New union dues opt-in provisions enacted as part of Bill 32 — the Restoring Balance in Alberta’s Workplaces Act — took effect in August 2022 and will cost community organizations millions in lost donations. These opt-in provisions require union members to annually agree to pay the portion of union dues used for non-core activities. Non-core activities include routine union donations to charities, non-profit organizations, and other community groups to support their activities.

Parkland Institute conducted a survey of Alberta unions where we asked how the new Bill 32 opt-in rules will affect their financial support for different types of community organizations. This fact sheet reports the findings of the survey.

Bill 32 Dues Opt-In Provisions

- Unions must identify the portion of a member’s dues that is used for core activities related to their legal obligation to represent members and the portion that is used for non-core activities.

- A non-core activity is defined in the regulations as any activity that does not “directly benefit dues payers in the workplace” (s.3(2)). Non-core activities include funding for charities and non-governmental organizations, as well as political organizations and “general social causes and issues” (Labour Relations Code s.26.1(1)(a)).

- Unions must provide this financial information to members.

- Only the portion of dues dedicated to core activities is required to be paid by members. Union members may elect to “opt-in” to the payment of non-core dues. If the member does not actively and annually opt-in, the non-core dues will not be deducted from their paycheque.
Our survey was distributed in June 2022 via email to every union in Alberta for which the researchers were able to find contact information. Emails were sent to approximately 250 unions. Given the diversity of union structures in Alberta, the emails were either sent to the provincial union body representing multiple locals, or to individual locals, whichever was most appropriate.

The survey asked respondents to indicate how much they donated in the past fiscal year to three categories of organizations: Revenue Canada registered charities, unregistered non-profit organizations, and political organizations. They were then asked whether their donations would increase, decrease, or remain the same following the implementation of the Bill 32 requirements and, if applicable, by how much. Respondents were also asked for the number of members in the union and the union’s total annual expenditures. Open-ended questions probed the rationale for their decision and the perceived impact on the organizations they support.

We received replies from 39 union locals and four unions responding on behalf of all Alberta locals (representing approximately 100 locals). Respondents represent 290,879 union members, which corresponds to approximately 60% of all union members in Alberta. Respondent unions are broadly representative of the makeup of union members in Alberta, including private/public sector and industry. Smaller locals (under 100 members) are under-represented in the sample.

In the past fiscal year, respondents reported donating over $4 million to community-based organizations. The average union responding to the survey spent 2.9% of its total expenditures on these organizations. If we extrapolate this level of support for all union locals in the province, we can estimate the labour movement contributes well over $6 million annually to various community-based organizations in Alberta.

Donations to registered charities made up 44% of respondents’ financial donations ($1.7 million). The most popular types of charities supported were those focused on health care and disability issues ($650,000). Examples of these include foundations researching diseases or organizations supporting acute care services. The second most popular charity type comprises organizations providing services to local, geographic-specific communities (e.g., historical foundations, library boards), with $412,000 in donations. Social services organizations like food banks and women’s shelters were next, receiving $287,000. Support for unregistered non-profits was relatively insignificant, with $72,000 in donations. Figure 1 details the amounts given to the most popular types of charities.
The survey results indicate that unions support a wide range of causes and groups. Charitable giving by Alberta unions broadly resembles the patterns we see from individual Albertans. Respondents tell us often the choices of specific charities are suggested or directed by their members. Many unions have long-term relationships with specific charities, often hosting annual fundraising events and partnering on projects.

Unions also actively engage in politics, with a particular emphasis on organizations that are advocating for and advancing workers’ rights. Workplace safety and advocacy for non-union workers are areas commonly supported by respondents. Also noted in the results is that unions often support political organizations advocating in the sector in which their members work (e.g., health-care unions support health-care advocacy organizations). That data suggests unions focus their political financial support on causes they perceive as being closely related to their members’ interests and the interests of workers more generally.

**Figure 2. Support for Political Organizations**

![Bar chart showing support for political organizations: Worker Advocacy at $1.5 million, Third Party Advertisers at $400,000, and Health Care at $0.]

Just over half of community supports, $2.1 million, were provided to community-based political organizations. These organizations were defined as groups “whose primary focus is political advocacy and lobbying.” By far the largest portion of this money ($1.5 million) went to organizations whose mandate was to advocate for worker rights. An additional $400,000 went to third party advertisers under the *Election Finances and Contributions Disclosure Act* engaging in issue advocacy. Figure 2 details the amounts given to political organizations.
The survey asked unions how the enactment of Bill 32 will affect their financial support for community organizations going forward. There were three basic responses. One-third of respondents indicated their financial support will not change due to Bill 32. An equal number reported they will be reducing their support. A further one-third had not yet decided on their course of action at the time the survey was conducted. One union indicated it will increase donations.

Figure 3. Before-and-After Levels of Community Support

While only one-third of unions indicated they will be reducing financial support to community organizations, the impact of their decision is sizeable. These unions plan significant cuts to community supports, with half of them reporting they will end financial donations entirely. The amount these unions propose cutting totals $1,526,000, or 38% of reported donations to community organizations.

Why Unions Support Community Organizations

“It is part of our mandate to improve the lives of workers. One of the ways to do that is to improve and support the communities that they live in. Our workers and their families are impacted by the ‘health’ of the community. A strong community is beneficial to all of our members.”

“For solidarity and community building. If we don’t continue to fund these charities and organizations, we degrade the importance of what unions can do for society. Unions cannot only do work for themselves but must also look out to our communities and future to maintain and grow relevance.”

“The labour movement consists of people who belong to the same communities served by the charities and organizations they support. The benefit is mutual, and unless the government wants to take on the responsibility of funding such organizations, it should not hinder community support by the labour movement.”

“Labour and community organizations often have a symbiotic relationship. Well-paid and secure employment offers considerable benefits for individual and community health. Likewise, community health and wellness lead to increased opportunities for employment and prosperity, for the individuals and their communities.”

The Effects of Bill 32 on Financial Support

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All but one of the unions reducing support indicated they will be making the cuts equal across all types of organizations. As a result, support for registered charities by respondents is expected to be reduced by over $650,000 and political organizations by approximately $760,000.

Unions were asked to provide a rationale for their decision to reduce financial supports. Answers referred to the fear of losing revenue, the administrative complexity of trying to manage a two-tier dues structure, and a need to focus on members’ needs.

Unions that have decided to maintain financial support provided a couple of rationales for their decision. One group of unions indicated they are declaring all expenditures, including charitable donations, as core activities. Other unions indicated that they have sufficient non-dues revenue (e.g., from investments, rent, etc.) to cover community support without utilizing union dues. In both cases, a dues opt-in becomes unnecessary. A third group indicated that they are taking a wait-and-see approach. They will comply with the opt-in provisions and, if revenue drops significantly, will revisit their decision regarding community support in the future. These responses align with public statements made by a number of unions regarding their approach to Bill 32.

The respondents to the survey reported reducing their support for community organizations by $1.5 million. These unions represent 60% of union members in Alberta. While we cannot be certain that unions representing the remaining 40% will act in the same way, we can expect that the donation patterns will be roughly similar. We can estimate that in total, the lost donations to community organizations will amount to over $2.5 million. The hit to registered charities will be over $1 million.

The total reduction is likely to be greater than this estimate, as one-third of unions had not yet decided how to proceed. It is possible that in the coming months many of those unions will decide to decrease their financial support as well, compounding the impact already measured. Further, the Labour Relations Board could rule against unions that decided to declare charitable donations as core activities, thus requiring them to also comply with opt-in provisions. Such a turn of events may lead additional unions to make the decision to reduce financial supports as a result. This could drive overall cuts significantly higher.

The requirements of Bill 32 make it a nightmare to try to administer individual member selections. No dues money received from August 1, 2022, onwards will be used to fund any ‘non-core’ activities.”

“The burden of having to separate out and account for non-core activities is too much for a small union ... the members of the executive are volunteers ... We want to ensure that all our expenditures will be for core activities.”

“We will now need to be extremely selective on the charitable organizations that we donate to and will have to show a direct benefit to our membership through the donation. Donations of all kinds will be much more selective.”

“Our members approved a budget, including non-core activities, but if the revenue does not match, the budgeted non-core expenditure will not be made.”

Given the overall size of Alberta’s non-profit sector, which is estimated at $36 billion in revenue, some may see these cuts as relatively small. But we cannot overlook the impact this will have on affected organizations. Unions tend to develop long-term relationships with the charities or groups they support. A 38% reduction in union contributions will not go unnoticed by those organizations.

Some organizations will feel the impact more than others. Groups with diverse support bases will be more able to absorb the reductions. Given unions’ donation patterns, health-care charities, local community service groups, and organizations advocating for workers’ rights will be disproportionately affected by Bill 32.

The unions reducing financial support are aware that their decision will have a negative impact on organizations: 74.4% of respondents believe that the reduced funding will make it more difficult for the organizations to deliver services and fulfill their mandate. It is clear that unions are reluctant to take these steps and are, to a great extent, compelled to do so as a result of Bill 32.
Since its introduction, Bill 32 has been framed by the government as an effort to increase unions’ accountability to their members and by critics as an attack on union rights. Lost in this debate are the Bill’s broader effects on Albertans. The Parkland Institute report *Tipping the Balance* examined the Bill’s effects on the rights of all Albertans. This fact sheet reveals another group negatively impacted by Bill 32: community organizations will lose millions of dollars in revenue due to unions being forced to address Bill 32’s opt-in provisions. Charities and non-profits were not consulted on these changes, nor were their interests taken into consideration when the UCP government pushed the legislation through.

While the UCP’s goal might have been to make unions’ life more difficult, they have also made it harder for community organizations to deliver the important services they provide to Albertans across the province.

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1. Statistics Canada reports there were 485,200 union members in Alberta in 2021. [Table 14-10-0129-01](https://www150.statcan.gc.ca/n1/tbl1/14-10-0129-01-eng.htm).


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**Parkland Institute** studies economic, social, cultural, and political issues facing Albertans and Canadians using the perspective of political economy. Through scholarly research and public education, Parkland Institute draws attention to and promotes discussion of questions that are central to political dialogue in Alberta and Canada.

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