

# Scope of the Sector

## ELEVATOR SPEECH

*Charities and nonprofits have helped to build and shape our nation. These organizations — as broad and diverse as the country itself — allow Canadians to connect and engage with their communities and express their incredible generosity here at home and around the world. It would be impossible to imagine the country without them.*

## CONTEXT

The Narrative Initiative is about more than the size of the charitable and nonprofit sector. That being said, our consultations throughout the country revealed an interest in the numbers behind the sector's work. More details can be found in the Narrative Core Resource.

## KEY MESSAGES

- In relative terms, Canada's charitable and nonprofit sector is the second largest in the world.<sup>1</sup>
- There are an estimated 170,000 charities and nonprofits in Canada — roughly split evenly between registered charities and nonprofit organizations. There are different rules governing these two categories of organizations: one significant distinction is that charities are able to issue tax receipts for donations.
- The sector generates \$176 billion in income, employs two million people and accounts for more than 8% of Canada's GDP.<sup>2</sup>
- More than 13 million people, just under half of all Canadians 15 and over, volunteer annually — devoting two billion hours or the equivalent of just over one million full time jobs.<sup>3</sup>

## BREADTH OF THE SECTOR

As impressive as the numbers may be, they don't begin to tell the whole story of the breadth and reach of our work.

Quoting from a Canadian Council on Social Development report, "Nonprofit organizations are a vital part of every Canadian community. They provide a wide range of essential services and programs that touch virtually all aspects of our society: social justice, safety, human rights, environment, health, sports, faith, arts and culture. Families and communities rely on nonprofit

organizations in a host of ways, from welcoming newcomers, to running theatres, to organizing local hockey leagues, to protecting our wildlife and natural habitat."<sup>4</sup>

Put another way, we are your soccer teams and symphonies, your hospitals and homeless shelters, your foundations and food banks, we protect your environment and provide your education, our work is international and inner city, it's where you worship and where you work.

## SOURCES OF FUNDS (CHARITIES)

Canadian charities rely on many sources of revenue and the amount of government support varies widely by type of organization. Nearly half

of revenues for Canadian core charitable and nonprofit organizations (the sector excluding hospitals, universities and colleges) come from

<sup>1</sup> [The Canadian Nonprofit and Voluntary Sector in Comparative Perspective](#), Imagine Canada, 2005.

<sup>2</sup> [2012 Annual Report](#), Imagine Canada.

<sup>3</sup> [Volunteering in Canada](#), Statistics Canada, 2012.

<sup>4</sup> [Pan-Canadian Funding Practice in Communities: Challenges and Opportunities for the Government of Canada Final Report](#), Canadian Council on Social Development (CCSD), 2006.

earned income, for example the sales of goods and services. For these organizations, government revenues account for 21%, membership fees 17% and contributions from households and businesses 13%.<sup>5</sup>

When considering the entire sector (including hospitals, universities and colleges), govern-

ments provide 49% of the funds; 35% of revenue is earned income and 13% is from individuals, corporations and other organizations. In terms of government support, 40% of funding comes from provincial governments. The federal government provides 7% of all funding, and municipal governments, 2%.<sup>6</sup>

## CANADIANS' VIEWS ABOUT CHARITIES

In 2013, the Muttart Foundation released its 5th edition of its Talking About Charities survey. More than 3,800 Canadians participated in telephone interviews with data analysis provided by Imagine Canada.

Quoting from the Foundation's news release, "Overall, almost four in five Canadians said that they have a lot or some trust in charities, numbers that are consistent over the previous four editions, released in 2000, 2004, 2006 and 2008. The 79% trust figure far exceeds the trust levels given to the federal government (45%), provincial governments (44%) and local governments (57%), as well as media (53%) and major corporations (41%). Only small businesses received a higher trust level at 81%." The study also shows:

- Charities are considered important by 93% of the population and 88% of Canadians believe charities generally improve our quality of life.

- While about two-thirds of Canadians believe charities understand their needs better than government, and are better at meeting those needs, the percentage of Canadians holding those views has declined about seven percentage points over the last five years.
- The percentage of Canadians who believe that charities are generally honest about how they use donations is still high at 70%, but has decreased from the 84% who felt that way in 2000. Similarly, only about one-third of Canadians (34%) believe charities only ask for money when they really need it, compared to 47% of Canadians who felt that way in 2000.
- Canadians continue to give charities low ratings for the degree to which they report on how donations are used, the impact of programs and charities' fundraising costs.<sup>7</sup>

<sup>5</sup> [Satellite Account of Nonprofit Institutions and Volunteering, Statistics Canada, 2010.](#)

<sup>6</sup> [National Survey of Nonprofit and Voluntary Organizations, Statistics Canada, 2003.](#)

<sup>7</sup> [Talking About Charities 2013, The Muttart Foundation, 2013.](#)

## IMPACT

It would be impossible to list the accomplishments and contributions of the sector here. It is no exaggeration however to note that many of the institutions and ideals that speak to the very core of what it is to be Canadian have their roots in charitable and nonprofit organizations. See Imagine Canada's [Philanthropic Success Stories in Canada](#) for more details.

Imagine  Canada

the  
narrative

A NEW CONVERSATION ABOUT  
CHARITIES AND NONPROFITS

## IMAGINECANADA.CA/NARRATIVE

Imagine Canada, as the next stage of its National Engagement Strategy, is working with a broad cross section of organizations to create a New Narrative about the role and contributions of the charitable and nonprofit sector in Canada. In addition to contributing to the fabric of society we are a significant economic force and our organizations have played a pivotal role in building and defining our nation. The sector reflects Canadians' values and helps to implement shared visions. Yet we have not always been successful in sharing this story with Canadians. For more information please see the [Narrative Tool Kit](#).