

CRITICAL ALLIES IN TIMES OF UNCERTAINTY: **NONPROFITS AND MUNICIPALITIES**

Pamela Uppal-Sandhu, Director of Policy
August 2023



Working together towards a

STRONG AND

RESILIENT

NONPROFIT

SECTOR



ONTARIO'S NONPROFIT SECTOR

- Approximately **58,000 nonprofits and charities in Ontario.**
- **844,000 employees**, 77% of the workforce consists of women, almost half are immigrants, and nearly a third are racialized.
- **Average salary is \$41,000**, compared to \$53,000 in the economy overall.
- **Less than half of revenue** comes from all levels of government combined.
- Half of the sector is **entirely volunteer run.**
- Contributes **\$65 billion in economic impact**, which has increased 43% over the last 10 years.
- With **\$1.00 of investment**, nonprofits generate up to **\$2.18 in GDP impact**, **\$1.76 in employment income impact**, and with an output of every million dollars 1.5 in job creation impact.



THE NONPROFIT DIFFERENCE

	NONPROFITS	FOR-PROFITS
PURPOSE	<ul style="list-style-type: none"> -Nonprofits exist to meet a need for a public good/benefit. -Decisions must be made prioritizing this community need. -As a result, a systems approach can be taken that finds, and fills the gaps in our province. 	<ul style="list-style-type: none"> -Businesses exist to make profit, while this can incentivize initial capital investments, higher quality or quantity of services, it can also incentivize lower quality or quantity services where doing so is more profitable. -It is rarely profitable to serve the most complex needs.
GOVERNANCE	<ul style="list-style-type: none"> -Nonprofits are accountable to community members, and a volunteer board of directors. -This helps ensure accountability and responsiveness to those served locally, and beyond. 	<p>Businesses are accountable to shareholders who are unlikely to have any ties to the community or needs.</p>
OWNERSHIP	<p>Revenues are reinvested in services, and assets must remain in the hands of a registered charity if the nonprofit dissolves by giving to other nonprofits or government (“asset lock”).</p>	<p>The maximum amount of revenue possible goes to shareholders, and key infrastructure may be sold at any time if it is profitable to do so. Profits may flow out of the province/country.</p>



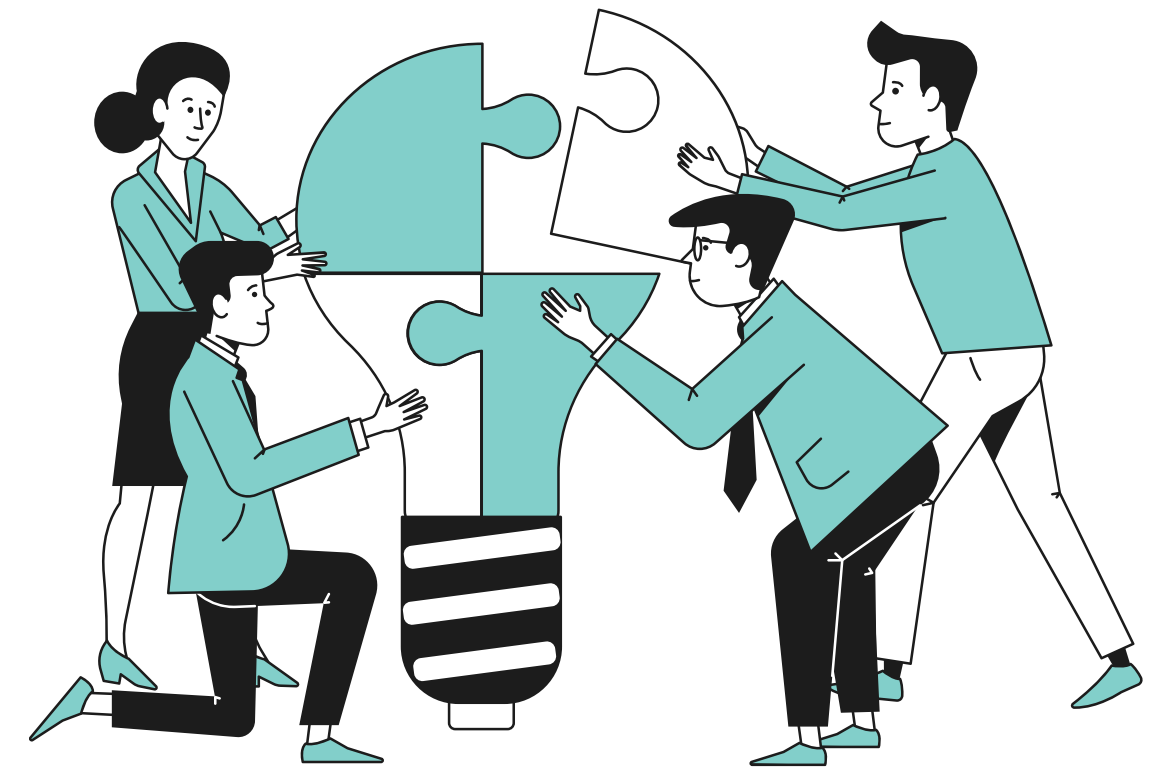
2022 STATE OF THE SECTOR DURING UNCERTAIN TIMES

- 74% of nonprofits reported an **increase in demand for services**, compared to 63% and 47% in the years before.
- 83% saw an increase in their costs due to **inflation** and decreases in revenues.
- One-third forecasted that they are not able to sustain their **operations** for more than a year.
- 65% are experiencing **recruitment and retention challenges**, 62% have lost volunteers.
- 86% reported **scaling back programs and services**, having longer waitlists, and/or discontinuing programs or services.
- One-third of organizations reporting being aware of other organizations from the same subsector which have **permanently closed** due to the pandemic, compared to only 18 per cent reporting the same last year.



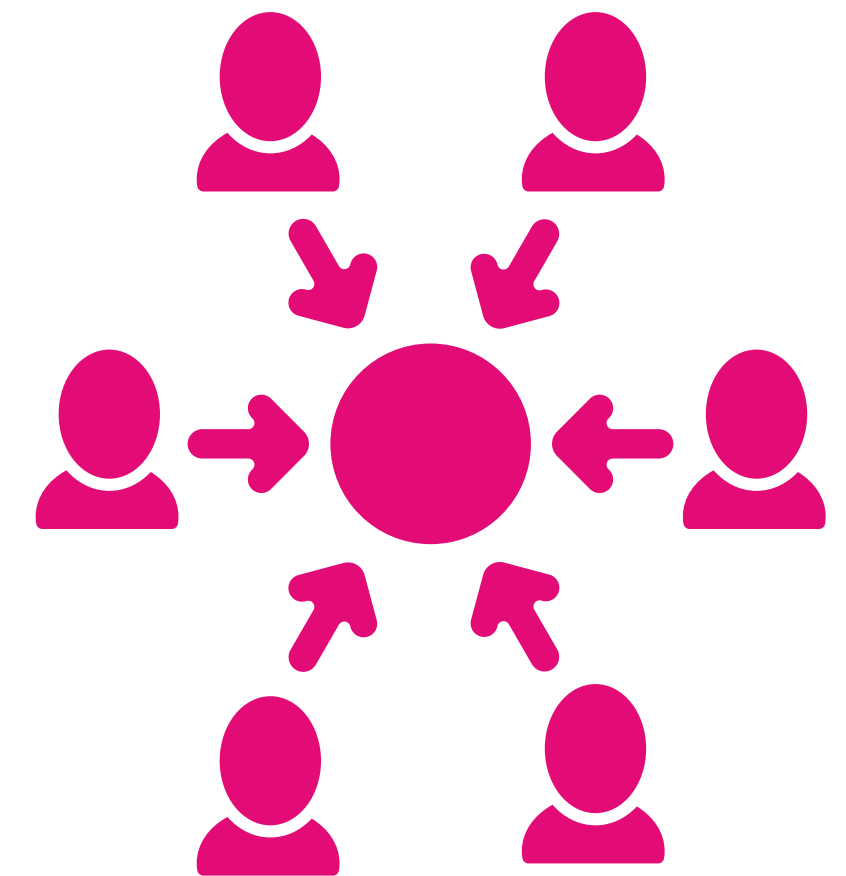
COLLABORATION IS NEEDED MORE THAN EVER

- **There is a history of collaboration between municipalities and nonprofits**, more recently during the pandemic.
- **Municipalities and their local nonprofits care about the same things:** Supporting people and thriving communities.
- **We often work together to coordinate and deliver essential services in communities:** human services, emergency response, community development and planning.
- **Our workforces overlap:** More so in smaller, remote, and Northern municipalities.
- **Federal/provincial/municipal policy jurisdictions are blurring** on key public policy issues.



CURRENT SHARED INTERESTS

- Nonprofit and public sector driven services
- Coordinated and accessible human services: Child care, long-term care, social assistance, supportive housing, mental health and addictions, settlement services
- Municipal restructuring
- Deeply affordable housing
- Emergency response
- Better quality and well leveraged open data
- Climate-resilient communities and conservation
- Community wealth building i.e local economic development
- Economically sound policy and decision-making rooted in people
- Thriving democracy



STARTING POINTS OF COLLABORATION

- Start collaboration where our work already intersects to build more ongoing, intentional, and reciprocal relationships.
- Create pathways to share information.
- Update procurement policies to include nonprofits and nonprofit social enterprises.
- Engage in collective learning on shared issues (e.g. ONCA)
- Consider the impact of municipal policies and programs on nonprofits.
- Support nonprofits via funding programs and in-kind resources (e.g. space, HR).
- Engage in collective advocacy where policy positions align.



Thank you!



[o_n_n](#)



[Ontario_Nonprofit
_Network](#)



[Ontario Nonprofit
Network](#)



[theonnc.ca](#)