



The Honourable Rod Phillips, Minister of Finance
Frost Bldg S 7th Floor
7 Queen's Park Crescent
Toronto, ON M7A 1Y7

April 30, 2020

Subject: Proposal: \$680 million Stabilization Fund for the Ontario Nonprofit Sector

Dear Minister Phillips:

It was a pleasure to chat with you recently with respect to how Ontario's nonprofits and charities are faring in the current COVID-19 crisis. Today, on behalf of the Ontario Nonprofit Network (ONN), I am writing to follow up on our letter from March 13 concerning the challenges Ontario's nonprofits, charities and social enterprises are facing during the COVID-19 crisis. As the pandemic continues, the social and economic impacts are becoming more pronounced and it is vital that nonprofits receive immediate supporting funds to address these effects and support their communities.

Earlier this month, ONN undertook a survey of almost 500 nonprofits on impacts of the COVID-19 pandemic on their organizations and communities. Seventy-five per cent of respondents have lost revenue and one in three nonprofits have had to lay off staff or reduce their paid hours, while one in five have closed their doors for the time being. The estimated GDP contribution for the Ontario community-governed nonprofit sector in 2017 was \$21.1B.¹ Using this estimate (and ignoring inflation), a 34 percent drop in revenue for Ontario's community nonprofits represents a loss of \$1.8 billion to Ontario's GDP over a three-month period.

The impact of federal mitigation measures announced to date would translate to approximately \$883 million of relief for the Ontario nonprofit sector. Provincial measures to date are approximately \$237 million for the sector, leaving a gap of \$680 million.

¹ Statistics Canada. Table 36-10-0613-01 "Production, income and outlay accounts of non-profit institutions (x 1,000,000)." DOI: <https://doi.org/10.25318/3610061301-eng> The "community-governed" sector is the nonprofit sector excluding the broader public sector ("nonprofit institutions serving government" such as hospitals, universities, and agencies to which governments appoint board members) and industry associations ("nonprofit institutions serving businesses").

Working together, ONN asks that the Ontario government seriously consider the following:

- 1. Create a stabilization fund of \$680 million for the nonprofit sector to ensure that nonprofits and charities can continue to meet their missions and serve their communities.**
- 2. Establish a nonprofit advisory table to inform the Cabinet committee on the economic recovery.**

Further information:

1. Creation of a stabilization fund.

The nonprofit sector employs over one million workers, of which 80 per cent are women, has a volunteer base of five million people and contributes \$50 billion to Ontario's GDP. The sector, its workers, volunteers and the communities they serve continue to feel impacts of the pandemic. An overwhelming majority (79 per cent) of ONN's survey respondents identified a stabilization fund and bridge funding as critical needs. Almost half of survey respondents estimate that the total financial impact of COVID-19 on their organization will be between \$50,000 and \$249,999.

The Ontario government has provided approximately \$237 million in support relief, along with additional supports for pandemic pay for frontline workers (some of whom work for nonprofit employers) announced this week.

The creation of a stabilization fund of \$680 million for the nonprofit sector will ensure that nonprofits and charities, especially those unable to access federal and/or provincial supports, can continue to serve communities. This funding could come via the unallocated portion of the \$3.7 billion set aside for "[Supporting People and Jobs](#)" in Ontario's COVID-19 Action Plan, through a simple application process administered by the Ontario Trillium Foundation.

The purpose of the sector stabilization fund is two-fold: in the short term, it is to mitigate job losses, mitigate the interruption of operations, backstop massive fundraising losses and the loss of volunteer labour, respond to increased demand, and redesign programs for virtual delivery and/or physical distance requirements. In the medium term, the fund would enable organizations to reopen and ramp up operations quickly once the state of emergency is over, and to prevent permanent closures and major job losses.

2. Establishment of a nonprofit advisory table to inform the Cabinet committee on the economic recovery.

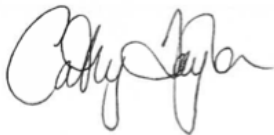
People and communities are relying on nonprofits for support during COVID-19 and will continue to rely on their community expertise and experience in the recovery phase that lies ahead. It is imperative that nonprofits are at the decision making table to discuss their role in the long-term economic recovery and share voices of volunteers, nonprofit workers and their communities. The establishment of a nonprofit advisory table would offer both the expertise and guidance from

leaders across the sector and help to better inform government of what is needed to support nonprofits, as well generate sustainable pathways for nonprofits and government to work in partnership to support communities across Ontario.

Nonprofits will need to be supported with critical investments over the coming economic recovery period. **Given that Ontario's nonprofit sector plays a vital role as an economic driver, contributing \$50 billion to our province's GDP,** it will be crucial that any policy decisions reflect the short-term and long-term needs of the nonprofit sector, along with support for all sectors across the province.

We look forward to meeting with you or your representatives at your earliest opportunity to discuss the proposal and how Ontario's nonprofit sector can be an integral partner with the Ontario Government to support Ontario's economic and social recovery.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cathy Taylor', written in a cursive style.

Cathy Taylor
Executive Director
Ontario Nonprofit Network