

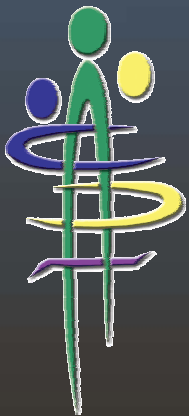
Halton Nonprofit Sector Human Resources Study –

Analysis of Emerging Issues

November 1, 2006

Building Community Together

*Community
Development
Halton*



Overview

1. Economic Contribution of the Nonprofit Human Services Sector
2. Implications of Gender-based Employment
3. Contending with a More Competitive Labour Market
4. Variable Scale within the Sector



1. Economic Contribution of the Nonprofit Human Services Sector

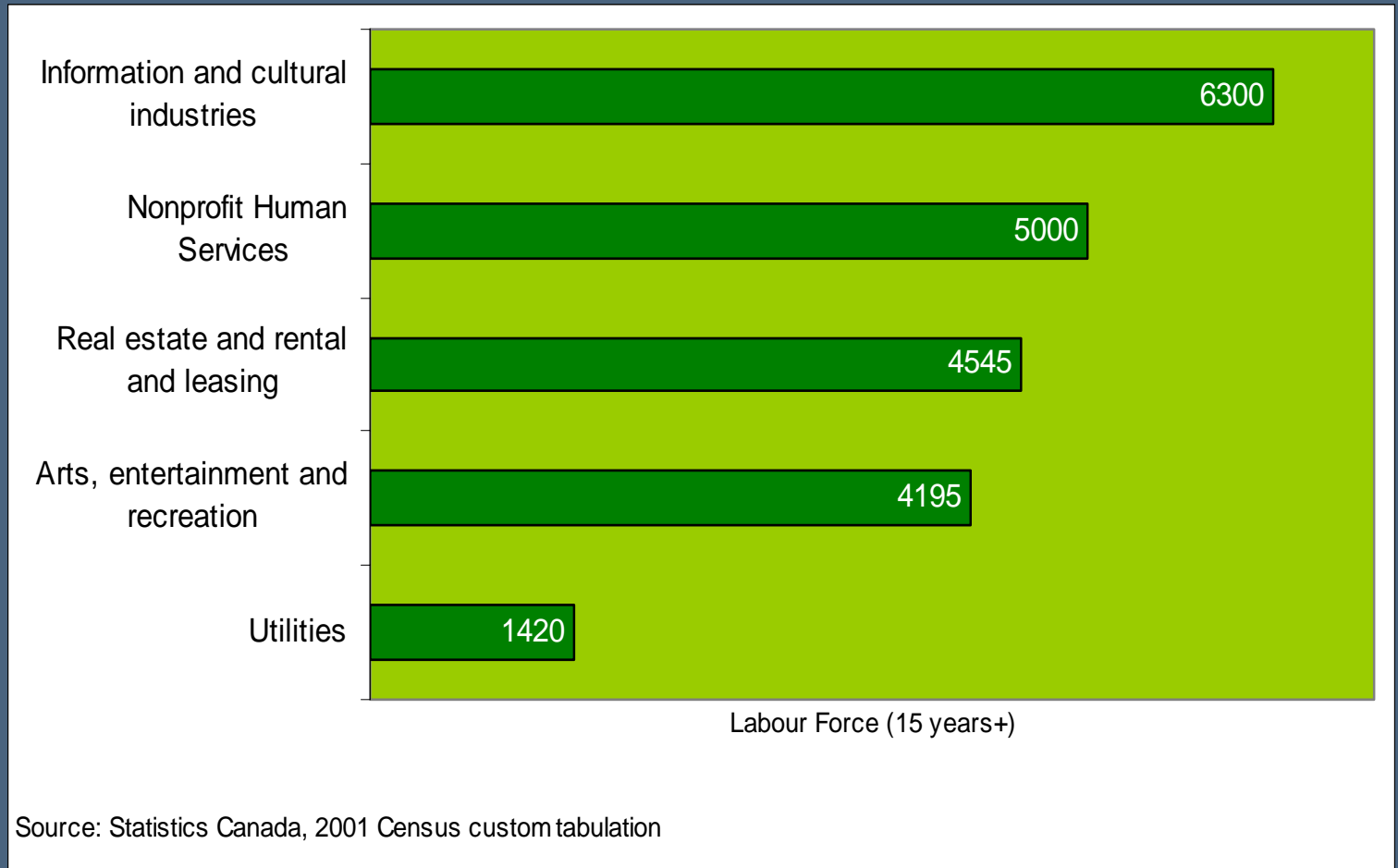


National Satellite Accounts

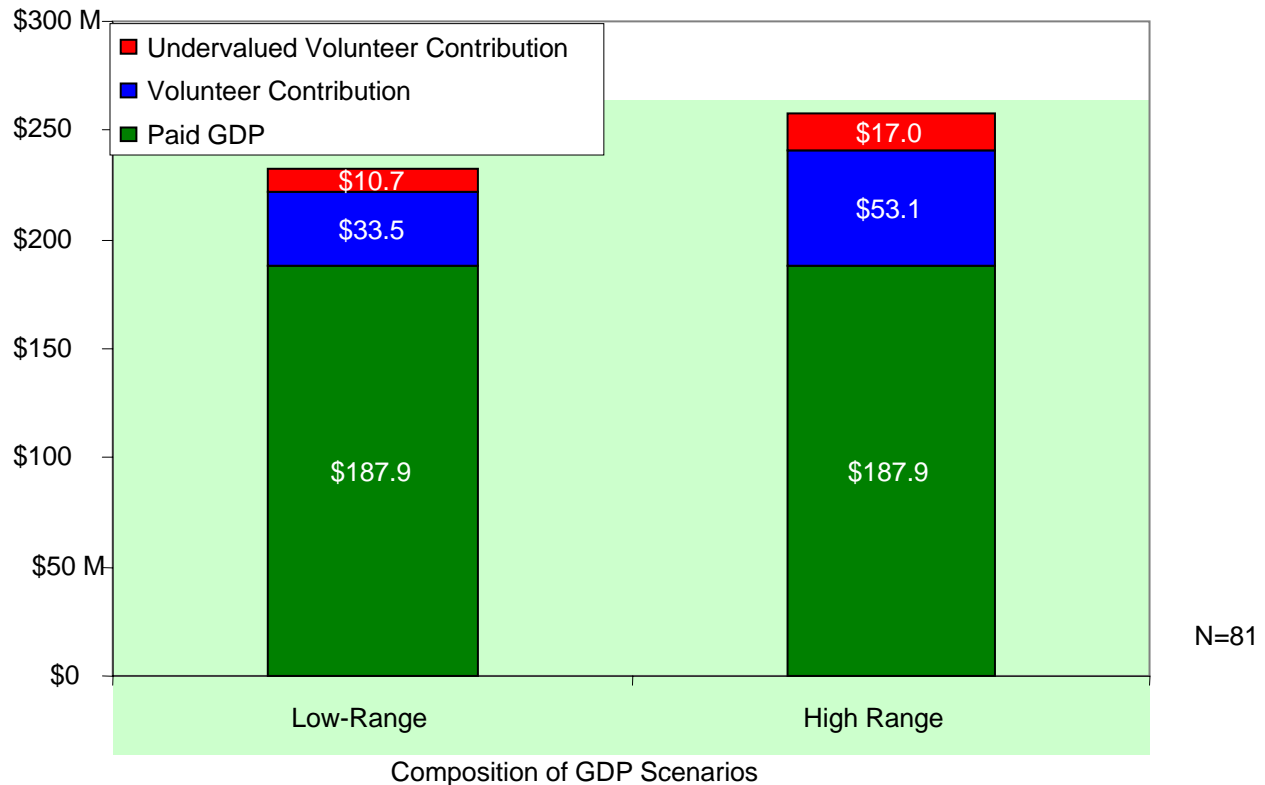
- Nonprofit sector – \$70B (2000) -- 6.8% of GDP -- same scale as Mining, oil & gas (6.3%), Retail trade (5.3%)
- “Core” (or Community) Nonprofit Sector (NPS) – \$25B -- 2.5% of GDP – Accommodation & food services (2.4%), Motor vehicle mfg (1.4%)
- Almost \$20B in payroll expenditures in Community NPS in 2001 – 35% growth since 1997
- Volunteer contribution to Community NPS GDP adds \$12.1B – raises Community Sector’s share of GDP from 2.5% to 3.5% (2000)
- Volunteer contribution called “*the extended value of labour compensation*” or “*replacement labour cost*”



Scale of Nonprofit Human Services Labour Force in Halton



Low/High Range Compositions of GDP Estimated for Halton Non-profit Human Services Agency Sector



Source: Halton Voluntary Sector Labour Force Survey, 2006

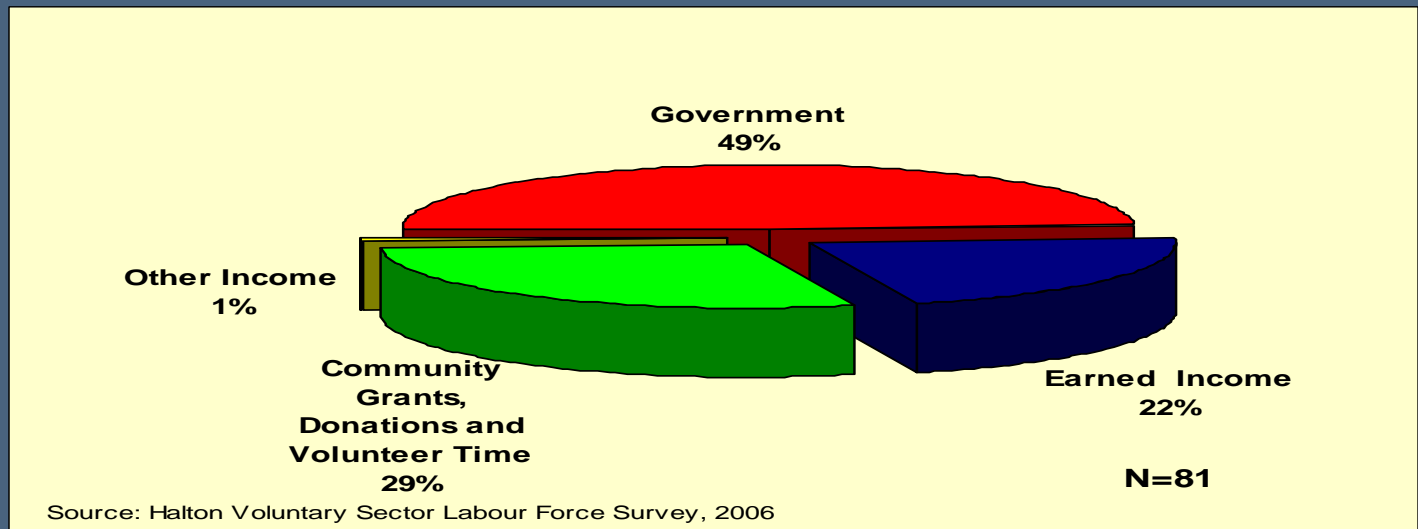
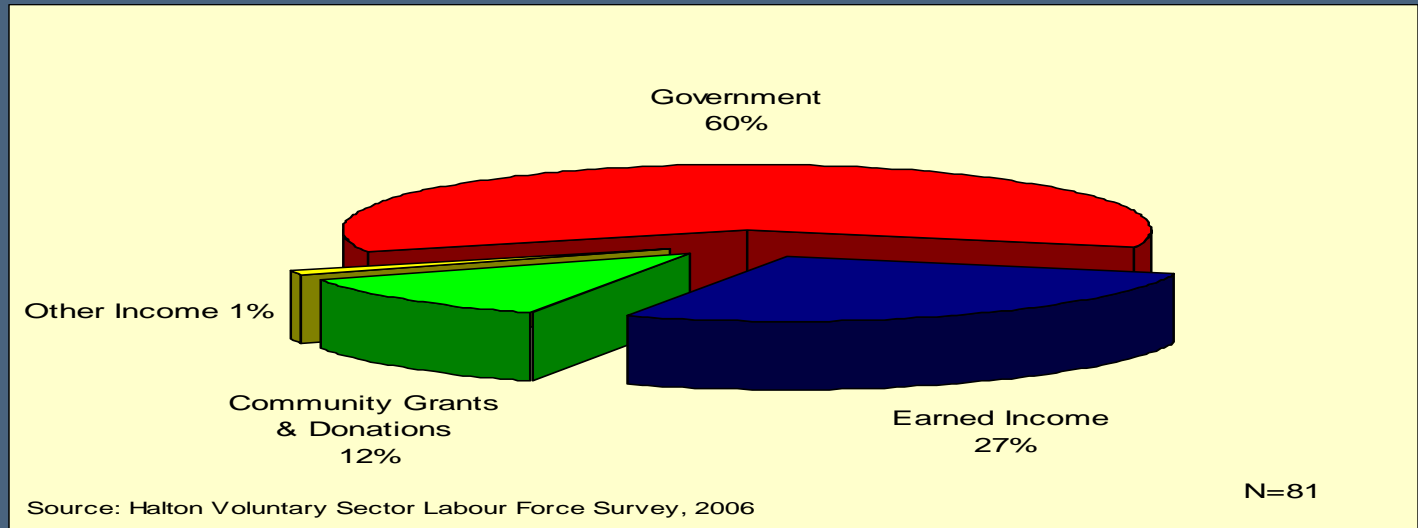
Share of Halton GDP – 1.1% to 1.3%

Halton GDP is 16.4 Billion



Economic Contribution (4)

Changing Share of Community Contribution to Halton Nonprofit Human Service Income When Factoring in Volunteer Contribution



***The Potential Hidden Costs in Achieving
Recognition for Economic Significance . . .***

Repositioning the nonprofit human services sector as a significant economic player should not diminish its larger role and contribution to the community and society . . .

***. . . . economic indicators of value should
be balanced with the social, cultural and
civic importance of the sector to community
well-being.***



Cautions About Volunteers as “*Replacement Labour Cost*”

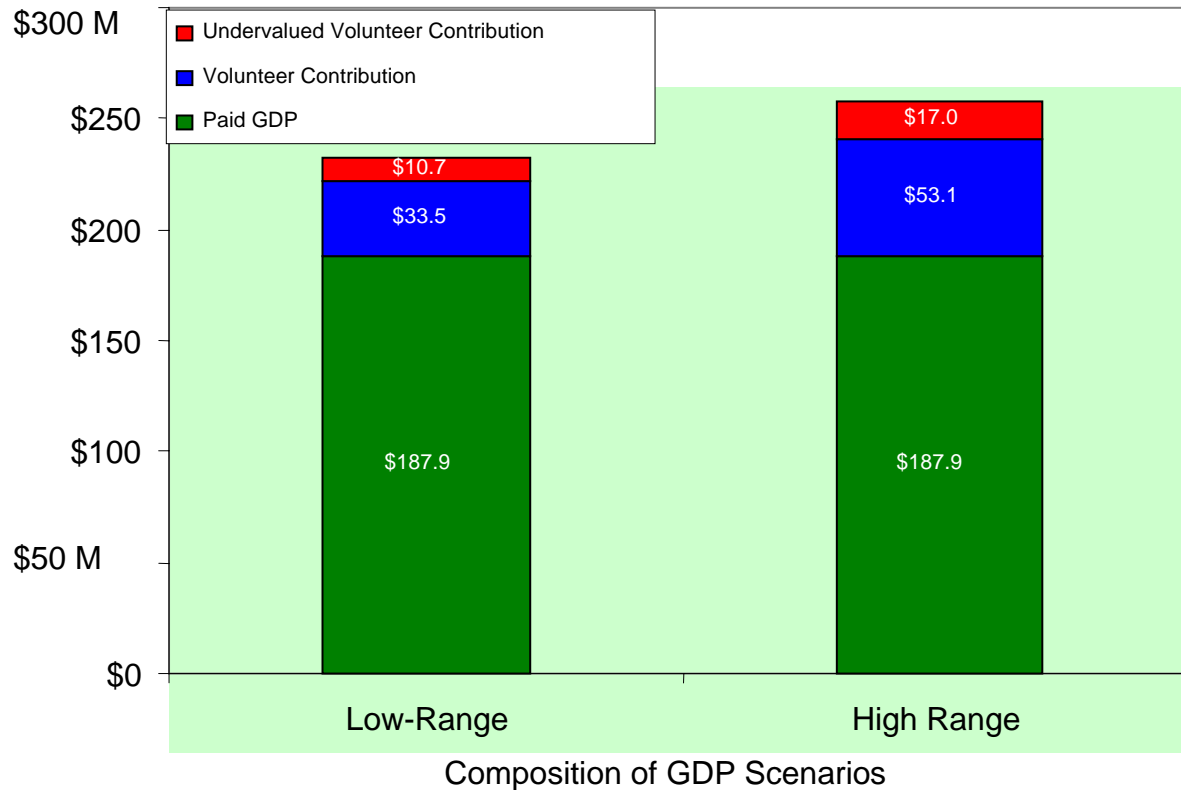
- Notion of “free” or “substitute” labour promotes a rationale for service “offloading”
- Neglects the infrastructure requirements for recruiting, supporting, & managing volunteers
- Suggests volunteers are only “inputs”, not also “outputs” (enhancing quality of community life & developing human capital via personal growth & development of volunteers)
- Emphasizes the service mandate over the civic engagement mandate of the sector
- Better balance between “social equity” and “economic efficiency” is necessary for the sector to be truly recognized as an integrated, valued part of the overall economy, now dominated by the private and public sectors



2. Implications of Gender-based Employment

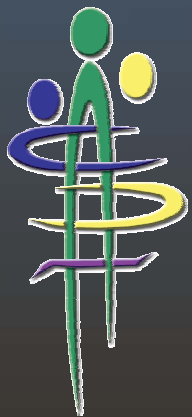


Low/High Range Compositions of GDP Estimated for Halton Non-profit Human Services Agency Sector

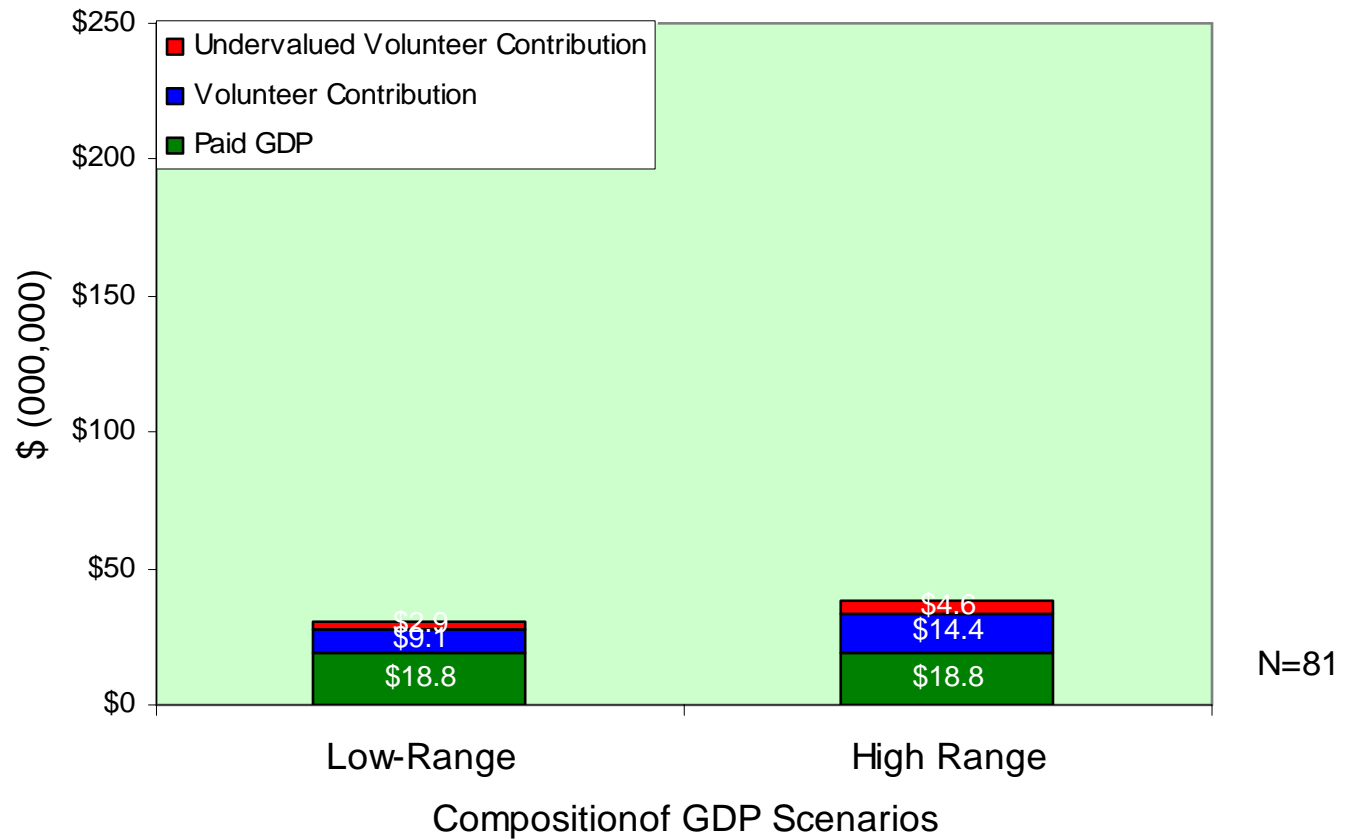


N=81

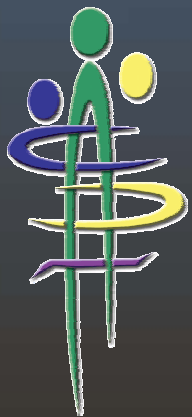
Source: Halton Voluntary Sector Labour Force Survey, 2006



Estimated Composition of GDP for the Sector in Halton *Without* the Contribution of Women



Source: Halton Voluntary Sector Labour Force Survey, 2006

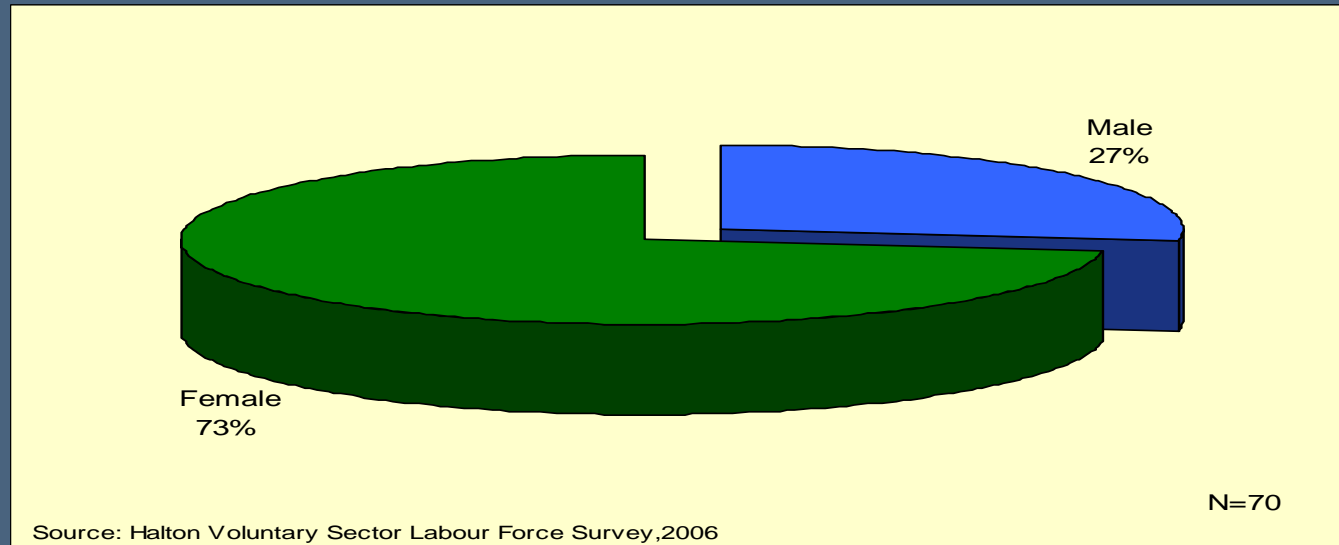


Gender-based Employment (3)

Agency Respondents' Employees by Gender

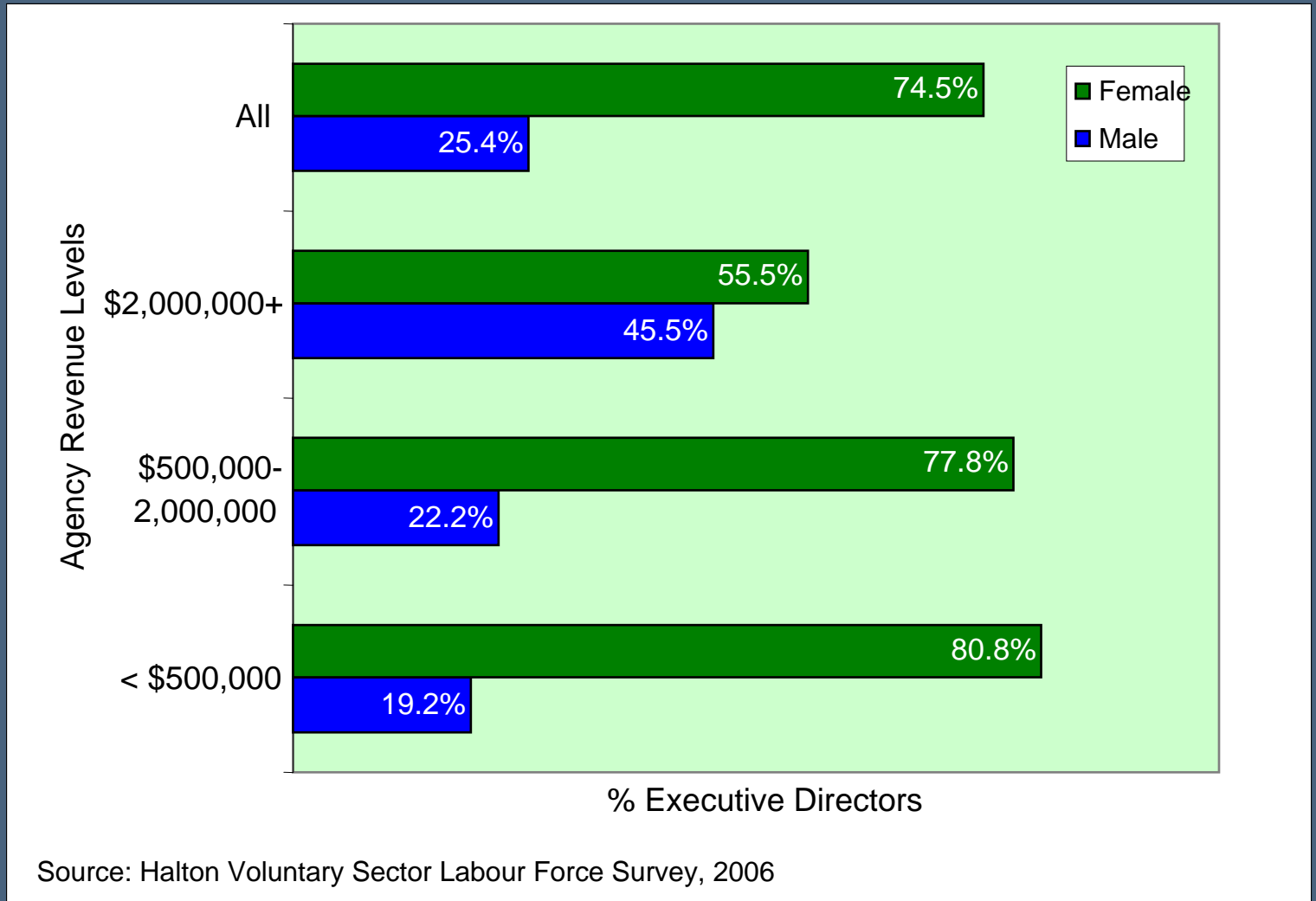


Agency Respondents' Volunteers by Gender



Gender-based Employment (4)

Gender Representation in Executive Director Positions among Agency Respondents by Agency Revenue Levels



Caregiving based on a Gender Division of Labour . . .

The sector's heavy dependence on women in its workforce presents particular challenges for policy and program supports conducive to good work-family life balance in the interests of both women and of the sector's own health and vitality. . .

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



**Implications for Action:
Gender-sensitive Human Resource Strategies**

- Provision for smoother transition of women in and out of the workforce
- Active promotion of public policies and programs supporting “life-course flexibility (e.g. stronger parental leave programs; improved benefit coverage for part-time employment; “leave saving accounts” for family and educational leaves)
- Stronger advocacy for funding that allows more equitable compensation to the sector as a gender equity issue
- Active recruitment of men into direct service work in the sector



3. Contending with a More Competitive Labour Market



Labour Market Competitiveness (1)

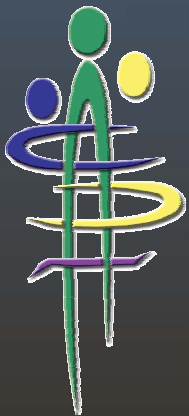
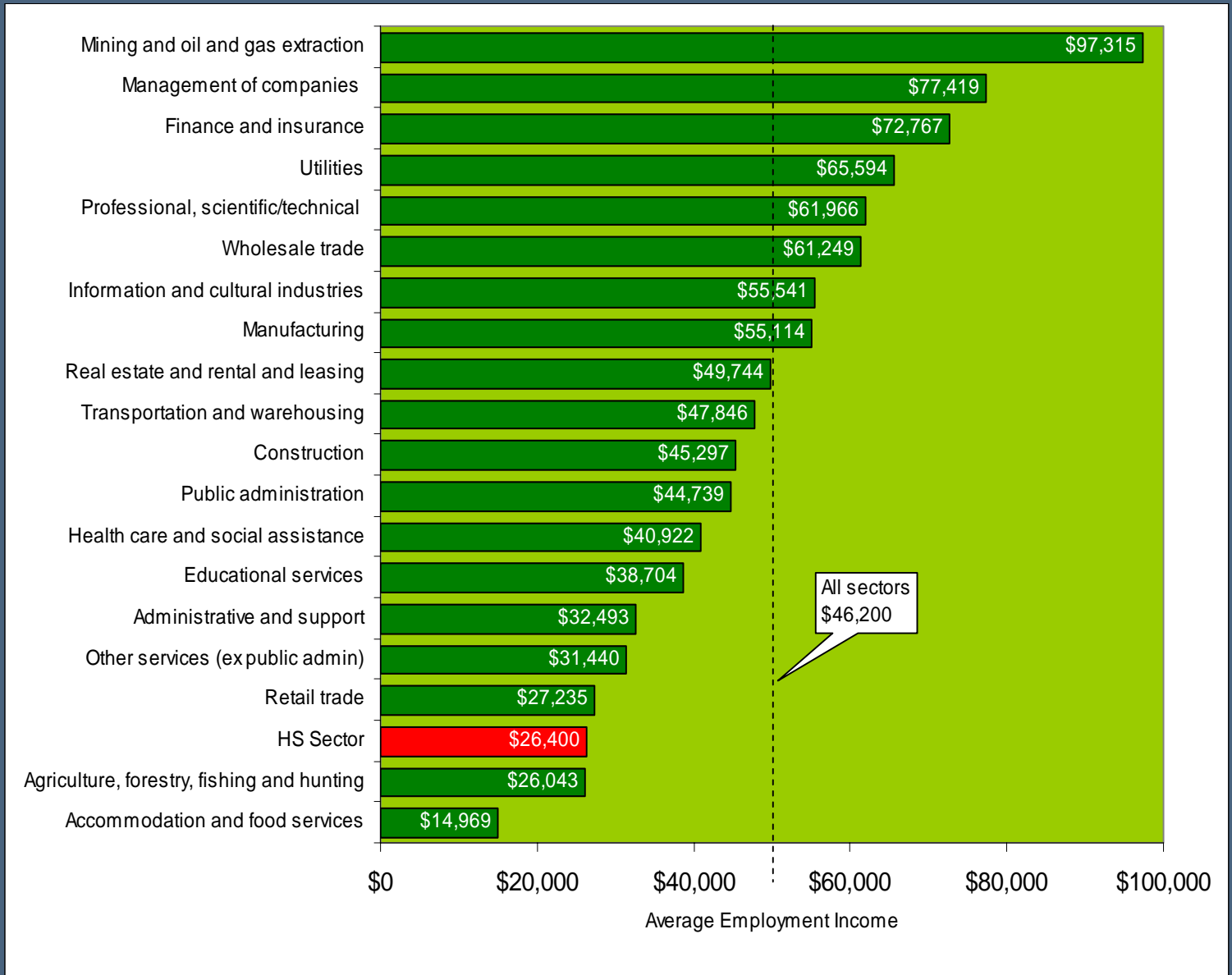
Reasons for Leaving Employment with Halton Agency Respondents

Reasons for Leaving Employment Permanently	Frequency of Reason (No. of Agencies Responding = 54)	Grouped Response (% of Total Agency Responses)
<u>Competitive Job Factors:</u>	30	43%
Wages/Compensation	15	
Hours/Status (PT, Temp.)	11	
Benefits	4	
<u>General:</u>	29	41%
Personal (Health/School/Family)	13	
New job opportunity	6	
Retirement	7	
Lay-off, Quit, Fired	3	
<u>Sector Pressures:</u>	11	16%
Contract work	8	
Restructuring	2	
Funding ended	1	
TOTAL No. Agency Responses	70	100%

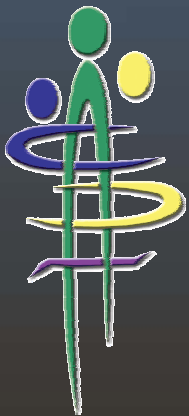
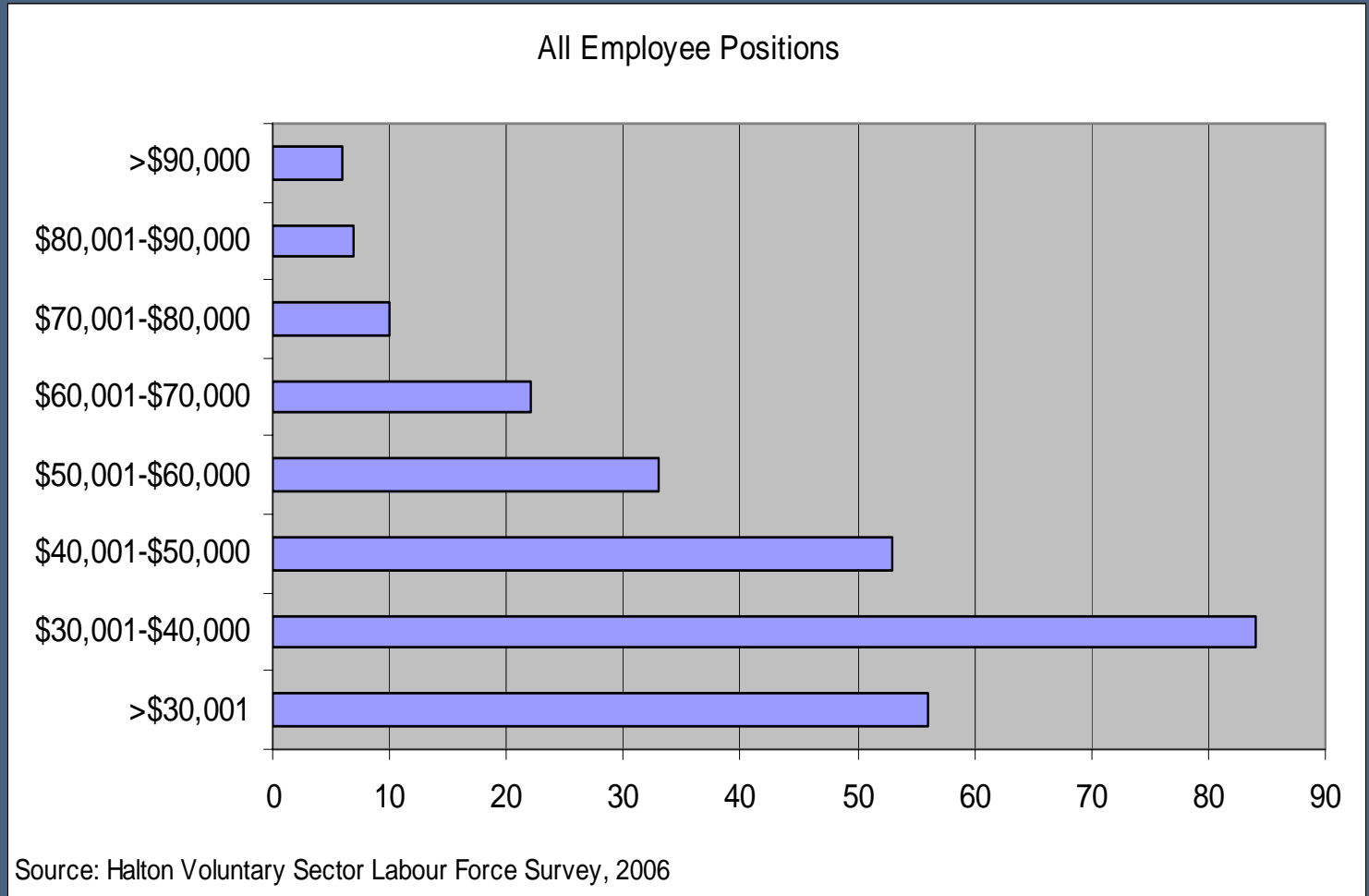


Labour Market Competitiveness (2)

Average Employment Income by Industry Sectors, Halton, 2000



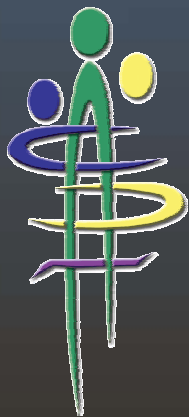
Annual Salary/Wage Ranges for All Agency Respondents' Employee Positions



Labour Market Competitiveness (4)

Comparison of Employer Provision of Selected Benefits, Halton Agency Respondents, 2006 with *Workplace and Employee Survey*, 1999

	% Halton Agency Respondents (N=75, 2006)			% Quango Sector Employers (WES, 1999)
	Less than 20 Staff	20 and More Staff	All	All
Non-Wage Benefits				
Dental Care	30.6	90.1	59.4	52.6
Life/Disability Insurance	28.5	65.9	47.2	72.5
Group RRSP	19.4	27.3	23.4	25.3
Retirement Pension Plan	0.0	27.3	13.0	66.3



Labour Market Competitiveness (5)

Sector Balance Sheet for a Competitive Workforce

“Intrinsic” Assets

- ✓ Well-educated workforce
- ✓ Experienced management
- ✓ Prime working years (26-45)
- ✓ Highly motivated to service missions in the sector
- ✓ High interest in “public” sector work among university graduates
- ✓ Strong training and learning culture in sector

“Extrinsic” Liabilities

- Relatively low wages
- Limited non-wage benefits
- Aging workforce
- More competition on intrinsic rewards
- High levels of student acquired debt
- Labour market adapting to needs of “knowledge economy”



Approaching the “Tipping Point” in the Perceived Rewards for Working in the Sector . . .

Contending with a more competitive labour market is a major challenge for the entire nonprofit human services sector. . .

. . . the traditional rewards for working in the sector may become less acceptable as better paying and more secure employment in the public and private sectors become available in the context of an increasing labour shortage.



**Implications for Action:
Competitive Strategies for Building/Maintaining a Strong Workforce**

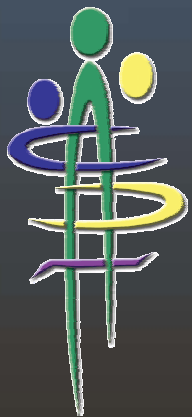
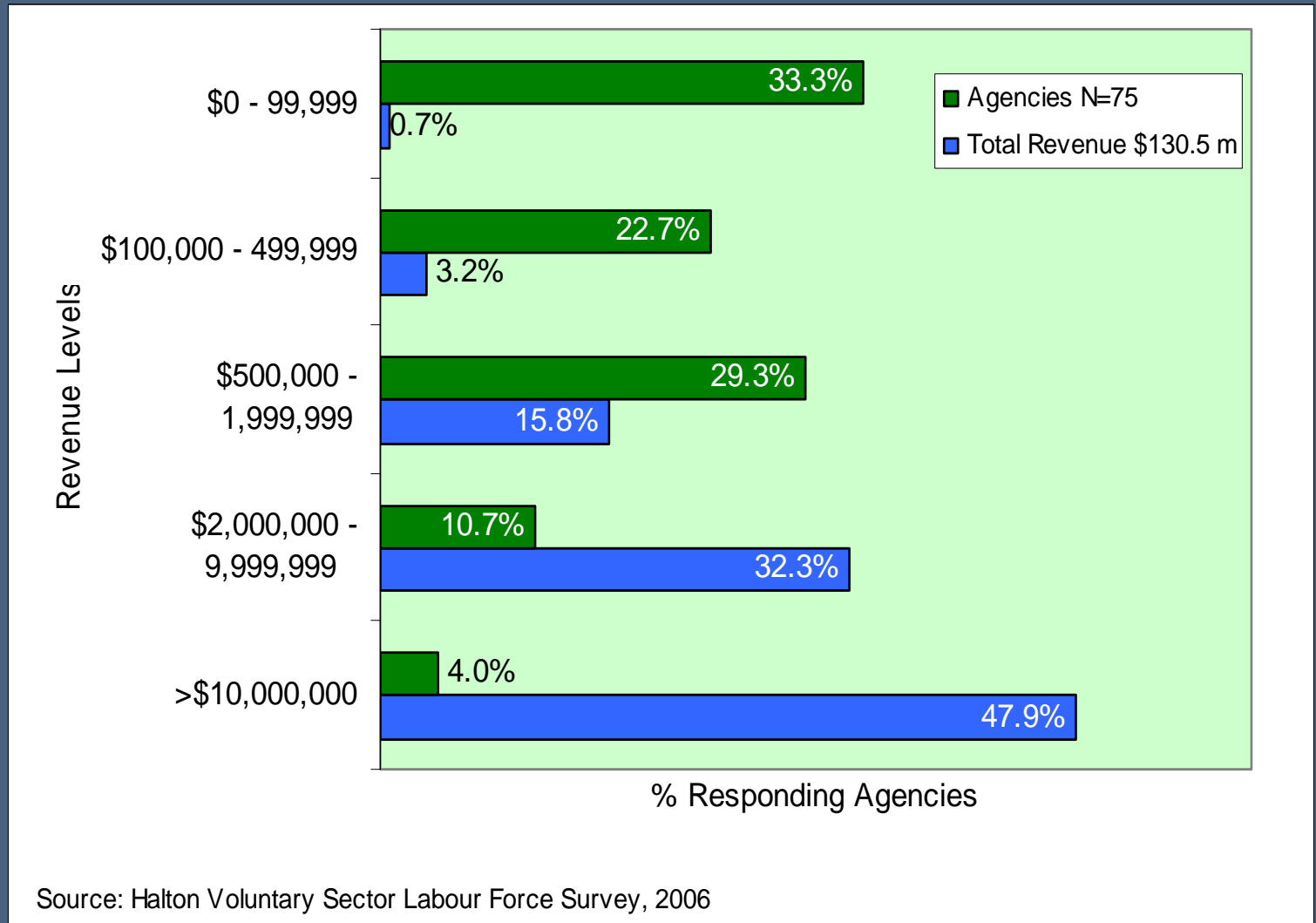
- Sector-wide consortium or collaborative for improved employee benefit packages
- Sectoral training strategy for continuous employee learning and educational upgrading opportunities (Government support as part of human capital development strategy)
- Student loan forgiveness program for graduates making 3-5 year work commitment to the sector
- Marketing strengths of sector to potential employees (personal fulfillment, skill development, flexible work arrangements, contribution to community)
- More systematic and better coordinated/managed school placement and student community involvement programs



4. Variable Scale within the Sector

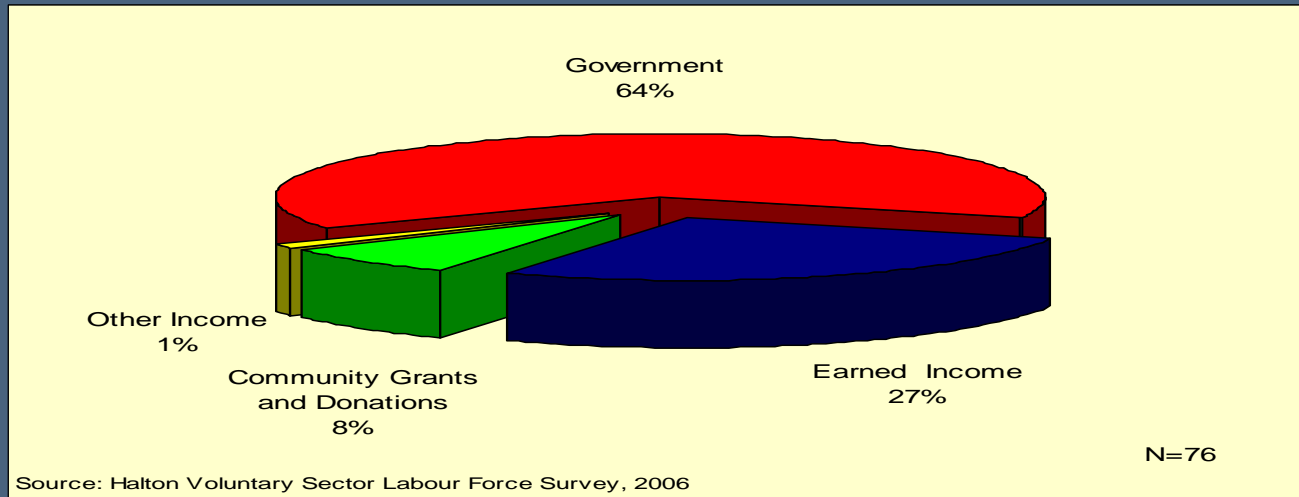


Agency Respondents by Annual Revenue Levels and Share of Total Revenue, 2004

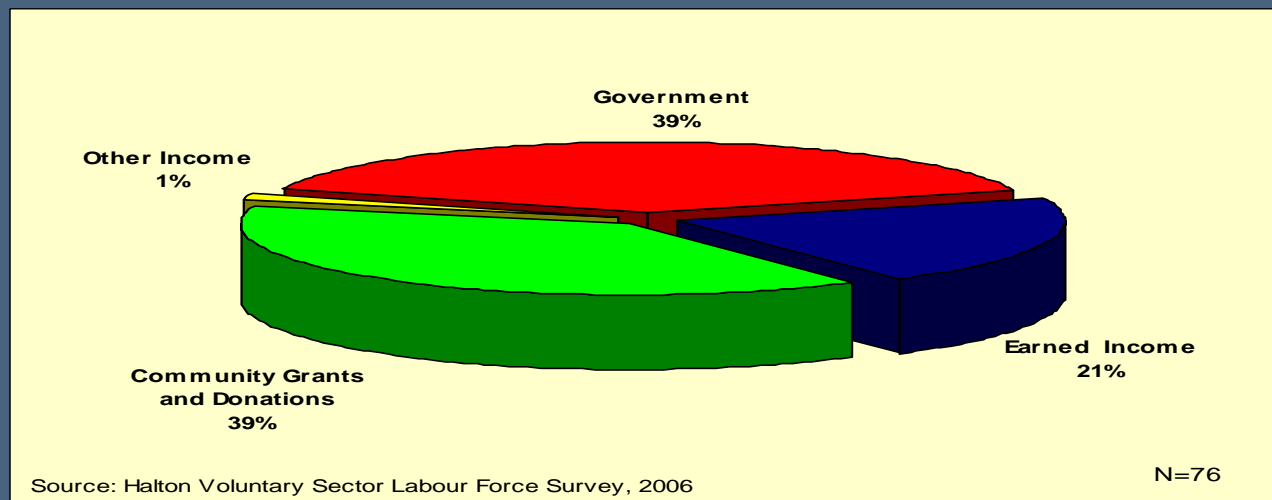


Variable Scale (2)

Major Sources of Revenue of Agency Respondents with Total Revenue Levels of \$2 Million and Higher



Major Sources of Revenue of Agency Respondents with Revenue Levels of under \$2 Million



The Risk of Corporatization of the Sector . . .

The wide-ranging scale of nonprofit human service agencies in the sector indicates variable capacities for creating and sustaining a strong human resource base . . .

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



**Presentation Posted on Website
of
Community Development Halton**

www.cdhalton.ca

