



ONTARIO NONPROFIT NETWORK

# 2023 STATE OF THE ONTARIO NONPROFIT SECTOR

TECHNICAL REPORT: DATA HIGHLIGHTS

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Survey conducted by:  
Community Researchers

WITH SUPPORT FROM:



An agency of the Government of Ontario  
Un organisme du gouvernement de l'Ontario





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## INTRODUCTION

In June 2023, the Ontario Nonprofit Network (ONN) engaged nonprofit Community Researchers to conduct a bilingual survey of Ontario nonprofit organizations to better understand how they are faring. The focus was on the experiences of nonprofits during the period of April 1 2022 to March 31 2023, with regards to their operational, financial, and human resources' health.

This is ONN's fourth year surveying nonprofits. We conducted two surveys in 2020 (two weeks and three months into the pandemic, respectively) and one in each subsequent year. The comparative analysis is only conducted for annual surveys between 2020 and 2023. This survey is the first of ONN's four annual surveys that did not include any pandemic-related questions. It collected both quantitative and qualitative data.

For the 2023 survey reflection period, pandemic restrictions and related individual and organizational supports had ended. Inflation grew rapidly, peaking at 8.1% in the summer of 2022, catalyzing an affordability crisis and deepening inequality in our communities. Large systems of essential services, like healthcare and housing, continued to unravel due to fallout from the pandemic while various key economic signals - such as a decline in charitable giving - pointed to an impending recession or stagflation. Globally we continued facing ongoing uncertainty with global conflicts and climate emergencies which resulted in mass migration/immigration to Ontario.



The public policy context consisted of Ontario electing a second term Progress Conservative government while the minority Liberal federal government brokered a deal with the NDP to ensure Canadians did not head to the polls quickly after the 2021 election. The sitting federal and provincial governments both signaled moving towards an austerity phase - decreasing public spending to balance “over-spending” in the pandemic years. Both 2022 budgets missed the mark in strategically investing in the sector to compensate for increased demand for services and costs.

This context points to an ever important need to continue collecting high quality data on the sector that will help us monitor and remain vigilant in our advocacy for an enabling public policy environment for nonprofits to continue doing what they do best - support their local communities.





## PROFILE OF NEARLY 1,400 SURVEY RESPONDENTS

**While all regions are represented, half of respondents are from Toronto and Southwestern Ontario.**

- One third of respondents are from Toronto, a steady increase from one fifth in 2021
- 22% of respondents are from Southwestern Ontario, same as last year
- 10% of respondents are from Northern Ontario, an increase from 9% in 2021
- Varied decrease in respondents from Central Ontario, Eastern Ontario, Halton, Niagara Falls, and Ottawa
- 21% of respondents are located in a rural, remote, northern or small community
- Half of respondents serve their local communities, 55% of whom have a budget of \$500,000 thousand or less

**While all subsectors are represented, the majority of respondents are from three subsectors: social services, arts, culture, & tourism, and health subsectors.**

- 38% of respondents are from social services
- 13% of respondents are from arts, culture, heritage, and tourism
- 11% of respondents are from health

**Majority of respondents are registered charities and nonprofits.**

- 60% of respondents identified as a registered charity
- 59% of respondents identified as being incorporated as a nonprofit
- 6% of respondents identified as nonprofit cooperatives



- 6% of respondents identified as social enterprises
- 3% of respondents identified as unincorporated grassroots or community groups

**B3, I4, and 2SLGBTQIA+ organizations each make up 2% of respondents, respectively.**

- 2% of respondents identified as a B3 organization
  - 2% Black-led
  - 3% Black-serving
  - 5% Black-focused
- 2% of respondents identified as I4 organizations
  - 21% Indigenous-benefiting
  - 9% Indigenous-informed
  - 6% as an Indigenous-partnership
  - 2% Indigenous-led
- 2% 2SLGBTQIA+ organizations
  - 3% 2SLGBTQIA+ -led
  - 4% 2SLGBTQIA+ -serving
  - 19% 2SLGBTQIA+ -focused

**There is a steady increase of respondents who operate bilingually, compared to the last three years.**

- 87% of respondents operate in English
- 4% of respondents operate in French
- 8% of respondents operate bilingually
  - More respondents in Ottawa (28%) and Northern Ontario (23%), from the education subsector (17%) and from Black-led organizations (17%) operate bilingually.

**There is equal distribution of respondents across budget sizes, but the proportion of larger organizations filling out the survey, versus smaller ones, is growing.**



- 33% of respondents with budgets between \$0 - \$499,999
- 31% of respondents with budgets between \$500,000 - \$2,999,999
  - 13% of respondents with budgets between \$500,000 - \$999,999
  - 18% of respondents with budgets between \$1 million - \$2,999,999
- 28% of respondents from organizations with budgets of \$3 million or above
  - 14% of respondents with budgets between \$3 million - \$10 million
  - 14% of respondents with budgets of \$10 million and over
- 90% of respondents have paid staff
- 62% have 1 - 20 staff members
- 9% have 200 or more staff members

## OVERALL HIGHLIGHTS BASED ON SURVEY TOPICS

### SERVICE DEMAND

**Demand for nonprofit services, particularly those of B3, I4, and 2SLGBTQIA+ nonprofits, is at an all time high, and very few nonprofits can meet growing demand.**

- 76% of respondents have seen an increase in demand for programs and services, in line with 74% in 2022
  - More respondents from larger nonprofits (85%), in Peel (84%) and York (84%), environmental (84%) and social services (84%) subsectors, B3 (80%), and 2SLGBTQIA+ (85%) respondents, and social enterprises (85%) have seen an increase in demand for services.
- Half of respondents reported at least a 26% or more increase in demand for services



- 75% of respondents in Peel are reporting an increase of at least 26% or more
- 21% of respondents with budgets under \$500,000 are reporting an increase between 50%-100%
- More I4 (13%), Black-serving (25%), and 2SLGBTQIA+ respondents (18%) are reporting double the increase in demand for services.
- Less than a quarter of respondents reported being able to meet demand
  - More respondents in Niagara (38%) can meet demand
  - More respondents in Ottawa (35%) and B3 respondents (44%) cannot meet demand

## FINANCES

**Compared to last year, more nonprofits can only sustain themselves between 1-3 months and less nonprofits can sustain themselves for 7 months or more.**

- 8% of respondents reported being able to sustain themselves between 1-3 months, in line with 6% in 2022
- More respondents in Peel (19%) and B3 respondents (45%) reported being able to sustain themselves between 1-3 months.
- 57% of nonprofits reported they can sustain their organizations for the next 12 months, down from 66% last year
  - More respondents in Niagara (67%), and in the grantmaking (66%) and advocacy subsectors (66%) reported that they are able to sustain themselves for more than 12 months.
  - 47% of Francophone respondents reported they can sustain themselves up to 12 months





## **While more nonprofits have a reserve fund, more are also accessing it, compared to last year.**

- **28% of respondents reported accessing their reserve funds, compared to 24% last year**
- **More respondents in Halton (38%), from the environmental subsector (39%), and 2SLGBTQIA+ respondents (44%) reported accessing their reserve funds.**
- **16% do not have a reserve fund, compared to 21% last year**
  - **More B3 (21%), I4 (20%), and 2SLGBTQIA+ (24%) respondents and those in rural communities (21%) reported not having a reserved fund.**
  - **17% of respondents with budgets over \$3 million report having no reserve fund, an increase from 8% in 2022**
- **72% of respondents reported accessing less than a quarter of their reserve fund**
  - **More respondents in Durham (33%) and I4 respondents (67%) reported accessing more than three quarters of their reserve fund**
  - **Slight increase in those accessing more than half of their reserve fund, compared to last year.**

## **Larger nonprofits are more likely to have revenue increases while smaller organizations are more likely to have revenue declines.**

- **Half of respondents reported some increase in revenue, compared to 41% last year and 26% in 2021**
  - **More respondents with budgets over \$3 million (68%) and in York (65%) reported an increase in revenue.**
  - **Only 38% of respondents with budgets less than \$500,000 reported an increase in revenue.**



- Just over a quarter of organizations reported that their revenue decreased compared to 35% in 2022 and 52% in 2021
  - More respondents with budgets less than \$500,000 (35%) and social enterprises (38%) reported a decrease in revenue.
  - More respondents in Niagara (60%) and York (65%) reported an increase in revenues.
  - Only 16% of respondents with budgets more than \$3 million saw a decrease in revenues.

### **Revenue sources are evenly distributed across respondents, with more nonprofits reporting provincial government revenues.**

- 29% of respondents reported the provincial government as their largest source of revenue.
- More respondents with budgets \$500,000 or less reported a larger proportion of revenues from individual donations, earned income, fundraising, and the provincial government.
- More respondents with budgets \$3 million or more reported larger proportions of revenues from both provincial and federal governments.

### **While donations and pandemic supports as factors contributing to increase in revenue declined, all other factors have increased with earned income being the largest increase compared to last year.**

- More respondents with budgets of \$3 million and above (71%) and in Peel (83%) reported an increase in government funding as a factor
- More sports & recreation respondents reported an increase in earned income (68%) as a factor
- More respondents in Niagara reported an increase in donations (67%) as a factor



## **Costs continue to increase for nonprofits and the largest source of expense is salaries and benefits.**

- 90% of respondents reported an increase in costs, compared to 83% last year and 64% in 2021
- 82% of respondents reported an increase between 1% - 50 %, compared to 66% in 2022.
- More respondents with budgets of \$500,000 or less reported a 50% or more increase in costs
- 12% of B3 respondents reported double or more increase in costs
- 85% of Francophone respondents reported an increase in costs
- 46% of respondents reported their largest source of expense as salaries or benefits
  - Less respondents with budgets \$500,000 or less (34%) reported salaries or benefits as their largest expense
  - More respondents in Ottawa (63%) reported salaries or benefits as their largest expense.

## **More than a third of nonprofits report achieving long-term financial stability as a significant financial issue.**

- Nearly two out of every five respondents (38%) reported that achieving long-term financial stability is a significant financial issue:
  - More than one-third of respondents (34%) indicated that they faced difficulties in raising funds, including individual donations
  - One-third of respondents (31%) stated that they had difficulty building a reserve fund
  - Half of respondents (50%) face some difficulty in obtaining government, foundation, or corporate funding



- While more respondents (39%) reported that accessing unrestricted funds is not a problem, nearly one-third of respondents (28%) reported significant difficulties in accessing unrestricted funds.
- Respondents reported varying degrees of difficulty generating earned income, 26% of respondents indicated that they did not face any difficulties, while a quarter (25%) indicated that they faced significant difficulties in generating earned income. Nearly half of respondents (49%) faced some difficulty.
- Half (50%) of respondents with operating budgets under \$500,000 reported that achieving long-term financial stability is a significant issue. These organizations also indicated that obtaining government, foundation, or corporate funding poses a significant challenge (41%).

### **Nonprofits are less optimistic that their organization's situation will improve over the next year, compared to last year.**

- Only a quarter of respondents reported that they expect their organization's situation will improve over the next year, compared to 35% last year.
- More respondents in York Region (25%) and 2SLGBTQIA+ respondents (33%) reported that they expect their organization's situation will get worse.

## **STAFF AND VOLUNTEERS**

**Staffing challenges have plateaued at a high level since last year, particularly for larger nonprofits.**





- **65% of respondents reported experiencing staffing challenges, the same as last year**
  - More respondents with budgets of \$3 million or above (84%), in Ottawa (82%), from the social services subsector (78%), and social enterprises (71%) reported staffing challenges.
  - More respondents with budgets under \$500,000 (46%) and in Niagara (50%) reported no staffing challenges.
  - More Francophone respondents (75%) reported experiencing staffing challenges
- **Just over half of respondents reported a job vacancy rate of 1% or higher**
  - All subsectors have at least a job vacancy rate between 1-9%
  - 5% of respondents reported job vacancy rates above 30% in 2023, similar to 7% in 2022
  - Respondents with \$3 million or above budgets (88%), in Peel (72%) and Halton Region (72%), and from social services (70%), health (70%), B3 (62%), I4 (62%), and 2SLGBTQIA+ (71%) organizations, reported having higher job vacancies.
  - Respondents from faith groups (17%) have more than a 50% job vacancy rate.

### **Three quarters of nonprofits faced turnover, with most workers leaving for the same job in another nonprofit or the public sector.**

- **77% of nonprofits faced turnover**
  - More respondents with \$3 million or above budget (97%), in Halton (83%), from the health subsector (88%), and 2SLGBTQIA+ respondents (89%) experienced turnover.
  - More respondents with under \$500,000 budget (38%) and those in Niagara (40%) did not experience turnover.



- 37% of respondents reported workers leaving for another nonprofit for the same or similar job
- 36% of respondents reported workers leaving for the public sector for the same or similar job
  - More respondents with budgets of \$3 million or above (52%), in Northern Ontario (41%) and York (41%), and from the social services subsector (45%) reported turnover to the public sector for the same or similar job
  - More respondents in Northern Ontario (40%), from the social services subsector (33%), and 2SLGBTQIA+ respondents (38%) reported turnover related to career changes.
  - More respondents in Niagara reported turnover to for-profits (50%).

## **Skills shortage, staff burnout and stress, and non-competitive compensation packages are the top factors affecting organizations' ability to recruit and retain staff.**

- The most frequently reported factors are:
  - Skills shortage (52%, down 9% from 2022)
  - Staff burnout and stress (51%, down 16% from 2022)
  - Non Competitive Compensation (49%, down 1% from 2022)
  - Wage disparity (47%, down 9% from 2022)
  - Lack of funding (45%, up 5% from 2022)
- More respondents with budgets of \$3 million or above reported skills shortage (68%) and staff burnout and stress (67%) as factors affecting their ability to recruit and retain staff.
- More respondents with budgets between \$500,000 - \$3 million reported noncompetitive compensation packages (53%) and wage disparity (53%) as factors affecting their ability to recruit and retain staff.
- More respondents with budgets of \$500,000 or less reported lack of funding (58%) as a factor affecting their ability to recruit and retain staff.



## **Nonprofits are facing a skills shortage.**

- While fundraising was the top reported skill shortage (41%), respondents equally identified all other skills shortages.
  - More respondents with smaller budgets reported facing a fundraising skills shortage while those with larger budgets reported shortages in data, digital, and HR skills .
  - More respondents in arts, culture, and tourism reported a public affairs skills shortage (14%)
  - More respondents from the environmental subsector reported a grant writing skills shortage (38%)
- Public affairs (9%) and program design and delivery (15%) are the least reported skills shortage.

## **Nonprofits are implementing strategies to recruit and retain staff.**

- Most implemented strategies:
  - Flexible working hours (53%)
  - Remote work options (50%)
  - Raised salary (40%)
- Least implemented strategies:
  - 4-day work weeks (8%)
  - Signing bonuses (2%)

## **The volunteer crisis is slowing.**

- Less respondents reported difficulty:
  - Recruiting new volunteers (42%, down 16% from 2022)
  - Losing volunteers (37%, down 25% from 2022)
  - Volunteers retiring (26%, down 9% from 2022)
  - Attracting youth volunteers (25%, down from 9% in 2022)





## SPACE

**Nonprofits are back in their physical spaces and hybrid operations are becoming the new normal.**

- 47% of respondents are operating as usual and are back in their physical space three or more times a week, compared to 24% last year
  - More respondents in Northern Ontario (70%) are back in their physical space
- 45% of respondents have adapted to hybrid work and/or service delivery
  - More respondents in Toronto (60%) have adapted to hybrid work
- 4% of respondents in Northern Ontario are operating virtually
- 3% respondents in York have closed temporarily

**More than a quarter of nonprofits own their space.**

- 62% of respondents lease space
- 27% of respondents own their space
  - More respondents in Central Ontario (34%), in rural communities (32%), and from Faith groups (60%) own space
- 18% of respondents operate remotely and access space as needed
- 20% of B3 respondents do not have space but need it, compared to only 3% average reported by all respondents
- 18% of 2SLGBTQIA+ respondents are likely to operate 100% remotely, compared to only 5% average reported by all respondents
- 10% of social enterprises have moved to a smaller site, higher than the 6% average reported by all respondents





## DATA

**Almost all nonprofits engage in some sort of data collection, yet only half prioritize data use in organizational decisions.**

- **81% of respondents engage in data collection**
  - More respondents in Peel (95%), B3 respondents (85%), I4 respondents (83%), and 2SLGBTQIA+ respondents (88%) engage in data collection
  - 74% of respondents from Northern Ontario engage in data collection
- **Nonprofits place varying degrees of importance on the data they collect and how they use it:**
  - More than half of respondents (58%) place significant importance on tracking specific metrics to evaluate their process towards a defined strategic plan
  - More than half of respondents (52%) place significant importance on data and evidence-based decision making
  - Only 42% of respondents have a plan on how data will be used to measure the organization's overall health, with 17% indicating that they place low priority on connecting data to their organizational health
  - 65% of Francophone respondents place a high priority on making decisions informed by data
  - The arts and culture subsector generally placed lower priority on data collection and usage
  - B3 and I4 and 2SLGBTQIA+ nonprofits highly prioritize data collection and usage, 75% of 2SLGBTQIA+ respondents indicated that they place high importance on tracking specific metrics to evaluate their process towards a defined strategic plan



## EMERGENCY PREPAREDNESS

**Most nonprofits are “somewhat prepared” for emergencies.**

- 29% of respondents are “very prepared”
  - More respondents in Durham (40%) and 14 respondents (36%) are very prepared
- 58% of respondents are “somewhat prepared”
  - More Halton respondents are “somewhat prepared” (66%)
- 12% of respondents are “not prepared”
  - More Ottawa respondents (24%) and 2SLGBTAIQ+ (31%) are “not prepared”

## IMPACT ON COMMUNITIES

**Effects of workforce and/or volunteer challenges on communities have plateaued at a high rate.**

- 68% of respondents reported some sort of effect of workforce or volunteer challenges on communities.
- Just over a third of respondents reported programs or services being scaled back, compared to half of respondents in 2022.
  - More respondents with budgets of \$500,000 or less (43%), in York (54%) and rural communities (42%), from sports and recreation subsector (48%), and 2SLGBTQIA+ respondents (63%) reported programs or services scaled back
- 21% of respondents reported waitlists have increased, similar to 23% in 2022.
  - More respondents with budgets of \$3M or above (31%), in Peel (45%), from social services (35%), and B3 respondents (40%) reported increasing waitlists.



- **8% of programs or services discontinued versus 14% in 2022**
  - More respondents in Ottawa (18%) and from faith groups (15%) reported programs or services discontinued.

## **More nonprofits are aware of closures in their subsector, compared to last year.**

- 35% of respondents know of another organization from the same sector closing, up 1% from 2022 and 17% from 2021.
- More respondents with smaller budgets (38%), in York (50%), from arts, culture, and tourism (56%), B3 (64%), I4 (43%), 2SLGBTQIA+ (63%) respondents, and social enterprises (48%) are reporting knowledge of closures in their networks.

## **All types of resources, supports, and information would help nonprofits weather emerging concerns**

- While most of the respondents reported any funding would make the most difference, half of respondents also reported the type of funding (e.g. unrestricted), revenue generation opportunities and sector-wide infrastructure would also help
- More respondents from arts, culture, and tourism reported earned revenue generation opportunities would help (60%)
- More respondents in Peel identified sector-wide infrastructure would help (63%)



## LOOKING AHEAD

### **Nonprofits rate provincial government response to the needs and priorities of the sector at an all time low.**

- Most respondents rated the provincial government's response to the needs and priorities of nonprofits to be "poor" or "very poor" yet rated provincial agencies' responses to be "good" or "very good" (58% versus 34%).
- Most respondents rated the federal government's response to the needs and priorities of nonprofits to be "good" or "very good", which is steadily decreasing since 2020, yet rated federal agencies' responses to be "poor" or "very poor" (32% versus 41%).
- Satisfaction with provincial government agencies increased from last year and is on par with 2020 (33%, 2023; 32%, 2022; 35%, 2021; 31%, 2020).
- Black-led and 2SLGBTQIA+ organizations were more likely to rate provincial government response as "poor" or "very poor" (73% and 72% versus 58% average).

## SURVEY METHODOLOGY

The survey was conducted between June 5, 2023 to July 10, 2023 and had a sample size of 1,399 respondents. It was open to all nonprofits, charities, and grassroots groups in Ontario with a mission to serve a public benefit. This includes volunteer-run organizations, nonprofit social enterprises, and nonprofit cooperatives. In order to ensure the survey is accessible for all types of respondents, not all survey questions required an answer to complete the survey. Therefore, each question has a different response rate, ranging from 1,399 to 627.





In an effort to shine a light on the specific impacts on organizations and groups that are often overlooked and underrepresented in policymaking due to systemic oppression, racism, and colonialism, for the second year in a row, respondents were asked to indicate if they identified as any of the following(1):

- Black-lead, -serving, and/or -focused (B3 for short) and/or
- Indigenous-led,-informed, -benefitting, or -partnership (I4 for short)

This year we also included a question for organizations to identify themselves as(2):

- 2SLGBTQIA+ lead, -serving, and/or -focused.

The data is disaggregated by 11 regions, 13 subsectors, three operating budget ranges, B3, I4, and 2SLGBTQIA+ respondents, operation type (i.e. social enterprise, incorporated, unincorporated, registered charity, etc.), paid or volunteer staff, and language of operation.

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1. Source: [CEE Centre for Young Black Professionals and The Circle on Philanthropy and Aboriginal Peoples in Canada](#)
  2. Source: [The Enchante Network](#)



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