A shifting sector: emerging trends for Canada’s nonprofits in 2016

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SUMMARY: This article discusses key milestones for Canada’s non-profit sector in 2015, specifically highlighting landmark policy discussions, research projects, and sector-wide initiatives that have paved the path for 2016. It then identifies five emerging trends for nonprofit organizations in 2016: (1) the emergence of new leadership development and capacity-building opportunities for Canada’s sector leaders; (2) increased emphasis on "decent work" and best practices in human resources; (3) the social finance and social innovation tipping point; (4) increased reliance on shared platforms and administrative outsourcing to weather a challenging economy; and (5) new frontiers for technology and data management that can help organizations maximize their impact and increase efficiency.

Earlier this fall, the Ontario Nonprofit Network (2015) remarked on the transition facing Canada’s non-profit sector in their recent publication Leadership in Changing Times: “These are times of change … the context and circumstances within which our sector does its work are changing” (p.1). 2015 marked a year of significant political and economic transformation: noteworthy political changes as a result of provincial and federal elections, the rapid mobilization of Canada’s immigrant settlement sector to accommodate incoming Syrian refugees, rising rates of unemployment, and the plummeting price of oil have placed increased demands on Canada’s non-profit sector.
Before discussing the emerging trends that will affect the sector in 2016, let’s take a quick look at the key 2015 research projects, policy discussions, and sector-wide initiatives that have helped to pave the way for what lies ahead.

2015 milestones

2015 was an important year for Canadian non-profit sector research and learning. The Mowat Centre contributed two significant research reports: *Renewing Canada’s Social Architecture* and *Change Work: Valuing Decent Work in the Non-Profit Sector*. These reports are contributing to a growing body of knowledge specific to Canada’s non-profit sector, drawing on strong national case studies and interviews. In the spring of 2015, Mount Royal University’s Institute for Nonprofit Studies changed its name to the Institute for Community Prosperity, signaling a new direction and cross-sectoral focus under the leadership of Director James Stauch. Although, regretfully, the University of Waterloo and SiG discontinued their Graduate Diploma in Social Innovation in 2014, Carleton’s Masters in Philanthropy and Nonprofit Leadership continued to strengthen its program and to assert itself as one of the leading Canadian programs on non-profit leadership and governance, launching its third cohort in 2015.

From a political advocacy and government relations perspective, 2015 was an opportunity for organizations in several provinces to forge relationships with newly elected governments. Many regional networks, like the Calgary Chamber of Voluntary Organizations, were astute in encouraging their members to liaise with incoming elected officials and align their goals and priorities with that of Premier Notley and the Alberta NDP (CCVO, 2015). During the fall, many organizations were engaged in robust federal election advocacy campaigns – everyone from the Alzheimer’s Society of Canada and its campaign for a national dementia strategy to the Child Care Advocacy Association of Canada’s work to increase awareness about universal childcare. Following the election, many organizations have been working quickly to ensure that future projects are in line with the priorities of the new Liberal government. In 2016, non-profit organizations working on climate change, First Nations issues, palliative care and dying with dignity, and drug legalization/harm reduction will be particularly politically engaged because their issues are high on the Liberal agenda.

Many non-profit organizations in Canada breathed a sigh of relief following the federal election in October 2015. Prime Minister Trudeau gave strong signals about ending the political harassment of charities throughout the election campaign and made this commitment explicit in his mandate letter to Minister of National Revenue Diane Lebouthillier (PMO, 2015) in November. In 2016, non-profit organizations and charities can expect significant clarity on the rules constraining their political activities. After numerous reports identified the need for substantive legal reform (Environmental Law Centre, 2015), this is a particularly important milestone for the sector.

Looking ahead to 2016

2016 will be an important year for defining the sector’s priorities, forging new relationships with government partners, and adapting to a challenging and constrained economic climate. In the past, economic downturns have demonstrated the resilience and innovative capacity of Canada’s non-profit sector – and 2016 will be no exception.
1. Investment in leadership development and capacity-building

Canadian business schools and academic institutions are increasing their course offerings in non-profit management and leadership, which will make 2016 an important year for a sector-driven leadership-development agenda. The sector can work with thinktanks, academic institutions, and foundations to identify gaps, including training opportunities on the legal frameworks for political advocacy, the emergence of hybrid organizations, social enterprise and earned revenue streams, impact evaluation, design thinking models, complexity theory, and building cross-sectoral partnerships.

2016 will also be an important year for organizations to experiment with innovative delivery models, including online multimedia courses, communities of practice, and professional fellowships. The Ontario Nonprofit Network’s Connect the Sector Fellowship and Alberta’s ABSI Connect social innovation fellowship are two examples of emerging and community-driven leadership development opportunities aimed particularly at young professionals in the sector.

Although there are many training opportunities in urban centres, this is not true of other areas of the country. In 2016 it will be particularly important to bridge this “digital divide” and leverage new technologies to make training and capacity-building programs also available to organizations in rural, remote and northern communities.

2. Increased emphasis on ‘decent work’ and best practices in human resources

The Mowat Centre’s (2015) research report Change Work has prompted important dialogue about the importance of “decent work” in the sector, including compensation, job security, training, benefits and pension plans. Increasing rates of precarious, temporary, and contract-based work in the sector, largely attributed to unpredictable program and core funding, will make this issue a particularly timely one for 2016. We will see increased attention on human resources best practices for the sector, particularly as non-profit organizations are forced to compete with corporate and public sector employers when attracting, recruiting, and retaining talented young people. New minimum wage legislation in several provinces and increased attention on the legal “grey area” of unpaid internships will also make human resources and investments in overhead an important topic for the coming year.

3. The social finance and social innovation tipping point

For many organizations, 2016 will mark an important “tipping point” for social innovation and social finance. The social innovation ecosystem has experienced significant growth in the last several years, generating new networks, grant programs, policies, and innovation labs across Canada. Social Innovation Generation, McConnell Foundation, and the MaRS Centre for Impact Investing have demonstrated strong thought leadership on a sector-wide level, but many organizations are looking for support and resources to apply social innovation tools and concepts on a smaller scale to improve their day-to-day operations and strategic planning. Case studies and success stories are important in demonstrating impact, and in 2016 non-profit leaders and policymakers will continue to seek Canadian examples, models, and templates to help embed social innovation tools in their day-to-day work.

Social impact bonds and other social finance tools are also experiencing an important tipping point, as many government departments across Canada have issued requests for proposals, assembled external research and consulted with sector leaders. Saskatchewan remains the only province to implement a
social impact bond, and 2016 will be an important year of critical uptake to bridge the gap between exploration and implementation: Will social finance “mainstream” in provincial governments across Canada? What federal direction, if any, will the Trudeau government provide? As social impact bonds in international jurisdictions mature and continue to report on their initial results, provincial and federal governments will continue to explore and test their possible applications in the Canadian context.

4. Shared platforms and administrative outsourcing

Many non-profit organizations reported various adaptations to Canada’s economic downturn in 2008-2009, including increased reliance on volunteer staff, reduced professional development budgets, and increased fundraising efforts (Social Planning Toronto, 2009). In 2016, Canada’s volatile economy – particularly constraints on government grantmaking and rising rates of unemployment – will force similar adaptations. Many organizations have reported increased demands on their programs and services, particularly social service organizations in Alberta that are experiencing increased rates of suicide, domestic violence, and food bank uptake as a result of layoffs in the oil and gas sector. In 2016, many non-profit organizations will be exploring creative ways to lower their administrative costs and, where appropriate, outsource organizational functions like human resources, financial management, fund development, and government relations.

Tides Canada, Capacity Waterloo, and Toronto’s Centre for Social Innovation will continue to lead the movement towards shared platforms for non-profit organizations in Canada (Mowat Centre, 2013). In 2016, shared platforms will likely start to emerge on a more micro-scale as smaller urban and rural centres identify the need for “economies of scale” in delivering related programs and services. As the Laidlaw Foundation (2015) has clearly identified, there will be significant uptake and interest in the applications of shared platforms if resources, frameworks, and best practices are publicly accessible. Foundations, chambers of voluntary organizations, and government partners will have an important role in building this capacity and supporting organizations with administrative infrastructure during times of financial hardship.

5. New frontiers for technology and data management

While Canada has several outstanding digital thought leaders – including Framework, Innoweave, TechSoup, and Groundforce Digital – uptake remains slow for digital and cloud-based tools for data management, fund development, and program delivery. In 2016, this “digital divide” will continue to shrink as knowledge, training, and tools become increasingly accessible and affordable.

In 2015, many organizations and foundations have been learning from the cutting-edge digital strategy tools used in political campaigns, including NationBuilder, Google Apps, Mailchimp and Trello. While these tools are powerful, there are limited opportunities for training and coaching in a non-profit context. Political campaigns and private companies often have the capacity to harness large volumes of data, segmenting and micro-targeting customers and supporters based on demographic characteristics. There are many opportunities for non-profit organizations to implement these tools on a smaller and more affordable scale, including mobilizing supporters for an advocacy campaign, building distributed or community-based volunteer teams, tracking prospects and donors, or using CRM software to manage and document client files. In 2016, the sector will experience a heightened demand for ‘digital literacy’ training, coaching, and consulting.

What trends do you think will emerge in Canada’s non-profit sector in 2016? What were the most
important milestones for the sector in 2015?

References


