



2024 ONN STATE OF THE SECTOR SURVEY: A PROFILE OF ONTARIO'S NONPROFITS BASED ON OPERATING BUDGET



INTRODUCTION

The wide diversity of the nonprofit sector across Ontario includes nonprofits of varying sizes and operating budgets, no cause is too big or too small. An operating budget is often directly linked to the type, breadth, and depth of an organization's successes and challenges.

This data profile reflects the realities of 975 nonprofits that responded to ONN's 2024 State of the Sector survey and identified their operating budget.

ONN has been disaggregating its survey data by operating budget over the past five surveys. Disaggregated data, in all its form, is critical for nonprofits as it highlights the differential impacts of the province's economic, political, and social realities on the breadth and depth of nonprofits serving communities, particularly on those who are often underrepresented in policymaking. Disaggregated data is used to make evidence-informed public policy decisions that best meet the needs of communities.

Methodology and data limitations

For ease, the operating budget ranges were collapsed into three categories:

- Under \$500,000: 394 organizations
- \$500,000 to \$3,000,000: 329 organizations
- Over \$3,000,000: 252 organizations.

The data was reviewed for percentage differences between the categories, noting any major contrasts between the categories.

A comprehensive explanation of the state of the sector survey's methodology can be found in the 2024 technical reports, respectively.

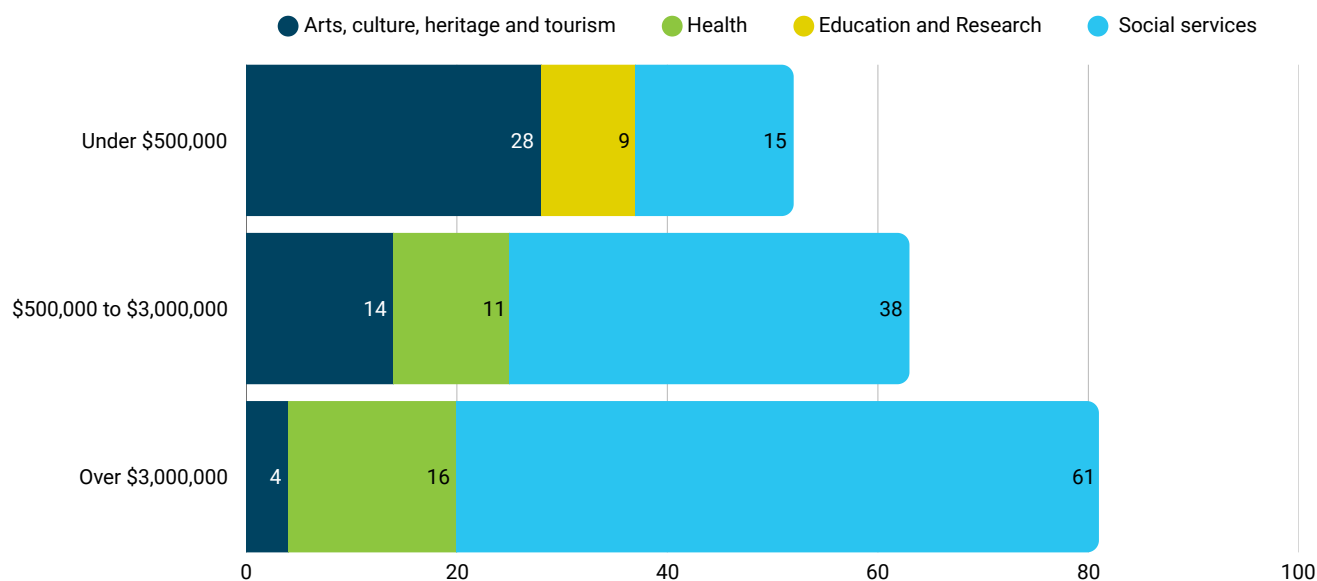
Demographics of rural nonprofit respondents

The following is the composition of the organizations that filled out the 2024 state of the sector survey and identified their operating budget.

- Over 50 per cent of nonprofits across the budget categories were located in Central Ontario.
- The majority of respondents were English-speaking (about 90 per cent per budget category) while bilingual respondents varied, with the greatest percentage (nine per cent) being nonprofits with operating budgets over \$3,000,000.
- While a majority of the respondents across budget categories were not rural, Under \$500K had the highest percentage of rural respondents (21 per cent).

Budget size vs. Rural/Not Rural			
	Under \$500,000	\$500,000 to \$3,000,000	Over \$3,000,000
Rural	21%	11%	11%
Not Rural	79%	89%	89%

- The subsector composition of the budget categories varied greatly. Amongst the smaller organizations, there was greater diversity of subsectors, while the composition of the larger organizations was primarily in social services.



- Seven per cent of B3 organizations reported operating budgets under \$500,000. This was the largest percentage for nonprofits serving, led-by, and focused on equity-deserving communities across budget categories.

THERE ARE SIGNIFICANT DIFFERENCES BETWEEN THE BUDGET CATEGORIES IN REVENUE, FINANCIAL VULNERABILITY, BUILDING AND/OR LAND OWNERSHIP AND USE, AND PAID STAFF RECRUITMENT AND RETENTION.

Large disparity in revenue trends between organizations with operating budgets under \$500,000 and organizations with operating budgets over \$3,000,000.

In 2024, revenue increased for 61 per cent of organizations with operating budgets over \$3,000,000 while staying the same or decreasing for 62 per cent of nonprofits with operating budgets under \$500,000.

Across the budget categories, half of all respondents indicated that their revenue sources have predominantly stayed the same. The largest increase and decrease in revenue sources reported were:

- Under \$500,000:
 - Largest increase is in revenue from federal funding (37 per cent).
 - Largest decrease is in revenue from corporations and/or businesses (26 per cent).
- \$500,000-\$3,000,000:
 - Largest increase in revenue from earned income (24 per cent).
 - Largest decrease is in revenue from individual donations (38 per cent).
- Over \$3,000,000:
 - Largest increase is in revenue from provincial funding (33 per cent).
 - Largest decrease is in revenue from individual donations (29 per cent).
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Organizations with larger budgets more likely to have provincial government funding.

Seventy nine per cent of organizations with operating budgets over \$3,000,000 reported receiving funding from the provincial government. This is much greater than either nonprofits with operating budgets Under \$500,000 (30 per cent) or organizations with operating budgets between \$500,000 to \$3,000,000 (57 per cent).

The Ministry of Children, Community & Social Services provides most of the provincial funding for both organizations with operating budgets over \$3,000,000 (60 per cent) and organizations with operating budgets between \$500,000 to \$3,000,000 (35 per cent). Organizations with operating budgets under \$500,000 reported receiving most of their provincial funding (30 per cent) from the Ministry of Tourism, Culture & Sport.

The top issue with provincial transfer payments also varies between the three budget categories:

- Under \$500,000:
 - Short term and/or project based funding (35 per cent).
- \$500,000-\$3,000,000:
 - Less than 15 per cent for administrative costs (41 per cent).
- Over \$3,000,000:
 - Restrictions on carrying forward money year over year (60 per cent).

Organizations with annual operating budgets under \$500,000 are financially vulnerable.

Thirty six per cent of nonprofits with operating budgets under \$500,000 reported not having reserve funds. This contrasts significantly with nonprofits with operating budgets between \$500,000 to \$3,000,000 (nine per cent) and organizations with operating budgets over \$3,000,000 (seven per cent).

Similar percentages of nonprofits with operating budgets under \$500,000 and nonprofits with operating budgets between \$500,000 and \$3,000,000 stated that they would be able to sustain their organizations for the next seven to 12 months (22 and 23 per cent respectively) compared to 13 per cent of nonprofits with operating budgets over \$3,000,000.

Sixty two per cent of organizations with operating budgets under \$500,000 believed that their organization faces a medium to high risk of not existing in the next three years. This is significantly higher than the percentages for nonprofits with operating budgets between \$500,000 to \$3,000,000 (44 per cent) or nonprofits with operating budgets over \$3,000,000 (30 per cent).

The top five challenges for nonprofits with operating budgets under \$500,000 include:

- Having specific needs for additional staff but no resources to hire (62 per cent).
- Being not well-known to funders or donors outside the immediate community served (54 per cent).
- Relying on part-time staff or consultants (42 per cent).
- Lack of resources for investments in tech systems (41 per cent).
- Sustained project funding but not operations funding (40 per cent).



"There is a significant lack of OPERATIONAL funding available, making it hard to budget/plan/organize adequately in advance. And to hire any employees, which is sorely needed."

Property and/or land ownership and use varies greatly between the budget categories.

Property and/or land ownership increases as operating budget increases: 16 per cent for organizations with operating budgets under \$500,000, 24 per cent for organizations with operating budgets between \$500,000 to \$3,000,000, and 52 per cent for organizations with operating budgets over \$3,000,000.

Both nonprofits with operating budgets under \$500,000 and nonprofits with operating budgets between \$500,000 to \$3,000,000 lease at nominal/subsidized rates (44 per cent and 17 per cent respectively). The data on leasing at market rates contrasts greatly between the budget categories: 51 per cent for nonprofits with operating budgets under \$500,000, 35 per cent for nonprofits with operating budgets between \$500,000 and \$3,000,000, and 48 per cent with operating budgets over \$3,000,000.

About half of all survey respondents, regardless of budget categories, did not have any issues with their current space. The biggest issue reported across budget categories was that their current space does not meet current needs: 30 per cent for nonprofits with operating budgets under \$500,000, 33 per cent for nonprofits with operating budgets between \$500,000 to \$3,000,000, and 36 per cent for nonprofits with operating budgets over \$3,000,000.

Both nonprofits with operating budgets under \$500,000 (17 per cent) and nonprofits with operating budgets between \$500,000 and \$3,000,000 (14 per cent) reported wanting to own space but are facing barriers.

Organizations with larger budgets have greater challenges with paid staff recruitment and/or retention.

As budget size increased, more organizations appeared to have challenges with paid staff recruitment and/or retention.

Compared to the overall provincial average (63 per cent), organizations with operating budgets under \$500,000 and those with operating budgets between \$500,000 and \$3,000,000 reported lower percentages of issues with recruitment and retention (49 per cent and 56 per cent respectively), while nonprofits with operating budgets over \$3,000,000 report a significantly higher percentage (85 per cent for nonprofits). More organizations with operating budgets over \$3,000,000 reported job vacancies as well, often between one and five per cent.

Across the budget categories, wage disparity was cited as a major issues for staff recruitment and retention (60 per cent for nonprofits with operating budgets under \$500,000, 64 per cent for nonprofits with operating budgets between \$500,000 and \$3,000,000, and 72 per cent for nonprofits with operating budgets over \$3,000,000). While the reasons why team members left organizations were the same, the percentages varied greatly across the budget categories:

- Working at another nonprofit for the same/similar role:
 - Under \$500,000: 19 per cent
 - \$500,000 to \$3,000,000: 32 per cent
 - Over \$3,000,000: 55 per cent.
- Working in the public sector for the same/similar job:
 - Under \$500,000: 19 per cent
 - \$500,000 to \$3,000,000: 29 per cent
 - Over \$3,000,000: 47 per cent.
- Changed careers:
 - Under \$500,000: 19 per cent
 - \$500,000 to \$3,000,000: 22 per cent
 - Over \$3,000,000: 36 per cent.



"We are doing okay because we are a large organization with strong relationships with key partners and funders. We are challenged with retention because we are a not for profit and lose staff to hospitals/the city and or government because the salaries are higher. If there is no increase to our base budgets we will be in a position down the road whereby we will be looking at having to lay people off or not fill vacancies."

All three budget categories reported combining roles to help fill in staffing gaps and use external consultants. The likelihood that volunteers would be used to fill in staffing gaps increased with budget size: 71 per cent for nonprofits with operating budgets under \$500,000, 43 per cent for nonprofits with operating budgets between \$500,000 to \$3,000,000, and 21 per cent for nonprofits over \$3,000,000. Only nonprofits with operating budgets over \$3,000,000 use temporary staffing agencies (36 per cent) as one of their top three strategies.

While staff recruitment and retention strategies were the same (with varying percentages) for organizations with operating budgets under \$500,000 and nonprofits with operating budgets between \$500,000 to \$3,000,000, organizations with operating budgets above \$3,000,000 also offered mental health support as one of their top three strategies:

- Under \$500,000:
 - Flexible working hours (59 per cent)
 - Remote work options (51 per cent)
 - Raised salary (37 per cent).
- \$500,000 to \$3,000,000:
 - Flexible working hours (64 per cent)
 - Remote work options (61 per cent)
 - Raised salary (61 per cent).
- Over \$3,000,000:
 - Raised salary (68 per cent)
 - Remote work options (60 per cent)
 - Mental health support (58 per cent).

All three budget categories reported skills shortage in fundraising and IT/Tech. The third most reported skills shortage varied between all three categories:

- Grant writing (36 per cent) for organizations with operating budgets under \$500,000
- Human Resources (34 per cent) for nonprofits with operating budgets between \$500,000 to \$3,000,000
- Communications (27 per cent) for organizations with operating budgets above \$3,000,000.

WITH SOME EXCEPTIONS, NONPROFITS ACROSS BUDGET CATEGORIES SHARE SEVERAL SIMILARITIES.

Regardless of budget category, all nonprofits experienced an increase in demand.

Seventy seven per cent of nonprofits with operating budgets under \$500,000, and 87 per cent for both nonprofits with operating budgets between \$500,000 to \$3,000,000 and operating budgets over \$3,000,000 experienced an increase in demand for their programs and services.

About half of the nonprofits across budget categories respectively are “somewhat” meeting the need for demand, the capacity to meet demand increasing as budget size increases: 54 per cent for nonprofits with operating budgets under \$500,000, 53 per cent for nonprofits with operating budgets between \$500,000 and \$3,000,000, and 61 per cent for nonprofits with operating budgets over \$3,000,000.

Across all budget categories most nonprofits reported an increase in expenses.

Eighty to ninety per cent of nonprofit respondents across budget categories reported that they experienced an increase in expenses.

While there was consistency around increased general administration, and program, services, and activities expenses between the budget categories, there was variance between the budget categories on salary and benefits. The percentage of nonprofits that reported increasing salary and benefits increased with budget size. Ninety-two per cent of organizations with operating budgets over \$3,000,000 and 84 per cent of organizations with operating budgets between \$500,000 to \$3,000,000 reported increases in salaries and benefits compared to 51 per cent of nonprofit organizations with operating budgets of under \$500,000.

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“We are not thriving. We are hanging on by the skin of our teeth. Trying to keep our small community museum open and running on a shoe string budget because all of our funding from government and municipal sources has either stayed stagnant or decreased while our expenses continue to increase year over year.”

The top three expenses that have increased per category:

- Under \$500,000:
 - General administration costs (62 per cent)
 - Programs, services, activities (61 per cent)
 - Professional fees (55 per cent).
- \$500,000 to \$3,000,000:
 - Salaries and benefits (84 per cent)
 - General admin (70 per cent)
 - Programs, services, activities (68 per cent).
- Over \$3,000,000:
 - Salaries and benefits (92 per cent)
 - General admin (77 per cent)
 - Programs, services, activities (74 per cent).

Regardless of budget size, half or more report no receiving a foundation grant last year or stagnant foundation funding compared to previous years.

While more than half of the respondents stated that they have received a significant public and/or private foundation grant in their organization's history, more organizations with larger budgets reported receiving foundation funding: 52 per cent for nonprofits with operating budgets under \$500,000, 60 per cent for nonprofits with operating budgets between \$500,000 and \$3,000,000, and 59 per cent for nonprofits with operating budgets over \$3,000,000

Across the budget categories, about half of the respondents reported that they are not receiving more public and/or private foundation grants than they have in previous years. More organizations with smaller budgets report this. 56 per cent for nonprofits with operating budgets under \$500,000, 52 per cent for nonprofits with operating budgets between \$500,000 and \$3,000,000, and 42 per cent for nonprofits with operating budgets over \$3,000,000

Almost half of the respondents reported that they have not received a significant public and/or private foundation grant in the 2023-2024 fiscal year. More nonprofits with operating budgets under \$500,000 and between \$500,000 and \$3 million reported not receiving public and/or private foundation money in the last year (52 per cent and 45 per cent respectively) compared to those with operating budgets over \$3 million (40 per cent).

As the operating budget size of organizations increases, the less likely they are to report volunteer recruitment and retention issues.

Half of nonprofits with operating budgets under \$500,000 and with operating budgets between \$500,000 and \$3,000,000, respectively, experienced challenges related to volunteer recruitment and retention, compared to 36 per cent of nonprofits with operating budgets over \$3,000,000.

Challenges around recruiting new volunteers, reported as the top issue across budget categories, increased with budget size: 70 per cent for nonprofits with operating budgets under \$500,000, 78 per cent for nonprofits with operating budgets between \$500,000 and \$3,000,000, and 83 per cent for nonprofits with operating budgets over \$3,000,000.



"We need more opportunities for unrestricted funding so we can pay for our operational costs. We are using too much of our donation dollars on operational costs, so we can't provide as many services as we should."

The impact of staffing and/or volunteer challenges on small organizations is most pronounced but there are consequences for all nonprofits, regardless of budget size.

The percentages of nonprofits that reported having to scale back their programs or services decreased as budget size increases: 60 per cent for organizations with operating budgets under \$500,000, 56 per cent for nonprofits with operating budgets between \$500,000 to \$3,000,000, and 46 per cent for organizations with operating budgets above \$3,000,000.

The percentages of nonprofits that report increased waitlist decreased with budget size: 53 per cent for organizations with operating budgets above \$3,000,000; 32 per cent for nonprofits with operating budgets between \$500,000 to \$3,000,000 and 22 per cent for organizations with operating budgets under \$500,000.

The general perception across the budget categories is that the state of the nonprofit sector is unhealthy in Ontario increases with budget size.

Fifty seven per cent for organizations with operating budgets under \$500,000, 64 per cent for nonprofits with operating budgets between \$500,000 to \$3,000,000, and 67 per cent for organizations with operating budgets above \$3,000,000 reported the nonprofit sector is unhealthy in Ontario.

There is no major difference in the percentages of nonprofits that feel that their local nonprofit sector is unhealthy by budget size: 57 per cent for organizations with operating budgets under \$500,000, 58 per cent for nonprofits with operating budgets between \$500,000 to \$3,000,000, and 60 per cent for organizations with operating budgets above \$3,000,000.

THE DATA TELLS A STORY

Ontario's nonprofit sector faces similar challenges regardless of an organization's operating budget. All the respondents shared that they struggled with meeting demand, paying increased expenses, and recruiting and/or retaining volunteers. These challenges impacted their capacity to provide programs and services and likely contributed to their outlook on the sector's health.

However, each budget category also had its own unique challenges, especially nonprofits with operating budgets under \$500,000. Their financial vulnerability offers them less options on how they utilize their funding on staff recruitment and retention strategies, property/land ownership and use, and securing their future.

Additional Resources

- [Statistics Canada Canadian Survey on Business Conditions, first quarter 2025](#)
- [Charity Insights Canada Project](#)