

2015 Fall Economic Climate Survey

Alberta's economy continues to feel the effects of low oil prices more than one year after prices began to fall. As some of those early impacts were captured in the spring 2015 Alberta Nonprofit Survey, we wanted to hear from charities and nonprofits again to gauge how the sector is faring in what economists predict will be a recession for 2015.

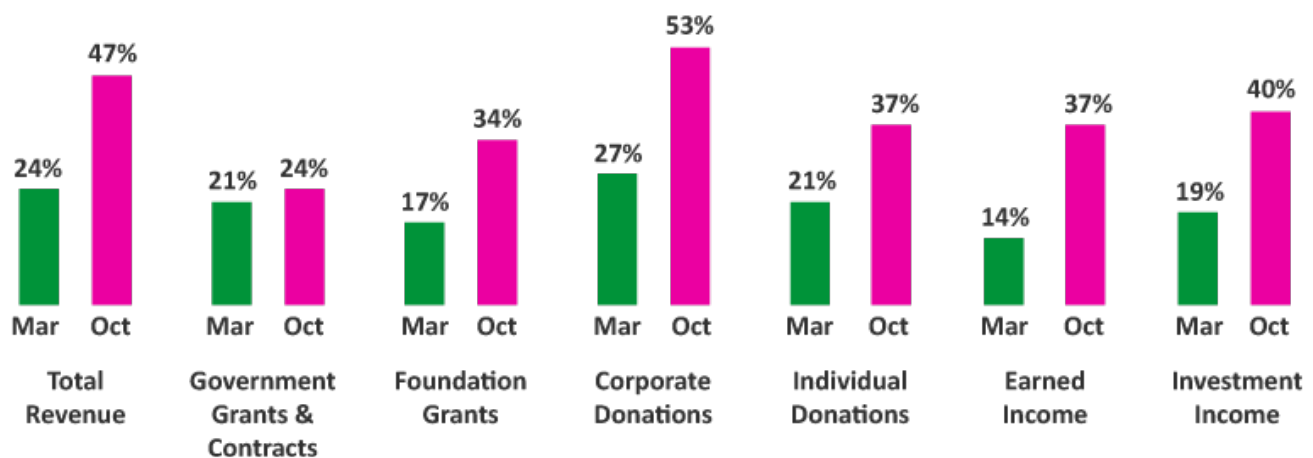
Two-thirds of survey responses came from Calgary and area. While the trends reported below are more pronounced in regions that rely more heavily on the oil and gas industry, our results suggest that all parts of the province have been impacted by low oil prices.

Four trends emerged from the responses we received.

1. Organizations are reporting a decrease in all forms of revenue

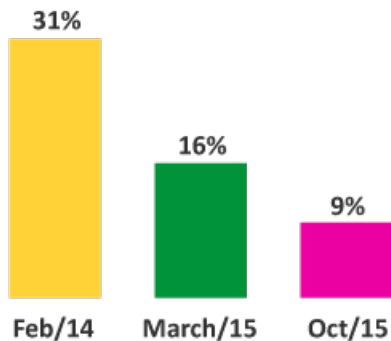
Compared to early 2015, almost twice as many organizations are reporting decreases in many sources of revenue. Government funding, while still moderately affected, appears to have been a more stable revenue source.

Percentage of organizations reporting a decrease in revenue in the last 12 months

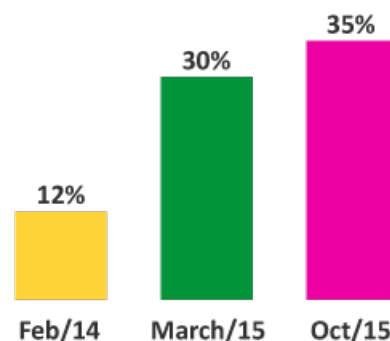


2. More respondents report reduced optimism for the likelihood of a quick turn-around

My organization's financial situation will improve in the next 12 months



My organization's financial situation will worsen in the next 12 months



3. Tough choices have begun

Evidence suggests that organizations have shifted from reviewing, considering and preparing for hard times to actively cutting spending, programs and/or staff. While many organizations report that they are looking to diversify funding, several also signalled that they are sharpening their focus on core services.

We will have to layoff staff by 25% and lessen the free services offered by the agency.

Health

We have reduced benefits, offered voluntary reduced work options (salary reductions), cancelled programs and not rehired (vacant) positions.

Environment

We have reduced our budget significantly, will not be trying to fundraise any significant amount.

Development

4. Organizations are seeing a change in demand for services

Many agencies report that they are seeing an increase in demand for services, while arts and culture organizations, as well as others who rely on ticket sales as a source of revenue, report that fewer patrons are coming through the doors and smaller volumes of tickets are being sold.

It is difficult to plan when referrals have increased and will continue to increase (50% for one of our programs) and yet you can't forecast any growth in services and worry that you may have to cut services instead.

Health

People are supporting us, but not as vigorously as in previous years. For example, instead of purchasing \$20 worth of raffle tickets they will buy \$10 or \$15 worth...maybe. It seems to be a harder sell.

Other

We not only see a decrease in donations ... but we see an increase in the need for our services.

Social Services