

What have we learned about Canada's nonprofit labour force since 2003?

Reviewing a decade of research in 9 questions & 9 answers

The nonprofit sector is a vital part of Canadian society and the Canadian economy. Across the country, nonprofits do critical work in health and social services, development and housing, environmental issues, and education and research. Nonprofits strengthen the fabric of Canadian society through religious communities, philanthropy, and sports and recreation, and they represent Canada in the world through international development initiatives.

Just over a decade ago, there was almost no information about the paid staff of nonprofit organizations, people who are essential to the sector's complex and important work.

In 2003 Statistics Canada conducted the National Survey of Nonprofit Organizations (NSNVO). A project carried out by a consortium of organizations and funded through the Voluntary Sector Initiative, the NSNVO produced the first portrait of the organizations and people in the Canadian nonprofit sector. To many people, the most striking finding from the survey was the sheer size of the sector: Canada had about 69,000 core nonprofit employers with over 1.2 million workers. With hospitals, colleges and universities included, the number of sector employees topped 2 million. [Source 16]

Since the NSNVO, an emergent body of research has added to our knowledge about the nonprofit labour force. Some of this research has taken shape as a program, such as the work generated by the Calgary Chamber of Voluntary Organizations. It also includes a diverse array of and hoc surveys and secondary analyses.¹

Sources that provide data are identified by number throughout and listed at the end of this Q&A, with links to source documents that are available online.

This Q&A reflects the concerns and needs for information that shaped the decade of research and summarizes some key findings.

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¹ In addition to the sources cited here, a large body of research on Quebec's community action and social economy sector, which includes many nonprofits, has been amassed by the [Comité sectoriel de main-d'oeuvre – économie sociale et action communautaire](#).

1. What do people want from their work in nonprofits – and what do they get?

Many factors go into making people happy at work: the nature of the work itself; work-life balance; career development opportunities; and wages and benefits all play a role.

Overall, nonprofit employees report high levels of general job satisfaction. A 2008 HR Council survey found close to nine in ten workers across the country saying they were either very satisfied or satisfied with their jobs. Other surveys have found that high work satisfaction holds across regions, and at both staff and leadership levels. [Sources 3, 7, 14, 15, 17, 19]

What is satisfying about nonprofit work? Nonprofit employees give their organizations high marks for things like workplace relationships, non-discriminatory work environments and working conditions. But perhaps the most important ingredient of this strong sense of job satisfaction is the work itself. Both the 2008 HR Council survey and a 2010 Nova Scotia survey found the vast majority of workers strongly committed to the cause or focus of their workplace. In short, nonprofit employees find a lot to like about their jobs. [Sources 14, 15, 19]

What is not so satisfying? Compensation is often a top-of-mind concern for nonprofit employers worried about their ability to hold on to their staff. And, indeed, compensation is an area in which nonprofit workers report relatively low levels of satisfaction. Employees also give low marks to opportunities for career advancement and professional development. [Sources 14, 15, 19]

Research about why organizations have difficulty recruiting and retaining employees suggest an additional source of dissatisfaction is workers' uncertainty about the security and longevity of their jobs. In particular, a 2014 BC study found that about a third of nonprofit staff are on finite contracts and identified the precarious nature of nonprofit employment as an impediment to employee retention. [Source 13]

2. What are the key characteristics of nonprofit employees and the work they do?

Nonprofit employees are predominantly women, highly educated and strongly committed to their work. They demonstrate high levels of flexibility and versatility. This is the portrait that has emerged from a range of studies carried out across Canada over the past decade.

An educated workforce. Findings from across Canada show that over seven in ten nonprofit workers hold some form of post-secondary credential. Consistent with this pattern among nonprofit employees in general, an Alberta study that focused on nonprofit leaders found seven in ten had a university education. Further, almost a quarter had a post-graduate degree. [Sources 3, 7, 13, 19, 24]

Dedicated workers. Large majorities of nonprofit workers express deep commitment to the missions of their organizations. [Sources 7, 14, 15, 19]

Diverse work. It is common knowledge that work in the nonprofit sector does not always look the same as work in the public and private sectors. Studies over the past several years have affirmed that in nonprofits—especially small ones—both executives and other employees often take on a wide variety of roles. This is particularly the case in organizations with lean staff teams: workers wear a number of hats depending on the work that needs doing. The broad scope of work in the nonprofit sector requires workers to have a diverse array of skills and to be prepared to sometimes work long hours to complete a variety of tasks. [Sources 3, 9, 11, 12]

3. What have we learned about compensation in nonprofits?

Anecdotes and conventional wisdom have for a long time held that nonprofit compensation is lower than compensation in other sectors, but until recently little solid evidence has been available to confirm or refute that idea. Over the past decade, research efforts in the nonprofit sector have tried to answer common questions about nonprofit compensation.

A growing number of nonprofit compensation surveys now provide information to employers, making them better equipped for labour negotiations, hiring processes, worker retention, and human resources planning. Some of these are one-time surveys, while others are conducted at regular intervals - notably the [Boland Survey](#), conducted annually, for more than a decade, and surveys by [Charity Village](#) since 2011.

Data from compensation research shows that pay in nonprofits varies according to:

> geography. As in other sectors, compensation levels in the nonprofit sector vary according to provincial minimum wages and costs of living. Regional studies also note higher compensation in urban areas compared to smaller centres. [Sources 13, 14, 23]

> types of work. Some subsectors, such as child care, services for the elderly, and some other front-line service areas, offer relatively low compensation. [Source 23]

> organization size. Nonprofit organizations that are larger, have larger operating budgets, and are national in scope offer the highest compensation. Sources [17, 19]

How much does compensation matter? Over the past decade, studies have shown that compensation is one factor in nonprofit recruitment and retention, but that money doesn't always top the list of employees' priorities. Evidence suggests there may be regional differences in how much compensation matters. Manitoba findings showed no clear relationship between compensation and ease of recruiting and retaining employees. In Nova Scotia, New Brunswick and Alberta studies, by contrast, compensation is cited as a key challenge to recruitment and retention. [Sources 3, 9, 14, 20, 22, 23]

A Toronto study found that the nonprofit sector has more positions requiring a college or university education than other similar sectors, making the nonprofit sector's demands for education incongruous with the compensation it offers. [Source 24]

Findings also suggest there is a growing recognition that organizations, especially larger ones, must be willing to pay more to get top talent. [Source 17]

4. What's the state of leadership in nonprofit organizations?

Over the past decade, several research projects have sought to shed light on the state of leadership in the nonprofit sector, looking at the characteristics of nonprofit leaders, how they view their work, and the factors that might attract—or fail to attract—good leaders to the sector. The findings suggest that there is plenty of good news about leadership in nonprofits. But looking to the future, there are a number of reasons for concern. [Sources 3, 6, 13, 17, 22]

Several surveys have found that large majorities of nonprofit leaders find their work satisfying and meaningful. Surveys of nonprofit leaders in Ontario and Alberta have found that, for large majorities, it was a chance to make a positive difference in their communities that drew them to work in the sector. This is the good news. [Sources 3, 6, 19, 22]

The more concerning news from studies carried out over the past decade is that the nonprofit sector may be facing an emerging leadership deficit, or even a crisis. Most nonprofit leaders are aged 45 or more. This is not surprising, given the skill and experience required to fill executive positions. Leadership-focused studies carried out in recent years note that the impending retirement of many current executives is a key concern for organizations. [Sources 3, 7, 13, 17, 22]

Retirement is not the only concern organizations have when it comes to leader retention. A survey of board members shows they are afraid that stress, a lack of work-life balance and uncompetitive salaries (the most frequently cited concern) may drive leaders out of the sector even before they are ready to retire. [Source 17]

Notably, when leaders themselves are asked, findings about stress and work-life balance are consistent with the apparent concerns of board members, but findings about salaries tend to be inconsistent. Only about a third of leaders tend to name salary when asked about factors that are important to their decisions to come to or remain in the sector. For leaders as for other nonprofit staff, salary is one source of job satisfaction—but far from the whole story. [Sources 3, 7, 13, 17, 22]

This discrepancy in the concerns of board members and executives is an interesting one. It is possible that boards think money is the key issue, while leaders themselves are more concerned about their working conditions. For instance, over half of respondents in one leadership study cited work-life balance as a key concern, nearly half of respondents in a survey of emerging leaders who were undecided about moving into executive leadership positions were concerned about work-life balance. In another study of potential leaders about a quarter said they were uninterested in taking on a leadership position because of concerns about stress and work-life balance. [Sources 7, 22]

Studies have also looked at leaders' relationships with boards. Some have found leaders expressing disappointment in the quality of these relationships. [Sources 3, 6, 17, 22]

5. What do we know about recruitment in nonprofits?

Research findings suggest that nonprofits see the need to recruit new staff but many struggle to find the resources to do so. An anticipated need to recruit “in the near future” is evident in studies of organizations in Alberta, British Columbia, Manitoba, Ontario and Quebec. [Sources 4, 10, 13, 21, 22]

Recruiting is a demanding process that involves searching for applicants, screening and interviewing, then hiring, orienting, and training successful candidates. Each of these steps requires investment, and some organizations report that resource constraints mean they sometimes go without the staff they need. For example, a survey in Halton, Ontario found some organizations leaving positions vacant in order to save money. [Source 11]

Finding and hiring qualified staff is an area in which many nonprofits report difficulty. Studies in Ontario and Manitoba show that recruitment challenges are widespread. [Sources 22,23] These studies and others in British Columbia, New Brunswick and Newfoundland and Labrador identify some factors to which organizations attribute their recruiting difficulties: uncompetitive compensation, lack of experienced/qualified applicants, poor job security or “precarious” work, and limited opportunities for career advancement. [Sources 13, 14, 15, 20, 22, 23]

Collective action initiatives in jurisdictions across Canada suggest that people concerned about nonprofit labour force issues believe challenges exist not only at the organization level but at the sector level, and that responses to recruitment challenges at the sector level are therefore appropriate.

6. What do changes in the country's labour force mean for nonprofits?

The aging of the Canadian workforce is affecting all sectors, the nonprofit sector included. Studies that have looked at the potential impact of the aging workforce on the nonprofit sector cite replacing retiring staff as an impending challenge for organizations. Small organizations with long-serving leaders, in particular, are concerned about ensuring that critical organizational knowledge does not leave with retiring Executive Directors.

While a number of studies have looked at the potentially serious challenging effects of the aging workforce on nonprofits, research in Alberta, by contrast, shows that the aging of the workforce may be a promising opportunity, since people pursuing second careers often see the nonprofit sector as an attractive option. [Source 2]

A couple of studies have gathered evidence specifically about young people and nonprofits.

In Alberta, nonprofits find they can attract young people into entry-level positions but face difficulties holding onto them as they gain experience. Many young

workers see nonprofit jobs as stepping stones to careers in other sectors (public or private). Since Alberta's booming job market has offered an abundance of opportunities in recent years, nonprofits in the province have found relatively few workers available within the sector to move beyond entry-level positions and take on more senior roles. [Source 1]

New Brunswick's study of nonprofit employment found that nonprofits, unable to offer appealing combinations of job security, competitive wages, or proper work-life balance, are struggling to attract younger workers to replace aging staff. [Source 20]

7. What does HR management look like in nonprofits?

Typically in nonprofits, HR management is one part of one person's job, most often the Executive Director or the Administration Manager. [Sources 13, 14, 19, 22]

Many organizations exchange HR management knowledge and experiences with one another through a variety of local and regional initiatives. In addition to sharing information, some organizations share staff: nonprofits that want in-house HR expertise but cannot create a full-time position sometimes jointly hire an HR professional who splits his or her time between two or more organizations.

Although many nonprofits find smart ways to boost their HR management capacity with lean staff teams and budgets, financial uncertainty can nevertheless make it difficult to develop workforce strategies with staffing plans and competitive salaries.

Over the past decade, sector groups have developed shared resources to help organizations with HR management: templates for policies and forms, information about sectoral best practices, and guidance about seeking specific help, such as legal advice. Many of these are available in the hrcouncil.ca [HR Toolkit](#).

8. What have we learned about succession planning in nonprofits?

Although changes in an organization's staff and leadership inevitably require some adjustment, organizations can significantly ease these transitions by planning for leadership succession and for future staffing needs.

Succession planning in particular—and staff planning in general—are areas in which most nonprofits fall short. Across Canada, nearly three-quarters of organizations say they do not have a succession plan for their leaders. [Source 19]

For a great number of nonprofits across the country, leadership changes are coming, whether organizations are ready or not. Studies in Alberta and across Canada have found majorities of leaders saying they plan to leave their jobs within four or five years, while studies in Ontario and Quebec have taken leaders' ages as an indication that a leadership shortage may be on the horizon. [Sources 3, 10, 17, 22]

9. What have we learned about training and professional development in nonprofits?

Employers and employees alike report gaps in the skills current staff teams have, and the skills they would have in an ideal world.

In Manitoba, employers report that workers are in need of improved communication, computer, and interpersonal skills. In New Brunswick, employers cite a lack of bilingualism as an important skill shortfall. As for workers themselves, the areas in which the largest proportions nationally said they would like to improve their skills were campaigning, legal knowledge, fundraising and resource development, marketing, language skills and strategic planning. Workers also noted that, in order to advance in their careers, they would require additional training in computers/internet/IT, accounting, finance, communications, HR management and leadership. [Sources 19, 20, 23]

What kinds of opportunities are available to close these skills gaps? A 2008 HR Council survey found that nationally, half of workers were offered in-house training, just under half reported receiving paid time off for training, and a third had had the fees associated with training courses paid in the year before the study. [Source 19]

Regional findings, where they exist, echo these national findings to some extent. A 2010 Nova Scotia study found that most workers had access to training and educational opportunities, with only 16% indicating that they did not have any training opportunities. An Ontario study found that most organizations offer training to new employees, but it is unclear how much training is offered and how frequently. [Sources 14, 21]

Sources

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