

DATE OF MEETING December 2, 2024

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SUBJECT NOT-FOR-PROFIT SECTOR STUDY

OVERVIEW

Purpose of Report:

To present Council with the findings of the Nanaimo Not-for-Profit Sector Study.

BACKGROUND

As part of Nanaimo's ongoing commitment to sustainable development, the City has embraced the Doughnut Economics framework, which aims to build a thriving, socially just and environmentally sustainable community. The not-for-profit sector is essential in helping to achieve these goals, contributing significantly to the community's economic, social, cultural, recreational and environmental well-being.

While the sector's value is recognized, its size, economic impact and scope have not been formally measured before. A comprehensive study of the sector was identified as a key priority during the 2021 Economic Development Strategy community consultations.

DISCUSSION

The City of Nanaimo has been a strong supporter of the not-for-profit sector, providing more than \$6.1 million in 2023 and close to \$7.1 million in 2024 through grants, subsidies, tax exemptions and service agreements. These efforts have played a crucial role in improving community well-being while attracting additional resources from other levels of government and private funders.

The Nanaimo Not-for-Profit Sector Study was initiated to examine the sectors components, its economic, social and environmental impacts and to identify the challenges and opportunities not-for-profits face. City Staff developed the scope of the study and organized a meeting with key stakeholders in December 2023 to gather input. A total of 23 not-for-profit organizations participated and provided valuable insights and support for the project. Following this, a steering committee made of sector leads was formed to guide the study. City Staff chaired the Not-for-Profit Sector Study Committee and facilitated the project ensuring the timeline and budget requirements were met. Funding from the Island Coast Economic Trust (ICET) was also secured, which generously covered half of the project costs.

Nordicity was selected as the lead consultant through a competitive process. The final report is included as Attachment A and highlights the sectors significant contributions and explores future opportunities to strengthen its sustainability.

Key Findings

- **Economic Impact:** In 2023, the not-for-profit sector generated \$67.5 million in economic activity, contributing \$64 million to the local Gross Domestic Product (GDP) and supporting nearly 940 full-time equivalent (FTE) jobs. The sector also stimulates indirect economic activity by engaging local suppliers and through employees reinvesting in the community.
- **Social and Environmental Impact:** Not-for-profits in Nanaimo play a vital role in areas such as health, education, social justice, environmental sustainability, youth development and Indigenous relations, benefiting vulnerable groups like seniors, youth and low-income families.
- **Challenges:** Despite its importance the sector faces several challenges, including limited funding, staffing shortages, rising operational costs and difficulties in documenting its social and environmental impacts.

Future Opportunities

- **Strengthen Sector Capacity:** The City can help to reduce donor fatigue, simplify the funding process, create affordable workspaces and support governance training for organizations.
- **Foster Partnerships:** Building stronger collaboration between the City and not-for-profits can leverage their expertise to co-develop programs and services that benefit the community.
- **Amplify Impact and Advocacy:** Raising awareness of the sector's contributions and advocating for increased support from provincial and federal governments will be key to resilience.

This study serves as an important benchmark for the not-for-profit sector and highlights areas for improvement to ensure its sustainability. A follow-up study is anticipated in five years. |

SUMMARY POINTS

- The need for a comprehensive study of the not-for-profit sector was identified as part of the 2021 Economic Development Strategy.
- Nanaimo's not-for-profit sector generated \$67.5 million in economic impact in 2023, supporting 940 FTEs and plays a crucial role in creating a green, connected, healthy, empowered and prosperous Nanaimo.
- Future opportunities include strengthening sector capacity, fostering partnerships and increasing community awareness and advocacy.

ATTACHMENTS

ATTACHMENT A: Not-for-Profit Sector Study

ATTACHMENT B: Not-for-Profit Sector Steering Committee |

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