

EXECUTIVE SUMMARY

2024 Landscape Report

An Evolving Landscape:

Reflecting Canada's Philanthropic Foundations

Authored by
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Philanthropic
Foundations
Canada

Fondations
Philanthropiques
Canada



PhiLab

About PFC

A registered charitable organization, [Philanthropic Foundations Canada \(PFC\)](#) is Canada's national philanthropic network, working together towards a more just, equitable and sustainable world.

Our membership is comprised of foundations, charities, corporate giving programs, donor-advised funds, and nonprofits whose primary function and activity is grantmaking. In partnership with its diverse membership, and in collaboration with civil society, business, and government, PFC advances the common good, through network capacity building, collaboration initiatives, and policy & research.



**Philanthropic
Foundations
Canada**



PhiLab

About PhiLab

[The Canadian Network of Partnership-Oriented Research on Philanthropy \(PhiLab\)](#) was thought up in 2014 as part of the conception of a funding request by the SSHRC partnership development project called “Social Innovation, Social Change, and Canadian Grantmaking Foundations”.

From its beginning, the network was a place for research, information exchange and mobilization of Canadian foundations' knowledge.

Research conducted in partnership allows for the co-production of new knowledge dedicated to a diversity of actors: government representatives, university researchers, representatives of the philanthropic sector and their affiliate organizations or partners. The project's headquarters are located at the Université du Québec à Montréal (UQAM) campus. The network brings together researchers, decision-makers and members of the philanthropic community from around the world in order to share information, resources, and ideas.

Introduction to the Research and Acknowledgements

Marking PFC's 25th anniversary in 2024 as an organization working to strengthen philanthropy in Canada, this inaugural landscape report on philanthropic foundations in Canada marks a major new milestone for PFC – and our sector.

It represents part of an important evolution of PFC's research agenda, capacity, and contribution to our collective understanding of not only philanthropy in Canada but of the wider non-profit and charitable sector in Canada.



Building on PFC's Snapshot Report research on foundation assets and giving trends which PFC has published regularly since 2014, moving forward this report will be part of our regular signature research initiatives to provide a more fulsome account of what foundations are and what they do. It uses a mix of currently available but under-analysed or unreported quantitative data, along with qualitative data gathered through extensive interviews conducted with a diverse cross-section of PFC members and non-members from across Canada over the past year. Unlike anything ever produced on Canadian foundations, it provides a deep dive into what the data reveals about how Canadian philanthropic foundations developed, and what purposes, approaches, and roles they use to deliver on their mandates – from investment to grantmaking.

What's more exciting is that this is just the start. The launch of this initiative is part of a new, robust research agenda at PFC that will provide practitioners, the public, and policymakers alike with more reliable information to better understand our sector's impact and better inform our practice and the regulatory environment that influences it.

On behalf of everyone at PFC, I want to thank Michele Fugiel Gartner. She has been at the centre of the work to create this report and has been instrumental as we build a research agenda for PFC. Her expertise and contributions will undoubtedly help us shift the dial on our collective understanding about foundations and philanthropy in Canada.

A handwritten signature in black ink, appearing to read 'Jean-Marc Mangin'.

Jean-Marc Mangin

President & CEO

Philanthropic Foundations Canada

Acknowledgements

It gives us great pleasure to present the first part of a research project carried out by Michele Fugiel Gartner as part of a post-doctoral collaboration between Philanthropic Foundations Canada and the Canadian Philanthropy Research Network (PhiLab).

This project is part of a shared desire by our two organizations to better represent the landscape of Canadian philanthropic foundations.

The observations and findings of her research represent a significant contribution to both research and the granting foundation community.

The documentary analysis and interviews constitute a state-of-the-art snapshot that broadens our knowledge while raising new questions. This report highlights gaps in the available data and paves the way for future avenues of research. The research also highlights the historical and, above all, recent transformation of the sector. If grant-making philanthropy was considered an actor in the shadows some thirty years ago, this is no longer the case. Contemporary philanthropy is increasingly defined as a social actor, interacting in a more collaborative and partnership-based way with other actors in civil society.

Finally, Michele Fugiel Gartner's research is part of a new trend in which philanthropic foundations and charitable organizations are becoming more and more engaged in policy, civic engagement and research. This activism will be celebrated in many quarters, but it brings with it challenges that future PFC reports will be sure to reveal. We welcome this landmark report and look forward to others to follow.



Jean-Marc Fontan and Peter Elson

PhiLab Network Directors

Acknowledgements

It's impossible to capture the entirety of Canada's philanthropic experience in one report. I'm grateful to Philanthropic Foundations Canada and PhiLab for allowing me to try.

This report centres around three key elements of foundations: regulation, assets, and grantmaking. It offers provocation on how we use the philanthropic foundation as a tool for social good. This report builds on the solid Canadian academic and practitioner research base created over the past decade. The study draws together observation, individual perspectives, and new data aggregation as part of its qualitative exploratory research design. It offers a conceptual model to move beyond best practices and contemplate the nature of foundations' purposes, approaches, and roles.

My goal is always to centre research in a way that draws together academia and practice and brings a pragmatic approach to understanding our philanthropic space.

Thank you to the entire team at PFC for allowing me to observe and participate in the organization from abroad and in Western Canada. A special thank you to Jean-Marc Mangin and Sara Krynitzki for the opportunity, their time, and their feedback. They fundamentally understand the need for closer academic / practice collaboration in Canada and have created space for new research at PFC.

Thank you to the researchers nationwide for the warm welcome back, particularly Jean-Marc Fontan, Peter Elson, Laetitia Gill, David Lasby, Nathan Grasse, Susan Phillips, and Catherine Pearl. Thank you, especially to all the researchers whose work this report builds from and, I hope, brings to new audiences. None of this would have been possible without the participation of CEOs across Canada's philanthropic foundations for their voice and candour and the focus groups of listeners who heard the early findings and prompted further analysis. This report reflects a moment in time and offers provocation for the future of Canadian philanthropy. I invite your perspectives and conversation.



Michele Fugiel Gartner

Outgoing PFC-PhiLab post-doctoral fellow in philanthropy and public policy
Incoming Lead Researcher,
Philanthropic Foundations Canada

Executive Summary

How to read this report

In creating a landscape report, PFC challenged itself to the next level of research. Some readers may want to enjoy the full report; for others, the Executive Summary. All readers are invited to dip in and out of the areas of most interest.

For example, readers may choose to read the answers to “What do we know” (Chapter 1) and “What are the purposes, approaches, and roles of Canadian foundations” (Chapter 2) separately. They may review literature and findings addressing regulation, assets, or grantmaking. They may want to skip to the end and review the key takeaways for stakeholders.

However you chose to read this report, we welcome your interest, conversations, and future research questions.

Why create a “landscape” report?

Philanthropy is a quintessential component of Canadian life. In the past decade, the nature of philanthropy, including its wealth and impact, has been questioned. Research conducted in the US and the UK has often been extended or applied to the Canadian jurisdiction. Over this same decade, significant contributions have been made to build our understanding of the Canadian experience specifically. These research efforts have yielded important perspectives on individuals, institutions, and the field of Canadian philanthropy.

As research has asked more questions, more research gaps have been illuminated. Canada is fortunate to have robust data from the Canada Revenue Agency's T3010, the annual form all charities must submit to the Government of Canada. It provides the broadest view of foundations' structures, purposes, assets, and grantmaking. Yet, researchers working with the T3010 data will divulge the challenges with data quality, the time-consuming act of cleaning and verifying data, and the limitations of the CRA's questions. As the T3010 is designed with charity

data quality, the time-consuming act of cleaning and verifying data, and the limitations of the CRA's questions. As the T3010 is designed with charity regulation in mind rather than research per se, not every research question can be answered with T3010 data, meaning that resourceful research designs and partnerships are required to advance Canada's philanthropic research.

In this report, PhiLab and PFC partnered to create a post-doctoral role. The research project was managed through PFC and designed collaboratively with PFC staff and the researcher. The opportunity was to create a “landscape” report to combine academic and practice-based research and perspectives. The task was large, and for PFC, this report marks a first edition, not a final edition. In future years, PFC's landscape reports will continue to seek to capture the breadth of the sector and the depth of its complexity.

In this first report, a qualitative exploratory design draws together previous literature and new empirical data through ethnography, desk research, and semi-structured interviews. This report draws attention to what is known and points to changes in Canada's philanthropic foundation field. Regulation, asset investment, and grantmaking are highlighted and connect to a broader conversation about Canadian philanthropic foundations' purposes, approaches, and roles.

The report structure and key findings

This report builds upon PFC's twenty years of research, specifically the sector snapshot data reports and investment surveys, to bring together a more holistic view of Canada's philanthropic foundations. The report synthesizes additional academic and practice research to complement these sources. It offers new empirical data on foundation regulation, assets, and grantmaking. The goal is to provide a deeper understanding of Canada's philanthropic foundations for the public, policymakers and foundations themselves. The research also conceptualizes the purposes, approaches, and roles of Canada's philanthropic foundations through The Foundation Triangle.¹ This conceptualization provides a framework and language by which changes over time can be viewed and explored. See Appendix 1 for a full explanation of the methodology.

Introduction

i. 2021 T3010 Snapshot Data ²

	Private foundations	Public foundations	Totals
Number of foundations ³	6,225	4,836	11,061
Gifts to qualified donees (CAD) ⁴	\$5,450,390,633	\$4,474,747,132	\$9,925,137,765
Assets (CAD) ⁵	\$87,140,918,068	\$48,141,641,036	\$135,282,559,104
Location	Most private and public foundations are found in Ontario, Quebec, British Columbia and Alberta		

1. Anheier, Helmut K. "Philanthropic Foundations in Cross-National Perspective: A Comparative Approach." *American Behavioral Scientist* 62, no. 12 (November 2018): 1591–1602.

2. Imagine Canada. "2021 T3010 Public and Private Foundation Analysis," 2024.

3. As of January 2024

4. As of September 2023

5. As of September 2023

ii. Research and data challenges

A compelling argument exists for heightened attention and investment in Canadian philanthropic data and research. A significant gap in comprehensive and aggregated data availability hinders meaningful analysis of philanthropic foundation practices. Furthermore, the field suffers from limited capacity, stemming from inadequate investment in philanthropic education, intermediaries, and researcher training. This resource shortfall undermines the ability to conduct thorough research in this domain.⁶

Over the past decade, there has been notable leadership from organizations such as Philanthropic Foundations Canada (PFC), PhiLab, Imagine Canada, Carleton University, and the Nonprofit Data Federal Data Working Group to identify and implement solutions to address these challenges. More recently, Carleton University launched the Charity Insights Canada Project, a five-year research project to generate timely information about the charitable sector, and the Federal Nonprofit Data Coalition has called for creating a national nonprofit lab to hold and allow access to sector data.⁷ Additional financial and human resources are required.

iii. Research questions

Two questions guide this study:

- 1) What do we know about the historical development of Canadian philanthropic foundations and their present-day manifestations?**
- 2) How do Canadian philanthropic foundations use their purposes, approaches, and roles to support Canadian civil society?**

6. Phillips, Susan. ["Supporting the Charity Ecosystem."](#) Carleton University. PANL Perspectives (blog). January 16, 2024.

7. Federal Nonprofit Data Coalition. ["Submission to 2024 Federal Pre-Budget Consultations."](#) Imagine Canada, 2023.

Summary of Chapter 1:

1.1 A Canadian philanthropic narrative

The traditional approach to studying Canada's philanthropy has often relied on historical timelines of significant influences and figures behind the formation of renowned philanthropic foundations. While this method offers valuable insights, it can inadvertently oversimplify Canada's diverse philanthropic landscape, overlooking the intricate interplay of various cultural, linguistic, and religious identities.

This report introduces a new perspective using a micro, meso, and macro framework. It shifts the focus from broad historical narratives to an introduction of individual giving norms, acknowledgement of sub-groups, and reflection on the development of the field. The framework shows the multifaceted nature of Canadian philanthropy, moving beyond linear chronologies to reflect its complex sociological dimensions.

1.2 An introductory view of Canadian foundations

For most, the philanthropic field is opaque. While studies have delved into the operations of philanthropic foundations, they have not always been accessible to the public. This report highlights three pillars of foundations—regulation, asset management, and grantmaking—that define the operations of these distinct institutions.

Regulation

- Historically, Canada's regulatory framework for philanthropic foundations has centred on endowed foundations (Table 1). Regulation has followed the growth in foundations. Estimates show that the number of foundations was in double digits in the late 1940s, growing to over 1000 by the late 1960s, adding a further 2000 in the 1970s and 1980s.⁸ In the 1990s, the estimate rose to 3000-4000 foundations, with 20% as active in granting over \$10,000.⁹ From 2005-2021, the number of foundations grew by 25%, from 8,852 in 2005 to 11,061 in 2021.

Table 1. Regulatory timeline for philanthropic foundations since 1950

1950	Charities are divided into charitable organizations, charitable trusts, and charitable corporations.
1967	Registration of charities.
1976/77	Charities are divided into charitable organizations and charitable foundations (private and public).
1984	Private and public foundations are subject to a 4.5% disbursement quota.
2004	Public and private foundations subject to a 3.5% disbursement quota.
2010	Revenue disbursement requirements were removed for public and private foundations, levelling disbursement treatment for two foundation types.
2022	Disbursement quota raised to 5% for public and private foundations; qualifying disbursements to non-qualified donees allowed.

- There has been a historical clustering of foundations at or near the DQ requirement of 3.5%. Yet, most interview participants expressed a level of comfort with the new 5% DQ. For those experiencing a shortfall, options include using endowment corpus, delayed disbursements, and operational changes. Behaviour change in a 5% environment needs monitoring in light of historical data.

8. Khovrenkov, Iryna. "Size-Based Analysis of Charitable Foundations: New Evidence from Canadian Data." *Canadian Public Policy* 42, no. 3 (September 2016): 337-49.

9. Ontario Law Reform Commission. "Report on the Law of Charities, Vol 1." Ontario Law Reform Commission, 1996.

- Foundations are navigating capacity issues, risk aversion, and complicated guidelines regarding the ability to grant to non-qualified donees (NQD). Thirteen of 21 interviewees had previously funded non-qualified donees through various tools, including fiscal agents, sponsorships, numbered companies, and contracts. Despite these uncertainties, there is optimism that NQD changes will prompt valuable discussions on grantmaking behaviours, potentially fostering more significant equity within the sector.
- The use of philanthropic tools is expanding beyond traditional foundation endowments. Individual Donor-Advised Funds (DAFs) offer flexibility unaffected by DQ regulations, and foundations individually manage behaviour changes, nudging or requiring DAF disbursements. It is important to recognize when new philanthropic tools fall outside the established regulatory lineage and consider how to best adapt to their use.

Assets

- Historical data and interview participants expressed investment priorities as meeting annual disbursement requirements and preserving real capital. Some interview participants seek further alignment of values with social justice and environmental goals along with some openness to exploring different time horizons and use of endowments.
- Over the past twenty years, with much of that in a low-interest rate environment, there has been a notable shift from fixed income towards equity investments and diversification into global markets and alternative assets. In this period, there is an aggregate growth of foundation assets of \$100 billion between 2008 and 2021, from approximately \$35 billion CAD to \$135 billion CAD.
- Despite this growth, the average annual return on investments typically falls within single-digit percentages. In one study, from 2018-2020 the average self-reported return was 7.4%.¹⁰ Fluctuating market returns have not consistently led to growth for all foundations.

10. Millani. "Investment & Disbursement Survey, 2018-2020 Executive Summary." Philanthropic Foundations Canada, 2021.

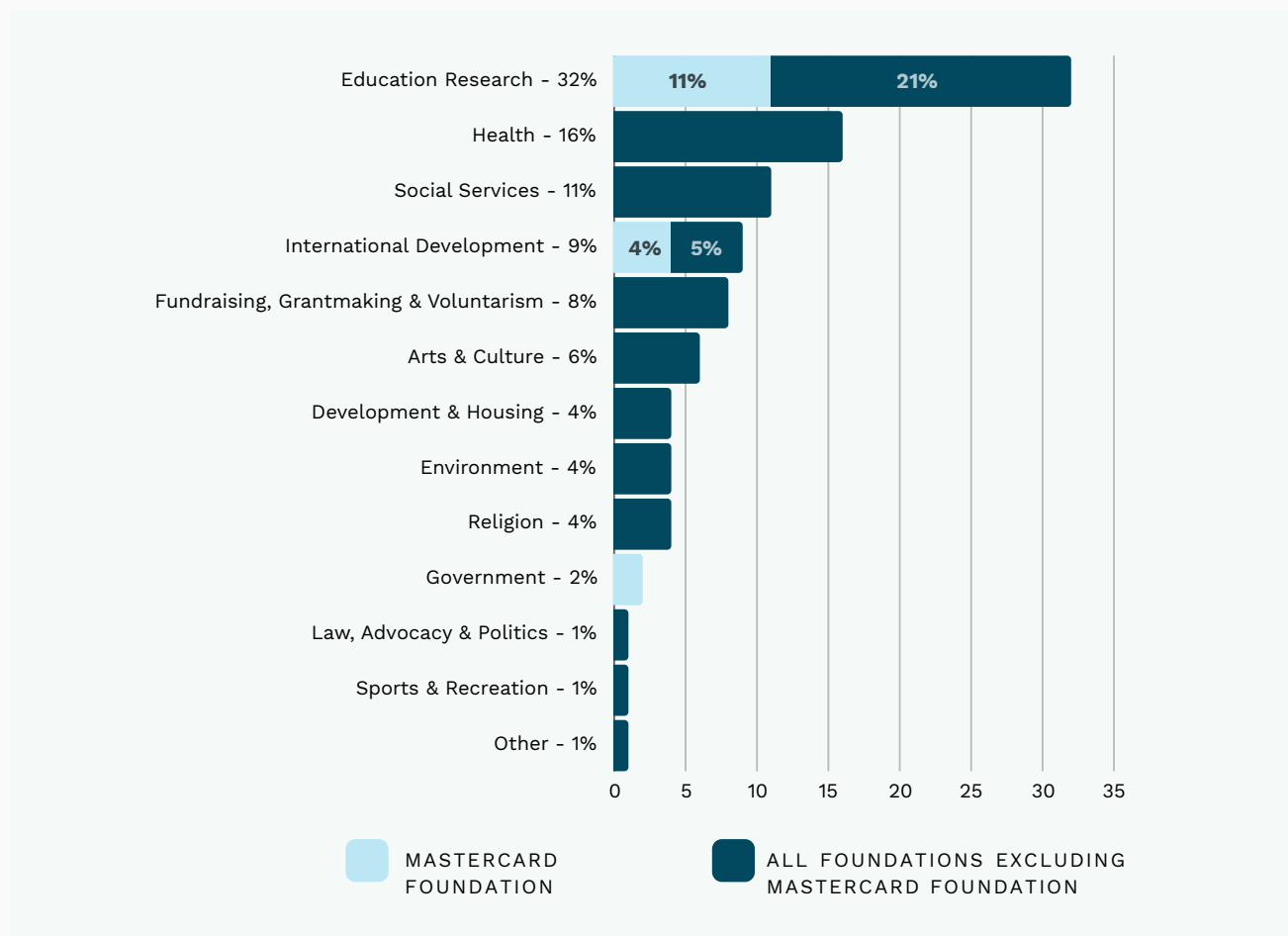
- The annual average self-reported investment returns for PFC members ranged from minus 1% to 18% between 1999 and 2020. Many foundations aim for 7-8% returns to meet disbursement quotas, cover fund manager fees, address inflation, and support operations. Data from post-2008 indicates that operational areas, such as human resources and professional development, are areas likely to decrease when returns are low and DQ requirements need to be met.
- Fund managers have an underexplored role in foundation investment strategies. They are positions that are often long-term, legacy appointments or relate to corporate or family offices. Interview participants have reflected a need to push their fund managers to align with foundation values, particularly during the COVID-19 pandemic and with growing interest in socially responsible and impact investments. Several foundations have self-reported reviewing their fund managers and current investment strategies.
- Impact investing (and its changing terminological variations) has been slowly increasing within Canadian philanthropic foundations since the early 2000s. While more foundations are engaging in socially responsible and impact investing, a large percentage remains that do not. By 2021, 25/66 PFC survey respondents had a mix of socially responsible investment strategies. The number of foundations reporting impact investments to PFC remained in the teens from 2015 to 2021.¹¹ The data is limited in that it does not reflect the full 11,000 foundations. Still, from PFC surveys, the absolute number of foundations making impact investments remains small, with education, the quality and number of investment opportunities, and risk being key barriers.
- The Canadian landscape is seeing a diversification of philanthropic tools, including endowments, donor-advised funds, and flow-through funds tailored to unique investment strategies and allocation decisions.

11. Millani. "Investment & Disbursement Survey 2018-2020." Philanthropic Foundations Canada, 2021.

Grantmaking

- While sectors such as education, health, and social services receive substantial philanthropic support, aggregate data from the T3010 filings offer limited insights into foundations' diverse approaches (Figure 1). Understanding how foundations prioritize and allocate their resources remains a challenge despite evidence of evolving practices.

Figure 1. Percentage of Total Gifts by Activity Area 2018-2020¹²



12. Philanthropic Foundations Canada. "Snapshot of Foundation Giving in Canada in 2018 and Trends 2013-2018." Philanthropic Foundations Canada, November 2021.

- Research on staff and trustees remains severely underdeveloped. Most foundations do not have staff. This study's analysis of T3010 2020 compensation form data demonstrated that just 26% of public foundations and 9% of private foundations reported having full or part-time staff. Second, when staff were present, 85% of private and 75% of public foundations reported having less than ten full or part-time staff members. Only 4% of either type of foundation reported over 50 staff members.
- Leaders in Canadian philanthropy confront societal, organizational, and individual challenges. CEOs reflected on the complex task of balancing the interests of founders, families, boards of directors, staff, and grantees, each with a stake in their endeavours. Three themes emerged from CEO interviews: generosity, diversity, and risk.
 - While perceptions of Canadian generosity remain positive, especially in times of crisis, some CEOs shared concerns about the level of generosity among the wealthiest and the impact of political polarization on philanthropic collaboration.
 - CEO participants widely support efforts to enhance diversity within the sector and foundations. However, power imbalances persist, hindering full collaboration and funding in certain areas. Lack of data and analysis creates challenges for reporting on staff and trustee diversity.
 - Philanthropic foundations exhibit varying risk tolerance levels, with some perceiving the sector as risk-averse, possibly perpetuated by regulatory constraints. Recognizing the evolving landscape of Canadian philanthropy, CEOs reflect a (cautious) embrace of the change, acknowledging the absence of a unified vision for the sector's future directions.

Summary of Chapter 2:

2.1 The Foundation Triangle

The Foundation Triangle (Figure 2) is a comprehensive framework for understanding philanthropic foundations' purposes, approaches, and roles in supporting civil society. This study's empirical data and Canadian context provide additional elements to the framework, updating and enhancing its conceptualization

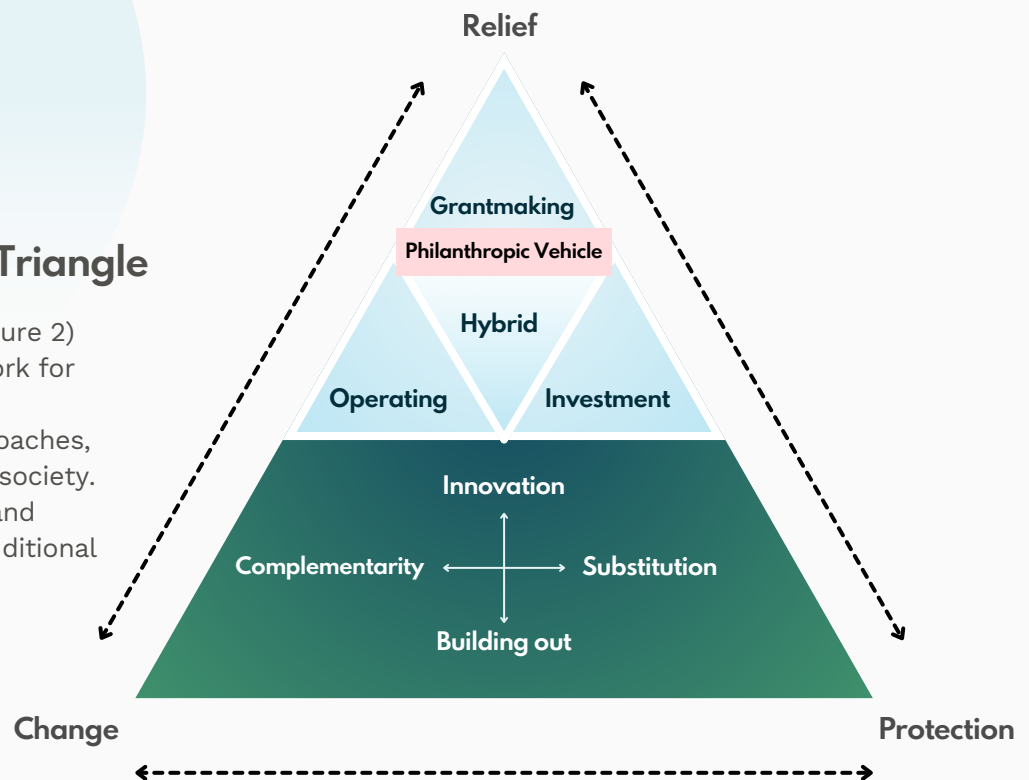


Figure 2. Canadian adaptation of Anheier's Foundation Triangle (Anheier, 2018:1594)¹³

2.2 Purpose describes what foundations want to achieve.

Purpose describes what foundations want to achieve. The purposes of relief, protection, and change endpoints are not merely standalone points but are interconnected. Relief-protection, Protection-change, and Change-relief each reflect Canadian philanthropy. Relief-protection characterizes the historical purposes of Canadian foundations. Changes in disaster and emergency relief and support for underfunded areas are reflected in change-relief. Protection-change reflects how change-based norms and behaviours are in tension with traditionally held philanthropic beliefs and practices. Contemporary trends, such as impact investing, spend-down, and participatory granting, are influencing historical relief and protection positionalities, including perspectives about the preservation of wealth, anonymity, and traditional giving.

13. Anheier, Helmut K. "Philanthropic Foundations in Cross-National Perspective: A Comparative Approach." *American Behavioral Scientist* 62, no. 12 (November 2018): 1591–1602.

2.3 Approach describes how, or the methods by which, a foundation is achieving its aims.

Canadian foundations exhibit diverse approaches to their work, encompassing financial and non-financial support. Using new philanthropic vehicles, such as DAFs and flow-through funds, means the approach is not limited to endowments. Including foundation investments, alongside grantmaking, operating, and hybrid approaches, further widens the view to understand how foundations align all of their assets with their values and purposes.

2.4 Role describes foundations' activity types.

Four activities were presented in the original Foundation Triangle: complementarity, substitution, building out, and innovation. This study places these in a matrix to better understand current foundation initiatives. There is an evolving relationship between Canadian philanthropy and governments. Historic roles, such as complementing government, show some evidence of substitution behaviours. Traditional building out of programs and services are complemented by innovation, with evidence of new trends, such as climate finance and gender-lens investing.

Purpose, approach, and role offer language and a framework to reflect upon the use of philanthropic foundations to support civil society. In this study, the framework illustrates the changes between historical and contemporary influences in Canadian philanthropy, providing a tool for monitoring changes over time.

Executive summary conclusion

This project's research questions uncover an evolving picture of Canada's philanthropic foundations, including their narrative, essential operations, and conceptualization of their purposes, approaches, and roles.

The data analyzed remains limited in size and scope and reaffirms the need for better support and funding of Canadian philanthropic research.

This report provides eight takeaways for readers (Figure 3) reflecting the state, sector, organization, vehicles, governance, management, giving, and assets. As a first step in PFC's renewed research agenda, we welcome your comments, perspectives, and research questions.

Key Takeaways: Canada's Philanthropic Foundations

Policymakers

State

Changing societal issues are impacting the roles of Canadian philanthropic foundations. Immediate needs replaced prevention in the global pandemic. A widening scope of climate-related disasters changes how relief is provided. Rising demand for social services increases philanthropic dollar requests

Sector

Data and research on the philanthropic sector is underfunded & fragmented leading to lack of understanding and increasing critique of philanthropic foundations.

Researchers

Organization

11,000 foundations in Canada with independent governance are operating with individual mandates and with a variety of grantmaking, operating, and investment approaches. Additional lens and tools are required for more nuanced inquiry

Vehicles

Endowed foundation models are not the only philanthropic vehicle in the ecosystem, yet they remain the dominant form of institutional philanthropy, and they are most viewed due to long-standing regulation.

Practitioners

Governance

Traditional approaches and appointments (perpetuity, risk avoidance) are meeting changing norms (diversity, spend-down, social investment)

Management

CEOs sit between tradition and change. They link stakeholders, generation, and field-based practices. The field is not the same as early in their career. CEOs navigate the changing practices of philanthropy.

Public

Giving

Canadian foundations are giving nearly \$10 billion annually. They are giving a minimum of 5% of their endowment, are allowed to grant to nonqualified donees, and have their endowment to use for social investing.

Assets

Cumulatively, private and public assets have grown \$100 billion (CAD) from 2008-2021. Yet, individual foundations expect annual returns of 7-8% to fulfill their DQ, account for inflation, pay fund managers, and support their operations

Figure 3. Key takeaways for policymakers, practitioners, researchers, and the public

PFC's Proposed Research Agenda for 2025-2028

People and Practices in Canadian Philanthropic Foundations

Our research will analyze Canadian foundations at the organizational level (practices) and examine the internal factors influencing their functioning and impact (people).

We aim to release one research report annually, starting with this inaugural 2024 Landscape report. This report builds upon PFC's Snapshot Report research on foundation assets and giving trends, which PFC has published regularly since 2014. It incorporates previously unexplored quantitative data and qualitative insights from extensive interviews.

- 01 We are planning a second major report that will delve into foundations' internal dynamics.

This report will explore the roles and operations of staff and boards within Canadian philanthropic foundations, shedding light on how these individuals interact with organizational goals and societal expectations. Given the increasing complexity of the philanthropic sector, this research is timely, emphasizing accountability, transparency, and impact.

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- 02 Producing our Investment and Compensation Surveys

In addition to these major reports, PFC will continue producing its Investment Survey and Compensation Survey, providing valuable data for our publications while serving as standalone resources for members. These efforts foster reflective practices within philanthropic foundations and enhance understanding of their roles among practitioners, policymakers, the public, and other stakeholders.

Contact PFC

Need more information about PFC?
Have a media inquiry?
Have other questions or requests?
Please get in touch.



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