

# Under Siege:

*A study of non-profit, community-based agencies in an era of cuts*

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## Executive Summary

*Under Siege* is a study of community-based, not-for-profit social service agencies: who they are, why they exist, the programs and services they offer, the people who use the services, and changes to agencies over the past seven years. As a first contact for people in need, community-based agencies are at the cutting edge of community issues, but there has been very little public attention to the increasingly pivotal role these agencies play in our society. As governments cut back on health, education and social services, it has been left to community groups to patch together supports to the increasing numbers of people who are *desperate, frustrated, hopeless*.

This more in-depth analysis of community-based agencies is a follow-up to the report *More Crises, Less Resources* produced in December 1996. That report exposed the systematic funding cuts to community based agencies over a six year period, the dramatic increase in individuals and families in crisis, and the subsequent stress on agencies' ability to provide compassionate social services to the increasing numbers of individuals and families.

Community-based agencies have usually emerged in response to an unmet neighbourhood or other community need, are governed by a volunteer Board of Directors, tend to have few staff, fund raise a portion of their budget, receive some government funding, and have a volunteer base to help provide services. Of the twenty-four agencies studied, a total of 119 full-time staff, 54 part-time and 13 casual staff with the help of volunteers provided vocational skills, counselling, health services, parenting and child care programs, housing, crisis intervention, nutrition/food services, and information and advocacy for an estimated 44,700 people last year.

Simultaneous cuts to various government services (health, income assistance, justice, education, etc.) have resulted in more people in need, particularly those on low and fixed incomes. Community-based agencies have had to fill the growing gaps in services. While demands for services have increased, funding for community-based agencies from all sources (public and private) has generally decreased. Increased job responsibilities, unpaid overtime, burn-out, and pay cuts to already low wages have intensified stress for staff in trying to meet more needs with less resources.

The expectations and role of the voluntary sector in providing social services in a civil society needs to be more carefully examined. Volunteers are not free labour, but there is little understanding of the costs and limitations of volunteers. *Volunteer turnover can be high requiring constant recruitment, screening and training. Varying levels of skills and ability can result in uneven service delivery. Motivating and supervising volunteers can take considerable staff time.*

This study finds that community-based agencies are under siege from increased demands for services while struggling with dwindling resources.

## 1. Introduction

This paper is intended to raise awareness of non-profit, community-based social service agencies and to stimulate discussion and debate on their intensified role in addressing social problems with dwindling resources. Government downloading and cutbacks to the non-profit sector with the concurrent expectation that volunteers will and can augment service delivery<sup>i</sup> has not been fully examined. This brief picture of non-profit, community-based agencies in the 1990's is the result of a three-page questionnaire completed by 24 agencies in urban and rural areas representing specialized health and social services to designated populations. In addition, two interviews with staff provided an in-depth look at agency services and operations. The findings represent an analysis of the responses to the questionnaire and interviews. No identifying information is used in order to protect the anonymity of agencies participating in the study. The italicized sentences and phrases are direct quotes from the questionnaires.

### 1.1 Context of the Study: Cutbacks and downloading to the community sector

Since at least 1993 and accelerating in 1996-97 and 1997-98, the federal government has *slashed spending virtually across the board to community and special interest groups that have traditionally counted on federal funding. And over the next two years, they will cut about one-third of the \$17 billion they give to the provinces in the form of annual transfer payments*<sup>ii</sup>.

Community non-profit organizations have endured sustained cuts to grants they receive from the federal government. The fiscal downloading by the federal government to the provinces and municipalities has resulted in even more slashing of grants to non-profit, community groups<sup>iii</sup> *More Crises, Less Resources: The Impact of Cuts to Community Agencies*. Captain William Spry Community Centre, Metro Community Services Network, and the Nova Scotia Association of Social Workers, Halifax, Nova Scotia. December 1996. All of these cutbacks are taking place when the need and demand for services is increasing:

*One of the great dilemmas is that Canadian governments are cutting spending and support programs precisely at a time when many people need them more than ever*<sup>iv</sup>.

Added to federal and provincial funding cuts is the downloading of social programs once delivered by federal and provincial governments to community level agencies and local-level government<sup>v</sup>. The assumption is that non-profit agencies can do more with less by recruiting more volunteers to pick up the slack.

### 1.2 Purpose of the Study

There has been very little analysis of the impacts of these cuts on non-profit agencies, on the people for whom agencies provide services or on the cost, role and limitations of volunteers in delivering social services. This study is intended to provide a picture of non-profit community-based agencies and to understand how the agencies are faring in an era of cuts.

### 1.3 Research Method

A three page questionnaire was mailed out to twenty eight non-profit agencies representing different geographical areas, providing health and social services to various specific constituencies<sup>vi</sup> education and information resources . Twenty four agencies completed the questionnaire. Of the four agencies that did not complete the questionnaire, three called with specific reasons why they could not fill out the questionnaire at that time.

The questionnaire was divided into three sections: agency description, volunteer complement, and financial/program changes since 1990. The agency description was intended to provide an overview of the mandates, services, staffing, and relationship with other community groups. Questions about the use of volunteers focussed on the reasons for using volunteers, the number of volunteers, costs of volunteers and difficulties of working with volunteers. Changes since 1990 provided information on any cuts from funding sources, the role of fundraising, and impacts of funding changes on staff, volunteers and clients. In addition, questions were asked about relations with government departments and the impact of changes in health care, social assistance and employment programs.

### 1.4 Sponsoring Organizations

The Captain William Spry Community Centre is located in Halifax with a mandate to cultivate a community-driven multi-service system that, among other things, facilitates partnerships throughout our community. The Metro Community Services Network has brought together over 50 community agencies in the Halifax Regional Municipality to discuss policy changes that may impact community-based services. The Nova Scotia Association of Social Workers is the professional association for social workers in the province which promotes social policies aimed at improving social conditions.

## 2. Community-based, non-profit Agencies

Community-based, non-profit agencies provide many first contact services for people in need but there has been little general understanding of the nature of community based agencies, who they serve and how they provide services. This brief overview is intended to identify some of the elements that make community based agencies unique.

Community-based agencies are not-for-profit organizations that provide a specific social service frequently in response to an unmet neighbourhood or other community need<sup>vii</sup>, are governed by a volunteer Board of Directors, tend to have few staff, fund raise for part of their budget, and generally receive some portion of their funding from government. In this study of twenty four agencies, every agency has a volunteer Board of Directors, receives some government funding and provides a service specific to the local area. Twenty three of the agencies have active fundraising campaigns. Most of the agencies use volunteers to augment programs and services (twenty two of the twenty four agencies studied). The vast majority of agencies are well established services which have been in existence for more than eight years (twenty one of twenty five agencies). Half of the agencies (twelve) were started in the 1950's - 1970's.

Most agencies have less than six full-time staff to provide a wide range of services. Of the twenty four agencies there were a total of 119 full time staff, 54 part-time and 13 casual staff<sup>viii</sup> providing services to an estimated 44,700 people through programs, information/referral, and individual services and counselling. Services provided by agencies include

X	vocational/life skills	seniors' food programs
X	information and advocacy	employment counselling and job search support
X	pre-natal nutrition	health clinic services
X	individual, family, group counselling	parenting programs
X	housing/shelter	public education programs
X	skill training and upgrading	daycare; child care
X	youth programs	crisis intervention
X	work experience programs	food bank services
X	support groups	legal information; aid with the court process
X	health programs	financial management/budgeting assistance
X	home support	day camps
X	special community events	preschool programs

The mandates of the agencies focus on enhancing well-being and mental health through advocacy, information, education, support, services and intervention programs.

The agencies provide services to seniors, women and their children fleeing abuse, people with disabilities, low-income families, at risk populations, all in need, children, youth, recent parolees, women, unemployed and underemployed, single mothers on assistance, people living in poverty, visible minority and ethnic communities, people living in rural areas, and homeless people.

The services provided by community-based agencies are necessary because they provide specialized services not offered elsewhere to groups of people that are living in poverty. The services focus on mitigating the effects of poverty, high unemployment rate, violence, racism and discrimination to individuals, children, families and communities. As small agencies with volunteer Boards of Directors accountable to the community, they can be more responsive to the day to day needs of the people they serve.

As a network of services, estimated to be more than 200 community-based agencies by the Department of Community Services, they work closely with each other and with government departments to provide more comprehensive services. Frequently agencies work cooperatively with or refer clients to agencies such as churches, Help Line, community centres, health services, parent resource centres, literacy programs, advocacy groups, police, mental health services, and shelters. The services of community-based agencies are generally well integrated with other community services.

### **3. Volunteers, service delivery and accountability**

Volunteers are an integral component of community based agencies. Volunteers offer free help to augment programs and services, and they provide a way for the community to participate in the agency. Volunteer participation is assumed to be beneficial but there has been very little discussion on the nature and limits of volunteer activity, the capabilities of volunteers, the costs of volunteers, and the appropriateness of volunteers.

Every agency in this study was governed by a volunteer Board of Directors. Duties of the directors included administration, fundraising, public relations and committee work. All but two agencies relied on volunteers on a day to day basis to help deliver program and services. The day to day duties of volunteers involved co-facilitating programs, service delivery, child care, cleaning and maintenance, general office work, social support, instruction, drop-in supervision, health services, reception, fundraising, and organizing special events. Fundraising was the most consistent identified role of Board members and volunteers.

The numbers of volunteers at agencies ranged from a high of 142 volunteers in a year to 1 at a time. The number of hours volunteers gave to community agencies varied widely but the average was 2.5 hours per week. Some volunteers gave as little as half an hour per week while others spend 7 hours per week donating their time. After carefully assessing the costs of recruiting, screening, training and supervising volunteers and evaluating the problems with volunteer consistency, one agency determined hiring casual staff was cheaper and provided more proficient and more consistent service. Due to financial cutbacks from funding sources other agencies have had to recruit more volunteers to maintain programs and services while they have less time to train and supervise the volunteers.

Although volunteers contribute time and resources to an agency, there are infrastructure costs to maintaining volunteer personnel. In our study, agencies identified recruiting, training, supervising and support of volunteers to be a time consuming staff activity. Ideally agencies needed a volunteer coordinator with the time and energy to train and integrate the volunteers into the agency and to orchestrate the part-time services. In addition there were costs to the agencies in the form of space for volunteers to work, supplies and equipment to use, program resources, and volunteer development (training) opportunities. Some agencies, usually youth serving agencies, have instituted detailed screening methods (Police Records Check; Child Abuse Registry; references) that are costly and time consuming but are an added measure intended to help protect their clients.

Running an organization using the donated labour of volunteers presents special problems for agencies. The following difficulties associated with volunteers providing services were identified by agencies.

- < *Volunteers must be screened, trained and supervised closely which takes time and funding*
- < *The relationship entered into between agency and volunteer is not as simple and straight-forward as the employer-employee relationship. We have learned to be as clear as possible as to the nature of the agency, the task, the support we can give our volunteer, expectations and motivation. That said, there are still times that staff are left juggling because of a volunteer no-show. In these uncertain times, this potential can be wearing on staff.*
- < *The lack of funds to help volunteers pay out-of-pocket expenses such as gas and child care especially in a rural area where there is no public transportation hampers the reliability of volunteers. It can leave clients without support at times.*
- < *Many volunteers have other commitments that limit them in terms of available time and energy. Effective supervision and training is difficult to maintain.*
- < *Volunteer turnover can be high requiring constant recruitment, screening and training. Varying levels of skills and ability can result in uneven service delivery. Motivating and supervising volunteers can take considerable staff time.*
- < *Volunteers may not have the skills you require.*
- < *Volunteers are not available during the day. Untrained or unsuitable volunteers are a strain on staff and clients.*

The themes of staff time to recruit, train and supervise volunteers, high volunteer turnover and the unreliability of volunteers were identified by seventeen of the agencies. One agency identified the difficulty

of recruiting and maintaining volunteers because of the client population for whom they provide services. Volunteers cannot do some jobs such as counselling; they cannot replace core staff. Issues of ability, appropriateness, accountability and reliability of volunteers to provide services need to be more carefully explored, particularly in the context of the expectation that volunteer labour can make up for declining funding from government and other sources.

Despite the costs associated with volunteers, many organizations view the free labour as a primary way to maintain services. Thirteen agencies cited an increased need for volunteers since 1990.

- < *We need more volunteer help with fundraising.*
- < *There has been an increased demand for service, partly due to government cutbacks. ... We have gone from using about 82 volunteers a month in 1991 to the current average of about 185 (including seasonal volunteers...).*

## 4. Funding and Service Delivery since 1990

An analysis of the financial condition of community-based agencies was undertaken to give a broader picture of their ability to provide services. Since it has already been established<sup>ix</sup> that community-based agencies have experienced cuts to their budgets, this study further investigated decreases in funding from public and private sources and the impact any cuts may have had on service delivery.

### 4.1 Financial status of community-based agencies

Only four agencies out of the 24 studied received no funding cuts over the past seven year period. Nineteen agencies cited decreases in funding from various levels of government and private sources. Some agencies had to cope with multiple cuts some years. Details of the amount and sources of the cuts have been omitted to protect the agencies. Many of the across-the-board cuts are a matter of public record and can easily be verified.

Agencies identified reductions in funding from various levels of government and different government departments<sup>x</sup>. Two agencies described the following funding decreases from government departments:

< \$11,300 reduction over a 6 year period from Provincial government; \$3,000 reduction from the municipality after amalgamation.

< 1% cut in 1992 from the Department of Community Services; 3% cut in 1996 from Community Services; 10% cut in municipal grants in 1992-93; 25% cut in United Way funding in 1992-93

Particularly difficult for agencies to accommodate was the 3% cut to all agencies funded by the N. S. Department of Community Services in October 1996 which was made retroactive to April 1, 1996.

Revising and reducing their budgets half way through the fiscal year created a crisis for many agencies<sup>xi</sup>.

While cuts were imposed on agencies, the cost of materials and supplies was increasing.

< The HST alone has caused our costs for oil, etc. to escalate approximately 10%. Our increased costs are also related to a decrease in assistance to the women from social assistance.

In addition to cuts from government grants, private funding and foundation grants were also being reduced

for many agencies.

< The United Way has not come close to what we negotiated for in 1993. The campaign has been flat for years.

One agency noted the following reductions to its' budget (the numbers have been rounded off to the nearest hundred):

	<u>1990-91</u>	<u>1996-97</u>
Municipal/provincial grants	95,800	56,300
United Way	55,800	53,100
Contributions/donations	25,400	23,000

To meet shortfalls from government grants, twenty three of twenty four agencies have increased fundraising efforts since 1990. With increased competition of charitable dollars, fundraising has been a challenging

activity for organizations. Staff and volunteer time have become consumed by appeals, organizing fundraising events, and grant proposals to foundations.

< Fundraiser budgeted to make \$15,000 failed.

< Looking to foundations and corporations without success. Sent request to top 100 companies in Atlantic Canada - only one positive response.

< People [are] no longer give money - demanding value for money, so movement to value-added event-focussed fundraising.

< [There has been an increase in the need for fundraising because of the] increased call for service delivery with decreased government funding; now need to fundraise 20% of budget.

Agencies have accommodated their reduced budgets by eliminating staff positions, cutting staff wages and/or giving no merit or cost of living wage increases.

#### **4.2 Impacts on service delivery, clients, and staff**

< We continue to seek funding sources and have, in the past, decreased hours when money has not been available.

< [There has been an] increased call for service (150%) with decrease in federal funding and no increase in provincial funding.

More demand for services and less resources has meant

For staff

- < *overwork: hundreds of hours of unpaid overtime*
- < *staff spending own money for things*
- < *stress and anxiety; low morale*
- < *staff pay cuts or no raises for already low paid staff*

For volunteers

- < *volunteer burn-out*
- < *more demands on volunteers to pitch in*

For services and programs

- < *Sometimes a longer response time from us. I think the impact has not been as great before now because we've compensated.*
- < *We have had to prioritize service delivery and cut back some programs to the bare minimum. One program suffered a lot because it had to be taken over by inexperienced volunteers.*
- < *More requests for service; limited ability to respond; less staff to deliver service; had to narrow focus of service delivery.*
- < *Longer waiting time for appointments; more clients being referred from other agencies because of their own funding cuts.*

For people who need the services

- < *no problems so far*
- < *the women we see are in poorer mental and physical health than they used to be!*
- < *more desperate, frustrated, hopeless .... living in danger; ....becoming involved in underground/criminal world for money*
- < *client cannot access service as easily; longer wait list*

All but one of the agencies identified overworked staff and increased stress on staff as a major repercussion of their precarious funding. Twenty of the agencies cited reductions in services or services not being able to keep pace with the increased demands. The other four agencies have adequately supplemented their income to provide services or have maintained services by increasing current staff and volunteer duties.

### **4.3 Government Relations**

The question inquiring if the relationship between government departments and community-based agencies

has changed since 1990 produced mixed responses. Four agencies said there was no change other than a reduction of funds. Eight agencies did not note any changes in the relationship. Ten agencies said the relationship had changed.

- < *Government recognized the need but will not provide adequate funding*
- < *Some bureaucrats don't return calls or are curt; [the] relationship has become more strained as we need more and they don't have it to give*
- < *The government has become less approachable. This year it was difficult to get time to sit with various politicians and educate them to the services we provide.*

#### 4.5 *Impacts of changes in health care, social assistance and employment programs*

The response to the repercussion from changes in health care, social assistance and employment programs to the agencies and their clients was overwhelming. Twenty three of the twenty four agencies readily identified a tremendous negative impact which is summed up in “more request for services; less ability to serve.”

- < *More people relying on our services because of cutbacks in other programs/services.*
- < *Poorer individuals and families (eg. not enough money for bus pass, phone); seems Employment Insurance money is less - more need expressed by families on EI; Home support not easy to access on discharge from hospital.*

## 5. Summary

*We can't fundraise any more! We can't meet the needs as the client list grows! There is nothing to cut - we are at the bare bones now! Staff and volunteers are tired with no relief in sight!*

The findings of this study vividly portray community-based, non-profit organizations stretched to the limit after struggling with years of funding freezes or cutbacks while demand for services has risen dramatically. Most agencies have coped with escalating demands for service by increasing staff duties and expanding the volunteer base. The consistent theme from agencies is that staff are exhausted and that the use of volunteers has its own problems and costs. The appropriateness, capacity, availability, dependability and costs of volunteers to provide social services needs to be publicly examined. Volunteers are not free labour, may not have the capacity, time and training to provide consistent, professional social services and may not be willing to do some needed tasks or work on some issues or with some groups of people.

The true picture of across-the-board cutbacks on education, health and social services over the past five years has been obscured because community-based agencies, generally the first point of contact for people in crisis, have responded to growing, immediate needs of individuals. Agencies may be close to the breaking point, however, with years of trying to compensate for government whittling away of programs and services to the most vulnerable in our society. Cutbacks in health care, social services, income support programs, and upgrading/training programs have exhausted community-based social service workers and volunteers, overburdened programs and services resulting in longer waiting lists, and produced a growing number of people who have become *more desperate, frustrated, hopeless*. The price we all pay for government abdicating responsibility to fight poverty and protect the vulnerable will only become apparent over time.

This study demonstrates the need for more research and public debate on:

- X the impact of cutbacks and downloading to the community-based agencies,
- X the ripple effect of simultaneous cuts to various government services (health, income assistance, justice, education, etc.) on individuals, families, and communities,
- X the role non-profit organizations have played in mitigating some of the effects of government cutbacks in social services and how this has made the true impact of cuts invisible to the general public,
- X the cost to staff and volunteers in doing more work with less resources,
- X the costs of recruiting, screening, training and supervising volunteers,
- X the ability and appropriateness of volunteers to compensate for cutbacks in social service delivery, and
- X role of government in a civil society.

## End Notes

- <sup>i</sup> MacLeans Magazine. *Cutting back: in the cash-strapped 1990's, government is depending on volunteers to fill the breach.* July 1, 1996, v109, n27, p40.
- <sup>ii</sup> *Ibid.*, p.40.
- <sup>iii</sup> Browne, Paul Leduc. *Love in a Cold World? The Voluntary Sector in an Age of Cuts.* Ottawa, Ontario: Canadian Centre for Policy Alternatives, June 1996, p. 31-32.
- <sup>iv</sup> MacLeans Magazine. *Cutting back. op. cit.*, p. 40.
- <sup>v</sup> Hall, Michael and Reed, Paul. *Shifting the Burden: How Much Can Government Download to the Nonprofit Sector?* Presentation at the 1995 annual ARNOVA Conference, Cleveland, Ohio, November 2-4, 1995.
- <sup>vi</sup> Location of agencies: urban Halifax Regional Municipality: 16  
 urban/rural - cities and towns outside of the HRM: 8  
 Service provision primarily to: youth: 3 persons with disabilities: 3  
 families: 4 abused women: 3  
 low-income people: 2 children: 1  
 seniors: 1 general population: 7  
*Note: in all of these categories, most of the clients or consumers are low-income people*  
 Type of services: counselling, crisis counselling, shelter, programs, training, upgrading, health services, legal information, employment counselling, public
- <sup>vii</sup> Smith, Steven Rathgeb and Lipsky, Michael. *Nonprofits for Hire: The Welfare State in the Age of Contracting.* Cambridge, Massachusetts: Harvard University Press, 1993. p. 39.

<sup>viii</sup> **Agency staffing complement**

<b>F</b>	1	4	5	2	6	2	2	1	1	1	5	3	5	1	1	1	8	2	0	8	6	5	2	1
<b>P</b>	1	3	4	1	0	1	0	1	5	6	1	2	1	0		1	1	0	3	3	1	7	1	0
<b>C</b>											8				5									

F= Full-time; P= Part-time; C= Casual

- <sup>ix</sup> *More Crises, Less Resources: The Impact of Cuts on Community Agencies. op. cit.*

x **Itemized funding cuts**

Federal Government	Provincial Government	Municipal Government
<ul style="list-style-type: none"> <li>* <i>Women's Program, Status of Women Canada</i> (35% cut over the 5 year period 1992-93 to 1996-97)</li> <li>* <i>Human Resources Development Canada</i> (training)</li> <li>* <i>Canada Assistance Plan</i> (cuts since 1994 and 1995; eliminated altogether in 1996)</li> </ul>	<ul style="list-style-type: none"> <li>* <i>Department of Community Services</i></li> <li>* <i>Department of Education</i> (Community Learning Initiative)</li> <li>* <i>Department of Justice</i> (Victim Service Grants eliminated)</li> <li>* <i>Legal Aid Commission</i></li> </ul>	<ul style="list-style-type: none"> <li>* <i>Tax Concession Grants</i></li> <li>* Grants from cities of Halifax (1995), Dartmouth (1993) and Bedford (1991; 1993) reduced or eliminated.</li> <li>* Municipal grants (1992-93)</li> <li>* <i>Halifax Regional Municipality</i> (1996-97)</li> </ul>

Note: No details of amounts and years of government cuts have been cited to protect the anonymity of the study respondents. Most respondents did not identify a specific provincial government department.

<sup>xi</sup> *More Crises, Less Resources. op. cit.*