



Environmental Scan – February 2011

Trends and Factors in the External Environment that may impact The Calgary Foundation What has changed since last year?

► POLITICAL ◀

CIVIC

2010 Civic Election outcome

- **New mayor, 5 new aldermen.**
Mayor is knowledgeable about nonprofit sector, is a supporter of the arts, has strong background in governance.
Mayor and council are expected to be more collaborative, conciliatory.
Council members come from a broad range of perspectives and ideologies.
More diversity on Council – raises profile of city for diversity.
Increased dialogue with Calgarians
Kelly Cryderman and Jason Fekete, *Meet the new mayor of Calgary*, Calgary Herald, October 19, 2010
Renato Gandia, *New aldermen looking to collaborate*, Calgary Sun, October 19, 2010
- **Voter turn-out**
Increased from 33% (2007) to 53%. Increase in diversity and youth vote
<http://www.calgarycitynews.com/2010/10/calgary-2010-election-day-october-18.html>
Youth vote fuels Calgary's jump in voter turn-out, Metro Calgary, October 21, 2010
- **City working with the community for a sustainable future.**
The City of Calgary's Environmental Policy
- **More focus on affordable housing: e.g., mayor's support for secondary suites**
***Nenshi makes secondary suites a priority*, CBC News, January 3, 2011**
- **More room for dialogue with Calgarians – increased appetite for conversations, including the use of social media**
<http://www.cbc.ca/canada/calgary/story/2010/10/19/calgary-election-mayor.html>

PROVINCIAL

- **Ongoing political unrest/dissatisfaction**
Interest in “new parties”: Wildrose Alliance and Alberta Party
Don Braid, *Stelmach still not out of the Wildrose woods*, Globe and Mail, January 5, 2011
Todd Babiak, *Alberta Party hopes to gain foothold with ‘post partisan politics’*, Edmonton Journal, 17 November 2010
- **Dissatisfaction with leadership: premier and opposition leader**
Graham Thomson, *Skittishness to reign in Year of the Rabbit*, Calgary Herald, January 7, 2011
- **On January 25, 2011, Premier Stelmach announced his resignation**
A showdown between Alberta’s two most powerful politicians has led to the resignation of the Premier, thrusting Canada’s foremost political dynasty into turmoil and positioning Alberta for further shift toward the political right.
<http://www.theglobeandmail.com/news/politics/conservative-showdown-prompts-stelmachs-resignation/article1882290/>
- **Finance Minister Ted Morton resigns January 27, 2011, announces leadership run**
<http://news.nationalpost.com/2011/01/27/ted-morton-resigns-as-alberta-finance-minister-says-in-pc-caucus/#ixzz1DxVa5p5x>
<http://news.nationalpost.com/2011/01/27/ted-morton-resigns-as-alberta-finance-minister-says-in-pc-caucus/>
- **Alberta Liberal Leader resigns**
The surprise departure of Alberta Opposition Leader David Swann marks the end of his Liberal Party’s status quo, and hands the reins to people half his age in hopes of revamping its long-greying
<http://www.theglobeandmail.com/news/politics/alberta-liberal-leader-resigns-as-political-landscape-shifts/article1890496/>
- **Alberta Health Services in disarray**
Dr. Raj Sherman ejected from the Conservative caucus in November 2010 after being outspoken about state of Alberta Health Services
Jodie Sinnema, *Three Alberta Health board members quit over firing of CEO Duckett*, Postmedia News, November 26, 2010.

FEDERAL

- **Change to disbursement quota**
A significant measure in the 2010 federal budget was eliminating the 80% disbursement quota for registered charities and increasing the exemption from the 3.5% disbursement quota.
<http://www.carters.ca/pub/bulletin/charity/2010/chylb197.pdf>
- **Efforts to reduce federal deficit.** Proposed cutting of corporate taxes may become stumbling block. There is uncertainty as to whether the Conservatives can survive the vote on their March budget.
John Ibbitson, *Election Traffic Snarl*, The Globe and Mail, January 10, 2011

- **Bill C-470: An Act to amend the Income Tax Act.**
 On March 8, Bill C-470 passed third reading in the House of Commons without debate and passed first reading in the Senate on March 9. In its current form, the bill requires Canadian charities to disclose the names and titles of all employees with total annual compensation over \$100,000, beginning in 2012. While CCVO supports the principle of transparency in the nonprofit and voluntary sector, it has concerns that organizations were not given an opportunity to speak to the implications of the amendment made by the House Standing Committee on Finance requiring disclosure of all employees earning over \$100,000. The amendment goes beyond the initial requirement to disclose the salaries of the five highest-paid employees and was introduced after the Committee hearings on December 6, 2010. Of further concern is the inclusion of non-taxable benefits, including health and pension benefits; calculating total compensation would mean that the bill could apply to people with salaries below \$100,000. For background information on Bill C-470.
<http://www.calgarycvo.org/Our%20Work/Policy%20Issues/Federal%20Government/Bill%20C-470%20Overview>
- **Canada Not-For-Profit Corporations Act** – Passed in 2009, aimed at eliminating unnecessary regulation and providing flexibility to the nonprofit sector. Once the Act’s regulations are approved (anticipated in 2011), the Act will replace the current Canada Corporations Act. Highlight of the Act include: (1) changes to financial report; (2) sets out standards of care for Directors and Officers, and provides a due diligence defence against potential liabilities; and (3) enhances and protects members’ rights including access to financial information and membership lists (with restrictions)
<http://www.calgarycvo.org/resources/canada-not-profit-corporations-act-update>

INTERNATIONAL

- U.S.: big shift to the right at the mid-term elections in November 2010. American voters delivered a stinging midterm rebuke to President Barack Obama and the Democrats in Congress, turning control of the US House of Representatives over to Republicans amid mounting anxiety and anger over the state of the nation’s economy.
Sheldon Alberts, *Republicans seize control of U.S. House of Representatives, Postmedia, November 3, 2010*
- Political instabilities in Sudan, Pakistan – deterrents in donor support for international aid

THE CITY

- **Confused and confusing economy**

Calgary has seen the best of times (200-2007) and the worst of times (2008,2009....). Over the past decade we have seen nation leading growth and economic performance, and we have now seen nation leading contraction. Almost two completely different cities. Truly the best and worst of times, for the same city.

**State of the Economy: Calgary Semi-Annual Economic Review (Calgary Economic Development)
June 2010**

THE PROVINCE

- **Alberta economy predicted to recover first**

Uncertainty remains in the Alberta business outlook for 2011, which largely hinges on the price of a barrel of oil, but the province is still forecast to lead the recovery in the year ahead and Calgary is at the front of the pack.

Looking Up in 2011, Business in Calgary, January 2011

- **Mackenzie Valley Pipeline near approval**

The pipeline, if built, would be one of the biggest infrastructure projects in Canadian history and help open the country's north to economic development.

Calgary Herald, January 12, 2011

- **Questionable economic management**

Premier Ed Stelmach will exit office with a mixed legacy, business leaders say, after helming controversial royalty changes, navigating a recession and battling a campaign that targetted Alberta's economic engine.

Stelmach's economic legacy gets mixed reviews, Calgary Herald, January 26, 2011

- **Uncertain real estate market**

Resale transactions in Alberta slowed as 2010 progressed and by year-end are projected to decrease by double digits from last year. Changing market conditions have removed the sense of urgency to buy as downward price adjustments have delayed some transactions. The pace of sales is projected to remain relatively stable for the remainder of this year before improving. The current buyers' market conditions will transition to balanced conditions but not likely before next spring. An expanding economy with employment and wage growth will aid demand. Overall, resale transactions in 2011 are projected to be at a similar level to 2010.

Housing Market Outlook, Fourth Quarter 2010, Canada Mortgage and Housing Corporation

- **Increased retail confidence**

Retail sales in Alberta are forecasted to rise at the fastest rate (5.6%) among the provinces in 2011.

Provincial Outlook December 2010, Royal Bank of Canada

<http://www.rbc.com/economics/market/pdf/provfctst.pdf>

THE COUNTRY

- **Minor increase in interest rates**

The Bank of Canada (today) announced that it is maintaining its target for the overnight rate at 1 per cent. The Bank Rate is correspondingly 1 1/4 per cent and the deposit rate is 3/4 per cent.

...the Bank has decided to maintain the target for the overnight rate at 1 per cent. This leaves considerable monetary stimulus in place, consistent with achieving the 2 per cent inflation target in an environment of significant excess supply in Canada. Any further reduction in monetary policy stimulus would need to be carefully considered.

http://www.bankofcanada.ca/en/fixed-dates/2011/rate_180111.html

We anticipate the overnight target rate will reach 2.00 per cent by year-end 2011 and 3.00 per cent by year-end 2012.

2011-2012 Economic Outlook, Canadian Chamber of Commerce, December 27, 2010

- **Comparatively strong recovery**

Despite a very challenging external environment, Canada's economy has outperformed its G7 peers in many respects. It weathered the financial and economic crisis better than most industrialized countries and it staged an impressive turnaround.

2011-2012 Economic Outlook, Canadian Chamber of Commerce, December 27, 2010

- Developed nations looking to Canada to contribute to international aid and development
- Foreign investment flowing to Canada, with an unknown impact on philanthropy and community investment
- Globalization of economy

- **Parity of Canadian dollar**

We believe Canada's relatively strong fundamentals—an enviable fiscal position, a strong banking system, widening interest rate differentials and favourable commodity prices—will save the Loonie from excessive downside pressures. These forces should hold the Canadian dollar near and slightly above parity in 2011 and 2012.

2011-2012 Economic Outlook, Canadian Chamber of Commerce, December 27, 2010

THE WORLD

- **International bankruptcies**

Continued financial troubles in some EC countries. The Euro has experienced severe recessing, followed by a sovereign debt crisis.

Organisation for Economic Cooperation and Development, Economic Survey of Euro Area

- Fluctuating oil prices
- **Continued economic uncertainty; Cautious optimism; Slow recovery - slight improvement**
Global Recovery Advances But Remains Uneven

The two-speed recovery continues. In advanced economies, activity has moderated less than expected, but growth remains subdued, unemployment is still high, and renewed stresses in the euro area periphery are contributing to downside risks. In many emerging economies, activity remains buoyant, inflation pressures are emerging, and there are now some signs of overheating, driven in part by strong capital inflows. Most developing countries, particularly in sub-Saharan Africa, are also growing strongly.

World Economic Outlook Update, International Monetary Fund, January 25, 2011

A (RE)NEW(ED) PRIDE IN BEING CALGARIAN

- ***There's a new pride in Calgary.*** *The cause? The relatively high participation rate in the 2010 municipal election and the election of a Mayor whose victory was noticed and praised across the county.* <http://www.theglobeandmail.com/news/national/toronto/marcus-gee/our-contenders-pale-next-to-calgarys-exciting-new-mayor/article1766388/>

DEMOGRAPHICS

- **First Boomers turn 65 in the US**
Most Canadians assume the same is happening here. In reality, demographers place Canada's 'silver tsunami' as several years behind the States'. Nevertheless, the demographic shift is predicted to be significant, with boomers already leaving the workforce for early retirement.
<http://www.healthzone.ca/health/yourhealth/agingwell/article/913708--silver-tsunami-of-baby-boomers-turning-65-delayed-in-canada>.
- **65% of the population growth from July to November 2010 came from new Canadians.**
<http://www.canada.com/Canada+population+growing+because+immigration+StatsCan/4015537/story.html>
- **Calgary was one of only two cities in Canada to hold a voting station for the 2011 Sudan Independence vote, reflecting the significant number of Sudanese who live in Calgary and area.**
<http://www.cbc.ca/canada/calgary/story/2011/01/15/cgy-sudan-vote.html>

HEALTH TRENDS

- **Continuing Concern about Health Care**
Alberta came "dead last" in health care wait times and rated 7/10 in consumer friendliness within the health care field.
<http://www.calgaryherald.com/homes/homeandstyle/Study+says+Alberta+health+care+system+fro+m+being+patient+friendly/3977268/story.html>
- **Decline in Fitness; Rise in Obesity - Canada wide ...**
Despite the Canada's love of sports, between 1981 and 2009, fitness levels of Canadian children, youth and adults, declined significantly according to the first findings from the Canadian Health Measures Survey (CHMS). Overall, during 2007 to 2009, 24% of Canadians were obese, 37% were overweight, 38% were at a healthy weight and 1% were underweight
<http://www.statcan.gc.ca/daily-quotidien/100113/dq100113a-eng.htm>.
- **... and Calgary-specific**
While Calgarians might assume that as an active city, we escape these trends, a 2007 study pegged Calgary's obesity rate for all age groups at 26% compared with Edmonton's 20%

<http://www.canada.com/edmontonjournal/news/cityplus/story.html?id=227fea49-5030-4ad7-a32a-6a733df99d8e>

CALGARY AS A HUB

- **Calgary is the premiere elite sport city in Canada**

A \$300MIL investment by WinSport Canada at Canada Olympic Park has created a Canadian Winter Sport Institute which will be the incubator for high performance Canadian athletes and a place that develops and inspires young people to be the best they can be. Canadian Winter Sport Institute will be the first facility of its kind in Canada and one of the only training facilities in the world where athletes from many different sport backgrounds can come together and learn from each other's success. Canadian Winter Sport Institute will be a place where state-of-the-art training facilities, research, coaching, clinicians and sportsmanship are blended together to create one of the most unique athletic environments in the world.

<http://www.winsportcanada.ca/aboutwinsportcanada/canadianwintersportinstitute.cfm> .

- **Calgary continues to be highly regarded for its appetite for culture.** High attendance and per capita spending, but the sector is highly dependent upon volunteers and wants more audience. <http://www.theglobeandmail.com/news/arts/alberta-has-canadas-biggest-appetite-for-culture-again/article1803231/>

- **The Federation of Calgary Communities, the umbrella group for Calgary's 146 community associations, turns 50 years old.**

The anniversary celebrations and conversations may shed light on the uniquely Calgary community association movement. <http://www.calgarycommunities.com/> And more people have taken notice of the significance of neighbourhoods. The City, the Province and the United Way have all come to realize that the neighbourhood you live in makes a difference in your life.

http://www.calgary.ca/docgallery/bu/cns/fcss/fcss_brief5_neighbourhoods.pdf

NEW FOCUS ON QUANTIFYING AND UNDERSTANDING HAPPINESS

- *The new concept of "cheerful science" is being used to measure a nation's success, rather than solely looking at economics.* <http://www.theglobeandmail.com/news/politics/getting-a-handle-on-happiness/article1819898/>

CHARITABLE SECTOR – STRESSED AND LOOKING AT SURVIVAL AND SOMETIMES BEYOND

- **Many Alberta charities continue to be immensely stressed by the economic downturn and its repercussions, and their underlying vulnerabilities caused by chronic underfunding and difficulties in raising revenues and retaining staff.**

The Calgary Chamber of Voluntary Organizations' May 2010 survey of 596 voluntary organizations across Alberta found that 40% indicated overall revenues had decreased in the last six months, 35%

remained the same and 25% increased. Meanwhile, demand for services has increased. A key response is through partnerships and collaborations.

http://www.calgarycvo.org/sites/default/files/resources/CCVO_Weathering_the_Storm_FINAL.pdf

- **With overall declines in funding from public sources, foundation grants, individual donations and social enterprise play a more prominent role for garnering income.** *Many organizations are preparing more conservative budgets, undertaking further belt-tightening and, in some cases, reducing or eliminating programs and services. Nearly all organizations speak of “being stretched to the limit” and “doing more with less.” This is what so many have become adept at when dealing with tough times in the past. But what is more positive is that most are re-examining their operations and finding different ways of doing things... Many organizations are exploring different and innovative ways of carrying out their work. Some, in fact, suggest that the current context provides “an opportunity to do things differently.”*

<http://journals.sfu.ca/philanthropist/index.php/phil/article/view/811/657>

- **Some voices are calling for a more radical transformation of the sector.**

It's time to stop trying to do more with less and to start setting bold objectives to do much more with more. The new demographic, economic, political, and technological context for our work as a nonprofit sector compels us to take on the big transformative projects as well as the smaller ones that strengthen our operational capabilities. It also drives us to work together. “We have to understand that we live in a world of emergence. When we join together, new capacities will always greet us” (Wheatley & Kellner-Rogers, 1996, p. 76). Perryman (2010) suggests that governments pulling back and the globalization of business leave a huge opening for civil society organizations to re-imagine who we are and what we might become “Our mission and our commitments to social change and social justice call us to different paths” (Perryman, 2010). The road to resilience will help take us there. <http://thephilanthropist.ca/index.php/phil/article/view/843/717>

- **Federal law and policy changes are coming into effect.**

Bill C-470 is being debated in Parliament which, if passed in its current form, will require charities to publish a list of anyone making more than \$100,000 in salary. Other changes include revised forms such as the T3010-1 Registered Charity Information Return. <http://www.calgarycvo.org/news/2011-top-ten-list-nonprofits>

New Trends in Social Media

New trends in social media favour an increasingly more engaged audience. Successful social media techniques in 2011 will include:

- **Likeonomics:** Word of mouth, personal opinions and storytelling will dictate the success of a brand or organization. Using the power of “social capital”, foundations will be able to create closer relationships with their audience and use these personal experiences to effectively share their stories.
- **Friendship Management:** In an effort to simplify the influx of technology and feel more in control of their social media lives, individuals will continue to “defriend” and “unfollow” on Facebook and Twitter. New sites and tools will be developed in order to aid in the simplification process, and companies using simple and uncluttered messaging will see a greater following.
- **Crowdsourcing:** Crowdsourcing is set to become an integral part of many organization’s social and customer engagement strategies. Crowdsourcing seeks to collect ideas and opinions from customers/audience – a task that once typically required the outsourcing of additional employees.
- **Aging Tweeters:** “Faster growth on social networking sites like Facebook has come from internet users 74 and older. Usage quadrupled since 2008; whereas only 4% had ventured onto social media sites, fully 16% do now.”

Source: http://www.slideshare.net/rohitbhargava/15-marketing-social-media-trends-to-watch-in-2011?from=share_email_logout3

Social Media & Social Good

2010 saw an increase in campaigns directed towards the “social good.”

- On the nonprofit front, fundraising texting campaigns, or “mobile giving”, saw significant results. The “Text for Haiti” campaign following the January 2010 earthquake brought in over \$500,000 from Canadian texters. However, figures have indicated that many Canadians are still hesitant to donate through social media and texts, and most would prefer donating through website accounts or direct mail
- Facebook Co-Founder Chris Hughes launched JUMO, a social networking site that works to match philanthropists with worthy causes. While JUMO is in the early stages yet, connecting organizations and individuals with causes that are significant to them will likely become an invaluable tool to nonprofits as it is a modern, efficient way to tap into society’s charitable pursuits.
- The rise of campaigns such as *Pepsi Refresh* which allows both individuals and charities submitting their charitable projects to a vote. Pepsi is giving away over \$1 million to those groups that see the most votes for their project. The *Pepsi Refresh* campaign is also a good

example of crowdsourcing, in that it relies on the support and votes of an organizations' connections/database to move ahead in the competition. (<http://www.refresheverything.ca>)

- VISO Give is the latest initiative launched by YouTube. The channel is dedicated solely to nonprofits and features videos created by these organizations. Every viewing of the video translates into a donation to the nonprofit. (<http://www.youtube.com/give>)

Sources:

<http://www.charityvillage.com/cv/archive/acov/acov11/acov1101.asp>:<http://mashable.com/2010/03/18/jumo/> <http://www.charityvillage.com/cv/archive/anew/anew11/anew1101.asp#jan1111>

- Prime Minister Stephen Harper announced the creation of the Prime Minister’s Awards for Volunteerism. The awards will recognize achievement in community leadership, business leadership in corporate social responsibility, and social innovation.
http://pm.gc.ca/eng/media.asp?category=1&featureId=6&pageId=26&id=3874&utm_source=mailtointeractive&utm_medium=email&utm_campaign=Imagine+Matters+%2f+Actualit%C3%A9s+d%E2%80%99Imagine+Canada
- An **Angus Reid** poll has found that most Canadians gave the same or less to charitable causes in 2010 than they did in 2009. Just 48% of adults aged 18 – 34 chose to make a financial contribution to a nonprofit for 2010.
<http://www.angus-reid.com/polls/43691/charitable-giving-declines-as-canadians-face-financial-woes>
- **Alberta ranks fourth in Canada in the proportion of income given to charity.** *A recent study by the Fraser Institute finds that, in spite of having the country’s most generous tax credit program for donations, the province ranks behind Manitoba, Ontario and British Columbia.*
<http://www2.canada.com/calgaryherald/news/city/story.html?id=66cc1d38-5f44-4128-9051-31ccdb74be4f> Meanwhile, about 85 per cent of Canadians over 15 years of age makes a financial donation of some sort to charitable or not-for-profit organizations at least once a year to the tune of nearly \$9 billion <http://www.leavealegacy.ca/program/news/philanthropy-goes-beyond-giving-just-money/>
- **A recent global study of donors, including Canadian, found that donors are increasingly seeking evidence that their donation is being wisely spent and that the charity is efficiently run**
http://www.case.org/Publications_and_Products/BriefCASE/BriefCASE_2010/November_2010/Research_and_News_of_Note.html#Article1.
- **Canada is seeing a re-emergence of organizations aimed at arming donors rating systems for charitable giving.** *Charity Intelligence (<http://www.charityintelligence.ca/>) is one such recent example. In 2010, six Calgary charities were on their outstanding charity list for 2010 (<http://www.charityintelligence.ca/?page=24>).*
- **A new generation of philanthropists want new and/or different levels of accountability from charities.**
- **According to a recent report by Statistics Canada, the median donation among charitable donors in 2009 was \$250.00.** Other interesting facts include:

 - Average age of donors across Canada is 53;
 - Although Nunavut had the lowest rate of donors overall, their median donation was the highest, \$500.00;
 - In Alberta, the average age was 50, median \$370.

The full report dated December 27, 2010 is available at:
<http://www40.statcan.gc.ca/l01/cst01/FAMIL90-eng.htm>

- **Canadians reshaping the charity landscape.** – The Globe and Mail reported December 23, 2010 that a growing number are launching their own foundations, taking a far more active role in deciding how funds are spent. <http://www.theglobeandmail.com/report-on-business/managing/giving-back/canadians-reshaping-the-charity-landscape/article1848979/page2/>
- **Wealthy worry about next generation.** According to a new study conducted by RBC Wealth Management, 58% of millionaires think their children are facing an uphill battle when it comes to managing their finances and 49% don't have confidence in their children's abilities to manage their inheritance. September 30, 2010 – John Powell, editor@Advisors.ca. The article can be found at <http://www.advisor.ca/news/industry-news/wealthy-worry-about-next-generation-534>.
- **The Crucial Conversation.** Many professional advisors agree that estate planning issues are difficult to raise, especially with young clients. *"Its almost surreal to talk to people in their 30s about estate planning, but young or old, everyone need to have this conversation. Philanthropic clients can also take advantage of charity today to help pay their taxes after they die. If a person donates now, not only will they pay less tax and have more money to pass down in the future, but any excess contributions – donations exceeding 50% of net income – can be carried over five years."* November 15, 2010 - Bryan Borzykowski, editor@Advisor.ca. <http://www.advisor.ca/tax/estate-planning/the-crucial-conversation>.
- **Preserving A Charitable Legacy.** According to Floyd Gradley, a trust and estate lawyer with Mackenzie Financial Corp, *"many philanthropists, who make philanthropy a part of their life, committing either time or money to assist others, want to continue their charitable giving even if they become mentally incapable of doing so. With a Charitable Giving Fund, donors can be fairly confident that the charitable purposes they wish to support will be honored by the people appointed to make the grants."* For the full article released January 29, 2010, visit <http://www.advisor.ca/tax-news/gradley-preserving-a-charitable-legacy>.
- **Is It Good To Be Good?** From the book "A Year of Living Generously: Dispatches From The Front Lines of Philanthropy", released May 2010. *"Can one person make a difference? When we write a cheque to a charity or volunteer at a food bank, we're part of the solution—aren't we?"* Author Lawrence Scanlan went looking for answers to those questions. He selected twelve different charitable organizations and spent a month in each, and what he discovered during his year-long odyssey was the new face of philanthropy—its players, its politics, its undeniable satisfactions and its fundamental perils. *"I'm convinced that engaged service (in time or money) to one's community (down the street or an ocean away) is key to feeling valued and connected. It is good to be good."*
- **Charitable Giving: A Win-Win-Win Proposition.** In an article dated December 17, 2010 by Gena Katz, an executive director with Ernst & Young's National Tax Practice Group, she outlines benefits gifts of property, life insurance, charitable remainder trusts and donating to public or private foundations. For the latter, *"the tax benefit is available when the gift is made to the foundation, but funds are directed to charities over a number of years in the future."* <http://www.advisor.ca/tax-news/gradley-preserving-a-charitable-legacy>.
- **Countdown Is On For Charitable Gifts.** Vikram Bharat, editor@Advisor.ca regularly chats with professional advisors who agree that "every time there's a tax situation, there's an opportunity for advisors to introduce that topic (charitable donations) and to add some value. From his December 22, 2010 interview with Denise Castonguay, Executive Director at Canada Gives, she says *"It should*

be a part of their annual review or a tax event. The reality, however, is that a lot more needs to be done by advisors to position themselves as experts in the financial side of charitable giving. I don't think they need to be experts in philanthropy. I think they need to be experts in the business of philanthropy and that's tax and estate planning." <http://www.advisor.ca/industry-news/countdown-is-on-for-charitable-gifts>.

- **Donor Advised Funds: Flexible Philanthropy.** “Donor advised funds have come a long way as a n efficient charitable giving vehicle. It’s a structure for both long-term flexible and multiple large and small beneficiaries.” According to Joshua Thorne, manager philanthropic advisory services, Scotia Private Client Group, “there’s the opportunity of anonymous giving, cause neutrality, and the ability to simplify a charitable gifting plan.” For the full interview, visit: <http://www.advisor.ca/industry-news/donor-advised-funds-flexible-philanthropy>.
- **Philanthropy Giving From A Different Lens.** “Canada’s philanthropic landscape is undergoing a seismic shift. The days of charitable giving as one-off legacy bequests are over. Philanthropy today is all about giving while living, a strategic allocation incorporated into wealth accumulation and capital preservation plans.” This was a recurring theme at the 3rd Annual ‘Doing Well by Doing Good’ Conference held in November 2010 Toronto, Canada. Cheryl Hudson, founder and managing partner of Dove Management Inc., and opening plenary speaker suggested that “high impact and enduring philanthropic initiatives demand the same care and diligence as an investment policy sale. The philanthropic policy statement is a strategic plan that creates more enduring philanthropic legacies. You start off by understanding a client’s motivation to give, and you articulate a philanthropic vision for them. Advisors need to work on measuring the social return on investment (ROI). A good way to understand a client’s vision is to get them to talk about philanthropy. Begin with asking them what motivates them to give, find out why they give and you’ll be surprised how people will talk.” Filed by Vikram Bharat, editor@Advisor.ca. More can be found at <http://www.advisor.ca/industry-news/doing-good-is-getting-better>.
- **Canada ranked 3rd– behind Australia and New Zealand in “global generosity” among 153 countries comprising 95% of the worlds population.** Published by UK-based Charities Aid Foundation (“CAF”), the “World Giving Index” is the first report of its kind looking at charitable behaviour across the world. Using data from Gallup’s Worldview World Poll CAF looked at three different types of charitable behaviour – giving money, giving time and helping a stranger and used the results to produce the “World Giving Index”. The study also found that being happy is more of an influence on giving money to charity than being wealthy. <http://www.cafonline.org/pdf/WorldGivingIndex28092010Print.pdf>
- **Canadians behind U.S. in Charitable Giving.** According to the December 20, 2010 Fraser Institute report ***Generosity in Canada and the United States: The 2010 Generosity Index***,. The report ranked Canadian provinces and U.S. states using a combination of two measures: the proportion of income donated and the number of tax filers who donated any amount. On a country-wide basis, Americans gave 1.38 per cent of their aggregate personal income to charity, almost double the 0.73 per cent that Canadians donated to charity. Had Canadians matched the generosity of their American neighbours by donating the same percentage of total income, Canadian charities would have received an extra \$8 billion in private donations. Manitoba topped all Canadian provinces for the 12th straight year in the Fraser Institute’s annual report on charitable giving, <http://www.fraserinstitute.org>.

- **Philanthropists in Calgary – The Spirit of Giving is Alive.** November 23, 2010. Journalist Toby Welch is surprised by many of our city’s major philanthropists most of whom have a close association with The Calgary Foundation. <http://www.suite101.com/content/philanthropists-in-calgary-the-spirit-of-giving-is-alive>.
- **Growth in Charitable Giving outpaced Volunteering prior to Economic Downturn.** New data released from the largest Canadian study on giving and volunteering reveals how key segments of the population support one another and their communities. In 2007, Canadians donated a total of \$10 billion, an increase of 12% or \$1.1 billion since 2004, and volunteered 2.1 billion hours, a 4.2% increase. The average donation increased to \$437 from \$400 in 2004 while the average number of volunteer hours remained about the same at 166 hours. The bulk of support continues to come from a narrow segment of the population: 21% of Canadians account for 82% of the total value of donations, and 12% of Canadians account for 78% of all volunteer hours. Conducted by Statistics Canada, The Canada Survey of Giving, Volunteering and Participating is produced every three years through a unique partnership of federal government departments and voluntary organizations. For the full report released June 8, 2009, visit <http://www.givingandvolunteering.ca/files/giving>.
- **Wealthy worry about next generation.** According to a new study conducted by RBC Wealth Management, 58% of millionaires think their children are facing an uphill battle when it comes to managing their finances and 49% don’t have confidence in their children’s abilities to manage their inheritance. “It is probably endemic to the baby boomer generation who thinks the next generation cannot handle things. There is also more wealthy to pass on. We have all raised our children in a more affluent world and all of us wonder what effect that will have on them during the course of time,” says Tom McCullough, President and CEO of Northwood Family Office, an independent boutique family office in Toronto catering to wealthy families whose net worth is in the \$10-\$500 million range. The report found that although 67% of Canadian millionaires feel it is their responsibility to preserve wealth for future generations and leave their children a healthy legacy, 39% have no estate plan to speak of. “it is part of our duty as advisors to gently nudge and prod our clients during regular wealth planning reviews to update things,” says Thane Stenner, the founder and director of wealth management at Stenner Investment Partners, an independent private family office group. The September 30, 2010 report summary by John Powell – Web editor, Advisor.ca can be found at <http://www.advisor.ca/wealthy-worry-about-next-generation>.
- **Billionaires accept charitable challenge.** July 21, 2010. *Pledge to give at least half their wealthy to charity after prompting from Warren Buffett and Bill and Melinda Gates.* Nearly 40 ultrawealthy individuals and families pledged to give away half or more of their fortunes. Born out of a series of dinners between Mr. Buffett, Mr. Gates and Ms. Gates (the “trio”), and called the “Giving Pledge,” the effort has electrified a subject that was largely restricted to private conversations among wealthy people: how much to give away, when and why. Ultimately, the plan is to take it international and to start to think about a real global culture of philanthropy among the world’s wealthiest. As at December 8, 2010, Seventeen (17) more of America’s wealthiest families have committed for a new total of 57 families. www.givingpledge.org
- **Business makes push for charity innovation.** Globe and Mail January 18, 2011. Most investors expect a financial return when they buy a bond. But what if they could also help young offenders get back on track, increase home care for the elderly, or reduce the incidence of lung disease? A task force, known as the ‘Task Force on Social Finance’ that includes former Prime Minister Paul Martin and Stanley Hartt is lobbying the federal government for changes that would make it easier

for charities and non-profits to issue bonds and start businesses. These proponents argue that creation of a social-finance sector in Canada would make philanthropists out of investors. To do so, not-for-profit organizations would be allowed to tap into the types of financing normally reserved for business, and to earn revenue. <http://www.theglobeandmail.com/report-on-business/business-makes-push-for-charity-innovation/article>.

- **The Power of the Purse** – Founder, Sandra Pierce launched this initiative on her 50th birthday to support girls in impoverished communities. Through a partnership with “Because I am a Girl,” a program created by Plan Canada, allowed Pierce, a successful financial advisor to do more to empower young women through micro finance and education. Pierce feels that financial advisors, as well as anyone involved in the financial industry, have an intimate knowledge of how money works and how to create maximum impact when deploying a client’s money. For this reason, advisors who choose to be involved in charity work tend to look for different things than average philanthropists. The full May 1, 2010 article is located at <http://www.advisor.ca/industry-news/charitable-focus>.
- **Legacy Planning Done Right.** Legacy planning is about passing on what you know. When people plan a legacy, the most important thing they want to bequeath is value and life lessons, not personal assets. Speaking at the Distinguished Advisor Conference 2010 in Orlando, Florida, Enzo Calamo, CEO, Lugen Family Office inc., goes on to say that a rich opportunity awaits advisors who revisit vision and values in the family, thereby re-establishing and building trust on an intergenerational basis. Philanthropy, he said, was another important, but underutilized, component of legacy planning. “The reason why a lot of wealthy people do philanthropy is because it’s a great way to get the family to start working together and sharing ideas.” As reported by Vikram Bharat December 2, 2010 <http://www.advisor.ca/industry-news/legacy-planning-done-right>.