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CHARITIES SCORE HIGH ON MEETING NEEDS

Almost 70 per cent of Canadians believe that charitable organizations are better at meeting the needs of the average Canadian than is government, according to a study released today.

But an even higher number – more than 83 per cent of Canadians – say that services provided by charities should not be a substitute for services government can provide.

The study – *Talking About Charities: Canadians' Opinions on Charities and Issues Affecting Charities* – was released today by The Muttart Foundation of Edmonton and the Canadian Centre for Philanthropy of Toronto.

Almost 3,900 Canadians completed a 20-minute telephone survey between May and July of this year. The size of the sample means results can be considered accurate within plus or minus one per cent, 19 times out of 20.

Bob Wyatt, executive director of The Muttart Foundation, said the \$140,000 study was commissioned so that governments and the charitable sector could take into account the views of Canadians in current discussions about the future role of charities in Canada and the rules that should govern them.

The study was directed by Dr. Michael Hall, vice-president of research at the Canadian Centre for Philanthropy. He said it asked people questions in seven areas of concern, ranging from the level of trust people have in charities to the acceptability of charities undertaking business or advocacy activities.

Some of these issues are contentious, Wyatt said. “Governments and the charitable sector have been considering many of these issues, and others, at a more accelerated pace over the past two or three years. However, one of the pieces of information that has been missing is the view of Canadians.”

“In commissioning the study, The Muttart Foundation did not know what the results would be. Nor were we seeking to find support or disagreement with any specific position. We simply believed the information should be available. We now leave it to others to study these results and determine how best to use them.”

The survey demonstrates a high level of trust in charities. More than three-quarters of Canadians trust charities “some” or “a lot”. When asked about the level of trust among people in various occupations and professions, only nurses and doctors were considered more trustworthy than people who work for Canada’s 78,000 charities.

Almost nine in 10 Canadians believe that charities are becoming increasingly important to many Canadians, according to the study. But almost 60% believe that charities do not have enough money to do their work.

At the same time, respondents overwhelmingly say they want more information about charities, their activities, their fundraising practices and the impact of their services on Canadians. They believe that the activities of charities need to be monitored, with few knowing that charities are already subject to monitoring by the federal government as well as some provincial and municipal authorities.

Seventy per cent of Canadians agree with the idea that charities should be able to engage in any kind of business activity, so long as the proceeds of those activities are used to support the charities’ programmes and services. An even higher number – 90% -- say that running a business is a good way for charities to raise money they can’t obtain through grants or donations.

Yet Canadians also express concern that charities who operate businesses could make the business activity their most important priority. They are also concerned that the businesses could lose money that could otherwise be used to help Canadians.

Charities that are successful in entrepreneurial ventures should not have to pay tax on their business income, according to 83% of Canadians, so long as the income is used to support their charitable activities.

The public expects charities to speak out on issues such as the environment, poverty or health care. But there is greater division on whether charities should spend their time and funds trying to have laws changed. Almost half feel it is acceptable for charities to engage in this type of activity, while almost a third say that it depends on the charity involved.

The full text of *Talking About Charities*, along with the results for each province, can be found on The Muttart Foundation’s Website at <http://www.muttart.org>.

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Attachment: Executive summary of *Talking About Charities*

For further information: **Bob Wyatt** can be reached until October 7 at the Sheraton Centre Hotel, Toronto (416) 361-1000 or on his cell phone at (780) 908-4085. **Dr. Michael Hall** can be reached at the Canadian Centre for Philanthropy (416) 597-2293, extension 226.

EXECUTIVE SUMMARY

The Muttart Foundation, a private foundation based in Edmonton, Alberta, commissioned the Canadian Centre for Philanthropy to conduct an omnibus survey on public opinion about charities and issues related to charities.

Between May and July 2000, a total of 3,863 Canadians completed a telephone survey. The sample was drawn in a way to provide data that was statistically valid at both the provincial and the national level. A sample of this size can be considered accurate at the national level within plus or minus 1%, 19 times out of 20, and it provides statistically valid results at the provincial level as well. The margin of error at the provincial level ranges from 3.6% for Ontario to 6.9% for Newfoundland and Prince Edward Island.

The survey focused on seven areas: (1) the perceived importance of charities; (2) advocacy; (3) funding; (4) business activities by charities; (5) fundraising practices; (6) trust in charities; and (7) accountability. Key national results for each area of these areas are outlined below.

Perceived Importance of Charities

- Virtually everyone (90% of respondents) agrees that charities are becoming increasingly important to many Canadians.
- Most (79%) believe that charitable organizations understand the needs of the average Canadian better than government.
- A majority (69%) thinks that charities do a better job than government in meeting the needs of the average Canadian.
- Most (84%) think that the services provided by charitable organizations should not be a substitute for those services government can provide.

Advocacy

- Most Canadians (88%) think that charities should speak out on issues like the environment, poverty or health care.
- Canadians are divided on the question of whether charities should spend their time and funds trying to have laws changed. Almost half (47%) feel that it is acceptable for charities to engage in this type of activity. Almost a third (31%) say that the acceptability of this type of advocacy depends on the charity involved.

- Some forms of advocacy are highly acceptable to Canadians, including meeting with government ministers or senior public servants (93%), organizing letter-writing campaigns (89%) and placing advertisements in the media (85%). Other activities have lower levels of acceptability: holding street demonstrations or protests is acceptable to about half (47%) of Canadians, while only one-quarter (25%) would find it acceptable for charities to block roadways or engage in other non-violent acts.
- Canadians are almost equally divided on whether there should be limits on the advocacy activities of charities. Forty-nine percent say there should be no limits. Of the other 51%, the majority (62%) believe the limits should be higher than those currently in place.

Funding

- More than half (59%) of the respondents believe that charities do not have enough money to do their work.
- Asked whether a number of sources should be giving more money to charities, 63% said businesses should do so, 47% thought governments should do so, 40% said that individuals should give more and 38% said that charities should be earning more income from selling goods or services.

Business Activities by Charities

- The majority of respondents (70%) feel that charities should be able to engage in any type of business activity as long as the proceeds go to support their charitable programs and services.
- Almost 90% of respondents say that running a business is a good way for charities to raise money they aren't able to get through donations or grants.
- However, the public does have some concerns about charities engaging in business activities. Three-quarters say that money could be lost on the business, rather than being used to help Canadians. And 70% say that the charity could eventually make earning money their most important activity.
- More than eight in 10 Canadians (83%) say that where charities do engage in business activities, they should not have to pay tax on the business income, as long as that income is used to support their charitable activities.

Fundraising Practices

- Less than half (47%) of those surveyed think that charities ask for money only when they really need it.
- Almost three-quarters (74%) of respondents believe there are too many charities trying to get donations for the same cause.
- Canadians oppose the use of commission-based fundraisers, with two-thirds (66%) saying that this type of fundraising is unacceptable.

Trust in Charities

- More than three-quarters of Canadians (76%) trust charities “some” or “a lot.” When compared to those who work in other occupations and industries, charitable workers score above a number of other professions. Only doctors and nurses have a higher trust rating.
- Most Canadians (84%) think that charities are honest about the way they spend donations.
- A majority of Canadians (54%) believes that charitable organizations generally try to keep their operating expenses as low as they can. Fifty-nine percent believe that charities try to keep their fundraising expenses as low as they can. However, few Canadians are even willing to venture a guess on how much charities spend on administration and fundraising.

Accountability

- While Canadians have a high level of trust in charities, they want more information about the operations of charities. More than two-thirds of those surveyed said charities should be providing more information about their programs and services, how they use donations, their fundraising costs and the impact of their work on Canadians.
- Fewer than one in three Canadians (28%) know that some aspects of charities are monitored by the Canada Customs and Revenue Agency or, in some cases, by provincial and municipal authorities.
- Most Canadians surveyed (70%) agree that an independent, non-governmental organization or agency should monitor the activities of charities. Respondents believe that more attention should be paid to the way charities spend their money, the amount of money spent on hiring commission-based fundraisers, the way charities raise their money and the amount of money spent on program activities.