you actually achieve the objectives.'"

Betty Plewes, a former president of the Canadian Council for International Co-operation, who has spent most of her career in the voluntary sector, disputed the statement that charities don't have to meet objectives.

"This is just not true. It doesn't work that way. There's a whole process of application and evaluation and approvals," Ms. Plewes said.

But Greg Thompson, director of research at Charity Intelligence, believes there is room for charities and government to be more accountable about how taxpayer dollars are

spent. Mr. Thompson's organization attempts to help charitable donors by researching and reporting on which charities use their donations most effectively.

"We've heard many times from charities and from a number of people in the sector that it's not something that needs to be done or should be done, but we absolutely believe otherwise," he said. Mr. Thompson agreed that charities do pledge to meet certain targets, but in his view, it would be a welcome exercise for all parties to review the system so that they are using more useful yardsticks.

"I saw this as a great announcement from the standpoint that at least the government agencies are thinking about the right kinds of questions and not just wanting to give money out because organizations are asking for it," he said.

Political reaction in Ottawa focused on what the minister's comments will ultimately mean for charitable funding during an era of spending restraint. Both the NDP and Liberals said they are concerned that talk of reform is really a signal that charities are in line for spending cuts.

Ms. Finley's spokesperson, Alyson Queen, stressed that the government is not making major changes at this time.

"These are early days in our discussions about social partnerships, and we are not embarking upon sweeping changes to charitable organizations as indicated by the NDP," she said in a statement. "We are working on behalf of Canadians to reach out to innovative organizations, test new approaches that will build upon our current efforts and potentially unlock new sources of capital to address social challenges in our communities. We have robust accountability and reporting standards in place already. However, we must continue to look for new ways to achieve even greater results with taxpayers' hard-earned dollars."

**GIVING CHANGED**

## **For Canada's charities, this is a time of crisis and a moment of opportunity**

**By Paul Waldie**

**From Saturday's Globe and Mail**

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Philanthropy in Canada is in the midst of unprecedented upheaval. An uncertain economy threatens to send already dwindling donations from an aging base of givers into permanent decline, while deficit-fighting governments are cutting their support and imposing tougher regulations on agencies that issue tax receipts for the money they collect.

For the country's charities, it is an undeniable crisis – but also a moment of unprecedented opportunity. New technology is allowing Canadians to flood emergency zones instantaneously with massive amounts of capital. And while governments like our own are beginning to apply tough, performance-based measures to their grants, a new breed of lean business-like charities is emerging to meet that challenge.

The situation is so pressing that Imagine Canada, an umbrella organization for the nation's non-profit sector, has called its first-ever emergency summit. A month from today, hundreds of delegates from across the country will gather in Ottawa to discuss everything from how to shore up their finances to how to attract volunteers, recruit professional managers and engage more Canadians.

The summit's three days of debate will feature addresses by Governor-General David Johnston and Calgary mayor Naheed Nenshi aimed at inspiring delegates, but the focus will be on the need to adapt to structural shifts in the charitable universe.

Around the world, the social-service landscape is being transformed. Billionaires such as software titan Bill Gates and investing magnate Warren Buffett have generated huge buzz by pledging to "give back" the fortunes they have amassed.

But in Canada, donations dropped for the first time in 30 years during the recent recession, and scrutiny of charities has never been higher. Contributors, including corporations, are seeking far more control over what is done with the gifts they bestow, even as the rise of the online microdonor is changing the climate for traditional agencies and the nation's elected officials are rethinking the role charities play in delivering social services.

As revealed by The Globe and Mail on Friday, the government of Prime Minister Stephen Harper is about to begin making changes to how it finances charities and looking at linking financing to how well they perform.

Ottawa also is considering joining a growing global move to broaden the scope of charities by allowing them to become "social enterprises" able to generate profits that help to underwrite

their social missions. Organizations would be asked to become more professional in how they are managed and more businesslike in how they raise money.

There will be losers. “Leaders of charities now are facing a much more complicated world ...,” says Hilary Pearson, president of Philanthropic Foundations Canada, which represents private foundations. “A lot of them need to rely on skills that they don’t necessarily have.”

“A lot of forces are coming to bear at the same time,” adds Ken Mayhew, chief development officer for the Multiple Sclerosis Society of Canada, and some agencies simply won’t survive. Others, however, will emerge much improved, he adds.

They welcome the challenge and feel that, in the long run, the opportunities offered by the new businesslike approach to public service will reinvigorate a sector that employs hundreds of thousands of Canadians and, according to a 2007 report by Statistics Canada, generates more than \$31-billion a year in economic activity.

The transformation springs from a trend – the aging and shrinking of the donor base – that has been taking shape for years but accelerated greatly in the three years since the recession took hold. Between 1990 and 2007, charitable donations in Canada almost tripled, from \$2.9-billion a year to \$8.6-billion. The number of charities soared as well, more than doubling from 42,000 in 1980 to 85,000 in 2007 (another 80,000 non-profit groups provide services, such as running a minor baseball league, but can’t issue tax receipts).

Yet the number of Canadians who donated slowly began to fall, from about 30 per cent of those who filed tax returns in 1990, according to Statistics Canada, to an all-time low of 23 per cent two decades later. Charities could cope as long as their remaining backers picked up the slack – and they did. The median donation increased from \$120 in 1990 to \$250 in 2007, even as those giving the money aged notably, from 47 on average to 53.

Then the recession hit. In 2008 and 2009, donations fell by almost \$1-billion, an alarming figure only partly offset by the fact that Revenue Canada was cracking down on illegal tax shelters, and disallowing contributions to some charities.

Again the sudden decline sprang from a long-standing trend. A recent study by the Conference Board of Canada found that virtually all of the wealth created in the past 30 years has gone to the top 20 per cent of income earners, about one-third of it to the top 1 per cent.

The middle class, meanwhile, “are feeling, not just poor, but insecure,” says Anne Golden, the Conference Board’s chief executive and a former head of the United Way of Greater Toronto. “And I know from talking to charity heads that it’s not just not feeling rich that causes people not to give. But if you feel anxious about your current income or your future retirement income, that is a big factor in your life.”

Such anxiety resonates with current United Way head Susan McIsaac, whose campaign kicked off in earnest this week in the hope of collecting \$116-million by Christmas.

One of North America’s largest annual fundraising drives, it provides the lifeblood for 200 social agencies and in the past could count on double-digit growth every year. But now, Ms. McIsaac says, the United Way is looking to the future and “preparing for the worst.”

Tax deductions are often proposed to remedy the donor decline. Imagine Canada advocates a “stretch tax credit” for people who make small donations. “We are targeting this to young donors, young families who haven’t yet gotten into the habit of giving,” says Imagine CEO Marcel Lauzière.

In recent years, the biggest breaks have largely benefited the well-off by making donations of publicly traded securities and other assets more tax-friendly. This has translated into major gifts, especially for larger charities and foundations.

But increasingly those willing to donate large sums are determined not just to write a cheque but to become more involved.

After retiring from the federal civil service a few years ago, Calgary resident Elizabeth Marshall joined forces with her sister and some close friends to set up their own charitable foundation. “I wanted to find a way to make the donations count,” Ms. Marshall says. “And I wanted some control over where it went.”

Now volunteering with a local literacy program and as a tutor, she is pleased with the outcome. “It is wonderful when you see something you worked on get done.”

So many Canadians have begun to follow in Ms. Marshall’s footsteps that the number of private foundations has nearly doubled in the past decade to about 5,000. Soon they will outnumber public and community foundations, and already control far more in assets – about \$13-billion. As a result, existing charities can no longer just send out appeals and hope donors will respond. They often have to work with benefactors individually and figure out what they want; securing a major gift can take years of negotiation. The popularity of “donor-advised funds” (“accounts” created by agencies to let donors decide where their money goes) has left many charities with so many pockets of committed cash that launching a new program can be difficult.

Big donors aside, attracting support has become more complicated and costlier. The traditional workhorses – direct mail and telephone solicitation – are being overshadowed by the Internet and social media. But raising money online isn’t as easy as it may appear; social-media donors tend to give relatively small amounts and have little long-term attachment to a cause. That means charities must spend more on fundraising, even as increasingly savvy donors are scrutinizing their administration costs.

“We’ve all had to become a lot more entrepreneurial,” says Brian Levine, executive director of the Glenn Gould Foundation in Toronto, which has just launched its first major fundraising drive, hoping to raise \$30-million.

“We are going to have to work very, very hard,” says Mr. Levine, acknowledging the danger in greater competition for finite resources. “We’re going to have to find new pools of money, because we don’t want to just be cannibalizing someone else.”

There is also a serious push among charities to be more transparent about financial reporting, governance and even what they pay top staff. Many are joining a national verification program that will issue a sort of stamp of approval to those that meet certain standards.

“We have to ask ourselves, ‘Do we do this because we want to feel good about ourselves, or do we do it because we really want to change things?’ ” asks Imagine Canada’s Mr. Lauzière. “If it’s the latter, well then we have to look at how we bring in the right talent, how we have the right infrastructure and if we have the right resources.”

Said like a true entrepreneur.

# Corporate giving coming with more strings attached

By Rita Trichur and Janet Mcfarland

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Canadian charities are in a double bind: As donations from the business community decline, the biggest corporations are also becoming more strategic about their giving.

Faced with an ever-increasing swell of requests, companies have raised the bar for funding in recent years by focusing on causes that are linked to their business goals or the promotion of their brands. Many would rather sponsor specific projects than write a cheque to pay for a charity's general operations.

"The core of what drives a charity, the ability to turn on the lights and fund staff and really create the infrastructure that's needed to drive the programs and services, that is the piece that has tended to be more compromised as a result of the economic downturn," says Jan Belanger, who oversees an almost \$12-million annual donation budget for Great-West Lifeco Inc. ([GWO-T21.46----](#)%) and subsidiaries Canada Life and London Life.

Charities say several years of economic uncertainty and financial restraint have caused companies to become increasingly demanding of charities, even as many corporations are allotting less to their charitable budgets.

"What's happening globally is definitely impacting giving patterns here at home," says Cheryl Carline, chief executive officer of the Greater Vancouver Food Bank Society.

But for now at least, Canada is not seeing the sort of dramatic cuts to philanthropic giving that have hit charities dependent on Wall Street. According to The New York Times, Citigroup Inc.'s ([C-N29.570.401.37%](#)) charitable foundation slashed its giving by 60 per cent last year to a mere \$115,000 (U.S.), while the collapse of Lehman Brothers and the disappearance of Merrill Lynch as a standalone entity have left gaping holes in a formerly solid corporate donor base.

Yet with an increasing number of causes competing for funds from Canadian businesses, even larger charities say they are not taking anything for granted. United Way Toronto, for instance, has set a \$116-million fundraising goal for 2011, to best the \$113.2-million raised last year. While chief executive officer Susan Mclsaac believes that goal is achievable, she says business executives seem more cautious this year. "Nobody wanted to overpromise or oversell. There was a tone of caution."

Distributions of food are shrinking at the Greater Vancouver Food Bank Society because of a drop-off in corporate and individual donations this year. Donations of food from companies have fallen 23 per cent so far this year compared with the same period last year, Ms. Carline says. Cash donations are down 30 per cent.

At the same time, the food bank is paying more for the fresh food it purchases, as well as for energy and gas.

“We’re getting hit from both ends of the spectrum, and it means that we’re constantly cautious and making adjustments on the amount of food we’re able to give out at any one time,” Ms. Carline says.

The Daily Bread Food Bank in Toronto is facing similar problems, with corporate donations down almost 40 per cent so far this year, or about \$100,000, says spokeswoman Sarah Anderson.

That drop comes on top of a 40-per-cent decline in individual donations so far this year. The food bank failed to meet its goals for its Thanksgiving food drive, leaving a further \$96,000 gap in the budget.

“It kind of adds to the stress, with the fall drive not doing well,” she says. “That’s an indicator that we can expect fundraising in the holiday season is definitely going to be a challenge.”

Assessing the depth of cutbacks in corporate donations is difficult because many privately held businesses don’t disclose details of their giving. According to Statistics Canada, corporate deductions for charitable and other contributions peaked at \$2.45-billion in 2008, and dropped 21 per cent to \$1.92-billion the following year. They began to recover in 2010, but the economic storms emanating from Europe have brought new uncertainty in 2011.

The shift to focused giving, meanwhile, is exemplified by Bell Canada’s multiyear mental health initiative and Bank of Montreal’s ([BMO-T57.720.310.54%](#)) \$4-million gift to the Perimeter Institute for Theoretical Physics in Waterloo, Ont.

Other firms, like Canadian Imperial Bank of Commerce, ([CM-T73.590.310.42%](#)) are experimenting with “consumption philanthropy” to bolster their long-standing causes. In 2007, branches began selling CIBC’s Pink Collection, which includes items like travel mugs and dog leashes, to complement the Canadian Breast Cancer Foundation CIBC Run for the Cure.

Many companies are seeking more hands-on involvement by partnering with charities on specific projects, while also providing them with more in-kind donations, such as goods or services, rather than cash.

It’s an “outcome-based era” where donors want to know exactly what their money will achieve, says Denny Young, senior director of development at the Toronto Symphony Orchestra. That means donors prefer to fund something specific like a concert series or an educational program, and they are less likely to simply mail a no-strings-attached cheque once a year.

Experts say it is too soon to predict how many charities will miss their fundraising goals this year. Mike Meadows, senior manager of corporate citizenship at Imagine Canada, a national program to promote charitable giving, says that declines in corporate giving tend to lag downturns by between nine and 15 months because companies are determined to honour existing commitments.

After weathering the recession with stable funding, Big Brothers Big Sisters of Canada is seeing uncertainty in 2011, with some corporate partners warning they will be reducing their contributions, says chief executive officer Bruce MacDonald.

The organization had a number of multiyear funding commitments from corporations that are now coming up for renewal. "It's now that we're in the renewal phase that we're experiencing more challenges," Mr. MacDonald says.

A longer-term trend of disappearing head offices in Canada has also had an impact, he adds. "If we can't get to the key decision makers because they live overseas or in the U.S., then it is harder to make a case for Canadian investment."

Like its peers, Toronto-Dominion Bank ([TD-T73.110.230.32%](#)) has continued to increase its charitable donations since the downturn. Last year, it gave nearly \$58-million to community organizations in Canada, the U.S. and the U.K., up from \$51 million in the previous year, and it is budgeting for yet another increase for 2012.

Tim Hockey, group head of Canadian banking at TD, is confident the banking sector will remain committed to increasing philanthropy no matter what happens to the economy. Still, as an individual, he admits that he is worried about the potential for another economic downturn.

"You can't help but feel that if we go into an economic recession, so many of these agencies, so many of our citizens, are going to be hugely impacted by increased unemployment rates or cutbacks in spending by institutions," Mr. Hockey says. "I'm very worried. ... It is no fun to be in a recessionary environment if that is what we are headed into."

During the last recession, TD focused its efforts on improving financial literacy. It is stepping up funds for those initiatives next year, including funding a United Way program in Toronto that offers financial planning education to single parents, new immigrants and seniors.

Some banks are deliberately choosing causes that resonate globally, such as Royal Bank of Canada's ([RY-T46.88-0.16-0.34%](#)) Blue Water project. "We are very committed to the amount of philanthropy that we do. We don't consider this to be a fair-weather area of corporate spending," says Shari Austin, vice-president and head of corporate citizenship. "There are things that we are trying to do to be more efficient with our charitable dollars. The biggest part of that is to focus the money on some specific big-ticket projects."

Still, there are thousands of charities seeking funding, which leaves many donors feeling overwhelmed, says Greg Thomson, director of research at Toronto-based Charity Intelligence Canada, which helps large donors assess the effectiveness of charitable organizations. Many corporations concluded even before the recent economic downturn that they needed a strategic way to make increasingly complicated choices, Mr. Thomson says.

Bank of Nova Scotia ([BNS-T51.880.811.59%](#)) uses a rigorous process to sift through the roughly 3,000 requests it receives each year. It is anticipating that number will increase over the coming years.

"The year ahead and perhaps the next couple of years are going to be difficult ones, I think, in the fundraising area," says chief economist Warren Jestin, who also heads the bank's philanthropy program.

The shift toward donations that can achieve "measurable outcomes" creates new challenges for corporations doing the donating, says Ms. Belanger of Great-West Lifeco.

The Great-West companies commit 1 per cent of pretax profit to charity, averaged over five years. That totalled \$11.8-million this year, down slightly from a peak of \$12.8-million in 2009.

To do philanthropy well, corporations must take time to understand the needs in their communities, monitor emerging problems and maintain a “constant dialogue” with the organizations with which they partner, Ms. Belanger says. For her, that represents 800 charitable groups that receive funding from her organization.

“It’s harder, but it’s definitely more impactful,” Ms. Belanger says.

# Here's how we can be both smart and good

By Margaret Wentz

From Saturday's Globe and Mail

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The other night, I went to a fundraising event. The cause was worthy, and the patrons were well-heeled. We chowed down on filet mignon as the charming head of the worthy cause made his pitch. I noticed they'd sold the naming rights to every part of the building except the toilets. I wondered how much it might cost to get my name on a stall. They had a silent auction and a live auction, which began once the patrons were suitably lubricated. I guess it was fun. And there'll be another one tomorrow.

A lot of us are suffering from charity fatigue. The pitches from people who want our money are relentless. On the street, I'm accosted by earnest young people who want to sign me up for Plan Canada or Amnesty International. At the grocery checkout, I'm asked to cough up an extra toonie for a good cause. My mailbox is stuffed with solicitations. I have a steady stream of calls from people who want me to contribute to every hospital I was ever in; I know that, if I say yes, they'll be on my case forever. Friends and colleagues bombard me with e-mails asking me to sponsor them for walks, runs and rides. I don't want them to think I'm cheap, so I usually say yes.

I only have a dim idea how much I give away, or what good it does. I have no idea whether it makes a difference. "As donors, it's time for us not just to give more but to give better – to make sure our giving is going where we think it's going," says Kate Bahen, managing director of Charity Intelligence Canada, a Toronto-based organization that advises donors.

The competition for money has created a sort of charity arms race, which pushes charities to spend more and more money in order to raise their profile and attract donations. "Something has changed in the past decade," Ms. Bahen says. "There are more galas and more glitz. It feels to me as if it's become about the donor experience – the donors feeling good, the donor having a good time. Maybe I'm old-fashioned, but I thought charity and giving were supposed to be about something else."

She's found that the best places to give money are often in your own backyard. Charity Intelligence's recommended list includes a number of small grassroots groups that help high-risk adolescents, run food banks or serve the homeless. None of them are glitzy. Their administrative and fundraising costs are low. They do a lot with a little, and they're focused on results.

Most of us give money because it feels good. It seems rude to ask about results. But stupendous amounts of donor money are squandered through inefficiency and incompetence. The world's a sucker for humanitarian disasters. When the next tsunami hits, millions of us will open our wallets and our hearts – and millions will be wasted. "Humanitarian emergencies have a way of bringing out the worst excesses of charity marketers," says Avril Benoît, the former CBC Radio personality who now works with *Médecins sans frontières*. "Organizations with poor track

records for effectiveness in crises can, paradoxically, be masterful at convincing the public that they are relevant on the ground – when they are not.”

She’s also down on voluntourism, the fashionable trend that encourages unskilled rich people to travel overseas to build schools and houses for poor people – usually in countries that have a surplus of unemployed skilled labourers. Voluntourism makes people feel good. Whether it does good is another matter.

If you’re serious about giving – and you should be – a hard head is important. Think of your money as an investment. That’s what the Bill and Melinda Gates Foundation does. Its emphasis on results has turned the world of giving upside down.

This approach requires some work. You’ll have to find out what really happens to your money. You may be in for a surprise. Some charities pay more than half the money they receive from donors to outside fundraisers. Some spend more money on administration than on actual charitable work. The magazine MoneySense publishes an analysis of Canada’s hundred biggest charities; it won’t tell you everything you need to know, but it’s a good place to start.

The barrage of charitable appeals has made a lot of people cynical. But the good news is, you can do a lot of good. “You don’t have to be a Warren Buffett or Bill Gates,” Ms. Bahen says. “A donation of \$25,000 to the right charity at the right time can make an incredible difference.” A few years ago, someone gave that amount to Wish, a small Vancouver agency that works with street prostitutes. Wish used the money to advocate for the many women who’d gone missing. If it weren’t for that, Robert Pickton might still be on the loose.

“If there’s one message to convey, it is that our giving does matter, and our giving is worth it,” Ms. Bahen says. “It’s not how loud your trumpet is. It’s not who knows who, or who’s on the board.” Her aim is to create a level playing field for charities that may not have the best connections but have the best results – whether it’s helping a kid to graduate from school or getting a homeless person off the streets.

So here’s my memo to myself: Start giving twice as much, and do it twice as well. Work on it. It matters.

# **I put my faith in creative philanthropy**

**By Tony Blair**

**From Saturday's Globe and Mail**

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One of the most important lessons I learned as U.K. prime minister for 10 years was not about the power of government, but about its limits. Some of the best, most creative ideas came from outside government. Many of these were from the voluntary sector. Philanthropy, therefore, is not just about giving but about giving creatively. The mechanism through which one is working – whether it is a government, company or foundation – can only be pushed so far until the system itself needs outside support. That's one reason why, when I left office, I founded the Tony Blair Faith Foundation.

In the work we are doing, I draw on my experience as prime minister as well as my own personal convictions. We need to understand the power of faith as a force for good to affect social change. Faith matters to 70 per cent to 80 per cent of the world's population. Billions of people are deeply influenced in what they do day to day by the faiths they hold. To ignore faith as unimportant to the work of philanthropy is to often ignore the very people we are trying to reach.

To me, philanthropy means to help human flourishing. In the age of globalization, we must understand one another so we can allow others to live lives of excellence and not simply existence.

The interconnectedness of the world is a familiar theme, particularly as an explanation of the depth of the current financial crisis. This integration requires us to intensify both our giving and our desire to seek global solutions to global problems. In times of crisis, we cannot retreat so that support and concern is only directed to our immediate families, neighbourhoods and countries. The human flourishing of my immediate family is connected to the well-being (or lack thereof) of those in other parts of the world that are suffering.

This year, my foundation has 34 Faiths Act Fellows who, rather than shying away from the world's challenges, have decided to tackle them head on. In interfaith pairs, they work to raise awareness and funds for malaria prevention. In India, they bring faith communities together to reduce risks of malaria and maternal mortality. In Sierra Leone, our interfaith pairs work with interreligious leaders to spread malaria prevention messages in congregations to support the government's malaria control program.

Our Canadian Faiths Act Fellows are partnering with the International Development and Relief Foundation, an organization whose development programs take into account the Islamic principles of human dignity, self-reliance and justice. This deliberate engagement with those around the world in times of crisis creates people of excellence.

In giving, whether it is privately or through global aid budgets, we need to be creative about our philanthropy. In my foundation, this means taking an intellectual understanding of the needs in

the countries in which we are working and turning them into effective and innovative solutions. Moreover, philanthropy and aid are not the same.

Effective philanthropy aims to support flourishing alongside one another, not for one country to be dependent on the aid of the other. This means changing the way rich and poor countries interact. We must move on from thinking in terms of rich countries helping poor countries, to an understanding of how everyone can contribute to common, shared goals – such as eliminating malaria.

Philanthropy is not simply about signing a cheque. More and more often, supporters donate technology, supplies or infrastructure to a cause they are passionate about. Time, expertise, passion and education can all be deployed for social return.

In our Face to Faith program, we use technology to bring students aged 11 to 16 from around the world face to face through video-conferencing to learn alongside one another. This would be impossible to implement if it weren't for the generous donations of our supporters. I recently joined a video conference with students in India, Pakistan and the United States, where they discussed global issues and learned from one another rather than about each other. These classroom sessions, which use curriculum materials developed by an international board of teachers and religious leaders, immediately break down barriers. This itself is a step toward human flourishing.

I am a practical optimist. Together, faith-based communities could ensure that the 21st century is remembered not as a time of interreligious violence, but as a period when people of all faiths co-operated to combat the giant ills affecting humankind.

*Tony Blair is founder and patron of the [Tony Blair Faith Foundation](#).*

# Infographic: Corporate charitable donation rates in Canada

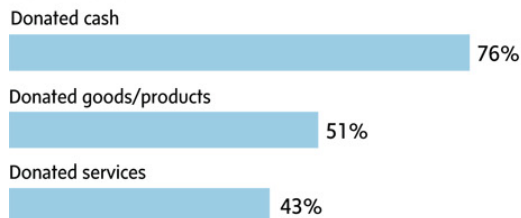
Published Friday, Oct. 28, 2011 7:11PM EDT  
 Last updated Friday, Oct. 28, 2011 10:14PM EDT

## Corporate giving

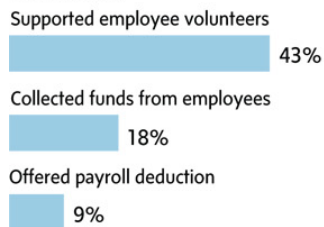
### RATES OF SUPPORT

to charities and nonprofits, by category

#### DONATIONS



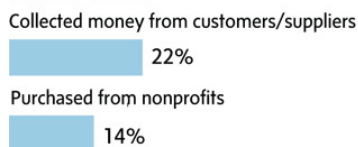
#### EMPLOYEES



#### MARKETING

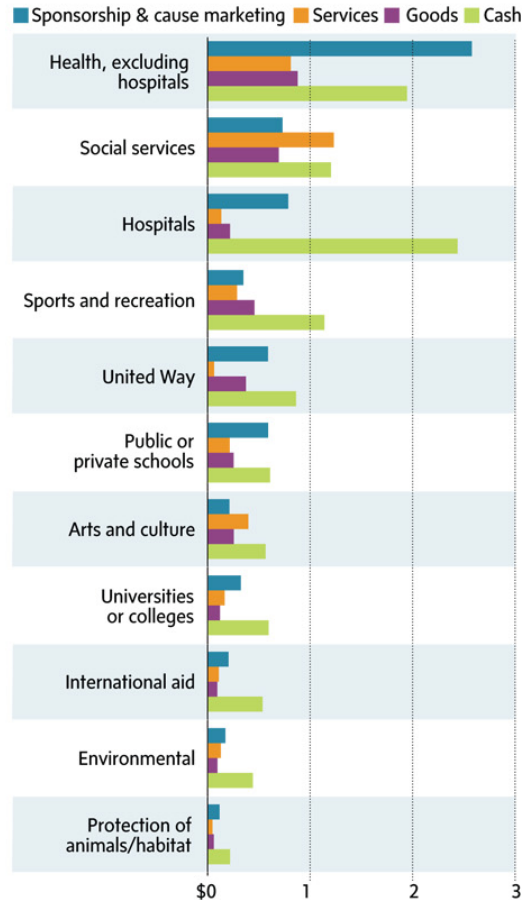


#### SUPPLY CHAIN



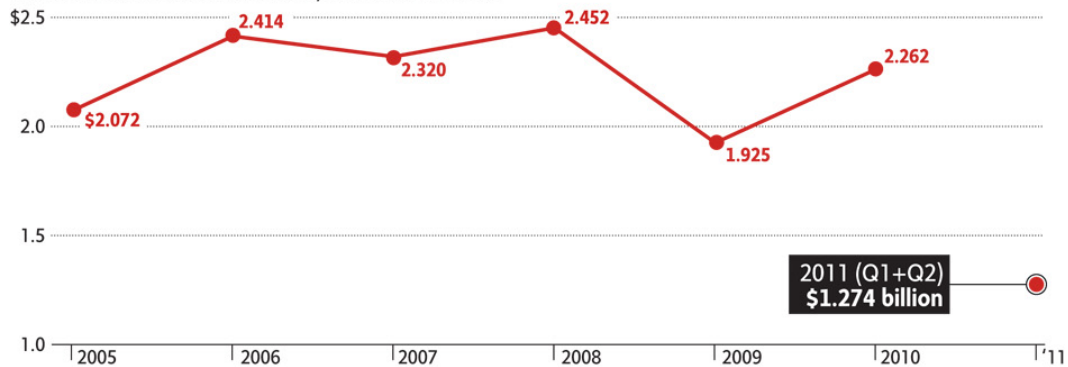
### TOTAL VALUE OF CONTRIBUTIONS

by type of donation and nonprofit  
 in millions of dollars



### TOTAL AMOUNT CLAIMED

charitable and other contributions, in billions of dollars



# Infographic: How mobile giving works

Globe and Mail Update

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Mobile philanthropy is one of the fastest growing donation methods, according to [The mGive Foundation](#), a group specializing in this kind of philanthropy. Users donate by sending a text message to a number provided by the charity. A charge is added to their cellphone bill.

Charities or non-profits interested in collecting this way must first partner with a phone carrier, since they're responsible for charging the user's account. Charities will often work with groups like mGive to facilitate the partnerships between organizations and carriers.

When a user sends their text message, the phone carrier adds the charge to the user's bill. The donation can't be transferred to the charity until the user pays his or her bill, meaning it could take 30 days or longer for transfer to be made. The third-party group will work with the carrier to collect the money. The carrier remits 100 per cent of the original donated amount.

