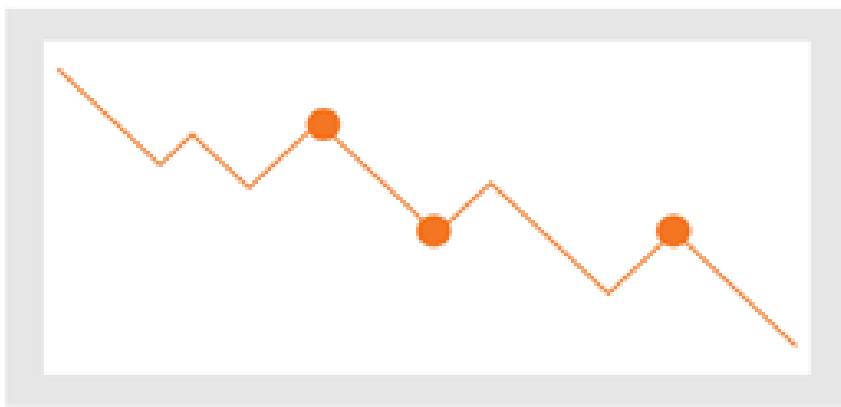


APRIL 2021

# Human Resources Impact of COVID-19 on Canadian Charities and Nonprofits



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CHARITYVILLAGE AND THE PORTAGE GROUP

## Introduction

After a year of immeasurable challenge and hardship around the globe, hope is building across the country as vaccines are beginning to roll out in earnest, and Canadians anticipate a loosening of restrictions and gradual economic recovery over the course of the coming months.

It is no surprise that the effects of COVID-19 on the Canadian charitable and nonprofit sector have been significant, impacting everything from staffing and volunteers to revenues and operations.

The results of a survey completed by 1,361 Canadian charities and nonprofits in February 2021 examined the impact of COVID-19 on charity and nonprofit staff and volunteers.

This Pulse report is brought to you by CharityVillage and The Portage Group.

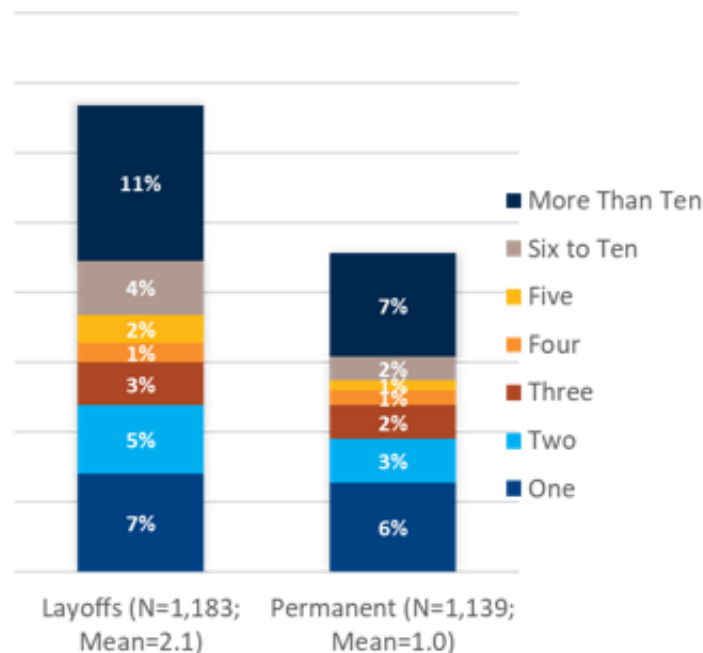
**"We have reduced staffing capacity, closed one provincial office, and have been struggling to stay optimistic."**

# COVID-19 Impact on Charity and Nonprofit Staff

There is no doubt that COVID-19 has hit charity and nonprofit staff hard. A significant 33% of participating organizations laid off at least one staff member since March 2020. Nearly one-quarter (23%) of organizations engaged in permanent layoffs.

Moreover, participating organizations laid off an average of 2.1 staff in the past twelve months, one of which was permanent.

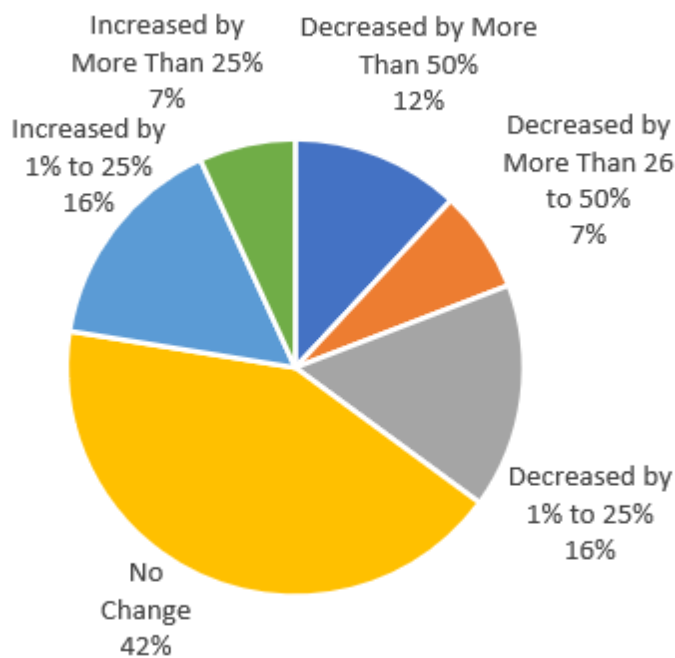
## Staff Layoffs Since March 2020



The combination of layoffs and natural attrition resulted in a cumulative 4.6% reduction in the total paid workforce across all participating organizations for a total loss of almost 3,200 jobs across 1,361 organizations. On a per organization basis, the average reduction was 16%. The difference between the cumulative sector total and the average per organization is because the cumulative total accounts for the size of organization staff complements.

Although the impact of COVID-19 on charity and nonprofit staff has been significant, it has not hit organizations equally across the sector. Just shy of one-quarter (23%) of participating organizations have actually increased their staff contingent since March 2020 while a further four in ten (42%) have not experienced changes to staffing levels.

### ***Change in Staffing Level Since March 2020***



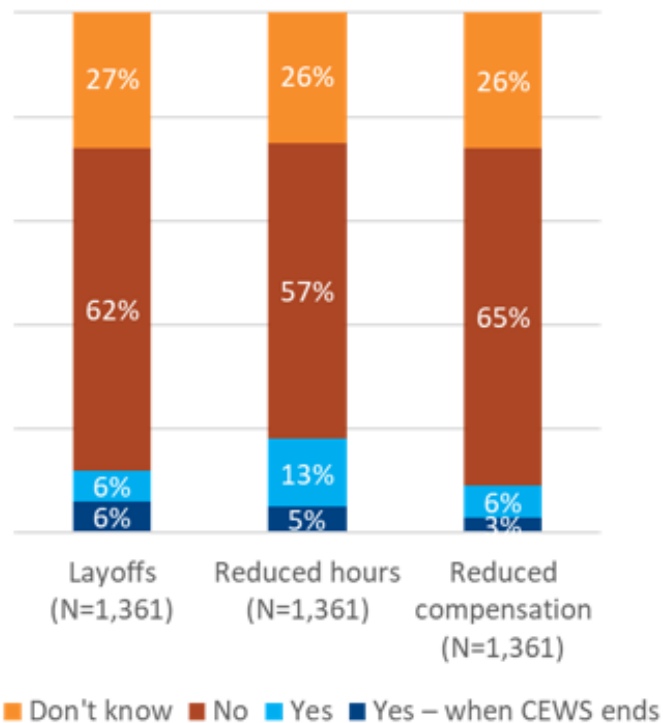
Notes: N=997; Mean= -15.6%

Organizations who focus on children/family are the most likely to have seen a decline in the number of staff with 55% reporting fewer staff than in March 2020. However, the biggest impact has been on those focusing on arts/culture, where organizations saw an average reduction of 31% in their staff complement. Social service organizations fared the best with an average reduction of only 10% of their staff complement.

Organizations with less than \$100,000 in revenue saw the largest average decrease in staff per organization at 30%, while those with revenues of \$1 million to \$5 million were the most likely to lose staff (41%).

Almost one-third of organizations (31%) reduced hours for at least some staff while 16% have reduced compensation for one or more staff.

***Anticipated Staff Impacts in Next 12 Months***



Despite the challenges of the last year, the study results point to fewer layoffs of charity and nonprofit staff in the coming months. A majority of participating charities and nonprofits (62%) do not anticipate having to lay off more staff as a result of COVID-19.

The positive outlook is far from universal, however, as 12% of participating charities and nonprofits anticipate additional layoffs on the horizon. Half of these are dependent on when the Canada Emergency Wage Subsidy (CEWS) ends. For the 12% anticipating having to lay off more staff, half are anticipating having to lay off more than ten.

Reduced hours for some or all staff remains likely for 18% of participating organizations, with most resulting from the eventual cessation of CEWS. Just under ten percent anticipate further reductions in compensation for some of all staff.

The results also point to some uncertainty amongst participants, as just over one-quarter (26% to 27%) didn't know if reductions in staff, hours, or compensation would be needed in the next 12 months.

**33%**

of surveyed organizations  
laid off at least one staff  
member since March 2020.

**62%**

of surveyed organizations  
do not anticipate having to  
make further layoffs due to  
COVID-19.

**63%**

of CEWS recipients  
indicated they would have  
had to engage in layoffs  
without the subsidy.

**23%**

of surveyed organizations  
have actually increased  
their staff contingent since  
March 2020.

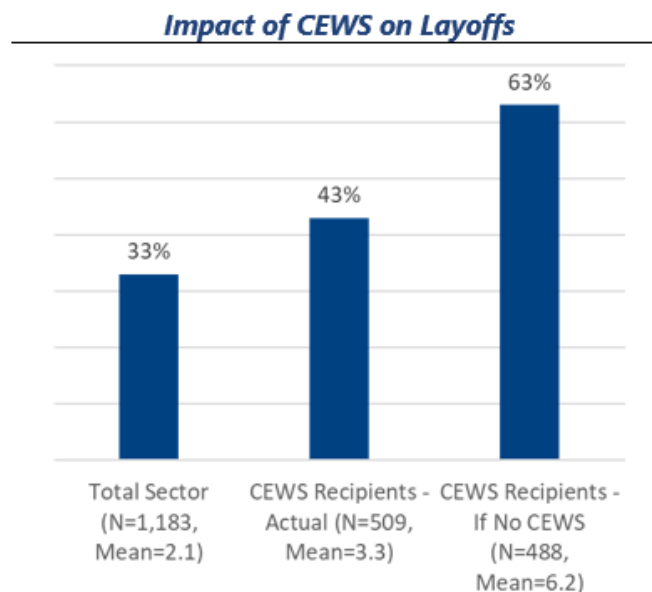
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# Impact of Government Programs and Subsidies on Canadian Charities and Nonprofits

It is clear that government supports and programs have been a very important part of the toolkit employed by charities and nonprofits to sustain operations over many months of lockdowns, restrictions, and economic hardship.

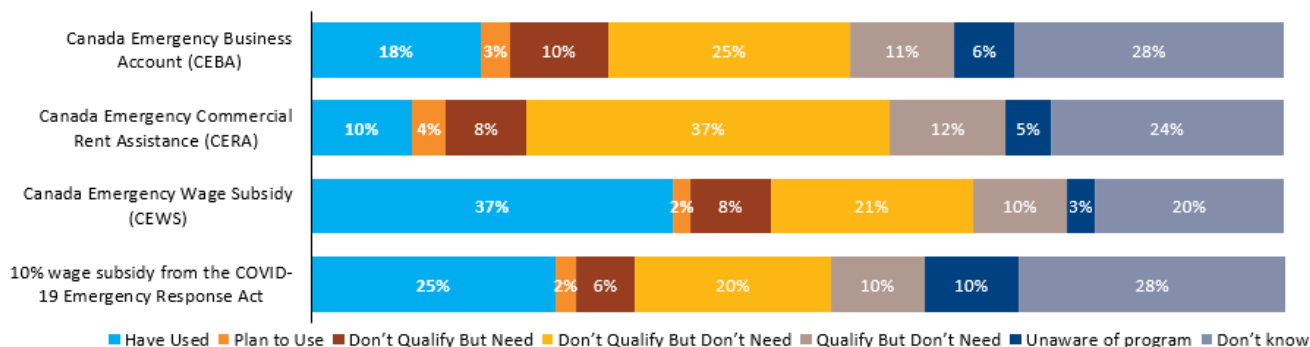
Current government subsidy programs like the Canadian Emergency Wage Subsidy (CEWS) have certainly softened the blow for many charities, however they have not prevented significant job losses from occurring across the sector. Of the participating organizations who received the subsidy, 43% still laid off at least one staff member. The average number of layoffs among CEWS recipients was 3.3 staff.

Importantly, this number would have been nearly double among CEWS recipients without the subsidy. Had they not received the wage subsidy, 63% of CEWS recipients indicated they would have had to engage in layoffs, resulting in an average of 6.2 job losses per organization among this group.





### Use of Federal Assistance Programs



Of the various government programs, subsidies, and supports enacted over the last several months, CEWS has been the most commonly used. Just under 40% have used or planned to make use of this program, with the majority (70%) initially qualifying during the first period it was offered – March 15 to April 11, 2020.

This is followed by the 10% wage subsidy from the COVID-19 Emergency Response Act, with 25% of participating organizations indicating they used this program.

Less commonly-used government programs include the Canada Emergency Business Account (CEBA) (18%) and the Canada Emergency Commercial Rent Assistance program (CECRA) (10%).

Not all charities or nonprofits have needed to take advantage of the government supports and programs available to Canadian organizations. Between 30% and 49% indicated they did not need to access the various programs available, reinforcing that the pandemic has not impacted all charities and nonprofits equally.

On the flip side, some charities and nonprofits in need appear to have fallen through the cracks in being able to access these crucial supports. Between six and ten percent of participating organizations indicate that although they have need of government programs and supports, their organization does not qualify.

It should be noted that for all subsidies, there was a significant portion of respondents who did not know whether their organization had used the program. This is particularly notable for the 10% wage subsidy, as organizations who received CEWS will generally have been required to first use the 10% wage subsidy.

**“We’ve used the wage subsidy. That’s been incredibly helpful. Allows us to provide essential services. Without that we would all be in trouble.”**

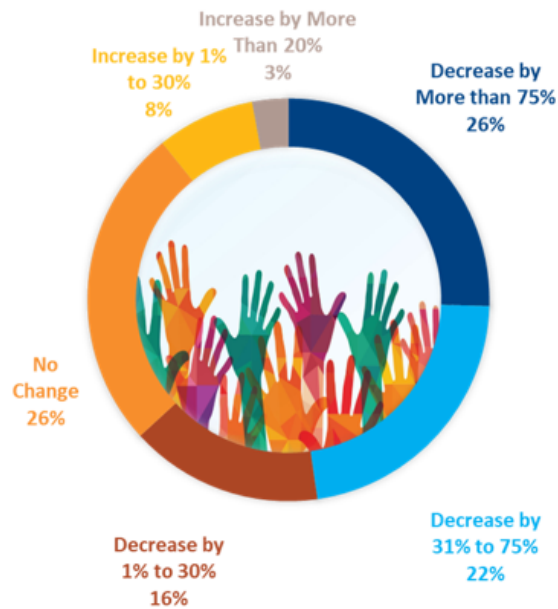
# COVID-19 Impact on Volunteerism

The survey results suggest that the pandemic has had a significant negative impact on volunteerism across the charitable and nonprofit sector in Canada.

A majority (64%) of surveyed organizations indicated that they have experienced a decrease in the number of volunteers since the start of the pandemic in March 2020.

Among those that have experienced a decrease, the impact has been significant with most experiencing a decrease of more than 30% of their volunteer base. A full quarter (26%) of participating organizations lost more than 75% of their volunteers over the last year.

**Change in Volunteer Levels Since March 2020**



Notes: Responses sum to more than 100% due to rounding.  
N=1,214

Conversely, a comparably small number (11%) experienced an increase in volunteers. One quarter (26%) experienced no change in volunteer levels at all. The challenge has been greatest for charities, with 67% indicating a reduction in volunteers, compared to 48% for foundations.

The pandemic has had an equally adverse impact on the ability of Canadian charities and nonprofits to recruit and retain volunteers. A majority (63% to 65%, respectively) indicated it has become more difficult to recruit and retain volunteers since the onset of COVID-19.

**“Our volunteer side of our organization has been totally shut down since March 19, 2020 and we do not see them being used anytime soon.”**

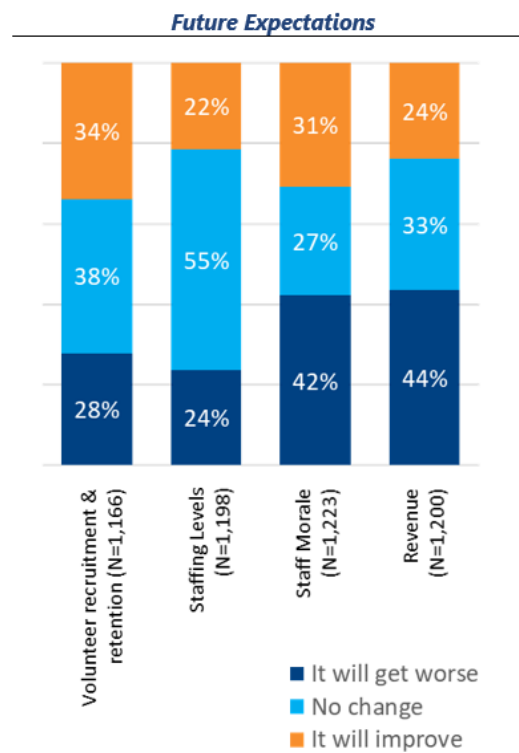
## What Does the Future Hold?

There remains a lot of uncertainty about what the future holds for Canadian charities and nonprofits. With regards to the future outlook for volunteer recruitment and retention, participants are somewhat more likely to feel the current situation will stabilize or improve (72%) than deteriorate further (28%) in the coming months.

Likewise, a slight majority anticipate staffing to remain at current levels (55%) with the remainder split between those who anticipate further decreases (24%) and those who anticipate an improved situation with regards to staffing (22%).

Views are less positive regarding the revenue outlook, with just under half (44%) expecting a worsening of the current revenue situation and a further quarter (27%) expecting the current situation to continue.

With 42% expecting a further deterioration in staff morale, the outlook is clearly more negative than positive when it comes to the ongoing impact of the pandemic on individuals' daily work life within the sector.



Note: Responses may sum to more than 100% due to rounding.

**"Morale has been difficult to maintain. With the increase in lockdowns it becomes more difficult to maintain positivity"**

**"We're doing okay, but we can see mental health issues starting to have an impact on staff and people we serve."**

**"The organization was already operating on a shoestring and without any cushion the future of the organization is not looking good."**

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## Conclusions

Like countless other industries, the charitable and nonprofit sector has been hit hard by the COVID-19 pandemic. The impact from staff and volunteer losses over the past year have undoubtedly further strained already limited resources, impacting the ability of many charities and nonprofits to carry out their critical mandates.

Government supports have been a life buoy for many organizations, including charities and nonprofits, and there is continued risk for a small number of charities' ability to operate when these supports are removed.

Although much uncertainty remains, there are positive signals for the months ahead, with many participants anticipating a stabilizing of job and volunteer losses in the coming months.

Although a return to pre-pandemic staff and volunteer levels will not happen overnight, the study points to a tone of cautious optimism across many participating organizations for a gradual recovery in the months ahead.

## About CharityVillage

Since 1995, CharityVillage has been the HR partner for recruitment in the Canadian nonprofit sector. Our specialized job board for Canadian nonprofit professionals has helped thousands of organizations find exceptional talent. Through our online learning, volunteer and event listings, webinars, newsletters, articles, tools and resources, we connect the sector with the talent, tools, training and technology they need to successfully deliver on their purposeful missions every day.

For more information please contact [help@charityvillage.com](mailto:help@charityvillage.com).

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## About The Portage Group

The Portage Group (TPG) is a team of thought leaders in innovative and research-driven not-for-profit planning and development. They offer deep and diverse experience to help organizations succeed across areas that include: Strategy, Research, Organizational Performance, Human Resources (including search), Governance and more. Their team of consultants brings professional expertise in each of these areas together by applying a team-based approach to all projects. This enables them to help our clients push past 'predictable' to find truly comprehensive solutions that consider all the angles.

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