

2009

# Are there too many non-profit organizations in Alberta duplicating services?

Mark Holmgren

The purpose of this document to help citizens obtain facts and ask themselves what these facts mean and to use the contents to form their own opinions about the question: Are there too many non-profit organizations in Alberta duplicating services?



# Are There Too Many Non-Profit Organizations in Alberta Duplicating Services?

When the things are tough economically, the question above often dominates the conversations between funders and non-profit organizations.

As the Alberta Government looks to build a smaller budget in the coming fiscal year, our government leaders face unpleasant choices about how to manage cutbacks in a manner that addresses fiscal realities but also keeps Alberta moving forward – both in terms of the economy and the quality of life of Albertans.

Good decisions are facilitated by good information. Constructive dialog between governments and citizens can be helped along by asking questions based on such information.

That is the purpose of this document: to help citizens obtain facts and ask themselves what these facts mean and to use the contents here as a reference for any communications Albertans might wish to have with representatives of the Government.

## Are there too many non-profit organizations in Alberta?

### Number of Non-Profits in Alberta

There are approximately 19,000 non-profit organizations in Alberta. About half of them are registered charities.

That's 12% of all non-profit organizations in Canada or a rate of 610 non-profits per 100,000 Albertans.

For comparative purposes, British Columbia has 13% of Canada's non-profits at a rate of 486 per 100,000 citizens; the Prairies and Territories have 11% or 752 non-profits per 100,000; Ontario has 28% or 369 non-profits per 100,000 people, and Quebec has 29% or 617 per 100,000 people.

### How "Big" are Non-Profit Organizations

Two-thirds (66%) of Alberta's non-profits have annual budgets under \$100,000.

In general, there is a small number of non-profits that generates disproportionate levels of revenue.

For example, Hospitals, Universities, and Colleges which make up 1% of all non-profits in Alberta generate 11% of the sector's revenue. Development and Housing non-profits make up 5% of the sector but generate 17% of the revenue; Education and Research make up 8% of the sector and also generate 17% of the sector's revenue.

Together these three groupings comprise 14% of the sector and generate 45% of the revenue.

---

**"The 66% of organizations with annual revenues under \$100,000, however, account for only 4% of total revenues whereas the 5% of organizations with revenues of \$1,000,000 or more account for a whopping 77% of total revenues.**

**Put simply, there are a lot of organizations with small budgets that add up to very little and a handful with huge budgets that add up to a great deal of money."**

*The Nonprofit and Voluntary Sector in Alberta: Regional Highlights from the National Survey of Nonprofit and Voluntary Organizations, Imagine Canada, 2006.*

---



***What do Non-Profits do?***

The following is a percentage breakdown of non-profits by primary activity, the actual number of charities per activity and the number of those types of non-profits per 100,000 Albertans. The last column shows the percentage of non-profits by primary activity in Canada as a whole.

Primary Activity	Alberta %	Numbers	Per 100,000	Canada %
Sports and Recreation	26%	4,940	158.6	21%
Religion	19%	3,610	115.9	19%
Grantmaking, Fundraising & Voluntarism Promotion	11%	2,090	67.1	10%
Arts and Culture	10%	1,900	61.0	9%
Social Services	9%	1,710	54.9	12%
Education and Research	8%	1,520	48.8	5%
Development & Housing	5%	950	30.5	8%
Business, Professional Associations and Unions	3%	570	18.3	5%
Health	2%	380	12.2	3%
Environment	2%	380	12.2	3%
Law, Advocacy and Politics	2%	380	12.2	2%
Hospitals, Universities and Colleges	1%	190	6.1	1%
Other	2.4%	456	14.64	3%

***Who Funds Non-Profit Organizations?***

The Alberta Government is the largest source of funding for non-profit organizations.

Funding is provided for mandated services (like Child Welfare services) which in effect means non-profit organizations are being contracted to do work that the Government is required to do.

There are grants for non-mandated services and programs that are deemed important by the community and Government to fund, and there are sources of money from Gaming that deliver grants to organizations, but also organizations gain revenues from working Casinos (and those dollars would not be considered to be a grant).

**DID YOU KNOW?**

**Total government Funding allocated to the Sector equals \$3.17 billion. Of that total:**

**62.5% is allocated to Education and Research, Development and Housing.**

**37.5% (\$1.19 billion) is allocated to the remaining 13 sub-sectors.**

-The NonProfit/Voluntary Sector Adds Real Value for Albertans, Government of Alberta, 2007



The Alberta Government provides 33% of all funding to the non-profit sector. The national average for government funding of non-profits is 49%.

The largest source of revenue for non-profits is User Fees/Earned Income at 49%, compared to the national average of 35%.

Fundraising and other income make up the remainder of income (18%) in Alberta. The national average is 16%.

## Duplication of Services – More Questions

Think about your community. No one wants unnecessary duplication of services, but it is also true that people tend to want choice about where they go for service, for recreation, to worship, and to experience art and culture.

Imagine your community without the many different types of non-profit organizations that add to your quality of life. When a disaster strikes, who responds? Who takes care of our elders, our children, helps troubled youth, and works to ensure that persons with disabilities can live in the community?

Who coaches our children in soccer, mentors them, delivers food to shut-ins, and provides safe haven for the victims of abuse? Who ensures that artists and writers continue to have a role in the nurturing of our culture?

In every community, large and small, urban and rural, non-profit organizations and their volunteers are working hard, teaming up with governments and with businesses to strengthen people and change social conditions for the better.

Duplicate services and businesses are commonplace in our society. Governments and other funders have a responsibility to ensure public dollars are not being invested in *unnecessary* duplication of services.

A key question is how do Albertans decide what is unnecessary?

What criteria do you think should be used to answer that question?

---

### DID YOU KNOW?

The Non-Profit Sector employs **176,000 Albertans** and generates close to **\$10 billion** of activity in our economy.

Organizations in Alberta report a **volunteer complement of 2.5 million people**, who collectively contribute about **449 million hours** of volunteer time, the equivalent of approximately 234,000 full-time jobs.

Alberta-based organizations also report a total membership of **9 million people**, meaning that the average Albertan is a member of three organizations.

In Alberta, **nearly 60 per cent of Non-Profit Organizations have no paid staff.**

---



All Albertans know we are facing tough times. All sectors are hurting. Businesses are cutting back. Governments have to do that, too. And non-profits will also have to face the effects of the economic downturn.

Governments want to make the best decisions they can for Albertans. Raise your voice and become a part of the dialog.

If there is a government consultation or meeting in your riding, attend it and participate.

Send your MLA a note or give her or him a call. Voice your opinion. We hope the data provided here helps you do just that.



This document was prepared by Mark Holmgren.

For more information about Mark Holmgren Consulting, please visit [www.markholmgren.com](http://www.markholmgren.com).

T| 780.244.8686

C| 780 299 0780

E| [mark@markholmgren.com](mailto:mark@markholmgren.com)

## Resources to Help You

For a listing of Alberta Government Consultations, go to

<http://alberta.ca/home/consultations.cfm>

For a listing of Alberta Government Ministries, go to

<http://alberta.ca/home/ministries.cfm>

For a listing of MLAs, go to

[http://alberta.ca/home/mla\\_contacts.cfm](http://alberta.ca/home/mla_contacts.cfm)

For Premier Ed Stelmach's website, go to

<http://www.premier.alberta.ca/>

## Sources:

Roach, Robert, *The Nonprofit and Voluntary Sector in Alberta: Regional Highlights from the National Survey of Nonprofit and Voluntary Organizations*, Imagine Canada, 2006.

*The NonProfit/Voluntary Sector Adds Real Value for Albertans*, Government of Alberta, 2007

*The National Survey of Nonprofit and Voluntary Organizations: The Nonprofit and Voluntary Sector in Alberta*, Imagine Canada, 2003

*A Workforce Strategy for Alberta's Non-Profit /Voluntary Sector*, 2008. This report developed by stakeholders from the non-profit/voluntary sector in collaboration with the Government of Alberta.

