

The Greater Moncton Social Development Agencies: *Their economic status and challenges*

Executive Summary

The main purpose of this Study is to understand the capacity of the non-profit sector in the Greater Moncton region from the perspectives of both economic and voluntary contributions made by the sector to the region. The Study covers the 52 social development agencies offering services to the needy in the Greater Moncton region.

Their main characteristics are as follows:

- One in 5 has an annual operating budget exceeding \$1 million, while 60% fall below \$500,000 per year;
- Together, they employ 920 people for a payroll totalling \$21.7 million, and a total annual budget of \$35.5 million;
- They raise 43% of their funding locally, with the Federal Government contributing 12% of their revenues, the Province, 44%, and local government, 2%;
- Overall, their 920 jobs generate another 222 additional jobs in the economy, and make an overall contribution of \$40.8 million to the regional Gross Domestic Product;
- The three levels of government collect \$7.9 million in tax revenues (Federal, \$4.9 million; Province, \$2.8 million; and local governments, \$0.25 million);
- Salaries average \$23,600 per year, or \$13.76 per hour, compared to the \$16.12 per hour paid to business, finance and administrative occupations, according to Statistics Canada;
- Greater Moncton's social development agencies receive major volunteer support (4,750 volunteers contributing almost 370,000 hours of volunteer time);
- "Savings" to governments for the services provided equal \$15.7 million, compared to their \$20.4 million "investment" in these agencies;

- Employees are younger than the population at large, and highly trained leading to unacceptable high turnover rates largely due to lower wages and lack of employee benefits;
- Volunteers tend to be older, also with a higher educational attainment than the general population.

Executive Directors of the Greater Moncton's social development agencies were queried through a questionnaire, interviews and a Strength, Weaknesses, Opportunities, Threats (SWOT) consultation on the main "capacity" issues confronting the agencies and asked to identify potential collaboration projects with Enterprise Greater Moncton (EGM). The main issues identified and suggestions for collaboration are summarized below:

- Lack of secured, and stable core funding leads to uncertain employment conditions resulting in unacceptably high turnover;
- Inability to recruit and retain qualified staff and volunteers;
- Competition among smaller and medium sized agencies for private funds and government project funding;
- General lack of training funds for both employees and volunteers, especially for boards of directors of smaller and medium-sized agencies;
- Rising cost-of-living and rapid population increases result in more complex social issues, which impede potential economic growth and community development in the region;
- Stable management and qualified staff provide a strong basis for real and valuable collaboration with the region's local economic development agencies;
- Desire to adopt/promote "social entrepreneurship" characteristics provides interesting basis for matching with private sector entrepreneurs;

The Study was greatly assisted by two other major analysis of the sector conducted recently: the Premier's Community Non-profit Task Force "*Building a Foundation for Self-Sufficiency: a Blueprint for Action*", and Imagine Canada's "*The Non-profit and Voluntary Sector in Atlantic Canada*". Both studies provided useful insight on issues confronting the non-profit sector generally in N.B. and Atlantic Canada, issues that this Study was able to document on how they impacted the Greater Moncton social development agencies.

Finally, the Study was implemented with the close cooperation of most of the Executive Directors of the 52 social development agencies operating in the region, offering a wide variety of services to the area residents.

Recommendations:

1. EGM embraces the principle that the work conducted by social development agencies is an essential component of a successful business development strategy;
2. EGM's By-laws be amended to provide for a representative of the non-profit sector on its Board of Directors to represent/promote the interest of Greater Moncton's social development agencies;
3. A specific effort be undertaken to increase the participation of the social development agencies in EGM's Strategic Partnership (perhaps by lowering the annual participation fee to \$250 for agencies with budgets under \$500,000);
4. EGM adopts a policy that would encourage its private sector Strategic Partners to assist selected social development agencies by having its employees provide volunteer support, facilitate employee exchanges, assist with succession planning models and techniques, help implement state-of-the-art management practices and systems, etc.;
5. EGM, in consultation with representatives of the non-profit sector, develops a tailor-made Board of Directors training program, specifically geared to the needs of small and medium-sized agencies;