

Federal party policy must include charitable and nonprofit sector

Imagine Canada urges party leaders to support a stronger, healthier sector

Ottawa, January 6, 2006 Imagine Canada today delivered a letter to the four party leaders emphasizing the critical contribution of Canada's 161,000 charities and nonprofit organizations. The letter asks the parties to consider three recommendations that would strengthen the ability of the sector to serve those who need it most.

The charitable and nonprofit sector employs two million people and contributes 7.8% of Canada's GDP, which is larger than the mining, oil and gas extraction, automotive manufacturing, and entire retail trade industries. However, the sector is not part of any party's platform leading up to the federal election later this month.

A copy of the letter follows.

Imagine Canada is a national organization that supports Canada's charities, nonprofit organizations, and socially conscious businesses and champions the work they do in our communities.

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Backgrounder: Letter to Federal Party Leaders

January 6, 2006

Dear Mr. Prime Minister
Mr. Stephen Harper
Mr. Gilles Duceppe
Mr. Jack Layton

We are writing to you in support of the millions of Canadians that benefit from the services delivered by the charitable and nonprofit sector each and every day, and in support of the two million plus Canadians who are also employed in this sector.

While it often goes unnoticed, the charitable and nonprofit sector employs over two million full-time equivalent workers (2,073,000) or approximately 12.1% of Canada's economically active population. Strikingly, this is twice the size of the workforce in the transportation sector and approximately the same size as Canada's manufacturing sector. Furthermore, like these other two industries, the charitable and nonprofit sector is a significant economic driver. It contributes over \$75 billion to the national economy (\$34.7 if one excludes hospitals and post-secondary institutions) and represents 7.8% of the GDP (4% excluding hospitals and post-secondary institutions).

Most Canadians would be challenged to define our charitable and nonprofit sector because it is often the "invisible" sector that fills the gaps between the worlds of government and private enterprise. However, few would find it difficult to show a single

Canadian who has not benefited from the charitable and nonprofit sector. We are responsible for supporting our seniors, caring for our children, assisting new Canadians, providing places of worship, cleaning our rivers, and for running cultural programs, sports leagues and election campaigns. Imagine life without ... meals- on-wheels ...The Canadian Cancer Society...The Children's Help Line....or minor hockey.

Yet it is concerning that the charitable and nonprofit sector has not been addressed by any party in the current federal election campaign. The campaign, so far, has talked about childcare, homecare, support for seniors, and children's sports. Yet it has not addressed the challenges facing this invisible sector - the two million dedicated Canadians – that deliver these critical programs and services every day. Those in the sector are faced with heavy workloads, increased service demands, and shoe-string operating budgets. Staff burn-out and dwindling funding sources challenge the ability of the sector to serve our communities and those who need help the most – seniors, children and persons with disabilities.

In order to build and sustain stronger, healthier, and safer communities, we ask that, as a party policy, you consider the following critical recommendations:

- 1) That federal funding to the sector provide full cost recovery for overhead and administrative costs on the programs and services being delivered, especially those in partnership with the federal government, in order to ensure the quality and integrity of the programs being delivered
- 2) That the federal government entrench the *Accord between the Government of Canada and the Voluntary Sector* and the *Codes of Good Practice on Funding and Policy Dialogue* in all relationships and contracts with the charitable and nonprofit sector.
- 3) That the preferential tax treatment on capital gains be extended to apply to other classes of capital assets such as real estate; that preferential treatment on capital gains be extended to private foundations; and that a complete tax exemption on capital gains for charitable gifts of publicly traded securities be granted.

Charitable and nonprofit organizations are the cornerstones of our communities, acting as key partners to government in ensuring the best quality of life for Canadians. As a sector, we value our existing relationship with the federal government and we hope that by making these three critical changes, we can strengthen and increase the effectiveness of the services we work together to deliver for the sake of all Canadians.

We look forward to your response.

Yours truly,



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President, Imagine Canada



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