

# Profiles and Trends of Canadian Philanthropic, Environmental, Land, and EGP Donors

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# Profiles of Canadian Philanthropic, Environmental, Land, and EcoGifts Donors

## ***Background***

Since 1995, Environment Canada's Ecological Gifts Program (EGP) has enabled individual and corporate landowners to protect their ecologically-sensitive land by donating it to an approved environmental charity, land trust recipient or government body. In order to forecast anticipated land gifts over the coming years, EGP wants to understand donor characteristics and begin to collect market indicators.

*The objective of the Ecological Gifts Program (EGP) is to secure and protect ecologically sensitive lands across Canada<sup>1</sup>. Under the program, landowners are encouraged to donate lands (i.e., forests, marshes, grasslands, wetlands and shorelines) to the federal government, a province or territory, a municipality or an approved environmental charity. Donors who make an EGP land donation are eligible for special income-tax benefits under the *Income Tax Act of Canada and the Quebec Taxation Act*.*

The focus of the EGP is on protecting lands that are privately-owned. Since, 90% of Canada's lands are owned by various levels of government, the Program's focus is on the 10% that is privately-owned by individuals, families or corporations. This 10% represents an area of about 100 million hectares.

Much of Canada's critical wildlife habitat is located in the same southern regions of Canada where 33 million Canadians live. These southern eco-regions are home to the greatest diversity of wild animals and plants needing protection. In these areas, human population density, the concentration of roads and infrastructure and the extent of land conversion to agriculture and urban development have become significant threats to several species and their habitat. The Program, thus, seeks to conserve ecologically sensitive lands remaining both in rural areas and near or in population centers.

Over the past 10 years, the EGP has certified more than 325 ecological gifts of land totaling more than 24,000 hectares and valued at more than \$67.3 million. EGP land donations are donated most often by families and individuals (88%) with only a small percentage (12%) coming from estates or corporations. The number one reason for donating land according to interviews with land trusts recipients and donors is a conservation mindset and drive to leave a legacy of natural beauty for future generations. Tax advantages are important but to a lesser degree.

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<sup>1</sup> Source: RMAF, October 2002 and interview with the EGP National Coordinator, May 2003.

## ***Purpose***

The purpose of this research paper is to examine Canada's donation trends broadly and more specifically to the environmental, land, and EGP giving community. The paper builds on earlier Land Donor and Recipient Survey research completed in 2003 and includes additional sources of information. It explores national and, in some cases, regional profiles of: (1) Canadians donating money and assets to charitable organizations, (2) Canadian environmental donors, (3) Canadian land donors; and (4) land donors certified by the EGP.

## **A Profile of Canadian Donors**

### ***How Many Canadians Donate and How Much?***

In 2003, Canadians donated a record \$6.5 billion to Canadian charities. This represents an increase of 11.4% from 2002 according to Statistics Canada. The number of Canadians donating also increased in 2003, up 1.2 per cent to about 5.6 million people. For perspective, in 2001, 5.5 million Canadians made donations of \$5.51 billion representing an increase of 1.4% from the previous year and an 11% increase from the \$4.5 billion donated in 1997.

When looking at dollar values over the last decade, the trend is towards increasing gifts. Giving in Canada increased 85% from 1991 to 2002, with contributions split 75% from individual Canadians, 13% from corporations, and 12% from foundations.<sup>2</sup> However, the total number of donations is on the decline, meaning there are fewer people making higher value gifts. As an example of this, 70 million donations were made in 2000, down from 74 million in 1997.<sup>3</sup> In 2003, only 25% of Canadian tax-filers claimed charitable donations. Of all the provinces Manitoba continues to have the highest proportion of donors reporting 28% of tax-filers making donations in 2003.<sup>4</sup>

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<sup>2</sup> Speech to the Association of Fundraising Professional's Greater Toronto Chapter's 2002 Congress by Marnie Spears, President and CEO, Ketchum Canada

<sup>3</sup> Understanding Canadian Donors, Using the National Survey of Giving, Volunteering and Participating to Build Your Fundraising Program, Norah McClintock, 2004 Canadian Centre for Philanthropy [http://www.givingandvolunteering.ca/pdf/reports/Understanding\\_Donors.pdf](http://www.givingandvolunteering.ca/pdf/reports/Understanding_Donors.pdf)

<sup>4</sup> <http://www.statcan.ca/Daily/English/041104/d041104b.htm>

Table 1: 2003 Charitable Donations by Province: Change from 2002-2003

<b>Charitable donations</b>							
<b>2003</b>							
	<b>Donors</b>				<b>Donations</b>		
	<i>Number of Donors</i>	<i>2002 to 2003</i>	<i>Amount</i>	<i>2002 to 2003</i>	<i>Median</i>		<i>As % of Total taxfilers</i>
		<i>% change</i>	<i>\$ thousands</i>	<i>% change</i>	<i>\$</i>	<i>% change</i>	<i>%</i>
<b>Canada</b>	<b>5,588,590</b>	<b>1.2</b>	<b>6,513,013</b>	<b>11.4</b>	<b>220</b>	<b>4.8</b>	<b>25</b>
Newfoundland and Labrador	81,750	1.1	61,630	-5.1	310	0.0	21
Prince Edward Island	26,330	0.6	23,719	10.7	330	0.0	26
Nova Scotia	156,990	0.9	144,616	9.2	270	0.0	23
New Brunswick	127,370	0.0	129,486	11.7	270	3.9	23
Quebec	1,265,100	1.1	673,556	10.3	110	0.0	23
Ontario	2,285,820	1.2	3,284,841	12.4	270	3.9	27
Manitoba	232,320	0.9	303,775	13.8	270	3.9	28
Saskatchewan	187,310	-0.2	205,685	8.8	290	3.6	27
Alberta	552,050	1.9	810,556	12.0	260	4.0	25
British Columbia	663,860	1.9	865,280	9.3	270	3.9	23
Yukon	3,700	-4.4	3,496	-3.6	230	15.0	18
Northwest Territories	4,470	5.2	4,314	9.1	190	0.0	17
Nunavut	1,540	4.1	2,061	11.0	410	2.5	10

Source: Statistics Canada, CANSIM, table 111-0001  
<http://www.gdsourcing.ca/works/CharityStatsCan.htm>

Table 2: 2003 Charitable Donations by Province

Table: 2003 Charitable Donors by Province							
2003							
	<i>Taxfilers<sup>1</sup></i>	<i>Donors</i>		<i>Donation</i>		<i>Donor's Total Income Median \$</i>	<i>% of Population Making Donations</i>
		<i>Number</i>	<i>Average age</i>	<i>Amount</i>	<i>Median</i>		
				<i>'000s \$</i>	<i>\$</i>		
Canada	<b>22,465,770</b>	<b>5,588,590</b>	<b>52</b>	<b>6,513,013</b>	<b>220</b>	<b>42,400</b>	
Newfoundland and Labrador	388,150	81,750	53	61,630	310	32,900	24.9%
Prince Edward Island	101,500	26,330	53	23,719	330	34,400	21.1%
Nova Scotia	670,130	156,990	55	144,616	270	38,000	26.0%
New Brunswick	555,060	127,370	53	129,486	270	35,900	23.4%
Quebec	5,619,100	1,265,100	52	673,556	110	40,200	22.9%
Ontario	8,472,870	2,285,820	52	3,284,841	270	45,600	22.5%
Manitoba	820,500	232,320	52	303,775	270	37,200	27.0%
Saskatchewan	702,150	187,310	54	205,685	290	37,000	28.3%
Alberta	2,206,510	552,050	50	810,556	260	45,500	26.7%
British Columbia	2,867,810	663,860	53	865,280	270	42,000	25.0%
Yukon	20,340	3,700	49	3,496	230	53,200	23.1%
Northwest Territories	26,790	4,470	44	4,314	190	70,400	18.1%
Nunavut	14,880	1,540	44	2,061	410	69,800	16.7%
							10.3%

Source: Charitable Donors, Statistics Canada <http://www.statcan.ca/english/Pgdb/famil90.htm>

Table 4 on the following page published by the Canadian Centre for Philanthropy provides a comprehensive overview of Canadian donor characteristics and profiles:

Table 3: Canadian Donor Characteristics and Profiles

<b>Table 1. Donating and personal and economic characteristics</b>						
	Donation rate	Average donation	% Population	% Donors	% Top donors	% Total value of donations
<b>Age</b>						
15 - 24 years	64%	\$118	17%	14%	5%	6%
25 - 34 years	77%	\$229	18%	17%	14%	15%
35 - 44 years	86%	\$242	21%	24%	24%	22%
45 - 54 years	83%	\$338	18%	19%	23%	25%
55 - 64 years	81%	\$316	11%	12%	15%	14%
65+ years	77%	\$308	15%	15%	19%	17%
<b>Sex</b>						
Male	75%	\$260	49%	47%	48%	47%
Female	81%	\$259	51%	53%	52%	53%
<b>Marital status</b>						
Married/Common law	84%	\$282	62%	66%	72%	72%
Single/Never married	66%	\$169	26%	22%	14%	15%
Widow/Widower	77%	\$328	5%	5%	7%	7%
Separated/Divorced	72%	\$286	7%	6%	7%	7%
<b>Education level</b>						
Less than high school	68%	\$152	27%	23%	15%	14%
High school diploma	80%	\$210	20%	20%	16%	16%
Some post-secondary	77%	\$231	9%	9%	9%	8%
Postsecondary diploma	84%	\$252	28%	30%	29%	29%
University degree	84%	\$480	17%	18%	30%	33%
<b>Labour force status</b>						
Employed	82%	\$273	63%	66%	68%	69%
Full-time (>30 hrs/week)	83%	\$274	50%	54%	57%	56%
Part-time (< 30 hrs/week)	76%	\$271	12%	12%	11%	12%
Unemployed	65%	\$139	4%	3%	2%	2%
Not in labour force	73%	\$243	33%	31%	30%	29%
<b>Religious affiliation</b>						
Affiliated	83%	\$296	74%	77%	85%	87%
No affiliation	72%	\$146	26%	23%	15%	13%
<b>Religious attendance</b>						
Weekly attender	90%	\$577	19%	21%	40%	47%
Not a weekly attender	77%	\$176	81%	79%	60%	53%
<b>Religiosity</b>						
Very religious	85%	\$618	11%	12%	21%	29%
Not very religious	79%	\$210	89%	88%	79%	71%
<b>Household income</b>						
< \$20,000	63%	\$142	13%	11%	6%	6%
\$20,000-\$39,999	75%	\$190	26%	25%	18%	18%
\$40,000-\$59,999	79%	\$214	23%	23%	20%	19%
\$60,000-\$99,999	85%	\$275	25%	27%	32%	29%
\$100,000 or more	86%	\$529	12%	13%	24%	27%

Source: The Philanthropic Spirit in Canada, Barriers and Motivations, David Lasby, 2004 Canadian Centre for Philanthropy [http://www.givingandvolunteering.ca/pdf/reports/Philanthropic\\_Spirit.pdf](http://www.givingandvolunteering.ca/pdf/reports/Philanthropic_Spirit.pdf)

## ***What Influences Canadians to Donate?***

Canadian donors made fewer, but larger, individual donations in 2000 and donations appear to vary with changes in economic conditions, which affect discretionary income. Tax policy changes also have an influence on charitable donations, particularly those at the high end of the giving spectrum. The recent introduction of improved tax credit incentives (from 20% to 50% of taxable income for donations) led to a 14% jump in charitable giving in 1996.<sup>5</sup> The effects of introducing split-receipting into the tax equation are also likely to have an affect on charitable giving.<sup>6</sup>

Canadians identify a range of motivations for donations including:

- 94% said they gave out of compassion for those in need
- 91% gave to support a cause in which they personally believed
- 69% gave because they or someone close to them had been personally affected.
- 58% gave out of a belief that they owed something to their community
- 31% gave to fulfill religious beliefs and obligations
- 13% were motivated by a tax credit – however tax considerations became more motivating for those giving more generous donations.<sup>7</sup>

## ***What Organizations do Canadians Donate to?***

In 1984, total donations to 49,000 registered charities were less than \$3 billion. Today there are almost 80,000 charities. Religious organizations continue to receive the highest percentage, and were given \$2.4 billion or 49% of total donations in 2000. This amount has decreased by 2% since 1997 when 51% was given to religious organizations, representing an overall decrease of \$98,000,000. Health related and Social Services also received large proportions, 41% and 20% respectively. ***In 2000, environmental organizations received 2% of charitable donations, representing approximately \$100M, unchanged since 1997.***

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<sup>5</sup> Evaluation of the Ecogifts Program, 2003

<sup>6</sup> Land Donations Projection Research: Land Recipient, Appraisers, and EGP Regional Coordinator Interviews and e-Survey (Anderson, December 2004)

<sup>7</sup> 2000 National Survey of Giving, Volunteering and Participating, Statistics Canada, August 2001

## ***How Do Canadians Donate?***

Statistics Canada is also finding that the way Canadians donate is changing. In 2000, donors made 20% fewer gifts in response to door-to-door canvassing. More donors (25%, a change from 20% in 1997) are now *deciding in advance the amounts they will give and the organizations they will support*. These donors represent 39% of the total value of all donations. Canadians are also starting to take more of an interest in how their donations are used. 46% Canadian donors compared to 40% in 1997 are “thinking that the money will not be used efficiently” and cite this as one of the reasons for not giving more money to charitable and non-profit organizations.

## ***Factors That Influence Canadian Donations***

Canadians ability to donate is influenced by a number of things including financial capacity to give, values and attitudes about giving, and opportunities to give.

- **Demographics** - Canadians aged 35 to 44 are most likely to be donors (86% of population) and the amount given also increases with age and peaks at those aged between 45 and 54.<sup>8</sup>
- **Status** - Canadians married or living in common-law arrangements had a higher likelihood of being donors.
- **Education** - The amount donated and likelihood of making financial donations increased with education. Those with a high school education donated 68% of the time. Of Canadians with a university degree, 84% donated to charity.

## ***Who Donates the Most?***

The top 25% of Canadian donors, those reporting donations of \$213 or more in 2000 on their tax returns, accounted for 40% of the total number of all donations, and 82% of the total dollar value of all donations made in 2000.

Senior Canadians aged 65 years and older contributed 17% of the total value of all donations, and 77% of them made contributions for a total of \$854 million in 2000.<sup>9</sup>

## ***What Stands Out?***

Given the preceding factors in defining the “average” Canadian donor, a surprising finding is that the donor rate among Canadians with incomes of \$100,000 or more

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<sup>8</sup> Factsheet from 2000 National Survey of Giving, Volunteering and Participating, Statistics Canada, August 2001 [http://www.givingandvolunteering.ca/pdf/factsheets/2000\\_CA\\_who\\_are\\_canadas\\_donors.pdf](http://www.givingandvolunteering.ca/pdf/factsheets/2000_CA_who_are_canadas_donors.pdf)

<sup>9</sup> NSGVP 2000, [http://www.givingandvolunteering.ca/pdf/factsheets/2000\\_CA\\_Giving\\_and\\_volunteering\\_in\\_seniors.pdf](http://www.givingandvolunteering.ca/pdf/factsheets/2000_CA_Giving_and_volunteering_in_seniors.pdf)

declined from 91% in 1997 to 86% in 2000. This group's average annual donation also declined in the same period. Another interesting statistic, when annual donations are calculated as a percentage of pre-tax household income, donors in lower household income categories gave a larger percentage of their total income than those in higher income groups—lower household incomes contribute a greater proportion of their income, however they are also subject to less tax.<sup>10</sup>

## Canada's Typical Donor

According to research, a typical Canadian donor is female and married, between the ages of 35 and 54, with a post-secondary education, a full-time job, a combined family income of at least \$60,000, and attends religious services regularly.<sup>11</sup> For all donors, the average size of a donation in Canada is \$10. However, there is a wide range in the value of donations, and in some cases, donors are making significant gifts to charities. In many cases, these are planned gifts, legacies, and higher value donations. The paper explores these below.

## ***Planned Gifts, Legacies, and Higher Value Donations***

The higher the value of the gift the more likely the donor is to have decided in advance which organizations to support: "Canadians are more generous when they plan their charitable giving ahead of time rather than making a contribution on the spur of the moment," this according to a survey by the Investors Group in March 2002, entitled, *Charitable Donations Largest When Planned*.

## Tax Considerations for Higher Value Donations

Although only 13% of Canadian donors at the lower end of the donation spectrum reported being motivated by claiming tax credits, the more a donor gives, the more he or she is likely to claim a tax credit for the donation: 86% of the top 5% of donors who gave more than \$1,088 a year used tax credits.

## A Profile of Canada's Most Generous Donors

Planned, deferred or higher value gifts and donations are typically made by older donors, over the age of 60, whose children are adults and have left the family home, their homes and cottages are paid off, and they are thinking about leaving behind a legacy.<sup>12</sup>

According to the most recent Ipsos-Reid Affluent Canadians Report, over half (57%) of the richest Canadians are retired and their average age is 61.5. This group of Canadians is

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<sup>10</sup> NSGVP 2000

<sup>11</sup> Understanding Canadian Donors, Using the National Survey of Giving, Volunteering, and Participating to Build Your Fundraising Program, Norah McClintock, 2004 Canadian Centre for Philanthropy

<sup>12</sup> Understanding Canadian Donors, Using the National Survey of Giving, Volunteereng and Participating to Build Your Fundraising Program, Norah McClintock, 2004 Canadian Centre for Philanthropy

defined as approximately 200,000 Canadian households with at least \$1 million in household financial assets. Nine in ten, or 87%, of these millionaire households expect to make a financial contribution to a charity or local community organization in the next year.

In addition to owning their primary residence, 34% of these affluent Canadians also own a vacation home, secondary residence, or other property. In a survey report of Affluent Canadians by Ipsos-Reid in 2003, affluent Canadians were asked about the types of residences and properties they owned in addition to their primary residence.

**Table 4: Types of Properties Affluent Canadians Own**

<i>Property Owned</i>	<i>Total</i>	<i>Asset Size</i>				
		<i>\$100K- \$249K</i>	<i>\$250K</i>	<i>\$250K- \$499K</i>	<i>\$500K- \$999K</i>	<i>&gt;\$1M</i>
<i>Vacation Home</i>	290	188	102	53	32	17
	13%	12%	16%	15%	15%	19%
<i>Secondary Residence</i>	219	154	66	35	18	13
	10%	10%	10%	10%	9%	14%
<i>Other property</i>	255	177	78	41	23	13
	11%	11%	12%	12%	11%	15%
<i>Property held solely for the purpose of investment</i>	230	135	95	40	38	18
	10%	8%	15%	11%	18%	19%

Source: Affluent Canadians Report, 2003, Canadian Ipsos-Reid Express, February 10-15, 2004, <http://www.ipsos-na.com/news/pdf/media/mr040308-1tb.pdf>

### ***What's the Future for Canadian Donors?***

The trend towards planned giving by wealthy Canadians is likely to continue and perhaps be supported by other donors. A range of evidence and opinions support this including, Environics, Philanthropic Foundations Canada, Cap Gemini Ernst and Young, Gallop, and Ketchum Canada are set out below.

## Michael Adams, Environics

In his book *Better Happy Than Rich? Canadians, Money and the Meaning of Life*, Michael Adams, President and CEO of the Environics Research Group suggests that socio-cultural change is underway in Canada and “charitable giving is beginning to reflect our desire for greater personal control. Trends like donor-directed giving are demonstrating more thoughtful, informed decisions. Increasingly, our pattern of donating seems to reflect changing social values. Trends like *donor-directed giving* are signaling unwillingness on the part of Canadian philanthropists to throw money at causes they don't understand or which don't seem to be effecting real change. Unlike their parents and grandparents, who supported traditional institutions such as churches, young Canadians are choosing new secular destinations for their donations rather than sending a cheque to the churches and synagogues their parents and grandparents have long supported.”

Charitable giving in Canada was once motivated by a sense of duty and guilt and is now driven by Canadians’ wish to effect measurable change in people’s lives, and their desire to be involved in philanthropic projects that are more fun and more personally meaningful to donors.<sup>13</sup>

Adams notes that although religious institutions still receive more dollars on the whole, a higher proportion of Canadian donors contribute time and money to other types of organizations:

Table 5: Proportion of Canadian Donors that Contribute Time and Money to Other Types of Organizations

<i>Have Donated Time or Money to Organization in the Past Twelve Months</i>	
<i>Charity related to a disease, illness or medical condition</i>	<b>60%</b>
<i>Non-religious charity devoted to social issues</i>	41%
<i>Church/mosque/temple</i>	38%
<i>Charity with a religious affiliation</i>	26%
<i>School or university (alumni donors)</i>	18%
<i>Non-religious charity devoted to environmental issues</i>	<b>12%</b>

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<sup>13</sup> *Better Rich than Happy*, Canadians, Money, and the Meaning of Life, Michael Adams, Environics Research Group, November 2000

<i>Non-religious charity devoted to human-rights issues</i>	12%
<i>Another charity</i>	45%

Source: 1999 Environics 3SC

Using factor analysis, Adams found through his polling and research that senior Canadians (aged 55 years and older) can be classified into three segments

- Rational Traditionalists, (54% of population 55 and older)
- Extroverted Traditionalists, (26% of population 55 and older)
- Cosmopolitan Modernists, (20% of population 55 and older)

Of the three groups, he suggests the Cosmopolitan Modernists are those most likely to donate to environmental causes. He notes, “the Cosmopolitan Modernists are concerned with the mark they will leave on this planet. Their relative prosperity and concern for community will cause many CosMods to leave significant legacies—both material and personal—to their families and chosen causes. They do want to make a difference and be remembered for having contributed something genuinely valuable to their families and communities, and they have the resources and the will to do so.”

According to Statistics Canada, the total population in Canada on April 1, 2004 was 31,825,416. In June 2003, 20% of Canadians representing 6,266,500 people were aged 55 and older, and 12.8% or 4,060,100 were senior Canadians 65 years and older. Applying Michael Adams’ Cosmopolitan Modernists segment to 20% of the Canadian population aged 55 and older, it would seem that 1,253,300 in this age bracket may be looking to leave behind meaningful legacies. Applying the same CosMod segmentation to Canadians 65 years and over, and it would appear that approximately 812,020 senior Canadians will be seeking to leave meaningful contributions.

In the following table, total Canadian populations are shown for each province including senior Canadians aged 65 and over. The CosMod segmentation has been applied to the 65 and over age group to begin to predict how many people in each province may be looking to leave behind a meaningful legacy. In Adam’s earlier work entitled, “Sex in the Snow, Canadian Social Values at the End of the Millennium” he notes that “a slightly higher than average proportion of CosMods live in BC.”<sup>14</sup> Please note that as the “slightly higher” proportion is unknown, it has not been reflected in the table that follows:

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<sup>14</sup> Sex in the Snow: Canadian Social Values at the End of the Millenium, Michael Adams, Environics Research, 1997

Table 6: Canadian Population by sex and age group

	<i>2003</i>				<i>CosMods</i>
	All ages	0-14	15-64	65 and over	65 and over
	Both sexes (thousands)				Actuals
<i>Canada</i>	31,629.7	5,781.6	21,787.9	4,060.1	812,020
<i>Newfoundland and Labrador</i>	519.6	84.7	369.6	65.3	13,060
<i>Prince Edward Island</i>	137.8	25.7	92.9	19.1	3,820
<i>Nova Scotia</i>	936.0	159.4	646.4	130.3	26,060
<i>New Brunswick</i>	750.6	126.8	522.1	101.7	20,340
<i>Quebec</i>	7,487.2	1,284.1	5,202.0	1,001.1	200,020
<i>Ontario</i>	12,238.3	2,307.1	8,385.3	1,545.9	309,180
<i>Manitoba</i>	1,162.8	235.1	769.6	158.1	31,620
<i>Saskatchewan</i>	994.8	203.0	644.2	147.6	29,520
<i>Alberta</i>	3,153.7	622.9	2,205.3	325.5	65,100
<i>British Columbia</i>	4,146.6	705.7	2,879.6	561.3	112,260
<i>Yukon</i>	31.1	6.0	23.0	2.0	400
<i>Northwest Territories</i>	41.9	10.6	29.5	1.8	360
<i>Nunavut</i>	29.4	10.4	18.3	0.7	14

*Note: Population on July 1.*

*Source: Statistics Canada, CANSIM II, table 051-0001.*

Interestingly Adam’s research also finds that older Canadians who are very wealthy, “are worried not about leaving too little to their children, but about leaving too much.” Older, wealthy Canadians “realize that if they are too indulgent, they will undermine the very values they wish to leave as their legacy.”

Adams describes those in a younger age group (aged 30-49) that most closely resemble CosMods from an environmental perspective as "Autonomous Rebels" comprising one-quarter of Canadian boomers or 2.4 million Canadians. He notes that a slightly higher than average proportion lives in Vancouver. In this book, *Sex in the Snow*, Adams describes Autonomous Rebels as: "The rejection of authority and skepticism regarding the motives of big business and big government is reflected in a strong concern for the environment. Autonomous Rebels take a global view of environmental issues. They believe that real ecological balance is achievable, and are very concerned with what they see as an inadequate response on the part of the private and public sectors." "They are more interested in a job that provides personal fulfillment than in a pay cheque with a lot of zeros." "Tend to have higher incomes and higher levels of education, and an above-average proportion are professionals."

## Philanthropic Foundations Canada

Even the Baby Boomers inheriting a majority of this intergenerational wealth can be expected to donate differently to charity than in the past. In a May 20, 2004 article in Montreal's *The Gazette* newspaper titled "World of Charity on the Cusp of Change", Montreal-based Philanthropic Foundations Canada states that the trillion-dollar inter-generation transfer of wealth has already started and is expected to continue over the next 20 years. "The baby boomers who are inheriting wealth have a profoundly different attitude from past generations," explains Marvi Ricker, managing director of philanthropic services at BMO Harris Bank in the *Gazette* article. "They don't want to passively write cheques, they want to be directly involved. They want to change the world and make a difference."

Philanthropic Foundations Canada sees the emergence of a new type of entrepreneurial, activist philanthropist. These are people who have made money on their own and who tend to donate six times as much to charity as those who inherit money. They are more results-oriented and intent on quantifying the impact their donations make.

Canadians tend to give more when they plan their charitable donations ahead of time, and 32% of Canadians planned their donations compared to 64% who did not.<sup>15</sup>

## Cap Gemini Ernst & Young

Cap Gemini Ernst & Young Consulting Services in Toronto reports that as life expectancy continues to expand, inheritors are receiving their money at an older age, usually in their 40s and 50s. Since the people receiving significant inheritances tend like their parents to be successful, they are generally in reasonable financial shape - and already have a financial advisor. "For the most part, it's simply new money for an existing relationship," says Colin Deane, a Principal of Cap Gemini Ernst & Young. "It would

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<sup>15</sup>Charitable Donations Survey, March 20, 2003, Investors Group, Canada and Decima Research. [http://www.investorsgroup.com/english/about\\_us/news\\_releases/2003/030320charitable\\_donation.htm](http://www.investorsgroup.com/english/about_us/news_releases/2003/030320charitable_donation.htm)

only be such a windfall for 15% of the inheritors that they would need to find new help."<sup>16</sup>

## Gallop

A 1997 Gallop Poll research on behalf of the Investor's Group finds regional differences across the country when it comes to the inheritance wave. British Columbians are more likely to put their inheritance into buying a business (14.9 per cent, compared to 5.8 per cent nationally) and are less likely to use the funds to finance children's education (7.5 per cent compared to 18.8 per cent nationally). In Quebec, fewer people are expected to inherit a family home (28.9 per cent compared to 35.8 per cent nationally), perhaps attributable to the fact that fewer people own homes in Quebec than other provinces. Fewer people in Atlantic Canada, 18.7 per cent, are expecting to receive an inheritance, compared to 25 per cent nationally, and in the Maritimes, 35.7 per cent expect to inherit a second property, compared to 18.5 per cent nationally. Six per cent of Prairie residents expect their inheritance to support them when they retire, compared to three per cent nationally. Ontario residents expect to get the bigger bequests: 6.4 per cent look to receive more than \$500,000, almost half as many again as the 4.4 per cent across Canada who anticipate receiving such a large inheritance. So regional disparities should be taken into consideration when organizations are planning how to attract more donor dollars.<sup>17</sup>

Some Canadian inheritance insights identified by Gallop include:

- Canadian baby boomers are expected to inherit an estimated one trillion dollars in bequests over the next 20 years.
- Four in ten Canadians will inherit money, with some expecting to receive \$500,000 or more.
- One-third of those expecting to inherit will receive between \$25,000 and \$100,000; fifteen per cent anticipate receiving between \$100,000 and \$500,000; and four per cent expect more.
- Between eight and 10 million bequests are expected as a result of the record accumulation of wealth in Canada since World War II.

## Ketchum Canada

In a 2003 *Philanthropic Trends* report by Ketchum Canada, President, Marnie Spears says in an uncertain world marked by local wars, volatile markets, SARS and West Nile, Canadians continue to increase their giving to good causes, but at a slower rate than in

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<sup>16</sup> [http://www.advisor.ca/edge/article.jsp?content=20011100\\_000000\\_0007](http://www.advisor.ca/edge/article.jsp?content=20011100_000000_0007)

<sup>17</sup> <http://www.charityvillage.com/cv/research/rsta21.html>

the past. Vying for this slowly growing pot of money are 79,256 charities (2002 figures), vs. the 35,000 which existed when charity registration began in 1967, a 126% increase in 35 years.

Basing her conclusions on a variety of statistics drawn from Ketchum's research, material from **Canada Customs and Revenue** and **Statistics Canada**, and the *National Survey on Giving, Volunteering and Participation*, Spears notes that: "going forward, individual giving will be the cornerstone of successful development programs, with major gifts leading the way."

In the professional arena, philanthropic advising is also becoming important with specialized lawyers, financial advisors, and community foundations. Banks and financial organizations such as BMO Harris Private Banking offer a "Philanthropic Services" division to provide advice to Canadians about "strategic philanthropy," donor-directed counseling and tax advice for those planning a legacy or major donation.

A poll in 2000 indicated that Canadians have a high level (77%) of trust in charities and the people who work in them, ranking them second only to doctors and nurses and well ahead of politicians. While the research shows that Canadians for the most part trust charities, they want information about the charities programs, how donations will be used, and the specific impact of their work. Canadians are now looking to make meaningful contributions that can have a tangible and lasting impact.

## **Canadian Environmental Donors**

The environmental consciousness of Canadians has increased in the last 25 years and. Canadians are increasingly interested in protecting the environment<sup>18</sup>.

### ***Canadians' Concern for the Environment***

In a 1999 *Environics Poll*, the environment topped the list of Canadians' concern. Asked to name "*the greatest threat to future generations*", Canadians ranked pollution and conservation issues the highest, ahead of the economy (Vancouver Sun, Sept. 20, 1999). Also, a July 2002 *Environics poll* indicated that the loss of natural areas is the issue that most strongly resonates with Canadians concerned about urban sprawl. Nine out of ten (90%) Canadians continue to be concerned about the state of wildlife and natural habitats.

Reflecting Canadians higher environmental values, the 44-Nations Global Attitudes Survey conducted in 2002, found that 82% of Canadians mostly or completely agree that protecting the environment should be given priority, even if it causes slower economic growth and some loss of jobs:

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<sup>18</sup> Source: "Here Today, Here Tomorrow," Legal Tools for the Voluntary Protection of Private Land in BC, Chapter 2: Protection of Private Land, West Coast Environmental Law, 1994.

Table 7: Protecting the environment should be given priority, even if it causes slower economic growth and some loss of jobs (percent)

	<i>Canada</i>	<i>US</i>
<i>Completely agree:</i>	42	25
<i>Mostly agree:</i>	40	44
<i>Mostly disagree</i>	12	18
<i>Completely disagree</i>	4	8
<i>Don't know/refused</i>	14	

Source: 2002 44-Nations Global Attitude Survey

A range of other environmental statistics support Canadian environmental values:

- Canada ranks 4<sup>th</sup> out of 142 countries in a survey on environmental health.<sup>19</sup>
- 90% of Canadian shareholders believe that mutual fund managers and analysts should consider a company's environmental performance when valuing a stock.<sup>20</sup>
- 90% of Canadians think that the federal government should require companies to report on their environmental and social performance.<sup>21</sup>

### ***Canadian Donations for Environmental Causes***

Despite this research, of the \$2.7 billion of private donations given to Canadian charities, 2.7% of this amount or \$50,000,000 is donated to environmental causes.<sup>22</sup> In 2000, of the \$5 billion Canadians donated to Canadian charities and non-profit organizations, 2% representing \$100M was donated to environmental organizations.<sup>23</sup> This figure appears to contrast with the 44% of Canadians citing the environment as a top problem facing the

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<sup>19</sup> Source: Yale Center for Environmental Law and Policy and the Columbia University's Center for International Earth Science Information. (1<sup>st</sup> is Finland, 2<sup>nd</sup> Norway, 3<sup>rd</sup> Sweden, 51<sup>st</sup> USA)

<sup>20</sup> Source: 2003 Environics poll for Environment Canada.

<sup>21</sup> Source: 2003 Environics poll for Environment Canada

<sup>22</sup> Source: Ketchum's Philanthropic trends, Spring 2002

<sup>23</sup> Ibid

world today.<sup>24</sup> As is seen in the previous section on Philanthropic Donors in Canada, far greater funds are donated to Religion, Health, Social Services and Education.

**Table 8: Selected Characteristics of Givers to Non-Profit Environment Organizations, for Canada**

<i>Age of Donors</i>	<i>Number of Donors 1997</i>	<i>Number of Donors 2000</i>	<i>% Change</i>
<i>15-24 years</i>	97,300	143,300	<b>32.0%</b>
<i>25-34 years</i>	328,000	274,000	-19.7%
<i>35-44 years</i>	364,200	312,600	-16.5%
<i>45-54 years</i>	281,600	325,900	<b>13.6%</b>
<i>55-64 years</i>	170,500	199,800	<b>14.6%</b>
<i>65 years and over</i>	211,100	188,000	-12.3%
<b><i>Total</i></b>	1,452,700	1,443,600	-0.6%

Source: 2000 National Survey of Giving, Volunteering and Participation

In a survey of Affluent Canadians in 2003, 3% expect to donate to charities that fund environmental and conservations groups. Slightly more, 7%, intend to donate to charities that fund wildlife or animal causes.<sup>25</sup>

**Table 9: Proportion of Affluent Canadians Donating to Environmental Causes**

<i>Environmental Cause</i>	<i>Base: 1,782</i>					
	<i>Proportion of Affluent Canadians</i>	<i>Asset Size</i>				
		<i>\$100K- \$249K</i>	<i>&gt;\$250K</i>	<i>\$250K- \$499K</i>	<i>\$500K- \$999K</i>	<i>\$1M</i>
	113	79	34	16	10	8

<sup>24</sup> 2002 Global Attitudes Project

<sup>25</sup> Affluent Canadians Report 2003, Canadian Ipsos-Reid Express, February 10-15, 2004  
<http://www.ipsos-na.com/news/pdf/media/mr040308-1tb.pdf>

<i>Charities that fund wildlife or animal causes, such as WWF, Cdn Wildlife Foundation, SPCA, etc.</i>	113	79	34	16	10	8
	7%	7%	6%	6%	6%	10%
<i>Charities that fund environmental and conservation groups such as Western Canada Wilderness, etc.</i>	43	25	18	9	8	1
	3%	2%	3%	3%	4%	2%

Source: Ipsos-Reid Affluent Canadians Report 2003 <http://www.ipsos-na.com/news/pdf/media/mr040308-1tb.pdf>

In the Association of Fundraising Professional's annual State of the Fundraising Survey, results show that charities in Canada continued the trend of improved fundraising, with 74 percent of charities reporting raising more funds in 2003 than in 2002, increasing from 62 percent of respondents in 2002. Twenty-two percent of respondents reported raising fewer funds in 2003 and 4 percent saw no change in the funds raised. Forty-three percent of organizations raised less than \$1 million in contributions and 56 percent reported \$1 million or more in contributions. The largest single group is comprised of those who raised \$1 million to \$5 million (30 percent).

Canadian fundraisers reporting raising more funds attributed improved growth to increased awareness of their organizations and good standing in the community. Other positive factors cited included:

- fundraising strategies, particularly high-profile special events
- board and staff dedication, hiring fundraising officers and supportive executives
- interest and support of the charity's mission
- other influences noted were federal, corporate and foundation grants; the improved economy; and internal investments, such as a new database or a new office location.

The top Canadian concern was increased fundraising competition, ranked as the greatest challenge of 2003 by roughly 25 percent of Canadian respondents.

The average overall increase in fundraising for all Canadian and US respondents to the survey was 5.74% and Environment organizations increased their average by 6.59%.<sup>26</sup>

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<sup>26</sup> Association of Fundraising Professional's State of Fundraising Survey 2003. [http://www.afpnet.org/content\\_documents/AFP\\_State\\_of\\_Fundraising\\_2003\\_7-9-04.pdf](http://www.afpnet.org/content_documents/AFP_State_of_Fundraising_2003_7-9-04.pdf)

Table 10: 2003 Fundraising Goal Success Rate –Canadian Respondents

	All	Arts/ Culture	Social Srvcs	Educa- tion	Environ- ment	Public/ Social Benefits	Health- care	Relig- ious
<b>Reached Goal</b>	71.2%	50%	83.3%	54.5%	<b>75%</b>	66.7%	75%	66.7%
<b>Didn't Reach</b>	28.8%	50%	16.7%	45.5%	<b>25%</b>	33.3%	25%	33.3%

Source: Association of Fundraising Professional's State of Fundraising Survey 2003

Table 11: Giving Increase Reported by Charitable Organizations in 2003

	<i>Percent of increase</i>
<i>Overall Increase 2003</i>	5.74%
<i>Education</i>	12%
<i>Environmental</i>	<b>6.59%</b>
<i>Religious</i>	6.25%
<i>Healthcare</i>	4.44%
<i>Social Services</i>	4.16%
<i>Arts and Culture</i>	.82%
<i>Other (including Intl. Organizations)</i>	.87%

Source: Association of Fundraising Professional's annual State of the Fundraising Survey 2003

## Canadian Land Donors

Canada's total land mass is 10 million square kilometers. Of this 9.2 square kilometers is land, 8 is water, and 9% of Canadian lands are privately-owned.

A July 2002 *EnviroNics* public opinion survey indicated that 68% of Canadians feel strongly that natural areas should be permanently protected from development such as urban growth. Some 59% of respondents strongly agreed that agricultural lands should be protected from development as well. This is particularly true of elderly landowners, a significant component of the donors to date under the EGP. A further *EnviroNics* survey of rural landowners conducted in June 2003 indicates environmental issues top the list of issues of concern to ranchers, farmers and other rural residents. Over 80% of those surveyed in June 2003 also support stewardship.

Canadians lack knowledge of conservation options as indicated by the 2002 *EnviroNics* Poll which found that 68% of Canadians do not feel that they have sufficient knowledge about the environment to make informed decisions about conservation.

### ***Intergenerational Transfer of Land Assets***

Over the next ten years, the Nature Conservancy of Canada (NCC) has estimated, in presentations at national conferences and before House of Commons committees, that one trillion dollars in land and other private landowner assets – often encompassing ecologically significant land – will be transferred between generations. The NCC has indicated that there is a unique opportunity to take advantage of this transfer and protect Canada's natural heritage by encouraging the donation of ecologically sensitive lands. This could be a significantly less expensive approach than other land protection strategies, such as direct acquisition.

As comparison, in the US, researchers are predicting that tens of trillions of dollars will be transferred from one generation to another over the coming years. Researchers at the Social Welfare Research Institute (SWRI) can accurately predict that \$444 billion of that transfer will be given to US charities, and they say much of that amount will be in the form of non-cash gifts including increasingly gifts of real estate and primarily because the value of the real estate tends to increase through a donor's lifetime.<sup>27</sup> The SWRI study found that gifts of real estate are more popular among lower and intermediate level donors, deemed by the SWRI study as net worth of less than \$1 million. By contrast,

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<sup>27</sup> The Role and Impact of Gifts and Estates, Social Welfare Research Institute, Boston College

<http://www.bc.edu/research/swri/meta-elements/pdf/Identification&Transfers.pdf>

other assets such as art donations make up a larger percentage of gifts with donors whose net worth is more than \$5 million.<sup>28</sup>

## ***Agriculture Lands***

In Canada's agricultural landscapes, the *2001 Census of Agriculture* has shown a reduction in the number of farms, an increase in average farm size, and a 9% reduction in the number of farmers and ranchers in Canada. It found also that 20% of current farmers and ranchers are older than 65 years of age and near retirement. There are many reasons that small farms are being phased out: the advancement of technology favouring amalgamation of properties; the children of many of these farmers and ranchers are not taking over farms, long-term drought, and global livestock, grains and oil seeds pricing is unfavourable. The 2003-2004 crisis in beef exports has dramatically affected the livelihood of many cattle producers. This is thus affecting the interest of farmers and ranchers, particularly in the Prairies, in protecting their lands after their retirement. Many of these landowners may thus use the EGP to achieve their goals.

## ***EGP Donor Profiles***

Any individual or corporation may choose to donate land they own for conservation purposes. The donor is eligible for enhanced tax benefits under the EGP if the land is certified as being ecologically sensitive. Since 1995, 88% of donors have been individuals/families, 11% corporations and 1% has been estates.

The 2002 Survey of Donors and Recipients (Eising, July 2003) revealed the following donor characteristics:

- *Income:* Donors tend to have higher incomes than the average population with 20% reporting annual incomes of \$100,000 or more and 58% between \$50,000-\$100,000.
- *Age:* Donors tend to be older with 53% beyond retirement age (65+) and 94% older than 45 years of age. There were no donors under 25 years of age.
- *Property:* The majority donate properties that are residential (28%) or agricultural lands (28%). Another 12% donated vacation properties.
- *Occupation:* Donors are typically employed in business/administration (22%), agriculture (21%) or education (13%).

The annual income of the donor plays a large role in whether or not the tax incentive is attractive enough to encourage a donation. For example, farmers in Prairie provinces who tend to be "land rich and cash poor" do not have sufficient annual incomes to make

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<sup>28</sup> *Non-Cash Gifts Generational transfer won't be all cash*, The Non-Profit Times, April 20, 2004. [http://www.nptimes.com/enews/Apr04/news/news-0404\\_3.html](http://www.nptimes.com/enews/Apr04/news/news-0404_3.html)

the tax benefit attractive, especially when the tax benefit is balanced against the cost of the donation process. This is generally less so for a landowner in BC or Ontario where land values are higher and donors have higher annual incomes against which to write-off tax benefits.

## ***EGP Donor Motivations***

The Survey of EGP Donors 2003 reveals that 49% of landowners would have donated land even in the absence of the tax incentives offered by the EGP. Conversely, 7% could not have made their donation without the tax incentives. Forty four per cent (44%) noted that the tax benefits were one of several factors influencing their decision to donate. They may still have donated land, however, the tax benefit was “nice to have”; a welcome recognition of their decision to donate and a welcome recognition of the ecological value of their land.

Chart 1: Was EGP Instrumental in Facilitating Donation?

<i>Donor Feedback</i>	<i>%</i>
No, would have donated land anyway. EGP/tax incentive was not a motivating factor in the decision to donate	49%
Tax incentives offered by the EGP provided an incentive to donate ( <i>see comments below</i> )	44%
Yes, Program was incremental... Could not have made donation without the tax incentives provided through EGP	7%

Chart 2: Top Ten EGP Donor Motivations

<i>Donor Motivations</i>	<i>Motivating Factor</i>
1. Desire to preserve the natural value of their land for posterity	84%
2. Desire that their land be maintained in its natural state by recipients	30%
3. Financial considerations (EGP helped reduce capital gains tax; also, easements reduce the value of land hence value of property tax owed)	30%
4. To stop future development of their property (e.g., cottage lot development; logging; farming)	21%
5. Approached by recipient/ Desire to support conservation efforts of recipient organization	18%
6. Desire to protect species at risk on their property	12%
7. No heirs	12%
8. Desire to leave a family legacy	9%
9. Desire to make a personal statement against the degradation of the world – take meaningful action	8%
10. Unable to manage property due to limited mobility/ health reasons	6%

(Source: Table 13, Survey of Donors, May 1, 2003)

62% of EGP donors and 87% of recipients surveyed noted that land protection is the greatest benefit of the Program. Donors took pride in the fact that the EGP provided formal recognition of the natural value of their land and recognized and validated their efforts to protect it.

In the same Donors Survey 2003 corporate donors noted that the EGP was designed primarily for individual landowners and the tax benefits provided to corporate donors through the EGP provided little incentive to donate considering the time and effort involved.

## ***EGP Donations***

Chart 3: Cumulative Number of EGP Donations, 1995-2002<sup>29</sup>

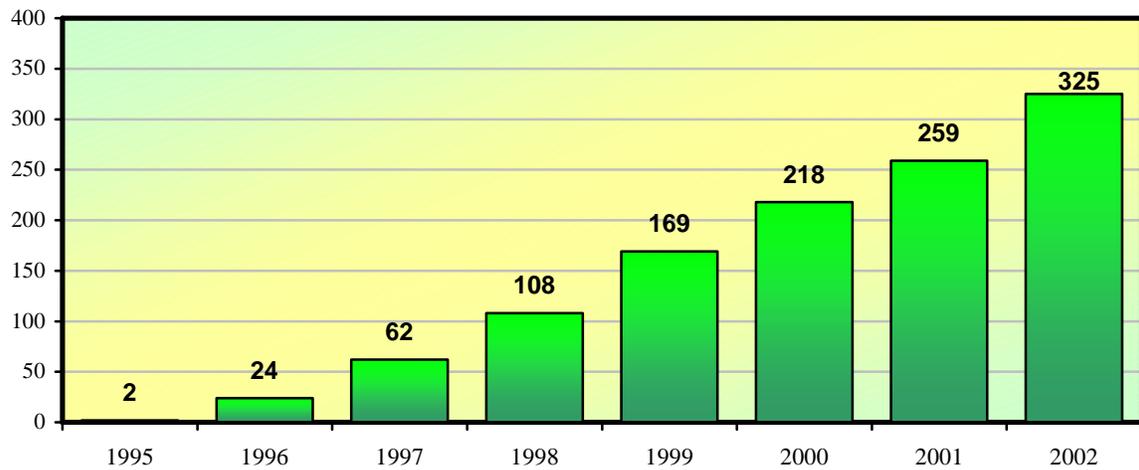
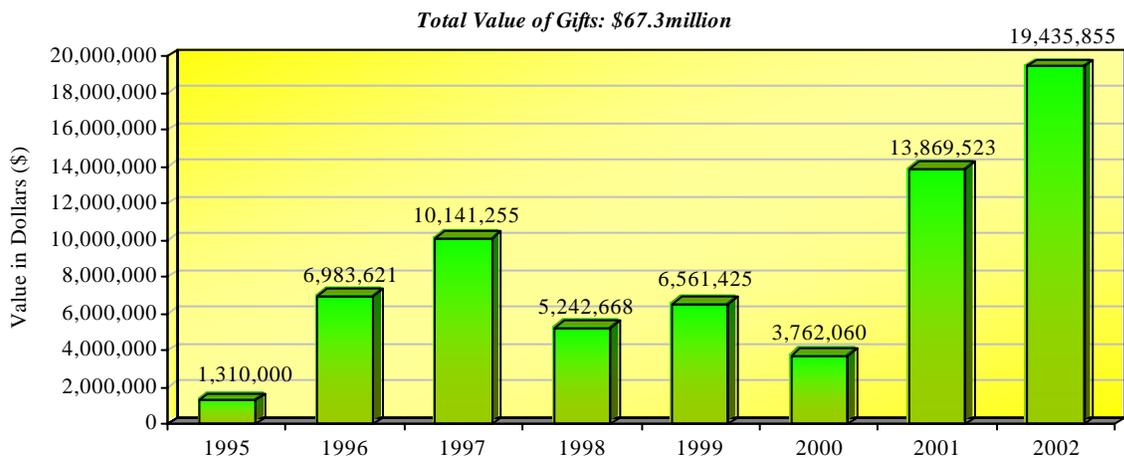


Chart 4: Total Value of Gifts Secured, 1995-2002



<sup>29</sup> Evaluation of the Ecogifts Program 2003

Chart 5: Land Area by Gift Type, 1995-2002

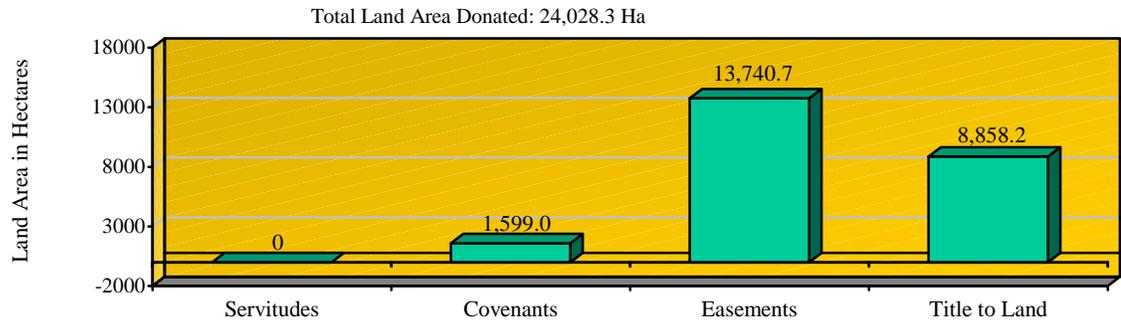


Chart 6: Number of Gifts by Type of Donors, 1995-2002

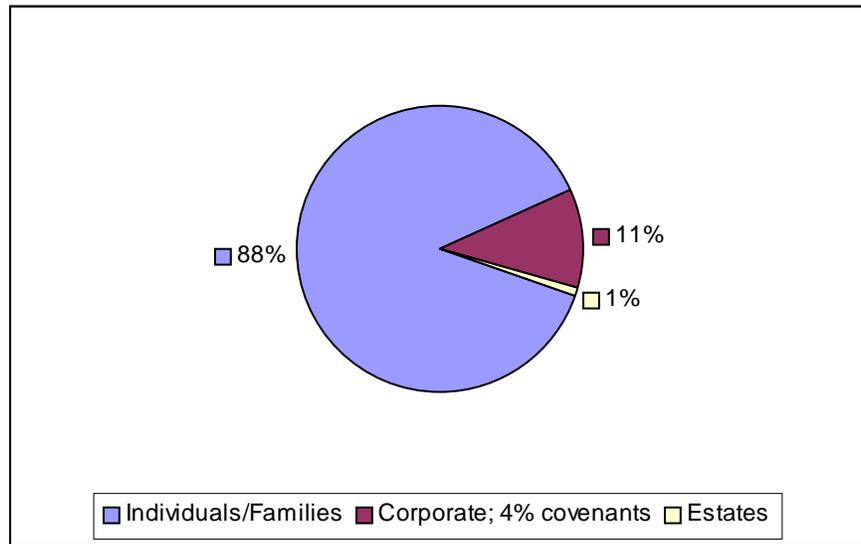
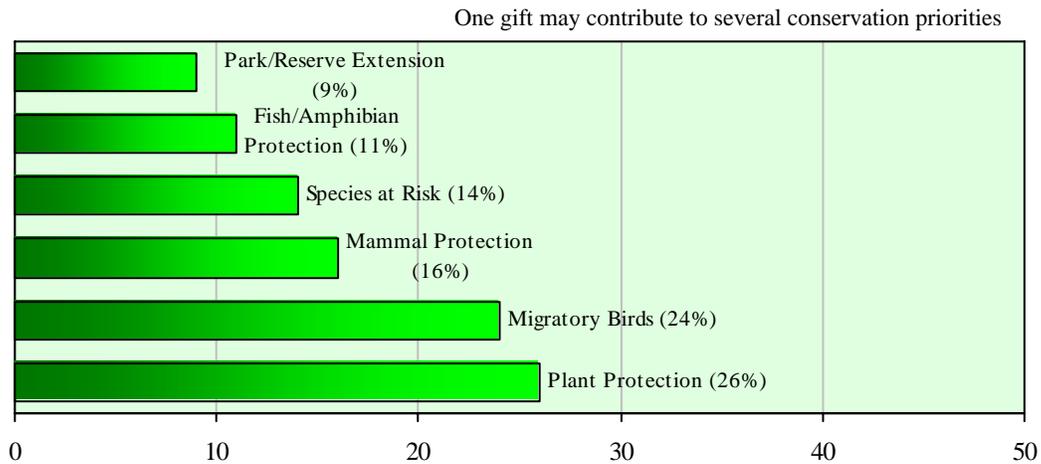
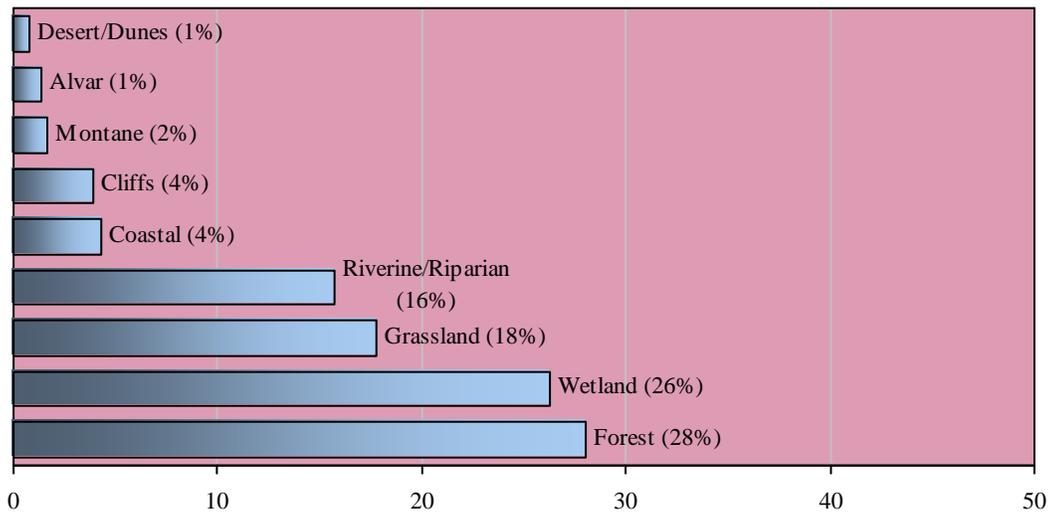


Chart 7 - Percentage of Gifts Contributing to Conservation Priorities, 1995-2002



Based on this ecological certification, it may be stated that, between 1995 and 2002, all 24,058 hectares of land gifted under the Program contributed to federal and/or provincial conservation priorities. To date, the Program has successfully tracked 55% of the gifts according to the specific conservation priority they support. The findings are outlined in Chart 5 below. (Note: As more gifts are tracked, these numbers will likely increase. These findings are, thus, conservative).<sup>30</sup>

**Chart 8: Percentage of Gifts by Habitat Type, 1995-2002**



The gifted properties include a range of habitat type. 74% of the total gifts were tracked according to habitat type<sup>31</sup>. Properties can have more than one habitat type.<sup>32</sup>

The Ecogifts Program has national reach and conservation priorities are being met across the nation as shown in Chart 7.

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<sup>30</sup> Verbatim extract from Evaluation of the Ecogifts Program, 2003

<sup>31</sup> Prior to 2000, EGP gifts were not tracked by conservation priorities or habitat type. The Program is in the process of tracking gifts, some retroactively. The tracking efforts are limited by resource constraints and System/database changes currently underway.

<sup>32</sup> Verbatim extract from Evaluation of the EGP, 2003

Chart 9: Habitat Type by Province, 1995-2002<sup>33</sup>

<i>BC</i>	<i>Alberta</i>	<i>Sask.</i>	<i>Ontario</i>	<i>Quebec</i>	<i>NB</i>	<i>NS</i>	<i>PEI</i>
Forest 45%	Forest 31%	Grassland 42%	Forest 35%	Wetland 47%	Coastal 28%	Wetland 29%	Wetland 33%
Coastal 25%	Riverine 21%	Wetland 21%	Wetland 31%	Forest 40%	Wetland 26%	Forest 22%	Forest 33%
Riverine 15%	Grassland 19%	Forest 14%	Riverine 16%	Riverine 13%	Forest 18%	Coastal 21%	Coastal 17%
Coastal 10%	Wetland 14%	Riverine 14%	Grassland 12%		Riverine 13%	Riverine 21%	Riverine 17%

### Donor Types by Province

EGP uptake is highest in Ontario, Saskatchewan and Alberta. These three provinces account for 80% of the total gifts and 90% of the total land area donated.

Chart 10: Donor Types by Province, 1995-2002

<i>Province/Territory (by rank order)</i>	<i>Individual</i>	<i>Corporate</i>	<i>Estate</i>
<i>Ontario</i>	110	15	1
<i>Saskatchewan</i>	79	1	1
<i>Alberta</i>	42	10	1
<i>BC</i>	17	6	0
<i>Quebec</i>	12	3	0
<i>New Brunswick</i>	12	0	0
<i>Nova Scotia</i>	7	0	0
<i>PEI</i>	6	1	1
<b><i>TOTAL</i></b>	285	36	4

### Quebec

The EGP process in the province of Quebec is somewhat different than in the rest of the country. The province of Quebec introduced a “gifting” program in 1994. This was a precursor to the EGP and included a certification process for both the ecological

<sup>33</sup> Verbatim extract from Evaluation of the Ecogifts Program, 2003

character and recipient of the gift. The resulting certificate in Quebec is called a Visa pour don de terrains ou de servitudes ayant une valeur écologique (Visa). Donors and recipients communicate with regional offices of the Quebec Ministère de l'Environnement regarding the Visa.

When the EGP was initiated in 1995, to avoid double certification within Quebec, the CCRA accepted the Visa as the equivalent of the *Certificate for Donation of Ecologically Sensitive Land* issued in other provinces. When the fair market value certification was added to the EGP in 2000, changes were also made in the *Quebec Taxation Act*. Through an administrative agreement with Environment Canada, the Quebec Ministère de l'Environnement accepts the federal Minister's determination of the fair market value and co-signs the *Statement of Fair Market Value* issued by Environment Canada.

In the rest of the country donors receive federal tax benefits based on the provisions of the *Income Tax Act of Canada* (ITA), and the complementary provincial tax benefits are often based on a similar calculation of the federal tax credit. In Quebec, federal tax benefits are based on the provisions of the ITA and the provincial tax benefit is based on provisions of the *Quebec Taxation Act*. As a result, donors in Quebec file two separate income tax returns, the federal return to CCRA and the provincial return to the Quebec Ministère du Revenu.

## Atlantic Canada

Nova Scotia and Newfoundland did not have an easement legislation until 2002 and without this the EGP could not secure donations of landowners who wish to donate partial interest in their land.

## Ontario

In Ontario, a component of the agricultural land base is being acquired by non-agricultural users. Programs like the EGP will be helpful in protecting privately-owned, important natural areas in the Ontario or Prairie agricultural landscape through tax incentives for favourable land donations. The Nature Conservancy of Canada has estimated that the EGP alone could help secure up to 3% of the land base of Saskatchewan.

In Ontario, the gifts tend to be smaller in size as evidenced by the fact that Ontario accounts for 37% of gifts but 22% of the land area. Following the tax changes in 2000, the number of gifts in Ontario are increasing.

For Ontario donors, landowner motivated by a need to protect land, may still have significant barriers to completing a donation according to the Survey of Ontario Donors. Common barriers include:

- Lack of knowledge of donation options on the part of donors or recipients;
- Lack of informed advice, or endorsement of donation from the donor's advisors;

- Cost of donation; and
- Financial considerations (tax incentives, loss of capital, etc.)

## Prairies

Gifts in the Prairie provinces are larger by comparison and account for 43% of gifts but 67% of land area donated.

## Manitoba

Manitoba did not have an easement legislation until 2002 and without this the EGP could not secure donations of landowners who wish to donate partial interest in their land.

## Saskatchewan

In Saskatchewan, 80% of all sensitive habitats for wildlife south of the forest fringe are already gone. It is estimated that, in the next 15 years, over 70% of all land in the southern part of Saskatchewan, including in excess of 600,000 hectares of agricultural land, could transfer by sale. This represents a possible \$9 million per day in property transactions over this period.<sup>34</sup> The NCC has estimated that the EGP alone could help secure up to 3% of the land base in Saskatchewan.

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Landowners in Saskatchewan tend to donate more easements and covenants than full title to land. The Saskatchewan Ministry of Environment and Resource Management (SERM) has a program through which they encourage rural landowners to donate conservation easements on portions of their properties that contain native habitat. Most of the donations of conservation easements to SERM are also certified as EGP gifts of land. For land donations made through the EGP, the certificate of ecological sensitivity and recipient eligibility may be issued by the provincial government. The FMV determination, however, is made by EC.

The SERM program was very active following the passage of provincial legislation that permitted conservation easements in January of 1997. The program has experienced a slow-down, in part due to appraiser capacity issues relating to the valuation of conservation easements, as well as landowners' misconceptions about conservation

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<sup>34</sup> 2001 Census of Agriculture

easements. A Conservation Easement Working Group (provincial) has been established to address this issue.

## Alberta

Landowners in Saskatchewan and Alberta tend to donate more easements and covenants than full title to land.

## British Columbia

Following the tax changes in 2000, the number of gifts in BC are increasing.

## Summary

“The potential for program growth appears to be significant” reports the EGP Evaluation Report 2003. Estimates suggest that upwards of 400 gifts per year valued at \$50 million could be realized through EGP assuming a suitable tax climate and adequate program capacity to access these lands for donations<sup>35</sup>. Current landowners have great personal attachment to their land. While incentives help with their conservation decision, their attachment is greater. The future generation, however, does not have strong attachment and will likely be more open to tax incentives.<sup>36</sup>

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<sup>35</sup> Source: “Ecological Gifts: Leaving a Legacy in Nature”. Briefing document for the Liberal Research Bureau by S. Cameron and G. Thompson, Environmental Conservation Service, Environment Canada, Dec. 2002

<sup>36</sup> Verbatim report from the EGP Evaluation Report 2003