

APEC Research Report

The State of the Nonprofit Sector in Nova Scotia



March 2020



on behalf of



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The State of the Nonprofit Sector in Nova Scotia

By Patrick Brannon with research support from Fred Bergman and Kevin MacLean

Acknowledgements

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Executive Summary

Many consider the nonprofit sector to be the heart of the Nova Scotia economy. Nonprofits are increasingly called upon, or created to, respond to the unmet needs of society. While many may appreciate the social contribution of nonprofits, few people truly understand their economic impact or the challenges that are keeping the organizations in this sector from fulfilling their potential.

APEC's analysis of the economic contribution of nonprofits shows a clear picture of its impact. Nonprofits in Nova Scotia directly contribute \$1 billion in Gross Domestic Product (GDP) to the economy. Nova Scotia's nonprofit sector grew faster than the entire economy over the 2007-2017 period although growth slowed in the second half of the decade.

The nonprofit sector employs 20,000 Nova Scotians, which is similar in size to the transportation industry or the financial services industry in the province. However, wages in the sector are low, 16% below nonprofits nationally and 20% below the average for all industries in Nova Scotia.

Nova Scotia has one of the highest rates of volunteerism in Canada with 74 million volunteer hours contributed in 2018, but rates are falling. Maintaining volunteer rates and hours donated will be a critical factor behind the continued success of nonprofits over the next decade. APEC estimates the economic value of volunteer hours in the nonprofit sector to have been about \$1.5 billion in 2018.

To better understand nonprofits and the challenges they are facing in Nova Scotia a survey was undertaken in the fall of 2019. The results show a sector that faces several challenges but is working hard to overcome them with limited resources. Obtaining funding was identified as the number one challenge for nonprofits. The uncertainty of the continuation of funding from one year to another is the chief concern. It creates a cascading set of challenges in an organization including lower salaries, difficulties in recruiting and inadequate investment in professional development and training. The survey found that social enterprise is an emerging area of revenue generation for nonprofits.

Nova Scotia's aging workforce is creating labour challenges throughout the economy. Labour and skills shortages will make it more difficult for nonprofits to find new workers than in the past. Recruiting labour was cited as a major or significant obstacle to growth for 41% of nonprofits in Nova Scotia.

Nonprofits are more diverse than other sectors of the economy. Women play a prominent role in nonprofits in Nova Scotia, accounting for 68% of employees, 67% of executive directors and 53% of board members. Nonprofit leaders in Nova Scotia are highly educated but wages are low compared to other management positions in the province. Nonprofit leaders are also older than average – 45% are over 55 years old. A lack of resources has pushed important issues like succession planning to the backburner for nonprofits with only 35% having a formal succession plan.

Nonprofit organizations are in various stages of planning for the future. Many do not have the resources to undertake strategic planning, support skills development, find new sources of funding, invest in new technologies or build partnerships. This will negatively impact the success of nonprofits in the future. More support, or a refocusing of support, is needed to ensure they can deliver the services they are being called on to provide.

Note: all references to the 'nonprofit sector' in this report exclude the government nonprofit sector. It does not include nonprofits that are hospitals, universities, colleges or municipalities.

Introduction

APEC has been commissioned by the Community Sector Council of Nova Scotia (CSCNS) to provide a research report with a goal of improving the understanding of the state of the over 6,000 nonprofit organizations in Nova Scotia.

The nonprofit sector is one of the province's key economic drivers. However, existing national studies on the sector typically fail to provide much detail at the provincial level. This report builds on the existing knowledge of nonprofit organizations and their workforce in the province and helps fill current information gaps. A survey of nonprofit organizations was a core component of the research project and was complemented by an economic impact analysis.

This report helps stakeholders understand the importance of nonprofit organizations in Nova Scotia and details their economic contribution. It provides clarity on the size and scope of the sector, along with comparative benchmarks to indicate how it is performing relative to other jurisdictions. The report improves the understanding of the key labour force issues in the sector including labour availability and retention. It identifies key issues, opportunities and challenges facing organizations, noting areas that need further study or policy analysis.

With a better understanding of the scope of the nonprofit sector and the opportunities and challenges organizations are facing, governments and others that support their growth can make informed decisions and ensure support services are of sufficient scale and appropriate design.

This report will help stakeholders understand the economic contribution of nonprofit organizations in Nova Scotia while detailing some of their key opportunities and challenges



Social & Other Contributions of Nonprofits

While this report focuses on the economic impact of nonprofits and the key challenges they face, it is important to understand the social, cultural and other benefits the sector provides. The following are a sampling of what nonprofits in Nova Scotia are doing to support individuals, families, communities, industries and other stakeholders throughout the province.



Feed Nova Scotia supplies 16,000 lbs of food per day. 1 in 21 Nova Scotians rely on a food bank

Halifax Jazz Fest has 60,000 attendees, receives the help of over 400 volunteers and profiles 350 local musicians



Autism Nova Scotia held 646 events across the province with 6,155 attendees last year and fields over 100 calls per month from people in need of services or assistance

At Byrony House about 470 women and children stay at the shelter each year and 2,500 distress calls are answered



Digital Nova Scotia provides diversity, youth and labour training and development programs to support digital technology firms in the province

Annapolis Investments in Rural Opportunities has funded 69 projects since 2016 which has supported more than 156 full-time, part-time, and seasonal jobs



Economic Contribution of Nonprofits: Economic Impact

APEC estimates Nova Scotia's nonprofit sector accounted for \$1 billion of direct Gross Domestic Product (GDP) in 2017.

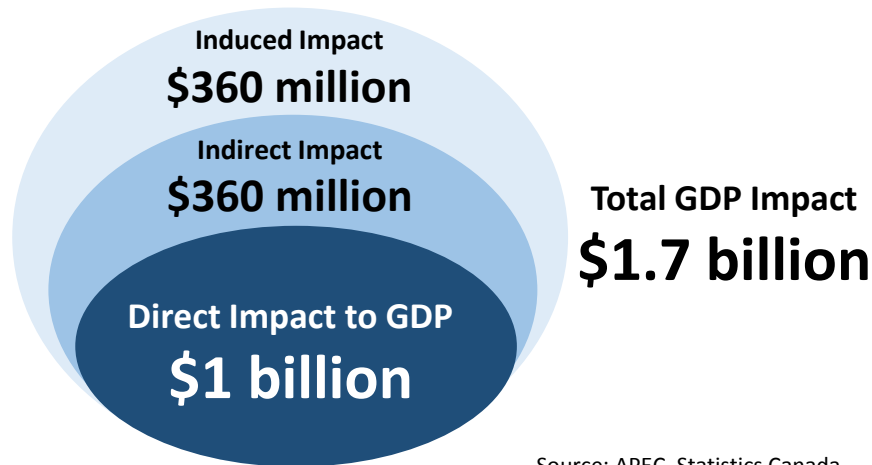
Nonprofit Segments

Nonprofits includes nonprofit activities such as community, household and business focussed nonprofits. This segment is the focus of this report.

Government nonprofits are not the focus of this report. It is significantly larger than the nonprofit sector as it includes health care (including hospitals) and education (including universities and colleges)

The nonprofit sector is an important segment of the Nova Scotia economy. While these organizations are not driven by profit they create tremendous value and have important spin-off impacts.

Fig. 1 - Economic Impact of Nonprofits in Nova Scotia, 2017



Source: APEC, Statistics Canada

More details on the economic impact of the nonprofit sector are in the appendices including a summary of government nonprofit activity

The nonprofit sector produced \$1 billion of GDP in 2017, an impact that increases to \$1.7 billion with the associated indirect and induced spin-off impacts. The direct impact is largely labour income (\$900 million) along with other spending by the organization. The indirect impacts include the spending by nonprofits in the rest of the economy that impacts other businesses. The induced impact includes the spending of incremental income from the direct and indirect impact (such as people spending their wages on groceries or entertainment).

On top of these measurable impacts of their activity, nonprofits create many other positive effects for communities and individuals that are more difficult to measure including quality of life improvements.

Economic Contribution of Nonprofits: Gross Domestic Product

The nonprofit sector accounts for 2.5% of Nova Scotia's GDP

The nonprofit sector is an important contributor to Nova Scotia's GDP, accounting for 2.5% of GDP in Nova Scotia compared to 2.3% in Canada. Among Canadian provinces, Nova Scotia's nonprofit sector ranks as the third largest contributor.

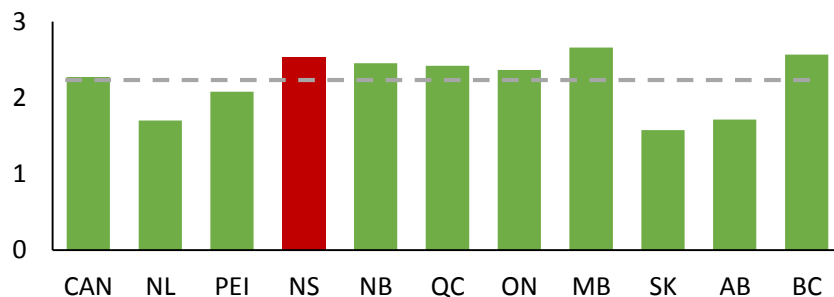
The nonprofit sector accounts for \$1 billion of GDP. It has a similar economic impact as the accommodation and food sector or the utilities industry in Nova Scotia. See Appendix D for a comparison with other sectors.

Nova Scotia's nonprofit sector grew faster than the entire economy over the 2007-2017 period. Its annual growth averaged 4.1% over that period while the overall economy grew by 2.2%. Nationally, the nonprofit sector grew at a faster rate of 5.1%.

While the growth rate has been impressive in Nova Scotia, funding for the sector has slowed in recent years. The slowdown in government funding for nonprofits is especially stark. It grew at over 9% per year from 2007-12 but fell to less than 1% per year between 2012 and 2017..

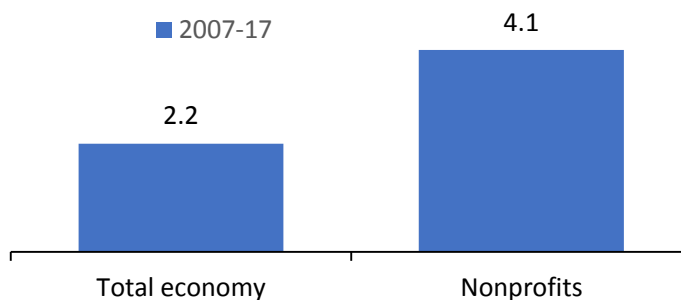
The nonprofit sector is very diverse and comprised of different sub-sectors. The largest, in terms of GDP, are business and professional associations and unions (19%), social services (16%) and culture and recreation (15%). The fastest growth has been in social services and the development and housing segments.

Fig. 2 - Nonprofit Activity as a Share of GDP by Province, 2017 (%)



Source: Statistics Canada, Tables 36-10-0614-01, 36-10-0221-01

Fig. 3 - Average Annual Growth in GDP in Nova Scotia (%)



Source: Statistics Canada, Table 36-10-0614-01

Table 1 - Nonprofit Activity by Share and Growth, Nova Scotia

	% of nonprofit GDP	Avg. GDP Growth 2007-17 (%)
Business, professional associations, unions	19	2.8
Social services	16	5.5
Culture and recreation	15	4.6
Health	13	4.8
Development and housing	6	5.5
Religion	6	0.0
Education and research	6	2.6
Other*	19	6.3

Source: Statistics Canada, Table 36-10-0614-01

* Other includes international, philanthropic and volunteerism, law, advocacy and politics, environment and not elsewhere classified. Definitions of the activity types are in the appendix

Economic Contribution of Nonprofits: Employment and Wages

20,000 Nova Scotians are employed in the nonprofit sector

Statistics Canada estimates there were 20,000 people working in the nonprofit sector in Nova Scotia in 2017. APEC estimates that another 10,000 spin-off jobs are created from the indirect and induced impacts of the sector. The direct employment of nonprofits is similar in size as the transportation industry or the financial services industry in the province. See Appendix D for a comparison with other sectors.

Nonprofit employment accounts for 4.5% of provincial employment, similar to the Canadian share (4.4%). Nova Scotia has the fourth largest nonprofit employment share in Canada.

The largest proportion of employment in the nonprofit sector is in social services (5,000) and business and professional associations (4,000).

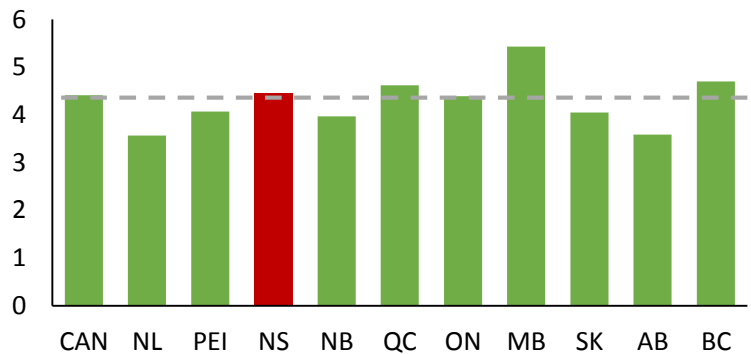
Compensation per hour worked in Nova Scotia nonprofits averaged about \$24 in 2018, one of the lowest rates in Canada and well below the national average of \$28.50/hour. Only Prince Edward Island and New Brunswick had lower compensation rates in their nonprofit sector.

Compensation rates in the Nova Scotia nonprofit sector are 16% below those nationally and 20% below the average for all industries in Nova Scotia

The average compensation in the nonprofit sector in Nova Scotia is 20% below the average for all industries which is nearly \$30 per hour worked. Hourly compensation in nonprofits is only above retail trade, primary industries and accommodation and food industries.

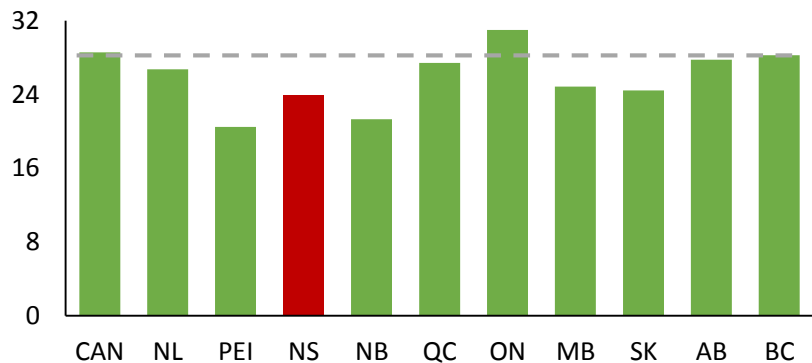
Compensation for nonprofits had gained some ground over the 2008-2018 period averaging 2.8% growth compared to 2.5% nationally.

Fig. 4 - Employment in Nonprofits as a Share of Total Employment by Province, 2017 (%)



Source: Statistics Canada, Tables 36-10-0615-01, 14-10-0092-01

Fig. 5 - Compensation per Hour in the Nonprofit Sector by Province, 2018 (\$)

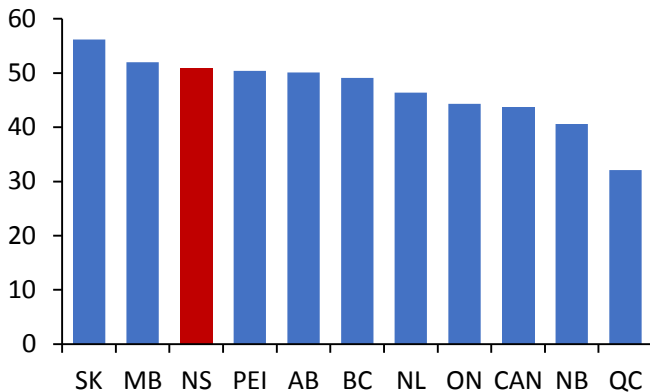


Source: Statistics Canada, Table 36-10-0480-01

Economic Contribution of Nonprofits: Economic Value of Volunteering

Nova Scotia has one of the highest rates of volunteerism in Canada but rates have fallen, impacting the total hours available

Fig. 6 - Volunteer Rate, 2013 (volunteers as a % of the population)



Source: Statistics Canada, Table 45-10-0012-01

Note: 2017 data will be available in the spring of 2020

If volunteering was an industry its employment in Nova Scotia would be similar to the construction or manufacturing sectors.

Nova Scotia has one of the highest rates of volunteerism in Canada at about 51% of the population as of 2013, above the national rate of 44%. The Nova Scotia figure has however declined from a high of 57% in 2007. This is a trend that is happening across Canada.

There were 74 million volunteer hours contributed in Nova Scotia in 2013. This is down from 78 million hours in 2007. The main explanation for the decline is lower volunteer rates. This has serious implications for the sector and the competition for volunteer labour if this trend continues.

APEC estimates that 83% of those volunteer hours in 2013 (or 61 million hours) were donated to nonprofits. This translates into 30,000 full-time equivalent jobs supporting the sector. Which is well above the 20,000 jobs currently in the paid nonprofit sector. Therefore, volunteering accounts for 60% of the labour resources required for nonprofit activities. If volunteering for nonprofits was an industry its employment in Nova Scotia would be similar to the construction or manufacturing sectors.

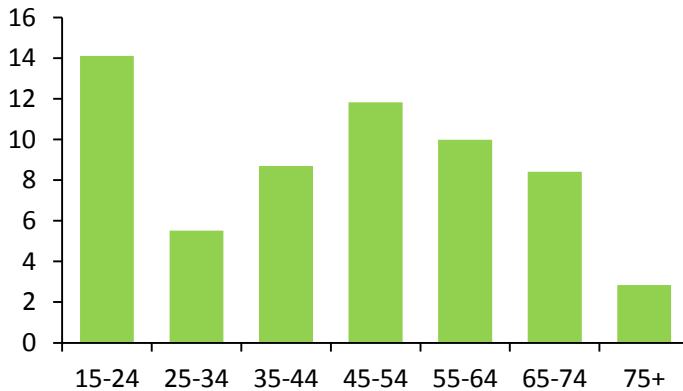
APEC estimates the economic value of volunteer hours in the nonprofit sector to be about \$1.5 billion* in 2018. This value is equivalent to 3.4% of the province's GDP.

*This was estimated by multiplying total volunteer hours in the nonprofit sector by average wages in the nonprofit sector. If the average wage of those volunteering their time is higher, then the economic value of those hours would also be higher.

Economic Contribution of Nonprofits: Volunteer Hours

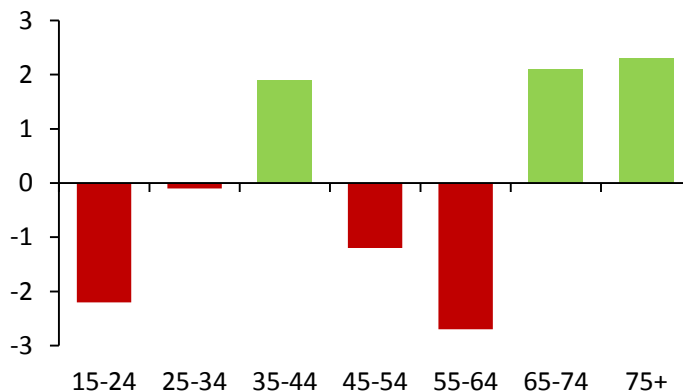
Maintaining volunteer rates and hours donated will be crucial to the success of nonprofits over the next decade

Fig. 7 – Estimated Volunteer Hours for Nonprofits by Age Group, Nova Scotia 2013 (millions)



Source: Statistics Canada, Table 45-10-0012-01

Fig. 8 – Projected Change in Nova Scotia Volunteer Hours by Age Group, 2019-2030 (millions)



Source: APEC, Statistics Canada Table 45-10-0012-01

Volunteer hours in the 15-24 age group are high in part due to the course credits available in high schools for volunteering as part of the curriculum and for those looking to gain work experience. Volunteer hours again peak in the 45-54 age group.

Using its demographic projection model APEC estimates that total volunteer hours will remain stable through to 2030 in Nova Scotia if volunteer rates and average hours stay the same.

While the overall hours would remain stable, seniors will be playing a much larger role in providing volunteer hours due to the aging population. The 65+ age group will see their hours increase by 4.4 million over the next decade. The 15-24 and 55-64 age groups will be lower due to declining populations in those age ranges.

If volunteer rates (or average hours) were to fall further it would have a significant impact. For example, if the volunteer rate were to fall to 46% from 51% this would be equivalent to losing over 3.2 million hours or 1,500 full-time equivalent employees.

Nova Scotia's population has been growing more strongly in recent years, including a 12,000 person or 1.2% increase in 2019. If population continues to increase it will lead to greater potential volunteer hours. However, it will also create a greater strain on resources for nonprofit programs to support the growing population.

If nonprofits cannot maintain volunteer hours they will have to rely more on paid staff, automate or reduce their services. In order to boost volunteer hours there must be a focused effort to increase the average hours per person or the volunteer rate.

Survey of Nonprofit Employers

446 organizations completed the full survey

APEC and the CSCNS distributed an anonymous survey to nonprofit employers in the province in mid-November 2019. The survey was open until mid-December and 446 organizations completed the survey. Another 250 respondents partially completed the survey.

For-profit businesses and voluntary organizations were not included in the survey.

About 62% of the surveys were completed by the Executive Director or President/CEO of the organizations, 16% by senior managers, 10% by Board members and 12% by other staff members.

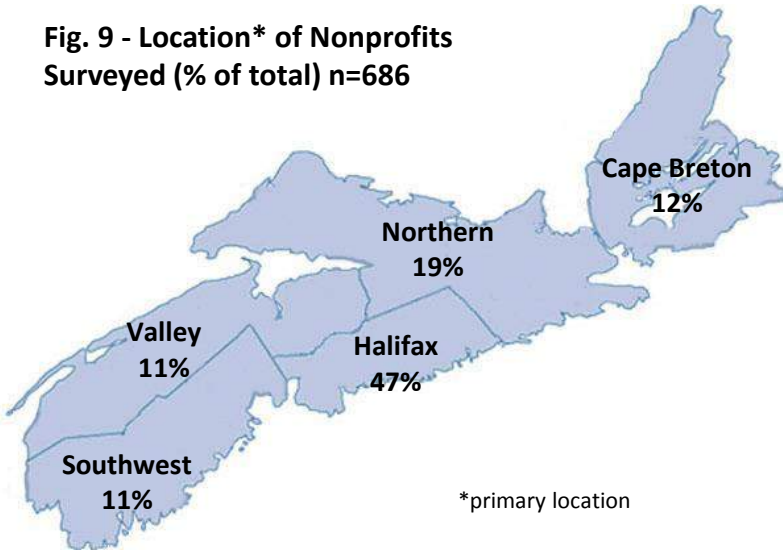
Additional details on the methodology used in the survey are available in Appendix B



Survey of Nonprofit Employers: About the Organizations

The geographic distribution of nonprofits is similar to the distribution of the overall population

Fig. 9 - Location* of Nonprofits Surveyed (% of total) n=686



Source: APEC Survey of NS Nonprofit Employers

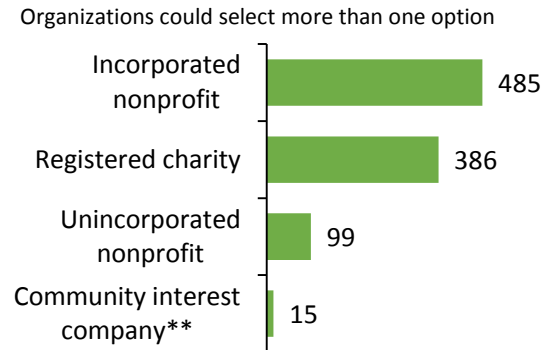
Nearly half of all nonprofits were based in the Halifax area, followed by Northern Nova Scotia organizations. This distribution is consistent with the overall population of the province.

The structure of the organization includes 62% that identified as incorporated nonprofits and 49% that are registered charities. About 22% of organizations are both an incorporated nonprofit and a registered charity.

Nearly 20% of the organizations have been active for over 50 years

Nonprofits have been important contributors to Nova Scotia's economy for many decades. Nearly 20% of the organizations have been active for over 50 years. Another 50% have been active between 20 and 50 years.

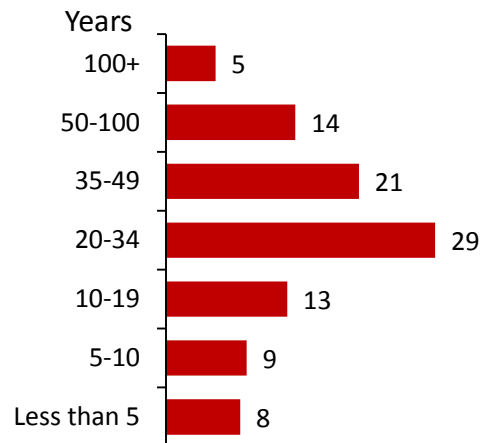
Fig. 10 – Nonprofits by Type, n=780



Source: APEC Survey of NS Nonprofit Employers

**a business with primary social objectives whose surpluses are principally reinvested in the business or in the community

Fig. 11 – Age of Nonprofits (% of total) n=651



Source: APEC Survey of NS Nonprofit Employers

Survey of Nonprofit Employers: Activity Areas and Structure

Nova Scotia has a higher share of education and health organizations

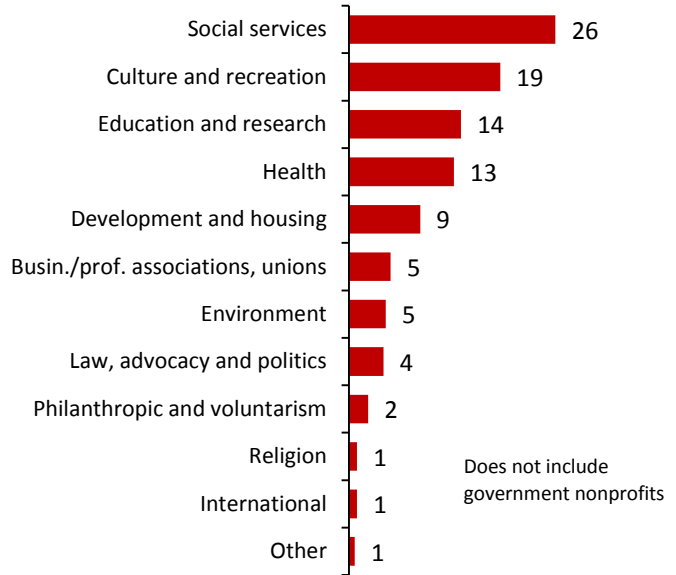
The organizations were asked to select their main activity area based on an international classification of nonprofit organizations*. The most prevalent types of nonprofits in the province are social services (e.g. services for youth, families, seniors) and culture and recreation (e.g. performing and visual arts, museums, and sports, recreation and service clubs).

Previous studies in Alberta¹ and Ontario² suggest that the Nova Scotia sector has a stronger focus on education and research and health care than other provinces. This is likely due to the province's stronger reliance on government, an older population and higher proportion of universities. Culture and recreation organizations are also more prevalent in Nova Scotia. Nova Scotia's focus on social services is lower than the other provinces.

Most organizations (63%) operate from one location and a further 16% have multiple locations. About 10% of the organizations surveyed are regional but based in Nova Scotia, 7% are national organizations and 4% are international with an office in the province.

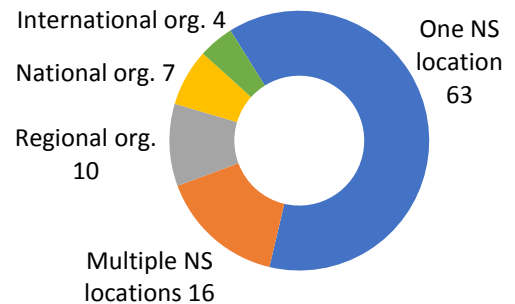
*Details on the international classification of nonprofits can be found in Appendix A.

Fig. 12 – Nonprofits by Activity Area (%) n=690



Source: APEC Survey of NS Nonprofit Employers

Fig. 13 – Nonprofits by Structure (%) n=703

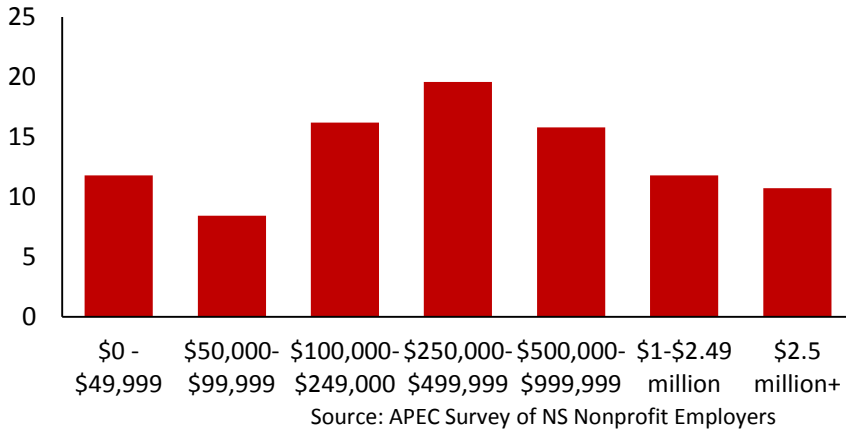


Source: APEC Survey of NS Nonprofit Employers

Survey of Nonprofit Employers: Size of the Organizations

Most nonprofit organizations are small with annual revenues under \$500,000 and less than 10 employees

Fig. 14 – Nonprofits, by Annual Revenue (% of total), n=475

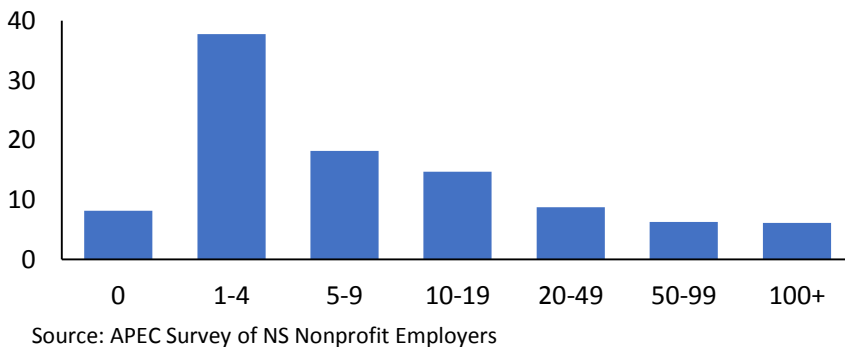


Over half (56%) of the surveyed organizations have less than \$500,000 in revenues annually. About 10% have over \$2.5 million in revenue.

Similarly, 64% have fewer than 10 employees and 8% have no full-time employees. Only 6% of organizations have over 100 employees.

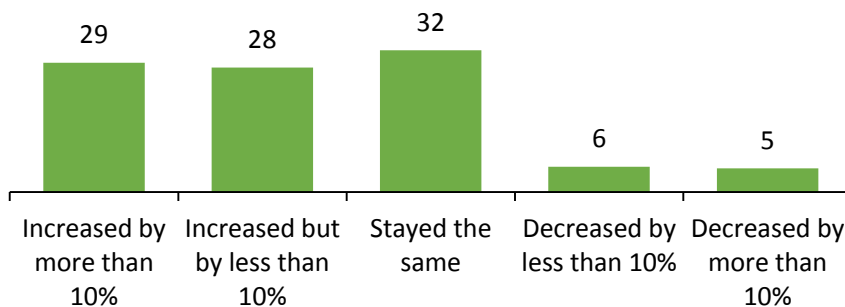
Nonprofits in Nova Scotia are smaller than those in other provinces. For example, 46% of Alberta nonprofits have over \$1 million in revenue³ compared to 23% in Nova Scotia. It is important that any policies developed do not just mirror those in other jurisdictions. They need to recognize the smaller size of nonprofits in Nova Scotia.

Fig. 15 – Nonprofits, by # of Full-Time Employees (% of total), n=538



Most nonprofit budgets are growing but many are stagnant and some are declining

Fig. 16 - Change in Budget Over the Last Three Years (% of total), n=436



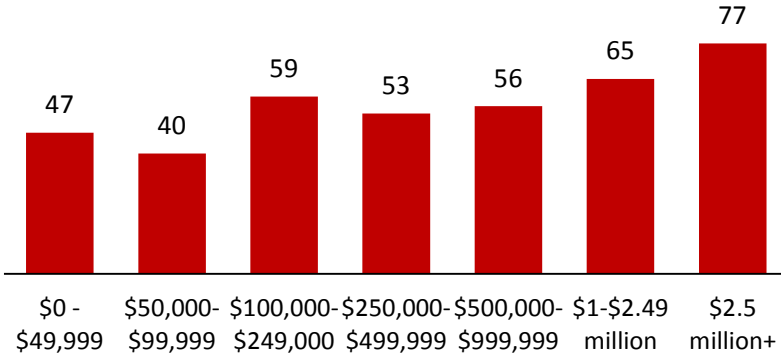
57% of nonprofits have increased revenues over the last three years. 29% of these have increased revenues by over 10% during this period. However, 32% of organizations have seen their revenues stay the same and 11% have had declining revenue over the same period.

Source: APEC Survey of NS Nonprofit Employers

Survey of Nonprofit Employers: Size of the Organizations

Larger nonprofits are more likely to be growing

Fig. 17 - Share of Nonprofits with Growing Revenues by Size (%), n=418



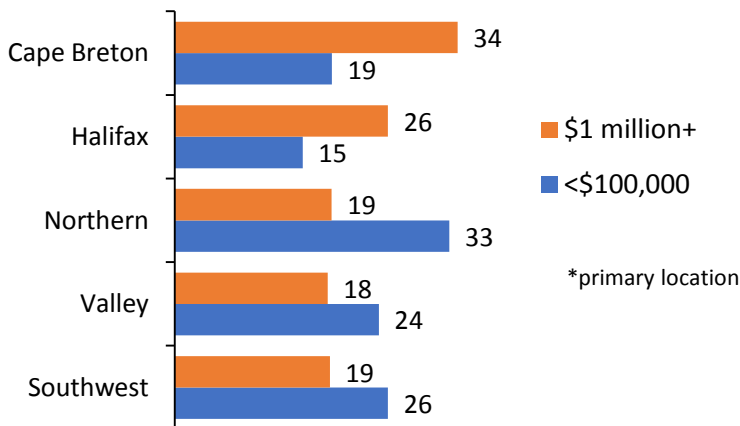
Source: APEC Survey of NS Nonprofit Employers

There is a clear relationship between size of organizations and their recent growth rates. Only 44% of organizations with under \$100,000 of revenues grew over the last three years, while 77% of nonprofits with over \$2.5 million of revenue grew.

Small nonprofits have limited resources to create new revenue streams or search for government support programs. Most of these organizations have only have 1-2 employees and likely rely on volunteers for programs.

Cape Breton has the highest share of large organizations

Fig. 18 – Nonprofits by Location* and Revenues Size (% of total in the region), n=445



Source: AEPC Survey of NS Nonprofit Employers

There are financial barriers that impact all nonprofits but can be especially challenging for smaller nonprofits. This includes police checks for volunteers and the various regulatory obligations for charities. Smaller nonprofits are also less likely to apply for federal funding supports which tend to require more complex applications.

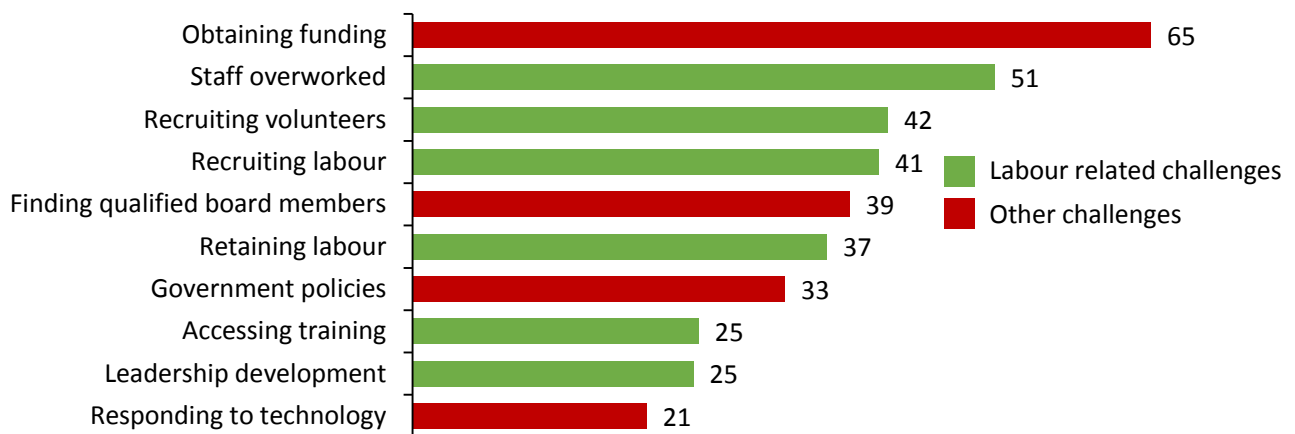
Cape Breton has the highest share of large organizations within its respondents. 34% of the organizations surveyed in Cape Breton have over \$1 million in revenues. There is a higher incidence of small nonprofits (<\$100,000) in the Northern (33%), Valley (24%) and Southwest regions (26%).

Survey of Nonprofit Employers: Overview of Challenges

Obtaining funding was identified as the number one challenge for nonprofits

The figure below highlights the key challenges reported by nonprofit organizations in Nova Scotia. Obtaining funding was cited as a major or significant obstacle to growth by nearly two-thirds of respondents. Funding challenges can spill over into an organization's ability to provide current services, expand services, hire or train workers and many other areas.

Fig. 19 - Organizations Reporting Significant or Major Obstacles to Growth (%) n=514



Source: APEC Survey of NS Nonprofit Employers

Labour-related challenges were also prominent. Overworked staff is the sector's biggest labour issue. This creates stress on employees and threatens the potential retention of workers. When staff are overstretched it makes it difficult to expand into new revenue generating areas, find time for training, collaborate with other organizations and find ways to be more productive. Recruiting both volunteers and paid staff is a major or significant obstacle for over 40% of organizations. Volunteers are harder to find for many organizations as volunteer rates have fallen in recent years.

39% of organizations said that finding a qualified board is an issue. Dedicating the necessary time is particularly difficult for small organizations. Government policies are a significant challenge for one-third of nonprofits. Red-tape is a significant obstacle. Increased co-operation between governments and government departments would help align services and support.

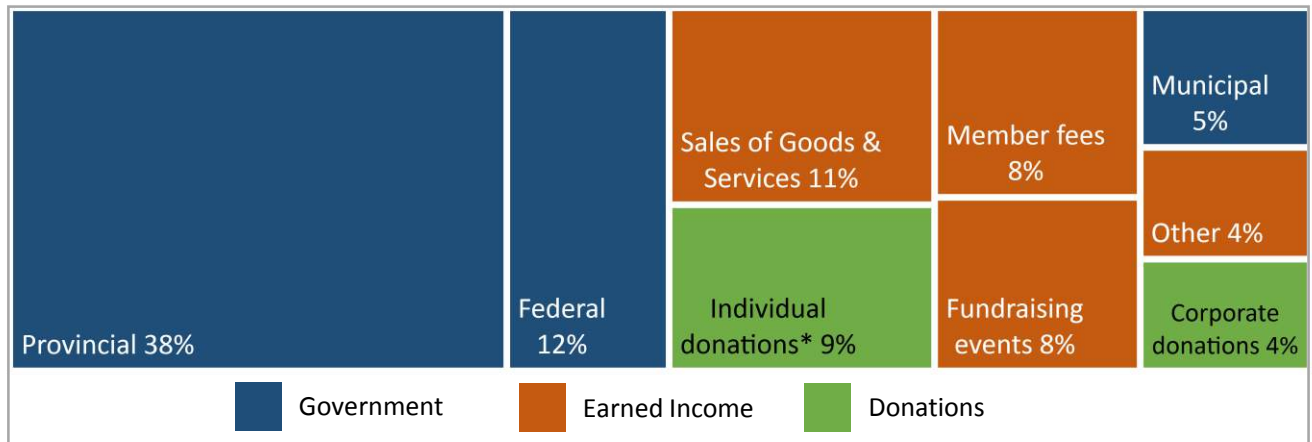
Other crucial areas for future growth such as accessing training, leadership development and responding to technology are less of a perceived obstacle. This is somewhat surprising given the importance of these areas to future growth but perhaps they are given less weight due to the lack of time available for these initiatives.

Survey of Nonprofit Employers: Funding

The provincial government is a key support for nonprofits

Many nonprofits in Nova Scotia are small and struggle to deliver services with budgets that are not not secure or growing. This makes it challenging to expand programs, pay competitive salaries and support training. A recent Senate report⁴ suggests several measures to increase supports for nonprofits including improving funding certainty, reducing red tape and other financial burdens.

Fig. 20 - Average Funding Sources for Nova Scotian Nonprofits, n=440



Source: APEC Survey of NS Nonprofit Employers

* Includes individuals, foundations and other charities

Nonprofits have three key sources of funding – governments, earned income and donations. The numbers in Figure 20 show the averages for all respondents. Governments account for about 55% of funding. The majority of this comes from the provincial government. Government support is crucial as many of these services are being provided by nonprofits on behalf of government or in tandem with government. Earned income accounts for about 31% of the revenues led by the sales of goods and services. Donations account for 13% of the total. Corporate donations seem low at 4% but corporations would also support nonprofits through member fees and events. The direct donation rate of corporations is also about 4% nationally. The composition of funding varies widely across organizations – some organizations are 100% funded by government and others rely on all of the above funding sources.

More money from government could certainly help, but sustainable funding is perhaps an even bigger issue. Improved access to funding for training, professional development and collaboration were suggested by respondents to help nonprofits grow. Improving awareness of available funding programs would also assist the sector.

A diversity of funding has a positive impact on growth potential. About 65% of organizations with 5 or more sources of funding increased their revenues over the last three years. While 45% of those with 1-2 sources of funding had an increase in revenues.

Nonprofit Perspectives

“The availability of sustainable sources of funding for nonprofits is a huge issue”

“More stable funding is needed to attract and retain qualified staff”

Survey of Nonprofit Employers: Social Enterprise Activities

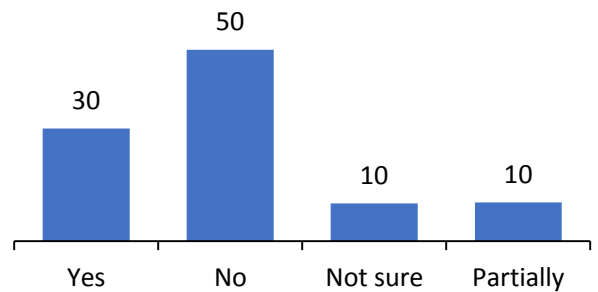
Social Enterprise - an organization that operates in an entrepreneurial or business like fashion with a simultaneous commitment to their mission and use of generated revenues to support their social, environmental, community or cultural goals

Social enterprise activities are supporting nonprofit revenues in the province and provide important services to communities.

Nearly 30% of nonprofits consider themselves to be a social enterprise based on the definition above. Another 10% responded they were partially a social enterprise. 18% of these nonprofits revenues are generated by social enterprise activities.

About 64% of social enterprises are highly satisfied with their activities. About 78% feel their social enterprise activities are contributing to the success of their mission.

Fig. 21 - Do Nonprofits Consider Themselves a Social Enterprise? (% of total), n=467



Source: APEC Survey of NS Nonprofit Employers

78% organizations that are involved in social enterprise activities say that those activities are significantly contributing to the success of their mission

About 63% of social enterprises provide employment opportunities to individuals they are serving. This enables them to gain work experience, skills, training and mentoring in order to be successful in the workplace. This could include hiring persons with disabilities or supporting them to work in other organizations.

Retail products including wood, clothing, food and gift items are among the most common social enterprise activities of nonprofits in Nova Scotia. Education and training products, culture and leisure, catering and providing work/meeting space are other top activities.

Table 2 - Top Social Enterprise Activities, n=99

Activity	%
Retail products (i.e. wood, clothing, food)	33
Education, training	32
Gift items	32
Culture and leisure activities	28
Catering	22
Work/meeting space	21
Business support/consultancy	14
Hospitality services	14
Creative industries (web design, print)	13
Property care / outdoor maintenance	11
Environmental - recycling	10

Source: APEC Survey of NS Nonprofit Employers

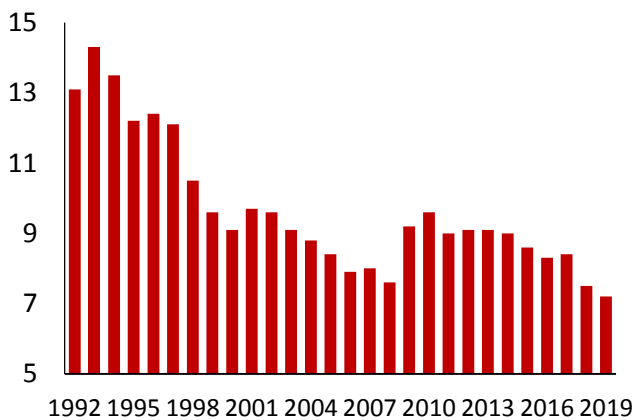
Survey of Nonprofit Employers: Nova Scotia's Labour Challenge

Nova Scotia's aging workforce is creating labour challenges throughout the economy

The labour force is declining in Nova Scotia, making it increasingly difficult for all employers to find labour. This has serious implications for all industries but especially for the nonprofit sector which face funding insecurity and lower wages.

About half of Atlantic Canadian businesses are struggling to find labour. Unemployment rates in Nova Scotia are at their lowest level since the early 1970s at 6.9% in January 2020. Job vacancy rates (which is a measure of the share of unfilled jobs) reached 3.2% or 13,400 jobs in the third quarter of 2019. The main factor behind these vacancies is the province's demographic picture led by an aging group of baby boomers entering retirement. These labour pressures are more intense in urban areas where unemployment rates are notably lower.

Fig. 22 - Unemployment Rate, Nova Scotia (%)



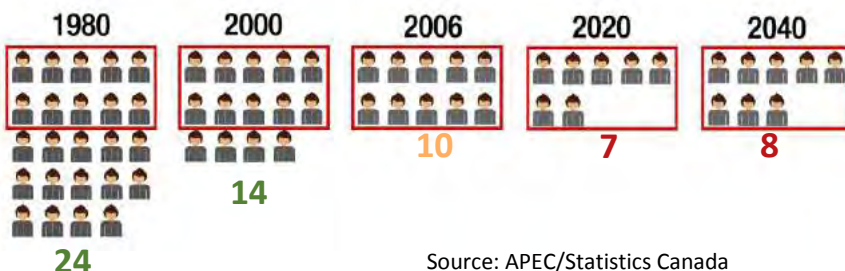
Source: Statistics Canada

The recent surge in immigration and slower rate of outmigration has helped the sector fill some retirement and other vacancies, but it has not been enough. Technological changes and the impact of digitalization on the economy require that nonprofits attract employees with different skill sets.

In 1980 there were 24 young workers available for every 10 retirees in Atlantic Canada. That number fell to 10 young workers by 2006 and 7 workers in 2020.

Employers in the region are responding with higher wages, better benefits, more attractive working conditions, targeting underrepresented groups, hiring immigrants and investing in training and new technologies. With ongoing funding constraints and a lack of innovation nonprofit organizations could fall further behind in their ability to compete for labour.

Fig. 23 - The number of young workers available for every 10 retirees, Atlantic Canada



Source: APEC/Statistics Canada

Labour and skills shortages will make it more challenging for nonprofits to find new workers

Survey of Nonprofit Employers: Nonprofit Labour Supply Challenges

Ensuring that quality labour is available should be a priority for nonprofits, government and post-secondary institutions

Fig. 24 - Reasons Organizations Have Difficulty Finding Employees (% finding a significant or major impact), n=365



Source: APEC Survey of NS Nonprofit Employers

Recruiting labour was cited as a major or significant obstacle to growth for 41% of nonprofits in Nova Scotia. The top two reasons relate to funding: 62% of nonprofits said “the salary is too low” and 58% said there was a “lack of money for recruiting”. It is a challenge to offer a full-time competitive wage when funding is scarce and unpredictable. 53% of nonprofits stated that there is a challenge finding sufficient applicants. 45% suggested applicants lacked the required skills. These factors highlight the challenges around the supply of labour in the province. Very few organizations in the nonprofit sector can afford to offer non-salary benefits and it is having a significant impact on their ability to find employees.

Despite the many challenges they face, nonprofit organizations are responding to make the workplace more attractive. 55% of nonprofits have improved wages to make their jobs more attractive. Other key initiatives include improved flexibility in work schedules, modifying job descriptions and increased training.

Table 3 - What Nonprofits are Doing to Make the Workplace More Attractive, n=480

	% of respondents
Improved wages and salaries for specific positions	55
Improved flexibility in work schedules	51
Implemented improved communication in the org.	47
Modified job descriptions, duties, responsibilities	47
Improved training opportunities	44
Improved efforts to make the workplace more fun	42
Invested in work tools/technologies	40
Better physical environment/working conditions	34
Better worker connection to the community	32
Improved non-wage benefits	30
Employees can work more from home or off-site	30
Improved career advancement opportunities	10

Source: APEC Survey of NS Nonprofit Employers

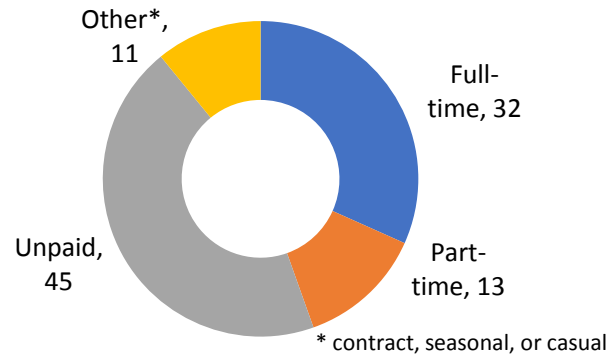
Survey of Nonprofit Employers: Labour Force Employment Profile

Almost half (45%) of the staff at nonprofits are unpaid volunteers. While these workers provide a limited number of hours per year, they play a crucial role in the success of an organization. Recruiting and mobilizing this massive pool of workers can be very challenging.

Among the paid employees about 58% are full-time, 23% are part-time and 20% are in other categories. The other category is an important group that includes contract workers, seasonal workers for certain types of nonprofits, student workers looking for their first work experience and casual workers that fill-in when needed.

While there is significant precariousness to employment in the nonprofit sector it provides important experience through volunteering and casual work.

Fig. 25 – Labour at Nonprofits (% of total)



Source: APEC Survey of NS Nonprofit Employers

Nonprofit Perspectives

“We are at risk of losing staff because we cannot afford a benefits package.”

“Competitive salaries and benefits are needed to attract and retain qualified staff.”

“We need financial support for professional development of staff.”

“Government can only depend upon the compassion of staff for so long, who live with uncertainty, living from grant to grant, and low wages.”

“Funding uncertainty leads to changing working hours and number of staff. We are essential to the community and consistent funding is needed.”

Source: APEC Survey of NS Nonprofit Employers

Survey of Nonprofit Employers: Diversity

Nonprofits are more diverse than other segments of the economy

Several studies^{5,6} have shown that gender and ethnic diversity in the workforce improves performance. Diversity is comparatively a strength of nonprofit organizations.

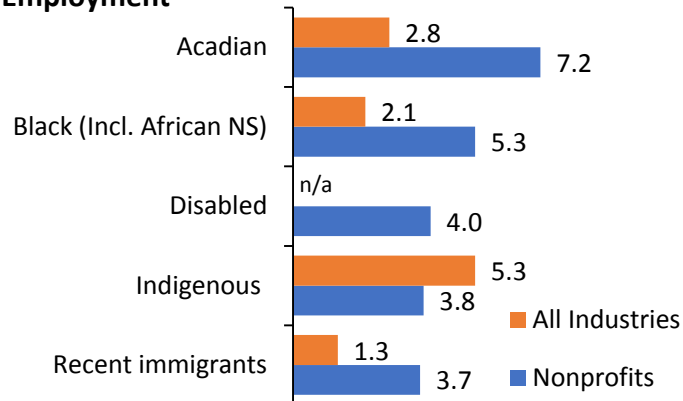
Women play a prominent role in nonprofits in Nova Scotia, accounting for 68% of employees, 67% of executive directors and 53% of board members. However, these percentages are lower than previous national and provincial studies which showed about 72-76% of employees or executive directors were female.

The percentage of total employment in nonprofits is higher than in all industries for Blacks (including African Nova Scotians), recent immigrants (within the last five years) and Acadians, but lower for Indigenous workers.

About 9% of executive directors and CEOs who responded to the survey identify as visible minorities, with 2% Black and 2% Indigenous. The share of visible minorities in the Nova Scotia population is at 7% (Census 2016). A recent Statistics Canada study⁷ projects the number of visible minorities in the labour force in Atlantic Canada will double by 2036.

A comparison with an earlier study shows that nonprofits are making changes in order to create a more diverse, inclusive and welcoming work environment and making changes to diversity policies.

Fig. 26 - Select Diversity Measures, % of Total Employment



Source: APEC Survey of NS Nonprofit Employers, Statistics Canada

n/a – not available

Table 4 - Share of Nova Scotia Nonprofits Using Diversity Initiatives by Type (% of respondents)

Diversity Initiative	2012	2019	Direction
Created or strengthened community partnerships to foster diversity	48	54	↑↑
Created a more diverse and welcoming work environment	27	42	↑↑
Made changes or additions to our policies or procedures	28	41	↑↑
Made public or visible commitments to diversity	44	39	↓
Made diversity part of our strategic goals	n/a	38	-
Recruited to create a more diverse staff team	36	34	↓
Provided diversity-related training for staff and/or volunteers	29	33	↑
Fostered staff ownership and support of diversity goals	25	17	↓↓
Made changes to human resource management to support diversity	14	14	-
None of the above	18	14	↑
Implemented recommendations of the Truth and Reconciliation Report	n/a	12	-

n/a = not available

Source: APEC Survey of NS Nonprofit Employers (2019), CSCNS Baseline Survey (2012)

Survey of Nonprofit Employers: Training and Professional Development

Many nonprofit leaders and staff are focused on keeping funding flowing and delivering programs. Often these organizations do not have the time or resources to focus on training or professional development. Funds set aside for training may be the first to get cut in times of financial need.

The economy is evolving and the nonprofit sector will need to continue to move with the changes. Many changes are external to the sector such as the use of technology and labour shortages, while others are happening within the sector including performance measurement, social enterprise and shifting donor preferences.

55% of organizations are dedicating 2% or less of their budgets to professional development and training.

About 26% of nonprofits set aside less than 1% of their budget for learning and professional development and many of those have no funding for training. A further 29% have between 1 and 2% set aside. Only 19% have over 5% of funding going toward professional development or training.

The amount of funding dedicated to professional development does seem to have an impact on performance. 72% of organizations that spent 10% or more on training saw increased revenues over the last three years while only 40% of nonprofits that spend less than 1% expanded their revenues.

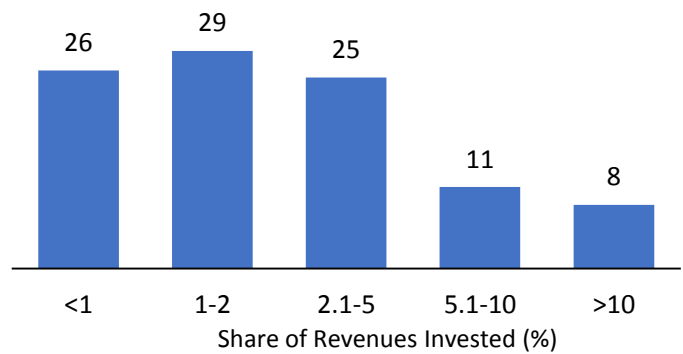
About 28% of the funding available for training is going to the executive director, 14% is going to board members and 58% to the other staff in the organization.

Nonprofit Perspectives

“We need training for staff in HR management, policy-writing, accounting and organizational behavior but have no access to funding.”

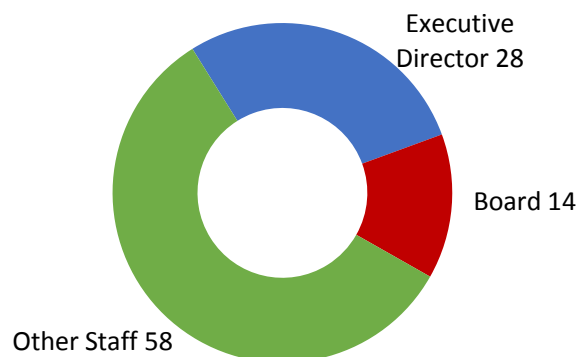
“Access to affordable training for boards to help understand their responsibilities is needed.”

Fig. 27 - Share of Funding Dedicated to Learning and Professional Development (% of nonprofits), n=425



Source: APEC Survey of NS Nonprofit Employers

Fig. 28 - Distributions of Funds Dedicated to Learning and Professional Development (%), n=341



Source: APEC Survey of NS Nonprofit Employers

Survey of Nonprofit Employers: Leadership

Nonprofit leaders in Nova Scotia are highly educated

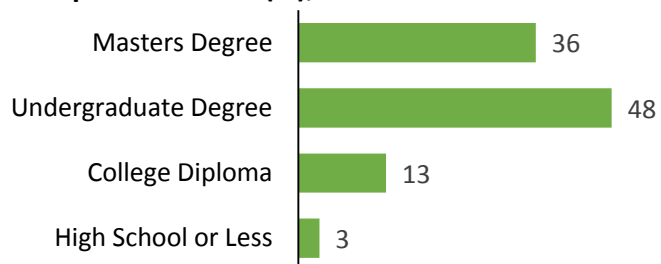
Most nonprofits in Nova Scotia have only a few employees. In many cases the executive director acts as the lead in multiple roles including human resources (employees and volunteers), finance and technology. Every leader has different challenges including funding constraints, labour and volunteer availability, other internal human resource challenges, planning for the future and balancing work and life at home. Nonprofit leaders also have challenges in regard to their specific community, sub-sector and their desire to create more partnerships and collaborations.

The Executive Director/CEO (ED/CEO) group is highly educated with 84% having a university undergraduate degree or above. By comparison, the share of those in senior management positions in Nova Scotia with a bachelors or masters degree is 60%. In Ontario 75% of nonprofit leaders have that level of education⁸. The most prominent degrees for ED/CEO is social sciences (28%), business/management (19%), sciences (14%) and arts (13%). About 4% have degrees specific to nonprofit leadership.

Available leadership training outside the sector tends to be focused on the for-profit sector. Working with post-secondary institutions and associations to develop more training programs for the nonprofit sector would be beneficial. The largest share of training currently being accessed by nonprofit leaders is coming from conferences, workshops, peer networks and participation in professional associations⁹.

Respondents rated the top three competencies required to succeed as an ED/CEO. Working effectively with Board and staff was the top response at 56%. Managing change and strategic planning followed at 47% and 42%. Balancing personal life and work (24%) and creating a diverse inclusive work environment (22%) appeared as lower priorities.

Fig. 29 - Highest Level of Education Completed for Nonprofit Leaders (%), n=278



Source: APEC Survey of NS Nonprofit Employers

Table 5 - Competencies Needed to Succeed as an ED/CEO, n=450

Competency	Percentage (%)
Working effectively with Board and staff	56
Managing change	47
Strategic planning	42
Leading people	42
Persevering under adverse conditions	34
Inspiring commitment	33
Balancing personal life and work	24
Fostering participative management	23
Creating a diverse and inclusive work environment	22

Source: APEC Survey of NS Nonprofit Employers

Survey of Nonprofit Employers: Succession Planning

Succession planning has to be a top priority for nonprofit organizations

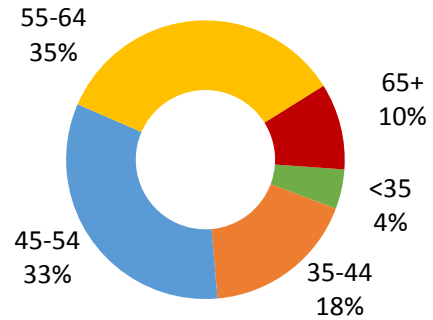
Almost half of nonprofit leaders are 55 years or older. This is higher than in the rest of the economy. The share of those over 55 in senior management positions in the total economy is about 37%. Many industries are concerned with the aging of their workforce but the challenge of replacing a large portion of senior leaders over the next decade is a greater concern for the nonprofit sector. With an aging workforce, where will the future leaders come from for the sector? Most currently come from other nonprofits or from within the organization¹⁰.

Replacing the experience of this aging group of nonprofit leaders will be difficult. 27% of the leaders have been in the position for over 10 years. The median tenure for respondents was five years which is in line with the for-profit sector¹¹. Despite this high percentage of leaders nearing retirement, only 35% of nonprofits have a formal succession plan. (see fig. 34)

Encouraging workers within the sector and from other sectors to move into this type of role can be a challenge. While the experience gained from such a diverse role with many responsibilities is very worthwhile, the lower salaries, and uncertainty of funding can make the position less attractive.

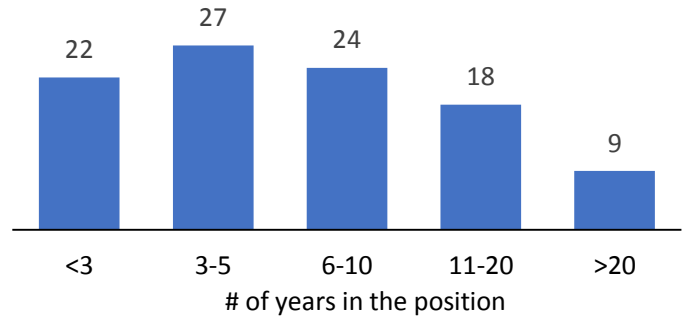
Salaries in the nonprofit sector are well below senior management salaries in the rest of the economy. The median salary for the ED/CEO position is about \$58,000 compared to about \$81,000 for Nova Scotia senior managers (Census 2016). About one-third of ED/CEOs make less than \$50,000.

Fig. 30 - Age Distribution of Nonprofit Leaders, n=280



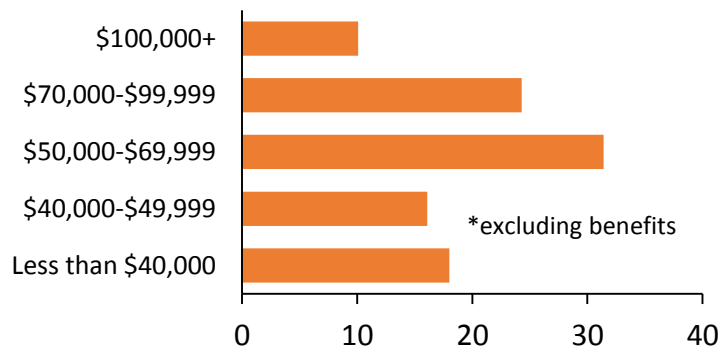
Source: APEC Survey of NS Nonprofit Employers

Fig. 31 - Job Tenure for ED/CEO (% of total), n=278



Source: APEC Survey of NS Nonprofit Organizations

Fig. 32 - Distribution of Executive Director/CEO Salaries* (share of total), n=256



Source: APEC Survey of NS Nonprofit Employers

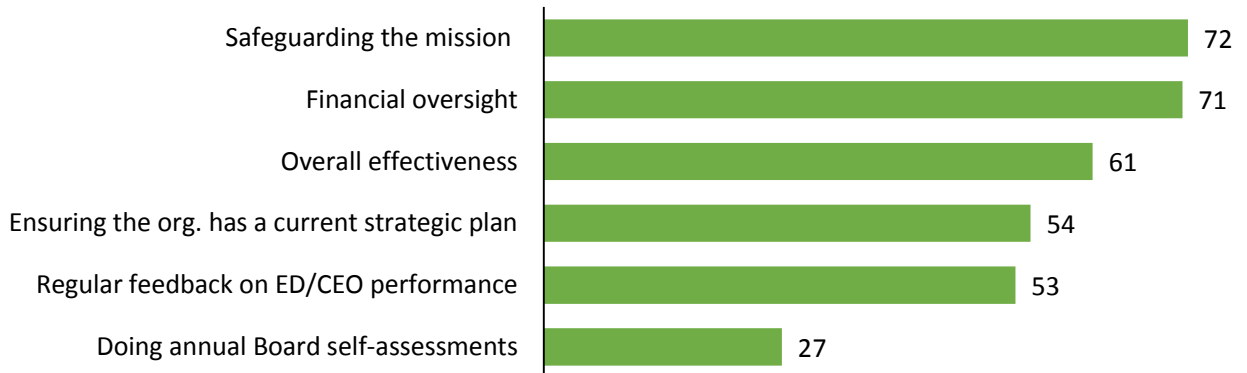
Survey of Nonprofit Employers: Governance

Strong Board governance is critical to the success of any organization. A robust and clear governance framework ensures that leaders and other staff can deliver on their mission. Board members are volunteering their time, but they have a growing responsibility to ensure accountability and transparency. Rapidly changing technology, increased need for performance measurement to justify funding and growing competition for resources (money and people) makes the role of a Board more important than ever.

61% of nonprofits are very or completely satisfied with overall Board effectiveness

In regards to safeguarding the mission and financial oversight respondents report that over 70% very or completely satisfied. Over half of organizations are very or completely satisfied with Board performance in terms of ensuring they have a current strategic plan and regular feedback on ED/CEO performance. Only 27% are satisfied with their Board's use of annual Board self-assessments.

Fig. 33 - Share of Nonprofits that are Completely or Very Satisfied with their Board Performance, n=440



Source: APEC Survey of NS Nonprofit Employers

The average Board size for Nova Scotia nonprofits is 10 people, with 53% women and 46% men. The share of women on nonprofit Boards is higher than in the corporate sector. Women only comprise about 18% of the Board of Toronto Stock Exchange listed companies¹².

Many nonprofits struggle to find board members - 26% do not have a full complement of members. Many of the performance deficiencies listed above may in part be due to the results in Figure 34 that shows 44% of board members do not get a formal orientation and 72% do not get any formal mentoring. A formal orientation and mentoring program would undoubtedly improve their ability to support the organization. Nonprofit board turnover could be high in Nova Scotia in the coming decade as 45% of Board Members are over 55 years old.

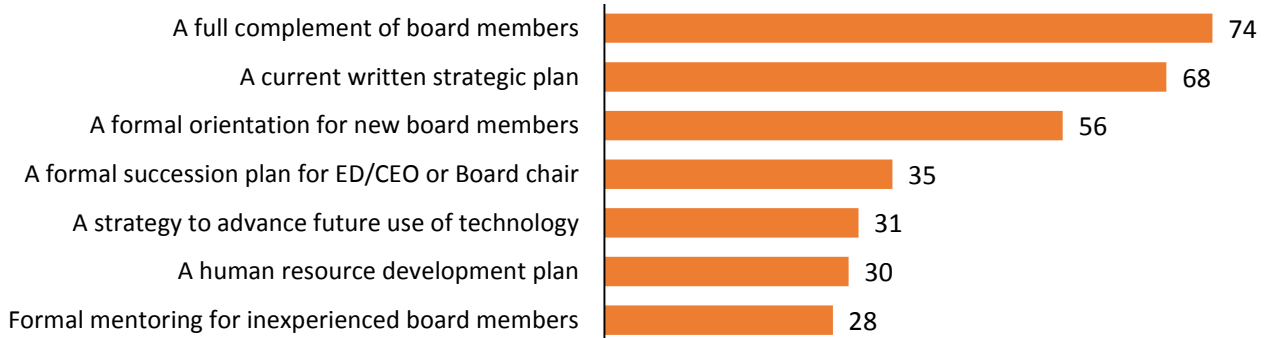
Survey of Nonprofit Employers: Strategies and Partnerships

A lack of policies and strategic plans could negatively impact the success of nonprofits

Nonprofit organizations are in various stages of planning for the future. Many do not have the resources to complete strategic planning, support skills development, find new sources of funding, implement new technologies or build partnerships.

The results of the survey show that many organizations are struggling with some of the foundational elements of being an effective nonprofit. About 32% of nonprofits do not have a written strategic plan. Comparatively in Alberta only 18% do not have one¹³ About 70% of nonprofits do not have a strategy to advance the future use of technology or a human resource development plan. The way people donate is changing. Means of fundraising via text, social media or online are emerging. Crowdfunding platforms are disrupting fundraising but also creating new opportunities for nonprofits. Increasingly nonprofits are also targets of cybersecurity attacks because they are a vulnerable group that may not have the resources or staff experience to prepare for and combat these threats.

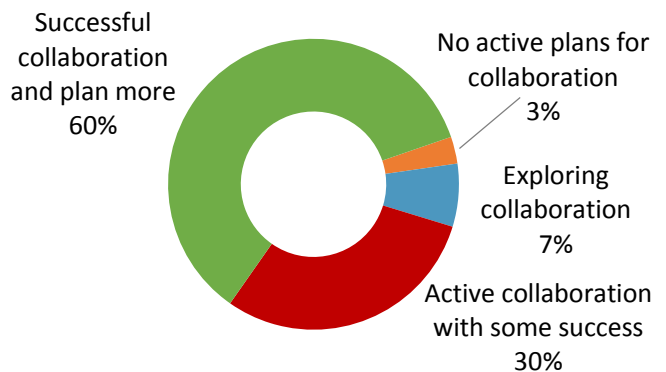
Fig. 34 - Share of Nonprofits with Plans and Policies (%), n=456



Source: APEC Survey of NS Nonprofit Employers

Due to the small size and limited resources of nonprofits, collaboration is an important form of support. Whether that is learning best practices from other organizations, sharing staff with expertise in functional areas or partnering on events, collaboration is important. A majority of Nova Scotia nonprofits are actively collaborating with other nonprofits with 90% reporting they are successful.

Fig. 35 - Share of Organizations Collaborating with Other Nonprofits, n=452



Source: APEC Survey of NS Nonprofit Employers

Nonprofit Perspectives

“More innovative collaborations between nonprofits would be helpful to attract further support from funders.”

“The sector needs programs to expand collaboration of resources and communicating outcomes to our community stakeholders”

Conclusions

Nonprofits make a vital contribution to the socio-economic fabric of society and offer broad-based job experience and rewarding career opportunities. With a highly educated and diverse workforce and recent strong growth in the sector there is much to celebrate. However, their continued success and ability to deliver services and community priorities depends upon how well they respond to a number of pressing challenges.

Nonprofits are an important contributor to the Nova Scotia economy, accounting for \$1 billion (2.5%) of GDP and 20,000 jobs. While most of the organizations are small in size, they play a key role in the province's economic and social well-being. The sector is more important to Nova Scotia's economy than in other provinces and is growing faster than the rest of the economy. Greater appreciation of the importance of the sector is needed.

Nonprofits deal with some of the most complex issues facing the province such as homelessness, addiction and mental health disorders while also struggling with many of their own challenges. APEC's survey of nonprofits identified many of the key challenges for these organizations. **An aging workforce, labour shortages, low wages, declining volunteerism, changing skill requirements and new technologies are creating challenges that many nonprofits are poorly equipped to tackle.** While they are increasingly called upon or created to respond to the unmet needs of society, many feel underfunded, undervalued and struggle to manage within a complex and changing fiscal and regulatory environment. They are responding by looking to new partnerships and collaborations across the eco-system.

Funding is the number one concern of nonprofit organizations, and this uncertainty, year after year, is a barrier to nonprofits achieving their missions. It creates a cascading set of challenges in an organization including lower salaries, difficulties in recruiting and inadequate investment in professional development and training. Social enterprises generating money from commercial activities is an emerging area of revenue generation and will likely be an increasing focus for many organizations to sustain their core programs.

Labour shortages across the economy have serious implications for the nonprofit sector. Nonprofits pay lower salaries and many organizations don't offer employee benefits. Funding challenges create a significant amount of precarious employment. More stable funding and recognition of the need to fund labour recruitment, professional development and other training would help nonprofits secure the labour they need to deliver the services they are called on to provide.

With 45% of senior leaders nonprofit leaders over the age of 55, succession planning is crucial to the future of the sector. However, only 35% of nonprofits have a succession plan in place. Nonprofits in Nova Scotia need to make succession planning a priority.

Conclusions

Volunteers are critical to the success of many nonprofit organizations. **APEC estimates that the value of the hours donated in the nonprofit sector to be about \$1.5 billion in 2018, equivalent to 3.4% of GDP.** Volunteer hours account for the equivalent of 30,000 jobs or about 60% of the paid and unpaid jobs in the nonprofit sector. A drop in volunteer hours between 2007 and 2013 is equivalent to the loss of 1,500 full-time jobs. If this trend continues nonprofits will have to rely more on paid staff, automate or reduce their services. Encouraging volunteerism, especially for younger workers and new immigrants should be accelerated.

Nonprofit organizations are more diverse than other sectors of the economy, including high percentages of females in employment, leadership and on Boards. However, the rate of female participation in Nova Scotia is lower than it is nationally. Diversity is an increasing priority within organizations and improvements are being made in most areas, but others require attention.

Nonprofits are encouraged to increase their focus on important issues such as improving board governance, the growing role of technology and building strategic partnerships. Strong Board governance is critical to the success of any organization. Rapidly changing technology, increased need for performance measurement to justify funding and growing competition for resources (money and people) makes the role of a Board more important than ever. Technology is transforming all industries including the nonprofit sector. But the sector is ill-prepared for these transformative changes as there is little time available to create innovative programs and limited resources to adopt new technologies. Nonprofits are effective collaborators with others in the sector but more strategic initiatives such as sharing resources, programs and even amalgamation could aid in their long-term success.



Areas for Future Research

This report provides an overview of the size and importance of nonprofit organizations in Nova Scotia. The survey of nonprofits helps improve the understanding of the opportunities and challenges organizations are facing. With this information governments and other stakeholders that support nonprofits can make better decisions and ensure supports are in place to maximize their growth potential. This research also identifies a number of areas that would benefit from further study.

With increasing competition for labour in the Nova Scotia economy, driven by an aging population, nonprofits will continue to struggle to find workers. **A labour force strategy specifically targeting nonprofits should be examined** due to the unique nature of the sector. Enhancing training and succession planning should be a key focus of the policy research.

With volunteering accounting for 60% of the labour resources required for nonprofit activities **an in-depth analysis of potential policies to support volunteerism is needed**. This could be part of a national volunteer strategy that may include tax incentives for individuals, organizations or business to encourage volunteerism.

Funding is a major challenge for nonprofits. Several provincial and federal government departments support them but financial resources are stretched. **More analysis is needed on the most effective funding mechanisms**. Should funding programs accelerate their focus on important areas like professional development and training, encouraging collaboration or supporting social enterprise initiatives? Where can improvements be made to ensure more sustainability of funding for nonprofits? Any increases in the Canada Social Transfer (CST) from the federal government to Nova Scotia (either due to recent population growth or changes to the structure of the agreement) should also consider the important role that nonprofits play in delivering services to communities.

Better data is needed for nonprofits. Very little ongoing provincial data has been available for nonprofits currently and this needs to improve. A key objective of this project was to provide concrete data on the sector and to identify and develop a methodology that would allow for regular updates. To remain valuable, the information in this report needs to be updated regularly to understand how new policy initiatives are impacting nonprofits.

The digitalization of the economy is transforming many industries including the nonprofit sector. **A best practices study on the use of technology** including new forms of fundraising and the tracking of outcomes could inform nonprofits on ways to improve productivity and show their successes.

There are several structural changes happening in the Nova Scotia economy including an aging population and a recent surge in immigration. **Are nonprofits able to offer the services required to support an aging and more diverse population?** Nonprofits will be at the forefront of inclusive economic growth in the future. More research regarding the supports they will require to fulfill this role is needed.

Endnotes

1. Calgary Chamber of Voluntary Organizations, State of the Alberta Nonprofit Sector (2019)
<https://www.calgarycvo.org/state-of-the-alberta-nonprofit-sector/>
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<https://www150.statcan.gc.ca/n1/pub/75-006-x/2019001/article/00004-eng.htm>
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<https://theonnc.ca/wp-content/uploads/2011/06/ONN-Mowat-Shaping-the-Future-Final-Report.October2013.pdf>
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13. Calgary Chamber of Voluntary Organizations, State of the Alberta Nonprofit Sector (2019)
<https://www.calgarycvo.org/state-of-the-alberta-nonprofit-sector/>

The State of the Nonprofit Sector in Nova Scotia

Appendices

Appendix A:

List of Organization Types

The following is a summary of the internationally recognized classifications for nonprofit organizations. A more detailed version of these definitions can be found at <https://www150.statcan.gc.ca/n1/pub/13-015-x/2009000/sect13-eng.htm>.

Business and professional associations, unions – includes business associations, professional associations, labour unions

Culture and recreation - includes media and communications, visual arts, architecture, performing arts, historical, literary and humanistic societies, museums, sports and recreation, social clubs, service clubs.

Development and housing – includes community and neighbourhood organizations, economic development, social development, housing associations, housing assistance, job training programs.

Education and research - includes higher education, medical research, science and technology, social sciences and policy studies.

Environment – includes pollution abatement and control, natural resources conservation and protection, environmental beautification and open spaces, animal protection and welfare, wildlife preservation and protection, veterinary services.

Health – includes hospitals, rehabilitation, nursing homes, mental health, crisis intervention, public health and wellness education.

International – includes exchange/friendship/cultural programs, development assistance associations, international disaster and relief organizations, international human rights and peace organizations.

Law, advocacy and politics – includes advocacy organizations, civil rights associations, ethnic associations, civic associations, legal services, crime prevention, rehabilitation of offenders, victim support, consumer protection, political parties and organizations.

Philanthropic intermediaries and voluntarism promotion – includes grant-making foundations, voluntarism promotion and support, fund-raising organizations.

Religion – includes congregations (churches, synagogues, temples, mosques etc.), associations of congregations.

Social services – includes child welfare, day care, youth services, family services, services for the handicapped, services for the elderly, self-help and other personal social services, disaster/emergency prevention and control, temporary shelters, refugee assistance, income support and maintenance, material (food, clothing, transport) assistance.

Not elsewhere classified

Appendix B:

Methodology

Economic Impact Methodology – Nonprofits

APEC's estimates rely on Statistics Canada's latest estimates of the economic contributions of Nova Scotia nonprofit institutions by sub-sector (community, health, education and business) for 2017. The Statistics Canada estimates provide the direct economic impact, including gross output, gross domestic product (GDP), labour income (wages, salaries and supplementary labour income) and employment.

Measuring Economic Impacts

There are three types of economic impact to be considered.

Direct Economic Impact: The direct economic impact usually refers to the direct impact of a specific industry, such as the output value of nonprofit institutions.

Indirect Economic Impact: The indirect economic impact measures the impact of nonprofit institutions on other sectors of the economy through their purchases.

Induced Economic Impact: The induced economic impact measures the impact of consumer spending, both by workers directly and indirectly employed and earning income in the nonprofit institutions and/or its supply chain industries.

APEC utilized Statistics Canada's latest economic impact multipliers (2016) from the detailed Supply and Use Tables for Nova Scotia to estimate the in-province economic impacts. APEC applied the appropriate industry-specific multipliers for each sub-sector to the direct impact to estimate the indirect, induced and total economic impact for output, GDP, labour income and employment.

Estimate of the Economic Contribution of Volunteering

APEC employed a method previously used by the Conference Board of Canada which multiplies total estimated hours in the nonprofit sector by average wages in the sector to calculate the economic contribution of volunteering.

https://volunteer.ca/vdemo/Campaigns_DOCS/Value%20of%20Volunteering%20in%20Canada%20Conf%20Board%20Final%20Report%20EN.pdf

Ad Hoc Committee

An Ad Hoc Committee was established to help guide the survey development and review the final report. The Ad Hoc Committee consisted of various stakeholders of nonprofit organizations including staff and Board members of the Community Sector Council of Nova Scotia (CSCNS), government departments and academics.

Survey of Nonprofit Employers

APEC developed a draft set of questions that were reviewed by the Ad Hoc Committee for feedback. APEC completed a pilot survey that was completed by seven nonprofit organizations that provided feedback on the survey design and composition. The final version of the survey was distributed via Survey Monkey to a database compiled by the CSCNS. The CSCNS and APEC also shared the survey widely through social media channels and other networks to maximize awareness of the survey. The survey was completed anonymously. All responses were combined to ensure confidentiality.

Appendix C: Economic Impact Results

Nova Scotia Economic Impact

Total Nonprofit Organizations				
	Total Impact	Direct Impact	Indirect Impact	Induced Impact
Output (\$bn)	11.2	7.1	1.6	2.5
Gross Domestic Product (\$bn)	7.3	4.8	1.0	1.6
Labour Income (\$bn)	5.4	4.1	0.7	0.6
Jobs (000's)	109	77	14	16

Government Nonprofit Organizations				
	Total Impact	Direct Impact	Indirect Impact	Induced Impact
Output (\$bn)	8.0	5.1	1.0	1.9
Gross Domestic Product (\$bn)	5.6	3.8	0.6	1.2
Labour Income (\$bn)	4.2	3.2	0.4	0.5
Jobs (000's)	77	57	10	12

Nonprofit Organizations less Government				
	Total Impact	Direct Impact	Indirect Impact	Induced Impact
Output (\$bn)	3.1	1.9	0.7	0.6
Gross Domestic Product (\$bn)	1.7	1.0	0.4	0.4
Labour Income (\$bn)	1.2	0.9	0.2	0.1
Jobs (000's)	30	20	5	4

Source: APEC, Statistics Canada

Nonprofit organizations less Government is the focus of this report

Appendix D:

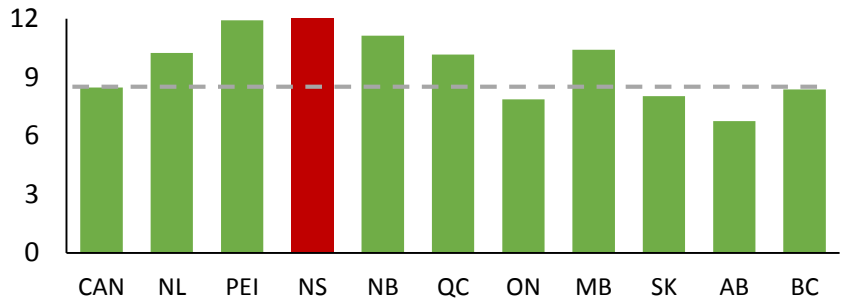
Nonprofit Including Government

The entire nonprofit sector contributed \$4.8 billion to GDP in 2017 with a majority (\$3.8 billion) in the government nonprofit segment.

The total sector (nonprofits plus government nonprofits) accounts for 12.3% of Nova Scotia's GDP, the highest share in the country and well above the 8.5% share nationally. The contribution of nonprofit activities to total GDP is greater than the majority of industries.

Government nonprofit activities are the primary driver of this contribution, adding more to GDP than manufacturing, retail trade or construction. The main source of the GDP contribution from government nonprofits is health and education which are two of the provinces most important industries.

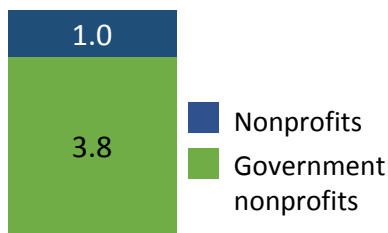
Total Nonprofit Activity as a Share of GDP, 2017 (%)



Source: Statistics Canada

GDP Impact of the Total Nonprofit Sector, \$ billion

\$4.8 billion



Source: APEC, Statistics Canada

Nova Scotia GDP by Industry, 2016 (\$billions)



Source: Statistics Canada

Appendix D:

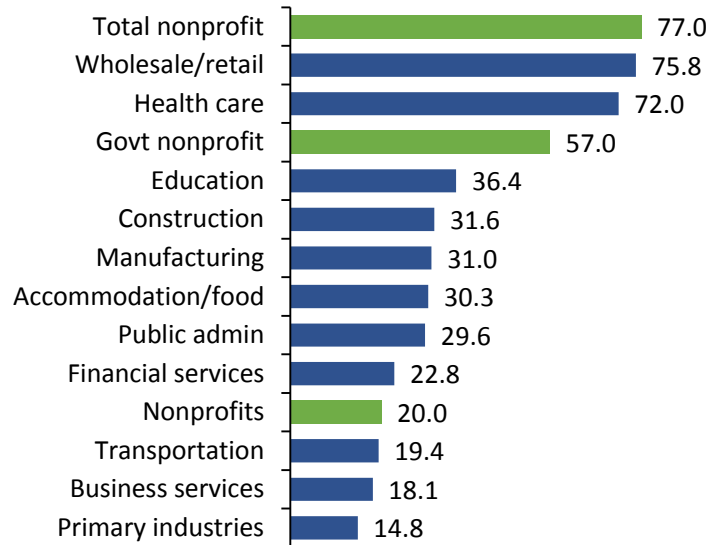
Nonprofit Including Government

Approximately 77,000 Nova Scotians are directly employed by all nonprofit organizations (including government nonprofits), accounting for 17% of the Nova Scotia's employment. Nonprofit employment in aggregate is larger than any of the other industries. Although the government component does overlap greatly with health and education.

This employment share is above the national share of 13% in nonprofits, largely due to the larger presence of health and education employment in Nova Scotia. Of these jobs, just under 57,000 come from government nonprofits while about 20,000 are based in nonprofit activities.

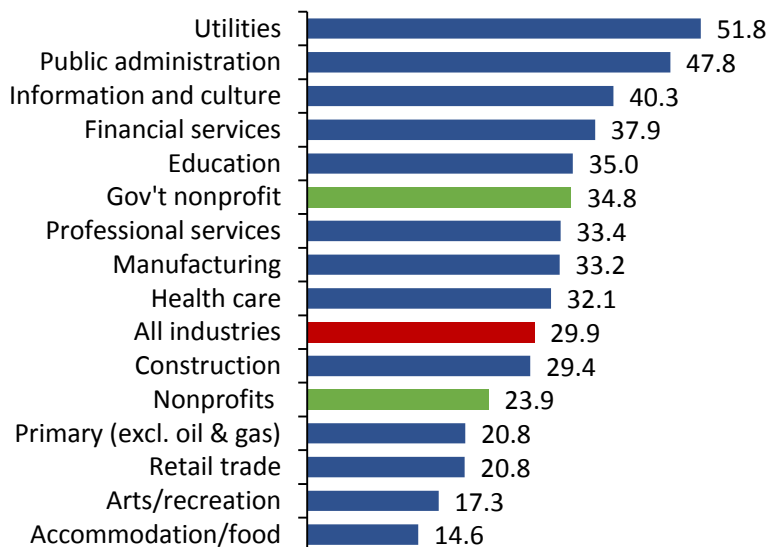
Wages vary significantly within the nonprofit sector with government nonprofits above the provincial average. Government nonprofits compensation per hour worked was \$35, which was above the all industry average of \$30/hour worked and above the nonprofit average of \$24/hour.

Nova Scotia Employment by Industry, 2017 (thousands)



Source: Statistics Canada

Compensation per Hour by Industry, Nova Scotia, 2018 (\$)



Source: Statistics Canada



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