

# A Profile of Environmental Nonprofit & Voluntary Organizations in Canada

*CEGN Research Brief (October 2004)*



This research brief provides a profile of environmental nonprofit and voluntary organizations in Canada, based on the findings of Statistics Canada’s National Survey of Nonprofit and Voluntary Organizations (NSNVO).<sup>1</sup> The NSNVO is groundbreaking new research that provides benchmark data on the number of nonprofit and voluntary organizations in Canada in 2003, their major areas of activity, their financial and human resource characteristics and needs, and their structural capacities. The NSNVO was funded by the federal government’s Voluntary Sector Initiative, and was undertaken by a consortium of nine organizations, led by the Canadian Centre for Philanthropy.

The published NSNVO *Highlights* report has taken the invaluable step of providing breakdowns for many variables by sub-sector – including the environment. This means that, for the first time, comprehensive information is available on Canada’s nonprofit environment sector.

The Canadian Environmental Grantmakers’ Network (CEGN) has selected relevant NSNVO data from the published report in order to prepare this profile of environmental nonprofit and voluntary organizations in Canada. This profile can assist environmental grantmakers and others by helping to increase awareness of the size and characteristics of Canada’s environment sector, build a better understanding of the strengths and weaknesses of the sector, and identify issues and needs related to capacity building.

## Size of the Environment Sector

- According to the NSNVO, an estimated 4,424 environmental nonprofit and voluntary organizations were active in Canada in 2003.
- This represents 2.7% of the total number of all nonprofit and voluntary organizations (161,227).

## Charitable Status

- Less than half (41%) of these environment organizations are registered charities – meaning that 59% do not have charitable status.
- Environment organizations are less likely to have charitable status than nonprofit and voluntary organizations overall. Specifically, the 41% of environment organizations that are registered charities compares to a figure of 56% of all organizations.
- There is great variation among the various sub-sectors in terms of the percent with charitable status. For example, 94% of religious organizations, 79% of health groups and 72% of social service organizations have charitable status. Among arts and culture organizations 54% are charities, as are 27% of sports and recreation groups.

## Definition of “Environment” within the NSNVO

The NSNVO classifies the nonprofit and voluntary organizations by primary activity area based on the International Classification of Nonprofit Organizations. Within this classification, the environment category includes “organizations promoting and providing services in environmental conservation, pollution control and prevention, environmental education and health, and animal protection.” (A description of the full definition is included as Appendix A.)

It is important to note that the NSNVO includes non-governmental organizations that are non-profit, self-governing, benefit from voluntary contributions and are formally incorporated or registered under specific provincial, territorial or federal governments. This excludes unincorporated/unregistered grassroots organizations and citizens groups, as well as public sector agencies such as school boards, public libraries and public schools.

### Geographic Scope of Services

- In terms of geographic area served, the majority (57%) of environment organizations are local in scope, serving their neighbourhood, city, town, or rural municipality.
- In addition, over a quarter (27%) of environment organizations are regional in scope, serving a region within a province or territory. The remainder of environment organizations serve either one province (10%), more than one province (2%), or are national in scope (3%).
- Typically, nonprofit and voluntary organizations overall also tend to be locally (64%) or regionally (19%) focused. However, compared to all nonprofit and voluntary organizations, environment groups are somewhat less likely to be local in scope and more likely to be regional in scope.

### Membership

- A strong majority (87%) of environment groups are membership organizations. This compares to 80% for nonprofit groups overall.
- The membership of environment groups is mostly made up of individual members, although some have organizations as members.
- Despite the majority being membership organizations, about three-quarters (76%) of environment organizations report that non-members are among the primary beneficiaries of their services or products.

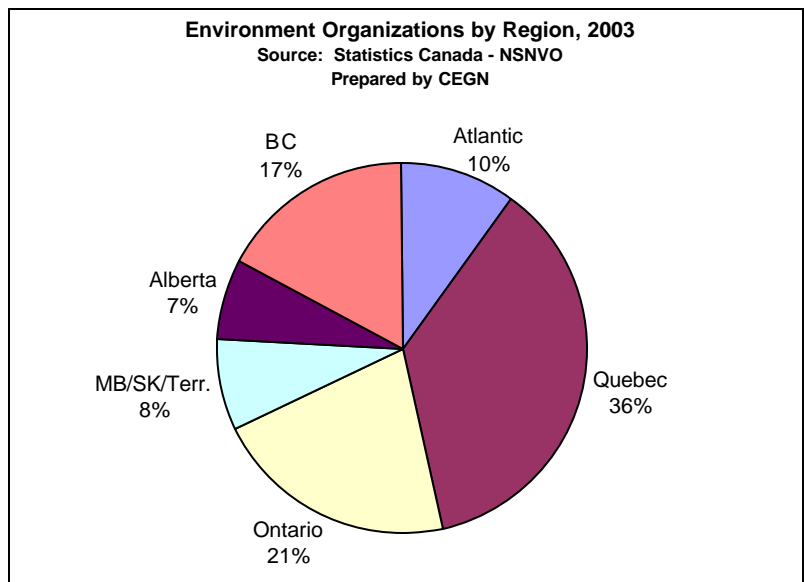
### Years in Existence

- In general, environment organizations are younger than nonprofit and voluntary organizations overall. Specifically, almost one-third (30%) of environment organizations have been in operation for less than 10 years. And a further 33% of environment organizations are 10 to 19 years old. Together, this means that the majority (63%) of environment groups are under 20 years old. (This compares to 22% under 10 years and 26% from 10 to 19 years old for all nonprofit organizations.)

### Location

- In some respects, the geographic distribution of environment organizations across Canada is similar to the distribution of all nonprofit and voluntary organizations. For example, organizations are concentrated in Quebec and Ontario, with over half (57% of environment groups and 57% of all nonprofit organizations) located in these two provinces combined.
- However, environment organizations are somewhat more likely to be located in Quebec and in British Columbia, and somewhat less likely to be located in Ontario and Alberta, than nonprofit and voluntary organizations overall.

Specifically, over a third (36%) of environment organizations are located in Quebec compared to 29% of nonprofit groups overall. For British Columbia, 17% of environment organizations are located in this province, compared to 13% of nonprofit groups overall. One-fifth (21%) of environment groups are located in Ontario (compared to 28% of all nonprofits); and 7% of environment groups are located in Alberta (compared to 12% for nonprofits overall).

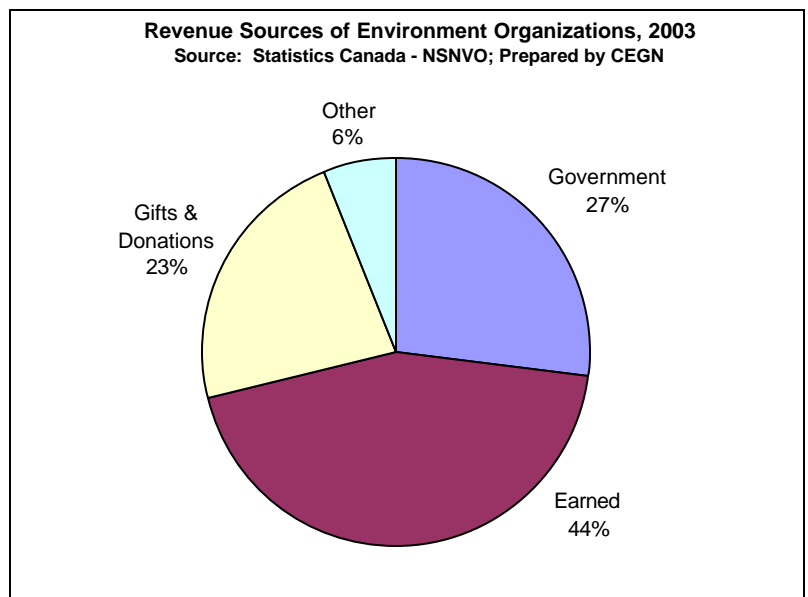


## Total Revenues

- Environment organizations reported total annual revenues of about \$1.1 billion in 2003. This represents only 1% of the total revenues reported by all nonprofit and voluntary organizations in Canada (\$112 billion), despite the fact that environment organizations make up 2.7% of the total number of nonprofit and voluntary organizations. (Hospitals and colleges/universities together command 33% of all sector revenues. After removing these two sub-sectors from the mix, total revenues for the remaining organizations are \$75 billion. Of this amount, the total revenues of environment groups still represent only 1.5%.)
- The average revenue of environment organizations was \$256,000 – much lower than the average revenue for all organizations of \$692,000. The environment sector had among the lowest average revenue of the sub-sectors – ranking 12<sup>th</sup> out of the 15 sub-sectors. However the average revenue in the environment sector was slightly higher than that of arts and culture, and sports and recreation groups.
- Compared with nonprofit organizations overall, environment organizations are somewhat less likely to report that their revenues have increased over the last three years – with 28% of environment groups reporting increased revenues compared to 36% of all organizations – and somewhat more likely to report that revenues have either remained the same (48%), or decreased (24%).

## Sources of Revenues

- Earned income from non-governmental sources accounts for the largest share of the revenues of environment organizations at 44% of total revenues. Other sources of revenue include: government (27%); gifts and donations (23%); and other income (6%).
- This breakdown of revenue by source for environmental organizations is quite different from that of all nonprofit and voluntary organizations. Overall, environment organizations are less reliant on government revenues and more reliant on both earned income and on gifts and donations. Specifically, for all nonprofit organizations almost half (49%) of total revenues come from government sources. Other sources of revenue for nonprofits overall include: earned income (35%); gifts and donations (13%); and other income (3%).



## Government Revenues

- There are also significant differences in the importance of the various levels of government to the revenues of environment organizations compared with nonprofits overall. For environment groups, each level of government accounts for 9% of total revenues. In comparison, for all nonprofit organizations, provincial governments account for fully 38% of total revenues, with federal government at 6% and municipal at 2%.
- Municipal governments are therefore a relatively important source of government revenue for environment organizations. However, these municipal government revenues are much more likely to be in the form of payments for goods and services than in the form of grants or contributions.

### Earned Revenues

- Fees for goods and services are the largest component of the earned revenues of environment groups, accounting for 35% of their total revenues. (In comparison, fees for goods and services account for 20% of the total revenues of nonprofit groups overall.)
- Other sources of earned revenues for environment organizations are: membership fees (7% of total revenues); charitable gaming (1%); and investment income (1%).

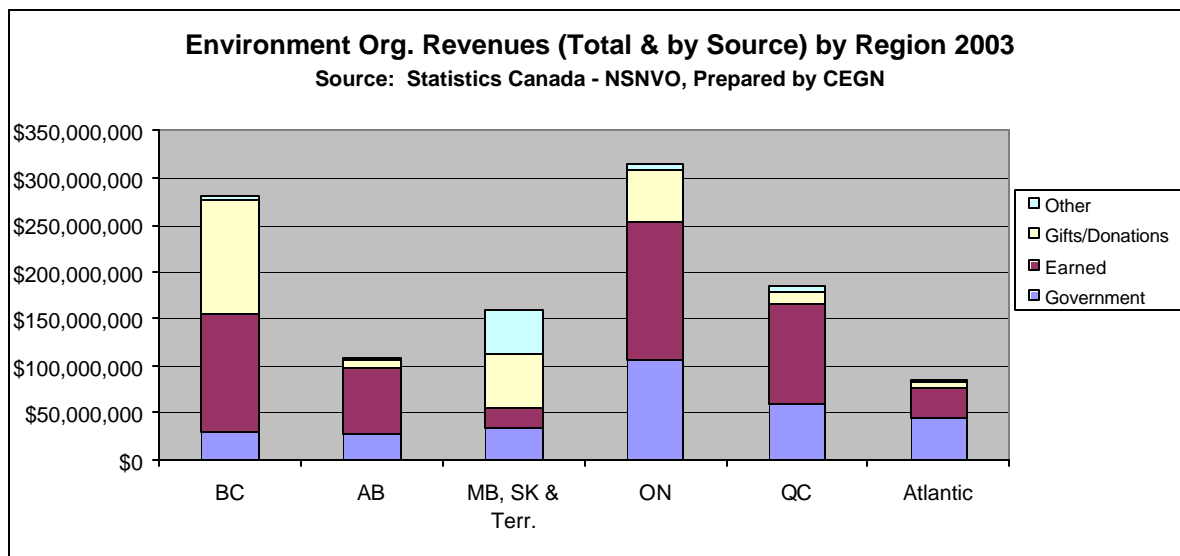
### Gifts and Donations

- Individual donations are the largest component of the gifts and donations received by environment organizations, accounting for 15% of their total revenues. (In comparison, individual donations account for 8% of the total revenues of nonprofit groups overall.)
- Other types of gifts and donations comprise the following share of the total revenues of environment groups: disbursements from other nonprofit organizations (4%); fundraising organizations and family/community foundations (2%); and corporate sponsorships, donations or grants (2%).

<b>Sources of Revenues of Environment Organizations, 2003</b>		
<i>Source: Statistics Canada - NSNVO</i>		
<i>Prepared by CEGN</i>		
	Env. Orgs.	All Orgs.
	<i>% of all sources</i>	
<b>Revenues from government:</b>		
<i>(Includes grants/contributions &amp; payments for good/services)</i>		
Federal	9%	6%
Provincial	9%	38%
Municipal	9%	2%
Other government	0%	0%
<b>Total revenues from government</b>	<b>27%</b>	<b>49%</b>
<b>Earned income from non-governmental sources:</b>		
Charitable gaming	1%	1%
Membership fees	7%	11%
Fees for goods & services	35%	20%
Investment income (including interest)	1%	4%
<b>Total earned income from non-govt. sources</b>	<b>44%</b>	<b>35%</b>
<b>Gifts &amp; donations:</b>		
Individual donations	15%	8%
Fundraising orgs & family/community fdns.	2%	1%
Disbursements from other nonprofit orgs.	4%	2%
Corporate sponsorships, donations or grants	2%	3%
<b>Total gifts &amp; donations</b>	<b>23%</b>	<b>13%</b>
<b>Total other income</b>	<b>6%</b>	<b>3%</b>
<b>Total Revenues</b>	<b>100%</b>	<b>100%</b>

### Regional Variations in Revenues

- Not surprisingly, total revenues vary by region, to some extent reflecting the distribution of environment organizations across Canada. Ontario accounts for the largest share (28%) of total revenues, while only accounting for 21% of environment organizations – likely a result of the number of larger national groups located in the province. Three other regions have a larger share of total revenues than their number of organizations: British Columbia (25% of total revenues); Manitoba/Saskatchewan/Territories (14%); and Alberta (10%). Quebec (16%) and to a lesser extent the Atlantic region (7%) account for a smaller share of total revenues than of organizations.



- Sources of revenues of environment organizations also vary by region. For example, the environment sector in the Atlantic region relies more on government revenues (54% of total revenues) and less on earned (37%) and gifts/donations (7%) than environment organizations overall. In Quebec, earned revenues (58%), and government (32%) account for a greater than average share of revenues, and gifts/donations (7%) for a much smaller share. Ontario is similar to the breakdown of revenue sources for Canadian environment groups overall: government (34%); earned (47%); and gifts/donations (18%). Environment groups in Manitoba/Saskatchewan/Territories rely more on gifts/donations (36%) and other sources of revenues (29%), and less on earned revenues (13%) and government (21%). In Alberta, environment groups rely more on earned revenues (65%), and less on gifts/donations (8%) and government (24%). In BC, gifts/donations (44%) account for a greater share of revenues, and government (11%) for a smaller share – and earned revenues account for 45% of total revenues in the province.

### **Human Resources**

- Most (69%) environmental organizations had no paid staff, compared with 54% of nonprofit and voluntary organizations overall.
- Of the remaining 31% of environment organizations with paid staff, half of these organizations had one to four staff persons.
- Environment organizations employed a total of 14,848 paid staff, of which the majority (77%) were full-time. However, half of all paid staff (49%) were employed on a temporary, rather than permanent, basis.
- Compared with other sub-sectors, the environment organizations employed among the fewest number of paid staff by far – ranking fourteenth out of the fifteen sub-sector categories. Only international organizations had fewer paid staff.
- The 14,848 paid staff of environment organizations represent only 0.7% of the approximately 2 million paid staff employed by nonprofit organizations overall.
- Not surprisingly given their low levels of paid staff, environment organizations rely heavily on volunteers to operate their organizations, reporting a total of over ¾ million (734,429) volunteers. This represents 3.8 percent of the total volunteers reported by all nonprofit and voluntary organizations (19.2 million).

### **Organizational Capacity Issues**

- NSNVO survey respondents were asked to indicate the extent to which their organizations were experiencing problems in several areas related to organizational capacity.

For environment organizations, the ten most frequently reported problems included:

- Difficulty planning for the future (identified as a problem by 65% of environment organizations);
  - Difficulty obtaining funding from other organizations such as government, foundations or corporations (60%);
  - Difficulty obtaining board members (59%);
  - Difficulty participating in the development of public policy (56%);
  - Difficulty obtaining funding from individual donors (53%);
  - Difficulty recruiting the type of volunteers the organization needs (52%);
  - Difficulty earning revenues (50%);
  - Lack of internal capacity (administrative systems and technology) (49%);
  - Difficulty retaining volunteers (48%); and
  - Difficulty adapting to change (47%).
- Compared to nonprofit organizations overall, environment groups were more likely to report problems with participating in the development of public policy, obtaining funding from other organizations such as governments, foundations or corporations, lack of internal capacity, earning revenues, and planning for the future.

- Focusing on those environment organizations that receive external funding from governments, foundations or corporations, a majority of these environment organizations report that they experience problems across a range of specific areas including: reductions in government funding (identified as a problem by 75% of environment groups); unwillingness of funders to fund core operations (71%); over-reliance on project funding (64%); and the need to modify program (57%). Another external funding issue – the reporting requirements of funders – was identified as a problem by almost half (49%) of environment organizations.
- When asked to consider the severity of their external funding problems, two issues stood out for environment organizations as serious problems – reductions in government funding (identified by 41% of groups as a “serious” problem), and the unwillingness of funders to fund core operations (40%).
- Environment organizations were more likely to report problems with all external funding issues than were nonprofit organizations overall, particularly for three of the issues – reductions in government funding, the unwillingness of funders to fund core operations, and the need to modify programs.

#### Appendix A. Additional Information of the Definition of “Environment” within the NSNVO

The NSNVO classifies the nonprofit and voluntary organizations by primary activity area including: arts and culture; sports and recreation; education and research; universities and colleges; health; hospitals; social services; environment; development and housing; law, advocacy and politics; grant-making, fundraising and voluntarism promotion; international; religion; business and professional associations and unions; and other. This classification is based on the International Classification of Nonprofit Organizations.

Within this classification, the “environment” category (Group 8), is defined as follows:

- **Pollution abatement and control.** Promoting clean air, clean water, reduction and prevention of noise pollution, radiation control, treatment of hazardous wastes and toxic substances, solid waste management and recycling programs.
- **Natural resources conservation and protection.** Conservation and preservation of natural resources, including land, water, energy and plant resources for the general use and enjoyment of the public.
- **Environmental beautification and open spaces.** Botanical gardens, arboreta, horticultural programs and landscape services. Organizations promoting anti-litter campaigns; programs to preserve parks, green spaces and open spaces in urban or rural areas; and city and highway beautification programs.
- **Animal protection and welfare.** Animal protection and welfare services. Includes animal shelters and humane societies.
- **Wildlife preservation and protection.** Wildlife preservation and protection. Includes sanctuaries and refuges.
- **Veterinary services.** Animal hospitals and services providing care to farm and household animals and pets.

Note: Percentages may not add to 100 due to rounding.

<sup>1</sup> **Source:** *Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations* (Statistics Canada, 2004)

**Note:** Statistics Canada information is used with the permission of Statistics Canada. Users are forbidden to copy the data and disseminate them, in an original or modified form, for commercial purposes, without the expressed permission of Statistics Canada.

The full NSNVO report, *Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations*, is available at [www.nonprofitscan.ca](http://www.nonprofitscan.ca)

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