



United Way Centraide Canada

Pre-Budget Submission
to

The House of Commons Standing Committee on Finance

August 2020

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Recommendations:

1. **Income security:** increase funding for the Canada Social Transfer and expand access to Employment Insurance.
2. **Housing and homelessness:** rapidly implement the cost-shared Canada Housing Benefit, pursue opportunities to acquire and redeploy existing properties and expand the stock of permanent supportive housing; fund an effective Federal Housing Advocate and National Housing Council.
3. **Early learning and childcare (ELCC):** invest \$2.5 billion in new federal transfers to the provinces/territories and Indigenous communities to support the safe and full recovery of regulated childcare; establish and fund a federal ELCC Secretariat to lead and co-ordinate the federal government's work.
4. **Charitable sector stabilization and transformation:** provide flexible bridge operating grants for up to 12 months to essential community service organizations; a special fund to preserve and protect community facilities and infrastructure; a dedicated capital fund for organizations seeking to redesign their operating models for long-term resilience.
5. **Support next generation social infrastructure:** Invest \$21 million over 3 years in 211 to transform it into digital first social infrastructure that is nationwide and accessible by phone, text, chat, web and email, and; augment its data insight capabilities and services with machine learning and artificial intelligence.

United Way Centraide Canada (UWCC) welcomes the opportunity to propose recommendations to restart the Canadian economy as it recovers from the COVID-19 pandemic.

Like no other event in recent history, the pandemic highlights the inextricable link between a strong social sector, public health and economic stability. The imperative to respond to the pandemic and flatten the curve for our collective well-being made often hidden social issues such as homelessness, poverty, widespread low wage work, family violence, racism and social exclusion unignorable.

The pandemic shone a light on long-standing inequities related to race, income, gender, disability and age in our society. The opportunity to rebuild better is an historic one that can root out systemic inequities and put more Canadians on the path to prosperity.

To enable our collective success, we truly cannot afford to leave anyone behind. Now, more Canadians are now aware of the damage poverty and exclusion does to our collective well



being. With this shared understanding, we must seize the opportunity to make the principles of greater inclusion and equity foundational to our economic and social recovery.

About UWCC

The United Way Centraide network is a national network of local social experts and the largest non-governmental funder of community social services. UWCC provides national leadership to this federated network of 79 United Ways and Centraides (UWCs) serving rural, urban, northern and remote communities. We are at the forefront of social change and innovation, tackling issues of poverty and social exclusion. Annually, we mobilize the commitment of more than one million Canadians – individual donors, staff, volunteers and labour and corporate partners – to raise over half a billion dollars and invest in over 5,600 critical social programs that ensure everyone in every community has the opportunity to meet their full potential.

UWCs on the front lines of pandemic response

From the outset of the pandemic, UWCs mobilized resources and partnerships to ensure people could access essential community services from our 3,000 agency partners across the country. With the support of corporate partners and individual donors to-date, we're strategically investing over \$25 million in local solutions to this global crisis. We also partnered in the launch of Prosper Canada's Financial Relief Navigator focused on enabling individuals to easily access information on all COVID-19 benefits and financial relief supports.

UWCC is honoured to serve as an intermediary for both the New Horizons for Seniors Program and Emergency Community Support Fund (ECSF). As part of the ECSF, we are rapidly expanding access to the award-winning 211 information and referral service up until March 31, 2021. These significant federal investments are enabling vital community programs and services to support the most vulnerable across Canada.

Our 2021 pre-budget recommendations are informed by our network's long-term direct experience as social experts and our front-line, rapid response to COVID-19.

1. Strengthen Canada's income security infrastructure

Supporting stronger income security programs is essential to ensuring low income people are included in Canada's economic recovery. We commend the federal government for quickly implementing the temporary Canada Emergency Response Benefit (CERB) for workers directly affected by COVID-19, buoying millions through the pandemic. With CERB's winding down, the need for ongoing, adequate income support is urgent.

Rebuilding better requires addressing the needs of our lowest income people. As Canada's pre-pandemic declining poverty rates prove, income transfers such as the Guaranteed Income Supplement and Canada Child Benefit reduce poverty and stimulate the economy. As we focus

on economic recovery, it is essential to prevent a poverty pandemic with a stronger income security infrastructure. We propose:

1. Increasing funding for the Canada Social Transfer by \$4 billion annually. Through the CST, through which the federal government contributes funding to social assistance within the provinces and territories. Currently, social assistance administered by the provinces and territories leaves most recipients living in poverty. Boosting the CST and targeting funding to social assistance expenditures will improve income adequacy, health and social outcomes.
2. Modernizing and broadening access to Employment Insurance (EI). EI should respond to the current labour market realities of temporary, part-time and contract work; and provide timely, adequate support to a wider swath of workers. According to Maytree, in 2017 about two-thirds of workers who contributed to EI were actually eligible. Among low-wage workers, just 45% qualified for benefits. Post-CERB, we urge the government to improve EI eligibility and increase the amount workers receive.

2. Boost housing security and chart a pathway to eliminate homelessness by 2030

Early in the pandemic, the health and safety of homeless individuals and preventing homelessness were top priorities nationally. Collaboration across sectors, emergency funding from all levels of government, eviction bans and philanthropic investments were critical in rapid crisis response. Now, as eviction bans and temporary housing arrangements are winding down, UWCs and real time data from 211 indicate that housing precarity and homelessness are once again a top concern across the country.

Post-pandemic, we cannot return to the status quo of having 235,000 Canadians experience homelessness annually. Our shared pandemic experience implores us to create long-term housing solutions. This will require boosting housing supply and building on the National Housing Strategy's initiatives in order to reduce, prevent and end homelessness by 2030. We propose:

- 1) Rapid implementation of the cost shared \$4 billion Canada Housing Benefit with the provinces and territories.
- 2) Action on the Canadian Alliance to End Homelessness' call to pursue opportunities to acquire and redeploy existing properties and rapidly expand the stock of permanent supportive housing options
- 3) Funding a well-led and effective Federal Housing Advocate and National Housing Council.

3. Build an accessible, affordable early learning and childcare system

The pandemic made it clear that ELCC is fundamental to our economy. It also exposed the fragility of the childcare system, which is under-funded, heavily reliant on parent fees and staffed by skilled, but low paid workers who are mainly women.

Pre-existing social and economic inequities led women, particularly Indigenous, racialized, low income, seniors and women with disabilities, to be among the groups most adversely impacted by COVID-19. Job loss, isolation, gender-based violence and increased care-giving responsibilities have disproportionately impacted women and threaten progress toward gender equality. Women cannot contribute to economic recovery without investments in a safe, stable and affordable ELCC system that enables them to work and helps children meet their full potential. We propose:

- 1) \$2.5 billion in new federal ELCC transfers to the provinces/territories and Indigenous communities to support the safe and full recovery of regulated childcare as part of the reopening of the economy.
- 2) The federal government establish and fund a federal ELCC Secretariat to lead and co-ordinate the federal government's work.

4. Stabilize the charitable sector and enable transformation and adaptation

UWCs have been attentive to the potential devastating impact of COVID-19 on the charitable sector's provision of vital frontline services. Without stabilization, the sector cannot support communities through recovery, a second wave of COVID-19, or beyond.

While federal measures like the Canada Emergency Wage Subsidy helped reduce the impact of layoffs within the sector, COVID-19 has created additional costs to organizations altering their models to meet public health requirements. This is especially true for shelters, seniors' services, community food programs, neighbourhood multi-service centres and youth serving organizations. There is a major concern about financial viability given the loss of key spring/summer fundraising activities due to social distancing.

The pandemic is projected to have a significant impact on philanthropy. Imagine Canada projects declines in the range of \$4.2-6.2 billion in charitable donations and fundraising in 2020. As an annual funder of agencies, this extremely challenging fundraising environment means UWCs anticipate a material impact on our partners and their capacity to sustain and adapt community services in the next 6 – 12 and 18 months.



Canada needs an effectively designed sector stabilization program and a philanthropic incentive. An effective program must emphasize both stabilization and transformation and include three fundamental components:

- **Stabilization:** a fund to provide bridge operating grants for up to 12 months to essential community service organizations. Funding should be flexible to allow organizations to maintain operations and respond to emerging needs.
- **Infrastructure:** a special fund to preserve and protect community facilities and infrastructure at risk due to lost revenue as a result of social distancing.
- **Transformation:** a dedicated capital fund for organizations to redesign operating models for long-term resilience. This should include capital to support the process and change management required for mergers and strategic collaboration, digital innovation and technological transformation required for sector modernization.

A well-designed stabilization program should be the top priority for action. It can be supplemented with a temporary philanthropic incentive program to encourage Canadians to donate. An effective incentive program should only apply to contributions providing immediate operating supports for charities to ensure it has the intended effect of stabilizing and supporting service capacity that is needed across Canada.

5. Support the 211 system as a key component of Canada's next generation social infrastructure

Founded in Canada by UWCC in 2002, 211 is Canada's primary source of information on government and community-based health and social services. It helps people navigate the complex network of human services quickly and easily, 24/7/365 in over 150 languages.

Since the pandemic began, 211s have responded to urgent requests for information and guidance and alleviating the stress on public health and other systems. 211 enables people to access non-emergency health services, virtual mental health support, financial counselling and food.

In April 2020, the federal government provided 211 project funding to UWCC through the ECSF. The project will expand 211 access to unserved regions, enable a more integrated omni-channel pan-Canadian system and help address surges in call volumes that have ranged from 40% in Nova Scotia to 200% in Quebec.



211 data insights can both identify emerging needs and provide a clear picture of current priority concerns among vulnerable people. These insights can be used to inform social policy, investment decision and both crisis response and prevention. Early in the pandemic food access, general information and basic needs were the top needs 211s responded to. In a matter of weeks, the top priorities shifted to income and financial supports, supports for homeless people and mental health needs. 211 is uniquely positioned to capture data on the supply of and demand for social and community services and offer previously unavailable real-time insights as economic recovery progresses.

UWCC's long-held belief is that 211 should be a fundamental part of Canada's social infrastructure, with navigation services and data insights contributing to stronger communities, policies and programs. We propose:

- Investing \$21 million over 3 years in 211 to transform it into digital first social infrastructure that is nationwide and accessible by phone, text, chat, web and email, and; to augment its data insights capabilities and services with machine learning and artificial intelligence.