

**Written Submission for Pre-Budget Consultations  
in Advance of the Upcoming Federal Budget**



**Written Submission by Pathways to Education Canada**

# Recommendations

- **Recommendation 1:** Provide funding in the amount of \$10 million over two years for the **stabilization** of the Pathways to Education Program serving over 6,500 students in low-income communities across Canada.
- **Recommendation 2: Extend** the Canada Emergency Wage Subsidy (CEWS) until December 31, 2021 and continue to allow charities to qualify.

# About Pathways to Education

Pathways to Education is a national, charitable organization breaking the cycle of poverty through education. The Pathways to Education Program™ provides thousands of students with a customized and holistic combination of academic, financial, social, and one-on-one supports to help them overcome the barriers they face and focus on what matters most: their education. During the 2018-19 school year, Pathways to Education delivered its award-winning program to approximately **6,386** students in 20 program locations in eight provinces across Canada. In total, **7,688** students across Canada have graduated through the Pathways Program since its inception in 2004.

As a globally-recognized<sup>1</sup> social innovation that supports youth to achieve long-term success, we understand that supporting young people through the COVID-19 pandemic requires a sustained and holistic approach. Pathways to Education Canada is grateful for the opportunity to provide input into pre-budget consultations in advance of the upcoming budget and proposes two recommendations to inform the government's approach.

## Recommendations

### **Recommendation 1: Provide funding in the amount of \$10 million over two years for the stabilization of the Pathways to Education Program serving thousands of students in low-income communities across Canada**

According to Imagine Canada, the charitable sector in Canada is facing between \$9 billion and \$15 billion in revenue losses due to the COVID-19 pandemic and economic downturn.<sup>2</sup> Nearly seven in ten charities report decreases in revenues since the onset of the pandemic—more than twice the number that reported declining revenues over the entire course of the 2008-09 downturn. Charities are reporting that, on average, revenues have declined by almost a third—even accounting for charities with stable or increasing revenues.<sup>2</sup>

For Pathways to Education, the economic impact caused by the COVID-19 pandemic has already negatively affected revenues from private and corporate fundraising sources, resulting in a significant financial shortfall. This financial shortfall threatens the viability of the Pathways to Education Program and could prevent the continuation of support for thousands of students enrolled in the program, as well as jeopardize the enrollment of thousands of students who are eligible for the program in the fall.

Youth disengagement, particularly for youth who are already facing barriers to education, may negatively impact graduation rates, post-secondary enrolment, and employment readiness for years to come. Pathways to Education Canada respectfully requests a two-year stabilization investment of \$10 million to support the delivery of the Pathways to Education program in low-income communities across Canada. This investment is critical to helping students remain engaged in the Pathways to Education Program, giving youth the skills they need to be resilient, agile, and successful in a rapidly changing economy.

The Pathways to Education Program creates lasting impact by promoting the promise of youth living in low-income communities. This work has had a significant impact on the Canadian economy, helping to contribute to a nation of educated, engaged citizens. Pathways to Education's ability to keep staff employed will also enable program continuity and maintain jobs across Canada. With your support, we can continue this important work of helping more youth across Canada realize their full potential and strengthening the Canadian economy.

1. WISE QATAR Foundation Award (2013), Retrieved from <https://www.wise-qatar.org/project/pathways-education-canada/>

2. Imagine Canada. Press Release: COVID-19 threatens to devastate Canada's charities

## **Recommendation 2: Extend the Canada Emergency Wage Subsidy (CEWS) until December 31, 2021 and continue to allow charities to qualify.**

The charitable sector is facing unprecedented challenges during the current COVID-19 pandemic and will require additional funding resources to support those in need and contribute to economic recovery. According to a survey of Canadian charities by Imagine Canada, just 25 per cent of charities believe they will be able to continue current operations for 6 to 12 months.<sup>3</sup>

Pathways to Education recommends extending the CEWS beyond the current end date to help charitable organizations continue to operate given the difficult and uncertain economic climate. While many organizations in the charitable sector—including Pathways to Education—are currently projecting multi-million reductions in private revenue this fiscal year, what remains unknown is what impact the mid- to long-term economic downturn will have on donor behaviour. A conservative estimate from Imagine Canada has projected a \$4.2 billion dollar decrease in donations this year which is 4 times the \$1 billion dollar decline during the 2008-09 financial crisis. For these reasons, Pathways to Education recommends extending the CEWS until December 31, 2021.

We respectfully request that existing criteria and provisions that help charitable organizations qualify are maintained in any extension of the CEWS. This includes being able to choose to either include or exclude revenue from government when calculating revenues and using either accrual or cash accounting to calculate revenue.

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3. Lasby, David. (May 2019). Imagine Canada's Sector Monitor Charities & the COVID-19 Pandemic. Imagine Canada.