

# **Unleashing the nonprofit sector to create a fair, sustainable economy and a more inclusive society**

## ONN's Policy Platform for the 2018 Ontario Election

Our economy no longer delivers the stable jobs, affordable necessities of life, and community cohesion it once did.<sup>1</sup> The realization is dawning that a major system change is needed.

The nonprofit sector is an essential partner and natural ally for the next Ontario government to work with to realize this system change. The time has come to unleash the potential of the sector – and public benefit nonprofits<sup>2</sup> in particular.

Three key building blocks would create momentum towards a government-nonprofit sector partnership for a fair, sustainable economy and a more inclusive society. The next government should:

- Recognize the nonprofit sector as a pillar of an inclusive society and a fair, sustainable economy – alongside the public and private sectors
- Help public benefit nonprofits scale up their contributions to a fair, sustainable economy through strategic deployment of public capital investment, a surplus lands policy, and social procurement
- Support the nonprofit sector to provide decent work and meaningful volunteer opportunities

Both before and after the election, the sector will continue to advocate for policy and systems changes to support local, democratic, community-led structures, and ONN will bring partners together to scale up initiatives that foster the economic resilience and vitality of our communities.

It is our great hope that Ontario's next government recognizes and seizes the opportunity to build on its relationships with the nonprofit sector and collaborate in the transition to a more inclusive society, a more robust democracy, and a fair, sustainable economy. The well-being of our communities and our planet depends on it.

## The state of the province: Trends and issues

### **Increasing wealth inequality = rising economic anxiety**

There is growing recognition in Ontario that our economy of precarious jobs and concentrated ownership is leaving people behind and accelerating the increase in wealth inequality.<sup>3</sup> From 2012 to 2016 (constant dollars), the wealthiest 20 percent of Ontario households collectively grew their net assets by \$555 billion while the poorest 20 percent merely reduced their net debt (negative assets) by \$4 billion.<sup>4</sup> The extraction of wealth from our communities via the "financialization" of our economy has created instability, inequality, and underinvestment in the real economy of goods and services.<sup>5</sup>

Our middle class has been hollowed out and our poorest households cannot make ends meet.<sup>6</sup> To the extent that standards of living have been maintained, this has been achieved on borrowed money. Even middle class borrowers (those with monthly incomes over \$4,000) are turning increasingly to high-cost payday lenders to keep afloat with their rising unsecured debt<sup>7</sup>. Canada is now listed as the only OECD country with household debt greater than GDP<sup>8</sup>. The stresses of student debt, paying for housing and childcare, and/or juggling precarious work in the "gig economy" – often with long commutes – has left many Ontarians exhausted and yearning for a better way. The recent move to begin tackling rising precarity and inequality through wage floors and employment standards legislation is welcome, but much more work remains to be done.

### **Economic anxiety + democratic deficit + environmental limits = Time for a new vision for an inclusive, prosperous, sustainable Ontario**

The trends contributing to this rising inequality and disillusionment are global and they have led to unprecedented political developments in other jurisdictions. Our democratic institutions are being tested as cleavages grow, "fake news" spreads, and disillusionment with longstanding institutions takes root.<sup>9</sup> The social polarization and resentment that have erupted in ugly movements of nationalism and exclusion leave many people alarmed and unsure as to how we can respond. In the Canadian context, the call to dialogue and principled engagement must place at its centre the need to address our history of racism and colonialism through reconciliation and redress with Indigenous peoples via the realization of the United Nations Declaration on the Rights of Indigenous Peoples<sup>10</sup> and implementation of the Calls to Action of the Truth and Reconciliation Commission of Canada<sup>11</sup>.

These transformations must be undertaken in tandem with a direct acknowledgement of our limited planetary resources and changing climate. The Canadian population currently uses almost four times the ecological footprint the earth can sustain<sup>12</sup> and we must collectively work harder to meet our necessary carbon reduction targets.<sup>13</sup> Rather than descend into apathy on this front, Ontario communities must be empowered and inspired to do their part to address these climate and environmental challenges.

Our current social, environmental, democratic, and economic dilemmas are, in many ways, different faces of one underlying problem: our political economy has become unmoored from the needs of people and the natural limits of our biosphere. Our society – indeed, our planet – needs a plan to transition to a new system.

In discussions with our networks, ONN has sensed a growing desire to channel our collective desire for change in the state of our economy, our environment, our democracy, and our society into legitimate processes of dialogue, renewal, and collective enterprise that can involve a broad swath of Ontarians in developing shared solutions to our biggest problems. The magnitude of the challenges we face require collective solutions – but not only government solutions. They require a renaissance of community-led democratic efforts to engage residents and to lead local initiatives to develop local solutions.

### **Nonprofits are natural allies for Ontario's next government**

The nonprofit sector—the sector that fosters the economy of care, craft, cooperatives, community-building, and culture<sup>14</sup>— has a critical role in sharing and building up ways to advance economic inclusion, sustainability, democratic deliberation, and a sense of collective agency. The nonprofit sector is ready to work with the party or parties that next form government in Ontario to build a more inclusive society, a more robust democracy, and more sustainable economy that leaves no one behind. This new system must have at its core the principle of sharing the tremendous wealth of our province more equitably, while recognizing the need for a new relationship between our settler governments and Indigenous peoples.

In light of the prevailing trends, now is not the time for minor course corrections but for a transformation built on ambitious goals and a new approach to building the resilience of our communities. We need to rebuild community democratic practice and a greater measure of local control over our economies in urban, rural, and remote communities. Public benefit nonprofits can work with governments to champion and expand efforts to harness more of our economy for local benefit. With a committed government partner, we can unleash the power of these nonprofits to realize our shared vision of a prosperous, sustainable, and inclusive Ontario with services to meet the needs of all Ontarians through decent work practices<sup>15</sup> and meaningful volunteer opportunities.

## Principles for an inclusive society and a sustainable economy

Key principles<sup>16</sup> that drive ONN's vision and approach:

- **Cooperation over competition:** Building robust structures that strengthen our communities' shared capacity to help and support each other through disruptions
- **Shared local ownership and community wealth building:** Community economic resilience should be actively fostered by building local capacity and assets – such as food production, housing, and energy systems – that remain in community hands, making them more affordable for all
- **A plural, people- and planet-centred economy:** The economy should be diverse (with robust public, private and nonprofit enterprise) and measured in terms of progress in social and environmental well-being, not in terms of GDP growth.<sup>17</sup> Our social, environmental, and cultural resources are interdependent and our economy should reflect the need to respect these as holistic, complex systems
- **Democratic economic structures:** Ensuring that decisions are informed by contributions from those most affected, with tight feedback loops to decision-makers, so that communities reclaim more control over their local economies
- **Flexible, responsive, and future-oriented:** A system that does not look backward to the post-war welfare state but instead takes into account our changing society and looks forward to decentralized, democratic, community-based systems that are innovative and responsive to changing needs
- **Genuine partnerships between governments and the nonprofit sector:** A commitment to governing in a way that facilitates the responsiveness and sustainability of the nonprofit sector in delivering services to communities, including Indigenous-led organizations operating under a nation-to-nation relationship between governments and Indigenous peoples of Canada

## A vision of an economy that serves society

**“The nonprofit sector, in particular, is perfectly situated to help us transition to a different economic landscape...While the public looks at nonprofits as do-gooders, I’m looking at the structure of not-for-profit corporations as business entities. Because they’re not for sale, because they’re not shareholder- or share-value-maximizing companies, what they end up doing is promoting revenue and the exchange of value and the circulation of money, which revives a whole economy rather than enriching the few.” - Douglas Rushkoff<sup>18</sup>**

As a society, we tend to think of the economy as made up of the free market (the private sector) and the state (the public sector). The residual role of the nonprofit sector, if it is considered, is to mop up the problems left by the market. On the contrary, the nonprofit sector is not a residual sector, but rather a sector in its own right, working for community benefit, not for profit, in the service of locally determined priorities, such as protecting a watershed, preserving a culture, sheltering the vulnerable, matching job-seekers to employers, coaching a team sport, or distributing nutritious food. Within the present policy environment, the sector struggles to keep up with these demands. With an enabling environment, the sector could do so much more.

Ontario’s nonprofit sector already plays a vital role as an economic driver, contributing \$50 billion to Ontario’s economy<sup>19</sup> and employing over one million people<sup>20</sup>. Because Ontario nonprofits receive less than half their revenue from governments,<sup>21</sup> they can leverage these investments – via social enterprise, donations, and the hundreds of millions of hours their volunteers donate – into community wealth that can *never be extracted to shareholders or off-shored*. Nonprofits ensure that community wealth remains in the community, providing services that meet the needs of Ontarians, while creating jobs locally.

Acting with community leaders and other stakeholders, public benefit nonprofits are well-situated as sites of democratic deliberation and practice and as local economic engines – and not only as service delivery agents. As employers and stewards of community development, public benefit nonprofits should play a critical role in working with the next government, communities, and locally owned small businesses to build a more inclusive society and a fair and sustainable economy that works for everyone. A critical task in this transition is to build and scale up or replicate nonprofit and cooperative alternatives that create and distribute value and wealth in more inclusive and environmentally sustainable ways.

It is not difficult to imagine the impact on our households and communities that would come from the widespread availability of nonprofit housing, food, renewable energy, child care, elder care, and more (not to mention jobs in these fields). And given the inherently participatory nature of these community-led structures, a higher level of engagement would result from many more people becoming involved in the democratic governance of these initiatives.

The time is right for Ontario’s next government to recognize the central role that public benefit nonprofits play as economic actors, as cohesion-builders, as essential service providers, and as the civic training grounds that hold our communities together and deliver shared wealth in the context of economic, technological, and environmental disruption.

There are many examples in Ontario, in Canada, and around the world of community-led economic models and growing excitement around the possibilities for a transition to a new system.

- Almost 500 communities in the US, the UK, and BC have built and now operate community land trusts, a mechanism for developing *permanently affordable* shared-equity home ownership and rental housing, along with other community amenities.<sup>22</sup>
- Hundreds of community-led renewable energy co-operatives in Canada produce their own power and often generate revenue streams for their communities.<sup>23</sup>
- Nonprofit social enterprises are providing school children with healthy, affordable local food while employing locals and building a sustainable food production and distribution system.<sup>24</sup>
- Multi-stakeholder social care cooperatives are an established European model of organization that engage marginalized persons to co-design services alongside their professional service providers and community members. They offer job opportunities for marginalized persons while generating independent revenue streams for the cooperatives. There are thousands of these cooperatives operating in Italy.<sup>25</sup>
- Community organizations in Denmark, Sweden, and Canada leverage their members' savings to provide interest-free community banking as an alternative to predatory payday lenders. Some of these initiatives combine affordable home ownership with savings-and-lending structures<sup>26</sup>.
- The world's largest cooperative, the Spanish-based Mondragon group, includes 257 financial, industrial, retail, and research-and-development enterprises, employing 74,000 people. Each worker or manager invests as a member in the coop and has one vote in its general assembly<sup>27</sup>.
- In Toronto, the Thorncliffe Park Women's Committee has successfully undertaken community-building and place-making work through a women's market that reaches socially isolated newcomer women. The market grew from five merchants in 2009 to 120 in 2017 – in a community with limited resources.<sup>28</sup>
- The Parkdale People's Economy (Toronto) is spearheading neighbourhood-based social and economic planning initiatives, including a community land trust, a local currency program, and community-based food distribution and procurement initiatives<sup>29</sup>.
- Around the world, platform cooperatives are allowing workers to benefit financially from digital platforms that organize our work and lives as an alternative to the 'gig' economy.<sup>30</sup> Examples include Stocksy, an artist-owned cooperative for stock photography (Canada)<sup>31</sup>; SMart Cooperative, which does billing for freelancers and pays people within a few days of billing so that freelancers can manage their cash flow (Belgium/Europe)<sup>32</sup>; Enspiral, a social enterprise for freelancers which provides coworking space to members and decides collectively which social enterprises to invest in, creating participatory tools and an investment foundation along the way (New Zealand)<sup>33</sup>; and the Open Food Network (Canada) which supports local food enterprises.<sup>34</sup>

## **Practical ways to build a more inclusive society and a fair, sustainable economy**

**“Through our local efforts, we can re-empower community members as protagonists of their own destiny, and build people’s expectations and democratic capacities to actively construct more and more of their economic landscape in ways that enable them to flourish.”**

**- Rob Howarth (Toronto Neighbourhood Centres)<sup>35</sup>**

The nonprofit sector is ready to co-create with Ontario’s next government the fiscal, policy, and operating frameworks that will enable a more inclusive society, a fair economy, and genuinely resilient and sustainable communities that are great places to live, work, and play. This election is a moment for Ontario to make a very important choice about sustaining an inclusive, democratic society. The public and nonprofit sectors, working together, can mitigate and even counter the trends identified as threatening the well-being of individuals, families, and communities in Ontario. Communities need public investment in social infrastructure such as affordable housing, transit, and schools. But we also need locally driven solutions facilitated by an enabling public policy environment. Public benefit nonprofits provide mechanisms for communities to generate responses to their own challenges – when they are enabled to do so. The following are identified opportunities for the nonprofit sector to work with the next Government of Ontario to help build and sustain the services and structures that are essential to the well-being of our communities.

### **Recognize the nonprofit sector as a pillar of an inclusive society and a fair, sustainable economy – alongside the public and private sectors**

To realize the transition to a more inclusive society and a fair, sustainable economy, the nonprofit sector must have a seat at the table in co-creating policy with government. This would give greater voice to the representatives of communities, including marginalized communities, that are often left out of the policy-making process. Recognition of our plural economy (including the public, private, and nonprofit sectors) would entail a commitment to take into account the needs and priorities of community-led organizations, and the distinct roles they play in serving and giving voice to communities, in the development of laws and policies.

The nonprofit sector is often an underacknowledged but critical presence in communities in terms of its social and economic contributions. Its invisibility is exacerbated by a lack of sector data. In Ontario, the nonprofit sector employs over a million workers – or at least it did fourteen years ago when the last comprehensive survey was conducted.<sup>36</sup> Despite the size of the sector, there exists no current, sector-wide data that would help organizations plan together on challenges such as leadership transition, the gender wage gap, improving diversity, scaling the most effective programs, and communicating the sector’s collective economic impact.

We know, for instance, that Toronto’s arts and culture sector contributes \$11.3 billion to Ontario’s GDP and that every dollar the City of Toronto invests in the nonprofit arts sector generates \$8.25 in earned revenues.<sup>37</sup> We know that the Thorncliffe Park Women’s Committee created an engine of grassroots economic activity in its neighbourhood through park revitalization and community development.<sup>38</sup> And we know that the value of religious congregations to the wider community is approximately four to five times their annual operating budget so that, if you removed a congregation with a \$250,000 annual budget, you would need about \$1.2 million every year to sustain their economic contribution to the community.<sup>39</sup> That we cannot tell a sector-wide story and that labour force information is 14 years out of date hamper the sector’s ability to maximize value to communities.

The Ontario Government’s 2017 Fall Economic Update included a commitment to create an official statistics program through a new Ontario Statistics Office and to modernize statistics legislation. ONN would like to see this initiative move forward under the next government to create new opportunities for up-to-date data on the nonprofit sector, including labour market information (LMI) to support workforce development and economic impact analyses. Better data on the nonprofit sector, particularly its workforce and economic impact, would enable the sector to engage in planning, workforce development, and scaling in support of local job creation and community economic development. The Fall Economic Update also included a commitment to modernize the framework for Multi-Employer Pension Plans, but did not address the framework for non-unionized workplaces (which constitutes the majority of the nonprofit sector).

- **Reflect nonprofit enterprises in economic policy:** The development of a cross-government approach to relationships with the nonprofit sector on broad matters of the economy and society should acknowledge the realities of a plural economy and take into account the impact on the nonprofit sector of legislation and policies as it currently does with the private sector. This means multi-sector policy-development processes that go beyond traditional consultation mechanisms. Recognition of the sector as such would also require a regulatory framework that respects the autonomy of community boards of directors rather than treating nonprofits as service delivery arms of government<sup>40</sup>.
- **Create an Official Statistics Office with a mandate that includes data-driven policy development for the nonprofit sector:** Such a mandate should include working with Statistics Canada to update industry and occupational classifications with a nonprofit sector “lens” and supporting the development of up-to-date, high-quality data on the sector, including its scope; economic, social, and environmental impacts; and labour market information (LMI). Data on the nonprofit sector and its labour force is woefully incomplete and fourteen years out of date<sup>41</sup>, partly because



standard employment data takes into account only the public and private sectors—not the nonprofit sector. The next provincial government should work with nonprofits and the federal government to collect, analyze, and open up data on the nonprofit labour force so young people can better plan nonprofit careers and organizations can better recruit, retain, and manage their workforce so as to reduce turnover and plan for sustainable services. Aggregated data on the economic impact of the sector would help communities to plan, coordinate, evaluate program impacts, and strategically invest according to their local priorities.

- **Develop a regulatory framework that supports nonprofits as small employers with an enabling framework for our predominantly non-unionized sector to participate in target-benefit Multi-Employer Pension Plans (MEPPs).** In 2015, ONN began exploring a pension plan for nonprofits and sought a more enabling framework. Since then, our pensions task force released its report in which a MEPP featuring target benefits was highlighted as the recommended structure. Because the majority of the sector is not covered by collective agreements, a clear regulatory framework for MEPPs in this category would help advance our efforts to develop a sector-wide pension plan for Ontario nonprofit workplaces<sup>42</sup>.

### **Help public benefit nonprofits scale up their contributions to a fair, sustainable economy through access to public capital investment, a surplus lands policy, and social procurement**

Building up the nonprofit sector of the economy would simultaneously create quality jobs (that incidentally generate income tax revenues for government and local buying power) in fields that offer meaningful work, build community cohesion, and re-engineer our economy to the natural limits of our planet. As a recent literature review on the impact and importance of the municipal-nonprofit relationship notes, “increased resilience comes from diversified economies, and the nonprofit sector has been shown to be a large, stable, recession-proof, export-proof, high-multiplier element of a fully diversified economy including public, for-profit, and nonprofit sectors.”<sup>43</sup> The next Ontario government has an opportunity to increase these positive impacts in three critically important policy areas:

- **Improve access to capital investment:** Public benefit nonprofits need better access to equity, loans, grants, and tax incentives if this sector is to respond to emerging needs, and yet organizations often struggle to access loan financing for capital projects and suitable financing to start and grow social enterprises. Lenders are reluctant to lend to nonprofits with few assets or uncertain or modest revenue streams and are hesitant about business models they often don’t understand or appreciate. A variety of investment structures are needed to meet the diverse needs of the sector, including slow money, pooled funds, crowdfunding, community bonds, loan guarantees, RRSP eligibility for social investments, grants, and tax incentives. Community finance must be structured to meet the needs of public benefit nonprofits and should ensure any surplus revenues generated are shared between investors and nonprofits so that the funds become available for future program innovation. There is a central role for the provincial government to offer or facilitate many of these financial structures, including via the Infrastructure Ontario Loans Program.

- **Implement a robust “keep public lands in community hands” policy<sup>44</sup>:** Public land and buildings owned by the Province and school boards are often sold to the highest bidder without consideration for the value they hold for local communities. As a province, we need to be more deliberate about recognizing the value of public lands and engage communities on potential uses that serve the public benefit *before* they go on the market.<sup>45</sup> It may be in the Province’s short-term interest to sell off public lands but it is more beneficial to our collective long-term well-being to generate a social and economic return on these assets (related to, e.g., reduced dependence on social programs, higher income taxes generated through gainful employment, and greater social cohesion) and weigh this against the short-term fiscal benefit of asset sales. With land prices skyrocketing in some communities, the Ontario Government should take every opportunity to convert surplus public lands into community services and land trusts that create permanently affordable housing and other amenities like community hubs, child care facilities, recreation centres, and community gardens. After all, these lands were purchased with public dollars and should therefore remain in the service of the public benefit in perpetuity. Ontario’s next government should ensure that public lands and buildings are first accessible by the nonprofit sector for public benefit, today and in the long term, via mandatory inclusion of government and broader public sector lands (including schools) in the existing Nonprofit Lands Registry (<http://theonnc.ca/services/nonprofit-lands-registry/>).
- **Scale up social procurement and community benefit agreements:** The purchasing power of government should be harnessed to promote social value and grow community wealth. *Social procurement* policies should be scaled up to direct more public sector spending on goods and services from social enterprises and other diverse suppliers from marginalized communities. Broader public sector institutions should be encouraged to see themselves as *anchor institutions* that can support local economies through their own procurement and hiring practices.<sup>46</sup> Major government infrastructure contracts (e.g. for the construction of transit and highways) and urban development should be designed to include *community benefit agreements* with spin-off benefits that support employment opportunities for marginalized communities, procurement opportunities for social enterprises, affordable housing, and other community initiatives. Social procurement is one of the most effective ways to support local and sustainable economies as it involves a redirection of existing spending to meet multiple policy objectives.

### **Support the nonprofit sector to provide decent work and meaningful volunteer opportunities**

Automation holds the promise of freeing up our time to do more meaningful work (paid and unpaid), including the work of “care, craft, cooperatives, community-building, and culture.” Unlike previous industrial transitions, the present transformation of our world of work must be shaped by deliberate policies (in areas ranging from tax policy to innovation policy to employment standards) to ensure that meaningful work, leisure time, and access to care throughout the lifecycle are fairly distributed and supported.

ONN is a champion of decent work in the nonprofit sector<sup>47</sup> because investing in the passionate people who work in nonprofits supports a higher quality of life in communities. As a sector, we are also a major employer in our province, and one of the fastest growing segments of Ontario's labour market. The decisions that individual nonprofit organizations make about how their employment positions are structured has a dramatic and immediate impact on our province's labour market. If our employment conditions effectively support people's commitment to their work, and create opportunities for their development and growth, the capacity of our organizations to achieve their desired impacts will only be strengthened.

Governments (municipal, provincial and federal) are a major funder of the nonprofit sector, providing almost half the sector's revenues (with the rest coming from earned income, donations, etc.)<sup>48</sup>. Ontario Government funding is a major factor in determining whether many nonprofits can offer decent work. Many existing funding agreements create precarity because they only provide stability for 12 months, and workers are often left without protection from inflation as agreements are flatlined for five to ten years or more. Many agreements neglect to cover professional development costs, benefits and pension contributions, overtime pay, and other critical elements of decent work.

Nonprofits also need an enabling policy environment to maximize the value provided by volunteers to their communities. There is no question that volunteers are a large part of the value that investing in nonprofits can provide to communities: In Ontario, five million volunteers donate 820 million hours annually to help nonprofits fulfill their missions- the equivalent of 400,000 full-time jobs<sup>49</sup>. When a nonprofit operates a service on behalf of government, instead of *extracting* part of the contract for profit, the organization actually *adds value to it* by leveraging this powerful volunteer effort. At the same time, community organizations are critical training grounds for volunteers to engage in democratic dialogue, community planning, and community involvement that builds trust and social cohesion. Participation in civil society and workplace democracy also prepares citizens for engagement at the political level.

- **Developing decent work through modern funding agreements:** Many provincial programs pay nonprofits at the rate it took to deliver services in the 1990s or early 2000s, with no inflationary increases built in and ceilings on essential program and indirect costs that ignore rising labour and utility costs—and often don't fund critical investments like nonprofit program innovation<sup>50</sup> or evaluation at all. Governments expect nonprofits to fundraise the difference but often donors don't want their dollars simply to make up for government underfunding. This chronic situation has had profound effects on nonprofits' ability to attract and retain talent in an open labour market. Sadly, an alarming 63 percent of youth would not even consider a career in the nonprofit sector, with many giving reasons related to "not being able to earn a living."<sup>51</sup> Young people who are motivated to make a positive impact on society should be encouraged, rather than discouraged, to do so. The Ontario Government should enable nonprofits to offer decent work by covering the real cost of service delivery (including decent wages and benefits) in provincially-funded programs.<sup>52</sup> To unleash the potential of the nonprofit sector and support its sustainability, the next Ontario Government should simplify and modernize contracts with nonprofits to cover the real cost of service delivery across the board from child care to women's shelters. Stable, flexible, multi-year funding agreements that respect the autonomy of nonprofits to deliver services as their community boards see fit would also enable nonprofits to offer more responsive, high-quality services while reducing staff turnover. The

Province should also maintain a single web portal with links to plain language information on all laws and regulations with which incorporated nonprofits and charities must comply. This would be especially helpful to the grassroots groups that emerge in response to new community needs.

- **Maximize volunteer value:** Volunteers in Ontario donate hundreds of millions of hours to the community organizations that they're passionate about. With the right support, nonprofits can harness the growing power of volunteers as the baby boom generation retires and leisure time potentially increases with the automation of jobs. But the critical work of recruiting, screening, training, supervising, and recognizing volunteers (including board directors) – in a nutshell, volunteer management – is viewed as “overhead” and therefore an ineligible expense in most funding streams. Nonprofit funding streams should be available to support the important role played by volunteer managers (even if these are shared functions across organizations) alongside streams that support the important role of governance training for boards of directors. Changes in policy are also needed to tackle barriers to volunteering like high fees and long processing timelines for police record checks. Reducing these barriers would make it easier for volunteers from all walks of life to experience the satisfaction of making a difference to causes they are passionate about.
- **Eliminate regulatory barriers to democratic engagement:** Whether as a training ground for volunteers to learn about democratic dialogue or as voices for marginalized communities, public benefit nonprofits play a critical role in non-partisan<sup>53</sup> public policy advocacy. Non-partisan public benefit nonprofits (i.e., nonprofits that serve their communities rather than their members) should be exempt from lobbyist registration (as they are in Alberta) and from registration as third-party election advertisers (as they are in municipal elections). Providing avenues for Ontarians to engage in policy debate is a fundamental way to overcome the disillusionment that has grown toward our public institutions. As anyone who has helped organize a town hall or engaged in a letter-writing campaign to political representatives can attest, people experience a profound sense of agency over their lives and connectedness with others when they take action with their neighbours to address a community concern.

## Conclusion

With the next Ontario Government as our partner, ONN proposes that the time has come to unleash the potential of the nonprofit sector to help build a new, decent economy and a more inclusive society. We have outlined a set of policy and systems changes that we believe would help to achieve this critical transition. We hope to see these proposals reflected in the commitments of Ontario's political parties and we look forward to working with the next Ontario government as partners in building up nonprofit and cooperative alternatives that foster economic resilience, sustainability, community cohesion, and ultimately greater happiness for Ontarians.

## Notes

1. With gratitude to initiatives and writings that inspired us and from which we borrowed ideas and language: The Next System Project, the Chantier de l'économie sociale in Québec, P2P Foundation, New Economics Foundation, New Economy Coalition, Transition Network, Centre for the Understanding of Sustainable Prosperity (CUSP), Kate Raworth's Doughnut Economics project, Europe's Sustainable and Solidarity Economy (SUSY) initiative, Commons Transition, the International Cooperative Movement, the Canadian Centre for Community Renewal, Synergia Institute, Canadian Community Economic Development Network (CCEDNet), Resilience.org, Degrowth in Movement(s), Shareable, Social Progress Imperative, Care Revolution Netzwerk (Germany), Grassroots Economic Organizing, The Alternative, Ajuntament de Barcelona, The RSA (Royal Society for the Encouragement of Arts, Manufactures and Commerce), and Riane Eisler's Center for Partnership Studies.
2. Public benefit nonprofits are non-governmental, nonprofit organizations that have a public purpose or mission; that operate for the public good (as opposed to the benefit exclusively of their members or for private benefit), that reinvest any excess revenue in their mission; and that retain their assets in the public domain for the public good. For more information, see ONN. "Public Benefit Nonprofits." 2017 <http://theonncanada.ca/our-work/our-regulatory-environment/public-benefit-nonprofits/>
3. See for example Poverty and Employment Precarity in Southern Ontario (PEPSO) Alliance. *The Precarity Penalty: Employment Precarity's Impact on Individuals, Families and Communities and What to do about It*. May 2015. <https://pepso.ca/2015/05/21/new-report-launched/> United Way of Toronto and York Region (UWTYR) and McMaster University. *The Precarity Penalty - York Region (Executive Summary)*. March 2016. <http://www.unitedwaytyr.com/file/FINAL-Precarity-Penalty-Summary-York-Region-2016Mar21.pdf>. Canadian Centre for Policy Alternatives (CCPA) Ontario. *OnPolicy: Ontario's Working Poor*. July 5, 2016. <https://www.policyalternatives.ca/publications/reports/onpolicy-ontarios-working-poor>
4. Statistics Canada. *Survey of Financial Security. Survey of Financial Security (SFS), assets and debts by net worth quintile, Canada, provinces and selected census metropolitan areas (CMAs)*. Dec. 7, 2017 <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2050004&p2=33>
5. Louis-Philippe Rochon. "More regulations needed to survive financialization in the West." *CBC News*. March 22, 2015. [www.cbc.ca/news/canada/manitoba/more-regulations-needed-to-survive-financialization-in-the-west-1.3004869](http://www.cbc.ca/news/canada/manitoba/more-regulations-needed-to-survive-financialization-in-the-west-1.3004869)
6. United Way of Toronto and York Region. *The Opportunity Equation in the Greater Toronto Area: An update on neighbourhood income inequality and polarization*. Neighbourhood Change Research Partnership. November 2017. [https://www.unitedwaytyr.com/file/2017\\_Opportunity\\_Equation\\_Update\\_Low-Res.pdf](https://www.unitedwaytyr.com/file/2017_Opportunity_Equation_Update_Low-Res.pdf)
7. According to a 2017 payday loan survey in Ontario, "payday loans are more likely to be used by debtors with [a monthly] income over \$4,000 than they are to be used by those with an income between \$1,001 and \$2,000." Hoyes Michalos. "Joe Debtor: Bi-annual Bankruptcy Study." 2018. <https://www.hoyes.com/press/joe-debtor/how-are-insolvent-borrowers-using-payday-loans/>
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At the Ontario Nonprofit Network, we engage, advocate, and lead with — and for — nonprofit organizations working for the public benefit in Ontario.

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