

Supporting Vulnerable Children, Youth and Families

Pre-Budget Submission in Advance of the 2021 Federal Budget



Boys & Girls Clubs of Canada
Repaires jeunesse du Canada

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Boys and Girls Clubs of Canada's Federal Budget Recommendations:

1. Support the stabilization of the charitable sector through a grant program that provides incentives and capacity to undertake restructuring and mergers to strengthen and revitalize the sector
2. Develop a social infrastructure program that contains a focus on health and safety and community hubs and services in vulnerable and racialized neighborhoods
3. Establish a central home in government for the charitable and nonprofit sector as a priority item in the implementation of the Report of the Special Senate Committee on the Charitable Sector.

Ensuring Boys and Girls Clubs Can Continue to Support Children, Youth and Families

Boys and Girls Clubs are providing programs and services to vulnerable families throughout this pandemic. Clubs are partnering with their local food banks to provide food relief services to families, providing childcare and programs for children and youth and getting technology into the hands of families to support connectivity. Essential programming, such as transitional housing, have continued uninterrupted.

Boys and Girls Clubs of Canada would like to acknowledge the leadership of the federal government during the pandemic. The Government of Canada's emergency response has provided critical supports to Canadians, communities, and employers during this unprecedented time of crisis.

At the start of the pandemic, Clubs across Canada were faced with difficult decisions. Approximately 66% of staff, over 6,000, were laid off due to financial pressures. Since the introduction of the Canada Emergency Wage Subsidy (CEWS), many Clubs have accessed this program to retain and recall staff previously laid off. Our estimates show that on average 40% of staff have been able to return on the CEWS with more now returning as Clubs continue to reopen.

Many Clubs also received important but limited support from the Emergency Community Support Fund. This funding has allowed Clubs to scale up emergency programs to support vulnerable populations. Clubs have also worked with the Red Cross to acquire PPE. Unfortunately, Clubs have not experienced the same success with accessing the Canada Emergency Commercial Rent Assistance program. The majority of Clubs are finding landlords unwilling to apply.

While these programs are welcomed, they have not provided Clubs with the needed stability during these precarious times. Overhead costs such as rent, mortgages and utilities, as well as building and pool maintenance continue to create a significant financial gap for Clubs. These operating expenses have not been fully addressed through the financial supports offered by Federal programs or measures implemented by provincial/territorial governments.

These Issues are Felt Throughout the Entire Non-Profit/Charitable Sector

Imagine Canada's survey demonstrates the devastating impacts of the crisis already felt by the charitable sector. The survey found that 80% of charities are operating with decreased capacity and nearly one in five organizations had suspended or ceased their operations. This directly translates to diminished access for vital services that communities rely on to meet basic need and to thrive.

Importantly, charities and nonprofits are often focused extensively on their income statement – what revenue is coming in, and what expenses are going out, and for good reason. They live on thin streams of revenue, often donations and grants that require tight management of these ins and outs.

What these organizations have not been able to focus on – and in fact, are often forced to ignore – are their balance sheets. Taken together, the income statement and the balance sheet are vital financial tools. But

charities and nonprofits are often penalized for accruing any cash on their balance sheets – there should not be any excess cash balances when the need for services is immediate and every day. Donors frown on cash reserves – their dollars must be used for the most pressing needs – and used now.

When tough times come – and the COVID-19 pandemic and ensuing quarantine are tough times – organizations need strong balance sheets to survive. But charities are forced into a cash in-cash out mentality by well-intentioned funders.

We see the impact of this in our Clubs. Clubs have assets on their balance sheets – but these assets are capital assets: building and infrastructure need to run programs, assets that are not liquid and actually cost money to run each and every day whether there are children in them or not.

Some Clubs are failing – some Clubs that are hand-to-mouth financially have been hit hard by the pandemic lockdown: one has already declared bankruptcy and closed, and there are others that are financially precarious, with permanent closures imminent.

More Challenges Lie Ahead as the Economy Reopens

As the economy comes back to life, charities will not see the benefits the same way that most businesses will. Our income is derived from donations and grants from individuals and companies that have already been hard hit. Donors were generous in providing immediate emergency relief, but we are seeing many vital corporate donors stepping back for the remainder of 2020, and into 2021. Individual donors have lost jobs and income, and their generosity and giving will be lost for some time to come.

Donors and funders are the supply side of charities, which is dwindling and at risk. On the other hand, the demand for services is growing. This means that **Club's financial hardships will become more significant, not less, as our Clubs reopen, due to the inefficiencies of operating spaces, and programs being offered with increased staffing, yet limited client capacities.** Many Clubs are in need of urgent retrofits to ensure the health and safety of children, youth and families while meeting this growing demand.

Our Clubs already have extensive waiting lists, families that need assistance and support and youth that need help. These lists have grown during the pandemic. Our Clubs are caught in the middle – we want to do more but have less with which to do it.

Clubs Don't Just Support Children – They Support Economies

Whether we like it or not, the task of childcare still falls largely to women and thus decent out-of-home childcare is essential to empower women in pursuing their career. In many households it may be a single mother. To seek employment and know that her children are in safe, quality care, these mothers need access to childcare options. Without our Clubs, working is exceptionally difficult, if not impossible and seeking work if you are out of a job is even more challenging.

We know we serve all families – and we also know we are a vital support to single-parent families.. We also know that most of these single-parent families are single moms, and many of these moms are young. Recent data from a study conducted by our Winnipeg Club and the University of Manitoba found that 44% of Club kids had a mom who was a teenager when she had her first baby – which compares to the average of 6% of teenage moms in the general population of Manitoba. Our Clubs serve large Black, Indigenous, and people of color populations. In our Ottawa Clubs, for examples, 75% of the children and youth we support identify as BIPOC. Our Clubs are vital resources to vulnerable families and equity seeking groups throughout Canada.

Restarting the economy should be measured on the capacity to rehire. And it needs to be measured on our capacity to get women working again. This means we need childcare for kids of all ages – we need Clubs. We need Clubs that can support the capacity to welcome children and youth of a vibrant, engaged workforce.

Our Recommendations: A Strategic Plan to Build Back Better

A three-part program of sector supports is vital:

Recommendation 1: A two-part Federal grant program that allows nonprofits and charities to apply for temporary operating support and provides incentives and capacity to undertake restructuring and mergers

- a) The Imagine Canada proposed grant program is not income replacement but grants that provide for organizations to seek core operating support for a three to six month period as they recover from COVID. Applications should outline need or financial duress, and what other programs have been accessed (or unavailable), such as wage and rent relief. Support could be differentiated by subsector or relevant need – immediate humanitarian support may be gauged differently than longer-term self-actualization or cultural development at this stage of pandemic relief.
- b) Grants for restructuring and mergers to mitigate the impact of financial hardship or challenges and to create stronger organizations is also vital. This will reduce the number of financially weak organizations and create greater resilience in the sector. There is no doubt that there are opportunities to strengthen organizations, including individual Boys and Girls Clubs, through collaborations and amalgamations, and the sector needs vital assistance to encourage this critical and timely work.

Recommendation 2: Develop a social infrastructure program that has a on health and safety and community hubs and services in vulnerable neighborhoods

As Clubs reopen across Canada they are encountering significant COVID-19 bottlenecks and costs and are struggling to modify their spaces so that they can ensure safe placed-based programs while meeting a growing demand. Boys and Girls Clubs and other community hubs need retrofits to improve ventilation in childcare spaces, they need to partition rooms so that more children and youth can safely be served.

They also need to make washrooms more accessible while ensuring the safety of staff and families by improving the flow of clients and installing simple barriers such as plexiglass.

Additionally, Boys and Girls Clubs know that during this unparalleled time, investments in racialized and Northern communities that address and prevent systemic racism, support community cohesion and reduce the intersecting barriers of poverty, mental health and employment can support Canada's social and economic COVID-19 recovery.

Yet, we know too many families in marginalized, racialized, Northern and rural communities face systemic barriers. These communities face higher rates of poverty and still lack access to important programs and services. Due to the intersections between poverty, mental health, employment, and lack of high-quality and accessible childcare and senior care, these communities need flexible and holistic services to meet their needs. To reduce barriers further, these services should be available through a central point of access using a Community Hub model. Community hubs, such as Boys and Girls Clubs, YMCA's and United Way agencies, make it easier for local residents to access the needed health, social, cultural, recreational, and family supports. Whether in high-density urban neighbourhoods in Canada's largest cities or in Northern communities such as Yellowknife or Thompson, Manitoba, each hub is as unique as the community it serves and is driven by local needs, services, and resources.

Boys and Girls Clubs support an infrastructure investment both to provide much needed health and safety retrofits as well as the building of new Community Hubs in racialized, Northern and rural communities across Canada. Infrastructure investments can keep children, youth and families healthy and safe, can make communities more resilient, create jobs and economic stability and tackle the big challenges we have including inequality.

Recommendation 3: Establish a central home in government for the charitable and nonprofit sector

As recent events have reiterated, the charitable and nonprofit sector needs a central "home in government"; a key department that can focus on the health, needs and capacity of Canada's nonprofit and charitable sector. With deep reach and roles in a breadth of Canadian society, it is crucial that the unique characteristics and revenue models of charities and nonprofits are understood by policy makers and accounted for in the policy design process. The CRA is mandated to regulate charities from a tax perspective. It alone cannot create the environment for an empowered, strong sector - it does not, as currently constituted, play the kind of role required by either the sector or the federal government. Models such as the UK and Australian Charity Commissions are examples of what is possible, if given the right authority and reach. A central agency in government is a priority, as our top recommendation in implementing the full Report of the Special Senate Committee on the Charitable Sector "Catalyst for Change: A Roadmap to a Stronger Charitable Sector".

Conclusion

To effectively support vulnerable children, youth and families, Boys and Girls Clubs across the country need financial stability, high-quality infrastructure and a government department that fully understands its mandate and financial and policy structures. We urge the Government of Canada **to finalize and implement a sector grant program, invest in social infrastructure and develop a central home for charities and nonprofits within government.** Canadians are counting on it.