

2017 ALBERTA Nonprofit SURVEY

ALBERTA

SCALE

Measured according to Dominion Electoral Districts



CCVO

Calgary Chamber of
Voluntary Organizations

Some call it a long, protracted downturn; others see signs of recovery and reasons for optimism... still others consider the current economic situation the new reality. Regardless of these varying perspectives, the fact is the economic situation in Alberta has had an impact on one of the province's most critical contributors to social wellbeing and stability—the nonprofit sector.

The impacts of Alberta's economic downturn on the nonprofit sector are evident in this year's Alberta Nonprofit Survey. There is a notable difference between the experiences of survey respondents based in Edmonton and those based in Calgary. Perhaps reflective of the significant impact the downturn has had on the oil and gas sector, Calgary has experienced a greater decline in corporate donations, leaving some respondents from the region with more anxiety and less optimism.

While increased demand for housing services as well as increased vulnerability in the arts and culture subsectors may seem obvious results of a prolonged downturn, a finer look at the numbers indicates that, should the economic downturn continue, the viability of those organizations with limited operating reserves may also be challenged.

As with all surveys, the numbers not only tell us an important story of what has been, but perhaps may act as a guide to where we need to focus our attention in order to maintain the critical services and supports that Albertans deserve.

¹ Readers should apply caution interpreting sector stability. If an organization's revenue declined in a previous year and *then* stayed the same this year, it would be staying the same at the declined level, which could be a negative for that organization.

² These responses generally indicate *direction* of revenue change not precise *magnitude*, and should be interpreted cautiously. It should not be assumed that the total revenue for the sector remained about the same. The same caution applies when considering other directional results, such as operating costs.

While the revenue impacts of the downturn on the sector are evident, the overall financial picture is mixed when operating costs and reserves are considered. There are signs of financial stability¹ across the sector as organizations respond to challenging economic and social conditions, although some subsectors appear to be more affected by the downturn than others – most notably arts and culture, as well as health.

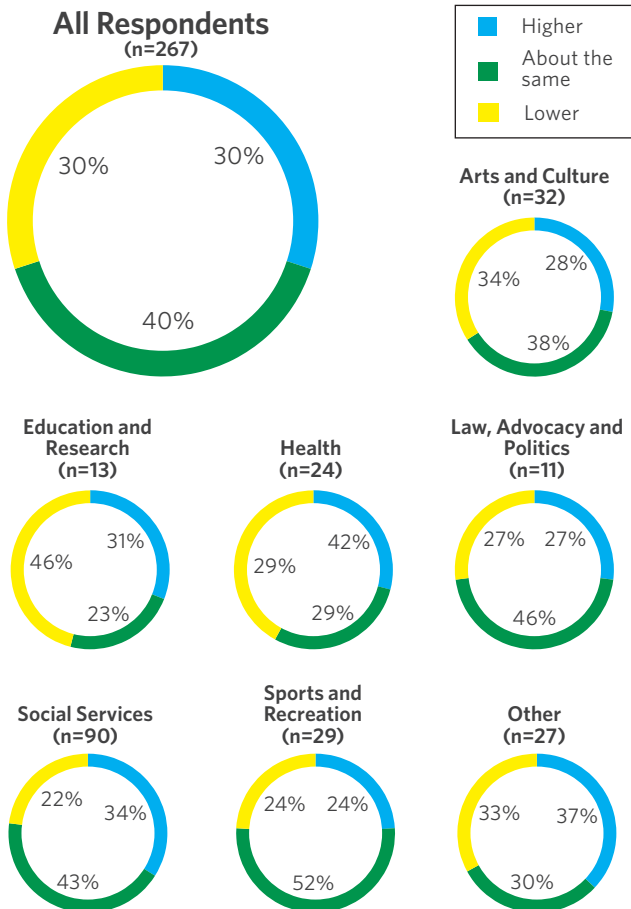
CHANGE IN TOTAL REVENUE

Nearly 40% of nonprofits reported stability in their total revenue, consistent with survey results from the past two years,² while some 30% saw an increase in total revenue despite the downturn. The remaining 30% reported a decrease in revenue this year, with the education and research, health, and arts and culture subsectors most affected.

IN THE PAST 12 MONTHS... SOURCING NEW FUNDS

Of the 336 organizations responding to the question on what changes they had made in the past year to fund operations, 75% reported they had sought additional funding sources. Organizations in the arts and culture (87%) and education and research (87%) subsectors most often reported having done so.

Change in Total Revenue

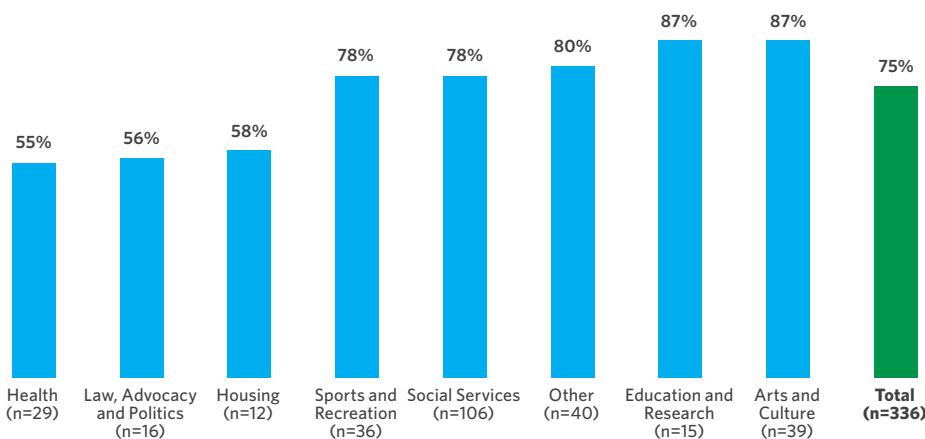


A CLOSER LOOK AT REVENUE SOURCES

Of the various revenue streams reported by organizations, corporate donations were the most impacted, with 47% of respondents reporting a decline.³ Perhaps not surprising given the prolonged economic downturn, it may be a reflection of the greater negative impact of the downturn on the oil and gas sector, as the number of organizations that reported a decline in corporate donations was higher in Calgary and Area (58%) compared to Edmonton and Area (32%).

Similar to last year, while corporate donations was the revenue stream most frequently reported as declining, government grants was the revenue stream most frequently reported as increasing (27%).⁴

Organizations that Sought Additional Funding Sources in the Past 12 Months by Subsector (Subsectors with n < 10 not individually reported)

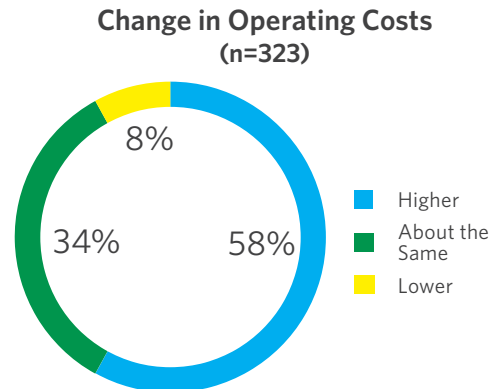


³ Organizations that reported they do not receive corporate donations were excluded from this calculation.

⁴ Organizations that reported they do not receive government grants were excluded from this calculation.

OPERATING COSTS: AN INCREASING CHALLENGE

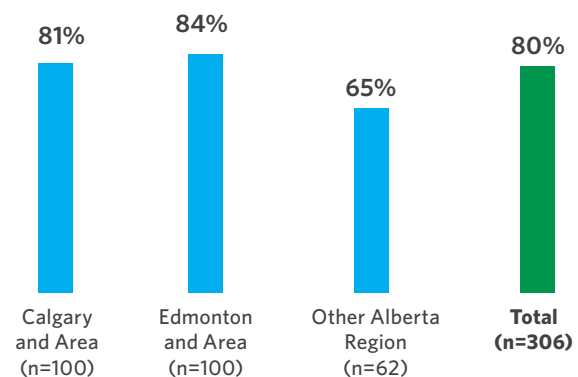
While 34% of organizations held the line on their operating costs this year, more than half (58%) reported an increase in their costs. This pattern was generally consistent across regions, subsectors, and sizes of organizations.



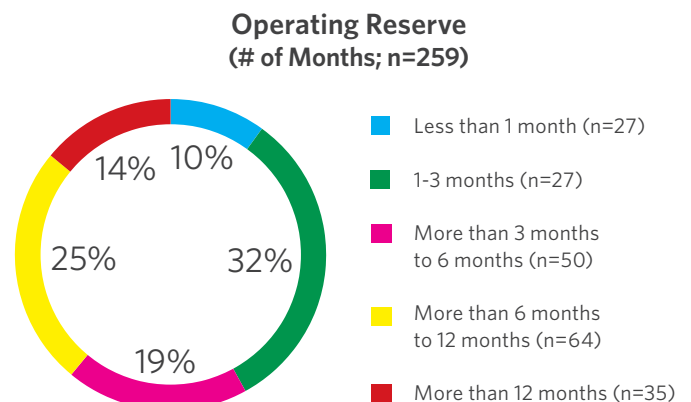
A CRITICAL FACTOR IN RESILIENCE: OPERATING RESERVE

Despite challenging economic times, the majority of organizations (80%) still report having an operating reserve. However, organizations from regions outside of Calgary and Edmonton were twice as likely to report not having an operating reserve.

Organizations with Operating Reserve by Region

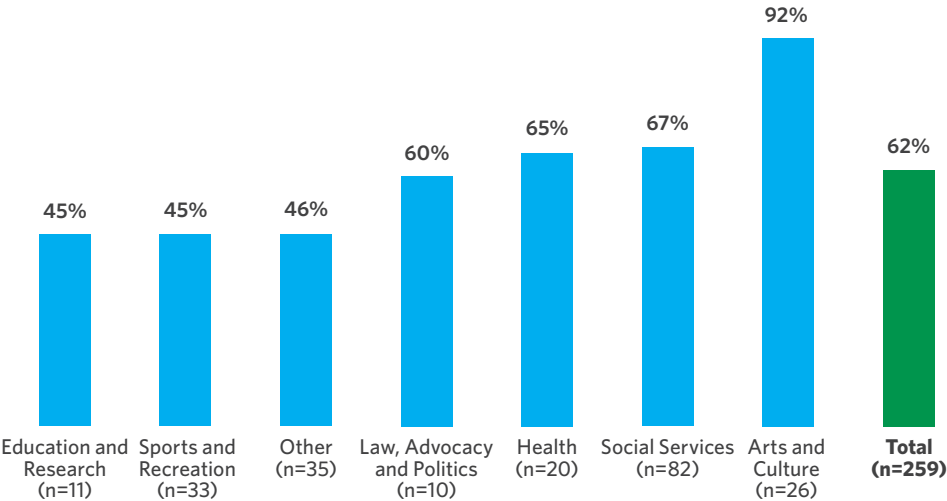


Most organizations (62%) reported an operating reserve of six months or less, with the majority of this group having only one to three months of available reserve. Should the economic downturn linger, a large number of nonprofits may find themselves exposed to increased operating reserve risk.



With respect to operating reserves, the unique vulnerability of the arts and culture subsector is evident. Arts and culture organizations were less likely to report having an operating reserve (62%) compared to the rest of the sector (82%). The arts and culture organizations that reported a reserve were more likely to have reserves of six months or less (92%) compared to the rest of the sector (62%).

Percentage of Organizations Reporting an Operating Reserve of 6 Months or Less
(Subsectors with n < 10 not individually reported)



STAFFING AND WORKFORCE

Expected changes to staffing levels in the next 12 months:

69% Stay about the same

7% Decrease

Top Three Workforce Challenges

45% Heavy workloads

37% Low wages

25% Skills shortage

WAGES AND HOURS

The majority of organizations reported that wages (61%) and staff hours (60%) had remained the same in the past 12 months, although a notable percentage reported an increase in wages (31%) and staff hours (31%).

LOOKING AHEAD: THE FINANCIAL OUTLOOK

Just over half of organizations (56%) expected that, in the next year, their financial situation will stay about the same. This finding was similar to last year’s results and was generally consistent across regions, subsectors, and sizes of organizations.

Respondents who felt their organization’s situation would improve most commonly attributed this optimism to their increased efforts in fundraising and donations. Increased earned income, government grants, and gaming revenue were also commonly identified as potential areas for revenue growth.

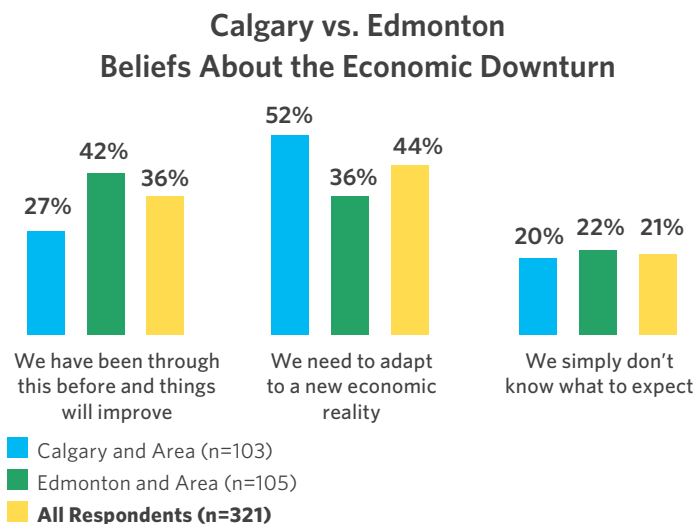
In contrast, those who felt their situation would worsen most frequently cited:

- The economic recession and resulting declines in individual donations, as well as corporate donations and sponsorships.
- Declines and challenges in fundraising.

THE DOWNTURN: BELIEFS AND ADAPTATIONS

BELIEFS ABOUT THE DOWNTURN

Most (44%) of the 321 respondents believe they need to adapt to a new economic reality. While reported beliefs were generally consistent across subsectors, there was a notable difference between Edmonton and Calgary.⁵



52% of Calgary respondents indicated that “we need to adapt to a new economic reality” compared to 36% from Edmonton.

42% of Edmonton respondents believed things would improve compared to 27% from Calgary.

Larger organizations (revenue greater than \$500,000) more frequently reported the need to adapt to a new economic reality (51% vs. 35%), while smaller organizations (revenue \$500,000 or less) more frequently reported: “we simply don’t know what to expect” (28% vs. 13%).

ADAPTATIONS TO THE DOWNTURN

While some organizations commented that they had not been adversely impacted by the downturn, the majority did report challenges. Most commonly, organizations reported having to do more with less, noting an increase in demand for services while facing decreasing revenue.

Increased costs, staff workloads, and fundraising competition added further challenges. Some organizations were spending from reserves, taking on debt, or downsizing to address their current situation. Personal stress and uncertainty were commonly mentioned as well.

The three most common responses to the downturn were to:

- Increase staff/effort spent on fundraising (42%).
- Reduce discretionary spending (40%).
- Increase staff workload (31%).

Not all organizations adapted in the same way or to the same extent. For example, 42% of social services organizations reported increasing staff workload, compared to only 17% of sports and recreation groups. Furthermore, health organizations were most likely (45%) to report spending increased time/effort on fundraising.

However, with an increasingly competitive fundraising environment, narrower discretionary budgets, and generally lower wages compared to other sectors, respondents indicate that staff morale is declining and turnover is increasing. Multiple years of flat salary increases, job insecurity, and increased workloads further complicate staffing issues.

⁵ Other Alberta Region and Multi-Region or Province-Wide results were generally consistent with the overall average.

CHANGING DEMAND FOR KEY SUBSECTORS

Continuing a general pattern seen over the past nine years, the majority of organizations (70%) this year reported that demand for programs and services increased over the past 12 months. This finding was generally consistent across all regions and sizes of organizations. However, increased demand can look quite different across subsectors, especially in a downturn.

Most commonly, the overall increase in demand was attributed by organizations to:

- Increased awareness of programs/services (52%).
- Economic conditions (50%).
- Growth of population served, unrelated to economic conditions (38%).

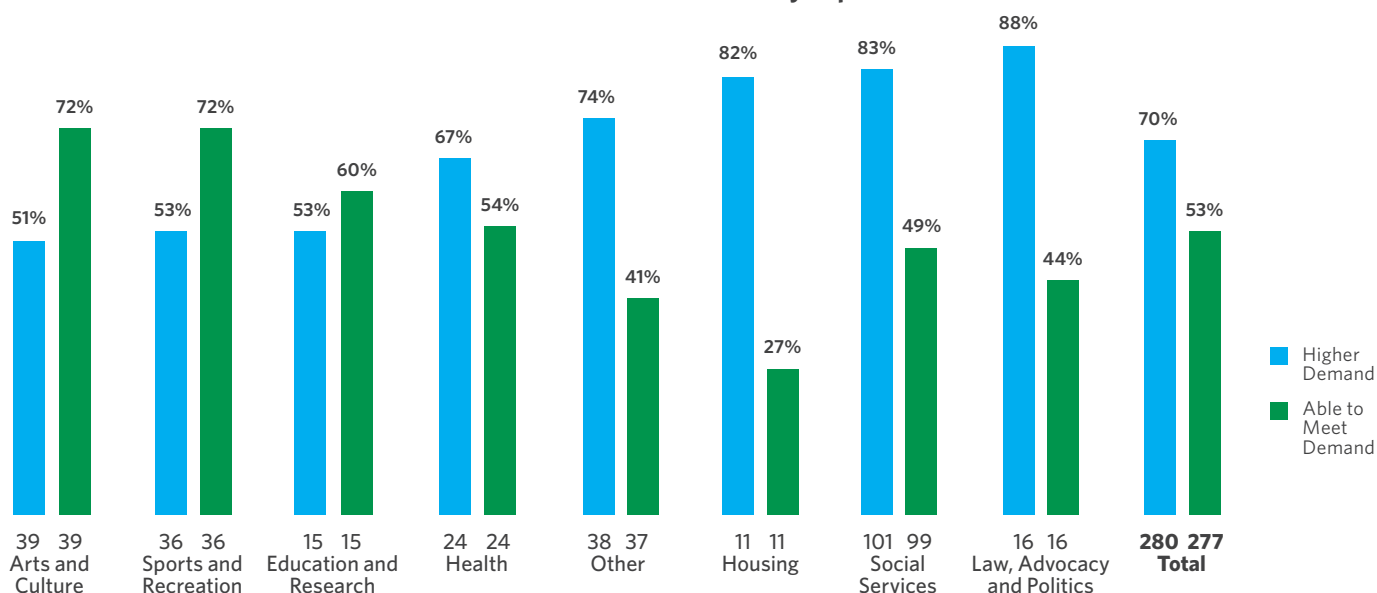
ABILITY TO MEET DEMAND

About half (53%) of organizations reported being able to fully meet demand. However, the ability to meet demand differed across subsectors. Compared to last year's survey findings, health (54% this year vs. 24% last year) and arts and culture (72% this year vs. 47% last year) both saw improvement in their abilities to meet demand.

Nonetheless, resiliency still exists; a significant percentage of organizations (83%) reported that, in the past 12 months, their ability to meet demand either increased (30%) or stayed the same (53%).

In the past 12 months . . .
48% of organizations
reported they had expanded
programs and/or services.

Higher Demand vs. Ability to Meet Demand for Programs and Services by Subsector
(Subsectors with n < 10 not individually reported)



IMPACT OF MINIMUM WAGE

While 80% of organizations reported all employees make more than \$12.20/hour, 64% of organizations reported all employees make more than \$15/hour. Meanwhile, 6% of organizations reported having more than 30% of employees earning between \$12.20 and \$15/hour.

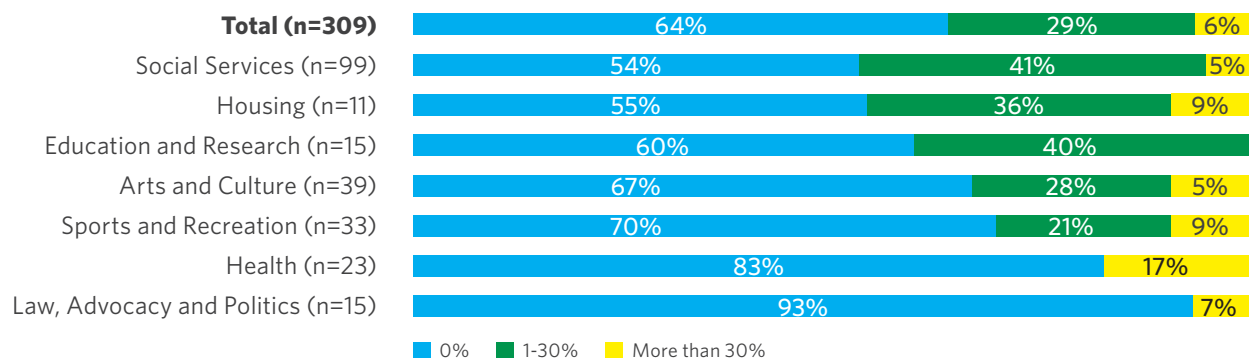
Organizations with an annual operating budget of more than \$5 million were more likely to have employees earning between \$12.20 and \$15/hour, and were more likely to have made changes in response to the minimum wage increases.

Most organizations reported no changes were needed this past year (76%) or would be needed in the upcoming year (69%) to meet the minimum wage requirements.

Others most commonly noted a need to increase fundraising efforts, restructure pay scales, and increase the fees for programs and services.

Regarding compression, 23% of organizations said they had responded to the recent minimum wage increases by increasing pay rates for staff who earn above minimum wage. Organizations in the housing (45%), arts and culture (30%), as well as sports and recreation (27%) subsectors were most likely to report making these salary adjustments. Organizations with larger operating budgets were also more likely to report making salary adjustments, but less likely to adjust salaries higher than \$20/hour.

Percentage of Staff Making Between \$12.20 and \$15/hr by Subsector



INDIGENOUS RECONCILIATION

ENGAGING IN A JOURNEY OF RECONCILIATION

This year's survey asked organizations to what extent they were engaged in a journey of reconciliation with Indigenous peoples of Canada. The majority (54%) reported they were either highly engaged (9%), somewhat engaged (35%), or not yet engaged, but reconciliation is a current priority (10%).

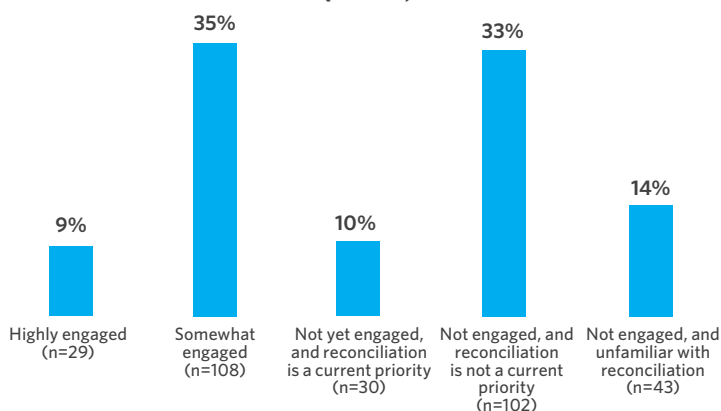
RECONCILIATION ACTIVITIES IDENTIFIED BY ORGANIZATIONS

- Ensure Indigenous representation in the organization (board members, leadership, management, staff, volunteers, advisors).
- Promote Indigenous works such as art and/or other exhibits and publications.
- Form committees/working groups.
- Host speakers and other Indigenous-related events.
- Engage in education and awareness activities.
- Provide staff training and professional development.
- Adjust or create programming to include an Indigenous component/focus.
- Pursue partnerships and relationship building with Indigenous groups/organizations.

SUPPORT FOR RECONCILIATION

Funding and educational/informational resources were the two most common ways organizations were looking to have their reconciliation efforts supported. Other responses included facilitating connections with Indigenous communities, forming partnerships, and providing staff training (e.g., cultural competency, cultural awareness). A few organizations also suggested that more sector leadership is needed, including increased communication and promotion of the topic.

Journey of Reconciliation with Indigenous Peoples (n=312)

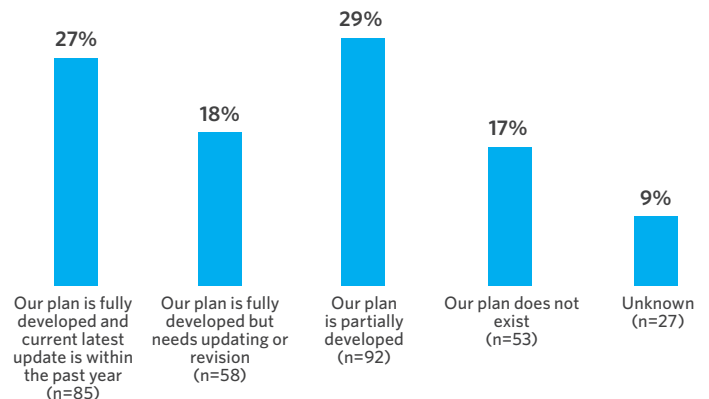


EMERGENCY PREPAREDNESS & BUSINESS CONTINUITY PLANS

Most organizations (75%) reported that they have a full or partial plan for continuing operations in the event of an emergency or similar threat. However, only 27% reported that their business continuity plan is fully developed and current. While 30% of respondents indicated that their organization does not face any limitations in its ability to prepare for an emergency, those that face limitations were most likely to report lack of time (38%), lack of funding (34%), and lack of expertise (28%).

The top three ways organizations reported accessing emergency preparedness resources were workshops/trainings (17%), online (16%), and municipal authorities (14%). Still, 54% of organizations reported they had not accessed preparedness resources in the past 12 months.

Current State of Business Continuity Plan (n=315)



ABOUT THE SURVEY

The Alberta Nonprofit Survey takes an annual snapshot of the health and experience of Alberta's nonprofits to capture information on finances, demand for programs and services, staffing, and the future economic outlook of organizations. This year's survey was conducted between February 8 and March 10, 2017. Of the 444 respondents, 336 completed most questions.

The percentages reported for each specific analysis is based on the number of respondents answering that particular question. As the sample of the survey is not representative, please keep in mind that the percentage values represent the percentage of respondents, not the percentage of all organizations across Alberta. For questions or requests for assistance to interpret or comment on the survey data, please contact the Calgary Chamber of Voluntary Organizations at policy@calgarycvo.org.

PROFILE OF RESPONDENTS

BY REGION

(444 organizations provided information)

Banff - Jasper - Rocky Mountain House.....	3%
Calgary and Area.....	33%
Camrose - Drumheller Region	3%
Edmonton and Area.....	34%
Fort McMurray.....	3%
Grand Prairie.....	2%
Lethbridge	2%
Medicine Hat.....	1%
Multi-Region or Province-Wide.....	16%
Red Deer and Area.....	3%
Other: Athabasca - Grande Prairie Region	1%
Other: Wood Buffalo - Cold Lake Region	1%

BY CHARITABLE STATUS

(439 organizations provided information)

Yes.....	73%
No	27%

BY PAID STAFF

(328 organizations provided information)

0	12%
<1	5%
1	12%
2-5	22%
6-9.....	12%
10-24.....	12%
25-49.....	9%
50-99	6%
100-199	3%
200 or more.....	6%

BY OPERATING BUDGET

(338 organizations provided information)

Less than \$30,000.....	8%
\$30,000 to \$100,000	12%
\$100,001 to \$250,000	12%
\$250,001 to \$500,000	15%
\$500,001 to \$1,000,000.....	12%
\$1,000,001 to \$1,500,000	8%
\$1,500,001 to \$5,000,000	17%
\$5,000,001 - \$10,000,000	7%
More than \$10,000,000	9%

BY SUBSECTOR

(444 organizations provided information)

Arts and Culture	11%
Business, Professional Associations, and Unions	1%
Development	3%
Education and Research	4%
Environment.....	2%
Fundraising and Volunteerism	2%
Health.....	9%
Housing.....	4%
International	2%
Law, Advocacy, and Politics.....	4%
Religion.....	2%
Social Services	33%
Sports and Recreation.....	11%
Other	11%



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VISION

A vital, dynamic nonprofit sector that is recognized and respected as an integral partner in building strong, healthy communities.

MISSION

CCVO promotes and strengthens the nonprofit sector by developing and sharing resources and knowledge, building connections, leading collaborative work, and giving voice to critical issues affecting the sector.

In the spirit of our efforts to promote reconciliation, we acknowledge the traditional territories and oral practices of the Blackfoot, the Tsuut'ina, the Stoney Nakoda First Nations, the Métis Nation Region 3, and all people who make their homes in the Treaty 7 region of Southern Alberta.