Strengthening the Capacity of Nonprofit and Voluntary Organizations to Serve Canadians

Recommendations Based On The National Survey Of Nonprofit And Voluntary Organizations

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The authors would thank the many representatives of nonprofit and voluntary organizations, foundations, government, businesses, and academia who participated in our roundtable sessions. This report would not be possible without their generous donations of time and their willingness to offer their candid opinions on the steps that can be taken to strengthen Canada’s nonprofit and voluntary organizations. We would also like to thank Lesley Gotlib Conn for her comments on earlier drafts of this report and David Lasby for preparing the PowerPoint presentations given at the roundtable sessions.
Nonprofit and voluntary organizations provide Canadians with a multitude of services, as well as with opportunities to become involved in and contribute to their communities. Until recently, however, little was known about the size and scope of Canada’s nonprofit and voluntary sector, or about the challenges faced by nonprofit and voluntary organizations in this country. The National Survey of Nonprofit and Voluntary Organizations (NSNVO) was designed to fill this gap. The NSNVO had two main goals:

1. to collect comprehensive information about the breadth of Canada’s nonprofit and voluntary sector, the types of organizations that make up the sector, and the areas in which they are active; and
2. to assess the areas where organizations could improve their capacity to achieve their missions.

During the first phase of the project in 2002, a series of 36 consultations were held with nonprofit and voluntary organizations across Canada to assess the challenges that organizations face in trying to fulfill their missions and achieve their objectives. The results of these consultations were published in The Capacity to Serve: A Qualitative Study of the Challenges Facing Canada’s Nonprofit and Voluntary Organizations (Hall et al., 2003).

The second phase of the project involved a quantitative assessment of the size, scope, and activities of Canada’s nonprofit and voluntary organizations, and the challenges they face. Approximately 13,000 randomly selected nonprofit and voluntary organizations participated in the survey, which was carried out by Statistics Canada in 2003. Key findings were published in Cornerstones of Community: Highlights from the National Survey of Nonprofit and Voluntary Organizations (Hall et al., 2004)¹.

After the release of Cornerstones of Community in the fall of 2004, follow-up consultations were held with representatives of government, the corporate sector, academia, foundations, and the nonprofit and voluntary sector. A total of 12 roundtable sessions were held in cities across the country. The roundtables were intended to gather the views of key decision-makers on how to strengthen the capacity of Canada’s nonprofit and voluntary organizations to serve Canadians. This report presents the results of these roundtable sessions.

¹ Survey results were also used to compare Canada’s nonprofit and voluntary sector to similar sectors in 36 other countries around the world. This research was published in The Canadian Nonprofit and Voluntary Sector in Comparative Perspective (Hall et al., 2005).
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EXECUTIVE SUMMARY

Following the release of the National Survey of Nonprofit and Voluntary Organizations (NSNVO) in the fall of 2004, 214 representatives of government, the corporate sector, academia, foundations, and the nonprofit and voluntary sector gathered in 12 roundtable sessions to discuss the results of the survey. The roundtables were designed to engage key decision-makers in evidence-based discussions regarding how to strengthen the capacity of Canada’s nonprofit and voluntary organizations to serve Canadians. Roundtable participants made recommendations in six key areas.

Improve the engagement of volunteers

Participants urged organizations to develop strategies to accommodate volunteers who can only make short-term commitments and to make more effort to match volunteers’ positions with their skills. They also encouraged organizations to establish volunteer management and recognition programs and provide better training for volunteers. Businesses can help organizations by supporting employee volunteering and by creating or supporting campaigns to promote employee volunteerism. Governments and foundations can provide funding and capacity-building opportunities to help organizations develop volunteer management, recognition, and training programs. All funders can recognize the value that volunteers contribute to organizations when evaluating funding proposals.

Improve conditions for paid staff

Roundtable participants emphasized the need to improve working conditions and salaries so that staff will remain in the nonprofit and voluntary sector. Organizations were encouraged to develop solid human resources management structures and provide training and networking opportunities for staff. Suggestions for businesses included helping organizations establish human resources management structures and offering human resources management training to organizations. Governments and foundations can help by: providing adequate funding so that nonprofit organizations can offer competitive salaries, offering longer-term support to organizations so that they can hire permanent staff, and providing funding for human resources training.
Develop better funding practices

Across the country, roundtable participants expressed concern about current funding practices. Most argued that stable, long-term funding is essential to the health of Canada’s nonprofit and voluntary sector. Many participants also expressed concern about the time and money that organizations spend trying to obtain funding and reporting to funders. In response to these problems, participants encouraged organizations to build core operating costs and the cost of reporting into funding proposals. Funders, they argued, should build core funding into grants and streamline funding application forms and reporting requirements. Finally, organizations and funders should continue discussing this important and complex issue.

Provide more support for smaller organizations

Most roundtable participants argued that it is important to provide more support to smaller nonprofit and voluntary organizations. Suggestions for governments and foundations included making information about funding and capacity-building opportunities more accessible and streamlining funding application forms and reporting requirements. Businesses, it was argued, should sponsor or partner with smaller organizations and encourage employees to volunteer for smaller organizations. Nonprofit and voluntary organizations can help themselves and each other by sharing information, lobbying funders to simplify application processes, and exploring opportunities for collaboration between organizations of different sizes.

Collaborate and pool resources

At most roundtables, participants debated whether collaboration was the answer to many of the capacity problems identified by the NSNVO, especially problems participating in policy development and advocacy. Concerns about maintaining the diversity of the sector and preserving the local character of smaller organizations were voiced in most roundtable sessions. However, most participants agreed that umbrella organizations can play an important role in the sector and that pooling resources can be useful, especially for smaller organizations. Businesses, governments, and foundations can facilitate collaboration in the nonprofit and voluntary sector by supporting coalitions, umbrella groups, and shared-service arrangements.
Participate in policy development and communicate the value of the sector

Participants in most roundtable sessions expressed a need for improved dialogue with government and argued that the sector needs to do a better job of communicating the value and importance of its work to governments, businesses, and the general public. They encouraged larger organizations to advocate for the broader sector, while making sure to consult widely with smaller organizations. They urged governments to consult with nonprofit and voluntary organizations before making policy changes and to include them in economic development discussions. Both groups were encouraged to use the results of the NSNVO to demonstrate the value of the sector and to advocate for, and develop, evidence-based policies to assist the sector.
INTRODUCTION

Nonprofit and voluntary organizations make a significant contribution to the quality of life enjoyed by Canadians. For example, they provide health and social services, operate sports and recreation programs, fulfill our political and spiritual needs, and enrich our lives with artistic and cultural events. However, according to the National Survey of Nonprofit and Voluntary Organizations (NSNVO), Canada’s 161,000 registered charities and incorporated nonprofit organizations are facing a variety of challenges. Following the release of the results of the NSNVO in the fall of 2004, a series of 12 roundtables were held across the country to discuss these challenges and possible solutions. Roundtable participants came from government, the corporate sector, academia, foundations, and the nonprofit and voluntary sector. This report presents the results of these discussions.

The NSNVO, which was carried out by Statistics Canada in 2003, was the first quantitative assessment of the size, scope, and activities of Canada’s nonprofit and voluntary organizations. The survey found that these organizations had total annual revenues of $112 billion, employed just over 2 million people, and benefited from the contributions of over 2 billion hours of volunteer time. It also found that more than half of these organizations reported difficulties planning for the future, recruiting volunteers, and obtaining board members. Almost half reported difficulties retaining volunteers and obtaining funding from government, foundations, corporations, and individuals. More than a third reported difficulties earning revenue, coping with increased demands for goods and services, adapting to change, participating in the development of public policy, and providing training for board members and volunteers.¹

Roundtable sessions were held in St. John’s, Halifax, Quebec City, Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Calgary, Vancouver, and Victoria from October to December 2004. A total of 214 people attended the sessions. Most participants were from the nonprofit and voluntary sector (57%) and government (25%). A smaller number were from the corporate sector (7%), academia (6%), and foundations (6%).

¹ For more information, see Cornerstones of Community: Highlights from the National Survey of Nonprofit and Voluntary Organizations (Hall et al., 2004).
Each roundtable began with a presentation of key survey results. Participants in the Ottawa session were presented with national results; participants in other sessions were presented with the results for their province or region. Following the presentation, participants were asked to discuss the implications of the survey results for government, businesses, and the nonprofit and voluntary sector itself, and to suggest ways to strengthen nonprofit and voluntary organizations.² Note-takers were employed to document the proceedings. Each session lasted approximately three hours.

Roundtable participants offered six key recommendations for strengthening the capacity of Canada’s nonprofit and voluntary organizations: (1) improve the engagement of volunteers; (2) improve conditions for paid staff; (3) develop better funding practices; (4) provide more support for smaller organizations; (5) collaborate and pool resources; (6) participate in policy development and communicate the value of the sector. This report is organized around these recommendations.

² See the appendix for a copy of the moderator’s guide.
In roundtables across the country, participants discussed the importance of volunteers to nonprofit and voluntary organizations and the need to improve the capacity of organizations to engage volunteers. Volunteer recruitment and retention were the major areas of concern among roundtable participants. Their suggested solutions to these problems included better volunteer management, training, and recognition; and more promotion of the value of volunteers. Below we present the key findings from the NSNVO that relate to volunteers, summarize the major issues discussed in the roundtables, and present participants’ suggestions for what organizations and funders can do to improve the engagement of volunteers.

**NSNVO results**

In 2003, Canada’s nonprofit and voluntary organizations reported a combined volunteer complement of over 19 million people³ who collectively contributed more than 2 billion hours of volunteer time.⁴ The NSNVO also found that, although most organizations (54%) reported no change in their volunteer complements between 2000 and 2003,⁵ organizations with fewer volunteers and those with lower revenues were more likely than others to report a drop in volunteers. More than one half of organizations reported problems recruiting volunteers (57%) and board members (56%). Thirteen percent of organizations said that each of these problems was serious. Almost half (49%) reported problems retaining volunteers, with 9% saying that this problem was serious. More than a third of organizations reported problems training volunteers and board members.

**Roundtable discussions**

Volunteer recruitment was a significant concern of roundtable participants. Virtually all of them agreed that the relationship between organizations and volunteers is changing and that organizations must change their approaches to accommodate this. Of foremost concern was the decreasing ability of volunteers to offer long-term commitments. This severely limits the ability of organizations that are reliant on volunteers to plan for the future. Participants told us that board members are particularly difficult to recruit, which also has a negative impact on planning. Finally, participants expressed concern that the aging of the population will make it even harder to recruit volunteers in the future.

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³ Because people may volunteer with more than one organization, the number of volunteers that organizations engage exceeds the number of volunteers in the population. The National Survey of Giving, Volunteering and Participating estimates that 6.5 million Canadians volunteered in 2000 (Hall et al., 2001).

⁴ This estimate is based on the total number of volunteer hours that organizations reported receiving. The National Survey of Giving, Volunteering and Participating estimates that Canadians volunteered a total of 1.1 billion hours in 2000 (Hall et al., 2001).

⁵ This figure applies to the 64% of organizations that were incorporated, had been in operation for at least three years, and had volunteers involved in activities other than governance.
Another major concern expressed by roundtable participants was volunteer retention. In particular, participants were concerned that organizations are losing volunteers because of burnout and inadequate management and training. Recruitment challenges mean that many organizations increasingly rely on a small number of volunteers. As a result, volunteers feel pressured and overloaded, which leads to burnout. Moreover, few organizations can afford the time or money to properly manage or train their volunteers. This means that many volunteers are doing tasks that are not well-suited to their skills, abilities, or interests. Both of these problems can cause volunteers to stop volunteering. Some participants also felt that organizations are not doing a good enough job of recognizing the contributions of volunteers and many felt that funders do not fully appreciate the value of volunteers.

**Recommendations**

Below we list participants’ recommendations for what governments and foundations, businesses, and nonprofit and voluntary organizations should do to improve volunteer recruitment and retention.

**Governments and foundations should:**

- provide funding and capacity-building opportunities that will help organizations develop volunteer management, recognition, and training programs;
- recognize that many types of organizations, especially those that deal with marginalized populations, cannot rely solely on volunteers to deliver programs;
- recognize the value that volunteers contribute to organizations (e.g., in terms of time and skills) when evaluating funding proposals;
- encourage their employees to volunteer; and
- create or support campaigns to promote volunteerism.

**Businesses should:**

- encourage their employees to volunteer, especially as board members;
- recognize employees who volunteer;
- provide training in human resources management to organizations;
recognize the value that volunteers contribute to organizations when evaluating funding proposals; and
create or support campaigns to promote employee volunteerism.

Nonprofit and voluntary organizations should:

- develop strategies to accommodate volunteers who can only make short-term commitments;
- develop skill assessment procedures so that volunteers’ skills can be better matched with positions;
- make use of existing programs to recruit board members (e.g., BoardMatch)\(^7\);
- minimize volunteer turnover by recognizing that some volunteer positions are very demanding, and attempt to limit the amount of pressure that volunteers experience by providing support and supplementary training;
- establish volunteer management programs;
- develop volunteer recognition programs;
- offer training to volunteers; and
- validate volunteer positions by writing clear position descriptions, incorporating volunteer contributions into organizational mandates, and providing certificates for training and reference letters.

“We don’t pay enough attention to our volunteers. We need to take better care of them.”

“Examining the demographics of our aging population, will there be more or fewer volunteers as people retire?”

“We need a better promotion program for volunteering – maybe a series of public service announcements.”

\(^7\) BoardMatch is a program run by Altruvest Charitable Services.
IMPROVE CONDITIONS FOR PAID STAFF

Recruitment and retention of paid staff were mentioned as significant problems at many roundtable sessions. Participants expressed concern that low salaries and poor working conditions make it difficult for organizations to hire the staff they need and lead to high turnover rates. These problems are difficult to solve, but roundtable participants urged organizations to provide better training for staff and improve their human resources management practices. They called on funders to provide stable funding that would allow organizations to hire permanent staff at competitive salaries. In this section, we present the key NSNVO findings relating to paid staff and present the major concerns and recommendations of roundtable participants.

NSNVO results

Almost half (46%) of nonprofit and voluntary organizations in Canada had at least one paid staff member in 2003 and the sector as a whole employed just over 2 million people. Twenty-eight percent of organizations reported problems recruiting the type of paid staff they need. Among organizations that had paid staff, 27% reported difficulties providing training for their staff and 19% reported problems with staff retention. Some organizations, however, were more likely than others to report these problems. For example, more than half of all Health organizations (54%) and just under half of all Social Services organizations (49%) reported problems obtaining the type of paid staff they need.

Roundtable discussions

Roundtable participants across the country expressed concern about the ability of nonprofit and voluntary organizations to recruit and retain the paid staff they need to deliver programs and services, recruit and manage staff and volunteers, and raise and manage funds. The major problem, according to participants, is that many organizations do not have enough stable funding to provide staff with permanent positions that have competitive salaries and benefits. The result, too often, is that organizations hire inexperienced staff on short-term contracts. Not surprisingly, these staff frequently stay only long enough to acquire the experience they need to land better paying, more secure, positions in government or the private sector.

“Permanent employees are essential to voluntary organizations.”

“We don’t have the money to offer the salaries to get employees that will stay with us.”

“If people weren’t dedicated, they would be working for government.”

“For certain core functions that are not directly related to the organization’s mission, like financial consultants, we cannot offer competitive salaries.”

“If we have employees, sometimes donors think that we don’t need money.”
High staff turnover has several serious consequences for organizations. It leads to high recruitment and training costs. It impairs the ability of organizations to plan for the future. It also puts more pressure on remaining staff, which leads to further turnover. Many participants noted that it is particularly difficult to recruit and retain skilled staff such as financial and information-technology professionals. However, organizations need such staff if they are to meet increased demands for accountability and keep up with technological change.

**Recommendations**

Participants had a number of recommendations for what governments and foundations, businesses, and nonprofit and voluntary organizations can do to improve the ability of organizations to recruit and retain the paid staff they need.

**Governments and foundations should:**

- provide stable, long-term funding so that organizations can hire permanent staff;
- provide adequate funding so that organizations can offer competitive salaries and benefits;
- understand that organizations often need paid staff before they can run a program, or make long-term program plans; and
- provide funding for human resources training.

**Businesses should:**

- help organizations establish human resources management structures;
- provide training in human resources management to organizations; and
- recognize that organizations with employees may still need financial support.
Nonprofit and voluntary organizations should:

- ensure that staff have clear job descriptions;
- improve working conditions to avoid staff burnout;
- provide more training and networking opportunities for staff;
- ensure that they have solid human resources management structures in place; and
- encourage staff to take training in human resources management.

“We need more training for supervisory staff.”
DEVELOP BETTER FUNDING PRACTICES

Participants at roundtable sessions in every region of the country expressed concern about current funding practices. Major issues included the challenge of funding core operations and the time and money required to apply for funding and fulfill the reporting requirements of funders. To solve these problems, participants recommended that nonprofit and voluntary organizations build core operating costs into all of their funding applications. Funders, they argued, should fund core operations and streamline funding applications and reporting requirements. The major NSNVO findings relating to funding and the main concerns and recommendations of roundtable participants are presented below.

NSNVO results

Canada’s registered charities and incorporated nonprofit organizations reported total annual revenues of $112 billion in 2003. Almost half (49%) of this revenue came from government, just over a third (35%) came from earned income, 13% came from gifts and donations, and 3% came from other sources.

Almost half of organizations (48%) reported difficulties obtaining funding from governments, foundations, and corporations and 20% said that this problem was serious. The same proportion of organizations (48%) said that they had difficulties obtaining funding from individuals, although only 13% said that this problem was serious. A slightly smaller percentage of organizations reported that competition with other organizations for funding or revenues was a problem for them (43%) or that they had difficulty earning revenues (42%).

The 39% of organizations that received funding from governments, foundations, or corporations in the previous three years were asked about problems relating to external funding. Sixty-five percent of these organizations said that reductions in government funding were a problem for them, 61% said that the unwillingness of funders to fund core operations (e.g., long-term programs, administrative expenses) was a problem, and 61% said that over-reliance on project funding was a problem. In addition, 47% reported that they needed to modify programs to receive funding and 43% said that they struggled to meet the reporting requirements of funders.

“There should be a component for core operations in any grant.”

“We like that program and we like that program, but we’re not paying overhead. I love that! What are we supposed to do? Offer programs out of a shopping cart in the alley?”

“The shift in funding sources and mechanisms to project-based arrangements is starving the administrative core of organizations.”

“The cost of obtaining and using the funding that organizations receive from government is sometimes very high.”
“Business people would be appalled if they knew how much time organizations spend filling out reports.”

“Funders need to provide more flexible funding arrangements. One-size-fits-all does not work with such disparate groups.”

“We would be supportive of being asked for in-kind support. But how do you advertise for that? Organizations should start thinking along the lines of ‘we want more from you’ when they approach corporations (e.g., accounting skills, engineers, etc.).”

“Organizations looking for donations should look at who they want to partner with, and think about who they are approaching for funding. It’s not about publicity, but about having a core program that makes sense to the company, its customers, and its employees.”

Roundtable discussions

The challenges that nonprofit and voluntary organizations face in funding their core operations was one of the issues discussed most frequently at the roundtable sessions. There was widespread agreement among participants from the nonprofit and voluntary sector that most funders are unwilling to fund core operations. Instead, funders appear to be only interested in funding projects. This makes it difficult for organizations to pay for core expenses like finance and administration, human resources, and infrastructure which, in turn, makes it difficult for them to meet the accountability requirements of funders, recruit and retain staff and volunteers, and plan for the future.

Roundtable participants from the nonprofit and voluntary sector also expressed concern about the large amount of time and money that organizations spend applying for funding and meeting the reporting requirements of funders. There was a general sense that this burden had increased in recent years and that it was particularly problematic for small organizations. At one roundtable, participants argued that an “aura of mistrust” seemed to permeate the funding environment. As examples, they pointed to application and reporting requirements that are excessive given the amount of money involved and inflexible grant and contract conditions.

Recommendations

Participants had a variety of suggestions for improving funding practices. Their main recommendations are listed below.

Governments and foundations should:

- build funding for core operations into grants and contracts;
- provide long-term funding;
- streamline funding applications and reporting requirements;
- ensure that all organizations have equal access to funding;
- invest in communities;
- encourage corporate investment in the nonprofit and voluntary sector; and
- continue to engage in dialogue with the sector to improve funding practices.
Businesses should:

◘ provide funding for core operations;
◘ provide long-term funding;
◘ provide in-kind support;
◘ invest in communities;
◘ streamline funding applications and reporting requirements; and
◘ be mindful that corporate demands can cause organizations to drift from their missions

Nonprofit and voluntary organizations should:

◘ include core operating costs in funding proposals;
◘ recognize the amount of reporting required by funders and include this cost in their proposals for funding;
◘ be strategic when approaching corporations for funding;
◘ ask corporations for in-kind support; and
◘ continue to advocate for change and engage in dialogue with funders.

“The fit has to be good between the organizations and the corporations. When organizations look at sponsorship opportunities, they have to also look to see if the funding pulls them away from their mission.”

“It’s important to align values between corporation and organization missions.”

“We want to build relationships and leverage them as much as is possible.”
A theme that arose repeatedly at roundtable sessions was the need to support smaller nonprofit and voluntary organizations. Participants argued that such organizations find it particularly difficult to access funding and recruit and retain volunteers. Suggested solutions included more sharing of information and resources among smaller organizations and between large organizations and small ones. Funders were urged to fund and facilitate such collaboration and to make funding more accessible to smaller organizations by, for example, simplifying application and reporting procedures. Below we present the key NSNVO findings relating to this issue, along with the major concerns and recommendations of roundtable participants.

**NSNVO results**

Forty-two percent of nonprofit and voluntary organizations in Canada reported annual revenues under $30,000 in 2003. Another 20% of organizations had revenues between $30,000 and $99,999 and 26% had revenues between $100,000 and $499,999. More than half of all organizations (54%) were entirely volunteer-run and 26% had fewer than five employees.

Organizations with annual revenues under $30,000 were generally the least likely to report most capacity challenges, probably because they use fewer resources (e.g., paid staff, volunteers, money). Those with revenues between $30,000 and $499,999, however, were more likely than larger organizations to report a variety of problems, including difficulties recruiting volunteers and board members, retaining volunteers, and obtaining funding from individual donors.

**Roundtable discussions**

At roundtables across the country, participants expressed concern about the ability of smaller organizations to access funding and compete with larger organizations for funding. Smaller organizations, they argued have difficulties finding sources of funding and applying for funding due to their reliance on volunteers, who have less time and may have fewer skills in this area, than paid staff. There was also a consensus among participants from the nonprofit and voluntary sector that funders believe “bigger is better” and are reluctant to fund smaller organizations due to concern about their ability to manage and report on the funds.

“Governments and donors feel more secure with larger organizations than smaller organizations.”

“The smallest organizations are busy providing services so they don’t have time to do all of the work it takes to get government funding.”

“Small organizations cannot pay for volunteer management, proposal writing, etc.”

“Information may be available on the Internet, but volunteers don’t have the time to go and find it. Organizations need access to helpful information that they can tap into as needed.”
Participants at several roundtables also discussed the challenges that smaller organizations face in attracting and retaining volunteers. Many participants felt that volunteers are moving to larger organizations, possibly because they are able to provide more support and training. This creates a vicious circle for smaller organizations – they need volunteers to access funding, but need funding to attract and retain volunteers.

**Recommendations**

There was widespread agreement among roundtable participants that smaller organizations are in need of, and worthy of, support. Participants offered a variety of recommendations for how to do this.

**Governments and foundations should:**

- ensure that all organizations have an equal opportunity to compete for funding;
- make information about funding and capacity-building opportunities more accessible;
- streamline funding applications and reporting requirements;
- fund and facilitate collaboration among organizations; and
- develop programs and services to assist smaller organizations.

**Businesses should:**

- sponsor and partner with smaller organizations;
- streamline funding application forms and reporting requirements; and
- encourage employees to volunteer for smaller organizations (especially in areas such as human resources, finance, marketing).
Nonprofit and voluntary organizations should:

- share information;
- explore opportunities for collaboration, especially between large and small organizations;
- encourage funders to simplify funding applications (by, for example, allowing letters of intent in place of full proposals); and
- lobby government to develop programs and services to assist smaller organizations.

“There is a greater need for leverage in the corporate sector and larger organizations can be better leveraged for a corporation’s goals.”
COLLABORATE AND POOL RESOURCES

The benefits and challenges of collaboration were debated at most roundtable sessions. Some participants saw greater collaboration as the solution to many of the challenges facing Canada’s nonprofit and voluntary sector. They argued that collaboration would reduce competition, duplication, and costs, and that the sector would be more effective if it “used one voice” when talking to governments, foundations, and businesses. Others, however, worried that large organizations would dominate the process and minority voices would be lost. On balance, most participants agreed that organizations should try to work together more and urged funders to support these efforts. In this section, we present the main NSNVO findings relating to collaboration and competition and summarize the roundtable discussions and recommendations on this issue.

NSNVO results

Forty-three percent of nonprofit and voluntary organizations in Canada said that competition with other organizations for funding or revenues was a problem for them and 12% of organizations said that this problem was serious. Competition was most often reported as a problem by Universities and Colleges (67%), Health organizations (61%), Arts and Culture organizations (59%), and International organizations (58%).

A much smaller number of organizations – 24% – said that they had difficulty collaborating with other organizations; 2% said that this problem was serious. Collaboration was most often reported as a problem by International organizations (40%), Universities and Colleges (39%), Law, Advocacy and Politics organizations (35%), and Health organizations (32%).

Roundtable discussions

Three different arguments in favour of greater collaboration among nonprofit and voluntary organizations were advanced at the roundtable sessions. The most common argument was that organizations with similar missions or working in the same community should pool resources and share services. Another argument was that organizations should join together – at least in networks, perhaps through

“We need to understand that we’re all part of the same sector.”

“We need to collaborate more. As a sector, we don’t have an organization that represents everyone, so we’re a bit disjointed.”

“The sector needs to organize itself to be coherent to government.”

“We need more and better resourced sub-sectoral umbrella groups.”
amalgamations – in order to reduce competition and duplication of services. This argument was most often advanced by funders, but was supported by a number of participants representing nonprofit and voluntary organizations. A third argument was that governments, foundations, and businesses find it difficult to deal with individual organizations and would be more open to dialogue with the sector if it developed a common agenda or collective strategy.

Support for more collaboration among organizations was not, however, unanimous. Some roundtable participants questioned why it was necessary for the sector to speak with “one voice” and expressed fear that this would lead to a loss of diversity and minority cultural voices. Others expressed concern that large organizations tend to dominate coalitions and umbrella groups, which means that the views of small organizations are not heard. Still other participants argued that competition can be healthy for organizations and that those that are not meeting community needs will naturally decline and those that are meeting these needs will flourish. Finally, a few participants noted that even pooling resources can be challenging and doesn’t always work as well as people think it will.

Recommendations

The topic of collaboration was the focus of considerable debate at the roundtable sessions, and by no means a consensus reached. However, participants were able to agree on a few recommendations.

Governments and foundations should:

- provide more support to networks, coalitions, and umbrella groups;
- support shared-service arrangements and other collaborative activities;
- take a collective or community-based approach to capacity building rather than funding individual capacity-building projects; and
- collaborate amongst themselves to provide better services to the nonprofit and voluntary sector.

Businesses should:

- support networks, coalitions and umbrella groups; and
- support shared-service arrangements and other collaborative activities.
Nonprofit and voluntary organizations should:

- pool resources and share services when possible;
- consider amalgamating with like-minded organizations;
- form and support networks, coalitions, and umbrella groups;
- work together, at least for some purposes, when talking to governments, foundations, and businesses; and
- work together to build the capacity of the entire sector.

“We should be careful about imposing large-scale strategies on what happens naturally in local contexts.”

“Coalition building is essential so it should be supported by governments and funders.”
PARTICIPATE IN POLICY DEVELOPMENT AND COMMUNICATE THE VALUE OF THE SECTOR

At virtually all roundtable sessions, participants expressed a need for improved dialogue with government and argued that the sector needs to do a better job of communicating its value to governments, businesses, and the general public. They urged governments to consult with nonprofit and voluntary organizations before making policy changes and encouraged organizations to participate in policy development processes. Both groups were encouraged to use the results of the NSNVO to demonstrate the value of the sector and to advocate for, and develop, evidence-based policies to assist the sector. The NSNVO findings on policy capacity and the main concerns and recommendations of participants relating to these issues are summarized below.

NSNVO results

According to the NSNVO, almost four in ten (39%) nonprofit and voluntary organizations in Canada said that they have difficulty participating in the development of public policy. Ten percent of organizations said that this was a serious problem for them and 16% said that it was a moderate problem. Some types of organizations were more likely than others to report this problem, including Universities and Colleges (64%), Health organizations (62%), Law, Advocacy and Politics organizations (57%), Environment organizations (56%), and Social Services organizations (54%).

Roundtable discussions

A variety of issues relating to the development of public policy were raised in the roundtables. For example, several participants argued that the nonprofit and voluntary sector plays an important role in identifying emerging issues and bringing them to the attention of government (e.g., climate change, land mines, HIV/AIDS). Others noted that nonprofit and voluntary organizations have expertise on a wide range of issues and roots in communities across the country, which means that they can inform and enrich many policy debates. Finally, a number of participants pointed out that the NSNVO shows that the nonprofit and voluntary sector has a significant economic presence, but that it is not part of most economic development discussions.

“The challenge is to bring voluntary sector issues to the political level – i.e., Cabinet.”

“The nonprofit and voluntary sector plays a significant role in the economy, yet is poorly funded and not given recognition.”

“You need to make a stronger case to Ottawa about the strength of the sector. International comparisons would be helpful for building the case.”

“If I had these figures, I would have given them to the Winnipeg Free Press.”
At many roundtable sessions, participants also discussed the importance of communicating the value of the nonprofit and voluntary sector. There was a widespread feeling that the sector is underestimated and undervalued. In order for this situation to improve, it was argued, the sector must do a better job of communicating its value to governments, businesses, and the general public. In effect, the sector must learn to market itself more effectively. Participants agreed that the NSNVO data were valuable both for policy development and for communicating the value of the sector. However, they noted that much more research needs to be done and that the NSNVO needs to be repeated on a regular schedule.

**Recommendations**

Below we summarize the major recommendations offered by roundtable participants in the area of policy development and marketing.

**Governments should:**

- consult with nonprofit and voluntary organizations when developing new policies and revising existing policies;
- include nonprofit and voluntary organizations in economic development discussions;
- be aware and respectful of the diversity in the nonprofit and voluntary sector when developing policies that may affect it;
- recognize the sector’s social and economic contributions;
- allow registered charities to undertake more advocacy activities;
- fund more research on the nonprofit and voluntary sector; and
- ensure access to the NSNVO data.

**Businesses should:**

- provide organizations with marketing and communications expertise;
- recognize the sector’s social and economic contributions; and
- fund research.
Nonprofit and voluntary organizations should:

- identify or create champions for the sector;
- promote the sector’s social and economic contributions;
- consult widely before presuming to speak for other organizations;
- use the results of the NSNVO to advocate for change;
- lobby for more research and for public access to existing data; and
- market themselves and the sector more effectively.

“The business community has a great deal of information to work with, yet the nonprofit sector has very little. This survey is really the first source of data and runs the risk of being ‘one time’ event.”
CONCLUSION

The results of the NSNVO show that nonprofit and voluntary organizations are an integral part of Canadian society. They not only provide many of the services that Canadians rely on every day, but are also major vehicles for citizen engagement. The survey also shows, however, that many of these organizations are struggling to fulfill their missions. Participants in our roundtable sessions offered literally hundreds of suggestions for strengthening Canada’s nonprofit and voluntary organizations. In this report, we have summarized the major issues discussed at the roundtables and the most common recommendations put forward by participants.

Overall, roundtable participants felt that volatile resources – both human and financial – have eroded the capacity of many organizations. They expressed particular concern for smaller organizations, which make up the bulk of the nonprofit and voluntary sector but operate with few resources. More collaboration, increased involvement in policy development, and better marketing of the sector were some of the most frequently discussed solutions to these problems.

In conclusion, we offer the following recommendations for improving the capacity of nonprofit and voluntary organizations to serve Canadians.

1. Organizations should develop better volunteer management, recognition, and training programs and funders should provide money for these programs.
2. Businesses should encourage their employees to volunteer, especially as board members and especially for smaller organizations.
3. Funders should recognize that many nonprofit and voluntary organizations need paid staff to deliver their services and that they must offer competitive salaries and benefits if they are to recruit and retain qualified staff.
4. Funders should build funding for core operations into grants and contracts and investigate the feasibility of providing longer-term funding.
5. Funders should streamline funding applications and reporting requirements.
6. Governments should develop programs and services to assist smaller organizations.
7. Organizations should explore opportunities for collaboration and resource sharing.
8. Funders should provide more support to networks, coalitions, and umbrella groups.
9. Governments should include nonprofit and voluntary organizations in policy development discussions.
10. Funders should continue to fund research on the sector.
11. Organizations should use the results of the NSNVO to advocate for change.
12. The nonprofit and voluntary sector should market itself more effectively to governments, businesses, and the general public.

Clearly, there is no shortage of good ideas about how to move forward. What is needed is the collective will to ensure that Canada’s nonprofit and voluntary organizations continue to contribute to the development of healthy, vibrant Canadian communities.
REFERENCES


APPENDIX: MODERATOR’S GUIDE

Introduction

(20 – 30 minutes)

Background

Hello and welcome to this roundtable session on the results of the National Survey of Nonprofit and Voluntary Organizations. My name is --------- and I will be your host and facilitator today.

On September 20, 2004, the results of the National Survey of Nonprofit and Voluntary Organizations were released at a media event in Toronto. The survey, which was conducted by a consortium of organizations including ---------, the Canadian Centre for Philanthropy, and Statistics Canada, collected data from approximately 13,000 charitable and nonprofit organizations.

As part of the dissemination of the survey results, we are holding 12 meetings such as this in locations across country.

Purpose

The purpose of these meetings is to provide key decision-makers from government, the corporate sector, and the nonprofit and voluntary sector with a briefing on the results of the survey and to hear their views on the implications of the findings for all three sectors (government, business, and the nonprofit sector).

The hosts of each of these meetings will be writing reports of the results. The Canadian Centre for Philanthropy will then be pulling all the reports together into one report summarizing the key findings from all the meetings.

Format

Our format today is straightforward. Following introductions, Dr. Michael Hall from the Canadian Centre for Philanthropy will present the highlights of the survey to you and answer any questions you might have. Then, I will be asking you a series of questions. There are no right or wrong answers to these questions – we just want to hear your opinions. If you disagree with what someone says, please feel free to
say so. But please respect differences in opinion. All I ask is that you give everyone
a chance to give their views and that only one person speak at a time.

Because I have a number of issues I want you to discuss, I may have to ask the
person speaking to cut it short. Please don’t be offended. I just need to keep things
moving so that we can finish on time.

**Confidentiality**

We are not recording this session, but we are taking notes. Please be assured that
everything you say will be kept confidential in the sense that your name will never be
linked to your comments in any published document. We have consent forms here
that we would like you to sign. Please take a few moments now to read the form. I
would be happy to answer any questions you might have.

**Introduction of Participants**

Before we go any further, I would like to go around the room and ask everyone to
identify themselves, their organization and their position within the organization.

**Presentation of Results**

(20 – 30 minutes)

PowerPoint presentation of NSNVO findings for the region in which the roundtable
is being held.

**Roundtable Discussion**

(approximately 2 hours)

**General Impressions**

1. Having heard a presentation of the results of the survey, what are your
   first impressions?
   a) Do the findings fit your perceptions of the sector?
   b) Are there any surprises?
   c) Is there anything that strikes you as missing?
   d) Do you find the survey results useful? In what ways?
Strengthening Capacity

1. What can government do to help strengthen the capacity of organizations to serve Canadians?
2. What can business do?
3. What can voluntary organizations do themselves?

If necessary to generate discussion, provide examples of capacity issues related to funding, volunteers and paid staff.

For example:
Larger organizations rely more on government funding, while smaller organizations rely more on earned income and donations and grants.

Although more than three-quarters of organizations report that their revenues either remained stable or increased from 2000 to 2003, many organizations also report capacity problems relating to lack of funding, as well as difficulty obtaining funding.

Volunteers are an important human resource for most nonprofit organizations. Yet, the survey shows that many organizations are having difficulty in recruiting, managing, and retaining volunteers. Moreover, the National Survey of Giving, Volunteering and Participating shows that fewer Canadians are volunteering (the volunteer rate dropped from 31% in 1997 to 27% in 2000).

More than (54%) of nonprofit and voluntary organizations in Canada report that they have no paid staff. Many organizations report difficulties in recruiting the type of paid staff they need and in providing staff training. Further, this difficulty increases with organization size (two-thirds of organizations with revenues of $10 million or more report difficulty recruiting staff, while half report difficulty providing staff training).
The Great Divide

1. What are the implications of the divide in resources between the small number of large organizations that receive most of the resources (revenues, paid staff, volunteers) and the large number of small and medium-sized organizations that have fewer resources?

2. What does this mean in terms of the sector’s identity (how it sees itself and how it markets itself) and how organizations within the sector work together?

3. What are the implications for smaller organizations?

4. What are the implications for funders (governments, foundations, individuals)?

5. What can be done to address issues related to funding, volunteers, and paid staff?

6. What are the implications for public policy (i.e., how governments treat different types of organizations)?

Economic and Employment Policy

The survey demonstrates that the nonprofit and voluntary sector has a significant economic presence. It is, for example, a major employer and a major of goods and services.

1. What implications should this have for:
   a) government policy?
   b) business?
   c) the nonprofit sector?

Other Issues

1. Are there any other issues covered by the survey that you would like to discuss?

Further Research

1. What did the survey not tell you that would be important to know?