Labour Market Information for the nonprofit sector:
An investment in the future

Specific information about the nonprofit sector is vital to its future health and vitality.

In Canada, a full 69,000 nonprofit organizations have paid staff and employ approximately 1.2 million people. As such, the sector employs approximately seven per cent of the Canadian work force while delivering crucial services in the areas of health and social services, sports and recreation, development and housing, religion, education, research and international development.

While the enormous variety that exists within the nonprofit sector is one of its most valuable assets, this diversity also creates serious challenges when trying to assess, measure, develop and strengthen its labour force. It is currently very difficult to collect reliable information on the sector because it includes such a vast array of organizations that work in numerous "industries" with varying areas of activity. As such, nonprofits are not as easily defined or de-lineated as organizations in other sectors such as construction or child care.

Specific information about the nonprofit sector is vital to its future health and vitality. The labour force in Canada is presently undergoing a significant transformation. Canadian baby boomers (born between 1945 and 1960) are reaching retirement age and, just as they entered the work force en masse between 1960 and 1980, so too will they leave it in large numbers. With fewer people to fill their ranks, there will be increased competition for talent, locally, nationally and even globally. The sector has to be well prepared—and well positioned—to effectively adjust to these new realities.

Labour Market Information: What is it and why does it matter?

Labour Market Information (LMI) describes all kinds of information used to make labour market decisions. LMI can be a compilation of detailed statistical data on jobs and salaries, employers and employees, sectors, current employment conditions and future trends. It may also include other kinds of information that inform labour market decisions, such as emerging technologies, the workplace environment, working conditions and the cost of living.

Here are just a few examples of how LMI is used:

- Employers can determine how easy or difficult it may be to find new employees and how to best direct recruitment efforts when armed with information on how many people are qualified for certain types of work
- Individuals can plan study and career paths more effectively when projections of future demand for different occupations are available
- Educational institutions can determine what programs to offer by accessing statistical information on the number of people with specific qualifications and estimates of future demand
- Employers can use information on salaries to know what they need to pay in order to attract well-qualified candidates, while employees can gain a better understanding of what to expect in compensation
- Governments can change policy and/or programming in response to evidence of unemployment in particular segments or in specific regions of the country

Different users have different types of needs for LMI. For example, researchers are primarily interested in acquiring more data to analyze and developing effective ways to share findings. Individuals and groups working to promote a better understanding of the sector typically seek access to all kinds of high quality sector-specific information, including labour force and economic data. Intermediaries that work with smaller nonprofits require localized information that pertains to their specific communities, while smaller individual organizations use LMI only intermittently, particularly for human resource and planning activities.

The Canadian context for LMI

Canada has one of the best LMI systems in the world. Statistics Canada collects and distributes vast amounts of national and provincial information through a wide variety of well-developed tools, data sets and publications. In addition, there are other emerging sources of regional, provincial and industry-specific LMI.

Examples of existing sources of LMI:

- The *Survey of Employment, Payrolls and Hours (SEPH)* is a monthly Statistics Canada survey that serves as a valuable source of detailed information on the total number of paid employees, payrolls and hours at industrial, provincial and territorial levels
- The *Labour Force Survey (LFS)*, also from Statistics Canada, provides monthly employment and unemployment rates, important measures of performance of the Canadian economy.
- The province of Manitoba has collected substantial data on its nonprofit sector. While the provincial study initially focused on health and social service occupations, future iterations will expand to include a greater spectrum of occupations within the sector
- Several organizations (such as the Canadian Society of Association Executives, Peter Boland and Associates and Training Resources for the Environmental Community TREC) conduct compensation surveys

The *Satellite Account for Non-profit Institutions and Volunteering* provides an annual overview of Canada's nonprofit sector. Produced by Statistics Canada, it tracks the size, scope and nature of the sector in economic terms. Although it does not provide labour force information, it does offer valuable contextual insight into the nature of the Canadian nonprofit sector

In spite of the richness of existing sources of LMI, there is still a profound shortage of information specific to the nonprofit sector's labour force. For example, in many surveys, the coding systems used for the analysis and retrieval of data are industry based and individuals who work for nonprofits cannot be identified or compared to those who work for for-profit enterprises. Additionally, the sector spans many areas of activity, so data are needed about numerous industries.

By building on — and strengthening — current resources, and by continuing to develop more precise measurement tools specific to nonprofits, Canada will benefit from a much clearer

understanding of the sector's numerous "industries" and occupations, as well its many thousands of employees.

The HR Council for the Nonprofit Sector

The HR Council for the Nonprofit Sector works to build and share knowledge around labour force issues in Canada. Keenly aware of the need for a strategic approach to help the sector face its future challenges, the HR Council commissioned a comprehensive study of LMI to improve the data available to nonprofit organizations. The final report entitled Developing Labour Market Information for the Nonprofit Sector explored LMI and its place within the sector, the current context for LMI, existing information sources, data gaps and recommendations for moving forward. The full report is available online at hrcouncil.ca: http://www.hrcouncil.ca/projects/documents/ LMIFinalReport.pdf

The HR Council is now moving ahead in two main areas of focus:

• **Improving compensation data**
There is a chronic demand for compensation information from organizations of all sizes within the sector. Using the momentum created by such a demand, the HR Council will spend the next five years ensuring that comprehensive compensation data for employers, workers, intermediaries and policy makers is in use. These data will focus on wage, pension and health benefit information, and include key characteristics of workers (such as gender, age) and jobs (such as full-time/part-time). The availability of this kind of information not only responds to an immediate need within the sector, it also improves the understanding of the sector's value to the labour market and adds to the growing supply of Canadian LMI.

• **Understanding labour supply and demand**
Over the longer term, the HR Council will also work to ensure that nonprofit labour supply and demand can be modelled effectively. Not only do the many influences on the sector need to be identified and described, detailed data are needed to improve the understanding of the impact of these influences. For example, it would be advantageous to be able to reliably describe the impact of an economic downturn on the sector, as well as have access to empirical data that could indicate when an increased need for sector services may occur, and what services may be in particular demand. Only when labour supply and demand are understood can they be used effectively to better predict –and respond to—changes in society.

The future benefits of investing in LMI

Strong LMI benefits everyone. Armed with a robust understanding of the unique nature of its labour force, the Canadian nonprofit sector will be better equipped to attract and retain skilled workers, cope with changing demographics, build a healthy and inclusive labour force, provide relevant training and learning opportunities, promote the value of paid work within nonprofit organizations, and compete for talent with other sectors.

The good news is that a solid foundation of LMI already exists in Canada. By building on this, through investing in more sector-specific LMI, Canadian nonprofit organizations will be able to plan more strategically, manage more proactively, and inject the kind of sustained energy into the sector necessary for its continued growth and vitality.

HR Council
for the Nonprofit Sector

The HR Council takes action on nonprofit labour force issues.
As a **catalyst**, the HR Council sparks awareness and action on labour force issues. As a **convenor**, we bring together people, information and ideas in the spirit of collaborative action. As a **research instigator** we are building knowledge and improving our understanding of the nonprofit labour force.

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