



Written Submission for the Pre-Budget Consultations 2024
By:
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AFP Canada Recommendation: Create a permanent, adequately funded, dedicated federal secretariat for the charitable sector in Canada in 2024.

The Association of Fundraising Professionals (AFP) Canada appreciates the opportunity to submit our recommendation for Budget 2024 to the Standing Committee on Finance.

Recommendation: Create a permanent, adequately funded, dedicated federal secretariat for the charitable sector in Canada in 2024.

Designating a secretariat in government for the charitable sector that is properly resourced (staff and budget) would be the most significant way for government to ensure the ability of charities to meet the wide-ranging needs of Canadians now and in the future.

AFP Canada is part of a coalition representing over 55 charities and nonprofits that began convening in April to identify priorities from the sector for government. This request for a dedicated secretariat for the sector in government was identified as a top priority by the coalition members.

About Canada's Nonprofit Sector

Canada's nonprofit sector, which includes the charitable sector, is instrumental to the country's economic success and productivity. The sector is one of the five largest in our country, representing more than 170,000 charities and nonprofit organizations. It accounts for 8.4% of Canada's Gross Domestic Product and more than 10% of the labour force (Statistics Canada).

The nonprofit sector provides countless services and supports making a huge difference in the lives of Canadians from coast to coast to coast. Fundraising professionals play the important role of ensuring that nonprofits have the resources they need to do their work. Charitable revenue provided by Canadian households and businesses makes an essential contribution to the sector's ability to facilitate social change.

The sector played a key role in helping people across Canada deal with the challenges brought on by the pandemic. At the onset of the pandemic, we stepped up and responded quickly to the many pressing needs of Canadians by providing food, emergency shelter and health care, among other things, to some of the most vulnerable in our communities, which we continue to do today.

In addition, the impact of Canada's nonprofit sector is even greater considering that it strengthens our country's economy in many ways, including keeping the population healthy, helping to tackle climate change, finding new cures for diseases, addressing racial inequalities, helping workers who are unemployed, ensuring settlement of newcomers, and providing workplace training and education.

Despite this, the sector faces significant challenges—issues such as lack of stable funding, modernization and data collection—that restrict its ability to meet the needs of communities across Canada. The potential of charities is hampered because there is no place in the government working alongside our administrators to grow the sector in multiple important ways. Strengthening the sector so that it can continue to deliver support and services that are needed and valued by Canadians is an urgent priority.

The need for a secretariat

Notwithstanding the fact that the charitable sector contributes 8.4% to Canada's GDP, the sector does not have a dedicated secretariat in government tasked with ensuring the connection to, well-being of and long-term potential of the more than 170,000 charities and nonprofits in the country. By comparison, industries with similar contribution percentages to Canada's GDP (construction, finance, and mining, oil and gas extraction) all have federal ministers, secretariats, or entire government departments dedicated to the sector or industry (Government of Canada, 2021).

Based on our outreach, the government recognizes and appreciates the charitable sector's important contribution to our communities. Members of Parliament, government officials and special government committees recognize and respect the valuable expertise contributed by the sector's professionals.

After holding more than 25 meetings with organizations and officials in 2018 and 2019, the Special Senate Committee on the Charitable Sector issued a report entitled "Catalyst for Change: A Roadmap to a Stronger Charitable Sector", which included a recommendation (Recommendation 22) for the government to create a secretariat on the charitable sector.¹

Further to that, as identified by the January 2021 report of the Advisory Committee on the Charitable Sector², federal policy frameworks for the sector are uncoordinated, and there is insufficient investment in data, IT, finance and labour market practices for the sector, which prevents the sector from reaching its full potential.

In March 2021, in its formal response to the report from the Special Senate Committee on the Charitable Sector, the government indicated it "supports the creation of a single window into government for the charitable sector"³. The government also noted that Employment and Social Development Canada currently leads the government's approach to the sector and might be the appropriate host.

Earlier this year, we learned that this is a priority of the government and that consultations are planned for this fall that would inform the creation of a secretariat. We urge the government to commit to acting on the recommendations from the consultations swiftly and to make a specific commitment of resources to create the secretariat in 2024.

The current transactional nature of our sector's relationship with the government does not encourage its growth. There is no clear area in government focused on increasing the sector's sustainability and its ability to serve those in need—complementing the significant investments provided by government. In addition to providing guidance to inform policy decisions that help to increase the sector's impact, a secretariat would provide valuable input to government when changes to existing or new policies are

¹ Senate of Canada (2019). Catalyst for Change: A Roadmap to a Stronger Charitable Sector;

<https://sencanada.ca/en/info-page/parl-42-1/cssb-catalyst-for-change/>

² Report #1 of the Advisory Committee on the Charitable Sector (2021); <https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/corporate-reports-information/advisory-committee-charitable-sector/report-advisory-committee-charitable-sector-february-2021.html>

³ Minister of National Revenue (2021). Response to the Report of the Special Senate Committee on the Charitable Sector;

<https://afpglobal.org/sites/default/files/attachments/generic/ResponseGovttoSenateReSenateReportonCharitableSectorMarch2021.pdf>

considered. This has the potential to help the government save money by making or avoiding amendments before the policies are changed.

The impact of the lack of a clear “home” in government for the sector was made abundantly clear during the COVID-19 pandemic.

Impact of no specific secretariat during and post the COVID-19 pandemic.

The COVID-19 pandemic put Canada’s charitable sector in a difficult position—with nearly half of all charities reporting increased demand for services, more than half also experienced a dramatic drop in fundraising due to the cancellation of fundraising campaigns and a decline in individual donations⁴. At the same time the sector, like many others, had to quickly respond to changing government restrictions while trying to support its workforce and beneficiaries.

The charitable sector is grateful for the \$400 million Community Services Recovery Fund (CSRF) which is making a big difference to organizations across the country. Unfortunately, while it was announced in Budget 2021⁵, the funding was only given out in the summer of 2023. This is more than two years since this much-needed support was announced. If the sector had a dedicated secretariat, it would have had more of an opportunity to contribute to the government’s recovery agenda and would have had a dedicated advocate within government that could have sought to expedite the rollout of the important CSRF program.

The nonprofit sector provides countless services and supports, making a significant difference in the lives of Canadians from coast to coast to coast. In fact, according to a November 2022 [Ipsos poll](#)⁶, 22% of Canadians expected to access charitable services within six months. The sector often addresses needs that cannot be met by the government or by the market. Additionally, we are an important partner to the government in the delivery of key services, including health care, education and social services.

A dedicated secretariat would not only ensure a greater understanding of how government programs and regulations can increase effectiveness and innovation in the sector but would ensure that the sector has the support it needs to continue to provide valuable services to Canadians. Numerous benefits would flow from being housed in one agency that has the mandate to promote the sector.

In addition, a dedicated entity for the charitable sector in government would not only provide input that is representative of the breadth and depth of its work to the government, but it would be able to share expertise from within the sector with government. As service providers working directly in the community, the charitable sector’s professionals have a wealth of knowledge and expertise much of which is currently not accessed by the government. A secretariat would serve as a navigator within government, be a provider of key information and data, and champion the sector to ensure that Canadians in need will always be able to count on us when we’re needed the most.

⁴ Imagine Canada (2021). Sector Monitor Ongoing Effects of the COVID-19 Pandemic;

www.imaginecanada.ca/sites/default/files/Sector-Monitor-Ongoing-Effects-COVID-19-Pandemic-EN.pdf

⁵ Government of Canada: Budget 2021; <https://www.budget.gc.ca/2021/report-rapport/p2-en.html#chap6>

⁶ Ipsos: Two in Ten (22%) Canadians Say They’ll Access Charitable Services to Meet Essential Needs in Next 6 Months (2022); <https://www.ipsos.com/en-ca/news-polls/canadians-access-charitable-services>

This is an opportunity to re-envision how we work together. The sector supported Canadians throughout the pandemic and continues to provide much needed services and supports to countless Canadians, but it needs support, in the form of a secretariat, in order to continue to do so.

AFP Canada appreciates this opportunity to submit recommendations for the Standing Committee on Finance. Should there be any questions please contact AFP Canada at 613-407-7169 or Lisa.Davey@afpglobal.org.

Background

The Association of Fundraising Professionals (AFP) represents over 27,000 individual fundraisers and charities that raise more than \$100 billion annually for charities around the world—equivalent to nearly one-third of all charitable giving in North America. In Canada, AFP's over 3,000 members in over 21 chapters work for more than 1,800 charities across the country and raise billions of dollars every year.

These dollars are not raised in a vacuum but in accordance with AFP's *Code of Ethical Standards*—first developed in 1964 and one of the few ethical codes that is enforced. Our code, which sets the highest standards for ethics in fundraising, has been used as the foundation for subsequent codes of conduct in many different countries around the world. AFP also has convened more than 30 national fundraising associations from across the globe to draft the International Statement of Ethical Principles, an additional series of values and standards for the international fundraising community.