



CCVO
CALGARY
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VOLUNTARY
ORGANIZATIONS

No Small Thing:

Calgary's small nonprofits, charities and grassroots groups

Calgary Chamber of Voluntary Organizations (CCVO)

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Executive Summary

The value of small organizations in Calgary's voluntary sector is undeniable. "Small organizations provide the foundation for our civil society by giving people an opportunity to volunteer in their own area, to address neighborhood issues, to respond to local needs, and to work together as a community," concludes Linda Roberts in *Caught in the Middle: What Small Organizations Need to Survive and Flourish*. Today, they constitute the vast majority of Calgary's nonprofit sector. The role small organizations play in weaving the fabric of Calgary's voluntary landscape is indeed *No Small Thing*.

But do smaller organizations face larger challenges? Does their size or passion undermine their sustainability? What resources and relationships would help? To expand our understanding about the smallest of the voluntary organizations, CCVO conducted an exploratory study of 20 of Calgary's nonprofit organizations, looking at the origins, identity, operations and structure of smaller nonprofits and charities; their role in the broader community and the strengths and challenges associated with a smaller sized organization.

The picture that emerged is one of passion, commitment, community engagement and resilience with the smaller organizations experiencing both challenges and opportunities more acutely. All of the groups that took part in this study began out of a sense of deep personal commitment and pas-

sion. And while there was considerable variation in the human resource capacity of the organizations participating in this study, many were thinly resourced. The growing complexities of leadership, and building and sustaining the necessary organizational capacity to survive, were significant concerns, exacerbated by the current funding practices and the absence of the financial stability provided by "core" funding. Small organizations can become precarious when their human or financial resources are undermined in even small measures.

No Small Thing pointed to some interesting opportunities for sector leaders and funders, as well as the small organizations themselves. Prioritizing and seeking out existing resources and relationships would reduce their vulnerability. Calgary's capacity-builders offer support in areas from cross-sector issues to the challenges of nonprofit and volunteer management. Funders have an opportunity to facilitate dialogue with small organizations to become more mindful of the impact of their practices and ensure the value of their investment. And, capacity-building leaders may need to examine how they connect with small organizations and innovate to more effectively deliver resources to reach them and best meet their particular needs.

In the end, *No Small Thing* revealed some important lessons, not the least of which is — it is only a beginning.

Introduction

In 2005, the Calgary Chamber of Voluntary Organizations (CCVO) conducted an exploratory study of Calgary's voluntary sector. *Strength Under Stress: A Portrait of Calgary's Voluntary Sector* (Cherneski, 2005), began to build our understanding of the experience of local voluntary organizations, complementing other national studies. This follow-up study, *"No Small Thing"* expands our knowledge of the voluntary sector, focusing specifically on the experience of small charities and nonprofit groups in Calgary.

It is a widely held belief that the numerous grassroots, community and activist groups, guilds, small nongovernmental organizations and many other "human scale" alliances form the base of the civil society "iceberg"; however, there is little research available about these groups.

The landmark *National Survey of Nonprofit and Voluntary Organizations* (NSNVO) completed by Statistics Canada in 2003, and the data pertaining to Alberta's nonprofits and charities subsequently released in 2006 (Roach, 2006), provide the most frequently used sources of comprehensive information about incorporated Canadian nonprofits and registered Canadian charities. Based on this data, in 2003, there were about 12,600 Alberta-

based nonprofits and charities operating with less than \$100,000 in annual revenue. It is important to note, however, that the NSNVO did not include groups that were not formally incorporated or registered with provincial, territorial or federal governments.

To learn more about the smallest of the voluntary organizations, CCVO conducted an exploratory study of 20 Calgary nonprofit organizations that had at least one of these two "small" characteristics: a total budget under \$100,000 or fewer than four paid staff. In addition, three "umbrella" organizations whose memberships consist largely of these small organizations, and a "connector" organization that works extensively with small nonprofits and charities, provided their broad perspectives about the experience of these small organizations.

The purpose of this project was to identify and fill in knowledge gaps about small voluntary organizations in several key areas:

- their structure and operations;
- their resources, including networks and partnerships;
- their strengths and challenges; and
- their self-perceived role in the community.

Project Design

Project Goals

The primary purpose of this study was to expand our understanding about the origins, identity, operations and structure of smaller nonprofits and charities; their role in the broader community; the strengths and challenges associated with a smaller sized organization and the resources and partnerships that might help them in their work. As part of CCVO's ongoing efforts to raise awareness of voluntary sector issues, participants were also asked for key messages that could be conveyed to other nonprofits, funders and elected officials.

Methodology

A literature review was undertaken during the Spring of 2006 to identify research tools and methods that would best serve the objectives of this project. Because so little was known about the small organizations that were the subject of this study, a qualitative research method was used. Qualitative research methods facilitate the collection of rich and deep information which helps clarify the range of interests or concerns of the participants. A standard schedule of interview questions was used to probe broad topic areas, between July 2006 and

July 2007. The questions were thematic and open-ended to encourage people to share what was most salient. When appropriate, interviews shifted to an unstructured narrative style. Interviews were conducted in person or by telephone. The researcher coded organizational characteristics to quantitative categories afterwards. Please note, some quotes are attributed and some are anonymous.

Sample Selection

Because so little was known about the experiences of small voluntary organizations in Calgary, the focus was on finding participants who could frame a broad, deep view, rather than a strictly representative view.

Considering the thousands of small organizations that exist in Calgary, a convenience sampling technique was used to identify specific individual organizations known to CCVO for their knowledge and experience. Stakeholder, network, connector, and umbrella organizations with experience in, and knowledge of, the area of study were approached first. The five umbrella/connector organizations who participated not only provided advice and guidance in developing the research design and in recommending other potential participants, but also provided perspectives that ultimately produced a range of broad themes that resonated strongly with the larger pool of interviewees, and around which many of the conversations revolved. When appropriate, their interviews were included in data analysis.

A pool of potential interview participants was created through recommendations from the umbrella/connector organizations, through other CCVO relationships, and from responses to invitations to participate in the study via the CCVO electronic newsletter, in listservs, and in person. Participants were chosen using a combination of self-selection and purposive sampling.

While participants could not be guaranteed anonymity because of the way they were referred to the project, they were assured that neither their names nor their organizational affiliation would be used for attributing information or quotations without their formal consent.

Defining “Small”

Research on nonprofits often refers to the difficulty in determining what dimensions make an organization “small,” “medium” or “large” (for example, see Roberts, 2001 or Gumulka, Hay and Lasby, 2006).

For this project, “small” was defined by financial resources and/or the number of paid staff. Organizations were considered small if they had less than four full-time paid staff members. For the most part, they were also considered small if their operating budgets were under \$100,000. Nonprofit organizations and charities that had occupancy or activity-related overhead costs that placed them above the \$100,000 threshold were included, providing they were “small” in terms of staffing.

Limitations of the Research

Purposive samples and convenience samples are useful for exploratory research because they are efficient approaches to engaging groups and individuals that are sometimes difficult to identify. However, invitation and referral methods cannot reach those who are not connected, directly or indirectly, to other participants, umbrella groups or networks.

For this reason, the results cannot be taken as representative of the views or experiences of other groups and organizations. This type of research does not have the kind of statistical reliability associated with quantitative studies — data that can be generalized to larger populations. Therefore, the results of this work should not be interpreted to extend to the experience of all small nonprofits and charities in Calgary.

Findings From The Research

Profile of the Participants

Overview

Twenty-three organizations participated in this study. Five of these organizations drew on their experience as an umbrella organization, funder or capacity builder working with numerous small nonprofits, to provide insight into the challenges of small nonprofits; two of these organizations themselves qualified as “small” organizations. The list of participating organizations is in the Appendix.

Of the 20 small organizations in this study, nine represented arts or cultural groups, five represented social service interests, four represented health causes, two focused on law and advocacy work, and another two were philanthropic intermediaries. Insight into small environmental groups was provided by a foundation that works extensively in this area.

While two of the participants had yet to evolve from what might be termed the “embryonic” stage of organizational development where there is no actual “organization” per se, all of the others had moved along the path to organize formally. The study participants differed considerably in the length of time they had been operating. Seven organizations had been operating for five years or less — two for less than one year, 11 had been operating for more than six years, four for more than 20 years.

Of the 20 small organizations participating in the study, eighteen were incorporated under the Alberta Societies Act, and of those, 11 were also registered charities under the federal Income Tax Act.

Organizations can only incorporate or be registered if they have a board of directors; therefore all but the two organizations that were not incorporated had boards of at least four people, with most having eight to ten board members. Most boards were considered governance boards, although some interviewees indicated that their boards were either “in transition”, moving from having been a working board to becoming a governance board, or their “governance” board members still pitched in and volunteered for a range of duties and activities from time to time. In short, the lines between “working” and “governance” were sometimes blurred.

In terms of operations, 14 organizations had two or fewer full-time paid staff, with 5 of the 14 having no full-time paid staff at all. Organizations reported great variability in the number of part-time staff (from 0 to more than 30) and volunteers (0-300) that supported their work.

The budgets of the participants also reflected the small size of the organizations. Three organizations reported annual budgets of less than \$5,000, two of which operated with no money at all. There is a large gap between these three organizations at the extremely low end of the fiscal scale and the two next lowest whose budgets fell between \$26,000 and \$50,000 annually. Two more operated with budgets between \$51,000 and \$75,000, one on a budget between \$76,000 and \$100,000 and yet another on a budget in the \$101,000 and \$150,000 range. Three participants reported budgets of more than \$150,000. Regardless of the actual size of their budgets, 14 of the 20 small organizations operate without core funding, i.e. all their funding is for specific purposes or programs, rather than for the general support of the organization.

Formation and Life Cycle

It is fair to say that all of the small groups that took part in this project got their start in “the usual way.” That is, they began as someone’s idea of how to make a contribution or bring about a desired change in their community or world. Creating the “organization” was seldom the starting point; instead in most cases, the work began when the founding individual simply began acting out of a sense of deep personal commitment and passion.

“Something happened that was quite pivotal, that crystallized this idea that I could do it and make a difference.” Sandra van den Brink, Executive Director, Ayudamos Foundation

Sometimes taking action required lining up help or other resources just to make something happen. Ideas and approaches were fleshed out through discussions in living rooms and by steering committees. Founders and their initial supporters took the great leap of faith together when the work started. Many of the individuals who took part in bringing these human-scale initiatives into being are still involved as participants, board members or supporters. On reflection, a few participants speculated that it had been a risk to offer up a concept that someone felt strongly about and then ask others for input. Nevertheless, even when the concept changed under the influence of long discussion and community involvement, belief in the inherent worth and value of the endeavor comes through in the interviews.

When organizations are small, it is sometimes assumed that an organization is relatively young and has not had time to grow and mature. While a couple of the organizations in this study were very new, most had been operating for more than six years, four for more than 20 years.

“There is a life cycle for small organizations: some die a natural death, some experience a period of dormancy then regroup and reactivate in response to a specific event or issue only to go into dormancy again.” Nicholas Mangozho, former Executive Director, Ethno-Cultural Council of Calgary

Many of the small groups are “works in progress” and people did not see this as something likely to change. Many want their organizations to grow over the next five years or so — but have no interest in growing for growth’s sake. For some, growth means increasing their geographic reach; several have discovered that their “idea has legs.” For others, growth means increasing the number or variety of activities they do here in Calgary or the number of people who know about their work. Small groups engaged in activities outside of Canada are hoping to spend more time with their partners in other countries.

Interestingly, several organizations indicated that they had no desire to grow or would do so only if it enabled them to do more work, reach more

people, or become better positioned for funding support. For these small organizations, the decision to grow is a strategic one; growth is not considered inevitable or desirable. At least two organizations incorporated out of necessity when the demand for their programs reached a certain level; not taking this step would effectively have meant sliding backwards.

Long-term, there is more variety in what people imagine for the future of their organizations. Some expect that their groups will not continue to exist. This may be because community interests and issues naturally change over time, or because ongoing challenges will force them to close their doors. Others hope to become “household names” or to emulate the lasting success of the endeavors that inspire them.

Financial Resources

Annual revenue or size of operating budgets were used as an attribute of “small” for this project so it is not surprising that most of the groups that took part had limited financial resources available. Most relied on income earned on a cost-recovery basis and/or charitable gaming/casino money; but for some, individual donors and supporters were extremely important. Fundraising events and activities were common for some organizations — though not necessarily lucrative. Many of the organizations that had registered charitable status received some funding from foundations; a few organizations were able to access funding through government or quasi-governmental funding programs.

The largest percentage of individual organizations reported having between \$50,000 and \$100,000 to run their operations each year. Participants were asked to exclude exceptional or one-time funding or contributions in order to get a picture of their typical financial resources. A little more than one in five ran their activities for less than \$5,000 and a similar number were at the upper end, with annual operating budgets of more than \$100,000. It is worth noting that the organizations with the largest budgets were also the ones that relied heavily on their volunteers to run their core activities. In those instances, the bulk of their financial resources went to equipment and/or facilities.

There are two points worth noting with respect to the budgets reported by the participants. One is that regardless of their actual budget size, few organizations participating in the study receive core funding, relying on funding for specific purposes or programs. (Fourteen of the participating organizations operate without core funding.) The presence or absence of core funding affected every aspect of their operations and their work. Organizations without any core funding felt it contributed to the tenuousness of their existence, because there was no funding source to sustain the operation of the organization when program funding ended.

The second point relates to the wide fluctuations in budgets that some organizations experience, realities that are hidden by the aggregate categories used to present the findings. Three organizations reported having budgets of “between \$30,000 and \$100,000”—“depending on funding”. A difference of \$70,000 in the space of a single budget year is quite a gap for an organization of this size. Two others reported budgets ranging between \$200,000 and \$500,000, another large gap. Where other organizations reported a varying annual budget, the gap was no more than \$10,000, and sometimes only \$5,000. The wide variances in the financial situations of some participating organizations will help bring into focus participants’ comments relating to sustainability, funding, and collaboration.

Major Themes

Participants from the umbrella/connector organizations and from small groups were asked about the strengths and challenges associated with a smaller sized organization. Their comments are organized into three broad themes: On being “small”; sustainability; and collaboration and networking.

On Being “Small”

One of the clear messages from this research was the positive attitude of the participants about the small size of their organizations. Although being “small” presents challenges, from the perspective of the participants there is much to be said for smallness. They see themselves and their organizations as being efficient and nimble, ready and able to adjust to new situations very quickly. Participants felt that because there was less bureaucracy

and “red tape” involved in making decisions in a small organization, they were able to make decisions quickly and autonomously and they valued their freedom to act.

They also see themselves as being able to stay close to the community—more specifically, their communities, the people they work with and serve. As a result, they felt they were better able to identify and respond to emerging community needs.

“Part of the appeal of Wellspring is the grassroots element of it: Wellspring is small and nimble, it is not hugely bureaucratic. We can be flexible and responsive. We are able to respond to what people want — especially since we are new and can find out and respond to what the community needs.”

Patti Morris, Executive Director, Wellspring Calgary

Smallness was seen to be an asset in other ways as well. For example, because of their lean operations, they are able to say to funders or donors that their contributions go directly into the community. In their experience, some funders prefer supporting small and volunteer-run organizations. There was also a belief that these small organizations offer their volunteers opportunities to live their values, something they cannot always find in their paid work.

Participants in the study spoke at length about the personal rewards of their work. A “big picture” goal combined with the immediacy of seeing tangible results, however modest, was a powerful motivator. They valued the opportunity to work with others who shared that enthusiasm and passion. Many felt that the real power of small groups was in the personal investment of the individuals involved.

There was a strong sense among participants that others did not necessarily share this positive perception of small organizations and did not take them seriously. Many felt that skills and work undertaken by those in smaller groups were undervalued by larger nonprofits, funders and the corporate sector for reasons that ranged from being at the bottom of the nonprofit hierarchy, to the plethora of worthy causes and changing public interest and support. Some attributed the problem to their low visibility and inability to undertake large-scale awareness and marketing campaigns.

For all of the clarity of purpose they possess, it was perhaps surprising to learn that the small organizations frequently come up against funders who seem skeptical about the value of their work and the contribution they make. Depending on the cause or interest they represent, some face the attitude that their organizations are really supporting “hobby interests,” or of doubtful value because the work focuses on causes that are “fringe”, representing unpopular political or social positions or serve marginalized groups. Organizations not involved in human service work felt they were often perceived as “nice to haves”, and not essential to community.

One of the things that emerged during this project was the question of whether small organizations identify with being part of the “voluntary sector.” When asked how they define their group, most of the small organizations participating in this study identified first with an activity or the people they support, be it media arts or health information and support or young leaders. Some saw themselves as part of larger social, advocacy or political movements, others as volunteer or community groups; some even as small businesses, but “as a charity, the money is not all you think about — it’s a business providing service to the community.” Interestingly, few identified themselves as part of the “voluntary sector.”

“How do we raise the profile to compete for awareness with the big charities? How do we do that when there are bigger stories to tell?”

As more nonprofit organizations develop different revenue streams to support their work and some for-profit organizations operate as “social enterprises”, the distinctions between the private and voluntary sectors become even more blurred.

The practical dimension of this discussion about identity, as the umbrella/connector organizations observed, is that if these organizations do not see themselves as part of something larger, they miss the value that comes with being part of a whole. Being so very small, these organizations can be isolated, and may not necessarily recognize that

others share their challenges — and that through networks and collective action, they could problem-solve, share information, and benefit from pooled resources. They may not recognize funding opportunities available to them because they do not see themselves as part of the voluntary sector. And they lose the benefit of “strength in numbers” when it comes to making their voices heard.

Sustainability

Every individual who participated in the interviews knows that the work of their organization is worth doing and therefore is worth sustaining. Given this common goal of sustainability, organizations displayed different approaches to achieving it.

Participants’ concerns about sustainability can be viewed along a continuum where at one extreme end, there is “precariousness” and at the other, “stability”. It is important to recognize that there is some degree of choice about where an organization is along this path. For example, one well-established organization decided it does not want to grow or have staff, and was unsure if, in the long term as their international partners become stronger, the organization will need to continue. Another organization made the strategic decision to have no staff, no budget, resist incorporation, and remain unaligned with any other organization so as not to appear threatening to any other group. Do these decisions make these organizations “precarious”? Perhaps not when it is a choice.

All other participants stand in contrast to these two, desiring to be sustainable for the longer term. They find themselves somewhere along the continuum, working towards stability. No organization considers itself to be entirely ‘there’. Facing many challenges to their future, a majority of the participating small groups hope to stabilize their operations. Their present goals are to maintain their existing infrastructure and systems, to preserve or pare down their current offerings, or to “try to keep up the basics.”

Some of the challenges to the sustainability of these small organizations relate to governance; funding; human resource capacity and realities of the Calgary environment.

Governance

Challenges related to running an organization and programs generally are the responsibility of the founder, the leader or the staff. Although the boards of small organizations are almost always working boards, both the umbrella/connector organizations and individual participants raised concerns about the level of practical support leaders can expect from their boards.

Boards of very small organizations often reflect the founder or leader; indeed, board members may well be friends and family. Their primary reason for being on the board will also be a passion for the cause and the work. If these individuals happen to have professional skills to offer as board members, then that resource will be available to the leadership by happy chance rather than by design.

As participants pointed out, a working board has the advantage of seeing the on-the-ground realities of operating the organization, and therefore being in a good position to offer informed advice and support to staff. However, as valuable as that is, they also observed that a working board does not necessarily have the capacity to provide the kind of oversight that would be healthy for the organization, nor to provide mentoring support to the leadership. They recognized that there comes a point where the board complement needs to include “business people”, an all-encompassing term the interviewees used to stand in for the full range of organizational management skills.

Funding and Traditional Funding Models

Study participants considered cash flow issues and difficulties in raising funds part of the landscape in which small organizations operate. Some felt that one of the problems with remaining small was how vulnerable their organization was to funding changes. Given their small budgets and generally limited number of programs, loss of funding could seriously destabilize an organization, potentially leaving it unviable.

The **funding process**, particularly for traditional monetary grants and donations, poses challenges for small organizations. Completing applications and funding proposals, attending meetings or making presentations, while necessary, are very time-consuming for organizations with few resources. As a

“What we need on our board is more expertise and less opinion. There is no shortage of opinion on our board, but there is a shortage of expertise in things like fundraising. We need an accountant on our board. We need a fundraiser. We need business people. I have great confidence in my artistic aesthetic and abilities, but I don’t have expertise in the finer points of fundraising and accounting, and that’s not what I want to do.”

result, some participants indicated they would not go to the trouble of applying if it seemed unlikely that an application would be successful. They were also challenged in getting good information about who to apply to for funding and how best to go about it. They tend to rely on information shared through their networks and often get conflicting advice. Given limited resources, they tend not to apply, rather than taking the time to clarify the information they have received.

At the other end of the funding process, **accountability and reporting requirements** often strain the capacity of small organizations. While the organizations understand and accept the reasons why funders require “accountability” and “measurable outcomes”, participants were perplexed and frustrated by growing demands for increasingly high levels of accountability and reporting, including the establishment and tracking of outcome measures—requirements that were often beyond their knowledge and skill. Many volunteers and board members were not trained in (or familiar with) “outcomes measures” or conversant with the jargon preferred by specific funders and the small organizations could not afford higher levels of professional expertise to meet these requirements.

Burdensome reporting requirements can be a disincentive from even applying for funds in the first place, especially if it is evident that funding will not cover the costs of complying. Reporting requirements often force what one interviewee called “the numbers chase”, where time and attention is taken up with maintaining counts of things—visitors to events, brochures mailed out, hits on the website—rather than doing the work that would achieve the mandate.

The umbrella/connector organizations shared this perspective of the burden of accountability requirements. One participant commented:

“The notion that everyone needs to be accountable in the same way is a problem. ... The accountability piece — being able to measure outcomes — is necessary, but for small organizations, it is too complex a process for a volunteer-run organization. We need to have different levels of reporting and accountability requirements. [Good] people are trying to do good work, ... but they may not be trained or experienced... to do what is being asked of them. ... The large organizations have logic models, but volunteer-run organizations have no idea [what that is or how to develop it, and no staff to manage it].”

“We end up creating short-term projects that create a little bit of impact, and then they fall by the wayside and we try something different. I don’t think that’s a very wise way to achieve success.”

The interviewees’ comments about their financial situations were wide ranging and often expressed as frustrations related to funding practices. A major source of frustration was the perceived **preference for funding new projects**. Participants spoke of the challenges in dealing with a funding system that encourages the constant introduction of new and innovative programs, and then on the other hand leaves it up to the organization to find ways to sustain those programs when the funding ends. Even when an organization proves its program to be successful, it may well lose its support when in the eyes of the funder, the cause loses its luster or funding priorities change.

There are several significant, negative effects that this funding practice may have on small organizations.

Many small organizations focus strongly on pursuing change (social, artistic, environmental or health) in very narrow but deep ways. These types of change do not happen quickly. As a result, small organizations often organize themselves

around a very few programs that are intended to endure, producing slow but steady incremental change. Unless the organization can find another source of funding that will support the program as it stands (i.e. without making demands that effectively disrupt its functioning,) the organization cannot complete the work.

Many organizations described scrambling to come up with another program that will appeal to the funders’ appetites for the “new” — or to what interviewees refer to less charitably as “the flavor of the month”. This approach to granting funds promotes what one interviewee called “the tail-chasing game” of constantly reinventing the organization just to get the money to run a program. At times the small organizations spend much of their time and attention running the program for which they received the funding, but which is tangential to their real focus. Ultimately, this process of creating programs just to get funding is what inexorably draws organizations away from their mandate.

Because these organizations have few programs, the loss of support for a program can destabilize the entire organization. The funding gap left by that program may affect the organization’s ability to meet the cost of office space, administrative costs or staff. Small organizations have less capacity to offset the lost funding in other areas.

Some funders required funding be used to hire new staff for a project, rather than permitting the organization to use people they already have on staff. This undermined the ability of the organizations to build the on-going human resource capacity they need to be successful. This practice added to the frustration of trying to use their resources — people and funding — in an effective and sustainable way.

Some participants also felt that the focus on “new” projects inevitably draws the lion’s share of funding to direct-service front line work at the expense of other important work such as policy development and advocacy. Their objection is not that front line work is supported; their point is that both are needed. Without work taking place at the level of public policy, much of the effort at the front lines will be ineffectual.

Finally, organizations observed the difficulties in getting funding support if their cause is controversial, or perhaps “just isn’t sexy”. Groups whose causes are not top-of-mind with the public or are not the current “fad”, struggle for support. Corporate funders in particular were seen to want to **support “safe causes”** that will not harm their reputations or offend their stakeholders.

Perhaps not surprisingly, while almost all these small groups depended on lottery or casino funding, the groups whose causes are perceived as controversial or “not sexy”, were more dependent on these sources of funding than others.

The organizations in this study saw different options in terms of how to best generate the revenue they required. A few groups were waiting to get charitable status so they could begin fundraising and applying for grants, while others wanted to move to a donation and revenue generating/earned-income model because their current “grants are so terribly cumbersome.”

Human Resource Capacity

Human resource capacity includes both the volunteers and paid staff that support the work of an organization. There was considerable variation in the human resource capacity of the organizations participating in this study. Most organizations had some paid staff, although 14 had 2 or fewer full-time staff and 5 of the 14 had no paid employees. Some organizations had part-time employees; others had none. There was also great variation in the number of volunteers supporting these organizations ranging from 0 to more than 300.

Building and sustaining the necessary organizational capacity to survive was a significant concern. The growing demands for, and increased complexity of, administrative and operational accountability, strains the capacity of these small organizations to manage the workload and maintain day-to-day operations. The umbrella organizations identified the urgent need for small organizations to develop this capacity, but there was no apparent way for them to do so.

The limited human resource capacity of these small organizations had a number of implications. Some participants spoke of long working hours with no respite and a sense of isolation,

with no one to go to for advice or support. The limited help available in the day-to-day running of a smaller organization was a major challenge. Almost everyone spoke about difficulties with the administrative aspects of the work. Many referred to themselves as “self-taught” and described picking up expertise in unexpected areas out of sheer necessity. Almost everyone considered the quantity of work required to be one of the challenges of working in a small organization: “80 hours a week is average.” Many of the interviewees felt the strain of personally trying to shoulder the entire task of running and operating the organization, even if they had one or two other staff. They knew they were burning out, and as several said, in almost identical words, “you can only live on passion for so long.”

“There needs to be support for the higher-level work that is really geared to changing outcomes like the population health approach where you look at the larger issues. You need the organizations that help individuals, but you need organizations that have time to think about, talk about, raise awareness of the broader issues, and we’re not getting the support to do that work.”

The breadth of the leadership role in these organizations raises questions about the “appropriate” preparation for leaders of voluntary organizations. The original founders, who had a passion to make a change in their community, headed many of these organizations. However, passion and motivation do not necessarily come packaged with an organizational management and leadership skill set. Interviewees talked about the breadth of learning they had to do on the job, everything from where to rent tables and chairs inexpensively to managing a database, financial management, strategic planning, negotiating international contracts, fundraising, writing successful grant applications and making persuasive presentations. Mentors helped some of the participants learn the ropes, but there was also a sense that there were no programs available to help them or to train staff in the skills they required, leaving learning on the job the only option.

Volunteers are an essential part of many small organizations; however, many study participants felt that they were unable to make the most of their volunteers and board members. They found it a challenge to support volunteers, to provide training and to design tasks or projects so that volunteers could easily complete them. A few felt that it was more efficient and easier to complete the tasks themselves. While participants discussed the challenge of finding board members with the skills needed, many said that the bigger challenge was to keep the skilled board members they had. Members of working boards were lost to burnout, competing interests and other priorities. Some participants, concerned about burning out their most dedicated volunteers, were trying to limit the number of hours volunteers worked each week.

Small size also had an impact on attracting and retaining paid staff. They had extremely limited resources with which to pay salaries or provide benefits. Furthermore, because the staff complements are so small, individual staff members generally need to be able to perform a wider range of skills than is typical in larger organizations. They may also need a higher level of skill simply because there is less support. People with these qualities are also attractive to corporate or public sector organizations that can offer higher salaries.

Yet there are many highly skilled people in the voluntary sector. Small organizations are densely populated with them, and the interview participants were acutely aware of their presence, and in many cases, of being those people themselves. Instead of feeling relief or gratitude about the presence of these skilled people (although they felt and expressed those things), their comments were burdened with worry over the prospect, if not the certainty, of those people leaving.

Funding practices may aggravate this challenge, for example, limitations on the use of funding for administration, including the payment of salaries, and requiring that new program staff be hired instead of using existing staff. This is a serious disincentive to organizations that would otherwise be able to attract or retain employees with opportunities for professional growth and

development. Rather than building capacity, this practice is “capacity-breaking”, in the sense that the organizations lose the knowledge and skills gained by the program-specific staff when the program is over and the staff leave.

Organizations often had to deal with the contradictory assumptions of some funders — on the one hand the belief that work in the voluntary sector is low skilled and “Mickey Mouse”, while on the other hand, expecting these organizations to meet rigorous standards for outcome and performance measures, without supporting the salary levels to do this work.

Turnover in these organizations is more than an inconvenience. When key staff or volunteers leave, particularly if they have been there for a long time, the organization loses its knowledge base and organizational memory. Because these organizations are so thinly resourced, there is no redundancy in human resources, institutional systems or processes to retain intellectual capital so that it is still available to the organization when needed at some future point. In effect, the loss of even one person can destabilize the organization.

Almost all of the participants talked about the precarious situations that result when all the accumulated knowledge rests with a few dedicated individuals, whether they are paid staff or long-standing board members or volunteers. Many spoke of specific incidents where the loss of a key individual had near-fatal consequences for their small groups. Setbacks varied from the loss of essential skills and knowledge to the loss of essential records and documents. For entirely volunteer-run organizations, these kinds of events seemed more common and represented ongoing threats to their momentum. More than one person mentioned the scenario of losing articles of incorporation or documentation required by the Canada Revenue Agency when the person storing them at home moved away.

When people leave, small groups may find themselves in a vulnerable position, in danger of losing momentum, credibility, morale and even their ability to carry on. Several interviewees mentioned how difficult it would be to start again if their organizations failed.

Place-Based Challenges: The Calgary Reality

The biggest challenges these groups faced to carry out their work or activities were not related to their size, but to Calgary's booming economy. Almost everyone was concerned about poverty and the cost of living and working in Calgary. Many commented that in the past, they could identify one or two key issues that needed immediate attention but now, "all aspects of life are under attack" and everything is connected in terms of the issues.

Challenges related to the economic boom conditions were quite diverse. Transportation and parking issues were becoming barriers for people who want to take part in the activities of these organizations. Some felt that funding, in-kind and cash donations were drying up. For some, the impact was felt in the increased difficulty in finding volunteers, particularly the skilled board members they needed. Individuals from small organizations with paid staff were uncomfortable about underpaying people and questioned the ethics of continuing to do so.

The lack of affordable, accessible, long-term space for lease was foremost in many people's minds. Participants talked about the difficulty in finding additional monies to cover increasing expenses, especially rising occupancy costs. As a result, several organizations had to cut programs or activities and others expected to have to do the same in the future.

Nearly half of the participants in the study did not have operating space of their own. Four of the participants operated from offices in their home; four others shared space with other organizations. Space for offices, for programs, and for other organizational events and activities rated almost as highly as core funding on the list of concerns challenging the sustainability of the small organizations. The affordability of space is a large part of the concern, as in Alberta generally, and Calgary particularly, space is at a premium and is extremely costly, especially in the desirable city core areas.

The unique needs of arts organizations for performance space, exhibition space, production and equipment storage space posed particular challenges. For these organizations, appropriate space is as much a make-or-break issue as core funding.

"Space is a huge issue — not just for our organization — funding and space in Calgary are the huge issues."

Samantha Grabinsky, former Production Manager, Inside Out Theatre

Unlike many other small organizations that may operate out of residential neighbourhoods, zoning and bylaw restrictions often limit where arts organizations can locate.

One of the obvious alternatives is for these small organizations (not just arts organizations) to move outside the city core, and many have done so. However, the trade-off is that they become less accessible to those they serve. There is little value in finding a suitable space at the right price if it is not accessible to people with disabilities, or people who do not drive, or if there is no public transit service within a reasonable distance.

Collaboration and Networking

One of the outstanding characteristics of the small organizations in this study was the high value they placed on their independence. Although they expressed reluctance to consider merging with other organizations, all participants were open to the idea of sharing, collaborating or networking with others. There was broad agreement on the importance of building a collaborative atmosphere and a culture of supporting others in the sector. Many participants described ways in which they already do so, such as having operating space because another organization made room for them, using a partner or sponsor's office equipment and supplies, or simply having good relations with other organizations that share their purpose or interests. Organizations with space and resources they could share were eager to build relationships with groups in need of what they could offer.

Some participants indicated their interest in collaborating with partners outside of the sector, for example, with government or the private sector. This could take the form of providing arts-related programming as a corporate wellness program in exchange for operating space in a corporate office building. Another example was moving beyond strictly funding relationships, to collaborating with

government on programming and priority setting in a health-related area. In both cases above, the challenge for these organizations was in finding a willing partner.

Despite the expressed openness to collaboration, the degree to which these organizations actually worked with others was limited. The reasons for this varied. Some organizations were wary about being “too collaborative”; they were concerned that the collaborative initiatives would fail if partners had different values or expectations, such as a different tolerance for risk. Others felt that competition between organizations in the sector was an obstacle to working together, for example, in speaking with a common voice to governments or other funders.

The biggest barrier to collaboration was the time and difficulty required to identify potential partners. All the organizations that wanted to connect with others wished there was someone to help facilitate this process, bringing together organizations with mutual needs and interests. Most participants were aware of the opportunities provided by the Calgary Chamber of Voluntary Organizations (CCVO), Volunteer Calgary, and CentrePoint Non-Profit Management (CentrePoint) for organizations to connect, as well as providing courses and other resources that would be of benefit to these small organizations. However, they identified the difficulty in finding the time to attend meetings, workshops or events as a major barrier to participating. Again, due to their small size, participating in a meeting during working hours would usually mean closing the office. Particularly for organizations providing services to clients with special needs, an office closure of even a few hours can be a major disruption to lives already difficult.

Despite the benefits associated with collaboration at a formal or informal level, many participants pointed out that funders did not seem to recognize collaboration as a fundable activity.

What Would Help

In response to the question of what might help them manage challenges to the future of their small organizations, the participants offered quite a variety of suggestions. The main themes that emerged were: recognition; funding; affordable operating

space; cooperative or collective access to business services; improved connections to the business community, and in-kind goods or services.

1. Increased recognition and valuing of the contributions of small organizations to our community.

Participants expressed concerns that there is little recognition or understanding, particularly by government, the corporate sector and other large institutions, of the contribution of small, community-based organizations to healthy, vibrant communities. Small organizations provide a place for citizen engagement; identify and address emergent issues and respond to community needs and opportunities. These are particularly important for a vibrant civil society, even more so in a city dealing with community based issues related to rapid growth. However, if small, community-based organizations are not recognized and valued as a vital part of a healthy community, they are not likely to be a priority area for research and investment in the future.

2. More funding stability and improved funding practices.

Small organizations are particularly vulnerable to funding fluctuations. Increased availability of funding to support their core operating costs, even at a modest level, would help stabilize these organizations. Other changes in funding practices, such as funding levels that recognize realistic salary and compensation costs; eliminating onerous conditions, such as restrictions on using existing staff for funded projects; and ensuring that reporting requirements are appropriately scaled to the size of the grant, the degree of risk and the administrative capacity of the organization would also have a positive impact.

3. Increased access to affordable operating space.

Small nonprofit and community groups often struggle to find affordable operating space. Business centers or collaborative spaces that provide the opportunity to share office, reception services, mail, file storage and meeting space would be a valuable support for these organizations. Cultural organizations identified the need for similar collaborative cultural space. Beyond the benefit of sharing the costs of some essential

operating services, organizations were looking to reduce their vulnerability to increasing market rates or changes in the circumstances of their partners, such as a loss of funding support. One suggestion was that corporations or commercial enterprises providing office space to nonprofits or charging below market rates might receive some form of tax benefit as an incentive.

4. Increased collaboration between organizations.

Many participants identified the need for more collaboration between organizations in the face of competitive pressures. While there was an awareness and apparent desire to collaborate more, time and difficulty in identifying potential partners was a major barrier. People wished for “someone” to help make these connections — a sort of collaboration match-making service to identify mutual interests and needs and facilitate opportunities for interaction.

5. Cooperative or collective access to business services.

Participants identified a range of business services, such as audit and accounting services, insurance, staff benefits, human resource man-

agement, purchasing of office supplies, web support, printing, copying, etc., where some form of collective or cooperative arrangement would be helpful in increasing operating efficiencies and reducing costs.

6. Improved connections to the business community.

There was a strong desire to build better connections between small nonprofits and businesses in the community. Funders might be able to play a greater role in fostering these connections between funded agencies and the business community. Other suggestions included developing a list or directory of small businesses and companies who work with community groups, offer reduced costs, etc.

7. In-kind donations and services.

In-kind donations of items such as computers, nonprofit accounting software, vehicles, etc. are also welcome, depending on the needs of individual organizations. These types of donations build the capacity of small organizations by providing required equipment or technology, and may enable them to reallocate funds to other purposes.

Recommendations For Action

The picture of small organizations that emerged in this study is one of passion, commitment, community engagement and resilience. In many ways, the issues and challenges identified in this study echo the findings of earlier reports on the sector, such as *Strength Under Stress*. Financial and human resource issues were common concerns in both studies; however, the difference is largely a matter of degree, with the smaller organizations experiencing both challenges and opportunities more acutely. Because of their size, small organizations can become precarious when their human or financial resources are undermined in even small measures.

Despite the pervasive theme of the tenuous existence of small organizations, at the same time their resilience and determination to persevere were

also evident. They have a strong visionary perspective about the place of both small organizations and the voluntary sector, in community. Small organizations perform a unique role in providing opportunities where citizens can connect and be engaged in simple and immediate ways. If this role is valued, we would not presume that becoming large should be the ultimate destiny for the small. If these organizations are the foundation of a vibrant civil society, then the question is “How should they be supported and nurtured?”

By Small Organizations

Small organizations can take steps themselves to reduce their vulnerability. This study revealed that the leaders of these small nonprofits are driven by the cause of their organizations. Powerful as this

passion is, running a successful small nonprofit also requires attention to the *business work* that sustains the cause work. Networking and seeking out collaborative opportunities are two powerful options for small organizations to pursue. Many small businesses have benefited by joining associations that provide opportunities to take advantage of the economies of scale available to larger groups, for example, in purchasing, accessing insurance or administrative services. Small voluntary sector organizations would receive similar benefits from joining with others, not just to access services, but also to strengthen their voice in advocacy and promotion of their collective value to the community.

There are many resources and services to support small organizations that are widely available, often at no or minimal cost. These range from excellent resources on diverse topics such as human resources, insurance, managing volunteers and recruiting board members to mention a few. Local organizations such as the Calgary Chamber of Voluntary Organizations (CCVO), CentrePoint Non-Profit Management (CentrePoint), and Volunteer Calgary are good sources of information and offer programs and activities to support small organizations.

By Funders

Another pervasive thread through this research was the apparent gap between funders and small organizations. Our understanding of the extent of this issue is limited by the fact that this study did not include funders, so their perspective is missing. What was apparent was that the small organizations feel greatly misunderstood, undervalued and unappreciated by funders.

There was a sense in these interviews that funders confused accountability with creating value. While it is important to be able to show how funds have

been spent and what has been achieved, the level of control by funders related in this study appears in some cases to actually hobble the work of the organizations by disallowing reasonable expenditures. Inadvertently, funders may limit the organization's ability to give them the return on their investment they presumably want to see in the outcome measures. Funders need to trust the organization's leaders to manage. If they cannot, but still believe in the work, then they need to expect greater skill in oversight from the organization's board and facilitate the building of capacity in the leadership.

By Leaders

Capacity-building leaders have an opportunity to examine how they connect with small organizations—to innovate to more effectively deliver resources to reach them and best meet their particular needs. Helping small organizations to explore new practices and models in sharing and offering new options for them to connect, collaborate and engage in ways that recognize their distinct limitations, could increase the effectiveness of the work of sector leaders.

No Small Thing surfaced a range of insights into the life of small organizations. It answered the primary questions that were the impetus for the study, but it has also raised others. It opens the door for inquiry into what makes for effective resource and service delivery, for best practice funding, as well as life-cycle research that examines, growth, status quo and ending operations. It points the way for voluntary sector leaders to facilitate dialogue on the role of the voluntary sector in civil society.

The CCVO invites comment on these and any other points this work might inspire.

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APPENDIX

Participating Organizations

Alberta Craft Council
Alberta Ecotrust Foundation
Arusha Centre
Ayudamos Foundation
Calgary Children's International Summer Villages
Calgary Society of Independent Filmmakers (CSIF)
Canadian Association for Participatory Development
Centre Stage Theatre Company
CentrePoint Non-Profit Management
Council of Sikh Organizations
Disability Action Hall
Ethno-Cultural Council of Calgary
Federation of Calgary Communities
Inside Out Integrated Theatre Project
Marda Loop Justice Film Festival
O.B.A.D. The Organization for Bipolar Affective Disorders Society
PAL (Performing Arts Lodges) Calgary
Pro Arts Society
Sexual Health Access Alberta
Spread the Love
Stage Left Productions
Stone Soup
Wellspring Calgary

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