

2026 Ontario Pre-Budget Submission

Partnering with provincial nonprofits to Protect Ontario

Nonprofits are always here for us

Think about all the places Ontarians depend on in their neighbourhoods; many of those places are nonprofits - child care centres, community centres, museums, food banks, organizations providing peer mental health supports, and more.

Nonprofits are a big part of why families and small businesses choose to be part of Ontario's communities. Whether it's the trade war or the everyday care Ontarians need, the nonprofit sector is the first to know and respond. We deliver essential programs effectively that sustain the quality of life for millions of hardworking Ontarians and their families.

Nonprofits are essential to economic policy

We are a powerful economic driver, creating jobs, activating volunteerism, and procuring goods and services. Nonprofits generate considerable economic impact above and beyond the extensive value of the social, cultural, and environmental programs and services they provide to Ontarians.

The [sector contributes](#) \$65 billion to our province's GDP, employing 844,000 people. Our [workforce reflects Ontario's population](#) in its diversity. With \$1.00 of investment, nonprofits generate up to \$2.18 in GDP impact. This magnitude is equivalent to many other industries in Ontario, such as manufacturing and automotive.¹

Nonprofits are a ready ally to government, working alongside communities

Protecting Ontario is not only the provincial government's job. Team Ontario includes 58,000 nonprofits and charities that operate for the public benefit in all corners of our province. We are your first line of protection for communities, especially in times of emergencies when fast and effective mobilization is needed.

During these uncertain times, we bring together the expertise of millions of volunteers and employees, strong social capital, and financial leverage to develop and deliver innovative solutions for the public good, while contributing to the province's prosperity. Nonprofits are

¹ Elizabeth Dhuey. "The Economics of the Nonprofit Sector in Ontario." 2022.

accountable to local communities, have higher levels of transparency, and reinvest profits back into their missions, ensuring taxpayer money is used effectively.

Now is the time to better leverage nonprofits' expertise, local infrastructure, and community-centred missions to protect and build an Ontario that works for everyone.

The domino effect of under-resourcing Ontario's social infrastructure

As we look at our neighbourhoods, we can see how major changes taking place around the world are being felt here at home. Ontarians are worried and struggling to meet their basic needs. The widening gap between [income supports and cost of living](#) is resulting in a domino effect of untenable demand for nonprofit programs and services, and on Ontario's tertiary systems such as transit, schools, hospitals, the justice system, and unlikely places such as libraries and small businesses.

[ONN's State of Ontario's Nonprofit Sector](#) 5-year analysis reveals:

- Year-over-year nonprofits have experienced an increase in demand for their programs and services. In 2025, 85 per cent of nonprofits experienced an increase in demand.
- Capacity to meet demand remains low. Over the past three years, only 20 per cent of nonprofits fully met the demand for their critical services and supports.
- Since 2023, over half of nonprofits report their revenues are stagnant or declining.
- As a result and coupled with the sector's ongoing human resources and volunteer crisis, nonprofit programs and services are shrinking. In 2025, 62 per cent of nonprofits report scaling back programs and services, 47 per cent report increased waitlists, and 17 per cent report shutdowns.

A better supported nonprofit sector means less pressure on tertiary systems, high-quality and accessible programs and services for all, better social cohesion, and ultimately better supported Ontarians. We all understand that vibrant, healthy, supported communities make good economic sense. And vibrant, healthy, supported communities are only possible with a strong and sustainable nonprofit sector.

ONN recommendations for Budget 2026 to bolster nonprofits

Budget 2026 comes at a pivotal time for the province, given the competing demands for investment during a period of restraint. The nonprofit sector faces an equally challenging landscape: shorter times between crises, an uncertain economy, the rapid evolution of AI, polarization, and a required focus on financial sustainability.

ONN's Budget 2026 recommendations take into account the landscape of continued restraint while pointing to opportunities for alignment between the Ontario government's public policy agenda and the well-being of Ontarians. This is a time for responding to a rapidly-changing environment with informed risk-taking and investment in the long-term health of our communities.

Recommendation 1: Create a home in government for the nonprofit sector, to effectively work with Ontario's 58,000 nonprofits and charities.

Issue: Currently no level of government has the mandate to ensure the well-being of Ontario's nonprofit sector. Nonprofits do not have a direct line of communication with the Ontario government to surface and address the unique issues and opportunities facing the entire sector. While individual organizations have relationships with their line ministries, it is not in the mandate of central agencies or the premier's office to highlight what is happening with the nonprofit sector, why it's important, and how to respond. Instead, responsibilities for nonprofits are relegated to funding relationships and are fragmented across various provincial ministries and departments. This creates inefficiencies, administrative burdens, and missed opportunities for solutions to collective problems for both the government and nonprofits. While each level of government has a role to play in creating an enabling environment for nonprofits to thrive in, it falls on the provincial government to provide leadership as the primary legislator and regulator.

Solution: Associate Minister-level appointment within the Ministry of Economic Development, Job Creation and Trade supported by a Deputy or Assistant Deputy Minister in an Office representing nonprofits, charities, and social innovation to efficiently work with Ontario's 58,000 nonprofits and charities. Learn more about the mechanism [here](#).

How could this be implemented? The proposal can be considered during the next cabinet shuffle.

What investment is required? Investment in a minister-level appointment and a supporting public service office is required.

Recommendation 2: Kick-start Nonprofit Housing Acquisition to protect affordable rental housing stock.

Issue: Underpinning Ontario's housing affordability crisis is the fact that individuals and families earning \$58,300 or less cannot afford to rent or own any type of housing. Despite the

rising demand for affordable rental housing in Ontario, the province's affordable rental housing stock is being lost to demolition and conversions into expensive condominiums faster than new affordable options can be built or retained. While there is clearly a need to increase the overall supply of quality and affordable housing, preserving existing affordable units is one of the fastest and most impactful ways to address Ontario's housing affordability crisis, especially as housing starts stall due to construction costs. Many nonprofits are already doing this by acquiring housing from the private sector and turning it into [non-market housing](#). However, nonprofits need access to adequate, timely, and reliable sources of capital in order to do this more effectively, rapidly, and on a larger scale.

Solution: Develop an Ontario Nonprofit Housing Acquisition Fund in the form of revolving loans to quickly increase deeply affordable housing stock while protecting existing affordability in perpetuity.

How could this be implemented? The proposal can be considered for the Building Ontario Fund. Learn more about the proposed program [here](#).

What investment is required? A total investment of [\\$7.9 billion](#) over two years is needed. An initial investment of \$2 billion in low interest loans over two years can be a step towards that.

Recommendation 3: Set up a community resiliency fund for nonprofits in regions most impacted by U.S. tariffs and resulting economic uncertainty.

Issue: The nonprofit sector operates counter-cyclically to the business sector. Nonprofits' workload drastically increases as varying degrees of the worst-case scenarios for communities begin to take shape. The COVID-19 pandemic, during and after the destructive forest fires in Fort McMurray and Jasper, and storm floods in British Columbia and Nova Scotia are all examples of when the nonprofit sector stepped up and government put in additional funds so nonprofit-driven services like food banks, temporary accommodations, innovative programming, and more could respond to increased community needs. In today's context, geographic regions with [workforces more exposed to the U.S. tariffs](#) – Sudbury, Oxford County, Sault Ste. Marie, Hamilton, and Windsor, for example – are where nonprofits will first see an increase in demand for both existing programs and services and new responsive ones.

Solution: Set up a community resiliency fund for nonprofits in regions most impacted by U.S. tariffs and resulting economic uncertainty to offer additional programs and supports for Ontarians.

How could this be implemented? The fund can be resourced by selling U.S. alcohol that is currently in storage. It can be disseminated quickly in targeted areas either through the existing infrastructure of local Community Foundations, United Ways, or Transfer Payment Ontario. The Ontario government can also create a nonprofit advisory table to inform Cabinet on fund development and dissemination.

What investment is required? An investment of \$200 million to provide 20 targeted regions with \$20 million in responsive funds is required.

Conclusion

It is essential and urgent that the province makes the investments needed to shore up our vibrant nonprofit sector, so every Ontarian can access the critical programs and services they need, now and in the future. We look forward to Protecting Ontario together.

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About ONN

ONN is an independent nonprofit network for the 58,000 nonprofits and charities in Ontario, focused on policy, advocacy, and services to strengthen the sector as a key pillar of our society and economy. We work to create a public policy environment that allows nonprofits to thrive. We engage our network of diverse nonprofit organizations to work together on issues affecting the sector and channel the voices of our network to governments, funders, and other stakeholders.