

Profile of Sector

Non-Profit Organizations

What is a “non-profit organization?”

The term “non-profit organization” (NPO) is used in the Canadian Income Tax Act to distinguish the sector from for-profit business organizations for tax purposes.ⁱ

NPOs may have paid staff and engage in activities that result in income or profit, but by definition, they cannot pass those profits on to directors or members of the organization.

There are several categories of NPOs, but this fact sheet focuses on community non-profit organizations, and does not include statistics and figures for government non-profits, such as hospitals and universities, or business non-profits, such as strata or professional associations.

The City of Vancouver’s relationship with NPOs, including its policies, partnerships and funding, focuses on NPOs that create community benefits. As a result, this profile highlights the community non-profit sector that includes organizations with all of the following characteristics. They:

- Operate for the public good, not private gain;
- Reinvest and retain assets in the public domain for the public good;
- Demonstrate the value of care and service to others as a core value of their work;
- Help drive the economic strength and stability of communities; and,
- Play an active role in public policy by channeling community voices, influencing policy, and ensuring accountability among decision-makers.² This includes promoting equity of opportunities/outcomes through civic participation.

The Canadian Model

Non-profit organizations exist across a wide range of sectors and occupy all types of job space. They play an essential role in providing services to individuals, families and communities, and support many aspects of inclusive economic growth, social welfare and civic life.

In Canada, all three levels of government recognize this importance by directly funding non-profit organizations to deliver services, and compensate NPOs for doing so through grant and contribution agreements. In the social service sector, Government/public sector funding accounts for about 50% of revenue for social service non-profits, and 27% of revenue for arts and cultural NPOsⁱⁱ, which reflects a uniquely Canadian model.

Limits to Empirical Data

The City of Vancouver’s key cultural, social and housing policies recognize that arts, cultural, housing and social service organizations are vital to the city’s identity, quality of life and economic prosperity.ⁱⁱⁱ However, statistical data about the NPO sector is limited, and traditional economic measures such as compensation, GDP, and jobs do not account for the total public benefit of the non-profit sector. As a result, this profile sources a broad range of information to provide an outline of the non-profit sector in the local economy.

ⁱThis broad term includes charities registered with Revenue Canada, as well as societies registered under the BC Societies Act.

ⁱⁱNote that this figure does not include the GDP of art, culture and music production generated outside of not-for-profit organizations.

Diversity of Organizations

The non-profit sector includes many types and sizes of organizations and services. The social service sub-sector includes service agencies which offer childcare, newcomer settlement services, senior support groups, women, Indigenous people and persons with disabilities serving groups and community-based food programs. There are also large multi-service agencies such as neighbourhood houses offering a number of services on one site. Similarly, arts and cultural non-profits include a range of sizes and a range of disciplines; from dance to literary production, community festivals to visual arts, and each occupy a variety of job space.

Economic Impact

Provincially, in 2016 community non-profits contributed \$6.4B GDP^{3c} to the economy and account for 117,131 jobs⁴ with an average annual compensation per worker of \$42,500².^{3a}

TABLE 1. ECONOMIC VALUE OF THE NON-PROFIT SECTOR AS COMPARED TO OTHER INDUSTRIES IN BC

Industry	Total GDP (\$ Billions)*
Utilities	\$5.4B
Agriculture, forestry, fishing and hunting	\$5.9B
Non-Profit Sector ¹	\$6.4B
Mining, quarrying, and oil and gas extractions	\$7.1B
Accommodation and food services	\$7.8B
Information and communication technology	\$10.1B
Retail and Trade	\$14.5B

*Source: Government of B.C., B.C. GDP by industry dollars current 2007- 2016; Statistics Canada. Table 36-10-0614-01: Gross domestic product (GDP) and income of non-profit institutions by activity (x1,000,000).

Employment

Most recent available data indicates there were 3004 charitable non-profits in the Vancouver Region with more than one paid staff position. The table below indicates the economic value of that total employment.

TABLE 2. NON-PROFIT SECTOR JOBS IN THE VANCOUVER REGION (2012 DATA)

Sub-sector	Total Jobs	Annual Total Wages
Social Services	24,540	\$748M
Arts and Culture	11,820	\$131M
Non-profit Housing	1,807	\$59M
Total NPO Sector Employment	76,886	\$2.17B

*Source: 2012 data

Note that this figure does not include the GDP of art, culture and music production generated outside of not-for-profit organizations.

Employment data shows that this workforce is heavily reliant on part-time workers, which means a large part of the NPO workforce experiences precarious work. Mirroring other economic sectors, the total number of contract workers is also on the rise in the NPO sector.²⁰

TABLE 3. CHARACTERISTICS OF THE NPO WORKFORCE⁴

Sector	Employed Part-Time	Employed Full-Time
Arts and Culture	84%	16%
Social Services	54%	42%
NPO Housing	49%	41%

*Source: 2012 data

Workforce Profile⁴

2/3 of BC's total charitable paid workforce is located in the Vancouver region, making Vancouver the central hub of activity for this sector.

Women make up three-quarters (74%) of the non-profit work force, and this number is even higher (81%) in the social service field. These figures are in significant contrast to the overall 48% participation rate of women in BC's general labour force.²¹

However despite the high proportion of women, men are over-represented in senior leadership roles, and a higher concentration of men can be found in unionized organizations, which typically have better pay and benefits and more stable working conditions. The sector's workforce is also considered very educated: 45% are university educated (compared to 30% of the general BC population²³) with 22% also holding professional credentials.

Non-Profit Sector Wages

Despite educational attainment, the non-profit workforce is not well compensated. Workers in typically caring-oriented fields, such as childcare, or in racialized environments, such as settlement or Indigenous organizations, make less than their counterparts.

Average annual compensation per full-time non-profit worker is \$42,500.² Vancouver artists make up 2.4% of the labour force, and Vancouver has the highest concentration of artists per capita of major cities, yet the majority of artists live under the poverty line. 63% of artists report an income of less than \$40,000 per year, and the median income of Vancouver artists is \$22,116.²⁴

While there is no concrete research about the place of residence of the non-profit workforce, statistics about Vancouver's housing sector indicate that workers earning these low wages would have great difficulty remaining housed within City limits.

Also, while there is a gap in recent data about the actual growth of services and service providers in British Columbia, we know that there are many changing demographic factors that will lead to an increase in the need for services.

Factors Leading to Increased Demand for Services in the Social Service sub-sector²⁵:

- Vancouver has the highest gap between top and bottom incomes of large cities in Canada
- City population will increase 22% in next 10 years leading to an increased pressure on services
- Individual cases are becoming more complex: intersections between mental health, substance use, opioid crisis
- Demographics are changing – Vancouver has an aging population, there is an increase in people precariously housed, and the last homeless count found that the number of seniors experiencing homelessness is growing.
- The low income rate in the City of Vancouver is higher than for the region for all age groups except children under 6 (In Vancouver, 17% of children 0-5 are low income, 21% of children 6-17 are low income).
- The rate of homelessness increased by 2%, and Indigenous people are over-represented among those experiencing homelessness.

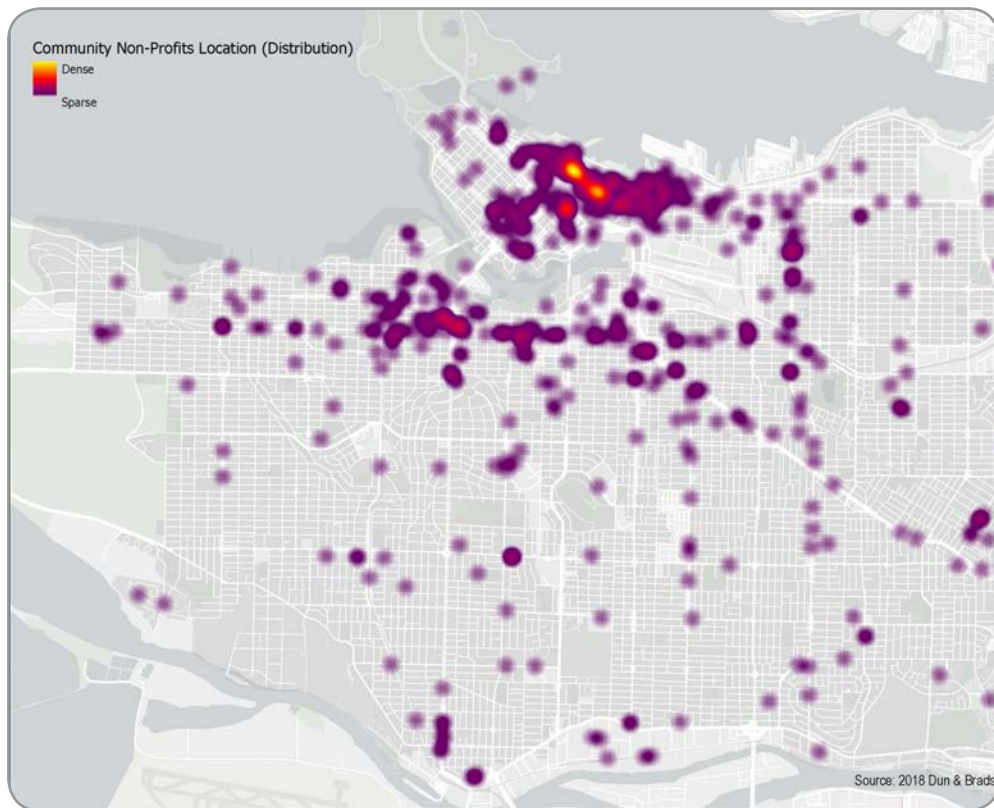
Strong Demand for Arts and Cultural Organizations?²⁶

- According to recent research about audience behaviour in this country, Canadians value cultural experiences that ultimately nurture belonging, empathy and perspective.
- Vancouverites attend museums, performances and festivals at a higher rate than audiences in any other Canadian city, and also appear to be more adventurous in their cultural consumption than their counterparts in Toronto and Montreal.

Non-Profit Sector Space Characteristics and Needs²⁷

- NPOs are located along arterials or higher access transit corridors, and proximity to clients is an important locating factor. While the above map shows that NPO offices are concentrated Downtown, many NPOs provide city-wide services and some have more than one location.
- The top 2 space needs are office space and community facilities, but meeting rooms and flex/multi-purpose spaces are less accessible but frequently sought.
- NPOs typically occupy small unit spaces (250-5,000 sq.ft.)
- Most are renters or lease on short-term agreements.
- Arts and Cultural NPOs need a unique mix of studio, rehearsal and production space, and often struggle to find affordable space in industrial areas as other uses compete for limited space and drive up lease rates.
- 76% of NPOs do not provide services because of existing space constraints.
- Increased demand for spaces through real estate pressure has resulted in increased land values and displacement of arts and cultural activities.

FIGURE 1. DISTRIBUTION OF NON-PROFIT OFFICE SPACE IN VANCOUVER



Non-Profit Organizations build Social Capital through Volunteer Engagement

- There is a large amount of evidence that shows that the main factors that shape long term health are not biology or genetics, but the social, cultural and economic conditions in which people live.²⁸ Taken together, these factors are commonly called the social determinants of health. The unequal distribution of money, power, and access to resources produces health inequities - or the unfair and avoidable differences in levels of health we see within Vancouver's population.²⁹
- Research indicates that social isolation is a cause of poorer health outcomes.⁴¹
- In Vancouver, younger people (age 18-34), new immigrants and those in lower-income households experience greater social isolation than most people. These groups are also less likely to feel welcome in their own neighbourhoods.³⁰
- Newcomers and Indigenous people are more than two times more likely than the overall population to have a family income below the poverty line.³¹
- Compared to the Metro region, Vancouverites report lower personal emergency preparedness, higher food insecurity and a weaker sense of community belonging.³² In addition, across the city, women, lower-income residents, Indigenous residents and immigrants are significantly less likely to report having overall good access to services. The rate of good access is also lower in many eastern and southern neighbourhoods that also house large racialized and immigrant populations.³³
- These factors negatively impact community resiliency.

By contrast, it is well known that human connections and social inclusion have a positive impact on people's mental and physical health and wellbeing. Because of this, governments at the local level are urged to prioritize efforts to reduce social isolation.³⁴

Neighbourhood Houses³⁹

In a recent study of neighbourhood houses in Metro Vancouver, researchers found that "NHs have actively nurtured volunteerism among their service recipients and local residents, many of whom are recent immigrants."

It was found that the Houses provided community members with opportunities for engagement along a trajectory: they received services, then often gave back through volunteering, and then in many cases, moved their way up through the houses by actually gaining employment there.

"Through volunteering in Vancouver's Neighbourhood Houses, individuals discovered, nurtured and converted their gifts and skills into resources to reciprocally serve their own community," which is a rich example of how NPOs nurture social capital.

Volunteering in the Arts in British Columbia⁴⁰

- The rate of arts and culture volunteerism is highest in British Columbia and Alberta of all the Canadian provinces.
- While 94% of arts and cultural volunteers wanted to make a contribution to their community, 60% of those also volunteered to improve their sense of well-being or health.
- The Arts and Culture volunteers in this study also showed the deeply social nature of volunteering: 63% of volunteers reported giving their time alongside friends, neighbours or colleagues.

The City of Vancouver responds to this “loneliness crisis” in many ways, including working closely with hundreds of Vancouver-based non-profit organizations. Non-profits are recognized as essential in helping communities build social capital, which is the civic engagement of people in their communities. Through programs, services, cultural offerings and supports, NPOs provide opportunities for people to actively participate in community, and increase social trust, reciprocity and a sense of belonging.

NPOs also generate social capital through concrete and meaningful volunteering opportunities.

TABLE 1. ECONOMIC VALUE OF THE NON-PROFIT SECTOR AS COMPARED TO OTHER INDUSTRIES IN BC

Statistic	Description
93%	Percentage of Canadians who associate volunteering with non-profit organizations. ³⁵ NPOs provide Canadians with the main source of formal volunteering opportunities. ¹
1.96 billion hours	Total number of hours that Canadians volunteered in 2013, which was equivalent to 1 million full-time jobs. ³⁶ In BC, this was the equivalent of 146,771 full time jobs (or 281.8 million volunteer hours). ^{5b}
\$6 billion dollars	The annual economic value of volunteering in British Columbia. ^{5a}
62%	Percentage of British Columbians who volunteered over the past year. ³⁷ Statistical reports show that Canadian volunteers are overwhelmingly motivated to volunteer by a belief in giving back to society. ³⁸

¹86% of NPOs reported using volunteers

There are many pressures facing this important sector. The Canadian model of non-profit funding does not make it easy for NPOs to increase wages or for NPOs to keep up with rising costs of rent, leaving the sector vulnerable to displacement as a result of changing real estate market forces within Vancouver.

As described in Making Space for Arts and Culture, the City of Vancouver’s Cultural Infrastructure Plan, and echoed in Vancouver’s Social Infrastructure Plan currently in development, it is in our best interest as a city to keep non-profit sector workers and services within the City of Vancouver in order to enable our communities to thrive. As a result, this sector requires consideration when it comes to planning for job space and services within our city.

Examples of City supports

- Nominal leases to 36 childcare, 80 cultural, 37 social and over 200 housing non-profit organizations
- Grants and partnerships for infrastructure projects to plan, buy, build and renovate projects for the creation of non-profit social, cultural and housing spaces.
- Operating grant support for social organizations in 2019: \$9.3m and operating grant support for cultural organizations in 2019: \$14m
- Planning and policy work within the Arts, Culture and Community Services Department to integrate culture, social, childcare and housing priorities into City initiatives, including the provision non-profit administrative and direct service space.

Data Sources

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² Adapted from: The Ontario Nonprofit Network, Introducing the 'Public Benefit Nonprofit sector'; How a new identity can better serve communities, 2017.

³ Statistics Canada, Provincial and territorial economic accounts, 2016; Statistics Canada Non-profit institutions and volunteering: economic contribution, 2017

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^{3b} Statistics Canada, Table 36-10-0617-01 Employment in non-profit institutions by sub-sector (x 1,000), 2017

^{3c} Statistics Canada, Table 36-10-0614-01 Gross domestic product (GDP) and income of non-profit institutions by activity (x 1,000,000), 2017

⁴ Ference Weicker & Co., Characteristics of the Labour Market in BC's Non-Profit Sector, 2014

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^{5b} Statistics Canada, Table 45-10-0012-01. Volunteer rate and average annual volunteer hours, by age group.

⁶ Imagine Canada, 30 years of giving, 2018

⁷ BC Stats, Issue 19-24 Charitable Donations, 2019

⁸ Insights West, 2017 BC Charitable Giving Report, 2017

⁹ Dun & BradStreet, 2018 Business Survey, 2018. Filtered on 4-digit NAICS codes 8132, 8133, and 8134 as a representative of the non-profit sector as defined in the first section.

¹⁰ Real Estate Institute of British Columbia (REIBC) and the Social Purpose Real Estate Collaborative (SPRE). Social Purpose Real Estate: RENT – LEASE – OWN: Understanding the Real Estate Challenges Affecting the Not-For-Profit, Social Purpose and Cultural Sectors in Metro Vancouver, 2013

¹¹ Colliers, 2019 Q3 Office Market Report, 2019

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¹⁶ Eastside Culture Crawl Society, A City without Art, 2019

¹⁷ New Directions, Survey of Non-Profit Organizations & Voluntary Associations in BC Report, 2015

¹⁸ Social Policy and Cultural Services grant reporting Data 2019

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²⁰ University of Toronto School of Public Policy/The Mowat Centre's Not-for-Profit Research Hub, Change Work: Valuing decent work in the not-for-profit sector. 2015.

²¹ <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410001801&picMembers%5B0%5D=1.11&pickMembers%5B1%5D=2.2>, using 2014 data.

²² Community Social Services Employers' Association of BC, 2017 SCCA Sector HR Metrics Report, Lower Mainland Regional Report. March, 2018 and Ontario Non-Profit Network, Decent Work for Women, 2017.

²³ <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/hlt-fst/edu-sco/Table.cfm?Lang=E&T=11&Geo=00&View=2&Age=2>

²⁴ City of Vancouver, Making Space for Arts and Culture; Draft Vancouver Cultural Infrastructure Plan. 2019.

²⁵ Sources: Healthy City Strategy, City of Vancouver, 2015, Vancouver Housing Strategy, City of Vancouver, 2018, Social Indicators Report, City of Vancouver, 2019, City of Vancouver Homeless Count Staff Presentation, 2019.

²⁶ Nanos, Culture Track, <http://www.businessandarts.org/wp-content/uploads/2018/07/CT-Canada-Report.pdf>

²⁷ City Spaces/Social Purpose Real Estate, Rent-Lease-Own: Understanding the real estate challenges affecting the not-for-profit, social purpose and cultural sectors in Metro Vancouver, 2013, and City of Vancouver, Draft Engagement Summary Report; City of Vancouver Social Infrastructure Plan, 2017.

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²⁹ Vancouver Coastal Health, A Health and Social Profile; Vancouver City-wide Summary, 2013, Page 20.

³⁰ Vancouver Foundation, Connect & Engage, a survey of Metro Vancouver, 2017.

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³⁷ Vancouver Foundation, Vital Signs 2019: A Snapshot of Community Participation in BC, Page 7.

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³⁹ M. Yan, S. Lauer, P. Riano-Alcala, Incorporating individual community assets in neighbourhood houses: Beyond the community-building tradition of settlement houses. International Social Work, 1-15, 2016.

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⁴¹ See the University of Chicago's Centre for Cognitive and Social Neuroscience, plus the article Social isolation and loneliness: relationships with cognitive function during 4 years of follow-up in the English Longitudinal Study of Ageing which definitively found that Loneliness and isolation are associated with poorer cognitive function among older adults