



## **United Way Centraide Canada Submission**

**To the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities' study on labour shortages, working conditions and the care economy**

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## About United Way Centraide Canada

United Way Centraide (UWC) is a national network of local social experts and Canada's largest non-government funder of human and community services. United Way Centraide Canada (UWCC) provides national leadership to this federated network of 70 United Ways and Centraides serving rural, urban, northern and remote communities. We are at the forefront of social change and innovation, tackling issues of poverty and social exclusion. Annually, we mobilize the commitment of more than one million Canadians – individual donors, staff, volunteers and labour and corporate partners – to raise over half a billion dollars and invest in over 5,600 critical social programs serving ten million people annually. We work to ensure that everyone in every community has the opportunity to meet their full potential.

We thank the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA) for undertaking this important study on labour shortages, working conditions and the care economy.

## Social and Economic Impact of the Sector

The human and community services sector plays an essential role both in Canada's social safety net and economy. This sector is critical to the provision of food, mental health support, homelessness prevention and transitional housing and settlement services for people in vulnerable circumstances. Every day, community agencies support seniors, people with disabilities, women fleeing violence and people impacted by colonialism, racism, sexism, poverty and other systemic barriers. It also provides childcare, senior care and support for youth and vital skills training for employment as well as community wealth building.

According to Imagine Canada, Statistics Canada data show the charitable sector and non-profit sector as a whole represents 8.7% of Canada's GDP, or approximately \$189 billion.<sup>1</sup> Further, charities and non-profits employ 2.4 million people with a labour force composed of approximately 80% women.<sup>2</sup> The subsector of human and community service organizations employed approximately 591,000 in 2020.<sup>3</sup>

Statistics Canada data from 2021 provides a human resources profile of non-profit organizations between 2010 and 2019. The data reveal a highly educated, women-majority workforce increasingly composed of immigrants and racialized people with a growing proportion of workers who are 55 years or older.<sup>4</sup> While there has been some upward movement in wages from 2010-2019, wage disparity persists within the sector.

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<sup>1</sup> Imagine Canada. (2021). Infographic: Canada's Charities & Nonprofits: <https://www.imaginecanada.ca/sites/default/files/Infographic-sector-stat-2021.pdf>

<sup>2</sup> Statistics Canada. (2021). Non-Profit Organizations and Volunteering Satellite Account: Human Resources Module, 2010 to 2019: <https://www150.statcan.gc.ca/n1/daily-quotidien/210430/dq210430d-eng.htm>

<sup>3</sup> Statistics Canada. (2022). Employment in non-profit institutions by sub-sector (x 1,000): <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610061701>

<sup>4</sup> Statistics Canada. (2021). Non-Profit Organizations and Volunteering Satellite Account: Human Resources Module, 2010 to 2019.

As an example, wages grew at a quicker pace for non-immigrant employees (18%) compared to immigrant employees (16.9%) within the study period.<sup>5</sup>

In 2018, Statistics Canada highlighted the “significantly lower” compensation in community-based organizations, which provide social and related services, in comparison to the for-profit sector, but also to other part of the non-profit sector.<sup>6</sup> An official from Statistics Canada told the Special Senate Committee on the Charitable sector that “community-based organizations actually have wages below the economy-wide average” while wages in “the hospitals and government-based piece [of the non-profit sector] are actually above the economy-wide average.”<sup>7</sup>

The pandemic demonstrated how the social and economic wellbeing of our communities is underpinned by paid and unpaid care work primarily performed by women. Child care and elder care were deemed essential through the pandemic, but serious gaps were revealed in both systems. Academic researchers, economists and analysts of the sector have drawn attention to the fact that the gendered nature of the work and labour force reinforces the undervaluation of non-profit work.<sup>8</sup>

High quality care for children, seniors and people with disabilities is fundamental to our communities and foundational to our economy. Current labour shortages in the care economy, inclusive of the human and community services sector described above, threaten community health, safety and inclusion as well as economic growth.

## Funding Context

Most human and community service organizations’ revenue is generated through philanthropy, earned income (i.e., fee for service programs and social enterprise activities), as well as grants from all levels of government. Despite the sector’s critical social and economic contributions, funding is often precarious and overly focused on short-term projects, which contributes to precarious employment conditions. In this context, there is a reliance on short-term, contract and/or part-time staff positions that often do not offer benefits and pensions, including adequate paid sick time. As a result, many workers end up in multiple low-paying, part-time positions with different employers, no benefits, little security and few opportunities for career advancement.

The Special Senate Committee on the Charitable Sector’s report, Catalyst for Change, documents the charitable and non-profit sector’s concerns about recruiting and retaining paid staff. Organizations reported struggling to compete with public- and private-sector employers in terms of pay, pension, benefits and training.<sup>9</sup> The report also documents

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<sup>5</sup> Ibid.

<sup>6</sup> Catalyst for Change. (2019). Report of the Special Senate Committee on the Charitable Sector: [https://sencanada.ca/content/sen/committee/421/CSSB/Reports/CSSB\\_Report\\_Final\\_e.pdf](https://sencanada.ca/content/sen/committee/421/CSSB/Reports/CSSB_Report_Final_e.pdf)

<sup>7</sup> Ibid.

<sup>8</sup> Baines, Campey, Cunningham, Shields. (2014). Not Profiting from Precarity: The Work of Nonprofit Service Delivery and The Creation of Precariousness. Just Labour: <https://justlabour.journals.yorku.ca/index.php/justlabour/article/view/6/6>

<sup>9</sup> Catalyst for Change. (2019).

the challenges caused by short term funding agreements and the lack of operational funding:

Funding for the overall operation of charitable and non-profit organizations, described as “core funding” was historically in the form of grants until the 1990s; at that time, funding shifted to “contributions,” which are not only less stable, but rarely adequately cover the costs of even administering the projects being funded.<sup>10</sup>

This short-term funding also greatly inhibits organizations’ ability to access the necessary capital to renew and strengthen their operations. As a result, the sector has not kept pace with technological change and its data, technology and human resources strategies are in urgent need of transformation that can inform and improve service delivery and working conditions.

Rising rates of inflation pose a further challenge to community organizations today as the vast majority rarely see annual funding increases that keep pace with inflation. This is a threat to the work of the many organizations that address community food insecurity as they are now contending with grocery prices that are 7.4% higher than last year. With inflation at 5.7% - the highest rate since 1991 – community organizations are further hindered in their ability to purchase supplies, operate programs and recruit and retain staff as wages fall further behind the soaring cost of living.<sup>11</sup> As an Ontario-focused study identified, “stagnate wages/salaries in the non-profit service providing sector due to years of flat lined funding [cause] significant financial hardship for non-profit employees.”<sup>12</sup>

## **COVID-19 Exacerbated Pre-existing Challenges within the Sector**

The human and community services sector has been on the frontlines of addressing complex, growing community needs since day one of the pandemic. The sector has been a lifeline for members of equity-deserving communities already marginalized by issues such as poverty, mental illness, housing precarity, food insecurity, able-ism, ageism, homophobia, transphobia, racism and sexism who have been disproportionately impacted by the pandemic. Sector workers have also supported a new cohort of community members accessing services for the first time due to general uncertainty, financial insecurity and often new mental health challenges.<sup>13</sup>

The pandemic shone a light on long-standing societal inequities related to race, income, ability, gender, disability and age, exposing deep cracks within our social safety net. In a similar fashion, COVID-19 has exposed the significant impacts of long-term underfunding, low wages and diminishing capacity within the human and community

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<sup>10</sup> Ibid.

<sup>11</sup> Evans, Pete. Canada's inflation rate now at 30-year high of 5.7%. CBC News: <https://www.cbc.ca/news/business/canada-inflation-february-1.6386536>

<sup>12</sup> Baines, Campey, Cunningham, Shields. (2014). Not Profiting from Precarity: The Work of Nonprofit Service Delivery and The Creation of Precariousness. Just Labour: <https://justlabour.journals.yorku.ca/index.php/justlabour/article/view/6/6>

<sup>13</sup> United Way Centraide Canada. (2021). Covid-19 Pandemic has Created a New Group of Vulnerable Canadians: Survey. <https://211.ca/news/covid-19-pandemic-created-new-group-vulnerable-canadians-survey/>

services sector. These issues were especially apparent within the housing and homelessness sector, gender-based violence work, food security, mental health and care work.

Government programs like the Emergency Community Support Fund and the Canadian Emergency Wage Subsidy provided short term support and stability to maintain program delivery and protect and preserve jobs during the pandemic. These programs were essential to keeping workers employed and meeting community needs as agencies' revenues fell and demand for services surged.

Emergency pandemic support programs were great stabilizers for the sector. At the same time, the toll of the pandemic on workers' mental health and morale has been immense. Working in the sector was demanding pre-pandemic, but soaring demand coupled with increasingly complex community need has been extremely challenging for workers. We cannot forget that the majority women workforce within the sector were also living through the pandemic and its related risks and anxieties while providing care and support for marginalized community members. Many workers had additional responsibilities such as caring for children and elders at home and therefore doing double or triple duty.

### **Current Labour Challenges within the Sector**

The unprecedented demand for services in the context of a prolonged crisis has taken a toll on workers within human and community service provision. Within the UWC network, our members across the country consistently report high levels of absenteeism, burn out and mental health leaves among the agencies they fund. In addition, there are reports of senior leaders at organizations retiring early or resigning with limited succession planning. Front line staff are also resigning, with many leaving their fields and others moving onto similar work for government or within the private sector for higher wages and more comprehensive benefits that the community sector cannot match. In addition, the sector is facing recruitment challenges with fewer applicants and difficulty finding workers to fill vacant positions like never before. At the same time, program costs for agencies have risen due to inflation. The rising cost of living, particularly of housing and transportation, exacerbates the sector's labour shortages. Skilled workers are leaving the non-profit sector because they cannot afford to live in the cities they work in, as is the case in cities like Vancouver.

The observations of United Ways and Centraides are confirmed by the February 2022 Canadian Survey on Business Conditions published by Statistics Canada. In this survey, 23% of community non-profits indicated that their 2021 revenues were lower by 25% or more compared with 2019. The lower revenues come at a time when 36% expected to face an increase in operating expenses over the next three months. Survey respondents shared that demand for programs and services remains high, as 35% of community organizations expected to see an increase in demand over the coming three months. In addition, many continued to be concerned about recruiting and retaining

skilled employees: 29% of community organizations expected the labour shortage to also be an obstacle in the coming quarter.<sup>14</sup>

The work of the human and community services sector is too valuable to be stalled by a great resignation. It is essential infrastructure for the government to deliver on its priorities related to employment, mental health, housing and homelessness, early learning and child care and much more. Through the pandemic, this sector adapted, collaborated and mobilized immediately to innovate service delivery, with some transitioning in-person services to virtual and others bringing resources, like food and hygiene supplies, directly to residents. Partnerships with diverse sectors and community agencies were essential to supporting marginalized communities during the pandemic and continued collaboration will be essential to an equitable recovery. Now, the sector needs stable core, operating funding and investments to enable a comprehensive workforce strategy that supports vital organizations in their critical missions to support vulnerable community members.

## Recommendations

Immediate action is required to ensure Canada's essential human and community services infrastructure remains strong in rural, urban and northern communities through the remainder of the pandemic, the upcoming recovery, and beyond. A strong workforce is fundamental to this goal. To address labour shortages in the human and community services sector, we recommend:

- a)** Resourcing a comprehensive workforce strategy to contribute to staff training, recruitment and retention within the human and community services sector.
- b)** Investing in mental health support for frontline workers in the community and human services sector through targeted programs to prevent burn out and encourage employee retention.
- c)** The federal government lead by example in its grants and funding contribution agreements to improve working conditions and thus enable community organizations to retain staff. This should include providing longer-term and operating funding that supports higher wages, benefits, pensions and greater job security to enable the sector to retain and support its talent pool.
- d)** Creating a distinct home in government for the non-profit and charitable sector. Guided by comprehensive data collection, this will help drive strategic, long-term collaboration between government and the sector. It will also help develop a sectoral policy infrastructure to deliver on a coherent mandate so

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<sup>14</sup> Statistics Canada. (2022). Canadian Survey on Business Conditions, first quarter 2022: <https://www150.statcan.gc.ca/n1/daily-quotidien/220225/dq220225b-eng>.

government will incorporate the non-profit and charitable sector in policy decision-making and legislative development.

**e)** The new Federal Early Learning and Child Care Secretariat, in collaboration with provinces and territories, make the development of a Canada-wide early learning and child care workforce strategy a priority given that labour shortages stand in the way of expansion and raising the quality of child care programs. This strategy should be inclusive, but not limited to consideration of wages, benefits and working conditions, career paths, credentials, pre-service education and professional development. It should also include funding and strategies to address the shortage of qualified First Nations, Inuit and Métis early childhood educators. Finally, we recommend the federal government coordinate and lead efforts to develop immigration programs to help alleviate work shortages.

**f)** Implementing dedicated transfers to provinces and territories to address labour shortages and working conditions for personal support workers, strengthen not-for-profit long-term care, and mental health care.

**g)** Addressing the systemic lack of support for informal family caregivers for the elderly and family members with disabilities in accordance with research regarding their experiences, best practices for community support models and adequate financial supports.

**h)** Creating an action plan guided by targets and timelines to implement the comprehensive recommendations in Catalyst for Change, the Report of the Special Senate Committee on the Charitable Sector.