

Underrecognized Human Capital:

Canada's Charitable Workforce



Briefing Document

From: Carleton University's Charity Insights Canada Project [CICP]

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Subject: Underrecognized Human Capital: Canada's Charitable Workforce

Executive Summary

Human capital is essential to Canada's economic resilience, innovation and long-term prosperity, particularly during periods of economic uncertainty. Canada's charitable sector, comprising more than 85,000 organizations, represents a significant component of the national labour market, employing roughly 10.7% of the country's full-time workforce (CanadaHelps, 2026). The sector draws on a highly skilled, educated, and mission-driven labour force, making it an important contributor to Canada's workforce capacity, community well-being, and economic resilience.

Introduction

Charities are critical local and national infrastructure that help address cost of living challenges, provide care, contribute to social cohesion, and support economic participation (Clement, 2025). The charitable sector is also an underrecognized economic and workforce engine, larger than the real estate, manufacturing, mining, oil and gas, finance and insurance, and construction sectors as a percentage of GDP in 2020 (Blumberg, 2023). As Canada looks to build a stronger, more resilient and more innovative economy, it is important to highlight the essential role of the charitable sector. Drawing on three years of national survey data from the Charity Insights Canada Project (CICP), as well as external research, this briefing examines how the sector functions as an employer and training ground for workers. The findings show that the charitable sector is a major employer in Canada that provides meaningful work and dedicated opportunities for its people to learn and grow. Addressing persistent funding and workforce challenges would strengthen the sector's ability to contribute to economic growth, workforce development, and community wellbeing.

Research Overview

The insights in this brief draw on data collected through the CICP's national survey panel, comprising roughly 1,000 Canadian charities from across the country. The panel changes annually and is constructed using CRA T3010 records. It includes a randomized selection of registered charities from a range of sub-sectors with exclusions including hospitals, universities, colleges, and places of worship (with some exceptions). Data were collected through short weekly surveys, administered between 2022-2026. While the panel is designed to reflect the diversity of the sector, findings should be interpreted as indicative of broader sector trends rather than strictly representative. The consistency of responses, combined with the breadth of participating organizations, provides a robust evidence base for identifying patterns and emerging sector-wide challenges.

Research Findings

Charities are a pillar of Canada's labour market.

- In 2022, 1.7 million people in Canada were employed by charities. From 2016-2022, employment in the sector grew by 2.7% (compound annual growth) compared to 1.7% for all other industries (CanadaHelps, 2025)
- In 2025, 84% of CICP responding charities employed full time, year-round paid staff and 70% employed part-time year-round staff (CICP 3.10.35).

- Charities identify their strong relevance to community needs (67%) and their skilled, committed staff (56%) as among their greatest strengths (CICP 4.02.01).

Charities provide entry points to the labour market

- 42% of charities offer internship, co-op, or mentorship opportunities (CICP 3.04.10)
- 63% report recruiting for skilled paid or volunteer roles in areas including administration/support (20%), fundraising (18%) and project management (15%) (CICP 2.08.32)
- 70% of charities employ workers with lived experience (CICP 1.11.45)
- Charities provide a range of benefits to volunteers, including references/recommendation letters (62%), training or skills development (52%), work experience that can build resumes and provide pathways to paid work (38%) (CICP 3.10.35)

Charities invest in professional development

- A vast majority of charities (96%) indicate that they provide some form of education and training for their personnel (CICP 2.05.17).
- Charities provide professional development opportunities, like access to conferences or sector events (49%), leadership development (37%), programmatic/technical skills training (32%), and coaching/mentoring (32%) (CICP 4.03.07).

The sector's potential to retain talent is constrained

- 59% of charities have identified staff salaries and benefits as underfunded relative to their importance or need (CICP 3.04.13).
- Charities consistently identified limited financial resources as a top barrier to investing in professional development (76% in 2026; 80% in 2024) (CICP 2.05.17; CICP 4.03.07).

Discussion & Analysis of Research Findings

The charitable sector is a major employer in Canada, accounting for approximately 10.7% of the paid, full-time workforce (CanadaHelps, 2026). The workforce grew by a compound annual rate of 2.7% compared with the growth rate of 1.7% in all other industries from 2016-2022 (CanadaHelps, 2025). This status in the labour market isn't new – from 2010-2016, full-time employment in the charitable sector grew at twice the rate of other employment (CanadaHelps, 2018). Charity Village has been tracking trends in hiring across both the nonprofit and charitable sectors; hiring was down overall by 27% in 2022 but is approaching a stabilization point of only 3% down in 2024-2025 after a post-pandemic correction (CharityVillage, 2026). The types of organizations more likely to be hiring include civic, social, and religious organizations (CharityVillage, 2026). The sector's employment footprint extends across all provinces/territories and community types, supporting labour market activity throughout the country (CICP 2.07.25; CICP dashboard).

As employers, charities draw on a highly educated and mission-driven labour pool. Charities and nonprofits more broadly, are more likely to have employees with a university education (48%) compared with the total Canadian workforce (34%) (Lasby & Imagine Canada, 2025). Top drivers of retention in charities include passion for the work (78%), mission and values alignment (77%), and organizational culture (63%) (CICP 3.06.20). They also employ people with diverse skills, competencies and lived experiences, including individuals who face barriers integrating into the broader labour market, such as newcomers (Aboud et al., 2024; CICP 1.11.45).

Based on decades of short-term project funding from governments and foundations, charities regularly offer a number of temporary contract positions. Almost half of the CICIP's participating charities reported managing unstable or short-term funding that is affecting their long-term sustainability (46%) (CICIP 3.08.30). For decades, the sector has been adapting to this reality and has trained workers who they could not retain; 46% of responding charities say they employ staff in temporary positions to align with project-based or time-limited funding (CICIP 3.10.38). Sector employers in small, flat organizations understand that they are training staff that will likely move on to positions in larger organizations inside and outside the sector. Its role in training and transitioning workers underscores its broader contribution to Canada's workforce development ecosystem.

The charitable workforce is also resilient, innovative, and well-trained. CICIP data suggests that charities commonly support professional development for employees at different levels and career stages (CICIP 4.03.07). Charitable organizations offer opportunities for workers to build their networks, hone technical skills, and grow as emerging leaders (CICIP 4.03.07). Many charities are investing in mental health supports for staff, which are important enablers for workers to effectively use and grow their skills (CICIP 3.07.26). However, given financial constraints and a limited supply of affordable professional development opportunities, training in the sector is often informal and delivered in-house. At the same time, the consistent demand for professional development suggests that expanded and more sustained investment could enhance workforce skills and generate broader benefits (CICIP 2.05.17).

Charities also function as innovation hubs, equipping their workforce with practical experience in designing, applying and adapting solutions to various social and economic issues: 81% of respondents agree that their leadership encourages experimentation and innovation; 83% agree that they regularly adapt their work based on lessons learned; and 79% agree that staff at all levels are empowered to propose and test new ideas (CICIP 3.08.28). The longstanding fiscal instability in the sector has necessitated creativity and resilience in its workforce.

Conclusion:

The charitable sector is a critical employer and contributor to the Canadian economy, accounting for a significant share of the country's workforce (CanadaHelps, 2026). However, the sector has been constrained by short-term funding policies that have led to structural workforce limitations. Despite numerous barriers, the sector remains a major source of employment, skills development, and innovation. Strengthening data infrastructure and examining the workforce in more detail will further the charitable sector's standing as a core contributor to Canada's labour market. The findings in this brief highlight how the charitable sector not only creates jobs but also develops skilled and adaptable workers who generate social and economic value across communities.

The CICIP will continue to monitor these trends and surface evidence to inform responsive, forward-looking strategies for the sector.

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