



# Economic Contribution of the Community Sector in New Brunswick

## A Summary Report

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## Contact

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## Executive Summary

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The Community Sector—a term often engaged to represent the combined actions of non-profit and charitable organizations—has long been relied upon to support and advance the cohesion, development, and progress of the culture and structure of society, locally and globally. Along with Businesses and Government, these three sectors combine to represent the collective governance structure of modern market-based democracies. Yet, and although the Community Sector is critical to community development, the development of this sector is often left as secondary to the purported evidence-based development of the Business and Government Sectors.

In providing services, non-profit and charitable organizations are also employers, investors, beneficiaries of economically-valuable volunteering activity, coordinators of financial transactions, distributors of products and services, and so on. Not only service providers, these organizations are also economic actors in their own right—and so how important are they as economic actors?

Apparently quite important, and likely more so than popularly assumed as so little research has actually been conducted into the economic impacts of the sector. The Community Sector in New Brunswick, consisting of 2,592 registered charities and 4,418 non-profit organizations with activities in Household-, Business-, and Government-associated services, employed over 55,000 individuals in 2019 representing approximately 15.3 percent of the province's total labour force. Added to this employment activity, the sector is also responsible for catalyzing \$979 million in economic value of volunteering activities each year. Combining employment, the economic value of volunteering, and the generation of products and services, the Community Sector in New Brunswick is responsible for a direct GDP contribution of more than \$3.7 billion in 2019, up from \$3.5 billion in 2017. This direct contribution is equivalent to a full 12.1% of the New Brunswick provincial GDP in 2019.

Clearly, the Community Sector in New Brunswick remains an important and substantial economic driver, however it is not one that should be taken for granted. The 2020/2021 COVID-19 pandemic and related public health measures have seriously stressed and constrained the majority of charitable and non-profit organizations.

Modern society is a project of governance balanced between individuals and intermediated by the Government, Business, and Community sectors. Through it all, the value of the Community Sector is often framed in relation to the types of services provided to beneficiaries and less so in relation to the development and operations of non-profit and charitable organizations as economic actors in their own right. This Summary Report provides a starting point to re-balance this perspective.

## KEY POINTS

Non-profit and charitable organizations, collectively known as the Community Sector, in New Brunswick are responsible for:

- 55,000 employment positions;
- \$979 Million in annual economic value of volunteering;
- \$3.7 Billion in direct annual GDP contributions.

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## Introduction

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When it comes to discussing the benefits of a business to society, proponents are often quick to point to the taxes it pays and the employment it creates, and only secondarily, if at all, about the value of the products and services it brings to market. Yet when discussing the value of non-profit and charitable organizations to society, this balance is typically reversed: the value of programs and services brought to market far eclipse any perception of taxes paid or employment created. This is understandable, and also quite interesting-- when considering benefits to society, many observers will intuitively frame those of business as 'economic' and those of non-profits as 'social', even without prompting. This is an easy heuristic to fall into, yet is it accurate? Are the social benefits of non-profit and charitable organizations so outsized that their economic benefits are to be trivialized?

The Community Sector—a term often engaged to represent the combined actions of non-profit and charitable organizations—has long been relied upon to support and advance the cohesion, development, and progress of the culture and structure of society, locally and globally. Along with Businesses and Government, these three sectors combine to represent the collective governance structure of modern market-based democracies. Yet even so, research into the operations and societal contributions of these three sectors has not been equal.

To generalize, the Business Sector is often characterized as the economic engine of modern societies whereas the Government Sector is characterized as managing the relatively even and comprehensive distribution of outcomes arising from, and preparations of inputs required by, this economic engine. To this generalization is added the Community Sector, which is characterized as the safety net for all elements which, and individuals who, remain under-served by these other two.

In this vein, much research is conducted examining the economic and the socio-economic impacts of the Business and Government Sectors, but seemingly less so concerning the Community Sector. With a more service-oriented, and often more empathetic, approach to development, the Community Sector attracts research with a focus on programs, services, and the experiences and outcomes of beneficiaries and less so on macro-economic contributions and developments.

This is not only unfortunate to the sector itself, but it is a disservice to socio-economic development more broadly. The focus on the Community Sector's beneficiaries rather than its own organizational development and impacts means that investment, development, and governance decisions are often driven by emotion, stereotype, and charismatic trends rather than macro-economic evidence and data. The Community Sector is critical to community development, yet the development of this sector is often left as secondary to the purported evidence-based development of the Business and Government Sectors.

It's not that the programs and outcomes of non-profits and charitable organizations should receive any less research and attention. Understanding the personal benefits of an organization focused on literacy or enhancing the employment opportunities of persons with disabilities, as examples, is critical; however, it must be noted that these organizations are not simply program delivery vehicles. Each organization is also an employer, an investor, a beneficiary of economically-valuable volunteering activity, a coordinator of financial

transactions, a distributor of products and services, and so on. There is value in the services just as there is value in the acts of providing these services—and this is something that has long been overlooked.

Consider that, at a national scale in Canada, the Community Sector—also now increasingly referred to as the Social Sector in some parts of Canada—includes over 170,000 registered charities and non-profit organizations. Collectively, this sector employs 2.5 million people, or just about 12% of the economically active population across the country. Added to this, another 13 million Canadian residents—or 41 percent of the national population—volunteer within this sector for a combined total of 1.7 billion volunteer hours per year. To add context, consider that this scale of volunteering activity is equivalent to 860,000 full-time employment positions within the national economy—a number greater than 2.5X the entire labour force of New Brunswick. This scale of activity results in the Community Sector representing 8.7% of the national gross domestic product (GDP). In fact, the Community Sector’s contribution to national GDP has been growing faster than the overall economy from 2007 through to 2019, when data was last validated<sup>i</sup>.

Clearly, the Community Sector is responsible for significant economic activity. Yet research into this activity is sparse. This current Summary Report seeks to bring some balance to this situation by examining the known economic impacts of the Community Sector in New Brunswick, Canada. The discussion herein is generally applicable to all jurisdictions throughout Canada, and largely North America, but is also intended to remain particularly actionable within the community-scale of New Brunswick.

New Brunswick is home to an active Community Sector but has yet to benefit from any significant economic impact assessment of this sector. Within the province, there are 2,592 registered charities and 4,418 non-profit organizations as of 2020<sup>ii</sup>. The discussion herein explores the economic contribution of these organizations to the provincial economy. It is hoped that this initial overview may draw interest into further understanding, and hence further research into the economic impacts of the operations of the Community Sector in New Brunswick and beyond.

As explored in more detail below, the Community Sector in New Brunswick is responsible for substantial economic activity within the province. With over 55,000 direct employment positions and with programs and services catalyzing nearly \$1 billion per year in economic value of volunteering activities, the Community Sector directly contributes over \$3.7 billion in provincial GDP. Yet such notable economic activity is not without challenge, and particularly so with the continuing COVID-19 pandemic landscape and associated public health measures. With most focus on the social value of the Community Sector’s programs and services, much of this economic activity has gone unrecognized.

## Notes on Data

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This report is intended to provide an initial overview of the economic impact data that is currently available, with particular interest in data which remains pertinent to the New Brunswick landscape. The principal objective is to explore what is known and what is not known about the economic impacts of the operations of Community Sector organizations within the province.

A review of the research landscape has identified two sources of pertinent data which are accessible and applicable with relative consistency. The first is Statistics Canada which provides a wide variety of socio-economic data scaled from the national to the sub-provincial level. Particularly pertinent are the Satellite Accounts of Non-profit Institutions and Volunteering. These data are mostly, although not all, updated annually, with the most recent availability being from 2019. The second source originates from Imagine Canada, a collective organization advancing and supporting the work of non-profits and charitable organizations across Canada. This organization regularly publishes research reports and summary overviews, although typically with a broader national focus.

Interestingly, there is little pertinent academic research exploring the impacts and context of non-profit operations in New Brunswick, and that which does exist was completed as distinct research publications rather than on-going projects and agendas, leading much to be outdated or simply not relevant to today's context.

Within the data that is available, it is apparent that the Community Sector itself is further categorized into three focus-areas. Charitable and non-profit organizations with a **Household Focus** provide services and goods to individuals and groups of people, such as youth and family services, support for persons with a disability, housing assistance, food banks, museums, and foundations. Organizations with a **Business Focus** provide services and products to the commercial sector and support business infrastructure, such as chambers of commerce, professional associations, and airport authorities. Organizations with a **Government Focus** provide services and products which are often understood as an extension of public service, such as hospitals, education, and care facilities.

The Government sub-sector is intriguing in that these constituent organizations are indeed incorporated and operated as non-profit and/or charitable organizations yet with two important distinctions. The first is that the funding model for many organizations within this sub-sector is distinguished by the presence of longer-term and more predictable government-based funding. The second is that many of these organizations are actually perceived by members of the public as government services and not as distinct organizations associated as government services.

As an example, consider that a university in New Brunswick is a public institution registered as an independent non-profit organization. The majority of the operating budget, however, is funded by the Government of New Brunswick by means of the Department of Post-Secondary Education, Training and Labour. In this case, the university is registered as an independent organization for reasons of governance but is, at least in practice, more so an extension of government services. This same example applies equally to hospitals and health clinics. The same type of relationship also applies to other organizations operating in Education, Health care, and Social Services, as well as to other areas to a lesser degree.

The provision of services which are largely perceived by the public as being government services leads many organizations within this sub-sector to be perceived as government agents and hence distinct from other Community Sector organizations. With this in mind, all data reviewed herein is presented first as applicable to all organizations within the Community Sector and secondarily exclusive of non-profit and charitable organizations operating within the Government sub-sector.

Lastly, it should be noted that the following summary data is derived from sampling and hence the results are rounded. In terms of employment and volunteering, figures are rounded to the nearest 1,000 individuals. In terms of GDP and economic value of volunteering, figures are rounded to the nearest \$1,000,000. In this sense, a figure of 0 employment in a particular non-profit activity, for example, does not mean that there is no actual employment but rather that there is relatively much less employment than other activities.

Additional details pertaining to data sources and contexts are provided within the text where applicable.



## Employment

The Community Sector in New Brunswick is a significant source of employment which is continuing to grow in scale year-over-year. As of 2019, approximately 55,000 residents of New Brunswick were employed within the Community Sector, up from 51,000 in 2017 (Table 1).

Within, the Government sub-sector is the most significant contributor to employment, and particularly those organizations active in health care. Excluding this sub-sector, the Household and Business sub-sectors represent a total of 16,000 employment positions in 2019, up from 14,000 the year before.

**Table 1: Total Employment in Community Sector in New Brunswick, by Sub-Sector, 2017-2019** <sup>iii</sup>

	2017	2018	2019
<b>Non-profit Institutions Serving Households (Household Sub-Sector)</b>	11,000	11,000	13,000
<b>Government Non-profit Institutions (Government Sub-Sector)</b>	37,000	38,000	39,000
<b>Government-Health</b>	29,000	30,000	31,000
<b>Government-Education</b>	7,000	8,000	8,000
<b>Business Non-profit Institutions (Business Sub-Sector)</b>	3,000	3,000	3,000
<b>Total Non-profit Institutions</b>	51,000	52,000	55,000
<b>Total Non-profit Institutions (Less Government)</b>	14,000	14,000	16,000

Employment within the Community Sector can also be categorized according to the activities being performed (Table 2). Considering all employment within the Community Sector, it is clear that health-care and related services represent the largest employment activity, followed thereafter by social services, and education. Yet this distribution changes when the Government sub-sector is excluded from the analysis, leaving Social Services, Business and Professional Associations, and Religious Activities as the most important employment contributors. Whether inclusive or exclusive of the Government sub-sector, the activities of Environment, Development and Housing, Law, Advocacy, and Politics, and International are not significant sources of employment in New Brunswick.

Table 2: Total Employment in Community Sector in New Brunswick by Activity, 2017-2019 <sup>iv</sup>				
	2017	2018	2019	2019-Excluding Government Sub-Sector Employment
<b>Total</b>	51,000	52,000	55,000	16,000
<b>Culture and Recreation</b>	1,000	1,000	1,000	1,000
<b>Education and Research</b>	8,000	8,000	8,000	1,000
<b>Health</b>	27,000	27,000	28,000	0
<b>Social Services</b>	7,000	7,000	9,000	5,000
<b>Environment</b>	0	0	0	0
<b>Development and Housing</b>	0	0	0	0
<b>Law, Advocacy, and Politics</b>	0	0	0	0
<b>Philanthropic Intermediaries and Voluntarism Promotion</b>	0	0	1,000	1,000
<b>International</b>	0	0	0	0
<b>Religion</b>	2,000	2,000	2,000	2,000
<b>Business and Professional Associations</b>	3,000	3,000	3,000	3,000
<b>Not Classified</b>	2,000	2,000	2,000	2,000

Total employment within the Community Sector is clearly concentrated in a few activities, and the employment attributable to the Government sub-sector even more so (Figure 1). The Government sub-sector is foundational to employment in Health and Education & Research activities and the Household and Business sub-sectors lead in Social Services and Business & Professional Associations, with all other activities represent for less contributions to employment.

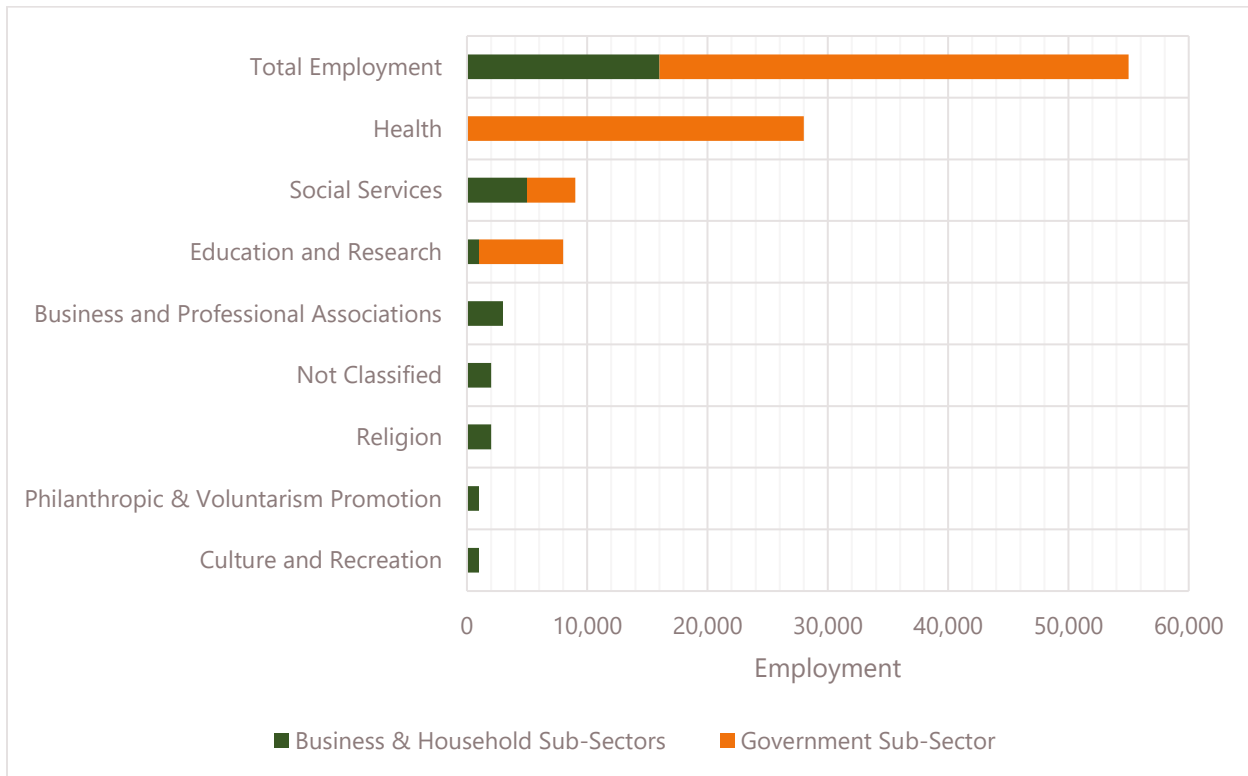


Figure 1: Employment within the Community Sector in New Brunswick by Activity and Sub-Sector, 2019 <sup>v</sup>

Beyond activities, it is interesting to view the Community Sector labour force from a variety of demographic characteristics (Table 3). Most notably, far more women are employed within the Community Sector than are men yet the former also earn a lower relative average hourly wage than the latter. The sector is a notable employer of new-comers to Canada and of visible minorities. In both cases, new-comers and visible minorities earn higher average hourly wages than do non-new-comers and non-visible minorities. Interestingly, these trends in compensation are reversed when the Government sub-sector is removed from the analysis.

In fact, the Government sub-sector represents an important wage inflation pressure within the broader sector. The exclusion of this sub-sector from analysis leads to a notable decline in all average hourly wages across all demographic characteristics.

Lastly, the Community Sector is an important employer of individuals with all levels of educational attainment, although the Community-Services and Businesses sub-sectors are perhaps more important for individuals with a high school or lower level of attainment than is the Government sub-sector.

Table 3: Employment and Wages Within Community Sector in New Brunswick by Demographic Characteristics, 2019 <sup>vi</sup>

	Total Community Sector		Excluding Government Sub-Sector	
	Total Jobs	Average Hourly Wage	Total Jobs	Average Hourly Wage
<b>Male</b>	13,162	\$36.28	4,437	\$22.62
<b>Female</b>	41,895	\$27.04	11,601	\$17.27
<b>Newcomer</b>	8,739	\$33.14	2,604	\$15.13
<b>Non-Newcomer</b>	46,318	\$28.54	13,434	\$19.50
<b>Visible Minority</b>	4,249	\$41.97	1,164	\$16.92
<b>Non-Visible Minority</b>	50,808	\$28.19	14,874	\$18.91
<b>High School or Lower</b>	15,275	\$23.78	5,276	\$16.30
<b>Trade Certification</b>	3,884	\$28.78	819	\$23.39
<b>College Diploma</b>	21,232	\$27.06	5,750	\$17.59
<b>University or Higher</b>	14,665	\$38.84	4,193	\$22.49

## Economic Value of Volunteering

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Along with direct employment, the Community Sector is a driver of economically-viable volunteering activity. Economically-viable volunteering activities are those for which a market demand exists yet which are provided at no costs within a volunteering framework. For example, an individual may volunteer their time as a bookkeeper for a non-profit organization thereby reducing this organization's need to pay for such services, of which an established market value exists.

Below, Table 3 provides a summary of the economic value of volunteering activity by activity within the Community Sector in New Brunswick, as well as within Canada for comparative purposes. Volunteering activities in New Brunswick amount to nearly \$1 billion per year in economic value across the Community Sector, with strong contributions in the Culture and Recreation, Education and Research, and Social Services activities. This pattern is a relative reflection of trends demonstrated at the federal scale, although the two jurisdictions differ markedly in the economic value of volunteering in Religion-oriented activities, with these bringing disproportionately more value to the Canada economy than to the provincial economy.

Disaggregating the volunteering activities of the Government sub-sector demonstrates that the Household and Business sub-sectors of the Community Sector in New Brunswick still represent a notable sum of economic value from volunteering activities. Of the total economic value of volunteering activities, 29.9 percent is developed by the Government sub-sector and 70.1 percent is developed by all other organizations operating within the Household and Business sub-sectors.

Interestingly, and as discussed above, the Government sub-sector is responsible for the majority of employment—in fact responsible for 70 percent of total sector employment—but the Household and Business sub-sectors are responsible for the majority of economic value from volunteering activities—in fact also 70 percent of the sector total.

Table 4: Economic Value of Volunteering Activity within Community Sector in New Brunswick, 2013 <sup>vii</sup>

	<b>New Brunswick</b>	<b>Canada</b>
<b>Total Activities</b>	\$979,000,000	\$41,800,000,000
<b>Culture and Recreation</b>	\$266,000,000	\$9,894,000,000
<b>Education and Research</b>	\$191,000,000	\$6,292,000,000
<b>Health</b>	\$45,000,000	\$3,166,000,000
<b>Social Services</b>	\$178,000,000	\$8,219,000,000
<b>Environment</b>	\$18,000,000	\$1,260,000,000
<b>Development and Housing</b>	\$69,000,000	\$2,926,000,000
<b>Law, Advocacy, and Politics</b>	\$16,000,000	\$1,366,000,000
<b>Philanthropic Intermediaries and Voluntarism Promotion</b>	\$13,000,000	\$637,000,000
<b>International</b>	\$6,000,000	\$635,000,000
<b>Religion</b>	\$145,000,000	\$5,972,000,000
<b>Business and Professional Associations</b>	\$12,000,000	\$598,000,000
<b>Not Classified</b>	\$19,000,000	\$836,000,000
<b>Total Activities excluding Government Sub-Sector</b>	\$686,775,000	\$29,429,950,000

## Contributions to Gross Domestic Product

The employment and economic value of volunteering activities of the Community Sector in New Brunswick are notable, but the direct economic contribution is perhaps best represented by the direct GDP contribution of the sector to the provincial economy. The direct GDP is a calculation of the economic value of the goods and services directly provided by the sector and does not include any induced benefits.

An induced benefit, for example, could be that a person with a disability engaged with a non-profit organization to assist them in skill training to re-enter the labour force, and once re-entered they are now productively contributing to the GDP element of their new place of employment. Although critical to this individual's employment trajectory, the GDP contribution value of their employment within established statistical protocols accrues to the new employer and not in any way to the non-profit organization so involved.

Considering only direct impacts, the Community Sector in New Brunswick is now responsible for a GDP contribution of \$7.75 billion per year, up from \$3.47 billion in 2017 (Table 5). Disaggregating the broader Community Sector into the constituent Household, Business, and Government Services sub-sectors, it is apparent that the Government Services sub-sector is responsible for the majority of the sector's GDP contribution followed thereafter by the Household sub-sector and lastly the Business Sub-sector.

**Table 5: Direct GDP Contributions by Community Sector in New Brunswick, by Sub-Sector, 2017-2019** <sup>viii</sup>

	2017	2018	2019
<b>Non-Profit Institutions Serving Households (Community Sub-Sector)</b>	\$395,000,000	\$411,000,000	\$425,000,000
<b>Government Non-Profit Institutions (Government Sub-Sector)</b>	\$2,679,000,000	\$2,764,000,000	\$2,901,000,000
<b>Government-Health</b>	\$1,997,000,000	\$2,079,000,000	\$2,175,000,000
<b>Government-Education</b>	\$682,000,000	\$685,000,000	\$726,000,000
<b>Business Non-Profit Institutions (Business Sub-Sector)</b>	\$400,000,000	\$381,000,000	\$399,000,000
<b>Total Non-Profit Institutions</b>	\$3,474,000,000	\$3,556,000,000	\$3,725,000,000
<b>Total Non-Profit Institutions (Less Government)</b>	\$795,000,000	\$792,000,000	\$824,000,000

Categorized by activity type, it is clear that Health and Education & Research are the most significant contributing activities, Culture & Recreation and Social Services increase in significance when Government sub-sector activities are removed from the analysis. In fact, these two activities of the Household sub-sector combine to represent 1.5-times the GDP contribution of the entire Business Services sub-sector.

Table 6: Direct GDP Contributions of Community Sector in New Brunswick by Activity, 2017-2019 <sup>ix</sup>

	2017	2018	2019	2019-Excluding Government Sub-Sector
<b>Total Activities</b>	\$3,474,000,000	\$3,556,000,000	\$3,725,000,000	\$824,000,000
<b>Culture and Recreation</b>	\$126,000,000	\$128,000,000	\$135,000,000	\$135,000,000
<b>Education and Research</b>	\$716,000,000	\$721,000,000	\$763,000,000	\$37,000,000
<b>Health</b>	\$1,791,000,000	\$1,865,000,000	\$1,951,000,000	\$26,000,000
<b>Social Services</b>	\$338,000,000	\$354,000,000	\$369,000,000	\$118,000,000
<b>Environment</b>	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000
<b>Development and Housing</b>	\$63,000,000	\$64,000,000	\$66,000,000	\$66,000,000
<b>Law, Advocacy, and Politics</b>	\$11,000,000	\$12,000,000	\$13,000,000	\$13,000,000
<b>Philanthropic Intermediaries and Voluntarism Promotion</b>	\$19,000,000	\$20,000,000	\$20,000,000	\$20,000,000
<b>International</b>	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
<b>Religion</b>	\$82,000,000	\$85,000,000	\$89,000,000	\$89,000,000
<b>Business and Professional Associations</b>	\$157,000,000	\$160,000,000	\$167,000,000	\$167,000,000
<b>Not Classified</b>	\$159,000,000	\$135,000,000	\$140,000,000	\$140,000,000

GDP contributions within the Community Sector are clearly concentrated in a few activities, and the contributions attributable to the Government sub-sector even more so (Figure 2). The Government sub-sector is foundational to GDP contributions in Health and Education & Research activities and the Household and Business sub-sectors carry increasing significance Social Services, Business & Professional Associations, and Culture & Recreation, with all other activities representing lesser contributions.



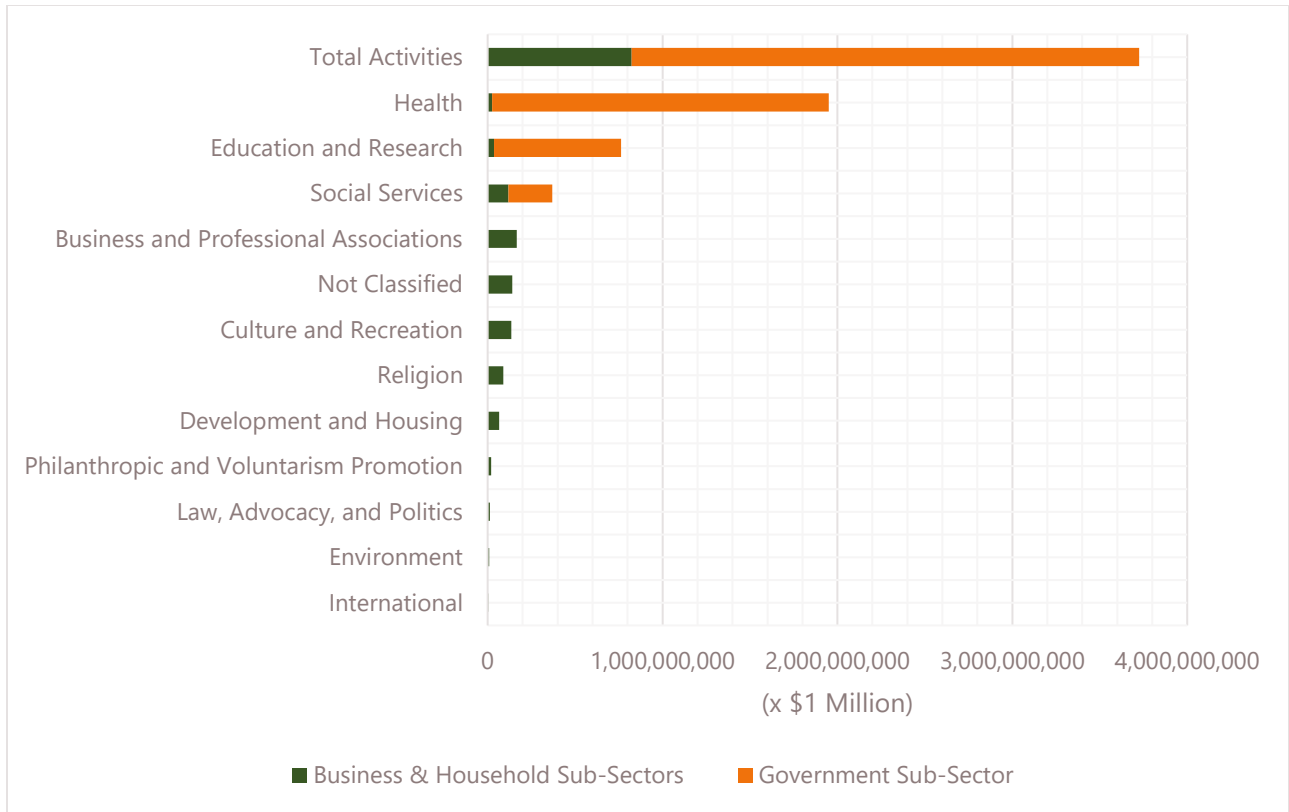


Figure 2: GDP Contributions of Community Sector in New Brunswick, by Activity, 2019<sup>x</sup>

## Impacts of the COVID-19 Pandemic

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The Community Sector in New Brunswick is a substantial component of the provincial economy, and as such remains susceptible to the peaks and troughs of macro-economic cycles. From recessions, inflation, changing levels of employment, government surpluses or deficits, adjustments to tax codes, and so on, Community Sector organizations operate within an economic landscape and must adapt accordingly.

Most recently, the COVID-19 pandemic has fully and fundamentally up-ended social and economic trends, routines, and expectations. At the onset of the pandemic local, regional, and national economies effectively came to a halt as people were forced to re-imagine and re-develop how individuals and organizations could operate in a fractured and isolated economy so long predicated in inter-connections and interactions.

The COVID-19 pandemic was a significant juncture for the Community Sector in New Brunswick. Not only did organizations need to adapt to new financial and economic operating landscapes and realities, but the demand for services and support provided by these organizations climbed dramatically as many business and government entities and services were effectively pulled away, leaving individuals of all walks of life with nowhere to turn for help in such uncertain times.

Although data about the impacts of the COVID-19 pandemic and resultant public health measures are not yet available at a provincial level, a survey of Community Sector organizations across Canada<sup>xi</sup> reveals that nearly half are reporting higher demand for their services, programs, and products while 31 percent are operating with fewer paid staff, 60 percent are reporting a decline in volunteers, and 58 percent are reporting a decline in volunteer hours among the volunteers that remained. There is clearly a growing gap between demand and capacity.

Employment, staffing, and volunteering are not the only stressors constraining the Community Sector's capacities to meet increasing service demand. Over 50 percent of surveyed organizations are reporting a decline in revenues with the average decline being of 43 percent. Emergency government funding has been of assistance, but not sufficient to replace the drastic decline in donations and earned income experienced by so many. With social distancing guidelines and cyclical community lock-downs in response to the pandemic, event-based and community engagement fundraising has been all but impossible.

Faced with declining budgets, organizations are turning to reserve funds, program and service triage, the selling of assets and acquiring new debt. A full 67 percent of organizations are now prioritizing the navigation of immediate challenges over building or maintaining longer-term organizational capacity. Even with national economies starting to emerge from pandemic-informed constraints and stressors, the Community Sector may very well be dealing with repercussions and consequences for years to come.

## Conclusion

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That the Community Sector brings value to society is never in question. Non-profit and charitable organizations are the ‘last-mile’ provider of services, programs, and products of fundamental necessity to personal and community development and cohesion. Often bridging the gap between actual community needs and the landscapes of the Government and Business Sectors, the importance of the Community Sector cannot be over-stated.

Yet beyond the importance of the programs, services, and products so provided, how important is the Community Sector to regional economic development? In providing services, non-profit and charitable organizations are also employers, investors, beneficiaries of economically-valuable volunteering activity, coordinators of financial transactions, distributors of products and services, and so on. Not only service providers, these organizations are also economic actors in their own right—and so how important are they as economic actors?

Apparently, they are quite important, and likely more so than popularly assumed as so little research has actually been conducted into the economic impacts of the Community Sector. The Community Sector in New Brunswick, consisting of 2,592 registered charities and 4,418 non-profit organizations (as of 2020), employed over 55,000 individuals in 2019 (most recent data), which represents approximately 15.3 percent of the province’s total labour force at that time<sup>xiii</sup>. Added to this employment activity, the provincial Community Sector is also responsible for catalyzing \$979 million in economic value of volunteering activities each year.

Combining employment, the economic value of volunteering, and the generation of products and services, the Community Sector in New Brunswick is responsible for a direct GDP contribution of more than \$3.7 billion in 2019, up from \$3.5 billion in 2017. This direct contribution is equivalent to a full 12.1% of the New Brunswick provincial GDP in 2019.

Clearly, the Community Sector in New Brunswick remains an important and substantial economic driver, however it is not one that should be taken for granted. The 2020/2021 COVID-19 pandemic and related public health measures have seriously stressed and constrained the majority of charitable and non-profit organizations. With increased demands for programs, products, and services yet with significantly reduced volunteer activity, revenues, and fundraising opportunities, more than two-thirds of surveyed Community Sector organizations report needing to re-direct all efforts and spending toward immediate operational needs and often so at the expense of longer-term capacity building and organizational sustainability.

The immediate effects of the 2020/2021 COVID-19 pandemic and related public health measures will likely be felt for years to come. The severity of longer-term impacts is yet to be determined and depends largely upon how economies and communities open-up from the public health measures and how the Community Sector itself is supported and engaged throughout this process.

Modern society is a project of governance balanced between individuals and intermediated by the Government, Business, and Community sectors. Through it all, the value of the Community Sector is often framed in relation to the types of services provided to beneficiaries and less so in relation to the development and operations of non-profit and charitable organizations as economic actors in their own right.

This is evidenced by the scarcity of empirical research exploring the direct economic impacts of the Community Sector.

This Summary Report has been completed with two objectives in mind. The first to provide contextualization around the scale of the economic impacts of the Community Sector in New Brunswick, as being of interest within the province as well as to other similar jurisdictions throughout North America. The second to provide a catalyst to further research exploring the direct economic impacts of non-profit and charitable organizations as economic actors and not only as service providers—what we do know now demonstrates the importance of these organizations, but it also demonstrates that we don't know nearly as much as we should.

## References and Sources

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<sup>i</sup> National descriptive data drawn from Imagine Canada, available at:

<https://www.imaginecanada.ca/en/360/non-profit-sector-continues-grow> AND

<https://imaginecanada.ca/en/360/sector-stats>

<sup>ii</sup> All registered organizations may not be active at the time of writing. Official records are up-dated annually at the time of registration renewal. The number of registered non-profit and charitable organizations in New Brunswick is drawn from direct communication with Service New Brunswick and from the Canada Revenue Agency database of charitable organizations, available at: <https://apps.cra-arc.gc.ca/ebci/hacc/srch/pub/advncdSrch?q.srchNm=&q.bnNine=&q.accountType=RR&q.accountNumber=&q.stts=0007&q.sttsEffctvDt=&q.snctnTypCd=&q.cty=&q.prvncSttCd=NB&q.pstlZpCd=&q.dsgntnTyp=&q.chrtyTyp=&q.chrtyCtgr=&p=1>

<sup>iii</sup> Refer to data at: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610061701>

<sup>iv</sup> Refer to data at: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610061501>

<sup>v</sup> Ibid (iv).

<sup>vi</sup> Refer to data at: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=3610065101>

<sup>vii</sup> Refer to data at: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610061801>

<sup>viii</sup> Refer to data at: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610061601>

<sup>ix</sup> Refer to data at: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610061401>

<sup>x</sup> Ibid (ix).

<sup>xi</sup> Full survey results and discussion available at: <https://imaginecanada.ca/en/360/ongoing-impacts-covid-19-crisis-charitable-sector>

<sup>xii</sup> Refer to data at:

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610048901&pickMembers%5B0%5D=1.5&pickMembers%5B1%5D=2.1&cubeTimeFrame.startYear=2019&cubeTimeFrame.endYear=2019&referencePeriods=20190101%2C20190101>