

AN AGENDA FOR

SPRING 2021

# EQUITABLE RECOVERY



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# NONPROFITS ARE THE HEART OF COMMUNITY



Nonprofit organizations are the heart of every single Canadian community. The fabric of our country is knitted together by nonprofits enabling the self-determination of all individuals regardless of their race, their sexual orientation, their economic status, their gender and their physical and mental capacities. On average, there are approximately 450 nonprofits and charities in each riding, employing close to 13,000 people.

Nonprofits are community organizations that constitute major sectors of the Canadian economy, supporting a large number of jobs and creating significant economic growth contributing to at least 8.5% of Canada's GDP and employing over 2.4 million people - 80% of which are women! In addition to these hard stats, our organizations generate the cultural, environmental, social, and creative value that make our communities safer, stronger and healthier.

We are experts in delivering social, economic, and environmental impact, especially at the community level. Our sector is vibrant, diverse,

resilient, and inclusive, comprising a wide array of organizations in the fields of health, immigration settlement and inclusion, education, childcare, women's focus, 2SLGBTQQIA, housing, environmental sustainability and seniors.



March of Dimes Canada



Let's Talk Science



Lions Foundation of Canada Dog Guides

# GUIDING COMMUNITIES THROUGH THE PANDEMIC

As a Parliamentarian, you are witness to how this has been an incredibly challenging year for people due to the heavy toll caused by this pandemic. This pandemic brought sharp focus to the impact of major issues such as poverty, homelessness, youth unemployment, and palliative and old age care. Government is hearing of job losses, unmanageable stress loads, increase in violence at home, children adjusting to new ways of learning, worsening mental health statistics, anti-Black racism, debilitating and even deadly loneliness in nursing homes. It seems a new troubling issue reveals itself each day. What these issues have in common is that in each case, nonprofit organizations are essential to the healing and rebuilding effort.



Muslim Association of Canada

# NONPROFITS ARE A DRIVER OF EQUITY AND INCLUSIVITY

Data mapping in cities struggling with COVID-19 reveals that lower income and disproportionately racialized neighborhoods tend to be the hardest hit by the virus. Community organizations are qualified and well-placed agents in the fight against systemic inequities. At 80% of the sector's labourforce, it is primarily women who are working to sustain the community infrastructure in constituencies across the country.

"We are BC's queer resource centre. We are very concerned about the impact of the virus on LGBTQ2S+ communities and people. A significant portion of our income comes from individual donors and events, which are in jeopardy. This cannot be the time when we are forced to abandon services and lay off staff. If we could make one thing a "new normal" it would be that there would be more core funding available."

- QMUNITY



Big Brothers Big Sisters

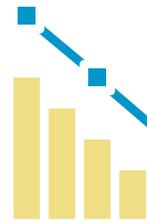


The Terry Fox Foundation

# COMMUNITIES REQUIRE STRONG NONPROFIT CAPACITY

Imagine Canada [survey data](#) from late 2020 has found:

## The diversity of the sector is under threat



Larger organizations are best able to adapt to modify their services to meet demand, while smaller organizations are more likely to temporarily cease operations. Organizations that serve smaller localities are facing comparatively higher challenges, while organizations that work with target populations are facing steeper declines in revenue than those who work with the general population. This has concerning implications for an equitable recovery.

## Community need is outstripping capacity



Human services organizations are reporting increased demand - expressed as need for their programs and services - while experiencing shortfalls in revenue.

**68%** of charities have seen a decline in donations since the onset of the pandemic.

**\$9.5 - \$15.7 BILLION** Charities alone have lost between \$9.5 and \$15.7 billion in 2020. This loss directly impacts communities, as charities and nonprofits have low profit margins and their revenues are directly reinvested in programs and services for Canadians.

## Long term organizational sustainability is at risk:



Charities are tending to focus on immediate challenges rather than longer-term considerations. For instance, organizations are making more investments in technology and less focused than usual on revenue generation and fundraising.

## Workers are being pulled in multiple directions:



Despite capacity strain, staff are expanding their areas of focus in meeting immediate challenges, with significant increases in areas of IT, communications, and program development.

# THE PILLARS OF RECOVERY

The charitable and nonprofit sector is much like the systems of interconnected lakes and rivers across this vast landmass. These waters are an ecosystem of interconnected relationships evolving over time to sustain life. Communities across Canada, in every riding, rely on ecosystems of community-driven programs and services that have grown and worked together for many decades. Both ecosystems are diverse and complex, and both contribute so much to our collective wellbeing. Much like the waters that run across our country, the nonprofit sector drives resources and innovation to every corner of our respective communities.

While incredibly resourceful and resilient throughout this crisis, the sector needs a strategic and close relationship with government to steward the country through an equitable recovery.

## Funding to stabilize organizations

For the organizations that are experiencing pandemic-driven revenue declines - a majority of our sector - there is an average drop of 43% of operating budget. This translates to a serious deficit in the services communities rely on. The loss of unrestricted revenues from donations and the sale of goods and services has hampered the ability of organizations to continue to function sustainably.

The way the Government currently funds nonprofits to deliver crucial programs and services is inefficient and inaccessible to many. Funding restrictions make it difficult to operate programs sustainably.

We recommend that: i) The federal government establish a grant program to help sector organizations make investments in infrastructure to meet increased demand and facilitate new ways of delivering services; ii) Current emergency relief measures [be improved so that more of the sector can benefit](#); iii) A modernized funding regime - including improvements to grants & contributions and access to federal loan programs - be explored to make efficient use of both public and organizational resources.



Dancing With Parkinson's



Moisson Montréal



Pillar Nonprofit Network Workshop



Canucks Autism Network

## Advancing a stronger relationship with government

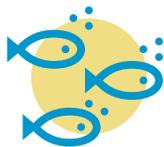
The public sector and the nonprofit sector are natural partners in governance: governments are elected based on their stated priorities in areas of health care, environmental conservation, arts and culture, and global assistance, while nonprofits both deliver on these priorities and independently address issues to ensure the quality of life we enjoy in this country. The recognition of this partnership has been lost over the last 15 years. The nonprofit sector needs a place in the federal government that can coordinate the policy work implicating the sector as a whole.

"The Pitquhirnikkut Ilihautiniq / Kitikmeot Heritage Society is a nonprofit Inuit heritage organization addressing projects of critical importance to the revival of Inuit culture, language and history. Because the majority of our programs involve face-to-face with Elders for the transfer of knowledge, a lot of our activities were halted as a result of COVID-19. Given that there are less than 600 remaining Elders that speak the Inuinnaqtun language, time is of the essence in order to ensure their language doesn't go to sleep. We need support for core funding that is not tied to any project."

- The Pitquhirnikkut Ilihautiniq / Kitikmeot Heritage Society



## Why doesn't the nonprofit sector have a home in government?



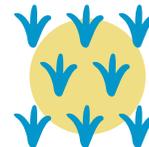
### Fisheries & Ocean (2020)

- 1.65% of Canada's GDP
- \$31.65B annually in GDP
- 30,000 jobs



### Transportation (2018)

- 8% of Canada's GDP
- \$153.4B annually in GDP
- 920,800 jobs



### Agriculture (2016)

- 6.7% of Canada's GDP
- \$111.9B annually in GDP
- 2.3 million jobs

Unlike these industries, the charitable and nonprofit sector, which by comparison contributes to **8.5% of Canada's GDP** and **2.4 million jobs**, does not have a home in government.

Pre-pandemic, the 2019 [Senate report](#) on its study of the charitable sector began by stating that “While the sector is resilient & innovative, its potential is limited by complex outdated rules & a lack of coordinated support within the federal government.”

## Enable equitable partnerships

Charitable organizations conduct essential work with equity-seeking communities, helping to bolster social cohesion, inclusion and contribute to healthier, safer, more sustainable societies for us all. The effectiveness of Canada’s charitable organizations, however, is hindered by a sorely outdated law regulating their activities and rendering them unable to fund other effective and accountable partners. Even with other charities, these organizations must exercise complete control over every small activity their partners complete, stripping communities and partners of their agency, decision-making autonomy, and ultimately making charitable work cumbersome and ineffective. ‘Direction and control’ rules undermines genuine and long-standing commitments to reconciliation with Indigenous peoples, as well as efforts to address systemic racism, as Indigenous and Black-led partners are forced to legally act as mere agents of large charitable organizations.

We recommend that the federal government work with the sector to reform the existing rules on qualified donees and direction and control so that public and charitable funds continue to be protected, but in a way that allows organizations to respond more effectively to future crises.

## Better data on our sector

As the federal government moves toward reconstruction, the development of social, health, environmental, economic and labour policy would greatly benefit from basic information about the systems and organizations that deliver on these key priorities. Without a home in government for the sector, there are few internal advocates for the collection of data on our economic contribution, mission focus, labour market information, or populations served. As a result, what policymakers

know about our organizations, labourforce, the work we do, and where we work and with which communities - is desperately sparse.

There is a need for disaggregated data on the communities that we serve to highlight the need for proper investments in organizations led by people of colour, Black and Indigenous people, women, 2SLGBTQQIA, persons with disabilities, and young people.

Organizations in the sector also require improved data capacity to deliver and demonstrate measurable results in communities. Enhanced ability to collect, use and share data will enable the sector to learn faster about what works best and allocate resources efficiently.

We recommend that: i) Statistics Canada be mandated to collect ongoing disaggregated data on the nonprofit sector, the work it does, and the populations it works with, to be able to monitor sector and community health coming out of the recovery; ii) Government work with the sector to improve data capacity in the areas of technical infrastructure, skills development, governance and process, similar to investments that are made into areas of the private sector.



Plan International Canada

## IN PARTNERSHIP WITH



Network for the Advancement  
of Black Communities

Réseau pour l'avancement  
des communautés noires



**PolicyWise**  
for Children & Families



# Egale

### Cover Imagery (top left to bottom right):

1 - Centraide Quebec  
4 - Muslim Association of Canada  
7 - Washington Community Market

2 - Habitat for Humanity  
5 - YMCA Vancouver  
8 - Pathways to Education Canada

3 - Boys and Girls Clubs of Canada  
6 - Canadian Breast Cancer Foundation  
9 - Canadian Paraplegic Association