

INTRODUCTION

This guide will help increase your understanding of the non-profit and voluntary sector and create context for your CSL placements and/or Non-Profit Board Student Internship.

WHAT IS THE NON-PROFIT + VOLUNTARY SECTOR?

Non-profit and voluntary organizations are organizations “whose work depends on:

- Serving a public benefit;
- Volunteers for at least its governance;
- Some financial support from individuals; and
- Limited direct influence by governments, even though they may receive support from government sources.”¹

Non-profit organizations are not profit-distributing; that is, “they are not primarily commercial in purpose and do not distribute profits to a set of directors, stockholders, or managers”¹. A voluntary organization can be a large, structured organization or a small, community or grassroots organization”¹. The non-profit and voluntary sector, therefore, consists of organizations characterized by the above criteria.

The set of organizations that make up this sector may also be interchangeably referred to as community organizations, non-governmental organizations (NGOs), the civil society sector, the charitable sector, social economy organizations, and the Commons.

There are more than 180,000 incorporated non-profit organizations in Canada and 19,000 in Alberta. 80,000 of these national organizations are registered charities, which allows them to be exempt from a variety of taxes and permits donors to claim tax credits for donations. There are also innumerable other non-incorporated community organizations, informal groups and non-profit service providers.

The non-profit and voluntary sector is commonly broken down into **primary activity areas**:

- Arts + culture
- Sports + Recreation
- Education + Research
- Health
- Social Services
- Development + Housing
- Religion
- Women
- Environment
- Grant Making + Voluntarism Promotion

WHY DOES THE NON-PROFIT + VOLUNTARY SECTOR EXIST?

Social structure is sometimes described as a three-legged stool, held up by government, the private sector, and the non-profit sector. The non-profit sector plays a large role in maintaining, building, and protecting community by providing valuable services and programs. Historically, non-profit organizations have been catalysts for change, introducing multiple perspectives in society and working for the empowerment of society’s most marginalized people. They play a significant role in democracy, providing a means of expression and activism for many people who are, for one reason or another, excluded from conventional means of political expression.

Depending on the economic and political system, the state (embodied by the government) provides some social programs and basic services. However, the growing local and global trends towards a market-driven economy and a reduced government role in direct welfare provision are placing higher demands on the non-profit sector to improve social welfare and other quality of services.

TRENDS IN ALBERTA'S NON-PROFIT + VOLUNTARY SECTOR

Alberta has the highest per capita number of non-profits in the country.¹

The non-profit and voluntary sector generates at least \$9.65 billion of activity in Alberta's economy.¹

More than half (58%) of all non-profit and voluntary organizations in Alberta have no paid personnel. The majority of organizations with paid staff employ one to four people. Fifty-seven per cent of employees are full-time and 43 per cent are part time. Overall, the non-profit workforce is predominantly female – about three quarters of paid staff are women.¹

There are 23,000 non-profit and voluntary organizations in Alberta, and 8000 located in Edmonton and Area.^{vii}

Non-profit organizations employ over 105,000 Albertans.^{vii}

There are over 160,000 Albertans serving on boards of directors, collectively managing over \$10 billion in annual revenues.^{vii}

Presently, non-profits in Alberta receive nearly 50 per cent of their funding from outside sources, which includes government, corporations, and private donations.¹

CHALLENGES + ISSUES

FUNDING:

- **Dependency on external agencies for operational and project funding.** Funding from the government (which accounts for approximately one-third of funding in the non-profit sector) is often short-term and project-specific and does not contribute to the administrative costs of running the organization. Dependency on external short-term funding prevents non-profits from being able to implement any long-term organizational plans, and contributes to many of the staff changes and shortages that you'll notice when working with non-profits.¹

HUMAN RESOURCES:

- **Increasing competition for workers in the province.** The non-profit sector must compete with the public sector and industry for entry-level and front-line positions as well as qualified applicants. The non-profit sector struggles to offer competitive pay (due to lack of organizational funding), and personal development opportunities.¹
- **Stressful working conditions.** Due to shortages in staff numbers, staff end up working an increasing amount of overtime. Overtime is particularly high for supervisors and senior staff and compensation does not fully reflect this. Staff often take on multiple roles within the organization causing burnout, decreased morale, higher turnover and lower quality of service for clients.¹
- **Difficulty recruiting volunteers in economic boom.** The pool of volunteers in Alberta is shrinking as people choose to enter or re-enter the labour force to take advantage of high wages. Those who volunteer the most in Alberta (those between the ages of 15-24 and 35-44)¹ are most likely to be impacted by new career opportunities provided by a booming economy.¹

GLOSSARY OF TERMS YOU MAY HEAR IN COMMUNITY ORGANIZATIONS

<p>Board</p>	<p>Those persons whose responsibility it is to provide leadership and direction to the organization and govern the affairs of the organization on behalf of its members. The term board usually refers to a board of directors, members of an executive, board of governors or a board of trustees, administrators, leaders, coordinators, officials, participants, or anyone else involved in the governance or decision making of the organization. ¹</p>
<p>Capacity</p>	<p>The human and financial resources, technology, skills, knowledge and understanding required for organizations to do their work and fulfill what is expected of them by stakeholders. ¹</p>
<p>Community Needs Assessment</p>	<p>A process of involving citizens in both problem-solving and the development of local goals. This process is important because it not only allows people to learn more about the current state of their community, but also to feel like they have a voice in shaping its future.</p>
<p>Executive Director (ED)</p>	<p>The most senior staff person in the organization. The Executive Director is responsible for the entire organization and reports directly to the board. The ED's role is to support the governance of the board while ensuring that programs and operations of the organization are delivered. ¹</p>
<p>Social Capital</p>	<p>Social capital refers to "connections among individuals - social networks and the norms of reciprocity and trustworthiness that arise from them" (Robert Putnam). According to Putnam, social capital is a key component to building and maintaining democracy. ¹</p>
<p>Social Entrepreneurship/ Social Enterprise</p>	<p>Social entrepreneurship refers to the use of entrepreneurial principles to organize, create, and manage a venture to address a social issue and/or make social change. A social enterprise does not measure performance in profit and return, but in social capital. This does not mean that social enterprise is incompatible with profit; however, social entrepreneurship is most commonly associated with the voluntary and not-for-profit sectors, and the focus of social enterprise is to further social goals, rather than accumulate profit.</p>
<p>Volunteer Resources Management</p>	<p>The practice and profession of leading teams of individuals (volunteers) to support and enhance core programs and services of an organization. This practice is also a component of human resource management of the organization and should be closely aligned.¹</p>

RESOURCES + WEBSITES

Edmonton Chamber of Voluntary Organizations	www.ecvo.ca
Volunteer Edmonton	www.volunteeredmonton.com
Resource Centre for Voluntary Organizations	www.rcvo.org
Volunteer Alberta	www.volunteeralberta.ab.ca
Canadian Policy Research Networks	library.carleton.ca/research/collection/cprn-reports
Idealist Org - Action Without Borders	www.idealist.org
Imagine Canada	www.imaginecanada.ca
Imagining America	www.imaginingamerica.org
Sector Source	www.nonprofitscan.ca
Not-for-Profit + Charity Law	www.cba.org/Sections/Charities-and-Not-for-Profit-Law
Volunteer Canada	www.volunteer.ca
Alberta's Non-profit & Voluntary Sector	www.alberta.ca/albertas-non-profit-voluntary-sector

REFERENCES

- ¹ *The Canadian Code for Volunteer Involvement*, 17
- ¹ *A Workforce Strategy for Alberta's Non-Profit and Voluntary Sector*, 3
<http://www.ecvo.ca/nonprofitworkforcestrategy2008.pdf>
- ¹ *The Canadian Code for Volunteer Involvement*, 17 <http://www.volunteer.ca/volunteer/pdf/CodeEng.pdf>
- ¹ *Proliferation of Charities*, United Way of Calgary and Area, 2006
- ¹ *Adds Real Value*, Government of Alberta, Culture and Community Spirit, 2007
http://culture.alberta.ca/anvsi/documents/Adds_Real_Value.pdf
- ¹ *A Workforce Strategy for Alberta's Non-Profit and Voluntary Sector*, 5
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- ¹ Hall, Lasby, Gumulka & Tryon, 2006. *Caring Canadians, Involved Canadians: Highlights from the 2004 Survey of Giving, Volunteering and Participating*.
http://www.givingandvolunteering.ca/pdf/CSGVP_Highlights_2004_en.pdf
- ¹ *A Workforce Strategy for Alberta's Non-Profit and Voluntary Sector*, 8
- ¹ *The Canadian Code for Volunteer Involvement*, 16.
- ¹ *The Canadian Code for Volunteer Involvement*, 16.
- ¹ *The Canadian Code for Volunteer Involvement*, 16.
- ¹ Putman, Robert. *Bowling Alone: The Collapse and Revival of American Community*.
- ¹ *The Canadian Code for Volunteer Involvement*, 16.