

# ACTIVITIES OF SMALL CHARITIES AND FOUNDATIONS IN CANADA



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#### **EXECUTIVE SUMMARY**

Our previous Research Report presented a comprehensive analysis of the presence and activities of <u>Large</u> <u>Charities and Foundations in Canada</u>. In contrast, this report turns attention to Small Charities and Foundations which we define as those with less than \$1 million in Total Revenue.

In general, a Small Charity or Foundation is founded to fulfill the need of an individual donor. They are created because the donor believes that existing Large Charities and Foundations or the Government cannot do, or are not doing, the work on the relevant issue as well as what is required. In this regard, Small Charities and Foundations do incredibly important work in their communities. They tend to be specialist or expert organizations on specific issues in their community.

This report presents an extensive analysis into Small Charities and Foundations in Canada. We present a discussion on the advantages, dis-advantages, opportunities, and challenges of being a small Charitable Organization.

Included in the report is an analysis showing:

- The number of Small Charities and Foundations in Canada by Total Assets, Total Revenues, Total Tax-Receipted Donations, and Total Expended on Charitable Activities;
- > A breakdown of Small Charities by Total Revenues;
- > A breakdown of Small Charities by Total Tax-Receipted Donations;
- > A breakdown of Small Charities by Province
- > A breakdown of Small Charities by Categories of Charity.
- An analysis of the percentage of each Category of Charity service by Small Charities and Foundations as represented by Total Revenues.

An appendix provides several listings of Small Charities using different characteristics.

#### **Principle conclusions of the Report**

- Small Charities represent 81 per cent of the number of Charitable Organization in 2021, but represent only 3 per cent of the Total Revenues in the Sector.
- The number of Small Charities over the five-year period 2017 to 2021 has declined by 5 per cent. This compares to a growth rate of 14 per cent for Large Charities during the same period.
- > Total Assets of Small Charities in Canada have grown by 16 per cent over the same time period.
- > Total Revenues for Small Charities have remained unchanged over the study period.
- > 56 per cent of Small Charitable Organizations report less than \$100,000 in Total Revenue.
- The amount Expended on Charitable Activities by Small Charitable Organizations has declined by 7 per cent over our five-year study period.

- Total Tax Receipted Donations over the five-year period also showed a decline of 5 per cent. A material 32 per cent of Small Charities reported no revenue from Tax Receipted Donations.
- > Large Charities are distributed on a geographic basis similarly to population and economic activity distribution in Canada.
- Total Revenues are similarly spread geographically, with the largest concentration of Small Charities shared equally by Ontario and Quebec, followed by British Columbia, and Alberta.
- > The five largest Categories of Small Charities represents 73 per cent of the total number. Noticeable is the complete lack of representation in the Healthcare sectors by Small Charities.
- This lack of dominance by Healthcare charities results in a more balanced distribution of Total Revenues by Charity Category.
- Small Charitable Organizations also provide more than 50 per cent of aggregate charitable services in five categories of Charities–National Sports Organizations, Agriculture, Alternative Healthcare, Relief of the Aged, and Arts Education.

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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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ISSN 2817-2671