Intersections and Innovations

Change for Canada's Voluntary and Nonprofit Sector

The Muttart Foundation

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The Muttart Foundation

Acknowledgements

For far too long, Canada has lacked a comprehensive resource examining Canada's charitable sector. That has now ended.

The Muttart Foundation has spent many years focusing on building the capacity of charities in this country. The publication of this collection is another contribution to that effort. By understanding more about itself, the sector can continue to develop and find new ways to serve Canadians and those in need outside our nation.

The authors of these essays bring different perspectives on the role and inner workings of Canada's charities. Collectively, they bring an unprecedented insight into the work of organizations whose diversity is exceeded only by their desire to serve.

It is difficult to express adequate appreciation to Dr. Susan Phillips of Carleton University for her leadership of this project. She has been a source of encouragement, persuasion, cajoling and improving authors from across the country. Her efforts now bear fruit as we make this material available to students, academics, practitioners and others interested in the history and future of Canada's charities.

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The work of all of these individuals has come together in this resource which we dedicate to all of those in, or interested in, Canada's charitable sector.

Malcolm Burrows, President

Bob Wyatt, Executive Director

The Muttart Foundation

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Part II Navigating a Changing Environment

Governance and the Regulatory Environment

The Funding Environment

The People Environment: Leaders, Employees, and Volunteers

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The Funding Environment

Chapter 13

Canada's United Way Centraide as a Community Impact Funder: A Reinvention or a Failed Endeavour?

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The United Way is a unique form of organized philanthropy that connects individuals, corporations, and government agencies with the community. The organization's logo, a helping hand cradling humankind under the rainbow, has become a highly recognizable symbol of hope.

While United Way of Canada was officially established only in 1973, it evolved from Charity Organization Societies and Community Chest organizations, which, beginning in the late 1800s, created the model for the United Way's federated fundraising approach, in which a portfolio of charities benefits from a central fund. Through successful workplace campaigns and dedicated payroll contributions, the United Way system has gained recognition as a leading fundraiser, and with acquired funds distributed to United Way member agencies mostly as multiyear operational grants, many local charities sought to become recipients of such funding.

By the mid-1990s, donors were expressing a preference for choosing the charities they wished to contribute to. United Ways adapted to allow donors to specify where their money went, but this inevitably diverted donations from the United Way itself, leading to declines in its revenue stream. Once a dominant aid to individual giving, United Ways were now challenged by expanded donor choice; at the same time, fewer companies were able to administer workplace campaigns because of overall corporate downsizing. These challenges required United Way to transform from a fundraising organization to one with a new vision. Following the lead of United Way International, United Way of Canada adopted the Community Impact mission in the early 2000s as the "nationwide strategy for program allocations and fundraising" (Cohen, 2007: 3). This rebranding signified a shift to funding programs with measurable outcomes rather than providing guaranteed funding to historic member agencies. Over the next decade, all Canadian United Ways/Centraides underwent the transition, hopeful that after it was completed, they and their affiliates would be on an upward trajectory.[1]

Despite the changes in focus, news headlines about Canadian United Ways have been grim, reporting the financial hardships of these organizations. Several United Ways have responded to the challenging circumstances by amalgamating to try to preserve their financial viability, two examples being the Toronto-York-Peel and Hamilton-Halton mergers in Eastern Ontario. Others, like Thompson-Nicola-Cariboo United Way in British Columbia and Halifax United Way in Nova Scotia, have dipped into their savings in their struggle to survive. And some, such as Saskatchewan's Weyburn and Swift Current offices, have ceased operations. The key reason cited by these and other Canadian offices for closing is declining donations. Financial data from annual tax returns confirm that between 2008 and 2014, private donations to United Ways fell by 14%.

Implications of the downward trend in private donations are twofold. First, this decline would significantly impact operations because private donations comprise more than 70% of United Way's total revenues. And second, the potential need to cut funding to member agencies could provoke its own set of problems for these agencies, from program maintenance to overall sustainability. For example, Halifax's Ward 5 Neighborhood Centre lost nearly 20% of its annual funding from Halifax United Way, leaving the centre questioning its future (Frisko, 2019).

These developments point to troubling questions about the future of United Ways. Does the increasing difficulty in attracting donations suggest that United Ways are losing their value as intermediaries? Are United Ways succeeding in shifting their culture to community impact and successfully reinventing themselves? If so, to what degree and how has the shift in focus affected United Ways' historic members? Have the efforts to reimagine their focus been in vain?

The purpose of this chapter is to assess these suppositions by examining United Way's history and assessing its financial trends. The analysis is structured in such a way as to capture two key developments: the organization's emergence in Canada and the transformation of its funding structures following the adoption of the Community Impact model. More specifically, the first section presents a historical overview of the Canadian United Ways. The second section discusses United Way's shift from a purely fundraising organization to one with a community impact vision. The third section assesses revenue and spending trends over a 15-year timeframe (2000–2014), revealing that United Ways have struggled with attracting individual donations after the transition to the Community Impact model, which ultimately led to stagnation in grants paid to its member charities. The chapter concludes by discussing the future role of United Ways in Canadian philanthropy.

Historical Background: Evolution of Canada's United Ways

Today's United Way has its roots in the late 19th century. While its development in Canada closely followed the evolution of American United Ways in chronology and in the types of predecessors, the process of establishing United Ways in Canada was distinct.

Canada's United Way movement was gradual, as it needed to account for and adjust to the diverse multicultural needs that were unique to Canada. The movement originated in Montreal and Toronto, the two largest cities, and then slowly spread to the rest of Canada – in contrast to the American movement, which began in several smaller cities such as Buffalo, Denver, and Cleveland, and spread quickly to the rest of the United States. In Canada, it was the Second World War and the need for war-relief services that ignited a noticeable appearance of war chests, which became Community Chest organizations in the post-war period (Aghai, 1958). Table 1 summarizes the evolution of United Way in Canada and the United States.

Table 1: Evolution of United Ways in Canada and the United States from 1877 to 1975

Year	Canada	United States
1877		Establishment of the first Charity Organization Society in Buffalo
1887		First fundraising campaign, with 23 participating agencies in Denver, Colorado
1899	Establishment of the first Charity Organization Society in Montreal	
1913		Informal establishment of the first Community Chest in Cleveland, Ohio
1917	Informal establishment of the first Community Chests in Montreal and Toronto (Jewish Philanthropies)	
1922		Cleveland, Ohio's is recognized as the first true Community Chest
1925		240 Community Chests are recorded
1938	9 Community Chests are recorded	
1956	65 Community Chests are recorded	A national organization representing all Community Chests adopts a new name: United Community Funds and Councils of America
1970		A national organization of all chests and councils is restructured and adopts a new name: United Way of America
1973	A formal establishment of the United Way of Canada	
1975	Recognition of bilingualism and an official inclusion of Centraide into the name to form United Way Centraide Canada	

(Source: Author's compilations from Aghai (1958), Brilliant (1990), and Craats (2003).)

The United Way extends back to the original Charity Organization Society, which was established in London, England, in 1869; next came Buffalo, in 1877, and finally Montreal, in 1899 (Aghai, 1958). By cooperating with multiple relief agencies, these Charity Organization Societies made considerable effort to help vulnerable families and people in need, with a specific emphasis on working collaboratively to address social problems. As agencies came together in their vision around welfare relief, this process manifested in the joint financing of welfare services. In 1887, the Charity Organization Society in Denver, Colorado, created its first official fundraising campaign, in which 23 agencies raised $21,700 (Craats, 2003). As predecessors to the United Ways, Charity Organization Societies set the stage for the development of two key principles that carried through to modern United Ways: joint efforts in solving social problems and joint financing of these efforts.

While the Charity Organization Society of Denver's community-wide fundraising campaign in 1887 was created by religiously affiliated community leaders for a charitable purpose, it was carried out without professional staff and with limited business involvement. The latter was considered essential for ensuring a "wiser distribution" of funds, rather than being a simple collecting agency (Brilliant, 1990: 20). In contrast, the emergence of a modified fundraising organization – the Community Chest – was characterized by the presence of business leaders, the support of professional staff, and a commitment to community. The Community Chests based their work on identifying community needs and establishing proper budgetary principles around those needs (Aghai, 1958).

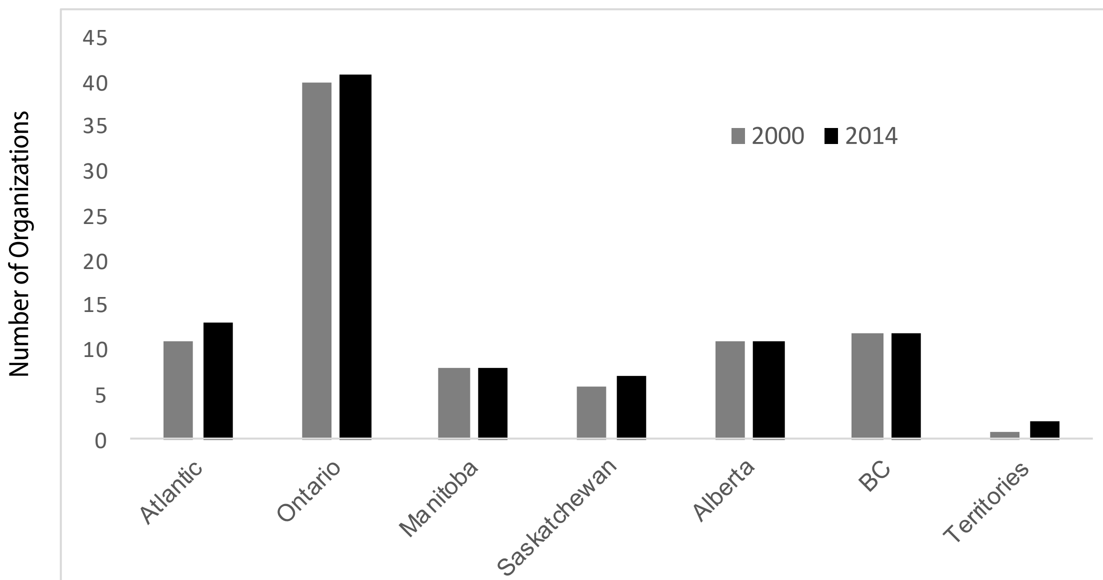
Drawing on the Denver experience, the founders of the first federated fundraising organization, the Cleveland Federation for Charity and Philanthropy, were committed to involving local business leaders and offering "continuity through professional staffing" (Brilliant, 1990: 19). Recognized as the first Community Chest in the United States, this Cleveland organization also formalized the strategy of community fundraising: "It included both business involvement and professional staff as well as the initiation of citizen-informed budgeting to agencies, and was based on the notion of an association of agencies whose main purpose was coordination of charitable efforts" (Brilliant, 1990: 20).

This movement of organized community fundraising made its way to Canada in 1917 with the establishment of the Jewish Philanthropies in Montreal and Toronto. These federations were considered the first informal Community Chests in Canada (Aghai, 1958). While Community Chests spread rapidly in the US over the next few years – 240 by 1925 – growth in Canada was much slower, with only nine Community Chests in 1938.[2] For the longest time, agencies conducted fundraising for social welfare programs on their own, only gradually realizing that doing so was too costly. After the Second World War, with the need to address emerging social issues, the number of Community Chests increased from 36 in 1946 to 65 by 1965, when all provinces, except Newfoundland, reported having them (Aghai, 1958).

While Canada has no record of a national organization representing Community Chests, Community Chests and Councils of America served as the national organization in the US. Created to offer policies and operational direction for local affiliates, there were mixed views about its intentions and control. As a result, the national agency underwent several restructurings and in 1956 was renamed United Community Funds and Councils of America (UCFCA). Reorganizations continued until 1970, when the name United Way of America replaced UCFCA. How Community Chests converted to United Ways in Canada is less clear. Some were closed, and United Ways opened in their place. Again, following developments in the US, the United Way of Canada was formally established in 1973. In 1975, the French version of "United Way," "Centraide," was incorporated into the name, and the organization became United Way Centraide Canada, with the duality recognizing Canada's bilingual culture.

All Canadian United Ways are registered charities that file individual annual tax returns with the Canada Revenue Agency (CRA). Registered charities in Canada are classified as charitable organizations or (public or private) charitable foundations.[3] In 2014, 77% of United Ways were designated as public foundations, while the remaining 23% were designated as charitable organizations. CRA also classifies registered charities according to their charitable purpose or mission. Except for two organizations formally classified as serving the community, all other United Way organizations are categorized as supporting welfare causes.

Figure 1: Provincial Distribution of United Way Organizations, 2000 and 2014



Notes: Atlantic provinces comprise Nova Scotia, New Brunswick, Newfoundland and Labrador, and Prince Edward Island.

(Source: Author's calculations. Canada Revenue Agency and Public Economics Data Analysis Laboratory, Department of Economics, McMaster University.)

Most of the growth in United Way organizations occurred in the late 1990s and early 2000s. By 2005, the number of United Way organizations had increased by 16%, or 13 organizations over the decade. During this time, more United Ways were established in smaller or remote communities such as Bridgewater, Nova Scotia, with a population of 8,000 people. Between 2005 and 2014, there were 94 self-governing United Way organizations operating in Canada. Once more recent data becomes available, however, this number will drop, to reflect the two recent mergers in eastern Ontario and the two Saskatchewan United Ways that closed down in December 2018.

United Way Rebranding: From Fundraising to Community Impact

Umbrella Fundraising Focus

From its inception, United Way Centraide Canada operated mainly as an umbrella fundraising body, and local United Ways followed suit. In the early days, United Ways fundraised under the slogan "One gift for all" (Levens, 2006). The purpose of such campaigns was to raise funds for member agencies so they could serve their communities. While information about which organizations have been United Way member agencies is readily available, there is little about *how* these organizations became members. In the past, the United Way was tied to a group of well-established agencies, such as the YMCA, the Red Cross, and the Boy and Girl Scouts, and it was difficult for other agencies to be admitted to "member" status (Brilliant, 1990: 77). One can infer that historically, United Ways not only recruited organizations into their membership pools, but did so carefully and perhaps strategically, ensuring that these member organizations had their own strong national representation as federations with many affiliates spread across the country.

Becoming a member agency and receiving United Way funding meant financial stability and external legitimacy for local charities (Paarlberg & Meinhold, 2012; Grønbjerg et al., 1996). United Ways created a reputation of being the largest funder of human service organizations in their locales (Paarlberg & Moulick, 2017). They provided continuous multiyear funding to member agencies (designated as operational or base funding), whereas most other funders (community or public foundations) offered multiyear funding occasionally and selectively (Grønbjerg et al., 2000; Akingbola, 2004). Given this benefit of United Way support, more agencies sought to become members. In an attempt to mitigate the pressures from a growing number of interested agencies, United Ways adopted a rational, needs-based allocation framework that prioritized the needs of the member organizations. This process of prioritizing the needs of some agencies over others caused some to question remaining with the United Way (Levens, 2006). Once an organization became a member, however, it generally had full autonomy as to how the United Way funds were allocated. This led to criticism, in Canada and the US, that the focus was on meeting the needs of member agencies rather than on solving "collective priorities of the community" (Paarlberg & Moulick, 2017: 358). United Ways were also criticized for being elitist and exclusive, preserving long-term relationships with traditional charities rather than reaching out to newer groups with a more inclusive view of community (Paarlberg & Meinhold, 2012; Paarlberg & Moulick, 2017).

The mindset of United Way donors was also changing. United Way raised money primarily through workplace campaigns, which were popular and highly successful. Many employees, especially in large, unionized workplaces, made use of payroll deductions as a simple way to contribute to United Ways (Brilliant, 1990). Contributions were then distributed by United Ways to their member agencies. By the mid-1990s, however, American donors began requesting some degree of choice in identifying worthy causes, instead of delegating this responsibility solely to United Ways. This shift was motivated by other workplace programs in the United States, such as the Combined Federal Campaign, that offered choices to their donors (Cords et al., 1999).

An appetite for more choice was not surprising, since member agencies' program menus had remained virtually unchanged throughout the years (Levens, 2006).

This change in donor preferences regarding United Way contributions made its way to Canada by the end of the 1990s. Canadian donors were also advocating for choice in their support of charity programs, as this would lead to greater accountability for their workplace donations (Cutt & Murray, 2000).

While it was important to meet donor demands, United Ways were concerned about their revenue streams and their ability to fulfill their commitments to their member agencies, because with donor choice in place, the system of dedicated payroll deductions was threatened. Even though designated dollars were technically counted as part of the United Way total, they could no longer be allocated by United Way. These developments led to increased criticism that the United Way had lost its reputation as a successful fundraising intermediary, which ultimately required the organization to consider systemic change.

Community Impact Focus

The need for change within the American United Way system had been brewing since the mid-1990s. Individual giving habits were shifting toward more choice and away from dedicated payroll deductions. Corporate downsizing in the United States at this time meant fewer companies were able to administer workplace giving. Americans were also affected by the news that criminal charges had been laid against former United Way president William Aramony, for fraud and financial mismanagement of United Way monies (Johnston, 1997). Public trust was undermined, donations took a downward spiral, and local United Way chapters could no longer meet their funding commitments to member agencies. A fundamental change was required if the United Way wanted to remain operational (Johnston, 1997).

In 2001, United Way of America's incoming CEO and president, Brian Gallagher, rolled out a new nationwide strategy – Community Impact – in an attempt to mend the organization and reestablish its relevance. The primary focus of this strategy would be on funding programs or United Way priorities rather than specific member agencies (Paarlberg & Meinhold, 2012). Funded agencies were now called "partners" rather than "members," reflecting that under the Community Impact model they were to be regarded as active participants in effecting change.

Table 2 contrasts key elements of the United Way's traditional fundraising model with those of the Community Impact model. The underlying principles of the new paradigm are to identify and address "core community problems and mak[e] funding decisions based on grantees' abilities to affect such issue areas" (Paarlberg & Meinhold, 2012: 827). More specifically, United Way organizations commit to being conveners in their communities by mobilizing numerous partners to work together to design solutions to complex issues. The goal is to bring about change at the systems level.

Table 2: Comparison of United Way's Fundraising Model and Community Impact Model

United Way's Traditional Fundraising Model	United Way's Community Impact Model
Efficient fundraiser	Convener and leader in the community
Focus on partner agency needs and priorities	Focus on core community issues
Effective distributor of funds	Competitive granting, outcome-based funding
Workplace giving	Diversified fundraising
Growth in annual campaign	Change in community conditions (lives impacted vs. dollars raised)

(Source: Table adopted from Paarlberg & Meinhold (2012), with additions derived from conversations with Canadian United Way representatives.)

Canadian United Ways shared similar experiences regarding shifts in donor preferences and declining donations. The adoption of the Community Impact model by American United Ways set the stage for Canada's United Ways to eventually make the leap and adopt the promising initiative. In 2001, United Way Centraide Canada launched a strategic alignment initiative, officially endorsed at the 2003 annual general meeting. For the first time, all of Canada's United Way branches adopted a common mission, referred to as the "Community Impact mission," and identified three priority areas: from poverty to possibility, strong communities, and all that kids can be. Within the three focus areas, however, local United Ways are free to establish their own signature initiatives.

Adopting a common mission, while simple in principle, came with significant challenges. Without strong direction or specific instructions from the national office, local United Ways were paving their own routes through the transition. As a result, some were too quick to adopt changes, while others took a long time. As indicated in informal conversations with United Way representatives, some branches did not even begin their transition until after 2010. With such idiosyncrasy in the adoption of the new strategy, how did this shift affect the allocation of funds to United Way member agencies?

As noted in Table 2, a switch to the new model in theory meant that a United Way would allocate funds on a competitive basis, through open grant calls, and to those charities able to demonstrate program outcomes. How this occurred in practice has not been explicitly documented and must be inferred from informal conversations with Canadian United Way and agency representatives. In the US, the old model continued to prevail for some United Ways, which chose to make no changes to their funding allocations and maintained existing relationships with their funded agencies (Paarlberg & Meinhold, 2012). Others chose to remove low-performing partners and redistribute funding across a smaller number of member organizations. Only a small number quickly and fully adopted the competitive approach. It appears that implementation of the Community Impact model was as much of a hybrid in Canada as it was in the US. Either abruptly or over a course of time, some United Way member agencies saw their core funding cut, which led to significant financial disruptions. Despite the claims of community impact, however, it seems that many United Way leaders still favour preserving traditional funding approaches and protecting valuable community relationships.

Assessing Donations and Funding Trends of Canadian United Ways

Considering the ongoing challenges faced by Canadian United Ways in attracting donations and distributing their funds, this section specifically focuses on the assessment of private giving and grant-making trends of local United Ways. This assessment draws on detailed financial data gathered from annual information returns filed by United Ways with the CRA between 2000 and 2014.

Table 3 presents United Ways' key financial measures, which include total asset holdings, total revenues, spending on grants to charities and on own charitable programs, and non-disbursement expenses such as advertising costs, licences, bank charges, and other professional fees. To allow comparisons across the years, all measures have been converted to constant 2010 dollars.

Table 3: Summary Statistics of Key Financial Measures for Canada's United Ways

	Mean	Standard Deviation	Maximum
	$2010, millions		
Total assets	5.3	16.0	151.0
Total revenues	4.7	15.1	150.0
Tax-receipted donations	3.4	11.3	122.0
Revenues from fundraising	0.4	3.7	68.7
Government grants	0.2	1.1	27.8
Disbursement expenditures	3.8	12.4	130.0
Total gifts to charities	3.2	11.3	124.0
Total program spending	0.5	1.2	12.0
Non-disbursement expenditures	0.8	2.0	20.8

Notes: N=1,389 observations or 94 organizations for the period 2000–2014. Standard deviation is the deviation of the sample. Revenues from fundraising are obtained from fundraising activities (e.g., a gala or run) for which no tax receipts are issued. Non-disbursement expenditures include advertising costs, licences, bank charges, and other professional fees. Only relevant income and expenditure categories are incorporated into the summary table.

(Source: Author's calculations. CRA and Public Economics Data Analysis Laboratory, Department of Economics, McMaster University.)

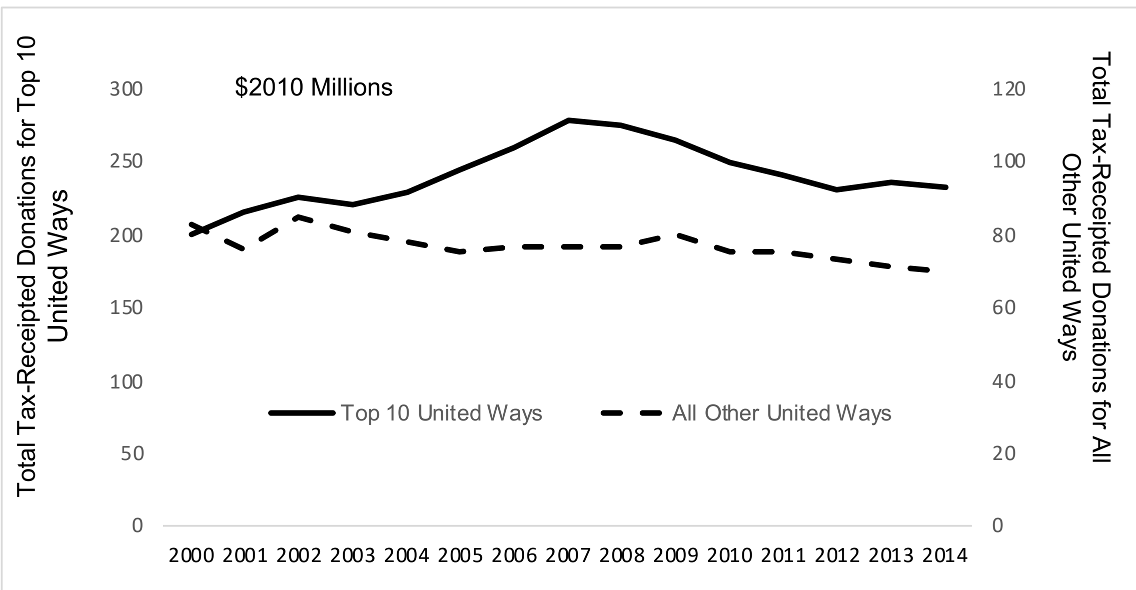
How a Canadian United Way (as a public foundation) operates is distinct from other types of medium-sized public foundations. Khovrenkov (2016) finds that a typical medium-sized public foundation holds significant assets as a result of its initial endowment but raises little in additional revenues. As depicted in Table 3, total assets and total revenues of the United Ways are similar and on average amount to $5.3 and $4.7 million respectively. Another distinction is that tax-receipted donations received by United Ways comprise more than 70% of their total revenues, whereas for the average public foundation, these donations account for only 40% of total revenues. These simple statistics indicate that even a small disruption in individual donations will have a significant effect on United Way operations and their ability to fund programs.

Total disbursements, which include grants to other charities and spending on own charitable programs, are the dominant category of total expenditures across all foundations, including United Ways (Khovrenkov, 2016).[4] On average, United Ways transfer a yearly total of $3.2 million to other registered charities across Canada, which accounts for more than 80% of their total disbursements. Given the extent of their grant-giving, it is not surprising that United Ways are viewed as important funders in their communities (Stone et al., 2001).

Charitable Giving Trends

For an insightful illustration of trends in charitable giving, we examine two groups of United Ways. The first consists of the largest 10 United Ways based on the size of their assets; the second incorporates all other United Ways (84 organizations in 2014). Figure 3 presents total tax-receipted donations for both groups over a 15-year period. For the top 10 United Ways, receipts of private donations first increased, reaching a total high of $278 million in 2007, but then dropped by 17% between 2008 and 2012, with a slight levelling occurring between 2012 and 2014. Smaller United Ways have experienced a consistent decline in private donations since 2002. Underlying these declines are an overall drop in the share of tax filers reporting donations and the negative effects of the 2008 economic downturn (Lasby & Barr, 2018). In addition, such a pronounced and lengthy decline in private giving to United Ways potentially reflects their internal struggles with rebranding, which have manifested in challenges with attracting donations.

Figure 3: Total Tax-Receipted Donations to United Ways, 2000–2014



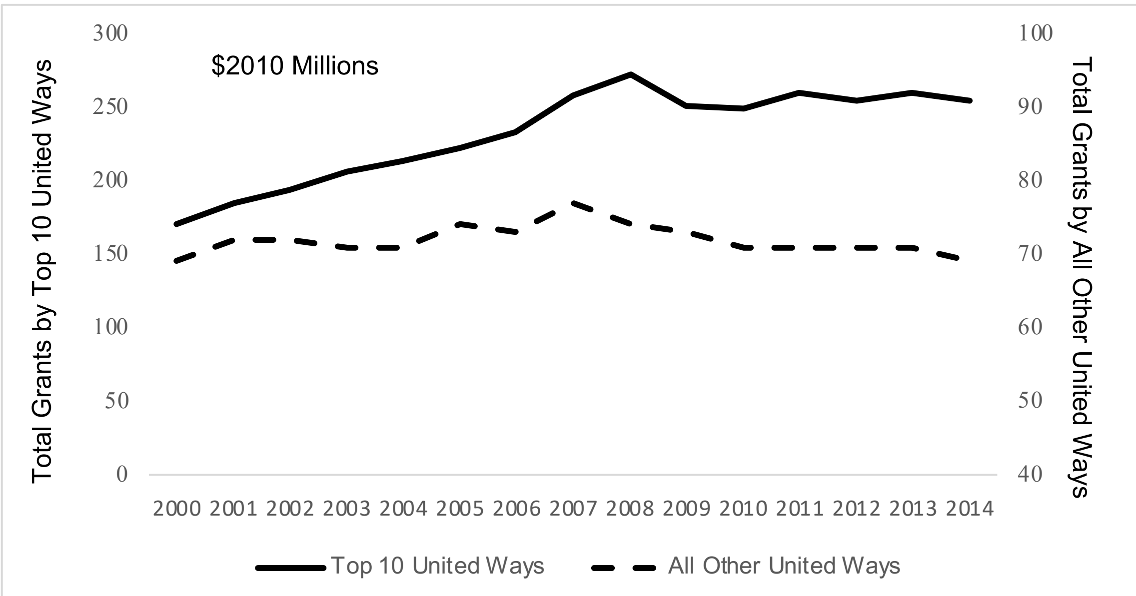
Notes: Total tax-receipted donations for all other United Ways correspond to the secondary axis.

(Source: Canada Revenue Agency and Public Economics Data Analysis Laboratory, Department of Economics, McMaster University.)

Grant-Making Trends

Declines in private donations undoubtedly impact granting abilities, and Figure 4 illustrates that United Ways have experienced such challenges. Similar to the trends in private donations, grants transferred to other charities by the top 10 United Ways rose from 2000 to 2008, peaking at a total of $272 million in 2008. Since then, however, grant-making dropped by 8% and remained stagnant for the rest of the sample period. Grant-making by smaller United Ways is also problematic. Their funding to other charities has remained mostly unchanged over the 15-year period, again reflecting their steadily declining donations.

Figure 4: Total United Way Grants to Other Charities, 2000–2014

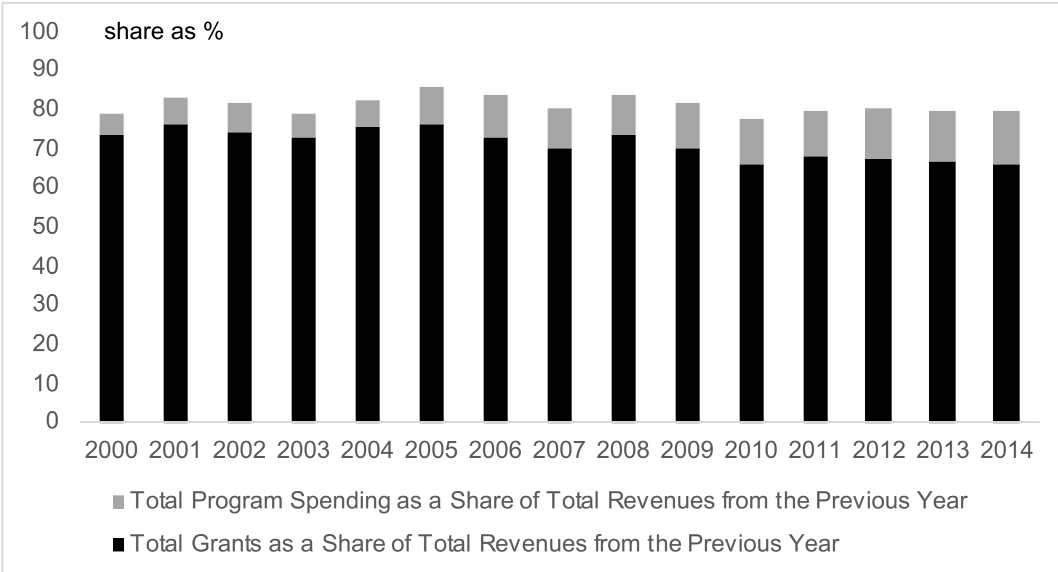


Note: Total grants by all other United Ways correspond to the secondary axis.

(Source: Canada Revenue Agency and Public Economics Data Analysis Laboratory, Department of Economics, McMaster University.)

While grant-making in absolute terms has been stagnant since 2008 for all United Ways, grants as a share of their total revenues from the previous year have declined, most noticeably since 2006, as shown in Figure 5.[5] In 2000, grants given by United Ways accounted for 73% of their total revenues, while this share fell to 66% in 2014. In contrast, United Ways are spending more on in-house programming: the share of revenues devoted to spending on their own charitable programs has increased from 6% in 2000 to 14% in 2014. These changes in spending potentially reflect a shift toward a community impact model of funding, as some United Ways reduced the number of agencies they fund so as to focus on meeting core community needs through program offerings within their own organizations (Paarlberg & Meinhold, 2012).

Figure 5: Grant-Making and Program Spending in Relation to Total Revenues, 2000–2014



(Source: Canada Revenue Agency and Public Economics Data Analysis Laboratory, Department of Economics, McMaster University.)

Some United Ways have noted that they needed to "dip into savings" to continue their funding commitments. While the T3010 tax form does not include a direct measure of savings, it does indicate the amount of cash held by charities. Calabrese (2013) suggests that analysis of operating reserves of nonprofits, especially availability of cash, offers additional insights into their ability to deal with financial vulnerability. He notes that larger amounts of cash can signify that organizations are holding liquid funds in order to meet their missions and commitments. Back-of-envelope calculations suggest that cash holdings of all United Ways have increased throughout the sample, potentially pointing to the importance of continuing their legacy of being a responsible funder, despite the risk of cash depletion. Indeed, they may be in a more precarious position than first appears.

Conclusion

United Ways have been dedicated funders of a wide variety of programs in our communities for the past 40 years. Over this time, they have had to adapt to corporate downsizing and donors wishing to give to charities of their choice. How people give has changed significantly, and traditional fundraising practices ceased to be effective, prompting the biggest change that United Ways experienced to date: implementation of the Community Impact model. Was the rebranding from traditional fundraiser to impact funder a reinvention or a failed endeavour? A general impression is that United Ways are operating under a hybrid design – trying to strike a balance between meeting donor preferences, funding programs based on outcomes, and preserving valuable community relationships. Despite the shift in focus, however, United Way managers continue to grapple with the problem of falling donations.

United Way is one of the largest non-governmental funders of community initiatives, and declines in donations to the organization have important implications for funding allocations. Volatility in United Way funds can undermine the ability of community partners to deliver programs. Also, with a shift to the Community Impact model, where grant competitions are the new norm, community partners may be challenged by no longer having a guaranteed source of income. While some charities manage to innovate and diversify their revenues, smaller organizations will be hit hard by such disruptions, leaving their future financial sustainability in jeopardy.

Because attracting donations is essential to United Ways, they have been active on the policy front and have called on the federal government to adopt policies that would encourage giving. For example, in 2016, on behalf of all branches, United Way Canada made a submission to the Standing Committee on Finance in favour of the "stretch tax credit," which was intended to boost charitable giving by providing more generous credits when donors increased the amounts they gave over previous years (United Way Centraide Canada, 2016). However, no action was undertaken by the federal government regarding this type of credit. In 2018, Jacline Nyman, former president and CEO of United Way Centraide Canada, appeared before the Special Committee on the Charitable Sector in the Senate to request policies for stable funding. So far, these have been only conversations without action. There is potential that United Ways can benefit from the Social Finance Fund, launched in 2019, to which the federal government committed $755 million over 10 years to help charities and other social purpose organizations access financing for projects that will have "a positive social impact" (Canada, 2019: 164).

As United Way campaigns kick off across the country and their banners appear with the well-known logo of a helping hand cradling humankind, we need to ask a serious question about the future of United Ways. Declining donations and the closing of some United Way offices make us wonder if the organization is still an intermediary of value. Or will it become obsolete?

United Ways in Canada are at a crossroads, searching to find a place for themselves in the philanthropic space. Some critics argue that the decline in their prominence as a dominant fundraiser cannot be reversed (Holly, 2018; Cohen, 2007). Others defend United Ways, suggesting that they simply need time to explore their options and come up with innovative solutions. For example, United Way Ottawa is trying a new look in its advertising campaign: instead of displaying dollar amounts as goals, it shows how many lives it is trying to change (Crawford, 2016). Brian Gallagher, now CEO of United Way Worldwide, argues that a larger-scale platform, Salesforce.org Philanthropy Cloud, is the future of United Ways (Gallagher, 2018). Philanthropy Cloud is an online giving platform that strives to connect companies and their employees with the specific needs of communities. Some are skeptical about this approach, highlighting that Philanthropy Cloud is not that different from workplace giving, which has proven ineffective. Time will tell, as United Ways continue to soul-search, but they will need to work hard, or perhaps work differently at convincing their donors.

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Notes

[1] Centraide is an important element of the full United Way title, as it reflects the French language. The chapter will use "United Way" inclusive of Centraide for simplicity of expression.

[2] Community Chests in Canada were also known as welfare funds, community funds, and united funds (Aghai, 1958). The official symbol of Community Chests was the "red feather."

[3] According to the CRA's definitions, charitable foundations primarily raise funds and disburse them to other registered charities, while charitable organizations collect the funds and use them to finance the provision of local goods and services.

[4] Program spending includes spending on day-to-day charitable activities, salaries, staff training, and occupancy costs.

[5] Figure 5 is based on the assumption that revenues obtained in the previous year are spent the following year to better reflect the United Way spending environment. For example, shares in 2000 are calculated by taking total grants made to charities in 2000 and dividing them by total revenues received in 1999. These shares are similar even if one assumes revenues are spent in the same year they are received.

Biography

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