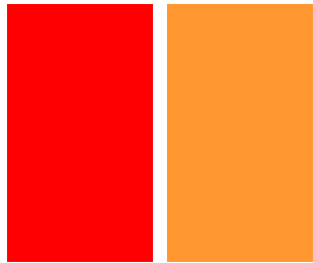


# THE OFFORD GROUP

VISION | EXPERIENCE | RESULTS



CCAЕ National Conference  
Benchmarking and Accountability  
June 2007 (Summary)

## What do Boards Want?

- How are we doing?
- How do I know things are getting better/worse?
- What are the key performance metrics
  - Inputs
  - Outputs
- Transparency and Consistency of reporting
- Risks/Reward framework for decisions

Understanding how one's charitable organization performs – whether its delivering on programmatic imperatives or determining the efficacy of fundraising operations – is critical for every organization's long-term strategic planning.

Benchmarking Studies can:

- Establish meaningful benchmarks for major charities by sector;
- Identify a charity's market share of giving within a particular community;
- Demonstrate 5-year trends in growth,
- Discern how an organization ranks amongst its peers;
- Compare an organization to national, provincial and regional benchmarks;
- Provide multi-year trending analysis in both revenue and expense categories;
- Show the return on investment in fundraising compared to other organizations;
- Provide crucial input for an organization's continuous improvement and strategic planning; and
- For the institutional sector, can provide benchmarks that are weighted for size and operational budget.

Above all, such studies should help management resources in answering key performance-related questions and provide justification for program investments over time.

## Objections to Benchmarks

- “We are special”
- “The data is unreliable”
- “Reporting is too complicated”
- “I don’t want to look bad”
- “My Board/CEO doesn’t care
- “I already give the Board the numbers they should see”



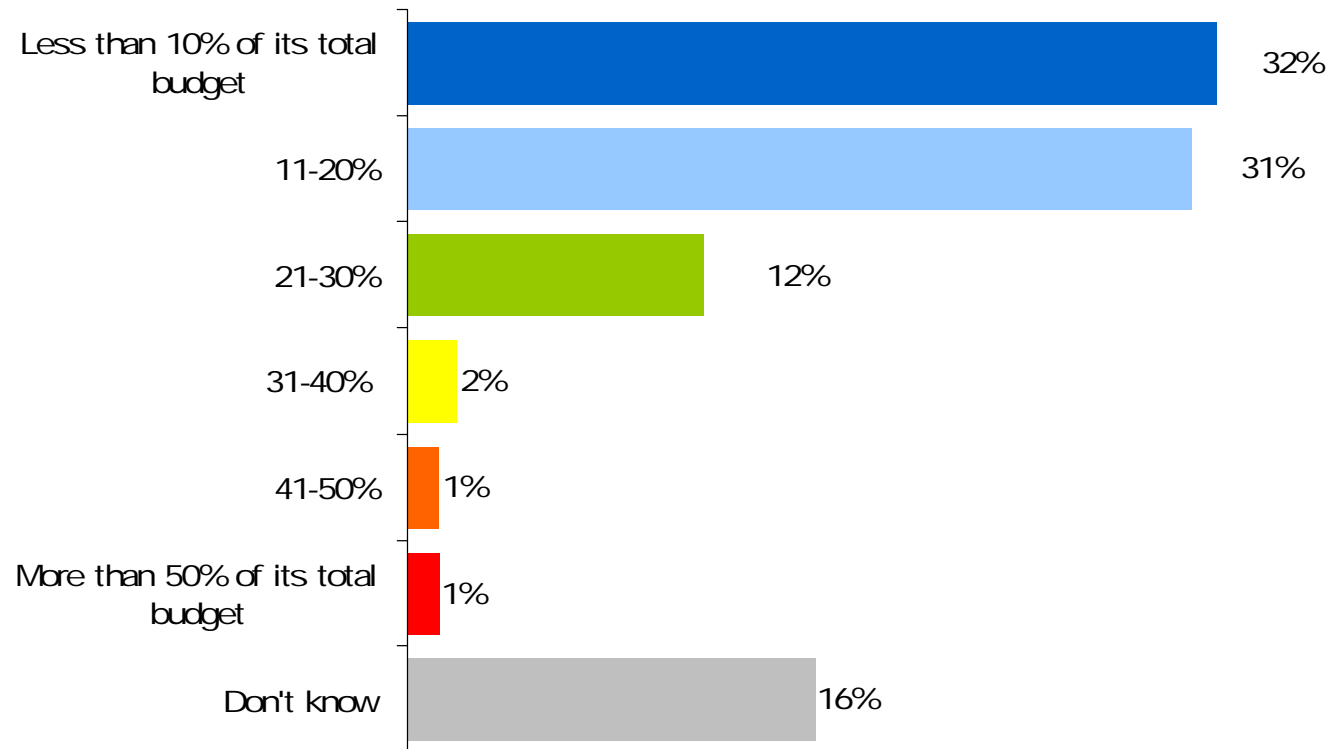
## Public Expectations vs. Reality

- Online representative survey of 4278 Canadians conducted from October 20<sup>th</sup> to 26<sup>th</sup>, 2006.
- The sample has been weighted for region, age, and gender.
- This month's survey included approximately 4,278 responses eligible for inclusion in our analysis. After weighting a sample of this size the aggregate results are considered accurate to within  $\pm 1.49$  percentage points, 19 times out of 20, of what they would have been had a representative cross-section of Canadians eligible to vote been polled.
- The margin of error will be larger within each sub-grouping of the sample.

## Operating Budget of Canadian Charities

## Public Expectation vs. Reality

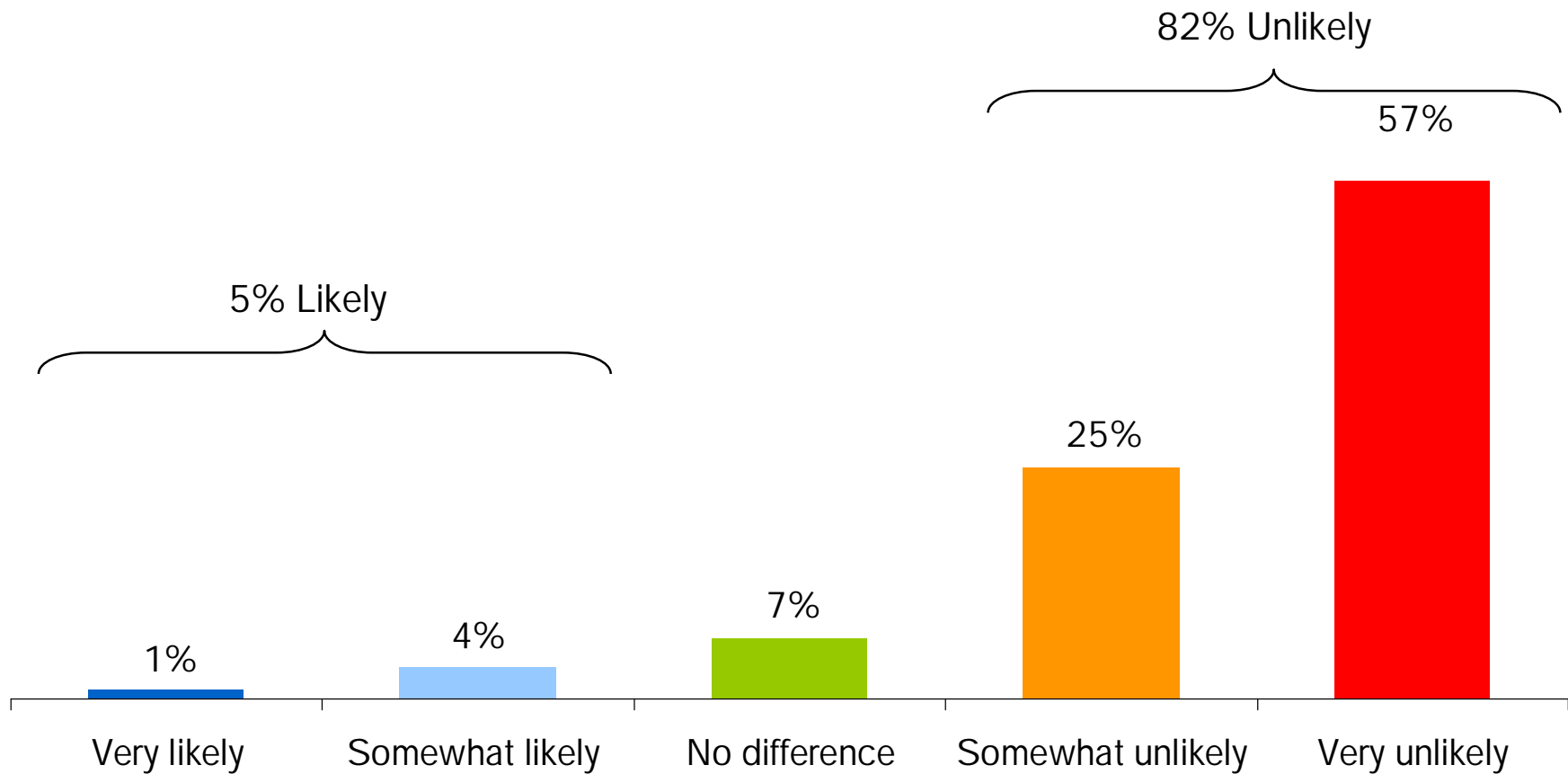
Q What do you think is a reasonable operating budget (e.g. salaries, marketing, and administration) for a charity in Canada?



## If Operating Costs Were Twice What You Expected...

## Public Perception vs. Reality

Q If you discovered a charitable organization had operating costs twice the size of what you had expected, how likely would you be to give to that charity?





# Market Share for Fundraising

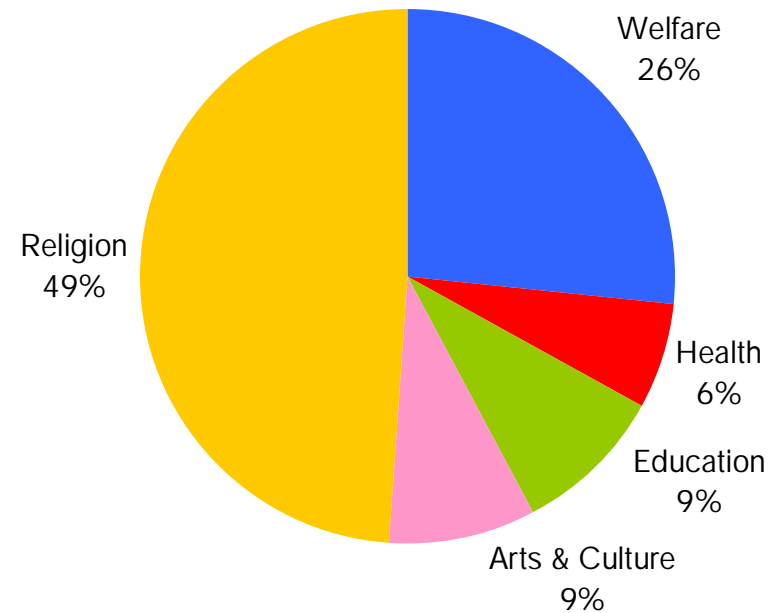
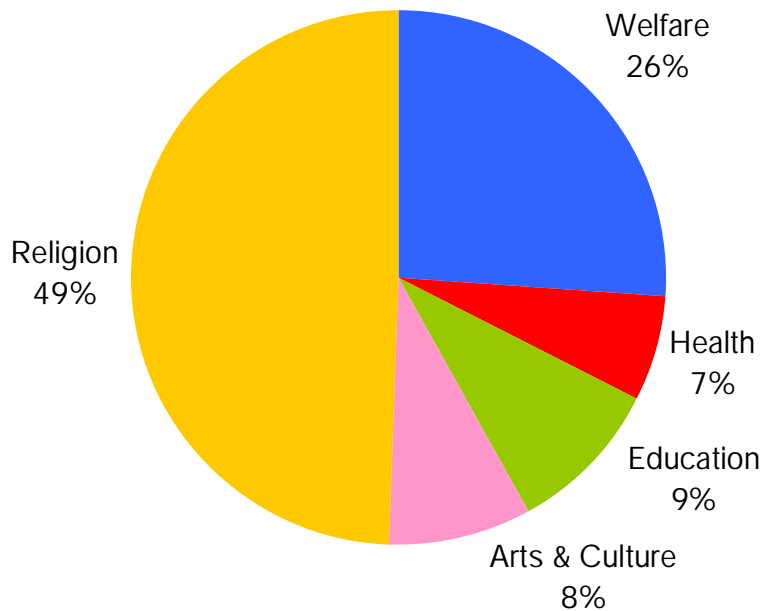
## Number of Registered Charities

## Charitable Sector Market Size\*

Between 2001 and 2005, both the number of registered public foundations and charitable organizations AND the composition of the charitable sector types have remained relatively constant.

In **2001**, there were **60,086** registered public foundations and charitable organizations that issued at least \$1 in tax-receipted gifts.

In **2005**, there were **60,982** registered public foundations and charitable organizations that issued at least \$1 in tax-receipted gifts.



\* Among registered Public Foundations and Charitable Organizations

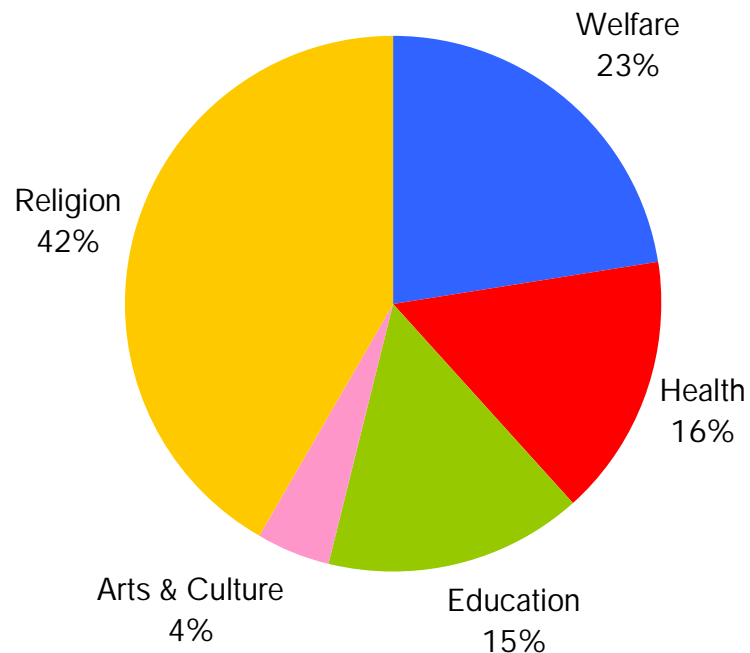
## Charitable Donations

## Charitable Sector Market Size\*

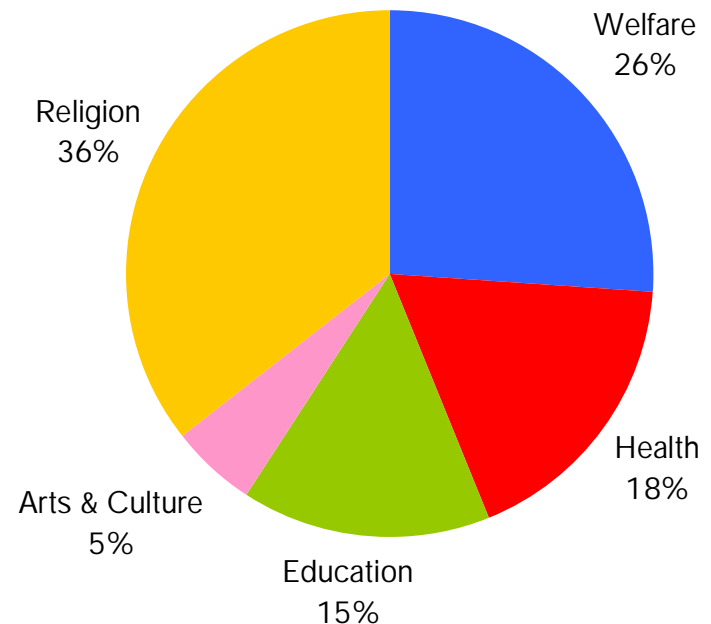
Over the past 5 years, charitable donations to the *Religious Sector* have remained relatively constant, while donations to the other sectors have increased.

As a result, the *Religious Sector* represents a smaller percentage of the total charitable sector market share today.

In **2001**, approximately **\$12.4 billion** was raised.



In **2005**, approximately **\$16.1 billion** was raised.



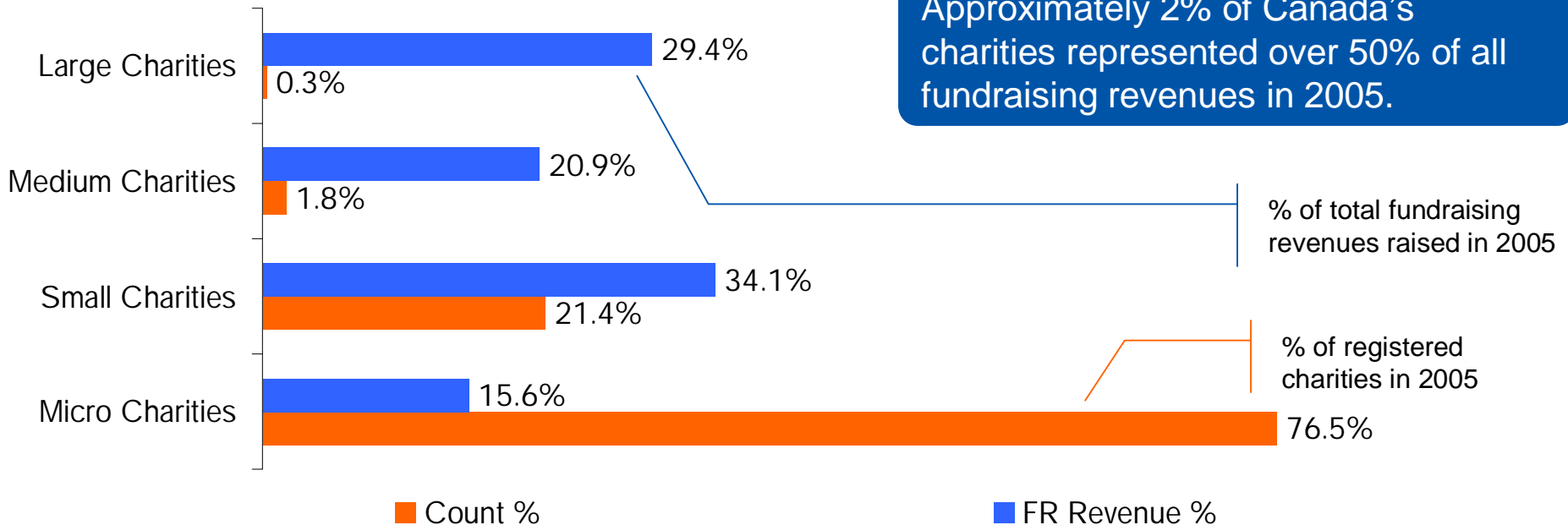
\* Among registered Public Foundations and Charitable Organizations

# Charitable Sector Market Share in 2005

Total Canadian charitable market size\* amounted to **\$16.1 billion** in 2005.



Approximately 2% of Canada's charities represented over 50% of all fundraising revenues in 2005.



\* Among registered Public Foundations and Charitable Organizations



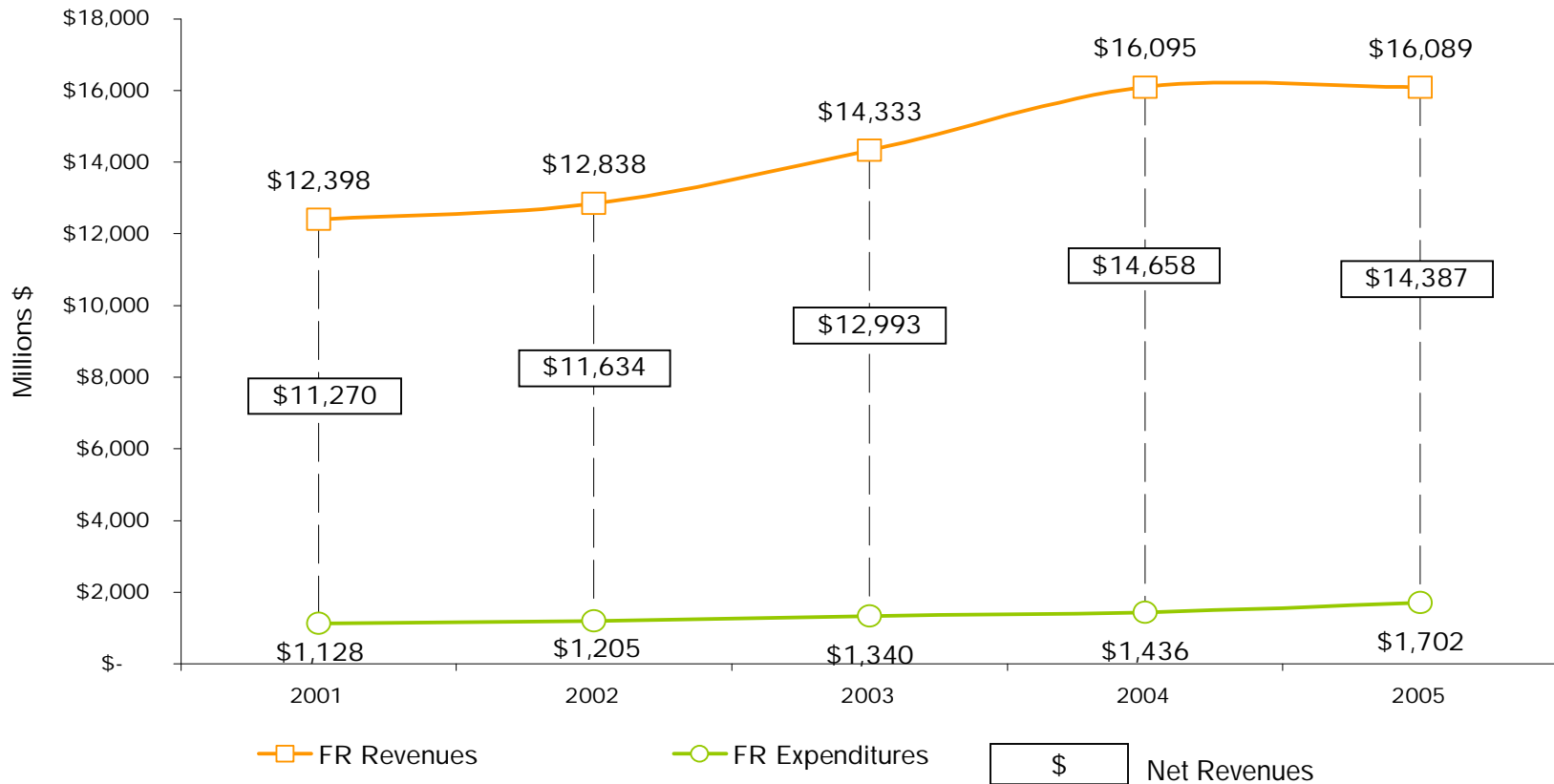
# Fundraising Performance Benchmarks

# Growth in Canadian Charitable Fundraising (2001-05)

Canadian charities\* have increased fundraising expenditures by 51% which has translated into a 30% increase in fundraising revenues.

Between 2001 and 2005, fundraising revenue increased by nearly a third, from \$12.4 billion to \$16.1 billion.

Net revenues (*FR Revenues less FR Expenditures*) have increased by 28% between 2001 and 2005.



\* Active public foundations and charitable organizations (i.e. organizations that collected at least \$1 in tax-receipted gifts).



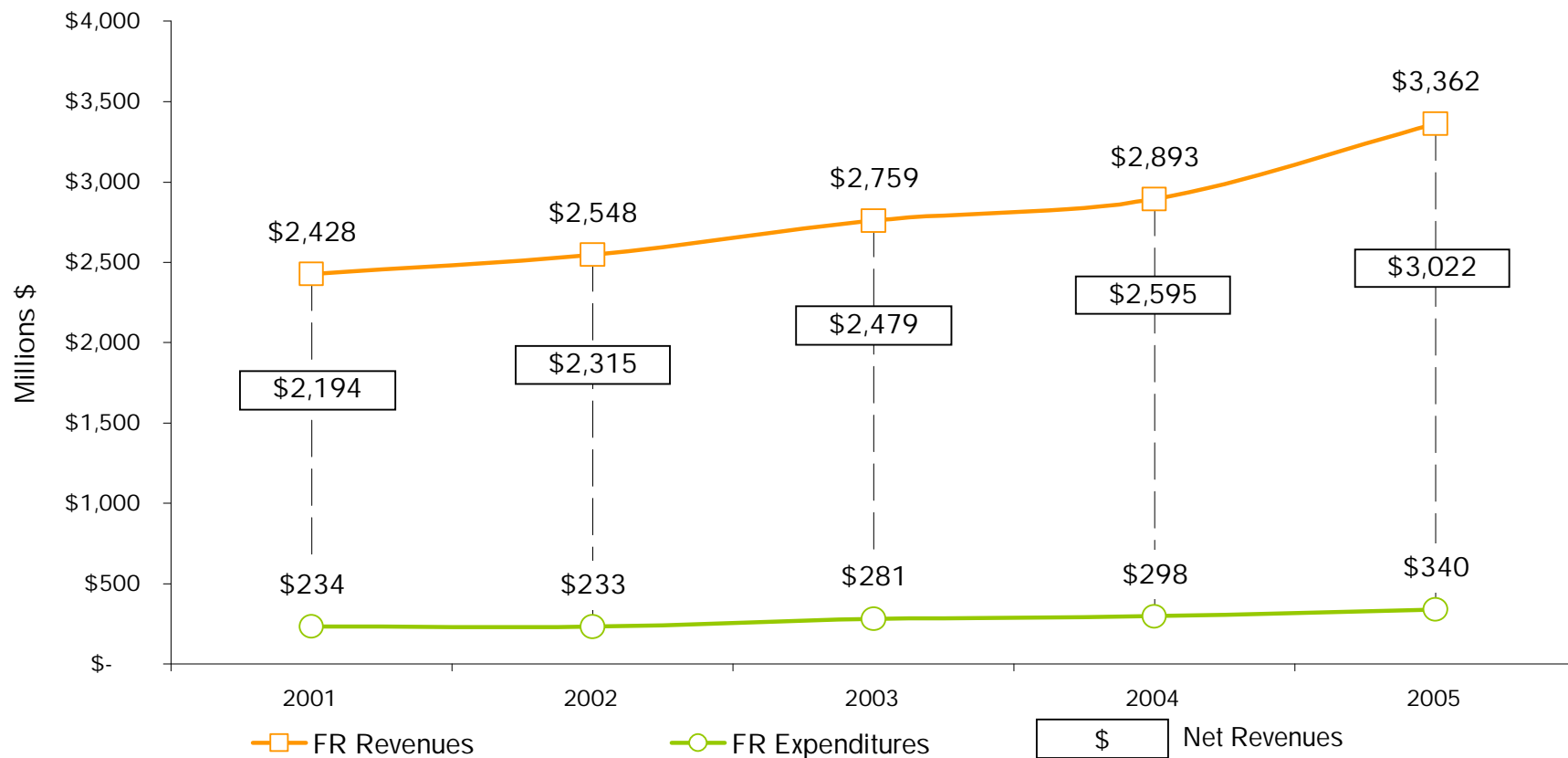
# Fundraising Performance Benchmarks

*By Tax-Receipted Gift Size Segments*

# Growth in MEDIUM Charitable Fundraising (2001-05)

Canadian MEDIUM charities\* have increased fundraising expenditures by 45% which translated into a 38% increase in FR revenues.

Between 2001 and 2005, the fundraising revenues generated by MEDIUM charities increased from \$2.4 billion to \$3.4 billion. Net revenues (FR Revenues less FR Expenditures) have increased by 38% between 2001 and 2005.



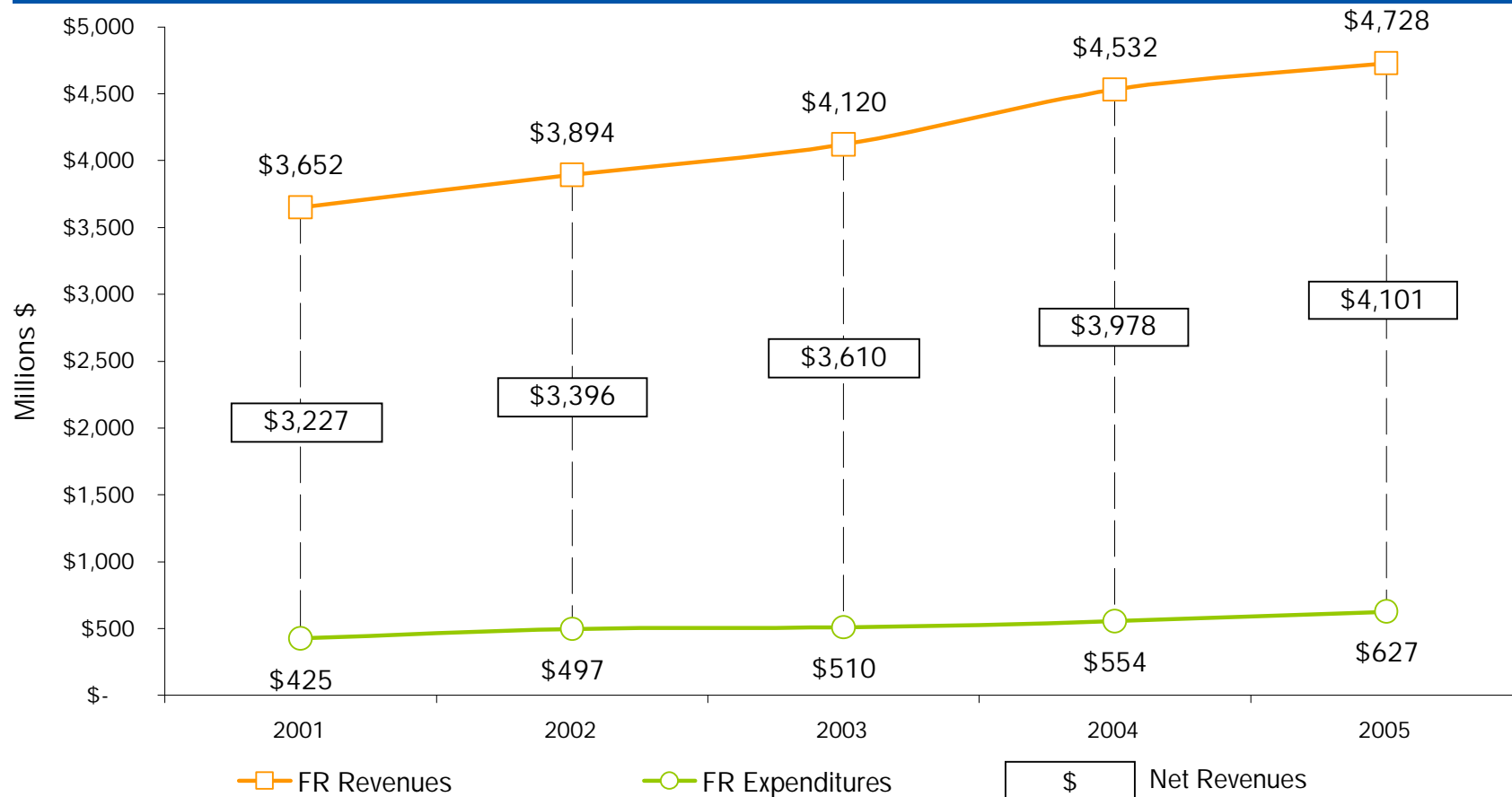
\* Active public foundations and charitable organizations (i.e. organizations that collected between \$1M and \$4,999,999 in tax-receipted gifts).

# Growth in LARGE Charitable Fundraising (2001-05)

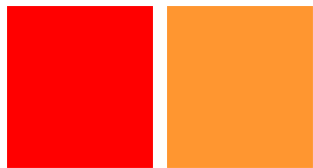
Canadian LARGE charities\* have increased fundraising expenditures by 48% which translated into a 29% increase in FR revenues.

Between 2001 and 2005, the fundraising revenues generated by LARGE charities increased from \$3.7 billion to \$4.7 billion.

Net revenues (*FR Revenues less FR Expenditures*) have increased by 27% between 2001 and 2005.



\* Active public foundations and charitable organizations (i.e. organizations that collected \$5M or more in tax-receipted gifts).

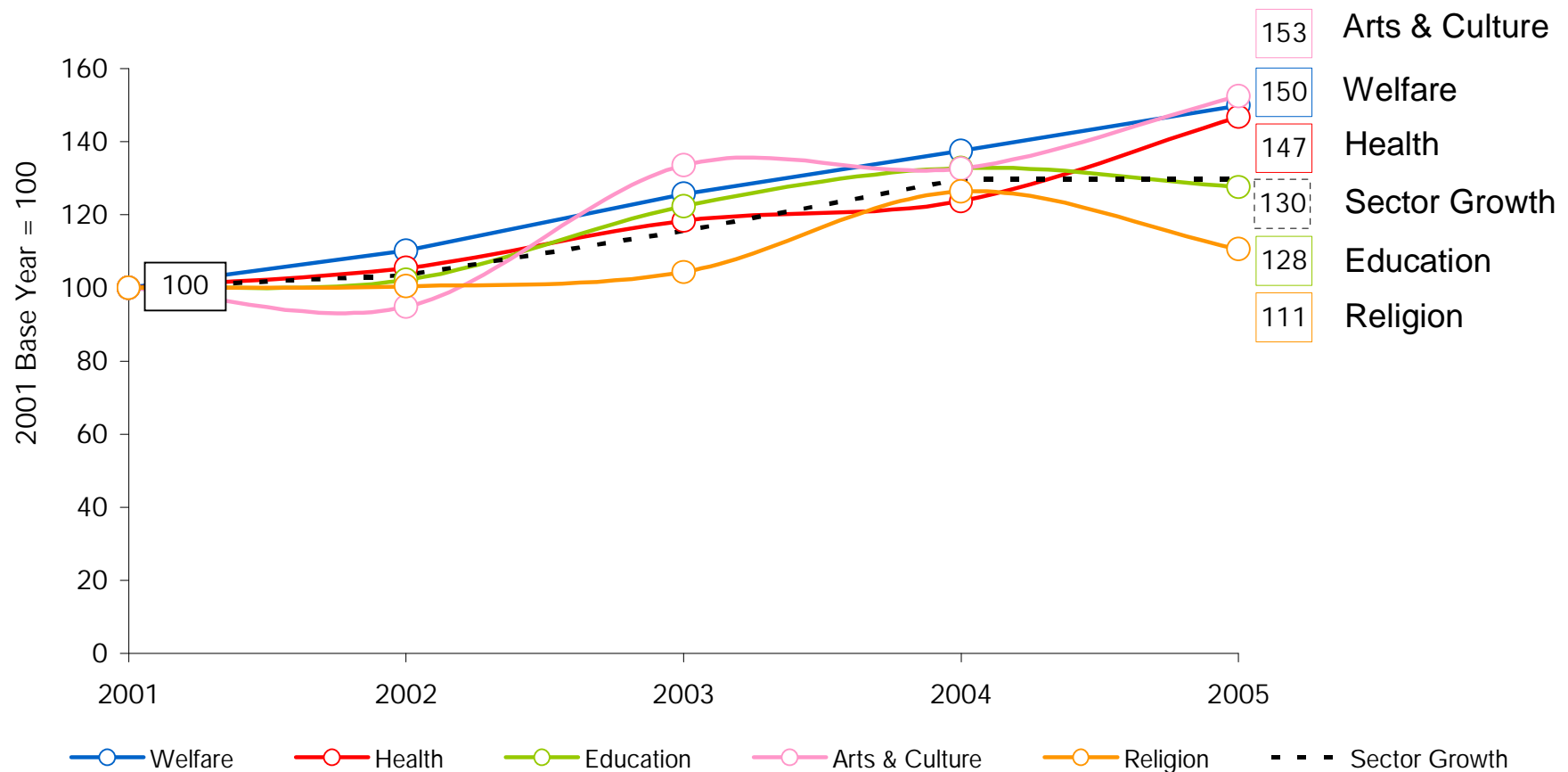


# Fundraising Performance Benchmarks

By Sector

## Sector Growth Rate: *Fundraising Revenues*

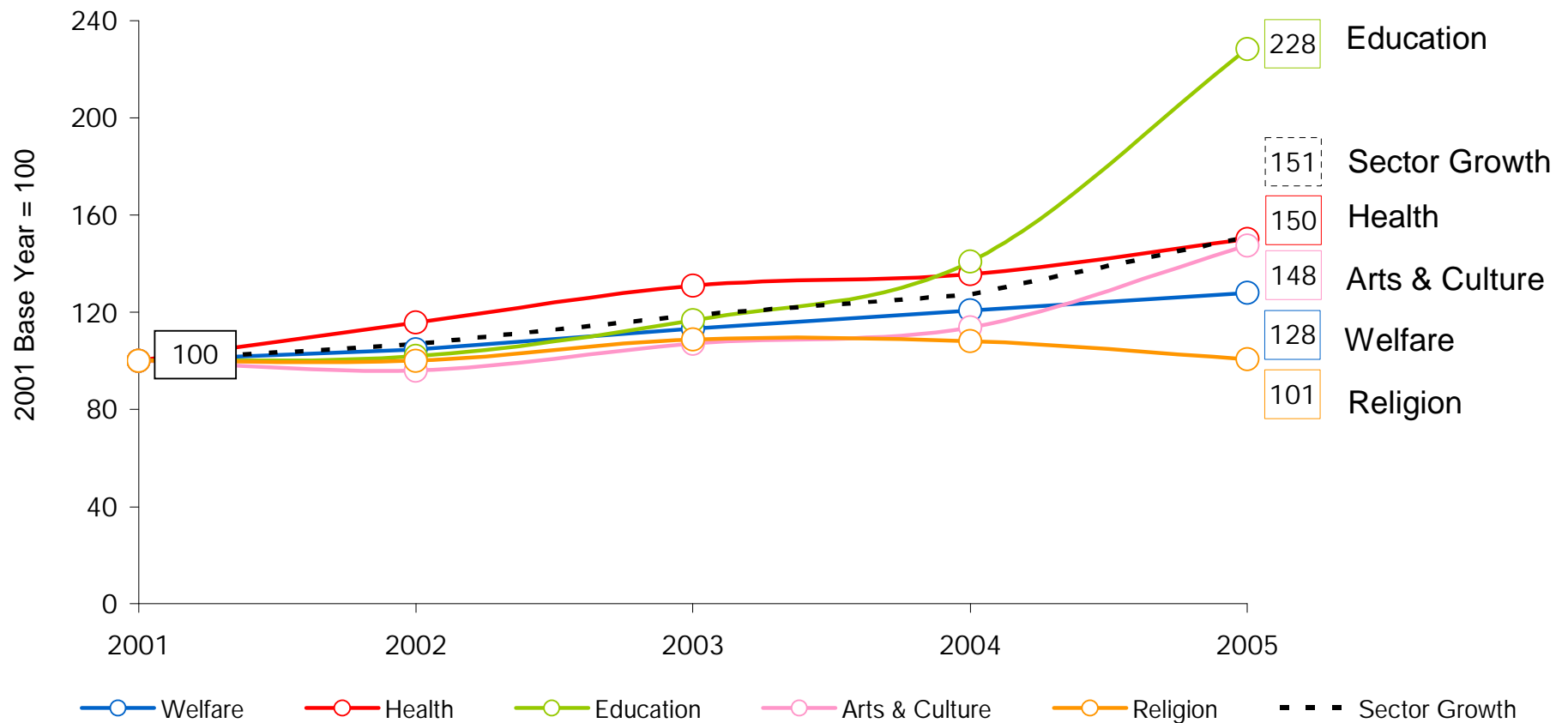
- The growth rate in fundraising revenues has been largest in the **Arts & Culture** sector (53% growth) over the past 5 years.
- The lowest growth rate has been in the **Religious | Faith Based** sector (11% growth) over the same period.



\* Active public foundations and charitable organizations (i.e. organizations that collected at least \$1 in tax-receipted gifts).

## Sector Growth Rate: *Fundraising Expenditure*

- The growth rate in fundraising expenditures has been largest in the **Education** sector (128% growth) over the past 5 years.
- The lowest growth rate has been in the **Religious | Faith Based** sector (1% growth) over the same period.



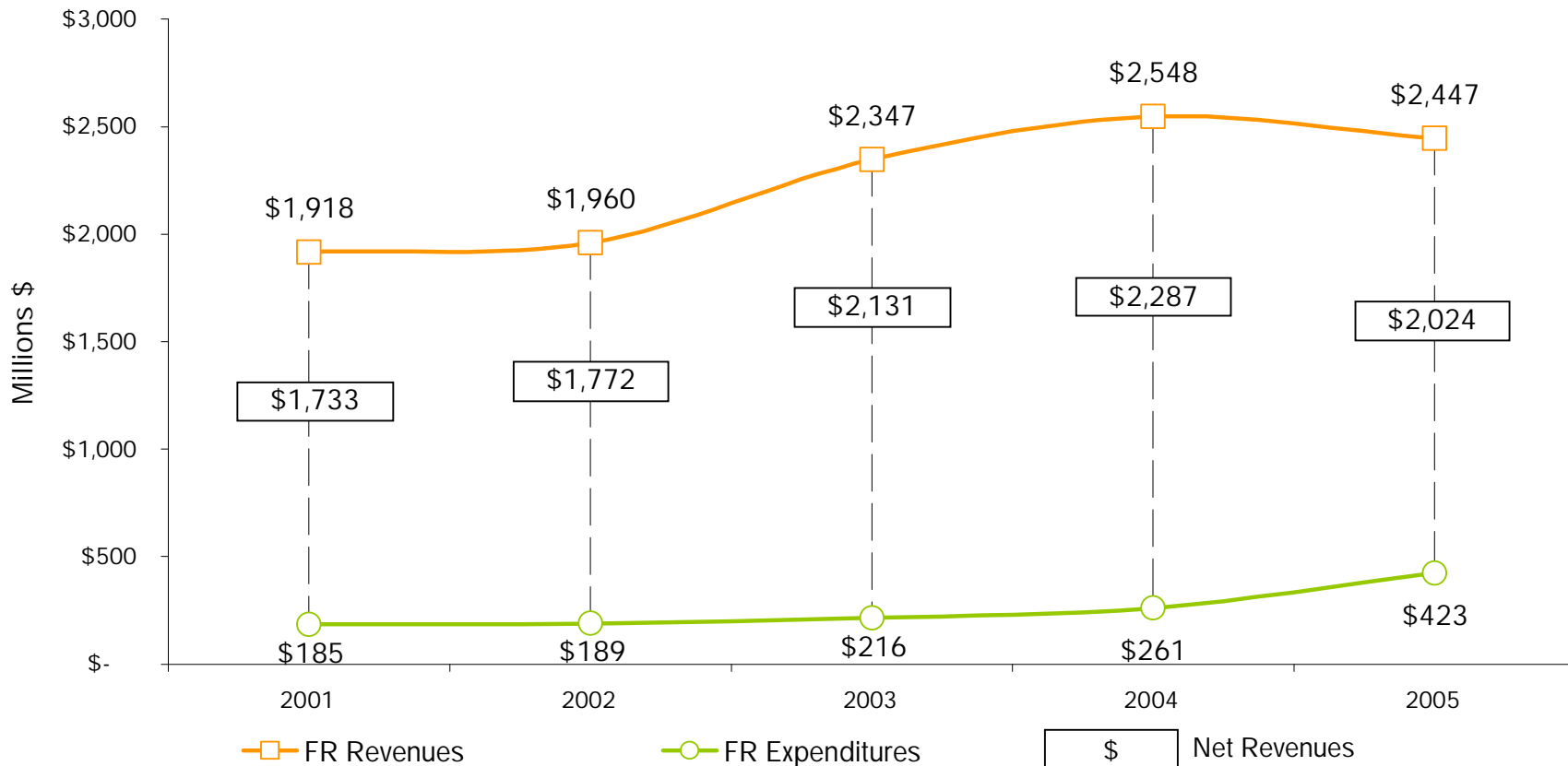
\* Active public foundations and charitable organizations (i.e. organizations that collected at least \$1 in tax-receipted gifts).

# Growth in EDUCATION Sector Fundraising (2001-05)

The EDUCATION Sector\* has increased fundraising expenditures by 128% which translated into a 28% increase in FR revenues.

Between 2001 and 2005, fundraising revenue increased from \$1.9 billion to \$2.4 billion.

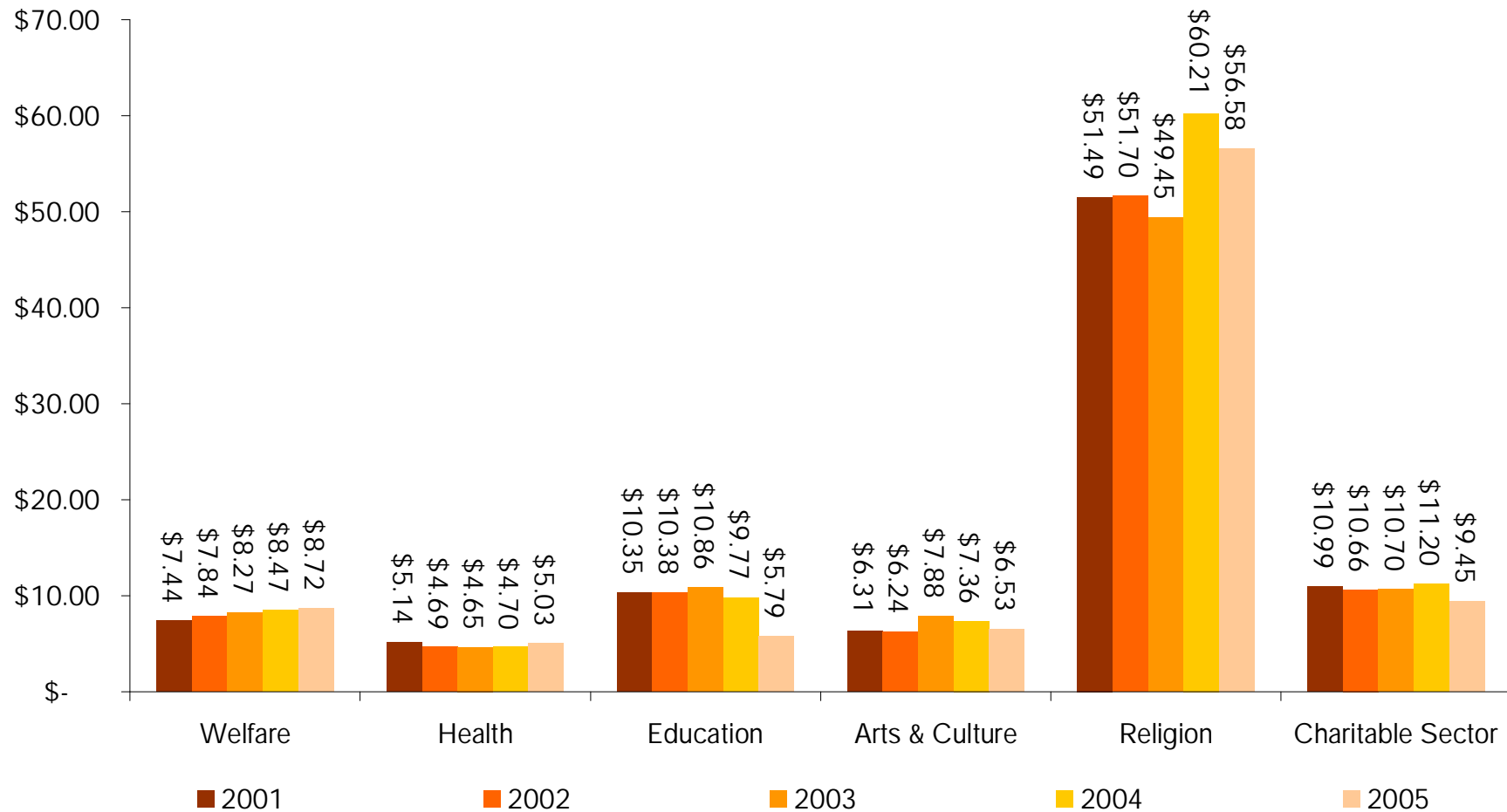
Net revenues (FR Revenues less FR Expenditures) have increased by 17% between 2001 and 2005.



\* Active public foundations and charitable organizations (i.e. organizations that collected at least \$1 in tax-receipted gifts).

# Return on Fundraising (FR Revenues / FR Expenditures)

In 2005, the average Canadian charity\* had a return on fundraising of \$9.45 for every dollar invested in fundraising activities. Religion, with its very low cost structure, had the highest ROF at \$56.58 in 2005.



\* Active public foundations and charitable organizations (i.e. organizations that collected at least \$1 in tax-receipted gifts).



# University Sector Analysis

*Macro Fundraising Trends (2001-2005)*

- National and provincial benchmarks were calculated using Canada Revenue Agency tax-filing data for registered universities and their foundations for between 2001 and 2005.
- Benchmarks calculations for the University sector were calculated for Institutional Groupings based on the Maclean's Magazine categories used in their annual university rankings: *Medical Doctoral*, *Comprehensive* and *Primary Undergrad*.
  - 49 universities were included in the institutional benchmarks

# Methodology – Institutional Benchmarks

Following the Maclean's Magazine categorization of Canadian universities for their annual ranking, fundraising performance benchmarks were calculated for the following three categories:

## Medical Doctoral

DALHOUSIE UNIVERSITY  
 MCGILL  
 MCMASTER UNIVERSITY  
 QUEEN'S UNIVERSITY  
 THE UNIVERSITY OF ALBERTA  
 THE UNIVERSITY OF CALGARY  
 THE UNIVERSITY OF MANITOBA  
 UNIVERSITE DE MONTREAL  
 UNIVERSITE DE SHERBROOKE  
 UNIVERSITE D'OTTAWA  
 UNIVERSITE LAVAL  
 UNIVERSITY OF BRITISH COLUMBIA  
 UNIVERSITY OF SASKATCHEWAN  
 UNIVERSITY OF TORONTO  
 UNIVERSITY OF WESTERN ONTARIO

## Comprehensive

CARLETON UNIVERSITY  
 CONCORDIA UNIVERSITY  
 MEMORIAL UNIVERSITY  
 MOUNT ALLISON UNIVERSITY  
 SIMON FRASER UNIVERSITY  
 UNIVERSITY OF GUELPH  
 UNIVERSITY OF REGINA  
 UNIVERSITY OF VICTORIA  
 UNIVERSITY OF WATERLOO  
 UNIVERSITY OF WINDSOR  
 YORK UNIVERSITY

## Primary Undergrad

ACADIA UNIVERSITY  
 BISHOP'S UNIVERSITY  
 BRANDON UNIVERSITY  
 BROCK UNIVERSITY  
 LAKEHEAD UNIVERSITY  
 LAURENTIAN UNIVERSITY  
 MOUNT SAINT VINCENT UNIVERSITY  
 NIPISSING UNIVERSITY  
 RYERSON UNIVERSITY  
 ST FRANCIS XAVIER UNIVERSITY  
 ST MARY'S UNIVERSITY  
 ST THOMAS UNIVERSITY  
 TRENT UNIVERSITY  
 UNIVERSITY COLLEGE OF CAPE BRETON  
 UNIVERSITY OF KING'S COLLEGE  
 UNIVERSITY OF LETHBRIDGE  
 UNIVERSITY OF MONCTON  
 UNIVERSITY OF NEW BRUNSWICK  
 UNIVERSITY OF NORTHERN BRITISH COLUMBIA  
 UNIVERSITY OF PRINCE EDWARD ISLAND  
 UNIVERSITY OF WINNIPEG  
 WILFRID LAURIER UNIVERSITY

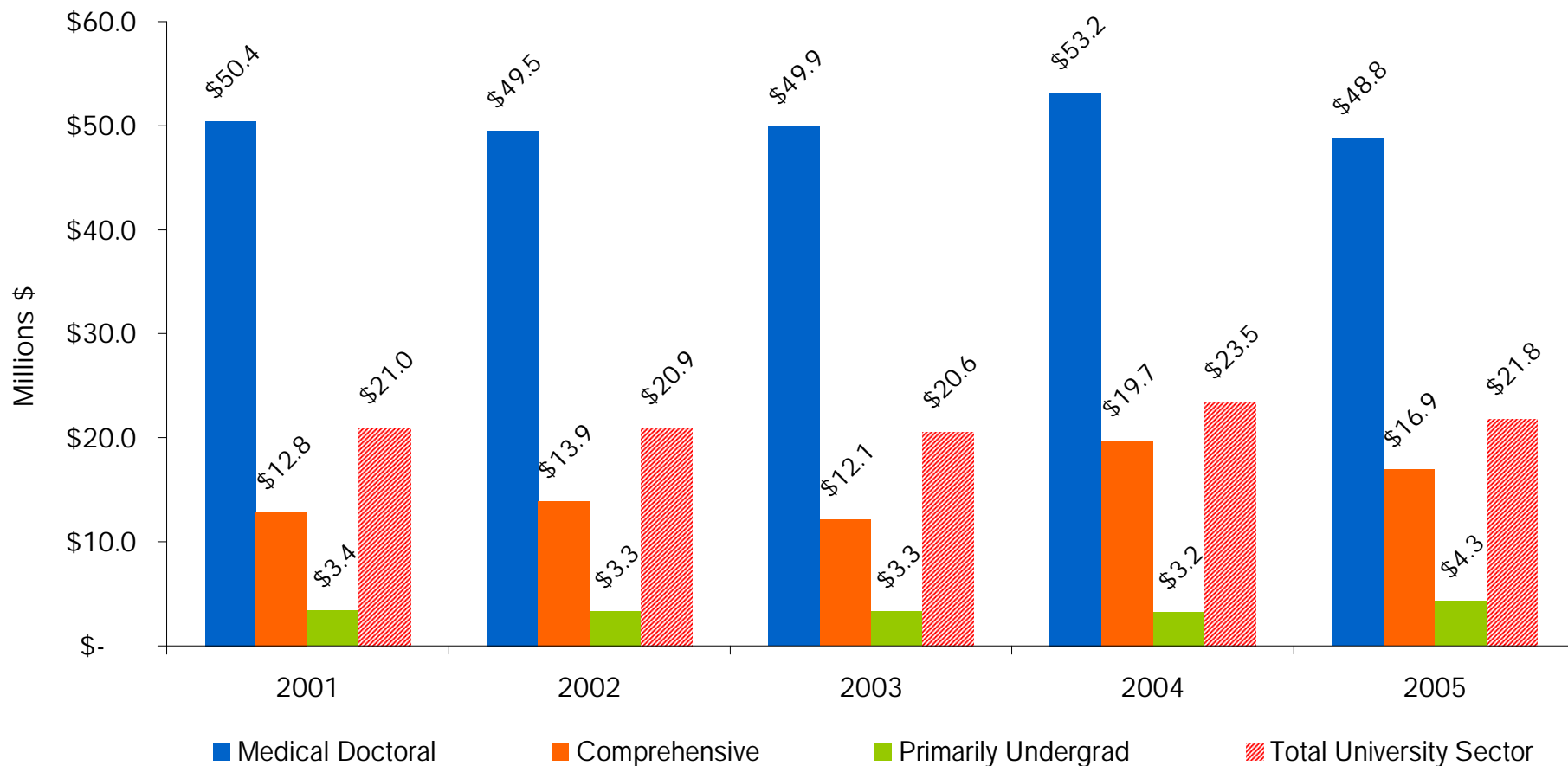


# Performance Benchmarking Study

*University Sector*

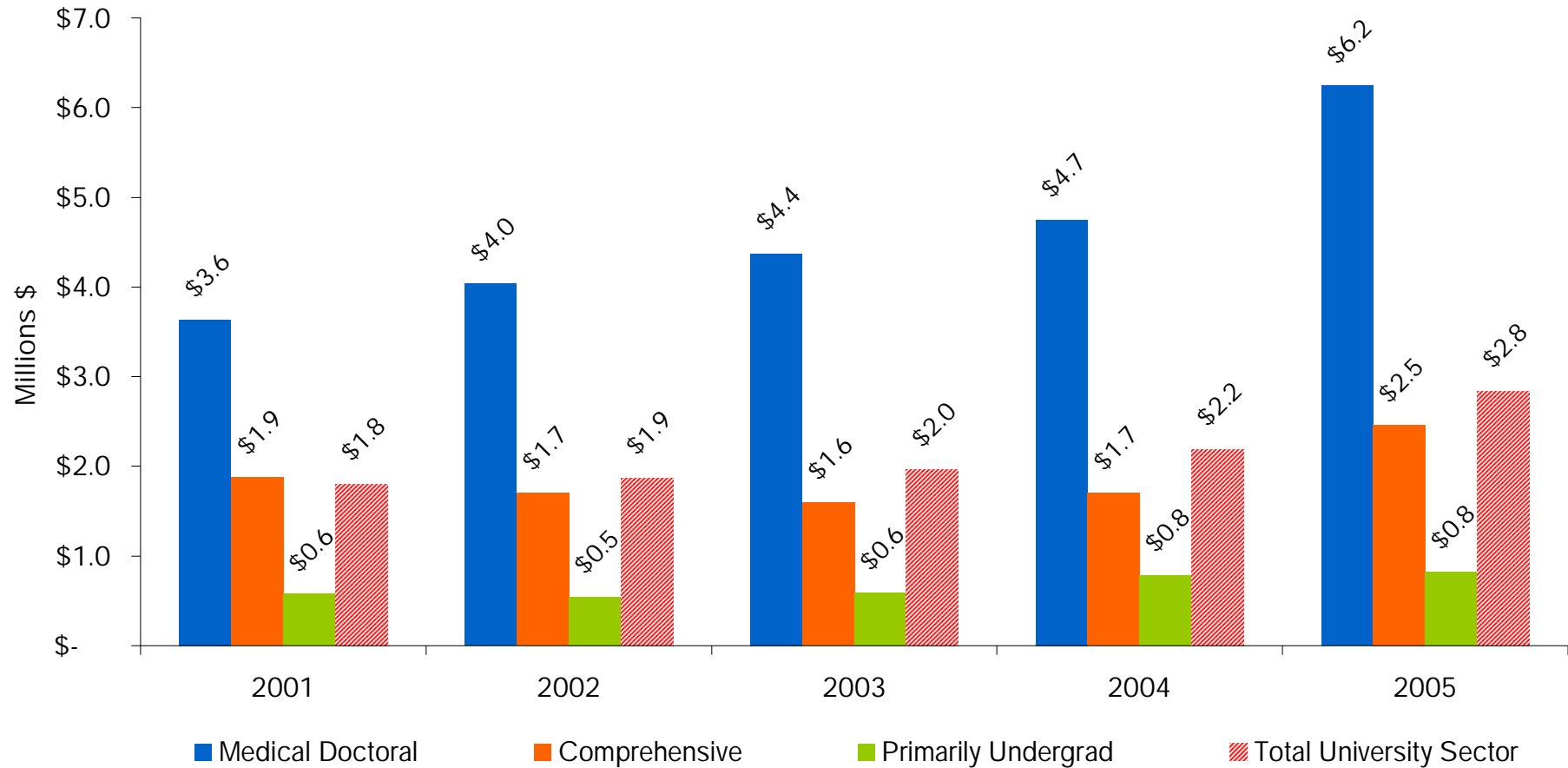
# Average FR Revenues (\$ millions)

In 2005, the average Canadian university reported \$21.8 million in fundraising revenues.



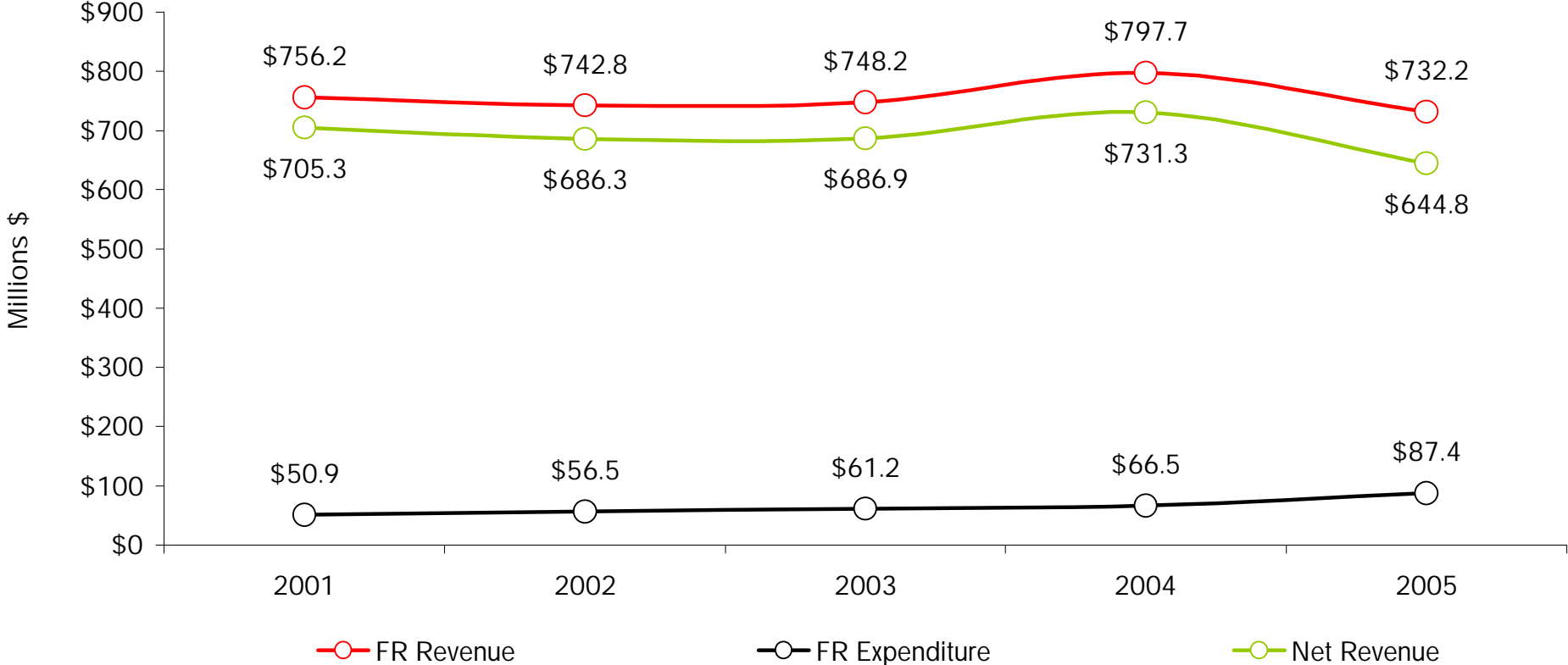
## Average FR Expenditure (\$ millions)

In 2005, the average Canadian university reported \$2.8 million in fundraising expenditures.



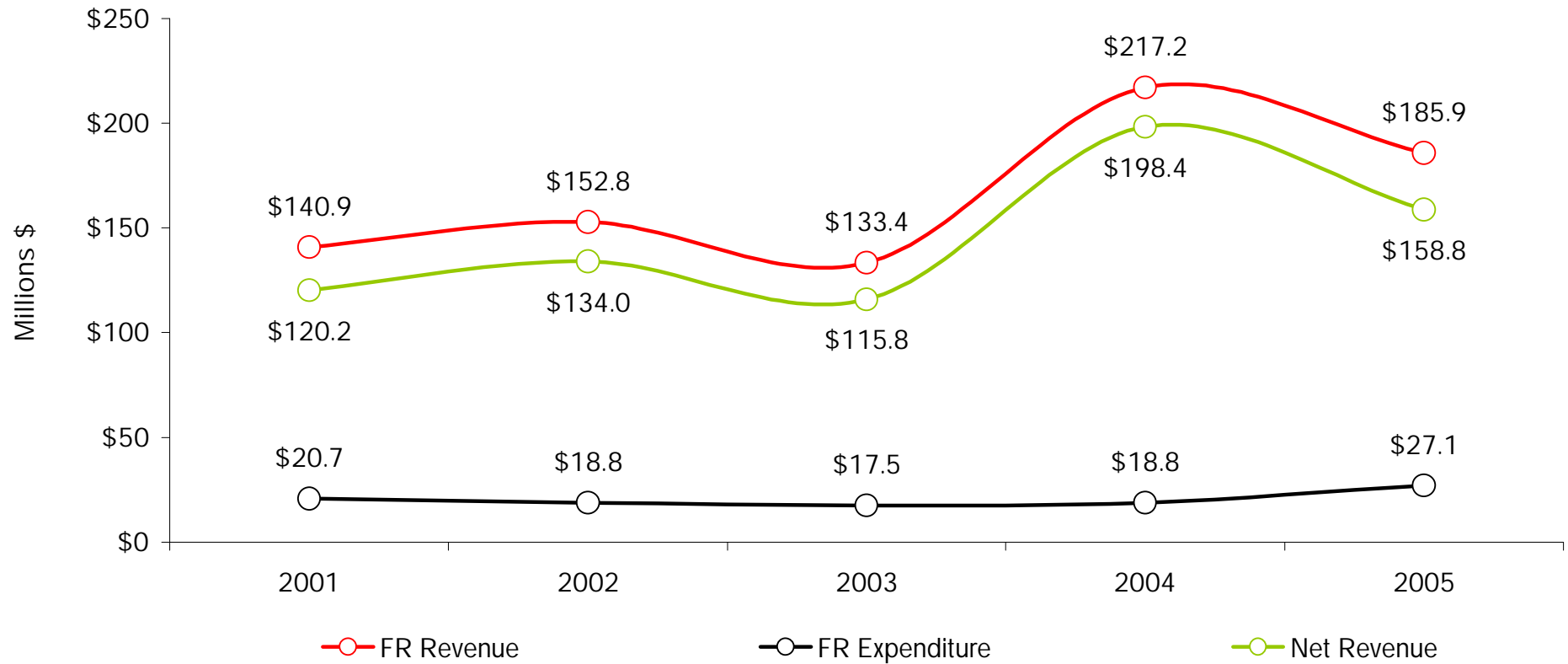
# FR Revenue Growth in Medical Doctoral Sector

Annual net revenues for the Medical Doctoral University Sector decreased by \$60.5 million between 2001 and 2005.



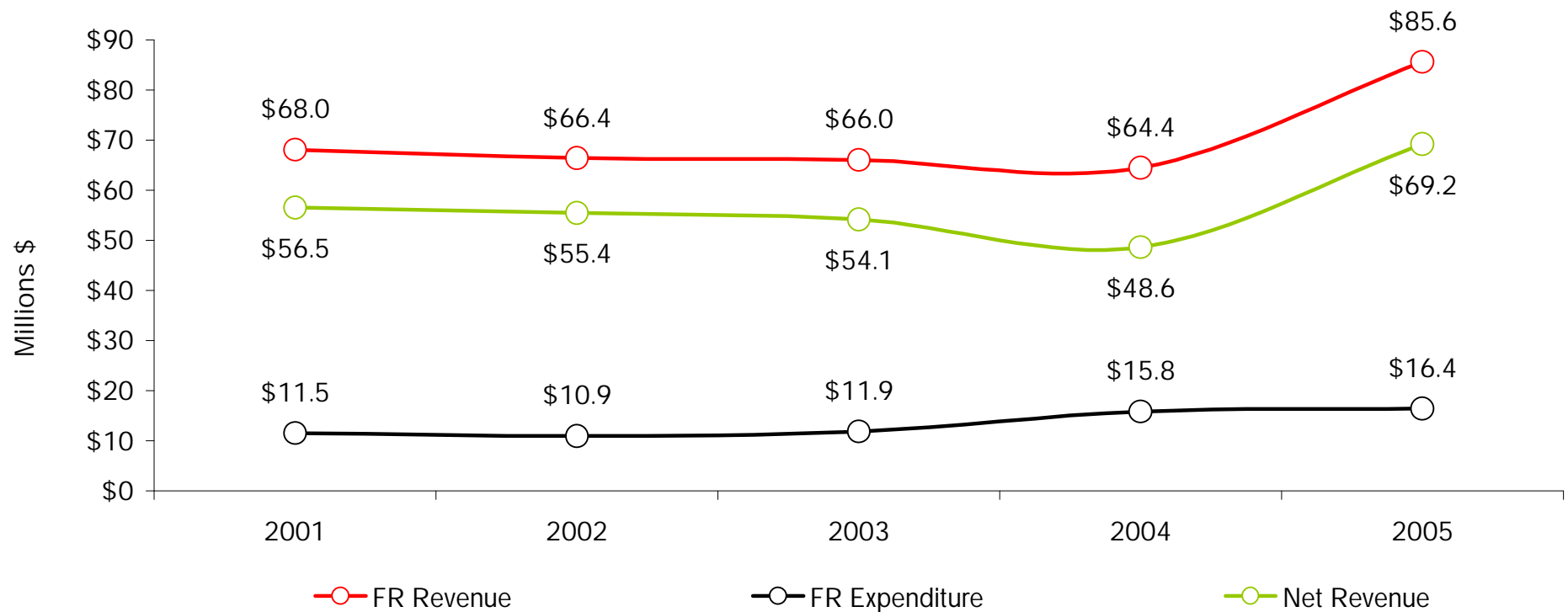
# FR Revenue Growth in *Comprehensive Sector*

Annual net revenues for the Comprehensive University Sector increased by \$38.6 million between 2001 and 2005.



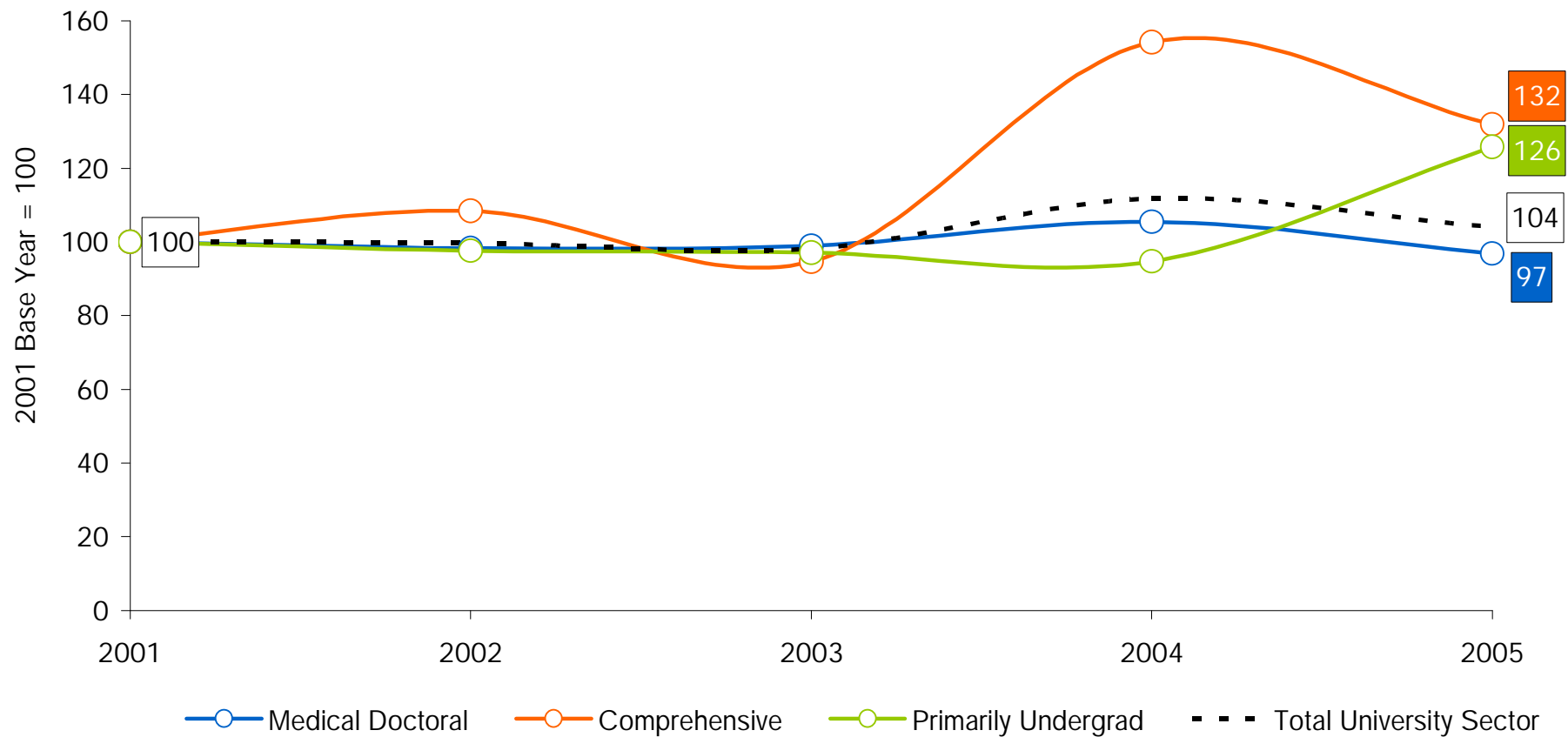
## FR Revenue Growth in *Primarily Undergrad Sector*

Annual net revenues for the Comprehensive University Sector increased by \$12.7 million between 2001 and 2005.



# University Sector FR Revenue Trend

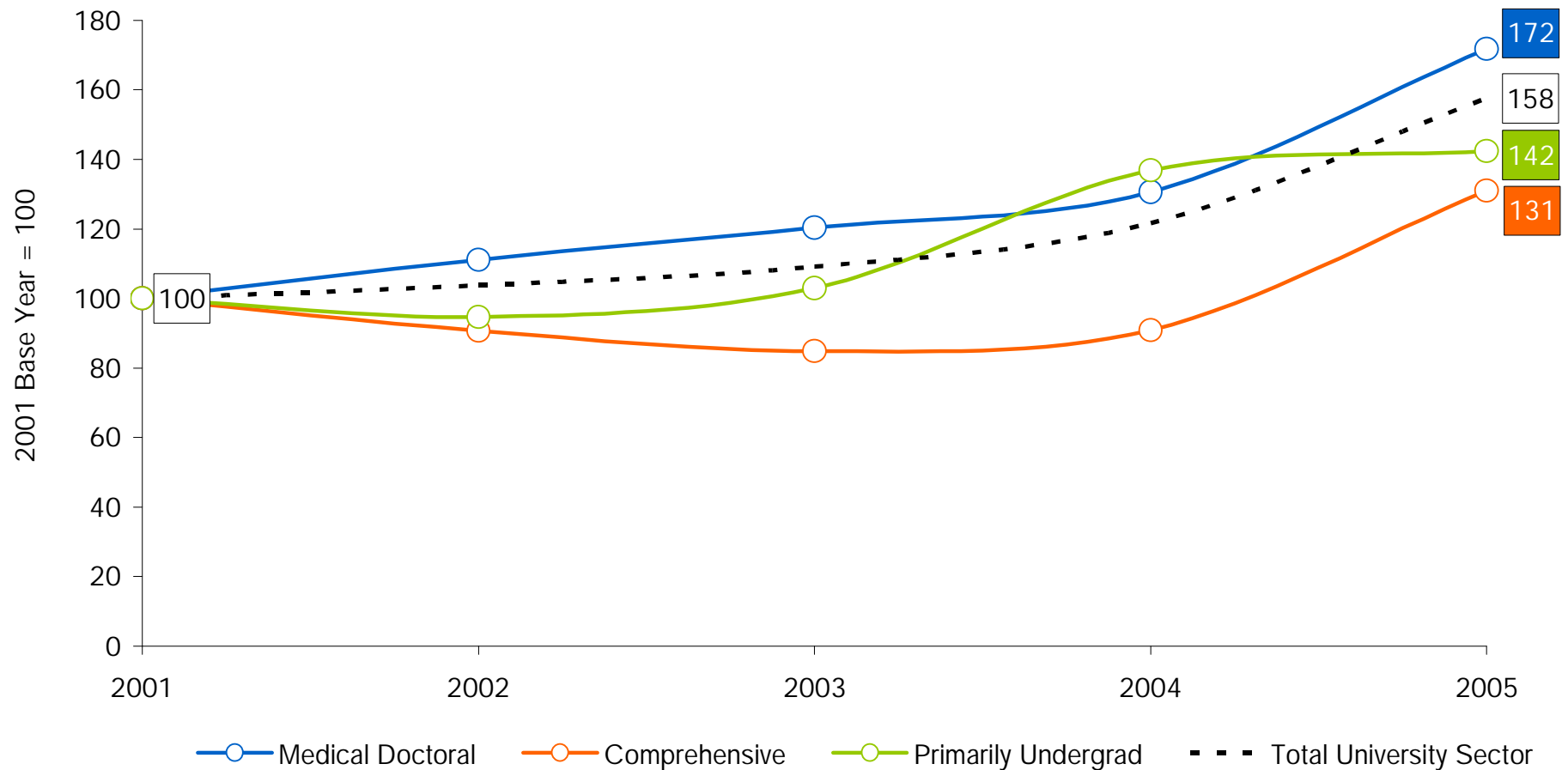
FR Revenue for the entire university sector increased by only 4% between 2001 and 2005.  
The medical doctoral sector reported a decrease in revenues of 3%.



# University Sector FR Expenditure Trend

Sector wide FR expenditures increased by 58% between 2001 and 2005.

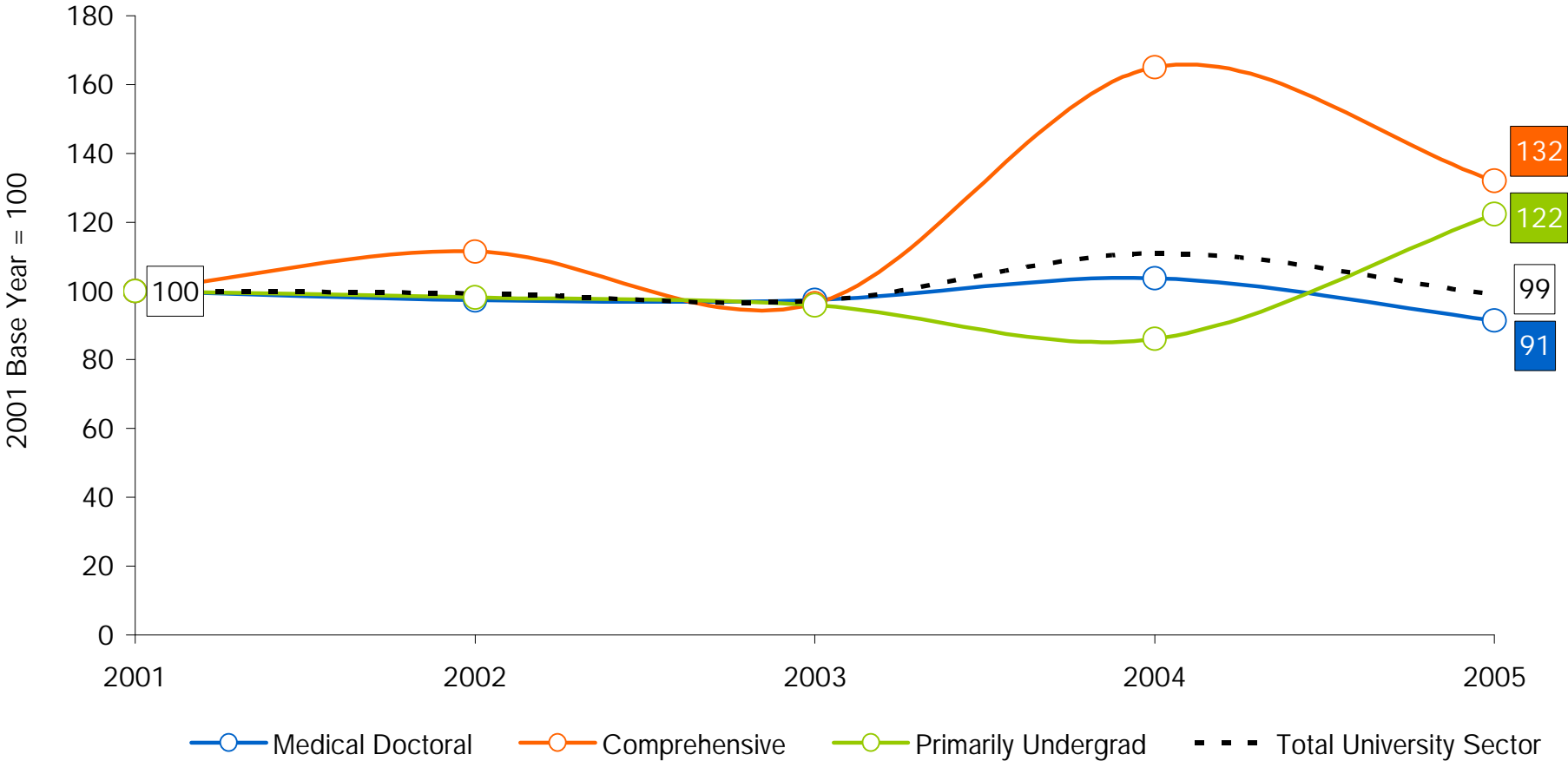
The medical doctoral sector increased expenditures by 72% over the same period.



# University Sector Net Revenue Trend

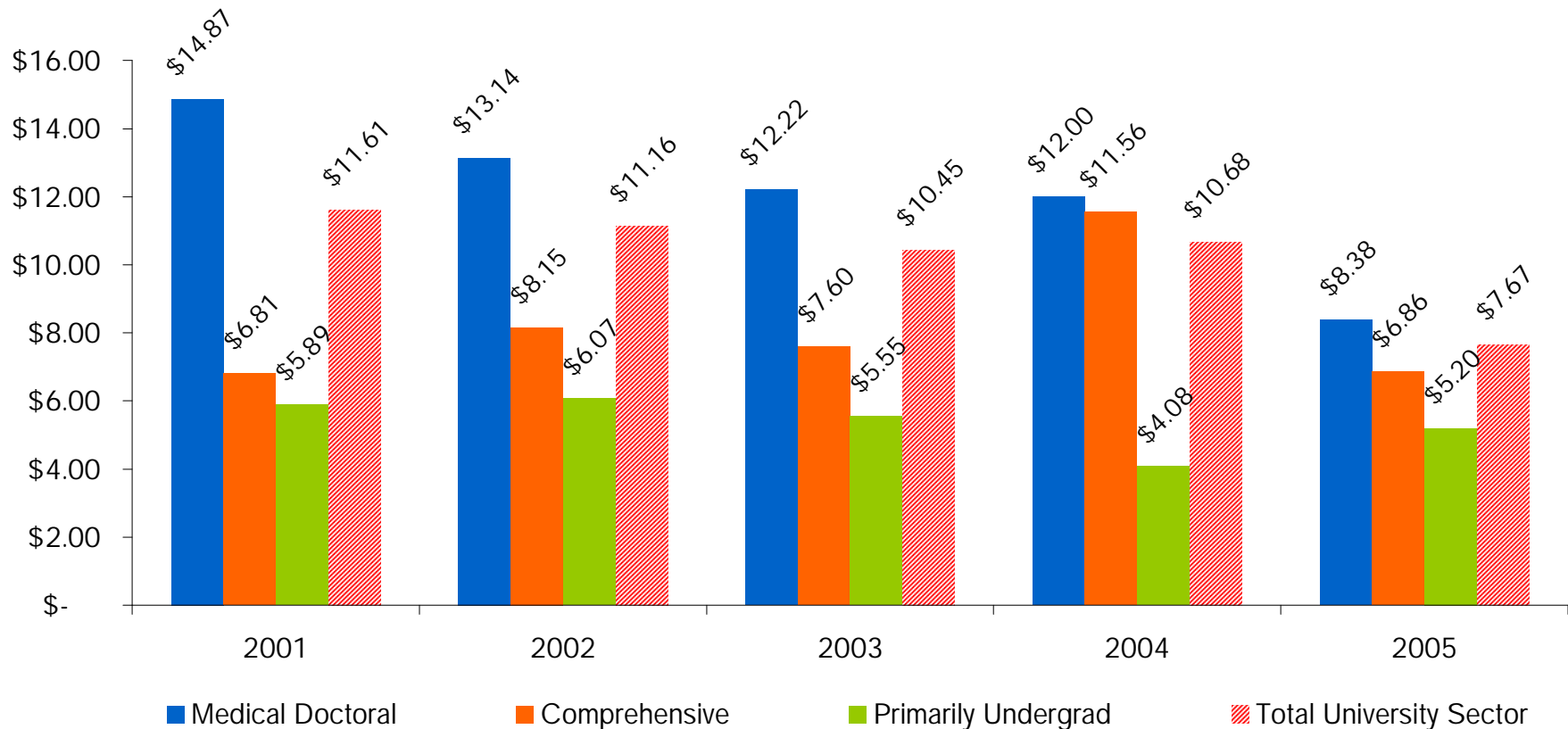
Sector wide net revenues decreased by 1% between 2001 and 2005.

Medical doctoral sector experienced a decrease of 9% over the same period.



# Return on Fundraising (FR Revenue / FR Expenditure)

Although sector wide return on fundraising is down 34% as a whole – for every dollar invested in fundraising activities, the average Canadian university had a return of \$7.67 in 2005.



# Average Government Funding per University Sector

Average government funding to the Medical Doctoral Sector is twice as much as funding for Comprehensive and Primarily Undergrad combined.

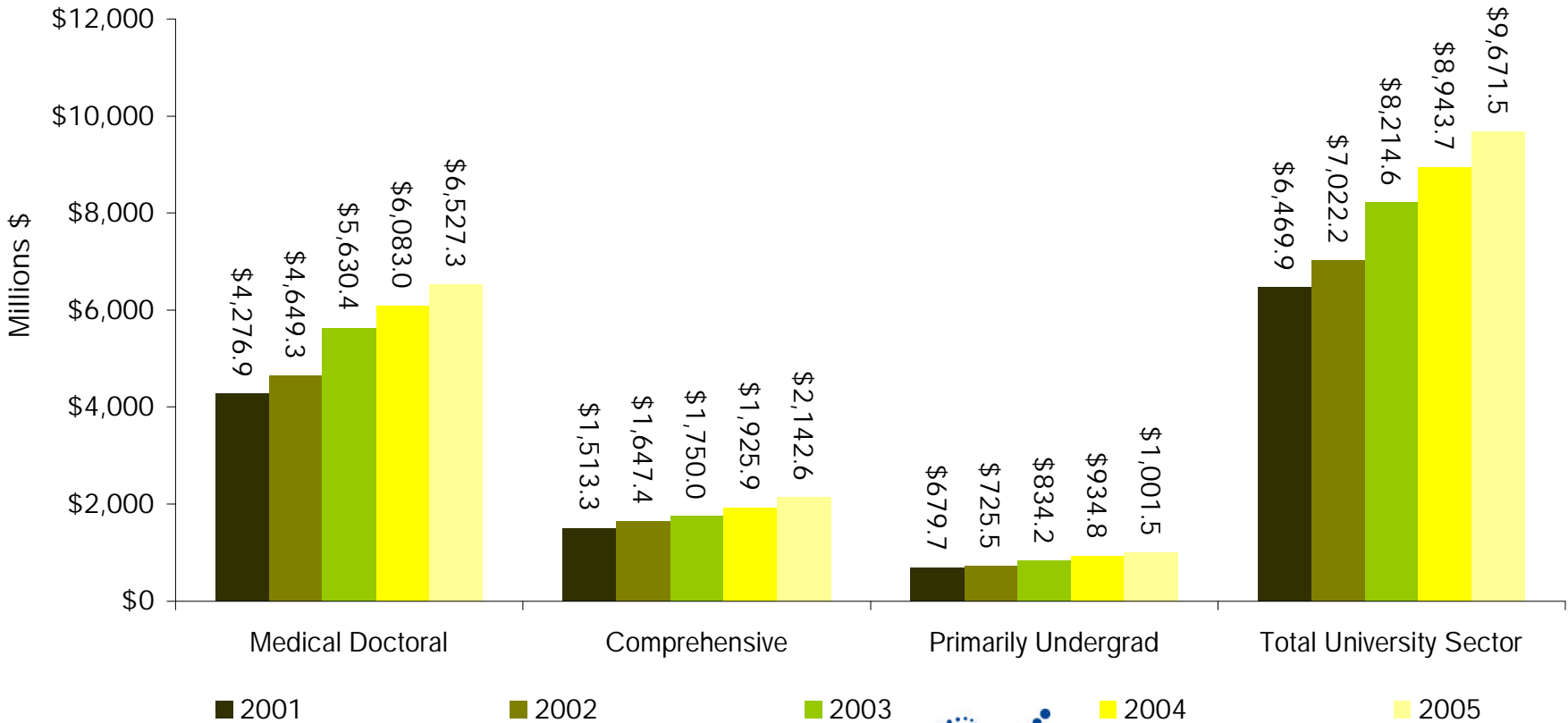
Sector avg. in \$ millions (2001 – 2005)

\$5633.4

\$1795.9

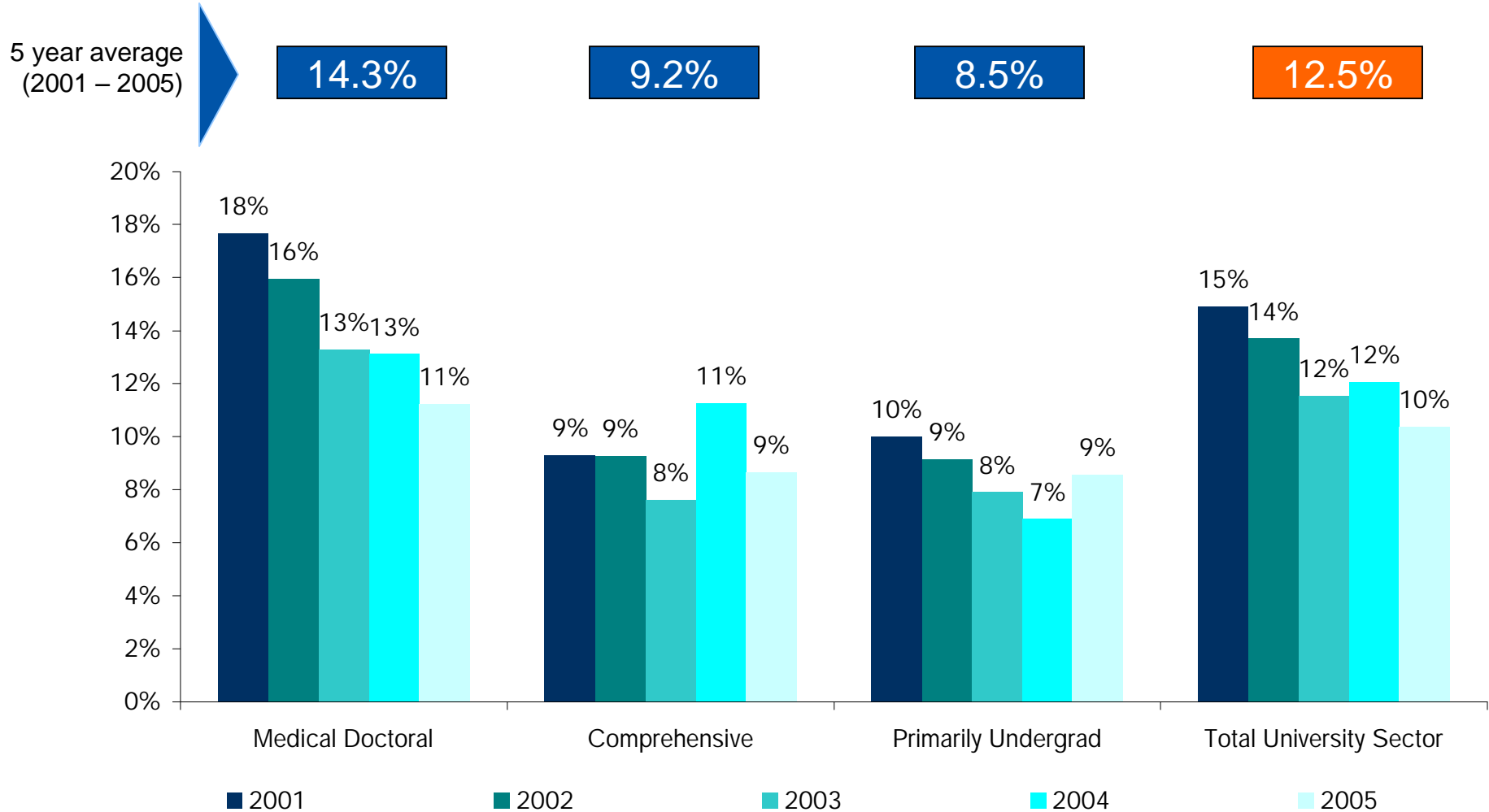
\$835.1

\$8064.4



# FR Revenue as a % of Government Funding

Average FR Revenue as a percentage of total Government Funding was 12.5% for the total University Sector between 2001 and 2005.





Thank You

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**The Offord Group** is a fund development consulting organization located in Toronto, with expertise in large-scale fundraising enterprises. The Offord Group specializes in transformational philanthropy, bringing expertise in resource building and development management to help clients reach new levels of performance.

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INNOVATIVE provides public and private companies, governments and non-governmental organizations with high-level strategic counsel, communications strategy, reputation management, performance assessment and public affairs advice.

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