

***Social Planning Network of Ontario***

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**Decent Work in the Non-profit Community Services Sector in  
Ontario:  
Submission to the Changing Workplace Review Special Advisors**

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**Introduction**

The Social Planning Network of Ontario (SPNO) is an incorporated non-profit organization with a membership of 20 local and regional social planning and community development councils across Ontario, each with its own extensive network of non-profit and charitable community-based service agencies. The SPNO exists to build and support community capacity not only for purposes of sound community planning but also to develop and strengthen the range and quality of social services and supports to vulnerable populations in Ontario's communities.

The primary resource that the community services sector brings to the multiple and complex needs of their localities and regions is the combination of time, knowledge, talents and skills of its workers.<sup>1</sup> The Changing Workplaces Review observes that all work settings including those in the non-profit social sector are being transformed to some degree by technology in the knowledge society (Ontario Ministry of Labour [OML], 2015, p. 9). While the impact of rapidly changing technological innovation on the non-profit community sector cannot be denied, still most community service provision is primarily delivered on a face-to-face engagement basis at the ground level in everyday community life (Scott et al., 2006, p. 6).<sup>2</sup> Yet, this work is often not recognized in terms of compensation nor highly valued, making the workforce in the non-profit social sector subject to conditions of precarious employment with its attendant implications not only for the workers occupying these jobs but also for the individuals, families and communities that depend on their services (Baines, Cunningham, and Shields, 2014, p. 82).

Inadequate employment standards are a major issue in general in the Ontario labour market, which is why the Changing Workplaces Review was initiated. There are particular issues meriting consideration with respect to the nature of employment in the non-profit, community-based social sector, which SPNO wishes to highlight for the Special Advisors.

**Grounding Standards in an Ethical Call for Decent Work**

In framing the Changing Workplaces Review, the Special Advisors have admirably recognized that their task is more significant than just identifying minimally acceptable standards for working conditions in Ontario workplaces. They state that *"one overarching question . . . is what values we should take into account in framing our recommendations"*

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<sup>1</sup> Personnel accounts generally for about three-quarters of community service agencies' expenditures (Eakin, L., 2004, p. 26).

<sup>2</sup> The latest national voluntary sector survey done in 2003 showed almost two-thirds of non-profit organizations in Ontario operated at the local municipal service level and another 18% at the regional level (Scott, Tsoukalas, Roberts, and Lasby, 2006, p. 6).

(OML, 2015, p. 6). By way of example, they cite the former Chief Justice of the Supreme Court of Canada Brian Dickson *“that work is one of the most fundamental aspects in a person’s life,”* not only for providing a livelihood, but also for its provision of a sense of identity and self-worth through contributing to society (OML, 2015, p. 6).

The SPNO commends the Special Advisors for this approach to their mandate. We believe that a thoughtful and far-reaching review of employment standards can only be explored within the context of the value our society places on work and its relationship to fairness and human dignity. We wish to draw from a previous difficult time in Canadian history when economic conditions led to the shedding of good jobs and the fraying of the post-war social contract. In 1982, the Canadian Roman Catholic Bishops, led by Victoria’s Remi de Roo, issued an ethical call for Canadian policymakers to give:

*“first priority . . . to the real victims of the current recession- namely, the unemployed, the welfare poor, the working poor, pensioners, native peoples, women, young people, small farmers, fishermen, some factory workers and some small business men and women”* (Episcopal Commission for Social Affairs, 1982, p. 2).

With regard to working people and the unemployed, the Canadian Bishops framed a critical principle for guiding public policy and private sector practice, which is:

*. . . the special value and dignity of human work in God's plan for creation. It is through the activity of work that people are able to exercise their creative spirit, realize their human dignity and share in Creation. By interacting with fellow workers in a common task, men and women have an opportunity to develop further their personalities and sense of self-worth. In so doing, people participate in the development of their society and give meaning to their existence as human beings.* (Episcopal Commission, 1982, p. 2)

More than 30 years later, Pope Francis has revived this message in a challenging statement for global consideration. Addressing the major issues confronting the modern world, Pope Francis situated the protection of employment within an *“integral ecology”* for social and economic transformation (The Holy Father Francis, 2015, p. 33). Francis continues:

*We were created with a vocation to work. The goal should not be that technological progress increasingly replace human work, for this would be detrimental to humanity. Work is a necessity, part of the meaning of life on this earth, a path to growth, human development and personal fulfilment. Helping the poor financially must always be a provisional solution in the face of pressing needs. The broader objective should always be to allow them a dignified life through work. Yet the orientation of the economy has favoured a kind of technological progress in which the costs of production are reduced by laying off workers and replacing them with machines. This is yet another way in which we can end up working against ourselves. . . . To stop investing in people, in order to gain greater short-term financial gain, is bad business for society. (The Holy Father Francis, 2015, pp. 33-34)*

Some may question the relevance of religious leaders' views on the state of employment and the economy as did Prime Minister Trudeau with respect to Ethical Reflections in 1982.<sup>3</sup> The role of work and the conditions of employment in our society, however, are of universal concern and should not be restricted to the domain of economists and politicians. Just as Chief Justice Dickson asserted the legal imperative of recognizing the role of work from a human and civil rights perspective, so also must we recognize a basic moral imperative to affirm the personal, social and cultural significance of work in the daily lives of Canadians in addition to its economic dimensions.

Given the preceding ethical call for decent work for all, we suggest that the Special Advisors extend the three key objectives that they have identified to fulfill their mandate ("equity, efficiency, and voice") to include "dignity" (OML, 2015, p. 12). Again, not only would that reinforce the human rights framework suggested by former Chief Justice Dickson, but it would also be consistent with the established evidence that employment and income adequacy are two critical social determinants of health that "have a far greater impact on whether we will be ill or well" than health care (Martin and Meili, 2015; Lightman, Mitchell, and Wilson, 2008).

Therefore, it is within this ethical call for ensuring the dignity of decent work that we wish to offer our perspective and suggestions on the need for change in the quality of employment and working conditions in the non-profit community services sector in Ontario.

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<sup>3</sup> <http://www.dennisgruending.ca/2013/04/ethical-reflections-on-the-economic-crisis/>

**Community Sector Employment**

More than one-quarter of all non-profit organizations in Canada are located in Ontario and they employ almost one million Ontarians, which was one in six of all employed Ontarians in 2003, the last time a comprehensive voluntary sector survey was conducted (Scott et al., 2006). There were almost one million (956,678) paid workers in the non-profit sector in Ontario in 2003, making up almost half of all paid workers (47%) in the sector nationally (Ontario Nonprofit Network [ONN], 2014; Scott et al., 2006, p. 35).

These numbers are significant not only for an indication of their social impact on people using community services, but also for their contribution to the Canadian economy. Employment levels are one measure of a sector's contribution to Gross Domestic Product (GDP). The non-profit sector as a whole is made up of "institutional" organizations (hospitals and universities) and the "core non-profit sector" consisting of community-based organizations. Combined, their total contribution to Canada's GDP in 2006 rose to \$100.7 billion (ONN, 2014). The "core non-profit" sector alone in Canada contributed more than \$35.6 billion to the national GDP in 2006, which was higher than the Accommodations and Food Services industry (\$29.6 billion), Agriculture (\$13.6 billion) and Motor Vehicle Manufacturing (\$5.9 billion) (ONN, 2014; Statistics Canada, 2007). Notably, the non-profit sector grew much faster than the overall economy between 1997 and 2007 (84.6% compared to 75.6%) and the core non-profit sector almost doubled (97.5%) over this period of time (Statistics Canada, 2007).

Community social services are a very large sub-sector of the core non-profit sector. Compared to other sub-sectors, community services have the highest proportion of paid staff amounting to about 28% (268,400 workers) of all paid workers in Ontario's non-profit sector (Scott et al., 2006, p. 38).<sup>4</sup> The community services sub-sector is highly diverse including small, medium and large service organizations providing critical support to a variety of community needs including children, youth and families, seniors, persons with physical and developmental disabilities and with serious mental health problems, homeless and inadequately housed people, unemployed and low income people, immigrants and refugees, and others.

Commenting on the significance of the paid employees in the community services sector to meet these needs, the Canadian Centre for Policy Alternatives (CCPA) noted:

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<sup>4</sup> This figure is derived from combining paid staff in the "social services" (13%) and the "development and housing" (15%) sub-sectors within the overall sector survey results for Ontario. Other organizational sub-sectors are: religion, sports and recreation, fund raising, arts and culture, education and research, business/professionals/union groups, environment, advocacy and international (Scott et al., 2006, p. 5).



*This massive workforce plays a vital role in the lives of Ontarians. Agencies provide a wide range of community services, particularly to those who are most marginalized, from housing and employment support to newcomer settlement and youth services, to name a few. In addition to service delivery, the sector is deeply engaged in community building activities that promote active civic participation and advance the equity goals of the province. (Canadian Centre for Policy Alternatives, 2007, p. 16)*

### **Non-Standard Employment in the Community Sector**

In recent years, research studies have highlighted the growth of non-standard employment and precarious work (Gellatly and Sohn, 2015; PEPSO, 2015; PEPSO, 2013; Stapleton, 2015). Such employment is characterized by low wages, no or few benefits, short-term contracts, job insecurity, temporary and part-time status in the workforce, and has been called the “new normal” in the modern workforce (PEPSO, 2015, p. 4). While these issues have come to the fore in general in the last few years, they have been prevalent in the non-profit community service sector for some time.

### Temporary and Part-time Employment

Survey research as early as 1999 comparing the Canadian for-profit and non-profit workplaces showed a rate of temporary versus permanent employment in the non-profit sector (14%) almost double the for-profit sector (8%) (Saunders, 2004, p. 25). The *National Survey of Non-profit and Voluntary Organizations (NSNVO, 2003)* of 13,000 non-profit charitable organizations across Canada reported even higher levels of temporary employment (35%) for the overall non-profit social services sector, which was almost three times the rate (12.5%) for Canadian employers in general (Hall et al., 2005, p. 38). Temporary non-profit employment in Ontario held fairly close to this ratio in the 2003 survey with 31% of paid employees being in temporary positions versus 10.9% of general employment positions in the province (Scott et al., 2006, p. 38). The temporary employment rate in Ontario non-profits was much higher (34%) in the core community sector than in the institutional non-profit sector (26%) (Scott et al., 2006, p. 36).

Similarly, part-time work has been prevalent in the non-profit sector for many years before its more recent rapid growth in general in the Canadian and Ontario economies. The Workers’ Action Centre (WAC) reports that part-time work has grown by 25% since 2000 to reach 19% of all employment in 2015 (Gellatly and Sohn. 2015, p. 6). This level of part-time work was evident in the non-profit sector twelve to fifteen years ago. The national survey comparing for-profit, public and non-profit workplaces in 1999 showed part-time employment in the non-profit sector at 25% compared to 13.4% in the for-profit sector (Saunders, 2004, pp. 25-26). Survey results in 2003 for the non-profit, charitable

sector in Ontario showed part-time employment already at 18.3%, comparable to the general part-time employment rate today in the province (Scott et al., 2006, p. 36).

The latest province-wide survey in Ontario (2013) indicates that the disproportionate weight of part-time employment in the non-profit workforce continues to hold. Fifty-nine per cent (59%) of employment is full-time (53% being full-time permanent with 6% full-time contract work), while 41% is part-time (28% part-time permanent and 13% part-time contract) (McIsaac, Park and Toupin, 2011, p. 15).<sup>5</sup>

Several local surveys in Ontario done between 2001 and 2007 mostly in the non-profit community services sector reinforce the preceding findings.<sup>6</sup> Clutterbuck and Howarth summarize the survey results from five Ontario communities that showed:

- a) temporary employment in the non-profit social sector ranging from 15.2% in Halton Region to 45.8% in London compared to Ontario's overall rate of 11% in 2006; and
- b) part-time work in the sector ranging from 23% in Toronto to 40% in Ottawa and London compared to the overall Ontario rate of 17.9% in 2006.  
(Clutterbuck and Howarth, 2007, p. 50)

The Workers' Action Centre (WAC) has highlighted the rapid growth of temporary employment agencies as one of the main drivers of the growth in precarious employment. At \$11.5 billion in 2012, temp agency revenue has increased by more than 38% since 2009, more than half of that generated in Ontario (Gellatly and Sohn, 2015, p. 4).

Workers in the non-profit community services sector have not escaped the trend toward use of temporary employment agencies. WAC has documented the stories of workers being placed in jobs as "independent contractors" with multiple community health and social agencies at minimum and low wages and without benefits, subject to only part-time work, on-call duty and short shifts, making less hourly wages than permanent staff doing the same work (Gellatly and Sohn, 2015, pp. 1, 4, 6). The services of temporary employment agencies may allow community service non-profits the labour flexibility to manage tight budgets, but the unfair effects on their workers are just as negative as in for-profit sector employment.

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<sup>5</sup> Notably, 70% of survey respondents were larger non-profit organizations and one-third were social service organizations.

<sup>6</sup> Local/regional non-profit surveys, primarily in the community services sector, were conducted in Sudbury (2001), London (2004), Ottawa (2005), Toronto (2006) and Halton Region (2007).

Low Wage Sector

It is commonly acknowledged that the non-profit sector is characterized by low wages and little or no benefits, especially among small non-profit employers (10 or fewer employees) and medium size non-profit employers (11-20 employees). Doubtless, this reflects in part the assumptions that work in the sector is a “labour of love” and compensation is less important than self-fulfillment (Baines et al., 2014, p. 86). There is low public recognition of the societal value of work in the charitable sector even though it contributes significantly to both social well-being and the economy.

Recent research on the quality of employment in the non-profit sector by Baines et al. produced the following conclusion:

*Because there are very limited detailed surveys of the nonprofit sector it is difficult to get precise information of the wage/salary levels and other working conditions in the NPSS [Non-Profit Social Services]. Our own qualitative investigation, however, reveals that the compensation levels stand considerably below public sector employers and in many cases the most temporary workers receive wages only modestly above minimum wage. Stagnate [sic] wages/salaries in the NPSS due to years of flat lined funding is causing significant financial hardship for nonprofit employees. (Baines et al., 2014, p. 81)*

**Table 5**  
**Comparison of Median Annual Wages in Community Service Agency Surveys with Annual Average Wages for Employees in Corresponding Communities**

Non-profit Community Service Surveys	Median Annual Wages of Community Service Front-line Workers	Average Earnings (All persons, 2000) <sup>7</sup>	Average Earnings (Full-time, Full-year, 2000)
Halton Region (2007)	\$35,000	\$45,835	\$60,966
City of Ottawa (2005)	\$35,000	\$39,713	\$53,250
Niagara Region (2003)	\$30,000	\$30,750	\$42,126
City of London (2004)	\$30,000	\$32,433	\$44,072
City of Toronto (settlement, 2005)	Less than \$40,000	\$37,833	\$49,540
Ontario (2000)	--	\$35,185	\$47,299

<sup>7</sup> Statistics Canada reports two average annual earnings figures by region, one is for all person 15 years of age and over working full-time, part-time, or seasonally, which is naturally lower than the average annual earning for all persons working full-time for the full year.

Local research in Ontario also indicates wage disparities are higher for front-line workers. Clutterbuck and Howarth compared the results of community agency surveys conducted locally across Ontario between 2003 and 2007, showing in the above table wage disparities in most cases for front-line non-profit community service workers compared to average employment earnings for all workers and all full-time, full-year earners in Ontario in 2000 (Clutterbuck and Howarth, 2007, p. 52).

Clutterbuck and Howarth also comment on the issue of gender wage disparity, pointing out that employment dominated by women is frequently more poorly compensated (Clutterbuck and Howarth, 2007, p. 53-54). Women far outweigh men in the non-profit sector, especially at the front-line and non-managerial administrative positions. Recent research of the Toronto Census Metropolitan Area (CMA) workforce shows that women make up 47.6% of the overall labour force but 84.4% of the non-profit labour force, which remains a fairly constant pattern between 1996 and 2006 (Zizys, 2011, p.5). Moreover, at the front-line level racialized women are in an even more precarious position in the workforce (Gellatly and Sohn, 2015, p. 13).

Low wage and more precarious employment in the community services sector produce economic hardship for workers but also create negative effects on their personal health and well-being as concluded from a review of a number of studies in both Ontario and other provinces (Clutterbuck and Howarth, 2007, pp. 49, 51-52; Baines et al., 2014, pp. 82-83). In addition, there is impact on organizational continuity and stability in the sector and, hence, community agencies' capacity to fulfill their service mandates (Baines et al., 2014, p. 84).

Generally, the non-profit workforce is better educated and skilled in its social relations with clients and community members. Non-profit workers, however, are highly susceptible to recruitment to other sectors. Lack of competitive wages is a primary barrier for non-profit agencies to both recruitment and retention of skilled and qualified staff. Among non-profit agencies responding to a recent Ontario survey, 40% identify "non-competitive wages and salary levels" as the major challenge to staff recruitment and retention in the last three-five years (McIsaac et al., 2013, p. 21-23).

Imagine Canada's conclusions about compensation in the non-profit and charitable sector follow:

*The vast majority of charities and nonprofits in Canada are smaller community-based organizations. For many of these organizations, it is a significant challenge to recruit and retain staff due to the lower salaries and fewer benefits (including pension plans) they can offer given their limited financial resources. If there is an issue that needs to be addressed, it is the need to provide more appropriate compensation to those working in the many small and/or community-based organizations. (Imagine Canada, 2012, p. 2)*

Finally, and not surprisingly, employees in part-time and contract positions are much less often covered by health and retirement benefits than permanent full-time workers, especially if they are working in non-unionized workplaces (McIsaac et al., 2013, p. 16). Compared to the overall unionization rate in Ontario of 28%, only 14% of respondents to the latest Ontario non-profit survey reported unionized workplaces, even though the survey response was weighted toward larger organizations. Respondents in the social and human services subsector indicated a higher rate (27%) of unionization (McIsaac et al., 2013, p. 14). Still, compared to national unionization rates in 2012 for the broad public sector (71.4%), educational services (68.0%), and health care and social assistance (53.6%), the non-profit community services sector is highly under-unionized (Gellatly and Sohn, 2015, p.4).

Commenting on the latest overall Ontario non-profit agency survey results, the researchers conclude:

*Across sectors, there is a sense of decline in employment stability. In the non-profit sector, particularly that part of the sector that relies heavily on public sector funding, this is experienced as a result of increasing fiscal pressure of governments and the resulting move away from core funding to project-based funding. This reality shapes employment in the sector, and contributes to part-time and contract employment, lower wages, and limited access to benefits and pensions. (McIsaac et al., 2013, p. 15)*

### **In the Vanguard of Precarious Employment**

The growth of precarious employment in the economy generally is attributed to globalization, more competitive markets for goods and services demanding tight labour cost controls, and employers' wish for a more flexible workforce in response to changing business cycles. Free trade reduces barriers for business to outsource labour costs to

lower wage countries mostly in manufacturing but also in some service areas, which sheds jobs domestically and also places a downward pressure on wages. Government deregulation policies since the 1990s have reinforced the liberalization of markets in support of business interests, which has given impetus to the expansion of non-standard employment patterns over the last 20 years.

While community service delivery must be delivered on the ground within communities and cannot be outsourced to international labour markets, one could argue that outsourcing in the community services sector really began with the devolution and offloading of publicly delivered services by governments to communities in the 1990s.

As Baines et al. point out:

*The employment profile of the nonprofit sector places it in the vanguard of the shift away from the standard employment norms of the past to the more flexible and contingent employment forms of the new labour market. (Baines et al., 2014, p. 81)*

Shields connects the growth of “permanent temporariness” in the workforce of the non-profit social services sector directly to the “hollowing out” of the welfare state since the 1980s when governments began devolving previously directly provided public services to community organizations but without the funding support that allowed non-profits to provide wages and benefits equivalent to the public service sector (Shields, 2014). The rapid growth in the low wage and less stable non-profit sector over the last 20 years parallels reduced service provision in the relatively higher wage and more stable employment of the public sector. Baines et al. comment on this development:

*As state provision of the “social safety net” has been eroded, marginalized populations have turned increasingly to the NPSS [Non-Profit Social Services] to meet their needs. But this demand has increased just as the sector’s capacity has been threatened, in large measure because of this very restructuring. (Baines et al., 2014, p. 80)*

The sector’s capacity has been further challenged by the “new public management” approach also introduced in the 1990s. Restructuring of the government’s partnership relationship with the community service sector accompanied devolution and downloading policies. Government shifted from core operational funding to project and time-limited contract funding, applied a private business model approach to social provision and organizational performance, and imposed high accountability burdens on

the sector's stretched administrative capacity (Shields, 2014; Baines et al., 2014; Clutterbuck and Howarth, 2007). Non-government private funders also withdrew from core funding commitments and adopted similar expectations as well (Clutterbuck and Howarth, 2007).

Resource dependent primarily on government and charitable funding support, community service providers have been compelled to adapt to the conditions of the new social economy. Given that three-quarters of the sector's productive capacity is its human resource, community agencies are driven to manage their workforces in ways that reduce job security and stability and increase precarity. A number of local agency surveys in Ontario, however, report on the negative consequences of low wage precarious work on their employees in terms of their personal health and well-being as well as their morale and motivation to perform well on the job (Clutterbuck and Howarth, 2007, pp. 49, 51). The "intrinsic rewards" of working in service to communities, which are highly valued by many employees even though they come with a premium of lower compensation, are increasingly being offset by the conditions of precarious employment (Clutterbuck and Howarth, 2007, pp. 54-55), leading to the warning that:

*A "tipping point" looms if the capacity of the sector to attract and retain good employees continues to be undermined by funding patterns that do not allow stable and secure and fairly compensated employment in the sector. (Clutterbuck and Howarth, 2007, p. 55)*

There is growing concern among social sector leadership about not only the human cost of entrenched precarious employment on their workers but also the social cost in terms of the quality of service delivered to their clients and communities. (Baines et al., 2014, pp. 88-89).

Following the recession of 2008-09, these conditions worsened. Two province-wide surveys of non-profit community service agencies in 2009 and 2010 indicate that growing demand for services generated by a failing economy combined with the constraints of austerity measures affecting community agency funding created tremendous pressure on the sector's human resource base, as reflected in the following summary by the principal survey researcher:

*"Organizations can't keep up and the impact on local communities is beginning to show," observed Ted Hildebrand, Director of Social Planning for Community Development Halton, member of the research team and principal author. "The combination of increased service demands and*

*falling revenues is taking its toll on agencies in the form of decreased employee morale, rising stress levels, staff work reductions and increased incidence of burnout. Almost half of respondents agree that the economic downturn will have a lasting impact on their organization. None of this serves the needs of struggling communities and may even add to the burden.”* (Social Planning Network of Ontario, July 8, 2010)

### **The Uncertainty of Paid Labour Substitution**

The overall general impact of precarious work on individual earners and their families is greater insecurity. An added dimension of precarity in the non-profit sector is its particular reliance on volunteers to perform some roles within community service agencies. In Ontario, it is estimated that the 46,000 non-profit organizations engage five million volunteers (ONN, 2014). Interestingly, the overall value of the non-profit sector is often monetized by converting the number of volunteer hours given annually into the equivalent number of full-time jobs in the economy.<sup>8</sup> While this does signify the importance of the sector’s societal contribution, it also raises the question about whether the particular feature of voluntarism in the sector acts to suppress job creation or even replaces paid work when agencies must deal with funding constraints while service demands increase.

Field research on the interchangeability of paid employees and volunteers in the non-profit sector produces some mixed results. Handy, Mook and Quarter report the results of one Canadian non-profit survey that concludes a significant (25%) replacement of paid staff by volunteers with *“budgetary cutbacks [being] the primary reason given; indeed it is almost the exclusive explanation”* (Handy, Mook and Quarter, 2008, pp. 79-80). But, there is also strong evidence in the same survey of interchangeability the other way, i.e. *“professionalization”* of volunteer positions into paid staff positions in larger organizations, which have a greater capability to expand staff positions with growth and increased funding (Handy et al., 2008, p. 87). Reviewing other case studies, Handy et al. conclude that there is interchangeability between paid staff positions and volunteers within the non-profit sector and that the choice to substitute volunteers for paid labour comes down to the economic calculus of the *“marginal product of paid labour”*:

*In other words, the organization chooses volunteer labour if using an additional unit of volunteer labour has a greater net positive contribution*

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<sup>8</sup> The Ontario Nonprofit Network reports the five million volunteers in Ontario contribute 811 million hours annually which converts into 422,000 full-time jobs (ONN, 2014).



*to the final product than that of using an additional unit of paid labour.*  
(Handy et al., 2008, p. 97)

Clearly, the risk of replacement by volunteers is higher for low wage employees in small to medium size community service agencies, already in precarious job situations, which is a condition particular to employment in the non-profit sector.

Later Canadian research reinforces the “interchangeability” of paid staff with volunteers from the point of view of volunteers themselves, 10.8% of which reported replacing paid staff. Almost one quarter (23.2%) of the volunteers “*indicated the reason they replaced staff was because of budget cuts and this was far more prominent for those who indicated replacing paid staff permanently.*” (Mook, Farrell, Chum, Handy, Schugurensky and Quarter, 2014, p. 74). Mook et al. point out:

*To a degree, the data from this study could lead to the interpretation that paid staff and volunteers are like interchangeable parts, not as a general operating strategy but rather one to help the organization to cope in times of need.* (Mook et al., 2014, p. 81)

The authors conclude that the findings of this study suggest a “*co-production model*” operating within the non-profit sector that:

*gives organizations flexibility that they would otherwise lack. Therefore, co-production arrangements may come about because they offer flexibility for organizations with unpredictable resources, not because they represent a workplace ideal.* (Mook et al., 2014, p. 82)

Again, as the overall market economy pursues labour flexibility to control costs and competitiveness, the non-profit sector has its own particular features for labour flexibility, which contributes to the precarity of the non-profit workforce.

Co-production for wider community benefit need not be reliant on a precarious workforce nor need it raise concerns about the substitution of volunteers for paid staff because of unstable funding practices. There should be recognition that the added value of engaged volunteers is better generated by paid staff, which recruit, train, support and coordinate volunteer involvement in appropriate roles in community organizations. A survey of community service agencies in Halton Region showed that agencies reporting paid staff positions dedicated to volunteer coordination provided a significantly wider range of

supports for the recruitment and retention of volunteers.<sup>9</sup> As a result the agencies with paid coordinators of volunteers had a 35% greater reach into more diverse groups for volunteer engagement (e.g. seniors, youth, and newcomers) than agencies without paid coordinators of volunteers (Community Development Halton, 2007). This suggests that the paid staff-volunteer relationship in the sector should be re-framed from a debate about “interchangeability” to the recognition of “interdependence”, i.e. investment in paid staff for volunteer support produces the added-value of greater and more consistent volunteer participation and contribution to community life.

### **Recommendations for Addressing Precarious Employment in the Community Services Sector**

The preceding description and discussion illustrate that conditions for precarious employment in the non-profit community services sector are longstanding and have worsened in the last 15 to 20 years. Community service agencies have struggled with meeting increasing service demands without secure and stable funding and with burdensome administrative responsibilities for the funding they do receive. The highly constraining policy and program frameworks within which the sector operates inevitably have an effect on the populations that they serve and on the human resource capacity that they deploy to fulfill their social missions. Clutterbuck and Howarth summarize the costs of the existing conditions as follows:

- *Inefficient use of project funding dollars on short-term initiatives without building and supporting the administrative capacity in underserved communities to use project and program funding for their intended purposes.*
- *Withering of the sector’s capacity for social innovation, civic engagement, and social inclusion, as funding continues to emphasize targeted service needs, and neglects the sector’s key role in contributing more broadly to the reduction of social inequities.*
- *Continuing to reinforce low wage, gendered employment ghettos, leading to further decline in working conditions and threatening the loss of a skilled and committed workforce.*
- *Failing to regenerate the sector’s employee base by attracting new workers within the context of a more competitive labour market.* (Clutterbuck and Howarth, 2007, pp. 66-67)

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<sup>9</sup> Across eight areas of volunteer support (e.g. orientation, recognition events, subsidized skill development), agencies with a paid volunteer coordinator averaged 80% provision of support compared to 51% for agencies without paid volunteer coordinators.

The remedy to this crisis in the sector lies far beyond the scope of the Changing Workplaces Review. Yet, the employment standards that are recommended by the Review to reduce precarious employment in the economy overall should provide some counterforce to the larger dynamics that create the high level of job instability and insecurity within the non-profit sector. Real change that properly values and supports decent employment in the sector will require concerted and more far-reaching action by governments, funders and community agencies. The Changing Workplaces Review can establish the minimal expectations of what constitutes decent employment practices and the protections necessary to enforce them.

In that regard, the Social Planning Network of Ontario endorses the full set of recommendations made by the Workers' Action Centre in its landmark report, *Still Working on the Edge*. There are several recommendations with particular relevance to the non-profit community sector that we would like to highlight in our endorsement:

- (1) Making a clear statement within the *Employment Standards Act* that the "dignity of work" and the core principles of "decent employment" for all workers in the province are critically important (Gellatly and Sohn, 2014, p. 2). The *ESA* is legislative protection to ensure that basic standards are met, but it should be framed within a clear understanding of what constitutes the benchmarks of dignity and decency in the workplace.
- (2) Ensuring that the definition of employee and the responsibilities of employers cover all workers including those designated as "independent contractors" or workers assigned by temporary employment agencies (Gellatly and Sohn, 2014, p. 3). Further, establish that "a worker must be presumed to be an employee unless the employer demonstrates otherwise." (Gellatly and Sohn, 2014,, p. 5)
- (3) Strengthen the regulation of temporary help and employment agencies as recommended specifically in the following ways:
  - >> *Ensure that temp agency workers receive the same wages, benefits, and working conditions as workers doing comparable work that are hired directly by the client company.*
  - >> *Make client companies jointly responsible with temp agencies for all rights under the ESA, not just wages, overtime, and public holiday pay.*
  - >> *Eliminate barriers to client companies hiring temp agency workers directly during the first six months.*
  - >> *Prohibit long-term temporary assignments. Require that agency workers become directly-hired employees after working a cumulative*

*total of six months for the client company. Limit temporary staffing to 20 percent of a company's workforce. (Gellatly and Sohn, 2014,, p. 4)*

While it is regrettable that some community service agencies are compelled by their funding constraints to outsource some of their service supports to temporary help agencies, it is imperative that they conform to higher standards for the protection of temporary employees whom they so engage.

- (4) Establish and enforce equal pay for work of equal value in all workplaces and non-differential equal treatment by employers of all employees regardless of their classification (Gellatly and Sohn, 2014, p. 6). Employee benefits should be prorated to hours worked so that part-time workers are not denied some degree of benefit coverage and protection.
- (5) "Raise the minimum wage to \$15 per hour in 2016" (Gellatly and Sohn, 2014, p. 12). The SPNO has consistently advocated that the statutory minimum wage in Ontario should be set at 10% above the official income poverty line and indexed annually. SPNO also supports local living wage campaigns that enable workers to meet their daily living needs, participate fully in community life, and manage extraordinary expenses that arise unexpectedly in the course of individual and family living. While raising the minimum wage would create hardship for the community sector at current funding levels, SPNO asks the Changing Workplaces Review Special Advisors, in calling for a \$15 minimum wage, to strongly urge government and charitable funders of the sector to recognize these increased labour costs and to adjust their funding levels accordingly.
- (6) Increase paid annual vacation time to a minimum of three weeks per year as regulated currently in all other Canadian legislative jurisdictions except Ontario and Yukon (Gellatly and Sohn, 2014, pp. 12-13). Community service work is highly demanding and can be stressful. Adequate annual restorative and recuperative time is important not only for employees but also for the people to whom they provide service while on the job.
- (7) Reduce the barriers to unionization for workers in precarious employment so that they have the chance to form a collective voice on the terms of their compensation and working conditions (Gellatly and Sohn, 2014, p. 10). As noted, there are some issues particular to the sector such as the opportunity for substitution of volunteer for paid labour. While SPNO wishes to reinforce the importance of the unique

contribution of volunteers to civic participation and community life through the non-profit sector and, recognizing that neither the *ESA* nor *Labour Relations Act* can prescribe the appropriate use of volunteers in the community sector, this is an area that can be negotiated reasonably at the community level between employers and employees. This can really only happen effectively, however, if community service workers are enabled and supported to form their own recognized collective bargaining units.

Finally, SPNO asks that the Special Advisors give some special attention to the role and value of the non-profit community sector and the particular challenges that it has historically encountered in attempting to support a strong workforce, increasingly difficult in recent years. The Special Advisors are in the unique position following this consultation to speak to the Minister of Labour on the particularly precarious employment conditions in the non-profit community services sector and to emphasize the risk to the sector's valuable human resource capacity under current prevailing conditions.

Therefore, SPNO urges the Special Advisors to recommend that the Minister of Labour convene and join a table of representatives from the community services sector and the funding sector to support and promote decent employment in community services with a special focus on a human resource development strategy to help the sector attract younger workers wishing to join their career paths with the social missions of community services organizations.

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