

SHINING A LIGHT ON THIS CRITICAL MOMENT

2025 STATE OF THE ONTARIO
NONPROFIT SECTOR

WITH SUPPORT FROM:









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Sixth annual survey continues to track important moments and trends for the well-being of Ontario's nonprofit sector



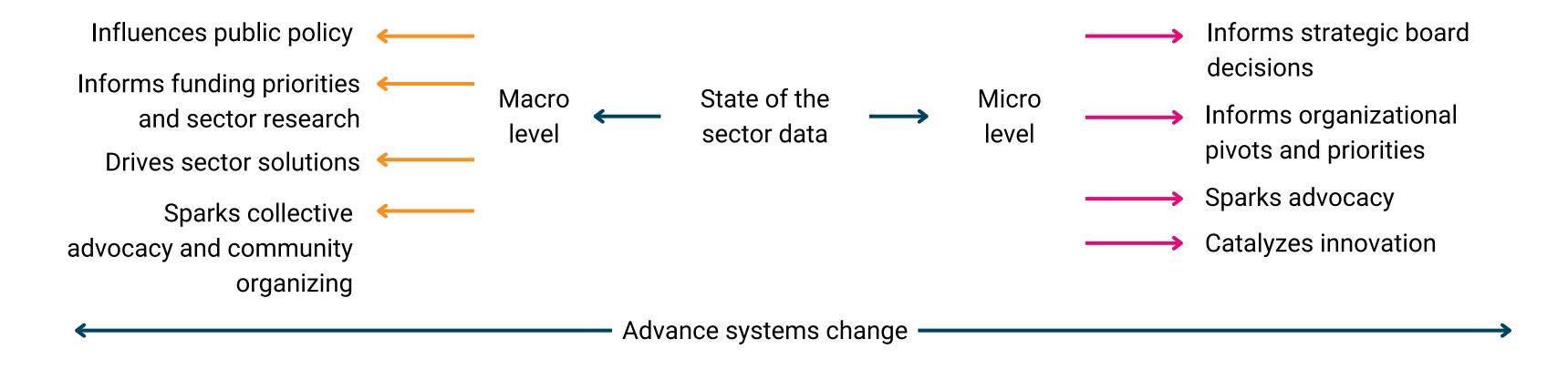
The 2025 State of the Sector survey is the sixth annual bilingual survey conducted by Ontario Nonprofit Network (ONN) to better understand how nonprofits in Ontario are fairing.

The core purpose of the survey has remained constant since 2020: to identify and share the state of the sector in a given moment of time, track sector trends, and provide explanations for changes (or lack thereof). It also provides the sector, and other key interest-holders, access to consistent, high-quality, disaggregated data about Ontario's nonprofits.

This policy report offers a comparative analysis between 2024 and 2025, and highlights broad trends informed by the last six years of data. It ends with policy recommendations for the Ontario government, alongside calls to action for the nonprofit sector and general public.

Survey resources

Every year the nonprofit ecosystem uses the survey data in a variety of ways.



Access the 2025 resources, alongside survey resources from past years, online:

- 2025 data sets (tables and data sheet)
- English and French technical report from Environics Research
- English and French public policy report from ONN
- State of the Sector communication assets for amplification





Who filled out the survey?

A smaller, but representative, sample size

The 2025 survey was in the field between May 13 and June 25, 2025. It closed with 469 complete responses.

Eighty-seven per cent of organizations' primary language of operation is English.

Forty-seven per cent of organizations have a budget of less than \$1 million.

Forty-one per cent of organizations are from Central Ontario (Peel, York, Durham, Toronto, Halton, Muskoka, Simcoe).

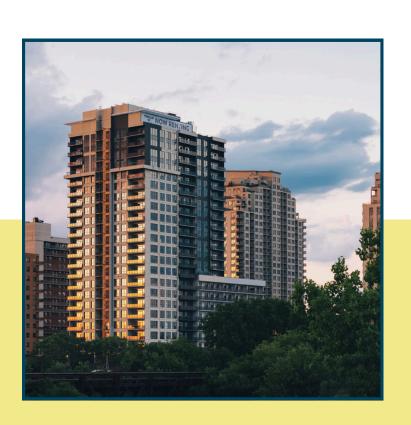
The following subsectors are mainly represented in this year's responses: 45 per cent from social services, 11 per cent from arts and culture, and 10 per cent from education and research.

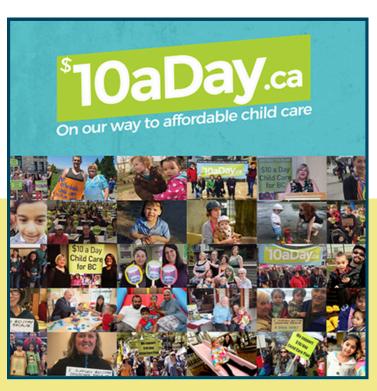
Forty-five per cent of organizations serve local communities.

Five per cent or organizations operate in a rural, remote, northern, or a small community. This number is less than last year as this year the data point is based on organizational postal codes rather than self-attestation of respondents.

- Although a smaller sample size, this is still a good enough number to give an overall picture of Ontario's nonprofit sector. The sample size continues to be representative of the sector.
- The profile of organizations who filled out the survey in 2025 compared to 2024 is largely still the same. There are only fewer organizations in each category.
- This year it is difficult to draw conclusions based on organizational demographics (e.g. region, subsector, type) because the sample size of each is too small.
- Response rates for the survey depend on timing of the year and length and complexity of questions. Organizations value the survey, but perhaps they think that others will fill it out and so they don't have to prioritize it.
- The technical report issued by Environics Research describes the 2025 survey methodology and highlights data in detail.

What is the state of Ontario's nonprofit sector in 2025 compared to 2024?







KEY INDICATORS CONTINUE TO TREND IN THE SAME DIRECTION AT A SIMILAR PACE, WITH A FEW NOTABLE DIFFERENCES

Over the past six years, ONN's state of the sector survey has asked the same core operational, financial, and human resource and volunteer questions. These core questions provide particular insights into the health of the sector over time.

When comparing 2024 responses to 2025 responses on core questions, most key indicators stayed the same, plateauing, and there were few notable changes.

Stayed the same (versus the 2024 survey)	Notable changes (versus the 2024 survey)
Demand for nonprofit programs and services remains high while capacity remains low. Most respondents report an increase in demand (+2 percentage points), but few can meet demand (no change).	Reserve fund usage climbs to levels not seen since 2020. Just over a third used their reserve funds (+3 percentage points).
Revenues remain stagnant and declining. More than half of respondents report that their revenues decreased and/or stayed the same (no change).	Low risk (1-3) of not existing in the next three years is increasing. Just over half of respondents report low risk of not existing in the next three years (+5 percentage points).
Expenses remain high. Most respondents report their expenses increased (-1 percentage point).	Human resource (HR) and volunteer recruitment and retention challenges decreased for the first time. Still half of respondents report challenges in recruitment and retention of paid staff (-11 percentage points) and just under half report challenges in recruiting and retaining volunteers (-4 percentage points).
High risk of not existing in three years remains the same. Ten per cent continue to report they are at high risk of not existing in the next three years (no change).	The impact of the HR and volunteer crisis on services and programs increased to the highest it has ever been. Two-thirds report scalebacks (+6 percentage points), almost half report increase in waitlists (+14 percentage points), and 17 per cent report shutdowns (+5 percentage points).

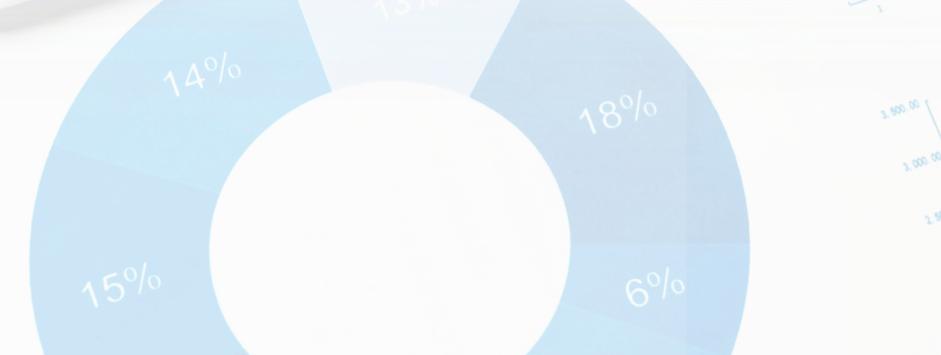
Megatrends shaping the sector's responses in 2025





There are key megatrends that shaped survey responses this year; highlighting these trends helps contextualize the data.

The megatrends and their impacts are corroborated by ONN's 2025 survey. The economic downturn is not only impacting all aspects of nonprofits (mission, governance, staff, programming, revenue, and expenses), but it is also the most impactful trend. The polarization seen in last year's survey around how nonprofits feel in the current moment continues: 30 per cent are hopeful, 25 per cent are under-resourced, and 24 per cent are feeling stressed, tired, and/or fatigued.



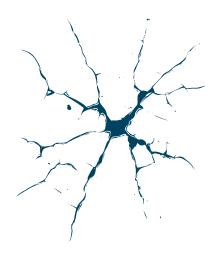
The <u>uncertain economy</u> (i.e. tariffs and global trade war) is driving up demand for nonprofit programs and services while further reducing resources and capacity.



The new <u>federal</u> and <u>provincial</u> public policy landscape is shifting spending to austerity, impacting both nonprofit sustainability and progress on social issues nonprofits and their communities care about. The federal government is aiming to implement spending cuts of up to 7.5 per cent this year and the provincial <u>government's</u> Plan to Protect Ontario leaves out nonprofits.



A weakening social safety net is creating a domino effect where under-resourcing in one or more parts is causing untenable pressure on other parts of the nonprofit and public sectors. This is the result of two decades of neoliberal policy focused on government divestment of publicly-funded services.



Deepening polarization, backlash to equity, and the global rise in fascism are all threatening progressive social policy gains and protections of Canada's democracy.



The rapid evolution of AI is raising critical adoption questions for nonprofits, and their care-centric jobs, as they are pressured to keep up to make their work more efficient when resources are low.



Shorter time between crises - climate disasters, public health emergencies, social unrest - is requiring quick organizational pivots without sufficient support, diminishing the sector's capacity to respond.



A RESILIENT ONTARIO NEEDS A HEALTHY NONPROFIT SECTOR

The results of this year's survey, paired alongside the current economic, social, and political landscape, brought up many questions as part of ONN's analysis. In other words, ONN's team had more questions than answers for the network. Wisdom lies in the sector, and so ONN's answers to these questions are not exhaustive, but only the beginning of articulating why this is the state of the sector in 2025. ONN invites nonprofits to discuss the questions in their networks.

What is the baseline state of the sector? Is the baseline distress?

There is no relevant provincial sector data to reference to answer this question. ONN began the annual survey due to a data gap that was amplified during the pandemic, and has to date only collected six years worth of comparable data. The data has followed nonprofits through multiple crises: pandemic, affordability, and now the economic downturn.

Was the sector ever healthy?

Collecting sector-wide data and documenting histories from elders in the nonprofit ecosystem are important to help make sense of long-term trends. The moment the sector stops collecting data and documenting its stories, we will miss marking what is happening and why. More importantly, we will lose data that can answer critical questions such as:

- Was the sector ever meant to be healthy?
- Has the sector constantly operated in a state of distress where conditions are not bad enough for collapse, but not sustainable enough to thrive?

Are we witnessing an incremental erosion of the sector?

It's unclear given the limited longitudinal data on Ontario's nonprofit sector. Between 2020 and 2022, ONN's state of the sector survey data reflected an influx of investment into the nonprofit sector, from government support to other types of fundraising and revenue generation avenues. However, from 2023 onwards, as the sector navigated through post-pandemic crises and the same level of investment did not continue, the trajectory of various trends shifted negatively. Every year data is collected, we can add another piece to the nonprofit story.



What would austerity do to the sector in this condition?

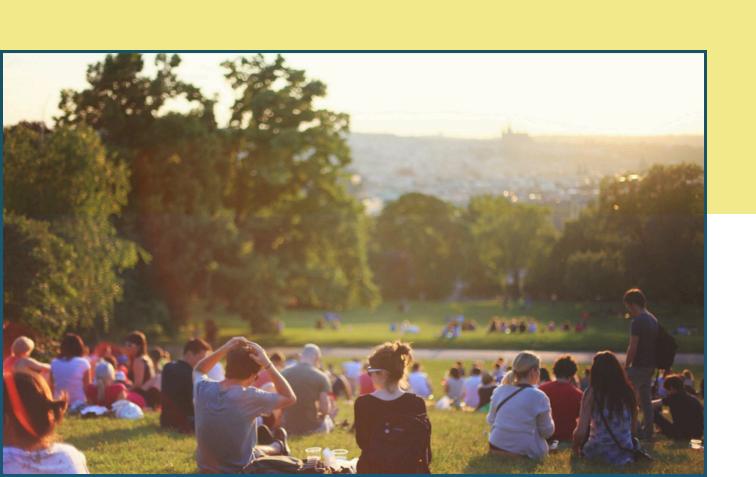
It would accelerate erosion of the sector where only those that can weather the storm(s) survive, not thrive, with shrinking capacity to meet their missions. Communities will get less with less.





Are nonprofits okay with this current state?

No, and nonprofits across the province are making that known. During both federal and provincial snap elections in 2025, anecdotally there was an increase in <u>advocacy efforts</u>, including many collective advocacy campaigns.





What does a sustainable sector look like?

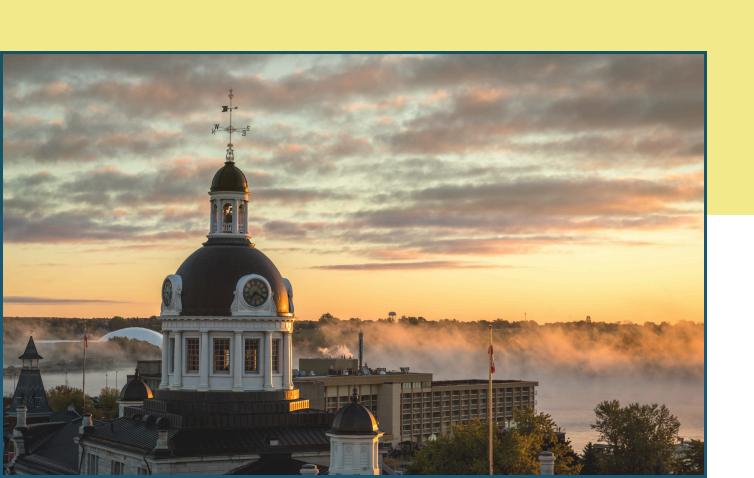
Our survey data would paint a different picture. Perhaps only a third of the sector would be in distress when comparing key operation, financial, and human resource and volunteer questions, versus half or the majority.





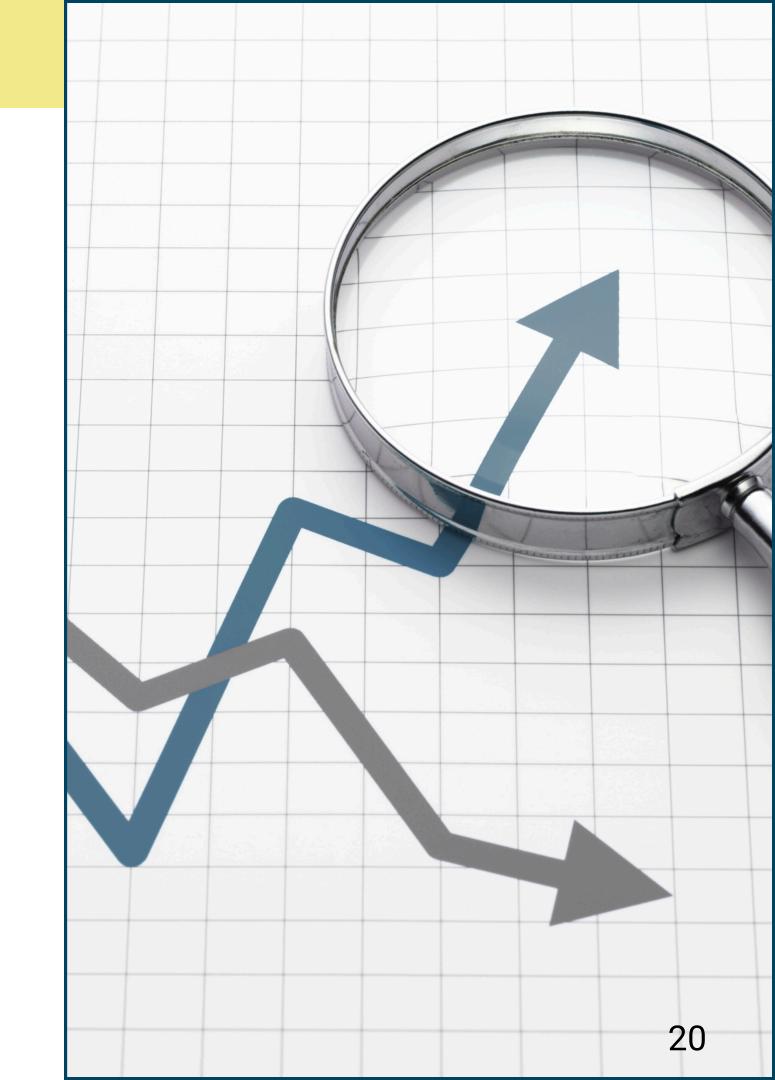
What would it take to change the trajectory of Ontario's nonprofit sector to make it more sustainable for our communities?

Public support, enabling government public policy, public investment in social infrastructure, and sector capacity to thrive.



6-year overview of the state of Ontario's nonprofit sector

Trend trajectories begin to change in 2023 onwards



2020-2025 Sector trajectory: key indicators are shifting

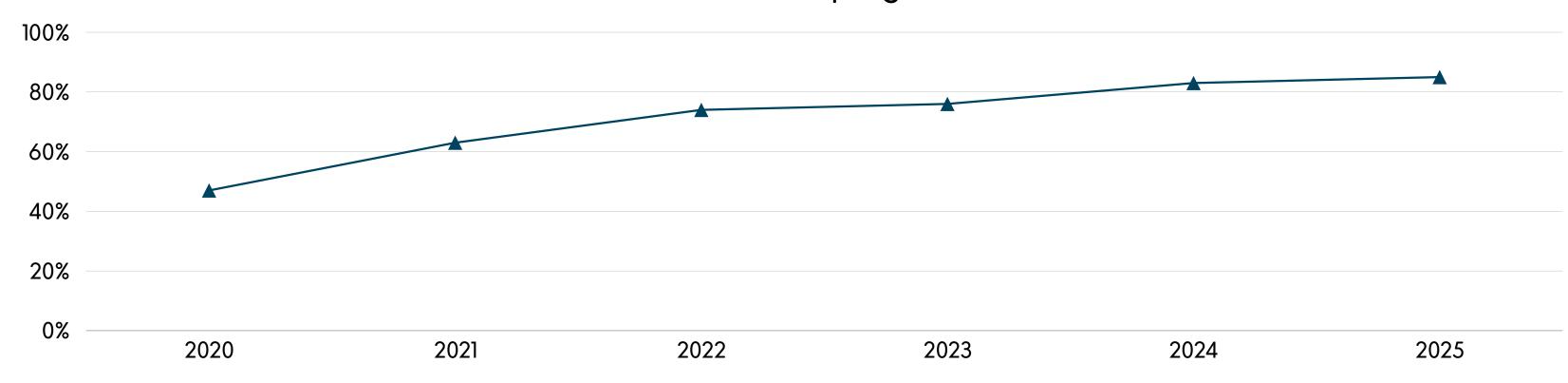
Every year the state of the sector survey data not only paints a current picture of the sector, but it also adds data points to long-term trend trajectories. In stitching together data points across the years, a change in some trend trajectories begin to take shape in 2023 onwards.

When looking at the data what emerges is:

- 1 Demand for nonprofit programs and services continuously climbs while capacity to meet demand stays the same.
- 2 Nonprofits' financial state mirrors the broader economy.
- 3 The nonprofit HR crisis continues to be of concern, even as it begins to trend downwards.
- 4 Nonprofit programs and services are shrinking.
- 5 A certain proportion of the sector remains at high risk of not existing in the next three years.

Demand for nonprofit programs and services continuously climbs while capacity to meet demand stays the same

Increase in demand for programs and services

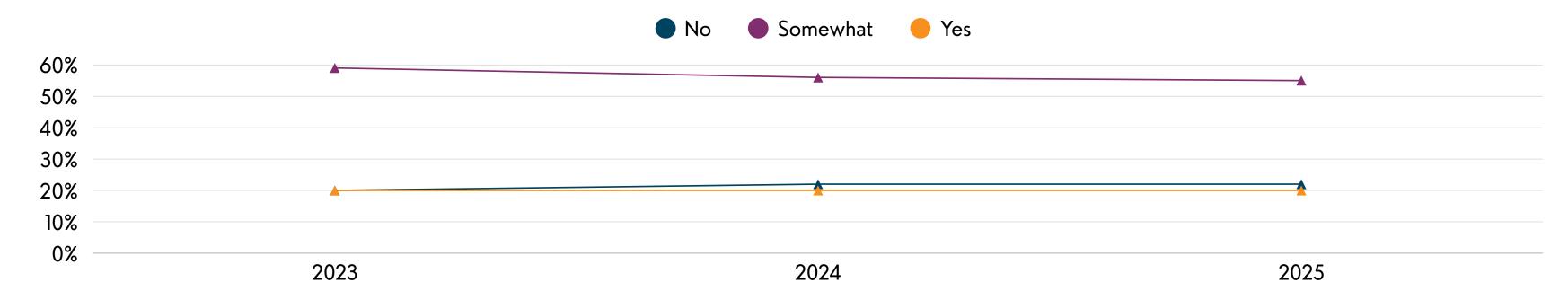


What's happening?

- Demand for nonprofit programs and services has only climbed since 2020, while ability to meet demand has largely stayed the same (tracking began in 2023).
- At the beginning of the pandemic just under half of respondents reported an increase in demand and this year 85 per cent report an increase in demand. The largest jump was between 2020 and 2021 (+16 percentage points).
- Over the past three years, just over half of respondents can somewhat meet demand while the rest are split between not being able to meet demand or being able to meet demand.

Demand for nonprofit programs and services continuously climbs while capacity to meet demand stays the same

Capacity to meet demand for programs and services



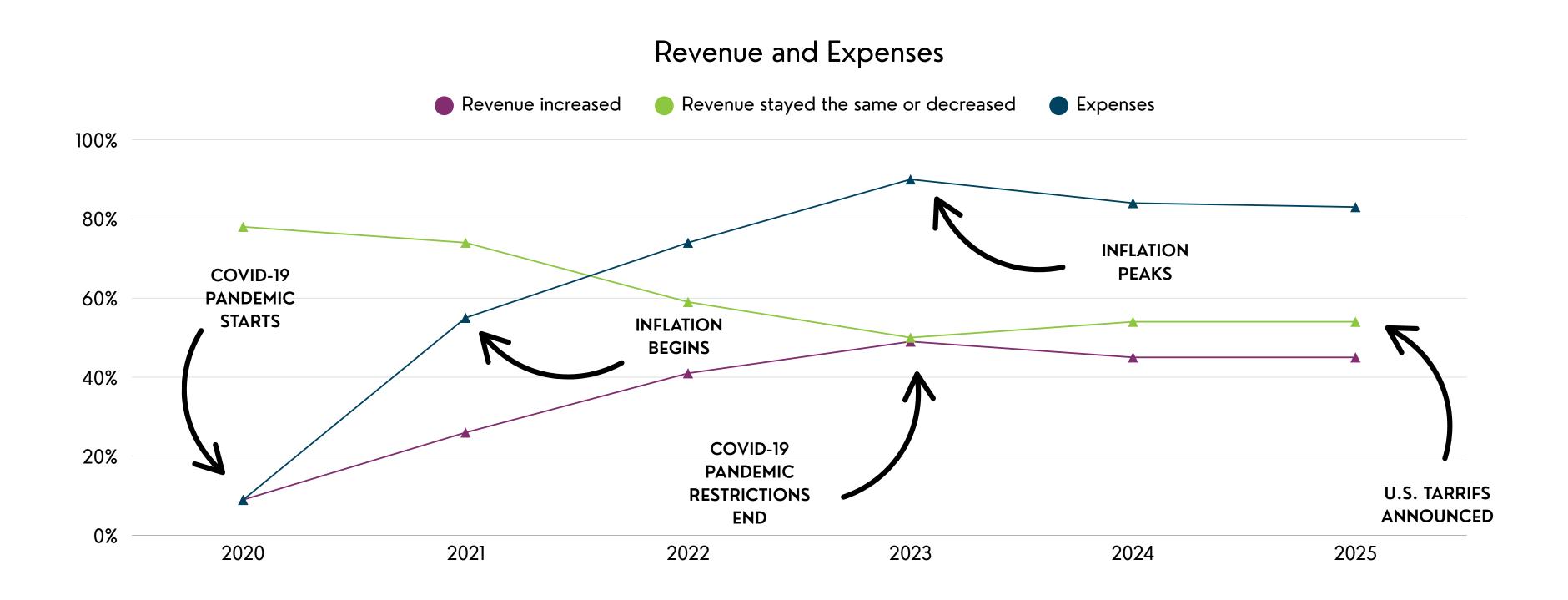
Why may this be happening?

- Rapid inflation in 2021 catalyzed multiple crises for communities focused on basic needs (housing, food, and mental health and addictions). As individuals and families exhausted their support options, they turned to nonprofits for support.
- There was some pent up, post-pandemic demand for sports and recreation and arts and culture programs.
- Needs in communities are also growing because of government investments in the expansion and affordability of care services such as child care and long-term care.
- Capacity to meet demand depends on resources keeping pace with demand, particularly resources for recruiting and retaining the required staff.
- The gap between demand and capacity to meet demand is the nonprofit discount in action driven by the commitment to communities. Nonprofits are doing more with less through staff burnout and exceptional fundraising campaigns, for example.

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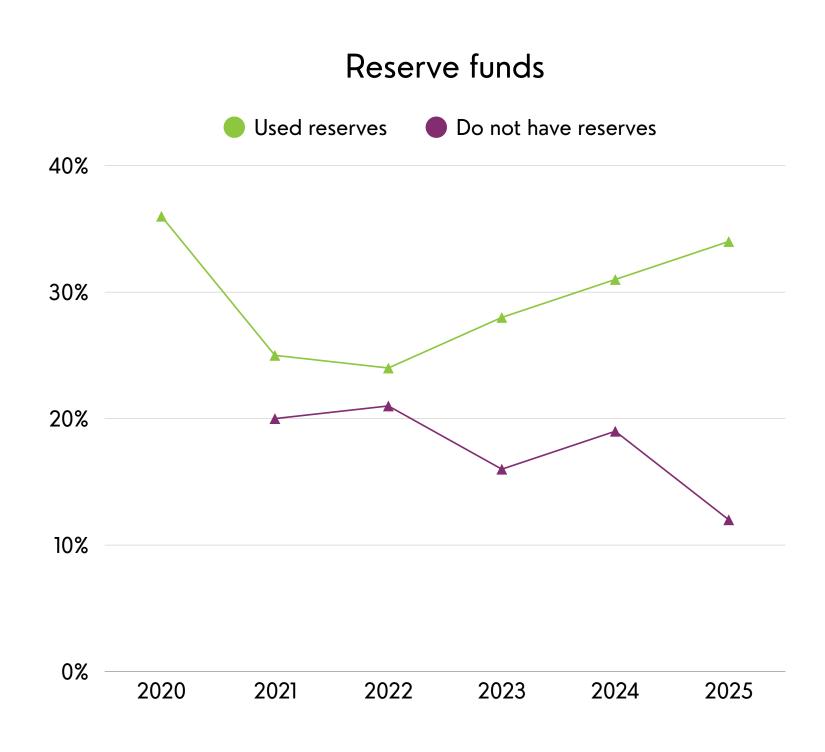
We've worked so hard to build up our organization over the past few years to meet community need. We served over 1,200 more unique individuals in the last fiscal year. Despite this 38% increase in number of individuals served, our wait lists are growing. Our other concern is the massive decline in available grants, and more and more grants that are excluding direct service (especially counselling).



What's happening?

- Since 2023, more nonprofits have stagnant and declining revenues while almost all continue to have increasing expenses.
- Purple: The number of nonprofits reporting their revenues increased is quite low in 2020 and trends upwards until 2023.
 In 2024, for the first time, there is a decrease in the number of nonprofits reporting their revenues have increased, and this year that trend stayed the same.
- Green: The number of nonprofits reporting their revenues stayed the same or decreased was high in 2020 and then trends downwards until 2023. In 2024, for the first time there is an increase in nonprofits reporting their revenues are stagnant or declining, and this year that trend stayed the same.
- Blue: The number of nonprofits reporting their expenses increased sharply trended upwards from 2020. In 2024, for the first time, there was a slight decrease in number of nonprofits reporting increase in expenses, and this year that trend stayed the same.

- Nonprofits are at the whims of their economic context, with limited avenues to shift their financial situations, stalling innovation and creativity in organizations.
- Between 2020 and 2023 there were various unrestricted pandemic supports available for nonprofits from both governmental and non-governmental funders. Many of those supports ended in 2022 or 2023.
- Inflation began in 2021, peaking in 2023, and impacted nonprofits where revenue could not keep up with rapid increase in costs of everything from goods and services to labour.
- Expenses may not necessarily be decreasing for nonprofits because costs are decreasing, but rather because organizations may be spending less to weather economic uncertainty. They might also be spending less because in 2024 two-thirds could not recruit and retain staff, and in 2025 only half cannot.

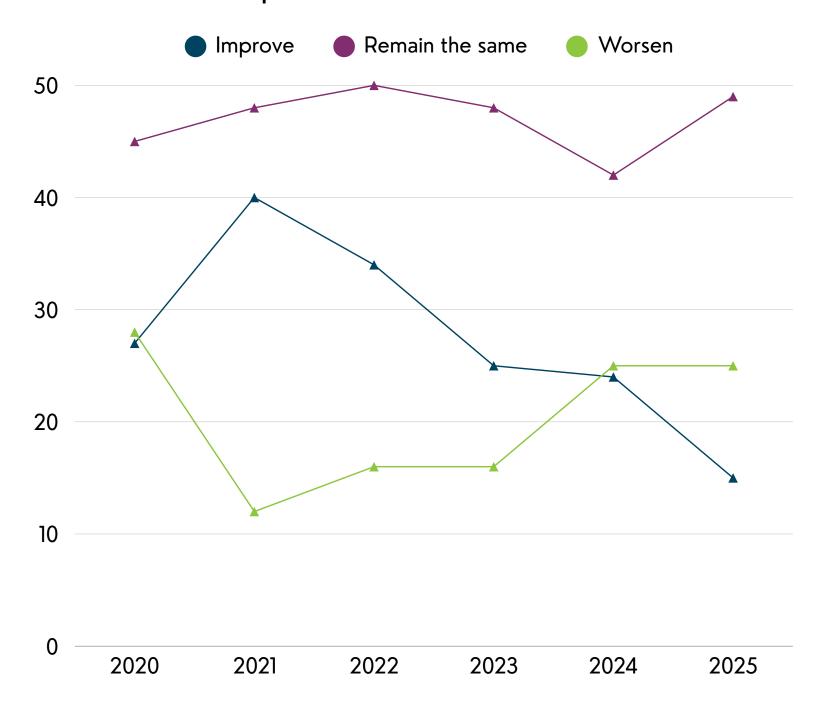


What's happening?

- Since 2023, use of reserve funds has only climbed while access to a reserve fund continues to fluctuate.
- Green: The number of respondents using their reserve funds trends downwards between 2020 and 2022. Since 2022 it's trending upwards, almost reaching 2020 levels in 2025.
- Purple: The number of nonprofits who do not have reserve funds stays the same in 2021 and 2022, and then fluctuates every year.

- Increasing use of reserve funds is an indicator of financial distress.
- Nonprofits are using their reserve funds to fill resource gaps left by declining and stagnant revenues, increasing demand, and high expenses (previous graphs) and to mitigate impact of the megatrends.
- In the same vein, nonprofits may not be in a position to replenish or set-up their reserve funds.

Perceptions on future financial state



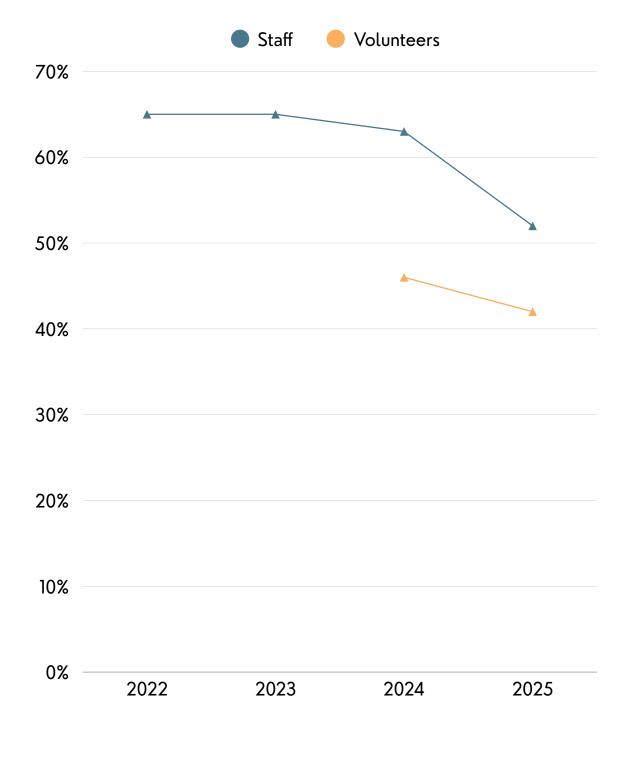
What's happening?

- Over the years, less and less nonprofits are optimistic about their future financial state.
- Blue and green: Since 2022, the number of respondents who think their financial state is going to improve has been declining while the number of respondents who think their financial state is going to worsen has been steadily increasing.
- Purple: The number of respondents reporting their financial state is going to remain the same has stayed realtively the same until some fluctuation between 2023 and 2025.

- Nonprofits are operating in a climate where they are told to do more with less, that there are less resources to go around, and that they are not the most important to preserve during economic uncertainty and austerity.
- Perceptions are also influenced by the inability to keep pace with demand.
- Nonprofits may be reporting that they perceive their financial state will remain the same, in both good and bad circumstances.

The nonprofit HR and volunteer crisis remains concerning, even as it trends downwards

Challenges recruiting and retaining staff and volunteers



What's happening?

- The nonprofit HR crisis is beginning to trend downwards for the first time in 2025, but still remains a challenge for half of respondents.
- The nonprofit volunteer crisis is trending downwards, but not at the same pace as the HR crisis.
- Blue: The number of respondents reporting they are experiencing staff recruitment and retention challenges stayed the same between 2022 and 2024, albeit at a high level. For the first time in 2025 it trends downwards.
- Orange: The number of respondents reporting they are experiencing volunteer recruitment and retention challenges decreased by four percentage points compared to last year.

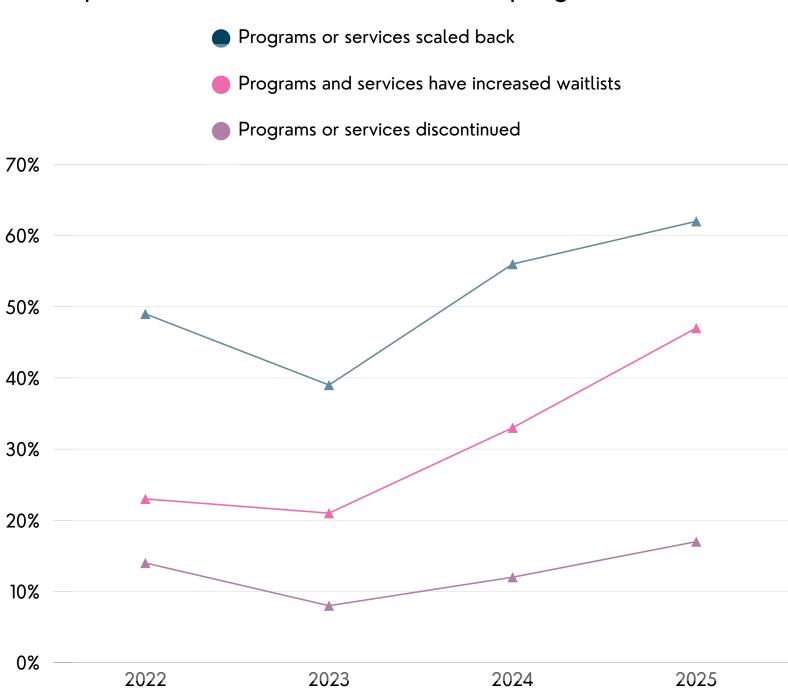
- Actions to resolve the HR crisis are working, from proactive recruitment and retention strategies to broad advocacy efforts for more funding for better wages.
- Nonprofits are mitigating the volunteer crisis with successful strategies such as refreshing their volunteer strategies and investing in coordination infrastructure.
- Given the revenue, demand, and impact on programs and services data points, nonprofits may not have enough resources to recruit and retain staff and volunteers and so are not hiring or backfilling positions nor looking for volunteers.
- In light of economic uncertainty, nonprofits might also be downsizing.
- Despite a trend downwards, many nonprofits continue to experience recruitment and retention challenges due to wage disparity, staff burnout, and uncompetitive compensation packages.

 Nonprofit wages may not be increasing as fast as wages in other industries.

We are doing everything we can with what little we have. We are fully volunteerrun, have no core funding, and constantly wear too many hats. Most of us are burnt out, but we keep showing up because our communities need us. This survey hits hard because the gaps are fundamental. We are not just answering questions; we are living them. And if things do not change soon, many small, grassroots organizations like ours might not survive.

4 Nonprofit programs and services are shrinking

Impact of HR and volunteer crisis on programs and services



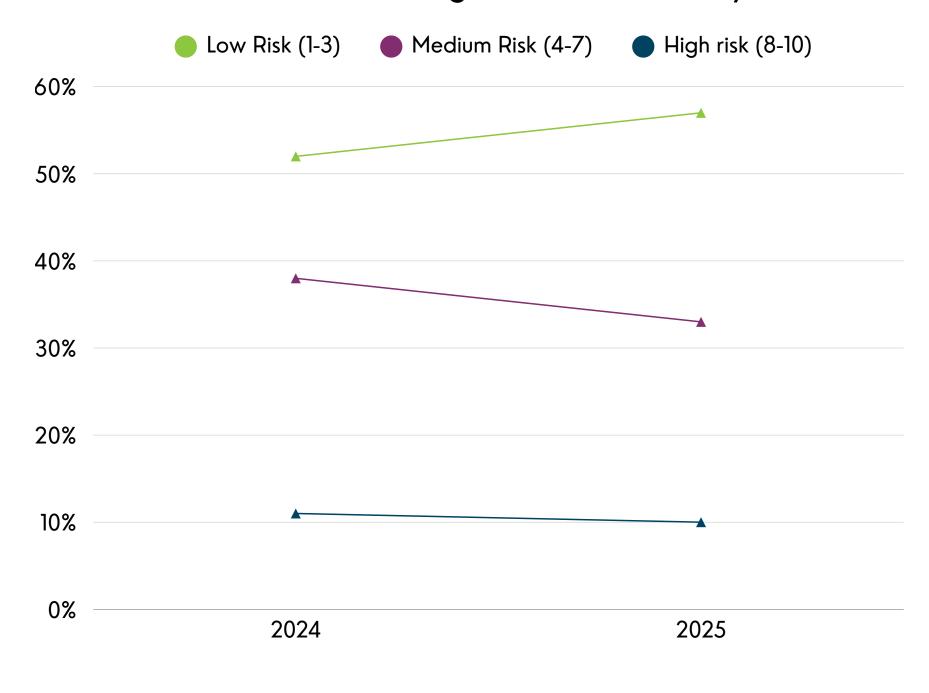
What's happening?

- Since 2023, nonprofits scaling back, shutting down, or having increasing waitlists for their programs and services has only climbed.
- In 2022 a baseline for the three indicators (scale-backs, increased waitlists, shutdowns) was established. All three indicators trended downwards in 2023, but sharply trended upwards in 2024 and 2025.
- One organization can be experiencing all three at the same time.
- Over the years, more nonprofits continue to report scale-backs, compared to increasing waitlists or shutdowns.

- With demand increasing, low capacity to meet demand, and resources not keeping pace with demand, nonprofits are forced to decrease their programs and services.
- A shutdown of one program and/or scale-back of another can mean an increase in waitlists, especially if there is not enough staff.
- Nonprofits may not be doing more, or sustaining service levels untenably, with less. This could be a course correction where programs and services are set at the level of resources nonprofits have.

A certain proportion of the sector remains at high risk of not existing in the next three years

Risk of not existing in the next three years



What's happening?

- Over the past two years, more nonprofits are reporting they are at low risk (1-3) of not existing in the next three years.
- Green: The number of nonprofits reporting they are at low risk (1-3) of not existing in the next three years is trending upwards, with the largest portion of respondents.
- Purple: The number of nonprofits reporting they are at medium risk (4-7) of not existing in the next three years is relatively the same from one year to the next.
- Blue: The number of nonprofits reporting high risk (8-10) is the same.

- A divide between nonprofits who are doing well (low-risk) and at a tipping point (high risk) is increasing as less nonprofits report medium risk of not existing in the next three years.
- Nonprofits at medium risk are implementing mitigation strategies that are working and so they are becoming low risk.

What are the calls to action?

Recommendations in the face of the current megatrends





2025's federal and provincial snap elections were decisive victories for Ontarians differentiating themselves from our U.S. neighbours. The provincial government must support our biggest difference: publicly-funded social infrastructure largely driven by nonprofits across the province. It is not the time to deploy austerity measures, but rather to nurture and bolster nonprofits so they can continue to support Ontario's communities, as economic uncertainty ripples through neighbourhoods and families. The economy needs nonprofits more than ever.



We help our community address the impacts of conflict, harm and crime by helping victims define and pursue their healing and justice needs and those who have caused harm to work on repairing the harm they have caused. We recognize that after an act of harm, traditional systems further divide us and harm us through systems that don't respond to individual needs. Restorative Justice approaches to harm can be individualized which is empowering, useful and has better outcomes than traditional systems, like the criminal legal system.

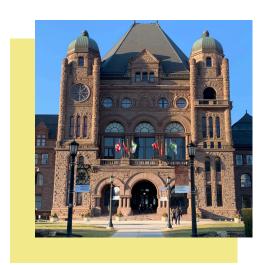


We provide practical services to seniors that allow them to remain safe and independent in their own home. We work collaboratively with a variety of community healthcare agencies to help seniors stay at home as opposed to being admitted to LTC.



We provide services and programs that foster fresh food access, food skills and community building. We also work at the systems level on research, education and advocacy to reduce food insecurity and build healthier food systems.

Policy recommendations for the provincial government



Create a home in government for nonprofits and charities to protect Ontario:

Appoint an Associate Minister 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.



Ensure nonprofits are part and parcel of plans to Protect Ontario:

Over \$40 billion in new investments, loans, and other financial supports will be made available to mitigate impacts of the U.S. tariffs on communities which nonprofits must have targeted access to.



Future-proof Ontarians' social infrastructure:

Deliver ministry budgets that reflect the true cost of delivering services and programs, keep pace with inflation, wages, demand, population shifts, and respond to emerging needs.

Calls to action for the nonprofit sector



Build diverse networks:

Ally with workers, unions, community or neighbourhood groups, boards of trade, workforce development boards, economic development boards, and chambers of commerce as well as across subsectors and regions to advance shared goals.



Socialize the Nonprofit Difference:

Make it clear to communities and government the breadth, depth, and value of the sector and the its ability to provide high-quality and affordable publicly-funded services.



Engage in collective advocacy:

Come together with other nonprofits in your region and/or subsector to write a letter to your local elected officials or setup a meeting with them to talk about the survey report, its recommendations, and how the findings are resonating with their constituents. Strategic moments of advocacy allow for relationship building and potential asks from elected officials that they may have power to grant.



Encourage local community engagement and support:

Activities may include reaching out and sharing a story with local media, letting community members know how they can connect with their local elected officials to share their experiences with the nonprofit sector, or partnering with other organizations to facilitate educational events that focus on sharing the impact and importance of local nonprofits.

Calls to action for the public



Get involved in your communities:

Take some time to learn more about how nonprofits are caring for your community and creating wellness and connection - local theatres, art galleries, museums, and sports leagues, service clubs and faith groups, child care and elder care centres, nonprofit housing cooperatives and shelters, food banks, and gender-based violence support groups, and community health centres and summer camps - there are so many types of nonprofits to get involved with!



Support nonprofit advocacy:

Community nonprofits are locally run and supported. They have local volunteers and board members. Many are entirely volunteer operated. They need communities to support them and advocate for sustainable funding so they can continue their work. The best way to know how to support your local organizations is by asking!



Participate in democratic processes:

Democracy isn't only activated through voting and canvassing, though those activities are great examples of civic engagement. Knowing about your local neighborhood association, participating in community consultations, and having a relationship with your local elected officials are also ways to participate! Connect with local nonprofits to learn about what is important for them, in the run up to an election, and consider these needs as part of your process of deciding who to vote for.







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