

January 17, 2012

Guyanne Desforges
Clerk, Standing Committee on Finance
Email: FINA@parl.gc.ca

Dear Ms. Desforges:

RE PRE-BUDGET SUBMISSION TO THE HOUSE OF COMMONS STANDING COMMITTEE ON FINANCE

In establishing a course for the future through the priorities of the 2012 federal budget, The Evangelical Fellowship of Canada urges the Government of Canada to consider and address three key building blocks of our nation. Families. Compassion. Charities.

Families – Canada is sound because of the strength of Canadian families. Canadian families are facing mounting challenges in the early twenty-first century, including the fiscal realities of a challenging economy where many have experienced increasing expenses.

1. **We encourage the government to implement the proposed Family Tax Cut initiative immediately and to focus on expanding the initiative to a full family household income splitting initiative.**

Compassion – Canada continues to be highly regarded worldwide for the well-earned reputation of both citizens and government as compassionate toward the less fortunate.

2. **Canada – We encourage the government to extend its commitment to the *Homelessness Partnering Strategy* and *Housing First*. We also affirm the recommendations made in the 2011 HUMA Committee report “*Federal Poverty Reduction Plan: Working in Partnership Towards Reducing Poverty in Canada*” and encourage the federal government to:**
 - establish a national poverty reduction strategy that includes an array of measures, targets, timelines and measurables; and,
 - develop, in partnership with the provinces and territories, a national housing strategy that is clearly defined.
3. ***International* – We encourage the government to continue working cooperatively, through CIDA, the Crisis Pool Quick Release Mechanism and the Muskoka Initiative on Maternal, Newborn and Child Health with organizations having an established positive impact on the ground in foreign nations.**

Charities - Government of Canada encouragement for the charitable sector provided through incentives in The Income Tax Act have enhanced the already generous nature of Canadians to give in support of the organizations, many of them Christian, that have played a key role in building the character of our nation and developing the institutions that have become key in expression of our caring nature.

4. **We encourage the government to give serious consideration to the proposals made by Cardus, Imagine Canada and others to enhance Canadians’ incentives to continue in their generosity toward others.**

Respectfully,

Don Hutchinson
Director, Centre for Faith and Public Life

Please reply to Ottawa address

2012 Federal Pre-Budget Submission

In establishing a course for the future through the priorities of the 2012 federal budget, The Evangelical Fellowship of Canada urges the Government of Canada to consider and address three key building blocks of our nation. These three have been key to building the Canada of today, with a reputation that is the envy of the world. These three remain key to the success and strength of Canada's present and future as well. Families. Compassion. Charities.

Families

Canada is sound because of the strength of Canadian families.

The Bible teaches that the family is to provide physical, emotional and spiritual care for its members as it prepares them to serve God, other persons (including civic responsibility), and creation. The family is a microcosm of society. Families have been and remain the cornerstone of any successful nation.

Canadian families are facing mounting challenges in the early twenty-first century, including the fiscal realities of a challenging economy where many have experienced increasing expenses – whether the result of: ratepayer or taxpayer increases; increasing costs of housing and its associated expenses such as electricity; or, the realities of the rising costs of food and other staples.

The Government of Canada is applauded for steps taken in recent years to support Canadian families, including: the Universal Child Care Benefit, the Child Tax Credit, the Children's Fitness Tax Credit and Registered Education Savings Plan among others. And there is more to be done. In addition to doubling the Children's Fitness Tax Credit, introducing the Children's Arts Tax Credit and other initiatives, the Government's campaign platform from the 2011 federal election proposes the Family Tax Cut as a form of household income splitting that will be available when the federal budget is balanced. We encourage the government to take this initiative immediately and to focus on expanding the initiative to a full family household income splitting initiative.

As supported in the analysis of Jack Mintz, summarized in "Taxing Families: Does The System Need An Overhaul?" (IMFC Review, Spring/Summer 2008):

Canada has an ambiguous approach to family taxation and no clear application of principle has evolved over time. This has resulted in inequitable tax treatment for families with the same earning power. Raised 40 years ago by the famous 1966 Carter Report, which argued for equal treatment for families, still today, a single-earner family pays much more tax than two-earner families. This is an issue that should be corrected, and this can best be achieved by providing opportunities for families to split income more readily.

Compassion

Canada continues to be highly regarded worldwide for the well-earned reputation of both citizens and government as compassionate toward the less fortunate.

The realities of a struggling global economy have impacted many who have slipped into poverty or were already there, often for reasons beyond their control.

In his letter to the Galatians, the apostle Paul notes a key feature of his work that was approved by other leaders, “that we should continue to remember the poor” (Galatians 2:10). We encourage the Government of Canada to remember the poor. Christians will do the same.

The Evangelical Christian community is actively engaged with the lives of the poor, both in Canada and internationally, through the efforts of individual congregations, denominations and a variety of Christian ministry organizations. The relationship building and service that is undertaken is delivered on a non-discriminatory basis to those in need. While many efforts are entirely self-funded, others take place in cooperation with the compassionate expression of Canadians through government funding and available tax incentives.

Canadian Poverty and Homelessness

The Government of Canada is applauded for initiatives designed to help prevent Canadians from slipping into poverty and assisting those who have, including: support for low-income seniors; reducing the tax burden on the businesses that create jobs, particularly small and medium size businesses; enhancing the work-sharing program; investments in skills upgrading programs; and, infrastructure renewal programs along with other elements of the Economic Action Plan; as well as, the Working Income Tax Benefit, the Homelessness Partnering Strategy and partnering in the Housing First initiative.

In June 2003, Street Level: The National Roundtable on Poverty and Homelessness was established as a self-directing partnership operating under the auspices of The Evangelical Fellowship of Canada. It is composed of experienced leaders of significant Canadian Christian organizations and programs from across the country that work among our nation’s poor and homeless and are dedicated to addressing systemic, sociological, economic, cultural and spiritual deficits that contribute to poverty and homelessness in Canada.

Faith-based groups such as the ones that make up Street Level have the infrastructure and expertise to multiply the effect of government funds in the delivery of service (through, for example, adding the value of charitable donations and committed staff and volunteer service). As a service provider to poor and homeless citizens, second only to government, faith-based charities and their communities offer a significant experience-based resource to government. We encourage that this experienced and valuable resource be accessed in the formulation of appropriate and effective programs.

We affirm the value of the *Homelessness Partnering Strategy* and *Housing First*, and encourage that the government maintain and extend its commitment to these strategies. We also affirm the recommendations made in the 2011 report of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (the HUMA Committee) “Federal Poverty Reduction Plan: Working in Partnership Towards Reducing Poverty in Canada.” The existing initiatives along with the recommendations of the HUMA Committee provide a foundation for the federal

government to use its unique gathering power, along with other appropriate federal funding initiatives, to:

- establish a national poverty reduction strategy that includes an array of measures, targets, timelines and measurables; and,
- develop, in partnership with the provinces and territories, a national housing strategy that is clearly defined.

International Development and Aid

Canadians, both government and individual citizens, are world leaders in international development and emergency aid delivered in response to alarming disaster.

The Government of Canada is applauded for continuing overseas development assistance provided through the Canadian International Development Agency (CIDA); the Crisis Pool Quick Release Mechanism (including established matching fund partnerships with identified Canadian charities); and, the Muskoka Initiative on Maternal, Newborn and Child Health.

Canadian Evangelicals have long engaged individually, organizationally and with the federal government in partnering to improve the quality of life for those living in developing nations. In a manner similar to work with the poor and homeless in Canada, these efforts have stretched government contributions to greater impact. The 34 members of the Canadian Christian Relief and Development Association (CCRDA) sent over \$537,300,000 overseas in 2010, of which only \$32,400,000 (6%) was CIDA funding accessed by 17 different agencies. Additional funds were expended by Christian churches and denominations that are not members of the CCRDA.

As the Government of Canada considers expenditures for overseas development and aid, we encourage that the evaluation be guided by consideration of Canada's continuing prosperity relative to other nations, the generosity of Canadians, the quality of the work undertaken by Canadian organizations overseas and CIDA's assertion that "the need for humanitarian assistance is increasing due to the greater frequency and impact of weather-related natural disasters, and to the complex humanitarian situations..." (CIDA Report on Plans and Priorities for the period ending March 31, 2012, p. 12). Certain initiatives are required to address crises, but others can avoid crises.

The Government of Canada is encouraged to continue to work cooperatively with organizations that have positive impact on the ground in foreign nations: continuing to provide incentives for Canadians to give; strategically matching donor dollars where appropriate; and reflecting Canadians' generosity in the financial expression of our federal government.

Charities

Government of Canada encouragement for the charitable sector provided through incentives in The Income Tax Act have enhanced the already generous nature of Canadians to give in support of the organizations, many of them Christian, that have played a key role in building the character of our

nation and developing the institutions that have become key in expression of our caring nature – continuing to innovate as well as to operate many of them.

“Advancement of religion” as a charitable purpose under the Income Tax Act has been and is more than sharing one’s faith for the purpose of educating or proselytizing or the act of worship in a congregational setting. For the Evangelical Christian it includes the ability to interrelate in the public square whether through the provision of charitable services to others (feeding, clothing and housing the poor; half-way houses for those released from prison; hospice care; international development and emergency aid, etc) or the presentation of religious principle based positions on public policy matters and other issues of concern to Christians. Statistics Canada reported in 2009, in “Caring Canadians, Involved Canadians: Highlights from the 2007 Canada Survey of Giving, Volunteering and Participating” that Canadians who regularly attend church services (17% of the population) volunteer more often (85% of all hours volunteered in religious organizations and 35% of all hours volunteered in non-religious organizations) (p. 43) and donate more money to both religious and non-religious charities, likely inspired by the charitable and moral values their religious beliefs uphold. The report noted that, in 2007, 46% of the value of all charitable donations went to religious charities (p. 16) and that 49% of weekly attenders at religious services were top donors, i.e. the 25% of donors who donated the largest amount. This 49% of weekly attenders represents 8% of the Canadian population and they gave 39% of the value of all donations, religious or otherwise (p. 21). These donors are key contributors to various forms of charities including: religious charities that are places of worship; religious charities that are engaged in the provision of charitable services; and, non-religious charitable service charities.

There are several challenges facing the charitable sector as Canada’s population ages and economic realities create week to week and month to month financial pressures. Several of these challenges will be met through Evangelical Christian charities that benefit from the biblical motivation to give for the care of others and, along with other charities, from the encouragement provided through government incentives.

The Evangelical Fellowship of Canada encourages the Government of Canada to give serious consideration to the proposals made by Cardus, Imagine Canada and others to enhance Canadians’ incentives to continue in their generosity toward others.

The Evangelical Fellowship of Canada

The Evangelical Fellowship of Canada (EFC) is the national association of evangelical Christians, gathered together for influence, impact and identity in ministry and public witness. Since 1964, the EFC has provided a national forum for Evangelicals and a constructive voice for biblical principles in life and society. In addition to 39 evangelical denominational affiliates and 5 observing denominations, the EFC affiliates include 76 ministry organizations, 34 educational institutions and close to 1,000 individual congregational affiliates. The EFC is an active participant in the World Evangelical Alliance – an organization of 128 national and seven regional alliances, with 104 associate members and 11 global partner international organizations.