

# Increased need for services along with worsening financial situation hurting Ontario's nonprofits and communities served

*Ontario Nonprofit Network (ONN) releases report with new data from its fourth nonprofit sector survey.*

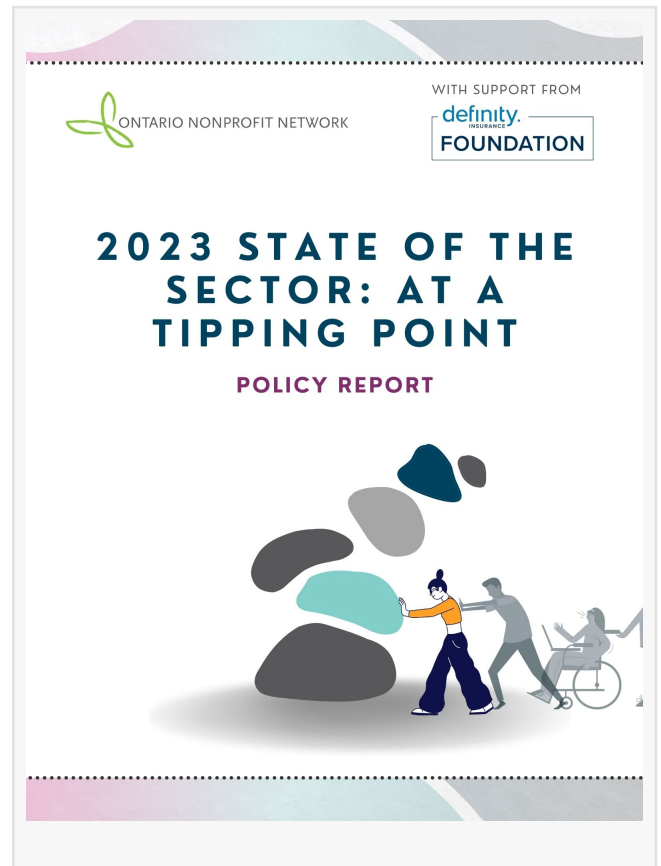
TORONTO, ONTARIO, CANADA, October 17, 2023 /EINPresswire.com/ -- New province-wide data highlights concerning multi-year trends for Ontario's nonprofit sector. Trends revealed that since 2020, demand for services provided by nonprofits has increased sharply, and is up 29 per cent over the four year period.

The new data comes from the bilingual survey conducted by Ontario Nonprofit Network (ONN) to understand the year-over-year state of the sector as it navigates crises like the pandemic, rising inflation, and other factors, with responses from almost 1,400 nonprofits, charities, and grassroots groups from across the province. ONN has conducted the survey four times since 2020, and shares its findings in the report [2023 State of the sector: At a tipping point](#).

More than other sectors and industries, nonprofits are at the whims of the social, economic, and political context, and the results of the four surveys show that the nonstop crises over the last four years have had significant negative effects on the nonprofit sector in Ontario.

For nonprofits, community emergencies translate into increases in demand for services usually without additional support, and at the same time, broader economic uncertainty and austerity means declining donations and government funding. Over the four year period, only half the sector has reported marginal increases in revenue, while 90 per cent this year have reported an increase in expenditures.

In addition, over the last two years, two-thirds of organizations reported difficulties with



recruiting and retaining staff. Notably, organizations reported staff turnover is high as workers move to the public sector or another nonprofit, often for the same job with better pay or benefits.

Ontarians are starting to feel the impact of both the dwindling of programs and services, and nonprofit closures, with 35 per cent of organizations reporting they know of a similar nonprofit ceasing operations. Continued downward trends have the potential to bring the nonprofit sector in Ontario to the brink of collapse. ONN analysis projects that if the current trends continue through 2026 every single nonprofit in Ontario will be experiencing an increase in demand for service, there will be a 131 per cent increase in costs, and there will be more nonprofit closures across the province.

“Nonprofits strengthen the health, wellness, and social vitality of people in communities across the province. Nonprofits provide a range of essential programs and services that impact Ontarians on a daily basis, from running gardening clubs and soccer leagues, and providing affordable children’s recreation and support for people with disabilities, to running the local food bank and providing affordable housing. The work is vast and impactful, but we are at a tipping point and we need to see significant and substantive changes that will bolster and support the sector,” shares Cathy Taylor, ONN’s executive director.

The nonprofit sector’s capacity to serve communities is tied to financial and human resources. If one or both are not healthy, supportive programs and services are impacted. If policymakers continue to ignore the warning signs, ONN fears that cutbacks, waitlists, and nonprofit closures will reach devastating levels, and have a detrimental effect on Ontarians.

The provincial organization continues to recommend the Ontario government make significant, viable steps to:

Appoint an Associate-Minister for the government to efficiently work with Ontario’s 58,000 nonprofits and charities.

For nonprofits that deliver services on behalf of government, from arts and sports groups to social services, transition to stable, long-term, and flexible operational funding that reflects the true cost of delivering services and programs, and keeps pace with inflation.

Invest in nonprofits and grassroots groups serving equity-deserving communities.

Support the sector by developing a nonprofit labour force strategy and workforce development plan.

Create a provincial volunteer recovery strategy to address the negative impacts of the pandemic on volunteerism, and commit to removing fees for vulnerable sector police record checks.

As a sector, Ontario’s 58,000 nonprofits receive less than half of their revenue from governments, which means they can leverage these public investments - via business activities, donations, and volunteer contributions - into programs and services that directly benefit the people of Ontario.

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