

 **TOGETHER** 

- 1 Our Framework for Changing the System
- 2 Message From the Leadership
- 4 Influencing Public Policy
- 8 Gathering and Sharing Sector Intelligence
- 12 Building and Promoting Excellence

- 13 Gathering Together
- 14 Financial Summary
- 15 Thank You for Pulling Together
- 16 Board of Directors



OUR FRAMEWORK FOR CHANGING THE SYSTEM



We are implementing a long-term plan to fundamentally improve the operating environment for all charities and nonprofits, working together with sector leaders toward **four game-changing outcomes:**

- A “social impact lens” is applied when public policy is created.
- A sector-wide operating culture exists that sees organizations use more data, information, research and knowledge to make wise decisions.
- Charities and nonprofits are operating at the highest level of governance and deliver the highest quality programs.
- Canadian citizens have an improved perception of social impact organizations and organizations have the ability to speak with a unified, amplified voice to key audiences.

MESSAGE FROM THE LEADERSHIP



PULLING TOGETHER, FOR THE SECTOR

How do we change the very system in which we operate? How can we ensure that charities and nonprofit organizations can thrive and make the most significant impact possible?

We do it together – by drawing upon sector voices, insights and talents: our collective strength.

A few years ago, we embarked on an ambitious journey to change the system in which our sector operates and to keep up with changes to the environment in which we all do our work. We started this journey because we understand that the sector's ability to respond and adapt is critical to our ability to thrive in the coming years.

Our strategic framework and the four game-changing outcomes we are seeking guide our work. But since finalizing that framework, our thinking around how to achieve our goals continues to evolve.

In 2018 we integrated our efforts. Reflecting on how the four game-changing outcomes are interrelated, we've integrated more tightly our own areas of activity. We're doing our part to enable the sector to do what it does best: make life better for Canadians and improve the very fabric of society, here and beyond our borders.

The result: 2018 was a year of significant progress during a long-term, ambitious plan for change.

- The charitable sector is an integral part of the economy and Canadian's lives, but we are often left out of important conversations. In 2018, as a result of our long-term, collective efforts we saw four major public policy wins at the federal level (see page 4-7).
- The giving behaviours of Canadians are changing, as are the community investment approaches of corporations and the granting approaches of funders. We have investigated and shed light on those changes by equipping sector organizations with several key research reports.
- Expectations around charity and nonprofit organization operations and effectiveness are intensifying, and we are no exception. We are redoubling our internal efforts around evaluation, effective operations and scaling for greater impact.

It's a challenging time for our sector. But at Imagine Canada, we are optimistic about what we can achieve together.

You can learn more about the specific successes of 2018 in the following pages of this report. Please read on and join us in our work.

**Lynne Toupin, Chair, Board of Directors
& Bruce MacDonald, President & CEO**

Imagine Canada staff members attending an event by the Atkinson Foundation for social and economic justice.



We're doing our part to enable
the sector to do what it does best:
make life better for Canadians and
improve the very fabric of society,
here and beyond our borders.



INFLUENCING PUBLIC POLICY

Our multi-year, collaborative efforts and influence on public policy contributed to four major milestones for the charitable sector in 2018:



1. REMOVING LIMITS ON THE POLITICAL ACTIVITIES OF CHARITIES

The federal government passed legislation just before year's end, amending the Income Tax Act to eliminate the 10% limit on political activity for registered charities.

Why it matters: Charities play a vital role in public policy issues, speaking up for communities and people that otherwise might not be heard. A great deal of this work, such as meeting with politicians or officials, submitting written briefs, or making presentations to public tribunals, counts as charitable activity and is not restricted. But some of it, particularly when a charity makes a public appeal or encourages grassroots action, is classified as political activity, with limits to how much of it a charity can do.

Eliminating the 10% limit is important because charities should have the right to engage in non-partisan political activities, so they can influence public policy related to their charitable purposes.

Getting to this result: For over six years, we've been advocating for this change, as part of a coalition with several umbrella organizations and individual charities. In 2018, sector leaders from across the country developed a response to the government's initial draft and held numerous meetings with political staff, politicians, and senior development officials. We made appearances before the finance committees of both the Commons and the Senate, speaking in favour of the proposed changes.

Our sector now has a much-needed “home in government” where we can discuss legal and regulatory issues and identify solutions to issues we face.



2. HAVING A VOICE AT THE FEDERAL LEVEL

The federal government created the Permanent Advisory Committee on the Charitable Sector.

Why it matters: For years, one of the major obstacles we’ve faced as a sector is that there hasn’t been a place in the federal government to talk about issues affecting charities and nonprofits as a whole. Not only has this made it difficult for us to advance our own priorities, it has meant that government policies with potential for unintended consequences for the sector may have been adopted without thorough examination.

Our sector now has a much-needed “home in government” where we can discuss legal and regulatory issues and identify solutions to issues we face. The establishment of this Committee recognizes the unique challenges faced by charities and allows sector stakeholders to provide advice to a wide variety of government officials.

Getting to this result: Imagine Canada has long advocated that charities and nonprofits need a voice in the federal government – like any other important sector. We emphasized this message in our submissions to both the Consultation Panel on the Political Activities of Charities, as well as the Social Innovation and Social Finance Co-creation Steering Group.

More than 170 organizations signed a letter addressed to the Minister of Innovation, Science, and Economic Development, asking for action to ensure that statistical information about the charitable and nonprofit sector is prioritized and funded by the Government, and that it becomes a regular and permanent part of Statistic Canada's data program.

▶ [READ THE LETTER](#)



3. **RELEASING ECONOMIC DATA ABOUT OUR SECTOR**

Statistics Canada developed new data about the charitable and non-profit sector – an update to the Satellite Account of Nonprofit Institutions and Volunteering – with the data released in March 2019.

Why it matters: To speak precisely and meaningfully about the composition and impact of the sector, current and more frequently available data is needed. Without current data, policy decisions were being made with a weaker, and less evidence-based, understanding of their impacts on the sector.

Access to this updated data helps to identify the economic contribution of Canada's nonprofit sector to the GDP and allows for an increased understanding of our interaction with other sectors of the economy.

Getting to this result: Our sector-wide data working group has been pushing for this update for years. We met with the Chief Statistician in May 2017, and in October of 2018 we co-hosted, with Statistics Canada, a consultation with the sector about our collective data needs.



In Halifax at historic Pier 21, Bruce MacDonald moderates a debate on the future of social good in Canada.



4. FACTORING THE SECTOR'S ROLE AND IMPORTANCE INTO SOCIAL INNOVATION

The federal government announced two elements of a social finance strategy:

- \$755 million over the next ten years to establish a Social Finance Fund
- \$50 million over the next two years for an Investment and Readiness stream, aimed at building capacity in organizations wanting to explore social finance opportunities.

Why it matters: In the next decade, we face a significant gap (the “Social Deficit”) between the anticipated demand for services provided by charities and nonprofits and the resources available through traditional funding mechanisms. The Social Finance Fund will provide charities and nonprofits with access to new financing opportunities.

Getting to this result: Our ongoing work in this area included submitting a brief to Employment and Social Development Canada’s (ESDC) Social Innovation and Social Finance Strategy Co-Creation Steering Group in 2017. The Social Innovation and Social Finance group and Imagine Canada also joined forces on our fall 2018 Day on the Hill. The ESDC Social Innovation and Social Finance Strategy Co-Creation Steering Group adopted several of our recommendations.



GATHERING AND SHARING SECTOR INTELLIGENCE

Charities and nonprofit organizations need access to the right data to do their work effectively. This is why Imagine Canada conducts research and shares the results. In 2018, we worked in collaboration with a number of partners to deliver timely research to the sector.

Presenting on partnership trends in Waterloo at an event co-hosted with Capacity Canada.

What drives partnerships



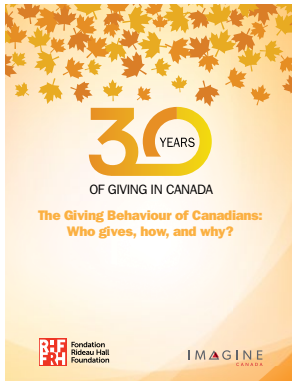
- Strategic Alignment**
 - 65% agreed that partnerships should directly align with business
- Employees**
 - 74% agreed they were looking for volunteer opportunities with charity partners
- Communities**
 - 42% prioritized funding organizations in the communities where they operate

IMAGINE

11



UNDERSTANDING PATTERNS AND TRENDS IN INDIVIDUAL GIVING



Research released in 2018

30 Years of Giving in Canada: Who gives, how, and why, examining the charitable donations and giving patterns of Canadians from 1985 to 2014. We conducted this research for the Rideau Hall Foundation.

Why it matters: The data reveals the reality of philanthropic trends and how sector organizations need to adapt to them. For example, donations are dropping across all age categories, and donors aged 50 and over account for 74% of donations. Charities need to understand patterns such as these that are weakening Canada’s strong culture of giving – essential information for organizations relying on donations to fund their operations.



Giving habits not being passed down

Donation rates are dropping across all age groups, particularly among younger Canadians. Donors aged 50+ account for 74% of all donations, while those 70+ make up 30%.



Giving is up, but...

Total donations have continued to rise only because those who give are giving more.



New Canadians are giving more

Annual average donation by new Canadians is \$672, compared to \$509 for those born in Canada.

TAKING STOCK OF THE CURRENT STATE OF CORPORATE GIVING



Research released in 2018

Corporate Giving in a Changing Canada, developed in collaboration with the Business Council of Canada, Canadian Business for Social Responsibility (CBSR), the Conference Board of Canada's Community Investment Council, LBG Canada, and Volunteer Canada.

Why it matters: In the last ten years, corporate giving in Canada has been evolving and responding to both market pressures and wider social shifts. Corporate philanthropy is alive and well, but companies are more strategic, focussing on fewer causes and shifting toward deeper relationships with their community partners. The findings of the report illustrate the ongoing evolution of corporate giving and what this means for Canadian companies and nonprofit organizations.



Partnerships are on the rise

74% of corporate respondents agree that strategic partnerships have become more important to them in the last five years.



Strong support for volunteerism

90% of respondents allow employees to adjust their work schedules to volunteer and 88% provide paid time off to volunteer.



At the forefront of crises

84% of companies donated cash to at least one major crisis in the last three years, an additional 58% raised money from employees, while 30% donated goods, and 24% raised money from customers.

REVIEWING EVALUATION PRACTICES IN THE NONPROFIT SECTOR



Research released in 2018

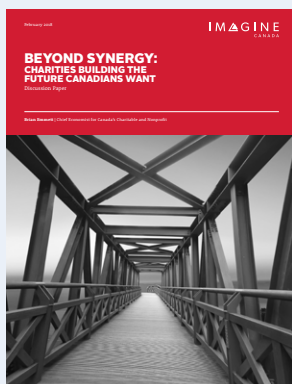
The State of Evaluation: Measurement and evaluation practices in Ontario's nonprofit sector, produced in partnership with the Ontario Nonprofit Network and Taylor Newberry Consulting. Supported by the RBC Foundation, Ontario Trillium Foundation, Ignite NPS and in-kind support provided by the Counselling Foundation.

Why it matters: It's imperative that nonprofit organizations evaluate their work – and it's important to understand the barriers that keep organizations from doing so. This report sheds light on how evaluation is practiced in Ontario, and how evaluation results are translated into action. We are building upon this report with the release of a national report, *The State of Evaluation in Canada*, released in early 2019.



94% of Ontario organizations evaluate their work in some way. Organizations most commonly evaluate their outputs, outcomes and quality, and 35% are measuring long term and/or systemic impacts.

CHARITIES BUILDING THE FUTURE CANADIANS WANT



In early 2018, we released *Beyond Synergy: Charities Building the Future Canadians Want*, a position paper by Brian Emmett, Chief Economist for Canada's Charitable and Nonprofit Sector. The paper presents a strategic architecture for government and the charitable and nonprofit sector to address the looming social deficit in Canada, based around three broad priorities:

- A new operating environment for charities and government to make sure charities can constructively participate in the national conversation about social and economic goals and related policy development.
- Enabling policies that remove counterproductive constraints on the sector's ability to do its job.
- Financial sustainability incentives for giving, treatment of different costs in contracting with government, procurement policies, and social investment.

The framework provided by the Chief Economist helps us focus our work with the government and to sustain organizations' ability to deliver the programs and services Canadians need.

▶ BUILDING AND PROMOTING EXCELLENCE

Within Imagine Canada social enterprises, we have been learning from and iterating on successes and failures, improving our systems and the value of our programs to scale up for greater impact. For example:



Building upon the strength and reputation of our accreditation program, the **Standards Program**, we are scaling it to grow our impact on Canada's charitable sector. In December we announced plans for Summit 2019, a six-city event bringing together sector leaders to promote innovation and organizational excellence, and to discuss changes to the standards.



In July 2018 we launched the beta version of a new iteration of **Grant Connect**: our fundraising research and management platform. The newly re-designed platform makes it easier for Canadian charities to find new prospects and win grants, with an improved user experience, better prospect targeting, a mobile experience and improved prospect management.



We experienced growth in our **Caring Company** network for businesses that contribute a minimum of 1% of their pre-tax profits to the communities where their employees live and work. In January we rolled out our first annual advertising campaign celebrating the social impact of our Caring Companies.

"It is comforting to have a resource to assist you in best practices – in all areas. Our accreditation has made us accountable – to each other, to our stakeholders, and to our donors."

Marni Brinder Byk, Executive Director, Save a Child's Heart Canada

▶ [DISCOVER HOW STANDARDS PROGRAM ACCREDITATION SHAPED SAVE A CHILD'S HEART CANADA POLICIES WHILE STRENGTHENING THE ORGANIZATION.](#)

GATHERING TOGETHER

In 2018, thanks to the support, enthusiasm, and expertise of many organizations, we made big strides together and prepared for the challenges to come.

- **Partners in Change:** In 2018 we united our members, Sector Champions, and individual supporters into *Partners in Change* – a new brand that celebrates and leverages the collective strength of our network of supporters. We hosted several Partners in Change events, and by coming together, look to build bridges, solve problems, and inform perspectives.
- **Sector Champion Executive Roundtable:** We are now hosting this retreat every year to bring together CEOs of many prominent charities from across the country. More than 50 sector leaders gathered for three days in Halifax in August to collaborate, debate the impact of emerging global issues on the Canadian charitable sector, and discuss important federal public policy priorities.

- At our **Day on the Hill**, 18 Sector Champions along with 17 additional sector leaders participated in more than 40 meetings with MPs, Senators, political staff and senior officials. This annual event on Parliament Hill allows us to come together as a sector, remind decision-makers about the things we have in common, and work together on common challenges.

Advocating for change in Ottawa at our annual Day on the Hill with Brian Emmett (Imagine Canada), Lisa Davey (Association of Fundraising Professionals), the Hon. David Lametti, MP (LaSalle-Émard-Verdun), Michelle Baldwin (Pillar Nonprofit), Craig Kielburger (WE).



SECTOR CHAMPIONS

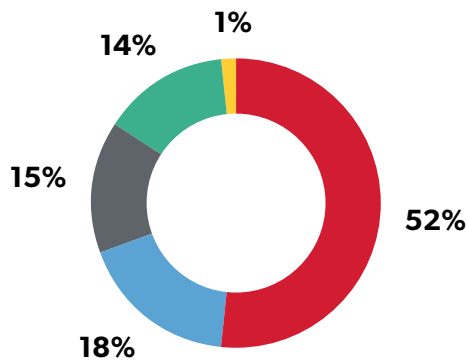
Abundance Canada	Frontier College	The Muttart Foundation
Aga Khan Foundation Canada	Greater Vancouver Food Bank	The Salvation Army in Canada
Arthritis Society	Habitat for Humanity Canada	The Winnipeg Foundation
BC Children's Hospital Foundation	Heart and Stroke Foundation of Canada	Toronto Foundation
Big Brothers Big Sisters of Canada	Ivey Foundation	United Church of Canada Foundation
Boys and Girls Clubs of Canada	Kids Help Phone	United Way Calgary and Area
Calgary Foundation	Lyle S. Hallman Foundation	United Way Greater Toronto
Canada Council for the Arts	Max Bell Foundation	United Way of Canada
CanadaHelps	McConnell Foundation	United Way of the Lower Mainland
Canadian Association of Gift Planners	Metcalf Foundation	United Way Winnipeg
Canadian Centre for Ethics in Sport	Oakville Community Foundation	Universities Canada
Canadian Council of Christian Charities	Ontario Trillium Foundation	Vancity Community Foundation
Canadian National Institute for the Blind	Ottawa Community Foundation	Vancouver Foundation
Canadian Partnership Against Cancer	Pathways to Education	VGH & UBC Hospital Foundation
Canadian Red Cross	Philanthropic Foundations Canada	Victoria Foundation
Canadian Women's Foundation	Plan International Canada	WE Charity
Carleton University	Rideau Hall Foundation	World Vision
Carthy Foundation	SickKids Foundation	WWF-Canada
Colleges and Institutes Canada	St. Paul's Hospital Foundation of Vancouver	YMCA Canada
Community Foundations of Canada	TD The Private Giving Foundation	York University
Diabetes Canada	The Counselling Foundation of Canada	YWCA Calgary
Edmonton Community Foundation	The Gordon Foundation	
Food Banks Canada	The Lawson Foundation	

▶ FINANCIAL SUMMARY

The information below for the year end December 31 is derived from the financial statements for 2018, which were audited by RSM Canada LLP. Our complete audited financial statements and T3010 Registered Charity Information Return, as filed with the Canada Revenue Agency, are available at the Annual Reports section on our website.

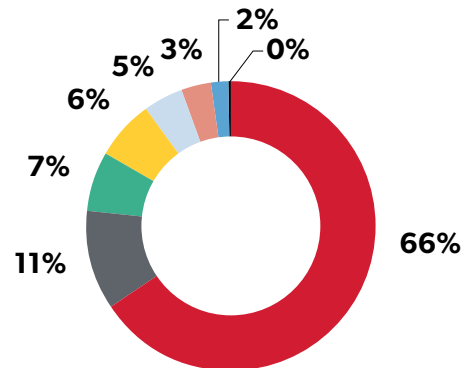
▶ [VIEW WEBSITE](#)

REVENUE



	2017	2018
● Program Fees and Subscriptions	\$1,533,232	\$1,818,038
● Restricted Contributions	711,951	623,151
● Unrestricted Contributions	588,886	520,456
● Membership Fees	547,392	494,466
● Other	166,374	50,771
Total	\$3,547,835	\$3,506,882

EXPENSES



	2017	2018
● Salaries and Benefits	\$2,102,933	\$2,269,828
● Consulting and Professional Fees	367,740	384,354
● Occupancy	261,764	230,971
● Events, Meetings, and Travel	215,418	205,071
● Advertising, Promotion, and Print	94,585	149,263
● Amortization of Capital Assets	206,698	113,438
● Office Costs	83,970	72,559
● Other	5,544	3,426
Total	\$3,338,652	\$3,428,910

▶ THANK YOU FOR PULLING TOGETHER

Thank you to all those who have contributed their voices, talents, time, skills and passion in 2018. Through the collective efforts of everyone from guest bloggers, peer reviewers and Day on the Hill participants, to Standards Council members, Partners in Change, funders, volunteers, sponsors, partners and our staff team, we made significant progress for our sector in 2018.



We are grateful for the collective impact of our networks. Pictured advocating at Day on the Hill 2018 are (clockwise from left): Ajmal Sataar (Inspire Nunavut), Arlene MacDonald (Community Sector Council of Nova Scotia), Sean Fraser, MP (Central Nova), Dan Brunette (Association of Fundraising Professionals), Suzanne Karajaberlian (Environmental Defence), Ruth McKenzie (Canadian Association of Gift Planners).

OUR FINANCIAL SUPPORTERS

\$100,000 +

An Anonymous Donor
Canada Life
The Lawson Foundation
The Muttart Foundation

\$50,000 +

IG Wealth Management
RBC Foundation
Suncor Energy Foundation
TD Bank Group

\$25,000 +

An Anonymous Donor
Max Bell Foundation
Power Corporation of Canada

\$10,000 +

An Anonymous Donor
BenefAction Foundation
EY
McConnell Foundation
Patricia Barbato
The Counselling Foundation of Canada
Vancity Community Foundation

\$5,000 +

Agora Foundation
Community Foundations of Canada
Donald K. Johnson

\$1,000 +

Bill Harper
Bruce MacDonald
Cathy Barr
Interlocus Group
Lynne Toupin
Margaret Mason
Pascal Lépine
Refat Jiwani



BOARD OF DIRECTORS



Imagine Canada board chair Lynne Toupin meeting with Gérard Deltell, MP (Louis-Saint-Laurent).

Lynne Toupin
Chair
President, Interlocus Group

Margaret Mason
Vice-Chair
Partner, Norton Rose Fulbright Canada LLP

Marlene Deboisbriand
Secretary
Chair, Governance & Human Resources Committee
Vice-President, Member Services
Boys and Girls Clubs of Canada

Refat Jiwani
Treasurer
Chair, Risk Management, Finance & Audit Committee
Chief Financial Officer, Aga Khan Museum

Nicolina Farella
Chair, Public Policy Committee
Chair, Truth & Reconciliation Task Force
Program Director, McConnell Foundation

Pascal Lépine
Chair, Quebec Development Strategy Task Force
President & Founder, Atypic

Nadine Duguay-Lemay
Chief Executive Officer
Dialogue New Brunswick

Katherine Hay
President & CEO, Kids Help Phone

Darlene Jamieson*
Managing Partner, Merrick Jamieson
Sterns Washington & Mahody

Shachi Kurl
Executive Director
Angus Reid Institute

Allan Northcott
President, Max Bell Foundation

Mike Pedersen
Independent Director

James Rajotte
Vice President, Provincial & Municipal Government Relations
Rogers Communications

Ronan Ryan
Chief Marketing and Development Officer
Canadian Red Cross

Lynne Skromeda
Executive Director, Winnipeg Folk Festival

* resigned during the year



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