

Understanding the Capacity of Sports & Recreation Organizations

A Synthesis of Findings from the National Survey of Nonprofit and Voluntary Organizations and the National Survey of Giving, Volunteering and Participating

By
Glenn Gumulka, Cathy Barr,
David Lasby & Barbara Brownlee



© Imagine Canada, 2005

Copyright for this report is waived for charitable and nonprofit organizations for non-commercial use. All charitable and nonprofit organizations are encouraged to copy and distribute this document.

For more information about Imagine Canada's Research Program, please visit www.imaginecanada.ca.

Imagine Canada
425 University Avenue, Suite 900
Toronto, Ontario
Canada M5G 1T6
Tell: 416.597.2293 / 1.800.263.1178
Fax: 416.597.2294
research@imaginecanada.ca

ISBN: 1-55401-118-3

This research was supported by funding from the Government of Canada through the Department of Canadian Heritage. The views expressed in this publication do not necessarily reflect those of the Government of Canada.

The logo for the Government of Canada, featuring the word "Canada" in a serif font with a small crown above the letter 'a'.

Understanding the Capacity of Sports & Recreation Organizations

A Synthesis of Findings from the National Survey of Nonprofit and
Voluntary Organizations and the National Survey of Giving, Volunteering
and Participating

By
Glenn Gumulka
Cathy Barr
David Lasby
& Barbara Brownlee

Table of Contents

Table of Contents	i
List of Figures	iii
List of Tables	v
Executive Summary	vi
Introduction	8
Key Characteristics	10
Highlights	10
Number of organizations	10
Regional distribution of organizations and revenues	11
Size of revenues	13
Legal status	13
Geographic focus	14
Population served	15
Membership	17
Years in operation	18
Summary	19
Financial Resources and Challenges	20
Highlights	20
Distribution of revenues	21
Sources of revenue	21
<i>Detailed sources of revenue</i>	22
<i>Sources of revenue by organization size</i>	24
<i>Sources of revenues by region</i>	24
<i>Share of revenue by region</i>	25
Revenue dependency	25
Donations and donors	26
<i>Distribution of donations</i>	27
<i>Donation rates and amounts vary by region</i>	28
<i>Much comes from the few</i>	28
<i>Personal and economic characteristics of donors</i>	29
<i>Motivations for donating</i>	32
<i>Barriers to donating more</i>	32
<i>Donation methods</i>	33
Changes in revenues	34
<i>Changes in revenues by organization size</i>	34
<i>Changes in revenues by region</i>	35
Financial capacity issues	36
<i>Financial issues by organization size</i>	36
<i>Financial issues by revenue dependency</i>	37
<i>Financial issues by revenue changes</i>	37
External funding issues	38
<i>External funding issues by organization size</i>	38
<i>External funding issues by revenue dependency</i>	39
<i>External funding issues by revenue change</i>	39
Summary	40

Human Resources and Challenges	41
Highlights	41
Volunteers.....	41
<i>Volunteer rates and hours vary by region</i>	42
<i>Much comes from the few</i>	43
<i>Personal and economic characteristics of volunteers</i>	44
<i>Motivations for volunteering</i>	47
<i>Barriers to volunteering more</i>	47
<i>How volunteers become involved</i>	48
Paid staff	49
<i>Paid staff by region</i>	49
<i>Changes levels of paid staff</i>	50
Human resources capacity issues.....	51
<i>Human resources issues by organization size</i>	52
<i>Human resources issues by revenue dependency</i>	52
<i>Human resources issues by revenue change</i>	53
Summary	53
Conclusions	55
Appendix A Methodological Notes	58
Comparing Sports and Recreation organizations to all organizations.....	58
The National Survey of Nonprofit and Voluntary Organizations (NSNVO).....	59
The National Survey of Giving, Volunteering and Participating (NSGVP)	59
Appendix B Capacity Issues by Region	60
References	61

List of Figures

Figure 1: Percentage of organizations and percentage of total revenues by primary activity area, NSNVO 2003	11
Figure 2: Percentage of organizations and percentage of total revenues by region, Sports and Recreation organizations, NSNVO 2003.....	12
Figure 3: Number of Sports and Recreation organizations per 100,000 population by region, NSNVO 2003	12
Figure 4: Percentage of organizations by annual revenues, NSNVO 2003.....	13
Figure 5: Charitable status of organizations, NSNVO 2003.....	14
Figure 6: Main geographic areas served, NSNVO 2003	15
Figure 7: Population served, NSNVO 2003	16
Figure 8: Membership composition, NSNVO 2003.....	17
Figure 9: Primary beneficiaries of services or products, NSNVO 2003.....	18
Figure 10: Years of operation, NSNVO 2003.....	19
Figure 11: Percentage of organizations and percentage of total revenues by revenue size, Sports and Recreation organizations, NSNVO 2003	21
Figure 12: Sources of revenue, NSNVO 2003.....	22
Figure 13: Sources of revenue by annual revenues, Sports and Recreation organizations, NSNVO 2003	24
Figure 14: Sources of revenue by region, Sports and Recreation organizations, NSNVO 2003	25
Figure 15: Revenue dependency, NSNVO 2003	26
Figure 16: Percentage of the total number of donations and total donation value by primary activity area, NSGVP 2000.....	27
Figure 17: Donation rate and average annual donation by region, Sports and Recreation organizations, NSGVP 2000	28
Figure 18: Percentage of donors and percentage of total donation value by size of annual donation, Sports and Recreation organizations, NSGVP 2000.....	29
Figure 19: Motivations for donating, NSGVP 2000.....	32
Figure 20: Barriers to donating more, NSGVP 2000.....	33
Figure 21: Percentage of donations and percentage of donation value by method of donation, Sports and Recreation donors, NSGVP 2000	33
Figure 22: Reported change in revenues over the past three years, NSNVO 2003.....	34
Figure 23: Reported change in revenues over the past three years by annual revenues, Sports and Recreation organizations, NSNVO 2003.....	35
Figure 24: Reported change in revenues over the past three years by region, Sports and Recreation organizations, NSNVO 2003.....	35
Figure 25: Financial capacity issues, Sports and Recreation organizations compared to all organizations, NSNVO 2003	36
Figure 26: External funding issues, Sports and Recreation organizations compared to all organizations, NSNVO 2003	38
Figure 27: Percentage of volunteer events and percentage of volunteer hours by primary activity area, NSGVP 2000.....	42
Figure 28: Volunteer rate and average hours volunteered, Sports and Recreation organizations, NSGVP 2000	43
Figure 29: Percentage of volunteers and percentage of total volunteer hours by annual hours volunteered, Sports and Recreation organizations, NSGVP 2000.....	44
Figure 30: Motivations for volunteering, NSGVP 2000.....	47
Figure 31: Barriers to volunteering more, NSGVP 2000.....	48
Figure 32: Percentage of volunteer events and percentage of volunteer hours by method of initial involvement, Sports and Recreation volunteers, NSGVP 2000	48
Figure 33: Percentage of organizations by number of paid staff, NSNVO 2003.....	49

Figure 34: Reported changes in levels of paid staff over the past three years, NSNVO 2003.....	50
Figure 35: Human resources capacity issues, Sports and Recreation organizations compared to all organizations, NSNVO 2003	51
Figure A1: Share of total nonprofit and voluntary sector revenues, Hospitals, Universities, and Colleges vs. all other organizations, NSNVO 2003.....	58

List of Tables

Table 1: Detailed sources of revenue, NSNVO 2003.....	23
Table 2: Share of revenues by region, Sports and Recreation organizations, NSNVO 2003	25
Table 3: Personal and economic characteristics of all donors and Sports and Recreation donors, NSGVP 2000	31
Table 4: Financial capacity issues by revenue size, Sports and Recreation organizations, NSNVO 2003	37
Table 5: Financial capacity issues by revenue dependency, Sports and Recreation organizations, NSNVO 2003	37
Table 6: Financial capacity issues by reported revenue change, Sports and Recreation organizations, NSNVO 2003	37
Table 7: External funding issues by revenue size, Sports and Recreation organizations, NSNVO 2003	39
Table 8: External funding issues by revenue dependency, Sports and Recreation organizations, NSNVO 2003	39
Table 9: External funding issues by reported revenue change, Sports and Recreation organizations, NSNVO 2003	40
Table 10: Personal and economic characteristics of all volunteers and Sports and Recreation volunteers, NSGVP 2000.....	46
Table 11: Paid staff levels by region, Sports and Recreation organizations, NSNVO 2003.....	50
Table 12: Human resources capacity issues by revenue size, Sports and Recreation organizations, NSNVO 2003	52
Table 13: Human resources capacity issues by revenue dependency, Sports and Recreation organizations, NSNVO 2003	53
Table 14: Human resources capacity issues by reported revenue change, Sports and Recreation organizations, NSNVO 2003	53
Table B1: Capacity issues by region, Sports and Recreation organizations, NSNVO 2003.....	60

Executive Summary

This report presents the first comprehensive portrait of Canada's Sports and Recreation organizations—a major sub-sector within the nation's nonprofit and voluntary sector. Sports and Recreation organizations promote amateur sports, training, fitness, and wellness services; organize sporting competitions and events; operate recreational facilities; and provide a variety of other services to communities. Using data from the 2000 National Survey of Giving, Volunteering and Participating (NSGVP)¹ and the 2003 National Survey of Nonprofit and Voluntary Organizations (NSNVO)², we explore the key characteristics of Sports and Recreation organizations, their financial and human resources, and the challenges they face as they attempt to fulfill their missions.

According to the NSNVO, there are approximately 33,600 Sports and Recreation organizations in Canada, accounting for 21% of the country's estimated 161,000 nonprofit and voluntary organizations. Collectively, these organizations report \$6.1 billion in annual revenues—5% of total sector revenues—and a total membership of over 33 million people and 130,000 organizations. Over half (55%) report that members are the primary beneficiaries of their services. Sports and Recreation organizations are well established – almost two-thirds (63%) have been in operation for 20 years or more and 23% have been in operation for 40 years or more. They tend, however, to be smaller than nonprofit and voluntary organizations in general – 55% report annual revenues under \$30,000—and relatively few of them (27%) are registered charities.

In the nonprofit and voluntary sector as a whole, revenues tend to be concentrated among a small percentage of larger organizations. The same pattern exists in the Sports and Recreation sub-sector, where the 3% of organizations with revenues over \$1 million account for 60% of revenues. Sports and Recreation organizations are very dependent on earned income (e.g., membership fees and fees for goods and services), which accounts for 65% of their revenues. They are less likely than all nonprofit and voluntary organizations to report that their revenues increased between 2000 and 2003. Only 30% report increased revenues, compared to 36% of all nonprofit and voluntary organizations.

The NSGVP estimates that 12% of Canadians aged 15 and over—2.8 million people—made a donation to a Sports and Recreation organization in 2000. On average, each Sports and Recreation donor gives \$40 annually. Sports and Recreation organizations receive only 5% of all donations and 2% of the total value of all donations made to nonprofit and voluntary organizations in Canada. Sports and Recreation donors tend to be men, aged 35 to 54, married or in common-law relationships, with post-secondary educations and annual incomes over \$60,000. Compared to all donors, Sports and Recreation donors are more likely to be motivated by a sense of commitment to their community and less likely to be motivated by religious obligations.

Sports and Recreation organizations have fewer financial resources than many other types of nonprofit organizations, and hence report a variety of problems relating to finances and external funding. At least 50% of Sports and Recreation organizations say that they have problems obtaining funding from other organizations and earning revenue. Over 50% of Sports and Recreation organizations that receive external funding report that reductions in government funding, over-reliance on project funding, and the unwillingness of funders to support core operations are problems for them. Smaller organizations, those that are dependent on

¹ The NSGVP is a national survey that asks Canadians aged 15 and older about the time and money they contribute to nonprofit and voluntary organizations.

² The NSNVO is a national survey that asks Canadian nonprofit and voluntary organizations about their revenues, human resources, and the challenges they face in attempting to fulfill their missions.

government for more than half their revenues, and those that have experienced a decrease in revenues are the most likely to report financial and funding problems.

The NSNVO estimates that Sports and Recreation organizations employed more than 130,000 people in 2003, or about 6% of the total nonprofit and voluntary sector workforce. Paid staff play a smaller role in Sports and Recreation organizations than in other types of nonprofit and voluntary organizations. Only 27% have any paid staff, compared to almost one-half (46%) of all nonprofit and voluntary organizations. Those with paid staff are likely to have small staff contingents—only 11% have more than four staff members, compared to 20% of all organizations.

Volunteers play a major role in Sports and Recreation organizations. According to the NSGVP, about 1.7 million Canadians volunteered with a Sports and Recreation organization in 2000. These volunteers gave an average of 133 hours each and together they contributed a total of 221 million hours in 2000. Sports and Recreation volunteers tend to be men, aged 35 to 54, married or in common-law relationships, with post-secondary educations and household incomes over \$60,000 per year. Sports and Recreation volunteers are less likely than all volunteers to cite religious obligations as a motivation for their volunteer activity.

Likely due to their reliance on volunteers, Sports and Recreation organizations are far more likely than all nonprofit and voluntary organizations to report problems regarding volunteers and board members. For example, 65% of Sports and Recreation organizations say that they have difficulty obtaining the type of volunteers they need, 64% say they have difficulty obtaining board members, and 58% say they have difficulty retaining volunteers.

The key strengths of Sports and Recreation organizations appear to be the dedication of their volunteers, their local community focus, and the priority they place on serving their members.

These organizations also face some serious challenges. Declining volunteer rates in the nonprofit and voluntary sector as a whole pose a serious risk for Sports and Recreation organizations, which are highly dependent on volunteers to deliver their mission. Sports and Recreation organizations also tend to be smaller and less likely to report growing revenues. In a sector where larger organizations are more likely to grow, Sports and Recreation organizations may experience increasing difficulty generating revenues in the years to come.

Introduction

This report presents the first comprehensive portrait of Canadian Sports and Recreation organizations. Sports and Recreation organizations have a significant social and economic presence in this country, collectively reporting annual revenues of \$6.1 billion, employing over 130,000 people, and benefiting from the assistance of 1.7 million volunteers. Compared to nonprofit and voluntary organizations in general, Sports and Recreation organizations are smaller, financially self-sufficient, and dependent on volunteers. They are more likely than all nonprofit and voluntary organizations to report problems obtaining funding from other organizations and earning revenue. They are also more likely to report problems recruiting and retaining volunteers and board members.

For the purposes of this report, Sports and Recreation organizations include:

Sports organizations—organizations that promote amateur sports, training, fitness, wellness, and sporting competitions and events;

Recreation and social clubs—organizations that provide recreational facilities and services including playground associations, country clubs, and leisure clubs; and

Service clubs—organizations such as the Lions, Rotary Club, and Kiwanis, which provide services to members and local communities (Salamon & Anheier, 1997).

The data in this report are from two complementary surveys: the 2003 National Survey of Nonprofit and Voluntary Organizations (NSNVO) and the 2000 National Survey of Giving, Volunteering and Participating (NSGVP). The NSNVO asked a random sample of 13,000 organizations across the country about their activities, financial resources, human resources, and capacity challenges. The NSGVP asked over 14,000 randomly selected Canadians about the time and money they contribute to nonprofit and voluntary organizations. Both surveys used the International Classification of Nonprofit Organizations (ICNPO) to classify organizations into various sub-sectors. This common classification allows us to combine the two surveys to create a complete picture of Sports and Recreation organizations.

Although some information on Sports and Recreation organizations has been published elsewhere (see, for example, Hall et al., 2001, 2003; Lasby & McIver, 2004a, 2004b), this is the first time that information from both of these surveys has been combined in one report. This is also the first published report to focus solely on Sports and Recreation organizations—an important sub-sector within Canada's nonprofit and voluntary sector. Moreover, in most published work based on the NSGVP, Sports and Recreation organizations are presented as part of the parent category of Arts, Culture and Recreation organizations. Separating Sports and Recreation organizations from the larger category creates a more cohesive sub-sector with more shared activities.

The purpose of this report is to allow people with a specific interest in Sports and Recreation organizations—board members, staff members, volunteers, donors, corporate and government funders—to develop a better understanding of these organizations and the challenges they face. Most of the information is presented in graphical format, which we hope will make it useful for quick reference. Because understanding is deepened by comparison, considerable attention is paid to explaining how Sports and Recreation organizations compare to the nonprofit and voluntary sector in general. The information in this report can be used to:

- increase awareness of the importance and contributions of Sports and Recreation organizations,

- improve fundraising and volunteer management practices within Sports and Recreation organizations,
- draw attention to the successes and challenges of Sports and Recreation organizations, and
- develop evidence-based policies to help strengthen Sports and Recreation organizations.

This report is divided into three parts:

1. *Key Characteristics.* In this section, we use data from the NSNVO to describe some key characteristics of Sports and Recreation organizations such as how many there are, how long they have been in operation, their legal status, and the populations they serve.
2. *Financial Resources and Challenges.* This section uses the data on individual donors and donations from the NSGVP and organizational revenue information from the NSNVO to explore the financial resources available to Sports and Recreation organizations and the financial challenges they face.
3. *Human Resources and Challenges.* In this section, we use data on volunteers from the NSGVP and data on paid staff and capacity problems from the NSNVO to examine the human resources—both voluntary and paid—that are available to Sports and Recreation organizations and the challenges they have in this area.

This report is intended to provide a comprehensive portrait of Sports and Recreation organizations and their donors and volunteers. From it, a picture emerges of a group of organizations that provides services that are critical to the quality of life in our communities.

Key Characteristics

Sports and Recreation organizations have many characteristics that differentiate them from other types of nonprofit and voluntary organizations. In this section, we use data from the NSNVO to describe these key characteristics. Their implications will be discussed more fully in the sections on financial and human resources.

Highlights

Quick facts

- 33,600 organizations in Canada (21% of the 161,000 Canadian nonprofit and voluntary organizations)
- Total revenues of \$6.1 billion (5% of the sector total of \$112 billion)
- 55% report annual revenues of \$30,000 or less, compared to 42% in the whole sector
- 27% are registered charities, compared to 56% of all organizations
- 63% have been in operation for 20 years or more

Member-focused organizations serving specific populations

- Total membership of over 33 million people and 130,000 organizations
- 55% identify their members as the primary beneficiaries of their activities, compared to 39% in the sector as a whole
- More likely than other organizations to serve children and young people; and athletes, participants, and enthusiasts

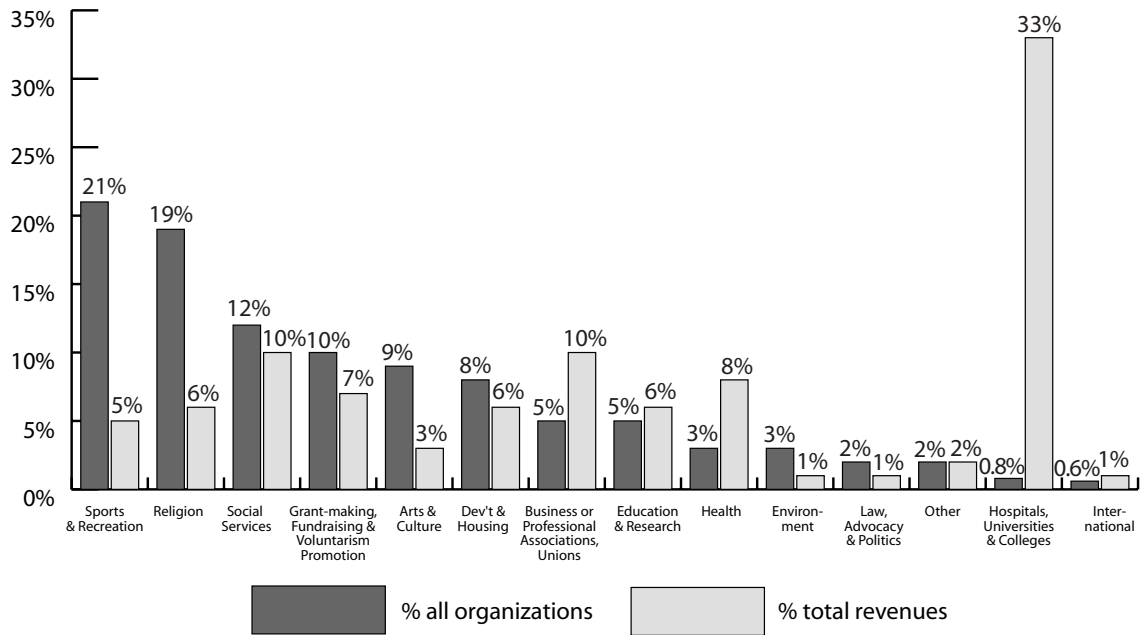
Regional variation

- Sports and Recreation organizations account for 26% of nonprofit and voluntary organizations in Alberta and Quebec; 16% in Ontario
- They receive 10% of revenues in Alberta; 4% in British Columbia and Atlantic Canada
- There are 157 to 159 Sports and Recreation organizations per 100,000 people in Alberta, the Prairies and Territories and Quebec; 61 per 100,000 in Ontario

Number of organizations

According to the NSNVO, there are approximately 33,600 Sports and Recreation organizations in Canada. Collectively, these organizations report annual revenues of \$6.1 billion. Although Sports and Recreation organizations account for just 5% of total sector revenues, they represent 21% of all organizations and are the most prevalent type of nonprofit and voluntary organization in Canada (see Figure 1).

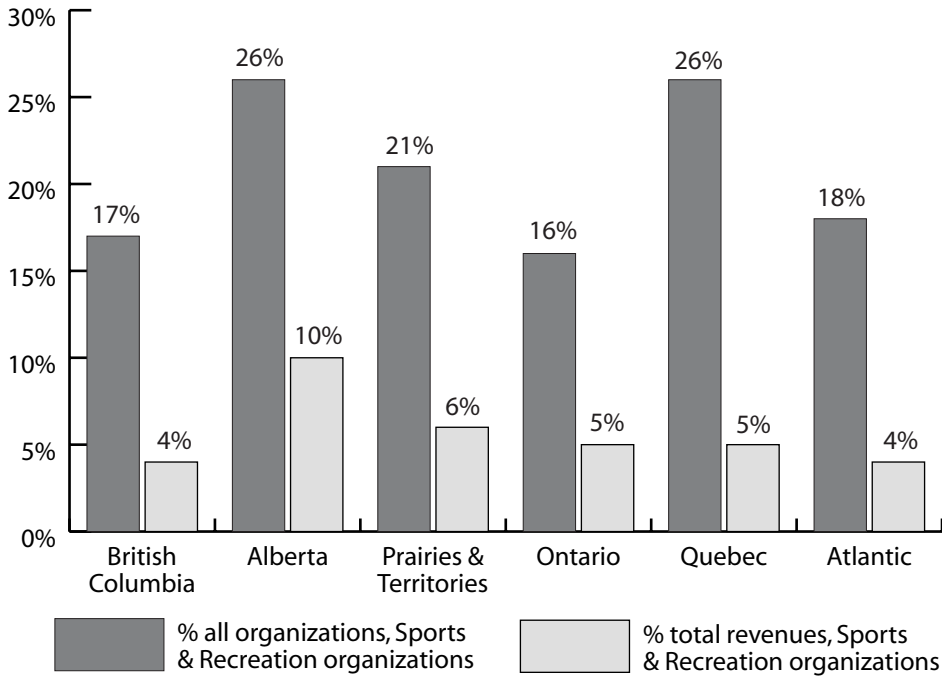
Figure 1: Percentage of organizations and percentage of total revenues by primary activity area, NSNVO 2003



Regional distribution of organizations and revenues

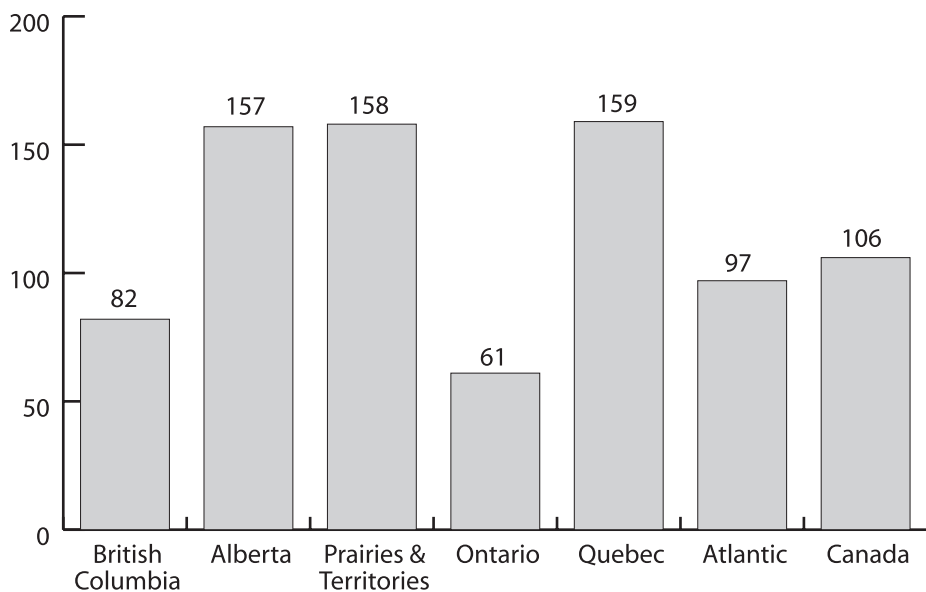
The prevalence of Sports and Recreation organizations varies considerably by region. They represent 26% of the nonprofit and voluntary organizations in Alberta and Quebec, but only 16% of the organizations in Ontario (see Figure 2). Sports and Recreation organizations account for between 4% and 6% of total nonprofit and voluntary sector revenues in each province, with the notable exception of Alberta, where they account for 10% of total sector revenues. More information on revenues is presented in the *Financial Resources and Challenges* section.

Figure 2: Percentage of organizations and percentage of total revenues by region, Sports and Recreation organizations, NSNVO 2003



Sports and Recreation organizations are most heavily concentrated in Quebec, the Prairies and Territories, and Alberta, where there are between 157 and 159 organizations per hundred thousand people (see Figure 3). In Ontario, there are only 61 Sports and Recreation organizations per hundred thousand people.

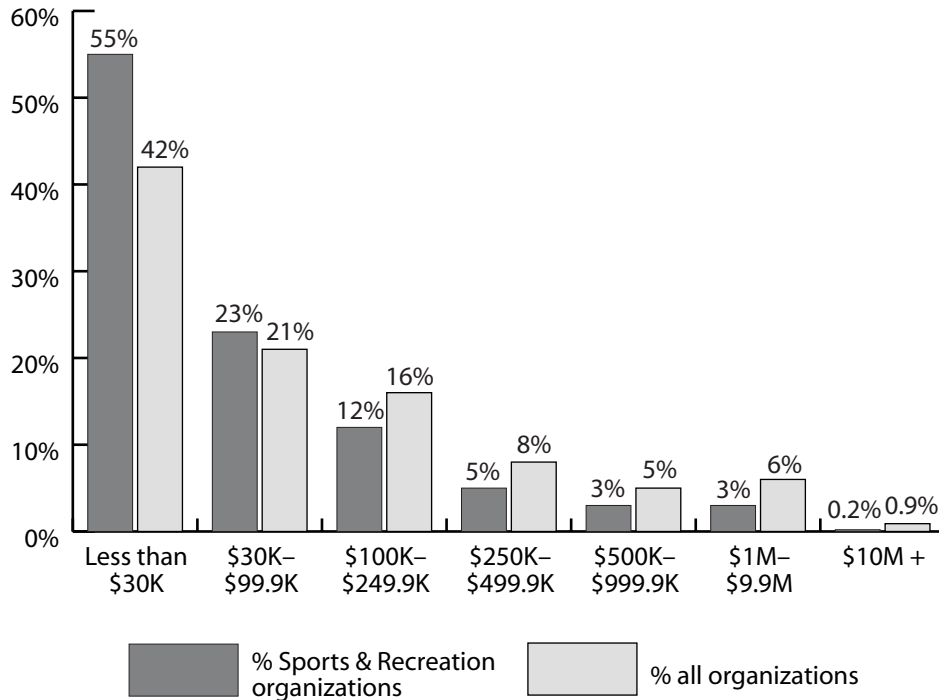
Figure 3: Number of Sports and Recreation organizations per 100,000 population by region, NSNVO 2003



Size of revenues

Sports and Recreation organizations tend to be smaller than other nonprofit and voluntary organizations, in terms of annual revenues (see Figure 4). Over half (55%) have annual revenues of less than \$30,000, compared to 42% of all nonprofit and voluntary organizations. An additional 40% of Sports and Recreation organizations are mid-sized, with annual revenues of \$30,000 to \$500,000. Only 6% have annual revenues in excess of \$500,000, compared to 12% of all organizations.

Figure 4: Percentage of organizations by annual revenues, NSNVO 2003

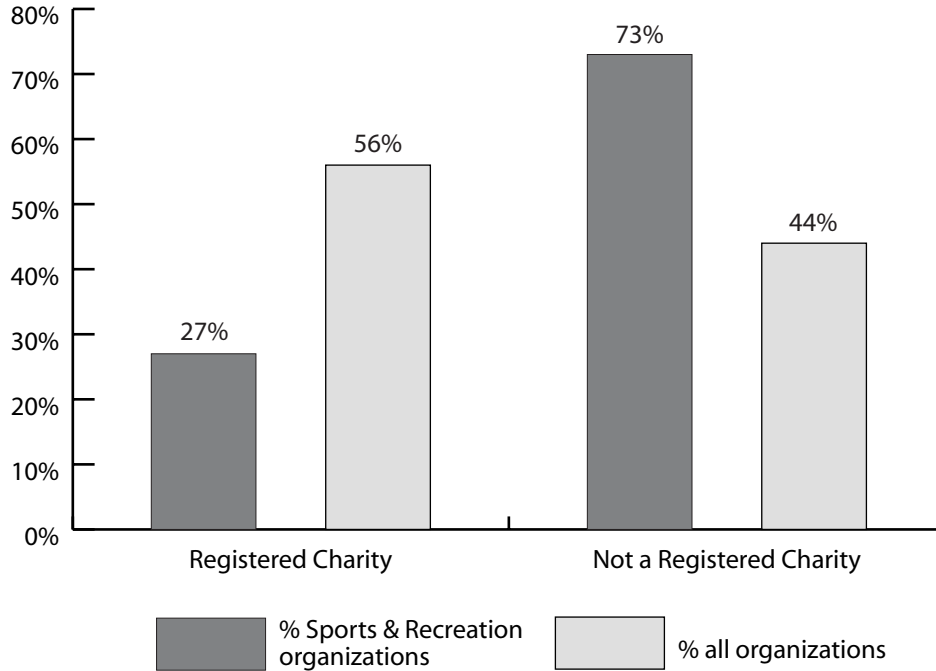


Legal status

Legally, two broad classes of nonprofit and voluntary organizations exist in Canada: charitable and non-charitable. Charitable organizations must be formally registered as such with the Canada Revenue Agency. To be eligible for charitable status, an organization's major purpose must be the relief of poverty, the advancement of education, the advancement of religion, or other purposes of a charitable nature beneficial to the community as a whole, including health. Charitable status allows organizations to issue tax receipts for donations and to access foundation funding, which by law is restricted to registered charities.

Given the definition of charitable purposes used by the Canada Revenue Agency, it is not surprising that Sports and Recreation organizations are less likely than nonprofit and voluntary organizations in general to be registered charities. In fact, less than one-third (27%) have registered charity status, compared to more than half (56%) of all nonprofit and voluntary organizations (see Figure 5). As we will see in the *Financial Resources and Challenges* section, this has a substantial impact on the ability of Sports and Recreation organizations to raise revenues through donations.

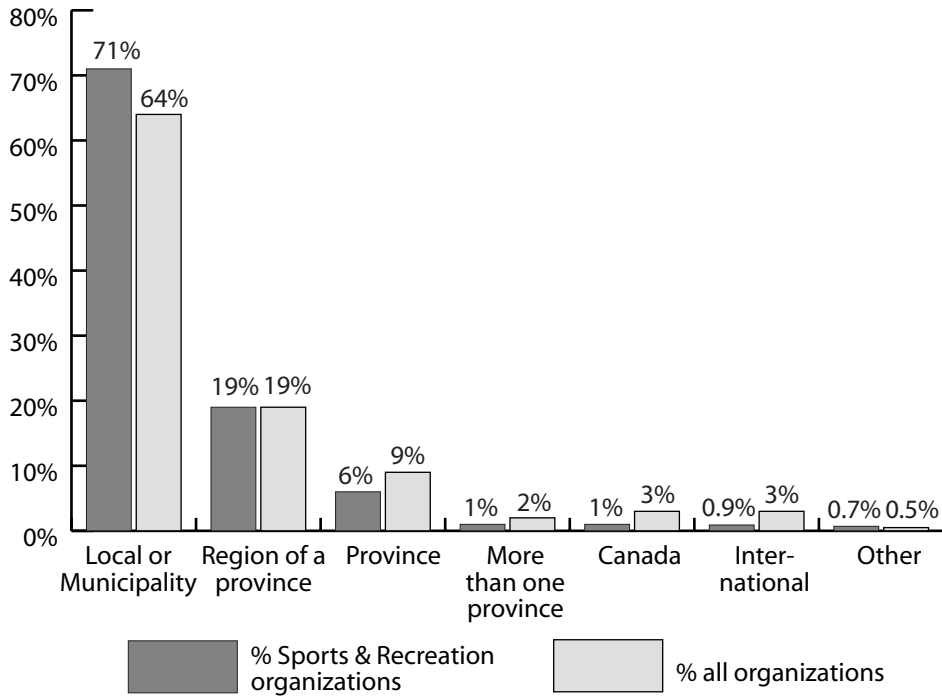
Figure 5: Charitable status of organizations, NSNVO 2003



Geographic focus

Sports and Recreation organizations are even more locally focused than the nonprofit and voluntary sector in general. Nearly three-quarters (71%) primarily serve a neighbourhood, city, town, or rural municipality, compared to 64% of all nonprofit and voluntary organizations (see Figure 6). In contrast, Sports and Recreation organizations are less likely to serve larger geographic areas such as a province, region, or Canada as a whole.

Figure 6: Main geographic areas served, NSNVO 2003

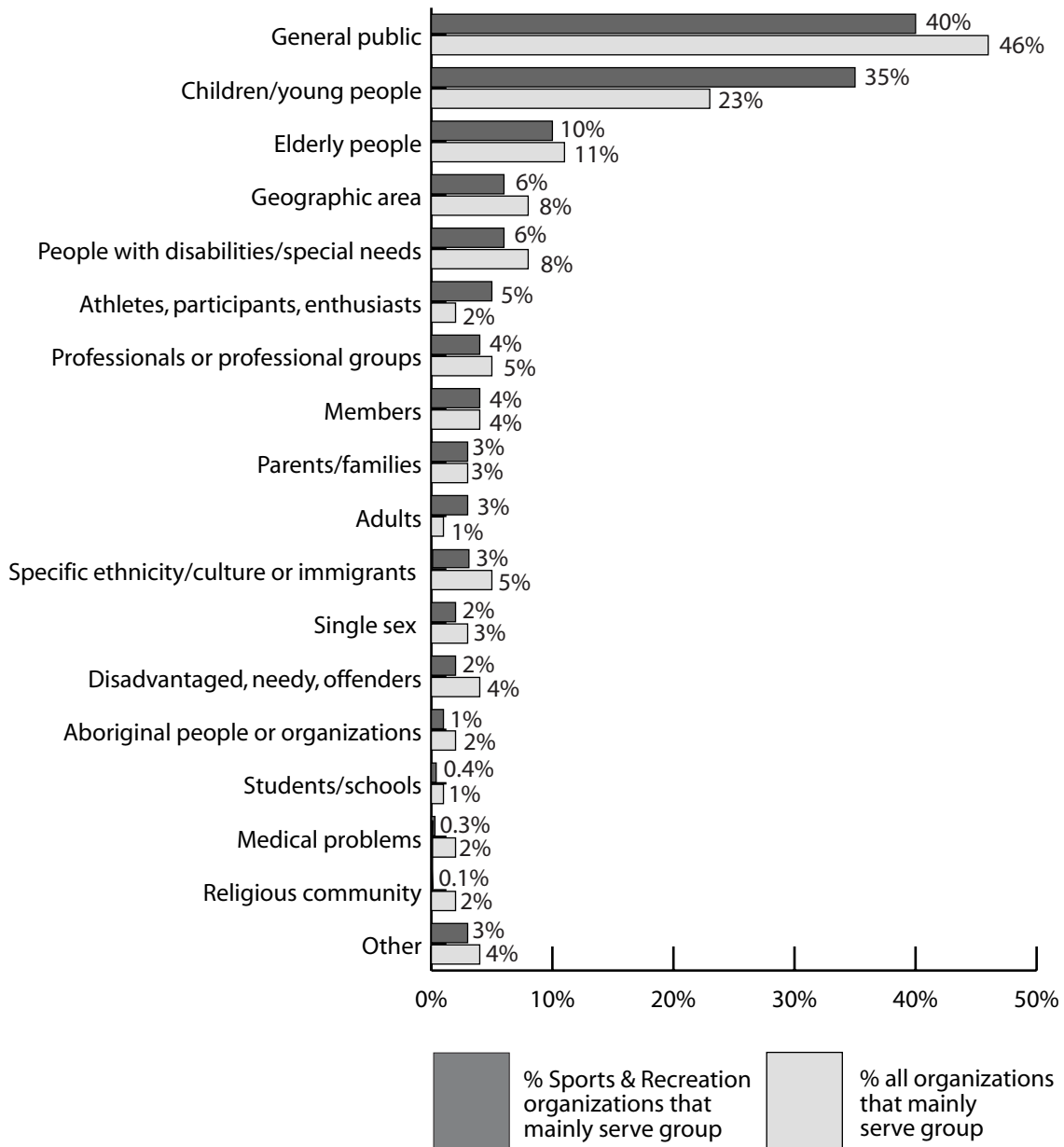


Population served

The majority of Sports and Recreation organizations (68%) provide products or services to people directly (as opposed to other organizations). This is a slightly smaller proportion than in the nonprofit and voluntary sector as a whole, where 73% of organizations report serving people directly.

Similar to all organizations, Sports and Recreation organizations that serve people directly, are most likely to serve the general public (40%). These organizations do, however, have a distinct focus on serving children and young people (35%, compared to 23% of all organizations) and, to a lesser extent, athletes, participants and enthusiasts (5%, compared to 2% of all organizations, see Figure 7).

Figure 7: Population served, NSNVO 2003 *



* Includes only organizations that serve people directly

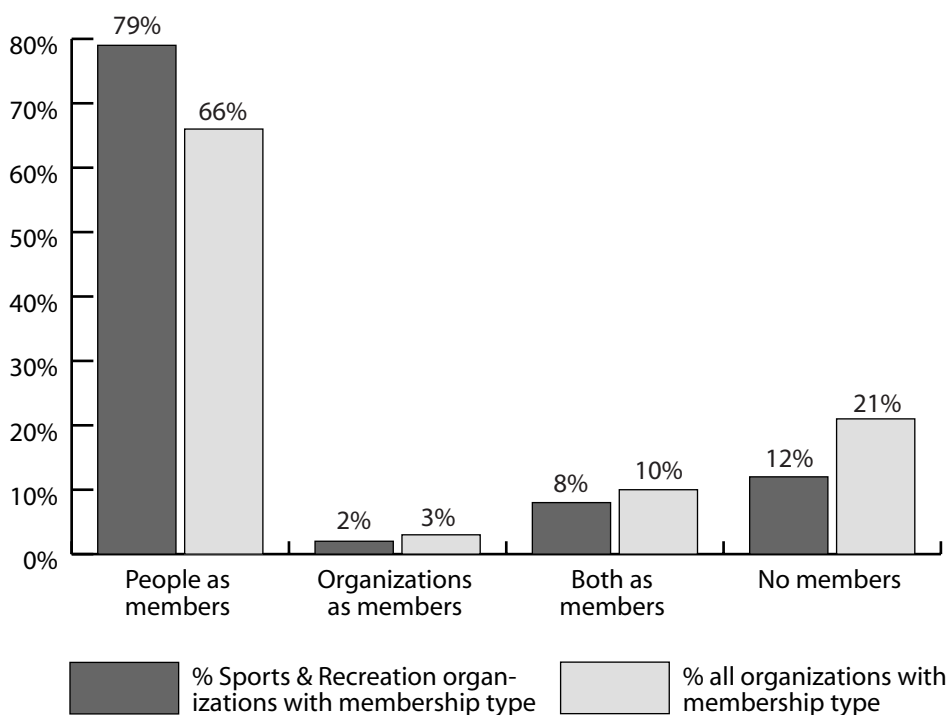
Membership

Collectively, Sports and Recreation organizations report a total membership of over 33 million people and 130,000 organizations.³

Sports and Recreation organizations are more likely than other types of organizations to have members. Only 12% of Sports and Recreation organizations do not have members, while 21% of all nonprofit and voluntary organizations report having no members (see Figure 8).

Sports and Recreation organizations are also more likely than nonprofit and voluntary organizations generally to have people as members (79%, compared to 66%).

Figure 8: Membership composition, NSNVO 2003

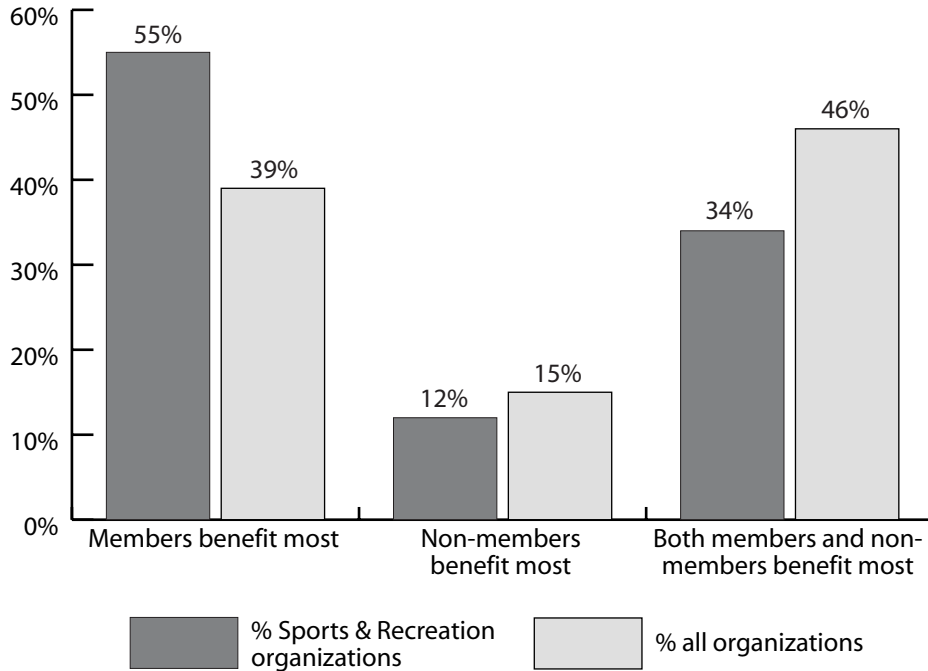


The majority (55%) of Sports and Recreation organizations indicate that their members benefit the most from their activities (see Figure 9). In comparison, in the sector as a whole, organizations are most likely to say that both members and nonmembers are the primary beneficiaries of their activities (46%).

Sports and Recreation organizations with people as members are just as likely as all nonprofit and voluntary organizations to report restrictions on membership (43% of organizations in both cases). About a third (34%) of Sports and Recreation organizations, report that they offer special privileges to their members, compared to 27% of all nonprofit and voluntary organizations.

³ Respondents to the NSNVO were asked to estimate membership size based on their own organization's definition of a member. This definition may vary from one organization to another.

Figure 9: Primary beneficiaries of services or products, NSNVO 2003

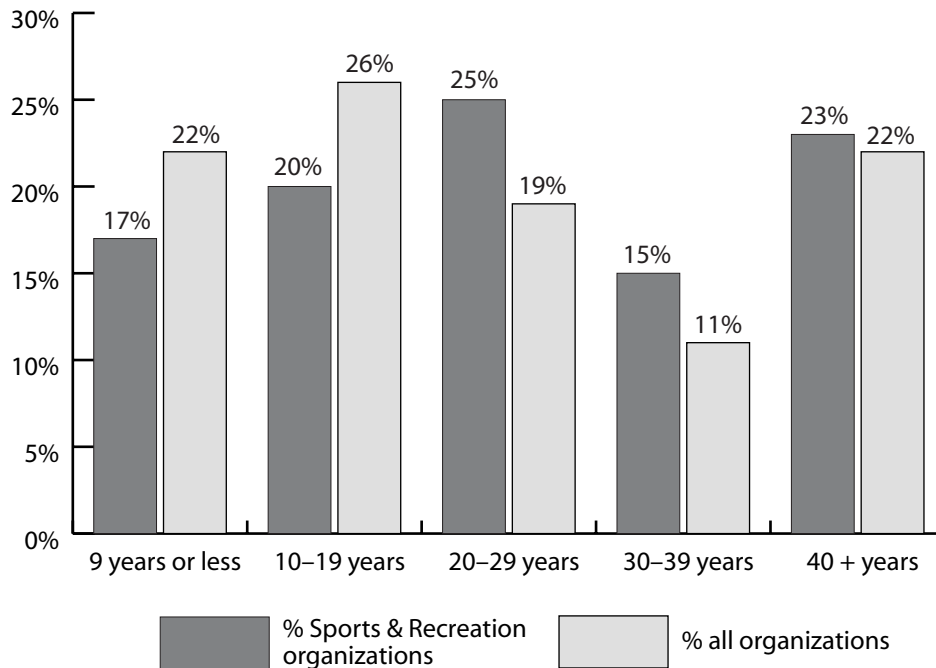


Years in operation

Sports and Recreation organizations tend to be relatively well established. Sixty-three percent have been in existence for twenty years or more (compared to 52% of all organizations) and 38% have been in existence for thirty years or more (compared to 33% of all organizations).

The longevity of Sports and Recreation organizations may be a positive indication of the quality of the goods and services they provide. It may also be attributed to the relatively stable demand for the goods and services they provide. In contrast, the more frequent emergence and dissolution of other organizations may be attributed to the rise and fall of the popularity of various causes over time (Hall et al., 2004).

Figure 10: Years of operation, NSNVO 2003



Summary

According to the NSNVO, there are approximately 33,600 Sports and Recreation organizations in Canada, accounting for 21% of the country's estimated 161,000 nonprofit and voluntary organizations. Collectively, these organizations report \$6.1 billion in annual revenues—5% of total sector revenues.

Sports and Recreation organizations tend to focus on their members and local communities. They have a total membership of over 33 million people and 130,000 organizations, and over half report that members are the primary beneficiaries of their services. Seventy-one percent report that they serve a neighbourhood, city, town, or rural municipality. They are more likely than other types of nonprofit and voluntary organizations to serve children and young people; and athletes, participants, and enthusiasts.

Sports and Recreation organizations are well established. Almost two-thirds (63%) have been in operation for 20 years or more and 23% have been in operation for 40 years or more. They tend, however, to be smaller than nonprofit and voluntary organizations in general—55% report annual revenues under \$30,000—and relatively few of them (27%) are registered charities.

Financial Resources and Challenges

Nonprofit and voluntary organizations have a substantial economic presence in Canada. In this section, we explore the financial resources of Sports and Recreation organizations, and the constraints they face with regard to their financial capacity. The data on organizational revenues and capacity challenges come from the NSNVO, while the data on individual donors and donations come from the NSGVP.

Highlights

Quick facts

- The 3% of Sports and Recreation organizations with annual revenues of \$1 million or more account for 60% of all revenues in the sub-sector
- 65% of revenues are from earned income, compared to 35% for all organizations
- 46% of Sports and Recreation organizations reported stable revenues between 2000 and 2003
- Sports and Recreation organizations receive 37% of all corporate sponsorships, donations, and grants in the sector
- 12% of Canadians aged 15 and over (2.8 million individuals) donate to Sports and Recreation organizations

Donors and donations

- Sports and Recreation organizations receive 5% of all donations and 2% of the value of all donations
- Average annual donation is \$40
- 78% of the value of donations comes from the top 25% of donors
- Donors tend to be men, aged 35 to 54, married or in common-law relationships, have post-secondary educations and annual incomes over \$60,000
- Donors are more likely to be motivated by a sense of commitment to their community and less likely to be motivated by religious obligations

Capacity challenges

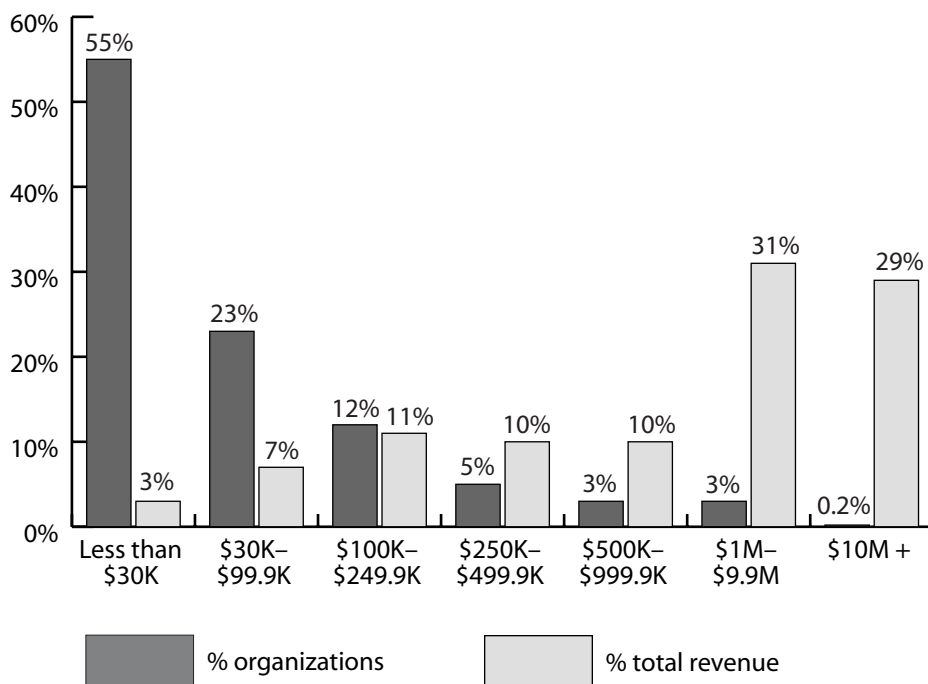
- More than half of Sports and Recreation organizations say that they have problems obtaining funding from other organizations and earning revenue
- More than half of those organizations that receive external funding report that reductions in government funding, over-reliance on project funding, and the unwillingness of funders to support core operations are problems for them
- Smaller organizations, those that are dependent on government for more than half their revenues, and those that have experienced a decrease in revenues are the most likely to report financial and funding problems

Distribution of revenues

Sports and Recreation organizations exhibit the same general pattern of revenue concentration as the nonprofit and voluntary sector in general. That is, there is a high concentration of revenues among a small percentage of larger organizations (see Figure 11).

The majority of Sports and Recreation organizations (55%) have annual revenues below \$30,000. These smaller organizations, however, account for just 3% of revenues in the Sports and Recreation sub-sector. Organizations with annual revenues of \$1 million or more account for less than 4% of Sports and Recreation organizations, but 60% of total subsector revenues.

Figure 11: Percentage of organizations and percentage of total revenues by revenue size, Sports and Recreation organizations, NSNVO 2003



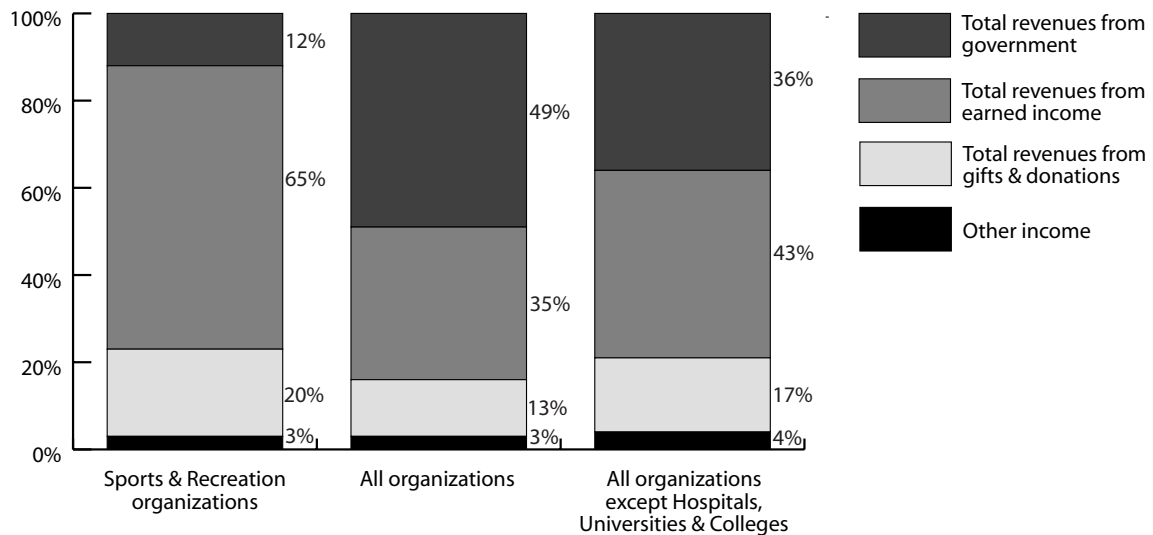
Sources of revenue

Sports and Recreation organizations receive more of their revenues from earned income⁴ and gifts and donations, and less from government, than is the case in the sector as a whole. In fact, earned income accounts for almost two-thirds (65%) of the revenues of Sports and Recreation organizations (see Figure 12). Gifts and donations are the next largest source of revenue (20%), followed by government (12%).

⁴ Earned income excludes government revenue sources, but includes items such as charitable gaming, membership fees or dues, fees for goods and services, and earnings from endowments or investments, including interest income.

This revenue profile is distinct from all nonprofit and voluntary organizations, which receive 49% of their revenues from government and 35% from earned income. It is somewhat closer to the profile of the rest of the sector if we exclude Hospitals, Universities, and Colleges from the analysis. This is sometimes useful because Hospitals, Colleges, and Universities represent only 1% of all Canadian nonprofit and voluntary organizations, but account for approximately one-third of total sector revenues. The sector excluding Hospitals, Colleges, and Universities receives 36% of its revenues from government and 43% from earned income.

Figure 12: Sources of revenue, NSNVO 2003



Detailed sources of revenue

Sports and Recreation organizations rely on three key sources for 71% of their revenues:

- fees for goods and services (31%),
- membership fees (25%), and
- corporate sponsorships, donations, and grants (15%, see Table 1).

In contrast, among all nonprofit and voluntary organizations (excluding Hospitals, Universities, and Colleges), the top three revenue sources account for just 50% of total revenues:

- fees for goods and services (21%),
- membership fees (16%), and
- grants from provincial government (13%).

Overall, Sports and Recreation organizations receive 37% of all corporate sponsorships, donations, and grants; 32% of all charitable gaming revenues; 13% of all membership fees; and 12% of the earned income received by Canadian nonprofit and voluntary organizations (excluding Hospitals, Universities, and Colleges). In contrast, Sports and Recreation organizations receive just 3% of all government funding (again, excluding Hospitals, Universities, and Colleges).

Table 1: Detailed sources of revenue, NSNVO 2003

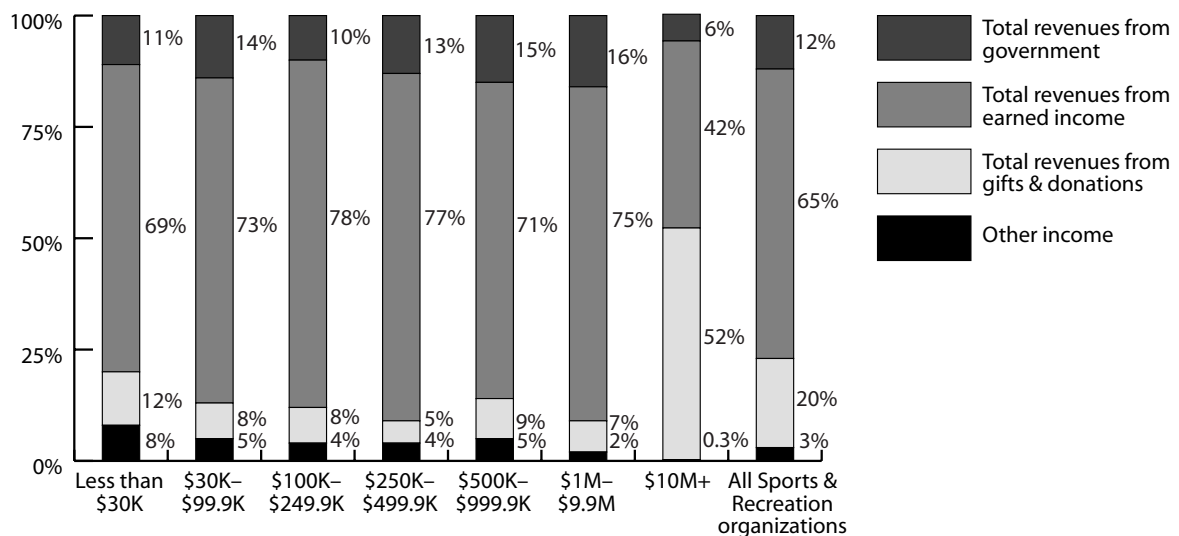
	All organizations	All organizations excluding Hospitals, Universities & Colleges	Sports & Recreation organizations	Sports & Recreation organizations' share of total sector revenues, excluding Hospitals, Universities & Colleges
Total revenues	\$111,595,560,896	\$74,762,761,886	\$6,078,256,036	8%
Revenues from government				
Government payments for goods and services				
Payments from the federal government	1%	2%	0.6%	3%
Payments from provincial government	15%	11%	2%	1%
Payments from municipal government	0.9%	1%	0.6%	4%
Government payments from other	0.1%	0.1%	0.0%	0.8%
Total government payments for goods and services	18%	15%	3%	2%
Government grants and contributions				
Grants from federal government	5%	7%	2%	2%
Grants from provincial government	24%	13%	5%	3%
Grants from municipal government	1%	1%	2%	11%
Government grants from other	0.1%	0.2%	0.0%	1%
Total government grants and contributions	31%	22%	9%	3%
Total revenues from government	49%	36%	12%	3%
Earned income from non-governmental sources				
Charitable gaming	1%	2%	7%	32%
Membership fees	11%	16%	25%	13%
Fees for goods or services (non-government)	20%	21%	31%	12%
Investment income (including interest)	4%	4%	2%	4%
Total revenues from earned income	35%	43%	65%	12%
Gifts and donations				
Individual donations	8%	11%	3%	2%
Fundraising organizations/family community foundations	1%	1%	0.5%	3%
Disbursements from nonprofits	2%	2%	1%	5%
Corporate sponsorships, donations or grants	3%	3%	15%	37%
Total revenues from gifts and donations	13%	17%	20%	10%
Other income	3%	4%	3%	6%

Sources of revenue by organization size

The largest Sports and Recreation organizations (those with revenues of \$10 million or more) have a unique revenue profile compared to other Sports and Recreation organizations (see Figure 13). These organizations generate 52% of their revenues from gifts and donations and only 42% from earned income. All other Sports and Recreation organizations generate at least 69% of their revenues from earned income and only 5% to 12% from gifts and donations.

The largest organizations likely rely more on gifts and donations because they are more likely to be registered charities. Forty-five percent of Sports and Recreation organizations that have annual revenues over \$10 million are registered charities, compared to only 27% of all Sports and Recreation organizations.

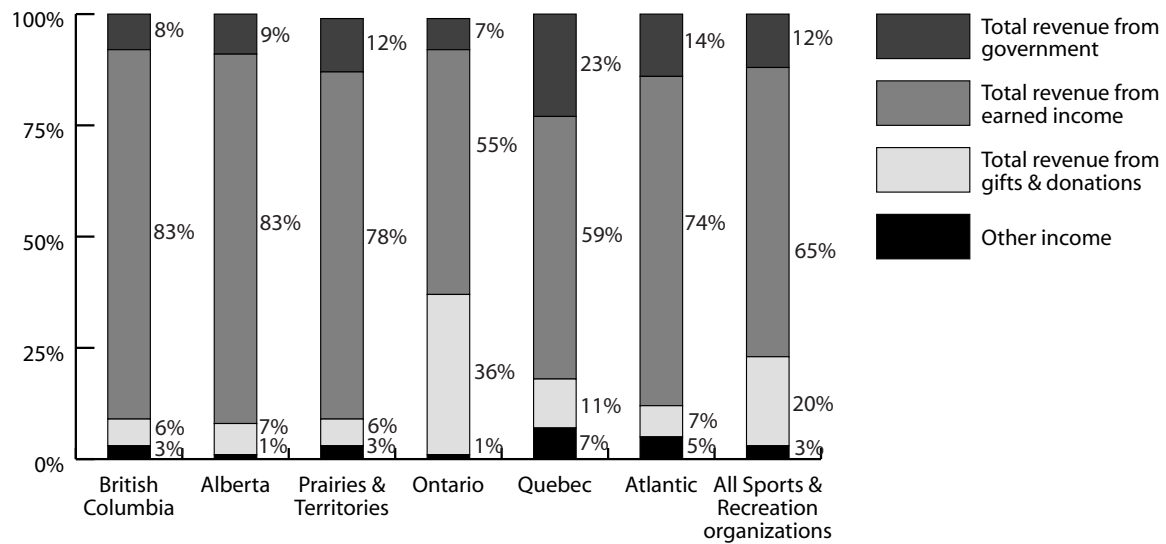
Figure 13: Sources of revenue by annual revenues, Sports and Recreation organizations, NSNVO 2003



Sources of revenues by region

Sports and Recreation organizations in Ontario and Quebec have unique revenue profiles compared to those in other regions (see Figure 14). Organizations in Ontario receive a much higher proportion of their revenues (36%) in the form of gifts and donations than do those in other regions (11% or less). Compared to organizations in the rest of the country, those in Quebec receive more support from government (23% of revenues in Quebec, compared to 14% or less in other regions).

Figure 14: Sources of revenue by region, Sports and Recreation organizations, NSNVO 2003



Share of revenue by region

Looking at the distribution of revenues by region from another perspective, we find that organizations in Ontario receive 76% of all gifts and donations made to Sports and Recreation organizations in Canada (see Table 2). Organizations in Quebec receive 40% of all government funding for Sports and Recreation organizations. If we compare each region's share of revenues to its share of the population, we find that the Prairies and Territories account for the most revenue relative to population, followed closely by Alberta.

Table 2: Share of revenues by region, Sports and Recreation organizations, NSNVO 2003

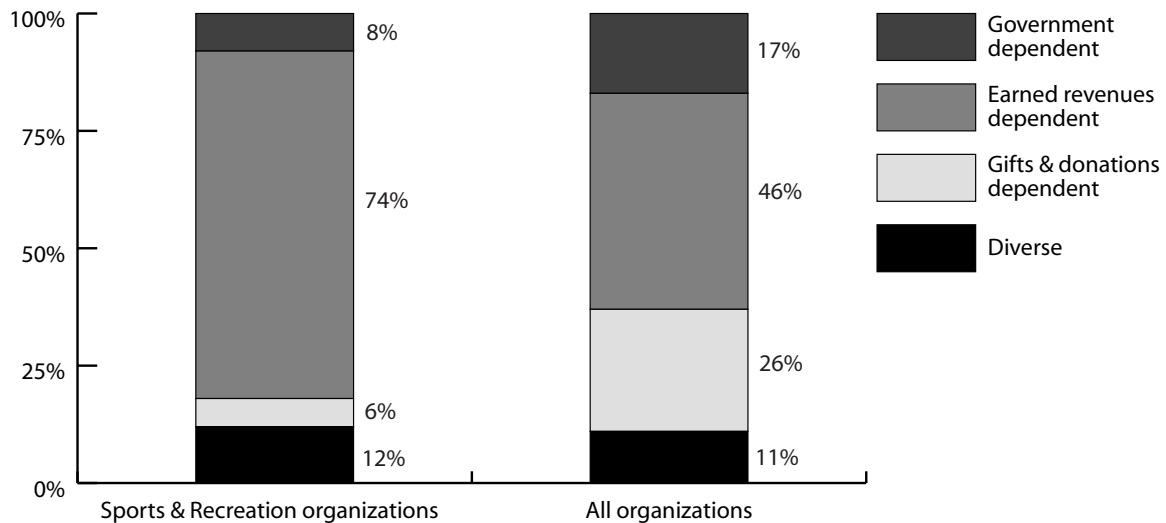
Region	Share of revenue by source of revenues				Share of total revenue from all sources	Percentage of population	Ratio of revenue to population
	Government	Earned income	Gifts & donations	Other income			
British Columbia	5%	9%	2%	7%	7%	13%	0.56
Alberta	12%	19%	6%	5%	15%	10%	1.54
Prairies & Territories	12%	14%	4%	12%	11%	7%	1.64
Ontario	26%	35%	76%	22%	42%	39%	1.07
Quebec	40%	19%	12%	48%	21%	24%	0.86
Atlantic	4%	4%	1%	6%	4%	7%	0.51

Revenue dependency

If more than 50% of an organization's total revenue comes from one source (government, earned income, or gifts and donations), that organization can be considered dependent on that revenue source. Organizations without a dominant funding source are labelled "diverse." Figure 15 shows that, compared to all nonprofit and voluntary organizations, Sports and Recreation organizations are much more likely to depend on earned income, and much less likely to depend on government funding and gifts and donations.

Nearly three-quarters (74%) of all Sports and Recreation organizations depend on earned income as their primary source of revenue, compared to only 46% of all organizations. Only 8% of Sports and Recreation organizations are financially dependent on government revenue, compared to 17% of all organizations; and only 6% are dependent on gifts and donations, compared to 26% of all organizations. Dependence on earned income results in a distinct set of financial capacity issues. We will explore these issues later in this section.

Figure 15: Revenue dependency, NSNVO 2003



Donations and donors

Compared to nonprofit and voluntary organizations in general, Sports and Recreation organizations are less dependent on individual donations as a source of revenue. The NSNVO estimates that individual donations account for just 3% of the total revenues for Sports and Recreation organizations, compared to 8% of revenues for nonprofit and voluntary organizations in general.

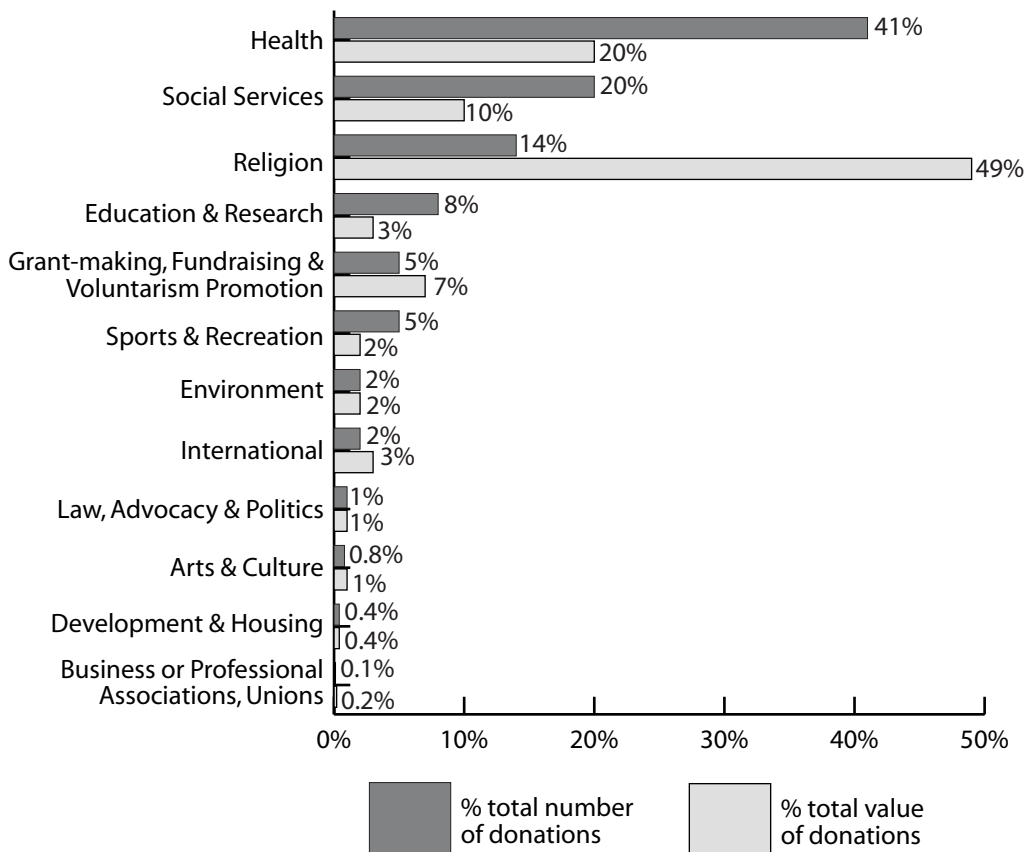
Both the NSNVO and NSGVP estimate that Sports and Recreation organizations receive 2% of all the money that individuals donate to nonprofit and voluntary organizations. Estimates of the total value of donations made to Sports and Recreation organizations range from \$113 million (NSGVP) to just over \$186 million (NSNVO). Although the gap between these estimates is substantial, it is not unexpected given the different time frames and data collection methodologies of the surveys (see Appendix A).

The NSGVP tells us that approximately 12% of Canadians aged 15 and over—2.8 million individuals—donate to Sports and Recreation organizations. On average, each Sports and Recreation donor gives \$40 annually. Compared to the average donation received by other organization types, this is a fairly modest level of support. Only Education and Research donors give a smaller average annual donation (\$33). Donors to other types of organizations give an average annual donation of at least \$50. Donors to Business and Professional Associations and Unions; Grant-making, Fundraising and Voluntarism Promotion; and International organizations all give, on average, more than \$100 per year. Donors to Religious organizations give the most — an average of \$310 per year.

Distribution of donations

According to the NSGVP, Sports and Recreation organizations receive 5% of all donations⁵ but only 2% of the total value⁶ of all donations made to nonprofit and voluntary organizations in Canada (see Figure 16). Other sub-sectors of similar size (e.g. Education and Research) receive more donation dollars than Sports and Recreation (see Figure 16). This suggests that Sports and Recreation organizations might be able to increase the amount of money they raise from donations. This opportunity may, however, exist only for the 27% of Sports and Recreation organizations that have charitable status and are thus able to issue tax receipts for donations.

Figure 16: Percentage of the total number of donations and total donation value by primary activity area, NSGVP 2000



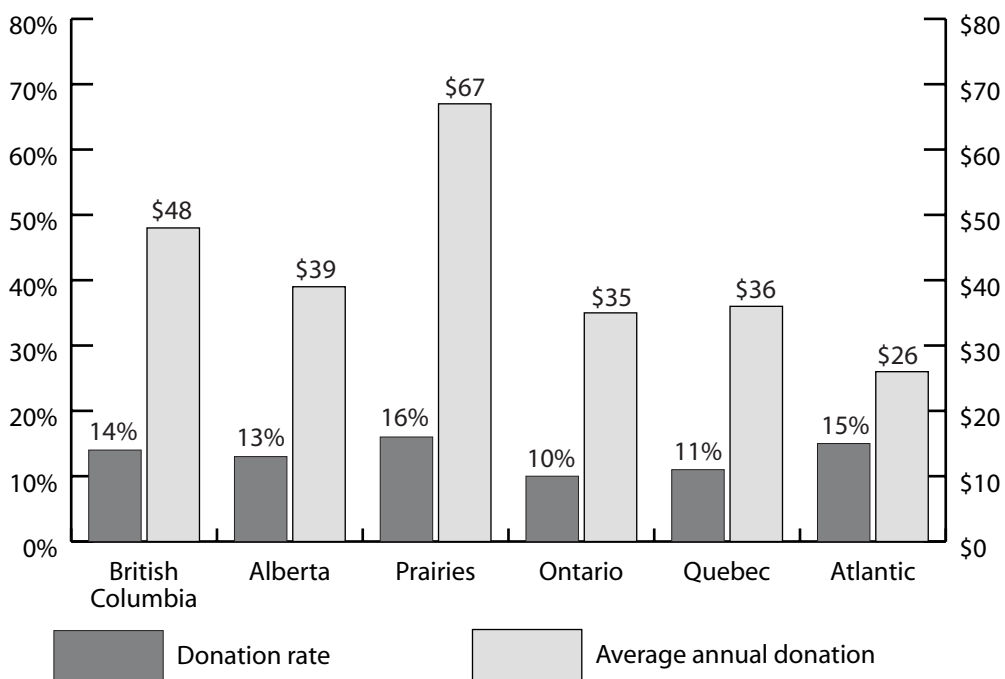
⁵ That is, Sports and Recreation organizations receive 5 out of every 100 donations made to a nonprofit or voluntary organization, regardless of the amount of each donation.

⁶ That is, Sports and Recreation organizations receive 2% of the total monetary value of all donations made to nonprofit and voluntary organizations.

Donation rates and amounts vary by region

The NSGVP reveals some regional variations in the percentage of the population that donates to Sports and Recreation organizations and the average amounts they donate (see Figure 17). For the most part, regions with higher donation rates also have higher average annual donation amounts. For example, the Prairies have both the highest donation rate (16%) and the largest average annual donation amount (\$67). A notable exception to this trend is the Atlantic Provinces, which have the second highest donation rate (15%), but the lowest average annual donation amount (\$26).

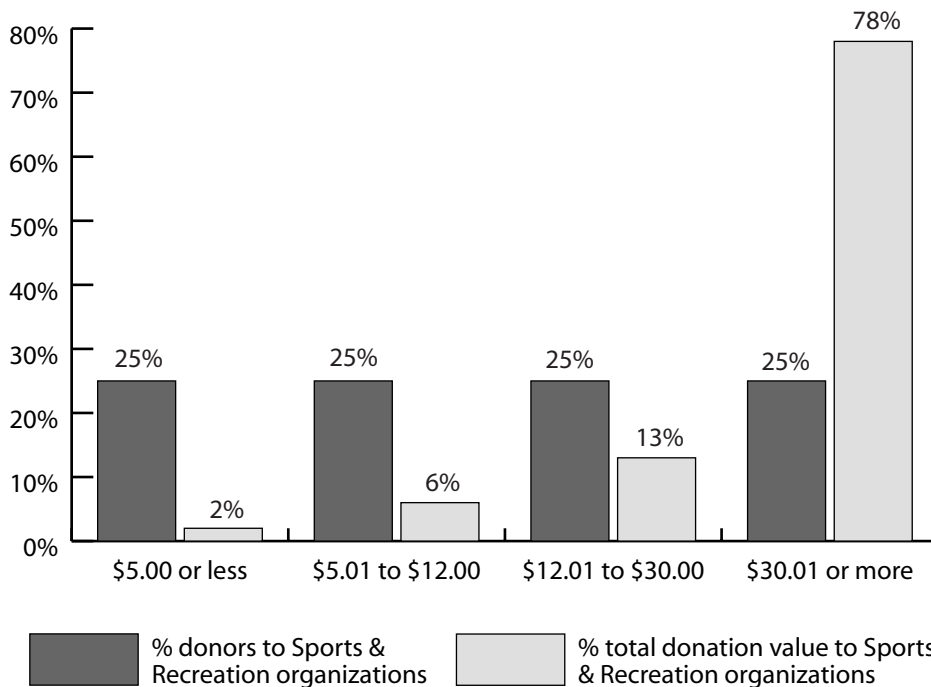
Figure 17: Donation rate and average annual donation by region, Sports and Recreation organizations, NSGVP 2000



Much comes from the few

Although many Canadians donate to Sports and Recreation organizations, the top 25% of donors (who contribute more than \$30 per year, on average) account for 78% of the total value of donations received by Sports and Recreation organizations (see Figure 18). This means that 3% of Canadians aged 15 and over (one-quarter of the 12% who donated to Sports and Recreation organizations in 2000) account for 78% of the total value of donations to Sports and Recreation organizations. This finding is consistent with the pattern observed in the nonprofit and voluntary sector as a whole (see Hall, McKeown, & Roberts, 2000).

Figure 18: Percentage of donors and percentage of total donation value by size of annual donation, Sports and Recreation organizations, NSGVP 2000



Personal and economic characteristics of donors

Sports and Recreation donors come from all age, income, employment, and educational levels, and both sexes. Certain demographic groups do, however, tend to be over-represented among Sports and Recreation donors. Specifically, Sports and Recreation donors tend to be men, aged 35 to 54, married or in common-law relationships, with post-secondary educations, and annual incomes over \$60,000. In contrast to the sector in general, Sports and Recreation donors are less likely to have a religious affiliation. The personal and economic characteristics of Sports and Recreation donors are presented in Table 3.

Age

Canadians between the ages of 35 and 54 are most likely to make a donation to a Sports and Recreation organization (15% donated), followed by those aged 25 to 34 and 55 to 64 (11% of each group donated).

Sports and Recreation organizations rely heavily on the donations of Canadians aged 35 to 54, who represent 50% of their total donors and 54% of their donation revenues. The most critical age demographic for these organizations is 45 to 54. Canadians in this age group account for 23% of donors, 28% of top donors, and 31% of the total value of donations to Sports and Recreation organizations.

Sex

In the sector as a whole, women account for the majority of donors and donation dollars. Among Sports and Recreation organizations, however, men account for 53% of donors and 61% of donation value.

Marital Status

Married Canadians, and those living in common-law relationships, are most likely to donate to a Sports and Recreation organization (13% donated in 2000). Married and common-law donors also make the largest average donations (\$42 per year) and account for 74% of the total value of all donations, despite representing only 70% of Sports and Recreation donors.

At the opposite end of the spectrum are singles (i.e., those who have never married). They are the least likely to donate to Sports and Recreation organizations (8%), make the smallest average annual donations (\$32 per year), and contribute the smallest proportion of total donation dollars (15%) relative to their proportion of Sports and Recreation donors (19%).

Given the nature and focus Sports and Recreation organizations, the underlying factor here may be the existence of children. Those who are married, living common-law, or divorced are probably more likely to have children involved in sports organizations, which they support through donations.

Education

In the sector as a whole, donations generally increase with the donor's level of education. Donors with a university education make an average annual donation of \$480—three times the amount contributed by a donor with a high school diploma.

In contrast, the amount donated to Sports and Recreation organizations does not consistently rise with the donors' level of education. Moreover, the average contribution that a university-educated donor makes to Sports and Recreation organizations (\$54) is only 40% more than the average contribution made by donors with a high school education (\$39).

On an aggregate basis, all nonprofit and voluntary organizations receive 62% of their donations from Canadians with a post-secondary education, while Sports and Recreation organizations receive just 54% of their donation dollars from this group.

Labour force status

Sixty-three percent of Canadians are employed. Employed Canadians, however, account for 73% of Sports and Recreation donors and 76% of the total value of donations received by Sports and Recreation organizations. In comparison, this group accounts for only 66% of all donors and 69% of total donation value.

Household income

Sports and Recreation organizations are very successful at attracting donors from the highest income brackets, but they may not be leveraging these donors to the same degree as other nonprofit and voluntary organizations.

In the sector as a whole, the donation rate and average annual donation increase fairly consistently with the donor's income level. Although this pattern is also apparent among Sports and Recreation organizations, it is not of the same magnitude. For example, donors who earned \$100,000 or more donated \$529, on average, or almost four times the amount donated by those who earned less than \$20,000 (\$142 on average). In comparison, Sports and Recreation organization donors earning over \$100,000 donated \$69, on average, or just 2.5 times the amount contributed by a donor earning less than \$20,000 (\$28 on average).

Table 3: Personal and economic characteristics of all donors and Sports and Recreation donors, NSGVP 2000

	Donor rate, total sector	Average donation, total sector	Donor rate, Sports & Recreation	Average donation, Sports & Recreation	% all Canadians	% all donors	% of Sports & Recreation donors	% of top Sports & Recreation donors	% of total sector donation value	% of Sports & Recreation donation value
Age										
15 – 24 years	64%	\$118	8%	\$22	17%	14%	11%	6%E	6%	6%E
25 – 34 years	77%	\$229	11%	\$36	18%	17%	17%	18%E	15%	15%
35 – 44 years	86%	\$242	15%	\$34	21%	24%	27%	26%	22%	23%
45 – 54 years	83%	\$338	15%	\$53	18%	19%	23%	29%	25%	31%
55 – 64 years	81%	\$316	11%	\$56E	11%	12%	11%	12%E	14%	15%E
65+ years	77%	\$308	9%	\$32	15%	15%	11%	9%E	17%	9%
Sex										
Male	75%	\$260	13%	\$46	49%	47%	53%	56%	47%	61%
Female	81%	\$259	11%	\$32	51%	53%	47%	44%	53%	39%
Marital status										
Married or common-law	84%	\$282	13%	\$42	62%	66%	70%	75%	72%	74%
Single (never married)	66%	\$169	8%	\$32	26%	22%	19%	15%E	15%	15%
Widowed	77%	\$328	10%	\$36E	5%	5%	5%E	*	7%	4%E
Separated or divorced	72%	\$286	11%	\$40E	7%	6%	6%E	*	7%	6%E
Education										
Less than high school	68%	\$152	8%	\$38E	27%	23%	19%	14%E	14%	18%E
High school diploma	80%	\$210	11%	\$39	20%	20%	19%	21%	16%	19%
Some postsecondary	77%	\$231	13%	\$36E	9%	9%	10%	9%E	8%	9%E
Postsecondary diploma	84%	\$252	13%	\$33	28%	30%	32%	35%	29%	27%
University degree	84%	\$480	14%	\$54	17%	18%	20%	21%E	33%	27%
Labour force status										
Employed	82%	\$273	14%	\$42	63%	66%	73%	78%	69%	76%
Full-time (30+ hrs)	83%	\$274	14%	\$43	80%	82%	82%	87%	82%	84%
Part-time (<30 hrs)	76%	\$271	12%	\$37E	20%	18%	18%	13%E	18%	14%E
Unemployed	65%	\$139	10%	*	4%	3%	3%E	*	2%	*
Not in labour force	73%	\$243	8%	\$34E	33%	31%	24%	*	29%	*
Household income										
Less than \$20,000	63%	\$142	7%	\$28	13%	11%	8%	*	6%	5%
\$20,000 – \$39,999	75%	\$190	9%	\$27	26%	25%	21%	*	18%	14%
\$40,000 – \$59,999	79%	\$214	11%	\$32	23%	23%	22%	23%	19%	18%
\$60,000 – \$99,999	85%	\$275	15%	\$40	25%	27%	32%	35%	29%	32%
\$100,000 or more	86%	\$529	17%	\$69	12%	13%	18%	25%	27%	31%
Religious affiliation										
Affiliation	83%	\$296	13%	\$38	74%	77%	74%	69%	87%	71%
No affiliation	72%	\$146	11%	\$47	26%	23%	23%	30%	13%	27%
Religious attendance										
Weekly attender	90%	\$577	13%	\$29	19%	21%	20%	17%E	47%	14%
Not a weekly attender	77%	\$176	12%	\$42	81%	79%	80%	83%	53%	86%
Strength of belief										
Very religious	85%	\$618	12%	\$33	11%	12%	10%	9%E	29%	9%
Not very religious	79%	\$210	12%	\$41	89%	88%	86%	89%	71%	89%
* Suppressed for confidentiality E Use with caution										

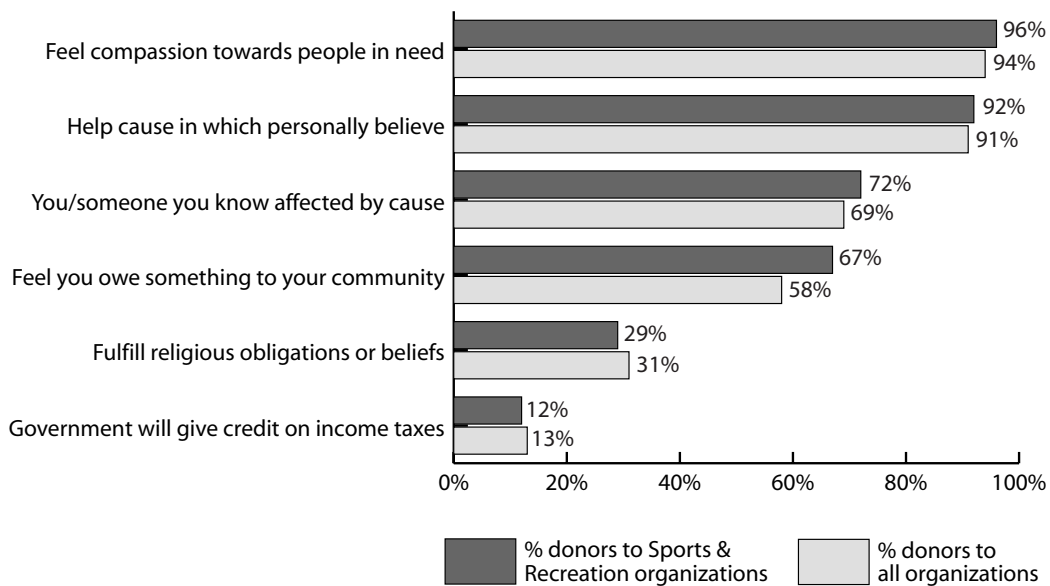
Religion

Unlike all donors, neither religious affiliation nor religiosity has a positive impact on donations made to Sports and Recreation organizations. In fact, donors with no religious affiliation make larger annual donations to Sports and Recreation organizations than do donors with a religious affiliation. Similarly, donors who do not attend religious services weekly and donors who say they are not very religious make larger donations than their more religious counterparts.

Motivations for donating

The NSGVP asks donors whether any of six reasons motivated them to make a charitable donation. For the most part, Sports and Recreation donors report the same motivations as all donors: a sense of compassion towards those in need (96%), a desire to help a cause in which they personally believe (92%), or knowing someone affected by the cause (72%, see Figure 19). In contrast to all donors, however, Sports and Recreation donors are more likely to cite a sense of commitment to their community (67% of Sports and Recreation donors vs. 58% of all donors) and less likely cite religious obligations (29% vs. 31%).

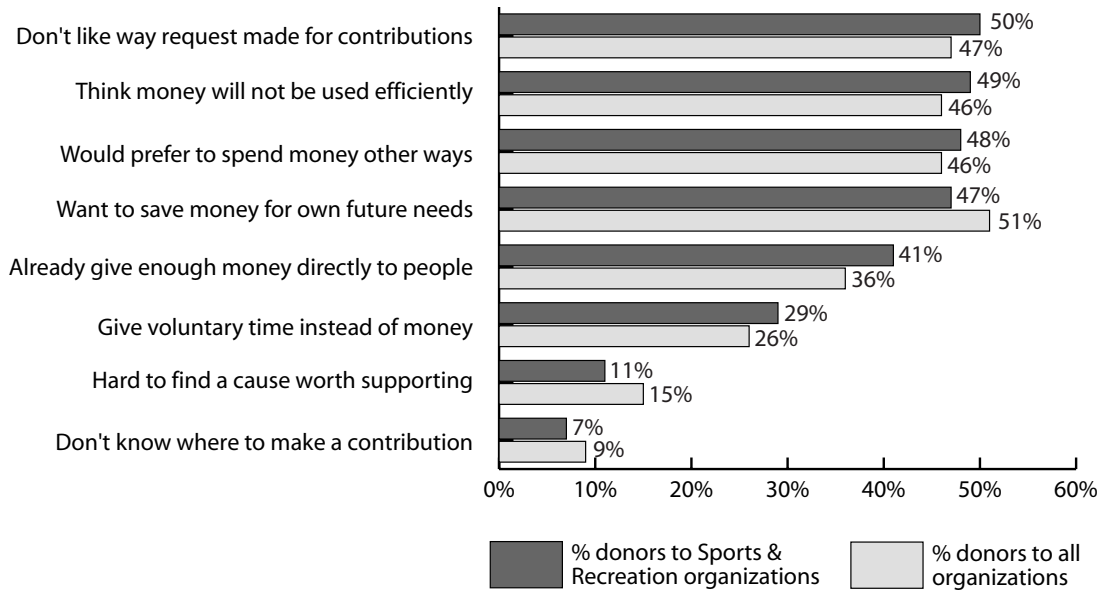
Figure 19: Motivations for donating, NSGVP 2000



Barriers to donating more

When they are asked why they don't donate more, Sports and Recreation donors cite the same major barriers as all donors: don't like the way requests are made (50%), think that the money will not be used efficiently (49%), prefer to spend money in other ways (48%), and want to save money for their own future needs (47%, see Figure 20). Sports and Recreation donors are, however, more likely than all donors to cite the first three reasons and less likely to cite the fourth.

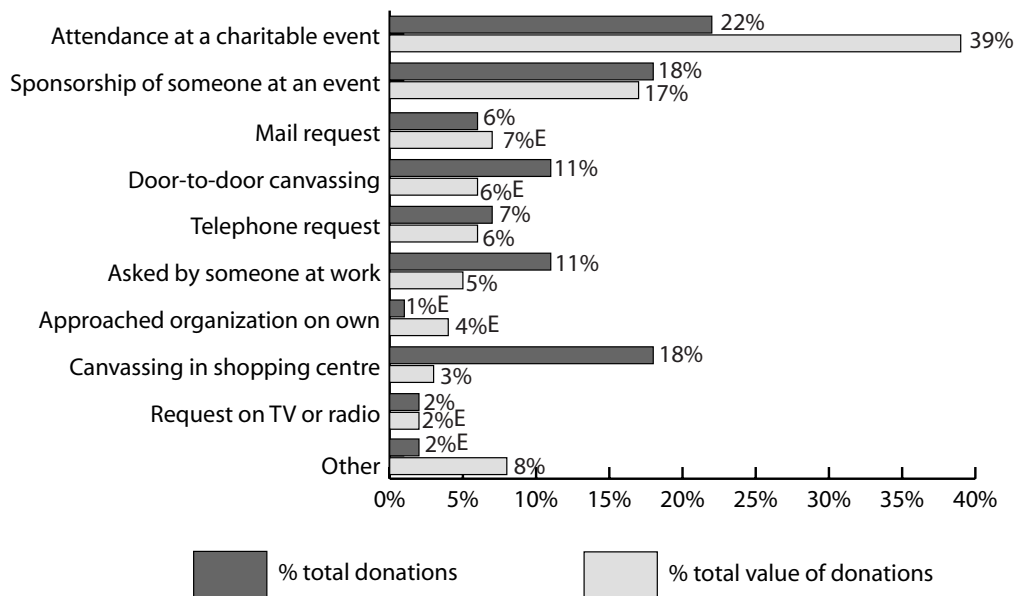
Figure 20: Barriers to donating more, NSGVP 2000



Donation methods

According to the NSGVP, more than half (56%) the money donated to Sports and Recreation organizations is donated via attendance at charity events and sponsorship of someone at an event (see Figure 21). Charity events alone produce 22% of donations and 39% of the total value of donations to Sports and Recreation organizations. In comparison, donations made at shopping centres represent 18% of donations to Sports and Recreation organizations, but account for only 3% of the total value of donations.

Figure 21: Percentage of donations and percentage of donation value by method of donation, Sports and Recreation donors, NSGVP 2000



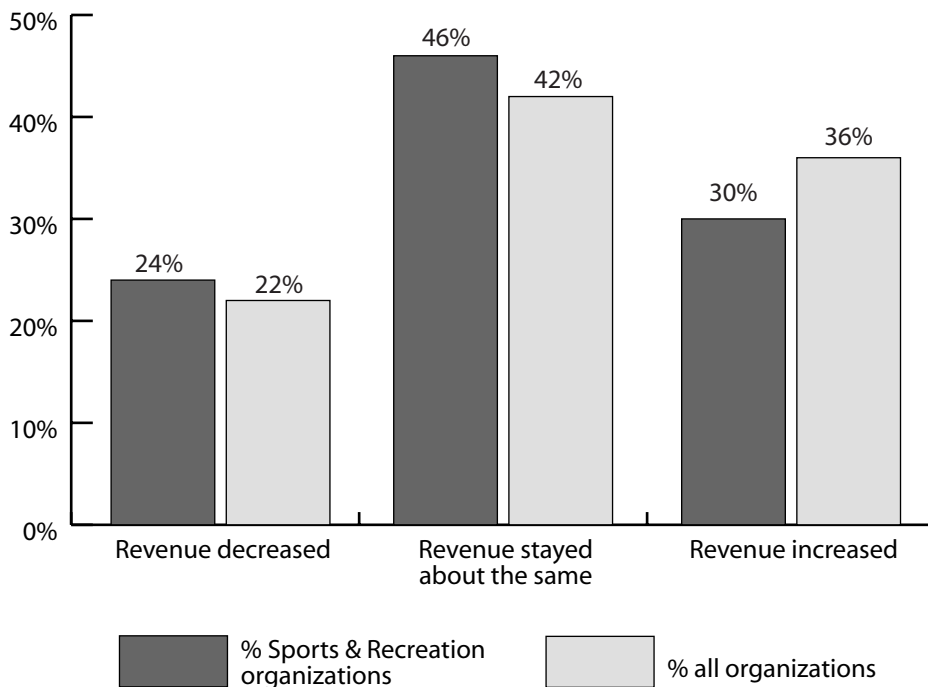
E Use with caution

Changes in revenues

Three-quarters of Sports and Recreation organizations (76%) say that their revenues remained stable or increased between 2000 and 2003, while a quarter (24%) say that their revenues decreased (see Figure 22).

While the overall trend is positive, it should be noted that the proportion of Sports and Recreation organizations reporting increasing revenues (30%) lags the nonprofit and voluntary sector as a whole (where 36% of organizations report increasing revenues).

Figure 22: Reported change in revenues over the past three years, NSNVO 2003

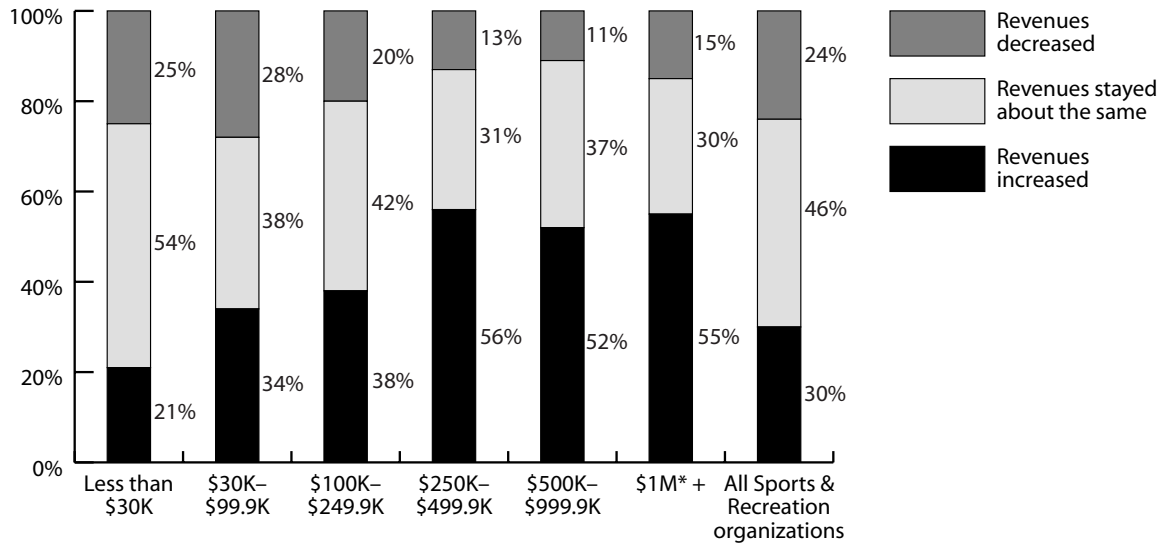


Changes in revenues by organization size

The majority of Sports and Recreation organizations with annual revenues of \$250,000 or more say that their revenues increased between 2000 and 2003 (see Figure 23). The same is true for approximately a third of organizations in the \$30,000 to \$249,999 revenue range, but for only 21% of organizations with revenues under \$30,000. Organizations with annual revenues under \$30,000—55% of all Sports and Recreation organizations—are more likely to report declining revenues (25%) than increasing revenues (21%).

These findings are consistent with those for the overall sector reported in *Cornerstones of Community* (Hall et al., 2004). As the authors of this report point out, it appears that “the big are getting bigger.” If this trend persists, we should expect even greater concentration of revenues among the largest Sports and Recreation organizations in the years to come.

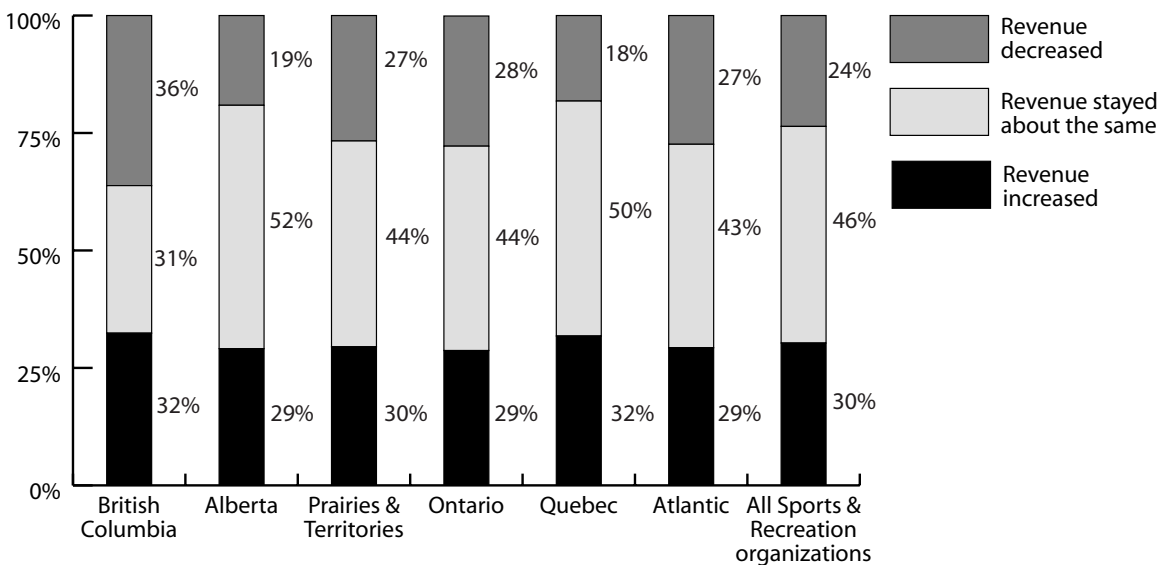
Figure 23: Reported change in revenues over the past three years by annual revenues, Sports and Recreation organizations, NSNVO 2003



Changes in revenues by region

Just under one-third (29% to 32%) of Sports and Recreation organizations in each region report increased revenues (see Figure 24). There are, however, some regional differences in the percentage of organizations reporting decreased revenues. Most notably, 36% of Sports and Recreation organizations in British Columbia report declining revenues, compared to no more than 28% in any other region. British Columbia is the only province where more Sports and Recreation organizations report more decreasing revenues than increasing revenues.

Figure 24: Reported change in revenues over the past three years by region, Sports and Recreation organizations, NSNVO 2003

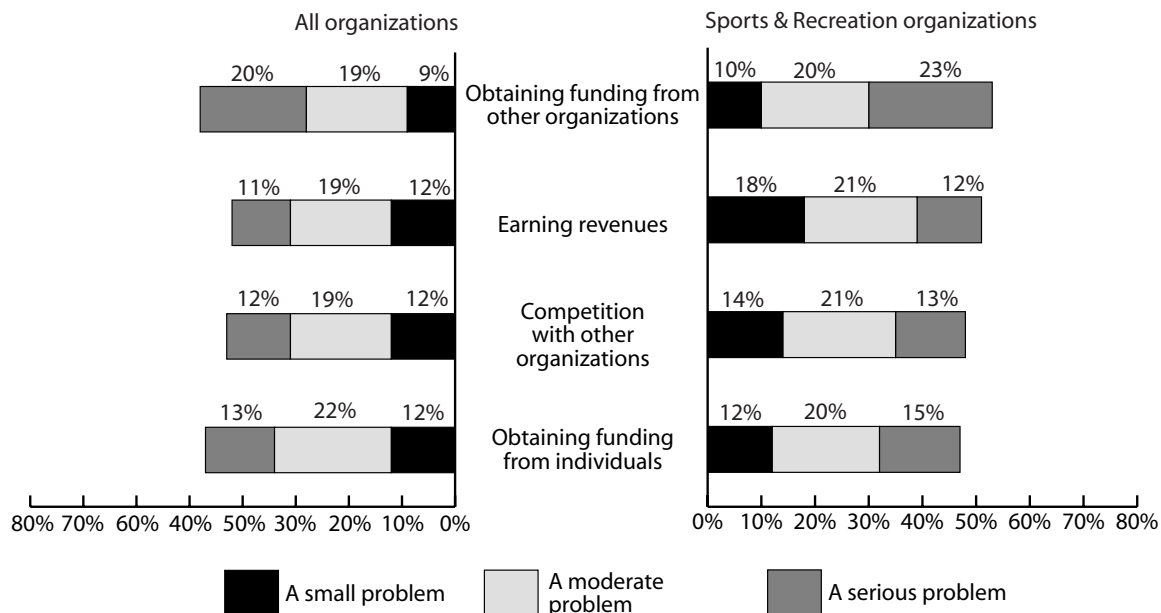


Financial capacity issues

The NSNVO asks respondents if a variety of financial and funding issues are not a problem, a small problem, a moderate problem, or a serious problem for their organization. Specifically, organizations were asked if they had problems earning revenue, obtaining funding from other organizations or individuals, or competing with other organizations for money. Organizations were also asked if they had a problem with increasing demands for their services or products.

When compared to all nonprofit and voluntary organizations, Sports and Recreation organizations are more likely to report most financial capacity problems (see Figure 25). More than half (51%) report difficulties earning revenue, compared to only 42% of all organizations. Sports and Recreation organizations are also more likely than all organizations to say that they have difficulties obtaining funding from other organizations (53% vs. 48%), and competing with other organizations (49%* vs. 43%).

Figure 25: Financial capacity issues, Sports and Recreation organizations compared to all organizations, NSNVO 2003



Financial issues by organization size

The smallest Sports and Recreation organizations (those with annual revenues under \$30,000) are the least likely to report all financial capacity problems (see Table 4). This may simply reflect the fact that these organizations have modest financial needs and goals. In general, organizations with annual revenues between \$250,000 and \$999,999 are the most likely to report all financial capacity problems.

* Figure differs from sum derived from chart due to rounding of numbers for individual categories.

Table 4: Financial capacity issues by revenue size, Sports and Recreation organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem							All Sports & Recreation organizations
	Less than \$30K	\$30K- \$99.9K	\$100K- \$249.9K	\$250K- \$499.9K	\$500K- \$999.9K	\$1M- \$9.9M	\$10M+	
Obtaining funding from other organizations	43%	55%	69%	85%	74%	65%	67%	53%
Earning revenues	47%	50%	62%	66%	52%	53%	53%	51%
Competition with other organizations	40%	50%	67%	74%	76%	59%	69%	49%
Obtaining funding from individuals	40%	52%	54%	70%	65%	56%	60%	47%

Financial issues by revenue dependency

Government-dependent Sports and Recreation organizations are more likely than other Sports and Recreation organizations to report all financial issues as problems (see Table 5). Organizations with a diverse revenue profile are generally the least likely to report financial capacity problems.

Table 5: Financial capacity issues by revenue dependency, Sports and Recreation organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem				All Sports & Recreation organizations
	Government dependent	Earned revenues dependent	Gifts & donations dependent	Diverse	
Obtaining funding from other organizations	68%	52%	57%	46%	53%
Earning revenues	59%	50%	48%	52%	51%
Competition with other organizations	56%	48%	51%	44%	49%
Obtaining funding from individuals	63%	46%	50%	43%	47%

Financial issues by revenue changes

Sports and Recreation organizations with stable revenues are consistently the least likely to report financial capacity issues, while those with either increasing or decreasing revenues are the most likely to report such issues (see Table 6). Financial capacity issues are generally reported most often by organizations experiencing declining revenues.

Table 6: Financial capacity issues by reported revenue change, Sports and Recreation organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem			All Sports & Recreation organizations
	Revenue decreased	Revenue stayed about the same	Revenue increased	
Obtaining funding from other organizations	61%	46%	60%	53%
Earning revenues	65%	47%	49%	51%
Competition with other organizations	59%	42%	53%	49%
Obtaining funding from individuals	58%	41%	51%	47%

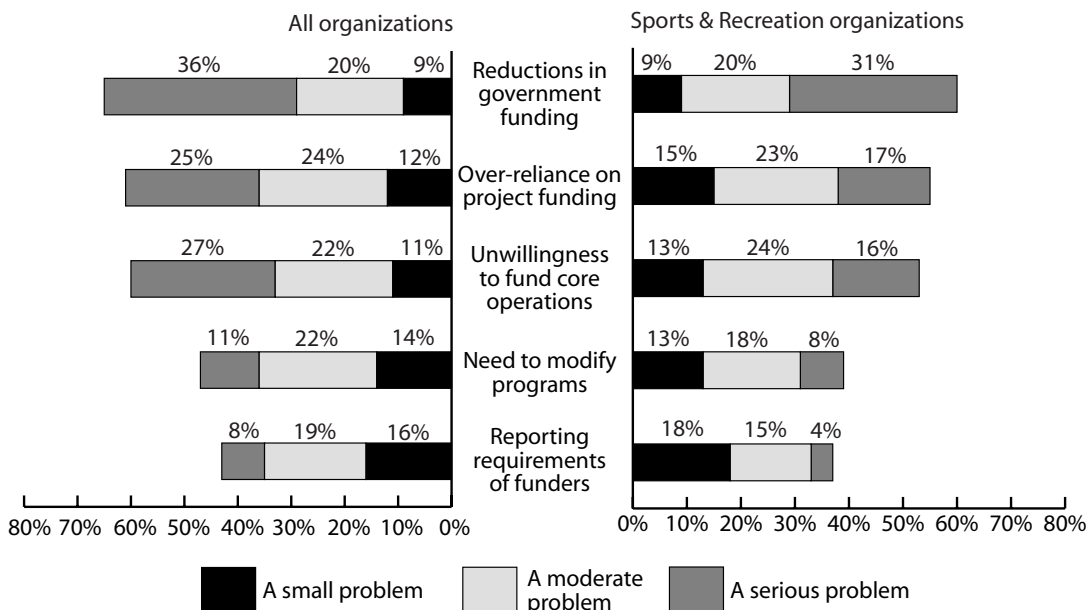
External funding issues

In addition to questions about financial capacity, organizations that reported receiving funding from other organizations in the past three years were asked a series of questions relating to external funding. Forty-five percent of Sports and Recreation organizations reported receiving external funding between 2000 and 2003, compared to 48% of all organizations.

A majority of these organizations appear to be facing problems relating to their funding model. For example, 61%* report problems with reductions in government funding, 55% say that an over-reliance on project funding is a problem for them, and 54%* say that the unwillingness of funders to support core operations causes them difficulties (see Figure 26).

Sports and Recreation organizations that receive external funding are, however, less likely than other types of organizations that receive external funding to report problems in this area.

Figure 26: External funding issues, Sports and Recreation organizations compared to all organizations, NSNVO 2003



External funding issues by organization size

Organizations with annual revenues between \$250,000 and \$9.9 million are most likely to report that reductions in government funding, the unwillingness of funders to fund core operations, and an over-reliance on project funding are problems for them (see Table 7). However, the need to modify programs in order to receive funding (79%) and the reporting requirements of funders (77%) are most likely to be considered problems by organizations with annual revenues of \$10 million or more. Regardless of organization size, the most commonly reported external funding issue among Sports and Recreation organizations is reductions in government funding.

* Figure differs from sum derived from chart due to rounding of numbers for individual categories.

Table 7: External funding issues by revenue size, Sports and Recreation organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem							All Sports & Recreation organizations
	Less than \$30K	\$30K– \$99.9K	\$100K– \$249.9K	\$250K– \$499.9K	\$500K– \$999.9K	\$1M– \$9.9M	\$10M+	
Reductions in government funding	51%	60%	62%	83%	85%	90%	79%	61%
Over-reliance on project funding	48%	57%	54%	76%	63%	61%	23%	55%
Unwillingness to fund core operations	49%	57%	43%	72%	72%	74%	34%	54%
Need to modify programs	35%	35%	37%	52%	45%	72%	79%	39%
Reporting requirements of funders	26%	41%	38%	58%	46%	60%	77%	37%

External funding issues by revenue dependency

Government-dependent Sports and Recreation organizations are more likely than other organizations to report that the unwillingness of funders to support core operations (67%) and the reporting requirements of funders (46%) are problems for them (see Table 8). In contrast, organizations that are dependent on gifts and donations are more likely than others to report that reductions in government funding (74%), an over-reliance on project funding (67%), and the need to modify programs in order to receive funding (53%) are problems. Not surprisingly, organizations that are dependent on earned income are consistently less likely than others to report problems with external funding.

Table 8: External funding issues by revenue dependency, Sports and Recreation organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem					All Sports & Recreation organizations
	Government dependent	Earned revenues dependent	Gifts & donations dependent	Diverse		
Reductions in government funding	69%	57%	74%	63%		61%
Over-reliance on project funding	63%	53%	67%	47%		55%
Unwillingness to fund core operations	67%	51%	41%	59%		54%
Need to modify programs	49%	35%	53%	38%		39%
Reporting requirements of funders	46%	35%	30%	38%		37%

External funding issues by revenue change

Sports and Recreation organizations with stable revenues are the least likely to report external funding issues, while those with either increasing or decreasing revenues are the most likely to report such issues (see Table 9). Organizations with increasing revenues are more likely than others to say that reductions in government funding (64%) and a need to modify programs to get funding (42%) are problems for them. Those with declining revenues are more likely to say that the unwillingness of funders to support core operations (62%) and an over-reliance on project funding (58%) are problems.

Table 9: External funding issues by reported revenue change, Sports and Recreation organizations, NSNVO 2003

	Percentage of organizations reporting each problem			
	Revenue decreased	Revenue stayed about the same	Revenue increased	All Sports & Recreation organizations
Capacity issues				
Reductions in government funding	59%	59%	64%	61%
Over-reliance on project funding	58%	52%	56%	55%
Unwillingness to fund core operations	62%	47%	56%	54%
Need to modify programs	38%	36%	42%	39%
Reporting requirements of funders	39%	34%	39%	37%

Summary

Similar to the nonprofit and voluntary sector as a whole, the majority of revenues in the Sports and Recreation sub-sector are concentrated among a small percentage of larger organizations. Larger Sports and Recreation organizations are also more likely to report increasing revenues. In other words, big Sports and Recreation organizations are getting bigger.

Sports and Recreation organizations are more financially self-sufficient than are nonprofit and voluntary organizations in general, generating the majority of their revenues from earned income. They are not immune from financial problems, however. They are, for example, less likely than all organizations to report increasing revenues and more likely to report a variety of financial capacity problems. Smaller Sports and Recreation organizations, those that are dependent on government for more than half their revenues, and those that have experienced a decrease in revenues are the most likely to report financial and funding problems.

Only 45% of Sports and Recreation organizations receive funding from other organizations. However, the majority of these externally funded organizations report problems with their funding model (e.g., reductions in government funding, an over-reliance on project funding, and a lack of funding for core operations).

Sports and Recreation donors tend to be men, aged 35 to 54, married or in common-law relationships, with post-secondary educations and annual incomes over \$60,000. Compared to all donors, Sports and Recreation donors are more likely to be motivated by a sense of commitment to their community and less likely to be motivated by religious obligations.

Human Resources and Challenges

Many nonprofit and voluntary organizations consider their human resources—both paid and volunteer—to be their greatest strength (Hall et al., 2003). In this section, we examine Sports and Recreation organizations from a human resources perspective. The data on volunteers come from the NSGVP.⁷ The data on paid staff and capacity issues come from the NSNVO.

Highlights

Quick facts

- Over 1.7 million people (7% of Canadians aged 15 and over) volunteer for Sports and Recreation organizations
- More than 130,000 Canadians, or about 6% of the total nonprofit and voluntary sector workforce, are employed by Sports and Recreation organizations
- 73% of Sports and Recreation organizations operate with no paid staff

Volunteers

- Sports and Recreation organizations receive 21% of all volunteer hours
- Volunteers give an average of 133 hours each to Sports and Recreation organizations for a total of 221 million hours
- 68% of hours volunteered are contributed by 2% of Canadians
- Volunteers tend to be men, aged 35 to 54, married or living in common-law relationships, with post-secondary educations and annual incomes of \$60,000 or more

Capacity challenges

- 65% of Sports and Recreation organizations report difficulties recruiting the types of volunteers they need and 64% report problems obtaining board members
- Only 19% report problems obtaining paid staff and providing staff training
- Larger organizations, those that are dependent on government funding, and those that have experienced changes in revenues (either positive or negative) are more likely to report human resources problems

Volunteers

The NSGVP estimates that 6.5 million Canadians volunteered in 2000. These volunteers contributed an average of 162 hours each per year for a total of just over 1 billion hours.

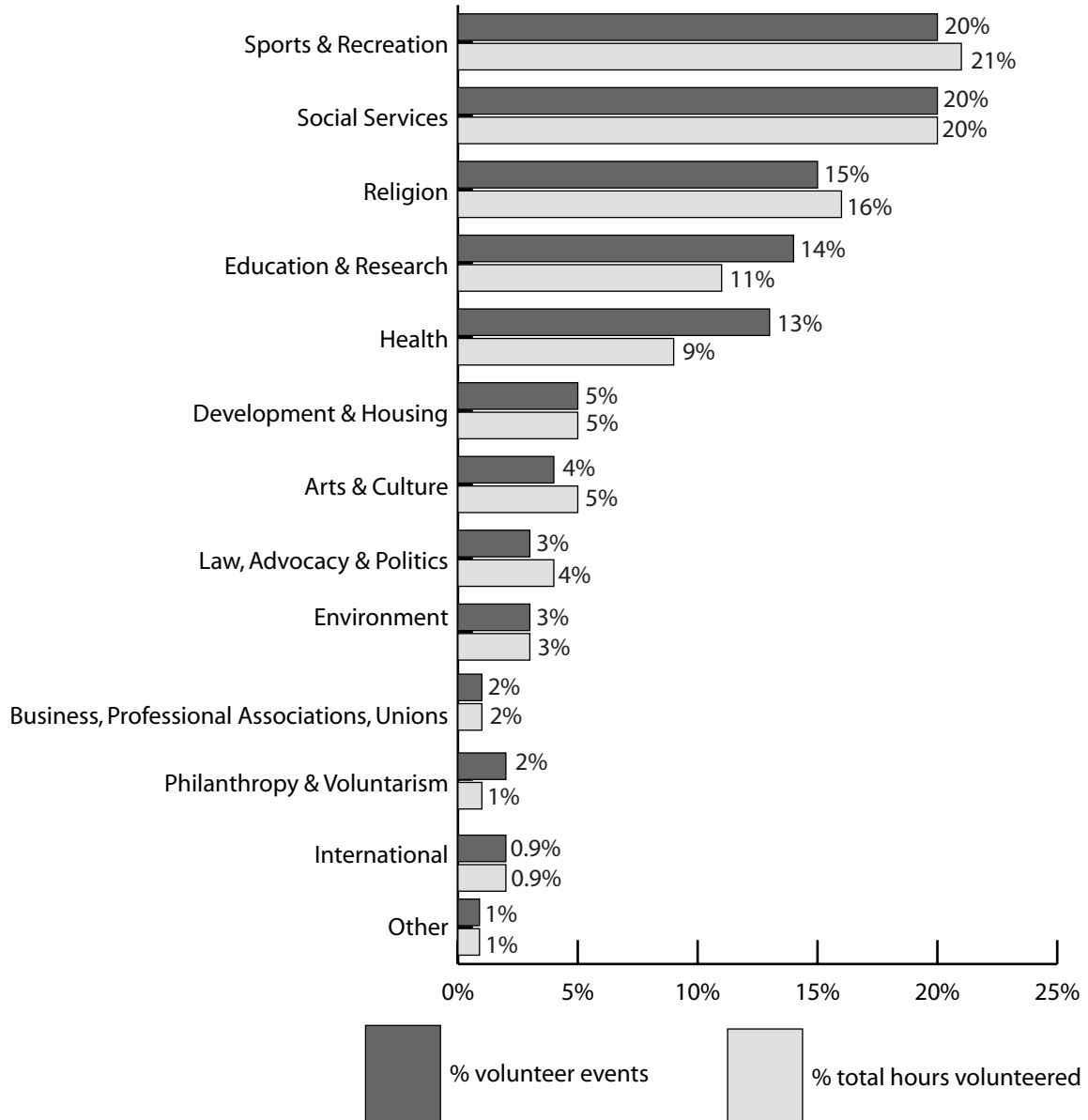
The NSGVP also estimates that 1.7 million Canadians (7% of the population aged 15 and over) volunteered an average of 133 hours per year with Sports and Recreation organizations in 2000, for a total of 221 million hours. Sports and Recreation organizations received 20% of volunteer events⁸ and 21% of volunteer hours (see Figure 27). This level of support is about what we would

⁷ The NSNVO asked organizations about their volunteers. However, because the NSNVO is an organizational survey, individual volunteers who contribute to more than one organization are counted more than once. Therefore, we have chosen to rely on the NSGVP for data on volunteers.

⁸ A volunteer event is a single activity where a volunteer participates. A volunteer may participate in several volunteer events in a single year. Therefore, the total number of volunteer events is expected to exceed the total number of volunteers in any given year.

expect, given that Sports and Recreation organizations represent 21% of all nonprofit and voluntary organizations.

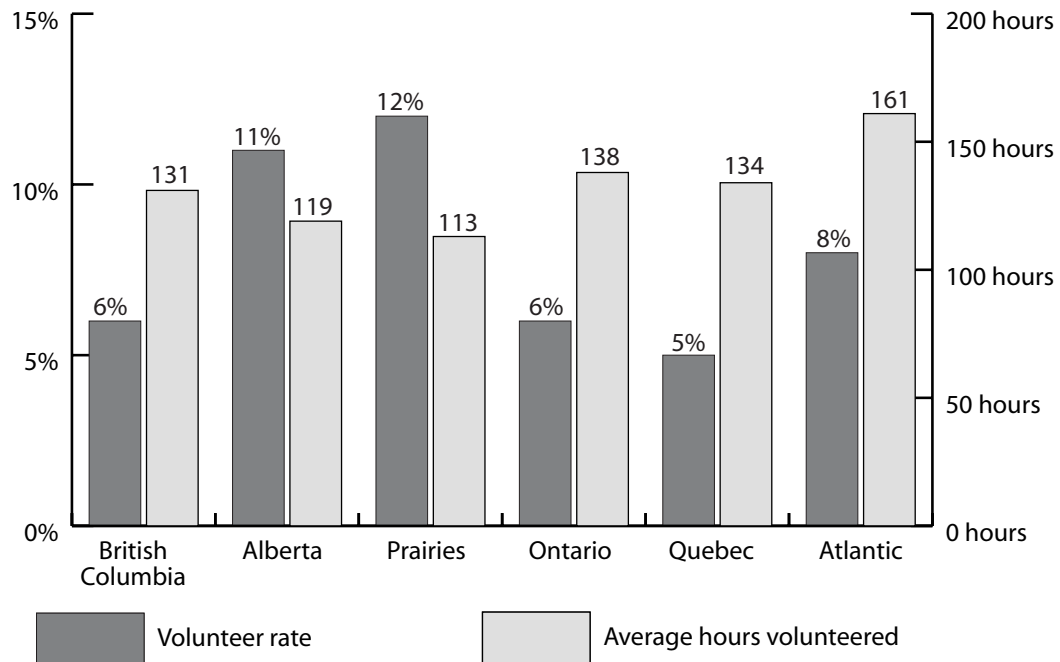
Figure 27: Percentage of volunteer events and percentage of volunteer hours by primary activity area, NSGVP 2000



Volunteer rates and hours vary by region

Volunteer rates and hours vary considerably across the country (see Figure 28). Rates in the Prairies (12%) and Alberta (11%) outpace those in other regions. However, volunteers in these regions contribute the lowest number of hours on average (113 and 119, respectively). Volunteers from Atlantic Canada volunteer the most hours per year, on average (161).

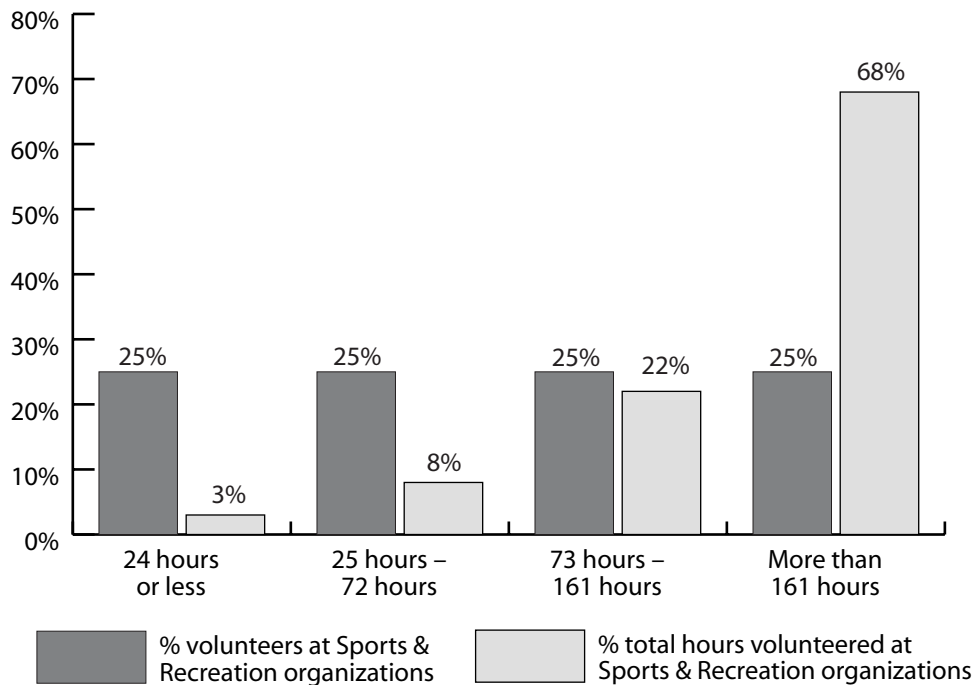
Figure 28: Volunteer rate and average hours volunteered, Sports and Recreation organizations, NSGVP 2000



Much comes from the few

When we group Sports and Recreation volunteers into four equal-sized groups based on the number of hours they volunteer each year, we find that a small proportion of volunteers contributes the vast majority of volunteer hours. According to the NSGVP, the top 25% of volunteers with Sports and Recreation organizations, who volunteered an average of 161 hours or more each, accounted for 68% of the hours contributed to Sports and Recreation organizations in 2000 (see Figure 29). This means that 2% of Canadians (one-quarter of the 7% who volunteered with Sports and Recreation organizations in 2000) account for 68% of all volunteer hours.

Figure 29: Percentage of volunteers and percentage of total volunteer hours by annual hours volunteered, Sports and Recreation organizations, NSGVP 2000



Personal and economic characteristics of volunteers

The profile of Sports and Recreation volunteers is very similar to the profile of Sports and Recreation donors. That is, they tend to be men, aged 35 to 54, married or in common-law relationships, with post-secondary educations and annual incomes over \$60,000. Compared to volunteers in general, Sports and Recreation volunteers are less likely to be religiously affiliated. The personal and economic characteristics of Sports and Recreation volunteers are presented in Table 10.

Age

The majority of Sports and Recreation volunteers are aged 35 to 54. This age group represents 52% of Sports and Recreation volunteers, compared to 44% of all volunteers. Volunteers aged 35 to 54 also account for the majority of the volunteer hours (53%) contributed to Sports and Recreation organizations, compared to 43% of all volunteer hours.

The most critical age group for Sports and Recreation organizations is 35 to 44. This group accounts for 30% of Sports and Recreation volunteers, 31% of top volunteers, and 30% of volunteer hours.

Canadians aged 35 to 44 are also most likely to volunteer with a Sports and Recreation organization (9% volunteered in 2000). Those aged 25 to 34 and 65 and over were least likely to volunteer with a Sports and Recreation organization (5%).

Sex

Men are nearly twice as likely as women (9% vs. 5%) to volunteer with a Sports and Recreation organization. Men also account for 62% of Sports and Recreation volunteers, 68% of top volunteers, and 64% of volunteer hours.

Marital Status

Canadians who are married or in common-law relationships are most likely to volunteer with a Sports and Recreation organization (8% volunteer). Volunteers who are married or in common-law relationships account for 72% of Sports and Recreation volunteers, 76% of top volunteers, and 71% of volunteer hours. As we will see shortly, 26% of Sports and Recreation volunteers are recruited because their child or spouse is involved with an organization, so it is not surprising that volunteers are predominantly married.

Education

Compared to nonprofit and voluntary organizations in general, Sports and Recreation organizations are less successful at attracting volunteers with post-secondary degrees or diplomas. Post-secondary graduates make up 53% of all volunteers and contribute 55% of all volunteer hours. In the Sports and Recreation sub-sector, post-secondary graduates make up 51% of volunteers and contribute 50% of volunteer hours.

Labour force status

Canadians who are employed, especially full-time, are most likely to volunteer with a Sports and Recreation organization (8% volunteer). Canadians who are employed represent 63% of the population, but 73% of Sports and Recreation volunteers.

Household income

Sports and Recreation organizations are very successful at attracting and leveraging volunteers from the highest income brackets. Canadians who earn over \$60,000 annually represent 37% of the population, but are much more likely to volunteer their time and therefore account for a much larger share of the total hours volunteered (43%). The majority (53%) of Sports and Recreation volunteers earn over \$60,000 annually, compared with 49% of all volunteers. Volunteers who earn over \$60,000 annually represent 53% of Sports and Recreation top volunteers and account for 50% of the total hours contributed to Sports and Recreation organizations.

Religion

Religious affiliation has no impact on Sports and Recreation volunteer rates but it does have a slight positive impact on volunteer hours (Sports and Recreation volunteers who have a religious affiliation volunteer an average of 136 hours per year while those without an affiliation volunteer an average of 131 hours). In general, however, religion does not appear to play a major role in Sports and Recreation volunteering.

Table 10: Personal and economic characteristics of all volunteers and Sports and Recreation volunteers, NSGVP 2000

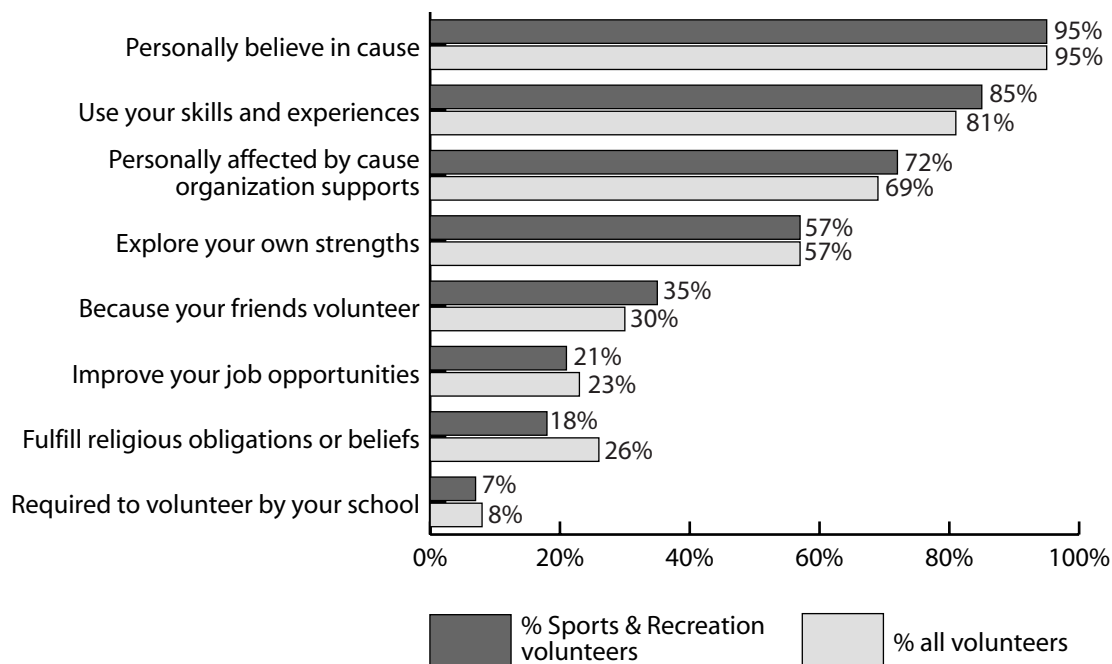
	Volunteer rate, total sector	Average hours, total sector	Volunteer rate, Sports & Recreation	Average hours, Sports & Recreation	% all Canadians	% all volunteers	% of Sports & Recreation volunteers	% top Sports & Recreation volunteers	% of total sector volunteer hours	% of Sports & Recreation volunteer hours
Age										
15 – 24 years	29%	130	6%	85	17%	18%	15%	*	15%	10%
25 – 34 years	24%	131	5%	80	18%	16%	13%	*	13%	8%
35 – 44 years	30%	153	9%	134	21%	24%	30%	31%	23%	30%
45 – 54 years	30%	158	8%	137	18%	20%	22%	23%	20%	23%
55 – 64 years	28%	181	6%	166	11%	12%	10%	14%	13%	13%
65 + years	18%	269	5%	224 ^E	15%	10%	10%	15%	17%	17% ^E
Sex										
Male	25%	170	9%	137	49%	46%	62%	68%	49%	64%
Female	28%	155	5%	125	51%	54%	38%	32%	51%	36%
Marital status										
Married or common-law	28%	165	8%	132	62%	65%	72%	76%	67%	71%
Single (never married)	26%	136	5%	100	26%	25%	20%	14%	21%	15%
Widowed	17%	253	5%	*	5%	3%	4%	*	5%	*
Separated or divorced	25%	181	5%	144	7%	6%	5%	*	7%	*
Education										
Less than high school	19%	154	5%	147 ^E	27%	19%	19%	17%	18%	21% ^E
High school diploma	23%	150	7%	113	20%	17%	19%	15%	15%	16%
Some postsecondary	33%	173	8%	145	9%	11%	11%	13%	12%	12%
Postsecondary diploma	28%	165	8%	132	28%	29%	31%	32%	30%	30%
University degree	39%	166	8%	133	17%	24%	20%	23%	25%	20%
Labour force status										
Employed	28%	147	8%	121	63%	67%	73%	68%	61%	67%
Full-time (30+ hrs)	27%	145	8%	125	80%	77%	81%	81%	75%	84%
Part-time (<30 hrs)	33%	155	7%	104	20%	23%	19%	19%	25%	16%
Unemployed	25%	175	5%	111 ^E	4%	4%	3%	*	4%	3% ^E
Not in labour force	24%	193	5%	171	33%	30%	24%	*	35%	31%
Household income										
Less than \$20,000	17%	207	4%	170	13%	8%	7%	*	10%	9%
\$20,000 – \$39,999	21%	179	5%	150	26%	21%	18%	*	23%	20%
\$40,000 – \$59,999	26%	162	7%	128	23%	23%	23%	23%	23%	22%
\$60,000 – \$99,999	32%	145	9%	132	25%	31%	35%	38%	27%	35%
\$100,000 or more	39%	150	10%	108	12%	18%	18%	15%	16%	15%
Religious affiliation										
Affiliation	28%	168	7%	136	69%	72%	70%	71%	75%	71%
No affiliation	26%	149	7%	131	24%	23%	26%	26%	21%	26%
Religious attendance										
Weekly attender	41%	202	7%	119	19%	28%	18%	15%	35%	16%
Not a weekly attender	24%	149	7%	139	81%	72%	82%	85%	65%	84%
Strength of belief										
Very religious	37%	200	5%	130	11%	15%	8%	*	18%	7%
Not very religious	26%	156	7%	135	82%	80%	88%	*	78%	89%

* Suppressed for confidentiality
^E Use with caution

Motivations for volunteering

Sports and Recreation volunteers generally cite the same motivations as all volunteers (see Figure 30). The most commonly cited motivations are belief in the cause (cited by 95% of all volunteers and Sports and Recreation volunteers), opportunity to use skills and experiences (81% of all volunteers and 85% of Sports and Recreation volunteers), and being personally affected by the cause the organization supports (69% and 72%). Sports and Recreation volunteers are, however, less likely to cite religious obligations as a motivation for volunteering (18%, compared to 26% of all volunteers).⁹

Figure 30: Motivations for volunteering, NSGVP 2000

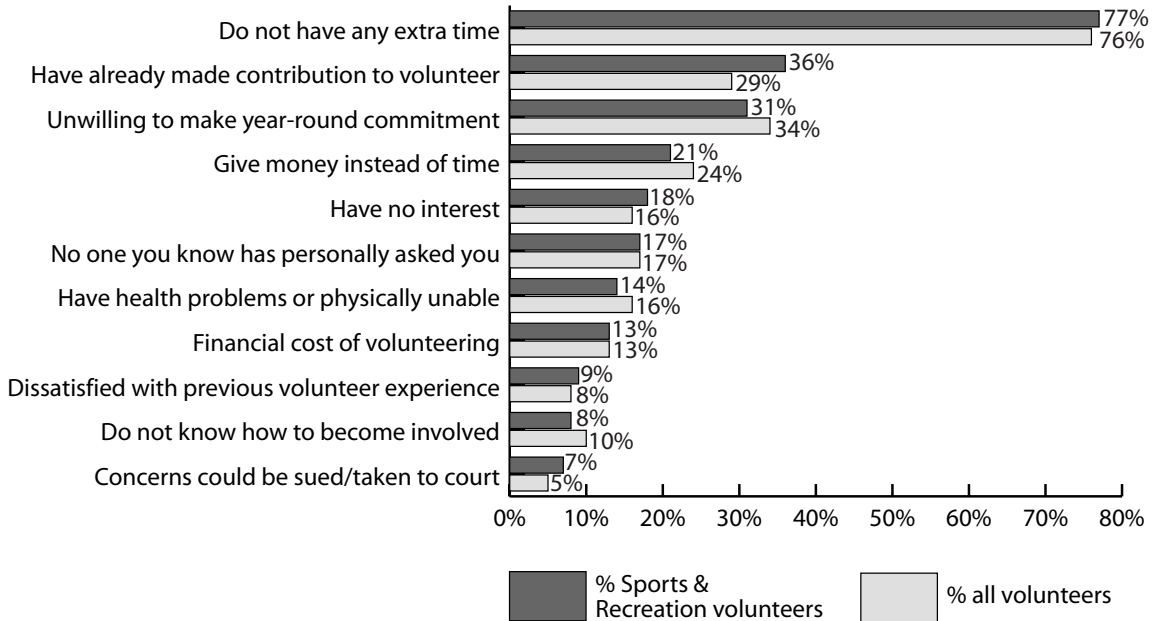


Barriers to volunteering more

In general, Sports and Recreation volunteers cite the same barriers to volunteering more as all volunteers. The most common barrier, cited by 77% of Sports and Recreation volunteers, is not having any extra time (see Figure 31). The second most common barrier, cited by 36% of Sports and Recreation volunteers, is having already made their contribution to volunteering. This is somewhat higher than the 29% of all volunteers who cited this reason. On the other hand, Sports and Recreation volunteers are slightly less likely than all volunteers to say that they are unwilling to make a year-long commitment (31% vs. 34%) or that they give money instead of time (21% vs. 24%).

⁹ It is important to note that volunteers often volunteer with more than one type of organization over the course of a year. Therefore, respondent motivations are related to volunteering in general and not to volunteering for Sports and Recreation organizations in particular.

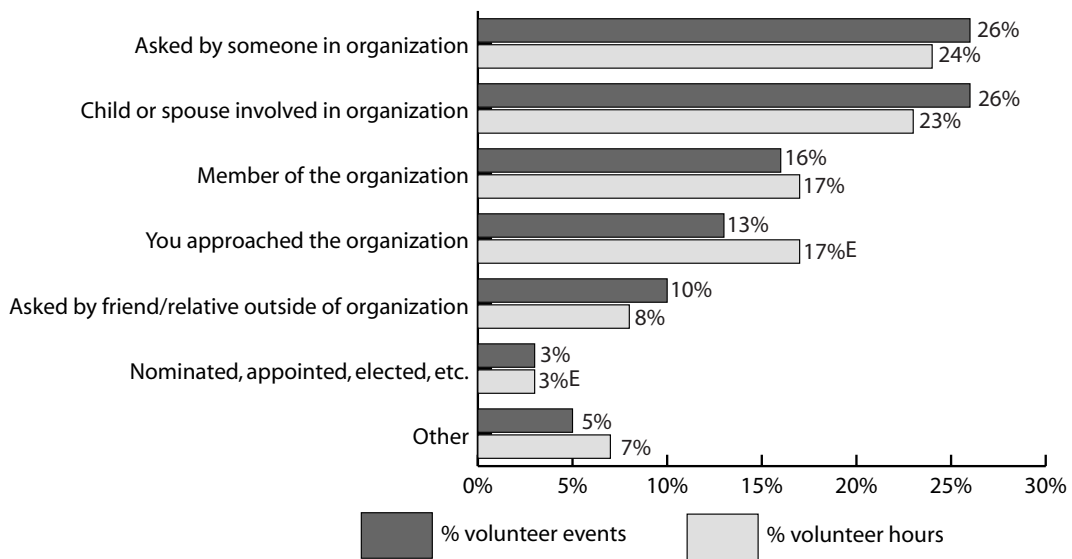
Figure 31: Barriers to volunteering more, NSGVP 2000



How volunteers become involved

The most common way for Sports and Recreation volunteers to become involved in volunteering is to be asked by an organization or to volunteer because their child or spouse is involved in the organization. More than a quarter (26%) of volunteer events in the Sports & Recreation sub-sector start in each of these ways.

Figure 32: Percentage of volunteer events and percentage of volunteer hours by method of initial involvement, Sports and Recreation volunteers, NSGVP 2000



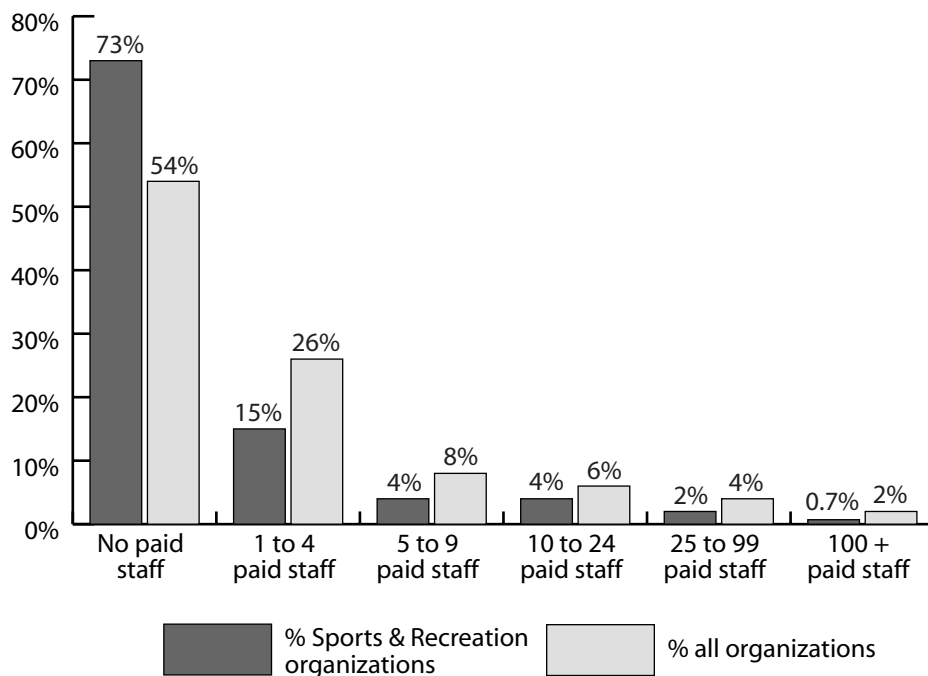
E Use with caution

Paid staff

Sports and Recreation organizations not only provide goods and services to their members and the communities in which they operate, they also provide employment for over 130,000 Canadians. Approximately half of these jobs are full-time positions, while the other half are part-time. Nearly one-third of these jobs (31%) are permanent; the rest (69%) are temporary.

It is important to note, however, that 73% of Sports and Recreation organizations have no paid staff. That is, they are run entirely by volunteers (see Figure 33). In addition, the majority of Sports and Recreation organizations that employ paid staff have very small staff complements. Only 3%* employ more than 25 staff members, while 8% employ 5 to 24 staff members and 15% employ between 1 and 4 staff members. The proportion of both full-time and permanent staff is lower among Sports and Recreation organizations than it is in the sector as a whole.

Figure 33: Percentage of organizations by number of paid staff, NSNVO 2003



Paid staff by region

Staff complements vary considerably by region (see Table 11). British Columbia has the highest concentration of Sports and Recreation organizations operating without paid staff (83%) while Atlantic Canada has the lowest (60%). The paid staff profiles of Alberta, Ontario, and Quebec are similar. In each of these provinces, about three-quarters of Sports and Recreation organizations operate without paid staff and between 12% and 15% operate with 1 to 4 paid staff members.

* Figure differs from sum derived from chart due to rounding of numbers for individual categories.

Table 11: Paid staff levels by region, Sports and Recreation organizations, NSNVO 2003

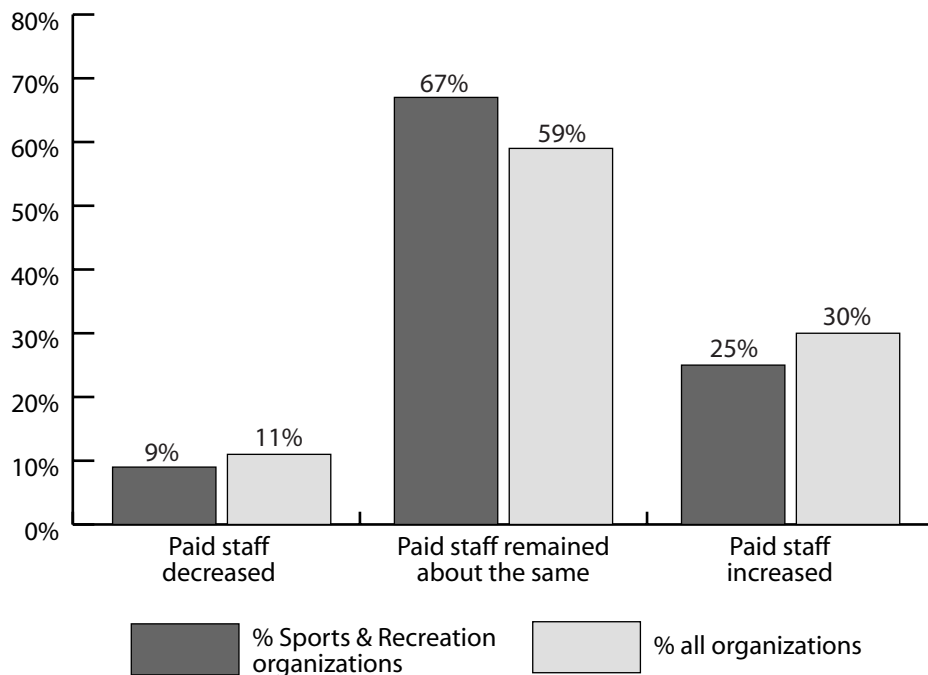
Number of paid staff	Regions						All Sports & Recreation Organizations
	British Columbia	Alberta	Prairies & Territories	Ontario	Quebec	Atlantic	
0	83%	74%	66%	75%	74%	60%	73%
1-4	11%	12%	21%	15%	14%	24%	15%
5-9	2%	5%	5%	*	5%	10%	4%
10-24	1%	5%	4%	5%	5%	4%	4%
25-99	3%	3%	3%	3%	2%	*	2%
100+	0%	1%	1%	*	0%	*	1%

* Suppressed for confidentiality

Changes levels of paid staff

Sports and Recreation organizations report very stable levels of paid staff. The majority (67%) report that their staff levels remained about the same between 2000 and 2003 (see Figure 34). Sports and Recreation organizations were less likely to report increasing levels of paid staff (25% compared to 30% of all organizations).

Figure 34: Reported changes in levels of paid staff over the past three years, NSNVO 2003



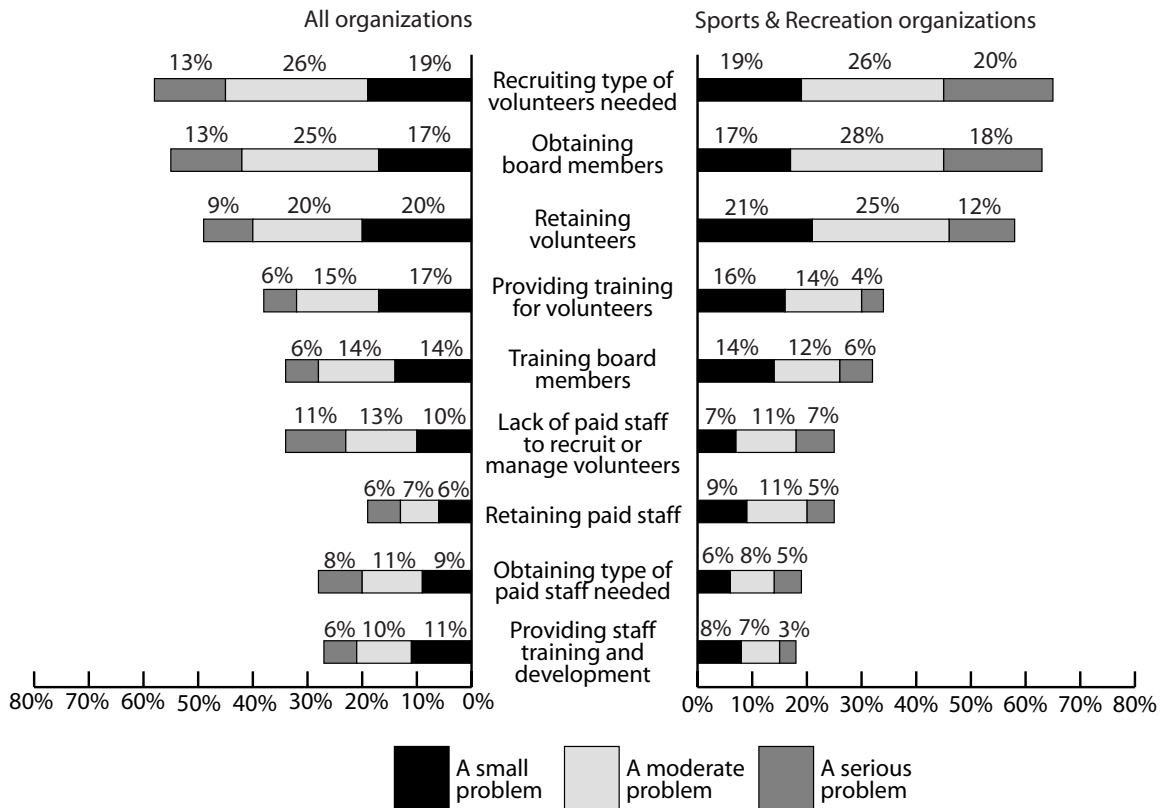
Human resources capacity issues

The NSNVO asks respondents if a variety of human resources capacity issues are not a problem, a small problem, a moderate problem, or a serious problem for their organization. The results indicate that Sports and Recreation organizations have similar human resources capacity issues as the sector as a whole. However, some of these issues are more serious among Sports and Recreation organizations (see Figure 35).

Sports and Recreation organizations are more likely to report problems recruiting and retaining volunteers. For example, 65% of Sports and Recreation organizations say that they have difficulty recruiting the types of volunteers they need, compared to 57%* of all. Similarly, 63% of Sports and Recreation organizations report problems obtaining board members, compared to only 56%* of all organizations.

Sports and Recreation organizations are, however, less likely to report problems in recruiting and retaining paid staff. While 28% of all organizations say they have difficulty obtaining the type of paid staff they need, only 19% of Sports and Recreation organizations report similar problems. In addition, 27% of all organizations report difficulty providing staff training, compared to only 19%* of Sports and Recreation organizations. These findings are not surprising given that most Sports and Recreation organizations have no paid staff.

Figure 35: Human resources capacity issues, Sports and Recreation organizations compared to all organizations, NSNVO 2003



*Figure differs from sum derived from chart due to rounding of numbers for individual categories.

Human resources issues by organization size

For the most part, the smallest Sports and Recreation organizations (i.e., those with annual revenues of less than \$30,000) are less likely than larger Sports and Recreation organizations to report capacity issues relating to either staff or volunteers (see Table 12).

Sports and Recreation organizations with annual revenues between \$30,000 and \$500,000 are more likely than those in other revenue categories to report problems with recruiting volunteers and board members. A comparatively high percentage of organizations in this revenue category also report other human resources capacity issues.

The proportion of organizations reporting human resources concerns increases dramatically among those with annual revenues of \$10 million or more. More than two-thirds of these organizations report problems with a lack of paid staff to recruit and manage volunteers (70% report this as a problem), difficulty providing staff training and development (69%), retaining volunteers (79%), providing training to volunteers (82%), and obtaining the kind of paid staff they need (84%).

Table 12: Human resources capacity issues by revenue size, Sports and Recreation organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem							All Sports & Recreation organizations
	Less than \$30K	\$30K– \$99.9K	\$100K– \$249.9K	\$250K– \$499.9K	\$500K– \$999.9K	\$1M– \$9.9M	\$10M +	
Recruiting type of volunteers needed	57%	71%	78%	83%	67%	65%	47%	65%
Obtaining board members	60%	71%	70%	79%	63%	45%	39%	64%
Retaining volunteers	53%	61%	67%	72%	54%	57%	79%	58%
Providing training for volunteers	25%	36%	44%	61%	39%	57%	82%	33%
Training board members	26%	32%	40%	51%	49%	44%	53%	32%
Lack of paid staff to recruit or manage volunteers	14%	36%	32%	50%	53%	46%	70%	26%
Retaining paid staff	19%	27%	26%	31%	27%	23%	9%	25%
Obtaining type of paid staff needed	9%	25%	27%	51%	43%	57%	84%	19%
Providing staff training and development	10%	24%	23%	47%	50%	54%	69%	19%

Human resources issues by revenue dependency

Government-dependent Sports and Recreation organizations are more likely than others to report a wide variety of human resources capacity problems (see Table 13). A majority of these organizations say they have difficulty recruiting the type of volunteers they need (78%), obtaining board members (78%), and retaining volunteers (71%).

Sports and Recreation organizations that are dependent on earned income are more likely than others to report difficulty retaining paid staff (27%).

Table 13: Human resources capacity issues by revenue dependency, Sports and Recreation organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem				
	Government dependent	Earned income dependent	Gifts & donations dependent	Diverse	All Sports & Recreation organizations
Recruiting type of volunteers needed	78%	65%	64%	57%	65%
Obtaining board members	78%	64%	55%	56%	64%
Retaining volunteers	71%	58%	54%	48%	58%
Providing training for volunteers	47%	33%	25%	32%	33%
Training board members	41%	32%	25%	31%	32%
Lack of paid staff to recruit or manage volunteers	49%	24%	23%	24%	26%
Retaining paid staff	24%	27%	14%	20%	25%
Obtaining type of paid staff needed	31%	20%	13%	13%	19%
Providing staff training and development	34%	19%	19%	12%	19%

Human resources issues by revenue change

Sports and Recreation organizations with stable revenues are the least likely to report human resources capacity problems (see Table 14). This suggests that change itself, whether positive or negative, is the underlying cause of these problems. In general, organizations experiencing growing revenues are more likely to report problems relating to staff while organizations experiencing declining revenues are more likely to report problems relating to volunteers.

Table 14: Human resources capacity issues by reported revenue change, Sports and Recreation organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem			
	Revenue decreased	Revenue stayed about the same	Revenue increased	All Sports & Recreation organizations
Recruiting type of volunteers needed	71%	62%	65%	65%
Obtaining board members	68%	61%	68%	64%
Retaining volunteers	60%	57%	58%	58%
Providing training for volunteers	37%	31%	39%	33%
Training board members	34%	30%	35%	32%
Lack of paid staff to recruit or manage volunteers	30%	23%	32%	26%
Retaining paid staff	28%	24%	27%	25%
Providing staff training and development	20%	14%	29%	19%
Obtaining type of paid staff needed	19%	18%	23%	19%

Summary

Sports and Recreation organizations depend on volunteers to achieve their missions. Indeed nearly three-quarters (73%) depend solely on volunteer support. Fortunately, Sports and Recreation organizations attract 21% of all volunteer hours, more than any other type of nonprofit and voluntary organization.

The profile of Sports and Recreation volunteers is very similar to the profile of Sports and Recreation donors—men, aged 35 to 54, married or in common-law relationships, with post-secondary educations, and annual incomes over \$60,000. Compared to all organizations however

Sports and Recreation organizations are less successful at attracting volunteers with post-secondary educations.

The dependence of Sports and Recreation organizations on volunteers is reflected in the human resources capacity problems they report. For example, they are more likely than nonprofit and voluntary organizations in general to report difficulties recruiting and retaining volunteers and board members and less likely to report problems related to recruiting and retaining paid staff. Larger Sports and Recreation organizations, those that depend on government funding, and those that have experienced a change in revenues (either positive or negative) are more likely than others to report human resources problems.

Conclusions

Canadian Sports and Recreation organizations promote amateur sports, training, fitness, and wellness services; organize sporting competitions and events; operate recreational facilities; and provide a variety of other services to communities. The findings presented in this report indicate that Sports and Recreation organizations:

- collectively, have a substantial social and economic presence;
- individually, tend to be smaller than nonprofit and voluntary organizations in general;
- both appeal to and serve a unique segment of the Canadian population;
- are highly dependent on volunteers;
- are more financially self-sufficient than nonprofit and voluntary organizations in general;
- receive only a small proportion of donation dollars; and
- have varying resources, depending on the region in which they are located.

Social and economic presence

According to the NSNVO, there are approximately 33,600 Sports and Recreation organizations in Canada, making them the most prevalent type of organization in the nonprofit and voluntary sector. Together, these organizations make a substantial contribution to the Canadian economy, accounting for \$6.1 billion in annual revenues and employing over 130,000 people.

Sports and Recreation organizations are also important vehicles for citizen engagement. They receive the support of 1.7 million volunteers (7% of the population 15 years of age and older), who contributed over 221 million hours of their time in 2000. This significant volunteer support may reflect the quality of the programs that Sports and Recreation organizations offer to people in their communities, the demand for these programs, or both.

Size

Sports and Recreation organizations report smaller annual revenues and are less likely to report increasing revenues than are nonprofit and voluntary organizations in general.

A very small group of larger organizations account for the majority of revenues within the Sports and Recreation sub-sector. Most organizations are operated entirely by volunteers and survive on budgets of less than \$30,000 annually.

Consistent with the overall sector trend, larger Sports and Recreation organizations are more likely to report increasing revenues than are smaller ones.

Importance of volunteers

Sports and Recreation organizations would not exist without volunteers. Nearly three-quarters of Sports and Recreation organizations are operated entirely by volunteers, compared to just over half of all organizations. Sports and Recreation organizations are also more likely than all organizations to report that they have difficulties recruiting and retaining volunteers.

Population engaged

Sports and Recreation organizations tend to be very community-focused. Almost three-quarters of Sports and Recreation organizations serve a neighbourhood, city, town, or regional municipality, compared to less than two-thirds of organizations in general. In addition, Sports and Recreation donors are more likely than donors in general to say they donate because they feel that they owe something to their community.

Sports and Recreation organizations are more likely than other types of organizations to say that members are the primary beneficiaries of their activities. They are also more likely to serve children and young people and, to a lesser extent, athletes, participants, and enthusiasts.

Sports and Recreation donors and volunteers come from all age, income, employment, and educational groups. However, they are most likely to be men, aged 35 to 54, married or in common-law relationships, with post-secondary educations and annual incomes over \$60,000.

Financial self-sufficiency

Sports and Recreation organizations generate 65% of their revenues from earned income (i.e., membership fees and fees for goods and services) and are much less dependent on gifts and donations and government funding than are nonprofit and voluntary organizations in general.

Sports and Recreation organizations receive 37% of all corporate sponsorships, donations, and grants; 32% of all charitable gaming revenues; 13% of all membership fees; and 12% of the earned income in the nonprofit and voluntary sector (excluding Hospitals, Universities, and Colleges). In contrast, they receive just 3% of all government funding.

The financial self-sufficiency of Sports and Recreation organizations probably contributes to their longevity. The majority of Sports and Recreation organizations have existed for over 20 years and almost one-quarter have existed for over 40 years.

Despite their ability to generate revenues from earned income, Sports and Recreation organizations are more likely than nonprofit and voluntary organizations in general to report financial capacity problems. They are less likely, though, to report problems relating to external funding.

Small proportion of donation dollars

Currently Sports and Recreation organizations receive about 2% of the total value of individual donations made to nonprofit and voluntary organizations. This is below the percentage received by other organization types of similar size (e.g., Arts and Culture, Education and Research), which garner between 3% and 7% of the total value of individual donations. Although their lack of charitable status may make it difficult for many Sports and Recreation organizations to raise more money through donations, there may be some opportunities to do so.

Increasing donation revenues could be achieved by increasing donation rates and amounts among specific demographic groups. Possible target groups could include women and Canadians with a post-secondary education. Currently, Sports and Recreation organizations obtain only 39% of their donation revenues from women, who contribute 53% of the value of all donations. Similarly, Sports and Recreation organizations obtain only 54% of their donation revenues from donors with a post-secondary education, whereas this group contributes 62% of the value of all donations.

Regional variations

Sports and Recreation organizations are unevenly distributed across the country. On both a per capita basis and as a percentage of all nonprofit and voluntary organizations, Sports and Recreation organizations are more common in the Prairies and Territories, Alberta, and Quebec. They are least common in British Columbia and Ontario.

Organizations in Ontario and Quebec have unique revenue profiles. Organizations in Quebec are much more dependent on government funding than are organizations in other regions, while those in Ontario are more dependent on gifts and donations.

Paid staff levels, volunteer and donation rates, volunteer hours, and donations amounts also vary by region.

Implications

The key strengths of Sports and Recreation organizations appear to be the dedication of their volunteers, their local community focus, and the priority they place on serving their members.

Opportunities may exist for Sports and Recreation organizations to expand their support base by attracting donors and volunteers from demographic groups that are currently under-represented among their core supporters (e.g., women, young people, grandparents, people with lower education and income levels).

The most significant challenges for Sports and Recreation organizations are, arguably, those presented by broader trends in the nonprofit and voluntary sector, specifically the trend for larger organizations to get larger and a decline in the number of volunteers. Since Sports and Recreation organizations tend to be smaller and highly dependent on volunteer support, these trends may present significant capacity constraints in the years to come. Indeed, the impact of these trends may already be showing, as Sports and Recreation organizations are less likely to report increasing revenues and more likely to report declining volunteer levels than are nonprofit and voluntary organizations in general.

Appendix A

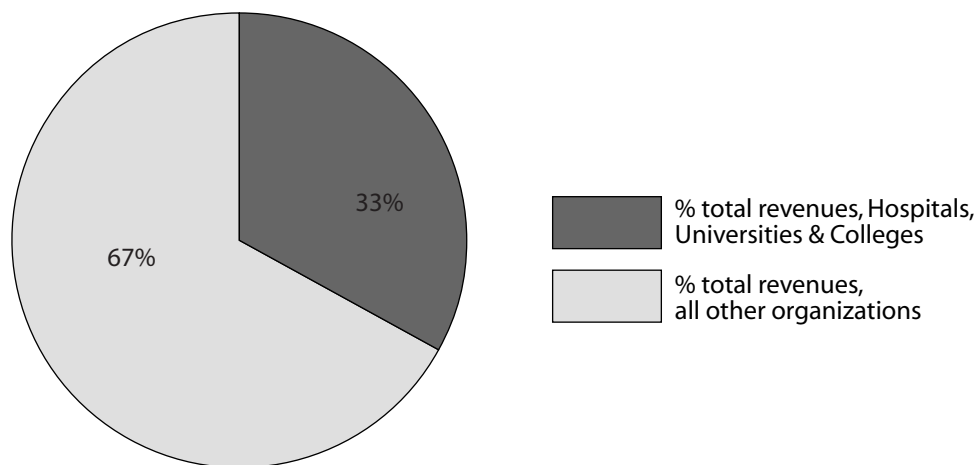
Methodological Notes

Comparing Sports and Recreation organizations to all organizations

Throughout this report, Sports and Recreation data are usually compared to *all* nonprofit and voluntary organizations. This comparison helps to demonstrate where Sports and Recreation organizations diverge from sector norms, thus highlighting areas of strength or potential concern.

This comparison can be problematic in some instances, however. The concern arises from the very high concentration of revenues accounted for, and resources consumed, by Hospitals, Universities, and Colleges. According to the NSNVO, the nonprofit and voluntary sector accounted for \$112 billion in revenues in 2003. Hospitals, Universities, and Colleges, which represent only 1% of all nonprofit and voluntary organizations, accounted for 33% or \$37 billion of those revenues (see Figure A1). The remaining \$75 billion is accounted for by the other 99% of organizations in the sector. Hospitals, Universities, and Colleges also employ 35% of all paid staff in the nonprofit and voluntary sector and 39% of these organizations have staff complements of 100 or more (Hall et al., 2004).

Figure A1: Share of total nonprofit and voluntary sector revenues, Hospitals, Universities, and Colleges vs. all other organizations, NSNVO 2003.



Where data from Hospitals, Universities, and Colleges significantly skew the total sector values, they have been removed to provide a more meaningful base of comparison to Sports and Recreation organizations. Instances where comparisons have been made between Sports and Recreation organizations and the total sector *excluding* Hospitals, Universities, and Colleges have been clearly identified for the reader.

The National Survey of Nonprofit and Voluntary Organizations (NSNVO)

NSNVO data were collected by Statistics Canada via personal interviews with 13,000 individuals representing incorporated nonprofit organizations and registered charities in 2003. The data presented in this report have been weighted to provide estimates for the 161,000 incorporated nonprofit and voluntary organizations and registered charities in Canada.

The NSNVO defines nonprofit and voluntary organizations as:

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

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).

The National Survey of Giving, Volunteering and Participating (NSGVP)

The National Survey of Giving, Volunteering and Participating (NSGVP) provides the most comprehensive picture of giving, volunteering, and participating in Canada. The 2000 survey was based on a representative sample of 14,724 Canadians aged 15 and older who were asked about their giving and volunteering over a one-year period from October 1, 1999 to September 30, 2000.

Appendix B

Capacity Issues by Region

Organizations located in Alberta and Atlantic Canada are the most likely to report capacity problems (see Table B1). Notable exceptions are that the Prairies and Territories are, after Alberta, the most likely to report problems getting funding for core operations (61%); organizations in Quebec are most likely to report problems obtaining board members (71%); organizations in Ontario, the Prairies and Territories, and Atlantic Canada are most likely to report difficulties in planning for the future (63%); organizations in Alberta and Ontario are most likely to report problems related to demands for increasing services or products (44% and 43%, respectively).

Table B1: Capacity issues by region, Sports and Recreation organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem						
	British Columbia	Alberta	Prairies & Territories	Ontario	Quebec	Atlantic	All Sports & Recreation organizations
Financial issues							
Obtaining funding from other organizations	54%	57%	59%	51%	49%	57%	53%
Earning revenues	52%	52%	53%	56%	45%	54%	51%
Competing with other organizations	50%	57%	57%	52%	39%	53%	49%
Obtaining funding from individuals	45%	59%	51%	53%	37%	48%	47%
External funding issues							
Reductions in government funding	55%	66%	60%	63%	57%	71%	61%*
Over-reliance on project funding	51%	61%	57%	39%	57%	64%	55%*
Unwillingness to fund core operations	55%	63%	61%	54%	46%	56%	54%*
Need to modify programs	32%	38%	36%	37%	40%	47%	39%*
Reporting requirements of funders	27%	35%	33%	35%	41%	35%	37%*
Volunteer / paid staff issues							
Recruiting type of volunteers needed	62%	70%	67%	66%	61%	70%	65%
Obtaining board members	48%	67%	60%	60%	71%	65%	64%
Retaining volunteers	55%	66%	56%	60%	54%	61%	58%
Providing training for volunteers	23%	32%	30%	40%	35%	31%	33%
Training board members	23%	34%	29%	36%	32%	29%	32%
Lack of paid staff to recruit or manage volunteers	18%	26%	30%	26%	24%	33%	26%
Retaining paid staff	19%	23%	32%	25%	25%	25%	25%
Obtaining type of paid staff needed	12%	23%	24%	19%	18%	24%	19%
Providing staff training and development	15%	22%	18%	22%	17%	21%	19%
Demand factors, infrastructure, relationship issues							
Planning for the future	53%	55%	63%	63%	55%	63%	58%
Adapting to change	32%	43%	42%	42%	40%	42%	40%
Increasing demands for services or products	33%	44%	39%	43%	39%	42%	40%
Participating in public policy development	24%	37%	36%	35%	39%	37%	36%
Lack of internal capacity	27%	30%	31%	35%	33%	36%	32%
Collaborating with other organizations	20%	21%	27%	28%	31%	26%	27%

* These figures apply to the 45% of organizations that received funding from governments, foundations or corporations

References

- Hall, M., Andrukow, A., Barr, C., Brock, K., de Wit, M., & Embuldeniya, D. et al. (2003). *The capacity to serve: A qualitative study of the challenges facing Canada's nonprofit and voluntary organizations*. Toronto: Canadian Centre for Philanthropy.
- Hall, M., McKeown, L., & Roberts, K. (2001). *Caring Canadians, involved Canadians: Highlights from the 2000 National Survey of Giving, Volunteering and Participating*, Catalogue no. 71-542XPE. Ottawa: Statistics Canada.
- Hall, M. H., de Wit, M. L., Lasby, D., McIver, D., Evers, T., & Johnson, C. et al. (2004). *Cornerstones of community: Highlights of the National Survey of Nonprofit and Voluntary Organizations*, Catalogue no. 61-533-XPE. Ottawa: Statistics Canada.
- Lasby, D., & McIver, D. (2004a). *Where Canadians donate: Donating by type of organization*. Toronto: Canadian Centre for Philanthropy.
- Lasby, D., & McIver, D. (2004b). *Where Canadians volunteer: Volunteering by type of organization*. Toronto: Canadian Centre for Philanthropy.
- Salamon, L. M., & Anheier, H. K. (1997). *Defining the nonprofit sector: A cross-national analysis*. Manchester, N.Y.: Manchester University Press.

Imagine Canada
425 University Avenue, Suite 900
Toronto, Ontario
Canada M5G 1T6
Tel: 416.597.2293 / 1.800.263.1178
Fax: 416.597.2294
research@imaginecanada.ca