

# Community Dispatch

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## NIAGARA VOLUNTARY SECTOR LABOUR MARKET STUDY

*The research initiative, Niagara Voluntary Sector Labour Force Study, was conducted by the Centre for Community Leadership at Niagara College and was funded by Human Resources and Skills Development Canada. In an effort to contribute to the dialogue on Funding Matters in Halton and the corresponding situation of the nonprofit sector, this issue of Community Dispatch shares with you this study's findings and important recommendations. I have no doubt that the issues raised will resonate with the experience of Halton nonprofit agencies.*

*Joey Edwardh*

### Introduction

The Voluntary Sector is an important component of any community, contributing to our prosperity, quality of life and humanity. It accounts for an estimated 10% of the Gross National Product (GNP) and accounts for \$90 Billion in revenue and \$109 Billion in assets. Approximately 9% (1.3 Million) of the Canadian workforce works for a charitable organization. The sector includes staff as well as volunteers from social service, health, recreation, culture, education, agriculture, tourism etc. This study provides a snapshot of the key issues affecting Niagara's 2,000+ organizations and provides recommendations that are critical to the sector's survival and sustainability particularly as it pertains to employment and training needs.

### Study Purpose

The purpose of this study was to develop a full profile of the Niagara voluntary sector workforce; identify issues, challenges and priorities faced by the sector; identify labour market and required skill sets. Both macro and local trends influence the Niagara nonprofit sector.

### Macro Trends

Many of the demands being placed on the voluntary sector labour force are the result of a number of factors:

- **Demographic Changes** – aging population, increased life expectancy, a high percentage of seniors
- **Knowledge Based Economy** – a need to increase the productivity of staff through skills and training and increased use of technology

- **Increased Immigration/Social Inclusion** – 250,000+ per year 10% of new jobs will be filled by immigrants, 80% of immigrants will be visible minorities
- **Labour Shortages** – an aging labour force and a lack of knowledge transfer
- **Changing Values** – leadership to meet social needs is becoming more of a priority as stakeholders want value as well as an opportunity to provide input. Additionally, there is a growing awareness that all sectors are connected and must work together to build the capacity of their communities.

### Local Trends

- **Declining funding** in combination with governments transferring responsibilities and services to the sector and playing a reduced role in the economic and social development
- **Demographics** contributing to increased demands 17% of Niagara residents are over the age of 65, significantly higher than Ontario's 12.9%
- **Fewer young people** are taking their place in the labour force
- **Fewer volunteers, a lack of youth involvement** or recruitment to the sector
- **Little evidence** of succession planning and
- **An overall lack of coordinated response to new social issues.**

### Study Results and Recommendations Cannot Keep Up With Higher Demand

In 2003, it was estimated that each organization would serve approximately 7,500 stakeholders. This amounts to a strong 36% increase of Niagara residents turning to nonprofits for assistance. This increase is attributed to serving more low-income families, a growing need for more in-home care, a growing awareness of the availability of programs or services (abuse, counselling, addictions and health) and assisting more young unemployed people. On the plus side, some increases should be viewed as positive, that is, more interest in sports, arts, the environment and recreation.

What is the most frightening is that as demands are increasing, the capacity of Niagara organizations to meet demands has been declining. In 2001, 22% of

organizations were able to meet stakeholder demands, 20% in 2002 and 17% in 2003. The reasons cited for this include lack of funding, lack of volunteers, understaffing, lack of facilities and transportation challenges.

### ***Recommendations***

1. Initiate a social marketing campaign to increase an awareness of the voluntary sector labour force issues and needs among the sector itself, funders, media, politicians (local, provincial and national) and the public at large.
2. Implement a community “report card” to accurately reflect the “state” of Niagara, its needs and priorities and the role of the voluntary sector organizations in responding to those needs and priorities.
3. Implement facilitates focus/working groups to explore new models/collaborative strategies to increase efficiencies and effectiveness and eliminate duplication of services.

### **Precarious Financial Situation**

As core government funding, foundation and corporate donations decrease, the sector’s vulnerability is increasing. Despite extensive fundraising, efforts are falling short of raising the required dollars.

- Only 60% of nonprofit organizations have a secure source of funding to cover their expenses. However, with core government funding slipping and with others citing gaming revenue as core funding it is clear the sustainability of today’s voluntary sector organizations is at risk.
- Less than half have fallback reserves. The majority of those that do, have less than \$10,000.
- 11% have endowments and just 15% own property.

### ***Recommendations:***

1. Continue Niagara Voluntary Sector Innovation Awards as a viable strategy for celebrating and promoting “best practices”.
2. Advocate for government multi-year stabilization funding.
3. Engage in a social marketing campaign to promote local giving.
4. Implement free/low-cost (corporate or funder sponsored) training on strategies for sustainability.
5. Explore new models/strategies for financial sustainability

### **Declining Organizational Capacity**

While a strategic plan, liability insurance, succession planning and pay equity should be fundamental to every organization, it is clear that this is not the case.

This lack of fundamental elements is likely indicative of reduced funding. This, in turn, is contributing to an unhealthy work environment and a tendency to mission drift.

- 50% of organizations have a strategic plan
- 27% do not have liability insurance.
- 34% do not have directors’ liability insurance.
- 57% do not have comprehensive volunteer insurance
- 31% do not have event insurance.
- 51% do not have a pay equity plan in place.
- 77% of the organizations do not have a staff succession plan in place.

### ***Recommendations***

1. Support a central delivery mechanism for building the capacity of Niagara’s voluntary sector.
2. Implement free low-cost training sessions on strategic planning, liability, succession planning and pay equity
3. Investigate the possibility of a regional group benefit plan. This will be especially important for smaller organizations.
4. Develop and disseminate information to assist with insurance, pay equity issues, staff succession planning etc.
5. Encourage funders to insist that organizational strategic plans be mandatory.

### **Staffing**

The reality of the sector is that many organizations are unable to offer competitive wages and benefits, and burnout and a lack of professional development opportunities are issues. It is difficult to find qualified staff and there is a lack of skilled applicants and a shortage of appropriately educated college and university graduates. Women account for a clear majority of staff (76%) and the majority of those in senior positions are female (77%). In addition:

- 75% are non-union
- Staff being hired typically lack the required experience
- 80% of those hired for senior support positions request 1-5 years of experience, but only 59% actually find those people.
- Lack of security: 60% do not have a pension plan, 34% do not have a dental plan, 33% do not have long term disability, 54% do not have a medical service.
- Turnover in most positions is high.
- Nearly half the nonprofits say retaining their staff will be a major issue.

- Nearly the same number say recruitment will be a similarly tough challenge.

### ***Recommendations***

1. Encourage funders to invest in fundraising and volunteer management staff positions.
2. Increase knowledge and respect for the profession of voluntary sector leaders/managers (investigate means of validating the professions such as certification, accreditation, competency development and benchmarks).
3. Consider a mentoring program that would partner more experienced senior management with those just entering the field.
4. As the sector may not be able to offer competitive wages, the benefits that can be offered need to be examined more closely (i.e. offer and promote the availability of “flex-time”, compressed or reduced work weeks, telecommuting, or other alternative working arrangements to attract employees wanting to balance work with child care and/or elder care).
5. Implement a regional voluntary sector job fair.

### ***Wages***

- Nearly 40% of the sector employees make between \$25,000 and \$34,999. The majority of senior positions make between \$35,000 and \$49,999 and 37.9% make between \$50,000 and \$75,000 annually. By way of comparison, the average Niagara wage is \$42,002.
- Unpaid overtime is prevalent within the sector (i.e. senior managers on average are working the equivalent of one unpaid day a week).
- With a \$15/hr wage and 41% without benefits, frontline positions are difficult to fill. These include counsellors, child/youth workers, vocational instructors/support workers, rehab counsellors and disability counsellors.

### ***Recommendations***

1. An additional new potential labour force market may be those “baby boomers” or early retirees who are financially secure, but want to make a difference.
2. Continue Executive Director Networking Breakfasts or Sanity Circles that are cross-sectoral, short focused meetings that share solutions to common issues.
3. Develop strategies to attract untapped labour market force (i.e. seniors, immigrants).
4. Development of resources or practices to assist the sector with non-traditional hires.
5. Student hiring may be a vehicle for introducing the voluntary sector as a potential career path.

Also, the study indicated shortages in the following occupations:

- Program Coordinator
- Administrator
- Volunteer Coordinator
- Fundraiser
- Training Coordinator
- Receptionist
- Administrative Support
- Peer Support Facilitator
- Individual Disability Support Consultant
- House Facilitator
- Night Nurse
- Childcare Supervisor
- Maintenance

### ***Volunteers***

- On average, each Niagara organization has 60 volunteers.
- These volunteers contribute 470 hours each month (equivalent of 3.12 full-time jobs).
- Calculated at the average Niagara wage, this equates to the value of \$131,326 per organization.
- The resulting estimated economic contribution by Niagara volunteers is \$29,417,024. Despite this, 73% of nonprofit organizations do not have a staff person specifically responsible for coordinating and managing volunteers. The reason: lack of resources.

### ***Recommendations***

1. Implement “Board Match” a program that matches individuals from the private and government sectors who want to volunteer with organizations seeking representatives for the board of directors.
2. Offer training to strengthen volunteer board members (i.e., roles and responsibilities, how to hire an executive director etc).
3. Promote the economic impact of volunteers and the importance of investing in volunteer managers to support them.
4. Continue to disseminate free, practical, hands-on volunteer management information.
5. Develop a virtual volunteer centre to promote volunteer activities that people can do either from their homes or on a short-term basis.

### ***Training and Education***

Mapping out the issues facing the volunteer sector, the study also examined the skills and training that are required to address them.

- The required training and education needs of those working within the sector are diverse, particularly at

the senior management level. In addition to needing what is required to manage the equivalent of a business operation, administrators must also be fundraisers, understand board governance and manage volunteers.

### **Recommendations**

1. Apply recommendations that are evolving from the voluntary sector “National Learning Initiative” that is focussed on developing national skills and learning frame-work for the voluntary sector.
2. Share the identified training needs with organizations and their boards and encourage them to invest in training.
3. Training and skill development for Executive Directors is imperative.
4. Technology training needs to be a priority.
5. Develop a checklist of voluntary sector leadership competencies that can be used as a self-assessment checklist for those working in the sector. The individual competencies can be linked to existing training opportunities and resources.

### **Interpretation of Study Findings**

If these issues are not addressed immediately, it is anticipated that by 2009:

1. Each organization will be serving an average of 13,885 stakeholders, an increase of 85% from 2003.
2. Only 7% of Niagara’s organizations will have the capacity to meet demands.
3. There will be an anticipated 12% decline in volunteers.
4. An even more substantial decline in terms of funding for the “core” services provided by

organizations (according to the Centre of Philanthropy a 30% decline in government funding will put many organizations at risk of closure.)

5. Given that 47% of senior positions within the sector are held by those over the age of 45, by 2009 50% of the existing labour force will have left and taken with them their skills, knowledge and experiences.
6. In order to ensure their survival past 2015, organizations need to attract a younger labour force now. This means: offering competitive wages, offering a relevant post-secondary level of study, enhancing the image of the voluntary sector involving more volunteers (especially youth and seniors).
7. With 50% of the current labour force leaving by 2015, steps need to be taken to transfer knowledge and provide emerging voluntary sector leaders with the required knowledge and skills.
8. Fundraising and donor management, without technology, will not be possible.
9. The voluntary sector needs to be seen as a viable career option for new immigrants; training and skill development for new immigrants is essential.

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