



*The Nonprofit and Voluntary
Sector in Atlantic Canada*

REGIONAL HIGHLIGHTS OF THE NATIONAL SURVEY OF
NONPROFIT AND VOLUNTARY ORGANIZATIONS

AUTHOR:

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The Nonprofit and Voluntary Sector in Atlantic Canada:

Regional Highlights from the National Survey of Nonprofit and Voluntary Organizations

By

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Executive Summary

The National Survey of Nonprofit and Voluntary Organizations (NSNVO) conducted in 2003 is the first comprehensive study of nonprofit and voluntary organizations in Canada. In this survey, nonprofit and voluntary organizations are defined as organizations which are incorporated or are registered charities. Across Canada an estimated 161,000 such organizations have been identified that collectively form a distinct sector of society which has incredible reach into thousands of communities and mobilizes huge financial and human resources directed at maintaining and improving our quality of life. NSNVO has produced a wealth of information about the make-up of the sector, including its size and scope, economic presence, legal framework, range of activities and engagement of people.

Nonprofit and voluntary organizations deliver services, identify emerging needs, raise and distribute funds, promote volunteerism, encourage citizen engagement and influence policy initiatives. They touch every aspect of our lives from arts and cultural activities to health and social services. They include professional associations, law, advocacy and political organizations, fraternal bodies, sports, recreation, environment, health, faith, housing, community development, multicultural, heritage, youth and seniors organizations, food banks, and trade associations. Because many hospitals, universities and colleges are registered charities, they too have been included in the study. The majority of all organizations in Atlantic Canada fall into three sub-sectors or areas of activity: Religion (27%), Sports and Recreation (18%), and Social Services (12%).

This report, one of a series of regional reports, profiles the Atlantic region. Close to 13,000 incorporated organizations and registered charities operated in the four Atlantic Provinces in 2003, creating a powerful social and economic force with combined annual revenues of \$5.7 billion. The majority (62%) worked at a neighbourhood or local community level or within a single region of a province (19%) and primarily served the general public. These organizations provide a powerful vehicle for citizen engagement.

Collectively they employed almost 106,000 people (who worked 165,013,213 hours), supported 1,026,515 volunteer positions¹ (who contributed 127 million unpaid hours) and reported 4.9 million people as members² in 2003. The region, which has 7.4% of the country's population, accounts for 8% of organizations, 5% of volunteer positions and 5% of employees associated with the sector across the country.

NSNVO tells a story about a sector with wide extremes. In the Atlantic region almost half of all organizations are small and lightly resourced, with 46% reporting annual

¹ These are not 1,026,515 unique individuals, as many people volunteer for more than one organization.

² Many people are members of multiple organizations.

revenues of less than \$30,000, accounting for only 1% of the total revenues, 3% of employees and 16% of volunteer positions. At the other extreme are 4% of all organizations with annual revenues in excess of \$1,000,000, which generate 72% of total revenue, have 61% of all employees and 18% of all volunteer positions.

Fifty-two percent of Atlantic organizations have paid staff, 22% of whom were in the Hospital, University and College sub-sector with the remaining 78% spread across other activity areas. One-third of organizations had only one to four employees and a mere 9% reported 10 or more paid positions. Paid employees (84%) are concentrated in mid- to large-size organizations with revenues in excess of \$250,000. The majority of all positions were permanent (60%) and the majority were full-time (65%).

Forty-eight percent of organizations operate exclusively with volunteers. Half of all volunteers are associated with three main activity areas: Religion (23%); Sports and Recreation (15%) and Environment organizations (12%), and almost half of volunteers are concentrated in the 15% of organizations with revenues in excess of \$250,000. Eleven percent of volunteers are reported to serve on boards while 89% are active in a non-board capacity. An especially high rate (82%) of Hospitals, Universities and Colleges in the region report difficulty recruiting volunteers, yet obtaining board members is cited only infrequently (by 19% of Hospitals, Universities and Colleges).

In Atlantic Canada, as in the rest of the country, governments are the single most important source of revenue for nonprofit and voluntary organizations, accounting for 45% of all revenues in the Atlantic region and 49% nationally. Sub-sectors particularly reliant on government funding in the Atlantic region are Health (79%) and Social Services (72%). An almost equal share of total revenue (42%) is derived from earned income. However, these figures are skewed by large institutions such as Hospitals, Universities and Colleges which understandably are heavily reliant on government funds (81%). When these institutions are excluded from the analysis there is much less reliance on government funding, with only 32% of revenues for other sub-sector activity areas coming from this source. Over half of all revenues (53%) for other organizations combined come from earned income, including such sources as fees for goods and services (26%), investments (15%), and memberships (10%). Discounting the influence of Hospitals, Universities and Colleges, only 1% of all revenue flowing to the sector in Atlantic Canada comes from corporate donations.

Even though a significant portion of all revenues comes from government sources, less than one fifth of all organizations receive more than half of their revenue from government sources. A greater percentage of organizations are primarily dependent on earned income (37%) and grants and donations (34%).

While just over half of all organizations in the Atlantic region reported little change in their volunteer and staff levels over the three year period immediately prior to the study, many reported financial, human and organizational capacity problems to some

degree, especially the ability to plan for the future (63%), recruiting the type of volunteers required (57%) and obtaining board members (52%). Organizations reliant on external funding sources reported that reductions in government funding (66%) and unwillingness to fund core operations (61%) posed significant problems.

Quantitative and qualitative data from the NSNVO provide an understanding of how the sector in the Atlantic region stacks up against the rest of the country. A higher proportion of Atlantic organizations are registered charities (64% compared to 56% nationally) and slightly more have paid employees (52% to 46%); the sector in Atlantic Canada receives a smaller share of funds from governments (45% compared to 49%); volunteers on average invest slightly more volunteer hours (124 compared to 122); and there is a higher percentage of volunteers acting in a board capacity (11% compared to 7%), though per capita, board members contribute fewer hours than the Canadian norm (140 compared to 155). Organizations in Atlantic Canada are more likely to serve non-members and the vast majority of organizations do not confer any special benefits on their members. More volunteers in Atlantic Canada are associated with Religion organizations than the national average (23% compared to 11%) and fewer volunteers are represented in Sports and Recreation organizations than the Canadian norm (15% compared to 28%). Environment organizations, representing only 3% of organizations in the region, attract a higher percentage of volunteers than their counterparts on average across the country (12% compared to 4%). Excluding Hospitals, Universities and Colleges, all other organizations combined generate more from earned income than the Canadian norm (53% compared to 43%).

The findings of the NSNVO should give pause to governments and those who take the sector for granted. There is not a never-ending supply of people to give their time freely for public benefit. The survey has highlighted problems in many organizations and sub-sectors regarding changing approaches to funding, reductions in government funding, an unwillingness to fund core activities and the move toward short term project-based funding allocations. The NSNVO serves as a serious warning that changes in policies and practices are necessary if, as a society, we wish to stabilize and re-invigorate the nonprofit and voluntary sector.

Introduction

Nonprofit and voluntary organizations contribute significantly to the quality of life in Canada. They deliver services, identify emerging needs, raise funds, promote new policy initiatives, support social, economic and cultural development, and advocate for common causes in every region of the country. We are well familiar with the work of individual organizations which touch every aspect of society from arts and culture to human rights, environment, sports, recreation, health, faith and social justice. They include social and fraternal bodies, day care centres, multicultural, heritage, youth and seniors organizations, professional associations, hospitals, food banks, and trade associations. Together they form a powerful sector of society; yet we have never really had a comprehensive picture of their combined strength and collective contribution.

The landmark report, *Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations* (NSNVO),³ produced the first-ever profile of the nonprofit, voluntary and charitable sector in Canada. It highlights the role that nonprofit and voluntary organizations play in Canadian life, including the sub-sector activity areas in which they work, the populations they serve, the extent to which they provide public benefits, and their geographic distribution. It records their role as employers, their use of volunteers and the financial resources they command. *Cornerstones of Community* also exposes the challenges these organizations face in carrying out their objectives and meeting public needs.

According to the NSNVO, an estimated 161,000 nonprofit and voluntary organizations operated in Canada in 2003. For the purposes of this study, nonprofit and voluntary organizations⁴ were defined as organizations that meet all the following criteria:

- Non-governmental (i.e., are institutionally separate from governments);
- Non profit-distributing (i.e., do not return any profits generated to their owners or directors);
- Self-governing (i.e., are independent and able to regulate their own activities);
- Voluntary (i.e., benefit to some degree from voluntary contributions of time and money); and,

³ The report, released in September 2004, was funded by the Federal Government's Voluntary Sector Initiative. The objectives of NSNVO were to collect comprehensive information about the scope of the nonprofit sector in Canada, its characteristics and its areas of activity, as well as to improve our understanding of the challenges that organizations may be experiencing with respect to their capacity to achieve their missions.

⁴ Many terms are used to describe the various organizations that are of interest to the NSNVO voluntary, nonprofit, charities, third sector, civil society, and community-based. For the purposes of this study we have chosen the term 'nonprofit and voluntary'.

- Formally incorporated or registered under specific legislation with provincial, territorial or federal governments.⁵

Hospitals, Universities and Colleges are typically registered charities. Accordingly, information from these institutions was included in the survey. A small number of cooperatives are also included in the study.⁶ Because NSNVO reported only on formally registered or incorporated organizations, information was not captured from many thousands of informal, grassroots and citizens groups.⁷

This report, one of five in a series of regional studies, provides data for the Atlantic region and highlights similarities and differences with Canada as a whole and with other regions. It examines nonprofit and voluntary organizations in the four Atlantic Provinces combined (Prince Edward Island, Newfoundland and Labrador, New Brunswick and Nova Scotia). The size of the survey sample does not permit separate analysis of all data in each of the four Provinces. Nor can distinctions be made between urban and rural areas.⁸

⁵ These criteria have been adapted from the International Classification of Non-profit Organizations (see Salamon, L. M. & Anheier, H. K. (1997). *Defining the Nonprofit Sector: A cross national analysis*. New York: Manchester University Press.)

⁶ Quarter, J. (1993). *Canada's social economy, co-operatives, nonprofits and other community enterprises*. Toronto: James Lorimer Publishing. Notes that some co-operatives - including credit unions and groups that deal with farm marketing and food retailing - do allow members to hold shares in the organization. The mission of these organizations is typically not to maximize profits and, unlike the shares of a business, the shares of such co-operatives do not entitle holders to dividends of any year-end surplus.

⁷ Since these groups are not registered it would be impossible to obtain comprehensive listings of such groups throughout the country.

⁸ The results available from the NSNVO do not enable analysis at an individual community level.

Methodology

NSNVO data were collected by Statistics Canada via personal interviews with 13,000 individuals representing incorporated nonprofit organizations and registered charities⁹ in 2003. The NSNVO defines nonprofit and voluntary organizations as:

- non-governmental (i.e., are institutionally separate from government);
- non-profit distributing (i.e., do not return any profits generated to their owners or directors);
- self-governing (i.e., are independent and able to regulate their own activities);
- voluntary (i.e., they benefit to some degree from voluntary contributions of time or money); and
- formally incorporated or registered under specific legislation¹⁰ with provincial, territorial, or federal governments.

Symbols:

The following symbols have been used in this publication:

* Suppressed to meet the confidentiality requirements of the *Statistics Act*.

E Use with caution.

⁹ Registered charities are organizations that have obtained registered charitable status from the Government of Canada.

¹⁰ The NSNVO excluded grass-roots organizations or citizens' groups that are not formally incorporated or registered with provincial, territorial, or federal governments. It also excluded some registered charities that are considered to be public sector agencies (e.g., school boards, public libraries, and public schools).

Key Characteristics

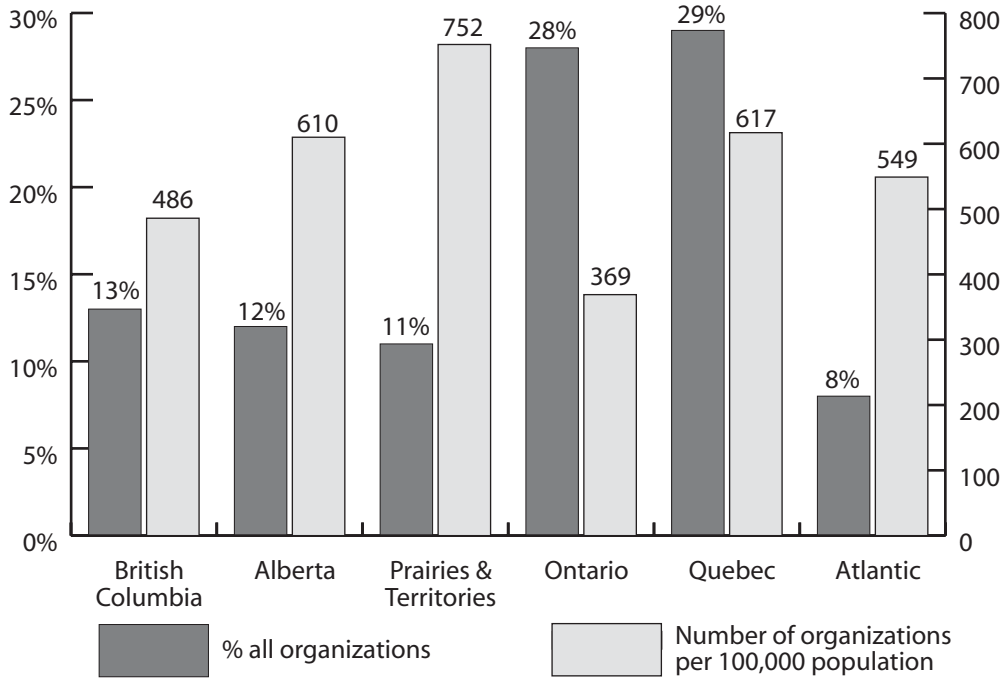
Organizations in the nonprofit and voluntary sector have different characteristics and cover a wide range of interests at local, regional, provincial, national and international levels. How organizations are legally constituted is one significant differentiation. Organizations receive their legal status from the federal, provincial and territorial governments, which prescribe the framework within which organizations must operate. More than half (56%) of the organizations in the NSNVO are registered charities.¹¹ Registered charities often receive preferential treatment from funders such as foundations, which may be restricted to charities in the distribution of their funds. This may make fundraising easier for charities than for other nonprofit and voluntary organizations. However, registered charities also face rigid legal requirements, which prescribe, for example, the level of advocacy in which they may engage. In comparison to Canada as a whole, Atlantic Canada has a substantially greater percent (64% compared to 56%) of registered charities. This is an area where we can track differences among the four Atlantic Provinces, with New Brunswick reporting a 68% registration rate compared to 57% in Newfoundland and Labrador.

The number of organizations in Atlantic Canada

In 2003 approximately 8% (12,882) of the estimated 161,000 incorporated nonprofit and voluntary organizations in Canada were located in the Atlantic region. With just under 8% of the country's population, the region, therefore, has a proportionate share of the total number of Canadian organizations. The region has 549 organizations for every 100,000 people - a slightly higher ratio than for the country as a whole, with 508 organizations per 100,000 people. Ontario has the fewest organizations per capita (369 per 100,000) while the Territories have the highest ratio (825 per 100,000) (Figure 1).

¹¹ Becoming a registered charity is a process administered by the Canada Revenue Agency. Organizations must meet certain well-defined criteria to become a charity. The status brings important regulations to bear and confers to the organization the right to issue official receipts to their donors who may claim income tax credits.

Figure 1: Percentage of organizations and number of organizations per 100,000 population by region



The ratio of organizations to population also varies across the four Atlantic Provinces. The reason for these variations is unclear but may relate to different service delivery patterns, to differences in incorporation practices, or simply to the density of population and community size. In PEI there is roughly one organization for every 146 people, whereas in Newfoundland and Labrador there is one organization for every 234 people. It is not evident that these variations produce any real difference in the level or quality of activity in the sector (Table 1).

Table 1: Highlights of information by province

Province	Number of organizations	Percentage registered as charities	Population in survey year 2003	Percent of Canadian population	Percent of total organizations in Canada	Number of organizations to 100,000 population	Number of people per organization
New Brunswick	3,890	68%	750,100	2.4%	2%	519	193
Prince Edward Island	943	59%	138,100	0.4%	1%	683	146
Nova Scotia	5,829	65%	936,900	2.9%	4%	622	161
Newfoundland and Labrador	2,219	57%	519,900	1.6%	1%	427	234
Atlantic Region	12,882	64%	2,345,000	7.4%	8%	549	182
Canada	161,227	56%	31,752,800	100%	100%	508	197

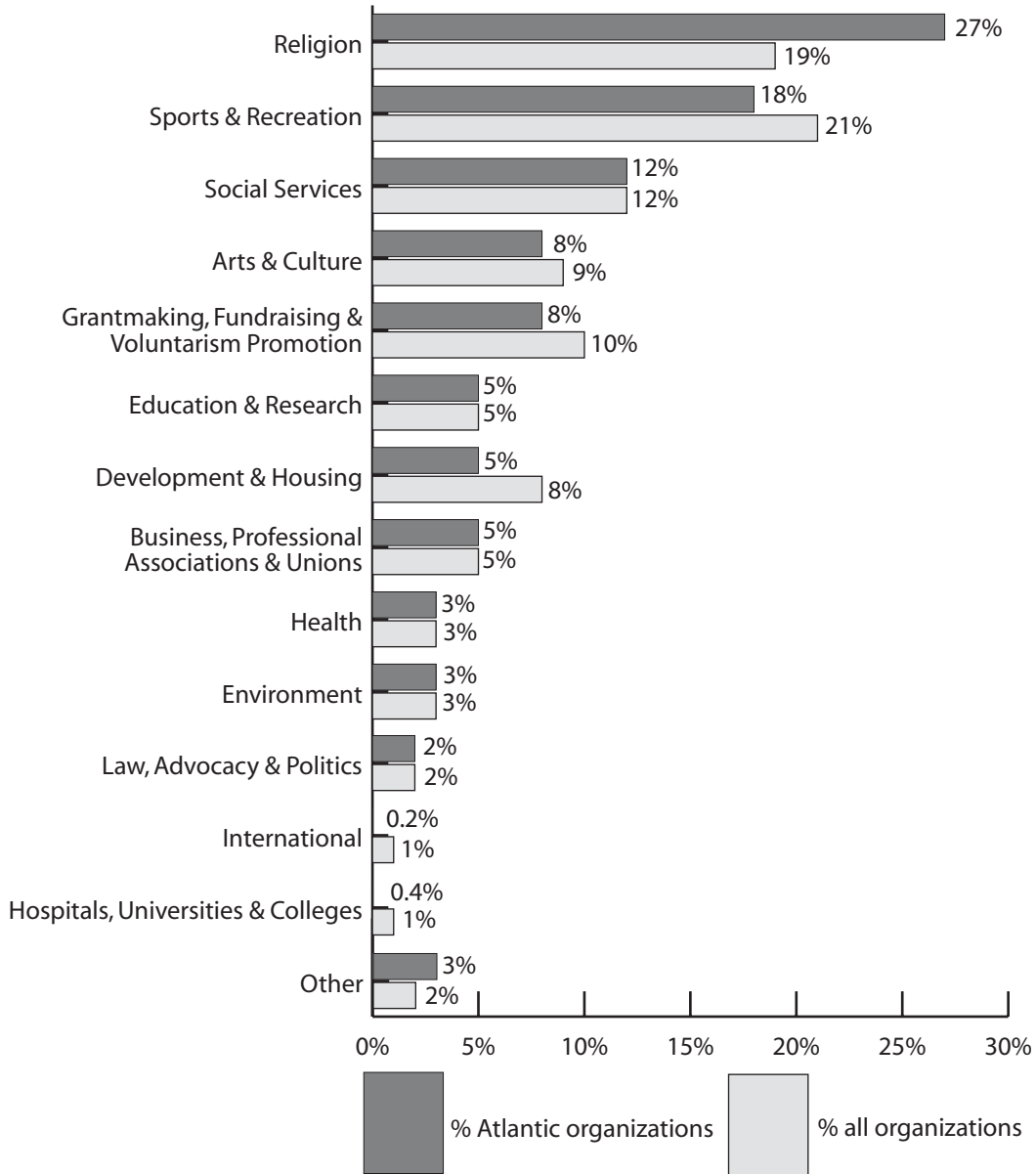
What organizations do

Nonprofit and voluntary organizations are involved in a diverse and impressive array of social, health, fraternal, cultural, environmental, religious and economic activities. In this report, organizations are classified into 15 different categories¹² (sub-sectors), as determined by their primary area of activity. The major areas of activity in Atlantic Canada are Religion, which comprises 27% of organizations, and Sports and Recreation, comprising 18% of all organizations. These figures differ from the Canadian average, where Religion encompasses 19%, and Sports and Recreation 21%, of organizations. Generally, there is similarity overall with Canadian averages in the percentage of organizations in each activity area. However, there are some interesting distinctions between regions of the country. In Quebec for instance, only 11% of organizations fall into the Religion category, while 26% are Sports and Recreation related. The Atlantic region, along with British Columbia, has the lowest percentage of organizations in the

¹² The NSNVO employed the International Classification of Non-profit Organizations (ICNPO) to group organizations according to primary areas of activity. This typology was developed by L.M. Salamon and H.K. Anheier. See Salamon, L. M. & Anheier, H. K. (1997). *Defining the Nonprofit Sector: A cross-national analysis*. New York: Manchester University Press. The ICNPO has been modified for use in Canada and is divided into 15 broad categories or sub-sectors with 71 sub-categories. For the purpose of this report, Hospitals, Universities and Colleges have been combined into one category.

Grantmaking, Fundraising, and Promoting Volunteerism activity area (8% compared to Ontario, for example, at 12%) (Figure 2).

Figure 2: Percentage of organizations by primary activity area



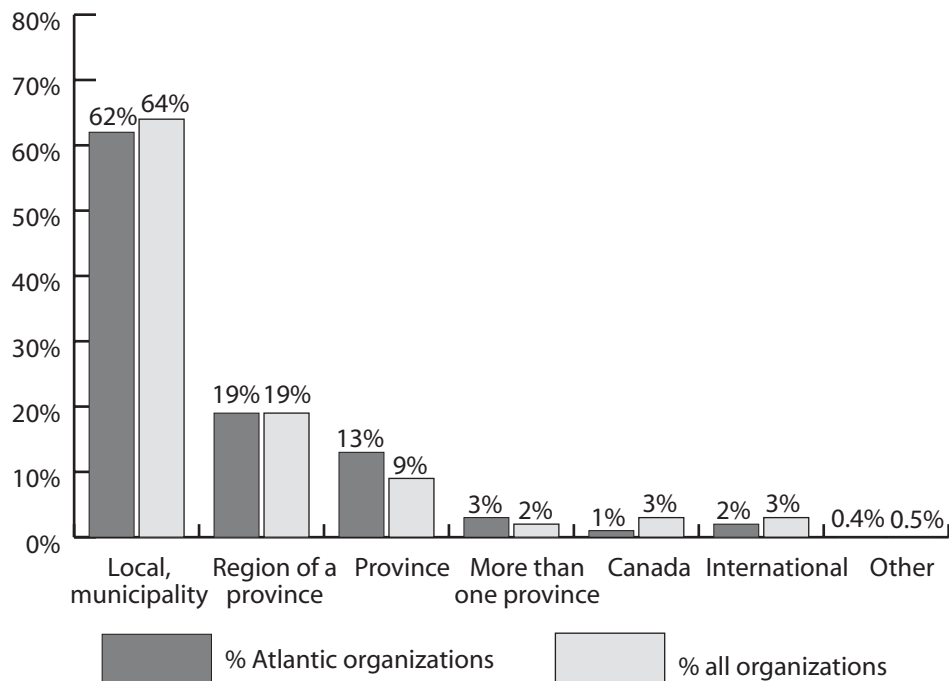
Who organizations serve

One way of understanding the nature and scope of who is served by nonprofit and voluntary organizations is to look at the reach of their provision of services. This analysis includes their spatial outreach, the populations they serve, the size of their membership base, the primary beneficiaries of services, and the special benefits members may receive.

Geographic reach

The efforts of most of organizations throughout the country are confined to a specific geographic area. In Atlantic Canada, 62% of all organizations work within their own neighbourhood, city, town or rural municipality, with 19% serving a single region of a province. This is almost identical to the country as a whole where 64% focus at a local level and 19% on a region of a province. However, in the Atlantic region, the percentage of organizations that reports serving an entire province is higher than the Canadian average (13% compared to 9%). Perhaps this is because of the region's fairly small population base, and the relatively small geographic area of the three Maritime Provinces, which makes serving a province more manageable. Only small percentages of organizations define themselves as national (1%) or international (2%) (Figure 3).

Figure 3: Main geographic areas served

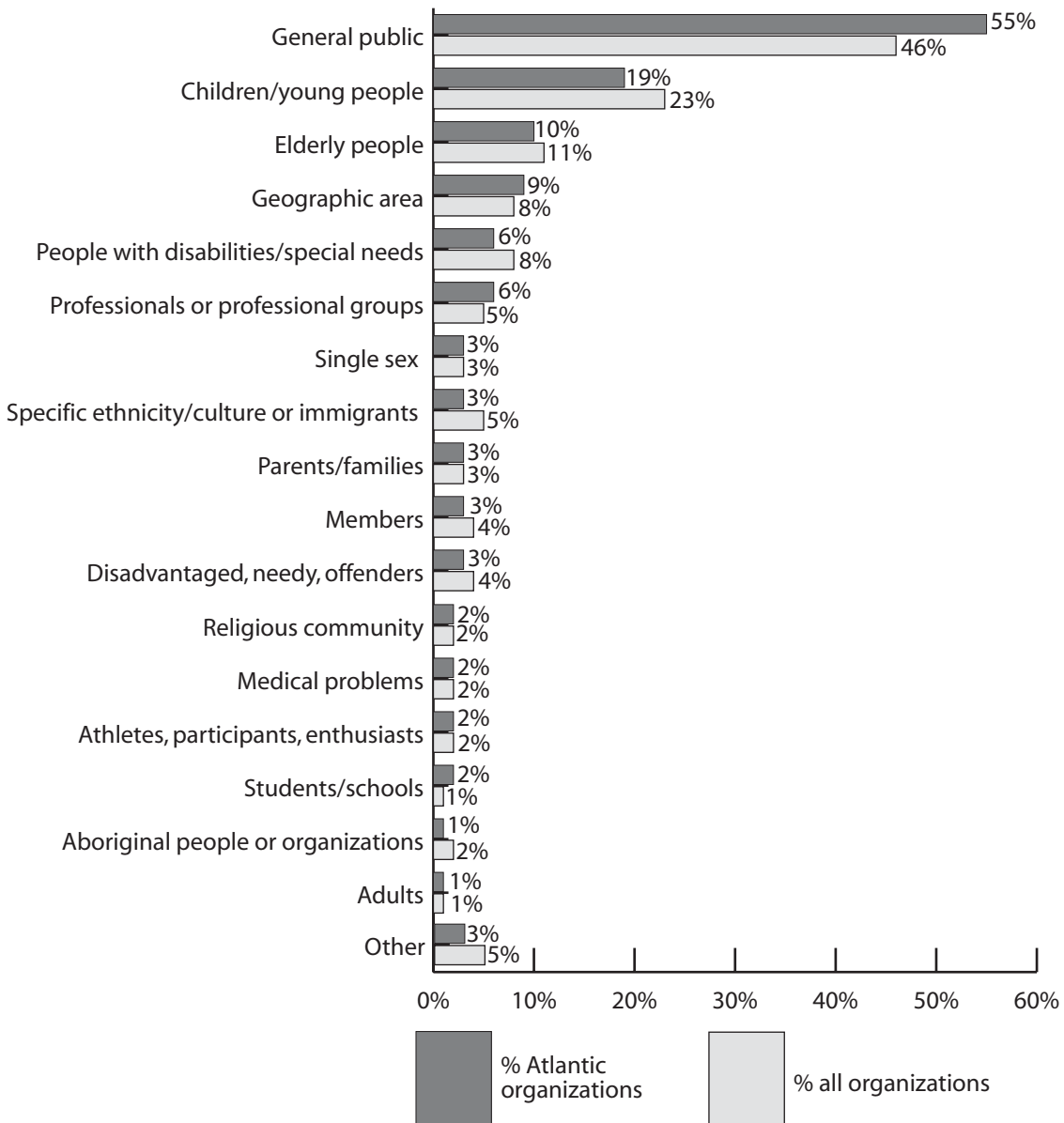


Populations served

Organizations serve people, and to a lesser extent, other organizations. In the Atlantic region, compared to the country as whole, organizations tend to provide services or products directly to people, and serve the general public rather than specific target groups. This may indicate a somewhat different approach to service delivery.

Alternatively, it could be a necessity of efficiency of scale due to a smaller population base in communities where the vast majority of organizations are located. Among those organizations that serve people directly and focus on a specific population, children and young people receive the greatest attention (19%), slightly lower than the Canadian average of 23%. Ten percent of organizations in the region serve the elderly (Figure 4).

Figure 4: Population served



The role of membership

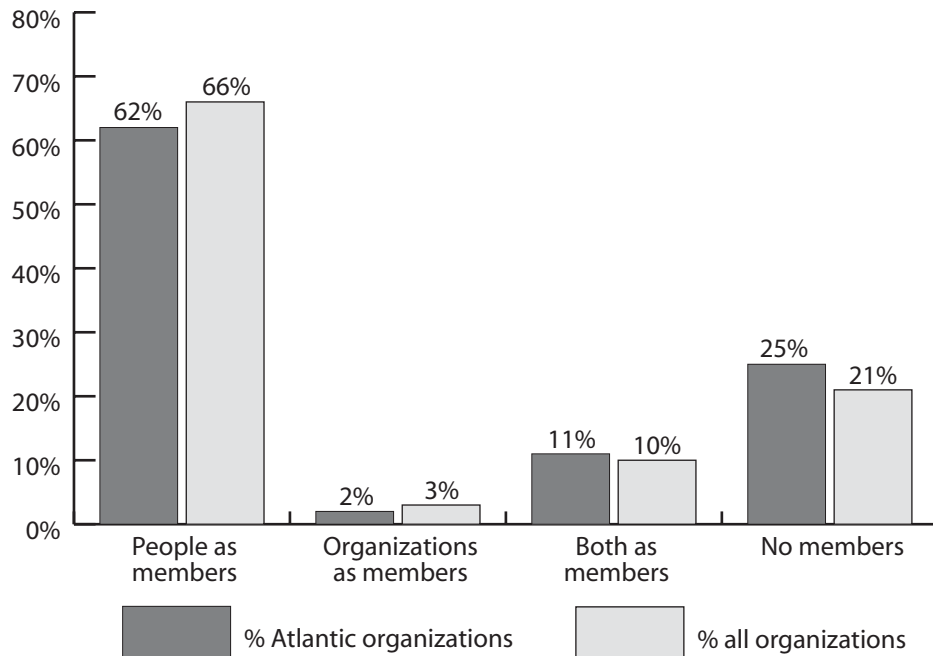
The survey also explored the role of both individual and organizational memberships. In Atlantic Canada, 62% (7,953 organizations) have people as members. This is lower than anywhere else in the country. For example, 72% of organizations in both British Columbia and Alberta have people as members. One quarter of organizations in the Atlantic region report having no members, and 11% accept both individual and organizational members. Collectively in the region, organizations with individual members report nearly 4.9 million members.¹³ Because this figure is more than double the total population (2,345,000) it is obvious that many people belong to more than one organization, thereby signifying their willingness to support the activities of numerous nonprofit and voluntary organizations.¹⁴

The percentage of organizations in the Atlantic region reporting no members at all (25%) is the highest of any region in the country. Nationally, 21% of organizations report having no members. The two western regions, Alberta and British Columbia, report only 15% and 14% without members. This implies that many Atlantic organizations may not consider membership per se to be a matter of priority. The figure is nevertheless surprising because it suggests that, in at least one quarter of the organizations, the directors of the board are not designated as members of their organizations (Figure 5).

¹³ Respondents were asked to estimate the number of members. No definition of membership or what constitutes membership was provided.

¹⁴ Taking the number of members in relation to the number of organizations with members, we can calculate that these organizations have, on average, 522 members. Using the same formula, we can establish that this is lower than the Canadian average that is roughly 1,132 per organization.

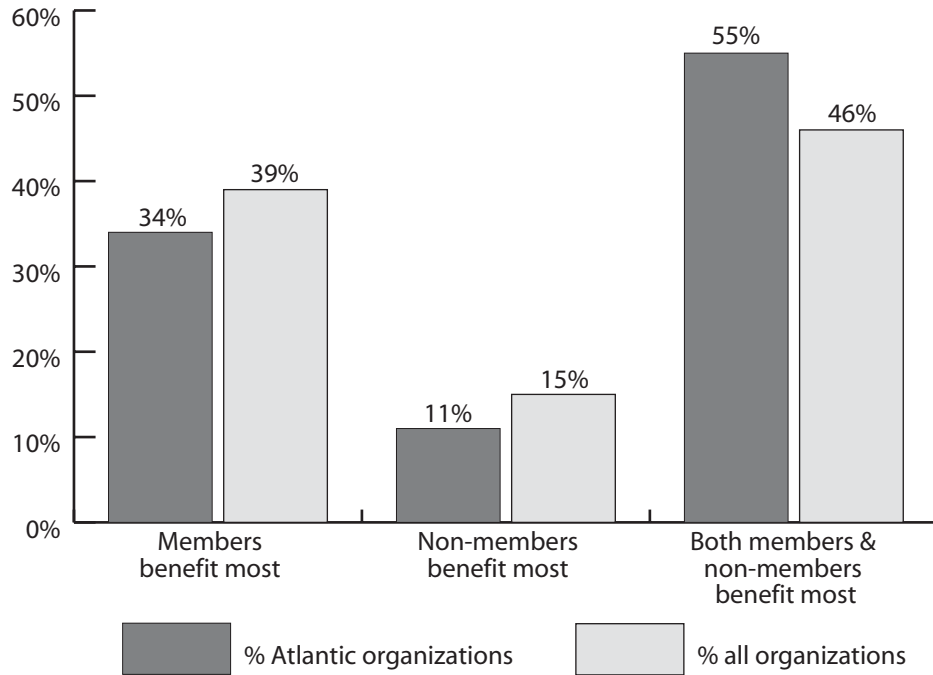
Figure 5: Membership composition



The primary beneficiaries of services

Participants in the survey were asked who benefits most from their organization's services or products. This is an important issue because it is sometimes argued that most organizations are special interest groups that are largely self-serving. However, membership does not appear to be an overriding factor in the receipt of benefits. In the Atlantic region 55% of organizations reported that the primary beneficiaries are both members and non-members, while only 34% said that members benefit most, and 11% said non-members derive the greatest benefit (Figure 6). In Atlantic Canada there is a greater propensity for organizations to serve both members and non-members and a lesser propensity to serve members exclusively. For instance, only 43% of organizations in Ontario report that the primary beneficiaries are both members and non-members, while in Quebec, 44% indicate that members receive the most benefits and services.

Figure 6: Primary beneficiaries of services or products



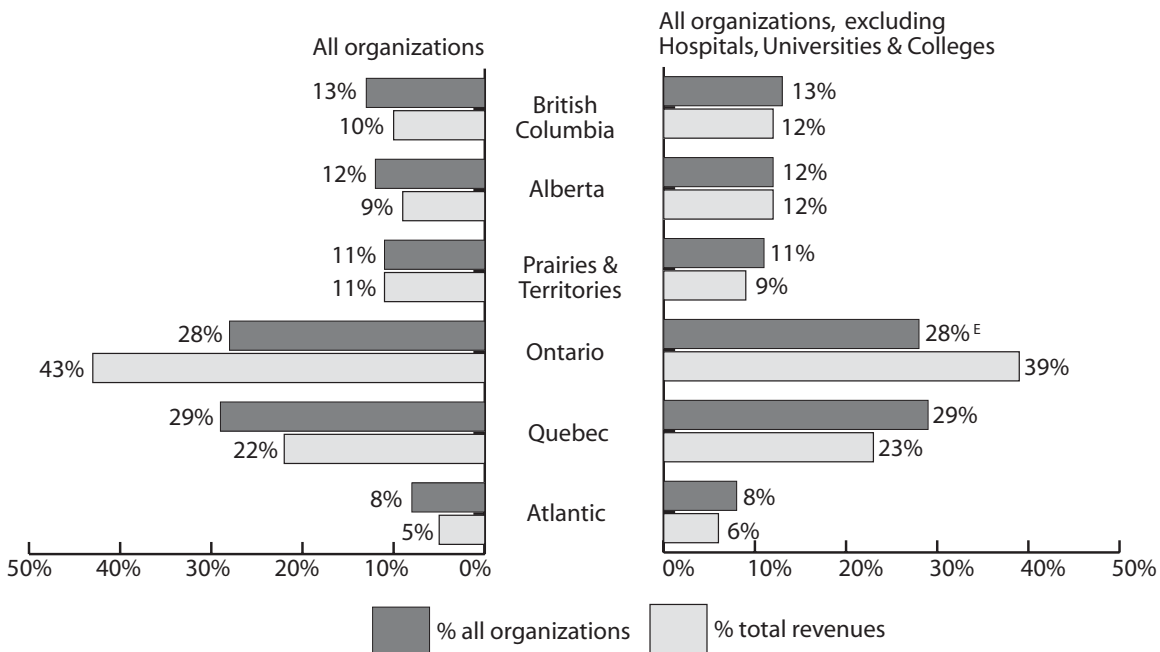
Among those organizations in the Atlantic Provinces having members, less than one quarter (24%) state that their members receive any special benefits,¹⁵ with (76%) indicating no special privileges are offered to members.

¹⁵ Special benefits, for example, may include access to preferential pricing, such as discounts on products or services.

Financial Resources

The NSNVO provides ample evidence that the nonprofit and voluntary sector has a significant economic presence (\$112 billion in annual revenues). So too do organizations in Atlantic Canada contribute significantly to the economy. In 2003 they controlled \$5.7 billion, that is, 5% of the total sector revenues in Canada. This amount, however, is negatively disproportionate to the region’s share of total organizations (8%).¹⁶ From a regional perspective, this may seem disappointing at first glance. However, the percentage of total revenues in all other regions of the country except Ontario and the Prairie region (i.e., Manitoba, Saskatchewan and the Territories) also falls below their proportional share of total organizations. This is because the national average is skewed by Ontario’s disproportionate share of the revenues, which far outweighs its percentage of organizations (Figure 7).

Figure 7: Percentage of organizations and percentage of total revenues by region



^E Use with caution.

Ontario most likely has a relatively large number of large national organizations, accounting for its substantial revenue share. Even when Hospitals, Universities and Colleges are excluded from the analysis, the trend in Atlantic Canada is much the same (6% of total revenues compared to 8% of total organizations).

¹⁶ It is also disproportionate to the region’s population share, which is 7.4% of the Canadian population.

Revenue distribution and organizational activity area

The percentage of organizations in a category does not predict revenue flow. Revenue share is not equally distributed in relation to the percentage of organizations in a particular activity area. In 2003 in Atlantic Canada, Hospitals, Universities and Colleges, which make up less than 1% of organizations, controlled 26% of total revenues, a figure somewhat less than the Canadian average of 33%. However, the national average is affected by huge variations across the different regions of the country. The Hospitals, Universities and Colleges sub-sector in Atlantic Canada accounts for a much higher proportional share of revenues than does its counterparts in Alberta and British Columbia, which attract only 11% and 18% respectively, but Atlantic Hospitals, Universities and Colleges generate substantially less than those in Ontario (38%) and the Prairies (48%).

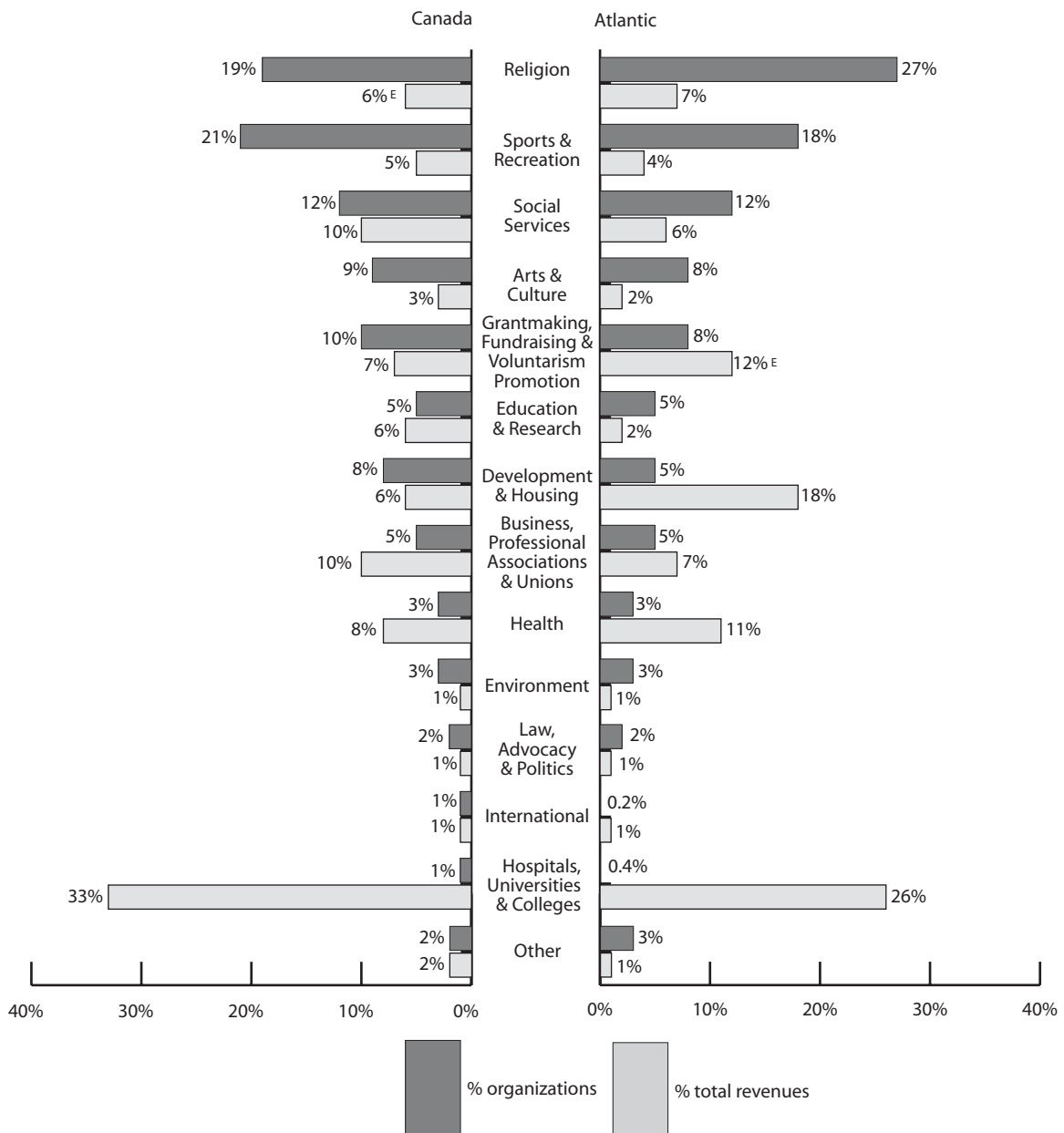
In Atlantic Canada, after Hospitals, Universities and Colleges, the next greatest proportional share of revenues (18%) flows to the Development and Housing¹⁷ activity area, which accounts for only 5% of the organizations in the region. The magnitude of revenues flowing into this field is significantly greater than to the same sub-sector in the country on average and to all other regions except for Alberta. The Atlantic region and Alberta are remarkably similar in this regard, with Alberta also having 5% of organizations and 17% of revenues in the Housing and Development field. A further 12% of all revenues in Atlantic Canada are generated in the Grant-making Fundraising, and Voluntarism Promotion activity area, which comprises 8% of organizations.

Health organizations in Atlantic Canada also receive a greater percentage share of revenues (11%) in relation to their (3%) share of organizations. This too is quite different from most other regions where the revenue share for Health organizations is generally lower, especially in Alberta where only 3% of revenues flow to the Health category. By contrast, in British Columbia, Health organizations receive almost one quarter (24%) of total revenues (Figure 8).

In Atlantic Canada the Religion sub-sector makes up 27% of all organizations but generates only 7% of the revenue, and the Sports and Recreation activity area, which constitutes 18% of organizations, garners only 4% of revenues. These spreads should not necessarily be construed, however, as an unreasonable imbalance because the nature of the organizations and their differential requirements for financial resources may vary. Some organizations may not need large revenue flows to carry out their activities.

¹⁷ Under the ICNPO classification system this activity area incorporates a wide range of organizations including community and neighbourhood associations, economic development, social development, housing associations and housing assistance, job training programs, vocational counseling and guidance, and vocational rehabilitation and sheltered workshops.

Figure 8: Percentage of organizations and percentage of total revenues by primary activity area



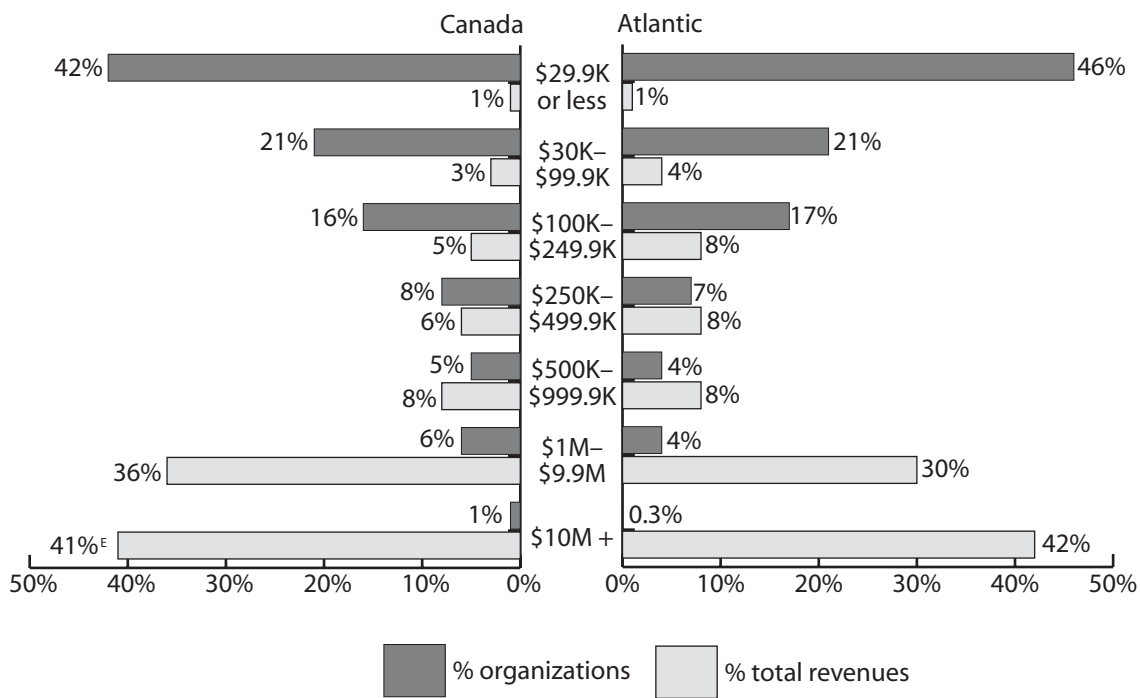
^E Use with caution.

Revenue distribution by size of revenue class

It is informative when analyzing trends in the sector to look at organizations according to the size of their annual revenues. As pointed out previously, a few big organizations

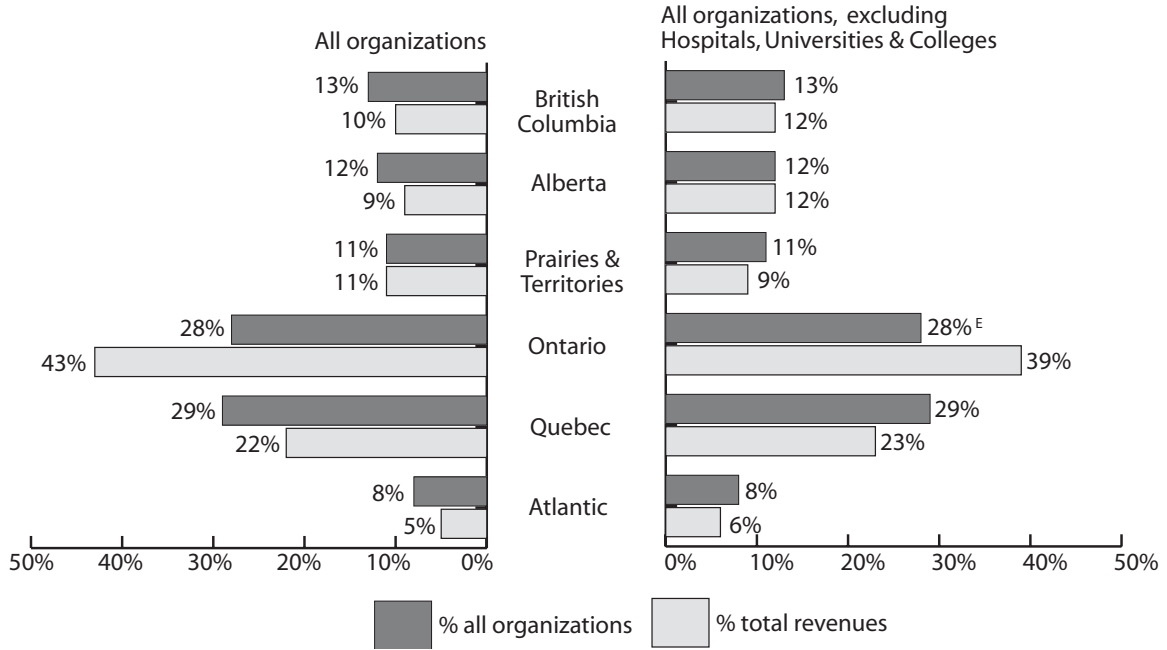
control the bulk of the funding.¹⁸ Even when Hospitals, Universities and Colleges are removed from the mix, 42% of revenues in the Atlantic Provinces are controlled by the fewer than 1% of organizations with revenues of \$10 million or more. At the opposite extreme, only 1% of the total revenue is shared among the 46% of organizations with annual revenues under \$30,000. A further 21% of organizations with revenues between \$30,000 and \$99,999 control only 4% of total revenues. The Atlantic region in this regard is not dissimilar to national averages across most revenue categories, and generally there is similarity with other regions. In every region, organizations with revenues under \$30,000, for instance, control only 1% of the total revenue (Figure 9).

Figure 9: Percentage of organizations and percentage of total revenues by revenue size, excluding Hospitals, Universities and Colleges



¹⁸ However, the percentage of organizations in each revenue class varies across regions.

Figure 10: Percentage of organizations and percentage of total revenues by region

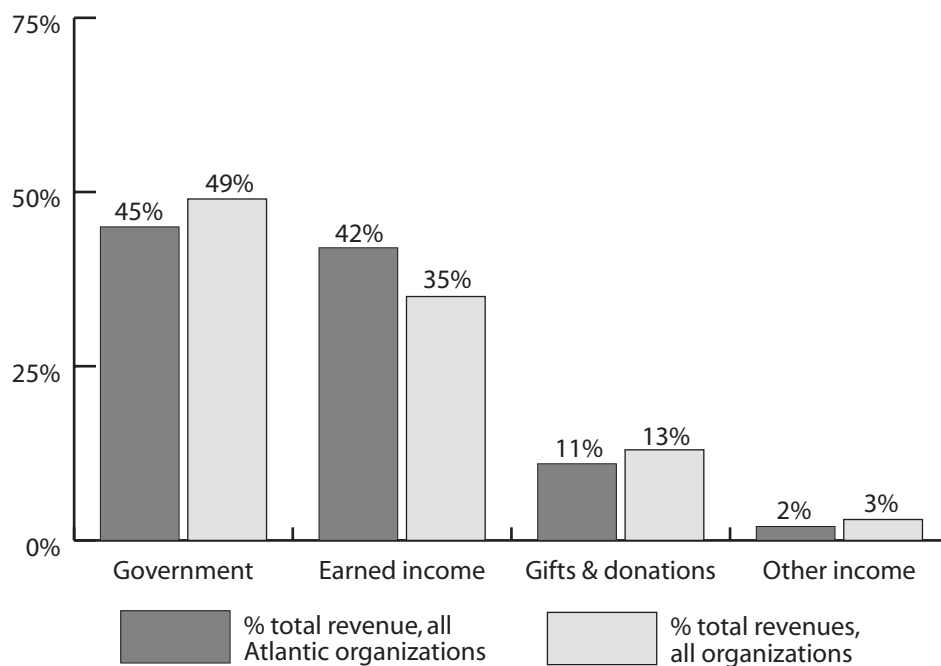


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How organizations generate revenue

Organizations in the Atlantic region obtain their revenues from governments (45%), earned income¹⁹ (42%), donations and grants (11%), and other sources (2%). They generate substantially more from earned income and less from governments than the Canadian norms (35% and 49% respectively). In contrast, Quebec and the Prairies are more reliant on revenues from governments (Figure 11).

Figure 11: Sources of revenue

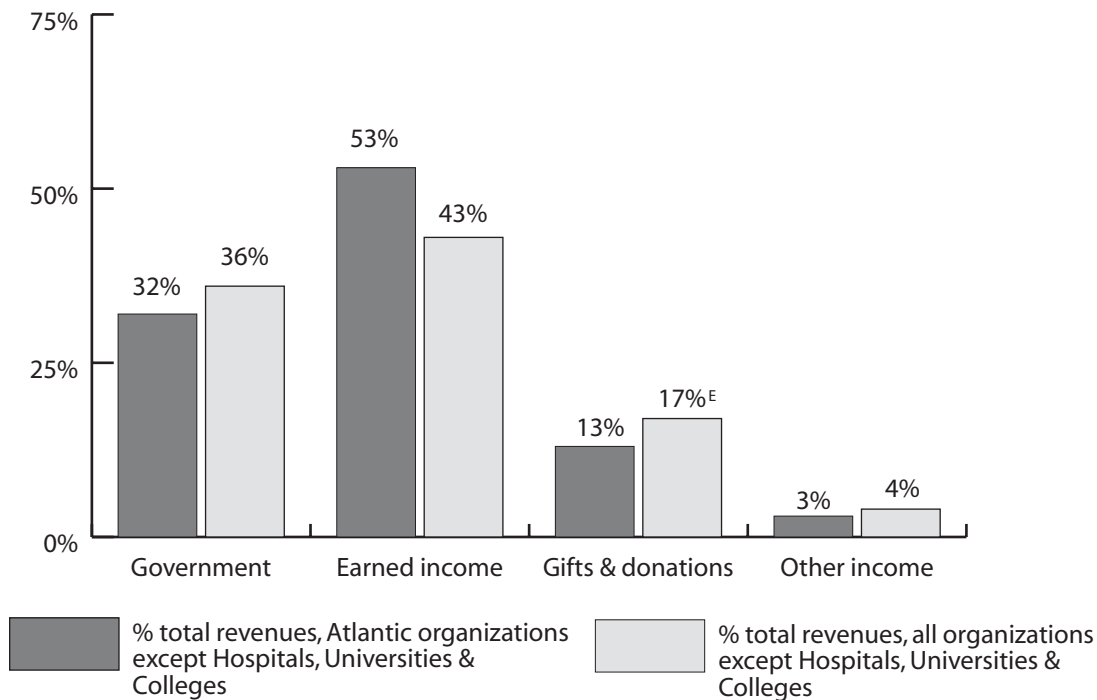


The inclusion of Hospitals, Universities and Colleges tends to skew the picture of income patterns because they are high-revenue even though they represent fewer than 1% of organizations. When they are excluded, the reliance on earned income for the other 99% of organizations increases markedly to 53% (substantially higher than the 43% for the country as whole), and the proportionate share of revenue from governments declines to 32% (Figure 12). Alberta is the only other region where more than 50% of revenues are generated from earned income. Organizations in British Columbia and

¹⁹ Earned income is generated from charitable gaming, fees for goods and services, interest from endowments and investments and membership fees.

Quebec, alternatively, receive a proportionately greater share of their revenues from governments.²⁰

Figure 12: Sources of revenue, excluding Hospitals, Universities and Colleges



^E Use with caution.

Earned income comes primarily from fees for goods and services. NSNVO has revealed that Atlantic organizations generate a significant portion of income from investments, outstripping the national average (11% compared to 4%). Excluding Hospitals, Universities and Colleges, an even greater share comes from investments (15%). Membership fees account for 10% of revenues for organizations other than Hospitals, Universities and Colleges, somewhat lower than the Canadian norm of 16% (Table 2, Table 3).

Funds from governments flow through a variety of mechanisms including payments, grants, and purchase of goods and services. Generally a greater share comes from provincial governments than from the Federal government.²¹ In the Atlantic region a

²⁰ Why organizations in Atlantic Canada and Alberta have patterns which are so similar to each other and different from other regions is a matter of some interest which begs further exploration.

²¹ In Atlantic Canada, 78% of government funding comes from provincial sources, whereas only 19% comes from federal sources.

smaller proportion (18%) is from government grants²² and a greater share (27%) from payments for goods and services than Canadian averages (31% and 18%). Organizations tend to receive less from grants and more from payments from provincial governments compared to the rest of the country. Municipal governments make only minor contributions.

Donations²³ and grants from individuals, corporations and other organizations make up 11% of all revenues for Atlantic organizations. The level of contribution that comes from individual donations is substantially higher, at 8%, than revenue from corporate sponsorships, donations or grants. Corporate donations are a very insignificant part of the funding base, accounting for only 1% of total revenues for organizations in the region. While individual donations mirror the level in Canada as a whole, corporate donations are not keeping pace with the national trend of 3%.²⁴ Individual donors contributed \$435 million to the nonprofit and voluntary sector in the four Atlantic Provinces in 2003, whereas corporations contributed \$46 million.

²² This refers to the combined total from federal, provincial and municipal governments.

²³ The right to provide income tax receipts is seen as a considerable advantage to organizations with charitable registration status.

²⁴ At first glance, the difference between Canada as a whole (3%) and the Atlantic region (1%) may seem like a minor two percentage point variation; however, in real terms the spread is far more significant than first meets the eye. The percentage of revenue from corporations is really three times greater in Canada than it is in the Atlantic region.

Table 2: Detailed sources of revenue

	Atlantic organizations		All organizations	
	Revenues	% total revenues	Revenues	% total revenues
Revenue from government				
Government payments for goods and services				
Payments from the federal government	\$211,171,873	4%	\$1,629,494,890	1%
Payments from provincial government	\$1,299,905,162	23%	\$17,202,528,730	15%
Payments from municipal government	\$35,725,460	1%	\$1,035,070,183	1%
Government payments from other	\$3,982,325	0%	\$85,258,416	0%
Total government payments for goods and services	\$1,550,813,234	27%	\$19,952,383,088	18%
Government grants and contributions				
Grants from the federal government	\$275,607,396	5%	\$6,039,958,845	5%
Grants from provincial government	\$714,271,658	12%	\$26,944,104,382	24%
Grants from municipal government	\$26,689,901	0%	\$1,068,108,183	1%
Government grants from other	\$3,506,258	0%	\$155,583,730	0%
Total government grants	\$1,020,100,123	18%	\$34,207,876,777	31%
Total revenues from government	\$2,570,913,357	45%	\$54,160,259,865	49%
Earned income from non-governmental sources				
Charitable gaming	\$75,485,812	1%	\$1,242,885,015	1%
Membership fees	\$426,806,624	7%	\$12,033,551,619	11%
Fees for goods or services (non-government)	\$1,290,835,883	22%	\$21,844,521,113	20%
Investment income (including interest)	\$644,702,925	11%	\$4,173,428,911	4%
Total revenues from earned income	\$2,437,831,243	42%	\$39,294,386,657	35%
Gifts and donations				
Individual donations	\$434,521,037	8%	\$8,369,669,565	8%
Fundraising organizations/family community foundations	\$26,389,414	0%	\$1,137,834,369	1%
Disbursements from nonprofits	\$115,633,745	2%	\$1,935,468,417	2%
Corporate sponsorships, donations or grants	\$45,787,292	1%	\$2,815,372,908	3%
Total revenues from gifts and donations	\$622,331,487	11%	\$14,258,345,259	13%
Other income	\$119,010,051	2%	\$3,882,569,114	3%
Total revenues	\$5,750,086,139	100%	\$111,595,560,896	100%

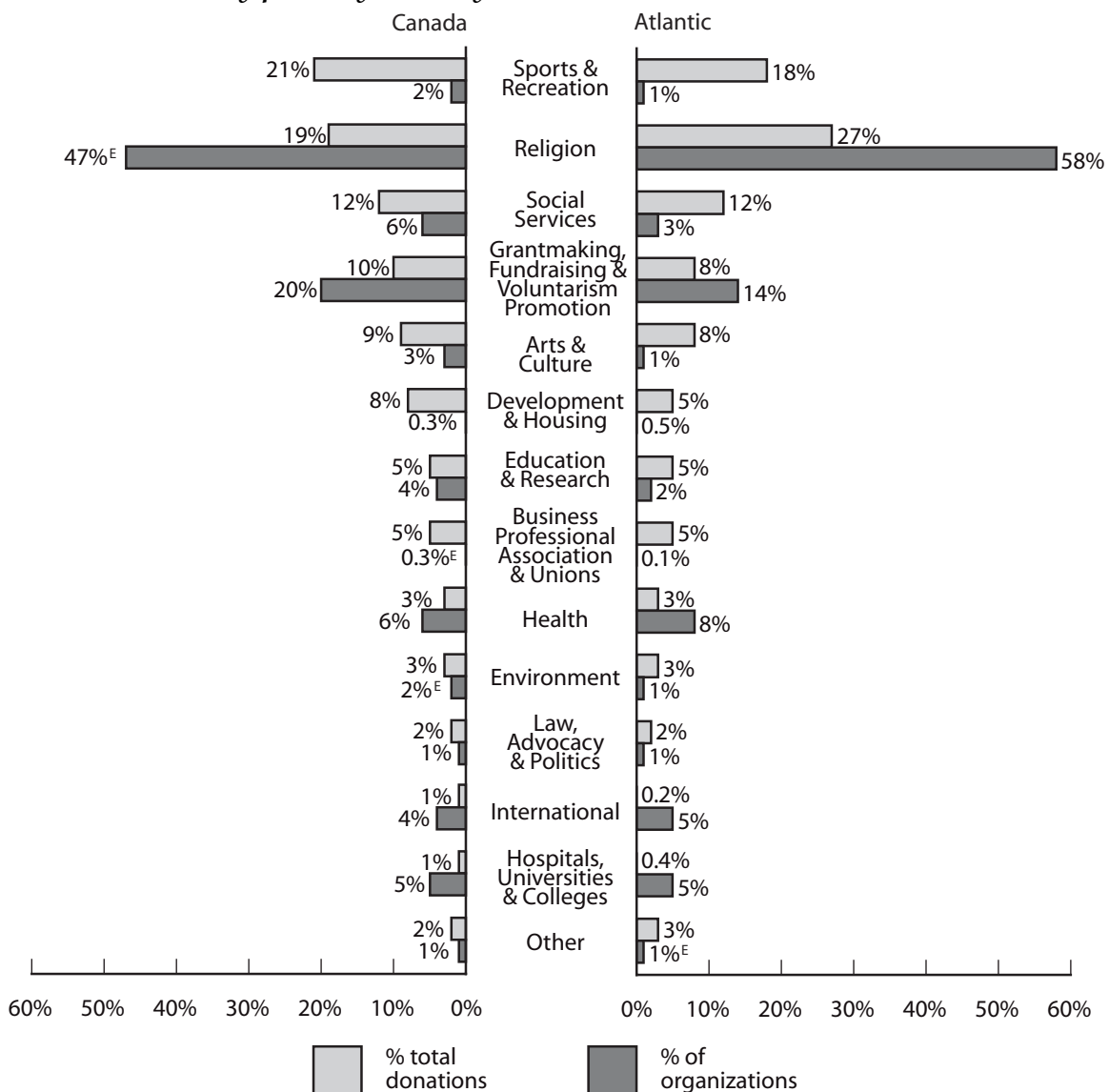
Table 3: Detailed sources of revenue, excluding Hospitals, Universities and Colleges

	Atlantic organizations, excluding Hospitals, Universities & Colleges		All organizations, excluding Hospitals, Universities & Colleges	
	Amount	% total revenues	Amount	% total revenues
Revenue from government				
Government payments for goods and services				
Payments from the federal government	\$195,384,730	5%	\$1,505,063,091	2%
Payments from provincial government	\$500,720,291	12%	\$8,551,956,531	11%
Payments from municipal government	\$35,425,460	1%	\$1,001,668,540	1%
Government payments from other	\$3,982,325	0%	\$84,760,908	0%
Total government payments for goods and services	\$735,541,220	17%	\$11,143,479,938	15%
Government grants and contributions				
Grants from the federal government	\$208,432,485	5%	\$5,205,314,016	7%
Grants from provincial government	\$382,729,801	9%	\$9,756,379,277	13%
Grants from municipal government	\$26,689,901	1%	\$995,148,362	1%
Government grants from other	\$3,506,258	0%	\$119,625,599	0%
Total government grants	\$621,383,356	15%	\$16,076,588,892	22%
Total revenues from government	\$1,356,924,575	32%	\$27,220,068,830	36%
Earned income from non-governmental sources				
Charitable gaming	\$75,468,169	2%	\$1,229,768,874	2%
Membership fees	\$425,794,532	10%	\$11,699,530,741	16%
Fees for goods or services (non-government)	\$1,096,897,799	26%	\$15,843,379,066	21%
Investment income (including interest)	\$637,588,066	15%	\$3,196,448,914	4%
Total revenues from earned income	\$2,235,748,567	53%	\$31,969,127,594	43%
Gifts and donations				
Individual donations	\$414,764,372	10%	\$7,991,880,133	11%
Fundraising organizations/family community foundations	\$22,655,169	1%	\$993,244,007	1%
Disbursements from nonprofits	\$63,703,446	1%	\$1,242,260,766	2%
Corporate sponsorships, donations or grants	\$45,098,825	1%	\$2,575,685,869	3%
Total revenues from gifts and donations	\$546,221,811	13%	\$12,803,070,775	17%
Other income	\$115,596,070	3%	\$2,770,494,686	4%
Total revenues	\$4,254,491,023	100%	\$74,762,761,886	100%

Value of donations

Some sub-sectors attract more individual donations than others. The value of donations contributed to various activity areas bears little correlation to the number of organizations in the sub-sector. On one hand, the Religion sub-sector accounts for 27% of organizations but claims 58% of donations. On the other hand, Sports and Recreation organizations make up 18% of all organizations but receive only 1% of the total value of all donations. Hospitals, Universities and Colleges in the region reap exactly the same donation value (5%) as the national average (Figure 14).

Figure 14: Percentage of total number of donations and percentage of total donation value by primary activity area



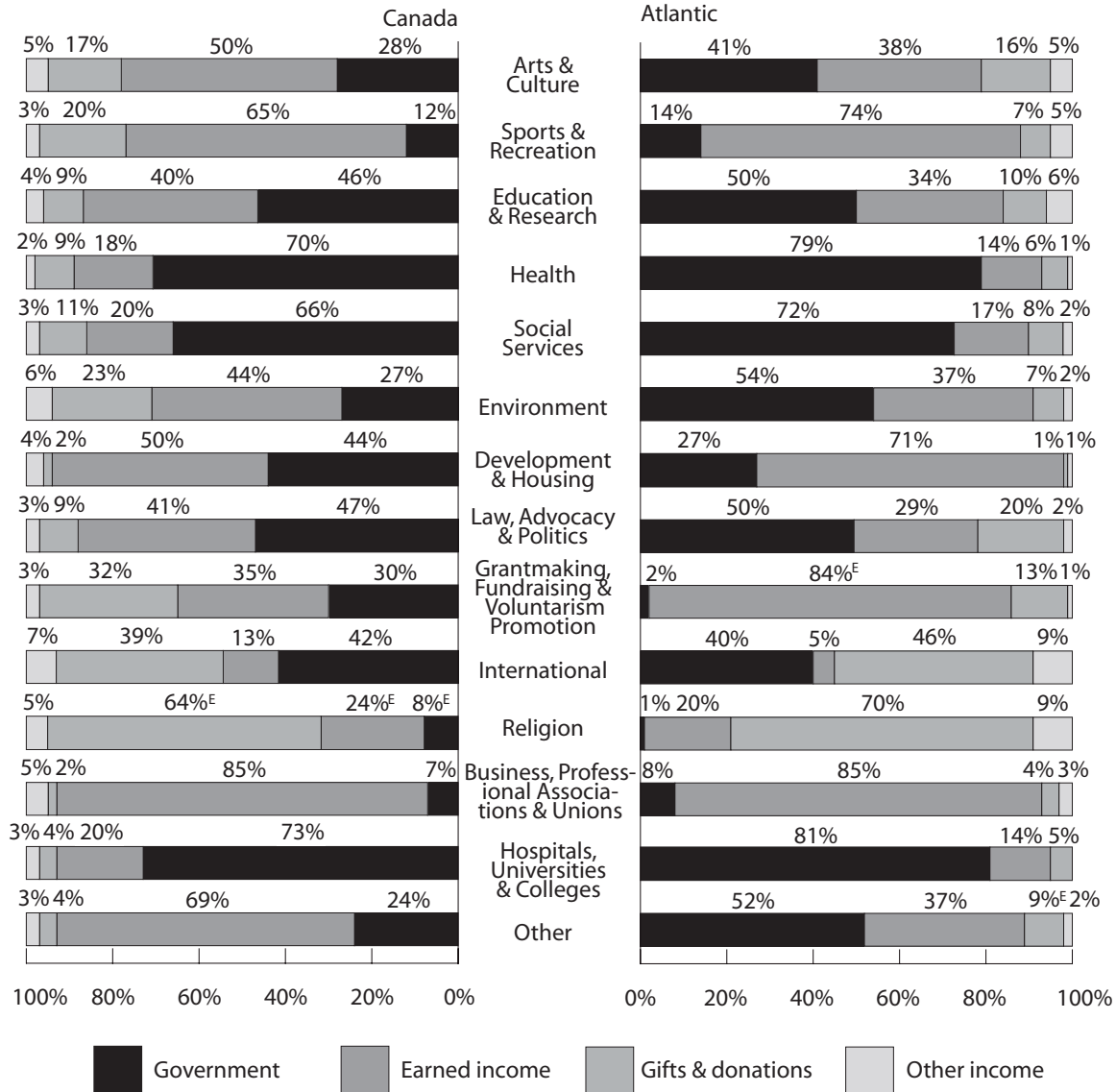
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Source of revenue and activity area

Organizations in different sub-sectors generate their funds in different ways. In the Atlantic region, total revenues from governments to all organizations amounted to approximately \$2.6 billion in 2003, close to half (\$1.2 billion) of which was directed to Hospitals, Universities and Colleges. Because Hospitals, Universities and Colleges in Atlantic Canada receive a much larger share of their income from governments (81%) than the Canadian norm (73%), the average figures mask what is really happening at the sub-sector level. On closer examination we observe in nine of the fourteen sub-sectors there is a greater reliance on government funds in the Atlantic region than the national average. This is particularly noticeable in the Arts and Culture and Environment sub-sectors. In the Atlantic region Arts and Culture organizations received 41% of their revenue from government compared to 28% for the country as a whole, and Atlantic Environment organizations received 54% compared to 27%, the Canadian norm.

Similarly, figures which show that Atlantic organizations overall generate a higher proportion of revenues from earned income hide the fact that ten out of fourteen sub-sector activity areas at a national level actually derive a greater percentage of their funds from earned income than do the same sub-sectors in the Atlantic region. At odds with this pattern is the Grant-making, Fundraising and Voluntarism Promotion sub-sector, which in the Atlantic region acquired 84% of its revenues from earned income compared to the national average of 35%, with only 2% from government sources compared to other sub-sectors. Religion and International organizations in the Atlantic region are the most reliant on donations and grants (70% and 46% respectively) (Figure 15).

Figure 15: Sources of revenue by primary activity area



^E Use with caution.

Revenues from all levels of governments

In the Atlantic Provinces organizations overall receive the bulk of their government funds from provincial governments (78% compared to 82% for all Canadian organizations). They receive a slightly greater portion (19%) of their funds from federal sources than the Canadian average of 14%. Municipal governments play an insignificant role in funding to the sector overall (4% in Canada as a whole and 2% in the Atlantic region).

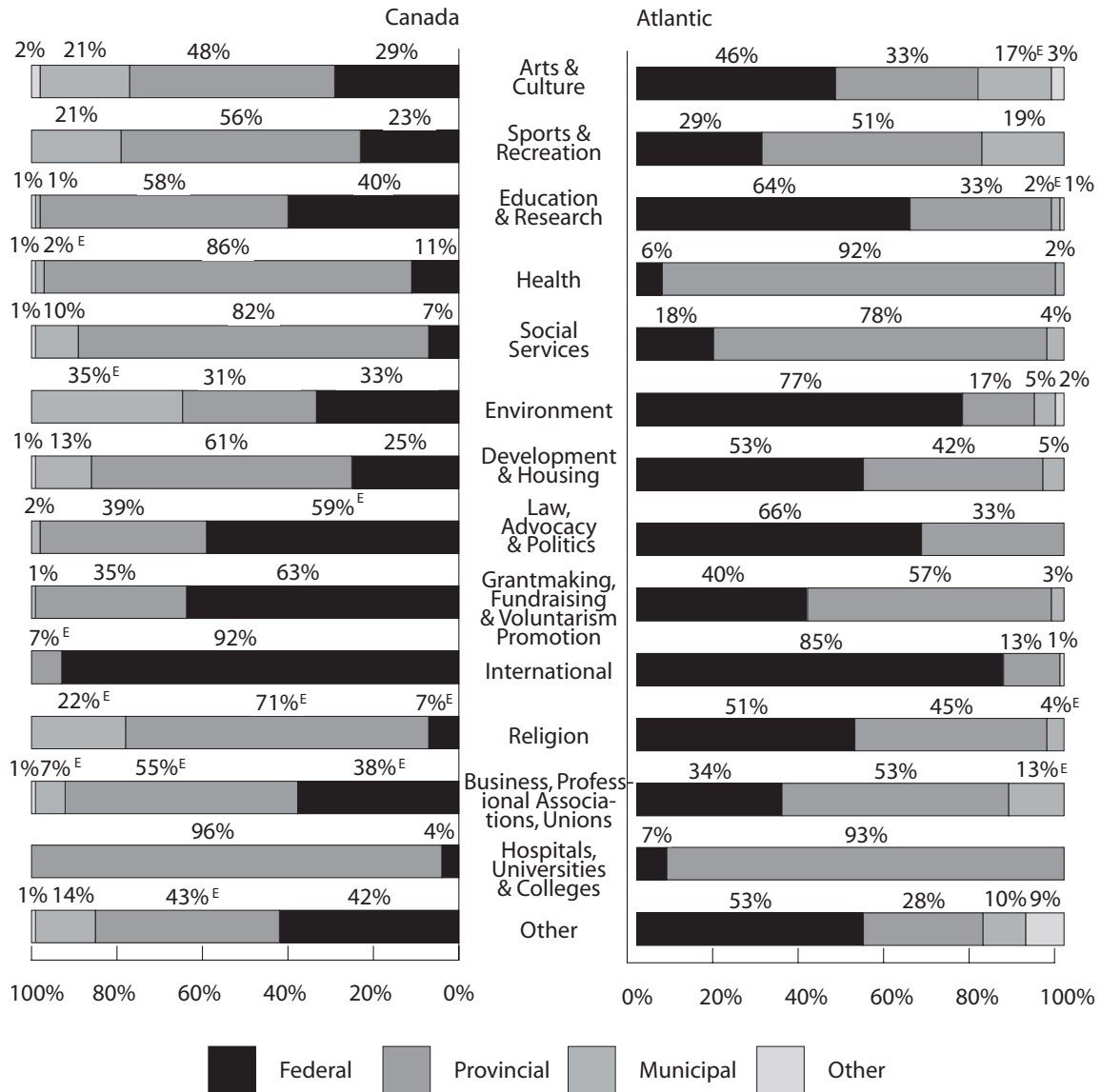
Hospitals, Universities and Colleges receive 93% of their funds from provincial governments. Many Health and Social Services organizations also fall within the provincial domain, receiving most of their revenue (92% and 78% respectively) from this source. Another noticeable variation is the limited income received from provincial governments in the Atlantic Provinces in the Education and Research sub-sector (33%), compared to the Canadian average of 58%.²⁵

Some sub-sectors receive most of their funds from the federal government. Organizations in the International (85%), Law, Advocacy and Politics (66%), and Education and Research (64%) sub-sectors access federal funds quite heavily. Environment organizations in Atlantic Canada receive 77% of their revenues from this source -- a far greater proportion than their counterparts in the country as a whole (33%).²⁶ Arts and Culture organizations are far more reliant on federal funds than the Canadian average (46% and 29% respectively) for that sub-sector. This latter situation may be related to the economy of the region with its promotion of economic diversification through tourism and noted cultural pursuits. Only two sub-sectors, Sports and Recreation and Arts and Culture, receive a relatively significant portion of their revenue from municipal governments (19% and 17% respectively) (Figure 16).

²⁵ This could be related in part to the fact that the Atlantic Provinces tend to lag behind the rest of the country in research and development expenditures. See Council of Atlantic Premiers. (2001). Working together for Atlantic Canada: An action plan for regional co-operation. Retrieved February 16, 2006 from <http://www.gov.nf.ca/publicat/en-CAP-ACAP.pdf>.

²⁶ There is something interesting related to environmental organizations happening in the Atlantic region. We saw earlier in the report that they attract quite high levels of contributions and we will observe later in the report that environmental organizations command a high percentage of volunteers.

Figure 16: Sources of government revenue by primary activity area



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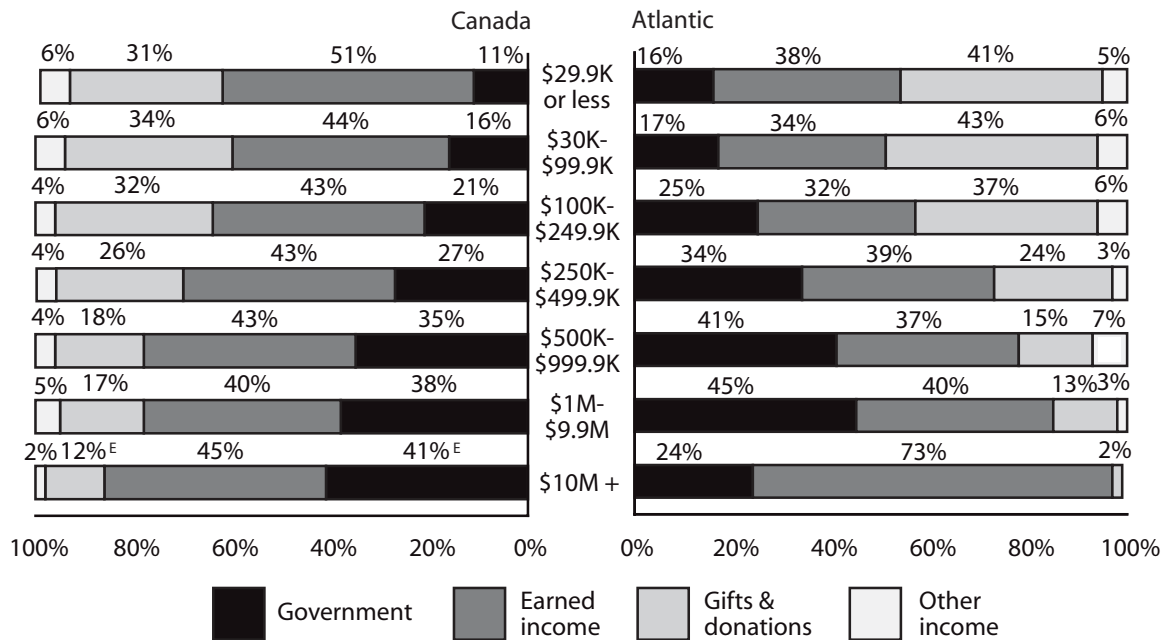
How sources of revenue vary by revenue size

Another useful way of looking at the revenue base of the nonprofit and voluntary sector is to consider sources of revenue according to the size of organizations. For the purpose of this particular analysis, Hospitals, Universities and Colleges have been removed. Those organizations at the extremes in Atlantic Canada -- the very large organizations²⁷

²⁷ In this section, the size of organizations is defined by the size of their revenue.

and very small organizations -- are more reliant on earned income and far less dependent on government funding. Organizations (excluding Hospitals, Universities and Colleges) with revenues over \$10,000,000 receive only 24% from government sources and fully 73% from earned income. In this regard, organizations in the Atlantic region are starkly different from the Canadian averages (41% and 45% respectively). Organizations in the region with incomes of less than \$100,000 receive more than double the amount of revenue from earned income than from government. Conversely, Atlantic organizations, excluding Hospitals, Universities and Colleges, with incomes between \$500,000 and \$10,000,000 receive marginally more of their income from government than their Canadian counterparts (Figure 17).

Figure 17: Sources of government revenue by revenue size, excluding Hospitals, Universities and Colleges



Organizational reliance on donations of goods and services

In addition to securing cash through a variety of sources, organizations rely on in-kind donations of many types. In Atlantic Canada, 27% of organizations receive some form of in-kind support; however, such support accounts for only 1% of total revenues (Table 4, Table 5).

Table 4: Percentage of organizations that receive in-kind donations

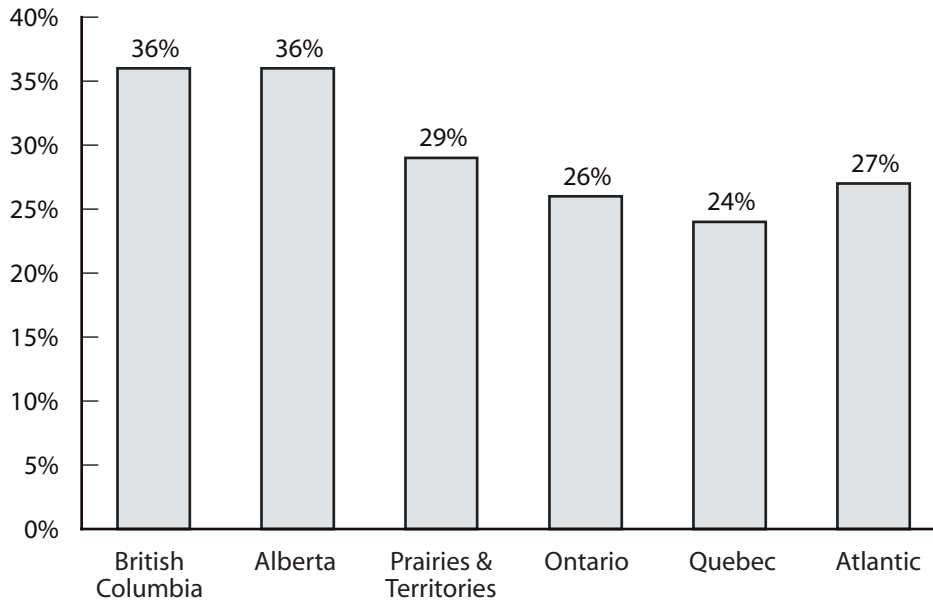
	Atlantic	Canada
In-kind Donations	27%	28%
Receive in-kind donations of goods or materials	20%	21%
Receive in-kind donations of business services	14%	15%

Table 5: Approximate value of in-kind donations received by organizations

	Atlantic		Canada	
Approximate value of in-kind donations of goods or materials	\$51,162,561	1%	\$1,822,095,032	2%
Approximate value of in-kind donations of business services	\$25,759,047	<1%	\$527,142,627	<1%
Total revenues	\$5,750,086,139		\$111,595,560,896	

When comparing the Atlantic region to the rest of the country and with other regions, the percentage of organizations reporting in-kind support is similar to the Canadian average (28%) and across most regions except for British Columbia and Alberta, where more organizations (36%) receive in-kind support. This might point to a different approach to recording in-kind support or it could be that organizations in Atlantic Canada are less likely to seek or be able to secure non-financial contributions. It may also be related to the somewhat lower percentage of donations contributed by the corporate sector, which is likely also the primary source of in-kind support (Figure 18).

Figure 18: Percentage of organizations receiving in-kind donations by region



The level of revenue dependency

We have seen that nonprofit and voluntary organizations rely upon multiple sources of funds to meet their goals and objectives, including governments, earned income, grants and donations, and other diverse sources. Another matter of importance in understanding the sector is the degree to which organizations may be 'dependent' on a single funding source. In the NSNVO, if an organization obtained more than 50% of its revenue from a single stream, it was deemed dependent on that stream. If an organization obtains less than 50% of its revenue from any one source, it is classified as receiving diverse funding.

The sector overall is not as dependent on government funding as many people may have previously thought. Less than one fifth of organizations in Atlantic Canada (19%) are deemed to be government dependent. Clearly, there is a significant difference between the amount of revenue flowing into the sector from different sources and the level of dependency on these different sources.²⁸

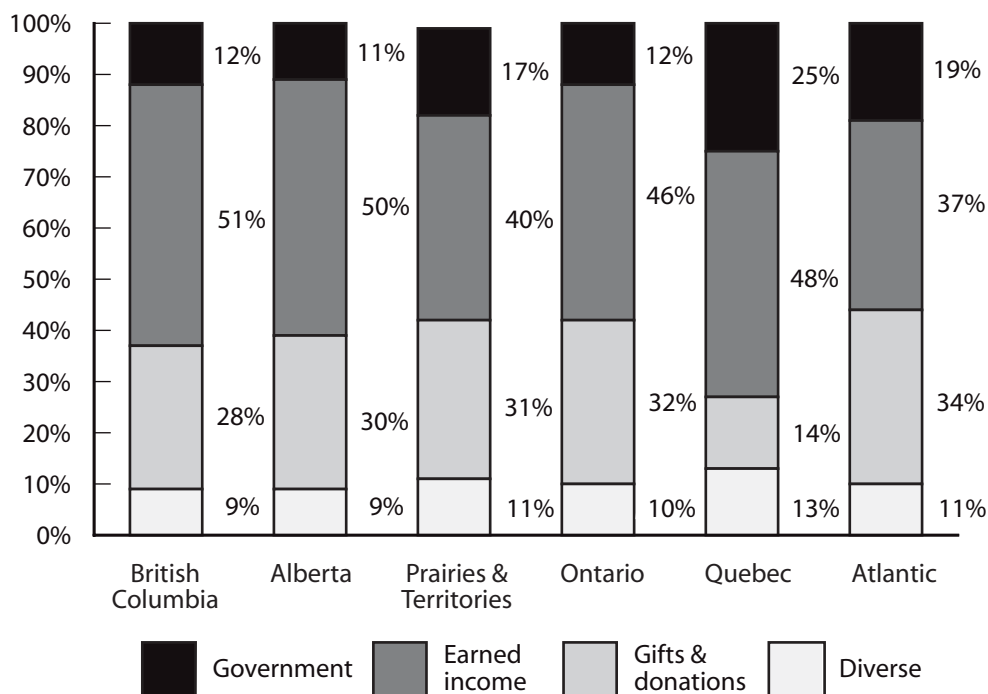
In the Atlantic region, the greatest dependency is on earned income (37%), followed closely by grants and donations (34%). The rate of dependence on earned income is,

²⁸ As observed earlier in this report, 45% of the total comes from governments and 42% comes from earned revenues (see Chart 10b). This is perhaps good news in that the sector is using multiple sources of funding.

however, significantly lower than in other regions, particularly British Columbia and Alberta, where half of organizations are dependent on earned income. While these figures reveal major differences between the Eastern and Western regions in sector dependence, it is worth keeping in mind that dependence does not equate to the actual percentage of revenue from a particular source. As was observed earlier, Atlantic Canadian organizations actually receive a greater percentage (42%) of total revenues from earned income than do those in British Columbia (31%) (Figure 19).

Few organizations (11%) have developed a truly diverse funding base in either the Atlantic region or in Canada as a whole.

Figure 19: Revenue dependency by region

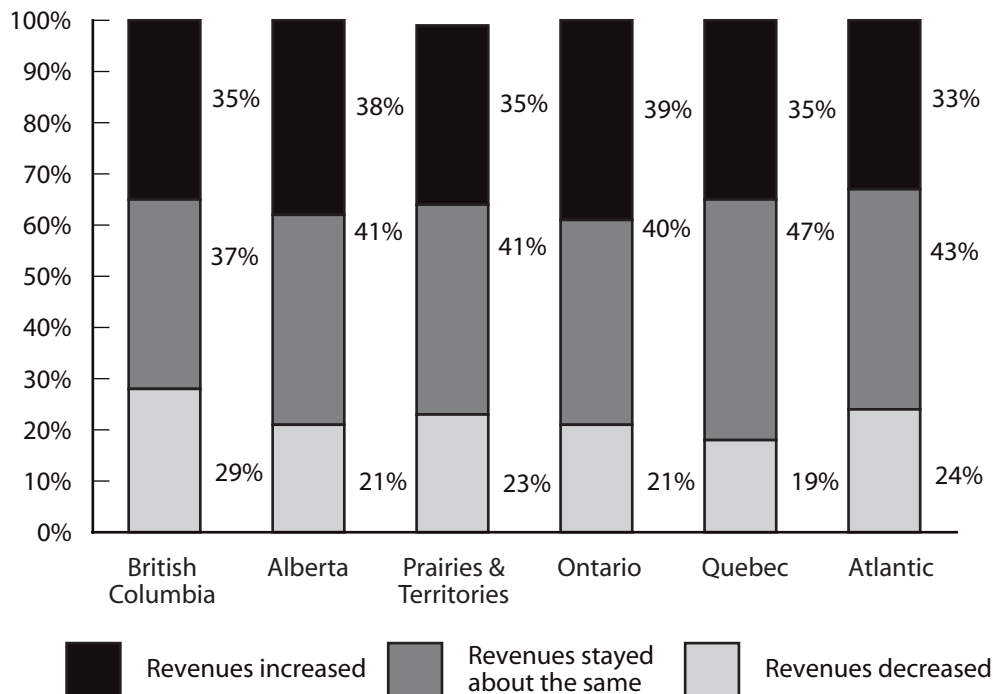


Are the revenues of organizations changing?

In addition to capturing information relating to revenues for the year 2003, NSNVO asked a series of questions about changes organizations observed in their total revenues over the three year period from 2000 to 2003. The purpose of these questions was to assess how revenue flows might be changing over time. Less than half (43%) of organizations in the Atlantic region reported that their revenues had remained constant; one quarter (24%) reported their revenues had decreased and a third said theirs had increased. Even though the percentage of organizations that reported an increase in the Atlantic region (33%) closely parallels the overall Canadian increase rate (36%), we have

the lowest percentage of organizations in the country reporting increases in revenues. Across different regions, British Columbia has the largest percentage of organizations (29%) reporting decreases, and organizations in Quebec were most likely to report that their revenues remained constant (47%) and least likely to report increases (19%) (Figure 20).

Figure 20: Reported change in revenues over the past three years by region



The survey also reports on the stability of revenue flows over the period 2000 to 2003 for different revenue sources (government, earned income, grants and donations or diverse sources). Taking the cumulative results across all income dependency categories, Atlantic Canada lags behind the country as a whole. Organizations in the region were slightly more likely to report decreases in revenues and slightly less likely to report increases in comparison to the Canadian average.

In Atlantic Canada, organizations least likely to report that their revenue remained constant were those dependent on government funding (39%). Among this same revenue-dependency, 39% reported an increase in funding, while 22% reported decreases.²⁹ Organizations primarily dependent on earned income and diverse income sources were most likely to report their revenue remained about the same (47% and 48% respectively). Of those primarily reliant on earned income, 29% reported that their revenue had increased (6 percentage points lower than for Canada as a whole). Of those

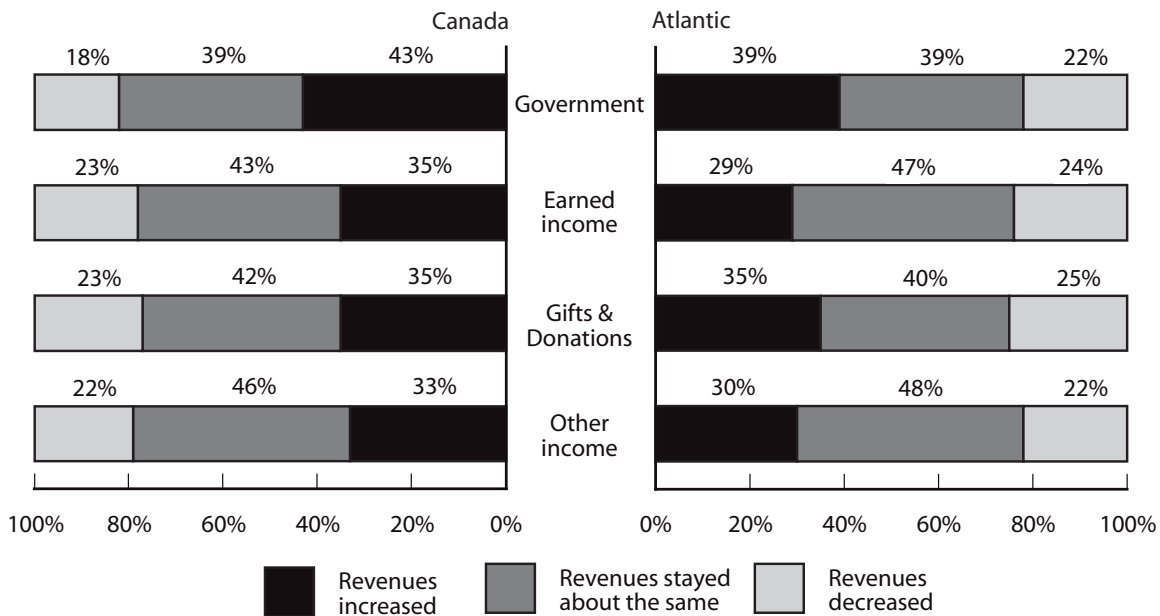
²⁹ This question was only asked of those organizations receiving government funding.

dependent primarily on grants and donations, 35% reported an increase -- exactly the same as the Canadian average. Although the variations are not wide, across each revenue dependency stream the Atlantic region reported greater decreases than any other region, with the exception of British Columbia which consistently reported greater decreases than the Atlantic Region.

At first blush, so many organizations reporting that revenues have remained the same or increased might leave the impression that organizations are financially stable and that there is little financial pressure on these organizations. However, the questions posed in the survey did not enquire as to whether the revenue received and revenue stream were adequate to meet demands and needs prior to or within the three year period. Allowing for inflation (which has not been not factored in), no change likely means that the spending power of organizations has actually diminished.

What we glean from this analysis is that over half (57%) of organizations in the sector as a whole have experienced fluctuations, both negative and positive. Organizations are conducting their business in a dynamic environment where they may not always have the skills, capacity or resources to control change occurring around them. As we will see later in this report, a major challenge for organizations in meeting their missions is planning for the future. Part of that challenge is likely created by an inability to predict the nature of change and the lack of longer term financial stability required to handle transitions adequately and to put planning systems in place (Figure 21).

Figure 21: Reported change in revenues over the past three years by revenue dependency



Human Resources

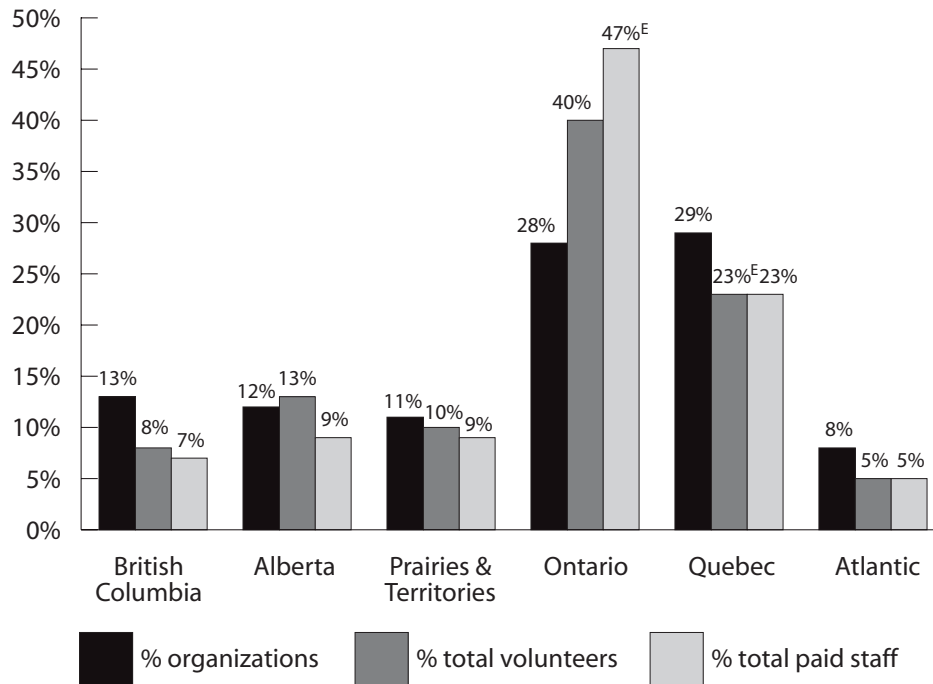
The NSNVO has produced a profile of the substantial size and value of the human resources contribution to Canada generated by nonprofit and voluntary organizations. One of the important features of the voluntary sector is that it draws heavily upon both paid employees and unpaid volunteers. While other large-scale surveys³⁰ have estimated the number of individuals who volunteer in nonprofit and voluntary organizations in Canada, the NSNVO is the first national survey to capture information from an organizational perspective about the number of both paid staff and volunteers. Involvement varies considerably across sub-sectors, the size of organizations and different regions of the country.

Volunteers tend to be divided into two broad categories -- people who serve on boards and those who volunteer in non-board capacities. Collectively in 2003, organizations in Canada reported 2 million paid employees and slightly over 19 million volunteers,³¹ who contributed more than 2 billion hours of unremunerated time. While the distribution of both volunteers and staff is well spread throughout the country, there is a significant concentration in the heavily populated central regions of Ontario and Quebec (Figure 22).

³⁰ For example, see Hall, M. H., McKeown, L. & Roberts, K. (2001). *Caring Canadians, involved Canadians: Highlights from the National Survey of Giving, Volunteering and Participating*. (Catalogue no. 71-542-XPE.) Ottawa, ON: Statistics Canada.

³¹ The survey was conducted with organizations rather than individuals, so people may be counted more than once when they are associated with more than one organization. The recorded number of volunteers, therefore, does not refer to the number of individuals who volunteer.

Figure 22: Percentage of organizations, percentage of volunteers, and percentage of paid staff by region



^E Use with caution

Nonprofit and voluntary organizations in Atlantic Canada reported just over one million volunteer positions and almost 106,000 employees in 2003. The paid positions are concentrated in just over half of the organizations in the region. Forty-eight percent of organizations operate with no paid staff, relying exclusively on volunteers. The region’s share of both paid staff and volunteers falls disproportionately below its share of organizations and population. Even though the region accounts for 8% of all organizations in Canada and 7.4% of the country’s population, it accounts for merely 5% of all volunteers and 5% of paid staff in the country. However, the national average is skewed by Ontario, which has a greater percentage of both staff and volunteers than organizations. Because the percentage of organizations with employees is somewhat greater in Atlantic Canada (52%) than the national average (48%), we may conclude that staff complements within organizations tend to be somewhat smaller.

The survey identifies a significant human resource divide: just as revenue levels vary according to types of organizations, so too do the number of volunteers and staff vary greatly. A fairly small number of large organizations engage the majority of paid staff and volunteers.

Volunteers

Volunteers serve in many ways, from fundraising to delivering programs, to coaching sports teams. Most incorporated and registered organizations also have governance structures with volunteer boards of directors, and most engage volunteers in other, non-board capacities. In 2003, almost 127 million volunteer hours were contributed in the Atlantic region, where organizations reported a total of 1,026,515 volunteers,³² of whom 11% served in a board capacity and 89% were involved in non-board activities. These percentages correlate almost exactly with the hours recorded in each sub-sector, in that board volunteers contributed 12% of the total hours, and non-board volunteers contributed 88% of the total volunteer hours (Table 6).

Table 6: Summary of volunteer contributions

2003	Atlantic Region	Canada	Atlantic Region as percent of Canada
Total number of volunteers	1,026,515	19,177,292	5%
Number of board members	112,789 (11%)	1,343,073 (7%)	8%
Number of non-board volunteers	913,726 (89%)	17,834,219 (93%)	5%
Total hours contributed by volunteers	126,955,902	2,336,421,256	5%
Hours contributed by board members	15,738,312 (12%)	207,684,302 (9%)	8%
Hours contributed by non-board volunteers	111,217,590 (88%)	2,128,736,954 (91%)	5%
2003	Atlantic Region	Canada	Difference Atlantic Region - Canada
Average hours per volunteer	124	122	+2%
Average hours for board volunteers	140	155	-10%
Average hours non-board volunteers	122	119	+3%

The proportion of volunteers in the Atlantic region who assume board governance roles is higher at 11% than the national average of 7%. As a percentage of total volunteer hours, there are more hours contributed by board members in the Atlantic region than the Canadian standard. However, the average number of hours contributed per board member (140 hours) in the Atlantic region is lower than the Canadian standard (155 hours). Atlantic Canada's volunteers comprised 5% of the country's total, as did the sub-set of non-board volunteers, as well as the hours each of these groups contributed. This is slightly lower than might be expected given Atlantic Canada's population share of 7.4%.

³² The 2000 *National Survey of Giving, Volunteering and Participating* estimated that there were 606,000 individual volunteers in the Atlantic region.

The somewhat higher proportion of board volunteers compared to non-board volunteers cannot be explained with survey data; however, it could be because in less populated communities, people are called upon more frequently to play leadership roles in numerous organizations.³³ The total time contributed by volunteers (126,955,902 hours) in 2003 represents a substantial amount of skill, dedication and effort being offered freely to the overall well-being and quality of life in the region.³⁴

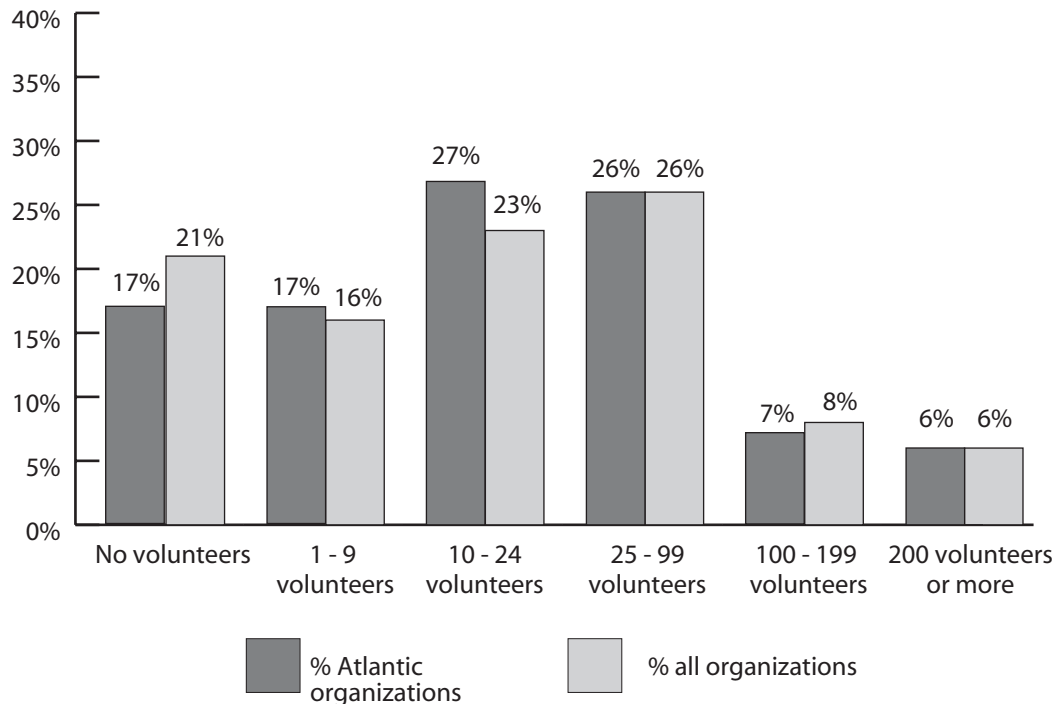
Organizational reliance on non-board volunteers

Most organizations do not appear to be highly reliant on a large number of non-board volunteers, except for the few which engage hundreds of people. In Atlantic Canada, 17% indicate no reliance on volunteers other than board members. This figure is slightly lower than the Canadian average, where one fifth of organizations appear not to use volunteers beyond those serving on their boards. Another 17% in the region rely on a limited number of non-board volunteers (1 - 9). Only 13% of organizations engage more than 100 non-board volunteers, with the majority (53%) relying on complements of between 10 and 99 in 2003. The pattern in the region, across most distribution classes, is not significantly different from the Canadian average (Figure 23).

³³ It might also be speculated that the proportion is higher of people serving on certain government appointed or elected bodies (such as hospital and school boards, and economic development organizations) who do not receive any remuneration or honoraria for their services. Thus they may be counted as board volunteers more frequently in Atlantic Canada than in some other regions. This could be an interesting area for future research.

³⁴ Using a rudimentary calculation to convert this time into the equivalent of an average workweek for a paid employee (35 hours per week), we can conclude that the volunteer effort equates to 3,627,311 workweeks of free labour. If we assume an average of 49 workweeks per year for paid employees, then we may conclude that the equivalent time contributed by volunteers is tantamount to 74,027 person years.

Figure 23: Percentage of organizations by number of volunteers



Concentration of volunteers

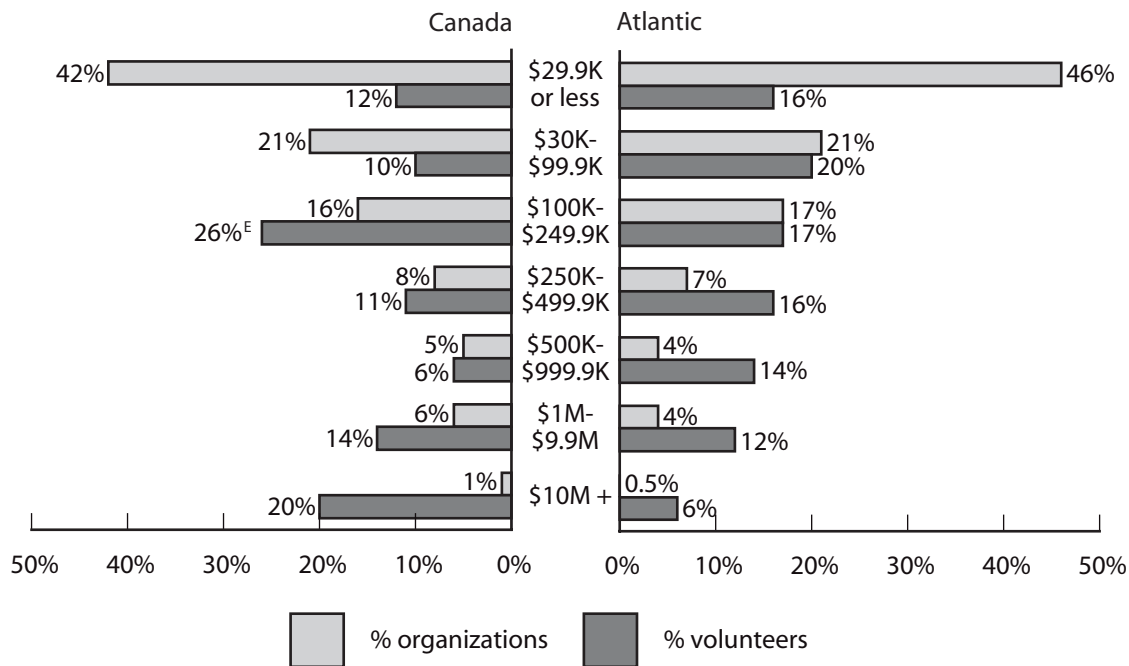
Organizations with higher revenue levels have more volunteers than their smaller counterparts. Volunteers in Atlantic Canada tend to be concentrated in mid-size to large organizations. Almost half (48%) of all volunteers are associated with organizations with revenues of \$250,000 or more. Conversely, the 46% of organizations with revenues under \$30,000 account for only 16% of all volunteers. In the next two revenue classes (\$30,000 to \$99,999 and \$100,000 to \$249,999) there is an alignment between the percentage of organizations and the percentage of volunteers (21% of organizations and 20% of volunteers; 17% of organizations and 17% of volunteers, respectively). The few organizations (less than 1%) in the highest revenue class (\$10,000,000 or more) attract 6% of volunteers. This is quite different from the Canadian average where 20% of volunteers are concentrated in this class. The national figures, however, are skewed by the Ontario numbers, where a disproportionate percentage of volunteers (37%) are reported in the highest revenue bracket (Figure 24).

There are quite wide variations in the concentration of volunteers across the various revenue classes in different regions of the country. In Quebec, an extremely large cluster of volunteers (63%^E) were accounted for by organizations with \$100,000 to \$249,999 in

^E Use with caution

annual revenues, which, as in Atlantic Canada, comprise only 17% of total organizations).

Figure 24: Percentage of organizations and percentage of volunteers by revenue size



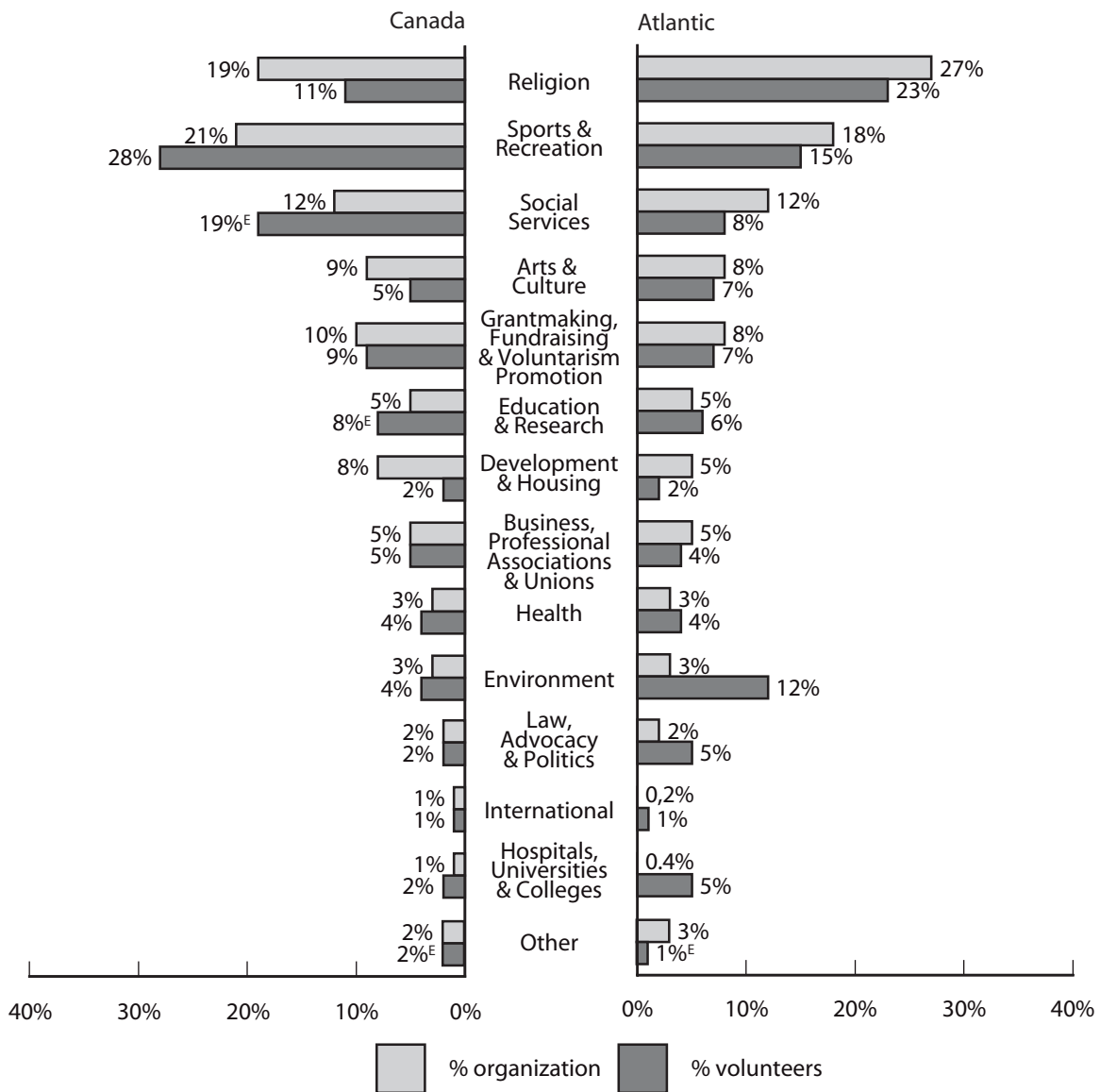
Distribution of volunteers by sub-sector activity area

Another way to explore the distribution of volunteers is to look at the types of activities in which they are engaged. Fully half the volunteers in the Atlantic region offer their services in three sub-sector activity areas: Religion, Sports and Recreation, and Environment. Taken together, these activity areas make up almost half of the total organizations in the region. The Religion sub-sector accounts for 27% of all organizations and 23% of the volunteers; Sports and Recreation comprises 18% of the organizations and accounts for 15% of the volunteers; and the Environment category, which makes up only 3% of organizations, reports 12% of all volunteers (indicating a strong interest in environmental issues and the ability of these organizations to attract volunteers). In terms of volunteer preferences, these figures are somewhat at odds with the Canadian averages in which 28% of volunteers are associated with Sports and Recreation, 11% with Religion organizations, and only 4% with Environment organizations (Figure 25).

The findings from NSNVO also expose sharp variations in volunteer preferences in different regions of the country. For example, in Atlantic Canada only 8% of volunteers are associated with Social Services organizations (the Canadian average is 19%), whereas

in Quebec, a remarkable 57% of volunteers are in this category. Volunteers in the Atlantic Provinces (12%) and British Columbia (19%) show a much greater preference for Environment activities compared to the national average of 4%. The attraction of volunteers (15%) to Sports and Recreation in Atlantic Canada is well below the 39% in Ontario. Five percent of volunteers in the Atlantic Provinces are involved with Hospitals, Universities and Colleges compared to only 1% in this field in Alberta and British Columbia.

Figure 25: Percentage of organizations and percentage of volunteers by primary activity area



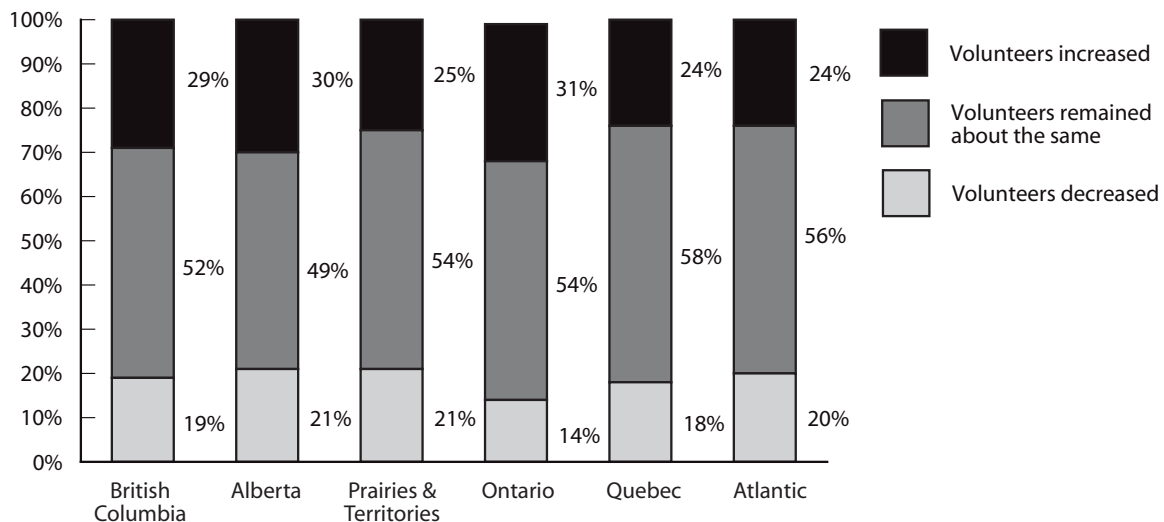
^E Use with caution.

Are volunteer levels within organizations changing?

The survey enquired whether the number of volunteers in the organization had changed over the three-year period from 2000 to 2003. Over half of organizations (56%) in Atlantic Canada reported that their volunteer complements had remained relatively stable, while a quarter (24%) experienced an increase in the number of volunteers and 20% experienced a decrease. These figures are fairly consistent with overall national averages.

In comparison to other regions, Atlantic Canada and Quebec were the least likely to have an increase in their volunteer base, while Alberta and Ontario were most likely to report increases (Figure 26).

Figure 26: Reported change in volunteers over the past three years by region



Changes in volunteer complement according to size of organization

These general trends vary somewhat when we look at different sized³⁵ organizations. There were wide swings among organizations with different sized non-board volunteer bases. It is striking that the majority (69%) of organizations in the region having the smallest non-board volunteer base (1-9 volunteers) reported no changes in their numbers. This group is also the least likely to show an increase in their volunteer complements.

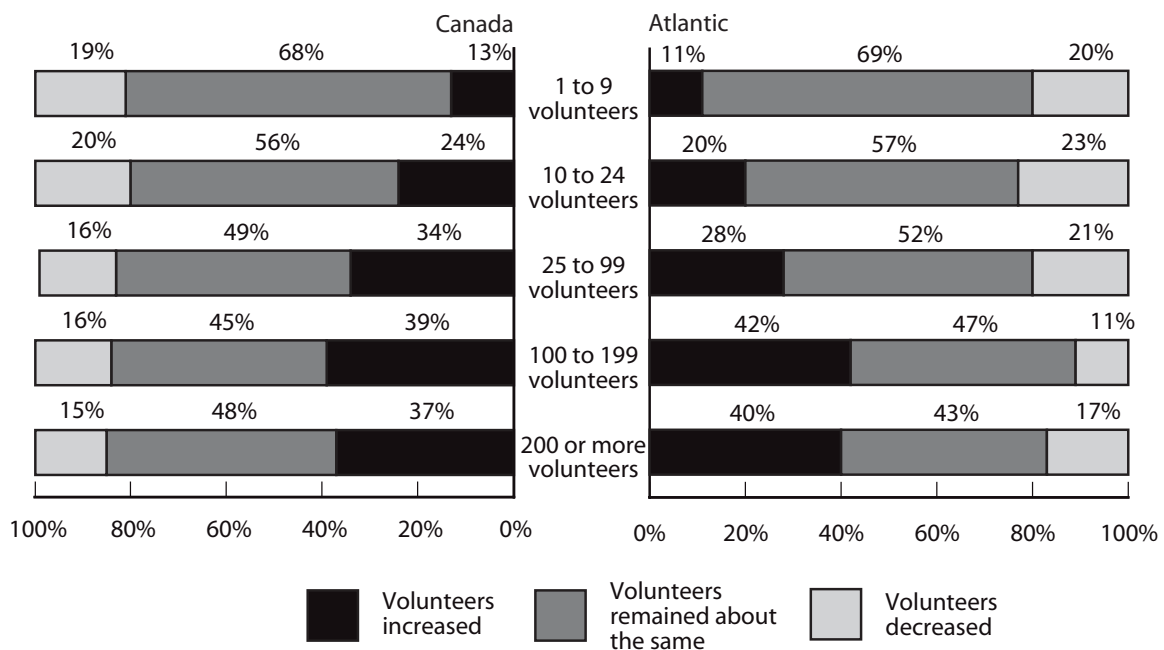
A closer examination of the changes in the complements of non-board volunteers over the last three years displays a noticeable divide: organizations with larger volunteer

³⁵ In this section 'size' refers to magnitude of the volunteer base within organizations.

complements are more likely to have had increases and those with fewer volunteers tend to have more decreases. In the Atlantic region, over 40% of organizations with existing complements of 100 plus volunteers reported an increase in volunteers between 2000 and 2003. At the other extreme, of organizations with non-board volunteer complements in the ranges of 1-9 and 10-24, only 11% and 20% respectively reported increases. In contrast, and consistent with observations of national trends, larger organizations are less likely to report decreases and smaller organizations are more likely to report a decrease in volunteers over the three-year period.

This suggests that there is a major divide between larger and smaller organizations, and that the big are getting bigger insofar as organizations with more resources (in this case, larger complements of volunteers) are more likely to have the capacity to foster growth in a way that smaller organizations cannot (Figure 27).

Figure 27: Reported change in volunteers over the past three years by number of volunteers

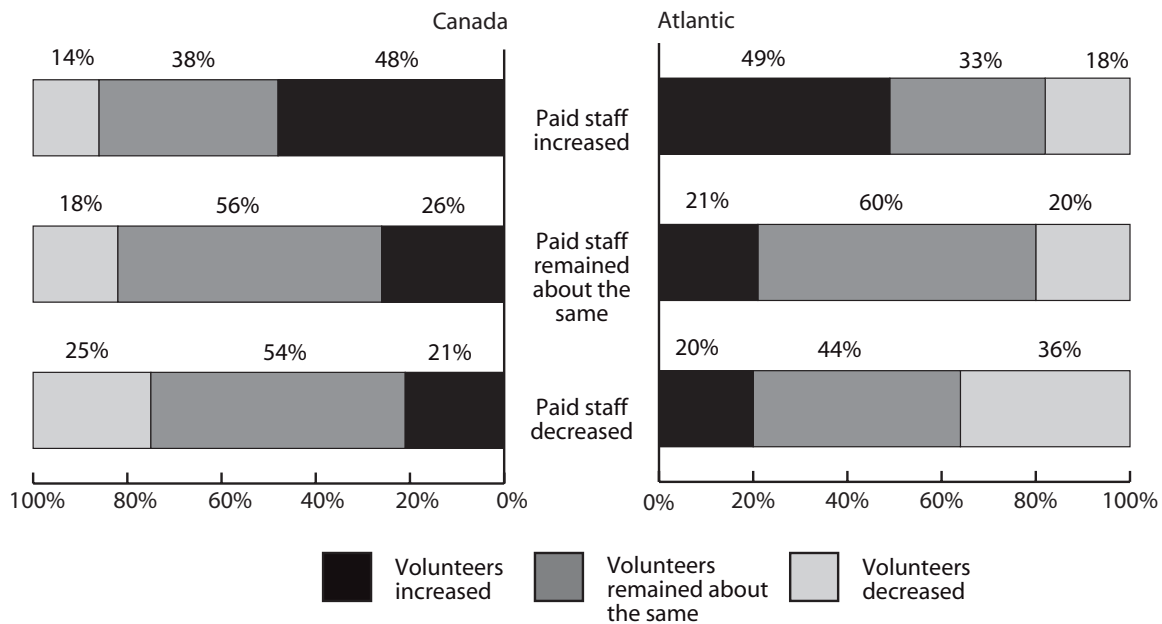


The relationship between changes in paid staff and changes in the volunteer base

The survey probed to see if the stability or change in an organization’s volunteer base coincided with changes in the number of paid staff. In Atlantic Canada, 49% of organizations reporting an increase in staff also reported an increase in the number of volunteers, which is almost identical to the national average (48%). When employee levels remained the same, 60% of organizations reported that their volunteer

complement also remained the same. Where a decrease in staff occurred, Atlantic organizations were more likely to have experienced a decrease in volunteers in comparison to the rest of the country (36% compared to 25%). We might speculate from this that Atlantic organizations rely more on paid staff to recruit and manage volunteers than do Canadian organizations generally (Figure 28).

Figure 28: Reported change in volunteers over the past three years by reported change in paid staff



Changes in revenues and volunteer numbers

Another set of questions in the survey compared changes in volunteer complements to changes in an organization’s revenue base. Over the period 2000-2003, it appears that the number of volunteers in an organization is somewhat sensitive to changes in revenue. While the largest proportion of organizations reported their volunteer base remained the same, in each scenario some organizations experienced fluctuations over the three-year period. An increase in revenue seems to foster a more significant increase in volunteers, while a decrease in revenue fosters the most noticeable loss of volunteers.

In Atlantic Canada, among those organizations that reported declining revenues, 53% said their volunteer complements remained the same, but these organizations were the least likely to experience an increase in the number of volunteers (12%). When revenues remained the same, almost two thirds of organizations reported that their level of volunteers remained stable. When revenues increased, 40% reported an increase in their number of volunteers. This suggests that there is a correlation between the level of resources (in this case increasing revenues flows) and the ability to increase an

organization's volunteer base. Because increased revenues may also be associated with additional programs within specific organizations, it is logical that more staff positions might also be created to meet additional program needs (Figure 29).

Figure 29: Reported change in volunteers over the past three years by reported change in revenues



Paid Staff

The nonprofit and voluntary sector is a major contributor to the Canadian labour force, accounting for 2,031,744 paid positions in 2003, of which one third (695,755) were situated in Hospitals, Universities and Colleges. The distribution of positions varies among full and part-time, permanent and non-permanent positions.³⁶ Sixty-five percent of the positions are considered permanent and 56% are full time. In Atlantic Canada, nonprofit organizations provided nearly 106,000 paid positions distributed across the 52% of organizations that have paid employees (22,940 were in the Hospital, University and College sector and 82,793 in other organizations). Of these positions, 60% were considered permanent and 65% were full time jobs. The four Atlantic Provinces combined have a slightly higher share of organizations with at least one paid employee than the Canadian average (Table 7).

³⁶ Permanent employees are defined as those with no set termination date. Temporary employees are those with a set termination date. Part-time staff work fewer than 30 hours per week while full-time work 30 or more hours per week.

Table 7: Number of paid staff

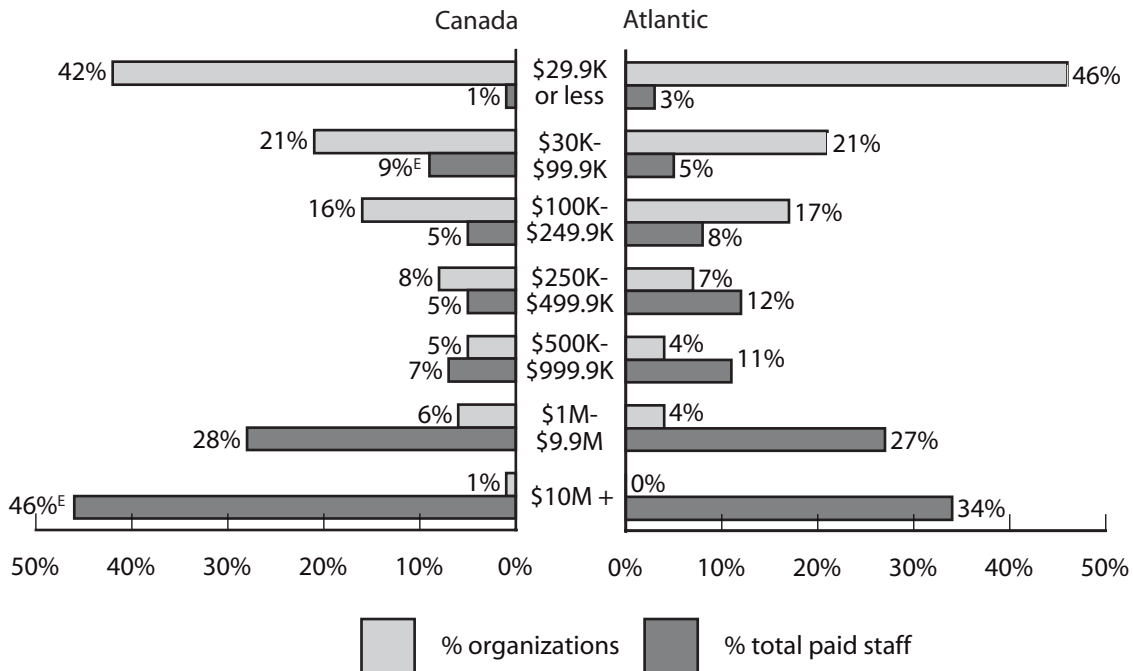
		Number of paid employees (T4)	Number of permanent employees (T4)	Number of Non-permanent employees	Number of full-time employees (T4)	Number of Part-time employees
Hospitals, Universities & Colleges	Atlantic	22,940	15,253	7,686	14,392	8,547
	Canada	695,755	493,592	202,163	340,662	355,094
All Organizations excluding Hospitals, Universities & Colleges	Atlantic	82,794	47,699	35,095	54,603	28,191
	Canada	1,335,988	827,171	508,817	806,953	529,035
All Organizations	Atlantic	105,733	62,952	42,782	68,995	36,738
	Canada	2,031,744	1,320,763	710,980	1,147,615	884,129

Concentration of paid staff

As would be expected, there is a high concentration of paid employees in organizations with the greatest revenues. In the Atlantic region, organizations with annual revenues of \$1,000,000 or more engage 61% of all paid employees in the sector, with more than half of these working in the few organizations with revenues of \$10,000,000 plus. Organizations with revenues of less than \$100,000 per annum account for only 8% of the total paid staff. The concentration of employees in the higher revenue organizations (\$1,000,000 or more) in the Atlantic region is significantly lower than the Canadian average (61% compared to 74%).

Interestingly, organizations that record annual revenues less than \$30,000 account for 3% of paid staff. This suggests that salaries are either very low or people are employed part-time and perhaps for only a portion of the year. The mid-range cluster of organizations with revenues between \$100,000 and \$500,000 (comprising 24% of all organizations) accounts for 20% of total employment. At a national level, exactly the same percentage of organizations falls into this revenue category even though they account for only 10% of total employment (Figure 30).

Figure 30: Percentage of organizations and paid staff by revenue size



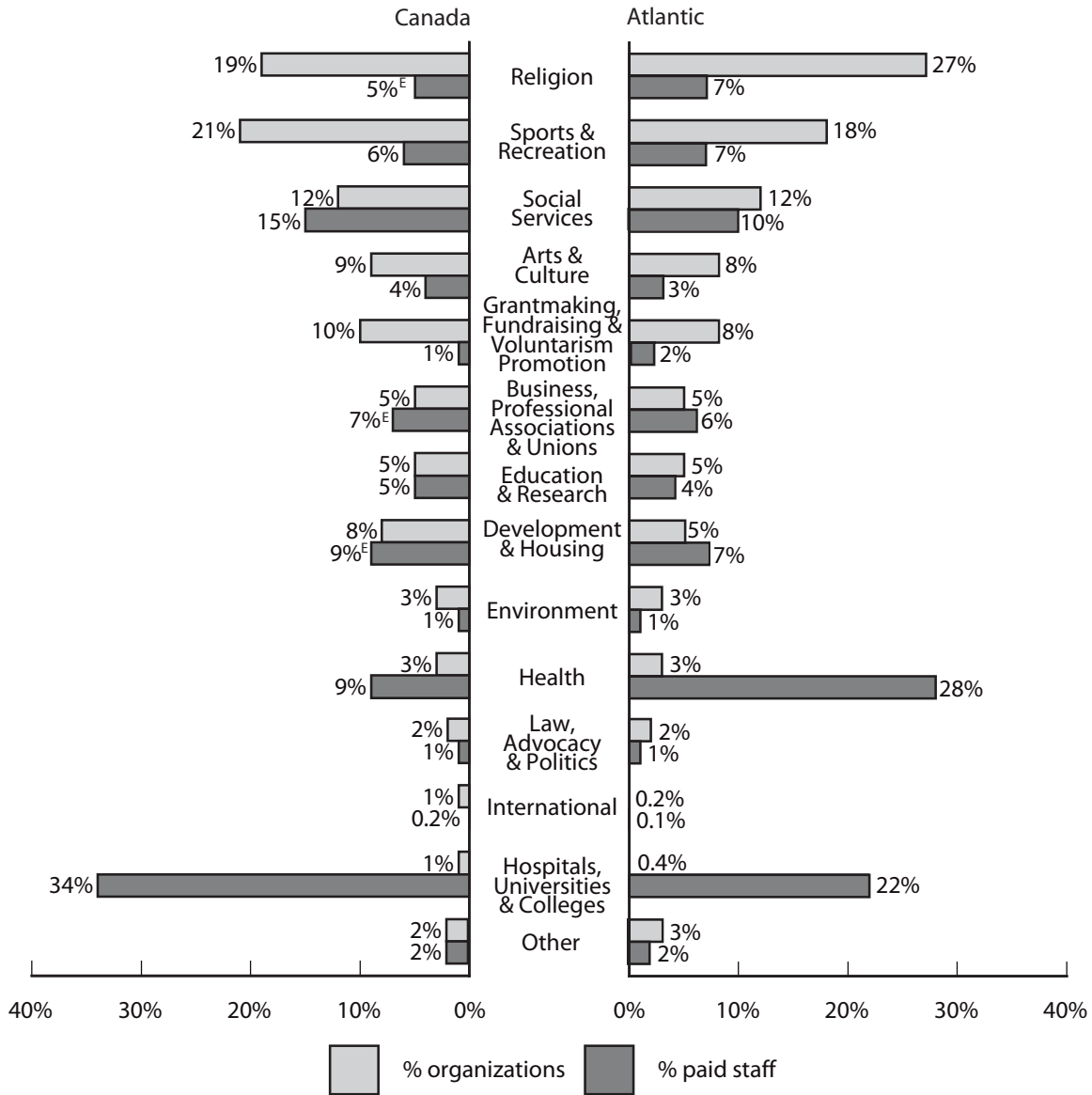
^E Use with caution.

Distribution of paid staff by sub-sector activity area

Besides considerable disparity among organizations with different revenue levels, there is also substantial variation in the percentage of employees across the 15 classifications of sub-sector activity. Compared to Canada as a whole, there is a higher concentration in Atlantic Canada of employment in Health organizations and a lower employment rate in Hospitals, Universities and Colleges.³⁷ Health organizations (excluding hospitals) comprise 3% of all organizations and they employ 28% of total paid staff in the sector. Hospitals, Universities and Colleges account for 22% of the recorded employment. In Canada overall, Health organizations also comprise 3% of total organizations but employ only 9% of paid staff, and Hospitals, Universities and Colleges account for 34% of the total paid staff complement. The most striking difference between the Atlantic region and other regions of the country is the huge disparity in the number of people working in Health organizations. For example, in Ontario and Alberta only 5% of all paid staff work in this sub-sector (Figure 31).

³⁷ Perhaps the answer may be that certain health services such as home care are delivered at a community level to relieve the strain on Hospitals, and there are a relatively low number of post secondary institutions.

Figure 31: Percentage of organizations and paid staff by primary activity area



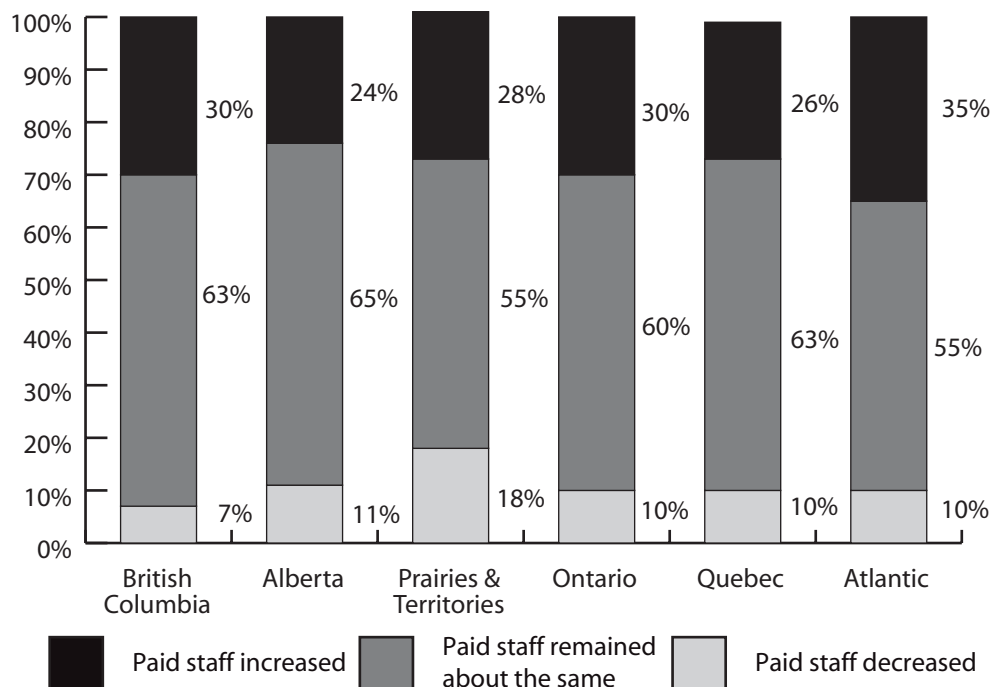
^E Use with caution.

Organizations in the four Atlantic Provinces account for about 5% of people employed in the nonprofit and voluntary sector across the country and for about 5% of the volunteer effort in Canada as a whole. Both the employment and volunteer figures fall somewhat below the percentage (8%) of the country’s organizations found in the region; however, this is similar to other regions. Only Ontario has a greater percentage of both staff and volunteers than organizations.

Are the paid staff complements of organizations changing?

When nonprofit and voluntary organizations with paid staff were asked whether their number of employees had remained stable, increased, or decreased during the period between 2000 and 2003, more than half (55%) in Atlantic Canada reported that their staff complements had remained relatively stable, slightly less than the Canadian average of 59%. Thirty five percent reported an increase during the same period and 10% experienced a decrease in staff complements. Remarkably, the rate of increase was somewhat greater than the Canadian average of 30% and higher than in any region in the country. For instance, in Alberta and Quebec only 24% and 26%, respectively, reported increases (Figure 32).

Figure 32: Reported change in paid staff over the past three years by region

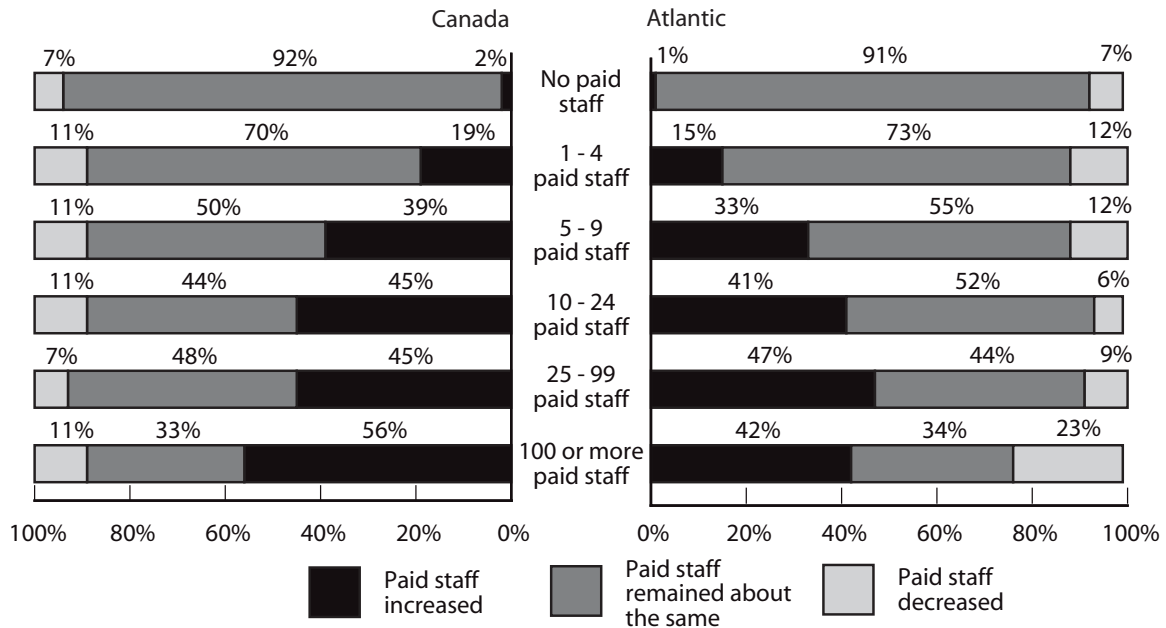


Are paid staff complements affected by the number of employees?

In the Atlantic region, as well as for the country as a whole, changes in the number of paid staff between 2000 and 2003 seem sensitive to the pre-existing number of employees. Organizations with small staff complements were most likely to experience no change. Seventy-three percent of organizations with one to four employees reported that their staff complement remained the same. Those with more staff positions were more likely to have experienced increases in their number of employees. Over 40% of organizations with 10 or more employees reported increases, while only 15% of organizations with one to four employees reported an increase over the period 2000 to

2003. Organizations with staff complements in excess of 100 were least likely to have remained the same (34%), with 42% reporting an increase and 23% reporting a decrease in staff (Figure 33).

Figure 33: Reported change in paid staff over the past three years by number of paid staff



Are staff numbers affected by changes in revenue?

Changes in revenues may cause swings in employee levels, though the correlation may not be as strong as might be anticipated. The majority of organizations (77%) in Atlantic Canada whose revenues remained the same reported that staff complements also remained stable over the three-year period from 2000 to 2003. Even when revenue levels decreased, 60% of organizations still reported the same staff levels, whereas 29% experienced a decrease in staff and 11% actually experienced an increase in staff levels. Staff increases, alternatively, appear relatively more sensitive to increases in revenue levels, with thirty-nine percent of Atlantic Canada organizations reporting increased staff complements when their revenues increased (Figure 34, Table 8).

Figure 34: Reported change in paid staff over the past three years by reported change in revenues

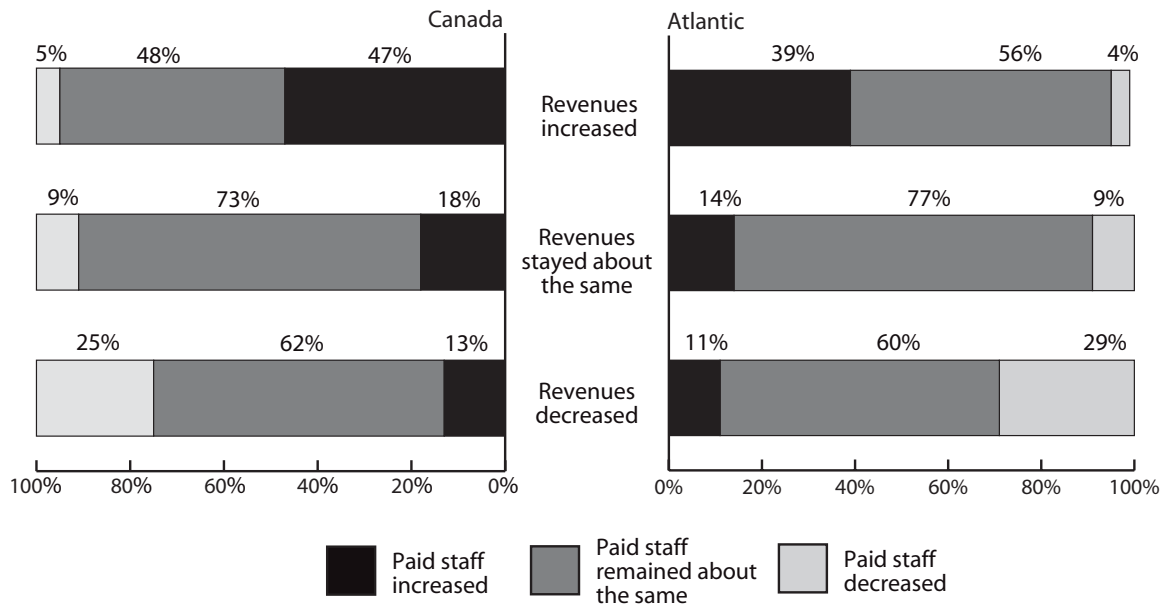


Table 8: Summary of paid staff and volunteers in the Atlantic region by province

Province	Percent of all organizations in Canada	Paid staff	As percent of paid staff in Canada	Number of volunteers in Atlantic Provinces	As percent of all volunteers in Canada	Hours volunteered as percent of total hours in Canada
NB	2.4%	33,850	1.7%	295,181	1.5%	1.6%
NS	3.6%	36,098	1.8%	442,533	2.3%	2.4%
NL	1.4%	29,614	1.5%	235,180	1.2%	1.1%
PEI	0.6%	6,171	0.3%	53,621	0.3%	0.3%
Total Atlantic Region	8.0%	105,733	5.2%	1,026,515	5.4%	5.4%

Note: Columns may not add to total due to rounding

Capacity Issues

Nonprofit and voluntary organizations generate and deploy enormous human and financial resources for the benefit of Canadian society. Nevertheless, many are struggling with a variety of problems which may impede their capacity to meet their missions and fully serve people and communities.

NSNVO corroborates what other smaller studies³⁸ have previously revealed. Organizations of all sizes are operating in a volatile environment marked by changing demographics, greater demand for their services and programs, and a host of challenges such as recruiting volunteers, shifting funding patterns and more rigorous reporting requirements without sufficient internal administrative and technical resources to enable them to adapt and cope well with transition. Even those which rely exclusively on volunteers and with limited revenue flows must contend with such issues as legal liability, a more competitive environment, training to improve human resources skills and learning to master the digital world.

In preparation for NSNVO, regional focus groups were held in 2002 to collect perspectives about the capacity issues organizations were facing. *The Capacity to Serve: A Qualitative Study of the Challenges Facing Canada's Nonprofit and Voluntary Sector* (2003) reported on concerns related to financial, human and organizational capacity. Building on the findings in that report, NSNVO asked about the extent to which organizations were experiencing problems in each of the following areas:

- Human resources capacity, such as the ability to recruit and deploy volunteers and paid staff within the organization;
- Financial capacity, such as the ability to develop and deploy the revenues and assets of the organization;
- Planning and development capacity, such as the ability to develop and draw on organizational strategic plans, program plans, policies and procedures;

³⁸ See for example Scott, K. (2003). *Funding matters: The impact of Canada's new funding regime on nonprofit and voluntary organizations*. Ottawa: Canadian Council on Social Development, and Rowe, P. (2005). *Leadership gap: Perception or reality*. St. John's, NL: Community Services Council Newfoundland and Labrador, and Community Services Council Newfoundland and Labrador. (2003). *Volunteering in Newfoundland and Labrador*, Fact sheet summary from provincial research project in the voluntary, community-based sector. St. John's, NL: Community Services Council Newfoundland and Labrador, and Locke, F., Rowe, P., & Oliver, R. (2004). *The impact of participation in the community service component of the Student Work and Service Program (SWASP) on students' continuing involvement in the voluntary, community-based sector*. St. John's, NL: Community Services Council Newfoundland and Labrador.

- Relationship and network capacity, such as the ability to collaborate and draw on relationships with clients, members, funders, partners, government and other stakeholders;
- Infrastructure and process capacity, such as the ability to deploy or rely on infrastructure such as internal administrative systems, information technology, software or databases; and,
- External factors that affect an organization's overall capacity, such as the level of demand for services or products.³⁹

These themes were further broken down into 24 issues to which respondents were asked to indicate whether each was 'not a problem', 'a small problem', 'a moderate problem' or 'a serious problem'.⁴⁰ Organizations in the Atlantic Provinces, as throughout Canada, report problems in many capacity areas. At the top of the list is planning for the future, with almost two thirds indicating this to be a problem to some degree. At least half of all respondents reported problems recruiting the type of volunteers required,⁴¹ obtaining board members,⁴² and retaining volunteers.

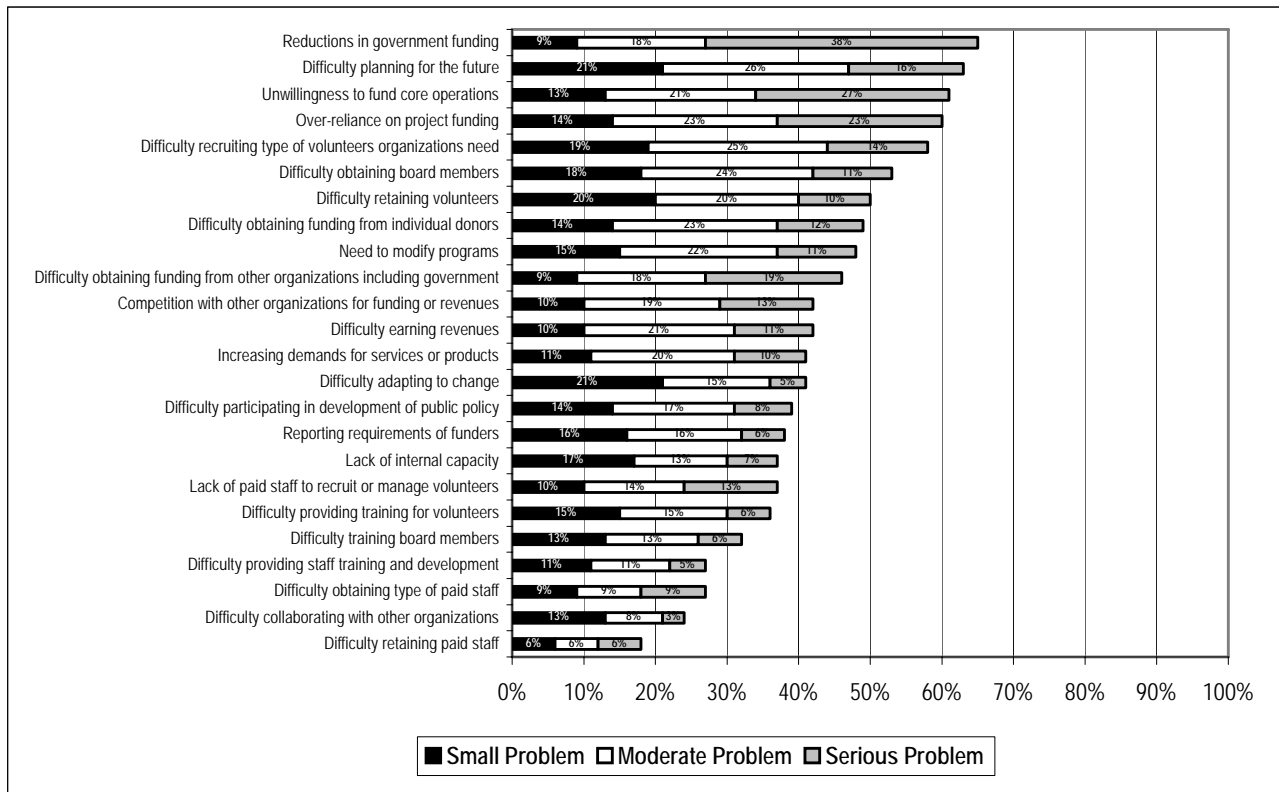
³⁹ Hall, M. H., de Wit, M. L., Lasby, D., McIver, D., Evers, T., Johnson, C., et al. (2005). *Cornerstones of community: Highlights of the National Survey of Nonprofit and Voluntary Organizations*. (Catalogue no. 61-533-XPE, Rev. ed.) Ottawa, ON: Statistics Canada. Retrieved February 15, 2005 from <http://www.statcan.ca/english/freepub/61-533-XIE/61-533-XIE2004001.htm>

⁴⁰ Hall et al., 2005.

⁴¹ These figures apply only to the 79% of organizations that had volunteers in non-governance positions.

⁴² These figures apply only to the organizations that had volunteers in governance positions.

Figure 35: Capacity issue by severity of problem



Financial resources capacity issues

Financial resources capacity issues form a specific cluster of problems. In addition to specific issues related to government funding matters, obtaining funding from individual donors and other sources was identified as a concern for almost half of all organizations. Competition from other organizations and difficulty earning revenue were mentioned as problem areas by more than 40% of organizations (Table 9).

Table 9: Financial issues by revenue size

		Difficulty Earning Revenues	Difficulty Obtaining Funding from Other Organizations	Difficulty Obtaining Funding from Individuals	Difficulty Competing with Other Organizations
\$0 - \$29,999	Atlantic	43%	42%	48%	40%
	Canada	42%	41%	43%	38%
\$30,000 - \$99,999	Atlantic	43%	45%	54%	43%
	Canada	40%	46%	51%	41%
\$100,000 - \$249,999	Atlantic	39%	48%	49%	38%
	Canada	44%	53%	54%	47%
\$250,000 - \$499,999	Atlantic	33%	58%	48%	49%
	Canada	43%	56%	51%	51%
\$500,000 - \$999,999	Atlantic	33%	61%	41%	50%
	Canada	43%	60%	48%	49%
\$1,000,000 - \$9,999,999	Atlantic	43%	55%	41%	58%
	Canada	40%	60%	47%	55%
\$10,000,000 +	Atlantic	22%	54%	41%	46%
	Canada	22%	61%	40%	53%
All Organizations	Atlantic	41%	46%	49%	42%
	Canada	42%	48%	48%	43%

External funding problems

Organizations that received funding from organizations such as governments, foundations and corporations between 2000 and 2003 were asked a series of specific questions relating to external funding.⁴³ It is apparent that a variety of concerns bedevil the majority of these organizations in the Atlantic provinces, especially reductions in government funding (66%), unwillingness to provide core funds (61%) and over-reliance on project funds (60%) (Table 10).

⁴³ These figures apply to the 39% of organizations nationally that were incorporated, that had been active for at least three years and that had received funding from governments, foundations or corporations over that period.

Table 10: External funding issues by primary activity area

		Over-Reliance on Project Funding	Unwillingness to Fund Core Operations	Need to Modify Programs	Reporting Requirements of Funders	Reductions in Government Funding
Arts and Culture	Atlantic	62%	70%	56%	50%	80%
	Canada	71%	70%	57%	45%	74%
Sports and Recreation	Atlantic	64%	56%	47%	35%	71%
	Canada	55%	54%	39%	37%	61%
Education and Research	Atlantic	64%	79%	61%	37%	78%
	Canada	64%	64%	52%	48%	69%
Health	Atlantic	69%	67%	57%	45%	61%
	Canada	78%	85%	55%	61%	79%
Social Services	Atlantic	68%	65%	56%	47%	67%
	Canada	70%	71%	56%	53%	73%
Environment	Atlantic	66%	74%	38%	33%	60%
	Canada	64%	71%	57%	49%	75%
Development and Housing	Atlantic	60%	60%	43%	32%	56%
	Canada	55%	49%	38%	39%	67%
Law, Advocacy and Politics	Atlantic	65%	65%	43%	31%	62%
	Canada	62%	72%	52%	49%	63%
Grantmaking, Fundraising and Voluntarism Promotion	Atlantic	54%	45%	44%	24%	62%
	Canada	48%	46%	36%	30%	49%
International	Atlantic	30%	72%	57%	39%	39%
	Canada	60%	65%	53%	63%	70%
Religion	Atlantic	32%	37%	19%	15%	37%
	Canada	40%	36%	25%	11%	26%
Business or Professional Associations or Unions	Atlantic	48%	56%	53%	42%	72%
	Canada	42%	44%	43%	30%	57%
Hospitals, Universities and Colleges	Atlantic	45%	75%	70%	45%	71%
	Canada	68%	66%	59%	55%	82%
Other	Atlantic	46%	50%	32%	26%	57%
	Canada	52%	38%	44%	39%	51%
All organizations	Atlantic	60%	61%	48%	37%	66%
	Canada	61%	61%	47%	43%	65%

Within some sub-sectors the vast majority of organizations cite problems with reductions in government funding: Arts and Culture (80%), Education and Research (78%), and Business, Professional Associations and Unions (72%), followed closely by Hospitals, Universities and Colleges and Sports and Recreation organizations (both at 71%). In some activity areas three quarters of the organizations are facing problems

with the unwillingness of governments to fund core operations: Education and Research leads the way (79%) with Hospitals, Universities and Colleges (75%) and Environment organizations (74%) following closely. Fully 55% of Arts and Culture organizations and 42% of Sports and Recreation organizations deem reduction in government funding to be a serious problem.

More than 60% of Health, Social Services, Environment, Law, Advocacy and Politics, Sports and Recreation, Education and Research, and Arts and Culture sub-sector organizations identified an over-reliance on project funding as a problem. Many of these same organizations are also struggling with the need to modify their programs, for example, Hospitals, Universities and Colleges (70%), Education and Research (61%), Health and International organizations (57%), Arts and Culture and Social Services (56%) (See Table 10).

Human resources capacity issues

The Survey asked questions about a variety of capacity issues relating to both paid and unpaid human resources. Volunteers, including board members, play a vital role in virtually every organization, and paid staff are employed by 52% of Atlantic organizations. One of the distinguishing features of the nonprofit and voluntary sector is its reliance on volunteer human resources. Among the threats organizations must contend with is the worry about what is perceived to be a diminishing pool of volunteers. This view is corroborated by NSNVO.

In Atlantic Canada, recruiting the right type of volunteers is expressed as a problem to some degree by 57% of organizations. Almost two thirds of organizations in the mid income ranges (between \$250,000 and \$999,000) face this challenge compared to 54% of organizations with revenues under \$30,000 and 48% of those with revenues of \$10,000,000 or more. Generally, a majority of the 99% of organizations with revenues of less than \$10,000,000 report that obtaining board members is a considerable problem. Organizations in the mid range (\$500,000 and 999,999) are the most challenged with 61% concerned about obtaining board members. However, only 24% of those with revenues of \$10,000,000 and over (primarily Hospitals, Universities and Colleges) see this as a problem.⁴⁴ This is strikingly different from the Canadian norm where 42% of organizations in the highest revenue class say board recruitment is a problem.

Over two thirds of organizations in the region with revenues over \$10 million experienced a problem providing training for non-board volunteers. This is considerably

⁴⁴ It is likely that many high revenue organizations, such as Hospitals, Universities and Colleges, have many of their board members appointed by governments, so these are prestigious positions.

higher than the national average of 48% of organizations with revenues of \$10 million or more reporting a problem providing training for non-board volunteers (Table 11).

Table 11: Human resources issues by revenue size

		Difficulty Obtaining Type of Paid Staff	Difficulty Retaining Paid Staff	Difficulty Providing Staff Training and Development	Difficulty Obtaining Board Members	Difficulty Training Board Members	Difficulty Recruiting Type of Volunteers	Difficulty Retaining Volunteers	Lack of Paid Staff to Recruit or Manage Volunteers	Difficulty Providing Training for Volunteers
\$0 - \$29,999	Atlantic	16%	24%	14%	51%	24%	54%	45%	24%	27%
	Canada	13%	23%	14%	53%	26%	51%	45%	22%	28%
\$30,000 - \$99,999	Atlantic	29%	18%	29%	56%	35%	59%	54%	38%	38%
	Canada	28%	16%	26%	61%	36%	61%	52%	36%	37%
\$100,000 - \$249,999	Atlantic	37%	13%	40%	49%	38%	59%	52%	52%	46%
	Canada	40%	17%	38%	60%	43%	68%	57%	45%	46%
\$250,000 - \$499,999	Atlantic	41%	13%	46%	55%	41%	63%	54%	56%	53%
	Canada	45%	17%	42%	59%	42%	65%	57%	52%	54%
\$500,000 - \$999,999	Atlantic	52%	22%	54%	61%	48%	64%	58%	62%	54%
	Canada	49%	23%	46%	51%	44%	55%	42%	51%	47%
\$1,000,000 - \$9,999,999	Atlantic	49%	27%	52%	51%	44%	61%	51%	47%	48%
	Canada	55%	20%	49%	50%	43%	53%	46%	49%	47%
\$10,000,000 +	Atlantic	59%	25%	60%	24%	31%	48%	43%	54%	68%
	Canada	66%	24%	50%	42%	33%	54%	51%	45%	48%
All Organizations	Atlantic	27%	18%	27%	52%	32%	57%	49%	37%	37%
	Canada	28%	19%	27%	56%	34%	57%	49%	35%	38%

Difficulty finding the type of staff required⁴⁵ appears to increase progressively as revenue levels increase. Organizations with annual revenues over \$500,000 express the greatest concern. Possibly this is because these organizations have high expectations for employee qualifications without sufficient funds to offer competitive wage and benefit packages.⁴⁶

Much like the rest of the country, many organizations in the region report that recruiting the type of volunteers required is a problem. Those sub-sectors experiencing the greatest difficulty finding suitable volunteers include Hospitals, Universities and Colleges (82%), Health (76%), Education and Research (71%), Law, Advocacy and Politics (71%), Sports

⁴⁵ Figures apply only to organizations that had paid staff.

⁴⁶ For more information on human resources issues in the sector visit www.hrvc.ca.

and Recreation (70%) and Arts and Culture (69%). Across most activity areas, Atlantic organizations mirror Canadian average figures quite closely, with two exceptions. At a national level, Hospitals, Universities and Colleges (52%) and Education and Research (59%) are less likely to experience difficulty recruiting volunteers.

Attracting board members was also a concern for many organizations, especially in the areas of Law, Advocacy and Politics (71%), Arts and Culture (66%), Education and Research (67%) and Sports and Recreation (65%). In contrast, only 19% of Hospitals, Universities and Colleges in the Atlantic region indicate that obtaining board members is a problem. This is enormously at odds with the national pattern where 60% of Hospitals, Universities and Colleges expressed a problem obtaining board members. As stated earlier, this might be connected to the way in which people come to serve on the boards of these organizations in different regions. For instance, in some jurisdictions governments may make appointments, whereas in others, people may be elected by the public. Retaining volunteers is also a problem for many sub-sectors, especially Health (68%), Hospitals, Universities and Colleges (66%) and Sports and Recreation organizations (61%).

An interesting observation is the degree to which Hospitals, Universities and Colleges and Health organizations express a problem recruiting volunteers and training board members. In both instances they outrank other sub-sector organizations (Table 12).

Table 12: The three main human resources problems encountered by sub-sector activity area

Recruiting volunteers	Obtaining board members	Retaining volunteers
Hospitals, Universities and Colleges (82%)	Law, Advocacy and Politics (71%)	Health (68%)
Health (76%)	Education and Research (67%)	Hospitals, Universities and Colleges (66%)
Law, Advocacy and Politics, and Education and Research (71%)	Arts and Culture (66%)	Sports and Recreation (61%)

Capacity issues according to primary source of revenue dependency

Exploring the data according to the main source of revenue dependency⁴⁷ provides another perspective on how organizations respond to different capacity problems. Government-dependent organizations are more susceptible to every single one of the capacity challenges identified in this study than organizations who are dependent on other revenue streams. Organizations primarily dependent on grants and donations are generally less likely to report capacity problems than other revenue dependency categories. This may be because organizations which are primarily dependent on grants and donations tend to have lower annual revenues, which is also related to a lower expression of capacity problems (Table 13, Table 14, Table 15, Table 16).

Table 13: Financial issues by revenue dependency

		Difficulty Earning Revenues	Difficulty Obtaining Funding from Other Organizations	Difficulty Obtaining Funding from Individuals	Difficulty Competing with Other Organizations
Government Dependent	Atlantic	52%	70%	57%	61%
	Canada	48%	74%	58%	57%
Earned Revenues Dependent	Atlantic	49%	48%	44%	40%
	Canada	45%	46%	42%	41%
Grants and Donations Dependent	Atlantic	27%	30%	49%	32%
	Canada	28%	32%	48%	34%
Diverse	Atlantic	41%	47%	51%	46%
	Canada	49%	53%	52%	49%
All organizations	Atlantic	41%	46%	49%	42%
	Canada	42%	48%	48%	43%

Table 14: External funding issues by revenue dependency

		Over-reliance on Project Funding	Unwillingness to Fund Core Operations	Need to Modify Programs	Reporting Requirements of Funders	Reductions in Government Funding
Government Dependent	Atlantic	68%	70%	57%	44%	75%
	Canada	71%	72%	58%	55%	78%
Earned Revenues Dependent	Atlantic	57%	60%	41%	37%	65%
	Canada	54%	52%	40%	36%	59%
Grants and Donations Dependent	Atlantic	44%	45%	35%	20%	50%
	Canada	53%	53%	39%	29%	48%
Diverse	Atlantic	62%	58%	56%	41%	66%
	Canada	60%	64%	47%	45%	68%
All organizations	Atlantic	60%	61%	48%	37%	66%
	Canada	61%	61%	47%	43%	65%

Table 15: Human resources issues by revenue dependency

		Difficulty Obtaining Type of Paid Staff Needed	Difficulty Retaining Paid Staff	Difficulty Providing Staff Training and Development	Difficulty Obtaining Board Members	Difficulty Training Board Members	Difficulty Recruiting Type of Volunteers Needed	Difficulty Retaining Volunteers	Lack of Paid Staff to Recruit or Manage Volunteers	Difficulty Providing Training for Volunteers
Government Dependent	Atlantic	50%	24%	55%	63%	51%	72%	60%	67%	57%
	Canada	52%	23%	50%	67%	52%	65%	55%	59%	54%
Earned Revenues Dependent	Atlantic	23%	15%	23%	53%	28%	56%	47%	32%	34%
	Canada	22%	18%	21%	58%	31%	57%	49%	29%	34%
Grants and Donations Dependent	Atlantic	18%	15%	18%	44%	25%	50%	46%	26%	30%
	Canada	24%	14%	22%	44%	29%	54%	47%	29%	35%
Diverse	Atlantic	27%	20%	21%	54%	28%	60%	50%	37%	31%
	Canada	27%	18%	25%	56%	34%	57%	47%	38%	36%
All organizations	Atlantic	27%	18%	27%	52%	32%	57%	49%	37%	37%
	Canada	28%	19%	27%	56%	34%	57%	49%	35%	38%

Table 16: Structural issues by revenue dependency

		Difficulty Collaborating with Other Organizations	Difficulty Planning for the Future	Difficulty Participating in Policy Development	Lack of Internal Capacity	Difficulty Adapting to Change	Increasing Demands for Services or Products
Government Dependent	Atlantic	35%	73%	58%	58%	44%	58%
	Canada	31%	70%	61%	60%	50%	63%
Earned Revenues Dependent	Atlantic	22%	61%	37%	35%	41%	40%
	Canada	22%	56%	36%	34%	39%	38%
Grants and Donations Dependent	Atlantic	22%	59%	31%	31%	41%	35%
	Canada	20%	55%	31%	35%	41%	38%
Diverse	Atlantic	24%	62%	38%	37%	39%	40%
	Canada	27%	58%	39%	39%	37%	41%
All organizations	Atlantic	25%	63%	39%	38%	41%	42%
	Canada	24%	58%	39%	39%	41%	43%

Capacity problems by sub-sector activity area

Turning to how capacity issues vary according to the fourteen sub-sector activity areas, it is clear that some groups are struggling more than others. Looking at the number one ranked problem overall – planning for the future – over 70% of groups in the Law, Advocacy and Politics, Arts and Culture, and the Environmental sub-sectors are experiencing a problem. An incredible 82% of Hospitals, Universities and Colleges say they face planning problems.

In the Atlantic region Hospitals, Universities and Colleges are also less likely to have identified reductions in government funding (71%) as a problem in comparison to their counterparts in Canada as whole (82%), but more likely to be concerned with recruiting volunteers (82% compared to 52%). Organizations in this sub-sector find it a greater challenge as well to retain volunteers in the Atlantic Region (66% compared to 45%).

Organizations in Atlantic Canada have identified several areas where human resources and financial capacity issues threaten their ability to fully meet their missions and to serve the public good. NSNVO has also highlighted the problems being created for many organizations and sub-sectors by the changing approaches to funding, especially reductions in government funding, the unwillingness to fund core activities and the shift toward short term project-based funding. NSNVO is a signal that changes in policies and practices are necessary to ensure that nonprofit and voluntary organizations, which Canadians describe as *the* key contributor to quality of life in this country,⁴⁸ can reach their full potential.

⁴⁸ A recently released study for Infrastructure Canada reports that Canadians view volunteer organizations as having “the biggest impact on the quality of life in Canada in their communities. Atlantic Canadians rate the contributions of volunteer organizations more highly than any other region of Canada with 91% of respondents in the poll (compared to 84% for Canada as a whole) indicating such organizations make a significant contribution.” Source: Strategic Counsel. (2005). *National overview of findings from a national survey on the quality of life in Canadian communities*. Prepared for Infrastructure Canada (The Cities Secretariat). Retrieved from www.infrastructure.gc.ca/research-recherche/rresul/cities/cities_study/toc_e.shtml

Conclusions

The NSNVO has gathered more information than has ever been previously available about registered charities and incorporated nonprofit organizations across the country. In Atlantic Canada we have, for the first time, a portrait of the sector in the region, and the ability to compare activities and trends in the region with the rest of Canada.

Nearly 13,000 nonprofit and voluntary organizations operated in the four Atlantic Provinces in 2003 with the vast majority providing locally-focused, community-level services. Citizens could become engaged in a wide variety of activities from faith organizations to sports and recreation to providing services for children, youth and seniors. Hundreds of thousands of people participate in these organizations as volunteers, as members, and as paid employees, coming together to respond to community needs, identify emerging issues and to influence the shape and direction of government policies and programs. Organizations in the Atlantic region, including charitable institutions such as Hospitals, Universities and Colleges, collectively generate approximately \$5.7 billion dollars, attract 4.9 million members and report over 1,000,000 volunteer positions.⁴⁹ Indisputably, the sector is a major contributor to the economy as well as a significant social force.

Nonetheless, in producing a portrait of nonprofit and voluntary organizations, NSNVO reveals that organizations are operating in a dynamic environment where they may not always have the financial and human resources or capacity to control and adapt to changes occurring around them. The majority of organizations in the region express some degree of challenge planning for the future, and recruiting volunteers and board members. Complacency toward the sector's ongoing health and vibrancy could lead to serious erosion which might have a long term impact on the lives of many. NSNVO offers evidence that coordinated effort from many quarters is essential if we wish to maintain and refuel the voluntary sector.

The Survey also suggests that the sector in the Atlantic region is not nearly as dependent on government funding as generally perceived. Overall, Atlantic region organizations receive a smaller portion of their revenues from governments than the Canadian norm (45% compared to 49%), and they receive a much lower proportion of their revenues (17%) from grants from federal and provincial governments compared to the Canadian average of 29%. Less than one fifth of organizations (19%) rely on government for more than half of their revenues.

Generally, the nonprofit and voluntary sector in Atlantic Canada appears to be more entrepreneurial than the Canadian norm. This is particularly so for organizations other than Hospitals, Colleges and Universities. All organizations combined generate 42% of

⁴⁹ People are members of, and volunteer with, numerous organizations, accounting for these high numbers.

their revenues from earned income, compared to the Canadian norm of 35%. However, when Hospitals, Universities and Colleges are removed from the analysis, all other organizations generated over half (53%) their revenues from earned income in 2003, compared to the Canadian average of 43%. They received substantially more of their revenue from investments, far outstripping the Canadian average (11% in contrast to 4%).

Although one-third of all Atlantic organizations combined received more than half their income from grants and donations, less revenue flowed from this source in Atlantic Canada than for Canada as a whole (11% compared to 13%). Atlantic organizations earned less revenue on the whole from membership fees (7% compared to 11%) than the rest of the country, which is a reflection of the fact that there are more organizations in the region without a membership base (21% versus 25%).

In Atlantic Canada, as in the rest of the country, there is a striking divide between well-funded organizations with more staff and volunteers, and smaller organizations that often provide important programs and services but work with fewer staff, volunteers and financial resources. Volunteers in Atlantic Canada tend to be concentrated in mid-size to large organizations with almost half (48%) of all volunteers associated with organizations with revenues of \$250,000 or more. Conversely, the 46% of organizations with revenues under \$30,000 account for only 16% of all volunteers. There is also a high concentration of paid employees in organizations with the greatest revenues. In the Atlantic region, organizations with annual revenues of \$1,000,000 or more, engage 61% of all paid employees in the sector, with more than half of these working in the few organizations with revenues of \$10,000,000 or more. Organizations with revenues less than \$100,000 per annum account for only 8% of total paid staff.

Organizations with more resources are more likely to have the capacity to foster growth in a way that smaller organizations cannot. Generally, organizations with more staff, larger volunteer complements and higher revenues were more likely to report increases in both volunteers and employees. However, even though three quarters of all organizations reported that their level of revenues either remained about the same (43%) or increased (33%), they may still be struggling to acquire sufficient funding to meet organizational requirements or keep up with inflationary costs.

The notion that volunteers are in abundant supply has been seriously challenged by the National Survey of Nonprofit and Voluntary Organizations. Although volunteer levels have remained stable for 56% of organizations, over half of all organizations reported that recruiting the type of volunteers they need and obtaining board members is posing a problem to some degree. On the surface this may seem to be a contradiction, but it likely implies that organizations either did not have enough volunteers in the base year or that recruiting for particular types of positions is becoming a problem. It could also indicate that competition for volunteers is increasing or that organizations do not have adequate resources to recruit and manage volunteers. This should be a wake up call to

those who take the sector for granted, especially when demands for services are increasing.

It is evident that nonprofit and voluntary organizations are going through a period of change since many identify planning for the future and difficulty adapting to change as major challenges. How the sector and its supporters regroup to adjust to change over the next few years will likely determine the continuing health of the sector and the many thousands of organizations that serve our communities and our people.

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