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Emerging from Obscurity: Canada's Nonprofit Sector Growing, but Not Understood

Ottawa – It has doubled in size since 1969. It has received ever-increasing support by governments and citizens, and it doesn't even have a name. A new study published today by Canadian Policy Research Networks (CPRN), *The Emerging Sector: In Search of a Framework*, focuses on Canada's important nonprofit and charitable sector and finds that, when it comes to charity, Canadians give a lot but have a lot to learn.

The CPRN study points out that this sector often referred to as the voluntary sector or third sector is significant in many ways. Since 1970, transfers to charitable organizations from provincial governments have more than quadrupled (in constant dollars). Revenue Canada has now registered more than 74,000 active charities. Forty-three percent are religious organizations, which receive less than 10 percent of all charitable revenue, mostly from private donations. At the other extreme, hospitals and educational organizations represent 23 percent of charities and receive 75 percent of revenues, mostly from government.

Canadians are great supporters of charitable institutions; they look to them for everything from helping children in crisis to training the unemployed. Canadians contributed some one billion hours of their time to volunteer work in 1987, for a value of \$13 billion. This represents one of the highest levels of volunteerism in the world. In addition, Canadians contributed about 0.6 percent of their incomes to charities. Canadian industry also demonstrates substantial support for charitable work by providing donations of cash, services and loaned personnel.

According to the study's editor, Ronald Hirshhorn, an Ottawa-based consultant and Director of the CPRN's Nonprofit Sector Project, "This sector is characterized by extremes. Big institutions like hospitals and universities get most of the attention, but the real impact on Canadians' quality of life may be in the human services and 'other' charities."

These services can include everything from a food bank to a local day care centre with a board of directors drawn from the community. At the other extreme are the "non-charities," like Nav Canada, the new nonprofit organization that manages air traffic control at airports.

“This study maps an action agenda for all the stakeholders governments, corporations, foundations, researchers, and most important, leaders of the sector itself,” says Judith Maxwell, CPRN President.

Ronald Hirshhorn adds, “The role of public policy is to protect the trust Canadians put in these institutions. At a minimum, this requires modern organizational law and fair tax treatment.”

The study is the product of a roundtable held in January 1997, at which 35 experts on the nonprofit sector assembled to provide feedback on research commissioned by CPRN. Their discussions and commentaries are included in the study, which also includes an overview paper on the role of the sector in civic life.

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.”

The study 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.

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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.

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