



CHARITY SECTOR EMPLOYMENT UPDATE 2023



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EXECUTIVE SUMMARY

Employment is integral to the health of the Canadian economy. A study of employment in Canada's Charitable Sector presents a timely analysis of the contribution the Sector makes to the country's well-being. Data on total employment, total earnings, average earnings, and their changes over time are relevant economic proxies for the state of the Sector itself.

This report confirms the Sector's importance both by total number of employees and the value of employment compensation.

We extend the Sector report to include an analysis:

- by Full-time and Part-time employment;
- by Province;
- by Category of Charity;
- and by Size of Charity (small versus large).

We provide a discussion on the importance of volunteers, their motivations, and a calculation of the estimate of the economic value of their contribution.

An appendix lists the Top 10 Large and Small Charities by Number of Employees and Total Compensation.

Principle conclusions of the Report

- Our analysis shows that 52 percent of Charitable Organizations operated on a volunteer-only basis in 2022, unchanged from 2021. However, this represents a decline of three percent from that reported in 2016. We explain why this decline should be of concern to the large number of Charitable Organizations which rely solely on volunteers.
- The number of full-time and part-time employees in the Charitable Organizations included in our survey has grown by 15.5 percent and 9.9 percent respectively over the five-year period 2017 to 2022. Both rates are materially greater than that previously reported for the five-year period ended 2021.
- We find that the Charitable Sector is the second largest industry employer in Canada in 2022 and represents 9.5 percent of the Total Workforce in the country, an increase from 9.3 percent in 2021.
- Total Compensation of full-time and part-time employees has grown. Full-time compensation gained greater than 10 percent more than part-time compensation. We explain why this is the case.
- The average Charitable Organization compensation between 2017 and 2022 for full-time employees has grown by 17.3 percent, whereas the average for part-time employees grew by 12.6 percent.
- Compensation is the largest expense offsetting Total Revenues in the Sector, and accounts for the largest category of Total Expenses and Total Expended on Charitable Activity.
- Our analysis shows that the allocation of employment and employment compensation by Province and Territories roughly represents total regional population.
- There is not a material variance between Provinces on the average employee compensation, except for the Territories at the lower end of the range

- Core Healthcare Charities dominate employment numbers, followed by those Charities involved in Healthcare Support and Relieving Poverty.
- There is a wide disparity of average compensation across the various Categories of Charity. Many of the Charities at the lower end of the range have traditionally lower remuneration packages and consist of Charitable Organizations that have a greater reliance on part-time employees with lower compensation, or volunteers with no compensation.
- It is not surprising to find that smaller Charitable Organizations (those with less than \$1 million in Total Revenue) operate on a purely voluntary basis with no employees.
- Volunteers play an important role in the Charitable and Philanthropic sector but their economic value is not presented in regulatory filings to the CRA. Our estimations show Volunteers create an economic value of \$4,120 per volunteer (206 hours), aggregating \$10.1 billion in economic value (24.5 million volunteers).
- We estimate that an additional 10 per cent of Total Compensation can be attributed to volunteers operating in Canada's Charitable and Philanthropic sector.

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INTRODUCTION

Employment is integral to the health of the Canadian economy. A study of employment in Canada's Charitable Sector presents a timely analysis of the contribution the Sector makes to the country's well-being. Data on total employment, total earnings, average earnings, and their changes over time are relevant economic proxies for the state of the Sector itself.

As we have previously reported, the Charity Sector is the largest industry in Canada by Total Assets and the third largest by Total Revenues (*The Canadian Charitable and Philanthropic Sector: 2023 Update*, July 2023). It follows that employment in the Charity Sector is of great relevance to the overall Canadian economy. This report confirms the Sector's importance by the total number of employees and the value of employment compensation.

We extend the Sector report to include an analysis:

- by Full-time and Part-time employment;
- by Province;
- by Category of Charity;
- and by Size of Charity (small versus large).

The Charity Sector is unique in Canada's employment market because it includes a large component of volunteer participation. Volunteers receive no compensation for their participation, but they dedicate a considerable amount of time and effort. Their efforts provide tangible benefits to their communities. Unfortunately, there is no reliable survey or measure of the value of the implicit economic contribution of volunteers to Canada's Charitable Organizations.

The quantitative analysis in this report is restricted to compensated full- and part-time employment - this data is fully disclosed annually by Charitable Organizations. We also provide a discussion on the importance of volunteers, their motivations, and a calculation of our estimate of the economic value of their contribution.

Compensation is important to the Charity Sector's regulator, the Canada Revenue Agency (CRA). The CRA's guidance notes that fundraisers' compensation cannot exceed fair market value, and commission-based compensation is discouraged. Directors and Trustees of Charities cannot receive an undue benefit, and all compensation to employees must be "fair and reasonable".

An appendix lists the Top 10 Large and Small Charities by Number of Employees and Total Compensation.

Methodology

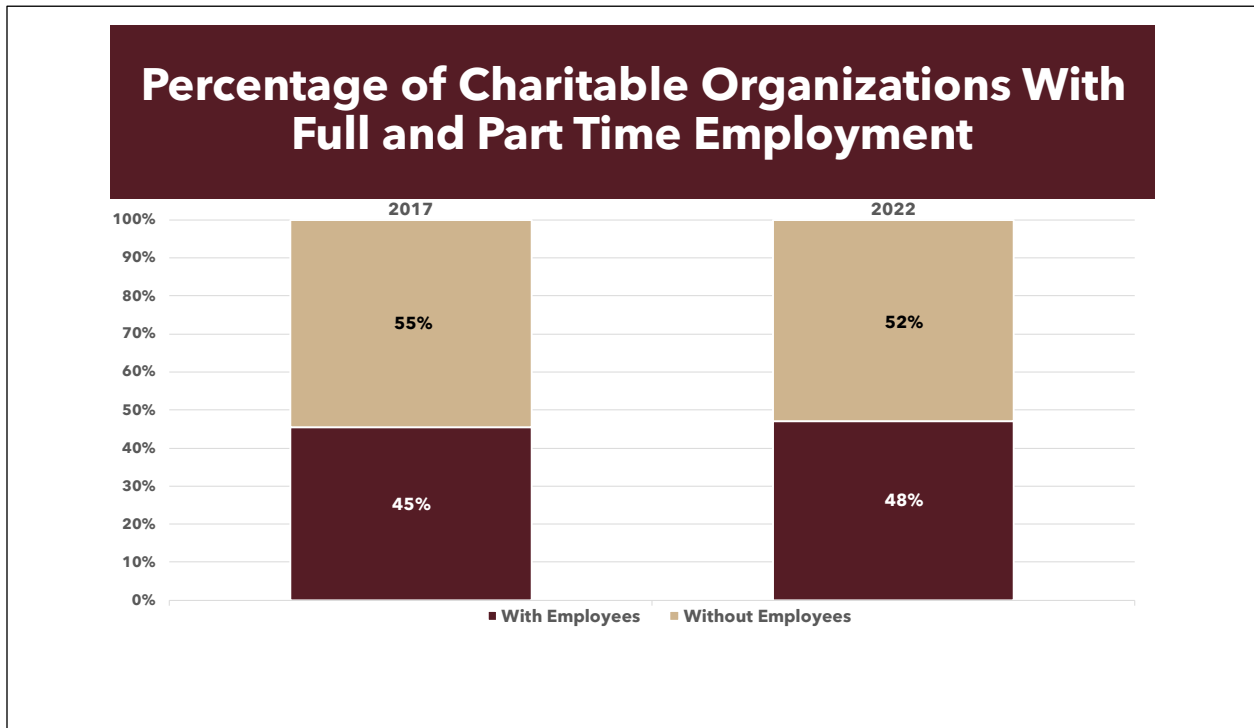
In our analysis, we utilize federal government T3010 filings for registered charities to the CRA. Charitable Organizations are required by law to file these returns within six months of their financial year-end. Our study consists of the five years of 2017 to 2022 with comparative results to last year's study of 2016 to 2021.

Included in the T3010 filing for each Charity is Schedule 3 - Employment and Compensation. This is the source for much of the data presented in this report. Total Revenue is derived from Box 4700 and Total Expenses before Qualifying Disbursements from Box 4950. Similar to our previous research papers on the industry, we exclude Education and Religious institutions in the analysis. We define Small Charities as those with \$1 million or less in Total Revenue for their fiscal year.

CHARITY SECTOR EMPLOYMENT

Canada's Charitable Organizations employ and compensate both full-time and part-time employees while utilizing volunteers who receive no compensation. Many Charitable Organizations operate solely on a volunteer basis with no full- or part-time employees.

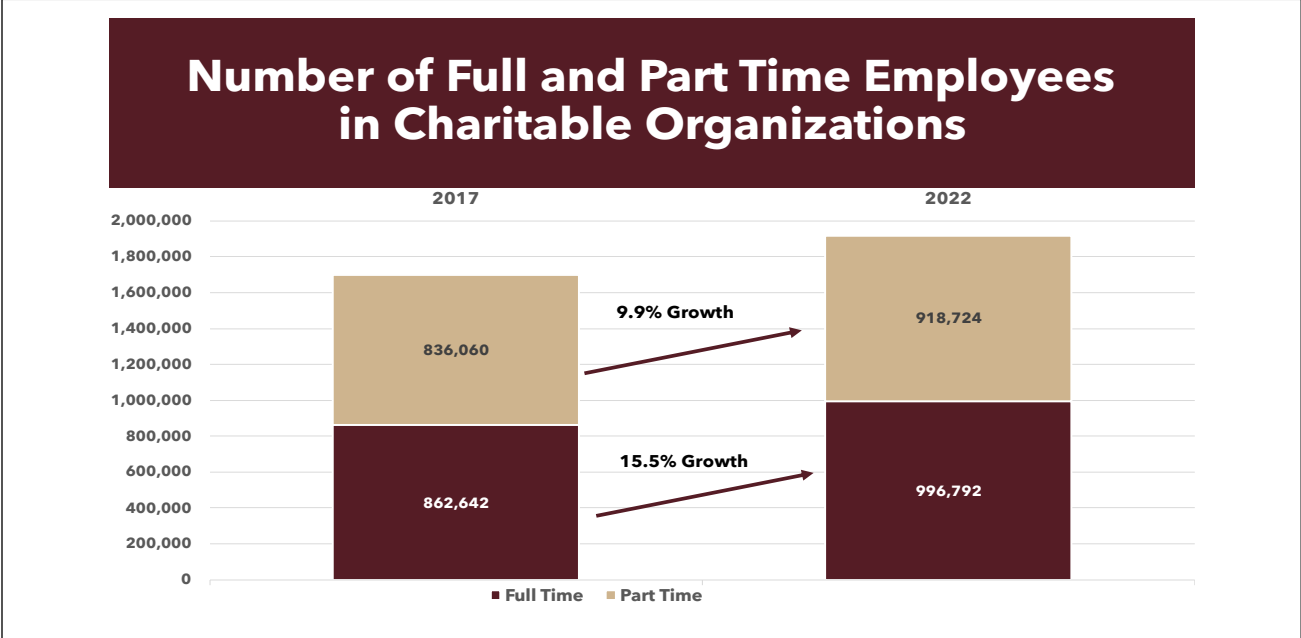
Our analysis shows that 52 percent of Charitable Organizations operated on a volunteer-only basis in 2022, a decline of three percent from that reported in 2017. This is unchanged from our previous report for 2016 to 2021, indicating the decline in the number of volunteer-managed organizations has stabilized.



This result confirms the decline in the volunteer participation rate in Canada observed in an early study conducted in 2018. That study noted that the percentage of the population aged 15 and over who volunteered had declined from 45.2 percent in 2004 to 43.6 percent in 2017 (*The Value of Volunteering in Canada*, The Conference Board of Canada, April 5, 2018, Table 1). The study concluded that the growth in total volunteer hours averaged 0.4 percent annually between 2004 and 2017, roughly one-third the pace of total population growth.

This decline should be of concern to the large number of Charitable Organizations which rely solely on volunteers. These charities represent the entrepreneurial segment of the Charitable Sector, with organizations created and managed by highly motivated individuals seeking to address many of the social challenges in society. A decline in this segment of the Charitable Sector could reflect a general deterioration of attention to civil society and collective community action.

The number of full-time and part-time employees in the Charitable Organizations included in our survey has grown by 15.5 percent and 9.9 percent respectively over the five years 2017 to 2022. This represents a material acceleration in the growth rates discovered in our previous study ending in 2021 of 7.8 percent and 12.4 percent respectively and can help explain the decline in volunteerism in the sector - volunteers are being replaced by paid employees.

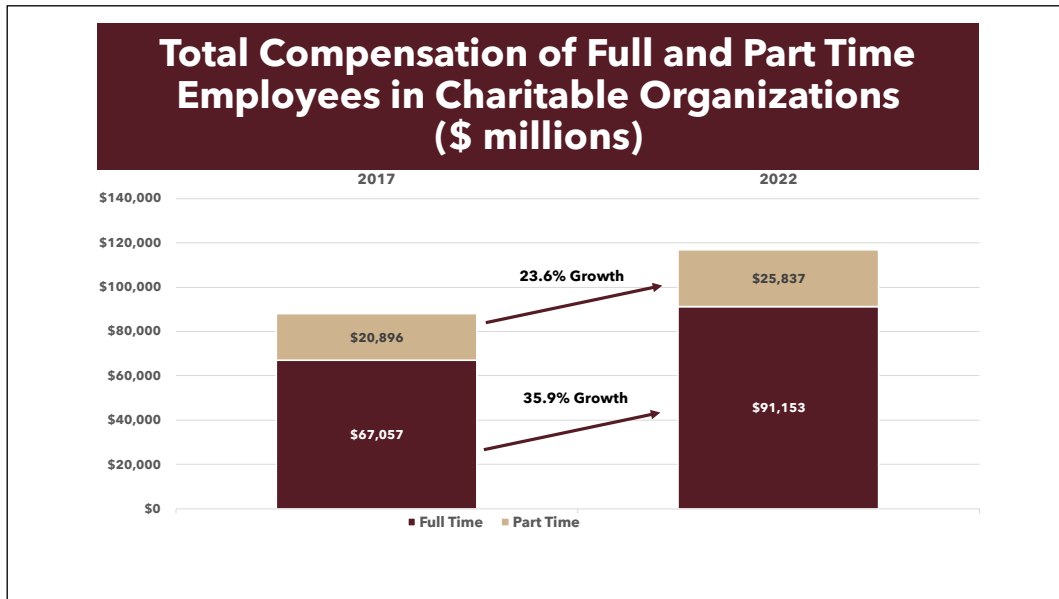


The total working population in Canada in 2022 was 19.9 million. The total working population of the Charitable Sector of 1.9 million in 2022 in our study represents 9.5 percent of the total workforce (an increase from 9.3 percent in 2021). This would place the Charitable Sector as the second largest industry employer in Canada in 2022 as shown in the table below.

| Total Employment by Sector - 2022 (millions) | |
|---|---------------|
| Sector | Employment |
| TOTAL | 19,882 |
| Wholesale & Retail Trade | 2,901 |
| <i>Charitable Sector</i> | 1,916 |
| Professional, Scientific, and Technical Services | 1,867 |
| Manufacturing | 1,784 |
| Construction | 1,595 |
| Educational Services | 1,462 |
| Finance, insurance, real estate, rental and leasing | 1,397 |
| Public Administration | 1,177 |
| Accommodation and food services | 1,102 |
| Transportation and warehousing | 984 |

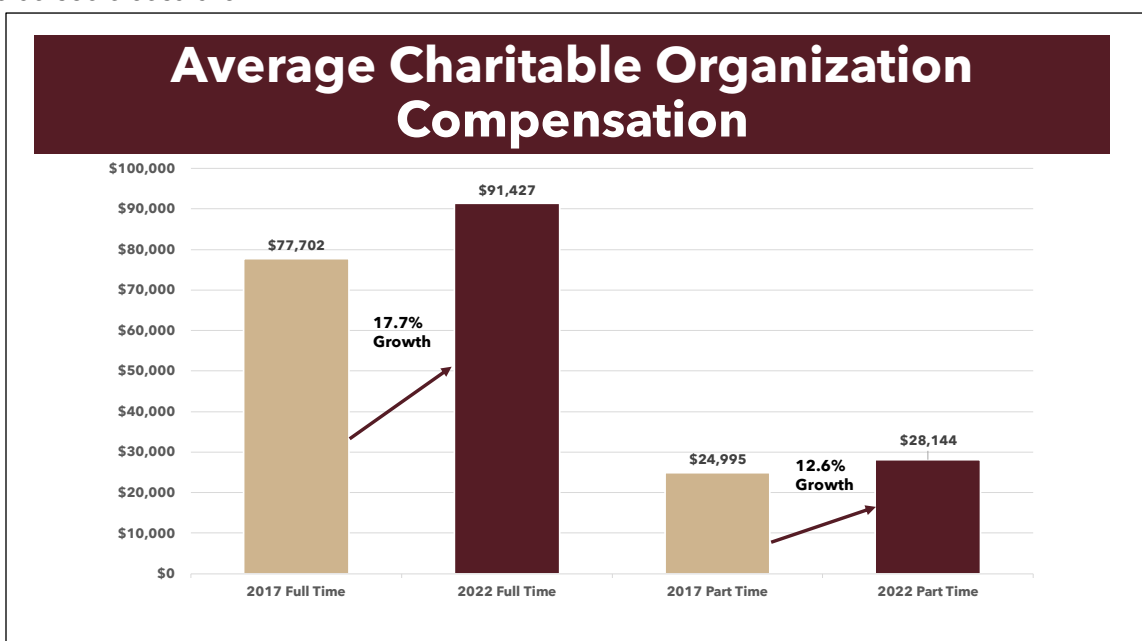
Source: Statistics Canada, Table: 14-10-0355-01

The Total Compensation of full-time and part-time employees has grown from \$87.9 billion in 2017 to \$117 billion in 2022. Full-time employees have gained greater than 10 percent more in compensation than part-time employees. This reflects the fact that the growth in the number of part-time employees has been less than the number of full-time employees.

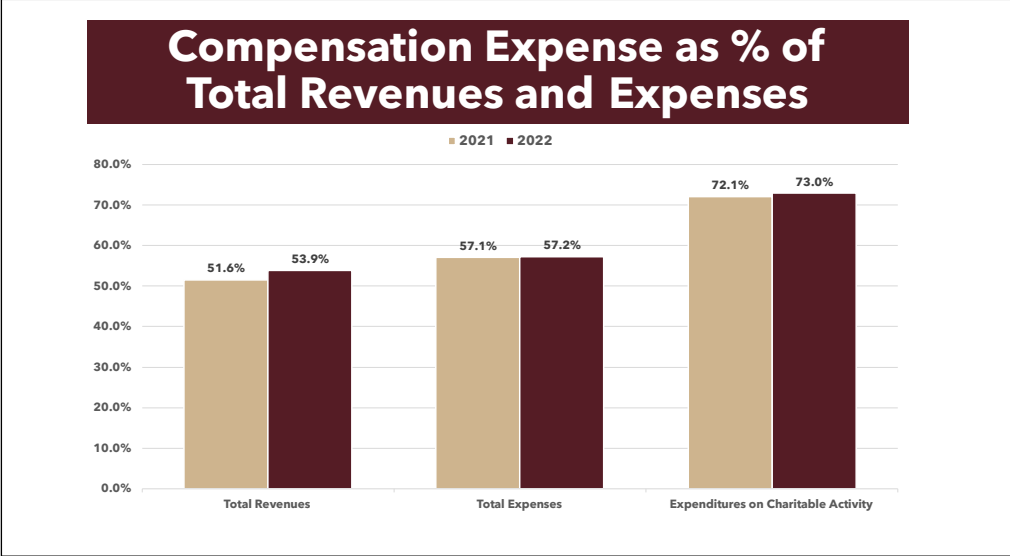


Combining the above results, we find that the average Charitable Organization compensation for full-time employees between 2017 and 2022 has grown by 17.7 percent to \$91,427, whereas the average for part-time employees has grown by 12.6 percent to \$28,144.

Full-time employees are more expensive for an organization over the long term. They often have significantly more fixed costs associated with them, such as benefits packages, retirement funding, termination payments, hiring costs, and so on. The increasing reliance on full-time employees at the expense of part-time and volunteers may pose a challenge for the Charitable and Philanthropic Sector in the future as costs escalate.

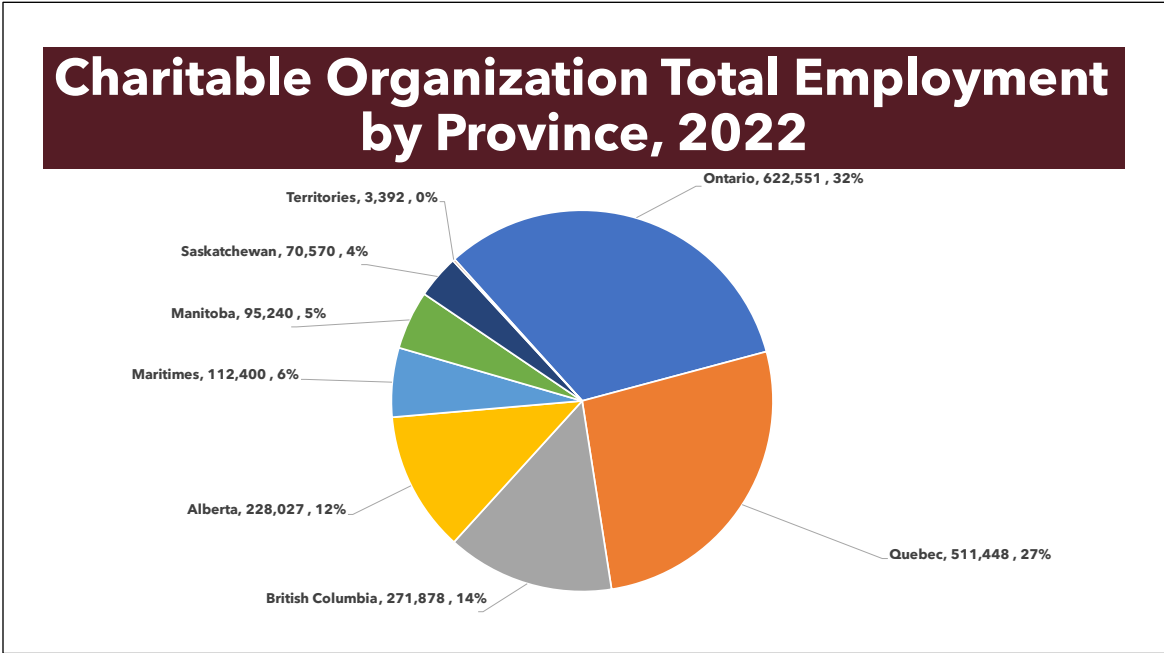


Compensation represents a significant proportion of the overall costs of operating a Charitable Organization. This expense absorbs 53.9 percent of the Total Revenues in the Sector, accounts for 57.2 percent of Total Expenses, and represents 73 percent of Total Expended on Charitable Activity. These represent an increasing proportion to that revealed in our 2021 report. Often, the more financial resources allocated to compensation the less is available for the provision of charitable products and services.

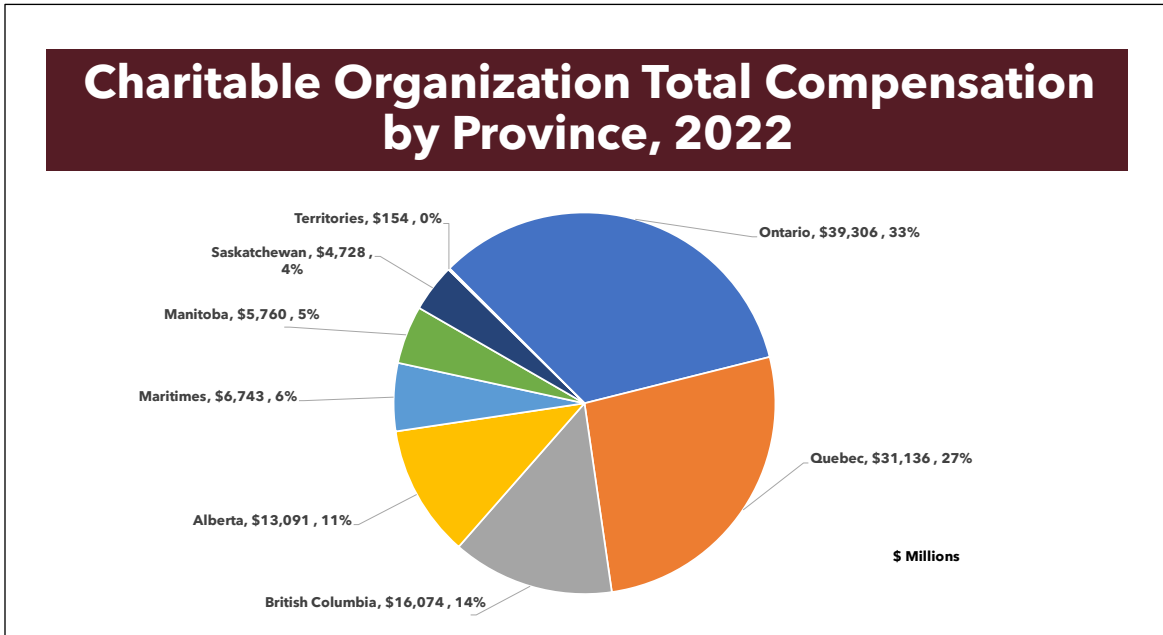


Provincial and Territorial Analysis

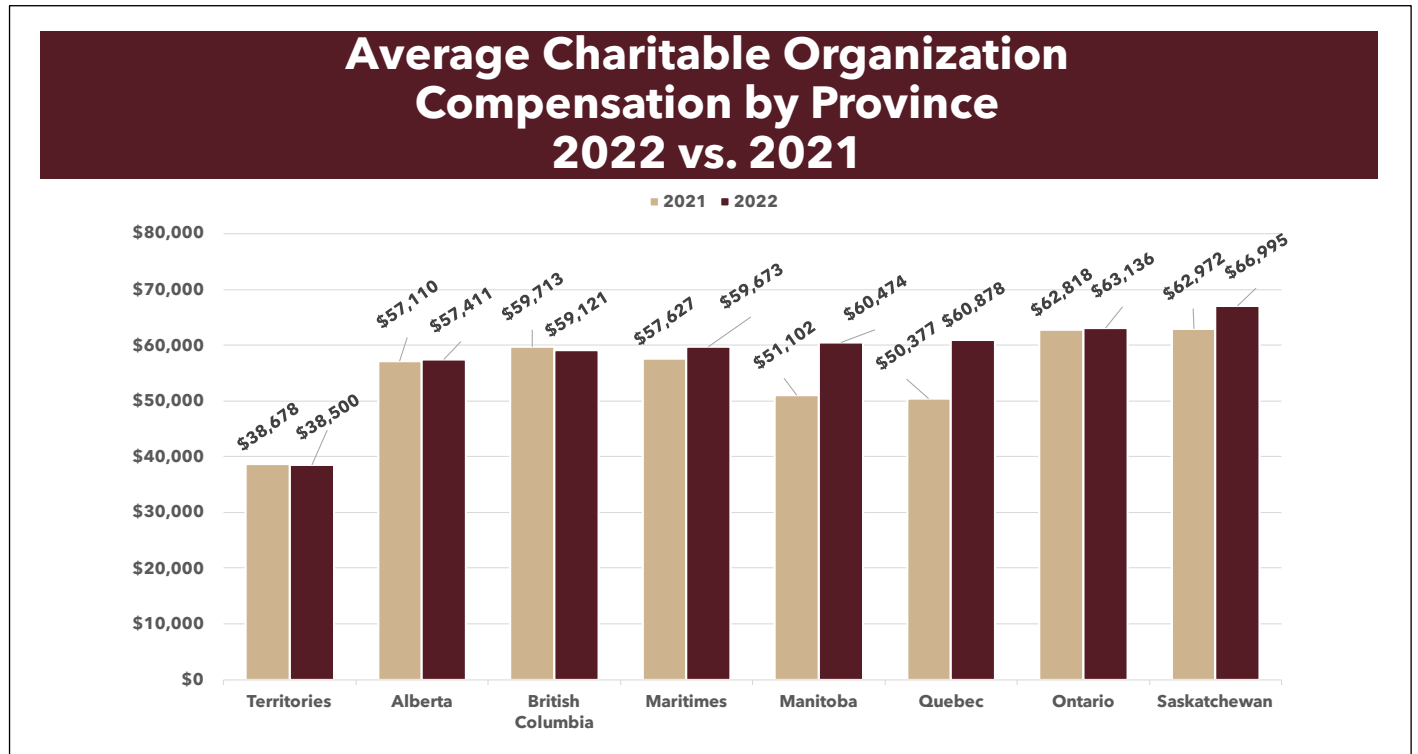
The allocation of employment by Province and Territories roughly represents regional population distribution. Ontario is the largest employer of 622,551 full- and part-time individuals (576,484 in 2021) representing 32 percent of sector employees (31 percent in 2021), followed by Quebec at 27 percent (2021: 28 percent) and British Columbia at 14 percent (2021: 14 percent).



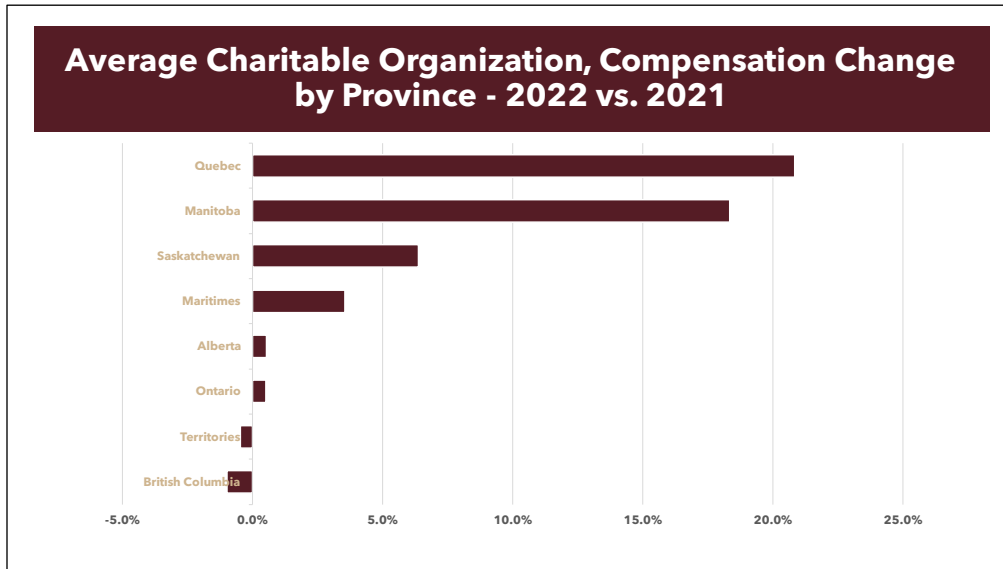
This regional dispersion is also represented in the analysis of Total Compensation, with Ontario (\$39.3 billion vs. \$36.2 billion in 2021) being the largest beneficiary followed by Quebec and British Columbia.



There is no material variance between Provinces in the average employee compensation except for the Territories.

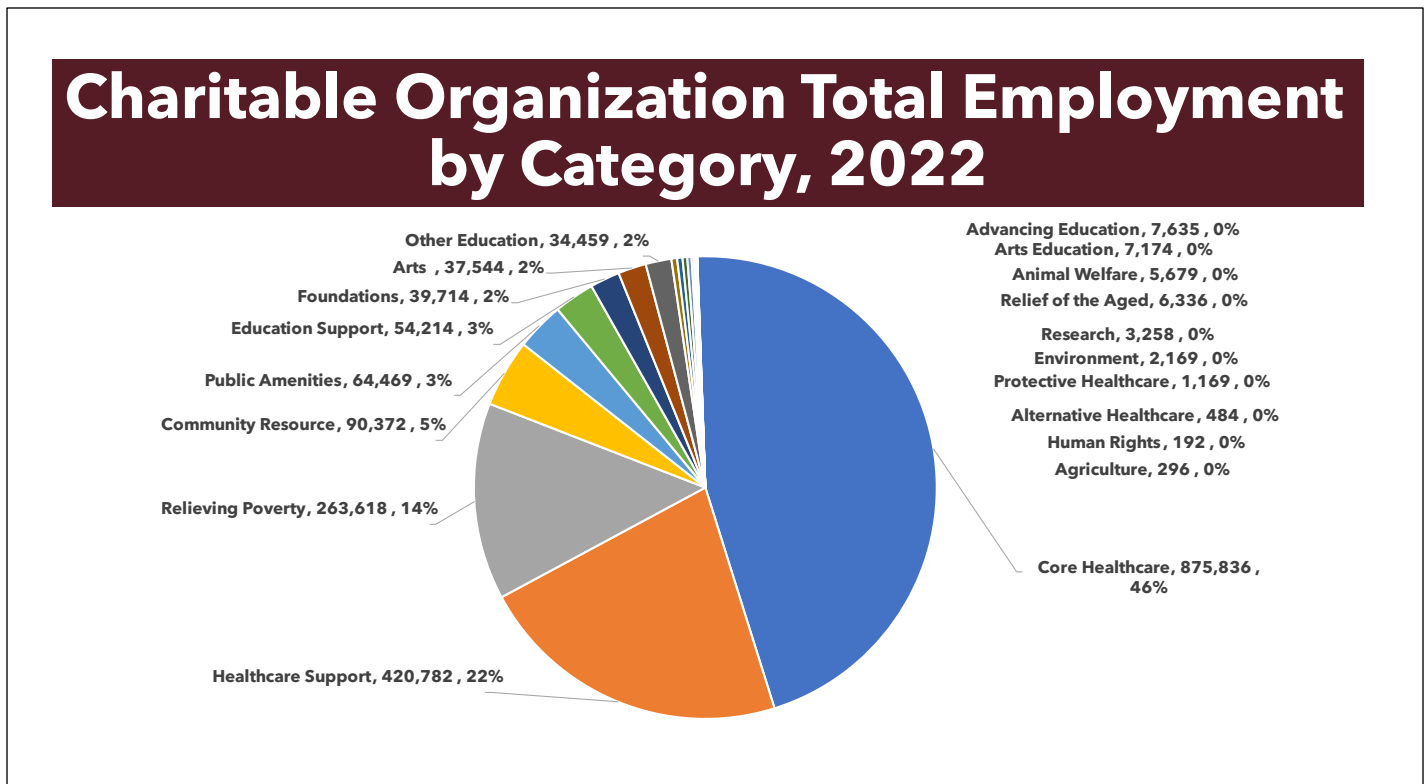


Two of the provinces at the lower range of average compensation in 2021 saw material increases in 2022 (Manitoba and Quebec) while most other regions saw marginal gains.

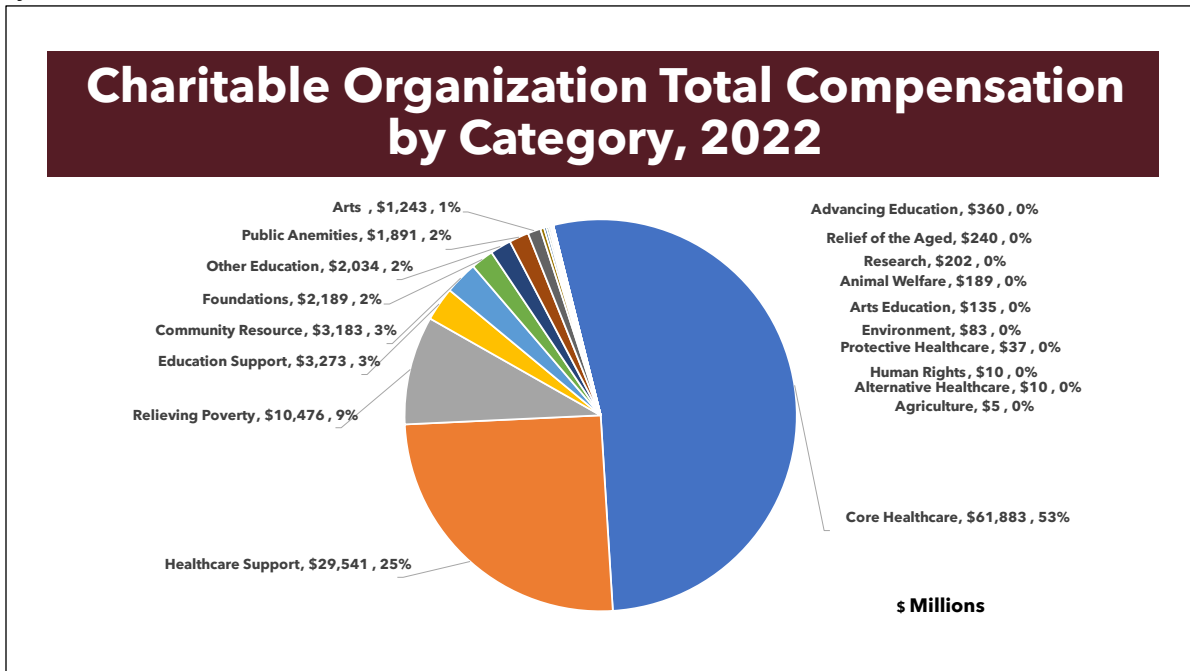


Categories of Charity Analysis

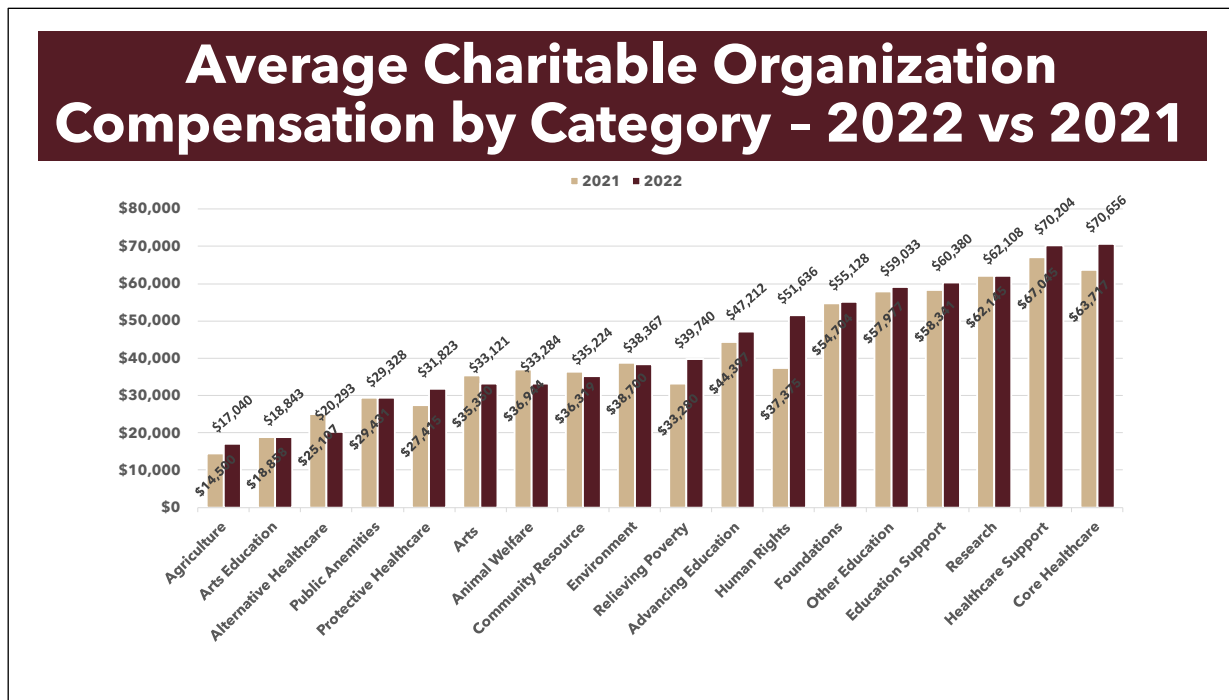
We extend our analysis to present employment by Category of Charity. Not surprisingly, Core Healthcare dominates this analysis representing 46 percent (2021: 46 percent) of the number of full- and part-time employees in the Charitable Sector, followed by those Charities involved in Relieving Poverty and Community Resources.



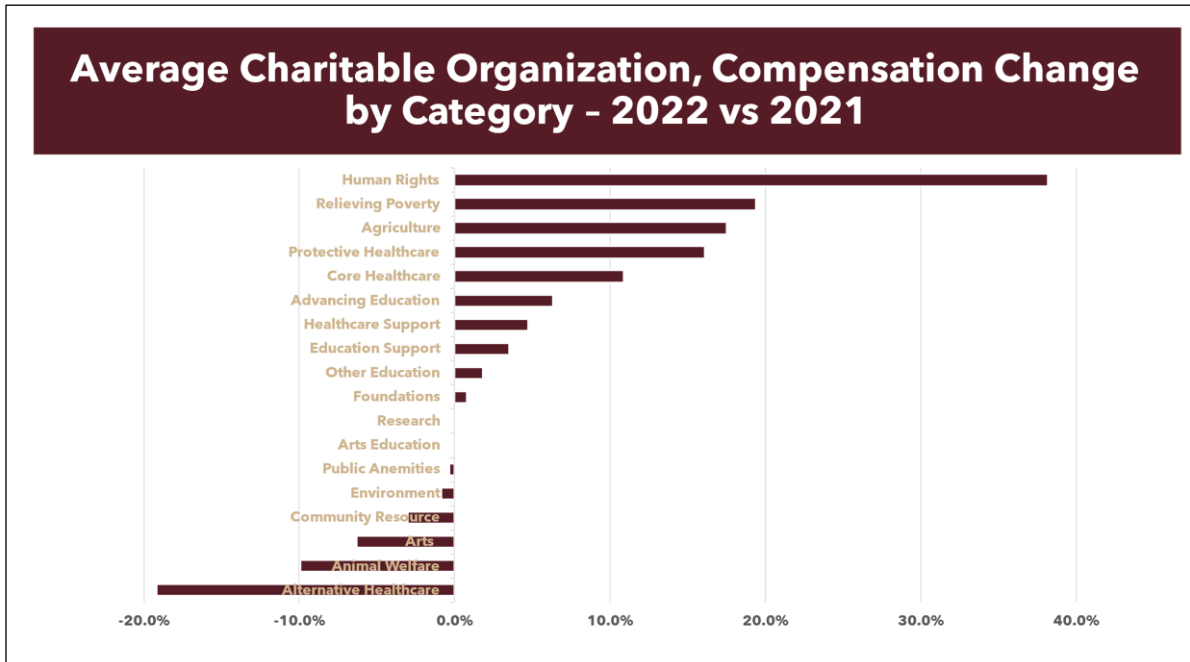
In analyzing Total Compensation, we find that Healthcare Support jumps to the second largest Category of Charity.



This results from a high average compensation for the Healthcare Support sector at \$70,656 (up from \$63,717 in 2021). There is a wide disparity in average compensation across the various categories. Many of the Charities at the lower end of the range have traditionally lower remuneration packages (such as Agriculture and Arts) and consist of Charitable Organizations that have a greater reliance on part-time employees with lower compensation or volunteers with no compensation.

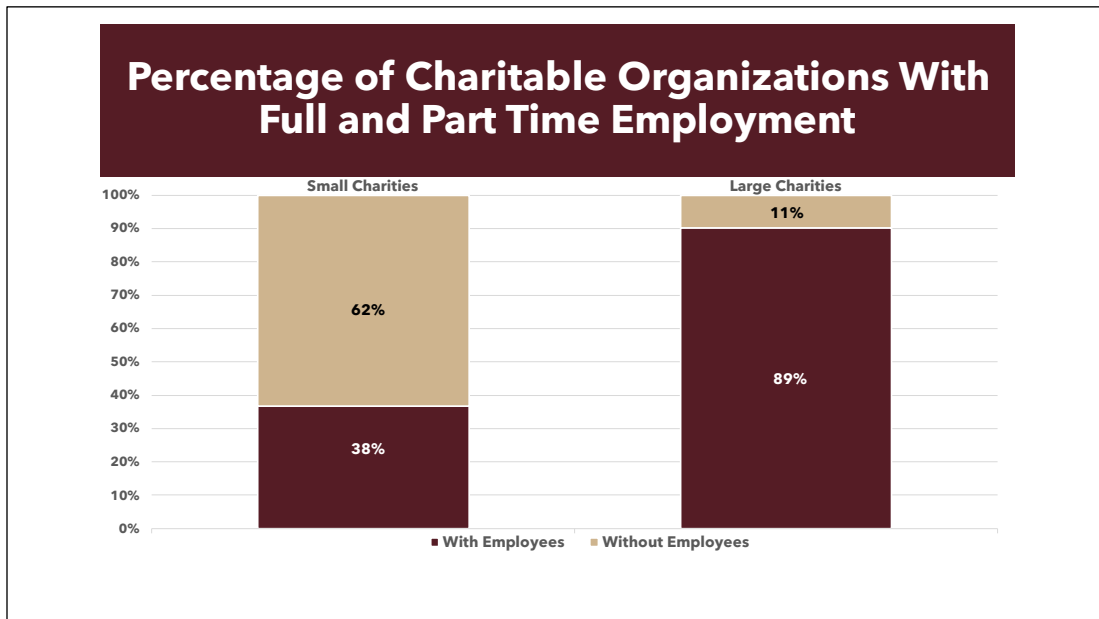


There was a wide variation of changes in average charitable compensation between 2021 and 2022 within categories.

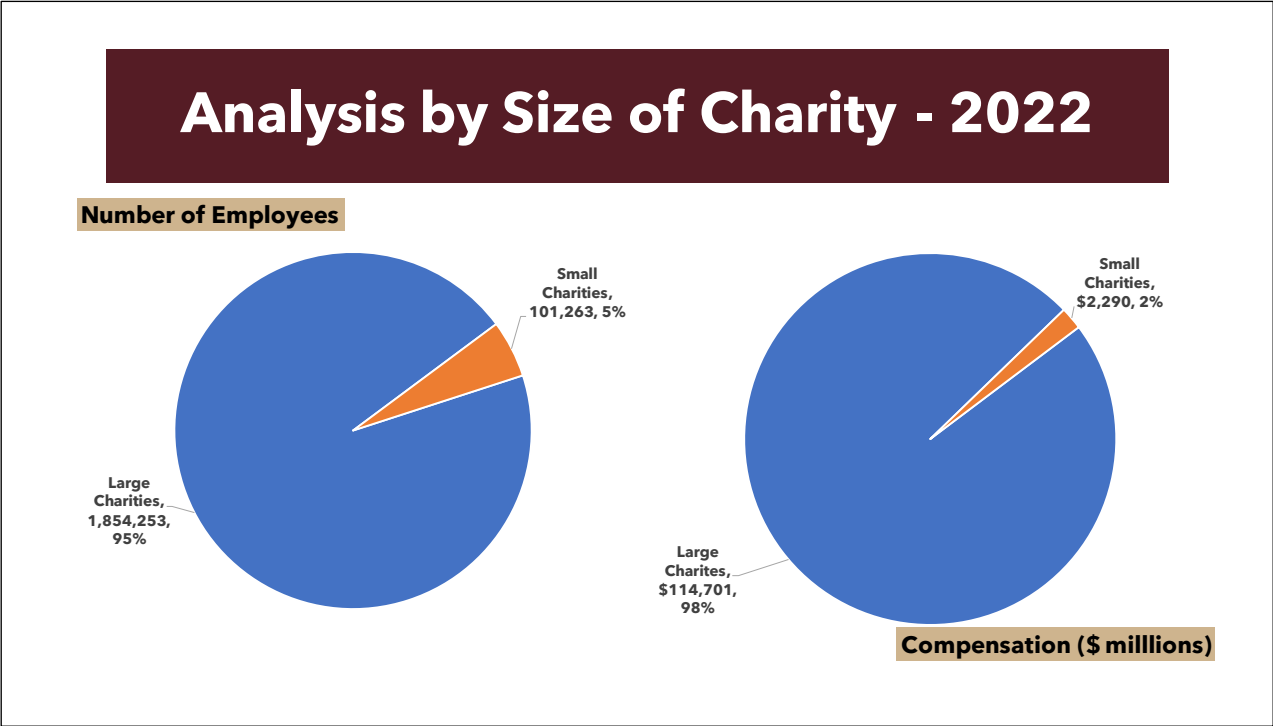


Analysis by Size of Charity

It is not surprising to find that smaller Charitable Organizations (those with less than \$1 million in Total Revenue) operate on a purely voluntary basis with no employees. Our research finds that 62 percent of Small Charities have no employees, whereas 89 percent of Large Charities have employees. These statistics are unchanged from 2021.



Small Charities represent 5 percent of Total Employment in the Charitable and Philanthropic Sector (down from 6 percent in 2021) but only 2 percent of Total Compensation (unchanged from 2021). This reflects the fact that the Healthcare categories with very large Charitable Organizations are dominant in size and employ the greatest number of individuals at the highest average compensation.



Volunteers

As previously noted, volunteers play an important role in the Charitable and Philanthropic sector but their economic value is not presented in regulatory filings to the CRA. We must turn to other independent studies to reveal the social impact of volunteers in Canada. The contribution of volunteering to Canada's economy generally goes unmeasured as is the case for most non-monetary transactions.

The most relevant study available on this topic was prepared by The Conference Board of Canada in 2018 (*The Value of Volunteering in Canada*, The Conference Board of Canada, April 5, 2018).

Statistics Canada (*Volunteering Counts: Formal and Informal Contributions of Canadians in 2018*, released April 23rd, 2021) reports that 79 percent of Canadians aged 15 or older reported volunteering in 2018, either as part of an organization or on their own. On average, volunteers dedicated 206 hours of their time in 2018. Hospitals and the religious sector saw the highest numbers of annual hours of formal volunteer support: volunteers dedicated an average of 111 hours per year to hospitals and an average of 110 hours per year to churches, mosques, synagogues, temples, and other religious organizations. Other organizations with high levels of volunteer engagement in 2018 included sports and recreation (105 average hours per year) and arts and culture (104 average hours per year).

The Conference Board of Canada report suggests that one way to measure the economic contribution of volunteers is to apply the average hourly wage in the core non-profit sector. The most recently reported measure of this is \$20 per hour in Canada in 2022 (Talent.com). This would imply an economic value of \$4,120 per volunteer (206 hours), aggregating \$10.1 billion in economic value (24.5 million volunteers).

We can thus estimate that an additional 10 percent of Total Compensation can be attributed to volunteers operating in Canada's Charitable and Philanthropic sector.

| Employment and Volunteer Economic Value Analysis (millions) | |
|--|------------------|
| TOTAL | \$127,084 |
| Full- and Part-Time Employment | \$116,990 |
| Volunteers | \$10,094 |

APPENDICES

| TOP EMPLOYERS - LARGE CHARITIES | |
|--|---------|
| Number of Employees | |
| Alberta Health Services | 124,592 |
| Saskatchewan Health Authority | 40,160 |
| Fraser Health Authority | 39,921 |
| Vancouver Island Health Authority | 29,978 |
| Vancouver Coastal Health Authority | 27,692 |
| Nova Scotia Health Authority | 25,269 |
| Interior Health Authority | 23,578 |
| Centre Intégré Universitaire de Santé et de Services Sociaux de la Mauricie-et-du-Centre-du-Québec | 23,106 |
| Centre Intégré de Santé et de Services Sociaux de Lanaudière | 22,951 |
| Centre Intégré Universitaire de Santé et de Services Sociaux du Centre-Sud-de-L'Île-de-Montréal | 22,425 |

TOP EMPLOYERS - LARGE CHARITIES

Total Compensation

| | |
|--|-----------------|
| Alberta Health Services | \$8,419,265,000 |
| Saskatchewan Health Authority | \$3,292,905,049 |
| Fraser Health Authority | \$2,503,434,000 |
| Vancouver Coastal Health Authority | \$2,197,979,000 |
| Interior Health Authority | \$1,942,914,959 |
| Nova Scotia Health Authority | \$1,892,946,383 |
| Vancouver Island Health Authority | \$1,764,867,785 |
| University Health Network | \$1,640,611,000 |
| Centre Intégré Universitaire de Santé et de Services Sociaux du Centre-Sud-de-L'Île-de-Montréal | \$1,631,423,614 |
| Centre Intégré Universitaire de Santé et de Services Sociaux de la Capitale-Nationale | \$1,625,168,607 |

TOP EMPLOYERS - SMALL CHARITIES

Number of Employees

| | |
|---|-----|
| Centre des loisirs St-Sacrement Inc. | 249 |
| Vancouver Moving Theatre Society | 217 |
| Ecole Mult-Arts de Rosemont | 212 |
| Silver Lake Mennonite Camp Inc. | 204 |
| Solidarite de parents de personnes handicapées Inc. | 125 |
| Patrimoine culturel Vieux-Saint-Eustache | 120 |
| Centre Landry (1980) Inc. | 116 |
| Ontario Learning Development Foundation Inc. | 104 |
| Centre de prevention de dechocage scolaire OMEGA | 104 |
| Canadian Deafblind Association - BC Chapter (CDBA-BC) | 98 |

TOP EMPLOYERS - SMALL CHARITIES

Total Compensation

| | |
|----------------------------------|-----------|
| Ecole Mult-Arts de Rosemont | \$934,223 |
| Ashworth Children's Centre Inc. | \$907,312 |
| Abigail's Learning Centre Inc. | \$899,597 |
| L'Ancre des jeunes | \$881,086 |
| Ian Anderson House Foundation | \$879,133 |
| Trails Youth Initiatives Inc. | \$875,464 |
| Institute for Christian Studies | \$871,703 |
| Garderie l'arche des amis | \$869,722 |
| Maison de la source Gabriel Inc. | \$868,556 |
| Maison Nazareth Inc. | \$860,859 |



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