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## Generosity in Canada and the United States

The 2012 Generosity Index

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### Main Conclusions

- The province with the highest percentage of tax filers that donated to charity during the 2010 tax year is Manitoba (26.2%); the province with the lowest percentage is Newfoundland & Labrador (21.1%). Of all the provinces, Manitoba donated the highest percentage of its aggregate income to charity during the 2010 tax year (0.92%); Quebec donated the lowest percentage (0.31%).
- Nationwide, a higher percentage of tax filers donated to charity in the United States (26.7%) than in Canada (23.3%) during the 2010 tax year. Similarly, Americans (at 1.38%) gave a higher percentage of their aggregate income to charity than did Canadians (at 0.66%).
- The extent of generosity (percentage of tax filers donating to charity) varies significantly among US states and Canadian provinces and territories. On this indicator, Manitoba is the only Canadian jurisdiction that ranks among the top 25 subnational donators (provinces, territories, and states) during 2010 (ranked 24th out of 64).
- The depth of generosity (the percentage of aggregate income donated) was generally less in the Canadian provinces and territories than the US states. There were only five US states where the percentage of aggregate income donated was less than the percentage of aggregate income donated in Manitoba (0.92%), the Canadian province with the highest percentage of aggregate income donated.
- US jurisdictions top the overall Generosity Index rankings. Utah places first (scoring 8.9 out of 10.0), followed by Maryland (7.5 out of 10.0), and Connecticut (6.5 out of 10.0). Manitoba is the highest-scoring Canadian province (3.8 out of 10.0), but its performance ranks only 39th overall out of 64 North American jurisdictions.

## Introduction

Interest in the charitable sector heightens each year as the holiday season approaches. Charities depend on the generosity of thousands of ordinary citizens who give privately from their own funds to enhance the quality of life in their communities and beyond. The Fraser Institute's annual Generosity Index measures this private monetary generosity using readily available data on the extent and depth of charitable donations, as recorded on personal income tax returns in Canada and the United States.<sup>1</sup> As it has done in previous years, the 2012 index reveals a substantial generosity gap between the two countries.

## The Generosity Index

The Generosity Index measures private monetary generosity using two key indicators. The percentage of tax filers who donated to charity indicates the extent of generosity, while the percentage of aggregate

personal income donated to charity indicates the depth of charitable giving.<sup>2</sup> Though not used to calculate the Generosity Index scores, the average dollar value of charitable donations provides additional information on the level of private generosity in each jurisdiction.<sup>3</sup> The jurisdictions included in the index are the 10 Canadian provinces and three territories, the 50 US states, and Washington, DC. The data used are from the 2010 tax year—the most recent year for which comparable data are available for both Canada and the United States. The data collected for the Generosity Index show stark differences in charitable giving among the Canadian provinces and territories, as well as between Canada and the United States.

Quebecers rank last among the provinces since they donate 0.31% of aggregate income to charity—approximately one-third the proportion of Manitobans.

Though not used to calculate the Generosity Index, data on average charitable donations are also provided for interest (see table 1). Among all the provinces and territories, the highest average dollar value of charitable donations was in Alberta (\$2,289), followed by British Columbia (\$1,832) and Manitoba (\$1,697). As was the case last year, Quebec ranked last among the provinces and territories with an average value of charitable donations of \$641—less than half the national average of \$1,469.

## Charitable giving in Canada

Table 1 presents data for the Canadian provinces and territories. Manitoba had the highest percentage of tax filers who donated to charity (26.2%) among the provinces. Prince Edward Island and Saskatchewan tied for second place (25.2%). The provinces with the lowest percentage of tax filers donating to charity are Newfoundland & Labrador (21.1%) and New Brunswick (21.3%). In the territories, the percentage of tax filers who donated to charity ranges from 9.7% in Nunavut to 20.6% in the Yukon.

At 0.92%, Manitobans donate the highest percentage of their aggregate personal income to charity. Residents of Prince Edward Island were next at 0.83%, followed by Albertans in third at 0.81%.

## Canadian giving trends from 2000 to 2010

Table 2 presents the extent and depth of charitable giving by Canadian province and territory in 2000, 2005, and 2010, as well as the change in generosity from 2000 to 2010. What is most striking about these trends is that the extent of charitable giving fell in virtually every Canadian jurisdiction. Only two of the territories saw growth in the percentage of tax filers donating to charity: the Northwest Territories (increasing by 6.2%) and the Yukon (increasing by 5.6%). The provinces where the drops in the percentage of tax filers donating to charity were most pronounced are Ontario (decreasing by 11.5%), Prince Edward Island (decreasing by 10.3%), and Saskatchewan (decreasing by 8.8%). Alberta saw the smallest drop in the extent of giving (at 1.3%) among the provinces and territories.

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**Table 1: Canadian Results and Rankings for the 2010 Tax Year**

Province/Territory	Percentage of tax filers donating to charity		Percentage of aggregate income donated to charity		Average charitable donation	
	%	Rank (out of 13)	%	Rank (out of 13)	Amount (in dollars)	Rank (out of 13)
British Columbia	22.0	7	0.80	4	1,832	2
Alberta	24.2	5	0.81	3	2,289	1
Saskatchewan	25.2	2	0.73	6	1,519	6
Manitoba	26.2	1	0.92	1	1,697	3
Ontario	24.5	4	0.75	5	1,645	4
Quebec	21.9	8	0.31	11	641	13
New Brunswick	21.3	9	0.59	7	1,190	9
Nova Scotia	22.6	6	0.55	8	1,129	11
Prince Edward Island	25.2	2	0.83	2	1,339	7
Newfoundland & Labrador	21.1	10	0.49	9	990	12
Yukon	20.6	11	0.33	10	1,160	10
Northwest Territories	16.8	12	0.27	12	1,315	8
Nunavut	9.7	13	0.23	13	1,600	5

Sources: Canada Revenue Agency, 2012; Statistics Canada, 2011; United States Internal Revenue Agency, 2012a; Bureau of Economic Analysis, 2012; calculations by authors.

On the other hand, half of Canadian provinces recorded increases in the depth of charitable giving between 2000 and 2010 while half recorded declines. Nunavut saw the largest increase among the provinces and territories in the percentage of aggregate income donated to charity (increasing by 36.5%). Prince Edward Island, Alberta, and British Columbia also saw significant increases in the depth of charitable giving, increasing by 29.0%, 12.5%, and 10.8% respectively. By contrast, the percentage of aggregate income donated to charity decreased significantly in the Northwest Territories (20.7%), New Brunswick (12.7%), Saskatchewan (12.5%), and the

Yukon (11.1%). There were less pronounced decreases in the depth of giving in Ontario, Newfoundland & Labrador, and Nova Scotia.

### Comparing Canada and the United States

The most pronounced differences exist when Canadian generosity is compared to American generosity. In the United States, the extent of generosity is over three percentage points higher: 26.7% of US tax filers donate to charity (United States Internal Revenue Service, 2012a) compared to 23.3% of Canadians (Canada Revenue Agency, 2012).

The gap between these two countries widens when considering the depth of the generosity of each. In 2010, Americans gave 1.38% of their aggregate income to charity (United States Internal Revenue Service, 2012a; Bureau of Economic Analysis, 2012; calculations by the authors). This rate of giving is more than double that of Canadians, who gave 0.66% of aggregate income to charity in 2010 (Canada Revenue Agency, 2012; Statistics Canada, 2011).<sup>4</sup> Total donations were US\$170.2 billion in the US in 2010 and CA\$8.5 billion in Canada. If Canadians had given the same percentage of their aggregate income to charity as Americans had, Canada's

**Table 2: Change in Canadian Generosity by Province, 2000 to 2010**

Province/ Territory	Percentage of tax filers donating to charity (%)				Percentage of aggregate income donated to charity (%)			
	2000	2005	2010	% change from 2000 to 2010	2000	2005	2010	% change from 2000 to 2010
British Columbia	23.1	23.8	22.0	(4.9)	0.72	0.86	0.80	10.8
Alberta	24.5	25.3	24.2	(1.3)	0.72	0.91	0.81	12.5
Saskatchewan	27.7	26.3	25.2	(8.8)	0.84	0.90	0.73	(12.5)
Manitoba	28.5	27.9	26.2	(7.8)	0.86	1.28	0.92	6.5
Ontario	27.6	27.3	24.5	(11.5)	0.80	1.00	0.75	(5.9)
Quebec	22.7	22.6	21.9	(3.7)	0.30	0.36	0.31	3.6
New Brunswick	23.0	23.2	21.3	(7.2)	0.67	0.69	0.59	(12.7)
Nova Scotia	24.5	23.0	22.6	(7.8)	0.58	0.77	0.55	(3.9)
Prince Edward Island	28.1	27.7	25.2	(10.3)	0.64	0.73	0.83	29.0
Newfoundland & Labrador	21.4	22.3	21.1	(1.4)	0.51	0.53	0.49	(4.6)
Yukon	19.5	24.8	20.6	5.6	0.37	0.53	0.33	(11.1)
Northwest Territories	15.8	15.8	16.8	6.2	0.34	0.26	0.27	(20.7)
Nunavut	10.4	10.6	9.7	(6.9)	0.17	0.16	0.23	36.5

Note: The percentage of aggregate income donated in the Northwest Territories for 2000 (0.34%) is an average of the 1999 and 2001 tax years. An average was used because the actual value for 2000 was unusually high and did not reflect the general depth of giving in the territory. The actual percentage in 2000 was 1.37%, a one-time uptick over the trend level from earlier and later years. In 2000, there were 4,110 donations in the Northwest Territories valued at \$19.3 million. In the previous tax year (1999), there were 4,110 donations valued at \$4.6 million. The value of donations, therefore, increased more than four times in one year. In 2001, the value of donations decreased to \$4.9 million (the number of contributions, however, increased to 4,580). Had the authors used the unusually high percentage of aggregate income donated to charity in the Northwest Territories in 2000 (1.37%), then the decrease from 2000 to 2010 would have been 80.3% instead of 20.7%. Sources: Canada Customs and Revenue Agency, 2002; Canada Revenue Agency, 2007, 2012; Statistics Canada, 2011; calculations by authors.

charities would have received an additional \$9.2 billion in private donations (a potential total of \$17.7 billion).

### Subnational differences

The generosity gap varies significantly among subnational jurisdictions.<sup>5</sup> Table 3 ranks all states, provinces, and territories in North America on both measures included in the Generosity Index (the

percentage of tax filers who donated to charity and the percentage of aggregate income donated).

As was the case last year, Maryland has the highest percentage of tax filers who donated to charity (40.7%). New Jersey and Connecticut tied for second with 36.6% of tax filers donating. Only Manitoba, Canada's highest ranked province on this measure, is among the top 25 (ranked 24th out of 64) with 26.2%

of its tax filers donating to charity. Prince Edward Island and Saskatchewan both had 25.2% of their tax filers donating and were Canada's second highest ranked jurisdictions on this measure (both ranked 31<sup>st</sup> out of 64).

In a comparison of the depth of charitable giving, Canadian provinces and territories do far worse than US jurisdictions. In Utah, 3.17% of aggregate income was

**Table 3: Results and Rank for Charitable Contributions in Canada and the US, 2010 Tax Year**

State/ Province/ Territory	Percentage of tax filers donating to charity (%)	Rank (out of 64)	Percentage of aggregate income donated to charity (%)	Rank (out of 64)	Average charitable donation (local currency—\$)	Rank (out of 64)
Alabama	24.5	33	1.76	4	5,488	10
Alaska	18.1	58	1.01	44	4,672	20
Arizona	28.0	20	1.26	33	3,587	43
Arkansas	19.7	52	1.41	20	5,552	9
California	29.6	13	1.36	23	4,306	26
Colorado	31.1	10	1.44	18	4,144	31
Connecticut	36.6	2	1.50	14	4,714	18
Delaware	29.4	14	1.32	26	3,709	39
District of Columbia	32.7	8	1.55	11	6,314	5
Florida	20.1	51	1.28	29	4,804	14
Georgia	28.6	17	1.88	3	4,793	15
Hawaii	25.7	27	0.99	45	3,297	45
Idaho	26.4	23	1.61	7	4,566	21
Illinois	28.1	18	1.28	29	4,071	32
Indiana	21.7	46	1.24	35	4,248	28
Iowa	26.2	24	1.17	37	3,674	40
Kansas	25.5	29	1.50	14	4,979	13
Kentucky	23.9	39	1.30	27	4,145	30
Louisiana	18.3	57	1.12	42	5,175	12
Maine	23.6	41	0.89	49	2,937	49
Maryland	40.7	1	1.70	5	4,213	29
Massachusetts	33.0	7	1.27	32	4,042	34
Michigan	26.5	22	1.39	21	3,857	37
Minnesota	33.5	5	1.36	23	3,590	42
Mississippi	19.4	56	1.53	12	5,637	8
Missouri	24.4	36	1.30	27	4,327	24
Montana	23.9	39	1.45	17	4,352	23
Nebraska	25.7	27	1.43	19	4,706	19
Nevada	24.0	38	1.25	34	3,983	35
New Hampshire	27.4	21	0.89	49	2,837	50
New Jersey	36.6	2	1.15	40	3,241	46
New Mexico	19.6	54	1.04	43	3,948	36
New York	30.4	11	1.56	10	5,263	11
North Carolina	29.1	16	1.60	8	4,322	25

**Table 3: Results and Rank for Charitable Contributions in Canada and the US, 2010 Tax Year**

State/ Province/ Territory	Percentage of tax filers donating to charity (%)	Rank (out of 64)	Percentage of aggregate income donated to charity (%)	Rank (out of 64)	Average charitable donation (local currency—\$)	Rank (out of 64)
North Dakota	15.5	62	0.84	51	4,725	17
Ohio	24.5	33	1.16	38	3,602	41
Oklahoma	21.4	47	1.52	13	5,982	7
Oregon	31.6	9	1.38	22	3,469	44
Pennsylvania	25.3	30	1.13	41	3,747	38
Rhode Island	30.3	12	0.99	45	2,830	51
South Carolina	25.8	26	1.69	6	4,750	16
South Dakota	15.8	61	1.23	36	6,404	3
Tennessee	19.5	55	1.58	9	6,352	4
Texas	19.7	52	1.34	25	5,983	6
Utah	34.0	4	3.17	1	7,333	2
Vermont	22.1	43	0.90	48	3,198	47
Virginia	33.3	6	1.50	14	4,286	27
Washington	28.1	18	1.28	29	4,067	33
West Virginia	13.5	63	0.79	55	4,427	22
Wisconsin	29.3	15	1.16	38	3,129	48
Wyoming	17.0	59	2.01	2	10,920	1
British Columbia	22.0	44	0.80	54	1,832	53
Alberta	24.2	37	0.81	53	2,289	52
Saskatchewan	25.2	31	0.73	57	1,519	57
Manitoba	26.2	24	0.92	47	1,697	54
Ontario	24.5	33	0.75	56	1,645	55
Quebec	21.9	45	0.31	62	641	64
New Brunswick	21.3	48	0.59	58	1,190	60
Nova Scotia	22.6	42	0.55	59	1,129	62
Prince Edward Island	25.2	31	0.83	52	1,339	58
Newfoundland & Labrador	21.1	49	0.49	60	990	63
Yukon	20.6	50	0.33	61	1,160	61
Northwest Territories	16.8	60	0.27	63	1,315	59
Nunavut	9.7	64	0.23	64	1,600	56
Canada	23.3		0.66		1,469	
United States	26.7		1.38		4,434	

Sources: Bureau of Economic Analysis, 2012; Canada Revenue Agency, 2012; Statistics Canada, 2011; United States Internal Revenue Service, 2012a; calculations by authors.

**Table 4: Generosity Index Scores for Canada and the US**

State/ Province/ Territory	Generosity Index		Indicator 1: Percentage of tax filers donating to charity			Indicator 2: Percentage of aggregate income donated to charity		
	Score (out of 10)	Rank (out of 64)	%	Score (out of 10)	Rank (out of 64)	%	Score (out of 10)	Rank (out of 64)
Utah	8.9	1	34.0	7.8	4	3.17	10.0	1
Maryland	7.5	2	40.7	10.0	1	1.70	5.0	5
Connecticut	6.5	3	36.6	8.7	2	1.50	4.3	14
District of Columbia	6.0	4	32.7	7.4	8	1.55	4.5	11
Virginia	6.0	4	33.3	7.6	6	1.50	4.3	14
Georgia	5.9	6	28.6	6.1	17	1.88	5.6	3
New Jersey	5.9	6	36.6	8.7	2	1.15	3.1	40
Minnesota	5.8	8	33.5	7.7	5	1.36	3.8	23
New York	5.6	9	30.4	6.7	11	1.56	4.5	10
Colorado	5.5	10	31.1	6.9	10	1.44	4.1	18
Massachusetts	5.5	10	33.0	7.5	7	1.27	3.5	32
North Carolina	5.5	10	29.1	6.3	16	1.60	4.7	8
Oregon	5.5	10	31.6	7.1	9	1.38	3.9	22
California	5.1	14	29.6	6.4	13	1.36	3.8	23
South Carolina	5.1	14	25.8	5.2	26	1.69	5.0	6
Alabama	5.0	16	24.5	4.8	33	1.76	5.2	4
Delaware	5.0	16	29.4	6.4	14	1.32	3.7	26
Idaho	5.0	16	26.4	5.4	23	1.61	4.7	7
Illinois	4.8	19	28.1	5.9	18	1.28	3.6	29
Washington	4.8	19	28.1	5.9	18	1.28	3.6	29
Arizona	4.7	21	28.0	5.9	20	1.26	3.5	33
Kansas	4.7	21	25.5	5.1	29	1.50	4.3	14
Michigan	4.7	21	26.5	5.4	22	1.39	3.9	21
Wisconsin	4.7	21	29.3	6.3	15	1.16	3.2	38
Nebraska	4.6	25	25.7	5.2	27	1.43	4.1	19
Rhode Island	4.6	25	30.3	6.6	12	0.99	2.6	45
Montana	4.4	27	23.9	4.6	39	1.45	4.1	17
Iowa	4.3	28	26.2	5.3	24	1.17	3.2	37
Missouri	4.2	29	24.4	4.7	36	1.30	3.6	27
Wyoming	4.2	29	17.0	2.4	59	2.01	6.1	2
Kentucky	4.1	31	23.9	4.6	39	1.30	3.6	27
Oklahoma	4.1	31	21.4	3.8	47	1.52	4.4	13
Nevada	4.0	33	24.0	4.6	38	1.25	3.5	34
New Hampshire	4.0	33	27.4	5.7	21	0.89	2.2	49

**Table 4: Generosity Index Scores for Canada and the US**

State/ Province/ Territory	Generosity Index		Indicator 1: Percentage of tax filers donating to charity			Indicator 2: Percentage of aggregate income donated to charity		
	Score (out of 10)	Rank (out of 64)	%	Score (out of 10)	Rank (out of 64)	%	Score (out of 10)	Rank (out of 64)
Ohio	4.0	33	24.5	4.8	33	1.16	3.2	38
Pennsylvania	4.0	33	25.3	5.0	30	1.13	3.1	41
Hawaii	3.9	37	25.7	5.2	27	0.99	2.6	45
Tennessee	3.9	37	19.5	3.2	55	1.58	4.6	9
Mississippi	3.8	39	19.4	3.1	56	1.53	4.4	12
Manitoba	3.8	39	26.2	5.3	24	0.92	2.3	47
Indiana	3.7	41	21.7	3.9	46	1.24	3.4	35
Arkansas	3.6	42	19.7	3.2	52	1.41	4.0	20
Florida	3.5	43	20.1	3.4	51	1.28	3.6	29
Texas	3.5	43	19.7	3.2	52	1.34	3.8	25
Prince Edward Island	3.5	43	25.2	5.0	31	0.83	2.0	52
Maine	3.4	46	23.6	4.5	41	0.89	2.2	49
Saskatchewan	3.4	46	25.2	5.0	31	0.73	1.7	57
Alberta	3.3	48	24.2	4.7	37	0.81	2.0	53
Ontario	3.3	48	24.5	4.8	33	0.75	1.8	56
Vermont	3.1	50	22.1	4.0	43	0.90	2.3	48
New Mexico	3.0	51	19.6	3.2	54	1.04	2.8	43
British Columbia	3.0	51	22.0	4.0	44	0.80	1.9	54
Louisiana	2.9	53	18.3	2.8	57	1.12	3.0	42
Alaska	2.7	54	18.1	2.7	58	1.01	2.7	44
South Dakota	2.7	54	15.8	2.0	61	1.23	3.4	36
Nova Scotia	2.6	56	22.6	4.2	42	0.55	1.1	59
New Brunswick	2.5	57	21.3	3.7	48	0.59	1.2	58
Newfoundland & Labrador	2.3	58	21.1	3.7	49	0.49	0.9	60
Quebec	2.1	59	21.9	3.9	45	0.31	0.3	62
North Dakota	2.0	60	15.5	1.9	62	0.84	2.1	51
Yukon	1.9	61	20.6	3.5	50	0.33	0.3	61
West Virginia	1.6	62	13.5	1.2	63	0.79	1.9	55
Northwest Territories	1.2	63	16.8	2.3	60	0.27	0.1	63
Nunavut	0.0	64	9.7	0.0	64	0.23	0.0	64

Note: For each indicator, cases may arise where different jurisdictions receive the same score even though their underlying data is different. This occurs because the scores are rounded to one decimal place.

Sources: Bureau of Economic Analysis, 2012; Canada Revenue Agency, 2012; Statistics Canada, 2011; United States Internal Revenue Service, 2012a; calculations by authors.



donated to charity—by far the highest percentage among US states and Canadian provinces. Wyoming is second on this measure with 2.01% of aggregate income donated to charity. In contrast, the percentage of aggregate income donated to charity in Manitoba, Canada’s highest ranked province on this measure, was just 0.92%—less than a third the amount donated in Utah. There were only five US states where the percentage of aggregate income donated was less than the percentage of aggregate income donated in Manitoba.

Though not included in the calculations of the Generosity Index, Canada makes its poorest showing in the average value of charitable donations in local currency. The average US donation was US\$4,434 (United States Internal Revenue Service, 2012a)—roughly three times more than the average Canadian donation of CA\$1,469 (Canada Revenue Agency, 2012). Wyoming, the top-ranked jurisdiction on this measure, recorded an average charitable donation of US\$10,920—almost five times the average donation of CA\$2,289 in Alberta, Canada’s top-performing province on this measure. Even in Rhode Island, the lowest-ranked US state, the average donation (US\$2,830) is over \$500 more than the average donation in Alberta. The disparity is a more pronounced when currency differences are accounted for in the 2010 tax year.<sup>6</sup>

## The 2012 Generosity Index

Table 4 displays the overall results of the 2012 Generosity Index for the

64 jurisdictions. Overall scores (out of 10.0) and ranks (out of 64) are presented as well as for each indicator (the extent and depth of charitable giving).

As in previous years, the top-ranked jurisdiction is Utah, with an overall index score of 8.9 out of 10.0. Maryland ranks second with an overall score of 7.5 and Connecticut is third with an overall score of 6.5. Canada’s highest ranked province, Manitoba, is 39<sup>th</sup> overall, scoring 3.8 on the 2012 Generosity Index. Quebec ranks last among Canadian provinces, placing 59<sup>th</sup> overall with a score of 2.1. The three territories are at the very bottom of the list, placing 61<sup>st</sup> (Yukon), 63<sup>rd</sup> (Northwest Territories), and 64<sup>th</sup> (Nunavut). Nunavut is last with a score of 0.0 out of 10.0, while the Northwest Territories and Yukon score 1.2 and 1.9 out of 10.0, respectively.

## Conclusion

The Generosity Index uses readily available data to measure private monetary generosity in Canada and the United States. By measuring both the percentage of tax filers who donate to charity and the percentage of aggregate income donated to charity in each jurisdiction, the Generosity Index recognizes the significance of charitable donations eligible for income tax deduction. The results indicate that an increasingly smaller proportion of the population in most provinces is giving to charity over time. Most notably, however, the index shows that private monetary generosity in Canada is considerably lower than in the United States. This generosity gap undoubtedly limits the ability of

charities to improve the quality of life in Canada.

## Notes

- 1 While earlier editions of the Generosity Index incorporated donations of time as well as money (Francis, 1998; Clemens and Samida, 1999), the Canada Revenue Agency (CRA) no longer collects data on volunteer time donated to charity. Statistics Canada collects data on rates of volunteerism in Canada by province (Statistics Canada, 2009), but the data is published once every three years. The most recent published data from 2009 contains survey results that are lagged by two years (i.e., from the 2007 tax year) which do not match the year of tax data used in this edition of the Generosity Index. In addition, it should be noted that, in Canada, it is possible to carry charitable contributions forward for up to five years after the year in which they were originally made. Thus, donations reported for the 2010 tax year could include donations that were made in any of the five previous years. In the United States, however, charitable contributions must be made before the end of the tax year to be deductible (United States Internal Revenue Service, 2012b).
- 2 Aggregate personal income is the sum of the total income earned by every individual in each jurisdiction considered for the index. Currently, more than 80,000 charities are

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### Editing, design, and production

Kristin McCahon

determinants of charitable giving at the jurisdictional level and note several possible drivers including income, the after-tax cost of donating, scope of government, the age demographics of the population, levels of education, religious affiliation, and volunteerism.

6 In 2010, CA\$1.00 was worth an average US\$0.971 at the spot rate (Statistics Canada, 2012).

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registered with the CRA. This figure and the data used for the Generosity Index only include organizations formally registered with the CRA or those classified as 501(c)(3) organizations with the US Internal Revenue Service (IRS) that are able to issue tax receipts and accept grants and donations from philanthropic foundations. Canada's non-profit sector also includes several thousand organizations that are exempt from paying income tax, but may not issue tax-deductible receipts to donors. The US non-profit sector also includes 501(c)(4) social and welfare organizations that are not eligible for tax-receiptable contributions.

3 The average dollar value of donations is excluded from the Generosity Index because it is a poor estimate of

individual generosity in that it favours relatively wealthy jurisdictions over relatively poor ones.

4 These numbers likely understate American charitable donations due to differences in the Canadian and US tax systems. In the US, tax filers may file either itemized or non-itemized returns, though only those filing itemized tax returns can claim charitable donations. Thus, a whole group of US tax filers may donate to registered charities but are unable to claim those donations.

5 It is beyond the scope of this report to determine why there are differences in charitable giving among subnational jurisdictions. However, Lammam and Gabler (2012) reviewed the literature on the

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