

Philanthropy Responds to COVID-19

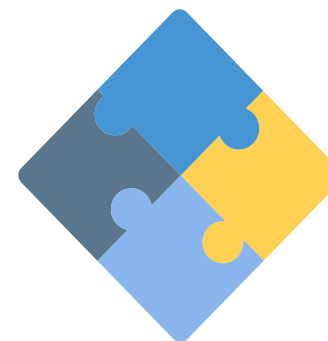
August 2020 2nd report COVID-19 Data Mapping Series

Purpose

Philanthropy in Canada is undergoing a major shift in response to the COVID-19 pandemic. Charities and non-profits are struggling to stay afloat and have seen drastic drops in fundraising revenue. Canadian governments are mobilizing funds towards sustaining the country's economy and keeping people safe. Private philanthropy and funders are adjusting their grantmaking practices to support grantees and to serve their communities, especially the most vulnerable populations.

To capture the philanthropic response to COVID-19 in Canada, Philanthropic Foundations Canada (PFC), along with their partners Community Foundations of Canada (CFC), Environment Funders Canada (EFC) and The Circle on Philanthropy and Aboriginal Peoples in Canada, are collecting funding response data to provide a snapshot of initiatives, opportunities and challenges to illustrate COVID-19's impact on philanthropic funders practices.

This research identifies measures that contribute to the resiliency of the charitable sector during the crisis. Timely data means funders have relevant information to make responsive funding decisions, collaborate with other funders and promptly adapt their grantmaking practices.



“[Our foundation] remains committed to helping our communities manage through the challenges presented by COVID-19, and will continue to work with our community partners to determine where additional support may be needed. Through the collective generosity of organizations and individuals, we hope that people in all communities across Canada receive the help they need during these difficult times.”

“[...] We are fortunate to be in the organizational and financial position to support our community by being flexible, nimble, and responsive in a number of ways.”



Data Collection



This is the 2nd report in Philanthropic Foundations Canada's (PFC), COVID-19 Data Mapping Series on the Canadian philanthropic sector's response to the ongoing public health crisis. PFC, in collaboration with its partners (CFC, EFC and The Circle), has been conducting an ongoing survey since May 20, inviting funders to contribute timely information about their organization's response to COVID-19.

The findings in this report are based on **59 unique survey responses** from above partner members as well as other funders. Data for the August report includes cumulative and updated responses since the survey went live on May 20 to July 27 inclusive. Foundations are encouraged to complete and update their survey responses on a monthly basis.

What we know so far

1



Funders have increased their flexibility and promptness in their fund allocations and application processes and reporting requirements are less restrictive and onerous.

2



75% of funders are keen to **collaborate, share knowledge and learning** and **co-fund**.

3



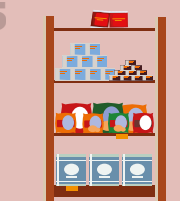
34% of respondents established a COVID-19 **Emergency Response Fund**.

4



11% of respondents provided **frontline support**. Where funders indicated amounts, frontline support received almost \$2 million in funding and more than 100,000 PPE supplies.

5



11% of respondents supported **food banks** and **food security**.

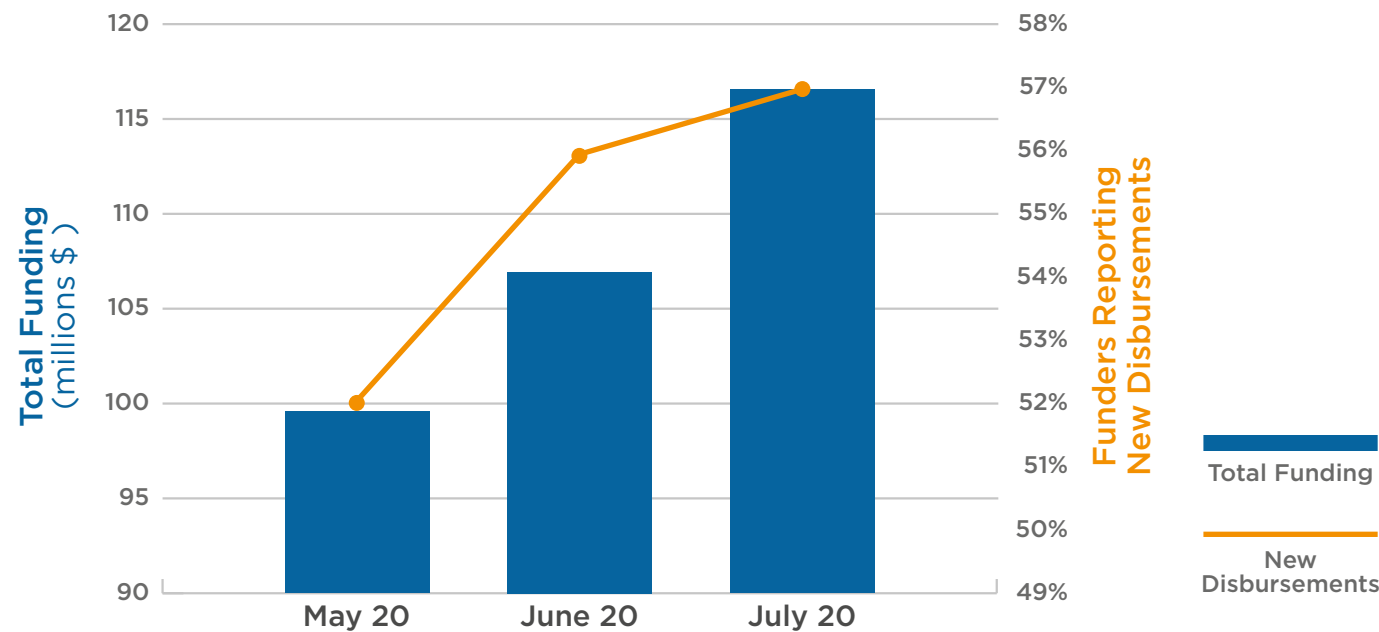
59 funders responded to the survey

Key Findings

Key Finding 1: Funders are Responding

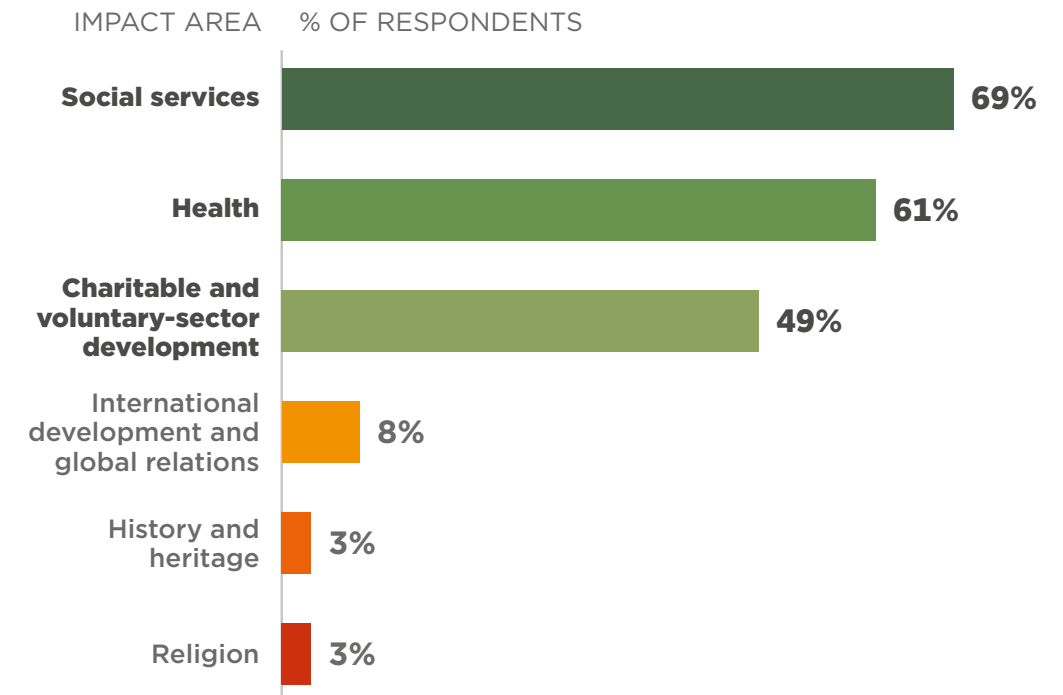
Available data from the past three months reveals that funders are committed to supporting the charitable sector, as evidenced by sustained increases in total funding for COVID-19 emergency response funds. Figure 1 illustrates an upward trend in total funding from over \$99 million in May to over **\$116 million in July**.*

Figure 1: COVID-19 Response Funding



Key Finding 2: Social Services and Health are Top Two Targeted Sectors

Social services, health followed by **charitable sector development** remain the most prioritized areas in the national philanthropic response to the COVID crisis, in terms of the number of funders targeting each sector.



Key Finding 3: Funders are Interested in Collaborating

Funders report that establishing collaborations and building relationships are vital, especially during the health crisis. **75% of funders** consistently report an interest in collaboration.**



“We are all about collaboration and shared learning with community partners, funding partners, government agencies and others. This moment in time presents an opportunity to collaborate differently for lasting change.”

“We actively seek collaboration with other funders and have created a working group with three other foundations to analyse and coordinate our response.”

“There are a number of groups duplicating services in the communities. Foundations need to act as leaders and nourish environments that foster collaboration to ensure that both our dollars and the public funds stretch as far as they can [...]”

* Based on responses from 59 funders.

** Funders envision collaboration via co-funding, knowledge sharing and shared learning, specifically for the purposes of identifying urgent needs and avoiding duplication of services.

Philanthropic Funding and COVID-19 Guiding Principles

With input from the charitable sector, PFC and its partners identified 5 guiding principles to assist foundations in supporting and sustaining their grantees through the pandemic. The data suggests that funders' responses to COVID-19 are aligning with the five guiding principles. Here's how respondents have been incorporating these principles:

PRINCIPLE 1: **Be flexible, pragmatic and proactive in grant-making**

Funders are loosening restrictions, accelerating payment schedules, simplifying application guidelines, and protecting the operational capacity of partners.



64% Modified reporting procedures and deadlines



64% Allowed reallocation of existing grants to COVID-19 related activities



58% Removed restrictions on existing grants



41% Advanced payments on existing grants



34% Modified application processes

PRINCIPLE 2: **Collaborate on or contribute to emergency funds at the community and national levels**

By reaching out to partners and looking for practical ways to enhance funding in communities, funders are working to avoid redundancy and simplify procedures.



83% Provided funding to support COVID-19 response



46% Modified payment schedules and other banking procedures



16% Contributed to pooled funds

PRINCIPLE 3: **Protect the capacity and resilience of non-profit and charitable organizations**

As charities and non-profits struggle to stay afloat in the wake of significant drops in revenue, funders are looking to offer their expertise and resources to sustain operations and bridge service gaps during the crisis.



49% Supported charitable and volunteer-sector development

PRINCIPLE 4: **Support advocacy in equity-seeking groups**

COVID-19 continues to magnify pre-existing health and social inequities. The philanthropic response is seeking ways to support community-based and equity-seeking organizations.



27% Provided in-kind support or pro bono services



25% Supported Indigenous organizations



19% Provided funds to non-qualified donees

PRINCIPLE 5: **Take the long view and stay engaged**

Funders are looking to the future to periods of stabilization, recovery and rejuvenation.



75% are collaborating with other funders

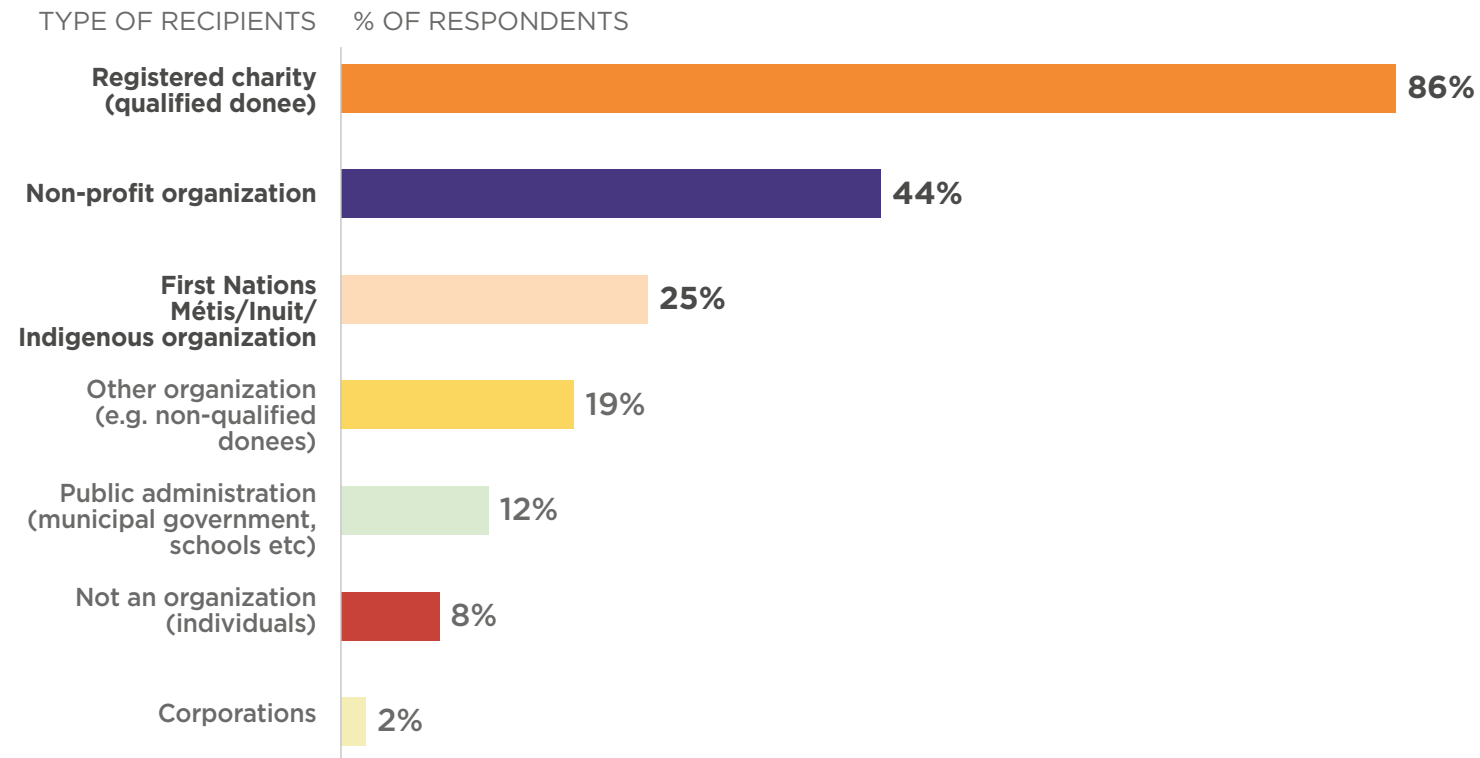


57% have increased their disbursement

Funding Landscape in Response to COVID-19

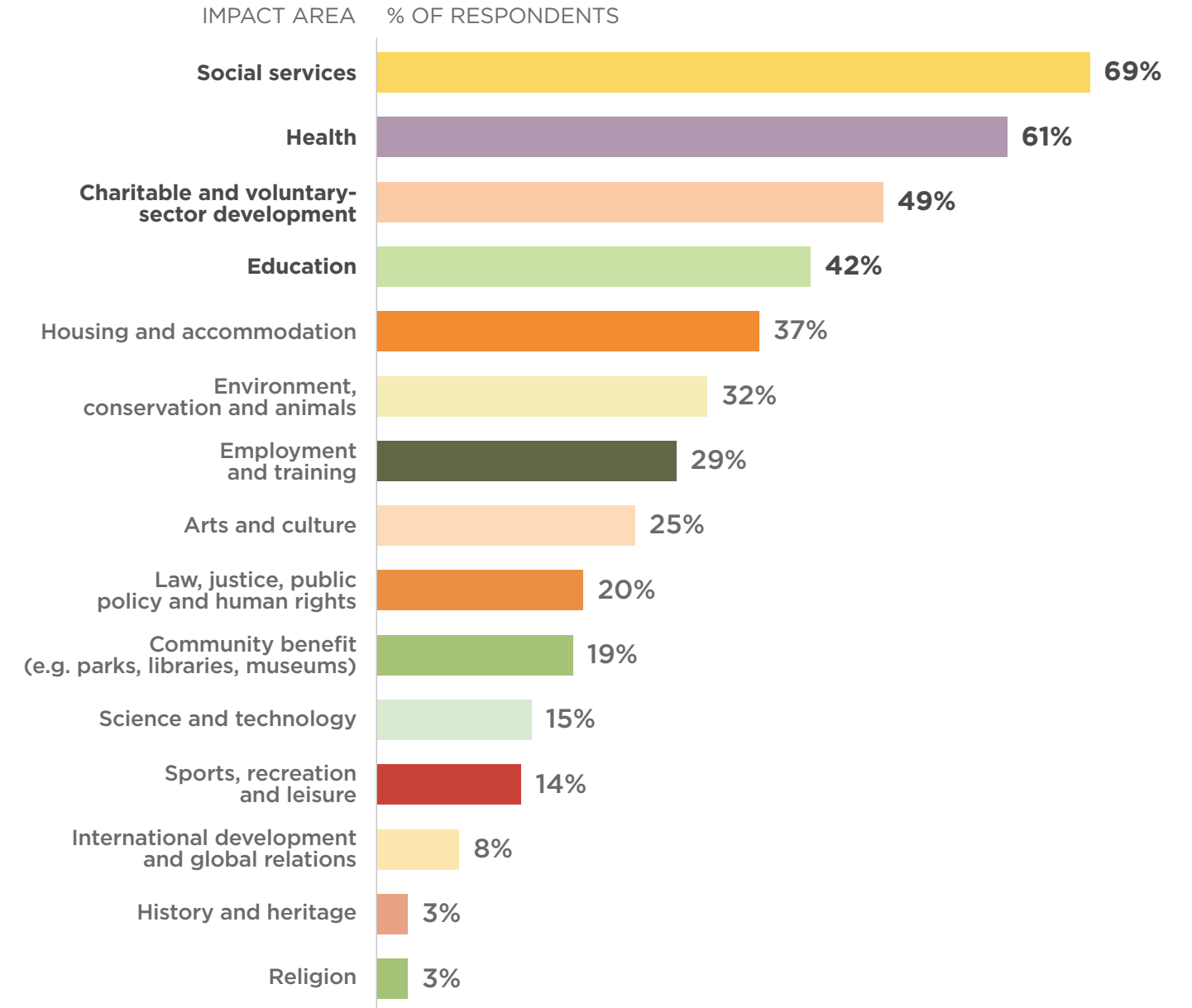
What types of organizations are funded?

The majority of funding is directed to **registered charities** followed by **non-profit organizations** and **Indigenous organizations**.



What sectors are funded?

The top two sectors being funded are **social services and health**, followed by **charitable sector development** and **education**. With less funding directed to arts and culture, community and recreation.*

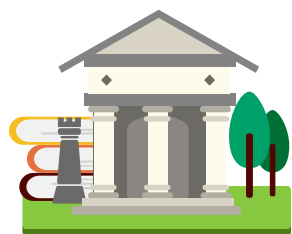
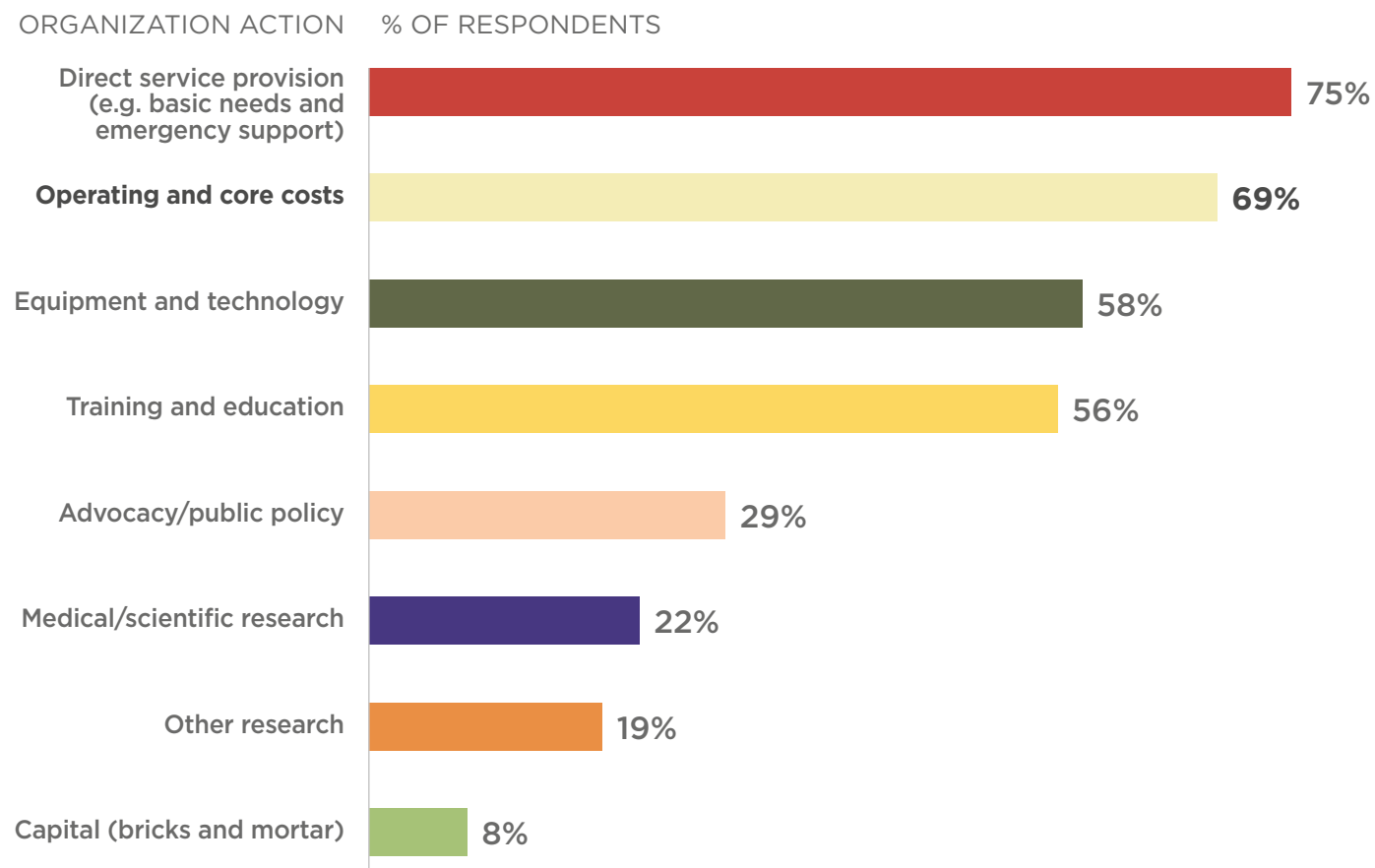


* These findings support an observation highlighted in Imagine Canada's Sector Monitor that these sectors are indeed experiencing considerable challenges. Lasby, David. May 2020. "Imagine Canada's Sector Monitor Charities & the COVID-19 Pandemic"

Funding Landscape in Response to COVID-19

What initiatives are funded?

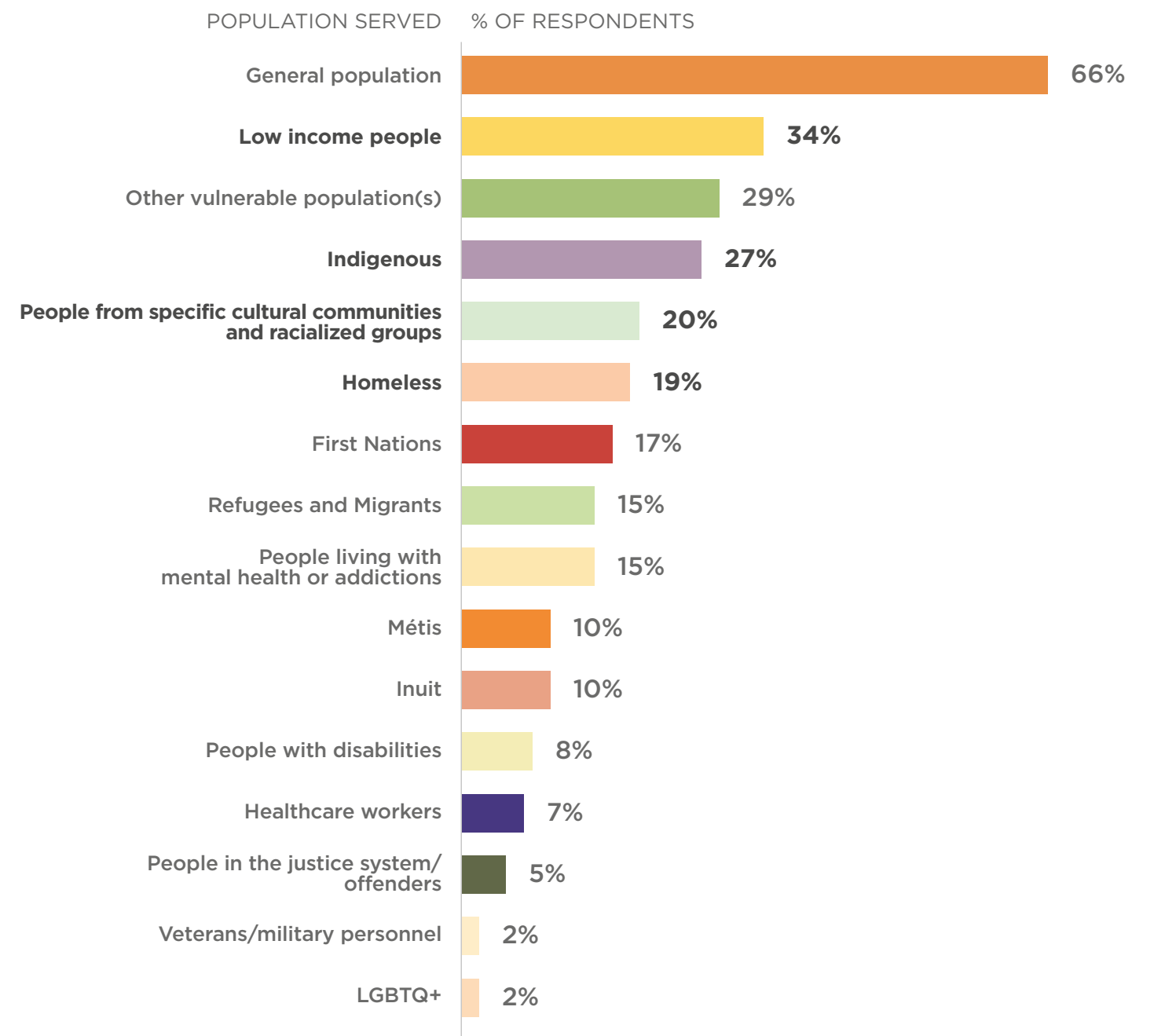
While it is not surprising that funders would support direct service provision, what is interesting is that **69% of organizations are funding operating and core costs**. This shift in support highlights the fact that some funders are reaching outside of their usual grantmaking scope* in order to respond to the most pressing needs of their grantees.



* Existing research suggests that community and private foundations offer core funding rather selectively. Gronbjerg, Kirsten, Laura Martell and Laurie Paarlberg. 2000. "Philanthropic Funding of Human Services: Solving Ambiguity Through the Two-Stage Competitive Process." Nonprofit and Voluntary Sector Quarterly 29(1): 9-40.; Akingbola, Kunle. 2004. "Staffing, Retention and Government Funding". Nonprofit Management and Leadership, Vol 14(4): 453-465.

What populations are funded?

Funders are supporting more vulnerable populations, with a greater share of respondents' funding targeting **low income individuals, Indigenous populations, specific cultural communities** and the **homeless****.



** The data shows only the main prioritized populations being supported by funders as part of their COVID-19 response. Their responses may be intersectional and can serve multiple communities simultaneously.

A Peek into the Post-COVID Future

Even though the future remains uncertain, some organizations are beginning to ponder the post-COVID reality and a potential return to normalcy. Some thoughts about the future:

“Re-imagining the future together with community; what does a new normal look like; how do we re-structure to participate in society alongside community and with a focus on community well-being.”

“The post-COVID world: What kind of support the sector and the communities we work with will need to re-engage with normalcy, whatever that may mean.”



Philanthropic Foundations Canada (PFC) is a member association of Canadian grantmakers, including private and public foundations, charities and corporations. We seek to support our members and organized philanthropy by encouraging public policies that sustain the sector, by increasing awareness of philanthropy's contribution to the well-being of Canadians, and by providing opportunities for funders to learn from each other.

To learn more, visit: pfc.ca

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