



Federal Budget 2021

Written Submission to the House of Commons Standing Committee on Finance

August 2020

*Building healthy
communities*

YMCA Canada



Recommendations

- **Recommendation 1: Support the charitable sector**
Finalize and implement a sector stabilization and transformation funding program to provide operational support and ensure the charitable sector can continue to serve the needs of Canadians. YMCA Canada is seeking \$77.6 million to support stabilization and transformation of YMCAs over the next 18 months.
- **Recommendation 2: Invest in social infrastructure**
Develop a social infrastructure program with a focus on investing in multi-purpose community service spaces in underserved communities. Introduce financial support for charities to incorporate green technology in facilities.
- **Recommendation 3: Invest in early learning and child care**
Implement a national human resource strategy with adequate funding to address the early childhood educator labour shortage and better recognize the valuable contribution of well-qualified professional child care educators. Increase base funding to support the build-out of child care over the next 18 months.



Introduction

On behalf of YMCAs in Canada, YMCA Canada thanks the Government of Canada for its leadership during the COVID-19 pandemic, and the economic restart and recovery of our country.

As one of Canada's largest and longest-standing charities, the YMCA has been part of communities for decades. Across Canada, the YMCA is at the heart of communities serving evolving needs and providing vital programs, services, and connections to over 2.39 million people through 43 YMCA Member Associations, supported by over 50,500 staff and volunteers. Together, we're unwavering in our dedication to achieving meaningful outcomes that matter to the communities we serve.

YMCA Canada is pleased to contribute to the House of Commons Standing Committee on Finance's consultation on the development of the 2021 Federal Budget. Our recommendations address the theme of this year's consultation, reflect our experience throughout this pandemic and expertise in supporting communities and the economy over decades. We would be pleased to further discuss our recommendations and can be contacted directly.

- **Support the charitable sector**

The COVID-19 pandemic has demonstrated the essential role charities play in Canada's social fabric. Throughout this pandemic, charities, such as the YMCA, have been steadfastly committed to helping communities by responding to increasing demands for programs and services that help individuals and families cope, connect, and recover.

Across Canada, YMCAs have transformed their facilities to support the homeless, offered 24/7 child care for essential workers, moved employment and settlement programs online, held pop-up food banks, and launched new services to support vulnerable populations such as seniors in isolation. Through these efforts, we have made a meaningful contribution to the fight against COVID-19 and supported the health and wellbeing of communities. While we have continued to respond to Canadian's urgent needs, this has not been without significant challenges as a result of closures, reduced capacity, and drastic revenue declines.

In the first 10-weeks of the pandemic, YMCAs in Canada experienced a revenue loss of \$157 million. In April alone, our revenue decline reached 80%. This resulted from extended closures of our fee-for-service health, fitness, and aquatic facilities, and child care, as well as the narrow margins YMCAs sustain as a charity. While we have been able to reduce some of our expenses through the Canada Emergency Wage Subsidy and other measures, the full scope of the YMCA's financial challenges caused by COVID-19 have not been addressed.

Despite playing a critical role in supporting Canadians through the crisis, the charitable sector has not received the same level of direct support as for-profit sectors, which will have long-term implications on Canada's social and economic recovery following the pandemic.



As one of the largest economic sectors in Canada, charities and not-for-profits employ over two million people, account for 8.5% of GDP,¹ and play a meaningful role in supporting a strong economy. Charities also provide services Canadians rely on, employ 70% of women, and serves the most vulnerable who often face barriers to stability and success.

Charities, such as the YMCA, remain committed to serving community needs and working in partnership with the Government of Canada to ensure critical services and opportunities are available to improve the lives of Canadians and generate economic growth following this pandemic. However, the charitable sector requires immediate financial support to ensure the sustainability and vitality of the important work we do. Additionally, charities must be supported to look beyond the pandemic and enable transformation to better serve Canada's needs, through unification, new delivery models, and programs.

To ensure charities can continue to support a healthy and strong society and economy, the YMCA echoes Imagine Canada's call for targeted investments for the charitable sector. We recommend the Government of Canada:

- *Finalize a sector stabilization grant program with adequate funding to provide operational support and ensure the charitable sector can continue to offer services Canadians rely on.*
 - *YMCA Canada is seeking \$77.6 million in grant funding to support stabilization and transformation of 43 YMCA Member Associations over the next 18 months.*

● Invest in social infrastructure

The YMCA understands the impact of social infrastructure, like YMCA Centres of Community, in fostering a sense of belonging, addressing Canada's most pressing issues, such as chronic disease, poverty and inequality, and supporting social and economic recovery.

YMCA Centres of Community bring together health, social, cultural, and recreational supports that help people become physically active, better connected to their community, and equipped with the skills they need to succeed. In these spaces, we provide programs that Canadians rely on and build community resiliency while playing a crucial role in recovery post-pandemic.

Investments in social infrastructure projects, both large scale projects such as new multi-purpose community buildings or small scale retrofits, will have a long-term impact on Canada's productivity and economic recovery. Building a new YMCA Centre of Community, for example, would stimulate job creation during construction and also create significant job opportunities for youth, women, and other vulnerable populations once built. Additionally, programs offered in YMCA facilities, such as child care, health and fitness, immigration and settlement, youth leadership, and employment and training programs promote a good quality of life, address unmet needs in the community, and help Canadians participate fully in the economy. Across Canada, there are opportunities to build new, and/or renovate existing YMCA Centres of Community, through multi-sectoral partnerships that would have a positive impact on individuals, communities, and the economy.

In addition to supporting recovery through job creation and programs that help Canadians get back on their feet, social infrastructure can support a more sustainable future. Over the years, many YMCAs

¹ Statistics Canada. (2017). The Daily — Non-profit institutions and volunteering: Economic contribution, 2007 to 2017. <https://www150.statcan.gc.ca/n1/daily-quotidien/190305/dq190305a-eng.htm>



have contributed to Canada's targets for reducing national greenhouse gas emissions. We are making investments in new green technology and energy retrofit projects that promote resource and energy efficiency, improve air quality, and reduce GHGs. These initiatives are critical to a more sustainable future but come with significant upfront capital investments. Specific supports for the charitable sector to incorporate green technology would provide greater opportunities for the YMCA and other charities to minimize their carbon footprint and reinvest savings into community programs.

Given the role of social infrastructure projects in supporting economic and social recovery, and a sustainable future, we recommend the Government of Canada:

- *Develop a social infrastructure program that enables greater investment in multi-purpose community service spaces, such as YMCAs, in underserved communities.*
- *Introduce financial incentives, such as grants, for charities and not-for-profits to incorporate green technology.*
- **Invest in early learning and child care**

This pandemic has demonstrated child care is a critical service in Canada. As provinces mandated closures and implemented physical distancing measures to limit the spread of the virus, many deemed child care an essential service for those on the front-lines. As the economy reopens and people must return to work, look for a new job, or obtain training to enter the labour market, parents with children need to know their children are safe and in high-quality learning and care environments. This is particularly true for mothers, who have been disproportionately impacted through this pandemic.

According to a new study from the Royal Bank of Canada (RBC), COVID-19 has pushed women's participation in the labour force down to its lowest levels in three decades.² Industries with a predominately female workforce have faced closures, drastic losses in earnings, and mass layoffs. Additionally, women with children are more likely to assume child care responsibilities and may have to refuse work or seek a reduction in hours in order to care for their children. The same study found employment among women with toddlers or school-age children fell 7% from February to May against a 4% decline for fathers. The employment of single mothers was significantly impacted among this cohort, down 12% from February to June versus 7% for single fathers. To help parents, particularly mothers, re-enter the workforce, we must ensure high-quality child care is accessible to those who need it.

Demand for affordable, high-quality child care continues to exceed supply across Canada. Prior to COVID-19, approximately 44% of non-school age children in Canada lived in communities where at least three children were competing for a single child care spot.³ Additionally, Canada has faced a long-term labour shortage of professional Early Childhood Educators (ECEs) who are qualified and willing to work in the field. A lack of recognition of high-quality child care as an essential support for families and limited resources for the sector has resulted in low-wages, challenging working conditions, and minimal growth opportunities for ECEs — a predominately female workforce. This has made it difficult for child care agencies to recruit and retain qualified staff to support an increase in the availability of child care.

² RBC Economics. (2020). Current Analysis - Pandemic Threatens Decades of Women's Labour Force Gains. <https://thoughtleadership.rbc.com/pandemic-threatens-decades-of-womens-labour-force-gains/>

³ Canadian Centre for Policy Alternatives. (2018). *Child Care Deserts in Canada*. <https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2018/06/Child%20Care%20Deserts.pdf>



Investments in child care as part of the Safe Restart Agreement, as well as the Multilateral Early Learning and Child Care Framework, are important steps forward in creating more accessible child care. Commitments to increase supports in before- and after-school care spaces and supports for education and training for ECEs are also positive steps in building a more robust child care system. However, additional investments in early learning and child care would have a positive impact on women's ability to re-enter the labour market and have significant near term benefits for families, and the Canadian economy.

The YMCA is Canada's leading provider of not-for-profit early learning and child care. Each year, the YMCA nurtures the development of over 91,000 children across the country. Our program curriculum is grounded in research, regularly and rigorously evaluated and practically informed by feedback from families and educators. Engaging organizations like the YMCA in the expansion of early learning and child care will help build a system that meets the needs of children, their families, and high-quality early learning and child care agencies.

To support economic recovery, greater participation of families, particularly women, in the labour market, and to support the female-workforce in child care, we recommend that the Government of Canada:

- *Implement an immediate national human resource strategy with adequate funding to address the labour shortage and better recognize the valuable contribution of well-qualified, professional child care educators. This should include:*
 - i. *A significant increase in funding as part of the bilateral agreements with direction to provide competitive salaries to attract and retain qualified child care educators.*
 - ii. *Establish national education standards for Early Childhood Educators (ECEs) to promote professionalism and ensure core competencies to work in the field.*
 - iii. *Advance the commitment to reduce the cost of education and training for ECEs and work in partnership with child care operators to introduce innovative professional development opportunities with appropriate funding to help build the required workforce.*
- *Increase base funding to support the build-out of child care over the next 18 months, with stable and predictable funding for child care in the long-term.*

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