

This financial windfall would include all new revenue generated by property, income and sales taxes paid on church activity as well as the savings arising from the loss of tax deductions for donors. It is a complex calculation, but using data from his 64 congregations, Wood estimates the potential tax gain at a mere \$24.8 million – or \$1.7 billion scaled up to the national level. Compared to the \$18 billion in overall benefits mentioned above, what Wood calls Canada’s “Halo Effect” is more than 10 times as great as what churches’ charitable status costs the Canadian tax system.

There are, of course, many non-pecuniary benefits associated with religious activity. According to Statistics Canada, the country’s top volunteers are most likely to be either university graduates or actively religious. And for these religious folks, their generosity in time is not limited to promoting their own faith. As Statcan observed, such volunteers “provided the majority of their hours to non-religious organizations.” Among the other intangibles associated with the presence of a faith-inspired community is bringing people of all ages, economic circumstances and cultural backgrounds together to build relationships and foster a communal spirit. But how does one put a dollar figure on that? Brian Dijkema, president of Cardus, the social policy think-tank that commissioned the Halo Project, warns that removing churches’ tax-exempt status will “create a significant reduction in the capabilities of religious communities to serve the common good.” At right, volunteers at Hamilton’s Good Shepherd Centres sort Christmas gifts for low-income families. (Sources of photos: (left) Cardus; (right) Facebook/Good Shepherd Hamilton & Toronto)

It is thus the hard financial numbers that provide the strongest argument in favour of maintaining churches’ charitable status. “To be blunt, removing [this would] create a significant reduction in the capabilities of religious communities to serve the common good,” says Brian Dijkema, president of Halo Project-sponsor Cardus. “That is what is at stake here fiscally.” Focusing on the estimated \$18 billion in total benefits, Dijkema adds in an interview, “So

much of this money is being used to serve the common good. Yes, the parish budget pays for the priest, pays for the lights, heat and upkeep of the church building. But it also is used for actual service.” He points to Hamilton, Ontario’s Good Shepherd Centres, “one of the major organizations serving the homeless” in the area, as another example of the important work done privately by churches and religious organizations in their local areas without any fanfare.

As for the growing stridency of the anti-church movement in Ottawa, Dijkema replies, “I think it’s a failure of Canadians and Canadian politicians who do not know the facts and are choosing to promote a narrative not backed up by facts. I would encourage them to read our reports and look the real evidence in the eye.” Is there a measurable economic value associated with religious charities?

From State Neutrality to State Hostility

Given the stakes, it is worth asking where this urge to strip churches of their charitable status comes from, and who is behind it. Among the notion’s earliest appearances in Ottawa was in a 2019 Senate Special Committee report on the charitable sector. A footnote explained that “the committee received very limited testimony on what should be contained in any future list of statutory categories of charity.” That “very limited testimony” was courtesy of the British Columbia Humanist Association (BCHA), which “submitted that the advancement of religion should be omitted or ‘expanded to include (i) a religion that involves belief in more than one god and (ii) a religion that does not involve belief in a god.’”

Five years later, another BCHA submission made a much bigger splash in Ottawa, as executive director Ian Bushfield apparently convinced the Finance Committee to include Recommendation #430 in its 2025 pre-budget report. Bushfield’s contribution claimed that the absence of a provision for the advancement of “nonreligious worldviews” as a charitable activity in Canadian law should

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be seen as a breach of “the state’s duty of religious neutrality by showing a preference toward theistic viewpoints over nonreligious ones. It relies on a presumed public benefit of faith.” Curiously enough, the BCHA has itself been a federally registered charitable organization since 1989. Outsized influence: Ian Bushfield, executive director of the tiny British Columbia Humanist Association (BCHA), has enjoyed considerable success in Ottawa promoting his claim that governments should not provide tax benefits for religious organizations because there’s no similar provision for “nonreligious worldviews” – this despite his group having had charitable status since 1989. At left, BCHA supporters protest outside city hall in Kelowna, B.C.

Outsized influence: Ian Bushfield, executive director of the tiny British Columbia Humanist Association (BCHA), has enjoyed considerable success in Ottawa promoting his claim that governments should not provide tax benefits for religious organizations because there’s no similar provision for “nonreligious worldviews” – this despite his group having had charitable status since 1989. At left, BCHA supporters protest outside city hall in Kelowna, B.C. (Sources of photos: (left) Facebook/BC Humanist Association; (right) Sohrab Sandhu/CBC)

A quick glance at the BCHA website suggests its primary contribution to the public good is a concerted effort to wipe out churches and any influence they may have on society-at-large. Headlines include a call to “End Religious Institutional Objections to MAID”, to “End Public Funding of Private Schools”, and to “End the Privileged Status of Religion in Canadian Charity Law”. In July 2025, Bushfield and a “couple dozen other secularists” gathered outside city hall in Kelowna, B.C. to protest property tax exemptions for places of worship. “The increasing numbers of religiously unaffiliated individuals, driven by a move away from traditional religions, represent a society that is increasingly embracing reason, critical thinking, and individual freedom of belief,” Bushfield writes of his movement.

It bears mention that these efforts to undermine or destroy organized religion are tightly connected to, and often indivisible from, Canada’s abortion lobby. Both movements are motivated by the same sense of animosity towards a conflicting, morality-based worldview. It is worth noting that the entry immediately preceding Recommendation #430 proposes that Ottawa “no longer provide charitable status to anti-abortion organizations.” This too comes from a BCHA brief. And when the BCHA refers to “anti-abortion organizations” it means not only advocacy groups like Campaign Life Coalition or Euthanasia Prevention Coalition but all organizations that provide material support to pregnant women but do not offer or refer them for abortion, groups which include many mainline churches.

Intriguingly, the BCHA and ARCC – two tiny organizations with an apparently outsized influence in Ottawa – have collaborated to pressure the government to withdraw support, funding and tax credits even from pregnancy crisis centres. Tweet

Another such link can be found in the Abortion Rights Coalition of Canada’s (ARCC) 2018 effort to persuade Prime Minister Justin Trudeau to require a mandatory pro-abortion attestation for access to the federal Canada Summer Jobs grants program. This soon-notorious and blatantly unconstitutional attestation (which was eventually withdrawn) required not merely vetting of the immediate job being funded but that the entire organization’s “core mandate” be brought into alignment with the government’s perspective on abortion. Despite this setback, ARCC executive director Joyce Arthur later attempted to expand her attack to cover the entire charitable sector. In an August 2022 letter to Trudeau and then-deputy prime minister Chrystia Freeland, Arthur wrote that the Canada Revenue Agency should “interpret existing charitable guidelines in a modernized way that recognizes Charter rights and requires charities to respect them.” The term “Charter rights” here is code for a dogmatic pro-choice stance.

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two tiny organizations with an apparently outsized influence in Ottawa – have collaborated to pressure the government to withdraw support, funding and tax credits even from pregnancy crisis centres. Now these efforts appear to have culminated in an attempt to dismantle a centuries-old common law tradition regarding the charitable status of churches. And without any substantive public debate.

What’s Really at Stake

Throughout the modern era, Dijkema notes, spiritual and secular administrations have co-existed in a largely peaceful and cooperative manner in most Western countries, despite earthly governments holding all the real power. “What I think is fascinating is that the religious component of charitable status has been a place where the state has typically constrained itself from using its dominant power – that is, the coercive power to tax,” he says.

Yet current developments suggest that sense of acceptance is rapidly disappearing. “The ‘small I’ liberal philosophical tradition claims that the state is supposed to be neutral regarding visions of the good life,” explains Dijkema. “They are constantly telling people that you should not impose your view of the good life on others.” Yet Recommendation #430 clearly proposes a “philosophical restructuring of our state to the point where there will no longer be any space or freedom for communities and people whose vision of a good life may differ from that of the state itself. It is a deeply ill-considered move.”

Since the dawn of civilization, religion has been an indivisible component of humanity. And it is precisely when times are toughest and the people at their most vulnerable that churches have served their most important role in protecting the necessities of life. Tweet

While critics of organized religion may cackle with glee at the thought of delivering a knockout blow to churches at a time when they are at their weakest, such a strike will do far more damage that its supporters likely appreciate. Anyone concerned

with social justice or equality, for example, should understand that the 2025 budget could do much more than just strip churches of their charitable status. The budget is expected to deliver a deficit of anywhere from \$68 billion to as much as \$92 billion, a result of soaring defence spending and the costs of Canada’s trade war with the U.S. Given that Prime Minister Mark Carney makes much of his past career as an economist, he will be under pressure to find other places to cut spending. What might that be? The last time a fiscally-minded Liberal government faced a similar scenario was in 1995 under Prime Minister Jean Chretien and Finance Minister Paul Martin. Then the solution was to swiftly reduce social spending, particularly by cutting transfer payments to the provinces, triggering sharp cuts to many long-standing welfare programs country-wide. As government retreated, it fell to churches and private charities to pick up the slack. There was simply no one else to turn to.

American research on the role of U.S. churches in the wake of similar 1996 welfare reforms enacted by the Clinton Administration offers compelling evidence on the scale of this effect. Are church and state substitutes? Evidence from the 1996 welfare reform is the title of a 2005 article in the Journal of Public Economics examining the role played by Presbyterian churches in the U.S. following Washington’s welfare retrenchment. The author concluded that “church activities substitute for government activities,” if somewhat imperfectly. For every \$1 in federal welfare cutbacks, the author estimated there were 20¢ in new donations and/or church-provided services attempting to fill the gap. Such an effort cannot be overlooked.

Since the dawn of civilization, religion has been an indivisible component of humanity. And it is precisely when times are toughest and people at their most vulnerable that churches play their most important role in protecting the necessities of life – not just food, shelter and companionship, but spiritual guidance, grace and hope. That need is as great today as it ever has been. No one should be using tax law to dismantle organized religion.

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