

Canada's Charities Make Urgent Ask of Ottawa for \$10 Billion Stabilization Fund; Their Very Survival at Risk

Over 150 major charities form Emergency Coalition to save sector and maintain support to Canada's most vulnerable.

TORONTO, March 25, 2020 -- The leaders of over 150 Canadian charities have written a letter to the Government of Canada asking for urgent financial support to prevent the irreparable collapse of the sector, and their vital programs, due to the COVID-19 crisis. Canada's charities are a critical part of the Canadian economy, contributing more than eight percent to Canada's GDP (\$162 billion in 2017) and employing more than ten percent (1.4 million) of working Canadians.

Without immediate support from the federal government, most Canadian charities will have to lay off massive numbers of employees, greatly impeding their ability to support vulnerable people and communities. Many are facing a very real threat of permanent closure.

The Emergency Coalition of Canadian Charities, which includes War Child, United Way, the Canadian Cancer Society, YMCA, Indspire, Kids Help Phone, Daily Bread Foodbank, Women's Shelters Canada, Covenant House, UJA Federation of Greater Toronto, and Heart and Stroke Foundation, among many others, is recommending the following:

1. The immediate establishment of an emergency \$10 billion stabilization fund that will allow charities to survive, retain staff, cover critical expenses, and continue essential, frontline operations during the pandemic;
2. Loan guarantees to Canada's banks to ensure that charitable organizations have easy access to urgent, substantial short term low- or no-interest loans to support their operations;
3. Increase the Charitable Donation Tax Credit through to the end of 2021 from 50% to 75% (in line with the rate that is provided for political donations) to encourage Canadians to donate;
4. Continue to flow already-contracted funds to charities and allow for maximum flexibility and re-budgeting as charities struggle to deliver and/or redesign their programs in the wake of COVID-19; and
5. Ensure that charities have access to the same recovery programs that businesses do at every step.

These measures will help ensure Canada's charitable sector survives and can continue providing vital support to vulnerable Canadians and families hit hard by COVID-19. These recommendations are also in line with those being advocated by Imagine Canada.

Dr. Samantha Nutt, Founder and President of War Child Canada said: "The impact of current events on charities cannot be overstated. Few charities have the financial reserves and access to capital that will allow them to stay afloat through this pandemic. It is a brutal irony that as vulnerable groups in Canada and around the world are confronting the social hardship and economic fallout of COVID-19, charities who might support and assist them are struggling themselves to figure out how they will continue to resource their operations, employ their staff and provide vital support to vulnerable people."

David Morley, CEO of UNICEF Canada commented: ""We risk losing the core of the non-profit sector in Canada. We will have to rebuild these non-profits that are so important for the life of Canada, we mustn't lose this incredible social structure."

Charities are particularly vulnerable to the COVID-19 crisis because organizations rely on a steady stream of donations, business support and government investments to survive. All of these revenue sources have been disrupted and are under threat.

“Organizations in the charitable sector care for all of Canada’s most vulnerable populations, filling in where our social safety net fails people. We survive on donations and the efforts of volunteers in the community, all of which are being drastically curtailed through the pandemic. Charities are too important to the fabric of Canada to be forgotten during this crisis,” says Andrea Seale, CEO, Canadian Cancer Society.

Dan Clement, President & CEO, United Way Centraide Canada said: “Canada has an adaptive and innovative network of community services for vulnerable people, but the very nature of this pandemic is striking at the heart of this service capacity, drastically reducing the availability of volunteers due to social isolation, spiking demand for basic needs, putting front line community service staff at risk and threatening the very existence of this critical service capacity as revenues dry up. Flexible community funding to support our most vulnerable and delivered in local communities is what we need immediately. Equally, a broader charitable sector stabilization program to backstop our essential community service infrastructure is critical to ensuring it will be there to serve Canadians today, in six months and in the years to come.”

Without the presence of charities supporting Canada and the world’s recovery, more and more vulnerable members of our society will be at risk, which in turn will worsen and deepen the impact of COVID-19 for all Canadians.

Roberta Jamieson, President and CEO of Indspire, a national Indigenous charity that invests in education, said: “Throughout Canada, charitable organizations are serving the needs of citizens. Every dollar donated to Canadian charities goes back into the community to continue serving the needs of the most vulnerable which includes Indigenous peoples. We call on the Government of Canada to establish an emergency stabilization fund that will allow charities to stay afloat and continue to meet the need of groups at risk, including First Nations, Inuit and Metis youth who are working to create a better future for their communities.”

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