

# John Bromley

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## SPEAKERS

Pat Bolland, John Bromley

### Pat Bolland 00:09

Charity is not something that you would discuss at a cocktail party, for instance. But it's very important to plan for ... John Bromley, is the Chief Executive Officer of Charitable Impact ... John, a real pleasure to meet you.

### John Bromley 00:29

Thanks for having me on the show.

### Pat Bolland 00:31

How can you not talk about charity because it is such an important part of the investment world, if you will. But before we get into what Charitable Impact actually does, talk to me about the state of charitable giving in Canada right now? How would you describe it?

### John Bromley 00:48

Well, there's a couple of ways to describe it. One, I would say, people are less than they're unfamiliar with it. I think that the fact that there's increasingly nowhere to learn about how to go about charitable giving, is one of the biggest problems facing the sector. I mean, that's unlike knowing how to go about playing a sport, right? You can go find a team, you can sign up, you can get a coach, you can, you know, try it out. If you don't like that sport, you can shift. So one answer is it's unfamiliar. So people are unfamiliar with trouble giving. So what happens with that lower confidence, when our confidence is lower, you know, we find excuses not to participate. And what the data is showing is that fewer Canadians, fewer among us, are, are participating by making charitable gifts, with of time and of money. Okay, so it's a volunteering problem, as well as a giving money away problem. And those of us who are giving away money still are giving away less as a percentage of our income. So there's less participation in charitable giving. You might ask why. But if I can just jump to that real quickly, it's not because I think there's some crisis of generosity. In Canada, or United States where the data is largely the same. I generally think it's because people don't really feel comfortable knowing about how to how to go about and have an in creating a good experience for themselves, making charitable giving a part of their lifestyle. So instead of being proactive about something, another brief way to answer your

question is, we're very reactive with charitable giving, when we're asked through a kind of sales fundraising construct, we think about it, we might say, yes, but we don't come from intrinsic to ourselves and say, what do we care about most? Why? And how can I give my time and or my money towards helping that cause?

**Pat Bolland 02:41**

John, in the past, I've had to describe that wealthy people were the ones that were charitable, and that less wealthy people were not. And you saw, you know, examples of that when people name wings of hospitals and that kind of stuff going on. But then when I look on the street, if there's a bum on the street, who needs assistance of some description, it's usually the person that doesn't look like they can afford it, that gives them some money. And, you know, whether it's a buck for coffee or something along those lines, is there a social status associated to charitable giving?

**John Bromley 03:17**

There shouldn't be that, that in the past, is is, is that, you know, people with lower incomes actually give a higher percentage of their income away. So you could argue they're more generous right? Now, shout out to wealthy people, I think, admittedly, it's hard to give away, you know, you know, such big numbers, right. It's literally hard to do it well. And it does take time to get good at anything in life, including charitable giving. But there's this growing perception that giving us for the wealthy, and I think that's really dangerous. First of all, there's very few wealthy people out there, even if they have a larger and larger concentration of money. So if they stopped giving, and the rest of our aren't giving, the charitable sector is going to crumble. I would argue in Canada today, we have that major risk, there's fewer and fewer people participating. And so if some wealthy people jump out of the sector for any reason, or die and pass their money down to children who aren't active, then then we've got a real rough, rough, rough time ahead. But the other reason why it's problematic is because like, charitable giving, like exercise or like sport should just be a part of our lifestyle. And you can you can play you can enjoy it. You can try hiking and go back to cycling. You don't like cycling, you can play hockey, you don't like hockey, you play soccer, no one really should be telling you what sport to play. But the idea of being active and physically active and socially active related to sport is important. And I would argue that philanthropy is when practice well, the same thing. It's a social thing. You can do it with friends, you can have conversations about it's a great way to get to know someone But it's not just for wealthy people.

**Pat Bolland 05:01**

Yeah. And indeed, there's a degree of internal satisfaction that you did it. Right?

**John Bromley 05:09**

Well, we have three beliefs, that charitable impact not to jump there. But what the first belief is that everyone has something they care about changing in the world, right? Everyone has something they care about changing the world. The second belief is that everyone has something to give towards creating that change, whether it's your time, your talent and or your money. And the third belief, which you just touched on, is when you give you get something in return, there is necessarily benefit on the receiver of who you give money to. But it's really important to acknowledge that when we give, we also feel a sense of meaning we feel a sense of well being. And there's even some science and social

science to corroborate that. But you don't need the science because you know, that when you do something nice for someone else, it's helpful to you as much as it's helpful to them.

**Pat Bolland 05:56**

Yeah, absolutely true. Okay, let's go through Charitable Impact going back and talk about the structure. And I'll break down those three components a little bit, because on your website, it says, you know, you're nurturing, and you're creating change. I want to get to that. But let's talk about the structure. What do you actually do a charitable end?

**John Bromley 06:13**

Sure. Well, we're a very donor centered service. So donors are people and donors or companies, for example, right? These are people who give money and or time away to whatever cause or charity they want to. And so we're a donor centered service. And so what that means is that we serve the donor, regardless of how much money they give away, we talked about that, you know, what causes they care about ultimately what charities they want to support. So we act a lot like a bank, if you will, for charitable giving. Now, to be clear, we're not a bank or a registered charity, okay. But from a donors perspective, you can open up your own impact account at several impact. It's what's known as a donor advised fund, it's analogous to having a bank account for charitable giving. Here's how it works, you put your donation in, might be a credit card might be cash, it might be publicly traded securities, right? It could even be private company shares or real estate, if you've got more money, and you're more sophisticated in that way. But you put your donation and you get a tax receipt immediately, then you can sit on that money, while you take the time to think through how you want to use that money that you've already donated into the charitable sector, but not yet to the end using charity you want to give it to so you can take the time and space, you need to, to think through how you want to use that money to create the most impact, right? There's 85,000 registered charities in Canada. So lots of choice, there's lots of different causes, from poverty relief to, to health to advancing education, religion is also charitable in Canada. So there's lots and lots and lots of stuff you can do with your charitable dollars. So what Charitable Impact aspires is that people really, you know, participate number one, even if they don't know what and charity to give to yet. And then they take the time and space and they separate the decision making between am I going to give some of my money away to charity from the second decision, which is, how am I going to use that money to create the most impact? You know more about the world than the world than I do. But that's, that's that's how we go about investing our money, generally speaking, right? We put it in an account, we may or may not have an advisor, and then we decide from there, what stocks we want to buy? Why don't we give charitably that way, generally, is because something like charitable impact hasn't been made accessible to all Canadians.

**Pat Bolland 08:26**

Do you provide counsel? You know, I, let's say I don't know what charity I want to send it to do you provide counsel,

**John Bromley 08:34**

We have a philanthropic advisory team. And we provide counsel, because we know from our experience that that one of the biggest reasons people don't participate in charitable giving is they don't really have the comfort or confidence to know how to go about doing it. They usually know what causes

they care about, but they don't know how to go about doing it. So we provide what we refer to as philanthropic advisory to it, we don't charge for it actually, you can just call us you can talk through what you're trying to achieve. We'll help you understand our system, we'll help you understand, you know how it works. So you can decide on your own, whether to use it or not to manage your charitable giving,

**Pat Bolland** 09:09

Do you manage the money that you receive?

**John Bromley** 09:13

We do so in between the donation being made to us and going out to the end, using charity once you've chosen that we manage the money. And in fact, people who have larger accounts can open an account with their with a recommend with a investment manager that they recommend and have those assets managed by that manager. So as the result our charitable investment account, which is more like the investment account, unlike the impact account, which we would describe as a checking kind of our savings account, you know for your charitable giving. Our triple investment account structure works with you know, hundreds of different investment managers across every bank and in Canada.

**Pat Bolland** 09:56

85,000 Charities is staggering. If somebody walks in the door, where do you start? You know, do you do the macro picture? Or do get into micro? Or how do you do that?

**John Bromley** 10:13

Well I don't know, he's used this language. But there's this other word that is used with for charity, which is, which is philanthropy? Have you heard that word before? Sure. So So philanthropy, it comes from this, the root of that the etymology of that is, is the love of mankind. So I think love is a really key word. So normally, where you start, you don't have to use this cheesy sounding language, but it's sort of like, what do you love most? Like, I mean, other than yourself, and your and your possessions, and me, your direct family, when you think about something that you want to create change for? What is it you love? Is it the environment? Is it sport? You know, is it education, you know, you really want to try to think about who you are and how you became who you are? And and start with what you care about most? And then separately, kind of going, Oh, are there charities for that, and which ones of those are the best in my opinion, right, because they know there might be a good charity out here in Vancouver where I'm at. But you know, you might live in Toronto or Saskatoon, and you might want to give locally, which is often the case with many donors, so But in either case, starting with what you love, then moving through, you know, how that relates to the kind of change you want to see in the world by giving. And then maybe considering something like, the geography. And after going through some of those more obvious intuitive questions, that's that's the time when I would suggest, okay, get into the merits of the specific charity. Right, if you jumped to the merits of the charity, you can get lost in all sorts of details that are confusing.

**Pat Bolland** 11:49

I want to talk about the merits of a charity in a moment, but before we do, it's sometimes more than money. If you love something, it's volunteering your time, because charitable impact play a role in that and in counseling that area.

**John Bromley** 12:03

Through our philanthropic advisory, surely we will help you think through how you can keep away your time. Today, the platform doesn't have a mechanism to record, you know, your volunteering of time, but it's something that we plan on building in the future.

**Pat Bolland** 12:21

Okay. Impact is part of your name. How do you measure impact? How do you make a difference in society and be able to measure that because we know there's all kinds of agency out agencies out there that measure how efficient charities are? And I guess that's an important consideration. But then you have to measure your own impact, don't you?

**John Bromley** 12:42

I think it's really important to? That's a great question. And it's a hard question to answer. I think it's important for people to understand how they feel about their charitable giving. And I'll give you a quick analogy. And I know you've got a serious athletic background, right? So like, how do you know whether you had impact on the field? When you're playing soccer, or, or when you're on the ice playing hockey? How do you know, I mean, part of it is really understanding the game well, and part of it is also understanding yourself and how you felt about you know, you know, your game. So part of getting into charitable giving, is being able to deal with yourself and how you feel about the decisions you've made. And one of the reasons we want people to find confidence in their charitable giving over time is because people who are confident and and into playing hockey are into giving charity for their own reasons that they enjoy, they're able to deal with the bumps and bruises that come along, right, you're not going to win every game you play, you're not going to win every faceoff you take so there's going to be you're not going to make every single donation you make isn't going to be to the very best charity that ever existed. That's not possible. So really, I'd start with this idea of being as a charitable donor, being prepared to think through your impact and doing enough work to create a sense of belief with yourself as to how much impact you had. From there you can that's a bit more subjective than personal. Okay, but I think it's really important. From there, you can get into, you know, the merits of what a good charity are. But it's important to understand there that then you get into all sorts of technical stuff that can be difficult, like what are the merits of a good stock to invest into, you can go through ratios, you can talk about financial statements, you can do all this stuff. But at the end of the day, there's a lot that can be applied to charitable giving, for what it's worth, okay to analyze the charity, there are financial statements that are publicly available, etc. But also, for example, when we think about companies to invest into we think about, well, who's the management team? What sector are they in and how much growth is there there? Why do I Why do I want to be invested into that? So all of these things layer into that question of impact with charitable giving. One of the downsides, really briefly, one of the downsides is that With a stock market, you go is the price up? Or is it down? Right? With the charitable world? You can't quite get such a good sense because it's a it's it's how effective was that program? Right. And there's an there's not always clear metrics for that

**Pat Bolland** 15:15

You make the investment in the stock market analogy, there, and, you know, coming from sports, which was a great analogy to you go into the sport with an outcome with goal setting, we're going to win this

game are going to get the championship and I coached at a really high level in the OHL, we started the season off looking at that kind of an approach overall, but like the stock market, sometimes you get in there your goal setting gets shot in the first few minutes. Is it more about the process, then?

**John Bromley** 15:47

That's such a great question. Is that statement along with it? Yeah. So I do think it's about the process, right? It's about the process of the game. And then you see whether you win or lose, and then you make adjustments from there. And either way, I think a lot of athletes, I mean, you know, as a failed, you know, athlete myself, you know, I look back and I go you know what I love that season, even though we came up with too many losses, right? I had a lot of fun playing, and I want to play again next year. And here's some things I might do to make myself better for next year. And so charitable giving should be looked at exactly the same way. And I actually love your work process. I think it is ultimately more about the process and the enjoyment of the journey, as much as it is about the feeling. And ultimately, then over time, that knowledge that you have had impact on the world.

**Pat Bolland** 16:37

I love this whole concept of charity giving, and I've been involved in many charities in the past, but it is kind of a competitive field. I mean, you're talking about 85,000 charities themselves competing, you compete, I would think against, you know, other organizations that do kind of similar things. Plan International is one I've had worked with CanadaHelps is another one. How would you describe your difference?

**John Bromley** 17:04

Well, CanadaHelps is really well known organization, and they're a fantastic organization. I'm a huge fan of CanadaHelps. The way I describe our difference from them, we're very different. And I don't really think we compete with them at all, we certainly don't try to they really make it easy for any registered charity, who doesn't want to spend a ton of money on putting up a website and creating a sophisticated donation platform to make it easy for anyone to give to them. So Canada helps us up very effectively, I would generally say they're, they're focused on charities, and they make it easy for donors to give to charities, we're kind of the opposite of that. We're focused on the donor. And we make it easy for the donor to donate, even if they don't know yet what registered charity they want to give to right. That's why we have this donor advised fund impact account, right? I want my kids to learn how to save money, even if they don't know yet how they're going to spend it. So I want donors to learn how to get involved with giving charitable donations and making it a part of their lifestyle. Even if they don't know yet what exact charity they're going to benefit. So that's a very, very big distinction between US and Canada helps and why I don't think we compete. And but hey, I'm a big fan of CanadaHelps. And they're a fantastic organization.

**Pat Bolland** 18:19

They are ... both organizations are fantastic. Okay, how long has charitable impact been around? And where do you see that organization in five years time.

**John Bromley** 18:31

Charitable Impact 's been around since 2011. So call that 13 years, we've done about \$1.4 billion in donations into our platform. Our aspiration is to you mentioned it earlier, but restitution is to nurture donors along the way. And that means meeting more donors. And so we want to create an environment that's really for anybody. First of all, small donors participate in charitable impact as large donors do, by way of example, in our largest account as well north of \$50 million of assets in one account. And yet both of my children who are 11 and almost 13 Oh my goodness, I can't believe that they're a teenager. You know, both have impact accounts and my wife and I give them a charity allowance every month, right? And so that's like 10 bucks. In our case, we give them 10 bucks a month, it goes into their account and one of them actually likes to give it away right away it is organizations of choice and the other ones kind of saving it up to make a bigger impact with someone. The point of that is to say that triple impact is built for everyone regardless how much money you have. So what we see over time is you know more people coming in and adopting a like a bank account like approach to charitable giving right where you have this account you know, you can put money into it anytime you want. You know it's going to be there when you when you come back to see it and when you're ready to spend when you're ready to make that decision. You know you're going to buy it Have you ever not a Hyundai or whatever, okay, maybe the Tesla, I don't know what you're doing, okay? Then go and make the purchase decision. In other words, that's when you make the allocation to the charity. In that environment, we want to see a reinvigorated charitable donation population in Canada, we want to see more people participating as donors, and we want to see more people having fun with it. But I could say one other thing. We're also moving into helping communities gifts. So what's the community I mean, a sports clubs a community, right at school is a community, workplaces or community. So where's the tools to help those communities really make giving a part of their culture, we have very clear vision on how what we're doing can help make giving a part of those cultures by solving the problem of here's how you make giving a part of a school without, you know, having to tell every kid who's participating which exact charity to give to.

**Pat Bolland** 20:56

Wow, interesting. Well, let's hope that the process catches, like a pandemic, maybe, in the good sense, pandemic. John, thank you so much for your time. and I wish you continued success.

**John Bromley** 21:09

Thank you very much, Pat. Appreciate the conversation. That was fun.

**Pat Bolland** 21:13

John Bromley, Chief Executive Officer of Charitable Impact.