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**Government Funding of Nonprofit Organizations:
The Case of the Community Support Centre of Essex County**

By

Cezara Chesu

An Internship Paper

Submitted to the Faculty of Graduate Studies
through the Department of Political Science
in Partial Fulfillment of the Requirements for
the Degree of Master of Arts
at the University of Windsor

Windsor, Ontario, Canada

2018

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“Government Funding of Nonprofit Organizations:
The Case of the Community Support Centre of Essex County”

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ABSTRACT

Nonprofit organizations are not something new. While their popularity has risen in recent times, the conceptualization of the institutions occurred long ago. Government funding of nonprofit organizations is a topic that has been discussed and analyzed for decades in many different forms. This paper looks at literature written on the subject and is specifically interested in the reasons why the government at all levels provides funding for nonprofits. The literature suggests that there are two prevailing reasons:

- A. Governments fund nonprofits based on the interests of a particular political agenda.
- B. Governments fund nonprofits for cost reduction purposes.

This paper will test the aforementioned reasons on a nonprofit organization, the Community Support Centre of Essex County (CSC), through a case study evaluation in order to prove or disprove their validity. It is evident that while the outlined reasons have standing, there are other factors including the size and influence of a nonprofit that play a role in proving reasons A and B to be true.

Keywords: government funding, nonprofit organizations, Community Support Centre of Essex County (CSC)

TABLE OF CONTENTS

AUTHOR’S DECLARATION OF ORIGINALITY	III
ABSTRACT	IV
LIST OF FIGURES AND TABLES	VI
CHAPTER 1: INTRODUCTION	1
CHAPTER 2: GOVERNMENT FUNDING OF NONPROFIT ORGANIZATIONS	4
CHAPTER 3: WHY DOES THE GOVERNMENT FUND NONPROFITS?	9
CHAPTER 4: THE COMMUNITY SUPPORT CENTRE OF ESSEX COUNTY	11
▪ Reason A	14
▪ Reason B	15
CHAPTER 5: CONCLUSION	21
REFERENCES	24
VITA AUCTORIS	28

LIST OF FIGURES AND TABLES

- FIGURE 1. Map of the town of Lakeshore divided by wards
- TABLE 2. CSC Summary of Donations by Category 2015-2016
- TABLE 3. CSC Summary of Donations by Category 2017-2018
- TABLE 4. CSC Summary of Donations by Category 2007-200

CHAPTER 1: INTRODUCTION

The purpose of this paper is to explore government funding of nonprofit organizations and the underlying reasons as to why this funding occurs; namely, the political agenda of different governments, and the cost-reduction that funding of nonprofits brings to the government.

Nonprofit organizations have played an essential role in society dating as far back as ancient Egypt. Multiple nonprofits that currently exist in Western European institutions were founded in medieval times (Hochban, 1981). A nonprofit is exactly as the term suggests – not created for the purpose of making a profit. They are usually called such because their revenues do not exceed costs or because if an excess of revenues exists, it is put toward furthering the services offered by the nonprofit (Hochban, 1981). The services offered and non-monetary goals of the organizations usually mean that they have a tax-exemption status and are able to offer tax deductions to their contributors (Hochban, 1981). The reasoning for this is that nonprofits are providing benefits to communities in need.

Given its status as a provider of collective goods and services, the nonprofit sector has ties to the government sector of the economy (Hochban, 1981). The relationship between the two can at times be complementary, where the nonprofit sector is serving functions different from the government, and/or it can be supplementary, where the nonprofit sector provides services that either mirror or add to those already provided by the government (Hochban, 1981). Due to this unique relationship between the two, the nonprofit sector is thought to have a special capacity allowing for creativity and innovation. Some emphasize that not only do nonprofit organizations

have these creative and innovative capacities, but they also play a unique role in the economy of a country, solely based on what they are (Hochban, 1981). Even though government and nonprofit organizations share historical roots, the two sectors operated relatively independent of one another prior to the mid-1960s (Stone et al., 2001). The public system was supported by tax revenues in order to provide basic human services to the needy, while the private system was supported entirely by private donations in order to deliver services to more specialized populations (Stone et al., 2001).

Over time, the type and growth of registered nonprofit organizations has been reflected in the government funding priorities. For example, in Canada between 1974 and 1990, the number of registered nonprofits with a focus on general benefits to the community grew by 170 percent (Elson, 2007; McCamus, 1996). Moreover, as government funding became increasingly available, the number of registered nonprofits also grew. The 1960s was a period of growth for nonprofit initiatives funded by government grant programs (Elson, 2007; Lautenschlager, 1992). But, while that may have been the case during the 1960s, it did not carry over to the present day. In 1984 during a speech to the Progressive Conservative Party, Brian Mulroney was clear on his priorities being directed at saving as much money as possible by encouraging the nonprofit sector to participate more in the implementation of social programs (Elson, 2007; Brooks, 2001). His neo-conservative view was used to encourage volunteerism and the “value of competitive contracting-out of government services while marginalizing citizenship rights and state obligations” (Elson, 2007; Brooks, 2001).

As one may imagine, there were consequences to the cutbacks made in the nonprofit sector. In terms of supply, governments changed and even eliminated funding to programs while demand increased for services in the community (Elson, 2007; Eakin, 2001; Scott, 2003). This strategy emphasized how crucial these services were and their value in service delivery for individuals in need. While volunteerism was a major part of any nonprofit organization, funding was necessary to carry out the services and without funding the nonprofits had to find another way to carry out their mission, or close down (Elson, 2007). Nonprofit organizations fought their way into keeping their services running despite the lack of funding, giving birth to fundraising and the collection of private donations.

It is evident that the actions of the Government of Canada and the nonprofit sector can directly and indirectly affect one another given that both share the same objective of common good and operate within the same streams of benefitting Canadian life (Elson, 2007). While disabling public funding of nonprofits was not a beneficial strategy for Canada's communities in need, it served as a learning block for the government in the allocation of funds. As of May 2015, there were approximately 86,000 Canadian registered nonprofits bringing in a total of \$251 billion in revenue (Blumberg, 2018). Government revenue for registered nonprofits totalled \$168.5 billion including the federal government (\$6.8 billion), provincial governments (\$152.6 billion) and municipal/regional governments (\$9.1 billion). This becomes a major indication that in Canada, the provincial and municipal levels of government affect nonprofits most. Of those nonprofits, 39,917 identified as having employment expenses, while 43,644 did not have any employment expenses (Blumberg, 2018). Lastly, as of 2015, a total of \$16.4 billion was acquired in official donation receipts that were issues by the registered nonprofits (Blumberg, 2018).

CHAPTER 2: GOVERNMENT FUNDING OF NONPROFIT ORGANIZATIONS

Many may assume that there is no significant correlation between government funding of a nonprofit and private donations. The nature and extent of government-nonprofit relationships in general have changed drastically over the years and that has in part been due to public preference of receiving service (Vaughan, 2010). A study done by Arthur Brooks (2000) suggests that there is a relationship between government social spending and private donations to the nonprofit sector. He suggests that this is an issue of importance both to public administrators and nonprofit managers. Brooks (2000) outlines a debate in public economics literature surrounding the relationship between government subsidies and private donations as being interrelated and motivating each other. One hypothesis suggests that government funding discourages private giving. The second hypothesis argues the opposite, that government funding encourages private donations (Brooks, 2000). In the case that public support encourages private giving to nonprofits, it is beneficial to have that knowledge so that nonprofit managers can use that relationship strategically. Moreover, public administrators that are aware of this information could also target their funds toward specific outcomes in order to boost the nonprofit economy. Similarly, if the other hypothesis is valid and government funding substitutes private giving, nonprofit managers might strategically plan not to waste effort on generating funds from both sources simultaneously. As such, public administrators would also benefit from knowing that these funds might not create the benefits envisioned (Brooks, 2000).

Public determination to support a social cause might be discouraged if the government takes responsibility for the funding. Nonprofits might start to appear as quasi-public agencies that

gain the majority of their revenues from government sources. In that case, few people would contribute voluntarily by means of private donation (Brooks, 2000; Benton, 2010). Private donors may feel as if their donations become worthless in comparison to a large government funding initiative. Additionally, private donors may feel threatened by government intervention and only continue a financial relationship with a nonprofit if they can maintain control over the organization (Brooks, 2000).

On the other hand, private donations may also increase when faced with government funding. Government funding may come in the context of matching funds campaigns where private donations are encouraged in order to provide the nonprofit with as many funds as possible (Brooks, 2000). In this case, the government implements a strategy of cost reduction because it is only partially funding a service that, if entirely publicly funded and administered, would cost significantly more. Government funding may also be seen as proof of quality or reputability and stimulate the attention necessary for private giving (Brooks, 2008). As such, this may also be considered to be a tactic the government implements in order to fund as little as possible, while influencing private donations to cover the majority of funding.

A review article written by Joshua Benton (2010) mentions that when governments provide financial support to nonprofit organizations, 73 percent of the funds are counterbalanced by a decline in support from private donations. Benton reviews a paper written on this subject in which 8,000 nonprofit organizations were examined. The authors of the paper conclude that if private donations decrease when governments fund an initiative, it is because of the nonprofits' own

reduction of fundraising efforts (Benton, 2010). This generally does not occur given that nonprofits try to be as cost-effective as possible.

In 2005, a focus group in British Columbia discussed the topic of government funding of nonprofits (Burnley et al., 2005). The participants used very negative words within their description of the funding climate such as “depressing, disempowering, confusing, and desperate.” Their main concern was said to be the uncertainty of funding toward agencies, the very existence of their agencies, the potential loss of jobs, staff morale and what impact these changes may have on the community (Burnley et al., 2005). A lack of funding and unkept promises could result in dozens, if not hundreds of clients left without services that are vital to their lives. The provincial government staff was described to provide insufficient information which in turn created uncertainty among nonprofit owners, workers, and clients. Participants also expressed concern toward the poorly defined relationship between the government with regard to the voluntary nonprofit sector and about the relationship between the two (Burnley et al., 2005). As such, this was thought to have a direct tie to political ideals of the government in power. This can be directly related to the introductory piece on Brian Mulroney’s 1984 strategy of cutting funds to the nonprofit sector in order to encourage volunteerism. Government allocation of funds is always tied to a political agenda and whether the individual in office at the time supports a certain initiative. If uncertainty exists in the nonprofit sector, it is typically because a government may have yet to decide on the issue, or have stalled the process (Elson, 2007).

In 2012, Canada dealt with the consequences of the recession which deeply impacted the nonprofit sector (Goar, 2012). As demands surged, donations shrank, and organizations disabled

their grant giving in order to protect their own interests. Inevitably, many nonprofits shut down, others had to lay off workers, delegating their work to their volunteers. Other nonprofits tried to limit their services to their existing clients, but turned away new clients who came seeking help (Goar, 2012). It is significant to study why the government decides to fund nonprofits in order to distinguish whether there is a specific criterion that ties the two variables together.

The literature suggests two major reasons for government funding of nonprofits:

A. Governments fund nonprofits based on the interests of a particular political agenda.

This means that a political agenda that includes funding of the nonprofit sector is generally more endorsed and this may be used as a tactic at election time. Moreover, if funding of nonprofits is not part of a government in power's agenda, nonprofits may not receive any funding and have to rely solely off of other funds.

B. If governments fund nonprofit organizations, it is for cost reduction purposes. This takes a burden off governments' backs. Nonprofits get a large portion of their funding through private donations and cut down on cost through volunteers who deliver services at no cost. For that reason, governments are more likely to provide funding to a nonprofit as opposed to provide these services themselves at a much higher cost.

For the purpose of this paper, the aforementioned reasons will be referred to as "reason A and B" in future reference. These reasons will be analyzed and tested for their validity through the use of the case study of the Community Support Centre of Essex County.

There are several gaps found to be of relevance in the literature reviewed. First, the majority of literature written on the subject is generated from American politics and while that does not invalidate the research itself, it may differ in discussions regarding Canadian government funding of nonprofit organizations. Given that the case study used in this paper is a Canadian nonprofit, it would be most useful to utilize Canadian literature written on the subject. Second, of the research done on this topic, many studies have concentrated on quantitative data which did not go in depth about the size, influence, and overall details of the nonprofits that were being researched. This can hinder research because it is difficult to determine how reason A and B were evaluated and the studies came to those conclusions. Finally, within the literature reviewed on the subject, I was unable to identify any analyses of one specific nonprofit organization. My paper tries to fill in these gaps by providing an analysis of a single Canadian nonprofit organization. By concentrating on a single organization, my paper tries to identify how reason A and B can apply to every nonprofit organization and whether these reasons are valid to their fullest extent.

CHAPTER 3: WHY DOES THE GOVERNMENT FUND NONPROFITS?

The question posed in this chapter is relevant because it allows for consideration of the relationship between the public sphere, specifically the government at all levels, and private nonprofits in regards to funding. By asking a ‘why’ question, this paper will be able to look at the reasons that justify government funding to nonprofit organizations. This question is specifically applied to the Community Support Centre of Essex County in order to prove or disprove reasons A and B found within the literature review. Given that the majority of literature found on the subject has concentrated on analyzing multiple cases at once through the use of quantitative methods, this study will differ in that I will narrow my focus to a single case study, using qualitative methods.

Within my research, I expect findings to include that government funding of nonprofit organizations is not necessarily tied to the political agenda of the government in power (reason A), but rather that it is dependent on the cost reduction benefits that funding provides for the government (reason B). Those benefits are seen in the fact that the government does not have to pay employees to deliver services to communities. Instead, by funding nonprofit organizations, the government actually removes an organizational and financial burden, provided that many of the services delivered by nonprofits are delivered through volunteers and paid for (partially or entirely) by private donations. In this case, government funding acts as the dependent variable, while the political agenda of the government (reason A) and the cost reduction benefits (reason B) will be the independent variables.

As such, this paper will analyze the aforementioned hypothesis in relation to the case study of the Community Support Centre of Essex County (CSC) in order to prove or disprove the independent variables as being influential in governments granting funding to nonprofit organizations. I will be using the rational choice institutionalist approach in support of my hypothesis because it would best explain the aspect of self-interest in both private and public actors as will be described within this paper. This theory will consider the different institutional actors at play and the way in which individuals within certain organizations act as rationally as possible in order to consider their own institution's constraints and interests.

This theory is especially important considering that as mentioned in the literature review, it can be questionable why the government funds nonprofit organizations. The aspect of self-interest becomes a factor especially within reason A because it can be argued that a party seeking election will make funding promises solely for the purpose of getting voter endorsements. The theory is also valid when discussing reason B because it can be argued that governments fund nonprofits in their own interest of creating cost reduction via delegating power to nonprofits.

CHAPTER 4: THE COMMUNITY SUPPORT CENTRE OF ESSEX COUNTY

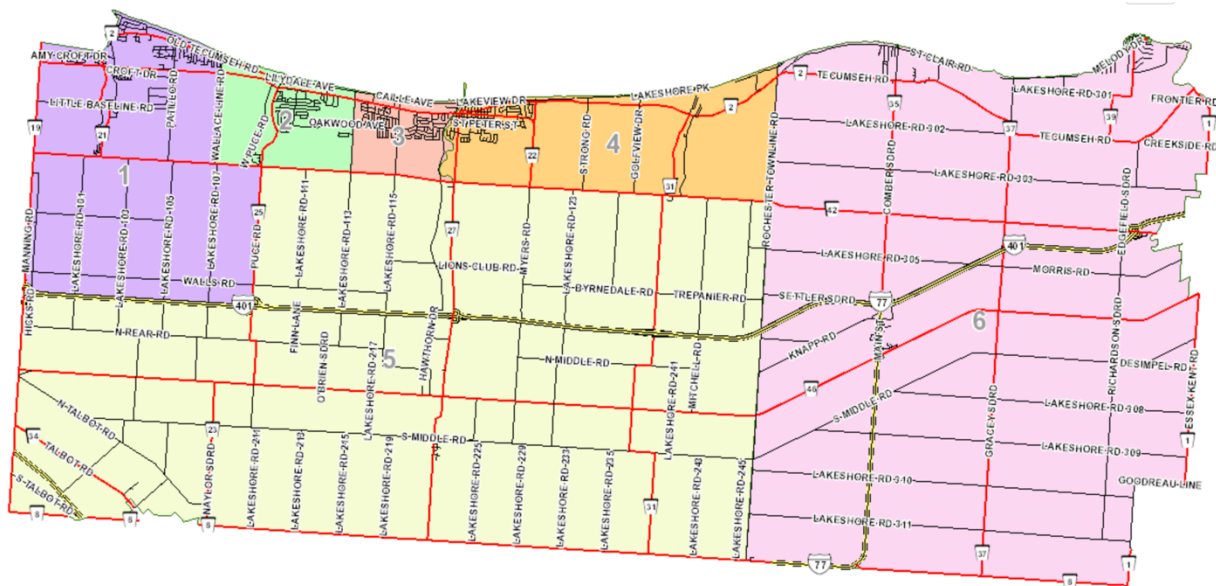


Figure 1: Map of the town of Lakeshore divided by wards (Town of Lakeshore interactive map, n.d.)

For the purpose of this paper, Ward 4 (orange) is relevant as visualization of the Belle River area in which the Community Support Centre initially started its services.

The Community Support Centre of Essex County (CSC) was established on April 21st 1983 as an Information Centre for Lakeshore when a group of citizens gathered to discuss the services available in the Belle River area at the time (CSC About us, n.d.). This group assessed the needs of the community and agreed to form a committee in which further topics of discussion would be addressed. Over thirty years later, the centre has evolved into an essential part of the Belle River community, servicing the needs of hundreds of individuals. The following brief history is written to showcase government funding initiatives toward the Community Support Centre since its inception. This history will provide a better understanding of the ratio between the number of times

the government has provided any meaningful funding, and the number of times that funding was obtained through private donations.

In 1983, with the direction and hard work of several key individuals, CSC obtained a federal government grant under the Canada Works Program to complete a survey that would identify area needs (CSC About us, n.d.). With the help of volunteers, an Information Centre was opened in 1985 that provided referral services to local residents. At the time, the centre was funded by United Way, area donations, and grants. The volunteers noticed that while their services were helping the community, there was an increasing need for transportation for the seniors in the area (CSC About us, n.d.). Action was taken on the issue and several “Wanted: \$35,000.00” posters appeared around town. The funds necessary were attained with the help of local area service groups and a 12-seat passenger van with space for 3 wheelchairs was purchased. In 1989, the Foot Care Clinic opened for seniors through the help of a grant from the provincial government (CSC About us, n.d.). In 1991, the program Meals on Wheels was instituted; a \$4 fee was charged per meal to be delivered to homes of the elderly and disabled by volunteers five days a week. The Friendly Visiting program was also established in the same year and funded by the Ministry of Health. CSC volunteers were matched with seniors based on mutual interests, needs and location, and many turned into lifelong friendships (CSC About us, n.d.).

By 1993, transportation needs increased and a bigger bus was required in order to continue offering transportation services. The cost for a new 12 passenger, 4 wheelchair, hydraulic lift and air-conditioned bus was \$85,000. The community responded to the need and the sum was fundraised through private donations and support from local service groups (CSC About us, n.d.).

In 2003, the community joined hands again, raising money and donating countless hours of service into raising over \$90,000 for a new and bigger bus.

In 2004, the Meals on Wheels program also expanded in order to meet the needs of Tecumseh residents. Using Figure 1, this can be seen as an expansion from Ward 4 (orange) and encompassing Wards 3 (red), 2 (green), 1 (purple), and beyond into the Town of Tecumseh. A partnership was established between CSC and the Victorian Order of Nurses (VON) by the Ministry of Health Long Term Care in order to take over the Tecumseh Meals on Wheels program in providing daily meal delivery (CSC About us, n.d.). In 2006, the Lakeshore Community Food Bank (owned by CSC) opened in partnership with the Essex Food Bank. In 2007, the CSC owned Food Bank became independent from Essex and started relying solely on food and cash donations from the local community. In 2007, an old transportation bus needed replacing which was made possible with a \$60,000 contribution from the Ministry of Health and Long Term Care (CSC About us, n.d.).

The outlined history of the Community Support Centre is only a small fraction of the major expansion of services that occurred since its inception. As will become apparent, the government intervened in providing funding on only a handful of occasions, while the majority of funding and service expansion was able to occur through fundraising, donations, and volunteerism. For example, in regard to transportation services, the government only funded the purchase of a new vehicle once, in 2007, while fundraising efforts and private donations helped purchase three vehicles in 1985, 1993, and 2003.

This following section will analyze CSC data in comparison to the findings provided by the literature review and divided into ‘Reason A’ and ‘Reason B’ for easier classification.

Reason A

As previously mentioned, a government is likely to provide funding to nonprofits based on whether that is a matter of importance on its political agenda. CSC is a member of the Ontario Community Support Association (OCSA) which is a large hub for sustainable home and community support sector available to all Ontarians (OCSA About, n.d.). The nonprofit community-based member organizations of OCSA provide various health and wellness services to a full range of clients to facilitate their independence in their own homes and communities. The services provided by the nonprofit members are said to improve quality of life and prevent unnecessary hospitalizations, emergency room visits, and premature institutionalization (OCSA About, n.d.). Full OCSA members are nonprofit organizations that provide home care and community services (like CSC) and are funded by the 14 Local Health Integration Networks (LHINs) in Ontario. The OCSA advocates on behalf of their members and clients to governments and stakeholders and tries to create partnerships, facilitate knowledge sharing and offer all sorts of training (OCSA About, n.d.).

A March 2018 email correspondence between Patrick Boily (OCSA Manager, Policy and Stakeholder Engagement) and CSC’s CEO Tracey Bailey, outlines information regarding the 2018 Ontario Budget Highlights. In his email, Boily informs member organizations that the 2018 budget delivered on two of OCSA’s main recommendations, which were strengthening of the workforce and service expansion to meet growing client needs (P. Boily, personal communication, March 28

2018). OCSA had also advocated for greater focus on strengthening the community support service organizations that provide these services (CSC), but overall, the investments made/promised were suitable. The budget moving forward was identified to have shortcomings given that it had been more than eight years since member organizations had received an increase to their base funding from the government. Boily shared OCSA's election message with the member organizations which said: *"Regardless of who forms the next Ontario government, home and community care services remain the best place to invest and improve the lives of people with disabilities, seniors and their families."* (P. Boily, personal communication, March 28 2018).

A later email was sent in October by OCSA's CEO, Deborah Simon, who communicated to members information regarding a new policy brief on "Leveraging Ontario's Home and Community Care Sector to End Hallway Care". Simon indicated that over the summer, OCSA had met with government representatives to educate them on the broad range of support available from the nonprofit sector. This essentially was a chance at demonstrating that the government was investing too much money into government-run health care, when a local nonprofit community service organization could be of more help if adequately funded (D. Simon, personal communication, October 24 2018). This shows that both Boily and Simon were concerned with who would form government because it would be an indication as to whether funding would be made available for community support organizations.

Reason B

Previously written literature shows that governments may fund nonprofits because it is more cost-effective. This means that in order to reduce spending on publicly owned community

services, the government chooses to fund nonprofit initiatives that provide community services. This is cost-effective because the majority of the individuals who deliver these services are volunteers who receive no compensation for their services. A latter part of the OCSA election message on home and community care services shared by Boily read: *“It also provides the most cost-effective investment as it minimizes the need for people to be prematurely hospitalized or institutionalized and enables them to continue to live more independently, near families and their neighbourhoods”* (P. Boily, personal communication, March 28 2018).

The government is rarely the sole funding contributor given that much of nonprofit funding is attained through fundraising and private donations. OCSA created a pre-budget document in 2016 to submit to the Standing Committee on Finance and Economic Affairs in which they addressed the financial value of nonprofit community service organizations (OCSA Pre-Budget Submission, 2016). The combined work of the nonprofit organizations and their volunteers amounted to \$111 million which, if reduced or removed, would have to be replaced by paid providers. This was argued to create substantial new costs to the system which could easily be amended if the government would provide some funding to aid in service delivery of nonprofits (OCSA Pre-Budget Submission, 2016).

Nonprofit organizations have been taking on much more responsibility over the years with decreasing amounts of government funding (OCSA Better at Home, 2018). OCSA’s 2018 Better at Home Recommendations Report for the provincial election stated that volunteers in the home and community sector donate a yearly 3.5 million hours of service which amounts to \$85 million that would otherwise be lost in a for-profit model (OCSA Better at Home, 2018). These stats are

important because they prove that the mere existence of nonprofits is reducing government costs by a very large margin.

The Community Support Centre's Annual General Meeting (AGM) takes place in celebration of the volunteers and donors who had supported the organization that year. The event includes multiple speeches from the CEO, program coordinators, and members of the board and they discuss matters such as budgets, service delivery, funding initiative and volunteer impact in the community. At the 2016 AGM meeting, CEO Tracey Bailey (personal communication, June 25 2016) emphasized that through the core programs that CSC offers, 57,000 units of service had been delivered to 2,500 clients in the past year. She mentioned the 332 volunteers that served approximately 15,500 hours of service which in turn saved the region over a quarter million dollars in needed funding. Bailey also made mention that CSC in a joint effort with their partners are continuously pressing the government's budget for recognition. She mentions that CSC as an organization is "slowly starving financially because of inadequate funding for overhead and administration" (T. Bailey, personal communication, June 25 2016). In order for a shift in the healthcare system from institutions to the community to occur, home and community support providers (like CSC) need appropriate infrastructure and resources to meet that growing demand. Lastly, in her speech, Bailey points to the 2015-2016 financial reports to showcase the increase in community awareness that compensated the shortfall of resources from the government.

Figure 2 shows the private donations by category within the 2015-2016 fiscal year. As can be seen, over \$100,000 was raised for the centre without any government funding initiative. This

also reiterates the argument that nonprofits are continuously saving the government money through these fundraising and donation efforts.

Community Support Centre of Essex County

Summary of all Donations by Category Fiscal Year April 1, 2015 to March 31, 2016

Printed: October 24, 2018

Category	Amount	# Donations	# Donors
CSC Fundraising	\$21,066.50	68	62
CSC GENERAL	\$16,821.76	82	53
CSC in kind donation	\$7,079.00	19	7
Dialysis Transport	\$60.00	1	1
FB Corp In Kind	\$1,200.00	3	3
FB in kind-goods	\$19,093.00	72	49
Food Bank	\$44,746.83	152	105
IN MEMORY	\$1,665.00	45	45
Meals on Wheels	\$3,388.50	5	5
Payroll Deduction	\$145.00	23	3
Polar Splash	\$12,650.00	201	193
Totals:	\$127,915.59	671	
Total Distinct Donors across all Categories:			447

Table 2: Community Support Centre of Essex County Summary of Donations by Category 2015-2016

(Unpublished private donations financial report, 2015-2016)

In the 2018 Annual General Meeting, CEO Tracey Bailey (personal communication, June 23 2018) reported that nearly 63,000 units of service were provided to 1700 clients. This was an increase of 5000 units from the previous fiscal year. Over 300 volunteers served nearly 22,000 hours of service and once again, saved the region over a quarter million dollars in needed funding.

Figure 3 shows the CSC financial report for the 2017-2018 fiscal year, with an increase of nearly \$20,000 in private donations and fundraising initiatives.

Community Support Centre of Essex County

Summary of all Donations by Category Fiscal Year April 1, 2017 to March 31, 2018

Printed: October 24, 2018

Category	Amount	# Donations	# Donors
CSC Fundraising	\$33,700.48	60	44
CSC GENERAL	\$28,426.29	136	81
CSC in kind donation	\$3,443.39	11	8
FB Corp In Kind	\$70.00	1	1
FB in kind-goods	\$41,804.00	60	50
Food Bank	\$18,664.85	70	53
IN MEMORY	\$1,590.00	11	9
Meals on Wheels	\$600.00	2	2
Non-Urgent Stretcher	\$4,900.00	5	5
Payroll Deduction	\$20.00	1	1
Polar Splash	\$10,919.00	178	171
Totals:	\$144,138.01	535	
Total Distinct Donors across all Categories:			375

Table 3: Community Support Centre of Essex County Summary of Donations by Category 2017-2018

(Unpublished private donations financial report, 2017-2018)

To fully understand the significance that these donations and fundraising initiatives have on the centre, Figure 4 shows the summary of donations for the 2007-2008 fiscal year, a decade prior to the most recent report. This shows a growth of over \$90,000 in needed funds, an increase of 276 percent.

Community Support Centre of Essex County

Summary of all Donations by Category Fiscal Year April 1, 2007 to March 31, 2008

Printed: October 24, 2018

Category	Amount	# Donations	# Donors
Corp In Kind -Event	\$100.00	1	1
Corp Sponsors -Event	\$1,000.00	1	1
Corporate Donations	\$475.00	2	2
Corporate Donor	\$1,705.00	6	6
Corporate In Kind	\$1,610.00	13	2
Corporate Sponsors	\$4,772.80	50	40
FB Corp In Kind	\$6,240.00	35	16
Food Bank	\$760.00	8	6
Food Bank Corp Donor	\$19,905.00	31	21
Food Bank Fundraisin	\$335.00	3	3
Food Bank in kind	\$5,765.00	8	6
General	\$2,362.34	9	9
LCS Fundraising	\$2,893.64	2	1
LCS General	\$170.00	3	3
LCS in kind donation	\$3,721.00	20	8
Meals on Wheels	\$670.00	3	3
Meals on Wheels in K	\$140.00	2	2
Totals:	\$52,624.78	197	
Total Distinct Donors across all Categories:			118

Table 4: Community Support Centre of Essex County Summary of Donations by Category 2007-2008

(Unpublished private donations financial report, 2007-2008)

CHAPTER 5: CONCLUSION

A large number of nonprofit organizations are dependent on government funding and this financial dependence is ever-growing as more government funded services are fulfilled by grants and contracts with non-governmental organizations (Chaves et al., 2004). According to a 2015 statistic, if the GDP of Canada was approximately 1.8 trillion, expenditures of registered nonprofits would total 13.3% of that amount (Blumberg, 2018). That is not inclusive of volunteer time which would double and even triple the amount. Moreover, the Canadian registered nonprofit sector alone was larger in 2015 as a percentage of GDP than the following industries: real estate and rental leasing (13.04%), manufacturing (10.36%), mining, quarrying and oil and gas extraction (8.14%), finance and insurance (7.1%), public administration (6.33%), wholesale trade (5.66%), retail trade (5.41%), transportation and warehousing (4.44%), utilities (2.27%), accommodation and food services (2.17%) and agriculture, forestry, fishing and hunting (1.65%) (Blumberg, 2018).

My paper aimed to use the Community Support Centre of Essex County as a case study for testing conclusions drawn from previous studies performed on this subject. The analysis of the case study has given concrete evidence that both reason A (political agenda implications) and reason B (cost-reduction strategies) are factors that influence government funding to nonprofit organizations. The proof of email correspondence between OCSA representatives and Tracey Bailey, the CEO of CSC, set a dynamic that allowed for evaluation of political agendas at play in government funding relations with nonprofit organizations. Correspondence shows that funding is dependent on the government in power and that community service organizations like CSC

have not had an allocated amount of funding from the government in over eight years. AGM figures presented by CSC CEO Tracey Bailey shows that a single nonprofit organization such as CSC saves the government over a quarter million dollars in necessary funding per year, solely through volunteerism. Moreover, private donations account for a large portion of the necessary funding of nonprofits as they sponsor services that otherwise governments would be pressured to fund. In this sense, nonprofits have the ability to continue offering their services without having to rely or wait on government funding to be granted.

As is true of most studies, this study has some limitations. There are several other variables that could be considered in accordance to my research, including, the size of a nonprofit organization. Size of a nonprofit may play a significant role in potentially disproving my findings because governments may be more attentive to providing funding to nonprofits that service a larger group of individuals. Previous research argues that larger nonprofit organizations are more likely to be associated with government funding because “they have more fully developed administrative systems and a greater capacity to increase the scope of their services geographically and programmatically (Stone et al., 2001). As such, the accuracy of my research may be diminished by the choice in using a local nonprofit organization, as opposed to a multi-dimensional nonprofit. My study is also limited in providing additional relevant evidence given that information may have been relayed through phone calls or in-person, which would hinder the ability to have a paper trail of information. The study also had a short time frame limiting the ability to conduct formal interviews or surveys.

Notwithstanding these methodological limitations, the findings suggest that government funding of nonprofit organizations is a topic of relevance due to reasons A and B which have been analyzed through the case study of the Community Support Centre of Essex County. It is without a doubt that these reasons, among others, influence government funding of nonprofit organizations.

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