

# Community Dispatch

An InfoFax of Community Development Halton

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## HARD HIT – ECONOMIC RECESSION: IMPACT ON HALTON SOCIAL SERVICING AGENCIES

*The current global recession is having a profound impact on nations and the lives of their citizens. Although governments had been pumping billions of dollars into stimulus programs and rescue packages and economists herald the end of recession, for many, recovery from this economic downturn is still not within sight.*

*In Canada and in Halton, unemployment rates, Employment Insurance usage, social assistance caseloads and bankruptcy rates are at an all time high. Behind these statistics are the faces of individuals and families who are struggling to make ends meet. Many of them fall through the government's safety net and turn to the nonprofit community service sector for help. However, community agencies are under tremendous stress pushed to the limit attempting to meet the growing and complex needs of people. Their capacity to respond is hampered by decades of inadequate investment by all levels of government.*

*I thought it important to share with you recent information on the impact of economic recession on Halton servicing agencies. The picture emerging does not auger well for the quality of life of citizens in our community or the sustainability and vibrancy of our social agencies as they attempt to provide support and care in Halton's communities<sup>1</sup>*

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<sup>1</sup> Community Development Halton, *Economic Recession: Impact on Halton Servicing Agencies*, a presentation to Health & Social Services Committee, Regional Municipality of Halton, October 20, 2009, available on [www.cdhalton.ca](http://www.cdhalton.ca)

### The Study

During April and May of 2008, Community Development Halton and the Social Planning Network of Ontario (SPNO) conducted a survey with over 400 community service agencies from across Ontario in order to track the changing impact of the recession on Ontario's nonprofit community service sector. The survey results have been released in a report entitled, "*Hard Hit: The Impact of Economic Recession on the Nonprofit Community Social Services in Ontario.*"<sup>2</sup>

### Increasing Demand for Service

Half of the Halton agencies surveyed had seen an increase in the demand for their services since September 2008 while about one-fifth has not seen a change in the demand for service. Community leaders stated that the increase in demand is driven by two phenomena – that of growing unemployment and that of significant population growth in Halton. Representative of the beliefs of a number of agencies was the prediction that "*the impact of the recession will hit with a vengeance as EI, insurance plans and other supports wear thin in the fall of 2009.*"

### Increasing and Complex Human Needs

Halton agencies are not only seeing a jump in service demand but significantly, 65% of the

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<sup>2</sup> Social Planning Network of Ontario (October, 2009), *Hard Hit: Impact of the Economic Downturn on Nonprofit Community Social Services in Ontario* available on [www.cdhalton.ca](http://www.cdhalton.ca). Also, CDH has worked with the United Way of Oakville to conduct a case study to assess specific impacts on Oakville social service agencies.

agencies indicated that their client needs have also grown more complex. About 40% of the service providers expressed concerns about their inability to provide preventative programming because most of their efforts had to be channelled to crisis management.

Community service agencies that are being hit by the first wave of increasingly vulnerable people include those providing emergency services such as emergency shelter, food banks, counselling, domestic abuse, mental health, addictions and suicide prevention. While this wave has hit, there is a “trickle down” effect associated with the economic downturn which has seen children pulled from childcare; youth unable to participate in summer camps and other recreational activities where user fees prevent access to program supports. The second wave is characterized by more people turning to Ontario Works, the Government of Ontario’s social assistance program, when they have exhausted their EI benefits. As the human toll of unemployment grows, the need for services and supports are becoming more urgent.

### **Agency Response to Demand**

To meet this increasing demand on their services, Halton agencies have mobilized all their available resources. As the chart on the last page of this *Community Dispatch* demonstrates, many (58%) are unable to respond to increased demand; many (54%) are supporting more people with the same staff; many are forced to realign priorities and/or reallocate resources; others experience growing wait lists and as one respondent stated: “*Waiting for service doesn’t help anyone.*” Others search for ‘capacity to serve’ through increased staff overtime and increased volunteer hours. Unfortunately, agency directors are starting to see a heavy toll on their staff and volunteers. Burn out has become common place in many organizations.

Front line workers are suffering “vicarious trauma” as they see daily the anguish of those suffering the multiple impacts of recession and unemployment. Volunteers face the same pressures and agencies report volunteers removing themselves from Boards in order to look for new employment. The resources required to recruit, retain and train volunteers have become scarcer under these conditions. The diagram included in this *Community Dispatch* etches out the cycle of weakening our social agencies hence social infrastructure.

### **Investment in Social Infrastructure**

Most important, the economic downturn has influenced adversely the financial resources available to agencies in the nonprofit community service sector. About 33% of Halton agencies anticipate a reduction in United Way and foundation funding; about 12% have already seen a reduction. Over half (57%) of the agencies expect reduced private donations, about 45% have seen a reduction. Four in 10 agencies anticipate a decrease in self-generated revenue, while over one-third (36%) of the agencies indicate their self-generated income (fundraising, fee for service) is down.

The combined impact of i) population growth; ii) the growing need for services resulting from the impact of recession and unemployment with its affects on body and soul; and iii) the long-term lack of investment in human services planning and the social agencies providing care are the antecedents of a “perfect storm”. Very simply, many people in need of services will wait long periods before assistance is available; some will fall through the cracks to heal alone or be picked up elsewhere in our health and social system; and, others will see their health and resilience made more fragile, ultimately pushing them further to the margins of society.

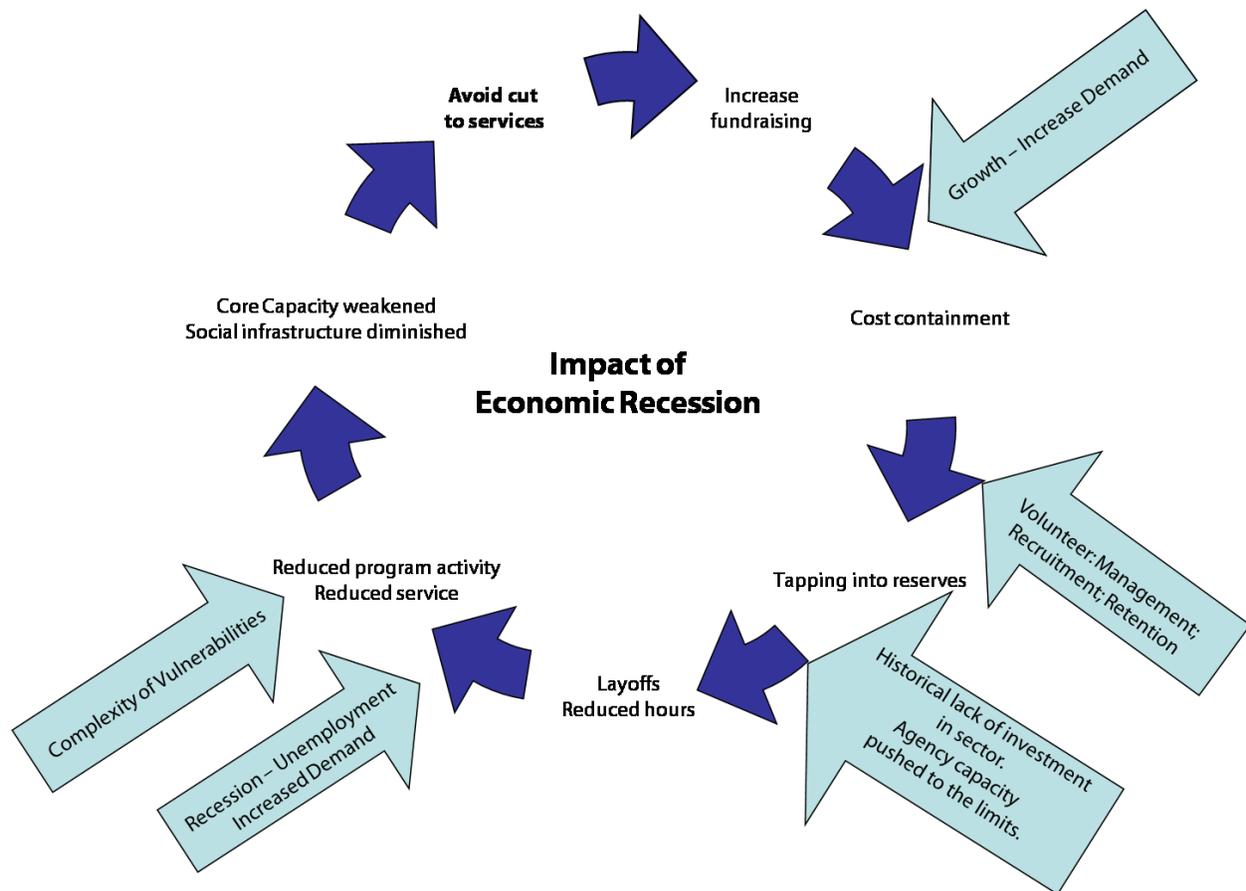
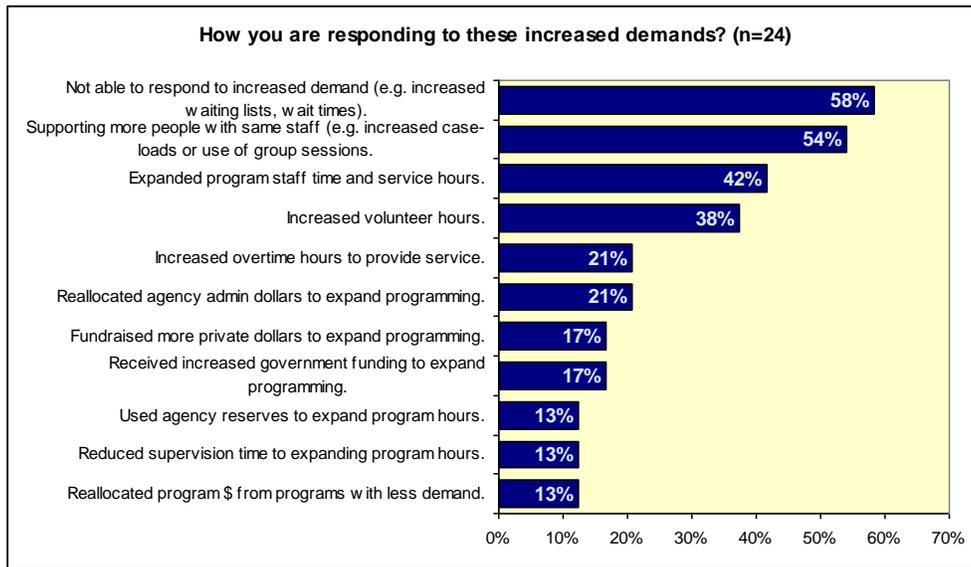
## Recommendations for Action

Based on the data and information received and analyzed, Community Development Halton in collaboration with the Social Planning Network of Ontario, have made the following three recommendations:

1. All levels of government initiate discussions with key community service agency stakeholders immediately to identify reforms and investments that will effectively shore up the capacity of the sector to sustain and strengthen their communities. Because of their increased fiscal capacity, senior levels of government in particular should develop strategies of support to fortify the nonprofit community service sector to address the human tragedy resulting from high unemployment levels.
2. The federal and Ontario governments introduce dedicated social infrastructure funds, similar to the built infrastructure fund, as a means to deliver community program dollars over the next few years that can help fuel social and economic development and much-needed recovery. These funds would be used to support a

nonprofit job creation strategy that creates jobs and, at the same time, expands social support programs for affected communities including youth, seniors, women, racialized communities, people with disabilities and new immigrants. Job creation would be concentrated in key areas including child care, affordable and supportive housing and food security initiatives. This investment would support economic recovery, promote greater equity and foster community prosperity.

3. The federal government work to improve eligibility and increase timely access to Employment Insurance benefits and the Ontario government work to improve benefits and increase access to social assistance programs to reduce the financial crisis faced by unemployed workers during these tough economic times. These actions, in turn, will support the nonprofit community service sector by reducing the crisis management required to assist community members in these difficult situations.



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