

MAKING AN IMPACT

ONTARIO'S SOCIAL ENTERPRISE PROGRESS REPORT 2015





ONTARIO'S RISING STARS

Social enterprises are businesses with a mission to improve the world.

All across the province, thousands of social enterprises are turning unmet social, economic and environmental needs into viable business opportunities. They are creating jobs, protecting the environment, reducing poverty and much more by reinvesting their revenue into their businesses, our local communities and our province.

They are the rising stars of Ontario's economy and an important part of a socially aware, innovative, economically sound and sustainable future.

Our government believes in the power and potential of Ontario's social enterprises. Simply put, our goal is to make Ontario the best place in North America to grow a social enterprise and, in the process, help build a more fair and prosperous province for everyone.

We launched **Impact: A Social Enterprise Strategy for Ontario** in 2013 to help grow an innovative, co-ordinated and collaborative social enterprise sector. The \$25-million, multiyear strategic plan helps social enterprises start up, connect with investors and create new jobs — jobs that often go to members of disadvantaged communities and groups.



WHAT'S DRIVING SOCIAL ENTERPRISE?

Youth entrepreneurship is changing.

The social enterprise movement is led by a new wave of entrepreneurs who want to balance earning a profit with making a positive social impact.

Consumer demand is changing.

People are becoming more aware of the social impact of their spending — the number of socially conscious consumers has risen by 170 per cent in the last 20 years.

Access to capital is changing.

The global social finance market is growing rapidly and is projected to reach \$1 trillion by 2020.

Government's role is changing.

Social enterprises can offer innovative ways to address needs that are too complex and important for the public sector to tackle alone.

INSPIRING COLLABORATION

Collaboration is the cornerstone of our social enterprise strategy. Through partnerships, Ontario is helping social entrepreneurs find the resources and services they need to be successful.

We joined forces with the Community Economic Development Network, Pillar Nonprofit Network and the Ontario Nonprofit Network to create the Social Enterprise Ontario website — **SEOntario.org**. This community-driven site connects social enterprise stakeholders across Ontario to a wide range of information, news and resources.

The Ontario government also partnered with Social Capital Markets (SOCAP), MaRS and RBC to host Impact Ontario — a networking conference to connect like-minded people who share a passion for change. This sold out event brought together Ontario's leading social ventures with Canadian and international investors.



DID YOU KNOW?

- Ontario has almost 10,000 social enterprises employing an estimated 160,000 people.
- Social enterprises serve 3.4 million customers per year.
- 68 per cent of social enterprises in Ontario have a poverty reduction focus.
- Global investors committed \$10.6 billion USD in impact investment in 2013 and intend to invest 19 per cent more — or a total of \$12.6 billion USD — in 2014.

ENABLING IMPACT INVESTMENT

Financing is a major concern for social entrepreneurs. In fact, 80 per cent of them identify access to capital as the major barrier to success.

All entrepreneurs need money to develop their ideas, test them and bring them to market. They also often need additional financing to expand if they're successful.

Traditional businesses have access to share offerings or loans. Charities can appeal to individuals, foundations and governments for support. But this funding is often not available to social enterprises, which rely on earned revenue, loans or equity investors to finance their growth.

Our government is exploring innovative finance tools and looking at new ways to connect social entrepreneurs with private investors.

We partnered with the Centre for Social Innovation, TD Bank Group, KPMG, Microsoft Canada,

Social Capital Partners and Alterna Savings to create the **Ontario Catapult Microloan Fund**. Through this first of its kind in Canada initiative, qualifying Ontario social enterprises may receive loans of between \$5,000 and \$25,000 as well as business mentorship opportunities.

A Catapult loan helped an Ontario educational start-up expand. **Peekapak** makes activity kits designed to inspire creative thinking in children. The microloan helped Peekapak launch an e-commerce website to grow their online sales. It also helped the company attract \$150,000 in additional investment.



“The Catapult program provided much needed financial support, and also the support of an amazing community of inspiring change makers and innovators.”

Ami Shah, CEO & Co-Founder, Peekapak

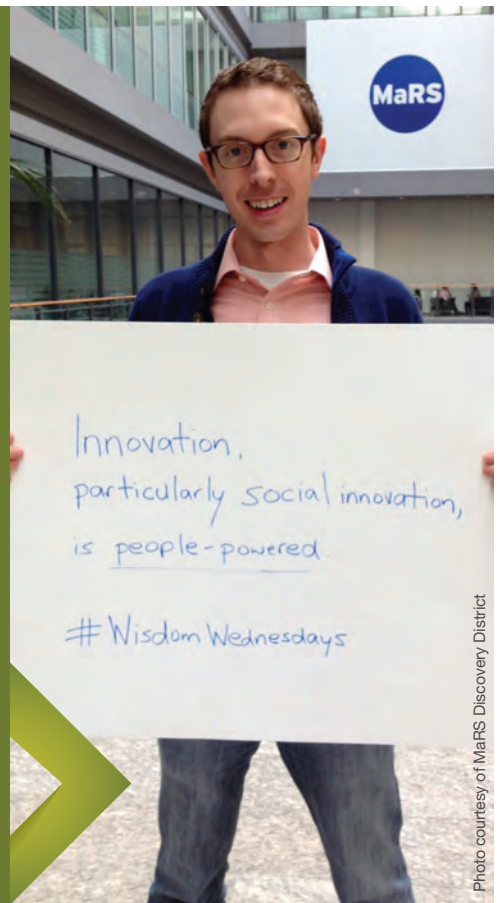
Our government recently launched the **Social Enterprise Demonstration Fund**. The \$4-million pilot fund helps the private and not-for-profit sectors create flexible pools of capital in communities across the province so they can expand financing opportunities to high growth social entrepreneurs.

RISE Asset Development provides microfinancing to entrepreneurs with a history of mental health or addiction challenges, helping to create flexible job opportunities so they gain economic independence. RISE received support from the demonstration fund enabling it to offer loans and other forms of microfinancing to more aspiring social entrepreneurs and expand into several new and underserved communities, including Windsor and Sault Ste. Marie.

Ontario's Community Loans Pilot Project gives small business owners discounted commercial loan rates if they commit to hiring people with disabilities or others who face employment barriers. We are consulting with financial institutions to expand the loan program, which is developed in collaboration with **Social Capital Partners**.

"It has been a banner year for social enterprises in Ontario. SVX is delighted to be a part of the world-leading Ontario market that is driving millions in capital towards enterprises that generate positive impact, from more sustainable food systems to a better quality of life for people with disabilities."

Adam Spence, Founder, SVX and Associate Director, MaRS Centre for Impact Investing



The Social Venture ConneXion (SVX) is the first online platform of its kind in North America. It launched in September 2013 and connects investors with investment-ready social enterprises. To date, it has already raised \$3.2 million with 23 social ventures approved on the platform. The province recently announced that SVX will expand its operations into California through a new impact investing partnership. More than 80 concepts for the first **Social Impact Bonds (SIBs)** in Ontario have been

received from charities, not-for-profits, foundations and municipalities from across Ontario. Social Impact Bonds use private investment to finance a social enterprise. If agreed-upon social outcomes and savings to government are achieved, returns are paid to investors by the government. SIBs can help address challenges that are too difficult — and too important — for government to solve alone such as affordable housing, youth at risk and employment for persons facing barriers, including persons with disabilities.

ACCELERATING GROWTH

Our social enterprise strategy is helping social entrepreneurs get the services and solutions they need to start or grow their ventures.

To ensure the sector is getting effective support, we held consultations with social enterprises across the province in 2013. More than 350 social enterprises identified administrative and regulatory requirements that may be interfering with their success. We received valuable feedback from a diverse range of stakeholders, including French, Aboriginal,

northern and cooperative social entrepreneurs. Their comments are guiding our plans to help the social enterprise sector grow.

We worked with the Ministry of Government and Consumer Services to assemble a Hybrid Legislation Expert Panel to explore the possibility of amending Ontario's business incorporation laws. These potential legislative changes would allow businesses to more explicitly pursue a dual purpose — making a profit and also fulfilling a social or environmental goal.



1 in 3
SOCIAL
ENTERPRISES
IN ONTARIO EARN
\$1 MILLION
OR MORE ANNUALLY

DIGGING IN

Fresh City Farms encourages Ontarians to make conscious food choices — to eat healthy, chemical-free food while supporting local farmers. Fresh City helps people start their own city farming business by transforming yards and unused spaces into urban farms. It also offers home delivery of organic food. The Ontario Catapult Microloan Fund helped Fresh City launch a new online grocery store to expand its customer base by featuring almost 1,000 local and organic products.

“The loan is important, but what makes the Catapult program different is that it plugs you into a wider community of people and organizations making a difference in the world.”

Ran Goel, Founder, Fresh City Farms



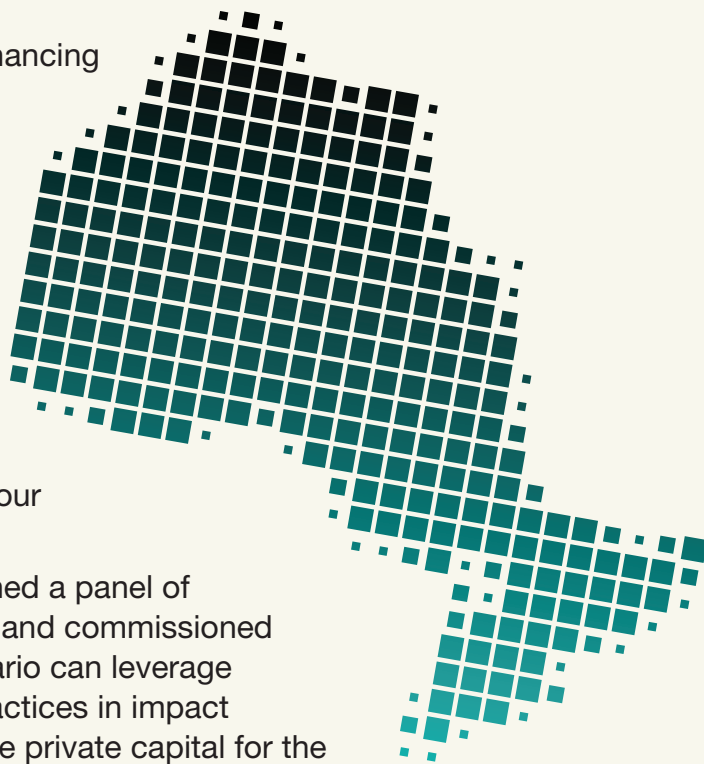
TRACKING OUR PROGRESS

Our government is partnering with community-based organizations to monitor social enterprise trends and opportunities. This will help us measure accomplishments, better promote the sector in the marketplace and with investors, and help us track future growth.

CCEDNet Ontario, socialsca.pe and other organizations are working to develop more robust, standardized data on social enterprises. Reliable statistics will help prospective investors assess potential investments and help social

enterprises attract financing from institutional investors, such as banks and pension funds. Events — called Mapathons — were held in Ottawa, Sudbury, Guelph, Thunder Bay, and Sault Ste. Marie to identify social enterprises in our province.

We also have convened a panel of international experts and commissioned a report on how Ontario can leverage international best practices in impact reporting to help drive private capital for the public good.



INNOVATION & ACCESSIBILITY

Komodo OpenLab Inc., develops inclusive technologies that provide simple and easy access to mainstream mobile devices for people with disabilities. Komodo improved access to millions of apps for people with mobility issues. Their open source model allows users to adapt and build on their technologies to make daily activities, like going to work or school, easier.

“My everyday motivation is seeing how our users in over 20 countries are now more independent thanks to their smart devices. We believe that all technology is assistive; we just make it inclusive so that everyone can use it.”

Mauricio Meza, CEO, Komodo OpenLab Inc.



TOOLS FOR CHANGE

The Toronto Tool Library is a dynamic community hub offering a wide range of tools for loan. It offers members an affordable opportunity to access tools, learn new skills and reduce their environmental impact by participating in the sharing economy. Support from the Ontario Catapult Microloan Fund helped the tool library renovate, promote and staff their two Toronto facilities.

“Nothing is more gratifying than having your project recognized as part of the new direction towards a sustainable, equitable planet.”

Lawrence Alvarez, Co-founder,
Toronto Tool Library



ONTARIO'S BRIGHT FUTURE

Ontario is creating the right climate to help our social enterprises grow and for the province to become a global leader in this field.

We envision a future where scores of innovative and business savvy entrepreneurs are building social enterprises across our province. People who are dedicated to introducing others to opportunity. People who are providing jobs and life skills. People who are committed to making

Ontario better and changing our world.

Ontario will have more success stories. We will find more innovative partnerships and initiatives. We will support collaboration opportunities to provide social entrepreneurs with the tools, networking opportunities and funding they need to move great ideas from the drawing board into our communities.

CONTACT US

Learn more about how social enterprises are helping to create jobs, attract investment and make Ontario communities more vibrant.

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