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## LETTER FROM THE PRESIDENT

September is here, and the pace accelerates as we at PFC count down to our Calgary conference at the end of October. We are looking forward to welcoming up to 200 foundation representatives from our membership and beyond. The lineup of speakers and workshop sessions has been confirmed and we expect a very lively two days of conversation among grantmakers on an wide range of "hot" topics in Canadian philanthropy, including sport and social innovation, aboriginal philanthropy, new approaches to managing environmental change, and immigrant integration. As well we have sessions on managing the internal issues essential to foundation effectiveness, including investment approaches, managing the paper burden and coping with regulation. Please do go to our [conference website](#) for the latest updates on speakers, site visits and extra-conference sessions and options.

Before we get to Calgary, we have some PFC news and events happening this month. We are distributing to PFC members a written report on our third member survey of investment and operating strategies during the economic downturn. Some highlights of this report are included later in this newsletter. On September 11 we held a telephone forum among PFC members to discuss the survey findings and to touch base on the outlook for the fall. This lively conversation on investment and granting strategies will resume in Calgary.

Later in September, we will be hearing from Paul Waldie of the Globe and Mail on the topic of extraordinary "every day" philanthropy, a subject he has written about every Saturday for over three years in the Globe Report on Business. Stories about great grantmaking are so important to bringing philanthropy to life, as we have found in our story collecting at PFC. This breakfast session will be open to all.

The rest of this newsletter points you to some of the interesting ideas and tools that we have come across in the past couple of months. There is always a huge amount of debate and exchange going on in the world of organized philanthropy. The crisis provoked by the market meltdown and economic recession has led to much reflection on whether it will or should be "business as usual" in philanthropy when the recession ends. Two respected commentators on philanthropy, Matthew Bishop and Katharine Fulton, talk about "discontinuous thinking for a crisis" in the September issue of [Alliance magazine](#). Both believe that the world has fundamentally changed and that philanthropists must look at themselves and their organizations anew.

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Bishop believes that the crisis of financial capitalism has a major lesson for the nonprofit world: where there is lack of transparency, there is heightened risk of failure. “To be effective, the nonprofit world still needs to become far more transparent, and to find better ways to get scarce philanthropic capital to the organizations with the best ideas and the best execution.” In this newsletter you will find references to the transparency of the Canadian nonprofit world, and how it can be improved.

Fulton worries that “philanthropy seems especially poorly equipped to adapt (to the new normal). Philanthropic institutions and leaders are often risk averse, usually slow to move and unusually insulated from meaningful feedback (which makes them ) perfectly mismatched for discontinuous change”. She suggests that foundation leaders consider the following dilemmas, acknowledging that it is easier to write about these challenges than to live them: how to learn and move faster and do more when the demands on time and attention are already more than can be managed; how to balance achieving short-term results while aiming for long-term sustainable solutions; how to let go of old habits and stop doing things in old ways when it’s not clear that any of the new approaches will ultimately work any better.”

Food for debate in Calgary! And welcome back to all!



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## GRANTMAKERS ROUNDUP

### On Strategies in the Downturn

The mood is improving if still cautious, especially for the long term. This is a finding of our third member survey of investment and operating strategies which is available to members only in the Members’ Area of the [PFC web site](#). Some highlights are provided here.

PFC members are benefiting from improved markets, and endowment values are increasing again for most members. Foundations are somewhat more positive about their 2009 grantmaking. However the outlook for 2010 is more conservative than in January.

- Endowment values have increased for a majority of respondents with average reported increases ranging from 4.4% to 5.6% (since last December)
- Target asset allocation mixes have remained largely unchanged although some foundations reported that they were targeting more fixed income classes.
- A majority of foundations are not encroaching on capital to meet disbursement commitments, apparently able to do so from current earnings or reserved funds.

# e-newsletter

- A significant number of foundations (almost half of respondents) are offering assistance beyond the grant, such as convening meetings, offering advice and proactively communicating with the community about greatest needs.
- Almost a third of our respondents said that they were collaborating or intending to collaborate with other funders in 2009 to pursue joint charitable projects or goals.

## Foundations and the H1N1 Flu Pandemic

Predictions of the likelihood of a resurgence of the H1N1 flu this fall are rampant. Many large organizations are putting together contingency plans for the possibility of large scale employee absenteeism and other consequences of the flu. Foundations, while much smaller, should give some thought to the impact of the flu not only on themselves but also on the grantees and other charities with whom they have relationships in the community.

Foundations leaders looking for resources to help them think through their roles in a possible pandemic have a number of useful sites to consult. In the United States, the Council on Foundations held a webinar in May on how philanthropy should respond to a flu pandemic. The report of this webinar, in a Q and A format, is posted on the [Council website](#) along with references to several other sites where useful information can be found.

Imagine Canada has assembled a similar set of resources and information for charities and nonprofits in Canada. This can be found on the [IC website](#).

As further advice, PFC offers some suggestions, initially drafted in 2006 for the possibility of an avian flu pandemic. These seem applicable to an H1N1 pandemic as well, if it becomes severe. Even if not, foundations could find it useful to consider a three-part action plan to prepare for any emergency scenario, especially a flu pandemic:

### 1. Obtain information

- Learn about the public health preparedness plans in your area/province. If there is no detailed plan, ask why and when?
- Inform yourself about the medical and health basics of the flu pandemic
- Inform yourself about your own foundation's state of readiness.

### 2. Select an Approach

- Choose to be proactive and/or to offer programs: convene community discussions, help to test public plans, map community assets available to deal with a pandemic, loan staff to help in key roles such as communications and public relations during the pandemic, etc., or
- Choose to be an arms length funder: provide funding to support public education especially of marginalized populations, fund surge capacity for medical treatment (equipment, people), fund grantees to help prepare themselves, fund research and simulations to support preparedness, fund capacity building for health sector organizations, set aside funding to support emergency non-medical needs (child care, mental health counseling etc)



### 3. Stay flexible (“put on your own mask before helping others”)

- Create your own “business continuity” plan, ensure that your internal processes allow nimble/different ways to provide funding in crisis (ie emergency rules), and build capacity to have staff work off site.

### Visualizing Philanthropy

Sometimes, it is easier to see the impact and the focus of foundations on a map than on the written page. But this has not been possible until recently. The digital world now permits an extraordinary capacity for customized visualization of philanthropic activity.

The Foundation Center has introduced a fascinating data visualization tool designed for grantmakers, policymakers, researchers, or anyone seeking to understand the impact of philanthropy throughout the world. With **Philanthropy In/Sight™**, users can quickly create customized Google maps to explore giving patterns, emerging trends, and funding relationships globally, nationally, or at the community level. The Center’s in-depth data on over 97,000 grantmakers and more than 1.6 million grants can be combined with dozens of demographic and socio-economic data overlays, resulting in “mashups” that vividly depict where foundation dollars are having the greatest effect or where funding is needed most. “This next-generation mapping tool brings a whole new level of transparency to the \$46 billion industry of philanthropy, whether your interest is global warming in Alaska, tropical diseases in Zambia, or who’s funding what in your local district, “ says the Foundation Center.

The tool is available by subscription only but you can take a free tour by clicking on the link above. This is an early example of how the Internet will be changing (and increasing) the leveraging impact of philanthropy.

### How Can Funders Get Better Information on Charities in Canada?

Canada is relatively underserved in sources of information that can help funders identify, assess and compare basic information about Canadian charities. For most funders, the only comprehensive source is Canada Revenue Agency’s online charity data base which contains the basic information reported on each registered charity’s annual information reporting form. However CRA’s online data was not intended as an analytical tool, and the data is only as good as the entries made by the charities themselves (in other words, there is no confirmation of consistency or accuracy).

Efforts to establish a comprehensive nonprofit data base such as **Guidestar** in Canada seem to have slowed for now. One subscription-based service that did get off the ground about a year ago is **CharityCan**. This service uploads and aggregates digitized data from CRA charity filings, and presents information on registered charities going back up to five years where financial statements are available. Given that the source of information is CRA and the T3010 reports, the data may not be wholly accurate or comparable (no fault of CharityCan). Nevertheless, users can organize the data and create reports on Canadian charities modified by geographic qualifiers, charity category qualifiers, and financial filters and ranking tools. These reports contain five years of financial statement information on the charity, key ratios on the charity, and peer group comparisons.



**The Donner Canadian Foundation** is a subscriber to the service. Executive Director Helen McLean says, “through our account at CharityCan we can research a cause, a person, or an organization and drill down to find information on any or all Canadian registered charities. This scan and drill approach has been very useful to me and my colleagues at the Foundation”

CharityCan is fee-based with access granted by the purchase of an annual subscription. The annual fee for one subscription is \$1,999. For more information, contact Anderson Charters, Publisher of Charity Can at [anderson@charitycan.ca](mailto:anderson@charitycan.ca).

## More on Canadian Charity Data

New research into the fundraising costs of Canadian charities provides some assurances, while raising questions about the accuracy of accountability measures.

The Muttart Foundation of Edmonton has released “*Perspectives on Fundraising*,” a research report it commissioned from Imagine Canada, the national umbrella organization for Canada’s voluntary sector. While the study concluded that the reported fundraising costs of the vast majority of Canadian charities are consistent with guidelines of the federal charities regulator, the authors caution against placing too much reliance on those figures because of the significant number of errors they encountered.

In releasing the report, Bob Wyatt, executive director of The Muttart Foundation, said the new data is both reassuring and troubling. “We know from other research we have commissioned that Canadians want more information about the operation of charities, including information about their fundraising costs. This analysis is the first in more than a decade that looks specifically at fundraising costs. The results show that the vast majority of charities keep their fundraising costs at a reasonable level.

“At the same time, the number of errors identified during the analysis is troubling. Charities must recognize that accurate reporting on these annual returns is one of the most important accountability and transparency measures with which they must comply. This needs to be a wake-up call to the staff, board members and professional advisors of charities,” says Wyatt.

The full report includes information about variations in fundraising costs by province and type of charity, as well as information about the costs incurred by the small number of charities that use commission-based fundraisers.

## INTERESTING READING

Are there ways in which even small foundations can act more effectively to catalyze a major social change? Mark Kramer of FSG-Social Impact Advisors answers “yes” in a thoughtful and clearly-written article, “Catalytic Philanthropy” in the Fall issue of the Stanford Social Innovation Review. The piece is also freely available on the [FSG web site](#).



Also in the Fall issue of the SSIR is a very good article written by two Bridgespan consultants on the difficulties faced by nonprofits who skimp on their overhead expense requests to funders, entitled "*The Nonprofit Starvation Cycle*". Both articles are a stimulating read!

## PFC FAMILY NEWS AND EVENTS



**REGISTER** for The Pulse of Philanthropy, October 28-30, 2009, Calgary. Visit the [conference web site](#) for details on the exciting conference sessions and speakers, designed specially for foundation grantmakers. New features at our conference this year: site visits, 10th anniversary reception & dinner with live entertainment and some special Olympic guests!

### All My Relations 2009 – October 30

Participants at the PFC Conference are being offered a unique opportunity to learn more about philanthropy in Métis, Inuit and First Nations communities with an **interactive site visit** to the breath-taking and historically significant Blackfoot Crossing. (Transportation will depart Calgary at 8am on Friday and will make a stop at the Airport at 4pm on return.). This visit is being organized by the [Circle on Aboriginal Grantmaking](#).

### Mark your Calendars, Upcoming Member Events:

- **September 22, *Responding to the Downturn: What are Foundations Doing?*** A face to face opportunity exclusively for PFC member foundation leaders. Moderated by Robert Alain, EJLB Foundation. This session will be bilingual, in Montréal.
- **September 23, Paul Waldie, journalist from the Globe & Mail and author of the series *Giving Back* will speak at a breakfast with members in Toronto at the Ontario Trillium Foundation. [Click here](#) for more information and to register.**

### **Maytree Foundation** Conference October 1, 2009, Toronto: *Telling Stories: Creating Change*.

Are you trying to create social change by enlisting the help of others and engaging them in your work? Is mobilizing diverse audiences from business, the government, foundations and the nonprofit community a challenge? Telling a compelling story can make all the difference. At this year's Maytree leadership conference, you can explore the power of storytelling, the art of creating compelling stories and how to use individual and organizational narratives as powerful tools for change. To register, go to the [Maytree Conference site](#).



**The Walter and Duncan Gordon Foundation** has announced that it is taking a more strategic and focused direction for the future of the Foundation. The core of this future direction is a shift in focus from a primarily grant-making organization to one more directly engaged in support to individuals and ideas through research, convening and fellowships. As well, the Foundation will concentrate its efforts on two long-standing programs: Freshwater Resources Protection and the Canadian North. Its interest in global issues will continue by developing the international components of its North and Water programs, and through a major new initiative examining Canada's development assistance.

## OTHER NEWS AND EVENTS

**HirjiWhite Blog:** The Toronto-based philanthropy consulting group HirjiWhite has created a **new blog** which is well worth a look. Sheherazade Hirji and Julie White say, "We created this blog to share our skills and the knowledge we are gaining through our work, including tools, presentations, our perspectives on the field and relevant information and resources we uncover. We have always believed that philanthropy is most effective when it leverages intellectual resources towards fresh solutions. Given the complex and dramatically shifting landscape in which we all work, we offer this blog as our contribution to building the capacity of the sector in Canada."

### Survey of Aboriginal Philanthropy

Initial results from a bench-mark survey on philanthropy in aboriginal communities conducted by Circle on Aboriginal Grantmaking in Canada, indicate that many foundations do not feel well-prepared to address the issues facing these communities. At the same time, a small group of foundations, including a new generation of aboriginal-run organizations, are making significant in-roads. To complete the survey and gain access to the full results, **click here**, entry code: 3177.

## COMMENTS AND FEEDBACK

To subscribe or unsubscribe to this newsletter, or to send comments, send an email to **Liza Goulet**, Director, Research and Member Services.