

TO News directors, assignment editors, journalists and columnists
FROM Canadian Centre for Philanthropy
DATE September 20, 2004
RE. News release - For immediate distribution

LANDMARK STUDY REVEALS SIZE AND SCOPE OF NONPROFIT AND VOLUNTARY SECTOR AND ITS ROLE IN CANADIAN COMMUNITIES

- *Organizations engage millions of Canadians as employees, members, and volunteers*
- *Full potential not being realized*

TORONTO – A landmark study of 13,000 nonprofit organizations and registered charities reveals their size and scope for the first time and the serious challenges they face in fulfilling their missions. Sponsored by a consortium led by the Canadian Centre for Philanthropy and conducted by Statistics Canada, the National Survey of Nonprofit and Voluntary Organizations (NSNVO) offers comprehensive evidence of the sector’s enormous contribution to the Canadian economy and to individual communities, and paves the way for new solutions to addressing community needs.

The findings were released today at the Canadian Centre for Philanthropy’s annual Symposium 2004 in Toronto.

An estimated 161,000 incorporated nonprofit organizations and registered charities operated in Canada in 2003. They touch virtually every aspect of Canadians’ lives and include day-care centres, sports clubs, arts organizations, hospitals, food banks, environmental groups, places of worship, social justice organizations and groups that raise funds to cure diseases.

“Most organizations work locally to provide public benefits, and individual Canadians are at the heart of their efforts,” said Dr. Michael Hall, Vice President, Research, Canadian Centre for Philanthropy. “The scope of these organizations and their ability to mobilize Canadians is impressive, but their full potential is not being realized.”

Virtually all organizations are governed by volunteer boards of directors, and more than half are run completely through volunteers. Canadians annually volunteer 2 billion hours of their time and fill 19 million positions – equivalent to 1 million full-time jobs – and donate \$8 billion. They take out 139 million memberships in nonprofit and voluntary organizations, or 4 memberships per person.

The organizations make a substantial contribution to the Canadian economy, employing more than 2 million people and reporting revenues totalling \$112 billion – revenues and jobs that are often aimed directly at enhancing community life. Excluding hospitals, universities and colleges, the remaining nonprofit organizations and registered charities report \$75 billion and employ 9% of the Canadian workforce.

Four in ten respondents reported problems in fulfilling their mission in the face of rising demands for their services. Some of the difficulty arises in attracting sufficient human and financial resources.

Other key findings:

- *Rooted in community, delivering public benefits*
Most nonprofit and voluntary organizations are rooted in their communities and deliver services in their neighbourhood, city or town. Only a minority report that their members benefit most from the services they provide.
- *Big organizations have most resources and are getting bigger*
The top 1% of organizations by revenue command 60% of all revenues that flow to the sector. The top 12% receive 40% of all volunteer hours. Generally, the larger the organization, the more likely it is to report increased revenues, a growing number of volunteers and a higher number of paid staff between 2000 and 2003.
- *Capacity problems are common*
Most respondents reported difficulty planning for the future, recruiting qualified volunteers and obtaining board members. Among those who received funding from governments, foundations or corporations, more than 60% reported problems due to reductions in government funding, unwillingness to fund core operations and over-reliance on project funding.
- *Most organizations are in Central Canada, but smaller provinces hold their own*
57% of the estimated 161,000 nonprofit and registered charitable organizations in Canada reside in Quebec and Ontario. Ontario is the leader in terms of revenues (43%), volunteers (40%) and employees (47%). Nonetheless, smaller provinces have a higher number of organizations relative to their populations.

The NSNVO is the culmination of 2 ½ years of joint effort by organizations involved in researching social issues. The consortium, led by the Canadian Centre for Philanthropy, includes l'Alliance de recherche universités-communautés en économie sociale à l'Université du Québec à Montréal; Canadian Council on Social Development; Canada West Foundation; Capacity Development Network at the University of Victoria; Community Services Council of Newfoundland and Labrador; Secretariat on Voluntary Sector Sustainability at the Manitoba Voluntary Sector Initiative; School of Policy Studies at Queen's University; and Statistics Canada. The NSNVO was supported by funding from the Capacity Joint Table, through the Social Development Partnerships Program of Social Development Canada.

“Until this study, the role that nonprofit and voluntary organizations play in Canadian life was largely unknown,” concluded Dr. Hall. “Now there is strong evidence of the ability of these organizations to mobilize Canadians, of their economic importance, and of the difficulties they face. We now need to develop strategies that will enable them to achieve their full capacity to serve their communities.”

The full report, titled *Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations*, is available at www.nonprofitscan.ca.

The Canadian Centre for Philanthropy is a national, charitable organization that works to advance the role and interests of the charitable sector for the benefit of Canadian communities.

- 30 -

For further information:

Lisa Hartford

Manager, Research Communications

416.597.2293 x 225

1.800.263.1178 x 225