

Turning Over a New Leaf: The Changing Colors of Canadian Philanthropy

Host: Ted Hart

Guest: Jo-Anne Ryan – Private Giving Foundation

Advertiser: Welcome to the *CAF America Radio Network*. A production of the Charities Aid Foundation of America. As the leader in global giving, CAF America offers more than 20 years of experience and expertise to corporations, foundations and individuals who wish to give internationally and with enhanced due diligence in the United States. Through its industry leading grants management programs and philanthropic advisory services, CAF America hopes donors amplify their impact. This show is dedicated to these donors and the charities they support. CAF America is uniquely positioned to serve as the bridge between these important partners and transforms vision into meaningful action. Guests on the *CAF America Radio Network* are leaders in their fields who share tips for success and stories that inspire. Our host is Ted Hart the CEO of the Charities Aid Foundation of America. This is a live call-in show. Add your voice by calling 914-338-0855. After the show you can find all of our podcasts at cafamerica.org. Don't forget to dial 914-338-0855. Now, welcome the host of the *CAF America Radio Network* Ted Hart.

Ted Hart: Welcome to this latest edition of the *CAF America Radio Network*. Thank you for joining us today. I'm very excited about the opportunity to explore the changing colors of Canadian philanthropy today. My guest on the *CAF America Radio Network* today is Joanne Ryan. She joined TD wealth in 2003 and she is a leader in philanthropy in Canada. She is not only the executive director but also the architect of the Private Giving Foundation, the first donor advised fund program launched by a financial institution in Canada that provides structure to leave a lasting legacy in a simple and effective manner. Welcome here to the *CAF America Radio Network*, Joanne Ryan.

Jo-Anne: Thank you, Ted, it's a pleasure to be here.

Ted: Joanne this is such an exciting time for Canadian philanthropy. A few people are more in touch with this than you are you have been a leader and as I mentioned before the architect of the Private Giving Foundation way ahead of anyone's thinking regarding donor advised funds which makes you a perfect partner for CAF Canada and CAF America. For the past few years Canada has joined the US and other countries in celebrating Giving Tuesday which is one of the topics that I want to explore with you today. It's a very exciting time to be coming into the holidays here and according to new data from CanadaHelps the second Annual giving Tuesday in Canada increase charitable donations by 75% in Canada and that was on top of the last giving Tuesday's lift of 169%. What's going on with Canadian philanthropy and why are donors so excited?

Jo-Anne: Well, I think Canadians do care, they do want to give back. Whether it's their time, their treasure, their talents. I think right now there are organizations like CanadaHelps that make it a lot easier for people to donate online. I think the Internet has made it easier for Canadians to get information on some of the pressing needs that are out there. We see a lot of growing wealth in Canada. I work with high net worth clients and some of the trends that we're

seeing as an example is high net worth clients 10 or 15 years ago would say well, I want to leave everything to my kids now, they're saying my kids aren't getting it all it's just too much the Warren Buffett you want to leave them enough to do anything but not too much to do nothing. They're looking very much as philanthropy as almost another child as part of the legacy that they want to leave. We're also similar to the US we're experiencing intergenerational wealth transfer. In Canada it's been defined between 2012 and 2022 as 896 billion. A lot of that money hasn't moved to the next generation is going to people who really are comfortable and want to give back also. Probably the more interesting statistic is when you look at the makeup of the high net worth client today in Canada. Two thirds of our high net worth are self-made. They have not come from family money it isn't inherited they've gone out and they've made it themselves and feel very very fortunate whether they've built a business, sold a business, they feel very grateful to the community that supported them, they want to give back to the community and they want to take a very hands on approach.

Ted: Yes, that's what I was going to draw 890 billion. That's a lot of money to transfer between generations, but it does seem to me that for a lot of people you said you serve an additional child but there's also this connection to community and understanding that both the wealth and the fortunate nature of the lives that the donors have come from community and wanting to give back to community. For a lot of folks in Canada such a diverse community in Canada that includes global interests in giving back to the wider global community. As you know CAF America is part of the CAF the Global Alliance and the newest member of the CAF global alliance is CAF Canada. Talk to us a little bit about what the advent of CAF Canada means to an organization where it's a private giving Foundation.

Jo-Anne: Sure. First of all, Canadians, they don't view any borders around their giving and they have a strong interest in giving globally for a number of reasons. First of all, as you know, we're very multicultural, we have large immigrant population in Canada. Many of these people have come to Canada they've become very successful part of their philanthropy is wanting to give back perhaps to their country of origin if for example it's a poor country maybe they want to build houses in India or schools in India but they want to do something to help where they came from. We're finding that our clients travel extensively, they may go to Africa, they go somewhere they see something they don't like, they want to come back and they want to do something about it. We have even clients vacationing in some of the poorest areas in the world one that comes to mind is Bequia in the Grenadines. Well, my client couldn't just sit there on his yacht and ignore some of the extreme poverty that was happening around.

Giving internationally has a prior to the arrival of CAF Canada. Giving internationally has not been easy for Canadians. Canada Revenue Agency similar to your IRS, they do allow giving internationally but they want to make sure that the proper due diligence is done, that funds are not ending up in terrorists hands. For private foundations it could be accomplished but it involve all agreements and oversight that would be established. When CAF Canada came or was registered as a registered charity with Canada Revenue Agency and I became aware of them I think a little while probably a year and a half ago is when I became aware of them. It opened up a lot of opportunity for Canadians because with their donor advised fund, with the private giving foundation they can grant any of the 86,000 registered Canadian charities.

Then CAF Canada can do the due diligence on a project internationally that they want to support, provide all of the fiduciary oversight, ensure that it's legit, that the funds are being well spent and it's made it really easy because our our donors to the private giving foundation can grant to CAF Canada and they have extensive experience doing this research and due diligence and then once they pass all of the due diligence tests then the money can go actually to the international global project. Prior to that, obviously Canadians could give internationally they could give to Plan International or World Vision and some of the larger charities that are doing international work. That still happens and that still works very well for some. I spoke earlier about how two thirds of Canadians are self-made. It's new money, they've made it themselves, they've built successful businesses, they've sold those businesses and they really want to take their business skills, expertise and apply that to their philanthropy. They're not necessarily content to just write a check to a large charity and trust that it's going to get to where it needs to be, they actually want to take a hands on approach. They want to often do their own project. That's where CAF Canada can come in for these people that want to perhaps be more customized around their giving rather than just write a bunch up.

Ted: I think that's what's so exciting about this CRA Canadian revenue agency, approval of CAF Canada's, it really puts that hands-on community spirit in the hands of Canadian philanthropists and they tend to be people, as you said, who want to have that kind of involvement and want to have professional oversight of their projects because they really want to know that they're making a difference.

Jo-Anne: Absolutely, Canada revenue agency doesn't approve charities slightly. The fact that, CAF Canada was approved by Canada Revenue Agency, I hear there's a 100 step due diligence process or I guess they looked at what they did in the US and what they did in the UK and that was sufficient to make Canada revenue agency comfortable with approving them as a registered Canadian charity to do international projects for Canadians.

Ted: I think as we were working together, we sort of saw a friendly spirits as we looked at this because our approach with CAF America and the CAF Global Lyons is a very high level of due diligence because we take people's money very seriously and we take philanthropy very seriously. That's not to say that others don't but I think as you mentioned, CRA has had the capacity for Canadians to give internationally but it's a very high bar that is set, because they're quite serious about wanting it to be philanthropic and wanting it to be spent in ways that will make a difference.

I think all of that matches with what Canadians want and certainly, as you mentioned, 100 point due diligence process sets a very high bar. All those things came into a alignment and as you mentioned for the private giving foundation and the philanthropists that you represent, it opens up literally the whole world as an opportunity for community to be experienced a philanthropically and that brings us to giving Tuesday. The focus of giving Tuesday, of course, is to draw attention to philanthropy. Why does this have particular meaning for Canadians this year?

Jo-Anne: I think we're pretty well in a good mood right now. We've just had an election, we've elected the liberals. Obviously, we wanted to change and I think in Canada we feel blessed. We don't have a lot of the struggles that other countries have. Many of Canadians are in the fortunate position of having more money than they're able to spend in their lifetime. They want to give back, they want to give their time, talent and treasure back in a meaningful way. As we approach the holidays, what I'm hearing more and more is that people have enough, they don't need more things to accumulate. We're seeing more and more around the holidays, families getting together and really doing something philanthropic, whether it's volunteering, whether it is raising money, whether it's pulling the family together towards the cause.

We obviously do around the holidays, become more aware of some of the people that are less fortunate than us. It's a great time to give all year round but I know we're busy and the holidays seem to have that ability to pull us together and I think about what is important. Also not that a tax is never the number one motivator for giving but December 31st is the deadline to make charitable donations that can be claimed in the 2015 calendar year for taxes. It does also motivate people to give and while I say people give because they care about a cause they give because they want to give back to the community, they give because they have been personally impacted or their family has been personally impacted by a cause.

I always say that if you can give then take advantage of the tax benefits that are available. The way our tax system works in Canada's is if you have any income or any wealth, your tax dollars, which we call your social capital go to Ottawa and you can sit back and let the government decide how to allocate those dollars or you can take back that social capital in the form of tax credits that are available and allocate them to causes that are important to you.

Actually what CAF has allowed is what I was finding as I was meeting our clients or our donors, they were already sending money over to India or to various countries to fund various projects but they were doing it with after-tax dollars and because they just care about Poland or India or some orphanage somewhere in Africa and they want to send the money there. What I've been able to explain to these people is that that's fantastic. You've been supporting these causes but you've been supporting them with after-tax dollars.

If we do it more efficiently through CAF Canada where you can get the charitable tax receipt or do it through the private giving foundation to CAF Canada where you've already received the tax receipt, then you can actually give more than what you've been doing and that's a great advantage.

Ted: Well, I'm glad that you pointed that out, oftentimes, it is noted that it's not the reason why people give but oftentimes can help them decide if they can give more and it does allow philanthropy to be very personal when you're able to use an organization like the private giving foundation and CAF Canada to put together a giving plan and to be very thoughtful in your giving and, of course, giving Tuesday being this year, Tuesday, December first is a great time to start that planning and to have your planning done by December 31st. You're able to maximize those tax benefits at the same time that you're giving back to others.

Jo-Anne: Correct and with CAF Canada or as with the Private Giving Foundation, it allows people to make their donation so they get the tax receipt in time, even if it's going to take some time to put the project together and decide how to allocate those funds. It's kind of like donate now and you can work on it later, it doesn't all have to be ironed out in order to get your charitable tax receipt in time for the year-end.

Ted: That's an important point, You can make the donation now and into a fund that CAF Canada or the Private Giving Foundation receive that tax deduction but then take a little bit more time as I always say, we want to make it easy for you to be strategic and philanthropic and not have to worry about the paperwork.

Jo-Anne: We find, especially when there has been a major financial event like selling a business, we'll often find these clients they want to get the donation in because they want to get the tax relief but they have been so wrapped up in the transaction or in selling the business, they don't have time to give any thought to how to spend those philanthropic dollars. It is very convenient to be able to park it and get the receipt and then when the business is sold and the dust settles to take the time to thoughtfully put together a philanthropic plan. We encourage all of our clients to put a philanthropic plan together at TD.

What we don't like to see during when it's April is when everyone's, our taxes are due and we don't like to see clients come in with a pile of charitable tax receipts that represent a mishmash of every kind of course out there but not necessarily the values that are important to them. We encourage our clients to be very thoughtful, we guide them through a process to help them determine the values that are important, match those with pauses, pick their geographic focus and do the due diligence. Obviously, if they put a philanthropic plan together and are not so scattered with their charitable giving, they could have a much greater impact.

Ted: Joanne, we're going to take a quick break when we come back I want to ask you to bring your extensive background in the banking sector and the private foundation field and give us a little bit of that roadmap that donors can use between now and giving Tuesday but certainly now and the end of the year to really be strategic and philanthropic in a way that's going to be meaningful to their community regardless of how they may define community and we'll be right back.

Announcer: Remember, our podcast and archives are always available 24 hours a day at Campamerica.org. If you're listening today, our phone lines are open. Call in and ask a question by dialing 914-338-0855. Now, back to the *CAF America Radio Network* and our host Ted Hart.

Ted: We're back on the *CAF America Radio Network* with Joanne Ryan with a private giving foundation. Joanne, what are some of those guideposts, some of the questions that donors should be thinking about as they're trying to put together their plan for their community.

Jo-Anne: Well, as I was saying, I think they really need to-- We sit down and we discuss the values that are important to them. We have a whole list of values and different cards and whether it's social justice or freedom or-- What they feel is really important. We then match

those two causes that-- And we list a number of causes and try to see what values and causes are important to them.

We do ask the geography question because there are some clients that want to do things very locally. There are other clients that want to give internationally and give globally. Lots of reasons why. Some people want to see, firsthand, the impact of their giving but one woman I just met said that she's actually starting a project in India and one of her friends asked why, she's not giving at home. She said because my dollars can be stretched a lot farther when I give internationally.

Then we have websites. There's a number of good websites. One of my favorite in Canada is charityfocus.ca where you can get all kinds of great financial information on the charity. Charities have to file an information return with Canada Revenue Agency every year and CRA's website is not so user-friendly but charityfocus.ca, which is part of imagine Canada, can help you look at the numbers.

Charities have websites themselves but at least when you go to do a site visit or meet with the charity, you're armed with some good questions also in terms of what you want to ask and how the impact of your gift is going to be measured. One thing I always advise at people as some people donors will approach me and say they want all of their donations to go to the cause and nothing to go to salaries and administration.

I guess my argument would be that you want the charity to be well-run. They're going to have to-- You want them to have good people, they're going to have to pay to have good people. You want them to have computers that work and so there are costs associated with running a charity efficiently. You just want to make sure that the charity is prudent and the funds are well spent.

Ted: You've been on the front line literally in changing the face of philanthropy and providing families and donors an opportunity to be very thoughtful and to be impactful. Give us a sense of what it's like to be on that front line when you know that you have really helped a family or an individual. Focus their philanthropy in a very meaningful way.

Jo-Anne: Well, it's very rewarding. I mean it's a great job as I explained to my son. I help people give money away. It's very rewarding because once people start to do philanthropy, they start to give, they start to get involved, they're feeling good, they feel good about making an impact. I'm just thrilled to be able to help and to guide them in order to do that. We're just seeing in Canada, we're just seeing the whole philanthropic landscape. We are just seeing it becoming more and more important for Canadians. As I said earlier, there's the wealth transfer, there's all this self-made money. People are not leaving it to their kids.

Then a year ago, we put out the first thought leadership report on women in philanthropy in Canada. Of course, women are growing in their economic power. They are very, very-- I'm going to have a lot of passion and compassion and they're playing a much larger role in philanthropy. I'm actually 896 billion of wealth transfer in a 10-year period and women are opposed to

inherits about 600 of that 896 billion, simply because their life expectancy is greater than men. That's been very rewarding to see a lot of women coming together with giving circles and as a group coming together with a very strong philanthropic effort.

Ted: What are those discussions dramatically different? Do they take on a global perspective? Do other things about the future of philanthropy that you're picking up in these discussions arise?

Jo-Anne: We've been having it. We've been having women focus groups and discussions on our women up so that nothing is earth-shattering in terms of the differences but some of the key differences with women and men is relationships are really important for women, so they actually take a little bit longer than men to actually make the gift but they will probably want to volunteer with the organization. They want to build relationships with the staff at the organization with the boards, so they feel very connected before they-- But then they become very loyal donors and very loyal volunteers.

Then the men are a little bit more interested in some of the tax benefits than women. Women just want that real feeling of connection. You see women getting the whole family involved. Again, what they choose to support, it is different. Women have vast interests, what they do though. They like to support education. They like specifically to support education for women and girls. It's a well-known fact that when you help a woman, especially in a global country where women are a huge disadvantage if you help a woman, they will give back to their family and to their community. There's a ripple effect and it's a very strong investment.

Ted: Well. You mentioned early on, in our discussion today, just how fortunate Canadians are, how fortunate they feel that they are and how multicultural they are. I'm wondering in all this discussion is part of this philanthropy this international, flash-based growing international clients be part of building that sense of community for children and where we're from and not forgetting.

Jo-Anne: Yes. I mean I think that's part of it but even if you look at the Millennials today. They may not have a lot of money but they are very, very socially conscious and they're very interested in international. I mean if I-- It's not uncommon if I even look at my family. Two of my nieces in their 20s. One just went to Rwanda to build schools and one just came back from South Africa where she was volunteering at a lion sanctuary. I think that's the young people of today and that's how they donate.

Ted: That philanthropy that's going to stick with them. That because they've seen the need up front in these other countries. As your other donor mentioned, your Canadian dollar can go so much further when you're helping others in need outside of Canada not to say that there aren't philanthropic needs in Canada, but maybe not to forget how much impact you can have.

Jo-Anne: Exactly, exactly and it's not an all-or-nothing. Obviously, our donors will support some local causes but then just as they diversify their investment portfolio, they'll diversify their

philanthropy and often having a nice philanthropic investment internationally will provide that real great social return on their investment in terms of the impact that it can have.

Ted: Well said. We are in our last minute or so of the show here and I did want to just make note of the fact that Canada was ranked third in the 2014 world giving index. It's a publication that's put out by CAF, which clearly shows that Canadian philanthropic arena is alive and well. Joanne Ryan has been our guest here on the CAF America radio network and of course, you've been on the front lines. Before we say goodbye today, can you make sure that you tell our listeners how they can reach you?

Jo-Anne: Sure. The private giving foundation website is tdwealth.ca/privategiving and you can email me at Joanne and that's Joanne.Ryan@td.com.

Ted: Of course you can find CAF Canada online at cafcanada.ca. Feel free to give us a call at 416-362-2261. That has been the *CAF America Radio Network* today. Joanne, thank you for being our guest.

Jo-Anne: It's been a pleasure.

Announcer: You've been listening to the *CAF America Radio Network*. Tell all your friends and colleagues to check out our production schedule. Sign up for our free newsletter and download our iPad and iPod friendly podcast at cafamerica.org. Thanks for listening to the CAF America radio network