

Understanding the Capacity of Social Services Organizations

A Synthesis of Findings from the National Survey of Nonprofit and Voluntary Organizations and the National Survey of Giving, Volunteering and Participating

By
Cathy Barr, Barbara Brownlee,
David Lasby & Glenn Gumulka



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The logo for the Government of Canada, featuring the word "Canada" in a serif font with a stylized Canadian flag above the letter 'a'.

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Executive Summary

This report presents the first comprehensive portrait of Canada's Social Services organizations—a major sub-sector within the nation's nonprofit and voluntary sector. Social Services organizations provide an enormous range of services for children, youth, families, immigrants, refugees, the elderly, the disabled, the homeless, the poor, and others. Using data from the 2000 National Survey of Giving, Volunteering and Participating (NSGVP)¹ and the 2003 National Survey of Nonprofit and Voluntary Organizations (NSNVO),² we explore the key characteristics of Social Services organizations, their financial and human resources, and the challenges they face as they attempt to fulfill their missions.

According to the NSNVO, there are approximately 19,000 Social Services organizations in Canada, accounting for 12% of the country's estimated 161,000 nonprofit and voluntary organizations. Collectively, these organizations report annual revenues of \$11.1 billion—10% of total sector revenues—and a total membership of over 12 million people and 59,000 organizations. Most Social Services organizations (72%) are registered charities, a status that allows them to issue tax receipts for donations and access foundation funding. Half (50%) have revenues of \$100,000 or more, compared to just over one-third (36%) of all organizations. More than half (52%) have been in operation for less than 20 years.

In the nonprofit and voluntary sector as a whole, revenues tend to be concentrated among a small percentage of large organizations. The same pattern exists in the Social Services sub-sector, where the 12% of organizations with revenues over \$1 million account for 75% of revenues.

Social Services organizations are very dependent on government funding, receiving 66% of their revenues from government sources. They are more likely than nonprofit and voluntary organizations in general to report that their revenues increased between 2000 and 2003. Almost half (46%) report increased revenues, compared to 36% of all nonprofit and voluntary organizations.

Although individual donations do not comprise a large proportion of the revenues of Social Services organizations, the NSGVP estimates that 38% of Canadians aged 15 and older—9 million people—made a donation to a Social Services organization in 2000. On average, each Social Services donor gives \$55 annually. Social Services organizations receive 20% of all donations and 10% of the value of all donations made to Canadian nonprofit and voluntary organizations. In terms of their personal and economic characteristics, Social Services donors are very similar to all donors. That is, they tend to be women, aged 35 to 54, married or in common-law relationships, with post-secondary educations, and annual incomes over \$60,000.

Despite the fact that they have more financial resources than many other types of nonprofit organizations, Social Services organizations still report a variety of problems relating to finances and external funding. At least 60% say that they have problems dealing with increasing demands for services or products, obtaining funding from other organizations, and obtaining funding from individuals. At least 70% of Social Services organizations that receive external funding report that reductions in government funding, the unwillingness of funders to support core operations, and over-reliance on project funding are problems for them. Large organizations, those that are dependent on government for more than half their revenues, and those that have experienced a decrease in revenues are the most likely to report financial and funding problems.

¹ The NSGVP is a national survey that asks Canadians aged 15 and older about the time and money they contribute to nonprofit and voluntary organizations.

² The NSNVO is a national survey that asks Canadian nonprofit and voluntary organizations about their revenues, human resources, and the challenges they face in attempting to fulfill their missions.

The NSNVO estimates that Social Services organizations employed more than 297,000 people in 2003, or about 15% of the total nonprofit and voluntary sector workforce. Social Services organizations rely heavily on paid staff to deliver their services. Fewer than one-third (31%) of Social Services organizations have no paid staff, compared to more than half (54%) of all nonprofit and voluntary organizations. They are also more likely to have large staff contingents. Twenty-nine percent have 10 or more staff members, compared to 12% of all organizations; 14% have 25 or more staff members, compared to 6% of all organizations.

Likely due to their reliance on paid staff, Social Services organizations are far more likely than other types of organizations to report problems in this area. For example, 49% say they have difficulty obtaining the type of paid staff they need. In the sector in general, only 28% of organizations say that this is a problem for them. Similarly, 47% of Social Services organizations say they have difficulty providing staff training and development, compared to only 27% of all organizations. Social Services organizations are also considerably more likely than all organizations to say that the lack of paid staff to recruit and manage volunteers is a problem for them (50% vs. 35%).

Volunteers also play an important role in Social Services organizations. According to the NSGVP, about 1.8 million Canadians volunteered with a Social Services organization in 2000. These volunteers gave an average of 120 hours each, and together they contributed a total of 214 million hours in 2000. Like volunteers in general, Social Services volunteers tend to be women, aged 35 to 54, married or in common-law relationships, with post-secondary educations. Social Services volunteers are, however, more likely than all volunteers to have household incomes under \$40,000 per year, and top Social Services volunteers are even more likely to come from this income group.

The key strengths of Social Services organizations appear to be their local community focus, their attention to specific populations, and the dedication of their staff and volunteers. Some of the most significant challenges facing Social Services organizations relate to their reliance on government funding and the high level of change they have experienced in the last few years, both of which are associated with a host of capacity issues. These trends may pose even greater problems in the future, as Social Services organizations are more likely than nonprofit and voluntary organizations in general to report increasing revenues and paid staff levels.

Introduction

This report presents the first comprehensive portrait of Canadian Social Services organizations. Social Services organizations have a significant social and economic presence in this country, collectively reporting annual revenues of \$11.1 billion, employing over 297,000 people, and benefiting from the assistance of 1.8 million volunteers. They have more revenues and paid staff than nonprofit and voluntary organizations in general. Despite this, they face a number of challenges, including a heavy reliance on government funding, increasing demands for products and services, over-reliance on project funding, and difficulties obtaining the type of staff they need.

Social Services organizations provide an enormous range of services to Canadians. For the purposes of this report, Social Services organizations are defined as organizations that provide:

- services to children, youth, families, the disabled, the elderly, immigrants, and refugees;
- income support and maintenance services;
- material assistance such as food, clothing, and transportation;
- self-help programs and personal social services such as credit counselling;
- temporary shelters for the homeless; and
- disaster and emergency services, including volunteer fire departments (Salamon & Anheier, 1997).

The data in this report are from two complementary surveys: the 2003 National Survey of Nonprofit and Voluntary Organizations (NSNVO) and the 2000 National Survey of Giving, Volunteering and Participating (NSGVP). The NSNVO asked a random sample of 13,000 organizations across the country about their activities, financial resources, human resources, and capacity challenges. The NSGVP asked over 14,000 randomly selected Canadians about the time and money they contribute to nonprofit and voluntary organizations. Both surveys used the International Classification of Nonprofit Organizations (ICNPO) to classify organizations into various sub-sectors. This common classification allows us to combine the two surveys to create a complete picture of Social Services organizations.

Although some information on Social Services organizations has been published elsewhere (see, for example, Hall et al., 2001, 2003; Lasby & McIver, 2004a, 2004b), this is the first time that information from both of these surveys has been combined in one report. This is also the first published report to focus solely on Social Services organizations—an important sub-sector within Canada's nonprofit and voluntary sector.

The purpose of this report is to allow people with a specific interest in Social Services organizations—board members, staff members, volunteers, donors, corporate and government funders—to develop a better understanding of these organizations and the challenges they face. Most of the information is presented in graphical format so that the report can be used as a quick reference guide. Because understanding is deepened by comparison, considerable attention is paid to explaining how Social Services organizations compare to the nonprofit and voluntary sector in general. The information in this report can be used to:

- increase awareness of the importance and contributions of Social Services organizations,
- improve fundraising and volunteer management practices within Social Services organizations,
- draw attention to the successes and challenges of Social Services organizations, and
- develop evidence-based policies to help strengthen Social Services organizations.

This report is divided into three parts:

1. *Key Characteristics*. In this section, we use data from the NSNVO to describe some key characteristics of Social Services organizations such as how many there are, how long they have been in operation, their legal status, and the populations they serve.
2. *Financial Resources and Challenges*. This section uses the data on individual donors and donations from the NSGVP and organizational revenue information from the NSNVO to explore the financial resources available to Social Services organizations and the financial challenges they face.
3. *Human Resources and Challenges*. In this section, we use data on volunteers from the NSGVP and data on paid staff and capacity problems from the NSNVO to examine the human resources—both voluntary and paid—that are available to Social Services organizations and the challenges they have in this area.

This report is intended to provide a comprehensive portrait of Social Services organizations and their donors and volunteers. From it, a picture emerges of a group of organizations that provides services that are critical to the quality of life in our communities.

Key Characteristics

Social Services organizations have many characteristics that differentiate them from other types of nonprofit and voluntary organizations. In this section, we use data from the NSNVO to describe these key characteristics. Their implications will be discussed more fully in the sections on financial and human resources.

Highlights

Quick facts

- 19,000 organizations in Canada (12% of the 161,000 Canadian nonprofit and voluntary organizations)
- Total revenues of \$11.1 billion (10% of the sector total of \$112 billion)
- Total membership of over 12 million people and 59,000 organizations
- 72% are registered charities, compared to 56% of all organizations
- 51% report annual revenues of \$100,000 or more, compared to 36% of the whole sector
- 52% have been in operation fewer than 20 years

Locally focused organizations serving specific populations

- 91% primarily serve a neighbourhood, city, town, rural municipality, or region
- More likely than other types of organizations to serve children and young people; parents and families; and disadvantaged, needy, or offender populations

Prevalence and concentration varies across the country

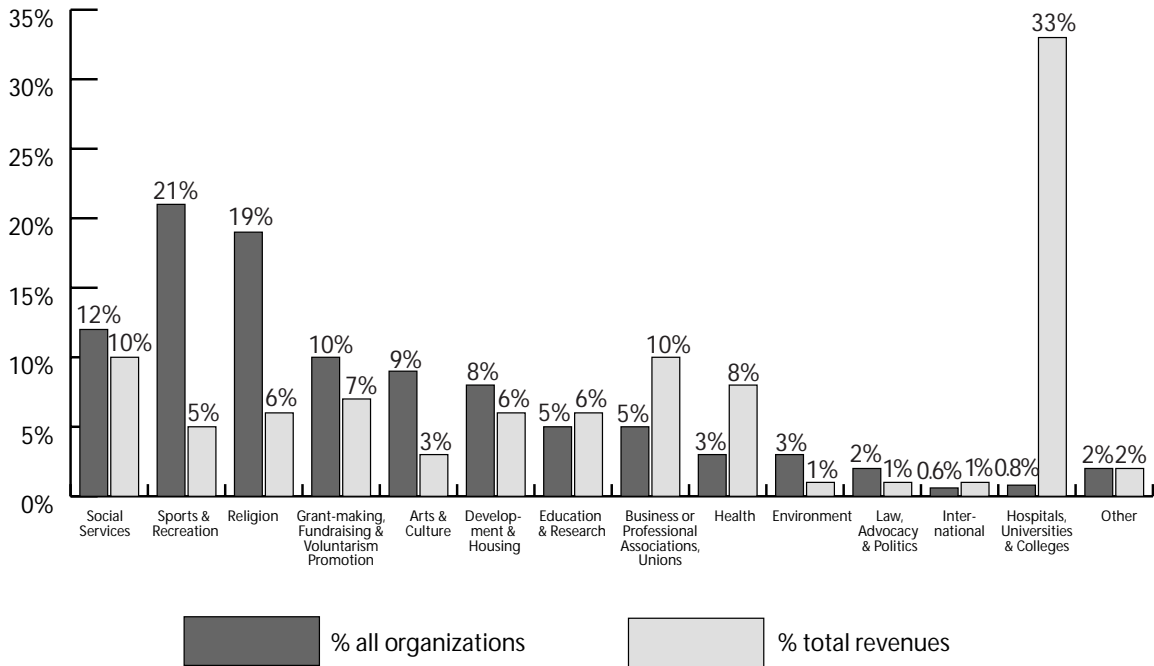
- Social Services organizations account for 15% of nonprofit and voluntary organizations in Quebec; 9% in Alberta and British Columbia
- They receive 12% of revenues in Ontario; 6% in the Atlantic Provinces
- There are 90 Social Services organizations per 100,000 people in Quebec; 42 per 100,000 in Ontario

Number of organizations

According to the NSNVO, there are approximately 19,000 Social Services organizations in Canada, accounting for 12% of the country's estimated 161,000 nonprofit and voluntary organizations (see Figure 1). Collectively, these organizations report annual revenues of \$11.1 billion.

Social Services is the third largest activity area, next to Sports and Recreation (21% of all organizations) and Religion (19%). Social Services organizations account for 10% of total sector revenues—the largest proportion of any sub-sector except Hospitals, Universities and Colleges.

Figure 1: Percentage of organization and percentage of total revenues by primary activity area, NSNVO 2003



Regional distribution of organizations and revenues

The prevalence of Social Services organizations varies considerably by region. They are most prevalent in Quebec, where they represent 15% of the province’s nonprofit and voluntary organizations. They are least prevalent in British Columbia and Alberta, where they represent just 9% of organizations in the province (see Figure 2).

Social Services organizations in the Prairies and Territories, Quebec, and the Atlantic Provinces receive smaller shares of total revenues than one would expect given their share of organizations. Organizations in Ontario and Alberta receive larger shares than one would expect. More information on revenues is presented in the *Financial Resources and Challenges* section.

Quebec and the Prairies and Territories have the largest concentration of Social Services organizations, with 90 and 84 organizations per 100,000 people, respectively (see Figure 3). Ontario has the lowest concentration of organizations—42 per 100,000 people.

Figure 2: Percentage of organizations and percentage of total revenues by region, Social Services organizations, NSNVO 2003

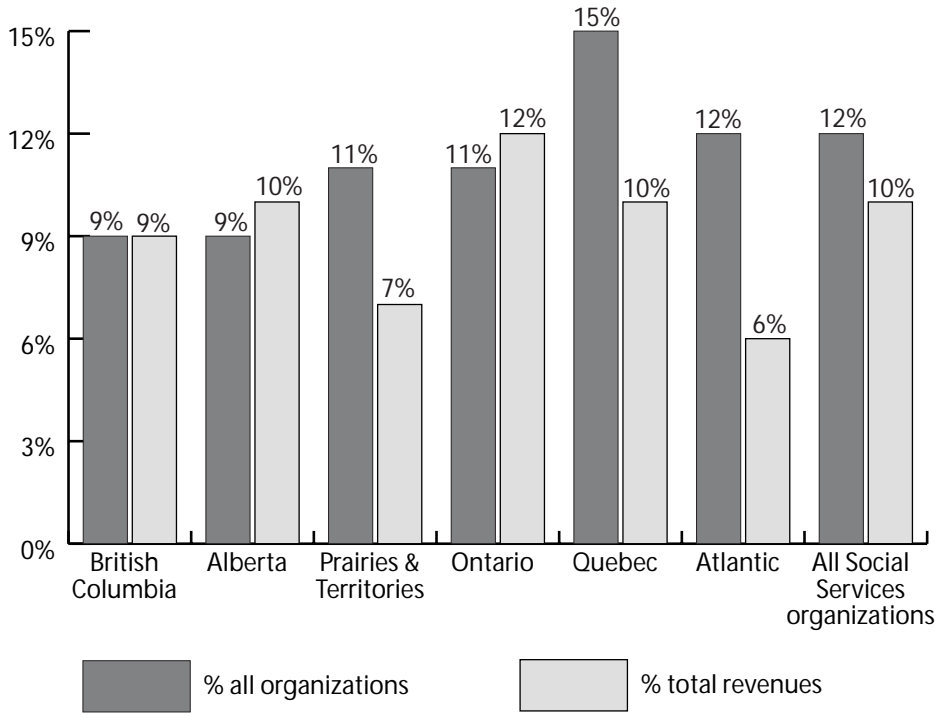
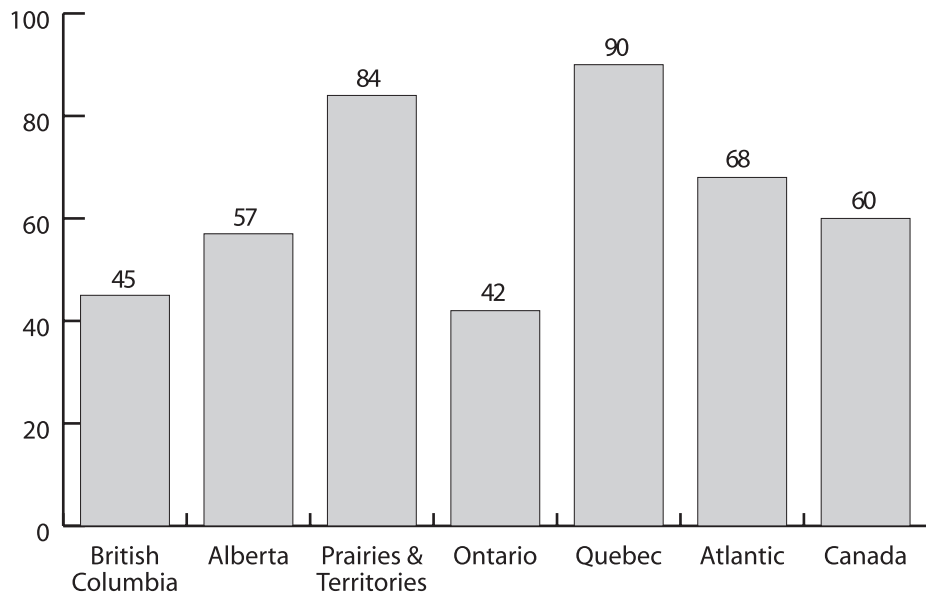


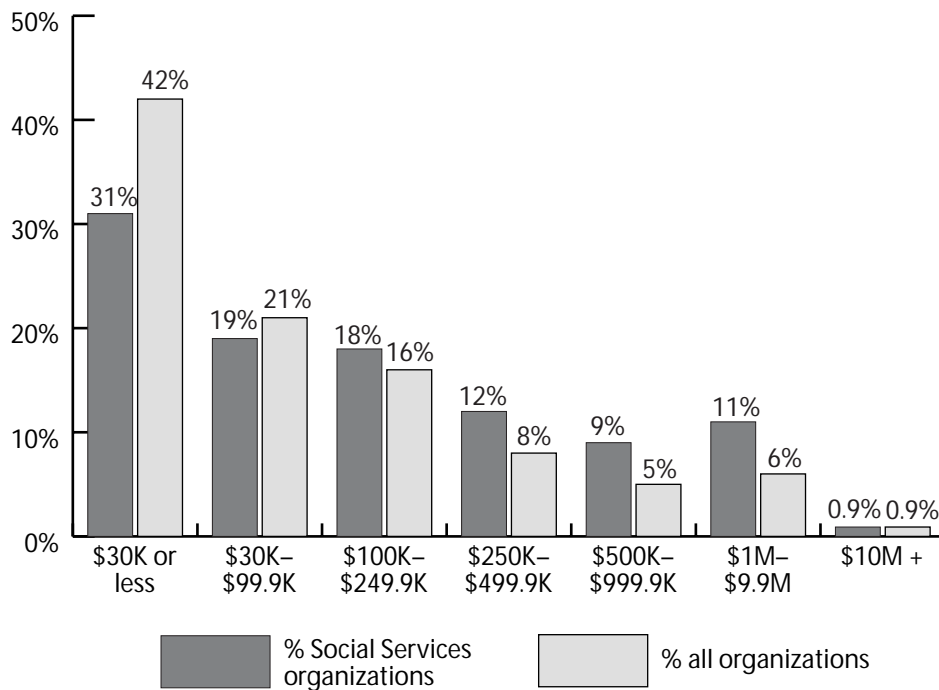
Figure 3: Number of Social Services organizations per 100,000 population by region, NSNVO 2003



Size of revenues

Social Services organizations tend to be larger than other types of nonprofit and voluntary organizations, in terms of annual revenues (see Figure 4). One-half (50%*) of Social Services organizations report annual revenues of \$100,000 or more, compared to just over one-third (36%) of all nonprofit and voluntary organizations. Social Services organizations are almost twice as likely as all organizations to have annual revenues of \$1 million or more (12% vs. 7%). However, it is important to note that two-thirds (68%) of Social Services organizations report annual revenues under \$250,000.

Figure 4: Percentage of organizations by annual revenues, NSNVO 2003



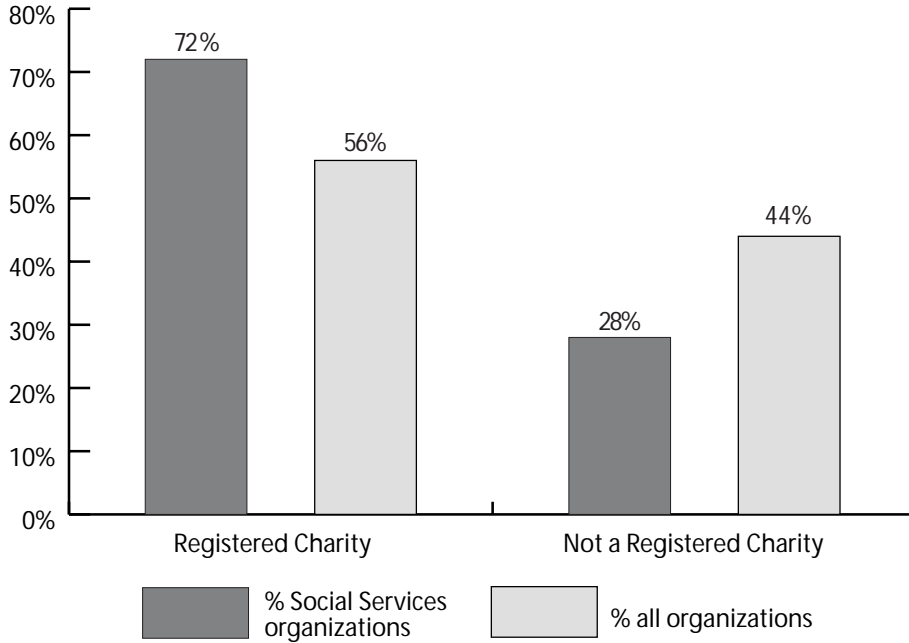
Legal status

Legally, two broad classes of nonprofit and voluntary organizations exist in Canada: charitable and non-charitable. Charitable organizations must be formally registered as such with the Canada Revenue Agency. To be eligible for charitable status, an organization’s major purpose must be the relief of poverty, the advancement of education, the advancement of religion, or other purposes of a charitable nature beneficial to the community as a whole, including health. Charitable status allows organizations to issue tax receipts for donations and to access foundation funding, which by law is restricted to registered charities.

Social Services organizations are more likely than nonprofit and voluntary organizations in general to be registered charities. Almost three-quarters (72%) of all Social Services organizations are registered charities, versus 56% of organizations in the sector as a whole (see Figure 5).

* Figure differs from sum derived from chart due to rounding of numbers for individual categories.

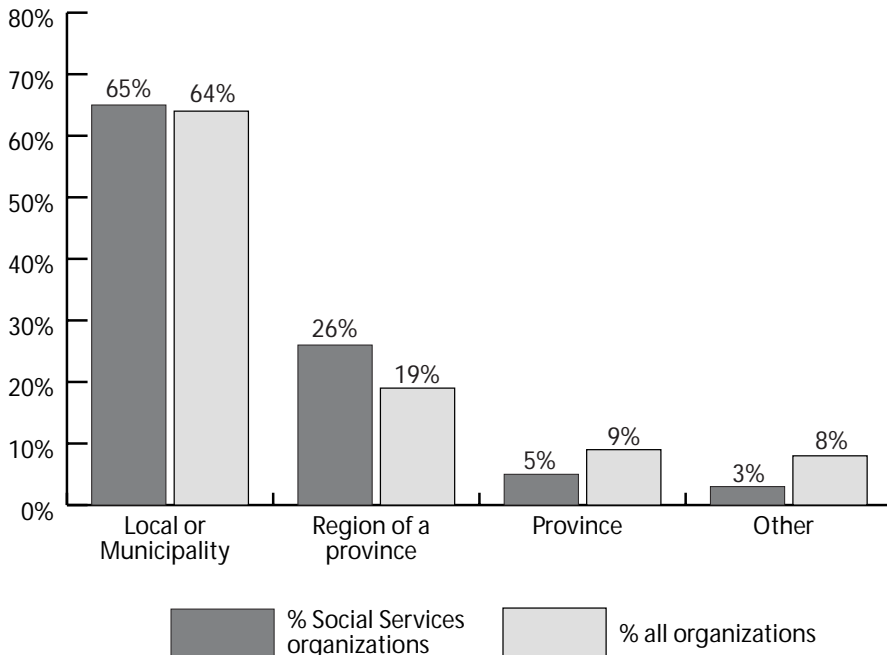
Figure 5: Charitable status of organizations, NSNVO 2003



Geographic focus

Two-thirds (65%) of Social Services organizations serve a neighbourhood, city, town, or rural municipality while one-quarter (26%) serve a region of a province or territory (see Figure 6). The proportion serving a region is higher than it is in the nonprofit and voluntary sector as a whole (19%).

Figure 6: Main geographic areas served, NSNVO 2003

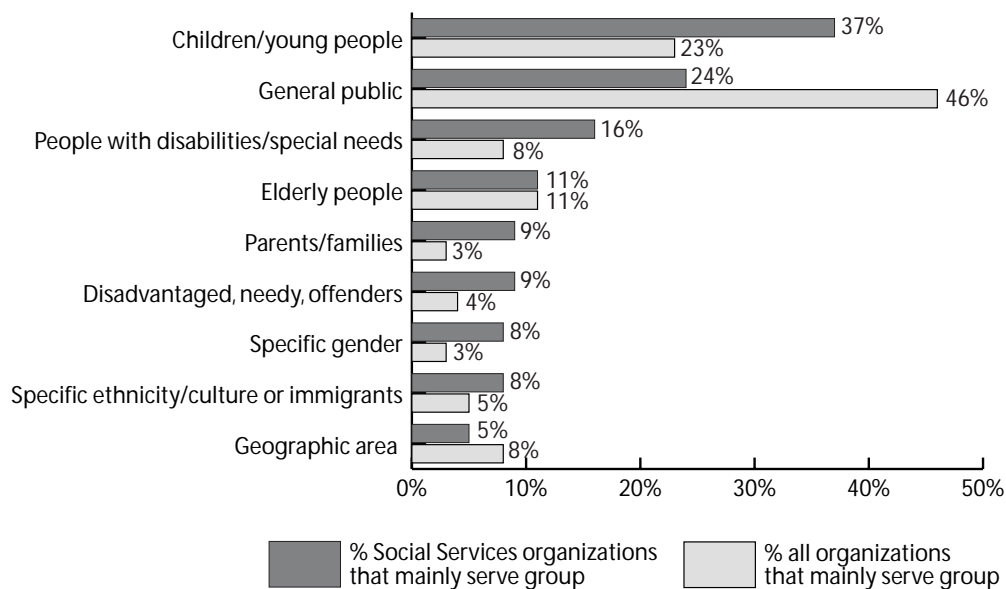


Population served

An overwhelming majority of Social Services organizations (86%) provide products or services to people directly (as opposed to other organizations). This is a larger proportion than in the nonprofit and voluntary sector as a whole, where 73% of organizations report serving people directly.

Of those Social Services organizations that serve people directly, 37% report that they primarily serve children and young people, compared to 23% of organizations generally (see Figure 7). Social Services organizations are also more likely to serve parents and families (9% vs. 3%), and disadvantaged, needy, or offender populations (9% vs. 4%). They are less likely to serve the general public (24%, compared to 46% of all organizations).

Figure 7: Population served, NSNVO 2003 *



* includes only organizations that serve people directly

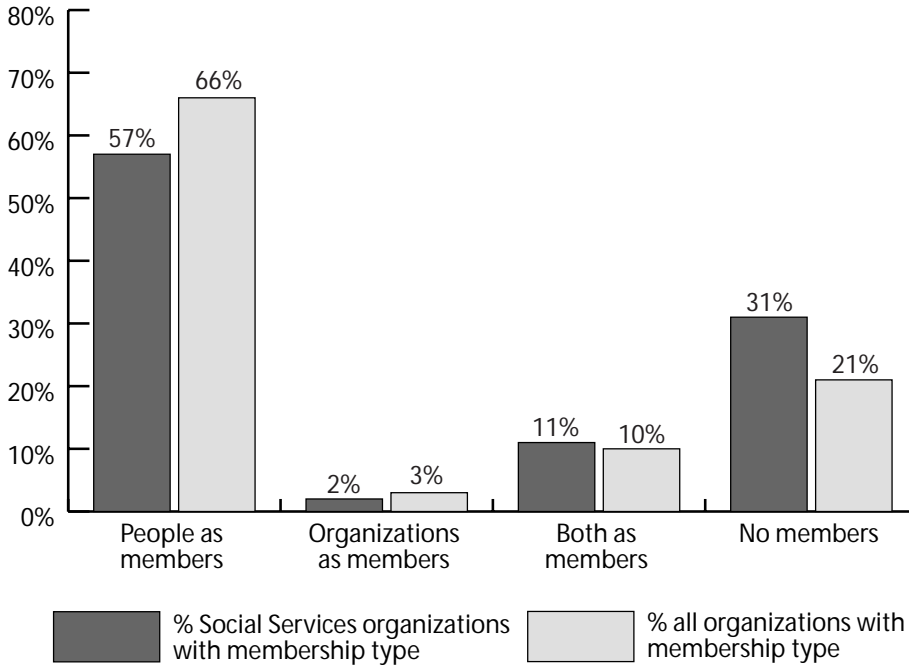
Membership

Social Services organizations report a total membership of over 12 million people and 59,000 organizations.³

Interestingly, Social Services organizations are more likely than organizations in general to have no members. Almost one-third (31%) have no members, compared to less than one-quarter (21%) of all organizations (see Figure 8). More than half (57%) have people as members, 11% have both people and organizations as members, and 2% say that their members are other organizations.

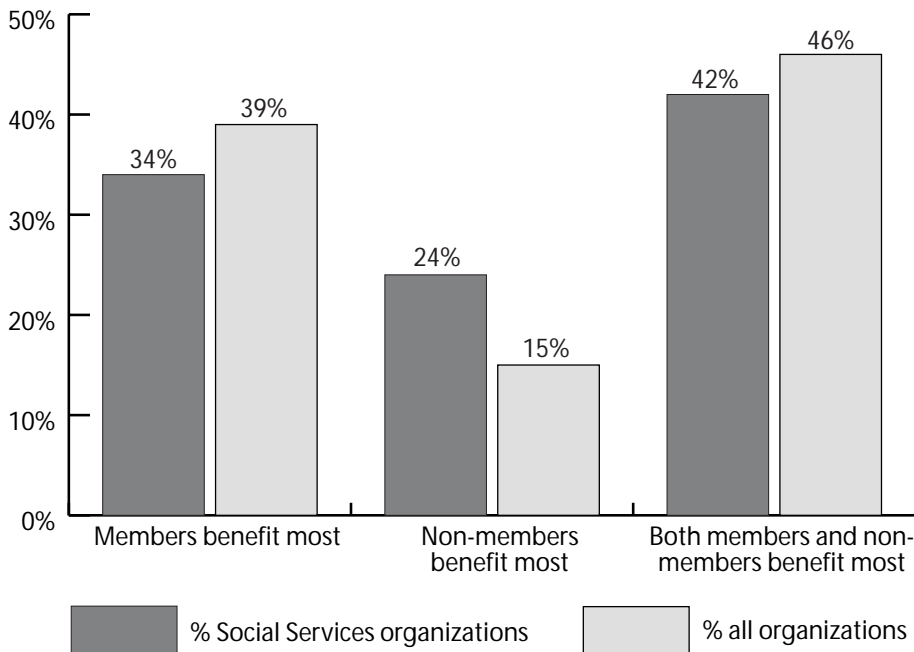
³ Respondents to the NSNVO were asked to estimate membership size based on their own organization's definition of a member. This definition may vary from one organization to another.

Figure 8: Membership composition, NSNVO 2003



Some nonprofit and voluntary organizations provide members with special privileges or benefits. In the sector as a whole, 39% of organizations report that their members benefit the most from their activities. In contrast, only 34% of Social Services organizations say that their members benefit most from their activities (see Figure 9). Nearly one-quarter (24%) of Social Services organizations say that non-members benefit more than members, compared to just 15% of all organizations.

Figure 9: Primary beneficiaries of services or products, NSNVO 2003

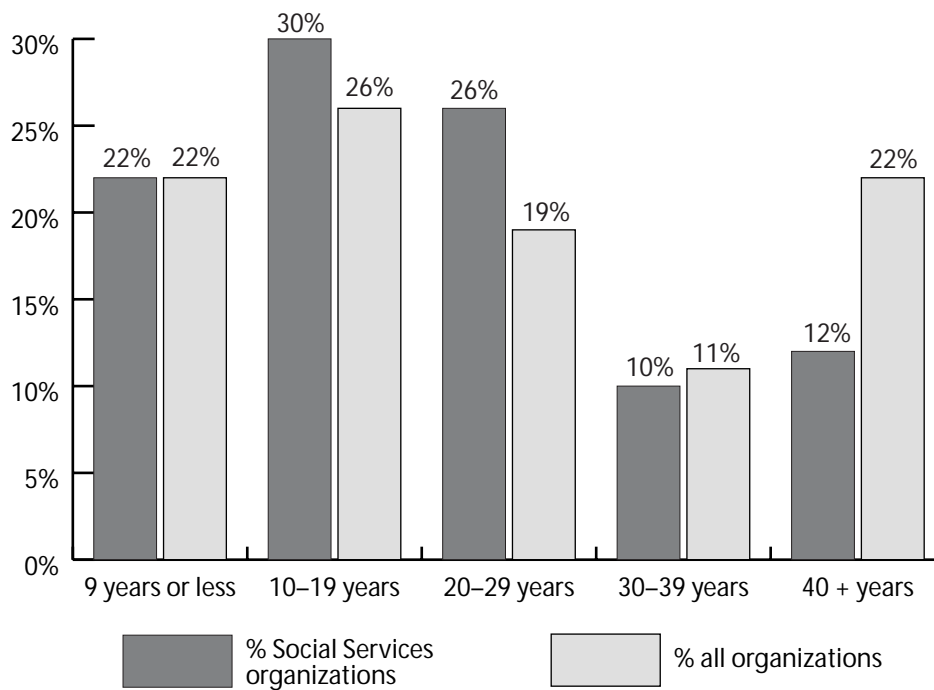


Years in operation

Social Services organizations have been in operation for fewer years than other nonprofit and voluntary organizations. In fact, more than half (52%) have been in operation for less than 20 years (see Figure 10). And while one-third (33%) of all organizations have been around for 30 years or more, the same is true for only 22% of Social Services organizations.

Fifty-six percent of Social Services organizations have been in operation for between 10 and 29 years, compared to 45% of all organizations. This indicates that there was substantial growth in the nonprofit sector between 1973 and 1993 and that this growth was particularly marked in the Social Services sub-sector.

Figure 10: Years of operation, NSNVO 2003



Summary

Social Services organizations represent 12% of the organizations in Canada's nonprofit and voluntary sector and account for 10% of total sector revenues. Social Services organizations tend to be larger than nonprofit and voluntary organizations in general, with one-half (50%) reporting annual revenues of \$100,000 or more.

Providing a diverse range of services to individuals within neighbourhoods, cities, towns, and regions, Social Services organizations offer assistance and support to all Canadians, but often tailor their services to meet the needs of special populations. Children, parents, and families are a particular focus for Social Services organizations. These organizations tend to serve both members and non-members. Almost a quarter say that their services benefit non-members more than members.

Social Services organizations are more likely than other nonprofit and voluntary organizations to be registered charities. However, they have not been in existence as long as many other types of organizations—more than half have been around for less than 20 years.

Financial Resources and Challenges

Nonprofit and voluntary organizations have a substantial economic presence in Canada. In this section, we explore the financial resources of Social Services organizations, and the constraints they face with regard to their financial capacity. The data on organizational revenues and capacity challenges come from the NSNVO, while the data on individual donors and donations come from the NSGVP.

Highlights

Quick facts

- The 12% of Social Services organizations with annual revenues of \$1 million or more account for 75% of all revenues in the sub-sector
- 66% of revenues come from governments, compared to 49% for all organizations
- 46% of Social Services organizations reported increases in revenues between 2000 and 2003
- 38% of Canadians aged 15 and over (9 million individuals) donate to Social Services organizations

Donors and donations

- Social Services organizations receive 20% of all donations and 10% of the value of all donations
- Average annual donation is \$55
- 82% of the value of donations comes from the top 25% of donors
- Donors are most likely to be women, aged 35 to 54, married or in common-law relationships, with post-secondary educations, and annual incomes of \$60,000 or more

Capacity challenges

- Social Services organizations are more likely than other nonprofit and voluntary organizations to report financial capacity challenges and challenges relating to external funding
- Two-thirds of organizations report problems dealing with increasing demands for services or products and obtaining funding from other organizations
- Organizations with more than \$1 million in annual revenues, organizations that depend on government revenues, and organizations that have experienced a decrease in revenues are more likely to report financial and funding problems

Distribution of revenues

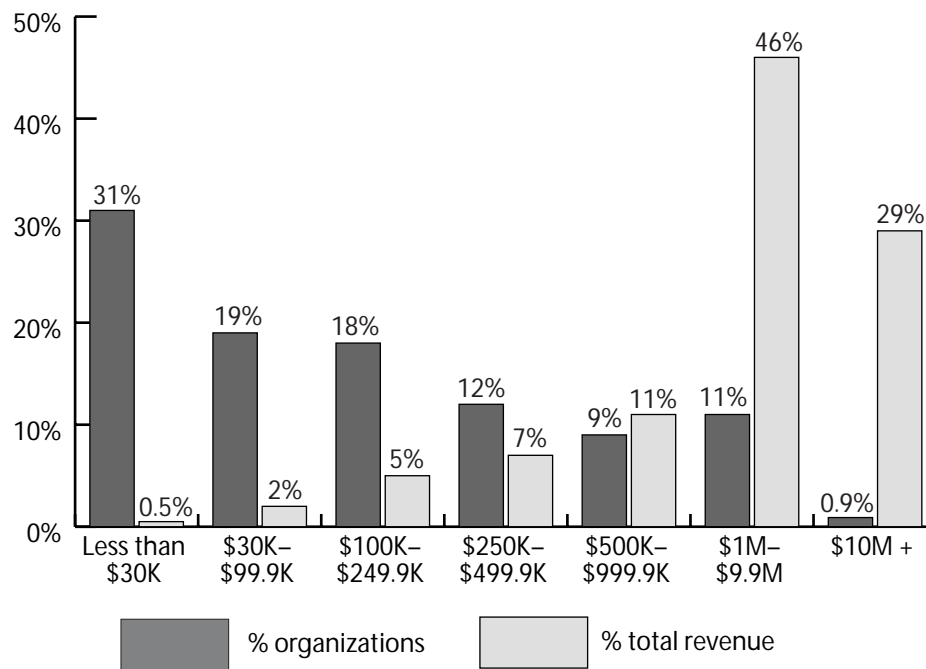
Most revenues in the Social Services sub-sector are concentrated among larger organizations, as is the case in the nonprofit and voluntary sector as a whole. Almost half (46%) of Social Services revenues are, however, concentrated in organizations with annual revenues between \$1 and \$9.9 million (see Figure 11). In comparison, in the nonprofit and voluntary sector as a whole, 59% of revenues are concentrated in organizations with annual revenues of \$10 million or more. The concentration of revenues in the \$1 to \$9.9 million revenue category is likely due to the local focus of most Social Services organizations.

Social Services organizations can be divided into three groups, based on their annual revenues:

1. Small organizations—revenues under \$250,000 per year; represent 68% of Social Services organizations but only account for 8%* of revenues;
2. Medium-sized organizations—revenues between \$250,000 and \$999,999 per year; represent 21% of Social Services organizations and account for 18% of revenues; and
3. Large organizations—revenues of \$1 million or more per year; represent 12% of Social Services organizations but account for three-quarters (75%) of all revenues.

These three groups of organizations tend to have distinct funding, staffing, and volunteer profiles and as a result, distinct capacity challenges. We will explore this point further later in this report.

Figure 11: Percentage of organizations and percentage of total revenues by revenue size, Social Services organizations, NSNVO 2003



Sources of revenue

Social Services organizations depend heavily on government revenues. Two-thirds (66%) of all revenues in the sub-sector come from government (see Figure 12). The second most important source of revenues is earned income⁴ (20%), followed by gifts and donations (11%).

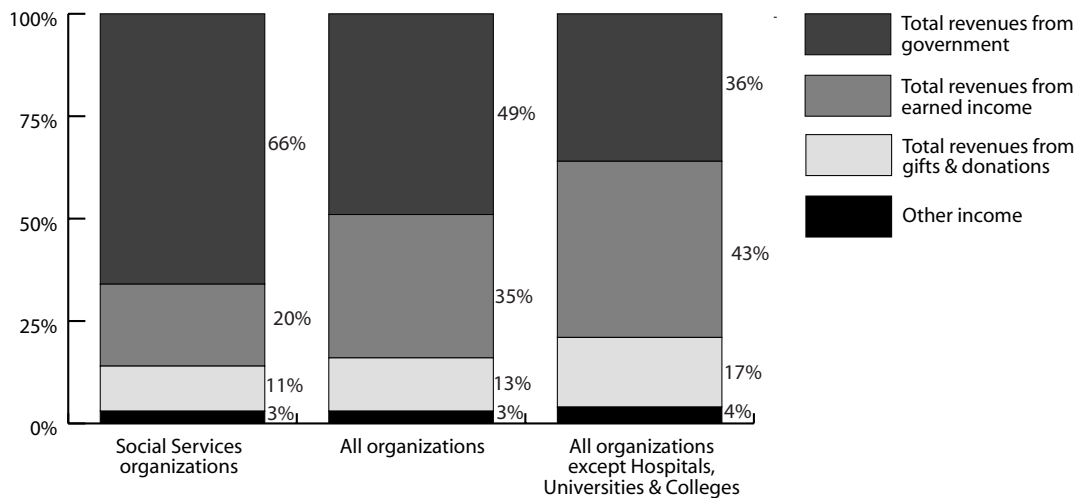
This revenue profile is distinct from all nonprofit and voluntary organizations, which receive 49% of their revenues from government. It is even more distinct from the sector excluding Hospitals, Universities, and Colleges. Hospitals, Colleges, and Universities represent only 1% of all

* Figure differs from sum derived from chart due to rounding of numbers for individual categories.

⁴ Earned income excludes government revenue sources, but includes items such as charitable gaming, membership fees or dues, fees for goods and services, and earnings from endowments or investments, including interest income.

Canadian nonprofit and voluntary organizations, but account for approximately one-third of total sector revenues. It is, therefore, sometimes useful to exclude these organizations from analysis. The sector excluding Hospitals, Colleges, and Universities receives only 36% of its revenues from government.

Figure 12: Sources of revenue, NSNVO 2003



Detailed sources of revenue

Social Services organizations rely on three key sources for 67% of their revenues:

- Payments from provincial and territorial governments (28%);
- Provincial and territorial government grants (26%); and
- Fees for goods and services from non-government sources (13%, see Table 1).

In contrast, the three top revenue sources for all nonprofit and voluntary organizations (excluding Hospitals, Universities, and Colleges) account for just 50% of total revenues:

- Fees for goods and services from non-government sources (21%);
- Membership fees (16%); and
- Provincial government grants (13%).

Overall, Social Services organizations receive 52% of municipal government payments; 37% of gifts and donations from fundraising organizations and family community foundations; 37% of provincial and territorial government payments; and 30% of provincial and territorial government grants received by Canadian nonprofit and voluntary organizations (excluding Hospitals, Universities, and Colleges). In contrast, Social Services organizations receive just 6% of grants from the federal government and 6% of all individual donations (again, excluding Hospitals, Universities, and Colleges).

Revenues from municipal governments and fundraising organizations and family community foundations provide evidence of the importance of Social Services organizations to their communities. However, it must be noted that the combined contribution of these three local revenue sources represents only 8% of the total revenues of Social Services organizations.

Table 1: Detailed sources of revenue, NSNVO 2003

	All organizations	All organizations excluding Hospitals, Universities & Colleges	Social Services organizations	Social Services organizations' share of total sector revenues, excluding Hospitals, Universities & Colleges
Total revenues	\$111,595,560,896	\$74,762,761,886	\$11,146,182,346	15%
Revenues from government				
Government payments for goods and services				
Payments from the federal government	1%	2%	2%	15%
Payments from provincial government	15%	11%	28%	37%
Payments from municipal government	1%	1%	5%	52%
Government payments from other	<1%	<1%	<1%	15%
Total government payments for goods and services	18%	15%	35%	35%
Government grants and contributions				
Grants from the federal government	5%	7%	3%	6%
Grants from provincial government	24%	13%	26%	30%
Grants from municipal government	1%	1%	2%	20%
Government grants from other	<1%	<1%	<1%	21%
Total government grants and contributions	31%	22%	31%	21%
Total revenues from government	49%	36%	66%	27%
Earned income from non-government sources				
Charitable gaming	1%	2%	1%	13%
Membership fees	11%	16%	4%	4%
Fees for goods or services (non-government)	20%	21%	13%	9%
Investment income (including interest)	4%	4%	1%	3%
Total revenues from earned income	35%	43%	20%	7%
Gifts and donations				
Individual donations	8%	11%	4%	6%
Fundraising organizations/family community foundations	1%	1%	3%	37%
Disbursements from nonprofits	2%	2%	1%	10%
Corporate sponsorships, donations or grants	3%	3%	2%	8%
Total revenues from gifts and donations	13%	17%	11%	9%
Other income	3%	4%	3%	11%

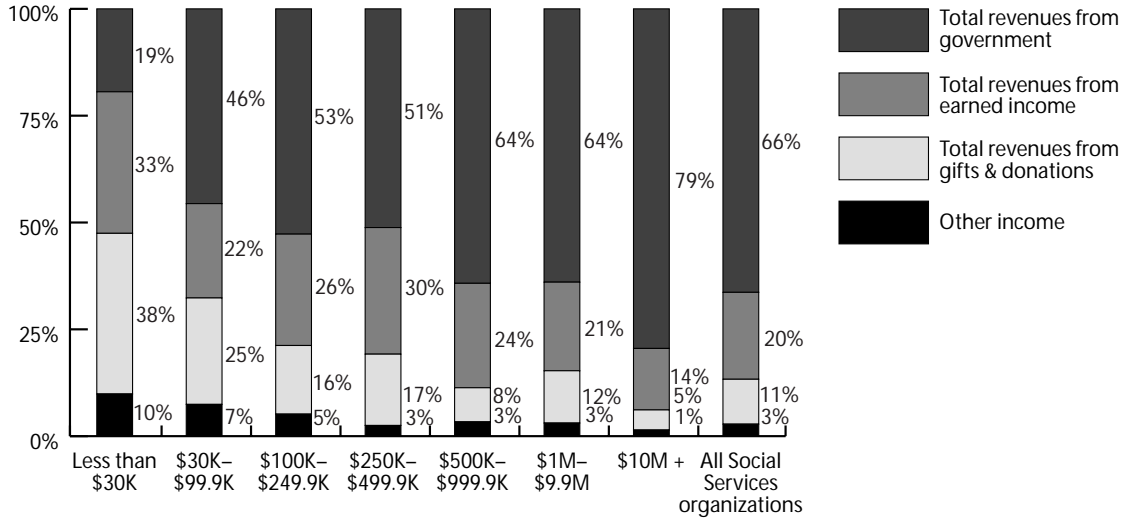
Sources of revenue by organization size

Among Social Services organizations, as revenues increase, reliance on government funding increases and reliance on gifts and donations decreases. Reliance on earned income also generally decreases as revenues increase.

Organizations with annual revenues under \$30,000 get 19% of their revenues from government, 33% from earned income, and 38% from gifts and donations (see Figure 13). In comparison, those with annual revenues between \$250,000 and \$499,999 get 51% of their revenues from government, 30% from earned income, and 17% from gifts and donations. Finally, those with annual revenues of \$10 million or more get 79% of their revenues from government, 14% from earned income, and 5% from gifts and donations.

This revenue pattern means that large Social Services organizations have less diversified revenue profiles than smaller ones. This makes them vulnerable to cuts in government funding.

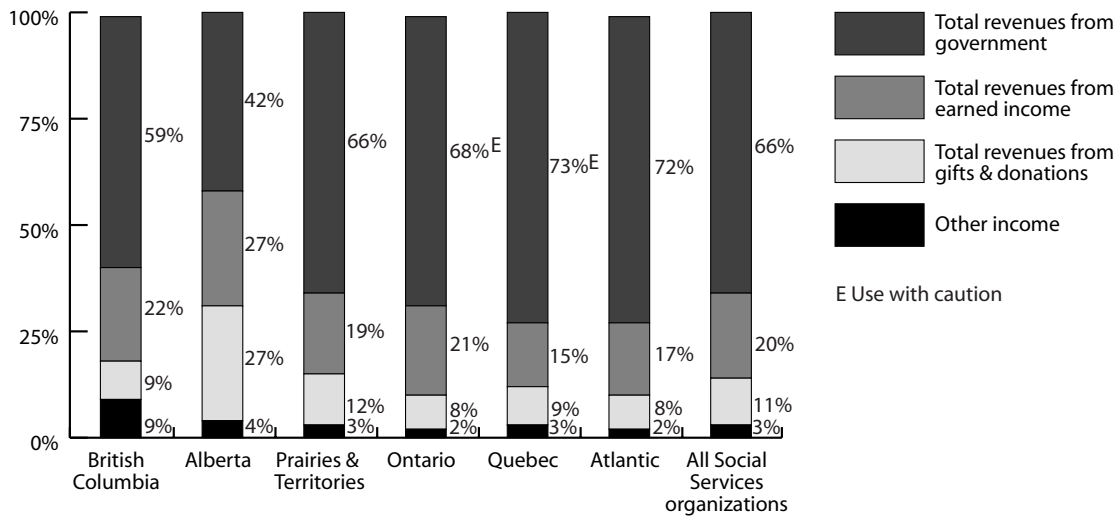
Figure 13: Sources of revenue by annual revenues, Social Services organizations, NSNVO 2003



Sources of revenues by region

Social Services organizations across Canada rely heavily on government funding (see Figure 14). Indeed, in most regions Social Services organizations receive well over half of their revenues from government. The notable exception to this pattern occurs in Alberta, where governmental support accounts for only 42% of the revenues of Social Services organizations. Social Services organizations in Alberta have the most diverse revenue profile, with 27% of their revenue coming from earned income, and 27% from donations and grants.

Figure 14: Sources of revenue by region, Social Services organizations, NSNVO 2003



Share of revenue by region

Organizations in Ontario receive over half (51%) of the total revenues received by Social Services organizations, including over half of all government funding (52%) and earned income (53%) (see Table 2). If we compare each region's share of revenues to its share of the population, we find that Ontario receives the most revenue relative to population, followed by the Prairies and Territories, and Quebec.

Table 2: Share of revenues by region, Social Services organizations, NSNVO 2003

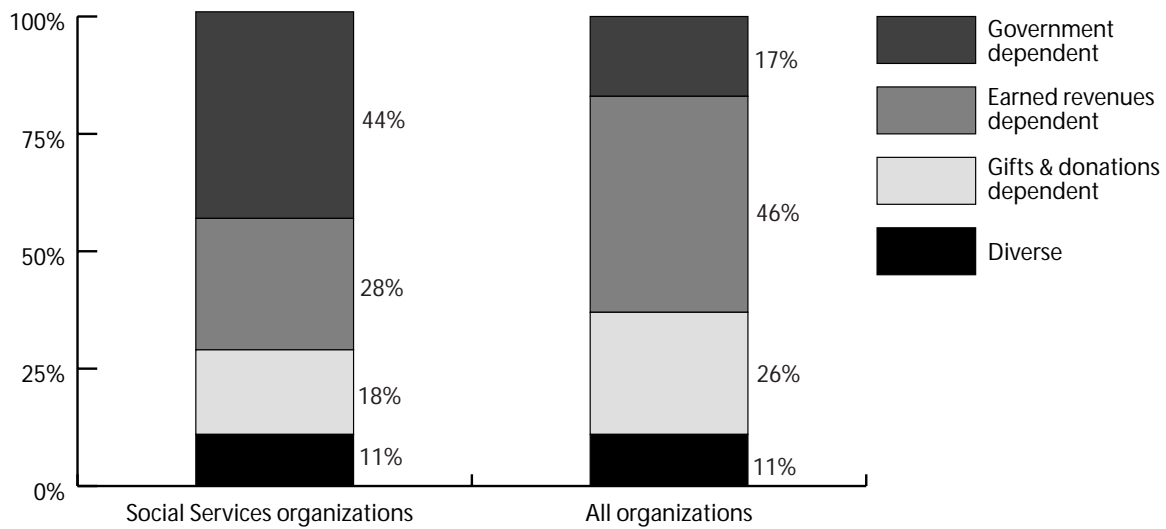
Region	Share of revenue by source of revenues				Share of total revenue from all sources	Percentage of population	Ratio of revenue to population
	Government	Earned income	Gifts & donations	Other income			
British Columbia	8%	9%	7%	26%	8%	13%	0.65
Alberta	5%	11%	22%	11%	8%	10%	0.85
Prairies & Territories	7%	7%	9%	7%	7%	7%	1.05
Ontario	52%	53%	40%	36%	51%	39%	1.30
Quebec	24%	16%	20%	17%	22%	24%	0.92
Atlantic	3%	2%	2%	3%	3%	7%	0.42

Revenue dependency

An organization that receives 50% or more of its revenues from one source (government, earned income, or gifts and donations) can be considered to be dependent on that source. Organizations without a dominant funding source are labeled "diverse." Figure 15 shows that Social Services organizations are much more likely than all nonprofit and voluntary organizations to depend on government funding and much less likely to depend on earned income and gifts and donations.

Almost one-half (44%) of Social Services organizations are financially dependent on government, compared to only 17% of all organizations. Only 28% of Social Services organizations are dependent on earned income, compared to 46% of all organizations, and only 18% are dependent on gifts and donations, compared to 26% of all organizations. This dependence on government is accompanied by a distinct set of financial capacity issues that we will investigate further in this section.

Figure 15: Revenue dependency, NSNVO 2003



Donations and donors

Social Services organizations rely far less on individual donations for revenue than do nonprofit and voluntary organizations in general. The NSNVO estimates that individual donations account for just 4% of total revenues for Social Services organizations, compared to 8% of revenues for nonprofit and voluntary organizations in general.

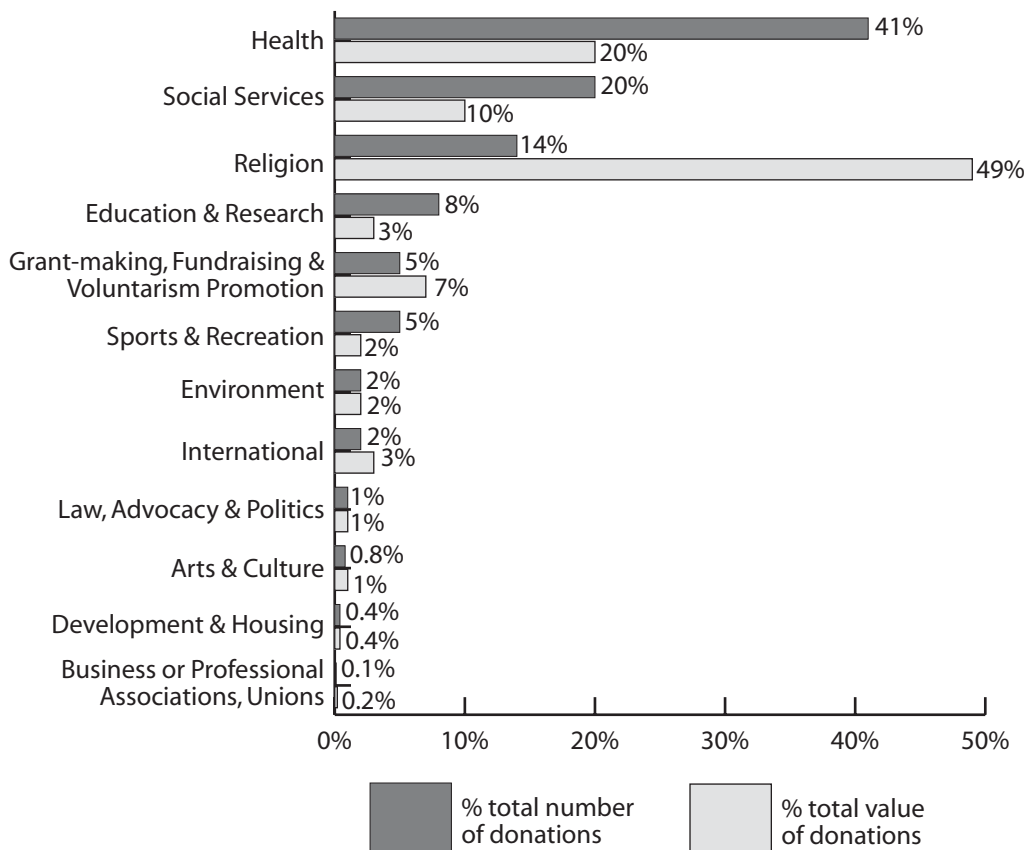
Estimates of the total value of donations made to Social Services organizations range from \$478 million (NSNVO) to \$503 million (NSGVP). The gap between these estimates is fairly small, particularly given the different time frames and data collection methodologies of the two surveys (see Appendix).

The NSGVP tells us that approximately 38% of Canadians aged 15 and over—9 million individuals—donate to Social Services organizations. On average, each Social Services donor gives \$55 annually. Compared to the average donation received by other types of organizations, this is a fairly modest level of support. Donors who support Business and Professional Associations and Unions; Grant-making, Fundraising and Voluntarism Promotion organizations; and International organizations all give annual donations of more than \$100, on average. Religious donors give an average of \$310. However, although donations to Social Services organizations are modest, they are not the lowest in the sector. Those who donate to Education and Research organizations give, on average, just \$33 annually.

Distribution of donations

According to the NSGVP, Social Services organizations receive 20% of all donations⁵ and 10% of the total value⁶ of all donations made to nonprofit and voluntary organizations in Canada (see Figure 16). This places the Social Services sub-sector second behind Health in terms of the number of donations received, and third behind Religion and Health in terms of the value of donations.

Figure 16: Percentage of the total number of donations and total donation value by primary activity area, NSGVP 2000



Donation rates and amounts vary by region

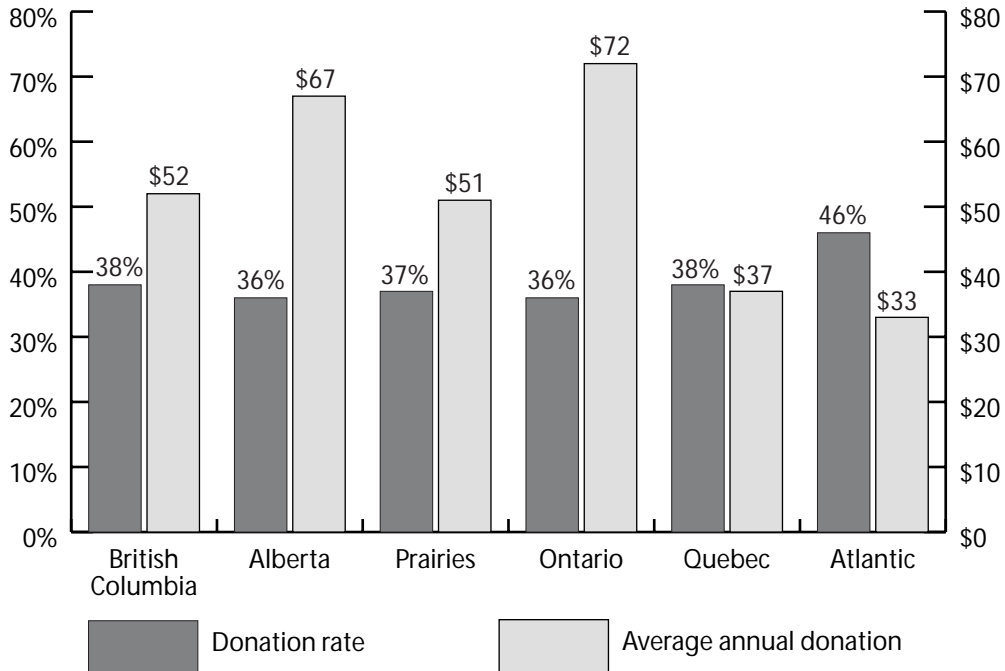
According to the NSGVP, there are some regional variations in the percentage of the population that donates to Social Services organizations and the average amounts they donate (see Figure 17). Interestingly, donation rates and amounts seem to be inversely related. That is, regions with higher donation rates tend to have lower average donations and vice versa. For example, the Atlantic Provinces have the highest donation rate (46%) but the lowest average donation (\$33).

⁵ That is, Social Services organizations receive 20 out of every 100 donations made to a nonprofit or voluntary organization, regardless of the amount of each donation.

⁶ That is, Social Services organizations receive 10% of the total monetary value of all donations made to nonprofit and voluntary organizations.

And the provinces with lowest donation rates (Alberta and Ontario, with 36% each) have the highest average donations (\$67 and \$72, respectively).

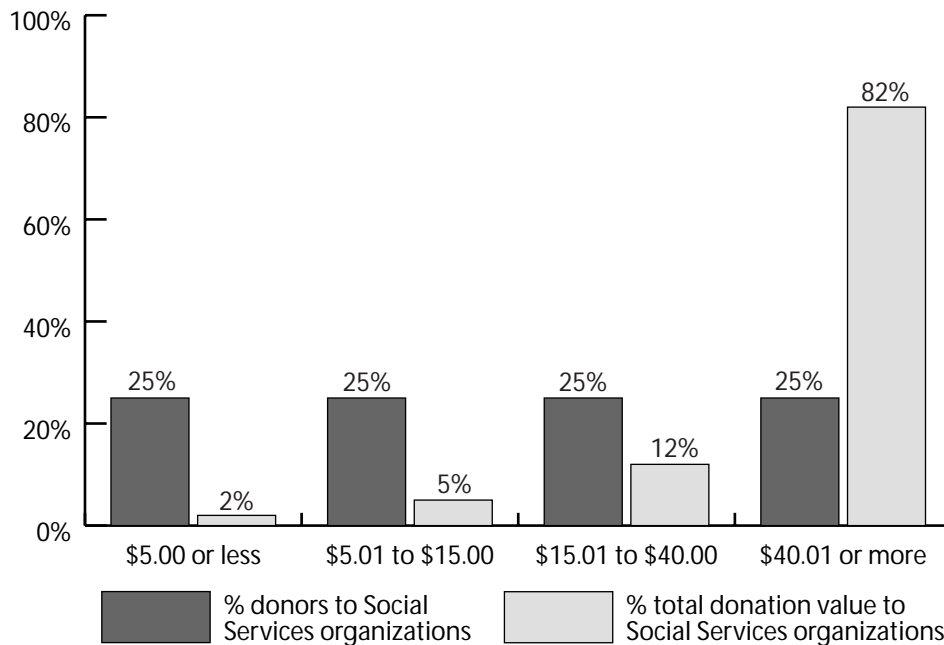
Figure 17: Donation rate and average annual donation by region, Social Services organizations, NSGVP 2000



Much comes from the few

Although many Canadians donate to Social Services organizations, the vast majority of donation money comes from a small subset of donors. If we group donors into four equal-sized groups based on their annual donations to Social Services organizations (see Figure 18), we find that 82% of the total value of donations made to Social Services organizations comes from the top 25% of donors who contribute \$40 per year or more. This means that 9% of Canadians (one-quarter of the 38% who donated to Social Services organizations in 2000) account for 82% of the total value of donations.

Figure 18: Percentage of donors and percentage of total donation value by size of annual donation, Social Services organizations, NSGVP 2000



Personal and economic characteristics of donors

In terms of their personal and economic characteristics, Social Services donors are very similar to all donors. That is, they tend to be women, aged 35 to 54, married or in common-law relationships, with post-secondary educations, and annual incomes over \$60,000. Top Social Services donors tend to be somewhat older and wealthier, and are more likely to be men. They are also more likely than all Social Services donors to attend religious services weekly. The personal and economic characteristics of Social Services donors are presented in Table 3.

Age

Canadians between the ages of 35 and 64 make an important contribution to Social Services organizations. Those aged 35 to 44 are the most likely to make a donation (43% donated), represent the highest percentage of Social Services donors (24%), and contribute 23% of the value of all donations to Social Services organizations. The highest average donation, however, comes from those aged 55 to 64, who contribute an average of \$79.

Collectively, Canadians aged 35 to 64 comprise 57% of all Social Services donors and 61% of top donors, and provide 63% of the value of all donations to Social Services organizations.

Sex

Social Services donors are more likely to be women (52%) than men (48%). However, top donors are more likely to be men (51%). Men also contribute 52% of the total value of all donations made to Social Services organizations (compared to 47% of the value of all donations in the sector as a whole).

Marital status

Canadians who are married or living in common-law relationships are the most likely to donate to Social Services organizations (41% donated). This group, however, makes the lowest average donation (\$51) and, as a consequence, contributes only 63% of the total value of all donations to Social Services organizations (compared to 72% of the value of all donations in the sector as a whole).

Education

As is the case in the sector as a whole, donation rates to Social Services organizations increase with level of education, from 29% among those with less than high school to 45% among those with a university degree. Average donations also increase with education, from an average of \$37 among those with less than high school to an average of \$95 among those with a university degree.

It is therefore not surprising that post-secondary graduates comprise 50% of Social Services donors and 60% of Social Services top donors, and contribute almost two-thirds (63%) of the value of donations made to Social Services organizations.

Labour force status

Canadians who are employed account for 66% of all donors in the sector and 66% of Social Services donors. Interestingly, however, the average amount donated to Social Services organizations is very similar among donors who are employed full-time, employed part-time, and not in the labour force (it ranges from \$50 to \$58).

Household income

Both donation rates and average donation amounts increase as household income increases. Twenty-six percent of Canadians with household incomes under \$20,000 donated an average of \$33 to Social Services organizations in 2000. In comparison, 45% of those with household incomes over \$100,000 donated an average of \$103.

Canadians with household incomes of \$60,000 a year or more comprise 43% of Social Services donors and 53% of top donors, and contribute 56% of the total value of all donations made to Social Services organizations.

Religion

Canadians who report a religious affiliation, attend religious services weekly, or consider themselves to be religious are more likely than other Canadians to donate to nonprofit and voluntary organizations. They also contribute more money, on average. This pattern holds for Social Services organizations. Those who attend religious services weekly make up a particularly large proportion of top donors (26%, compared to 21% of all Social Services donors and 19% of all Canadians).

Religious Canadians, however, contribute a smaller proportion of the value of Social Services donations than is the case in the sector as a whole. Canadians with a religious affiliation contribute 87% of the value of all donations, but only 76% of the value of donations to Social Services organizations. Similarly, those who attend religious services weekly contribute 47% of the value of all donations, but only 27% of the value of Social Services donations.

Table 3: Personal and economic characteristics of all donors and Social Services donors, NSGVP 2000

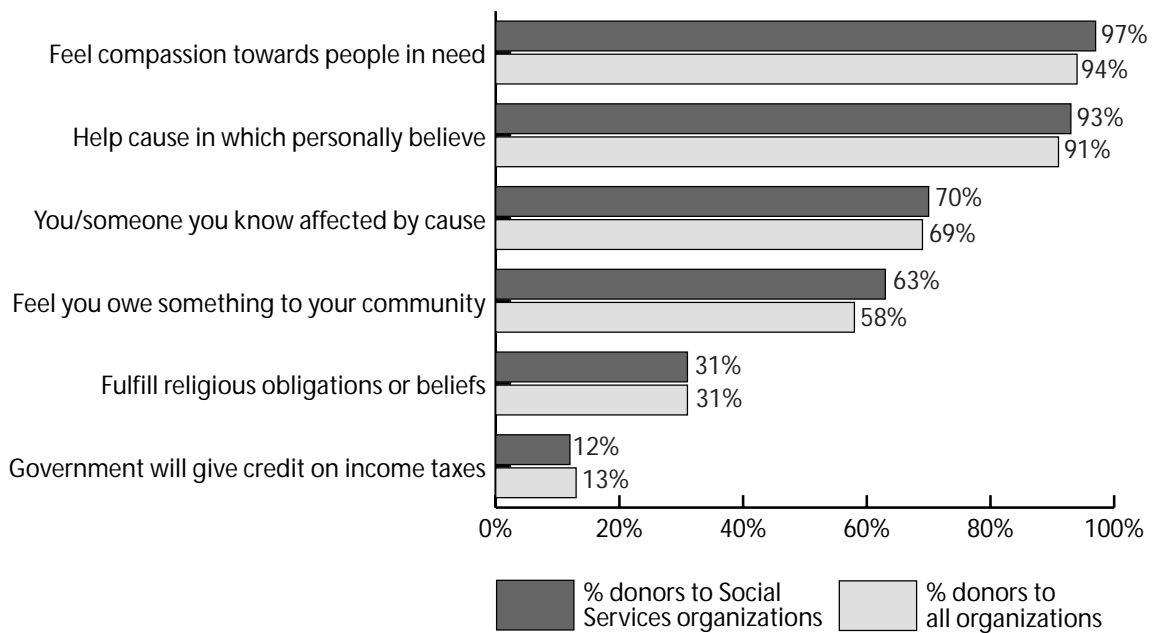
	Donor rate, total sector	Average donation, total sector	Donor rate, Social Services	Average donation, Social Services	% all Canadians	% all donors	% of Social Services donors	% of top Social Services donors	% of total donation value	% of Social Services donation value
Age										
15 – 24 years	64%	\$118	27%	\$49 ^E	17%	14%	12%	8%	6%	11% ^E
25 – 34 years	77%	\$229	35%	\$43	18%	17%	17%	13%	15%	13%
35 – 44 years	86%	\$242	43%	\$52	21%	24%	24%	22%	22%	23%
45 – 54 years	83%	\$338	42%	\$60	18%	19%	20%	23%	25%	22%
55 – 64 years	81%	\$316	41%	\$79	11%	12%	13%	16%	14%	18%
65+ years	77%	\$308	38%	\$51	15%	15%	15%	17%	17%	14%
Sex										
Male	75%	\$260	37%	\$59	49%	47%	48%	51%	47%	52%
Female	81%	\$259	38%	\$51	51%	53%	52%	49%	53%	48%
Marital status										
Married or common-law	84%	\$282	41%	\$51	62%	66%	68%	67%	72%	63%
Single (never married)	66%	\$169	29%	\$58	26%	22%	20%	19%	15%	22%
Widowed	77%	\$328	38%	\$60	5%	5%	5%	7%	7%	6%
Separated or divorced	72%	\$286	36%	\$80 ^E	7%	6%	6%	8%	7%	9% ^E
Education										
Less than high school	68%	\$152	29%	\$37	27%	23%	20%	13%	14%	14%
High school diploma	80%	\$210	38%	\$38	20%	20%	20%	18%	16%	14%
Some postsecondary	77%	\$231	40%	\$52	9%	9%	10%	10%	8%	9%
Postsecondary diploma	84%	\$252	41%	\$53	28%	30%	30%	29%	29%	29%
University degree	84%	\$480	45%	\$95	17%	18%	20%	31%	33%	34%
Labour force status										
Employed	82%	\$273	40%	\$57	63%	66%	66%	68%	69%	68%
Full-time (30+ hrs)	83%	\$274	40%	\$58	80%	82%	81%	81%	82%	83%
Part-time (<30 hrs)	76%	\$271	38%	\$50	20%	18%	19%	19%	18%	17%
Unemployed	65%	\$139	31%	*	4%	3%	3%	2%	2%	*
Not in labour force	73%	\$243	35%	\$53	33%	31%	30%	30%	29%	*
Household income										
Less than \$20,000	63%	\$142	26%	\$33	13%	11%	9%	6%	6%	6%
\$20,000 – \$39,999	75%	\$190	36%	\$41	26%	25%	25%	19%	18%	19%
\$40,000 – \$59,999	79%	\$214	38%	\$47	23%	23%	23%	22%	19%	20%
\$60,000 – \$99,999	85%	\$275	42%	\$56	25%	27%	28%	29%	29%	29%
\$100,000 or more	86%	\$529	45%	\$103	12%	13%	15%	24%	27%	27%
Religious affiliation										
Affiliation	83%	\$296	41%	\$53	74%	77%	78%	77%	87%	76%
No affiliation	72%	\$146	33%	\$58	26%	23%	22%	23%	13%	24%
Religious attendance										
Weekly attender	90%	\$577	43%	\$71	19%	21%	21%	26%	47%	27%
Not a weekly attender	77%	\$176	38%	\$50	81%	79%	79%	74%	53%	73%
Strength of belief										
Very religious	85%	\$618	41%	\$85	11%	12%	12%	15%	29%	19%
Not very religious	79%	\$210	39%	\$50 ^E	89%	88%	88%	85%	71%	81% ^E

* Suppressed for confidentiality
^E Use with caution

Motivations for donating

The NSGVP asks donors whether any of six reasons (see Figure 19) motivated them to make a charitable donation. Social Services donors have the same motivations as all donors: a feeling of compassion towards those in need (97%), a desire to help a cause in which they personally believe (93%), or knowing someone affected by the cause (70%). In contrast to all donors, however, Social Services donors are more likely to cite a sense of commitment to their community (63% of Social Services donors vs. 58% of all donors). This suggests that Social Services donors recognize the contributions that Social Services organizations make to Canadian communities.

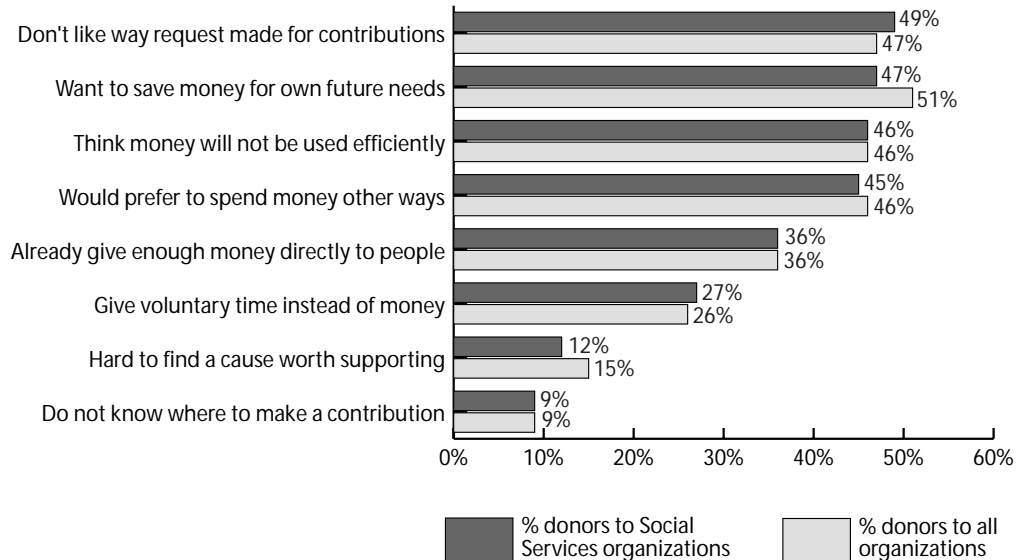
Figure 19: Motivations for donating, NSGVP 2000



Barriers to donating more

Social Services donors also cite the same deterrents to donating more as all donors (see Figure 20). For both groups, the major barriers to donating more are: don't like the way requests are made (49% of Social Services donors), want to save money for future needs (47%), think that the money will not be used efficiently (46%), and prefer to spend money in other ways (45%).

Figure 20: Barriers to donating more, NSGVP 2000

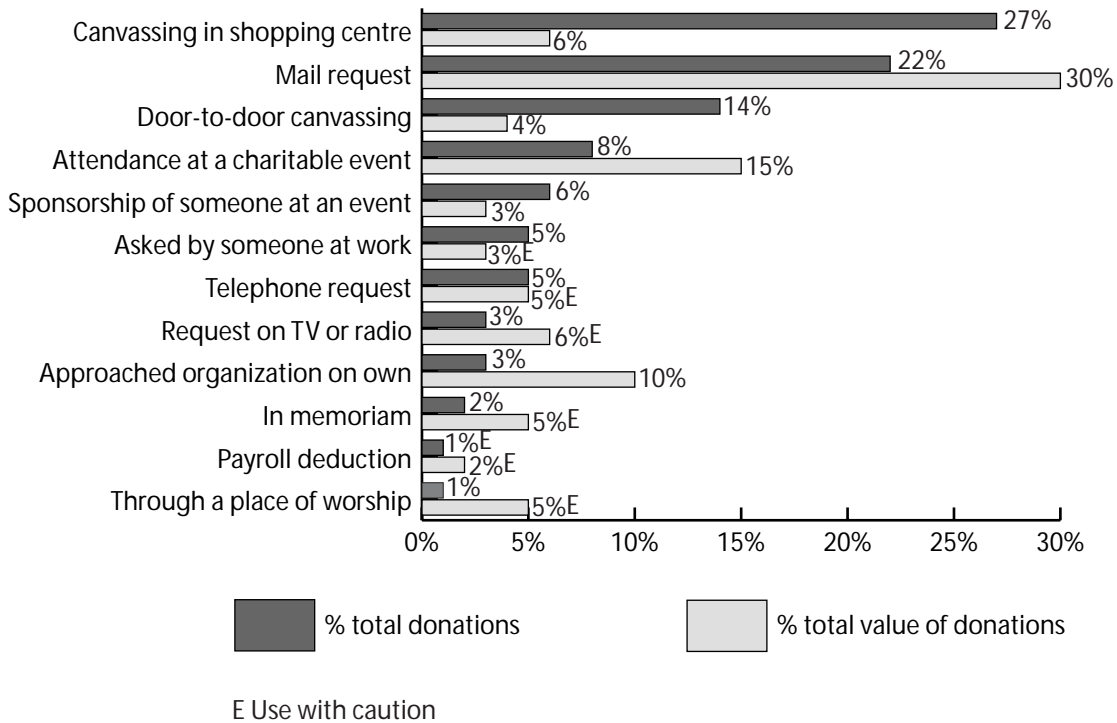


Donation methods

According to the NSGVP, the most common ways to donate to a Social Services organization are: at a shopping centre (27% of donations), as a result of a mail request (22%), at the door (14%), and by attending a charitable event (8%, see Figure 21). These four donation methods account for 71% of all donations to Social Services organizations and 55% of the value of all Social Services donations.

Not all donation methods, however, are equally efficient. The 22% of donations that are made as a result of a mail request account for almost one-third (30%) of the value of all donations made to Social Services organizations. In contrast, the 27% of donations made at shopping centres account for only 6% of the value of all Social Services donations.

Figure 21: Percentage of donations and percentage of donation value by method of donation, Social Services donors, NSGVP 2000

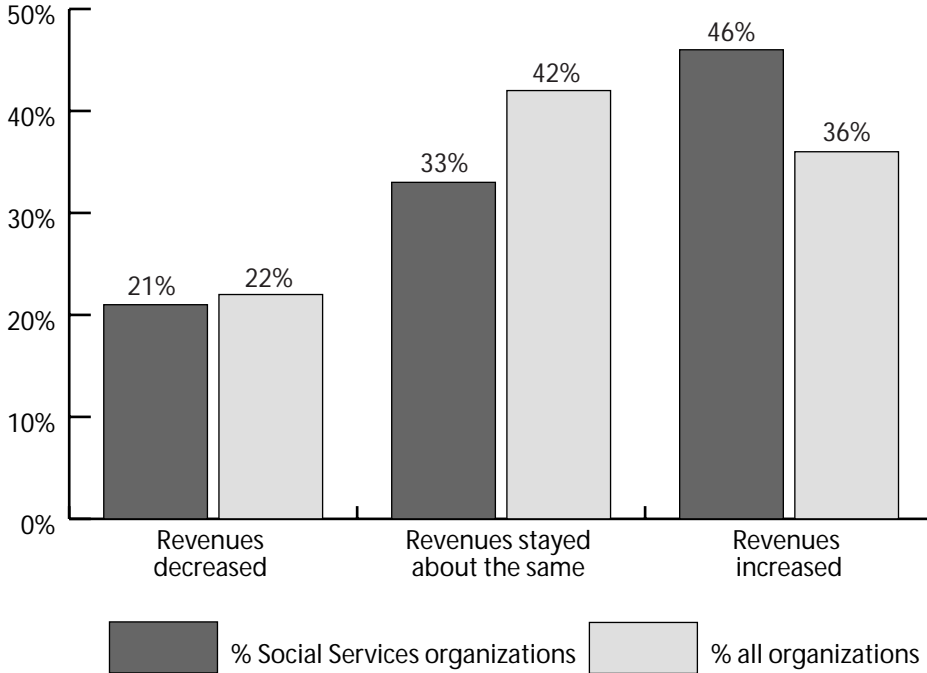


Changes in revenues

The NSNVO found that Social Services were more likely than other nonprofit and voluntary organizations to report that their revenues increased between 2000 and 2003. Almost half (46%) of Social Services organizations report increased revenues, compared to only 36% of all nonprofit and voluntary organizations (see Figure 22).

This finding may be related to the trend for provincial and territorial governments to use nonprofit and voluntary organizations to deliver an increasing number of social services.

Figure 22: Reported change in revenues over the past three years, NSNVO 2003

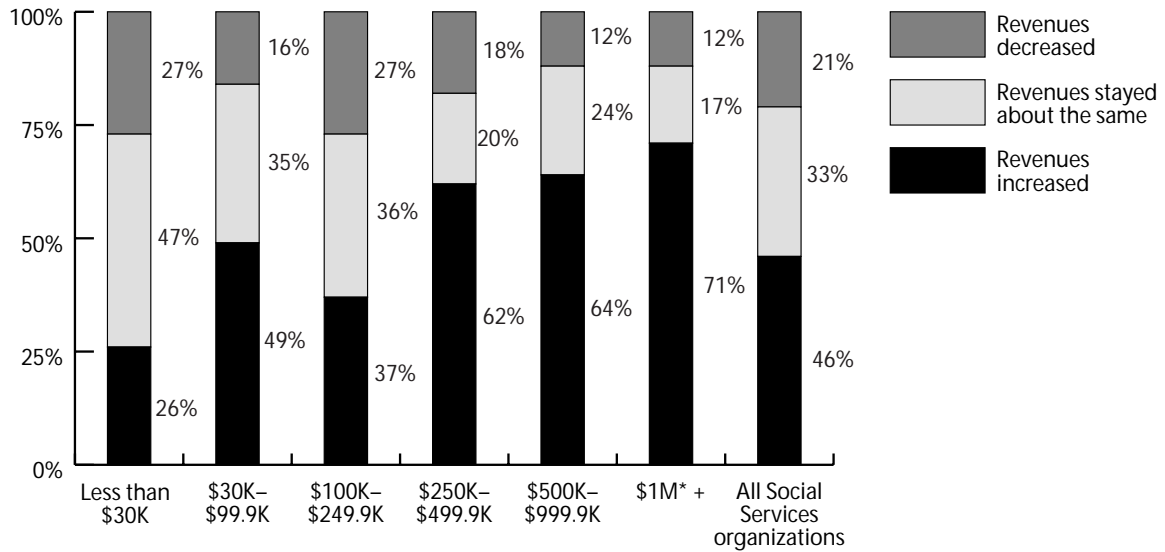


Changes in revenues by organization size

Big Social Services organizations are getting bigger. Only 26% of the smallest Social Services organizations (those with annual revenues under \$30,000) reported that their revenues increased between 2000 and 2003 (see Figure 23). In contrast, 71% of the largest Social Services organizations (those with annual revenues of \$1 million or more) reported increased revenues. This finding is consistent with those reported in *Cornerstones of Community* (Hall et al., 2004) for the entire nonprofit and voluntary sector.

Less than half of all organizations with annual revenues under \$250,000 report increased revenues. In comparison, just under two-thirds of organizations with revenues between \$250,000 and \$999,999 per year report revenue increases. However, in all revenue categories except the lowest, the percentage of organizations reporting growing revenues exceeds the percentage reporting declining revenues.

Figure 23: Reported change in revenues over the past three years by annual revenues, Social Services organizations, NSNVO 2003

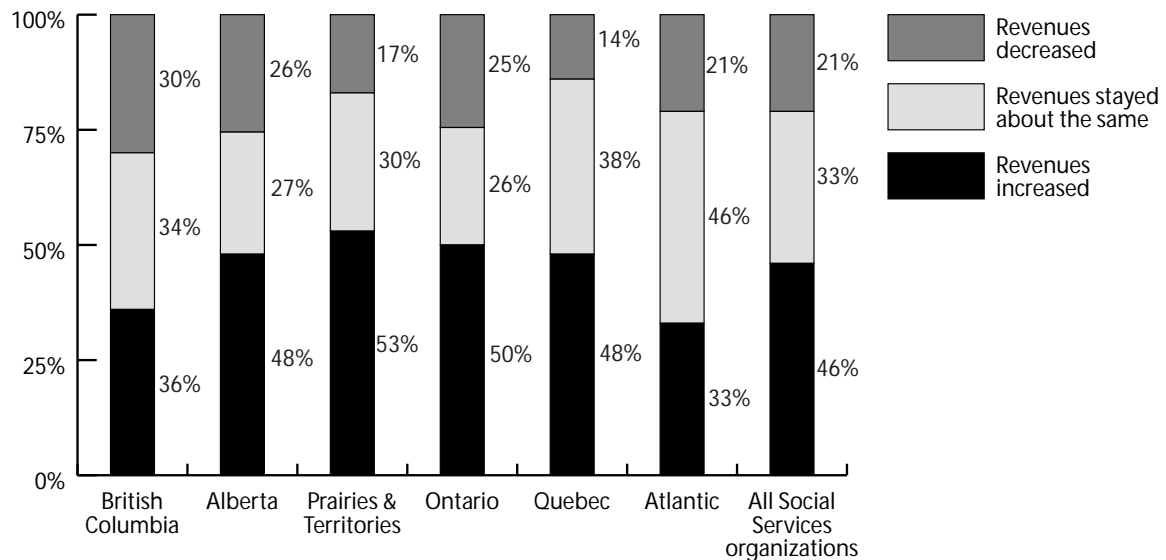


Changes in revenues by region

The proportion of Social Services organizations reporting increases in revenues varies considerably across the country—from a low of 33% in Atlantic Canada to a high of 53% in the Prairies and Territories (see Figure 24).

In all regions except Atlantic Canada, more organizations report increasing revenues than report either stable or declining revenues. In Atlantic Canada, organizations are most likely to report stable revenues (46%). Social Services organizations in British Columbia are more likely than organizations in any other region to report declining revenues (30%).

Figure 24: Reported change in revenues over the past three years by region, Social Services organizations, NSNVO 2003



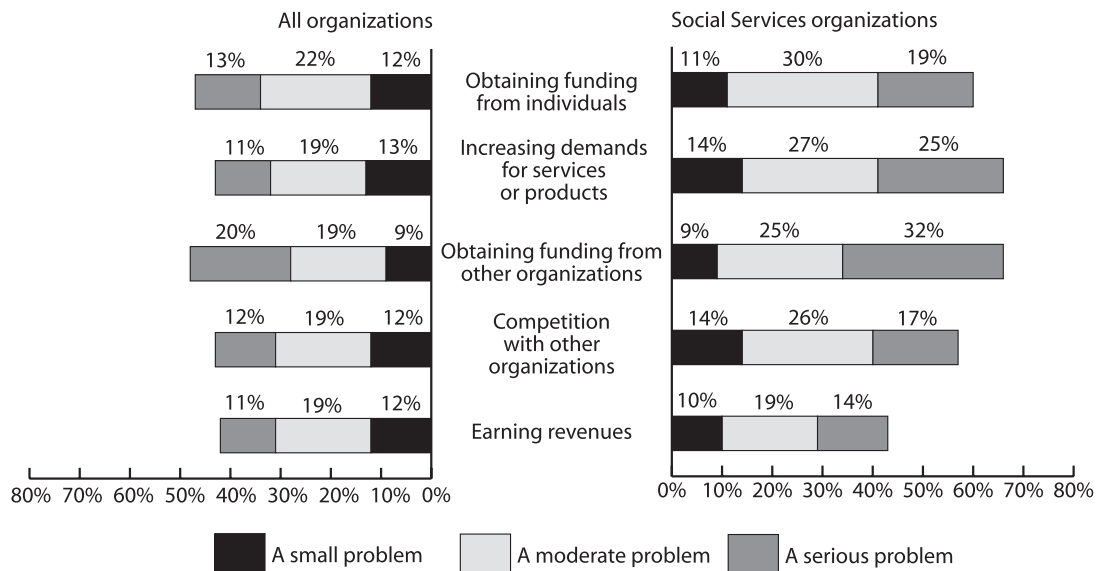
Financial capacity issues

The NSNVO asked respondents if a variety of financial and funding issues were not a problem, a small problem, a moderate problem, or a serious problem for their organization. Specifically, organizations were asked if they had problems earning revenue, obtaining funding from other organizations or individuals, or competing with other organizations for money. Organizations were also asked if they had a problem with increasing demands for their services or products.

Social Services organizations are more likely than other organizations to report all of these problems (see Figure 25). They are far more than likely than other organizations to report problems dealing with increasing demands for services or products (65%* vs. 43%), obtaining funding other organizations such as government, foundations, or corporations (67%* vs. 48%), and obtaining funding from individuals (60% vs. 48%*). Social Services organizations are also far more likely than other organizations to say that these problems are serious. For instance, Social Services organizations are more than twice as likely as all organizations (25% vs. 11%) to report that increasing demands for their services or products pose a serious problem.

* Figure differs from sum derived from chart due to rounding of numbers for individual categories.

Figure 25: Financial capacity issues, Social Services organizations compared to all organizations, NSNVO 2003



Financial issues by organization size

The smallest Social Services organizations (those with annual revenues under \$30,000) are the least likely to report all financial capacity problems except difficulty earning revenues (see Table 4).

There is a noticeable difference, however, between organizations with annual revenues below \$500,000 and those with annual revenues above this amount. The former are more likely to report that they have difficulty obtaining funding from other organizations such as government, foundations, or corporations than they are to report that they have difficulty coping with increasing demands for their services. The latter are more likely to report the opposite.

This suggests that there may be two groups of Social Services organizations in Canada: one group that has difficulty obtaining enough revenues to carry out or expand their services, and another that cannot keep up with the increasing demands for services, despite increased revenues.⁷ Neither situation is enviable.

⁷ The reader will recall that organizations with annual revenues of \$500,000 or more were more likely than smaller organizations to report that their revenues had increased in the past three years (see Figure 23).

Table 4: Financial capacity issues by revenue size, Social Services organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem							All Social Services organizations
	Less than \$30K	\$30K– \$99.9K	\$100K– \$249.9K	\$250K– \$499.9K	\$500K– \$999.9K	\$1M– \$9.9M	\$10M+	
Obtaining funding from other organizations	54%	72%	80%	79%	60%	67%	64%	67%
Increasing demands for services or products	47%	71%	75%	73%	66%	76%	88%	65%
Obtaining funding from individuals	50%	68%	64%	71%	56%	64%	51%	60%
Competition with other organizations	47%	66%	58%	66%	45%	66%	57%	57%
Earning revenues	41%	36%	49%	52%	35%	47%	29%	43%

Financial issues by region

Social Services organizations in British Columbia are more likely than organizations in other regions to report problems obtaining funding from other organizations such as government, foundations, or corporations (see Table 5). Organizations in Quebec, British Columbia, and Ontario are more likely to report that increasing demands for goods and services are a problem for them. Organizations in Ontario are more likely than organizations in other regions to report that obtaining funding from individuals, competing with other organizations, and earning revenues are problems for them.

Table 5: Financial capacity issues by region, Social Services organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem							All Social Services organizations
	British Columbia	Alberta	Prairies & Territories	Ontario	Quebec	Atlantic		
Obtaining funding from other organizations	74%	62%	69%	65%	70%	56%	67%	
Increasing demands for services or products	67%	54%	61%	67%	68%	60%	65%	
Obtaining funding from individuals	65%	57%	58%	69%	56%	51%	60%	
Competition with other organizations	61%	54%	60%	68%	49%	45%	57%	
Earning revenues	48%	42%	42%	49%	40%	36%	43%	

Financial issues by revenue dependency

In the Social Services sub-sector, government dependent organizations are most likely to report problems obtaining funding from other organizations such as government, corporations, or foundations, and problems coping with increasing demands for their services. Seventy-six percent of government dependent Social Services organizations report each of these problems (see Table 6).

More than 60% of government-dependent Social Services organizations also report problems obtaining funding from individuals and competing with other organizations. Interestingly, however, organizations with diverse revenue sources are slightly more likely to report these problems. Organizations that are dependent on earned income and those with diverse revenue sources are most likely to say that they have difficulty earning revenues. Interestingly, Social Services organizations that are dependent on gifts and donations are generally the least likely to report financial capacity problems.

Table 6: Financial capacity issues by revenue dependency, Social Services organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem				
	Government dependent	Earned revenues dependent	Gifts & donations dependent	Diverse	All Social Services organizations
Obtaining funding from other organizations	76%	60%	56%	66%	67%
Increasing demands for services or products	76%	51%	62%	61%	65%
Obtaining funding from individuals	63%	58%	57%	64%	60%
Competition with other organizations	61%	50%	50%	66%	57%
Earning revenues	41%	51%	30%	51%	43%

Financial issues by revenue change

Not surprisingly, Social Services organizations that experienced a decrease in revenues between 2000 and 2003 are the most likely to report all financial capacity problems (see Table 7). The most common problem reported by these organizations is difficulty obtaining funding from other organizations (reported by 79% of organizations with declining revenues).

Interestingly, however, organizations that experienced an increase in their revenues between 2000 and 2003 are more likely than those with stable revenues to report financial capacity problems. Among this group, the most common problem is increasing demands for services (reported by 69% of organizations with increasing revenues).

Table 7: Financial capacity issues by reported revenue change, Social Services organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem			
	Revenues decreased	Revenues stayed about the same	Revenues increased	All Social Services organizations
Obtaining funding from other organizations	79%	63%	66%	67%
Increasing demands for services or products	72%	57%	69%	66%
Obtaining funding from individuals	70%	50%	64%	60%
Competition with other organizations	71%	47%	58%	57%
Earning revenues	54%	38%	41%	43%

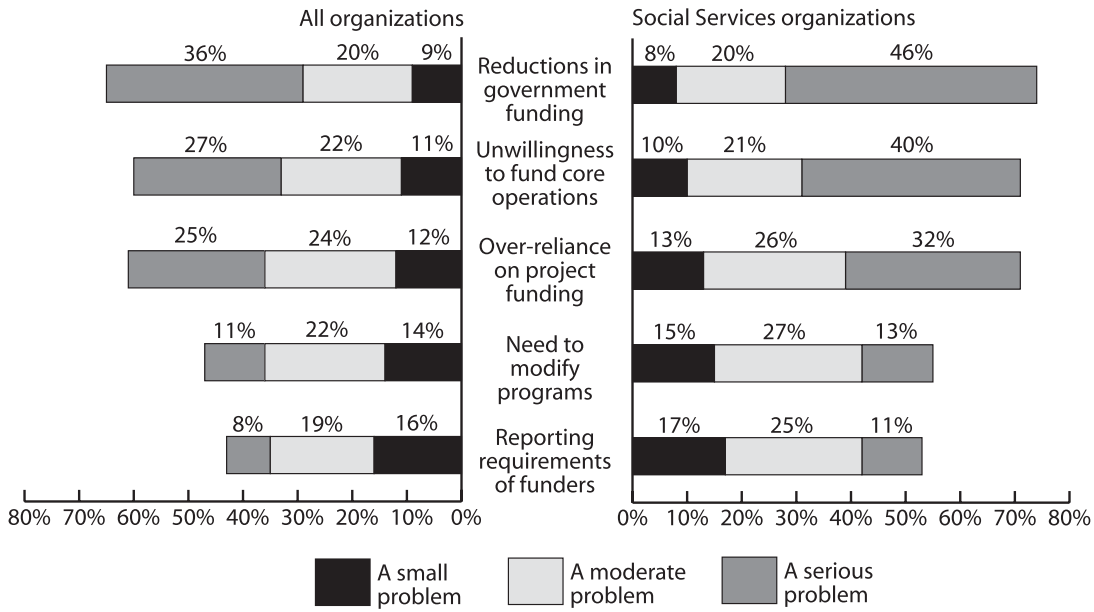
External funding issues

In addition to questions about financial capacity, organizations that reported receiving funding from other organizations in the past three years were asked a series of questions relating to external funding. Seventy-four percent of Social Services organizations reported receiving external funding between 2000 and 2003, compared to 48% of all organizations.

A majority of these organizations appear to be facing problems relating to their funding model. Almost three-quarters of them say that reductions in government funding, the unwillingness of funders to support core operations, and over-reliance on project funding are problems for them (see Figure 26). More than half say that the need to modify programs to get funding and the reporting requirement of funders are problems.

Social Services organizations that receive external funding are more likely than other types of organizations that receive external funding to report all external capacity problems.

Figure 26: External funding issues, Social Services organizations compared to all organizations, NSNVO 2003



External funding issues by organization size

In general, Social Services organizations with annual revenues between \$30,000 and \$500,000 are the most likely to report problems relating to external funding (see Table 8). Between 77% and 81% of organizations in this revenue category say that reductions in government funding are a problem for them, while between 76% and 83% say that the unwillingness of funders to support core operations is a problem. One major exception to this pattern is that an astounding 91% of Social Services organizations with annual revenues over \$10 million say that reductions in government funding are a problem for them.

Table 8: External funding issues by revenue size, Social Services organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem							All Social Services organizations
	Less than \$30K	\$30K- \$99.9K	\$100K- \$249.9K	\$250K- \$499.9K	\$500K- \$999.9K	\$1M- \$9.9M	\$10M +	
Reductions in government funding	61%	81%	77%	78%	69%	69%	91%	73%
Unwillingness to fund core operations	52%	83%	79%	76%	67%	71%	63%	71%
Over-reliance on project funding	59%	85%	77%	69%	64%	66%	61%	70%
Need to modify programs	38%	71%	65%	52%	48%	56%	53%	56%
Reporting requirements of funders	30%	67%	56%	55%	50%	59%	52%	53%

External funding issues by region

Social Services organizations in Quebec are more likely than their counterparts in other regions to report that over-reliance on project funding, the need to modify programs to obtain funding, and the reporting requirements of funders are problems for them (see Table 9). Organizations in British Columbia and Ontario are, however, most likely to say that reductions in government funding and the unwillingness of funders to support core operations are problems for them.

Table 9: External funding issues by region, Social Services organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem						
	British Columbia	Alberta	Prairies & Territories	Ontario	Quebec	Atlantic	All Social Services organizations
Reductions in government funding	84%	76%	75%	81%	65%	67%	73%
Unwillingness to fund core operations	76%	74%	69%	78%	67%	65%	71%
Over-reliance on project funding	62%	69%	67%	67%	77%	68%	70%
Need to modify programs	57%	48%	52%	55%	59%	56%	56%
Reporting requirements of funders	46%	48%	44%	54%	57%	47%	53%

External funding issues by revenue dependency

Government-dependent Social Services organizations are the most likely to report problems with reductions in government funding (77%, see Table 10) and the need to modify programs to obtain funding (64%). In contrast, organizations with diverse sources of revenue are the most likely to say that their funders are unwilling to fund core operations (82%) and that they are over-reliant on project funding (80%). They are also more likely than others to say that the reporting requirements of funders are a problem (64%).

Table 10: External funding issues by revenue dependency, Social Services organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem				
	Government dependent	Earned revenues dependent	Gifts & donations dependent	Diverse	All Social Services organizations
Reductions in government funding	77%	75%	56%	71%	73%
Unwillingness to fund core operations	76%	59%	66%	82%	71%
Over-reliance on project funding	73%	67%	58%	80%	70%
Need to modify programs	64%	41%	44%	57%	56%
Reporting requirements of funders	59%	38%	41%	64%	53%

External funding issues by revenue change

Not surprisingly, Social Services organizations with decreasing revenues are the most likely to report problems with external funding (see Table 11). Fully 83% of these organizations report that reductions in government funding and the unwillingness of funders to fund core operations are problems for them. Between 58% and 76% report problems with other external funding issues.

Social Services organizations with increasing revenues are more likely than those with stable revenues to report several external funding challenges, including: an over-reliance on project funding (72% of organizations with increasing revenues report this problem, compared to 64% of organizations with stable revenues), the unwillingness of funders to fund core operations (70% vs. 65%), and the reporting requirement of funders (54% vs. 47%).

Table 11: External funding issues by reported revenue change, Social Services organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem			
	Revenues decreased	Revenues stayed about the same	Revenues increased	All Social Service organizations
Reductions in government funding	83%	73%	69%	73%
Unwillingness to fund core operations	83%	65%	70%	71%
Over-reliance on project funding	76%	64%	72%	70%
Need to modify programs	62%	56%	54%	56%
Reporting requirements of funders	58%	47%	54%	53%

Summary

As is the case in the sector as a whole, most revenues in the Social Services sub-sector are concentrated among larger organizations. Although only 12% of Social Services organizations have annual revenues of \$1 million or more, these organizations account for three-quarters (75%) of all revenues in the sub-sector.

Social Services organizations are more dependent on government for revenues than are nonprofit and voluntary organizations in general. Indeed, fully two-thirds (66%) of their revenues come from government, compared to less than half (49%) the revenues in the sector as a whole. The provincial and territorial governments are particularly important revenue sources, providing 54% of revenues.

The profile of Social Services donors is similar to the profile of all donors. That is, they are most likely to be women, aged 35 to 54, married or in common-law relationships, employed full-time, with post-secondary educations, and annual incomes of \$60,000 or more. The pattern of donations is also similar to the sector as a whole, with the vast majority of donation dollars coming from the top 25% of donors.

Social Services organizations are more likely than all nonprofit and voluntary organizations to report financial capacity problems and problems relating to external funding. Mid-sized organizations, those that are dependent on government for more than half their revenues, and those that have experienced a decrease in revenues are the most likely to report financial and funding problems.

Human Resources and Challenges

Many nonprofit and voluntary organizations consider their human resources—both paid and volunteer—to be their greatest strength (Hall et al., 2003). In this section, we examine Social Services organizations from a human resources perspective. The data on volunteers come from the NSGVP.⁸ The data on paid staff and capacity issues come from the NSNVO.

Highlights

Quick facts

- Over 1.8 million people (7% of Canadians aged 15 and over) volunteer for Social Services organizations
- More than 297,000 Canadians, or about 15% of the total nonprofit and voluntary sector workforce, are employed by Social Services organizations

Volunteers

- Social Services organizations receive 20% of all volunteer hours
- Volunteers give an average of 120 hours each to Social Services organizations for a total of 214 million hours
- 77% of volunteer hours are contributed by 2% of Canadians
- Volunteers tend to be women, aged 35 to 54, married or in common-law relationships, with post-secondary educations
- Many organizations report problems recruiting, training, and retaining volunteers and board members

Paid staff

- 69% of Social Services organizations have at least one paid staff member, compared to 46% of all organizations; 29% have 10 or more paid staff, compared to 12% of all organizations
- They are more likely than other organizations to report that their staffing levels increased between 2000 and 2003
- Almost half report difficulties obtaining the type of paid staff they need and providing staff training and development

Volunteers

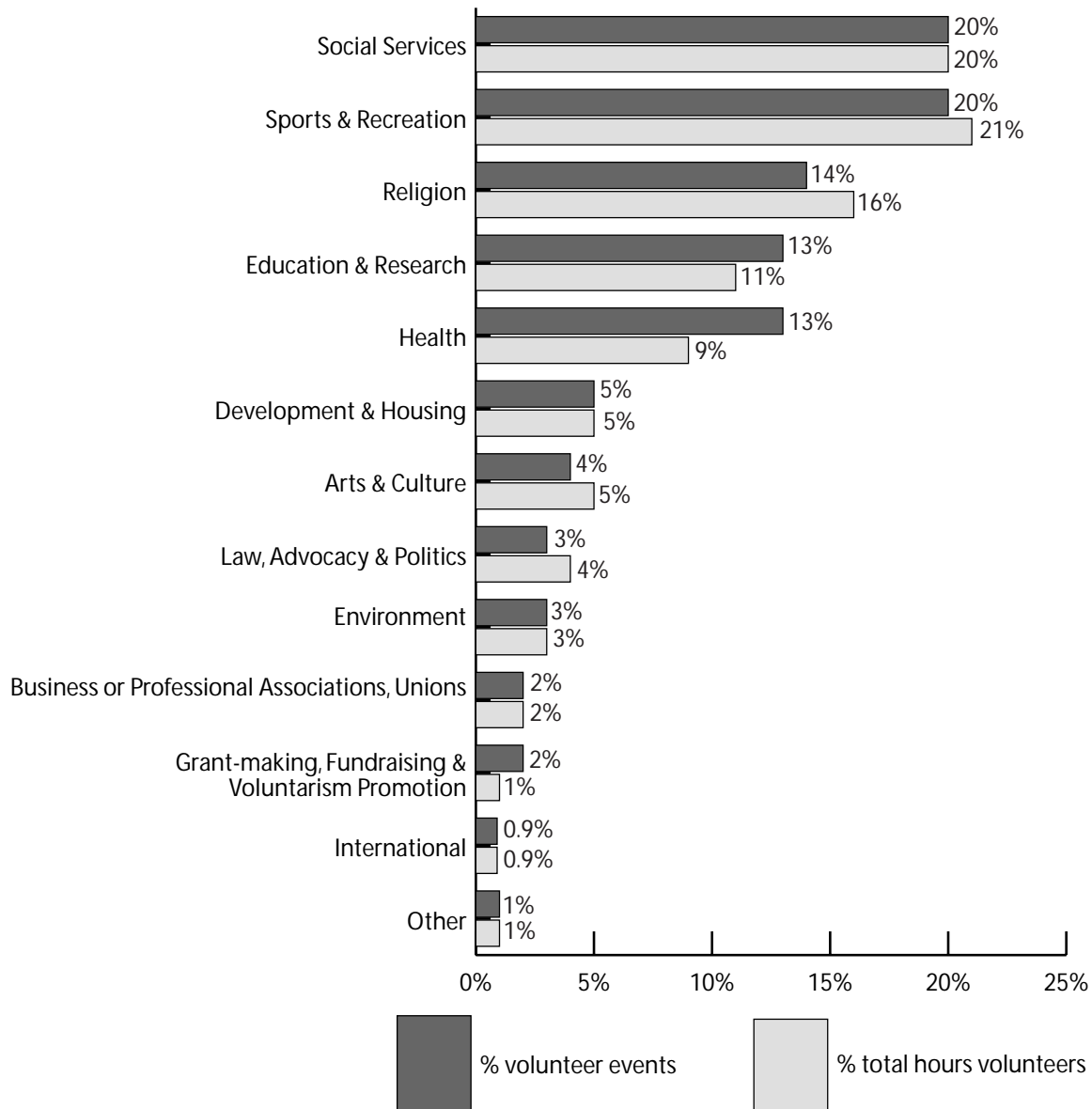
The NSGVP estimates that 6.5 million Canadians volunteered in 2000. These volunteers contributed an average of 162 hours each per year for a total of just over 1 billion hours.

The NSGVP also estimates that 1.8 million Canadians (7% of the population aged 15 and over) volunteered an average of 120 hours per year with Social Services organizations in 2000, for a

⁸ The NSNVO asked organizations about their volunteers. However, because the NSNVO is an organizational survey, individual volunteers who contribute to more than one organization are counted more than once. Therefore, we have chosen to rely on the NSGVP for data on volunteers.

total of 214 million hours. Social Services organizations received 20% of volunteer events⁹ and 20% of volunteer hours (see Figure 27). This level of support is quite high, given that Social Services organizations represent just 12% of all nonprofit and voluntary organizations.

Figure 27: Percentage of volunteer events and percentage of volunteer hours by primary activity area, NSGVP 2000

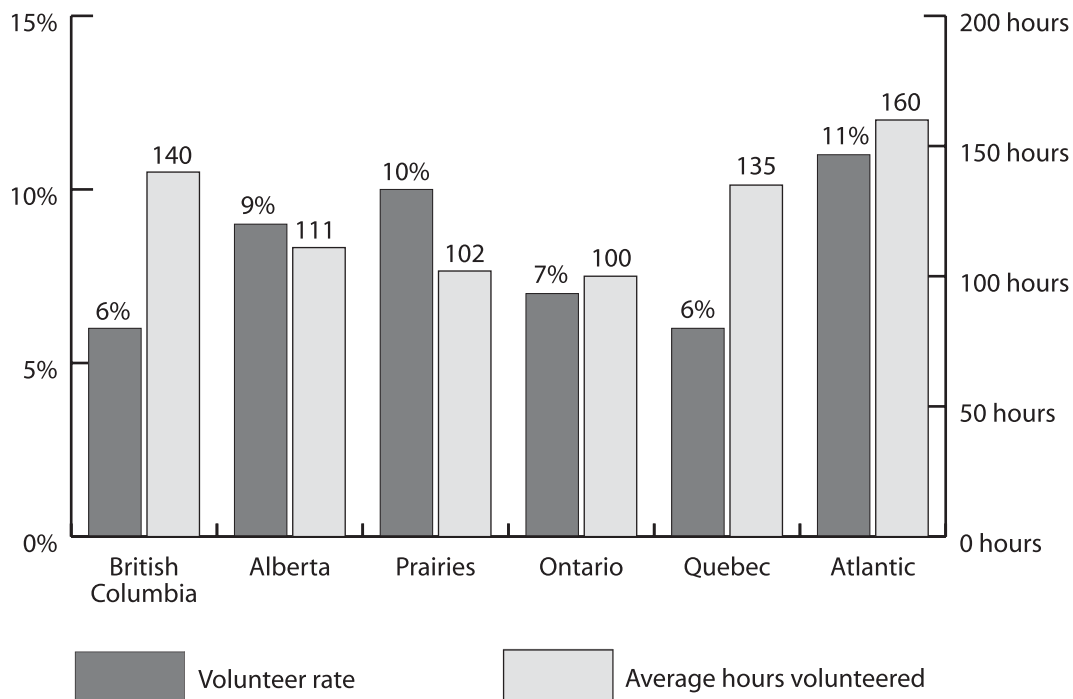


⁹ A volunteer event is a single activity where a volunteer participates. A volunteer may participate in several volunteer events in a single year. Therefore, the total number of volunteer events is expected to exceed the total number of volunteers in any given year.

Volunteer rates and hours by region

Volunteer rates and hours vary considerably across the country (see Figure 28). Volunteers in the Atlantic provinces are the most committed to Social Services organizations. Eleven percent of all Atlantic Canadians contribute time to Social Services organizations, giving an average of 160 hours per year. In contrast, only 7% of Ontarians support Social Services organizations and these volunteers give an average of only 100 hours per year. Social Services organizations in British Columbia and Quebec have slightly lower volunteer rates than those in Ontario (6% each), but Social Services volunteers in these provinces contribute an average of 140 hours and 135 hours per year, respectively.

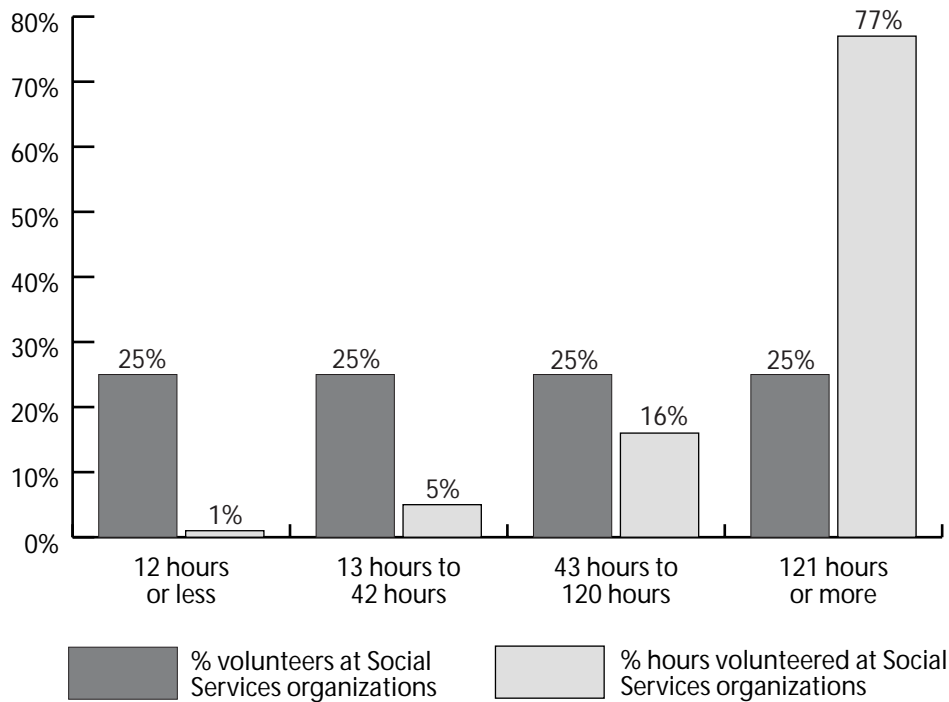
Figure 28: Volunteer rate and average hours volunteered, Social Services organizations, NSGVP 2000



Much comes from the few

When we group Social Services volunteers into four equal-sized groups based on the number of hours they volunteer each year, we find that a small proportion of volunteers contributes the vast majority of volunteer hours. According to the NSGVP, the top 25% of Social Services volunteers, who volunteered an average of 121 hours or more each, accounted for 77% of the hours contributed to Social Services organizations in 2000 (see Figure 29). This means that 2% of Canadians aged 15 and older (one-quarter of the 7% who volunteered with Social Services organizations in 2000) account for 77% of all volunteer hours.

Figure 29: Percentage of volunteers and percentage of total volunteer hours by annual hours volunteered, Social Services organizations, NSGVP 2000



Personal and economic characteristics of volunteers

Like volunteers in general, Social Services volunteers tend to be women, aged 35 to 54, married or in common-law relationships, with post-secondary educations. Social Services volunteers are, however, more likely than all volunteers to have household incomes under \$40,000 per year, and top Social Services volunteers are even more likely to come from this income group. The personal and economic characteristics of Social Services volunteers are presented in Table 12.

Age

Canadians between the ages of 35 and 54 comprise 42% of all Social Services volunteers and 42% of top volunteers. They also account for 40% of all volunteer hours given to Social Services organizations. Canadians over the age of 65 also make a major contribution to Social Services organizations. Volunteers in this age group contribute an average of 215 hours per year to Social Services organizations and account for 20% of all volunteer hours.

Sex

Women are more likely than men to volunteer with Social Services organizations (8% of women volunteer, compared to 6% of men). Women also account for 58% of all Social Services volunteers, 56% of top volunteers, and 53% of volunteer hours. However, men who volunteer with Social Services organizations contribute more hours, on average, than women (135 vs. 110).

Marital status

Separated or divorced Canadians are more likely than others to volunteer for Social Services organizations (9% volunteer). However, Canadians who are married or in common-law

relationships account for 61% of all Social Services volunteers and contribute 59% of all volunteer hours.

Education

More than half (54%) of all Social Services volunteers have a post-secondary diploma or university degree. This group also contributes 54% of all volunteer hours. These percentages are almost identical to those for the nonprofit and voluntary sector as a whole.

Labour force status

Employed Canadians account for 63% of Social Services volunteers, while those who are unemployed or not in the labour force account for 37%. These are the percentages we would expect, given the labour force status of the population. Interestingly, however, 45% of top Social Services volunteers are unemployed or not in the labour force, and this group contributes 43% of all hours volunteered to Social Services organizations.

Household income

As household income increases, so does the likelihood that Canadians will volunteer for Social Services organizations. Six percent of Canadians with household incomes under \$20,000 volunteer with Social Services organizations compared to 11% of those with household incomes over \$100,000. However, Social Services organizations draw a greater proportion of their volunteers from lower income groups than do other nonprofit and voluntary organizations. Only 29% of all volunteers have household incomes under \$40,000. In comparison, this group accounts for 35% of Social Services volunteers, 44% of top volunteers, and 44% of volunteer hours.

Religion

Canadians who report a religious affiliation, attend religious services weekly, or consider themselves to be religious are more likely than other Canadians to volunteer and they volunteer more hours, on average. The same is true for Social Services organizations. These groups do not, however, contribute as large a proportion of volunteer hours to Social Services groups as is the case in the sector as a whole. For example, those who attend religious services weekly contribute 35% of all volunteer hours, but only 30% of Social Services volunteer hours.

Table 12: Personal and economic characteristics of all volunteers and Social Services volunteers, NSGVP 2000

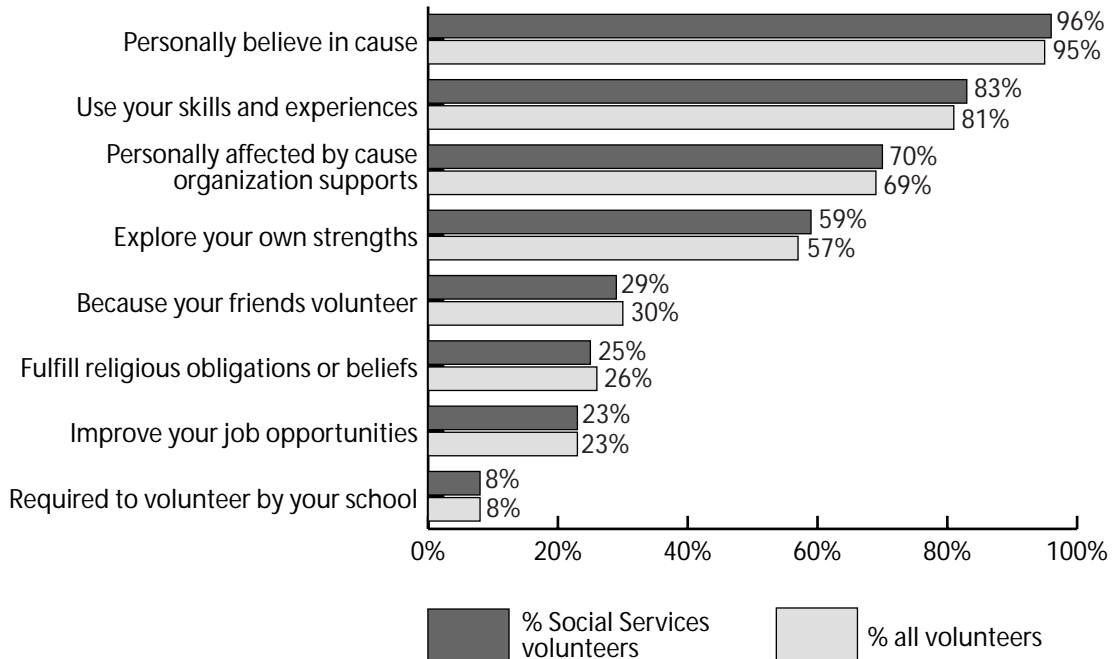
	Volunteer rate, total sector	Average hours, total sector	Volunteer rate, Social Services	Average hours, Social Services	% all Canadians	% all volunteers	% of Social Services volunteers	% top Social Services volunteers	% of total sector volunteer hours	% of Social Services volunteer hours
Age										
15 – 24 years	29%	130	8%	107	17%	18%	18%	15%	15%	16%
25 – 34 years	24%	131	7%	95	18%	16%	18%	14%	13%	14%
35 – 44 years	30%	153	7%	113	21%	24%	22%	23%	23%	21%
45 – 54 years	30%	158	8%	112	18%	20%	20%	19%	20%	19%
55 – 64 years	28%	181	7%	120	11%	12%	11%	12%	13%	11%
65+ years	18%	269	5%	215	15%	10%	11%	18%	17%	20%
Sex										
Male	25%	170	6%	135	49%	46%	42%	44%	49%	47%
Female	28%	155	8%	110	51%	54%	58%	56%	51%	53%
Marital status										
Married or common-law	28%	165	7%	116	62%	65%	61%	61%	67%	59%
Single (never married)	26%	136	8%	109	26%	25%	27%	23%	21%	25%
Widowed	17%	253	5%	174	5%	3%	4%	6%	5%	6%E
Separated or divorced	25%	181	9%	171	7%	6%	8%	9%	7%	11%
Education										
Less than high school	19%	154	5%	114	27%	19%	19%	19%	18%	18%
High school diploma	23%	150	6%	146	20%	17%	16%	15%	15%	19%
Some post-secondary	33%	173	10%	103	9%	11%	12%	10%	12%	10%
Post-secondary diploma	28%	165	8%	135	28%	29%	30%	36%	30%	34%
University degree	39%	166	10%	99	17%	24%	24%	21%	25%	20%
Labour force status										
Employed	28%	147	7%	109	63%	67%	63%	55%	61%	57%
Full-time (30+ hrs)	27%	145	7%	101	80%	77%	77%	75%	75%	72%
Part-time (<30 hrs)	33%	155	8%	136	20%	23%	23%	25%	25%	28%
Unemployed	25%	175	9%	151E	4%	4%	5%	6%	4%	6%E
Not in labour force	24%	193	7%	139	33%	30%	32%	39%	35%	37%
Household income										
Less than \$20,000	17%	207	6%	158	13%	8%	11%	13%	10%	14%
\$20,000 – \$39,999	21%	179	7%	150	26%	21%	24%	31%	23%	30%
\$40,000 – \$59,999	26%	162	7%	123	23%	23%	21%	21%	23%	22%
\$60,000 – \$99,999	32%	145	8%	104	25%	31%	26%	22%	27%	23%
\$100,000 or more	39%	150	11%	80	12%	18%	18%	13%	16%	12%
Religious affiliation										
Affiliation	28%	168	8%	124	74%	76%	75%	80%	78%	77%
No affiliation	26%	149	7%	115	26%	24%	25%	20%	22%	23%
Religious attendance										
Weekly attender	41%	202	11%	130	19%	28%	28%	33%	35%	30%
Not a weekly attender	24%	149	7%	119	81%	72%	72%	67%	65%	70%
Strength of belief										
Very religious	37%	200	10%	135	11%	15%	15%	17%	19%	16%
Not very religious	26%	156	7%	120	89%	85%	85%	83%	81%	84%

E Use with caution

Motivations for volunteering

Social Services volunteers cite the same motivations for volunteering as all volunteers, and in almost the same proportions (see Figure 30). The most common motivations are belief in the cause (cited by 96% of Social Services volunteers and 95% of all volunteers), opportunity to use skills and experiences (83% of Social Services volunteers and 81% of all volunteers), and being personally affected by the cause the organization supports (70% and 69%).¹⁰

Figure 30: Motivations for volunteering, NSGVP 2000



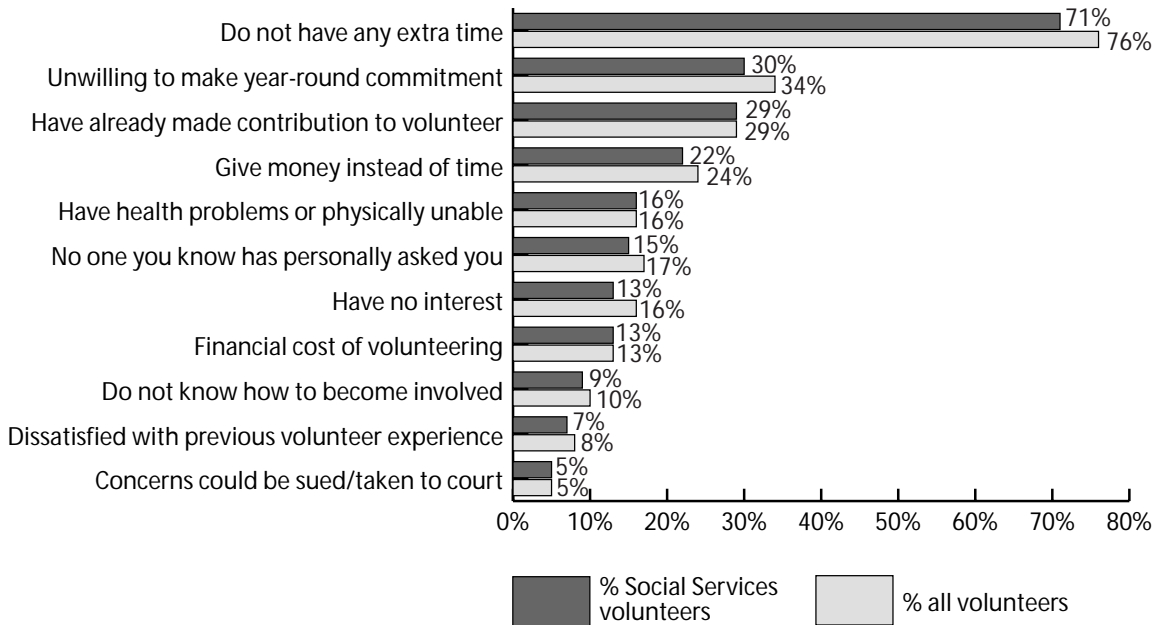
Barriers to volunteering more

The most common barrier to volunteering more among all volunteers and Social Services volunteers is not having any extra time (see Figure 31). Social Services volunteers are, however, somewhat less likely to cite this barrier than are all volunteers (71% vs. 76%). The second most common barrier to volunteering more is an unwillingness to make a year-round commitment. Thirty percent of Social Services volunteers and 34% of all volunteers cite this barrier.

Although Social Services volunteers are more likely than volunteers in general to have low incomes, they are no more likely to cite the financial cost of volunteering as a barrier.

¹⁰ It is important to note that volunteers often volunteer with more than one type of organization over the course of a year. Therefore, respondent motivations are related to volunteering in general and not to volunteering for Social Services organizations in particular.

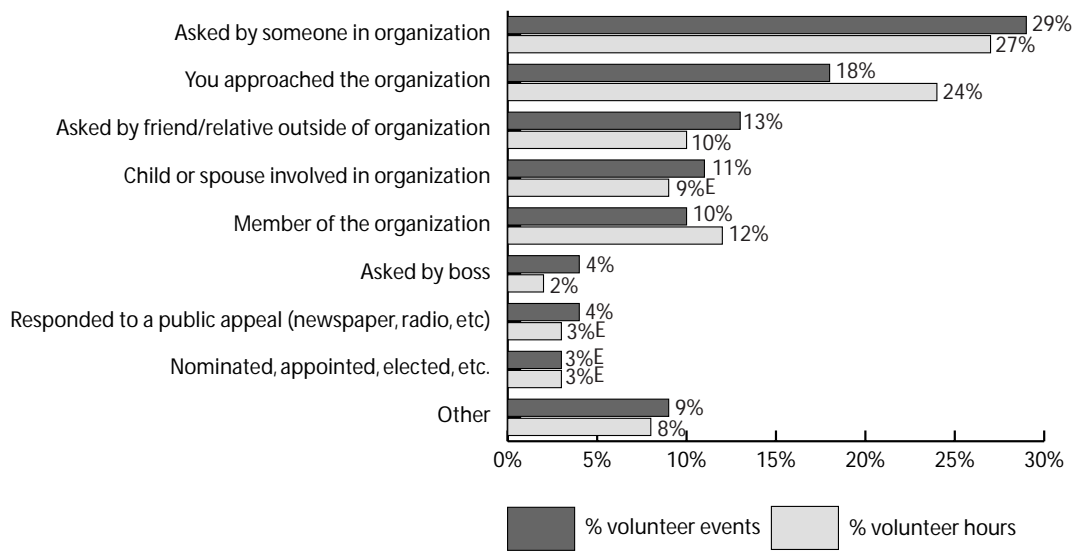
Figure 31: Barriers to volunteering more, NSGVP 2000



How volunteers become involved

The most common way for Social Services volunteers to become involved in volunteering is to be asked by an organization. Almost a third (29%) of volunteer events in the Social Services sub-sector start this way (see Figure 32). The second most common way that people become involved with a Social Services organization is to approach the organization on their own (18% of volunteer events).

Figure 32: Percentage of volunteer events and percentage of volunteer hours by method of initial involvement, Social Services volunteers, NSGVP 2000



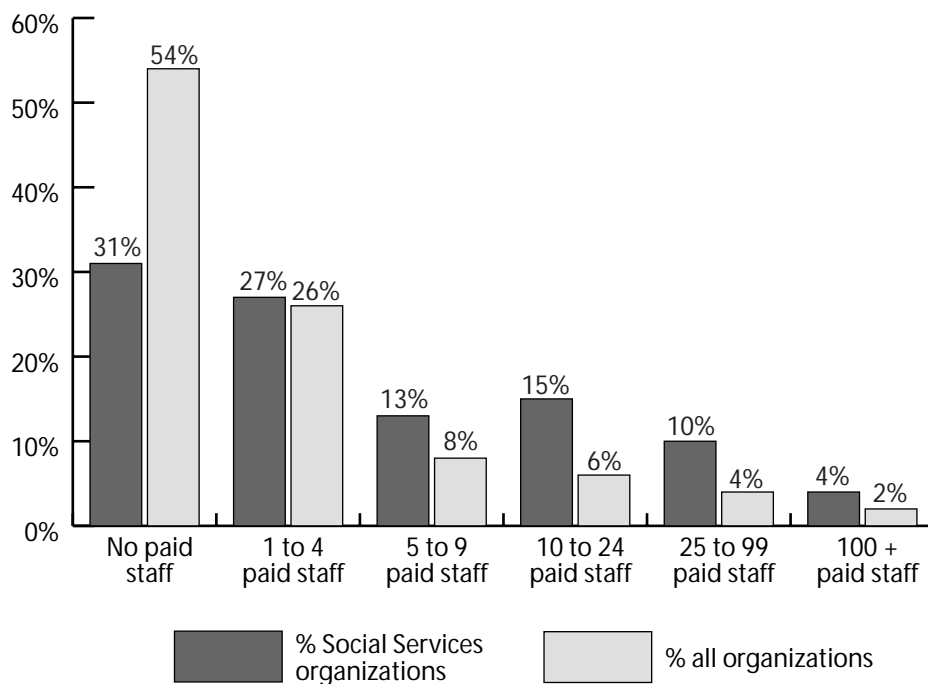
E Use with caution

Paid staff

The NSNVO estimates that Canada's nonprofit and voluntary sector employed over 2 million people in 2003. Social Services organizations employed more than 297,000 people in 2003, or about 15% of the total nonprofit and voluntary sector workforce. Sixty-five percent of Social Services employees (193,000 people) had permanent positions and 57% (169,000 people) worked full-time.

Social Services organizations are more likely than nonprofit and voluntary organizations in general to have paid staff. Fewer than one-third (31%) of Social Services organizations have no paid staff, compared to more than half (54%) of all nonprofit and voluntary organizations (see Figure 33). Compared to the sector as a whole, Social Services organizations are also more likely to have large staff contingents. Twenty-nine percent of Social Services organizations have 10 or more staff members, compared to 12% of all organizations; 14% of Social Services organizations have 25 or more staff members, compared to 6% of all organizations.

Figure 33: Percentage of organizations by number of paid staff, NSNVO 2003



Paid staff by region

Staff complements vary considerably by region (see Table 13). In the Atlantic provinces and Alberta, more than half of Social Services organizations (52% and 51%, respectively) operate without the assistance of paid staff. British Columbia also has a comparatively high proportion of organizations with no paid staff (45%). In no other region do more than 28% of Social Services organizations operate without paid staff.

Not surprising, given its large population, Ontario has the greatest proportion of Social Services organizations with 100 or more staff members (8%, compared to no more than 4% in any other region). However, the Prairies and Territories have the largest proportion of organizations with at least 10 staff members (39%, compared to no more than 31% in any other region). This may

reflect a higher level of social services in this region, a greater need for social services, or a combination of both.

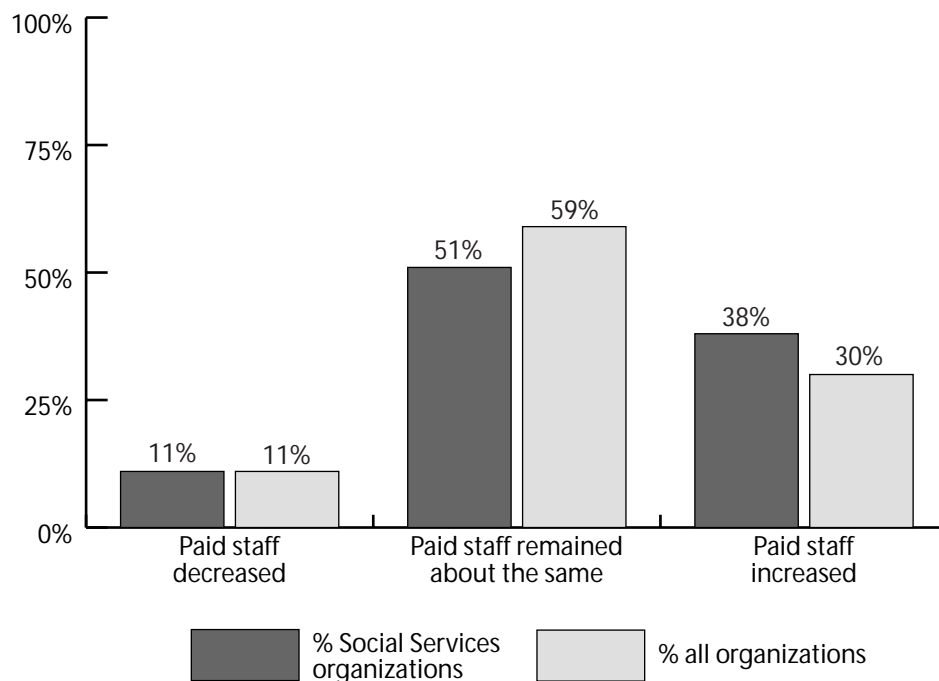
Table 13: Paid staff levels by region, Social Services organizations, NSNVO 2003

Number of paid staff	Percentage of organizations reporting each problem						% Social Services organizations
	British Columbia	Alberta	Prairies & Territories	Ontario	Quebec	Atlantic	
0	45%	51%	25%	28%	22%	52%	31%
1 to 4	15%	21%	20%	30%	33%	19%	27%
5 to 9	14%	7%	16%	11%	15%	9%	13%
10 to 24	10%	12%	25%	13%	16%	13%	15%
25 to 99	10%	6%	12%	10%	13%	6%	10%
100+	4%	4%	2%	8%	1%	1%	4%

Changes in levels of paid staff

As we can see in Figure 34, Social Services organizations are more likely than nonprofit and voluntary organizations in general to report that their staffing levels increased between 2000 and 2003. Thirty-eight percent of Social Services organization reported an increase in the number of paid staff, compared to 30% of all organizations.

Figure 34: Reported change in levels of paid staff over the past three years, NSNVO 2003



Human resources capacity issues

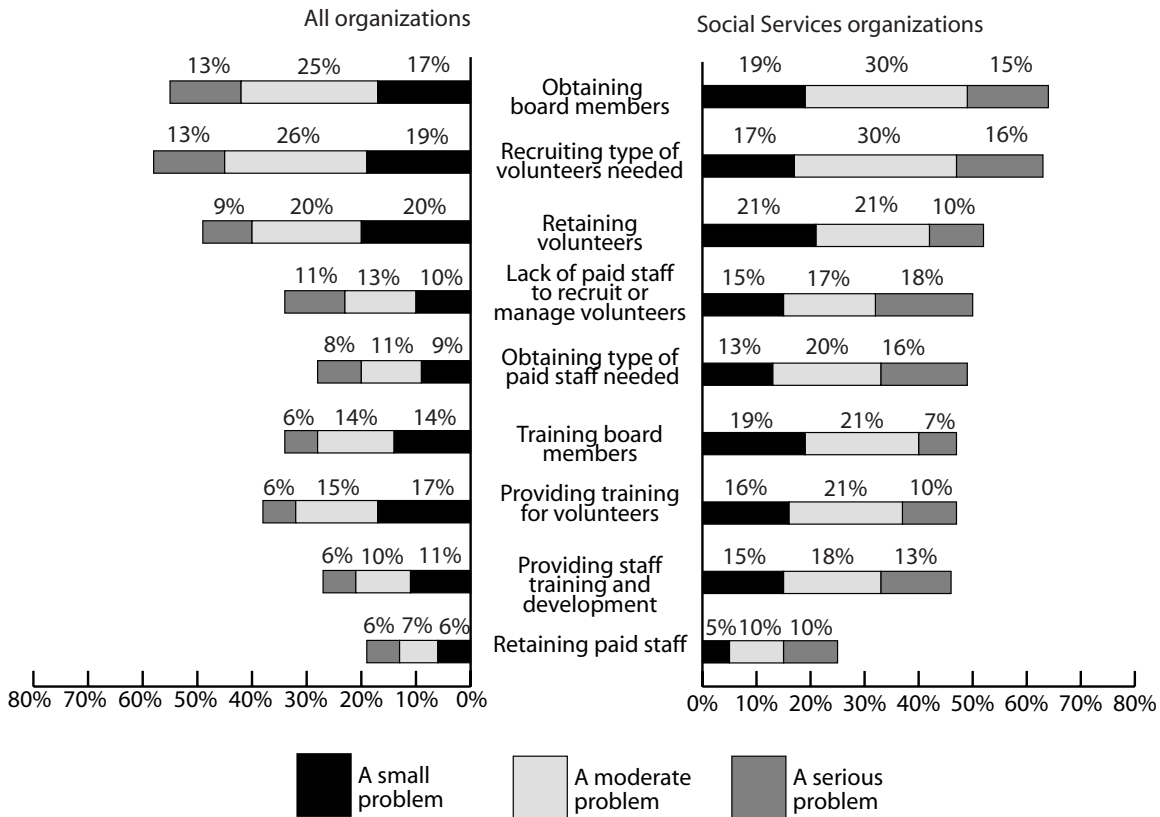
We have seen that Social Services organizations are more likely than nonprofit and voluntary organizations in general to report problems in all financial and external funding capacity areas. The same is true with regard to human resources. The NSNVO asked respondents if a variety of human resources capacity issues were not a problem, a small problem, a moderate problem, or a serious problem for their organization. The results indicate that Social Services organizations are more likely than nonprofit and voluntary organizations in general to report problems with regard to all human resources capacity issues (see Figure 35).

The most common human resources problems reported by Social Services organizations relate to recruiting board members and volunteers (64% and 62%* of Social Services organizations, respectively, say that they have problems in these areas). More than half (52%) of all Social Services organizations also report that they have difficulty retaining volunteers. Problems with recruiting and retaining volunteers plague the entire nonprofit and voluntary sector, however, and Social Services organizations are only slightly more likely than all organizations to report problems in these areas.

Social Services organizations are, however, far more likely than other organizations to report problems regarding paid staff. For example, 49% of Social Services organizations say they have difficulty obtaining the type of paid staff they need. In the sector in general, only 28% of organizations say that this is a problem for them. Similarly, 47%* of Social Services organizations say they have difficulty providing staff training and development, compared to only 27% of all organizations. Social Services organizations are also considerably more likely than all organizations to say that the lack of paid staff to recruit and manage volunteers is a problem for them (50% vs. 35%*).

* Figure differs from sum derived from chart due to rounding of numbers for individual categories.

Figure 35: Human resources capacity issues, Social Services organizations compared to all organizations, NSNVO 2003



Human resources issues by organization size

The only clear relationship between organization size and human resources capacity issues is that the smallest Social Services organizations (those with under \$30,000 in annual revenues) are the least likely to report most problems (see Table 14). Other notable findings include:

- Organizations with annual revenues between \$30,000 and \$99,999 are more likely than other organizations to report problems obtaining board members and providing training for board members.
- Organizations with annual revenues between \$250,000 and \$499,999 are more likely than others to report problems providing training for volunteers and having enough paid staff to manage volunteers.
- Organizations with annual revenues over \$1 million are more likely than others to report difficulties obtaining the type of paid staff they need.

Table 14: Human resources capacity issues by revenue size, Social Services organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem							All Social Services organizations
	Less than \$30K	\$30K– \$99.9K	\$100K– \$249.9K	\$250K– \$499.9K	\$500K– \$999.9K	\$1M– \$9.9M	\$10M+	
Obtaining board members	54%	74%	66%	72%	59%	61%	70%	64%
Recruiting type of volunteers needed	54%	77%	65%	70%	49%	56%	77%	62%
Retaining volunteers	45%	64%	51%	60%	40%	53%	76%	52%
Lack of paid staff to recruit or manage volunteers	32%	54%	56%	68%	59%	63%	52%	50%
Obtaining type of paid staff needed	20%	55%	58%	59%	66%	76%	69%	49%
Training board members	31%	59%	52%	49%	58%	55%	40%	47%
Providing training for volunteers	35%	52%	42%	67%	51%	58%	51%	47%
Providing staff training and development	26%	57%	55%	61%	45%	57%	61%	47%
Retaining paid staff	28%	17%	24%	25%	34%	20%	36%	24%

Human resources issues by region

The clearest relationship between region and human resources capacity issues is that Social Services organizations in Atlantic Canada are the least likely to report most human resources capacity issues (see Table 15). Other notable findings include:

- Organizations in Quebec are the most likely to report problems obtaining board members.
- Organizations in British Columbia are the most likely to report problems recruiting volunteers, providing training for volunteers, and retaining paid staff.
- Organizations in Ontario and the Prairies and Territories are most likely to report problems providing staff training and development and having enough paid staff to recruit and manage volunteers.

Table 15: Human resources capacity issues by region, Social Services organizations, NSNVO 2003

Capacity items	Percentage of organizations reporting each problem						All Social Services organizations
	British Columbia	Alberta	Prairies & Territories	Ontario	Quebec	Atlantic	
Obtaining board members	63%	55%	62%	62%	71%	50%	64%
Recruiting type of volunteers needed	69%	59%	67%	62%	61%	57%	62%
Retaining volunteers	57%	62%	58%	51%	48%	43%	52%
Lack of paid staff to recruit or manage volunteers	53%	45%	54%	54%	49%	40%	50%
Obtaining type of paid staff	33%	35%	58%	48%	58%	33%	49%
Providing staff training and development	49%	42%	50%	51%	46%	33%	47%
Providing training for volunteers	51%	43%	48%	51%	45%	43%	47%
Training board members	48%	46%	50%	47%	49%	40%	47%
Retaining paid staff	32%	26%	26%	21%	24%	24%	24%

Human resources issues by revenue dependency

Social Services organizations that are dependent on government funding are the most likely to report most human resources capacity issues, while those that are dependent on gifts and donations are the least likely to report most problems (see Table 16). The biggest difference between organizations with different revenue profiles is with regard to obtaining paid staff. Government-dependent Social Services organizations are more than twice as likely to report problems in this area (62%) as are those that rely on gifts and donations (30%).

Table 16: Human resources capacity issues by revenue dependency, Social Services organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem				
	Government dependent	Earned revenues dependent	Gifts & donations dependent	Diverse	All Social Services organizations
Recruiting type of volunteers needed	67%	54%	57%	73%	62%
Obtaining board members	69%	61%	53%	65%	64%
Retaining volunteers	57%	48%	43%	55%	52%
Lack of paid staff to recruit or manage volunteers	63%	43%	35%	48%	50%
Obtaining type of paid staff needed	62%	40%	30%	47%	49%
Providing training for volunteers	58%	43%	30%	46%	47%
Providing staff training and development	59%	38%	34%	41%	47%
Training board members	60%	39%	37%	32%	47%
Retaining paid staff	23%	29%	22%	24%	24%

Human resources issues by revenue change

Social Services organizations that report declining revenues are the most likely to report difficulties recruiting board members and volunteers, retaining volunteers, and providing training for volunteers and staff (see Table 17). On the other hand, those that report increasing revenues are the most likely to report difficulties training board members, recruiting paid staff, and a lack of paid staff to recruit and manage volunteers. Organizations with stable revenues are the least likely to report all human resources problems.

Table 17: Human resources capacity issues by reported revenue change, Social Services Organizations, NSNVO 2003

Capacity issues	Percentage of organizations reporting each problem			
	Revenues decreased	Revenues stayed about the same	Revenues increased	All Social Services organizations
Recruiting type of volunteers needed	74%	58%	60%	62%
Obtaining board members	75%	58%	66%	64%
Retaining volunteers	60%	46%	52%	52%
Lack of paid staff to recruit or manage volunteers	54%	47%	56%	50%
Obtaining type of paid staff needed	53%	39%	55%	49%
Providing training for volunteers	52%	46%	49%	47%
Providing staff training and development	53%	38%	54%	47%
Training board members	46%	45%	52%	47%
Retaining paid staff	27%	23%	24%	24%

Summary

Social Services organizations attract the second largest volunteer force in the nonprofit and voluntary sector. Despite this, more than half of Social Services organizations say that they have problems recruiting and retaining volunteers.

Social Services organizations are more likely than nonprofit and voluntary organizations in general to rely on paid staff to fulfill their missions. They are also, perhaps not surprisingly, more likely to say that they have problems recruiting, training, and retaining paid staff. The importance of paid staff to Social Services organizations is likely due to the nature of the services they provide.

Paid staff levels are less stable in Social Services organizations than they are in the sector as a whole. In fact, more than a third of Social Services organizations reported that their staff levels increased between 2000 and 2003. This is probably the result of government downloading.

Social Services organizations that are dependent on government funding and those whose with fluctuating revenues are the most likely to report human resources capacity problems.

Conclusions

Canadian Social Services organizations provide an enormous range of services, including services for children, youth, families, immigrants, refugees, the elderly, the disabled, the homeless, and the poor. The findings presented in this report indicate that Social Services organizations:

- collectively, have a substantial social and economic presence;
- individually, tend to be larger than nonprofit and voluntary organizations in general;
- can be divided into three distinct groups;
- get most of their funding from government;
- rely on paid staff to deliver many of their services;
- are locally-focused and serve specific populations;
- have volunteer and donor trends that are similar to the sector as a whole; and
- have recently experienced considerable changes in revenue and staff levels.

Social and economic presence

According to the NSNVO, there are approximately 19,000 Social Services organizations in Canada, accounting for 12% of the country's estimated 161,000 nonprofit and voluntary organizations. Social Services organizations report \$11.1 billion in annual revenues—more than any sub-sector except Hospitals, Universities, and Colleges.

Social Services organizations are also important vehicles for citizen engagement. They receive the support of 1.8 million volunteers (7% of the population 15 years of age and older), who contributed over 214 million hours of their time in 2000. This significant volunteer support may reflect the quality of the programs that Social Services organizations offer to people in their communities, the need for these programs, or both.

Size

Social Services organizations tend to be larger than other types of organizations, with fewer organizations reporting annual revenues under \$30,000 and more reporting revenues of \$100,000 or more.

As is the case in the sector as a whole, a small group of large organizations receives the vast majority of financial resources, while the majority of small organizations survive on a relatively small percentage. However, almost half of all Social Services revenues are concentrated in organizations with annual revenues between \$1 million and \$9.9 million. In comparison, in the nonprofit and voluntary sector as a whole, organizations with annual revenues exceeding \$10 million control the majority of the revenues.

Large Social Services organizations are more likely than small ones to report growing revenues. This trend exists in the nonprofit and voluntary sector as a whole, but it is more pronounced in the Social Services sub-sector. Seventy-one percent of Social Services organizations with annual revenues exceeding \$1 million report growing revenues, compared to 60% of similarly sized organizations in the nonprofit and voluntary sector as a whole. Organizations with growing revenues are generally less likely than those with declining revenues to report financial capacity problems. However, they are more likely than organizations with stable revenues to report such problems.

Three distinct groups

Social Services organizations can be divided into three distinct groups. First, there are the organizations with revenues less than \$250,000 a year. These organizations represent the majority

of all Social Services organizations, but account for only a tiny percentage of revenues. Second, there are the organizations with revenues between \$250,000 and \$999,999 per year. These organizations are comparatively well-resourced, but are still experiencing problems fulfilling their missions. Finally, there are the organizations with over \$1 million in revenues per year. These organizations represent only a small percentage of organizations, but command the majority of financial resources. These three groups of organizations have distinct funding profiles and capacity challenges.

The smallest organizations are the least reliant on government funding and the most likely to report stable revenues. These organizations are more likely than larger organizations to say that an over-reliance on project funding, a need to modify programs to obtain funding, and retaining volunteers are problems for them.

Mid-sized organizations rely on government to provide at least one-half of their revenues and almost two-thirds of them report that their revenues are increasing. These organizations are more likely than others to say that reductions in government funding, retaining paid staff, and a lack of paid staff to recruit and manage volunteers are problems for them.

The largest organizations are the most reliant on government funding and the most likely to report revenue increases. They are more likely than smaller organizations to say that increasing demands for services and products, obtaining paid staff, and competition with other organizations are problems for them.

Dependence on government funding

Social Services organizations receive two-thirds (66%) of their revenues from government. The provincial and territorial governments are particularly important revenue sources, providing more than half (54%) of all Social Services revenues. Although Canadians donated just under \$503 million to Social Services organizations in 2000, individual donations account for a mere 4% of the revenues of Social Services organizations.

Social Services organizations that depend on government for more than half their revenues are more likely than other Social Services organizations to report most financial and human capacity challenges.

Reliance on paid staff

Social Services organizations are relatively well staffed. Over two-thirds have paid staff, compared to less than half of all organizations in the nonprofit and voluntary sector. More than 297,000 Canadians, or 15% of all paid staff in the nonprofit and voluntary sector, are employed by Social Services organizations. Sixty-five percent of Social Services employees hold permanent positions and 57% work full-time.

Social Services organizations are more likely than nonprofit and voluntary organizations in general to say that their staffing levels increased between 2000 and 2003. Organizations with \$1 million or more in annual revenues, those that depend on government for more than half of their revenues, and those with increasing revenues are more likely to report capacity problems relating to paid staff.

Locally-focused organizations that serve specific populations

Typical of many nonprofit and voluntary organizations, Social Services organizations have a strong local focus. This focus often stretches beyond municipal borders to include regions of provinces and territories. However, Social Services organizations tend not to serve entire provinces or territories, and there are few national Social Services organizations.

Their local focus may explain why there are fewer Social Services organizations with annual revenues over \$10 million than is the case in the nonprofit and voluntary sector as a whole. The reliance on provincial government funding likely explains why there are comparatively few national Social Services organizations.

Social Services organizations are more likely than other nonprofit and voluntary organizations to serve children and youth; parents and families; and disadvantaged, needy, or offender populations. They are considerably less likely to serve the general public.

Donor and volunteer trends similar to the sector as a whole

Social Services donors and volunteers generally have the same social and economic profiles as all donors and volunteers. They also tend to report the same motivations for giving and volunteering and the same barriers for not giving or volunteering more. As is the case in the sector as a whole, the majority of donation dollars and volunteer hours contributed to Social Services organizations come from the top 25% of donors and volunteers.

One exception to this pattern is that 51% of top Social Services donors are men and that men contribute 52% of the total value of all donations to Social Services organizations. In comparison, in the sector as a whole, men comprise 48% of all top donors and contribute 47% of the total value of all donations. Another exception is that Social Services volunteers are more likely than other volunteers to come from lower income groups.

Change

Social Services organizations are more likely than other nonprofit and voluntary organizations to report changing levels of staff and revenues. Increasing resource levels are more common than decreasing levels. However, change of either sort appears to cause problems for Social Services organizations.

Implications for the future

The key strengths of Social Services organizations appear to be their local community focus, their attention to specific populations, and the dedication of their staff and volunteers.

Some of the most significant challenges facing Social Services organizations relate to their reliance on government funding, which is associated with a host of capacity issues, and the high level of change they have experienced in the last few years, which is also associated with a variety of capacity issues.

These trends may pose even greater problems in the future, as Social Services organizations are more likely than nonprofit and voluntary organizations in general to report increasing revenues and paid staff levels.

Appendix

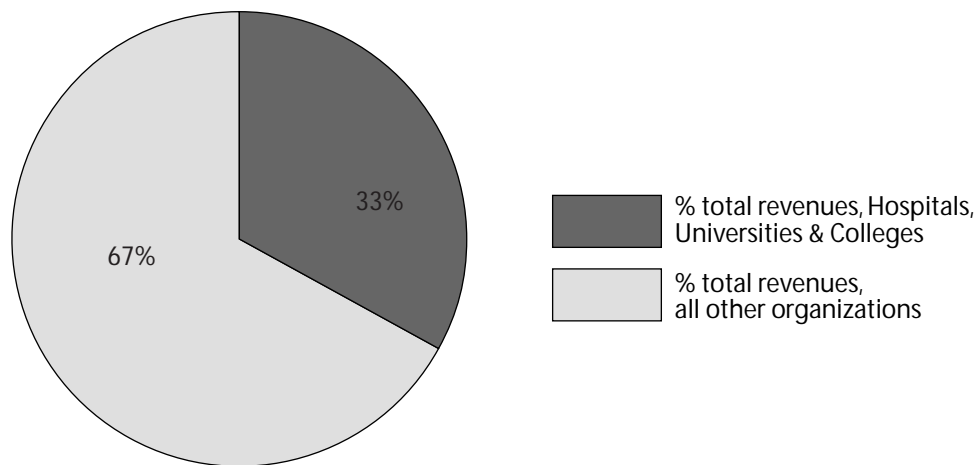
Methodological Notes

Comparing Social Services organizations to all organizations

Throughout this report, Social Services data are usually compared to *all* nonprofit and voluntary organizations. This comparison helps to demonstrate where Social Services organizations diverge from sector norms, thus highlighting areas of strength or potential concern.

This comparison can be problematic in some instances, however. The concern arises from the very high concentration of revenues accounted for, and resources consumed, by Hospitals, Universities, and Colleges. According to the NSNVO, the nonprofit and voluntary sector accounted for \$112 billion in revenues in 2003. Hospitals, Universities, and Colleges, which represent only 1% of all nonprofit and voluntary organizations, accounted for 33% or \$37 billion of those revenues (see Figure A1). The remaining \$75 billion is accounted for by the other 99% of organizations in the sector. Hospitals, Universities, and Colleges also employ 35% of all paid staff in the nonprofit and voluntary sector and 39% of these organizations have staff complements of 100 or more (Hall et al., 2004).

Figure A1: Share of total nonprofit and voluntary sector revenues, Hospitals, Universities, and Colleges vs. all other organizations, NSNVO 2003



Where data from Hospitals, Universities, and Colleges significantly skew the total sector values, they have been removed to provide a more meaningful base of comparison to Social Services organizations. Instances where comparisons have been made between Social Services organizations and the total sector *excluding* Hospitals, Universities, and Colleges have been clearly identified for the reader.

The National Survey of Nonprofit and Voluntary Organizations (NSNVO)

NSNVO data were collected by Statistics Canada via personal interviews with 13,000 individuals representing incorporated nonprofit organizations and registered charities in 2003. The data presented in this report have been weighted to provide estimates for the 161,000 incorporated nonprofit and voluntary organizations and registered charities in Canada.

The NSNVO defines nonprofit and voluntary organizations as:

- non-governmental (i.e., institutionally separate from government);
- non-profit distributing (i.e., do not return any profits generated to their owners or directors);
- self-governing (i.e., independent and able to regulate their own activities);
- voluntary (i.e., benefit to some degree from voluntary contributions of time or money); and
- formally incorporated or registered under specific legislation with provincial, territorial, or federal governments.

The NSNVO excluded grass-roots organizations or citizens' groups that are not formally incorporated or registered with provincial, territorial, or federal governments. It also excluded some registered charities that are considered to be public sector agencies (e.g., school boards, public libraries, and public schools).

The National Survey of Giving, Volunteering and Participating (NSGVP)

The National Survey of Giving, Volunteering and Participating (NSGVP) provides the most comprehensive picture of giving, volunteering, and participating in Canada. The 2000 survey was based on a representative sample of 14,724 Canadians aged 15 and older who were asked about their giving and volunteering over a one-year period from October 1, 1999 to September 30, 2000.

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