



**SUBMISSION TO THE HOUSE OF COMMONS STANDING COMMITTEE ON FINANCE
STUDY OF CHARITABLE GIVING IN CANADA**

*Submitted by: McGill University
January 19, 2012*

By any measure, McGill University in Montreal, Quebec is one of the world's finest research-intensive public universities. With more than 36,000 students (of whom one in five hails from outside of Canada), 1,600 tenured and tenure-track faculty (including 159 Canada Research Chairs), and attracting more than \$470 million in annual research funding, McGill is an unparalleled contributor to knowledge, a training ground for tomorrow's national and international leaders, and a source of pride and prestige for all Canadians.

McGill's contributions are recognized both nationally and internationally. McGill is the only Canadian University to make the top 20 in the prestigious QS World University Rankings and has been ranked by *Maclean's* magazine as the top medical-doctoral university in the country for seven years running. Moreover, in a 2010 economic impact study, SECOR concluded that McGill contributes more than \$5 billion a year to Quebec's economy, with spin-off effects that resonate across Canada.

McGill achieves these extraordinary results despite considerable financial challenges. Quebec universities have the lowest operating budgets per student in Canada, and McGill's endowment is dwarfed by those of the top-ranked US schools with whom it competes. Along with the contributions of our exceptional students and renowned faculty, McGill's success can in large part be attributed to philanthropy. In the last five years alone, private donations have allowed McGill to contribute more than \$200 million towards student support, creating more than 400 new scholarships, fellowships, bursaries and awards; to create more than 40 new endowed Chairs; and to create more than \$90 million in new research infrastructure. The benefits of these initiatives can be felt far beyond our campus gates, as a more educated population strengthens Canada's competitiveness, bolsters its economy, enhances industrial innovation and positions us optimally in the global marketplace.

As McGill's aspirations continue to grow and, along with them, our financial needs, and as the federal and provincial governments consider fiscal responsibility measures that will impact the entirety of the public sector, the ability to attract private philanthropy is more critical than at any time in our history.

McGill therefore welcomes the Committee's most timely study of Charitable Giving in Canada, and wholeheartedly endorses any measures that will encourage philanthropy among Canadians of all economic strata. In keeping with the submissions of our peer organizations, McGill 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 charities.

We believe these measures would provide significant philanthropic incentives that would benefit actors across the not-for-profit sector. The result— for McGill, our sister Universities and for many other charities— would be an increased capacity to serve our constituencies and our nation, and to contribute in meaningful ways to the advancement of Canadian society, economies and the well-being of our citizens.

This being said, we recognize that such measures may engender added complexities related to the due diligence process. As a third recommendation, we therefore ask that the Committee consider:

3. Providing clear guidelines for the application of whatever measures it sees fit to institute. These guidelines would be useful in ensuring consistency in the evaluation of donation proposals and in communicating with interested donors.

Once again, we wish to express our gratitude for the opportunity to contribute to this most important process. We wish the Committee well in its endeavours and offer all cooperation and any consultation needed to assist in the execution of its mandate.

Marc Weinstein
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