

# Policy Brief: Succeeding Together

## Importance of the Nonprofit Sector

Given the size, scope, and breadth of the sector, every Albertan, in every community, is likely interacting with the nonprofit sector on a daily basis. This sector has a far-reaching scope and meaningful impact on the daily lives of Albertans.

### NONPROFITS ARE CORNERSTONES OF A THRIVING ECONOMY

Nonprofit organizations play a critical role within the Alberta economy. Their impact has grown substantially in the last decade and will continue to contribute to the economic wellbeing of the province. Canada's nonprofit and charitable sector is the second largest in the world, employing over two million people. There are more than 170,000 nonprofit organizations in Canada that represent 10.5% of the labour force and contribute to 8.1% of Canada's GDP<sup>i</sup>.

In Alberta, the sector contributes \$9.6 billion in GDP<sup>ii</sup> and is comprised of:

- More than 26,000 nonprofit organizations (an increase from 19,000 in 2003)<sup>iii</sup>
- At least 451,000 employees<sup>iv</sup> (approximately 212,000 full-time and 239,000 part-time in charitable organizations alone<sup>v</sup>)
- Most adult Albertans who volunteer in their communities<sup>vi</sup>
- An estimated \$8.3 billion in volunteer labour that is donated to the sector every year

### NONPROFITS CONTRIBUTE TO THE SOCIAL AND CULTURAL FABRIC OF ALBERTA

Nonprofit organizations play a vital role, providing key services for Albertans. Their work touches on social, cultural, and environmental issues and values that are otherwise underserved. Historically, nonprofits have been established to fill a gap in services not otherwise provided by government or private businesses.

A variety of subsector nonprofits enrich Albertans' social and cultural experiences, including: arts and culture, sports and recreation, religion, social services, development and housing, environment, education and research, health, and advocacy. Unique in their direct work with community groups, nonprofit organizations harness insights and provide solutions for complex societal challenges. They serve diverse populations, geographical locations, and employ different approaches to solving problems. With thousands of organizations providing much needed services, nonprofits are significant contributors to the communities they serve, and to the social and cultural makeup of our province.

### NONPROFITS ARE CRUCIAL TO DEMOCRATIC PARTICIPATION

Nonprofits play a vital role in democratic participation by amplifying voices in the communities they represent. They work to increase awareness and understanding of issues by addressing policies, laws, and regulations relevant to their cause or the communities they serve and are well-positioned to collaborate with governments and, when necessary, hold decision-makers accountable. Political candidates and parties seek out open dialogue with nonprofit organizations in efforts to better understand and respond to their constituents' needs.

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### CCVO's Policy Agenda: 2019 Provincial Election

CCVO is committed to encouraging the sector as a whole to think and behave like a sector, working to leverage systems level thinking where possible.

Respondents to CCVO's 2018 Alberta Nonprofit Survey (validated by focus group and interview participants)<sup>vii</sup> identified three main issues that they would like to see addressed by political parties in the upcoming provincial election:

1. Clearer communications between the government and the sector.
2. Recognition of the contributions that the nonprofit sector makes both socially *and* economically.
3. More sustainable, predictable, and flexible funding.

With these priorities in mind, CCVO's policy agenda consists of two main pillars: Sector-Wide Strategy and Reimagine Funding Models.

#### SECTOR-WIDE STRATEGY

A sector-wide strategy in a governmental approach to the nonprofit sector in Alberta could be a vehicle to better promote the value, composition, and function of the nonprofit sector. Encouraging the provincial government to work with nonprofits on adopting a sector-wide strategy could be aided by renewal of the mandate of the Alberta Nonprofit/Voluntary Sector Initiative (ANVSI)<sup>viii</sup>. **We recommend repositioning the mandate of ANVSI to become a Premier's Council on the Nonprofit Sector, still comprised of leaders from the sector and the public service.** The reporting structure should be a direct line to the Premier and Executive Council so that there is a clear line of accountability and attention to the most important issues.

Given the diversity of the composition of the nonprofit sector, a sector-wide strategy may be a lofty, but worthy goal in its potential to deliver:

- better understanding of the sector among all levels of government and the broader public;
- greater recognition of the contributions that the sector makes to Albertans;
- shift from crisis management to longer-term planning;
- acknowledgement that social, economic, and environmental outcomes are tied to each other and, ultimately;
- better communication between government and the sector.

CCVO is pursuing the notion of a sector-wide strategy with provincial parties – what is their vision for the nonprofit sector and how do they imagine achieving these goals?

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## REIMAGINE FUNDING MODELS

The narrative needs to change from one of deficit to abundance. That narrative can emerge by rooting it in the reality that the sector is a supplier of crucial services, economic viability, and vibrant communities – rather than a drain on public resources. Funding of nonprofits should be viewed as investments in healthy communities, active neighbourhoods, creative lives, and social change - rather than sunk costs. Investments by government are important for the sector, along with funding from non-governmental sources, including foundations, the private sector and philanthropy. On a combined basis, these investments are a recognition and support of the kind of society in which we all want to live, and a vote of confidence in an organization's vision and ability to deliver.

Heading into the 2019 provincial election, CCVO wants to hear the major political parties' ideas about reimagining funding models for the sector, how these ideas will form part of a sector-wide strategy, and how they will recognize and support the important work of nonprofits.

## Nonprofits Vote

Nonprofits matter. Their contributions to the economy, to the social and cultural fabric, and to our democratic institutions matter. Heading into the 2019 Alberta provincial election, CCVO is urging all nonprofits in Alberta to engage their staff, their volunteers, their board members, and the people they serve to:

1. become informed about the platforms and positions of all the major parties;
2. reflect and communicate about how those platforms and positions impact the nonprofit sector;
3. encourage them to vote once armed with knowledge.

CCVO is embarking on a campaign to make it known that **#nonprofitsvote**.

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<sup>i</sup> Imagine Canada. Sector Stats. Retrieved October 30, 2018. <http://www.imaginecanada.ca/sectorstats>

<sup>ii</sup> Government of Alberta. Alberta's Nonprofit and Voluntary Sector. Retrieved October 30, 2018. <https://www.alberta.ca/albertas-non-profit-voluntary-sector.aspx>

<sup>iii</sup> Government of Alberta. Alberta Nonprofit Listing. Retrieved October 30, 2018. <https://open.alberta.ca/opendata/alberta-non-profit-listing>

<sup>iv</sup> Canada Revenue Agency, 2015.

<sup>v</sup> Not all nonprofit organizations are charities. Of the more than 26,000 nonprofits in Alberta, less than half are registered charities. A search of registered charities in Canada Revenue Agency's online database yields 9,212 registered charities in Alberta as of October 2018.

<sup>vi</sup> Turcotte, M. 2015. Volunteering and Charitable Giving in Canada. Statistics Canada. <https://www150.statcan.gc.ca/n1/en/pub/89-652-x/89-652-x2015001-eng.pdf?st=3q-zxfk>

<sup>vii</sup> CCVO. 2018. Lighting the Way: The State of the Alberta Nonprofit Sector 2018. <https://static1.squarespace.com/static/5aef5b46cef3728571e6c46c/t/5bcf9e73f9619a14c8480b36/1540333173671/State+of+the+Sector+2018.pdf>

<sup>viii</sup> ANVSI is a collaborative forum where representatives of Alberta's nonprofit sector meet with government representatives to identify and resolve issues related to the sector. Find more information: Government of Alberta. (2018). Alberta's Nonprofit and Voluntary Sector. <https://www.alberta.ca/albertas-non-profit-voluntary-sector.aspx>