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## **Canada's Nonprofit Sector: What Is It Worth to Us as a Nation?**

**Ottawa** – Research commissioned by the Canadian Policy Research Networks (CPRN) states that nonprofit organizations could be a significant contributor to our economy, in addition to their humanitarian benefits. The Canadian Nonprofit Sector, a new working paper released today by CPRN also says that current statistical and descriptive data leaves much to be desired about a component of society that is essential to the well-being of Canadians.

Working paper authors Kathleen Day and Rose Anne Devlin, both from the Department of Economics at the University of Ottawa, highlight the complex interaction between nonprofits, governments, and donors and users of nonprofit services. They also suggest that more and better information on the role and characteristics of nonprofit organizations is needed before we can determine if the nonprofit sector can fill the gaps that might be left by reduced government spending on health, educational, social and other services.

Nonprofit organizations have been working in our communities for centuries. According to the working paper, the data available today do not provide an accurate count of these groups. What is clear is the extraordinary diversity of the sector which embraces large quasi public institutions, many religious organizations, and a wide variety of human and community services. But it is not an easy task to define who or what qualifies as a nonprofit organization.

Judith Maxwell, President of CPRN, says tackling the identity question is only the beginning. “From a broad societal perspective, many nonprofits fill a role that is becoming even more crucial in Canada the creation of what is known as social capital, meaning the networks, norms and mutual trust that allow citizens to pursue common goals.”

This study is the most comprehensive review of the Canadian nonprofit sector to date, including its integral relationship with government. Although only a partial picture, it does reveal enough of a view to gauge the potential impact the nonprofit sector has on the Canadian economy, and the importance of the government's policies with respect to funding for the sector.

*The Canadian Nonprofit Sector* is the second of three research papers commissioned by CPRN to be published. Papers on organizational and supervisory law in the nonprofit sector and the tax

treatment of nonprofits are the two other papers that will be available this fall. Results of a CPRN Roundtable on these three papers and an overview study can be found in *The Emerging Sector: In Search of a Framework*.

This working paper is a first step in the Nonprofit Sector Research Initiative of The Kahanoff Foundation. The Foundation has undertaken to fund research and public education activities that will improve the formal knowledge base about Canada's nonprofit sector and will broaden the understanding of the role it plays in our civil society.

Maxwell says that the roundtable and CPRN's research have shown that "The state of knowledge at this time is primitive. The numbers and analytical studies available yield an x-ray, a rough sketch of the bare bones. What we need is an MRI scan that displays the soft tissues of the sector the ligaments that tie the bones together and the muscles that give them force and direction."

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CPRN is a national not-for-profit research institute whose mission is to create knowledge and lead public debate on social and economic issues important to the well-being of Canadians, in order to help build a more just, prosperous and caring society.

For more information on the publication, please contact:

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