

**Interpreting the Signals: Change, Uncertainty,
and The State of the Voluntary Sector in Canada**

by
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Abstract

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While there has been much change in Canada's voluntary sector during the 1990s and in the social, economic and political circumstances within which the sector operates, there has been no broad examination of trends in the sector nor any assessment of the overall state of the sector. Taking a wide-angle view, this analysis addresses a series of questions: What do recent studies suggest is the direction of change in volunteering and giving? What social dynamics underlie change in the sector? How uniformly are various trends distributed across the country? How robust is the sector's resource base? What is happening to voluntary organizations? Where is the voluntary sector as a whole headed — has the wave crested? And how do trends in Canada's voluntary sector compare with those in other countries? A review of more than 25 statistical measures shows with few exceptions a broad pattern of decline across nearly all aspects of volunteering and charitable giving, a pattern that holds in other countries as well. This pattern is countered by the fact that the influential civic core — the approximately one-quarter of the adult population that provides more than three quarters of the sector's support by individuals — is stable in size and has even increased its relative contribution; this suggests that claims the sector is increasingly fragile due to declines in participation and generosity should be treated with caution. On the other hand, the evidence that voluntary organizations are increasingly experiencing difficulty in their operations suggests that it may be here rather than in the contributory behaviour of individuals that the sector's robustness may be weakened. The analysis concludes with discussion of whether the trends, taken together, indicate a state of normalcy, transition or decline in Canada's voluntary sector.

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1. Introduction and Context

Ten years ago, there was:

- no public awareness of nor discourse about the voluntary sector in Canada
- not even a vocabulary to define or describe it
- no public or governmental attention to the domain of voluntary activity
- no information concerning the sector's characteristics, activities or consequences

It has moved from being undefined and unrecognized to being presumed to be a significant institutional element of our social order and an important co-deliverer of key social services.

It is different in every respect today, even to the point of excessively high expectations about what it is and can do relative to its capabilities and robustness.

Among the factors that have driven this set of changes:

- (i) government downsizing and the changing institutional division of labour in Canada
- (ii) a seemingly broad concern among Canadians about the common good and the fragility of community.

Today the sector enjoys rising prominence and responsibility (as indicated, for example, by mention in the Government's Red Book, in numerous throne speeches, and in the Voluntary Sector Initiative) based implicitly, however, on the assumption that the voluntary sector represents a reserve labour pool for service delivery.

Following the National Survey of Giving, Volunteering, and Participating in 1997, much was made of the 4.7% point rise in volunteering rate without systematic examination of the sector's strengths, weaknesses, and fundamental dynamics. The 2000 NSGVP revealed a 5% decline in the incidence of volunteering over 3 years — a decline that other research intimated had been underway even before 1997.

My objective in this presentation is to sketch a wide-angle synoptic picture of the state of the voluntary sector based on a set of analyses done over the past several years in the Nonprofit Sector Knowledge Base Project.

My argument has 3 components:

- first that things aren't nearly as rosy in the voluntary sector as has been simplistically claimed and celebrated
- second that this state of affairs, however, poses minimal risk to the sector's robustness because most of its work is the product of effort by a small committed "civic core" and this core is stable in size and accounting for a growing proportion of voluntary sector effort
- and third that there are, however, several incipient factors that do present risk, for different reasons than is generally thought, for the sector's robustness

2. Factors to Consider in Assessing the State of the Voluntary Sector

Assessing any sector's conditions and capabilities is a tall order.

– imagine doing it for government or the economy

Doing it for the voluntary sector is especially challenging, due to the absence of a firm conceptual or information foundation on which such assessment must rest.

Among the elements to consider in assessing the state of the voluntary sector would be:

- The level and stability of resources
- The level and stability of public support and legitimacy
- Relations between the sector's organizations and those in other domains
- The sector's effectiveness and consequentiality - the difference it makes in Canadian communities
- The sector's structure and modus operandi

My observations will be limited to consideration of the first two of these dimensions.

3. The Present Situation and Patterns of Change

A. Volunteering

(Sources: Reed and Selbee, 2000; Statistics Canada, 1998 and 2001)

1. Rate:

- was 26.7% in 2000, the same level as in 1987 and a decline from 31.4% in 1997
- rose 0.4% per year 1987-97
- now appears to be declining 2-3% per year
- most of the 1987-1997 rise was due to a 15% increase among youths. This pattern has now disappeared with a stronger labour market

2. Time volunteered:

- totals approximately 1 billion person-hours annually; declined 5% 1997-2000
- per capita time volunteered was 43.2 hours in 2000, down 9 percent from 46.6 hours in 1997
- average time per volunteer declined 13.3% 1987-97; rose 11% 1997-2000 (to 162 hours)
- median time per volunteer declined 31% 1987-97 and rose 11% 1997-2000 (to 72 hours)

These changes are due to a shrinking cohort of volunteers, who are giving greater amounts of time. The greatest declines have occurred in large urban centres where the largest proportion of Canadians live.

3. There is a clear trend toward informal and direct helping and caring, away from organization-mediated helping and caring.

- The incidence of direct helping is 2½ times greater than volunteering: 73%
But it is lowest in large urban communities, highest in small town and rural communities
- ‘87-’97: direct helping rose 13.5%, vs. 17.3% formal
But post-’97, reversal: informal growth is much greater
- Trend toward direct helping is accelerating, and is most pronounced among the younger segment of the population (under 25 years) (Reed and Selbee, 2001(b))

Among the forces (i.e., social dynamics) acting upward and downward on volunteering are:

Upward:

1. The baby boom is approaching later middle age and (early) retirement, likely to result in a pool of affluent idealists with considerable personal time available
2. The rising level of university education in the population
3. Widespread concern about community and social coherence in Canada, rooted in both globalization and nationalistic initiatives

Downward:

1. The time deficit in many households
2. All adults in the majority of economically active households being in paid employment
3. The increasing metropolitanization, where volunteering is lowest
4. The declining incidence and influence of religious affiliation (which is one of the strongest correlates of volunteering)
5. The growing skepticism toward organizations and institutions in contemporary society
6. Rising economic prosperity, which seems to be inversely correlated with volunteering (volunteering appears to rise during hard times and decline in good times)
7. An ongoing shift to direct personal helping rather than organization-mediated helping

B. Charitable Giving

- The incidence of giving to charitable organizations was 78% in 2000, unchanged from 1997
- The average annual number of donations per donor declined to 3.7 in 2000 from 4.0 in 1997
- The average amount per donation rose, resulting in an increase of 8% in the average annual donor total of \$259
- The donating rate among the most-highly educated Canadians, those with a university degree, fell from 90% in 1997 to 84% in 2000
- The proportion of donors who give regularly to the same organization declined from 44 to 41 percent in 2000
- Donors' reported dissatisfaction with charitable fundraising rose approximately 15% 1997 to 2000 (Reed, 2000; Statistics Canada, 2001)

C. The Civic Core

- 7-8% of the adult population accounts for about half of hours volunteered and charitable dollars donated; one-quarter of Canada's adults account for more than $\frac{3}{4}$ of total volunteer effort and charitable donations
- This civic core appears to be stable, neither growing nor shrinking between 1997 and 2000. It accomplishes the lion's share of voluntary sector work. The civic core in Canada shows no signs of shrinking; in fact, time volunteered is rising among people in the civic core, and the declining incidence of volunteering is principally among low-time, incidental volunteers. There are, however, limits to which the civic core can increase its voluntary contribution (Reed and Selbee, 2001 (a))

D. Voluntary Organizations

Beyond the fact there are 79,000 registered charities in Canada,

- we know little, in reliable statistical terms, about the population dynamics of these organizations — the rate at which they are being formed, how long they are active, and the rates at which they are becoming inactive or deactivated and we know nothing of their distribution in terms of types or sizes

But we do have some embryonic knowledge of the operating conditions of such organizations as a result of several systematic studies done in different locales in Canada, along with much anecdotal evidence. Overall, we know that the majority are pressed at best and many are struggling just to survive.

Change and uncertainty pervade Canada's voluntary organizations.

Findings from one detailed study of voluntary organizations in Ontario (Reed and Howe, 1999) revealed that

- there is a very broad range in their sizes, the great majority being small and a few medium in terms of revenue, staff, and caseload, with a very small percentage being relatively very large (1000 times larger than the smallest)
- the small charitable and volunteer-based organizations are struggling and shrinking most, especially in smaller communities

- organizations' incomes have been falling due to shrinking grants and loss of income sources; income uncertainty is the universal denominator among them all
- more revenue is being received in the form of legal contracts for specific services, and it must be procured increasingly via competitive bidding — in competition with both voluntary and for-profit organizations (Hosli, 2001)
- finding and retaining volunteers is increasingly difficult and ever-more costly
- workloads are rising and becoming more complex and difficult to manage; individuals and families and communities in need, for example, are not only increasingly numerous but there is a clear trend toward their having, increasingly, multiple needs and more severe and pressing needs
- administration and management are becoming more complex and demanding - computer systems, caseload information, measuring outcomes, reporting systems, legal protection procedures, etc.
- there is evidence of a large and growing burden of restructuring, devolution and amalgamation among voluntary organizations across Canada
- there is increasing competition — for legitimacy, for clients, for volunteers, and for revenue
- the majority of organizations are subject to increasing pressure for efficiency, and of policies and procedures

Perhaps a greater issue is the high expectations regarding voluntary organizations' capabilities — expectations that rest far more on idealism and civic optimism than on reliable evidence.

The impacts on voluntary organizations are:

- “corporatization” of what have traditionally been loosely structured, cooperative, very locally-oriented, indigenous-action entities
- gradual but ongoing professionalization of traditionally informal, high-commitment workers, both paid and unpaid (volunteers)
- an increasing struggle for independence, ideals and remaining connected to their communities
- rising overhead costs

In sum: they are doing less, often with greater difficulty and sometimes at greater cost.

E. Public Perceptions of and Support for the Voluntary Sector

- As shown by several national surveys by EKOS and other national polling firms, nonprofit and voluntary organizations are among the most highly credible public organizations. They have been enjoying very strong public support.
- But: that support is volatile -- the breaking of trust by one significant organization usually has repercussions on many organizations in the sector and for considerable periods of time. And Canadians admit they have almost no knowledge of these organizations. That volunteering is potentially “soft” in Canada is suggested by multiple trends: the declines in the incidence and median contributions of volunteers and charitable donors, the rising incidence of unmediated, direct personal helping and giving — and perhaps in the drop in the rates of response to the 1997 and 2000 National Surveys from 78% to 63%
- And there is growing evidence of donor fatigue among Canadians — an irritation with the rising number of solicitations of money and clothing by volunteer and charitable organizations

4. **Is This Situation Unique to Canada?**

Australia, Ireland, the U.K., and Canada are all experiencing declining rates and levels of volunteering and giving, while rates and levels in the U.S. are higher than anywhere else and continue to climb.

What is common to these four countries that sets them apart from the U.S.?

5. **Interpreting the Signals: Do the declines indicate Normalcy, Transition, or Decline?**

- All 3 apply, in different measure and differently for the short term and long term
- Many factors are prevailing against the volunteer sector (see earlier remarks re: social dynamics)
- Yet there is a committed, continuing core of Canadians who are aware of and concerned about the communal good and who believe they carry responsibility as individuals to support that collective good, actively and directly

Other key issues are:

- the corporatization of voluntary organizations, applying performance criteria and standards from the world of business and profit-making
- treating the sector as a reserve labour pool when it is not — it is both far more, and very different, from this instrumental view of the voluntary sector
- the failure to recognize the distinctive characteristics of the sector; i.e., indigenous and autonomous action in support of a collective good of some kind, carried out by minimally formalized organizations
- the failure to understand the social dynamics of the sector and its behaviours

6. Implications: What To Do About The Situation

- The need for considered, broad-visioned judgment
- The need to understand the essence of the voluntary sector and determine policy on the basis of that understanding
- The need to be attentive to social reproduction processes; there are signs the net volunteer replacement rate (VRR) is in decline

Careful reading of the 1997 and 2000 NSGVP statistics would have revealed both soft spots and strengths in the contributory behaviour of Canadians. We can expect to hear alarms sounded about the sector's need for increased public resources and support but those alarms will not be credible unless they are accompanied by considered assessment of a wide range of factors and conditions and by a clear recognition of the dynamics and distinctive features on which volunteering and charitable giving behaviours rest.

In certain respects, the sector is showing — and has been for most of a decade now — signs of stress and struggle, but not just because of changing volunteering and giving levels. In other respects, especially its core, the sector shows continuing strength, independent of aggregate changes in volunteering and giving.

Other Needs and Considerations

- The need for information infrastructure
- The importance of redirecting the search for voluntary sector legitimacy (i.e., “making the case for the sector”), in social much more so than in economic terms

- The sector's declining organizational diversity must be recognized
- The civic socialization processes that create volunteers and donors need recognition, researching, and perhaps institutionalization.

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