Submission to 2024 Federal Pre-Budget Consultations

By the Federal Nonprofit Data Coalition

Organizations:
ANSWER.it Inc
BC Association of Community Response Networks
BridgePoint Center for Eating Disorder Recovery
Canadian Mothercraft Society
CCVO (Calgary Chamber of Voluntary Organizations)
Circle on Philanthropy
Community Sector Council Newfoundland and Labrador
Edmonton Chamber of Voluntary Organizations (ECVO)
EmbraceHealthFoundation
Ending Violence Association of Canada
Foundations Learning & Skills Saskatchewan
Imagine Canada
National Alliance for Children and Youth
Ontario Nonprofit Network (ONN)
Philanthropic Foundations Canada
Pillar Nonprofit Network
Powered by Data
Purpose Forward
Resilient Kids Canada
SETSI
Skills for Change
Tamarack Institute
The Enchanté Network
Toronto Arts Council & Foundation
Volunteer Canada
Vantage Point
YWCA Toronto
Yukon Status of Women Council

Individuals:
Bruce Martin, Professor of Human Enterprise and Innovation, Thompson Rivers University
François Brouard, Sprott School of Business, Carleton University
Jacqueline Musabende, Bissett School of Business; Mount Royal University
Nathan Grasse, School of Public Policy and Administration, Carleton University
Ryan Hughes, Big Brothers Big Sisters of Canada

Recommendation 1: We recommend Statistics Canada be funded to create a permanent external advisory committee with a mandate to improve data collection, analysis and release practices related to the nonprofit sector. This committee must include meaningful representation of organizations from equity-seeking, rural, remote, Indigenous and Northern communities. Where appropriate, Statistics Canada should compensate representatives from the nonprofit sector for committee work, particularly organizations from equity-seeking communities that have been historically underrepresented in Statistics Canada consultations. The government should provide $1 million in 2024-25 and $750,000 in ongoing funding to support this work.

Recommendation 2: We recommend the federal government provide Statistics Canada with a mandate to undertake a follow-up to the 2003 National Survey of Nonprofit and Voluntary Organizations, to be repeated every three years, and provide funding of $5 million for 2024-25 plus $1.5 million ongoing for this purpose. The survey should include grassroots (unincorporated) organizations.

Recommendation 3: We recommend that the federal government provide Statistics Canada with a clear mandate for data collection on the nonprofit sector. We further ask that Statistics Canada modify ongoing programs to better highlight the role of the nonprofit sector and that Statistics Canada:

  A. *Conduct a systematic review, in partnership with the external advisory committee for the nonprofit sector, to identify existing data programs and products that could be modified to produce nonprofit-specific information.*

  B. *Work with the provincial and territorial registrars to produce and maintain a comprehensive list of charities and nonprofits that can be incorporated into existing sample frames, where appropriate.*

  C. *Make nonprofits more identifiable in existing programs via measures such as designing sampling strategies to support the production of nonprofit-specific results and adding questions to identify nonprofits and those involved with nonprofits.*

  D. *Expand the application and improve the implementation of nonprofit-specific classifications such as the International Classification of Nonprofit Organizations across the federal government.*

  E. *Ensure that data presentations from above-modified programs include nonprofit-specific tabulations.*

  F. *To the extent possible, publish data at sub-provincial levels.*

Recommendation 4: We recommend the federal government provide $2 million in 2024-25 and $1 million ongoing for the creation and maintenance of a Nonprofit Sector Data Lab.

Context

From child care to conservation and mental health services, nonprofits are present in communities across Canada, improving quality of life. In addition to the sector's formidable social contributions, it is also a major economic driver. Charities and nonprofits contribute between 8 and 9% of Canada's GDP and, as of 2019, employ 2.5 million people, representing 12.8% of all jobs in Canada.[1] At a nexus of social and economic activity, nonprofits are an indispensable part of governments' ability to deliver on public policy priorities, especially with regard to otherwise underserved communities.

Data plays an essential role in designing policies, planning interventions, anticipating changes and forecasting needs. For decades, the federal government has not regularly collected or released comprehensive nonprofit sector data. The few data points listed above reflect important strides that have been made recently with more frequent updates to the Satellite Account of Non-profit Institutions and Volunteering and the sector's inclusion in the Canadian Survey of Business Conditions. However, we lack basic information on many aspects of the sector and regularly rely on data that is decades old. Where data exists, it is often not available in easily accessible or usable formats.

The impacts of this data deficit are wide-reaching. In times of crisis, such as the COVID-19 pandemic and the climate crisis, policymakers don't have the data they need to make informed, timely decisions. In ordinary times, organizations struggle to plan for workforce needs, contextualize their challenges and advocate for solutions. During the 2021 federal consultation on the disbursement quota, insufficient data hampered efforts to understand the implications of potential changes.

What isn't counted gets overlooked. Sector leaders argued for years that our workforce was made up largely of workers from equity-seeking communities and that a strong nonprofit sector would improve the conditions of women, trans and non-binary people, immigrants, racialized and Indigenous peoples. However, we struggled to back up this argument with data until recently, when Statistics Canada released detailed nonprofit human resources data for the first time in years. That data showed that women (77%), immigrants (47%), racialized populations (29%), and Indigenous workers (5%) are indeed overrepresented in the sector's workforce.[2]

Increased collaboration

To rectify the situation, there is no need to reinvent a wheel. The sector must only be better represented and measured by Statistics Canada, whose mandate is to provide statistical information and analysis about Canada's economic and social structure to develop and evaluate

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[1] Statistics Canada. Non-Profit Organizations and Volunteering Satellite Account: Human Resources Module, 2010 to 2019 & Non-profit institutions and volunteering: Economic contribution, fourth quarter 2022
[2] Statistics Canada, Table 36-10-0651-01: Employment in the non-profit sector by demographic characteristic

public policies and programs and improve public and private decision making for the benefit of all Canadians. The creation of an advisory committee on the nonprofit sector, similar to the agency's other advisory committees, is a crucial element that will help ensure that data products related to the sector are relevant, timely, and can facilitate critical decision-making. Nonprofit organizations will be more engaged and responsive, amplifying the data's impact. By working together and sharing our expertise, we can help:

- Address long standing data issues (see recommendation #2 for details)
- Centre equity issues and ensure sensitive data is collected, analyzed, released and held in respectful and responsible ways
- Connect various data initiatives that relate to the nonprofit sector

The advisory committee must be representative of the nonprofit sector to ensure that it produces outcomes that meet the sector's needs and allows nonprofits to be partners in advancing equity, one of the goals of the disaggregated data action plan. A large percentage of nonprofits are small with no paid staff, often resulting in lower data literacy and capacity to participate in Statistics Canada consultations. Their perspective can help Statistics Canada understand how to deliver products in a way that is usable to this important segment of the sector. Additionally, organizations led by and serving racialized communities can provide insight into how to collect data on their communities responsibly. These organizations are often underfunded and have very limited capacity, so they will require support to meaningfully participate.

The committee, with adequate representation from Indigenous communities, can also advise on ways that federal data collection on the nonprofit sector can support call to action #55 from the Truth and Reconciliation Commission of Canada, which relates to collection of data on various social and economic indicators that demonstrate progress towards reconciliation.

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Detailed snapshot data

In 2003, the National Survey of Nonprofit and Voluntary Organizations collected "essential baseline data about nonprofit and voluntary organizations, including their numbers and geographic distribution; their areas of activity, the populations they serve and the extent to which they provide public benefits; the financial and human resources on which they rely; and the

problems they report about their capacity to fulfill their missions."[3] This survey was intended to be carried out on an occasional basis, but was only done once.

Accordingly, this 20-year-old data is still the most up-to-date national data we have on many aspects of the sector. While the Satellite Account of Non-profit Institutions and Volunteering provides us with some data about the size of the sector, it is insufficiently detailed to help us understand its makeup. In an era of data-driven decision making, this is unacceptable.

Nonprofits must be meaningfully consulted on this survey to ensure it captures our operating realities. Special attention should be paid to equity-seeking, rural, remote, Indigenous and Northern communities.

Recommendation 2: We recommend the federal government provide Statistics Canada with a mandate to carry out a follow-up to the 2003 National Survey of Nonprofit and Voluntary Organizations, to be repeated every three years, and provide funding of $5 million for 2024-25 plus $1.5 million ongoing for this purpose. The survey should include grassroots (unincorporated) organizations.

Improved ongoing data collection

Despite its significant workforce and contribution to Canada's GDP, Statistics Canada does not have a mandate to collect data on the nonprofit sector as it does with other industries. While the sector is in-scope for many existing Statistics Canada programs, it is largely invisible in much of the data they produce. There is significant potential to leverage existing programs to collect more and better data about the nonprofit sector.

Recommendation 3: We recommend the federal government provide Statistics Canada with a clear mandate for data collection on the nonprofit sector. We further ask that Statistics Canada modify ongoing programs to better highlight the role of the nonprofit sector and that Statistics Canada:

A. *Conduct a systematic review, in partnership with the nonprofit advisory committee, to identify existing programs that should be modified to produce nonprofit-specific information.*

B. *Work with the provincial and territorial registrars to produce and maintain a comprehensive list of charities and nonprofits that can be incorporated into existing sample frames, where appropriate.*

C. *Make nonprofits more identifiable in existing programs via measures such as designing sampling strategies to support the production of nonprofit-specific results and adding questions to identify nonprofits and those involved with nonprofits.*

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[3] Statistics Canada. Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations (2004).

D. *Expand the application and improve the implementation of nonprofit-specific classifications such as the International Classification of Nonprofit Organizations across the federal government.*

E. *Ensure data presentations from above-modified programs include nonprofit-specific tabulations.*

F. *To the extent possible, publish data at sub-provincial levels.*

Creation of a Nonprofit Sector Data Lab

The nonprofit sector is often unable to effectively access and apply the data that Statistics Canada produces, meaning that it is not being used to its full potential by the sector, researchers or policymakers.

In February 2022, the government launched the Business Data Lab in partnership with the Canadian Chamber of Commerce. It aims to help small businesses monitor regional market trends, survey businesses quarterly on future trends, and help businesses owned by diverse segments of the population access focused research into their needs and opportunities.

The nonprofit sector would benefit enormously from the creation of a similar entity. It could increase the impact of data that is already being collected by providing user-friendly, easy-to-understand data products and offering programs to democratize access to data, such as training workshops and learning resources. It is important that the data lab be accessible to the general public and have data governance mechanisms to protect the privacy of those whose data is available through the data lab.

Recommendation 4: *We recommend the federal government provide $2 million in 2024-25 and $1 million ongoing for the creation and maintenance of a Nonprofit Sector Data Lab.*

About the Federal Nonprofit Data Coalition

This group (formerly known as the Nonprofit Federal Data Working Group) includes representatives of nearly 50 nonprofit organizations and institutions. It advances the sector's priorities relating to data collected by the federal government. In 2023, the group is focused on nonprofit labour market information, nonprofit diversity and equity data, nonprofit organizational data, nonprofit sector current conditions, and federal/provincial/territorial relations.

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