

PUSHING THE LIMITS

CHALLENGES OF HALTON'S NONPROFIT AND VOLUNTARY SECTOR LABOUR FORCE

In 2006, Community Development Halton researched the economic contribution and the human resource base of the nonprofit human service sector in Halton. Conducted in conjunction with the Regional Chairman's Roundtable on the Nonprofit and Voluntary Sector, the goals of the study were to provide human service agencies in Halton with hard information to strengthen their relationships with government and other funders, to raise awareness of the sector's social and economic value, and to contribute to the development of a strategy to enhance the stability of the sector and its ability to meet growing community needs over the next decade.

The Nonprofit Human Service Sector

The study targeted nonprofit organizations in the community sector in areas such as children, youth, family and women's services; support for seniors and people living with disabilities; shelter and housing; immigrant settlement and refugee assistance; and aid to people on low incomes, but excluded major institutional organizations (such as hospitals, universities and colleges), which are significantly different in character and scale than the rest of the nonprofit sector.

More than one third (81) of 241 eligible community agencies serving Halton responded to a detailed questionnaire, which is a very strong response rate for a survey (33.6%).

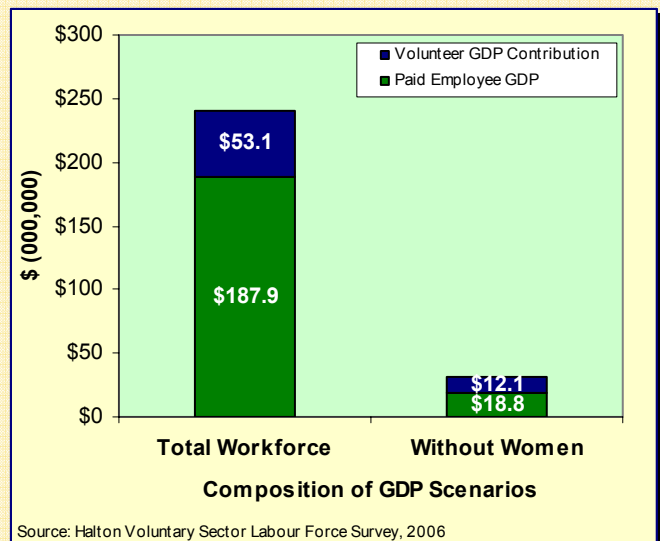
This study uncovers a dedicated, skilled and vital component of not only our local communities, but also of our local economy. Alarming, however, it also sheds light on a sector pushed to the limits of its human resource capacity, and precariously balanced between sustainability and disaster.

Economic Contribution of the Nonprofit Human Service Sector

Examining the nonprofit human service sector as a significant economic player should not diminish its larger role and contribution to the community and to Canadian society. Economic indicators must be balanced with measures of the social and civic contributions of the sector to community well-being. Nevertheless, the economic importance of the sector to the economy is often overlooked.

Employing about 5,000 people and engaging an estimated 20,000 volunteers, the sector contributes about \$188 million to Halton's Gross Domestic Product (GDP). When the economic value of volunteer time is added, the sector's contribution to the regional economy rises to about \$240 million.

Economic Value of the Sector (Workforce With and Without Women)



The sector's human capital is the basis for this economic contribution; the stability and quality of its human resource base are critical to the sector's capacity to continue performing both its social and economic roles effectively.

Pushing the Limits identifies five challenges to the strength and vitality of the sector's paid workforce and volunteer base in Halton.

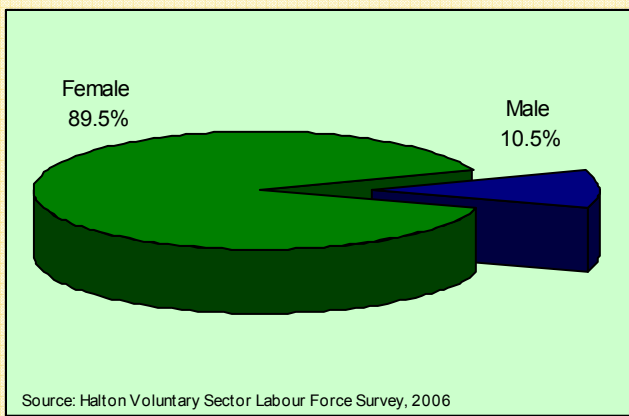
CHALLENGE #1 GENDER EQUITY AND BALANCE

The sector cannot credibly advance equity in the community if the composition of its workforce reflects gender exploitation.

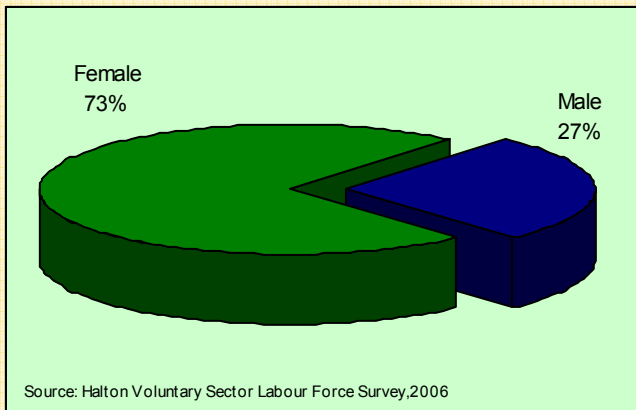
Women constitute 90% of employees in the sector overall, especially in front-line service and office support roles.

Women also make up 73% of volunteers. Without women workers and volunteers, the sector would be literally decimated, its total economic contribution to GDP plummeting to about \$31 million annually.

Survey Agency Employees by Gender



Survey Agency Volunteers by Gender



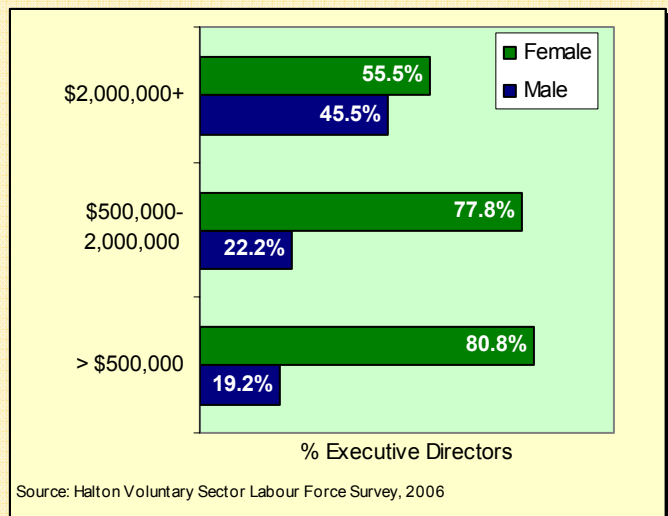
It is a low wage sector, offering poor benefit coverage and higher levels of temporary and part-time work than other sectors, which primarily affects women. Census data for Halton indicate that, in 2000, female workers in the human service sector earned just under 60 cents for every dollar earned by their male counterparts (as compared to 75 cents in Hamilton, 74 cents in Toronto and 69 cents in Peel).

Also, Halton survey results indicate that women's representation falls off significantly to 56% in executive

leadership positions in larger agencies (those with total revenues of \$2 million or more), which have higher salary levels. Women are much more highly represented among Executive Directors in smaller and medium sized agencies, which have poor compensation levels.

With low wages and poor benefits, the nonprofit sector may be preparing its workforce, primarily women, to be part of its next generation of clients.

Survey Agency Employees by Gender



Strategies for Gender Equity and Balance

It is important that the sector address itself both to the issue of gender inequity (respect for and valuing of women's contributions) and to the issue of gender imbalance (attraction and recruitment of more men into the sector).

It is in the interest of the nonprofit and voluntary human service sector and, society in general, to support:

- Improved employee salaries and benefits, which would reduce inequities within the sector's primarily female workforce
- "Leave-saving accounts" allowing accumulation of employment credits for education and family leaves
- Internal sectoral initiatives to deal with gender-based employment inequities
- Parental leave programs with more incentives for men to participate
- Outreach campaigns targeted at young men entering the labour force in order to promote the sector as a career choice

CHALLENGE #2 CAPACITY TO COMPETE FOR THE BEST

The traditional rewards for working in the sector may become less acceptable as better paying and more secure jobs in the public and private sectors become available.

Traditionally, one of the sector's major attractions in the job market has been its intrinsic benefits, such as working in a sector that helps other people; contributing to the community; working in more personal settings with smaller groups of people; and more flexible work time arrangements.

However, *Pushing the Limits* indicates that the sector may be losing ground in a highly competitive labour market, and that the extrinsic costs of working in the sector (i.e., lower wages, poorer benefits, and less stable and secure work) may be starting to outweigh the intrinsic benefits. In 2000, the annual average income for Halton nonprofit and voluntary sector human service employees was \$26,400 compared to \$46,200 for all employees residing in Halton.

Halton agencies of all sizes indicate that salary and benefit levels and a lack of permanent, full-time jobs hinder recruitment and retention of a stable workforce. They report the major reasons employees leave their jobs as:

- 43% for competitive factors (poor compensation and part-time and temporary work arrangements)

- 41% for personal reasons (health, education, family)
- 16% because of sectoral pressures (funding loss, restructuring, etc.)

A forecasted growing labour shortage will mean even greater competition from both the public and private sectors for a shrinking number of good employees.

Strategies for HR Capacity-Building

To compete for its share of workers, the nonprofit human service sector in Halton needs to formulate a sectoral human resource development strategy including:

- A Regional Human Resources Council for the Nonprofit and Voluntary Sector to focus planning and coordination for the development of the sector's human resource base
- A sector-wide consortium to set up improved employee benefit packages at the sectoral level
- A coordinated training strategy to provide continuous learning opportunities for employees
- A regional training and innovation fund set up by funders for employees in the sector to:
 - a. upgrade formal educational qualifications
 - b. supplement foreign educational qualifications
 - c. support short-term employee training
 - d. allow professional and managerial sabbatical leaves or exchange programs

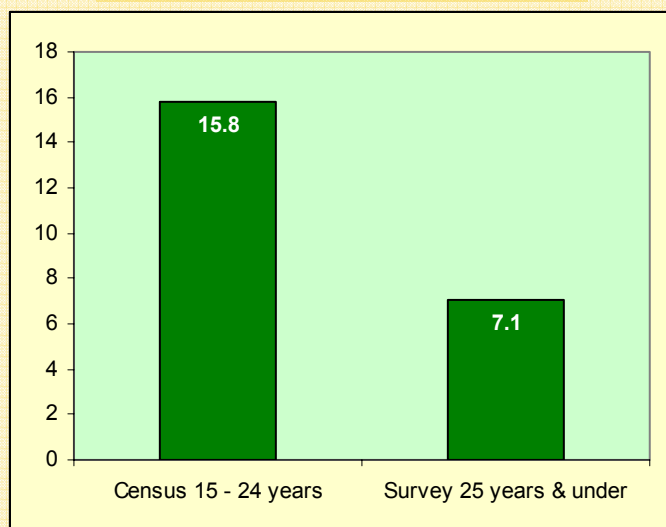
CHALLENGE #3 ENGAGING THE WORKFORCE OF THE FUTURE

The engagement of young people and more racially and culturally diverse populations within Halton is critical to the vitality of the sector's human resource base.

In Halton's nonprofit human service labour force, young workers under 25 are represented at less than half the rate (7.1%) than is found in the Halton workforce as a whole (15.8%). This suggests that the sector may not be attracting younger workers in proportion to the youth available in the Halton workforce and may need to make a concerted effort to rejuvenate its employee base from this source.

Survey agencies report, however, that 16% of their volunteer base is 18 years old and under, which compares very favourably to the 6.6% of the Halton population aged 15 to 19 year old in the 2001 census. Still, three out of five agencies surveyed (59%) do not engage youth volunteers.

Comparison of Census and Survey Agency Youth Employees in Halton



CHALLENGE #3 ENGAGING THE WORKFORCE OF THE FUTURE (CONTINUED...)

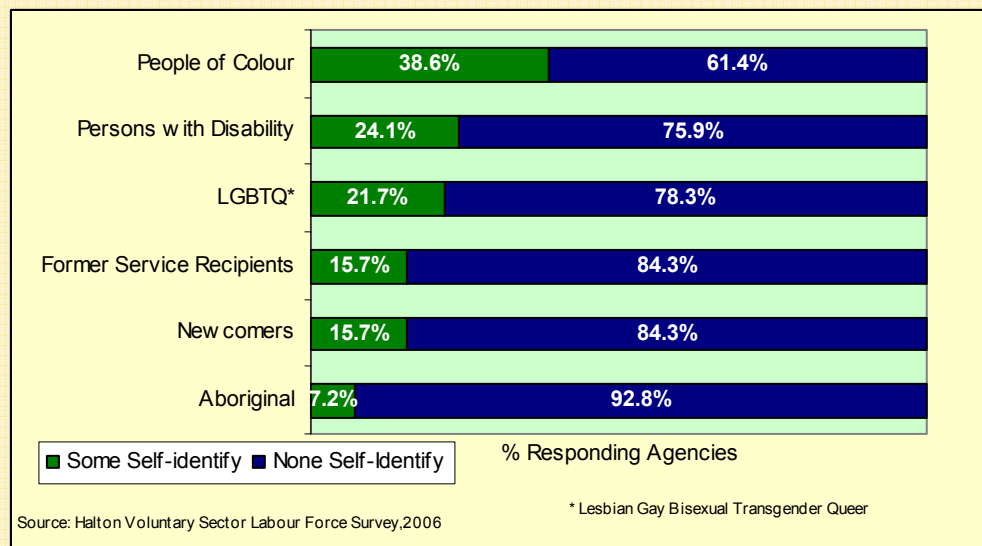
As diversity increases in Halton over the coming years, there will be a growing need to employ more workers from diverse ethno-cultural origins, both as a matter of hiring equity and to meet the service demands of a more diverse population.

Pushing the Limits indicates that 38% of agencies have some workers who self-identify as people of colour and 16% have employees who self-identify as newcomers.

Strategies for Revitalization and Increasing Diversity in the Sector

As the knowledge economy develops and a growing labour shortage is forecast, competition is increasing in the broader labour market for younger workers and for well-educated workers from more diverse groups.

Survey Agency Employees by Diversity



Outreach strategies to attract employees from the youth and newcomer populations to the sector could include:

- Student debt relief with federal and provincial support for graduates who commit to working in the sector for a period of time
- A regionally coordinated School Community Involvement Program with adequate administrative supports, which would combine individual guidance on placements with an orientation to the sector and collective sharing and analysis of students' work experiences

Between 1996 and 2001, 37,500 people moved into Halton from Toronto, Peel, and Hamilton, suggesting an increasingly culturally diverse population base taking shape, which is likely to be even more strongly reflected in the 2006 census.

Two-thirds of survey agencies have a Board-approved equity hiring policy, and it is these agencies that more frequently employ people self-identifying as immigrants and people of colour. That said, there is the question of whether, as with women, equity in hiring practices is offset by the nature of the employment – in other words, women and visible minorities may be well-represented in the workforce, but much of the work in the sector is in low-wage, insecure and part-time personal care services. Representation may not necessarily mean employment equity.

(e.g. pre-placement and post-placement reflection and learning sessions)

- Qualitative research on immigrant and visible minority workers in the sector and their employers for development of a pro-active strategy on supporting a more culturally and racially diverse workforce in Halton over the next 10 to 15 years
- Training bursaries, mentoring and employee exchange programs to recruit and support youth and newcomers in volunteer activity
- Strengthening the capacity of volunteer management and coordination in the sector to support employment opportunities and career development pathways for youth, newcomers and people of colour who volunteer

CHALLENGE #4 NURTURING VOLUNTEERS AS A VALUABLE ASSET

Volunteers bring added value to the work of the nonprofit and voluntary human service sector, but volunteer recruitment and retention are often taken for granted rather than strategically addressed in human resource development planning for the sector.

Halton survey agencies report having about 6,700 volunteers, which indicates an estimated 20,000 volunteers for the whole human service sector in the region. On average, a Halton volunteer gives about 130 hours per year in activities ranging from governance to fund raising to program support to administrative help. Volunteers are clearly a major component of the sector's human resource base. Less than a third of survey agencies (30%), however, say that they have a staff position dedicated to recruiting and supporting agency volunteers.

Survey agencies report the following barriers to the recruitment and retention of volunteers, shown in order of importance:

- Lack of organizational capacity to manage and coordinate volunteers
- Difficulty reaching out to and attracting volunteers
- Logistical constraints (e.g., inadequate space, transportation barriers, liability issues, etc.)

- Time pressures of modern life compete with volunteer activity

Strategies for Supporting Volunteers in the Sector

The recruitment and support of volunteers must become as integral to resource management in the sector as the planning and management of personnel and finances.

Strategies to strengthen the volunteer capacity of the sector include:

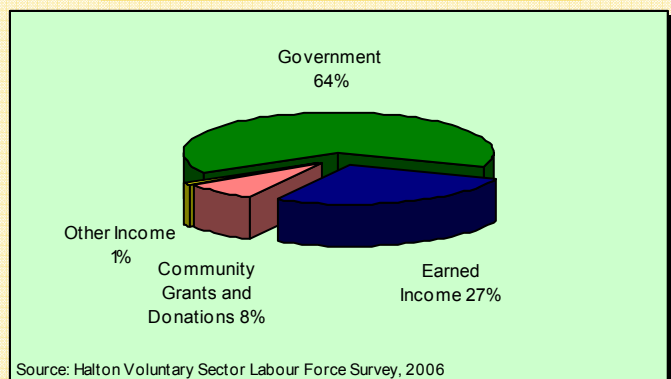
- Creating agency positions dedicated to volunteer coordination and management and integrating these positions into senior management teams
- Providing support through a Training and Innovation Fund for employees to earn a Volunteer Management Certificate
- Providing for volunteer training and development in agency budgets and in a Training and Innovation Fund
- Strengthening the capacity of Volunteer Halton to support the agency sector in volunteer management, training and education

CHALLENGE #5 THE RISK OF CONCENTRATION AND CONSOLIDATION

There is risk of concentration and over-consolidation of the sector into primarily larger agencies, leaving only fledgling and unstable organizations at the smaller end of the continuum.

Small and medium sized agencies must compete with each other and with larger agencies for government funding. In *Pushing the Limits*, the largest Halton agencies with revenue of \$2 million and more are only 13% of the survey sample but they receive half of the total government funding available to the sector. Almost two-thirds (64%) of the total revenues to these agencies comes from government sources, mostly provincial funding.

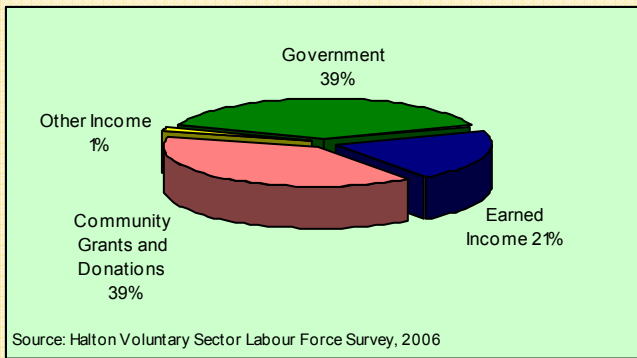
Major Sources of Revenue: Agencies \$2 Million and Higher



CHALLENGE #5 THE RISK OF CONCENTRATION AND CONSOLIDATION (CONTINUED...)

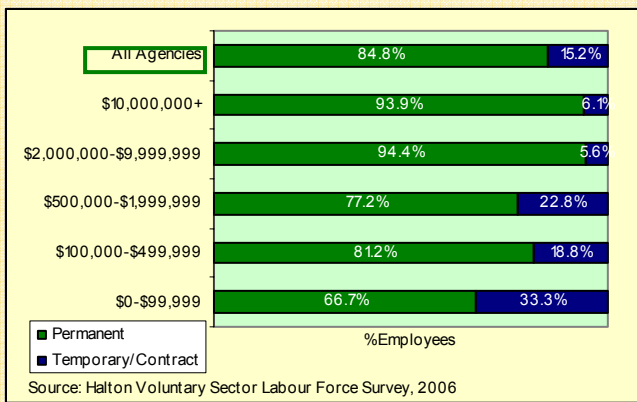
The remaining 87% of agencies in the sample, each with below \$2 million in annual revenues, receive only 39% of their income from government and generate 61% of their revenue from fund raising, grants, service fees and other non-government sources.

Major Sources of Revenue: Agencies Under \$2 Million



Consequently, smaller agencies are at a distinct competitive disadvantage in the labour market. Salary levels in these agencies are lower and benefits compare unfavourably with those offered by larger agencies. These agencies also have much higher levels of temporary and part-time employment among their front-line workers.

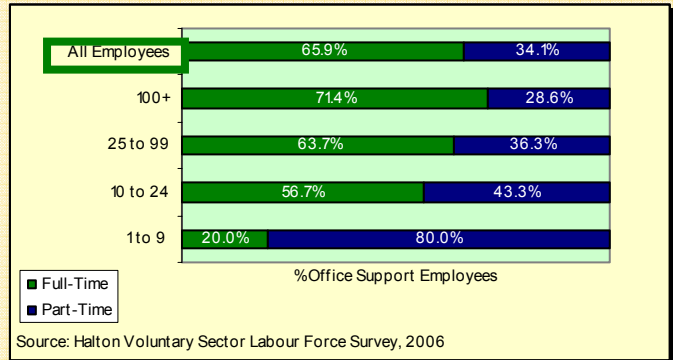
Permanent and Temporary/Contract Front-line Employment by Revenue Levels



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Full-Time and Part-Time Employment of Front-line Workers by Staff Size



While there are some efficiency benefits in service delivery offered by the economies of scale of larger nonprofit agencies, the sector's heterogeneity and diversity are strengths that should not be under-valued. Smaller and medium size agencies are responsive to community need, contribute to service innovation, and promote civic engagement and build a more inclusive community. Further, the more diverse base of nonprofit human services plays an important complementary role to the public sector in providing a wider mix of essential social supports.

Strategies for Safeguarding Organizational Mix

The real challenge is to develop a sectoral strategy that affords reasonable stability and capacity to a broad range of nonprofit and voluntary sector agencies, to attend to the interests and needs of multiple and increasingly diverse constituencies and populations in Halton.

Sectoral strategies are required to explore the development of consortia, collaboratives or cooperatives for:

- improved protection through benefit coverage for small and medium sized organizations
- employee training and education
- pooling capacity for sharing human resource development expertise

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