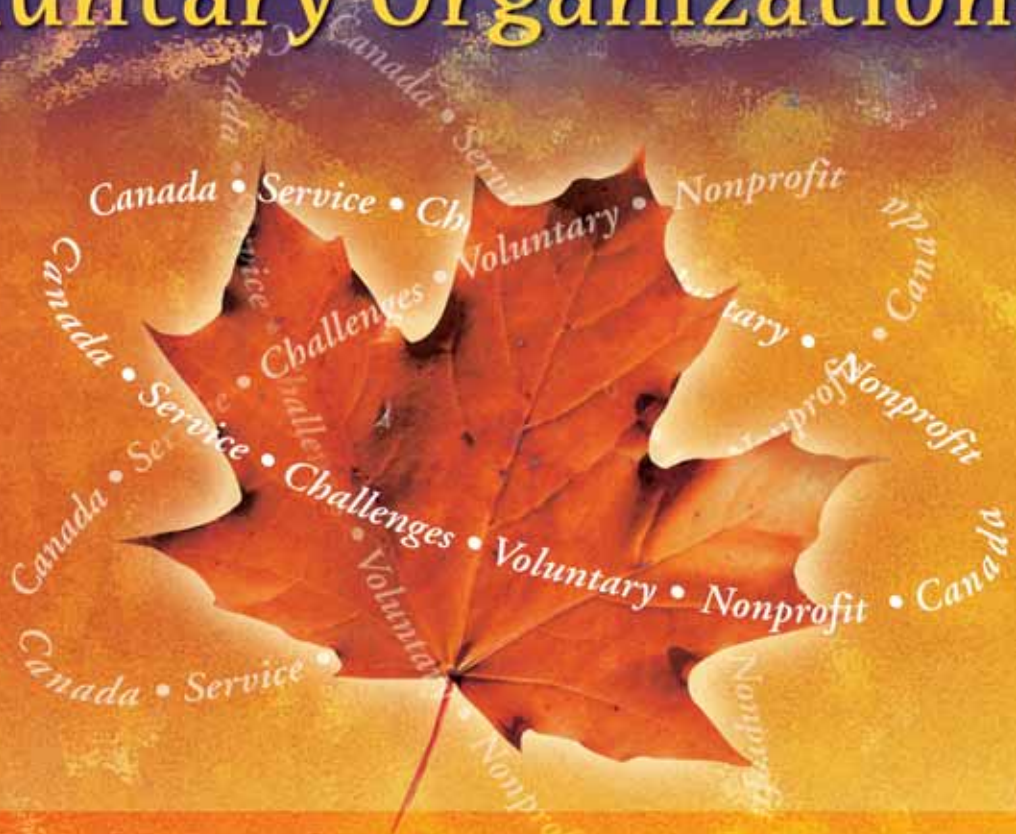




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CORNERSTONES OF COMMUNITY:

Highlights of the National Survey of Nonprofit and Voluntary Organizations



S U M M A R Y



Canadian Centre for Philanthropy™
Le Centre canadien de philanthropie™



Canadian Council on Social Development
Conseil canadien de développement social



Capacity Development Network



Community Services Council
Newfoundland and Labrador



Queen's UNIVERSITY



Statistics Canada
Statistique Canada

Canada

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About the survey

The National Survey of Nonprofit and Voluntary Organizations (NSNVO) was undertaken by a consortium of nine organizations: the Canadian Centre for Philanthropy (as the lead organization), l'Alliance de recherche universités-communautés en économie sociale, Université du Québec à Montréal; Canada West Foundation; Canadian Council on Social Development; Capacity Development Network, University of Victoria; Community Services Council, Newfoundland and Labrador; School of Policy Studies, Queen's University; Secretariat on Voluntary Sector Sustainability at the Manitoba Voluntary Sector Initiative; and Statistics Canada. The NSNVO was funded through the Voluntary Sector Initiative.

Conducted in 2003, the survey gathered data from 13,000 incorporated nonprofit organizations, which are defined as: organizations that are non-governmental (i.e., are institutionally separate from governments); non-profit-distributing (i.e., do not return any profits generated to their owners or directors); self-governing (i.e., are independent and able to regulate their own activities); voluntary (i.e., benefit to some degree from voluntary contributions of time or money); and formally incorporated or registered under specific legislation with provincial, territorial or federal governments.¹

The NSNVO's data complements that of the National Survey on Giving, Volunteering and Participating (NSGVP), which tracks the donations and volunteer support provided by individual Canadians. This booklet and the full report summarize the NSNVO's first survey cycle. The NSGVP was conducted in 1997 and 2000, and will be conducted again in 2004.

1. *The scope of the NSNVO does not include grass-roots or citizen's groups that are not formally incorporated or registered with provincial, territorial or federal governments.*

About *Cornerstones of Community*

Nonprofit and voluntary organizations are an important part of Canadian life, often addressing needs and interests of citizens that governments and the private sector do not. Although the presence of these organizations is felt in every community, they have not been studied extensively.

The National Survey of Nonprofit and Voluntary Organizations, conducted in 2003, is the first comprehensive study of nonprofit and voluntary organizations in Canada, and provides essential baseline information about these organizations. For the first time, the survey allows us to answer questions such as these:

- ▶ How many nonprofit and voluntary organizations operate in Canada?
- ▶ In what areas do they operate?
- ▶ On what financial resources do they rely?
- ▶ How many volunteers, members and paid staff do they engage in their activities?
- ▶ What regional variations exist?
- ▶ What challenges do they face in their efforts to fulfill their missions?

The highlights in this summary are drawn from the full report, *Cornerstones of Community: Highlights from the National Survey of Nonprofit and Voluntary Organizations*. Filled with easy-to-read tables and charts, the full report offers detailed information about nonprofit and voluntary organizations. *Cornerstones of Community* will be of interest to those who are involved with nonprofit and voluntary organizations as well as policy-makers whose work touches such organizations.

Cornerstones of Community is available as a free downloadable electronic publication in Adobe Acrobat format from Statistics Canada's website, www.statcan.ca. The catalogue number is 61-533-XIE.

A print version of the publication (61-533-XPE, \$20) can be ordered by calling toll-free 1 800 267-6677 or faxing toll-free 1 877 287-4369. E-mail orders should be sent to infostats@statcan.ca. The national telecommunications device for the hearing-impaired line is 1 800 363-7629.

Websites for further information

Canadian Centre for Philanthropy
www.nonprofitscan.ca

Voluntary Sector Initiative
www.vsi-isbc.ca

Statistics Canada
www.statcan.ca

Paper version: ISBN – 0-660-62818-X
PDF version: ISBN – 0662-39320-1

Highlights from the National Survey of Nonprofit and Voluntary Organizations

Cornerstones of Community draws on the findings of the National Survey of Nonprofit and Voluntary Organizations to provide the first portrait of nonprofit and voluntary organizations in Canada. It reveals a diverse set of organizations that touch virtually every aspect of Canadians' lives. These organizations have a significant economic presence, and engage millions of Canadians, who join them as members and donate their time and money.

Nonprofit and voluntary organizations are an integral part of Canadian life, serving as vehicles to involve millions of Canadians in efforts to address needs in their communities. They operate in a broad range of areas, often working locally to provide public benefits. While many operate on a shoestring and are driven solely by voluntary effort, some are able to command substantial human and financial resources in pursuit of their missions. What they have in common is their goals to serve the public or their members, as well as an institutional form that does not allow their profits to be distributed to owners or directors.

Most organizations serve their own neighbourhood, city, town or rural municipality. A majority provide services or products directly to people, targeting both the general public and various segments of the population, such as children, youth, seniors or people with disabilities. In addition, most provide public benefits rather than serve their own special interests or those of their members. This may help to explain why nonprofit and voluntary organizations receive the support they do from individual Canadians, governments and businesses.

Their collective activities combine to give them a significant economic presence. They also have at their disposal the services of significant numbers of Canadians, in the form of both volunteers and paid staff. However, many appear to be

experiencing substantial difficulties fulfilling their missions and organizational objectives. In short, their size, scope and ability to harness the energies of individual Canadians are impressive, but the benefits they intend to deliver are not being fully realized.

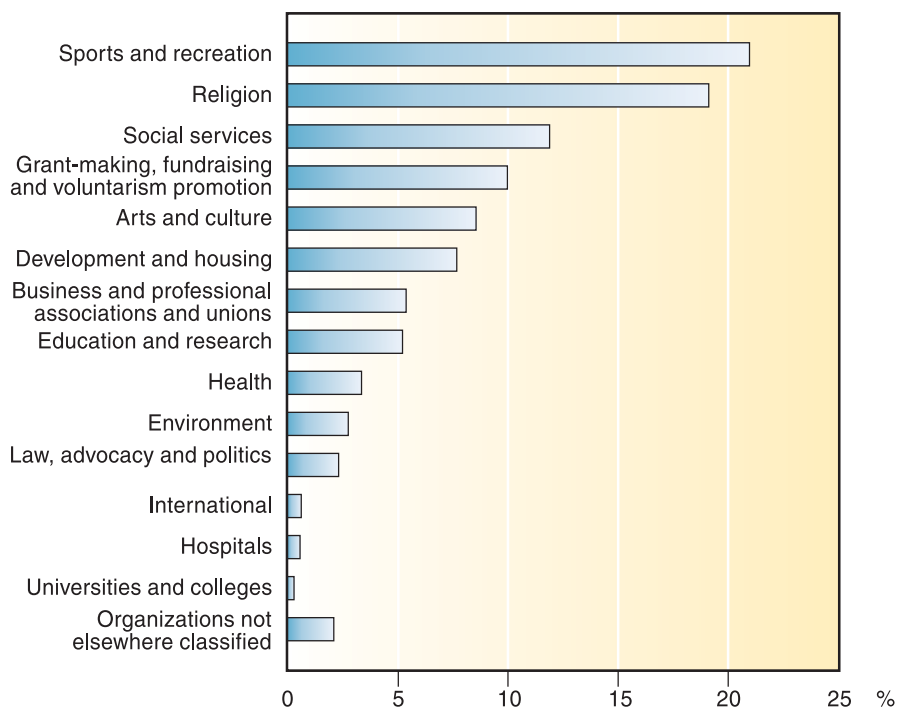
The results

How many organizations are there and what do they do?

About 161,000 nonprofit and voluntary organizations were operating across the country in 2003. They work in a wide variety of areas such as: sports and recreation; religion; social services; grant-making, fundraising and voluntarism promotion; arts and culture; and development and housing. They also include large institutions such as: hospitals; universities and colleges; education and research organizations; business and professional associations and unions. Just over half are charities registered by the federal government, which allows them to be exempt from a variety of taxes and enables their donors to claim tax credits for the donations they make.

Figure 1

Distribution of organizations by activity



Source: National Survey of Nonprofit and Voluntary Organizations

Who do organizations serve?

Most organizations (76%) have individuals as members, reporting a total membership of 139 million people, an indication that many Canadians hold memberships in more than one organization. Yet only 27% of these organizations report that their members receive special benefits or privileges from their membership, and only 39% indicate that their members benefit most from the services provided.

On what human and financial resources do they rely?

Nonprofit and voluntary organizations posted \$112 billion in revenues in 2003—a considerable presence in the economy. Although one-third of this is attributable to a relatively few hospitals, colleges and universities, the remaining organizations still report revenues of \$75 billion. Nonprofit and voluntary organizations are also significant

employers, with just over 2 million people on their payrolls. Hospitals, universities and colleges provide just over one-third of this employment. As well, these organizations draw on more than 2 billion volunteer hours, the equivalent of more than 1 million full-time jobs, and more than \$8 billion in individual donations.

How are resources distributed among organizations?

A clear divide is apparent between organizations that have relatively plentiful resources—revenues, paid staff and volunteers—and those that do not. The 1% of organizations with annual revenues of \$10 million or more account for a significant majority of total revenues (59%), a near majority of paid staff (46%), and a fifth of volunteer positions (20%). Many of these large organizations are hospitals, universities and colleges; a smaller number are social service, education and research, health and international organizations. These organizations tend to

receive substantial government funding, suggesting a strong overlapping of their interests and the interests of government. Many of these larger organizations act on a regional, provincial or national level.

On the other side of the divide is a much larger group of small-revenue organizations. Just over half of all organizations are operated solely by volunteers, and nearly two-thirds report annual revenues of less than \$100,000. Many of these organizations work in areas such as sports and recreation and religion.

How do organizations generate revenues?

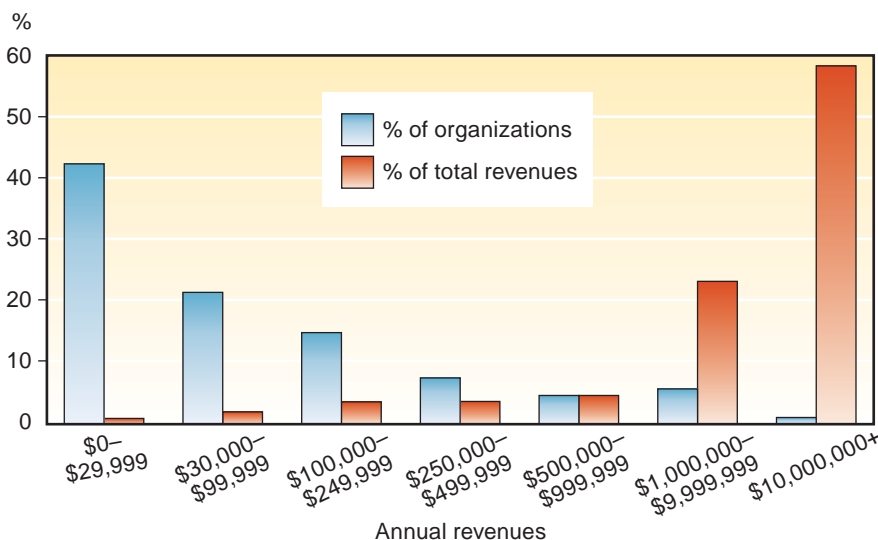
Forty-nine percent of all revenues reported by nonprofit and voluntary organizations come from governments: most of it comes from provincial sources. Earned income from non-governmental sources accounts for 35% of revenues; gifts and donations account for 13%. Organizations with larger revenues are generally more likely to depend on government funding; those with relatively smaller annual revenues depend more on earned income from non-governmental sources and gifts and donations.

What challenges do organizations face in attempting to fulfill their missions?

Nonprofit and voluntary organizations appear to be experiencing difficulties fulfilling their missions or achieving their organizational objectives, which may limit their ability to contribute to their community. Just over one-half reported having problems with planning for the future, recruiting the types of volunteers needed by the organization and obtaining board members. Just under one-half reported problems with

Figure 2

A few larger organizations receive lion's share of revenues



Source: National Survey of Nonprofit and Voluntary Organizations

retaining volunteers, obtaining funding from other organizations such as government, foundations or corporations and obtaining funding from individual donors. Depending on the capacity issue assessed, from 9% to 20% of respondents indicated that these problems are serious.

Nearly one-half of organizations reported receiving funding from governments, foundations or corporations in the years 2000 to 2003: Governments provided most of the money. These organizations appear to be having substantial difficulties with this funding. Over 60% reported problems due to reductions in

government funding, the unwillingness of funders to provide for core operations (e.g., long-term programs and administrative expenses) and over-reliance on project funding. At least 25% indicated that these problems are serious.

What regional variations are there?

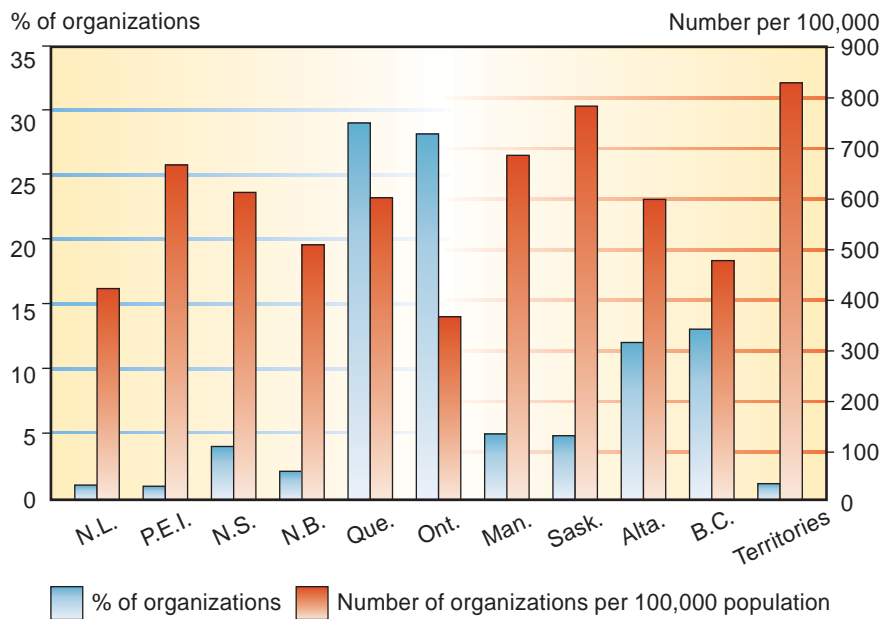
Among the provinces and territories, the highest proportions of organizations are located in Quebec (29%) and Ontario (28%). However, controlling for population size reveals dramatic differences in the relative number of organizations across the

country. In Canada as a whole, there are approximately 508 organizations per 100,000 population, with the highest prevalence of organizations in the territories (825) and the lowest prevalence in Ontario (369). Quebec, with a lower absolute population than Ontario, has a 40% higher concentration of organizations.

Ontario commands a substantial percentage of revenues (43% of all revenues), volunteers (40%), and employees (47%). While government is the major source of funding for organizations in most places, organizations in Alberta, New Brunswick and the territories rely more on earned income from non-governmental sources. Finally, organizations in the territories, Newfoundland and Labrador and Manitoba are more likely than others to report capacity problems, while those in New Brunswick and British Columbia are least likely to do so.

Figure 3

Distribution of organizations and population by province and territory



Source: National Survey of Nonprofit and Voluntary Organizations

Cornerstones of community

Nonprofit and voluntary organizations are an extension of the millions of Canadians who direct and support their activities. These organizations are, in many ways, the cornerstones of Canadian communities, enabling Canadians to come together to address needs that they believe to be important. Nonprofit and voluntary organizations are an expression of our Canadian values and the capacity of these organizations to serve Canadians helps to shape the quality of our lives and our communities.