

COVID-19: State of the Ontario Nonprofit Sector One Year Later

July 2021



2021 ONN State of the Ontario Nonprofit Sector Survey Summary

In spring 2021, the [Ontario Nonprofit Network \(ONN\)](#) and [l'Assemblée de la Francophonie de l'Ontario \(l'AFO\)](#) engaged nonprofit [Community Researchers](#) to conduct a bilingual survey of Ontario nonprofits. The focus was on the experiences of nonprofits during the pandemic and, in particular, the state of their operations in 2020-21, along with the adequacy of governmental relief measures to support nonprofits during the emergency. This followed a [previous survey](#) conducted by ONN and l'AFO in spring 2020.

Responses reveal much about the dedicated efforts nonprofits have made to continue serving communities, the fragmented and inadequate government measures to respond to the COVID-19 crisis, and the work ahead as Ontario transitions into a recovery.

The survey was open to all nonprofits in Ontario, including charities, nonprofit cooperatives and grassroots groups, with a mission to serve a public benefit. It was conducted between May 17-June 4, 2021 and received 2,983 responses. The [survey technical report](#) includes all data cross tabulated by region, sector, size, and language of operation. [De-identified data sets](#) are publicly available on the ONN website.

Key findings and insights



KEY FINDING: Almost two-thirds of nonprofits reported an increase in demand for programs and services. At the same time, half reported pandemic-related losses in revenue.

INSIGHT: The sector is facing a financial crunch like never before. Even after taking into account existing relief programs, one-third of nonprofits were projecting pandemic-related losses in 2020-21 to exceed \$100,000, with five per cent projecting losses to exceed \$500,000.



KEY FINDING: Only a minority of nonprofits were supported by government emergency relief measures. The lion's share of support continued to flow from the federal government, notably through the Canada Emergency Wage Subsidy (CEWS), received by 37 per cent of organizations, and the Emergency Community Support Fund, received by 23 per cent of organizations.

INSIGHT: Smaller organizations and those without paid staff have been left to their own devices while larger nonprofits benefited from programs geared to employers in all sectors (like the CEWS) or targeted funds for arts and social services. With federal supports winding down over the summer and no new relief in sight, the transition to recovery will be difficult for the sector and will have a noticeable impact on communities.



KEY FINDING: The Ontario government's flagship support program for small employers, the Small Business Support Grant, was accessed by only one in twenty nonprofits.

INSIGHT: This is no surprise given that public communications about the grant failed to mention nonprofits as eligible alongside businesses. Unlike federal relief measures that clearly targeted both businesses and nonprofits in their communications, provincial supports for employers consistently left nonprofits out of messaging. The Small Business Support Grant was also capped at \$20,000 in 2020-21, leaving a big gap for nonprofits facing larger losses (one additional round of \$10,000 to \$20,000 was budgeted for 2021-22).



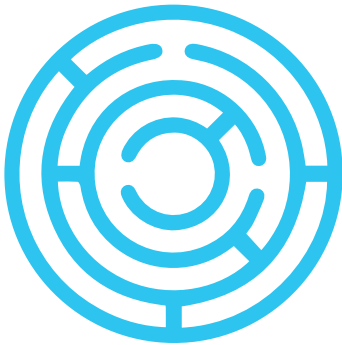
KEY FINDING: Almost seven out of ten nonprofits did not receive any provincial supports geared toward nonprofits (eight out of ten smaller-budget organizations).

INSIGHT: Less than one in ten of the survey respondents benefited from the provincial fund intended to support nonprofits most generally, the Ontario Trillium Foundation's Resilient Communities Fund. Of the respondents who did apply for the Fund, only half received it. There is extraordinary pent-up demand for further relief and recovery support.



KEY FINDING: The majority of respondents did not take on loans for financial support. Despite the abrupt and unprecedented crisis of COVID-19, 65 per cent of respondents did not take on loans and another 13 per cent took a loan “just in case” but did not use it. Most nonprofits that did only took on between \$25,000 and \$100,000. Only two per cent took on over \$100,000. Another five per cent took on under \$25,000.

INSIGHT: Nonprofits remain risk-averse or under-served when it comes to loans. This will limit the take-up of “impact investing” that is intended to support increasing innovation and social enterprise in the sector. The barriers to loan financing - even in a crisis - has implications for the rollout of the forthcoming Social Finance Fund and more generally for innovation and enterprising activity in the sector.



KEY FINDING: Targeted funding supported Francophone nonprofits to be in a better position, though they still face challenges. Almost one in five received the Ontario government’s COVID-19 Relief Fund for Francophone nonprofits. Francophone nonprofits were also more likely than average to have accessed the Small Business Support Grant and the Regional Relief and Recovery Fund. Sixty per cent of Francophone organizations (compared to 47 per cent of Anglophone organizations) said the pandemic had no impact on their financial situation and more of them (49 per cent) were optimistic that the situation would improve for their organization over the next year (compared to 40 per cent for Anglophone organizations and 36 per cent of bilingual organizations).

INSIGHT: The relatively stable situation for Francophone nonprofits is no accident: aside from the CEWS, the Francophone sector received targeted funding, including FedDev Ontario’s Fonds d’aide et de relance pour entreprises et organismes francophones du Sud de l’Ontario, the Ontario Francophone Community Grants Program (transformed into a COVID-19 fund last year), and the first tranche of the provincial Fonds de secours pour les organismes but non-lucratif.



KEY FINDING: Nonprofits across different subsectors were affected differently by the pandemic. Seventy-seven per cent of social services organizations experienced increased demand, but only 36 per cent received the Emergency Community Support Fund. Thirty-two per cent of arts groups know organizations in their subsector that have folded, compared to 18 per cent of nonprofits overall. Thirty-four per cent of faith groups tapped into reserve funds to stay afloat, compared to 25 per cent of all nonprofits, though environmental groups were most likely to have spent more than 75 per cent of their reserves if they had to access them. Sports groups experienced the highest rate of staff layoffs at 33 per cent. International nonprofits were more than twice as likely (27 per cent) to expect their organization's situation to worsen in the next year as other nonprofits (12 per cent).

INSIGHT: Fragmented government aid programs that targeted some subsectors and not others likely contributed to the range of impacts. The lack of a sector - wide stabilization fund - advocated for by the sector - could mean an uneven recovery across the sector, making it especially challenging for those who were unable to access current government supports to continue to serve communities.





KEY FINDING: Hotspot regions in the GTA faced the greatest increase in demand for programs and services. Peel Region has the greatest proportion of nonprofits that saw an increase in demand for programs and services (79 per cent), while York Region nonprofits reported the greatest likelihood of having incurred increased costs related to the pandemic (77 per cent). Fifteen per cent of nonprofits in Eastern Ontario (excluding Ottawa) closed their doors temporarily, compared to 12 per cent across Ontario. Organizations in both Northern and Central Ontario fared slightly worse than organizations in the GTA and Southwestern Ontario in terms of financial support received from both federal and provincial governments.

INSIGHT: The nonprofit sector is diverse and facing different challenges in different regions. While relief measures targeted to hotspots went some way to help nonprofits meet increased demand for services, sector-wide relief funds would ensure nonprofits could meet a variety of pandemic-related challenges, whether operational pressures, fundraising losses, or taking on new programs and services as other organizations close.



KEY FINDING: Nonprofits lost a massive number of volunteers during the crisis. Sixty-one per cent of nonprofits have lost volunteers since the beginning of the pandemic, with the largest impact seen by faith groups, hospitals/universities/colleges, arts, and sports groups.

INSIGHT: It will take time to rebuild these volunteer connections which are vital to nonprofit programs, services, and connection to communities. There will need to be a sector-wide dialogue to address this volunteering crisis and create a provincial strategy that includes both volunteer-run organizations and nonprofits that rely heavily on volunteers to serve their communities.

In the sector's own words



The pandemic impacts women and BIPOC peoples [Black, Indigenous, and People of Colour] yet there was no gender-based analysis or equitable lens applied to funding decisions or the programs that were being funded. This meant funds didn't go where they were/are needed the most.

**HEALTH NONPROFIT,
PEEL REGION**



The pandemic has shone a spotlight on severe, systemic inequalities that create the conditions that charities and nonprofits are in an uphill battle to address. Governments building back from COVID need to put in place policies that will protect and support the wellbeing of the population . . . I hope the nonprofit sector can emerge with a louder, unified voice in solidarity with our communities, and in support of policies that can more positively impact all of our lives.

**GRANTMAKING, FUNDRAISING
AND VOLUNTEERISM SECTOR
NONPROFIT, TORONTO**



Good access to broadband internet has proved to be the biggest barrier to maintaining engagement and participation.

**ARTS, CULTURE, HERITAGE,
AND TOURISM SECTOR
NONPROFIT, EASTERN
ONTARIO**



It would be useful to provide nonprofits with information regarding grants and opportunities for funding. It's hard to know what is available. All our boards are volunteers, it is hard for an average person to know where to even begin to look for grants. It has been a big enough job to just stay up to date on protocols and required expectations. We could really use some of these funds.

**SPORTS AND RECREATION
SECTOR NONPROFIT,
SOUTHWESTERN ONTARIO**



The not-for-profit sector needs a dedicated and specific response and recovery plan, not a plan for business that not-for-profits are added to as an afterthought. Just like small business and many other sectors, we need a 'home' in both the provincial and federal government.

**HEALTH NONPROFIT,
TORONTO**



Community recovery and rebuilding

Ontario nonprofits have tackled the COVID-19 crisis with their characteristic determination and optimism. There are many remarkable stories of what nonprofits have been doing to continue serving communities through the pandemic.

Over the past year we have seen the sector innovate with live virtual concerts to keep us connected to music, repurposing kitchens for mobile food programs, telephone trees to reach isolated seniors, a socially distanced art festival, pre-loaded phones with wellness supports for Indigenous youth, and much more. Nonprofits have supported the community rollout of vaccinations across Ontario, providing safe and accessible spaces. They have done all of this through creative solutions, grassroots connections, and on-the-ground knowledge.

The contribution by nonprofits is not only their positive social, cultural, and environmental impacts, but also their economic impact on local communities - as employers, as purchasers, as providers of essential services that, in many cases, save governments money down the road and come with a low-carbon cost. This has never been more true than in a crisis and recovery.

The nonprofit sector is still standing and organizations have demonstrated their resilience. However, the sector needs support in order to recover and meet increased needs of communities. This cannot be achieved solely by fundraising efforts or reliance on program and service fees.

As the prospect of a long and slow economic recovery becomes more realistic, the need for public investment in the nonprofit sector to strengthen social infrastructure is even more urgent. Now is the time for long-term investments and public policy that recognize the central role nonprofits play locally and across regions in advancing a better, greener, more equitable economy and a more inclusive society.

Policy Recommendations

Nonprofits contribute \$65 billion to Ontario's GDP, more than the construction, energy and agriculture sectors. The sector survey results paint a picture of fragmented and inadequate support to the sector during the pandemic. We have several proposals for the Ontario and federal governments to better support nonprofits so they can support their communities as Ontario moves toward recovery.



1. Offer a new round of Small Business and Nonprofit Grants

- **Respond to the Ontario Chamber of Commerce's call for another round of support for small enterprises - businesses *and* nonprofit employers.** To promote healthy local economies, governments should invest in nonprofits as economic multipliers: nonprofits can rehire laid-off workers, support other employment by providing services like childcare and job training, all while stimulating economic activities. It will be important not to limit grant eligibility to those who applied in the previous fiscal year. The purpose of this program would be to prevent permanent job losses, backstop fundraising declines and the loss of volunteer labour, respond to increased demand, and support nonprofits in redesigning programs for virtual delivery and/or physical distance requirements. Furthermore, the grants could support nonprofits with ongoing expenses related to adhering to health and safety protocols, as well as support nonprofits to prepare in the case of a subsequent wave of increased COVID-19 cases.
- **Improve communications so small nonprofit employers know they are eligible.**

2. Apply an equity lens to recovery efforts

- **Introduce a broad-based microgrant program for volunteer-only nonprofits** to build back their volunteer base and improve digital delivery of programs and services. Approximately half of sector organizations are run by volunteers. Many of these are neighbourhood groups, Legions, peer support/mental health groups, trails maintenance groups, and mutual aid networks that have been doing much heavy lifting to prevent isolation and support well-being during shutdowns. They have not generally been eligible for pandemic support programs.

- **Target new funds to nonprofits and grassroots groups serving communities that suffered the most during the pandemic**, including Black and other racialized communities; First Nations, Inuit, and Métis communities; and organizations serving persons with disabilities, women, youth, newcomers including Francophone newcomers, and low-income households.
- **Provide permanent sick days by amending the Employment Standards Act.** The temporary paid sick leave provisions in [Bill 284](#) are set to expire on September 25. To honour the risks taken by Ontario's essential workers during the COVID-19 crisis, they should be granted permanent sick days.

3. Support a sustainable and equitable recovery by investing in the low-carbon, women-majority care economy

- **Address the recruitment and retention challenge in the care economy by improving front-line wage levels across all provincial programs delivered on behalf of government by nonprofits.** Start by making temporary "pandemic pay" for Personal Support Workers and Developmental Support Workers permanent and implement a wage scale for child care workers and other front-line nonprofit workers.

4. Invest in workforce development and digital infrastructure to support nonprofit service delivery

- **Allocate funding for a nonprofit sector workforce development plan and skills building agenda, aligned with the need to offer greater digital services across Ontario.** Many nonprofits pivoted rapidly to provide online services during the pandemic with little outside support. As organizations adapt to a post-recovery landscape, with increased demand for digital delivery, the nonprofit sector will need a workforce strategy fit for purpose.
- **Continue to invest in and increase access to high-speed internet.** Investments in broadband internet would better support nonprofits in rural and northern regions. Although both levels of government have taken steps to address this issue, it is becoming increasingly urgent as nonprofit organizations and the communities they serve continue to be affected.



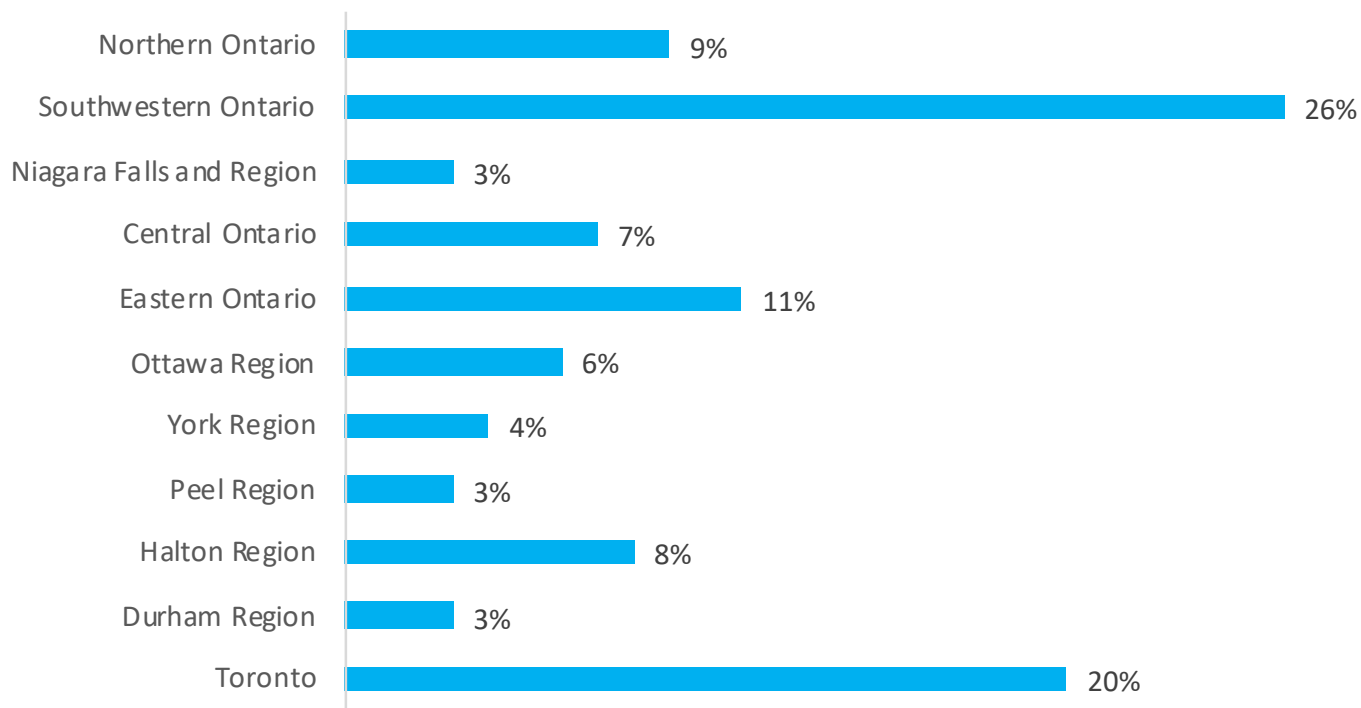
Extend the Canada Emergency Wage Subsidy (CEWS)

- The CEWS was by far the most important measure to keep nonprofits afloat during the crisis, but as our survey results show, nonprofits took a big financial hit in terms of increased costs and decreased revenues. The crisis is not yet over. A one-time extension is warranted given the extended lockdowns in Ontario and possible further tightening of measures related to new COVID variants.

Survey Highlights

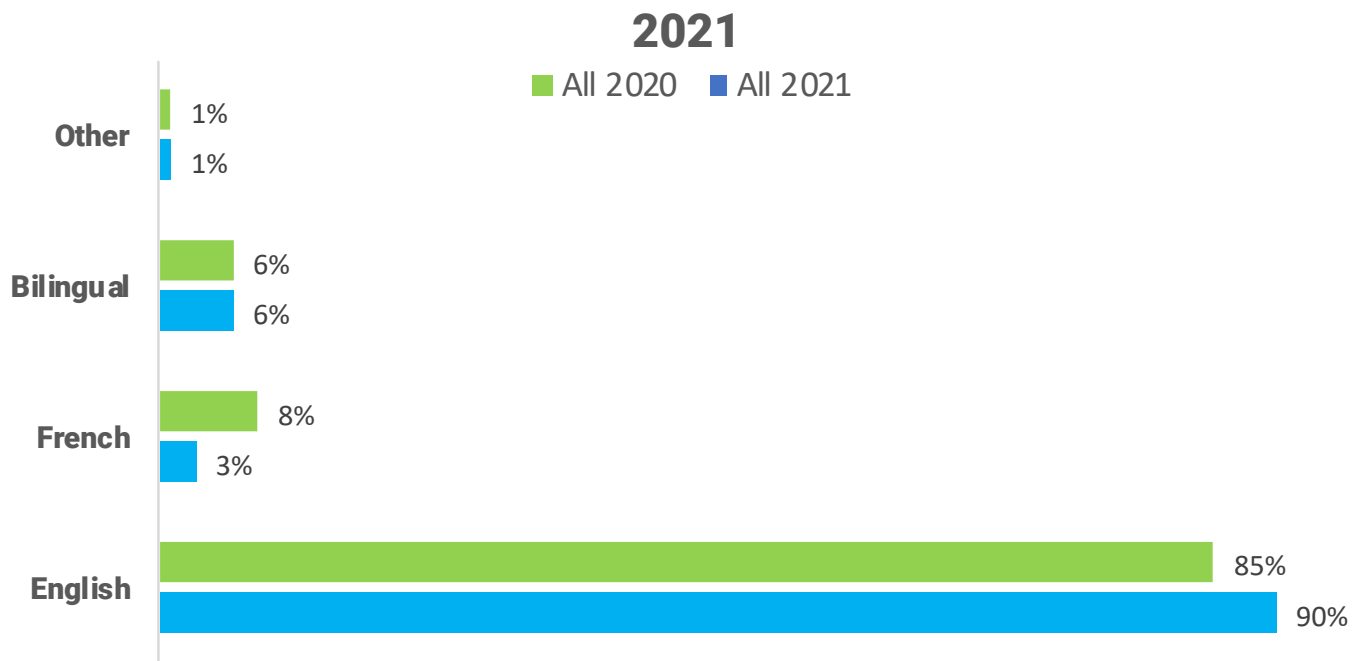
Region organization located

2021



The bar graph shows the regions organizations are located. The numbers show that almost half of the survey respondents are located in Southwestern Ontario (26%) and Toronto (20%)

Primary language of operation



This Bar graph shows the primary language of operation of respondents, in comparison to the 2020 survey data. The number shows that the majority of this year's respondent's primary language of operation is English (90%), higher than last year where 85% operated primarily in English.

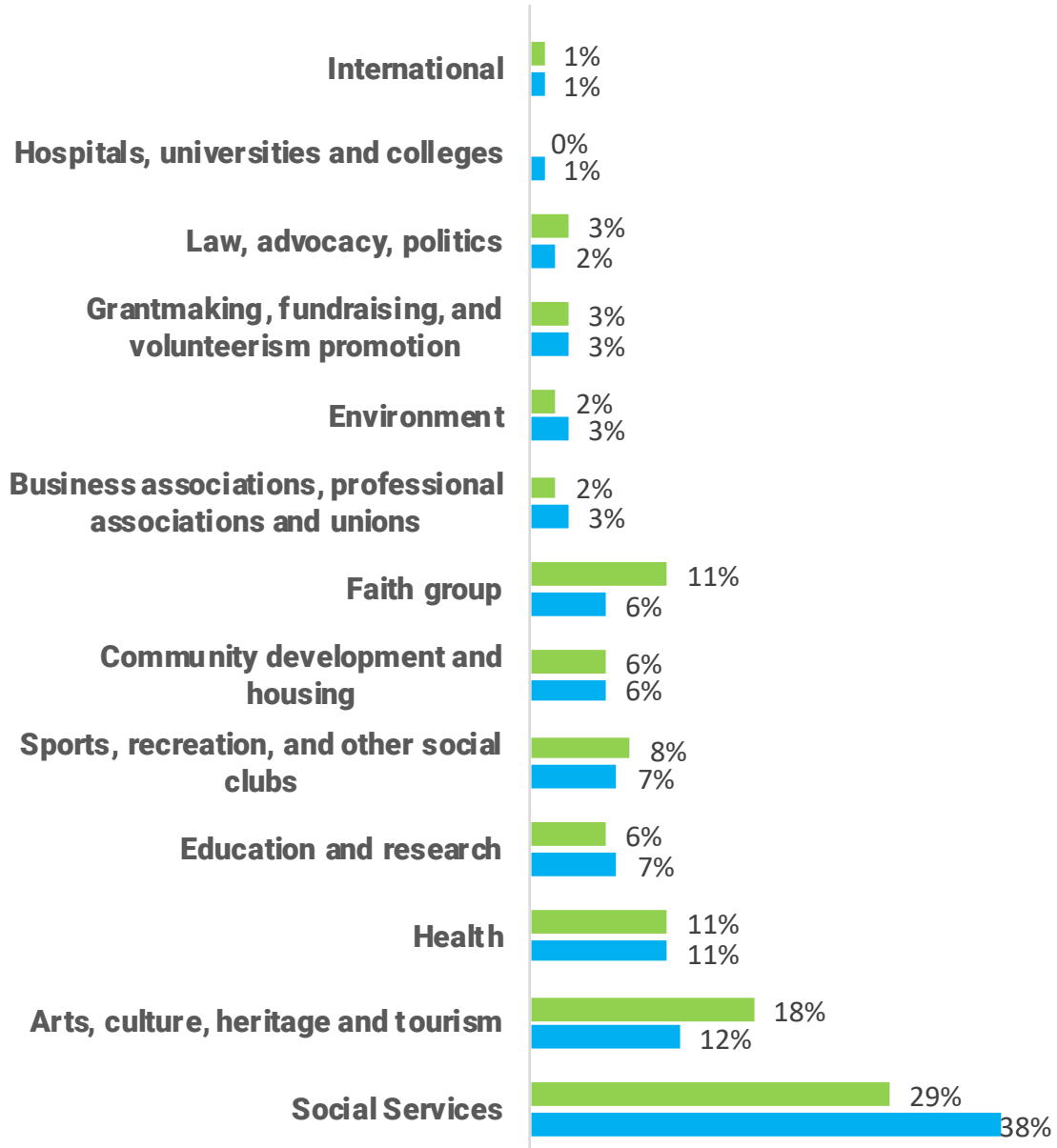
REGION	PRIMARY LANGUAGE OF ORGANIZATION'S OPERATION			
	English	French	Bilingual	Other
Toronto	89%	1%	8%	2%
Durham Region	97%	1%	1%	1%
Halton Region	97%	0%	3%	0%
Peel Region	96%	0%	4%	0%
York Region	93%	0%	5%	2%
Ottawa	60%	18%	21%	1%
Eastern Ontario	86%	5%	9%	0%
Central Ontario	99%	0%	1%	0%
Niagara Falls and Region	94%	0%	6%	0%
Southwestern Ontario	97%	1%	2%	0%
Northern Ontario	78%	12%	10%	0%

The table shows the primary language of organizations' operation by region. Ottawa has the highest percentage of organizations that primarily operate in French (18%).

nonprofit subsector

2021

■ All 2020 ■ All 2021



The bar graph shows that more than one third survey respondents belong to the “social services” sub-sector. Compared to 2020, this year’s survey saw a slight increase in responses from environmental organizations (3%).

Financial sustainability and operational health

1. Majority of nonprofits still operating virtually in 2021

- 2021 survey indicated 13% operating as usual and 67% operating virtually
- By comparison, 2020 survey showed 12% operating as usual and 52% virtually

2. Nonprofit financial forecasts improved yet remain alarming

- Overall, 35% of nonprofits reported they were not financially sustainable beyond 12 months
- Improvement over 2020 survey which reported 51% not financially sustainable beyond 12 months

3. Nonprofits reported substantial revenue declines

- More than half reported losses in revenue; one-fifth experienced revenue losses greater than 50%
- Three-quarters of arts and 83% of sports organizations experienced revenue loss

4. Taking both revenue and expenses into account, many nonprofits reported total financial losses

- 33% of nonprofits project pandemic-related losses exceeding \$100,000
- 5% anticipate losses exceeding \$500,000

5. Ontario nonprofits reported significant layoffs

- 24% of nonprofits laid off staff, among which 23% laid off more than 10 people at the peak of crisis
- Among those with paid staff, only 53% plan to rehire all laid off staff

6. Most nonprofits reported increased demand during pandemic

- Nearly two-thirds of nonprofits have experienced increased demand for services
- Within social services and community development & housing sector, 77% experienced increased demand

Access to government supports

1. Overall, federal government support program participation is low

- Emergency Community Support Fund most popular with 27% applying and 23% receiving
- Overall, 64% of nonprofits did not receive funding from federal support programs

2. Most nonprofits did not benefit from federal emergency subsidy programs

- Overall, 63% of organizations did not benefit from Canadian Emergency Wage Subsidy
- 83% did not benefit from Canada Emergency Business Account

3. Federal program participation varied considerably by type of nonprofit

- Social, community, and health organizations more likely to receive emergency support fund
- One in four arts organizations benefited from cultural, heritage, and sport fund

4. Provincial support program participation also low

- Ontario Trillium Foundation (OTF) Resilient Communities Fund most popular with 18% applying and 9% receiving funds
- 69% of organizations surveyed did not receive any provincial support funds

5. Smaller budget nonprofits less likely to benefit from provincial programs

- 52% of larger budget organizations received funding from at least one of the 20 provincial support programs evaluated
- By comparison, only 19% of smaller budget organizations (under \$500,000) received funding from the same provincial programs

6. Very few nonprofits received provincial supports for employers

- 5% received Small Business Support Grant
- 5% benefited from Employer Health Tax reduction; 4% from property tax or energy cost rebates

7. Nonprofit leaders rated government and agency response to pandemic

- 47% submitted positive ratings to federal response compared to 30% for provincial response
- Social services and community development & housing organizations rated federal response higher than other nonprofits

Regional Highlights

Nonprofits across different regions in the province have been impacted differently throughout the pandemic. The type and amount of support they have received vary as well. Overall, nonprofits located in Toronto and Southwestern Ontario have fared better than those elsewhere. Below are highlights demonstrating some of the differences across regions.

TORONTO

46% benefited from Canadian Emergency Wage Subsidy, compared to provincial average of **37%**

47% rated provincial government response “very poor” or “poor,” higher than provincial average of **35%**

DURHAM REGION

46% can sustain for less than 12 months, higher than the average of **35%**

44% rated provincial government response “very poor” or “poor”

HALTON REGION

54% experienced increased demand for services, lower than the provincial average of **63%**

59% experienced decrease in revenue, in comparison to the average of **52%**

PEEL REGION

Experienced the highest increase in demand for services (**79%**)

23% projected financial situation will worsen within 6-12 months, compared to provincial average of **12%**

YORK REGION

Experienced the highest increase in costs related to pandemic (**77%**)

62% applied for provincial government COVID-related funding support programs, only **39%** received funding.

OTTAWA

3% benefited from Community Building Fund, compared to provincial average of **1%**

41% rated provincial government response “very good” or “good”, higher than provincial average of **30%**

EASTERN ONTARIO

47% project financial situation will improve within 6-12 months, higher than provincial average of **40%**

15% closed doors temporarily, higher than the provincial average of **12%**

CENTRAL ONTARIO

44% rated provincial government response “very poor” or “poor,” compared to provincial average of **35%**

17% laid off staff due to pandemic, lower than the provincial average of **24%**

NIAGARA FALLS AND REGION

44% can only sustain for less than 12 months, higher than the average of **35%**

76% did not benefit from any federal government COVID-related funding support programs, higher than the average of **64%**

SOUTHWESTERN ONTARIO

12% received temporary pandemic pay, in comparison to the provincial average of **10%**

64% can sustain beyond 12 months, slightly lower than the average of **65%**

NORTHERN ONTARIO

3% benefited from Canada Emergency Rent Subsidy (CERS), lower than the provincial average of **12%**

2% received Small Business Support Grant

Subsector Highlights

Ontario's nonprofit sector and the communities it serves are diverse. The COVID-19 pandemic has affected different parts of the nonprofit sector differently. For instance, the majority of arts, cultural heritage, tourism organizations and sports and recreation organizations were deemed non essential, and saw the highest number of organizations that have closed permanently due to the pandemic. Below are some highlights showing the differential effects the pandemic had on subsectors.

SOCIAL SERVICES

36% received Emergency Community Support Fund, higher than the average of **23%**
Experienced the highest increase in demand for services (**77%**) related to pandemic

BUSINESS ASSOCIATIONS, PROFESSIONAL ASSOCIATIONS AND UNIONS

2% received Resilient Communities Fund
23% benefited from Canada Emergency Business Account

HEALTH

80% were deemed an essential service, the highest among all subsectors
31% received Emergency Community Support Fund, higher than the average of **23%**

FAITH GROUPS

44% benefited from Canada Emergency Wage Subsidy, higher than the average of **37%**
34% accessed reserve funds, higher than the overall average of **25%**

SPORTS, RECREATION, AND OTHER SOCIAL CLUBS

Experienced the highest percentage (**33%**) of staff layoffs
33% were aware of other organizations from same sector which have permanently closed due to pandemic, compared to the average of **18%**

GRANTMAKING, FUNDRAISING, AND VOLUNTEERISM PROMOTION

57% rated federal government response "very good" or "good" in comparison to **26%** for provincial government response
31% accessed reserve funds, higher than the overall average of **25%**

EDUCATION AND RESEARCH

41% benefited from Canada Emergency Wage Subsidy, higher than the average of **37%**

92% expect financial position to remain the same or improve, higher than the average of **88%**

ARTS, CULTURE, HERITAGE, AND TOURISM

32% applied for Emergency Support Fund for Cultural, Heritage, and Sport organizations, and **26%** received it

32% were aware of other organizations from same sector which have permanently closed due to pandemic, compared to the average of **18%**

HOSPITALS, UNIVERSITIES AND COLLEGES

15% benefited from Canada Emergency Wage Subsidy, lower than the average of **37%**

43% experienced a surplus since beginning of crisis, higher than the average of **17%**

INTERNATIONAL

27% expect organization's situation will worsen in the next 6 to 12 months, higher than the average of **12%**

44% rated federal government response "poor" or "very poor", higher than the average of **21%**

LAW, ADVOCACY, POLITICS

42% did not have reserve funds, the highest among all subsectors

Only **5%** laid off staff due to pandemic, the lowest among all subsectors

COMMUNITY DEVELOPMENT AND HOUSING

7% received Reaching Home Initiative

10% received Social Service Relief Fund

ENVIRONMENT

56% rated Provincial Government response "poor" or "very poor", higher than the average of **35%**

24% benefited from Canada Emergency Business Account

Acknowledgements

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Chatham-Kent Nonprofit Network
Nonprofit Network of Southern Georgian Bay
Northern Ontario Nonprofit Network
Ontario Trillium Foundation
Perth-Huron Nonprofit Network
Pillar Nonprofit Network
Social Planning Network of Ontario
Toronto Nonprofit Network
United Way East Ontario

We would also like to thank all of the respondents of the survey, as well as our partners for sharing the survey and encouraging organizations in their networks to participate, providing valuable data for this initiative. Initiatives such as this are possible thanks to the generous support of nonprofits and charitable organizations across the province.

Ontario Nonprofit Network

300 - 2 St Clair Ave E #300,
Toronto, ON M4T 2T5
<https://theonnc.ca/>
info@theonnc.ca

Assemblée de la francophonie de l'Ontario

435 rue Donald, bureau 336
Ottawa, ON K1K 4X5
<https://monassemblee.ca/>
communications@monassemblee.ca

