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## EDITORIAL / ÉDITORIAL

Marco Alberio, Alma Mater Studiorum, Università di Bologna

Laurie Mook, Arizona State University

Welcome to volume 16, issue 3, of the *Canadian Journal of Nonprofit and Social Economy Research* (CJNSER). In this issue, we feature five research articles and one contribution to the “Perspectives for the Field” section. Before we focus on describing the contents, we would like to thank, as always, all those who contributed to the success of this issue—first and foremost the authors and reviewers, the editorial board, and the technical support staff. The work of all these people is invaluable.

This issue brings together a set of contributions that reflect the breadth of contemporary challenges facing Canada’s nonprofit and social economy sector, beginning with community needs and progressing towards organizational adaptation, policy engagement, and financial governance. The first article, “Nonprofit Housing in Rural British Columbia: Needs, Opportunities, and Barriers” by **Erika Čížek** and **Damian Collins**, examines the growing housing affordability crisis in the rural communities of Kaslo and Nelson, British Columbia. Drawing on key informant interviews, the authors show how amenity migration, second-home ownership, and limited

Bienvenue au volume 16, numéro 3, de la *Revue canadienne de recherche sur les OSBL et l'économie sociale*. Dans ce numéro, nous présentons cinq articles de recherche et une contribution à la section « Perspectives sur le terrain ». Avant de vous présenter le contenu, nous tenons comme toujours à remercier tous ceux et celles qui ont contribué au succès de ce numéro, en premier lieu les auteurs et les évaluateurs, le comité de rédaction et le personnel de soutien technique. Le travail de toutes ces personnes est inestimable.

Ce numéro réunit un ensemble de contributions qui reflètent l’ampleur des défis contemporains auxquels est confronté le secteur à but non lucratif et de l’économie sociale au Canada, en commençant par les besoins communautaires et en progressant vers l’adaptation organisationnelle, l’engagement politique et la gouvernance financière. Le premier article, « Nonprofit Housing in Rural British Columbia: Needs, Opportunities, and Barriers » (« Logements à but non lucratif dans les zones rurales de la Colombie-Britannique : besoins, occasions et obstacles ») d'**Erika Čížek** et **Damian Collins**, examine la crise croissante de l’accessibilité au logement dans les communautés rurales de Kaslo et Nelson, en Colombie-

rental availability strain local housing markets, while nonprofit community housing providers, central actors in these regions, struggle with capacity limitations, infrastructure constraints, funding structures, and NIMBY attitudes. Čížek and Collins argue that regionally coordinated approaches and funding mechanisms sensitive to rural realities are essential to address these pressures.

The theme of basic needs continues with the contribution “Quand le plaisir de manger devient essentiel : repenser le soutien alimentaire par les organismes communautaires” [“When the Pleasure of Eating Becomes Essential: Rethinking Food Support by Community Organizations”] by **France Desjardins** and **Pierre-André Tremblay**, who explore how the pleasure of eating can be embedded in food assistance programs offered by Québec’s community organizations. Combining qualitative and quantitative methods, they demonstrate that free access to food does not necessarily ensure its consumption and that concepts such as pleasure, choice, and dignity should play a fundamental role in designing more effective, person-centred food security interventions. The authors’ findings encourage policymakers to adopt collective approaches that can allow individuals to reconnect with the joys of eating.

The question of organizational capacity is explored in “Biting the Hand that Feeds You? Exploring Whether (and How) Government Funding Constrains Charities’ Engagement in Public Policy” by **John Cameron, Heather**

Britannique. S’appuyant sur des entretiens avec des informateurs clés, les auteurs montrent comment la migration vers les zones d’agrément, la propriété de résidences secondaires et la disponibilité limitée de logements locatifs mettent à rude épreuve les marchés immobiliers locaux, tandis que les fournisseurs de logements communautaires à but non lucratif, acteurs centraux dans ces régions, sont confrontés à des limites de capacité, des contraintes d’infrastructure, des structures de financement contraignantes et des attitudes du genre « pas dans mon jardin ». Čížek et Collins soutiennent que des approches coordonnées au niveau régional et des mécanismes de financement adaptés aux réalités rurales sont essentiels pour faire face à ces défis.

Le thème des besoins fondamentaux se poursuit avec la contribution « Quand le plaisir de manger devient essentiel : repenser le soutien alimentaire par les organismes communautaires » de **France Desjardins** et **Pierre-André Tremblay**, qui explorent comment le plaisir de manger peut être intégré dans les programmes d'aide alimentaire proposés par les organismes communautaires du Québec. Combinant des méthodes qualitatives et quantitatives, les auteurs démontrent que le libre accès à la nourriture ne garantit pas nécessairement sa consommation et que des concepts tels que le plaisir, le choix et la dignité devraient jouer un rôle fondamental dans la conception d'interventions plus efficaces et centrées sur la personne en matière de sécurité alimentaire. En guise de conclusion, les auteurs encouragent les décideurs politiques à adopter des approches collectives qui permettraient aux individus de renouer avec les plaisirs de l'alimentation.

La question de la capacité organisationnelle est approfondie dans “Biting the Hand that Feeds You? Exploring Whether (and How) Government Funding Constrains Charities’ Engagement in Public Policy” [« Mordre la main qui vous nourrit ?

Dicks, and Liam Swiss, who revisit the long-standing debate on whether government funding constrains charities' policy engagement. Using Canada Revenue Agency data from 2003 to 2017, the authors examine reported "political activities" and challenge the widespread perception that public funding suppresses advocacy. Their results indicate that federally funded charities are, up to a point and with differences linked to organizational size, more likely to report political activities than those without federal support. Cameron, Dicks, and Swiss conclude that public funding influences how charities engage in policy advocacy in addition to determining whether they participate at all.

Two other articles focus on financial innovation and transparency within the social economy. In their contribution, "Community Bonds and Canada's Foundations: Rethinking Risk and Financial Outcomes," Rheann Quenneville and Tessa Hebb analyze community bonds as a tool for community wealth building in Canada. Despite strong alignment with local development objectives, community bonds remain underutilized due to information asymmetries and perceived risk. By compiling historical repayment data and developing a typology of investors, the authors propose that a bond rating system could reduce uncertainty, unlock capital, and support the scaling of community-based financing initiatives.

Examiner si (et comment) le financement public limite l'engagement des organismes de bienfaisance dans les politiques publiques »] par John Cameron, Heather Dicks et Liam Swiss, qui revisitent le débat de longue date sur la question de savoir si le financement public limite l'engagement des organismes de bienfaisance dans les politiques publiques. À partir de données de l'Agence du revenu du Canada pour la période 2003–2017, les auteurs examinent les « activités politiques » déclarées et remettent en question l'idée largement répandue selon laquelle le financement public freine le militantisme. Leurs résultats indiquent que les organismes de bienfaisance financés par le gouvernement fédéral sont, dans une certaine mesure et avec des différences liées à la taille de l'organisation, plus susceptibles de déclarer des activités politiques que ceux qui ne bénéficient pas d'un soutien fédéral. Cameron, Dicks et Swiss concluent que le financement public exerce une influence sur la manière dont les organismes de bienfaisance s'engagent dans la défense des politiques, en plus de déterminer s'ils y participent ou non.

Deux autres articles traitent de l'innovation financière et de la transparence dans l'économie sociale. Dans leur article intitulé « Community Bonds and Canada's Foundations: Rethinking Risk and Financial Outcomes » (« Les obligations communautaires et les fondations canadiennes : repenser les risques et les résultats financiers »), Rheann Quenneville et Tessa Hebb analysent les obligations communautaires en tant qu'outils de création de richesse communautaire au Canada. Les obligations communautaires, malgré leur forte adéquation avec les objectifs de développement local, restent sous-utilisées en raison d'asymétries d'information et de risques perçus. En compilant des données historiques sur les remboursements et en élaborant une typologie des investisseurs, les auteures proposent qu'un système de classification des obligations pourrait réduire l'incertitude, débloquer des capitaux et soutenir la mise à l'échelle d'initiatives de financement communautaire.

Finally, **Melissa Wilson** and **Susan D. Phillips**, in “Through the Looking-Glass: Investment Transparency of Canadian Foundations,” examine the state of investment transparency among Canadian foundations. Although the federal government signalled in Budget 2022 its intention to strengthen reporting requirements, no action has yet been taken, leaving disclosure practices highly uneven. Through document analysis and interviews with sector leaders, Wilson and Phillips highlight significant barriers and inconsistencies in how foundations communicate their investment holdings, despite collectively stewarding approximately \$112 billion in long-term assets. They argue that stronger transparency practices are essential for promoting accountability and equity within the charitable sector.

This issue concludes with an article in the section titled “Perspectives for the Field.” In “Services for Women Leaving Prison in Canada: Results of a Brief Environmental Scan,” **Clare Heggie**, **Mirinda Bray**, and **Martha Paynter** present a national overview of community-based organizations that support women upon release from prison. The authors’ environmental scan identifies 86 community-based organizations across the ten provinces but reveals significant gaps in service provision—particularly in rural areas—and an acute shortage of housing options. The authors note that the rapid increase in the number of incarcerated women has not been matched by adequate investment in community organizations. They call for greater attention to, and investment in, community-based housing as both a crucial re-entry service and a meaningful alternative to incarceration.

Enfin, **Melissa Wilson** et **Susan D. Phillips**, dans « Through the Looking-Glass: Investment Transparency of Canadian Foundations » (« De l’autre côté du miroir : la transparence des investissements des fondations canadiennes »), examinent l’état de la transparence des investissements parmi les fondations canadiennes. Bien que le gouvernement fédéral ait signalé dans son Budget 2022 son intention de renforcer les exigences en matière de signalement, aucune mesure n’a encore été prise, ce qui laisse les pratiques de divulgation très inégales entre elles. À partir d’une analyse documentaire et d’entretiens avec des leaders du secteur, Wilson et Phillips mettent en évidence des obstacles et des incohérences importants dans la manière dont les fondations communiquent leurs placements, alors qu’elles gèrent collectivement environ 112 milliards de dollars d’actifs à long terme. Les auteures soutiennent que des pratiques de transparence plus strictes sont essentielles pour promouvoir la responsabilité et l’équité au sein du secteur caritatif.

Ce numéro se termine par un article dans la section « Perspectives sur le terrain ». Dans “Services for Women Leaving Prison in Canada: Results of a Brief Environmental Scan” (« Services pour les femmes sortant de prison au Canada : résultats d’une brève analyse de l’environnement »), **Clare Heggie**, **Mirinda Bray** et **Martha Paynter** présentent un aperçu national des organisations communautaires qui soutiennent les femmes à leur sortie de prison. L’analyse environnementale des auteures recense 86 organisations communautaires dans les dix provinces, mais révèle des lacunes importantes dans la prestation des services, en particulier dans les zones rurales, et une pénurie aiguë de logements. Les auteures soulignent que l’augmentation rapide du nombre de femmes incarcérées n’a pas été accompagnée d’investissements suffisants dans les organismes communautaires. Elles appellent à accorder une plus grande attention et à investir davantage dans le logement communautaire, qui constitue

As this diverse set of contributions demonstrates, Canada's nonprofit and social economy sector continues to evolve in response to shifting community needs, new policy landscapes, and emerging financial and organizational challenges. Together, all the contributions featured in this issue offer both critical insights and practical reflections that speak to the sector's ongoing resilience, creativity, and commitment to social change. We hope that readers will find in these pages not only rigorous scholarship but also inspiration for strengthening community action, advancing equitable policies, and fostering innovative approaches to social and economic wellbeing. We thank you once again for your continued engagement with the *Canadian Journal of Nonprofit and Social Economy Research*, and we look forward to sharing future work that deepens our collective understanding of this vital field.

à la fois un service essentiel à la réinsertion et une alternative significative à l'incarcération.

Comme le démontrent ces contributions variées, l'univers canadien des organismes sans but lucratif et de l'économie sociale continue d'évoluer en réponse aux besoins changeants des communautés, aux nouveaux contextes politiques et aux nouveaux défis financiers et organisationnels. Ensemble, toutes les contributions présentées dans ce numéro offrent à la fois des perspectives critiques et des cas concrets qui témoignent de la résilience, de la créativité et de l'engagement continus du secteur en faveur du changement social. Nous espérons que les lecteurs et lectrices trouveront dans ces pages non seulement des réflexions rigoureuses, mais aussi une source d'inspiration pour renforcer l'action communautaire, promouvoir des politiques équitables et favoriser des approches innovantes en matière de bien-être social et économique. Nous vous remercions une fois de plus pour votre engagement constant envers la *Revue canadienne de recherche sur les OSBL et l'économie sociale*, et nous sommes impatients de partager avec vous nos futurs travaux afin d'approfondir notre compréhension collective de ce domaine essentiel.

## Nonprofit Housing in Rural British Columbia: Needs, Opportunities, and Barriers

Erika Čížek & Damian Collins

University of Alberta

### ABSTRACT

Community housing is central to addressing Canada's housing affordability crisis. In rural areas, nonprofit organizations play a lead role in the provision of community housing. We conducted research in Kaslo and Nelson, rural communities in British Columbia, to determine the causes of housing affordability challenges and assess the efforts of nonprofit organizations to address them. Key informant interviews revealed that housing demand is fuelled by amenity migrants and second-home owners, and that there is low availability of rental units. Efforts to increase housing supply are complicated by infrastructure limitations and high costs. Nonprofit community housing providers face barriers associated with limited capacity, funding structures, and NIMBY sentiment. We conclude that regional cooperation and funding structures that are sensitive to geographical context provide paths forward.

### RÉSUMÉ

Les logements communautaires sont essentiels pour résoudre la crise de l'accès au logement au Canada. Dans les zones rurales, les organisations sans but lucratif jouent un rôle de premier plan dans la fourniture de logements communautaires. Nous avons mené des recherches à Kaslo et Nelson, deux communautés rurales de la Colombie-Britannique, afin de déterminer les causes des difficultés d'accès au logement et d'évaluer les efforts déployés par les organisations sans but lucratif pour remédier à ces difficultés. Des entretiens avec des informateurs clés ont révélé que la demande de logements est alimentée par les migrations d'agrément et les achats de résidences secondaires, avec en conséquence une offre faible de logements à louer. D'autre part, les efforts visant à augmenter l'offre de logements sont compliqués par les limites des infrastructures et des coûts élevés. Les fournisseurs de logements communautaires à but non lucratif sont confrontés à des obstacles liés aux capacités limitées, aux structures de financement et au sentiment « non au projet ici ». Nous concluons cependant que la coopération régionale et des structures de financement adaptées au contexte géographique offrent des pistes pour aller de l'avant.

**Keywords / Mots clés :** community housing, nonprofit organizations, rural areas, affordability crisis, amenity migration / logement communautaire, organisations sans but lucratif, zones rurales, crise du logement abordable, migration d'agrément

## INTRODUCTION

Housing affordability is an issue of growing social, economic, and political importance in Canada. This challenge is particularly marked in the private rental sector, due to increasing rents and rapid erosion of the lowest-cost stock (Pomeroy, 2024). In some markets, there is simply no rental housing that is affordable for low-income households (CMHC, 2024), leaving them to face an “impossible dilemma” in securing a fundamental human need (Scotiabank, 2023, p. 1). In Canada, housing is considered affordable when households spend less than 30 percent of their before-tax income on shelter costs (CMHC, 2018). Recent data show that 22 percent of all Canadian households, including 33 percent of renters, exceed this threshold (Statistics Canada, 2024a).

The increasing costs of housing in Canada are often explained in terms of insufficient supply, especially of purpose-built rental units, and growing demand (Scotiabank, 2023). The drivers of increasing demand vary geographically, from rapid population growth in major urban centres to amenity migration, second-home ownership, and tourism in rural areas (Combs, Kerrigan & Wachsmuth, 2020; Howse & Breen, 2022). Another explanation centres on public policy choices. From this perspective, the housing affordability crisis is driven by policies that have privileged homeownership while failing to address vulnerability in the rental sector (Evans & Wikander, 2024); by provincial social assistance (i.e., welfare) rates that leave recipients in poverty (McDowell & Collins, 2024); and by minimum wage levels that are inadequate to afford one-bedroom apartments (Macdonald & Tranjan, 2023).

As housing costs increase, the non-market sector becomes increasingly important, especially for low-income renters. In the Canadian context, this sector is referred to as *community housing* and encompasses varied forms of subsidized rental housing. However, it is a small part of Canada’s housing system, accounting for just ~4 of the total stock (Office of the Parliamentary Budget Officer, 2025), which is low relative to both international norms and the needs of Canadians (National Housing Council, 2023). Indeed, 245,900 households in Canada were on a waitlist for community housing in 2022 – almost two-thirds of whom had been waiting for at least two years (Statistics Canada, 2024b).

In Canada, housing affordability challenges in major urban centres—especially Montréal, Toronto, and Vancouver—receive considerable media, policy, and academic attention (Waegemakers Schiff, Schiff, Turner & Bernard, 2015). Yet affordability can be similarly constrained in rural areas, for both renters (Infrastructure Canada, 2019) and homeowners (Ryser, Halseth & Markey, 2021). In this paper, we present research undertaken in two small communities in the rural interior of British Columbia (BC): the City of Nelson (population 11,106) and the Village of Kaslo (population 1,049). Specifically, we asked: What are the factors driving housing affordability challenges in these communities, and what are the barriers and opportunities for nonprofit housing organizations seeking to address them? To answer these questions, we identified the local causes of housing need and analyzed responses—with a focus on nonprofit efforts to provide community housing—from the perspective of local stakeholders.

## BACKGROUND

### Housing affordability and rural housing challenges

While there are varied definitions of housing affordability, its essence can be understood in terms of “what has to be foregone in order to obtain housing and whether that which is foregone is reasonable or excessive in some sense” (Hancock, 1993, p. 129). As noted above, Canada uses an expenditure-to-income ratio to define affordability, indicating that a household should spend (or forego) less than 30 percent of its before-tax income on shelter costs. These costs include rent or mortgage payments, as well as utilities and property taxes (CMHC, 2018).

The concept of *housing affordability* approaches the issue of housing costs from the demand side—i.e., the ability of households to pay for housing while retaining sufficient income to meet other needs. A potential limitation of this perspective is that it casts responsibility for housing away from collective provision and towards “an individual’s capacity to exercise choice in the marketplace” (Gabriel, Jacobs, Arthurson, Burke & Yates, 2005, p. 6). By contrast, the concept of *affordable housing* approaches the issue of housing costs from the supply side, which could support public investments in housing, both market and non-market (Napoli, 2017). In Canada, both demand- and supply-side interventions are being pursued under the National Housing Strategy (NHS): the Canada Housing Benefit seeks to boost the incomes of low-income renters, while investments in community housing and incentives for purpose-built rentals seek to lower the cost of housing (Levitin-Reid, Digou & Kennelly, 2025).

While housing affordability challenges are found across Canada, in rural areas they can be driven by distinct economic and demographic factors. First, rural communities can experience rapid employment and population growth during resource-related economic booms—a long-standing pattern that can lead to dramatic increases in housing demand, and consequent increases in both rents and house prices (Ryser et al., 2021). Second, and more commonly in recent decades, rural communities with desirable recreational amenities and natural landscapes can experience an influx of first- and second-home owners, as well as tourists. This also increases housing demand in a way that leads to higher costs and lower availability (Howse & Breen, 2022). At the same time, the prevalence of low-wage, seasonal jobs in tourism and related service-sector industries can increase demand for affordable rental housing in these locations (Nepal & Jamal, 2011).

One process impacting housing affordability in many rural communities in high-income countries is *amenity migration*: the movement of urban dwellers to rural areas in pursuit of “outstanding natural, social, and built environment qualities” (Chipeniuk, 2004, p. 327). Amenity migration is not motivated by economic opportunities, but rather by the lifestyle factors and sense of place that rural communities can provide (Perkins, Mackay & Espiner, 2015). Access to rural amenities is facilitated by advances in communications and transportation, which can enable households to relocate to rural places while retaining connections to urban job markets and opportunities. Amenity migration is significant, in part, for its potential to counter and even reverse long-standing trends of out-migration and population decline in rural communities, which was previously commonplace, particularly in areas that were dependent on faltering extractive industries (Ryser et al., 2021).

Amenity migrants can have substantial purchasing power in rural housing markets due to the sale of a previous home in a higher-cost urban area and/or ongoing urban employment (Moore, Williams

& Gill, 2006). The associated influx of capital may drive up housing costs, leading to vulnerability for locals, potentially including increased risk of homelessness or displacement from the community (Gkartzios & Ziebarth, 2016; Moore et al., 2006). As this process accelerates, landlords may be incentivized to sell rental stock to incoming homebuyers, leaving “tenants … to compete for a dwindling supply of rental units at much higher costs” (Cosh, 2021, n.p.).

A second, broader process transforming many rural places is the emergence of tourism as a dominant economic driver. Tourism can create new jobs and business opportunities while expanding local recreational activities and amenities, thereby contributing to the diversification of rural economies away from extractive industries (Nepal & Jamal, 2011). However, it can also expose rural communities to social and economic stresses. For example, the rise of short-term rentals (STRs) as a form of tourist accommodation has been found to disrupt local housing markets by reducing supply of long-term rentals (Combs et al., 2020). Demand for homeownership may also increase, due to influxes of second-home owners—non-permanent residents who purchase homes to secure (seasonal) access to rural areas with recreational and natural amenities.

Responses to the housing challenges faced by rural communities in Canada have been limited. Historically, few major federal or provincial policies or initiatives focused on rural communities, and those that did generally centred on resource management and economic development rather than housing (Gkartzios & Ziebarth, 2016). One consequence was that many of these communities “were developed with … limited or no ‘public’ or ‘social’ housing options” (Ryser et al, 2021, p. 1622). There are echoes of this seeming neglect in Canada’s current framework for addressing housing vulnerability, the NHS, which does not reference the needs of rural communities and did not initially advance any rural-specific initiatives, outside of increased funding for rural and remote homelessness. However, the Housing Accelerator Fund—a program created under the NHS in 2022 to incentivize municipalities to support the development of affordable housing—included a “small/rural/north/Indigenous stream” designed for communities with populations below 10,000.

#### *Community housing and the role of nonprofits*

Pomeroy (2017, p. 6) observes that Canada’s community housing sector “was never designed as a holistic system” and is instead the product of a complex set of programs that have evolved over several decades, creating a sector with over 3,000 providers—“a mixture of public and community-based organizations that share a common mission to create and operate affordable housing to help low-income individuals and families.” Today, ownership is split between provincial and municipal governments (69%), nonprofit organizations (20%), housing cooperatives (7%), and private companies (5%) (CMHC, 2023). The community housing sector accounts for 4 percent of Canada’s housing system, which is roughly half the average for high-income countries (National Housing Council, 2023). It provides rent-geared-to-income (RGI) housing, which is deeply subsidized to ensure affordability for even the lowest-income households, as well as varied forms of “affordable” housing in which rent is set at below-market, low-end-of-market and/or breakeven rates (Pomeroy, 2017). In this respect, community housing in Canada is inclusive of—but not limited to—what is traditionally referred to as social housing.

The prominent role of nonprofit and cooperative providers in Canada's community housing sector reflects historical and contemporary downloading, and a related mistrust of direct public provision. Suttor (2016) identifies a turning point in the early 1970s, when Canadian policy began to shift away from RGI housing operated by governments and toward more varied forms of subsidized housing provided by non-governmental actors. This change was in response to critiques of large-scale "public housing" projects, and an emerging preference for community-based organizations that were thought to be both less bureaucratic and more attuned to local needs. Subsequently, a variety of religious and secular organizations established nonprofit corporations and sought funding to build new projects (Pomeroy, 2017). In the 1980s, this trend was accelerated by neoliberal approaches to welfare provision, which sought to contract out responsibility for service provision to nonprofits (Smith & Lipsky, 1993; Suttor, 2016). As part of ongoing neoliberal reforms, the Government of Canada ended funding for new community housing (except on First Nations reserves) in 1993 and, subsequently, initiated a further phase of downloading by devolving ownership and responsibility for its stock to the provinces.

The devolution of community housing and withdrawal of federal funding led to significant retrenchment in the sector. There were drastic declines in new production across Canada, but British Columbia was one of two provinces (along with Québec) that continued to invest in production on a unilateral basis (Suttor, 2016). BC Housing, a provincial crown corporation, administered stock devolved from the federal government—a process completed in 2006—and worked with nonprofit organizations to create new non-market housing. It also transferred ownership and management of some of its housing to nonprofit providers (Ryser, Halseth, Markey & Young, 2023). In many rural areas and small communities, nonprofits became the only providers of community housing (Ryser & Halseth, 2014). One consequence of these trends in BC and elsewhere was fragmented ownership, with a large number of small nonprofits operating relatively few units. Many operate a single project, and very few have developed a portfolio (Suttor, 2016).

There are costs and benefits to this model. On the one hand, small nonprofit organizations may have a deep understanding of community needs and local contexts (Penfold, Rethoret & MacDonald, 2016). On the other hand, they often struggle to undertake major projects, due in part to difficulties in securing funding under provincial and federal initiatives, the federal government having begun to re-engage with the sector as of 2002 (Suttor, 2016). Deng et al. (2023) found that these initiatives are often inflexible, "both with respect to what nonprofits are required to provide in funding applications and the ability of these organizations to access funds to support local housing needs" (p. 8). This was especially the case in smaller communities, as some standardized application forms and assessment criteria were "designed for a very urban place" and ... did not fit regions that lack density," leading to applications from these communities "receiv[ing] a much lower score than if they were doing this same project in an urban centre" (Deng, Leviten-Reid & Thériault, 2023, p. 8).

Nonprofit housing providers consistently report capacity challenges at all levels, from executive leadership (which is often volunteer-based) to frontline service provision. Directors are increasingly expected to have specialized knowledge of development and finance, while staff must navigate complex processes and high demand for services, often while working for relatively low wages and few benefits (Deng et al. 2023). The combination of downloading and worsening housing afford-

ability has increased workloads, and the nature of work has shifted to responding to “crisis and insurmountable human need” (Leigh & MacDonald, 2023, p. 181). In contexts where nonprofits are the only service providers, they may also be seen by local residents as responsible for public policy decisions (Smith & Lipsky, 1993). Indeed, in one of our case study communities, a nonprofit housing provider has reported being blamed for “deep service gaps” caused by inadequate government support (Nelson CARES, 2021, p. 4).

A final dimension of downloading relevant to community housing is the increased responsibilities placed on municipal governments to respond to local housing needs. In the BC context, Ryser et al. (2023) describe successive provincial governments mandating municipal action in this area through new planning and regulatory requirements, cost-sharing agreements, and performance measurements. While this has posed challenges for all municipalities due to their limited fiscal levers, small municipalities are most affected, due to “their inadequate access to information, expertise, control and resources” (Ryser et al., 2023, p. 152).

## CONTEXT

We conducted research in two case study communities in BC’s rural interior—Nelson and Kaslo—in order to identify housing market dynamics that contribute to the need for community housing, along with the barriers and opportunities experienced by nonprofit organizations seeking to respond to this need. The region’s rurality is characterized by factors that include low population density, distance from major population centres (i.e., remoteness), economic dependence on a small number of extractive industries (especially forestry), and mountainous landscapes (Breen & Robinson, 2021). In this context, Nelson provides a range of important public and private services to a rural hinterland. Although its population is over 10,000—the threshold for being considered an urban area (census agglomeration) by Statistics Canada—it functions as a hub in a rural landscape (see Breen & Robinson, 2021; Randall & Ironside, 1996). Key population and housing-related characteristics of these communities and the province of BC are presented in Table 1.

**Table 1: Key Characteristics of case study communities in provincial context  
(2021 census of population)**

	Kalso (Village)	Nelson (City)	BC (Province)
POPULATION			
Total population	1,049	11,106	5,000,879
Population change (2016–2021)	+8.4%	+5.1%	+7.6%
Median age (years)	51.9	53.9	42.8
INCOMES (2020)			
Median total income – individuals	\$30,600	\$39,200	\$40,800
Median total income – households	\$56,000	\$72,500	\$85,000

Table 1 (continued)

	Kalso (Village)	Nelson (City)	BC (Province)
<b>HOUSEHOLDS</b>			
Number of households	525	4,950	2,041,835
Owner households (%)	380 (72%)	3,125 (63%)	1,363,190 (67%)
Renter households (%)	145 (28%)	1,825 (37%)	669,450 (33%)
<b>DWELLINGS</b>			
Total occupied dwellings	530	4,945	2,041,835
Single-detached house (%)	450 (85%)	2,500 (51%)	866,340 (42%)
Semi-detached, row house, or unit in duplex (%)	20 (4%)	1,235 (25%)	481,315 (24%)
Apartment (%)	40 (8%)	990 (20%)	639,320 (31%)
Other (%)	15 (3%)	225 (5%)	54,860 (3%)
<b>HOUSING AFFORDABILITY</b>			
Total households spending 30% or more of income on shelter costs (%)	85 (16%)	1,125 (23%)	506,850 (25%)
Owner households (%)	9%	15%	19%
Renter households (%)	37%	36%	38%

Source: Statistics Canada, 2023

A defining feature of the housing markets in both communities is a severe lack of rental housing (RDCK, 2020). Nelson's rental vacancy rate was just 0.6 percent in 2021, and while no formal vacancy rate was calculated for the smaller community of Kaslo, it is consistently described by local actors as "near-zero." These rates were lower than those for BC (1.3%) and Canada (1.9%) during the same period, and far below the 3 percent vacancy rate considered "healthy" in the Canadian context (Federation of Canadian Municipalities, 2012). Unsurprisingly, homelessness is an issue in this context. Nelson has the second highest rate of homelessness in the BC Interior, at 0.8 percent (i.e., eight out of every 1,000 residents are experiencing homelessness) (NCOH, 2022). This is likely due in part to Nelson's service hub function, which means it may "attract many who become homeless in more remote areas, travel to the centre seeking health and other services, and then remain in town" (Waegemakers Schiff et al., 2015, p. 88). There are no data available for homelessness in Kaslo, but forms of hidden homelessness, such as living in vehicles and couch surfing, are known to occur in and around the village.

Nonprofit community housing organizations are present in both communities, with two in Nelson (Nelson CARES and the SHARE Housing Initiative), and one in Kaslo (the Kaslo Housing Society –

KHS). Consistent with the downloading processes described above, these organizations own and manage the non-market rental stock, and seek to expand it in response to funding opportunities and local need. All three organizations had opened new community housing developments shortly before or during the course of this research. Nelson CARES (est. 1974) owns and operates 209 units across five buildings, focusing on low-to-moderate income families, seniors, persons with disabilities, and single adults. Two of these buildings totalling 88 units opened in 2021, representing the first new affordable housing developments in Nelson in almost 15 years (Government of BC, 2021). The SHARE Housing Initiative (est. 2017) operates one building with 39 units, characterized as affordable workforce housing. The KHS (est. 1998) also operates one building—opened in 2023 after decades of work—with 10 units split between RGI and low-end-of-market rates.

## METHODS

BC's Kootenay region was selected as the focus of this study as a location that exemplified the housing affordability pressures faced by rural areas being transformed by amenity migration and tourism. We selected municipalities of different sizes in order to consider how housing pressures, and opportunities and barriers to community housing development, manifest in varying contexts within the same region. In so doing, we were attentive to the “need for comparative approaches that look beyond efforts to homogenise ruralities in the research design, focusing instead on local context and culture in the production of housing-related social phenomena” (Gkartzios & Ziebarth, 2016, p. 496).

To gain insight into these issues, we conducted key informant interviews in mid-to-late 2022, both in person and online. Participants were recruited through three main avenues: pre-existing connections within the communities; snowballing via suggestions from interviewees and other contacts; and searching relevant government, nonprofit organization, and real estate agency websites. In total, 20 interviews with 21 participants were conducted, including one interview with two participants. As detailed in Table 2, four participants brought regional expertise, while 10 focused on Nelson and seven on Kaslo. However, since the case study communities are located only 70 km apart (an approximate one-hour drive), many participants spoke about both places, reflecting on housing issues in the Kootenay region more broadly.

**Table 2: Overview of participants**

Participant Code	Role	Geographical focus
GOV-01	Elected official Provincial government	Regional
GOV-02	Director Municipal government	Nelson
GOV-03	Elected official Municipal government	Nelson
GOV-04	Elected official Municipal government	Kaslo
GOV-05	Planner Regional government	Regional
GOV-06	Elected official Municipal government	Kaslo
GOV-07	Elected official Municipal government	Nelson
GOV-08	Planner Municipal government	Nelson
GOV-09	Elected official Municipal government	Nelson
CH-01	Chair Community housing org	Kaslo
CH-02	Executive Director & Co-Chair Community housing org	Nelson
CH-03	Director Community housing org	Kaslo
CH-04	Community coordinator Community housing org	Nelson
CH-05	Entrepreneur Community housing org	Kaslo
CH-06	Acting President Community housing org	Nelson
CH-07	Executive Director Community housing org	Regional
RE-01	Realtor	Regional
RE-02	Realtor	Nelson
RE-03	Realtor	Kaslo
ADV-01	Tenant advocate Tenants' organization	Nelson
ADV-02	Tenant advocate Tenants' organization	Kaslo

Approval for this study was granted by the Research Ethics Board at the University of Alberta. All interviews were recorded with permission, and initially transcribed by Otter AI, an online service. To ensure accuracy, the generated text was then compared to the recordings and edited as needed. The completed transcripts were then uploaded to NVivo 14 for thematic analysis. We used the three-stage coding method outlined by Williams and Moser (2019).

Analysis began with open coding, which involved a detailed read-through of each transcript and the organization of similar concepts, ideas, phrases, and words into broad thematic domains. The process was guided by the 5W-1H questions: who, what, when, where, why, and how. For example, the “who” question directed us to the positionality of participants in terms of their role in the housing system, the “where” question focused on their geographical expertise (see Table 2), and the “why” and “how” questions allowed us to identify market mechanisms as well as barriers and opportunities to non-market supply. Through this process, we developed codes to represent specific ideas and concepts. Each code was examined to ensure that it accurately represented a concept from the data, and edited as needed. Once codes were confirmed to be cohesive and accurate, the relationships between them were considered. This was guided by the Six Cs model, which directs attention to causes, contexts, contingencies, consequences, covariance, and conditions. For example, attentiveness to causes and consequences led us to identify the importance of downloading, while a focus on context and conditions supported identification of the specific factors influencing the actions and efforts of nonprofit providers. Finally, we undertook axial coding, which involved the identification of “cohesive and meaning-filled expressions” (Williams & Moser, 2019, p. 52). These “expressions” are broad thematic categories that form the basis for the narrative findings presented in the next section.

## FINDINGS

### Amenity migration and tourism

We first consider how our participants understand the causes of housing affordability challenges and the resulting need for community housing, particularly in relation to their rural context. A key dynamic at play in both case study communities, and in the broader region, is amenity migration. This was recognized as a long-standing process that had been accelerated by the COVID-19 pandemic, when the rise of remote work and the desirability of access to the outdoors during lockdowns prompted more people to relocate from urban areas to the Kootenays, increasing demand for housing:

With the pandemic, all of a sudden, people had to work remotely. And so people were taking the opportunity to say, “I don’t want to live in a city anymore.” ... And I think the quality of life that our communities [offer] ... has really increased the pressure. (GOV-01)

When the pandemic started, there seemed to be all of a sudden this urgency to get out of the city. And I think that drove a lot more people to buying in Nelson, but it was in other places like Creston and Castlegar [too], and all of a sudden, this high demand that they had never seen. (RE-02)

While amenity migrants are typically new permanent residents seeking primary homes, there was also steady demand for second-home ownership. In combination, these forces were understood to

increase house prices and also reduce the supply of rental housing through tenure conversion, especially in Kaslo. Moreover, second-home owners generally occupy their houses only seasonally, leading to a situation of “empty houses” amid a rising crisis:

I think Kaslo has been discovered now, so people have bought houses who don't live here all year round. They've bought houses for retirement properties or so they can come in the summer. So there are empty houses that people just come and spend maybe a couple of months a year, or basically are waiting till they retire. (GOV-06)

We've got a lot of homes [in Kaslo]—I'm thinking in the 25% to 30% range—that are owned by non-resident owners ... So that's a great issue because they're not made part of the housing stock that's available for people to rent, or people to buy. (GOV-04)

It's more of an accessible luxury for people to buy an apartment, to buy a condo ... as sort of a second property that they use occasionally. But it's a reality in all kinds of tourism destinations—Whistler, Nelson, Kelowna—where people want to have that pied-à-terre. And yeah, it's definitely a shame. It might not be the biggest single factor in Nelson's housing situation. But it's certainly hard to digest when you have people who are desperately looking for housing and you have empty housing. (GOV-08)

### High demand and low supply

Participants sought to make sense of housing affordability challenges in Nelson and Kaslo with reference to the concepts of supply and demand. This economic frame provided a dominant lens for understanding and representing the problem of rapid price increases in straightforward terms, e.g.: “We have high demand, we have low availability, and we also have very high prices. So even what is available is not affordable for people” (GOV-01). High demand and associated competition were reported for all forms of housing:

I'm walking down the street yesterday and there's a woman I've known for a few years ... I know she's in a [rented] house that has just got on the market. I said “Hi, what are you going to do when it sells?” “I don't know, I've been there three years, it was the best thing going, I don't know what I'm going to do.” Because she can't afford to buy the house she's living in—it'll sell for twice what it sold for four years ago, or five years ago. And that's it in a nutshell. (CH-03)

I hear people say that they offer a place for rent, and they get 70 people contacting them, or 100, and it's been where people have come and offered a cash bonus to the landlord. You know, “Rent to me and I'll give you an extra 500 bucks.” So it's fierce competition among tenants ... it's just the amount of people that have come to Nelson that need to rent. (RE-02)

For rentals, it seems like as soon as something comes up that nobody even advertises it, it gets snatched up right away. There was somebody in town that had rented brand new, two bed, two bath apartments for like \$2,000. And locals did freak out about it. But they're all rented.” (RE-03)

With respect to supply, participants emphasized that there were few homes available to buy, and even fewer to rent. Many previous rentals had been sold to first- or second-home buyers, as noted above, while others had been converted to STRs. The resulting pressure in the rental sector increased the risks of both homelessness and displacement from the community:

I know a guy who came here, I think he was a manager of mental health and substance use [facility], and he lived in his camper. And he finally had to leave the job because it became winter and he couldn't find a place to live. (CH-02)

I know two women who are single mothers who have been living in trailers all summer, because they just simply couldn't find a place to live. ... I've seen just so many people displaced this summer. There just basically isn't any housing in Kaslo. (ADV-02)

These are small towns. So, there's not like scads of other rentals lying around, or even other places to buy. And the consequence of that, then, is you can't live here. ... you're forced to live further away from where you might work ... and eventually you don't stick around. (CH-03)

### Barriers to new supply in rural communities

Participants in both communities identified infrastructure constraints as a barrier to increasing supply. Specifically, development of new housing (both market and non-market) is limited by the coverage and condition of existing infrastructure, and by the costs of extending it to unconnected parcels:

This is the mindset of the province when it comes to urban planning: it's infill, infill, infill. Higher density. And it makes sense in a place that has amenities like sewer and water. But in a rural area, if you're going to develop, you need to develop your infrastructure as well. (CH-01)

The politicians want to provide more housing in Nelson. They have a heart to provide more affordable housing in Nelson. But the Nelson politicians also have crumbling infrastructure. They have all kinds of issues with water mains and streets, and parking and snow removal, and everything else—it's an expensive city to run. (CH-06)

Having a serviced site that is “shovel ready” is a condition for some capital funding opportunities—a requirement that can disadvantage rural communities relative to urban municipalities. In Kaslo, the municipality had put aside a 14-acre parcel for the KHS to develop. However, after decades of failed attempts at securing funding, they were forced to develop a smaller, already-serviced lot:

The site that had been set aside forever wasn't going to work because the servicing costs were so much because it didn't have sewer, didn't have water, didn't have power. It was a large site. But the costs of getting all those services to that site were prohibitive, and that's not something that a funder will look at. That is seen as being a municipal responsibility. And the municipality just did not have the funding to do that. (GOV-04)

Several participants identified a unique barrier to affordable housing development in the form of the “Kootenay tax,” a colloquial term for the higher costs of construction in the region due to its rel-

ative remoteness, labour shortages, and supply chain challenges. This “tax” has negative impacts on all forms of housing supply, but has particularly adverse effects on nonprofit organizations working on multi-year development projects with fixed budgets:

Cost estimators [who] are out in Vancouver, they've noticed that building in the Kootenays has a premium. So usually, their costs are kind of based on [Vancouver] construction, but they'll add 15%, and call it the “Kootenay Tax.” ... Like anything else in the last few years, the costs have gone up significantly. Material costs are what they are, right? So it's kind of hard to make things affordable when the materials are really expensive. (GOV-02)

I think the really hard critical piece is just the cost of building. You can't get around that. So everyone's kind of twisting and turning, trying to like, get things built, but the cost of building just keeps climbing. And it's just more and more challenging for BC Housing, and developers, and organizations like Nelson CARES. (GOV-09)

### **The role of nonprofit housing providers**

Within this context of significant housing challenges, nonprofit organizations seek to operate and expand affordable non-market options. However, with limited government support (beyond the provision of competitive funding programs), these were weighty responsibilities for which local nonprofits were considered inadequately resourced. Simply maintaining existing operations often stretched these organizations to the limits of their capacity:

Nelson CARES [has] an absolutely huge role in managing all the social housing and everything like that. I think that's really critical. And actually, they don't have enough capacity to expand much more and take on the number of housing projects that Nelson [could] get funding for. (GOV-08)

We're such a small team, we're all working very long hours, I have incredible volunteers that are working very long hours right now just [doing] what we're trying to get done and have already committed to. ... But we would like to do more, and we've been challenged by some—“You need to be doing much more.” But it doesn't just happen like that.” (CH-07)

As a larger and more professionalized organization, Nelson CARES has paid staff working in administrative and client-facing roles. However, the KHS and SHARE Housing Initiative are smaller organizations that rely on volunteers for essential work:

There's no stipends. There's no nothing. There's no remuneration, other than I had a 35-year-old man burst into tears when I offered him a suite today and he said, “I was thinking I was going to have to leave Nelson.” I mean, to me, that's worth more than getting paid. It's pretty incredible. (CH-06)

Small nonprofit housing organizations often lack access to the skills and knowledge needed to navigate the intricacies of applying for funding and undertaking complex developments (Pomeroy, 2017). This may be because they rely on volunteers without this expertise and/or because, in rural areas, the requisite skills are in short supply in the local labour market. This places these organizations at a significant disadvantage, as they are often competing for funding with expert-staffed organizations, frequently located in larger urban centres:

We don't have a lot of depth in our membership resources, we don't have experience. This is a small town. There's ambition, but not necessarily commensurate skill sets and resources, and all of us are volunteers. (CH-03)

I'd love to see Kaslo have 50 new units, they could use them. ... All of our small communities could use those units. But they're behind the 8-ball because ... you know, they have people with a lot of emotion and passion to want to do something, but not the experience. (GOV-03)

One response to this challenge is for nonprofit organizations to enter into partnerships and join networks in order to access additional resources, enhance their capacity, and increase their chances of attaining funding. For example, coordination and cooperation within regions is well-established in Canada's homeless-serving sector, but is only more recently being adopted in community housing. Participants noted both potential and actual benefits from engagement with regional networks:

People in Kaslo, they're going to build 10 units. Well, that's fantastic, but they could build 100 units. The reason they're building 10 units is because they're trying to do it with a society with limited or no experience in delivering product. You don't want to take away their autonomy by any means, but having a regional body that would be that sort of resource, [so] you aren't filling out forms that were being sent back to you because they weren't done properly. (GOV-03)

[W]e're starting to attend more workshops, connecting with non-profits, working with Columbia Basin Trust just to connect with the right people who have provided us with contacts with CMHC [Canada Mortgage and Housing Corporation] and FCM [Federation of Canadian Municipalities]. And we're right now exploring opportunities to apply for funding to do additional planning work. (GOV-05)

Another option for nonprofits seeking to reduce isolation and tap into broader networks of expertise was to engage specialist consultants. The KHS had recently entered into a partnership with a non-profit consulting firm to help them navigate the process of creating community housing, from applying for funding through managing design and construction:

The history of most of these organizations, little ones, is that you try, there's no money or you can't get it done, and people burn out. So we're trying to institutionalize our resources a little bit. And they [consulting firm] have allowed us to do that because they brought the skills and the patience and money to the table, and they did not need to be paid up-front. (CH-03)

A different type of barrier to the work of nonprofit housing organizations came from within communities themselves, in the form of stigma towards affordable housing. This perceived undesirability led some residents to oppose its development:

There have been times that have been really frustrating, I think, for nonprofit organizations. You know, they've come forward to municipal government and said, "BC Housing has these projects, they've got money, just pick up the phone and call them." And then, you get hit with NIMBYism around, "Well, if we build it, then they'll come. They'll just put people on

the bus from Vancouver." But I think there's a little bit more understanding that actually all communities are dealing with this ... issue" (CH-02)

The stigmatization of community housing is a long-standing and relatively widespread challenge in Canada (Suttor, 2016). However, one participant suggested it may be more marked in small communities, where close social networks lead to the individualization of "blame" for housing vulnerability:

You know, I think it tends to get identified differently, rurally, because of the size and the familiarity people tend to have with each other. So they have knowledge, and they tend to individualize and stigmatize people who can't afford housing. Whereas in the cities, it's just more anonymous, and the numbers are just sheer numbers, so you're less likely to know the individuals and less likely to ascribe individual behaviour to their lack of housing, in kind of shorthand. (CH-03)

Because the term "affordable housing" is known to generate negative reactions, one response has been to market new projects as "workforce housing." This term is used strategically to emphasize community housing's role in providing for local workers, who are needed by local businesses and also perceived as members of the community:

There was talk about just calling it "affordable housing." And I think there's sort of pre-conceived notions about what that means to people. And I think optically, folks were happier with "workforce housing"—housing to hopefully support people who are working in the service industry, in town. (GOV-05)

While many of our participants focused on the challenges facing nonprofit organizations seeking to provide community housing in rural areas, it was also clear that these organizations had increasing opportunities as a result of recent federal and provincial initiatives. BC Housing in particular was identified as a crucial source of funding and support:

In the last five years, they've brought like over 120 units to [Nelson], and high-quality buildings, you know, not crap. And we're talking with them quarterly, just to exchange what's happening and look at opportunities. So I think having BC Housing on board is great. (GOV-02)

I believe that politically, we happened to be in the right place at the right time. Because the NDP came into power [provincially], and they made a commitment to affordable housing, and all of a sudden there was money available. ... it was pretty neat to see government actually carrying through on their commitment to affordable housing, and SHARE Housing is an example of it. (CH-06)

While increased opportunities were welcome, participants cautioned that small nonprofit organizations in rural communities often faced an uphill battle in securing funding within competitive systems that seemed to be designed for larger urban centres and for organizations with substantial track records and in-house expertise:

Politicians that are pushing this agenda of housing from Victoria or from Ottawa, they want to be associated with people that can deliver because they want to get out and get

their picture taken by cutting the ribbon on a brand-new project, right? They can't wait for Nakusp [another village in the Kootenays] to deliver 20 units, or 10 units, because they don't know if it's going to happen or not. (GOV-03)

It looks better for a higher order of government to say, put their name on 100 units in Nelson or Kelowna. ... And when we're looking at 10 units here in Kaslo, which one would they want their name associated with? Right? It looks better when they could say "We provided all this housing." [The challenge is] getting [funders] to focus more on rural, especially when people are now wanting to be in rural settings. (GOV-04)

Returning to the example of the long-delayed community housing development in Kaslo, one interviewee noted—tellingly—that it only became “a viable, fundable concept” when the organization acquired an already serviced lot, at which point “we were like city people ... access was there.” (CH-01)

## DISCUSSION

Although housing affordability challenges are a Canada-wide issue, interview participants discussed specific factors contributing to this dynamic in Nelson and Kaslo. First, they identified amenity migrants and second-home buyers as significantly increasing demand for homeownership. This not only contributed to rising house prices, but also led some landlords to sell their rental properties, leading to lower vacancy rates and higher prices in the rental market. The recent context of the COVID-19 pandemic and the associated rise of remote work was noted to have accelerated amenity migration, consistent with media reports (e.g., Farooqui, 2020; Bilefsky, 2021). Realtors interviewed for this study reported a marked increase in competition to purchase homes in Kaslo and Nelson in 2020–2021, often by buyers looking to move to the region. Ultimately, the residents most adversely affected by these trends were low-income renters—a group already rendered vulnerable by Canada’s housing system (Evans & Wikander, 2024)—leading to homelessness and/or displacement in some cases. When residents leave these communities in search of affordable housing, it can contribute to labour shortages (Moore et al., 2006), which are already an issue in the Kootenay region.

These challenges were understood as difficult to solve, because adding new supply—the dominant proposed solution to the problem of housing unaffordability in Canada—was complicated by two local factors. First, the limitations of infrastructure in these communities reduced opportunities for infill and other forms of new build. Unlike in larger cities, many parcels are unserviced. This issue had directly affected the KHS in its efforts to develop new community housing, forcing it to scale back its plans and walk away from a large, unserviced lot in favour of a smaller, serviced one that was “shovel ready.” The fact that this status is a requirement of many provincial and federal grants for nonprofit housing development creates challenges in rural communities (Ryser et al., 2023). More generally, the cost of connecting parcels to sewers or building on-site septic systems is known to be a significant barrier to housing development in the Kootenays, while at the same time densification opportunities are limited “due to system capacity restrictions” (Howse, Liepa, Glassford, Rethoret & Breen, 2021, p. 13). As one participant noted, urban planning directives centred on building infill and higher densities may not translate to rural places (CH-01).

Second, several participants identified the higher costs of building in the region, which they labelled the “Kootenay Tax.” This phenomenon, which has been identified as a barrier to housing affordability in rural Canada (Bruce, 2003), proved to be a major challenge for local nonprofit housing organizations, which must work within fixed budgets.

Given the housing affordability challenges in Kaslo and Nelson, nonprofit housing organizations were seeking—and were often expected—to be doing much more” (CH-07). However, they already struggled with significant workloads relative to their modest staffing and resources, a consequence of the downloading of ownership and responsibility from federal and provincial governments (Ryser et al., 2021; 2023). Moreover, two of the three organizations considered relied almost entirely on volunteer labour for both executive and operational roles. While volunteer-run organizations perform essential services for their communities, they are known to face skills and knowledge shortfalls (Pomeroy, 2017). The development and management of community housing is highly complex and requires wide-ranging expertise, including in financing and construction (Deng et al., 2023). With limited access to such expertise, organizations may instead rely on “emotion and passion” (GOV-03) in pursuit of their goals.

In addition to operating within the constraints of limited resources and capacity, nonprofit housing organizations were challenged by local stigmatization of affordable housing. This was characterized as NIMBYism, a common obstacle to the expansion of community housing, particularly in rural contexts (Slaunwhite, 2009). One explanation for the opposition was the lack of anonymity in small communities, which can cause housing affordability challenges to be attributed to individual failings (CH-03). Another explanation was the assumption that “if we build it, then they’ll come” (CH-02)—that an increased supply of community housing would prompt people to relocate to the area to occupy the new units. This concern appears to be a variant of the perception that expanded social services risk attracting dependent populations, an objection to social and affordable housing that has been previously reported in rural communities (Osinubi, Skobba, Ziebarth & Tinsley, 2022). In this context, the term “workforce housing” was beginning to be used as a strategic label, since linking the provision of affordable housing to the needs of workers and employers encouraged social acceptance. It is also likely that existing residents who are “contributing” to the community through paid work are perceived as deserving of affordable housing, especially in contrast to service-dependent outsiders who might (hypothetically) relocate to the area.

Participants noted that communities like Nelson, and especially Kaslo, appeared to be disadvantaged relative to larger urban centres in receiving support for community housing. Specifically, their nonprofit housing providers often struggled to secure funds due to the perceived risk associated with smaller, “unproven” organizations. Often combined with geographic isolation, these factors pose unique challenges for rural housing nonprofits in securing sufficient capital for development and maintenance (Penfold et al., 2016). Some participants argued that these organizations faced additional difficulties in obtaining funding due to their projects’ smaller perceived impact, relative to larger developments that are only feasible in urban centres.

Discussion of these barriers echoed a broader criticism of the regulatory environment around non-profit funding in Canada, which has been argued to “reduce the level of risk to central governments

rather than to provide a more supportive policy environment for the voluntary sector operating on the ground" (Ryser & Halseth, 2014, p. 46). The subsequent imposition of complex rules and regulations has particularly acute impacts in rural areas, as they "do not reflect or support the more limited human and financial capacity of rural voluntary groups, and, therefore, only exacerbate the operational pressures for these organizations" (Ryser & Halseth, 2014, pp. 46-47). One response to this challenge, adopted to some extent by all three nonprofit providers, was to partner with other organizations to apply for funding and develop projects—an approach that can strengthen their sustainability and impact (see Penfold et al., 2016). Ultimately, the need for community housing in Kaslo and Nelson (and the broader Kootenay region) is so pressing, and the underlying funding structures and requirements so complex, that it is unrealistic to expect small nonprofit organizations to lead the response on their own.

## CONCLUSION

Nonprofit organizations are at the front line of delivering affordable non-market housing in rural communities across Canada. In Nelson and Kaslo, they manage and have expanded community housing, providing a vital service in the absence of direct public provision. However, more community housing supply is urgently required as affordability continues to deteriorate, making low-income renters vulnerable to homelessness and displacement. While these organizations have been successful in acquiring grants and developing new projects, due in part to strategic partnerships, they are still disadvantaged relative to larger, more professionalized urban nonprofit housing providers. This is due not only to the greater access these providers have to skills and knowledge, but also to funding initiatives that appear to be designed for larger communities and fail to take rural realities (e.g., infrastructure limitations) into account.

Despite the best efforts of nonprofit providers, efforts to address housing affordability challenges in Kaslo and Nelson remain insufficient. This leads us to two recommendations for ameliorating these challenges, both in our case study communities and in rural places more generally. First, it is important to recognize that the private rental market in these contexts, like in Canada's major cities, cannot provide affordable, secure housing to many households in need and that an expansion of non-market provision is therefore essential. Following from this, funding opportunities and their associated processes and requirements must be better tailored to the environments in which they are needed. As highlighted by Deng et al. (2023, p. 12), there is a need for differentiated requirements for urban and rural community housing providers, and a "more accommodating" approach to geographical differences. Additionally, a stronger focus on scale could generate more political support for community housing in smaller communities: a 10-unit development in Kaslo (population 1,049) likely has a similar proportional impact on housing affordability as a 110-unit development in Nelson (population 11,106) or 7,000 new units in the City of Vancouver (population 706,000).

Second, it is clear from our study that small nonprofits struggle with the magnitude of downloaded responsibilities. A valid response to this challenge would be to call for provincial and federal governments to resume a direct role in building and operating community housing in rural areas and small towns. However, given the value that nonprofits bring—particularly in terms of their community connections and deep knowledge of local contexts—another option would be to bring these

organizations together within a permanent and substantive regional network. Doing so would build on and deepen existing partnerships while enabling greater coordination and the sharing of skills and knowledge.

Although each community has unique elements, housing challenges are often broadly similar within regions, including the Kootenays (RDCK, 2020). A more coordinated, regional-scale response to housing affordability challenges could streamline solutions, consolidate expertise, and alleviate the pressure that communities—and their nonprofit housing providers—are experiencing. Such coordination across municipal boundaries is already seen in some metropolitan regions (e.g. Metro Vancouver) and could play a vital role in meeting the NHS's aspirational goal of ensuring adequate and affordable housing for all Canadians.

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## Quand le plaisir de manger devient essentiel : repenser le soutien alimentaire par les organismes communautaires

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### ABSTRACT

Although free access to food is a common response to food insecurity, it does not guarantee consumption. Our research examines how the concept of pleasure can be incorporated into food support programmes offered by community organizations in Québec. A mixed methodology was employed to analyze the relationship between experienced food insecurity and the pleasure of eating. The results offer theoretical and practical ways forward, emphasizing the importance of considering the notion of choice in interventions. They provide food for thought and suggest to public decision-makers that they adopt a collective approach to combating food insecurity, enabling people to rediscover the pleasure of eating.

### RÉSUMÉ

Bien que l'accès gratuit à des aliments soit une réponse courante à l'insécurité alimentaire, il ne garantit pas leur consommation. Notre recherche examine comment la notion de plaisir peut s'intégrer aux offres de soutien alimentaires des organismes communautaires québécois. Une méthodologie mixte a permis d'analyser les liens entre l'insécurité alimentaire vécue et le plaisir de manger. Les résultats proposent des pistes théoriques et opérationnelles, insistant sur l'importance de considérer la notion de choix dans les interventions. Ces pistes proposent des réflexions tout en suggérant aux décideurs publics d'adopter une approche collective dans la lutte contre l'insécurité alimentaire afin que les personnes mangeuses puissent renouer avec le plaisir de manger.

**Keywords / Mot clés :** pleasure, food insecurity, community organisation, precarity, James Bay, Québec / plaisir, insécurité alimentaire, organisme communautaire, précarité, Baie-James, Québec

## INTRODUCTION

Les organismes communautaires occupent une place importante dans la société civile québécoise, car ils se situent à l'interface entre la société et les appareils relevant du domaine étatique.<sup>1</sup> Leur mission fondamentale est d'apporter des réponses collectives à des besoins sociaux individuels ou collectifs. Ils contribuent ainsi au développement social du Québec, en particulier en offrant des services de prévention, d'aide et de soutien à la population (Savard, Bourque, et Lachapelle, 2015; Savard et Proulx, 2012). Ce rôle en a fait des partenaires privilégiés du ministère de la Santé et des Services sociaux du Québec, dont ils reçoivent généralement la plus grande part de leur financement, tout en conservant leur autonomie organisationnelle et juridique (Leclercq et al., 2020). Généralement constitués en organisations sans but lucratif (OSBL), ils peuvent œuvrer dans la défense des droits, mais la plupart sont des « groupes de services » se consacrant à l'offre de soutien aux particuliers.

Leur nombre a cru avec les transformations de l'État-providence depuis les années 1980. Selon l'Alliance des travailleuses et des travailleurs de l'action communautaire et de l'action communautaire autonome (ATTACA), ils sont au nombre d'environ 8 000 et emploient près de 72 000 personnes se trouvant dans toutes les régions du Québec (ATTACA, 2025). Bien que leurs actions s'adressent à l'ensemble de la population, ils visent en particulier ses franges les plus fragilisées subissant les conséquences de la pauvreté. Les organismes communautaires s'inscrivent dans des champs complexes et variés, allant du logement à l'insertion en emploi, à la protection de l'environnement et à la violence à l'égard des femmes, mais se trouvent surtout dans le vaste secteur de la santé et des services sociaux (Jetté et Bergeron-Gaudin, 2020). C'est dans ce champ qu'ils ont développé des interventions contre l'insécurité alimentaire, laquelle ils abordent avec leur préoccupation habituelle de développement de pratiques innovantes, socialement ancrées et fondées sur la recherche d'empowerment individuel et collectif.

L'insécurité alimentaire apparaît lorsqu'un individu manque ou craint de manquer de nourriture en raison de ses ressources financières limitées. Que cette insécurité soit épisodique ou chronique, marginale, modérée ou grave—c'est-à-dire variable dans son intensité et dans sa durée—it reste que le revenu disponible du ménage demeure le meilleur indicateur de l'insécurité alimentaire, comme l'ont souligné Tarasuk, Mitchell, McLaren et McIntyre (2013) et Tarasuk et Mitchell (2020). Dans ces circonstances, les organismes communautaires qui ont pour mission de contrer l'insécurité alimentaire porteront assistance aux personnes en distribuant des boîtes de nourriture ou en servant des repas communautaires. Ils pourront aussi proposer des activités de production ou de transformation alimentaires. Plusieurs auteurs ont remarqué que dans ce contexte de charité ou de soutien, on a tendance à ne considérer que l'aspect fonctionnel, c'est-à-dire nutritionnel, de l'alimentation alors qu'on néglige souvent les autres dimensions de l'acte de s'alimenter (Estany et al., 2020; Godin et al., 2023; McAll et al., 2015; Riches, 2011).

Si ces actions permettent un accès aux aliments, Poulain (2017) nous rappelle avec justesse que l'accès à des aliments sains, même gratuit, ne garantit pas leur consommation. En effet, pour être consommés, les aliments doivent non seulement répondre aux besoins nutritionnels, mais aussi être connus et acceptés et apporter un certain plaisir (voir aussi Trémolières, 1970). Autrement dit, les qualités nutritionnelles d'un aliment sont nécessaires mais insuffisantes pour garantir sa

consommation et produire de la satisfaction. Certains auteurs définissent le *plaisir de manger* comme une réponse physiologique et biologique presque incontrôlable du corps aux aliments riches en matières grasses, en sucre et en sel (Cornil et Chandon, 2013; Loewenstein, 1996; Stroebe, van Koningsbruggen, Papies, et Aarts, 2013; van Strien, Frijters, Bergers, et Defares, 1986). D'autres proposent une définition qui intègre des dimensions différentes au plaisir de manger, comme l'expérience vécue lors de la préparation et de la consommation de l'aliment ou du repas, ainsi que le contexte social dans lequel ces activités alimentaires se déroulent (Bédard et al., 2020; Cornil et Chandon, 2016; Landry et al., 2018; Macht, Meininger, et Roth, 2005).

Prenant donc acte que peu de travaux évoquent la notion de plaisir de manger chez les personnes qui vivent de l'insécurité alimentaire, cet article cherchera une réponse à la question suivante : pour les personnes vivant de l'insécurité alimentaire, comment les organismes communautaires pourraient-ils contribuer à leur plaisir de manger? Pour ce faire, notre premier objectif est d'enrichir la proposition de Poulain (2017) qui suggère que l'accès à des aliments gratuits ne garantit pas leur consommation, car ceux-ci doivent, entre autres, apporter un certain plaisir. Notre second objectif est d'identifier la manière dont les personnes bénéficiaires ainsi que celles qui travaillent dans des organismes communautaires perçoivent la notion de plaisir de manger à travers les différentes offres de soutien alimentaires. Cette proposition permettra d'enrichir le peu d'écrits scientifiques qui vont au-delà de l'aspect fonctionnel de l'alimentation pour les personnes en situation d'insécurité alimentaire.

À cette fin, nous présenterons d'abord certains travaux sur l'insécurité alimentaire, ce qui nous permettra de saisir les concepts pertinents à son analyse. Nous aborderons ensuite le rôle actuel des organismes communautaires. Suivra une description de la méthodologie utilisée lors d'une recherche que nous avons réalisée dans une région nordique du Québec (Desjardins et Tremblay, 2023), dont les données servent de fondement à ce texte. L'article se terminera par la présentation et une discussion des résultats pour souligner les apports théoriques et pratiques de la recherche.

Cet article expose trois contributions. La première est une meilleure compréhension de la notion de plaisir de manger chez les personnes utilisatrices des offres de soutien des organismes communautaires. La seconde ouvre de nouvelles pistes de recherche en insistant sur la reconnaissance des rôles que peuvent jouer ces organismes envers les personnes en situation d'insécurité alimentaire. Enfin, sur le plan opérationnel, les décideurs publics pourraient bénéficier de ces résultats et les intégrer à leur prestation de services, par exemple lors d'événements où plusieurs personnes peuvent perdre leur emploi simultanément ou voir leurs revenus diminuer.

## L'INSÉCURITÉ ALIMENTAIRE ET LE RÔLE DES ORGANISMES COMMUNAUTAIRES

Dans cette section, nous considérerons rapidement les principaux écrits définissant l'insécurité alimentaire, pour ensuite traiter du rôle que les organismes communautaires jouent dans les efforts pour la contrer. Comme on le verra, ces organismes ont hérité de lourdes responsabilités, qu'ils remplissent de multiples façons où dépasser le strict champ des besoins primaires n'est pas facile.

### L'insécurité alimentaire

Chaque année depuis 2004, le Canada mesure l'insécurité alimentaire sur son territoire à partir

d'un questionnaire standardisé. Ses dix-huit questions servent principalement à concevoir une échelle de sécurité et d'insécurité alimentaire sur une période de douze mois (Tarasuk, 2001). L'échelle de sécurité mesure la présence d'accès à de la nourriture alors que celle de l'insécurité alimentaire identifie le degré de sévérité de la situation (marginale, modérée ou grave). L'insécurité alimentaire *marginale* renvoie à la crainte de manquer de nourriture ou d'être limité dans ses choix lors de l'achat de denrées, faute d'argent. L'insécurité alimentaire *modérée* est vécue lorsqu'un ménage diminue la qualité ou la quantité de sa nourriture. L'insécurité alimentaire *grave* est observée lorsqu'un ménage se prive par la diminution de ses portions ou modifie ses habitudes alimentaires (par exemple, acheter des aliments en rabais ou ne plus cuisiner de repas équilibrés). Les épisodes d'insécurité alimentaire peuvent être isolés ou récurrents. Pour plusieurs auteurs, l'insécurité alimentaire est davantage vécue par les personnes vulnérabilisées par les inégalités sociales et économiques. Comparativement aux autres paiements récurrents tels que le loyer ou l'hypothèque, le budget dédié à l'alimentation est souvent compressible, une situation probablement accentuée par l'inflation récente des prix à la consommation (Lambie-Mumford, 2019; Pybus, Power, et Pickett, 2021). De l'avis commun, un budget limité est le principal facteur menant à l'insécurité alimentaire, ce qui explique l'importance accordée aux dons de nourriture.

Mais au-delà de ces dons et de cet accès gratuit à des aliments, les organismes communautaires peuvent-ils favoriser le plaisir de manger pour les personnes bénéficiaires? Comment pourraient-ils le faire à travers leurs offres de soutien? Afin de trouver des réponses à ces questions, il nous faut aborder le rôle des organismes communautaires auprès des personnes éprouvant de l'insécurité alimentaire.

### **Le rôle des organismes communautaires œuvrant en insécurité alimentaire au Québec**

Au Québec, les organismes communautaires jouent un rôle d'acteurs de développement social et local dans une visée de justice sociale principalement afin d'améliorer la santé et le bien-être des populations précarisées. On a vu l'institutionnalisation de ce rôle lorsqu'en 2002, le gouvernement du Québec a adopté la Loi contre la pauvreté et l'exclusion sociale (Chapitre L-7). Dans les suites de cette loi, le ministère de la Santé et des Services Sociaux du Québec a publié en 2008 un Cadre de référence en sécurité alimentaire (Gouvernement du Québec, 2008) qui indique que les organismes communautaires peuvent déposer des demandes de subvention. Ce cadre mentionne que le ministère consacrera 25 % de son budget à des activités relatives au don alimentaire, le reste étant attribué à des activités alimentaires propices au développement de l'empowerment individuel et collectif des personnes usagères.

Une définition largement reconnue de l'empowerment relevant du rôle des organismes communautaires est celle de Ninacs (2008), selon lequel les personnes mobilisées dans une activité ou une localité développent des stratégies pour répondre à leurs besoins et participent aux décisions les concernant. De plus, la majorité des activités relatives à l'insécurité alimentaire visent aussi le développement de compétences ou la socialisation (Côté, 2007; Desjardins et Tremblay, 2023; Leclercq et al., 2020; Tremblay, 2010), au sein de cuisines collectives (Engler-Stringer et Berenbaum, 2005; Iacovou, Pattieson, Truby, et Palermo, 2012), de jardins collectifs (Huisken, Orr, et Tarasuk, 2016;

Loopstra et Tarasuk, 2013), de groupes d'achats (Martin, Shuckerow, O'Rourke, et Schmitz, 2012) ou de repas communautaires (Loopstra, 2018). Les activités de don alimentaire sont la distribution de bons alimentaires, de repas ou de denrées préparés (Pollard et Booth, 2019; Renaud et Royer, 2012; Tarasuk, Fafard St-Germain, et Loopstra, 2019). En 2010, le ministère de la Santé et des Services Sociaux du Québec a publié une *Vision de la saine alimentation*. Cette vision partagée avec les organismes communautaires précise certains principes de la saine alimentation, dont le premier est de « Contribuer aux différentes dimensions de la santé : s'alimenter est un acte vital, un acte de plaisir et un acte social » (Gouvernement du Québec, 2010, p. 5).

L'exemple des réponses développées par les organismes communautaires au Québec souligne le périmètre établi par le cadre étatique (Fournis, 2023). Alalouf-Hall et Grant-Poitras (2021) ajoutent que ces organismes ont vécu une institutionnalisation de leurs contributions volontaires dans le cadre d'un discours politique basé sur l'urgence de combler les besoins primaires des personnes vulnérabilisées. On l'a vu lors de la pandémie de COVID-19 à partir de mars 2020, lorsque de nombreuses personnes bénévoles se sont mobilisées pour soutenir la distribution gratuite de denrées alimentaires. Mais ce rôle dépasse cette seule conjoncture. En fait, cette rapide revue de la documentation fait ressortir que l'insécurité alimentaire prend plusieurs formes, qu'elle est étroitement reliée à l'insuffisance de revenus et que l'action publique passe par des partenariats où les organismes communautaires occupent une place reconnue et importante. Ces circonstances justifient la question soulevée au début de ce texte : comment les organismes communautaires pourraient-ils contribuer au plaisir de manger chez les personnes vivant de l'insécurité alimentaire?

## MÉTHODOLOGIE

Nous avons réalisé une recherche qui permet d'apporter quelques réponses à cette question. Nous avons utilisé une méthodologie mixte qui permet une complémentarité entre les données recueillies par questionnaire et les réflexions, les opinions et la compréhension d'un phénomène par les personnes concernées (Corbière et Larivière, 2020). Une approche déductive permettra de répondre au premier objectif, celui d'enrichir la proposition de Poulain (2017), qui suggère que l'accès à des aliments gratuits ne garantit pas leur consommation, car ils doivent, entre autres, apporter un certain plaisir (Trémolière, 1970). Ensuite, une approche plus inductive permettra d'identifier la manière dont les personnes bénéficiaires et travailleuses des organismes communautaires perçoivent la notion de plaisir de manger à travers les différentes offres de soutien alimentaires.

Pour colliger les informations sur l'effet de la variation des revenus d'un ménage sur l'accès financier aux denrées, nous avons préparé un questionnaire comportant quatre thématiques :

- La situation socioéconomique des ménages, leur composition ainsi que l'impact de la gestion de la pandémie sur leurs revenus;
- Leurs stratégies alimentaires (par exemple, aller à l'épicerie, jardiner, chasser, pêcher);
- Leurs habitudes alimentaires (par exemple, cuisiner, stocker, diminuer les portions, utiliser les services des organismes sans but lucratif);
- Leur insécurité alimentaire et leur plaisir de manger.

Les 21 questions couvraient la période de mars 2020 à mi-octobre 2021. Le questionnaire était disponible en ligne durant cette période et, pour offrir un point de repère aux personnes répondantes, nous avons retenu le début de la période de la pandémie de COVID-19. Le questionnaire était programmé au moyen du logiciel LimeSurvey et était diffusé à partir des différentes pages des médias sociaux d'organismes communautaires de la région administrative de la Jamésie situés dans les villes et localités allochtones.

La Jamésie est située au nord du Québec, entre les 49<sup>e</sup> et 55<sup>e</sup> parallèles, avec une superficie de 339 698 km<sup>2</sup> et une population d'un peu plus de 9 000 allochtones adultes (18 ans et plus), qui était la population visée par la recherche (Statistique Canada, 2023). La région comprend aussi certains villages de la nation crie relevant du gouvernement régional d'Eeyou Istchee Baie-James avec son centre de santé distinct (voir Figure 1).

L'économie de la région est centrée sur l'exploitation des ressources naturelles, principalement minières. Dans chaque ville et localité de cette région, au moins un organisme caritatif ou communautaire est dédié à la lutte contre l'insécurité alimentaire et offre des paniers de dépannage alimentaire ou des repas communautaires. D'autres proposent des activités telles que des cuisines collectives ou des jardins communautaires. La carte ci-dessous (voir Figure 2) présente les organismes communautaires dont l'adresse est connue, car certaines organisations ne communiquent que leur numéro de téléphone, vu que les personnes bénévoles travaillent souvent à partir de leur domicile. Lors de la collecte de données, une vingtaine d'organisations offraient un soutien alimentaire aux personnes vivant de l'insécurité alimentaire.

Comme plusieurs régions dépendantes des industries extractives, la Jamésie est soumise aux aléas des marchés des matières premières, qui peuvent entraîner la fermeture de mines, mais aussi aux événements décluant des changements climatiques, en particulier les incendies de forêt.

Pour les entretiens semi-dirigés, nous avons utilisé les réseaux sociaux pour rejoindre des personnes qui résident dans cette région afin d'identifier la manière dont les personnes bénéficiaires des organismes communautaires, ainsi que celles qui y travaillent, peuvent ressentir la notion de plaisir de manger à travers les différentes offres de soutien alimentaires. Au total, 24

Figure 1 : Localisation de la Jamésie



Source : Google Maps

Figure 2 : Localisation des organismes communautaires en Jamésie



Source: Google Maps

personnes ont répondu à notre demande d'entrevue d'une durée d'une heure réalisée par téléphone. Ces entrevues, encadrées par un guide, abordaient principalement leurs façons de se procurer de la nourriture, les défis qu'elles vivent et leur niveau de satisfaction à l'égard de leur alimentation, et considéraient leurs « rêves alimentaires ». De plus, nous avons sollicité la participation de dix personnes travaillant dans différents organismes communautaires, ainsi que dans certaines organisations publiques, comme les écoles. La particularité de ces organisations publiques est qu'elles offrent gratuitement collations, déjeuners et dîners en partenariat avec des organismes communautaires. Les thèmes abordés durant ces entrevues étaient l'origine de l'initiative alimentaire, son évolution, les appuis et les partenariats qu'elle permet, les difficultés vécues et les effets sur les personnes bénéficiaires ainsi que sur la communauté. Les entrevues ont été réalisées entre mars 2020 et juin 2021.

Les 226 questionnaires recueillis auprès des résidents et résidentes permanents de la région âgés d'au moins 18 ans ont été téléchargés pour être transférés dans le logiciel SPSS à des fins d'analyse. Considérant leur nombre appréciable mais faible lorsqu'on le compare à la population totale de la Jamésie, nous présenterons les liaisons entre les variables décrites au moyen d'un test statistique non paramétrique : le coefficient de corrélation de Spearman. Le rho de Spearman expose la dépendance statistique avec les degrés de force entre deux variables (Field, 2018).<sup>2</sup>

Les données issues des entrevues avec les personnes mangeuses et les intervenantes des organismes communautaires ont été retranscrites intégralement afin d'être analysées avec le logiciel NVivo Pro (R.1.16). C'est de façon inductive que sont apparus les principaux codes traitant de la notion de plaisir, que nous avons ensuite regroupés en catégories plus générales (Seale, 1999, pp. 99–100). Pour les transcriptions mot à mot des personnes intervenantes, les codes portaient sur les objectifs visés par leur initiative alimentaire et les réactions observées chez les personnes participantes. Comme le suggèrent Miles, Huberman et Saldaña (2014), une deuxième phase de codification a été nécessaire pour constituer une grille d'analyse.

## PRÉSENTATION DES DONNÉES

Le premier objectif du présent article est d'enrichir la proposition de Poulain (2017), qui suggère que l'accès aux aliments gratuits ne garantit par leur consommation puisqu'ils doivent apporter un certain plaisir. Les réponses au questionnaire donnent des pistes d'interprétation. En effet, les personnes répondantes ont été interrogées de manière explicite sur leur situation financière car, comme nous l'avons vu, l'insécurité alimentaire et la perception du plaisir de manger sont reliés au revenu des ménages. Les résultats du test de Spearman montrent que plus les ménages ont des revenus élevés, plus ils ressentent un plaisir de manger. Inversement, lorsque les ménages ont subi une baisse de leurs revenus, leur plaisir de manger a aussi diminué. Toutefois, bien que cette relation soit significative à 99 pour cent, la force de la corrélation est faible (-0,203\*\*), car elle est inférieure à 0,30 (Field, 2018).

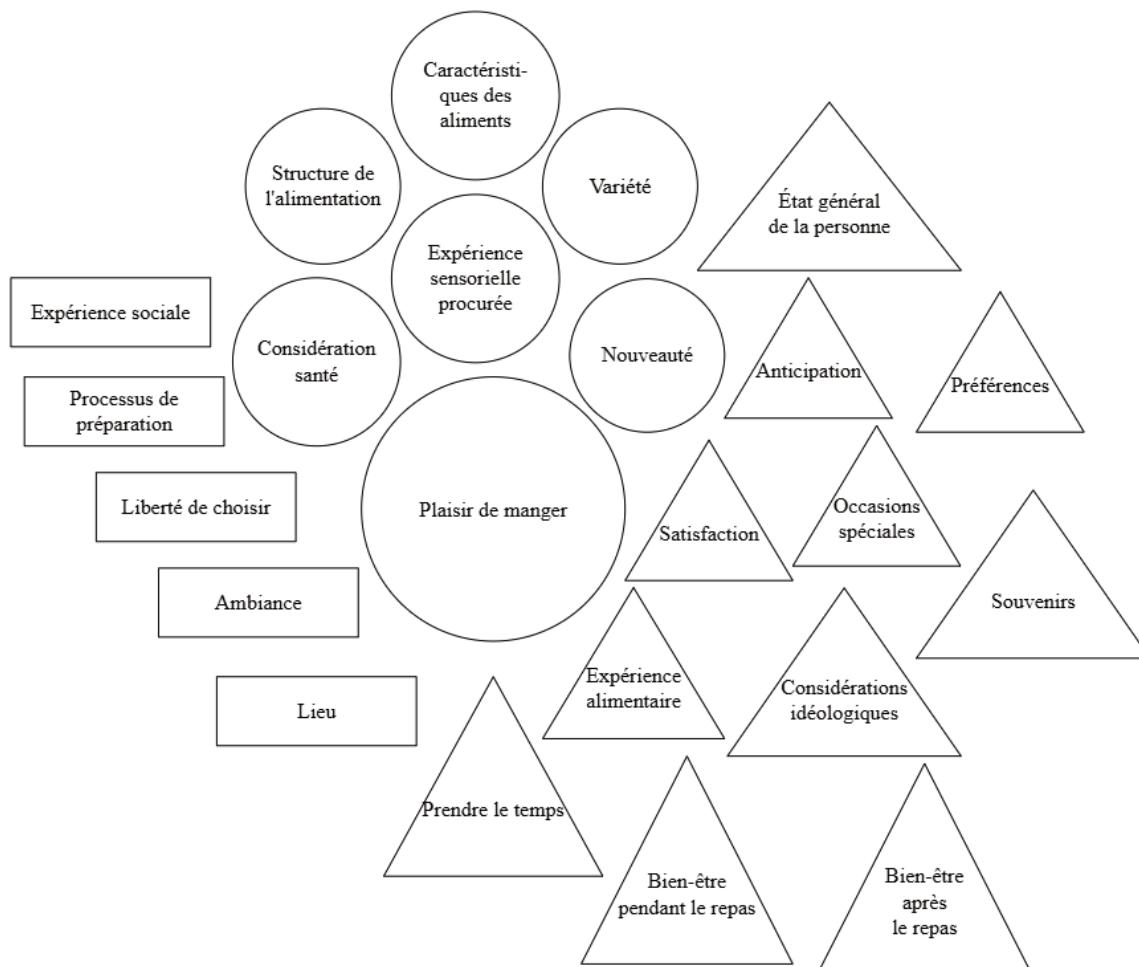
Concernant les raisons de ne pas ressentir le même plaisir de manger, les résultats montrent une corrélation significative à 95 pour cent avec une force modérée-inférieure pour les dons alimentaires (-0,340\*) et la privation (-0,395\*). La différence entre ces raisons est que la première est une insécurité alimentaire modérée parce qu'il y a un changement lié à une habitude alimentaire, alors

que la deuxième raison est une insécurité alimentaire grave puisqu'il y a privation. Pour l'achat d'aliments en rabais, la corrélation est significative à 99 pour cent avec une force modérée-supérieure (-0,488\*\*). Dans ce cas, il y a insécurité alimentaire modérée.

La conclusion est importante et colore l'ensemble des données qualitatives que nous allons aborder : plus les revenus des ménages diminuent, plus ces derniers sont contraints d'acheter principalement des aliments à faible coût, de manger des aliments donnés, ou de se priver d'aliments. Toutes ces raisons diminuent leur plaisir de manger.

Nous nous sommes aussi demandé quelles étaient les *stratégies alimentaires* des personnes, c'est-à-dire leurs différentes manières de se procurer des aliments et de les consommer. Cette appréhension générale de l'alimentation nous a permis d'identifier les diverses étapes, les compétences et l'entourage des personnes mangeuses mis à contribution pour avoir des menus les plus satisfaisants possible. Nous n'avons pas analysé la composition de menus pour savoir s'ils correspondaient au standard nutritionnel recommandé car nous ne voulions pas trop mettre l'accent sur l'aspect fonctionnel des aliments. Nous avons plutôt retenu un modèle qui intègre des dimensions plus vastes du plaisir de manger tel que le proposent Bédard et al. (2020) à la Figure 3.

Figure 3: Dimensions du plaisir de manger



Source : Bédard et al. (2020)

Ces 22 dimensions peuvent être divisées en trois catégories, identifiables par les différentes formes de la Figure 3. La première, dans un cercle, renvoie aux aliments : leurs caractéristiques, l'expérience sensorielle procurée, la nouveauté, la variété, la considération santé et la structure de l'alimentation. La seconde, dans un triangle, regroupe certaines dimensions qui peuvent être liées à la personne mangeure : la satisfaction, l'expérience alimentaire, le bien-être pendant et après avoir mangé, la prise de temps, les considérations idéologiques, les occasions spéciales, l'état général de la personne, l'anticipation, les souvenirs et les préférences. Enfin, la troisième catégorie réunit les autres dimensions qui font référence à l'aspect social : l'expérience sociale, le processus de préparation, la liberté de choisir, l'ambiance et le lieu. Comme on le voit, ce modèle insiste sur la relation entre l'aliment, la personne et son environnement, ce qui peut être pertinent pour les organismes communautaires impliqués dans le développement d'activités alimentaires. Ces résultats répondront au deuxième objectif du présent article qui est d'identifier la manière dont les personnes bénéficiaires ou travailleuses des organismes communautaires perçoivent la notion de plaisir de manger à travers les différentes offres de soutien alimentaire.

En nous basant sur ces dimensions, nous allons présenter les résultats selon les activités proposées par les organismes communautaires. Les deux premières activités proposées par les organismes communautaires sont liées à l'empowerment de la personne mangeure, ce qui signifie qu'elle est impliquée et active et que ses compétences sont mises à contribution. Ces activités sont les cuisines collectives et les jardins communautaires. Ensuite, nous exposerons les résultats des activités où les personnes mangeuses sont davantage passives, soit les repas communautaires et le dépannage alimentaire.

Pour les personnes participantes aux cuisines collectives, les dimensions du plaisir de manger liées à son aspect social sont abondamment abordées. Les personnes racontent *le processus de préparation* où les participants et participantes mettent en commun leur temps, leurs compétences et leur argent pour planifier, acheter et cuisiner des repas selon leurs besoins. Le groupe sélectionne les recettes à cuisiner en fonction d'un budget prédéterminé. Une personne employée par l'organisme communautaire anime cette rencontre qui peut se dérouler en présentiel ou en ligne, et effectue les achats en fonction du prix le plus bas possible des aliments. Le jour venu, le groupe se réunit à l'organisme communautaire pour cuisiner. À la fin de l'activité, les portions sont réparties entre les membres du groupe en fonction de leur contribution financière. Pour les personnes usagères, les cuisines collectives représentent une *expérience sociale* qui peut être positive puisqu'elles peuvent discuter avec d'autres. Pour d'autres, l'expérience sociale peut être perçue négativement parce qu'elles ont subi des actes et paroles blessantes à leur égard ou elles craignent l'inconnu parce qu'elles ne connaissent pas le *processus de préparation*.

Enfin, des personnes participantes mentionnent qu'elles ont la *liberté de choisir les aliments* et les menus cuisinés. D'autres personnes racontent que ce sont les personnes intervenantes des organismes communautaires qui choisissent les menus à cuisiner, donc elles n'ont pas le choix des aliments. Quant aux personnes qui doivent cuisiner les aliments choisis par l'organisme communautaire, celles-ci soulignent que cette tâche a un effet négatif sur leur perception de leur expérience sociale. Une personne précise ainsi : « Non, ça ne me dérange pas. Si mettons ça recommence, si je vois que le menu il m'intéresse, je vais y aller et si je vois que le menu ne m'in-

téresse pas, je n'irai pas ». Pour les personnes intervenantes, l'*expérience sociale* de cette activité est principalement de briser l'isolement des personnes participantes. La seconde catégorie des dimensions du plaisir de manger discutée par les personnes usagères est personnelle. Les dimensions abordées sont l'*anticipation*, puisqu'en cuisinant elles pensent aux réactions positives de leurs enfants et à leur satisfaction d'avoir des bons repas congelés lorsqu'elles seront trop occupées pour cuisiner (dimension *préférences*). Elles apprécient également de *prendre le temps* d'acheter, de préparer et de consommer les repas cuisinés puisque l'animation de ces activités semble respecter le rythme de chacune. Enfin, elles soulignent que les personnes intervenantes les aident à cuisiner des menus cohérents lors des occasions *spéciales* et même de les bonifier avec des dons pour qu'elles puissent nourrir plus de personnes lors de réceptions festives. En ce qui a trait aux caractéristiques des aliments consommés, des personnes participantes disent apprécier la *nouveauté* et la *variété* puisqu'elles cuisinent de nouveaux menus et ils sont différents. Elles soulignent également apprécier d'avoir la possibilité d'acheter le nombre de portions selon leurs besoins, ce qui renvoie à la *structure de l'alimentation*. De leur côté, les personnes intervenantes soulignent la *variété* des menus. Pour terminer cette activité, une dimension émergente a été présentée par les personnes usagères et intervenantes : le faible coût des portions achetées, une mention qui insiste à nouveau sur l'importance du revenu. De manière générale, les personnes participantes aux cuisines collectives évoquent plus de dimensions liées au plaisir de manger que les personnes intervenantes.

Il faut retenir que les cuisines collectives sont une *expérience sociale* où les personnes participantes apprécient pouvoir *choisir* les aliments cuisinés et les menus ainsi que la quantité de portions désirées. Enfin, ce genre d'activité aide à soulager la faim en plus de favoriser leur *empowerment*.

Contrairement à l'activité des cuisines collectives, le jardinage dans un jardin communautaire est davantage discuté par les personnes intervenantes que par les personnes participantes. Pour ce qui est des dimensions relatives à l'aspect social de cette activité, les organisations proposent aux personnes comme *processus de préparation des aliments* de cultiver un lopin de terre à même le sol ou dans des bacs. Les personnes participantes doivent acheter leurs semences ou plants et s'occuper de l'entretien. Pour les personnes intervenantes, cette activité est une *expérience sociale*, surtout pour les familles, puisqu'il ne s'y trouve pas d'espace ou d'infrastructure pour permettre aux gens de discuter entre eux. De plus, selon les personnes intervenantes, les jardiniers et jardinières peuvent difficilement avoir la *liberté de choisir* leurs aliments vu le climat rigoureux, et on leur exige de ne pas faire de monoculture. Malgré cela, les personnes intervenantes perçoivent que les personnes usagères peuvent éprouver un certain plaisir de manger des légumes frais en référence aux caractéristiques des aliments, soit les *considérations santé* à faible coût. Même si, selon les personnes informatrices, le jardinage sur les terrains privés est une activité populaire en Jamésie, celui dans les jardins communautaires l'est moins, mais la petite taille de l'échantillon ne permet pas de savoir si ce point de vue est généralisé dans la population jamésienne. Enfin, une informatrice résume bien les dimensions relatives au plaisir de manger des aliments produits dans le cadre d'un jardin communautaire :

Et il y a des gens qui sont enthousiastes au niveau du jardinage, mais ce n'est pas tant pour assurer une sécurité alimentaire que pour faire une distraction familiale ou par souci en fait

de bien manger. Ce n'est pas par souci de combler quelque chose, parce qu'on a des centres d'achats avec tout ce qu'on veut ici. Alors ce n'est pas tant un principe d'autonomie, plus qu'une distraction et le plaisir de jardiner et de savoir ce qu'ils mangent exactement.

Le plaisir de jardiner semble donc relever principalement de l'*expérience sociale*, bien que sa capacité à produire des aliments sains à faible coût ne soit pas à négliger.

En somme, pour ces activités qui favorisent l'*empowerment* des personnes mangeuses, les cuisines collectives leur permettent de s'alimenter avec des repas qui leur procurent du plaisir. Cette activité semble donc permettre d'améliorer la qualité des aliments de façon plus évidente que le jardinage, pour lequel le côté sociabilité semble prédominer. Mais ces deux exemples montrent une influence positive sur le plaisir de manger.

Les repas communautaires sont une autre activité mentionnée lors des entretiens. Pour ce qui est du *processus de préparation des aliments* dans la catégorie relative à l'aspect social, les personnes usagères se présentent à l'heure du repas et, à certains endroits, elles ont la *liberté de choisir* entre deux menus. En effet, certains organismes offrent deux repas chauds, tandis que d'autres proposent un seul repas chaud ou un repas congelé. De plus, les personnes usagères sont invitées à faire une contribution monétaire de manière volontaire. Ces remarques indiquent la présence d'une réelle capacité à orienter les actions. Certaines personnes bénéficiaires soulignent qu'elles apprécient la possibilité de discuter avec d'autres et même d'accompagner certaines personnes de leur entourage pour surmonter leur gêne, ce qui contribue à leur *expérience sociale*. Une personne informatrice le résume ainsi :

Et une des chances, c'est une chance, je vais utiliser un mot fort, c'est une bénédiction, ici dans notre petit village . . . On peut y aller très, très facilement, plusieurs fois par semaine il y a des repas communautaires . . . Alors en même temps c'est une activité de socialisation incroyable, c'est ce qui donne une vie, une âme à nos communautés, parce qu'il n'y a plus vraiment d'endroit pour se réunir.

Plusieurs personnes usagères soulignent l'*ambiance conviviale et familiale* lors de ces repas. À titre d'exemple, une personne raconte :

Ça s'est toujours bien passé, la petite madame, c'est quasiment une mère . . . Elle dit, « Prends ça, prends ça, mange bien ». J'aime bien l'*ambiance*, elle prenait soin de moi et mettons tu es deux semaines sans y aller, tu retournes, elle dit, « Je m'inquiétais » quasiment. Il y a comme une relation, je ne sais pas si c'est parce qu'on est dans une petite ville, je ne le sais pas mais . . .

Les personnes intervenantes reconnaissent l'*expérience sociale* de cette activité puisque celle-ci permet de briser l'*isolement*. Sur un plan personnel, une dimension concernant le plaisir de manger est le *bien-être physique et psychologique pendant le repas*. Ces personnes précisent que manger un repas cuisiné localement dans un endroit avec des personnes sympathiques contribue grandement à maintenir leur santé globale. Une autre dimension est la *prise de temps pour consommer* puisqu'elles ont la possibilité de choisir le moment pour y aller selon leurs besoins. Pour ce qui est des portions servies, les personnes bénéficiaires soulignent qu'elles sont suffisantes pour res-

sentir une *satisfaction* parce qu'elles assouvissent leur faim. Enfin, les personnes intervenantes remarquent que les repas communautaires soulignent les *occasions spéciales* comme la Saint-Valentin, l'Halloween et les fêtes de fin d'année. Enfin, la catégorie concernant les caractéristiques des aliments est également évoquée. Les personnes usagères des repas communautaires évoquent une *expérience sensorielle* positive puisqu'elles trouvent qu'ils ont bon goût et elles peuvent suggérer des menus. Les personnes intervenantes mentionnent que les repas proposés sont variés (dimension variété). Pour des personnes participantes et intervenantes, la dimension de la *considération santé* des repas servis est importante. Bref, les personnes participantes aux repas communautaires indiquent de nombreuses dimensions liées au plaisir de manger : choisir un repas goûteux, en bonne compagnie, au bon moment pour soulager la faim.

Une autre activité est celle du dépannage. Pour ce qui est de la catégorie sociale des dimensions relatives au plaisir de manger, le *processus de préparation des aliments* débute par une demande pour recevoir une boîte de denrées achetées par les personnes intervenantes ou encore les personnes ont la possibilité d'acheter des aliments dans une épicerie grâce à un coupon ou une carte prépayée. Ainsi, les dons alimentaires proviennent d'épiceries conventionnelles avec la même qualité et diversité de produits. La dimension concernant la *liberté de choisir les aliments* diffère d'un organisme à l'autre, mais elle est appréciée par les personnes usagères qui ont la possibilité de faire un choix, comme le souligne une informatrice :

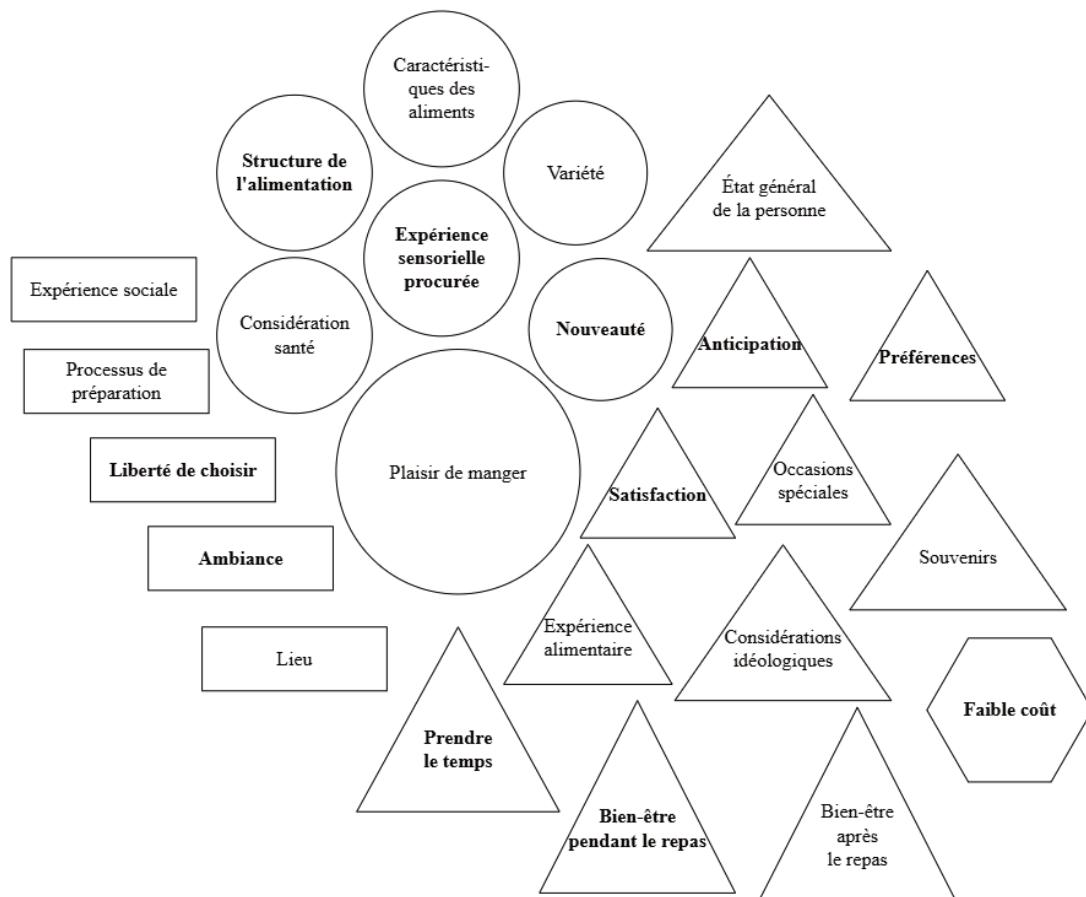
Bien, c'est sûr que ça pourrait aider, parce que moi ma fille elle aime les compotes, les Yop, les puddings et toutes des petites choses comme ça, des salades de fruits et tout, et ils ne mettent pas ça dans l'épicerie, alors moi je suis obligée après de demander des sous à mon amie pour aller justement chercher des choses que ma fille elle aime.

Pour ce qui est de la dimension *expérience sociale*, certaines personnes participantes racontent avoir été à l'aise seulement après le premier contact. Cependant, pour faire une demande, elles mentionnent également avoir ressenti un malaise ou une gêne par peur d'être jugées. Certaines disent que le fait d'avoir des enfants leur a donné le courage de demander une boîte de dons. Cette perception est également partagée par les personnes intervenantes. Enfin, au regard de la catégorie personnelle, la dimension évoquée par les personnes participantes est la *satisfaction* puisqu'elles pourront se nourrir et celle par les personnes intervenantes a trait aux *occasions spéciales*, vu que certaines organisations offrent uniquement des boîtes de dons alimentaires pendant le temps des fêtes. De manière générale, les personnes participantes et intervenantes ont une perception assez similaire du plaisir de manger liée à cette activité.

En somme, le dépannage alimentaire semble susciter davantage le plaisir de manger lorsque les personnes participantes peuvent choisir leurs aliments elles-mêmes. Cette expérience est vécue plus difficilement que les autres activités.

Enfin, dans la figure suivante, nous avons mis en caractères gras les perceptions des personnes participantes que les personnes intervenantes ne mentionnent pas, et nous les avons classées selon les catégories du plaisir de manger susmentionnées. La prise en considération de ces aspects pourrait contribuer à une vision plus large du rôle des organismes communautaires auprès des personnes éprouvant de l'insécurité alimentaire.

Figure 4 : Dimensions insoupçonnées du plaisir de manger selon les personnes participant aux activités



Ces résultats exposent un nombre plus élevé de perceptions positives chez les personnes participantes comparativement à celles énumérées par les personnes intervenantes. Ces perceptions seront discutées dans la prochaine section de l'article. Ces informations montrent que l'alimentation n'est pas simplement individuelle et comporte des dimensions interpersonnelles et sociales qui modulent positivement ou négativement le plaisir de manger. Si certaines déterminations liées au revenu (plus celui-ci est élevé, plus le plaisir tend à l'être) influencent le plaisir de manger, de nombreuses autres dimensions entrent également en jeu, telles que la sociabilité, la participation à une activité collective et la capacité à faire des choix. Cette dernière devrait être abordée autant par rapport aux aliments mêmes que par rapport, dans un sens plus large, au menu, à la portion, au coût, au moment du repas et aux personnes avec lesquelles on mange.

## DISCUSSION DES RÉSULTATS

Nous avions posé la question suivante : pour les personnes vivant de l'insécurité alimentaire, comment les organismes communautaires pourraient-ils contribuer à leur plaisir de manger? En réponse, l'analyse des résultats montre qu'en situation de crise comme la fermeture temporaire d'une usine ou un grand feu de forêt, les personnes à faible revenu sont plus à risque de vivre un épisode d'insécurité alimentaire. L'accès à une boîte de dépannage alimentaire peut à ce moment être utile et remplir sa fonction touchant à la satiété. Il faut cependant noter que l'accès à des repas commu-

nautaires présente davantage d'éléments positifs au regard du plaisir de manger. Ces résultats suggèrent que les personnes bénéficiaires apprécieraient pouvoir proposer des menus lors du repas communautaire car cette option augmenterait leurs chances de faire des choix en fonction de leurs préférences. À cette option s'ajoute l'expérience sociale, avec la possibilité pour les bénéficiaires de choisir le moment pour y aller selon leurs besoins, voire d'être dans un endroit où il est possible de socialiser si elles le désirent. De plus, puisque certaines personnes ont mentionné qu'un repas communautaire contribue à leur bien-être dans un endroit convivial, on peut en déduire que cette participation pourrait atténuer l'anxiété ressentie lorsqu'elles vivent de l'insécurité alimentaire, ce que plusieurs auteurs ont d'ailleurs souligné (Idzerda et al., 2022; Jessiman-Perreault et McIntyre, 2017; Leddy, Weiser, Palar, et Seligman, 2020; Polksy et Gilmour, 2020; Tarasuk et al., 2013).

Les personnes qui vivent de l'insécurité alimentaire soulignent deux éléments nuisibles à leur plaisir de manger : le premier est la perte de la possibilité de choisir les aliments et le second la privation de nourriture. Étant donné que ces deux phénomènes sont étroitement liés, nous ne traiterons que du premier. Le choix restreint est vécu lorsque les personnes ne font que recevoir des denrées en provenance d'un don ou font des achats en fonction des rabais proposés par les commerçants. Les données suggèrent que la notion de choix est possible quand les personnes bénéficiaires peuvent prendre certaines décisions selon leurs préférences avec une carte prépayée, ce qui est cohérent avec les propositions de Poulain (2017) et Trémolières (1970).

Le même trait ressort des propos sur le dépannage alimentaire et les repas communautaires : les personnes participant à la recherche apprécient avoir le choix de socialiser, de participer selon leurs besoins, de proposer des menus, de prendre des surplus dans le réfrigérateur et de faire une contribution monétaire volontaire. Ainsi, les informations que nous avons recueillies suggèrent que choisir ses aliments n'est pas une simple décision diététique. Cette appréciation positive de l'acte de choisir peut démontrer que les personnes bénéficiaires de dons alimentaires ne veulent pas être passives ou être assistées par les organismes communautaires, ce qu'ont d'ailleurs souligné McAll et al. (2015). Il faut y voir une volonté de reprendre un certain pouvoir sur sa vie et répondre ainsi à ses besoins personnels. Ce choix est une manifestation de la capacité personnelle à décider de certaines dimensions de sa vie et de l'affirmation de l'*empowerment* individuel dans l'orientation de ses décisions. Certaines personnes vont jusqu'à vouloir influencer le choix des menus et donc de s'impliquer dans le déroulement des repas communautaires. Ce désir relève de l'*empowerment* individuel et se rapporte aux composantes relatives à la participation et à la conscience individuelle critique dont traite Ninacs (2008) par rapport au rôle des organismes communautaires. Notre analyse montre que l'*empowerment* peut être également favorisé au sein des activités de dépannage alimentaire, contrairement à ce que suggère le *Cadre de référence en sécurité alimentaire du Québec* (Gouvernement du Québec, 2008). Autrement dit, les organismes communautaires qui veulent favoriser l'*empowerment* individuel et collectif des populations en situation d'insécurité alimentaire pourraient proposer que les bénéficiaires prennent davantage de décisions concernant le déroulement des activités mentionnées ci-dessus.

En continuité avec le rôle des organismes communautaires et l'*empowerment* collectif, la prise de décision par les bénéficiaires pourrait être graduelle jusqu'à une implication directe au sein de ces

organisations. Ainsi, les bénéficiaires pourraient comprendre que leur situation est partagée par d'autres et qu'elle est issue des inégalités sociales et économiques d'un système capitaliste et non de défaillances personnelles (Leclercq et al., 2020). Ces actions réalisées par les organismes communautaires favorisent le soutien entre personnes dans le besoin et renvoient à la conscience collective critique telle que définie par l'*empowerment* collectif de Ninacs (2008).

Les résultats montrent que les dimensions du plaisir de manger comme la nouveauté ou la découverte d'aliments ou menus, en plus de la satisfaction de ne plus ressentir la faim et de l'anticipation d'avoir en réserve des repas cuisinés à la maison, peuvent être une source d'attraction ou d'incitation pour participer à des cuisines collectives. De même, la possibilité de prendre son temps, la liberté de choisir et les occasions spéciales soulignées dans le cadre de cette activité sont des aspects qui pourraient être valorisés davantage. Ces dimensions du plaisir de manger, qui font référence à la proposition de Block et al. (2011), pourraient encourager les personnes en situation d'insécurité alimentaire à faire un choix éclairé concernant les solutions possibles à leur situation monétaire qui diminue leur plaisir de manger. De ce fait, cette promotion permettrait de souligner le rôle des organismes communautaires dans le développement de l'*empowerment* individuel des personnes en situation d'insécurité alimentaire.

## CONCLUSION

L'intention de ce texte était de répondre à la question suivante : pour les personnes éprouvant de l'insécurité alimentaire, comment les organismes communautaires pourraient-ils contribuer à leur plaisir de manger? Pour ce faire, nous avons d'abord présenté quelques résultats plus statistiques indiquant les relations entre l'insécurité alimentaire et le plaisir de manger. Nous avons ensuite synthétisé ce que des personnes mangeuses et des intervenantes nous ont dit sur la façon dont les activités alimentaires proposées par les organismes communautaires peuvent favoriser ou diminuer le plaisir de manger. Ces énoncés ont été regroupés selon les 22 dimensions du plaisir de manger identifiées par Bédard et al. (2020). L'importance du développement de l'*empowerment* et des expériences sociales en sont sans doute les aspects les plus frappants. Il est facile de conclure ainsi que ces dimensions devraient faire l'objet d'une attention soutenue de la part des organismes communautaires œuvrant dans le champ de la sécurité alimentaire.

Il est vrai que les organismes communautaires mettent déjà l'accent sur le social, le choix, et le goût dans la mesure de leurs moyens, car on sait qu'il s'agit d'un aspect fondamental de leur mode d'intervention et de ce qu'il est convenu d'appeler « l'esprit du communautaire » (Deslauriers et Paquet, 2003). Mais cette capacité serait décuplée par la reconnaissance qu'il s'agit d'un aspect tout aussi fondamental à la lutte contre l'insécurité alimentaire que la dimension diététique et nutritionnelle.

Les résultats enrichissent les propositions de Poulain (2017) et Trémolières (1970) concernant l'importance du plaisir de manger même pour les aliments gratuits. Ils enrichissent également celle de Block et al. (2011) concernant la nécessité pour les organismes communautaires de ne pas s'attarder uniquement sur l'aspect fonctionnel des aliments, lors des dons et des activités relatives à l'insécurité alimentaire. Bien sûr, les organismes communautaires le font en partie, mais ils pourraient sans doute en faire plus s'ils en prenaient pleinement conscience. Les personnes usagères en sont déjà conscientes. Par le fait même, les actions menées contre l'insécurité alimen-

taire auraient un impact global sur les personnes précarisées, tant sur le plan diététique que sur les plans psychologique et social.

Cependant, les données présentées exposent certaines limites découlant de la taille des échantillons, tant pour la réponse au questionnaire que pour les entrevues. Ainsi, les résultats exposent davantage une généralisation théorique liée spécifiquement aux personnes participantes de la recherche. De plus, les résultats représentent les propos, réflexions et vécus des personnes résidant dans les villes et villages allochtones de la Jamésie et ne considèrent pas les populations cries, dont l'avis n'a pas été sollicité. Une autre limite méthodologique est le moment de la collecte de données, soit la période pandémique qui a certes précipité la fermeture temporaire de certaines entreprises, mais a aussi entraîné la distribution d'argent de la part du gouvernement aux personnes mangeuses et organismes communautaires dédiés à l'insécurité alimentaire.

Enfin, la conclusion de cet article contribue à l'émergence de pistes de recherches futures. En effet, considérant que le système alimentaire peut être influencé par les choix des personnes mangeuses (Lusk et McCluskey, 2018) et que ceux-ci sont omniprésents au sein du plaisir de manger, il convient de se demander comment les personnes intervenantes des organismes communautaires pourraient intégrer les dimensions du plaisir de manger au quotidien. Quels sont les effets de la promotion du plaisir de manger envers les personnes précarisées? Comment les personnes bénévoles réagissent-elles aux divers choix offerts aux personnes précarisées? Comment la population en général réagit-elle? Est-ce que les dimensions relatives au plaisir de manger peuvent favoriser la mobilisation des populations précarisées afin de développer un système alimentaire plus localisé? Comment les dimensions liées au plaisir de manger peuvent-elles contribuer au développement d'un système alimentaire accessible financièrement? Ces questions sont loin d'être les seules possibles, mais chercher à y répondre ferait avancer les réflexions sur un sujet dont on ne peut nier l'importance et offrirait aux organismes communautaires des pistes pour bonifier leur rôle lié au développement social et local que rappelaient Godin et al. (2023), Leclercq et al. (2020) et Savard et al. (2015).

## NOTES

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2. Les détails sur l'utilisation du rho de Spearman se trouvent dans Desjardins et Tremblay (2023).

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## Biting the Hand that Feeds You? Exploring Whether (and How) Government Funding Constrains Charities' Engagement in Public Policy

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### ABSTRACT

This article examines relationships between federal government funding and reported spending by charities on what the Canada Revenue Agency defined as “political activities” over the period 2003–2017. Anecdotal evidence suggests that many charities in Canada see dependence on government funding by other charities as a factor that limits policy engagement. Comparative research generally suggests that government funding is positively associated with policy engagement by charities, but also that it channels charities away from outsider or contentious forms of advocacy toward less confrontational, insider strategies. The CRA data on political activities analyzed here adds important insights because it tracks outsider advocacy involving public calls to action, which government funding is expected to constrain. This analysis finds that charities with federal funding were more likely to report political activities than those with no federal funding, but only to a point and with important differences based on the size of charities.

### RÉSUMÉ

Cet article examine les liens entre le financement du gouvernement fédéral et les dépenses déclarées par les organismes de bienfaisance pour ce que l’Agence du revenu du Canada (ARC) définit comme des « activités politiques » au cours de la période 2003-2017. Les données anecdotiques suggèrent que de nombreux organismes de bienfaisance au Canada considèrent la dépendance au financement public d’autres organismes comme un facteur limitant l’engagement politique. Des recherches comparatives suggèrent que le financement public est positivement associé à l’engagement politique des organismes de bienfaisance, mais aussi qu’il les éloigne des formes de défense des intérêts externes ou controversées au profit de stratégies internes moins conflictuelles. Les données de l’ARC sur les activités politiques que nous analysons ici apportent des éclairages importants, car elles suivent les actions de défense des intérêts externes impliquant des appels publics à l’action, que le financement public devrait limiter. Notre analyse révèle que

les organismes de bienfaisance bénéficiant d'un financement fédéral étaient plus susceptibles de déclarer des activités politiques que ceux n'en bénéficiant pas, mais seulement jusqu'à un certain point et avec des différences importantes selon la taille de l'organisme.

**Keywords / Mots clés :** charities, advocacy, policy engagement, Canada Revenue Agency / organismes de bienfaisance, plaidoyer, engagement politique, Agence du revenu du Canada

## INTRODUCTION

There are widespread assumptions and anecdotal evidence that receiving government funding is a key factor that limits the willingness of charities to engage in public policy advocacy, based on the premise that charities are reluctant to “bite the hand that feeds them.” At the same time, empirical evidence generally indicates that receipt of government funding is positively correlated with policy engagement by charities, but also that government funding softens the advocacy strategies of charities, channelling them away from “outsider” advocacy strategies that engage citizens toward less-confrontational forms of institutional or “insider” advocacy (Chewinski & Corrigall-Brown, 2020; Clément, 2017).

The distinction between insider and outsider advocacy strategies and the decisions that charitable organizations make about which to adopt are important both from the perspective of organizational effectiveness and citizen engagement in democracy. Insider advocacy, also referred to as “institutional advocacy” (Lang, 2012, p. 22), “policy advocacy” (Sussman, 2007, p. 83–86) and “direct advocacy” (Binderkrantz, 2005, p. 697), involves strategies directly aimed at policymakers that take place behind the scenes and do not involve the broader public, such as meeting with and lobbying politicians and bureaucrats, either privately or through formal channels such as parliamentary committee meetings (see also Dür & Matteo, 2013; Hanegraaff, Beyers, & De Bruycker, 2016). Outsider advocacy, also referred to as “community advocacy” (Freiler & Clutterbuck, 2017, p. 183), “public advocacy” (Lang, 2012, p. 23), “indirect” advocacy (Mosley, Suárez, & Hwang, 2022), and “public awareness campaigning” (Sussman, 2007, pp. 77–78), involves strategies designed to engage citizens through awareness raising and public calls to pressure policymakers to change or retain specific policies through tactics from letter writing to public demonstrations. As Mosley, Suárez, and Hwang (2022) argue, these approaches to advocacy should be understood as a continuum, with many organizations engaging in degrees of both.

Much of the analysis of insider and outsider advocacy focuses on the question of which approach, including the combination of both approaches, is most effective at achieving policy change and on the factors that shape decision-making about advocacy strategies by charities (Colli, 2019; Dür & Matteo, 2013; Hanegraaff, Beyers, & De Bruycker, 2016; Hojnacki, Kimball, Baumgartner, Berry, & Leech, 2012). Based on an empirical analysis of nonprofit advocacy in Europe and the United States, Lang recognizes that insider approaches are often more effective at bringing about short-term policy change, but also warns that “advocacy without publics” (Lang, 2012, p. 93) fails to engage citizens in policymaking and ultimately contributes to the weakening of democracy. Similarly, Reisman, Gienapp, and Stachowiak (2006) point to advocacy outcomes beyond “policy change” that are much more likely to be achieved through outsider approaches, such as shifts in social norms, strengthened alliances, and strengthened bases of support. Mulé and DeSantis (2017) also highlight “serious

risks” from insider advocacy, including “political accommodation, exclusion of groups, non-profit mission drift, and non-profit co-optation—all of which are threats to democracy” (p. 14; see also Freiler & Clutterbuck, 2017).

The question of how government funding shapes policy advocacy by charities, and especially outsider advocacy, is thus important for several reasons. While governments are key funders of the charitable sector in many countries (Corrigall-Brown & Ho, 2015), charities also often serve populations that are adversely affected by government policies, which puts those charities in a position to contribute valuable expertise to policymaking processes and to hold governments accountable (Albareda, 2018). At the same time, evidence indicates that even charities with significant expertise are often hesitant to advocate on public policy issues (Gibbins, 2016; Lang, 2012; Salamon, 2002), especially through outsider strategies (Chewinski & Corrigall-Brown, 2020). Outsider advocacy is important because it engages citizens in public policy debates, contributes to movement building, and can help to generate the public pressure that is sometimes required to bring about policy change (Lang, 2012; Mulé & DeSantis, 2017). It is thus important to understand the factors that shape and constrain charities’ decisions about policy engagement in general and outsider forms of advocacy in particular.

To better understand how government funding affects engagement by charities in outsider advocacy, this paper examines Canada Revenue Agency (CRA) data on the relationship between federal government funding and spending by Canadian charities on what the CRA defined as “political activities,” from 2003 through 2017. The CRA data enables analysis based on a very large sample size over a multi-year timeframe that is not possible with most other datasets. The CRA data on “political activities” measured policy engagement involving public calls to action—a form of outsider advocacy that government funding is expected to constrain. The CRA defined “political activity” as any effort that “explicitly communicates a call to political action (that is, encourages the public to contact an elected representative or public official and urges them to retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country)” (CRA, 2003a, Section 6.2). From 2003 through 2018, CRA regulations allowed charities to engage in non-partisan political activities provided that the charity did not allocate more than 10 percent of its annual revenue to those activities (see also Carter & Man, 2011). Through these regulations, the CRA limited and monitored charities’ engagement in advocacy that involved calls to public action but put no limits on insider advocacy, such as lobbying or meeting with public officials.

Although the government of Canada amended the *Income Tax Act* at the end of 2018 to remove the restrictions on political activities by charities (Government of Canada, 2018; CRA, 2019), the CRA data from 2003 to 2018 continue to offer important insights on patterns of policy engagement by Canadian charities and an important baseline for future research. In 2019, the CRA introduced new guidelines that allow charities to engage in unlimited “public policy development and deliberation activities (PPDDAs)” provided they are non-partisan and related to a charity’s stated purpose (CRA, 2019). However, our interviews with charities in a parallel project indicate that although they appreciated the regulatory change, it had almost no effect on whether, how much, and how Canadian charities engage in policy advocacy, indicating that the same factors that influenced policy engagement before the regulatory change in 2018 continue to do so afterward (Cameron & Munro,

2025; see also Phillips & Nguyen, 2024). As charity leaders explained, decisions about policy engagement after the regulatory change continue to be shaped and constrained primarily by organizational and financial factors, including charities' missions, available time and resources, capacity to raise funds for policy advocacy, risk tolerance by boards of directors, and relationships with communities, members, and funders (Cameron & Munro, 2025; see also Phillips & Nguyen, 2024).

This study's central finding is that federal funding is positively correlated with charities' reported spending on political activities; that is, charities with federal funding were more likely to report spending on political activities than charities without federal funding. However, this relationship varied based on the size of the organization and the level of dependence on federal funding. Large charities were significantly more likely to report spending on political activities than small or medium-sized charities. For large and medium-sized charities, the highest probability of reporting political activities occurred when federal funding represented 2–20 percent of their revenue; for small charities, the highest probability of reporting political activities occurred when federal government revenue represented 20–50 percent of their total revenue.

This article is organized into four sections. Part 1 explores the literature on the relationship between government funding and policy engagement by charities that informs the research. Part 2 explains the dataset and our research methods. Part 3 explains the main findings, and Part 4 discusses the significance of the findings for charities in Canada and other jurisdictions.

## LITERATURE REVIEW: GOVERNMENT FUNDING AND POLICY ADVOCACY BY CHARITIES

Empirical evidence, mostly from the United States, suggests a positive relationship between government funding and policy engagement by charities. Some research has found that government funding has either no statistically significant effects on advocacy (Chaves, Stephens, & Galaskiewicz, 2004; Garrow & Hasenfeld, 2012; Leech, 2006; Neumayr, Schneider, & Meyer, 2015; Suárez, 2009), or negative effects (Beaton, MacIndoe, & Wang, 2020; Bloodgood & Tremblay-Boire, 2017; Guo & Saxton, 2010; Sandfort, 2005; Schmid, Barr, & Nirel, 2008). However, the bulk of the empirical evidence indicates that receipt of government funding is associated with more policy advocacy by charities, not less (Bass, Arons, Guinane, & Carter, 2007; Donaldson, 2007; Kelleher & Yackee, 2009; Leroux & Goerdel, 2009; Mosley, 2010; Moulton & Eckerd, 2012; O'Regan & Oster, 2012; Salamon, 2002). Some research also indicates that the relative proportion of government funding in a charity's revenue has important effects on advocacy. For example, Salamon (2002) found that U.S.-based organizations that received between 21 and 50 percent of their revenue from government were the most likely to report spending on advocacy; when government funding exceeded 50 percent of revenue, the likelihood of spending on advocacy declined (see also Child & Grønbjerg, 2007).

These observations are heavily based on data from the United States, where legal definitions of advocacy include charities' contacts with government decision-makers for the purpose of accessing or maintaining funding (Internal Revenue Service, n.d.). In Canada, lobbying policymakers for funding, or indeed lobbying for any purpose, was never included in the CRA's definition of political activities. The CRA data thus measures a very specific form of outsider advocacy involving public calls

to action. Empirical analysis of the relationship between government funding and policy engagement by charities in Canada is relatively sparse and limited to surveys of charities at fixed points in time. In 2015–2016, Imagine Canada conducted a survey of 1,845 charities and found that organizations that reported government as their primary revenue source were more likely to engage in public policy activities than charities that reported other sources of revenue, but also that government-funded charities were less likely to report “heavy” involvement in public policy activities (Lasby & Cordeux, 2016, p. 10). The report did not examine the relationship between government funding and reported engagement in CRA-defined political activities. The Charity Insights Canada Project (n.d.) has generated valuable data on a wide range of issues related to the charitable sector based on weekly surveys, but has not specifically examined the relationship between government funding and policy advocacy. The CRA data on political activities thus provide an important perspective on the relationship between government funding and more contentious forms of advocacy involving calls to public action.

Adding important nuance, various studies have also found that government funding softens the advocacy strategies of charities, steering them away from more aggressive outsider tactics toward less-confrontational forms of insider advocacy (Berry, 2003; Lu, 2016; Mosley, 2010; Onyx, Armitage, Dalton, & Melville, 2010). For example, Nicholson-Crotty (2009) found that government funding correlated positively with insider advocacy but had a negative effect on “aggressive advocacy” involving calls to public action. Similarly, Mosley (2012) found that government funding led nonprofits to “reject confrontational methods and advocate as insiders” (p. 841). Lu’s (2018) meta-analysis concludes that “it seems that nonprofits with more government funding use more insider strategies to achieve their advocacy goals” (p. 209). Various scholars use the term “channelling theory” to describe the ways that funding from foundations and governments channels charities and nonprofits away from outsider advocacy toward institutional or insider forms of advocacy (Chewinski & Corrigall-Brown, 2020; Clément, 2017; Jenkins & Eckert, 1986; Jenkins & Halcli, 1999). Similarly, other research, categorized by Salamon (2002) as the “paradigm of conflict” (p. 7), highlights the reluctance of governments to fund organizations that criticize them and the corresponding risks of cooptation of organizations that receive government funding (INCITE, 2017; O’Neil, 1989).

Resource dependence theory, resource mobilization theory and the paradigm of partnership offer additional theoretical perspectives on the effects of government funding on advocacy by charities. Resource mobilization theory highlights the human and financial resources that charities need to support effective policy engagement (McCarthy & Zald, 1977; Jenkins, 1987). Proponents of resource mobilization theory emphasize that, for most organizations, strategic and consistent policy advocacy costs money to pay professional staff with in-depth knowledge of policy issues, policy-making processes, and policymakers, as well as the time to commit to sustained advocacy campaigns (Donaldson, 2007; Jenkins, 1987; Mosley, 2010; Salamon, 2002).<sup>1</sup> In keeping with this approach, many studies have found that charities cite “limited resources” as one of the main reasons for not engaging in policy advocacy (CICP-PCPOB, 2024, p. 4; Donaldson, 2007; Lu, 2016; Bass et al., 2007; Pekkanen & Smith, 2014). Similarly, based on an extensive survey of Canadian charities, Lasby and Cordeux (2016) found that “heavy engagement” (p. 9) in policy advocacy increased with

revenue size. While some member-based and grassroots organizations make extensive use of volunteers in their advocacy work, resource mobilization theory would highlight that those organizations also typically have paid, professional staff to design advocacy campaigns and to train, motivate, and manage those volunteers, which requires financial resources (Chenli & Abrokwah, 2021; Donaldson, 2007; Mosley, 2010). From the perspective of resource mobilization theory, government funding can contribute to the overall financial strength of charities, enabling them to use other sources of revenue for advocacy toward government funders.<sup>2</sup>

Resource dependence theory highlights the dependence of charities on external resources and their strategic management of the risks created by that dependence (Pfeffer & Salancik, 2003; Oliver, 1991; Wolch, 2014). Resource dependence theory emphasizes that charities' funding sources influences their strategic calculations about when, how, through what channels, and how much to engage in advocacy. Like channelling theory, resource dependence theory predicts that charities receiving government funding will be cautious about outsider forms of advocacy that might jeopardize their relationships with government decision-makers and will be more likely to pursue insider strategies such as lobbying (see Mosley, 2010; Salamon, 2002).

The paradigm of partnership, articulated most clearly by Salamon (2002), highlights how government funding can help to generate relationships with policymakers and thus open pathways for charities to exercise policy influence (see also Kelleher & Yackee, 2009; Mosley, 2010). Similarly, when government officials seek input on policy decisions, the paradigm of partnership posits that they are most likely to seek out the organizations that they fund and trust. This perspective highlights the value that charities place on positive relationships with government agencies both as a source of funding and as avenues for policy influence.

Taken together, these theoretical approaches highlight the ways that government funding can enable policy engagement by charities but also shape strategic decision-making and risk management in ways that would typically lead charities to prefer insider approaches rather than public calls to action and other outsider tactics that publicly criticize governments and risk jeopardizing relationships with policymakers. Based on the existing empirical research and theoretical perspectives, we would expect the CRA's data to reflect similar patterns; that is, charities with government funding, and especially those with significant government funding, would be less likely to report spending on the aggressive or contentious forms of outsider advocacy involving public calls to action (i.e., CRA-defined "political activities") than charities with no government funding.

Before we turn to our analysis, it is important to highlight some key methodological patterns in the existing research to understand the value of the CRA data. First, as indicated in Lu's (2016) meta-analysis, much of the existing research is based on surveys, which enable researchers to ask more specific questions about the relationships between organizational variables and policy engagement, but are also limited by relatively small sample sizes and typically examine only a single point in time. Of the 38 studies reviewed in Lu's (2016) meta-analysis, 32 were based on survey data and six were based on U.S. tax agency data (Internal Revenue Service), 36 of the studies were based on data from a single year, and 26 had sample sizes under 1,000, with a median sample size of 312 (Lu, 2016). By contrast, data from charity regulators, such as the CRA, enable much larger sample sizes across multiple years, although with less nuanced information about organizational characteristics and advocacy activity.<sup>3</sup>

Much of the existing research is also based on U.S. charities (31 of 38 studies in Lu's meta-analysis). Lu (2016) concluded that "the generalization to non-U.S. countries should proceed on a case-by-case basis" (p. 212). At the same time, Clément (2017) observed that "most studies" on policy engagement by charities in Canada are based on "anecdotal or thin empirical evidence" (p. 1705). The Charity Insights Canada Project (n.d.) has generated extremely valuable empirical data since 2022 based on weekly surveys of a large sample of Canadian charities, including analysis of policy engagement by charities, although none of which specifically examines the effects of government funding (see Phillips & Nguyen, 2024). The CRA data thus still offers the largest empirical dataset and an important complement to the existing research on the effects of government funding on advocacy by charities. In particular, the CRA data provides insights into the relationships between government funding and the kinds of outsider policy engagement, which the empirical evidence suggests that charities that receive government funding are likely to avoid.

## DATA AND METHODOLOGY

**Dataset:** The dataset for this study captures the CRA data from all registered charities in Canada that submitted annual T-3010 information returns for the period 2003 through 2017. The CRA regulations on political activities were in effect from 2003 through 2018, but to control for reduced rates of reporting in the last year (2018) when it was clear that the regulations would soon change, the authors analyzed data for the 15-year period from 2003 through 2017 (inclusive). Prior to the analysis, extreme outliers in reported spending on political activities and reported federal government revenue were removed as they were likely cases of misreporting (see Appendix 1 for methodological notes). Also excluded from this analysis are all organizations with revenue less than \$100,000 (before adjustments for inflation). The reason for excluding these organizations is that CRA T-3010 forms do not require charities with less than \$100,000 in revenue to distinguish between federal, provincial, and regional/municipal funding, so it is not possible to know which levels of government support these charities.<sup>4</sup> After applying the exclusion criteria to the CRA data, the authors were left with a dataset of 524,529 observations, representing an average of 34,969 organizations per year (see Table 1). The authors then adjusted the dollar values in the CRA data for inflation using the Bank of Canada inflation calculator and 2016 as the base year.<sup>5</sup> Within the dataset, a total of 25,022 charities reported receipt of federal funding in at least one year; 1,489 charities reported political activities, and 951 charities reported political activities in the same year as they reported receipt of federal funding.

This data faces limitations, including only two very basic indicators of policy engagement: 1) whether each charity reported engagement in CRA-defined "political activities," and 2) how much money each charity reported spending on "political activities." The CRA did not regulate or collect data on other forms of policy engagement. Moreover, the CRA data do not indicate the target of charities' political activities, so it is not possible to correlate the source of government funding (federal, provincial, or regional/municipal) with the level of government that charities aim to influence.<sup>6</sup> The CRA data on political activities also need to be interpreted with caution as they are marked by misreporting, under-reporting, over-reporting, and different understandings of the law (see Blumberg, 2012; Lasby & Courdeau, 2016). Moreover, charities' understandings of the CRA regulations and their assessment of the risks and benefits of reporting spending on political activities

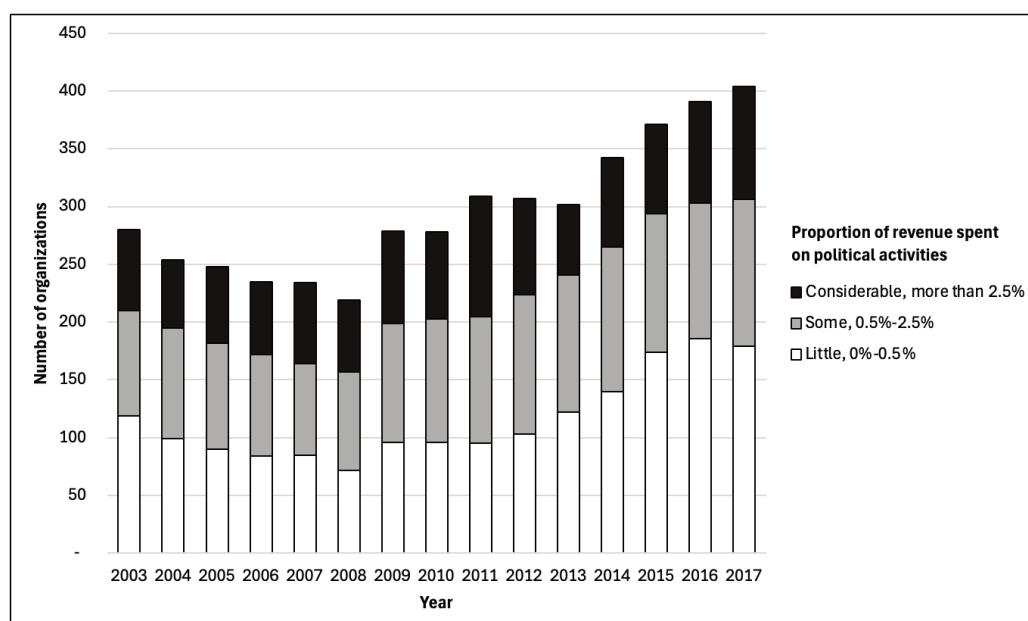
also changed over time, so apparent temporal patterns may indicate changes in reporting rather than actual increases or decreases in political activities.

### Independent and dependent variables

*Spending on political activities:* The dependent variable predicted in this analysis is a binary assessment (i.e., yes/no) of whether an organization reported spending on political activities in a given year between 2003 and 2017. Within the dataset, a total of 1,489 charities reported political activities in at least one year, with a total of 4,453 observations of political activities. It is important to highlight that only a very small proportion of Canadian charities ever reported any spending on political activities. Moreover, of the charities that did report spending on political activities, most reported allocating only a small proportion of their revenue to those activities. Figure 1 shows that from 2003 to 2017, about two-thirds of the charities that reported any political activity indicated that they spent less than 2.5 percent of revenue on those political activities, with only one-third reportedly spending more than 2.5 percent of revenue.

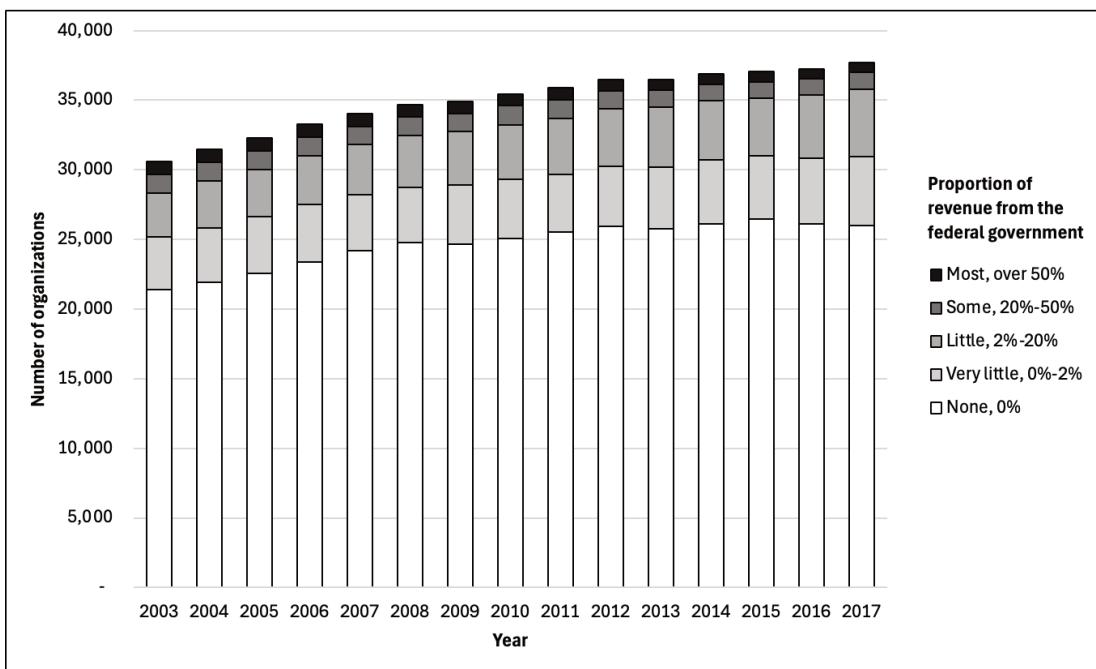
The authors first considered analyzing spending on political activities as a categorical variable, divided into three roughly equal categories: “little” (less than 0.5% of revenue), “some” (0.5% to 2.5% of revenue), and “considerable” (more than 2.5% of revenue). However, the findings from this analysis were not significantly different from the binary analysis of whether charities reported spending on political activities at all. This statistical observation correlates with findings from interviews with charity leaders, who explained that the primary risk calculation for charities was whether to spend and report on political activities, with the amount spent and reported as a secondary consideration (Cameron & Munro, 2025). As one charity leader put it, “the perception of risk was very far below 10% [the proportion allowed by CRA regulations]” (interview with Cameron, 2016). In this context, the authors simply examined whether charities reported any spending on political activities (yes/no).

**Figure 1: Proportion of organizational revenue spent on political activities, excluding organizations with no political activities, 2003–2017**



*Proportion of government funding:* The independent variable used in this analysis is funding from the federal government. While some studies examine government funding simply as a dichotomous variable (yes/no), more insightful analyses examine the proportion of a charity's total revenue from government. Salamon's widely cited research used three categories: little government funding (0–20%), some government funding (21–50%), and most funding from government (51% and above) (Salamon, 2002). The authors first considered mirroring Salamon's (2002) revenue thresholds. However, as data was explored, it emerged that for most Canadian charities that received federal funding, this money represented less than 2 percent of their total revenues. Considering the skew of this data, the authors added an additional category to capture those organizations reporting "very little" (0–2%) of their revenue from the federal government. The authors also ran the analysis with government revenue as a continuous variable and found there was no statistical significance, so they retained the four categorical variables for the analysis. Figure 2 illustrates the number of organizations that reported government funding each year, based on the authors' categorization.

**Figure 2: Proportion of organizational revenue from the federal government, 2003–2017**



### Control variables

Alongside the independent variable, we also introduced four control variables: 1) organization size, 2) location in Canada, 3) political party in power, and 4) charitable sector.

*Organization size:* Quantitative studies indicate that organization size is an important predictor of policy engagement by charities, with larger organizations more likely to report policy engagement than smaller ones (Grasse, Ward, & Miller-Stevens, 2021; Pekkanen & Smith, 2014; Salamon, 2002). This analysis measures charity size by revenue. The authors divide charities into three categories, based on their revenue, using the methodology applied in other Canadian research (Dicks, Paras, Martel, Johnson, & Davis, 2024; Tomlinson, 2016) and adjusted for inflation: small organizations

(revenue of CAD\$100,000 to \$1 million; 78.4% of observations); medium organizations (revenue of CAD\$1 million to \$10 million; 17.4% of observations); and large organizations (revenue over CAD\$10 million; 4.2% of observations). As explained above, charities with revenue under \$100,000 were removed from the dataset as the CRA does not require them to submit information on the source of government funding.<sup>4</sup>

*Location in Canada:* Some studies have found that charities based in capital cities are more likely to lobby governments than those located elsewhere (Grasse, Ward, & Miller-Stevens, 2021; DeVita, Nikolova, & Roeger, 2014; Suárez & Hwang, 2008). We categorized charities based on their location inside or outside Canada's National Capital Region (NCR), the cities of Ottawa and Gatineau, using postal code data included in CRA information returns. Approximately 4 percent of the observations in the dataset are in the NCR, with the remaining 96 percent located elsewhere in Canada.

*Political party in power:* Interviews with charity leaders in Canada suggested that the political party forming the federal government was a significant factor in charities' decisions about whether, how, and how much to engage in policy advocacy (Cameron & Munro, 2025). Specifically, many charity leaders reported that they were more cautious about engaging in outsider advocacy and reporting "political activities" during the Conservative majority government of Stephen Harper (2011–2015), which was widely perceived as hostile to charities that criticized government policy (Beeby, 2014). Some charity leaders also noted that they were less concerned about the repercussions of reporting political activities following the election of the Trudeau majority government in 2015. The period covered by this study (2003–2017) includes four different government configurations: 1) Liberal majority governments of Jean Chrétien (2003) and Justin Trudeau (2016–2017), 2) Liberal minority government of Paul Martin (2004–2005), 3) Conservative minority government of Stephen Harper (2006–2010), and 4) Conservative majority government of Stephen Harper (2011–2015). It is important to note that date ranges are an imperfect proxy for government in power, as many other factors also coincided with the same time periods, such as economic changes.

*Sectors of charities:* Some studies examine differences between sub-sectors of charities (e.g., Child & Grønbjerg, 2007; Salamon, 2002). In our analysis we examine variations in the four major categories of charities recognized by the CRA: 1) relief of poverty (20.5% of observations in the dataset), 2) advancement of education (14.4% of observations), 3) advancement of religion (41.2% of observations), and 4) other purposes beneficial to the community (23.9% of observations)—which includes sub-categories such as healthcare, upholding human rights, environment, animal welfare, arts, and public amenities (CRA, 2003b). As noted above, the authors did not examine sub-sectors below these four categories because they were not consistently applied across charities.<sup>6</sup>

This analysis examines the relationship between the proportion of revenue that charities received from the federal government and whether they reported spending on political activities. This was done using a categorical variable that considers federal revenue as a proportion of total organizational revenue. Random-effects longitudinal logistic regression was used. The random-effects model accounts for unobserved correlation and heterogeneity among repeated observations of organizations over time. The authors first explored the data using a bivariate analysis of just the dependent variable (Did the organization report any political activities? Yes/no) and the independent

variable (What proportion of the organizational revenue came from the federal government?). After running the bivariate model, the authors then introduced control variables.

The first two models within this analysis examined the receipt of federal government revenue and reported political activity in the same year, following the model of most other research, which examines the relationship at a fixed point in time. However, the study's 15-year dataset also enables an examination of reported political activities both in the same year and the year after charities received federal funding, making it possible to test whether receipt of government funding in one year influences reported political activities in the following year. As Table 2 makes clear, the differences between reported political activities in the same year (Model 2) and the year after federal funding (Model 4) are very small. The discussion in this article refers only to the analysis of data on political activities and federal funding in the same year (Model 2), to be consistent with other research.

As the final step in this analysis, the authors considered the relationship between federal government revenue and reported political activity for each size of organization. This involved re-running the multivariate models, introducing an interaction term for organizational size and federal government revenue, and then calculating predicted likelihoods of reporting political activity at each size and revenue configuration.

## FINDINGS

Table 1 explores the relationship between reported political activity by charities and the proportion of their revenue from the federal government. The key finding is that overall, the likelihood of reporting political activities was higher for charities with federal funding than those without it. Charities that received funding from the federal government were 1.46 to 1.77 times more likely to report political activities than organizations that received no federal government funding. However, the relationship between federal funding and reported political activity varied significantly by organization size and the relative dependence of charities on federal government funding. Large charities were 4.45 times more likely to report political activities than small charities, while medium-sized charities were only slightly more likely (1.29 times) than small charities to report political activity. For charities of all sizes, the likelihood of reporting political activities declined once they reached a certain threshold of dependence on federal funding. As Figure 3 demonstrates, for medium and large charities, the likelihood of reporting political activities peaked when federal funding represented 2–20 percent of their revenue. For small charities, the likelihood of reporting political activities was highest for those with 20–50 percent of their revenue from the federal government (see Figure 3).

Turning to the other control variables, the analysis found that charities located in the National Capital Region (NCR) were more than twice as likely to report political activities as those situated elsewhere, as predicted by other research. This finding is perhaps unsurprising as charities may have chosen to locate their head office in the NCR precisely to facilitate access to federal funding and to influence federal policy.

Looking at the temporal patterns related to the political parties in power, the analysis indicates that charities were 1.27 times more likely to report political activities under Liberal majority governments (2003, 2016–2017) than the Conservative majority government (2011–2015). This finding provides

**Table 1: Descriptive statistics<sup>a</sup>**

Variable	Observations, all years		Organizations, all years	
	Number of observations	Percent of observations	Number of organizations	Percent of organizations
<i>Any political expenditures?</i>				
No	520,076	99.2%	52,750	99.8%
Yes	4,453	0.8%	1,489	2.8%
<i>Received federal funding</i>				
No	369,847	70.5%	46,632	88.3%
Yes	154,682	29.5%	25,022	55.8%
<i>Proportion of revenue from federal government</i>				
None, 0% of revenue	369,847	70.5%	46,632	88.3%
Very little, 0–2% of revenue	64,113	12.2%	15,765	29.8%
Little, 2–20% of revenue	58,706	11.2%	14,201	26.9%
Some, 20–50% of revenue	19,351	3.7%	5,216	9.9%
Most, more than 50% of revenue	12,512	2.4%	3,326	6.3%
<i>Organization size</i>				
Small (revenue of CAD\$100,000 to CAD\$1M)	411,295	78.4%	47,332	89.6%
Medium (revenue CAD\$1–10M)	91,125	17.4%	11,869	22.5%
Large (revenue over CAD\$10M)	22,109	4.2%	2,488	4.7%
<i>Location</i>				
Outside of national capital region	505,310	96.3%	51,032	96.6%
Within national capital region	19,219	3.7%	1,880	3.6%
<i>Political party in power</i>				
Conservative majority (2011–2015)	182,861	34.9%	43,618	82.6%
Conservative minority (2006–2010)	172,322	32.9%	41,939	79.4%
Liberal majority (2003, 2016–2017)	105,592	20.1%	45,292	85.7%
Liberal minority (2004–2005)	63,754	12.2%	34,366	65.0%
<i>Sector</i>				
Relief of poverty	107,582	20.5%	10,508	19.9%
Advancement of education	75,646	14.4%	8,440	16.0%
Advancement of religion	216,134	41.2%	22,020	41.7%
Other purposes beneficial to the community	125,167	23.9%	14,822	28.1%

Note: <sup>a</sup>these descriptive statistics represent the full 15-year dataset. Because some charities moved between categories from year to year, there are instances where organizations are double-counted in the organizational totals for the variables represented in this Table.

Table 2: Relationship between reported political activities and receipt of federal government revenue, same year and one-year lag

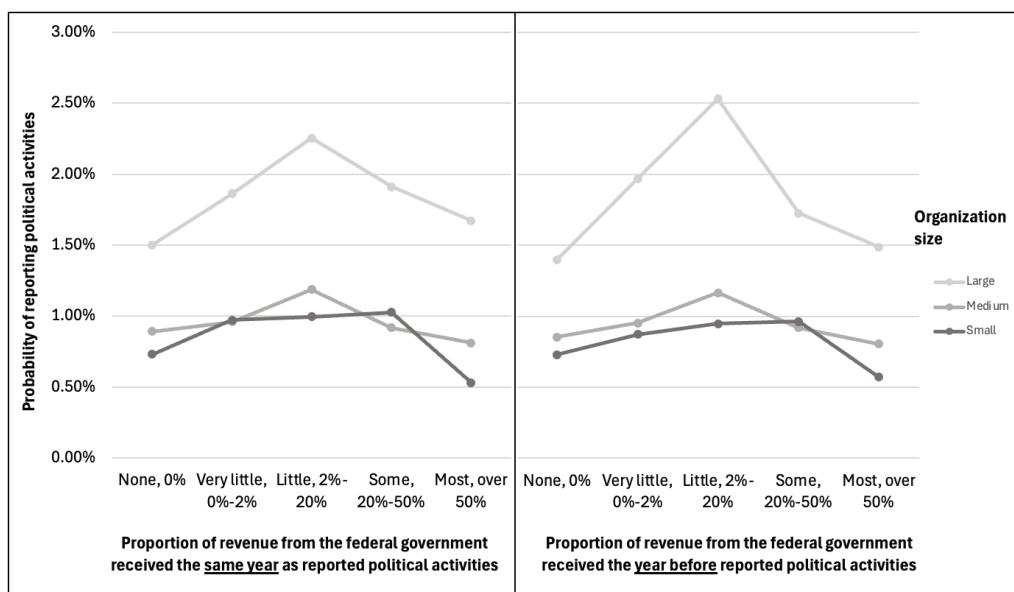
Variable	Receipt of federal funding same year as political activities		Receipt of federal funding the year before reported political activities	
	Model 1 (Bivariate)	Model 2 (Multivariate)	Model 3 (Bivariate)	Model 4 (Multivariate)
<i>Proportion of revenue from federal government</i>				
None, 0% of revenue	rg	rg	rg	rg
	(. )	(. )	(. )	(. )
Very little, 0–2% of revenue	1.66*** (0.13)	<b>1.46***</b> <b>(0.12)</b>	1.55*** (0.14)	1.40*** (0.13)
Little, 2–20% of revenue	2.06*** (0.16)	<b>1.77***</b> <b>(0.14)</b>	1.96*** (0.18)	1.76*** (0.16)
Some, 20–50% of revenue	1.76*** (0.21)	<b>1.50***</b> <b>(0.18)</b>	1.62*** (0.23)	1.54** (0.22)
Most, more than 50% of revenue	1.01 (0.18)	<b>0.75</b> <b>(0.14)</b>	1.00 (0.21)	0.87 (0.18)
<i>Organization size</i>				
Small (revenue of CAD\$100,000 to \$1 million)		rg		rg
		(. )		(. )
Medium (revenue of CAD\$1–10 million)		<b>1.29**</b> <b>(0.11)</b>		1.33** (0.13)
Large (revenue over CAD\$10 million)		<b>4.45***</b> <b>(0.66)</b>		4.41*** (0.72)
<i>Location</i>				
Outside of NCR		rg		rg
		(. )		(. )
Within NCR		<b>2.83***</b> <b>(0.58)</b>		2.85*** (0.65)
<i>Political party</i>				
Conservative majority (2011–2015)		rg		rg
		(. )		(. )
Conservative minority (2006–2010)		<b>0.66***</b> <b>(0.04)</b>		0.67*** (0.04)
Liberal majority (2003, 2016–2017)		<b>1.27***</b> <b>(0.07)</b>		1.43*** (0.09)
Liberal minority (2004–2005)		<b>0.74***</b> <b>(0.06)</b>		0.65*** (0.07)

Table 2 (continued)

Variable	Receipt of federal funding same year as political activities		Receipt of federal funding the year before reported political activities	
	Model 1 (Bivariate)	Model 2 (Multivariate)	Model 3 (Bivariate)	Model 4 (Multivariate)
<i>Charitable category</i>				
Relief of poverty		<b>rg</b>		<b>rg</b>
		( . )		( . )
Advancement of education		<b>0.42***</b>		<b>0.56***</b>
		(0.06)		(0.09)
Advancement of religion		<b>0.24***</b>		<b>0.35***</b>
		(0.03)		(0.05)
Other purposes beneficial to the community		<b>1.09</b>		<b>1.30*</b>
		(0.12)		(0.16)
lnsig2u	22.33***	32.32***	28.57***	23.85***
	(0.41)	(0.53)	(0.51)	(0.48)
Observations	524529	524529	403342	403342

Notes: Exponentiated coefficients; Standard errors in parentheses; \* $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$ , rg = reference group; rg ( . ) indicates the reference group for each variable, which has a value of 1 and no standard error; lnsig2u represents the logged variance of the random effect

Figure 3: Probability of reporting political activities by organization size and proportion of funding from the federal government in the same year and year before reported political activities



some evidence of the “advocacy chill” that many charities reported under the Conservative government, although not to the extent that some analysis suggested (see Beeby, 2014; Kirkby, 2014; Mulé & DeSantis, 2017). Interestingly, charities were more likely to report political activities during the Conservative majority government of 2011–2015, which increased funding to the CRA to conduct audits of political activities, than during the previous minority Conservative government (2006–2010). This difference may reflect increased reporting of political activities resulting from greater awareness of the CRA regulations and fear of the consequences of misreporting, rather than any real increase in spending on political activities.

Finally, considering the CRA’s four main classifications of charities, Table 2 shows that those involved in poverty relief and “other purposes beneficial to the community” were significantly more likely to report political activities than those involved in the advancement of religion or the advancement of education.

## DISCUSSION

Analysis of the CRA data offers important insights into the relationships between government funding and the kinds of contentious, outsider advocacy that other empirical studies and theoretical explanations suggest charities with government funding are likely to avoid. The analysis found that charities with some government funding were significantly more likely than charities with no government funding to report spending on political activities. The analysis also highlights the ways that organizational size and relative dependence on government funding correlated with reported spending on political activities.

Reflecting on these findings points to some important nuances in the ways that different theoretical perspectives explain advocacy by charities. The finding that receipt of federal funding increased the probability that a charity would report spending on political activities supports the claims of resource mobilization theory that access to resources is a crucial factor shaping policy engagement by charities and nonprofits. The specific causal relationships, however, are not clear, as federal government funding typically cannot be used for policy advocacy. It may be that federal funding helped to increase the overall revenue of charities, enabling them to use other sources of revenue for political activities. Following the logic of the paradigm of partnership, receipt of federal funding might also be an indicator that charities are engaged with at least some areas of federal policy, and thus more likely to use their resources to try to influence policymaking. At the same time, the finding that the probability of reporting political activities declined after reaching a certain threshold of dependence on federal funding highlights the insights of resource dependence theory, which emphasizes the strategic risk calculations that accompany different sources of revenue.

Specifically, the analysis of the CRA data suggests that, beyond a certain threshold of federal funding as a proportion of total revenue, which varied by organization size, charities became more risk-averse toward forms of policy advocacy that involved public calls to action. The CRA data does not allow for reflection on the claims of channelling theory that government funding makes charities more likely to choose insider over outsider advocacy, as the CRA did not collect any data that represented insider approaches. However, the analysis does highlight the importance of the relative

dependence on government funding in explaining charities' behaviour. Small proportions of government funding did not reduce the likelihood that charities would use public calls to action in their advocacy repertoires, but dependence on federal funding for more than 50 percent of revenue did appear to channel charities away from public calls to action, a key component of outsider advocacy, as also found in other research (Child & Grønbjerg, 2007).

The CRA data also indicate that the dampening effects of federal funding on outsider advocacy kicked in at lower levels of relative dependence on federal revenue for medium and large charities than for small ones. Theoretically, this finding is important because it highlights how organizational size influences charities' risk perception and shapes their relative agency to navigate the tensions between advocacy and government funding (Witjas, Hanegraaff, & Vermeulen, 2020; Acheson, 2014; Beaton, MacIndoe, & Wang, 2020). Empirically, the finding also offers clear warning lights for charity leaders about how increased dependence on government funding is likely to weaken their willingness to engage in outsider forms of advocacy involving public calls to action.

The clear effect of organizational size on the likelihood of reporting political activities points to the premises of resource mobilization theory that consistent and strategic advocacy requires financial resources. Charity leaders in Canada have highlighted the challenges of raising funds for advocacy and pointed to a pattern in many large charities that focus primarily on service provision and, through that work, are able to generate unrestricted funds that can be used to support policy engagement and advocacy (Cameron & Munro, 2025). Small and even medium-sized organizations face greater challenges in generating unreserved funds to pay staff for advocacy work. The effects of organizational size on the relationship between government funding and political activities are also significant because much of the critical literature on charities argues that as they become larger and more professionalized, they also become more risk-averse and less likely to engage in contentious forms of policy advocacy (Choudry & Kapoor, 2013). The analysis of the CRA data in this article suggests the opposite. Larger charities were more likely to report political activities than medium and small charities at all levels of government funding.

The CRA data also reveals some important outliers from the more general patterns. Some charities of all sizes reported both high levels of federal government funding and significant spending on political activities. For example, the Canadian Mental Health Association, the Canadian AIDS Society, and Inter Pares consistently reported receiving more than 50 percent of their revenue from the federal government and reported spending 2–6 percent of their revenue on political activities in at least two years between 2003 and 2017.<sup>7</sup> These charities clearly found ways to resist the dampening effects of heavy dependence on government funding on political activities that could offer valuable lessons for other organizations, something worth exploring through further research.

## CONCLUSION

While the Canada Revenue Agency's regulations on political activities by charities were widely criticized by charities, they also provide a valuable set of data that offers important insights into how government funding influences the strategic decision-making of charities about outsider forms of public policy advocacy involving public calls to action. Although the CRA stopped regulating and

reporting on the political activities of charities in 2019, the authors believe that this data continues to provide important insights into policy engagement by Canadian charities. First, the data offer important baseline indicators for future research on policy engagement by charities in Canada. Moreover, the results of a parallel study and other survey research indicate that the change in CRA regulations had few effects on charities' decisions about public policy engagement (Cameron & Munro, 2025; Phillips & Nguyen, 2024). Rather, other, non-regulatory factors such as access to funding for advocacy work, staff capacity, mission statements, strategic plans, and risk calculations about government funding were all more important in shaping their decisions about whether and how to engage with public policy issues (Cameron & Munro, 2025). In sum, the 2019 change in CRA regulations did not substantively change the strategic calculations of Canadian charities about public policy engagement; the same factors that shaped those decisions before the regulatory change continued to shape them afterwards. In this context, we believe that our analysis of the relationships between government funding and outsider advocacy by charities from 2003 through 2017 continues to provide insight into the ways that government funding influences strategic decision-making by charities about whether and how to engage with public policy issues.

These insights are important because outsider advocacy engages citizens in public policy debates and can help to bring about policy change on issues that require public pressure in ways that insider strategies cannot. We hope that these insights from analysis of the CRA data on the "political activities" of charities will inform future research and deliberation by charities themselves about the consequences of different funding sources on whether, how, and how much they engage in policy advocacy.

## NOTES

1. Strategic advocacy typically involves a range of activities, including research, networking, member engagement, lobbying government, and presentations to government committees (see Phillips & Nguyen, 2025; Sussman, 2007).
2. Bloodgood and Tremblay-Boire (2017) point out that many nonprofit organizations in Europe are able to use European Union funding to support advocacy aimed at national governments, pointing to the possibility that some charities in Canada may use funding from one level of government to support advocacy at another level. Because the CRA data does not indicate what level of government charities directed their political activities toward, we are not able to analyze this possibility.
3. For example, survey-based research on policy engagement by charities and nonprofits examines a range of variables that are not captured or cannot be reliably measured with the CRA data, including organizational leadership (Mason, 2015), organizational structure (Beaton, MacIndoe, & Wang, 2020), charitable sector or policy field (Anheier, Toepler, & Sokolowski, 1997; Child & Grønberg 2007), levels of competition among charities (Beaton, MacIndoe, & Wang, 2020; Suárez & Hwang, 2008), features of the population that a charity services (MacIndoe & Whalen, 2013; Zhang & Guo, 2021), specific forms of government funding, such as grants versus payment for services (Anheier, Toepler, & Sokolowski, 1997), numbers of volunteers (Schmid, Bar, & Nirel, 2008), and concerns about organizational survival (Witjas, Hanegraaf, & Vermuelen, 2020).
4. Since 2009, the CRA's T-3010 information return requires only charities with revenue over \$100,000 to complete Section 6, which distinguishes between federal, provincial, and regional/municipal funding. Charities with revenue under \$100,000 are required only to complete Section D, which only asks for overall government funding. While some charities with revenue under \$100,000 did complete Section 6, they were not required to do so, and many

did not. As a result, the relationship between federal government funding and reported political activities cannot be reliably measured for charities with revenue less than \$100,000.

5. Bank of Canada inflation calculator: <https://www.bankofcanada.ca/rates/related/inflation-calculator/>
6. CRA sector codes and sub-codes could be used as indicators of the jurisdictional focus of charities. However, we found that these codes are not reliable indicators of jurisdictional focus as charities with very similar missions and activities use different codes while charities with quite different activities use the same codes (see Canadian Charity Law, n.d.).
7. Anomalous examples of charities that reported high federal revenue and high spending on political activities:

Charity	Year	Proportion of revenue from the federal government	Proportion of revenue spent on political activities
Canadian AIDS Society	2006 2007	56.98% 70.80%	3.16% 6.6%
Canadian Mental Health Association	2003 2006 2007 2017	63.01% 50.39% 53.20% 52.21%	4.40% 6.27% 6.06% 3.48%
INTER PARES	2013 2014	69.08% 70.69%	4.25% 2.72%

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## Appendix 1: Methodological notes

**Dataset:** The dataset analysed in this research captures the Canada Revenue Agency (CRA) data from all registered charities in Canada that submitted annual T-3010 information returns for the period 2003 through 2017. The CRA provided the data in response to an information request.

Our analysis focuses on the years 2003 through 2017 when the CRA's policy guidance CPS-022 on "Political Activities" was in effect (CRA, 2003). Formally, the CRA's 2003 guidance on "Political Activities" was not replaced with the new guidance on "Public Policy Dialogue and Development Activities" until January 2019 (CRA, 2019). However, court rulings and government announcements in 2018 sent clear messages to charities that the 2003 guidance would change, and as a result, many charities that had reported "political activities" consistently in previous years did not report on them in 2018, making data from 2018 unreliable. To control for reduced rates of reporting in the last year (2018), when it was clear that the regulations would soon end, we analyzed data for the 15-year period from 2003 through 2017 (inclusive).

Prior to our analysis we removed extreme outliers in reported spending on political activities and reported federal government revenue, which were likely cases of misreporting. After applying the exclusion criteria (see below) to the CRA data, we were left with a dataset of 524,529 observations, representing an average of 34,969 charities per year.

The dollar values in our analysis are adjusted for inflation using the Bank of Canada's inflation calculator, with 2016 as the base year.<sup>1</sup>

**Exclusion criteria:** We excluded charities from the CRA dataset based on five sets of criteria.

**Headquarters outside Canada:** Within the data we found there were a small number of charities that reported addresses for headquarters outside of Canada; we exclude these from our analysis.

**Charities with reported revenue below \$100,000:** Charities with revenue below \$100,000 are not required to provide information to the CRA about what level of government any government revenue comes from. Specifically, charities with revenues under \$100,000 are not required to complete Schedule 6 of the CRA T-3010 form, which disaggregates government revenue by level of government. Instead, they are required to complete only Section D of the T-3010 form, which asks charities to report on government revenue but not on the level of government. Although some charities with revenue below \$100,000 do complete Schedule 6, we determined that this data is not reliable as some charities completed Schedule 6 while others did not. For this reason, we excluded all charities with reported revenue below \$100,000 from the analysis. We excluded these charities before adjusting the data for inflation as the CRA's \$100,000 revenue threshold for completing Schedule 6 has been constant since 2003.

**Public and private foundations:** Our dataset includes only charitable organizations, based on their CRA designation, and excludes public and private foundations. While all three categories of organizations are regulated by the CRA and included in CRA data, public and private foundations commit significantly fewer resources to policy engagement—largely because of their mandates, which are

typically to fund other organizations rather than engage in their own charitable activities (see CRA, n.d.). In 2023, the CRA reported a total of 85,955 organizations with charitable status in Canada. Of those, 74,544 were “charitable organizations,” 6,549 were private foundations and 4,862 were public foundations (CRA, 2023).

*Spending on political activities beyond CRA limits:* We included only those observations with reported spending on political activities that falls within the CRA limits, including the provisions in Section 9 of CPS-022 that allowed small charities to allocate up to 20 percent of revenue on political activities and for charities to overspend in a given year using unused funds from the previous two years (CRA, 2003, Section 9 and 9.1).<sup>2</sup> Given that reporting expenditures that exceeded the guidelines could trigger a CRA audit, we presumed that reported spending beyond the CRA limits was a result of data mis-entry or misunderstanding of the guidelines. Of the 4,453 observations of reported expenditures on “political activities,” 111 reports were equal to or greater than 100% of reported total annual expenditures by the organization. For example, one religious organization reported spending on “political activities” equal to more than three times its total annual expenditures. A further 325 reports indicated reported expenditures on “political activities” equal to 50-99% of annual expenditures. Many of these reports were from organizations such as school boards, churches and museums that would presumably have significant fixed operational costs, including staff salaries, that would make it difficult to allocate such high proportions of funding to “political activities.” For example, a school board reported spending 86% of \$117 million on “political activities” despite also reporting 3,500 full time employees. To account for these apparent cases of data mis-entry or misunderstanding of the CRA regulations, in our dataset we applied the CRA restrictions to organizational spending on political activities, and we omitted from our analysis all observations that fell outside of these restrictions.

*Federal funding over 100 percent of revenue:* The final exclusion criteria is related to the amount of revenue received by the federal government. We excluded 338 observations in which organizations reported more than 100% of their revenue coming from the federal government. These represented extreme outliers and were likely instances of misreporting. To avoid skewing our data and analysis, we omitted these instances from our study.

It is worth noting that over two thirds of the observations that we excluded from the dataset were submitted by organizations with 2 or fewer staff members (full time and/or part time). For organizations with very small or no staff, it is likely that the CRA T-3010 form was completed by a non-specialist or unpaid volunteer. It is easy to understand how nonspecialized staff and unpaid volunteers could make data entry errors and/or misunderstand CRA regulations.

After applying the exclusion criteria to the CRA data, we were left with a dataset of 524,529 observations. Our revised data set includes a total of 154,682 observations, in which an organization reported receiving federal government funding in a given year, and 4,453 observations of reported expenditures on political activities over the period 2003–2017.

For 20,758 of these organizations (39.3% of organizations in our dataset) we have data for every year between 2003-2017.

## INDICATORS AND CONTROL VARIABLES

### Measurement and categorization of the size of charities

We measure charity size by annual revenue, as reported to the CRA. We chose revenue rather than expenditures because the CRA (2003) guidelines specified a spending limit of ten percent of annual revenue on “political activities”, so revenue was the key denominator used in calculations of political activities spending by the CRA and by Canadian charities. Existing literature on Canadian charities also uses revenue as an indicator of charity size (see Cameron & Munro, 2025; Dicks, Paras, Martel, Johnson, & Davis, 2024). To be consistent with analysis from the CRA and other research on Canadian charities, we retained revenue as the indicator of charity size.

After removing all charities with revenues of under CAD \$100,000 (not adjusted for inflation), we divide charities into three categories based on their revenue in each reporting year (adjusted for inflation), using the methodology applied in other Canadian research and by many Canadian charities (Dicks, Paras, Martel, Johnson, & Davis, 2024; Tomlinson, 2016): Small organizations (revenue of CAD \$100,000 to \$1 million)—78.4% of observations; Medium organizations (revenue of CAD \$1 million to \$10 million)—17.4% of observations; and Large organizations (revenue over CAD \$10 million)—4.2% of observations.

Some studies also measure charity size by the number of staff. However, the data on staff numbers available from the CRA are frequently incomplete so we did not use this measure.

### Measurement of government funding

The independent variable we use in our analysis is funding from the federal government. While some studies examine government funding simply as a dichotomous variable (i.e., yes / no), more insightful analysis examines the proportion of a charity’s total revenue from government. Salamon’s widely cited research used 3 categories: Little government funding (0-20%), Some government funding (21-50%), and Most funding from government (51% and above) (Salamon 2002, p. 11). We first considered mirroring Salamon’s (2002) revenue thresholds; however, as we explored the data, we found that for most Canadian charities that received federal funding in the CRA data, this money represented less than 2% of their total revenues. Considering the skew of this data, we added an additional category to capture those organizations reporting “very little” (0–2%) of their revenue from the federal government.

We also ran the analysis with government revenue as a continuous variable and found there was no statistical significance. This is not surprising given the non-linear relationship we discovered through our categorical analysis. As a result, we retained the categorical variables for our analysis.

### Definition of “political activity”

The CRA’s policy guidance CPS-022 on “Political Activities” (CRA, 2003) provided a specific definition of “political activity” as any activity that “explicitly communicates a call to political action (that is, encourages the public to contact an elected representative or public official and urges them to retain, oppose, or change the law, policy, or decision of any level of government in Canada or a foreign country)” (CRA 2003, Section 6.2). Educational activities, information sharing, lobbying and other instances of policy engagement that did not involve a “call to political action” were not con-

sidered as political activities and not regulated by the CRA. Canadian charities were responsible to understand the definition of “political activity” and to report their annual expenditures on activities that fell within that description.

### Location in Canada

Some studies have found that charities based in capital cities are more likely to lobby governments than those located elsewhere (Grasse, Ward & Miller-Stevens, 2021; DeVita, Nikolova, & Roeger, 2014; Suárez & Hwang, 2008). We categorized charities based on their location inside or outside Canada’s National Capital Region (NCR), the cities of Ottawa and Gatineau, using postal code data included in CRA information returns. Approximately 3% of the organizations in our dataset are located in the NCR, with the remaining 97% located elsewhere in Canada.

### Political party in power

Interviews with charity leaders in Canada suggested that the political party forming the federal government was a significant factor in decisions by charities on whether, how, and how much to engage in policy advocacy (Cameron & Munro, 2025). Specifically, many charity leaders reported that they were more cautious about engaging in outsider advocacy and reporting ‘political activities’ during the Conservative majority government of Stephen Harper (2011 to 2015), which was widely perceived as hostile to charities that criticized government policy. Some charity leaders also noted that they were less concerned about the repercussions of reporting political activities following the election of the Trudeau majority government in 2015. The period covered by our data (2003–2017) includes four different government configurations: 1) Liberal majority governments of Jean Chrétien (2003) and Justin Trudeau (2016–2017), 2) Liberal minority government of Paul Martin (2004–2005), 3) Conservative minority government of Stephen Harper (2006–2010), and 4) Conservative majority government of Stephen Harper (2011–2015).

We categorized the CRA data into time periods as imperfect indicator of the federal political party in power. It is important to note that the time period categorizations may reflect many other factors beyond the political party in power, including but not limited to changes in awareness of the regulations on political activities and related changes in reporting those activities, as well as financial events that may have affected charities’ revenues and willingness to spend resources on political activities.

### Sectors of charities

Some studies examine differences between sub-sectors of charities and nonprofits (e.g., Salamon, 2012). In our analysis we examine variations in the four major categories of charities recognized by the CRA, which are grounded in the 1891 Pemsel decision of the English House of Lords, which in turn was grounded in the preamble to the Charitable Uses Act of 1601, also known as the Statute of Elizabeth. The Pemsel decision was the foundational case in the common law definition of charity in Canada and established four legally recognizable purposes for charities (Pemsel Case Foundation, 2021): 1) Relief of poverty (20.5% of observations in our dataset), 2) Advancement of Education (14.4% of observations), 3) Advancement of Religion (41.2% of observations), and 4) Other purposes beneficial to the community (23.9% of observations)—which includes sub-categories such as health-care, upholding human rights, environment, animal welfare, arts, and public amenities (CRA, 2003b).

The CRA data includes sub-categories that might be used to group charities into areas of federal and provincial jurisdiction as a way of predicting the level of government their policy advocacy would be most likely to focus on. However, we found that these sub-category codes do not provide consistent categorization for organizations that may otherwise appear to be very similar. For example, within the international development sector (generally a federal responsibility), charities indicated three of the four possible charitable purposes. Within each of these charitable purposes, international development charities selected a wide range of categories and sub-categories that overlapped with charities that worked primarily in areas of provincial jurisdiction. For these reasons, we limited our analysis only to the four categories of charitable purposes. This means that while we can identify the source of government revenue (federal, provincial or regional/municipal), we are unable to identify the jurisdictional focus of the charities in our data set. That is, we can identify which charities received federal government funding but we do not know whether the primary activities and the focus of any policy advocacy aligns with federal or provincial jurisdiction.

### Same year and lag year comparisons

Most of the existing quantitative research we reviewed examined the relationships between government funding and policy engagement by charities in the same year; that is, funding and policy engagement are viewed as simultaneous. It does not consider the possible temporal lag in the relationship; that is, an organization that received government funding in year one might be more reluctant to engage in or report political activities in year two. For this reason, we examine the relationship between receipt of government funding and reported political activities in both a) the same year funding is received, and b) the year following receipt of funding ('lagging' the independent variables). As Table 2 makes clear, there were no significant differences between the same year and lag year models.

### Level of the state that advocacy targets

Neumeyer, Schneider and Meyer (2015) found that Austrian nonprofits working at the national level reported devoting more resources to advocacy than nonprofits working at the local level. Our analysis is not able to examine the level of government that charities target in their policy advocacy because the CRA data does not include this information and we could not develop reliable proxy indicators (see comments above on Sectors of Charities).

## REGRESSION ANALYSIS

Our analysis examines the relationship between the proportion of revenue that charities received from the federal government and whether they reported spending on political activities. To do this, we used a categorical variable that considers federal revenue as a proportion of total organizational revenue. We used random-effects longitudinal logistic regression. The random-effects model accounts for unobserved correlation and heterogeneity amongst repeated observations of organizations over time and allows us to compare differences between organizations based on time-invariant characteristics like organization sector, location, etc. We first explored the data using a bivariate analysis of just the dependent variable (did the organization report any political activities? yes/no) and the independent variable (what proportion of the organizational revenue came from the federal government?). After running the bivariate model, we then introduced our control variables.

Our first two models within this analysis examined the receipt of federal government revenue and reported political activity in the same year. The third and fourth models in our analysis consider the relationship between political activities and federal government revenue received in the preceding year; for these models, we lagged the independent variable (government revenue).

As the final step in our analysis, we considered the relationship between federal government revenue and reported political activity for each size of organization. For this, we re-ran our multivariate models, introducing an interaction term for organizational size and federal government revenue, and then calculated predicted likelihoods of reporting political activity at each size and revenue configuration. Looking at these models, we also made similar predictions for the other control variables, to better illustrate the likelihood of reporting political activity for each category of our controls.

## ADDITIONAL TABLES

**Table 1: Predicted likelihood of reporting political activity (post-estimation results)**

Variable	Likelihood of reporting political activity
<i>Federal government funding that year as a percent of total revenue</i>	
None, 0%	0.8%
Very little, 0%-2%	1.0%
Little, 2%-20%	1.1%
Some, 20%-50%	1.0%
Most, over 50%	0.6%
<i>Organization size</i>	
Small (revenue of CAD \$100,000 to CAD \$1M)	0.8%
Medium (revenue CAD \$1M-\$10M)	0.9%
Large (revenue over CAD \$10M)	1.7%
<i>Location</i>	
Outside of national capital region	0.9%
Within national capital region	1.4%
<i>Political party in power</i>	
Conservative majority (2011-2015)	0.78%
Conservative minority (2006-2010)	1.05%
Liberal majority (2003, 2016-2017)	0.74%
Liberal minority (2004-2005)	0.92%
<i>Sector</i>	
Relief of poverty	1.12%
Advancement of education	0.73%
Advancement of religion	0.55%
Other purposes beneficial to the community	1.24%

**Table 2: Predicted likelihood of reporting political activity based on size of organization and percent of total revenue received from the federal government (post-estimation results)**

Proportion of revenue from the federal government	Organization size		
	Small (revenue of CAD \$100,000 to CAD \$1M)	Medium (revenue of CAD \$1 million - \$10 million)	Large (revenue over CAD \$10 million)
<i>Receipt of federal funding <u>same year</u> as political activities</i>			
None, 0%	0.73%	0.89%	1.50%
Very little, 0%-2%	0.97%	0.96%	1.86%
Little, 2%-20%	0.99%	1.19%	2.25%
Some, 20%-50%	1.03%	0.92%	1.91%
Most, over 50%	0.53%	0.81%	1.67%
<i>Receipt of federal funding <u>the year before</u> reported political activities</i>			
None, 0%	0.73%	0.85%	1.40%
Very little, 0%-2%	0.87%	0.95%	1.97%
Little, 2%-20%	0.95%	1.16%	2.53%
Some, 20%-50%	0.96%	0.92%	1.73%
Most, over 50%	0.57%	0.81%	1.49%

## NOTES

1. Bank of Canada inflation calculator: <https://www.bankofcanada.ca/rates/related/inflation-calculator/>
2. CPS-022 specified: “Registered charities with less than \$50,000 annual income in the previous year can devote up to 20% of their resources to political activities in the current year. Registered charities whose annual income in the previous year was between \$50,000 and \$100,000 can devote up to 15% of their resources to political activities in the current year. Registered charities whose annual income in the previous year was between \$100,000 and \$200,000 can devote up to 12% of their resources to political activities in the current year” (Section 9). It also specified: “To allow it to overspend in one year, a registered charity can use the unclaimed portion of resources it was allowed to spend but did not spend on political activities from up to two preceding years” (Section 9.1).

## Community Bonds and Canada's Foundations: Rethinking Risk and Financial Outcomes

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### ABSTRACT

Community wealth building (CWB) offers a place-based approach to impact investing, fostering local economic development and wealth retention (Dowin Kennedy, 2021; Guinan & O'Neill, 2019; O'Neill & Howard, 2018; Ratner, 2019). Community bonds (CBs), a CWB tool, challenge traditional wealth models but remain underutilized due to limited awareness (Surman & Hughes, 2012; Hughes, 2013). This study examines risk perceptions versus financial performance in the Canadian CB market, arguing that addressing information asymmetry is key to unlocking capital and scaling impact. Using historical repayment data, it introduces a dataset of CB offerings and proposes a bond rating system to reduce risk. The study also develops an investor typology and explores partnerships among investors, issuers, and intermediaries through a CWB lens.

### RÉSUMÉ

Le Community Wealth Building (CWB) propose une approche ancrée localement pour l'investissement d'impact, favorisant le développement économique et la rétention des richesses (Dowin Kennedy, 2021; Guinan & O'Neill, 2019; O'Neill & Howard, 2018; Ratner, 2019). Les obligations communautaires (OC), un outil du CWB, remettent en question les modèles traditionnels de richesse mais demeurent sous-utilisées en raison d'un manque de sensibilisation (Surman & Hughes, 2012; Hughes, 2013). Cette étude examine la perception du risque par rapport à la performance financière sur le marché canadien des OC, en avançant que la réduction de l'asymétrie d'information est essentielle pour mobiliser du capital et accroître l'impact. À partir de données historiques, elle propose un système de notation et explore une typologie des investisseurs ainsi que les partenariats entre investisseurs, émetteurs et intermédiaires sous l'angle du CWB.

**Keywords / Mots clés :** community bonds, impact investing, community wealth building, information asymmetry, risk perception, bond rating / obligations communautaires, investissement à impact, création de richesse communautaire, asymétrie d'information, perception du risque, notation des obligations

## INTRODUCTION

Community wealth building (CWB) is a place-based approach to impact investing,<sup>1</sup> an investment that generates positive social and environmental impact alongside financial returns (Global Impact Investing Network, 2024), focusing on local economic development to democratize local economies and retain wealth within communities (Dowin Kennedy, 2021; Guinan & O'Neill, 2019; Howard & O'Neill, 2018; Ratner, 2019). In Canada, CWB thus aims to reconfigure institutions and local economies based on greater democratic ownership and participation, moving beyond conventional corporate capitalism to build shared prosperity and racial equity (Hanna & Kelly, 2021). Specifically, CWB rests on five pillars: inclusive ownership, finance, workforce, spending, land, and property (CWB, 2024). These pillars are designed to foster collaboration in addressing community challenges and developing strategies and policies that result in tangible actions that impact communities. While all five pillars are critical in CWB, this article focuses on the finance pillar as the core component of community bonds. The finance pillar underscores the significance of locally rooted finance, exemplified by institutions such as community banks and credit unions, and instruments such as community bonds.

Community bonds (CBs) embody CWB principles and challenge conventional norms of wealth generation, particularly in sectors such as affordable housing and green energy. Deeply rooted in community, CBs can be used by charities, nonprofits, and co-operatives to finance socially and environmentally impactful projects. Similar in many ways to a traditional bond, they are interest-bearing loans from investors with set rate of return and a fixed term (Tapestry Community Capital, 2023). In Canada, only nonprofits and charities can issue these bonds, as they are exempt from the obligation to produce a full prospectus required for corporate or government bond issuances. However, they typically provide investor information packages that outline key details about the offering, such as the bond terms, use of proceeds, organizational background, and associated risks. While conceptually linked to traditional fixed-income securities, community bonds function more akin to promissory notes or loans, allowing investors to contribute a fixed amount for a specified term and interest (Prince & Sorin, 2021; Graeber, 2012). An organization can tailor these bonds to specific terms, aligning with considerations such as cash flow, interest accrual, and principal payment (Surman & Hughes, 2012; Hughes, 2013). Unlike traditional financing, community bonds offer flexibility with both non-asset-backed and asset-backed structures (Barone, 2023). This flexibility makes them an attractive option for individuals, organizations, and foundation investors, presenting a unique method of mobilizing funds within communities.

Despite proven success, community bonds remain underutilized in the philanthropic sector (Surman & Hughes, 2012; Hughes, 2013). This limited uptake may stem from a persistent misperception of risk associated with investing in the CB market. Although risk is a familiar concept in financial investment, the particular context in which it is evaluated within the CB market reveals an underlying issue of information asymmetry. Information asymmetry arises when there is an imbalance of knowledge between buyers and sellers, which can lead to adverse selection and overall market inefficiency (Akerlof, 1970). This article suggests that the unequal division of knowledge in the CB market leads to an insufficient supply of capital and hinders transparent transactions. Information asymmetry within financial exchanges can significantly shape risk perception, as the imbalance of knowledge between parties in the CB market may create uncertainty and influence how risks are

perceived and managed. The relationship among risk, profit, and loss is fundamentally complex. The reduction of perceived risks, achieved through addressing information asymmetry, is a catalyst for encouraging the CB market.

Addressing information asymmetry in the context of CB investments enables stakeholders to contribute to greater and more meaningful social impact, positively influencing communities across the country. Grounded in existing literature on risk perception and information asymmetry, this study adopts a community wealth building lens to examine the complexities of community-based financial decision-making. It explores the use of market mechanisms such as bond rating systems, to provide greater transparency and assurance in the nascent CB market. The exploration of these concepts seeks to generate insights into enhancing the community bond market in the Canadian philanthropic landscape.

This article begins with an overview of the CB market in Canada, followed by a discussion of the evolving role of foundations in impact investing. It then introduces the community wealth building (CWB) framework as a lens to explore financial decision-making in this space. The article proceeds to examine risk perception and information asymmetry in the CB market, situating these within existing literature and outlining their implications. The methodology section details the qualitative design, including stakeholder interviews and data analysis. This is followed by a presentation of findings, categorized by investor types and their attitudes toward risk. The discussion then introduces a conceptual community bond rating framework as a potential solution to reduce information asymmetry and encourage greater market participation. The article concludes with practical recommendations and reflections on limitations, charting a path forward for future research and practice in the Canadian philanthropic investment landscape.

### **Understanding the community bond market**

Community bonds, similar to charity bonds in the United Kingdom and comparable instruments in the United States, offer non-equity, securities-exempt avenues for social purpose organizations to obtain capital from local communities and supporters (Burrell, 2022; Amyot, Albert, Downing, & Community Social Planning Council, 2014; Tapestry Community Capital, 2023; Stapleton, 2009; Bahia, 2022). Serving as locally focused, place-based mechanisms for impact investing, they challenge traditional wealth generation paradigms by providing patient and flexible capital across various sectors (TIESS, 2017; Prince & Sorin, 2021; Graeber, 2012).

CBs are tailored to an organization's needs, as they boast specific terms and conditions that align with cash flow availability, interest accrual, and principal payment schedules (Surman & Hughes, 2012; Hughes, 2013). These instruments, whether non-asset-backed or asset-backed, furnish non-profit organizations and cooperatives with a versatile borrowing mechanism compared with conventional financing methods, drawing on existing networks of members and supporters to retain community assets and wealth locally.

While most bond issuances are governed by traditional securities laws, requiring extensive documentation, including prospectus issuance (Barone, 2023), community bonds are able to bypass stringent requirements through Canadian federal and provincial legislation, empowering select organization categories to issue exempt market securities without burdensome documentation.

However, CBs can only be issued by registered charitable organizations, faith-based organizations, nonprofits, and nonprofit cooperatives (Barone, 2023; Surman & Hughes, 2012; Hughes, 2013).

While the community bond legal exemption streamlines capital-raising, it does impose constraints on bond sales and market outreach. Many social purpose organizations struggle to transition from fundraising for infrastructure to sustaining operational programs, which necessitates continuous cash flow (Davis, Grady, & Woeller, 2018). To alleviate financial strain, these organizations are required to develop pragmatic business plans that address both the cash flow needs required to repay investors while simultaneously sustaining their mission-oriented operations. Despite these challenges, leveraging the CB exemption offers significant advantages, reducing fundraising barriers and expanding access to capital beyond traditional sources such as grants and donations (Surman & Hughes, 2012; Pomeroy, 2017; Davis et al., 2018). Consequently, community bonds offer social purpose organizations a dual benefit: they not only enable capital raising but also support professional development by building financial expertise comparable to that of mainstream businesses (Davis et al., 2018).

### **Canadian foundations and impact investing**

At the core of Canada's philanthropic landscape, foundations function as independent legal entities dedicated exclusively to charitable purposes. The country's 10,000 foundations collaborate with more than 73,000 registered charities as well as numerous nonprofit and social-purpose organizations, operating within a framework of legal autonomy (Philanthropic Foundations Canada, 2023). Within the Canadian charitable landscape there are two main categories of foundations: private and public (Philanthropic Foundations Canada, 2023). Private foundations are often funded by an individual, a family, or a corporation, while public foundations, including community foundations, receive funds from various donors and focus on supporting local community needs. Canadian foundations are regulated under the *Income Tax Act* and are overseen by the Canada Revenue Agency (CRA). Between 2008 and 2019, Canadian foundation assets nearly tripled, reaching over \$120 billion, with an annual disbursement of approximately \$8 billion. They are required to follow strict regulations governing their charitable status, including rules on fund distribution and activity reporting. Recent reports indicate that the tripling of Canadian foundation assets between 2008 and 2019 reflects a mix of strong investment returns, new donor capital (including intergenerational transfers), the creation of new foundations, and low disbursement requirements that allowed accumulation (Imagine Canada, 2021). Both public and private foundations experienced growth, though private foundations tended to expand more rapidly through large endowments, while public foundations grew more steadily through ongoing fundraising. Broader discussions of regulatory influences (Lajevardi, Rabinowitz Bussell, Stauch, & Rigillo, 2018) and operational analyses using tax data (Khovrenkov, 2016) provide useful context, but do not capture these specific asset trends.

Foundations in Canada fulfill a variety of roles. Leveraging their financial resources and independence, they can act as both grantors and investors (Pearson, 2022). Most commonly, foundations follow a model in which they endow assets, often received as tax-receipted donations, and invest these funds in perpetuity. The earnings generated from these investments are then used to issue

grants or support charitable activities, illustrating the dual function foundations serve in advancing charitable work.

Over the past two decades, many philanthropic foundations have evolved, shifting beyond their original role as vehicles for personal giving to actively pursuing broader social change agendas. Now, going beyond traditional grant-making and fulfilling their disbursement quotas, foundations are increasingly leveraging their endowment assets to explore social finance and alternative investments. In parallel, there is growing scrutiny of the assets managed within foundation endowments, most notably in how they are invested. Foundations are now facing pressure to allocate a greater portion of their capital to investments aligned with social purposes or impact. The conventional practice of segregating investment policy from mission, as seen in the historical approach of foundations, is no longer unquestioned (Miller, 2017). This evolution is significantly influenced by the neoliberal agenda, which has fostered philanthrocapitalism and impact investing as market-oriented approaches to address societal challenges (Maclean, Harvey, Yang, & Mueller, 2021; Pansera & Owen, 2017). Concurrently, escalating financial pressures impacting grant opportunities are largely driven by neoliberal policies, which have led to reduced government funding for nonprofits, a shift from operational to competitive project-based funding, and increased demands for organizational legitimacy with funders (Alexander & Fernandez, 2020; Foster & Meinhard, 2005; Phillips, 2006). In response to these dynamics, the growing interest in community wealth building and community bonds can be understood as a reaction to the limitations of social impact bonds, which leverage private capital for social programs (Toussaint, 2018) but have faced criticism for prioritizing easily measurable outcomes, “cherry-picking” beneficiaries (Becchetti, Pisani, Salustri, & Semplici, 2021), contributing to the financialization of social services (Chiappini, Marinelli, Jalal, & Birindelli, 2023; Morley, 2019; Sinclair, McHugh, & Roy, 2019), generating high transaction costs and misaligned interests (Becchetti et al., 2021; Chiappini et al., 2023), and marginalizing grassroots initiatives through top-down structures (Edwards, Burridge, & Yerbury, 2013). This has fostered a preference for CWB and CBs, which emphasize local ownership, democratic control of capital, and patient financing rooted in community needs (Lacey-Barnacle, Smith, & Foxon, 2022), thereby reflecting a more values-driven approach to investment (Sinclair et al., 2019).

Within this context, social finance, also known as impact investing, has emerged as a strategic tool for the philanthropic sector. In Canada, the social finance landscape is marked by diverse initiatives and a multi-scalar government involvement that spans federal, provincial, and local levels, shaping the financialization of social outcomes, such as affordable housing (Hanna & Kelly, 2021; Zhang, 2019). Its relevance, however, extends beyond Canada, with the global impact investing market estimated at U.S.\$1.164 trillion (GIIN, 2022). Social finance can be described as an approach to mobilizing private capital that delivers a social dividend and an economic return to achieve social and environmental goals. These investors intentionally invest to generate positive social and environmental impact alongside financial returns (Global Impact Investing Network, 2024). It is measurable and measured. In the contemporary nonprofit sector, social finance emerges as a pertinent and essential economic tool due to the escalating financial pressures impacting grant opportunities (Lee, Park, & Gong, 2023). Consequently, there is growing interest in exploring alternative avenues, such as investment in community bonds, to enhance their impact in the social sector.

## Community wealth building

Community wealth building is a place-based strategy within the broader field of impact investing, focused on democratizing local economies and ensuring that wealth is generated and retained within communities. It emphasizes localized economic development through inclusive, community-driven practices. Community wealth building emerged from socio-political movements in the United States, formalized by the Democracy Collaborative in 2005 to address systemic inequalities through local ownership and control of capital (Gusoff, Zuckerman, Pham, & Ryan, 2023) (Hanna & Kelly, 2021). Inspired by early U.S. CWB experiments, the Preston Model in the United Kingdom successfully redirected anchor institution spending toward local and cooperative businesses, significantly reducing unemployment and increasing living wage jobs (Hanna & Kelly, 2021). This success led to its spread across the United Kingdom and influenced national policy discussions (Hanna & Kelly, 2021). While CWB's direct path to Canada is not explicitly documented, its global success likely facilitated its adoption within Canada's existing community economic development and cooperative frameworks (Abucar, 1995; Krawchenko, 2017; Lotz, 1999; Spicer & Zhong, 2022). Provincial uptake of CWB in Canada manifests through diverse community economic development strategies, with municipalities and provinces playing significant roles in place-based economic initiatives, mirroring approaches seen in places such as Scotland, where local CWB initiatives gained national policy support (Mazzei, Murray, & Hutcheon, 2023) (Hachard, 2022).

There are five core pillars to community wealth building:

1. Inclusive ownership, advocating for shared ownership of the local economy;
2. Finance, leveraging financial resources to benefit local areas;
3. Workforce, ensuring equitable employment practices and a just labour market;
4. Spending, promoting progressive procurement practices; and
5. Land and property, supporting the socially just and productive use of land, property, and assets.

These pillars are intended to promote collaboration in understanding challenges and developing strategies and policies that lead to concrete actions and meaningful impacts on community well-being. Indeed, through fostering the development of small-scale, locally owned enterprises, cooperatives, and social ventures, the CWB framework aims to anchor wealth within regional economies. This increased investment in local economies, in turn, encourages the recirculation of existing wealth within communities, thereby enhancing their economic resilience (Galland & Stead, 2022). However, while community bonds serve as an active means of redistributing wealth within localities, this approach is not universally embraced. Historically, underrepresented and disadvantaged groups, as well as the entities that advocate for them, often encounter substantial barriers to securing funding and capital. Therefore, while social finance instruments have the potential to aid these communities, it is crucial to recognize that the onus for generating capital should not fall exclusively on the shoulders of these groups through mechanisms like community bonds. Eikenberry and Mirabella (2018) contend that this approach should avoid placing an undue financial burden on those already facing systemic challenges. Instead, an enabling state, as conceptualized by Elvidge, should provide a "helping hand" at different stages of community development, adapting

its support to the varying needs and capacities of diverse communities and their levels of civic engagement (Mazzei et al., 2023).

Beyond such inequities, there are additional barriers to the flow of capital into community bonds. Strandberg (2007) identifies six key barriers to capital flow within the sector: limited awareness of social finance opportunities, concerns regarding risk and return, elevated transaction costs, rigid lending practices, absence of a secondary market for social enterprises, and negative public perceptions of social enterprises, such as their perceived lack of bankability and high risk. Of the six mentioned, three deserve special attention: limited awareness, negative public perceptions, and concerns of risk and return.

### **Risk perception in the CB market**

Perceptions of risk significantly influence the community bond market, often exacerbated by information asymmetry. Limited awareness, also known as information asymmetry, occurs when one party involved in a transaction possesses more or superior information than the other party (Akerlof, 1970). Applied to community bonds, where the division of knowledge can hinder transparent transactions, information asymmetry highlights the need for transparency and mechanisms to mitigate information imbalances for fair transactions (Akerlof, 1970). Ultimately, the uncertainty and lack of trust resulting from information asymmetry contribute to the lack of capital that impedes this market (Akerlof, 1970).

Consequently, this uncertainty and lack of trust underpin negative public perceptions in this market that can erode confidence in its efficiency and fairness, potentially leading to market inefficiencies, decreased trading volumes, or even market failure. Therefore, information asymmetry ultimately undermines the functioning of the market by impeding transparency, hindering accurate price discovery, and reducing overall market confidence.

Furthermore, negative public perception in finance often stems from limited understanding of the risk-return trade-off, the foundational principle that higher expected returns generally correspond with higher levels of risk (Perold, 2004). In traditional public equity and debt markets, mandated disclosures help investors align their expectations with potential outcomes. These standard practices promote transparency and support informed decision-making based on individual risk tolerance. The same principles should inform investments in the social finance space, including community bonds, where clear communication about risk and return is essential for building trust and enabling sound investment decisions.

In the Canadian community bond market, there is a heightened perception of risk associated with potential investments. We suggest that this perception of elevated risk is misguided, primarily because of information asymmetry within the market. Various factors contribute to this information disparity between buyers and sellers, including a lack of clarity regarding what constitutes a community bond investment, differentiation from grants and distribution quotas, uncertainty about the financial standing of the issuing organization, absence of a standardized bond rating system, limited access to transparent information from previous investors, the absence of a dedicated bond marketplace, and a general lack of awareness of the investor packages offered by bond issuers.

We define community bonds as localized, non-equity, security-regulation-exempt financial instruments. The term securities denotes an interest in a company's capital, assets, property, profits, earnings, or royalties (Vancity Community Foundation, 2013).<sup>2</sup> It is crucial within this context to emphasize that community bonds and other forms of impact investments differ from grants, thus necessitating a similar approach to market investments from both investors (buyers) and issuers (sellers). This approach inherently involves risk. In the realm of impact investing, there is a prevalent notion that community bonds or similar investments should carry no risk to the investor, driven by the belief that responsibly investing capital that serves community needs should not entail the risk of default. In reality, impact investments, including community bonds, employ financial instruments comparable to those used in conventional markets, meaning that risk remains an inherent and fundamental aspect of these investments.

### **Study**

To explore how information asymmetry influences decision-making in the community bond market, the authors conducted a series of semi-structured interviews with foundation leaders and sector experts. These conversations aimed to uncover the underlying factors shaping investment behaviours, particularly how limited, inconsistent, or unclear information may affect trust, perceived risk, and willingness to invest in community bonds.

To evaluate risk perception, the authors examined whether subjective, cognitive, and emotional factors affect how community bonds are perceived, potentially hindering the growth of this financial instrument, and determining if such perceptions are warranted. Expanding on the insights of Renn, Burns, Kasperson, Kasperson, and Slovic(2009), who stress the importance of evaluating risk perception in financial decision-making, this process involves assessing situational uncertainty, controllability, and confidence in these assessments (Sitkin & Weingart, 1995).

### **METHODOLOGY**

Adopting a grounded theory methodological approach (Strauss & Corbin, 1990), this study combines semi-structured interviews with the development of a dataset of community bond offerings in Canada. This approach was chosen as there is little existing theory explaining how foundations and institutional investors perceive and manage risk in the community bond market. Grounded theory enables the inductive development of new explanatory models rooted in empirical insights, rather than relying on preconceived assumptions (Corbin & Strauss, 2015; Suddaby, 2006). The method is particularly suited to examining decision-making processes under information asymmetry, as it allows concepts to emerge iteratively from participants' experiences (Glaser, 1998; Kelle, 2005).

Interview participants were selected based on their roles as organizational decision-makers, thought leaders, and stakeholders in social finance and impact investing within Canadian foundations. The study employed purposive and snowball sampling. Initial participants were chosen for their expertise and active engagement with community bonds and associated networks. Subsequent participants were identified through referrals from early informants, allowing the sample to expand iteratively until no substantively new themes emerged, indicating theoretical saturation. In qualitative research guided by grounded theory, theoretical saturation, the point at which new data no

longer yield new theoretical insights or themes, is the primary determinant of sample size, rather than a predetermined number (Ahmed, 2024; Vasileiou, Barnett, Thorpe, & Young, 2018). While the exact number varies by study context, focused qualitative studies with relatively homogeneous samples often achieve saturation within 10–20 interviews (Adu & Miles, 2023; Vasileiou et al., 2018). Thus, in total, 12 one-hour semi-structured interviews were conducted in 2024 with representatives of foundations, intermediaries, and institutional investors, including both national and provincially based organizations in Canada.

The interviews were designed to explore participants' mission and goals, investment strategies, awareness of and engagement with community bonds, decision-making processes, perceptions of risk, community engagement practices, approaches to impact measurement, and assessments of financial performance. The semi-structured interview protocol allowed for adaptive probing as themes emerged and is provided in Appendix C. In addition to primary interview data, secondary data were collected from publicly available documents and organizational repositories, including reports and internal records, to contextualize interview findings and triangulate the analysis.

Interview transcripts were manually coded following grounded theory procedures: open coding to identify initial concepts, axial coding to explore relationships among categories, and selective coding to integrate findings around a central explanatory theme (Strauss & Corbin, 1990). Codes were organized into six dimensions of risk perception: subjective, cognitive, emotional, situational uncertainty, controllability, and confidence—adapted from prior research (Renn et al., 2009; Sitkin & Weingart, 1995). Each dimension was scored on a three-point scale (1 = low, 2 = moderate, 3 = high), enabling the classification of participants into three investor typologies: Finance First (total score  $\leq 10$ ), Impact First (11–15), and Philanthropy First ( $> 15$ ). This structured coding approach provided a systematic way to compare how investors interpret risk under conditions of information asymmetry. Memos were maintained throughout to capture theoretical insights and support the rigour of the grounded theory process (Glaser, 1998).

## FINDINGS

Interviews were conducted with representatives from nine foundations and three industry professionals, all of whom were asked a set of uniform questions about their views on community bonds. These questions aimed to explore their risk assessments and how such perceptions influence their organization's comprehension, receptivity, and tactical approaches to community bonds. Participants were prompted to provide in-depth insights into their financial outlooks, expectations, approaches to measuring impact, decision-making processes, and other pertinent topics. Analysis of the interviews revealed a wide spectrum of understanding and approaches to community bonds among foundation participants. This variability was also reflected in the perspectives of issuers, intermediaries, and institutional investors, highlighting differing levels of familiarity, confidence, and strategic orientation within the ecosystem.

### Diverse understandings and approaches

We found the landscape of attitudes towards CBs is far from monolithic. Some foundation officials exhibit a marked skepticism toward these non-traditional investment vehicles. For instance, the

study found a common apprehension questioning the novelty of CBs by equating them to more familiar financial instruments: “There is risk ... people are labeling as community bonds is a marketing niche ... when it is essentially a promissory note or syndicated loans” (Interviewee G, 2024). This perspective underscores a cautious stance toward innovations in the social finance realm, reflecting a preference for conventional risk-return paradigms.

Similar hesitancy was voiced by other interviewees: “We’re still trying to understand if the project is really viable ... We’re not opposed to it, but we’re skeptical” (Interview F, 2024). The query “Why are you targeting community bonds rather than something else?” (Interviewees C & D, 2024) echoed this cautious engagement with CBs. These sentiments underline a broader trend of circumspection among certain foundations when confronted with unconventional financial instruments.

However, a more progressive outlook was observed in other segments of the sector. One interview reflects a relative sophistication in understanding CBs, albeit with reservations about operational mechanics: “our level of understanding is somewhat high compared to other foundations. But when it comes to the mechanics of running a community bond, you know, perhaps average” (Interviewee I, 2024).

Many interviewees’ responses to these questions represent a paradigm shift towards integrating social impact with financial returns: “We committed to a hundred percent impact portfolio ... investing with an eye for impact would increase the probability of high returns, especially in the long term” (Interviewee H, 2024). This forward-thinking approach signifies a departure from traditional investment models, prioritizing social value creation alongside financial performance.

For some there has been a transformative mindset: “Generally in the investment market if you do take a high risk, the investment is supposed to reward you with a higher return. Here we think we are taking high risk but not with the intention of generating a high return. The intention is to generate high impact” (Interviewee A, 2024). Several interviewees emphasized a commitment to impactful investments despite potential compromises on financial returns: “As we learn about what the risks to reward are on this, at the same time, you know, as an organization, we are working to put our money where our mouth is and start to fund some of these projects that may not have the return that we’ve been getting in the main pool but have a significant impact on the ground” (Interviewee E, 2024).

The range of attitudes toward CBs across foundations carries significant real-world consequences for their adoption and implementation. Three interviews reflected a cautious stance, suggesting a restraint that constricts the breadth and depth of CB investments. This hesitancy, rooted in a predilection for established investment norms, poses a risk of dampening the spirit of innovation and exploration that characterizes the philanthropic investment realm (Interviewees E, I, & J, 2024).

Conversely, five interviewees had a forward-thinking outlook that seamlessly integrates financial sustainability with meaningful social outcomes. These entities are not merely stretching the definition of a worthwhile investment; they are at the forefront of advocating for an investment ethos that places social impact at its core: “If we start thinking this way, it could really shake things up. Foundations might start seeing CBs as more than just a financial mechanism, but as something that can really make a difference in society. This new way of seeing things could help everyone realize that making a big impact isn’t just for the inner circle; it could encourage a lot more groups to get

on board and make some serious changes" (Interviewee I, 2024). This dichotomy highlights the deep-seated tensions inherent in the deployment of CBs, especially in financial decision-making. The varying perceptions of risk reflect the core principles, knowledge bases, and strategic intents that guide each foundation.

### Risk perception and its influences

The discourse on foundations' engagement with community bonds unveils a clear divide based on experience and understanding of these instruments. Foundations less versed in CBs navigate this terrain through the lens of common sector assumptions and perceived market tensions (Interviewees C, D, F, & G, 2024). "The promoters of impact investing too often pretend that there is either a zero or a negative social outcome from regular mainstream investing. And that is just not true" (Interviewee F, 2024). This reflects a cautious stance influenced by traditional investment paradigms.

However, those with hands-on experience or a keen interest in CBs approach decision-making with a richer understanding. "We just want to see our money being accountable into the models and the outcomes for the end user. So, we don't have financial objectives" (Interviewee A, 2024). This shift toward valuing social impact over financial gain marks a strategic evolution in investment philosophy and risk tolerance. "Risk is an interesting conversation because the perception of risk can be different from different lenses ... it tends to be a little bit of a cop-out in terms of not moving forward" (Interviewee H, 2014). This duality underscores the significant impact of foundations' familiarity with CBs on their engagement strategies. Less experienced entities often exhibit resistance, influenced by perceived risks and principled dilemmas, whereas more seasoned impact/community bond investors navigate the complexities of impact investing with a deeper, nuanced, problem-solving approach. This distinction highlights the crucial role of knowledge and experience in crafting investment approaches that harmonize financial viability with a commitment to social impact.

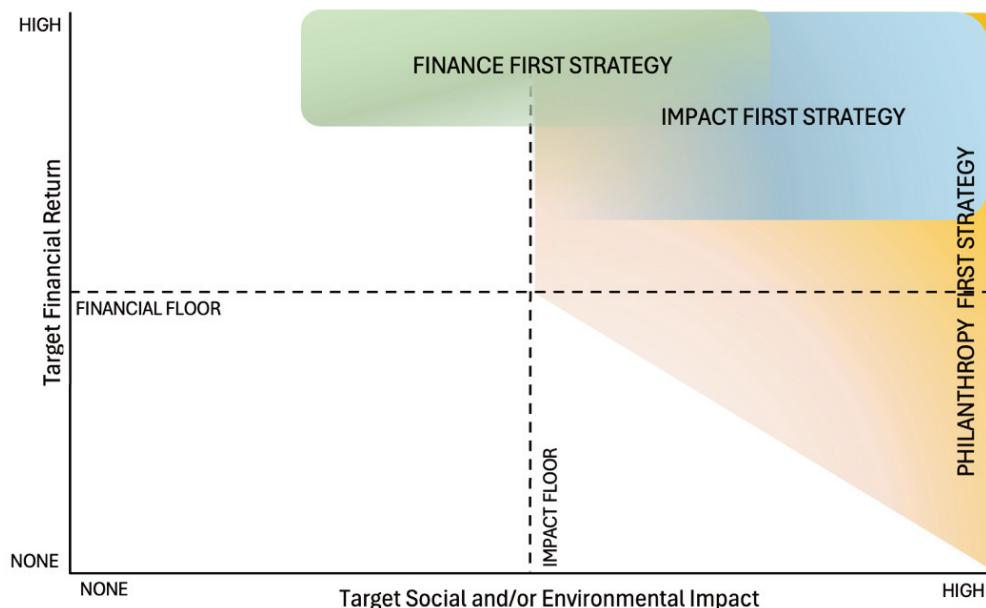
Based on these findings, the authors suggest that these varied perspectives on risk, informed by an organization's fundamental values, knowledge base, and strategic priorities, effectively categorize investors into three distinct groups based on their accepted level of risk: Finance First, Impact First, and Philanthropy First.

Impact investors in our first category seek a blend of market-rate financial returns along with social and/or environmental benefits (Emerson, 2003; Shortall, 2009). Their investment decision-making process begins by assessing the potential social and environmental impacts of the venture. Once satisfied with these aspects, they approach investment opportunities much like traditional venture capitalists, scrutinizing business plans for growth potential, expected financial returns, and exit strategies. See Appendix A for an example of said strategy. Typically, they target a market or "reasonable rate of return" ranging from 8–10 percent (Shortall, 2009) and have been referred to as "Finance First Impact Investors" (Monitor Institute, 2008).

The second category of social investors is willing to accept below-market financial returns in exchange for amplified social or environmental impact (Harji & Hebb, 2010). These investors are commonly referred to as "Impact First Impact Investors" (Monitor Institute, 2008). Consequently, they may embrace greater risk to maximize social outcomes (Shortall, 2009). Their investment decisions are guided by a commitment to achieving significant social impact alongside financial returns.

In contrast, the third category of impact investors prioritizes social returns exclusively, without expecting any financial gain (Harji & Hebb, 2010). Their investment choices are driven solely by the mission and social impact of the enterprise, while also considering its business fundamentals to gauge its ability to fulfill its mission effectively (Shortall, 2009). For the purpose of this study, they are referred to as “Philanthropy First Impact Investors.”

Figure 1: Impact investor categorization



Note: Investor type x return and impact; Source: author

These categories reflect the investors' risk tolerance, decision-making strategies, and their prioritization of financial returns versus social impact, underpinned by a scoring system that quantifies their inclination toward each aspect.

Finance First Impact Investors prioritize financial gains, often sidelining social or environmental impacts. This group is marked by a cautious stance toward community bonds and impact investments, underscored by a preference for traditional financial metrics and strategies. These investors tend to express skepticism toward community bonds not directly related to their mission. Interviews with these investors demonstrate a reluctance to embrace high-return, high-impact opportunities due to financial risk concerns. These investors exhibit a strong bias toward financial considerations.

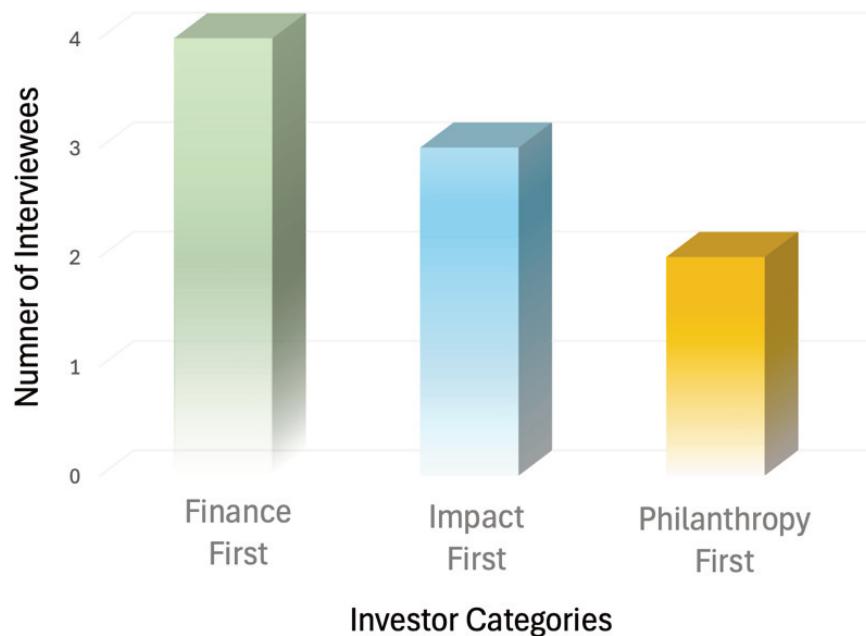
In contrast, Impact First Impact Investors demonstrate a balanced appreciation for both financial returns and social/environmental impacts. This group employs a systematic analysis that integrates financial viability with impact potential. “It needs to be a level playing field between risk, return, and impact ... we have confidence in the impact that it is generating” (Interviewee A, 2024). Their strategic approach to risk mitigation, focusing equally on financial and impact-related risks, underscores their commitment to achieving dual objectives.

Philanthropy First Impact Investors are deeply invested in fostering social change, often at the expense of financial returns. They exhibit a strong emotional connection to impact-driven projects, underscored by a belief in their ability to influence social outcomes through strategic philanthropic

efforts. “CBs and other impact investments that are tightly aligned with our mission, so those we benchmarked to 0 return not negative 100. Not a grant, because we’re expecting a principal back, but just no interest” (Interviewee I, 2024). Their willingness to embrace the challenges of impact measurement and to support smaller organizations despite potential difficulties highlights their philanthropic dedication.

Our interviewees fell across all three investor types. Figure 2 illustrates the distribution of interview participants across the three investor categories: Finance First ( $n = 4$ ), Impact First ( $n = 3$ ), and Philanthropy First ( $n = 2$ ). While not intended to be representative of the broader foundation landscape, this distribution offers insight into the range of orientations that inform how community bonds are evaluated. The higher proportion of Finance First Impact Investors suggests that traditional financial considerations remain prevalent among many foundations, even those operating within explicitly mission-driven mandates.

**Figure 2: Number of interviewees by investor category**



*Note:* Investor categories x number of interviewees; *Source:* author

This pattern aligns with broader observations from the interviews, in which risk perception was frequently shaped by conventional investment norms. Although foundations occupy a distinct space within the third sector, often characterized as socially progressive and community-focused, their investment strategies are often governed by long-standing fiduciary models and endowment management practices. In this context, risk is typically assessed through the lens of financial performance and capital protection rather than social return.

The distribution captured in Figure 2 thus reinforces the role of institutional logic and internal capacity in shaping how foundations engage with community bonds. Differences in investment orientation reflect not only variation in values or mission alignment but also in how risk, information, and impact are interpreted and acted upon within organizational structures.

The Finance First, Impact First, and Philanthropy First categories reflect distinct approaches to weighing financial return against social and environmental objectives. These orientations are shaped not only by organizational values but also by how foundations interpret risk, return, and impact within their broader investment strategies. This classification further underscores the role of information asymmetry in shaping investment behaviour; discrepancies in access to, or interpretation of, financial and impact-related information influence how community bonds are perceived and evaluated. Understanding these dynamics is important for identifying the conditions under which foundations are willing to engage with community finance, and to assess how well community bonds are positioned to meet diverse institutional expectations.

Despite concerns about risk, which remain a persistent barrier to the wider adoption of community bonds, particularly among Finance First Impact Investors, the quantitative evidence suggests that these perceived risks may not reflect the demonstrated performance of the instrument. Across Canada, more than 4,000 individuals have invested over \$120 million in community bonds to date, with campaigns averaging 90 investors per \$1 million raised. These bonds remain broadly accessible, with minimum investments starting at \$250 and fixed returns typically ranging from 2 percent to 5 percent, depending on the project. Many are also asset-backed, secured by tangible collateral such as real estate or infrastructure, which has contributed to a zero-default rate among Canadian community bond issuers as of 2025.

More importantly, statistically significant outcomes reinforce the value proposition of these instruments across sectors. In affordable housing, community bonds have supported the creation or preservation of over 3,000 housing units, with corresponding reductions in emergency shelter use and hospitalizations ( $p \leq .05$ ), indicating that these effects are unlikely to be due to chance. Renewable energy projects, including those by SolarShare, have reduced annual CO<sub>2</sub> emissions by approximately 2,200 tonnes ( $p < .01$ ), and post-issuance evaluations have also shown significant increases in organizational capacity among issuers ( $p < .05$ ).

These findings suggest that the actual risk-return profile of community bonds is more favourable than commonly perceived, not only for Impact First and Philanthropy First investor types, but also for Finance First Impact Investors, who prioritize financial stability. The combination of consistent performance, asset-backed security, and statistically measurable outcomes reinforces community bonds as a credible and effective instrument for institutional, impact-driven, and mission-aligned investment strategies alike.

### **Implications of information asymmetry and risk perception for the CB market**

The community bond market serves as a vital conduit for connecting organizations in need of capital with investors seeking to support social causes. However, due to their nature as private market instruments, community bonds often fall short in addressing information asymmetry between issuers and investors. Unlike conventional investment products with standardized disclosures, community bonds frequently require investors to actively seek out information through unfamiliar or non-traditional channels, increasing the likelihood of misunderstanding or disengagement. This information gap poses significant challenges to both parties, hindering the efficient allocation of capital and the growth of the sector, and heightening perceptions of risk.

Information asymmetry plays a pivotal role in shaping the landscape of community bond investments, particularly in how different types of investors perceive risks. Traditional Finance First Impact Investors often fail to recognize the viability of community bonds within their existing investment frameworks. This struggle is largely attributed to the lack of comprehensive, accessible information that aligns with the conventional metrics and systems they are accustomed to. The absence of standardized tools, such as a bond rating system, a unified impact measurement framework, and a centralized marketplace for community bonds, exacerbates this information gap, as noted in several interviews. Such tools are staples in traditional financial markets, providing clarity and confidence in investment decisions. The resultant information asymmetry leads to a cautious, sometimes skeptical stance toward community bonds. “The risk is much higher right than if we invest in a major fund ... we always see the financial risk is high” (Interviewee D, 2024).

The tensions within the realm of community bond investments are not merely about the lack of information but also about a fundamental misunderstanding of what community bonds represent and their potential within traditional investment portfolios. These tensions also manifest through the seeming lack of transparency from the issuing organization, the questioned existence of the triple bottom line, and the perceived complexity of investor packages. Despite efforts to provide comprehensive information, intricate details and occasional novel concepts presented in investor packages addressing bond terms, issuer financial status, and their demonstration of the triple bottom line can sometimes seem daunting, leading to hesitancy among potential investors (Interviewees D, C, & G, 2024).

However, there are a number of efforts to increase transparency and reduce information asymmetry in the CB market. Intermediaries within the community bond market, such as Tapestry Community Capital, have taken significant strides to address and debunk these prevailing assumptions and tensions. By offering a comprehensive investor package, including an offering memorandum, risk acknowledgment, term sheet, and business plan, intermediaries aim to bridge the information gap and present community bonds as a viable and attractive option within the traditional investment spectrum. This initiative not only serves to reduce information asymmetry but also encourages potential investors to engage with community bonds, armed with up-to-date and relevant information tailored to their needs.

Likewise, CB success stories serve as a testament to their potential and reliability. To date, investments from 25 individual foundations have been secured without any failures.<sup>3</sup> Such results challenge the skepticism surrounding the riskiness and viability of community bonds (see Appendix B). This evidence suggests that, contrary to prevailing beliefs, community bonds can indeed be integrated into conventional investment portfolios, offering not only financial returns but also substantial social impact.

## ADDRESSING THE CHALLENGES IN THE CB MARKET

In the Canadian foundation landscape, investors with a focus on impact—classified as Impact First and Philanthropy First—comprise a minor segment in contrast to the dominant Finance First investors. The latter group experiences significant information asymmetry. Therefore, it is crucial that recommended strategies directly tackle the key challenges faced by Finance First investors to stim-

ulate their participation in the CBs market. These challenges include integrating community bonds into diverse investment portfolios, developing robust methods for rating these bonds, assessing their societal impact, and ensuring that the triple bottom line approach—which balances impact with risk and return—remains financially viable through decision-making methodologies.

One of the fundamental issues contributing to information asymmetry is the absence of a formalized bond rating scale. Without standardized criteria or popular metrics for evaluating the quality of community bonds, organizations hesitate to invest, unsure of what constitutes a good or bad investment. This lack of clarity undermines investor confidence and inhibits the flow of capital into the community bond market.

Building on the findings in this study, the authors propose a bond rating scale for use in the community bond market. This conceptual framework draws on established standards, such as those from S&P and Finch. The scale is complemented by a clear definition of a “defaulted” bond, alongside comprehensive investor packages furnished by community bond issuers.<sup>4</sup>

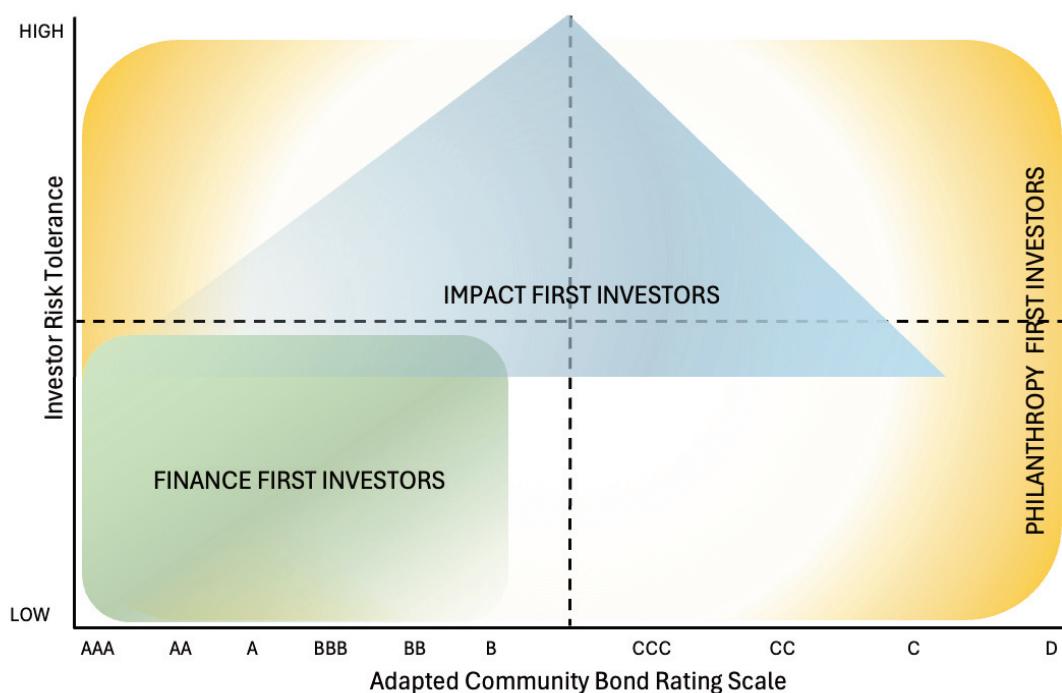
**Table 1: Bond rating conceptual framework**

Investment grade			
AAA	BBB	CCC	D
AAA ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.	BBB ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.	CCC rating indicates high vulnerability; default has not yet occurred but is expected to be a virtual certainty.	
AA ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.	BB ratings indicate an elevated vulnerability to default risk, particularly in the events of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments.	CC rating indicates high vulnerability; default had not yet occurred but is expected to be virtual certainty.	D rating indicates payment default on a financial commitment or breach of an imputed promise; also used when a bankruptcy petition has been filed.
A ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for high ratings.	B ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.	C rating indicates currently high vulnerability to non-payment, and ultimate recovery is to be expected to be lower than that of higher rated obligations.	

We suggest that a third-party credentialed community bond rating system would alleviate the inherent information asymmetry found in this market. Establishing a system to rate and clarify inherent risk would enhance transparency and encourage greater capital flows into the community bond market.

Utilizing the community bond rating system proposed above, which amalgamates the bond rating methodologies of S&P and Fitch and tailors them for the CB market, investors are empowered not only to evaluate potential community bond investments but also to comprehend their integration into existing investment portfolios. Figure 3 offers a graphical representation of the three investor profiles and the corresponding community bonds by investment grade that align with their investment criteria and risk perception/tolerance.

Figure 3: Investor risk tolerance by community bond rating scale



Note: Risk tolerance x community bond rating scale; Source: author

## CONCLUSION

Our study expands the literature on risk perceptions within the context of community bonds and provides actionable insights into addressing information asymmetry in the philanthropic investment market. The research presents community wealth building's role in enhancing local economies, providing a new avenue for economic development. In investigating the attitudes and decision-making processes of different investor types, this study contributes to a deeper understanding of the financial dynamics at play within the community bond market. Practically, it offers a conceptual framework for improving transparency and accountability within the market through the introduction of a CB rating scale, which could stimulate increased investment and, by extension, foster greater social impact. The adaptation of established financial tools, such as the bond rating, offers a novel approach to integrating community bonds into broader investment strategies.

However, the study is not without limitations. Firstly, the qualitative nature of the research limits the generalizability of the findings. The perspectives are drawn from a sample of investors and organizations within Canada's philanthropic sector, which may not fully represent the diverse array of attitudes and approaches to community bonds. Additionally, the study relies heavily on self-reported data, which could be subject to biases or inaccuracies. While the research leverages historical data on community bond repayments, the scope and depth of available data are limited, potentially impacting the robustness of the conclusions drawn. Furthermore, the dynamic nature of the social finance market means that the relevance of findings could diminish as new financial instruments and strategies emerge. These limitations speak to the need for ongoing research into the community bond market in Canada.

The investigation into Canada's community bond market highlights a pivotal moment in the philanthropic sector's evolving approach to impact investing. Although community bonds have proven effective in fostering local economic development and democratizing wealth within communities, their potential remains underutilized. Persistent information asymmetry and a lack of sector-wide education on their practical application continue to limit broader adoption.

Raising awareness and deepening understanding of community bonds among nonprofits has become an urgent priority. Many organizations are well-positioned to benefit from this financing tool but lack the knowledge or capacity to engage confidently with the bond market. Our research points to the need to build a more unified understanding of impact investing. Fragmented definitions and inconsistent metrics across the sector continue to create barriers that inhibit the growth of a cohesive market. Moving toward a shared foundation of goals, standards, and definitions will be essential.

To facilitate this crucial shift, more research is needed on how policymakers, in collaboration with industry stakeholders, should consider implementing standardized disclosure and reporting frameworks for community bond issuers to reduce information asymmetry and foster investor confidence. This would include research into what appropriate governance systems would be most conducive to advancing community bonds in Canada. Additional research is needed to understand why registered charities, faith-based organizations, nonprofits, and cooperatives might be drawn to community bonds, and what risks they may face in issuing them.

In summary, the study's findings and conceptual framework chart a path toward a transformative shift in the community bond market. Tackling information asymmetry, advancing sector-wide education, and building collaborative relationships across the ecosystem are essential steps toward unlocking the full potential of community bonds. This strategic shift represents more than access to capital; it offers a pathway to sustainable, community-driven growth and a powerful catalyst for social and environmental progress.

## NOTES

1. Impact investing is when an organization intentionally invests to generate positive social and environmental impact alongside financial returns (Global Impact Investing Network, 2024). It is measurable and measured.
2. Following thorough research and insights drawn from initiatives such as the Preston model.

3. Securities are categorized into two primary types: stocks, also known as equities or shares, and bonds, which represent debt. These securities can be traded in both public and private markets, depending on their nature. Stocks confer ownership interests in an organization to their holders, whereas bondholders act as lenders. Within the capital structure, lenders typically hold a higher priority than owners.
4. We use instances where investors are not reimbursed on their investment (i.e., defaulted) or projects fail to materialize as intended, as the definition of failure in the CB market.

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## APPENDIX A

The first strategy for assessment defines four criteria to determine where to allocate funding and assess viability: a. Meaningful outcome for the human being served; b. Significant improvement from the status quo in achieving the desired outcome; c. Sustainability of the initiative once the foundation's support ends; and d. Scalability of the initiative, either in reaching more people or in deepening the impact of the outcomes.

The second strategy employs a PESTEL analysis and Porter's Five Forces model, a framework developed by Michael Porter, a renowned strategy professor at Harvard Business School (CITE). It is a tool used to analyze the competitive environment of an industry and understand the factors that influence profitability. This includes factors such as “supplier power, buyer power, competitive rivalry, threat of substitutes, and threat of new entrants.”

Figure 4: Porters five forces model



## APPENDIX B

Organization (Type)	Sector	Bond Name / Project	Year(s)	Location	Bond Series	Min. Investment	Interest Rate	Term	Interest Payments	Principal Repayment	Amount Raised (Target)	TFSAs/RKSP Eligible?	Investor Package	Notes	Current Status		
Redwood Pay Communities (Charity)	Affordable Housing	Redwood Community Housing Bonds	2024	Barrie, ON	Series A Series B Series C Series D	\$2,500 \$10,000 \$50,000 \$250,000	3% per annum 3.5% per annum 4% per annum 4.5% per annum	4 years 5 years 6 years 7 years	Paid annually At maturity (4 yrs) At maturity (5 yrs) At maturity (6 yrs) At maturity (7 yrs)	At maturity (7 yrs)	\$10M target	Yes (RKSP)	Yes (Offering Statement available)	RKSP eligible, not TFSAs yet (as of early 2024).	Open		
Services and Housing in the Province (SHP)	Affordable Housing	Affordable and Supportive Home to Brampton, Ontario	2025	Brampton, ON	Series A Series B Series C Series D	\$1,000,000 \$5,000,000 \$10,000,000 \$25,000,000	3% per annum 3.5% per annum 4% per annum 4.5% per annum	3 years 4 years 5 years 6 years	Paid annually Pad annually Compounding interest paid at maturity Pad annually	Principal will be held for the term of the bond (ranging from three to six years). Upon Bond Maturity, the principal will be paid in a lump sum. The principal is reinvested in a new bond term that SHP offers.	\$4M target	Yes (RKSP / TFSAs)	Yes (Offering Statement available)		Open		
Bravehouse (Non-profit)	Affordable Housing	Community Bonds (Access, Action, Solar, Yards)	2018-2024	Montreal, QC	Series 3 - General/ Public Series E - All	\$1,000 \$5,000 \$15,000	0% per annum 4% per annum 5% per annum	3 years 5 years 7 years	Paid annually (by direct deposit)	At maturity (3 yrs) At maturity (5 yrs) At maturity (7 yrs)	2018 funded 31 units; 2024 target N/A	No	Yes (available upon request; sign-up form for investor info)	Quebec-based non-profit	Open		
Group 343	Development and Acquisition	Investing with Heart	2025	Quebec, QC	Series A Series B Series C (Investment) Series D (Investment) Series E (Real) Series F (Real)	\$1,000 \$10,000 \$100,000 \$100,000 \$1,000 \$10,000	4.0% per annum 6% per annum 4.0% per annum 4.5% per annum 3.5% per annum 3.0% per annum	5 years 15 years 7 years 5 years 5 years 5 years	Paid semi-annually Seminal payments Pad annually (4/6/8) Pad annually	At maturity (5 yrs) At maturity (15 yrs) At maturity (7 yrs) At maturity (5 yrs) At maturity (5 yrs) At maturity (3 yrs)	-	No	Yes		Open		
SolarShareCo-op (Non-profit/ co-op)	Renewable Energy (Solar)	Solar Bonds	2020-present	Ontario (Toronto)	Series A Series B Series C (Investment) Series D (Investment)	\$1,000,000 \$10,000,000 \$100,000,000 \$100,000,000	4.0% per annum 6% per annum 4.0% per annum 5% per annum	5 years 15 years 7 years 5 years	Paid semi-annually (June & December) Seminal payments Pad gradually	At maturity (5 yrs) At maturity (15 yrs) At maturity (7 yrs)	\$80M raised	Yes (RKSP / TFSAs)	Yes (TFSAs approved Offering statement)	Through Concentra Trust and others.	Open		
Sustainable Capacity Foundation & OSBL (Non-profit/ Foundation & Non-profit)	Energy Efficiency (Fifth Building)	Fifth Fully Green Bonds	2022-present	Ottawa, ON	Rad Supporter Com-Rad Rad Investor Rad Angel	\$1,000,000 \$5,000,000 \$10,000,000 \$10,000,000	2.5% per annum 3% per annum 3.5% per annum 3.5% per annum	3 years 3 years 5 years 6 years	Pad annually	At maturity (3 yrs) At maturity (3 yrs) At maturity (5 yrs) At maturity (6 yrs)	\$1M target	Yes (RKSP)	Yes (Offering Statement provided to investors)	Limited RKSP eligibility (pilot phase)	Open		
SafeRoom (Non-profit/ collectief)	Community Arts Space	RadBonds Building Purchase	2024	Halifax, NS	Rad Angel	\$10,000,000	3.5% per annum	12 years	Pad annually	At maturity (12 yrs)	\$350-500K target	No	Yes (Business Plan and Offering documents via Tapestry)			Small-scale, not redeemable before transfer (transferable after 3 years) amplifies financials. A reserve fund equal to 30% of the reserve is established in security.	Open
LeGrand (Customer) (Non-profit)	Arts & Culture	Grand Costumer Bonds	2017-2018	Montreal, QC	Series A	\$1,000,000	2% per annum	5 years	-	At maturity (5 yrs)	\$50,000 raised	No	Yes (Montreal pilot community bond issuance AMF prospectus exemption)	Private small-scale not registered. Non-redeemable until maturity (transferable after 3 years).	Matured		
Chimaydu Pac (Co-operative)	Arts & Entertainment (Cinema)	Cinéma du Parc Renovation Bonds	2017	Montreal, QC	Series A	\$500,000 (max investment of \$10,000,000)	2% per annum	5 years	-	At maturity (5 yrs)	\$145,000 raised	No	Yes (community bond pilot in Montreal)	Private small-scale not registered. Non-redeemable until maturity (transferable after 3 years).	Matured		
WindShareCo-op (Non-profit/ co-op)	Renewable Energy (Biosol)	ZeroShare Biogas Bonds	2014-2015	Toronto, ON	Series A	\$500,000	7% per annum	7 years	Semiannual payments	At maturity (7 yrs)	\$2.2M raised	Yes (RKSP / TFSAs)	Yes (Co-op Offering Statement via ISRA)	Through Concentra Trust (RKSP / TFSAs eligible membership in co-op required with one-time \$10 fee)	Matured		
WindShareCo-op (Non-profit/ co-op)	Renewable Energy (Wind)	WindShare Turbine Investment	2002	Toronto, ON	Series A Series M Series L	\$100,000,000 \$15,000,000 \$12,000,000	6% per annum 6% per annum 4.5% per annum	5 years 5 years 3 years	Not a fixed rate. Dividends depend on wind project performance. One-time membership + purchase of preferred shares (no fixed interest, returns are co-op revenues (eg early years targeted -5% dividend, subject to performance). Initial share offering required to finance the project. Indefinite share held until member exits (no maturity date). Principal is "paid" only if shares are redeemed (or co-op winds up).	At maturity (5 yrs) \$2.0M raised	No	Yes (initial co-op share offering in 2002)	WindShare's community investment took the form of equity, not interest-bearing bonds.	Active			
Center for Social Innovation	Community Bond	Community Bond Series	2010-present	Nation wide	Series N Series M Series L	\$15,000,000 \$5,000,000 \$12,000,000	6% per annum 5% per annum 4.5% per annum	5 years 5 years 3 years	Interest compounding annually and paid on maturity	\$2M raised	-	-	Yes (CS) pioneered community bonds in 2010		Active		
Kingsway Collegiate (Non-profit/ school)	Education (Private K-12)	KCS Community Bonds	2021-2022	Toronto, ON	Series A Series B Series C	\$2,500 \$10,000 \$10,000	3% per annum 3.0% per annum 3.5% per annum	5 years 5 years 6 years	Paid annually Pad annually Pad annually	At maturity (5 yrs) At maturity (5 yrs) At maturity (6 yrs)	\$4M raised	Yes (RKSP)	Yes (campus website and info sessions)	(RKSP / TFSAs eligible backed by school real estate)	Closed		
Trillium Wilder School (Non-profit/ school)	Education (Private K-8)	Trillium Wilder Bonds	2022	Guelph, ON	Series C	\$125,000,000	4% per annum	7 years	Pad annually	At maturity (7 yrs)	\$1M raised (est.)	Yes (RKSP)	Yes (Offering Statement and Term Sheet provided)	They are secured by a mortgage on the school property (with a 30% reserve fund for investor protection)	Closed		
Armenian Revival Club (Non-profit/ sports/ club)	Sports & Recreation	ARM Net Bonds	2019	Toronto, ON	Series A Series B	\$10,000,000 \$12,000,000	6% per annum 6% per annum	7 years 3 years	Paid semi-annually Pad annually	At maturity (7 yrs) At maturity (3 yrs)	\$1.2M raised	Yes (RKSP)	Yes (community bond prospectus and case study available)	RKSP eligible through administrator.	Closed		
Fin FinanceFund	Climate, Food, Economy	Fin FinanceFund Bond	2024	Series A	\$5,000,000 (or \$10,000,000, a \$5M increments)	2% base interest per annum variable - board may boost rate if surplus allows	5 years	Pad annually	At maturity (5 yrs) (deduct by first-loss grant net to protect investors)	-	-	-	Yes (Offering Statements and term sheets annually)		Closed		
Hartwood House As Charitable	Affordable Housing	Hartwood House Bond	2022	Ottawa, ON	Series B	\$10,000,000	4% per annum	5 years	Paid annually	At maturity (5 yrs)	-	-	Yes (Community Bond Information posted publicly)	The bonds are secured loans to the charity, meant to support its non-profit shared mission.	Closed		
Propolis HousingCo-op (Non-profit/ co-operative)	Affordable Housing	Propolis Community Bonds	2023	Kamloops, BC	Worker Bee Queen Bee Apey Bond	\$10,000,000 \$5,000,000 \$10,000,000	2.5% per annum 3.0% per annum 3.5% per annum	3 years 3 years (est.) 3 years	Paid end of term Pad annually	At maturity (3 yrs)	\$376,310 raised (\$1.1M target)	No	Yes (campaign website/bond details)	Co-op structure	Closed		
Ottawa Community Fund (Non-profit)	Affordable Housing	HousingFormer Bonds	2024	Ottawa, ON	Series A	\$10,000 (open to individual and institutional investors)	Up to 4.5% annual interest	1 year, then 5 year bond	Paid annually	At maturity (5 yrs)	\$3M goal achieved	Yes (RKSP)	Yes (HousingFormer Bond offering launched 2024)	\$100k each to anchor the campaign	Closed		
Indwell (Charitable/ non-profit/ co-operative)	Supportive Housing	Hope & Homes Hamilton Bonds	2024	Hamilton, ON	Series C Series D Series E	\$10,000,000 \$15,000,000 \$50,000,000	4.0% per annum 4.5% per annum 5.0% per annum	3 years 3 years 5 years	Paid annually	At maturity (3 yrs) At maturity (5 yrs)	\$6M raised (\$5M target)	Yes (RKSP / TFSAs)	Yes (Hope & Homes bond offering (RAA-approved))	Registered charity, eligible for both. All individual bonds are secured by mortgages on OCIO properties. Large-scale investment (eg local United Way investment) rates 8.8% in registered form.	Closed		
Play for People (Non-profit)	Affordable Housing	PAP Community Bonds	2023	Haliburton, ON	Series A Series B	\$10,000,000 \$10,000,000	4.0% per annum 4.5% per annum	5 years 5 years	Paid annually	At maturity (5 yrs)	\$450,000 raised	Yes (RKSP / TFSAs)	Yes (PAP bond materials via Tapestry and press release)		Closed		
Earth Day Canada (Charity)	Sustainable Infrastructure (EV Charging)	EcoCharge EV Charging Bonds	2021-2022	Montreal, QC	Series SV	-	3.5% per annum	5 years	Paid annually	At maturity (5 yrs)	\$1.7M raised (\$2M goal)	Yes (RKSP)	Yes (EcoCharge bond offering documentation)	RKSP eligible for alignment. Investors can receive bonus EV charging credits. These bonds are financing a non-profit EV fast-charging network and represents the largest community bond raised (\$2.1M)	Closed		
SEEDS (Arts & Youth Services)	Arts & Youth Services	Project Home HomeBonds	2019-2020	Toronto, ON	Bond A Bond B Bond C Bond D	\$500,000 \$25,000,000 \$10,000,000 \$500,000	4.0% per annum 4.5% per annum 4% per annum 3% per annum	7 years 7 years 5 years 3 years	Paid annually Pad annually Pad annually Pad annually	At maturity (5 yrs) At maturity (7 yrs) At maturity (5 yrs) At maturity (3 yrs)	\$1.1M raised	Yes (RKSP)	Yes (Project Homebond campaign materials)	Charity bonds, RKSP eligible.	Closed		

Note: \*The information included has been compiled to the best of our abilities and is to our knowledge comprehensive.

## APPENDIX C

### Interview overview

Each interview lasts approximately 45 to 60 minutes and follows a semi-structured format. This format allows for consistency in exploring key topics while providing flexibility for probing and follow-up questions based on participants' responses. The interview begins with background questions about the participant and their organization, transitions to investment strategy and experiences with community bonds, and concludes with reflections on risk perception and recommendations for the sector.

### Interview questions

The interview begins with background and contextual questions to understand the participant's organizational role and approach to impact investing. Participants are first asked to describe their role, their organization's mission and primary objectives, and whether their organization engages in social finance or impact investing. Follow-up questions explore the organization's general investment strategy, the decision-making process for adopting new financial instruments, and the key actors involved in these decisions.

Once this organizational context is established, the interview moves to questions about awareness of and engagement with community bonds. Participants are invited to explain their understanding of community bonds, whether their organization has invested in them, and the motivations or barriers associated with that decision.

The next phase of the interview examines risk perception and information asymmetry. Participants are asked how they perceive the financial, social, and reputational risks associated with community bonds and to describe the information they rely on to assess these risks. They are prompted to reflect on their confidence in the accuracy and completeness of the information available and whether gaps, inconsistencies, or uncertainties have affected investment decisions.

To capture factors that influence investment behaviour, the interview further explores the relative importance of financial returns compared to social or environmental impact, the organization's tolerance for financial risk in impact-oriented investments, and whether market conditions or project-specific uncertainties have influenced investment decisions in the past.

The interview concludes with reflections and recommendations. Participants are asked what would make community bond investments more appealing to their organization, whether additional information or reporting could increase their confidence, and how they envision their organization's role in supporting social finance initiatives evolving in the future. They are then invited to share any additional insights or experiences they believe are relevant to the topic.

### Coding and analysis

All interviews are audio-recorded via Zoom with participants' consent and transcribed for analysis. Personally identifiable information is removed, and pseudonyms are assigned to ensure confidentiality. Transcripts are analyzed using grounded theory procedures, including open, axial, and selective coding, to develop an inductive understanding of investment behaviour and risk perception.

Responses are coded across six dimensions of risk perception—subjective, cognitive, emotional, situational uncertainty, controllability, and confidence—adapted from the frameworks of Renn et al. (2009) and Sitkin and Weingart (1995). Each dimension is scored on a three-point scale (1 = low, 2 = moderate, 3 = high). Total scores classify participants into three investor typologies: Finance First ( $\leq 10$ ), Impact First (11–15), and Philanthropy First ( $> 15$ ). This structured coding approach allows for systematic comparison of how different investor types respond to information asymmetry and perceive risk in community bond investments.

## TRANSCRIPT MEASURES

### Finance First Investors:

- Subjective factors:
  - Attitudes toward community bonds: Generally skeptical or negative, with a focus on financial returns over social or environmental impact.
  - Perceived benefits: Primarily focused on financial returns, with skepticism towards the social or environmental benefits of community bonds.
  - Perceived risks: Concerned about financial risks primarily, with additional skepticism towards the social or environmental risks associated with community bonds.
- Cognitive factors:
  - Information processing: Systematic analysis of financial data, with less emphasis on social or environmental metrics.
  - Decision-making strategies: Rational analysis based on expected financial returns, with less consideration given to social or environmental impact.
  - Risk perception accuracy: Emphasis on objective measures of financial risk, with skepticism towards subjective assessments of social or environmental risks.
- Emotional factors:
  - Emotional responses: Skepticism or distrust driven by the perceived lack of financial viability or credibility of social finance projects.
  - Risk tolerance: Moderate risk tolerance for financial risks, with a preference for investments perceived as more conventional and less socially focused.
  - Emotional biases: Potential biases against community bonds driven by skepticism towards their social or environmental impact potential.
- Situational uncertainty:
  - Market conditions: Sensitivity to market fluctuations, with skepticism towards the viability of social finance projects in uncertain market environments.
  - Project-specific uncertainty: Doubt regarding the feasibility and potential returns of specific community bond projects, particularly those with social or environmental missions.

- Controllability:
  - Perceived control: Belief in the ability to influence investment outcomes through traditional financial strategies, with skepticism towards the effectiveness of social finance initiatives.
  - Risk management strategies: Active engagement in risk mitigation strategies focused on traditional financial risks, with less emphasis on addressing social or environmental risks perceived as less tangible or controllable.

### **Impact First Investors:**

- Subjective factors:
  - Attitudes towards community bonds: Positive, with a focus on both financial returns and social/environmental impact.
  - Perceived benefits: Balance between financial returns and social/environmental benefits, with a willingness to accept lower financial returns for greater impact.
  - Perceived risks: Willing to tolerate higher financial risks to achieve greater social/environmental impact.
- Cognitive factors:
  - Information processing: Systematic analysis incorporating both financial and impact metrics, evaluating projects based on dual criteria.
  - Decision-making strategies: Rational analysis with a focus on maximizing social and environmental outcomes alongside financial returns.
  - Risk perception accuracy: Consideration of both financial and impact-related risks in decision-making.
- Emotional factors:
  - Emotional responses: Excitement and commitment driven by the potential for significant social and environmental impact.
  - Risk tolerance: Higher risk tolerance for financial risks in pursuit of greater impact.
  - Emotional biases: Potential for biases towards projects with compelling social or environmental missions.
- Situational uncertainty:
  - Market conditions: Sensitivity to market fluctuations, but with a greater emphasis on impact-related uncertainties.
  - Project-specific uncertainty: Concern about the feasibility and impact potential of specific projects, alongside financial viability.
- Controllability:
  - Perceived control: Belief in the ability to influence investment outcomes, particularly in maximizing social and environmental impact.
  - Risk management strategies: Active engagement in risk mitigation strategies, with a focus on impact-related risks.

**Philanthropy First Investors:**

- Subjective factors:
  - Attitudes towards community bonds: Positive, with a primary focus on social and environmental impact rather than financial returns.
  - Perceived benefits: Solely focused on social and environmental benefits, with no expectation of financial returns.
  - Perceived risks: Minimal concern about financial risks, with a primary focus on ensuring mission alignment and impact effectiveness.
- Cognitive factors:
  - Information processing: Systematic analysis of social and environmental metrics, evaluating projects based on their potential for mission fulfillment.
  - Decision-making strategies: Rational analysis with a focus on maximizing social impact while ensuring alignment with philanthropic goals.
  - Risk perception accuracy: Limited consideration of financial risks, with a primary focus on impact-related risks.
- Emotional factors:
  - Emotional responses: Strong emotional connection to projects aligned with philanthropic goals, driven by the desire for social change.
  - Risk tolerance: High tolerance for financial risks, with a willingness to accept losses in pursuit of social impact.
  - Emotional biases: Biases towards projects aligned with personal or organizational philanthropic missions.
- Situational uncertainty:
  - Market conditions: Limited concern about market fluctuations, with a primary focus on project-specific uncertainties related to impact potential.
  - Project-specific uncertainty: Emphasis on assessing the effectiveness and scalability of projects in achieving philanthropic goals.
- Controllability:
  - Perceived control: Belief in the ability to influence social outcomes through strategic philanthropic investments.
  - Risk management strategies: Limited engagement in traditional risk management strategies, with a focus on due diligence to ensure mission alignment and impact effectiveness.

**Scale from 1 to 3, where:**

- 1 indicates low perception or involvement.
- 2 indicates moderate perception or involvement.
- 3 indicates high perception or involvement.

- Subjective factors:
  - Finance First: 1 (Negative perception towards community bonds)
  - Impact First: 3 (Balanced perception focusing on impact and financial returns)
  - Philanthropy First: 3 (Positive perception towards community bonds with a sole focus on impact)
- Cognitive factors:
  - Finance First: 1 (Emphasis on financial metrics)
  - Impact First: 2 (Systematic analysis incorporating financial and impact metrics)
  - Philanthropy First: 3 (Systematic analysis focused on impact metrics)
- Emotional factors:
  - Finance First: 1 (Skepticism or distrust driven by financial considerations)
  - Impact First: 2 (Excitement and commitment driven by potential social and environmental impact)
  - Philanthropy First: 3 (Strong emotional connection to projects aligned with philanthropic goals)
- Situational uncertainty:
  - Finance First: 2 (Concern about market conditions and project-specific uncertainties)
  - Impact First: 2 (Consideration of impact-related uncertainties alongside financial uncertainties)
  - Philanthropy First: 1 (Focus on project-specific uncertainties related to impact potential)
- Controllability:
  - Finance First: 2 (Belief in the ability to influence investment outcomes through traditional financial strategies)
  - Impact First: 2 (Belief in the ability to influence investment outcomes through strategic impact-focused strategies)
  - Philanthropy First: 3 (Belief in the ability to influence social outcomes through strategic philanthropic investments)
- Confidence:
  - Finance First: 2 (Confidence driven by financial considerations)
  - Impact First: 2 (Confidence driven by the potential for impact alongside financial returns)
  - Philanthropy First: 3 (Confidence driven by the desire for social change)

Total scores align with the investor categories as follows:

- Finance First: Total Score ( $\leq 10$ )
- Impact First: Total Score (11–15)
- Philanthropy First: Total Score ( $> 15$ )

## Through the Looking-Glass: Investment Transparency of Canadian Foundations

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### ABSTRACT

Foundations are under increased scrutiny as to the source, investment, and use of their assets. Although disclosure of total assets and disbursements is mandatory in many countries, information on investment portfolios is not required and, historically, foundations have rarely volunteered such information. However, the rise of trust-based philanthropy and interest in impact and responsible investing encourage greater voluntary investment transparency. This article examines the current state of investment transparency among Canadian foundations, which collectively hold over \$135 billion in long-term investment portfolios. Through interviews with foundation leaders, it explores the perceived benefits and barriers to investment transparency, and the factors that support or inhibit greater openness. While the findings indicate that Canadian foundations value transparency in general, voluntary disclosure on investments is limited due to a variety of risk factors and the lack of demand from stakeholders or the public. The study also points to emerging trends that are raising expectations for greater investment transparency by foundations.

### RÉSUMÉ

Les fondations font l'objet d'une surveillance accrue en ce qui concerne la provenance, l'investissement et l'utilisation de leurs actifs. Bien que la divulgation du total des actifs et des déboursements soit obligatoire dans de nombreux pays, les informations sur les portefeuilles d'investissement ne sont pas requises et, historiquement, les fondations ont rarement communiqué ces informations de leur propre initiative. Cependant, l'essor de la philanthropie fondée sur la confiance et l'intérêt pour l'investissement responsable encouragent une plus grande transparence volontaire en matière d'investissement. Cet article examine l'état actuel de la transparence des investissements parmi les fondations canadiennes, qui détiennent collectivement plus de 135 milliards de dollars dans des portefeuilles d'investissement à long terme. À travers des entretiens avec des dirigeants de fondations, il explore les avantages et obstacles perçus quant à la transparence des investissements, ainsi que les facteurs qui favorisent ou entravent une plus grande ouverture. Si les résultats indiquent que les fondations canadiennes accordent généralement de l'importance à la transparence, la divulgation volontaire des investissements est limitée en raison

de divers facteurs de risque et du manque de demande de la part des parties prenantes ou du public. L'étude souligne également les nouvelles tendances qui suscitent des attentes accrues en matière de transparence des investissements par les fondations.

**Keywords / Mots clés :** transparency, philanthropic foundations, financial reporting, nonprofit governance, investment practices / transparence, fondations philanthropiques, information financière, gouvernance des organismes sans but lucratif, pratique d'investissement

Foundations are increasingly being called upon to be more transparent and accountable to their stakeholders and the general public (Johnson Center, 2023). This expectation arises from increased scrutiny of how wealth has been generated, the industries and locales in which assets are invested, and the potential of the billions held by foundations to have greater societal impact when stewarded accordingly. Although in many countries, foundations are required to publicly report their total assets and disbursements on an annual charitable tax return, they do not need to provide information on their long-term investment portfolios. Historically, foundations have rarely volunteered information about their investments (Buteau, Glickman, Leiwant & Loh, 2016; Lasby & Barr, 2012). As a result, little external attention has been given to how these assets are managed or the implications for the work of foundations and the communities they serve.

This article examines the current reporting practices of foundations in Canada, their leaders' perspectives on investment transparency, and the challenges involved in greater public disclosure of investments.<sup>1</sup> We define *investment transparency* as public disclosure relating to investment portfolios, policies and practices, including but not limited to specific investment holdings, governance and decision-making processes, policy statements, and arrangements with asset managers. To be useful in advancing accountability, such information needs to be visible and accessible, readily understood, and "free from pretense or deceit" (WINGS, 2015). Transparency of investment portfolios is complicated because these assets are invested in various financial mechanisms, including endowments, bonds, equities, mutual funds and impact investment tools. In addition, funds are often pooled and managed by external asset managers. Recognizing such complications, we ask: to what extent do Canadian foundations voluntarily disclose their investments? What are the perceived benefits and barriers to investment transparency, and what factors support or inhibit greater openness? The analysis is intended not only to contribute to the literature on philanthropy, but also to be of practical value to board directors, foundation staff, investment managers, and policy makers in assessing whether and how current practices might be adapted for enhanced transparency.

The article first considers the role of transparency across different accountability mechanisms, outlining arguments for and against transparency by foundations. We then briefly outline the requirements for foundation transparency in the Canadian regulatory system. The bulk of the article focuses on findings from interviews with leaders of Canadian foundations and concludes with recommendations for enhancing investment transparency.

## TRANSPARENCY IN ACCOUNTABILITY SYSTEMS

Transparency operates within broader accountability systems. Accountability is the obligation to

accept responsibility for one's actions in light of an organization's mission and agreed-upon expectations, take action to address problems created, and explain and justify those actions to others (Fox, 2007; PAGVS, 1999; WINGS, 2015). It is inherently relational, involving interactions with an authority or other stakeholders (Bovens, 2010; Pilon & Brouard, 2022). These external relations can take three forms, which often co-exist as a "polycentric" accountability system whose components may or may not be complementary (Phillips, 2013). Authority-based accountability rests with a government regulator that has the power to compel certain information and issue sanctions if the required information is not provided in a timely and accurate manner. "Regulation by transparency" is premised on the power of information *per se* and typically involves a (self-appointed) third party that collects and disseminates information, often providing ratings of organizational performance that are intended to become encoded as organizational and public norms. Because organizations value their reputations and seek to maintain public trust, it is assumed that they will adjust their behaviour accordingly (Weil, Fung, Graham & Fagotto, 2006). The third form is "horizontal" (Phillips & Smith, 2011; Schillemans, 2008) or "democratic" accountability (Kraeger & Robichau, 2017), which rests on the benefits of responsiveness and answerability to stakeholders as well as support for shared values and sector norms of conduct. In the first two forms, transparency is what Kraeger and Robichau (2017) call "instrumental"—a means of avoiding sanctions or protecting reputation—while in the third, transparency is voluntary and a vital component of relationship-building and performance improvement.

The case for government-mandated or third-party-led foundation transparency is based primarily on the public obligations that flow from the tax incentives provided to donors: authorities need to ensure that foundations serve charitable purposes (Alepin, 2021; Tyler, 2011). Although they are legally private institutions created by private wealth, foundations nevertheless have some basic obligations to the public and to governments as a result of tax subsidies on these donations and exemption from other taxation. Fleishman (2007) argues that foundations "have no excuses for non-transparency, because of their quasi-public nature created by the tax benefits they enjoy." In contrast, Brody and Tyler (2010, p. 579) debunk the "myth" that foundations can be considered public institutions whose assets belong to the public at large and that should be subject to democratic controls. Their case is that foundations are required to serve the charitable purposes for which they were established and, while important to society, this does not render their operations "public," subject to government or other public controls. Further, to single out foundations from other private entities (including for-profits that also receive tax credits and other tax-favoured treatment) for greater public information on their operations would be unfair. Finally, because foundation assets have been created through private wealth, respect for the privacy of donors and grantees justifies limits on transparency.

Kraeger and Robichau argue that, even if one accepts a case for mandated accountability and instrumental transparency, these approaches are inadequate and do not serve foundations well, particularly in the current context, where their legitimacy is called into question (Heydemann & Toepler, 2006; Reich, 2018). The rise of trust-based philanthropy underpins the case for voluntary transparency. A reciprocal trust-based approach creates goodwill in relationships with stakeholders and promotes greater accessibility and equity among grantees. Transparency is one means of building trust, as it enhances a foundation's ability to demonstrate achievement of its mission and commit-

ment to values of clarity, openness and honesty (Buteau et al., 2016; Schorr, 2004). It provides better data for more informed decision making, is seen as a reflection of professionalism and good governance (Commonfund Institute, 2019), and deepens engagement among diverse sector actors (Dhami, 2021; Tyler, 2013). Transparency can also improve investor education (Boston College, 2008; Fleishman, 2007; Mahlab & Harrison, 2016; OECD, 2020) and is linked to success in impact investing, which relies on knowledge and metrics on financial and social returns (Millani Investments, 2020; Wood, 2020). The risk inherent in transparency, however, is that actual impact will be shown to be less than anticipated.

The cases for and against the value and imperatives of transparency have been argued mainly on principle, while systematic analysis of the actual practices of investment transparency is lacking. This study aims to fill that gap by providing the first exploration of views and practices on investment transparency in a Canadian context. Before examining voluntary transparency, the next section briefly reviews regulatory requirements in Canada, identifying the relative strength of the three bases of accountability.

## THE CANADIAN REGULATORY REGIME

The Canadian charity accountability regime is largely authority- and government-driven, with the tax agency serving as regulator. As registered charities, public and private foundations are subject to regulations under the *Income Tax Act* and guidance administered by the Charities Directorate of the Canada Revenue Agency (CRA).<sup>2</sup> CRA oversight requires annual financial reporting on Form T3010 for the approximate 86,000 registered charities, including information on a foundation's revenues and expenses and granting activities (by recipient organization and amount) to ensure that disbursements are directed toward charitable purposes. An additional concern of the tax agency is the prevention of private benefit by foundation directors, which includes restricting business ownership through the foundation (in contrast to some European countries where business ownership is allowed).<sup>3</sup> The information required on investments is limited to general disclosure, which includes reporting lines for cash and short-term investments, long-term investments, real estate, other capital assets, impact investments, and investments made with persons not at arm's length (Canada Revenue Agency, 2024).<sup>4</sup> While these offer total amounts, there is no requirement for specific details of investments, descriptions of the alignment with a foundation's mission, or how this wealth is managed.

The role of third parties as quasi-regulators, or at least as public sources of information, is relatively limited in Canada compared to other countries. For example, the U.S. has a long history of "watch-dogs" such as Charity Navigator, which provide information about and ratings of charities (Cnaan, Jones, Dickin & Salomon, 2011; Szper & Prakash, 2011). In the U.K., the Sarasin Compendium offers a practical handbook for charitable investment practices, including an overview of the performance of different asset classes, aimed at achieving reasonable returns without undue risk (Sarasin & Partners, 2020). The Canadian approach tends toward general guidance on investment policy. In particular, Imagine Canada's (voluntary) Standards Program provides a broad-based indicator of investment good practices: "Organizations with investable assets over \$100,000 must have an investment policy setting out asset allocation, procedures for investments, and asset protection issues" (Imagine Canada, 2018, Standard B8). Any third-party public reporting is limited by the

availability of data, however. While not calling itself a “watchdog” agency and viewed with skepticism by many (Phillips, 2013), Charity Intelligence Canada (CIC) presents itself as a research analyst that “holds charities to account.” Using a rating scheme that draws data primarily from T3010 filings, CIC rates charities—mainly operating charities as opposed to foundations—on their financial transparency, overhead spending and impact, although it does not assess their commitment to investment transparency. Similarly, on a subscription basis, the Veritas Foundation (2024) provides a somewhat more detailed analysis of financial performance and transparency, but its scope is also constrained by the limited availability of investment data.

The lack of external obligation regarding investment transparency gives foundations latitude to restrict or expand their practices on an individual basis, guided by a foundation’s own convictions and the commitment of its leadership to public transparency. In the U.S., Buteau and colleagues (2016) found that foundations are less transparent than other sector organizations and generally do not disclose performance assessments or reports on their operations “despite their belief that it would be beneficial to do so.” Canadian practice seems to align with that of U.S. foundations, as the information provided has historically been limited to audited financial statements. Although now outdated, a Canadian survey on foundations from 2011 reveals that 39 percent proactively provided financial statements and that 37 percent would release such information upon request (Lasby & Barr, 2012). The remainder of this article examines whether current practices have become more open to transparency, first outlining our methodology.

## METHODOLOGY

This study assesses the current reporting practices on investments by Canadian foundations and leaders’ perspectives on them. The methodology was designed in two phases: first, a set of 100 public and private foundations provides a “baseline” of transparency practices across the sector; and second, interviews with the leaders of a subset of foundations from this group focus on self-reported practices and perceptions of the advantages and challenges of investment transparency. There are about 11,000 foundations in Canada, of which 6,200 are private and 4,800 public (including about 200 place-based community foundations (Fugiel Gartner, 2024). The selection frame for the baseline set comprises Canada’s top 100 private and public foundations based on asset size (all exceeding \$100 million according to their 2022 charity tax return), with the rationale that the investment strategies of these large foundations have consequential effects on philanthropy. We expect that larger foundations will have professional staff and investment committees and are likely to be at the forefront of transparency (Saxton, Kuo & Ho, 2012).

The baseline set is broadly representative of the Canadian foundation population, with 54 private, 37 public and 9 (public) community foundations. The extent to which these foundations demonstrate financial and investment transparency was assessed through a review of the information available on their websites, as well as in annual reports, other relevant documents and Investment Policy Statements (IPSs—internal policy documents that establish guidelines for the prudent investment of a foundation’s assets). The criteria used to assess transparency (with a point assigned to each criterion) included information on:

- Board members and their positions

- Participation in impact investing
- Audited financial statements
- Annual reports, including investment information
- Investment committee
- Investment policy or statement of investment philosophy
- Holdings or other fund details
- Fund managers

Based on their total scores on these criteria, the 100 foundations were categorized as either “higher/some” transparency (the top 50 percent) or “lower/no” transparency (the lower 50 percent).<sup>5</sup> Since even many large foundations do not have websites or provide other publicly accessible information, few score very highly on these criteria (Pearson, 2023; Phillips, 2018). We thus divided the set into two broad categories and sampled more from the top half.

A sample of 32 foundations was selected for interviews based on a cross-section of: 1) those with higher transparency (intentionally over-represented) and lower levels of transparency; 2) legal status as public, community or private (family) foundations; and 3) geographical representation across Canada. The research followed the protocols approved by the University Ethics Review Board. Invitees were first contacted by an email outlining the study’s purpose and indicating collaboration with the partner foundation, followed up with a reminder email one week later. The response rate of this first round was 16 percent, with five foundations accepting the invitation to participate: 12 declined, and 15 did not respond to the reminder emails. Of the 12 who declined, 42 percent did not provide reasons, 33 percent declined due to lack of capacity, and eight percent declined for privacy concerns. Due to the low response rate in the first round, a second round of invitations was sent to 10 foundations to increase participation among private family foundations, which were under-represented. Of these, four participated in interviews, a response rate of 40 percent; one declined with no reason, and the remaining five did not respond.

In total, the study consisted of nine semi-structured interviews lasting 30–45 minutes each with the leaders of four public foundations, three private foundations and two community foundations, conducted from mid-March to late May 2024. Two of these were primarily sponsors of Donor Advised Funds (DAFs), one of which was closely affiliated with a financial institution, and one with a hospital. Of the nine participants, four operated in the Western provinces and five were based in Ontario or Québec. Relative to the broader Canadian foundation sector, the interview sample had an over-representation of public foundations, as well as DAF holders and hospital foundations.

Participants held a variety of senior staff positions within the foundations: three were CEO/EDs (Chief Executive Officers/Executive Directors), two were CFOs (Chief Financial Officers), three were Directors of Investment, and one was a CIO (Chief Information Officer). Informed consent forms were signed before the interviews began, and participants were assured of the confidentiality of their information and anonymity (including from the partner foundation), unless they explicitly chose to be identified by name or organization. Interviews were recorded, transcribed and uploaded to NVivo, then coded and analyzed according to the themes presented in Appendix 1.

The response rate was disappointing, particularly in comparison with other studies of foundation leaders conducted by our research team, and may be explained in three ways. The first is simply that foundations are reluctant to discuss investment transparency. In addition, two developments inadvertently coincided with recruitment and may have had a significant dampening effect on participation rates. Legislation (Bill 279) introduced for debate in the Senate in October 2023 proposed amending the *Income Tax Act* to require registered charities to report on the diversity of their boards and staff (Omidvar, 2023). Debate around the Bill may have raised concerns that the federal government would regulate other aspects of transparency and board governance that foundations were not yet prepared to address.

The third factor is that the start of the interview period coincided with the protests and encampments on many university campuses across the country and internationally calling upon university pension and endowment funds to disclose and divest from any support for Israel and the occupation of Palestine (Holder, Lu, Sugiura, Beck & Press, 2024). While political action and media attention focused on university endowments, the calls for disclosure and divestment may have raised more general concerns about investments, silencing discussions related to transparency. Although we cannot accurately assess the effects of these factors on study participation, nor impute motives to those who declined to respond or participate, these contextual factors need to be acknowledged. Different timing may have resulted in higher participation rates. Alternatively, rising demands for divestment of certain types of investments may have created a new environment of uncertainty, making such conversations more restrained going forward.

## FINDINGS

The analysis first assesses current reporting practices on investments by Canadian foundations. Drawing on the interviews with foundation leaders, we then explore the perceived benefits and barriers to implementing greater investment transparency. The research considers foundation investments, which include “traditional” investment portfolios—market-based asset classes and government bonds aimed at financial returns that usually constitute the bulk of foundation endowments (Fugiel Gartner, 2024). It also considers the broad categories of impact investments, which seek both a social and financial return, and responsible/ESG (“ethical”) investments. While impact and responsible investments are growing in importance and the foundation leaders interviewed were very keen—indeed, often preferred—to talk about the state of their impact-oriented portfolios, the analysis concentrates on transparency related to “traditional” investments.<sup>6</sup>

### Practices of transparency

A backdrop to self-reported practices is provided by reviewing the information available through websites and other public documents of the full set of 100 foundations. As shown in Table 1, no more than 50 percent of this set publicly reported on any of the criteria. The most commonly available information pertains to board members (49%) and audited financial statements (40%). The self-reported practices of transparency generally aligned with our assessment of actual information. However, given that the interview sample intentionally over-represented “higher transparency” foundations to capture the practices of leading-edge institutions, the transparency of these foundations ( $N = 9$ ) is greater than that of the full set. Over half of the participant sample makes in-

formation on board members and impact investing available, as well as audited financial statements and annual reports. The least transparent aspects were investment holdings (with only one posting its investment holdings on its website) and identification of fund managers.

**Table 1: Public reporting by foundations**

Criteria	Full Set: No. of foundations (N = 100)	Interview sample: No. of foundations (N = 9)
Disclose Board Members	49	8
Participate in Impact Investing	16	7
Audited Financial Statements publicly available	40	6
Annual Report includes investment information	Not included	6
Disclose Investment Committee	14	4
IPS Publicly available	13	4
Disclose holdings or fund details	Not included	3*
Disclose Fund Managers	8	1

Notes: \* No foundations disclose actual holdings; 1 lists all funds but no percentages; 2 list fund details of their impact investments only, not the entire portfolio

As shown in Table 2, very few (N = 2) interviewees confirmed that their foundations proactively disclosed specific information about investments. However, 44 percent (N = 4) indicated that they would have no problem sharing such information and would be transparent with anyone who asked. When those who did not make their IPS public were asked if they would be willing or able to share their statements confidentially for this research, each required permission from a superior. Of these, 22 percent were granted permission, while the others were unable to share the foundation's IPS.

Asset managers are important intermediaries in investing, and all but one foundation relies on external managers. Half of the interviewees could name their asset managers, which suggests such management is hived off from the overall governance of their organizations.

When asked about specific practices for their investment portfolios, participants typically listed asset mixes (such as infrastructure and fixed income) or class percentages and targets. Several highlighted specific companies or broader industries in which they were invested, and 44 percent noted their divestment strategies to avoid what they deemed unethical investments, including industries such as weapons, alcohol, gambling, and fossil fuels. Six foundations (67%) noted their investments in potentially contentious industries without suggesting they were divesting from these, while two named specific companies of concern.<sup>7</sup> Only one would or could share any specific holdings. One foundation stood out as well above the sector norm, publishing its investments, including naming specific funds, on its website. While the sample size is too small to assess differences across types of foundations, the common factor among those with a public IPS

**Table 2: Practices of reporting on investments**

	Routinely, proactively report	Share information when asked	Other / Strategy not clear
Number of foundations	2	4	3

is that they were more engaged with peers through peak associations, affinity networks or by other collaborations noted during the interviews. Foundations that operated in more isolated contexts tended to be less transparent.

Limits to transparency appear to be partially explainable by limited public demand:

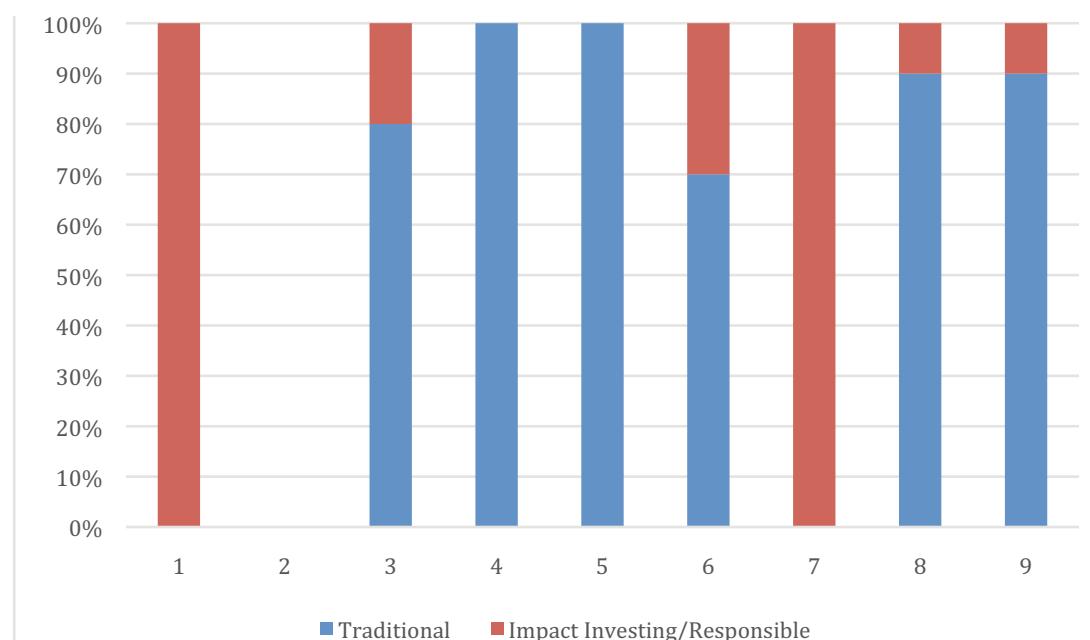
We don't get a ton of questions about the investments. (Participant 8)

I'm surprised that [transparency] is not brought up more, to be honest. It is quite interesting, but it isn't asked about more by donors ... it's not something they really worry about, even our partners. It rarely gets asked "what is in your portfolio" or "how are you managing it." Honestly, over the time I have been with this organization, there's never been a query from a donor. (Participant 4)

Several interviewees thus raised concerns about the amount of time it would take to provide regular public reporting on investments—information that, to their knowledge, stakeholders are not requesting.

Traditional financial-return investments still dominate portfolios, although several foundations indicated that they have taken up impact-oriented and responsible investing in a serious way. By comparison, a 2021 survey of 93 foundations conducted for Philanthropic Foundations Canada (Fugiel Gartner, 2024:54), finds that most foundations are still in the early stages of impact and responsible investing. Of those with over \$100 million in assets, 56 percent said they undertook responsible investing, while 36 percent were involved in impact investing—a lower proportion than our sample. In our interviews, those engaged in impact investing tended to discuss the philosophies behind it, which often extends into responsible investing, such as the principles of screens, divestment, and shareholder engagement that they consider when making decisions about investments. The conflation of responsible and impact investing likely accounts for the portfolios of at least two of the foundations in Figure 1.

**Figure 1: Foundations investment portfolio splits**



A strong preference across participants was to showcase their impact investing funds and projects, if they had them, rather than discuss the bulk of their financial-first investment portfolios, despite clarification that the focus was on “traditional” investments. Most participants preferred to highlight the work they are the proudest of, including their impact investment activities. This tendency is reinforced by higher expectations of reporting on impact investments:

The more traditional portfolio doesn't get as much external attention, I would say. I think it's partially ... a capacity issue in that it takes basically our whole team's effort to do the impact investing report each year. (Participant 3)

While definitions of impact investing varied widely among participants, each indicated that transitioning 100 percent of their portfolio to an impact lens on investing was a long-term goal.

### Perceived benefits of investment transparency

The findings demonstrate that a high value is placed on transparency, although practices vary considerably and are tailored to different audiences. All participants noted the priority their foundation places on transparency in everything they do, notably highlighting openness about their grantmaking and information sharing with donors. In particular, many describe their missions and operations as open, transparent, equity-driven, and trust-based.

I think that transparency is an important part of doing trust-based philanthropy. We want to have the trust of community organizations, donors, partners and other organizations that we work with, and this requires a degree of transparency. Transparency also allows the community to hold us accountable for the commitments we've made to them. (Participant 9)

Yet, the same participant observed that practice may not fully meet aspirations:

Transparency is something that our foundation would probably be a champion for as it aligns well with our trust-based philanthropy ... I would say there's definitely transparency missing in our foundation. (Participant 9)

In general, the foundation leaders who placed the greatest value on transparency were those who worked from an equity-oriented and trust-based approach and those engaged in peer networks (which tend to be the same foundations). Consistently, foundations operating in more siloed ways did not see the value of being transparent and perceived more serious barriers to its implementation.

Participants observed that the meaning and practices of transparency are highly dependent upon the audience—whether donor, grantee, regulator or the broader public. One-third of participants highlighted transparency with grantees regarding how the foundation spends its funds as their primary concern, while one-third emphasized transparency with donors in how funds are used. Only two foundation leaders mentioned sharing information regarding investments, one of whom indicated that sharing investment information with grantees was a priority, as it clarified where the funding comes from and how the foundation uses its resources for good. In addition, four (44%) participants noted their desire to be transparent with the public about what they fund, while an equal number expressed their desire to be transparent with donors on how they fund.

Having conversations is fine. It's not that we ever want to avoid conversations. I don't know if that (discussing holdings) drives a good conversation with donors. I think more about allocation, talking about where you're putting the money in, and then try to talk about how much good you're doing with the money. (Participant 8)

If often implied or conveyed indirectly, the advantages of transparency were nevertheless clear and consistent. The main benefit is linked to foundations' strong desire to communicate the positive outcomes of their work and their commitment to trust-based philanthropy. A second benefit is the education of board members and support for the work of the board as a whole. While none of the participants were board members of their foundations, many sat on the boards of other organizations and noted that boards tended to be bifurcated. Some directors had a great deal of investment knowledge and placed their trust in their investment committee or asset managers to manage the money appropriately; others held fast to traditional methods of investment with considerable resistance and skepticism towards change or risk. Less knowledgeable and more hesitant board members often generated a passive governance stance around investments. Greater transparency with a variety of stakeholders might prompt boards to exercise more strategic oversight of investment strategies.

I think it's still a belief held by boards that their fiduciary responsibility is only about making money for the organization. And I believe that has been totally debunked now. [Lawyers] made the case that it's about what that money does. If that money is doing harmful things, then you are not meeting your fiduciary responsibility. (Participant 6)

Third, greater transparency can make for better relationships with asset managers. The study revealed concerns that some investment managers are incentivized to "greenwash" investments by making unfounded claims about the impact, sustainability and ethical nature of funds (Northcott, 2022). The growing use of ESG claims increases skepticism about the metrics being used and precisely what is being presented as impact or responsible investing. Transparency could generate greater confidence in metrics and serve to hold external asset managers to greater account.

If foundations were more transparent about what their portfolios looked like, there would be more opportunity to engage with asset managers to push for positive change. Without that openness, it's just sort of everyone operating in their vacuums. (Participant 3)

A final benefit is the learning process associated with conversations and collaborations related to transparency. A challenge of increasing transparency is finding an appropriate fit of approaches with different audiences—the *hows* and *whats* rather than the *whys* of transparency. Engaging with peers on this can advance adoption of suitable approaches, encourage a greater commitment by boards and, through collective action, create change in the broader philanthropic system.

### Perceived barriers to transparency

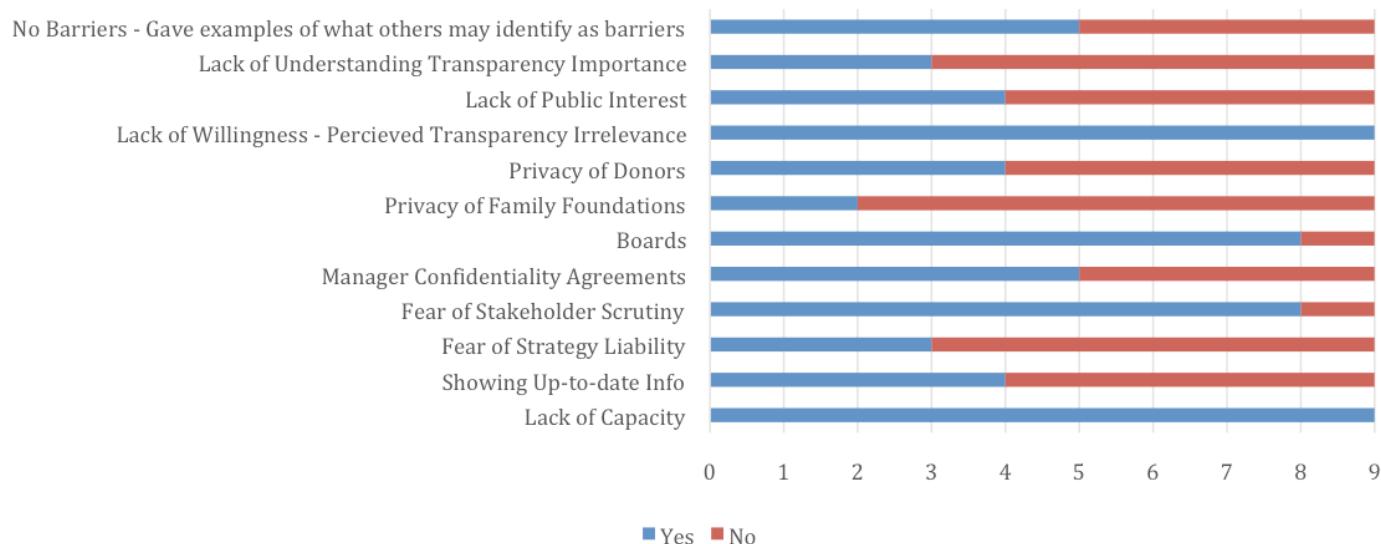
Views on increased transparency varied widely, ranging from those who believed that nothing should hold foundations back from greater transparency to those who felt it was unnecessary. Over half ( $N = 5$ ) of foundation leaders indicated they did not perceive any serious barriers to greater transparency, although they noted several issues that may have contributed to hesitancy among

others. They also stressed that foundations needed to discount the common excuses often offered by reluctant peers.

I wouldn't have been comfortable talking about investing at all, but I've gotten much more involved in it since our donor asked. That's kind of a soft barrier because, you know, one can always get their game up in terms of knowledge. But I think that some CEOs are just intimidated in getting involved in those conversations because they don't have the skills that their investment committee members have. (Participant 6)

As summarized from Figure 2, four key factors and risk considerations stand out as constraining more proactive investment transparency by foundations: 1) lack of relevance for stakeholders; 2) legal risks; 3) reputational risks; and 4) the practical challenges of implementation.

**Figure 2: Barriers to investment transparency in foundations**



### Lack of relevance

Foundations tend to give priority to stakeholders who are more important and demanding, specifically key donors and regulators (WINGS, 2015). For many foundations, there is little incentive to devote time and effort to investment transparency, since it does not seem of importance or benefit to their organization, their stakeholders or the charity regulator. This perspective often stems from the foundation's core mission: the fact that it is grantmaking, rather than investing, which directs the organization's attention and resources. In pursuing this mission, directors and donors are the focus of accountability, and they receive any information requested. A related rationale we heard frequently was the lack of demand from donors or other stakeholders. If a stakeholder requests detailed information on any part of a foundation's work, it would generally be provided. However, there is no utility in routinely providing such information if it is unrequested or unlikely to be used.

I guess my first question would be to what end? So that we can all make data-informed decisions as a sector? [There is no point if] it is just sitting there as a compliance measure where we're spending weeks preparing reports that ultimately just get shelved. (Participant 9)

### Legal risk

Risks of competing legal requirements are inherent to greater transparency and, while not the primary barrier to greater investment transparency, can be significant. The legal framework, which includes privacy, trustee and income tax law, creates complexities and potential conflicts of responsibilities to different audiences. Although such legislation is intended to protect the public, trustees, and donors, differing requirements create inconsistencies in how foundations practice transparency. A core concern is the potential conflict between the board's commitment to social responsibility toward stakeholders and its fiduciary responsibilities, including its legal duty to meet a prudent investor standard under trustee law. This conflict is accentuated with impact investments and is further complicated by the lack of clarity and consistency of the statutory rules governing investment of charitable funds across provinces and with the CRA (Carter, Lazier & Westerhof, 2023). In addition, transparency may run counter to certain privacy legislation and contracts with asset managers. A concern was also raised that open information about investment strategies may encourage others to emulate them, potentially leading to legal troubles.

We could open ourselves to all sorts of legal trouble as well, because what if an individual goes on the website, sees all the holdings that we have and says, "Oh, I'm going to mimic exactly that because they are saying they make an 8 or 9 percent return" ... we are opening ourselves to legal trouble there. (Participant 1)

Given that legal concerns readily make boards risk averse, the reality—or perception—of differing legal requirements is an impediment to advancing strategies governing transparency. While not within the scope of this study, an important area for further research is to review the *Privacy, Trustee, Freedom of Information, and Income Tax* Acts to assess their individual and combined effects on transparency.

### Reputational risk

Risks to a foundation's reputation arising from greater scrutiny that exposes it to criticism or controversy are reported as among the most serious barriers. This includes fear of criticism from peers and other stakeholders that the foundation's investments might not align with its mission. For community and other foundations that need to fundraise on an ongoing basis, such criticism can directly lead to a loss of donors. The potential for reputational risk is exacerbated by the difficulty of satisfying all stakeholders, given divergent expectations regarding investments.

I'm being very frank with you—people are worried about being criticized for it ... There are groups [grantees/organizations] who are saying we won't accept money if it comes from this or that area. (Participant 2)

One problem is you're opening yourself to too much scrutiny. Everyone has a moral ground and everyone has a bias towards some things. And you know, as a small foundation, we just don't have the capacity to defend ourselves for every single position that we have. We just don't have the time. (Participant 1)

For family foundations, there is particular concern about respecting and protecting the privacy of the donor family, who may wish to avoid a public spotlight on their wealth. This concern is pronounced for small foundations and for those in small communities.

I think particularly the private foundation world where the family is still very much wanting to stay in the shadows on these things. (Participant 6)

Rather than a possible source of criticism or reputational risk, investment transparency may simply be perceived as an unnecessary distraction by the board, donors or other stakeholders.

The foundation's mission is to do philanthropic work. It's not to manage an investment portfolio. So, you know, we don't want our website to become a place where people are coming to learn about our investments. People should be coming to our website to learn about the philanthropic work we do. (Participant 1)

### Practical challenges of implementation

The lack of capacity for additional reporting, including difficulties in providing current investment information, is cited as the main impediment to increased investment transparency. Reporting requires time and staff resources, which are in short supply even in larger organizations. Investment data is a niche domain, and the ability to analyze and explain it to a broader audience requires specialized expertise, which is generally lacking among foundation staff. Technology and data limitations compound these implementation challenges, as it is often difficult to obtain accurate current information due to market volatility.

It's more of a capacity issue ... there's a lot of insider investment language used in here. (Participant 6)

In addition, when a foundation has a “winning” strategy that is producing above-average returns, it may be hesitant to share specific information on the investment mix.

I wonder if people are more hesitant to share information if they're the ones doing the work of what to invest and what the mix should be and giving the advice. (Participant 4)

Funds are usually managed externally and are often pooled, which presents distinct challenges. With pooled funds, it is difficult to disaggregate information on specific investments. We also heard the comment that “investment managers can get in the way.” This included concerns that asset managers may require Non-disclosure Agreements (NDAs) or may not be very creative in relation to a foundation's needs.

On the investment side, we're a bit restricted because ... you need an NDAs with our managers so ... because of their product, and they don't want anyone else to know the products that they don't want out because that's their competitive advantage. (Participant 8)

As Sjögren (2024) notes, foundation assets are primarily managed by firms that specialize in pension funds or the portfolios of wealthy families, rather than in foundation endowments. Consequently, they may “bring little expertise and fresh thinking to foundations.” In particular, the lack of expertise of conventional fund managers may constrain impact investing, although it has also created an emerging market for a new breed of asset managers.

In sum, the perceived barriers are significant, and many participants mentioned more than one. The cumulative effect results in hesitation by boards to promote greater investment transparency.

Although we did not interview board members, it seems apparent that senior staff are more open to transparency than many of their boards.

I do think the boards are our biggest barrier to change in investment and strategy, but not because they're assholes around it, but because they take so seriously their role and they don't want to lose money for a charity ... I would love our board members to have the excuse that we have to be transparent. (Participant 6)

While the multiple barriers appear significant, those who favoured greater investment transparency were emphatic that some of these impediments can be quite readily overcome, and that some function as excuses from reluctant peers rather than significant constraints. With the rise of equity-oriented and trust-based philanthropy, which is associated with a positive attitude toward and more extensive practices of transparency, the influence of these perceived barriers may diminish in the coming years.

### **DISCUSSION: TOWARD INCREASED INVESTMENT TRANSPARENCY**

The foundation leaders interviewed for this study emphasized the value placed by their organizations on transparency, particularly related to their grantmaking and impact, and specifically for their donors and other key stakeholders. Practices of transparency related to investments are more limited, however, as few foundations report their holdings, investment committees, fund managers or Investment Policy Statements. Nevertheless, the benefits of greater transparency are recognized, including the ability to showcase outcomes of the foundations' work and their commitment to trust-based philanthropy, as well as educate board members, foster better relationships with asset managers, and facilitate learning processes and collaborations. We also noted multiple barriers—whether real or perceived—to the implementation of greater transparency. These are centred on limited public, stakeholder and regulator demand, legal considerations, reputational risks and lack of capacity. While many leaders felt these risks could be addressed, the cumulative effect is to make boards cautious about information on investments. The rise in impact investing, which necessitates greater reporting, is a driver for increased transparency. However, reporting on impact investments consumes time and resources, diverting those available for public reporting on more traditional investments.

Given both the perceived benefits and barriers to investment transparency, how might greater transparency be achieved, and at what costs? We explored three pathways with foundation leaders: government regulation; third party “regulation by transparency”; and sector- or organizational-led changes in practices.

The reactions to government regulation varied, although more than half of the leaders (56%) expressed serious reservations about additional regulation. Their arguments included the following: that governments should not regulate the internal operations of private organizations; that regulation could not account for the many differences among foundations and would therefore be unworkable; that regulation would further strain organizational capacity; and that it could introduce additional legal risks. By contrast, those who supported increased regulation made the case that foundations should not be so closed about the bulk of their assets, and regulation could, moreover, prompt boards to become more open:

My view is that any regulatory strengthening would be positive. I think it's kind of ludicrous that foundations can be so closed off with what they do with 95 percent of their portfolio. (Participant 3)

I think that whatever it takes to move the sector is important. For years boards leaned on their fiduciary accountability as an excuse to do whatever they wanted with investments to make the most money possible. (Participant 6)

When asked about their perspectives on third-party certifying organizations, many participants responded with deep hesitation and a great many questions, including about the credibility and reliability of any third-party "watchdog."

The routes to increased investment transparency appear to be through learning, peer networks, and the innovations and leadership of individual organizations. Some of this adaptation is already occurring through roundtables and sector conversations, although these are often seen to be "preaching to the converted." When asked to discuss their awareness of current discussions around investment transparency in Canada and their participation in any of these, four leaders (44%) said they were aware and actively involved; two said they were aware of such discussions, but only within a context that was significant to them; while three said they had little to no awareness of this discourse and so did not feel it was something they needed to take part in.

[More roundtables] would be like preaching to the converted. I'm already at a table and I will say, I'm glad to be here and to lend evidence, but it doesn't feel like the best use of my time because I'm already on the train. (Participant 6)

One recommendation is to broaden the net and diversity of participants in such conversations, while raising awareness among foundations that remain on the sidelines.

So how do you get those foundations to start thinking about transparency? For me, that's the biggest challenge. There are probably 30 or 40 [private] foundations in the country that are doing this well or are interested in it. And we have thousands of foundations that just don't ... How do we raise awareness about the need to have these conversations for people who say we are sitting on billions of dollars? (Participant 2)

Looking to the future, most foundation leaders envision an evolution toward increased transparency, which—if it were to become the norm, and however facilitated—would also encourage more impact and ESG investing.

[The sector is] not static. It's evolving. And I find foundations either move really fast or really slow ... So it will change and it could change really fast or it could change more gradually, but it will change because there's almost always a willingness. (Participant 8)

As an exploratory study of foundation practices and perceptions of investment transparency, the research seeks to open avenues for more in-depth future research. As an initial examination, this study has many limitations. Most significant among these is the small sample size, which constrains nuanced analysis by type, size and other organizational factors, and impedes broader generalization. Our sense is that there are significant differences both between public versus private foundations, and between those that have adopted a trust-based and equity-oriented approach versus those

with more traditional top-down granting strategies. Our expectation is that, in general, public and trust-based foundations are more responsive to and likely to lead change. Given that early adopters of innovations tend to be emulated (DiMaggio & Powell, 1983), thereby recasting and shaping sector norms, we need a better understanding of the factors that might drive change toward increased investment transparency.

## CONCLUSION

A clear message from this study is that Canadian foundations value transparency. They seek to showcase their good work, and many want to do so through a trust-based approach that is grounded in openness and information-sharing with donors, grantees and other stakeholders. Foundations also aim to expand their impact and ESG investments, which require metrics on financial and social returns. As the study also shows, approaches to transparency are dependent upon and tailored to different audiences, among which donors, partners and regulators are key.

In contrast to the transparency practices surrounding grantmaking and outcomes, those on investments are limited. Less than half share basic information on their board members or make audited financial statements available, and very few make their investment policies public. It is even rarer for foundations to routinely report on their investments, although most will readily share such information if asked to do so. Yet, since donors and other stakeholders rarely request it, devoting time and staff expertise to standardizing investment reporting does not appear justified. Investment data is a niche area, and funds are generally managed externally and often pooled, which makes foundations reliant on their asset managers for timely, accurate market information. Boards tend to be more cautious about investment transparency than foundation staff. A challenge for boards is navigating the conflicting fiduciary and legal responsibilities of being prudent investors while adhering to privacy laws and also fulfilling the foundation's mission. Furthermore, greater scrutiny poses a reputational risk if investments are disappointing or perceived as not aligning with the overall mission. Public foundations that need to fundraise can be concerned about losing donors, and private, family foundations may wish to avoid the spotlight about their wealth. Collectively, these concerns have fostered some hesitancy regarding investment transparency.

It is essential, however, to look ahead and consider whether emerging trends might alter expectations, thereby placing new pressures on foundations. In recent years, institutional philanthropy has come under greater scrutiny about the sources of wealth, its uses, and the value of perpetual endowments in promoting systems change and intergenerational justice. The growing calls for responsible, ethical investing and for disclosure and divestment from certain industries or support for war efforts are creating a new, more uncertain environment for institutional philanthropy. Far from representing a strange fantasy world beyond the looking glass, these recent developments may be an opportunity for foundations to enhance stakeholder and public understanding and engagement in philanthropy. As our research shows, Canadian foundations were already questioning the whys and hows of greater investment transparency: why should we be transparent, how do we do so, and what information is relevant?

This study provides a first step toward understanding differing perspectives and narratives on investment transparency. Its limited participation rate also leaves many questions unanswered and

prompts new ones. A larger sample of foundations would enable more nuanced analysis of the differences between private and public foundations, as well as differences by asset size, locale and other factors. Topics for further inquiry include a closer look at the combined effects of taxation, investor, reporting and privacy regulations by province. While foundations were generally found to support greater investment transparency, views diverged as to how to affect change, but with a general sense that it should come from the foundation sector rather than through regulation. If greater regulation were introduced, how could it be made to fit the diversity among foundations? A closer examination of the existing networks and discussion tables, as well as what is shared within these spaces, would help the sector better assess opportunities for learning and collective action. Due to divergent beliefs about the public responsibilities of private wealth, there may never be a common ground across all philanthropic institutions, but cross-sector conversations offer a promising starting point.

## NOTES

1. The study was conducted in collaboration with the MakeWay Foundation, with support from a Mitacs internship. A public foundation dedicated to advancing social, economic, ecological and culture justice, MakeWay is interested in better understanding how greater transparency could affect how investments are managed and used for greater impact.
2. Private foundations typically derive more than 50 percent of their assets from a single donor (an individual, family, or corporation), and at least half of their trustees or board members are not at arm's length from one another. While they can conduct their own charitable activities, most operate as grantmaking organizations. By contrast, public foundations generally receive funding from a diversity of sources and must have more than 50 percent of their board members at arm's length from one another.
3. Foundations must indicate on their tax forms if they own more than two percent of any class of shares of a corporation at any time during the fiscal period (Canada Revenue Agency, 2024).
4. As of the 2023 fiscal year, the T3010 also requires reporting on the number and value of Donor Advised Funds (DAFs).
5. This analysis of public documents built on a study conducted for MakeWay Foundation by Rheann Quenneville.
6. As reported in a 2021 survey, the target distribution of Canadian foundation investment portfolios was: cash or equivalents, 7 percent; fixed income, 27 percent; Canadian equities, 31 percent; non-Canadian equities, 40 percent; alternative investments, 21 percent; and real estate, 8 percent (Fugiel Gartner, 2024:48)
7. The literature and conversations are divided on the benefits of divesting from contentious industries; an alternative would be to use the position as shareholder to push corporations for change (Boston College, 2008; MPNL Philanthrothink, 2023: <https://carleton.ca/mpnl/2023/wise-investment-esg-impact-responsible-investing-a-philanthrothink-mpnl-webinar-may-11/>).

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## APPENDIX 1

### Thematic Coding Chart

- Participant Information
  - Public Foundation
  - Private Foundation
  - Mission & Vision
  - Granting priorities
  - Regional work
  - National work
  - International work
  - Participant Role in Foundation
- Transparency Discourse
  - Definition/Language
  - Perspective
  - Exposure
  - In granting
  - In finances
  - In investments
- Stakeholder Relationships
  - Grantees
  - Donors
  - Public
  - Peers
- Transparency Practices
  - Website
  - Reports
- Investment Practices
  - Fund Managers
  - ESG/Socially Responsible Investing
  - Impact Investing
- Barriers
  - Lack of capacity

- Showing Up-to-date info
- Fear of Liability
- Fear of Stakeholder scrutiny
- Manager Confidentiality Agreements
- Unwilling/hesitant boards
- Privacy of Family Foundations
- Privacy of Donors
- Lack of willingness — perceived irrelevance
- Lack of Public interest (no one is asking)
- Lack of understanding the importance of Transparency
- Indicated No Barriers, but listed off some that others may consider to be barriers
- Sector Engagement
  - Involved in Networks
  - Transparency Legislation Perspective
  - Transparency Certification Perspective

## Services for Women Leaving Prison in Canada: Results of a Brief Environmental Scan

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### ABSTRACT

Women are a growing population in prisons in Canada. When women leave prison, community-based organizations (CBOs) can provide immediate material resources, and facilitate connection to healthcare and other services. We conducted an environmental scan of CBOs that support women leaving prison in order to identify potential gaps in service delivery, and identified 86 CBOs distributed across ten provinces, with a lack of services in rural areas and a general lack of housing. The rapid growth in the incarceration of women has not been met with an investment in CBOs. We call for an investment in, and increased attention towards, community-based housing as both a reentry service and an alternative to incarceration.

### RÉSUMÉ

Les femmes représentent une population croissante dans les prisons canadiennes. Lorsque les femmes sortent de prison, les organisations communautaires peuvent leur fournir immédiatement des ressources matérielles et faciliter leur accès aux soins de santé et à d'autres services. Nous avons enquêté sur les organisations communautaires qui soutiennent les femmes sortant de prison afin d'identifier les lacunes potentielles dans la prestation de services, et avons recensé 86 organisations réparties dans dix provinces, avec un manque de services dans les zones rurales et un manque général de logements. La croissance rapide du nombre de femmes incarcérées n'a pas été accompagnée d'investissements dans les organisations communautaires. Nous appelons à investir dans les logements communautaires et à leur accorder une attention accrue, à la fois comme service de réinsertion et comme alternative à l'incarcération.

**Keywords / Mots clés :** women, prison, criminalization, community housing, community organization / femmes, prison, criminalisation, logements communautaires, organisation communautaire

## INTRODUCTION

Although women make up a small percentage of the overall prison population in Canada, their rate of incarceration is fast growing. The incarceration rate of women in federal prisons increased by 50 percent between 2000 and 2020 (Department of Justice Canada, 2024). On a given day, there are approximately 800 women in federal prisons and 3,000 in provincial prisons (Correctional Service Canada, 2025; Statistics Canada, 2024). Most provincial prisons are co-located with men. Despite this rapid growth, incarcerated women remain an under-served population.

There is a lack of systematically collected and publicly available data on the experiences of women in prison, including access to healthcare, health outcomes, and the number of children affected by maternal incarceration. This data gap is especially acute for Indigenous women, who are severely overrepresented in the Canadian prison system (Public Safety Canada, 2023). The absence of this information impedes service delivery and advocacy efforts and intentionally obscures the realities faced by incarcerated women and gender-diverse people.<sup>1</sup>

### Mapping the incarceration of women in Canada

Our team had previously conducted an environmental scan of all facilities designated to detain women and girls in Canada, including provincial and federal prisons, youth detention centres, immigration detention centres, and secure forensic hospitals (Paynter, Bagg, & Heggie, 2020). We created this inventory to respond to a practical knowledge gap regarding where women are incarcerated in Canada and to counter the pervasive invisibilization of women and girls in prison, subsequently using it to analyze distances required to access essential health services, including maternity care and procedural abortion (Paynter & Heggie, 2023).

We are also committed to collecting evidence about the health outcomes of women in prison, which we have done through surveys and community-based qualitative research (Paynter et al., 2022, 2023, 2025a, 2025b). This evidence highlights the significant threats to health equity created by carceral systems. To counter these threats and support individuals after incarceration, services must operate with a fundamentally different approach. Our qualitative research—and that of others—underscores the importance of judgment-free, accessible, community-based services in supporting reintegration after incarceration. These organizations operate outside of carceral systems, allowing them to advocate for clients from a trauma-informed, non-punitive standpoint.

Such services are especially critical post-release, a time when women often struggle to access essential supports in their home communities (McLeod et al., 2020; Sheppard & Ricciardelli, 2020; To et al., 2017). Access to safe and stable housing is arguably the most foundational need for successful reintegration (Doyle et al., 2022; Hu et al., 2020; Jacobs & Gottlieb, 2020). Other immediate needs include connection with children, income, employment support, and healthcare access. While health concerns may be deprioritized in the face of more urgent material needs, timely healthcare linkage during this period can reduce reincarceration as well as lower emergency and acute care visits (Wang et al., 2012, 2019).

Organizations specifically designed to support people leaving prison are uniquely positioned to navigate the complexities of bail, parole, and community supervision. Services tailored to women

and gender-diverse people are especially crucial, as they address gendered challenges like safety from gender-based violence, reconnection with children, and access to reproductive healthcare.

### **Services for women leaving prison: Environmental scan results**

Prior to our environmental scan, there was no comprehensive national inventory of organizations designated to support women and gender-diverse people leaving prison in Canada. This gap makes it difficult to assess which populations are underserved by existing support networks. Building on our previous inventory of facilities that detain women and girls, we conducted a brief environmental scan of community-based organizations (CBOs) that support women and gender-diverse people leaving provincial, territorial, or federal prisons. We defined *community-based* as existing outside of prison and not operated by any government body responsible for the administration of justice. Our inclusion criteria required that a CBO's public website explicitly state that they provided services for women and/or gender-diverse people exiting the carceral system.

We developed a list of information sources by province and territory, drawing on our team's experience, partner consultations, and social services directories. These sources were then validated, followed by a thorough scan augmented by Google searches to identify additional services, including those for trans and gender-diverse people. We also translated key terms to conduct French-language searches. did not contact any organizations directly as part of this initial scan. Our methodology identified 86 CBOs across Canada serving women and gender-diverse people exiting the carceral system. British Columbia, Ontario, and Nova Scotia reported the highest numbers of CBOs. Conversely, we only identified five in Québec, Canada's second-most populous province. We did not identify any CBOs providing housing in Newfoundland and Labrador or Prince Edward Island. Notably, no CBOs specifically designated to support women and gender-diverse people leaving prison were found in Yukon, Nunavut, or the Northwest Territories, despite each having a territorial prison designated for women.

Identified CBOs included Elizabeth Fry Societies, faith-based organizations, and other non-profits or registered charities. These organizations provided a range of services including housing, criminal-legal system navigation, material supports (e.g., rent funds, food banks), parenting supports, and healthcare navigation and clinical services. Of the CBOs identified:

- 65 percent were in large population centres
- 9 percent provided rural and remote outreach (none were physically located in rural areas)
- 54 percent offered housing, ranging from four-bed homes to buildings with 128 individual units
- 37 percent of housing services allowed children
- 4 percent of housing services required abstinence from drugs and alcohol
- 4 percent of housing services explicitly practiced harm reduction

### **DISCUSSION AND RECOMMENDATIONS**

The conclusions we can draw from this scan are necessarily limited. We excluded organizations

that do not explicitly state support for women and/or gender-diverse people leaving prison, even though many—for example, women's centres or male-focused re-entry programs—may offer them support regardless. This is especially likely in rural or remote areas, where a single community organization often serves multiple roles. We also excluded government programs, including those run by Correctional Service Canada or First Nations band councils. Furthermore, despite using French search terms, we may have missed certain Québec-based services. Since we did not contact any CBOs directly, we lack detailed knowledge of their specific programs, housing capacity or policies. The goal of this scan is not to claim that no such support exists in a given community, but rather to highlight where service availability and accessibility appear limited.

Unsurprisingly, CBOs are concentrated in urban centres, indicating a potential service gap for women and gender diverse people returning to rural communities, or incarcerated in a rural prison. Consider an example from Saskatchewan, where the largest housing service for women leaving prison is in Saskatoon, the province's largest city by population and a considerable distance from the two prisons designated for women in the province. The provincial Pine Grove Correctional Centre is in Prince Albert, 143 km north of Saskatoon; and the federal Okimaw Ochi Healing Lodge is in Maple Creek, 423 km southwest of the city. Given that approximately 32 percent of people in Saskatchewan live in a rural area (Statistics Canada, 2022), the geographic dispersal of both prisons and CBOs presents challenges, and advocates have called attention to lack of transportation to home communities and/or housing organizations for women leaving prison (Larson, 2021; Maxwell, 2021). Similarly, in New Brunswick, the provinces only prison designated for women is in Miramichi, 267 km northeast of the province's only designated housing service in Saint John.

Beyond the issue of uneven geographical distribution, the specific nature of some identified CBOs highlights potential gaps. In Atlantic Canada, which has Canada's highest rural population (Statistics Canada, 2022), half of the 10 identified CBOs are faith-based. While these programs may offer secular services, reliance on these organizations raises concerns. For instance, one such group listed "crisis pregnancy centres"—anti-abortion organizations that misrepresent themselves as healthcare providers—as a resource (Montoya et al., 2022). Given the known barriers to post-incarceration healthcare in rural areas (Heggie et al., 2025), it is troubling that women and gender-diverse individuals may be left dependent on organizations that actively discourage abortion access. The findings of this exploratory environmental scan also show that the rapid growth in the incarceration of women has not been met with corresponding investments in CBO-led housing. Advocates and CBO leaders have long called for expanded housing support for women post-release or seeking bail (CBC News, 2024; Grant, 2020; Latimer, 2023; Sciarpelletti, 2023).

The gaps revealed by this brief environmental scan reinforce the need for prison abolitionist approaches. As researchers and practitioners, we argue that redirecting resources toward CBOs also makes practical sense, especially amid increasing reports of overcrowding in women's prisons (OCI, 2024; Thayaparan, 2025; Warick, 2024). We fundamentally reject the notion that the growing number of incarcerated women justifies the construction of new prisons. The systemic inequalities exacerbated by incarceration—including housing insecurity, poverty, and limited access to healthcare—are at the root of the barriers faced by women and gender-diverse people after release. Seen through this lens, CBO-led housing and support becomes not just a re-entry service, but a potential

alternative to incarceration. Prison abolition calls for us to question the inevitability of prisons in society. We therefore call on researchers and nonprofit practitioners to de-centre the prison and re-orient efforts away from carceral expansion and toward non-punitive models that promote reintegration and health equity.

## NOTE

1. As this article focuses on the population in prisons designated for females—a group that includes not only cisgender women but also transgender women and other gender-diverse individuals who are detained in female-designated facilities—we use the term ‘women and gender-diverse people’ to accurately reflect this community.

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