

Alberta Nonprofit Data Strategy: Community Nonprofits across Canada

Third quarter 2022

Deflating Ballooning Community Challenges

Canadian community nonprofits continue to see increased stability into the third quarter of 2022.¹ Considering their outlook, 87% were optimistic about the next 12 months. Organizations expect to see increased operating income and employees in the next three months. These patterns have continued over the last quarters. In comparison, earlier in the COVID-19 pandemic organizations showed decreases in income as COVID-19 waves appeared and led to restrictions.² Community nonprofits expect to see growth in the next three years, 65% expect at least 1% growth and 28% expect 6% or higher growth.

Despite this positive trend, community nonprofits face ongoing challenges related to their workforce and increasing demands. Organizations identified a shortage of labour, with 68% of community nonprofits saying that recruiting and retaining staff is more challenging than a year ago. Connected to workforce shortages, 44% of community nonprofits see moderate to major challenges meeting the demand of their clients moving forward. This combines with expectations of increased operating expenses and demand, and decreased cash reserves in the next three months.

One big area of concern for the sector is around rising inflation and costs. Inflation was high in Canada at 6.9% in September 2022 but has shown some signs of slowing, decreasing from 7.6% in July 2022.³⁻⁴ Organizations identified rising inflation (52%), cost of insurance (32%), and costs of inputs (29%) as obstacles to their operations. Rising costs put additional pressure on organizations as they support more clients surrounded by tough times, that will worsen if growing recession fears come true.⁵



Despite these challenges, community nonprofits seek improvement by addressing well-being and environmental concerns. Most organizations plan to implement wellness, safety, diversity, and work-life balance policy and practices. Many also have plans to address environmental impact, such as reducing waste and resource consumption. These plans are difficult to implement with rising demand, costs, and inflation; however, they would help address ongoing staff and environmental concerns. Related to the COVID-19 pandemic, long-term organizational policies and practices are being reported in health and safety (65%), work from home (42%), and online training (34%). The changes support the sector moving forward and may help improve recruitment and retention.

While community nonprofits are showing some signs of improvement, rising costs and workforce issues remain significant barriers to community nonprofits' change and recovery. Community nonprofit recovery is essential to supporting our communities as they weather difficult times.

1. Statistics Canada, Canadian Survey on Business Conditions, Third Quarter 2022
2. PolicyWise for Children & Families, Alberta Nonprofit Data Strategy: Canadian Survey on Business Conditions, First Quarter 2022.
3. Statistics Canada, Consumer Price Index, June 2022
4. Statistics Canada, Consumer Price Index, September 2022
5. Leger, Airport Delays and Economic Recession, July 2022