In late January, Statistics Canada released the results of the 2013 survey of giving, volunteering, and participating. This triennial survey shines a light on the state of giving in Canada, and provides a more complete survey of giving activities beyond the annual tax data. 2013 saw a reversal of past trends, as both the share of the population that gave to charity and the share that volunteers both fell. Those that continued to give, however, did their best to ‘fill in the gap’. Charitable giving as a share of national household income rose, as those who gave, gave more. Indeed, as a result of population growth, the number of people that gave continued to rise. In contrast, the number of hours volunteered, and the average hours per volunteer fell modestly. Giving of both time and money tends to peak around middle age (ages 45 to 64). The aging of the population suggests that over the coming decade, charitable organizations may experience a squeeze as the baby boomers enter retirement.

Volunteering

The Canadian volunteer rate declined in 2013, reaching 43.6%, down from the 47.0% reported in the 2010 survey (Chart 1). The number of hours given also fell, declining to about 1.95 billion hours, from 2.07 billion in 2010. The fall in hours outpaced the decline in the volunteer rate, resulting in the average hours given per volunteer falling by 2 hours, to reach 154 hours per year. The decline in the volunteer rate was broadly-based, as both men and women became less likely to volunteer relative to the 2010 survey. Similarly, volunteer rates declined across most age groups, excluding the 15-24 and 45-54 age groups.
Volunteering often requires a significant time commitment for those involved. The value of this time is significant. At the national average hourly wage, the 1.95 billion hours volunteered in 2013 implies a value of the time given of $40.6 billion, or more than 2% of 2013 nominal GDP. This underscores the value of the time commitment, as individuals could choose instead to work overtime, focus on hobbies, or do any number of alternate activities.

Volunteer rates (the share of the population that volunteers) are highest among the youngest members of the population, followed by those aged 35-44 (Chart 2). Indeed, these are the only two groups in which the volunteer rate exceeds that overall average. This may be due to the unique characteristics of these groups. Many Canadian high schools now require volunteer services as a pre-requisite to graduation, supporting volunteer rates among younger Canadians. Among those aged 15-19, the volunteer rate is 66 per cent, far above any other age group, while the volunteer rate for those aged 20-24 is 42 per cent, slightly below the overall average. Volunteerism picks up again among Canadians aged 35-44, although the volunteer rate among this group has declined markedly since the 2010 survey. This may be due to the presence of children in the household, as individuals in this group are likely to have school-aged children. Many parents choose to get actively involved in their children’s activities, volunteering their time to different organizations in support of childhood development. This theory is borne out in the data, as across all households, the presence of school-aged children increases the volunteer rate to as much as 59.2 per cent.

Volunteering is not just for young people. Despite the volunteer rate declining beyond age 45, older Canadians are responsible for a large share of the total hours given (Chart 2), a pattern which has held through past surveys. Canadians aged 45 to 64, despite representing about one third of the adult population, gave nearly 40% of all volunteer hours each year, as individuals volunteered as much as 203 hours per year. Expanding the group to include all Canadians 45 or older covers 52 per cent of the population, but more than 57 per cent of total volunteer hours. Hours given peaks during the early part of the typical retirement years: individuals aged 65 to 74 gave an average of 231 hours per year in 2013, over 100 hours more than those aged 15 to 24, though as a share of total hours given, this group contributes relatively less than those in prime-working age. The population distribution of volunteer hours creates a clear risk for groups that rely heavily on volunteers. The aging of the population suggests that, all else equal, volunteering may decline with time as the baby boomers continue to enter their retirement years, as declining volunteer rates among Canadians offsets the higher hours given among those that do volunteer. Groups may need to find new ways of engaging the older population to help ensure an adequate supply of volunteer hours.

Another interesting aspect of volunteerism is the impact of religion on volunteering patterns. Many major religions include charity and good works as part of their teachings, and this is borne out in the data. Among those who attend religious services regularly (defined as weekly attendance), the volunteer rate is well above the overall average, at 59% (Chart 3). Among those who do not attend weekly religious services, the volunteer rate of 40.4% is below the overall average.
average. Religious Canadians aren’t just more likely to volunteer, they also give more hours, spending an average of 215 hours per year volunteering, while non-religious individuals who volunteer spent 133 hours per year on average. Despite these facts, the population of non-religious individuals (those who do not attend weekly services) is significantly larger, which results in this group accounting for the bulk (67.8%) of total volunteer hours in Canada.

**Charitable Giving**

Donating to charity remains a priority for many Canadians. Although the rate of giving fell in 2013, to 82.4% of the adult population, Canadians remain among the most likely to give. Indeed, the Charities Aid Foundation, an international group focused on charitable giving, found that Canada ranked 7th in the world when it comes to the number of people donating money to charity, behind the U.K., U.S., Netherlands, and others. While the share of Canadians giving has fallen, the amount given continues to rise, reaching $12.76 billion in 2013 - an increase of more than $2 billion over 2010.

Despite the fall in the rate of charitable giving, the sheer number of donors in Canada has never been higher. More than 12.5 million Canadians donated money in 2013, an increase of over 1 million people relative to 2010. When we look at the level of donations relative to income, we see that Canadians have been very consistent in their giving. As chart 4 illustrates, the amount given to charity has remained around 1% of Canadian household income over the past decade. This consistency means that, although a smaller share of us are giving, those of us that do donate are giving more than ever. The average amount donated reached $531 in 2013, a rise of $61 over 2010. Clearly those who do give have stepped up to ‘fill in the gap’ created by the lower overall giving rate, keeping donations fairly constant relative to income.

In contrast to the pattern for volunteering, the donor rate (the share of the population that gives to charity) rises steadily with age, peaking among 55 to 64 year olds (Chart 5). Unsurprisingly, the monetary value of donations is highest among those Canadians at the highest earning stages of their careers: individuals between 45 and 64 years of age are responsible for approximately 45% of all charitable donations, despite being about a third of the adult population. The value of donations decreases in the retirement years, correlated with lower incomes.

![Chart 4: Smaller Share of Canadians Give, But Donations Continue to Grow](chart4)

![Chart 5: Donor Rate Rises with Age, Value Peaks in Middle Age](chart5)

![Chart 6: Wealthiest Canadians Provide Largest Share of Charitable Donations](chart6)
Similar to the pattern seen for volunteering, individuals that regularly attend religious services (once per week or more) have a higher giving rate than those who do not attend regularly (Chart 3). Despite those who attend services comprising a smaller share of the population, the share of overall giving represented by this group is much closer to the non-regularly attending population that was seen for volunteering. This is because those that attend services regularly tend to give significantly more money, with the average annual donation nearly four times higher than for those who do not attend regularly. The higher value of donations may be the result of religious norms/beliefs surrounding giving.

Looking at the data from an income perspective, we see that the rate of charitable giving tends to rise as income increases (Chart 6). In contrast, the share of total charitable giving is relatively constant as income rises from $20,000 to $140,000. This results from the fact that the dollar amount given remains fairly steady as income increases, at around $400 to $450 per year. This is somewhat counterintuitive, as charitable giving is typically considered by economists to be a “luxury good” – that is, something people like to have more of as their incomes rise. However, as incomes generally rise with age, there may be other factors that limit giving – for example, as one gets older, they tend to start a family, and may have children. These additional costs eat into disposable income, and may result in the flat distribution of giving across most income groups. Clearly, convincing people to give more as their income rises is an avenue for charitable organizations to increase their funding and operations. One last group that clearly stands out is individuals earning more than $140,000 per year (the highest bracket within the survey). This group – which is roughly the top 2% of Canadian earners – is responsible for more than 30% of charitable giving each year, reflecting the inclusion of individuals with incomes at the extreme end of the distribution. These individuals clearly have the financial resources to make large, “marquee”-type donations.

Why has giving declined?

As the previous two sections have shown, giving declined somewhat in 2013 in terms of population shares. Unfortunately, Statistics Canada has not yet released the survey results related to reasons for giving or not giving. However, there are still a number of recent trends that may help explain the decline.2 To begin with, the increase in the volunteer rate observed in the past was partly driven by the introduction of mandatory volunteer hours for high school students. Ontario pioneered this requirement, and several provinces and territories followed suit, pushing the volunteer rate upwards. Around 2012, the number of regions introducing volunteer requirements began to slow. As a result, the volunteer rate no longer has the upward push that these programs provided (although existing programs help keep the volunteer rate high).

Perceptions and attitudes around giving change through time as well. Rather than volunteering as individuals, people may be increasingly seeking volunteer opportunities that allow them to give time as part of a group, or as a family activity. Past survey evidence from both Canada and the U.S. has shown that knowing someone who is already volunteering can be a significant motivation in getting a new person to volunteer. Charities may not always be able to provide these group experiences, making attracting new volunteers more challenging.

When it comes to giving money, demographics may be a factor driving the divergence seen between the amount given and the overall giving rate. The Canadian population is aging: the median age has risen by nearly 4 years since 1999, and this trend will continue. As shown earlier in this report, the amount given tends to rise with age, peaking near middle-age. The aging of the population may thus help explain why the average amount given has risen faster than inflation in the latest data. The aging of the population may also explain the decline in the giving rate. Many charities, particularly those associated with The United Way Canada, rely on payroll deductions for much of their funding. Payroll deduction provides an easy way both for individuals to give, and to spread out their giving through the year. However, population aging means that more and more people are retiring each year. When someone retires, these charities lose the link to them that payroll giving can provide. While these people may still want to give, it can be harder for charities to connect with them.
**Bottom Line**

The share of Canadians giving their time or money fell in 2013, reversing the trend seen last decade, but nevertheless remains high compared to other economies. Volunteering has become less popular, as the share of the population donating time has fallen alongside the number of hours given. The high share of hours accounted for by middle-aged individuals creates a risk moving forward as the population ages – volunteer activity declines among those aged 65 and older. Clearly, finding a way to increase engagement among this population will be important to ensuring that charities relying heavily on volunteers can continue to operate at their current level into the future.

Despite the fall in the share of the population donating money, more Canadians than ever are giving to charity, and giving more, keeping the share of charitable giving relative to income fairly steady. As the data has shown, however, the amount donated tends to remain fairly constant even as incomes rise. Finding a way to convince people to give more as their incomes rise, and connecting with retired donors, are clearly areas charities may want to focus on to increase the overall level of giving.

_Brian DePratto, Economist_

416-944-5069

**ENDNOTES**

1 See [http://www.cafonline.org/PDF/WorldGivingIndex2013_1374AWEB.pdf](http://www.cafonline.org/PDF/WorldGivingIndex2013_1374AWEB.pdf)

2 This section has benefitted greatly from the input of Ron Dowhaniuk, of United Way Cambridge-North Dumfries.