

Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget

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Recommendations

1. Build community service capacity and invest in data collection:

- Invest \$100 M in essential community services in regions vulnerable to economic disruption
- Invest \$20 M in community Service Navigation by leveraging the 211 Canada Network
- Invest \$5 M in labour market information and data collection to support the Workforce Alliance on the Care Economy

2. Renew the National Housing Strategy and invest in supportive housing:

- Establish a robust homelessness strategy within a renewed National Housing Strategy that includes investment in Reaching Home
- Accelerate and increase investments in deeply affordable, supportive, and bridge housing through Build Canada Homes

3. Implement targeted increases to income security programs including:

- The Canada Child Benefit for low- and moderate-income families; extending funding for Canada Housing Benefits; further improving access to the Disability Tax Credit

4. Support workers to recession-proof communities:

- Expand specific workplace, regional or sectoral peer-led labour adjustment programs to support unionized and non-unionized workers facing layoffs
- Increase Employment Insurance (EI) benefits and enhance eligibility
- Extend the length of the federal Youth Employment and Skills Strategy funding contracts from the current 1–2-year timeframe to 5 years

5. Incentivize and Unlock Philanthropy:

- Encourage people to “Give Local” to community service charities with a government match
- Act on the commitment to review the Disbursement Quota
- Invest in a national volunteer strategy

About United Way Centraide

United Way Centraide (UWC) is Canada's leading network of local community builders empowering people to make lasting change in their community. Our non-partisan network is committed to working with all levels of government, business, labour and community partners to build strong, prosperous communities for all, and we have a track record of action and results.

Working in 5,000 communities in every region of Canada, our federated network meets community needs and tackles the toughest social issues so everyone in every community can reach their full potential. With deep local expertise and trust, we annually mobilize \$600 million to invest in 3,800 partner agencies serving 8 million people. We are Canada's largest non-government funder of community services. We are also a convener across sectors and with all levels of government. Through UWC, donors and volunteers mobilize to meet basic needs, deliver essential community services, enable access to training and employment, and respond to local emergencies. United Way Centraide Canada (UWCC) is the national office representing the network to the federal government.

A strong economy requires strengthening the care economy

Nonprofit community services are an essential part of Canada's social infrastructure and the care economy that sets us apart as a nation. Greater investment is required in community services and our social safety net, so everyone has the chance to succeed. Community services provide care for children, seniors, people with disabilities and others facing challenges; they mitigate affordability issues and enable equitable economic participation. They are not "nice to haves;" they are foundational to our collective success and the enabling infrastructure of economic productivity; they create the conditions for individuals and families to engage in the economy, build sustainable livelihoods and get the support they need close to home while managing employment transitions caused by economic downturns and restructuring.

In the midst of ongoing economic uncertainty caused by tariff and trade disruptions, Canada's strategic reorientation towards domestic economic development and expanding trade partnerships is prudent. Investments in the care economy can strengthen this strategy. This sector already makes outsized contributions to Canada's Gross Domestic Product (13.5%) that exceed manufacturing (8.6%) and construction (7.3%).¹ The sector employs 4.5 million people and is the single biggest source of take-home pay for workers.² The benefits of investments in the nonprofit community services sector of the care economy are manifold:

- Local economies benefit from employment programs delivered by the community sector. Since 2020, [United Way East Ontario](#)'s Hire Immigrants Ottawa, Employment Accessibility Resource Network and community partners have supported 28,895 equity-deserving individuals find employment.
- Investing in supportive housing reduces healthcare expenditures. [United Way Greater Toronto](#) is a founding partner of the Social Medicine Initiative, which has demonstrated a \$2.1 million cost savings by reducing emergency department visits by 52% and hospital stays by 79% among its 51 Dunn House residents.³

- When workers have access to care for their families, they can contribute to building Canada through Team Canada Strong, joining the Canadian Armed Forces and mining critical minerals. Recently, [Centraide Abitibi-Témiscamingue and Northern Quebec](#) created the first of its kind [Mining Industry Social Investment Fund \(FISIM\)](#) with contributions from the region's mining industry. FISIM recognizes that beneath the industry's economic benefits, community needs for affordable housing, food security and connection are growing and that a strong economy rests on a foundation of healthy communities.
- As baby boomers age, Canada's dependency ratio of seniors to working age adults is projected to reach its highest level since the 1960s.⁴ Investing in local, nonprofit community services helps seniors find the care they need, remain engaged in their communities and age in place. The Healthy Aging programs operated by [UW British Columbia](#) and [UW Calgary and Area](#) were built on these principles, delivering their programs through the community-based seniors services sector.
- Investments to support recruitment and retention of the community services labour force serving over 8 million people can boost the sector's economic contributions. Expanding the labour force – currently 715,000 workers - will enable greater return on investment from care by enhancing social inclusion and productivity among service users.
- Importantly, investments in community-based services also support civic pride and belonging. Helping community members thrive contributes to collective pride in Canada's unique identity as a caring nation where we look out for one another.

The case for investment in community services is strong and timely as economic uncertainty and rising household costs drive increased demand. In 2025, 73% of charities reported demand exceeding their capacity, while 75% reported higher demand than in 2024.⁵ Due to decades of precarious funding, Carleton University's [Charity Insights Canada Project](#) describes "a trilemma" of rising demand, financial instability, and an overburdened workforce within the charitable sector. Budget 2026 investments in a sector that delivers on core government priorities, including employment and upskilling for workers; affordable housing construction and homelessness prevention; childcare; mental healthcare; civic engagement and volunteerism; and addressing gender-based violence is a win-win for our communities and economy.

Budget 2025 Recommendations

1. Invest in community services and data to support the Workforce Alliance on the Care Economy

With the community services sector under strain as people struggle with the cost of living, and economic turbulence projected to bring more people to community services for the first time, boosting community service capacity is a cost-effective investment. We recommend:

- a) A targeted, initial \$150 M investment to support direct community services in tariff-impacted regions that can be scaled if economic disruption accelerates. Funding can be delivered efficiently and effectively through federal funding intermediaries with deep local connections to reduce food insecurity and poverty; boost housing assistance through rent banks and support for vulnerable homeowners; and strengthen mental health.
- b) Investing \$20 M in community service navigation by leveraging the [211 Canada Network](#) to promote and strengthen access to services especially for households in need of help for the first time. Targeted investments can address surges in demand, enable strategic service transformations to enhance digital access and provide coordinated intake to accelerate access to services and reduce demand burden on Service Canada and other services. The 211 service is free, confidential, available 24/7/365 and currently offered in 150+ languages in most regions of Canada by phone, web and text.

UWCC welcomes the February 2026 announcement of a Workforce Alliance on the Care Economy. It recognizes the importance of the services provided by care workers across the country, which bolster economic productivity. For decades, the community services sector has made critical economic and social contributions, but low wages, burnout, and lack of benefits have been prevalent and are driving workers away; an estimated 155,000 jobs are at risk in the next half-year. With service demand anticipated to increase due to economic uncertainty and an aging population, Canada needs to quickly reverse this trend.

We look forward to further details on the Alliance's mandate and are eager to understand how it will address the recruitment and retention of workers to deliver cost-effective services. We recommend Budget 2026 invest in the creation and sustainability of a community services labour force data strategy. UWCC research highlights gaps in sector labour market data and provides a road map to build a sustained data insights strategy that will guide employers, funders and government on workforce trends and needs. We recommend investing \$5 M over 5 years to collect:

- c) Labour market information, including workforce composition, career patterns, compensation, employee benefits, pensions and retirement trends, etc.
- d) Data about service demand and workforce capacity to enable adaptive service planning and anticipate needs and service gaps.

2. Renew the National Housing Strategy (NHS) and invest in supportive housing

With the renewal of the NHS slated for 2027/28, Budget 2026 provides the opportunity to set policy directions and align investments. It also an opportunity to expand Build Canada Homes' (BCH) initial \$1 billion investment in supportive housing. We recommend:

- a) Establishing a robust homelessness strategy within a renewed NHS.
- b) Sustained, increased funding for Reaching Home to support community planning and investment to end homelessness.
- c) Accelerating and increasing investments in deeply affordable, supportive, and bridge housing through BCH.

3. Implement targeted increases to income security programs

Expanding the poverty reduction and prevention impact of income security programs requires targeted increases. Investing in income security measures will help stabilize households absorbing the economic shocks of tariffs and global conflicts. [UWCC research](#) shows that 42% of Canadians could cover their basic expenses for a month or less if they lost their main source of income or faced an unexpected expense. We recommend:

- a) Boosting the Canada Child Benefit for low- and moderate-income families struggling with the cost of living.
- b) Helping more low-income renters by working with provinces and territories to increase social assistance benefits and extending funding for Canada Housing Benefits beyond 2028.
- c) Building on the 2026 Spring Economic Update's changes to the Disability Tax Credit by broadening the definition of disability and addressing barriers to access.

4. Support workers to recession-proof communities

To build on measures government has undertaken to support workers impacted by economic disruption and recession-proof communities, we recommend:

- a) Investing in expanding specific workplace, regional or sectoral peer-led labour adjustment programs. Support unionized and non-unionized workers facing temporary or permanent layoffs to navigate government benefits, community support, employment transition and training and opportunities to build skills for new in-demand careers.
- b) Increasing Employment Insurance (EI) benefits and enhancing eligibility. EI requires flexible criteria that lowers the hours threshold and boosts benefit levels. EI should respond to the evolution of employment in Canada so all effected workers can access adequate benefits.
- c) Enhancing youth employment supports – including extending the length of the federal Youth Employment and Skills Strategy funding contracts from 1–2-years to 5 years.

5. Unlock philanthropy and support volunteering

Together, government and community partners can mobilize support for our neighbours and community organizations. Donations to domestic community service organizations facing greater demand can help reduce precarity. We recommend:

- a) Unlocking generosity by incenting donations to essential front line community services directly and through named partners. This can be achieved through a form of direct service “give local” matching contribution by government or enhanced super credit.
- b) Acting on the commitment made in Budget 2022 to conduct a comprehensive review of the Disbursement Quota in 2027 - with public input - to ensure that community benefits are maximized.
- c) Supporting a comprehensive national volunteer strategy to reignite volunteer and civic engagement.

¹ Statistics Canada Table 36-1004-34-03 via Armine Yalnizyan.

² Statistics Canada Table 14-10-0023-01 via Armine Yalnizyan.

³ [University Health Network Foundation 2025](#).

⁴ Statistics Canada custom update 2026 via Armine Yalnizyan.

⁵ [Charity Insights Canada Project, 2025](#).