

**Backgrounder on the Literature on (Paid)
Human Resources in the Canadian Voluntary Sector**

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Introduction

Terms of Reference

In July 2001, the Human Resources Committee of the Capacity Joint Table of the Voluntary Sector Initiative (VSI) commissioned two research reports to be prepared as background documents for an upcoming Think Tank on Human Resource issues in the voluntary sector with representatives of the business, government and voluntary sectors, scheduled for mid-September (see Appendix 2 for the list of Think Tank participants). The two components of this work are:

1. A literature review and analysis of research done on Human Resources in the Canadian voluntary sector since 1997 (the cut-off point for the literature reviewed by a previous study, to be summarized below).
2. An overview of the trends, which will have an impact on the workforce in both the short and long term.

However, these reports only concern the studies of, and implications for, *paid* staff; they do not address the burgeoning literature on volunteers, except in passing. Also, they focus almost exclusively on the *Canadian* voluntary sector. Some U.S. and British studies are occasionally brought to bear on the discussions for supporting evidence or to illustrate emerging trends (particularly in the second paper), but no attempt is made to characterize the human resources issues in the voluntary sectors of all three regions, simultaneously. This paper, which focuses on the review of literature and analysis of research, begins by considering the definition and nature of the voluntary sector.

Subject of Inquiry: What is the Voluntary Sector?

Entire papers have been written on the topic of what the voluntary sector is, as distinguished from other sectors such as private/business, public/government, and the personal/household sector – or whether, in fact, any consistently defensible distinctions among these four sectors of society continue to exist.

For the purposes of the VSI, however, the voluntary sector can be characterized as a diverse range of organizations¹ comprised of freely associating (rather than government-mandated) individuals who act on behalf of their communities, clients or members, rather than for any shareholders' personal benefit.

Some of the principal types of activities or services which voluntary organizations engage in are in the areas of: Advocacy; Animal Protection; the Arts; Culture; Education; the Environment; Employment; Health; Housing; International Aid; Justice; Social Services; Sports, Recreation; Religion; and Research.

Frequently, voluntary organizations rely upon volunteers to assist in their fund-raising efforts, support their operations, and deliver their services; however, some only have paid staff.

¹ The Canadian voluntary sector also contains thousands of “informal” or “grassroots” groups, which are loose associations of individuals, often rallied around a specific cause (such as the preservation of a particular park). However, these groups have not been documented or studied extensively, and almost none of them have paid human resources, so they will not enter into the proceeding discussion.

In most instances, they are formally incorporated as non-profit (or “non-share”) organizations, either with their provincial Companies Office, or federally, with the Corporations Directorate of Industry Canada,² and as such they are governed by an unpaid Boards of Directors. Many of these non-profits are also federally registered with the CCRA (Canada Customs and Revenue Agency, formerly Revenue Canada) as charitable organizations.³

Despite a significant overlap between these three types of organizations (voluntary, non-profit, and charitable), they are not identical, for three main reasons:

1. Some voluntary organizations may not have gone to the trouble or expense of incorporating as non-profits. Although they lack the legal status as an organization (and thus their principals lack a “corporate shield” regarding being personally liable for the group’s debts), they may be able to proceed with their work by doing their own fund-raising, or with the support of service clubs or donations from supporters.
2. Many voluntary organizations which are incorporated as non-profits are not eligible to become charities, if they are deemed too “political,” for example (if they expend more than 10% of their annual revenues on trying to change the public’s or the government’s mind about something, i.e., advocacy groups); or if they are thought to be more of a “member-benefit” than a “public benefit” group, despite all the volunteering and fund-raising they might do on behalf of community causes and groups (i.e., service clubs and fraternal organizations).
3. A significant number of charitable organizations, despite meeting the “public benefit” test, are not sufficiently independent from government to qualify as “voluntary” or “non-governmental.” To qualify as a voluntary organization, an agency must not be part of the governmental apparatus (as some Crown corporations which are registered as charities are), nor be governed by boards dominated by government officials, nor have most of their operations mandated by legislation or circumscribed by government guidelines.

This final area – which is sometimes characterized as the QUANGO (for Quasi-Autonomous Non-Governmental Organizations) or “MUSH” sector (for Municipalities, Universities, School divisions, and Health facilities, and other transfer agencies which are heavily dependent on public funding) – is obviously an important part of the non-profit and charitable sectors, and has a vital role to play in society. It faces a number of urgent and well-documented human resource issues (such as the “brain drain”) which could easily be the focus of a separate report, but they will not be discussed here.

² To do so, they need to formulate a mission stating their purpose (which is usually directed at some sort of public benefit), a constitution with bylaws to govern itself, and an arm’s-length Board of Governors or Trustees; and they need to file certain returns each year to keep their non-profit corporation status up to date.

³ For an agency to qualify as a charity, Canadian law recognizes four general purposes for its principal activities: the Relief of Poverty; the Advancement of Education; the Advancement of Religion; and “Other purposes beneficial to the community” – and the activity must also pass a “public benefit test,” which states, “Those people who are eligible for benefits are either the public as a whole or a significant section of it in that they are not a restricted group or one where members share a private connection, such as social clubs or professional associations with specific membership.”

Thus, as the Joint Tables put it in their 1999 Report which led to the formation of the VSI,

The focus here is primarily on organizations whose work depends on: serving a public benefit; volunteers (at least for the group's governance); financial support from individuals; and limited direct influence from governments (other than that relating to any tax benefits accruing to the organization). This focus includes not only charities, but also the multitude of volunteer organizations, incorporated and unincorporated, that enrich the lives of communities but do not qualify for status as registered charities. These groups include recreational associations, service clubs, local community associations, advocacy groups, and community development organizations, among others. These groups are often the lifeblood of communities and are part of the voluntary sector, but may be largely unknown beyond their neighbourhoods.⁴

Previous Research: The Scope of Human Resources in the Voluntary Sector and what was Known about their Compensation, Composition and Working Conditions prior to 1997

In 1998, a 193-page report entitled *The Voluntary Sector in Canada: Literature Review and Strategic Considerations for a Human Resource Sector Study* (Betcherman *et al.*, 1999) was submitted to Human Resources Development Canada (HRDC) by the Canadian Centre for Philanthropy (CCP) and the Canadian Policy Research Networks (CPRN).

This report had several objectives:

- As with the current document, it provided a review of the existing literature on human resources (HR) in the Canadian voluntary sector to date in order to lay a foundation for an understanding of the human resource and training issues it faces, as well as an overview of the HR-related initiatives currently underway.
- As we'll see, it revealed a lack of baseline information and a variety of gaps in the literature. It also proposed an extensive national study of a variety of HR issues in the sector, and presented numerous reasons why this would be of value, based both upon the authors' own analysis and interviews with key stakeholders.⁵ Much of the report was dedicated to discussing the merits of various classification systems⁶ to delineate the appropriate scope of the subject of such a study (the voluntary sector).

⁴ Source: *Working Together: A Government of Canada/Voluntary Sector Joint Initiative: Report of the Joint Tables* (Voluntary Sector Task Force, Privy Council Office, Government of Canada, August 1999), adapted from *Building on Strength: Improving Governance and Accountability in Canada's Voluntary Sector. Final Report* ("Broadbent Report"), Panel on Accountability and Governance in the Voluntary Sector, 1998, pp. 7-8.

⁵ For example, to legitimize the sector's role in the economy; to enhance its profile; to assist organizations in responding to new challenges and roles, or in becoming more efficient by identifying HR priorities and assisting in the strategic delivery of services; to fulfil its potential role as an instrument for job creation; or to encourage organizations to look beyond individual interests and promote collective action on HR issues.

⁶ Such as ones which classify the members of the voluntary sector according to: the type of organization (e.g., mutual benefit or public service, rather than for-profit); their type of action (e.g., producing goods or services, or engaging in advocacy or community action); or their domain of action (e.g., health, culture, environment).

- It also assessed the feasibility of using these different classifications, and explored the possible outcomes and issues that might emerge, depending upon which of several methods were used in such a study (or studies).⁷
- Finally, it provided an annotated inventory of non-profit management training programs in Canada [which has since been updated by Health Canada⁸], and of various codes of ethics then in place for fund-raisers and other key personnel.

The authors' review of the literature and exploration of the HR, management and workplace development initiatives then underway revealed a number of important gaps. Some commentary [in brackets] has been added to indicate whether and how these gaps or data have changed.

First, there was [and still is] only a limited understanding of how many organizations there even are in the voluntary sector. There were more than 70,000 charities altogether [and 78,000, now], although about 2,600 of these are hospitals or medical centres and teaching institutions such as universities; and more than 6,000 are foundations rather than service-oriented agencies. Possibly, there were [and are] as many as 100,000 additional non-profit organizations which are not charities [although that figure, an estimate, is based upon a source that included all members of the "social economy,"⁹ including many types of member-benefit non-profits which are excluded from the VSI conception of voluntary organizations, such as co-ops, credit unions, trade unions, business associations, and professional associations].

Second, the authors found that the data which profiled employment in the voluntary sector was extremely sketchy, not only regarding the workers' characteristics (e.g., age, gender, education level) or the kinds of jobs they have, but also concerning the fundamental question as to how many people work in the sector. This sketchiness stems from two reasons:

- non-profits overlap the existing categories in Statistics Canada's fairly comprehensive and systematic labour force surveys and sectoral economic accounts; and
- the voluntary sector's own surveys have been few and far between, and either too narrow or too sweeping in scope.

A CCP study (Sharpe, 1994) did estimate that charities alone employ 1.3 million Canadians (or about 9% of the labour force), and a 1996 survey commissioned by HRDC¹⁰ and published by the CCP reported that non-profits provided 1.6 million jobs in 1994-1995.

⁷ The three options were: a Comprehensive study for the entire non-profit sector; a Targeted study restricted to a broad subset; or a Series of HR sub-sector studies, conducted incrementally over time.

⁸ See the *National Inventory of Voluntary Sector Management Training and Education Programs (2000)*, online at http://www.hc-sc.gc.ca/hppb/voluntarysector/pdf/5_1_b.pdf.

⁹ Jack Quarter, *Canada's Social Economy* (Toronto: James Lorimer & Company, 1992).

¹⁰ Paul Leduc Browne and Pierrette Landry, *The "Third Sector" and Employment, Final Report to the Department of Human Resources Development* (Ottawa: Canadian Centre for Philanthropy, 1996). Hereafter referred to as "the HRDC/CCP study."

However, the latter study encompassed large segments which would be excluded from the VSI's conception of the voluntary sector: co-ops, unions, and likely the "QUANGO" segments of charities.¹¹ Similarly, the HR component of the CCP study, although restricted to charities, was not only based upon a small sample,¹² but it also included the universities and hospitals and so on, which were the largest employers, by far, as indicated in Table 1.

**Table 1:
Estimated Number of Employees by Charity Type, circa 1994**

Charity Type	Number of Charities	% of All Charities	Total Employees	% of All Charities' Employees
Places of Worship	25,177	36.4%	56,000	4.2%
Hospitals & Health Centres	1,071	1.5%	468,000	35.4%
Teaching Institutions	2,516	3.6%	278,000	21.0%
Welfare	10,157	14.7%	165,000	12.5%
Other Health	4,910	7.1%	102,000	7.7%
Other Education	6,365	9.2%	89,000	6.7%
Religion	3,729	5.4%	38,000	2.9%
Benefits to the Community	8,602	12.4%	71,000	5.4%
Other	522	0.8%	400	0.0%
Public Foundations	3,148	4.5%	48,000	3.6%
Private Foundations	3,033	4.4%	6,000	0.5%
All Charities	69,230	100%	1,321,400	100.0%

Source: Adapted from Sharpe (1994), as reproduced in Betcherman *et al.* (1999)

According to the CCP's estimates, the teaching institutions and hospital sectors – which only comprise about 5% of the total number of charities – actually account for well over half (56.4%) of the total employment by charities. When they are excluded, it appears there are less than 600,000 employees in the voluntary sector portion of the charitable sector (an average of 8.8 per organization), and of these, only about 350,000 are full-time (an average of 5.4 per organization), according to the CCP's figures, which have been expanded in Table 2 to calculate the averages per organization.

¹¹ It was based upon a sample of 700 organizations: 380 registered charities, 50 environmental groups, 200 co-operatives, and 70 trade unions, gleaned from Statistics Canada's 1995 labour force data and a survey by Ekos Research of non-governmental groups and agencies.

¹² Although most of the financial figures in Sharpe (1994) are based upon the CCP's analysis of the figures from the 1991 T4010 income tax returns of all Canadian charities (which were projected to 1994), his estimates of employment are based upon a supplementary, 1993 CCP-administered survey of a sample of charities which he later concedes was unscientific because it only had a 6% response rate. See David Sharpe, "The Canadian Charitable Sector: An Overview," in *Between State and Market: Essays on Charities Law and Policy in Canada*, Jim Phillips, Bruce Chapman, and David Stevens, eds. (Published for the Kahanoff Foundation – Non-Profit Sector Research Initiative by McGill-Queen's University Press, 2001), notes 11 and 13.

Table 2:
Estimated Number of Employees for Voluntary Sector Charities by Type, circa 1994

Charity Type	No. of Charities	% of All char's	Total Employees	% of All Charities' Empl's	Ave. Total Employees per org.	Full-time Employees	Ave. FT per org.	Part-time Employees	Ave. PT per org.
Places of Worship	25,177	38.4%	56,000	9.7%	2.2	35,000	1.4	21,000	0.8
Welfare	10,157	15.5%	165,000	28.7%	16.2	105,000	10.3	60,000	5.9
Health	4,910	7.5%	102,000	17.7%	20.8	63,000	12.8	39,000	7.9
Education	6,365	9.7%	89,000	15.5%	14.0	44,000	6.9	45,000	7.1
Religion	3,729	5.7%	38,000	6.6%	10.2	25,000	6.7	13,000	3.5
Benefits to the Community	8,602	13.1%	71,000	12.3%	8.3	44,000	5.1	27,000	3.1
Other	522	0.8%	400	0.1%	0.8	300	0.6	100	0.2
Public Foundations	3,148	4.8%	48,000	8.3%	15.2	32,000	10.2	16,000	5.1
Private Foundations	3,033	4.6%	6,000	1.0%	2.0	4,000	1.3	2,000	0.7
All Charities	65,643	100%	575,400	100.0%	8.8	352,300	5.4	223,100	3.4

Source: Adapted from Sharpe (1994), as reproduced in Betcherman *et al.* (1999), with our calculations of averages.

Third, even less was known about the composition of the voluntary sector labour force, the conditions under which they work, and the HR needs faced by the employees and their organizations. There were some partial “snapshots” of this, primarily in the form of several studies which indicated that: between 50% and 75% of the non-profit employees were female; a regional salary and benefit survey by Volunteer Vancouver in British Columbia which also provided a bit of demographic information on the gender ratios and educational requirements of non-profit employees in five ranks of administrative positions; and the HRDC/CCP study which addressed a number of HR issues¹³ in unions, co-ops, environmental groups and charities, circa 1995, but which did not provide good break-downs of the results for the particular types of organizations. [Some more recent data on some of these matters are presented below.]

Given the great changes the sector has been undergoing as it has experienced cuts in grants, increases in client and reporting demands, and increases in the number of government service contracts, the authors concluded that these studies were far too incomplete. Another study at the time supported that conclusion: a 1996-1997 study in Toronto asked 382 community human services agencies whether they had experienced changes in staffing as a result of funding cutbacks, and about a third of them did report having to decrease staff, and many were losing their capacity to accommodate volunteers.¹⁴ However, because the provincial government was the major funder of the organizations affected, it was [and is] not known whether comparable effects have been experienced in all regions of the country.

¹³ The levels of full-time, part-time, term and contract employment, and the employment of women, staff distribution according to occupational category, salaries, changes of employment levels, reasons for increases and decreases in employment, expectations of future increases or decreases in employment, training and volunteers.

¹⁴ *Profile of a Changing World: 1996 Community Agency Survey*, by the Municipality of Metropolitan Toronto, City of Toronto, and Social Planning Council of Metropolitan Toronto (1997).

In Betcherman *et al.*'s opinion, some of the major research gaps on HR to be filled include:

- Determining how many people earn their living in the non-charitable part of the voluntary sector.
- Identifying the demographic characteristics (age, education, gender, ethnic background, etc.) of voluntary sector employees.
- Determining how the levels of paid employment in the non-profit sector have been changing in the context of government restructuring and cutbacks across the country.
- Determining whether the high rates of part-time employment in the voluntary sector are a form of employment actually desired by workers as a form of flexible working; or whether it represents under-employment because the sector is under-resourced.
- Determining the extent of the use of contract work without benefits in lieu of normal salaried arrangements.
- Tracking the duration of job tenure for both volunteers and paid workers, and the career paths of voluntary sector employees (e.g., whether they migrate to or from other sectors).
- Performing a systematic comparison of the voluntary sector's wages and benefits with those of other sectors for positions with similar qualifications and duties, and determining whether non-profit employees derive sufficient non-monetary rewards from their work to induce them to accept lower compensation even when there are greater opportunities in other sectors.
- Providing a systematic occupational breakdown for the sector, by organization type, and determining the range of skill sets and requirements in different positions, and how these may be changing.
- Performing a gender analysis to account for the predominance of female workers in the sector and to analyze the breakdown of occupations and wages in the sector to test for wage gaps or "glass ceiling" effects.
- Examining how adopting various forms of education, training, or certification programs would affect the wages and professionalism of the sector.
- Determining the extent to which workplace change is being experienced within voluntary organizations, what kinds of HR management practices are being adopted to contend with them, and what kinds of effects are each being experienced as a result.
- Determining whether the voluntary sector is well-positioned as a sector for job creation and skill development.
- Determining the desirable and feasible level of work to be performed by volunteers versus paid workers, to ensure maintenance of standards, while not creating a low-wage economy as a substitute for well-paying, well-trained work.
- Determining the actual and optimal recruitment, hiring and retention practices for various types of personnel, including young people and people from diverse backgrounds.

Very little has changed since that time. Although some of the studies we shall now review do touch on aspects of some of the items in that list, none of those identified gaps have been filled.

Subsequent Research

Changing Workload and the Effects of Government Cutbacks

Several other studies confirming the Toronto survey's findings of the adverse effects of government funding cutbacks on the HR complements and workloads of voluntary sector organizations have been carried out. Two of these studies are also based in Ontario, and two are from Atlantic Canada.

The first study, out of Ottawa (SPC of Ottawa-Carleton, 1998), found that 21% of the surveyed 93 community service agencies reported a decrease in full-time staff involved in program/service delivery over 1996-1997, and 11% anticipated a decrease in 1998. Agencies are also attempting to respond to funding cuts by increasing the ratio of part-time to full-time paid staffing. This placed added pressures on agencies to have volunteers take on duties previously done by full-time staff, but more than a third reported not being able to take on more volunteers, and half were either unable to keep the same number of volunteers or at risk of losing volunteers. Fifteen other community agencies in the region had closed their doors outright over the course of 1996-1997.

The second Ontario study (Reed and Howe, 1999) involved a two-part survey administered to 40 Ontario voluntary organizations of various service categories, scope and size in 1997-1998. Its findings revealed the major pressures that Ontario voluntary organizations were [are?] under. In the interval from about 1988 to 1998, increased demand was the norm, with several agencies doubling or even tripling their caseloads, with little or no increase in staff. The workload had increased for virtually all managers and front-line staff. Most agencies reported a massive increase in paperwork: more records and progress reports on clients had to be kept, which necessitated providing details on 'resource costs' and other minutiae, and learning new software. Managers had to take on new functions and responsibilities, and agencies had to expand their activities beyond services, to do more budgeting, computerizing of client records, measuring of service activities, promotion, and formal administrative procedures. As well, they had to: respond to RFPs; prepare funding applications; do promotion and media relations; and, at their funders' behest, develop networks, negotiate and develop joint programs, and do matching fund-raising. Rarely could they afford to bring in outside consultants to do this. Both management and staff have had to 'multi-task' and take on many different kinds of work. This left many managers with less time to provide needed guidance to the over-burdened staff dealing with increasingly serious client issues, especially in the larger agencies which cut middle management positions. In some smaller agencies, the sole administrative position was cut, which left social workers or other front-line workers taking turns answering the phone and doing bookkeeping. In some cases, support positions in maintenance or cooking were lost, with the remaining staff having to become "Jacks, or Jills, of all trades," resulting in a more stressful work environment.

The non-unionized organizations in their sample reported a great deal of unpaid overtime or work done at home. Even the unionized workers were doing more paperwork, additional tasks, and in some cases were working a longer day for the same pay. The salaries throughout the sector were low, and had been largely frozen for at least five years. Many trained and experienced staff, including those dealing with demanding clients, earned just \$10/hr. About

half of the agencies had shifted to hiring new staff principally on a contract or part-time basis rather than as regular employees, possibly to save on payroll taxes.

In addition to the (increased) workload and (limited) compensation issues, the Reed and Howe study found an increase in the amount of “professionalization,” with funders’ increasing requirements for accreditation and sophisticated evaluations and reports necessitating staff to be computer-literate and to have other qualifications and organizational strengths. New staff are required to have advanced degrees to increase the chances of winning contracts or grants, even if the training is not directly applicable to the tasks at hand. Smaller grassroots agencies are thus being crowded out by larger, more professional organizations. (Note: many of these and other developments were also predicted and criticized independently by Neil Brooks, based on his analysis of the U.S. literature on “contracting-out.”¹⁵) More than half the agencies also mentioned that the general field of human resources was becoming increasingly legalized, and some were concerned about their liability regarding staff or volunteers giving what could be construed as ‘medical’ advice without the necessary qualifications, or volunteers or staff being at risk from violent clients, and other legal and risk management matters.

¹⁵ Brooks (2001) writes that the contract culture poses six dangers to voluntary organizations:

“First, government contracts divert the resources of voluntary organizations from delivering services to competing for, negotiating, administering and monitoring contracts. Second, formation of their operations may reduce their innovativeness, flexibility, and responsiveness to the community. In order to compete for government contracts, organizations might need more professionals, a larger scale of operations, and greater administrative capacity. Third, contracting with government may require a significant change in governance of voluntary organizations. Boards of directors may require members who can help with the politics of obtaining contracts, and administrators may need more powers. Moreover, administrators’ interests are likely to become linked to government policy and funding instead of to the communities being served. Fourth, voluntary organizations will have less potential to engage in advocacy work that identifies and attempts to redress deficiencies and inequities in government programs. Reduced campaigning for changes in public policy and less lobbying may be explicit conditions of receiving government contracts or a form of self-censorship, as the organization positions itself politically to compete for contracts. Also, as a practical matter, as they administer the contract, senior members of staff are likely to have less time for advocacy. Fifth, to the extent that competing for and administering government grants detract from private fund-raising and looking for other potential resources, the organization will become more financially insecure. Finally, ... voluntary organizations will lose the characteristics that make them a unique and valuable alternative form of social organization – flexible, innovative, cost-effective, participatory, and advocates for their clients. Contracting out might become not the privatization of government services but the “statization” of the voluntary sector. Large voluntary organizations receiving government contracts begin to act and look like government departments; indeed, they often hire former public servants as executive directors and employees.”

The latter point is confirmed by Patterson (1999) in a case study of the Canadian Red Cross: of the 12 mid-to senior-level managers she surveyed directly, nine had previous managerial experience in the public sector (6 of them in some combination with the other sectors); and of the managers which they in turn had hired, their predominant experience was from the public sector (7 successful candidates, many from down-sized hospitals), followed by the non-profit sector (5 from within the Red Cross and 2 from other non-profits), and the private sector (6 successful candidates).

The third study, out of Nova Scotia (Roberts *et al.*, 1998), administered a questionnaire to 24 specialized health and social services agencies in urban and rural areas, and conducted some follow-up interviews with staff on agency services and operations, regarding the effects of funding cutbacks in the interval between 1990 and 1997. Although only four of them had experienced no cuts, all but one identified tremendous negative impacts from changes in the governmental health care, social assistance and employment programs to the agencies and their clients; this was summed up as “more request for services; less ability to serve.” For staff, these increases in demand for services and decreases in resources have meant: more overwork; hundreds of hours of unpaid overtime; the spending of their own money for materials; more stress and anxiety; lower morale; and pay cuts or no raises for already low-paid staff. Agencies accommodated their reduced budgets by eliminating staff positions, cutting staff wages and/or giving no merit or cost-of-living wage increases. All but one agency identified overworked staff and increased stress on staff as a major repercussion of their precarious funding.

The final study, by the Community Service Council Newfoundland and Labrador (1999), came on the heels of a 1997 multi-sectoral Task Force consultation report for the provincial government,¹⁶ which had several findings related to the organizational and HR capacity of their voluntary organizations, as the result of the government devolving its programs to the non-profit sector:

- Serious concerns about the demands which are already being exerted on community organizations and volunteers – and worries about these demands increasing even more.
- Many organizations were having to spend considerable time and energy writing proposals and doing fund-raising due to a lack of long-term, secure funding, which: distracted them from providing services; contributed substantially to burn-out; caused staff turnover; and increased training time, when gaps between funding cycles force staff layoffs.
- More paid staff and other support to organize and train volunteers would be needed if the demands increased.
- More and wider responsibilities will also require investment in organization infrastructure (offices, office equipment, phone services, etc.).

The 1999 report was based upon a survey of large segments of the provincial voluntary sector (329 interviews), which determined their current levels of employment, use of volunteers, training needs, and related matters. Overall, it found:

- a 6% reduction in staff among community organizations over the previous two years (1996-1998);
- a 60% increase in demand for program services between 1996-1998;
- a need for 25% more employees to meet current demands;
- insufficient office equipment in 37% of agencies, and access to the Internet in only 46%; and
- a need for **training**, in: computers (74%); fund-raising (65%); information technology (64%); oral communications (60%); management (60%); written communications (59%) and coordination (50%); bookkeeping (40%); and other HR development needs (42%), such as recruiting and training volunteers, volunteer management, volunteer governance (for board members), strategic planning, and proposal writing.

¹⁶ The Social Policy Advisory Committee (SPAC), *Investing in People and Communities: A Framework for Social Development, Vol. I: What the People Said – Report of the Strategic Social Planning Public Dialogue, Newfoundland and Labrador, 1997.*

Studies in other jurisdictions have also corroborated the thrust of these studies. For example, Alexander (1999) reports on a multi-phase research project begun in 1996 which focused on the impact of welfare reform on non-profits in Cleveland, Ohio. The study involved a written survey of 124 child- and youth-serving non-profit organizations (including many large ones with multi-million dollar budgets), and focus groups with 21 agencies which had service contracts with the Cuyahoga County Department of Children and Family Services. When asked which strategies they had used to cope with the current environment (which, as in Ontario and Nova Scotia, involved reduced government programs for clients, as well as reduced core funding and increased contract requirements and client needs for non-profits), 55% of the respondents indicated a “reduction in staff levels and increased workloads,” 30% reported “an increased reliance on volunteers,” 26% had engaged in “management reforms, mergers, or consolidations,” and 20% noted the need to “eliminate services and programs.” She and her colleagues also found that the capacity of the smaller non-profits to adopt the business-oriented and more sophisticated evaluation and reporting approach required to meet the expectations of government contracts was profoundly limited by: (a) their financial and human resources; and (b) the conflict that a market orientation can present to the non-profit mission, although the larger and longer-established agencies such as the YMCA and the Salvation Army were better positioned to professionalize in order to meet the new contracting requirements.

In the United Kingdom, Scott *et al.* (2000) – in their case studies of eight organizations – report some virtually identical concerns, such as:

- The strains of managing the tensions between the agency’s internal values or aims, and the external, often-shifting policy environment; the divergent and changing expectations of internal and external stakeholders; and financial opportunities and constraints.
- New government priorities and tight deadlines for new programs which often involve voluntary organizations in precipitous change with little time for reflection.
- An under-resourced physical infrastructure (one agency did not even have a proper desk for a long time) and inadequate training budgets or management and administrative systems to use the equipment they do have effectively (e.g., computers).

Salaries and Benefits and Employment Rates

Most of the non-profit HR literature in Canada, the United States and the United Kingdom is almost exclusively concerned with compensation issues (e.g., at least 30 of the 90 entries in our References deal extensively with salaries or benefits). This is particularly true in the United States, where the top salaries for the CEOs of the largest non-profits have been known to exceed half a (or even a full) million dollars per year (Billitteri *et al.*, 1999; Frumkin, 2001), and where there have been a number of scandals about excessive compensation and perks.¹⁷ Because such reports may have permeated the Canadian consciousness as well, and because there is also more systematic national-level data available there, we shall begin with an overview of non-profit salaries and compensation in the United States, before concentrating upon Canada. Some of

¹⁷ For example, the William Aramony/United Way of America scandal in the early 1990s, the Bishop Estate scandal in the late 1990s, and numerous others; see, e.g., Frumkin and Andre-Clark (1999), or Robert O. Bothwell, “Trends in Self-Regulation and Transparency of Non-profits in the U.S.,” *The International Journal of Not-for-Profit Law* 2 (3), Spring 2000.

these studies will also provide data to track the growth in non-profit employment in some sectors during the 1990s.

U.S. Non-profit Salaries and Benefits

As might be expected, higher U.S. salaries are correlated with the size of the organizations' annual budgets (Oster, 1999). The top salaries featured in *The Chronicle of Philanthropy's* widely reported annual survey also tend to be concentrated in the "QUANGO" sector, of large universities and medical centres (although many are also in foundations), rather than in voluntary organizations, *per se*: the samples are drawn from its annual "Top 400" list of non-profit groups which raise the most money in private donations, and they have annual revenues ranging from \$9.7 million to \$3.6 billion (Billitteri *et al.*, 1999). It should be noted that Canada simply does not have as many large non-profit institutions as the United States does; according to the CCP's analysis, only 3% of Canada's charities had annual revenues which even exceeded \$5 million, and 42% of those were teaching institutions and hospitals.¹⁸

Even in the United States, however, the average salaries for the top officers of all types of non-profits did not exceed six figures, and they only reach that level when the organization's annual budget exceeds \$50 million (the realm of top universities and hospitals). According to *The Non-profit Times*, the responses submitted by the 340 mid- to large-sized organizations to their annual survey in December 2000 indicated relatively modest salaries (by U.S. corporate standards), even for organizations with million-dollar budgets, as shown in Table 3.

Table 3:
National Averages for the Administrators' Salaries of Mid- to Large-Sized U.S. Non-profits, by Budget Size, 2000

	Overall Average	\$500,000 – 999,999	\$1M – \$9.9M	\$10M – \$49.9M	\$50M +
Chief Executive Officer	\$96,715	n/a	\$81,919	137,855	\$212,587
Chief Financial Officer	\$62,361	n/a	\$53,613	\$81,650	\$123,069
Program Director	\$56,862	\$63,351	\$49,809	\$74,028	\$112,211
Planned Gifts Officer	\$59,938	\$44,456	\$48,495	\$60,159	\$89,644
Development Director	\$59,220	\$41,427	\$51,061	\$69,804	\$123,614
Major Gifts Officer	\$60,945	\$41,089	\$44,942	\$69,856	\$73,337
Chief of Direct Marketing	\$52,758	\$39,500	\$44,482	\$69,170	\$74,573
Director of Volunteers	\$35,285	\$24,274	\$31,055	\$45,006	\$62,139

Source: *The Non-profit Times*, "Salary Survey 2001" (Clolerly, 2001)

For the smaller organizations far more typical of Canada,¹⁹ a recent large U.S. survey indicates that the average salaries for non-profit administrators are actually mostly below \$50,000 – *including* benefits, deferred compensation, expense accounts and other allowances.

This survey was commissioned by GuideStar, an Internet-based (www.guidestar.org) information source and "watchdog" organization on U.S. charities. Its *2001 Non-profit Compensation Report* draws exclusively upon the tax returns (Form 990) which tax-exempt

¹⁸ Source: Sharpe (1994), as reported in Betcherman *et al.* (1999).

¹⁹ According to Sharpe (1994), 91% of Canadian charities circa 1994 had annual revenues below \$1 million, with 47% of them actually being under \$50,000; 27% between \$50,000 and \$249,000; and 17% between \$250,000 and \$1 million.

organizations with at least \$25,000 in annual revenues must file with the IRS each year; these forms furnish compensation information for all officers, directors, trustees and key employees. GuideStar sampled more than 75,500 returns for fiscal years 1998 and 1999 (see Table 4). But individuals with total compensation of less than \$15,000 were excluded (“in order to make the cleansing and processing of the data more manageable”), which means these averages may be slightly higher than they ought to be.

**Table 4:
National Averages for the Total Compensation Packages of the Administrators of
Small to Mid-Sized Non-profits, by Budget Size, circa 1999**

	\$250,000 or less	\$250,000 to \$500,000	\$500,000 to \$1,000,000
CEO/Executive Director	\$33,604	\$46,807	\$58,758
Top Administration Position	\$28,355	\$38,084	\$49,370
Top Business Position	\$29,402	\$39,027	\$45,896
Top Development Position	\$33,699	\$46,357	\$51,519
Top Education/Training Position	\$38,246	\$49,245	
Top Facilities Position	n/a	\$36,677	
Top Finance Position	\$27,906	\$39,930	
Top Legal Position	\$41,474	\$66,386	
Top Marketing Position	\$26,772	\$45,290	
Top Operations Position	\$30,902	\$55,785	
Top Program Position	\$28,027	\$40,550	
Top Public Relations Position	\$36,949	\$48,634	
Top Technology Position	\$45,625	\$58,588	

Source: *The 2001 GuideStar Non-profit Compensation Report* (Philanthropic Research, Inc., 2001)

As might be expected, when benefits alone are examined, some analysts (Emanuele and Higgins, 2000) have found that, with the exception of on-site daycare, they are not as prevalent in non-profit workplaces for their employees in general, as they are in other types of workplaces. In particular, non-profits are significantly less likely to offer health-related insurance benefits (especially dental, vision and disability insurance), life insurance, pension plans, and parental or other types of leave.

It’s widely believed that non-profits do not pay as well as the for-profit and public sectors, and the anecdotal literature supports this. Several studies (e.g., Dewees and Salamon, 2001; Leete, 2001; Ruhm and Borkoski, 2001) have attempted more rigorous examinations of whether those who work in non-profits are not as well compensated as those who work in the private or public sectors. The data on this appear to be mixed, however. In part, it depends on how one frames the question, and on what is being compared – for example, whether it is average weekly salaries (which may range over both full- and part-time workers in a wide variety of positions) or it is hourly wages, by position (which may still be misleading, if only part-time work is predominantly available in one of the sectors); and whether the size of the organizations’ budgets are taken into account, or the education, skills, experience and duties of the personnel being compared, and so on; and it also depends on how similar the for- vs. non-profit industries must be in order to make a meaningful comparison.

Regarding the overall weekly salaries alone (regardless of type of position, or full- or part-time status), it appears the non-profit sector comes last. Dewees and Salamon (2001), for example, examined the 1999 statistics for 98% of the labour force for two U.S. states. They report that in

West Virginia, the average weekly wages for government workers was \$543, while for-profit employees averaged \$502, and non-profit employees averaged \$480 – 13% lower than the government workers, and 5% lower than for-profit workers. In Maryland, the corresponding figures were \$786, \$713, and \$606, respectively – with the non-profit workers’ average weekly wages being 23% lower than that of government workers, and 15% lower than that found in the private sector. Similarly, Ruhm and Borkoski (2001) did a national comparison for the non- and for-profit sectors alone, using data from the 1994-1998 Current Population Survey Outgoing Rotation Groups,²⁰ but they restricted their sample to 25- to 55-year-olds. They reported the average weekly wage for non-profit workers was 11% lower than those of for-profit workers, holding certain worker characteristics²¹ constant. But when only those industries with an overlap of providers from both sectors were compared, they only found a 2.7% difference in average weekly earnings: for-profit employees averaging \$573, and non-profit employees, \$557, weekly.

The results are the opposite when more fine-grained comparisons are made between the same type of industries, however. By and large, the U.S. findings are that the non-profit employees are actually paid better than for-profit ones. For example, Dewees and Salamon (2001) found that in West Virginia, weekly wages for non-profit workers in hospitals and home health care organizations are 12% higher than those in for-profit hospitals and home health care organizations (although there was only a 3% premium for non-profit workers in nursing homes, and the wages were identical in social services), while in Maryland, the differences were even more robust: 30% higher average weekly wages for non-profit hospital workers than for those in for-profit ones, and 23% higher for non-profit home health workers. However, their data did not enable them to distinguish whether these differences were actually due to higher rates of pay in non-profits or to the higher usage of part-time workers in the for-profit sector, or to the different levels of service or education involved in the areas where the for- or non-profit personnel predominated. Similarly, at the national level, Ruhm and Borkoski (2001) found wage premiums of around 12% for the average weekly wages of non-profit workers in the fields of social services (17.5%), hospitals (11.2%), other health services (8.8%), education (10.0%), and nursing/personal care facilities (14.4%).

However, those results range over all types of positions: from the custodian to the CEO. Do the wages of non-profit and for-profit employers differ by type of occupation? Leete (2001) performed a number of statistical tests on the income data from the 1990 Census, and found that, with the possible exception of certain white-collar workers, there is no systematic non-profit differential when she controlled for industries, occupations, and education levels: in some cases, non-profit employees made less, and in others, more. Ruhm and Borkoski (2001) also conclude that, overall, “non-profit workers are paid in competitive labor markets and do not “donate” labor to their employers by accepting lower wages ... after controlling for [a] limited set of job characteristics, persons working for non-profits receive approximately the same pay as they would if employed in equivalent positions by profit-seeking firms.”

However, there are some important *caveats* to be made, and three exceptions, even in their latter findings. The exceptions were: (i) non-profit employment in personal care homes is associated

²⁰ “A nationally representative survey of roughly 50,000 households, in which individuals are interviewed for four months, out of the sample for eight, and then return for four final months.”

²¹ Namely, their age, marital status, race/ethnicity, education, and metropolitan residence, as well as the survey year.

with a 3% to 10% earnings premium; but, (ii) there was a 2% to 4% wage penalty for male non-profit workers; and (iii) a wage disadvantage of 7% for non-profit managers. Their data indicated that the average weekly earnings for (25- to 55-year-old) administrative support personnel was \$432 for for-profit workers, and \$381 for non-profit ones (an 11.8% difference); and for managers outside health and education, there was a much larger gap, between \$844 per week for for-profit workers, and \$701 for non-profit ones (a 16.9% difference).

The *caveats* are these. From the point of view of voluntary sector employees struggling to raise a family on modest salaries – an average of \$549 per week in the industries in which non-profits predominate (or \$28,548 per year), according to their analysis – the final conclusion Ruhm and Borkoski (2001) present (which is paraphrased here) is probably cold comfort, indeed: *It's not that non-profit workers are being penalized, or are willingly foregoing wages by working for non-profits, instead of private firms – it's just that most non-profits are in low-wage industries, and tend to offer part-time instead of full-time employment!*²² The fact that there are also for-profit health, education, and social service businesses in the United States which provide similar or even lower wages than their non-profit counterparts do may indeed indicate that non-profit firms do not pay less than for-profit ones do, *per se*, but it does not help alleviate concerns that non-profit employment may not be a viable career choice.

Canadian Non-profit Salaries

As we saw in our discussion of the previous review by Betcherman *et al.* (1999) above, prior to 1998, the data available on salary and benefits in the Canadian voluntary sector tended to be limited to specific fields, regions or times, or it was only available in aggregate form, without detailed breakdowns. This situation has not changed much, since then. There have been a number of subsequent surveys: two are regional (one concerning Alberta and Saskatchewan, and another one out of British Columbia); four concern specific sub-sectors (one on social work; one on child care; another, more anecdotal one, on home care; and one on literacy centres, just in Ontario); and a final one just concerns a particular type of employee (fund-raisers). Also, Statistics Canada has some new data on the changes in employment levels and salaries in certain industry sub-sectors with a strong non-profit presence, which confirm many of these surveys; these data have been consolidated, adjusted for inflation, and analyzed into an Appendix for this Report (see Appendix 1), and will also be briefly summarized in this section.

With the possible exception of the survey on fund-raisers, these reports all show quite modest salaries (which will be reviewed below), and in some cases, quite limited benefits (which will be examined in the ensuing sub-section). Following that, there will be a brief discussion of some of the reasons which have been put forward for *why* non-profit sector compensation is so low.

²² As they put it, “Compensation in the non-profit sector is primarily determined by competitive labor markets, without explicit labor donations based upon non-profit status ... [although] weekly wages are an average of 11 percent lower in non-profit than for-profit jobs, holding constant worker characteristics ... this disparity is entirely accounted for by a combination of shorter hours and the ... heavy concentration of non-profit jobs in poorly paid industries (e.g. social services, religion, and nursing/personal care). ... Thus, non-profit employees earn virtually the same pay as observationally equivalent individuals with similar positions in profit-seeking enterprises.”

The first few surveys only provide data on the non-profit agencies' administrative personnel, rather than their front-line workers or program staff.

The first of these (Adsit and Mah, 1998) – targeted at charitable organizations alone, in Alberta and Saskatchewan – was conducted by KPMG (the accounting firm) on behalf of the Muttart Foundation in Edmonton. There were 455 responses to the surveys (a 25% response rate to the sample of 1,800 charities which received them), from agencies in a wide variety of service areas. Their budgets ranged from just \$200 all the way up to \$41 million, but only 8 had budgets exceeding \$1 million. The average was \$903,058, and the median (or middle-of-the-pack) was just \$125,000, indicating these provinces had a high number of agencies with very small budgets.

Many of the agencies – over half (250, or 54.9% of the respondents) – indicated that they did not actually have any paid employees. The top-level results of those which did are shown in Table 5.

**Table 5:
Non-profit Executive Salaries in Alberta and Saskatchewan, 1998**

	Ave. Years in Position	Ave. Years in Sector	Typical work week (hours)	Average Actual Annual Salary (incl. PT empl's)	Median Annual Salary (incl. PT empl's)	Average Actual Annual Salary (FT empl's only)
Executive Director	6.3	12.4	43.6	\$42,772	\$38,300	\$46,800
2nd Level Manager	5.0	9.7	37.8	\$35,558	\$31,930	\$38,036
Manager of Volunteers	3.8	7.0	32.9	\$28,822	\$27,475	\$32,388

Source: *Compensation Review for Charitable Organizations in Alberta and Saskatchewan*, Adsit and Mah (1998)

However, this survey did not attempt to segregate the results from the QUANGO or MUSH sectors from those of the other types, or indicate what types of organizations had the \$41 million and \$27 million budgets, but if they were universities or hospitals (rather than foundations), then the averages presented here would be a bit lower when re-adjusted to reflect voluntary organizations alone. Even for the chief officers of those largest charities, however, the average salary for the three agencies with budgets over \$10 million which did report their Executive Director's salaries was just \$81,787.

The second survey, by Volunteer Vancouver (Dow and Cuthbertson, 1998), was an update of the 1995 survey of British Columbia non-profits discussed in Betcherman *et al.* (1999). Because it used largely the same format and questions as the 1995 survey and a 1991 version, it provides a unique time series of the changes in non-profit salaries in that region over the decade.²³

These British Columbia surveys were targeted predominantly at mid-sized non-profits which used volunteers – mostly, but not exclusively charities, but not places of worship, and not government organizations – and organized into four sub-types. However, these surveys had a fairly limited number of responses (about 200) and a low response rate (about 12-14%). The

²³ There is also a 2001 survey now being finalized, but the agency has opted not to release any advance information.

respondents averaged about three to five staff members, and in the 1998 survey, the majority of respondents (52%) were in the Greater Vancouver region, with 22% on Vancouver Island, and the remaining 24% in the Interior or Northern British Columbia, and only eight agencies (4%) had annual revenues over \$5 million, with 29% having budgets under \$200,000; 24% between \$200,000 and \$500,000; 13% between \$500,001 to \$1,000,000; and 28% between \$1 million and \$5 million.

Data was gathered on five types of administrative positions, which were characterized as follows:

- A** The **senior**, salaried executive of the agency or organization who reports directly to the Board of Directors. Has accountability for *all* programs and staff, as well as the total annual operating budget. Develops overall annual plan and assists Board with long-term planning. Recommends policy and acts independently within policy guidelines. Examples of job titles: Executive Director, General Manager, Administrator, President.
- B** The salaried **manager**(s) who reports to A and is/are **senior** person(s) accountable for one or more *program* or *service* area(s). Supervises staff and/or volunteers. Develops long-term program(s) plans and participates in overall long-term planning. Establishes objectives and works independently within overall plans and policies. Has budget accountability for program/service area(s). Examples of job titles: Director of Volunteer Services, Program Manager/Officer.
- C** The salaried person(s) who reports to B and is/are **intermediate** person(s) responsible for a *program* or *service* area. May supervise one or more support staff and/or volunteers. May participate in program planning and assist in developing program guidelines and setting objectives. Establishes objectives in consultation with B and works with limited supervision. May administer programs/services budget. Examples of job titles: Coordinator of, Supervisor of, Associate Manager.
- D** The salaried person(s) who reports to A or B and is/are **senior** person(s) responsible for a particular area of activity related to *administrative* operations (i.e., accounting, public relations, fund-raising, human resources, confidential matters). May supervise other staff and/or volunteers. Assists in overall agency planning and policy operations. May participate in program planning. May have budget responsibilities. Examples of job titles: Accountant, Communications Officer, Director of Public Relations, Executive Assistant, Office Manager, Resource Development Coordinator.
- E** The paid person(s) who reports to B or C and provides **administrative** and/or clerical **support** for specific *programs* or *services*, under general supervision. Carries out varied assignments of limited scope within well-established guidelines. May have limited input into program planning. Examples of job titles: Administrative Assistant, Office Assistant, Program Assistant, Accounting Clerk, Bookkeeper, Data Entry Operator, Receptionist.

The results for all three intervals, presented in Table 6, represent *annualized* salaries, however: the original surveys requested that all salaries (even part-time ones) be converted to Full-time, Full-year equivalents, for maximum utility/ease of comparison for the end-users. Thus, the *actual* average salaries for many of these positions may have been considerably lower.

We found that the non-profit salaries in 1998 were up over 1991 levels by about 22% overall, averaged across all the positions, over an interval when the cost of inflation/consumer price index rose by 9.9%, at the national level. The bulk of that increase occurred during the 1991-1995 period, however; salaries remained stable or even dipped in the latter part of the 1990s.

Table 6:
Average Annual Salaries for B.C. Non-profit Organizations,
by Position and Year of Survey

Position	1991	1995	1998	% change 1991-98
A's	\$ 37,776	\$ 46,932	\$ 46,099	22%
B's	\$ 30,726	\$ 37,857	\$ 37,815	23%
C's	\$ 25,887	\$ 32,543	\$ 30,271	17%
D's	\$ 21,956	\$ 31,487	\$ 32,439	48%
E's	\$ 25,993	\$ 24,633	\$ 25,602	-2%

Source: *1998 Salary and Benefits Survey for the BC Non-profit Sector* (Dow and Cuthbertson, 1998)

The decreases recorded in the 1998 survey did not appear to be attributable to lesser-qualified or experienced staff. However, as Table 7 demonstrates, the A's (most senior positions) had the highest number of cumulative years of experience and the E's (most junior positions) had the least.

Table 7:
Average Cumulative Number of Years of Experience Staff Members had in their Job
Categories, for All B.C. Non-profit Sub-sectors Combined, by Position and Year of Survey

Position	1995 Mean	1998 Mean
A's	11.7	14.4
B's	8.4	9.7
C's	7.6	7.6
D's	7.3	8.5
E's	4.9	7.2

Source: *1998 Salary and Benefits Survey for the BC Non-profit Sector* (Dow and Cuthbertson, 1998)

In keeping with what was found in the Reed and Howe Ontario study discussed above, it is also of note that the greatest gains in compensation in British Columbia voluntary organizations were realized by the more 'professionalized' staff: especially the public relations officers, accountants, office managers, and other 'bean counters' in the "D" category. (The clerical staff actually lost ground – even before the cost of inflation enters into it – and even the Executive Directors' salaries declined slightly in 1998, after peaking in 1995.)

That trend towards increased qualifications for administrative personnel was confirmed by another question in our Volunteer Vancouver survey, which asked agencies about the minimum **educational requirements** of their staff positions. The requirements actually became less stringent for the most senior positions – with almost twice as many Executive Directors (a total of 17%) theoretically being able to get by with just a high school education, and fewer (almost a third less: down to 24%) who needed graduate school than before; and a few more senior managers could have been hired without a university education (although these differences may have been due to the low sample sizes, plus the survey did not ask about the *actual* qualifications of those already in place). But for British Columbia’s non-profit volunteer coordinators, office managers, and even the clerical support staff, their employers’ most recent job descriptions indicated they needed more post-secondary education than ever, as indicated in Table 8.

**Table 8:
Minimum Level of Education Required per Position Reported by Responding Agencies,
for B.C. Non-profit Organizations, 1995 and 1998**

1995	A	B	C	D	E
High School	9%	10%	29%	36%	68%
Post-Secondary	60%	72%	63%	52%	20%
Post-Graduate	24%	10%	3%	1%	2%
1998					
High School	17%	16%	24%	27%	72%
Post-Secondary	68%	74%	73%	70%	29%
Technical	14%	24%	36%	49%	25%
University	54%	50%	37%	21%	4%
Post-Graduate	15%	10%	2%	2%	0%

Source: 1998 Salary and Benefits Survey for the BC Non-profit Sector (Dow and Cuthbertson, 1998)

The next survey, although it only concerns a particular field in a specific region, does preserve the actual, original (hourly) salary data on administrative staff. That data has also been expanded here in the final two columns (see Table 9) to annualized figures, for comparison purposes, to show how large the gap between the actual and annualized rates can be. The Human Resource Survey Results, administered in late spring 1999 by Community Literacy of Ontario (an intermediary organization), indicates that relatively average²⁴ hourly wages at a fairly limited number of hours per week were the norm in that field, which resulted in very limited total salaries, particularly for the clerical staff, but even for the directors and coordinators, as shown in Table 9.

²⁴ According to Statistics Canada’s 1997 Survey of Income and Dynamics, the overall average hourly wage rate for men was \$18.84, and for women, it was \$15.12. (Source: Marie Drolet, *The Persistent Gap: New Evidence on the Canadian Gender Wage Gap* (Statistics Canada, Business and Labour Market Analysis Division, 11F0019MPE No. 157, January 2001, online at <http://www.statcan.ca/english/research/11F0019MIE/11F0019MIE01157.pdf>).

**Table 9:
Hourly and Projected Annual Wages of Community Literacy Organizations in Ontario,
1999**

	No. of respondents	Average work week (hrs/wk.)	Ave. years worked in literacy field	Ave. hourly wage	Average <i>actual</i> annual wage (@ the ave. wkly hrs times 52 wks)	Average annualized wage (@ 37.5 hrs/wk)
Executive Director or Coordinator	52	32	8	\$19.16	\$31,882	\$37,362
Program Coordinator or Student-Tutor Coordinator	36	27	6	\$16.19	\$22,731	\$31,571
Bookkeeper	9	4	N/a	\$12.92	\$ 2,687	\$25,194
Administrative Assistant or Secretary	24	26	5	\$13.56	\$18,333	\$26,442

Source: Community Literacy of Ontario (1999)

With the next two surveys, we get some insight into what the “front-line” workers in voluntary organizations make – the ones who actually deliver services to service recipients or clients. The first of these concerns those in Early Childhood Education (ECE). In the summer of 1998, researchers from the Centre for Families, Work and Well-Being at the University of Guelph mailed three questionnaires (seeking information on centres, directors and teaching staff) to a random sample of 1,798 ECE centres all across the country, and received 848 usable responses from Centres, 848 from Directors, and 4,154 from Staff, representing all the provinces and territories. All the centres provide full-time services (at least six consecutive hours a day) for children in the age range of 0 to 6 (or older), and 531 (62.6%) were non-profit centres, 293 (34.6%) were commercial centres and 24 (2.8%) were operated by municipalities.

The overall results for the hourly salaries of the various staff positions for all three types of providers (non-profit, for-profit, and municipal) combined could best be described as dismal, as illustrated in Table 10.

Nationally, the annual salary for a full-time teacher in a child care centre was just \$22,717. These individuals have primary responsibility for a group of young children, and may also have supervisory responsibility for assistant teachers. By way of comparison, as the authors point out, *parking lot attendants* made about the same (on a Canada-wide basis, they had an annual salary of \$21,038 in 1996).

The wages were slightly better in non-profit centres: the mean hourly wage for full-time teaching staff was \$12.21 an hour in non-profit programs, compared to \$8.64 an hour in commercial centres. Annualized at 37.5 hrs./week, that amounts to \$23,810 and \$16,848,

respectively. But the non-profit teachers were also more experienced,²⁵ and they also had higher qualifications.²⁶

Table 10:
**Mean Gross Hourly Wage for ECE Assistant Teachers and Teachers,
Full-time and Part-time Combined, 1998**

Jurisdiction	Assistant Teacher	Teacher	Teacher-Director	Administrative Director
British Columbia	\$10.55	\$12.07	\$14.41	\$18.73
Alberta	7.90	8.36	9.90	12.73
Saskatchewan	8.45	10.47	11.74	14.58
Manitoba	8.37	9.49	13.83	17.34
Ontario	10.60	13.48	17.48	22.00
Quebec	8.12	11.04	14.05	17.41
New Brunswick	6.34	7.12	9.26	10.06
Nova Scotia	7.04	8.51	10.21	14.56
Prince Edward Island	8.18	7.54	11.84	14.37
Newfoundland/Labrador	6.37	6.76	7.89	12.07
Yukon	9.97	11.71		
CANADA	\$9.59	\$11.62	\$14.52	\$18.45

Source: adapted from *Wages, Working Conditions and Practices in Child Care Centres* (Doherty *et al.*, 2000)

The differences between the sectors is best illustrated by the data from Ontario, which provides a breakdown for each type of provider. Only hourly wages were given in the original, but columns have been added here (see Table 11) to annualize it (according to a 37.5 hour week) for comparative purposes.

Table 11:
**Gross Hourly Wages for Full- and Part-time ECE Staff Combined, Annualized,
by Position and Type of Firm, Ontario, 1998**

Position	Municipal		Non-profit		Commercial	
	Hourly	Annualized	Hourly	Annualized	Hourly	Annualized
Assistant teacher	\$16.05	\$31,298	\$10.98	\$21,411	\$8.41	\$16,400
Teacher	17.78	34,671	13.42	26,169	10.58	20,631
Supervisor	24.38	47,541	14.59	28,451	11.07	21,587
Teacher-Director	26.41	51,500	20.08	39,156	16.52	32,214
Administrative Director	28.91	56,375	21.40	41,730	20.31	39,605

Source: Doherty *et al.* (2000), with the annualized columns and calculations added.

²⁵ More than a third (36%) of staff in non-profit centres had been in the ECE field for more than 10 years at the time of the survey, compared to only 18% in commercial centres, and on the lower-end, only 19% of the non-profit teaching staff were in the field for less than three years, versus 34% in commercial programs.

²⁶ Fully 59% of teaching staff in non-profit centres reported having a two- or three-year college credential, compared to 43% in commercial centres, and only 10% of teaching staff in the non-profits lacked any early childhood care and education (ECCE) at all, compared to 16% of those in the for-profit centres.

Clearly, the wages for this particular educational or social service in the public sector are head and shoulders above those in the non-profit sector, which, in turn, are much better than their commercial competition.

As might be expected, those low wages in the non- and for-profit ECE field were a factor in causing many staff to at least consider leaving their jobs, if not actually doing so. At the national level, 73% of assistant teachers, 75% of teachers, and 76% of the supervisors felt they would have to leave child care in order to earn more money. The directors of these centres were asked about staff turnover, where they went, and why they left. In the year preceding the survey, 38% of the teaching staff who had left to accept another job had accepted one outside the child care field. And in the year of the survey (1998), the turnover rate in the commercial ECE sector (32.2%) almost doubled that of the non-profit sector (17.6%), and as might be expected, it was much higher for those making less than \$8.50 per hour (the average centre turnover rate was 46% for assistant teachers in that bracket) or less than \$10.50 per hour for the teachers (a 40% turnover for teachers in centres with that as the average hourly rate for highest-paid person in the position).

For the teaching staff and supervisors alone, 22% had vacated their jobs in the previous 12 months at the national level; of these, 38% quit voluntarily, 13% were fired for poor performance, 11.5% were laid off, 11% took a leave of absence (usually parental leave), and the remaining 26% for unstated reasons. For those who left voluntarily, although leaving to take another job was the most frequent response (cited by 62% of the directors of non-profits and 74% of those in commercial centres), “dissatisfied with pay,” was the second most frequent response (identified by 19.7% of directors in the non-profit sector, and 34.6% of those from commercial programs), along with the other top reasons presented in Table 12 below.

**Table 12:
Reasons for Staff Leaving a Child Care Centre Position Voluntarily, by Type of Firm, 1998**

Reason for Leaving	Non-profit	Commercial
Dissatisfied with pay	19.7%	34.6%
Found job too stressful	14.8	19.8
Conflict with co-workers	9.5	10.8
Dissatisfied with working conditions	7.6	9.3
Dissatisfied with centre policies or procedures	6.7	8.0
Dissatisfied with benefits	3.8	8.1

Source: Doherty *et al.* (2000)

Another one of their findings was that many child-care workers had to supplement their ‘day jobs’ with outside work. In fact, even for the full-time teaching staff (which in this field, or at least survey, was defined as just 30 hours or more per week), 17.8% reported they engage in other paid work, for an average of 6.7 hours a week on a year-round basis, most (81.1%) in order to supplement their income.

Home care is another area with a mix of both for- and non-profit (as well as public) sector providers. In January 1999, the Canadian Association of Retired People (now the Canadian Association for the Fifty-Plus) commissioned the Queen’s Health Policy Research Unit at Queen’s University to examine the state of home care in Canada. Malcolm and Parent *et al.*

(1999) approached a variety of stakeholders,²⁷ and interviewed 292 people, collected survey data from 265 organizations involved with home care, received letters from 44 health associations and trade unions, and received 397 survey responses from individual Canadians.

Although their Report is qualitative rather than quantitative in nature, they do report that HR issues emerged as **the** most important concern by 88% of the home care organizations that responded to their survey. They identified several main factors, including:

- the home care environment is over-extended and under considerable stress from difficulties in the workplace such as the working conditions (the nature of the work, the unpredictability, and the problems trying to get full-time hours for staff);
- low wages (often at or near minimum wage for the support workers, and frequently not being paid for travel time between clients; \$5 less per hour for the home care nurses than for the hospital-based nurses);
- poor recruitment and low retention (one agency in Alberta had a 100% turnover of staff in just two years); and
- limited training to deal with high-need clients (such as those with Alzheimer's or HIV).

Note: some of those findings (on wages) are also borne out by the Statistics Canada data in Appendix 1, and by Thériault and Salhani (2000) who conducted extensive case studies of two non-profit home care organizations in Saskatchewan; they report that their level of funding is barely sufficient for them to operate, and that their qualified and dedicated personnel (including service providers and managers) have received sub-standard remuneration for the work they do.

The last Canadian sub-sectoral HR study which has data on salaries in non-profit workplaces concerns the field of social work. This was a part of a comprehensive, multi-stage HR study on the stresses, changes and training needs of the social work profession driven by a consortium of academic and professional organizations²⁸ partnered with each other and HRDC's Sectoral Partnerships Initiative. The study as a whole involved a literature review as well as surveys and interviews with employers and key stakeholders,²⁹ but the part we are about to examine is based on their Labour Market Analysis which draws on the 1991 and 1996 Census data, as well as the 1995 Labour Force Survey and the National Graduate Survey.

The data in this study document a marked devolution or shift in the employment of social workers and related professionals from the government sector to the community-based sector, which primarily involves non-profit organizations such as nursing homes and addictions treatment centres, although some for-profit providers are also included here (in home care, for example). At the national level, these changes in total employment and institutional settings (whose definitions appear in the notes) for the main types of positions in this field – managers, social workers, counsellors, and community service workers – were as illustrated in Table 13.

²⁷ The general public; the federal, provincial and territorial governments; organizations coordinating and/or providing home care services; agencies contracted to provide home care services; health professional associations; trade unions; voluntary health organizations/advocacy groups; caregiver organizations; support groups; and researchers.

²⁸ The Canadian Association of Schools of Social Work; the Canadian Committee of Deans and Directors of Schools of Social Work; the Canadian Association of Social Workers; and Regroupement des Unités de formation universitaires en travail social.

²⁹ Government social service and health ministry representatives, educators at college and university levels, students, employers, employees, and a small number of consumers.

**Table 13:
Changes in the Employment of Social Work Personnel in Different Work Settings in
Canada, 1991-1996**

Occupation	Industry	1991	1996	Change '91 to '96	
				Number	Percent
Managers in Social, Community & Correctional Services	Government service industries	3,880	2,080	(1,800)	-46.4%
	Health and social service industries (subtotal)	8,660	8,985	325	3.8%
	Hospitals	390	135	(255)	-65.4%
	Other institutional health and social services ³⁰	1,600	1,800	200	12.5%
	Non-institutional health services ³¹	505	615	110	21.8%
	Non-institutional social services ³²	5,575	5,375	(200)	-3.6%
	Offices of social services private practitioners	25	65	40	160.0%
	Health & social service associations & agencies ³³	395	935	540	136.7%
Social Workers	Government service industries	2,800	2,200	(600)	-21.4%
	Health and social service industries (subtotal)	12,410	23,620	11,210	90.3%
	Hospitals	1,430	1,775	345	24.1%
	Other institutional health and social services	2,815	6,710	3,895	138.4%
	Non-institutional health services	1,735	2,585	850	49.0%
	Non-institutional social services	5,600	9,810	4,210	75.2%
	Offices of social services private practitioners	225	635	410	182.2%
	Health & social service associations & agencies	340	1,725	1,385	407.4%
Family, Marriage and other Related Counsellors	Government service industries	3,200	3,940	740	23.1%
	Health and social service industries (subtotal)	245	465	220	89.8%
	Hospitals	-	10	10	-
	Other institutional health and social services	85	145	60	70.6%
	Non-institutional health services	-	-	-	-
	Non-institutional social services	135	235	100	74.1%
	Offices of social services private practitioners	-	-	-	-
	Health & social service associations & agencies	10	55	45	450.0%

³⁰ “This industry group excludes hospitals but includes institutions primarily engaged in health and social services. Typical here are homes for the aged, homes for disabled, establishments primarily engaged in providing for the assessment, treatment and care of persons suffering from alcoholism or drug addiction and those primarily engaged in providing for the care and treatment of children and young adults.”

³¹ “Establishments primarily engaged in providing diagnostic and therapeutic services to persons not requiring institutional care, in facilities designed, staffed and equipped for such purposes. This industry includes ambulance services; drug addiction and alcoholism treatment clinics; and home care services. Also included in this industry are public or community health clinics.”

³² “A wide range of establishments primarily engaged in providing social services to ensure the well-being of individuals and families living at home. This industry includes such areas as child day-care as well as child welfare services. It also includes home care services (except private household cleaning services, some rehabilitation services and crisis intervention activities).”

³³ “Establishments supported by grants and donations and primarily engaged in promoting health and social service through educational programs, the investigation of health hazards, setting of health standards, advances in the social well-being of the Canadian public, etc. This industry includes social service planning and advocacy agencies.”

Backgrounder on the Literature on (Paid) Human Resources in the Canadian Voluntary Sector

Occupation	Industry	1991	1996	Change '91 to '96	
				Number	Percent
Community & Social Service Workers	Government service industries	15,250	8,870	(6,380)	-41.8%
	Health and social service industries (subtotal)	35,025	34,165	(860)	-2.5%
	Hospitals	2,245	1,080	(1,165)	-51.9%
	Other institutional health and social services	12,290	12,040	(250)	-2.0%
	Non-institutional health services	2,415	2,095	(320)	-13.3%
	Non-institutional social services	15,850	15,610	(240)	-1.5%
	Offices of social services private practitioners	100	135	35	35.0%
	Health & social service associations & agencies	1,295	3,000	1,705	131.7%
	TOTALS				
	Government service industries	25,130	17,090	(8,040)	-32.0%
	Health and social service industries (subtotal)	56,340	67,235	10,895	19.3%
	Hospitals	4,065	3,000	(1,065)	-26.2%
	Other institutional health and social services	16,790	20,695	3,905	23.3%
	Non-institutional health services	4,655	5,295	640	13.7%
	Non-institutional social services	27,160	31,030	3,870	14.2%
	Offices of social services private practitioners	350	835	485	138.6%
	Health & social service associations & agencies	2,040	5,715	3,675	180.1%
	Totals for Government Services & Hospitals Combined	29,195	20,090	(9,105)	-31.2%
	Totals for Other Types Combined, Excl. Private Practices	50,645	62,735	12,090	23.9%

Source: Thornton and CS/RESORS Consulting (2000), with the final rows with the Totals added.

As these figures indicate, the size of the social work labour force both within government services proper and hospitals was cut by nearly a third in Canada between 1991 and 1996, but this was more than off-set by the shifts in employment to community-based settings such as nursing homes, home care agencies, and treatment centres. There has also been a large increase (10,610) in the number of employed social workers (who hold Bachelors' degrees or higher), and a concomitant decrease (7,240) in the number of community service workers (most of whom are only required to have a community college diploma or certificate – although many had both less and more than that³⁴), which this study attributes to increasing accreditation standards being required for many agencies with government contracts.³⁵

A consequence of this shift away from the governmental and hospital-based settings towards the community services arena has been an overall decline in earnings for social work personnel. As this table indicates, the latter categories provide lower wages, particularly for the community support workers, even controlling for people working full-time, full-year, in the same general age and experience bracket as illustrated in Table 14 below.

³⁴ Although 14,620 (28.3%) of the 51,740 community and social service workers in the labour force in 1996 had no post-secondary education, 29.4% of them held a Bachelor's degree or higher.

³⁵ Parts 1 and 2 of the "In Critical Demand" report note a significant decline in community service workers in Canada, from 57,135 in 1991 to 48,485 in 1996. The point about accreditation is made in Part 3 of the report, "Aboriginal Overview: Strategic Human Resources Analysis of the Aboriginal Social Work Sector," by Sidney Fiddler: "In the movement to professionalize the social work profession, most provinces/territories require social workers to be registered with professional associations of social workers," which requires a degree.

**Table 14:
Average Earnings of 35- to 54-Year-Old Social Workers (NOC 4152) and Community & Social Service Workers (NOC 4122) Working Full-time, Full-year, by Work Setting, 1995**

	Community & Social Service Workers	Average for All Social Workers	Social Workers w. a Bachelor's in Social Work	Social Workers w. a Master's or Ph.D in Social Work
Government Service Industries	\$37,019	\$41,936	\$43,003	\$50,030
Hospitals	\$37,796	\$46,035	\$42,762	\$48,457
Institutional health & social services	\$29,900	\$38,364	\$44,654	\$50,308
Non-institutional health services	\$32,773	\$42,260	\$41,561	\$49,988
Non-institutional social services	\$30,605	\$39,438	\$44,640	\$51,363
Health & social service agencies	\$31,775	\$39,055	\$41,383	\$46,392

Source: Excerpted from Thornton and CS/RESORS Consulting (2000), who use special data from the 1996 Census

As the report notes, not only do social workers employed in community-based, non-institutional social services and health and social service agencies earn less than the occupational average as of 1995, but that gap has also widened since 1990.

As noted, Statistics Canada has released some data on the employment and salary levels of particular industries over the decade which confirms the findings of the surveys discussed so far, and also provides baseline data on a number of other non-profit fields which have not had salary surveys conducted on them.

This data is based on the monthly Survey of Employment, Payrolls and Hours (SEPH) by the Labour Statistics Division of Statistics Canada (see Appendix 1 for detail). It was organized into two series, using different industrial classification systems. The first (StatsCan, 2000) uses the less fine-grained "SIC," or Standard Industrial Classification codes. The SIC category 864, "Non-Institutional Social Services," corresponds to a large segment of what is usually termed the "Social Services" component of the voluntary sector: it includes Child Day-Care; Meals-on-Wheels; Other Non-Institutional Social Services; Crisis Intervention; Social Rehabilitation Services; Home-Maker Services; Sheltered Workshops; Child Welfare Services; and Family Planning Services. When the employment and salary data for this segment are analyzed for the years 1990 to 1999, the results indicate more than 40,000 new jobs were created in this area (to a total of 149,100). The average wage for this entire area now stands at about \$14/hour, but that ranges over both the somewhat higher-paid social workers and other counsellors as well as the lesser-paid child care and home care workers. Even so, the average salary – which has been about \$23,000 for most of the decade (in constant, inflation-adjusted, 2000 dollars) – is clearly not enough to support a family on. Those low annual salaries are largely attributable to the fact that about two-thirds of the employees in this field are paid by the hour rather than on a salaried basis, and most of those work part-time: collectively, the hourly employees only average about 26 hours a week.

In the most recent publication (StatsCan, 2001c), Statistics Canada reclassified the data from the previous surveys into the more refined categories of the North American Industry Classification System (NAICS). For the interval between 1991 and 2000, the findings indicate relatively robust

growth in employment but very modest and often stagnant salaries for the following areas, in which the employers were predominantly (if not almost exclusively*) voluntary organizations:

- Child Day-Care Services, where total employment rose almost 50% to a total of 62,500 over the decade, and average annual wages only reached the \$20,000 mark last year.
- Civic and Social Organizations such as service clubs, sports associations, ethnic associations, and youth groups such as the Girl Guides, where total employment increased by almost 20% to nearly 70,000, and average annual wages just under \$20,000 (in constant, inflation-adjusted, 2000 dollars, as are the remaining dollar figures) for most of the 1990s.*
- Community Care (or Assisted Living) Facilities for the Elderly, where total employment rose and then fell by several thousand to stabilize at 56,600, and average annual wages were about \$23,000 for most of the 1990s.
- Individual and Family Services (including both child and youth organizations such as Big Brothers/Sisters; Services for the Elderly and Persons with Disabilities; and other services, such as friendship centres, crisis centres, home care, self-help organizations and refugee services), where total employment increased by almost 50% to 85,200, and average annual wages were almost flat at \$24,000 for most of the 1990s.*
- Other Residential Care Facilities such as group homes and half-way houses, where total employment only increased by 11% to 27,500, and average annual wages were about \$26,000 for most of the 1990s.*
- Residential Developmental Handicap, Mental Health and Substance Abuse Facilities, where total employment grew by a little over 4,000 to 38,400, and average annual wages ranged between \$24,000 and \$27,000 over the decade.*
- Social Advocacy Organizations, where total employment increased by almost 5,000 to 39,400, and average annual wages were about \$27,000 for most of the 1990s.*
- Vocational Rehabilitation Services, where total employment increased by 10,000 to a total of 33,100, and average annual wages were about \$23,000 for most of the 1990s.

Finally, since the Betcherman *et al.* study was produced, there has also been a salary survey of a particular segment of the non-profit labour force which is becoming increasingly important to the sector.³⁶ As Charity Village (2000) reports, the Second Annual Survey of Remuneration and Benefits in the Canadian fund-raising profession conducted by the Hilborn Group found that the mean total cash compensation for full-time male fund-raisers in 1998 was \$55,929, while women earned an average of \$50,356. However, the survey showed some other important differences among the types of respondents: with self-employed respondents reporting the highest average compensation (\$93,714), and part-time employees reporting the lowest (\$20,908); while those with more than 15 years of experience averaged \$68,831, in contrast to \$31,643 for those in their first year of fund-raising. The average compensation also varied by province, ranging from \$45,700 for full-time fund-raisers in Quebec to \$54,991 in Ontario.

³⁶ Although, strictly speaking, a significant number of these individuals are actually employed by for-profit firms, or they are themselves (self-employed) businesses, i.e., consultants.

Canadian Non-profit Benefits

As might be expected from the preceding discussion of the relatively meagre salaries, the *benefits* in Canadian voluntary organizations also tend to be quite limited. As Brooks (2001) puts it in his summary of the findings of the HRDC/CCP study (Browne and Landry, 1996), “Only 10 per cent of charities have unionized staff; 24 per cent offer no benefits to their employees; and only 7 per cent pay clerical and support staff more than the average industrial wage.” The data which have emerged since then have not been much more encouraging. Unfortunately, we do not have a national overview of these matters; there is only a series of regional breakdowns, which we’ll review briefly, going from East to West, and the national one on the child-care sector.

The Community Literacy of Ontario (1999) study found that 46% of the literacy agencies in Ontario provide paid short-term sick leave; 44% provide some health and dental benefits; 39% provide long-term disability benefits; 12% provide employer RRSPs; and 28% provide no benefits. Similarly, the Canadian fund-raisers’ survey (Charity Village, 2000³⁷) found a smattering of benefits, with the most common ones being flexible working hours (64%), professional association memberships (63%), basic medical (60%) and extended health care coverage (42%).

In Alberta and Saskatchewan, the KPMG study (Adsit and Mah, 1998) found that 164 charitable organizations in their sample employed full-time Executive Directors, but only 96 (58.5%) of those received benefits (i.e., “fringe” benefits, over and above the statutory ones such as CPP, WCB, and EI contributions, and 4% vacation pay). Of those organizations that did provide extra benefits, 95% had life insurance plans employees could participate in; 87% had group disability insurance plans; 90% had extended health insurance plans, and 93% had some sort of dental insurance plan. However, 41 organizations had part-time Executive Directors and only 6 of these received any such benefits. At the next level of management, 168 organizations employed full-time senior positions, but only 85 (50.6%) furnished benefits. Of the half of the respondents with employee benefit plans for Second Level Managers and Managers of Volunteers, 96.5% offer them group life coverage; they are eligible to participate in an accident insurance plan, in 80%; in a disability insurance plan, in 92%; and they are eligible for health care coverage in 88%. Concerning employees in general, 78% of respondent organizations provide paid sick leave to their employees, with the most common amount being 15 days per year (27.4%). Maternity leave with pay is provided by 15% of the respondents, and 22% permitted flexible working hours. Only 52% of the organizations had a company pension plan.

In British Columbia, it’s possible to track the evolution of certain types of fringe benefits practices (when the questions appeared on all three surveys), and how some of them have shifted from the employer paying all of them to sharing part of the costs with their employees (or vice versa). Table 15 depicts averages across all five types of administrative positions, however. But in the 1998 data, at least, British Columbia’s non-profits were actually quite egalitarian, with the frequencies for the employer-paid benefits for Executive Directors being no higher than for the

³⁷ Which, although not restricted to Ontario, likely had a predominantly Ontario focus, because that is where the Hilborn Group which conducted it is based, and is also where the majority of large charities which hire fund-raisers are located.

other types of employees, and in some cases (sick leave) even slightly lower, as illustrated in Table 15 below.

Table 15:
Overall Benefits for B.C. Non-profit Organizations – Average of all Positions, by Year of Survey

	1991*		1995		1998	
	Employer Paid	Partly Paid	Employer Paid	Partly Paid	Employer Paid	Partly Paid
Bereavement Leave	n/a	n/a	n/a	n/a	69%	10%
Dental Insurance	27%	41%	33%	41%	32%	34%
Disability Insurance	26%	26%	25%	28%	27%	23%
Extended Health	37%	33%	38%	37%	36%	34%
Life Insurance	33%	34%	39%	32%	36%	26%
Parental Leave	n/a	n/a	n/a	n/a	17%	6%
Medical Service Plan	36%	32%	33%	34%	30%	24%
Mileage Allowance	n/a	n/a	n/a	n/a	73%	0%
Pension Plan	7%	25%	8%	33%	18%	19%
Professional Development	43%	31%	38%	22%	60%	27%
Sick Leave	81%	9%	73%	9%	78%	9%
Vision Care	19%	21%	25%	32%	26%	28%
Other	n/a	n/a	8%	3%	6%	0%

* (1991 figures are more approximate)

Source: *1998 Salary and Benefits Survey for the BC Non-profit Sector* (Dow and Cuthbertson, 1998)

When both columns are added together each year, about two-thirds of the employers paid for at least part of many benefits. There were declines in some types of insurance benefits, however, as of the 1998 survey (dental, extended health, and the monthly MSP/Medicare co-payments), with the only real gains being in employer-paid professional development.

The relative generosity of Canadian non-profits in supporting professional development for staff – even ones not immediately applicable to the current position – is also confirmed by Haiven (2000) in her case study of 13 non-profit organizations (11 Ontarian). Haiven, whose study is examined in more detail later in this paper, suggests this may be related to the fact that employment in many non-profits has become so tenuous that many organizations feel that it is only fair to help staff develop their skills so that they may land on their feet when they get laid off.

Regarding the teaching staff of ECE centres, at the national level, Doherty *et al.* (2000) found that as of 1998, 82% of those in non-profit centres reported being involved in at least one professional development activity in the previous 12 months; of these, 67% had their fees paid by the centre, and 45% had paid release time for it. For both non-profit and other types of centres combined, only two-thirds of the teachers got paid coffee breaks. For the full-time teachers alone, 74% have paid sick days (with a national average of 7.6 days/yr.), 58% have extended health care, 57% got some dental coverage, 39% had short-term disability insurance, and 48% had long-term disability insurance. Only 25% had employers contributing to a retirement fund or pension plan for them. There was job-protected (although not usually *paid*) maternity/parental leave in 74.8% of the centres. For the Directors of these ECE centres, the only differences on benefits appear to be with regard to professional development: 94% of the

Directors in non-profit centres had participated in professional development activities in the previous 12 months, and 91% reported receiving some type of assistance from the centre for their participation: mostly the payment of registration fees (81%), and paid release time (69%).

The Explanation(s) for the Lower Non-profit Wages

What is the explanation for these small compensation packages in voluntary organizations? Are there some other factors at work, apart from the obvious reason (limited budgets they are trying to stretch as far as possible)? Recent contributions to the literature by two sets of Canadian-based researchers (Handy and Katz; Haiven) suggest that the compensation for many voluntary sector workers would be low even if their organizations *could* afford to pay more, due to the values or reasoning of the Boards of Directors who govern these organizations.

The first to consider is the work of Handy and Katz (1998, 1999), of York University, who reason that the low wages are actually a deliberate strategy adopted by the Trustees in the hiring stages. This strategy, they believe, is used to weed out the less committed workers, ensure more productivity, and enhance the public trust so vital to non-profits, considering that they do not have much opportunity to monitor or evaluate their effectiveness once they are in place. These authors also endorse this as a rational strategy, to “Get more by paying less”:

Our conclusion ... is that a non-profit firm that wishes to hire a manager will do better by offering a lower monetary wage and attracting a more committed individual while using the usual signals of education and experience to screen for quality. If correct, this theory explains why non-profit institutions tend to pay their managers a lower wage than that paid to similarly qualified managers in for-profits. Lower wages attract managers that are more committed to the cause of the non-profit, and the process is made easier for such managers by the fact that a low managerial income earned in a non-profit is less detrimental to social status than a low managerial income earned in for-profit Non-profits appear to be able to attract committed and qualified managers with an output that is not lower than that of managers in the for-profit sector, and who, in fact, contribute to reducing problems of public trust. They do so by paying less.

There are a number of serious limitations to their argument, however, both in its foundation and its generalizability.

First, by their own account, the argument does not apply to the legions of program and clerical staff, but only to the managers and those professionals who are employed in a decision-making capacity. (According to their somewhat elitist view, these other workers’ motivations make little difference to the overall functioning of the organization, and they are less willing to sacrifice wages on behalf of a cause.³⁸)

³⁸ “[T]he commitment of the manager of a non-profit to the goals of the trustees is crucial. In contrast, nonmanagers tend to have less discretion in their jobs, so that the importance of commitment by such managers will not significantly differ between non-profits and for-profits ... Nonmanagerial workers will [also] be less willing to give up income in order to work for a non-profit because their jobs are less likely to influence the cause and direction of the non-profit.” (Handy and Katz, 1998: p. 250, and n. 11) Further evidence of their elitism and limited understanding of the dynamics of the non-profit sector is revealed in their n. 14, where they speculate about a 1996 survey showing that graduates of Cornell University who worked in the non-profit sector made 37% less than their matched counterparts in the for-profit sector, that the majority of these grads must surely have been in management and professional positions, because it is such a prestigious school.

Second, their argument is a completely theoretical, speculative and *a priori* economic argument, rather than an empirical one. They don't, for example, actually *ask* any Trustees how they made their hiring decisions, and they only furnish a little piecemeal and dated evidence³⁹ for supposing that non-profit directors **are** more altruistic and yet equally capable – as opposed to slightly less competent, and so grateful for a non-profit position, even if it pays less. They also concede that there may not be any good tools available to screen for highly altruistic *and* highly competent managers in this sector, and without that, a low-wage hiring strategy could surely backfire.

These criticisms are not intended to imply that Handy and Katz are mistaken in supposing that many non-profit workers **are** extraordinarily committed to the missions of their organizations, such that they are willing to forego some wages in service of that cause. That is borne out by the Canadian literature. For example, as the Community Service Council Newfoundland and Labrador (1999) note as the result of their survey of 329 organizations and numerous focus groups and meetings, the sporadic nature of contract-based funding often leads to funding short-falls and an inability to meet the payroll, but some employees continue to provide their services, anyway:

[M]any participants in the study noted the low level of remuneration of staff and identified the concerns about the nature of employment In this uncertain milieu, staff are often laid off for extended periods; some continue to work in an unpaid capacity for the sake of their organization's mission and services. Clearly, financial motivations are not the sole, overarching reasons for staff participation in the voluntary community-based sector. Altruism and belief in the mandate of their employer voluntary community-based organization are significant motivations for staff.

Moreover, as we'll see below, unpaid overtime is a matter of course in many voluntary organizations, which presumably many workers would not accept if they were not committed to the cause. There is also recent empirical evidence to support Handy and Katz's view that senior managers in particular are committed; in a survey of 365 Executive Directors in Washington State, 60% indicated that they took their job because they believed in the organization's mission, and about 75% also stated it was one of the aspects they liked most about their job (Singleton and Cunningham, 2000). Rather, the two main points of contention regarding the Handy and Katz papers are whether these differential wages for non-profit managers have in fact been the result of a deliberate strategy by the Trustees hiring them and, if so, whether that strategy has been advisable. (For example, it may have led to a considerable amount of job frustration and turnover, or to less productive or efficient managers.)

The second Canadian-based study to be considered has taken a far more empirical approach, and offers several alternative explanations for the low non-profit wages. This research was conducted by Judith Haiven, now in the Department of Management at Saint Mary's University in Halifax, for her dissertation at the University of Warwick (UK), and is based upon her case

³⁹ Some studies they cite, on the lower wages, are about U.S. non-profit law firms in the 1980s; some, on the motivations, are from 1975 and 1983; the claim about non-profit managers being equally productive is from a single 1989 paper.

studies and interviews with the trustees and Executive Directors of 13 Canadian non-profits (which were contrasted to 13 comparable UK ones).

Haiven (2000) provides a fairly compelling analysis describing several reasons many Boards of Directors are of the opinion that non-profit sector workers *should* work for minimal (or even *no*) wages, even if the organization could afford to pay more:

- some Trustees may be former clients of the service (e.g., in an anti-poverty, or mental health group) and believe that the cause is more important than the staff;
- for some causes (e.g., animal protection), the Trustees may value the object of the mission far more than any people involved;
- the non-profit Trustees themselves are unremunerated, and so may resent high wages or expect the same of the workers;
- some Trustees have strong religious views, and believe that it is a calling and a privilege to serve others, which would be tainted by, or should not need, substantial material rewards.

Thus, for some of these organizations, at least, it appears that Handy and Katz may have been partially correct, but for the wrong reasons: some Trustees may indeed be using a low-wage strategy, but not necessarily in order to attract the most productive or committed workers, but rather to impose their values on them. Later in this paper, we shall also see some other questionable HR practices in Canadian non-profits which were unearthed by Haiven's study.

Gender Issues

Are women discriminated against in the Canadian voluntary sector with regard to either their wages or the level of senior management they can attain?

Some U.S. studies have reported inequitable wages and a "glass ceiling" effect for women attaining senior management positions in U.S. non-profits. For example, Gibelman (2000) reports on a 1997 survey of 74 non-profit organizations located throughout the United States (from a sample frame of 850 agencies). These organizations, which were mostly larger social services agencies (although their clientele was not limited to women) yielded data on 4,596 professional employees: 70% female, 30% male. Gibelman found that average female salaries (\$31,125) were only 82.5% of the males' (\$37,685), and that the females were likely to earn \$4,492 less than their male counterparts when education, age, and type of degree are controlled for statistically.

Those findings have been amplified by the much larger GuideStar salary survey (based on the 1998 and 1999 tax forms of 75,000 public charities). The company found that the median pay of female chief executives at the largest non-profit organizations (with annual budgets over \$50 million) was \$170,180 a year, compared with \$264,602 for male chief executives, and that men filled 88% of the top jobs in these organizations (Lewin, 2001). Of course, that size of organization mostly applies to the universities and hospitals outside the scope of this discussion, but a similar gap was found at smaller organizations, as illustrated in Table 16 below.

**Table 16:
Average Annual Salaries for U.S. Non-profits with Annual Budgets between \$2.5 million and \$5 million, by Gender**

	CEO/ Executive Director	Top Admin. Position	Top Business Position	Top Development Position	Top Education/ Training	Top Facilities Position	Top Finance Position	Top HR Position
Female	\$81,900	\$66,701	\$60,152	\$64,708	\$65,692	\$63,128	\$59,974	\$60,967
Male	\$101,365	\$72,427	\$64,684	\$68,492	\$72,032	\$75,077	\$71,516	\$71,673

Source: *The 2001 GuideStar Non-profit Compensation Report* (Philanthropic Research, Inc., 2001)

Gibelman (2000) also found that far more women were involved in direct-service positions (62% of the females, versus 48% of the males), and concludes that men were disproportionately represented in the upper-management positions in her sample group, which were occupied by only 11% of the females, compared to 22% of the male employees. However, one must always be cautious with statistics. Considering that more than twice as many women were working in these organizations than men, it may be misleading to conclude a glass ceiling effect from the fact that a smaller percentage of them were in senior management. When those percentages are converted back to absolute numbers it appears these 74 organizations had 354 female upper-level managers, and 303 male ones: a 54/46 ratio, or evidence of a “glass door”! On the other hand, reportedly, the GuideStar survey also found that men filled 76% of the top jobs at U.S. non-profit organizations with annual budgets exceeding \$5 million (Lewin, 2001), which does appear to confirm the “glass ceiling” hypothesis there.

At any rate, the evidence for glass ceiling effects in Canadian voluntary organizations appears to be more mixed. The opposite appeared for the more mid-sized organizations in Alberta and Saskatchewan covered by the KPMG study (Adsit and Mah, 1998) which found that 63% of the EDs, and 79% of the Second Level Managers, were female (along with 88% of the Manager of Volunteers), but they did not give breakdowns of their salaries by gender to test for disparities. The British Columbia data were largely silent on these matters, although they found the vast majority of employees were female.⁴⁰ Haiven (2000), however, found that although 77% of the employees in the Canadian organizations she studied were female, 75% of the managers were male; her study included several large (multi-million dollar annual revenues) organizations, and 11 of the 13 were located in Ontario, so those two factors may have played a role. Finally, the Canadian fund-raisers survey (Charity Village, 2000) found male full-time respondents earned an average of \$55,929 in 1998, while women earned about 10% less (\$50,356). There did not appear to be any systematic information available about other equal opportunity (EO) and diversity issues, however, although Haiven (2000) reports that while both have EO or diversity policies, neither the Canadian nor the British organizations she studied actually hired many ethnic minorities or people with disabilities.

Human Resource Management Practices

As mentioned, the doctoral thesis by Haiven (2000) explicitly addresses HR management in the non-profit sector. As she notes, this topic has been conspicuous by its absence in both the

⁴⁰ The British Columbia study asked about the composition of the staff – 19% male, and 81% female, overall, in 1998 – but did not receive a breakdown by position.

academic and professional literature on the sector. Thus, her dissertation – a case study of the HR practices of 13 Canadian non-profits matched by 13 British ones with comparable missions⁴¹ – represents an important contribution to the field.

By and large, she found that Canadian voluntary organizations' HR management standards and practices are relatively primitive – not only compared to those prevalent in the private sector, but also to those adopted by British non-profits. As she puts it, “Only the largest organizations kept records or had specialist human resource managers. The smaller organizations, especially in Canada, tended to ‘fly by the seat of their pants.’ ”

The Canadian non-profits (which tended to be smaller) fell short in several areas:

- Less training or fewer qualifications for those in charge of HR: only 2 of the 13 Canadian HR managers had attained a combined level of education and/or training equal to the Institute of Personnel Development requirements held by 9 of the 13 UK managers.
- Fewer employee evaluations: only 7 of the 13 Canadian non-profits did any sort of employee appraisal (which she describes as “haphazard”), and of those, two did so as part of a performance-related pay system; in Britain, 9 of the 13 did employee appraisals (which she describes as “*pro forma*”), but none linked pay to performance.
- A marked tendency to delay advertising for new positions, and to favour internal candidates and existing employees with seniority when recruiting (exhibited by all 13 Canadian organizations), in contrast to the British organizations, which all tried to cast as wide a net as possible when recruiting, and gave external and internal candidates the same opportunities. (Nor did this difference appear to be attributable to unions: although 7 of the 13 Canadian non-profits in the study recognized trade unions, so did 11 of the 13 British ones.)
- Being far less systematic in establishing formal pay scales or structures; to pay an automatic annual ‘cost of living’ increase as well as an annual increment, for example.
- Rarely following the ‘best practice,’ step-by-step hiring procedure which is routine in the British organizations, of first conducting a job analysis and doing a complete job description before trying to fill the position, and using “person specification sheets” to vet the candidates. The Canadian organizations tended to “skip or skimp” some of these procedures: sometimes they would do it backwards: issue a “cattle call” like a casting director, interview a number of candidates, and only *then* get a good sense of what they really need.

Union Presence in and Problems with Non-profit Workplaces

Currently, there does not appear to be a widespread unionized presence in non-profit workplaces outside the MUSH sector. The data are hard to come by, however, because the National Accounts of Canada and most other countries do not track the voluntary sector, as such. But estimates indicate about 13% of voluntary sector workers in the UK are union members, and perhaps 8% in Canada.

⁴¹ Their mission or service areas were: foreign aid (8 organizations in her study, 4 from each country); health/hospice charities (3 in each country); housing or shelter (1 in Canada, 2 in England); local aid/advocacy/or human rights (5 in Canada, 4 in the UK).

According to the 1995 HRDC/CCP survey, the vast majority (86%) of non-profit organizations are not unionized – or 92%, if the trade unions themselves (only 52% of which are unionized, interestingly enough) were excluded. That study also found that charities were more likely to be unionized if they had at least 6-10 staff, and still more likely if there were 11 staff or more. Organizations were also more likely to be unionized if they had budgets over \$200,000, or if they received substantial government funding.

The 1998 Volunteer Vancouver survey (Dow and Cuthbertson) found that some positions and some sub-sectors were more likely to be unionized than others. About 10% of the employees overall were members of unions (even some of the senior managers), which is much lower than the current union density for the Canadian labour force as a whole (30%⁴²). The most frequently unionized category was the clerical workers (16%, overall), followed by the middle management, “Coordinator/Supervisor/Associate Manager” category (14%). However, the most heavily unionized sub-sector involved health organizations, where about a quarter of those positions were unionized as illustrated in Table 17 below.

Table 17:
Percent of B.C. Non-profit Employees who are Unionized in Each Position, by Sub-sector, 1998

	Position*				
	A	B	C	D	E
Health & Rehabilitation Services	0%	8%	26%	12%	23%
Services for Individuals & Families	4%	4%	5%	7%	5%
Community & Neighbourhood	5%	9%	18%	17%	21%
Planning & Information Services	0%	0%	13%	14%	20%
All Sectors Combined	3%	6%	14%	11%	16%

* see “Canadian Non-profit Salaries” section for definitions.

Source: *1998 Salary and Benefits Survey for the BC Non-profit Sector* (Dow and Cuthbertson, 1998)

Regarding the childcare workers, Doherty *et al.* (2000) report that 13.4% of all the ECE centres (including the city-run and for-profit ones) reported having unionized staff. This was most common in Quebec (19.2%), Ontario (18.0%), and Saskatchewan (15.5%). Although three-quarters of the municipally operated centres had unionized staff, only 16.9% of the non-profit centres did ... and just 1% of the commercial centres.

The main unions with a presence in Canadian non-profits appear to be CUPE (Canadian Union of Public Employees) nation-wide, and the CAW (Canadian Auto Workers) in Ontario, which is actively luring nursing home and home care workers away from the U.S.-based SEIU (Service Employees International Union). Some of the issues for recent job actions against non-profits in Canada have included: the employers wanting to cancel certain pension benefits or vacation provisions; the employers wanting to reduce the number of overnight staff in an emergency shelter to just one (which was regarded as unsafe); and the employees wanting more parity in wages with public-sector workers.

Although there do not appear to be any sustained discussions of the interaction between unions and non-profit workplaces in the recent Canadian literature (apart from Haiven 2000, who discusses how union policies influence the “hire within” policies and are the main driving force

⁴² “Fact-sheet on Unionization,” *Perspectives on Labour and Income*, August 2001, Statistics Canada, cat. no. 75-001-XIE, online at <http://www.statcan.ca/english/indepth/75-001/peonline.htm>.

behind the few HR policy and pay scale changes in many Canadian non-profits), one revealing study has come out of the United States. Peters and Masaoka (2000) did a number of case studies and conducted 40 in-depth interviews to identify the contentious areas in unionization drives among non-profit organizations. The staff's principal reasons for wanting to organize were to: have more input into decision-making; combat the alleged failures or favouritism in HR policies regarding hiring, firing, diversity and other issues; and address the inequity between their own compensation and workers in government agencies. They found that union drives in voluntary organizations can be extremely divisive, and harm working relations possibly for years; as well, an overly antagonistic, provocative stance by management in reaction to union drives tended to backfire, and turned neutral and undecided staff toward supporting the union.

Even though it takes more effort to unionize smaller voluntary organizations than other types of workplaces,⁴³ some analysts (e.g., Batchilder, 1997; Pyne, 1997) predict that unions are likely to increase their efforts in this area in all three countries (Canada, the United States, and the United Kingdom), for several reasons:

- to combat the low-wage effects of devolution or privatization by “following the work;”
- out of genuine concern for safety and working conditions, particularly of health care workers; and
- as part of the unions’ social democratic agenda, given: the preponderance of women and minority workers in many low-paid non-profit workplaces; the high workload; the high turnover; the perceived “glass ceiling” in the management of social service organizations; and the extent of unpaid overtime being worked.

We shall now review some of these sticking points which could lead to increased unionization, in slightly more detail.

Adverse Working Conditions

Virtually all of the studies which have been cited so far, as well as many other reports on non-profit work settings both in this country and others (e.g., SEIU, 1997, 1999; TUC, 2000) present a whole gamut of adverse working conditions which voluntary sector employees have to contend with, even apart from the low wages and benefits, which include:

- *Increased workload*, reported by virtually all the reports involved in social services, often from a combination of factors related to government cutbacks: more clients, clients with more serious or multiple needs, and more reporting requirements.
- *Health and safety issues*: concerning not only unsafe working conditions (such as when group homes with potentially violent clients only have one staff member working at night), but also vocations which are at far greater risk of more sickness and injuries, not only regarding office workers (due to repetitive stress injuries through the use of keyboards), but also many health care workers, due to exposure to their clients’ health problems, physical attacks, and a high propensity for back injuries due to heavy lifting (of people) in care settings such as home care and especially nursing homes.
- *Job stress*: whether originating from interactions with clients who have numerous issues and problems (or even those without major problems but plenty of temperament, such as the denizens of daycare), or from managers, or from the precarious funding environments and shifting policies of government funders.

⁴³ For example, one UK union organizer (quoted in Cunningham, 2000) reports, “You may spend three to six months building a relationship and laying the foundations for the future with a voluntary sector organization, where in other industries, you may get things signed and sorted for recognition in a month.”

However, we shall turn our focus now to two additional problem areas specifically related to HR practices (rather than to the nature of the work or the surrounding socio-political environment).

Unpaid Overtime

One of the most frequently mentioned HR sore points for the voluntary sector concerns the extent of unpaid overtime, and how common the expectation is that employees will continue to provide it without demurring. This was noted in the Reed and Howe (1999) Ontario study discussed above. The AB/SK salary survey also reported that 53% of respondents indicated that their organizations expected them to work overtime on a volunteer basis. Similarly, Doherty *et al.* (2000) remark, “Many [ECE] teachers and directors in specific jurisdictions basically “donate” a day of job-related unpaid work per week the mean number of unpaid hours of work per week reported by full-time teachers was 7.3 hours in [Prince Edward Island] and 6.5 hours in Nova Scotia. On a Canada-wide basis, directors reported an average of 9.8 hours of unpaid centre-related work per week.” Some of the extra demands on their time are illustrated in Table 18 below, considering the 40% to 90% of employees are *not* compensated for these job-related activities.

Table 18:
Percent of ECE Centres or Staff Reporting the Benefit or Working Condition as Available to Full-time Staff, 1998

	Assistant Teacher	Teacher
Compensation for overtime child care provision	54%	61%
Compensation for staff meetings held after hours	45	56
Compensation for parent meetings after hours	34	45
Compensation for attending board meetings after hours	11	17

Source: Doherty *et al.* (2000)

This practice is also common in Britain. Almond and Kendall (2000) analyze that country’s Quarterly Labour Force Survey data, and report that non-profit sector employees are 1.5 times more likely to report working unpaid overtime compared with both the private and public sectors. Similarly, NCVO (1998) reports that 81% of the 2,000 voluntary organizations responding to their HR survey indicated that some paid staff work additional hours on an unpaid voluntary basis.

Contract Employment

Another HR practice which may become an increasing source of dissension involves placing workers on contract, rather than hiring them as regular employees. As Betcherman *et al.* (1999) commented, as of late-1997,

There [were] no data covering the incidence of contract work in non-profit[s] ... This constitutes an important gap as non-standard employment contracts have become increasingly common forms of employment generally in the economy, and because anecdotal evidence suggests that paid positions in the non-profit sector are increasingly in the form of contract positions contingent upon the funding situation of the organization (McClintock, 1996).

When people who are classified as independent, self-employed contractors perform work for a client, they are not afforded the ordinary benefits and protections other workers enjoy which are covered by federal and provincial statutes (and/or company and union policies).

- They do not get paid statutory holidays, for example, nor the standard two weeks off (or 4% vacation pay).
- They do not qualify for Employment Insurance when the work ends (as it often does).
- There are no protections regarding the number of hours worked, nor do they get any extra pay for overtime.
- They are not covered by Workers' Compensation insurance.
- They do not receive paid sick leave.
- They must pay twice as much to the Canada Pension Plan (both the worker's and employer's portions).
- Depending upon how specific the contracts are in their wording, the contractors/workers may also be entirely at their supervisors' mercy regarding whether they are meeting the requisite amount of 'deliverables' each month (or whether they will have to work evenings and weekends to satisfy them).

On the other side of the coin, the companies that retain such workers on a flat monthly retainer are thereby relieved of about 15% or more of the "payroll taxes" they would have to pay on behalf of employees comparably recompensed on an hourly basis.

Although no systematic study of the prevalence of this practice in the voluntary sector has yet been done (hopefully, it will be incorporated into the upcoming national survey of voluntary organizations being commissioned by the VSI), there have been smatterings of data in some of the reports reviewed so far which suggest that contract workers are becoming almost as prevalent as regular full-time and part-time employees – that one-fifth or more of the new hires in the non-profit sector in recent years may have been on a series of term contracts without benefits, rather than in a more secure employment relationship.

As noted, the Reed and Howe (1999) study of Ontario organizations reported, "About half of the [40] agencies we interviewed (and a higher proportion of those who have been hiring in recent years) engage new staff principally on a contract or part-time basis rather than as regular employees, as they have traditionally done."

Regarding the ECE workers, Doherty *et al.* (2000) report that the Centre Directors indicated that 19% of their teaching staff were employed on a substitute or casual basis, and 14.4% of teaching staff were employed on time-limited contracts, rather than in permanent positions. The use of these time-limited contracts for teaching staff increased in 20.4% of centres between 1995 and 1998, and decreased in only 1.3%. Asked why they used these time-limited contracts, 50% of the Directors reported it was to accommodate periods of maternity leave, illness, or personal leave; 20% said it was related to enrolments, 13% cited program expansion, but only 10.4% gave financial reasons as the main consideration (but some of these were forthright, about doing so explicitly to stretch their budgets: "We now have a higher number of contract positions who are not offered benefits. This is mainly for financial reasons.") A common side-effect of such contracts was that many staff found themselves temporarily laid off and without a main source of income until they were called back to work at the same centre; this happened to 7.4% of assistant teachers, 3.7% of teachers, and 5.0% of the supervisors: far more in the regions with high seasonal employment or unemployment rates, which influenced the demand for child care. Over the previous year, the percentage of workers off work on an involuntary basis for at least a month varied from 7.3% of the full-time teaching assistants, 4.2% of the full-time teachers, and 15.3% of the part-time assistant teachers.

The Community Service Council Newfoundland and Labrador (1999), which surveyed a cross-section of 329 (non-religious) non-profit organizations, note that “employment is predominantly full-time or contractual (Contractual employment for a specific task(s) for a specified period of time (e.g. a six month research project).” Unfortunately, they do not give breakdowns on the latter for their existing employees, but the responding organizations also indicated how many additional positions they needed to fill (if only they could afford to) – a total of 455, between them – and of these, although most would be regular full-time (64%), about a fifth (22%) would be contractual.

Finally, the AB/SK study (Adsit and Mah, 1998) appears to be the only major study that actually asked and provided systematic data on the levels of non-profit contract workers across several disciplines at once. The data were presented in two clusters: those organizations which reported having regular, paid employees – and those which reported having none. More than 50% of their sample, i.e., 250 charities, indicated that they had no paid employees. But just over 9% (23) of them *did* have people working for them, on contract: 168 contract workers in total, for an average of 7.3 each, because one of these organizations, with a budget of almost \$8 million, actually had 132 workers on contract ... but no employees. Among those 205 Alberta and Saskatchewan charities which did report having employees, 78% reported having full-time employees (an average of 20.2 each), 74% reported having part-time employees (an average of 15.6 each), and fully 66% reported having contract employees (sic), an average of 21.4 each.

Executive Directors

Executive Directors (EDs) should receive special consideration in any discussion of non-profit HR: not only because they are likely the single most important type of employee in ensuring the sustainability of a non-profit organization and the quality of the workplace (and hence its ability to attract more employees), but in many cases – approximately 10% to 15% of non-profits, excluding churches – they may be the *only* paid employee at all!⁴⁴

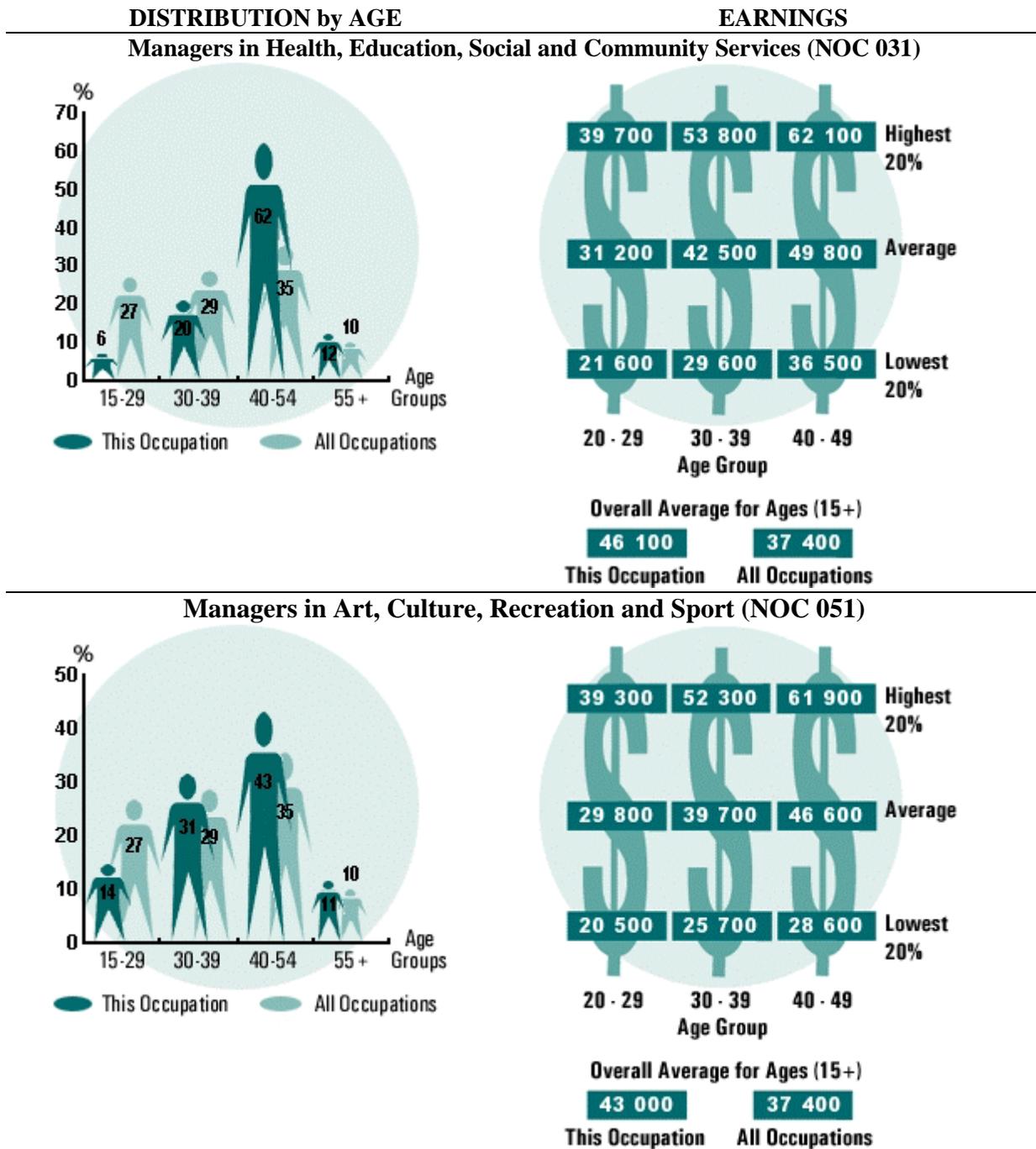
A brief overview of some of the labour force characteristics of Canadian non-profit managers as reported by HRDC will be followed by the findings of two recent U.S. studies about the tenure of Eds; we will draw on those and other studies to describe some of the stresses EDs are under, and how they are being affected by changes in the non-profit workplace and funding environment.

As seen in the “Salary” section above, the regional surveys from the three western provinces indicate that the median annual salary for non-profit EDs in 1998 was about \$40,000, and the average annualized salary for full-time EDs was \$46,000. This also appears to be the case at the national level, as indicated by HRDC’s “Job Futures” Labour Force information; the two most relevant “Manager” categories (which also includes people in the public sector) show that many of the people in these positions are in the 40- to 54-year-old age bracket (see Graphic 1).⁴⁵

⁴⁴ The CCP estimated that about 11%, or more than 3,700 ‘regular’ charities (apart from foundations and places of worship) only have one paid employee (source: calculated from the percentages in Sharpe, 1994, reported in Betcherman *et al.*, 1999). Similarly, 41% of the 202 non-profit organizations surveyed by Volunteer Vancouver in 1998 only had one or two employees (those which had none were excluded from the survey). And of the 329 surveyed by the Community Service Council Newfoundland and Labrador (1999) (none of which were religious organizations), 75% had fewer than five employees, 29% had none at all, and 16% had just one.

⁴⁵ Source: HRDC, “Canada Job Futures, 2000,” online at <http://jobfutures.ca/jobfutures/noc/031.html> and <http://jobfutures.ca/jobfutures/noc/051.html>.

Graphic 1: Managers in Health, Education, Social and Community Services (NOC 031) and in Art, Culture, Recreation and Sport (NOC 051), Distribution by Age and Earnings



Source: HRDC, “Canada Job Futures, 2000” (see online addresses at footnote 45)

There appear to be very few studies of non-profit EDs *per se*, however – particularly regarding their HR characteristics on such matters as their career paths. However, in 1998, several researchers at The Support Center for Non-profit Management (now called CompassPoint Non-profit Services) in San Francisco (SF) initiated a project to remedy that deficiency, after a “straw poll” in a workshop with EDs revealed that only one of their 13 predecessors had gone on to another non-profit ED position. Wolfred *et al.* (1999) devised a survey to find out more about non-profit EDs’ tenure, experience, and likes and dislikes about their jobs, and inserted an article in the Center’s widely circulated (3,200 subscribers) newsletter to invite participation; they received 137 responses, mostly from the Bay Area. A year later, this study was replicated (along with some additional questions) in the State of Washington (WA) by CompassPoint in conjunction with a Volunteer Center and United Way (Singleton and Cunningham, 2000), and they received 365 responses from three counties.

The results were quite revealing. We’ll begin with the information on the experience and turnover of non-profit EDs, then proceed to some of their main misgivings with their jobs.

- Judging by this (admittedly self-selected, rather than random) sample, most non-profit EDs were inexperienced and so need to learn on the job: two-thirds of the respondents in both surveys were in their first permanent Executive Director jobs. (Almost 20% had been interim directors at some point, but it is not clear how much that group overlapped with the 66% which had never been permanent EDs before and the 34% which had). In many cases (17%, in the WA sample), they were also the organization’s first ED; many of these were the founders of those groups.
- Most of the EDs were in the “leading edge Boomer” cohort: one-third of the SF sample were between 47 and 51 years old in 1999; and in Washington, the average age was 48, with 29% of the male EDs, and 21% of the female EDs, being between 50 and 54 years old in 2000.
- Regarding their tenure in their current position at the time of the survey, the average tenure for the SF respondents was 5.95 years, with 74% of them being in their jobs at least three years. In WA, the average tenure was 6.1 years, with 71% of them being in their jobs at least three years ... and 28% for more than 9 years. Asked how long they intended to stay in their current position, only 6% of the WA respondents indicated it would be less than one year, and 14% were unsure; but 51% thought it would be for 1 to 5 more years; 17%, from 6 to 10; 8%, more than 10 years; and 4% indicated “indefinitely – until retirement.”
- It appears many non-profit EDs only want the job once, however: in SF, only 25% indicated they’d definitely want their next job to be as an ED (even fewer for the first-time EDs: only 20%); most (43%) were unsure, with 29% indicating a definite “no.” Only a third of the WA sample believed they’d definitely want a similar position for their next job. (However, these low figures may be due to some ambiguity: nearly half of the 45% WA respondents who indicated they did **not** want their next job to be as a non-profit ED noted that they planned to retire, instead.)

These data are set out here in tabular form (see Table 19).

**Table 19:
Profiles of the Demographic Characteristics, Tenure and Experience of
Non-profit Executive Directors in the Pacific Northwest, circa 1999**

		San Francisco area	Washington State
Gender	Female	73%	60%
	Male	27%	40%
Tenure	Longest	26 years	38 years
	Shortest	2 months	1 month
	Average	5.95 years	6.1 years
	Median	4.25 years	4.1 years
Experience	First-Time Perm. ED	66%	66%
	Held one or more prior positions as a Perm ED	34%	34%
	Held one or more prior positions as an Interim ED	18%	19%
Would Like Next Job to be as a Non-profit ED	Yes	25%	33%
	No	29%	45% (43% of those due to planned retirement)
Predecessor Left to another ED Job	Don't Know	42%	15%
	Other	4%	7%
Hired from Inside Agency	Yes	14%	Not reported
	No	68%	Not reported
	Don't Know/Not Applicable	18%	17% were the founders or the org's first ED
Hired from Inside Agency	Yes	27%	63%
	No	73%	37%

Source: excerpted from Wolfred *et al.* (1999) and Singleton and Cunningham (2000)

ED transitions *can* be good things: 39% of the WA respondents who addressed the positive implications of getting a new ED said the turnover reinvigorated their organization and introduced new skill sets; 14% said relations with the community and funders had improved. However, they can also be quite damaging, for the same reasons: of the 199 WA respondents who addressed the negative implications of the last ED turnover for their organizations, 38% pointed out transitions are simply hard to deal with, and 12% stated it led the community and funders to lose trust in the agency. Given the pivotal role EDs play in non-profits, Wolfred *et al.* (1999) contend (based on their extensive experience both as EDs and as management consultants) that they need to be in place for at least three to five years to make a positive difference:

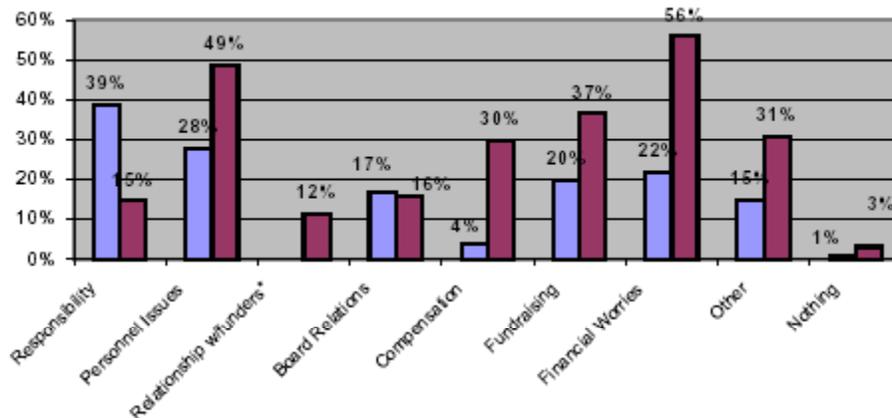
... [A]n executive director tenure of less than two years usually results in little real development for an organization. Agencies that are successful in achieving their goals are often ones where the chief executives stay in their jobs long enough to shape enthusiastic and effective staff teams, build the external relationships that will result in needed resources, and connect with allies who are key to achievement of agency missions. Furthermore, in our observations, a series of short ED tenures can cause backward movement for a non-profit.

Thus, it may be worthwhile to find out which aspects of their jobs non-profits EDs dislike the most, and what factors would make them most likely to leave (voluntarily).

Regarding the latter, the surveys asked the respondents to rank the top three reasons among a list of five (and one “Other” they could write-in) for “What would make you leave your job?” The top incentive for leaving was Professional or Career Growth Opportunity, selected by 26% of the SF EDs, and 29% of the WA group (and in the top three for about 57% of them). “Burn-out” was next: identified by about 26% of the SF and WA respondents alike, and among the top three for about 58% of the WA group. The two survey groups diverged after this. Relations with the Board of Directors – which can be a real juggling act when EDs try to introduce new programs or institute changes, and a major source of stress for EDs – came in third, in SF (the top one for 22%), but less than 5% in WA indicated it would be the most likely reason they’d leave their job (although it was in the top three concerns for 21%). Similarly, in San Francisco, where the cost of living is much higher than in the various counties of Washington, the limited pay and benefits (such that it was difficult if not impossible to buy a house) was identified by 19%; but pay/benefits was ranked first by only 3% of the WA respondents (although it was in the top three for 30%). The remaining, most altruistic option – stepping aside for the sake of the organization needing a new person (with fresh ideas, etc.) – was only selected by 12% of the SF EDs as the most likely reason they’d quit, but by 18% of the WA ones (and was in the top three for 54%).

Concerning what they liked the least about their jobs, the main factors which emerged were the high levels of responsibility, stress and isolation which come from being in charge of a non-profit agency; long hours (some reported 80-hour weeks); personnel problems (staff turnover and disgruntled employees, often related to low wages, but sometimes related to harassment or discrimination issues); anxiety about the lack of sustained funding, and unease about having to constantly beg for more; and the complexities of working with a volunteer board of directors (which sometimes involved “too many bosses” or micro-management, and sometimes indifference or lack of support). Or as one respondent encapsulated it, “Meetings, meetings, and more meetings; dealing with endless personnel problems and issues; the sometimes stress of fund raising and meeting budget; the endless pace, chaos, stress, the way the job took over my life.” The frequencies on how many respondents selected the various items are presented in Table 20 below.

**Graphic 2:
Aspects Executive Directors Disliked about their Jobs,
San Francisco and Washington State, circa 1999**



Washington State (left bar); San Francisco (right bar)
Source: Singleton and Cunningham (2000)

- * “Other” included disliked items such as: accounting, taxes, administration and paperwork, the challenge in juggling work and family life, the demands on time or lack of time, meetings, internal and governmental bureaucracies, slow pace of organizational change, stress, not having enough staff, tough labour market to hire from, lack of drive in non-profit market, weak infrastructure.

As Wolfred *et al.* (1999) observe, despite the primary difference in their ultimate goals, the jobs of non-profit Executive Directors are remarkably similar to those of small business owners:

It overtakes your life. It demands long hours and many personal sacrifices. To battle through the obstacles and to endure the stresses, it requires a passionate commitment to the endeavor’s goals. You have to be a tireless entrepreneur ... to succeed – and possibly suffer personal and professional burnout as a result.

The comparison with small business owners is not just metaphorical, however: increasingly, non-profit managers are being urged to be “more businesslike” and to literally be entrepreneurs. Wolfred *et al.*’s latter point is echoed by Scott *et al.* (2000), from across the pond. In the UK, as in many quarters of North America, there is a growing interest in the concept of “social entrepreneurs,” or people who begin new enterprises such as apprenticeship programs which are directed primarily at a social good rather than primarily for financial reasons, but who do so with considerable ingenuity, drive, and the latest business techniques. When this is applied to non-profit directors, they are expected to start wonderful new programs on shoestring budgets, find “angel investors” somehow – and basically work miracles. As Scott *et al.* (2000) illustrate in a thumbnail sketch of one of their case studies,

The ‘social entrepreneur’ is a catalyst pulling together partners and resources to develop innovative solutions to social problems. The role demands flair, creativity and energy, but unrealistic expectations can lead to failure and burn-out.

“I was getting here earlier and earlier and I was taking work home at night ... I wasn’t sleeping. I kept waking up in the night thinking I must do this and this and this. It was beginning to make me unwell.” (Project Manager)

Individual capacity is constrained by the range and number of demands made and by the management and administrative support available.

“So I said to the committee, ‘Unless I get some help we’re going to go under. You’ve got to do this, otherwise I’m going to go.’ ”

Zimmerman and Dart (1998) of York University also did a preliminary investigation of “Charities Doing Commercial Ventures,” and they note some of the strains this can impose on organizations and their directors. They also note some of the pitfalls:

- considerable negative impacts on human resources (with staff resenting the new commercial direction);
- cannibalization of donations (with customers believing purchases constitute donations);
- additional capital and operating costs, and loss of energy (i.e., the focus of the staff and volunteers);
- relationships with beneficiaries or clients, donors and funders, volunteers (including boards of directors), organized labour and staff all have the potential to shift quite radically; and
- not surprisingly, some EDs or managers turned out not to be good businessmen/women: charities often did not price their products adequately.

Impending Research

Three recent funding competitions have been directed at academics and research institutes dedicated to the Canadian non-profit sector. However, it appears that only one of the projects of the successful applicants has extensive HR applications. In this section, we will list the titles and principal researchers for these projects (where known), and describe the latter project in more detail. In addition, two other projects are in progress, one funded by the VSI itself; these will likely yield important new data on voluntary sector human resources.

Kahanoff Non-profit Sector Research Initiative Program (NPSRI)

The Kahanoff Foundation – a private foundation based in Calgary – has been funding a series of research projects on the Canadian non-profit sector (and databases thereon⁴⁶) for the past five years or more. Some of their funding has been supporting the work of Paul Reed, a Senior Social Scientist at Statistics Canada who, along with some of his colleagues, studies a variety of issues related to the non-profit sector in Canada. However, with the exception of his Reed and Howe study of Ontario non-profits discussed above, the series of papers he has been writing do not address paid staff, *per se*, but primarily analyze the changing levels in donations, volunteering and civic participation in Canada, based on the National Survey of Giving, Volunteering and Participating (which was itself partially funded by Kahanoff) and other Statistics Canada surveys. The NPSRI funds have also been awarded to other researchers in a series of annual competitions administered by the School of Policy Studies at Queen's University.

This report has touched on the results of one such NPSRI-funded project which has HR implications (by Thériault and Salhani, 2000 – on home care), as well as the discussion by Brooks (2001: see n. 15), who wrote a paper for a series of seminars on non-profit and legal issues in 1999, which was issued in a two-volume collection in 2001. There was also a paper in the second volume of NPSRI-funded projects, by Juillet *et al.* (2001), which makes several points on HR in passing. In the eight fairly large national voluntary organizations they studied, there have been several results of the government's shift away from core funding, and the organizations receiving more contract-based, uncertain, and diversified funding sources. These results include: more of a need for professional fund-raisers; some lay-offs and cutbacks in programs; and, due to the increased logistics of obtaining, managing and meeting the reporting and accountability requirements for this increased number of funding sources, more autonomy for the EDs, and less of a hands-on (and more of just a policy) role for the Boards. However, it appears that none of the other Queen's-administered NPSRI-funded projects have extensive HR implications; at least, that is my understanding from correspondence with Professor Kathy Brock (who was responsible for administering the last such competition in Summer 2000).

⁴⁶ Kahanoff has also been underwriting the administration of a database of Canadian non-profit research (both completed and in progress) maintained by the Canadian Centre for Philanthropy on the Non-profitsCan.org website at <http://www.non-profitscan.org/research.htm>.

Non-profit Sector in Canada Program

Beginning in fall 2000, the Kahanoff Foundation entered into a partnership with the long-standing, federally funded Social Sciences and Humanities Research Council (SSHRC) of Canada program, to initiate a “Non-profit Sector in Canada Program” competition. In February 2001, a six-member adjudication committee of university-based researchers and non-profit sector representatives adjudicated the 43 full proposals received, and selected 14 proposals to receive support for up to two years (a total of \$392,014 for 2000-2001, and \$388,291 for 2001-2002). The successful principal applicants, their affiliation and their project titles, are as follows:

Patricia R. Bradshaw, York University	<i>Diversity and Non-Profit Governance: Application to the Non-Profit Sector in Canada Program</i>
Richard Bridge, The Institute for Media, Policy and Civil Society	<i>The Law of Advocacy by Charitable Organizations</i>
Kathy Brock, Queen’s University at Kingston	<i>Enablers or Enforcers: Understanding the Role of Government in Promoting Voluntary Action, Non-Profit Organizations and Civil Society</i>
Paul Browne, Canadian Centre for Policy Alternatives	<i>Managed Competition and Non-Profit Home Care in Ontario</i>
Andrew Jackson, Canadian Council on Social Development	<i>Implications of International Trade and Investment Agreements for Non-Profit Social Services</i>
George N. Kephart, Dalhousie University	<i>The Lunenburg Community Mentorship Initiative</i>
Carol Matthews, Malaspina University College	<i>Devolution of Government Services: Implications for Non-Profit Organizations</i>
Agnes Meinhard, Ryerson University	<i>Closing the Loop: Perspectives on the Evolving Relationship among the Public, Non-Profit and Corporate Sectors</i>
Susan R. Phillips, Carleton University	<i>Voluntary Sector-State Relationships in Transition: A Conceptual and Comparative Analysis</i>
Jack Quarter, University of Toronto	<i>Converting Government-Administered Public Housing to Tenant-Managed Non-Profit Co-operatives: A Stakeholder Framework</i>
James Rice, McMaster University	<i>Co-ordination and Collaboration Between Non-Profit Organizations</i>
Carol Saucier, Université du Québec à Rimouski	<i>Les organismes à but non lucratif (OBNL) en tant que producteurs de richesse économique et sociale</i>
Elizabeth Troutt, The University of Manitoba	<i>The Effects of Funding Mechanisms on the Non-Profit Sector</i>
Johanne Turbide, École des Hautes Études Commerciales	<i>Les modèles de mesure de performance et les organismes sans but lucratif : le cas des entreprises des arts de la scène</i>

Although the abstracts for these projects were not posted on the SSHRC website along with the list of successful applicants,⁴⁷ they were forwarded upon request, for the purpose of this review. Of course, the end-products of many of these projects may end up covering a lot more ground than is contained in the investigators' initial one-page summaries, or have some surprising results. For example, Quarter's case study of tenants taking over the management of a public-housing project may have important implications about the HR capacity of new non-profits to handle some matters. And Rice's case studies of what happens when non-profits collaborate (in this case, to form new information-sharing systems) may have some HR lessons: it may lead to staff conflicts or lay-offs, for example. Troutt's project, which will explore some mathematical models to determine the theoretical effects of sustained core funding versus project-based funding, may also predict employment loss (or possibly growth).

But at the moment, only two of these projects appear to have a substantive HR component.

- Paul Browne of the CCPA is conducting the "Managed Competition and Non-Profit Home Care in Ontario" study which is examining how the process of putting government contracts out to tender for both non-profit and for-profit providers appears to be resulting in even lower wages, more job stress, and diminishing quality of care; the employees' strategies of adapting to these changes will be analyzed.
- Carol Matthews of Malaspina University College in British Columbia has proposed a study of the effects of the devolved government programs and the changes wrought by the "new public management" of increased reporting requirements and guidelines for the non-profits receiving service contracts – akin to the study by Alexander (1999) and Reed and Howe (2000) discussed in the "Changing Workload and the Effects of Government Cutbacks" section, above.

IYV 2001 Research Program

In honour of 2001 being the International Year of Volunteers (IYV), a funding program for research on Canadian volunteerism issues was organized by HRDC, Volunteer Canada and Canadian Heritage, and administered by the Canadian Centre for Philanthropy (which arranged for a number of academics and non-profit personnel to help adjudicate the applications). A Request for Proposals (RFP) was issued in December 2000, and 73 proposals were received. In the spring of 2001, 13 of these were selected for funding, and along with a 14th project to be conducted by the CCP and Volunteer Canada, they are to receive slightly over \$1 million to support their completion by spring 2002; their results are to be widely disseminated through fact sheets, short reports, and manuals in various media.

The successful IYV 2001 projects, and the names and affiliations of the principal investigators, are as follows:

⁴⁷ See <http://www.crsh.ca/english/programinfo/grantsguide/non-profit-sector.html> and <http://www.crsh.ca/english/programinfo/results/non-profit2001.html>.

IYV 2001 Research Program Projects

Calculating the Value Added of Volunteers	Jack Quarter <i>University of Toronto</i>
How Much are Volunteers Worth to Voluntary Organizations?	Michelle Goulbourne <i>Canadian Centre for Philanthropy</i>
Making Volunteer Management in Recreation More Meaningful and Practical: A Participatory Research Project Involving Volunteers and Professionals	André Thibault <i>Université du Québec à Trois-Rivières</i>
Corporate Volunteer Programs as a Source of Lifelong Volunteers	S. Mark Pancer <i>Wilfrid Laurier University</i>
Voluntarism: A Considerable Contribution	Manon Théolis <i>Centre Communautaire Bénévole Matawinie</i>
Voluntarism as a Means of Social Integration for Women in 20th-Century Canada	Yolande Cohen <i>Université du Québec à Montréal</i>
The Impact of Changing Trends in Hospital Volunteering: Scope and Value	Femida Handy <i>York University</i>
The Impact of Communication and Information Technologies on Volunteering and Volunteer Management in Canada	Vic Murray <i>University of Victoria</i>
Volunteer Retention and Commitment: The Role of Personal and Social Environmental Factors	Kim Dorsch <i>University of Regina</i>
Volunteer Retention and Volunteer Agencies Working for Social Justice: A Community-Based Study	Tanya Basok <i>University of Windsor</i>
Volunteering in Canada in 2010: Implications of Demographic and Labour Market Change for Voluntary Activity	Andrew Jackson <i>Canadian Council on Social Development</i>
Volunteerism and the Varieties of Well-Being	Brian Little <i>Carleton University</i>
Volunteerism and Social Change: A Case Study of the Calgary Children's Initiative	Rena Shimoni <i>Mount Royal College</i>
What Difference Does Culture Make? A Study of Volunteering Among Seniors with Chronic Health Problems in Four Ethnic Communities	Patrick McGowan <i>University of British Columbia</i>

The abstract for each of these projects is available online (at www.non-profitscan.org/iyv.htm).

However, the focus of all of them is volunteers (in some cases, the volunteer Boards of Directors, rather than program or administrative volunteers), rather than paid staff. Upon inspecting these abstracts, these projects do not appear to have significant HR implications (except insofar as they may have recommendations for how certain staff members such as volunteer coordinators may improve their methods of recruiting, retaining and managing volunteers).

Other VSI-funded Projects

The VSI itself also issued an RFP in winter 2001 for new initiatives directed at developing more capacity for specific voluntary sector sub-sectors or regions to have input into federal

government policy discussions and decisions. Earlier in the summer of 2001, the VSI announced 21 successful applicants for the “Sectoral Development in Departmental Policy Development Approved Projects for Round One.” The 11th of these⁴⁸ is entitled “Building Voluntary Sector Capacity: A Multi-Sectoral Approach (Manitoba),” whose lead organization is the Volunteer Centre of Winnipeg. Its abstract reads as follows:

This joint coalition/partnership based in Manitoba will focus on policies and programs related to community capacity and well being. The coalition will work with a broad cross-section of voluntary sector organizations which represents Manitoba’s diversity. The project will identify what is necessary for community organizations to take ownership and responsibility for their collective well being. It will establish a multi-sectoral approach to fact-finding, information exchanges, work plans, and forums that will lead to meaningful input to models and engagement tools to develop community capacity as well as indicators for community well being. These tools and models will be shared with voluntary sector organizations across Canada.

One of the projected components of this project is to have a large-scale fact-finding survey of a cross-section of voluntary organizations to track, among other things, the changes and stresses on their HR capacities over the past decade.

An Independently Funded Research Project on Non-profit HR

The CPRN – which is probably the leading source of information of work-related research in Canada over the past decade (particularly the departing Director of the “Work” division of its

⁴⁸ The names and lead organizations of the remaining 20 projects (which are all described on the VSI site at www.vsi-isbc.ca/eng/policy_projects_round1.cfm) which do not appear to have HR implications, are: 1. Sport Policy Advisory Collective (same); 2. Giving a Voice to the Heritage Voluntary Sector (Canadian Heritage with a steering committee with representatives from voluntary sector organizations); 3. Northern Native Broadcast Access Program (consortium of 13 aboriginal non-profit communications societies); 4. Strengthening the Settlement Sector (numerous voluntary sector organizations); 5. Building the Capacity of the Environmental Community (Institute on Governance and Canadian Environmental Network); 6. Creating Public Policy for Sustainable Development (Environmental Monitoring and Assessment Network (EMAN)); 7. Building Policy Capacity of the Youth Environmental Community (Canadian Environmental Network – Youth Caucus and the Environmental Youth Alliance (EYA)); 8. Enabling Voluntary Action for Species and Habitat Conservation (numerous wildlife habitat voluntary sector organizations); 9. Health Canada and Voluntary Organizations Working in Health (VOWH) Innovative Policy Development (a cross-section of voluntary organizations working in health); 10. New Brunswick Multi-Lateral Laboratory, Family and Children Poverty (John Howard Society of New Brunswick); 12. Aboriginal Women’s Justice Consultation (Métis National Council of Women, Inc., Pauktuutit and the Native Women’s Association of Canada); 13. Edmonton Prostitution Court Diversion Project (Prostitution Action & Awareness Foundation of Edmonton); 14. Addressing the Needs of Families of Offenders (Canadian Families and Corrections Network); 15. Voluntary Sector Capacity for Analysis of Government Policy in Relation to Restorative Justice and Conflict Resolution (The Network: Interaction for Conflict Resolution); 16. Developing A Model for Regional Policy Input (Canadian Training Institute); 17. Volunteer Information Control System (Block Parent Program of Canada); 18. Youth Justice Primer (Canadian Training Institute); 19. Policy Learning Centre (John Howard Society of Canada); 20. Recommendations for Mental Health Programs for Women Involved in the Criminal Justice System (Canadian Association of Elizabeth Fry Societies); and 21. Review and Determination of Housing Issues for Veterans and Seniors (The Royal Canadian Legion).

four principal research themes, Graham Lowe of the University of Alberta) – is poised to do a “Human Resource Profile of the Voluntary Sector” over the next year or so. The abstract for this project (online at http://www.cprn.org/work/files/research-2_e.htm#hrp) reads:

To date ... very little is known about human resources in the voluntary sector. While data on paid employees in non-profit organisations have been captured in Statistics Canada surveys of the labour force, the information needed to isolate workers in the non-profit sector from their counterparts in the private and public sectors has not been collected. As a result, there are large gaps in our understanding of the voluntary sector, thus posing serious challenges in efforts to create effective policies to strengthen this important part of Canadian society.

By drawing on the new data presented in Statistics Canada’s Workplace and Employee Survey (WES), released in the fall of 2000, CPRN will address human resource capacity issues in the voluntary sector through five integrated areas of research. It will map the non-profit sector; will examine working conditions and employment relations; examine the recruitment and retention of labour; examine issues of training and skill development; and look at human resource management and how the non-profit sector deals with organisational change.

Appendix 1: New Data

Although it appears none of the existing literature has done so, it is also possible to draw on data from the monthly Survey of Employment, Payrolls and Hours (SEPH) by the Labour Statistics Division of Statistics Canada, to track some of the changes in earnings and hours of certain segments of the voluntary sector. Doing so can:

- help explain some of the inconsistent findings in the U.S. studies;
- corroborate some of the Canadian salary surveys already mentioned; and
- show why the non-profit sector may not be an attractive career choice for young people who want to support a family.

The SEPH is described as “Canada’s only source of detailed information on the total number of paid employees, payrolls, hours at detailed industrial, provincial and territorial levels” (StatsCan, 2001a). Its target population is all employers in Canada, except those in agriculture, fishing and trapping, private household services, religious organizations and military personnel. For larger employers (with 100 or more employees), it obtains data on the total gross monthly payrolls and the total number of employees for the last pay period in the month from the payroll deduction accounts maintained by the Canada Customs and Revenue Agency, for a sample of 10,000 firms per month. For smaller establishments, it also uses a combination of methods (mailed questionnaires, computer-assisted telephone interviews, or the Internet), to collect data from the payroll offices of a rotating sample of 10,000 business establishments (out of a population of 900,000 establishments taken from the Business Register).⁴⁹

Two recent public reports present this data to provide a detailed overview of employment trends by field over the 1990s. We begin with data from Statistics Canada (2000), which presents the data organized according to the 1980 Standard Industrial Classification (SIC) system of categorizing specific fields of employment. Due to the preponderance of voluntary organizations within them, we shall examine two Standard Industrial Classification code areas – SIC Code 864, Non-Institutional Social Services; and SIC Code 869, Health & Social Service Associations & Agencies – whose descriptions⁵⁰ precede each table and subsequent analysis.

The following data have several limitations, however. They only cover a certain subset of the voluntary sector, in the social services sector. Obviously, this leaves out a lot: not only religious organizations (which are excluded from the survey), but also those in arts and recreation and other areas (where there are at least as many for-profit firms as non-profit ones mixed together in the categories), and membership-based organizations such as service clubs,⁵¹ which have an important role in both service and funding. Moreover, even for these two service industries to be examined, the data may also include some employees of for-profit and public-sector organizations. In addition, the salaries of all types of employees in these industries are all folded together: from the front-line workers (some of whom will have professional degrees and

⁴⁹ This has increased to a sample 11,000 small businesses out of 975,000, in 2000, due to a restructuring of how the firms are classified: see StatsCan (2001b).

⁵⁰ The italicized definitions for these two SIC areas are from the website for HRDC, Nova Scotia Region, online at <http://www.ns.hrdc-drhc.gc.ca/english/LMI/indsums/SICsum.asp?which=864> and <http://www.ns.hrdc-drhc.gc.ca/english/LMI/indsums/SICsum.asp?which=869>.

⁵¹ In this publication, service clubs are unfortunately folded into a larger “membership organizations category” (SIC 982-986) which is not disaggregated into its constituent parts (religious, labour, political, and civic and fraternal organizations, as well as business and professional associations), and which likely have considerable disparities in pay and other matters, and so have been omitted here. However, they appear in NAIC category 8134 discussed below.

accreditation), to the clerical staff, to the managers and administrators. Nevertheless, they do provide a somewhat rare glimpse into the changes in the amount of work, the work patterns, and the compensation for some important segments of the voluntary sector.

(1) Non-Institutional Social Services SIC: 864

Establishments primarily engaged in providing social services to ensure the well-being of individuals and families living at home, through the provision of help or support in carrying out activities of daily living. Industries included:

- *Child Day-Care and Nursery School Services*
- *Meal Services (Non-Commercial)*
- *Other Non-Institutional Social Services*
- *Crisis Intervention*
- *Social Rehabilitation Services*
- *Home-Maker Services*
- *Sheltered Workshops*
- *Child Welfare Services*
- *Family Planning Services*

**Table 20:
Changes in Employment and Compensation for SIC Code 864: Non-institutional Social Services, for Canada, including all the Provinces and Territories, 1990-1999⁵²**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Change 1990-99
Estimates of total employment, in thousands	97.5	104.4	104.6	113.0	119.4	129.5	132.9	138.7	144.0	149.1	53%
Estimates of employees paid by hour, in thousands	55.8	60.1	59.2	73.0	67.6	72.4	86.2	93.2	95.5	97.5	75%
Estimates of ave. weekly hours, for employees paid by the hour	26.5	25.5	25.5	26.1	25.2	25.2	24.9	26.5	25.5	26.1	-1.5%
Employees paid by the hour as a % of all employees in this industry	57%	58%	57%	65%	57%	56%	65%	67%	66%	65%	14%
Estimates of ave. weekly earnings (incl. overtime), for all employees, current-\$	360	383	371	384	392	396	398	407	418	432	20.2%
Annualized estimates of ave. earnings (incl. overtime), for all employees, current-\$	18,709	19,900	19,282	19,976	20,394	20,585	20,714	21,157	21,720	22,488	20.2%
Annualized estimates of average earnings (incl. overtime), for all employees, constant 2000-\$	22,643	23,207	22,018	22,431	22,855	22,673	22,324	22,632	22,999	23,215	2.5%
Estimates of average hourly earnings, for employees paid by the hour, current-\$	10.84	11.70	11.12	11.91	11.95	11.99	13.30	13.22	13.47	13.89	28.1%

⁵²

The data in these tables are adapted from Statistics Canada (2000). Several of the rows are unchanged from the original Tables (1, 2, 5 and 6) from which they were extracted, except for the final column (the changes, which I calculated), and the deletion of the 1980s data. The average weekly wages have been rounded to the nearest dollar, but I used the original figures with two decimals to annualize them, and I used the Bank of Canada's inflation calculator (at http://www.bankofcanada.ca/en/inflation_calc.htm) to convert the currency from the December of each year to the December 2000 level. I also added the row calculating the hourly employees as a percentage of all employees in each sub-sector.

This quintessential segment of the voluntary sector – social services – has shown a large growth in employment over the course of the decade: more than 40,000 new jobs. But about two-thirds of the employees in this field were paid by the hour rather than on a salaried basis (and this has been increasing), and so are likely only working part-time: averaging about 26 hours a week. The wages have been increasing, both on an hourly and a weekly basis, and have exceeded the cost of inflation. But considering the increase in the number of lesser-paid child care workers discussed previously (and to be examined in more detail later in this section), the weekly wages have only increased by 2.5% over the decade, adjusting for inflation. These average wages of about \$14/hr. range over both the somewhat higher-paid social workers and other counsellors as well as the child care workers. Even so, at about \$23,000, the average salary is clearly not enough to support a family on, although it is above the low-income cut-off (LICO) for a single person, even in a large urban area. According to StatsCan (1999b), the LICO for a single person in a centre with more than 500,000 people was \$17,571 in 1998 (which would be \$18,606 in 2000-\$), but for a family of three in a large urban area it was \$27,315 (or \$28,924 in 2000-\$).

(2) Health and Social Service Associations and Agencies SIC: 869

Establishments supported by grants and donations and primarily engaged in promoting health and social service through educational programmes, the investigation of health hazards, setting of health standards, advances in the social well-being of the Canadian public, etc. ... Include[s]:

- *Health Care Standards Agencies*
- *Health Care Research Agencies*
- *Social Service Planning and Advocacy Agencies*
- *Other Health and Social Service Associations and Agencies*
- *Health Care and Public Safety Promotion Associations and Agencies*

Table 21:
Changes in Employment and Compensation for SIC Code 869: Health & Social Service Associations & Agencies, for Canada, including all the Provinces and Territories, 1990-1999

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	Change 1990-99
Estimates of total employment, in thousands	60.1	58.5	60.5	59.3	55.9	57.6	60.0	54.0	55.2	56.1	-7%
Estimates of employees paid by hour, in thousands	26.0	26.0	25.4	23.8	24.0	26.3	35.0	33.5	34.1	33.2	28%
Estimates of ave. weekly hours, for employees paid by the hour	22.2	22.0	22.0	20.5	20.7	21.2	23.0	28.0	27.2	28.0	26.1%
Employees paid by the hour as a % of all employees in this industry	43%	44%	42%	40%	43%	46%	58%	62%	62%	59%	37%
Estimates of ave. weekly earnings (incl. overtime), for all employees, current-\$	459	482	507	507	523	527	520	559	566	583	27.1%
Annualized estimates of ave. earnings (incl. overtime), for all employees, current-\$	23,846	25,076	26,369	26,381	27,190	27,382	27,015	29,060	29,428	30,301	27.1%
Annualized estimates of average earnings (incl. overtime), for all employees, constant 2000-\$	28,861	29,244	30,111	29,623	30,472	30,158	29,114	31,085	31,162	31,280	8.4%
Estimates of average hourly earnings, for employees paid by the hour, current-\$	13.22	14.30	14.60	14.89	14.63	15.12	16.05	16.02	16.51	16.98	28.4%

This area likely contains a mixture of both highly unionized public or quasi-public agencies (the health standards agencies and the ones conducting the actual research) and non-profit ones (such as Social Planning Councils, and the Heart and Stroke and the other health research foundations). This area has actually lost 5,000 jobs over the decade, but it appears to have picked up about 7,000 part-time ones, which have been gaining in the number of hours worked each week (up to 28). The wages have increased quite a bit (27%) on an average, overall, weekly and annualized basis, and have exceeded the cost of inflation by 8%; the average hourly wages have similarly increased. The average annual salary, which hovers around the \$30,000 mark (adjusting for inflation), does exceed the 1998 LICO for a family of three in a large urban area (\$28,924 in 2000-dollars). However, the increase in the number of part-time positions, and the overall decrease in the number of jobs, may be of concern to some people considering entering this area.

Beginning with the January 2001 data, the SEPH estimates have been based on the (still-evolving) North American Industry Classification System (NAICS) instead of the 1980 Standard Industrial Classification. In a recent publication (StatsCan, 2001c), Statistics Canada revisited the data from the previous surveys and reclassified (or “backcasted”) them into some more refined categories, which can not only provide a more detailed breakdown of those two social service segments just examined, but also isolate certain portions of the health sector which involve mainly voluntary sector providers rather than government-controlled ones. Once again, however, the same caveats apply: some employees of for-profit agencies will be mixed in with this data (particularly for areas such as child daycare), and the average salaries are for all types of staff positions in the given field, mixed together.

We shall review each of these areas, beginning with their definitions,⁵³ followed by the tabular data⁵⁴ and a brief analysis, starting with two areas where no data are provided on the number of part-time or hourly employees, possibly due to small sample sizes, but which appear to be “pure” voluntary sector industries.

8134 Civic and Social Organizations

This industry comprises establishments primarily engaged in promoting the civic, social or other interests or purposes of their members. Establishments of this type may also operate bars and restaurants and provide other recreational services to members.

⁵³ The italicized definitions for each NAIC category are excerpted verbatim from Statistics Canada (1999a).

⁵⁴ The data in the following tables are adapted from Statistics Canada (2001c). As before, the rows on the number of employees and wages in current dollars are unchanged from the original Tables (1, 2, 4 and 6) from which they were extracted, except for the final column (the changes, which I calculated), and rounding the weekly wages to the nearest dollar. I used the original figures to annualize them, and the Bank of Canada’s inflation calculator to convert the currency from the December of each year to the December 2000 level. I also added the row calculating the hourly employees as a percentage of all employees in each sub-sector.

<i>Athletic associations</i>	<i>Historical clubs</i>
<i>Community association</i>	<i>Parent-teachers associations</i>
<i>Ethnic associations</i>	<i>Retirement associations, social</i>
<i>Fraternal associations or lodges, social or civic</i>	<i>Scouting organization</i>
<i>Girl guiding organization</i>	<i>Students' associations</i>

Exclusion(s): Establishments primarily engaged in: providing access to recreational facilities on a membership basis ([in category] 7139, Other Amusement and Recreation Industries).

**Table 22:
Changes in Employment and Compensation for NAIC 8134: Civic & Social Organizations,
for Canada, including all the Provinces and Territories, 1991-2000**

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Change 1991-2000
Est. total employment, in thousands	58.2	59.6	57.3	58.2	58.0	61.2	67.3	67	68.7	69.7	19.8%
Ave. weekly earnings (including overtime), for all employees	330	329	355	332	343	362	356	356	363	375	13.6%
Annualized average earnings (incl. OT), for all employees, current-\$	17,179	17,117	18,445	17,260	17,855	18,844	18,529	18,531	18,900	19,510	13.6%
Annualized average earnings (incl. OT), for all employees, constant-\$	20,034	19,546	20,712	19,343	19,666	20,308	19,820	19,623	19,510	19,510	-2.6%

Although there is a limited amount of employment in these clubs and associations (often it may be a single director, administrative person, or bookkeeper, per chapter), it increased by 20% or about 10,000 positions in the past five years. However, the earnings for the personnel in these organizations are quite modest – under \$20,000 a year – and they have not kept pace with inflation (although it is not known whether this is due to a reduction in pay or in hours).

8133 Social Advocacy Organizations

...Establishments primarily engaged in promoting a particular social or political cause intended to benefit a broad or specific constituency. Organizations of this type may also solicit contributions or sell memberships to support their activities.

<i>Accident prevention associations</i>	<i>Natural resource preservation organizations</i>
<i>Advocacy groups</i>	<i>Neighborhood development advocacy groups</i>
<i>Antipoverty advocacy organizations</i>	<i>Peace advocacy groups</i>
<i>Associations for retired persons, advocacy</i>	<i>Public interest groups (e.g., environment, conservation, human rights, wildlife)</i>
<i>Civil liberties groups</i>	<i>Public safety advocacy groups</i>
<i>Community action advocacy groups</i>	<i>Social service and advocacy organizations</i>
<i>Conservation advocacy groups</i>	<i>Taxpayers advocacy organizations</i>
<i>Drug abuse prevention advocacy orgs.</i>	<i>Tenant advocacy associations</i>
<i>Environmental advocacy groups</i>	

**Table 23:
Changes in Employment and Compensation for NAIC 8133: Social Advocacy Organizations, for Canada, including all the Provinces and Territories, 1991-2000**

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Change 1991-2000
Est. total employment, in thousands	34.5	34.8	35.1	35.5	36.6	38.0	38.6	39.6	39.6	39.4	14.2%
Ave. weekly earnings (including overtime), for all employees	426	447	446	461	467	459	490	500	517	534	25.4%
Annualized average earnings (incl. OT), for all employees, current-\$	22,127	23,240	23,217	23,974	24,306	23,872	25,475	25,992	26,875	27,754	25.4%
Annualized average earnings (incl. OT), for all employees, constant-\$	25,804	26,538	26,071	26,867	26,771	25,727	27,250	27,523	27,743	27,754	7.6%

There is even less paid employment available with advocacy groups, and although it increased by about 5,000 positions over the entire decade, that growth plateaued in 1997 and actually declined by 200 positions in 2000. The earnings for the personnel in these organizations have been relatively modest and flat: about \$27,000 per year (adjusting for inflation). Judging by other surveys and literature, in many cases, that would be an average of the two paid employees per organization: an executive director, at about \$30,000, and a .8 FTE administrative assistant at about \$24,000 per annum.

Next, we shall revisit the social service sector, with some more detailed breakdowns of certain components of it with a predominantly voluntary sector presence for which the data are available, including data on the number and salaries of employees working on an hourly basis.

6241 Individual and Family Services

This industry group comprises establishments primarily engaged in providing non-residential, individual and family, social assistance services. ... [It includes three sub-components]:

62411 Child and Youth Services

... Establishments primarily engaged in providing non-residential social assistance services for children and youth.

Adoption services

Big Brother services

Big Sister services

Child support services

Friendship and counselling offered to young people

Exclusion(s): Establishments primarily engaged in:

- *providing day-care services for children (62441, Child Day-Care Services); and*
- *youth recreation services and provision of facilities (71394, Fitness and Recreational Sports Centres).*

62412 Services for the Elderly and Persons with Disabilities

... Establishments primarily engaged in providing non-residential social assistance services to improve the quality of life for the elderly, the developmentally handicapped or persons with disabilities. These establishments provide for the welfare of these individuals in such areas as day-care, non-medical home care, social activities, group support and companionship.

*Adult day-care centres
Home-maker services*

Senior citizen centres

Exclusion(s): Establishments primarily engaged in: job training for persons with disabilities and the developmentally handicapped (62431, Vocational Rehabilitation Services).

62419 Other Individual and Family Services

... Establishments, not classified to any other industry, primarily engaged in providing non-residential, individual and family, social assistance services.

*Alcoholic and drug addiction self-help organizations
Crisis intervention centres
Friendship centres
Marriage (family) counselling services*

*Outreach programs
Refugee services
Self-help action groups*

Exclusion(s): Establishments primarily engaged in:

- clinical psychological and psychiatric social counselling services (62133, Offices of Mental Health Practitioners (except Physicians));*
- child and youth social assistance services, except day-care (62411, Child and Youth Services);*
- social assistance services to the elderly and persons with disabilities (62412, Services for the Elderly and Persons with Disabilities); and*
- day-care services for children (62441, Child Day-Care Services).*

Table 24:
Changes in Employment and Compensation for NAIC 6241: Individual & Family Services, for Canada, including all the Provinces and Territories, 1991-2000

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Change 1991-2000
Est. total employment, in thousands	57.6	57.5	62.2	65.9	71.2	73.5	77.5	80.7	83.2	85.2	47.9%
Ave. weekly earnings (including overtime), for all employees	417	404	420	421	423	425	432	443	460	473	13.5%
Annualized average earnings (incl. OT), for all employees, current-\$	21,681	21,028	21,848	21,882	22,021	22,117	22,470	23,017	23,912	24,605	13.5%
Annualized average earnings (incl. OT), for all employees, constant-\$	25,285	24,012	24,533	24,523	24,254	23,835	24,036	24,373	24,685	24,605	-2.7%
Estimated no. of employees paid by hour	33.6	33.2	40.2	38.0	41.2	48.9	52.8	54.3	55.4	55.4	64.9%
Employees paid by hour as a % of all employees in this industry	58%	58%	65%	58%	58%	67%	68%	67%	67%	65%	11.5%
Estimates of ave. weekly hours, for employees paid by the hour	27.1	27.3	27.8	26.7	26.6	26.2	27.8	26.4	26.8	30.0	10.7%
Estimates of ave. hourly earnings, for employees paid by the hour	14.37	13.27	13.96	13.71	13.58	14.71	14.36	14.73	14.98	13.71	-4.6%
Annualized average weekly earnings of hourly workers	21,681	21,028	21,848	21,882	22,021	22,117	22,470	23,017	23,912	24,605	13.5%

Employment in this “hands-on,” mentoring and peer-counselling oriented segment of the voluntary sector has grown steadily over the decade, resulting in more than 27,500 new jobs. But most of that growth has been in employees who are paid by the hour rather than on a salaried basis, and they average about 27 hours a week (although that increased to 30 in 2000). The average wages in this area are, again, modest: around the \$24,000 mark for all employees combined, and they have not kept pace with the cost of inflation, largely because the average hourly wage of about \$14/hr. has fluctuated somewhat from year to year: dropping by more than \$1/hr in 2000.

6243 Vocational Rehabilitation Services

...Establishments primarily engaged in providing vocational rehabilitation or habilitation services, such as job counselling, job training, and work experience, to unemployed and underemployed persons, persons with disabilities, and persons who have a job-market disadvantage because of lack of education, job skill or experience; and training and employment to mentally and physically handicapped persons in sheltered workshops...

Exclusion(s): Establishments primarily engaged in:

- *vocational training in high schools (61111, Elementary and Secondary Schools);*
- *vocational training in technical and trade schools (61151, Technical and Trade Schools); and*
- *career and vocational counselling, except rehabilitative (61171, Educational Support Services).*

**Table 25:
Changes in Employment and Compensation for NAIC 6243: Vocational Rehabilitation Services, for Canada, including all the Provinces and Territories, 1991-2000**

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Change 1991-2000
Est. total employment, in thousands	22.9	22.7	24.8	25.9	27.7	28.5	29.9	31.2	32.6	33.1	44.5%
Ave. weekly earnings (including overtime), for all employees	393	387	402	399	401	408	417	429	448	464	18.0%
Annualized average earnings (incl. OT), for all employees, current-\$	20,447	20,144	20,913	20,763	20,862	21,236	21,665	22,332	23,274	24,133	18.0%
Annualized average earnings (incl. OT), for all employees, constant-\$	23,846	23,003	23,483	23,269	22,977	22,886	23,175	23,647	24,025	24,133	1.2%
Estimated no. of employees paid by hour	13.8	13.4	16.5	15.2	16.3	19.2	20.8	21.5	22.2	22.1	60.1%
Employees paid by hour as a % of all employees in this industry	60%	59%	67%	59%	59%	67%	70%	69%	68%	67%	10.8%
Estimates of ave. weekly hours, for employees paid by the hour	26.2	26.7	27.2	26.4	26.5	26.0	27.8	26.2	26.5	29.6	13.0%
Estimates of ave. hourly earnings, for employees paid by the hour	12.12	11.46	12.37	12.07	11.85	13.27	13.06	13.62	14.24	13.61	12.3%
Annualized average weekly earnings of hourly workers	16,512	15,911	17,496	16,570	16,329	17,941	18,880	18,556	19,623	20,949	26.9%

Employment in the employment training and sheltered workshop field has also been growing steadily over the decade, resulting in about 10,000 new jobs, but it is not a large area. Almost all of that growth has been in employees who are paid by the hour rather than on a salaried basis, and they average between 26 to 30 hours per week. The average wages in this area have been quite flat, adjusting for inflation (once again, at the \$23,000 to \$24,000 level), and until last year, the two-thirds of the employees who were working on an hourly basis averaged less than \$20,000/yr.

6244 Child Day-Care Services

...Establishments primarily engaged in providing day-care services for infants or children. These establishments may care for older children when they are not in school and may also offer pre-kindergarten educational programs.

*Child care centres Pre-kindergarten (except when part of elementary school system)
Nursery schools*

Exclusion(s): Establishments primarily engaged in:

- *providing kindergarten education (61111, Elementary and Secondary Schools); and*
- *providing baby-sitting or nanny services (81411, Private Households).*

**Table 26:
Changes in Employment and Compensation for NAIC 6244: Child Daycare Services,
for Canada, including all the Provinces and Territories, 1991-2000**

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Change 1991-2000
Est. total employment, in thousands	42.0	42.6	45.5	47.8	52.0	53.0	55.0	57.4	59.9	62.5	48.8%
Ave. weekly earnings (including overtime), for all employees	327	320	331	344	347	346	353	366	377	397	21.4%
Annualized average earnings (incl. OT), for all employees, current-\$	17,003	16,626	17,203	17,902	18,068	17,970	18,333	19,029	19,610	20,645	21.4%
Annualized average earnings (incl. OT), for all employees, constant-\$	19,829	18,986	19,317	20,062	19,901	19,366	19,611	20,150	20,243	20,645	4.1%
Estimated no. of employees paid by hour	23.9	23.8	29.7	26.5	28.5	34.1	37.2	37.1	37.8	37.6	57.3%
Employees paid by hour as a % of all employees in this industry	57%	56%	65%	55%	55%	64%	68%	65%	63%	60%	5.7%
Estimates of ave. weekly hours, for employees paid by the hour	25.1	25.3	26.1	25.3	25.3	24.7	26.2	25.0	25.3	28.3	12.7%
Estimates of ave. hourly earnings, for employees paid by the hour	10.09	9.51	10.15	10.29	10.36	11.55	11.37	11.69	12.26	11.63	15.3%
Annualized average weekly earnings of hourly workers	15,358	14,287	15,469	15,172	15,012	15,987	16,570	16,092	16,650	17,115	11.4%

Employment in the early childhood education field has also been growing steadily over the decade, resulting in approximately 20,000 new jobs. About two-thirds of that growth has been in employees who are paid on an hourly basis, and they have averaged about 25 hours per week. The average wages in this area have risen over the decade, but by less than \$1,000 per annum, adjusting for inflation, and they have yet to exceed \$21,000 per year: which is not much over the low income cut-off, even for single individuals. The average wages for the part-time or hourly employees in particular are all at, or below, the poverty line for most areas. However, these data also encompass a substantial number of for-profit daycare agencies which, as noted previously, tend to pay lower wages than non-profit ones.

6232 Residential Developmental Handicap, Mental Health and Substance Abuse Facilities

... Establishments primarily engaged in providing residential care to people with developmental handicaps, mental illnesses or substance abuse problems. [It has two main components, one with two sub-components]:

62321 Residential Developmental Handicap Facilities

... Establishments primarily engaged in providing residential care services for persons diagnosed with developmental handicaps. These facilities may provide some health care, though the focus is protective supervision, room, board and counselling. This care can be provided in a group home or institutional setting. Some institutions may be referred to as "hospitals" for the developmentally handicapped.

Exclusion(s): Establishments primarily engaged in:

- *the treatment of mental health and substance abuse illnesses on an exclusively out-patient basis (62142, Out-Patient Mental Health and Substance Abuse Centres);*
- *in-patient treatment of mental health and substance abuse illnesses with an emphasis on medical treatment and monitoring (62221, Psychiatric and Substance Abuse Hospitals); and*
- *in-patient treatment of mental health and substance abuse illnesses with an emphasis on counselling rather than medical treatment (62322, Residential Mental Health and Substance Abuse Facilities).*

62322 Residential Mental Health and Substance Abuse Facilities

... Establishments primarily engaged in providing residential care and treatment for patients with mental health and substance abuse illnesses [which] provide room, board, supervision, counselling and other social services. Medical services may be available but they are incidental to the counselling, mental rehabilitation and support services offered. These establishments generally provide a wide range of social services in addition to counselling.

Exclusion(s): Establishments primarily engaged in:

- *the treatment of mental health and substance abuse illnesses on an exclusively out-patient basis (62142, Out-Patient Mental Health and Substance Abuse Centres);*
- *in-patient treatment of mental health and substance abuse illnesses with an emphasis on medical treatment and monitoring (62221, Psychiatric and Substance Abuse Hospitals); and*
- *residential care for persons with developmental handicaps (62321, Residential Developmental Handicap Facilities).*

623221 Residential Substance Abuse Facilities

... Establishments primarily engaged in providing residential care and treatment for patients with substance abuse illnesses. These establishments provide room, board, supervision, counselling and other social services. Medical services may be available but they are incidental to the counselling, mental rehabilitation and support services offered. These establishments generally provide a wide range of social services in addition to counselling.

623222 Homes for the Psychiatrically Disabled

... Establishments primarily engaged in providing residential care and treatment for patients with mental health illnesses. These establishments provide room, board, supervision, counselling and other social services. Medical services may be available but they are incidental to the counselling, mental rehabilitation and support services offered. These establishments generally provide a wide range of social services in addition to counselling.

**Table 27:
Changes in Employment and Compensation for NAIC 6232: Residential Developmental Handicap, Mental Health and Substance Abuse Facilities, for Canada, including all the Provinces and Territories, 1991-2000**

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Change 1991-2000
Est. total employment, in thousands	34	31.8	32.4	34.7	38.7	37.3	36.5	36.9	37.3	38.4	12.9%
Ave. weekly earnings (including overtime), for all employees	397	433	446	453	460	477	484	495	511	526	32.6%
Annualized average earnings (incl. OT), for all employees, current-\$	20,622	22,506	23,176	23,577	23,924	24,821	25,161	25,732	26,576	27,342	32.6%
Annualized average earnings (incl. OT), for all employees, constant-\$	24,050	25,699	26,025	26,423	26,349	26,750	26,914	27,248	27,434	27,342	13.7%
Estimated no. of employees paid by hour	27.9	26.7	26.4	26.9	31.6	28.7	27.5	30.8	33	34.8	24.7%
Employees paid by hour as a % of all employees in this industry	82%	84%	81%	78%	82%	77%	75%	83%	88%	91%	10.4%
Estimates of ave. weekly hours, for employees paid by the hour	28.6	29	28.2	28.1	27.8	27.4	28.2	27.6	26.9	26.5	-7.3%
Estimates of ave. hourly earnings, for employees paid by the hour	13.27	14.24	15.09	15.11	15.65	15.89	15.33	17.02	18.71	19.39	46.1%
Annualized average weekly earnings of hourly workers	19,735	21,474	22,128	22,079	22,624	22,640	22,480	24,427	26,172	26,719	35.4%

Employment in group homes and treatment centres only increased by 4,400 jobs in total over the decade. Considering that there were nearly 7,000 more positions paid on an hourly basis (and they are now averaging 2 fewer hours per week), this likely means the loss of quite a number of full-time jobs. The part-time employees in this field do make more than \$26,000 per year now, even at an average of 26.5 hours per week, but these figures are likely buoyed by quite a number of relatively well-paid qualified medical personnel such as psychiatric nurses.

6233 Community Care Facilities for the Elderly

... Establishments primarily engaged in providing residential and personal care services for the elderly and persons who are unable to fully care for themselves or who do not desire to live independently. The care typically includes room, board, supervision and assistance in daily living by providing services such as housekeeping. In some instances these establishments provide skilled nursing care for residents in separate on-site facilities.

Exclusion(s): Establishments primarily engaged in:

- *in-patient nursing and rehabilitative services (62311, Nursing Care Facilities).*

Table 28:
Changes in Employment and Compensation for NAIC 6233: Community Care Facilities for the Elderly, for Canada, including all the Provinces and Territories, 1991-2000

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Change 1991-2000
Est. total employment, in thousands	53.4	54.9	56.8	56.4	62.7	58.7	57.2	57.6	56.7	56.6	6.0%
Ave. weekly earnings (including overtime), for all employees	373	394	401	403	406	415	430	431	446	462	24.0%
Annualized average earnings (incl. OT), for all employees, current-\$	19,385	20,513	20,833	20,971	21,109	21,605	22,350	22,412	23,216	24,039	24.0%
Annualized average earnings (incl. OT), for all employees, constant-\$	22,607	23,424	23,394	23,502	23,250	23,284	23,907	23,732	23,966	24,039	6.3%
Estimated no. of employees paid by hour	41.5	46.3	46.1	44.0	51.2	46.7	43.7	48.4	50.1	51.6	24.3%
Employees paid by hour as a % of all employees in this industry	78%	84%	81%	78%	82%	80%	76%	84%	88%	91%	17.3%
Estimates of ave. weekly hours, for employees paid by the hour	26.6	27.0	26.6	26.6	26.7	26.0	27.5	27.8	26.9	26.5	-0.4%
Estimates of ave. hourly earnings, for employees paid by the hour	13.23	13.93	14.30	14.14	14.45	14.86	14.22	14.75	16.35	17.21	30.1%
Annualized average weekly earnings of hourly workers	18,300	19,558	19,780	19,558	20,062	20,091	20,335	21,323	22,870	23,715	29.6%

Employment in group homes and assisted living centres for the elderly actually peaked in 1995 and declined about 6,000 in the late 1990s.⁵⁵ Most of their staff – more than 90%, now – are paid on an hourly basis, and average about 27 hours per week, and currently average over \$23,000 per year, although they were at the \$20,000 mark through most of the decade. As with many of the other areas examined, this represents more of a supplementary, second income for a couple than a viable wage for a sole breadwinner.

6239 Other Residential Care Facilities

... Establishments, not classified to any other industry, primarily engaged in providing residential care, such as transition homes for women, homes for emotionally disturbed children, camps for delinquent youth, group foster homes, halfway group homes for delinquents and offenders, and orphanages.

⁵⁵ This may be due to the fact that those needing more intense care are transferred to nursing homes, which is a separate category.

Exclusion(s): Establishments primarily engaged in:

- *the services of developmental handicap homes (62321, Residential Developmental Handicap Facilities);*
- *the services of continuing care retirement communities and homes for the elderly (62331, Community Care Facilities for the Elderly); and*
- *emergency shelter provision (62422, Community Housing Services).*

[This industry group has four sub-components]:

623991 Transition Homes for Women

... Establishments primarily engaged in providing extended residential care to women who have been victims of violence. These establishments provide room, board, protective supervision, counselling services and other social services.

Exclusion(s): Establishments primarily engaged in: providing emergency shelter of a short duration and without other services (62422, Community Housing Services).

623992 Homes for Emotionally Disturbed Children

... Establishments primarily engaged in providing residential care to children with emotional problems. These establishments provide room, board and parental-type supervision, as well as additional specialized supervision and services required by these children.

Exclusion(s): Establishments primarily engaged in: room and board services with supervision of a parental nature only (623999, All Other Residential Care Facilities).

623993 Homes for the Physically Handicapped or Disabled

... Establishments primarily engaged in providing residential care and the appropriate supervision and services to ambulant residents with physical handicaps or disabilities, such as visual impairments.

*Homes for the deaf or blind
Homes for the physically disabled*

Homes for the physically handicapped

623999 All Other Residential Care Facilities

... Establishments, not classified to any other Canadian industry, primarily engaged in providing residential care.

*Group foster homes
Halfway homes for delinquents and offenders*

*Homes for children in need of protection
Homes for single mothers
Orphanages*

**Table 29:
Changes in Employment and Compensation for NAIC 6239: Other Residential Care
Facilities, for Canada, including all the Provinces and Territories, 1991-2000**

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Change 1991-2000
Est. total employment, in thousands	24.8	23.7	24.1	25.4	28.6	26.9	26.5	27.0	27.2	27.5	10.9%
Ave. weekly earnings (including overtime), for all employees	403	438	452	450	450	463	473	484	501	517	28.1%
Annualized average earnings (incl. OT), for all employees, current-\$	20,977	22,793	23,497	23,392	23,401	24,066	24,619	25,147	26,061	26,879	28.1%
Annualized average earnings (incl. OT), for all employees, constant-\$	24,463	26,028	26,385	26,216	25,773	25,936	26,335	26,628	26,903	26,879	9.9%
Estimated no. of employees paid by hour	19.4	19.3	19.0	19.0	22.7	20.4	19.7	22.3	23.8	24.8	27.8%
Employees paid by hour as a % of all employees in this industry	79%	81%	66%	70%	65%	53%	52%	51%	49%	48%	-40%
Estimates of ave. weekly hours, for employees paid by the hour	27.9	28.5	28.1	27.8	27.7	27.3	28.3	28.3	27.7	28.0	0.4%
Estimates of ave. hourly earnings, for employees paid by the hour	13.25	14.23	14.96	14.67	15.00	15.32	14.83	16.02	17.69	18.08	36.5%
Annualized average weekly earnings of hourly workers	19,223	21,089	21,860	21,207	21,606	21,748	21,824	23,575	25,481	26,324	36.9%

Overall employment in this highly charged and draining area of transition houses and group homes for various types of vulnerable, disadvantaged or troubled populations has remained fairly constant for the past five years, after seeing some growth in the first half of the 1990s. This is the only area examined so far which has seen a substantial decline in the proportion of workers who were paid by the hour (although not in the absolute number, which has increased by more than 4,000). It is also an anomalous area in that the hourly wages have risen considerably, by almost \$5.00 per hour. As a result, even the half of the employees working on an hourly basis who average 28 hours per week are now making about \$26,000 per year. (This may be because some of them, such as “Instructors and Teachers of Disabled Persons” (NOC category 4215), can average well over \$40,000 per year.⁵⁶) However, the salaries for all the employees combined for this field have been at or near that same level (adjusting for inflation) since 1991. Once again, although this is well above the low-income cut-off (LICO) for a single person even in a large urban area (which at the 1998 level was \$18,606 in 2000 dollars), it is barely enough to support anyone else on (e.g., the LICO for a family of three in a large urban area in 1998 was the equivalent of \$28,924 in 2000-\$).

⁵⁶ Source: HRDC, “Jobs Futures 2000,” online at <http://jobfutures.ca/jobfutures/noc/4215.html>.

Appendix 2: Think Tank Participants

First Name	Last Name	Organization	City
Dennis	Taylor	Consultant	Collingwood
Michael	Anderson	Canadian Society of Association Executives	Toronto
Doug	MacNamara	Banff Executive Leadership Inc.	Banff
Lee A.	Giles	Altruvest Charitable Services	Mississauga
Dianne	Bascombe	National Children's Alliance	Ottawa
Don	McCreesh	Celestica Inc.	Toronto
Michael	Clague	Carnegie Community Center	Vancouver
Gavin	Turley	The Kidney Foundation of Canada	Montreal
Paul	Brennan	Assoc. of Canadian Community Colleges (ACCC)	Ottawa
Anu	Bose	Nat'l Org. of Immigrant & Visible Minority Women	Ottawa
Muriel	Jarvis	Family Services Saint John Inc.	Saint John
Arlene	Russell	Scotia Bank	Toronto
Paul	Toupin	United Way of Canada	Ottawa
Grant	Schellenberg	Canadian Policy Research Networks	Ottawa
Joanne	Linzey	Metro United Way	Halifax
Cynthia	MacKenzie	CANADA25	Toronto
Pat	Bradshaw	York University	Toronto
Roger	Tweedy	Winston Churchill Memorial Trust	Wellington, New Zealand

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