

One in five Ontario non-profit agencies expected to close in the next six months

COVID-19 has had a devastating impact on Ontario non-profits and charities, with one in five organizations expecting to close within six months, more than 30 per cent laying off staff and more than half losing volunteers.

The new data comes from a bilingual survey conducted by L'Assemblée de la francophonie de l'Ontario (AFO) and the Ontario Nonprofit Network (ONN) to understand the impact of the pandemic on the non-profit sector three months into the crisis, with over 1,100 non-profit organizations responding.

Ten percent of respondents are using their own personal funds to meet the financial needs of their organizations. Twenty-three per cent of respondents expect their situation to get worse, including 40 per cent of sports, recreation and other social clubs and 31 per cent of arts, culture and heritage organizations.

“With the results of the various surveys that AFO has conducted since the pandemic started, we know that one in five non-profit organizations is in a critical situation. Francophones in Ontario have taken 400 years to build a network of institutions and non-profits. Losing them would represent a dangerous step towards assimilation and would inevitably lead to a reduction in the supply of services in French in the province. Governments would lose as well, with many nonprofits providing services on their behalf,” said Carol Jolin, AFO president.

“Piecemeal solutions, although helpful in the short-term, are not working and federal and provincial government supports not reaching organizations,” said Cathy Taylor, executive director of ONN. Three-quarters of respondents did not benefit from any provincial funding measures, while two-thirds did not benefit from any federal relief measures. Many social service and health organizations that delivered services through the worst days of the crisis were still waiting for pandemic pay at the end of June.

COVID-19 is not only affecting the communities non-profits and charities serve, but will have a ripple effect on Ontario's economy. The province's 58,000 non-profits and charities employ one million workers and contribute \$50 billion to the province's GDP.

“Ontarians count on non-profits every day for child care, affordable housing, summer camps, seniors visiting programs, art galleries, faith spaces, food banks and more. If our sector loses 20 per cent of its organizations, it will be devastating for Ontarians and will put significant pressure on governments to fill these big gaps,” said Taylor.

The good news: nonprofits are collaborating in new ways to adapt and serve, with 43 per cent of respondents collaborating locally with grassroots groups to respond to the needs of their communities.

The two organizations are recommending a suite of solutions based on the results of the survey, including establishing a non-profit sector stabilization fund from the Ontario government.

• Accelerating deployment of provincial pandemic pay, and other supports, which has taken too long to reach front-line organizations.

• Making the federal emergency wage subsidy program more flexible and responsive to nonprofit business models.

• Investment in rural broadband by the federal and Ontario governments to help nonprofits and small businesses thrive in small communities across Ontario.

As a sector, Ontario non-profits receive less than half of their revenue from governments, which means they can leverage these public investments “via business activities, donations, and volunteer contributions” into programs and services that directly benefit the people of Ontario.