



Written Submission for the Pre-Budget Consultations 2025

By:

The Association of Fundraising Professionals Canada

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Recommendation

Recommendation 1: Create a permanent, adequately funded federal secretariat dedicated to the engagement of the charitable sector in Canada.

The Association of Fundraising Professionals (AFP) Canada appreciates the opportunity to submit our recommendation for Budget 2025 to the House of Commons Standing Committee on Finance.

In Budget 2025, AFP is calling on the federal government to create a permanent, adequately funded, dedicated secretariat for the charitable sector in Canada.

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

The time to act is now. Canadians need the government to create this secretariat.

The Critical Importance of a Secretariat for the Charitable Sector in Canada

Canada's charitable sector is instrumental to the country's economic success and productivity. Representing more than 170,000 organizations, charities and nonprofit employs over 2 million people in Canada¹.

Fundraising professionals play the important role of ensuring that nonprofits have the resources they need to provide services and support for Canadians. Charitable revenue provided by Canadian households and businesses makes an essential contribution to the sector's ability to facilitate social change.

Canadians are impacted by the work of the sector nearly every day. For example, when accessing services such as schools and libraries, recreation, culture, health and wellness, nature and sports, they are benefiting from the services and the work of nonprofits in their communities.

The nonprofit sector provides countless services and supports, making a significant difference in the lives of Canadians from coast to coast to coast. The sector often addresses needs that cannot be met by the government. In 2023, 24% of Canadians expected to access charitable services within six months²— that represents over 9.6 million people based on population estimates³.

We are an important partner in the delivery of key government services, including health care, education and social services. Additionally, charities and nonprofits supplement government by focusing

¹ Statistics Canada (2023): Non-Profit Organizations and Volunteering Satellite Account: Human Resources Module, 2010 to 2021; https://www150.statcan.gc.ca/n1/daily-quotidien/230918/dq230918c-eng.htm?mc_cid=cb4c519629&mc_eid=545272f8d4

² CanadaHelps.org (2023): Ipsos Poll: 24% of Canadians Expect to Need Access to Charitable Services to Meet Essential Needs Within the Next Six Months; 42% are Under the Age of 35; <https://www.globenewswire.com/en/news-release/2023/11/08/2775976/0/en/Ipsos-Poll-24-of-Canadians-Expect-to-Need-Access-to-Charitable-Services-to-Meet-Essential-Needs-Within-the-Next-Six-Months-42-are-Under-the-Age-of-35.html>

³ Statistics Canada (2023): Canada's population estimates, third quarter 2023; <https://www150.statcan.gc.ca/n1/daily-quotidien/231219/dq231219c-eng.htm>

on some of the biggest problems our country faces today (e.g., poverty, housing, hunger, healthcare, disasters, inequalities).

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. In fact, despite the critical role charities play to fill gaps in service delivery, 57% of charities report that they cannot meet the current level of demand for services⁴.

The potential of charities is hampered not only because there is no place in the government working alongside our professionals to help the sector to grow, but also because there is no area that has the mandate to engage the sector in the development of policies that have a direct impact on the day-to-day activities and services available to Canadians. There is currently a critical need to strengthen the sector so that it can continue to deliver support and services that are needed and valued by Canadians. This is an urgent priority.

Notwithstanding the fact that the charitable sector contributes over 8% to Canada's GDP⁵, 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 charities and nonprofits in the country.

By comparison, industries with similar contribution percentages to Canada's GDP (financial services, advanced manufacturing, mining, oil and gas) all have federal ministers with specific responsibilities, secretariats, or government departments dedicated to the sector or industry (Government of Canada, 2021).

The sector must have government policies that strengthen its ability to serve Canadians and reflect its needs. The current transactional nature of our sector's relationship with the government does not encourage growth.

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.⁶ In its written response to the special

⁴ CanadaHelps (2024): The Giving Report 2024 - From Disconnection to Collective Action; https://indd.adobe.com/view/publication/763060b8-d8a0-48c9-8325-c9e619340e9a/51rd/publication-web-resources/pdf/TGR_24_EN_Final.pdf

⁵ Statistics Canada (2023): Non-profit institutions and volunteering: Economic contribution, fourth quarter 2022; <https://www150.statcan.gc.ca/n1/daily-quotidien/230329/dq230329b-eng.htm>

⁶ 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/>

senate committee report on the sector in 2021, the government expressed support for the creation of a single window into government. This would be accomplished through a secretariat⁷.

Further to that, as identified by the January 2021 report of the Advisory Committee on the Charitable Sector⁸, 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 2023, the government reinforced its commitment to this priority indicating it would hold cross-country consultations with our sector that would inform the creation of a secretariat.

Yet, the sector still awaits this secretariat.

Benefits of a secretariat

A dedicated secretariat would ensure a greater government awareness and understanding of how programs, policies and regulations can increase effectiveness and innovation in the sector enabling its continuous ability to provide valuable services to Canadians. Numerous benefits would flow from being housed in one agency that has the mandate to strengthen, liaise and promote the sector.

A dedicated entity in government would provide input that is representative of the breadth and depth of the sector's work to the government, and it would be able to share expertise from within the sector. A secretariat would work with public servants in different departments and agencies to help them consider the potential impacts of policies, programs and laws on the sector. It would result in greater collaborative policy development and an understanding of the important contribution of the sector.

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 find available services when they are needed the most.

It would improve the use of government and charitable sector resources enabling both to better meet the wide-ranging needs of Canadians now and in the future.

It would ensure the sector is part of the permanent machinery of government, cost-effective and relatively easy for the government to implement. It would be similar to how Natural Resources Canada serves the needs of the forest industry with the [Canadian Forest Services](#) or how Women and Gender Equality Canada houses the [2SLGBTQI+ secretariat](#).

⁷Minister 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>

⁸ 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>

AFP would look to the government to identify the best department to house a secretariat for the charitable sector, ideally through consultations with Canada’s nonprofits and charities, in which AFP would seek to participate.

The Impact of Not Having a Secretariat

In recent years, there are several examples that illustrate the negative impact of not having a secretariat. Budget 2024 outlined changes to the treatment of donations when the Alternative Minimum Tax (AMT)⁹ is triggered. These changes disincentivize donations at a time when Canadians are increasingly reliant on our sector to the point where many charities are struggling to keep up with demand. Charities will be forced to reduce or eliminate programs that support those they serve, hurting Canadians at a time of need.

A secretariat would have worked with our sector and the government to study the impact of these changes on services available in communities due to the reduction in funding. Additionally, it would have saved both the government and the sector time and money that was used for advocacy about these changes. While the full impact of these changes may not be felt immediately, the fundraising sector is already seeing a decline in giving. Canadians in need will receive less support as a result. This unintended outcome could have been avoided.

Our sector would help to inform policy decisions, providing valuable input to government when changes to existing or new policies are considered. In addition to the changes to the AMT, having a dedicated secretariat would have been helpful during the considerations to the changes made to trust reporting¹⁰, as after hearing from our sector, the government decided to exempt charities from the new requirements.

The impact of the lack of a clear “home” in government for the sector was made abundantly clear during the COVID-19 pandemic, including with understanding the magnitude of our sector and neglecting to include it in the Canada Emergency Wage Subsidy Program when it was first announced. The 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 donations¹¹. 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 harmful exclusion of the charitable sector could have been avoided with a dedicated secretariat.

This is an opportunity to re-envision how we work together, to increase the government’s understanding of our sector, and move forward with better policies that serve Canadians. Our sector continues to provide much-needed services to countless Canadians, but it needs a secretariat, in order to grow to meet the needs in our country now and in the future.

⁹ Government of Canada (2024): Budget Tax Measures Supplementary Information;
<https://budget.canada.ca/2024/report-rapport/tm-mf-en.html#a10>

¹⁰ Carters (2023); No Relief Likely from Finance for the New Trust Reporting Requirements for Charities;
https://www.carters.ca/index.php?page_id=3230

¹¹ 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

Background

[AFP Canada](#) is a leading national voice for fundraising professionals who are vital in advancing charitable work. The 3,000 AFP members in Canada play a critical role in helping to shape Canadian policy and by raising funds that change lives. They fundraise for organizations large and small, in rural and remote communities as well as towns and major cities across the country. Fundraisers support the arts, culture, shelters, emergency services, healthcare, education, reconciliation with Indigenous Peoples, and social justice, all while contributing over 8% to GDP annually.

AFP members in Canada are part of the larger [AFP Global network](#)—the largest community of professional fundraisers in the world. The approximately 26,000 members worldwide raise over \$100 billion annually to support thousands of philanthropic causes and organizations across the globe. These dollars are not raised 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.