

2025 State of the Sector

Summary Report



Summary of the 2025 State of the Sector Survey

- Understanding Our Sector
- Key Findings
- Methodology
- State of the Sector Survey Findings
- Priorities for IONS Advocacy
- Conclusions

Understanding Our Sector

The sector comprises 7,504 diverse organizations in Nova Scotia, across 11 subsectors, a slight decrease from 7,562 in 2022, with decreases in both registered charities and registered non-profits.



The 5 largest subsectors in Nova Scotia are:



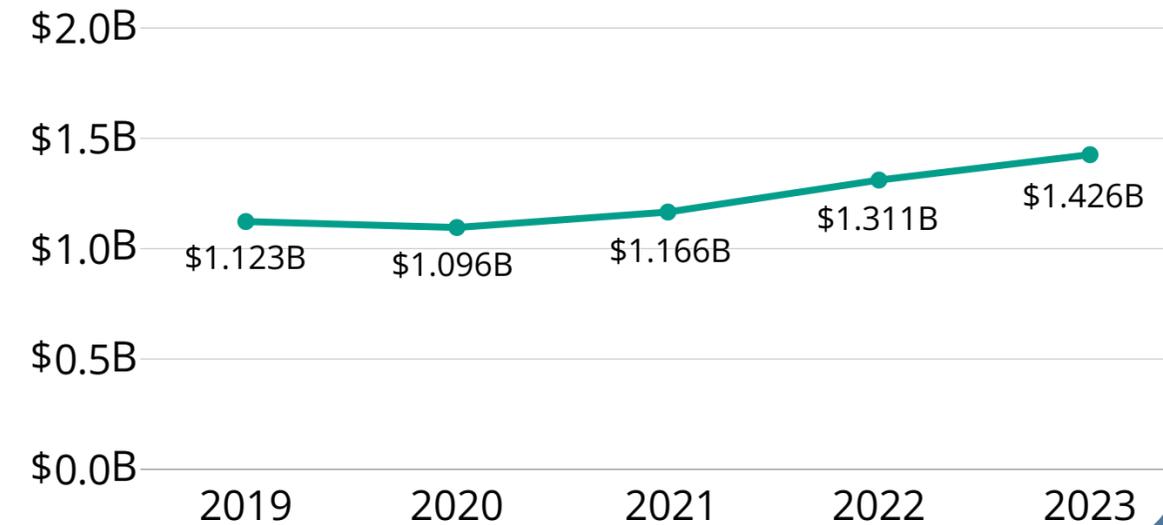
*Sourced from CRA T3010 Data and NS Registry of Joint Stock Companies, as presented on the IONS Sector Dashboard

Understanding Our Sector

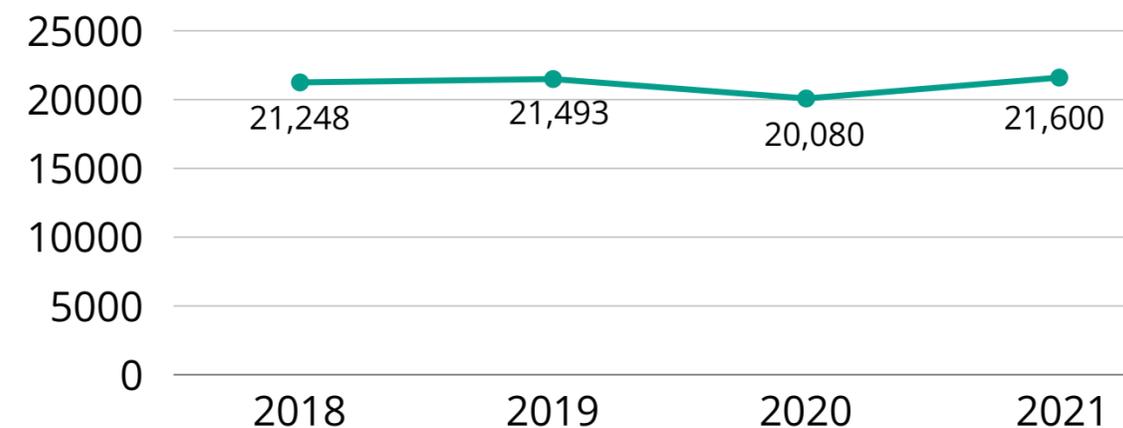
Economic and Employment Impact

- The sector contributed \$1.426 billion to Nova Scotia's GDP in 2023. This is an increase from \$1.096 billion in 2020*
- The sector accounted for 21,600 jobs in Nova Scotia in 2021. This is an increase from 20,080 in 2020**

Nova Scotia Non-Profit Sector GDP (Excluding Government)



Nova Scotia Non-Profit Sector Jobs



*Statistics Canada: Gross domestic product (GDP) and income of non-profit institutions by activity

**Statistics Canada: Employment in the non-profit sector by demographic characteristic

Understanding Our Sector

Economic and Employment Impact



67% of workers in the sector identify as women, down from 72% in 2022



Average wages for women in the sector are 8.5% lower than men in 2021, an improvement from 13% in 2019



Hourly wages in the sector are 20% lower than national averages in other sectors



2025 State of the Sector Survey Results

The lack of adequate funding for employees is impacting recruitment and retention and becoming an increasing operational challenge.

Key Findings



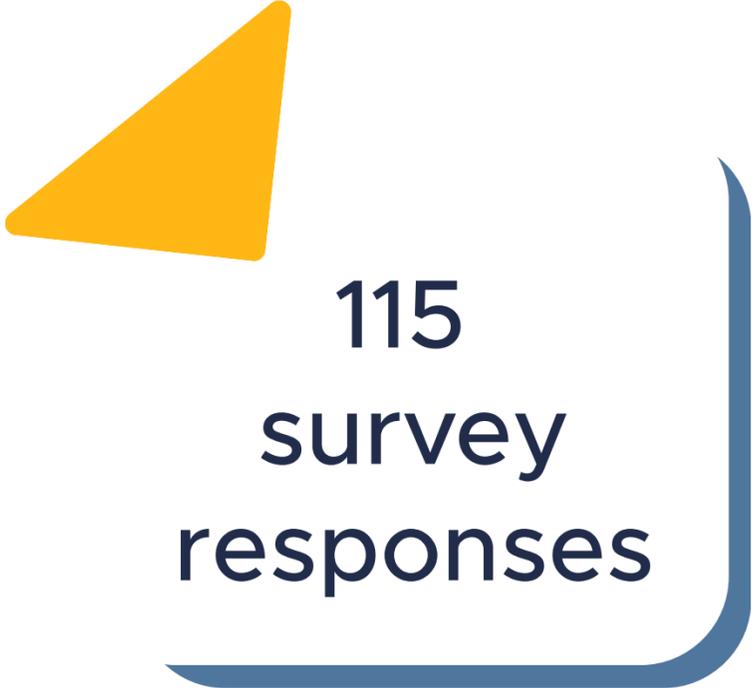
A lack of volunteers for governance roles, along with a lack of training for new and existing board members, is making it harder for organizations to grow and transform.

Key Findings



Methodology

- The 2025 survey is based on the 2022 State of the Sector survey, with strategic updates by IONS.
- The survey includes 65 questions across a variety of topics, and expanded to include a focus on sector transformation and social impact.
- The survey circulated in February and March 2025.



115
survey
responses

State of the Sector Survey Themes

1
Demographics

2
Funding

3
Employment

4
Volunteers

5
Governance

6
Justice and
Equity

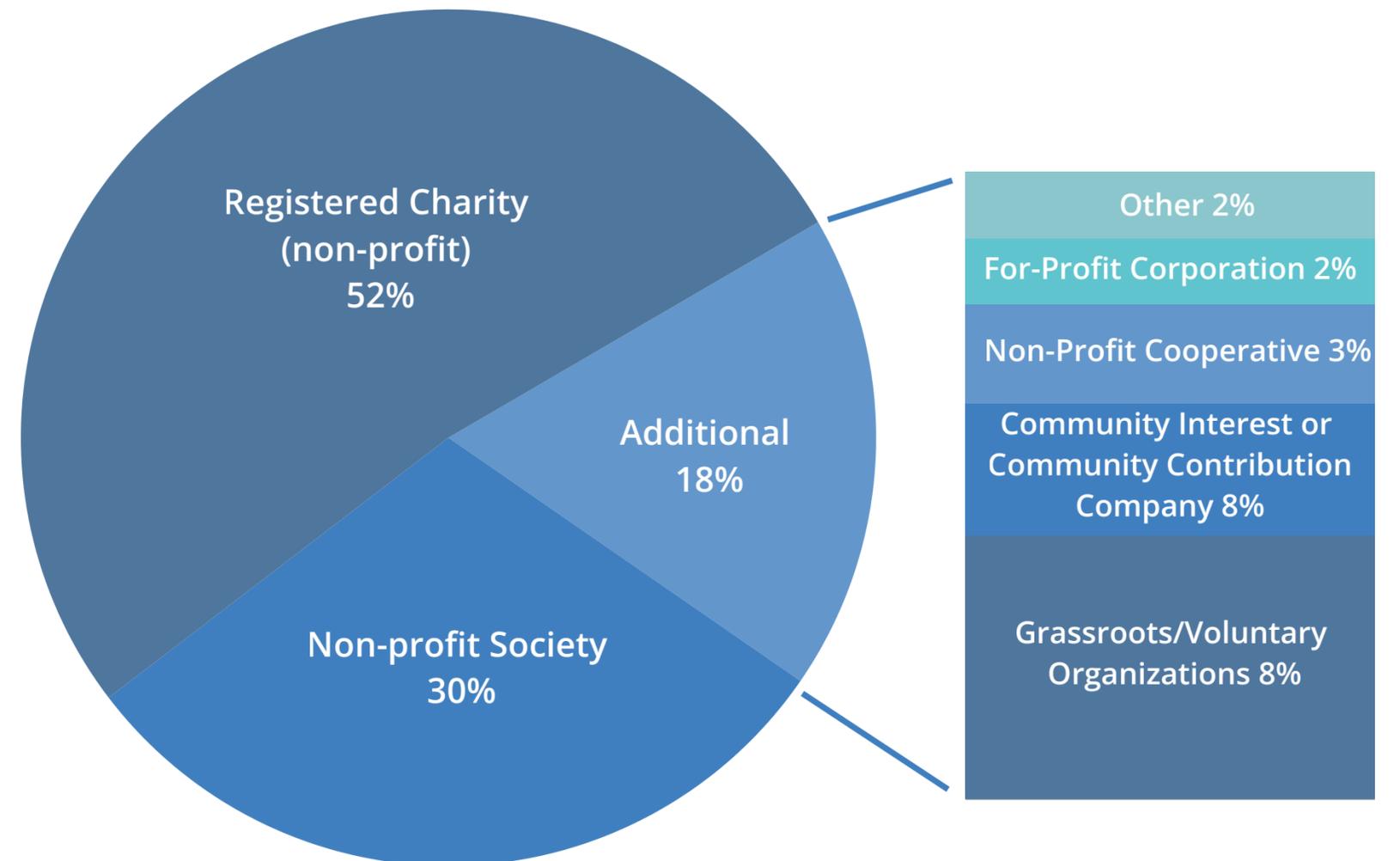
7
Strategy

8
Social Impact

Demographics

- Majority (61%) of respondents are Executive Directors or CEOs
- Majority (85%) of organizations operate solely within Nova Scotia
- Majority (52%) of respondents are non-profit societies that are registered charities

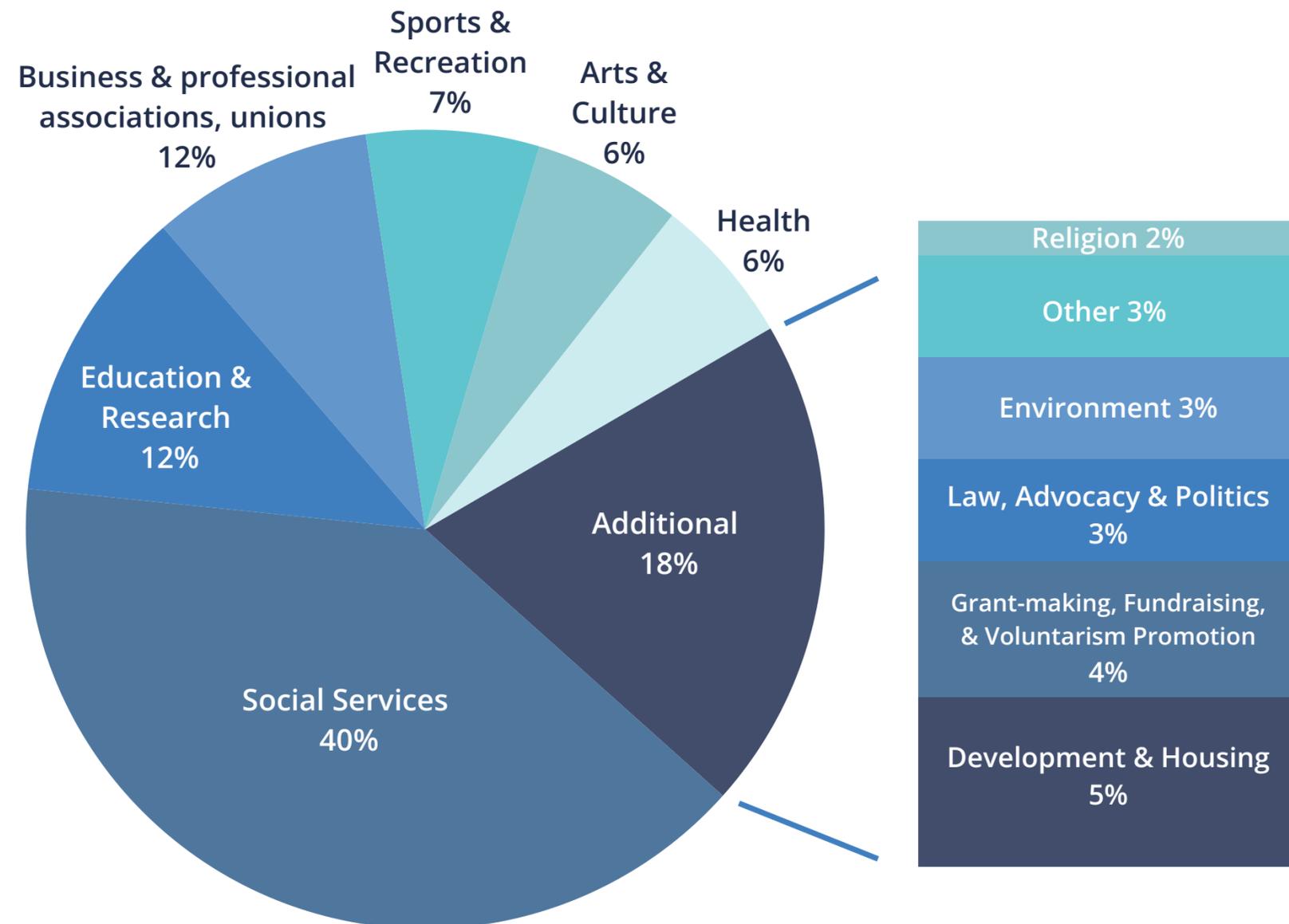
Legal Structure of Respondent Organizations



Demographics

- Majority (74%) of organizations have existed for 11 years or more
- In the Atlantic region, Statistics Canada data show sports & recreation (22%) and religion (26%)* are the largest groups of organizations, but these organizations are much smaller proportions of survey respondents

Primary activity of survey respondent organizations



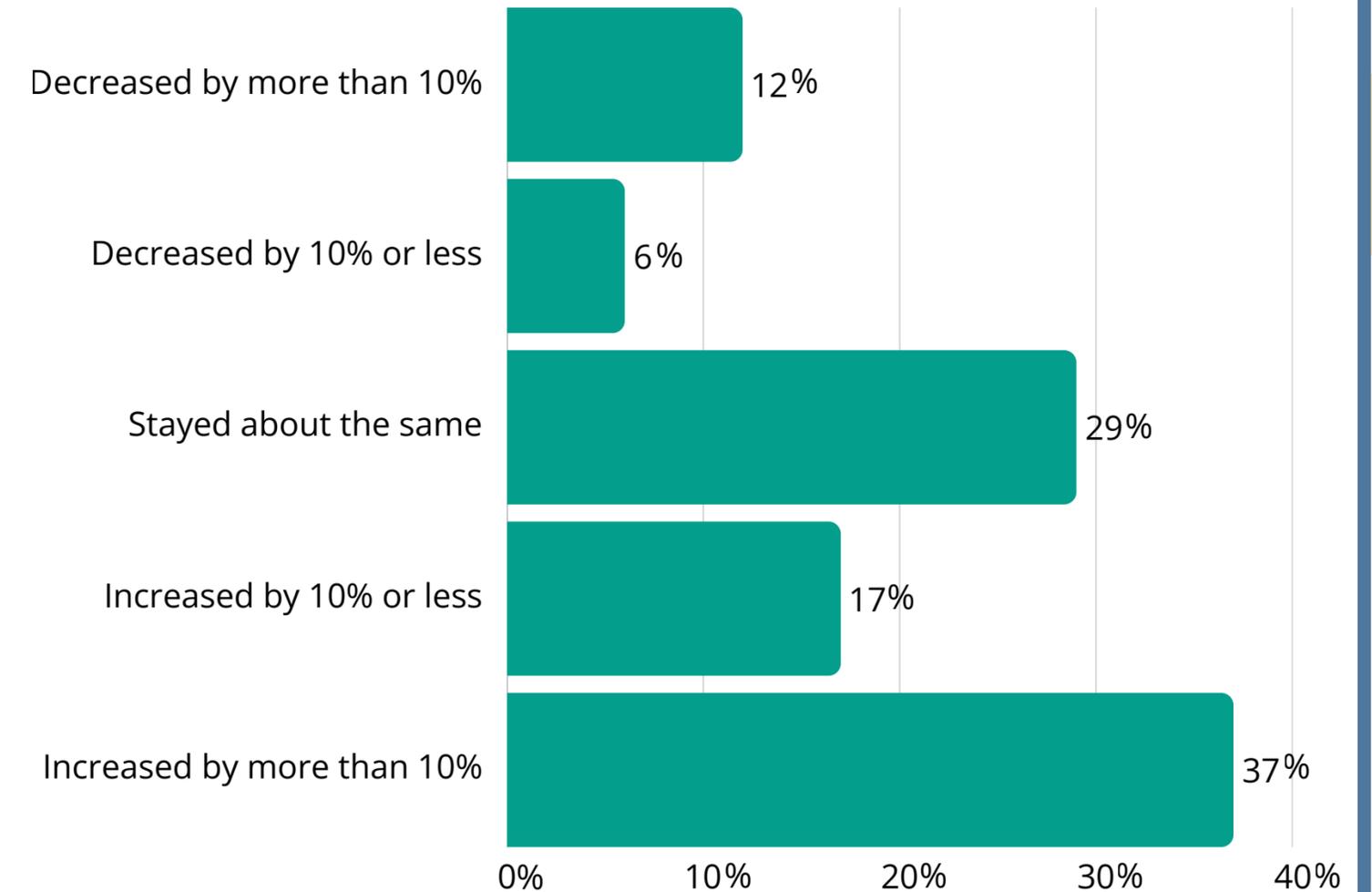
*Stats Canada: Percentage of total non-profit organizations, 2023

Funding

- 54% of organizations have seen their revenue increase over the past 3 years
- This is an improvement from the 2022 survey (47%) which noted a downward trend in revenue, and in line with the results from 2019 (54%)



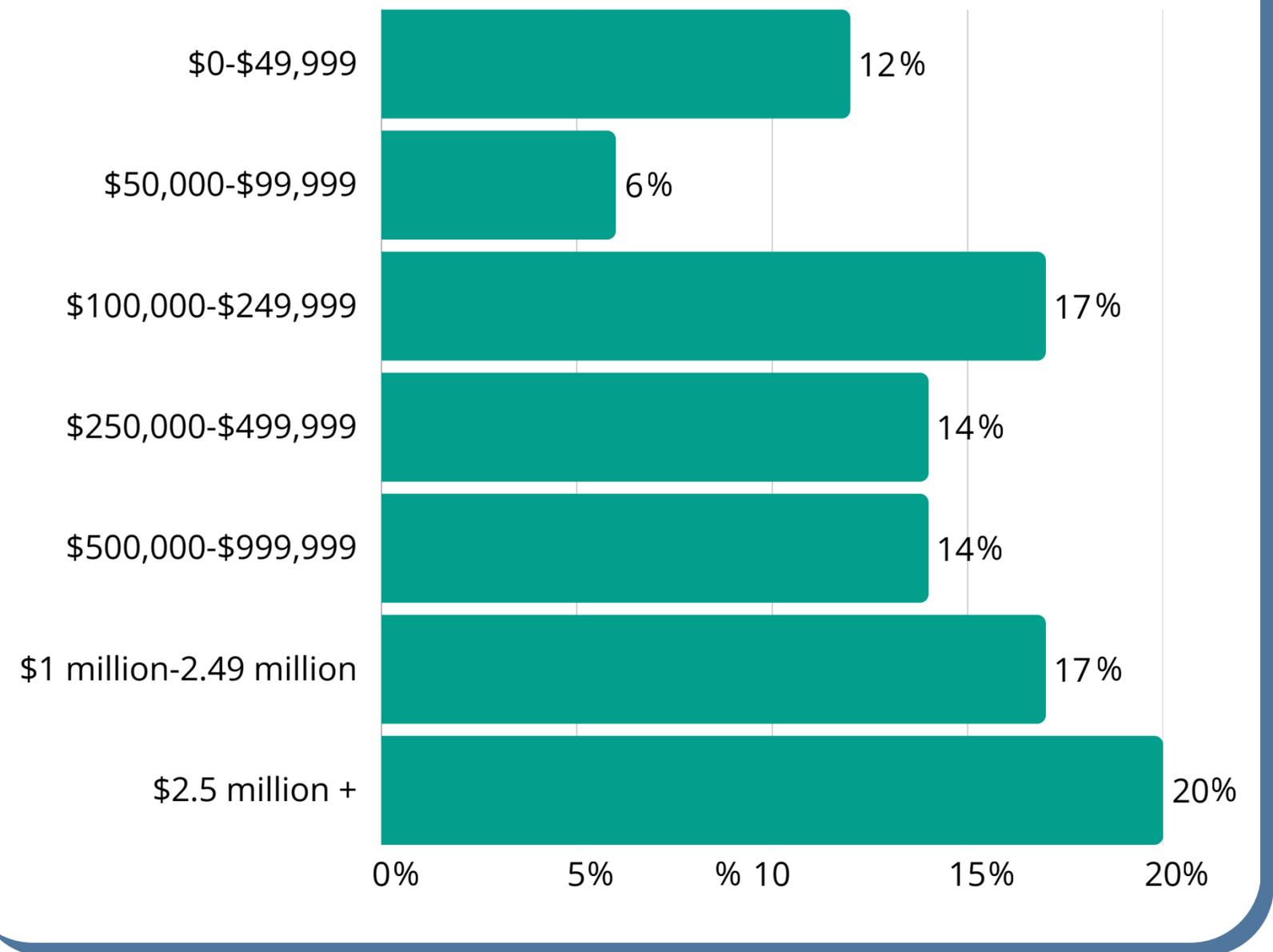
Change in operating revenue in the past three years



Funding

- 63% of organizations identified government funding as their #1 source of revenue, compared with 19% identifying corporate or non-corporate private donations as their #1 source of funding
- Most organizations had diverse funding streams, with 63% identifying at least 4 available funding streams*

Organizational annual operating revenue in Nova Scotia

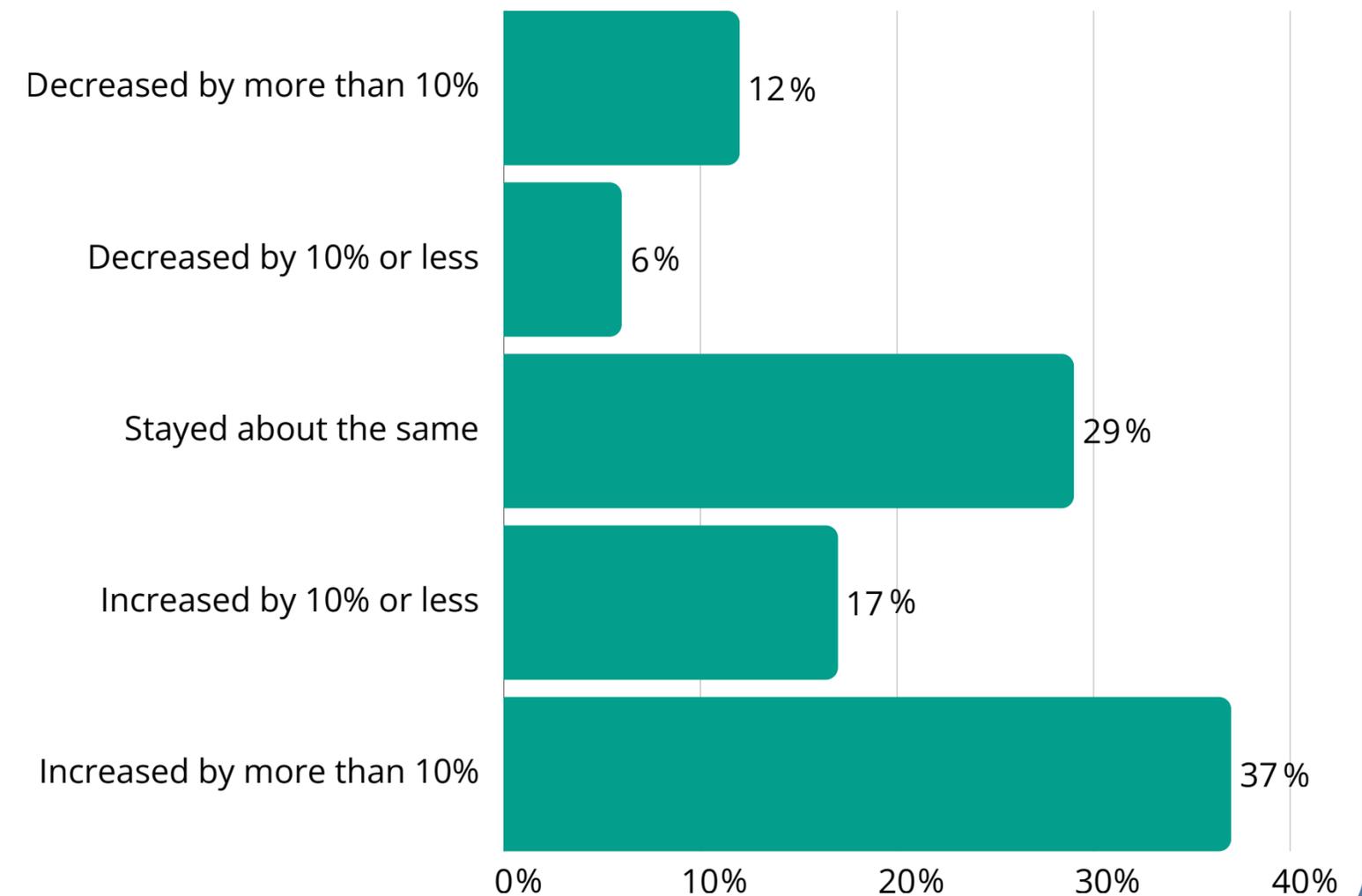


*Funding streams: government, corporate, non-corporate, member fees, investment income, sales of goods and services.

Funding

- Organizations with operating revenue of \$1M+ were more likely (69%) to indicate their revenue had increased, compared with organizations with operating revenue < \$1M (46%)
- Smaller (< \$1M) organizations were more likely than larger (\$1M+) organizations (21% vs 8%) to indicate that their revenue had decreased

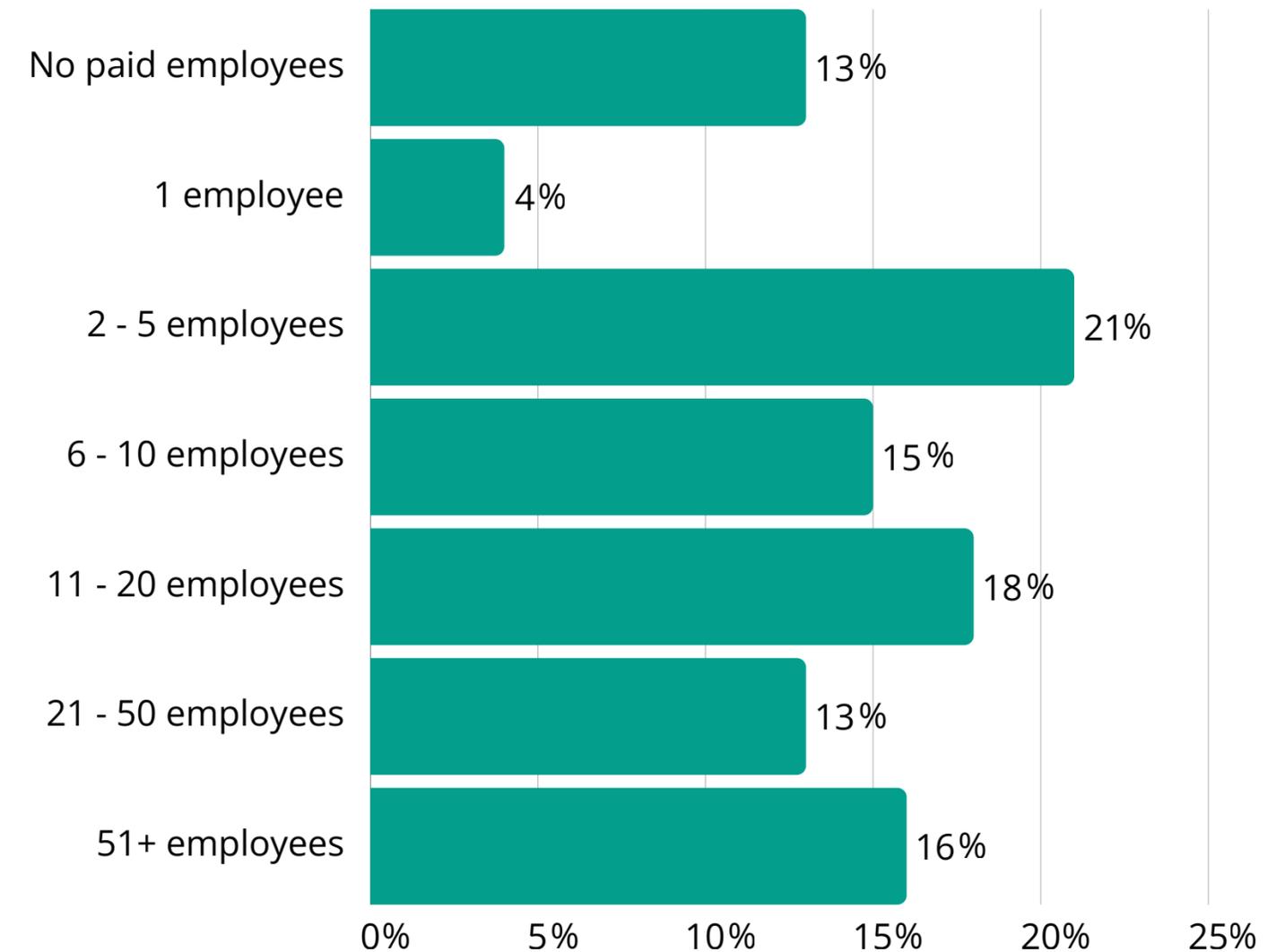
Change in operating revenue in the past three years



Employment – Workforce

- Respondents had a broad cross section of workforce size and type of employee (casual, part-time, or indeterminate)
- 13% of respondents had no paid employees, a slight increase from 10% in 2022 and 8% in 2019
- 87% of respondents expect their workforce size to remain the same or grow in 2025, in line with the 84% from 2022

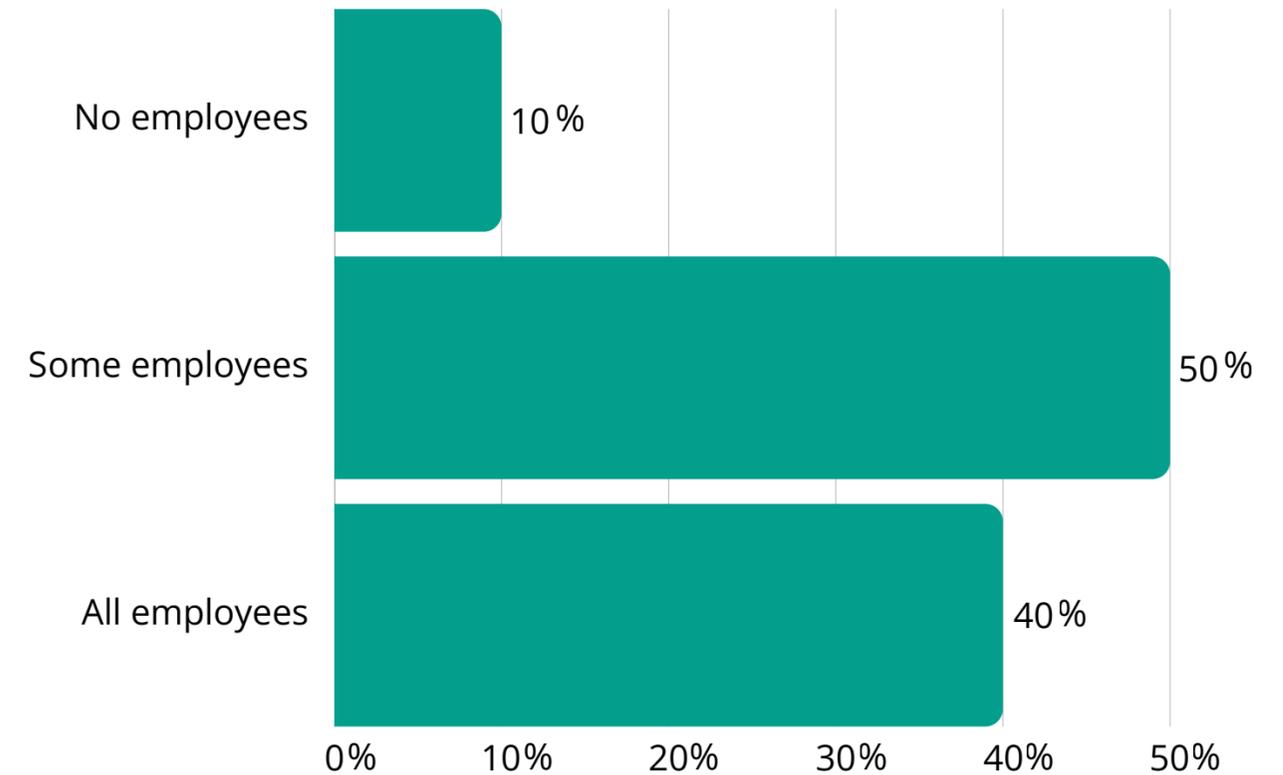
2024 Impact Sector Workforce, by # of Employees



Employment – Workforce

- 76% of respondents with employees consider a living wage when setting wages, but only 40% are able to pay a living wage to all employees, likely due to a lack of funding
- Majority of organizations employees are permanent/indeterminate
- 48% of organizations reported having no casual employees

Organizations that pay a living wage paid to staff



Employment – Recruitment

- Recruitment was identified as a major concern for organizations, with the top 3 recruitment challenges being:
 - Competition from employers in the sector
 - Difficulty finding qualified labour in the local area
 - Expectations of prospective employees (wages, benefits, etc.) are too high

In line with the challenges identified in 2022

- Lack of funding directly impacts recruitment of new employees



We are unable to pay competitive and reasonable wages.
~Survey Respondent



We can't ensure employment security. Funding is in flux, and limited.
~Survey Respondent

Employment – Retention

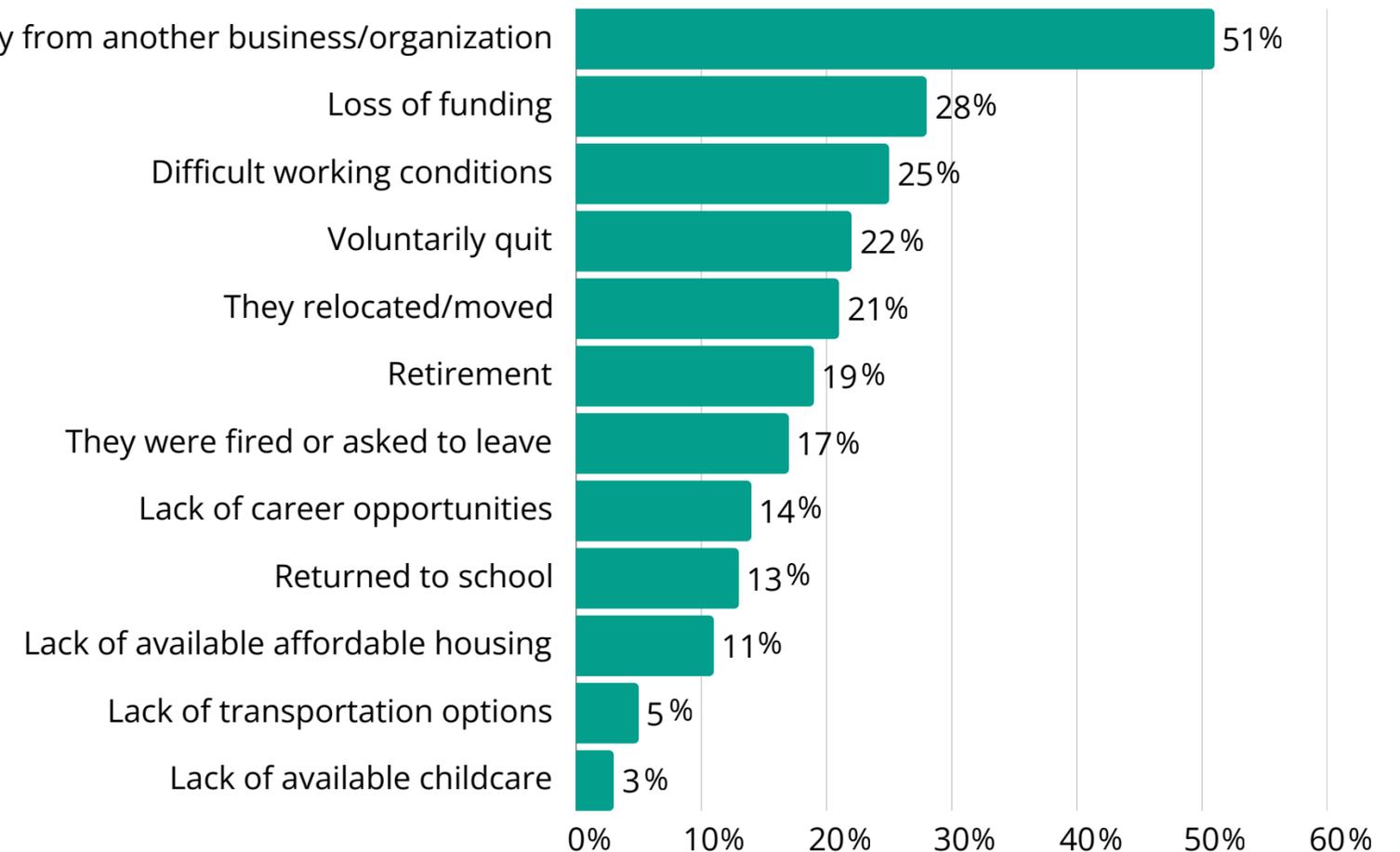
The top 3 reasons that employees leave organizations:

- Higher pay from other employers
- Loss of funding for the employee's position
- Difficult working conditions



Our employees are deeply stressed and under-paid
~Survey Respondent

Top reasons employees depart the organization



Employment – Retention

Without adequate funding, organizations appear to be using other benefits to support and improve employee satisfaction.



81% of respondents permit some or all employees the ability to remote work



67% of respondents have adopted some form of flexible work week

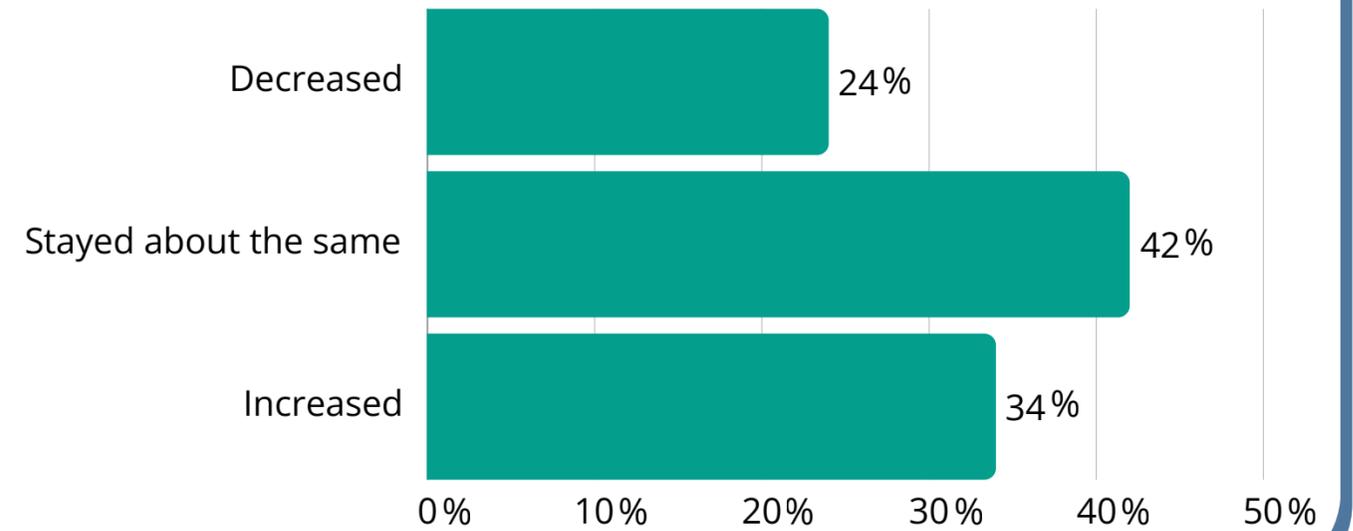


91% of organizations offer employees supplementary benefits

Volunteers

- 74% of organizations rely on volunteers, but only 53% have enough volunteers to support their work
- 69% of organizations struggle to recruit and retain volunteers
- A lack of time to volunteer is the biggest challenge for both the recruitment and retention of volunteers
- Inadequate volunteer capacity directly impacts organizational governance, and the difficulty in providing oversight and strategic direction for organizations

Change in # of volunteers, in the past year



We've considered amalgamating with another organization because of a lack of volunteers.
~Survey Respondent

Governance



Only 44% of organizations were able to maintain a full complement of board members last year



70% of organizations have some level of tracking for board member diversity



A lack of governance capacity may contribute to the low number of boards with a policy guide or handbook (55%), or formal orientation for new board members (48%), and to the low number of organizations who complete performance reviews of ED/CEOs (51%) or self-assessments of the board's performance (33%)

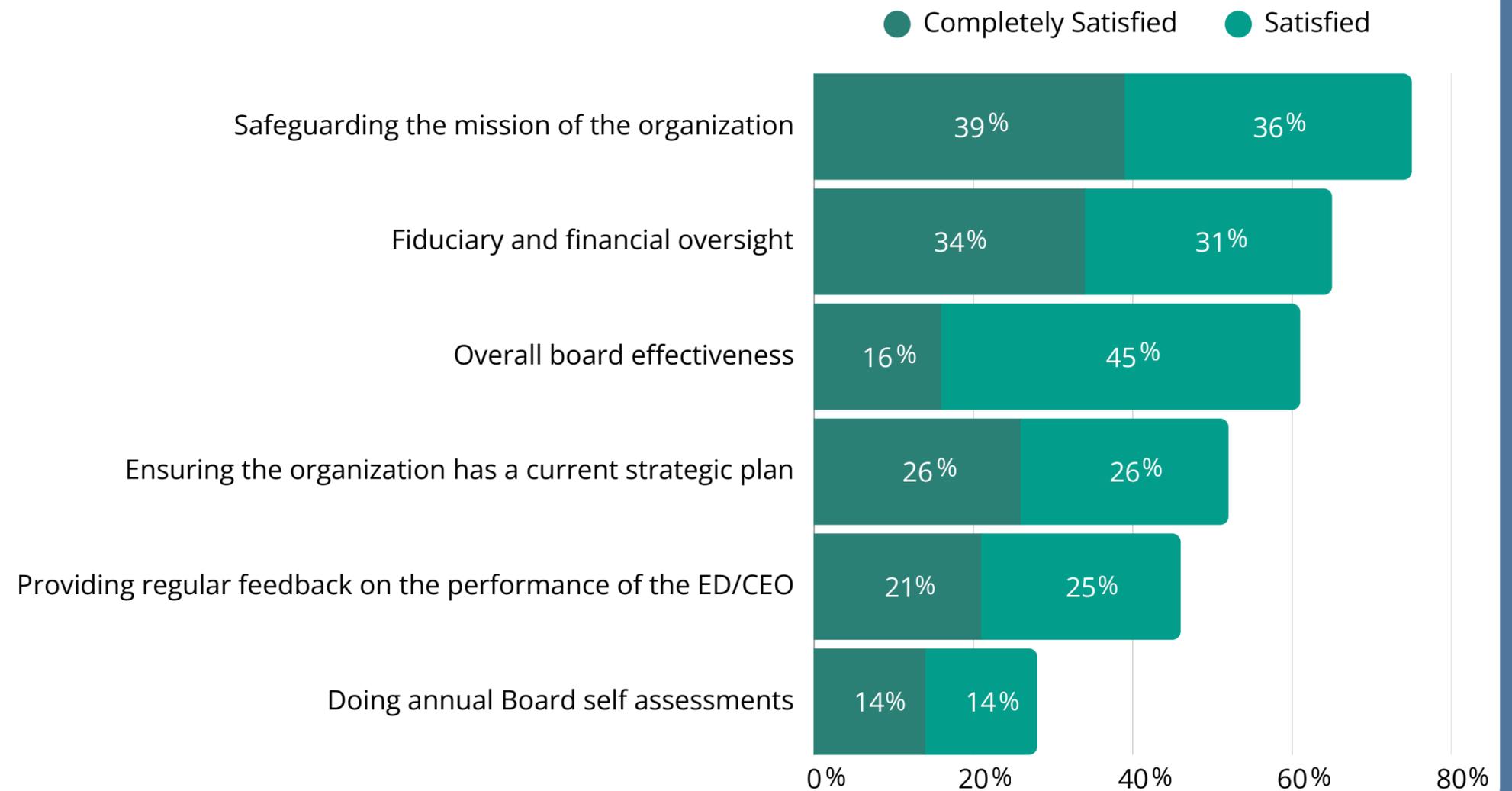


We need board training. My board is very talented, but they still don't understand governance.
~Survey Respondent

Governance

- 61% of respondents were somewhat or completely satisfied with their board's performance
- 52% of respondents were somewhat or completely satisfied with their organization's ability to have a current strategic plan in place

Respondent satisfaction with organization's board performance



Justice and Equity

- 54% of organizations have specific organization-wide initiatives or training to promote and support justice and equity
- Of these organizations that have taken action, 73% have made policy and procedure changes and 66% have incorporated justice and equity into their strategic goals, an improvement over previous surveys and an indication that organizations are moving beyond learning, and committing to justice and equity work

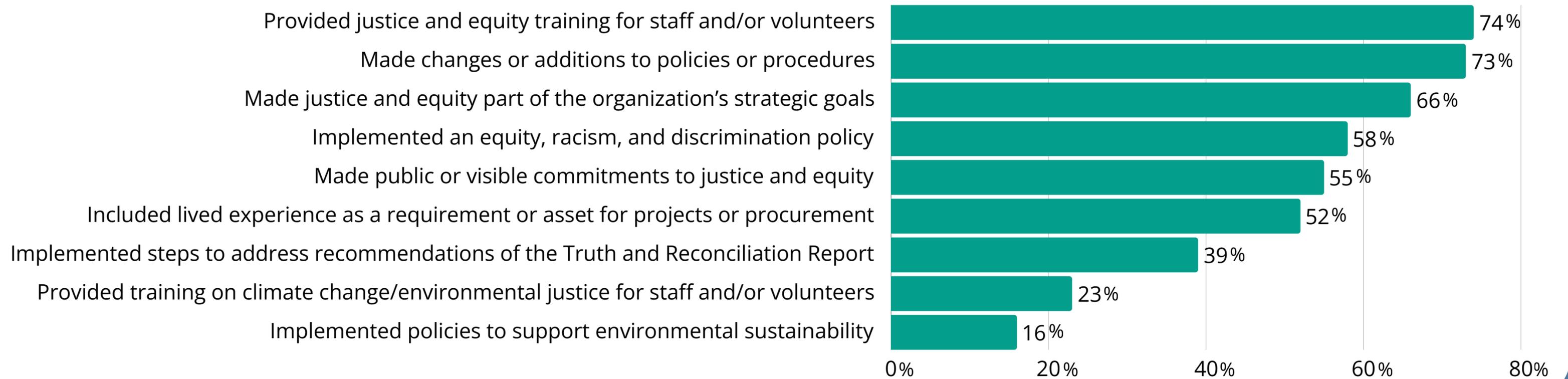


Celebrate the work of non-profits, as we are often undervalued and underpaid, but are leaders in justice and equity.

~Survey Respondent

Justice and Equity

Organizational adoption of justice and equity initiatives



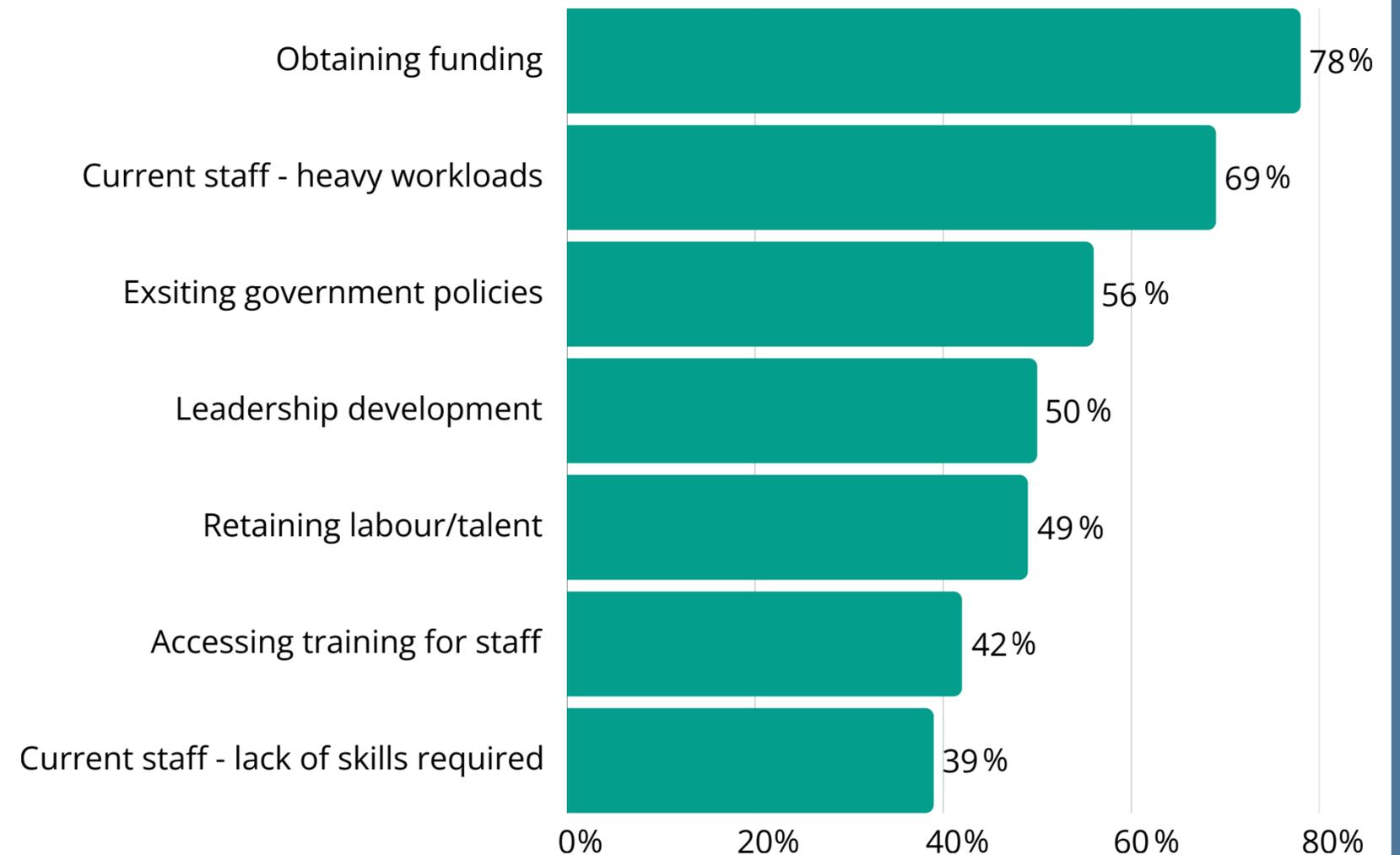
Strategy

Funding is the biggest challenge for organizations in the sector, followed closely by heavy staff workloads.



We need to increase staffing models to reduce high workloads, particularly for leaders. It's Sunday and I am working - again.
~Survey Respondent

Largest barriers to organization maintaining or growing operations



*Responses were weighted

Strategy

Organizations are actively looking for ways to improve their operations.

- 59% have considered adopting shared services
- 20% have adopted some form of social financing

When organizations are looking for strategic options to transform and improve, the lack of capacity to explore change can be barrier.

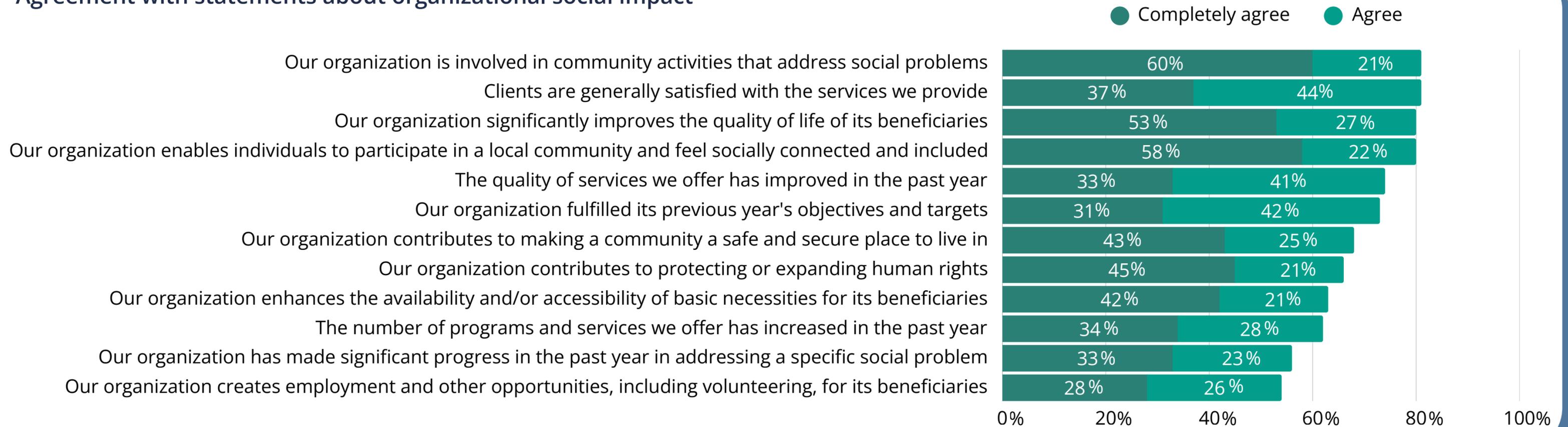
Reasons organizations have not adopted shared services



Social Impact

Organizations agree that they are having a positive impact through their work and also in their communities.

Agreement with statements about organizational social impact



IONS Advocacy Priorities

- The top 3 advocacy priority areas identified by respondents were: funding, governance and operations support, and overall sector advocacy (including benefits and importance of the sector).
- Many respondents expressed a desire for IONS to tell and promote the big story of the sector, and the importance of the sector to Nova Scotia communities.



IONS Advocacy Priorities



Advocate to government for core funding to support staffing costs, and advocate for a larger role for non-profit leadership at key government tables.
~Survey Respondent



Re-imagine the funding system and philanthropy in Atlantic Canada.
~Survey Respondent



More sector wide core support for local service organizations.
~Survey Respondent



Support for training and PD is important for the sector as our needs are becoming wider and wider dealing with community crises.
~Survey Respondent



Community sector as an equal partner in achieving a healthy, just, and prosperous Nova Scotia.
~Survey Respondent



Access to “nuts and bolts” training and resources for small nonprofits.
~Survey Respondent



Conclusions

Conclusions – Challenges

The survey has identified the following four big challenges that the sector is facing:

A capacity gap in governance exists due to a lack of active board members and governance experience, which is getting in the way of organizations' growth and improvement.

A lack of access to sustainable, long-term, unrestricted funding increases organizational challenges in operations, workforce planning, and governance.

The recruitment and retention of staff and volunteers is increasingly difficult; organizations do not have sufficient staff or volunteers to adequately support their operations.

Smaller or rural organizations face additional unique challenges and need different support to address these barriers.

Conclusions – Sector Transformation

Despite the challenges, the sector is persevering and continues their work to improve and transform.

Organizations are **exploring opportunities for efficiencies, expand their work, and/or diversify their funding sources.**

Organizations are seeking **more collaboration within the sector** to enhance their effectiveness.

Organizations are finding **creative ways to recruit and retain employees.** A majority are providing **flexible work-weeks** and exploring **living wages for employees.**

A majority of organizations have **seen their revenue grow in the past 3 years,** and a majority of organizations are anticipating their **workforces will remain the same or grow in 2025,** creating opportunities for sector transformation.

For More Information

Contact:

Impact Organizations of Nova Scotia

hello@ions.ca | ions.ca

facebook.com/ionscanada

linkedin.com/company/ions-canada/

instagram.com/ionscanada/

