

Recommendations for Budget 2026

Prepared by Vantage Point and endorsed by the BC Non-Profit Network for written submission in June 2025

Introduction

Vantage Point is the convener of the BC Non-Profit Network (BCNN), a broad, sectoral group of non-profit organizations coming together to address shared issues. Currently, there are over 31,000 non-profit organizations in BC, including community, business, and government non-profits. Our sector represents over 370,000 jobs in BC and contributed \$31.8 billion to BC's GDP in 2023. There is immense pressure on non-profits to meet increasing demands for service while funding is dwindling. Critical help is needed for non-profits to deliver the services, supports, and activities that keep our communities healthy, inclusive, and strong.

Recommendation 1: Increased Funding Support for the Non-Profit Sector

Our sector is operating in an extremely uncertain economic and funding environment and needs urgent support to continue delivering key services, supports, and activities. Available funding for the non-profit sector has diminished as donations from most sources, including corporations and individuals, decrease. Since 2020, respondents to the annual State of the Non-Profit Sector Survey have consistently reported increased demand, while organizational capacity to meet demand has remained static. Inflation and the rising cost of living have driven up expenses in salaries and benefits, programs, services, activities, and administration.

Revenue has declined from all sources except government, and government remains our sector's primary funder.

June 2025 BCNN polling data shows that unsuccessful funding applications and smaller awarded amounts are currently the top challenges for non-profits. As a result, non-profits are restructuring staff roles and hours, or delaying or reducing programs and services. Existing funding streams have been unable to meet the needs of the sector. For example, Vancouver Foundation, the administrator of the 2023/2024 Community Prosperity Fund, received \$224M in funding requests — far exceeding the \$25M available at a nearly 9:1 ratio. Without increasing funding support across all non-profit subsectors, British Columbians will lose access to essential community services, supports and activities — from mental health counselling to housing navigation to local heritage sites — as non-profits are forced to cut programs, close doors, and lay off staff.

BC's non-profit sector urgently needs more funding availability and increased funding overall to ensure our communities remain healthy, inclusive, and strong. We recommend increasing the non-profit sector's total funding by \$200 million to help narrow the funding shortfall of the Community Prosperity Fund.

Recommendation 2: Implement Predictable and Flexible Funding Practices

To respond to increasing community demand, non-profits need a predictable and flexible funding environment. Vantage Point and the BC Non-Profit Network recommends:

Multi-year funding agreements embedded with inflationary increases across all government ministries, to support effective services, supports and non-profit activities. Multi-year funding enables non-profits to meet plans, strategies, and targets — and gives communities confidence their needs will be met. May 2025 BCNN poll respondents said multi-

year funding agreements would stabilize their organizations and program delivery, ensure quality, improve efficiency, ease extreme financial strain, and prevent cuts.

Increasing all project-based funding's percentage of allowable allocation for core costs beyond 10%. In the 2024 State of the Sector Survey, nearly 7 in 10 respondents reported increased general administration costs. Low limits—10% is common—on administrative spending from project grants hurt organizations' abilities to deliver programming, services and activities, maintain core operations, invest in and adapt to new technologies, hire and retain staff, develop community partnerships, and ensure programming is accessible and inclusive. Non-profits have clearly communicated that with rising costs across the board, a 10% cap is simply no longer realistic – paying for core operating staff, rent, utilities, accounting, software, insurance, and more, have all increased.

Realistic core costs can often vary between 15–30%, forcing more resources to be spent chasing funds, rather than delivering programs. Funder requirements also often have their own costs, from cybersecurity to data management. Increasing the cap and allowing more flexibility will ensure community needs are met, while ensuring the long-term health of our organizations.

Recommendation 3: Enhance Workforce Stability in the Non-Profit Sector

A stable non-profit workforce is a critical component of healthier, more inclusive and stronger communities. To provide stability and equity for our essential workforce, we recommend the creation and implementation of **a non-profit labour force strategy**. Our workforce is 70% female, 34% immigrants, and 42% visible minorities and Indigenous. A labour force strategy would strengthen employment equity for these groups.

As demand for services, supports and activities skyrockets, non-profits have struggled with recruiting and retaining staff and volunteers, and burnout and mental wellness are top concerns. In 2024, nearly 1 in 2 non-profits reported increasing their spending on recruitment and retention. A recent sector labour market study undertaken by Vantage Point and SPARC BC anticipates that almost 1 in 4 non-profit workers will be reaching retirement age by 2029.

Many non-profits report losing skilled workers to other sectors and jobs offering higher pay and security, including roles within government, forcing non-profits to compete with their funder for staff. A labour force strategy should include research and policy development to address a shifting volunteer landscape, reassess funding to accommodate rising staff wages, and ensure the sector is a competitive employer, crucial for attracting, retaining, and properly valuing its workforce.

The Work Experience Opportunities Grants announced in May 2025 provide valuable short-term support to eligible non-profits by offering temporary placements, but a long-term solution is needed. The BC Childcare Workforce Strategy offers a strong example of how government can partner with non-profit providers, advocacy groups, and educational institutions to address sector-wide labour challenges through concrete, systemic solutions. Vantage Point and the BC Non-Profit Network are ready to partner with government to create and implement a strategy that will value and stabilize our sector's workforce.