

Digital Skills Survey Results 2021

Are Canada's Charities Ready for Digital Transformation?






Land Acknowledgement

Our team at CanadaHelps is grateful to have the opportunity to meet and work on many Indigenous homelands across this land we share, Canada.

As settlers on these lands, it is important to acknowledge that our Vancouver offices are located on the unceded territory of the Coast Salish People, the Montreal offices are located on Kanien'kehà:ka (Mohawk) territory, and the land on which we operate in Toronto is the traditional territory of the Wendat, the Anishinaabeg, Haudenosaunee, and the Mississaugas of the Credit First Nation.

We want to express our respect for the territories we reside in and honour the diverse Indigenous People who have lived and worked on this land historically and presently. We, the staff and leadership at CanadaHelps, are committed to being active participants in reconciliation. We are committed to continuing to amplify Indigenous voices, and learning how our work affects Indigenous People.



About CanadaHelps



- CanadaHelps is a charitable foundation increasing giving in Canada through technology.
- **For Canadians**, CanadaHelps.org, provides a trusted one stop destination for making donations, fundraising, or learning about any charity in Canada.
- **For Canada's 86,000 charities**, we also develop affordable fundraising technology and provide free training and education for charities so that all charities have the capacity to increase their impact and succeed in the digital age.
- Since 2000, more than 3 million Canadians have donated over \$1.9 billion to charities using CanadaHelps.

About the Presenters

Shannon Craig, Chief Marketing Officer, with Shawn Bunsee, VP Data & Analytics



Drawing on 6+ years in the sector, and more than 20 years working in marketing, research, and strategic partnerships.

Previous roles include Kobo, eSight Eyewear, WIND Mobile, Critical Path, FedEx and LEGO.



Bringing nearly 20 years in data, analytics, and customer insights.

Previous analytics & research roles at BlackBerry, Workopolis, Medallia, Nielsen, and Ipsos.



Goals of the Session

- Discuss the importance of digital transformation
- Share why we did the report and how it can benefit charities
- Review key findings
- Examine where we go from here with a focus on securing investment in your charity's digital transformation

About the Sector



How Money Is Spent



What is Digital Transformation?



Reimagining of service in the digital age.

Digital transformation is the process of using digital technologies to create new - or modify existing - organizational processes, culture, and experiences to meet changing organizational requirements and stakeholder expectations.

It's about creating mission-driven change, faster

Success is as much about cultural mindset, organization buy-in, and change management as it is technology skills.

It's the priority for countries and businesses globally

“At least 40% of all businesses will die in the next 10 years... If they don't figure out how to change their entire company to accommodate new technologies.”

-John Chambers, Executive Chairman, Cisco System

“The last ten years of IT have been about changing the way people work. The next ten years of IT will be about transforming your business.”

-Aaron Levie, Chief Executive Officer, BOX

“It is not the strongest of the species that survives, it is the one that is the most adaptable to change.”

-Charles Darwin

The Need is Urgent

The Pre-Pandemic Giving Gap: In Just 10 Years ...

Giving participation rates dropped 5% and average donation amount per Canadian fell 10%.

Giving is falling to a smaller group of aging Canadians. 55+ donors give 2X as much as donors aged 25-54.

2020: Total Giving Down -10%, Online giving +86%

Technology adoption doesn't go backwards. Digital giving is important across the ages but for younger generations digital is table stakes.



Why We Did the Study

- Better understand and assess the degree to which Canadian charities are open, interested, and willing to adopt new digital tools, and to identify barriers to using them.
- Provide data insights that will move government, funders and charity boards and leadership to invest in digital transformation.
- Understand the impact of our work at CanadaHelps: how our fundraising tools and educational programs are helping charities advance on their digital transformation.



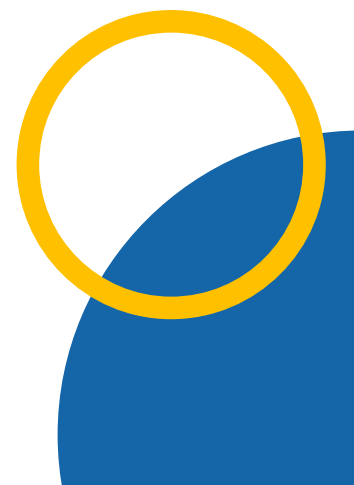
How We Did the Study

- February 2021 we conducted an online survey of 1,442 Canadian charities, including:
 - CanadaHelps Respondents: 1,114 charities from the CanadaHelps' database that use our software
 - CRA Respondents: 328 charities listed with Canada Revenue Agency with no relationship to CanadaHelps
- The vast majority of respondents were senior staff or volunteers, such as Executive Directors or board members, who make decisions about the use of technology for their organizations.





Key Findings



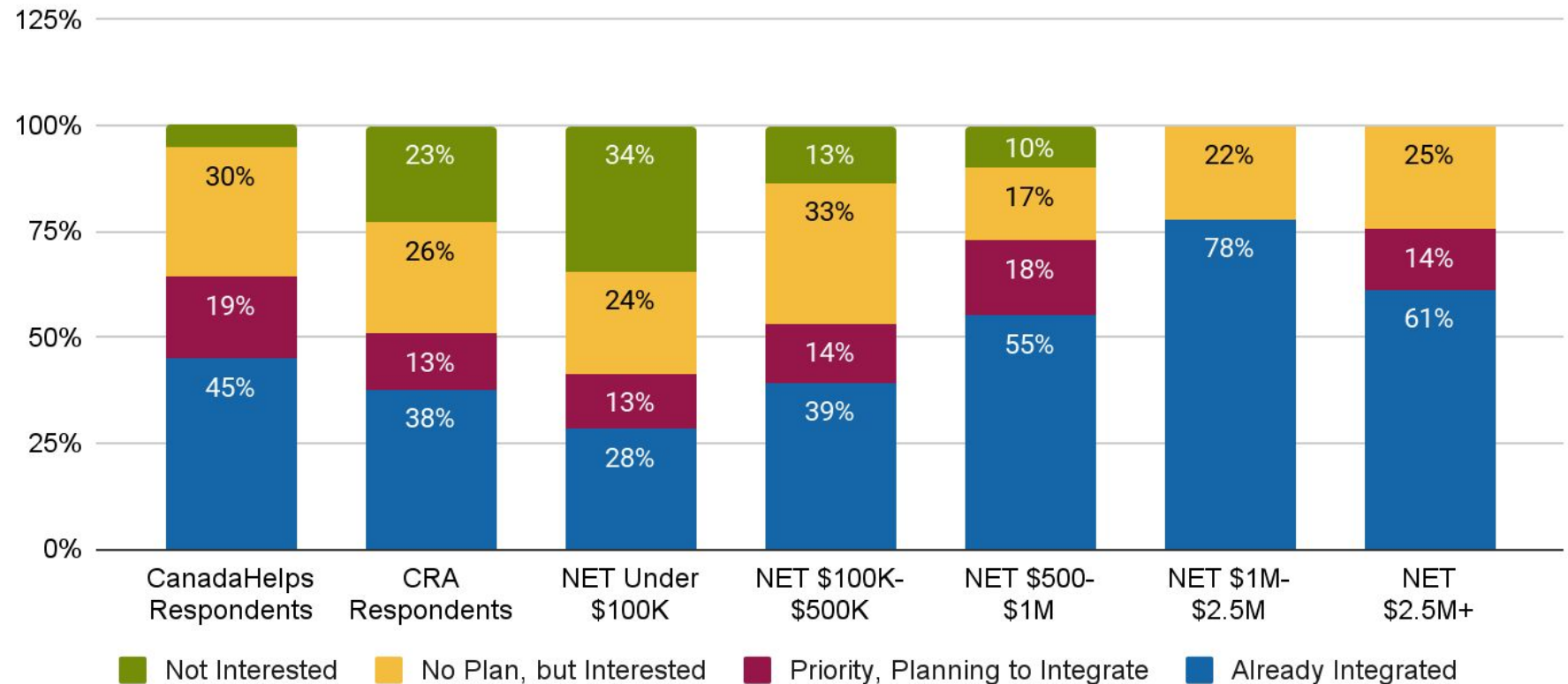
#1. The Digital Adoption Lag

The need to expand use of digital tools is clear for all charities: less than half have integrated use into daily activities.

CRA respondents lag CanadaHelps respondents.

The lag is most acute amongst smaller charities.

Current Use of Digital Technology by Panel, by CRA Panel Operating Revenue



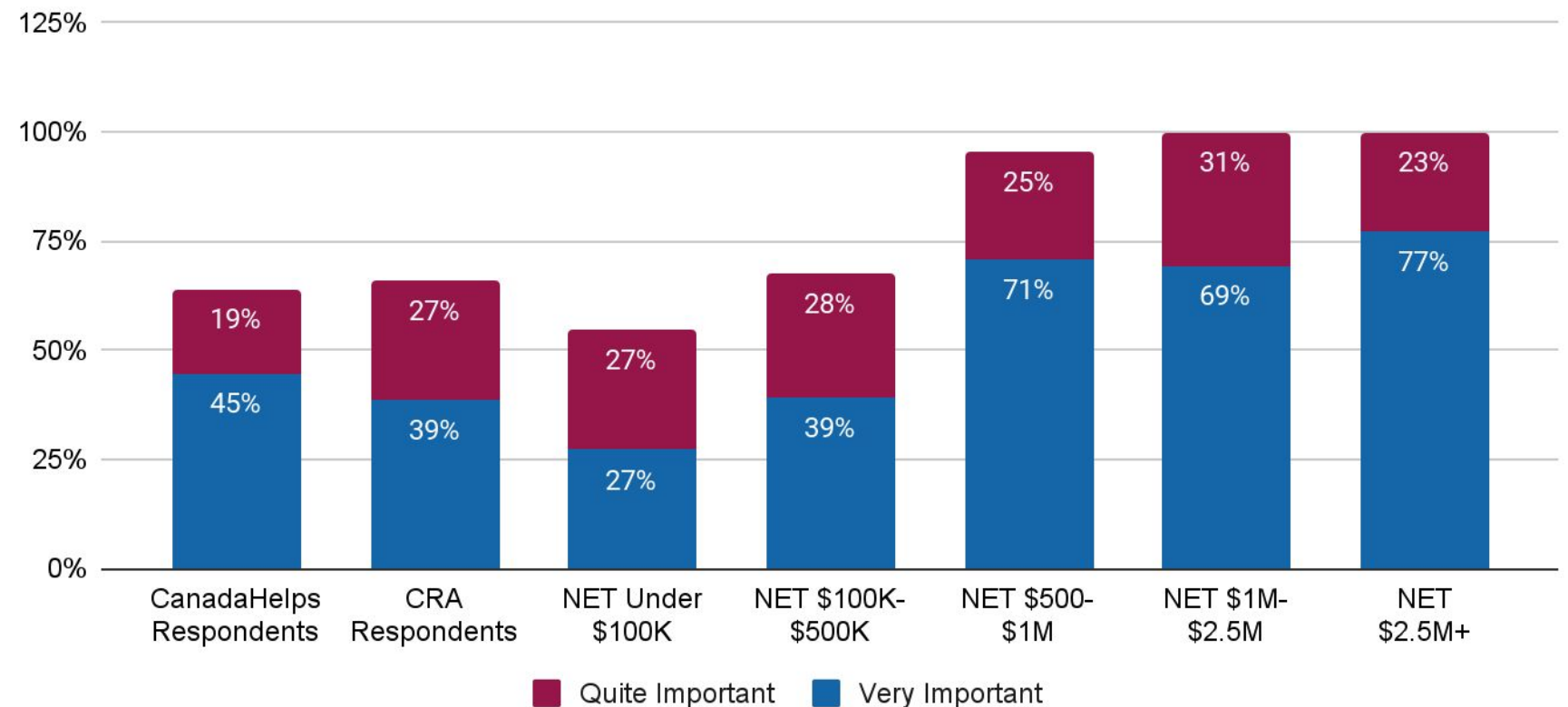
Question: Which one of the following best describes your organization's use of computer technology, software, digital tools, and software empowered processes?

#2. Digital Ambition is Strong

Two thirds of charities believe greater use of technology is important going forward.

The larger the charity, the more importance of greater use of technology is understood.

Importance of Technology in Future by Panel, by CRA Panel Operating Revenue

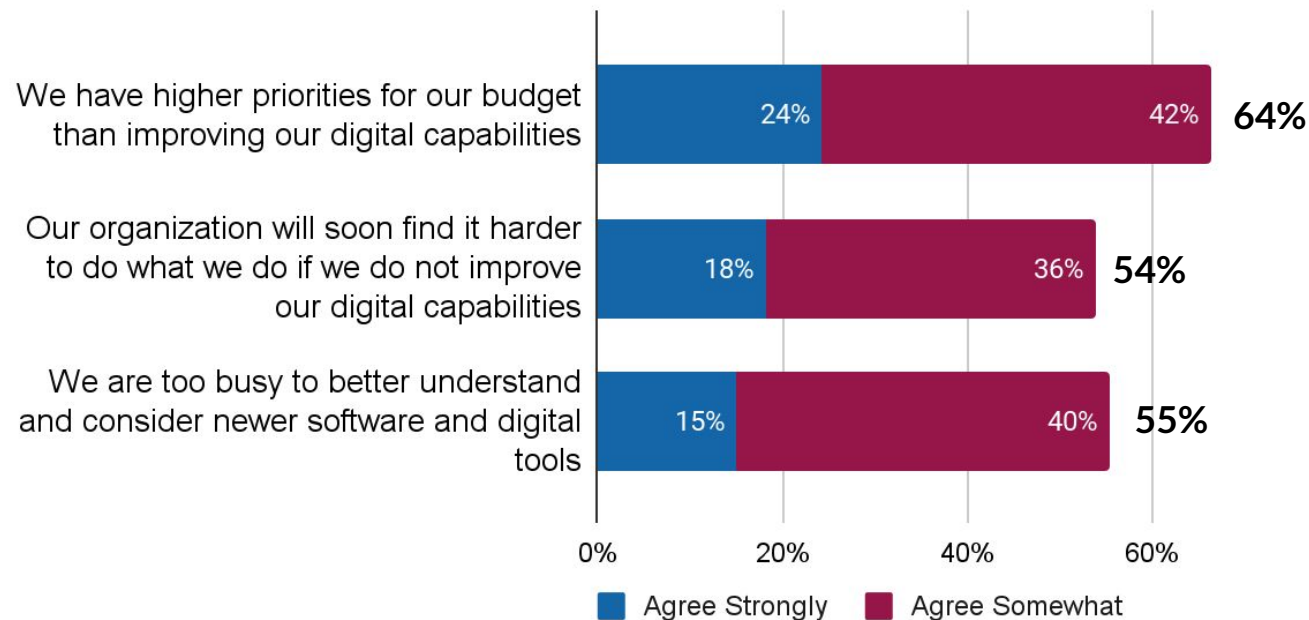


Question: How important to your organization is greater use of computer technology, software, digital tools, and software empowered processes going forward?

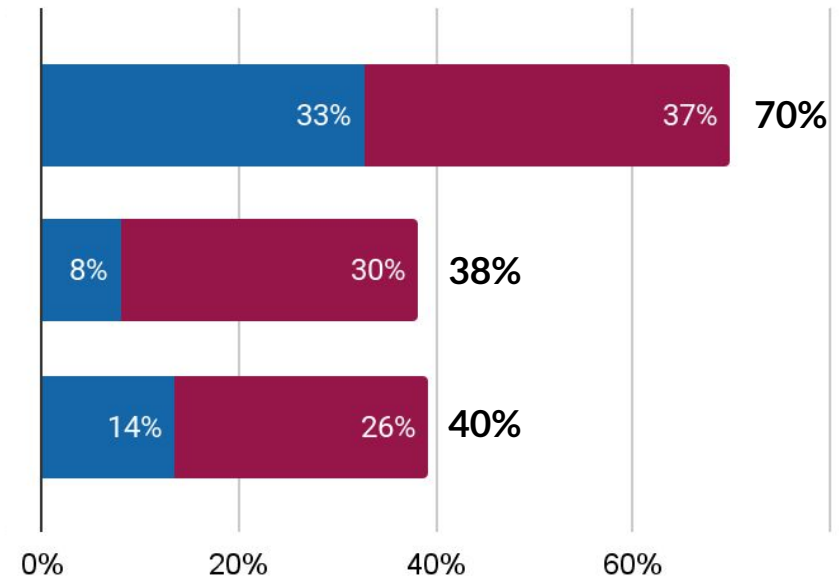
#3. The Need is Urgent but Prioritizing Digital is Hard

54% of the CanadaHelps respondents and 38% of the CRA respondents believe they'll soon find it harder to do what they do if they don't improve their digital capabilities. Despite this urgency, most organizations have higher priorities or are too busy to advance on digital.

Sentiments About Digital Technology - CanadaHelps Respondents



CRA Respondents



Question: How much do you agree or disagree with each statement about software and digital tools in your charitable organization?

#4. There is a Massive Skill Gap

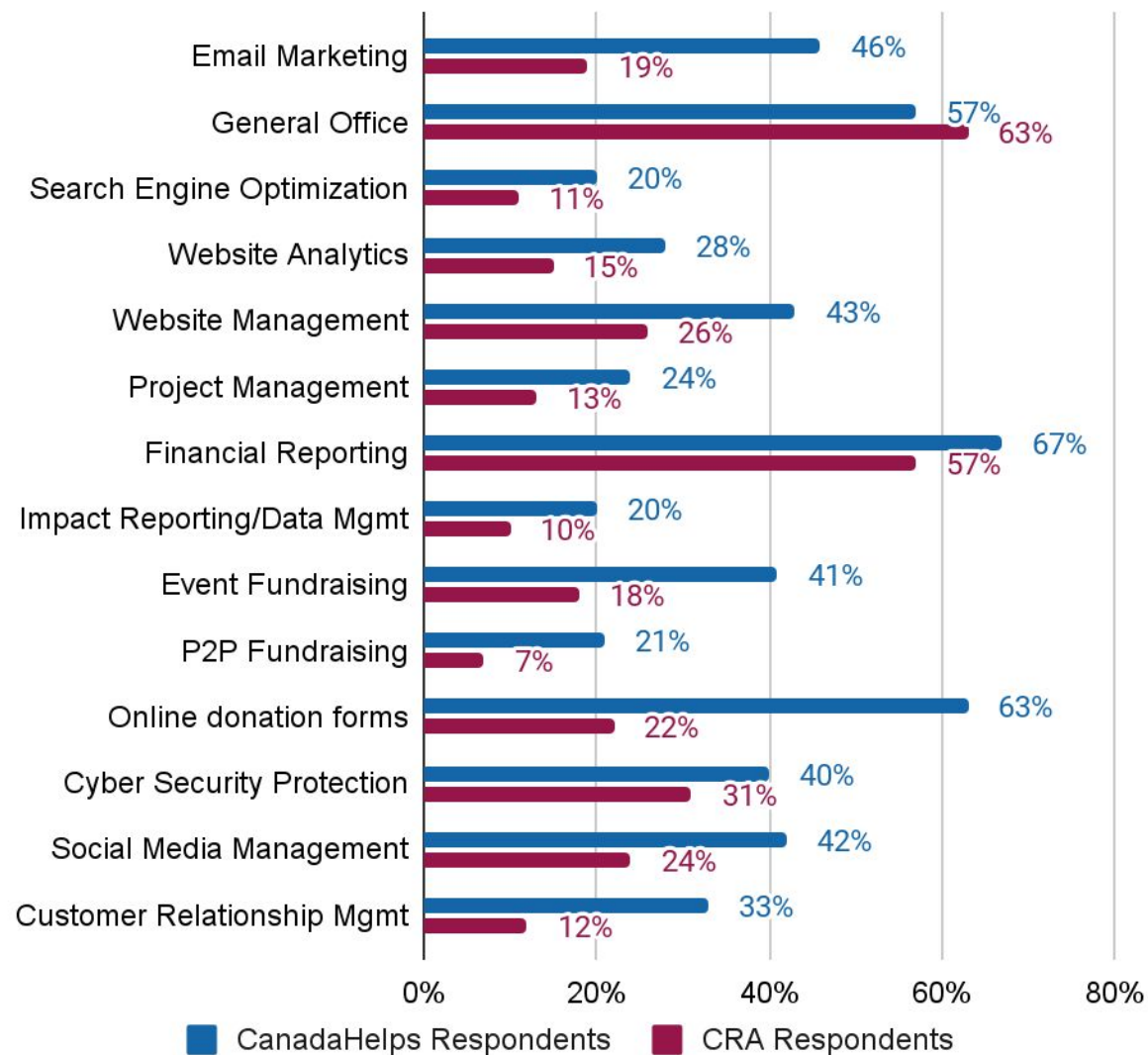
While awareness of each adjacent tool exceeded 70% for both groups, with the exception of General Office and Financial Reporting software, the large majority of charities have limited experience.

Experience with critical tools such as Website and Customer Relationship Management (CRM) software is rated at good or very good by just 26% and 12% of CRA respondents.

CanadaHelps clients are significantly ahead when it comes to fundraising software, Website and CRM software, and all other probed types of software.

Question: Please indicate your charitable organization's experience with each of the following software and digital tools, if any.

Experience with Software - Very Good or Good

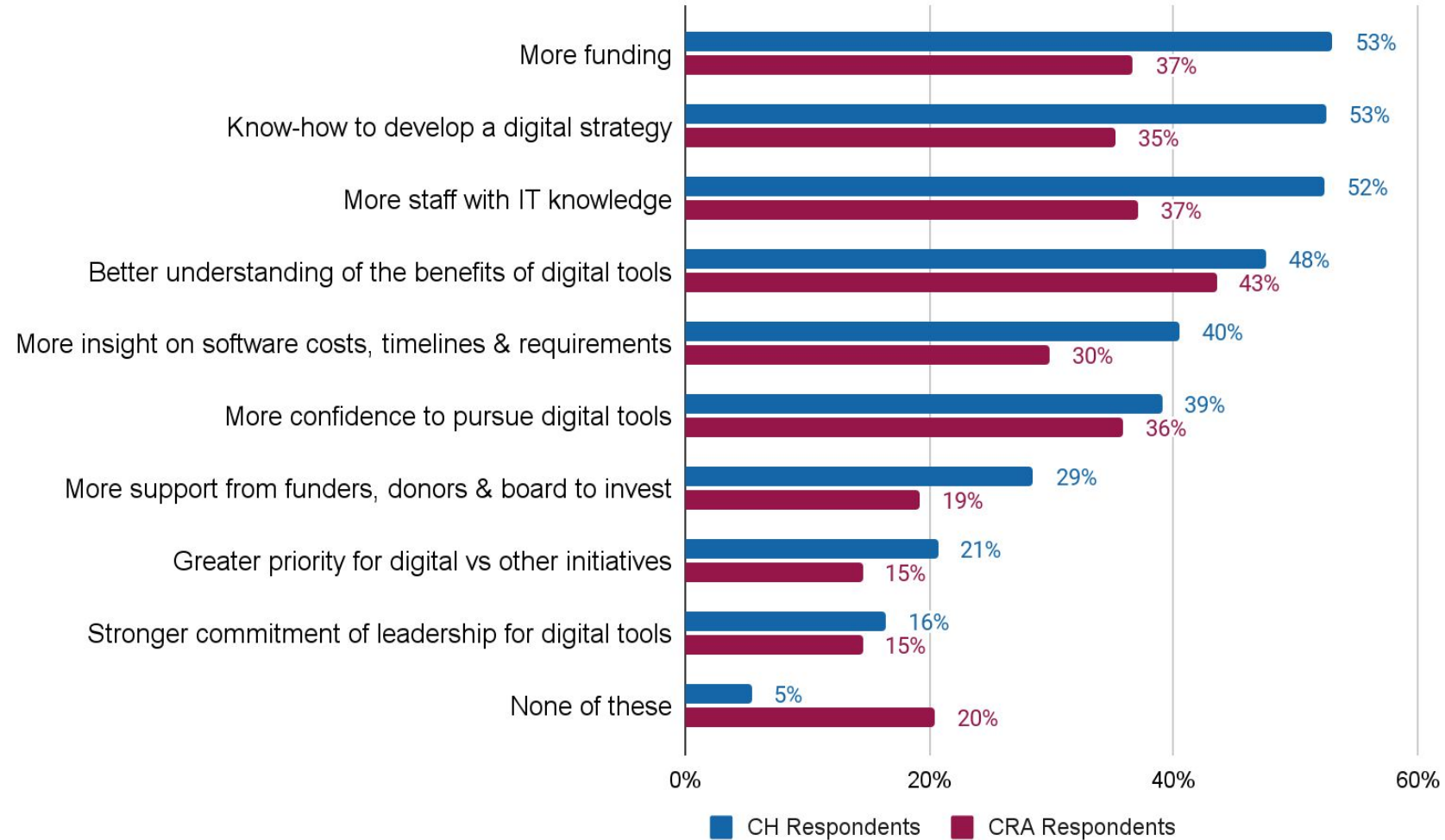


#5. Charities Want Support

The top four needs are:

- Funding for digital tools
- Help on how to develop a digital strategy plan
- More technical staff
- A better understanding of the benefits

Organizational Needs for Digital Transformation



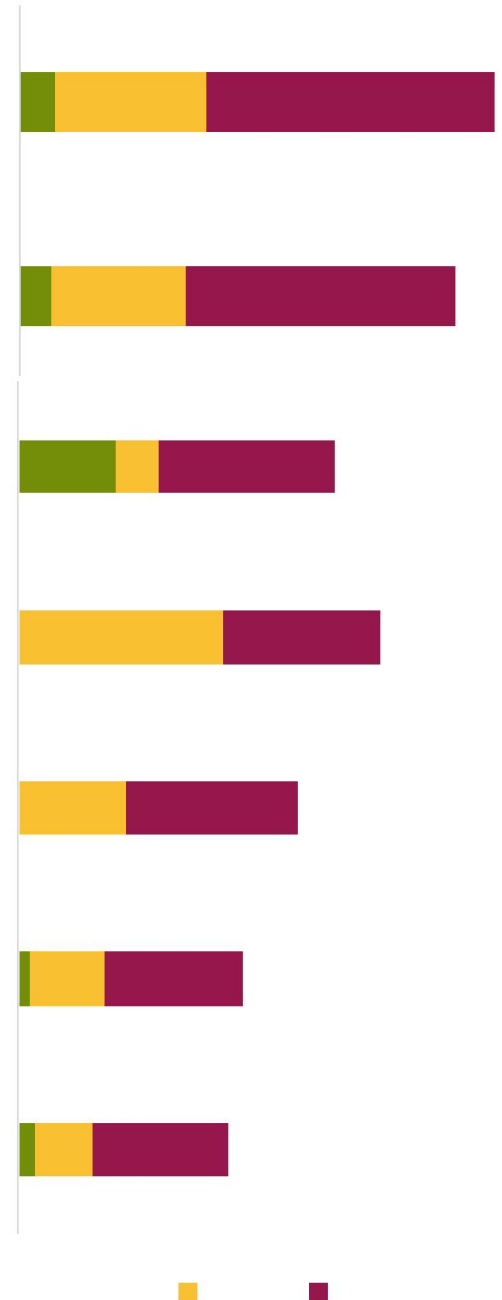
Question: Why may your organization not be using software and digital tools to their fullest capacity?

#6. Boards Need More Knowledge Too

Only one quarter of respondents said their boards' knowledge and interest in digital technology was Good or Very Good

This number is even smaller (20-23%) for smaller charities with under \$500K.

Larger charities have higher numbers, but only charities with \$1M-\$2.5M in revenue have a majority who say their boards' knowledge and interest was "Good".



#7 Charities that work with CanadaHelps are ahead

	CanadaHelps Charity Partners	CRA Sample
Digital Tech Adoption	64%	51%
Recognize Importance	45%	39%
Acknowledge Need For Improvement	54%	38%
Digital is a Lower Budget Priority	24%	33%
Need Better Understanding of Benefits	#4 need	#1 need
Experienced with Digital Tech	40% Avg.	23% Avg.

Adoption

- Nearly **two thirds** of CanadaHelps charity partners have **already integrated digital technology or plan to do so**, vs. just half of CRA respondents

Recognition of importance and prioritization

- 45%** of CanadaHelps partner charities **recognize digital technology as very important** to their organizations, vs. 39% of CRA respondents
- 54%** of CanadaHelps partners believe it will be harder to do their work **without improving on digital**, vs. 38% of CRA respondents
- One third of CRA respondents strongly agreed that they have **higher budget priorities**, vs. less than a quarter of CanadaHelps partners
- Getting a better understanding of the **benefits** of digital technology is the top need of CRA respondents, while CanadaHelps partners **rank this lower**

Filling the skill gap

- CanadaHelps partner charities are **more experienced** than the CRA respondents on virtually **all digital technology**, especially key technology such as **Website Management, CRM**, and of course **online fundraising**

Data is great but words bring the challenges to life.

“We need money and training for our current staff. We know what we don’t know.”

– Respondent, small charity, \$100-\$500K annual revenue

“We are perpetually understaffed, so researching and implementing new technological tools, even though I know they are important and a priority, just doesn’t happen.”

– Respondent, small charity, \$100-\$500K annual revenue

“We lack time with current staff and volunteers to digital further. It boils down to lack of funding to hire people for this.”

– Respondent, small charity, less than \$100K annual revenue

“As an organization with only one lead administrator, it is hard to take advantage of opportunities that require an overhaul of current practice.”

– Respondent, small charity, less than \$100K annual revenue

“Our many digital programs have been added together and patched together over time to create a unique environment. It’s a hodgepodge, but replacing even one element leads to a million questions about how and if we should continue to use the others — and what the gaps are.”

– Respondent, large charity, more than \$5M annual revenue

Getting Started Tips from Dan Kershaw, Furniture Bank

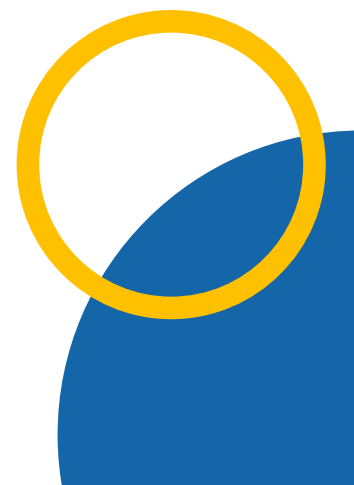
Created in October 2017 specific to impact measurement but applicable to larger digital transformation.

<https://youtu.be/cF1ejvIOhQ8>





Where do we go from here?



Bringing Data & Creating Conversation for Change

Government

- Where is the Minister of Charities advocating for the sectors needs?
- How about a Business Development Bank of Canada for charities?
- Time to expand funding to charities, e.g. Digital Main Street, \$1.4B Digital Adoption Program

Funders

- Funders need to start funding capacity
- Focus on admin ratios is unnecessary - 90% of goes to programs
- Discouraging investment in staff, infrastructure, and digital holds charities back from achieving greater social impact

Corporations

- The 2019 Imagine Canada “Profit, Purpose and Talent” study reveals employee giving and volunteering programs increase employee retention and satisfaction.
- Helping a charity advance digitally is an opportunity.

Advancing on Your Charity's Digital Journey

Foster a Digital Mindset

Digital transformation is a fundamental shift. It touches every part of the organization, and while it demands new skills and champions, it cannot be delegated. It requires leadership buy-in and commitment to fostering the mindset at all levels and leading on-going change.

Start Taking Steps

While you need a digital strategy, don't let holistic planning slow down adoption of fundamental digital tools. Identify manageable steps. Start with accessible tools for specific purposes. Prioritize working together to solve problems and consult experts when needed.

Ask Confidently

Your charity's work is far too important to approach from a scarcity mindset. It's time to understand and articulate the advantages digital can provide so funders, your donors, your board, and your staff invest in your capacity to drive impact.

The Giving Gap: Engaging Younger Donors



I want to help
NOW.

I'm on Instagram,
where are you?

I've got little cash but
5,000 followers.
Interested?

I want to know how
many people you
helped?

I interacted with you
before, how come you
don't know that?

I consume lots of visual,
impactful, skimmable,
shareable content.

What's your plan to help
people you didn't help?

Online Donations
Social Media Activity
Engagement Programs
Impact Measure
Donor Management
Website - mobile &
search ready
Impact Strategy

Read the full report:

<https://www.canadahelps.org/en/digital-skills-survey-2021/>

More Resources for Charities:

- **CanadaHelps' Whitepapers on Digital Fundraising**
<https://www.canadahelps.org/en/for-charities/white-papers/>
- **CanadaHelps' Webinars on Digital Fundraising**
<https://www.canadahelps.org/en/for-charities/webinars/>
- **The Giving Report 2021**
<https://www.canadahelps.org/en/the-giving-report/>
- **Canadian Charities Connect Facebook Group**
<https://www.facebook.com/groups/216361816227820>

