

Impact of Covid on Halton Nonprofits

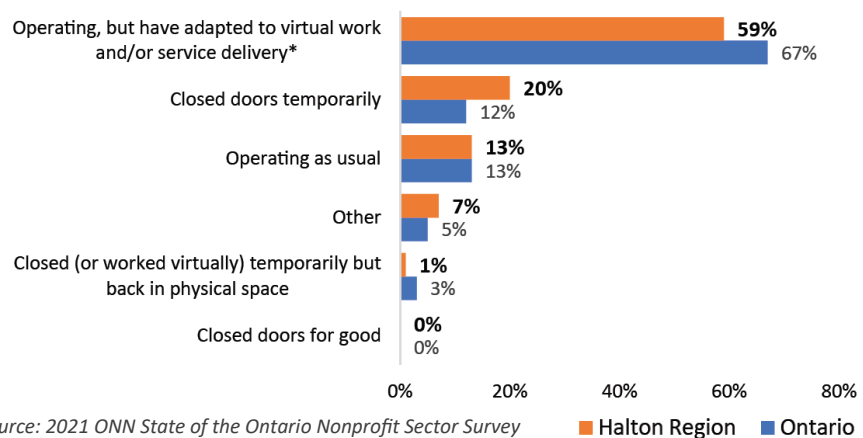
For more than a year the impact of the Covid-19 pandemic on our communities has been profound. This is especially true for many nonprofit organizations, as they have had to respond to imposed restrictions and changes in demand for services. The Ontario Nonprofit Network (ONN) conducted a survey in the spring of 2021, with a focus on the experiences of nonprofits during the pandemic and, in particular, the state of their operations in 2020-21, along with the adequacy of governmental relief measures put in place to support nonprofits during the emergency. There were nearly 3,000 organizations that responded to the survey and 8% indicated that they are located in Halton. Let us look at some of the highlights from the survey, showing how Halton organizations compared to the overall Ontario experience.

The survey identified that the majority of nonprofits are still operating virtually in 2021. In Halton, nearly 60% of organizations indicated that they are conducting business virtually, compared to 67% for Ontario. Twenty percent of Halton organizations said that they had closed their doors temporarily, much higher than the 12% for Ontario nonprofits. This may be due to ongoing public health guidelines or staff shortages, particularly for those in sectors such as sports, recreation, arts, culture, heritage, and tourism.

When asked about their current financial forecast, nonprofits reported “improved”, however continued to remain alarming. Overall, about 32% of Halton nonprofits reported they were not financially sustainable beyond 12 months, similar to the experience of the rest of Ontario nonprofits.

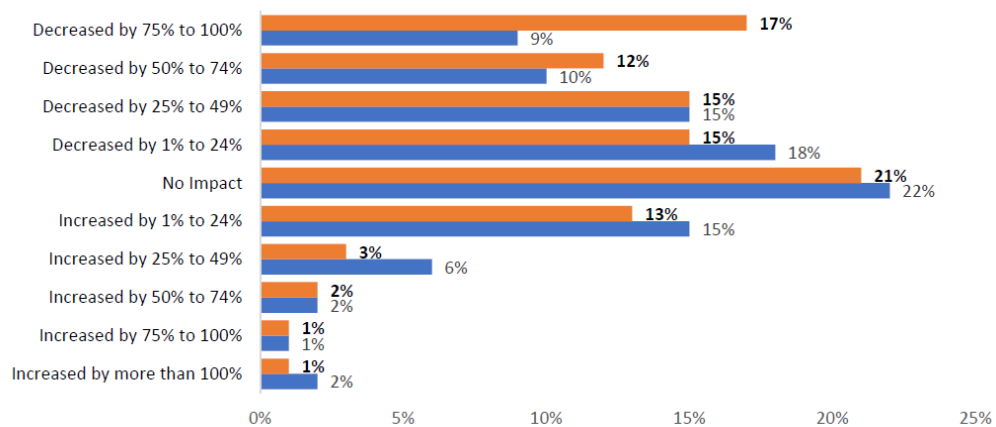
Just over 50% of Halton nonprofits reported increased demand during the pandemic, compared to nearly two-thirds of Ontario nonprofits reporting an increased demand for services. However, Halton nonprofits reported substantial revenue declines, with nearly 60% reporting losses in revenue and nearly one in three experiencing losses greater than 50%. In fact, 50% of Halton organizations responding to the survey said that they estimated that the total financial impact of the pandemic on organizational operations exceeded \$100,000, with over 33% reporting a loss of \$100,000 to \$250,000. This combination of increased demand and decreased revenue is straining the capacity of the nonprofit sector to respond.

Current Operating Status



Source: 2021 ONN State of the Ontario Nonprofit Sector Survey

Revenue change since onset of pandemic

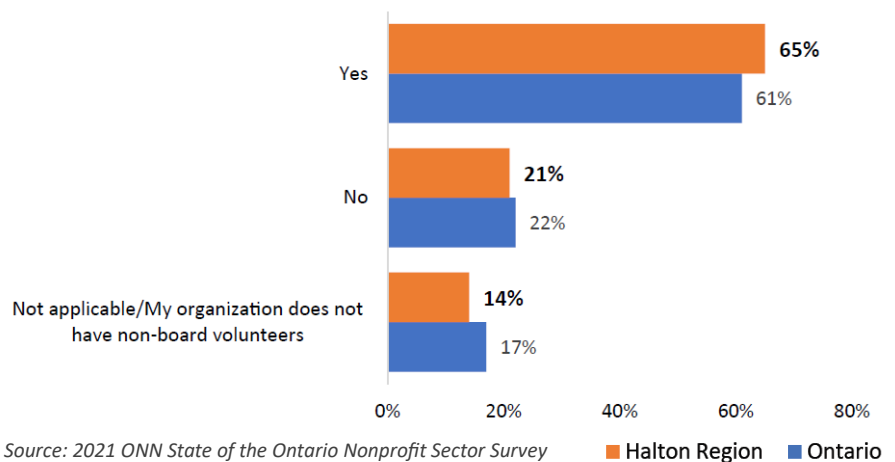


Source: 2021 ONN State of the Ontario Nonprofit Sector Survey

Only a minority of nonprofits were supported by government emergency relief measures. Overall, 36% of Halton organizations benefited from Canadian Emergency Wage Subsidy and only 15% benefited from the Canada Emergency Business Account. Astonishingly, 75% of Halton nonprofits did not receive any provincial supports which were put into place specifically for organizations within the sector. With federal supports winding down over the summer and no new relief in sight, the transition to recovery will be difficult for the sector and will have a noticeable impact on communities in Halton.

Nonprofits lost a massive number of volunteers during the crisis. More than 65% of Halton nonprofits have lost volunteers since the beginning of the pandemic, which is similar to that of all Ontario nonprofits at 61%. It will take time to rebuild these volunteer connections which are vital to nonprofit programs, services, and connection to communities. Since the Ontario Volunteer Centre Network (the OCVN is the network of volunteer centres in Ontario) lost its provincial funding at the start of the Ford government’s term, there will need to be a sector-wide dialogue to address this volunteering crisis and create a provincial strategy that includes both volunteer-run organizations and nonprofits which rely heavily on volunteers to serve their communities.

Lost Volunteers Since Beginning of Crisis



Source: 2021 ONN State of the Ontario Nonprofit Sector Survey

So what do need now? The Ontario Nonprofit Network has a number of suggestions to provide support to the nonprofit sector as it recovers from the pandemic.

Ontario government: Offer a new round of Small Business and Nonprofit Grants. We join the Ontario Chamber of Commerce’s call for another round of support for small enterprises.

Federal government: Extend the Canada Emergency Wage Subsidy (CEWS). The CEWS was by far the most important measure to keep nonprofits afloat during the crisis, but as our survey results show, nonprofits took a big financial hit in terms of increased costs and decreased revenues.

Ensure recovery efforts focus on organizations and communities that need the most support. Introduce a broad-based microgrant program for volunteer-only nonprofits to help those organizations largely left out of government measures which focused on those with paid workers. Target new funds to nonprofits and grassroots groups serving communities that suffered the most during the pandemic, including Black and other racialized communities; First Nations, Inuit, and Métis communities. Provide permanent sick days by amending the Employment Standards Act. The temporary paid sick leave provisions in Bill 284 are set to expire on September 25.

Continue to invest in and increase access to high-speed internet. Investments in broadband internet would better support nonprofits in rural and northern regions.

As we come out of the pandemic, how we respond to those that have been most impacted is critical to recovery. If you have any feedback on the issue of the impact on nonprofit organizations in Halton, you can contact us at data@cdhalton.ca.