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FOR IMMEDIATE RELEASE

New Report Shows Area Nonprofits Still Struggling with Workforce Recovery

*A new report shows that area nonprofit employers continue to face
severe workforce challenges and fewer signs of recovery than businesses,
with implications for regional recovery and equity initiatives.*

LONDON, Ont., May 31, 2023 – Nonprofit employers in the London region continue to face severe human resources challenges and fewer signs of recovery than area businesses. In new data published today, nonprofits report greater difficulty than business employers in finding, hiring and, especially, retaining qualified workers, continuing conditions that likely affect equity-denied groups that make up much of the nonprofit workforce.

Pillar Nonprofit Network and the Elgin Middlesex Oxford Workforce Planning and Development Board (EMOWPDB) have mined data from the regional EmployerOne Survey conducted in January, 2023 and compared the responses from nonprofit employers to those from businesses. We find that area businesses are reporting slightly improved conditions over the past year, but area nonprofits are showing fewer signs of recovery in almost all measures, especially when the data is compared to similar analyses by our organizations last year.

A full report of the data can be found on the Pillar and EMOWPDB websites (links below). Among the key findings:

- **Nonprofit employers were almost 10% more likely to lose staff in 2022 than for-profit employers** (80% vs 72%), just as in 2021.

- **Nonprofit employers reported much higher rates of employees quitting and of permanent layoffs than businesses** (65% vs 48%).
- **Nonprofit employers remain more concerned about employee retention at the start of 2023 than for-profit employers by a margin of 10%** (63% vs 53%), up from a gap of only 4% at the same time last year.
- **Nonprofit employers were less likely than businesses to identify "regular pay increases" than businesses as a retention strategy**, selecting "job flexibility" (64%) and "training opportunities" (53%) even more often than in 2021 when these were also the top two.
- **Nonprofit employers were more likely to identify COVID-19 and its fallout as a factor in persistent retention challenges**.
- **In selecting reasons for 'hard-to-fill' positions, 1 in 3 nonprofits named "inability to compete with other employers (wage, benefits, profile)"** where only 16% of businesses named this as a barrier.
- **Nonprofit employers were 10% more likely to identify time and resources to train existing staff as a challenge**.

The conditions described by the data have implications for the region's social and economic recovery and for ongoing efforts to improve the safety and prosperity of women, racialized people, Indigenous people, and newcomers. According to information from Imagine Canada, a national charity network, women make up more than three-quarters of the nonprofit sector's workforce; almost half of sector workers are immigrants; and nearly a third are racialized. Half of all jobs held by immigrant women are in the nonprofit sector, and almost a third of jobs held by Indigenous and racialized women are in the nonprofit sector.

Nonprofit employers and sector advocates have identified wage disparities, precarious work, and workforce development gaps as persistent problems in the sector long before the pandemic. Pillar and the EMOWPDB look forward to sharing this information with governments and with stakeholders across all sectors seeking an equitable social and economic recovery. We continue to call for greater investments in nonprofit workforce planning and development.

The information can also help local nonprofits assess their own performance, says Chuck Lazenby, Executive Director of Unity Project, a nonprofit that helps adults struggling to escape and avoid homelessness. "We're always in go-go-go mode and don't have the time and resources to do this kind of analysis, so it's really helpful to have organizations that collect and share this data. First, it's so validating to see that our experience is part of a larger problem. It can spur us to reach out to other organizations and work on solutions together. And it can also be helpful to see where we're doing better than average so we know what practices to

continue." Lazenby also echoes the call for workforce strategy and development. "We have incredibly dedicated long-time staff but, if we're not able to invest in upskilling and ongoing training, we'll see a growing skills gap that's not fair to them and, ultimately, makes it harder to do our best work."

Paul Seale, Manager of Public Policy, Advocacy, and Impact, Pillar Nonprofit Network:
> "The data shows that local nonprofit organizations are having real difficulty offering stable, well-compensated work. As a major employer and economic driver in our region and a major social driver, a struggling nonprofit sector will likely slow recovery for the whole region. And, as with all things, the effects will likely be uneven for individuals, mostly affecting the women, racialized people, Indigenous people, and newcomers that make up much of the nonprofit workforce and slowing local and national efforts to make equity-denied groups safer and more prosperous."
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> Many of these are long-standing disparities and challenges, so 'the old normal' was never great. And the sector has also had a long-standing lack of hard data to demonstrate these issues to policy-makers. We began this project to help measure the recovery of the local sector, knowing that it's important to show concretely what gaps need attention. At a minimum, we hope it will demonstrate the need for supporting decent work and a nonprofit workforce development strategy, things that Pillar advocates for at all levels of jurisdiction and that we see getting more attention, at least locally."

Emilian Siman, Executive Director, Elgin Middlesex Oxford Workforce Planning and Development Board:
> "With local unemployment rates at record lows, the region has a very competitive labour market. Any imbalance in organizations' ability to compete will likely exacerbate current trends. This year's data suggests that there are organizations in every sector that are challenged to meet their workforce needs but, while more businesses might be reaching that 'cautious optimism' stage we associate with pandemic recovery, more nonprofits are reporting real difficulties. Specifically, where it's widely understood that Canada has not experienced 'the Great Resignation' to the same degree as the United States – and the London region is a leader in job recovery – there may still be a substantial workforce exodus happening in some sectors, in particular, in the nonprofit sector. The nonprofit organizations are critical socio-economic drivers; therefore, there is no social and economic recovery without them."

Aggregate data can be found in charts and graphs on the EMOWPDB website at https://workforcedevelopment.ca/library and a full report of findings on the Pillar site at https://pillarnonprofit.ca/news/new-report-shows-area-nonprofits-still-struggling-workforce-recovery.

About Pillar Nonprofit Network:
Pillar Nonprofit Network strengthens individuals, organizations and enterprises invested in positive community impact in London and Southwestern Ontario. Through a heightened equity lens, we support impact organizations by sharing resources, advocating, exchanging knowledge, and creating meaningful connections across the three pillars of nonprofit, business, and government. We believe that a connected network sparks collaboration and helps to build an engaged, inclusive, and vibrant community. Learn more at pillarnonprofit.ca.

About Elgin Middlesex Oxford Workforce Planning and Development Board:
The Elgin Middlesex Oxford Workforce Planning and Development Board (EMOWPDB) works to provide stakeholders with quality labour market information to make decisions which result in a thriving, viable economy. EMOWPDB has over 20 labour market information tools on their website to assist all of whom we serve within the Elgin Middlesex and Oxford region to make better, more informed decisions. View the tools and past reports at workforcedevelopment.ca.