National Insights into Non-profit Organizations, Canadian Survey on Business Conditions, 2023

Released at 8:30 a.m. Eastern time in The Daily, Wednesday, March 20, 2024

Canada's non-profit sector encompasses a wide array of organizations, contributing to areas such as social welfare, community development and advocacy. This sector is an essential component of the Canadian economy and bridges service gaps by facilitating access to housing, health care and education along with a variety of other goods and services. Overall, non-profit institutions in 2022 contributed $216.5 billion in economic activity, equivalent to 8.2% of the gross domestic product.

During the first quarter of 2024, the Canadian Survey on Business Conditions dedicated a special module to non-profit organizations, including community, business, and government non-profit organizations. The results highlight the profound impact that non-profit organizations have on Canadians' lives as well as the ongoing significance of these organizations as vital players in a diverse society and a dynamic economy.

Composition of boards of non-profit organizations

Diversity within non-profit boards broadens perspectives, experiences, and expertise, strengthening the ability of non-profit organizations to make impactful decisions, advance initiatives for civic improvement, social welfare and public benefit. Almost all (92.6%) organizations have boards of directors.

In 2023, less than half of board of director positions in non-profit organizations were filled by women (47.3%). Organizations related to social services (70.4%) and environment (56.0%) had the greatest proportion of positions filled by women. Conversely, organizations related to business and professional associations and unions (36.4%) had the lowest proportion of positions filled by women on their board of directors, followed by organizations related to religion (37.1%).

Around one-tenth (9.8%) of all board of director positions are filled by members of racialized groups. This varied by type of organization, as it was higher for religious organizations (15.7%), followed by business and professional associations and unions (13.1%). Organizations with the lowest proportion of members of racialized groups filling board of director positions were related to environment (2.9%), followed by organizations related to development and housing (4.7%).

Table 1
Distribution of board of director positions filled by members of designated groups, 2023

	%
Women	47.3
Racialized people	9.8
Persons with a disability	2.9
First Nations, Métis or Inuit people	2.6
Non-binary people	0.8

Source(s): Table **33-10-0792-01**.

Among all non-profit organizations, more than two-fifths primarily serve the general public

Non-profit organizations seek to meet the needs of and provide services to a wide range of diverse groups. In 2023, the general public (42.1%) made up the largest percentage of the groups that non-profits primarily serve, followed by children and youth (14.2%), religious or spiritual groups (9.1%), people in particular occupations and union groups (4.7%).

Other population groups were the primary focus of a lower proportion of non-profit organizations, but still received services from a significant number of them. Low-income households or individuals in this group, for example, were primarily targeted by 3.4% of non-profit organizations but received services from 26.8% of all non-profit organizations.

Health and social services non-profit organizations most reliant on provincial and territorial funding

Non-profit organizations rely on diverse funding sources to operate. In 2023, the most prominent sources of revenue were individual donations (21.7%), membership fees or dues (17.7%), and transfers by provincial or territorial governments (10.5%).

Health (43.6%) and social services (42.5%) non-profit organizations received the largest proportion of their funding from provincial and territorial transfers, while religious (0.4%) and grant-making, fundraising and voluntarism promotion (3.9%) organizations were least likely to receive this funding.

Individual donations were a more important source of funding among smaller organizations. This was true for organizations without employees (21.4%), with 1 to 4 employees (31.6%), and with 5 to 19 employees (17.3%). Conversely, organizations with 100 employees or more (6.4%) and 20 to 99 employees (8.5%) depended less on individual donations and more on provincial and territorial transfers and fees for goods or services.

Organizations focused on business and professional associations and unions (49.7%) and sports and recreation (29.2%) were more likely to rely on funding in the form of membership fees or dues. Likewise, organizations without employees (22.3%) depended more on membership fees or dues than those that had some employees.

Registered charities are more reliant on individual donations than other non-profit organizations

Registered charities are recognized by the Canada Revenue Agency (CRA) as public or private organizations that operate exclusively for purposes of public benefit to Canadians. Registration with the CRA grants charities tax exemption and allows for tax receipts to be issued to donors, which helps to incentivize giving.

In 2023, individual donations were the main source of funding for registered charities (41.5%), while other non-profits received 4.0% of their funding this way. Membership dues were the main source of funding for all other non-profits (29.1%), while the same source made up 4.9% of funding for registered charities.

Overall demand for non-profit organizations' services or products outpaces capacity to meet demand

In 2023, close to half (46.1%) of non-profit organizations reported increased demand for services or products, with 21.4% reporting a significant increase and 24.7% reporting a modest increase. However, just under one-quarter (24.3%) of organizations reported that their overall capacity to meet demand had increased, with 18.2% reporting a modest increase in capacity, and 6.1% reporting a significant increase in capacity.

The demand for services and products for larger non-profit organizations increased more than for smaller organizations. More than one-third (37.4%) of organizations without employees reported increased demand for their services or products compared with almost two-thirds (63.3%) of organizations with 100 or more employees, 70.0% of organizations with 20 to 99 employees, 63.6% of organizations with 5 to 19 employees and 45.7% of organizations with 1 to 4 employees. However, capacity to meet the demand increased at a slower rate than the demand in organizations of all sizes.

Social services (70.2%) and health (69.7%) organizations were most likely to experience increases in demand. However, their capacity to meet the increased demand did not increase at the same rate, with 40.3% in social services and 35.6% in health organizations indicating that their capacity to meet demand had increased.

A profile of non-profit organizations in Canada

In 2023, the largest number of non-profit organizations primarily focused on sports and recreation (33.3%), followed by religious organizations (19.8%), grant-making, fundraising and promotion (8.8%) and social services (8.5%), with the lowest number of organizations in health (1.0%) and environment-focused activities (0.4%).

Table 2
Distribution of non-profit organizations by primary activity, 2023

	%
All organizations	**100.0**
Sports and recreation	33.3
Religion	19.8
Grant-making, fundraising and voluntarism promotion	8.8
Social services	8.5
Development and housing	6.9
Business and professional associations and unions	6.1
Arts and culture	4.2
Education and research	3.9
Law, advocacy and politics	3.6
Not elsewhere classified	3.5
Health	1.0
Environment	0.4

Source(s): Table 33-10-0753-01.

Table 3
Distribution of non-profit organizations by organization size, 2023

	%
0 employees	54.7
1-4 employees	20.6
5-19 employees	16.0
20-99 employees	7.4
100 or more employees	1.3

Source(s): Table 33-10-0753-01.

Volunteers are essential to many non-profit organizations and the non-profit sector as a whole. Over four-fifths (81.8%) of non-profit organizations had volunteers. Of these, 44.7% of organizations had 1 to 19 volunteers, 29.1% of organizations had 20 to 99 volunteers, and 8.0% of organizations had 100 or more volunteers.

Table 4
Distribution of volunteers in non-profit organizations, 2023

	%
0 volunteers	18.2
1 to 19 volunteers	44.7
20 to 99 volunteers	29.1
100 or more volunteers	8.0

Source(s): Table 33-10-0795-01.

Organizations that focus their services on arts and culture (93.0%), religion (92.5%), and law, advocacy and politics (92.2%) were most likely to have volunteers, while organizations focused on business and professional associations and unions (64.0%) and development and housing (71.0%) were least likely to have volunteers.

Note to readers

The Canadian Survey on Business Conditions was conducted in January and the first part of February 2024. For the first quarter of 2024, an additional supplement was added with the express purpose of gathering data about non-profit organizations in Canada.

Definitions of the non-profit sector adhere to international standards published in the United Nations Handbook of Satellite Accounts on Non-profit and Related Institutions and Volunteer Work. Canada's overall non-profit sector covers community, business, and government non-profit organizations.

For more information, consult the Satellite Account of Non-profit Institutions and Volunteering.

Non-profit organizations were classified according to the International Classification of Non-profit Organizations.

Available tables: 33-10-0753-01 and 33-10-0792-01 to 33-10-0803-01 .

Definitions, data sources and methods: survey number 5318.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; **infostats@statcan.gc.ca**) or Media Relations (**statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca**).