

Labour Force Trends and Implications for the Voluntary & Non-profit Sector

**Presentation to the
Canadian Non-profit Workforce Summit**

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Outline

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- Macroeconomic context
- Demographic shift and its implications
- Globalization and polarization
- Growth of non-standard work
- Job quality trends
- Challenges and opportunities for the voluntary/non-profit sector

About CPRN

- An independent, non-profit, socio-economic policy think tank.
- Mission: to create knowledge and lead public dialogue and debate on social and economic issues important to Canadians' well-being.
- Goal: to help make Canada a more just, prosperous and caring society.
- *Connecting with Canadians* research agenda.

The Macroeconomic Context

- Best Hallowe'en costume: T-shirt with the words "The Economy."
- Clearly will have implications for fundraising over the short- to medium-term.
- May also increase demand for services from the non-profit sector => pressures on staff.
- But need to also think about longer-term strategies.

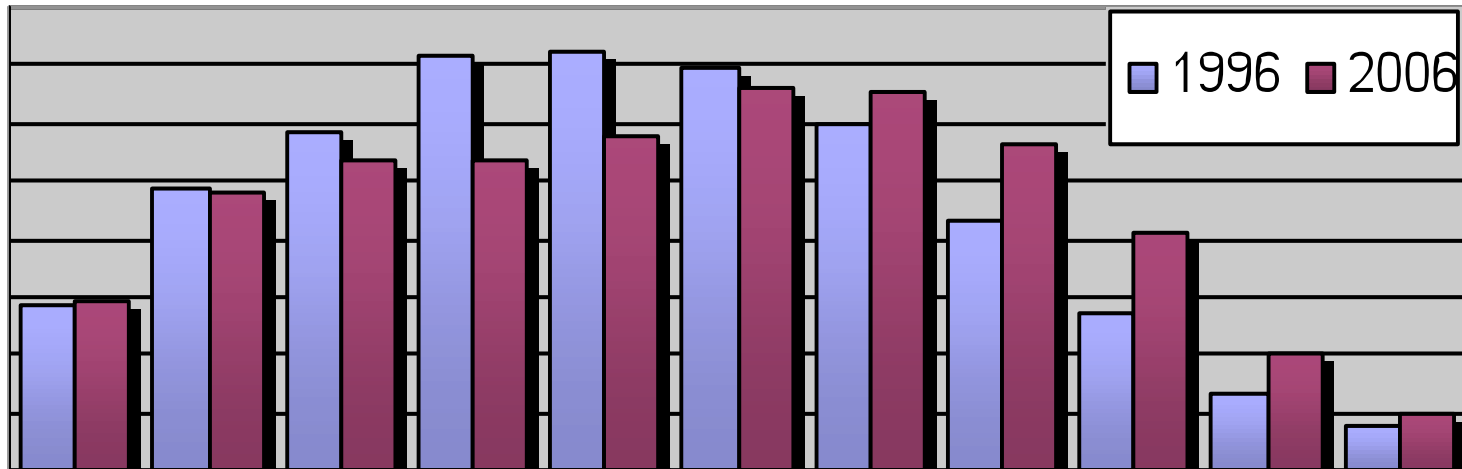


The demographic shift

- Slowing population and labour force growth as the baby boom cohorts age.
- Age profile of the labour force has already shifted towards a greater share of older workers.

The aging workforce:

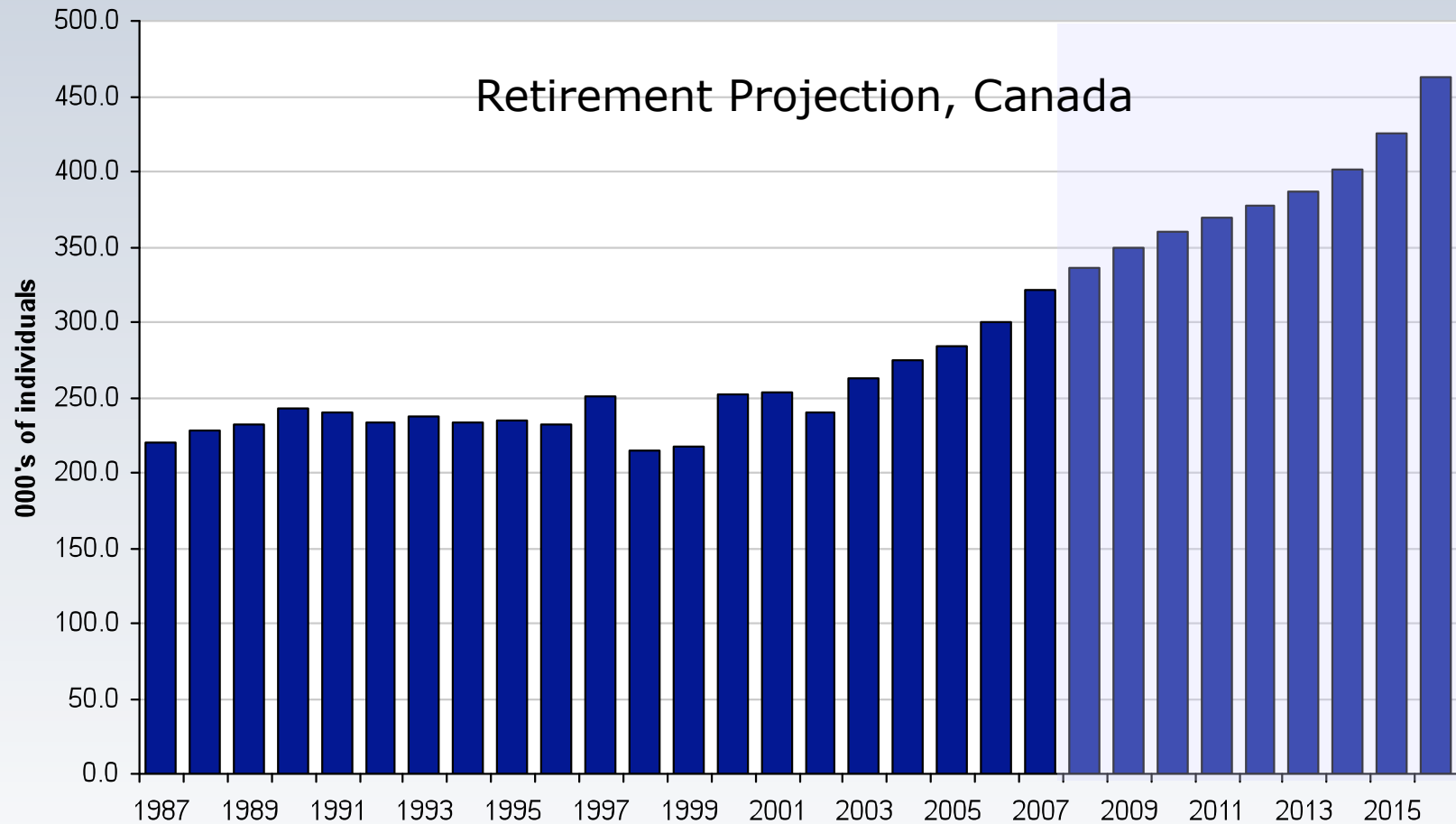
Employed population by age group, Canada



Source: Statistics Canada, *Labour Force Historical Review 2006*.

Courtesy of the Graham Lowe Group Inc.

Growing Retirements



Implications of the demographic shift

- Slowing labour force growth will heighten competition for skilled workers.
 - May see more pockets of skill shortages, but unlikely to see widespread shortages.
 - May see more offshoring of skilled work.
- From both societal perspective and that of individual organizations, will be important to make lifelong learning a reality.
- Ability to attract/retain older workers will become increasingly important.

Globalization, Technological Change and Labour Market Polarization

- Greater mobility of capital=> greater emphasis on economic efficiency and flexibility.
- Risk has been transferred from employers to employees (eg. growth of non-standard work).
- The most skilled workers are mobile and in demand. (Also related to “skill-biased” technological change.)
- Real wages for less-skilled workers have stagnated or declined. Not clear that demographic shift will change this.

Polarization of incomes

- Average family market income (i.e. from employment) among the 10% of families with the highest incomes rose 22% from 1989 to 2004.
- Among the 10% of families with the lowest incomes, it fell by 11 percent.

Source: A. Heisz. *Income Inequality and Redistribution in Canada: 1976 to 2004*. Ottawa: Statistics Canada. Analytic Studies, Research Paper Series No. 298, 2007

Growth of non-standard work

- Standard employment: full-time employee, indefinite duration, one employer
- Gradual increase in share of non-standard work over last 25-30 years to almost 40%
- Reasons for growth:
 - new technologies
 - globalization
 - business need for flexibility
 - costs of providing benefits;
 - some workers seeking work/family balance or greater independence
- Not all non-standard workers are vulnerable; not all vulnerable workers are non-standard.

Vulnerable workers in Canada

Low pay

- In 2000, 17.5% of workers aged 20+, not FT students, earned < \$10/hr. In '05, adjusting for inflation, 18.9%.
- Women, recent immigrants, Aboriginals, disproportionately low-paid.

Poor access to rights, benefits, supports

- Non-standard and low-paid workers have little access to extended medical coverage or employer pension plan.
- Low-paid workers unlikely to receive employer-sponsored training or gov't help to upgrade skills.
- Less than half of unemployed benefit from EI.

Job Quality Trends

- Job quality research in Canada pioneered by Graham Lowe and Grant Schellenberg.
- Key study: *What's a Good Job? The Importance of Employment Relationships*, published by CPRN in 2001.
- Job quality trends and relationships re-examined by Graham Lowe in: *21st Century Job Quality: Achieving What Canadians Want*, published on Labour Day, 2007.
- Includes key results of 2004 *Rethinking Work* survey (by Ekos Research Associates and the Graham Lowe Group).

Key findings

- Despite a strong economy (or what was a strong economy), job quality has not improved since 1990s.
- There are big gaps between what workers want in a job and their current working conditions. Largest gaps:
 - trust in management,
 - job training,
 - healthy and safe workplace.
- High-quality work environments and intrinsically rewarding jobs are key determinants of work satisfaction and performance.

What People Look for in a Job

- Over 60% of respondents to the *Rethinking Work* survey rated seven job features as “very important.” In rank order, these are:
 1. a workplace free of harassment and discrimination
 2. a healthy and safe workplace
 3. trustworthy senior management
 - 4. work-life balance**
 5. job security
 6. good pay
 - 7. a sense of pride and accomplishment.**
- The 8th, just under 60%, was “**receive training to do job effectively.**”

Age differences in drivers of job satisfaction

Older workers put more importance than do younger workers on:

- work-life balance
- benefits
- sense of pride and accomplishment
- freedom to decide how to do job

Younger workers emphasize career advancement and option to take extended leave for education or family.

Gender differences in drivers of job satisfaction

Women place more importance on:

- good relations with their supervisor
- a healthy, safe and physically comfortable work environment
- a sense of pride and accomplishment
- recognition
- work-life balance
- and trustworthy senior management.

Men place greater importance on pay, having a say, and career advancement.

Challenges and opportunities for the voluntary/non-profit sector

- Attracting people from groups who have been underrepresented and/or underutilized in the work force:
 - Aboriginal persons
 - Recent immigrants
 - Disabled workers
- Attracting/retaining older workers and volunteers

Can build on “sense of pride.” Need to offer work-life balance, learning opportunities.

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