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BUDGET 2021: FOUNDATIONS BUILDING STRONGER COMMUNITIES, TODAY AND FOR TOMORROW

In light of the federal government's tabling of the 2021 Budget, Philanthropic Foundations Canada (PFC) appreciates the Government of Canada's efforts to balance addressing the urgent and immediate needs exacted by the pandemic with planning and building for a better future. As part of collective efforts to both address the historic crisis affecting Canadians and to launch an inclusive recovery, PFC is delighted that this budget recognizes the fundamental role that the charitable sector plays in enhancing the health, wellbeing and economic security of Canadians. "Taken together, these initiatives could lay the foundations for renewing the Government relationships with community groups and national civil society organizations that are critical to our national fabric and well-being," said PFC President & CEO Jean-Marc Mangin.

As a national organization that represents over 130 grant-making organizations – notably private and public foundations created by families, corporations, and communities – that collectively manage 64% of the \$56 billion in assets held by all private foundations in Canada, we applaud several budget provisions in relation to our own key policy recommendations. In particular, our call on the federal government to maintain, enhance and introduce programs and initiatives to strengthen both the resilience and diversity of the charitable sector – so that it can continue to support communities and serve Canadians throughout the pandemic and beyond – was met in part through the following budget provisions:

- \$400M **Community Services Recovery Fund**
- \$200M to establish Canada's first **Black-led philanthropic endowment fund** dedicated to supporting B3 (Black-led, Black-serving and Black-focused) organizations
- \$140M to top up the **Emergency Food Security Fund and Local Food Infrastructure Fund**
- Extension of **Wage and Rent Subsidies** programs
- Expanding the eligibility of the **Canada Small Business Financing Program** to non-profits and charitable social enterprises
- Launch of **Canadian Recovery Hiring Program**, open to charities
- Launch of **Social Finance Fund**
- Consultation on a **Canada Social Bond**

In line with our recommendation that the federal government invest in data pertaining to the charitable sector through Statistics Canada, we also support the budget provision regarding \$36.3 M/year for the **Disaggregated Data Action Plan**.

More broadly, PFC applauds historic new investments in order to advance **reconciliation with Indigenous Peoples**, to promote **women's economic empowerment**, to support **early learning and childcare across Canada**, to strengthen standards in **long-term care**, and to meet our **climate commitments** by greening our economy.

PFC appreciates the opportunity to engage with the Government of Canada in a collective conversation about a broad reform agenda for the charitable sector and the fundamental role of private philanthropy in promoting the public good, including how it does so in relation to government. We hope this engagement will eventually lead to a **dedicated and elevated home for the charitable sector within and across government.**

This policy agenda includes – but is not limited to – the **Disbursement Quota (DQ)** as mandated by the Income Tax Act. PFC warmly welcomes the Government of Canada’s announcement in today’s budget to **review how best Canadian philanthropic foundations can serve the public good in a sustainable manner.** PFC will fully collaborate with the Government and our civil society partners to develop an evidence-based and forward-looking framework. PFC is pleased to announce that a **members-led process is already underway** to address this important question; and we are drawing on the necessary evidence, expertise and experience to support an informed and inclusive policy outcome.

PFC President & CEO Jean-Marc Mangin stated, “PFC welcomes all calls to action aimed at improving the impact and effectiveness of the charitable and non-profit sector in responding to immediate crises, and in building a just, equitable and sustainable world that we all want. We believe that regulatory instruments such as the DQ need to be reviewed in a coherent and holistic manner and as part of a broader reform agenda. To maximize intended benefits for the common good – and minimize unintended consequences – policy development must be data-driven and evidence-based.”

In the meantime, PFC continues to encourage our members to be as generous as possible for the duration of this historic crisis – in terms of both response and recovery.

About PFC

Created in 1999, Philanthropic Foundations Canada (PFC) is a national organization that represents over 130 grant-making organizations – notably public and private foundations created by families, corporations, communities and other entities – ranging in size from relatively small (\$1 million in assets) to relatively large (over \$23 billion). Together, our members collectively manage \$36 billion in assets – representing 64% of the \$56 billion in assets held by all private foundations in Canada, and 39% of the \$92 billion in assets of all 10,646 foundations (both private and public) in Canada. In 2018, current PFC members made over \$841 million in grants and over \$393 million in foundation-managed charitable activities. We strengthen Canadian philanthropy in all of its diversity and in its pursuit of a just, equitable and sustainable world.

For additional information:

Jean-Marc Mangin, President & CEO/ Président directeur-général
Philanthropic Foundations Canada / Fondations philanthropiques Canada www.pfc.ca
615, boul. René-Lévesque Ouest, bureau 720, Montréal (Québec) H3B 1P5
jmmangin@pfc.ca Tel (819) 329-6370