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# Reflections on Civil Society:

The State of the  
Alberta Nonprofit  
Sector 2019



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*Reflections on Civil Society: The State of the Alberta Nonprofit Sector 2019.*

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# PREFACE

## Reflections on Civil Society

Welcome to CCVO's 9th annual *State of the Alberta Nonprofit Sector* report. Our journey this year was stimulated by a new provincial government's commitment to "harnessing the power of civil society." We saw this as an opportunity to explore the idea and reflect on the role of the nonprofit sector. This year, we ask you to imagine a civil society where all nonprofits accept and embrace public policy advocacy as part of fulfilling their missions.

In the current context of a continuing economic slump, the uncertainty that comes with a change in government, and a polarized political climate, leaders in the Alberta nonprofit sector are feeling lower levels of optimism than last year. However, this moment in time is also marked by an opportunity for nonprofits to clearly articulate their goals and assert the sector's role and influence.


In an increasingly polarized environment, nonprofits may be tempted by two options: either withdraw entirely from engaging in policy advocacy to avoid perceptions of partisanship; or engage in advocacy that aligns with political rhetoric from the government and the opposition.

It is vital that the sector resists both of these alternatives and instead engages more deliberately and boldly in policy advocacy, standing on the strengths of expertise, experience, and constructive criticism.

The pan-Albertan engagement that underpins this year's report was truly remarkable, with 561 respondents to our online survey from every corner of the province. Our qualitative research included focus groups in Calgary, Edmonton, Grande Prairie, Lethbridge, St. Paul, and Red Deer. In addition, we interviewed individuals in Camrose, Cypress County, Fort McMurray, Jasper, Medicine Hat, Ponoka, Smoky River, Vulcan and Wood Buffalo. We wish to express our sincere appreciation to all nonprofit sector professionals who helped inform this report. And special thanks are extended to our partners who helped convene focus groups: the Winspear Centre/Edmonton Symphony Orchestra, St. Paul & District Arts Foundation, Accredited Supportive Living Services in Grande Prairie, Volunteer Lethbridge, and United Way of Central Alberta in Red Deer.

Preparing this year's report was truly a group effort at CCVO, spearheaded by our amazing policy and research team under the guidance of Alexa Briggs, Director, Policy and Research. Our indispensable Policy Analyst, Lina Khatib, played a pivotal leadership role in all aspects of the research and writing, with support from Marokh Yousifshahi, Research Coordinator, and Vivian Mak, Policy Intern. Very well-deserved appreciation for the editing and design of this report is also owed to Marisa Barber, Marketing & Communications Strategist, and Dana Silver, Director, Community Engagement.

Please let us know how this report resonates with you and how you think we can best focus our future research efforts, at [communications@calgarycvo.org](mailto:communications@calgarycvo.org).



**David Mitchell**  
President & CEO  
CCVO

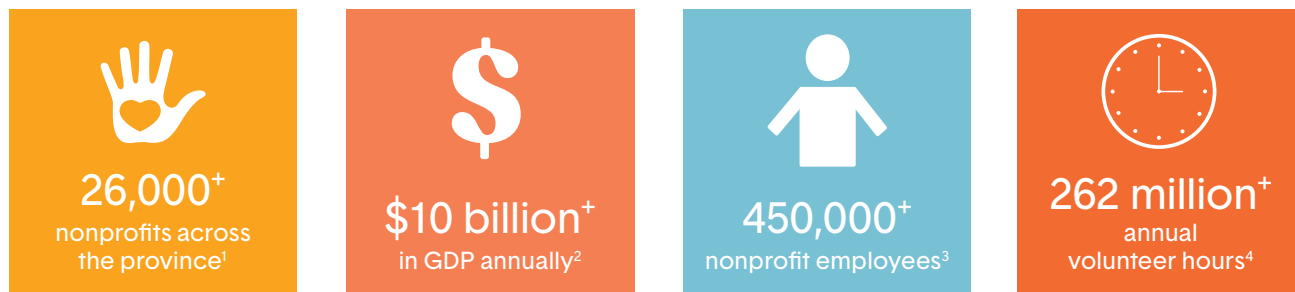
# TODAY'S NONPROFIT SECTOR

The *State of the Alberta Nonprofit Sector* report remains a unique resource in helping to paint a current picture of Alberta's nonprofit sector. This year's report was informed by 561 responses to the 2019 Alberta Nonprofit Survey (ANS) and is supported by rich discussions with 64 nonprofit leaders across Alberta in 15 cities and towns. CCVO launched this year's annual Alberta Nonprofit Survey in Spring 2019 and conducted focus groups and interviews during the summer, which captured insights following a provincial election and the anticipation of a federal election. The period was marked by political change and a continuing weak economic recovery from the downturn precipitated by the decline in the price of oil in 2014.

In the focus groups and interviews that informed this report, nonprofit leaders told a compelling story and expressed a deep desire to share more broadly the role, value, and contributions of the sector to society. Strengths of the sector, according to these leaders include:



## Social and Economic Contributions of the Sector



# TAKING THE TEMPERATURE

When nonprofit leaders across Alberta were asked in our focus groups and interviews about the current mood of the sector, the responses could be best characterized as one of low optimism. The reasons attributed to this general sense relate to financial uncertainty and were compounded by the fact that the majority of our survey respondents (56%) had little or no confidence that they would be invited by the new provincial government to engage in meaningful discussions on issues that impact their organizations.

## Shifting Context, Shifting Mood

While many issues identified this year and in previous reports continue to remain relevant, the context in which we now find ourselves has shifted significantly. In their provincial election platform, Alberta's now-governing United Conservative Party (UCP) included a section dedicated to "harnessing the power of civil society." The section states that "one of the first principles of conservatism is that civil society should come before government and that voluntary groups are generally more effective in preventing and reducing social problems than a big bureaucratic state."<sup>5</sup>

Nonprofit leaders voiced concerns that the above statement could be used to justify further offloading of responsibilities to the nonprofit sector without adequate resources to meet the needs of the community. This concern was coupled with nonprofit leaders' reaction to a new provincial government that is focused on reducing the cost of public services. The reality is that when the doors to provincially funded programs and services begin to close through budget cuts, it is the individuals and families living in communities who feel it most. While not all nonprofits in Alberta receive funding from the provincial government, provincial budget decisions impact the sector as a whole. As fewer public programs and services become available to ever-growing demands, people turn to nonprofit organizations with the hopes that they will help address unmet needs.



**"Nonprofits and charitable organizations by virtue of their mission statements believe in civil society and healthy communities.**

**In today's world, there is a cost to achieve that.  
Government has a role – we all have a role to play."**



Another discomfort expressed by nonprofit leaders relates to the oversimplified framing of the role and functions of nonprofits as basic interactions between neighbours helping neighbours i.e. “...poorly-resourced community groups simply trying to help their neighbours,” as stated in the UCP platform.<sup>6</sup> The lack of appreciation for the diversity and sophistication of the sector has the potential to undermine the resources required to safely and effectively deliver the thousands of nonprofit programs and services in Alberta by assuming that the work can be fulfilled by volunteers or inadequately resourced community groups.

**“ The nonprofit sector needs to be recognized as that organized way of community coming together and addressing issues. ”**

## Down But Not Out

While the general level of optimism among nonprofit leaders has declined from last year, there is confidence in the sector’s overall ability to address its challenges. They report that despite political and economic uncertainties, now is the time to be assertive – to step up and speak out. As the political and economic contexts shift, the mission of each nonprofit organization continues to evolve.

While it is important to work collaboratively across sectors to achieve positive results, nonprofit organizations need to set their own agendas and priorities to move their missions forward and to bring others along when possible. A stronger and bolder nonprofit sector promotes the inclusion of diverse voices, connects people across divisions, and ultimately strengthens our communities.

**Despite political and economic uncertainties, now is the time to be assertive – to step up and speak out. As the political and economic contexts shift, the mission of each nonprofit organization continues to evolve.**

**“ As a nonprofit, we have to innovate. When one door closes, another opens. ”**

# NONPROFITS IN CIVIL SOCIETY

Civil society is the community of citizens linked by their mutual interests in contributing to public life and the common good. Some nonprofit leaders have described civil society as “the glue that holds communities together.” We heard from nonprofit leaders in the focus groups and interviews that the notion of a strong civil society depends on inclusive and respectful debate among all actors. It was also noted that as the complexity of issues increases, so does the need for civil society actors, including nonprofit organizations, to work hand-in-hand in addressing these issues.

**“ Nonprofits are the finger on the pulse of community. ”**

The sector represents a crucial branch of our civil society, facilitating connections and building relationships. When nonprofits are supported, communities flourish and civil society is strengthened.<sup>7</sup>

## The Role of the Nonprofit Sector

### COMPLEMENT TO PUBLIC AND PRIVATE SERVICE DELIVERY

While nonprofits often fill the gaps left by the public or private sectors, they cannot replace well-funded public or private sector services. Nonprofit services and programs need to be adequately supported, as they are often intended to complement, not substitute the important role of other providers.

There are three fundamental reasons why this is the case:

1. On its own, the sector cannot generate sufficient resources to provide the level of programs and services required to meet the needs of all citizens.<sup>8</sup>
2. Nonprofits tend to focus on and serve specific groups. The fact that nonprofits do not serve all people at all times, makes it important for government to serve as the ultimate safeguard, ensuring the safety and security of individuals, families, and communities.<sup>9</sup>
3. Nonprofits should not become primary providers of public services because some are funded privately, which would pose a risk of a disproportionate amount of power resting in the hands of those with the greatest private resources.<sup>10</sup>

When the nonprofit sector willingly or unwillingly expands into areas it is not equipped to take on, this not only undermines the government’s ability to provide necessary public services, it can also be a risk to the people being served and their specific community needs.<sup>11</sup> Nonprofits are a fundamental part of the solution, working with governments and the private sector to help meet the needs and demands of the broad community.

**“ We have become more polarized with a weakened sense of the common good and this is dangerous to our civil society. ”**



## PUBLIC POLICY ENGAGEMENT: FUNDAMENTAL TO DEMOCRACY

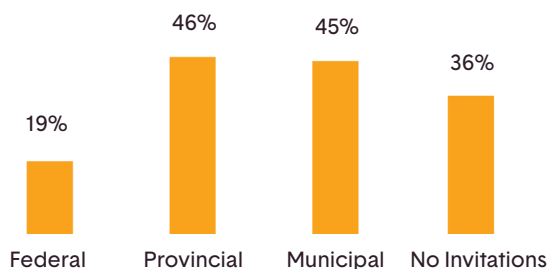
Strong civic engagement occurs when nonprofits are not just included in the public policy process but when they fundamentally belong in the process. Nonprofits facilitate inclusion in public policy development by providing a platform for diverse interests that might otherwise be silent.<sup>12</sup> And yet, opportunities for nonprofits, particularly registered charities, to engage in the policy process, can be difficult to find. Nonprofit leaders recognized this lack of opportunity as partly due to a decline in evidence-based policy discussions often in favour of highly ideological debates.

Increased social and political polarization within developed countries is a significant trend that has emerged in the last two decades.<sup>13</sup> Recent research shows this growing division and intolerance as a defining feature of American politics today.<sup>14</sup> Albertans, and Canadians in general, are not immune to these trends. Recent studies have found that the biggest driver of polarization in Canada is due to ideological distinctions feeding into hyper-partisanship.<sup>15</sup>

Albertans experienced this first-hand in the recent provincial election with deep divisions across party lines on issues like climate change, equality and the role of government. Polarized societies can lack social cohesion, resulting in a weakened civil society.<sup>16</sup> The nonprofit sector plays a necessary role in helping to protect the public interest by challenging norms, structures and trends that may threaten our democracy.<sup>17</sup> As such, the inclusion of nonprofits in public policy development is essential to civic engagement and a robust civil society.

**The nonprofit sector plays a necessary role in protecting the public interest by challenging norms, structures and trends that may threaten our democracy. As such, the inclusion of nonprofits in public policy development is essential to civic engagement and a robust civil society.**

**FIGURE 1**  
**Nonprofits invited to in-person consultations**



*Respondents were asked to indicate an invitation to an in-person consultation in the past 12 months.*

While participants in focus groups and interviews commented that consultations at all levels of government may have increased over time, a question about the authenticity or relevance of the consultations continues to persist [see figure 1].

**“ Government shouldn’t just pat us on the head, we want to be equal partners at the table. ”**

## Setting an Agenda: Policy Advocacy

An organization's agenda is not dictated by other actors; it is a curated set of issues or problems developed from within and aimed at gaining the attention of decision-makers. An organization that develops and communicates its own **policy advocacy agenda** is empowered to own its narrative and take its rightful place in public discourse.<sup>18</sup> In order to realize this objective, it is crucial for nonprofits to overcome a number of barriers that may have prevented them from engaging in setting their own agenda. When a nonprofit embraces the important role that it plays in public policy dialogue and development, setting a policy advocacy agenda becomes a natural step that follows.

**“ We need integrative and bigger picture thinking coming from our sector – we are not limited by massive structures. ”**

### THAWING THE 'ADVOCACY CHILL'

Some nonprofits, particularly registered charities, have a longstanding reluctance to engage in policy advocacy. Past and current government reviews of charities involved in policy advocacy have created anxiety for nonprofits in general, and this phenomenon is commonly recognized as creating an 'advocacy chill'.<sup>19</sup> Major developments have eased this chill, such as changes to the federal Income Tax Act and greater clarity from the Canada Revenue Agency on permissible public policy dialogue and development activities for registered charities. Nonetheless, the inhibitions are so pervasive that even nonprofits that are not registered charities have sometimes dissociated themselves from advocacy activities for fear of possible repercussions.<sup>20</sup> Organizations can counter this by understanding the ways in which they are permitted and encouraged to **engage in public policy**.<sup>21</sup>

When nonprofits distance themselves from the world of public policy, it is a disservice to the sector, the people that it serves, and ultimately to society as a whole. This consequence was evident in our discussions with nonprofit leaders, as they described the sector's role in program and service provision, but also in speaking up about social and economic issues. A deliberate shift from solely delivering programs and services to participating in public policy dialogue and development is valuable; it allows nonprofits that are connected to communities to be involved in social change efforts and to offer solutions to some of our society's most difficult problems, such as: poverty, inequality, climate change and political polarization.

**“ The sector brings awareness to things that people are not thinking about consciously. We play a role in expanding mindsets. ”**

## PUBLIC POLICY ENGAGEMENT CAPACITY

Less than one third of survey respondents have dedicated resources to engage in public policy dialogue and development [see figure 2] – a fact that is mirrored by national findings.<sup>22</sup> Public policy engagement can include everything from identifying issues and raising awareness to developing policy solutions. Nonetheless, some organizations still do not see public policy engagement as part of their mission and believe that this form of work is reserved for a select few organizations. And for those that do engage in public policy, they often do so ‘off the side of their desks.’

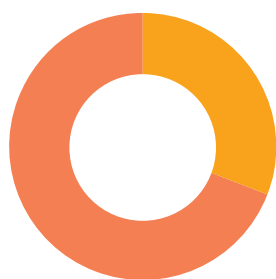


FIGURE 2

### Nonprofits with at least one staff position dedicated to public policy



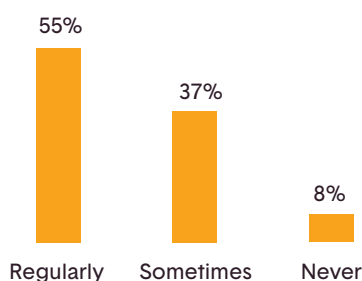
Alberta nonprofits in general need to consider building stronger internal public policy capacity, recognizing that this area of work requires a distinct set of skills and expertise. This effort might require thoughtful conversations with funders and sector leadership to achieve an understanding of the critical role nonprofits play in the **public policy domain**.<sup>23</sup>

## STRENGTH IN DIVERSITY

Nonprofits are diverse and enrich the social and cultural experience of Albertans in a number of areas such as: sports & recreation, social services, religion, environment, arts & culture, education and health, among others. From organizations in large urban centres to rural areas, what brings the sector together is the desire to serve communities. When we start from this viewpoint, our diversity becomes a strength because we know that the rich multidisciplinary knowledge and expertise held across the sector significantly enhances the value to public policy dialogue. Information-sharing within the sector is an important part of realizing this strength [see figure 3].

FIGURE 3

### Nonprofits participating in knowledge sharing



Nonprofit leaders expressed a desire for better information-sharing of trends, challenges, and opportunities across the sector. Building collective voices requires participation in ongoing conversations, and initiatives with other organizations that have the potential for taking practical action. A sector-wide vision that accounts for and capitalizes on our diversity opens the possibility of tackling long-term strategic objectives, together.

# ACT LIKE A SECTOR

Last year's *State of the Alberta Nonprofit Sector report* explored the concept of 'thinking like a sector', which encouraged individual organizations to leverage systems-level thinking to benefit themselves and the sector as a whole. This year, nonprofit leaders have embraced this notion and have expressed a readiness to move the concept forward by 'acting like a sector'.

**“ There is a willingness to come together and act like a sector  
– an ability to think outside of our own organizations. ”**

## Collaborations Within the Sector

Collaboration is the process of two or more organizations intentionally working together to achieve a common goal. Nonprofit leaders have noted an increased expectation within the sector to work together and learn from one another. This year, and in previous years, nonprofits across Alberta show great confidence in their ability to work collaboratively across the sector [see figure 4].

FIGURE 4

### Nonprofits intentionally working with other nonprofits



It is interesting to note that organizations choosing to collaborate tend to engage several partners at a time. This finding suggests that collaboration may be a mindset, and those who adopt it might be more willing to repeat the experience with other partners. A great challenge to the sector however, is its size and diversity. It is difficult to coordinate voices, let alone come to some form of consensus around issues.

### When asked about the pros and cons of collaboration, nonprofit leaders cited:

#### Incentives

- sharing of common values
- potential for greater impact
- leverage (exposure, cost savings, credibility, etc.)

#### Disincentives

- drain on and lack of resources
- narrow mandates
- competition for funding

## COALITIONS

The impetus to collaborate often arises when there is a real and pressing reason for organizations to come together around a common cause. Coalitions are a form of collaboration where organizations agree to act together in the common interest on a particular issue. While the building of coalitions can take a considerable amount of time and resources, they benefit from information-sharing, diverse membership, pooling of resources and engaging unlikely allies.

Many organizations seek policy change through the formation of coalitions that can often accomplish goals more effectively than organizations working independently. Research studies show that individuals representing nonprofit coalitions have greater access to government staff and elected officials, and are often considered more persuasive than individuals representing nonprofits separately.<sup>24</sup>

**Alberta is home to a wide range of nonprofit coalitions working across different regions of the province, examples include:**

- Alberta Association of Immigrant Serving Agencies
- Alberta Policy Coalition for Chronic Disease Prevention
- Align Association of Community Services
- Calgary Arts Development Authority
- Chartered Professionals in Human Resources
- Community Mental Health Action
- Red Deer Climate Leadership Lab
- Vulcan County Early Childhood Development Coalition

“

**"What motivates us is having the same goals and wanting to improve the community, and identifying which organizations are best to take the lead on things."**

”

# NONPROFIT ORGANIZATIONAL CAPACITY

## Growing Professional Workforce

Alberta nonprofits employ 450,000 people, totalling approximately \$18.4 billion on salaries and other compensation.<sup>25</sup> The nonprofit workforce is increasingly staffed by paid professionals holding specialized expertise and advanced education degrees.<sup>26</sup> It is becoming more common to find organizations engaging in strategic planning, independent financial audits, quantitative program evaluation, and nonprofit management education.<sup>27</sup> Increased professionalization of the sector has been linked to better quality of service, funding success, and credibility for organizations within the sector.<sup>28</sup>

However, increased professionalization is not the experience of the entire sector. Nonprofits range from informal volunteer-led groups to formal organizations with legal structures, resources and paid staff. While many nonprofits continue to rely on the support of volunteers to help achieve their missions, nonprofit leaders have noted that it has now become more challenging to recruit and retain volunteers and this finding is bolstered by a national trend in decreased volunteerism.<sup>29</sup> Reasons cited by nonprofit leaders in focus groups and interviews were related to individuals' loss of 'volunteer spirit', lack of time, and financial pressure.

## Measures of Organizational Health

In preparation for last year's *State of the Alberta Nonprofit Sector* report, we asked nonprofit leaders to rate their organization's adaptive capacity based on a number of characteristics. Adaptive capacity requires systems thinking, as well as the agility to anticipate, manage, and succeed in changing circumstances. It applies to individuals, organizations, and the sector as a whole. This year, we developed indicators in order to gain insights into specific areas of organizational health.

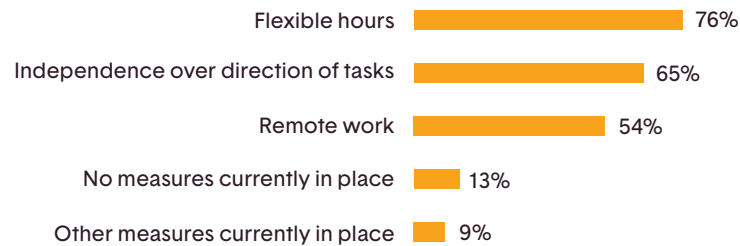
Respondents to the survey indicated that their organizations appear to be operating ahead of the curve in areas of flexible work, strategic planning, and board diversity. On the other hand, they showed less strength in the areas of technology and succession planning.

## FLEXIBLE WORK

Respondents to the survey cited flexible hours and independence over direction of tasks as the most frequently used measures to create a flexible work environment [see figure 5]. Organizations have much to gain from offering flexible work environments to their staff, as increased feelings of personal control over work environment and flexibility can lead to reduced turnover of valued staff along with greater job satisfaction.<sup>30</sup> In a world where nonprofits struggle to compete with private and public sector compensation, flexible work arrangements are considered a desirable workplace quality that can help attract and retain talent for an organization.

FIGURE 5

### Measures used by nonprofits to create a flexible work environment

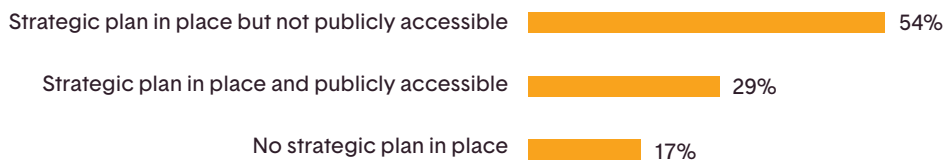


## STRATEGIC PLANNING

Strategic planning can help a nonprofit manage internal and external relationships while improving decision-making processes and ensuring appropriate mechanisms are in place to respond to change. A majority of survey respondents reported having a written strategic plan in place, although, it is not always publicly accessible [see figure 6]. Nonprofits that share their strategic planning documents publicly can be viewed as more transparent and accountable, which can attract more interest and funding to an organization.<sup>31</sup>

FIGURE 6

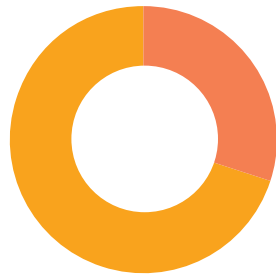
### Nonprofits with a written strategic plan



We have also noted that respondents who report having a strategic plan are more likely to have intentionally collaborated with other organizations. This finding is not surprising given that attention to strategic planning has been linked to less insular thinking and more active collaboration with other organizations.<sup>32</sup>

## BOARD DIVERSITY

The most successful nonprofit boards of directors are thoughtfully composed of individuals with diverse backgrounds, skill sets and leadership styles. Nonprofit leaders in focus groups and interviews have confirmed a shift in the expectation that boards will be more diverse and representative (e.g. gender, ethnicity, age, etc...) of the communities that they serve.

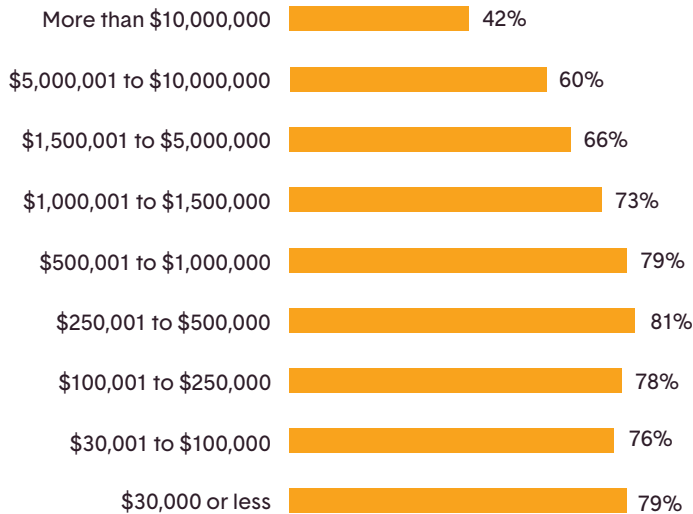


**FIGURE 7**  
**Boards that have at least 50% of directors who identify as female**

● Yes [70%]  
● No [30%]

While it appears that many survey respondents have achieved gender equity in their organizations' board appointments [see figure 7], it is important to note that organizations with higher operating revenues tend to have fewer females at the board level [see figure 8]. This trend is validated by a recent U.S. study showing fewer females appointed at the nonprofit board level as organizational budget size increases.<sup>33</sup>

**FIGURE 8**  
**Boards that have at least 50% of directors who identify as female**  
(by operating budget)



While board gender diversity is an area in which nonprofits tend to show progressive leadership, relative to other sectors,<sup>34</sup> there is still much work to be done to ensure that nonprofit board composition is more ethnically diverse.<sup>35</sup>



## TECHNOLOGY STRATEGY

A technology strategy is an important indicator of an organization's ability to adapt to the future and keep up-to-speed with technological changes. Most survey respondents did not have within their organizations an explicit strategy to advance current or future use of technology [see figure 9]. This reality is not unique to Alberta nonprofits. A recent study in the U.K shows that the pace of digital change within the charitable sector is slow and in some cases on the decline.<sup>36</sup> However, not all nonprofits experience the digital divide equally. We heard from focus groups and interviews that a divide exists among nonprofits, with some organizations struggling to access even the basics such as broadband or mobile coverage in their areas.

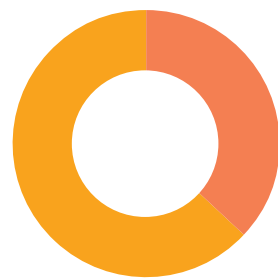


FIGURE 9

### Nonprofits with an explicit technology strategy



Adopting new technologies, such as creating a new website or having an online donation form, is different from adopting a technology strategy. A strategy is a holistic and intentional approach to integrating technology into an organization and requires a mindset shift both within nonprofit organizations and by those who support them in the public and private sectors.

**“ I come from a rural community where many don't even have high-speed internet. ”**

## SUCCESSION PLANNING

The presence of a formal succession plan is a characteristic of organizations that have recognized the key role that smooth transitions play in the sustainability of an organization. Succession planning is not always a priority for organizations [see figure 10] that struggle with securing the necessary time and resources to plan ahead. The reality is that nonprofits that do not plan appropriately for the departure of key staff or board members, leave themselves vulnerable to unstable conditions.



FIGURE 10

### Nonprofits with a formal succession plan



A succession plan, which involves among other things, equipping emerging leaders with the resources needed to succeed, is critical to the health of an organization. Being deliberative and having a plan in place can help a nonprofit weather the inevitable challenges of leadership transition.<sup>37</sup>

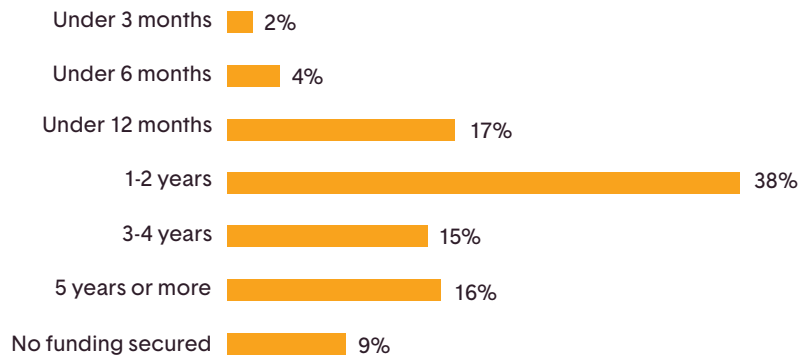
# FUNDING TRENDS AND ASPIRATIONS

## Shifting Funding Trends

Survey respondents rely on three core sources of revenue: donations, earned income and government funding. However, the traditional donor base is shrinking,<sup>38</sup> many nonprofits are still unclear on how, or if, they should engage in generating earned income, and all orders of government are currently facing significant fiscal challenges. These realities have left many organizations struggling as they endure fluctuating economic conditions and often compete for a smaller pot of available funds.

FIGURE 11

### Nonprofits with secured funding for core services



There is no standard revenue mix or one-size-fits-all formula that can lift an organization into financial stability. Even nonprofits with diverse funding are not recession proof and can find themselves vulnerable in times of economic uncertainty. One thing is for certain: the lack of long-term secured funding seriously hinders a nonprofit's ability to realize its mission and plan for the future in a strategic and meaningful way [see figure 11].

## Aspirations

### FLEXIBLE, NON-PROGRAMMATIC, LONGER-TERM FUNDING

Respondents to the survey, validated by focus groups and interview participants, identified a continued need for access to flexible, non-programmatic and longer-term funding from all funders, including governments. At the provincial level, the UCP's policy platform promised to move to five-year funding agreements if and where possible. At the federal level, the recent Special Senate Committee on the Charitable Sector (CSSB) report recommends "that grants and contribution agreements cover a minimum of two years, renewable as appropriate..."<sup>39</sup> In order to encourage government action in this area, nonprofits must understand and communicate clearly to stakeholders and funders their full cost of doing business, and how this allows them to achieve desired results. This financial transparency is supported by the CSSB recommendation that asks federal departments and agencies to compensate full administrative costs associated with nonprofits delivering services funded by government transfers.<sup>40</sup>

## SIMPLIFIED FEDERAL GRANT PROCESSES

While survey respondents indicated receiving most government funding from municipal and provincial sources, we learned from our focus groups and interview participants that those who rely on federal funding experience complex grant application and reporting requirements. Further analysis shows that survey respondents with smaller operating budgets are less likely to have federal government funding as a source of revenue compared to nonprofits with larger operating budgets.

These findings support the fact that smaller nonprofits in particular, face hurdles in tackling complex grant applications and reporting requirements, which consume time and resources that they cannot afford, creating unequal access to opportunities. For this reason, the CSSB report recommends “that the level of information required for both application and reporting on...agreements be commensurate with the level of funding, minimizing complexity for smaller amounts.”<sup>41</sup>

## EARNED INCOME

The most recent data from Statistics Canada indicate that nonprofits receive 42% of revenue from earned income,<sup>42</sup> which includes income received for sales and services, covering expenses that might otherwise be incurred by government. Some organizations are shifting their business models and turning to earned income to help sustain their work. Nonetheless, current limitations on registered charities makes it difficult to engage in revenue generation.<sup>43</sup> As a result, the CSSB report has asked for “greater clarity on permissible revenue generation activities for registered charities...”.

In addition to providing greater clarity, registered charities might also benefit from a “pilot project to assess viability of granting registered charities greater latitude in undertaking revenue-generating activities...”. While these Senate recommendations are encouraging for those interested in exploring this area, income generating options are not necessarily the appropriate route for every organization - this requires organizational capacity and expertise to be thoughtfully executed.

“

**"We've been around since 1974, we are now finally getting into three-year funding models. Collective voice and collective impact are what caused the shift."**

”

# THE FUTURE NONPROFIT SECTOR

Imagine a civil society where all nonprofits accept and embrace the role of public policy advocacy as part of fulfilling their mission.

In the context of the politically charged and often hyper-polarized environment in which we find ourselves today, nonprofits may be tempted by two options: withdraw entirely from engaging in policy advocacy to avoid perceptions of partisanship; or engage in policy advocacy that aligns with the political rhetoric, from the government and the opposition, in order to make gains.

**It is vital that the sector engage more deliberately and boldly in policy advocacy, standing on the strengths of knowledge, expertise, and experience.**

It is vital that the sector resists both of these options and instead, engage more deliberately and boldly in policy advocacy, standing on the strengths of knowledge, expertise, and experience.

Nonprofits are committed problem-solvers that rely on evidence to help inform valuable input into the policy issues facing Alberta. The sector has the size and influence required to allow itself greater ambition in claiming its role in civic space. Nonprofits simply cannot allow nonpartisan issues to become partisan, and we are risking that very outcome by staying silent, or, by giving way to partisan talking points on issues that nonprofit organizations know better than anyone else.

As communities and citizens look to nonprofits to champion and represent causes, organizations will need to get off the sidelines and in the game in order to stay relevant and true to the people that they serve. In fact, nonprofits risk losing public trust when they remain silent on important issues.<sup>44</sup> The expectations on the sector to demonstrate outcomes are high, and nonprofits must work harder than ever to maintain trust.

While nonprofits cannot control economic fluctuations, government funding cuts or the demand on programs and services, they can control how they adapt through bigger-picture thinking, strategic decision-making and collaboration.

**“ I believe in the resilience of the people who have been working on the same issues and never give up. I want to change that to stronger advocacy. ”**

As nonprofits engage more actively in policy advocacy, the sector can move from filling in gaps, to creating solutions that improve social, economic, and environmental outcomes for all Albertans. Consultation and partnership with nonprofits will not be seen by other sectors as a “box-ticking” exercise, but rather, an authentic engagement with true partners in public policy development. Efforts to bring positive economic and social change to Alberta will include the necessary government tools alongside the strength and will of a strong civil society.

Nonprofits bring into the fold voices often unheard without the sector's expertise, constructive criticism and dissent, which ultimately builds a more civil and inclusive society. In order to realize this future state, nonprofits will need to assume their position in society and then find a balance between advocating for their individual organization's interests, and supporting common sets of priorities that move the sector and the province forward.

# ABOUT THE REPORT

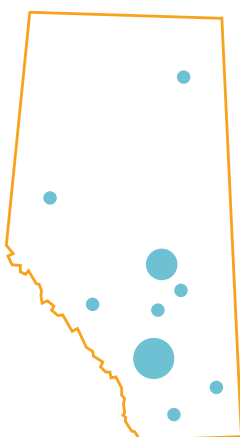
This report is based on findings from the 2019 Alberta Nonprofit Survey, conducted by CCVO, qualitative data collected in focus groups and interviews with nonprofit leaders from across the province, and supplemental references. The 2019 Alberta Nonprofit Survey was completed by 561 nonprofit organizations from across Alberta.

CCVO conducted nine focus groups with three in Calgary, two in Edmonton, and one in each of the following locations: Lethbridge, Grande Prairie, Red Deer and St. Paul; as well as 10 key informant interviews with nonprofit sector leaders in smaller cities and in rural centres across the province. Focus groups and interview participants represent the diversity of the sector in size and subsector composition (e.g. arts, environment, fundraising, education, etc.).

The survey is not considered to be representative of the sector as a whole. Note that the percentage values represent the percentage of respondents but are not reflective of the percentage of organizations across Alberta. Furthermore, given the sampling limitations, caution should be exercised in making year-over-year comparisons.

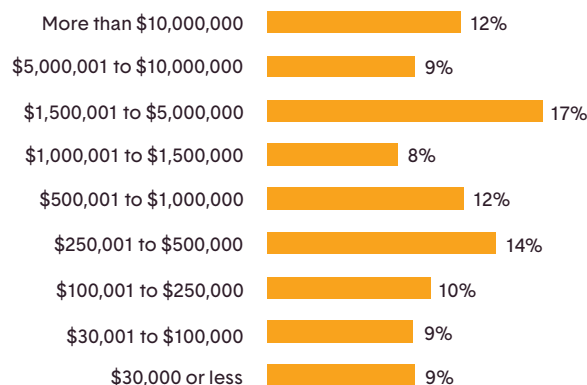
## Profile of Survey Respondents

### By geographical region



Calgary and Area:	44%
Edmonton and Area:	23%
Multi-Region or Province-Wide:	16%
Fort McMurray, Wood Buffalo, Cold Lake and Area:	4%
Lethbridge and Area:	4%
Red Deer and Area:	3%
Grande Prairie, Athabasca and Area:	2%
Camrose, Drumheller and Area:	2%
Medicine Hat and Area:	1%
Banff, Jasper, Rocky Mountain House and Area:	1%

### By operating budget



### PRIMARY ROLE AT ORGANIZATION

Board member	11%
CEO or executive director	48%
Manager	17%
Other staff member	13%
Vice-president or director	10%
Volunteer	1%

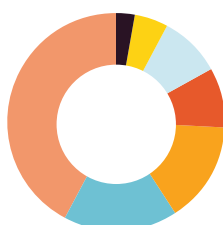
### NUMBER OF PAID STAFF

Less than 1	7%
1	7%
2-5	21%
6-9	10%
10-24	14%
25-49	10%
50-99	7%
100-199	7%
200 or more	6%
No paid staff	11%

### SUBSECTOR REPRESENTATION

Arts and Culture	8%	International	1%
Business, Professional Associations, and Unions	1%	Law, Advocacy, and Politics	2%
Development	6%	Religion	1%
Education and Research	6%	Social Services	37%
Environment	4%	Sports and Recreation	8%
Fundraising and Volunteerism	4%	Other	11%
Health	9%		
Housing	2%		

## Profile of Focus Group and Interview Participants



### By geographical region

Calgary [42%]	St. Paul [9%]
Edmonton [16%]	Grande Prairie [5%]
Rural [16%]	Red Deer [3%]
Lethbridge [9%]	

### TYPE OF PARTICIPATION

Focus groups	58%
Teleconference	27%
Interviews	15%

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*In the spirit of our efforts to promote reconciliation, we acknowledge the traditional territories in Alberta of the many First Nations, Métis, and Inuit whose footsteps have marked these lands for centuries.*