



# Addressing The Nonprofit Data Deficit: **A 25 Year Review**

By Richard Bartle-Tubbs and Ben McNamee

## DARO

## With thanks to:

Liban Abokor, Kris Archie, Manu Ashok, Karen Ball, Cathy Barr, Robyn Blackadar, Elizabeth Boris, Sidney Cunningham, Laura Cuthbert, Peter Dinsdale, Justin Fortin, Nathan Grasse, Souleymane Guisse, Michael Lenczner, Kevin McCort, Matt Mendelsohn, Wiktoria Mulak, Paul Nazareth, Sen. Ratna Omidvar, Hilary Pearson, Christine Snow, Daniel Thériault, Earl Walker, & Armine Yalnizyan

The opinions and interpretations in this publication are those of the author and do not necessarily reflect those of the Government of Canada.

Funded by the  
Government of Canada's Strategic  
Engagement and Research Program

Canada 



## INTRODUCTION (p.4-8)

## CHALLENGE AREAS (p.9-27)

### 1) **Data Gaps & Access to Data**

- Why It's Important
- The Historical Narrative
- Existing Challenges

### 2) **Capacity**

- Why It's Important
- The Historical Narrative
- Existing Challenges

### 3) **Leadership**

- Why It's Important
- The Historical Narrative
- Existing Challenges

### 4) **Policy or Governmental Role**

- Why It's Important
- The Historical Narrative
- Existing Challenges

## RECOMMENDATIONS FOR MOVING FORWARD (p.28-34)

### 1) **Establish a Home in Government and Prioritize Nonprofit Data**

- Set Up a Home in Government as a Touchpoint
- Make Data a Priority

### 2) **Fill Capacity Gaps with Intermediaries and Sectoral Leadership**

- Facilitate Dialogue and Coordination
- Secure Investments and Drive Collective Action
- Address Complex Relationships and Challenges

### 3) **Provide More Data and Better Access to Existing Data**

- Facilitate Data Linkage and Access
- Align Data Priorities
- Enhance Policy Engagement and Advocacy

## CONCLUSION (p.35-36)

## APPENDIX (p.37)

# INTRODUCTION



In 2021, the Canadian government announced in the federal budget that it would consult with charities and other stakeholders on potentially increasing the disbursement quota. Over the next couple of years, various reports and recommendations were made as part of the process. The debate centred around the appropriate level of the disbursement quota to ensure charities are effectively using their resources for community benefit while maintaining financial sustainability.

Without comprehensive data on how charities manage their funds and the impact of different disbursement quota levels, stakeholders struggled to assess the potential consequences of changing the quota. This made it challenging to weigh the benefits of increased charitable spending against the risks to financial sustainability. A lack of detailed research on the overall effectiveness of charitable activities funded by foundation disbursements meant that there was limited evidence on whether increasing the quota would lead to better outcomes for communities. Multiple sources consulted in the writing of this paper assert that it should be a priority to have access to data on causes supported and geographic focus of philanthropic organizations, the demographics of beneficiaries, the ways in which organizations get support, and how the distribution of funds and the targeting of groups changes over time.

The above example is representative of a larger problem affecting the nonprofit sector. The research in this report points to the lack of data and evidence for the nonprofit sector to understand and advocate for itself, along with the capacity of individual actors to do so. Waning trust<sup>1</sup>, in combination with other factors such as an increasing cost of living, has seen charitable donations decrease<sup>2</sup> as institutions struggle to solve increasingly complex issues. A review of sector literature over the last 25 years demonstrates that the sector has been repeatedly saying that lack of data and data infrastructure has limited—and continues to limit—the ability of all stakeholders to make evidence-informed decisions.

This paper is a summary review of 27 reports from the last 25 years on the topic of data in and about the nonprofit sector. The reports range from policy recommendations to reports on various sector initiatives to sectoral and regional data strategies. Improving the quality, quantity, availability, and use of data and research about and for the nonprofit sector has been a priority for the sector for many years. This need has remained constant in the face of shifting federal government priorities and budgets, a financial crisis, and a global pandemic.

1. Canadians' "trust in government to do what is right" dropped from [58% in late 2020 to 43% in 2022](#). Canadians with financial or health concerns are [more likely to report low confidence in institutions and low trust in media](#). Accessed September 18th 2024
2. The overall percentage of people who donated to charities [dropped to 28% from 36%](#) between 2010 and 2022 amongst individual Households. Accessed September 18th 2024

# Consulted Reports by Year of Publication

1. A Government of Canada/Voluntary Sector Joint Initiative. (1999). [The Joint Tables Working Together Report August 1999](#).
2. Broadbent, et al. (1999). [Building On Strength: Improving Governance and Accountability in Canada's Voluntary Sector - Panel on Accountability and Governance in the Voluntary Sector Final Report](#).
3. National Voluntary Sector Research Symposium. (2000). [Sharing, Learning, Building: Towards an Agenda for Voluntary-Sector Research](#).
4. Dreessen, Erwin. (2001). [What We Should Know About the Voluntary Sector but Don't](#).
5. Voluntary Sector Initiative Secretariat: Voluntary Sector Initiative (2003). [Voluntary Sector Initiative Secretariat Final Report](#).
6. Resources from the Capacity Joint Table: Voluntary Sector Initiative. (2003). [Building Capacity in the Voluntary Sector](#).
7. Voluntary Sector Task Force: Voluntary Sector Initiative. (2003). [Voluntary Sector Task Force Final Report](#).
8. Canadian Centre for Philanthropy. (2003). [The Capacity to Serve: A Qualitative Study of the Challenges Facing Canada's Nonprofit and Voluntary Organizations](#).
9. Canadian Council on Social Development. (2005). [Funding Matters For Our Communities: Challenges and Opportunities for Funding Innovation in Canada's Nonprofit and Voluntary Sector. Phase II: Final Report](#).
10. Imagine Canada. (2006). [Strengthening the Capacity of Nonprofit and Voluntary Organizations to Serve Canadians: Recommendations Based on the National Survey of Nonprofit and Voluntary Organizations](#).
11. Imagine Canada. (2006). [Recommendations for Improvements to the National Survey of Nonprofit and Voluntary Organizations and the Canada Survey of Giving, Volunteering, and Participating](#).
12. Evaluation Directorate, Strategic Policy and Research Branch, Human Resources and Skills Development Canada. (2009). [Voluntary Sector Initiative Impact Evaluation: Lessons Learned from the Voluntary Sector Initiative \(2000-2005\) Final Report](#).
13. The Muttart Foundation. (2015). [Pre-budget Consultations for Budget 2015](#).
14. Ontario Nonprofit Network. (2015). [Towards a Data Strategy for the Ontario Nonprofit Sector](#). Accessed 12th September 2024.
15. Mowat NFP, New Philanthropy Capital, and Imagine Canada. (2018). [Building a Data Ecosystem](#).
16. Imagine Canada. (2018). [Request for Support from Hon. Navdeep Bains, PC, MP, Minister of Innovation, Science and Economic Development](#).
17. Employment and Social Development Canada. (2017). [Inclusive Innovation: New Ideas and New Partnerships for Stronger Communities. Recommendations of the Social Innovation and Social Finance Strategy Co-Creation Steering Group](#). Accessed 12th September 2024.
18. Senate of Canada. (2019). [Catalyst for Change: A Roadmap to a Stronger Charitable Sector](#). Accessed 12th September 2024.
19. Powered By Data. (2019). [Introducing the Data Policy Coalition](#). Accessed 12th September 2024.
20. Policywise. (2020). [Alberta Nonprofit Data Strategy](#). Accessed 12th September 2024.
21. Advisory Committee on the Charitable Sector (2021.) [Reports 1, 2, & 3 of the Advisory Committee on the Charitable Sector](#). Accessed 12th September 2024.
22. Imagine Canada. (2021-2023). [Policy Priority: Data for Effective Decision Making](#). Accessed 12th September 2024.
23. Philanthropic Foundations Canada, et al. (2022). [Funder Data Strategy](#). Accessed 12th September 2024.
24. Policywise. (2023). [Using Census Data to Advance Alberta Nonprofits](#). Accessed 12th September 2024.
25. Ontario Nonprofit Network. (2023). [The DEAL Project](#). Accessed 12th September 2024.
26. Federal Nonprofit Data Coalition. (2024). [Submission to 2024 Federal Pre-Budget Consultations](#). Accessed 12th September 2024.
27. Federal Nonprofit Data Coalition. (2024). [Submission to 2025 Federal Pre-Budget Consultations](#). Accessed 12th September 2024.

## INTRODUCTION

Twenty-four years ago, in the year 2000, Professor Vic Murray wrote that research on the volunteer sector in Canada faced a data scarcity.<sup>3</sup> In 2001, Erwin Dreesen posited that this data scarcity hindered the sector's ability to acquire support.<sup>4</sup> In 2015, the Muttart Foundation observed:

One can determine each month how many eggs are produced and the disposition of those eggs, but cannot find any Statistics Canada information on how many people are employed by Canada's nonprofit organizations.(p.2)<sup>5</sup>

Most recently, between 2021 to the present day, Imagine Canada has repeatedly written that a lack of economic, organizational and employment data on the nonprofit sector meant that public policy, funding and organizational decision making is done without basic information.<sup>6</sup> There is clearly a common theme here: a dearth of available information about the nonprofit sector.

3. National Voluntary Sector Research Symposium. (2000). *Sharing, Learning, Building: Towards an Agenda for Voluntary-Sector Research*. p.3.
4. Dreesen, Erwin. (2001). *What We Should Know About the Voluntary Sector but Don't*. pp.11-17.
5. The Muttart Foundation. (2015). *Pre-budget Consultations for Budget 2015*. p.2.
6. <https://imaginecanada.ca/en/360/recent-data-releases-statistics-canada-are-helpful-more-needed>. Accessed September 18th 2024. See also <https://imaginecanada.ca/en/policy-priority/data-for-effective-decision-making>. Accessed September 18th 2024



**In the first part of this paper, we divided the challenges facing the nonprofit sector into four recurrent themes:**

1. A lack of easy access to timely, relevant data;
2. A lack of technical and human capacity to do research guided by the sector's perspective and priorities;
3. A lack of sustained collaborative leadership from government and the nonprofit sector to maintain investments in data products and initiatives;
4. A lack of comprehensive and coordinated policy development within the federal government

These challenges are interconnected by data. Access to data is foundational, as it supports not only informed decision-making but also the ability to identify sector priorities and guide research. However, without capacity within the sector to use this data effectively, the information remains underutilized. Similarly, collaboration between government and nonprofits requires a shared data-driven understanding of the sector's needs and progress, but sustained leadership is essential to maintain momentum. Finally, comprehensive policy development within government hinges on the availability of robust data, but policy efforts must be coordinated and aligned with sector realities. While data is not sufficient on its own to address the above challenges, it plays a fundamental role in all of them.

Our exploration of these four themes represents a synthesis of the state of the conversation about nonprofit data within the nonprofit sector and at the federal government level since 1999. While some progress has been made to varying degrees across each of these areas, as demonstrated in the historical narrative in the reports, fundamentally the solutions suggested by the nonprofit sector remain unfulfilled.

**In the second part of this paper, we synthesize the recommendations of the collective papers into three key strategies:**

**1. Establish a Federal Home for Nonprofits and Prioritize Data Collection**

The nonprofit sector needs a dedicated federal entity to address systemic challenges. Without such a home, the sector struggles with uncoordinated policy development. The federal government needs to prioritize the collection of nonprofit data, specifically within Statistics Canada, for better decision-making and policy support.

**2. Enhance Sectoral Leadership**

Sectoral leadership and intermediaries must be developed to bridge capacity gaps, facilitate collaboration, and secure investments. This leadership is crucial for addressing complex relationships and driving collective action across diverse nonprofit organizations.

**3. Improve Data Provision and Access**

Existing data is underutilized due to access and linkage issues. By facilitating data sharing and aligning priorities among stakeholders, the sector can better address service gaps, improve impact assessment, and enhance policy engagement.

The picture painted by the reports we reviewed is that despite ongoing efforts, Canada's nonprofit sector continues to face incomplete and fragmented progress in addressing its data challenges. The creation of a nonprofit data lab, modelled on successful initiatives like the Business Data Lab,<sup>7</sup> offers a path forward that touches on all three strategy recommendations. A data lab would bridge gaps, enhance collaboration, and ultimately strengthen the sector's capacity to serve communities across the country.

7. <https://bdl-lde.ca/>, Accessed September 18th, 2024 Refer to 'Challenge Area 4: Policy or Governmental Role' for more information on the Canadian Chamber of Commerce's Business Data Lab





# CHALLENGE E AREAS

DATA GAPS AND ACCESS TO DATA

CAPACITY

LEADERSHIP

POLICY OR FEDERAL GOVERNMENT ROLE

# 1 – Data Gaps And Access To Data

There are two distinct ways to understand the sector's data gaps: missing data, and inaccessible data. Missing data is, as the term suggests, data that would be valuable to have about the nonprofit sector, but doesn't exist. It may not exist because it was never collected, or because collection stopped and the data is now out of date. Inaccessible data is data that does exist, but is not accessible to the nonprofit sector. Typically, this data is collected by the federal government (especially Statistics Canada) and is either costly to access, or completely inaccessible to the sector. In some cases, the sector may not even know that the data exists.

## Why It's Important

The nonprofit sector is important to the Canadian economy, contributing more than 8% to the national GDP (more than both the automotive and retail sectors),<sup>8</sup> but is unable to gain insights from data to enable organizations to harness their resources and connections to address emerging issues in communities. Whether it's addressing data scarcity, enhancing data collection accuracy, or advocating for the development of a comprehensive data strategy, there is an overarching need to fill existing knowledge gaps and empower stakeholders with reliable and up-to-date information.

Currently, available data only provides snapshots of the nonprofit sector. The lack of sustained data collected about the nonprofit sector limits the useability and value of the data that exists. Similarly, even when this data is complete and useful, it is typically inaccessible to researchers and the sector. For example, while there are clear mechanisms for academic researchers to access data held by Statistics Canada through the Research Data Centres system, the nonprofit sector is unable to use these tools. Difficult access to data perpetuates challenges in understanding what data exists. Although some data on the nonprofit sector is gathered through existing tools, this data is not routinely made available.

8. [Non-profit institutions and volunteering: Economic contribution, first quarter to fourth quarter 2023](#), Accessed September 18th 2024

## The Historical Narrative

Prior to 2001, data scarcity resulted in gaps in understanding the effectiveness of the nonprofit sector, according to reports written at the time. The implication of this was a lack of empirical evidence for robust studies<sup>9</sup> to understand the sector's organizational structure and financial data. This, in turn, hampered collective understanding of the effectiveness of government collaboration.<sup>10</sup>

The Voluntary Sector Initiative (VSI) was launched in June 2000, partly as a way to mitigate this data gap. The VSI was a five-year joint initiative between the Government of Canada and the voluntary sector that aimed to enhance collaboration between the government and the sector. The VSI was the source of funding for all the data advances of the early 2000s, including the National Survey of Nonprofit and Voluntary Organizations (NSNVO), the National Survey of Giving, Volunteering, and Participating (NSGVP) (also known as the Canadian Survey of Giving, Volunteering, and Participating (CSGVP)), and the Satellite Account for Nonprofit Institutions and Volunteering (SANIV). By 2003, reports about the VSI noted that the relationships between the government and the voluntary sector had been enhanced, including establishing frameworks, streamlining regulations, and financing strategies while promoting volunteerism.<sup>11</sup>

The VSI stood out for its broad scope, joint nature, and scale, but the difficulties in achieving desired impacts (awareness and engagement, increased capacity for the sector as a whole, and full integration between the government and the sector in undertaking policy development) underscored the ongoing complexities of aligning government and voluntary sector efforts effectively.<sup>12</sup>

9. Towards an Agenda for Voluntary-Sector Research. p.3-4

10. Dreesen, Erwin. pp.11-17.

11. Voluntary Sector Task Force: Voluntary Sector Initiative. (2003). *Voluntary Sector Task Force Final Report*. pp.14-17

12. Evaluation Directorate, Strategic Policy and Research Branch, Human Resources and Skills Development Canada. (2009). *Voluntary Sector Initiative Impact Evaluation: Lessons Learned from the Voluntary Sector Initiative (2000-2005) Final Report*. pp.vi-ix

The Secretariat Final Report recommended that the VSI continue beyond its five-year mandate.<sup>13</sup> However, the VSI came to an end in 2005 and was not renewed. The 2004 NSNVO that provided comprehensive baseline data about the size, scope, activities, and capacity of the sector met a similar fate. The results of the NSNVO showed that nonprofit and voluntary organizations are an integral part of Canadian society as they not only provide many of the services Canadians rely on every day, but are also major vehicles for citizen engagement.<sup>14</sup> The survey also showed, however, that many of these organizations are struggling to fulfil their missions. The cancellation of these initiatives has proven to be seismic, as the 20-year-old data from the NSNVO is still the most up-to-date national data we have on many aspects of the sector.<sup>15 16</sup>

Sources from after 2015 point to a lack of data that stems from two causes: (i) the lack of available survey data (the discontinuation of the NSNVO ten years previous and the reduction in frequency of the NSGVP from every three years to every five) and (ii) gaps in accessing learnings from disparate regional data initiatives. There is a noticeable gap in publications from the nonprofit sector between the years 2005–2015, which could be due to capacity issues and funding cuts in a changing political climate. What can be said is that the push for more data and collaboration with the government at a national level is replaced by regional efforts until around 2020. The last five years of asks highlight that although regional networks and associations are currently working towards developing data strategies,<sup>17</sup> there is presently no national-level initiative for the entire sector.<sup>18</sup>

13. Voluntary Sector Initiative Secretariat: Voluntary Sector Initiative (2003). *Voluntary Sector Initiative Secretariat Final Report*. Pp.10-11
14. Imagine Canada. (2006). *Strengthening the Capacity of Nonprofit and Voluntary Organizations to Serve Canadians: Recommendations Based on the National Survey of Nonprofit and Voluntary Organizations*. P.27
15. Federal Nonprofit Data Coalition. (2024). *Submission to 2024 Federal Pre-Budget Consultations*. p.5 Accessed 12th September 2024.
16. Earlier this year, 2024, a much scaled-down version of the NSNVO was conducted via the Canadian Survey of Business Conditions. This provided new data on some aspects of the sector, although it was not nearly as comprehensive as the NSNVO and there are no guarantees that this survey will be repeated.
17. For example: Philanthropic Foundations Canada, et al. (2022). *Funder Data Strategy*. Accessed 12th September 2024.
18. Advisory Committee on the Charitable Sector (2021.) *Report 1 of the Advisory Committee on the Charitable Sector*. Accessed 12th September 2024.

## EXISTING CHALLENGES

### Lack of commitment to maintaining long-term data sources

The first, and last, comprehensive National Survey of Nonprofit and Voluntary Organizations was conducted in 2003/4. The Satellite Accounts of Non-Profit Institutions and Volunteering had data that was released annually between 2003 and 2010 (with data for 1997 to 2008). It was subsequently discontinued as an annual survey, with only periodic updates between 2019 and 2024. Finally, the National/Canadian Survey of Giving, Volunteering and Participating (second and final study specifically on nonprofit organizations) was conducted in 1997, 2000, 2004, 2007, and 2010. This was rebranded as the General Social Survey - Giving, Volunteering and Participating (GSS-GVP) and was conducted in 2013, 2018, and 2023. Calls for sustained increased funding for data collection efforts<sup>19</sup> have gone unmet.

### Lack of a legal mandate

Statistics Canada does not have a mandate to collect data about the nonprofit sector the way it does for other industries. This means no access to a comprehensive source of information about how many organizations there are, where they are located, who they serve, or what they do. Budget cuts of any nature to Statistics Canada result in decreased activity on the collections they are not legally required to do, which means that data collection in relation to the nonprofit sector is always at risk. Greater collaboration and coordination between the Government of Canada (including Statistics Canada) and the sector can help bridge the data gap. A collaborative approach is seen as essential for developing shared standards, policies, and resources to understand the existing sector data and the options for improving access to it.

19. Imagine Canada. (2018). *Request for Support from Hon. Navdeep Bains, PC, MP, Minister of Innovation, Science and Economic Development.*

## Lack of alignment

The data needs across the sector are interconnected, and a lack of alignment on the most effective pathways to address data challenges makes it more challenging to leverage collective expertise and resources. For example, the missing Statistics Canada mandate for data collection, which could include a responsibility for aligning data standards, results in inconsistencies in data collection (provincial and territorial governments alongside federal departments in government collect data, and funders track information about the programs they support)<sup>20</sup> across provinces and territories, which in turn “hinders a complete understanding of the sector’s financial ecosystem,”<sup>21</sup> along with the risk of duplicative work.<sup>22</sup>

The Advisory Committee on the Charitable Sector (ACCS) Advisory Group identified several challenges in collecting comprehensive and accurate data, particularly the misalignment between the Canada Revenue Agency (CRA) and Statistics Canada. The CRA’s T3010 forms provide a narrow view, focusing only on registered charities and excluding nonprofit organizations, limiting the broader understanding of the sector. In contrast, no other entity, including Statistics Canada, collects the type of granular data on charities that the CRA does, leaving a significant gap in nonprofit sector data, as while the CRA collects data on non-profits through the T1044 form, less information seems to be collected than on registered charities. This misalignment makes it difficult to analyze the full scope of the sector’s activities, especially as issues like earned income and the role of social enterprises are ambiguously represented. In addition,

...(T)here is little reliable data on the diversity of staff and boards in the charitable sector. The sector and Government rely on ad hoc surveys from Statistics Canada and other researchers for information on diversity. There is no consistent body to which the sector reports diversity of its governance and work force and no unique source of data from which the sector or the Government can draw diversity information in a timely, consistent, and accessible way.<sup>23</sup>

The lack of data on diversity among directors and employees<sup>24</sup> further underscores the need for a coordinated and inclusive approach to data collection, one that reflects the sector’s evolving priorities and supports evidence-based decision-making.

20. Report 2 of the Advisory Committee on the Charitable Sector. Accessed 12th September 2024.

21. Report 3 of the Advisory Committee on the Charitable Sector. Accessed 12th September 2024.

22. Mowat NFP, New Philanthropy Capital, and Imagine Canada. (2018). *Building a Data Ecosystem*. p.12

23. Report 2 of the Advisory Committee on the Charitable Sector. Accessed 12th September 2024.

24. For context, Bill S-279 proposes an amendment to the Income Tax Act to mandate all registered charities to provide demographic data of their boards on an annual basis.



## Lack of technical capacity

A lack of technical capacity presents a significant challenge to improving data management within the nonprofit sector. Many charitable organizations and policymakers struggle with limited data literacy and technical skill sets, often resulting in reliance on external support for data collection, analysis, and sharing. This dependency reflects a broader issue: insufficient internal capacity to handle data strategically. Although individual organizations are enhancing their internal data practices, the concept of a unified data ecosystem within the sector remains underdeveloped.<sup>25</sup> This gap hinders the sector's ability to understand impact, communicate effectively, and facilitate collaboration, demonstrating the need for both improved internal practices and a shift towards a more integrated data approach. The interrelated challenges - and paths forward - presented by organizational and sectoral capacity will be explored in more detail in the next section

25. Mowat NFP, et al. pp. 8-12

# 2 – Capacity

## Why It's Important

Capacity typically refers to the resources (technical, systems, skills, funding, etc.) that allow a nonprofit to get more strategic and operational value from available data. Capacity constraints limit both individual nonprofits and the nonprofit sector from taking full advantage of the data that is available, or expanding the amount and quality of data that is available. Within nonprofits, capacity gaps are predominantly technical at the personnel level. Many nonprofits lack the technical skill sets and/or organizational capacity to manage and analyze data effectively.<sup>26</sup> Investing in bridging these gaps within nonprofits will help individual organizations, and will have spillover effects that positively impact the overall sector. This is an important piece of any solution seeking to address the data deficit faced by the nonprofit sector.

However, the bigger challenge in building a more data-enabled nonprofit sector is the sectoral capacity gap. This concept refers to the missing resources to allow the nonprofit sector, at large, to get more strategic value from data. In this conceptualization of capacity, the gaps exist at a sectoral level, as shown by (a) outdated privacy laws,<sup>27</sup> (b) missing intermediaries that can facilitate data for use, (c) missing research bodies that can conduct research about and for the nonprofit sector, (d) missing institutions to facilitate research, data collection, and so on. In our research it is this sort of capacity that is more prevalent as a barrier. Addressing data challenges in the nonprofit sector requires a multifaceted approach that encompasses both technical and policy dimensions to allow organizations to better address community needs, advocate for change, and drive positive social impact. Here, we are seeking to demonstrate the interrelated nature of these challenges. Enhancing both organizational and sectoral capacity will help improve the state of data about and for the nonprofit sector, even though it may not fully solve the underlying data deficit.

26. Mowat NFP, et al. p.18

27. Ontario Nonprofit Network. (2023). *The DEAL Project*. Accessed 12th September 2024.

## The Historical Narrative

The capacity constraints faced by nonprofits exacerbate the challenges posed by data gaps and limited access to data. In this context, the term ‘capacity’ encompasses human resources, research and information sharing, and policy participation.<sup>28</sup> This definition is taken from the summary of the 2003 Capacity Joint Table (CJT) between the Government of Canada and the voluntary sector, which was one of seven joint tables established under the Voluntary Sector Initiative. This push to develop leaders, understand the sector through data, have the sector participate in policy development, and manage finances more effectively, can be traced to “Working Together”: a Joint Tables report from 1999. One of the strategic investment goals identified over 25 years ago was to strengthen the digital capacity of the sector for information management.<sup>29</sup>

The overarching goal of strengthening capacity was to empower both individual organizations and the sector as a whole to better fulfil their missions, bring their visions to life and bolster their resilience in the face of challenges. However, later reports such as ONN’s Nonprofit Data Strategy, which was published 16 years after “Working Together”, indicate that the sector is still searching for the resources it needs to manage and use data effectively.<sup>30</sup>

The 2019 Data Policy Coalition report underscores the effects of data deficits, particularly evident in provincial and territorial child welfare systems, where insufficient capacity hampers trend monitoring and comparative analysis across regions.<sup>31</sup> Building A Data Ecosystem (2018) says governments and funders should incentivize and fund capacity-building initiatives for data analysis within charitable organizations, including grants for training and collaborative projects.<sup>32</sup>

While there is broad alignment over the years in identification of the overarching challenges, there are also key differences in the specific areas of focus and proposed solutions. For instance, some reports highlight the need for enhanced technical skills and organizational capacity within nonprofits to effectively manage and analyze data, while others emphasize broader policy reforms and systemic changes to support data use. These differences in emphasis reflect varying perspectives on the root causes of capacity limitations and the most effective strategies for addressing them.

28. Resources from the Capacity Joint Table: Voluntary Sector Initiative. (2003). *Building Capacity in the Voluntary Sector*.

29. A Government of Canada/Voluntary Sector Joint Initiative. (1999). *The Joint Tables Working Together Report August 1999*. p.11

30. Ontario Nonprofit Network. (2015). *Towards a Data Strategy for the Ontario Nonprofit Sector*. Accessed 12th September 2024.

31. Powered By Data. (2019). *Introducing the Data Policy Coalition*. Accessed 12th September 2024.

32.. Mowat NFP, et al. p.26

## EXISTING CHALLENGES

### **Building capacity requires financial & human resources**

A consistent concern in the reports we reviewed is the acknowledgment of significant barriers hindering the nonprofit sector's ability to effectively leverage data and engage in research endeavours. These barriers include a scarcity of resources, both in terms of funding and technical expertise, as well as organizational challenges such as limited capacity for data management and analysis. This isn't to say that the issue is the need for increased funding. Instead, the issue is that almost all funding is directed towards project and program delivery. There is very little money for anything to do with capacity, including training staff and developing infrastructure. This shared recognition across the reports underscores the systemic nature of the challenges facing the sector and highlights the need for comprehensive interventions to address them.

### **Building capacity requires collaboration**

While capacity-building at the organizational level largely focuses on a basic data literacy skill set, there is also a need for more advanced data analytics expertise that would be better suited to an intermediary or backbone organization, such as a specialized data lab.<sup>33</sup> In this context, expertise refers to competencies around (i) data modeling and predictive analytics - creating models to forecast trends or outcomes based on historical data, helping nonprofits predict the impact of their programs or allocate resources more efficiently - (ii) combining datasets from multiple sources to build a broader data ecosystem, (iii) designing dashboards for visualization, (iv) applying machine learning algorithms to identify patterns in large data sets. To date, sector efforts at the provincial level are often not replicated at the federal level, leading to siloed initiatives. Additionally, the quest for uniformity sometimes results in lost momentum, highlighting the importance of streamlining efforts across all levels of government to effectively build capacity within the sector.

33. Mowat NFP, et al. p.26

## EXISTING CHALLENGES

### Concerns regarding research dissemination

Concerns have been raised regarding the dissemination of research findings, emphasizing the necessity for upfront planning and the translation of academic research into layperson language.<sup>34</sup> Furthermore, sector-wide publications tend not to differentiate research-based from non research-based resources.<sup>35</sup> For nonprofits, being able to reliably know the impact of offered services can help determine which of those services are having a negative impact. To this end, from the organizational to the system level, there is a call for shared access to research results and their practical applications in both policy-making and curriculum development. This highlights the importance of making research accessible and relevant to a wider audience, ensuring that its insights can inform decision-making processes effectively.

34. Towards an Agenda for Voluntary-Sector Research. p.5  
35. Towards an Agenda for Voluntary-Sector Research. p.4

# 3 – Leadership

Leadership in this context - that is to say, how it appears in the consulted literature - includes both stewardship and financial leadership. Stewardship is the long-term institutional commitment to work on the data issue and solutions over the long run. This is distinctly different from project and initiative level leadership, in which specific research or data projects are successfully stewarded from inception to ending. Financial leadership is, as implied, the ongoing funding of solutions for this problem.

## Why It's Important

Leadership is essential for coordinating goals and approaches across organizations and sectors, and for securing financial investments in data initiatives, but it is beyond the capacity of individual nonprofit leaders to do all of the above. Collaboration and input from data experts and nonprofit leaders are essential to create a shared strategy that leverages the benefits of data and unlocks opportunities for civil society.<sup>36</sup>

Specifically, data leadership in the nonprofit sector is needed in three key areas to help the nonprofit sector become data enabled:

### 1) Building Buy-in

Leadership is needed to steward ongoing data work. Project and initiative level leadership has been seen over the last 25 years, including the effective stewardship of multiple initiatives. However, when momentum stalls and initiatives end, the leadership gap becomes apparent. Building long-term sectoral and governmental buy-in is vital for sustained success.

### 2) Coordination and Collaboration

Over the last 25 years, many initiatives, projects, strategies, and policy asks have been undertaken. These projects and strategies have come from many different parts of the sector, such as at the regional or provincial level, from foundations and/or nonprofits, etc. While they all have been effective and aligned in their objectives, a coordination and collaboration role is missing. Having leadership to steward and align all of these disparate efforts can be effective in driving sustained momentum.

### 3) Financial

Financial investment into nonprofit data has been ad hoc, sporadic, and focused on initiatives rather than institutions. Sustained financial leadership must be identified for ongoing work to be effective.

36. Towards a Data Strategy for the Ontario Nonprofit Sector. Accessed 12th September 2024.



## The Historical Narrative

The last 25 years have produced many examples of leadership in practice, but ultimately these initiatives can be classified as short-term solutions given the lack of ongoing funding.

Between 2000 and 2005, the Voluntary Sector Initiative aimed to strengthen relationships between the government and the voluntary sector. The Joint Regulatory Table, as part of the VSI, was viewed as a collaborative, inclusive, and progressive model that offered an important opportunity for openness and transparency on various areas such as establishing frameworks, refining regulations, and devising financing strategies, all while championing the cause of volunteerism.<sup>37</sup> However, issues regarding leadership clarity emerged during this period, indicating a need for more defined authority moving forward.<sup>38</sup>

Almost 20 years later, PolicyWise's activities between 2020 and 2023 in Alberta, showcased proactive steps to engage nonprofit sector leaders with Statistics Canada counterparts.<sup>39</sup> This included hosting informative sessions, conducting webinars, and organizing training series aimed at empowering nonprofit staff to effectively use Census data. This, however, was a provincial-level initiative that does not, as of yet, have federal-level replication.

Similarly, the ongoing Advisory Committee on the Charitable Sector (ACCS) said in 2021 that while provincial efforts by organizations like CapitalW and Powered by Data strive to enable comparative analysis and develop data strategies, a glaring gap remains at the national level. We circle back here to the issue of data access. Today, a wealth of data is held within the nonprofit and charitable sector, collected by various entities ranging from local organizations to federal departments. Despite this abundance, challenges persist due to inconsistent methodologies, terminology, and accessibility issues, leading to delayed data releases.<sup>40</sup>

These challenges were highlighted in 2003 by the VSI, which sought to prioritise coordination among knowledge dissemination centres, collaboration with the voluntary sector, and distributing requests for proposals within the nonprofit sector.<sup>41</sup> The call for leadership to steer and coordinate these efforts has gone unacted upon for over 20 years.

These disparate and sometimes ad hoc efforts over the last 25 years highlight a lack of ongoing institutional leadership within the nonprofit sector on the data file. When leadership does arise, changing political landscapes and the lack of financial leadership have limited the ability of leadership to sustain over the long run.

37. Voluntary Sector Initiative Impact Evaluation, pp. 55-60

38. Voluntary Sector Task Force Final Report. pp.14-17

39. Policywise. (2020). *Alberta Nonprofit Data Strategy*. Accessed 12th September 2024

40. Report 2 of the Advisory Committee on the Charitable Sector. Accessed 12th September 2024.

41. Voluntary Sector Initiative Secretariat Final Report. pp.10-11

## EXISTING CHALLENGES

### **A complex & diverse sector makes it difficult to coordinate goals and approaches across organizations, funders and sectors**

It is too simplistic to state that one national data strategy will address the needs of the nonprofit sector. Diversity in the nonprofit sector requires tailored data strategies for each organization or collective, and nonprofits need autonomy over their data to engage fully in the data ecosystem.<sup>42</sup>

### **Funding & grants dictate staff commitment at nonprofit/voluntary level**

When funders dictate staff priorities, alignment between organizational goals and data needs may suffer, leading to fragmented approaches to data management. Reliance on short-term funding can hinder sustainability and continuity in data initiatives, limiting the establishment of cohesive strategies. Pressure to secure funding may also divert resources from staff training in data literacy and analysis, impeding skill development. The federal government frequently relies on the sector to deliver crucial programs and services but very rarely allows nonprofits to use its funding to cover essential core costs.<sup>43 44</sup>

### **Lack of financial commitment limits sustainability**

The lack of sustained funding in the nonprofit sector hampers data initiatives, leading to short-lived projects when financial support ceases. Without substantial and consistent funding, nonprofits struggle to maintain necessary data infrastructure, exacerbating inefficiencies and hindering impact. Efforts to refine and aggregate data remain underfunded and piecemeal. To advance data initiatives, sustained investment in infrastructure, standardization, and collaborative platforms is essential.

42. The DEAL Project. Accessed 12th September 2024.

43. Imagine Canada. (2021-2023). Policy Priority: Data for Effective Decision Making. Accessed 12th September 2024.

44.. Imagine Canada goes into more detail on core costs in their [Core Funding Brief](#) (Accessed 9th October 2024). Examples of core costs given include staffing, financial management, governance, evaluation, communications, revenue generation, technology, office space and supplies.

# 4 – Policy or Federal Governmental Role

While many of the issues surrounding the nonprofit data gap are distinctly different from broader nonprofit issues, this distinction is less clear when looking at the nonprofit-government relationship. Many of the research reports and policy asks from the nonprofit sector about data are related more broadly to the sector. For example, many of the reports cite a “home for the sector” in the federal government as a need. In this section, the lines between data issues and broader issues will be blurred because this is how the issue presents itself in the reports we consulted.

## Why It’s Important

The government plays a crucial role in the growth and effectiveness of the nonprofit sector. It provides ongoing funding and an enabling policy and regulatory environment. Historically, effective collaboration with the government has resulted in positive outcomes, as evidenced by the Voluntary Sector Initiative (VSI) and other collaborative efforts. However, when the government has taken a step back to play a smaller role – as it did between 2005 and 2015 – progress was limited.

Recently, the federal government has supported social innovation and social finance initiative through programs such as the Investment Readiness Program (\$50 million in non-repayable capital over two years, once renewed for \$50 million over an additional two years) and the Social Finance Fund (\$750 million of loans over ten years) to tackle pressing social, economic, and environmental issues. Each of these programs have been carried out in partnership with the nonprofit sector (and the social impact sector more broadly). These efforts clearly represent the encouragement of partnerships between charitable, nonprofit, private, and public sectors to drive systemic change.

However, the narrative from the consulted reports suggests that persistent challenges, such as short-term funding, complex bureaucratic processes, and inadequate data collection, have hindered the nonprofit sector's potential. The current environment is ripe for moving forward through the use of open data and administrative linking, collecting and publishing comprehensive nonprofit sector data, and using disaggregated data for better policy decisions. Stable, long-term government funding for such initiatives would ensure nonprofits can plan strategically and sustainably. To give specific examples, leveraging instruments such as the Business-Linkable File Environment or giving Statistics Canada a mandate around nonprofit data will lead to the creation of more useful, richer, and fuller insights that use up-to-date information.

The most relevant and recent example of effective government collaboration is the Business Data Lab (BDL).<sup>45</sup> In February 2022, the government launched the BDL in partnership with the Canadian Chamber of Commerce. The BDL aims to help small businesses monitor regional market trends, survey businesses quarterly on future trends, and help businesses owned by diverse segments of the population access focused research into their needs and opportunities. The nonprofit sector would benefit enormously from the creation of a similar entity.

## The Historical Narrative

The previous sections have outlined how an inability to access relevant data, sector-level capacity issues, and the lack of leadership to unify disparate initiatives around the use of data, have resulted in perpetual demands over the last 25 years for governmental support of the nonprofit sector. Successes identified in these reports are predominantly characterized by a government playing an active role. This role has included facilitation, providing an enabling policy and regulatory environment, or ongoing funding and leadership via champions within specific departments.

In 1999, initiatives aimed to improve the relationship between government and the voluntary sector, through enhancing collaborative capacity, and refining regulatory frameworks.<sup>47</sup> Recommendations emphasized nurturing voluntary organizations while ensuring regulatory compliance.<sup>48</sup> Progress was made with the establishment of the VSI in the early 2000s. Evaluation results demonstrated that the most positive impacts of the VSI were concentrated in the areas of intersectoral relationships, coordination and coherence in the interaction between government and the voluntary sector, knowledge of the sector, and regulatory reform.<sup>49</sup>

45. <https://bdl-lde.ca/>

46. [Background information on the Business Data Lab](#). Accessed September 18th, 2024

47. The Joint Tables Working Together Report August 1999. pp.9-11

48. Broadbent, et al. (1999). *Building On Strength: Improving Governance and Accountability in Canada's Voluntary Sector - Panel on Accountability and Governance in the Voluntary Sector Final Report*. p.viii

49. Voluntary Sector Initiative Impact Evaluation: Lessons Learned from the Voluntary Sector Initiative (2000-2005) Final Report

These positive impacts are in addition to the funded NSNVO and SANIV, which advanced the data agenda. In 2018, the Social Innovation and Social Finance Strategy Co-Creation Steering Group recommended that “the Government of Canada expand the evidence base of data and research and provide a new mechanism to coordinate better sharing of data, research and knowledge across social innovation ecosystems in Canada.”<sup>50</sup> In 2019, the Special Senate Committee on the Charitable Sector recommended that “the Government of Canada prioritize data about the charitable and non-profit sector in all Statistics Canada economic surveys.”<sup>51</sup>

However, looking at the developments recorded by 2023, it becomes evident that some of the proposed changes have not been fully realized. There is currently no publicly available list of all nonprofit organizations in Canada, and no comprehensive source of information about how many organizations there are, where they are located, who they serve, or what they do.<sup>52</sup> Statistics Canada does not have a mandate to collect data about the nonprofit sector, unlike for many other industries of similar or smaller size.<sup>53</sup> Significant gaps in understanding the sector's organizational structure and financial data remain, hindering comprehensive analysis and decision-making.

As of 2023, these challenges persist, with nonprofits facing barriers in engaging in social enterprise activities due to rules aimed at protecting public and charitable funds, which results in equity-seeking communities having less access to these funds.<sup>54</sup> These challenges underscore the need for continued efforts to enhance collaboration and the creation of regulatory frameworks for the nonprofit sector by the government, ensuring its effectiveness and impact.

The ACCS Reports (2021 Jan-July) specifically call for a centralized policy “home” focused on charity purposes within the federal government. This highlights a distinct gap in centralized policy coordination, indicating the importance of establishing clear governance structures and accountability mechanisms to drive effective policy development and implementation within the sector. Further reports from the last five years see the government as able to empower nonprofits to participate in the policy development process, monitor legislative changes, and advocate for their communities through access to data. Policy frameworks should support data access and use for public benefit, clarifying data ownership and licensing arrangements.<sup>55</sup>

Other national governments and funders have shown leadership in this area by developing common codes, protocols and standards, hosting shared datasets with backbone data infrastructure and contributing their own de-identifiable administrative data. In 2018, the Mowat Centre highlighted PolicyWise’s Child and Youth Data Lab in Alberta and NHS Digital in the UK as two compelling examples of the potential of linking existing datasets that could be emulated in other jurisdictions.<sup>56 57</sup> These examples showcase well-developed open data policies at all government levels. It’s time to replicate this at a federal level in Canada.

50. Employment and Social Development Canada. (2017). *Inclusive Innovation: New Ideas and New Partnerships for Stronger Communities. Recommendations of the Social Innovation and Social Finance Strategy Co-Creation Steering Group*. Accessed 12th September 2024.

51. Senate of Canada. (2019). *Catalyst for Change: A Roadmap to a Stronger Charitable Sector*. Accessed 12th September 2024.

52. Policy Priority: Data for Effective Decision Making. Accessed 12th September 2024.

53. Policy Priority: Data for Effective Decision Making. Accessed 12th September 2024.

54. Policy Priority: Data for Effective Decision Making. Accessed 12th September 2024.

55. Towards a Data Strategy for the Ontario Nonprofit Sector. Accessed 12th September 2024.

56. Mowat NFP, et al. p.14, p.27

57. The Mowat Centre announced it would close by June 30, 2019, due to the termination of its funding agreement with the Government of Ontario. Over the previous decade, the Mowat Centre contributed significantly to policy-making, publishing nearly 200 reports, promoting evidence-based policies, and enhancing collaboration among Canada’s governments. See more: <https://mowatcentre.munkschool.utoronto.ca/>

## EXISTING CHALLENGES

### **Lack of impact data restricts the ability to understand the effectiveness of government collaboration with the sector in order to reduce the sector's reliance on public funding**

Governments have long relied on the nonprofit sector to deliver public services, especially in areas such as healthcare, social services, and education. This reliance allows governments to leverage the specialized expertise, community connections, and cost efficiencies of nonprofit organizations. According to the 2019 report by Imagine Canada, government funding constitutes a substantial portion of revenues for many nonprofit organizations. For instance, about 20-30% of nonprofit revenues come from government sources, though this varies significantly across sub-sectors.<sup>58</sup> To reduce the sector's reliance on public funding, it is imperative to generate and utilize detailed impact data to identify successful initiatives, attract diverse funding sources, and inform evidence-based policy decisions. Given the substantial role that nonprofits play in delivering outsourced government services, addressing these data gaps is critical for fostering a sustainable and effective nonprofit sector.

### **Lack of funding and mandate for Statistics Canada around nonprofit data**

Improving data collection, analysis and release practices related to the nonprofit sector will not occur without sustained funding. The Federal Nonprofit Data Coalition indicates:

As Statistics Canada begins to collect and release more data related to the nonprofit sector, the lack of coordination and communication across teams has become apparent. This has resulted in the release of data products that scope and define the sector in different ways, leading to confusion, distrust, and missed opportunities to link and combine data from different sources to garner new insights. It also means that the agency struggles to establish and maintain the subject-matter expertise required to collect and mobilize data on the sector efficiently and effectively. To maximize the return on investment and impact generated by Statistics Canada's data collection efforts in relation to our sector, the agency needs to adopt a more intentional, coordinated approach and build internal subject-matter expertise.<sup>59</sup>

58. <https://imaginecanada.ca/en/360/non-profit-sector-continues-grow> Accessed 12th September 2024.

59. Federal Nonprofit Data Coalition. (2024). Submission to 2025 Federal Pre-Budget Consultations. p.2. Accessed 12th September 2024.



The same is true for data on the nonprofit sector at the national level. The 20-year-old data of the 2003/4 National Survey of Nonprofit and Voluntary Organizations is still the most up-to-date national data available on some aspects of the sector, as the 2024 special module of the Canadian Survey of Business Conditions was smaller in scope and sample size. Major data collection on the sector shouldn't be a once-in-twenty-year occasion as in a rapidly changing environment, data becomes out-of-date quickly, and without comparison points from regular data collection, we cannot see trends, such as the impact the COVID-19 pandemic had on some key indicators.<sup>60</sup>

## **Differing perspectives of public and nonprofit sectors**

Representatives from the nonprofit sector have historically had inherently different approaches and goals from those of the public service. Nonprofit organizations are mission-driven, community-centred, and flexible, while government departments are policy-driven, standardized, and bureaucratic and subject to changing political climates. These differences impact collaboration dynamics, necessitating mutual understanding, shared goals, flexible funding, streamlined processes, and data sharing to enhance cooperation.

## **A need for continuity & sustained funding in infrastructure rather than initiatives**

Government funding and contracts are frequently short-term, generally lasting one to three years, and are subject to changing financial priorities. This instability makes it challenging for nonprofits to plan for the long term, invest in capacity building, or retain skilled staff. The lack of long-term funding can lead to high staff turnover and a focus on survival rather than strategic growth and impact. Developments over the last few years, such as the Business-Linkable File Environment and its role within the Investment Readiness Program, indicate that permanent infrastructure can help and improve programs that serve the nonprofit sector by addressing capacity issues and reducing the burden on reporting. However, the short-term nature of programs like the Investment Readiness Program (two iterations of two years each between 2019 and 2023), means that a long-term solution has not yet been implemented. Effective collaboration requires a sustained commitment over many years. Short-term or intermittent support undermines the ability to achieve meaningful, long-lasting outcomes.

60. Submission to 2025 Federal Pre-Budget Consultations. p.3. Accessed 12th September 2024.



# RECOMMENDATIONS FOR MOVING FORWARD

Establish a Home in  
Government and Prioritize Nonprofit Data

Fill Capacity Gaps with Intermediaries and  
Sectoral Leadership

Provide More Data and Better  
Access to Existing Data

# 1 – Establish a Home in Government and Prioritize Nonprofit Data

Despite being one of the three pillars<sup>61</sup> of the Canadian economy, nonprofits and charities operate without a designated federal entity responsible for overseeing their sector or addressing systemic issues affecting them. This absence not only undermines the sector's capacity but also hampers comprehensive policy development within the federal government. As a result, challenges faced by organizations serving remote and vulnerable populations remain inadequately addressed, perpetuating inequalities and hindering societal progress. Mirroring this federal gap is the missing the mandate for Statistics Canada. On Statistics Canada's website, they list 31 subjects that have dedicated portals and data to explore the subject in depth. The nonprofit sector is not one of these 31.

## Set Up a Home in Government as a Touchpoint

The ACCS saw the creation of a dedicated government "home" for nonprofits as an imperative. Such an entity would prioritize the purposes rather than just the activities of charities, enabling better service delivery to remote and vulnerable populations. Currently, the absence of such a centralized hub leaves charities and nonprofits without a focal point for coordinated policy development within the federal government. This "home" for the charitable and nonprofit sector would exist outside of the Charities Directorate of the CRA.<sup>62</sup> The lack of such a "home" means the absence of a place for comprehensive and coordinated policy development within the federal government. This gap must be urgently addressed to provide much-needed support to the sector and foster greater collaboration among stakeholders.

61. In this context, the three pillars are (i) the state or public sector, (ii) the market or private sector, and (iii) society/community or the nonprofit Sector

62. Report 1 of the Advisory Committee on the Charitable Sector. Accessed 12th September 2024.

## Make Data a Priority

Without a clear strategy for data governance and collaboration, nonprofits struggle to access up-to-date and comprehensive data for evidence-based decision-making. Industry data disaggregated by nonprofit subsectors and detailed labour market data allow strategic planning and resource allocation. Establishing a federal data priority would facilitate better coordination and sharing of data across relevant government departments, enabling more informed policy-making and program development. This would likely take the form of an explicit mandate to Statistics Canada for nonprofit data.

Effective impact assessment and diversity data collection are essential for understanding the sector's contributions and addressing its challenges. Setting indicators for research success and forming a nonprofit sector research network would enable stakeholders to measure impact and share best practices more effectively. Collaboration among relevant federal departments, working with a Sector Advisory Group on Data, is crucial to determine appropriate mechanisms to collect diversity information on the directors and paid employees of charities.<sup>63</sup> By prioritizing impact assessment and diversity data collection, the federal government can better support the sector's growth and ensure equitable representation and participation.

63. Recommendation 7 in Report 2 of the Advisory Committee on the Charitable Sector. Accessed 12th September 2024.

## 2 – Fill Capacity Gaps with Intermediaries and Sectoral Leadership

Collaboration and coordination across a stretched and diverse sector initially requires a top-down approach, which means prioritizing the development of intermediaries and sectoral leadership. These entities play a crucial role in bridging capacity gaps, facilitating coordination, securing investments, and managing complex relationships. Focus on these areas means the sector can more effectively serve communities and enhance its influence in policy and decision-making

### Facilitate Dialogue and Coordination

By coordinating efforts, securing investments, and addressing complex relationships, intermediaries can address the capacity gaps in sectoral leadership to drive progress and enhance the sector's ability to serve communities effectively. Through engagement with institutional leaders, such as at Statistics Canada, on sector priorities, sectoral leadership can ensure that the sector's needs and concerns are effectively communicated and addressed, and inform government solutions. Moreover, sectoral leadership helps coordinate goals and approaches across diverse organizations, funders, and sectors, fostering collaboration and maximizing impact.

### Secure Investments and Drive Collective Action

Effective sectoral leadership creates buy-in among stakeholders, garnering support for initiatives and driving collective action. By aligning priorities and mobilizing resources, sectoral leadership can secure financial investments necessary for advancing the sector's goals and addressing critical challenges. This buy-in not only enhances the sector's capacity but also strengthens its influence and relevance in policy and decision-making processes.

## **Address Complex Relationships and Challenges**

Sectoral leadership is instrumental in addressing the identified "fraught" relationships within the sector and between the sector and government. The complexity and diversity of the sector requires coordinated efforts to navigate and align goals effectively. Funding constraints and staff commitments underscore the importance of strategic leadership in optimizing resource allocation and maximizing impact. Additionally, historical differences in approaches and goals between sector representatives and the public service highlight the need for collaborative leadership to bridge divides and foster mutual understanding.



## 3 – Provide More Data and Better Access to Existing Data

The call for collecting more data at a national level over the last 25 years has largely gone unheard. Yet there is an abundance of existing data, which various organizations collect at the local, provincial, territorial, and federal department levels that give us a reasonably good understanding of the overall size and scope of the nonprofit sector. Improved access to funder data diversifies and stabilizes funding, empowering nonprofits to strategically plan for long-term support. Moreover, increased access to data empowers nonprofits to participate in the policy development process, monitor legislative changes, and advocate for their communities effectively. This engagement strengthens the sector's voice and influence in shaping the policies that impact their communities. New technology means that the sectoral ask is no longer just about collecting more data, but increasingly about how to better use and access the data that already exists.

### Facilitate Data Linkage and Access

There is, for example, very little data on occupations in the sector, career paths, pay rates, or skill development needs. This makes it difficult to manage the sector's diverse and growing labour force and plan for the future. We have only very high-level data on the services delivered by nonprofits and the populations being served, making it difficult to identify and fill service gaps. There is also little publicly available information on the impact of the programs and services the sector provides, making improving the sector's efficiency and effectiveness challenging.

Providing opportunities to link existing datasets and opening them for broader analysis is crucial for enhancing data accessibility and utility. With a clear path for charitable contributions, stakeholders can leverage comprehensive data strategies to use information quickly, practically, and effectively. This enables smarter grantmaking, innovative solutions, collaboration, and a deeper understanding of impact across the sector. Statistics Canada already has the tools to undertake this work (for example the Business-Linkable File Environment and the Social Data Linkable Environment).

## Align Data Priorities

Identifying and aligning data priorities among stakeholders is essential to encourage data sharing and collaboration effectively. Doing so can allow for clear and coordinated sectoral asks and prioritized research questions. This level of focus can allow for advocacy and research efforts to push in the same direction, unlocking high value data more effectively and efficiently. Additionally, aligning data priorities ensures that resources are allocated efficiently to address pressing sector needs.



# CONCLUSION

In the last 25 years, various groups—within both the sector and government—have been trying to address the challenges relating to data and data infrastructure presented by access, capacity, leadership and the role of the federal government, but these efforts have been incomplete, inadequate, fragmentary, and temporary. The Common Approach to Impact Measurement, the Ontario Nonprofit Network’s DEAL project, Policywise/Volunteer Alberta, and Imagine Canada and the Federal Nonprofit Data Coalition, among others, are working on pieces of the data puzzle, but their efforts are disconnected and siloed.

Half of the reports published in the last ten years state that initiating a Canadian data lab pilot project at the federal level will address data access and linkage challenges in the nonprofit sector.<sup>64</sup> Leveraging existing resources and data infrastructure, this pilot project can identify one or two issue areas through an environmental scan of existing data infrastructure and by convening a committee of key stakeholders. In addition, a data lab would bridge the gap between the nonprofit sector and government, and provide capacity for advanced data analytics expertise for the sector.

By taking proactive steps to enhance data access and linkage, the nonprofit sector can overcome long standing barriers and unlock new opportunities for collaboration, innovation, and impact. Immediate action is needed to propel the sector forward and ensure its resilience and effectiveness in serving communities across Canada.

### THE DATA LAB PROJECT REPRESENTS:

- an initial step toward a home in government
- a partnership with Statistics Canada to emphasize the federal data priority
- the possibility to address capacity issues faced by the sector
- easier access to existing data
- the creation of deeper, more meaningful datasets through linkages with other relevant data sources from across sectors

Ultimately, this is not a new recommendation or concept. These commonly identified gaps and recommendations stem from our research and lived experience and are shown in over 25 years of reports from the sector. The Business Data Lab created by the Canadian Chamber of Commerce, born out of the early days of the COVID-19 pandemic, acts as a proof of concept for a data lab project and demonstrates what is possible with Statistics Canada collaboration and Government of Canada support. What has shifted is our ability to act, and the growing urgency with which we need to do so.

64. Mowat NFP, et al. p.27; Towards a Data Strategy for the Ontario Nonprofit Sector. Accessed 12th September 2024.; Policy Priority: Data for Effective Decision Making. Accessed 12th September 2024.; Employment and Social Development Canada. (2017). *Inclusive Innovation*. Accessed 12th September 2024.; Submission to 2024 Federal Pre-Budget Consultations. p.6. Accessed 12th September 2024.; Submission to 2025 Federal Pre-Budget Consultations. p.5. Accessed 12th September 2024.

1. A Government of Canada/Voluntary Sector Joint Initiative. (1999). [\*The Joint Tables Working Together Report August 1999\*](#)
2. Broadbent, et al. (1999). [\*Building On Strength: Improving Governance and Accountability in Canada's Voluntary Sector - Panel on Accountability and Governance in the Voluntary Sector Final Report\*](#)
3. National Voluntary Sector Research Symposium. (2000). [\*Sharing, Learning, Building: Towards an Agenda for Voluntary-Sector Research\*](#)
4. Dreessen, Erwin. (2001). [\*What We Should Know About the Voluntary Sector but Don't\*](#)
5. Voluntary Sector Initiative Secretariat: Voluntary Sector Initiative (2003). [\*Voluntary Sector Initiative Secretariat Final Report\*](#)
6. Resources from the Capacity Joint Table: Voluntary Sector Initiative. (2003). [\*Building Capacity in the Voluntary Sector\*](#)
7. Voluntary Sector Task Force: Voluntary Sector Initiative. (2003). [\*Voluntary Sector Task Force Final Report\*](#)
8. Canadian Centre for Philanthropy. (2003). [\*The Capacity to Serve: A Qualitative Study of the Challenges Facing Canada's Nonprofit and Voluntary Organizations\*](#)
9. Canadian Council on Social Development. (2005). [\*Funding Matters For Our Communities: Challenges and Opportunities for Funding Innovation in Canada's Nonprofit and Voluntary Sector. Phase II: Final Report\*](#)
10. Imagine Canada. (2006). [\*Strengthening the Capacity of Nonprofit and Voluntary Organizations to Serve Canadians: Recommendations Based on the National Survey of Nonprofit and Voluntary Organizations\*](#)
11. Imagine Canada. (2006). [\*Recommendations for Improvements to the National Survey of Nonprofit and Voluntary Organizations and the Canada Survey of Giving, Volunteering, and Participating\*](#)
12. Evaluation Directorate, Strategic Policy and Research Branch, Human Resources and Skills Development Canada. (2009). [\*Voluntary Sector Initiative Impact Evaluation: Lessons Learned from the Voluntary Sector Initiative \(2000-2005\) Final Report\*](#)
13. The Muttart Foundation. (2015). [\*Pre-budget Consultations for Budget 2015\*](#)
14. Ontario Nonprofit Network. (2015). [\*Towards a Data Strategy for the Ontario Nonprofit Sector\*](#). Accessed 12th September 2024.
15. Mowat NFP, New Philanthropy Capital, and Imagine Canada. (2018). [\*Building a Data Ecosystem\*](#)
16. Imagine Canada. (2018). [\*Request for Support from Hon. Navdeep Bains, PC, MP, Minister of Innovation, Science and Economic Development\*](#)
17. Employment and Social Development Canada. (2017). [\*Inclusive Innovation: New Ideas and New Partnerships for Stronger Communities. Recommendations of the Social Innovation and Social Finance Strategy Co-Creation Steering Group\*](#). Accessed 12th September 2024.
18. Senate of Canada. (2019). [\*Catalyst for Change: A Roadmap to a Stronger Charitable Sector\*](#). Accessed 12th September 2024.
19. Powered By Data. (2019). [\*Introducing the Data Policy Coalition\*](#). Accessed 12th September 2024.
20. Policywise. (2020). [\*Alberta Nonprofit Data Strategy\*](#). Accessed 12th September 2024.
21. Advisory Committee on the Charitable Sector (2021.) [\*Reports 1, 2, & 3 of the Advisory Committee on the Charitable Sector\*](#). Accessed 12th September 2024.
22. Imagine Canada. (2021-2023). [\*Policy Priority: Data for Effective Decision Making\*](#). Accessed 12th September 2024.
23. Philanthropic Foundations Canada, et al. (2022). [\*Funder Data Strategy\*](#). Accessed 12th September 2024.
24. Policywise. (2023). [\*Using Census Data to Advance Alberta Nonprofits\*](#). Accessed 12th September 2024.
25. Ontario Nonprofit Network. (2023). [\*The DEAL Project\*](#). Accessed 12th September 2024.
26. Federal Nonprofit Data Coalition. (2024). [\*Submission to 2024 Federal Pre-Budget Consultations\*](#). Accessed 12th September 2024.
27. Federal Nonprofit Data Coalition. (2024). [\*Submission to 2025 Federal Pre-Budget Consultations\*](#). Accessed 12th September 2024.