

Private Giving Foundation

A simple, effective way to support the causes that matter to you

Autumn 2013

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An Interview with Tim Hockey

By Jo-Anne Ryan, Vice President, Philanthropy, Wealth Advisory Services & Executive Director, Private Giving Foundation

Jo-Anne Ryan, Executive Director of the Private Giving Foundation interviews Tim Hockey.



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Tim Hockey promotes philanthropy through cycling.

Giving back has always been important to Tim Hockey, Group Head, Canadian Banking, Auto Finance and Wealth Management and President and CEO of TD Canada Trust. “I didn’t grow up with a lot of money, so it just makes sense to give back,” says one of the most respected leaders in today’s Canadian banking industry. Tim was one of the first executives at TD to open a Private Giving Foundation account when it launched in 2004. We were delighted that he agreed to tell us more about how and why he uses the Foundation to make a difference.

Jo-Anne: Tim, why did you open a Private Giving Foundation account?

Tim: At the time, I was exercising some stock options. As part of an overall financial plan, it seemed like a tax-effective strategy. My wife, Lana, and I lost our two-year-old daughter to a rare genetic disorder, so I knew that I wanted to make a significant contribution to children’s health. I wanted to do something – but I didn’t know what. Parking funds in the Private Giving Foundation seemed like a good starting point, as it bought us time to formulate a plan.

Jo-Anne: Since then, how have you incorporated children’s health into your philanthropy?

Tim: My daughter’s disorder was so rare that help was available only from the U.S. medical system. Going through that left me with a wish to do something to ensure no other family would have to endure what we did. So I joined the board of the Hospital for Sick Children’s SickKids Foundation, and became campaign chair for the Peter Gilligan Centre for Research and Learning – a \$200 million fundraising campaign.

The vision for the Centre represented something so compelling to me – creating something world-class by bringing the best researchers and research staff under one roof to fuel innovative new ideas that will drive transformative improvements in child health globally. And now the vision is a reality. It’s a 21-story, 750,000 square foot tower, and a new home for 2,000 researchers, trainees and staff. We just celebrated the Centre’s official opening on September 17, 2013.

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Jo-Anne: You use the Foundation to give to more than one cause. I understand that you are an avid cyclist. How does that fit in with your philanthropy?

Tim: I fell in love with cycling about 10 years ago and it has been a great way to stay fit and nurture my competitive spirit. But even more so, it's another way to give back. I have the pleasure of cycling with some really great people who also believe in giving back to their communities, so we founded a cycling organization called "Les Domestiques," which, in cycling speak, means "the servants" – the riders in the peloton who work together to help our lead riders be the best that they can be. Our mission is to serve our communities. We are like-minded cyclists having fun promoting philanthropy, the value of cycling, and an active, healthy lifestyle. As a group, Les Domestiques, has raised and donated many tens of millions for good causes, and helps motivate us to get out on our bikes – we usually cycle over 9,000 km a year.

Jo-Anne: You also donate to and are involved in fund raising for the Milton Velodrome, now being prepared for the Toronto 2015 Pan/Parapan American Games. Can you tell us why?

Tim: Yes, to me, the new Velodrome is really about creating a space for the

future of cycling in Canada. At the Games, up to 20,000 spectators will watch top cyclists from the Americas compete in the Velodrome – the sole facility of its kind in Canada. And while this phenomenal facility is designed to hold elite world championships, it's also about bringing cycling home to Canada. The nearest facility for our nation's top cyclists to train is in California. After the Games, the new building will be owned and operated by the Town of Milton and will function not only as an international venue for competitive cycling, but also as a community centre, making the sport more accessible to everyone.

Jo-Anne: At TD, you and Lana also give generously to the United Way employee giving campaign each year, encouraging new donors to get involved. Can you tell us more?

Tim: The Foundation has been a great way for my family to contribute to things we care about, and the United Way is such a great way to help our community. For the last few years, Lana and I, along with other senior executives at TD, have created challenge grants to encourage our employees to give more. By matching donations from employees who give for the first time, or increase their donations, everyone wins.

Jo-Anne: Tim, I understand that you have two sons who are preparing to enter the workforce. You are setting a terrific example about the importance of giving time, talent and money to your community. Do you see this shaping your kids' attitudes towards giving back? If so, how?

Tim: My boys are in university now, but have had part time jobs. So let's say they've had a taste of the working life.

While they have the typical "youthful" perspective that I'm sure I had in university, Lana and I hope they understand how blessed they are and as a result, it comes with a great responsibility to work towards making Canada a better place for all. They are thoughtful and kind kids generally, and so I'm hopeful they will make us proud on that front.

Jo-Anne: How fortunate for both the Hospital for Sick Children and the Milton Velodrome to have your leadership and generosity to help them achieve their goals. Our communities are certainly all the richer for such an exemplary role model and donor.

Thank you, Tim, for all you do for our community!



Positive Trends in Philanthropy

According to Investor Economics, a financial services research and consulting firm, between the years 2010 and 2020, \$767 billion is expected to transfer from one generation to the next in Canada. So we have likely started and should continue to see a massive shift in assets. This current intergenerational wealth transfer creates a huge opportunity to fuel a surge in philanthropy. How is the philanthropic landscape changing?

- While older generations have traditionally been characterized as savers, many who are inheriting this money are engaged, community-minded and successful in their own right.
- Until recently, the majority of wealth in Canada was typically referred to as "old money", meaning that it had been in the family for many generations. But according to Investor Economics, 2/3 of high net worth clients today are self-made millionaires. While these new millionaires do not turn into philanthropists overnight, they have a large capacity to give.
- Rather than just write cheques, many of these newly wealthy want to see and understand the impact of their donations, which they view as investments in a cause. Consequently, they want to understand what the social return on those investments would be.
- Another positive trend has to do with women's growing economic power and its impact on philanthropy. Women have experienced significant improvements in earnings since the 1980s. The life expectancy for women is longer than for men, so they will continue to be an increasingly powerful force in philanthropy.

A–choo! A Case of Affluenza!

Affluenza : noun.

*Also called **sudden-wealth syndrome** the guilt or lack of motivation experienced by people who have made or inherited large amounts of money.*

This term is coined from a combination of “affluence and influenza.” Many well-off parents are concerned that their children may be suffering from or COULD suffer from affluenza – if they inherit their parents’ wealth. Consequently, some of the world’s wealthiest parents, like Warren Buffet and Bill Gates, have decided not to give their kids an enormous inheritance and instead have donated most of their wealth to charity. But it’s not just the billionaires of the world who are now thinking this way. Those of us who work with high net worth clients notice that this is a recurring trend when discussing estate plans. Parents are deciding not to leave all of their estates to their children because they feel it is too large and will not be beneficial for them. So charities are becoming important additional “children”, and the beneficiaries of their wealth.

The Giving Pledge, a campaign introduced in 2010 by Bill Gates and Warren Buffet, is an effort to invite the world’s wealthiest individuals and families to commit half of their wealth to philanthropic causes and charitable organizations of their choice. They believe that people of means should leave their kids enough to do something, but not so much that they do nothing. This philosophy certainly bodes well for charities to be on the receiving end of some of this generations’ enormous wealth.

Measuring Impact

Clearly, donors are becoming more sophisticated and are looking to measure the impact of their donations. Regardless of the size of the charity, the need to measure the difference that they are making is important to them. With impact measurement in place, charities can make the best use of limited resources and make the biggest difference to their beneficiaries. Rather than simply counting the output of programs or the number of clients served, proponents of impact measurement

are urging nonprofits to also track the outcomes of these programs.

Ann Rosenfield, Executive Director, Woodgreen Foundation, explains how impact measurement is applied to programs in her organization as follows.

Homeward Bound

Quantifying the effect of helping single moms get off social assistance and into permanent employment
by Ann Rosenfield.



WoodGreen wanted to measure the long-term impact of our Homeward Bound program for single moms. We saw the positive outcomes firsthand but we wanted to do a more rigorous review to understand the longitudinal impact and to help us determine that the program really was able to help women permanently change their lives after they had left the program and were no longer being directly helped.

Unique in Canada, Homeward Bound is a holistic, four-year job-readiness program for single moms living on social assistance. The goal of the program is to assist with removing the barriers to employment for them. The program includes affordable housing; free, quality child care; training and post-secondary education in a marketable skill; personal development support; mental health and recreational services for children; and assistance with finding a family-sustaining job at the end of the program.

Choosing data and understanding impact

WoodGreen was fortunate in being able to work with the Boston Consulting Group on a project for Homeward Bound. Boston Consulting did a pro bono analysis of the Social Return on Investment for our Homeward Bound program and found that for every \$1 invested in the program, society reaps \$4 in savings. This positive result included, for example, detailed analysis of the costs of government-provided benefits like social assistance and how those were offset by increased taxes

paid by women once they were employed.

The ability to analyze the success of Homeward Bound was a turning point for WoodGreen. It allowed us to verify what we instinctively knew as well as to demonstrate to the donor public that the trust in investing in the charitable work of WoodGreen, specifically Homeward Bound, is well founded: we are helping single moms build the skills they need to find work

and sustain employment.

For a copy of the 2013 Boston Consulting Report on the Social Return on Investment of WoodGreen’s Homeward Bound program, or to learn more about how to make a charitable investment in Homeward Bound, please contact Ann Rosenfield, MBA, CFRE at 416-645-6000 x4004 or arosenfield@woodgreen.org



TD releases White Paper – The Landscape for Social Impact Investing

In our last issue, we introduced the concept of “impact investing,” which is the intentional practice of investing for both a financial return and a beneficial social or environmental impact. To expand on this, TD is pleased to release a White Paper, “The Landscape for Social Impact Investing.” To view this paper, please go to <http://www.td.com/corporate-responsibility/publications/publications.jsp> or contact joanne.ryan@td.com to request a copy.

Governor-General of Canada Helps Carleton Celebrate Graduate Philanthropy and Nonprofit Leadership Program



Carleton University celebrated its one-of-a-kind Graduate Diploma in Philanthropy and Nonprofit Leadership program on Aug. 22, 2013. His Excellency the Right Honourable David Johnston, Governor-General of Canada, attended and gave an address at the Celebrating Philanthropy panel discussion.

“These students are part of a profession,” the Governor-General said. “Professions are loosely defined but, in my view, professionals are on the leading edge of those fundamental values that are most important to a country. They have a specialized body of knowledge that can’t simply be picked up in a how-to-book or by watching people operate for a day or two; it requires intensive study and careful consideration and teaching from the great mentors of the profession.”

The first group of students to attend an intense summer institute – 31 in all – were on hand for the event, which included a panel discussion among top experts. They included Jo-Anne Ryan of TD Wealth and Diane Hodgins from ShoreFast Foundation. Carleton President Roseann O’Reilly Runte and Susan Phillips, director of the School of Public Policy and Administration, were also in attendance.

“The students of this program have told me that after graduation they plan to change our nation,” said Runte. “They are determined to do something very special. They want to make the gifts that they have been given truly count. I thank them for this and for their dedication.”

“This is the only program of its kind in Canada and it is a program whose time has come,” said Phillips. “The practice of philanthropy is increasingly professionalized, sophisticated and complex. With \$212 billion in revenues, the philanthropic sector is a significant force in our society.”

About the Master and Graduate Diploma in Philanthropy and Nonprofit Leadership program:

Launched in August 2013, the program is intended to develop the advanced skills and knowledge required of leaders and innovators in the increasingly sophisticated and complex environment of the philanthropic and nonprofit sector. It will be delivered primarily through a mix of intensive two-week summer institutes and interactive online courses so that it is available to a national audience.

More information about the program, including registration information, is available on the website: www.carleton.ca/mpnl.



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We welcome your questions and comments. Please direct them to joanne.ryan@td.com or call **1-866-866-5166** or **416-308-6735**.

Jo-Anne Ryan,
Vice President,
Philanthropy, Wealth Advisory Services &
Executive Director, Private Giving Foundation
tdwaterhouse.ca/privategiving



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