

Ottawa, November 8, 2011

Hon. James Flaherty, P.C., M.P.
Minister of Finance
House of Commons
Ottawa, ON K1A 0A6

Dear Minister:

We are writing to endorse the proposed Stretch Tax Credit for Charitable Giving as recommended by Imagine Canada in its pre-budget submission to the House of Commons Standing Committee on Finance. We urge you and your government to include this innovative tax credit in Budget 2012. This measure invites every Canadian to be a philanthropist. It recognizes that together, charities, the Government of Canada, and Canadians can build stronger, more resilient, and more economically and socially viable communities even during financially challenging times.

We represent a broad array of charitable organizations, operating in communities across Canada and around the world. We engage Canadians in wide-ranging ways be it through arts and culture, environmental, educational, philanthropic or religious pursuits, health, international development and cooperation, social services or sports and recreation. Yet we have much in common including the fact that we all contribute to improving the quality of life and economic well-being of individuals and their communities. And we all rely on the generosity of individual Canadians to help us fulfill our missions.

While Canadians are among the most generous people in the world, thanks in part to the support of the Government of Canada through the tax regime, recent years have seen a significant decline in the proportion of taxpayers claiming the Charitable Tax Credit. This is not only potentially troubling from a financial standpoint; there is a direct link between donations and volunteerism. People who make donations are much more likely to volunteer their time and efforts to causes that are important to them.

There are compelling reasons to move forward with the Stretch Tax Credit at this time.

- The Canadian Survey on Giving, Volunteering and Participating demonstrates that a majority of Canadians would increase their giving if more generous tax credits were available.

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- An Ipsos-Reid survey conducted this fall indicates that 82 percent of Canadians polled support the Stretch Tax Credit concept and that more than half of these supporters want to see the measure implemented in the next budget, rather than after the current financial uncertainty has passed.
- A Parliamentary Budget Office analysis of the Stretch Tax Credit anticipates that within three years, it could result in up to 600,000 new donors and an increase of up to 26 percent in median donation levels.
- The Stretch Tax Credit would come at a moderate cost to the federal government. The Parliamentary Budget Office anticipates that annual foregone revenues would be between \$10 million and \$40 million after three years.
- This measure challenges Canadians, in an innovative way, to step up their personal contributions towards making communities at home and abroad more economically, socially, culturally and environmentally viable.

A number of welcome initiatives in recent years have encouraged large-scale giving by wealthier Canadians who can provide gifts of assets, but there have been no recent incentives to support first-time or enhanced giving by middle- and modest-income taxpayers. The Stretch Tax Credit would complement previous measures aimed at wealthy Canadians by providing meaningful tax relief for hard-working families of more moderate means, particularly younger families and younger career earners looking to become more active in their communities from coast to coast to coast as well as overseas.

The potential benefits of the Stretch Tax Credit are significant, while the risk to the federal government is minimal. The lifetime cap built into Imagine Canada's proposal and the Canada Revenue Agency's audit procedures minimize the likelihood of fraudulent claims. And while we have every confidence that the Stretch Tax Credit will have the desired public policy outcome, if it does not, there will be no cost to the Treasury.

The Stretch Tax Credit for Charitable Giving is an innovative, low-cost, high impact policy proposal that will immensely benefit Canadians and the communities in which they live. This measure received all-party endorsement the last time a House of Commons Finance Committee pre-budget report was tabled in the House. It is about creating and sustaining a culture of giving and it is the right thing to do.

Hon. James Flaherty, P.C., M.P.
Page 3
November 8, 2011

Once again, we strongly urge you and your government to endorse and include the Stretch Tax Credit for Charitable Giving in Budget 2012.

Yours sincerely,



Marcel Lauzière
President & CEO

Charity Leaders Who Endorse This Letter:

Michael Allen, President & CEO
United Way Ottawa

Rusty Baillie, CEO
Oakville Community Foundation

Rahul Bhardwaj, President & CEO
Toronto Community Foundation

Ian Bird, President & CEO
Community Foundations of Canada

Marina Boulos-Winton, President & CEO
Foundation of Greater Montreal

Owen Charters, CEO
CanadaHelps

Michael Cloutier, President & CEO
Canadian Diabetes Association

Mary Dodd, CFO
Women's College Hospital Foundation

David Elton, President
Max Bell Foundation

Eva Friesen, President & CEO
The Calgary Foundation

Martin Garber-Conrad, CEO
Edmonton Community Foundation

Ted Garrard, President
Hospital for Sick Kids Foundation

Derek Gent, Executive Director
Vancity Community Foundation

Peter Goodhand, President and CEO
Canadian Cancer Society

Scott Haldane, President & CEO
YMCA Canada

Stewart Hardacre, President & CEO
Habitat for Humanity Canada

Al Hatton, President & CEO
United Way of Canada – Centraide Canada

Sandy Houston, President
Metcalf Foundation

Stephen Huddart, President & CEO
J.W. McConnell Family Foundation

David Hughes, President and CEO
Pathways to Education

Pam Jolliffe, President & CEO
Boys and Girls Clubs of Canada

Chris Jones, Senior Leader
Sport Matters

Colleen Kelly, Executive Director
Vantage Point

Bruce MacDonald, President and CEO
Big Brothers Big Sisters of Canada

Kevin McCort, President & CEO
CARE Canada

Michael McKnight, President & CEO
United Way of the Lower Mainland

Steven McNair, President and CEO
The Arthritis Society

Alayne Metrick, President
St. Michael's Hospital Foundation

Hilary Pearson, President and CEO
Philanthropic Foundations Canada

Conrad Sauvé, Secretary General & CEO
The Canadian Red Cross Society

David Sculthorpe, CEO
Heart and Stroke Foundation of Canada

Paul Shay, National Executive Director
The Kidney Foundation of Canada

Michèle Thibodeau-DeGuire
President & CEO
Centraide of Greater Montreal

Dave Toycen, President and CEO
World Vision Canada

Shelley White, President and CEO
United Way of Peel Region

Sharon Wood, President & CEO
Kids Help Phone

Susan Lewis, President & CEO
United Way of Winnipeg

Rosemary McCarney, President & CEO
Plan International Canada

Susan McIsaac, President & CEO
United Way Toronto

Ross McMillan, President & CEO
Tides Canada

David Morley, President & CEO
UNICEF Canada

Jeff O'Hagan
Vice-President Advancement, York University
President, York University Foundation

John Rafferty, CEO
CNIB

Yves Savoie, President & CEO
Multiple Sclerosis Society of Canada

Paulette Senior, CEO
YWCA Canada

Anne Smith, President & CEO
United Way, Alberta Capital Region

Col. Floyd Tidd, Chief Secretary
The Salvation Army in Canada

Willy Van Klooster, Executive Director
Vanier Children's Services

Faye Wightman, President & CEO
Vancouver Foundation

Bob Wyatt, Executive Director
Muttart Foundation

Hon. James Flaherty, P.C., M.P.

Page 5

November 8, 2011

cc: Rt. Hon. Stephen Harper, Prime Minister
Hon. Ted Menzies, Minister of State (Finance)
Hon. Diane Finley, Minister of Human Resources and Social Development
Members of the Federal Cabinet
Ms. Nycole Turmel, Leader of the Opposition
Hon. Bob Rae, Leader of the Liberal Party
Mr. Louis Plamondon, Interim Leader of the Bloc Québécois
Ms. Elizabeth May, Leader of the Green Party of Canada
Members of the House of Commons Standing Committee on Finance