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TOP RISKS AND OPPORTUNITIES FACING THE CHARITY SECTOR IN 2026



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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 2025 was cautious, the results surprised many on the upside. Most notably, good investment returns for the year despite global political gyrations provided financial stability for many. Donors continued supporting charitable activities, though the number of contributors continued to decline.

The coming year introduces new challenges and risks for the Charitable and Foundation Sector. There is a challenging 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:

- Declining Number of Donors
- Changing Political and Economic Outcomes
- Rising Demand for Services
- AI and Cyber Risks

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

- New Methods of Donating and Revenue Generation
- Community Engagement

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

- The continued decline in the number of donors is the top challenge to be faced by Charitable Organizations in 2026. The share of tax-filers who reported donating to charity fell from 21.9 percent to 16.8 percent between 2013 and 2023.
- The average decline in the giving rate has been accelerating over the past thirty-year period. We present possible reasons for this decline.
- The trend of declining donors has been offset by an increase in the average value and the aggregate value of charitable donations. However, this is masking the seriousness of the problem.
- We remain cautious about Canadian and global economic performance in 2026. This caution is driven, in large part, by political uncertainty and challenges.
- Canada's challenge is to change its historical trading relationship with the United States, a process which will take time to play out. The country is adopting a strategy of working with other middle powers to strengthen its economic and political relationships.
- Tariffs present particular challenges for the Charity Sector. We present and discuss these challenges and strategies for Charitable Organizations.
- There is an increasing demand for services concomitant to these economic and political challenges. The implications of this for the sector is discussed.
- 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.

- There remains a case for optimism for the Charity Sector based on the many opportunities available in 2026. We present our ideas on how to uncover these opportunities.
- Our top opportunity for 2026 is the increasing number of ways for Charitable Organizations to increase donations and revenues in a challenging environment.
- Revenue opportunities include the use of Insurance product with charitable giving, developing legacy giving programs, the introduction of Charitable Impact Bonds, the increasing use of Crypto Currency in the sector, and the use of raffles and lotteries for fundraising.
- Relationships are the most important characteristic of the Charitable Sector's operations. In periods of significant political and economic challenge, these strong personal relationships can guarantee the survival of a Charitable Organization.
- We present a list of fourteen ways in which community engagement can be measured for success.
- We discuss the important role of Volunteers and how to value their contribution to the Charitable Sector.

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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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