

Generosity in Canada and the United States: The 2020 Generosity Index



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SUMMARY

■ Manitoba had the highest percentage of tax filers that donated to charity among the provinces (22.4%) during the 2018 tax year while New Brunswick and Newfoundland & Labrador had the lowest (17.4%). Manitoba also donated the highest percentage of its aggregate income to charity among the provinces (0.78%) while Quebec donated the lowest (0.24%).

■ The general trend in recent years is that a declining percentage of Canadian tax filers are donating to charity and they are donating less as a percentage of income.

■ Nationwide, a higher percentage of tax filers donated to charity in Canada (19.4%) than in the United States (9.7%) in 2018. Conversely, Canadians (at 0.54%) gave a lower percentage of their aggregate income to charity than did Americans (at 1.97%).

■ The percentage of tax filers donating to charity varies significantly among US states and Canadian provinces and territories. All US jurisdictions, with the exception of Maryland

and the District of Columbia, have a lower percentage of tax filers donating to charity than any Canadian province.

■ The percentage of aggregate income donated was generally less in the Canadian provinces and territories than in the US states. All US states, with the exception of West Virginia, gave a higher percentage of aggregate income to charity than any Canadian province or territory.

■ The top three subnational jurisdictions in the overall Generosity Index rankings are Utah (scoring 7.6 out of 10.0), District of Columbia (6.8) and Maryland (6.6). Manitoba is the highest-scoring Canadian province (5.6), moved up from 44th place (out of 64) in the 2019 Generosity Index into a tie for 4th with Georgia.

■ While some Canadian jurisdictions climbed substantially in the ranking of this year's Generosity Index, it was not due to increased generosity in Canada, but rather to tax policy changes in the US that caused a dramatic decline in the percentage of tax filers with claimed charitable contributions.

Introduction

Interest in the charitable sector heightens each year as the holiday season approaches. This sector is actively engaged in providing social services such as counselling, crisis prevention, basic necessities, and education to help vulnerable people in need. 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.¹ As it has done in previous years, the 2020 index reveals substantial differences in generosity between the two countries.

The Generosity Index

The Generosity Index measures private monetary generosity using two key indicators.

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. For survey data on rates of volunteerism in Canada, see Statistics Canada, 2020c. While directly comparable data are not readily available for the United States, the Bureau of Labor Statistics has published survey data on volunteerism in the United States (United States, Bureau of Labor Statistics, 2016). 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 they were originally made. Thus, donations reported for the 2018 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, 2020b).

The percentage of tax filers donating to charity indicates the extent of generosity, while the percentage of aggregate personal income donated to charity indicates the depth of charitable giving.² Though not used to calculate the Generosity Index scores, the average dollar value of charitable donations given in a year provides additional information on the level of private generosity in each jurisdiction.³

The jurisdictions included in the index are Canada's 10 provinces and 3 territories, the 50 US states, and the District of Columbia. The data used are from the 2018 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.

² Aggregate 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 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 Revenue Agency, 2020). 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-receptable contributions.

³ The average dollar value of donations is excluded from the Generosity Index because it is a poor estimate of individual generosity as it favours relatively wealthy jurisdictions over relatively poor ones.

Table 1: Canadian Results and Rankings for the 2018 Tax Year

Province/ Territory	Percentage of tax filers donating to charity		Percentage of aggregate income donated to charity		Average annual charitable donation	
	%	Rank (out of 13)	%	Rank (out of 13)	Amount (in dollars)	Rank (out of 13)
British Columbia	18.4	7	0.69	2	2,575	2
Alberta	19.2	5	0.65	3	2,776	1
Saskatchewan	19.6	4	0.64	4	2,229	3
Manitoba	22.4	1	0.78	1	2,163	4
Ontario	20.4	2	0.60	5	2,038	6
Quebec	18.7	6	0.24	11	781	13
New Brunswick	17.4	9	0.45	7	1,469	10
Nova Scotia	17.9	8	0.44	8	1,475	9
Prince Edward Island	20.1	3	0.52	6	1,456	11
Newfoundland & Labrador	17.4	9	0.31	9	1,118	12
Yukon	15.6	11	0.28	10	1,649	8
Northwest Territories	11.8	12	0.19	12	1,681	7
Nunavut	6.4	13	0.16	13	2,161	5

Sources: Statistics Canada (2020a, 2020b); calculations by authors.

Note: Charitable donation is the allowable portion of total donations, as reported on the income tax return.

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 (22.4%) among the provinces. Ontario and Prince Edward Island ranked in the second and third place with 20.4% and 20.1% respectively. New Brunswick and Newfoundland & Labrador are tied for being the provinces with the lowest percentage of tax filers donating to charity (17.4%), followed closely by Nova Scotia (17.9%). In the territories, the percentage of tax filers who donated to charity ranges from 6.4% in Nunavut to 15.6% in Yukon.

At 0.78%, Manitobans donated the highest percentage of their aggregate income to charity.

Residents of British Columbia were next, donating 0.69% of their aggregate income, followed closely by residents of Alberta (0.65%). Quebecers rank last among the provinces; they donated 0.24% of aggregate income to charity—less than 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 yearly average dollar value of charitable donations was in Alberta (\$2,776), followed by British Columbia (\$2,575), and Saskatchewan (\$2,229). Quebec ranked last among the provinces and territories with an average yearly value of charitable donations of \$781—less than half the national average of \$1,869.

Table 2: Change in Canadian Generosity by Province, 2008 to 2018

Province/ Territory	Percentage of tax filers donating to charity (%)					Percentage of aggregate income donated to charity (%)				
	2008	2017	2018	% change 2008 to 2018	% change 2017 to 2018	2008	2017	2018	% change 2008 to 2018	% change 2017 to 2018
British Columbia	23.1	19.0	18.4	-20.3	-3.0	0.69	0.72	0.69	-0.4	-3.7
Alberta	24.8	19.8	19.2	-22.5	-3.1	0.76	0.65	0.65	-14.4	-0.4
Saskatchewan	25.7	20.6	19.6	-23.9	-4.9	0.69	0.55	0.64	-7.8	16.2
Manitoba	27.2	23.2	22.4	-17.5	-3.4	0.88	0.79	0.78	-11.3	-1.2
Ontario	25.7	20.9	20.4	-20.7	-2.6	0.71	0.60	0.60	-16.4	0.3
Quebec	21.8	19.0	18.7	-14.3	-1.4	0.28	0.24	0.24	-12.8	1.0
New Brunswick	22.1	17.9	17.4	-21.3	-2.8	0.55	0.46	0.45	-18.5	-0.9
Nova Scotia	23.3	18.5	17.9	-22.9	-3.2	0.57	0.47	0.44	-21.9	-6.6
Prince Edward Island	25.9	21.3	20.1	-22.1	-5.6	0.64	0.53	0.52	-18.7	-1.8
Newfoundland & Labrador	21.6	17.9	17.4	-19.3	-2.7	0.45	0.32	0.31	-30.7	-1.0
Yukon	21.3	16.5	15.6	-26.9	-5.7	0.32	0.29	0.28	-14.2	-3.3
Northwest Territories	16.3	12.4	11.8	-27.5	-4.6	0.24	0.21	0.19	-18.9	-6.7
Nunavut	10.4	7.0	6.4	-38.0	-7.9	0.24	0.18	0.16	-32.6	-7.8

Sources: Statistics Canada (2020a, 2020b); calculations by authors.

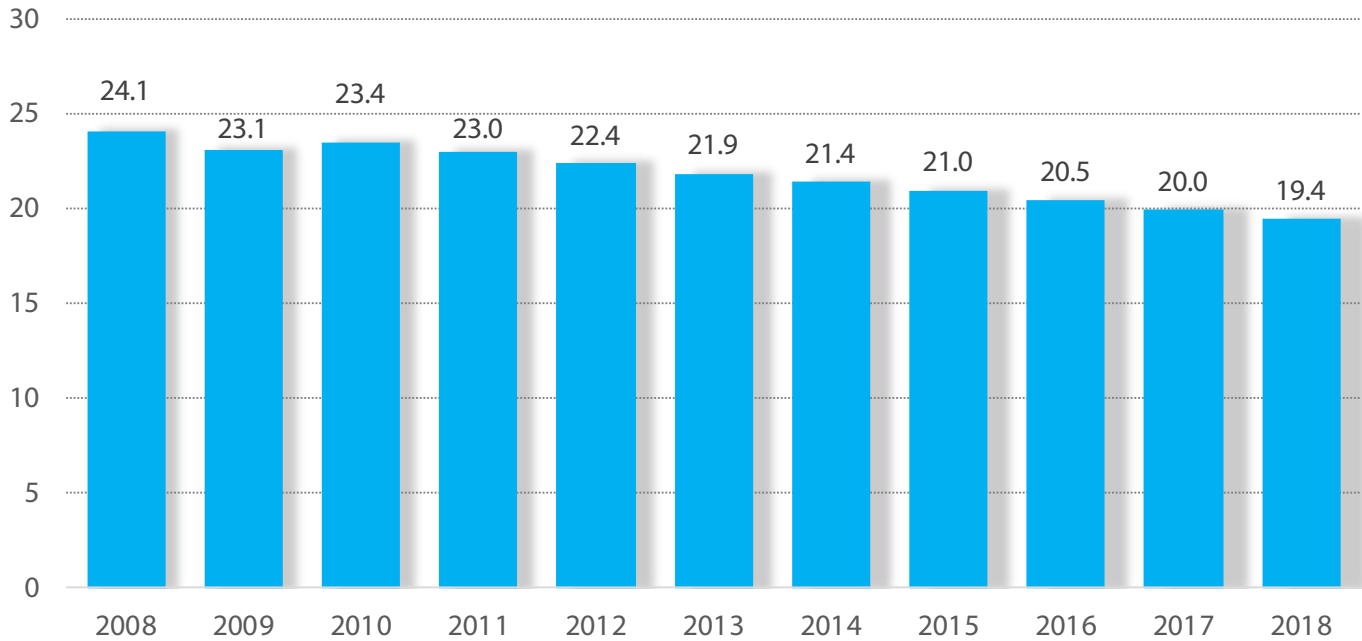
Canadian giving trends from 2008 to 2018

Table 2 presents the extent and depth of charitable giving by Canadian province and territory in 2008, 2017, and 2018, as well as the change in generosity from 2008 to 2018 and from 2017 to 2018. What is most striking about these trends is that the extent of charitable giving fell in every Canadian jurisdiction. From 2008 to 2018, all of the provinces and territories saw a drop in the percentage of tax filers donating to charity. The provinces where the drops were most pronounced are Saskatchewan (decreasing by 23.9%), Nova Scotia (decreasing by 22.9%), Alberta (decreasing by 22.5%) and Prince Edward Island (decreasing by 22.1%). Among the provinces and territories, Nunavut saw the largest drop in the extent of giving (at 38.0%). The percentage of tax filers donating to charity

in 2018 also declined in every Canadian province and territory relative to 2017.

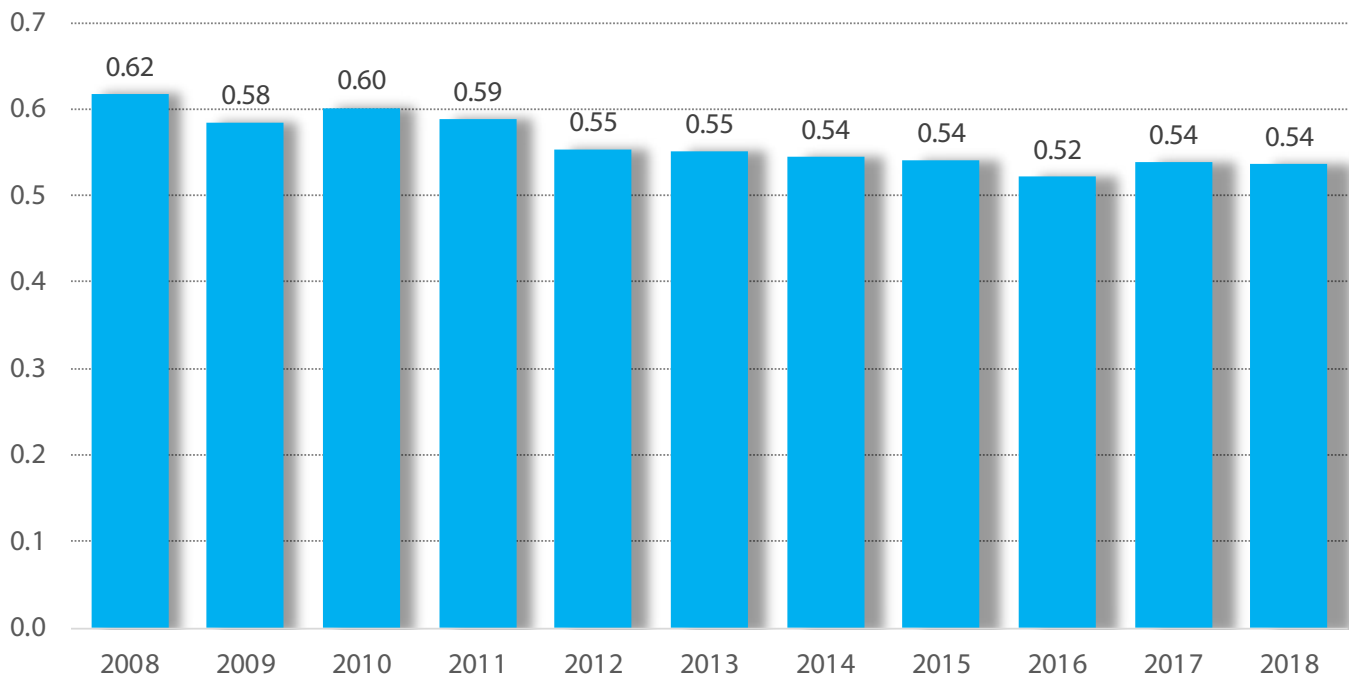
All Canadian jurisdictions saw declines in the percentage of aggregate income donated to charity in 2018 relative to 2008. The provinces with the largest decrease were Newfoundland & Labrador (30.7%), and Nova Scotia (21.9%). The largest decline among Canadian jurisdictions was in Nunavut (32.6%). The only two provinces where the depth of charitable giving declined by less than 10% were British Columbia (decreasing by 0.4%) and Saskatchewan (decreasing by 7.8%). Compared to 2017, all Canadian provinces and territories except Saskatchewan, Ontario and Quebec, experienced a drop in the depth of generosity. The magnitude of year-over-year change in 2018, however, is

Figure 1: Percentage of tax filers donating to charity in Canada, 2008 to 2018



Source: Statistics Canada (2020a); calculations by authors.

Figure 2: Percentage of aggregate income donated to charity in Canada, 2008 to 2018



Source: Statistics Canada (2020a, 2020b); calculations by authors.

very small for each jurisdiction other than Saskatchewan.

Figures 1 and 2 display national annual charitable giving trends between 2008 and 2018. The percentage of Canadian tax filers donating to charity over the period has fallen from 24.1% in 2008 to 19.4% in 2018 (figure 1). That is a drop of approximately five percentage points over the period. This result is in line with what is shown in table 2, where the extent of giving fell in every jurisdiction.⁴ In terms of the national trend in the depth of charitable giving, figure 2 shows that the percentage of aggregate income donated to charity decreased from 0.62% in 2008 to 0.54% in 2018. All subnational Canadian jurisdictions experienced a similar downward trend in the depth of giving over this period.

Comparing Canada and the United States

Pronounced differences exist when Canadian generosity is compared to American generosity. In the United States, the extent of generosity is nearly 10 percentage points lower than in Canada: 9.7% of US tax filers donate to charity (US IRS, 2020a) compared to 19.4% of Canadians (Statistics Canada, 2020a). This result is in sharp contrast to previous editions of the Generosity Index. For instance, in 2017 the extent of generosity was five percentage points higher in the US than in Canada (24.9% compared to 19.9%) (Fuss and Palacios, 2019).⁵ While the per-

⁴ The percentage of tax filers making donations has been gradually declining since the early 2000s. For instance, more than one in four Canadians made donations in 2000, while fewer than one in five did so in 2018.

⁵ Previous editions of this report used income statistics data from Canada Revenue Agency. Unfortunately, data for 2018 have not yet been released. For

centage of Canadian tax filers donating to charity declined by less than 1 percentage point in 2018 compared to 2017 (as shown in figure 1), the magnitude of the drop in the US is much more substantial (15.2 percentage points).

In line with previous versions of the Generosity Index, the depth of generosity is much less in Canada than in the US. In 2018, Americans gave 1.97% of their aggregate income to charity (US IRS, 2020a; Bureau of Economic Analysis, 2020). This rate of giving is nearly four times that shown by Canadians, who gave 0.54% of aggregate income to charity in 2018 (Statistics Canada, 2020a).⁶ Total donations were US\$197.2 billion in the US in 2018 and nearly CA\$10.0 billion in Canada. If Canadians had given the same percentage of their aggregate income to charity as Americans had, there would have been \$26.5 billion more Canadian donations to charities (a potential total of \$36.5 billion).

this reason, this year's report uses the summary data of charitable donors from Statistics Canada. Both sources are comparable but Statistics Canada's data presents less detailed information. Additionally, previous editions of this report included under charitable donations government gifts and eligible cultural and ecological gifts. This category represented 0.5% of the total charitable donations. Due to changes in data sources, government gifts and eligible cultural and ecological gifts were not included under the total charitable donations as in previous years.

⁶ 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, but 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. In the 2018 tax year, only 11.5% of American tax filers itemized deductions (US IRS, 2020a).

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Table 3: Results and Ranks for Charitable Contributions in Canada and the US, 2018 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 annual charitable donation (local currency, \$)	Rank (out of 64)
Alabama	7.7	35	1.99	18	16,106	13
Alaska	5.7	55	0.95	48	11,550	38
Arizona	9.5	28	1.87	25	10,833	41
Arkansas	6.0	52	3.53	2	35,388	1
California	15.0	14	2.39	7	11,654	37
Colorado	11.1	23	2.28	9	12,176	32
Connecticut	12.7	18	1.59	29	11,735	34
Delaware	9.9	27	1.25	38	8,682	47
District of Columbia	18.9	7	2.90	4	12,459	29
Florida	7.4	39	2.29	8	17,755	6
Georgia	12.3	19	3.48	3	17,286	10
Hawaii	10.9	24	1.12	44	6,507	51
Idaho	7.6	37	2.21	12	14,519	16
Illinois	9.5	28	1.67	27	13,148	25
Indiana	5.1	60	1.26	37	14,851	15
Iowa	6.2	51	1.16	42	12,052	33
Kansas	6.9	42	1.75	26	15,923	14
Kentucky	5.6	57	1.28	36	13,696	18
Louisiana	6.6	45	1.39	34	13,673	20
Maine	5.7	55	0.80	50	8,956	46
Maryland	20.7	2	2.27	11	8,483	48
Massachusetts	12.1	20	2.11	15	13,675	19
Michigan	6.5	46	1.21	39	12,586	27
Minnesota	9.5	28	1.51	31	10,763	42
Mississippi	6.9	42	1.57	30	13,587	21
Missouri	6.5	46	1.66	28	16,275	11
Montana	7.1	41	1.88	24	13,522	22
Nebraska	6.5	46	1.45	32	14,454	17
Nevada	8.3	33	1.93	21	13,291	24
New Hampshire	7.7	35	1.17	41	10,898	40
New Jersey	14.5	16	1.32	35	7,594	49
New Mexico	5.9	53	1.12	44	10,680	43
New York	10.7	26	2.45	6	17,607	8
North Carolina	9.0	31	1.97	19	12,409	30
North Dakota	4.3	62	1.42	33	17,620	7

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Table 3: Results and Ranks for Charitable Contributions in Canada and the US, 2018 Tax Year (continued)

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 annual charitable donation (local currency, \$)	Rank (out of 64)
Ohio	5.5	58	1.11	46	12,969	26
Oklahoma	6.8	44	1.92	23	17,555	9
Oregon	11.7	22	2.02	17	9,819	44
Pennsylvania	7.4	39	1.19	40	11,172	39
Rhode Island	8.7	32	0.92	49	7,546	50
South Carolina	8.3	33	2.16	13	13,355	23
South Dakota	4.2	63	2.11	15	29,189	3
Tennessee	5.9	53	1.93	21	19,264	4
Texas	7.6	37	2.28	9	16,258	12
Utah	13.4	17	5.20	1	18,440	5
Vermont	5.4	59	1.03	47	12,309	31
Virginia	15.0	14	1.97	19	9,433	45
Washington	10.8	25	2.16	13	12,474	28
West Virginia	3.4	64	0.65	53	11,720	35
Wisconsin	6.3	50	1.15	43	11,695	36
Wyoming	5.0	61	2.63	5	34,195	2
British Columbia	18.4	9	0.69	52	2,575	53
Alberta	19.2	6	0.65	53	2,776	52
Saskatchewan	19.6	5	0.64	55	2,229	54
Manitoba	22.4	1	0.78	51	2,163	55
Ontario	20.4	3	0.60	56	2,038	57
Quebec	18.7	8	0.24	62	781	64
New Brunswick	17.4	11	0.45	58	1,469	61
Nova Scotia	17.9	10	0.44	59	1,475	60
Prince Edward Island	20.1	4	0.52	57	1,456	62
Newfoundland & Labrador	17.4	11	0.31	60	1,118	63
Yukon	15.6	13	0.28	61	1,649	59
Northwest Territories	11.8	21	0.19	63	1,681	58
Nunavut	6.4	49	0.16	64	2,161	56
Canada	19.4		0.54		1,869	
United States	9.7		1.97		13,272	

Sources: Statistics Canada (2020a, 2020b); US Internal Revenue Service (2020a), Individual Tax Statistics; Bureau of Economic Analysis (2020); calculations by the authors.

Subnational differences

The generosity gap varies significantly among subnational jurisdictions.⁷ Table 3 ranks all states, provinces, and territories in North America on both measures included in the Generosity Index (the percentage of tax filers donating to charity and the percentage of aggregate income donated to charity).

Manitoba has the highest percentage of tax filers who donated to charity (22.4%). Maryland, US's highest ranked province on this measure, is second with 20.7% of tax filers donating, followed closely by Ontario (20.4%). All US jurisdictions, with the exception of Maryland and the District of Columbia, have a lower percentage of tax filers donating to charity than any Canadian province and the territory of Yukon. Canada's other two territories, the Northwest Territories and Nunavut, ranked 21st and 49th out of 64 respectively.

In comparing the depth of charitable giving, Canadian provinces and territories do far worse than US jurisdictions. All US states, with the exception of West Virginia, gave a higher percentage of aggregate income to charity than any Canadian province or territory. In Utah, 5.20% of aggregate income was donated to charity—by far the highest percentage among US

states and Canadian subnational jurisdictions. Arkansas is second on this measure with 3.53% of aggregate income donated to charity. By contrast, the percentage of aggregate income donated to charity in Manitoba, Canada's highest ranked province on this measure, was just 0.78%—just over one-seventh of the amount donated in Utah.

Though not included in the calculations of the Generosity Index, Canada makes its poorest showing in the average yearly value of charitable donations in local currency. The average yearly US donation was US\$13,272 (US IRS, 2020a)—more than seven times the average Canadian yearly donation of CA\$1,869 (Statistics Canada, 2020a). Arkansas, the top-ranked jurisdiction on this measure, recorded an average annual charitable donation of US\$35,388—almost thirteen times the average annual donation of CA\$2,776 in Alberta, Canada's top-performing province on this measure. Even in Hawaii, the lowest-ranked US state, the average yearly donation (US\$6,507) is \$3,731 more than the average in Alberta. The disparity is more pronounced when currency differences are accounted for in the 2018 tax year.⁸

The 2020 Generosity Index

Table 4 displays the overall results of the 2020 Generosity Index for the 64 jurisdictions. Overall scores (out of 10) and ranks (out of 64) are presented 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 7.6 out of 10.0. District of Columbia ranks sec-

⁷ 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 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 of the population, levels of education, religious affiliation, and volunteerism. Francis and Clemens (1999) argue that private generosity is sensitive to disposable income and conclude that a more economic growth oriented regime would encourage charitable giving.

⁸ In 2018, at the annual exchange rate published by the Bank of Canada (2020), US\$1.00 was worth CA\$1.2957.

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Table 4: 2020 Generosity Index (2018 Tax Year) 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	7.6	1	13.4	5.3	17	5.2	10.0	1
District of Columbia	6.8	2	18.9	8.2	7	2.9	5.4	4
Maryland	6.6	3	20.7	9.1	2	2.3	4.2	11
Georgia	5.6	4	12.3	4.7	19	3.5	6.6	3
Manitoba	5.6	4	22.4	10.0	1	0.8	1.2	51
California	5.3	6	15.0	6.1	14	2.4	4.4	7
Ontario	4.9	7	20.4	8.9	3	0.6	0.9	56
Virginia	4.8	8	15.0	6.1	14	2.0	3.6	19
Prince Edward Island	4.8	8	20.1	8.8	4	0.5	0.7	57
Saskatchewan	4.7	10	19.6	8.5	5	0.6	1.0	55
Alberta	4.6	11	19.2	8.3	6	0.7	1.0	53
British Columbia	4.5	12	18.4	7.9	9	0.7	1.1	52
Massachusetts	4.2	13	12.1	4.6	20	2.1	3.9	15
New York	4.2	13	10.7	3.8	26	2.5	4.5	6
Colorado	4.1	15	11.1	4.1	23	2.3	4.2	9
New Jersey	4.1	15	14.5	5.8	16	1.3	2.3	35
Quebec	4.1	15	18.7	8.1	8	0.2	0.2	62
Nova Scotia	4.1	15	17.9	7.6	10	0.4	0.6	59
Arkansas	4.0	19	6.0	1.4	52	3.5	6.7	2
Oregon	4.0	19	11.7	4.4	22	2.0	3.7	17
New Brunswick	4.0	19	17.4	7.4	11	0.5	0.6	58
Connecticut	3.9	22	12.7	4.9	18	1.6	2.8	29
Washington	3.9	22	10.8	3.9	25	2.2	4.0	13
Newfoundland & Labrador	3.8	24	17.4	7.4	11	0.3	0.3	60
Arizona	3.3	25	9.5	3.2	28	1.9	3.4	25
North Carolina	3.3	25	9.0	2.9	31	2.0	3.6	19
South Carolina	3.3	25	8.3	2.6	33	2.2	4.0	13
Yukon	3.3	25	15.6	6.4	13	0.3	0.2	61
Florida	3.2	29	7.4	2.1	39	2.3	4.2	8
Texas	3.2	29	7.6	2.2	37	2.3	4.2	9
Idaho	3.1	31	7.6	2.2	37	2.2	4.1	12
Illinois	3.1	31	9.5	3.2	28	1.7	3.0	27
Nevada	3.0	33	8.3	2.6	33	1.9	3.5	21
Alabama	2.9	34	7.7	2.3	35	2.0	3.6	18
Hawaii	2.9	34	10.9	3.9	24	1.1	1.9	44
Minnesota	2.9	34	9.5	3.2	28	1.5	2.7	31
Wyoming	2.9	34	5.0	0.8	61	2.6	4.9	5

Generosity in Canada and the United States: The 2020 Generosity Index

Table 4: 2020 Generosity Index (2018 Tax Year) Scores for Canada and the US (continued)

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)
Delaware	2.8	38	9.9	3.4	27	1.3	2.2	38
Montana	2.7	39	7.1	1.9	41	1.9	3.4	24
Oklahoma	2.6	40	6.8	1.8	44	1.9	3.5	23
Kansas	2.5	41	6.9	1.8	42	1.8	3.2	26
Tennessee	2.4	42	5.9	1.3	53	1.9	3.5	21
Mississippi	2.3	43	6.9	1.8	42	1.6	2.8	30
Missouri	2.3	43	6.5	1.6	46	1.7	3.0	28
South Dakota	2.1	46	4.2	0.4	63	2.1	3.9	15
Northwest Territories	2.2	45	11.8	4.4	21	0.2	0.1	63
Louisiana	2.1	46	6.6	1.7	45	1.4	2.4	34
Nebraska	2.1	46	6.5	1.6	46	1.5	2.6	32
New Hampshire	2.1	46	7.7	2.3	35	1.2	2.0	41
Pennsylvania	2.1	46	7.4	2.1	39	1.2	2.0	40
Rhode Island	2.1	46	8.7	2.8	32	0.9	1.5	49
Michigan	1.9	52	6.5	1.6	46	1.2	2.1	39
Iowa	1.7	53	6.2	1.5	51	1.2	2.0	42
Kentucky	1.7	53	5.6	1.2	57	1.3	2.2	36
Wisconsin	1.7	53	6.3	1.5	50	1.2	2.0	43
New Mexico	1.6	56	5.9	1.3	53	1.1	1.9	44
Indiana	1.5	57	5.1	0.9	60	1.3	2.2	37
North Dakota	1.5	57	4.3	0.5	62	1.4	2.5	33
Ohio	1.5	57	5.5	1.1	58	1.1	1.9	46
Alaska	1.4	60	5.7	1.2	55	1.0	1.6	48
Vermont	1.4	60	5.4	1.1	59	1.0	1.7	47
Maine	1.2	62	5.7	1.2	55	0.8	1.3	50
Nunavut	0.8	63	6.4	1.6	49	0.2	0.0	64
West Virginia	0.5	64	3.4	0.0	64	0.7	1.0	53

Sources: Statistics Canada (2020a, 2020b); US Internal Revenue Service (2020a), Individual Tax Statistics; Bureau of Economic Analysis (2020); calculations by the authors.

* 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.

* Due to rounding, the Generosity Index scores may not equal the average of the two indicator scores as they appear in this table. Also, the rankings for indicators 1 and 2 are based on the indicators' actual values not scores, whereas the rankings for the Generosity Index are based on the average of their standardized scores.

ond with an overall score of 6.8, and Maryland is third with an overall score of 6.6. Canada's highest ranked province, Manitoba, moved up from 44th place last year into a tie for 4th overall with Georgia, both scoring 5.6 on the 2020 Generosity Index. Newfoundland & Labrador ranks last among Canadian provinces, placing 24th overall with a score of 3.8, moving up from 60th the previous year. Nunavut and West Virginia are at the bottom of the list, with scores of 0.8 and 0.5 out of 10.0, respectively.

Compared to previous years, some Canadian jurisdictions climbed 40 spots or so in the ranking of the Generosity Index. The improvement for these jurisdictions was not, however, due to increased generosity in Canada, but rather to a dramatic decline in the percentage of tax filers that claimed charitable contributions in the US in 2018. In fact, as shown in table 2, the percentage of tax filers in every Canadian province and territory still declined in 2018 relative to 2017. All Canadian jurisdictions except Saskatchewan experienced a substantial year-over-year change in the depth of generosity in 2018.

The dramatic decline in the percentage of tax filers with charitable deductions in the US was due to significant changes to the individual income tax policy in that country. In the US, tax filers may file either itemized (itemized deduction) or non-itemized returns (standard deduction), but 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. Under the Tax Cuts and Jobs Act (TCJA) passed in December 2017, the standard deduction amount was nearly doubled (York and Muresianu, 2018). As a result, it would be more advantageous for many filers to take the standard deduction rather than to itemize their

deductions, which means fewer people would claim charitable contributions, whether they actually donate less or not. In the 2018 tax year, only 11.5% of American tax filers itemized deductions, a sharp drop from the 30.9% who did so in 2017 (US IRS, 2020a).⁹

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 magnitude of charitable donations eligible for income tax deduction. The results indicate that, in recent years, a generally smaller proportion of Canadians are giving to charity and the amount they are giving makes up an increasingly smaller proportion of aggregate income. This decline in generosity in Canada undoubtedly limits the ability of Canadian charities to improve the quality of lives in their communities and beyond. While some Canadian jurisdictions moved up substantially in the Generosity Index ranking, it was not due to increased generosity in Canada, but rather to tax policy changes in the US that caused a dramatic decline in the

⁹ Note that after the tax policy change the percentage of aggregate income donated to charity in the majority of the US states has increased or stayed the same compared to last year's report. Nationally, the percentage of aggregate income donated to charity actually increased from 1.52% in 2017 to 1.97% in 2018. This suggests while fewer people claim charitable deductions, those who did so kept their charitable donations the same or increased their amount. This could partly be due to the fact that the TCJA also increased the percentage limit for charitable cash donations made by an individual from 50% to 60% (York and Muresianu, 2018).

percentage of tax filers who claimed charitable contributions in that country.

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