Sector News Digest — January 28, 2020

Delays persist with Ontario non-profit reform. Revelations about the release of federal funding for social finance. And the growing importance of employee-driven philanthropy.

Continued delays on Ontario non-profit reforms

The Ontario Nonprofit Network reports that the provincial government has once again delayed the proclamation of the Ontario Not-for-Profit Corporations Act (ONCA). The reason? Technical issues. It seems Queen's Park is struggling to establish the online business registry that would allow organizations to incorporate and file electronically through ServiceOntario.

The ONCA, passed in 2010, replaces the 60-year-old Ontario Corporations Act (OCA). Bill 154, passed in 2017, made several important updates to the act and contained the legislation required for the act to be proclaimed. In 2018, the government promised the ONCA would be proclaimed in early 2020, but on December 31 the Ministry of Government and Consumer Services announced further delays.

The ONCA includes updated rules for forming and managing a non-profit in Ontario and lays out the rights and responsibilities of directors and members of Ontario's 58,000 non-profits. Other changes in the new act include the simplification of financial record review and clarification for non-profit organizations that operate commercial businesses.

The Government of Ontario must proclaim the act by the end of 2020 or risk having the law repealed.

Questions about timing of disbursement of social finance funding

The federal Liberal government's $50-million Investment Readiness Program (IRP) is beginning to roll out.

In late December, the *Toronto Star* reported that Ottawa had rushed to disburse this round of social finance money before last fall's election, according to documents obtained by the Canadian Press through the Access to Information Act. While the social finance fund has cross-party support, the Liberal government has been criticized for its ties to the philanthropic sector.

IRP funds are intended to support social-purpose organizations to become investment-ready, so they can apply to the $800 million Social Finance Fund, set to launch this fall.

IRP funding will be distributed through five partners announced last June: Community Foundations of Canada, Le Chantier de l'économie sociale, the National Aboriginal Capital Corporations Association, National Association of Friendship Centres and the Canadian Women's Foundation.

Corporate/employee giving campaigns key to future donation growth

Canadians pride themselves on their generosity, and for good reason. According to the 10th edition of the World Giving Index, which aggregates data from a decade's worth of Gallup surveys, Canada is the sixth most generous country in the world.

But giving rates in Canada have been on the decline for years. In 2017, the index notes, only 20% of Canadians reported having made a donation the previous year, down from 26% in 1997. The trend underscores a looming problem: as demand for services rises, the social deficit grows. Brian Emmett, Imagine Canada's chief economist for the charitable and non-profit sector, forecasts that in 10 years, social-purpose organizations will need $25 billion more than they have today to meet demand for services.

The role the corporate sector will play in bridging the giving gap isn't clear, but a new report points to the significant power workplace giving programs have to both raise charitable giving rates and bolster companies' recruitment efforts, retention rates, and bottom lines.

Imagine Canada's *Profit, Purpose, and Talent* report captures results from two surveys: one of 1,500 private sector employees and the other of 65 leading companies, which together had contributed $592 million to community causes in the year preceding the survey.

The company survey found that 79% of employees with access to workplace giving initiatives reported making donations, compared to a giving rate of 47% among employees with no access to workplace giving programs. The survey also found that when workplaces provided access to fundraising campaigns in addition to donation matching and payroll deductions, rates of employee participation rose.

The companies that derive the most business benefit from their community investment efforts have programs that are organized, authentic, and long-term. The employee survey found that people who believe their employer is strongly committed to the community are 1.5 times more likely to stay in their jobs, nearly twice as likely to be highly satisfied, and 2.5 times more likely to recommend their company to job seekers. A quarter of employees surveyed said they would even take a pay cut to work for a company that's more involved in supporting the community, while 43% of companies reported that they planned to increase their community investment budgets.