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## Sector News Digest - September 22, 2020

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**This week:** WE fallout, charities and trust issues, new or increased funding from CanadaHelps and Chagnon, and a big win against SLAPP suits.

### WE fallout

On September 9, founders Craig and Marc Kielburger announced that WE Charity would cease operations in Canada and that they would step down from the global organization they started in 1995. The Kielburgers also said that the Canadian operation will sell its Global Learning Center in downtown Toronto, place the proceeds in an endowment fund to support program continuity, and lay off 115 employees.

The announcement prompted a new round of commentary about WE's role in the federal government's \$900 million volunteer initiative, and its wider impact on the charitable sector. In the *Toronto Star*, [several people raise questions](#) about how the real estate sale will be executed and how the organization will ensure accountability for donor funds.

Also in the *Star*, Carleton University's [Susan Phillips, who studies the philanthropic sector, makes the case that](#) the WE scandal is another example of the federal government's lack of understanding of the sector. Arguing that the scandal creates an opportunity for change, Phillips points to several recommendations from the 2019 Special Senate Committee on the Charitable Sector report, including the creation of a charitable sector cabinet committee and the institutionalization of a voice for the sector in government.

In [iPolitics](#), [Senator Ratna Omidvar and Yves Savoie, who leads Imagine Canada's Standards Program, make their own suggestions:](#)

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“Perhaps this is an opportunity for government to insist that charities working with tax dollars meet certain thresholds of good governance, such as board-renewal terms, guardrails between connected organizations, and a healthy change of auditors every five years. At the same time, the government must understand that an investment in good governance is an investment in accountability and the public good. We know of no such sustained investments made by the federal government, even though it relies so much on the sector to deliver essential services.”

Want to read more? *Macleans* has [a detailed story](#) on WE’s rise and the impact of the scandal reverberating through the international development sector.

### **Impact on trust in charities**

How has the WE scandal affected the public’s trust in charities? A couple of polls and surveys are trying to find out. A [CanTrust Index poll by Proof Strategies](#), released in early September, shows that Canadians’ trust in charities and not-for-profits has fallen by 6% – to 50% – since May, following a 7% spike earlier this year, likely due to the sector’s role in responding to COVID-19.

And [a new survey from the Angus Reid Institute](#) (in partnership with [Cardus](#), [Charitable Impact](#), [Imagine Canada](#), [Philanthropic Foundations Canada](#), [United Way](#), and [CanadaHelps](#)) found that 92% of Canadians surveyed had heard about the WE scandal and that six in 10 who followed the issue considered it serious and significant. Those numbers are part of a broader glimpse into charitable giving in Canada six months into the pandemic. The survey showed that 49% of Canadians who have made a donation within the last two years said their giving hasn’t changed since the pandemic struck in March, while 37% say they’re giving less, and just 9% say they’re giving more.

Discussion about the role of – and trust in – charities and philanthropy in society is happening across the pond as well. In *The Guardian*, journalist Paul Vallely [comments on the rise of big philanthropy and the influence of major philanthropic investments on society and democracy](#) and asks who is monitoring the effects of those interventions.

### **CanadaHelps launches Cause Funds**

The giving platform CanadaHelps has launched [Cause Funds](#), a new mechanism that allows donors to support a cause or group of charities through a single donation. Some of the 29 current Cause Funds include Housing for All pooled funds in Vancouver and Alberta, which comprise 50 and 30 registered charities respectively, the End Hunger Fund, and a Stand Up for Mental Health Fund.

The organization says Cause Funds are created using a mix of strategies, including an algorithmic approach based on the area of focus, mission, and description the charity has provided to CanadaHelps, as well as by direct invitation and curation. Donations to Cause Funds are distributed equally among all the charities in the pooled fund. To be eligible, charities must be registered to receive payment through electronic fund transfers from CanadaHelps.

### **Chagnon Foundation boosts granting**

After approving \$7 million in emergency grants after the beginning of the COVID-19 pandemic,

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the Montreal-based Chagnon Foundation announced this week that it will increase its granting by up to \$150 million through 2025, bringing the organization's outlay for that period to \$500 million, or 5% of capital. The focus will be on youth development and poverty reduction.

"In the face of the current crisis, many repercussions will continue to be felt over the coming years, and the Chagnon Foundation wants to react with agility and play its philanthropic role to the fullest by meeting needs as they arise," Jean-Marc Chouinard, president of the Lucie and Andre Chagnon Foundation, [said in a statement](#). "This new financial commitment consolidates our support for the community without compromising our capacity for long-term support."

### **Environmental group wins SLAPP fight**

Pointes Protection Association, a citizens' environmental group formed to protest a developer's plans to build a 91-lot suburb in Sault Ste. Marie, has won a legal fight against a SLAPP action brought by the builder in a [unanimous Supreme Court of Canada \(SCC\) decision](#).

A SLAPP action – or "strategic lawsuit against public participation" – tries to burden an individual or group with legal costs to prevent them from engaging the public on an issue. In this case, as [iPolitics reports](#), the Pointes Protection Association made public claims before the Ontario Municipal Board that the residential development would cause a significant loss of coastal wetlands and lead to serious environmental damage, even though the group had agreed to cease making such claims during municipal hearings to approve the project.

The developer sued the association's director and five members for breach of contract and \$6 million in damages. According to [iPolitics](#), SCC justice Suzanne Côté "found that the Pointes Protection president's testimony, which focused on the environmental impact of a private development, was a matter of public interest that outweighed any harm that might come to the developer. Côté also stressed that testifying before a court or tribunal is absolutely privileged and witnesses should not fear legal retaliation in the form of a lawsuit."

### **Surveying fairness**

[According to a new report](#) on sustainability and fairness from the Canadian Centre for the Purpose of the Corporation – a project from the public- and government-relations firm Navigator and led by former New Brunswick premier Brian Gallant – 50% of Canadians think wealth inequality and discrimination are the biggest challenges facing our world today. Just over half of the 3,000 people surveyed in July said they think capitalism needs to be reformed to be more inclusive and fair. Only around 30% of those surveyed believed that Canadian corporations are concerned with their impact on society. Just over half of the respondents said they'd be willing to take a lower salary to work with an organization that took action on the social front.

### **Preserving community spaces**

What will happen to the community spaces churches provide as congregations continue to dwindle? How can we preserve these spaces for community use? Reverend [Graham Singh argues in the Montreal Gazette](#) for a community-led plan for transitioning Canada's empty churches into community spaces. "Canada's mainline church denominations," he writes, "hold a legacy of over \$30 billion in land and savings. However, due to the bizarre structure of parishes, denominations and national policy, much of this value is being hemorrhaged into a

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poorly coordinated pathway to private land development at pennies on the dollar.”

Singh argues that a coordinated approach to repurposing and revitalizing spaces for use by groups of all cultures and denominations could help build community capacity and cohesion. Earlier in the year, a [study conducted by Faith and the Common Good](#) predicted that as many as a third of the country’s 27,000 faith buildings could be closed or sold by 2030.

### **Upcoming events and webinars**

- The Community Sector Council of Nova Scotia launches part two of their Decolonization Learning Journey webinar series, developed in partnership with Unama’ki College at Cape Breton University. The first session takes place September 23. More information [here](#).
- The Canadian Rural Revitalization Foundation’s online conference, [Supporting Rural Recovery & Resilience](#), will take place October 1 and 2.
- [2020 Future of Good Summit, November 25 and 26](#)
- [Panel: Mobilizing Canada to address the climate crisis](#)
- [ONN Nonprofit Driven, November 10 and 11](#)