Submission to 2025 Federal Pre-Budget Consultations

By the Federal Nonprofit Data Coalition

As organizations:
- Afro-Caribbean Business Network Foundation Canada
- ANSWER.it Inc
- Big Brothers Big Sisters of Canada
- BridgePoint Center for Eating Disorder Recovery
- Community Sector Council Newfoundland and Labrador
- Edmonton Chamber of Voluntary Organizations
- EMBRACEHEALTHFOUNDATION
- Imagine Canada
- Metro Toronto Movement for Literacy
- Network for the Advancement of Black Communities (NABC)
- New Power Labs
- Ontario Council of Agencies Serving Immigrants (OCASI)
- Philanthropic Foundations Canada
- Pillar Nonprofit Network
- PolicyWise for Children & Families
- Relèven
- Resilient Kids Canada
- SETSI
- Sherry Baker Consulting
- Skills for Change
- The Circle on Philanthropy
- The Nonprofit Chamber
- United for Literacy
- Vantage Point
- Volunteer Canada
- Volunteer Ottawa
- YWCA Toronto

As individuals:
- Arlene MacDonald, Co-Chair, Federal Nonprofit Data Coalition
- Bruce Martin, Professor, Thompson Rivers University
- Candice Shaw, Executive Director, ESVA Canada
- Dr. Jacqueline Musabende, Associate professor, Mount Royal University
- François Brouard, Carleton University, Sprott School of Business
- Nathan Grasse, Carleton University

- Ushnish Sengupta, Assistant Professor, Algoma University

Summary of recommendations

1. Provide Statistics Canada with clear direction to improve nonprofit sector data collection through the creation of a nonprofit unit within the agency, regular updates to the national survey of nonprofits, improvements to existing data collection programs and by maintaining existing nonprofit data products.

2. Ensure enhanced federal nonprofit data collection measures announced in the 2024 Fall Economic Statement result in high quality, publicly available, complete data without creating excessive administrative burden.

Context

Canada's nonprofit sector employs 2.7 million people - more than any other industry.[1] Despite our significant economic contribution, we face a data deficit which hinders our ability to provide quality services for communities and creates inefficiencies for government and nonprofits. Our submission outlines low-cost, high-impact changes that will make service delivery more effective, improve policy design, and help the federal government deliver on its economic, affordability, and governance priorities.

The government has outlined ambitious goals in its mandate letter, from attracting the best of global talent to making life more affordable for Canadians. Nonprofits are crucial partners in affordable housing, poverty reduction, settlement, and more. Data will be essential to shaping smart policy, efficient resource allocation, and productive partnerships that lead to measurable results in priority areas. In an era where other countries are pulling back on data collection and research, investing in high quality Canadian data can also strengthen our global influence as we take a leading role in advancing evidence-based solutions to shared global challenges such as climate adaptation, sustainable development, migration and polarization.

Canada's nonprofit sector is a critical pillar of our economy and a key driver in Canada's efforts to become the strongest economy in the G7. Nonprofits contribute 8.2% to Canada's GDP. From 2022 to 2023, our sector grew faster than the overall economy.[2] In addition to employing 2.7 million people, we engage volunteers who contribute 1.2 billion hours each year,[3] equivalent to 714,000 full-time positions. Nonprofits not only support vital services in communities, but also help drive inclusive, sustainable economic growth.

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[1] Imagine Canada. People First: A Portrait of Canada's Nonprofit Workforce (2025).
[2] Statistics Canada. "*Non-profit institutions and volunteering: Economic contribution, first quarter to fourth quarter 2024*".
[3] Statistics Canada. "*Volunteering and charitable giving in Canada, 2018 to 2023*".

Nonprofit-public cooperation is a cornerstone of a strong economy and strong communities. In today's complex world, the federal government relies on nonprofits to deliver many vital services that it would otherwise need to deliver itself. As partners, we bring expertise, deep connections to community, and nimble approaches to the table.

Our sector faces a data deficit. For decades, the federal government has not regularly collected comprehensive nonprofit sector data. Over the past several years, we've seen some progress as the government has begun to carry out more frequent updates to the Satellite Account of Non-profit Institutions and Volunteering and included a nonprofit sample in the Canadian Survey of Business Conditions. However, we still lack basic information on many aspects of the sector and regularly rely on data that is decades old. Where data on the nonprofit sector exists, it is often not available in easily accessible, usable, or disaggregated forms.

Communities need high-quality programs and services delivered efficiently and effectively. Food Banks Canada has reported that there were more than 2 million visits to food banks in Canada in March 2024, a 90% increase compared to 2019. As we face multiple intersecting crises, communities cannot afford to have resources used ineffectively or inefficiently. Data can help identify and scale high impact nonprofit services, address service gaps and inequities, reduce duplication, and foster collaboration. Ultimately, it can help us better serve communities and build a stronger Canada for generations to come.

While nonprofits receive government funding, we also leverage private funding and earn our own income. Like business, we need comprehensive, up-to-date information to inform financial, human resources, service delivery and business decisions.

The bottom line is that timely, high quality data drives better results for communities, government and nonprofits.

Recommendation 1: Provide Statistics Canada with clear direction to improve nonprofit sector data

Creation of a nonprofit unit

As Statistics Canada has begun to collect and release more data on the nonprofit sector, siloed approaches have created challenges. This has resulted in 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 the subject-matter expertise required to carry out this work efficiently and effectively.

To maximize the results generated by Statistics Canada's nonprofit data collection, the agency needs to adopt a more focused, efficient and coordinated approach. A permanent unit within Statistics Canada focused on the nonprofit sector could lead on the activities outlined below. The unit would serve as the sector's main point of contact with the agency and, eventually, unit staff would become Statistics Canada's in-house experts on the nonprofit sector, increasing the agency's effectiveness and efficiency in all of its nonprofit sector data activities.

This goal can be accomplished with minimal cost by reviewing existing staff activities with a goal of reorganizing staff work on nonprofit data products into a cohesive unit. The small upfront costs of the change would be offset by the increased efficiency of the unit over time.

Improve existing data collection programs to produce more nonprofit data

While the nonprofit sector is in-scope for many existing general Statistics Canada data collection programs, the agency often fails to publish nonprofit results. For example, while nonprofits were included in the sample for the Canadian Survey of Cyber Security and Cyber Crime, nonprofit-specific results have not been made publicly available.

This unfortunate situation leaves potential on the table and reduces the government's return on investment for its data spending. Conducting a systematic review to identify existing general data programs that could be easily modified to produce nonprofit-specific information would be part of the regular activities of the new Nonprofit Unit within Statistics Canada. There is significant potential to leverage existing programs to collect and release more and better data about the nonprofit sector at a very low marginal cost.

Regular updates to the national survey of nonprofits

In early 2024, Statistics Canada released data on the nonprofit sector collected through a special module of the Canadian Survey of Business Conditions. This was the first time since 2003 that Statistics Canada has conducted such a large-scale survey of the sector. It provided crucial insights into the size and scope of the sector, its finances, its leadership, and who it serves.

This basic, essential information will help governments, funders, researchers, and nonprofits understand our sector's key features and make better decisions. Ultimately, it will help ensure that resources and services flow to the communities who need them most. Regular updates are crucial: in a rapidly changing environment, data becomes out-of-date quickly, and without comparison points, we cannot see trends.

This survey was conducted through an existing platform, making it cost-effective and fast. Now that the first survey has taken place, it will be easily replicable in future.

Maintaining existing data products

Over the past several years, the nonprofit sector has worked with Statistics Canada to begin to address our data deficit. Chief among these advancements are:

- More regular releases of the Satellite Account of Nonprofit Institutions and Volunteering (SANIV), which provide us with data on the sector's GDP and employment contributions;
- Two updates to the SANIV Human Resources Module, which provides some basic labour force information; and
- The inclusion of a nonprofit sample in the Canadian Survey of Business Conditions, which provides us with crucial, timely information about our operating environment.

Additionally, the following two data products have been consistently valuable to us over the decades:
- The tax-filer donation dataset provides key insights into a major revenue source for our sector; and
- The General Social Survey of Giving, Volunteering and Participating provides us with rich data on volunteerism and donation trends over time.

These data products are insufficient to address the nonprofit sector's data deficit on their own, but they are absolutely foundational to our basic understanding of the sector.

Recommendation 1: We call on the federal government to provide Statistics Canada with clear direction to improve nonprofit sector data collection by:

- Reorganizing Statistics Canada staff who already work on nonprofit data products into a cohesive unit whose mandate is to collect, analyze, and share data on the nonprofit sector. The small upfront cost of minor staffing changes would be offset by increased efficiency of the unit over time.

- Directing the new nonprofit unit to conduct a systematic review to identify existing general data programs that could be easily modified to produce nonprofit-specific information. This would be part of the regular activities of the new Nonprofit Unit, so it would not carry an additional cost.

- Carrying out yearly updates to the national survey of nonprofit organizations, including grassroots (unincorporated) organizations. We recommend that the government allocate $500,000 of funding from the Disaggregated Data Action Plan annually for this purpose.

- Maintaining funding for existing nonprofit data products, including:
  - The Satellite Account for Nonprofit Institutions and Volunteering (including the associated Human Resources module)
  - The General Social Survey of Giving, Volunteering and Participating
  - The Canadian Survey of Business Conditions
  - The tax-filer donation dataset

Recommendation 2: Ensure enhanced federal nonprofit data collection results in high quality, accessible data without creating excessive administrative burden

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In the 2024 Fall Economic Statement, the government announced its intention to expand data collection on nonprofits. We support this measure, which would increase transparency and accountability, while filling one of the most significant data gaps about our sector.

However, it is crucial that these new data collection measures are implemented thoughtfully to ensure that the benefits are not outweighed by administrative burden and that data collected is publicly available, complete and of high quality.

> **Recommendation 2: As it moves forward with the expanded nonprofit data collection measures announced in the 2024 Fall Economic Statement, we call on the government to:**
> - Ensure that the newly collected data is publicly available at the record level rather than in aggregate, following the model of charity T3010 data releases. The data must be free to access and released in a timely manner.
> - Apply new data collection requirements to provincially, territorially and federally incorporated organizations.
> - Design the new data collection instruments in a way that is sensitive to reducing administrative burden to the extent possible. Use plain language and provide user-friendly guides and resources.
> - Support successful data collection by providing $250,000 over two years for education and awareness activities with a special focus on small nonprofits, nonprofits from equity-denied communities, and rural and remote nonprofits.
> - When creating implementation timelines, take into consideration the fact that some nonprofits do not have business numbers and will need to register for them.
> - Create simple, user-friendly e-filing options for information returns, while still maintaining paper filing options for those who need them.

About the FNDC

The Federal Nonprofit Data Coalition is an advocacy group with a membership of 60+ nonprofits. The Coalition advocates for more and better federal data collection on the nonprofit sector. Our ultimate goal is increasing the sector's impact and enabling it to better serve communities through improved decision-making, planning, advocacy and storytelling.

Contact

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