
MOVING FORWARD: CHALLENGES FACED BY CHILD- AND YOUTH-SERVING AGENCIES IN CANADA

National Alliance for Children and Youth

TWENTY-TWO KEY INFORMANT INTERVIEWS¹ WERE CONDUCTED DURING THE “Taking Stock” project, with a view to gaining a wide and diverse perspective about what was happening in the child- and youth-serving sector in Canada. As with the survey, this phase of the project did not attempt to gather a random or statistically representative sample of the sector, but rather sought a range of opinions from thought leaders and organizations that represented the various constituents and components of the sector. As well, four regional think tank sessions were convened during the first two years of “Taking Stock” in order to consult directly with a broad spectrum of leaders and stakeholders from across Canada. From these interviews, think tank sessions, and many other informal meetings and discussions, five major overarching themes emerged to describe the significant environmental factors that have an impact on child- and youth-serving agencies, particularly as they affect capacity building, service delivery, and sustainability.

This article provides a synopsis of the collective findings from this extensive process of engagement and follow-up research. The major themes that emerged from this work include what were seen as the key stressors in the sector as well possible answers to the challenges that organizations are experiencing. (Separate background papers exploring each of these themes in more detail are available at www.nacy.ca/taking-stock.)

THEME ONE: FUNDING INSTABILITY IN CANADA’S NONPROFIT SECTOR

The challenge

Nonprofit organizations (NPOs) rely on many different sources of revenue and forms of support, ranging from charitable donations and government grants to in-kind contributions and earned income. Many NPOs in Canada have traditionally depended on the support of government, government agencies, and charitable foundations to fund their operations and programs. As such, the funding practices and protocols of governments and other funders are closely tied to the health and viability of most nonprofits. Government regulations on funding and charitable fundraising also have a significant impact on the sector. However, nonprofit funding is shifting: government and charitable contributions are declining overall as a percentage of sector income. These changes, combined with the recent economic climate, which has been clearly classified as a recession, and the financial fall-out from it, mean that NPOs have been experiencing growing financial and administrative pressures. Many have needed to seek alternative revenue sources to ensure sustainability.

The National Alliance for Children and Youth (NACY) is a coalition of agencies and organizations from across Canada who support and work with children, youth, and their families. For complete information about NACY and for a list of the working group members who produced this report, please visit www.nacy.com. Email: info@nacy.ca.

Several trends are contributing to the funding instability experienced by the nonprofit sector. Some of these trends are the result of the decreasing funds available because of the recession, while others are related to changes by funders in direction and/or policy. These trends break down into the following general categories:

1. **Decreasing resources.** Reduced government spending at federal, provincial, and municipal levels means that many NPOs have experienced funding cuts or decreases. The economic downturn also means that funding from private sector sources has declined.
2. **More restrictive funding arrangements.** Funders are favouring more project funding and targeted funding with more restrictions on how funds can be used. Funders are also reluctant to fund administrative costs, especially those that cannot be directly tied to a project or program. Reporting requirements have become more stringent and time-consuming due to a heightened demand for oversight and accountability. In addition, funds are often released only after expenses have been incurred, requiring NPOs to finance these expenditures up front from other sources.
3. **More short-term and unpredictable funding.** Shorter funding terms mean that NPOs need to spend more effort and resources constantly seeking new sources of funding. Also, funding program changes often happen with little notice, negligible consultation, and with what appears to be little or no consideration for sustainability or the stability of funded programs and agencies.
4. **Requirements for partnerships or other funders.** There are increasingly stringent requirements for organizations to make joint submissions with project partners and/or to demonstrate that they have secured support from other sources (financial or in-kind contributions) to be eligible for funding.
5. **Complex government regulatory and financial frameworks:** Government legislation regarding charities can be confusing, hamper innovative fundraising, and narrowly restrict the use of charitable donations. Many nonprofits, especially smaller ones, also have difficulty accessing bank loans or other traditional financial products that are designed for private sector businesses. These barriers make it difficult for charities to be involved in social enterprise, invest in assets, or develop the reserve and contingency funds needed to ensure long-term financial stability.

Collectively, these challenges have created an environment of uncertainty and instability in the sector and impede long-term planning. In some cases, NPOs have found themselves in danger of having to close their doors or are unable to keep staff during the inevitable swings, dips, and delays in funding. They also lack the time and/or resources to adequately wrap up programming or effectively manage during times of transition. NPOs are more frequently pursuing funding from multiple sources, which dramatically increases complexity and places significant additional pressures on staff time. In combination, these factors can seriously affect the ability of some agencies to deliver consistent, high-quality services and can contribute to the loss of core organizational infrastructure and human resources. This has an impact on all organizations but is

particularly challenging for smaller organizations that do not have the human resources to deal with these rapidly changing and increasing demands.

Addressing the challenge of funding instability

There is increasing pressure for NPOs to diversify their funding sources and to become more entrepreneurial. It is important to note that not all funding sources are well suited to every NPO. Organizations must assess the various funding sources and mechanisms available and try to incorporate those most appropriate to their circumstances. The following are ways in which NPOs are responding to the funding challenges they are facing:

- 1. Income generating solutions.** NPOs are gradually turning to earned income ventures or social enterprises as a way to generate income and create social value. Business models are applied to create and sell a product or service that is consistent with the NPO's social mission. However, earned income ventures are not without risk and require certain prerequisites to be successful, such as a good or service to offer, a market to sell to (customers who can pay), staff resources to oversee the business activity, and upfront funding. Interest and investment in social enterprises are growing, and funders are beginning to allocate funds specifically to help organizations develop their social enterprise capacities.
- 2. Strategic and corporate fundraising.** Organizations have had to become much more creative and strategic in their fundraising. Many NPOs are increasing their private fundraising efforts by soliciting corporate funds. Many Canadian corporations have sponsorship or corporate social responsibility programs through which they support nonprofits. This can take the form of direct financial donations or in-kind support to help with, for example, publicity or marketing opportunities, HR expertise, strategic planning, or IT support. It should be noted that pursuing corporate support is time-intensive and usually on-going because many corporate sponsorships are one-time or short-term. NPOs anticipating the largest growth in fundraising contributions are focusing on individual donations through their websites and from major donors.
- 3. Including operating costs in funding proposals.** More NPOs are including core operating costs, as well as the amount of time and effort required for accountability reporting, in funding proposals. This allows them to recover at least a portion of overhead costs associated with the proposed services or project.
- 4. Streamlining operations.** Some nonprofits are seeking alternative operating models that streamline operating costs or leverage shared infrastructure, such as space or IT. Corporate in-kind support is also being increasingly accessed to assist with operational needs like meeting rooms or website hosting. Sharing services between NPOs is helping some organizations to spread the cost of integral services across a number of organizations, making these services much more affordable. Some organizations are also sharing personnel. Besides the potential reduction in cost, many organizations only need specialized services occasionally or for unique projects. For example, they may not have enough work to require the full time services of a highly qualified chief financial officer, a marketing director, a human

resources manager, or an IT professional. Sharing these professionals with other organizations makes it possible for each of the partnering nonprofits to have access to experienced and skilled service providers on an as-needed basis.

5. **Financial support programs.** New programs are emerging that provide financial tools, training, and access to short-term loans to maintain stability in times of transition.

While there are multiple ways for NPOs to diversify funding sources, it remains important to engage with government funders and the public to communicate the importance and value of the nonprofit sector. Although there has been some interest and concern in the health of the nonprofit sector and recognition of the importance of stable funding structures, much funding remains precarious. NPOs continue to be hard pressed to replace shrinking government funding with other revenue sources. Continued dialogue is necessary to make clear that funding instability in the nonprofit sector has adverse ripple effects on service effectiveness, funding program efficiency, capacity for innovation, and overall community impact.

THEME TWO: CONTEXTUAL CHANGES IMPACTING THE NONPROFIT SECTOR

The challenge

Numerous changes in the environments in which NPOs are operating today are having significant impact on the child and youth sector. Some of these changes are directly related to the recent recession while others are not connected to it but, nevertheless, are influencing what is happening in the sector. An underlying theme in the research gathered through the “Taking Stock” project was that the recession came on the heels of years of cuts, leaving many organizations dealing with significantly reduced resources and increased pressures in service delivery as the demographics and needs of their client populations began to change.

1. **An aging population.** There have been significant demographic changes in Canada, which has an aging population and a growing proportional decrease in the number of children and young families. This is influencing not only where services are needed but also the tax base through which many organizations are funded. Currently, there are five individuals of working age for every senior. It is projected that this number will decrease in the coming years. This reduces the number of individuals contributing to government revenue and increases the number accessing services. NPOs serving children and youth will be faced with reduced funding as government priorities shift to reflect the needs of a large elderly population. We have already seen a diversion of resources from child and youth programs to more senior-focused programs such as healthcare and social security. NPOs dealing with reduced government funding will need to develop strategies to overcome further pressures. An aging workforce in Canada is also contributing to human resources shortages, especially at the leadership level.
2. **Growing population diversity.** The ethnic composition of Canadian society has changed in recent years and this trend is likely to continue. The increasing

proportion of immigrants has implications for NPOs serving children and youth. Immigrants can have higher service needs as they adjust to a new country and are more vulnerable to economic downturns than are Canadian-born individuals. Immigrants may also have difficulty accessing services due to language and cultural barriers. Several key informants identified cuts in funding for newcomer services as a major challenge for their organizations and a need to adapt to serve diverse clients with more complex needs with fewer resources to do so.

3. **Recession and limited resources.** Although Canada endured the financial crisis better than many developed economies, it still fell into recession through 2008-2009. During this time, there was a decrease in GDP and export levels, a rise in government and household debt, and high rates of job loss and consumer insolvencies. Canadians were significantly affected, and demand for services provided by governments and NPOs rose. Meanwhile, many NPOs found their revenues from government and other donors and from fundraising considerably reduced. Although Canadian economic activity has since improved, there continues to be volatility and vulnerability. NPOs are still experiencing the impact of increased needs and reduced revenue. Many NPOs experienced a rise in demand while also feeling financial challenges that made it difficult to carry out their missions.
4. **Government debt and subsequent cuts.** The emergence of record high debt due to the financial crisis and prolonged global recession resulted in strict cost-cutting measures by governments worldwide. In Canada, the federal government committed to eliminate its deficit by 2015-2016 through reduced spending in a number of departments. There are similar trends at the provincial and municipal levels. In the past few years, there have been a number of wholesale and piecemeal cuts to programs. Many NPOs have had their funding reduced or eliminated. Further government spending cuts will affect the ability to deliver services and meet growing client needs. This pattern of spending cuts also creates an environment of uncertainty and instability in the sector, making long-term planning more difficult.
5. **Changing NPO-government relationships.** Organizations across Canada have been reporting that the relationship between NPOs and government is changing. Governments at all levels appear to be favouring short-term, project-specific funding over long-term funding and support for core operating costs. Governments are also emphasizing more accountability, transparency, and reporting measures. Although these measures are useful for tracking outcomes and improving data and public confidence, they place human resources pressures on NPOs and occupy an increasingly large proportion of staff time. In many cases, these measures appear to be limiting NPOs' programming flexibility and impeding their ability to adapt to a constantly changing environment. Many organizations interviewed felt that a significant amount of time was put into grant writing and reporting, taking time away from service delivery. In particular, executive directors and other senior leaders felt that the bulk of their time was spent on seeking funding for the organization and not on the issues that they felt should be just as important such as guiding the organization's mission and vision, examining innovative ways to deliver services, and increasing community capacity. While this has been a concern for a number of years, this situation now appears to have been exacerbated.

6. **Increased vulnerability.** The effects of the recession have been felt globally. However, certain vulnerable populations, particularly children and youth, have been disproportionately affected. For example, high rates of child poverty and youth unemployment have combined to create a greater demand for child and youth services without corresponding increases in funding. This situation underscores the need for policy coherence on the importance of child and youth services and strategic long-term planning with the sector.
7. **Technological trends.** New technologies are constantly shaping the environment in which NPOs operate. For many NPOs, social media are important tools for communication with the public, clients, individual donors, and government funders. There are examples of NPOs using new technologies in innovative ways to raise public awareness, increase funding efforts, facilitate collaboration with partners and clients, and find efficiencies. But to capitalize on the full benefits of new technologies, NPOs must continually adapt. This requires a highly skilled workforce and continuous employee education and training, which can be difficult in a sector that is characterized by limited financial and human resources.

Addressing the challenges of contextual changes

Changes at the global level have created new challenges for NPOs serving children and youth and have exacerbated existing challenges already faced by the sector. Adapting to these seemingly permanent shifts will be the key to coping. Change creates many specific challenges for NPOs, but it also provides new opportunities:

1. **Innovation.** Technological advancements provide promising avenues to assist NPOs in diversifying, solidifying, and increasing their funding base and in finding cost-cutting efficiencies. Many NPOs are already capitalizing on the widespread popularity of social media to raise awareness and encourage individual donations at relatively little cost. Further research and information sharing on best practices in adopting technological innovations can help more NPOs benefit from these advancements.
2. **Collaboration.** Changes in the context in which organizations operate are being felt by all NPOs in Canada. This shared experience provides a unique opportunity for NPOs to collaborate on overcoming these challenges. Now more than ever, NPOs have identified a need to work together to create a unified policy voice, identify joint priorities, and develop common solutions to improve the sustainability and long-term effectiveness of the sector.
3. **Knowledge mobilization.** Many of the challenges faced by the NPOs in Canada are also being experienced by organizations worldwide. In many developing countries, there are examples of NPOs overcoming challenges to operate in extremely resource-limited environments. While each NPO's situation is unique, there are common lessons learned and best practices. Better information sharing can help NPOs worldwide share innovations to overcome common challenges.

The challenge

Many NPOs recognize that their paid staff and volunteers are their greatest strength. At the same time, these organizations experience challenges when recruiting, retaining, and cultivating leaders. There are several possible reasons for this. Some are related to organizational and sector capacities, while others can be attributed to shifting generational perspectives and realities. A number of issues were reported:

- 1. Lower salaries and compensation.** Salaries and benefits in the nonprofit sector are typically lower than those in the for-profit and public sectors. This gap makes it more difficult for NPOs to hire staff and contributes to high turnover rates. A higher proportion of temporary employment in the sector (meaning less job security) also plays a factor. Even if young leaders are interested in careers in the nonprofit sector, this may not be viable given student loans and other life demands. The precariousness of this situation has been made worse by the financial struggles and shortfalls that have resulted from the recession.
- 2. Lack of succession planning.** Many NPOs are focused on providing front-line services; therefore, staff efforts and limited funding resources are directed to time-sensitive program and client activities. Sometimes this focus comes at the detriment of core organizational capacities, such as strategic and human resources planning, which can be seen as non-urgent or non-critical tasks. The cuts of the 1990s also decreased the pool of middle management staff from which the next cohort of leaders could have come.
- 3. Value of work-life balance.** Although the satisfaction expressed with working conditions in the nonprofit sector in Canada is on par with that in other sectors, work-life balance is cited as one reason that emerging leaders are hesitant to move into leadership positions. Additional responsibilities and the stress associated with leading an organization (including fundraising, administrative, and financial demands) can make executive positions less appealing.
- 4. Lack of career guidance and advancement opportunities.** There appears to be less awareness of and support for career paths in the nonprofit sector. The nonprofit environment also tends to be less stratified than other sectors and, therefore, has fewer apparent opportunities for advancement.
- 5. Accessibility of formal training.** Although staff in the nonprofit sector tend to be highly educated, there are barriers to accessing ongoing training and skills development. Lower NPO staff salaries make further education difficult to afford. At the same time, NPOs have limited and generally decreasing resources to contribute to professional development. In addition, there are few accessible and affordable programs that offer advanced management and leadership development specific to the nonprofit context.
- 6. Turnover in youth-led organizations.** Many NPOs experience staff turnover due to the factors mentioned above; however, youth-led agencies may be especially af-

ected by frequent turnover. Youth are highly mobile. When combined with the aging-out process, this means that youth organizations can be in a constant state of transition. This pattern creates an ongoing need to provide orientation and training, resulting in less time and fewer resources to devote to longer-term planning.

7. **Board recruitment and renewal.** For small and rural nonprofits, the most significant leadership challenge appears to be a small and shrinking pool of potential board members, staff members, and volunteers due to migration from rural to urban areas. This challenge also impacts the broader organizational development and planning required for long-term sustainability. As resources for paid staff shrink, some organizations are focusing on developing stronger boards to play a more direct leadership role, particularly in the area of resource development.

Addressing the leadership challenge

There are two mutually supportive approaches to address the leadership gap in the nonprofit sector. They are to encourage and support current nonprofit leaders to enhance the human resources planning capacity in their organizations and to seek ways to promote the sector as a viable career destination for a new generation of leaders. While some of this work began under the leadership of the now-defunct HR Council for the Nonprofit Sector, there are a number of ways to advance this further, both at the organizational and systems levels:

1. **Improve working conditions for staff.** While many NPOs already offer enhanced non-monetary benefits such as additional vacation time and flexible work schedules, addressing the salary and compensation gap would encourage more people to join or to stay in the nonprofit sector. Corresponding funding and resources would be needed, necessitating the support of funders and donors.
2. **Promote mentorship and networking opportunities.** More connections between current nonprofit leaders would help share knowledge and increase awareness about career paths and work opportunities in the nonprofit sector. In addition to focusing on the younger generation, NPOs can also consider ways to reach out to experienced leaders from other sectors that might be interested in sharing and adapting their skills and knowledge to the nonprofit sector. These connections could increase diversity to strengthen the nonprofit environment.
3. **Develop robust human resources management structures.** Human resources capacity is essential to support effective recruitment, orientation, training, and internal leadership development. At an organizational level, human resources plans can be applied to both paid staff and volunteers, thereby ensuring that succession planning encompasses all aspects of the organization. At a sector level, research to analyze the human resources needs and trends in the sector over time would provide the knowledge base for assessing, communicating, and addressing emerging challenges. While the HR Council for the Nonprofit Sector had made valuable progress towards this end, funding cuts to the Sector Council program at Human Resources and Skills Development Canada (HRSDC) resulted in the Council making a decision to wind up its operations in Spring 2013. The HR Council's extensive

resources continue to be available through Community Foundations of Canada, but the previous level of activity and support on human resources matters have not been sustained.

4. **Advocate for supportive funding structures and funder relationships.** Supportive funders could effectively help address the leadership gap by providing resources, sharing best practices, and supporting transitions. Flexible funding may be necessary to support NPOs to build human resources planning capacity and enable them to offer stable, rewarding work environments. Also, the provision of organizational transition support programs could help agencies through leadership transitions, and succession and change management issues.
5. **Promote management training programs specific to the nonprofit sector.** Professional development programs can educate and prepare the next generation of leaders and ensure they have the competencies essential for nonprofit leadership. Such programs can help create “talent pipelines” of people ready to take on leadership roles. As well, it is important to ensure that learning opportunities are designed to appeal to younger and diverse emerging leaders.

Discussion needs to take place between those who are leading now and those who want to lead in the future. While potential leaders from the next generation are talking about the future and the current leadership in the sector is discussing sustainability and renewal, these conversations are not necessarily coming together. Finding and training a new generation of leaders should be a priority for the sector. Young leaders need the opportunity not only to develop a big picture vision but also to learn the administrative, financial, and operational skills required to execute that vision.

THEME FOUR: UNDERSTANDING THE PURPOSE OF SECTOR COLLABORATION

The challenge

Collaboration is common in the nonprofit child- and youth-serving sector and can take many forms. Collaboration between NPOs is increasingly promoted, especially by funders, as an important strategy with a multitude of benefits. However, while collaboration can produce positive outcomes, it also poses risks. In fact, one of the “Taking Stock” project findings was that a clear case has yet to be made for collaboration as a strategy to build the capacity of NPOs to improve client and community outcomes. Specifically, the project found that there is lack of a clear agreement about what collaboration is intended to achieve. The NPO sector depends heavily on government for the vast majority of its funding, with corporations, foundations, and individual donors contributing the rest. Service delivery providers and funders often seem to be at cross-purposes when articulating their goals for collaboration. There is the perception among some in the sector that funders are stressing collaboration merely to rationalize existing services and, therefore, to reduce funding demands. Some of the many challenges to collaboration in the nonprofit child- and youth-serving sector:

1. **Incompatible funding mechanisms.** The majority of government funding available to NPOs is short-term and project-specific. Funding is often tied to project-based

activities with strict accountability and reporting measures. This leaves little room for NPOs to support activities that are not directly project related. Collaboration activities do not always fit within the parameters of specific projects or clearly defined outcomes. Furthermore, the multi-partner projects that are characteristic of collaborative initiatives pose difficulties when one NPO must manage funding on behalf of the group or when numerous NPOs must coordinate multiple sources of funding.

2. **Lack of stable support.** Successful collaboration is often a multi-stage endeavour. It takes time to form relationships, understand the unique dynamic between organizations, and learn to build on individual strengths. Although some collaboration may be informal and short term, there is still a need to create alternatives to allow collaborative initiatives to grow and mature. Without direct, stable support by funders to the sector, it is difficult for NPOs to realize the full benefits that collaboration can offer.
3. **Scarcity and uncertainty in the sector.** Collaboration requires a significant investment of resources and time. It also involves a degree of risk, as not all collaborative initiatives succeed. Unfortunately, many funders are unwilling to fund activities that are not proven or that may be risky. The sector is already faced with the competing challenges of limited funding and high demand for services. It is difficult for NPOs to justify the large investment often required for collaboration or to set aside scarce resources and staff time when the benefits are not always clear, immediate, or directly linked to service delivery, especially when there are other immediate and pressing demands.
4. **Unclear direction and understanding.** Collaboration can help NPOs achieve many different goals; however, there is a lack of understanding and agreement on when collaboration is best used and what outcomes it best achieves. Governments and other funders are not always clear about the intended purposes of collaboration. This lack of direction and understanding poses challenges by creating inflexible requirements and pressures to collaborate.
5. **Environment of competition.** Government and philanthropic funding mechanisms frequently promote an environment of competition among NPOs. For NPOs to collaborate effectively, they must share not only resources and expertise but also credit for the development of initiatives and positive outcomes. This poses challenges when NPOs must also promote their brands and raise their public profiles to remain competitive for scarce government resources, donations, and volunteers.
6. **Lack of motivation.** Many NPOs are concerned that government is mandating collaboration primarily to achieve cost savings. NPOs are already struggling with limited resources and increased client needs. They may be resistant to government-mandated or -encouraged collaboration when it appears to be primarily for the purpose of asking them to do more with less. This form of motivation can interfere with expected outcomes. Collaboration appears to be most effective when initiated by NPOs themselves.

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- 7. Diverging values and approaches.** Factors that lend benefits to collaboration, such as the coming together of diverse NPOs, can also pose challenges. The nonprofit child- and youth-serving sector consists of NPOs that use a variety of theoretical frameworks and strategies and are guided by differing values. While these NPOs may be working toward the same goals, they may have fundamentally different ideas on how to achieve them. Within collaborative initiatives, attempts to reconcile these conflicting approaches can create difficulties.

Addressing the collaboration challenge

While some challenges can only be addressed collectively through system-wide changes to the sector that will need to occur over time, there are actions that individual NPOs can take now to improve the success of their collaborative efforts:

- 1. Establish common goals.** The most successful collaborations are those that occur among NPOs with a shared need and vision of success as well as a high level of motivation to collaborate and achieve common goals. It is important for NPOs to clearly articulate their objectives and their desired outcomes for the collaboration. This will help ensure that collaborating NPOs are all working toward the same vision, especially when collaboration arises from government requirements or incentives. Recognizing that each collaboration is unique and can be used to achieve a variety of purposes can help NPOs tailor the goals of their collaboration to meet their own organizational needs.
- 2. Build trust.** The importance of trust to successful collaboration is a recurring theme. Collaboration produces the best results when the NPOs involved already have existing relationships, even if these are informal. However, if NPOs have not worked together before, they can still build trust through first collaborating on small, short-term projects with clearly defined responsibilities, activities, and outcomes.
- 3. Identify leadership and expertise:** The presence of strong leadership is a key success factor for collaboration. Leaders can help guide and manage collaborative efforts and provide motivation and expertise to partners. NPOs that have previous experience with collaboration can act as strong leaders and mentors. If the NPOs in a new collaboration lack previous experience, they can look to external experts to provide leadership, help manage relationships among collaborators, and ensure a balanced dynamic.
- 4. Reflect on outcomes:** There is a need to determine the elements that are critical to effective collaboration. Recognizing that each collaborative initiative is unique and constantly evolving, it is important for NPOs to reflect on their efforts and document their actions. A multitude of assessment tools are available that can help NPOs build on their inventory of best practices. This will help NPOs gain a better understanding of when they should use collaboration, and how it will best suit their organizations.

Collaboration spans a wide range of activities in the nonprofit child- and youth-serving sector. It is used to achieve a variety of purposes that often differ for funders and NPOs.

Although there is a lack of agreement on what collaboration is intended to achieve, it continues to be an important theme in the sector. NPOs are faced with many challenges that may impede collaboration and create risks for organizations. Some of these challenges can be addressed only through joint sector-wide action and changes to the external funding environment. However, there are principles and strategies that individual NPOs can use when collaborating to improve the success of their efforts.

THEME FIVE: THE NEED FOR A UNIFIED VOICE ON POLICY

The challenge

There are a number of challenges that impede the ability of NPOs serving children and youth to establish a unified voice on policy and advocacy. Many NPOs lack the time, resources, or expertise to participate in policy and advocacy activities. In order to achieve meaningful impact, NPOs will need to accommodate diverse and sometimes conflicting priorities, approaches, and contexts within the sector. Furthermore, the current funding environment makes this kind of collaboration within the sector difficult. The specific challenges identified are:

1. **Lack of time and resources.** In most NPOs, staff time is mainly dedicated to service delivery and funding-related administration. With the latter growing more demanding, less time is available for staff to focus on policy and advocacy activities, which are time consuming and not directly linked to service outcomes and revenue development. Management staff, who are increasingly focused on the short-term sustainability of the organization, have little time for strategic planning and forward thinking. Many NPOs feel that they are providing their clients with only band-aid solutions to their problems; they do not have the time and no resources to build the capacity of their clients to overcome systemic barriers.

The benefits of policy work and advocacy are often difficult to measure, and the payoffs are not always immediate. In the current climate, it is therefore difficult to justify devoting a large portion of scarce resources to policy activities that shift attention away from service delivery, especially when there is no funding to specifically support those activities. Although a collaborative initiative such as developing a common voice for the sector would help overcome resource challenges by pooling efforts and increasing public support, it would require a considerable amount of staff time to ensure that each organization is heard within the partnership. With many organizations concerned about their survival, it is hard to shift focus to the long-term needs of the sector and the population it serves.

2. **Lack of expertise.** Many NPOs do not have the organizational expertise to conduct policy and advocacy research, analysis, and development. Policy and advocacy activities require a specific skill set and knowledge of the policy process. Due to a lack of time and resources, it is difficult for NPOs to invest in this expertise or in staff training and capacity building to develop these skills. The changing government policy process and political environment also make it challenging for NPOs to remain current on their acquired policy knowledge.

3. **Diverse priorities.** The nonprofit child- and youth-serving sector is made up of NPOs with distinct mandates, missions, and objectives. These NPOs have varying scopes of work, target many different populations, and deal with a wide breadth of issues. Each makes a significant contribution to Canada through its own unique goals. While a common voice should encompass the scope of work, target populations, and issues addressed by the entire sector, certain objectives will need to be prioritized over others in order to bring focus and action. Given the diversity of the work undertaken by the sector, it may be quite challenging to reach agreement on the priority of objectives.
4. **Diverse approaches.** NPOs apply different theoretical approaches to working with children and youth that inform their objectives, interventions, and expected outcomes. The anticipated impact of a policy or program depends partly on which approaches an NPO and its practitioners follow and will determine its policy recommendations. It may be difficult to develop a common voice that encapsulates all of these diverse approaches. To develop a coherent voice, NPOs would have to achieve consensus on how to reconcile these differences.
5. **Diverse contexts.** NPOs operate in diverse contexts across Canada. Some are locally focused while others work at the provincial or national level. Some operate in small rural communities while others are located in large urban centres. The different social, economic, demographic, and political factors create unique population and organizational needs that may be difficult to synthesize into a unified voice. With large disparities in capacity and resources, small organizations may fear that they will not be heard, or that there will be a loss of diversity and minority cultural voices in a large forum. Given the vastness of Canada, it may be difficult to develop a common voice that adequately captures the regional diversity across the country.
6. **An environment of competition.** The sector operates in an environment of increasingly limited funding distributed through highly competitive processes. This creates and enables competition rather than collaboration among NPOs. As a result, the current environment is not one that fosters information sharing, resource pooling, or partnership creation. Instead, NPOs may consider their own viability over the best interests of the sector. This environment impedes the sector's ability to develop a unified voice on policy.

Addressing the unified voice challenge

There was strong agreement among members of organizations that were engaged in the "Taking Stock" project that the sector needs a common voice if it is to address the challenges that have been identified. It was also strongly suggested that development of a national policy framework by the child and youth sector could be a key tool to achieving that unified voice on policy and creating a focus on advocacy. Although there are many policy frameworks in Canada focusing on specific populations, issues, and regions, there is no national child and youth framework that addresses the shared priorities of the entire sector. A national, comprehensive policy framework could help to create a new policy agenda and articulate a new collective vision for improving the lives of children, youth, and families.

A holistic, outcomes-based framework supported by evidence-based research on child and youth development would benefit the sector and support NPOs in their work. However, there are challenges to its development and to NPOs' participation in policy activities.

Policy frameworks are comprehensive documents that articulate a shared vision and principles, map developmental stages and events, and guide policy and program development and investment. Government often develops policy frameworks with input collected from stakeholders; however, these frameworks can also be used by sectors outside government to provide a focal point to their work, outline priorities, and determine long-term objectives. For a sector that wants to create a unified voice on policy, a framework would be a key tool to achieving this.

If well developed, a policy framework can help to create a common agenda for a sector. This, in turn, strengthens the ability of the sector to communicate its priorities to government and other funders. Through the shared vision of a framework, a sector can build collaboration to influence government policy and program development and investments. With established priorities, policy frameworks can also suggest and inform collective strategies for the sector to address key issues.

Policy frameworks are useful tools to increase the strength of a sector and improve services. By taking a system-level approach, frameworks can facilitate coordination, alignment of programs, and identification of gaps. When evidence-based measurable outcomes are incorporated into a framework, the result can help the sector focus on long-term goals and limit the diversion of resources to short-term issues. By building on the individual efforts of sector members, policy frameworks can create synergies within service delivery.

The current environment, marked by limited resources and high-needs, creates a strong impetus for the nonprofit child- and youth-serving sector to develop a national policy framework. A policy framework could help to strengthen the sector's voice and ability to raise awareness of priorities and tackle key issues. There are several mechanisms to overcome the challenges to developing a framework:

- 1. Establish a shared vision.** The first step to developing a policy framework is the establishment of a shared vision based on common values and principles. A shared vision provides a solid foundation to focus efforts and continue to build consensus. It can help avoid disagreement when setting priorities and desired outcomes.
- 2. Focus on outcomes.** The sector must reach consensus on key desired outcomes for children and youth. Using research and accepted measures, NPOs can establish broad developmental, social, and economic outcomes to guide the policy framework. This process can help ensure that all organizations are in agreement on overall goals and objectives related to the sector. The use of evidence-based outcomes will also help build a durable consensus that is backed by research.
- 3. Identify leaders and champions.** Sector leaders and key champions can be used to help galvanize support and build consensus among NPOs. They can act as visionaries, intermediaries, and advocates for the sector. Identifying leaders and

champions that represent a broad cross-section of NPOs can also help ensure that all organizations will be well represented.

4. **Seek government support.** Policy frameworks are useful tools to help governments guide program development and direct financial resources. While the involvement of government is not essential, its financial support could allow NPOs with limited resources to participate in the development of a policy framework. Working with government can help create a holistic framework, prevent the formation of silos, and help align priorities. Comprehensive policy frameworks that engage government, stakeholders, and the community also have the maximum impact and positive outcomes. A plan that is tangible, realistic and ready-to-implement can help gain government support for a sector-led policy framework initiative.
5. **Create a new agenda.** Policy frameworks can also be used to create a new policy agenda that articulates a new collective vision for improving the lives of children, youth, and families. By creating a comprehensive vision that builds on the work of sector leaders to address specific issues or populations (ethnic and racial minorities, urban vs. rural, age groups), a common agenda can demonstrate the interdependence and intersectionality of issues and help create a common vision to bring a broad coalition together around the most urgent priorities.

Some governments have already created targeted child- and youth-related frameworks; however, there is no comprehensive national policy framework that the sector can use to inspire and support a unified voice on child and youth policy in Canada. Ideally, a framework would be developed in partnership with governments. In the absence of this, the sector could still develop its own policy framework to provide strategic direction, act as a mechanism for coordination and collaboration, help reach consensus on priorities, and establish long-term outcome measurements.

SUMMARY

These five overarching themes, which describe the current challenges being experienced in the sector, were drawn from the survey results, key informant interviews, think tanks, and many informal discussions with sector participants. These themes include concerns about financial instability, difficulties adjusting to demographic shifts and increasing service demands, worries about maintaining and developing the required leadership capacities in the NPOs, challenges in meeting expectations to collaborate, and concerns about a lack of a collective voice for the sector. While the extent and degree of concern about any of the themes varied, there was universal agreement that these were all important factors with significant impact on the sector. It is clear that the sector is in a period of flux and, as a result, is experiencing a high degree of uncertainty and instability. The recent recession has exacerbated the struggles that a number of NPOs were already experiencing because of changing expectations and fund allocation from all levels of government, ongoing stress because of growing service demands, and the sense that many organizations had been asked to do more with less for far too long.

However, despite these ongoing stressors, the child and youth sector has responded in a number of new and creative ways. The people who took part in the key informant inter-

views, regional think tanks, and informal conversations were able to point to many ways in which organizations are responding to the challenges being experienced in the sector. These challenges tend to involve both developing innovative responses and increasing levels of collaboration.

Perhaps the most compelling challenge for the sector is the need to develop a collective voice with which the diverse players can begin to articulate a unified vision for improving the lives of children, youth, and families in Canada.

NOTE

1. For further details, see *Key Informant Interviews Themes Summary* at www.nacy.ca/taking-stock.