



The Muttart Foundation

1150 Scotia Place, 10060 Jasper Avenue, Edmonton, Alberta Canada T5J 3R8

Telephone (780) 425-9616 Fax (780) 425-0282

Toll-Free 1-877-788-5437 www.muttart.org

October 2006

Charities are an integral part of Canadian life. They improve the lives of individuals and communities across our nation.

In 2000, The Muttart Foundation commissioned a study to learn about public attitudes toward charities and issues that affect charities. We repeated the study in 2004, with a commitment to continue tracking trends through additional studies in 2006 and 2008.

We are now pleased to present the results of the third wave of this research.

Canadians continue to hold their charities in high esteem, with high levels of trust in charities and those who lead them.

Yet, they also continue to have concerns identified in previous studies – concerns around fundraising and concerns about the performance of charities in disclosing information about their operations. These are concerns that we in the charitable sector must take seriously.

Whether people consider these concerns informed or not, they are the views of Canadians and have an impact on how Canadians respond to charities. In part, they may reveal that charities are not “telling their stories” effectively. In part, they may be symptomatic of larger problems that the sector must address.

We on the Board of The Muttart Foundation hope that this information will inform discussions that take place among charities and between charities and policy-makers at all levels of government.

Joy D. Calkin, Ph.D.
President



Investing in Communities for 50 Years

Established in 1953 by Merrill D. Muttart and Gladys E. Muttart

KEY FINDINGS

OVERVIEW

Overall, most Canadians feel they are at least somewhat familiar with the work carried out by charities and the role they play. As in 2000 and 2004, a high proportion of Canadians believe that charities are important, play a key role in meeting the needs of Canadians, and improve their quality of life.

Similarly, the level of trust that Canadians have in charities overall has held constant over the past several years, with a strong majority of Canadians trusting charities at least somewhat. However, at the provincial level, some provinces, most notably Newfoundland and Alberta, have shown a marked decrease in the proportion of residents who trust charities.

Not only do Canadians trust charities, but they also trust leaders of charities. In fact, of all professions asked about in the study, only nurses and medical doctors are trusted by more Canadians than are leaders of charities. Although the overall level of trust in leaders of charities has remained unchanged since 2000, the proportion of Canadians who trust leaders of charities “a lot” has decreased slightly.

One of the key areas impacted by trust is fundraising, an activity on which charities generally invest a great deal of time and effort. Although the proportion of Canadians who feel that charities do not have sufficient funds to meet their objectives has declined slightly since 2004, a majority of Canadians still hold this view. And while virtually all Canadians agree that it takes significant effort for charities to raise the money they need to support their cause, Canadians do have concerns when it comes to certain methods of fundraising.

Most Canadians agree that there is a need for greater transparency regarding charities’ spending practices. As in past years, virtually all Canadians agree that charities should be obligated to disclose how donors’ contributions are spent.

In addition to greater transparency in charities’ spending practices, most Canadians also feel that more attention should be paid to how charities fundraise. One of the more

controversial fundraising methods used by some charities is the hiring of commission-based professionals who fundraise on behalf of the charity. A strong majority of Canadians find it unacceptable for charities to use this fundraising method. Underscoring these concerns, most Canadians feel that more attention should be paid to the amount of money charities spend on hiring professionals to do their fundraising, as they did in 2004. But Canadians are divided over whether or not legal limits should be set on how much money charities can spend on fundraising.

Some charities raise money through running a business. Most Canadians support charities earning money through business activities, as long as the money goes to the charity's cause, but fewer today than in 2000 strongly agree that running a business is a good way to raise money that charities are not able to get through donations and grants. And concerns over charities running business continue to be that when charities run business ventures, there is the possibility that money could get lost on the business instead of being used to help Canadians, or business ventures may take too much time away from the charity's core cause.

Canadians continue to feel it is important for charities to provide them with information about their activities. Almost all Canadians think it is important for charities to provide information on how they use donations, their fundraising costs, the programs and services they offer and the impact of their work on Canadians; however, no more than half of Canadians feel that charities actually do a good job in providing these kinds of information.

There is an ongoing lack of knowledge among most Canadians about organizations that are responsible for monitoring the activities of charities. The majority of Canadians incorrectly think that there is no organization or agency responsible for keeping watch over charities' activities. Furthermore, the proportion of Canadians who believe there is no organization or agency responsible for watching over the activities of charities is higher than in 2000. Even among those Canadians who correctly believe that there is an organization charged with monitoring charities' activities, few are able to name any organization that actually has this responsibility.

Canadians' opinions have changed regarding who they feel *should* be responsible for watching over the activities of charities. More Canadians now than in 2000 think a government agency should be responsible for monitoring charities' activities. The proportion of Canadians who think an independent organization that is not part of either the government or the charity should be responsible for monitoring activities of charities is lower than in 2000, as is the proportion of Canadians who believe the charity's board of directors should have this responsibility.

Advocacy is another area of activity that many charities engage in. A majority of Canadians feel that the opinions expressed by charities on issues of public concern have value because they represent a public interest perspective. Although the majority of Canadians agree that laws should be changed to permit charities to advocate more freely for the causes their organization supports, the proportion who strongly agree with this view has declined from 2004.

Canadians hold differing views on various methods employed by charities to speak out about a cause, with some methods viewed as being more acceptable than others in the eyes of Canadians. Virtually all Canadians find it acceptable for charities to advocate for their cause using softer tactics such as meeting with government officials, and speaking out on issues such as poverty and the environment, while substantially fewer Canadians view more assertive means, such as holding legal protests/ demonstrations and blocking roadways as acceptable. There has been a substantial increase from 2000 in the proportion of Canadians who feel it is acceptable for charities to hold legal street protests/ demonstrations, while the acceptability of organized letter writing campaigns has decreased since 2000. There has also been a decrease from 2004 in the proportion of Canadians who feel it is acceptable for charities to block roadways and other non-violent acts.

The main findings of the study are highlighted below.

FAMILIARITY WITH AND TRUST IN CHARITIES

- Most Canadians (80%) feel they are somewhat or very familiar with charities, yet few have a high degree of familiarity with them.

- A majority of Canadians (79%) trust charities, with 27% who trust them a lot. Trust in charities is the same as 2000 (77%).
- Most Canadians (80%) say their trust in charities has stayed the same over the past year.
- Of the ten types of charities asked about in the study, Canadians are most likely to trust hospitals a lot or some (89%), followed by charities that focus on children/children's activities (85%), health prevention/health research (84%), education (77%), social services (74%), protection of the environment (73%), protection of animals (73%), churches (67%), the arts (61%), and international development (57%).
- Trust in leaders of charities is similar to the level of trust in charities, with 77% of Canadians saying they trust leaders of charities, and 22% who trust them a lot.

VIEWS ON THE ROLE OF CHARITIES

- Virtually all Canadians (93%) agree that charities are important to Canadians, with half (51%) strongly agreeing. Importance of charities has remained constant over the past several years.
- Strong majorities of Canadians believe charities understand the needs of Canadians better than the government does (76%) Canadians, and charities do a better job meeting the needs of Canadians than the government does (70%).
- More than half of Canadians (57%) think charities should be expected to deliver programs and services the government stops funding.

VIEWS ON FUNDRAISING

- A large majority (87%) believe that more attention should be paid to the way charities raise money.
- Although most Canadians (79%) feel that charities are generally honest about the way they use donations, almost three-quarters of Canadians (73%) believe there are too many charities trying to get donations for the same cause.
- A majority of Canadians (64%) think charities have too little money to meet their objectives, a decrease from 2004 (70%). Only 7% feel charities have too *much*

money, and one-quarter (27%) think charities have about the right amount of money to achieve their goals.

- Overall, most Canadians (60%) recognize the costs involved in running a charitable organization and feel it is appropriate to have some of the funds raised go towards the charities' operating expenses, as long as they are reasonable.
- Virtually all Canadians (94%) think charities should be required to disclose how donors' contributions are spent.
- Canadians are evenly divided in their views on whether or not there should be legal limits on how much money charities spend on fundraising. Half (53%) believe there should be a legal limit set on the amount of money charities can spend on fundraising, while the other half (47%) feel charities should be able to decide for themselves.
- Many Canadians, however, do have objections to charities hiring commission-based fundraisers: 62% feel this practice is unacceptable, and 87% of Canadians think that more attention should be paid to the amount of money charities spend on hiring professionals to do their fundraising. These figures are unchanged from 2004.
- A majority of Canadians (73%) think professional fundraisers should always be required to indicate that they are receiving a percentage of donations raised, while 21% feel professional fundraisers should be required to disclose this information only when asked, and 7% of Canadians do not think commission-based fundraisers should be required to reveal this information at all.
- Canadians are more supportive when it comes to charities running businesses in order to raise funds: 85% agree that charities should be able to earn money through any type of business activity they want as long as the proceeds go to their cause.
- Canadians, however, do have concerns about charities becoming involved in business ventures, with 72% who feel that when a charity runs a business, money could get lost on the business instead of being used to help Canadians, and half (52%) who feel that when charities run businesses, it takes too much time away from their core cause.

- 7 in 10 (71%) Canadians feel charities that run a business as a means of fundraising should not have to pay taxes on the business income.

VIEWS ON INFORMATION PROVIDED BY CHARITIES

- Canadians continue to place great importance on the information charities provide to the public. Almost all Canadians think it is important (very or somewhat) for charities to provide information on how they use donations (98%), information about the programs and services the charities deliver (98%), information about charities' fundraising costs (96%), and information about the impact of charities' work on Canadians (95%).
- Canadians, however, do not feel charities do a good job in providing these types of information to the public. Half of Canadians (51%) think charities do an excellent or good job in providing information about the programs and services they deliver, the impact of charities' work on Canadians (38%), how they use donations (31%), and charities' fundraising costs (27%).
- Half (48%) of Canadians say they would like more information about the work charities do, even though it may require more money to be spent on communications.
- When considering making a donation to a particular charity, Canadians are most likely to research that charity through its website (58%), followed by a website of someone who regulates charities (50%), calling the charity and asking for more information (46%), and looking at the charity's financial statements (44%).

OPINIONS ABOUT MONITORING OF CHARITIES

- Although Canadians place great importance on the monitoring of charities, only 3 in 10 (31%) are aware that there are organizations that monitor charities' activities, while 6 in 10 (60%) believe there is no such organization or agency, and 1 in 10 (9%) are unsure.
- Of the 31% who are aware that there is an organization watching over the activities of charities, 8 in 10 (78%) are not able to name it. The most frequently mentioned organizations are the Federal/ Provincial government (7%), and Revenue Canada (5%).

- Two-thirds (65%) think that there should be an independent non-governmental organization or agency monitoring the activities of charities.

ADVOCACY ACTIVITIES OF CHARITIES

- Almost two-thirds (63%) Canadians think that the opinions that charities express on issues of public concern do have value because they represent a public interest perspective.
- Three-quarters of Canadians (73%) believe that the laws should be changed to permit charities to advocate more freely for the causes in which they are involved, however 8 in 10 (83%) think that charities should be required to present both sides of an issue when engaged in advocacy activities.
- Canadians find some advocacy activities of charities more acceptable than others. Virtually all Canadians find it very/ somewhat acceptable for charities to meet with government ministers or senior public servants as a way to speak out about their cause and try to get things changed (94%), speak out on issues like the environment, poverty or healthcare (94%); use research results to support a message (92%); place advertisements in the media (90%); organize letter-writing campaigns (83%); hold legal street protests or demonstrations (62%). Only a minority of Canadians (28%) find it very/ somewhat acceptable for charities to block roadways, or other non-violent acts.
- Canadians' views on the acceptability of certain methods used by charities to speak out and advocate on behalf of their cause have changed over the past several years. The acceptability of holding legal street protests or demonstrations has increased from 47% in 2004 to 62% in 2006, while the acceptability of organized writing campaigns has dropped from 89% in 2000 to 85% in 2004 and 83% in 2006.