

CHARITY INTELLIGENCE CANADA

2019

ANNUAL REPORT

Contents

Executive summary.....	3
Impact measurement: The ‘Holy Grail’ of philanthropy.....	5
Charity ratings: Our research engine.....	7
Results reporting: Our campaign for better accountability.....	8
2019 results: Website visits up 5-fold in 5 years.....	9
In the media.....	11
How does Charity Intelligence do all this on so little?.....	12
Your Ci team.....	12

Charity Intelligence’s mission is to help donors be informed, give intelligently, and have impact. Charity Intelligence is a registered Canadian charity that does independent research and analysis on charities. So much of what we give has the potential to have a greater impact. To help donors be well-informed and find high impact charities, we post research reports and ratings on 784 charities. These 784 charities receive 57% of the \$16.5 billion Canadians give annually.

Our impact: 77% of donors reading a Charity Intelligence report say it improved their confidence in giving, and they gave 32% more money. In F2019, we estimate our research informed and influence \$85.1 million in giving. Relative to our total operating cost of \$379,000, we deliver high impact to our funders.

Our motto: Be Informed. Give Intelligently. Have Impact.

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“The greatest thing a human being can do is to help another human being know more.”

Charlie Munger

Executive summary

Well-informed donors are fundamental to the health of philanthropy. Just as democracy depends upon informed citizens, today's giving needs high-quality data so donors can give intelligently.

Starting in 2007, Charity Intelligence researches and analyzes charities and posts research reports on its website so donors have facts to make intelligent giving decisions. Our charity reports answer the key questions donors ask most about: financial figures, overhead spending, funding reserves and, we feel most importantly, a charity's results and impact.

A 2015 Statistics Canada survey reported that 29% of Canadian donors are unsure about the charities they give to; they have unanswered questions about how charities use their money. Even more concerning was 34% of donors had doubts as to whether charities use it effectively.¹ These 'information gaps' have high costs. Due to these unanswered questions, donors say they are not giving as much as they could. As a result, we estimate there is potentially \$2.7 billion sitting on the sidelines.

In 2019, Charity Intelligence's research helped inform and influence an estimated \$85.1 million in donations. 77% of donors say that reading a Charity Intelligence report gave them more confidence in their giving, and they gave 32% more money.²

Charity Intelligence's website is a go-to trusted source for donors looking for information. It ranks as one of the world's most visited websites for charity evaluation.³ In fiscal 2019, Charity Intelligence's website was used by an estimated 281,300 Canadian donors who got answers to their questions about charities.

Charity Intelligence is a high impact charity. We strive to deliver high impact on your funding. Charity Intelligence's high impact results are due to these four key drivers:

- People: our team of research analysts are world-leaders in measuring charity impact
- Product: our charity reports aim to give donors relevant and high-quality information
- Digital: Charity Intelligence's success has capitalized on today's digital tools, including the internet and smart phones.
- Demographics: Next Generation donors rely on on-line ratings and reviews to make informed giving decisions.

Each of these key drivers are discussed in greater detail in this annual report.

We do not receive any money from the charities we rate; our charity ratings are not for sale. Our independence and objectivity is critical to avoid potential conflicts of interest. Charity Intelligence's research is made possible by the generous funding from donors, family foundations, and corporate grants. We serve only one client: you.

Charity Intelligence has experienced 5-fold growth in website visits over the last five years. If Canadian donors continue to track American trends, users will double in the next five years.

Today, donors want more charity research, which is beyond our current capabilities. Similarly, as more donors are using our research, charities are asking us to do more frequent updates so the reported information is always timely and relevant. Charity Intelligence needs funding to meet this increase in demand.

We invite you to support our work through a donation.

2019 marks Charity Intelligence's 13th year researching and analysing charities. In the early years, many said that Canadians didn't care about their donations, or would not have the time to read charity reports – this charity research venture would be an utter waste of time. It has proved the opposite. It is wonderful that so many people do care deeply about their giving. They make the time to read charity reports, and become well-informed donors. Charity Intelligence's success over these years has surpassed our wildest expectations.

Charity Intelligence has a critical role to play in helping Canadians have quality information to give intelligently. With better informed donors, Canadian giving will be more confident and achieve greater impact.

On behalf of your Charity Intelligence team, we hope you join with us in strengthening philanthropy in Canada.

Kate Bahen
Managing Director

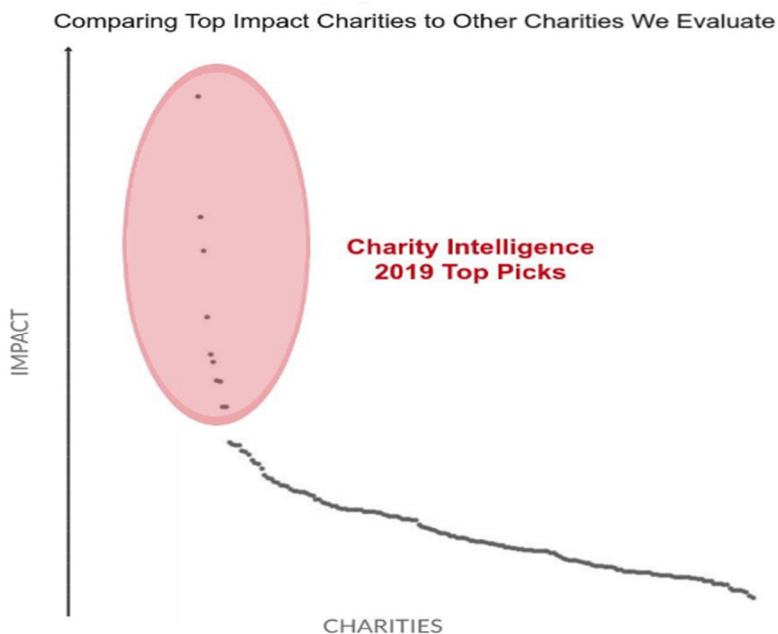
Impact measurement: The ‘Holy Grail’ of philanthropy

Impact measurement is the holy grail of philanthropy. Moving beyond questions about overhead and cost-efficiency, donors are instead focusing on effectiveness. Impact ratings answer a donor’s principal question “Which charities are using money most effectively?”

Measuring impact is complex. Charity Intelligence is among several well-established charity evaluators that measure a charity’s impact, along with GiveWell and ImpactMatters. In this quest, Charity Intelligence’s impact analysts are among the best.

In 2019, Charity Intelligence’s research analysts released the impact findings on 61 charities, raising the total number of impact assessments to 128.

In our impact measurement, we are finding a wide range. Like all investments, returns vary considerably. While many charities advertise that they make a difference, our impact assessments show that some charities make a lot of difference relative to others. In the table below, each charity impact assessment is a dot – with a red circle around the 2019 Top Pick charities with the highest demonstrated impact. This graph shows the distribution range of charities assessed from high demonstrated impact to low demonstrated impact.



When an impact analysis is complete, it is published on the charity’s report and incorporated into the overall star rating. As such, donors using Charity Intelligence’s ratings are giving for impact.

The New York Times

“It has become the holy grail of philanthropy: measuring the impact of a charitable contribution.”

“New Rating System for Charities Aims to Measure Impact of Gifts”⁴

Measuring a charity's impact takes time. Over the last two years, Charity Intelligence's research has focused on measuring the impact of international charities. These include the largest global charities like Doctors Without Borders, World Vision, Plan International, UNICEF, Oxfam, etc. Our work is relevant for impact donors around the world.

Like San Francisco-based GiveWell, each year Charity Intelligence's [Top Impact charities list](#) helps donors give for impact. Subsequent to year end, in November 2019, Charity Intelligence released its Top Impact Charities lists.

Since 2015, Top Impact charities report receiving \$79 million in funding, partly attributable to being recognized by Charity Intelligence.

Ci's Top 10 Impact Charities of 2019

Listed alphabetically

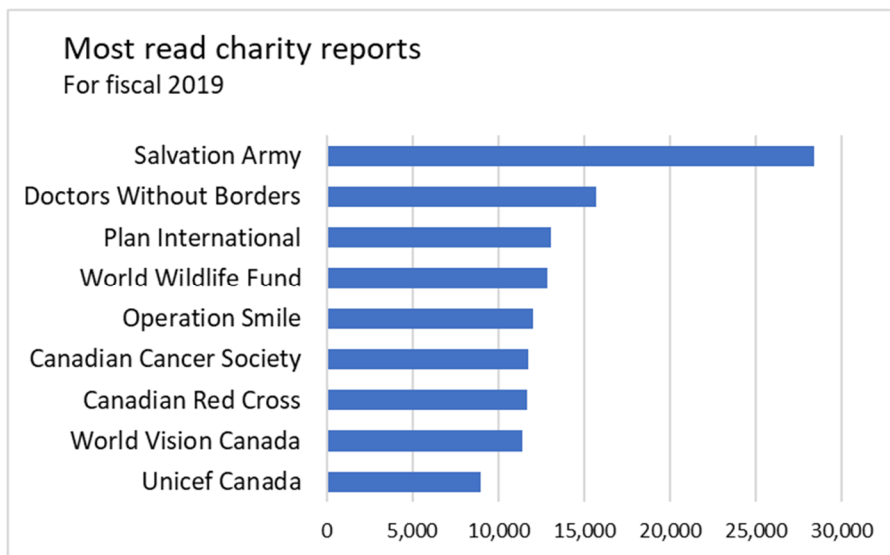
Against Malaria Foundation International	The "quick win" distributing bed nets that save lives.
Aunt Leah's Place Westminster, BC	Catching kids aging-out of foster care so they don't become homeless.
Canadian Feed the Children NEW International	Agricultural and farming programs in Ethiopia and Ghana with high yields.
Canadian Foodgrains Bank International	Through partnerships with international development programs, food for those in international crises.
Doctors Without Borders International	The world's hospital emergency department, first responders in immunizations, disease outbreak and war.
East York Learning Experience Toronto, Ontario	A tiny local charity providing adult education to new Canadians,
Fresh Start Recovery Calgary, Alberta	Addiction treatment centre with top results in recovery that saves lives.
JUMP Math National	52% of Canadians fail Grade 6 math. This evidence-based, proven charity is a solution to the crisis in math education.
Lifewater Canada – NEW International	A small charity providing clean drinking water, wells and toilets in Liberia and Haiti.
Operation Eyesight Universal International	Giving sight to the blind internationally.

Charity ratings: Our research engine

Charity Intelligence’s website has ratings on 784 charities. Our research coverage includes all of Canada’s Major 100 charities, most of the largest charities measured by support from the public, and also approximately 185 small charities with less than \$1 million in donations.

Charity Intelligence’s ratings research is our ‘engine room’. It is the charity ratings that draw donors to Charity Intelligence’s website, attracting 85% of website visits.

Where impact measurement is complex, doing charity ratings is simple. Simple, but not easy. Our credibility depends on high-quality data. We are fanatical about data quality and integrity. Our data comes from our in-house analysis of audited financial statements and rigorous and consistent measurement of outputs, outcomes and impact. Data integrity builds confidence in our ratings and reviews. This is data we trust – so you can too.



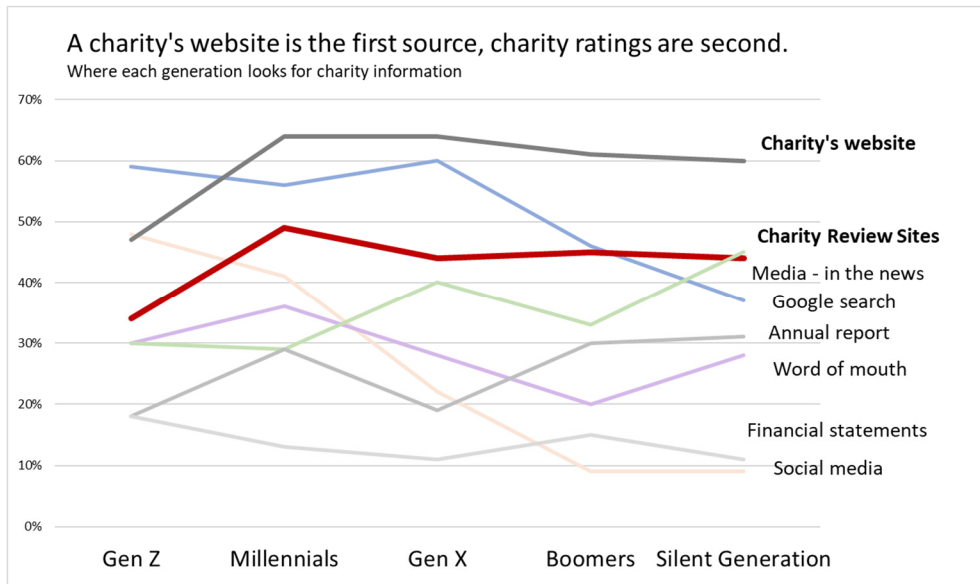
“We use data from Charity Intelligence. Charity Intelligence’s analysts look at audited financial statements, not annual returns, and present the numbers in a way that makes comparisons possible. Its figures are the most complete and accurate information about charity finances in the country.”

Maclean’s Best Charities 2020

The 784 charities we have reports on account for 57% of the \$16.5 billion Canadians donate each year.

Results reporting: Our campaign for better accountability

Donors are increasingly researching charities before they give. To get information, donors turn primarily to a charity's website (see graph below).⁵ Sadly, most charity websites are "fluffy" with only stories and pictures. Websites typically lack the good data donors need to make informed giving decisions. This 'information deficit' puts all donors and funders at a disadvantage. You can't give intelligently without good results information.



We are working with charities to improve accountability through results reporting. Our star ratings put the greatest weight on results reporting. Therefore, to get a high star rating, charities must post good information.

Reporting results is new for many charities, and Canadian charities struggle. In 2019, only 24% of Canadian charities disclosed information at similar levels to British and Australian charities. This is an improvement compared with 14% in 2014.

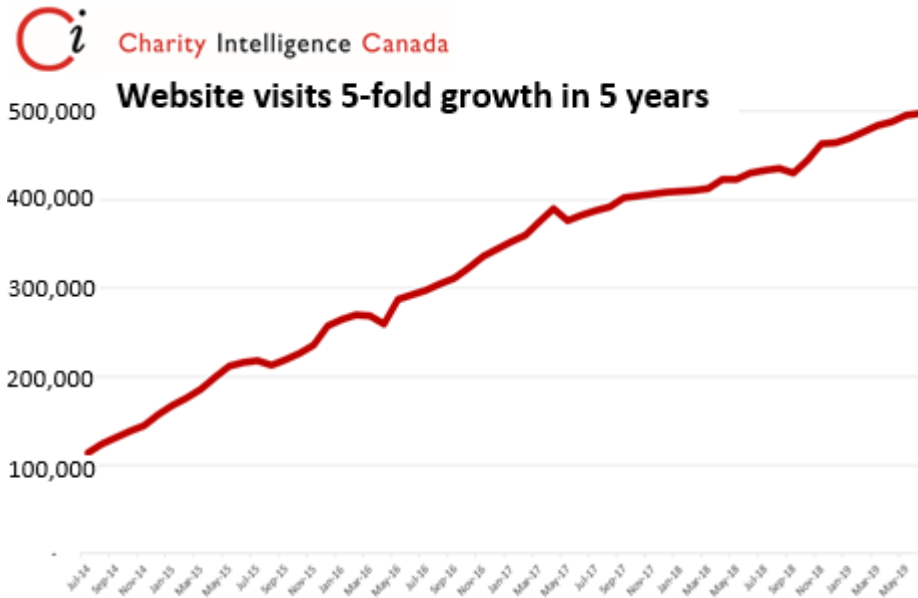
To bridge this information gap, in 2019 Charity Intelligence took two new steps: 1. new indicators for charities to improve and 2. free, one-on-one coaching for charities. Of the charities that used this extra help, their accountability improved by an average 45%.

Results reporting matters. Given that charity websites are donors' primary source for information, improving the quality of public information would benefit many – even for donors who never visit Charity Intelligence's website.

Improving results reporting can be done, and it needs to be done. Surveys of donors state many would give charities more money if they saw better results disclosure.⁶ Today, charities need to report more than good intentions – donors want charities to report results.

2019 results: Website visits up 5-fold in 5 years

Charity research has no impact unless it is accessible, read, and used. Website visits is the key driver in your support of Charity Intelligence having high impact. Charity Intelligence's website visits reached 497,300 in 2019, 16% year-over-year growth. Unique website visits were 444,070, 23% year-over-year growth. Visits to Charity Intelligence's website have increased 5-fold over the last 5 years.



Today's digital age is the most significant factor in Charity Intelligence's phenomenal success. Our timing was lucky with the right product at the right time. In the old days, just ten years ago, we spent \$16,000 to print 100 Charity Intelligence reports and mail these to philanthropists we thought may be interested in charity research. In 2019, \$16,000 in website maintenance costs, allowed a global audience to read 1.3 million Charity Intelligence reports. The digital platform lowers our costs, considerably.

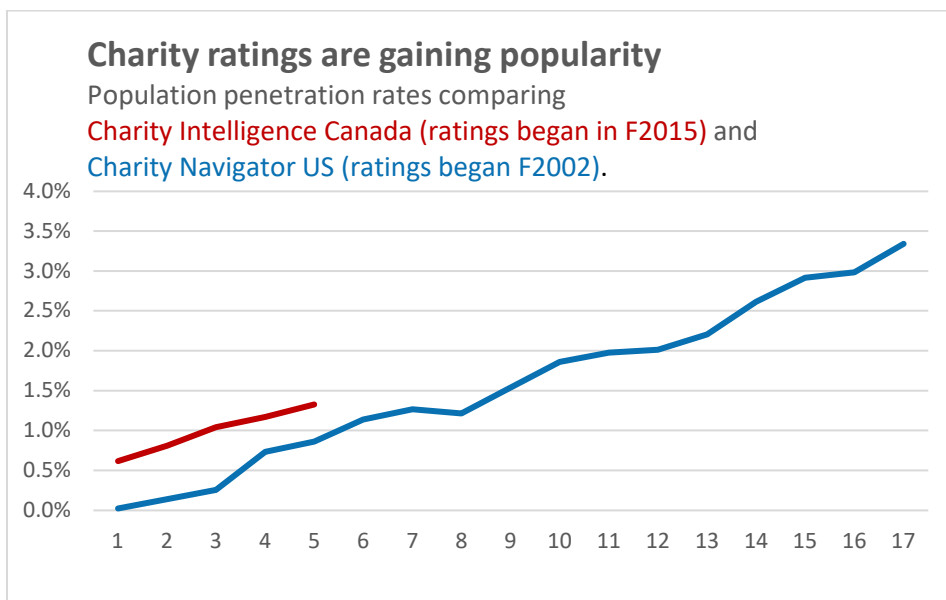
With high-quality content, Charity Intelligence's website is a go-to source for donors. According to Alexa website rankings, it is one of the world's most visited websites in the charity evaluation sector.

Charity Intelligence's ratings and reviews are particularly demanded by Millennial donors. Millennials are the "star rating" generation, whether it be Yelp, Uber or Rate My Professor. 93% of Millennials say they rely on consumer and user reviews before making a purchase. Millennials are the largest users of Charity Intelligence's research, and account for 40% of website visits.

While Charity Intelligence has experienced phenomenal growth over the last five years, we expect strong growth to continue. Charity ratings are growing in popularity with Canadian donors just as they are with American donors. In America, Charity Navigator launched its star ratings on charities in 2002, 17 years ago. Over this time, charity ratings have grown in popularity with 3.3% of the American population using Charity Navigator's ratings.

Charity Intelligence launched star ratings in July 2014, 5 years ago. Already our website visits are 1.3% of Canada's population. For context, after 5 years, Charity Navigator was at 0.9% population penetration.

If Charity Intelligence continues to track Charity Navigator's success, growth will double again over the next five years.



In the media

The health of Canadian philanthropy rests upon having well informed donors. People want to learn more about charities. In F2019, Charity Intelligence was featured in 41 news stories with leading national newspapers and broadcasters.

Every year, the highest interest and largest media coverage is on Charity Intelligence's [Top Impact Charities](#) list.

In F2019, Charity Intelligence's report *Canadian Pro Sport Teams and their Charities*, benchmarking the professional sport team charities, was covered nationally by CBC News. Combining Canada's passion for hockey and charities created unprecedented interest.

It was a thrill to see our advocacy for financial transparency highlighted by CBC's *The National*, a nightly news broadcast. Unanimously Canadians expect charities to be financially transparent and, as CBC reported, were surprised many charities are not transparent.

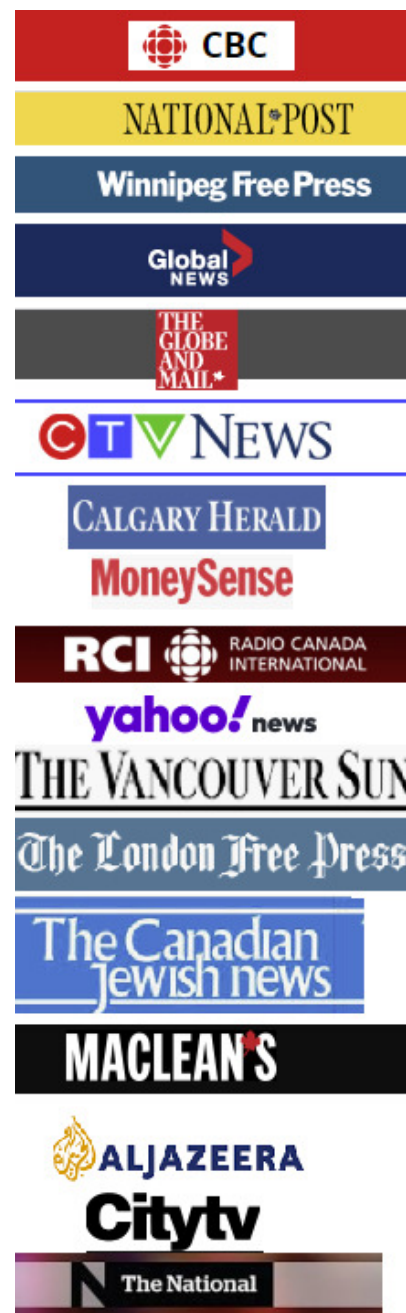
Charity Intelligence is shaping the conversation about giving. Our messaging has always emphasised donors consider more than a charity's overhead costs (administrative and fundraising costs) and look at other important aspects like financial transparency, funding need, a charity's results reporting and, ultimately, a charity's impact.

Full disclosure: What you also need to know

In 2012, Charity Intelligence's charitable status was revoked for failing to file its annual return on time. Our charitable status was reinstated effective the next day. This event made media headlines and still comes up. We have filed on time for the last 8 years.

Legal: Unlike reviews and rankings on bonds, stocks, movies, wine, books, etc. there is a peculiar sensibility about reviewing charities. In F2019 Charity Intelligence paid lawyers \$19,600 to defend claims that a report about one charity was false and defamatory. Following extensive examination, Charity Intelligence's report on pro-sport charities is factual and accurate. It is still posted on our website.

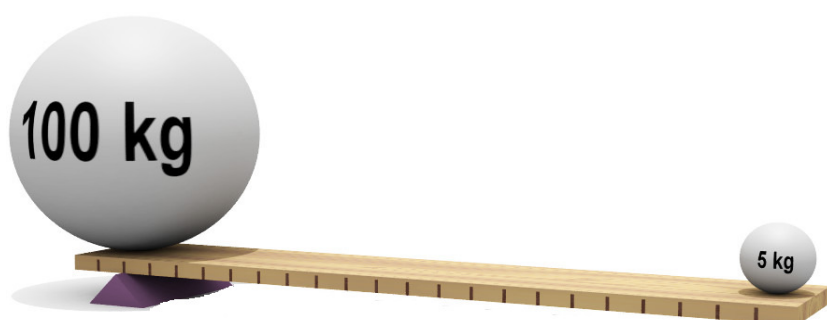
This legal challenge is fully resolved. We follow the highest professional standards in our reporting. We hope there are no further legal challenges, yet we will adamantly defend freedom of expression in the public interest as is our charter right.



How does Charity Intelligence do all this on so little?

Many people wonder “how is Charity Intelligence’s influence possible for such a small charity?” When the ‘why’ matters, the ‘how’ happens. In 2019, Charity Intelligence’s total operating costs were \$378,800.

The classic Greek engineer Archimedes articulated that with a lever and a pivot, great weights can be moved with small efforts. Today’s digital era amplifies an organization’s potential leverage. More than ever, organizations do not have to be big spenders to have big influence.



“What we do is not beyond anybody else’s competence. It’s just not necessary to do extraordinary things to get extraordinary results”

Warren Buffett

Your Ci team

Directors

Chairman	Graeme Hepburn
Managing Director	Kate Bahen
Director of Research	Greg Thomson

Operations

Impact analysts	Angela Wang	<u>Summer 2019 interns</u>
	Cory Eybergen	Madison Kerr
Results reporting analyst	Katie Khodawandi	Lauren Chin
Website design	Anna Hermansen	Caroline McKenna
Development	Judy Tobe	Stefan Tetzlaff
Financial controller	Andrew Iwanenko	Parker Thomlinson
Auditors	BDO Canada	

Charity Intelligence's results and work would not be possible without the generous support of donors. Our deepest gratitude especially to The DMPE Family Foundation for its ongoing support of impact measurement, The W. Garfield Weston Foundation for funding the new website, and 153 other donors from all across Canada who pay for the research and analysis we produce to help Canadians giving intelligent.

Thank you!

Anndale Properties Limited - Anonymous donors (70) - Martha Anderson - Marita Athaide - Kate Bahen - Joel Belizario - Viera Bibr - E.W. Bickle Foundation - L.M.G. Bradbury - Rod Braithwaite - Douglas F. Brown - The Janet and Charles Burns Foundation - Victoria Hazel Carlile - Roger Carriere - Peter Cavelti - Maryanne Chantler - Gordon Chen - I-Cheng Chen - Janet Clark - Peter Coffin - Norma Davis - Anne DeGrace - M. Dressler - The DMPE Family Foundation - Peter Edwards - E.L. Financial - Employee Charitable Contributory Org - Deshanel Evans - Susan Evans - Samer Faour - Kevin Finn and Michele Fraser - George Fink - Kyle Fillis - R. Fuller - Valeri Gankevich - Kyle Gillis - Colin Goldie - Graeme Hepburn - David Herman - Mychele Herz-Fischler - Victor Hiebert - S.J. L'Hirondelle - Edward L. Holland - John Horrocks - John Howarth - Mary Jansen - Clarence Johnson - Tonia Jurbin - Phillip Khaiat - John King - Konstantinos Kostopoulos-Bey - Ivan Krolo - Helen Kum - Steven Kurrein - Neil MacLean - Kelly Martin - Ingrid Mayr - Bob McArthur - Barbara McCann - The Catherine and Maxwell Meighen Foundation - Alison Mills - Darien Moore - Philip and Sherry Nearing - Mark Ng - J.M. Nitchie - Thomas O'Hara and Jocelyn Cote-O'Hara - Peter Oldfield - Wilson Parasiuk - Jim Peplinski - C.S. Perkins - Ian G. Pyper - Tanja Randoja - Brent Reist - Greg Sadler - Donald Short - Kevin Smith - Barbara Smyth - Laurie Stovel - Murray and Muriel Steinberg Foundation - Eileen Sweeney-Bergen - Joan Tobin - Warren Travell - Barbara and Terry Triskan -The W. Garfield Weston Foundation - Nikola Zaric

Endnotes and sources:

¹ Martin Turcotte, “Charitable giving by individuals: results from the General Social Survey”, StatsCanada, December 16, 2015

² Greg Thomson, Director of Research, [Website Survey Results](#), Charity Intelligence, March 2017. Survey conducted during 2016 Giving Season between November and December, n = 382, giving us a 95% confidence that the survey results are within a margin of error of 5%.

³ [Alexa website traffic rank](#), November 2019 a measure of how a website is doing relative to all other sites on the web over the past 3 months.

⁴ Paul Sullivan, “New Ratings System for Charities Aims to Measure Impact of Gifts”, The New York Times, November 22, 2019

⁵ BlackBaud Institute for Philanthropic Impact, “The Next Generation of American Giving: The Charitable Habits of Generation Z, Millennials, Generation X, Baby Boomers, and Matures”, April 2018

⁶ Raymund Flandez, “Donors Say They Would Give More If They Saw More Results”, The Chronicle of Philanthropy, June 21, 2012