



BRIEFING PAPER

**Trends in Revenue Sources for Canadian CSOs, 1994 to 2011:
A review of 47 development Canadian CSOs**

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Trends in Revenue Sources for Canadian CSOs, 1994 to 2011: A review of 47 development Canadian CSOs

1. Introduction

This analysis is based on a periodic tracking survey of revenue sources for up to 70 Canadian CSOs since 1994. Due to unavailable data, this 2011 update of these trends is based on only 47 organizations. A list of organizations can be found in Annex One. All data has been retrieved from annual reports and/or reports to the Canadian Revenue Agency.¹

The 47 organizations have been divided into different revenue categories, based on their total annual revenue in 2011/12. Average annual revenue² for each of the different revenue sources (see below) is calculated for each of the following categories:

- All organizations (47)
- Organizations with less than \$1 million in total revenue (9)
- Organizations with between \$1 million and \$5 million in total revenue (11)
- Organizations with between \$5 million and \$10 million in total revenue (9)
- Organization with between \$10 million and \$25 million in total revenue (6)
- Organizations with more than \$25 million in total revenue (12)
- Child-oriented organizations (5)
- All organizations less Child-Oriented Organizations (42)

An average revenue figure is calculated for each of the following sources of revenue,

- Individual (receipted) charitable donations
- Total of all private donations (individual, corporate, foundations, other CSOs, etc)
- All contributions from former-CIDA
- All other sources of revenue (including earned revenue from sales of goods and services and interest income, revenue from multilateral organizations and uncategorized revenue)³

These averaged figures are then used to calculate trends over time.

The total revenue in 2011/12 for all 47 organizations was just over \$1 billion, which represents more than 50% of all revenue raised for development cooperation by all Canadian CSOs in that

¹ Information for 1994/95 is exclusively from annual report audited financial statements for this fiscal year. See also CRA, Schedule 6: Detailed Financial Information, for organizations for the years 2000 to 2011 at <http://www.cra-arc.gc.ca/chrts-gvng/lstngs/menu-eng.html>. Because the fiscal years for a given organization may be different, a fiscal year, such as 1994/95, is interpreted as any 12 months in the period from September 1993 to August 1995.

² Total revenue for each source is divided by the sample number of organizations in each of these groupings to get the average revenue for that source. Averaging tends to reduce the differences between organizations in each group when calculating trends over time. Changes over time are calculated on the average revenue for each of the years being considered (e.g. the average revenue from individual donors for the 12 organizations with revenue more than \$25 million in 1994 is compared to the same average revenue for individual donors for the 12 organizations in 2011).

³ Because data was not provided in annual reports and in CRA reports for many of these sub-categories for all private sources and for others sources, no reliable analysis can be made for areas such as corporate donations etc. "All other sources" is not analyzed because of wide variation in "other".

year.⁴ But in order to compare this revenue in 2011 to revenue in four different years between 1994 and 2011 (1994, 2000, 2008 and 2011), revenue amounts for the different sources have been converted into 2013 dollars, This removes the impact of inflation on the purchase power of the revenue and indicates the value of the revenue in each year in terms of 2013 purchasing power.

Summary tables of the averaged revenue figures are found with the analytical text below. Comprehensive tables, from which the tables in the text are drawn, can be found in Annex Two.

Because of the inherent selectivity of 47 organizations due to available information, the conclusions in this report should be taken as indicative of trends for different categories of organizations, rather than definitive changes over time in the balance of different revenue sources in the groupings of organizations.

Analysis of Trends

A) Changes in Revenue Sources

Tables One, Two and Three provide an overview of changes in 1) the value of all revenue, 2) the value revenue from individual donations, and 3) in the value of grants and contributions of CIDA/DFATD for the periods 1994 to 2011 (17 years), 2000 to 2011 (11 years), and 2008 and 2011(3 years), respectively.

Table One, Changes in value of average revenue, by sources for different groupings of Canadian CSOs, 1994 and 2011

Groups of CSOs (number)	All Revenue	Individual Charitable Donations	Contributions & Grants from CIDA/DFATD
Percentage change in value, 1994 to 2011			
All organizations (47)	46.8%	94.2%	-1.2%
Child Oriented Organizations (5)	123.4%	116.9%	103.9%
All Organizations Less Child Oriented (42)	10.8%	56.3%	-13.0%
Revenue less than \$1 million (9)	-22.6%	-54.2%	-33.3%
Revenue between \$1 million and \$5 million (11)	-38.8%	-23.3%	-51.7%
Revenue between \$5 million and \$10 million (9)	-9.3%	-0.8%	-32.2%
Revenue between \$10 million and \$25 million (6)	-1.8%	13.9%	-15.2%
Revenue more than \$25 million (12)	76.9%	119.3%	26.5%

Long-term Trends The long-term 17-year trend of very high growth in the value of revenue from the different sources for the five child-oriented organizations is apparent in Table One. Much of this growth in value came from individual donations to these 5 organizations, which in 2011 totaled \$400.6 million (83%) out of total revenue of \$483.3 million for these organizations.

⁴ Based on an estimate of CRA data for international charity activities in 2011.

When these 5 organizations are removed, the change in the value of revenue from all sources for the remaining 42 organizations falls significantly, from 46.8% to 10.8% (a meager simple average of only 0.6% per year⁵). And most of this increase is seemingly driven by the remaining seven (7) organizations with total revenue over \$25 million in 2011.

Incredibly, for the four groups of organizations with total revenue less than \$25 million, the long-term trend since 1994 for individual donations, for grants and contributions from CIDA, and for the total of all revenue sources has been negative, with the notable exception of individual donations for organizations with revenue between \$10 million and \$25 million. Since 1994, the value of total revenue from all sources for those with less than \$1 million and less than \$5 million declined sharply by 22.6% and 32.8% respectively.

With the exception of the 12 organizations with revenue of more than \$25 million, the value revenue from grants and contributions from CIDA/DFATD has declined since 1994 for the other 35 organizations in the four other revenue groups, and for two groups by more than 30%. There has also been a significant decline in the value of revenue from individual donations for the 20 organizations with less than \$10 million.

Table Two, Changes in value of average revenue, by sources for different groupings of Canadian CSOs, 2000 and 2011

Groups of CSOs (number)	All Revenue	Individual Charitable Donations	Contributions & Grants from CIDA/DFATD
Percentage change in value, 2000 to 2011			
All organizations (47)	41.3%	63.0%	4.4%
Child Oriented Organizations (5)	77.0%	75.9%	42.9%
All Organizations Less Child Oriented (42)	18.7%	38.7%	-2.4%
Revenue less than \$1 million (9)	-31.7%	-52.2%	-33.3%
Revenue between \$1 million and \$5 million (11)	-34.5%	-20.7%	-56.3%
Revenue between \$5 million and \$10 million (9)	8.6%	6.3%	-1.8%
Revenue between \$10 million and \$25 million (6)	10.6%	-3.0%	7.5%
Revenue more than \$25 million (12)	58.1%	77.1%	16.6%

⁵ 10.8% divided by 17 years.

Table Three, Changes in value of average revenue, by sources for different groupings of Canadian CSOs, 2008 and 2011

Groups of CSOs (number)	All Revenue	Individual Charitable Donations	Contributions & Grants from CIDA/DFATD
Percentage change in value, 2008 to 2011			
All organizations (47)	0.4%	6.9%	4.9%
Child Oriented Organizations (5)	11.9%	5.7%	55.2%
All Organizations Less Child Oriented (42)	-8.4%	9.4%	-3.3%
Revenue less than \$1 million (9)	-12.8%	-15.4%	-33.3%
Revenue between \$1 million and \$5 million (11)	-25.3%	-16.7%	-55.6%
Revenue between \$5 million and \$10 million (9)	9.5%	25.2%	-4.9%
Revenue between \$10 million and \$25 million (6)	8.4%	-12.0%	8.3%
Revenue more than \$25 million (12)	2.4%	8.0%	22.0%

Trends since 2000 Tables Two and Three suggest that the overall trends in Table One for the 20 organizations in the two groups of 'less than \$1 million' and 'between \$1 million and \$5 million' have not changed in the shorter periods of 2000 to 2011 and 2008 to 2011. In fact the rate of decline in the value of total revenue from all sources for these two groups has been accelerating in more recent years (Table 4).

Table Four, Simple Average Annual Decline in Value of Total Revenue from All Sources 20 Organizations with total revenue (2011) of less than \$5 million

Organizations	Less than \$1million	\$1 million to \$5 million
Average annual change, 1994 to 2011	-1.3%	-2.9%
Average annual change, 2000 to 2011	-2.9%	-3.1%
Average annual change, 2008 to 2011	-4.3%	-8.4%

A similar accelerating trend can be seen with respect to grants and contributions from CIDA/DFATD for these first two groups, with negative but mixed changes for organizations with revenue between \$5 million and \$10 million (Table Five). The average decline in the period 2008 to 2011 for the smallest organizations has been particularly sharp, but even more so for those with total revenue between \$1 million and \$5 million.

Table Five, Simple Average Annual Decline in Value of Revenue from CIDA/DFATD Grants and Contributions, Organizations less than \$10 million

Organizations	Less than \$1 million	\$1 million to \$5 million	\$5 million to \$10 million
Average annual change, 1994 to 2011	-2.0%	-3.0%	-1.9%
Average annual change, 2000 to 2011	-3.0%	-5.1%	-0.2%
Average annual change, 2008 to 2011	-11.1%	-18.5%	-1.6%

Recent trends for organizations between \$10 million and \$25 million The more recent trends for these 6 organizations have been mixed.

- After a small (-1.8%) long-term decline in the value of total revenue from all sources between 1994 and 2011, there has been steady growth in the value of total revenue from all sources for these organizations since 2000, and particularly since 2008 (with a 2.1% simple average annual growth in the value of revenue in these latter years).
- This recovery in recent years has been particularly true for revenue from CIDA/DFATD. These organizations have reversed an overall decline of 15.2% between 1994 and 2011 into 7.5% increase since 2000, and an even more significant 8.3% since 2008.
- The opposite trend is observed for individual charitable donations. A positive 13.9% change between 1994 and 2011 includes a 3% decline in value since 2000 and a significant 12% decline since 2008. However, for these organizations, the value of revenue from other private sources (foundations, corporations, other CSOs) has more than compensated. For all these private sources, including individual donations, there is a 39.5% increase in value since 2000 and 9.2% since 2008 (see Table 6 in Annex Two).

Recent trends for organizations with more than \$25 million (including 5 child-oriented organizations)

For these 12 organizations, the recent trends since 2000 have been mainly consistent with the long-term 1994 to 2011 trend noted above.

- The increase in value of total revenue for these organizations from 2000 to 2011 is consistent with the period 1994 to 2011. However since 2008 the increase in value of total revenue from all sources has slowed considerably (from a simple annual average of 5.3% in the period 2000 to 2011 to 0.8% in the 3-year period from 2008).
- The increase in value of grants and contributions from CIDA/DFATD grew by 1.5% since 2000, but by 7.3% since 2008. On the other hand, the annual average increase in value of individual donations was only 2.66% in the recent 2008 to 2011 period, compared to 7% in the 2000 to 2011 period. Since individual donations makes up a much larger share of total revenue for these 12 organizations, this slowing of individual donations accounts for the significant slowing of growth in overall revenue noted in the previous point.

B) Share of Different Revenue Sources in Total Revenue

**Table Six, Share of Revenue Source in Total Revenue
For the years 1994, 2000 and 2011**

Groups of CSOs (number)		Individual Donations	CIDA Grants & Contributions	Multilateral, Earned & Other
	Percentage of Total Revenue			
All organizations (47)	1994	43.6%	41.0%	5.6%
	2000	50.0%	37.2%	7.5%
	2011	57.7%	27.5%	7.8%
Child Oriented Organizations (5)	1994	85.3%	12.7%	0.9%
	2000	83.3%	14.3%	0.8%
	2011	82.8%	11.6%	1.6%
All Organizations Less Child Oriented (42)	1994	24.0%	54.3%	7.8%
	2000	28.9%	51.8%	11.7%
	2011	33.8%	42.6%	13.7%
Revenue less than \$1 million (9)	1994	45.4%	33.7%	3.7%
	2000	38.9%	30.1%	4.2%
	2011	27.4%	29.0%	2.8%
Revenue between \$1 million & \$5 million (11)	1994	26.5%	56.4%	9.6%
	2000	23.2%	64.1%	5.0%
	2011	33.2%	44.5%	8.8%
Revenue between \$5 million & \$10 million (9)	1994	33.8%	53.3%	2.2%
	2000	37.9%	44.1%	2.9%
	2011	37.1%	39.9%	0.3%
Revenue between \$10 million & \$25 million (6)	1994	21.0%	72.6%	0.8%
	2000	27.7%	64.5%	1.2%
	2011	24.3%	62.5%	0.6%
Revenue more than \$25 million (12)	1994	33.8%	53.3%	2.2%
	2000	37.9%	44.1%	2.9%
	2011	37.1%	39.9%	0.3%

The analysis of the share of different revenue sources in total revenue for the 47 organizations from 1994 to 2011 demonstrates several trends. Organizations overall have become less dependent on CIDA/DFATD grants and contributions (in part because of the notable long-term decline in revenue for these grants for most organizations in the sample seen in section A).

Share of Individual Donations in Total Revenue

- The share of charitable individual donations grew steadily for the 47 organizations from 43.6% to 57.7% from 1994 to 2011 (50% in 2000). This source has increased its share by 14% in this 17-year period.
- The share of all private revenue sources (including foundations, other NGOs etc.) also grew steadily from 55.2% to 66.6% between 1994 and 2011. But since 2008, there has been no change in the share of all private sources in total revenue of the 47 organizations. (See the Table 9 in Annex Two for these trends.)
- For the five child-oriented organizations the share of individual donations has remained relatively constant between 1994 and 2011.
- When child-oriented organizations are removed, for the remaining 42 organizations, the increasing share of private individual donations in total revenue did increase, but by a smaller margin over the 17 years (9.8%) than for the 47 noted above.
- For each of the revenue groups, the trend is more mixed. Organizations with total revenue of less than \$1 million, the share of individual donations declined sharply from 45.4% in 1994 to 27.4% in 2011. However, when other private sources are included, this share remained constant at 65% between 1994 and 2011, with some variations in the intervening years (see Table 11 in Annex Two).
- All other revenue groups demonstrated an increase, albeit for some groups, modest increases, in the share of individual donations in total revenue over this 17-year period.

Dependence on CIDA/DFATD

- The share of CIDA/DFATD grants and contributions for the 47 organizations as a whole has declined significantly (by more than 15%) from 41.0% in 1994 to 27.5% in 2011. However it has remained at the same level since 2008 (26.3%). For the 42 organizations less the child-oriented organizations, there is a similar, but less sharp, decline (from 54.3% to 42.6%). But at 42.6% the level of dependency on CIDA/DFATD remains high in 2011, a year before most of the reduction/elimination of CIDA/DFATD resources for many Canadian CSOs from the Partnerships with Canadians Branch (PwCB) is visible in the revenue statistics.
- For the various revenue groupings of the CSO sample, the trend of declining dependency is clear. However, the six (6) organizations with total revenue between \$10 million and \$25 million, the level of reliance on CIDA/DFATD resources remains very high at 62.5% in 2011. It should be noted that these CIDA/DAFTD resources most likely include funds from not only PwCB funds, but also fully funded CIDA/DFATD bilateral project resources.
- For the other 29 organizations with total revenue between \$1 million and \$25 million, dependency remains relatively high approximately 40% in 2011, although it has declined over the 17-year period.

Other revenue sources

- Earned revenue has been relatively small and unchanged over the 17-year period (3.2% in 1994 and 2.2% in 2011)

Annex One: List of 47 Canadian CSOs Reviewed for Revenue Sources

Adventist Development and Relief	Foundation for International Training
African Medical Research Foundation	Horizons of Friendship
Aga Khan Foundation	Inter Pares
Canada World Youth	Jamaica Self Help
Canadian Crossroads International	Mennonite Central Committee
Canadian Hunger Foundation	Médecins sans frontières Canada
Canadian Executive Services Overseas	Oxfam Canada
Canadian Feed the Children	Oxfam Québec
Canadian Lutheran World Relief	Pacific Peoples Partnership
Canadian Physicians for Aid and Relief	Peacefund Canada
Canadian Society for International Health	Physicians for Global Survival
Cardinal Leger et ses Oeuvres	Plan International Canada
CARE Canada	Primates World Relief and Development Fund
CECI	Project Ploughshares
Christian Children's Fund	Save the Children Canada
Christian Reform World Relief (World Renew)	Steelworkers Humanities Fund
Coady Institute	Terre sans frontières
CODE	The Marquis Project
Collaboration Sante Internationale	UNICEF Canada
Communications, Energy & Paperworkers Humanities Fund	United Nations Association
CUSO International	USC Canada
Development and Peace	World Literacy of Canada
ETC	World Vision of Canada
	WUSC

ANNEX TWO

TABLES

Table 1: Individual Donations, Average CSO Annual Revenue

Table 2: All Private Sources, Average CSO Annual Revenue

Table 3: CIDA/DFATD Grants and Contributions, Average CSO Annual Revenue

Table 4: Total of All Revenue Sources: Average CSO Annual Revenue

Table 5: Individual Donations, Percentage change in average CSO annual revenue

Table 6: All Private Sources, Percentage change in average CSO annual revenue

Table 7: CIDA/DFATD Grants and Contributions, Percentage change in average CSO annual revenue

Table 8: Total of All Revenue Sources: Percentage change in average CSO annual revenue

Table 9: Share of Revenue Stream in Total Revenue: All Organizations

Table 10: Share of Revenue Stream in Total Revenue: All Organizations Less Child Oriented

Table 11: Share of Revenue Stream in Total Revenue: Organizations with Total Annual Revenue Less than \$1 million

Table 12: Share of Revenue Stream in Total Revenue: Organizations with Total Annual Revenue between \$1 million to \$5 million

Table 13: Share of Revenue Stream in Total Revenue: Organizations with Total Revenue between \$5 million and \$10 million

Table 14: Share of Revenue Stream in Total Revenue: Organizations with Total Revenue between \$10 million and \$25 million

Table 15: Share of Revenue Stream in Total Revenue: Organizations with Total Revenue more than \$25 million

Table 16: Share of Revenue Stream in Total Revenue: Child-Oriented Organizations