



Nonprofit Leadership: It's All about Trust: Podcast Transcript

Mary Barroll: Welcome to CharityVillage Connects, I'm your host Mary Barroll.

(SFX: Hummingbird flying and tone)

Mary Barroll: That's the sound of a hummingbird pollinating our world and making it a better place. The hummingbird is CharityVillage's logo, because we strive, like the industrious hummingbird to make connections across the non-profit sector and help make positive change. Over this series of podcasts, we'll explore topics that are vital to the non-profit sector in Canada. Topics like diversity, equity and inclusion, mental health in the workplace, the gap in female representation in leadership and many other subjects crucial to the sector. We'll offer insight that will help you make sense of your life as a non-profit professional, make connections to help navigate challenges and support your organization to deliver on its mission.

Transition music

Mary Barroll: In this episode...

News clips:

Global News <https://www.youtube.com/watch?v=c8l7exmfaq4>

In: (0:00) "Turning now turning now to the WE charity controversy the organization's Founders, brothers Craig and Mark Kielburger are set to appear before the House of Commons Ethics Committee, opposition MPm say they still don't have a complete picture of the ties between WE and the Prime Minister's family" Out: (0:17)

CBC News <https://www.youtube.com/watch?v=wE3W4SsVcCY>

In (0:00) "five women and four men have been elected to Hockey Canada's Board of Directors, a diverse group of individuals with a wide range of expertise tasked with helping to turn things around at the organization after its handling of sexual assault allegations." Out (0:14)

CBC News https://www.youtube.com/watch?v=CHGn_xlMCLc



In: (15:10) “An investigation...bankrolled by Canadians.” Out: (15:37)

Mary Barroll: Buffeted on all sides from seemingly endless waves of controversies and challenges, nonprofit leadership in Canada finds itself increasingly under the microscope. Public trust in the sector has reached new lows in recent years, particularly in light of high-profile revelations about how organizations such as Hockey Canada and WE Charity conducted their activities. With donations in decline, and as the sector grapples with issues around transparency, accountability, and the lack of diversity at the highest levels, we’re asking: is it time for a leadership refresh in the non-profit sector?

Steven Ayer:

This gigantic decline in trust in charities is not specifically and entirely due to the WE charity scandal. It's clearly something that's happened over a period of at least 12 years between the great recession and before the pandemic.

Matt Fullbrook:

On the one hand, it's hard to overstate the role in the sense that ultimately the board is responsible for everything. They're the ones whose butts are on the line. The CEOs and executive directors that you mentioned only have authority because the board made a decision to delegate authority to them. But ultimately, the board is the one who's responsible for all that behavior, including transparency.

Dr. Wendy Cukier:

And we know in the sector, for example, women, for a long time have held most of the roles in the non-profit and charitable sector, but they tend still to be underrepresented in leadership relative to their representation in the workforce. We know that racialized people and newcomers and especially black people, are still very underrepresented, especially in leadership roles and, and persons with disabilities and those who identify as Indigenous or LGBTQ2S + are still almost invisible.

John Hallward:

It may be just a numbers game, with 85,000 charities, and not a lot of great auditing between the CRA and the charity sector, it doesn't have enough resources to be more vigilant, with 85,000 charities you're



bound to get a few bad apples or people who stretch the moralities and the ethics of what the laws describe.

Bruce MacLellan:

Your audience may not want to hear this, but what happens is, because it's a not-for-profit, the audiences tend to assign a higher level of expectation. So, if you're a not-for-profit charity, we expect you to be even better, even more ethical, even more careful, even more responsible in your behavior and your choices.

Paulette Senior:

There's been a tidal shift away from advocacy towards modern day provision of public services in lieu of government services. And what this gives us is a good grounding on the reality of the highest levels of the non-profit leadership has historically been white male led monocultural and straight.

Mark Blumberg:

I think that we need to have more transparency and accountability. We have to stop thinking of the charity sector as just being only angels and nice well-meaning volunteers getting together to make the world a better place. It's a \$300 billion sector involving millions of people and some of them the most vulnerable people in our country.

Transition music

News clip:

Context <https://www.youtube.com/watch?v=QwY455XKxs8>

In: (0:00) Will the WE charity scandal affect other Canadian charities as the House of Commons finance committee hearings continue to probe into the alleged conflict of interest both the prime minister and finance minister had in awarding the Canada student service grant program to WE charity, the question is what if any will the lasting effects be on other Canadian charities." Out: (0:26)



Don: In June, 2020, allegations of bias and favouritism by the federal government towards WE Charity and its leadership had become headline news. By September of that year, the impact of the ongoing scandal was being reflected in how people across Canada viewed charities and the non-profit sector. The CanTrust Index findings released that month revealed Canadians' trust in these organizations had fallen by 6% to 50% overall, after climbing by 7% in May, just before the WE Charity scandal broke. The following year, Environics Institute reported a similar result, with only 50% of Canadians indicating trust in leaders of non-profits and charities – a sharp decline from the 72% trust level recorded when Environics last surveyed this topic in 2009. The CanTrust Index data also revealed two other negative trends that must have reverberated in non-profit boardrooms across the country: that trust in sector leadership had actually begun declining as far back as 2016; and that the level of trust with people 55 and over – a demographic often seen as the “backbone” of fundraising programs -- was even lower than the average Canadian level of support.

Mary Barroll: In addition to the WE Charity controversy, the Hockey Canada scandal has continued placing non-profit leadership in a negative light. In the latter case, it was revealed in May 2022 that the governing body for ice hockey in Canada had paid a settlement over a claim by a woman that she had been sexually assaulted by eight members of the Canadian Men's National Junior Team. The incident also led to questions about whether public funds were used to settle the lawsuit, and about player registration fees being used to partially fund other sexual misconduct settlements.

Video clip:

It seems to me that Hockey Canada gave a master class in what not to do in these kinds of situations.

Mary Barroll:

In the fall of 2022, CBC's Fifth Estate broke the story that over the last 15 years, using a tax loophole for charities, the Mormon church in Canada has quietly moved more than \$1 billion across the border to Brigham Young university in the U.S. completely tax free – costing the Canadian treasury over \$280 million dollars. These kinds of high profile scandals have done little to inspire confidence and trust in the nonprofit sector, and those are just the ones we know about.



Bruce MacLellan is well positioned to provide insights on Canadians' trust level in non-profit leadership. He is the founder and CEO of Proof Strategies, home base for the annual CanTrust Index mentioned previously. As he explains, trust in government, companies and non-profits can sometimes be coloured by factors other than the actual work these organizations are doing.

Bruce MacLellan:

We started studying trust in Canada eight years ago with our CanTrust Index. Our goal was to simply contribute to the conversation about trust and where it's going in Canada, and to remind people of how important it's to success. It's fundamental to our success as a democracy, people need to trust that our elections work and are fair and representative, it's critical to success of the economy, economists will tell you that a society or an economy with higher trust is actually more efficient because transactions can happen quicker and with less scrutiny, less review, -there's all kinds of benefits from trust in a society.

And by January of 2022, we were just starting to be thinking we were coming out of the pandemic when Omicron hit. So January of 2022 was really the low point of trust in many ways. And we saw a steady decline in trust in government during the pandemic and a real low in that January.

We know that the individual's level of satisfaction influences how much they trust. So that would include economic satisfaction or emotional satisfaction or other aspects of what they look at in what do they want in their life. So we know at the point of omicron last January there was a lot of tension. Some people were saying, the government's being too restrictive, we gotta get rid of these restrictions. Other people were saying, I'm frightened, I want these rules in place, and other people were on the fence. So we asked a question in our survey to see which camp of those three options were people in. And the people who expressed continuing anxiety after two years had lower trust in almost every question that we asked. And it's somewhat natural to expect that these people were worried, they weren't sure if they were gonna be safe.

Mary Barroll: According to Bruce MacLellan, not all scandals are created equal, at least in terms of their impact on public trust in non-profits and charitable organizations. For example, the controversies



surrounding Hockey Canada don't appear to have registered with Canadians in the same way as the WE Charity revelations did.

Bruce MacLellan:

Well, it's interesting. At the moment, the data suggests that that connection is not happening, which is good for the not-for-profit sector. It could be that Hockey Canada is not instantly seen as a charity. It's seen as a governing body. It's seen as an administrative organization. It's not necessarily seen as a charity the way you would think of the Cancer Society or the Red Cross or UNICEF. Those are instantly known as charities where as Hockey Canada has sort of a blurred image. And indeed, during this past year where the Hockey Canada scandal was playing out, we find, this slight increase in trust again in charities. So there's a separation going on there. We did ask about trust in Hockey Canada, specifically in our 2023 survey, and it stands at 30% pretty low, you know, contrasted to the charitable sector at 50%.

Mary: Looking beyond the numbers, what are the implications of this drop in trust for non-profit leadership? Here's Steven Ayer, CEO of Common Good Strategies, and a former senior researcher for Imagine Canada. Steven is the author of dozens of reports on the nonprofit sector, including one called A Better Canada, published in 2020, which he wrote about for Charity Village's newsletter.

Steven Ayer:

This gigantic decline in trust in charities is not specifically and entirely due to the WE Charity scandal. It's clearly something that's happened over a period of at least 12 years between the great recession and before the pandemic. And particularly, I think it was the five years after the great recession were ones that really had a lot of influence on this.

The public is not a monolith when we ask people whether they have trust in charity leaders, that can be very distinct. You might not have trust in charity leaders, but you might have trust in your local food bank or your local United Way or your local community foundation. That can be a very distinct concept. So I think there's certainly a lot of folks who have an increased appreciation of the work of specific nonprofits. I don't know if that necessarily has gone across the entire sector, a number of folks see



specific institutions that they feel like have done a great job in the pandemic and might have more confidence and faith in that institution, which is quite separate from do they trust this broad institution of charities and nonprofits of which there's almost 200,000 in the country, I do think there's a whole bunch of nonprofits that did a great job and people appreciate it. They probably have more donors and news coverage than ever. And they're rightly seeing waves of support. I do think there's others who are going to be hit with a much broader, just general malaise about the perception of charities, this might not be immediate, but I do think there's long term consequences when people don't have trust in, these sorts of basic social infrastructure in the basic social safety net and all of critical work that nonprofits and charities do.

Mary Barroll: Within all the research and studies he's explored, I wondered if Steven Ayer found indications of whether declining public trust in non-profits was about leadership specifically, or about the institutions and organizations themselves? Or both?

Steven Ayer:

Generally speaking, the majority of sources in particular, the Environics Institute that we really were relying on as the lead in for this, it was trust in charity leaders. And so that is quite distinct from the institutions themselves. It's really an important distinction that I think really needs to be studied more, but was not a topic that anyone was explicitly looking at. I will say when the Mutar foundation studies had looked at this in the early two thousands, they found them extremely correlated. So people who didn't have trust in charity leaders also didn't have trust in charity institutions. The more recent studies haven't been trying to understand that correlation between the two. But it is an important one because it is possible that people still have confidence in the institutions, but not the leaders.

Mary: One of the more disturbing aspects of Steven Ayer's findings is that, as he explains, the people who are most at risk and in need of non-profit services might also be the least likely to trust the very organizations there to help them.

Steven Ayer:

One of the things that was really striking to me though, the better Canada study asked people about whether they felt that community organizations would help them if they were in need. The folks who didn't have confidence in charity leaders were also the folks who said they didn't have confidence that



charities would help them when they were in need. They were disproportionately had lower education, lower income.

So basically we see this really concerning trend of people who would probably need support the most are the least likely to have confidence in charities. And they're the least likely to say that charities are gonna help them when they need it. And I think this is really a critical point coming out of what we talk about in the article, the people who need charities when they're in a crisis are the ones where we're disproportionately seeing this crisis of confidence. And I think there's so many different pieces wrapped up in that that charity leaders need to worry about because when people are reliant on charities, especially social service charities when they're in the most need. But there's so many other things that if people are thinking the social safety net doesn't work, they're not going to have confidence in charities. They're not going to reach out when they need it. There's gonna be all these barriers to people accessing services when they need them most. And I think this is a really critical piece beyond some of the other pieces we talk about in the article of this is the point of why charities exist. And if marginalized people in the community are the ones saying we don't trust charity leaders, this is such a huge issue that I think needs to be understood and better resolved.

Mary Barroll: If we pull our lens back even further, can we see broader root causes of this general mistrust that some people have of the non-profit sector? And can this broken trust be mended? Matt Fullbrook thinks so. He is the Founder of Fullbrook Board Effectiveness and advisor to over 250 boardrooms during his 20-year career as a corporate governance researcher, educator, and consultant.

Matt Fullbrook:

I don't want to be too specific or overstate my expertise in the sort of macro economy, but I think that we can kind of tie together the decreasing trust in the charitable sector and the decreasing trust in the sort of capitalist model in general, because the charitable sector exists as part of the capitalist economy. And, I'm not here to criticize that model, but I think that, we can make an assumption that as trust erodes generally speaking, in our economic models and approaches to how people make and spend money and so on, that charities are going to feel some of those effects as well. So I think this is less about the behaviors of individual organizations and more, I suspect a more macro trend.

I'm putting myself in the position of a leader or a board member, or even a donor or a volunteer of any particular organization that's trying to do good work. And if my community had doubts about my



organization as a result of a scandal that happened in a completely different organization, that to me, doesn't seem all that difficult to try to repair. And I think if we are really clear about our purpose and the work that we're doing in service of our mission and vision and the intentions that we have to empower or improve the lives of our communities, this is not at all to diminish the, the absolute failures that WE, and at Hockey Canada, which are really dramatic failures, I think in most cases, even if there's a little bit of collateral damage, I think that's repairable on an individual organizational basis.

I'm not even expecting everybody to be a communications and PR expert. I think that it really does show your community the value that you have if you're being very clear about your purpose and how you're delivering on it. I really do believe that a rising tide lifts all boats, and the opposite is probably true to a certain extent as well. But I also, I want to emphasize that the leaders of individual organizations do control their destiny more than the system does.

Mary Barroll: So nonprofit leaders – CEO's and executive directors – clearly have an important role to play in promoting trust in non-profit organizations. But what about their boards? What policies can they set that will create trust and transparency with their donors, and with the public at large?

Matt Fullbrook:

On the one hand, it's hard to overstate the role in the sense that ultimately the board is responsible for everything, right? They're the ones whose butts are on the line. The CEOs and executive directors that you mentioned only have authority because the board made a decision to delegate authority to them. But ultimately, the board is the one who's responsible for all that behavior, including transparency. Just to use a silly example, if there's a crisis as a result of a lack of transparency, the board can't say, it's not our fault because it is. Everything that happens is ultimately the board's fault, and ultimately they're accountable for it. So in that sense, you can't overstate it in a more sort of realistic sense, the answer comes from an ongoing set of decisions, right? I don't think a, a healthy organization will thrive under set it and forget it conditions.

You don't make a decision that, okay, we're gonna communicate in this way today, and it's going to be like that forever and it's gonna work great. What I think is a more healthy approach to it is to say, okay, based on the conditions that we understand, -these are the decisions we're gonna make in terms of how we're going to communicate to our stakeholders and to the public. And we're gonna monitor that, and



we're gonna be really intentional about is this working? What does working even mean? How are we communicating or getting information and feedback back from those stakeholders so that we can adjust and optimize this on an ongoing basis? And I think that the typical failure is to assume that a decision that we made at time zero is gonna be relevant forever. And obviously that's not true. And I'm not even just saying in times of crisis, I think it can be really important to re-reflect on and review your approaches to communication with your stakeholders constantly, just because you're curious about whether it's working or not, let alone you wanna avoid some kind of disaster.

Mary Barroll: Matt Fullbrook also had some pointed observations about the lack of diverse voices in non-profit boardrooms, and how that impacts decisions made at the board level. **Matt Fullbrook:** So I define corporate governance as the way that decisions get made in an incorporated entity. So the, the sum of all of the decisions that happen in an organization, that's governance, whether those decisions happen intentionally or by accident, whether it's the board or people on the front lines or whatever, that's all governance, good governance, I think of as intentionally cultivating effective conditions for making decisions.

If anyone listening likes that definition of good governance as intentionally cultivating effective conditions for making decisions, let's think about equity, diversity, and inclusion for a second. Diversity is bringing multiple and divergent perspectives to bear so that they can be included in a decision. Inclusion is creating conditions where those multiple and divergent perspectives can actually be voiced safely and heard and understood. And equity is the result where all of those people involved in that decision have an equal opportunity to influence it. I would argue that what I just described is almost exactly the same as intentionally cultivating effective conditions for making decisions. So to the extent that I'm right, that means equity, diversity, and inclusion and good governance are the same thing.

And a failure to bring multiple and divergent perspectives to bear in the boardroom is a failure to do the first most achievable step of good governance, which is diversity. And the failure is so persistent and so extensive and so awful. And the gatekeepers who are presenting barriers to this happening, who continue to seem to be looking for some elusive business case, well, that's the business case. You don't have good governance without diversity and inclusion, which results in equity.

Transition music

News clips:



ABC News <https://www.youtube.com/watch?v=WBrbTP3LeKw>

In: (4:50) “There you have it...in Minneapolis.” Out: (5:06)

Global News: <https://www.youtube.com/watch?v=eyPSeE4fz6E>

In: (0:03) “The chorus...truly diverse teams.” Out: (0:26)

Al Jazeera <https://www.youtube.com/watch?v=iaiOyGebUDM>

In: (0:00) (drums) “For Canada’s Indigenous peoples...in Saskatchewan” Out: (0:19)

Don: Arriving one year after George Floyd, a Black man, died after being pinned to the ground by Minneapolis police officers in an incident that touched off nationwide protests in the U.S., and right on the heels of the discovery of mass graves at former residential school sites in Canada, Edelman Trust Barometer’s Business and Racial Injustice in Canada report found that racial injustice in this country is a growing concern among Canadians in general.

Over 60 percent of those surveyed for the June 2021 study agreed with the statement that, “I am concerned about racism and racial injustice in this country.” This represented a significant increase from June of the previous year. The level of concern was highest among those identifying as Black, at 80%, and lowest among those identifying as Caucasians, at 58%.

With specific reference to non-governmental organizations and racism, the Edelman Trust Barometer found the lowest level of trust for NGOs to do the right thing when it comes to racism was with Indigenous Canadians, at 40%, and highest among those who identify as South Asian, at 62%.

Mary Barroll: Equity, diversity and inclusion advocates believe when non-profit boards fail to reflect the diverse communities they serve, their ability to inspire trust and maintain an image of fairness is compromised. And if women, Indigenous people, racial minorities and 2SLGBTQ+ individuals don’t see themselves in non-profit boardrooms, it will have far reaching impacts on the organization and the nonprofit sector generally. Jessie Williams is a citizen of the Squamish Nation and Director of Business Development and Communications at New Relationship Trust, an organization dedicated to providing funding opportunities to First Nation communities. Her advice to boards looking to build trust with diverse communities -- as well as imbedding equity, diversity, and inclusion into their culture and operations – is that any change must run deep, and not be performative or be mere tokenism.



Jessie Williams:

Consider the statement nothing about us without us. This is what I hear many Indigenous leaders say throughout my childhood youth and my adulthood, and cross different industries and sectors when it comes to including Indigenous presence and voice. Nothing about us without us. All organizations need to recognize that paternalistic approaches to planning and delivery of inclusion efforts that serve to include Indigenous folks need to be developed with Indigenous folks. By including the people of which your initiatives are intended to invite in, you have a stronger opportunity for success. As much wisdom and experience we all hold, we do not know everything. We need our efforts to be truly representative of the lived experience of the communities we support, right from the conception phase, by inviting voices in as a vocal contributing part of the creation of DEI efforts creates a two-way learning and sharing environment that will lead to collaborative and transparent efforts, not including these folks and just bringing them in afterwards without the Indigenous perspective. And worldview present does not come across as authentic or relevant as much as the intention is there.

Mary: An important aspect of Jessie Williams' work is helping boards decolonize their practices and embrace a more Indigenous approach. To this end, Charity Village has partnered with Jessie and others to create e-learning courses specific to DEI initiatives in the sector.

Jessie Williams:

Some of the work that we do includes PR, providing workshops and training, and lesson planning for decolonizing boardrooms with diverse organizations across sectors and industries. We've also done governance foundation training with an all Indigenous woman cohort from across BC in partnership with Minerva BC as well as support boards and committees with their understanding and growth and DEI and decolonization for boards and executive positions. And of course, we are honored to co-create an online program for CharityVillage regarding decolonizing and DEI of boards and leadership. This is a testament of what is possible when multiple partners come together. As a First Nations woman, I have come to recognize how much I need brilliant humans and experienced organizations to stand beside to create awareness and extend invitations to others to see themselves as valuable participants in understanding and incorporating Indigenous perspectives, values, ways of knowing and being and reconciliation into



DEI efforts for the betterment of all humans from all four directions, because Indigenous perspective is about being a good human, good humans to each other today, good humans to Mother earth and good humans who are creating a future worthy of generations to come.

Mary Barroll: Another partner in our Charity Village DEI e-learning courses is Trish Mandewo, Founder of Synergy Executive and Boards Consulting Group, who has extensive experience in helping Black, Indigenous and individuals from underrepresented groups become “board ready” to add more diversified voices to sector leadership. She has some thoughts on how non-profits can avoid the failures some organizations experience when they undertake programs to make their boards more reflective of the diverse communities they are set up to help.

Trish Mandewo:

There are so many reasons why they fail. We have the pleasure of talking to many organizations in our work, but the number one that I see on my end is not having that baseline. If someone just says, it is our organization, we are going to take DEI seriously, and they go and they start bringing in workshops, they start doing the bias analysis. They are just picking the one off things to do, but they're not really being intentional. The word for that is performative allyship. So what I mean by that is you are saying, I'm expected to do something about DEI. So what can I do to show that I'm doing something? I'm gonna bring in a speaker. I'm gonna pay thousands of dollars to bring a speaker.

I am going to talk about it, we're gonna have a diversity statement on the wall, but those things are not what are needed. Right? So the biggest problem is taking it as a one off and not really being intentional. The other one is the lack of data. If you don't know where you are at, and if you don't measure that baseline, where are you going? Right, I also see it as you're chasing the wind because you really don't have any direction. So I'll say those are the two main ones, but there are many more problems.

Mary Barroll: As Trish Mandewo suggests, enacting the kind of transformative change we're discussing in this episode will require non-profit leadership to ask themselves some tough questions, including what does diverse and inclusive leadership actually look like in practice? For Paulette Senior, CEO and President of Canadian Women's Foundation, it would look like a boardroom with more women and representatives from racialized communities. Paulette began her career in social services, where she worked in some of Toronto's most underserved neighbourhoods, witnessing first-hand the need to break down systemic barriers and build up diverse women and girls. How does she feel about what the



Ontario Non-Profit Network calls the “women-majority but not women-led” aspect of the sector, as well as the lack of diversity at the board level?

Paulette Senior:

I'm so glad that you've made a distinction between woman dominant and woman led because that really is the true story of the nonprofit sector as it is today. And the nonprofit sector is one that has a very long history in Canada. and the legacy speaks to the historical charitable sector trends and themes. So we know that they've been historically largely faith based and many still are, that they're intertwined charity projects connected to colonial domination and wealth. That is the histories, not something that's deniable.

And, also, you know, there's been a tidal shift away from advocacy towards modern day provision of public services in lieu of government services. So that's really where things have shifted over the years. And what this gives us is a good grounding on the reality of the highest levels of the non-profit leadership as historically being white male led monocultural and straight and the kinds of those characteristics. Women today will now dominate the nonprofit labor force in terms of the specific raw numbers that we see but the nonprofit organization labor force is underpaid. And we know this from the statistics that we've seen. And women earn less than men at all management levels within the sector. And women's representation drops as seniority levels rise. So that is the trend that we have now. The, the 2019 Canadian Nonprofit Sector Salary Benefit study shows that women make up 85% of nonprofit support staff but hold 70% of senior executive positions.

Mary Barroll: While some organizations may be predominantly women-led, Paulette Senior points out that that's only half the battle when it comes to making sector leadership more representative of the people they serve.

Paulette Senior:

Where women are in leadership positions, they're often primarily white women. There are significant gaps in terms of board and executive leadership, especially for racialized and black and Indigenous women and other folks such as women with disabilities or 2SLGBTQIA+ folks. And in gender justice nonprofit organizations, our closest partners at the foundation that we work with there is a more what I would call sort of robust leadership diversity across gender, race, and identity lines. And we also see that



there's a high commitment to intersectional feminist approaches. So, you know, a real sort of powerful building block for inclusion exists within the sector that we work in. But there are gaps that we still have to close here too, such as leadership gaps for black and racialized women and women with disabilities, for example. So that's really what we're seeing in terms of the history, but also where we've come since then.

Mary Barroll: So, what can and should be done to bring greater diversity, including more women, into leadership roles in the sector?

Paulette Senior:

So clearly, there are strategies that we need to put in place to address leadership in the sector to ensure that there are more effective pathways for women to be able to lead. And there are a number of strategies that I've seen that are important in terms of creating the kind of structural changes that need to happen to diversify, including, making strategic commitments and investment in leadership transformation.

And then there's also the, the kind of recruiting executives and board members who themselves need to carry equity building skill sets and track records to do a great job in terms of diversifying representation across the organization, including at the board nomination level in committees. And I would also add that tying executive and board performance measures to make sure that the success is being measured. So, it's something, for example, that we have included in our strategic plan as an organization. When we look at the gaps that we have, and this is something I see is needed across the sector, and asking and responding to what diverse people in other parts of the organization need for retention, especially now where retention is a significant issue because-of the large gaps that we're seeing across multi-sectors, it's no different for our sector.

And making sure that it's not just about retaining people where they're at, but providing opportunities for them to move into leadership levels, whatever strategies that is, that could be mentorship or sponsorship programs, compensation to make sure that folks are earning livable and healthy wages, as well as the flexibility that folks require because of their caregiving responsibilities. And making sure that



our environments are fostering a sense of safety to reduce possible discriminatory practices or sexual and gender-based harassment that exists in the workplace.

There are many initiatives out there that have come over the years. Currently there's a 50/30 challenge, with the kind of bench strength of budget allocations and accountability reporting measures, because we know that if it's not being measured, it's not being done, because there's no accountability attached to it.

Mary Barroll: The 50/30 Challenge that Paulette Senior mentions is an important initiative between the Government of Canada, Canadian businesses and nonprofits and diversity organizations aimed at increasing diversity on boards and in senior leadership roles in both the private sector and the public sector. The Diversity Institute at the Toronto Metropolitan University is an important partner in the 50/30 Challenge. The Diversity Institute's founder, Dr. Wendy Cukier, a leading expert in innovative processes and diversity, explains.

Dr. Wendy Cukier:

So the 50/30 challenge is an initiative that it aims at improving representation on boards and in senior leadership roles in the private sector, in the non-profit sector, in post-secondary institutions, hospitals, and agencies, boards and commissions. And it's voluntary code, since it was launched, I guess coming up to two years ago, 1,750 organizations have signed up to the challenge. And what's interesting about the challenge is you don't have to meet the standard in order to be part of the challenge. You need to aspire to increase gender parity and diversity. So the 50% refers to women and or non-binary people on boards and or senior management. And the 30% refers to other forms of diversity, which would include racialized people, including black people, persons living with disabilities, Indigenous peoples, those who identify as 2LGBTQ+.

And what I like about it is it gives you a lot more flexibility than, for example, hard quotas would, because think about it, if you're in Toronto, more than half the population is racialized. So setting a target of 30% racialized people on your board is almost a minimum standard in this community. But if you're in St. John's, Newfoundland, where only 7% of the population is racialized, that's not going to make a lot of sense. So the 30% can be comprised of a variety of diverse people. And the other thing that's nice is that you can count intersectionality. So for example, if you had a board of 10 people, half of



them were women, three of the women were racialized, you would hit 50-30. So we are really excited just given the momentum that we're seeing around this.

However, the 50-30 challenge recognizes that you can't change the top of the house if you don't have policies for getting people in the door. So it addresses with you know, series of indicators and support for best practices. Everything from how do you make a more inclusive board, what does the skills matrix look like? How can you set policies and so on through what are good at sharp practices? How do you build an inclusive corporate culture? How do you design your programs and your marketing strategy and your outreach and your procurement to reinforce the values? And how do you engage with community? How do you leverage philanthropic dollars and government relations to build more inclusion?

Transition music

Don: There is no doubt that there is growing awareness of the need for greater diversity in the boardrooms and the executive suites in Canadian nonprofit organizations. Strategies and solutions like the 50/30 Challenge and the \$200 million dollar Black-led Philanthropic Endowment Fund are lauded as long overdue initiatives that can help diversify nonprofit leadership and bring greater equity and inclusion to the sector. As crucial and transformative as these changes are, many in the sector believe that equity, diversity and inclusion initiatives alone are not enough to rebuild trust in the Canadian nonprofit sector. To some sector professionals, greater transparency and oversight in an increasingly complicated world is critical to regaining the faith of Canadians in the nonprofit sector.

Mary Barroll: Mark Blumberg is a lawyer at the law firm Blumbergs Professional Corporation in Toronto, where he works almost exclusively advising non-profits and registered charities on their work in Canada and abroad. He's been following the decline in public trust in the nonprofit sector for years in his blog, CanadianCharityLaw.ca and believes the issue of plummeting trust is far more complex and problematic than many in the sector realize.

Mark Blumberg:

I wish it was because of a few high profile scandals, because then if we could just avoid a few high profile scandals, we could solve this problem. But no, it's not. In fact, the decline largely was even before some of these scandals. And you know, some people say, well, but, you know trust in all institutions,



government business has gone down, et cetera. But apparently it's gone down more in the charity sector and it's been a bigger problem.

Public trust is particularly important to charities. I mean, it's important for every institution, government, business, et cetera, but particularly important to charities, in part because they fundraise and fundraising is, it's a voluntary contribution. People don't have to do it, so they could not do it if they didn't want to. Fundraising we talk a lot about, but that's, you know, 20 to maybe 25 billion a year in revenue. The charity sector has about 300 billion in revenue a year. So what that means is fundraising's actually only a very small part of the money that is going into the charity sector. The biggest amount of money coming into the charity sector comes from government, about 68% of money that comes to charities. So what that means is the public's lack of trust in charities is a problem, but government's lack of trust in charities is a potentially even bigger problem for charities.

Mary Barroll: For Mark Blumberg, a big part of the solution towards regaining public trust in the nonprofit sector is increased transparency and better legal compliance, along with greater oversight of the charitable sector generally.

Mark Blumberg:

We need to have more transparency and accountability. We have to stop thinking of the charity sector as just being only angels and nice, well-meaning volunteers getting together to make the world a better place. It's a 300 billion sector involving millions of people and some of them the most vulnerable people in our country. And we know that there have been some very high profile situations of problematic behavior. And I think that we just need to realize that regulation, no one wants to themselves be regulated, everyone wants freedom to be able to do whatever they want, but if you say, well, you can do whatever you want, sometimes they'll do things that you will find really problematic.

We need to protect the reputation of the charity sector, just like a franchise protects itself, you know, whether you're a restaurant franchise or something, you put in some basic standards so that you don't end up depreciating the value that you have. The charity sector's ability to fundraise, the decreasingly positive view that public has of the charity sector. You want to protect that. So you want to put all sorts



of things in place. But I would argue that for many good charities, they're gonna go far beyond the basic minimal standards that the government of Canada puts out. So for example, the T3010 and filing that, that's a minimum standard. You've gotta file it as a registered charity, but it gives very little information on the charity. So many groups will in fact do a lot more than just filing the T3010.

They'll have extensive websites, they'll put up information and, and do all sorts of other things. So I'm actually encouraging groups to be transparent, et cetera. But I'm saying that government needs to follow through, that they're asking for less information today in this more complicated world that we live in than what they asked for 15 years ago is not a good sign.

That is a recipe for a disaster where you will have groups, when it comes to political stuff, people don't like secrecy, they don't like things like that. So I just, I see that as an example of something which probably should be fixed. And then charities, as you said most charities are doing great work and all this, but don't assume that because even you're a great charity that you don't have problems. Be honest about the problems, put them out there. One of the risk management things you can do to protect your reputation is to make sure that you are proactively disclosing issues that your charity is dealing with, so that then will help to protect your reputation in the long run.

Transition Music

Mary: John Hallward is chairman and founder of GIV3, a charity which focuses on encouraging more Canadians to give – in fact, GIV3 is one of the founding partners of GivingTuesday in Canada. He is also president of social enterprise research firm, Sector 3 Insights Inc. Like Mark Blumberg, John feels the non-profit sector could enhance its trust level through greater transparency. However, he also thinks the negative views Canadians have about the sector – fueled by the sensational headlines surrounding WE Charity and Hockey Canada -- may be overstated, or at least transitory.

John Hallward:

It may be just a numbers game with 85,000 charities and not a lot of great auditing. I think the CRA and the charity directorate doesn't have enough resources to be more vigilant of 85,000 charities. You're bound to get a few bad apples or people who stretch the moralities and the ethics of what the laws describe. And I think in particular, the two you named have got a lot of media coverage, which I guess is part of the, the equation, right that these things get exposed so much in part because they tie into the federal government, which makes good narrative on the news. I think WE Charity being known and



famous really got spread through the media very quickly, but it's just one, right? I mean, there's 99.9% of the other charities who just keep their head down and do a good job.-I guess it's a shame that a few get the negative headlines that they do.

Mary: While John Hallward acknowledges a generational decline in trust in nonprofits, he sees it as a part of an overarching mistrust of authority and establishment that he hopes individual nonprofits can overcome.

John Hallward:

I have three kind of millennial children, so I've come to hear from their perspective of this general distrust for anything that's old, traditional organization. You know, the old mechanisms of for-profit, lack of transparency, questionable marketing, questionable environmental practices, all these things have led a lot of millennials and, and not just millennials, but a lot of them to question any long-serving, long-standing institution for what its proper social contract is. So I think all organizations have been questioned. We have fake news, we have all this kind of problem going on. I don't know if it's any worse for the nonprofit sector. And I just recently did a study in the United States and looked at kind of trust in CEOs and directors at nonprofits. Still, remain very high up in terms of trustworthiness, significantly further ahead in many other professionals. So I think t's unfortunate that there is some of this negative news. I guess it's inevitable and there always will be. So I, I just hope that donors kind of see beyond that and appreciate it's just a few bad apples and the rest are very good and trustworthy.

Mary Barroll: In terms of maintaining the trust of government in nonprofits that Mark Blumberg has identified as critical to maintaining 68% of the funding that charities presently receive, some have called for a “home in government” for the sector. In essence a federal ministry responsible specifically for non-profits and charities, to improve communication and transparency and influence policy that impacts the nonprofit sector. But John Hallward feels the sector is too complex and multi-layered for such a one-stop-shop approach. Instead, he would like to see a kind of sector-managed funding agency operating independent of government that represents the interests of the sector as a whole within a more transparent, egalitarian and representative organizational structure. This would allow the sector to access much needed resources to more effectively lobby the government and influence policy, and to



develop communications strategies that promote the value of giving among Canadians, shape public perception of the nonprofit sector and help stem declining public trust.

John Hallward:

My view on, on a lot of it is that we don't necessarily lack the imagination and we certainly are aware of the problems, right? We're all great complainers.

We're very good at that. The question is, how do you achieve fruition on the change that you seek? A lot of that is lack of resources. So it's not a lack of thought or people, it's a lack of resources to do it. So this is why I'm kind of proposing and exploring with other leadership organizations and it's kind of infant stage. This idea of a sector fund that creates a levy, creates a fee, creates a membership fee. I'm not sure what you want to call it, but it requires all foundations and charities to donate a certain small fractional percentage of their investment assets into a collective sector fund.

And then you would need a new agency, let's call it the sector fund agency, to allocate it in a strategic way. Right now we lack those resources. So what has happened and has been happening for many years, is this call for the government to set up some form of home within government. I think to be clear, that would never be sufficient to look after the interests of the sectors. Yes to me it's obvious that having a government that's more efficient in its administrative role, particularly across ministries and across departments. So if there's a parliamentary secretary responsible for the, the health of the nonprofit sector, sure, that'd be great.

Would they be doing all the things that the sector needs and wants? No, and I kind of note that my first observation for a call for home and government was 1974, do I really think it's gonna happen next year? Not really. Right? So do I believe in trust and want to give away responsibility for the strength and empowerment of the sector to government and elected officials? Not really, it hasn't happened well to our benefit yet. So I'd rather create this sector fund and sector fund agency independent of government, zero cost to the public purse, we can self determine from within what is strategically right for our sector and get on with it and stay clear of the political ecosystem.

Transition Music

Mary: Throughout these interviews, we've heard how trust is the basic building block for the strength and resilience of the nonprofit sector as a whole and is foundational for the fundraising necessary for



the achievement of the mission driven work of charities and nonprofits. In fact, trust, in the public's eye, is valued more in non-profit organizations than it is in privately run companies. Here's Bruce MacLellan from Proof Strategies again with some final thoughts on why nonprofit boards and leadership should do whatever they can to establish and grow public trust.

Bruce MacLellan:

Economists have done studies that correlate trust with sales, trust with employee innovation, trust with employee recruitment. So, what I've seen in, in limited academic studies around trust with charities and not-for-profits, is your audience may not want to hear this, but what happens is, because it's a not-for-profit, the audiences tend to assign a higher level of expectation. So, if you're a not-for-profit charity, we expect you to be even better, even more ethical, even more careful, even more responsible in your behavior and your choices. There was one academic study done, that looked at when scandals occurred in private corporations compared to not-for-profit organizations. And the damage of the scandal was greater in the charitable organization compared to the private sector organization. And their analysis was, it's because of the higher expectation. If you were a charity, you've got to be better, you've gotta behave better corporations, they should behave better too, but the expectations are lower. This is where leaders and boards, boards of directors have a role here too, to understand trust and how important it is to their organization and understand that they're in the not-for-profit sector, they're operating at an even higher level of expectation.

Transition music

Mary: To Bruce McLellan, public trust is one of the most valuable assets a nonprofit can have – and nonprofit leaders have to learn to not take it for granted or squander it. The failure to protect, nurture and prove worthy of the public's trust in their leadership and the nonprofit organization is an existential threat in an increasingly complex and challenging world. We've heard about some solutions and strategies that can help. Increased transparency and communications, better governance and oversight, and greater equity, diversity and inclusion at the highest levels will keep your organization relevant, responsive and accountable, worthy of trust. Although all our guests were concerned with the declining trust that multiple reports have revealed in recent years, most were hopeful that nonprofit leaders will see this moment as an opportunity to tackle the problem and initiate the transformative changes necessary to rebuild the trust of Canadians in nonprofit organizations and their leadership.



I'd like to thank our guests for joining us and sharing their valuable insights on public trust and leadership in the non-profit sector. Be sure to visit our website for more information on the resources mentioned in this episode and for show notes on this and other topics. If you'd like to learn more about the CharityVillage DEI online courses mentioned earlier in this episode, please visit our website charityvillage.com where you'll also find the complete video interviews with our guests from this episode. Charity Village is proud to be the Canadian source for non-profit news, employment services, crowdfunding, e-learning, HR resources and tools, and so much more. Visit us today at charityvillage.com.

On the next Charity Village Connects podcast:

When Edgar Villanueva's book, *Decolonizing Wealth*, was first published in 2018, it sparked heated conversations about the role of philanthropy in upholding colonial structures and injustices. Since then, important questions have continued to be raised about the role of philanthropy in Canadian society, and how it can evolve to be a force of good for the future. With the recent changes to the disbursement quota and the regulation around funding non-qualified donees, the rise in community-centred fundraising, and the revelations around the chronic lack of funding to Indigenous, Black, and Women's organizations and causes, it's clear that many in the sector feel that "philanthropy" as we've known it is ready for a shake up.

The Changing Nature of Philanthropy – next time, on Charity Village Connects.

I'm Mary Barroll. Thanks for listening.