Profile of Employment in Community Food and Housing, and Emergency and Other Relief Services

North American Industry Classification System (NAICS) 6242

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Abstract

This report examines employment trends within a specific group of nonprofits in North American Industry Classification System (NAICS) category 6242. Community Food and Housing, and Emergency and Other Relief Services accounts for a small, but growing share of employment in the Canadian nonprofit landscape. Employment growth in these services shows some links to the economic cycle, but these linkages are generally opposite to what occurs in most employment sectors during economic ups and downs due to the nature of the services provided and the population served. The report provides insights into employment growth and distribution within this group of services dedicated to meeting the needs of individuals and families in communities across the country.

Keywords: employment, labour market, NAICS, non-profit, welfare
Labour market information specific to the nonprofit sector has increased in recent years. Generally, the information available is somewhat generic, focusing on the sector as a whole or on nonprofits in a particular region. Studies of a given community or region are also becoming more frequent. To add to this growing body of information, this report examines Community Food and Housing, and Relief and Other Emergency Services – a group consisting mainly of nonprofits that provide basic services to the needy, including emergency shelter, food, and assistance. These organizations are placed into a single category in the North American Industry Classification System (NAICS 6242), and include:

...establishments primarily engaged in the collection, preparation and delivery of food for the needy; providing short-term emergency shelter; and providing food, shelter, clothing, medical relief, resettlement and counselling to victims of domestic or international disasters or conflicts.\(^1\)

This category is a subset of nonprofit welfare organizations that provide essential services to the most vulnerable and marginalized people in communities across Canada. While some provincial or municipal governments may provide these services (e.g., subsidized school lunch programs, municipally funded and operated homeless shelters, etc.), the category primarily includes nonprofit organizations. The following sections describe employment and overall trends in both community food and housing and its parent sector, highlight national and regional trends in this group, and describe the occupational mix of the category.

The North American Industry Classification System (NAICS) is a set of codes used by Canada, the United States and Mexico to organize data on industries within the national statistical systems. Data are organized based on what the industry produces into 6-digit codes that can be aggregated up to 2-, 3-, and 4-digit codes. This system is often seen as a barrier to finding information on nonprofits due to its organization around production and goods without reference to organizational structure. This classification system can make finding information on nonprofits difficult, yet some codes within the NAICS matrix are useful because they include significant numbers of nonprofit organizations. This is the case for NAICS 624: Welfare Organizations (see Figure 1). This code includes a range of organizations providing services to individuals and families, from recreation and day care programs to counselling services and homeless shelters.

Some for-profit and government institutions are classified to NAICS 624 as well as a large number of nonprofit organizations. In fact, we see that a growing share of the organizations in this category are nonprofits. Statistics Canada data from the Survey of Employment, Payrolls and Hours (SEPH) and the System of National Accounts (SNA) on Nonprofit Institutions Serving Households\(^3\) (NPISH), show that half

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\(^2\) More information on this code is available in the Appendix.

\(^3\) NPISH organizations are a subset of nonprofits that provide goods and services to individuals and families, are independent of government control, and either provide services for free or charge nominal fees for their programs or services. Nonprofits that do not meet these criteria are classified elsewhere in the System of National Accounts, as either government institutions or nonprofits classified to the corporate sector. More information on NPISH is available from the HR Council.
the organizations in the category are now classified as NPISH, up from 38% in 1997. Organizations in NAICS 624 that are not considered to be part of NPISH would include for-profit and nonprofit day care services as well as private counselling and family services. While the share of nonprofits in NAICS 624 is growing, the category still includes a significant number of for-profit enterprises or government institutions, making the data less interesting for an analysis of nonprofit organizations. In order to examine a pool of organizations and workers that include primarily nonprofits, we focus on a subcategory of NAICS 624, namely NAICS 6242: Community Food and Housing, and Emergency and Other Relief Services.

Of note, employment in NAICS 6242 may be underestimated in the employment statistics available. This could be caused by a multi-service organization engaging in activities relevant to this subsector as well as to an additional subsector, thus masking workers engaged in relevant work. Organizations are classified in the NAICS based on their primary area of activity; organizations that operate several services or multiple lines of business may thus be classified by the largest, missing the other work done by the organization. Some examples of these types of organizations would include drop-in centres, health centres or church organizations where workers operate food banks and meal programs along with the organization’s primary area of activity, or organizations that provide emergency shelter along with other market-rate temporary lodging services (e.g., some YMCA branches). Municipal or provincial governments operating these services could also skew employment numbers as these workers could easily be classified into public administration as the programs and services operated by local governments are often not separated out in the national statistical databases. While the numbers reported may be lower than the actual number of workers, the data are very helpful in providing information on year-over-year trends.

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4 Generally speaking, most nonprofit daycares charge non-nominal fees for service; therefore, this category of organizations is excluded from the NPISH classification. Similarly, some child and youth services will provide programming but charge market rates; others may be municipally-owned and therefore excluded from the category.

5 Of note, this situation occurs frequently in the territories, where government institutions provide many of the services traditionally offered by nonprofits in other parts of Canada.
National employment in NAICS 6242 has grown significantly over the past 20 years. The long-term trend of increasing employment growth indicates that the sector has and continues to grow in size and importance, particularly in the period since 2001. As one might expect, employment levels in Community Food and Housing, and Relief and Other Emergency Services—services that are generally considered to be services of last resort for those who are disadvantaged or who have fallen on hard times—do reflect some of Canada’s past economic difficulties. Canada experienced a recession in 1990 that was followed by a long period of low growth and limited recovery in employment across the economy as a whole. While the aftereffects of this recession are apparent in Figure 2, there is no “before” picture to provide a point of comparison. More recently, Canada experienced an economic slowdown in 2001 and a recession in 2008; both of these events and the times surrounding them can be examined on the graph. In both cases, these economic events were preceded by periods of significant growth. This growth shows up in the line chart where we examine employment in NAICS 6242 relative to gross domestic product (GDP), a measure of production and the overall strength of the economy. In periods of significant economic growth (1995-2000 and 2003-2006), we see the employment-to-GDP ratio decline as growth in the

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**Figure 2: Total Employment and Employment-to-GDP Ratio, NAICS 624**

![Graph showing employment and employment-to-GDP ratio over time.](image-url)
economy outpaces growth in NAICS 6242. The story changes, however, when the economy slows down or falters, as it did in 2001 and again in 2008. At both of these time points, we see employment in the subsector increase dramatically, as illustrated in the Figure 2 bar chart. What is also notable about these jumps is that the employment bump that coincides with and follows the period of recession is not a short-term occurrence; these increases in employment in NAICS 6242 do not reverse once the economy has returned to a situation of growth and overall employment recovers. The sustained growth in NAICS 6242 employment could indicate: a continually rising demand for emergency and community services; the emergence of previously hidden needs for services; the nonprofit sector’s ability to sustain funding for programs or to expand service offerings; or a change in service delivery shifting from provincial and municipal governments to nonprofits in response to budgetary constraints. Whatever the reason or reasons behind the jumps and their persistence, it appears that bad times for Canadians and the economy as a whole translate into significant growth in this group of community services.
Nationally, employment in the sector tends to be clustered in the provinces with the largest populations as does employment for many other industries.

Provincially, the year-over-year trends are much the same as those seen in the national picture. Employment fluctuates from year to year, with decreases in some years in some provinces but an overall positive trend, often with significant year-over-year growth. As the sector is small, its growth can be better understood by examining the number of workers per 100,000 population in Canada and the provinces. This gives an indication of how the sector grows in relation to the population and if it is getting relatively larger or smaller. Examining employment in this manner shows a similar trend to overall employment in the sector, with the national average and the trend in most provinces climbing upward throughout the study period. The employment rates per 100,000 for 2011 are shown in Table 1 and the trend is shown in Figure 3. The only exception to the positive trend appears to be the case of New

### Table 1: Employment per 100,000 population, NAICS 6242, 2011

<table>
<thead>
<tr>
<th>Geography</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>29.0</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>x</td>
</tr>
<tr>
<td>Quebec</td>
<td>30.1</td>
</tr>
<tr>
<td>Ontario</td>
<td>22.9</td>
</tr>
<tr>
<td>Manitoba</td>
<td>33.2</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>14.1</td>
</tr>
<tr>
<td>Alberta</td>
<td>28.6</td>
</tr>
<tr>
<td>British Columbia</td>
<td>49.7</td>
</tr>
</tbody>
</table>

Sources: CANSIM Tables 051-0001 and 281-0024

x - data suppressed

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6 Employment data are not available for Newfoundland and Labrador, Prince Edward Island, Nova Scotia and the Territories, and data are missing for some years for New Brunswick and Saskatchewan.
Brunswick\(^7\), where employment in community food and housing, and emergency and other relief services peaked in 1998 at 229 workers and has declined in most of the years since. Before 1998, New Brunswick was notable in having one of the highest shares of workers in the sector relative to its population. Despite a minor recovery lasting from 2004-2007 where some of the decrease was reversed, this ratio has declined since the late 1990s, as seen on the chart below. Currently, British Columbia, Manitoba and Quebec have the highest rates of employment relative to their populations. British Columbia is a major outlier in this regard; strong growth since 2009 has pushed employment in the subsector to 49.7 workers per 100,000 population, more than 20 points above the national trend, at 29 workers per 100,000 population.

Nationally, employment in the sector tends to be clustered in the provinces with the largest populations as does employment for many other industries. However, as illustrated in Figure 3, employment relative to population is not so evenly distributed. In terms of the actual number of workers, Ontario, Quebec and British Columbia have the lion’s share of jobs in the subsector, together accounting for over three quarters (77%) of employment. Looking at Figures 3 and 4 together, some interesting trends become apparent. While Ontario has the largest number of workers, it also has one of the smaller shares of workers relative to its population throughout the period of observations. Ontario’s growth trajectory matches the national picture, but its lower levels of employment per 100,000 population in the sector mark a significant difference from the second and third largest provinces; both Quebec and British Columbia have more workers per 100,000 population than Ontario and more than the national average. Also of interest, Saskatchewan often has very high employment in nonprofit organizations and welfare services relative to its population. However, we see that for NAICS 6242 the province has fewer workers per 100,000 population than most other provinces. In this case, as Saskatchewan’s First Nations population is relatively larger than the First Nations populations in many other provinces, this could be due to some relevant services being offered by band councils or First Nations organizations that are classified to a different NAICS code. These services could also be offered by multi-service organizations that are classified to different NAICS codes.

\(^7\) Employment data for New Brunswick were suppressed for 2011 and therefore do not appear in the table. The 2010 rate was 21 workers per 100,000 population.
All industries contain a diverse mix of employees. Regardless of the industrial specialization, organizations and enterprises require a range of skills in order to operate on a day-to-day basis. The Community food and housing, and emergency and other relief services category is no different. Using a special tabulation of data from the 2006 Canadian census, we can examine the employment mix of workers who indicated that they work in this industry. While the census data are now a few years old, the occupational mix of industrial sectors tends to remain relatively static through time. As Figure 5 demonstrates, like all other sectors, community social services require individuals with certain types of general expertise to “keep the lights on” as well as specialized workers to carry out the daily work of the organization. For NAICS 6242, we see that organizations generally require expertise and professionals in management (11% of sector employment) and in administration and finance (12% combined) to support daily operations. Beyond these two categories, the major employment categories in the sector highlight the skills and expertise of the sector’s core workers and the nature of the work they perform. Two occupations focusing on social services make up nearly fifty per cent of sector employment. The first such category, with 35% of sector employment, includes community and social service workers. These workers are generally college educated and work in a variety of front line positions that offer direct services to those in need, including counselling, advocacy, outreach and

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8 More information on these workers is available from the HR Council.
support in a variety of positions. The second category – which includes judges, lawyers, psychologists, social workers, ministers of religion, and policy and program officers in the census data – at 14% of sector employment, is most likely showing a high representation of social workers and other similar professionals. This group is generally university educated and often fulfill many of the same roles as the community and social service workers, although they may have additional responsibilities for case management and similar duties. At 18%, sales and service occupations make up another major share of employment in the sector. While this group of workers might not initially seem to be relevant to community services, many of the workers in this category are employed as chefs and cooks (6% of total sector employment) – a particularly important position in community food services; some work in protective services (1%); others work in home support and childcare (2%); and the bulk of other workers are those workers not elsewhere classified within the category (a further 8%). The ‘other occupations’ category includes a wide range of workers from the remaining occupational categories, ranging from health occupations to workers in art, culture, recreation and sport. No one category in this segment accounts for more than 3% of employment in the sector; as such, they are grouped together in the chart. The employment mix in the sector highlights the type of work that is done by these nonprofits: while services are provided to people in need – meals are cooked, beds are offered, and clothing is provided – the root of much work in NAICS 6242 is outreach and support to those who are disadvantaged.
Employment in the sector focuses primarily on the requirements of delivering services to clients.

The community food and housing, and emergency and other relief services sector accounts for a small, but growing share of employment in the Canadian nonprofit landscape. The sector’s growth shows some links to the economic cycle, but these linkages are countercyclical: they are opposite to what occurs in most sectors during economic ups and downs due to the nature of the services provided and the population served. Employment, however, has grown steadily over time, particularly in the past few years. Provincially, Ontario’s has the most community services employees, while British Columbia has the highest ratio of employees in the sector relative to its population. Employment in the sector focuses primarily on the requirements of delivering services to clients. While there are a significant number of workers in managerial and administrative roles, the bulk of sector workers are employed in human service roles and in providing the background support to allow the services to function effectively. While the size of the sector varies between provinces and across regions, the available information highlights a small but vibrant employment sector focused on meeting the needs of individuals and families in communities across the country.

The community food and housing, and emergency and other relief services sector is primarily composed of nonprofit organizations, making it ideal for a specialized analysis of nonprofit employment. While data on the sector are limited for the smaller provinces, the presence of relevant data in the Survey of Employment, Payrolls and Hours and in the census provide rich data that allow for a better understanding of the subsector, especially when compared to the limited data available for nonprofits in other categories. While this report provides some highlights on the sector, more analyses could be done with additional data. As an example, we know that employment in the sector could well be underestimated to some degree due to the way that the data are classified and collected. The employment estimates contained in the census and SEPH data could be compared with other data sources (e.g., statistics on homelessness from Human Resources and Skills Development Canada as well as local or regional surveys of the homelessness sector) to determine if there is a significant underrepresentation of workers due to the nature of the data system. Future analyses could also use more localized data on community service organizations to determine if local patterns of service provision match national trends. Such studies would be particularly interesting for the smaller provinces for which data are limited or unavailable from the SEPH or census due to data suppression and privacy concerns.
References


Appendix – The NAICS System and NAICS 6242

The North American Industry Classification System (NAICS) is a harmonized system used throughout North America to organize economic activity by industry and industry codes in order to track economic output, employment and trade in business statistics and the System of National Accounts. Industry-specific NAICS codes contain 6 digits, but these can be aggregated upward into 4-digit, 3-digit, and 2-digit codes for analyses of industry categories at a more general level. Moving up and down the aggregation requires trade-offs in specificity and availability of data: while a great deal of data with limited specificity and relevance to nonprofits will be available for NAICS 62 for all regions, little or no information may be available – especially for smaller provinces or local areas – at the 6-digit level. While inconvenient from a research perspective, there are good reasons for these limitations on available information: data are often not released due to concerns about data quality with a small sample and to protect the privacy and anonymity of those completing the surveys or providing the information in compliance with the regulations set out in the Statistics Act. This problem is particularly prevalent at the 6-digit NAICS level, but even data at the 4-digit level may be suppressed for provinces and territories with smaller populations. This is especially problematic when looking for data on the Atlantic provinces. Similarly, seeking data on regions within a province can be difficult if one wishes to find detailed and specific information.

To illustrate the varying levels of data that are available, Table 2 shows how NAICS 6242 can be aggregated upward or downward into 2-, 3-, 4-, and 6-digit codes and also provides the descriptions associated with these codes and national employment estimates from SEPH, where available,9 to provide an indication of the size of the sector.

The three sub-categories that make up NAICS 6242 include a variety of organizations and services. As noted in the descriptions above, these sectors primarily focus on delivering human services and meeting the basic needs of those in need. The NAICS guidebook includes a range of sample organizations for these subcategories to provide a better idea of the services provided. For greater clarity, some examples of the organizations included in each category are indicated in parentheses. For NAICS 6242’s sub-codes, these services include:

- Community meals, social services
- Food banks
- Meal delivery programs
- Meals on wheels, social services
- Neighbourhood meal services (e.g., community kitchens, supper clubs)
- Soup kitchens
- Domestic violence shelters (e.g., women’s shelters, but not transitional housing)
- Homeless shelters
- Volunteer housing construction and repair organizations (e.g., Habitat for Humanity)
- Emergency Relief Services providing food, shelter, clothing, resettlement, etc. (domestic) (e.g., Salvation Army)
- Emergency Relief Services providing food, shelter, clothing, resettlement, etc. (international) (e.g., Red Cross)

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9 Of note, SEPH data are only published at the 4-digit level; the 6-digit data may be available by special tabulation, but are likely to be suppressed to meet confidentiality requirements for small subsectors.
### Table 2: NAICS 6242 Aggregations

<table>
<thead>
<tr>
<th>NAICS Code</th>
<th>Title and Description</th>
<th>Employment Estimate</th>
</tr>
</thead>
</table>
| 62         | Health Care and Social Assistance  
This sector comprises establishments primarily engaged in providing health care by diagnosis and treatment, providing residential care for medical and social reasons, and providing social assistance, such as counselling, welfare, child protection, community housing and food services, vocational rehabilitation and child care, to those requiring such assistance. | 1,650,930 |
| 624        | Welfare Organizations  
This subsector comprises establishments primarily engaged in providing a wide variety of assistance services directly to their clients. These services do not include residential or accommodation services, except on a short-stay basis. | 279,011 |
| 6242       | Community Food and Housing, and Emergency and Other Relief Services  
This industry group comprises establishments primarily engaged in the collection, preparation and delivery of food for the needy; providing short-term emergency shelter; and providing food, shelter, clothing, medical relief, resettlement and counselling to victims of domestic or international disasters or conflicts. | 9,988 |
| 624210     | Community Food Services  
This Canadian industry comprises establishments primarily engaged in the collection, preparation and delivery of food for the needy. Establishments in this industry may also distribute clothing and blankets to the poor. These establishments may prepare and deliver meals to persons who, by reason of age, disability or illness, are unable to prepare meals for themselves; collect and distribute donated food; or prepare and provide meals at fixed or mobile locations. | No Data |
| 624220     | Community Housing Services  
This Canadian industry comprises establishments primarily engaged in providing short-term shelter for victims of domestic violence, sexual assault or child abuse; temporary residential shelter for the homeless, runaway youths, and patients and families caught in medical crisis; and transitional housing for low-income individuals and families. Volunteer housing repair organizations, that provide low-cost housing, in partnership with the homeowner who assists in construction or repair of a home, and that repair homes for elderly or disabled homeowners, are included in this industry. | No Data |
| 624230     | Emergency and Other Relief Services  
This Canadian industry comprises establishments primarily engaged in providing food, shelter, clothing, medical relief, resettlement and counselling to victims of domestic or international disasters. | No Data |