

# **The Forest Through the Trees**



## **An Analysis of Third Sector In Hastings & Prince Edward Counties**

**Community Development Council of Quinte  
49 Albion Street  
Belleville, Ontario**

**March 2005**

# The Third Sector

The Voluntary Service Sector or “Third Sector” as it is commonly referred is an important contributor to community quality of life. The sector, made up of non-profit and charitable organizations, mobilizes community, enhances democracy, fosters community participation, and responds to identified community needs so as to ensure a higher quality of life for its citizens.

The Community Development Council of Quinte argues that without the voluntary sector, the communities in which we live would be hard pressed to provide for the needs of its most vulnerable citizens.

The Community Development Council of Quinte is a not for profit, charitable organization located in Belleville, Ontario which strives to improve the quality of life of individuals and families in communities. The CDC has three primary areas of focus. They are: social planning & research; community development; and community building.

Through social planning and research, the Community Development Council of Quinte aims to heighten community awareness of the needs of its members by undertaking activities geared toward collecting and analyzing data pertaining to urgent and emerging social issues.

Through community development, the CDC aims to create opportunities for individuals and families to gain control over their own lives through participation in community activities geared toward improved quality of life. The CDC operates six self-help food programs through three depots located in The Village of Bancroft, The Town of Madoc, and in the City of Belleville under its community development umbrella. Sub-satellites are also located in the Village of Marmora, Village of Tweed, Town of Stirling, and throughout Hastings & Prince Edward Counties through partnerships.

Finally, through community building, the CDC strives to strengthen partnerships and collaborative planning by bringing together individuals and organizations of common interest, including those that might not otherwise have the opportunity, or sometimes, the inclination, to work together to create local solutions to local problems.

This is the second analysis of the Voluntary Sector in the region. The first took place in the year 2000 and was contained within the Community Development Council of Quinte’s: Community Well Being Index. Since that time there have been a number of changes within the sector as a whole and locally. Where we’ve been able we’ve compared that data to current information pertaining to the sector.

There are presently more than 161,000 non-profit corporations in Canada; roughly 80,500 registered with Revenue Canada. Registered charities are eligible to issue charitable tax receipts for gifts received. The Centre for Philanthropy estimates that 40% of all charities have revenues under \$29,999.00.<sup>i</sup> As a whole, the sector employs just over 2,000,000 million individuals in Canada and generates more than \$112 billion in revenue. This is a marked difference over 2000. At that time, it was reported that:

- There were 175,000 non-profit corporations in Canada;
- There were roughly 77,000 charities registered with Revenue Canada.
- The sector employs an estimated 1.32 million individuals in Canada and
- The sector generates more than \$57 billion in revenue.<sup>ii</sup>

Specifically while the number of not for profits have declined the number of organizations issued charitable status has increased. The number of people working in the sector has grown. Likewise, the helping economy has increased dramatically.

In Hastings & Prince Edward Counties, there are presently 121 social service organizations or community betterment groups registered with Revenue Canada as charitable organizations, up from 108 in 2000. Faith communities, schools, and community service clubs, such as the Lions or Kiwanis Clubs, are also registered to issue charitable receipts and are registered with Canada Customs & Revenue Agency (CCRA) for that purpose. To that end, there were a total of 281 registered charities in the region.

For the purposes of this report, the Voluntary Service Sector is defined as:

Registered community-based social service and community betterment groups authorized to issue charitable tax receipts for gifts in kind and/or financial contributions.

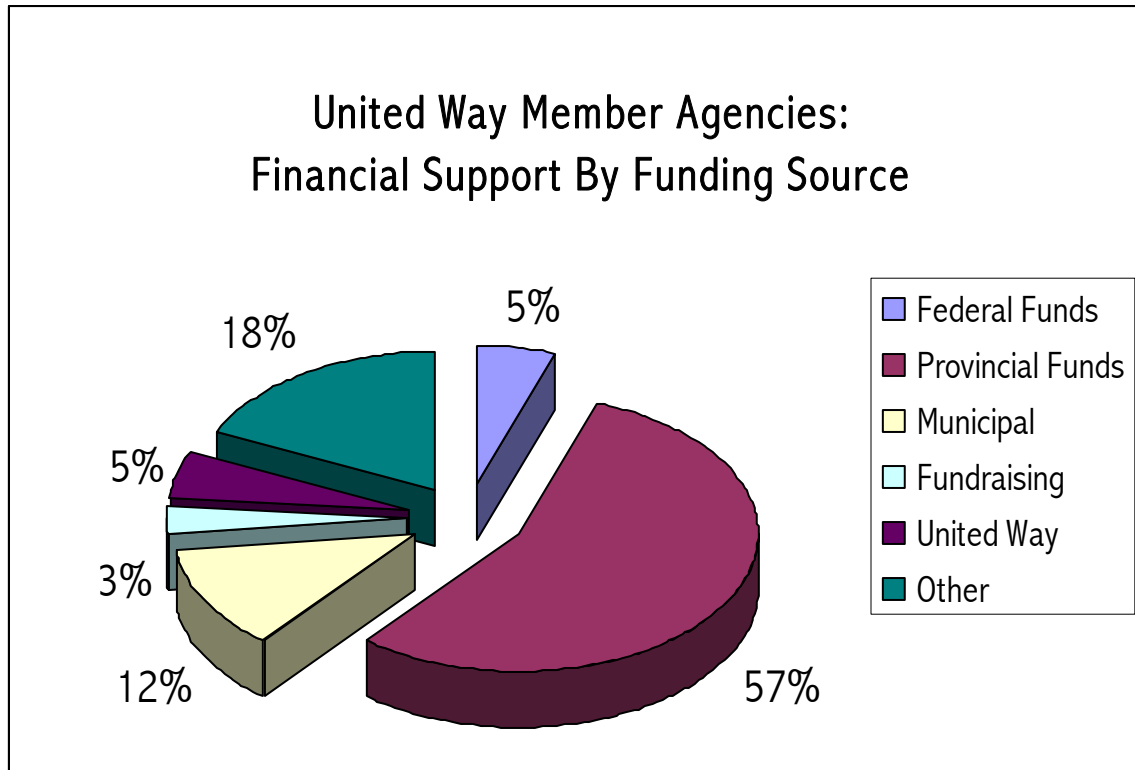
The Community Development Council of Quinte has elected to focus on two primary areas of study. They are: United Way Member Agencies and Non-United Way Member Agencies. This research has been conducted by analyzing the T3010's of all registered charities. A T3010 is the reporting form used by charities to account for its use of public funds. Filing a T3010 is a requirement of maintaining charitable status. Where discrepancies existed between public documents, the Community Development Council of Quinte studied the audited financial statements of individual organizations in order to ensure accuracy. Due to issues relating to differences in the fiscal year end of registered charities, the CDC has used T3010's filed for the 2003/2004 fiscal year.

## **United Way:**

Traditionally, United Ways work to increase community capacity to respond to the human service needs of its members. They do this by providing leadership and support to the voluntary sector and by serving as a public trust of charitable giving, responsible for the distribution of over one million dollars locally. In the year 2000, the United Way of Quinte supported 36 local charities; in 2003, that figure had grown to 46 registered charities. In 2003, the United Way of Quinte raised over \$1.4 million dollars through its annual fundraising campaign. The United Way of Quinte reports that 74% of all funds raised are distributed to local charities through its allocation process. The balance of funds is used to support specific initiatives of the United Way of Quinte, such as its Early Years and New Ventures Funding and to off-set the United Way of Quinte's administrative costs. Administrative costs total just 14% of all United Way funds.

In the 2000 study, it was determined that the United Way of Quinte provided support to 39% of the voluntary service sector. That figure has dropped to 36% of the sector.

As the following chart indicates, United Way support represents just six per cent of total revenue from all funding sources of United Way Member agencies<sup>1</sup>. This is an increase of two percent over 2000.



All told, United Way Member Agencies generate revenue in excess of \$19.5 million dollars. The Provincial Government provides the greatest amount of economic support to the United Way Member Agencies at nearly \$11 million dollars. Other Funding, that is, fees charged to program users, project grants, and charitable donations is the second highest source of revenue to United Way Member agencies at \$3.58 million. Regional or Municipal Governments contributed almost \$2.4 million dollars in 2003, followed by the Federal Government at \$1.04 million. Fundraising largely made up from the operation of bingo, lottery schemes, and Nevada sales by charities themselves comprised just \$678,000.

Source of Funding	2000	2003	Change	
Provincial Government	\$5,773,937	\$10,996,864	\$5,222,927	190%
Other Funding	\$7,057,415	\$3,587,162	(\$3,470,253)	51%
Regional/Municipal Government	\$178,301	\$2,381,859	\$2,203,558	1336%
Federal Government	\$211,800	\$1,040,996	\$829,196	491%
United Way	\$642,450	\$1,084,516	\$442,066	169%
Fundraising	\$795,153	\$678,012	(\$117,141)	85%
Total Revenue	\$14,659,056	\$19,581,636	\$4,922,580	134%

<sup>1</sup>Does not include local branch offices of provincial and other bodies that are not independently governed by a local volunteer Board of Directors, does not have its own charitable registration number, and is not autonomous from another governing body. Local branch offices excluded do not administer financial reporting on their own behalf to the charities division of Revenue Canada. Also excluded is one organization about which Revenue Canada could not locate information.

Clearly there have been some real shifts in funding support, most notably the increase of over \$4.2 million dollar investment by the Provincial Government and a 940% increase in support from Regional and Municipal government. Other sources of funding, including charitable donations is down by more than \$3.4 million dollars. Not surprisingly, fundraising is down over \$117,000, a significant figure in the not for profit world.

## **Provincial Support:**

Just 31.5 per cent (31.5%) of United Way Member Agencies included in the study receive financial support from the Provincial Government, compared to sixty per cent (60%) in 2000. The percentage of organizational budgets derived of Provincial Government Support varies dramatically. In the voluntary service sector, whenever a single funding source makes up a high percentage of the total budget, organizations are put at risk of external shifts. Shifts in government policy for example, or a redirection in resource allocation, can deeply impact the sector's ability to achieve its mandate. Consequently, many organizations seek to diversify their financial base so as to avoid complete elimination.

## **Federal Support:**

Fifty-two per cent (52%) of all organizations involved in this study receive financial support from the Federal Government, compared to 51% in 2000. The majority of these funds appear to be disbursements of employment grants to charitable organizations. For the most part, these employment grants are used to create short-term and temporary employment opportunities for workers in order to gain experience in the workforce.

## **Municipal Support:**

Regional and Municipal Governments provide financial support to nearly 37 per cent (37%) of the United Way Member Agencies involved in this study, up from thirteen (13%) per cent in the year 2000.

## **Fundraising:**

Although each of the 125 United Way branches across Canada serves as an umbrella organization for fund raising on behalf of the charitable sector in its region, 53 per cent (53%) of all United Way Member Agencies involved in this study conduct additional fund-raising activities throughout the year. This would seem to indicate that communities are being asked to participate in more than one fundraising campaign throughout the year, contrary to the purpose of single United Way fund-raising campaigns. In order to reduce the double-ask, however, the United Way of Quinte would be required to set and meet an annual fund-raising target of \$1,762,528 each year, assuming of course that fundraising and United Way funds are sufficient to meet the sector's needs. Records submitted to Revenue Canada indicate that the majority of funds raised through fund-raising activities occur as a result of special events such as bingo operations, Nevada ticket sales, and other events. The average amount fund-raised by all charities is \$26,345.00.

## Relationship between Funding Sources:

In examining the relationship between funding sources as a percentage of the total budget, particular trends reveal themselves. There appears to be a correlation between organizations with a high dependency on a single source of funding and their participation in limited fundraising activities. Indeed, 27% of all United Way Member agencies undertake no fundraising activities independent of United Way fundraising events. This is certainly true of organizations that derive more than 80% of their total budgets from government sources. Organizations with fewer economic resources appear to conduct more fund-raising activities than their wealthier colleagues.

To the contrary, organizations that fund-raise more than 40 per cent (40%) of their total budgets appear to have limited government support and somewhat higher dependency on United Way Funding. To this end, fund-raising appears to be a necessity for some and an indulgence for others.

Six United Way Member Agencies have revenues in excess of one million dollars annually. Annual revenue of four of the six exceeded the United Way of Quinte's most recent fundraising target of \$1.5 million dollars. Excluding the high earners, the average revenue of the other United Way Member Agencies was \$207,141.42.

## Labour Market Analysis:

All told, United Way Member Agencies employ 549 individuals, the majority of whom (it can be assumed) reside in Hastings & Prince Edward Counties. United Way Member Agencies employ nearly 1/3 the total number of employees in this sector.

The Voluntary Service Sector has evolved over time. Although agencies are in the business of helping community members, they are nonetheless, businesses and are expected to operate using basic business principles. As such, they are required to submit financial information each year to Revenue Canada, just as other businesses are required to submit tax information. Unlike that required of private sector business, however, in addition to reporting revenue and expenditures, charities are required to include an overview of remuneration paid to its most senior managers. Failing to report financial information on an annual basis can result in charitable organizations losing their charitable status. Consequently, they are no longer eligible to issue charitable tax receipts and can be excluded from accessing specific funding opportunities as a result. The United Way, for example, only funds organizations that are registered with Revenue Canada. Losing charitable status can result in a loss of United Way funding.

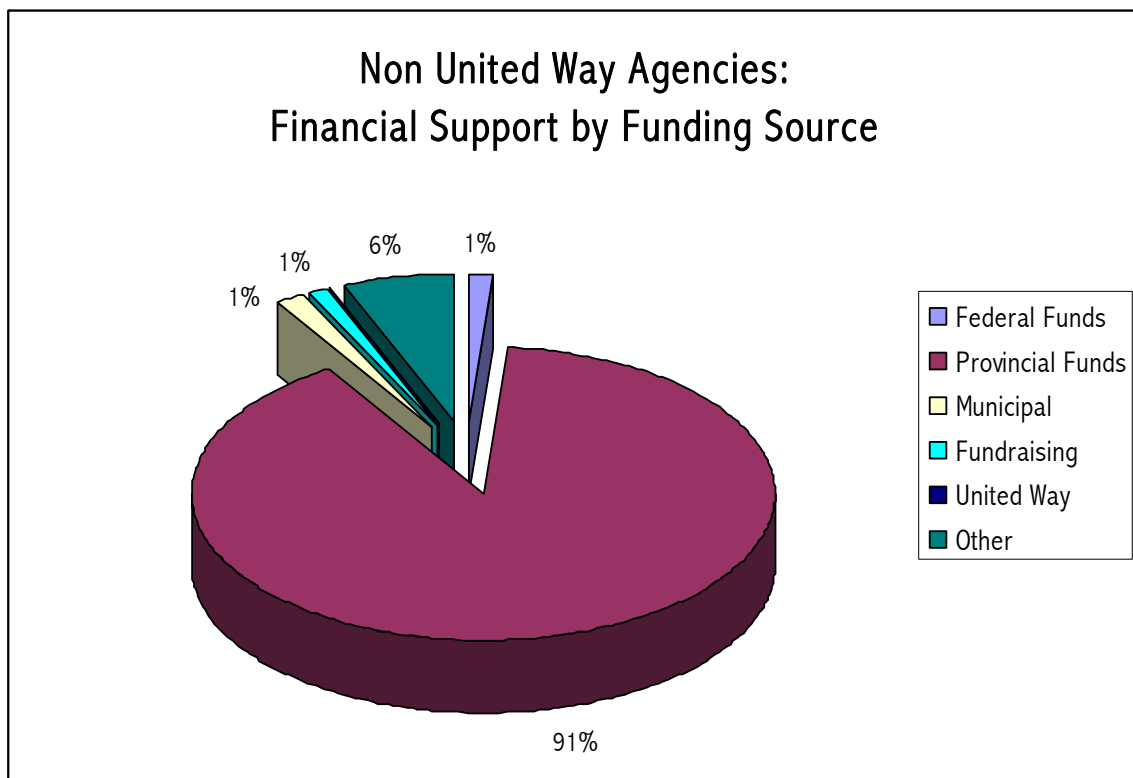
A full 61 per cent (62%) of all United Way Member Agencies pay their Senior Staff Officers; generally Executive Directors, less than \$ 40,000.00 per year for their services. This is up from 51 per cent (51%) earlier in the decade. This is a disturbing trend and may indicate that the skill sets of Chief Staff Officers, especially in smaller charitable organizations are undervalued by the Boards of Directors that pay them. There is a train of thought within community that mistakenly believes that the reward for working in the voluntary sector is the good work of the organization itself. While in some regards working in the voluntary sector does provide benefit in this way to senior staff officers in so far as balancing the needs of the agency with the needs of community requires a commitment to making a difference, this theory, serves however, to undermine the sector's ability to plan for and respond to the long-term needs of its communities. Specifically, as the sector copes with increasing demands for service, increasingly complex outcome based service delivery models require "charitable leadership" that is driven by a commitment to the work of the organization, its mission and mandate, innovation and social entrepreneurship. Innovation and Social Entrepreneurship requires a high degree of skill and creativity. Poor remuneration and multifarious expectations does not foster innovation or a sense of value.

In all likelihood, smaller organizations, such as the majority of those supported by the United Way of Quinte, appear to have balanced their budgets (as a result of lower fundraising revenue as demonstrated above and limited core funding increases) by electing to reduce its payroll responsibilities.

Thirty-four per cent (34%) of all senior managers earn between \$ 40,000 and \$ 79,999 per annum, while five per cent (5%) of all United Way Member Agencies do not provide remuneration to staff. In a recent review conducted by the United Way of Quinte, average pay scales for senior staff officers ranged from \$20 – 24.00/hour. Multi-service organizations, that is, those that operate two or more community services tended to pay their senior staff officers higher amounts than those organizations with a single service delivery unit. This is not unlike trends identified elsewhere within the sector. Specifically, the Canadian Society of Association Executives reports that “average compensation for CEOs employed in Canada's not-for-profit sector has decreased over the past year.....and that...this marks the third time in ten years that average compensation for CEOs has decreased.”<sup>iii</sup>

## Non-United Way Member Agencies:

As the chart below indicates, revenue by the Provincial Government comprises the greatest investment in the local voluntary service sector as it pertains to Non-United Way Member Agencies. Provincial funds represent 91% of all revenue used to support Non-United Way Member Agencies. Other, such as revenue generated by charging user fees, other grants, or charitable contributions make up 6% of all revenue. Federal and Municipal support to Non-United Way Member Agencies, together with fundraising, represents just 3% of all funding for the sector.



## **Provincial Support of the Sector:**

The Provincial Government contributes a total of \$ 70 million dollars to all charitable organizations in the region; \$59 million dollars of it is invested in Non-United Way Member Agencies. Investment by the Provincial Government represents 82 % of all revenues in the Voluntary Service Sector, compared to 57% in the year 2000.

## **Federal Support of the Sector:**

The Federal Government contributes a total of \$ 1.96 million to charitable organizations in the region; \$927,000 to Non-United Way Member Agencies. This represents 2.3 % of all revenues supporting the local Voluntary Service Sector.

## **Municipal Support of the Sector:**

The Municipal Government contributes a total of \$ 3.3 million dollars to all charitable organizations in the region; \$952,000 to Non-United Way Member Agencies. This represents 3.9 % of all revenues in the Voluntary Service Sector.

## **Fund-Raising:**

Roughly \$1.46 million dollars is raised by the charitable sector to support the provision of services to area residents; \$788,000 by Non United Way Member Agencies. This represents roughly 1.7 % of all revenues in the Voluntary Service Sector.

## **United Way Support of the Sector:**

The United Way contributes a total of \$ 1.13 million dollars to charitable organizations in the region; \$46,000 to Non United Way Member Agencies. This represents 1.3 % of all revenues in the Voluntary Service Sector.

## **Other Financial Sources:**

Revenue from other sources including user fees, private foundations, charitable giving, and other sources totaled nearly \$ 7.6 million dollars; \$4 million of which is generated by Non-United Way Member Agencies. This represents just under 9 % of all revenues in the Voluntary Service Sector.

## **Contribution to Community Well Being:**

The sector employs 1986 people up 27.5 percent over 2000 when the sector employed 1557 individuals. This is greater than all of the employees at Belleville's Procter & Gamble (500-900)<sup>iv</sup>, Halla Climate Control (500-700), and Nortel Networks (250) combined, all major employers in the region and significant contributors to community quality of life through its fundraising activities in support of the United Way of Quinte and others in the region. More people work in the voluntary sector than for the Hastings & Prince Edward District School Board (1070)<sup>v</sup> or at Stream International (1000-1300)<sup>vi</sup>.



Aside from the general good works conducted by social service organizations and community betterment groups, The Voluntary Service Sector contributes to community well-being in other ways. Revenues of charitable organizations are, for the most part, used to contribute to the local economy through the purchase of services (including wages). If just 50% of all expenditures are re-invested in the local economy (although in all likelihood the figure is closer to 95%) the local community reaps the benefit of more than \$32 million dollars annually.

## **And If We Didn't Exist:**

Tens of Thousands of individuals would be at risk of:

- low literacy
- unemployability,
- food insecurity,
- health problems,
- homelessness,
- social and economic isolation.

Municipalities would:

- be ill equipped to respond to the needs of its constituency
- would no longer be eligible for the government transfers that support municipal infrastructure
- lose untold revenue through taxation systems.

Educators would:

- be forced to respond to the growing and unmet needs of its population resulting in absolute chaos in the public and separate school systems.
- see enormous increases in the cost of educating a poorly equipped populace.

Business would:

- see huge losses in revenue as a direct result of wary consumer spending.
- experience loss of market share and drop in stock value.
- experience direct economic loss due to worker absenteeism as a result of workers having to cope with the quality of life issues affecting their home life, and the physical and emotional havoc stress can wreak on individuals and families in communities.

Most importantly, business would lose the benefits brought to its operations by the thousands of individuals that benefit its work place as a result of the significant skills, and social and personal development their employees bring to their work as a result of their participation in the not for profit sector.

## **Corporate – Voluntary Sector Partnerships**

The corporate sector is traditionally among the most giving of all sectors. They dedicate hundreds of thousands of dollars and hundreds of person hours to philanthropic endeavours. The United Way of Quinte, locally, can attest to that given its direct relationship to corporate donors through its annual United Way appeal.

A handful of organizations also contribute through its employees' participation in specific community betterment activities, i.e., Day of Caring, Media Day, etc. But leadership, real leadership to the sector is revealed differently in the communities in which we live.

Leadership to Voluntary Service Sector Organizations is provided directly through the expertise of volunteer Boards of Directors. According to legislation governing corporations and charities in particular, all Ontario not for profit organizations must be governed by a Board a Directors. Traditionally Boards of Directors are stewards of an

organization's vision. They represent the interest of the public in administering the financial resources of the organization from a legal and ethical perspective.

“Public trust is the obligation placed on Directors to maintain, preserve and further develop and expend resources and to ensure that the organization's activities remain in the public domain to benefit this and further generations.”<sup>vii</sup>

Board of Directors face many responsibilities. Directors have a fiduciary duty to act in the best interests of the corporation and a duty to maintain the standard of care<sup>viii</sup>. The *Canadian Business Corporations Act* requires directors to “exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.”

In this regard, Directors are responsible for upholding the legal and financial obligations of an organization relative to:

- enacting and managing contractual agreements
- the acquisition of revenue and disbursement of expenses
- ensuring compliance with provincial and federal regulations
- undertaking risk analysis
- the design and application of organizational policy
- ratifying socially responsible organizational behaviours.

In order to balance all of the competing interests facing not for profit organizations, Boards of Directors are responsible for developing and acquiring the skills and expertise necessary to the efficient conduct of its business. Directors establish strategic plans and business plans in order to advance organizational mandates. They are responsible for strategic investment of the organization's finances and are ultimately responsible for human resource functions within their organizations in so far as it relates to hiring/evaluating the performance of Chief Staff Officers and to ensure the organization is in compliance with employment related laws.

In their capacity as participants or employees in the labour market very few individuals are able to garner this particular collection of skills in the workplace. More importantly, in order for corporations to be successful, to remain competitive, they must have a high quality workforce, one that is skilled, creative, effective as team players, well motivated, committed to the organization, and healthy in body and spirit. Employee volunteerism can help a company achieve this goal.<sup>ix</sup>

A strong case, therefore, can be made for the argument that the not for profit sector contributes to the well being of corporate culture. Very little Canadian research, however, has been undertaken to explore the economic impact the sector makes to corporate quality of life, the similarities between sectors, and the interplay that exists in growing community.

And yet...Corporate culture

- values effective communication skills among its employees.
- Uses business plans to ensure strategic investment of human and financial resources.
- Undertakes market research related to its industry and sector.
- Manages its investments and seeks out investors

The same way Directors of the Not For Profit Sector:

- values effective communication skills among its employees.
- uses business plans to ensure strategic investment of human and financial resources.

- ☑ undertakes market research related to its industry and sector.

Just as the corporate sector wants its employees to understand:

- fundamentals of the company or nonprofit organization's business or financial model;
- values of the organization, in rank order;
- their unique (or desired unique) position in the competitive marketplace;
- its competitors and partners;
- unique value proposition;
- cost structure;
- profit zone;
- key strategic alliances;
- channels for distribution of its products and services;
- membership or "customership" base;
- its intellectual property asset base;
- key words and phrases used to describe the company or non-profit. <sup>x</sup>

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Unlike the Corporate sector, however, Boards of Directors:

- know the human capital base of the organization and its relative strengths and weaknesses;
- have a keen understanding of demography and its impact on growth and organizational needs;
- understand the manufacturing procedures used by the organization;
- are aware of the growth inhibitors that prevent the company or nonprofit organization from growing.
- know the evolution of the organization
- are familiarized with company commissioned research, white papers and books prepared by the company or nonprofit.
- can identify exactly the lead revenue sources and their drivers for the organization;
- can identify all of its accrediting organizations.
- can identify all outsourced partners (legal, accounting, etc.).
- can list all investigative reports by all government and accrediting bodies.

In any number of organizations, Boards of Directors are also called on to assist with fundraising and special events within the community geared toward promoting the organization, its programs and services. They are ambassadors of the organizations with whom they are affiliated within the larger community.

## **Direct Benefits to the Workplace:**

Individuals that provide leadership to the Voluntary Sector bring these skills into their workplaces.

They use their critical analysis skills to effect change within the workplace; to identify systems' behaviours that affect their performance and the performance of others. They are keenly aware, by necessity, of collaboration and effective communication.

Leaders recognize the importance of branding.

They understand the implications of the risks inherent to the organizations' environment; its external and internal influences; are familiar with mechanisms used to identify potential, unexplored or unidentified issues resulting in a diversion of or organizational resources from its objectives and goals, and for identifying and determining appropriate responses to risk.<sup>xi</sup>

Leaders understand the importance of evaluation and feedback.

Healthy Community planning principles encourage and embrace inter-sectoral participation in community based activities and realizes the interplay that exists between the sectors, and yet, the practice is far more difficult to enact. The perception by the voluntary sector of business is often limited to "the ask" while conversely, the voluntary sector is often seen by business and government as "worthy causes" but independent of making a significant economic contribution to community. More importantly while corporate Canada sees themselves as being "caring corporate citizens" through philanthropy, limited investment is made toward celebrating the social capital that is created when its workers volunteer their time and leadership to the voluntary sector. Likewise, the skills that volunteers develop through their altruism tend not to be acknowledged as contributing to corporate efficacy, productivity, or identity, despite extensive research which clearly demonstrates that "social capital is crucial for starting and supporting economic action so that its positive effects can be observed in domains such as industry formation, innovative processes, inter-firm cooperation and entrepreneurship."<sup>xii</sup>

Volunteers develop skills that benefit the workplace. They enhance corporate identity through their participation in the voluntary sector and yet, their contributions, relatively speaking, are unrewarded in the workplace. Indeed, most employers are not even aware of their employee's participation in voluntary activities.

They are also ambassadors of their place of employment providing yet another direct benefit to their employer.

## **AMBASSADORS**

Public image is among the greatest asset of any organization. A healthy, vital workforce helps to strengthen the public face of business. Despite the fact that very few individuals are appointed to represent their sector in the not for profit world, with the exception of obvious association with organizations such as the local Chambers of Commerce or United Way appeals, the not for profit sector recognizes that its leaders are also ambassadors of their workplace. The sector is also conscious of supporting its local economy as a result of philanthropy and corporate giving.

The Community Development Council of Quinte recently undertook a straw poll of its members. In all, there were 149 respondents. Thirty per cent (30.2%) of all respondents reported that they presently volunteer of a community committee or Board of Director. Sixty nine per cent (69.7%) of respondents are not involved in community committees or Boards of Directors. A number of individuals cited family responsibility and time restraints as their primary reasons for lack of involvement in community committees.

Almost eighty five percent (84.9%) of all respondents indicated that they are more likely to purchase from local businesses or retailers that supported community based programs. No respondents indicated they would be less likely to support local businesses or retailers, while, fourteen per cent (14%) indicated that it didn't matter. For those indicating that support didn't matter, cost was cited as the number one factor influencing their decision. Specifically, it was reported that if what they were looking for were available elsewhere for less money, they would give their business to whoever had the lower priced item.

This would seem to indicate that philanthropy and corporate giving has a direct impact on consumerism. In other words, a company's engagement in the communities in which it lives shows investment in community and has direct economic benefit to the 'corporate citizen'. The Market Vision 2000 Study clearly demonstrated that certain segments of the Canadian public associate their buying decisions to their commitment to socially responsible businesses. Specifically for that reason, the Community Development Council of Quinte lists its 99 corporate partners in its Annual Report each year and promotes its corporate relationships when we are able. This is not unlike the way not for profit organizations acknowledge its corporate and community partners. This is evident in the weekly "Applauses" section of local newspapers. These activities and community engagement in the voluntary sector is part of building a socially responsible public image.

In order to further explore trends relative to participation in the not for profit sector, the CDC also undertook an analysis of the leadership of United Way Member Agencies.

Of the 50 United Way Member Agencies, 45 have local Boards of Directors. Of those, just one agency refused to participate outright citing privacy as the reason for failing to participate. Nonetheless, sixty per cent (60%) of all United Way Agencies are represented in this survey. This is considered a high participation rate<sup>xiii</sup> and can be considered a fairly accurate portrayal of the sector as a whole. Surveys were undertaken so as to identify employers and sectors with the highest leadership and participation rates in the Voluntary Sector.

Employers with the greatest number of employees providing direct leadership to the Voluntary Sector are:

Hastings & Prince Edward District School Board	20 % of all Survey Respondents
Loyalist College	5 % of all Survey Respondents
Bank of Nova Scotia	4.3% of all Survey Respondents

Other Notable Mentions:

Three Oaks Foundation	2.6 % of all Survey Respondents
Canadian Imperial Bank of Commerce	2.6 % of all Survey Respondents
Algonquin Lakeshore Catholic District School Board	2.3% of all Survey Respondents

The following is a sectoral representation of voluntary leadership:

Government	34.7%
Human and Social Services	32.2%
Education	29.6%
Self-Employed/Small Business	29.6%
Retired	26.1%
Finance	13.0%
Manufacturing	6%
Media	1.7%

The above chart identifies an interesting trend. In particular, the sectors most likely to feel the impact of persons in need are the very sectors most likely to support people in need. As well, although leadership must be celebrated in order to acknowledge and inspire, the size of the workforce must also be considered. The Hastings & Prince Edward District School Board has a workforce of over 1000 people whereas the Three Oaks Foundation has a workforce of 31.

## The Forest Through The Trees

Volunteerism results in rewards both personal and professional, increases feelings of self-worth, creates environments for interesting, challenging work, a chance to have new experiences, a sense of connectedness to others, a sense of feeling needed and doing something positive and meaningful.<sup>xiv</sup> Social capital is created through volunteer activity and community leadership.

In both Great Britain and The United States, workplace volunteer initiatives have gathered momentum over the past thirty years. Canada lags behind other countries in incorporating volunteerism into the workplace and continues to see its role as corporate citizens as primarily philanthropic – a contribution of financial resources as opposed to human resources; a gift of money rather than a gift of skills. Now, more than ever, our workers must be as engaged in their communities as they are in their work especially as the sector struggles to cope with the complex issues it faces.

The State of Arizona commissioned a policy paper<sup>xv</sup> geared toward taking stock of its strategies for attracting and retaining a high skilled work force. One of its recommendations for retaining and attracting new workers is to support a three prong approach to maintaining the intellectual capacity of the workforce. The first is to pave the way for “productive aging”, that is, to engage the aging baby-boomers that comprise the bulk of the workforce through meaningful work, lifelong learning and corporate volunteerism. Their rationale is that volunteerism helps their workforce to develop skills, self-worth, and in turn sustains attitudes that contribute to company loyalty and job satisfaction. Their involvement in community helps to sustain the health of the community where it operates its business and its employees and customers live. The second is to appeal to its mobile and politicized youth by providing venues for their engagement in social causes. . . creating a mechanism for engagement, social justice, and equity. Their third approach involves creating ways to celebrate diversity.

Our communities would be well served to draw upon the experiences of others in order mobilize corporate culture in the building of the voluntary sector. “There is strong evidence to suggest that the Canadian public believes business has an obligation to society as a whole and must be responsive to local needs and concerns.<sup>xvi</sup>” Evidence also suggested that the two sectors are interconnected where its employees, the families of its employees, and local economies intersect.

It's time to see the forest through the trees and work together to build healthy, sustainable communities now and for the long-term.

## End Notes

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<sup>i</sup> Email from Imagine Foundation to RSW dated March 6, 2005.

<sup>ii</sup> Canadian Centre For Philanthropy, "A Portrait of Canada's Charities: The Size, Scope and Financing of Registered Charities" 1994.

<sup>iii</sup> Canadian Society of Association Executives, Association Resource Centre Inc, 2004 Association Executive Benefits & Compensation Report, October 2004.

<sup>iv</sup> Business Information Online, www.bio.on.ca, The East Central Ontario Training Board (ed), February 21, 2005, <http://www.bio.on.ca>.

<sup>v</sup> Hastings & Prince Edward District School Board, www.hpedsb.on.ca, HPEDSB (ed) February 18<sup>th</sup>, 2005, <http://www.hpedsb.on.ca>.

<sup>vi</sup> Business Information Online, www.bio.on.ca.

<sup>vii</sup> Susan FitzRandolph, "A Discussion Paper On Board Accountability", Volunteer Action Program, Lifestyle Information Network, 1998. <http://www.lin.ca/resource/html/accapdx1.htm>

<sup>viii</sup> Dr. Ann Cavoukian, "What You Don't Know Can Hurt You", Information and Privacy Commission of Ontario, November 2003.

<sup>ix</sup> Government of Canada, Department of Canadian Heritage website: [www.gov.on.ca](http://www.gov.on.ca).

<sup>x</sup> Rubenstein, O'Flynn, "The CEO Refresher Course: Training For Boards of Directors", Growth Strategies Inc., 2004.

<sup>xi</sup> Grant Thornton, "Risk: The Achilles Heel of Organizational Progress", [www.grantthornton.ca](http://www.grantthornton.ca), 2005.

<sup>xii</sup> Aldrich 1999, Powell 1998, Greve, 2004.

<sup>xiii</sup> Surveys tend to have a participation rate of between twenty-one and twenty four percent. Therefore, a participation rate of sixty percent is very good.

<sup>xiv</sup> Government of Canada, Department of Canadian Heritage website: [www.gov.on.ca](http://www.gov.on.ca).

<sup>xv</sup> Arizona Policy Choices 2001: "Five Shoes Waiting to Drop on Arizona's Future.", Arizona, 2001.

<sup>xvi</sup> Government of Canada, Department of Canadian Heritage website: [www.gov.on.ca](http://www.gov.on.ca).