
Chapter 3:

WHY NONPROFITS MATTER: THREE MAJOR CONTRIBUTIONS OF THE NONPROFIT SECTOR

In advance of the upcoming provincial election, it's important for nonprofits to recognize the potential influence they have, and meaningfully engage in public policy dialogue to capture the attention of political parties and candidates. Nonprofits have a profound impact in Alberta and it's important that organizations talk about the value of the sector as a whole – but it can be challenging to communicate the greater value of the sector to government. To help articulate this, we've highlighted three major contributions of the nonprofit sector that demonstrate its collective impact on society and the economy.

1. Nonprofits Contribute to Our Social and Cultural Fabric

Nonprofits play a vital role in society, providing key services for Albertans. Their work touches on social and cultural issues and values that are otherwise underserved. Nonprofits have been historically formed to fill a gap in services not provided by government or private businesses. For example, in the 1990s, the Government of Alberta outsourced the delivery of essential services to nonprofits to reduce the cost of government services. This government outsourcing led to the formation of many nonprofits within Alberta to provide essential services and support for citizens.

Nonprofits are incredibly diverse and enrich Alberta's social and cultural experience through a variety of subsectors, including: arts and culture, sports and recreation, religion, social services, development and housing, environment, education and research, health, and advocacy among others. Unique in their direct work with community groups, nonprofits serve diverse populations, geographical locations, harness insights and deliver solutions to complex societal challenges. With thousands of organizations providing much-needed services, nonprofits are significant contributors to the communities they serve, and the social and cultural makeup of our province.

2. Nonprofits are Cornerstones of a Thriving Economy

Nonprofits play a critical role within our economy. Canada's nonprofit and charitable sector is the second largest in the world, employing over two million people. There are more than 170,000 nonprofit organizations in Canada that represent 10.5% of the labour force and contribute to 8.5% of Canada's GDP.⁶

In Alberta, the nonprofit sector is equally important to the economy and creation of jobs. Its impact has grown substantially in the last decade and will continue to contribute to the economic wellbeing of the province.

In Alberta, the sector is comprised of:

- More than 30,000 nonprofits in Alberta⁷
- \$5.5 billion in GDP⁸
- Nearly 300,000 nonprofit employees⁹
- 227 million annual volunteer hours¹⁰

3. Nonprofits are Crucial to Democratic Participation

Nonprofits play a vital role in democratic participation by bringing the voice of the communities they represent to public discourse. They work to increase awareness and understanding of issues by addressing policies, laws, and regulations relevant to their cause or the communities they serve, and are well positioned to hold governments and decision-makers accountable. Political candidates and parties seek out open dialogue with nonprofits in efforts to better understand and respond to their constituents' needs. This provides a platform for nonprofits to engage in advocacy relevant to their cause.

Despite the importance of democratic participation, nonprofits and charities have a longstanding hesitation towards policy advocacy, with some organizations even distancing themselves entirely to avoid risking their charitable status. Recent changes (see chapter 5) have been made in legislation to address these concerns and encourage nonprofit participation in public policy advocacy.

All nonprofits – including charities – have an important role in advocating for good public policy. This participation becomes even more important in advance of the provincial election.

ALBERTA NONPROFITS AND CHARITIES

30,977 organizations across Alberta²

22,159 nonprofits

8,818 charities

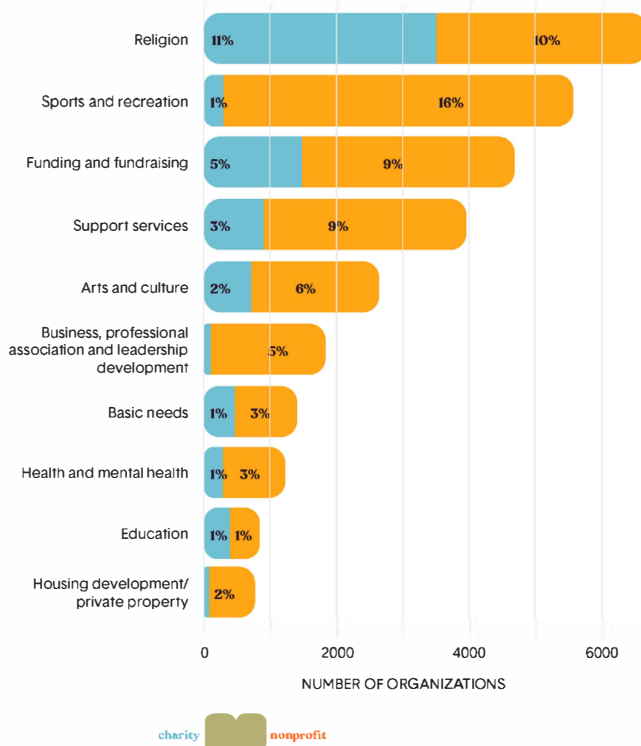
\$ 5.5 bn

21%

in GDP contributions to Alberta's economy⁷

of nonprofit revenue is earned income⁸

Top 10 service categories² in charities and nonprofits (# of organizations and % of total organizations)



45.7% of Alberta residents volunteer, contributing to a total of 227 million volunteer hours annually⁶



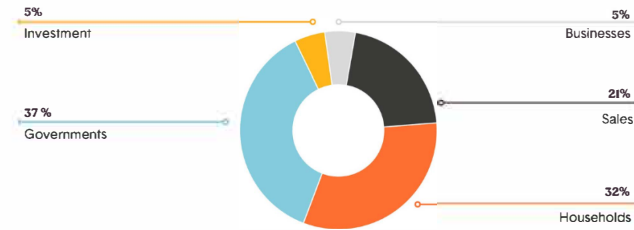
The nonprofit sector employs 285,000 people in Alberta⁴



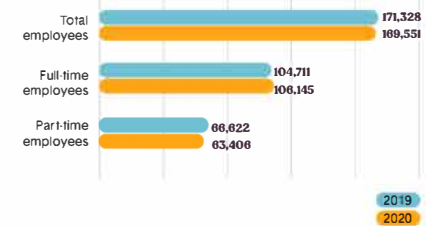
Average Salaries in Alberta⁵

Sector	Average Salary
COMMUNITY NONPROFITS	\$40,489
NONPROFIT SECTOR	\$51,544
ALL SECTORS (public, private, nonprofit)	\$61,045

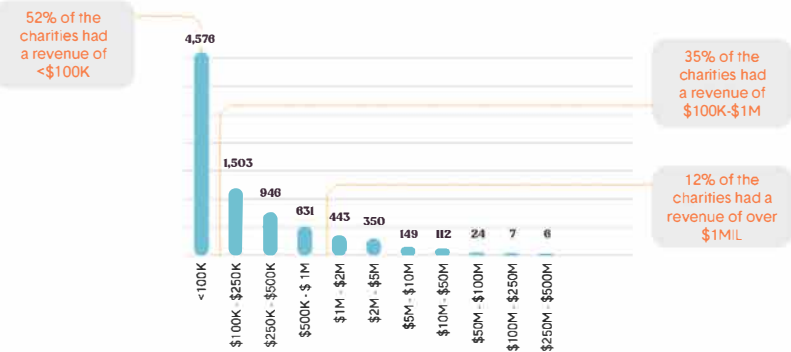
How community nonprofits in Alberta are funded⁸



Number of employees in charities (2019 & 2020)¹



Number of charities based on total revenue (2020)¹



Data Sources:
 1. 13010 Registered Charity Information, Canada Revenue Agency
 2. Alberta Open Data
 3. CANSIM table 35-10-0613-01 (2019)
 4. CANSIM tables 35-10-0617-01 (2019) and 35-10-0651-01 (2019). Data includes both full-time and part-time jobs/employees
 5. Statistics Canada (2019) in Get to Know Alberta's Nonprofit Sector, Imagine Canada (2021)
 6. CANSIM table 45-10-0404-01 (2019)
 7. Fostering Volunteerism: An Alberta Nonprofit/Voluntary Sector Initiative Discussion Paper of the Value and Contribution of Alberta Volunteers (2020)
 8. Alberta Nonprofit Data Strategy (2023)