

# FUNDING DECENT WORK IN THE NONPROFIT SECTOR



# The need for funding Decent Work in the nonprofit sector is real. Nonprofits are doing what they can to provide Decent Work. **But they need funders to step up.**

## TACKLING THE ISSUE HEAD-ON

Nonprofits are turning to Decent Work practices to improve the quality of life for employees, while also supporting more effective and impactful outcomes for organizations.<sup>1</sup> Decent Work practices mean employment opportunities, fair income, health and retirement benefits, stable employment, opportunities for development and advancement, equality and rights at work, and culture and leadership. As a philanthropic practice, a commitment to Decent Work can guide funding in a way that recognizes and values the expertise and leadership of communities, and the organizations that work closely with them.

## THE IMPACT OF DECENT WORK

Beyond strengthening organizations, investing in Decent Work and shifting away from project-based funding to general operational funding, empowers employees to evaluate and adjust programs to have fewer restrictions, tapping their full potential. This represents a longer-term investment in achieving change, allowing organizations to provide additional supports for staff, including benefits and longer-term contracts. The resulting consistent and uninterrupted workflow from engaged staff who are committed to the people they serve has far-reaching positive impact in the community at large.

## Decent Work practices strive to achieve:

### HIGH PERFORMANCE

by increasing impact in the communities we serve through attracting and retaining an engaged, passionate team

### VALUE

through less turnover, reducing HR and training costs<sup>2</sup>

### LEADERSHIP OPPORTUNITIES

for the next generation to step into and thrive

### The Esmée Fairbairn Foundation:

The Foundation provides core funding and unrestricted grants, enabling grantees to meet their needs and priorities on their own terms, including staff salaries and staff training. In its 2019 study, it saw significantly greater outcomes in the community by allowing for more space and time for improving, reworking, and embedding service delivery, while also ensuring longer-term employment and providing greater opportunities for benefits and training for staff. These findings were based on more than 400 end-of-grant conversations.

<https://www.esmeefairbairn.org.uk/userfiles/Documents/Publications/InsightsOnCoreFunding.pdf>

### The Stewardship Centre of British Columbia:

The Centre's core funding pilot project had far-reaching benefits for communities, while also providing additional supports for staff, including a greater sense of security for workers knowing that core funding meant their employment was less precarious. A 2009 report that spanned over nine regions saw greater impact through higher numbers of workshops, public planning processes, and a substantial increase in media coverage.

[http://www.stewardshipcentrebc.ca/PDF\\_docs/SW/Stewardship\\_Works\\_Report\\_on\\_Core\\_Funding\\_2009\\_SCBC.pdf](http://www.stewardshipcentrebc.ca/PDF_docs/SW/Stewardship_Works_Report_on_Core_Funding_2009_SCBC.pdf)

<sup>1</sup> The decent work campaign is a global initiative that was established by the International Labor Organization (ILO).

<sup>2</sup> [https://charityvillage.com/cms/content/topic/the\\_real\\_cost\\_of\\_employee\\_turnover\\_how\\_to\\_stop\\_the\\_revolving\\_door/last/114#.XXjwYyhKhPY](https://charityvillage.com/cms/content/topic/the_real_cost_of_employee_turnover_how_to_stop_the_revolving_door/last/114#.XXjwYyhKhPY)

More than ever, nonprofits face increasing community needs while receiving less stable funding. Shifting political environments, government restructuring, and demographic change mean nonprofits are facing unprecedented challenges. Funding Decent Work practices can make a genuine and lasting difference.

## DECENT WORK IN A CHANGING EMPLOYMENT LANDSCAPE

Retaining motivated employees is a challenge in an environment of precarious work and short-sighted labour practices. ONN's Change Work Report found that almost 50% of workers in the sector are part-time or on limited-time contracts. Further, the ONN Shaping the Future Report revealed that Decent Work policies are vital in attracting emerging future leaders. There is a direct relationship between young nonprofit workers and the effect that Decent Work policies have on the strength of an organization's culture and the individual's well-being, engagement, and job satisfaction.

## THE COMMITMENT TO TRUTH AND RECONCILIATION

Many funders are committed to supporting the recommendations of the Truth and Reconciliation Commission of Canada. Putting Decent Work principles into funding models is a practical way to realize this commitment. In a 2018 report on Indigenous perspectives on Decent Work, the Toronto Aboriginal Support Services Council encourages grantors to "create deep relationships with Indigenous agencies to better understand the reality of meeting the decent work needs of staff and volunteers."<sup>3</sup> A place for funders to start is by ensuring their granting supports Decent Work in Indigenous organizations, and then extending those practices to all grantees.

## SUPPORTING DECENT WORK IS INVESTING IN PEOPLE

By ensuring that workers are engaged and have a true feeling of well-being and value, funding can have an even larger impact through:

Building more comprehensive workforce strategies for the nonprofit sector, including:

- Support for living wages, benefits, and professional development
- Offering grants that are longer than one year, reducing precariousness and the cycle of contract positions
- Considering a shift of more grant resources to general operating support, giving nonprofits the flexibility to allocate resources, adjust compensation, and create workplaces that support work/life balance

## LEADING-EDGE FUNDERS ARE JOINING THE MOVEMENT

When put into practice, Decent Work is an investment in immediate returns and long-term impact. Here are a few examples:

- Toronto Arts Council Multi-Year Operating Support: To encourage long-term vision and planning and to provide stability for music organizations. Funding supports both operations such as the cost of staffing and programming to help build the capacity of nonprofit arts organizations.
- Ford Foundation issues a multi-year funding BUILD commitment, comprised of general operating support and core support for institutional strengthening. BUILD partners cover grassroots mobilizing to policy analysis to strategic court challenges. In 2019 BUILD Grants ranged from \$1,800 to \$40 million.
- Canadian Women's Foundation, Multi-Year Development Grants: Grants can be up to a maximum of \$65,000 annually for five years.

<sup>3</sup> <http://www.tassc.ca/uploads/1/2/1/5/121537952/accessing-decent-work-perspectives-from-indigenous-support-services-2018-1.pdf>



## Take action:

### TALK

to your grantees about their Decent Work practices and goals for their organizations.

### CONVENE

conversations in your sector or community about Decent Work.

### DEVELOP

funding practices and models with a Decent Work lens.

### LEARN

more about Decent Work at [theonn.ca/decent-work](http://theonn.ca/decent-work)



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