Queen's Policy Review

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Reforming to Recover

Queen's University
POLICY STUDIES

For Andrew Graham

A treasured professor at the Queen's School of Policy Studies who will be missed deeply.

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Land Acknowledgement

The Queen's Policy Review acknowledges that Queen's University is situated on Anishinaabe and Haudenosaunee territory. As an institution, Queen's has benefited from colonialism and imperialism in their destructive nature and as a student organization within this university, Queen's Policy Review shares in that complicity.

As a journal that explores policy issues that shape our everyday lives, we remain committed to a goal of allyship. Queen's Policy Review stands in solidarity with Indigenous persons, and dismantling systemic racial and ethnic discrimination, and other forms of oppression, in and beyond our roles at Queen's and as future policymakers.

Queen's Policy Review remains committed to engaging in academic theory and debate that elevates the perspectives and lived experiences of all equity-deserving persons both within academic spaces and beyond.

Dear Readers,

The Queen's Policy Review editorial team (2021-22) and the School of Policy Studies at large are proud to present volume 13 of the Queen's Policy Review: *Reforming to Recover*.

As our team embarked on this project back in October 2021, we wanted to select a theme that was inclusive of the brilliant work done in graduate studies, not only locally, but on a global scale. Nothing seemed more prevalent at this time than the effects that the COVID-19 pandemic would have on policymaking in Canada and around the world. Not only is this a relevant topic, but also an area of policy that is currently calling for fresh minds and new ideas. Therefore, our team was thrilled to see the unique perspectives that fellow graduate students had on policymaking in the time of the pandemic.

This edition of the Queen's Policy Review examines the pandemic in terms of social, economic, and structural change. Topics include challenges faced by Canada's international students, economic shocks felt through remittance payments, and the lasting impact on non-profit organizations. These articles demonstrate the intersectionality of areas of policy and levels of government and how they interact with pandemic support.

Reforming to Recover is a title that encapsulates the positive outlook that the Queen's Policy Review is looking to create from the challenges of the pandemic. From a policymaking lens, the idea of recovery from the pandemic can be daunting. With that being said, the opportunity to reform policies and programs that have been highlighted as needing improvement by the pandemic is a productive and encouraging perspective we hope to inspire you with.

We cannot thank the authors of the articles in this journal enough for their patience, dedication, and innovative thinking. Also, we could not have done this without our team: Ariel Davis, Gabriella Mazumder, and Kayla Melbourne who are constantly adaptive, creative, and motivated.

We hope you enjoy reading this year's Queen's Policy Review as much as we enjoyed creating it.

Sincerely,

Chloe Robinson & Ryan Fletcher

QPR Co-Editors in Chief 2021-22

The Impact of COVID-19 on the Mental Health of International Students in Canada

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Abstract

The Canadian economy, the labour market, demographic changes in population and birth rate all have impacts on both international students and Canadian citizens. The effects of COVID-19 are now a part of those trends and factors; therefore, this study seeks to increase the comprehension of how COVID-19 has affected the mental, emotional, physical, and financial health of international students. This will be done using the integrative literature review (ILR) and research methodology. An integrative literature review method was used to analyze relevant literature to fulfill the research objective of examining the impact of COVID-19 on the mental health of international students in Canada. An inclusion-exclusion criterion was established to select literature pertaining to the impact of COVID-19 on the mental health of international students in Canada. The following databases were used to search for the literature: *Google Scholar, Government of Canada, Statistics Canada, Journal of Higher Education,* and *Journal of International Migration and Integration.* The outcome of this paper outlines recommendations for future research that include exploring the mental health consequences of the pandemic on international students, assessing policies related to immigration and the integration of international students to Canada, and examining post-pandemic effects on international students' well-being in Canada.

Keywords: COVID-19, international students, mental health, migration, migration policies

I. BACKGROUND

The number of international students is growing both within Canada and globally. According to *Statistics Canada* (2021), the number of international students who are enrolled in Canadian universities and colleges has tripled over the last ten years, dating from 2008-2009 to the 2018-2019 academic periods. However, a recent study from *Immigration, Refugees and Citizenship Canada* (IRCC, 2021) indicates that in 2020, there was a 17% decrease in the number of international students enrolled, due to the impact of the COVID-19 pandemic. These long and short-term trends are occurring against a complex mix of factors, into which the needs and contributions of international students are deeply integrated.

All students experience stress, (Clough et al., 2019; Shadowen et al., 2019) however, the stresses caused by the pandemic have been immense for international students. Kanwar & Carr (2020) argue that besides the economic impact of COVID-19, it is also essential to consider the personal implications for international students. Interdisciplinary research to understand the complexities that COVID-19 has caused racialized and international students is necessary (Patterson et al., 2021).

Moreover, international students who went back to their country of origin found it increasingly challenging to return to their educational institutions due to travel restrictions and financial constraints. In addition, access to reliable internet service and the different time zones, has made it difficult for international students to pursue and continue their higher education goals

(OECD, 2020). This has led to further stress and the uncertainty of completing their education, in which they have already invested so much time and money (Misirlis et al., 2020; Sahu, 2020).

II. RESEARCH OBJECTIVE

The objective of this research study is to examine the impact of COVID-19 on the mental health of international students in Canada.

III. RESEARCH QUESTIONS

The research questions that this study will be answering are as follows:

(1) How has COVID-19 influenced international students' mental health in Canada?

(2) How has the government of Canada, educational institutions, and community resources offered mental health support to international students?

IV. METHODOLOGY

The ILR method used in this research study seeks to provide new insights while summarizing the research topics. ILR not only analyzes and synthesizes primary research findings but also accommodates other resources such as conference papers, opinions, and policy papers (Lubbe et.al, 2020). The inclusion-exclusion criteria for selecting the literature includes:

a) Papers published between January 2020 and April 2022
b) Papers published in the English language
c) Papers that focused on the impact of COVID-19 on the mental health of international students in Canada

The literature that was selected for this research was identified in the *Google Scholar, Government of Canada, Statistics Canada, Journal of Higher Education* and *Journal of International Migration and Integration* databases. The following keywords were used to search for appropriate literature:

Keywords

COVID-19, international students, mental health, migration, migration policies

V. INTEGRATIVE LITERATURE REVIEW

Influence of Covid-19 on international students' mental health in Canada

According to the *Annual Report to Parliament on Immigration* (2021), during the COVID-19 pandemic, many permanent and temporary residents lost their employment status, and international students faced delays in travel due to restrictions, border closures, and financial hardship due to unemployment. An international student's income is dependent on their part-time employment. Buckner et al. (2021) state that the federal government reacted quickly to COVID-19 to support international students and ensure they continued to receive post-graduate work permits. In 2021*, Immigration, Refugees and Citizenship Canada* (IRCC), reported that "33% of 15,627 international students surveyed in Canada lost a job or placement due to the COVID-19 pandemic, and 22% saw their hours of work reduced" (I0). Stress caused due to the pandemic has created a massive impact on the mental health of international students. Students have experienced high levels of anxieties, fears, and stresses that were aggravated during and post-pandemic, which has taken a toll on the well-being of international students (Firang & Mensah, 2021).

In a survey conducted by Varughese & Schwartz (2020) two-thirds of the student respondents reported that they faced financial stress of some sort, while over 70 percent experienced psychological stress and nearly 40 percent experienced academic stress. In total, 20 percent of the survey respondents had experienced all three categories of stress. International students have also been increasingly isolated as they have been separated from their families and other significant support systems. Public health measures such as physical distancing have further created disconnections and additional challenges, especially for those receiving support services for mental health and substance abuse issues. Such circumstances have further marginalized international students and affected their mental health even further (Patterson et al., 2021).

Support for international students from the Government of Canada, educational institutions, and community resources

In response to the pandemic, the Government of Canada, IRCC, educational institutions, and other key stakeholders have changed their policies, rules, and regulations to accommodate international students during this challenging time. For example, the IRCC provided a two-stage regulation for submitting a complete application, made changes to the Post-Graduation Work Permit Program to allow students to work more than 20 hours per week, and allowed international students to study online from their home country.

Several temporary policy changes intended to support international students, learning institutions, and other stakeholders in Canada's education sector have been implemented since March 2020. These include:

- Continuing work on or off-campus provided their study permit allows for it. The aim of this policy change was to accommodate international students who had to reduce their studies to a part-time status, those who were forced to learn online, or those who had to withdraw from their studies completely due to restrictions on classroom learning.
- International students were promised that they would not lose eligibility to obtain work permits post-graduation if they had to complete more than 50% of their studies online, become part-time, or withdraw from their program due to classroom restrictions because of the pandemic, among other policies.

The international students who qualified received the Canada Emergency Response Fund (CERB) along with other vulnerable Canadians. Due to lack of permanent residency status, international students were exempt from receiving additional government relief programs (Firang, 2020). Post-secondary education institutions in Canada offered some support to international students through culturally sensitive counseling services and peer support, some in the form of peer wellness ambassadors who were trained in active listening (Ozyonum & Zhang, 2021).

VI. LIMITATIONS

This research focused on the impact of COVID-19 on the mental health of international students in Canada. Due to the narrow focus of this study and the restrictive inclusion and exclusion criteria, there was an insufficient number of publications and research. Therefore, future studies should employ a broader focus.

VII. RECOMMENDATIONS

The recommendations arising from research conducted in the present study are as follows:

1. More research is required to accurately explore the mental health consequences of the pandemic on international students.
2. Future research is required on the integration of perspectives and lived experiences of international students into policies related to immigration and the integration of international students to Canada.
3. There is an urgent need for research on post-pandemic effects on international students' well-being in Canada.

VIII. CONCLUSION

The objective of this research study is to examine the impact of COVID-19 on the mental health of international students in Canada. The researchers used the ILR to review literature on the impact of COVID-19 on the mental health of international students in Canada. Upon review, it was found that relevant literature discussed the fact that international students were deeply affected by the pandemic in terms of experiencing various kinds of stresses and hardships. Even though there has been some support from the government and post-secondary educational institutions, such support has not been sufficient or adequate to address the complexities of mental health that international students have faced during the pandemic. Recommendations include the need for future research exploring the mental health consequences of the pandemic on international students, examining post-pandemic effects on the well-being of international students, and understanding the integration of perspectives of international students into policies related to immigration and the integration of international students to Canada.

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Exchange Rate Movements and Economic Shocks on Remittance Fluctuations

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Abstract

In recent years, several research papers have been written on the effect of remittance on the economy of a country, especially a recipient country. However, very few studies, in comparison, have been conducted on the factors that affect the inflow of remittances into developing or small nations. The rationale of this paper delves into the study of factors that influence the inflow and direction of remittance, focusing mainly on the official exchange rate as the control variable in a panel of data covering 15 top remittance-receiving countries from 1969 to 2019.

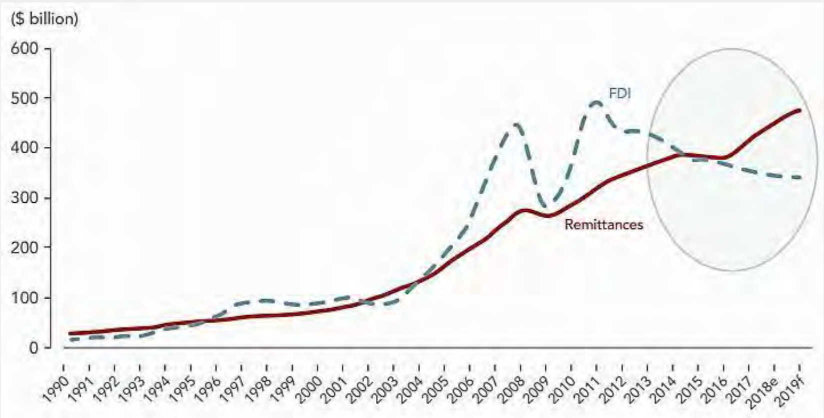
I. BACKGROUND

Since the 1990s, remittance has played a substantial role in domestic sectors of small and developing nations through the effect the increase in investment has on the aggregate demand; as well as exceeding the development aid these countries would receive. Global remittances have increased consistently from less than a billion dollars in the 1980s to US$101.3 billion in 2005. They then surged to US$440.1 billion in 2010 and by the end of 2013, they were US$ 541.9 billion (World Bank, 2013).

Formal definitions of remittances are quite broad. Short visits to other economies do not result in a change of residency but traveling overseas to stay for a year or more does. Migrants who go abroad to work become citizens of the host economy and remain for a year or more. There are also rules for the residence of students, medical patients, and other types of civil servants serving in government embassies abroad, who will be classified as non-residents regardless of their period of stay. Workers' remittances are recent payments made by migrant workers in emerging economies and are considered tenants there. Personal transactions include all existing cash or in-kind transfers between residents and non-residents, regardless of the sender's source of income. Personal remittances include all household-to-household payments as well as non-resident workers' net pay. Therefore, personal remittances are the total number of personal transfers and employee benefits.

Remittances sent to low- and middle-income countries (LIC and MICs) hit a new peak of $529 billion in 2018, which is a 9.6 percent increase from the previous $483 billion in 2017 (Migration and Development Brief 31, 2019). In the same year, global remittances, including high-income nations, totaled $689 billion compared to $633 billion in 2017.

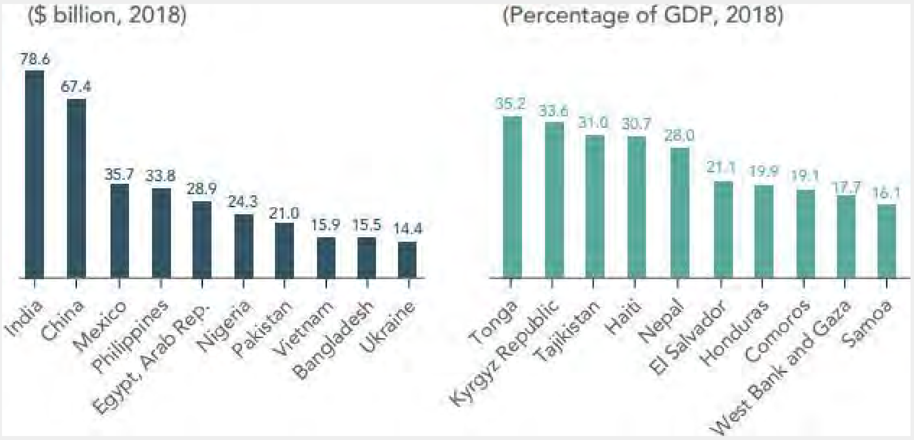
Figure 01: Remittance flows to LICs and MICs | Larger than Foreign Direct Investment (FDI) (1990-2019)



Sources: World Bank staff estimates, World Development Indicators, IMF Balance of Payments Statistics.

This regional analysis found remittance inflow to have grown from 7 percent in East Asia and the Pacific to 12 percent. This raise was motivated by a better US economy and labour market, as well as a revival of some Gulf Cooperation Council (GCC) countries and the Russian Federation. Except for China, remittances to LICs and MICs have exceeded their FDI flows in 2018. India received the most remittances ($79 billion), followed by China and Mexico (Figure 02).

Figure 02: Top Remittance Recipients in 2018



Sources: World Bank staff estimates, World Development Indicators, IMF Balance of Payments Statistics.

According to the World Bank's Remittance Prices Worldwide database, the global average cost stayed about the same, at 7 percent, until the beginning of 2019. Reducing remittance costs to 3 percent by 2030 is a global goal outlined in the United Nations Sustainable Development Goals (SDG). Remittance, right after foreign aid and export-based income, can influence the macroeconomic factors in a developing country. Developing countries tend to benefit more from remittance as they deploy comparatively more manpower overseas to first-world countries. The Philippines is such an example, where the ever-growing population has created fewer job opportunities domestically and more people (approximately 13 million in 2013) holding overseas contracts (Gonzalez et.al, 2013).

Several factors may affect the inflow of remittances. Some of the factors are harder to measure than others, for example, altruism, self-interest, and return-seeking motive. Comparatively, the rest are easier to measure, namely the Official Exchange rate, Literacy Rate, Interest rate, GDP, and many more. This paper mainly focuses on the latter set of variables and the direction of this effect.

A. SIGNIFICANCE OF THE STUDY

This study intends to investigate potential factors swaying the inflow and the direction of remittance, especially focusing on the exchange rate, and secondary variables such as real interest rate, GDP, and adult literacy rate. Global remittances hit a record high in the fiscal year of 2018, just before the COVID-19 pandemic. This study will measure how certain factors positively affect the upward trend of remittance and how potential economic shocks like a pandemic or global recession disturb the inflows. In past studies, exchange rate and remittances have a bi-directional relationship and most of the research computed has investigated the retro-causality. This study will examine the reverse causality between a country's exchange rate and remittance.

A. SCOPE AND LIMITATION

Nonetheless, there are certain limitations faced in this literature. Other possible factors such as the minimum wage rate were left out. Qualitative factors such as altruism and the motive behind the sent remittance, which may lead to a scapegoat effect, were left out. This research deals with a panel dataset, which involves several countries over a large period, resulting in numerous missing values (table 01). The result will provide an aggregate effect of exchange rate and other factors on remittance, meaning some countries in the dataset may, on an individual level, be facing the opposite effect of exchange rate on their remittance inflow.

The paper will be presented in five sections. Section I will focus on the previous set of literature related to this study, and Section II will describe the dataset and methodology. Section III will explain the estimation results obtained and Section IV will take a short glimpse into the recent economic shock from COVID-19 and remittance, concluding the paper in Section V.

II. LITERATURE REVIEW

As Yang (2008) finds in his research, appreciation of foreign against domestic currency leads to an increase in household remittance receipts; showing that a depreciation leads to a rise in remittance. Gonzalez, et. al., (2013), similarly finds that while in the short-term, currency appreciation increases the remittance inflow, long-term, an increase in the exchange rate would decrease the remittance inflow. Another study in Nigeria shows that the real exchange rate has a positive effect on the remittance received (Ebenezer A. O; Kubrat O. K. 2015). If the objective is an investment, a fixed exchange rate will be preferred, and the relationship will be negative. On the contrary, under the motive of self-interest, the floating exchange rate is preferred against the fixed exchange rate resulting in a positive relationship (Blomberg et al 2005; Frieden et al 2001).

In the existence of an exchange rate parallel market and altruism, depreciation will provide the opportunity to remit through the unofficial channel and reduce remittances through the official channel. Consequently, if the official exchange rate negatively affects remittances, parallel exchange rate markets may be a possible reason (El Sakka and McNabb, 1999). A study taking place in Greece (Lianos, 1997) affirms the significance of migrants' income, rate of inflation, exchange rate, and the inflation rate differentials as important variables of migrant remittance behaviour.

A higher literacy rate will affect remittance. If more remittances are received, the government, as well as the migrant families, will invest more in education with the given increase in their disposable income, therefore, more families will be able to pursue higher education. Interest in higher education will mean the migrant labor base has decreased and therefore lower remittances. According to Gonzalez, R. A. A. et, al. (2013), their priority for migration was ambiguous while for literacy rate it was positive.

The fundamental principle is that remittances should be seen as an informal, contractual relationship between migrants and their home country that is mutually beneficial and inter-temporal. Investing and vulnerability are two components of this tacit arrangement. Investment entails the development of human resources by the migrant's schooling, with the costs incurred by the migrant's immediate family. Remittances can also be interpreted as a return on the family's savings. The factor of risk emerges in recognizing migration as a diversifying activity. Remittances are inextricably linked to the migrant's conditions, both economic and otherwise. The migrant's plans and actions would decide the movement of remittances. As a result, whatever confusion persists in the migrant's scheme and whatever changes in their actions will be reflected in the flow of remittances (Lukas and Stark, 1985).

A contentious issue regarding remittances is the global data which is not comprehensive and does not contain the entire number of remittances. They include only remittances sent through official and measurable channels, however much more is believed to flow through informal channels. Consequently, it is believed that global figures on remittances are much higher than what is reported. Considering the importance of remittances, the objective of this paper is to study the factors which drive and constrain remittance inflows into developing countries.

III. METHODOLOGY

This dataset has been collected and compiled as a panel dataset to run a simple Ordinary Least Squares (OLS) regression. The period of 50 years (1967-2016) and 14 countries (Bangladesh, Belgium, China, Egypt, France, Germany, Guatemala, India, Indonesia, Italy, Mexico, Nigeria, Philippines, Pakistan, and Ukraine) have been included.

According to the World Bank (2019), these are the highest remittance recipients in the world.

Personal Remittance Received (Current US$), Official Exchange Rate (LCU per US$), Real Interest Rate, Literacy Rate, GDP per capita, and Net Migration have been taken as variables of the equation. GDP per capita can be viewed as a proxy for living standards, which may influence an individual's decision to migrate and therefore remittances inflowing into the country. For ease of interpretation, log values of the exchange rate, interest rate, GDP per capita, and literacy rate were taken against the log of remittance. The model was regressed in three steps: simple pooled OLS, fixed effects, and the random-effects model. Finally, a Hausman test would be conducted which proves the random-effects model to be the most suitable. The dataset was retrieved from World Development Indicator Databank (2021).

A. MODEL SPECIFICATION

Personal remittance = $\boldsymbol{\beta_0}$ + $\boldsymbol{\beta_1}$ exchange rate$_{ij}$ + $\boldsymbol{\beta_2}$ interest rate$_i$ + $\boldsymbol{\beta_3}$ migration rate$_{ij}$ + $\boldsymbol{\beta_4}$ literacy$_j$ rate + $\boldsymbol{\beta_5}$ GDP per capita + u

Remittance = $\boldsymbol{\beta_0}$ + $\boldsymbol{\beta_1}$ lnExRate + $\boldsymbol{\beta_2}$ lnRIR + $\boldsymbol{\beta_3}$ NetMig + $\boldsymbol{\beta_4}$ ALR + $\boldsymbol{\beta_5}$ lnGDPpc + u

Table 01: Descriptive Statistics

Variable	**Observations**	**Mean**	**Standard deviation**	**Min**	**Max**
Remittance (% of GDP)	634	2.87	3.341064	0.001	14.58334

Remittance (current, USD)	634	7.98e+09	1.14e+10	100000	8.33e+10
Official Exchange Rate	636	489.07	1955.89	0.01	14236.94
Real Interest Rate	423	3.30	10.99	-91.72	37.92865
GDP per capita	733	7505.66	12189.54	79.18	48106.89
GINI index	220	34.59	7.35	24.0	59.6
Net Migration	150	-274672.10	985793.70	-3254778.0	2719112.00
Adult Literacy (ALR)	100	75.20	19.47	25.72	99.97
lnRemitUSD	634	21.72	1.95	11.51	25.15
lnRIR	346	1.58	.815	-2.23	3.63
lnGDPpc	733	7.61	1.68	4.37	10.78
lnExRate	636	2.81	2.48	-4.38	9.56

The hypothesized relationship between the main control variable, Official Exchange Rate, and Remittance are positive. This follows the theory that, with a currency appreciation, relative prices of domestic goods and services will increase, which could lead to inflation. Migrant workers will then likely send in more remittances to support families living in their country of origin as foreign currency which can then be converted into more of the domestic currency. Adult Literacy Rate (for 15+-year-olds) and the Real Interest rate have been included to check indirect effects on remittances. As per the previous studies, net migration should have a negative coefficient in the regression, as more emigration is found to have a positive impact on remittance inflows, *ceteris paribus*.

A. THE RESULTS

Table 02: Pooled OLS Model

lnRemitUSD	**Coefficient**	**t**	**P>|t|**
lnExRate	1.05*** (0.192)	5.49	0.001
NetMig	-4.86e-08 (6.68e-08)	-0.73	0.479
lnGDPpc	1.02** (0.389)	2.61	0.035
lnRIR	0.12 (0.211)	0.58	0.582
ALR	0.01 (0.015)	0.98	0.359
_cons	10.41** (3.194)	3.26	0.014
Obs	13		
R-squared	0.9216		
Adj. R-squared	0.8655		

*[*** indicates 99% significance; ** indicates 95% significance; and * indicates 90% significance. Standard errors are in parentheses.]*

What is noticeable at first glance from the linear regression is the final number of observations, which shows many values are missing. Only GDP per capita and exchange rate have significant values. A 1 percent increase in the exchange rate (appreciation) will result in the remittance to increase by 1.05 percent, and similarly with GDP per capita, which will increase personal remittances by an estimated 1.02 percent with every 1 percent increase. For now, I will not be considering this model and will move on to assessing the fixed and random effects. Estimation shows that 92 percent of the model is being explained by the chosen variables. The difference with the adjusted R-squared shows that no unnecessary variable has been included.

Omitted variable bias: Ramsey Reset test

A Ramsey test was conducted using powers of the fitted values of lnRemitUSD which shows an F- statistic of 0.57, meaning there are no omitted variable biases. Tests were conducted to check for multicollinearity (Appendix. Table B; and Table 03).

Table 03: Correlation table

	lnRemitUSD	lnExRate	Net Migration	lnGDPpc	lnRIR	Adult Literacy
lnRemitUSD	1.0000					
lnExRate	0.2626	1.0000				
NetMig	-0.2434	-0.1193	1.0000			
lnGDPpc	0.4086	0.0953	-0.0580	1.0000		
lnRIR	-0.2846	**0.2040**	0.0106	-0.1820	1.0000	
Adult Literacy	0.3051	0.1819	0.1258	**0.7379**	-0.1090	1.0000

GDP per capita seems to have some amount of collinearity with the adult literacy rate in the model. Hence, fixed and random effects models will be run by dropping the adult literacy rate as, in theory, the literacy rate should affect both the living standards and a person's decision to migrate out of the country, maybe for a better opportunity and higher income.

FEM (1):

$$Y_{ij} = \beta_0 + \beta_1 X_{1ij} + \beta_2 X_{2ij} + \ldots\ldots\ldots + \beta_k X_{5ij} + \gamma_n \sum_{i=0}^{n-1} Dummy + u_{ij}$$

REM (2): $Y_{ij} = \beta_0 + \beta_1 X_{1ij} + \beta_2 X_{2ij} + \quad + \beta_5 X_{5ij} + \varepsilon_{ij} + u_{ij}$

Table 04: Fixed and Random Effects model

	(1)	(2)	(3)	(4)	(5)	(6)
lnRemitUSD					*(robust)*	*(robust)*
lnExRate	1.238* (0.430)	1.053*** (0.192)	0.849*** (0.204)	0.247* (0.146)	0.849** (0.326)	0.247 (0.208)
NetMig	6.90e-08 (2.18e-07)	-4.86e-08 (6.50e-08)	-8.91e-08 (1.67e-07)	-2.43e-07 (1.94e-07)	-8.91e-08 1.77e-07	-2.43e-07 (1.60e-07)
lnRIR	0.116** (0.189)	0.122 (0.211)	-0.104 (0.148)	-0.302* (0.182)	-0.104 (0.166)	-0.302 (0.190)
lnGDPpc	2.800 (0.814)	1.016** (0.389)	1.297*** (0.180)	1.371*** (0.176)	1.297*** (0.208)	1.371 (0.179)
ALR	-0.092 (0.042)	0.015 (0.015)	-	-	-	-
_cons	3.822 (3.621)	10.411** (3.194)	9.808*** (0.978)	11.461*** (1.246)	9.808*** (0.773)	11.461*** (1.350)
Obs	13	13	66	66	66	66
R-squared	0.9427	0.7861	0.8320	0.8012	0.8320	0.8012
Prob > F	0.0441	0.0000	0.0000	0.0000	0.0000	0.000

*[*** indicates 99% significance; ** indicates 95% significance; and * indicates 90% significance. Standard errors are in parentheses. (1) and (2) runs fixed and random effect regressions without omitting ALR, (3)-(6) drops ALR for better estimates and to reduce collinearity. (3) and (4) run vce(robust) regressions to counter for heteroskedasticity and autocorrelation.]*

From table 04, it is seen that the official exchange rate has a significantly positive relationship with the inflow of remittances in all models except when the random-effects model is run to counter heteroskedasticity and autocorrelation. The Hausman test (table 05) shows that the random-effects model is best suited to estimate the hypothesis. In the random-effects model

(4), GDP per capita, real interest rate, and the official exchange rate are significantly positive at 99 percent, and 90 percent respectively. Remittance inflow will increase by 2.8 percent with every one percent increase in GDP per capita of the receiving country, 0.3 percent by real interest rate, and 0.2 percent with every 1 percent appreciation in the country's official exchange rate. However, the rest of the variables are not significant, especially the net migration rate, which is insignificant in every model that was regressed- pooled OLD, Fixed effects, and Random Effects.

This creates some doubt in the model; however, I was unable to run a Pesaran test to check for autocorrelation, due to the panel data being highly imbalanced and the absence of sufficient observation to run the test. Hence, running the serial correlation test with only one of the explanatory variables every time (appendix), the model was found to have a problem with autocorrelation. Each of the variables does not have a random effect, rather they are related to the lagged effects.

Hausman Test	**b**	**B**	**Difference**
	fixed	*random*	**(b-B)**
lnExRate	0.849	0.247	0.601
NetMig	-8.91e-08	-2.43e-07	1.54e-07
lnGDPpc	-0.104	-0.030	0.198
lnRIR	1.297	1.371	-0.074

[b = consistent under Ho and Ha; obtained from xtreg; B = inconsistent under Ha, efficient under Ho; obtained from xtreg. Test: Ho: difference in coefficients not systematic. chi2(4) = (b-B)'[(V_b-V_B) ^ (-1)] (b-B) = 8.60. Note: [V_b-V_B] is not positive definite. Prob>chi2 = ***0.3634;*** *Random effect model is appropriate.]*

The lag of the dependent, personal remittance, and two of the most consistently significant variables, official exchange rate and GDP per capita (Table 05), seems to solve the problem to some extent.

Table 05: Lagged Random Effects Model

lnRemitUSD	**(1)**	**(2)**
lnExRate	0.746*** (0.046)	0.902*** (0.241)
lnGDPpc	1.215*** (0.072)	1.213*** (0.334)
NetMig	-	-0.195 (0.240)
LnRIR	-	-0.473 (0.329)
_cons	9.887*** (0.567)	14.070* ** (2.767)
Obs	534	19
R-squared	0.7085	0.7006
Pesaran probability	0.0933	N/A

*[*** indicates 99% significance; ** indicates 95% significance; and * indicates 90% significance. Standard errors are in parentheses. (1) and (2) run random effects with the first lagged variables by 1 year.]*

The coefficients become more significant in (1) and serial correlation is barely removed, as denoted by the probability of 0.09. On the other hand, real interest and net migration in (2) remain insignificant throughout, and the Pesaran test cannot be run due to the lack of observation.

A. WHY IS REMITTANCE IMPORTANT?

While remittance's poverty-reducing effects are well researched, effects on inequality have not been investigated by many. According to Kóczán and Loyola (2018), remittance can curb inequality as migration prospects become more common. This further reduces the detrimental influence of any economic shocks on the poorest. Additionally, there are other multipliers and macroeconomic effects. As noted by Ratha (2013), remittances have led to better development outcomes by curbing poverty in many of the LICs. In Uganda, the share of individuals in poverty has dropped by 11 percentage points, 6 percent in Bangladesh, and 5 percent in Ghana. His cross-country analysis also shows that a 10 percent increase in remittance per capita would reduce this share by 3.5 percent.

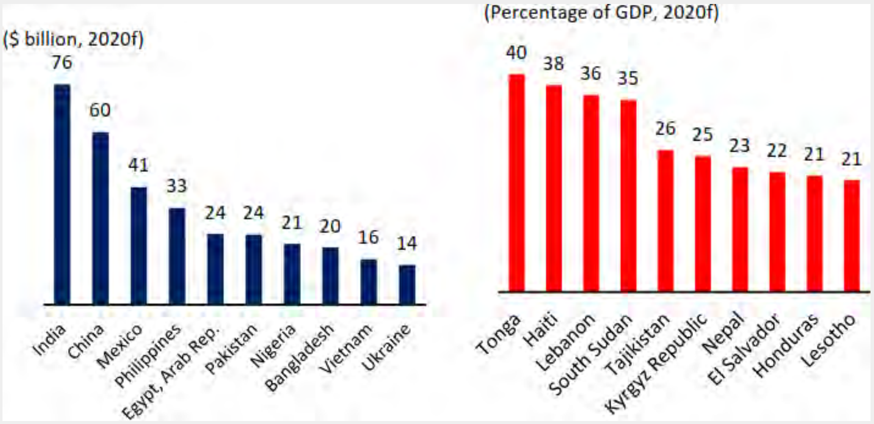
Studies in El Salvador and Sri Lanka have supported a lower school drop-out rate among the children of remittance recipient households. In Mexico, Guatemala, Nicaragua, and Sri Lanka, children in remittance recipient households have higher birth weights and better health indicators than in other households (Ratha and Mohapatra, 2007). Most importantly, remittances have a noticeable impact on the GINI index of a country (Appendix. Table A). A rise in the remittance as a percent of GDP will lower the GINI coefficient by 0.28 points, meaning potentially a fall in income disparity.

II. COVID-19 GLOBAL ECONOMIC SHOCK

COVID-19 cases have been growing since the last quarter of 2020, especially in North American and European countries. As a result of the global downturn, an unprecedented 88.1 million people have been pushed further into poverty, as reported by the World Bank (2020a). The economic and social consequences of COVID-19 are comparable to the Spanish Flu of 1918-1920. Travel bans, quarantines, and other social policies introduced in reaction to COVID-19 have had devastating penalties on livelihoods.

Mass employment and earnings losses have been especially high for refugees, those working in informal sectors, and low-skilled workers. Migrant employees are likely to have suffered a greater loss of salaries and earnings. Migrants are more vulnerable to unemployment threats than native-born citizens during times of recession. According to the OECD (2020), the proportion of employed, working-aged people dropped to 64.8 percent, the lowest level since the fourth quarter of 2010. As predicted by ILO (2020), wealth losses will amount to up to 5.5 percent of the global GDP.

Figure 03: Top Remittance Receiving Countries of 2020



Sources: World Bank staff estimates, World Development Indicators, IMF Balance of Payments Statistics.

Workers in the informal sector and illegal migrants are not only losing wages and housing but are also being removed from social welfare and cash transfer systems. Therefore, they are becoming more vulnerable to poverty during the pandemic, as the situation in Colombia, Peru, Ecuador, and GCC countries prove (Migration and Development Brief 33, 2020). Subsequent border closures resulted in a significant decrease in the number of illegal migrants in Europe, from approximately 128.5 thousand in 2019 to less than 68 thousand in 2020 (IOM 2020).

Remittances to South Asia are expected to fall by 4 percent in 2020 and 11 percent in 2021. Indian remittances are expected to take a plunge by 9 percent in 2020 whereas Pakistan will see a rise by 9 percent (Figure 05). In Bangladesh, similarly, remittances are expected to rise at an 8 percent annual rate. The negative effect of the pandemic-induced, global economic slump has been moderated to some extent in both Pakistan and Bangladesh by switching to formal networks for remittance transfers and providing incentives to pass remittances (Migration and Development Brief 33, 2020). Remittances to Mexico remained stable, owing in part to migrants' employment in critical categories in the United States (Kerwin et al. 2020). Many refugees have fled to their countries of origin in the aftermath of the worldwide pandemic. In April, the Ukrainian government announced that two million Ukrainians employed abroad had returned home due to the pandemic.

A. REMITTANCE IN CANADA

Canada has always placed great importance on remittances, whether this be inflows or outflows. Canada has taken up the SDG commitment that "*By 2030, reduce to less than 3 percent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 percent*". The Canadian census of 2016 reports that 21.9 percent of the Canadian population are foreign-born. This shows the significance of remittances, as there is a higher likelihood of regular and consistent international transactions, either for remittances or other purposes. Following the SDG, there was a Call for Action toward remittances in 2014 when Canada commissioned third-party research into an innovative and effective mechanism to lower the transfer costs of remittance, especially for the Canadian natives born in LICs and MICs (GFPI, 2021). Additionally, several other measures were also taken to ensure that Canadian residents had a more transparent and safer route to transfer these remittances.

While running a simple OLS on Canada with the same control variable as before, over the span of 50 years, the relationship between the exchange rate and both inflow and outflow of remittance happens to be significantly positive (Table 06). The results align with the previous findings. Overall, the findings are significant at 1 and 5 percent, apart from real interest rates.

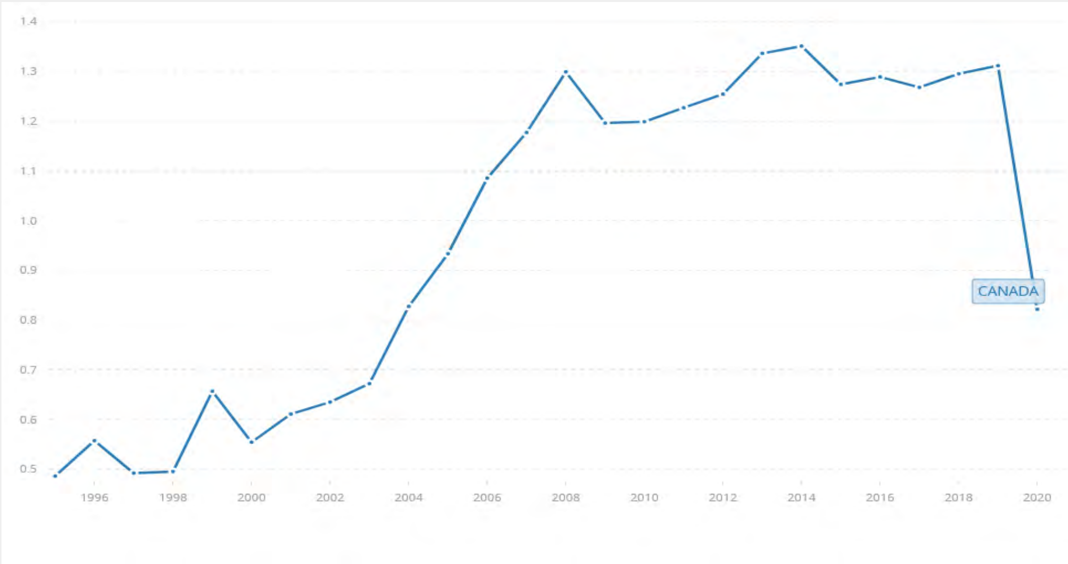
Table 06: Remittance and Exchange Rate in Canada

Variables	**remit_paid**	**remit_rcv**
Official Exchange Rate	4.552e+09** (-1.57E+09)	4.785e+08** (-2.10E+08)
GDP per capita	221,795*** (-25,439)	35,440*** (-3,793)
Real interest rate	-5.04E+06 (-4.55E+07)	1.40E+07 (-9.13E+06)
Constant	-1.027e+10*** (-2.88E+09)	-9.845e+08** (-4.00E+08)
Observations	20	20
R-squared	0.953	0.939

*Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1*

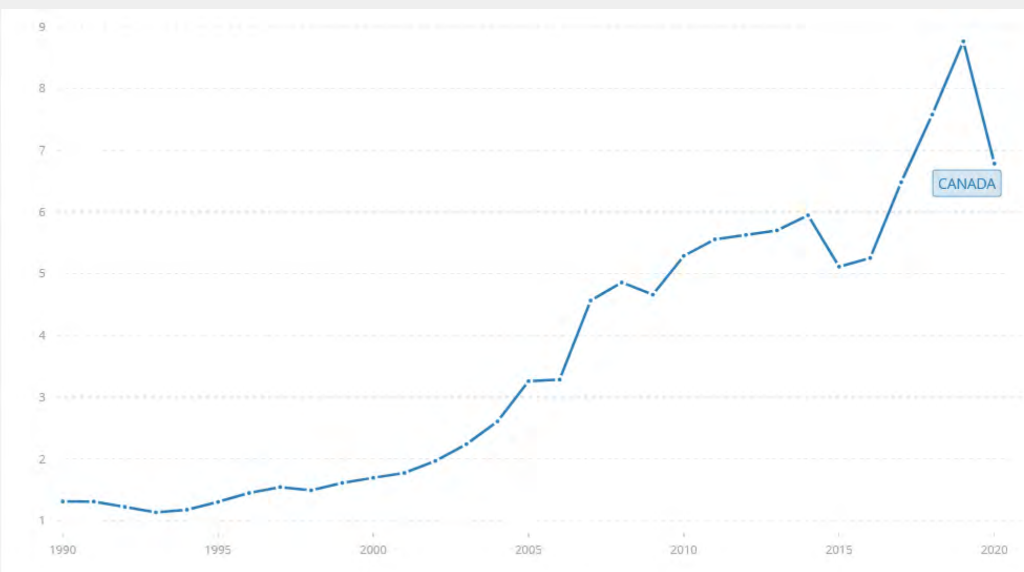
If we look at figures 04 and 05 below, the World Bank database (2022) portrays a consistent rise in both paid and received remittances in Canada since 1996. The financial impact in the fiscal years of 2019 onwards shows a large dip in both graphs. Outflows from Canada have dropped substantially from US$8.76 billion in 2019 to US$6.78 billion in 2020 (WDI, 2022). Subsequently, remittance inflows have also experienced a plunge due to the global pandemic, from US$1.31 billion to US$821 million in 2020.

Figure 03: Personal Remittances Received by Canada (current USD)



Source: World Development Indicators, World Bank (2022)

Figure 04: Personal Remittances Paid by Canada (current USD)



Source: World Development Indicators, World Bank (2022)

However, despite the COVID-19 economic shock and its subsequent impact on remittance outflows and inflows into the country, the GFPI biennial report (2021) states evidence that Canada has managed to remain on track with its SDG and 2014 call for action commitments. In 2019, Canada changed its anti-money laundering legislation to better match local and international norms, promote transparency, and strengthen the government's capacity to combat illegal financial flows. The Retail Payment Activities Act, implemented in 2021, is a regulatory framework that requires payment service providers to manage operational risk and secure funds. The new regulatory framework is now being designed, and its implementation is projected to take several years.

Besides the study on Call for Action, in 2019, Statistics Canada performed research on overseas money transfers by Canadian residents born in countries eligible for official development assistance. The findings were used to drive important policy decision-making around remittances, cross-border payments, and Canada's efforts to enhance development outcomes. Currently, Canada has managed to drop its remittance costs to 6.13 percent in the first quarter of 2021 from 8.28 percent in the fourth quarter of 2019.

Canada is presently implementing ISO22022 to align local payment infrastructure and international standards to boost PSP competitiveness by removing bottlenecks between dominions. There is also continued work being done on a real-time payments system termed RTR that facilitates instant and transparent transfers. In recent years, Canada has also included domestic stakeholders to discuss the proceedings of the FSB plan and improve innovation and competition in the payments sector. Moreover, Global Affairs Canada has taken up a new initiative in collaboration with the World Bank to observe and study the remittance structure in Canada. The goal is to facilitate the improvements in the cost of transfers, involving various stakeholders such as consumers, employers, NGOs, and various regulators all to understand this remittance (GFPI, 2021).

III. CONCLUSION

In conclusion, the results did not turn out to be very different than anticipated from the literature review. The exchange rate and GDP per capita have a positive relationship as hypothesized, however, the rest of the variables have shown inconsistent results throughout. Surprisingly, the net migration has shown no significant result in all the models regressed. Even after taking lagged values and despite having negative coefficients, which would have otherwise portrayed that as emigrants increase, the remittances will rise. As we investigate COVID-19 and the remittance report by the World Bank, the positive relationship between migration rate (negative with net migration rate) and remittance received can be understood.

There are some constraints associated with this study, the first being missing values. If looking into the trends in real interest rates, Belgium, France, and Germany have no data, and other countries are missing values for more than half the period. Similarly, countries have either no data or contain only recent period values for adult literacy rare, which ultimately makes this variable inappropriate to work with, along with its strong correlation with other explanatory variables (Appendix. Fig 01-07).

The dataset is small and inconsistent for most variables, with observations dropping down to 13 or 66 from 750 when basic models are regressed. Therefore, a more sophisticated and complete dataset would have proved more effective and stable. Overall, we can say that this study manages to capture the significant relationship, slightly, between the control variable- the official exchange rate, with the inflow of remittances.

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APPENDIX:

Table A: One variable basic random-effects model for GINI

GINI	Coefficient	t	P>|t|
Remit (% of GDP)	-0.279**	-2.63	0.009
	(0.106)		
_cons	37.302***	16.76	0.000
	(2.225)		
Obs	217		
R-squared	0.0364		
Prob > chi2	0.0086		

*** indicates 99% significance; ** indicates 95% significance; and * indicates 90% significance.
Standard errors are in parentheses.

Table B: VIF Test for multi-collinearity

Variable	VIF	1/VIF
Log (GDP pc)	21.08	0.047438
Adult Literacy	10.39	0.096239
Log (Exchange Rate)	5.87	0.170383
Log (Real Interest Rate)	5.54	0.180512
Net migration	1.36	0.733229
Mean VIF	8.85	

Table C: Ovtest

Ramsey RESET test using powers of the fitted values of lnRemitUSD
Ho: model has no omitted variables
F (3, 7) = 0.95
Prob > F = 0.4648

Fig 01: Remittance (% of GDP)

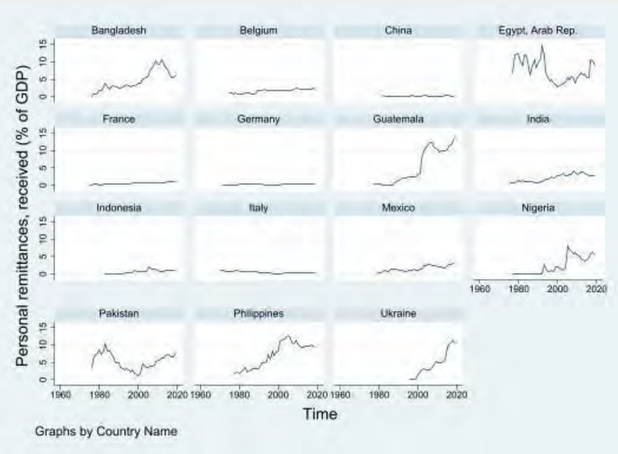


Fig 02: Official Exchange rate

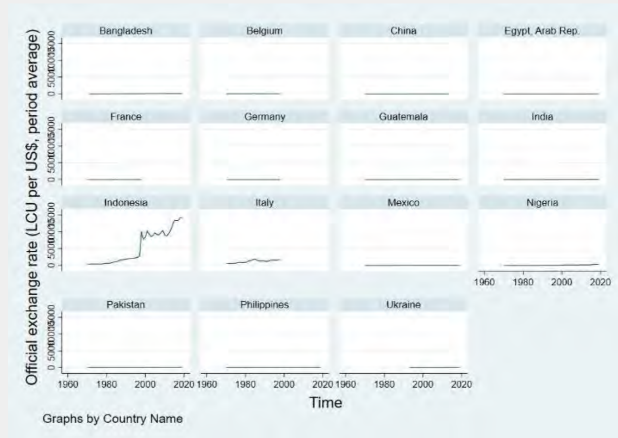


Fig 03: GDP per capita

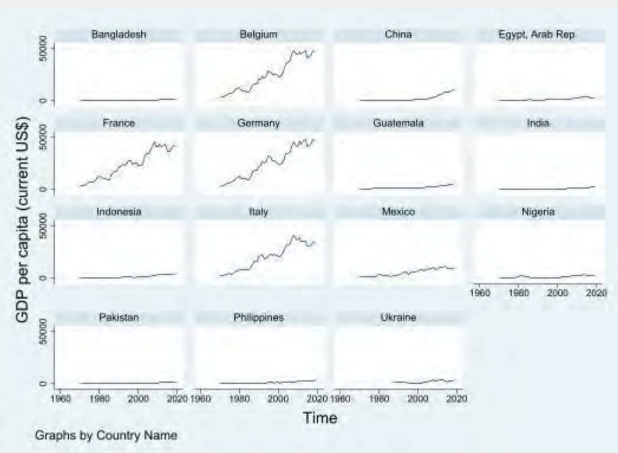


Fig 04: Remittance (personal, USD)

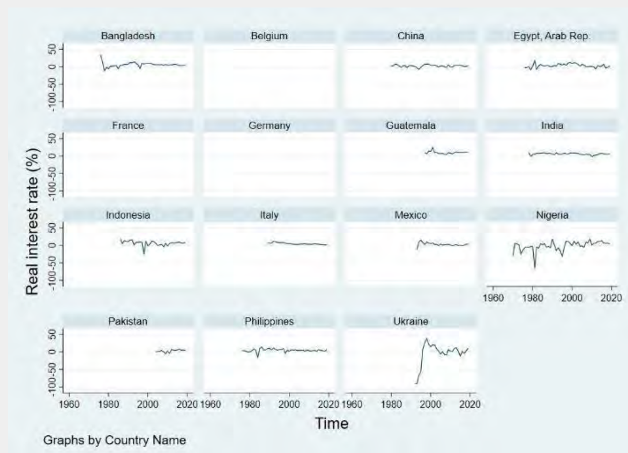


Fig 05: Net Migration

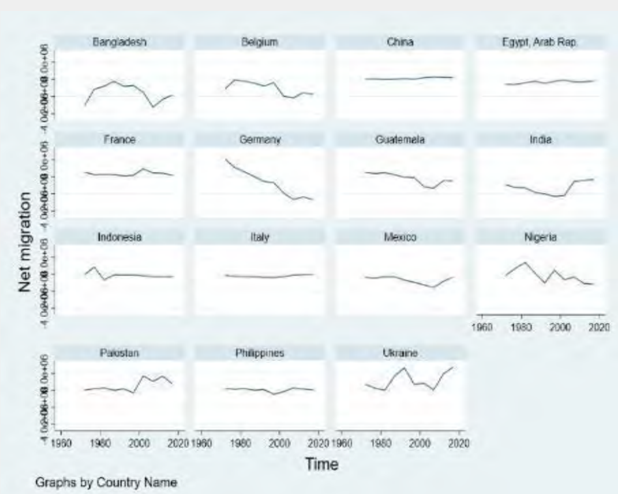
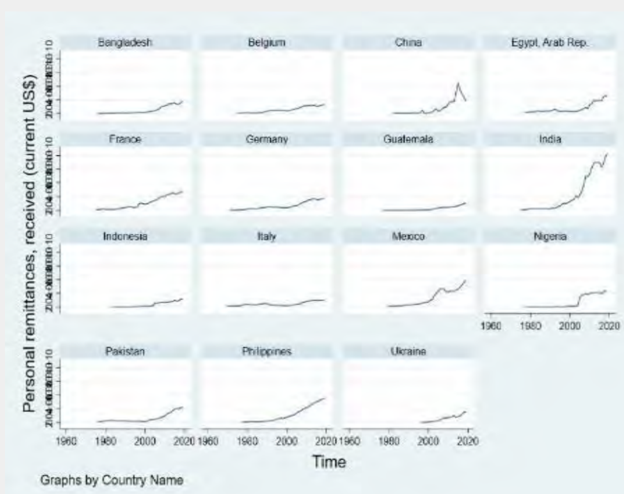


Fig 06: Real Interest Rate



The Impacts of COVID-19 on the Ontarian Nonprofit Sector and Inequality

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Purpose

To highlight the impact of COVID-19 on the Ontarian nonprofit sector, equity-deserving communities, and how this has exacerbated existing socio-economic inequalities. Equity-deserving communities are those that identify barriers to equal access, opportunities, and resources due to disadvantage and discrimination, and actively seek social justice and reparation.

Report Structure

This report initially breaks down why the economic impacts of COVID-19 are important to consider across Ontario. The following sections discuss the Ontario Nonprofit Network's mission and how provincial statistics further highlight a need for more significant third sector (nonprofits) investments. Toronto and the Greater Toronto Area (GTA) are used as examples that highlight how the third sector's decline can amplify inequality. The next section of the paper evaluates how income inequality, an organization's financial strains, and intersectionality have contributed to heightened disparities in equity-deserving communities.

Major Points Addressed in the Report

- Ontario has faced $1.8 billion in pandemic-related losses in the nonprofit sector, though nonprofit service demand has risen by 66%.

- 30% of Ontarian nonprofits have received provincial grant access upon request.
- 35% of Ontarian nonprofits have requested loans throughout the pandemic.
- Torontonians in equity-deserving communities have requested significantly more nonprofit service, despite declining service availability.
- The pandemic has significantly impacted the economic security of women.

Conclusions of the Report

- Income equality, gender, and family structure have further highlighted disparities during the economic crisis.
- The third sector is a valuable resource in combating inequality and pandemic-related challenges further disadvantage those in vulnerable communities.

Recommendations Made in the Report

- Implement the ONN's $680 million stabilization fund to rejuvenate the Ontarian nonprofit sector.
- Create nonprofit advisory boards that work more closely with governmental bodies.
- Implement policies at local levels to directly rejuvenate the nonprofit sector.

Further Study or Actions Needed

- Research how intersectional factors can further aggravate economic disparities.
- Support the third sector in a way that mitigates existing inequality and promotes economic growth.

I. TOPIC

The COVID-19 pandemic has affected Ontarians in a variety of ways. It has burdened Ontario's healthcare system, incited moral panic around individual rights, and heavily impacted the province's economy. Organizations have faced additional financial and operational challenges as governments and citizens have struggled to adapt to the ever-changing landscape of COVID-19. Though there are several contexts through which the pandemic can be analyzed and discussed, this paper will focus on how COVID-19 has impacted nonprofit organizations.

By focusing on the third sector, specific challenges faced by equity-deserving communities can hopefully be addressed more precisely. Many nonprofit organizations are created to help people from equity-deserving communities access essential resources and supportive services (Sandilands, 2019). Threats to the stability of these demographics become more apparent as the third sector is increasingly affected in harmful manners. Consequently, discussing how the pandemic has disproportionately affected these communities can help provide further context to their struggles. To build a more holistic understanding of how COVID-19 impacts communities differently, informational reports such as this paper are essential in helping those from more disadvantaged demographics adjust and preserve through these challenging times.

II. IMPORTANCE OF TOPIC

The purpose of most nonprofit organizations is to help specific demographics and groups in need of assistance (Sandilands, 2019), including but not limited to financial, medical, or social support. These groups often target equity-deserving communities, as they often benefit from assistance more than groups of high socioeconomic standing (SES). Research also suggests that lower SES communities experience more adverse effects from physical, mental, and well-being-related incidents than their higher SES counterparts (Cusick et al., 2017). Nonprofit organizations can offer a diverse range of services to mitigate these disparities, such as youth care and combating adult unemployment. Ultimately, these nonprofits predominantly aim to promote higher standards of living and equity, which align closely with *Canada's 17 Goals to Leave No One Behind* (ESDC, 2021). It is also important to recognize that nonprofit organizations often rely on public funding to achieve their missions (Neumayr et al., 2013). Considering the economic hardships caused by COVID-19, the pandemic's impact on the third sector must be examined as well. For no one to be "left behind", it is critical to look at one of the sectors focused most on promoting this much-needed equity. Beyond government intervention, the third sector aims to assist Ontario's most vulnerable populations. Therefore, analyzing how the pandemic has severely impacted the third sector is crucial.

Furthermore, the third sector serves a purpose beyond equitable service delivery. Ontario's nonprofit sector also contributes $50 billion to the province's GDP (ONN, 2021a). Toronto, the province's capital, hosts approximately 10% of the working Ontarian nonprofit population (ONN, 2020). Additionally, Toronto's nonprofit sector produces 105,000 jobs and accounts for roughly eight percent of the city's GDP (TNN, 2021). These statistics demonstrate how the third sector is not just critical in improving the quality of life of citizens, but also in maintaining economic security.

III. RELEVANCE TO THE ONTARIO NONPROFIT NETWORK

The Ontario Nonprofit Network (ONN) is an organization that works to improve the well-being of Ontarians (ONN, 2021d). Through their network of 58,000 nonprofit organizations, they promote unity, advocacy, and adequate quality of life for all Ontarians. Since their founding in 2007, the ONN has used their platform to advance public policies that support the growth of Ontario's nonprofit sector.

As inequities continue to demonstrate themselves in society, recognizing the role of the third sector in combating these challenges is essential. Reflective of their network goals, the ONN brings attention to the impact of COVID-19 on the third sector. The ONN strives to advocate for those who remain impacted most by inequality while supporting the economy.

IV. BACKGROUND

Third Sector Goals

The third sector aims to address the societal gaps that public and private organizations often miss, since the private sector is often guided by profit margins, while the public sector is heavily influenced by political interests. In the third sector, organizations predominantly operate with an emphasis on promoting quality of life and acting in the public's interest (Up Counsel, 2020). However, contemporary research demonstrates that the most notable challenges concerning the third sector are related to funding. As many nonprofit organizations rely on philanthropy, grants, and donations to operate, their budgets can face more obstacles than the public and private sectors (Mayhew, 2019).

Pandemic-Related Losses and Demand

These obstacles become more apparent when looking at statistics from the past year. In the first three months of the pandemic, Ontario's nonprofit sector reported $1.8 billion in losses (ONN, 2021a). Since July 2020, 50% of Ontario nonprofit organizations have reported pandemic-related revenue losses ranging from $100,000 to $500,000 (ONN, 2021b). Furthermore, 66% of these organizations have reported a greater demand for their services from communities (ONN,2021b). When coupling this decrease in funding with an increase in demand for services, the third sector has been stressed heavily by the pandemic. These organizations that aim to help the public are struggling to find the means to support them.

Rising Inequality in the Toronto Area

Equity-deserving communities face the stress of the pandemic more significantly than their upper-class counterparts. This disparity is demonstrated through research that shows the increase of nonprofit services requested throughout hotspot communities in the GTA (ONN, 2021b). This observation was most notable in the Peel Region, which witnessed a 77% increase in service requests compared to other areas in the GTA (ONN, 2021b). Regarding specific equity-deserving communities, the differences were even more pronounced. In terms of food security, studies around the GTA have suggested a link to systemic racism and poverty (Ochs & Bronstein, 2020). For context, the *Who's Hungry Report 2020* revealed that Indigenous and Black families comprise more than 50% of households experiencing food insecurity across Canada (Ochs & Bronstein, 2020). The report also revealed that the highest concentration and increase of food bank clients in the GTA were those who lived in predominantly black communities; these areas were also revealed to be COVID-19 hotspots. (Ochs & Bronstein, 2020; ONN, 2021c). Considering this, the challenges within this dynamic become clear. The people who rely most on these nonprofit services are experiencing a decrease in available resources and increased economic insecurity, further highlighting systemic disparities aggravated by the pandemic.

As people experience declining resource accessibility, it is important to acknowledge where the third sector and rising income inequality factor into this discussion. Research shows that income inequality in the GTA continues to rise at a rate doubling the national average (Dinca-Panaitescu et al., 2017). The same research shows that since 1996, this income inequality has increased by about 96% (Dinca-Panaitescu et al., 2017). This growing divide is reflected in the challenges lower-income individuals face when accessing basic resources and services. It is also important to note that these findings were gathered before the pandemic, when income inequality trends worsened (Liaqat, 2021). As a result, many in the GTA face challenges paying their bills and accessing resources. When considering that third sector organizations primarily exist to promote adequate living standards and equity, this sector can be seen as a means of combating the effects of income inequality. Unfortunately, the barriers that many nonprofit organizations face concerning funding present added difficulties to their efficacy.

Grant-Related Obstacles

A key finding in the report shows a significant deficit in government grant assistance to the third sector throughout the pandemic. Only three of every ten nonprofit organizations that requested provincial support received approval (ONN, 2021b). Many of these organizations applied for the Ontario Trillium Foundation's Resilient Community Fund, a strategy created to support the Ontarian third sector during the pandemic (OTF, n.d.). They planned to offer between $5,000 and $150,000 for up to one year to the qualifying organizations (OTF, n.d.). However, it was made apparent that many of the nonprofit organizations that could have used funding during these times did not receive it. This outcome further demonstrates the unfortunate reality that many of those most likely to rely on third sector services (i.e., equity-deserving community members) were deprived of much-needed assistance. It is also an unfortunate example of funding limitations trickling down to limit resource access for many organizations and people who could have used them to help others.

Loan Requests in the Third Sector

Despite this lack of grant assistance, it is interesting to note the findings around Ontarian nonprofits and loan requests. A recent survey on Ontarian nonprofits showed that 65% of organizations did not request loans despite pandemic-related losses (ONN, 2021b). Surprisingly, another 13% of groups that received a loan did not use all of it. (ONN, 2021b). Many nonprofits are somewhat risk-averse, mainly due to concerns about paying off debt during periods of grant disruption (McKinley et al., 2021; ONN, 2021b). Loans may be a promising way to help nonprofit organizations in troubling times, but the long-term risks of unpaid debt may serve as a deterrent for many organizations. Furthermore, nonprofits are also experiencing challenges securing grants due to governments prioritizing pandemic relief programs for individuals and corporate entities (RSM Canada, 2021). Pandemic crisis management has contributed to a relative de-prioritization of third sector support. This neglect could put many nonprofit organizations in a stalemate as they weigh the balance between requesting loans to continue offering services or accumulating debts that will cause them to cease operations altogether.

Heightened Inequality through the Pandemic

Although the third sector primarily exists to promote equity, the pandemic has persistently highlighted intersectional disparities within equity-deserving communities. Research shows that women's economic security has been most impacted across Canada during

COVID-19 (Scott, 2020; Wellbeing Waterloo, 2020). For Canadian workers aged 25-74, women accounted for 70% of the jobs lost (300,000) during the initial months of the pandemic (Faraday et al., 2020). In Ontario, there are 1,000,000 workers in the nonprofit sector, 80% of whom are women; as the nonprofit sector has experienced challenges, it is expected that women have faced more of these consequences (ONN, 2021c). Furthermore, since the beginning of COVID-19, social supports concerning child care were among some of the services to decline most drastically (Wellbeing Waterloo, 2020). This decline caused more women with children to sacrifice income streams to care for their children. When considering Canada's *17 Goals to Leave No One Behind*, the disproportionate impacts of COVID-19 on women present a critical obstacle to address (ESDC, 2021).

This obstacle becomes more apparent when considering single-parent households as well. Research suggests that single-parent households have the highest poverty rates across Canada (Aldridge & Zon, 2018). In 2016, almost 30% of people in single-parent households were in poverty, compared to the 11% national average (Aldridge & Zon, 2018). Furthermore, single-parent households have generally reported greater challenges around well-being and resource access throughout the pandemic (CTN, 2020; Stack & Meredith, 2017). Connecting these disproportionate barriers alongside a decrease in nonprofit organization service, shows how the vulnerable continue to be most impacted by the pandemic. This finding strongly supports the notion that economic crises can promote disparities within equity-deserving communities.

The above paragraphs indicate that women in single-parent households were more likely to experience heightened consequences of nonprofit service declines during the pandemic. However, it is important to note that several factors were omitted, including disability status, race, and sexual orientation.

V. CONCLUSION

This report highlights trends and patterns involving the pandemic and equity-deserving communities. Wealth disparities continue to increase in the GTA, and the pandemic has only aggravated these disparities, which might continue to grow. Fortunately, Ontario's third sector primarily exists to help combat inequality. However, this sector has reported several pandemic-related losses as its service demands continue to rise. These capability and capacity restraints indicate that resources to combat inequality continue to decline, while those who suffer most from inequality may struggle to receive assistance. This challenge can further exacerbate existing societal socioeconomic disparities and ultimately highlight a need to invest further in the Ontarian nonprofit sector.

It is also vital to recognize who is disproportionately impacted by a declining nonprofit sector. Though equity-deserving communities have experienced more consequences produced by nonprofit and general economic challenges, applying an intersectional lens shows how sub-communities are further impacted. Race, family composition, and gender were some of the categories used to highlight these enhanced inequalities. Research shows that Canadian women experienced the most considerable impact on their economic security throughout the pandemic. Furthermore, studies have also demonstrated that single-parent households experience significantly more degrees of financial and psychological strain. Identifying those who classify under several vulnerable categories reveals how much more significant disparities can become. Future research and support acknowledging intersectionality are critical in combating the inequities exacerbated during an economic crisis.

The resiliency of the third sector is also demonstrated throughout this report. Although many organizations are experiencing barriers to receiving financial support, they remain risk-averse and focus on their missions. There have been increasing challenges in grant acquisitions in the third sector, while loan requests have not significantly increased to compensate for the funding gap. Organizations are still finding ways to support people in need, despite the obstacles they continue to face on a regular basis. The ONN is also calling on the government to increase grant distributions to help more organizations operate effectively.

These trends all point to a proposition the ONN made to the provincial government. The ONN recognizes the importance of the third sector from an economic and social perspective and has proposed a $680 million stabilization fund to the government to help the third sector in pandemic recovery (ONN, 2021a). Through this fund, nonprofit organizations across Ontario would be able to maintain financial stability, ultimately improving service delivery during these overwhelming times. Additionally, this investment would mitigate sectoral job losses, combat economic deterioration, and improve the overall well-being of Ontarians. (ONN, 2021a). Lastly, considering Toronto's significant influence from an economic, cultural, and population-based standpoint, this fund would help greatly aid the province's capital in several aspects.

Beyond government funding, recommendations also exist around political and policy-based collaborations. In addition to the $680 million fund, the ONN also suggested a nonprofit advisory board to inform the Cabinet committee (ONN, 2021a). Under this recommendation, the needs of the third sector could be further communicated, decision-makers become more informed, and organizations can ultimately have their community-based needs expressed. Incorporating nonprofit advocacy into governmental affairs is not a new process. One example is Imagine Canada, a group that advocates for the greater implementation of policies that support the Canadian nonprofit sector (Imagine Canada, 2021). However, their advocacy work mainly relates to the federal government. Therefore, further steps need to be taken to determine how policies supporting nonprofits can be further advanced and implemented at the provincial and municipal levels. This action will help grow the third sector with a greater emphasis on local needs. Since the third sector largely exists in favour of public interest, further public sector support would likely help advance the goals of both sectors.

This report aims to demonstrate how COVID-19 has disproportionately affected those in equity-deserving communities and the role of the Ontario third sector in combating inequality. Though the scope incorporated statistics around provincial research, this paper intends to emphasize inequality in Toronto as an example. It is critical to consider how multiple factors can narrowly impact specific demographics, and this paper aims to highlight how several factors can collectively impact communities. Hopefully, further research will continue to evaluate the effects of economic crises on equity-deserving communities and outline how to continually mitigate the factors that disadvantage them more significantly.

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