ONTARIO NONPROFIT NETWORK

2024 ONN STATE OF THE SECTOR SURVEY:

A PROFILE OF ONTARIO'S B3 NONPROFITS

INTRODUCTION

B3 organizations are critical to Ontario's nonprofit landscape as they work alongside the communities they serve to heal from colonialism and its harmful legacies and address current systems of oppression. All the while, B3 organizations are providing culturally relevant programming and supports to Black communities.

As defined by CEE Centre for Young Black Professionals, B3 refers to organizations that identify as all of the following:

- Black-led: A governance structure where a majority of board members are Black; a majority of senior management staff are Black
- Black-serving: The main population or service users are Black; an organization that explicitly, through vision, mission, or strategic plan, serves the Black community; an organization that uses an African-centered, cultural approach
- Black-focused: Supports causes that impact the Black community; has Black service users; identifies itself as a Black organization serving the Black community.

This data profile reflects the realities of the 39 B3 nonprofits that responded to ONN's 2024 State of the Sector survey. This profile does not represent the experiences of all B3 nonprofits.

ONN has been disaggregating its survey data by black-led, black-serving, black-focused, and B3 organizational type over the past three surveys (2022-2024). Disaggregated data, in all its form, is critical for nonprofits as it highlights the differential impacts of the province's economic, political, and social realities on the breadth and depth of nonprofits serving communities, particularly on those who are often underrepresented in policymaking. Disaggregated data is used to make evidence-informed public policy decisions that best meet the needs of communities.

Methodology and data limitations

As the sample of B3 respondents is small, the data is presented as is and is not compared to the rest of the survey respondents. Survey questions where less than 20 B3 organizations responded are not included in this profile. Despite the various limitations posed by the data, it tells a very important story about Ontario's B3 nonprofit organizations and their needs.

A comprehensive explanation of the survey's methodology can be found in the 2024 technical report.

Demographics of B3 nonprofit respondents

The following is the composition of the organizations that filled out the 2024 state of the sector survey as B3 nonprofit respondents:

- The majority were from Central Ontario (85 per cent), namely Toronto, while 13 per cent were from Western Ontario and three per cent from Northern Ontario.
- While the majority were English-speaking (90 per cent), five per cent were Francophone, and five per cent were bilingual.
- The majority were from larger communities and did not identify as rural (87 per cent).
- There was representation from across all subsectors, with the majority of respondents identifying as part of social services (31 per cent), arts, culture, heritage, and tourism (26 per cent), community development and housing (18 per cent), and education and research (eight per cent).
- Over half (54 per cent) of B3 respondents reported annual operating budgets under $250,000, 28 per cent of which reported operating with a budget of $0-$99,999.
- About a quarter (26 per cent) of all B3 respondents reported annual operating budgets between $100,000-$249,999.
- Thirty-four per cent of B3 nonprofits were entirely volunteer driven.

2024 DATA HIGHLIGHTS

Almost all B3 nonprofits report an increase in demand for their programs and services.

Almost all (97 per cent) of the B3 organizations saw an increase in demand in 2024. More than half (53 per cent) stated that demand increased more than 50 per cent.

A third (33 per cent) of B3 organizations stated they were unable to meet the demand, and half (54 per cent) reported being “somewhat” able to meet the demand. Only eight per cent are able to meet the demand.

> “To serve more families and youth, I need grants, not loans. I need to be recognized as an organization that is delivering needed proactive and preventative programs for Black youth to keep them out of the youth justice system, therefore require financial support to grow.”

Two-thirds of B3 nonprofits report stagnant or declining finances.
Sixty-eight per cent of B3 organizations reported that their revenue stayed the same or decreased for the 2023 fiscal year.

In nearly every revenue stream, B3 nonprofits experienced sharp declines in revenue including across the three levels of government. Almost half (48 per cent) experienced a decrease in federal funding, almost two-thirds (61 per cent) experienced a decrease in provincial funding, and a third (34 per cent) experienced a decrease in municipal funding.

In digging deeper into the sources of revenue:

- Less than half (41 per cent) of B3 respondents received funding from the provincial government.
- About half of the B3 respondents (46 per cent) stated that they have received significant public and/or private foundation funding in the history of their organization. When asked about when they have received public and/or private foundation funding, 50 per cent stated that they received foundation funding in the past year while a third (35 per cent) shared they were receiving less public and/or private foundation funding than they had in previous years. Overall, 49 per cent stated that any funding received was not enough to help them grow their internal capacity (49 per cent) or scale programs (41 per cent).

Seventy-seven per cent of B3 respondents reported that their expenses increased over the previous year. The top three expenses that increased for B3 organizations were programs, services, and activities (74 per cent), administrative costs (63 per cent), and professional fees (62 per cent). Just under half (47 per cent) also reported increases in equity-related professional development and/or education.

The top four challenges faced by B3 nonprofits with operating budgets under $499,000 were:

- Needing additional staff but not having the resources to hire (81 per cent)
- Relying on part-time roles or consultants for full-time roles (63 per cent)
- Lacking resources for investments in technology systems (56 per cent)
- Sustaining the organization on project funding and not having funding for operations (56 per cent).

Half of the B3 respondents (51 per cent) did not have reserve funds.

More than half of B3 nonprofits want to own their own space, but only 15 per cent currently do.
Only 15 per cent of the B3 respondents reported owning their own land and/or building. Thirty six per cent reported leasing at or near market rate, and 15 per cent reported operating remotely.

More than half (52 per cent) of the B3 respondents reported wanting to own their own space but are facing barriers, and 15 per cent reported not having space but needing it. Forty-five per cent stated that their current space does not meet their needs.

Forty-two per cent of B3 respondents reported being at risk of losing their space; the risks included rising cost of rent (30 per cent) and rising cost of mortgage (12 per cent).

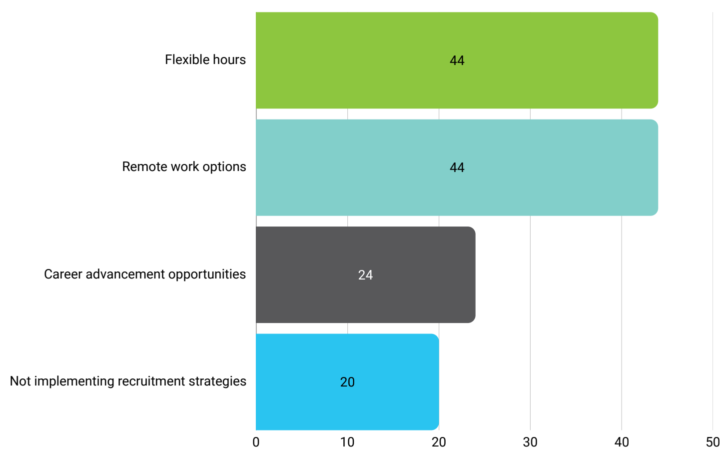
B3 nonprofits are facing an HR crisis, filling staffing gaps with volunteers.
Two-thirds (66 per cent) of the B3 respondents reported having paid staff.

Sixty per cent reported having recruitment and/or retention challenges. Sixty-eight per cent reported combining roles to fill staffing gaps, and less than half (44 per cent) reported bringing in external consultants.

Almost half of respondents (48 per cent) had team members leave nonprofit work for employment in the public sector for the same or similar job. Almost two out of five (36 per cent) reported that team members left for self-employment or freelance work.

Strategies reported as being used to recruit and retain their workforce included offering flexible hours (44 per cent), remote work options (44 per cent), and career advancement opportunities (24 per cent). Twenty per cent indicated they were not implementing any recruitment and retention strategies.

Reported recruitment and retention strategies (%)



The top three skills B3 organizations reported lacking were: grant writing (68 per cent), fundraising (60 per cent), and senior management (48 per cent).

B3 organizations reported trying to fill staffing gaps with volunteers (72 per cent), but 61 per cent also stated that they are experiencing difficulties with recruitment and/or retention of volunteers. Difficulties included the lack of dedicated individual(s) responsible for volunteer recruitment and/or retention (57 per cent), difficulty attracting youth volunteers (52 per cent), and difficulty recruiting new volunteers (39 per cent).

Staffing and volunteer challenges are facing B3 nonprofits to scale back programs and services.

The impact of staffing and/or volunteer challenges on B3 organizations is profound, with 76 per cent of the respondents reporting they had to scale back programs and services. 38 per cent reported increased waitlists, and 19 per cent reported discontinued programs and services.

A quarter of B3 nonprofits are at risk of not existing in the next three years.

Half of the respondents (49 per cent) reported that within the next 6-12 months, they expect their organization's financial situation to improve.

A quarter (26 per cent) of B3 nonprofits reported a high risk of not existing in the next three years.

Two thirds of B3 nonprofits report nonprofits led-by, focused on, and/or serving equity-deserving communities is unhealthy.

Forty-one per cent of the B3 respondents reported feeling that across Ontario, the state of the nonprofit sector is healthy. Fifty-eight per cent of B3 respondents reported feeling that the nonprofit sector is unhealthy across their local communities, and 64 per cent reported feeling that it is unhealthy across their subsectors. Sixty-four per cent also reported feeling that the nonprofit sector is unhealthy for nonprofits led-by, focused on, and/or serving equity-deserving communities.

> "Black organizations do not get much recognition like other NGO and [they] need to be included on the round table talks where we are also given a chance to represent themselves. If you are not on the dining table, then you are the menu."

THE DATA TELLS A STORY

The story told through these numbers is one of precarity for B3 nonprofits in Ontario. Without core, stable funding to address the organizational infrastructure challenges that B3 organizations face - such as lack of space, staffing and volunteer recruitment and retention, and revenue decreases - B3 organizations may not be able to sustain themselves.

Additional Resources

- Unfunded: Black Communities Overlooked by Canadian Philanthropy