

CANADA

Community foundations

History

Canada's first community foundation, the Winnipeg Foundation, was founded in 1921. Following a period of slow growth through the following decades, the pace picked up in the 1980s-90s and continues today. All major Canadian cities have community foundations – the new growth is primarily rural or regional in nature, encompassing an area of multiple communities. Community Foundations of Canada (CFC) is instrumental in coaching new community foundations, promoting the concept, and building visibility, but it does not proactively begin community foundations. Today community foundations begin for different reasons than in the past. In earlier days professionals such as bankers and lawyers played a leading role in community foundation formation as a way to serve their clients. Today, while these are still important players, the impetus for start-up often comes from the grassroots: a community in distress, a community that has some new money, for example assets from the sale of public utilities, or community leaders who have observed community foundation success in neighboring communities and want to replicate that success for their community. In the early stages the emphasis tends to be on community building rather than on endowment building.

Current situation

Recent community foundation development in Canada has emphasized regional approaches. Neighboring communities are establishing community funds within an established community foundation. In British Columbia there are efforts to support and encourage regional approaches so that a group of smaller communities can come together to form one community foundation and share operating and overhead expenses.

The growth of the last few years has been wonderful, but will slow down, partly because of the new emphasis on partnering with existing community foundations. The goal is to ensure that all Canadians are served by a community foundation, recognizing that this means that not all Canadian communities will have their own community foundation.

Canada's community foundations are deeply involved in international exchanges, some formally through the Transatlantic Community Foundation Network (TCFN) and some less formally.

CFC and its members have developed a range of resources to assist in grantmaking, fund development, and community leadership. Most interesting developments recently are: the participation of community foundations in *Vital Signs* - an annual community check-up conducted by community foundations across Canada that measures the vitality of our cities; continued focus on social justice granting which involves resource materials for all community foundations, particularly with regard to poverty reduction; a strong focus on environmental philanthropy; and an increased awareness of the leadership role community foundations play. Of special interest this year is a movement-wide exercise in branding. CFC and its members are developing new ways to raise the profile of community philanthropy and its role in building strong communities.

In 2006 combined assets of Canadian community foundations reached CDN \$2.7 billion

Current situation: Facts and figures

Number of community foundations formally established in total.	163 (as of March, 2008)
Number of community foundations established in 2007.	10
The number of community foundations at early stages of development.	15 community foundations are younger than 3 years
Percentage of country's territory covered by community foundations.	85%
Percentage of population that has access to a community foundation.	91% (based on 2007 population totals)
Total number of people with access to a community foundation.	Approximately: 31,300,000
Is the rate of community foundation formation steady/increasing/decreasing? Explain why in the box below:	Decreasing

A large percentage of Canadians are served by existing community foundations. Canada will see some growth in community funds, established within existing community foundations, as well as through new regional approaches. One exception may be the province of Quebec where the number of foundations is still small. The growth there will likely be of a regional nature.

Total sum of grants made by community foundations in 2007	2006: CAD \$135,062,408
Total number of grants made.	Not available
Total sum of the income/donations in 2007.	Gifts in 2006: CAD\$274,252,608
Single largest source of income for community foundations	In 2006 there were 17,694 donors (No breakdown by type)
Total sum of endowments at the end of 2007.	Assets in 2006: CDN \$2,778,711,729
Community foundation with the largest endowment at the end of 2007 and size of its endowment.	Vancouver Foundation: CAD \$784,507,000

Note: The Canadian dollar is currently at par with the US dollar. No conversions are given.

Complete list of community foundations

A complete list is at http://www.cfc-fcc.ca/who_we_are/finder.cfm

Community foundation staffing

There is a mix of staff and volunteers in the movement. The number of paid staff members is growing as the assets and resources of the community foundations grow. The first paid staff to be recruited is usually an Executive Director and/or Administrative/Financial support. Volunteers, who are Board and

Committee members, still run about half of all community foundations. Paid staffing is encouraged where possible, but at the same time heavy value is placed on the involvement of volunteers.

Community foundation income

Income

2006: Top 3 Gifts received by Group III Community Foundations (largest foundations):

- Gifts of cash, including memorial funds raised the highest amount of money this year with \$43,433,292, reported. Gifts of cash were listed by 6 of 12 foundations as one of the top 3 gifts for 2006.
- Gifts of publicly listed shares summed to be a very close second at \$42,065,740, with 9 foundations listing this as one of their top 3 gifts
- Grants from government raised the third largest amount of money for foundations
- Bequests were listed by 5 foundations as a top gift, and grants received from other foundations was listed by one foundation as a top gift for 2006.
- This year, the “Other” category includes corporate gifts (\$198,665 reported by 2 foundations), one transfer of assets from a private foundation (\$115,000).

Purposes

In 2006, the total amount of grants approved by 142 community foundations was \$135,062,408. This total includes flow through grants: grants paid and payable at the fiscal year-end.

Group III Community Foundations granted a total of \$123,148,955 in 2006. This figure comprises 91 percent of the total granting capacity of our community foundations.

- Health services saw the largest proportion of grantmaking amongst Group III community foundations with \$32,120,680 granted by 11 foundations in 2006. Social services received the most grants in 2005.
- Education & scholarships was the second largest category with \$24,797,025 granted and social services were a very close third with \$24,388,775 granted.
- The proportion of environmental grantmaking, grants to charities working with children and youth, and in the arts and culture sectors remained virtually unchanged from last year.
- Included in the Other category are grants to heritage and restoration, economic development, senior citizens, and animal welfare.

Group III community foundations reported on their operating expenses. The mean average of total expenses as a percentage of total assets was reported at 1.02% for this group.

Permanent funds/Sustainability

Total contributed capital, which is defined as the permanent endowment money held by Canada’s community foundations, as of the end of 2006, is \$1,951,838,768 or 70 percent of total assets,

Sustainability is a big issue. Some community foundations are examining and others are already using elements of a hub approach, in which several foundations share back office services and perhaps staffing. Endowments are being built as well, but will not ensure sustainability unless they are quite significant.

Nearly all community foundations rely heavily on the administrative fee that is charged against the funds they hold. About 30 percent hold annual fundraising events to support their operations. About 20 percent are also working on operating endowments, seeking out individual donors and their own Board Members who will help set them up. Corporations help with in-kind support in nearly all community foundations, including supporting annual reports and newsletters, sponsoring annual meetings, and providing office space. In recent years local municipalities have also provided in-kind support for newly-established community foundations.

Environment for philanthropy

Local attitudes

Canadians are moderately generous and are interested in their communities, so the attitudes are overall quite positive. Canadians are turning more to their own communities as they see government funds being cut, but it is not clear that there are enough resources to fill gaps, nor that philanthropy should be responsible for filling them. The issue has become how the various actors (private philanthropy, business and the governments) work together to ensure the gaps are filled and the social contract carried out. There is little consensus on this.

Legal and tax environment

Canada is said to have a generous tax system for charitable giving, although there is room for more giving, and various efforts to encourage philanthropy are under way. Recent tax incentives to encourage charitable donations include a favorable tax treatment for the gifting of publicly held shares to registered charitable organizations, including public foundations.

Changing attitudes and the national or local environment

In 2000, almost half of all Canadian donors (49%) indicated that they would contribute more if governments offered better tax credit for charitable donations (source: Canadian Centre for Philanthropy *Research Bulletin* Summer 2001, using data from the National Survey on Giving, Volunteering, and Participating).

Since then, in a series of tax changes encouraged by collaborative efforts among philanthropy and non-profit groups, including CFC, significant changes have been made. While there is evidence that giving has increased as a result of tax changes, it is also important to note that that actual number of donors (overall, community foundations may be an exception to this statistic) has not changed. The pool of existing donors is simply giving more. Philanthropy needs to be encouraged in Canada and CFC and its members see themselves as having an important role in deepening the culture and commitment to private giving for public good.

Community foundation activity and impact

Example 1. Removing Barriers to Homeownership. In Hamilton, dozens of families are moving from social housing to home ownership thanks to an innovative partnership supported by a grant from Hamilton Community Foundation. With partners Scotiabank, the City of Hamilton and CityHousing Hamilton Corporation, the Hamilton HomeStart program offers a financial leg-up to social housing tenants. If the participant can save at least \$100 per month in a special account, he or she can receive up to \$4,500 from the City and up to \$1,000 from Scotiabank to be used toward a down payment on a house.

The program also requires participation in financial education and training in home ownership and home maintenance, so that participants are well prepared for their new responsibilities.

Example 2. Strategic Focus on the Environment. With generous support from the J.W. McConnell Family Foundation, CFC has been working since 2002 with its members to strengthen their environmental grantmaking and leadership capacity. Eight community foundations began the program, with a goal of building environmental endowment funds, increasing their grantmaking for the environment, and building the capacity of local environmental groups. To date (a few months shy of the official end of the program) the eight foundations have raised over \$5 million in permanent new funds for the environment. And participating community foundations made over \$2.6 million in environmental grants as part of the program. In addition, CFC recently granted \$15,000 each to thirteen more foundations to “kick-start” their programs, so the impact of the program continues to spread.

Example 3. Measuring Vital Signs. Community foundations are issuing report cards that measure quality of life in key areas to help their communities respond to changing needs and opportunities. In 2006, the pilot year of CFC’s national *Vital Signs*® initiative, Victoria, Vancouver, Ottawa and Montreal joined Toronto, which created the *Vital Signs* model in 2001.

All *Vital Signs* reports use a core set of indicators organized into at least ten common issue areas:

- Learning
- Work
- Belonging and leadership
- Getting started
- Housing
- Safety
- Arts and culture
- Health
- Gap between rich and poor
- Environment

Then each city adds its own indicators to reflect their particular community. The measures are chosen with broad community input. CFC’s national component will track trends and produce a national report that examines one theme in depth each year. *Vital Signs* is already sparking change. For example, Vancouver Foundation’s *Vital Signs* report is already deepening discussion on community issues such as homelessness, the environment and immigration. More than 25,000 copies of a four-page highlights summary were distributed to health centres, libraries, community centres, and schools across Vancouver. Vancouver Foundation’s CEO and its Vice-President, Community Leadership took on a full schedule of speaking engagements at policy boards, conferences and not-for-profit organizations. The result has been immediate. *Vital Signs* data is on the table in discussions at the Board of Trade, the City of Vancouver, and the Greater Vancouver Regional District.

Stories about Canadian community foundations can be found also on the CFC website at:
<http://www.cfc-fcc.ca/stories/index.cfm>

Current challenges and future developments

Major challenges facing community foundations

Current challenges include:

- sustainability
- engaging the next generation of donors and volunteers
- reflecting Canada's growing diversity
- staying current in Board governance issues and approaches
- engaging in grantmaking that truly addresses systemic issues, while staying the course with current patterns in granting.

Areas for future community foundations development

The future for community foundations looks promising, particularly as they are beginning to be seen as leaders and collaborators. They are often the bridge between organizations, local government, issues, and people in their communities.

The visibility of community foundations is being heightened by their participation in national initiatives such as *Vital Signs*. *Vital Signs* is an annual community check-up conducted by community foundations across Canada that measures the vitality of our cities, identifies significant trends, and assigns grades in at least ten areas critical to quality of life. *Vital Signs* is based on a project of the Toronto Community Foundation and is coordinated nationally by Community Foundations of Canada. For more information <http://www.vitalsignscanada.ca/index-e.html>

International links

Canada has taken a leading role in developing and promoting the global community foundation movement. Canadian community foundations have participated in the Transatlantic Community Foundation Network (TCFN) and in the governance and activities of the Council on Foundations (USA). A number of Canadian community foundations have also informally hosted colleagues from around the world over the past few years.

CFC's President and CEO is past Chair of the Coordinating Committee of Worldwide Initiatives for Grantmaker Support (WINGS). As well, CFC incubated the community foundation constituency of WINGS (WINGS-CF) during its first three years. CFC's VP, Organization and Professional Development is currently Chair of the WINGS-CF Advisory Committee. In 2007 CFC hosted a WINGS One 2 One exchange with colleagues from Germany, participated in WINGS peer learning events, gave addresses, presentations and workshops at international conferences and meetings.

Support Organization: Community Foundations of Canada

History and purpose

Community Foundations of Canada is the only support organization for community foundations in Canada and was founded in 1992.

Our Mission

To build stronger communities by enhancing the philanthropic leadership of community foundations

Our Strategic Goals

- To support established and developing community foundations in their endowment building and donor services, grantmaking and community leadership, and as accountable stewards of community assets
- To promote and advance philanthropy and community foundations
- To model philanthropic leadership in Canada and internationally

Structure and organization

CFC is a membership association solely for Canadian community foundations, although it devotes a significant amount of energy and staff time into working with emerging community foundations. It is governed by a board of directors that is drawn largely from community foundation staff and volunteers across the country. To view CFC's board list, go to: http://www.cfc-fcc.ca/who_we_are/board_directors.cfm

CFC's core staff is located in Canada's capital, Ottawa, with additional senior staff and a group of Regional Coordinators, who assist in the delivery of services to community foundations, located in various parts of the country. CFC's work is also supported by several key consultants located across Canada. To see the staff list, go to: http://www.cfc-fcc.ca/who_we_are/staff.cfm

CFC's main sources of income are member dues/fees for service and private foundations (core funding and projects).

Project funding has come from various government departments at different stages in its life, and CFC has also secured smaller amounts of corporate funding, usually attached to events (for example sponsorship of national conference, regional meetings). A list of funders is in the most recent Annual Report: http://www.cfc-fcc.ca/who_we_are/annual_report.cfm

Recent accomplishments

- Launch of the national *Vital Signs* initiative in 2006 with 5 participating community foundations, grown to 11 in 2007 and 16 in 2008.
- Growth of *Supporting Your Communities* – a collaboration between CFC's network of community foundations and BMO Financial Group, a major Canadian financial institution, to create more opportunities for donors to make charitable contributions
- CFC and The Calgary Foundation hosted a leadership event, *Looking Down the Road: Leadership for Canada's Changing Communities* in October 2006 to help deepen understanding of the forces shaping our communities and the kinds of leadership that will guide our movement. To broaden

the conversation beyond the foundation movement discussion papers were produced and all of the recommendations arising from the Dialogue have been addressed.

- 36 community foundations are participating in the *Community Foundations and the Environment* program which attracts environmental endowment funds and convenes local organizations and individuals concerned about environmental issues
- Support of a national *Youth in Philanthropy* program and a specific youth website
- Development and support of National Marketing Tools
- Working on a “branding” initiative for community foundations
- Continued leadership in initiatives such as social justice granting, including the development of a toolkit resource, focusing on poverty reduction
- Leadership in CFC’s professional development program known as CF-LINKS, which offers peer gathering opportunities, regional meetings, training workshops and teleconferences, plus several peer listservs
- Preparing to host *CFC Conference 2008 – Our Communities. Our World.* November 7-9 in Montreal – an international conference for community foundations
- Producing CFC’s *Members’ Guide and 2006 Statistics; 2006 Compensation and Hiring Practices Survey*; and updating CFC’s numerous Resource Manuals and Tips and Tools.

Current challenges/future developments

CFC, like any strong network, faces several challenges. Serving a membership that is diverse in its needs and experience; managing internal and external expectations; keeping current in a rapidly changing environment which includes significant demographic shifts and managing its own financial security are among them. In a sense they are mirrored by the issues CFC’s members face: rapidly changing communities, considering how the significant assets of a financial and non financial nature (such as community knowledge) can be offered effectively to local communities; working collaboratively with all sectors, managing sustainability and figuring out how to tackle increasingly complex issues and expectations.

Earlier in the report several examples of ideas for the future have been offered: Vital Signs, collaborative and regional activity among community foundations, and environmental philanthropy are just three.

Additional resources

CFC Bookstore - <http://www.cfc-fcc.ca/bookstore/index.cfm>

Youth in Philanthropy website - <http://www.yipcanada.org>

Vital Signs - <http://www.vitalsignscanada.ca/index-e.html>

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