

# EMPLOYMENT IN THE VOLUNTARY SECTOR



**The New Brunswick Context**

FEBRUARY 2004

# FOREWORD

**Employment in the Voluntary Sector: The New Brunswick Context** is Phase 1 of a project that examines the situation of the voluntary sector in New Brunswick as an employer of paid staff.

The original concept for this research was brought forward by members of the voluntary sector and Human Resources Development Canada. The Provincial Departments of Family and Community Services (FCS) and Training and Employment Development (TED) indicated an interest in this concept as well, forming the beginning of an advisory group. Subsequently, membership was expanded by bringing in additional members from the voluntary sector.

Special thanks to all participants of focus groups that were held throughout the province. Your input was a valuable key in completing Phase 1 of this research.

The Department of Training and Employment Development sponsored the study.

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# EXECUTIVE SUMMARY

There is surprisingly little information available about the voluntary sector and the vital role it plays in Canada and in the province of New Brunswick. This report reviews the current literature and research on the non-profit and voluntary sector, and highlights some of the trends and major issues facing the sector. In doing so, it is clear that existing research on the sector is relatively new and focused on only a small number of topic areas.<sup>1</sup> Consequently, there are large gaps in our knowledge that warrant attention.

One area of particular interest is human resources. Recent research on the voluntary sector labour market reveals that there has been a growth in flexible or precarious forms of work and a rise in the percentage of university-educated workers. As well, the workforce continues to be comprised largely of female workers; the average age of workers has increased as well – a trend that is more marked in the voluntary sector than in other sectors of the economy.

Growing financial uncertainty and volatility among voluntary sector organizations is creating difficult operating conditions in the sector, particularly as they affect human resources. Funding trends have left many organizations in a desperate struggle to plan their programs with uncertain budgets, to attract and retain qualified staff in an increasingly unstable labour market, and to respond to increased demands for service while competing for resources. The strain on paid staff and volunteers is acute, and it is undermining the capacity of these organizations to serve their clients and other stakeholders.

These concerns were evident among voluntary sector groups in New Brunswick and were reiterated in focus groups held to gather information for this project. The unique challenges faced by many New Brunswick voluntary sector groups to attract and retain staff were of particular note. As well, the focus group discussions also pointed out that there are serious gaps in knowledge about voluntary sector organizations themselves and their capacity to meet their objectives within today's turbulent environment.

Six focus groups were held throughout the province: one with federal government employees, one with provincial government employees, and four with a cross-section of voluntary sector representatives. One of the sessions was conducted in French in the Acadian Peninsula.<sup>2</sup>

While some of the historically positive characteristics of the sector still exist, deep and widespread concerns were expressed about its future capacity. Among the themes highlighted in the focus groups were the following:

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<sup>1</sup> A-J McKechnie, Monique Newton and Michael Hall (2000), *An Assessment of the State and Voluntary Sector Research and Current Research Needs*, Canadian Centre for Philanthropy: 25.

<sup>2</sup> See Appendix 2 for a list of participants by location and affiliation.

- The long-term trend of government away from core funding and towards project-based and short-term funding has serious and significant implications for voluntary sector organizations;
- The organization must often shift its focus away from its central goals and mission, towards more “fundable” pursuits;
- The uncertainty of short-term funding negatively impacts the recruitment and retention of employees;
- The government’s role in the provision of social services has tended to decline and this change was identified as a source of concern and stress;
- The competition for workers has become intense, particularly for bilingual candidates, and this has been heightened by opportunities offered by Call Centres now operating in the province;
- Low wages and few employment benefits make the sector a difficult sell to new labour force recruits. The lack of job security and uncertain and sporadic funding make the problem worse;
- Human Resource fatigue is an issue for both staff and volunteers;
- Isolation and lack of engagement with the larger voluntary sector community is particularly challenging in rural areas of the province and for francophone organizations.

These common sources of concern can be a starting point for greater understanding of the issues at play in the voluntary sector in New Brunswick, but further research is needed into the size and scope of the voluntary sector in the province and the human resources challenges that organizations face.

To that end, this report includes a discussion of directions for future research, and specifically, several options for a new study on human resources issues among New Brunswick voluntary organizations. A key element of the proposed research would be designing, conducting and analyzing some form of survey on this topic, as outlined in the methodology section of this report. As noted there, a new study would include three components: a survey, focus groups and key informant interviews. Three possible directions for the proposed survey – which is the most costly element – are examined: a new survey built from scratch; a New Brunswick survey using an existing regional survey; or modifying the new National Survey of Non-profit and Voluntary Organizations (NSNVO) which is scheduled to be released in February 2004.

The NSNVO is suggested as the best option, with modifications to add content specific to New Brunswick. Again, distinct options for using the NSNVO are detailed and very broad cost estimates are developed. Each of the options outlined have particular strengths and weaknesses, and the final choice will depend to some degree on the resources available.

## BACKGROUND AND METHODOLOGY

A recent and significant national investment in the “Voluntary Sector Initiative” (VSI) has focused considerable attention on the voluntary sector in Canada. This is welcome, because surprisingly little is known about the sector and the vital role it plays in Canada and in our focus of interest, New Brunswick. The provincial Department of Training and Employment Development engaged other provincial and federal departments in a conversation about the knowledge gaps we in New Brunswick face in understanding the voluntary sector, particularly the future of employment in the sector. They explored some of their concerns with voluntary sector partners, including Policylink NB, an initiative intended to raise the level of coordination and collaboration within and beyond the voluntary sector.

The conclusion from those discussions was that before undertaking a large-scale research initiative, more limited research needed to be done to determine the nature and extent of the knowledge gaps, to explore with voluntary sector representatives their concerns about the sector’s current and future health, and to get some idea of how those gaps might best be closed through further research.

A partnership of three organizations was chosen to undertake this study: Policylink NB, the Canadian Council on Social Development (CCSD), and Kathleen Howard & Associates.

CCSD provided the link to national and international voluntary sector literature, and has considerable in-house expertise in survey methodology. Kathleen Howard & Associates has extensive expertise in qualitative research and experience working with the sector. And Policylink NB has, in its two-year existence, established credibility and deep linkages with voluntary sector organizations across the province, in both official languages. The substance of this partnership had a close fit with the methodology used to complete this study.

An extensive literature review was undertaken by the CCSD, which revealed challenges at the national and provincial levels about what we should know in order to plan for future human resource challenges in the sector. Kathleen Howard & Associates designed and conducted a series of six focus groups across the province, engaging voluntary sector leaders and government department partners in conversations about challenges facing the sector today. Policylink NB was instrumental in opening these doors to access the sector, and for the most part, people were anxious to be heard. The final section of this report provides options for a methodological approach to the second phase of this research.

# LITERATURE REVIEW

## Human Resources in the Voluntary Sector: A Literature Review

In this review, we examine the issue of human resources in the voluntary sector. By analyzing some of the major findings from Canadian sources, we develop a portrait of the major concerns around this issue. And while human resources are clearly an important issue for the voluntary sector, they are not independent of other factors within the sector. Therefore, this literature review also examines a number of interrelated themes in the voluntary sector, such as the role of governments and more general labour market concerns.

Before we examine some of the specific features of the human resource issue, we will situate the voluntary sector in Canada today within a broader context, and highlight some of the major changes that it is experiencing.

## Size and Scope of the Voluntary Sector

In recent years, there has been a significant shift in the role that voluntary sector groups perform in Canadian society. Traditionally, the voluntary sector operated as a product of community participation and civic involvement, bringing together common interests in faith, social issues, recreation, arts and culture, or the environment. The Voluntary Sector Joint Tables Report described the sector as “vibrant, diverse and resilient. The sector plays a vital role in achieving the goals that Canadians consider important. These goals include a healthy population, a skilled and resilient workforce, a strong social safety net, vital and diverse cultural and religious activities, secure homes and streets, and environmental sustainability – in short, quality of life.”<sup>3</sup>

Given the growing level of interest in the voluntary sector, there is surprisingly little information available about it and the vital role it plays in Canada. Certainly the *National Survey of Giving, Volunteering and Participating* provides valuable information on volunteering: who the volunteers are, where they volunteer, the number of hours they commit to volunteer activities, and their motivation.<sup>4</sup> Family expenditure surveys from Statistics Canada and data from income tax files also provide important information about donations to charitable organizations. But we have very little information about the organizations themselves. Even for charitable organizations – about which we know the most – there are huge discrepancies among various sources of data on such basic information as size and total revenues.<sup>5</sup> Information on voluntary organizations that are

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<sup>3</sup> Voluntary Sector Task Force. *Working Together: A Government of Canada / Voluntary Sector Joint Initiative*. Report of the Joint Tables, August 1999: 19.

<sup>4</sup> Michael Hall, Larry McKeown and Karen Roberts (2001). *Caring Canadians, Involved Canadians: Highlights from the 2000 National Survey of Giving, Volunteering and Participating*. Ottawa: Statistics Canada.

<sup>5</sup> A registered charity is a charitable organization, private foundation, or public foundation, as defined in the *Income Tax Act*, that is resident in Canada and was either created or established in Canada; or a branch,

not registered charities is almost non-existent. One author has described these groups as the “dark matter ignored in prevailing ‘Flat Earth’ maps of the sector.”<sup>6, 7</sup>

The available data, though lacking, do provide a useful benchmark against which to measure the findings from our study. We know that in 1999, there were roughly 79,000 registered charities in Canada. In addition, there are an estimated 100,000 non-profit corporations in Canada.<sup>8, 9</sup> According to Hirshhorn, if we added all incorporated and non-incorporated organizations together, the number of voluntary organizations would likely exceed 200,000.<sup>10, 11</sup> And it is growing each year. Looking at charities alone, roughly 1,000 are added to the rolls each year, according to the Canada Customs and Revenue Agency (CCRA).<sup>12</sup> Between 1991 and 1999, the charitable sector grew by 26.4%.<sup>13</sup> Growth in the number of voluntary organizations is not unique to Canada. Studies in

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section, parish, congregation, or other division of an organization or foundation as described above that is resident in Canada and was either created or established in Canada and that receives donations on its own behalf. The key source of hard information is the annual return (T1 and T3010) which must be filed each year by registered charities with the Canada Customs and Revenue Agency (CCRA), but this provides only limited data on the distribution of charities by broad sector, together with some limited financial data. There are major concerns regarding the accuracy of charitable returns, which are not checked and often fail to add up or make sense. See Kathleen M. Day and Rose Ann Devlin. *The Canadian Nonprofit Sector*. Canadian Policy Research Networks Working Paper #2, 1997. Also see Erwin Dressen, “What do we know about the Voluntary Sector? An Overview,” a paper in the Nonprofit Sector Knowledge Base Project by Statistics Canada, 2000.

<sup>6</sup> There are a number of activities currently underway to begin to fill in some of these gaps in our knowledge. For instance, the federal government, through the Voluntary Sector Initiative, is funding the first-ever survey of nonprofit and voluntary sector organizations. A research consortium headed by the Canadian Centre for Philanthropy is working in conjunction with Statistics Canada to prepare a two-phase survey – entitled the National Survey of Nonprofit and Voluntary Organizations (NSNVO) – that will be fielded in the Fall 2002 and Winter 2003. Statistics Canada is also heading up another important initiative – the Satellite Account of Nonprofit Institutions and Volunteering – which will provide annual estimates of the financial status and economic contributions of nonprofit organizations.

<sup>7</sup> D. H. Smith (1992). “The rest of the nonprofit sector: Grassroots associations as the dark matter ignored in prevailing ‘flat earth’ maps of the sector,” in *Nonprofit and Voluntary Sector Quarterly*, 26(2), 1997: 114-31.

<sup>8</sup> Jack Quarter. *Canada’s Social Economy: Co-operatives, Non-profits and Other Community Enterprises*. James Lormier & Co., 1992: 208.

<sup>9</sup> This estimate is based work by Jack Quarter and is widely cited. See Jack Quarter, *Canada’s Social Economy: Co-operatives, Non-profits and Other Community Enterprises* (James Lorimer & Co., 1992). This estimate excludes cooperatives which, according to a 1999 Government of Canada estimate, number 10,000. Government of Canada, “Engaging the Voluntary Sector,” paper by the Voluntary Sector Task Force, Privy Council Office, February 1999.

<sup>10</sup> Ronald Hirshhorn (1997). *The Emerging Sector: In Search of a Framework*, edited by Ronald Hirshhorn, Ottawa: Canadian Policy Research Networks: 8.

<sup>11</sup> Another source of information on the nonprofit and voluntary sector is the *Business Register*, which is compiled by Statistics Canada. In 2002, 96,000 nonprofit entities were contained in the Register, 15,000 of which were inside government (including hospitals and universities). This count of nonprofit institutions – numbering 81,000 – underestimates the size of the nonprofit sector because a number of groups are excluded, including unincorporated organizations that do not employ paid workers or collect the GST. See McMullen and Schellenberg, “Mapping the Nonprofit Sector” 2002: 18-19.

<sup>12</sup> Kevin Donovan (November 16, 2002). “No one checking on charities,” in the *Toronto Star*.

<sup>13</sup> David Sharpe (2001). “The Canadian Charitable Sector: An Overview,” in *Between State and Market: Essays on Charities Law and Policy in Canada*, edited by Jim Phillips, Bruce Chapman and David Stevens. Kahanoff Foundation – Non-profit Sector Research Initiative, McGill-Queen’s University Press: 15.



other countries document an increase in the formation and activism of voluntary organizations. One leading comparative scholar believes that the magnitude in the growth of the voluntary sector signals an “associational revolution” that could be as significant as the rise of nation states in earlier centuries.<sup>14</sup>

Charities are active in a wide range of areas across Canada.<sup>15</sup> Table 1 presents a breakdown of charities by activity for 1991 and 1999, according to 10 broad sector groupings.<sup>16</sup> Public foundations, private foundations and charitable organizations are included under each subsector. In 1999, the largest charitable sector was religion, with 41% of all registered charities. The next was welfare at 18%, followed by benefits to the community (11%). As we can see, benefits to the community (excluding recreation), other education, and the welfare sector experienced the highest levels of growth throughout this period. With the exception of hospitals, the number of charitable groups has increased steadily. Even as some groups disband, or let their charitable status lapse, other groups are forming and/or applying for charitable status.

**Table 1: Changes in the Composition of Canada’s Charitable Sector, by Sub Sector, 1991-1999**

Charity Type	Share (%) December 1991	Share (%) February 1999	Growth (%) 1991-99
Arts and Culture	4.5	4.6	29.0
Community Benefit	9.7	11.3	49.3
Educational Charities	7.0	8.1	48.3
Health Charities	5.8	6.2	37.0
Hospitals	1.8	0.9	-38.2
Other	2.6	2.2	6.1
Recreation	4.0	3.9	21.4
Religion	45.2	40.8	13.9
Teaching Institutions	3.7	3.9	31.2
Welfare	15.5	18.0	45.8
All charities	100.0	100.0	26.4

Source: CCRA, T3010. David Sharpe, “The Canadian Charitable Sector: An Overview,” *Between Market and State*, J. Phillips, B. Chapman and D. Stevens, eds. (Montreal & Kingston: McGill-Queen’s University Press, 2001), 18-19.

<sup>14</sup> Salamon (1995), cited in Michael Hall and Keith G. Banting (2000). “The Nonprofit Sector in Canada: An Introduction,” in *The Nonprofit Sector in Canada: Roles and Relationships*, Keith G. Banting (ed.). School of Policy Studies, Queen’s University, 2000: 2-3.

<sup>15</sup> It should be noted that the definition of a charity and their areas of their work is hotly contested by many in the voluntary sector.

<sup>16</sup> In 1999, there were 71 categories enumerated in the CCRA charity regulations.

As noted above, we have very limited information on “noncharitable” organizations in the non-profit and voluntary sector. Since 1993, all non-profit organizations with revenues over \$10,000 or assets over \$200,000 have been required to file an annual return with the CCRA (form T1044), but it is widely conceded that compliance is quite low. In one study that has examined these data in detail, there were 4,490 returns for 1994, out of an estimated population of 100,000 organizations. Based on this sample, Day and Devlin found that non-profit and voluntary groups were active in a number of fields: agriculture (10%); recreation (7%); professional associations (8%); boards of trade (1%), civic improvement (2.5%); education (3%); multicultural (0.4%), arts and culture (2.3%). The remaining two-thirds of the reporting organizations were grouped in the “other” category.<sup>17</sup>

## Paid Staff and Volunteers

Another key dimension of our organizational portrait is the composition of the labour force. Two important studies of human resources within the non-profit sector have been conducted. The first was by Paul Browne and Pierrette Landry for the Canadian Centre for Policy Alternatives in 1995. They fielded a survey of charities, cooperatives, trade unions and environmental groups, asking about human resources and employment practices.<sup>18</sup> In this study, 83% of third sector organizations had paid employees. The average number of staff per organization was 19, but the median number of employees was in fact four. This large difference between the average number and the mean number of employees speaks to a distinctive pattern of employment evident among non-profit and voluntary groups, and charities in particular. Looking at the distribution of paid staff, the majority of non-profit and voluntary organizations (65%) had five employees or less in the 1995 CCPA study, while 35% had six or more. Yet there was a small group of non-profit and voluntary groups – notably in the health and education fields – that had large numbers of employees. The presence of large institutions like hospitals serves to boost the average number of employees. Looking at charities grouped under Benefits to the Community, for example, we see a more even distribution: 76% of these charities had five or fewer employees (14% had no employees); and 24% had six or more. The average number was seven.

Most of the paid positions in the CCPA study were full-time. On average, non-profit and voluntary organizations had 12 full-time positions and seven part-time positions – roughly a one-to-two ratio. Browne and Landry also note that, on average, more women than men are employed in full- and part-time positions, figures that reflect the relatively high concentration of women employed in the non-profit and voluntary sector. Looking at the occupational breakdown, roughly one-third of employees were in management positions, about 40% were professionals or service providers, about 16% were clerical and administrative support staff, and 8% were in other positions. All of these positions

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<sup>17</sup> Kathleen M. Day and Rose Anne Devlin (1997). “Measuring the Nonprofit Sector,” in Ronald Hirshhorn (ed.), *The Emerging Sector: In search of a framework*. Ottawa: Canadian Policy Research Networks: 26-31.

<sup>18</sup> Paul Browne and Pierrette Landry (1996). *The Third Sector and Employment: Final Report to the Department of Human Resources Development*. Canadian Centre for Policy Alternatives: 10-16.

were more poorly paid than similar positions in other industries, with the exception of jobs in trade unions. Similarly, fewer non-profit and voluntary organizations provided benefits than did employers in other private and public industries. These discrepancies were particularly pronounced among environmental groups, reflecting the fact that “younger” groups tend to have smaller budgets and employ fewer full-time staff.

More recently, the Canadian Policy Research Networks has released a study of human resources in the non-profit sector based on an analysis of the 1999 *Workplace and Employee Survey* (WES) (see Table 2). McMullen and Schellenberg identify almost 60,000 non-profit business establishments, representing a total of 900,000 workers, and eight per cent of all employees in 1999.<sup>19, 20</sup> Data from the WES show that just over one-half of all non-profit establishments (53.4%) had fewer than five paid employees in 1999, and close to three-quarters employed fewer than 10 workers. Larger workplaces were more prevalent in the quasi-public sector – such as hospitals and universities – where close to 40% had 50 or more employees.

**Table 2: Distribution of Employees and Payroll, by Sector, Canada, 1999**

	Employees		Payroll expenditures	
	Number	%	Billions of Dollars	%
Non-profit sector	891,000	8.3	22.1	6.6
Quango sector	1,347,100	12.5	42.0	12.6
For-profit sector	8,539,500	79.2	270.2	80.8
<b>Total</b>	<b>10,777,600</b>	<b>100.0</b>	<b>334.3</b>	<b>100.0</b>

Source: Based on data from the WES, 1999.<sup>21</sup>

Weighted count estimates have been rounded to the nearest 100.

Overall, 74% of employees were employed on a full-time basis.<sup>22</sup> Compared to the for-profit and quasi-public sector, a larger proportion of employees are employed on a temporary or part-time basis – 14% and 26% respectively of all non-profit employees. Women account for the clear majority of employees, as found by Browne and Landry: they represented almost three-quarters (74%) of all paid employees in the non-profit sector in 1999. Employment in the non-profit sector, as in the quasi-public sector, tends to be dominated by professionals: one-third of employees are classified as such.

<sup>19</sup> Kathryn McMullen and Grant Schellenberg (2002). “Mapping the Non-Profit Sector,” *CPRN Research Series on Human Resources in the Non-profit Sector*, No. 1. McMullen and Schellenberg (2003). “Job Quality in Non-profit Organizations,” *CPRN Research Series on Human Resources in the Non-profit Sector*, No. 2. McMullen and Schellenberg (2003). “Skills and Training in the Non-profit Sector,” *CPRN Research Series on Human Resources in the Non-profit Sector*, No. 3.

<sup>20</sup> Please note that discrepancies in the estimates of the number of voluntary or nonprofit organizations stem primarily from the different data sources, the types of groups captured in those surveys, and their methods of collection. Also note that the estimates for nonprofits do not include organizations such as hospitals, which are classified in this study as quasi-public sector institutions.

<sup>21</sup> *Op cit*, 2002: 20.

<sup>22</sup> The following data are drawn from both CPRN reports.

Similarly, one-third of employees worked in technical or trade positions, while 15% worked as managers, and 11% worked in clerical or administrative positions. Overall, average earnings for managers, professionals and technical or trades workers lagged behind those in the for-profit sector, and significantly lagged behind those in the quasi-public sector. Earnings of those engaged in clerical work were comparable to similar positions in the for-profit sector, but less than those in the quasi-public sector. “Only a minority of non-profit employers offer benefits, ranging from about 38% in the case of supplemental medical insurance and about one-third for dental plans, to close to 30% for employer-sponsored pension plans or group RRSPs, and 6% in the case of supplemental Employment Insurance.”<sup>23</sup> Two-thirds of non-profit employees said they were satisfied with both their job and their pay and benefits in 1999. This is similar to self-reported job satisfaction in the for-profit and quasi-public sectors. However, job satisfaction was much lower among non-profit workers over the age of 45 than compared to other workers.

The other key source of human resources for any voluntary organization is volunteers. The presence of volunteers can be difficult to interpret, in part because the range of what volunteers do varies so widely. Some groups use volunteers primarily to govern their organizations, while others draw extensively on volunteers to deliver their programs, such as organizations like Big Brothers, Big Sisters, for example. Some organizations use volunteers to conduct large, one-time fundraising drives or campaigns; others rely on a highly committed core of volunteers to deliver programs each week. This diversity reveals the complexity of talking about human resources in any voluntary organization.<sup>24</sup>

Luckily, we have excellent information on volunteering, thanks to the *National Survey on Giving, Volunteering and Participating* (NSGVP) and the work of volunteer centres across Canada. Findings from the most recent survey in 2000 point to contradictory trends for non-profit and voluntary organizations. Overall, the volunteering rate – the proportion of Canadians over age 15 who volunteered their time and skills to groups or organizations – was 26.4% in 2000. Volunteers that year donated over one billion person-hours to voluntary endeavours – the equivalent of more than half a million full-time jobs. The volunteering rate has fallen, however. Between 1997 and 2000, the rate fell by five percentage points. Similarly, the number of hours donated has fallen, from 1,108 hours in 1997 to 1,053 hours by 2000. Commentators note that there appears to be a relatively stable “civic core” of Canadians who are donating their time and income to the non-profit and voluntary sector: 7% to 8% of all adult Canadians accounted for about half of all hours volunteered and all charitable dollars donated in 2002.<sup>25</sup> This points to the difficulty that many organizations are experiencing recruiting *new* volunteers, especially

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<sup>23</sup> McMullen and Schellenberg, 2003: vii.

<sup>24</sup> The NSGVP reports on 15 different types of volunteer activities. More than half of volunteers in 2000 helped to organize or supervise activities or events (57%); another 41% served as a board or committee member, and 40% were involved in canvassing, campaigning or fundraising. Less than 30% were involved in direct programming such as collecting or delivering food, providing care or support, or teaching (Hall et al., 2001: 41).

<sup>25</sup> Paul B. Reed and L. Kevin Selbee (2001). “Volunteers are Not all the Same: The Case of Health Organizations,” *Voluntary Health Sector Working Papers 2002: Volume 2*, prepared for Health Canada as one in a series of reports from the Nonprofit Sector Knowledge Base Project, 2002.

among younger community members, because of time pressures related to family and job.<sup>26</sup>

Information on Atlantic Canada is available in the NSGVP. In 2000, a higher percentage of Canadians in the Atlantic Provinces than in other provinces were willing to donate to charities.<sup>27</sup> In a recent study by GPI Atlantic, Ronald Colman found that while Atlantic Canadians were giving more, between 1997 and 2000, 74,000 Atlantic Canadians had stopped volunteering. One serious consequence of this decline, as noted above, is that “a growing responsibility and burden rests on even fewer shoulders. A smaller number of dedicated volunteers is being spread increasingly thin, and the danger of volunteer burnout is real.”<sup>28</sup> It is interesting to note, however, that the situation in New Brunswick seems to be an anomaly, with many fewer volunteers working only slightly fewer hours.

Only PEI gained volunteers between 1997 and 2000, with an increase of 2,000 (5.2%). Annual hours worked per capita were 53.3, up from 35.5.

New Brunswick lost 34,000 volunteers (16.3%). Hours worked per capita were 43.7, down from 44.8.

Newfoundland lost 12,000 volunteers (8%). Hours worked per capita were 53.2, up from 36.7.

Nova Scotia lost 30,000 volunteers (10.7%). Hours worked per capita were 50.1, up from 42.3.<sup>29</sup>

The GPI report also tried to measure the economic contribution of volunteering. “Volunteers contribute the equivalent of \$53 billion worth of services to the Canadian economy, including \$2 billion in Nova Scotia, \$1.5 billion in New Brunswick, \$1.3 billion in Newfoundland, and \$300 million in PEI.”<sup>30</sup>

## Financial Resources of Non-profit and Voluntary Sector

### Level and sources of funding

As the voluntary sector has grown, so too have the financial resources at its disposal. Again, while data are limited, we know that the voluntary sector commands significant

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<sup>26</sup> According to the 2000 *National Survey of Giving, Volunteering and Participating*, the most frequent reason given by volunteers for not volunteering more – or by non-volunteers for not volunteering at all – was lack of time: 76% of volunteers and 69% of non-volunteers surveyed gave this reason. Michael Hall et al. (2001), *The Capacity to Serve: A Qualitative Study of the Challenges Facing Canada's Nonprofit and Voluntary Organizations*, Voluntary Sector research Consortium, Canadian Centre for Philanthropy: 44).

<sup>27</sup> Canadian Centre for Philanthropy (2002). *Charitable Giving in Canada: 2000 National Survey of Giving, Volunteering and Participating*, fact sheet cited on-line July 18, 2003 at [www.givingandvolunteering.ca](http://www.givingandvolunteering.ca).

<sup>28</sup> Ronald Colman (2003). *Economic value of civic and voluntary work in Atlantic Canada: 2003 update*. Tantallon, N.S.: GPI Atlantic.

<sup>29</sup> *Ibid.*

<sup>30</sup> *Ibid.*

resources and represents a sizeable proportion of the economy. In a 1997 study, Kathleen Day and Rose Ann Devlin reported that Canadian charities – less than half the estimated number of voluntary organizations – received \$58.5 billion in revenues in 1994.<sup>31, 32</sup> More recent data from CCRA reveals that Canadian charities received \$80 billion in 1999. This represents a nominal increase of more than \$20 billion dollars. When we take inflation into account, there was an increase of \$16 billion dollars in funding for the charitable sector between 1994 and 1999. Looking at the economic value of the voluntary sector, Day and Devlin estimated that the contribution of the voluntary sector as a whole to the Canadian economy was in the order of 4% of GDP in 1994,<sup>33</sup> and the Canadian Centre for Philanthropy (CCP) has valued the contribution of charities alone at 13% of GDP.<sup>34, 35</sup> Many would argue that even these figures do not fully capture the magnitude of the sector. They certainly do not capture the huge social and economic contributions made by the sector to Canadian life.<sup>36</sup>

The acknowledged diversity of the voluntary sector is evident in the level and sources of funding of voluntary groups. Certainly among charitable groups, all types of charities do not have the same access to funds. Table 3 looks at the distribution of revenues by type of charity.

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<sup>31</sup> Day and Devlin, 1997: 13

<sup>32</sup> A study for the Canadian Centre for Philanthropy estimated that Canadian charities received \$90.5 billion in revenues in 1994, using a methodology developed by Sharpe in his 1994 study, *A Portrait of Canada's Charities* (Michael H. Hall and Laura G. MacPherson (Spring/Summer 1997), "A Provincial Portrait of Canada's Charities," in the Canadian Centre for Philanthropy's *Research Bulletin*, 4(2 & 3): 1). There is obviously a large discrepancy between the figures produced by the CCP and those produced by Day and Devlin for the same year. A discrepancy of this magnitude is partly due to problems with the collection and reporting of charitable data by CCRA, particularly before 1995. In addition, while all charities are required to submit T3010 forms each year, many provide incomplete information. Researchers such as David Sharpe and those at the CCP have attempted to deal with these problems by adjusting the financial data attained from the T3010. The difference between Sharpe's study – and subsequent work employing his methodology – and analyses strictly based on T3010s is significant. The patterns in funding reported, however, are similar. For a review of available financial data on charitable and other nonprofit and voluntary organizations, see Dressen 2000.

<sup>33</sup> Day and Devlin, 1997: 33.

<sup>34</sup> Hall and Banting, 2000: 15.

<sup>35</sup> The Satellite Account of Nonprofit Institutions and Volunteering Project at Statistics Canada will provide the first definitive estimates of the economic contribution of the non-profit sector through its role as employer and provider of goods and services.

<sup>36</sup> Day and Devlin, 1997.

**Table 3: Distribution of Charitable-Sector Revenues, by Charity Type, 1999**

Charity Type	Share of all Charities in Canada (%)	Share of all Charitable Sector Revenues (%)
Community Benefit Educational Charities	13	5
Health Charities	9	6
Hospitals	7	6
Other	1	30
Places of Worship	1	0
Private Foundations	34	6
Public Foundations	5	6
Religious Charities	5	1
Teaching Institutions	5	3
Welfare	4	28
	15	10
All charities	100	100

Source: CCRA, T3010.<sup>37</sup>

Note: Percentages may not add up to 100 because of rounding. “0”: between 0 to 0.5%.

Far and away the largest recipients of charitable revenues are Canadian hospitals and teaching institutions. These institutions comprise only 5% of all charities, yet they account for over half of all revenues. By contrast, religious institutions account for over one-third of charities, yet they receive only 6% of the sector revenues. These data illustrate the significant differences in the financial capacity that exist among charities – and certainly among all non-profits. This point is forcefully brought home by looking at the distribution of revenues among charitable organizations. In 1995, 80% of charities reported revenues under \$250,000, amounting to 5.4% of total sector revenues; by contrast, 7% of charities reported revenues over \$1 million, accounting for 87.7% of total revenues.<sup>38</sup> Succinctly stated: “the size distribution of charities is highly skewed.”<sup>39</sup>

Similarly, patterns of funding vary across the voluntary sector. Voluntary organizations derive their incomes from a variety of sources: donations, government grants and payments; membership fees; income from commercial ventures; income from other voluntary sector organizations such as foundations or religious organizations. In addition

<sup>37</sup> Sharpe, 2001: 23.

<sup>38</sup> Erwin Dressen (2000). “What do we know about the voluntary sector? An Overview,” for the Nonprofit Sector Knowledge Base Project, Statistics Canada: 14.

<sup>39</sup> Day and Devlin estimate that based on their sample of registered charities drawn from the T3010 data set, 63.2% of charities had revenues under \$100,000; 29.8% had revenues between \$100,000 and \$1 million; and only 7.0% had revenues of over \$1 million. They note, however, that there are serious problems with underreporting, particularly among “large” organizations. Day and Devlin, 1997: 23.

to direct payments from these sources, voluntary organizations are also heavily dependent on in-kind support from individuals and businesses in their communities, as well as from governments and other charitable organizations.

Although this list of income sources may seem extensive, not all organizations are able to – or in fact, want to – take advantage of each source. There are different funding patterns or mixes evident across the non-profit and voluntary sector, each linked to the diverse structures, mandates, and services of non-profit and voluntary organizations. As well, the ability of organizations to pursue different funding sources is also uneven. What is certain – as will be evident from our focus group findings – is that all voluntary organizations face high levels of financial uncertainty, regardless of their specific funding profile.

## **Funding trends: Growing financial uncertainty and volatility**

The latest research highlights an emerging funding regime that is characterized by a shift from a “core” funding model to a “project-based” model. In *Funding Matters*, Katherine Scott argues that the project-based funding model and other funding issues such as the increased targeting of funds (e.g. specific programming grants), greater attention being paid to funder accountability and the measurement of success, and an emphasis on partnerships within the sector have become the “new normal” for many voluntary sector organizations. These changes have left many organizations in a desperate struggle to plan their programs with uncertain budgets, to retain qualified staff in an increasingly unstable labour market (which is by no means unique to the voluntary sector), and to respond to increased demands for service while competing for resources. Valuable energies are being diverted from core activities such as service delivery, to fundraising and proposal writing. Scott concludes that “the instability of the sector threatens the future of a diverse range of social, health, cultural, recreational, environmental, and other not-for-profit community services for millions of Canadians.”<sup>40</sup> The report continues, “many organizations that survived government funding cutbacks of the 1990s are financially fragile because they are now dependent on a complex web of unpredictable, short-term, targeted project funding that may unravel at any time.”<sup>41</sup> Unfortunately, little action has been taken to ensure that there is an effective transition between structures, and this has caused major problems in the third sector’s ability to pursue their missions.

## **Characteristics of the non-profit labour market**

It is within the general context described above that we must situate the issue of human resources in the voluntary sector. As well, human resources in the sector are subject to the same trends that are affecting human resources in all industrialized nations. Overall, there has been a growth in flexible or precarious forms of work, an increasing feminization of the labour force, and an aging of the workforce. There have been declines in standard, permanent jobs and increases in non-standard part-time, temporary, and

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<sup>40</sup> Katherine Scott (2003). *Funding Matters: The Impact of Canada’s New Funding Regime on Nonprofit and Voluntary Organizations*. Ottawa: Canadian Council on Social Development: xiii.

<sup>41</sup> *Ibid*: xiii.



contract work and in self-employment. Women now comprise 40% of the Canadian workforce, and many are engaged in these non-standard forms of work.<sup>42</sup> In many professions, the average age of workers is rising.<sup>43</sup>

Research conducted by Kathryn McMullen and Grant Schellenberg<sup>44</sup> draws attention to five key dimensions of the voluntary sector labour market: the age of the workers; the over-representation of women in the sector; the average education level of workers; the average wage in the sector; and the occurrence of part-time and temporary work. As an increasing force in Canada's economy, it is important to study these trends and the roles they will play in the future of work in Canada.

## The aging workforce in Canada's non-profit sector

While mature staff are important in terms of having an experienced and knowledgeable workforce, there are significant implications of having an older workforce. Research suggests that a central challenge for the non-profit sector over the next few years will be the retirement of the baby-boom population. Although this concern is not unique to the voluntary sector, the sector remains "top heavy" in having a greater proportion of older employees, which will leave many organizations scrambling to fill positions once the boomers start to retire.<sup>45</sup> To circumvent this possible crisis in employment, many organizations within the non-profit sector are focusing their attention on the retention and recruitment of workers – that is, "placing the spotlight on issues relating to job quality, working conditions, terms of employment, and job satisfaction."<sup>46</sup> However, this problem is particularly acute due to concerns about stability and funding in the voluntary sector, which in turn, limits potential solutions to this problem.

In CPRN's first paper in their research series on the non-profit sector, McMullen and Schellenberg found that employment in the sector is concentrated in middle-aged groups.<sup>47</sup> Using Statistics Canada's 1999 Workplace and Employee Survey (WES), the study found that 38.6% of employees in the non-profit sector were aged 45 or older. While the non-profit sector is in a better position than the quango<sup>48</sup> sector to manage the retiring baby-boom population (which has 50.5% of its workforce aged 45 or older), it will be more deeply affected than the for-profit sector workforce, which has only 31.5% of its employees in this age group (see Chart 1). Over the next few years, the overall

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<sup>42</sup> C. Cranford, Leah F. Vosko and Nancy Zukewich (2002). "The Gender of Precariousness in the Canadian Labour Force," in *Industrial Relations* (under review), cited on-line July 21, 2003 at <http://library.genderwork.ca/precarious/papers/cranford.2002.gender.pdf>.

<sup>43</sup> Andrew Mackenzie and Heather Dryburgh (2003). "The retirement wave," in *Perspectives on Labour and Income*, 4(2).

<sup>44</sup> McMullen and Schellenberg, 2002; 2003.

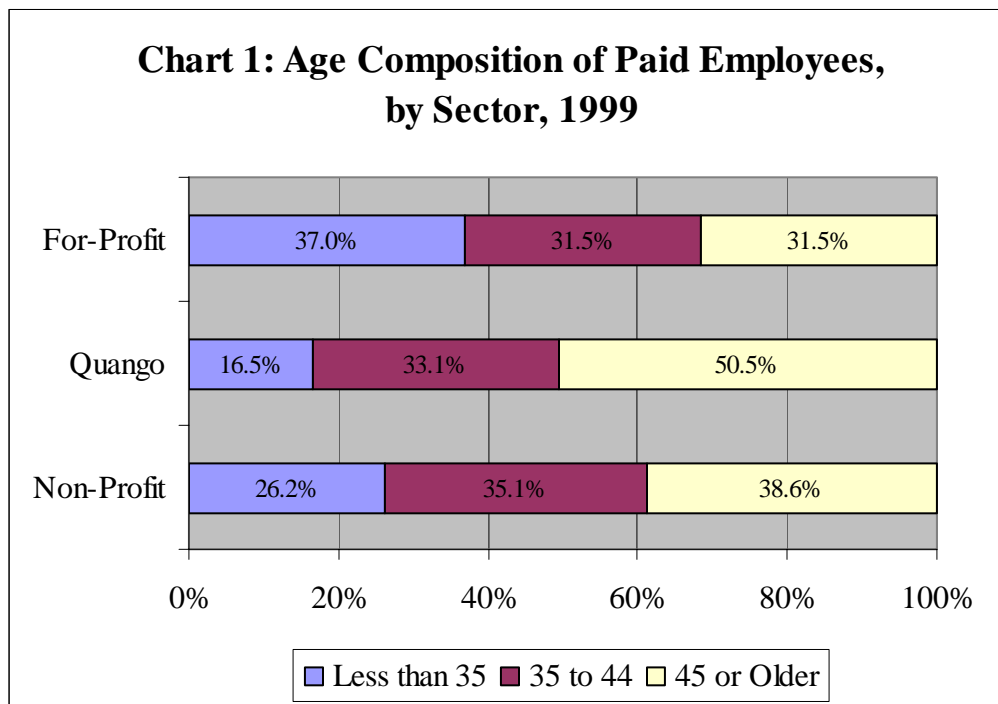
<sup>45</sup> McMullen and Schellenberg, 2002; MacKenzie and Dryburgh, 2003.

<sup>46</sup> McMullen and Schellenberg, 2002: viii. See also, Browne and Landry, 1996; MacKenzie and Dryburgh, 2003.

<sup>47</sup> McMullen and Schellenberg, 2002; see also, Browne 1996

<sup>48</sup> The quango sector refers to nonprofit organizations in 'quasi-public' industries, including elementary/secondary schools, colleges/universities, hospitals, and public infrastructure.

labour market in Canada will be quite vulnerable as a result of this retirement wave, which will impact virtually every sector of the economy.<sup>49</sup>



Source: McMullen and Schellenberg, 2002: 38

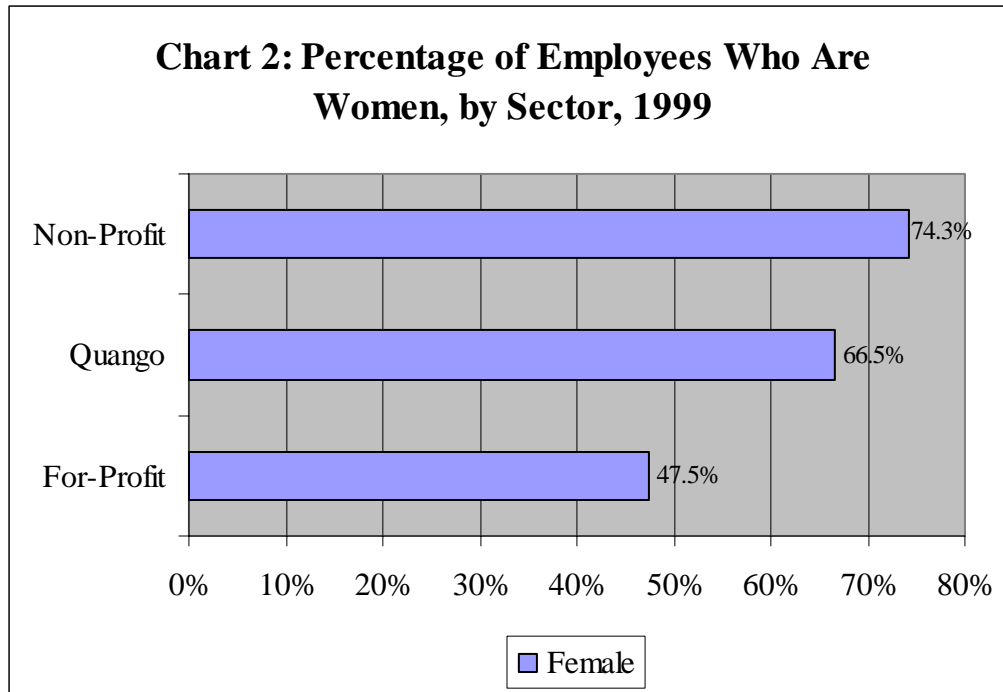
## Women play an important role in staffing non-profit organizations

A second key characteristic of the voluntary sector's labour force is the prevalence of female employees. Research suggests that "women account for a clear majority of paid employees in the non-profit sector, more so than in the for-profit and the quango sectors."<sup>50</sup> Using the WES, the study reported that women made up about three-quarters of paid employees in the non-profit sector in 1999, compared to approximately two-thirds in the quango sector, and slightly less than half in the for-profit sector (see Chart 2). Although it is difficult to determine exactly why there are so many more women employed in the non-profit sector, possible explanations include "a traditional concentration of women in 'caring' occupations, like health and education; non-profits may offer more flexible working arrangements that are attractive to women seeking to balance work and family-care responsibilities; or non-profits may offer women greater opportunity to assume senior management roles than is the case in other sectors."<sup>51</sup>

<sup>49</sup> MacKenzie and Dryburgh, 2003.

<sup>50</sup> McMullen and Schellenberg, 2002: 35.

<sup>51</sup> McMullen and Schellenberg, 2003: vii; see also Browne and Landry, 1996.



Source: McMullen and Schellenberg, 2002: 35

Although there is something to be said for the opportunities available to women in the non-profit sector, there are also considerable implications for any field dominated by women. This is particularly important when examining the stability of jobs in the sector, the reliability of funding, and comparable wages to public and private sector jobs. For women, this means that the non-profit sector as a labour market offers little job stability and predominantly part-time, temporary or contingent work. As noted earlier, the sector is also continually competing for core funding to retain its employees, while paying comparably lower wages than in other sectors. In addition, the sector expects its workers to have higher levels of education.

### Most workers have high education

Research conducted by CPRN also indicates that the non-profit sector has a relatively large percentage of university-educated workers and of these workers, 61% believe that a post-secondary education is necessary to do their jobs.<sup>52</sup> This is an important finding because the competition for highly educated, highly skilled workers in all sectors of the economy is expected to increase as the baby-boom generation reaches retirement age. The authors emphasize that “retention and recruitment will become crucial human resource issues for employers in all sectors, but especially in the non-profit and quango sectors where reliance on these kinds of workers is high.”<sup>53</sup>

<sup>52</sup> McMullen and Schellenberg, 2002, 2003.

<sup>53</sup> McMullen and Schellenberg, 2002: viii.

## Earnings gap is evident

While intrinsic rewards, such as doing work that is interesting or personally rewarding are benefits to working in the voluntary sector, earnings remain the fundamental measure of job comparability. The earnings gap among workers in the non-profit, for-profit and quango sectors is very apparent, and there are various reasons for these wage discrepancies. First, the hourly wages of non-profit sector employees – particularly for managers, professionals and technical or trades workers – are lower than in similar occupations in the public and private sectors, which translates into substantial annual earnings differences.<sup>54</sup> Second, when comparing earnings of individuals in each occupational group across sectors, it was found that “managers and professionals in the non-profit sector particularly stand out as being over-represented at the bottom of the earnings distribution and under-represented at the top.”<sup>55</sup> Third, the authors note that “since the incidence of temporary and part-time employment is relatively higher in the non-profit sector, employees are more likely to work fewer total hours during the year, further increasing the earnings gap on an annual basis.”<sup>56</sup>

Still, however, earnings are only one part of an overall compensation package. The level of benefits, such as supplemental medical insurance, dental plans, life and disability insurance, is another important factor in deciding to work for this or that employer. CPRN’s study found that “only a minority of non-profit employers offer benefits, ranging from about 38% in the case of supplemental medical insurance and about one-third for dental plans, to close to 30% for employer-sponsored pension plans or group RRSPs, and 6% in the case of supplemental Employment Insurance.”<sup>57</sup> In the voluntary sector, the vast majority of workplaces are small, having fewer than 10 paid employees, and small workplaces are characterized by less union representation for the employees and generally with fewer benefits. Dow estimates that only 8% of voluntary sector workplaces in Canada are unionized.<sup>58</sup>

## Frequently part-time and temporary work

The working arrangements of employees in the non-profit sector are reported to be more flexible, and greater proportions of workers are employed on a temporary or part-time basis. This is an important phenomenon to study, because it plays a role in worker compensation, both in terms of annual earnings and benefit packages, and it has important implications for job security. It is reported that “temporary employment is especially evident in non-profit health, education and social services, and in culture, recreation and associations,” perhaps indicating that many non-profit organizations use a renewable contract strategy to cope with financial uncertainty and instability.<sup>59</sup> On the

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<sup>54</sup> McMullen and Schellenberg, 2003; Browne and Landry, 1996.

<sup>55</sup> McMullen and Schellenberg, 2003: vi

<sup>56</sup> *Ibid*: vi

<sup>57</sup> *Ibid*: vii

<sup>58</sup> Warren Dow (2001), *Backgrounder on the Literature on (Paid) Human Resources in the Canadian Voluntary Sector*, Voluntary Sector Initiative.

<sup>59</sup> McMullen and Schellenberg, 2003: vi.

other hand, some suggest that the relatively high incidence of temporary and part-time employment in the sector may offer advantages to employees who are seeking to balance their family and work responsibilities.<sup>60</sup>

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<sup>60</sup> Browne and Landry, 1996; McMullen and Schellenberg, 2003.

## CONCLUSION

To date, there has been little research on voluntary organizations in Canadian society and their capacity to meet their missions. In an overview of research on the non-profit and voluntary sector, McKechnie et al concluded that existing non-profit and voluntary sector research is relatively new, a-theoretical and focused on only a small number of topic areas.<sup>61</sup> Consequently, there are large gaps in our knowledge that demand attention.

The publication of the NSNVO in March 2004 will be an important step towards filling this gap. We will finally have detailed information on the size, scope and capacity of voluntary sector organizations to pursue their goals, including information on human resources (see the Methodology section in this report). The NSNVO is a two-year research initiative, designed to improve the understanding of the voluntary sector in Canada and help strengthen the capacity of voluntary organizations to deliver benefits to the public.

As well, work is underway on “Developing Human Resources in the Voluntary Sector,” another project commissioned by the Joint Capacity Table of the VSI, which is developing practical human resource tools for voluntary organizations. These include:

- Good HR Practices Tool Kit
- HR Assessment and Planning Information and Tools
- HR Management Learning Opportunities
- Employee Benefits and Retirement Plans (insights about barriers to access for small organizations and options for overcoming them)
- HR Peer Group Pilot Projects
- An awareness campaign, targeted at Boards of Directors, about the importance of human resource management and development in voluntary sector organizations
- A strategy for sustainable activity to develop human resources in the voluntary sector.

For example, the section on management will include a series of modules on such topics as how to attract and keep good employees, performance management, expanding opportunities for employee development, hiring practices, managing the movement of people in small organizations, and managing a variety of employment relationships.

The HRVS is also supporting Human Resources Peer Group Pilot Projects in four communities across the country. The goals of these projects are to:

- Gain new insights about the value of peer learning as a way to build the HR management capacity in small voluntary sector organizations;
- Engage people with HR responsibilities in locally based voluntary sector organizations to share their experiences and contribute to new strategies for

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<sup>61</sup> A-J McKechnie, Monique Newton and Michael Hall (2000). *An Assessment of the State and Voluntary Sector Research and Current Research Needs*. Canadian Centre for Philanthropy: 25.

addressing HR issues (for example, staff recruitment and development, strengthening performance measurement, managing change);

- Engage HR expertise and experience from for-profit and government organizations.

The pilot projects are operating in Halifax, Saskatchewan, Southeastern Ontario and Toronto. The Halifax project, sponsored by the United Way of Halifax, is to develop a peer network on human resources – a “Community of Practice” – to bring together people who have some common experience and purpose in order to learn from each other and take action together.<sup>62</sup>

These initiatives represent initial steps in building knowledge of the voluntary sector in Canada. The task is important for those in the sector, their funders and Canadians themselves. As Hall and Banting note:

The future scope of the non-profit sector, its structure and the nature of its economic and social roles remain open questions, and the outcomes will be shaped by continuing political and social debates in the decades to come. In that context, the sector will be powerfully shaped by the public policies adopted by the governments of Canada, and by the quality of the information, research, and analysis on which these policies are based.<sup>63</sup>

This is certainly true when trying to examine the voluntary sector in New Brunswick, for there has been nothing published to date about the sector’s contribution to the labour market, nor anything about problems facing the sector.

In the first report of the NSNVO, based on a series of focus groups across the country, participants pointed out that:

The overwhelming majority of participants (in the study) identified their human resources as their greatest strength. Volunteers were the most frequently mentioned, followed closely by paid staff. It was clear from participants’ comments that non-profit and voluntary organizations rely on the commitment and dedication of their staff and volunteers, as well as on their teamwork, talent, professionalism, flexibility, efficiency, and ability to focus on the organization’s vision.<sup>64</sup>

The study went on to note that:

Although human resources were identified as one of the greatest strengths of non-profit and voluntary organizations, participants also identified a number of challenges in this area. In fact, human resources capacity issues were the second

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<sup>62</sup> Human Resources in the Voluntary Sector home page. Cited on-line June 2, 2003 at [www.hrvs.ca/index\\_e.cfm](http://www.hrvs.ca/index_e.cfm).

<sup>63</sup> Hall and Banting, 2000: 18.

<sup>64</sup> Hall et al., 2003: 11.

most important concern reported by the participants in our consultations. Participants appeared to have the most concerns about volunteers, followed closely by concerns about paid staff.<sup>65</sup>

Both research and action are needed to ensure a healthy and productive voluntary sector labour market. These concerns were also evident in the focus groups conducted for this study – to which we now turn.

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<sup>65</sup> *Ibid*: 28.



# FOCUS GROUP SUMMARY

## Background

Six focus groups were held in various parts of the province, one with federal government employees, one with provincial government employees, and four with a cross-section of voluntary sector representatives. One of the latter sessions was conducted in French in the Acadian Peninsula.<sup>66</sup> The leading question posed to participants was:

What aspects of voluntary sector employment in New Brunswick cause you to be confident or concerned about the sector's ability to fulfil its mission/meet its objectives in the future?

It is important to note that there was some “consultation fatigue” reported within the sector, primarily amongst Francophones in the north. The recent and current research initiatives attached to the VSI possibly caused expectations to be heightened that change was imminent, and some participants expressed discouragement at “once again” being asked about their sector. This may be an important methodological consideration.

Some of the historically positive characteristics of the sector are said to still exist: the commitment of staff who have chosen to work in the voluntary sector; their creativity and passion for the work; the satisfaction derived from the work; the opportunity to “pursue things in your own way”; leadership and the feeling of professional development/having the potential to improve your skills; the opportunity to do a little bit of everything – not “routine or monotonous.” However, all is not well in the sector.

Three subsequent questions formed the framework for the focus group sessions, under which the emergent themes and challenges are presented below.

## Themes

### *Question #1*

*What are the conditions and trends affecting employment in the voluntary sector in NB and beyond?*

### **Reduced role for government**

The trend for government's role in the provision of social services to decline and change was identified as a source of concern and stress, as reflected in the term often used to describe the change – downloading. Numerous aspects of this trend were described: cuts in budgets; the emphasis on “economic” rather than “social” indicators; the continuing call to do “more with less.” A government person described the process as “you see the

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<sup>66</sup> See Appendix 2 for a list of participants by location and affiliation.

government download work to these organizations and they...take it for no pay or low pay, because of their core values and their belief for the better good.”

The exclusion of voluntary sector employers from eligibility for some federal and provincial hiring programs was also a target of criticism by both government and voluntary sector participants. One government employee put it this way: “The voluntary sector has trouble hiring young creative people with degrees and then you have the Premier creating a program for these people that does not include work in a voluntary sector setting. One of the things you notice, the students use non-profit organizations to bridge to other employment. Government is looking at how the voluntary sector can help these folks, but they are not providing the resources necessary.”

Another individual stated “Grants cause problems because they only allocate so much money and then there is nothing left to cover unpredicted or additional expenses.” This sentiment was often echoed in the focus groups. A related problem this caused was the unreliable flow of funds from these various sources, raising the requirement for access to a bank credit line, a near impossibility for some organizations.

This shifting of responsibilities to the voluntary sector has meant considerable increase in reliance on donors, which in turn has raised the spectre of donor fatigue. Too, this has meant increased accountability.

### **Shifting expectations**

Considerable mention was made of the shift in government expectations for voluntary sector organizations to provide not simply services, but “policy” work as well. Concern was expressed by both government and voluntary sector organizations about the preparedness of these organizations to do this kind of work. The image of the sector as staffed by “good Samaritans” only heightens the expectations that there is no limit to what the sector can take on.

Some government voices spoke of the changing nature of requests they in turn receive from the voluntary sector: for facilitation or coordination services; board development workshops; information systems and technology.

### **Shift from core funding**

The long-term trend of government away from core funding and towards project and short-term funding is reported to have had serious and significant implications for voluntary sector organizations. One person described this as “financing ‘catch-words’, what’s ‘in’ at the moment.” Participants cited examples of the negative impact of the trend, ranging from the difficulties of planning when budgets are always uncertain, the perennially late arrival of project funds causing organizations to scramble for monies to fill the gap, to the lack of consideration for administrative support (including accounting and fundraising) in project funding.

As serious as these impacts are, more consideration was given to the impacts below:

- “It’s hard to stay alive without sacrificing (prostituting) the values and principles of the organization,” said one beleaguered Executive Director of a 45-employee organization. The organization is often forced to shift its focus away from its central goals and mission, towards more “fundable” pursuits, defined by the funder. This might mean hiring a fundraiser rather than a programmer, for example. One individual reminded us, “It takes a lot of time to ask for money.” Another from a rural area said that small organizations of 1-3 employees “...are spending their time creating projects – but we will never be able to put these projects in place because we don’t have the time or funding!”
- Recruitment and retention of employees is very negatively impacted by the uncertainty of short-term funding. “It’s hard when you have to tell [staff] it’s from contract to contract; it’s hard to retain them because there is no long-term security.” Another participant related that “As a matter of course, each January 1st, they issue letters advising us that the contract will be terminated.” In turn, this causes there to be a lack of commitment from employees who are forced to keep an eye out for more stable, predictable employment opportunities. This situation is further exacerbated by high student debt loads. The difficulty retaining employees means further challenges in succession planning as turnover is great.
- Competition between agencies for scarce resources implies not only a shift in focus from core work to fundraising. Various participants summed it up differently: “There’s 90,000 organizations and they’re all fundraising”; “Twenty years ago we didn’t have schools and hospitals doing fundraising”; “Competing amongst those people (schools and hospitals), they’ve got more money and more connections to go after bigger amounts.”

The need to compete for money impacts on the types of skills required in order to ensure the organization’s survival. It also engenders a protectionist attitude, a force pushing away from coordination and collaboration. Apparently, this is particularly acute in rural areas, where the small number of donor organizations means “everybody is at the same door(s).” This also leads donors to be more discerning in what they fund, and obviously threatens “donor fatigue.”

Several federal departments noted that they are moving towards multi-year funding as a way of providing some greater measure of security to organizations and employees. There was no evidence that this was a clear trend.

### **Competition for workers**

In the period leading up to the 1990s, the voluntary sector’s role in New Brunswick was reasonably defined and commonly understood. In a labour market with chronic high unemployment rates, the sector offered entry-level opportunities where one could acquire and apply a range of skills beyond what an entry-level position in another sector might. You could pursue value-laden work driven by a passion, in a setting that featured flexibility in work arrangements that were not available elsewhere, and a certain degree

of job security. Granted, the salaries were not at the top, but the opportunity was more attractive than many of the alternatives.

One government participant described today's challenge in a changing labour market: "We often forget that the voluntary sector is an employment sector, with core employees and structures that support them. They are no different than any other employer; they have the same challenges and perhaps some additional ones. The voluntary sector employer is like a small enterprise – but we don't spend the same amount of time [focusing on] that area. In many cases, the sector can't afford to do system types of things [such as planning]. As we see the sector – traditionally it relied on people who really wanted to contribute – the labour market is getting tighter and tighter, and that will make the voluntary sector less and less competitive to attract and keep staff. This is a slice of the labour market that is potentially at risk if we don't pay attention to it."

Along the same line of thought, another government participant said, "This sector has to do more and more the work of the government. Unlike traditionally, this is going to attract a different kind of person, people who are more quasi-public servants rather than advocates for the community."

Another participant, in reference to past recruitment practices that began with engaging summer students, said that "some students are very passionate about the voluntary sector, but the jobs are all paying 6\$ an hour. Although the students have a passion and the skill set, they also have debts from school and are forced to take higher paying jobs that don't really relate to their field of expertise."

Voluntary sector representatives affirmed these views in their descriptions of the challenges they are facing today in competing for employees. It is more complicated than rural loses to urban, or an extra salary dollar an hour.

- Call Centres were singled out as the greatest identified "poacher" of young new labour market entrants who might historically have chosen the voluntary sector. This is particularly acute in southeastern New Brunswick where bilingual staff is a requirement, and Call Centres offer substantially higher wages, in addition to benefits and job security. "The Call Center industry offers at least 50% more than what we can offer, and pays [a bonus] for bilingual skills, while we cannot do that."
- Governments, too, are taking potential bilingual recruits. "Fredericton is such a civil service town; everyone who's bilingual has got a government job! There are more benefits for them there, and it makes it hard for us to attract/retain such employees."
- Government is seen to give with one hand through grants to the voluntary sector for hiring and for projects, while it is increasingly seen to take with the other through "poaching" the best of the new recruits from the sector, once their "training" is complete. "We hire university degree people, give them their field training, and then the different government departments call us to hire them. Not only do we serve the community, but we train the students and then they [government] come and steal them from us. There is no discretion about that."
- High student loans are widely predicted to have "an ever increasing effect on the

sector. It's going to affect the quality of the service provided. We have not reached a plateau on this issue and probably will not. With our generation, we did not have as much of a debt load (in regards to education) as our children – what my children pay for a degree is what I paid for my first house.”

- Government is also seen to pay grossly higher salaries to individuals within their employ for work for which, when done by the voluntary sector, they refuse to pay a reasonable wage.
- There was some mention of salary inconsistencies across the sector.
- The lack of reasonable compensation has reportedly led to out-migration from the province to voluntary sector jobs in other provinces where the sector has greater recognition as a labour market player.
- The lower unemployment rates and a shifting demographic are also reported to have had a negative impact on the sector's ability to recruit and retain employees.
- The comparative advantage of flexible employment that the voluntary sector once had, has also ebbed away through gradual adoption of comparable arrangements by government.
- While the sector once provided “2<sup>nd</sup> income” for a spouse, this is less often the case nowadays. It is the primary income that individuals are seeking.
- While there is some trend for older, early retirees to come to the sector, concern was expressed by numerous participants that even this trend might change in the near future as demographics may mean policies being introduced to delay retirement.
- “Saintly natures” might have been all that was required for employment in the sector at some point in time, but those days are considered long gone by some in the sector. “The public has the [wrong] attitude that we are willing to take on work that was previously done by highly technical, trained professionals – that because you are in a non-profit organization, you must have a saintly nature, and saintly natures don't require cars.”

### **Human Resource fatigue**

This was raised with both volunteers and paid staff in mind, not only because a decline in one impacts the other, but also because the staff and the volunteer are in some instances the same person. “If you're a paid employee of a volunteer organization, you'll also have to volunteer yourself. It's not a 9-to-5 job; you'll have to work weekends, go to meetings in the evenings, and not be compensated for it.”

“Volunteer burnout” was raised in all groups. Several times it was noted that the Francophones call it “TLM” meaning “toujours les mêmes,” in reference to both volunteers and staff who are always called upon to play a role in voluntary sector work.

In the case of staff, some participants noted the trend to have one executive director manage several organizations simultaneously, or to have an executive director who works part-time (while the job duties remain closer to full-time). This is made more acute by the rising job skill requirements. A participant from the rural area stated, “All the young people are leaving, and we are counting on the older ones – we're burning the candle at

both ends! It's exhausting for the older people. You almost have to be a genius to operate in this sector."

### **Increased accountability**

While not denying the importance of accountability, participants made reference to the impact on the voluntary sector of changed elements such as: more fundraising pieces to manage; insurance costs and related liability issues that burden an organization and tend to scare off potential employees and volunteers; background checks; media attention to fraudulent acts in the private sector, and poor accounting of grants in the public sector; and stats to support requests for funding. "And they all want it done electronically but don't buy you a computer."

### **Role played by volunteers**

There is an expectation that much of the work in the voluntary sector can and ought to be done by volunteers — and that these volunteers are likely women. This continues to be the public perception and, unfortunately, one that is shared by many donors. Literacy work, for example, is reportedly "expected to be strictly volunteer-based by the government, and mainly composed of women." Donors are said to "impose their criteria on the voluntary sector that everything should be done by volunteers." Some view this as cause for alarm, if for no other reason than the fact that "women have traditionally been volunteers, women are aging and the younger women are not volunteering as much since they are taking on more careers and education. There will be a decline in women volunteers in the future."

Another participant spoke with some dismay of the trend to "professionalize volunteering — everyone has to take training nowadays in order to volunteer and this costs money." And there tends not to be monies easily available to cover such costs.

Several other trends are reported to have made attracting volunteers difficult. Legal liability issues might keep volunteers away, and discourage employers from using them in any case. One participant spoke to the issue: "What's happened in our organization is that we don't like to rely on volunteers for jobs they used to do. We don't want to have the liability of what happens between point "a" and "b" when they drive people somewhere. Now we have to hire people. It's a huge change for us, but not for the [funders]."

Also, in some instances a change in clientele has made the use of volunteers inappropriate. For example, "Twenty years ago there were volunteers [working] the floor. But now the clientele has changed, the whole legal situation has changed, as has the nature and depth of problems non-profit organizations are faced with. In some organizations, you might find this 70-year-old volunteer sitting in a quiet office answering phones who now has to deal with a schizophrenic — this is something we have to address because the older volunteers are not prepared to deal with these new situations."

## *Question #2*

*What are the Conditions of Employment in the New Brunswick Voluntary Sector that Affect Recruitment and Retention of Employees?*

### **Wages and Benefits**

Clearly this is a very serious challenge in a sector that is competing for employees with sectors in which salaries are higher and benefits available<sup>67</sup>. People are reportedly in some cases forced to accept a second job to make ends meet, much as you would in the most entry-level fast food industry positions. Some differences were noted for branch operations of national organizations where higher and more consistent compensation arrangements are reported. Some mention was also made of a lack of salary consistency across the sector.

One participant spoke about “the expectation to jump to higher positions/salaries/bonuses in a short amount of time. In our sector it’s mostly with experience that you get a higher position and even then, the salary isn’t that much higher.”

There is some bitterness about these “lower-class” conditions in the voluntary sector. One participant expressed it this way: “The difference between us and the corporate world is that if I go home exhausted with a \$30,000 salary and the other person goes home exhausted at \$90,000 – who’s going to worry more?” Another participant explained the impact thus: “A lot of people leave, not because they don’t want to work in our field anymore, but because they just can’t afford to work for \$20,000 or less for what they are doing. They love what they do but there comes a point where loving what you do only comes so far. It doesn’t pay your mortgage and doesn’t feed your family.”

### **Job security**

As described earlier, job security is not a characteristic of the sector, largely attributable to the lack of core funding and the short-term nature of contract and project funding available to organizations in the voluntary sector. Much of the fundraising effort in smaller organizations is simply to keep a staff person employed permanently, as opposed to furthering the mission of the organization. “A lot of time and capacity is spent on sustainability and takes away from the original objectives.”

This poses problems in lack of continuity for organizational initiatives, huge challenges in recruitment and retention (particularly in a tightening labour market), and collateral management issues. One senior leader said, “When my staff come on board, I have to tell them there’s not a whole lot for compensation so I try to balance it out by giving them time off. That gives me management issues. How much leeway do you give them? As an employer it’s tough to do that job. I have to be vigilant about how much give and take I can allow myself to offer.”

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<sup>67</sup> See previous section on Competition for Workers.

## **Job Quality**

There are clearly aspects of working in the voluntary sector that some people continue to find attractive. The concern is that these conditions seem to fit less and less with the lifestyle sought by younger people. “The hours are not standard hours, and you have to have a flexible lifestyle. This current generation coming into the labour market does not want to work the hours that we put up with. They have a lot more sense – they’re working so they can have a life, not living for work. They want to be with their kids and families; it’s not the same mentality and we’re going to have to respond to that.”

Another participant pointed out that the sector is “dealing with people in crisis 90% of the time, people who are burnt out, poor, starving, all people in crisis. And who is it that looks after them? People who are also low on resources – it’s kind of an irony.”

In addition, some of the flexibility once shown by the sector is being overcome by changing conditions in the labour market environment: increasing time and skill demands with little or no shift in compensation or overtime considerations; no benefits or protection for the rising tide of part-time employees; no consideration from Revenue Canada for “creative” employment arrangements.

## **Skill requirements/ training**

The ground has shifted. Accountability and expectations in the sector today are such that the entry-level skill requirements are higher than before, although the wage levels have not kept pace. These more highly-skilled individuals are also very attractive to private and public sector employers. This has also impacted some older workers lacking the new skill-sets, who are squeezed out of the sector.

In smaller and rural communities, the enhanced skill requirement is making it harder to fill positions that are available. An individual spoke of the rising skill requirement for staff: “Now, unless they have a Masters in social work, you can’t hire them. But at the same time you can’t pay them what they are qualified to do. Before, it was community people being out there on the front line. We didn’t have that much of a problem with this. Now we have a lot of students, most with a couple of years of post-secondary education and that’s it. With some of my contracts this year, [the funder required that successful applicants] have an undergraduate degree and five years experience in the field!”

Some felt that training adapted specifically to employment challenges in the voluntary sector is hard to find. “If you’re in Beldune, for example, where are you going to get the training even if the government supports it? The resources just aren’t there in small communities.” Others felt that if Boards made it a priority, such training was possible to find.



## **Isolation and access to development resources**

Many participants in the focus groups identified isolation as a fundamental issue across the voluntary sector. This is obviously more acute for smaller, more rural and marginal organizations. People used terms such as “on your own,” lacking awareness of best practices and opportunities to learn, and “fragmented.” Employees in such organizations are said to lack the time required to network.

Often, voluntary sector organizations are at a disadvantage because their communities lack the structures that governments require in order to deal with them, as described by one participant: “Communities that don’t have an established structure that is convenient for government – for example, Volunteer Centers like Moncton and Saint John – don’t get the funding like other communities who do have those centers.”

This “isolation” apparently is not limited to the voluntary sector. According to one government participant, many government departments are still fairly new at dealing with the sector, so they “don’t know where to knock” to work more effectively. Several mentions were made of the positive spin-offs from co-location, coalitions and umbrella structures, including eliminating duplication, making the best use of skills and resources, and learning from each other. Too, it reportedly makes it easier for government to collaborate and communicate with the sector. Some suggested that more research, as well as examining approaches from the private sector, might assist in finding solutions to these issues.

### *Question #3*

#### *Demographic and Geographic Employment Considerations*

### **Age/Generation**

As described in previous sections, there is considerable agreement that the sector is failing to attract the young, and concern about retaining the middle and older age group, both as volunteers and as employees. “That’s going to have an effect on employment, because for certain positions you need a younger more active [individual] and we will have to go to higher paid positions for that.” The sector’s image as a viable career alternative is not well promoted with youth.

A government initiative to pay a student’s educational loan in exchange for a long-term commitment to work in the sector was one suggestion for attracting young people to the sector.

### **Linguistic**

There is a rising expectation that services will be provided in both official languages where it is needed. However, there are challenges in finding the resources, both human and financial, to provide that service. Funding is generally not made available to

voluntary sector organizations for bilingual staff or translation of documents. In the latter instance, individuals spoke of “scrounging” to get documents translated.

As previously described in the section on “competition for workers,” many bilingual individuals have been drawn to the government sector by the attraction of substantially higher wages and job stability.

A third and important linguistic challenge, referred to below in the section on “Regional Variations,” is the lack of engagement and consideration experienced by Francophones working in the voluntary sector in New Brunswick.

### **Gender**

There is widespread concern that women, the traditional source of employees in the voluntary sector, are more often choosing other employment and venues for volunteer work these days. One participant from the early childhood part of the sector exclaimed, “When it involves children and women it always involves cheap labour. The government (donors) does not give much attention to this type of labour, and I have not seen changes in the past 14 years.”

Some parts of the sector were noted as attracting more males, such as the environmental movement. Still, a typical employee in the sector is likely to be female, and they reportedly tend to be more highly educated than their male counterparts.

### **Regional variations**

There are issues that go beyond the ones raised earlier regarding the limited number of rural donors to ask for funds, or keeping youth in the community. The primary differences were noted between the southern Anglophone areas and the northeastern Francophone region.

A participant summed up the sentiment in the northeastern region as follows: “We have two strikes against us: we’re Francophones and we’re in a rural area – we’re not in Fredericton, Ottawa or Toronto. For me, in my experience, there’s funding tendencies (what’s ‘in’), we have two strikes, and we’re not able to be self-sufficient.”

Particularly in the northeast, considerable resentment and frustration was expressed towards government initiatives that were seen to fail to work in concert with the will and energy of the local voluntary sector. The notion of the “social economy” was used to describe their conceptualization of the voluntary sector in society, something that was largely absent from the conversations in the south.

National voluntary sector initiatives were also harshly criticized for failure to meaningfully include voices and perspectives from the region. Clearly, considerable effort needs to be made to hear these voices in Phase 2 survey development and implementation.

## CONCLUSION

While some of the historically positive characteristics of the sector still exist, deep and widespread concerns were expressed about its future capacity. The long-term trend of government away from core funding and towards project and short-term funding has had serious and significant implications for voluntary sector organizations, including a tendency to shift organizational focus away from their central goals and mission, towards more “fundable” pursuits. The declining role of government in the provision of social services is also a major concern. Uncertainties related to short-term funding negatively impacts the recruitment and retention of employees. The competition for workers has become intense, particularly for bilingual candidates, and it has been heightened by opportunities offered by Call Centres now operating in the province. Low wages and few employment benefits make the voluntary sector a difficult sell to new labour force recruits. The lack of job security and uncertain and sporadic funding make the problem worse.

These common sources of concern can be a starting point for greater understanding of the issues at play in the voluntary sector in New Brunswick, but further research is needed into the size, and scope of the voluntary sector in the province and the human resources challenges that organizations face.