

**Generosity in Canada: Trends in Personal Gifts and
Charitable Donations Over Three Decades, 1969 to 1997:
A Report Summary**

by

Paul B. Reed
Statistics Canada and Carleton University

1999

One in a series of reports from the Nonprofit Sector Knowledge Base Project.

The author welcomes comments and suggestions: He can be reached at:

Telephone: (613) 951-8217
Facsimile: (613) 951-6313
e-mail: paul.reed@statcan.ca

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Generosity in Canada: Trends in Personal Gifts and Charitable Donations Over Three Decades, 1969 to 1997

How generous are Canadians? How much of our disposable household incomes do we give to others? Are there differences in the relative generosity of people in different income brackets and different regions? Do we give as much to secular as to religious charities? Has our generosity changed over the past 30 years?

These are some of the questions addressed in a research report prepared by Senior Social Scientist Paul B. Reed as part of Statistics Canada's Nonprofit Sector Knowledge Base Project. This summary of the report's major findings focusses on issues that are most likely to interest the nonprofit sector.

Findings

Average Giving for All Canadian Households

Over the past three decades, the average annual value of gifts and contributions per Canadian household rose steadily from \$986 in 1969 to \$1,700 in 1996. This amount includes gifts in money and in goods both to persons living outside the household and to charities.¹

Considered as a proportion of disposable income, this total giving represented an increase from 3.3% of the average disposable household income in 1969 (\$29,724) to 4.5% in 1996. (Average disposable household income stood at about \$37,000 in 1978 and remained at this level right up to 1997.)

¹Unless otherwise indicated, all figures in this brief report are in constant 1996 dollars for ease of comparison. The original research paper also provides them in current dollars.

²Contributions of money to persons outside the household include spousal and child support payments.

Definitions

Household: A person or group of persons occupying one private (non-institutional) dwelling unit.

Reporting households: The households that reported actually making an expenditure on an item.

Gifts, money, and contributions to persons outside household: This includes money, goods, and services given as gifts in a specified year, either to people outside the household or to charitable organizations. Pledges for future gifts, such as bequests, are not included in these expenditures. Included in contributions to persons are spousal and child support payments.

Total giving: The sum of the monetary gifts to individuals outside the household, plus the cost of the non-monetary gifts to individuals outside the household, and the contributions to charitable organizations.

Disposable income: Gross or pre-tax income, minus personal taxes, pension contributions and personal insurance payments.

Household income quintiles: Income groupings are obtained by listing all the households in a given year in ascending order according to their total household income, and dividing them into five groups with an equal number of members.

This giving and contributing is made up of three distinct components: gifts and contributions of money to persons outside the household,² non-monetary gifts to persons outside the household, and contributions to charitable organizations.

Monetary and non-monetary gifts to persons outside the household together accounted for about 75% of total household giving each year, in about a 3 to 2 ratio. Contributions to charitable organizations

represented the other 25% of total average household giving over this interval.

The rise in total giving was almost entirely due to an upsurge in giving to persons outside the household—particularly *monetary gifts and contributions*. These rose from \$235 per household per year in 1969 to \$603 in 1982, remained level at \$595 in 1986, then continued their rise to \$786 in 1996 and \$792 in 1997.

Data from Canadian spending surveys do not indicate the proportion of these monetary gifts that went to immediate relatives—as ‘care packages’ to children away at college, for example—nor do they identify how much of the spending in the gifts and contributions category was for spousal and child support payments (which are specified to be part of the ‘gifts of money and contributions’ expenditure category). If such payments have been rising in incidence and magnitude, they could well account for a rising proportion of expenditures on individuals outside the household.

The published data do tell us, however, what proportion of monetary gifts went to individuals inside and outside the country. In 1969, of every dollar given to persons by Canadian households, \$0.34 went to persons outside Canada, for an average total of \$81. By 1997, this ratio had dropped markedly, with just \$0.12 on the dollar going outside the country, while the average amount had climbed slightly to \$94.

The average value of all *non-monetary gifts* (such as toys, clothing and flowers) given by Canadian households to others rose slightly from \$380 per year in 1969 to \$388 in 1982, jumped to a peak of \$517 in 1986, dipped back to \$429 in 1992, and increased to \$509 in 1996. (Canadian households reported receiving approximately \$450 a year in non-monetary gifts.)

The average total *charitable contributions* per Canadian household stood at \$371 in 1969, rising steadily through several fluctuations to reach \$428 in 1997. These donations, which represented 1.2% of the average Canadian household’s disposable income in 1969, declined to a low of 0.8% in 1978 and 0.9% in 1982, and then stabilized at 1.1% between 1986 and 1996. In 1997, the figure stood at 1.2% (Figure 1).

Within overall charitable donations, household spending surveys tracked the amounts that were given to two different types of charitable organizations: religious organizations, and other

The research report

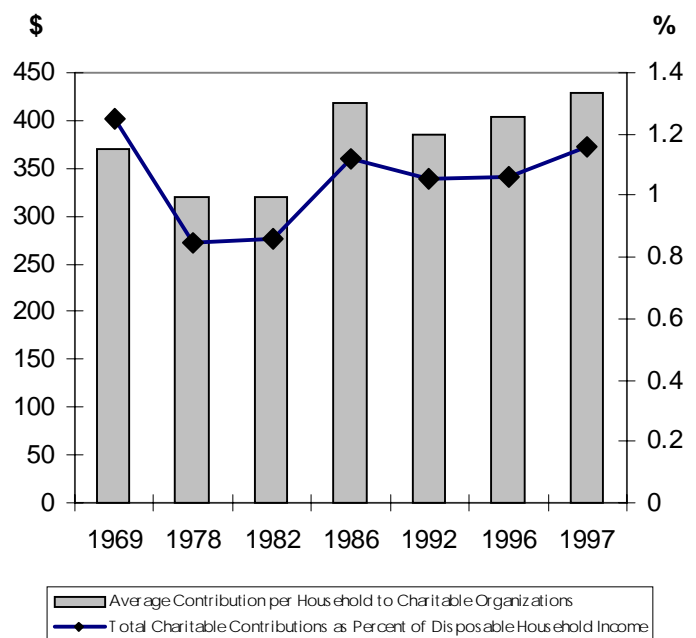
The original report consists of 31 tables, which are provided in part to facilitate further analysis by interested readers, along with summarizing text and 23 charts. The wealth of information embedded in the tables and charts includes frequencies and levels of giving on various items, the extent of the givers’ income and taxation levels, and the value of the gifts as a percentage of disposable income. It also contains ample calculations to adjust the dollars for inflation and show the magnitude of the changes over various intervals, as well as references for further reading.

Data source

This analysis is based on published data from Statistics Canada’s Family Expenditure Survey—the 1969, 1978, 1982, 1986, 1992 and 1996 cycles. In this survey, individuals from about 10,000 Canadian households were interviewed in person and asked to provide financial details on their household budget including total household income, assets, debts, and spending per year on more than 600 expenditure categories.

In 1997, the Family Expenditure Survey was replaced by an annual Survey of Household Spending (SHS). Using a sample of about 17,000 private households in all the provinces and territories, this survey captures detailed information on spending as well as dwelling characteristics and household equipment. However, the SHS reduced the number of expenditure categories to 425, and dropped one of the items related to total generosity—non-monetary gifts to persons outside the household. Consequently, data from the 1997 SHS data—the most recent available when the research report was written in late 1999—were used only in some of the report’s tables, charts, and conclusions, where the categories remained consistent.

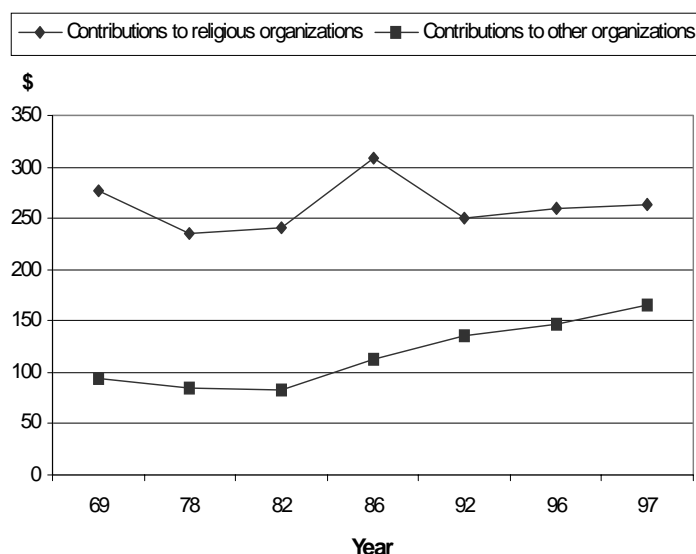
Figure 1. Average contributions to charities by Canadian households and total charitable contributions as percentage of disposable household income, selected years from 1969 to 1997 (constant 1996 dollars)



(secular) charities. In the interval between 1969 and 1997, there was a slight decrease (4.7%) in the value of average household contributions to religious organizations, and a substantial increase (73.7%) in donations to other charities.

Average annual contributions to religious organizations by Canadian households stood at \$276 in 1969, peaked at \$308 in 1986, and stood at \$263 in 1997. Contributions to secular charities ranged between \$83 and \$95 from 1969 until the mid-1980s, after which the figure increased steadily to \$165 in 1997 (Figure 2).

Figure 2. Contributions to religious and secular charities averaged over all Canadian households, selected years from 1969 to 1997 (constant 1996 dollars)



Averages for Households Actually Making Gifts

The averages cited above were calculated for *all* Canadian households, including those that had reported no outside giving at all. How many Canadian households are responsible for this giving? How much higher are the averages for gifts and contributions among only the households that do give?

Approximately 90% of households reported making *some* type of gift or contribution in each survey year, ranging from a low of 87.7% in 1978 to a high of 92.2% in 1982. (This does not include the 1997 survey, which asked slightly different questions.) The total value of gifts and contributions by households reporting such expenditures rose steadily from \$1,100 in 1969 to \$1,959 in 1996.

With respect to gifts, 73.1% of households reported making some type of gift (either monetary or non-monetary) to persons outside their household in 1969. This proportion peaked at 85.7% in 1982, then declined progressively to 74.4% in 1996. In most years, about 65% of households made non-monetary gifts—ranging from a low of 57% in 1978 to a high of 71% in 1978—which had a total value of \$670 per reporting household, averaged over the entire time span.

Greater fluctuation can be seen in the incidence of households giving money to individuals outside the household, which ranged from 18% to 52%. The value of those gifts by reporting households has risen significantly since 1969, almost doubling, to over \$2,000 (Table 1).

Table 1. Percentage and average annual expenditures for households that made expenditures on monetary gifts and charitable contributions, Canada, selected years from 1969 to 1997 (constant 1996 dollars)

	1969	1978	1982	1986	1992	1996	1997
Percentage of households reporting expenditures on money gifts to persons outside the household	18.2	42.2	52.4	41.7	42.1	34.3	39.3
Average value of monetary gifts to persons outside the household	\$1,293	\$1,063	\$1,151	\$1,427	\$1,751	\$2,292	\$2,018
Percentage of households reporting expenditures on charitable contributions to religious organizations	58.7	42.6	42.7	42.6	37.6	37.9	38.2
Average value of contributions to religious organizations	\$470	\$553	\$562	\$723	\$665	\$683	\$689
Percentage of households reporting expenditures on charitable contributions to secular organizations	57.3	58.3	61.3	64	61	60.4	62.8
Average value of charitable contributions to secular organizations	\$166	\$146	\$135	\$176	\$222	\$242	\$264

Source: Statistics Canada, *Family Expenditure in Canada*, Catalogue nos. 62-535, 62-536, 62-551, 62-555 and unpublished data.

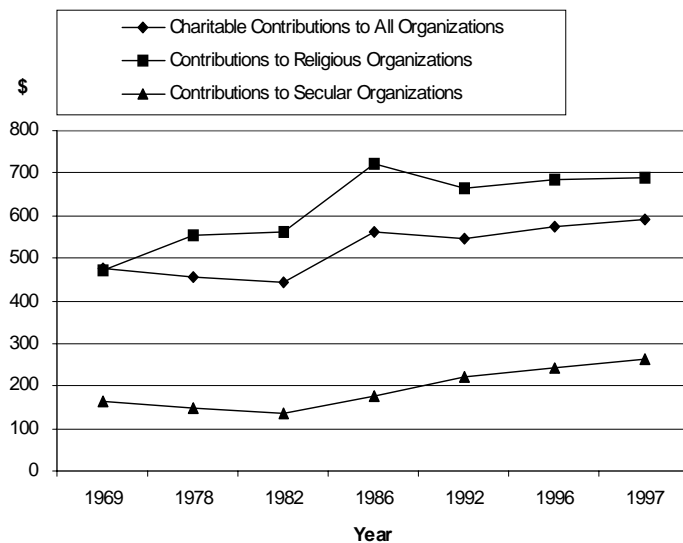
In contrast, there has been minimal variation in the percentage of households that reported contributing to charities (either religious, other or both, without distinguishing the type). From a peak of 78.2% in 1969, it remained in the 70% to 74% range and stood at 72.7% in 1997. Average total annual donations for households that reported giving to charity (without distinguishing the type) ranged from \$474 in 1969 to \$589 in 1997. This represented 1.6% of average disposable household income in both 1969 and 1997.

When these data are analysed further according to type of charity, it is evident that the greatest decline has been in the percentage of households reporting contributions to religious charities. These declined steadily from 58.7% in 1969 to 37.9% in 1996 and 38.2% in 1997. In contrast, the proportion of households reporting contributions to other charities rose from 57.3% in 1969 to 62.8% in 1997, with some fluctuation in between (Table 1).

Fortunately for religious charities, the average value of these contributions has been increasing at almost the same rate as the percentage of households making them has decreased. Among those Canadian households indicating how much they gave to religious charities alone, the average donations rose from \$470 in 1969 to a high of \$723 in 1986, and ranged between \$665 and \$689 in the 1990s (Table 1 and Figure 3).

Among households that distinguished how much they gave to religious and non-religious charities alone, average annual contributions to secular charities reached a peak of \$264 in 1997, after a low of \$166 in

Figure 3. Average annual charitable contributions by households reporting them, selected years from 1969 to 1997 (constant 1996 dollars)



1969 and a period of decline in the late 1970s and early 1980s (Table 1 and Figure 3). Before 1997, average donations to secular charities ranged between one-quarter and one-third of the value of donations to religious organizations, but they reached 38.3% of the total value that year.

Average Total Giving by Income Bracket

Are lower-income Canadians more generous than affluent Canadians relative to their income?

The data reveal that households from the highest income brackets have historically spent four to five times more on total external giving than have those in the lowest income bracket. The data also indicate that when average spending on gifts and donations is considered as a percentage of disposable income, there was a generosity gap between upper- and lower-income households 20 to 30 years ago.

In 1969, households in the lowest income bracket devoted 4.7% of their disposable income to gifts and contributions, compared with 3.4% spent by the households in the highest income bracket, and 3.1% spent by households in the middle income bracket. This gap has narrowed in recent years, however. In 1997, households in the highest income quintile spent almost the same percentage of their disposable income on gifts and donations (3.2%) as did households in the lowest income quintile (3.7%).

But that was for *all* households. When only those households that actually made such gifts and contributions are included, the data show that the percentage devoted to such expenditures still remains considerably higher in the lowest income quintile households (6.8% in 1996, 6.2% in 1997) than in the highest quintile (4.5% in 1996, 3.4% in 1997).

(Comparable data for earlier years are not available.)

On the other hand, generosity is far more *widespread* among upper-income than lower-income households, presumably because they have a greater ability to afford such expenditures. A much smaller proportion of households in the lowest income quintile reported giving gifts and donations in 1996 (71.6%) compared with those in the middle (88.6%) and top quintiles (95.7%). And in 1997, 93% of households in the highest income quintile reported making monetary gifts and contributions compared with only 60.2% in the lowest quintile.

Regional Variations in Giving

Giving behaviours also vary by region, both in the proportion of reporting households and in the average amounts given.

With respect to total giving, 91% to 94% of households in Atlantic Canada, Ontario, and the Prairie provinces reported making expenditures on gifts and charitable organizations between 1969 and 1996. In Quebec, the average incidence was 80.2%; in 1996 it stood at 74% (Table 2).

The average value of these gifts and contributions also varied across the country (Table 3).

Table 2. Percentage of households reporting expenditures on giving, by region, selected years from 1969 to 1997 (constant 1996 dollars)

Year	Atlantic	Quebec	Ontario	Prairies	B.C.
%					
1969	91.2	83.8	92.0	92.9	90.4
1978	93.1	75.8	91.9	90.6	92.9
1982	93.9	83.0	95.9	96.4	94.0
1986	93.1	83.3	94.6	94.6	92.6
1992	94.1	81.5	90.8	95.1	88.0
1996	93.6	74.0	90.9	93.2	88.5
Avg.	93.2	80.2	92.7	93.8	91.1

Source: Statistics Canada, *Family Expenditure in Canada*, Catalogue nos. 62-535, 62-536, 62-551, 62-555 and unpublished data.

Table 3. Average value of total giving for all households, by region, selected years from 1969 to 1997

Year	Atlantic	Quebec	Ontario	Prairies	B.C.
constant 1996 dollars					
1969	805	706	1,176	1,068	1,009
1978	1,166	627	1,312	1,482	1,261
1982	1,109	757	1,580	1,580	1,473
1986	1,490	988	1,684	1,997	1,630
1992	1,291	862	1,678	1,928	2,317
1996	1,546	881	2,020	2,036	2,102
Avg.	1,235	804	1,575	1,682	1,632

Source: Statistics Canada, *Family Expenditure in Canada*, Catalogue nos. 62-535, 62-536, 62-551, 62-555 and unpublished data.

Considered as a portion of disposable income, total giving per household was highest in the Prairie provinces, where it averaged 4.6% over the period 1969 to 1996. Next was British Columbia with an average of 4.4%, followed by the Atlantic provinces and Ontario with 4%. In Quebec, total household giving stood at 2.5% (Table 4).

With respect to regional differences in average household contributions to charities (regardless of type), annual amounts were again highest in the Prairie provinces, where the average was nearly \$500 per year between 1969 and 1996. Ontario was next highest at \$435, followed by the Atlantic provinces at \$420 and British Columbia at \$387. The average total household contribution to charities in Quebec over this period was \$216 (Table 5).

Table 4. Total giving as a percentage of disposable income for all households, by region, selected years from 1969 to 1997

Year	Atlantic	Quebec	Ontario	Prairies	B.C.
%					
1969	3.4	2.4	3.6	4.0	3.4
1978	3.6	1.7	3.3	3.9	3.2
1982	3.5	2.3	4.0	3.9	3.7
1986	4.6	2.9	4.1	5.3	4.4
1992	4.0	2.7	4.2	5.4	6.2
1996	4.6	2.7	4.8	5.2	5.4
Avg.	4.0	2.5	4.0	4.6	4.4

Source: Statistics Canada, *Family Expenditure in Canada*, Catalogue nos. 62-535, 62-536, 62-551, 62-555 and unpublished data.

Table 5. Total contributions to charitable organizations for all households, by region, selected years from 1969 to 1997

Year	Atlantic	Quebec	Ontario	Prairies	B.C.
constant 1996 dollars					
1969	362	217	439	407	303
1978	398	185	391	432	335
1982	378	203	376	454	334
1986	565	262	473	603	385
1992	396	207	463	576	392
1996	421	224	465	523	575
Avg.	420	216	435	499	387

Source: Statistics Canada, *Family Expenditure in Canada*, Catalogue nos. 62-535, 62-536, 62-551, 62-555 and unpublished data.

Considered as a portion of disposable income, total contributions to charities averaged across all households was highest in both the Atlantic and Prairie provinces (at 1.4% between 1969 and 1996), followed by Ontario (1.1%), British Columbia (1.0%), and Quebec (0.5%).

There were also regional differences in the relative size of household contributions made to religious and non-religious organizations in proportion to total charitable donations. Support for religious charities was highest in Atlantic households and lowest in Quebec households. The opposite holds true with respect to support for non-religious charitable organizations. Averaged across all households over the entire interval from 1969 to 1996, contributions to secular organizations in Quebec represented almost 37% of total average contributions to charities reported in that region, but accounted for only 20.5% in the Atlantic provinces (Table 6).

Table 6. Contributions to secular organizations as a percentage of total charitable contributions for all households, by region, selected years from 1969 to 1997

Year	Atlantic	Quebec	Ontario	Prairies	B.C.
	%				
1969	16.3	19.7	30.9	22.2	28.4
1978	16.5	38.0	27.3	23.6	27.5
1982	19.7	40.2	25.0	21.8	25.2
1986	17.0	32.9	31.2	19.3	28.9
1992	26.2	51.0	36.2	30.3	33.5
1996	27.1	39.2	38.1	27.5	43.1
Avg.	20.5	36.8	31.5	24.1	31.1

Source: Statistics Canada, *Family Expenditure in Canada*, Catalogue nos. 62-535, 62-536, 62-551, 62-555 and unpublished data.

Summary

Shifts in the giving patterns of Canadian households over nearly three decades indicate that a progressively smaller proportion of households are making gifts and contributions, even though the average disposable income per household has remained at almost the same level for nearly 20 years.

Those households that do give are giving more, however, both to charities—which have been the recipients of about one-third of Canadians’ total generosity in the 1990s—but especially to people outside the household. There is also a shift away from contributing to religious charities in favour of secular organizations, although the former still receive more than 60% of total average household charitable donations. When all households are considered, the ‘generosity gap’ between high- and low-income households is also narrowing as higher-income households are spending proportionally more on gifts and contributions than they did before.

At a time when the charitable sector is assuming more responsibility for services that were once predominantly in the government domain, some of these shifts have clear implications. To better prepare for the future, it is important to identify the social and economic forces that are driving these changes in the generosity of Canadians. Additional research into the roots of regional patterns will also shed important light on the different ways in which Canadians manifest their social connections and values.