

PILLAR NONPROFIT NETWORK

WRITTEN SUBMISSION FOR THE PRE-BUDGET CONSULTATIONS IN ADVANCE OF THE UPCOMING FEDERAL BUDGET

**WORKING TOGETHER TO
BUILD STRONGER
COMMUNITIES**



PILLAR
nonprofit network

TABLE OF CONTENTS



3	ABOUT PILLAR NONPROFIT NETWORK
4-5	OUR RECOMMENDATIONS
6-7	OUR SHARED GOALS AND AMBITIONS
8	RELEVANT COMMITMENTS AS CAPTURED IN THE UN SDGS
9-11	OUR RECOMMENDATIONS



ABOUT PILLAR NONPROFIT NETWORK



For more than 20 years, Pillar Nonprofit Network has championed cross-sectoral collaboration between and among governments, businesses, and the community sector as the three pillars of community impact and positive change.

Our mission is to strengthen, through a heightened equity lens, individuals, organizations and enterprises that are invested in positive community impact and we envision an engaged, inclusive and vibrant community.

We deliver on this mission by increasing awareness of nonprofits and social enterprises as social and economic drivers; supporting them to develop inclusive workplaces; facilitating collaboration through a network approach that connects nonprofit organizations to each other and business and government; and finding new ways, programs and services to address our community's most persistent challenges.

Our current strategic plan binds us and empowers us to put equity, change, and recovery in action: to acknowledge our shared complicity in anti-Black and anti-Indigenous racism and all intersecting oppressions, and drive ourselves and our network to action; to work together across sectors and shift inequitable structures and systems to create transformational change; and to promote an equitable and sustainable recovery that addresses the inequities exacerbated by the COVID-19 pandemic.

Representing thousands of people working in hundreds of organizations, we are a network of nonprofits, charities, foundations, social enterprises, cooperatives, social financiers, responsible investors, innovators, and caring individuals engaged in community care informed by our communities.

We are a ready and able partner in making Canada better for those who live here now and those who will in future.

RECOMMENDATIONS



1

Invest in organizations that deliver community services and government priorities by increasing the Community Services Recovery Fund for 2022-23 and expanding eligibility to get funds to equity-deserving communities.

2

Make regulatory changes that likewise increase the capacity of social purpose organizations, including increasing the disbursement quota payout to 10 per cent and eliminating the capital gains tax on donations of shares in private corporations or real property to charities.

3

Accelerate and expand anti-oppression work by funding initiatives that advance reconciliation and eliminate racism and hate, including but not limited to:

- a. Increasing investment and accelerating work on the Calls to Action for the federal government from the TRC; the Calls for Justice to the federal government from the Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls; and the implementation of UNDRIP;
- b. Re-investing in the anti-Black racism strategy;
- c. Investing in implementing the federal recommendations to combat Islamophobia from the National Council of Canadian Muslims; and
- d. Investing in reducing online harms with care to protect equity-deserving communities most at risk of harmful surveillance and government overreach.

RECOMMENDATIONS



4

Invest fully in a social impact sector ethical data strategy to help organizations better connect their missions and activities to the UN Sustainable Development Goals and Canada's commitments at the local, national, and global levels.

5

Invest in the future of critical institutions and the efficacy of cross-sectoral collaboration by establishing a permanent, effective, and accountable home in government for the social impact sector.*

*A note on usage: As a network organization, we recognize that Pillar's diverse members understand their role in making a just, equitable, and thriving society through differing terminology, sometimes with intention, sometimes by habit. Terms like nonprofit sector, charitable sector, or philanthropic sector describe organizations by their governance structures. Some, like social impact sector, or social purpose sector are more closely related to outcomes. The sector has also been known as the voluntary sector in recognition of the critical role of board members and other volunteers; and as civil society in recognition of the foundational web of relationships it fosters. All of these denote the third sector, the third pillar of society, from which we take our name. Under all of these names, the sector is united in delivering on our communities' needs and priorities. Where we are not referencing a specific type of organization, we will use the term social impact sector, but we ask you to think about the sector in the terms that are meaningful to you and that describe the critical people and organizations that are working to make your community better.

OUR SHARED GOALS AND AMBITIONS



Communities in Canada are experiencing cascading crises. We recognize with deepest regret that you need no convincing of this. We are not the first to say that a government's priorities are found in its budget, but we encourage this government to meet the moment in Budget 2022. We ask that you use this opportunity to recognize that crises of health, inequality, and anti-democratic forces are threats to our democracy and community wellbeing, and we encourage you to invest sufficient resources in people and organizations to make positive and urgently needed change.

There are other forums to advocate for measures that further strengthen our institutions and democracies through regulatory and electoral reform. And, in other circumstances, our asks might cluster around upstream investments in people and wellbeing that would significantly reduce the strain on social impact organizations, measures like a national, universal, public single-payer pharmacare program; a national livable income and disability benefit; and an EI system better supported by federal investment. New data from CanadaHelps and Ipsos indicates that 26% of Canadians may soon need charitable services just to meet basic needs due to the pandemic and inflation, up from 11%.* We do applaud this government's investment in affordable child care. We hope that this will continue to be based on expanding nonprofit care and decent work and that it will be a model for standards around long-term care.

But our focus here will be on budgetary measures to support organizations that build equity, social cohesion, and stronger communities. And also on the ways that these investments put Canada's global commitments into action, identified through relevant UN Sustainable Development Goals.

*<https://www.globenewswire.com/news-release/2022/02/23/2390144/0/en/New-Ipsos-Poll-Reveals-26-of-Canadians-May-Soon-Need-Charitable-Services-to-Meet-Basic-Needs-Up-from-11-Due-to-Pandemic-and-Inflation.html>

OUR SHARED GOALS AND AMBITIONS

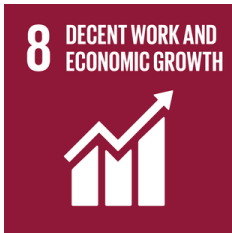


As a member-centric organization and diverse network of social impact actors, Pillar amplifies and advocates for the missions and activities of our members working across many subsectors, from health care to green transition, from VAW shelters to disability rights, from reconciliation with Indigenous peoples to supports for social finance, from active transportation to education, from circular economy to disability rights. We touch the same wide range of priorities as the public sector, and all of the UN's Sustainable Development Goals are represented in our members' missions and activities. But, among the promises Canada has made to Canadians and the global community, we would like to highlight the following goals and ambitions from the Canadian Indicator Framework for the Sustainable Development Goals Data Hub that we will reference in discussing our recommendations.*



*Canadian Indicator Framework for the Sustainable Development Goals Data Hub (Beta): <https://sdgcif-data-canada-oddci-donnee.github.io/>

RELEVANT COMMITMENTS AS CAPTURED IN THE UN SDGS



SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Ambition - Canadians have access to quality jobs.



SDG 10. Reduce inequality within and among countries.

Ambition - Canadians live free of discrimination and inequalities are reduced (measured through the Gini Coefficient and the reported proportion of the population reporting discrimination or unfair treatment).



SDG 11. Make cities and human settlements inclusive, safe, resilient and sustainable.

Ambition - Canadians live in healthy, accessible, and sustainable cities and communities (measured through the percentage of the population aged 12 and over who reported their sense of belonging to their local community as being very strong or somewhat strong).



SDG 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Ambitions - Canadians are safe and secure, in person and online (as measured through the proportion of Canadians who reported feeling safe walking alone in their neighborhood after dark); Canadians have equal access to justice.

OUR RECOMMENDATIONS



1

Invest in organizations that deliver community services and government priorities by increasing the Community Services Recovery Fund for 2022-23 and 2023-24 and expanding eligibility to get funds to equity-deserving communities.

We are alarmed to increasingly see the term “charity gap” appearing in accounts of the sector, even accounts by the sector, the notion that nonprofit capacity is falling short of the community demand. As Imagine Canada and others have reported, it is certainly true that needs in our communities have outstripped the ability of nonprofits to meet the demand during the pandemic. But this language elides the real issue: this is a public sector gap, what Imagine Canada called an “emerging social deficit,” even before the pandemic.*

The social impact sector has always been the ideal partner in delivering government priorities to communities, and has done everything possible to maximize its efficiency, diversifying revenue and running lean, even at the expense of its own workers. But this is not sustainable through two years of a pandemic and, likely, at least two more years of recovery.

The future of work includes a significant role for the social purpose sector to deliver services and also to provide decent jobs for Canadians. (SDG 8) It is also a significant builder of social cohesion, enabling relationships in community and providing, for many, volunteer roles that promote belonging. (SDG 11) While the sector and recipient organizations are grateful for the Community Services Recovery Fund, demand in our region alone reached three times the dollars available.** Despite the best efforts of intermediary organizations to weigh the urgency of competing demands, the pie needs to be bigger.

*<https://www.imaginecanada.ca/en/360/canadas-emerging-social-deficit>

**<https://lfpres.com/news/local-news/demand-for-united-way-funds-triples-amid-immense-need-across-region>

OUR RECOMMENDATIONS



We also encourage you to find mechanisms by which supports can be delivered to smaller organizations without charitable status and otherwise make it easier for organizations to help each other and for Canadians to support the sector. We are hopeful that Bill S-216: An Act to amend the Income Tax Act (use of resources of a registered charity) will be passed into law, but the changes to direction and control it proposes will not come into effect for two years, and so large charities will continue to find it difficult to work with small frontline organizations. Without more timely help, many of the small organizations who might benefit from these changes will be gone, overwhelmed by the challenges of the pandemic. This support might come partly in the form of funding for digital transformation so that organizations can reconnect to their communities and their volunteers, or other capacity-building supports, including the costs of staffing such transformations.

2

Make regulatory changes that likewise increase the capacity of social purpose organizations.

Though some regulatory changes may take time, there are additional ways that changes in the regulatory environment can help make for a 'bigger pie.'

We encourage the government to increase the disbursement quota payout for foundations to a minimum of 10 per cent.

We also encourage you to eliminate the capital gains tax on donations of shares in private corporations or real property to charities to encourage more giving.

OUR RECOMMENDATIONS



3

Accelerate and expand anti-oppression work.

Pillar’s strategic plan binds us and empowers us to put equity in action: to acknowledge our shared complicity in anti-Black and anti-Indigenous racism and all intersecting oppressions, and drive ourselves and our network to action. We encourage you to invest in initiatives that advance reconciliation and eliminate racism and hate (SDGs 10, 11, and 16), including but not limited to:

- a. Increasing investment and accelerating work on the Calls to Action for the federal government from the TRC; the Calls for Justice to the federal government from the Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls; and the implementation of UNDRIP;
- b. Re-investing in the anti-Black racism strategy;
- c. Investing in implementing the federal recommendations to combat Islamophobia from the National Council of Canadian Muslims; and
- d. Investing in reducing online harms with care to protect equity deserving communities most at risk of harmful surveillance and government overreach.

4

Invest fully in a social impact sector data strategy.

We recognize and applaud recent efforts to reduce the data deficit that has long hampered the development and sustainability of the social impact sector, including updates to the Satellite Account of Non-profit Institutions and Volunteering and the relaunch of the Federal Data Working Group. Among other benefits, we look forward to better measurement of the sector’s economic recovery, to better labour market data, and to data that will help organizations better connect their local, national, or global missions and activities to the UN Sustainable Development Goals and Canada’s commitments.

OUR RECOMMENDATIONS



5

Invest in the future of critical institutions and the efficacy of cross-sectoral collaboration by establishing a permanent, effective, and accountable home in government for the social impact sector.

The nonprofit sector is among Canada's largest employers and among the largest contributors to Canada's GDP, but there is no minister accountable to Canadians for the health of this economic engine and its potential for further job growth and decent work. (SDG 8) The sector is a force for social cohesion (SDGs 10, 11, and 16) but has no home in government from which to advise on strategies to bring Canadians into community. Billions of dollars lie in wait for a rainy day in foundations, but there is no mechanism outside of these fleeting consultation opportunities to affect positive change to an outmoded regulatory environment. We have long recognized the power of cross-sectoral collaboration and collective impact, but the nonprofit sector is missing at government tables where plans for public-private partnerships are evaluated. And the pandemic has only amplified the need for a home in government to ensure that relief is delivered in a way that ensures the survival and optimizes the critical work of the social impact sector.

Social impact organizations are the knowledge keepers for our communities, pillars of Canada's social infrastructure and, indeed, economic drivers in their own right. We encourage you to invest in the sector's recovery and sustainability so that these organizations can help you deliver on Canada's promises and, indeed, Canada's promise.

