
Sector News Digest - November 17, 2020

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This week: Senate report in government's court, stresses at Kids Help Phone, a lifeline for the Legion, and the latest tangles in the WE saga.

Senate wants answers

The Senate earlier this month formally adopted its 2019 report on the state of the charitable sector. The document, entitled [Catalyst for Change](#), makes 42 recommendations, ranging from reforms to the Income Tax Act to the establishment of formal consultation protocols to improve lines of communication. "I want to remind colleagues that this is the third time we've tried to do this," said Senator Terry Mercer, co-author of the study, "and we continue to be interrupted by Parliament closing."

While the motion, which passed unanimously, is procedural, the Senate kicked the ball over to the federal government with a request that the minister of national revenue, as well as other departments, now serve up a report outlining Ottawa's response to those recommendations. There are no timelines in the Senate motion, and this particular request will have to jockey with the burning platform issues facing the Liberal government, including the pandemic, the economy and US-Canada relations.

Helping the helpers

The surge of pandemic-triggered calls pouring in to [Kids Help Phone](#), a national charity that operates a 24/7 call centre for distressed children, is taking its toll on the people working the phones, according to investigative [reporting by the CBC](#), which described a corporate-style work environment driven by key performance indicators (KPIs), with little time for counsellors to de-stress between calls.

As the CBC's Dianne Buckner reported, "Counsellors who spoke with CBC's *Go Public* say handling the increased demand is even more difficult because of the micromanagement and unreasonable demands of supervisors, which have taken a toll on counsellors' ability to do their job properly – and on their own mental health."

The organization responded to the CBC's revelations with promises to review its practices.

Top 100 for 2020

Charity Intelligence has [released its annual list of top-rated sector organizations](#), along with a warning to the prospective donors and advisors who use the organization's rankings: that donations are likely to drop for 2020. "With COVID, and the economic shutdown to flatten the curve, Canadians report they are giving 37% less to charities," CI said in a press release. The figure, it added, is at the upper end of an early projection of pandemic-related revenue losses released in April by Imagine Canada, which predicted declines of between \$4.2 billion and \$6.2 billion.

CI ranks 800 charities. It added 16 new ones this year and also rated 11 with revenues under \$1 million.

"On top of the COVID pandemic," CI added, "the WE Charity scandal rattled donors' confidence and was another blow to giving. One lesson Canadians took to heart from the WE Charity scandal was the need to do more homework on the charities they support: 60% said they will do more homework according to [an] Angus Reid survey."

Remembering the Legion

In time for Remembrance Day, the federal government [offered a \\$14-million lifeline to the Royal Canadian Legion](#), part of a \$20-million aid package geared to veterans. The financial assistance, which will be distributed by the national head office, is aimed at stabilizing the organization, which has been hard hit by pandemic-related closures and service restrictions that have limited revenues from hall rentals, November 11 poppy donations, as well as volunteering opportunities.

Founded in 1925, the Legion has 260,000 members. Its halls can be found in communities across Canada. Legion members are most visible before Remembrance Day, during the annual poppy drive, which was also curtailed this year, although the organization hoped to make up some lost revenue through its [ecommerce site](#).

Generation-proofing small business

The pandemic has been tough on small and medium-sized enterprises (SMEs), especially in sectors like hospitality, fitness and other in-person services. But SME owners face another, more slow-moving, challenge, which is generational succession. Who will buy their companies when they want to retire?

[Social Capital Partners](#) managing director Jon Shell, a co-founder of Save Small Business, says policy aimed at promoting employee ownership is the way to go, except Canada doesn't provide mechanisms or tax incentives to allow this kind of transfer.

“In the U.S., where employee-ownership trusts have a 45-year history, 14 million workers at 6,600 companies share in US\$1.4-trillion of wealth,” Shell wrote recently in [The Globe and Mail](#) (paywall). “In Britain, where a new policy was introduced in 2014 to support employee ownership trusts, they are growing quickly in popularity. Yet in Canada, this model does not exist.”

Social Capital isn't the only organization thinking about the survival of small businesses. Since early in the pandemic, the Canadian Urban Institute, a non-profit think tank, has commissioned research and advocacy aimed at [bringing back main streets](#).

WE, Stillman and the *Toronto Star*

The Stillman Family Foundation earlier this month bought full-page ads in several newspapers, touting a review of WE Charity's handling of the Canada Student Service Grant, which produced waves of controversy over the summer and led to the resignation of Liberal finance minister Bill Morneau. According to Stillman, a long-time supporter of WE, a pair of investigators retained by WE – forensic accountant Al Rosen and former Ontario deputy solicitor general Matt Torigian – [concluded there had been no wrongdoing](#). (A David Stillman [sat on WE's US board](#).)

Torigian also wrote a column in the *Toronto Star*, outlining his conclusions, but readers pointed out that Torigian's bio didn't mention his connection to the charity and the foundation. In a [column](#), Bruce Campion-Smith, the *Star's* public editor, acknowledged that the failure to disclose the conflict “left readers in the dark.”

Policy schools for non-profits accepting applications

- [Max Bell Foundation](#)'s Public Policy Training Institute is accepting applications for its winter 2021 program. Details and application links are [here](#).
- [Maytree Policy School](#) is also accepting applications for its 2021 online program. The six-month session is aimed at senior policy-makers.