



DIVERSITY IS OUR STRENGTH

Improving Working Conditions in
Canadian Nonprofits

FRONT MATTER

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About Imagine Canada

Imagine Canada is a national charitable organization whose cause is social good in Canada. We work to bolster the charities, nonprofits, and social entrepreneurs who build, enrich, and define our nation and the communities they support around the globe.

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INTRODUCTION

Often, when people hear about the nonprofit sector, volunteers come to mind. However, Canada's nonprofits and charities also employ 2.5 million people,¹ equivalent to 14% of Canadian employee jobs.² Of those workers, approximately 660,000 were employed by community nonprofits in 2019 — over three times the approximately 200,000 employed in the mining, oil, and gas sector in the same year.³ The nonprofit sector also contributes 8.3% to gross domestic product (GDP)⁴ — more than the construction, transportation, or agricultural sectors.⁵



Statistics Canada groups nonprofit organizations into three categories:

- **Community nonprofits** provide goods and services such as child care, advocacy, arts, and social services, at no or minimal cost, to individuals and households.
- **Business nonprofits** provide goods and services at low cost; example organizations include chambers of commerce, business and professional associations, and condominium associations.
- **Government nonprofits** include hospitals, some residential care facilities, universities, and colleges.

Statistics Canada data show:

- The average annual salary for those working in community nonprofits is \$38,716, compared to \$57,137 in the economy overall.
- The nonprofit sector's workforce is older and more highly educated than that of other parts of the economy.
- 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 and almost a third of jobs held by Indigenous and racialized women are in the nonprofit sector.

A note about terminology and the data.

Throughout this report, where no source for data is cited, the sources are Statistics Canada's "Non-Profit Organizations and Volunteering Satellite Account: Human Resources Module, 2010 to 2019," and the 2016 Canadian Census of Population. See Appendix for more information.

When we compare nonprofit sector jobs with jobs in the economy as a whole, we exclude the self-employed. Because the nonprofit sector is defined to have no self-employed workers, we believe this is the more appropriate comparison.

We use the term "racialized" to refer to those with what Statistics Canada refers to as "visible minority status." This category does not include Indigenous individuals.

The pandemic has emphasized the importance of the nonprofit sector’s work, but it has also laid bare the cracks in our operating environment. Low-wage, low-benefit, short-term contract jobs are prevalent due to short-term, project-based funding. Underfunding means working conditions are often subpar, and professional development opportunities rare. The absence of a federal home in government for the sector means nonprofits’ needs are often forgotten or not taken seriously. A lack of data about the sector means problems frequently go unnoticed — if not by employees on the ground, then by policy-makers and funders. These systemic issues ultimately impact our already-vulnerable workforce.

Additionally, the nonprofit sector’s reckoning with its own internal inequities is a long time coming. For instance, men are overrepresented in leadership roles relative to their participation in the sector’s workforce.⁶ Research has shown that Black-led and Black-serving organizations are vastly underfunded by philanthropy,⁷ which naturally has implications for the conditions of their workers. Much of the sector has yet to fully embrace reconciliation and decolonization. There are also racial and

gendered pay gaps, explored further in this report. The overrepresentation of numerous equity-seeking groups in our workforce makes the implementation of equitable workplace practices and policies all the more urgent.

To improve conditions for the nonprofit sector’s diverse workforce, we need immediate action from funders, governments, and nonprofit leaders:

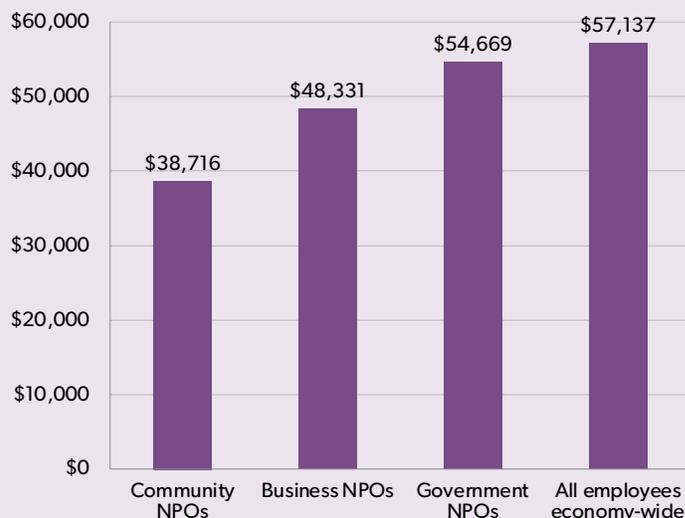
- **Funders** need to provide funding that allows for decent work for sector workers and does not reinforce gender and racial inequality.
- **Federal, provincial and local governments** need to treat the nonprofit sector as a valued partner, on par with the way they treat other industries of similar size.
- **Nonprofit sector leaders** need to adopt decent work and anti-racism/anti-oppression practices to help ensure they are providing respectful, fair jobs where our diverse workforce can thrive.

Learn more about these recommendations in the conclusion of this report.

NONPROFIT WORKERS FACE LOW WAGES COMPARED TO THE ECONOMY-WIDE AVERAGE

Wages in the nonprofit sector are low, especially in community nonprofits. Rising inflation is further squeezing the sector’s ability to fairly compensate its workers, and labour shortages are increasing competition for employees.

Average annual salaries



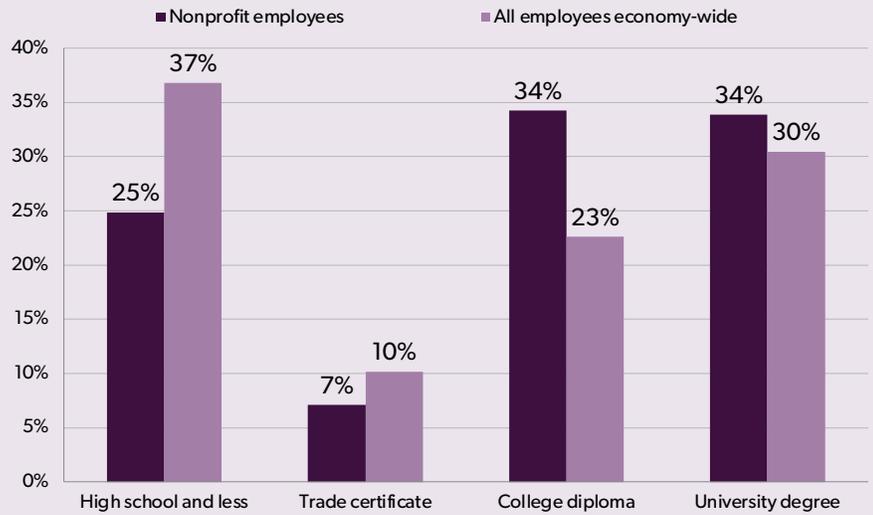
THE NONPROFIT SECTOR'S WORKFORCE IS HIGHLY EDUCATED

The nonprofit sector's workforce is more highly educated on average than employees economy-wide. Workers with higher education are much more common in the nonprofit sector than in the economy in general, particularly those with a college diploma.

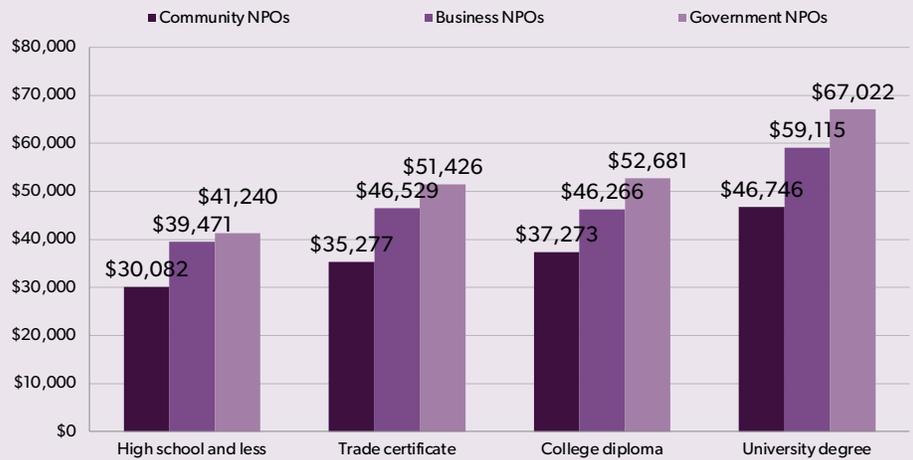
Despite the nonprofit sector's high level of education, its workers are paid less than in other parts of the economy.

Nonprofit employment is crucial for women with all levels of education, and especially for those with college diplomas and trade certificates.

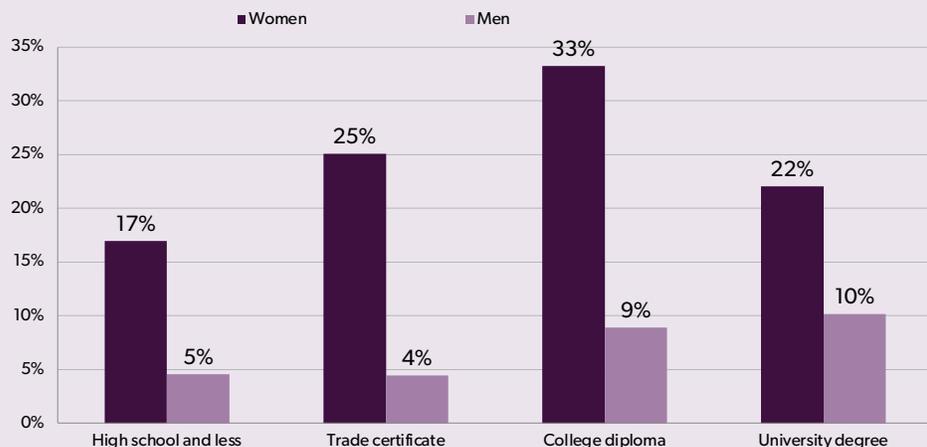
Employee by educational attainment



Average nonprofit salaries by educational attainment



Nonprofit jobs as a percentage of jobs held by workers with various levels of education



WORKERS IN THE NONPROFIT SECTOR TEND TO BE SLIGHTLY OLDER THAN IN THE ECONOMY AT LARGE

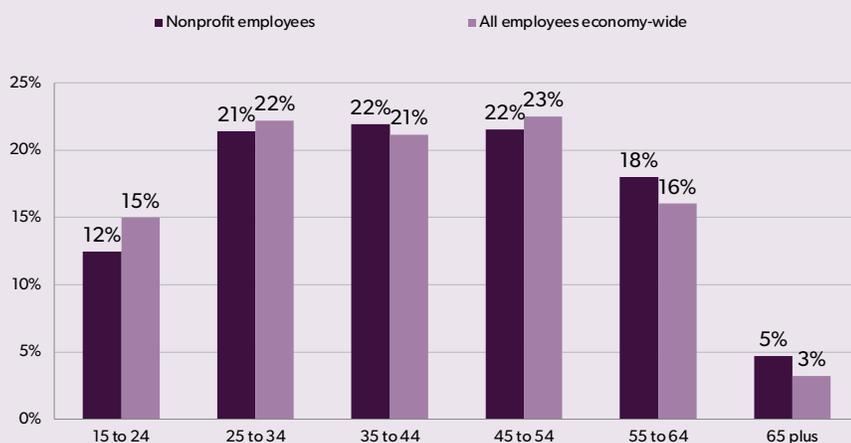
Employees in the nonprofit sector tend to be slightly older than other employees in the economy at large. Our workforce is also getting older. Between 2010 and 2019, the number of employees who are older than 65 nearly doubled, and the number of employees in the 55–64 age bracket also rose quickly.

The nonprofit sector has a big role in caring for the elderly, even as our own workforce ages rapidly. We need to be able to attract younger workers to the nonprofit sector with good jobs to ensure care for Canadians as they age. This is especially true as the Canadian working-age population is older than ever, with more than one in five working adults nearing retirement.⁸

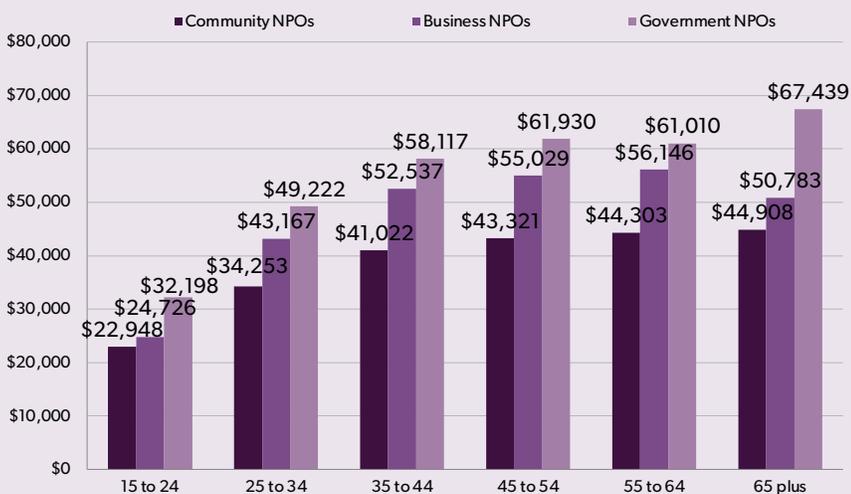
Additionally, many of the jobs in the nonprofit sector have few benefits, including retirement contributions from employers. It is likely that some of those nonprofit employees who are still working beyond the age of 65 are doing so in part due to low wages and a lack of retirement benefits making it difficult to afford retirement. Our aging workforce emphasizes the need for the nonprofit sector and those who fund it to do better at supporting our workers as they plan for retirement.



Employees by age group



Average annual salaries by age group



WOMEN MAKE UP MORE THAN THREE-QUARTERS OF THE NONPROFIT SECTOR'S WORKFORCE

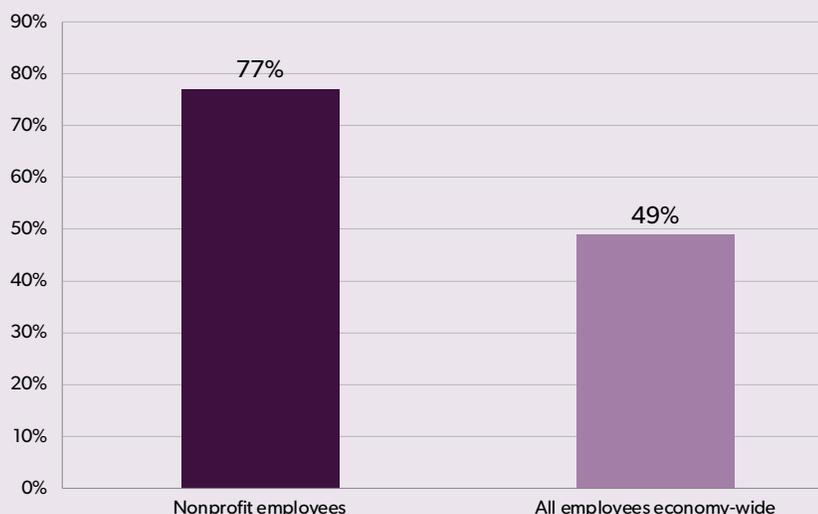


The nonprofit sector has a women-majority workforce.* This has major implications for how the sector is perceived, valued, and treated. Research carried out by the Ontario Nonprofit Network has found that the nonprofit sector is viewed in stereotypically feminine ways; that is, as “dependent, nurturing, caring, emotional, unintelligent, unskilled, and requiring guidance and monitoring.”⁹

There are clear links between gendered stereotypes and the issues the nonprofit sector faces, including underfunding, excessive monitoring, and not being taken seriously by the public or the government. The trickle-down impact on workers is clear, with low wages being just one example. When taken together with the fact that the sector’s workforce is on average more highly educated and older (and therefore more experienced) than the Canadian workforce in general, these issues become even more glaring.

Despite the predominance of women, there is a gender wage gap, with men making more than women across the sector.

Percentage of employees who are women



Average annual nonprofit salaries by gender



* To date, Statistics Canada has not collected data on trans and non-binary nonprofit workers.

IMMIGRANTS, BLACK, INDIGENOUS, AND RACIALIZED PEOPLE ARE OVERREPRESENTED IN THE NONPROFIT SECTOR'S WORKFORCE

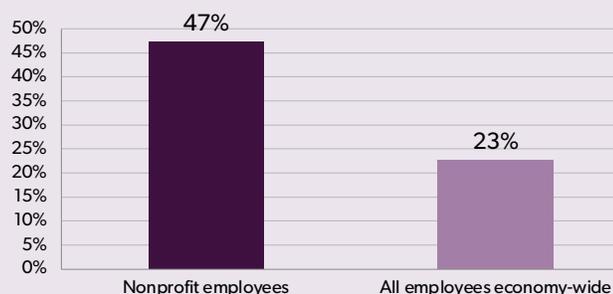
While about a quarter of employees in the economy immigrated to Canada at some point in their lives, nearly half of nonprofit workers did so. The nonprofit sector is clearly a pathway to employment for many newcomers and plays a defining role in the immigrant experience.

Almost one-third of the nonprofit sector's workers are racialized. Additionally, Black workers are overrepresented in the sector compared to their representation in the workforce overall. Indigenous employees are 5% of the nonprofit sector's workforce, compared to 4% of employees economy-wide. While this difference may appear small at first glance, it actually means that nonprofit employees are about 27% more likely than the typical employee to have Indigenous status.

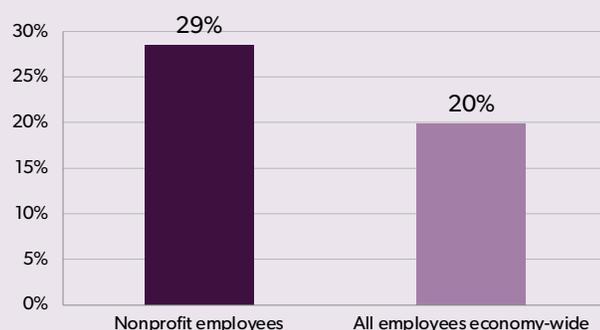
Unfortunately, systemic biases against racialized people and immigrants layer onto gender discrimination and further entrench perceptions of the sector's work as low-value care work.

Employment of racialized and immigrant workers in the sector is rising quickly. Between 2010 and 2019, nonprofit sector employment increased by 32% for immigrants, compared with 4% for other workers. During the same period, employment of racialized individuals rose by 47%, and employment of Black workers rose by 58%, compared with 6% for non-racialized workers. Indigenous employment grew by 42%, while employment for non-Indigenous workers grew by 14%. If these trends continue, racialized and immigrant workers will only become more and more important to our sector's future.

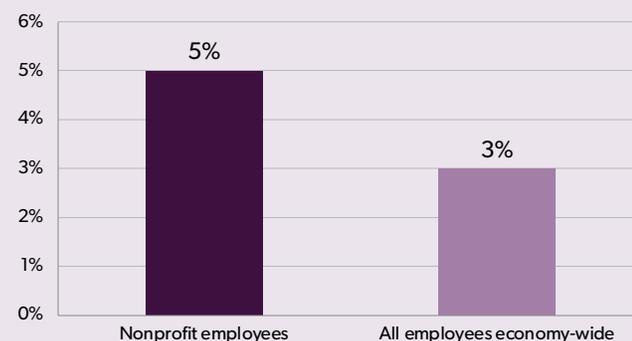
Percentage of employees who immigrated to Canada



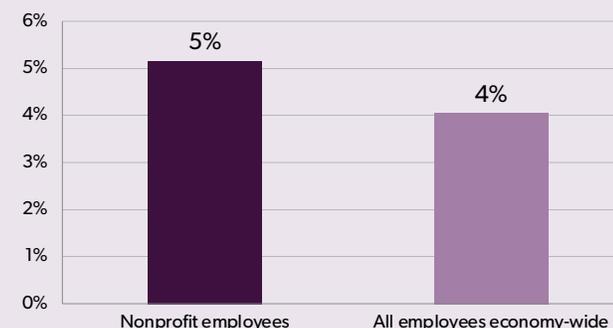
Percentage of employees who are racialized



Percentage of employees who are Black



Percentage of employees who are Indigenous



PAY INEQUITIES IMPACT MANY RACIALIZED NONPROFIT WORKERS

Racialized workers have lower average annual salaries than other workers in the community and business nonprofit subsectors, where they make 91% and 86% of the salaries of non-racialized workers respectively. However, in government nonprofits, racialized workers have average annual salaries that are 8% higher than other workers. It is possible that in government nonprofits, pay equity is less of an issue because these organizations may be more likely to have larger staffs with unions, HR teams, and more robust pay-equity systems.

Salary trends for Black nonprofit workers are similar to trends for other racialized employees; they make 90% and 97% of the average wages of non-racialized workers in the business nonprofit and community nonprofit subsectors respectively, while Black employees are actually paid more on average than non-racialized employees in the government subsector.

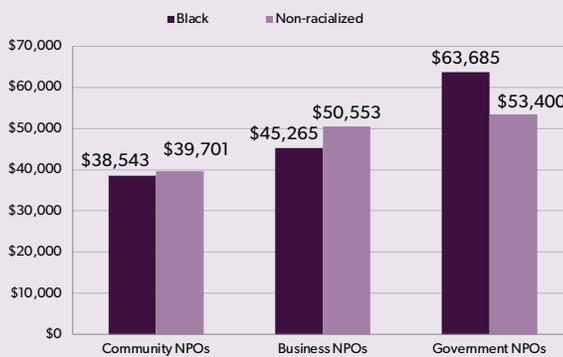
Indigenous workers in community and government nonprofits are paid slightly more than other workers. This may reflect the growing “demand” for Indigenous workers, as the country grapples with reconciliation and organizations seek to become more inclusive of Indigenous perspectives. It is also possible that Indigenous workers are more likely to be located in remote communities and therefore have salaries adjusted for higher costs of living in these regions.

Across the sector, immigrant workers are paid more, on average, than non-immigrant workers. However, this data should be interpreted with several caveats. First, in much of the sector, racialized workers have lower salaries than other workers, which suggests that non-racialized immigrant workers are pushing up the average salary for all immigrant workers. Second, immigrant workers are overrepresented in the nursing field¹⁰, which has higher wages than many other sector occupations.¹¹ Finally, the data does not allow us to break out salaries of newer immigrants, who are likely to face more barriers than those who have immigrated when they were young and have studied in Canada.

Average annual nonprofit salaries for racialized and non-racialized workers



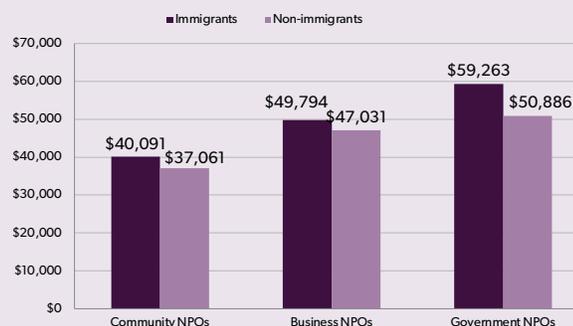
Average annual nonprofit salaries for Black and non-racialized workers



Average annual nonprofit salaries of Indigenous and non-Indigenous workers



Average annual nonprofit salaries of immigrants and non-immigrants



THE NONPROFIT SECTOR IS A CRUCIAL EMPLOYER FOR IMMIGRANT, INDIGENOUS, BLACK, AND RACIALIZED WOMEN



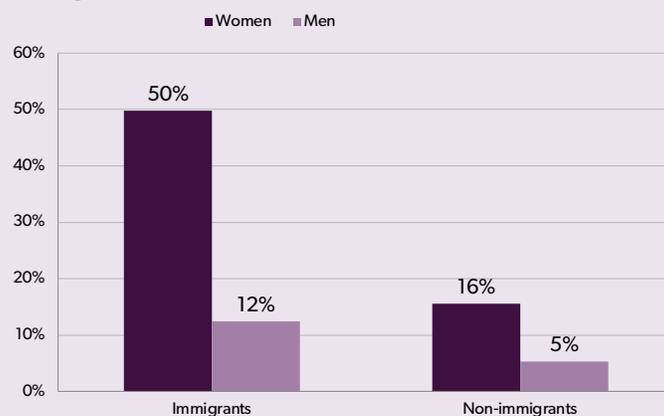
Gender intersects with other identities to shape the experiences of immigrant and racialized women in the economy. A full 50% of jobs held by immigrant women are in the nonprofit sector. This compares with only 12% of jobs held by immigrant men and 16% of jobs held by non-immigrant women. It is therefore clear that if we want to improve the material conditions of immigrant women, interventions that improve working conditions in the nonprofit sector are crucial.

While the contributions of immigrants to the sector are something to celebrate, it's not an entirely rosy picture. Many immigrant women work in the nonprofit sector not because it is their first choice, but because their options are limited. A 2018 report about women's experiences working in the sector found that immigrant and racialized women often got "into the sector as a result of their language skills, lived experiences, or cultural competency as they often came to Canada with foreign credentials that couldn't be upgraded."¹²

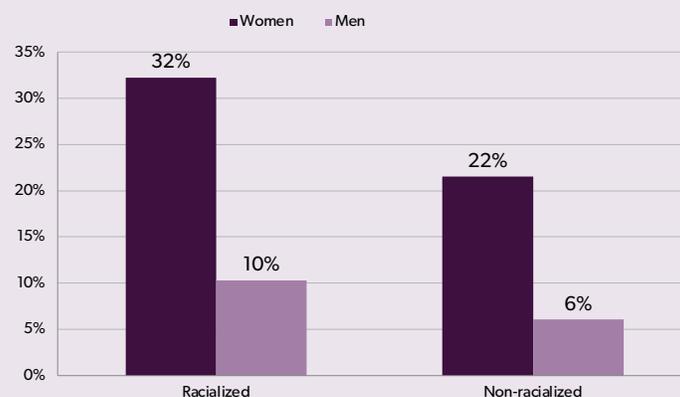
Approximately a third of racialized women and a quarter of Black people* who are employed work in the nonprofit sector.

The sector is also a critical employer of Indigenous women, with almost one-third of jobs held by this group being in nonprofits. These figures emphasize the need for the sector to decolonize our practices and advance reconciliation, so we can create welcoming, respectful, and fulfilling jobs for the Indigenous workers who contribute to our missions.

Nonprofit jobs as a percentage of jobs held by immigrants



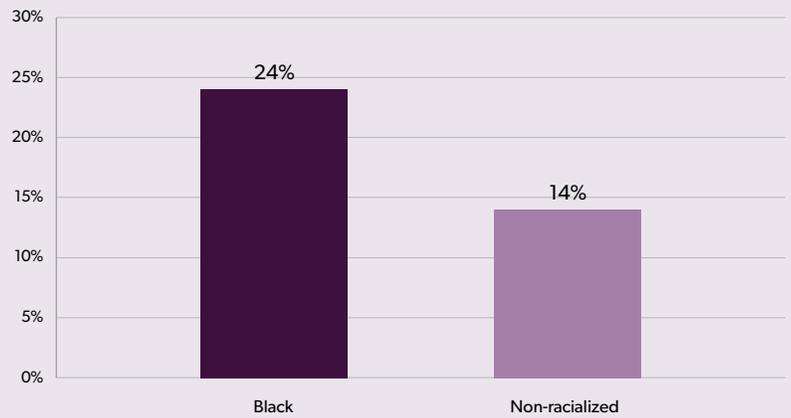
Nonprofit jobs as a percentage of jobs held by racialized people



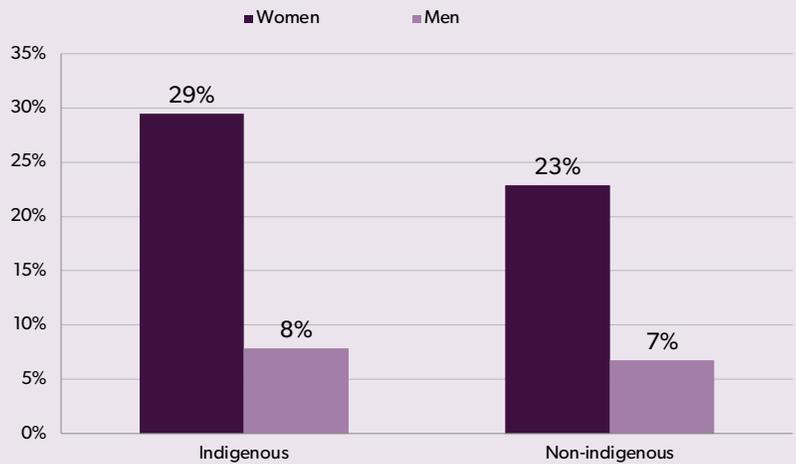
* Intersectional data on gender is not available for Black nonprofit employees.

Racialized women make a huge contribution to the nonprofit sector’s work, yet are undervalued and underpaid while doing so. A quote from an Ontario Nonprofit Network report on women’s experiences in the sector illustrates this dynamic well: “A lot of women of colour are streamed into non-profit, partly because we see the issues in our lives and communities and want to create change, but it’s a cycle that continues to oppress us and marginalize us. Within the sector, we need to have support in advocating for ourselves, for negotiating rights and salaries. We need support to stop internalizing racism and sexism and navigating managers and peers that perpetuate this.”¹³

Nonprofit jobs as a percentage of jobs held by Black people



Nonprofit jobs as a percentage of jobs held by Indigenous people



CONCLUSION

The workers of the nonprofit sector are present in communities across the country, improving our quality of life, addressing systemic inequities, and helping individuals thrive. Overwhelmingly, they are women, immigrants, and racialized people. Unfortunately, gendered and racialized perceptions of the nonprofit sector have a significant negative impact on these workers.

Common funding practices, such as underfunding, short-term contracts, and extensive monitoring and reporting requirements, reflect a view that nonprofit workers are unskilled, untrustworthy, and need to be carefully monitored. These funding practices, combined with general societal attitudes about nonprofit work, mean that workers often face low wages, few benefits, and part-time and/or short-term work.



Stemming from this data, we need immediate action from funders, governments, and nonprofit leaders.

To funders:

Provide funding that allows for decent work for the nonprofit sector's workforce and create funding terms that do not reinforce negative gendered and racialized stereotypes about the sector. Notably, funders should:

- Provide more core and unrestricted funding opportunities;
- Cover all core operating costs associated with project-based funding;
- Reduce the application and reporting burdens associated with their funding opportunities;
- Provide more long-term funding opportunities and eliminate gaps in funding renewal processes;
- Allow for more flexibility in moving funding between cost categories; and
- Allow organizations to use project-based funding for employee benefits (i.e. parental leave top-ups, pension contributions, and health benefits), professional development, and, at a minimum, a living wage.

To the federal, provincial, territorial and municipal governments:

Treat the nonprofit sector as a valued partner, on par with the way that other industries of similar size are treated. Notably, governments should:

- Adopt the funding practices outlined above when funding nonprofits;
- Remember and include the nonprofit sector and its workers when introducing economic programs, such as programs for small businesses;
- Create a home in government for the nonprofit sector, so that it won't get left behind; and

- Collect macroeconomic and labour force data on the nonprofit sector on an ongoing basis.

To nonprofit sector leaders:

Adopt decent work and anti-racism/anti-oppression practices to help ensure that you are providing respectful, fair jobs where our diverse workforce can thrive. Nonprofit leaders should:

- Eliminate racial and gender pay gaps;
- Pay fair and competitive wages. At a minimum, pay a living wage to all employees and offer cost-of-living increases;
- Offer employee benefits (i.e. parental leave top-ups, pension contributions, and health benefits) and paid sick and vacation time to permanent and contract employees;
- Where possible, offer permanent employment, rather than contract employment;
- Offer professional development opportunities;¹⁴ and
- Implement anti-racism and anti-oppression practices such as as pay transparency.

[HR Intervals](#) offers a collection of free resources to help you adopt best HR practices that foster decent work.



APPENDIX: ABOUT THE DATA

2010–2019 Human Resources Module of Statistics Canada’s Satellite Account of Nonprofit Institutions and Volunteering

The Satellite Account of Nonprofit Institutions and Volunteering provides some key baseline data about the nonprofit sector’s contributions to employment and GDP, based on administrative data. The Human Resources Module builds on this foundation and provides more detailed workforce data about the nonprofit sector. It uses data from the Canadian Productivity Accounts, the Labour Force Survey, census data for 2005 and 2015, and the 2011 National Household Survey.

2016 Canadian Census

The census provides valuable data about the population, including age, sex, type of dwelling, language, income, immigration and ethnocultural diversity, housing, Indigenous peoples, education, and labour. Throughout this report, we compared nonprofit workers with the general population using 2016 Canadian census data.

Citations

- ¹ [Statistics Canada. Table 36-10-0648-01: “Non-Profit Satellite Account by sub-sector \(Total and Businesses\), seasonally adjusted at annual rates” \(accessed July 28, 2022\).](#)
- ² Additional source: [Statistics Canada. Table 36-10-0489-01: “Labour statistics consistent with the System of National Accounts \(SNA\), by job category and industry” \(accessed July 28, 2022\).](#)
- ³ [Statistics Canada. Table 14-10-0202-01: “Employment by industry, annual” \(accessed July 28, 2022\).](#)
- ⁴ [Statistics Canada. “Non-profit institutions and volunteering: Economic contribution, first quarter 2022” \(accessed July 28, 2022\).](#)
- ⁵ [Statistics Canada. Table 36-10-0434-03: “Gross domestic product \(GDP\) at basic prices, by industry, annual average” \(x 1,000,000\) \(accessed July 29, 2022\).](#)
- ⁶ [Statistics Canada. Table 33-10-0491-01: “Average percentage of women and men in management positions, first quarter of 2022” \(accessed July 28, 2022\).](#)
- ⁷ [The Network for the Advancement of Black Communities and Carleton University’s Philanthropy and Nonprofit Leadership program. “Unfunded: Black Communities Overlooked by Canadian Philanthropy” \(2020\).](#)
- ⁸ [Statistics Canada. “In the midst of high job vacancies and historically low unemployment, Canada faces record retirements from an aging labour force: number of seniors aged 65 and older grows six times faster than children 0-14” \(accessed July 28, 2022\).](#)
- ⁹ [Ontario Nonprofit Network. “Women’s Voices: Stories about working in Ontario’s nonprofit sector” \(October 2018\).](#)
- ¹⁰ [Statistics Canada. “Profile of immigrants in nursing and health care support occupations” \(accessed July 28, 2022\).](#)
- ¹¹ [Statistics Canada. Table 14-10-0340-01: “Employee wages by occupation, annual” \(accessed July 28, 2022\).](#)
- ¹² [Ontario Nonprofit Network. “Women’s Voices: Stories about working in Ontario’s nonprofit sector” \(October 2018\).](#)
- ¹³ [Ontario Nonprofit Network. “Women’s Voices: Stories about working in Ontario’s nonprofit sector” \(October 2018\).](#)
- ¹⁴ [Ontario Nonprofit Network. “Decent Work Checklist for the Nonprofit Sector” \(May 2019\).](#)

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