



Big Brothers Big Sisters.ca

Encouraging Charitable Giving for All Canadians

Tax Incentives for Charitable Donations

Presented to the

House of Commons Standing Committee on Finance

February 2012

Big Brothers Big Sisters of Canada
3228 South Service Road, Suite 113E
Burlington, Ontario
L7N 3H8



Introduction

Big Brothers Big Sisters of Canada is the nation's leading mentoring organization. Our vision is to create a Canada where every child who needs a mentor, has a mentor. Big Brothers Big Sisters agencies across Canada match children and youth who are in need of a mentor with adult role models who provide positive life experiences.

Nationally, in 2011 we provided mentoring services to over 33,450 young people through our 125 local agencies. This represents a 9.5% increase in the number of young people impacted through mentoring programs over 2009, and a 16% increase over 2008, despite challenging economic times.

In response to the different needs and demands of children, youth, and volunteers alike, we have created effective new programs to fit our changing society. These programs all provide a variety of opportunities for volunteering and civic engagement among all Canadians.

Our services help in positively transforming Canadian communities by altering the course of young lives. Children that may have become chronically in need of social services, instead become contributors. With their mentors helping to instill a higher sense of self-esteem and self-confidence, these young people go on to attain success through academics and become community-minded individuals who are engaged citizens.

In 2013 we will mark 100 years of Big Brothers Big Sisters mentoring services in Canada. A century of service is a rare milestone for any Canadian organization. We see it as a pivotal moment to celebrate our strong, proud history, and to prepare for our next 100 years of mentoring services in Canada.

Since 1913.....

112, 000, 000 Volunteer hours

425, 000 Children and Youth served

Mentoring Programs in over 1000 communities from coast to coast

As a non-profit organization we understand the contributions of the charitable and non-profit sector and see the significant value added to the well-being of Canadians. Charities and non-profits significantly help our communities, as well as individual Canadians, through their dedication, generosity, and hard work. Over 47,000 of these charities are small, rural grassroots organizations relying heavily on volunteers to help run their programs. Because of this, they face overwhelming challenges some in having less access to resources and volunteers.

According to Imagine Canada 2011, there are "With over 85,000 registered charities in Canada, making up approximately 11 percent of the labour force and this sector generates more than 7 percent of the GDP, contributing more to the economy than oil, gas and mining, retail, forestry, manufacturing or the automobile sector"¹. The integrity of the sector is intact and by working

¹ *Imagine Canada 2011, Revitalizing Charitable Giving for Today and Tomorrow*



together, we are confident that the Canadian public will continue to support and have confidence in charities throughout Canada.

With the government's top priority of achieving a balanced budget by 2014/15 and its commitment to not increasing taxes and reducing transfer payments to the provinces, the financial impact to charities has already been realized. The reduction of spending on government programs to achieve that goal of a balanced budget is limiting to charities and non-profits at a time when the demands on charitable and non-profit services are at an all-time high. Building stronger communities in Canada requires a renewed growth in Canada's charitable donor base. Without these services the stark realities would be increased upon demands our health care system, criminal justice system, unemployment and education systems which could become financially stagnant during a time of fiscal restraint.

The Opportunity

Big Brothers Big Sisters in Canada will work to continue to provide mentoring services to an increasing number of children. The continued evolution of our organization will see greater outreach to Aboriginal communities and offering services to new Canadians. Our organization is reliant on the generosity of Canadians to support our programs and understands the need to have a system that 'incentivizes' individuals to make financial gifts to charities.

We compliment and welcome the Committee's timely study of the Charitable Giving in Canada and support measures that will encourage philanthropy among Canadians of all economic strata.

In keeping with the submissions of our peer organizations, Big Brothers Big Sisters of Canada recommends that the Committee give priority to:

- 1. The creation of a "stretch tax credit" with an increased credit rate for incremental annual increases in giving.**
- 2. An elimination of the capital gains tax on donations of real estate and private company shares to non-profits and charities.**

Conclusion

We believe that these measures would provide incentives for all Canadians to donate, and thereby strengthen and revitalize the donor base. The results for Big Brother Big Sisters agencies across Canada and for many other non-profits and charities would be an increased capacity to serve our constituencies for public good and to continue to contribute to Canadian society and the advancement of all citizens.

Once again, we wish to express our appreciation for the opportunity to participate in this important process. We offer all cooperation and any consultation needed to assist in the execution of its mandate.



Big Brothers Big Sisters.ca

Respectfully Submitted

Bruce MacDonald

President & CEO
Big Brothers Big Sisters of Canada