

GuideStar International Interview with Michael Hall, Vice President, Research (Imagine Canada) about the GuideStar Canada Initiative

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How would you describe civil society and philanthropy in Canada as a whole and the role of CSOs in strengthening the society?

The nonprofit and charitable sector is a fundamental part of Canadian life with an economic contribution that far outstrips key economic players such as the finance and insurance, automotive and agricultural industries and a social contribution that really is immeasurable. Comparative studies have shown that the nonprofit sector is larger in Canada than it is in most other countries and that Canadians are among the most active in terms of their charitable giving and volunteering. Historically we have relied on charities and nonprofits to deliver services to citizens and address their needs and we have always charted a middle course between relying on the market or big government. It really is hard to imagine what life would be like in Canada without the contributions that our civil society makes.

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Why did you decide to start working towards building a GuideStar system? Did you assess any other technological alternatives?

“The GuideStar system has the advantage of being tried and tested and countries like ours are able to benefit from the experience of those that have already been down this path.”

I’ve been following the development of GuideStar systems since the first one was established in the US and have been convinced of its value for some time. CanadaHelps our partner in developing a Canadian GuideStar had come to the same independent conclusion. Surprisingly, it was only when we discovered that we both were planning to attend last year’s GuideStar Assembly that we learned of each others mutual interest in GuideStar. That event turned out to be the catalyst for what became a joint initiative to develop a GuideStar type of service in Canada.

We considered the possibility of building our own system, but soon realized that working with GuideStar International would enable us to realize our goals much more effectively and cost-efficiently. The GuideStar system has the advantage of being tried and tested and countries like ours are able to benefit from the experience of those that have already been down this path. Working with GuideStar International has allowed us to shave months off the development cycle and we have been given the opportunity to leverage the investments that had already been made in developing GuideStar in the UK.

I also have to say that I was personally attracted by GuideStar International's vision to create a global movement of GuideStars working collaboratively to improve knowledge about civil society. Equally important, I've had the privilege of knowing some of the key people at GuideStar International and GuideStar UK for a number of years now and I have a great deal of respect and appreciation for the work they are doing.

What have been the challenges and opportunities in establishing a GuideStar system?

I guess the biggest challenge at this stage in our efforts is funding. Most of the people we talk to about GuideStar understand the benefits it can provide and support its establishment in Canada. However, it is very difficult to get funding in Canada to support infrastructure and GuideStar Canada is no exception. Canada's foundation community is quite small relative to countries like the US and the Canadian government shows little interest in the development of the charitable sector, unlike the UK.

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With respect to opportunities, I think one of the greatest is our ability to access a GuideStar system at a relatively low cost, without having to incur large development costs because that work has already been done for us by GuideStar International. We are also in a fortunate position in Canada because our charity regulator, the Canada Revenue Agency, is very much in the forefront of other countries with respect to its provision of digitized charity information that we can

use as the information backbone of the web site.

I also think that the charitable sector in Canada is beginning to recognize that they cannot rely on government to support or invest in charity infrastructure, which means there is more of a willingness to consider how the sector itself can pull together to develop the basic infrastructure it requires on its own.

Where will the data for the system come from?

The data will come from two sources. Basic information for all charities will come from data that is publicly available through the Registered Charity Information Returns that charities are required to file each year with the Canada Revenue Agency. We will supplement this data with information that charities provide voluntarily through the website.

Who are the main national partners in the initiative and how are you engaging with them?

Our main partner is Canada Helps, which operates Canada's only online giving portal. We are working with them to establish GuideStar Canada as a separate joint initiative of

our two organisations. We are also in active conversation with a number of other national organizations and these have been very positive.

I notice you mentioned Canada Helps, do you think that some of the initiatives that GuideStar in the US has been able to go forward with in terms of collaboration with different organisations including giving sites and other nonprofit organisations and foundations... do you think that is something you will explore once the system comes on board.

We definitely will, and in fact we have already begun exploring these possibilities. GuideStar Canada is a joint initiative of Imagine Canada and CanadaHelps and we began this with the understanding that the GuideStar Canada website would link into CanadaHelps' online giving platform. We have not established any other formal partnerships but we have already benefited from support that has been provided by umbrella organizations like Community Foundations of Canada and Philanthropic Foundations Canada.

What has been the general reaction among stakeholders to the GuideStar initiative in Canada?

The reaction has been very positive. Almost everyone we speak to sees the value in a system like GuideStar. Now, that does not mean that they are beating down our doors to offer funding. But these are still early days and we don't have a concrete product to show people. We expect to have a beta site developed shortly that will enable us to really demonstrate the value of a GuideStar for Canada.

What value do you see in a GuideStar system and how do you think it will help to bring positive changes in Canadian civil society?

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Well I think there are five main benefits that a GuideStar system can offer in Canada. First, is the ability it has to provide strategic insights about the charitable sector – its size and scope, the role it's playing in communities, whether it's vibrant and growing or whether it is in decline, how it's resourced, and so forth. I think this is going to really be fundamental for improving our understanding of how the charitable sector operates and what its strengths and weaknesses are. Second, is the ability to help funders and donors match their funding interests to the charities that are working in their communities.

Third, is the opportunity GuideStar provides for reducing transaction costs between funders and charities. Funders can access essential information about charities via GuideStar rather than requiring charities to report the information directly to them. It can reduce administrative data entry costs and reduce the reporting burden for charities, which need only to provide key organizational information to GuideStar once, rather than repeatedly report the same information to multiple funders. The fourth is its ability to promote transparency and accountability within the sector. Improved public access to information should encourage charities to attend to the quality of the

information they provide and offer an incentive for charities to improve their reporting practices. Finally, we really think that it will help small charities make themselves visible in the large Canadian charitable sector. We have just over 80,000 charities in Canada, but half of them are run entirely by volunteers and have very modest resources. GuideStar Canada will give these small charities a very easy web presence to communicate their message to donors and stakeholders in the community.

What do you hope to achieve in the future?

Of course we have a lot of ambitions for GuideStar Canada, but I guess what we need first of all is to establish a sustainable operation that engages a critical mass of charities, donors and funders. Ideally, charities and all of their stakeholders will come to view GuideStar Canada as an indispensable tool that supports their engagement with one another.

Do you have any advice for other countries interested in developing a GuideStar?

It's very early days for us and our success is in no way guaranteed, so I'm not sure I'm in much of a position to offer advice to others. But, I can share what I've learned so far. My first observation is the value that collaboration can bring. The initiative in Canada is a joint effort of Imagine Canada and CanadaHelps. Each organizations brings unique strengths – Imagine Canada as a leading national umbrella organization with substantial expertise in the nonprofit sector, related knowledge development and knowledge transfer and CanadaHelps as a leader in providing on-line giving services for charities with substantial experience in on-line technology, search and web development. By working together we have been able to draw on each other's strengths and are able to do more than we could do separately. Funders also appear to appreciate our willingness to find a collaborative solution to addressing the information needs of the charitable sector.

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I also believe that the success of our efforts will depend to a large degree on our ability to engage with other charity stakeholders to ensure that the information we provide through the web site and the functionalities we develop meet their needs. Our initial discussions with stakeholders have demonstrated to us the potential power of a GuideStar in Canada but the power will be untapped if we do not have broad engagement in its future development.

One must, of course, exercise due diligence and assess the capacity for one's country to support a GuideStar platform. But, abstract presentations about the theoretical benefits of a GuideStar may not be as compelling to potential supporters as concrete demonstrations of the commitment of organizations or individuals to make something happen. Perhaps the best way to really understand what is possible and what is not, is to simply get started and try and do it.