

Impact of Federal Budget on Canada's Charities & Nonprofits

Canada's Charities and Nonprofits are extremely disappointed that the Budget fails to acknowledge the role they play in helping vulnerable Canadians

OTTAWA, Tuesday, January 27, 2009, 8:30pm EST – This Budget made very little mention of Canada's charities and nonprofit organizations as they enter a period of increasing economic difficulty in meeting their mandates to serve vulnerable Canadians – despite the fact that Canada has 161,000 registered charities and nonprofits. These organizations marshal more than 12 million volunteers and 2 billion hours of volunteer time. They employ a workforce of 2 million full-time equivalent workers --11% of the economically active population. Together, this activity accounts for 8.5% of Canada's GDP

Imagine Canada, a national charitable organization that looks *into* and *out for* Canada's charities and nonprofits, had brought forward three recommendations to the Finance Minister following a consultation process with organizations across the sector. The resulting Brief to the Finance Minister proposed measures that would have contributed to the capacity of these organizations to maintain mission-critical services to our most vulnerable citizens and communities as these organizations face new demands for services and declining resources.

"We said to government 'we're part of the solution -- we're here to help'. We called upon the Finance Minister to adopt measures that would have stimulated giving at a time when giving is needed most. We asked this Government to hold the line on federal funding for charities and organizations delivering mission-critical services to communities. Instead, the federal budget was silent on these matters," says **Marcel Lauzière, President & CEO of Imagine Canada.**

"Over the past weeks and months, Canadians have heard and read in the media that demands on charitable organizations are on the rise. The ability of these organizations to continue to deliver often mission-critical programs and services is increasingly at risk in light of difficult economic circumstances that tend to constrain both public grants and private giving," continued **Marcel Lauzière.** *"This is a missed opportunity."*

On January 15, Imagine Canada submitted a Brief to the Prime Minister and the Minister of Finance on *Short-Term Stimulus Measures for Assisting Canadians and Communities during the Economic Downturn*. The Brief put forward three key stimulative measures to assist Canada's vulnerable populations and the organizations that support them for consideration by the Finance Minister prior to the Budget's release.

First, there should not be cuts to funding to organizations receiving federal grants and contributions agreements that assist in the delivery of programs and services to communities at this time.

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“We are extremely disappointed that the government was silent on the issue of federal funding to Canada’s charities and nonprofits. These organizations face new and increasing demands for services and declining resources. We called on the government to hold the line. We will be looking for those assurances and watching to make sure that these organizations are not subject to cuts as they, too, struggle in this economy to serve Canadians in their communities,” comments **Marcel Lauzière**.

Second, the charitable tax credit should be enhanced to stimulate charitable giving by ordinary Canadians, by providing for an increase to the credit on any increased giving in each of the next 3 years, for up to \$15,000 per year in new giving.

Mr. Lauzière further offers, *“We regret very much that the government did not provide for measures to stimulate charitable giving. Businesses and charities alike had joined in calling for these measures. We will continue to call for measures that would provide short-term stimulus on charitable giving.”*

Third, we asked that a portion of the federal infrastructure funding should be earmarked for projects that contribute to community and social infrastructure as well as being sizable construction initiatives, including arts and culture and sports and recreation infrastructure initiatives.

“On this, we are pleased to see that some infrastructure funds have been specifically earmarked for Culture and Sport. However, there is a lack of clarity around which programs will require matching funds to be raised by nonprofit organizations in order go forward,” added **Marcel Lauzière**.

For more details on Imagine Canada’s proposed measures, download the full Brief at: http://www.imaginecanada.ca/files/en/publicaffairs/brief_budget_2009_20090115.pdf

Asked to comment on next steps, **Don McCreesh**, the volunteer national Chair of Imagine Canada, noted:

“We recognize that Budgets are annual events and we will continue to work with Canada’s 161,000 charities and nonprofits across the county to bring forward measures to government that can assist vulnerable Canadians by providing adequate resources to the organizations that support them during this difficult time. Imagine Canada and the charitable and nonprofit sector are here to stay.”

Every Canadian in every community across our country is touched in some way by the work of Canada’s 161,000 mission-based charitable and nonprofit organizations. They work with our children, feed the hungry, provide emergency and social services, research cures for diseases, promote physical activity, and preserve our cultural and artistic heritage. These organizations provide services and programs in every corner of the country, from homeless shelters to arts and culture, health charities, environmental networks, United Ways, community foundations and many more.

The Government of Canada plays a central role in funding important programs and services for Canadians through direct grants and contributions, and through tax measures that have an important stimulative effect on giving. Both are critical forms of financial support, especially during difficult economic times.

Imagine Canada is a national charitable organization that looks into and out for Canada's charities and nonprofit organizations. It advances knowledge and relationships to foster effective and sustainable charitable and nonprofit organizations.

Additional Materials:

Background of Imagine Canada's activities in regards to Federal Budget 2009:

<http://www.imaginecanada.ca/en/node/189>

Imagine Canada's *Short-Term Stimulus Measures for Assisting Canadians and Communities during the Economic Downturn* Brief to the Federal Government:

http://www.imaginecanada.ca/files/en/publicaffairs/brief_budget_2009_20090115.pdf

Imagine Canada Media Centre:

<http://www.imaginecanada.ca/en/node/16>

Statistical Highlights on Canada's Charitable and Nonprofit Sector

<http://www.imaginecanada.ca/en/node/32>

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Marcel Lauzière, President & CEO of Imagine Canada, is available for interviews. Please call the contacts above to schedule an interview with Mr. Lauzière.