

The Founding of the Canadian Centre for Philanthropy*

[As *The Philanthropist* enters its 28th year of publication, it may be of interest to readers to know something of the history of those people and organizations which have played major roles in the journal's survival as a unique organ of information for Canadian philanthropies and their legal and financial advisors. Among these is the Canadian Centre for Philanthropy which published the journal from 1981–87, enlarging its readership and expanding its subject range.]

Introduction

The Canadian Centre for Philanthropy was created in 1981 with a mandate to encourage philanthropy in Canada by supporting the organizations working within the charitable sector. Its four stated objectives were: to collect and disseminate information; to generate research and publications; to train and develop skills within the sector; and to inform the public and the government about the role and importance of philanthropy.

The Need To Encourage Philanthropy

Philanthropy has always played an important role in Canadian society but demand for the type of services provided by the charitable sector grew steadily after the end of the Second World War. The generation that had survived both the Depression and the war made some drastic changes in Canadian society in the postwar period. Responding to public demand, the government began to assume more responsibility for health, education and welfare, traditionally areas of interest to philanthropy. Canadians valued these new services, supported them with taxes, and came to consider them an important part of Canadian society.

Canadians were, however, making fewer personal contributions to these services. In his 1975 book *Financing Humanistic Service*, Samuel A. Martin looked at the financing of health, educational, welfare, and cultural services

*In August 1996 the Canadian Centre for Philanthropy celebrated its 15th anniversary. A History Project was initiated, with a grant from Agora Foundation, to commemorate this event. The project consisted of gathering an archive of publications and documents that describe the Centre's establishment and development; creating a database with which to catalogue the archives; preparation of a chronology of significant events in the Centre's history; taped interviews with some of the key players of the Centre's early years; preparation of a written brief describing the context in which the Centre was created and the reasons for its existence. This article is a brief version of the resulting history.

over the period of 1946 to 1969. He found that throughout this period funding had been divided among government, corporations, foundations and individuals, but that significant shifts had occurred in the relative importance of these contributors. Canadians, in spite of average increases in wealth, were donating less to humanistic service. Corporations had also decreased their share. Thus, although overall spending on humanistic service had increased substantially, there was far less individual and corporate participation. In fact, governments accounted for 90 per cent of spending on humanistic services in 1969 as compared with 76 per cent in 1946.¹

Nonetheless, philanthropy still played an important role in Canadian life. In *Volunteers: The Untapped Potential* (1975), Novia Carter looked at the role of volunteers and at what motivated them. She found that they were doing valuable work and that they were always in high demand by charitable organizations. She also discovered that they were motivated by more than just altruism; they were almost equally interested in what they gained from volunteer work, such as new skills and personal satisfaction.² Two years later, the National Advisory Council on Voluntary Action reported in *People in Action* that volunteers were indeed motivated by both altruism and self-interest, but that a growing number of volunteers were frankly admitting that the rewards gained from volunteer work were the prime motivator.³ The report went on to argue that society in general also benefitted from these rewards:

The Council believes that such values as concern, involvement, sharing and social participation are of fundamental importance to Canadian society. It also believes that these values and the skills they require are central to our democratic tradition. Beyond this, the Council would maintain that voluntary action is one of the few remaining avenues in Canadian society where these values can be expressed.⁴

The Sector's Needs

The sector was doing an enormous amount of work—Martin estimated that 35,000 organizations provided humanistic services in 1973⁵—but this work was carried out without some very basic tools. Charitable organizations had limited access to information, few opportunities to meet to discuss common concerns, and little in the way of skills training. Furthermore, the role and value of the sector were misunderstood by both the public and the government.

The Need for Information

Valiant efforts were made throughout the 1980s to gather and disseminate information on the sector but it was apparent to everyone—charities, fundraisers, foundations, professionals, and corporations—that much more information was needed and greater access was essential.

The *Canadian Directory to Foundations and Granting Agencies* was published at this time by the Association of Universities and Colleges of Canada, in an

effort to help fundraisers of charitable organizations to identify potential grantors. As editor of the Directory, professional fundraiser Allan Arlett was very much aware of how difficult this was. Governments kept very little information and what they had was unavailable to the public. Furthermore, many of the foundations themselves were unwilling to make public any detailed account of their activities.

In 1971 Arlett was surprised to learn that there was, in fact, some information available on Canadian foundations but it resided in the United States. Two organizations in New York City had recently taken an interest in Canadian foundations. The Foundation Center had hired an international specialist, and the Council on Foundations was planning a conference in Montreal, the first to be held outside the United States. Arlett made use of the information he found in New York and also attended the Montreal conference where he met with representatives of a dozen Canadian foundations.

Among those attending the Montreal conference was Art Bond, Executive Director of the newly formed Physicians' Services Incorporated Foundation. New to the world of foundations and eager to learn more about how they functioned, Bond had welcomed the opportunity to attend the conference. In fact, the conference was one of the first occasions on which Canadian foundations had come together to share information and discuss common concerns. Bond was not alone in finding this useful. At the end of the conference, the Canadians were inspired to organize an informal meeting of foundations. Representatives of 15 foundations attended the first meeting in September 1971. Informal meetings continued until 1974 when the group, now grown to 38 members, formed the Association of Canadian Foundations (ACF). Art Bond was appointed secretary. The ACF's chief interests were the legal and taxation issues affecting foundations and so ACF was to play a major role in the sector's response to the 1981 Federal Budget proposals.

In the meantime, the Charities Committee of the Canadian Bar Association, Wills and Trusts Section, was also attempting to gather information about Canadian philanthropy. The Committee had been established in 1969 by CBA members who had developed an interest in charity through their work with wills and trusts. John Hodgson of the Toronto law firm of Blake, Cassels & Graydon was the Committee's Chair. The first task the Committee set itself was to gather information on both operating charities and foundations and to examine the laws that controlled them. In 1971, the Committee sponsored a study of foundations by Victor Peters and Frank Zaid. Peters and Zaid met with some success but, in the end, they managed to obtain detailed information on only 19 foundations. The same year, the Committee drafted a resolution asking that the Department of National Revenue make available to the public a list of the names and addresses of charitable organizations. This resolution was

passed by the CBA at its Annual Meeting in September 1971 but was rejected by the Minister of National Revenue.

In an effort to improve the exchange of information on the sector, the Committee began to publish *The Philanthropist* in 1972. This journal was intended for "...those in the public and private sectors interested in the position and operation of charitable institutions". Its primary interest was legal issues and cases affecting philanthropy in Canada but it published articles on other topics of interest to the sector, especially taxation and accounting.

Martin's *Financing Humanistic Service* had come out of a corporation's quest for information. John Labatt Limited of London, Ontario had undertaken a major review of its donations program which led the company to consider some fundamental questions about the role of corporations in financing charitable organizations. Labatt then approached the School of Business Administration of the University of Western Ontario with the suggestion that it conduct a study on the subject.⁶ The study that eventually emerged was far broader in scope than Labatt's original mandate and contributed significantly to knowledge of the sector.

The Need to Train and Develop Skills

As demand for services increased, so did the need for training, particularly in the area of fundraising.

This was apparent at fundraising conferences held in 1978 and 1979 in Toronto. The 1978 conference, sponsored by Oyez Limited, was the first of its kind. It attracted more than 170 participants from across the country and offered instructional sessions on fundraising and other topics. Speakers included Samuel Martin on the decline of giving, Novia Carter on volunteers, and Allan Arlett and Art Bond on foundations. The following year, conference speakers included financial analyst Arthur Drache on federal legislation affecting charities, and NVO president Ian Morrison on NVO's "Give and Take" campaign which hoped to replace the virtually automatic \$100 personal income-tax deduction for donations with a tax credit based on receipts. In response to demand by participants at the 1978 conference, there were more sessions with detailed instruction on fundraising than at the previous conference, as well as two preconference seminars—one on the basics of fundraising, the other on more advanced fundraising techniques. This second conference drew even more participants than the first.

The Need to Inform the Public and Government

In *People in Action*, the National Advisory Council on Voluntary Action reported "...the need for a greater awareness of, and increased commitment to, voluntary activity by both government and the general public".⁷ If the sector knew little about itself, the public knew even less. In a survey of attitudes,

Martin discovered that people believed that corporations and individuals were contributing far more to humanistic service than was actually the case.⁸ In her research, Carter found that the main reason people gave for not volunteering was lack of information about what was needed.⁹ If members of the public were to get involved in philanthropy, it would first be necessary to inform them of its role and importance.

The government could help achieve this but it, too, would have to become better informed about the sector. This was one of the goals of the National Voluntary Organizations (NVO), a network of charitable organizations created in 1974 to explore points of common interest among its members and to effect liaison between members and government. This group was instrumental in opening lines of communication with the federal government which responded by forming the National Advisory Council on Voluntary Action. In *People in Action* the Council discussed the inadequacies of the government's consultation process and suggested ways to improve it. Stressing the importance of government co-operation, the Council stated that "...the willingness of government to provide...support will determine whether voluntary action flourishes or wanes".¹⁰

The Need for a Central Organization

While the decade saw much progress in meeting the practical needs of the sector, these successes only proved how great was the need. The *Canadian Directory to Foundations and Granting Agencies*, for all its deficiencies, had proven to be of great value and was now in its fourth edition. A 1977 amendment to the *Income Tax Act* that required all charities to file Public Information Returns meant that more information was available than ever before. As a result, Allan Arlett envisioned a much expanded fifth edition of the *Directory*. Attendance at the conferences indicated a demand for instruction and for a meeting ground where people could share ideas and experiences. Every major study raised questions that signalled the need for more research and, since many studies had disproved long-held notions about the sector, their findings needed to be more widely available. Finally, research indicating a lack of understanding of the sector by both the public and the government meant there was a need for a national public information initiative.

By the end of the 1970s a more urgent reason for encouraging philanthropy had presented itself in the form of government cutbacks. This put enormous pressure on the charitable sector. Government programs were reduced as were grants to nonprofit organizations even though Canadians still placed a high value on their beneficiaries—education, health, welfare and culture. It was obvious Canadians were expecting the charitable sector to fill the gaps. Greatly increased support was needed if the sector were to meet these expectations.

In 1978 John Hodgson, Art Bond, Ian Morrison and Allan Arlett began a series of meetings to discuss the possibility of a central organization that could address a number of the sector's needs. The following year, they drafted proposals for such an organization. In December 1979, these formed the basis of a proposal to Laidlaw Foundation which then agreed to provide an initial grant of \$50,000 to the Agora Foundation so it could undertake the planning and development phase of what became The Canadian Centre for Philanthropy. (The Agora Foundation had been incorporated in January 1979. Its aim was to provide practical support to the sector by assisting in the initial development of organizations and projects that would advance philanthropy in Canada.)

John Hodgson, a director of Agora, and Allan Arlett set to work immediately. By April 1980 the Centre was established in offices shared with Agora and was ready to begin planning programs. In November 1980, a progress report and second proposal were presented to Laidlaw, which agreed to a further grant of \$175,000 provided that the Centre incorporated and received registered charitable status. On August 11, 1981 the Centre was incorporated and it received notification of its status as a registered charity a short time later. The Planning and Development Committee set up by Agora became the Board of Directors and The Canadian Centre for Philanthropy was born.

The Centre's Programs

The creation of the Canadian Centre for Philanthropy was very much a joint effort based on the expertise of people from a variety of backgrounds. The Centre's first Board of Directors included:

- John Hodgson, Partner, Blake, Cassels & Graydon, Barristers and Solicitors, Toronto. Active in the Charities Committee of the Wills and Trusts Section of the Canadian Bar Association as well as a number of charitable organizations. Co-founder of *The Philanthropist*.
- Art Bond, Executive Director, Physicians' Services Incorporated Foundation and Secretary of the Association of Canadian Foundations.
- Ian Morrison, Executive Director, Canadian Association for Adult Education and Chairman of the Committee of National Voluntary Organizations (NVO).
- Jill Stocker, Canadian Life and Health Insurance Association.
- Madam Justice Bertha Wilson of the Supreme Court of Ontario. Co-founder and first editor of *The Philanthropist*.
- Russell Disney, Touche Ross & Company, Chartered Accountants. Author of the *Disney Report*, an important study of the arts sector.

The Centre's first Executive Director, Allan Arlett, was an experienced professional fundraiser and editor of the *Canadian Directory to Foundations and Granting Agencies*.

At the core of the Centre's activities was the Associates Program directed to the charitable organizations for whom the Centre's services were designed. Representatives of Associate organizations served as volunteers on the Centre's program committees, thereby helping to shape its programs. These were divided into four areas of service:

1. *Collection and Dissemination of Information*

In answer to the sector's tremendous need for information, the Centre established a comprehensive collection of research and reference materials on philanthropy and created a Resource Centre to make the collection available to charitable organizations and others interested in philanthropy. Through an agreement with the Foundation Center in New York, the collection included materials on foundations in the United States. The Resource Centre offered a "hotline" information service to Associates who were unable to visit the Centre.

2. *Research and Publications*

In addition to collecting and disseminating existing information, the Centre took steps to add to the supply.

In 1982 it published the fifth edition of the *Canadian Directory to Foundations*, the most comprehensive to date thanks to the information available through Public Information Returns (T3010s). In order to process this wealth of information, the Centre developed a database of foundation information which it used to produce the *Directory* and also to create statistical analyses some of which were included in the *Directory*.

In 1981, the Centre took over publishing responsibility for *The Philanthropist* from Agora Foundation and the CBA Charities Committee. The Centre's involvement increased the journal's readership and influence and made possible its expansion to quarterly publication.

In 1982 the Centre published a number of studies. In the studies *How and What Canadians Contribute to Charity* and *Individual Giving in Canada*, Hans Deeg reported that the decline in giving documented by Samuel Martin in 1975 had continued throughout the decade; Joseph Berman and Edward Waitzer looked at corporate responsibility for philanthropy and reported their findings in *The Bottom Line for Corporate Philanthropy*; *Endowed Charitable Foundations in Canada: A Study of Spending and Investment Strategies Under Revenue Canada Regulations* by David J. Fowler and C. Harvey Rorke was initiated by the Centre in response to the 1981 federal budget.

3. *Training and Development Skills*

Building on the success of the 1978 and 1979 Oyez conferences, the Centre began holding annual conferences on fundraising. Its first, *Philanthropy in the 80s: Matching Needs with Resources* took place in November 1980. It, and succeeding conferences attracted capacity enrolments. Throughout the year, the Centre offered *Philanthropy Forum*, a series of workshops and seminars on such topics as proposal writing, direct mail campaigns and tax laws. In November 1981 the first Grantors' Conference was held for foundations and other granting agencies.

High attendance at conferences and forums indicated the demand within the sector for instruction of this kind. These events also provided a meeting ground where organizations that had been working more or less in isolation for years, could share ideas.

The Centre became involved in more formal training when, in co-operation with Humber College, it developed a Certificate Program in Fundraising Management. The first courses were held in the fall of 1983.

4. *Informing the Public and the Government About Philanthropy*

Within months of the Centre's incorporation the need to inform the government about philanthropy became even clearer. In November 1981 the federal government released proposals to amend the *Income Tax Act* to include, among other changes, increased disbursement quotas for foundations which would have had a disastrous effect on their ability to survive for more than a few years. The Centre immediately formed a committee to study proposals and to prepare a report. At the end of the 1982, the Centre published *The Federal Budget Resolutions of November 12, 1981 and Their Effect on Charities in Canada* as well as the previously noted *Endowed Charitable Foundations in Canada*. In May 1983 the government released a *Discussion Paper*, "Charities and the Canadian Tax System", containing new proposals that would have applied the same rules to both foundations and operating charities, despite the vast differences between the two. A committee, chaired by Ian Morrison, reviewed the *Discussion Paper*. As part of the review, the committee, in co-operation with 12 cosponsors, held seven seminars across Canada to discuss the government's paper and advise on the Centre's response. Allan Arlett took part, as did board members Laurence Murray and Art Bond, (the latter, as Secretary of the Association of Canadian Foundations, was very active in this matter), and two representatives of the Department of Finance. The resulting report, *The New Federal Tax Proposals for Charities: A Response from The Canadian Centre for Philanthropy* was released in both English and French in August 1983 and submitted to the government, which finally introduced more favourable amendments in 1987.

"A campaign to encourage philanthropy" was mentioned in the earliest proposal for the Canadian Centre for Philanthropy and was always one of the

Centre's priorities but the directors knew that the Centre would have to be firmly established before undertaking such a venture. Discussions of various proposals took place as early as 1983 and resulted, finally, in the launch of the highly successful IMAGINE program in 1989.

A Meeting Ground

The founders of the Canadian Centre for Philanthropy recognized the valuable work being done by charities across Canada. They envisioned a supporting role whereby the Centre would provide the sector with resources and services which would enable it to move on to even greater achievements. It was never intended that the Centre should speak for the sector but rather that, with the assistance of the Centre, sector organizations should become more effective at speaking for themselves.

By 1983 the Board of Directors had doubled in number from six to 12. The Centre operated with a staff of six and 140 volunteers working on 13 committees. In recruiting Board members and other volunteers, the Centre endeavoured to attract representatives from all sectors of philanthropy and all regions of Canada. As a result, the Centre included a wide range of sometimes opposing political and philosophical views. Remarkably, it worked. Not because people found it necessary to set aside their beliefs in a spirit of compromise, but because the goals of philanthropy were compatible with everyone's beliefs.

Philanthropy provides a meeting ground for all ideologies. The Centre hoped to provide a meeting ground for philanthropy. As Jack Barrow, chair of the board in 1983 wrote in his Annual Report, "Helping people who need help is everybody's business. The Centre is dedicated to making it possible for everyone to contribute".

FOOTNOTES

1. Samuel A. Martin, *Financing Humanistic Service* (Toronto: McClelland and Stewart, 1985) p. 27.
2. Novia Carter, *Volunteers: The Untapped Potential* (Ottawa: The Canadian Council on Social Development, 1975) p. 27.
3. National Advisory Council on Voluntary Action, *People in Action* (Ottawa: The Canadian Secretary of State, 1977) p. 11.
4. *Ibid.*, p. 28.
5. *Supra*, footnote 1, p. 19.
6. *Ibid.*, p. 12.
7. *Supra*, footnote 3, p. xiii.
8. *Supra*, footnote 1, p. 157.
9. *Supra*, footnote 2, p. 36.
10. *Supra*, footnote 3, p. 156.

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