

Strongly affected by the COVID-19 crisis, the philanthropic sector will bounce back to continue meeting the needs of our communities

Following the dissemination of the study conducted by BNP Philanthropic Performance of some 150 representatives of charitable organizations in Quebec regarding the impact of the COVID-19 crisis on their activities, several facts are to be noted and highlight possible solutions.

The data show us that more than **90% of organizations are considerably affected by the COVID-19 crisis** and that the loss of income will be severely felt for the 2nd quarter of 2020. Our organizations are weakened, and the current situation shows us the importance of having a contingency plan and of not being dependent on fundraising events to ensure their funding.

By questioning not-for-profit organizations, we have submitted two possible solutions to support them in getting out of the crisis. 90% of them were in favor of the establishment by governments of a temporary charitable donation tax credit enhancement program and 86% in favor of the implementation of a matching gift program.

Our governments should therefore seriously consider implementing tax credits and matching charitable donations. This could make up for some of the major losses that our organizations will suffer while stimulating the generosity of donors. In addition, in a context where the number of donors has decreased significantly in recent years (down 33%), such measures could potentially encourage many citizens to join the momentum of generosity.

It seems inevitable that the crisis will lead our charities to rethink their income structure, their dependence on benefit events, rethink the way they deliver services, collaborate more with partners and merge with other organizations. However, as with businesses, some of the most fragile organizations could unfortunately disappear.

In recent years, I have emphasized **the importance of diversifying income for our charities**, being able to count on a capitalized fund to cope with difficult times and limiting the number of fundraising events. The current situation leads us to continue on this path.

The end of the crisis will highlight the number of people left behind and the importance for our charities to be able to respond to the many needs that will emerge. Such measures could therefore allow our charities to participate even more effectively in the economic rebound and the much-desired recovery.

Although the current situation has been unprecedented since the Spanish flu pandemic (1918-1919) and other waves may arise, we remain confident that the charitable sector will be able to return to the saddle and continue to meet the needs of our communities.

The charitable and not-for-profit sector represents a major sector for our communities and the Canadian economy. In fact, it represents **more than 170,000 non-profit organizations, 8.1% of GDP, employs more than 2 million people and mobilizes 13 million volunteers.**

The cornerstone of our communities across the country, the charitable and nonprofit sector must not be forgotten through this crisis as it can and must be a driving force that will allow our communities to better bounce back and prosper.

This is why, together, we must pursue our commitments for an even stronger philanthropic ecosystem.

Christian Bolduc,

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