

# NOVA SCOTIA'S Nonprofit Sector

Nonprofits in Nova Scotia make a vital contribution to the socio-economic fabric of society and offer broad-based job experience and rewarding career opportunities. With a highly educated and diverse workforce and recent growth in the sector there is much to celebrate. However, their continued success and ability to deliver on social services depends upon how well they respond to a number of pressing challenges.

Nonprofits are an important contributor to the Nova Scotia economy, accounting for \$1 billion or 2.5% of GDP. While most of the 6000+ organizations are small in size, they play a key role in the province's economic and social well-being. The sector is more important to Nova Scotia's economy than in other provinces and is growing faster than the rest of the economy. Greater appreciation of the importance of this sector is needed.

To better understand nonprofits and the challenges they are facing in Nova Scotia a survey was undertaken in the fall of 2019. The results show a sector that faces several headwinds but is working hard to overcome them with limited resources.

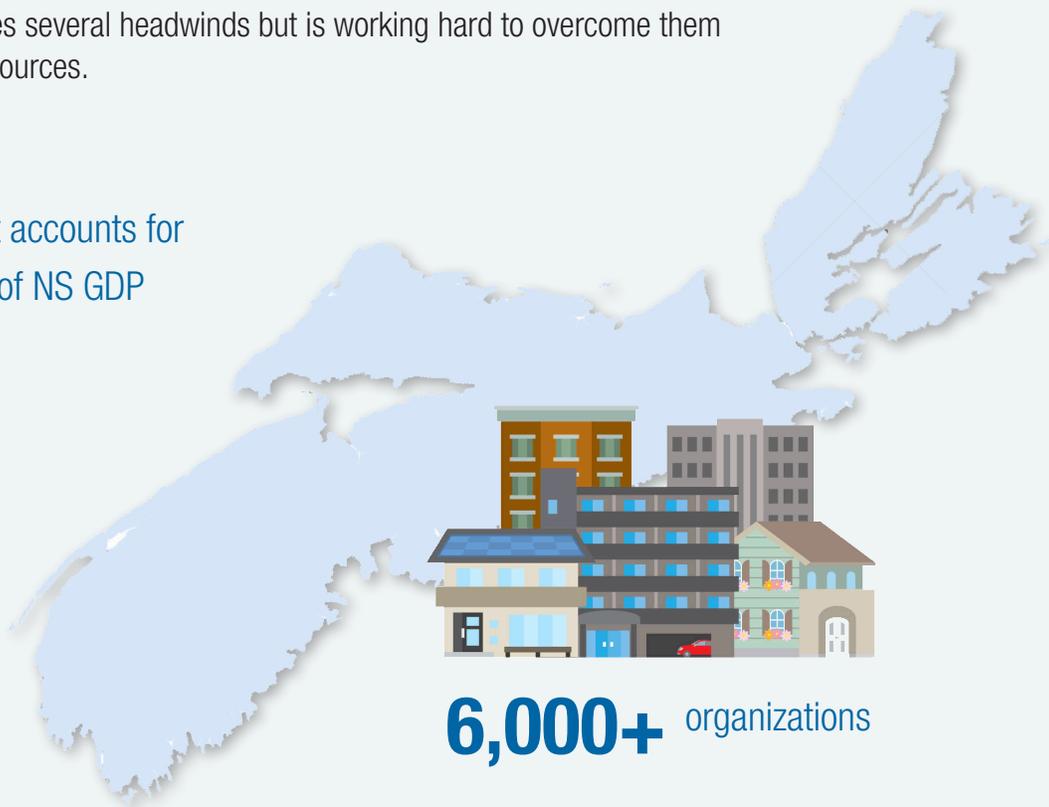
Direct impact accounts for  
**2.5%** of NS GDP

**\$1 BILLION**

direct impact on GDP

with indirect &  
induced impacts  
this grows to

**\$1.7 billion**



**6,000+** organizations

## Funding Challenges

Obtaining funding was identified as the sector's number one challenge. Nearly two-thirds of nonprofits cited it as a major or significant obstacle to growth. The lack of core funding and uncertainty around money from year to year is the chief concern. This anxiety creates a cascading set of challenges within an organization: low salaries, recruiting and retention issues and an inability to offer staff professional development and other benefits.

Government accounts for 55% of nonprofit funding. The majority of this comes from the provincial government. Earned income, led by the sale of goods and services, accounts for 31% of nonprofit revenues.

Social enterprise is an emerging area of revenue generation increasingly being used by nonprofits as a means to help sustain their core programs. This trend is likely to continue.

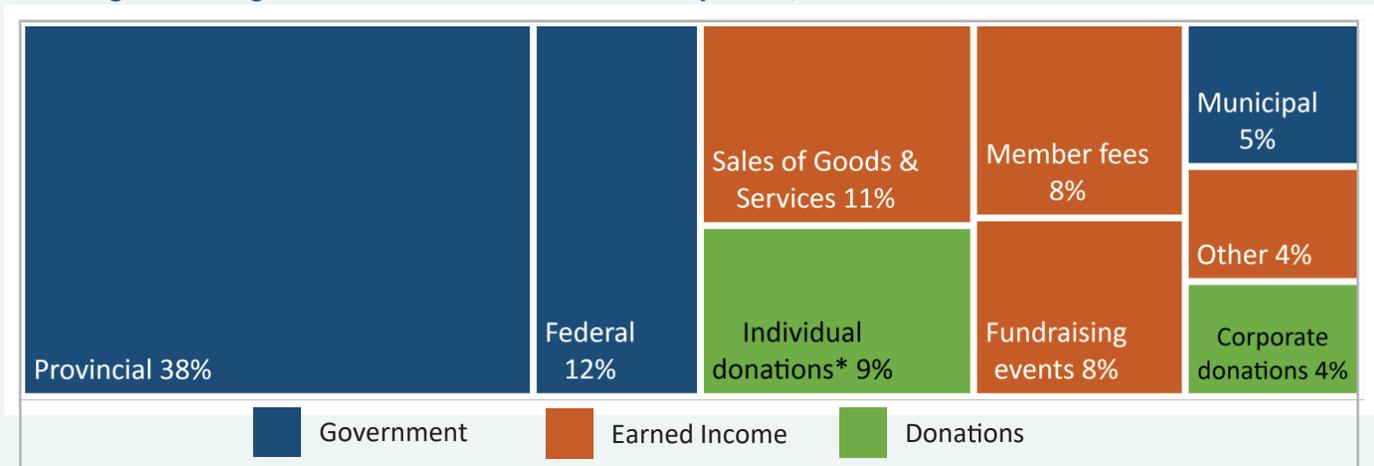
**65%**  
of organizations cite obtaining funding as an obstacle to growth.



Governments account for **55%** of nonprofit funding



### Average Funding Sources for Nova Scotian Nonprofits, n=440



Source: APEC Survey of NS NonprofitE employers

\* Includes individuals, foundations and other charities

## Labour Force

The nonprofit sector employs 20,000 Nova Scotians, which is similar in size to the transportation industry or the financial services industry in the province.

Nova Scotia has one of the highest rates of volunteerism in Canada with 74 million hours contributed. Volunteers therefore account for about 60% of the paid and unpaid jobs in the sector. APEC estimates the economic value of volunteer hours in the nonprofit sector to be about \$1.5 billion in 2018.

Nonprofits are more diverse than other sectors. Women play a prominent role in nonprofits in Nova Scotia, accounting for 68% of employees, 67% of executive directors and 53% of board members.

### Labour Force Challenges

Nova Scotia's aging workforce is creating labour challenges throughout the economy. Labour and skills shortages will make it more difficult for nonprofits to find new workers than in the past. Recruiting labour was cited as a major or significant obstacle to growth by 41% of nonprofits in Nova Scotia.

Volunteer rates have been falling. Maintaining the hours donated will be a critical factor behind the success of nonprofits over the next decade. Otherwise nonprofits will have to rely more on paid staff, automation or reduce their services.

Nonprofit leaders in Nova Scotia are highly educated but their wages are low compared to other senior management positions in the province. Nonprofit leaders are older than other managers – 45% are over 55 years old. Despite this, succession planning is not being addressed by many nonprofits, with only 35% having a formal succession plan.

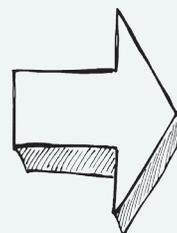


the economic value of NS volunteering is

**\$1.5**

**BILLION**

Employs  
**20,000**  
people



accounts for  
**4.5%** of NS jobs  
(similar in size to the financial services sector in the province)

## Policy & Research Priorities



### Funding Mechanisms

More analysis is needed on the most effective funding mechanisms for nonprofits. How can improvements be made to ensure more sustainability of funding for nonprofits? Should funding programs accelerate their focus on important areas like professional development and training, encouraging collaboration or supporting social enterprise initiatives?

### Labour Force Strategy

With increasing competition for labour in the Nova Scotia economy, driven by an aging population, nonprofits will continue to struggle to find workers. A labour force strategy specifically targeting nonprofits should be examined due to the unique nature of the sector. Enhancing training and succession planning should be a key focus.

### Volunteering

With volunteering accounting for 60% of the labour resources required for nonprofit activities an in-depth analysis of potential policies to support volunteerism is needed. This could be part of a national volunteer strategy that may include tax incentives for individuals, organizations or business to encourage volunteerism.