

July 30, 2021

Susan McArthur, Chair

Ontario's Workforce Recovery Advisory Committee: Leading the future of work in Ontario

By email: OWRAC@ontario.ca

Submission on Leading the Future of Work in Ontario

To Susan McArthur, Ontario Workforce Recovery Advisory Committee Chair:

We are writing to provide recommendations on shaping the future of work in our province.

ONN is the independent nonprofit network for the 58,000 nonprofits in Ontario, focused on policy, advocacy and services to strengthen Ontario's nonprofit sector as a key pillar of our society and economy. ONN has worked on issues related to the nonprofit sector's labour force, from the perspective of both employers and employees, for over seven years. This includes studies, reports and on-the-ground solutions to address the sector's recruitment and retention issues.

Summary

ONN urges the Committee to consider an approach to Ontario's workforce economic recovery where employers, workers, and communities all thrive equally in the transition to the future of work. This requires pairing employment standards reforms with targeted stimulus in a range of sectors and the workforce of tomorrow.

Ontario is heading into a decade of significant labour market transformation which is characterized by technological disruption causing rapid change in the nature of work. More commonly known as the "future of work". This rapid change is impacting what workers in various sectors do (the number of and quality of jobs), how they do their work (the use of technology such as automation and artificial intelligence to do work) and the skills needed to bridge the two. The COVID-19 pandemic and resulting economic uncertainty has accelerated the "arrival" of the future of work.

In this context, we urge you to include the following policy recommendations in your report to the Ontario government:

- 1. Raise employment standards for all Ontarians;**
- 2. Support nonprofit career paths for a robust sector that will make Ontario the best place to live, work and play;**
- 3. Stimulate long-term and sustainable job creation in the care economy for innovative economic recovery.**

Ontario's nonprofit sector is an economic driver and holds communities together

Across urban and rural Ontario, the nonprofit sector plays an essential role in job creation, volunteer engagement, and programs and services that support the well-being of Ontarians. The sector contributes \$65 billion to our province's GDP¹ and employs over a million workers -- of whom 80 per cent are women, making us a women-majority sector.²

As a sector, nonprofits receive less than half of their revenues from governments³ and they reinvest all surpluses in their missions, leveraging government revenues through private grants and donations, the sale of goods and services, and volunteer efforts to create additional value for the communities they serve. Many communities, especially those that have been disproportionately impacted by the pandemic, rely heavily on Ontario's nonprofits, including women, Indigenous Peoples, Black and other racialized Ontarians, young people, seniors, people living with disabilities, and newcomers to Canada.

Recommendation 1: Raise employment standards for all Ontarians

- Institute permanent paid sick days;
- Increase the minimum wage so it reflects a livable wage;
- Institute equal pay for equal work across employment statuses;
- Proclaim the Pay Transparency Act;
- End misclassification of workers.

The foundation for a healthy economy is decent work⁴ - high job quality where work is fair, stable, and productive. Decent work spreads opportunity more widely and fairly and we now know that is more important than ever as the COVID-19 pandemic ends, especially for those at the margins and outside of the labour market. Employment standards make decent work a reality as they regulate the minimum conditions of employment.

Decent work means Ontarians have access to permanent paid sick days so they do not have to choose between health, income, or putting others in their workplace at risk. It also means workers are paid living wages so they can support their families. Decent work encompasses mechanisms that ensure workers are not penalized by their employment status if working part-time or on a

¹ Statistics Canada. "Gross domestic product (GDP) and income of non-profit institutions by activity (x 1,000,000)." March 29, 2021.

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610061401&pickMembers%5B0%5D=1.7&pickMembers%5B1%5D=3.1&pickMembers%5B2%5D=4.1&cubeTimeFrame.startYear=2015&cubeTimeFrame.endYear=2019&referencePeriods=20150101%2C20190101>

² Government of Ontario. "Business Sector Strategy: Not-for-profit Sector." August 2012. p. 2. https://theonn.ca/wp-content/uploads/2015/05/O4B_final_EN_sept13.pdf; Imagine Canada. "Everything you need to know about Canada's charities and nonprofits." August 20, 2021.

<https://www.imaginecanada.ca/en/360/sector-stats>

³ Imagine Canada and Canadian Council on Social Development. "The Nonprofit and Voluntary Sector in Ontario: Regional Highlights of the National Survey of Nonprofit and Voluntary Organizations." 2006. http://www.imaginecanada.ca/sites/default/files/www/en/nsnvo/d_ontario_sector_report.pdf

⁴ See: International Labour Organization on Decent Work <https://www.ilo.org/global/topics/decent-work/lang-en/index.htm>

casual basis and that women and other groups are not being perpetually left behind in the economy.

All workers will be entitled to these aspects of decent work only if there is an end to the misclassification of workers by which employers evade employment standards by classifying employees as independent contractors. Gig and platform work is no longer unique to ride-sharing and food delivery sectors, we are seeing it trickle into care work.⁵ This can be seen in seniors' care as "just-in-time-work" as well. Any regulation or lack thereof for gig and platform work has the potential for unintended consequences in other sectors as well, such as a decrease in quality of care for our vulnerable populations. A lack of comprehensive regulation of gig and platform work will widen the gap even further between good and bad jobs, particularly to the detriment of Black, newcomer and racialized people, people with low incomes and people with disabilities.

As Labour Minister McNaughton has noted, our future of work needs to ensure an abundance of good-paying jobs that enable people to support their families and their communities.⁶ Employment standards that facilitate decent work promote stability and can incentivize continued labour market participation, reduce reliance on income supports, and ensure Ontarians - especially women - do not drop out of the labour force completely.

Recommendation 2: Support nonprofit career paths for a robust sector that will make Ontario the best place to live, work and play

- Catalyze a labour market information study, labour force strategy and workforce development plan for Ontario's nonprofit sector so it can prepare for the future of work;
- Implement nonprofit sector-focused training and skills development programs on digital and non-digital skills to onboard new workers and retain existing ones;

A robust nonprofit sector is essential to the health and well-being of a community and that matters for attracting employers and talent. When employers, especially large ones, are thinking about where to set up shop, they are also thinking about how location will impact their ability to recruit and retain top talent. Employees are attracted to communities with a flourishing arts and culture scene, sports and recreation activities for their children, local affordable child care, high quality seniors' care for intergenerational families, and accessible support services. All of these make up Ontario's nonprofit sector. Without these services, employers risk losing their workforce to jurisdictions that have them. A vibrant nonprofit sector is also ready to step in when public health crises, natural disasters, and other emergencies arise, as has been evident with COVID-19 and provincial forest fires.

The nonprofit sector and its most valuable asset - its labour force - will be less impacted by automation and other technologies, compared to other sectors. Emerging technologies are more likely to enhance nonprofit jobs rather than replace workers outright, making it a critical sector

⁵ Tara Losinski. "The Uber(ization) of In-Home Health Care." June 17, 2018.

<https://www.everythingzoomer.com/lifestyle/2018/06/17/in-home-care-app/>

⁶ Monte Mcnaughton. "Monte McNaughton: Our future is good jobs for workers and their families." June 17, 2021. <https://nationalpost.com/opinion/opinion-what-will-the-future-of-work-look-like-in-ontario>

and labour force for the government to support for long-term and sustainable recovery. With support for nonprofit career paths, nonprofits can help make Ontario the best place to live, work and play.

When we think of jobs as a set of tasks requiring levels of skills, we can see a spectrum of how jobs will be disrupted by technology.⁷ Nonprofit sector jobs are highly varied and therefore spread across a spectrum of how likely they are to be disrupted by technology, rather than all being concentrated in the “disappearing” end. On one end of the spectrum (least likely to be automated) are jobs with mostly complex cognitive tasks (e.g., critical thinking, judgement, situational awareness, creative problem-solving) and a requirement for emotional intelligence that can only be done by people. In the nonprofit sector this includes direct care work such as child care, elder care and caring for people with disabilities or those with complex mental health and addictions needs.

In the middle of the spectrum are jobs in which tasks can change or be assisted with technology, but the job itself will still not be replaced. This includes jobs related to mental health and addictions, employment and training programs, immigrant and settlement services, as well as jobs in the arts and culture and sports and recreation subsectors. For example:

- Artificial Intelligence (AI) deep learning is being applied to crisis counselling conversations which has enabled a reshuffling of waiting lists and adjustment of counselling techniques to help save more lives;
- Big data analytics and machine learning are being used to identify food deserts or families at greater risk of homelessness; and
- Virtual reality is being used to train newcomers for various workplaces.⁸

On the other end of the spectrum are jobs that can be completely replaced because they consist of routine and repetitive tasks. These would mainly be administrative roles in our sector. In this way, the nonprofit sector is poised to weather the future of work.

We are also seeing demand for new skills and jobs in nonprofits, especially as the sector rapidly moved their work online or radically transformed services as a result of the pandemic.⁹ The Brookfield Institute forecasts that the most useful and transferable skills workers need in the next 10 to 15 years are fluency of ideas, instructing, persuasion, and service orientation. These skills will help workers brainstorm and absorb new information of different kinds, teach, influence

⁷ Organisation for Economic Co-operation and Development. “Preparing for the Future of Work in Canada.” July 23, 2020. <https://doi.org/10.1787/23112336>

⁸ James Stauch and Alina Turner. “Rise of the (Good) Machines: A Blueprint for Action.” March 16, 2020. https://thephilanthropist.ca/2020/03/rise-of-the-good-machines-a-blueprint-for-action/#_edn2

⁹ Ontario Nonprofit Network. “Ontario Nonprofits and the Impact of COVID-19: A flash survey report.” April 2020. https://theonncanada.ca/wp-content/uploads/2020/04/ONNs-COVID-19-Flash-Survey-Report-April-6-2020-1_compressed.pdf

opinions and behaviours and identify ways to help people.¹⁰ The OECD adds that Canadian workers also need foundational digital skills.¹¹ While the cognitive/social skills identified are part and parcel of working in the sector, digital skills are not. Digital skills needed include the ability to use new online fundraising platforms, software to manage client documents/databases and emerging technologies like AI and virtual reality. New job opportunities range from data and privacy stewards, IT and digitization managers, and data scientists to social media and virtual programming coordinators.

A comprehensive up-to-date labour market information (LMI) study, labour force strategy and workforce development plan will help the sector lead economic recovery, proactively prepare for the future of work and continue supporting Ontarians. Workers, jobseekers and new graduates can use LMI to plan their nonprofit careers, learn more about work trends and the skills, education, and training needed for the nonprofit jobs of today and in the future. Nonprofit employers can better understand key trends and mitigate and prevent labour market issues during and beyond crisis. For example, with up-to-date LMI, employers can better understand the extent and nature of labour shortages or surpluses and plan more strategically how to recruit, train, and retain talent. Only with adequate and up-to-date LMI can employers work with post-secondary institutions to ensure that workers and new recruits receive the specific skills and competencies needed for the jobs of the future.

Sector-wide LMI is particularly important to small enterprises, Indigenous-led organizations, Black-led organizations, and women's organizations. Some larger nonprofits have the occasional opportunity to participate (for a cost) in compensation surveys, for example, but this is out of reach for small organizations. A provincial LMI project would therefore assist many of these organizations in the sector to better plan for and manage their individual staffing and engage in broader labour force planning discussions. Sector-specific data, starting with a sound LMI baseline, will ensure that nonprofit sector workforce development strategies meet the needs of employers, workers, and new graduates.

The nonprofit sector is poised to grow and can act as a major job creator for "future of work proof" jobs and help workers transition to new careers. The Brookfield Institute for instance, explores how Ontario retail food workers can transition into child care jobs.¹² In order to immediately help workers join Ontario's recovery, it is imperative to implement sector-focused training and skills development programs to support the transitions of new workers and retain existing ones in the sector. Workers and families are depending on the government to quickly

¹⁰ Brookfield Institute for Innovation + Entrepreneurship. "Ahead by a Decade: Employment in 2030." 2020. <https://brookfieldinstitute.ca/wp-content/uploads/Ahead-by-a-Decade-EN-Final.pdf>; James Stauch and Alina Turner. "From Algorithms to Altruithms: The Fourth Social Purpose Revolution." February 17, 2020. <https://thephilanthropist.ca/2020/02/from-algorithms-to-altruithms-the-fourth-social-purpose-revolution/>

¹¹ Organisation for Economic Co-operation and Development. "Preparing for the Future of Work in Canada." July 23, 2020. <https://doi.org/10.1787/23112336>

¹² The Brookfield Institute for Innovation + Entrepreneurship. "Pathways Forward: Mapping Job Transitions for Ontario Food Retail Workers." June 2021. <https://brookfieldinstitute.ca/wp-content/uploads/BIIE-Job-Pathways-food-II-FINAL.pdf>

adapt by looking at new policy and training approaches. Accessible sector-focused training will allow more workers to participate in emerging jobs in the nonprofit sector that will survive the future of work.

Recommendation 3: Stimulate long-term and sustainable job creation in the nonprofit care economy for innovative economic recovery

- Expand nonprofit-and-public-sector-driven care services such as child care and seniors' care;
- Establish wage grids, retain pandemic pay supplements, and ensure wage parity between institutional (e.g. hospitals) and community sectors for all care workers;
- Exempt nonprofits that provide services on behalf of the government from Bill 124 (wage restraint) in the same way that it exempts for-profit corporations which do the same.
- Facilitate community and cooperative ownership of care enterprises, especially as a wave of small business owners retire.

In the future of work, care jobs are the fastest growing jobs and, as the pandemic has highlighted, they are also essential to Ontario's economy.¹³ Care jobs are the supports and services that allow Ontarians to work, grow and thrive. These jobs meet the physical, psychological and emotional needs of adults and children, old and young, frail and able-bodied.¹⁴ Investment in care infrastructure fuels strong families and communities, just like investments in transportation, roads, bridges, the electrical grid, and public health. Many care work industries are part of the nonprofit sector.

Demand for care in Ontario is going to grow exponentially as baby boomers age, our working age population shrinks and women's participation in the labour market increases (as women usually take on the bulk of unpaid care work). The OECD reports that in 2015, globally there were 28 people aged 65 and over for every 100 people of working age and by 2050, this ratio is projected to double.¹⁵ Unlike in other sectors where technological disruption is eradicating jobs, care jobs are projected to grow in the future of work. Technology will not take over care jobs, but rather

¹³ Institute for Women's Policy Research. "Future of care work." September 23 2019. https://iwpr.org/wp-content/uploads/2020/07/C486_Future-of-Care-Work_final.pdf; Institute for Women's Policy Research. "Women, Automation, and the future of work." May 23, 2019. <https://iwpr.org/iwpr-issues/employment-and-earnings/women-automation-and-the-future-of-work/>; Women Deliver. "How a business can build a 'future of work' that works for women." 2019. <http://womendeliver.org/wp-content/uploads/2019/08/BSR-WomenDeliver-Future-of-Work-for-Women-Framework.pdf>

¹⁴ International Labour Organization. "Care Work and Care Jobs for the Future of Decent Work." June 28, 2018. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_633135.pdf

¹⁵ Organisation for Economic Co-operation and Development. "OECD Employment Outlook 2019: The Future of Work." April 25, 2019. <https://doi.org/10.1787/9ee00155-en>

assist in doing the work. The World Economic Forum forecasts that over the next three years 37 per cent of projected job opportunities are in emerging professions in the care economy.¹⁶

The pandemic has highlighted and increased unmet needs for affordable and quality care services while also increasing them, especially child care, seniors' care and across other community care (particularly supports around mental health and addictions); the current supply of care workers is not enough to meet the demand. The supply of care workers would expand if job quality were improved. In our networks, we have seen many care work positions go unfilled because these demanding but rewarding jobs are insufficiently compensated.

The International Labour Organization estimates that each dollar invested in the care economy has the potential to generate two to four times more jobs than if the same dollar was spent on other sectors, such as physical infrastructure and construction.¹⁷ A pair of UK economists have specifically modelled a care-focused COVID recovery, comparing investments in the care economy to have much greater “bang for the buck” than investments in construction. In studying select European Union countries and the United States, these economists found that matching employment and wages in care work to the high levels of Scandinavian countries would raise employment rates by more than five percentage points and halve most gender employment gaps.¹⁸

Modelling from Australia shows that increased tax revenue from increased labour market participation and indirect effects would offset 80 per cent of the cost to the government in investing in the care economy.¹⁹ Similarly, research from the UK forecasts that investing in care rather than in construction would create 2.7 times as many jobs and increase overall employment rates by 5 per cent. Half the investment could be recouped by the Treasury in direct and indirect tax revenue, and the policy choice would produce 30 per cent less greenhouse gas emissions.²⁰ In economic modelling for the US, an annual public investment of \$77.5 billion in child care, residential care, and home health care would generate over \$220 billion in new economic activity annually and 22.5 million new jobs over 10 years.²¹

¹⁶ World Economic Forum. “Jobs of Tomorrow: Mapping opportunity in the new economy.” January 2020. http://www3.weforum.org/docs/WEF_Jobs_of_Tomorrow_2020.pdf

¹⁷ International Labour Organization. “A Guide to Public Investments in the Care Economy.” March 2021. https://www.ilo.org/wcmsp5/groups/public/--ed_emp/documents/publication/wcms_767029.pdf

¹⁸ Jérôme De Henau and Susan Himmelweit. “A Care-Led Recovery from COVID-19: Investing in High Quality Care to Stimulate and Rebalance the Economy.” March 2021. <https://www.tandfonline.com/doi/full/10.1080/13545701.2020.1845390>

¹⁹ National Foundation for Australian Women. “Press release: NFAW independent modelling shows Economic Boost from increased funding in the Care Sector.” October 19, 2020. https://nfaw.org/news/nfaw-independent-modelling-shows-economic-boost-from-increased-funding-in-the-care-sector/?fbclid=IwAR1eY3KDD037cA9fIRKzbgAxyR8_7G58fU6UJ1TrZimEfMutQ2fFxQ-tAOQ

²⁰ Women’s Budget Group (UK). “A Care-Led Recovery from Coronavirus.” June 30, 2020. Report available at: <https://wbg.org.uk/analysis/reports/a-care-led-recovery-from-coronavirus/>

²¹ Time’s Up Foundation. “It’s Time to Care: The Economic Case for Investing in a Care Infrastructure.” February 2021. <https://timesupfoundation.org/work/times-up-impact-lab/times-up-measure-up/its-time-to-care-the-economic-case-for-investing-in-a-care-infrastructure/>

Other countries are taking note. In Argentina, budgeted investments in care amount to 6.6 per cent of total public investment while the proposed United States American Jobs Plan has a strong focus on investments in health care and childcare.²²

But the care economy cannot grow if its workforce is subject to arbitrary wage controls. Exempting nonprofits from Bill 124, Protecting a Sustainable Public Sector for Future Generations Act, 2019, will ensure care jobs remain good-paying jobs and assist in recruitment, retention and succession planning to meet demand in the future of work while lifting women workers. Evidence on compensation highlights that salary levels in the nonprofit sector are not growing at the same rate as public and private salary levels and so the wage restraint is not needed. The average wage for employees in the community-governed nonprofit sector, as reported by Statistics Canada, was \$42,500 in 2017, compared to \$59,800 for the workforce as a whole.²³

Many nonprofits also compete for talent with for-profit service providers, who are explicitly exempt from Bill 124 wage restraint measures, despite operating in many of the same industries as nonprofits (long-term care, home care, child care, employment & training services, etc.). Many nonprofits that receive provincial funding have gone five, ten, or more years without a cost-of-living increase to base funding, meaning that they are under pressure to maintain a labour force and thus service levels amid growing demand. Bill 124 sets up an unfair playing field for recruitment and retention in these areas. The wage restraint measures will only exacerbate the unmet need for care services and a shortage in supply of care workers.

Our final point is about the role of collective ownership in providing stability and fairness in market-based enterprises. Facilitating innovative ownership models such as community and cooperative ownership of enterprises, especially as a wave of small business owners retire, is another way to prevent job losses while preserving essential local services.²⁴ An innovation lab in Waterloo is documenting examples and developing best practices of local businesses that have transitioned into community or cooperative ownership.²⁵ In Wisconsin, USA, the Madison Cooperative Development Coalition is a City of Madison initiative that helps form cooperatives with the goal of addressing job creation and business development, especially among marginalized groups.²⁶ More widespread adoption of these practices would support job retention and healthy local economies.

²² International Labour Organization. Building Forward Fairer: Women's rights to work and at work at the core of the COVID-19 recovery." July 2021.

https://www.ilo.org/wcmsp5/groups/public/--dgreports/--gender/documents/publication/wcms_814499.pdf

²³ Statistics Canada. "Non-profit institutions and volunteering: Economic contribution, 2007 to 2017"

<https://www150.statcan.gc.ca/n1/en/daily-quotidien/190305/dq190305a-eng.pdf?st=f64EzeDq>

²⁴ See for example Scale Collaborative's Business Legacies Initiative.

<https://scalecollaborative.ca/businesslegacies/>

²⁵ Will Volpe. "Building Back Better: Social Acquisitions as a Sustainable Recovery Solution." Legacy Leadership Lab, University of Waterloo. Oct. 13, 2020.

<https://uwaterloo.ca/legacy-leadership-lab/blog/post/building-back-better-social-acquisitions-sustainable>

²⁶ See for example Co-operative Enterprises for Job Creation and Business Development.

<https://www.cityofmadison.com/dpced/economicdevelopment/co-operative-enterprises-for-job-creation-and-business-development/1646/>

Conclusion

Thank you for giving serious consideration to our recommendations for an economic recovery in Ontario that will help employers, workers and communities all thrive equally as they transition into the future of work. Raising employment standards for all Ontarians can ensure people have high quality jobs to support their families while creating career paths in the nonprofit sector can make Ontario the best place to work, live and play. For long-term economic resiliency and sustainability in the future of work, investments in the care economy are essential.

We look forward to further consultations with the Ontario government on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Cathy Taylor". The signature is fluid and cursive, with the first name "Cathy" being more prominent than the last name "Taylor".

Cathy Taylor
Executive Director

CC:

The Honourable Monte McNaughton, Minister of Labour Training and Skills
Development
By email: ministeroflabour@ontario.ca

The Honourable Jane McKenna, Associate Minister of Children and Women's
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