

Ontario Election 2022: Building thriving communities with the nonprofit sector

Ontario's nonprofit sector is a major contributor to Ontario's economy and job creation: it contributes \$65 billion to our province's GDP and employs 844,000 workers.¹ In addition to being an economic engine, the sector promotes civic engagement through activities like volunteering and voter education, and provides programs and services that touch virtually all aspects of Ontarians' lives, such as arts and sports, faith, mental and physical health, the environment, and social services.

Throughout the COVID-19 pandemic, nonprofits stepped up to deliver critically needed programs and services to tens of thousands of Ontarians. Ontario's nonprofits are well-equipped and ready to continue working with the provincial government to serve communities across Ontario, while supporting equitable economic growth that benefits every Ontarian.

Communities must be front-and-centre in the upcoming provincial election. It is vital that all parties focus on ensuring that the nonprofit sector thrives, so organizations can continue to feed, shelter, heal, inspire, educate and nurture communities across Ontario.

1. Support nonprofit workers and volunteers now, and invest in a resilient workforce for the future.

The Issue: A rapidly intensifying human resource crisis in the nonprofit sector is threatening our sector's impact. People - staff and volunteers - are leaving the nonprofit sector in droves while demand for nonprofit services is increasing. Yet, nonprofit jobs are projected to grow in the future of work, unlike in other sectors where technological disruption is eradicating jobs. What happens when people stop working and volunteering in local shelters, art galleries, child care centres, minor soccer leagues, and meals on wheels programs? A weakened nonprofit sector labour force will mean a significant gap in community care, leading to profound ramifications for Ontarians for years to come.

The Solution:

- Create a provincial volunteer recovery strategy to address the negative impacts of the pandemic on volunteerism.
- Redesign funding agreements to be longer-term, more flexible, and reflective of all human resource costs, so nonprofits can spend more time on their mission rather than paperwork.

¹ CANSIM table [36-10-0616-01](#), [36-10-0221-01](#) and [36-10-0617-01](#) (2019)

- Expand permanent pandemic pay to include all frontline and support workers.
- Repeal Bill 124 and commit to using overall funding envelopes to manage costs, rather than wage controls that constrain provincially-funded nonprofits to attract and retain talent.
- Improve employment standards with permanent paid sick days and by proclaiming the Pay Transparency Act.

2. Take profit out of care by phasing out for-profit owners/operators in Ontario's care systems, and creating an environment to expand nonprofit and public care.

The Issue: Care services should have care, not profit, as their central objective. To ensure that, the nonprofit business model can provide Ontarians with flexible care options that are high quality, affordable, accessible, and inclusive. Profit in care diverts public money to shareholders rather than being reinvested into programs and staffing. For-profit ownership of community assets, such as long-term care homes and child care centres, also leaves the assets more vulnerable to being sold or repurposed, creating greater risk of closures.

The Solution:

- Phase out the participation of for-profit owners/operators in Ontario's long-term care system when licenses are up for renewal and replace them with nonprofit and public sector driven services
- Target new public investments for expanding care services and assets across Ontario exclusively to nonprofits (including nonprofit co-operatives) and/or the public sector.
- Unlock capital financing for nonprofit care services by making them eligible for Infrastructure Ontario Loan programs and loan guarantees.
- Provide grants for nonprofits to hire professional advisory services such as capital finance planning, feasibility and risk-management assessments, site selection, leasing and acquisition, project management and construction, and staff training.

3. Support inclusive local economies through community benefit agreements and by creating an enabling environment for social enterprises and co-operatives.

The Issue: Ontario needs an equitable economic recovery that provides good, local and green jobs, advances environmental wellbeing, redirects wealth and control back into the local economy, and generates wealth for all communities. Ontario is facing unprecedented economic, social and environmental challenges. This is driven by an unsustainable economic system that is based on labour exploitation, extractive land-use practices, and profit-generating activities that benefit

distant shareholders at the expense of local people. Immense structural inequities also prevent many communities, particularly Black and Indigenous communities and people who face employment barriers, from accessing the labour market and other economic opportunities.

The Solution:

- Create a fund to support local community benefits networks and social enterprise developers, including those focused on developing diverse suppliers, e.g., women, Black, and Indigenous-owned enterprises (see glossary on pg. 4).
- Eliminate regulatory barriers to Community Investment Organizations (CIOs, see glossary on pg. 4) by streamlining the Ontario Securities Commission's process to create CIOs and increasing the threshold for capital that co-operatives can raise from their members without having to make an offering statement under Financial Services Regulatory Authority rules.
- Introduce a social procurement and community benefits policy at the provincial level, ensuring that it covers Supply Ontario, the broader public sector, and all major infrastructure and housing development projects (see glossary on pg. 4).
- Ensure that nonprofit and co-operative enterprises are eligible for all business investment and marketing supports currently provided to small businesses (e.g., through Digital Main Street), and that these supports are communicated well to our sector. Provide provincial loan guarantees to social enterprise start-ups if their loan requests meet the business model requirements of Community Futures.

4. Create a “Home in Government” for the nonprofit sector.

The Issue: The nonprofit sector does not have a voice inside the provincial government when it needs policy solutions to the unique challenges nonprofits are facing, and legislation is often passed without considering its impact on organizations. As Ontario communities weathered the pandemic over the past two years, the nonprofit sector has worked alongside the government to provide critical services and programs. Now is the time to transform the sector-government relationship with a dedicated mechanism within the cabinet of the provincial government that is responsible for a productive relationship with the nonprofit sector, and its long-term vitality.

The Solution:

- Create a dedicated role in the Ontario government to address the sector's unique challenges, break down silos, and coordinate across ministries to tackle problems holistically. The creation of this role is not intended to replace existing stakeholder relationships, such as funding relationships, between sub-sectors and their ministries. Rather, it will create efficiency and make the government more effective at tackling cross-sectoral policy issues, such as pandemic recovery, workforce development, funding

reform, digital services, and data sharing, so that nonprofits can better support the well-being of Ontario's communities.

Glossary

1. **Community Benefits Networks:** In Ontario, local community benefits networks have sprung up to secure community benefit agreements in local infrastructure and development projects to create good local jobs, build affordable housing and generate other benefits for community residents.
2. **Community Investment Organizations (CIOs):** CIOs channel local community members' resources (e.g., RRSPs) into local economies via co-operative and nonprofit social enterprises, community land trusts, and nonprofit and co-operative housing.
3. **Social enterprises:** Social enterprises, including co-operatives, are driven by social impact and reinvest profits into their social missions. They also work to tackle some of our greatest challenges, such as climate change, through activities like energy retrofits and solar panel installation.
4. **Social Procurement:** Social procurement is the achievement of strategic social, economic and workforce development goals using an organization's process of purchasing goods and services². It creates additional value for local communities, rather than being merely an economic transaction between buyers and sellers.

² City of Toronto. Social Procurement Program.
<https://www.toronto.ca/business-economy/doing-business-with-the-city/social-procurement-program/>