



The Honourable Doug Ford, Premier of Ontario
Office of the Premier
Queen's Park
Toronto, ON, M7A 1A1
By email: premier@ontario.ca

RE: Ontario's nonprofit sector is at a tipping point

October 18, 2023

Dear Premier Ford,

On behalf of the Ontario Nonprofit Network (ONN), I am writing to you to share the stark results of our annual State of the Ontario Nonprofit Sector Survey.

Nonprofits are fundamental in helping Ontarians battle the affordability crisis.

Our sector has never been more integral to Ontarians as more individuals, families, and communities turn to and rely on nonprofits, particularly during times of crises. Nonprofits are getting people back to work, serving on the frontlines, and providing critical care services for the old, young, sick, and frail. Youth employment training services, Meals on Wheels, child care, and gender-based violence services are all nonprofit driven. As demand rises, we are also filling gaps for affordable housing, mental health and addictions programs, and settlement services. Nonprofits weave together a safety net that all Ontarians rely on and are vital to unlocking the full potential of the province's economy.

We are an economic driver.

From Thunder Bay to Barrie, Windsor to London, and across the GTA to Kanata, the nonprofit sector plays an essential role in job creation, volunteer engagement, and providing programs and services that support the well-being of Ontarians. The [sector contributes](#) \$65 billion to our province's GDP, employing 844,000 people. As a sector, nonprofits receive less than half of their revenues from government and reinvest all surpluses back into their missions. We leverage government revenues through private grants and donations, sale of goods and services, and volunteer efforts to create additional value for the communities we serve.

Future forecasting reveals the collapse of the sector is looming.

Our analysis reveals that if current trends continue and there is no public policy response, through 2026 every single nonprofit in Ontario will be experiencing an increase in demand for service,

there will be a 131 per cent increase in costs, and there will be significant nonprofit closures across the province.

A collapse of the nonprofit sector will impact every Ontarian who avails of the supports and programs made possible by the sector, in communities across the province.

2023 State of the Sector Survey shows worrying trends.

Underpinning our projections is our surveying of thousands of nonprofits, charities, and community groups over the past four years to learn how they are faring. Our [latest findings](#) reveal, they are not thriving, they are barely surviving. Trends over four years show:

- Demand for services is sharply increasing, and has grown 29% since 2020.
- Nonprofit financial situations are on a downward spiral. Organizations cannot meet the increasing costs or the increasing service demands, and this situation is projected to worsen.
- The HR crisis continues, and is driven by a lack of sustainable funding that is impacting the retention and recruitment of staff across the sector, with two-thirds of the sector reporting staffing challenges
- Nonprofit closure reports are increasing, with 35% of organizations reporting that they know of another similar nonprofit closing.
- Our ability/capacity to serve communities is tied to our resources (both finances and people). If one or both are not healthy, we can't support communities.

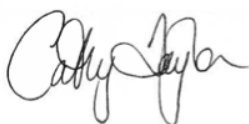
Ontario's nonprofit sector is at a tipping point.

What are the solutions? We need an Ontario-wide labour force strategy and workforce development plan; stable, long-term and flexible operating funding; increased investment in organizations serving equity deserving communities; a modernized volunteer strategy; and a champion in the provincial government representing nonprofits, charities, and social innovation.

Now is the time for all of us to come to the table and mitigate the looming collapse. Together, we can future-proof Ontario's communities, and ensure every Ontarian can depend on the nonprofit sector for years to come.

We welcome the opportunity to meet with you and your team at your earliest convenience to discuss how you can support, stabilize, and strengthen Ontario's nonprofit sector.

Sincerely,



Cathy Taylor, Executive Director
Ontario Nonprofit Network