

DATA DIVE WITH NIK NANOS

TAPPED OUT

Polling shows most Canadians have concerns about charities closing as organizations grapple with a lack of donations and health guidelines that limit fundraising events. Many of us aim to contribute more money next year, but some groups need a lifeline now

OPINION

Nik Nanos is the chief data scientist at Nanos Research, a global fellow at the Woodrow Wilson International Center for Scholars in Washington, a research professor at the State University of New York in Buffalo and the official pollster for The Globe and Mail.

The pandemic is like a car crash in which some are killed, some are injured, and some just walk away unscathed. But then, there are also the unseen victims.

The charitable sector is one of the latter, and has been on the receiving end of a one-two punch. First, many donations are on hold because of the economic uncertainty the crisis has created. Second, the actions of public-health authorities have limited the ability of charities to play host to events, deliver programs and reach out to the marginalized.

In a new survey completed by Nanos Research for The Globe and Mail, almost eight out of 10 Canadians said they were concerned or somewhat concerned about charities closing owing to a drop in donations. Concern cut across all regions, although women were more likely to be concerned than men, and people over 55 were more likely to be concerned than younger respondents.

The statistics on giving in 2020 are chilling. According to an Imagine Canada report in The Globe, three out of four charities have experienced a drop in donations. The casualties we hear about most are usually the restaurant, travel and hotel industries, to name a few. However, we should also think of charities as a sector being ravaged by the pandemic.

There are significant direct or indirect effects on the public good when health, cultural and international charities are at risk.

In the summer of 2020, Nanos completed a study for the Health Charities Coalition. Canadians understand that health charities, through their research, policies and programs, are important contributors to better health outcomes. Those thousands of volunteers working through the charities are part of our health care system, helping people and their loved ones manage their wellness.

The irony is that some efforts by our public-health officials to combat the virus are undermining the ability of charities to operate and fundraise. The health care system, which needs to be resilient to fight the pandemic, is weakened if health

charities cannot do research and deliver services to help keep Canada well.

Beyond health charities, a weakened arts and cultural sector will also have a serious long-term effect not only on wellness but on the vibrancy of our communities.

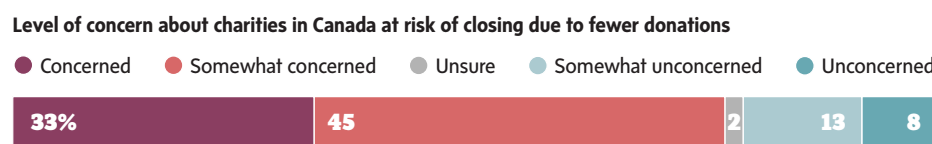
Research by Nanos for Business / Arts shows that a vibrant arts and cultural scene in a community makes it easier for employers to retain talent. It makes the community more appealing as a destination and is a critical part of attracting the workers Canada needs for the knowledge economy.

The bricks-and-mortar business model of the arts and cultural sector is at risk because of restrictions on public gatherings.

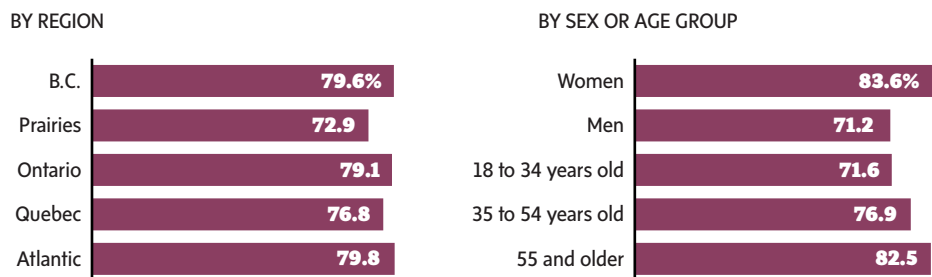
Recent research by Business / Arts and the National Arts Centre suggests that although about a quarter of arts supporters are ready to come back immedi-

Canadians on charities

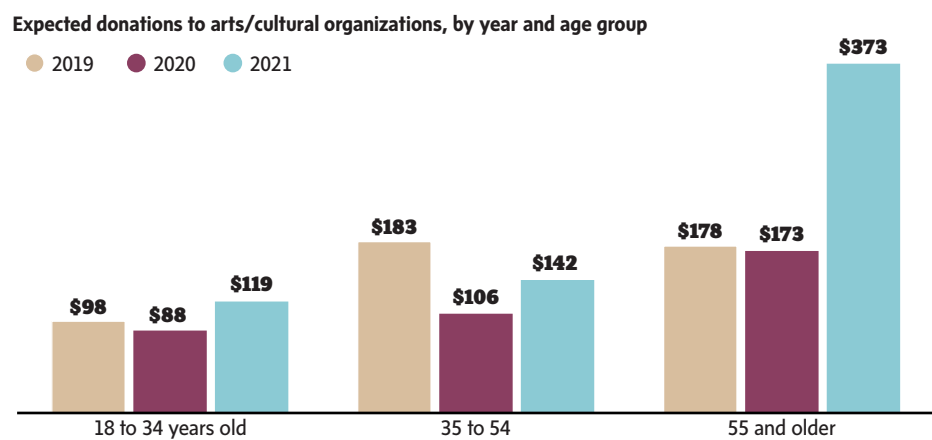
CONCERNED CITIZENS



Percentage who are concerned or somewhat concerned



PATRONS OF ARTS AND CULTURE



MURAT YÜKSELIR / THE GLOBE AND MAIL, SOURCE: NANOS RESEARCH

ately, many Canadians will wait until the rollout of a vaccination program before they return to their prepandemic activities. This is especially true for arts and culture patrons who are over 55: the vaccine is the trigger.

News that vaccines will not be fully available for most people until the end of 2021 will make it yet another gruelling year for the arts and cultural sector. The effects within the sector will be uneven. Culture patrons are more comfortable with outdoor arts and cultural events, followed by indoor experiences such as museums and galleries that allow physical distancing. They are less comfortable with live events, which are logistically more complicated.

There is one glimmer of hope for 2021.

Research for the arts and cultural sector projects a 20-per-cent decline in the average dollar val-

ue of a donation this year. The good news is that those same individuals want to increase the value of their donations in 2021 to outdo their 2019 donations. While middle-aged and middle-income supporters are reporting the greatest stress on their donations, Canadians over 55, those more likely to have a stable balance sheet, say they would like to be more generous in 2021 than in 2020.

The big question is whether their good intentions will materialize. While we're fighting the second wave of the pandemic, the economy remains uncertain, the war against the virus has been prolonged, and those intentions may be at risk.

Even with a rebound, the fixed costs for many charitable organizations keep the risks high. When a charity fails, we should not think it will be easy to replace.

Irfhan Rawji, the chair of the board of the Glenbow Museum in Calgary, has thought about what government can do to encourage Canadians to donate more to support the charitable sector. His suggestion is not to pick winners and losers in the charitable sector, but to create a "super tax credit": instead of getting 50 per cent of a donation back, people could get 75 per cent back to encourage donors to pull next year's donations forward to this year. The critical element is to expedite this lifeline for charities so they can get the cash infusion they need now. As Mr. Rawji points out, "showing up with a \$300 cheque next year for an institution that no longer exists isn't that helpful."

In the Rawji paradigm, the lifeline is not just a traditional bailout for the charitable sector, but a way to empower Canadians to heighten their generosity of spirit.

What would be more Canadian? Governments need to think about how to enable Canadians to rally around our charities, build a common sense of purpose, and make sure that on the other side of the pandemic we still have those charitable organizations and institutions we cherish.

Detailed reports for the research cited in this column are publicly posted at www.nanos.co. This includes the Globe and Mail/Nanos national survey on concern about charities completed Nov. 29, 2020. A national survey of arts- and culturegoers on behaviour and donations commissioned by Business / Arts and the National Arts Centre completed July 30, 2020, and a national survey for the Coalition of Health Charities completed July 2, 2020.

A gift from both the heart and the head

PETER SINGER
LUCIUS CAVIOLA

OPINION

Peter Singer is professor of bioethics at Princeton University and the founder of the charity The Life You Can Save. His books include *Animal Liberation*, *Practical Ethics*, *The Life You Can Save* and, most recently, *Why Vegan?*

Lucius Caviola is a postdoctoral researcher in the department of psychology at Harvard University.

Worldwide, people donate hundreds of billions of dollars to charity. In the United States alone, charitable donations amounted to about US\$450-billion last year. As 2020 draws to a close, perhaps you or members of your family are considering giving to charity. But there are, literally, millions of charities. Which should you choose?

If you are like most people, you want to support charities that mean something to you — that speak to your heart. Perhaps it is a charity that helps children in your community, or a local homeless shelter where you have volunteered, or maybe a museum you're passionate about, or a place of worship for which you want to show support. In the U.S., 94 per cent of donations go to charities focusing on local or na-

tional issues.

Donating to a charity that pulls on your heartstrings is likely to be better than not donating at all. Very few charities are outright frauds. The bigger issue is that following your heart ignores research on which charities are the most effective. Some charities will do hundreds of times as much good with your donation — saving or improving many more lives — than typical charities do.

Usually, the most effective charities help the poorest people in the world's least-developed countries. For example, the charity evaluator GiveWell estimates that the Malaria Consortium, one of its top charities working in malaria-prone low-income countries, can provide four months of preventive medicine to children three to 59 months old for less than US\$7 a child. On average, this saves a life for every US\$3,000 to US\$5,000 spent.

In contrast, one of the charities working in the U.S. that GiveWell regards as promising, the Knowledge is Power Program, spends US\$9,000 to US\$20,000 to improve the academic performance of one student for one year. Improving academic performance for a year can be important, but when doing that costs three or four times as much as saving a life, it's obviously not giving comparable value for your donation.

Given the big differences in effectiveness, which charity you

support matters a great deal. Experts estimate that even within the field of helping the world's poorest people, the most effective charities do 100 times more good for a given sum than charities of average cost-effectiveness.

support matters a great deal. Experts estimate that even within the field of helping the world's poorest people, the most effective charities do 100 times more good for a given sum than charities of average cost-effectiveness. If they are right, giving US\$100 to the most effective charities helping people in extreme poverty can achieve more good than giving US\$9,000 to a typical charity trying to do the same thing.

This way of thinking is a form of effective altruism. Effective al-

truists argue that when we give, we should try to get the best value for our money, as we do when we shop for ourselves.

It would make a huge difference and solve many global problems if everyone gave to charity based on effectiveness. But it is unrealistic to expect this to happen any time soon, because for most people, giving is something deeply emotional. And unfortunately, our emotions don't scale proportionately to the number of individuals we can help.

Helping 100 individuals doesn't feel 100 times better than helping one person. And helping someone on the other side of the world doesn't feel as good as helping someone close by — especially when we can identify the person we are helping, like a sick child shown to us in a photo. Given these obstacles, what can we do to make effective giving more appealing?

A new donation platform offers a solution. GivingMultiplier.org encourages you to divide your donations. One part goes to your favourite charity — the one you personally care most about. The other part goes to a highly effective charity recommended by experts. And to multiply your impact, GivingMultiplier tops up both of your donations. The extra funds are provided by philanthropists who want to encourage more people to give effectively.

Why does this simple strategy work? One of us, Lucius Caviola —

working with Joshua Greene, a professor of psychology at Harvard University — noticed that people feel almost as good about their donation when they give US\$50 instead of US\$100 to their favourite charity. Therefore, donors should not lose much by giving only half to their favourite charity, which allows them to give the other half to a highly effective charity — something people find meaningful.

So, Mr. Caviola and Prof. Greene devised Giving Multiplier as a means of enabling donors to experience the positive feeling for supporting the charity they most care about, while also donating to a highly effective charity. If, in addition, someone tops up their donations to increase their impact, they feel even better.

We should not expect everyone to become an effective altruist who gives exclusively on the basis of evidence about how much good a charity does with the donations it receives. For most people, giving remains primarily an emotional act. But it is realistic to expect many people to become part-time effective altruists, giving partly on the basis of their feelings and partly on the basis of what is most effective. If even just a quarter of all donors applied this strategy, millions of lives would be saved and improved — without donors having to forsake the charities closest to their hearts.