

2025 Ontario Pre-Budget Submission

Create conditions for Ontario's nonprofit sector to thrive so nonprofits can best serve Ontarians

Families want to live in communities with nonprofits.

Think about all the places Ontarians interact with and rely on in their neighbourhoods; many of those programs or services are delivered by nonprofits. It could be the child care centre families drop their kids off to every day, the local coffee shop that workers pick up coffee from, the annual neighbourhood block party, the gym across the street, or perhaps, the PSW that helps a family's elders age at home is employed by a nonprofit. Ontario's nonprofit sector is an economic driver and significant job producer that creates vibrant communities.

Our communities are changing and nonprofits are needed more than ever.

Nonprofits are truly on the frontlines, holding communities through fear, anxiety, and uncertainty about the future. Big trends governments are grappling with and trying to solve for now, nonprofits are already confronting. According to ONN's [latest state of Ontario's nonprofit sector survey](#), 83 per cent of the sector reported an increase in demand for nonprofit programs and services. Nonprofits are thinking creatively, adapting quickly, and remaining steadfast in serving their communities. From the rising affordability crisis and mass population and demographic shifts to distrust of institutions and weak social fabrics, nonprofits do not quit when the challenges are immense. But the sector cannot exist on drive and resiliency alone.

An economic driver that needs thriving conditions.

Regrettably, the health of Ontario's nonprofit sector is declining as we are called on to do more without enabling conditions. ONN's survey revealed that 64 per cent of the sector gauged the health of nonprofits as somewhat unhealthy or very unhealthy across Ontario and across their local communities, respectively. At the same time, 54 per cent of respondents reported declining and stagnant revenues while 84 per cent reported increases in expenses. The impact on Ontarians is already evident as more nonprofits report scaling back programs, increasing waitlists, and program closures. In order for Ontarians to continue to rely on this essential social infrastructure, we need the Ontario government to create thriving conditions for nonprofits. A better supported nonprofit sector means less pressure on tertiary systems, high-quality and accessible programs and services for all, better social cohesion, and ultimately better supported Ontarians.

The Ontario government can provide provincial leadership.

ONN's three point-plan provides a blueprint for the provincial government to create enabling conditions for Ontario's nonprofit sector. The recommendations will unlock the sector's full potential to better support Ontarians through this time of uncertainty:

1. Create a home in government for the nonprofit sector to effectively work with Ontario's 58,000 nonprofits and charities.

Issue: Currently no level of government has the mandate to ensure the well-being of Ontario's nonprofit sector that [contributes](#) \$65 billion to our province's GDP and employs 844,000 people. Nonprofits do not have a direct line of communication with the Ontario government to surface and address the unique issues and opportunities facing the entire sector. While individual organizations have relationships with their line ministries, it is not in the mandate of central agencies or the premier's office to highlight what is happening with the nonprofit sector, why it's important, and how to respond. Instead, responsibilities for nonprofits are relegated to funding relationships and are fragmented across various provincial ministries and departments. This creates a myriad of inefficiencies, administrative burdens, and missed opportunities for solutions to collective problems for both the government and nonprofits. While each level of government has a role to play in creating an enabling environment for nonprofits to thrive in, it falls on the provincial government to provide leadership as the primary legislator and regulator.

Solution: Associate Minister-level appointment within the Ministry of Economic Development, Job Creation and Trade supported by a Deputy or Assistant Deputy Minister in an Office representing nonprofits, charities, and social innovation to efficiently work with Ontario's 58,000 nonprofits and charities. Learn more about the mechanism [here](#).

2. Kick-start an Ontario Nonprofit Housing Acquisition Fund to protect affordable rental housing stock.

Issue: Underpinning Ontario's housing affordability crisis is the fact that individuals and families earning \$58,300 or less cannot afford to rent or own any type of housing. Despite the rising demand for affordable rental housing in Ontario, the province's affordable rental housing stock is being lost to demolition and conversions into expensive condominiums faster than new affordable options can be built or retained. While there is clearly a need to increase the overall supply of quality and affordable housing, preserving existing affordable units is one of the fastest and most impactful ways to address Ontario's housing affordability crisis. Many nonprofits are already doing this by acquiring housing from the private sector and turning them into [non-market housing](#) to protect renters as well as affordable housing supply. However, they need access to adequate, timely, and reliable sources of capital in order to do this more effectively and on a larger scale.

Solution: Develop an Ontario Nonprofit Housing Acquisition Fund to quickly increase deeply affordable housing stock while protecting existing affordability in perpetuity. Learn more about the proposed program [here](#).

3. Prioritize nonprofit and public systems to deliver care in Ontario and build safeguards to protect Ontario's vital care infrastructure from commercialization.

Issue: Ontario is experiencing an exponential increase in need for all types of care for the young, old, sick, and frail. Research across jurisdictions reveals that nonprofits and the public sector best deliver care that is high-quality, meets the diverse needs of Ontarians, and remains affordable for years to come. Both the allure that for-profits can provide ready capital to build care infrastructure so government does not have to and the myth that for-profits are more effective and efficient, are allowing for more for-profit delivery of vital services. This is adversely impacting Ontarians. While the nonprofit model is community-centered, the for-profit model is profit-driven. As such, it incentivizes cost-cutting even at the expense of care quality. This will result in increased costs in the long-term and inability to serve those whose needs are too complex to be profitably served. Examples from [New Zealand](#) and [the United Kingdom](#) serve as critical warnings for Ontarians.

Solution: Prioritize nonprofit and public sector organizations to deliver care services in Ontario (e.g. healthcare, long-term care, and child care) when public investments for expanding care services and assets across Ontario arise. Learn more about the nonprofit difference [here](#).

Solution: Build strong safeguards to protect Ontario's vital care infrastructure from commercialization. Guardrails include: regulatory bodies to oversee the selling off of government assets and/or monitor the conduct of private players for enforcement, restrictions on foreign ownership in care industries, legal and regulatory standards that prohibit compromising care, limits on licenses and subsidies for for-profits, and limits on profits in funding formulas.

Conclusion

Our communities are under stress unlike anything we have encountered before and the nonprofit sector is a vital partner for the provincial government during this turbulent time. It is essential and urgent that the province makes the investments needed to shore up our vibrant nonprofit sector, so every Ontarian can access the critical programs and services they need, now and in the future. We look forward to building Ontario's future together.

About ONN

ONN is an independent nonprofit network for the 58,000 nonprofits and charities in Ontario, focused on policy, advocacy, and services to strengthen the sector as a key pillar of our society and economy. We work to create a public policy environment that allows nonprofits to thrive. We engage our network of diverse nonprofit organizations to work together on issues affecting the sector and channel the voices of our network to governments, funders, and other stakeholders.

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