



WHEN ORGANIZATIONS ARE MORE EFFECTIVE

*Communities and
citizens thrive!*

LEADERSHIP & LABOUR MARKET DEVELOPMENT
SECTOR VOICE | RESEARCH | CUSTOM LEARNING

Submission to the
Senate Special Committee on the Charitable Sector
February 2019

Recommendations

Recommendation 1: That the Special Committee encourage the Federal Government to continue the development of a Youth Policy for Canada.

Recommendation 2: That the Special Committee encourage the Federal Government to provide sustainable support to new or existing organizations who offer youth service, youth employment and volunteering opportunities.

Recommendation 3: That the Special Committee encourage the Federal Government to collaborate with leaders in the not-for-profit sector to raise awareness and capacity to link volunteering to the Sustainable Development Goals

Recommendation 4: That the Special Committee encourage the Federal Government to work with the (Canadian) Sustainable Development Goals Data Hub to ensure that volunteer contributions are measured and reported;

Recommendation 5: That the Special Committee encourage the federal government to provide Statistics Canada with a clear mandate and the financial resources (estimated at no more than \$1 million per year) to collect, analyze, and disseminate data about the social purpose sector.

Recommendation 6: That the Special Committee encourage the federal government to work with the social purpose sector to identify and implement machinery of government changes so that the long-term health and vitality of the sector are an integral part of the federal policy-and decision-making process.

Recommendation 1

Canada faces persistent social and environmental challenges, food insecurity, violence against women, Indigenous reconciliation, to name a few. Complex social problems persist despite the best efforts of communities and governments across Canada.

Our approach to economic development and social well being in Canada has been reflective of the mindset we hold towards the roles of our public, private, and social purpose sectors in which the private sector generates the wealth needed to improve quality of life, and the charitable sector provides relief to vulnerable people. Governments have perpetuated this siloed approach by stimulating innovation in the private sector and largely ignoring the creative capacity and the expertise of the community sector. Quality of life can not be the mandate solely of the private sector nor can caring for our most vulnerable and marginalized be the responsibility solely of the social purpose sector. Canadians are best served when governments recognize and support the economic and social capacity of all sectors and when government works together with all sectors to improve economic and social outcomes.

Fortunately, a collective awareness is emerging in society around the need to do better. Social innovation and social finance encourage cross-sector partnerships, new ways of thinking and doing, and experimentation aimed at achieving better outcomes. This change in mindset is, in part, powered by the connectivity of technology that exposes us as individuals and as a country to our role and responsibility to each other within a global ecosystem. Youth today have unprecedented access to the world. Boundaries and borders that shaped our world and siloed our thinking have been dismantled by social media platforms that have created space for the free exchange of knowledge and ideas. We have a young generation of global thinkers.

In February 2018, the Government of Canada launched a national dialogue with youth to help shape the country's first-ever Youth Policy. A diverse cross-section of young Canadians discussed priorities, leadership, youth engagement, and the role of government.

The salient priorities in the eyes of participants were education and employment, physical and mental health, and the environment and climate change. At the same time, and perhaps more significantly, it is apparent that young people see a tight and complex interconnectivity between issues, as evidenced by their discussion of the socio-economic and environmental determinants of health, and the importance they place on addressing the root causes of problems like homelessness.¹

The ideas advanced during the dialogue stressed inclusion, opportunity, participation and diversity. In economic terms, this way of thinking emphasizes the long-term return on investment (ROI) that societies can expect when they remove barriers and create opportunities to give all young people a chance to succeed on their own terms, regardless of socio-economic status, gender, region, ethnicity, level of ability, etc.: "The path to our collective future relies on every member of society being able/given the opportunity to reach their full potential."²

It is essential that the Federal government continue the conversation with Canada's emerging and future leaders on the complex issues facing Canada and that the development of a Youth Policy remain a priority.

¹ <https://www.canada.ca/en/youth/corporate/transparency/what-we-heard.html>

² <https://www.canada.ca/en/youth/corporate/transparency/what-we-heard.html>

Recommendation 2

By providing volunteer opportunities, the social purpose sector in Canada provides a pathway for youth to gain perspective on the world, to learn invaluable social and professional skills, and to have a positive impact on their communities. An impact that is both social and economic.

It is estimated that volunteers added over two billion hours to Canada's work effort in 2017. This volunteer contribution is valued at \$55.9 billion in 2017—equivalent to 2.6 per cent of GDP.

Table 1

Volunteer Rate and Volunteer Hours, 2017

(population aged 15 and over)

	2004	2007	2010	2013	2017*	Average growth, per cent
Total population 15 and over (000s)	26,021	27,000	28,206	29,188	30,537	1.2
Number of volunteers (000s)	11,773	12,444	13,249	12,716	13,304	0.9
Volunteer rate (per cent)	45.2	46.1	47.0	43.6	43.6	
Total annual volunteer hours (millions)	1,978	2,062	2,063	1,957	2,072	0.4
Average annual volunteer hours (hours)	168.0	165.7	155.7	153.9	155.7	-0.6
Total number of jobs equivalent (000s)						
Full- and part-time employment	1,122	1,166	1,195	1,127	1,204	0.5
Full-time employment	1,009	1,049	1,064	1,009	1,077	0.5

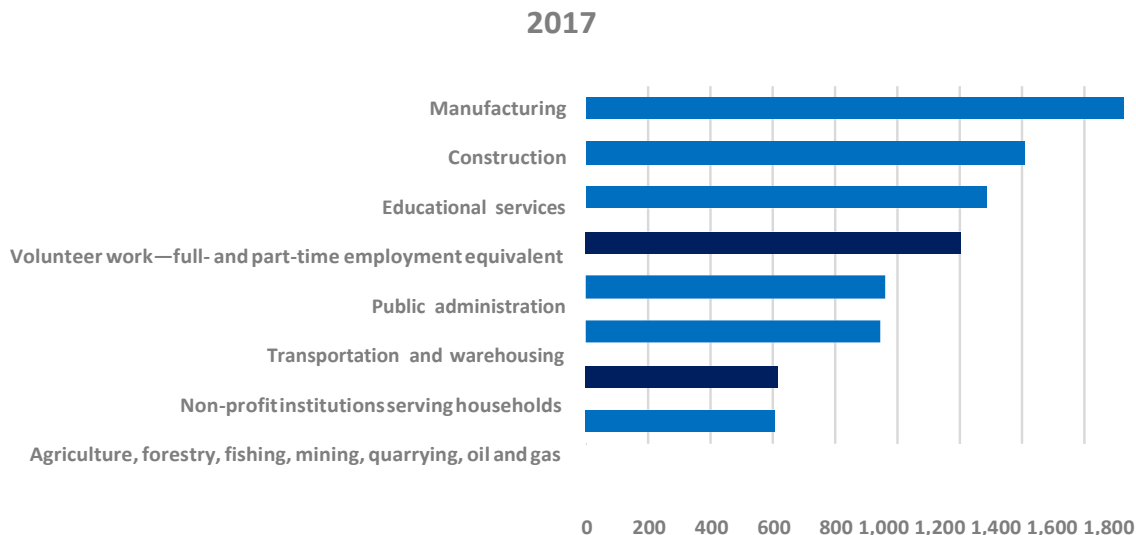
* Conference Board estimates

Sources: Statistics Canada, GSS GVP and CANSIM tables 282-0028, 051-0001, and 383-0033; The Conference Board of Canada.

Chart 1

Employment by Industry

(000s, North American Industrial Classification)



Sources: Statistics Canada, CANSIM tables 282-0012 and 383-0033; The Conference Board of Canada.

Table 2

Value of Volunteer Time and Non-Profit Sector

(current \$)

	2004	2007	2010	2013	2017*	Average growth, per cent
Total value volunteer time (\$ billions)	36.2	42.8	47.7	48.7	55.9	3.4
Share of total GDP (per cent)	2.7	2.7	2.9	2.6	2.6	
Average wage in non-profit sector (\$/hr)	18.3	20.7	23.1	24.9	27.0	3.0
GDP in non-profit sector (\$billions)	17.9	21.4	22.9	26.4	30.6	4.2
Non-profit sector with volunteering (\$ billions)	54.1	64.2	70.6	75.1	86.6	3.7
Share of total GDP (per cent)	4.1	4.1	4.2	4.0	4.0	
Total GDP (\$ billions)	1,331	1,574	1,662	1,898	2,144	3.7

Sources: Statistics Canada, GSS GVP and CANSIM tables 282-0028 and 383-0033; The Conference Board of Canada.

Canadians aged 15 to 19 have the highest volunteer rate, with 66% of youth volunteering.³

The Social Purpose sector is not only a destination for youth to build skills and experience through volunteering. Often the first point of contact youth have with the paid labor market is through summer student positions, internships, co-op placements, etc. in community organizations. In rural communities across Canada, the retention of youth is vital to community sustainability. While the Sector is strong in its capacity to attract youth into its labor force, it is challenged in its ability to retain youth. A lack of multi-year funding agreements, term and project-based employment, uncompetitive compensation rates and packages, under skilled Human Resource management, an ageing workforce without the resources to retire, all contribute to the outmigration of youth from the Social Purpose sector and from rural Canada. The Federal Government must work with the Social Purpose sector to retain youth across rural Canada, and to stabilize the Sector's capacity to provide services to youth, youth employment, and youth volunteer opportunities.

³Volunteering in Canada – 2018

report https://volunteer.ca/vdemo/Campaigns_DOCS/Value%20of%20Volunteering%20in%20Canada%20Conf%20Board%20Final%20Report%20EN.pdf (data from 2013)

Recommendation 3

Youth volunteer for a multitude of reasons, however many are motivated to shape their communities, restore the planet, and to express their identity as global citizens.⁴ This is good news for Canada and its sustainable development goals. (SDGs)

In 2015, the United Nations General Assembly adopted SDGs, also known as global goals, to mobilize global efforts to improve social, economic and environmental conditions around the world. Canada was among the 193-member states that adopted these goals, with a commitment to achieve them by 2030.⁵

Canada has committed to support the SDGs through international aid and to recognize the relevance of the goals in Canadian communities.

In 2017, Volunteer Canada started the process to collaborate with Employment and Social Development Canada to explore the link between the volunteer activities of Canadians and the Sustainable Development Goals.

Linking the activities of Canadian volunteers and the organizations they support with the Sustainable Development Goals can help us achieve several objectives:⁶

1. Raise awareness that the SDGs are relevant to Canadian communities.

The SDGs further the Millennium Development Goals by applying to all countries, not just developing ones. The SDGs challenge Canadians to think about how they can contribute, such as by helping reduce hunger and inequality in their communities.

2. Illustrate how volunteers already contribute to achieving these goals in Canada and abroad. Many not-for-profits are tackling these difficult issues.

3. Demonstrate how community organizations are working to achieve the SDGs through their missions, programs, services and activities.

4. Identify areas where increased volunteer effort is needed.

By linking volunteer activities with the goals, we can see which goals are not getting as much attention and adjust our efforts. We can also increase volunteer engagement by using the SDGs as a framework to recruit volunteers and mobilize communities.

5. Communicate to volunteers their impact in a clear and compelling way.

Through its work in the areas addressed by the SDGs, the Social Purpose Sector holds expertise and knowledge that can support the Canadian Government and contribute to the advancement of Canada's commitment to these goals.

⁴ Statistics Canada (2015), 2013 General Social Survey on Giving, Volunteering, and Participating (GSS GVP)

⁵ United Nations <https://www.youtube.com/watch?v=5G0ndS3uRdo>

⁶ https://volunteer.ca/vdemo/Campaigns_DOCS/CDHPD%20The%20Sustainable%20Development%20Goals%20and%20Volunteer%20Factor%20English%20Report.pdf

Recommendation 4

In July 2017, the Global Indicators Framework was developed to provide a standardized system to track global progress. Each goal has a number of targets with 232 indicators. Statistics Canada created the Sustainable Development Goals Data Hub to provide a centralized system to track Canada's progress.⁷

“Statistics Canada is central focal point for reporting Canada's data for the global SDG indicators and works as a coordinating body for the National Statistical System. Statistics Canada is responsible for the collection, collation, analysis, presentation and dissemination of data for regular monitoring of Canadian progress against the global indicators and has developed this on-line data hub for disseminating Canada's SDG data.”

-Data Hub website

The Federal Government must continue in its commitment to provide Statistics Canada with a mandate to continue to track and report on the impact of Canada's efforts in regards to the SDGs, including ensuring that volunteer contributions are measured and reported.

Recommendation 5

Data is not just essential for measuring our progress in terms of the SDGs; data is essential for determining the impact of the Social Purpose sector and in providing Labor Market Information on the Sector.

Regarding registered charities, we can with some confidence refer to approximately 86,000 organizations, as each one must file an annual information and financial return (the T3010 form) with the Canada Revenue Agency. We also have relatively good data about their overall revenues and the donations they receive (whether tax-receipted or not). Employment data is less reliable, the data available to us indicate that two million Canadians work in the sector, which accounts for more than 8% of GDP. Data about self-generated revenue is insufficiently detailed for proper analysis. These are revenues that come from neither government nor donations, but are generated through activities like membership fees, the sale of goods and services, or the operation of related businesses. Information about nonprofits is inconsistent and scarce, and largely based on surveys and data generated by Statistics Canada in 2003. Nonprofits may be incorporated at either the federal or the provincial/territorial level. Reporting requirements vary from jurisdiction to jurisdiction. In the case of federally-incorporated nonprofits, not all are required to submit annual financial returns.

⁷ Statistics Canada Sustainable Development Data Hub launched in October 2018. <https://www144.statcan.gc.ca/sdg-odd/index-eng.htm>

Data about charities, nonprofits, and social enterprises as a whole has not been seen as a priority. Statistics Canada last conducted the National Survey of Nonprofit and Voluntary Organizations (upon which much of our understanding of nonprofits is based) in 2003, and last published the Satellite Account of Nonprofit Institutions and Volunteering (upon which much of our economic understanding of the sector is based) in 2010 (using 2008 data). Neither of these products was considered part of Statistics Canada's core mandate.

Statistics Canada has shown an openness to work with the sector to identify data needs and to provide a one-time update to the Satellite Account. (This has been completed but not published.) However, officials have also indicated that unless the government provides the necessary mandate and resources, they will not be able to commit to regularly producing the data that policy-makers need.

Recommendation 6

There is currently no federal department, minister, agency, or secretariat with a mandate to steward the interests of the social purpose sector as a whole. Contrast this with other economic sectors –many of which account for a smaller portion of GDP than our sector –like manufacturing, small business, agriculture, forestry, oil and gas, and fisheries. These all have dedicated structures within government with a mandate to promote their overall health. The lack of a “home” in government manifests itself in two significant ways:

1. To the extent that the government has made public commitments on proactive policy development, it is unclear which department or minister has primary responsibility. For example, the Ministers of Finance, National Revenue, and Justice have all been charged in their mandate letters to move forward on a modernized legal and regulatory regime for charities and nonprofits. It is not clear, though, who actually has overall responsibility for the issue, and to whom sector representatives can best direct their efforts. Similarly, the Minister of Families, Children and Social Development and the Minister of Employment, Workforce Development and Labour have joint responsibility to develop a social innovation and social finance agenda.

2. When government policies are developed, there is no formal structure to give consideration to the effect on charities and nonprofits. Policy-makers are not required to explore the effects on charities and nonprofits the way they are required to consider gender, small business, rural vs. urban considerations, official language communities, or Indigenous people and communities

In the absence of a dedicated body, the Federal Government has no clear pathway to work with the Social purpose sector on its health, sustainability, and growth.